



# Global Franchise Strategy

Investing for a world of change

Seeks durable, defensive, differentiated alpha

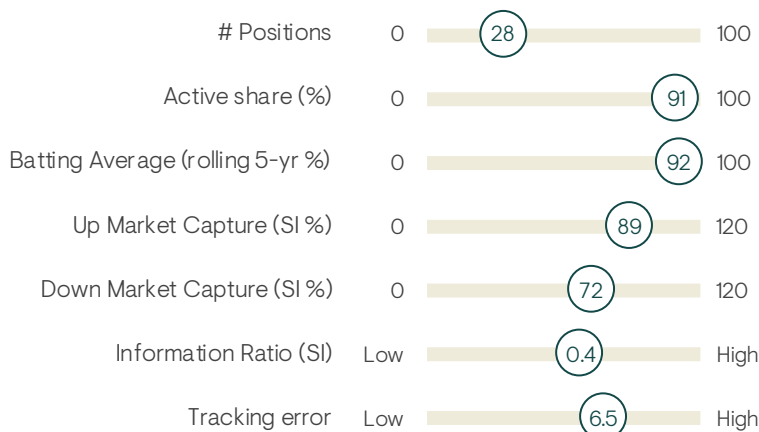
<b>Portfolio Managers</b>	Clyde Rossouw, Elias Erickson, Abrie Pretorius, Paul Vincent
<b>Strategy inception</b>	May 2007
<b>AUM</b>	US\$ 21.5 billion as at 31 December 2024
<b>Investment objectives and features</b>	
Target return	Outperform the performance comparison index (net of fees) over a full market cycle
Investment opportunity	Durable, defensive, differentiated alpha
Performance comparison index	MSCI AC World NR
Investment approach	Purist quality philosophy with strong valuation discipline, consistently applied over the long term

## The role the strategy can play in portfolios

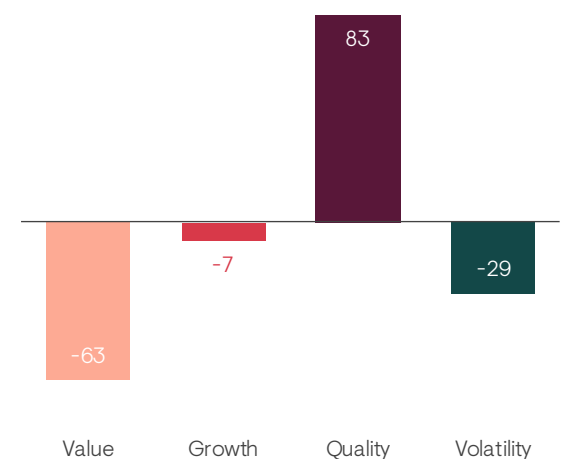
<p><b>Provides resilient growth</b></p> <p>Seeks to provide long-term outperformance with smaller drawdowns in down markets and lower volatility</p>	<p><b>Diversifies equity exposure</b></p> <p>Concentrated, high conviction, low turnover Quality portfolio</p>	<p><b>Improves efficient frontier</b></p> <p>Portfolio has been characterised by strong long-term Sharpe and Sortino ratios</p>	<p><b>Seeks to future proof the portfolio</b></p> <p>Invests in companies with high R&amp;D spend and provides exposure to key long-term themes</p>
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## Portfolio positioning

