



# Emerging Markets ex China Equity Strategy

Investing for a world of change

A solution seeking alpha opportunities in the EM ex-China universe

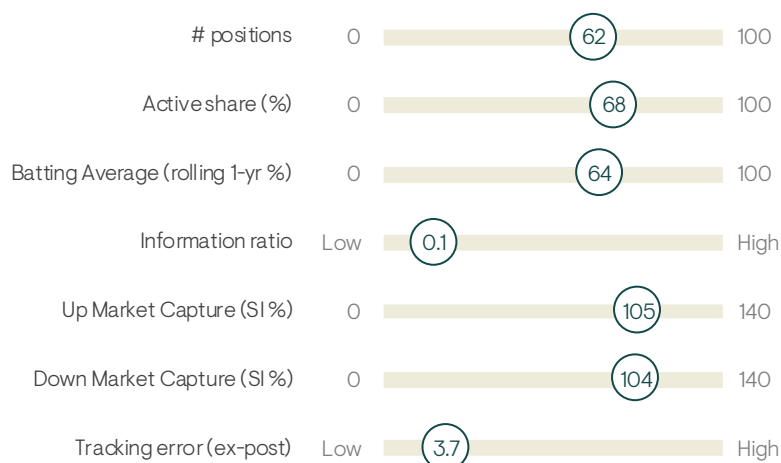
<b>Portfolio Managers</b>	Varun Lajiwalla, Archie Hart
<b>Strategy inception</b>	January 2022
<b>Emerging Markets AUM</b>	US\$ 11.5 billion as at 30 September 2024
<b>Investment objectives and features</b>	
Target return	Outperform the performance comparison index (net of fees) over a full market cycle
Investment opportunity	Solution to access emerging market ex China equity exposure
Performance comparison index	MSCI Emerging Markets Equity ex China NDR
Investment approach	We seek to combine fundamental research with insights derived from our machine learning alpha model to unlock alpha, while considering sustainability without bias

## The role the strategy can play in portfolios

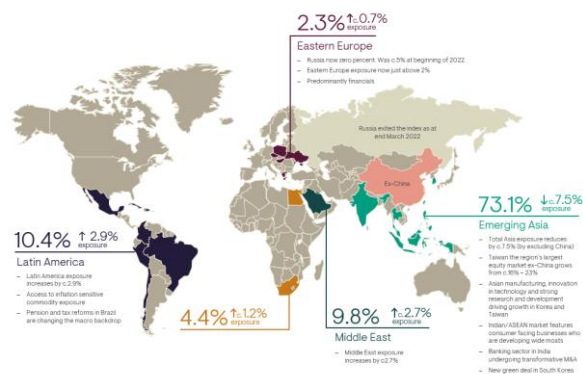
<p><b>Style agnostic exposure to EMs ex China</b></p> <p>Provides differentiated exposure to benchmark and non-benchmark EM ex China equities</p>	<p><b>Diversification</b></p> <p>Investment process aims to capitalize on behavioural bias inefficiencies to express bottom-up views that are distinct from the index</p>	<p><b>Manage ESG risk</b></p> <p>ESG integrated into the investment process to help mitigate ESG risk and/or catalyse an alpha-positive outcome</p>	<p><b>Seeking consistent alpha profile</b></p> <p>Multi-factor investment process focussed on active, bottom-up stock selection aiming to deliver long-term risk-adjusted returns</p>
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## Portfolio positioning

