



# Global Franchise Strategy

Investing for a world of change

Seeks durable, defensive, differentiated alpha

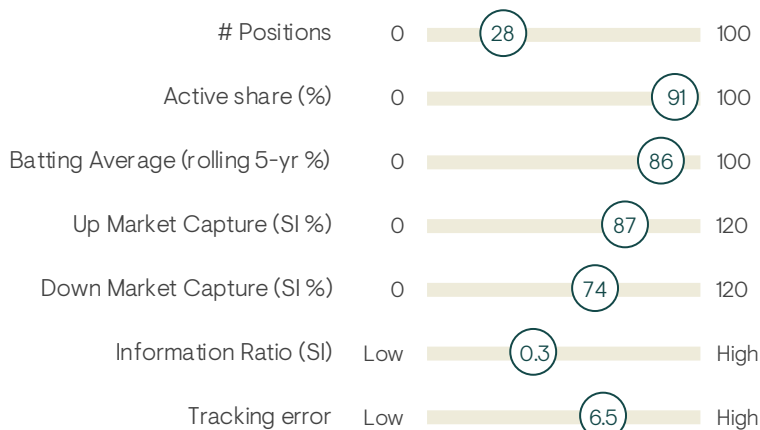
<b>Portfolio Managers</b>	Clyde Rossouw, Elias Erickson, Abrie Pretorius, Paul Vincent
<b>Strategy inception</b>	May 2007
<b>AUM</b>	US\$ 21.5 billion as at 31 December 2024
<b>Investment objectives and features</b>	
Target return	Outperform the performance comparison index (net of fees) over a full 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

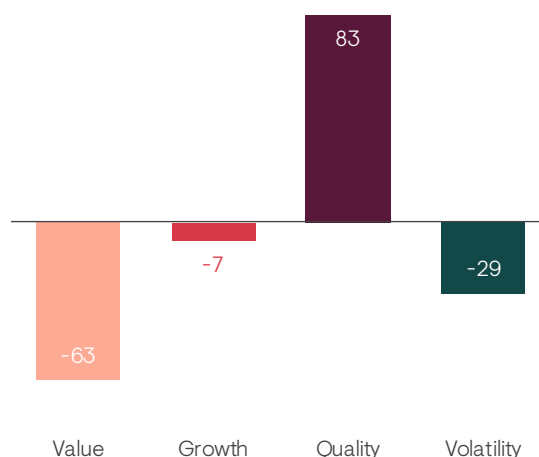
<p><b>Provides resilient growth</b></p> <p>Seeks to provide long-term outperformance with smaller drawdowns in down markets and lower volatility</p>	<p><b>Diversifies equity exposure</b></p> <p>Concentrated, high conviction, low turnover Quality portfolio</p>	<p><b>Improves efficient frontier</b></p> <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 (net) and statistics