Key metrics and statistics



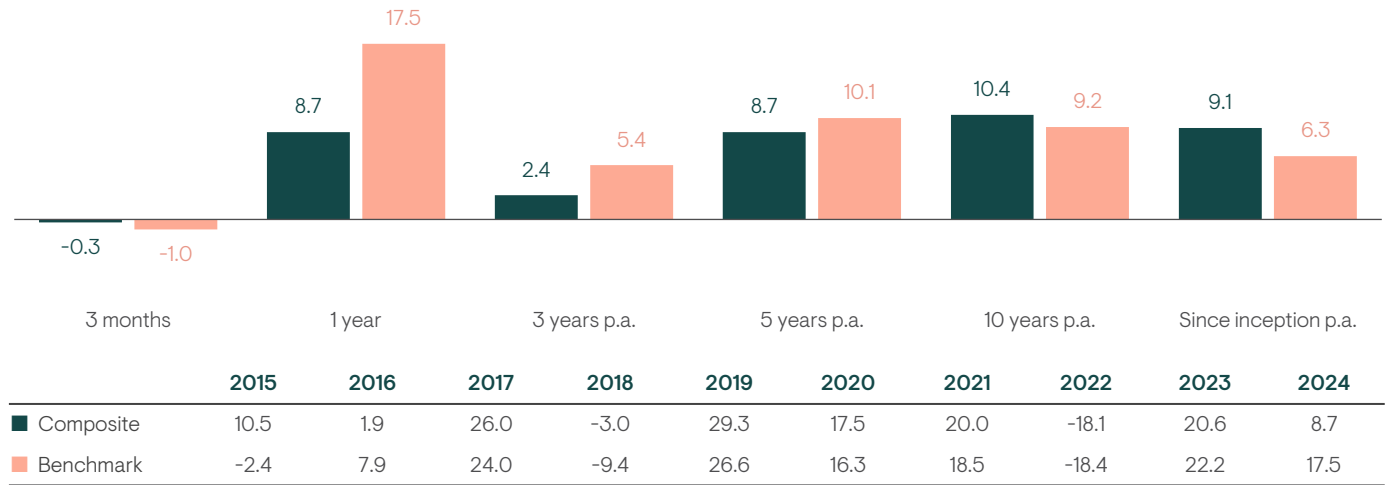
## Quality style tilt



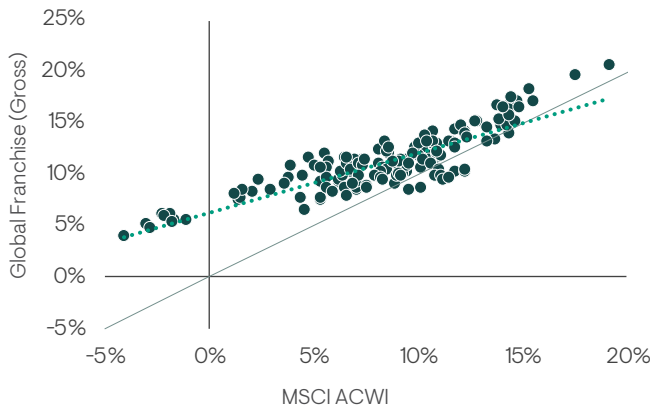
Source: Ninety One, eVestment, 31 December 2024. The portfolio may change significantly over a short space of time. The Quality style tilt chart is based on the Style Analytics Master Skyline. For further information on indices, please see the Important information section. This document is being provided for informational purposes for discussion with professional investors and financial advisors only. Circulation must be restricted accordingly. 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 strategy, product, investment vehicle or derivative.

# Track record

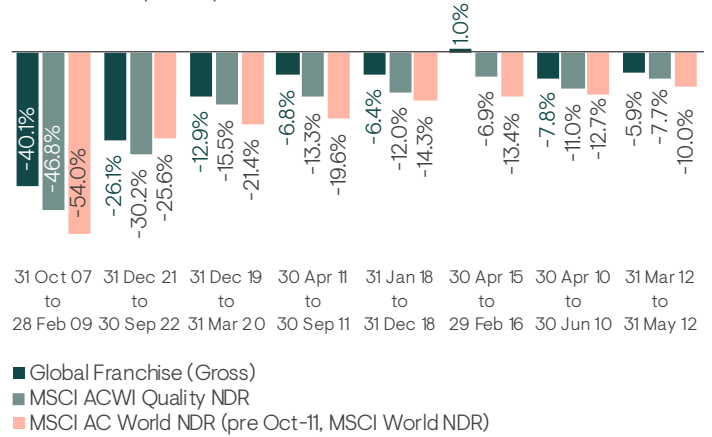
Annualised performance since inception in USD (%)



