



# Global Value Equity Strategy

Investing for a world of change

A high conviction portfolio with persistent value bias

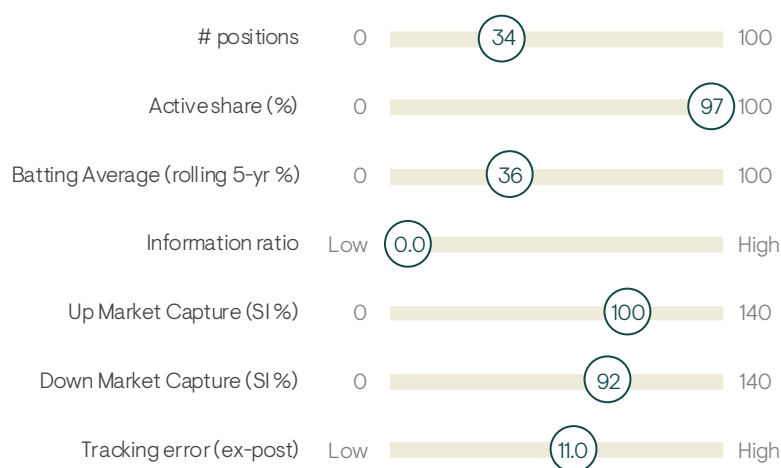
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| <b>Portfolio Manager</b>                  | Alessandro Dicorrado   |
| <b>Strategy inception</b>                 | January 2008   |
| <b>AUM</b>                                | GBP 1.1 billion as at 31 December 2024   |
| <b>Investment objectives and features</b> |  |
| Target return                             | Outperform the performance comparison index (net of fees) over a full market cycle   |
| Investment opportunity                    | Mispriced assets with sustainable earnings recovery, growth or cash return potential |
| Performance comparison index              | MSCI AC World NDR  |
| Investment approach                       | Progressive – the ‘value’ opportunity set changes over time, we move with it         |

## The role the strategy can play in portfolios

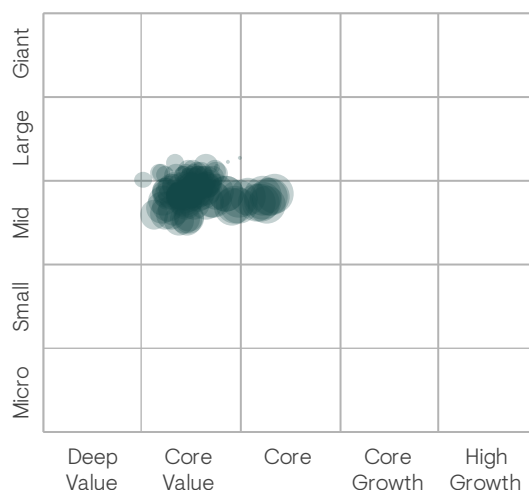
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| <p><b>Exposure to value stocks</b></p> <p>Provides exposure to high conviction mispriced stocks with potential to maximise long-term capital growth</p> | <p><b>Diversification</b></p> <p>Investment process aims to provide exposure that is distinct from the index</p> | <p><b>Long-term horizon</b></p> <p>Average holding period of 3-5 years</p> | <p><b>Manage ESG risk</b></p> <p>ESG integrated into the investment process to mitigate ESG risk</p> |
|---|--|--|--|

## Portfolio positioning

Key metrics and statistics



## Investment styles (5 years)



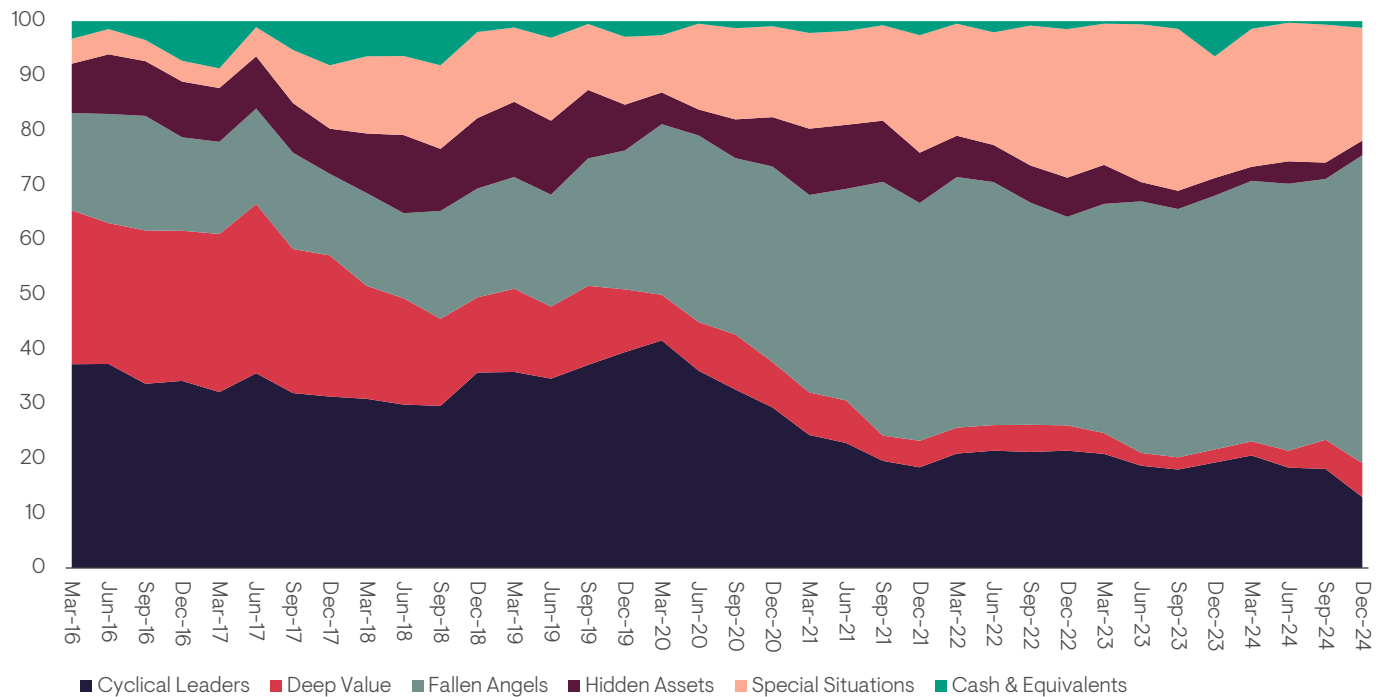
Source: Ninety One, eVestment, 31 December 2024. The portfolio may change significantly over a short period of time. For further information on indices and performance targets, please see the Important information section. This document is being provided for informational purposes for discussion with 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 GBP (%)