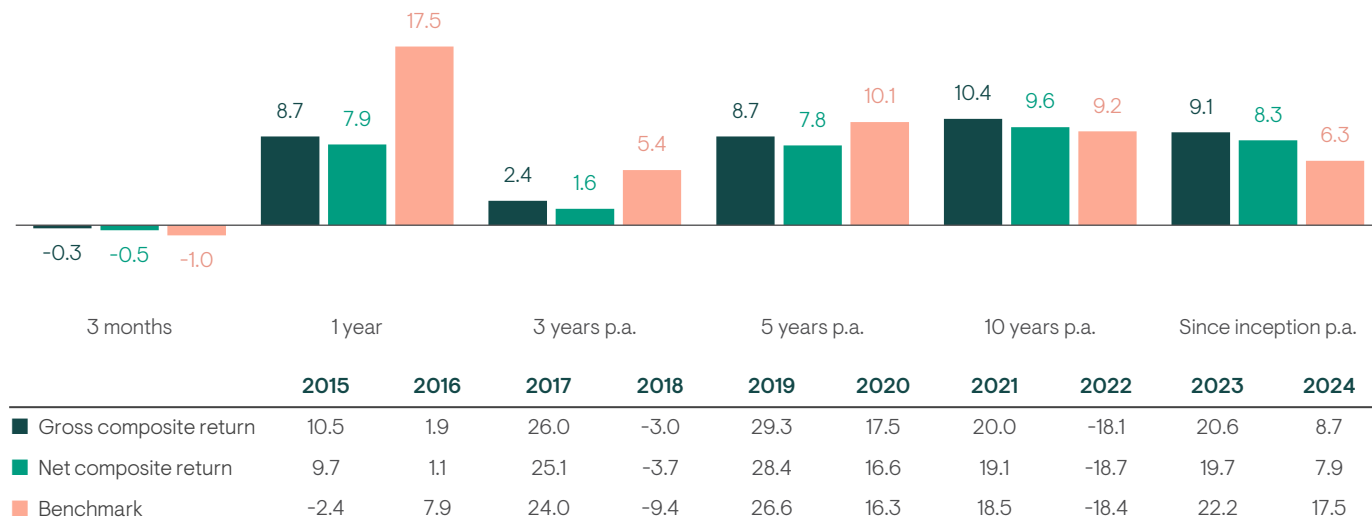
## Quality style tilt



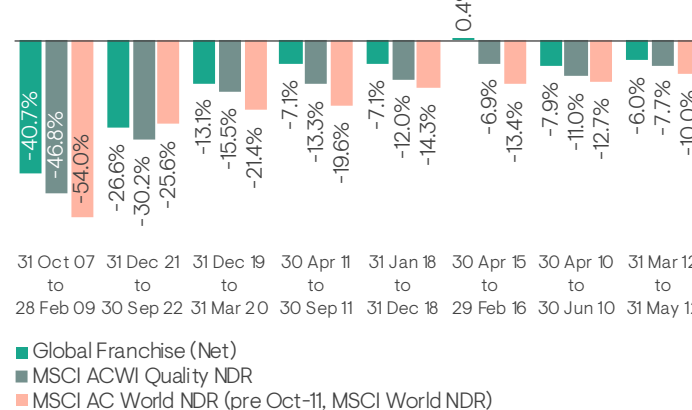
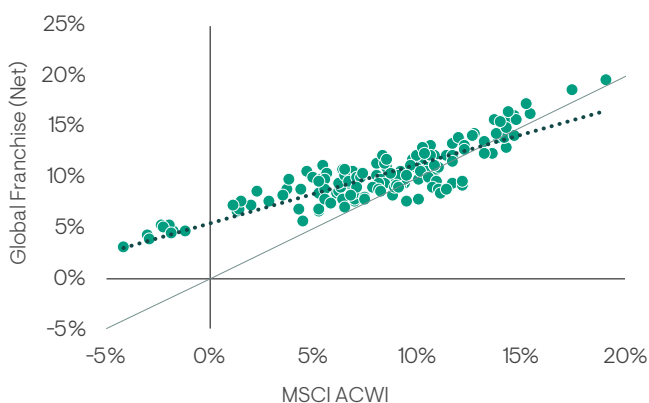
Source: Ninety One, eVestment, 31 December 2024. The portfolio may change significantly over a short space of time. The Quality style tilt chart is based on the Style Analytics Master Skyline. For further information on indices, please see the Important information section. This document is being provided 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

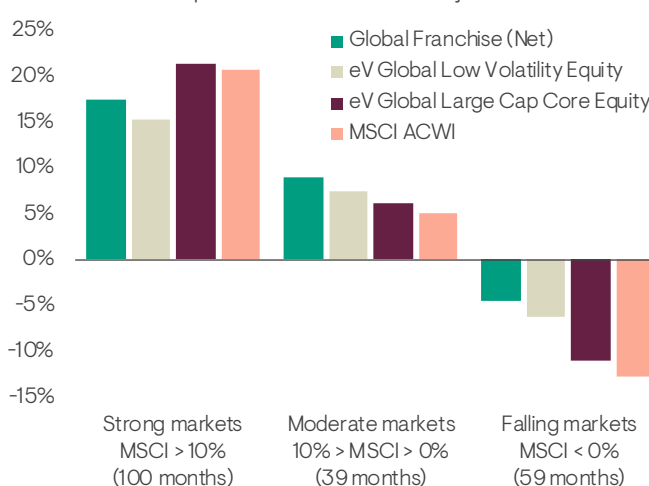
Annualised performance since inception in USD (%)