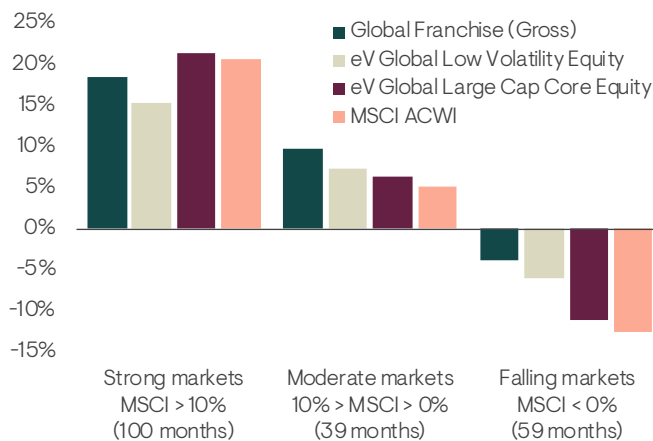
Durable alpha – 5-yr annualised returns since inception



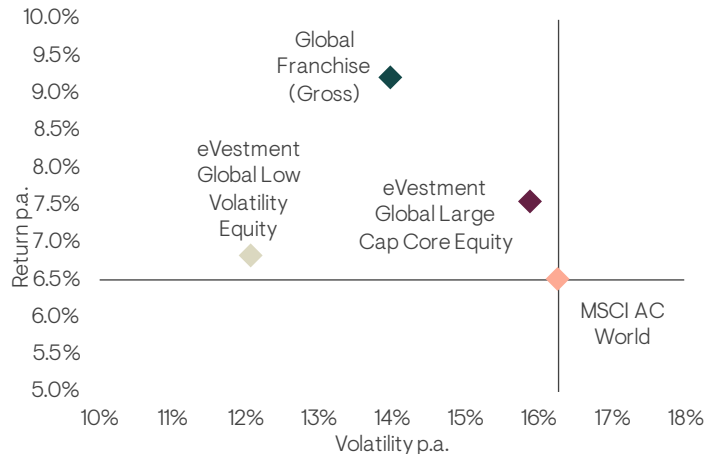
Defensive alpha – performance in down markets<sup>1</sup>



Differentiated alpha – attractive risk-adjusted returns<sup>2</sup>



Differentiated alpha – lower volatility than the benchmark<sup>2</sup>



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

Source: Ninety One, StatPro Composites, Morningstar and eVestment, as at 31 December 2024. eVestment collects information directly from investment management firms and other sources believed to be reliable. eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and are not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on our systems and other important considerations such as fees may be applicable. All categories not necessarily included.

Net performance (net of the highest institutional segregated portfolio management fee) and gross performance (returns will be reduced by management fees and other expenses incurred), income is reinvested, in USD.

Composite description: Global equity mandates focused on shares with strong brands.

Benchmark: MSCI AC World Index NDR (pre Oct-11, MSCI World NDR).

<sup>1</sup>Global Franchise performance is compared with MSCI ACWI and MSCI ACWI Quality performance for each discrete period representing the eight worst MSCI ACWI drawdown periods since inception of the Global Franchise composite. MSCI ACWI Quality Index launched 18 December 2012, synthesised performance history prior to that date.

<sup>2</sup>Based on the latest eVestment data available, as at 30 September 2024. Risk-adjusted returns based on average 12-month returns.

