



Emerging Markets Corporate Debt Strategy

Investing for a world of change

Fundamentally driven value investing in the best EM corporate debt opportunities

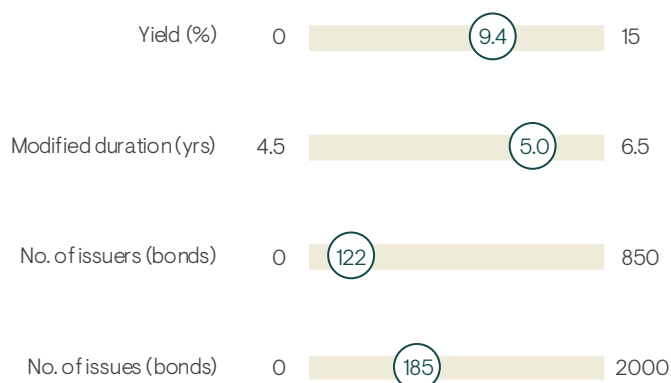
Portfolio managers	Victoria Harling and team
Strategy inception	May 2011
AUM	GBP 4.1 billion as at 31 December 2023
Investment objectives and features	
Return target	Outperform the performance comparison index ¹ (net of fees) over a full market cycle.
Investment opportunity	To take advantage of mispricing and inefficiency in the EM corporate debt universe, which can provide a source of value over time.
Investment universe	A broad and diverse range of emerging market corporate bonds.
Investment approach	Rigorous approach to bottom-up selection, driven by views of global sector specialists. Proprietary ESG analysis and process embeds ESG risk management in portfolio construction.

The role the strategy can play in portfolios

<p>Access to a fast-growing market</p> <p>Asset class has grown by over GBP7.4 billion in the last decade; now larger than the US high-yield and EM hard currency sovereign markets²</p>	<p>Broad & diversified EM exposure</p> <p>Provides access to a broad range of opportunities, spanning sectors and regions</p>	<p>A complement to DM credit</p> <p>Seeks to benefit from EM corporate debt's higher spread and superior risk/return profile for comparable credit quality</p>	<p>Access EM's high yield pick up</p> <p>Aims to provide total returns from both capital appreciation and coupon payment, and harnesses EM's yield pick up</p>
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Portfolio positioning

Current metrics and typical ranges



Approach to alpha generation



The amount of income payable may rise or fall.

¹JP Morgan CEMBI Broad Diversified. For further information on indices, please see the Important information section.

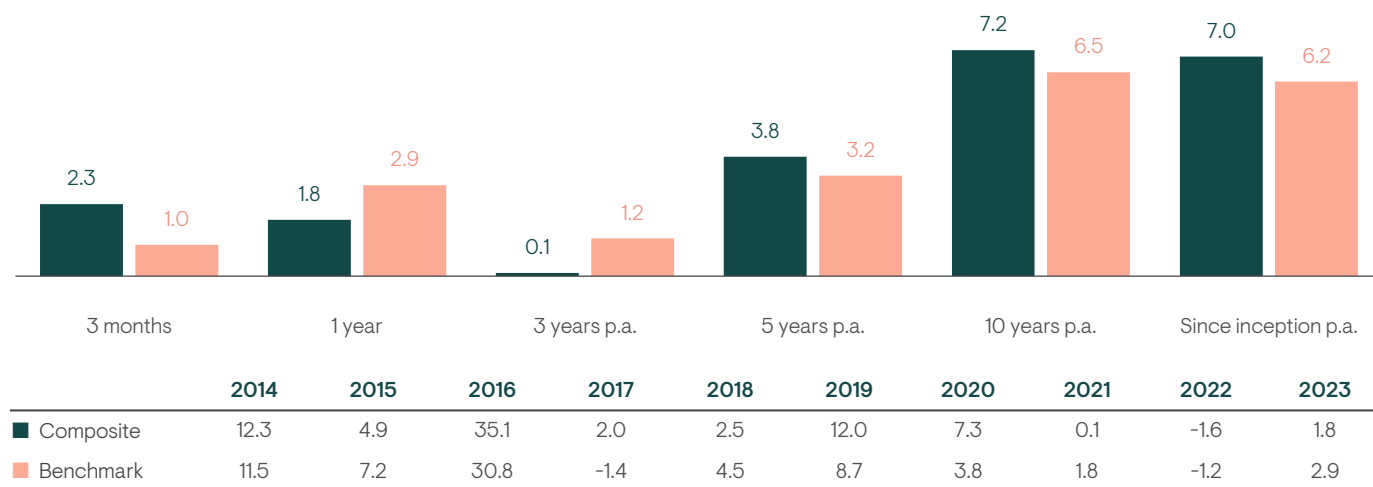
²Source: JP Morgan as at 31 December 2023.