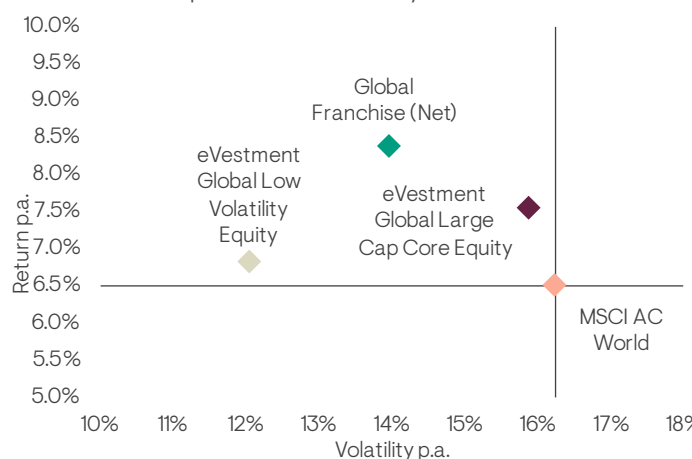
Durable alpha – 5-yr annualised returns since inception      Defensive alpha – performance in down markets<sup>1</sup>



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.

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: 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 seven 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

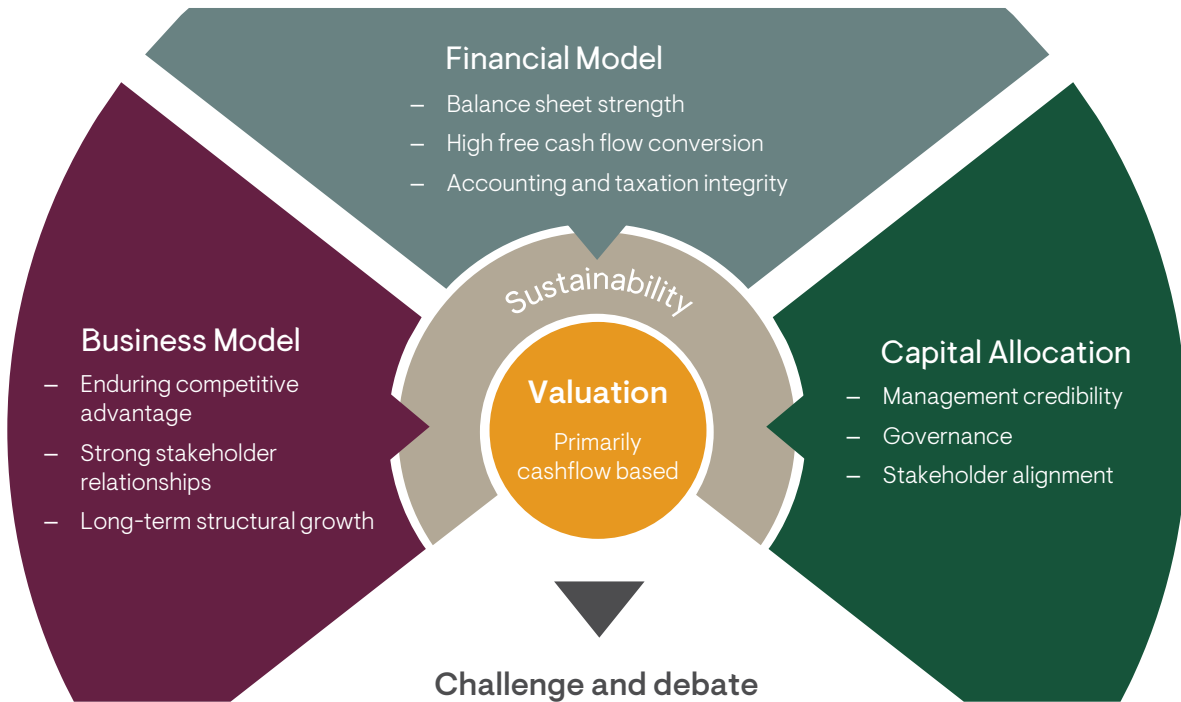
**1**  
The market undervalues the ability of quality companies with enduring competitive advantages, disciplined capital allocation and a focus on sustainability to deliver persistently high or improving cash flows and returns on invested capital