Key metrics (net) and statistics



## Regional allocation ex-China

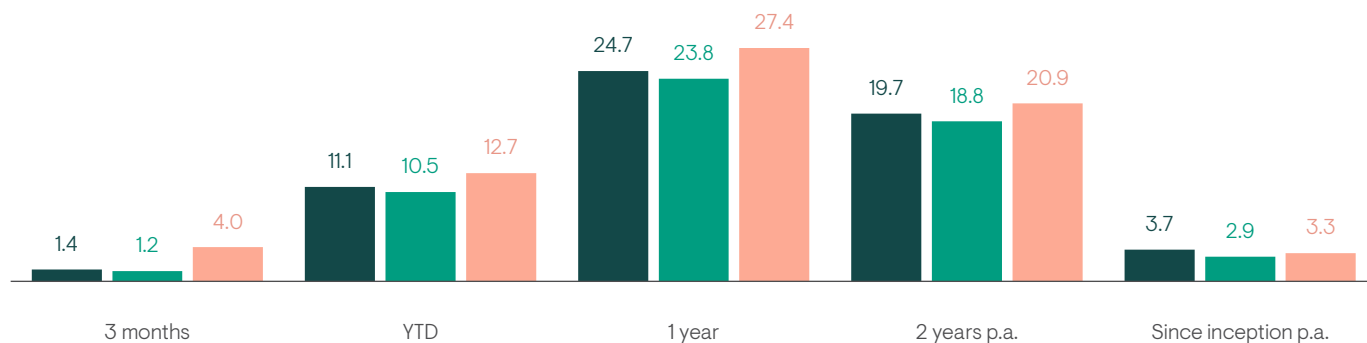


Source: Ninety One, eVestment, 30 September 2024. The portfolio may change significantly over a short period of time. For further information on indices, please see the Important information section.

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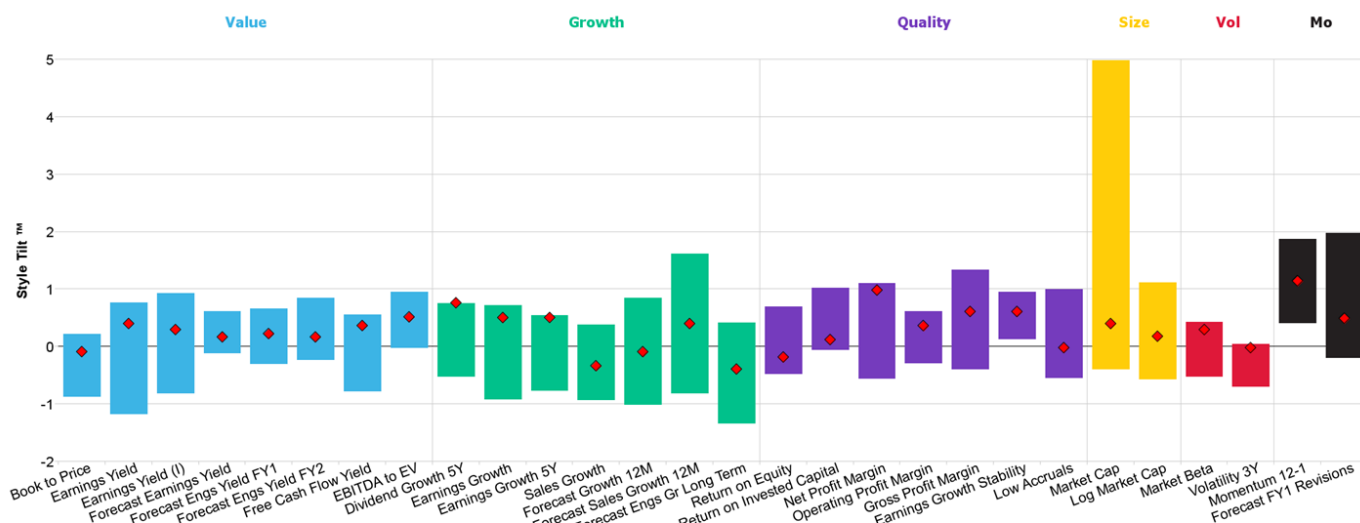
## Track record

Annualised performance since inception in USD (%)



	2022	2023
Gross composite return	-17.8	20.8
Net composite return	-18.4	19.9
Benchmark	-19.3	20.0

## Portfolio style exposure\*



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

Source: Ninety One, as at 30 September 2024.

Where performance is gross of fees, returns will be reduced by management fees and other expenses. Net performance is net of the highest institutional segregated portfolio management fee. Both gross and net returns are in USD, shown net of all trading expenses. Income is reinvested. Composite description: Emerging Markets Equity ex China run against the MSCI Emerging Markets Equity ex China Index using Ninety One's Four Factor process.

Composite inception date: 1 January 2022.