The portfolio may change significantly over a short space of time.

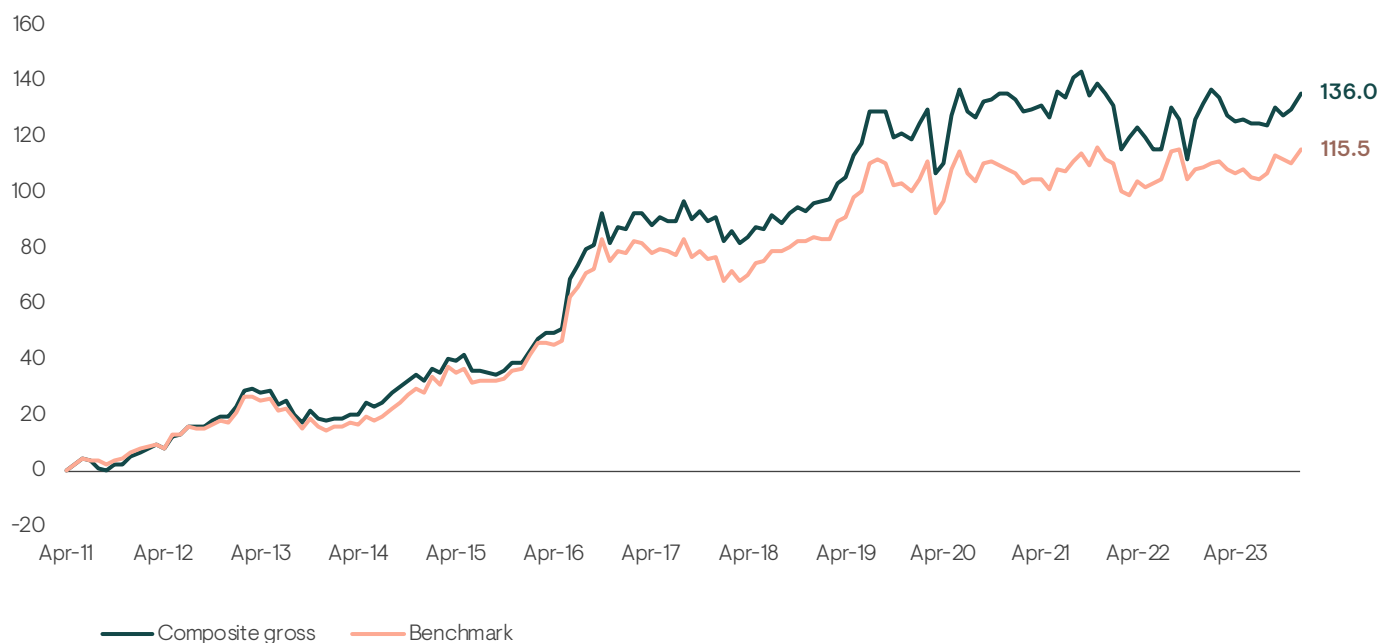
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Track record

Annualised performance since inception in GBP (%)



Cumulative performance since inception in GBP (%)



Past performance is not a reliable indicator of future results, losses may be made.

Source: Ninety One as at 31 December 2023.

Performance is gross of fees (returns will be reduced by management fees and other expenses incurred), income is reinvested, in GBP.

*Composite inception date: 30 April 2011 returns of less than one year are not annualised.

** Benchmark: JP Morgan CEMBI Broad Diversified. For further information on indices please see the Important Information section.

Composite description: Emerging market corporate debt run against the JP Morgan CEMBI Broad Diversified Index, aims to outperform the Comparison index over a full market cycle.

Investment philosophy

- 1 We are fundamentally driven value investors. We take a global sector approach, which we believe, combined with a regional perspective overlay, deepens our analysis
- 2 We conduct detailed bottom-up analysis of companies, which is essential to managing the downside risk of EM corporate debt and assess value
- 3 Following our Compelling Forces™ approach can provide a sustainable, repeatable way to invest successfully in this space
- 4 The investment team and its structure is as important as process

Investment process



Approach to ESG in EM corporate debt

What we look for in our ESG analysis

Environment

- 1 **Climate change:** carbon emissions (level and trend), management and reduction initiatives
- 2 **Land usage:** impact of use of land on biodiversity, investment in sustainable land management and restoration processes
- 3 **Water usage:** volume and sources of water used, recycling and purification processes, and water-saving infrastructure
- 4 **Pollution and waste:** environmental management and recycling initiatives, toxic emissions, reduction targets