# Investment philosophy

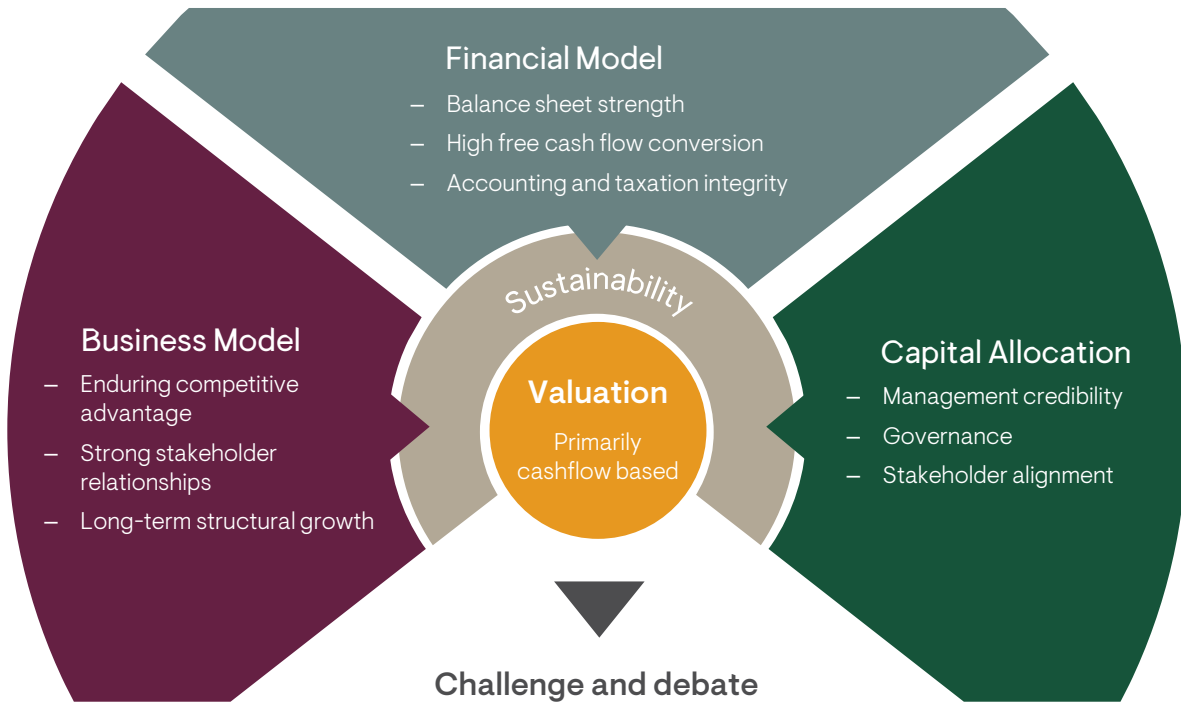
**1**  
The market undervalues the ability of quality companies with enduring competitive advantages, disciplined capital allocation and a focus on sustainability to deliver persistently high or improving cash flows and returns on invested capital

**2**  
A company's business model, financial model and capital allocation should be aligned with the long-term interests of shareholders and other key stakeholders

**3**  
An active quality approach, driven by proprietary fundamental analysis and engagement, is best placed to compound shareholder value over the long term, while reducing the risk of a permanent loss of capital

# Investment process

The Quality framework: In-depth proprietary fundamental research and analysis



# Sustainability, governance and engagement

ESG analysis is embedded in our research process through a stakeholder framework

Active ownership and engagement with additional support from Ninety One's dedicated global sustainability team

- Business model sustainability
- Financial model sustainability
- Capital allocation sustainability and corporate governance