Benchmark: MSCI Emerging Markets Equity ex China Index NDR. For further information on indices please see the Important Information section

\*Source: Style Analytics. As at 30 September 2024. Exposure relative to MSCI Emerging Markets ex China Index.

## Investment philosophy

1

We believe markets are inefficient due to behavioural biases

2

These inefficiencies generate diverse alpha opportunities across investment styles

3

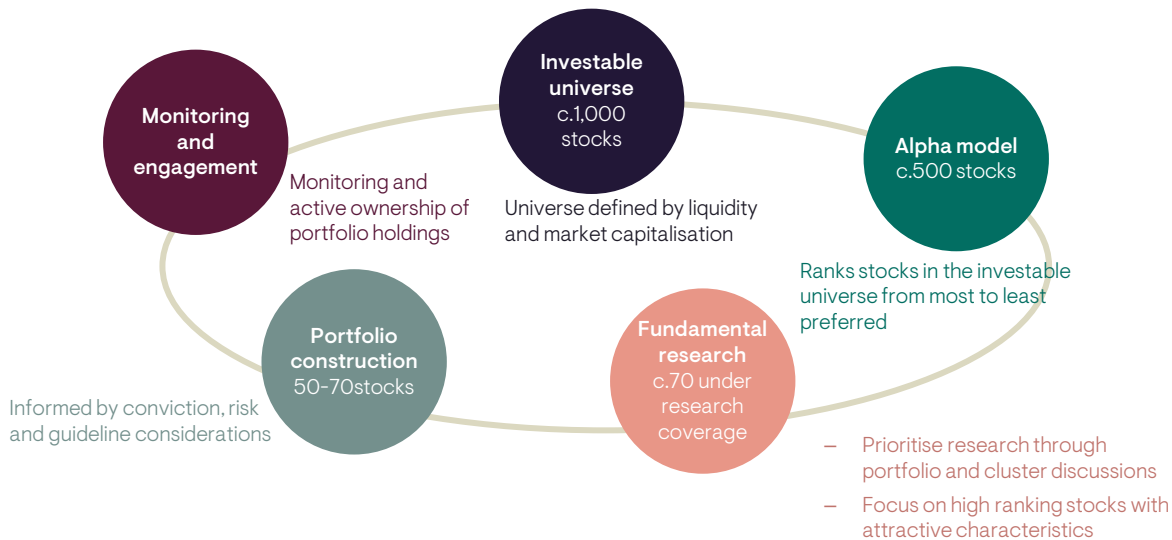
Combining fundamental insight with quantitative analysis is the optimal way to unlock alpha

## Investment process

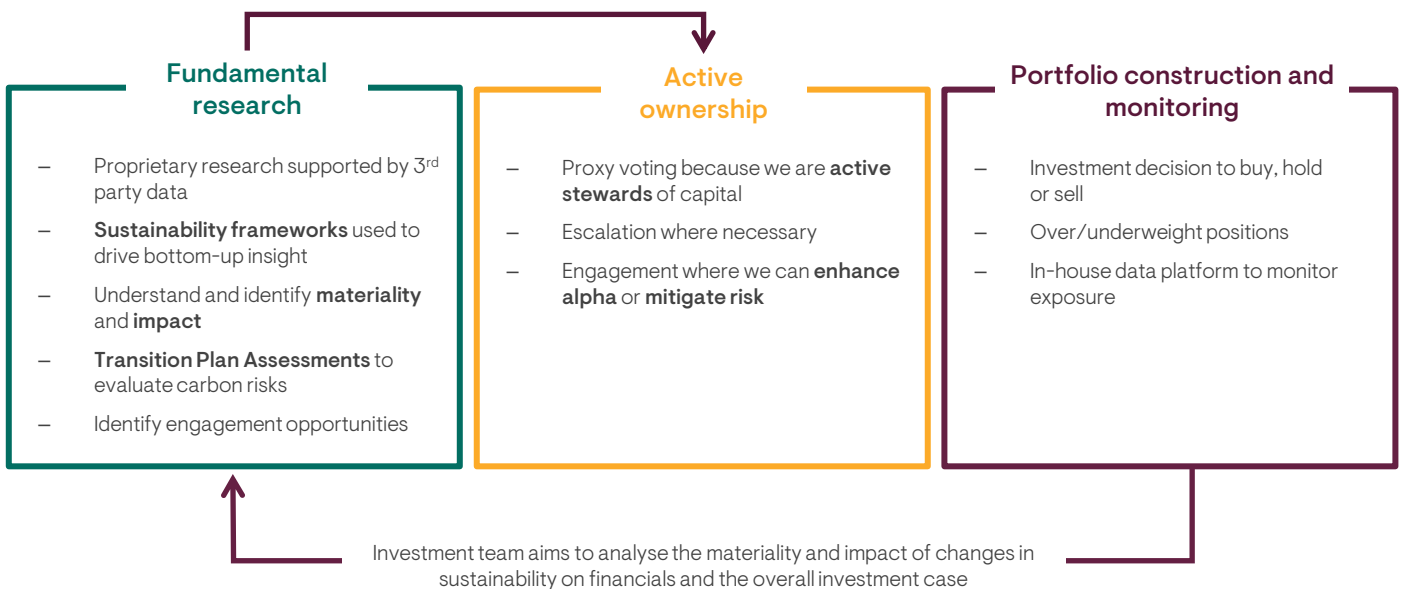
A disciplined and integrated investment framework.