Social

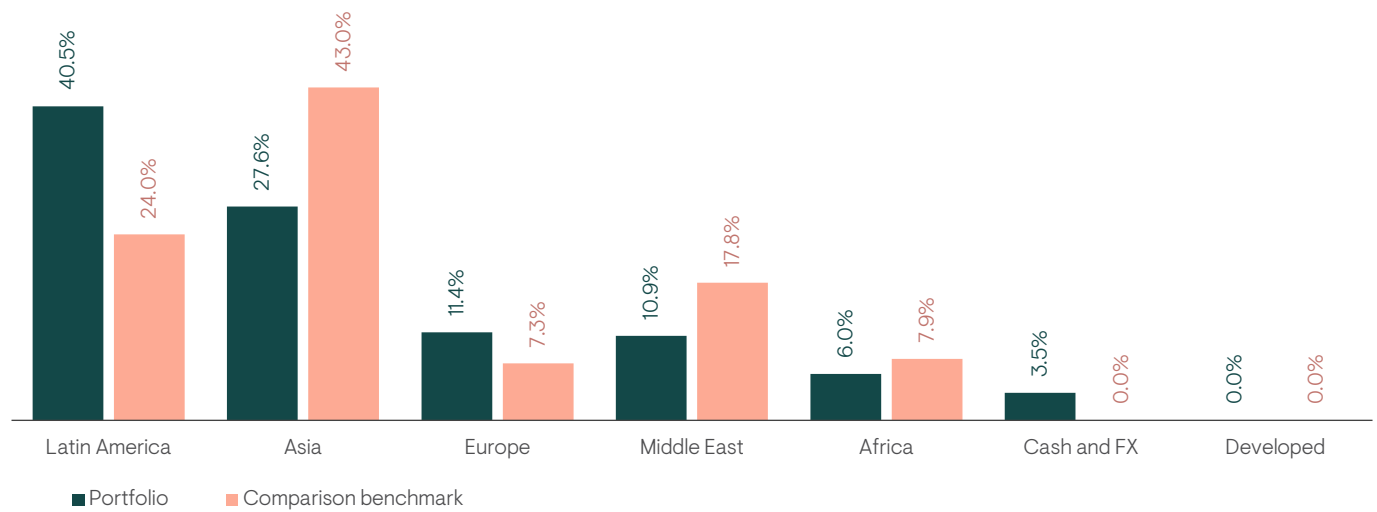
- 1 **Human capital:** relationships with employees and unions, training programmes, health and safety practices, diversity and discrimination
- 2 **Stakeholder contribution:** relationships with community and use of local suppliers

Governance

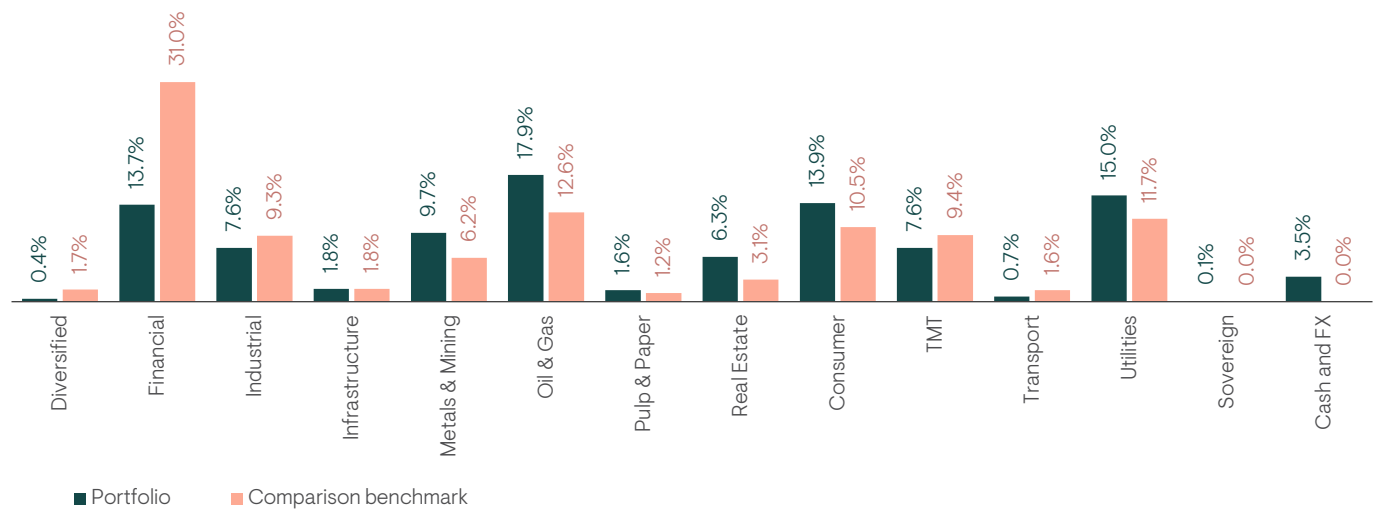
- 1 **Corruption risk:** whistle-blowing programmes, policies on anti-fraud, anti-bribery and anti-corruption
- 2 **Regulatory risk:** tax transparency and payments, compliance with international standards
- 3 **Corporate governance:** board structure and independence, audit committee, accounting policies and prior investigations
- 4 **Tax:** reasonable tax rate and payments, tax avoidance