**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

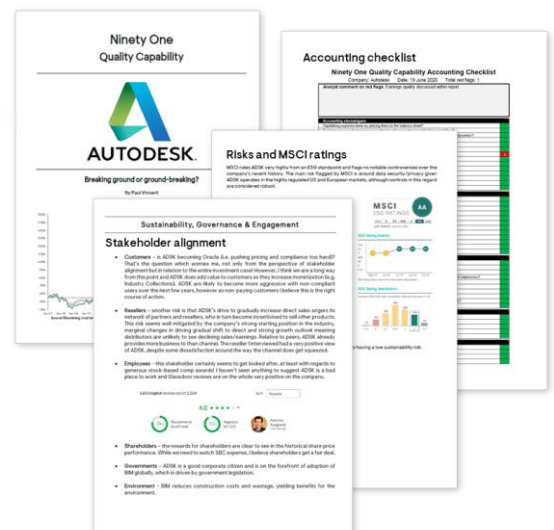


# Sustainability, governance and engagement

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



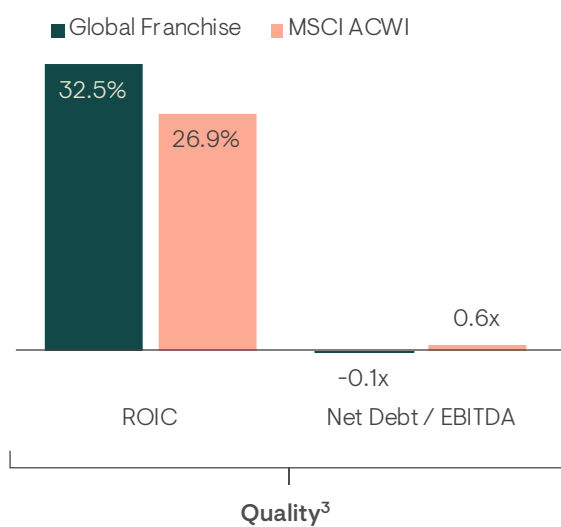
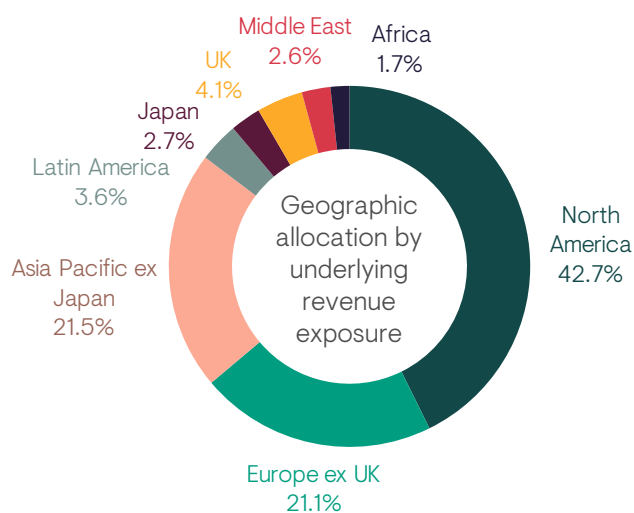
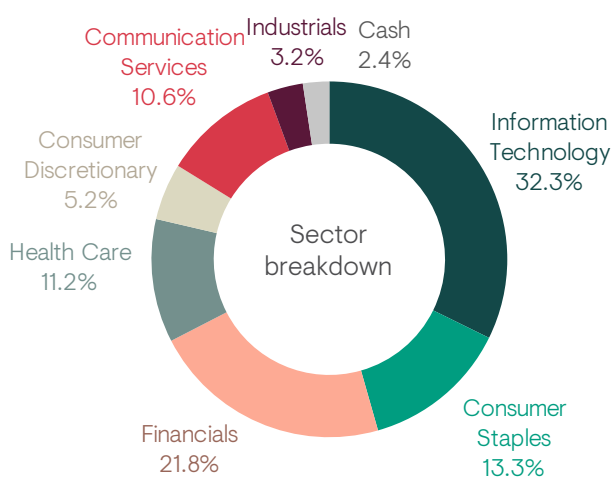
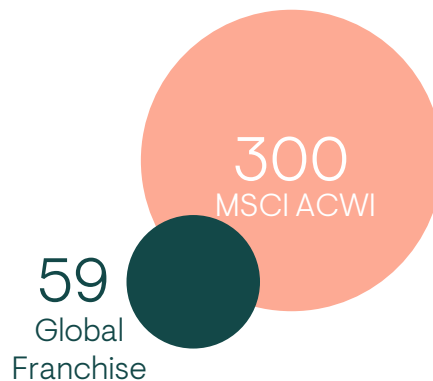
For further information on investment process, please see the Important information section. Autodesk has been selected as an example to demonstrate how the framework is captured within our proprietary research. Examples shown for illustrative purposes only.

## 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.

## 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)21 901 1000  
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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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

asset classes under current market conditions. There can be no assurances that any investment 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 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 and expected results may change over time and may differ from previous reports. Additional and supporting information is available upon request

### Investment Process

Any description or information regarding investment process 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.

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