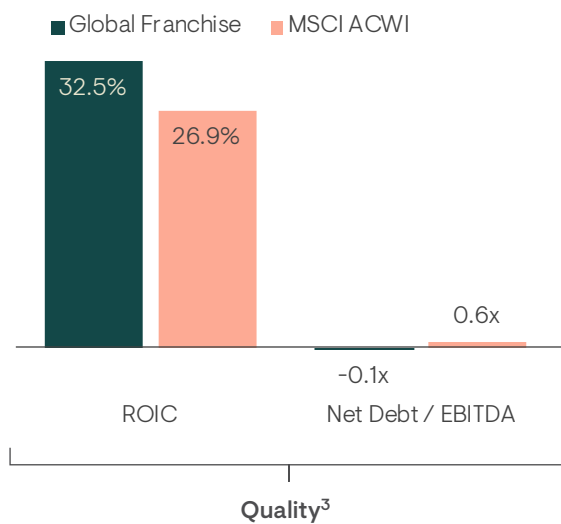
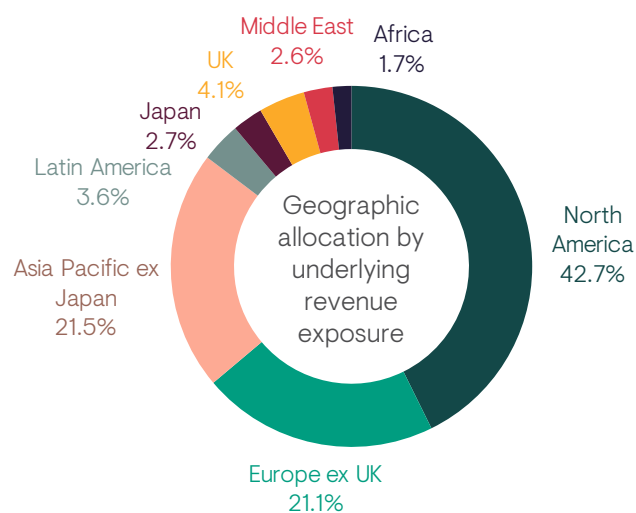
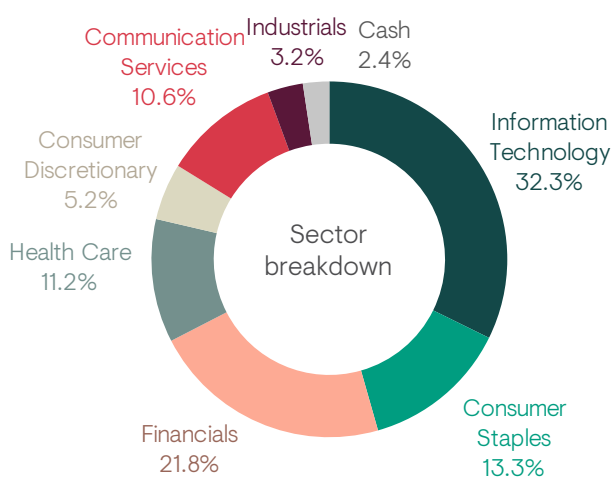
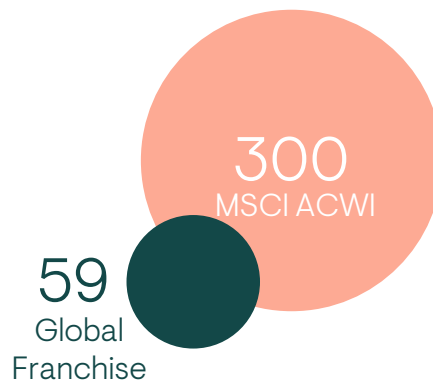
For further information on investment process, please see the Important information section. Autodesk has been selected as an example to demonstrate how the framework is captured within our proprietary research. Examples shown for illustrative purposes only.

## Portfolio characteristics

### Quality at attractive valuations

Top 10 holdings <sup>1</sup>	Weight %
Visa	9.8%
Microsoft	7.3%
ASML	6.2%
Booking	5.2%
Philip Morris International	5.2%
Alphabet	4.5%
Autodesk	4.4%
Intuit	4.3%
Verisign	4.2%
Beiersdorf	3.6%

Carbon footprint – Scopes 1,2,3 (tCO<sub>2</sub>e / US\$m invested)<sup>2</sup>



Source: Ninety One, FactSet, 31 December 2024.

<sup>1</sup>This is not a buy, sell or hold recommendation for any particular security. Individual security performance does not represent the Strategy performance.

<sup>2</sup>Carbon footprint is derived by taking the sum of the 'financed emissions' based on the percentage held of each assessable security's enterprise value. This is normalised by dividing the total amount of dollars invested in the securities to give a comparable footprint.

<sup>3</sup>Reflects portfolio characteristics reweighted excluding cash and cash equivalents.

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

## Investment Team



**Clyde Rossouw**  
Head of Quality  
Lead Portfolio Manager  
Joined the industry in 1994



**Elias Erickson**  
Portfolio Manager  
Joined the industry in 2006



**Abrie Pretorius**  
Portfolio Manager  
Joined the industry in 2006



**Paul Vincent**  
Portfolio Manager  
Joined the industry in 2009

Portfolio Managers supported by team of 30 investment specialists  
For further information on the investment team, please see the Important Information section.

## Why Ninety One for Global Franchise

1

Differentiated  
Franchise approach

2

Unique global  
platform

3

Sustainability  
with substance

4

High  
conviction

5

Durable, defensive,  
differentiated alpha

## 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. **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. **Concentrated portfolio:** The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios. **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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This communication is for institutional investors and financial advisors only.

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).

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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 assets for the Manager, or that other persons not identified herein will become involved 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.

### 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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### Investment Process

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