Portfolio characteristics

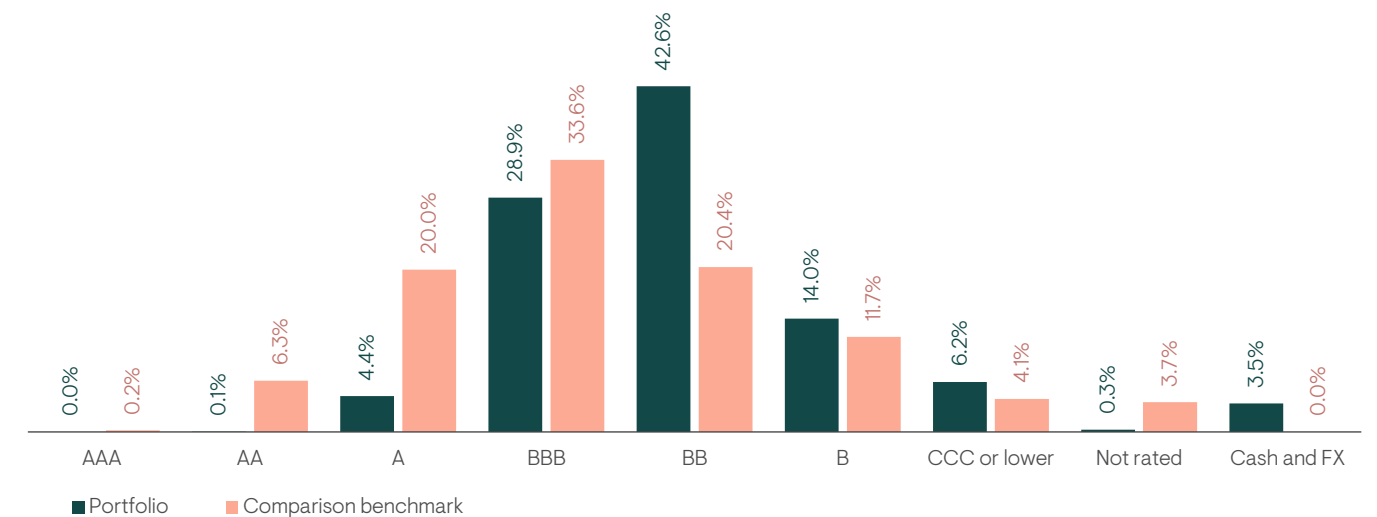
Regional allocation (%)



Sector allocation (%)



Credit breakdown (%)



The amount of income payable may rise or fall.

Source: Ninety One as at 31 December 2023.

The portfolio may change significantly over a short period of time. Comparison index: JP Morgan CEMBI Broad Diversified.

Investment team



Victoria Harling
Strategy leader
joined the industry in 1997

Corporate Investment Specialists

Alan Siow Real Estate	Stacy Xie Financials	Rahul Bhat M&M and Utilities	Daria Naumenko Telecoms and Infrastructure
Kevan Salisbury Oil & Gas	Chris Liang EM Generalist	Antonio Luiz Gomes Consumer, Transport & Industrials	Niel Botha Pulp & Paper, Metals & Mining
Adrian Chan Asia Generalist, Real Estate	Alexandre Almosni Risk, Quant & Liquidity	Florian Cadet Risk, Quant & Implementation	Matt Christ Illiquid, Private & Special Sits

Plus close collaboration with sovereign debt specialists, credit traders and quant analysts. For further information on the investment team, please see the Important Information section.

