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Investing for a
world of change

Understanding unit trusts and ETFs

Both unit trusts and exchange-traded funds (ETFs) are popular ways to invest, offering investors access to diversified portfolios managed by professionals. While they share many similarities, they differ in how they are structured, traded, and priced. This means each offers distinct benefits depending on an investor's needs and preferences. The comparison below highlights the key similarities and differences to help investors understand how each works and how they might fit into a broader investment strategy.

Similarities between ETFs and unit trusts

Both ETFs and unit trusts are **collective investment schemes**, meaning investors' money is pooled together and managed according to a defined investment strategy. Key similarities include:

- **Diversification:** Both provide access to a wide range of securities such as shares, bonds, listed property or other assets, helping to spread investment risk.
- **Professional management:** In both cases, investment professionals manage the underlying investments according to the fund's stated objectives.
- **Regulation and transparency:** Both structures are highly regulated by the Financial Sector Conduct Authority (FSCA), with regular reporting and disclosure requirements.
- **Income distributions:** Both can pay out income, such as dividends or interest, to investors.
- **Accessibility:** Both can be included in various investment vehicles such as retirement funds, tax-free savings accounts (TFSA) and living annuities.

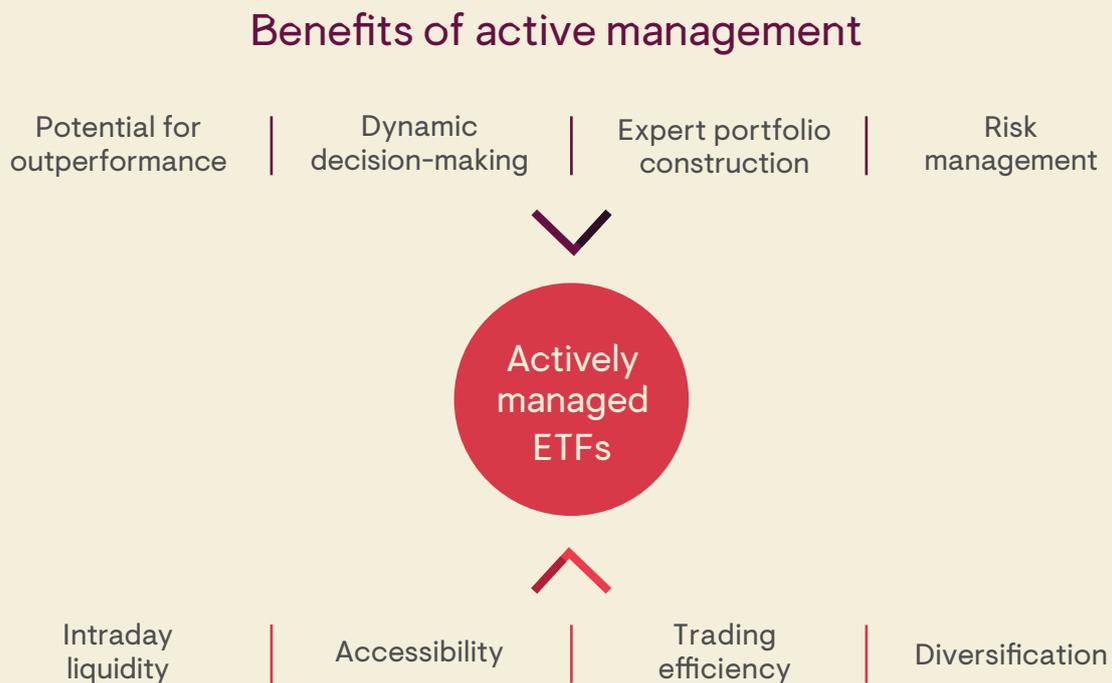
Differences between ETFs and unit trusts

While they share many features, ETFs and unit trusts differ in how they are bought, priced, and traded:

	Unit trust	ETF
Pricing	Priced once a day at the end of day at Net Asset Value (NAV).	Market price fluctuates during the day based on supply and demand but usually tracks the underlying value closely.
Trading	Bought or sold directly with the manager of the unit trust at the end-of-day price (Net Asset Value).	Traded on a stock exchange throughout the day , like shares.
Liquidity and settlement	Transactions are processed once per day at the NAV and usually settled T+1.	Bought and sold instantly during trading hours and settles T+3 (like shares).
Access	Purchased directly from the fund manager or through a LISP platform.	Purchased via a stockbroker, ETF investment platform, online share trading platform or a LISP platform (via a share portfolio).
Minimum investment	Often requires a minimum initial or monthly investment amount.	Typically, no minimum beyond the price of one ETF share (fractional shares may be available, further lowering the minimum).
Disclosure	Holdings are typically disclosed quarterly.	Some disclose holdings daily, but others disclose quarterly.
Investment style	Can be active (aiming to outperform the benchmark or index) or passive (aiming to replicate the market or index).	Historically largely passive, tracking the market or index, but recent changes to JSE listing requirements have made it possible to allow for active management.

How ETFs have evolved: The rise of AMETFs

Traditionally, ETFs were passive, tracking an index like the FTSE/JSE Top 40. Actively managed ETFs (AMETFs) combine active management with ETF convenience.



Benefits of an ETF

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 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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