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Investing for a
world of change

Understanding shares and ETFs

Both shares and exchange-traded funds (ETFs) allow investors to participate in the growth of companies and markets through the stock exchange. However, while a share represents ownership in a single company, an ETF provides exposure to a basket of shares or other assets, offering built-in diversification in a single trade. Understanding how they compare can help investors choose the right mix to meet their investment goals.

Similarities between shares and ETFs

- **Listed on the stock exchange:** Both can be bought and sold throughout the trading day at market prices.
- **Liquidity:** Investors can easily enter or exit positions, depending on market demand.
- **Price transparency:** Prices are visible in real time, just like ordinary shares.
- **Potential for growth and income:** Both can generate returns through capital appreciation and, in some cases, income distributions (such as dividends).
- **Accessibility:** Both can be traded through a stockbroker or online trading platform or Linked Investment Service Provider (LISP) platform (via a share portfolio).

Differences between shares and ETFs

	Shares	ETFs
Represents	Ownership in a single company . When you buy a share, you own a small portion of that business and participate in its growth.	Ownership in a portfolio of securities (shares and/or bonds), tracking an index or managed by professional managers aiming to outperform the index.
Diversification	Exposure to one company only; outcome depends on that company's performance.	Automatically diversified across multiple companies or assets, reducing single-company risk.
Management	No active management. Performance depends solely on the company's results.	Professionally managed or structured to track a specific benchmark or structured to follow a specific active investment strategy.
Risk	Generally higher risk due to concentration in one company.	Generally lower risk through diversification.
Income	Dividends (if declared by the company).	May distribute dividends or interest from the underlying holdings.
Cost	Transaction costs (brokerage, bid-offer spreads, STRATE, investor protection levy, VAT). Securities transfer tax (STT) applicable on buying.	Transaction costs (brokerage, bid-offer spreads, STRATE, investor Protection Levy, VAT). No STT applicable but an annual management fee is included in the ETF.

How exchange trading has evolved: The rise of AMETFs

Investing has evolved significantly over time. Initially, investors had to build their own **share portfolios**, selecting individual companies to create a mix of shares. **Passive ETFs** then allowed investors to track indices (like the JSE Top40) easily through a single investment. Now, **actively managed ETFs (AMETFs)** represent the next stage in this evolution as they combine active expertise with the flexibility of modern investing.

Benefits of active management

Potential for outperformance | Dynamic decision-making | Expert portfolio construction | Risk management



Intraday liquidity | Accessibility | Trading efficiency | Diversification

Benefits of an ETF

Ninety One AMETFs

We're starting with income AMETFs because they fill a key gap in the market – giving investors access to a multi-asset income strategy that blends different asset classes in a single JSE trade. Moving beyond traditional GOVI trackers, these ETFs bring Ninety One's **leadership and depth of experience in income investing to the JSE.**

Why Choose Ninety One for AMETFs?

With over 30 years of active investment expertise, R3.5 trillion* in assets under management, and a global team of nearly 250 investment professionals across 22 offices in 15 countries, Ninety One brings its proven capabilities to the ETF market. Our ETFs offer flexible, low-minimum access to the same underlying portfolios managed by Ninety One's experienced investment teams, helping to bridge the gap between traditional unit trusts and exchange-traded offerings. Our new actively managed ETFs bring a new dimension to how you can combine the flexibility and transparency of an ETF with Ninety One's compelling long-term track record in active investment.

Our Ninety One AMETF range

	Ninety One Diversified Income Prescient Feeder Actively managed Exchange Traded Fund	Ninety One Global Diversified Income Prescient Feeder Actively managed Exchange Traded Fund
	91DINC gives investors access to Ninety One's well-established multi-asset income strategy in a listed format, targeting stable, above-cash returns with downside risk management. The portfolio is Regulation 28 compliant and diversified across local bonds, investment grade credit, cash, property, equities, and offshore assets, with a strong focus on income generation and capital preservation.	91GINC offers offshore diversification through a global, low-duration, multi-asset income strategy aiming to deliver US dollar cash +1.5 over rolling 12 months with no negative returns. With a focus on high-quality fixed income assets and built-in currency diversification, the fund seeks to deliver consistent yield while limiting drawdowns.
JSE Code	91DINC	91GINC
Benchmark	STeFI Composite	Overnight SOFR (ZAR)
Performance Target	The portfolio aims to maximise yields, delivering above cash and above-inflation returns over time.	Overnight ZAR SOFR + 1.5% (gross of fees) over rolling 12 months with no negative returns

What Ninety One's AMETFs offer

- **Active management** for better outcomes
- **ETF accessibility** for everyday investors
- **Trusted expertise** from a global investment leader

Visit ninetyone.com/AMETF to learn more >

Important information

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CISs are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Management Company. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

Exchange traded funds are listed on an exchange and may incur additional costs.

Though the Management Company has appointed Ninety One SA (Pty) Ltd, FSP 587, an authorised financial services provider, under the Financial Advisory and Intermediary Services Act, 2002 as its investment manager, the Management Company retains full legal responsibility for any third party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

Performance has been calculated using net NAV to NAV numbers with income reinvested .

Exchange Traded Funds vs Unit Trusts: Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Schemes Control Act, ETFs trade on stock exchanges just like any other listed, tradable security. Actively managed ETFs (AMETF) offer exposure to CIS and differ from other ETFs which track indices because the fund manager actively selects and adjusts the fund's holdings and asset allocation to try to outperform a benchmark. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours.

For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za.

This portfolio operates as a white label fund under the Prescient ETF Scheme, which is governed by the Collective Investment Schemes Control Act.

The Management Company may close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

The Management Company (Prescient) and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient and Ninety One are members of the Association for Savings and Investments South Africa.

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*as at 30 September 2025

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