From a broad investable universe, our robust, repeatable process begins with a machine learning alpha model which objectively ranks companies from the most to least attractive based on our philosophy and investment criteria. We focus our fundamental research on the top-ranking subset of opportunities. Our team of investment specialists then assesses the bottom-up investment case of these companies to identify our highest conviction ideas for inclusion in the portfolio, incorporating risk management and sustainability considerations throughout. Our fundamental analysis uncovers deep, forward-looking insights on the key business drivers that matter for share price performance over the next 12-24 months. We focus on where we believe changes to marginal expectations in these key business drivers are underestimated or mis-priced by the market.

The resulting portfolio has balanced exposure over time to value, growth, quality and momentum. We focus on idiosyncratic risk to drive consistent, long-term risk adjusted returns.



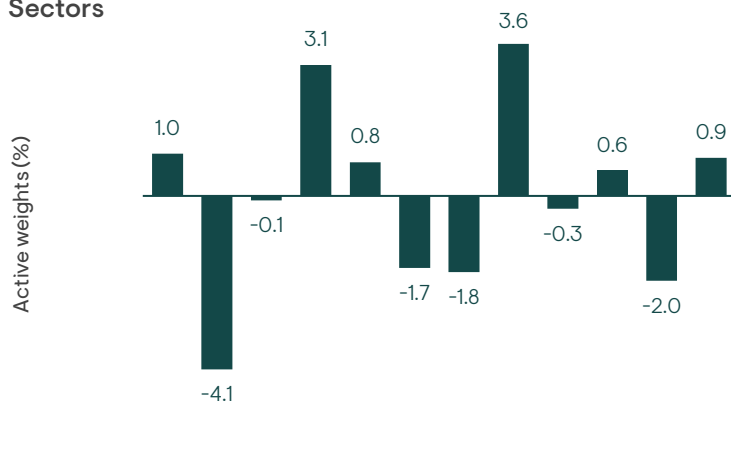
## 4Factor approach to sustainability integration