Why Ninety One for Emerging Market Corporate Debt

1 EM is at the core of our business and in our DNA. We understand the context from an emerging markets perspective

2 Our systematic and disciplined approach identifies a wide range of opportunities and mitigates a number of potential risks

3 We have an experienced professional team dedicated to EM credit, with an average industry experience of 14 years in credit markets

4 We provide clients with insights on key events and their investment impact, proprietary research and ESG information

Why Ninety One

Ninety One is a global investment manager with emerging market roots and a commitment to developing specialist investment teams organically. Our heritage and approach let us bring a different perspective to active and sustainable investing. As active and responsible investors, we manage our clients' money to meet their long-term financial objectives.

Our investment expertise spans the equity, fixed income, multi-asset and alternative asset classes. Our specialist investment teams invest actively across global, emerging and frontier markets.

Established in South Africa in 1991, as Investec Asset Management, we started offering domestic investments in an emerging market. In 2020, almost three decades of organic growth later, we demerged from Investec Group and became Ninety One.

The firm seeks to create profitable partnerships between clients, shareholders and employees. Our aim is to exceed our clients' and service expectations and to manage their money to the highest possible standard.

General risks: The value of investments, and any income generated from them, can fall as well as rise. Costs and charges will reduce the current and future value of investments. Past performance does not predict future returns. Investment objectives may not necessarily be achieved; losses may be made. Target returns are hypothetical returns and do not represent actual performance. Actual returns may differ significantly. Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of investments.

Specific Risks: **Currency exchange:** Changes in the relative values of different currencies may adversely affect the value of investments and any related income. **Default:** There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss. **Derivatives:** The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss. **Interest rate:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise. **Liquidity:** There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than might be anticipated. **Emerging market (inc. China):** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

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Telephone calls may be recorded for training, monitoring and regulatory purposes and to confirm investors' instructions

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Although we believe any information obtained from external sources to be reliable, we have not independently verified it, and we cannot guarantee its accuracy or completeness (ESG-related data is still at an early stage with considerable variation in estimates and disclosure across companies. Double counting is inherent in all aggregate carbon data).

Ninety One's internal data may not be audited. Ninety One does not provide legal or tax advice. Prospective investors should consult their tax advisors before making tax-related investment decisions. Nothing herein should be construed as an offer to enter into any contract, investment advice, a recommendation of any kind, a solicitation of clients, or an offer to invest in any particular fund, product, investment vehicle or derivative. Investment involves risks. Past performance is not indicative of future performance. Any decision to invest in strategies described herein should be made after reviewing the offering document and conducting such investigation as an investor deems necessary and consulting its own legal, accounting and tax advisors in order to make an independent determination of suitability and consequences of such an investment. This material does not purport to be a complete summary of all the risks associated with this Strategy. A description of risks associated with this Strategy can be found in the offering or other disclosure documents. Copies of such documents are available upon request.

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Additional information on our investment strategies can be provided on request.

Investment Team

There is no assurance that the persons referenced herein will continue to be involved with investing for this Strategy, or that other persons not identified herein will become involved with investing assets for the Manager or assets of the Strategy at any time without notice. References to specific and periodic team meetings are not guaranteed to be held or fully attended due to reasonable priority driven circumstances and holidays.

Investment Process

Any description or information regarding investment process or strategies is provided for illustrative purposes only, may not be fully indicative of any present or future investments and may be changed at the discretion of the manager without notice.

References to specific investments, strategies or investment vehicles are for illustrative purposes only and should not be relied upon as a recommendation to purchase or sell such investments or to engage in any particular Strategy.

Portfolio data is expected to change and there is no assurance that the actual portfolio will remain as described herein. There is no assurance that the investments presented will be available in the future at the levels presented, with the same characteristics or be available at all.

Past performance is no guarantee of future results and has no bearing upon the ability of Manager to construct the illustrative portfolio and implement its investment strategy or investment objective.

Performance Target

The target is based on Manager's good faith estimate of the likelihood of the performance of the asset class under current market conditions. There can be no assurances that any Strategy or Fund will generate such returns, that any client or investor will achieve comparable results or that the manager will be able to implement its investment strategy. Actual performance of Fund investments and the Fund overall may be adversely affected by a variety of factors, beyond the manager's control, such as, political and socio-economic events, adverse changes in the interest rate environment, changes to investment expenses, and a lack of suitable investment opportunities. Accordingly, target returns may be expected to change over time and may differ from previous reports.

Specific Portfolio Names

References to particular investments or strategies are for illustrative purposes only and should not be seen as a buy, sell or hold recommendation. Unless stated otherwise, the specific companies listed or discussed are included as representative of the Strategy or Strategies. Such references are not a complete list and other positions, strategies, or vehicles may experience results which differ, perhaps materially, from those presented herein due to different investment objectives, guidelines or market conditions. The securities or investment products mentioned in this document may not have been registered in any jurisdiction. More information is available upon request.

Indices

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