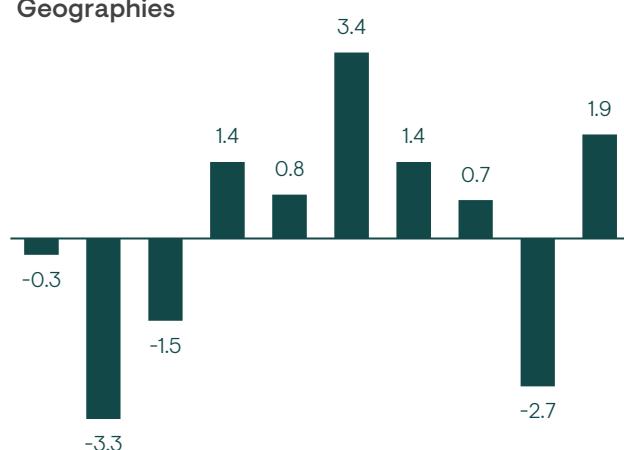
## Portfolio characteristics

### Sector and country active positions

#### Sectors



#### Geographies



	Information Technology	Financials	Consumer Discretionary	Health Care	Consumer Staples	Materials	Industrials	Real Estate	Communication Services	Utilities	Energy	Cash	Taiwan	India	South Korea	Brazil	South Africa	United Arab Emirates	Indonesia	Mexico	Saudi Arabia	Hungary
<b>Portfolio</b>	29.5	21.1	7.0	6.6	6.4	6.2	5.8	5.0	4.4	3.7	3.3	0.9	24.0	23.8	13.0	8.1	5.1	5.0	3.7	3.3	2.6	2.2
<b>Benchmark</b>	28.6	25.2	7.0	3.5	5.6	8.0	7.5	1.4	4.7	3.1	5.4		24.3	27.0	14.5	6.7	4.3	1.6	2.3	2.6	5.3	0.3

### Stock positions

Top 10 active	Overweight %
Richter Gedeon Nyrt	2.2
Power Grid Corp of India Ltd	2.1
Taiwan Semiconductor Manufacturing Co Ltd	2.1
Varun Beverages Ltd	2.1
Bank Central Asia Tbk PT	1.9
Asustek Computer Inc	1.8
Zomato Ltd	1.7
Capitec Bank Holdings Ltd	1.7
MediaTek Inc	1.7
Aldar Properties PJSC	1.6

Top 5 Industry	Overweight %
Real Estate Management & Development	3.7
Consumer Services	2.2
Semiconductors & Semiconductor Equipment	2.0
Health Care Equipment & Services	1.8
Technology Hardware & Equipment	1.3

Bottom 5 Industry	Underweight %
Financial Services	-2.6
Software & Services	-2.4
Energy	-2.0
Consumer Discretionary Distribution & Retail	-1.8
Materials	-1.7

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

Source: Ninety One, as at 30 September 2024. Data is based on a related portfolio with substantially similar objectives as those of the services being offered. This is not a buy, sell or hold recommendation for any particular security.

Portfolio stock weights are relative to MSCI EM (Emerging Markets) ex China Index.

For further information on specific portfolio names, indices and investment process, please see the Important Information section.

## Investment Team



**Varun Laijawalla**  
Portfolio Manager  
joined the industry in 2010



**Archie Hart**  
Portfolio Manager  
joined the industry in 1986

The portfolio managers are supported by the wider 4Factor team as well as 13 dedicated Asia, China and emerging market investment specialists.

For further information on the investment team, please see the Important Information section.

## Why Ninety One for Emerging Markets ex China Equity

1

Managed by a specialist team with a long track record of investing in emerging markets

2

Underpinned by the consistent and compelling 4Factor investment process developed in 2000

3

Fundamental investors, harnessing technology

## 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: Geographic / Sector:** Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that, in certain market conditions, the value of the portfolio may decrease whilst more broadly-invested portfolios might grow. **Currency exchange:** Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss. **Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company. **Emerging markets:** 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.

## Ninety One contact details

### Australia

Telephone: +612 9160 8400  
australia@ninetyone.com

### Europe and United Kingdom

Europe: +44 (0)20 7597 1999  
UK: +44 (0)20 7597 1800  
enquiries@ninetyone.com

### South Africa

Telephone: +27 (0)21 9011000  
enquiries@ninetyone.com

### Botswana

Telephone: +267 318 0112  
botswanaclientservice@ninetyone.com

### Hong Kong

Telephone: +852 2861 6888  
hongkong@ninetyone.com

### Singapore

Telephone: +65 6653 5550  
singapore@ninetyone.com

### Channel Islands

Telephone: +44 (0)1481 710 404  
enquiries@ninetyone.com

### Namibia

Telephone: +264 (61) 389 500  
namibia@ninetyone.com

### United States

US Toll Free: +1 800 434 5623  
usa@ninetyone.com

### www.ninetyone.com

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### Investment Team

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### Targeted or projected performance returns

These are based on Manager's good faith estimate of the likelihood of the performance of

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### Specific Portfolio Names

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