## Progression of portfolio themes over time



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

Source: Ninety One, as at 31 December 2024.

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

\*Composite inception date: 1 January 2008.

\*\* Benchmark: MSCI AC World NDR (pre-Oct-11, MSCI World NDR). For further information on indices please see the Important Information section.

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

## Investment philosophy

1

The best investments are made when buying a growing stream of cash flows at a cheap price. The focus on cheapness tends to maximise asymmetry and keeps our style signature consistently 'value'.

2

Investors should look for significant mispricing compared to conservatively assessed intrinsic value. We do not solely rely on re-rating to build our investment case but instead look for contribution of earnings growth and cash returns.

3

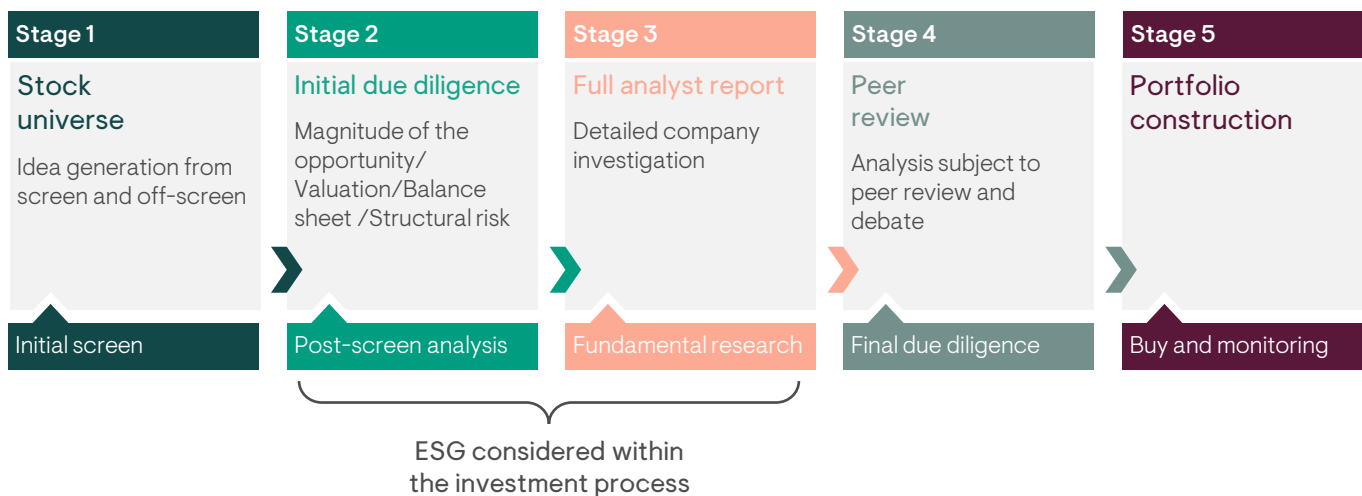
We believe that herd-behaviour, loss aversion and short horizons among investors regularly lead to inefficient prices. However, the specific reason and location for cheapness differ over time, so pragmatism and nimbleness are important.

4

If our research is correct, ultimately the market will recognise the value of our investments because the fundamentals will 'force' it to do so.

## Investment process

Authentic value approach



### ESG integration in action

#### ESG risks too substantial

### GLENCORE

#### Glencore

- One of the world's largest globally commodity trading and mining companies.
- Subject of numerous lawsuits and investigations around corruption in the DRC and Brazil.
- Additional concerns around health and safety for workers in its mines, child labour allegations, and poor treatment of communities in the surrounding areas.

**The significant financial cost of dealing with these issues materially impacts net income and free cash, with the risk of fines, settlements and write-offs not being compensated for in the valuation.**

#### ESG risks too heavily discounted

### wood.

#### John Wood

- Global leader in the delivery of project, engineering and technical services to energy and industrial markets.
- The company does have policies in place to reduce the environmental impact of its operations, but still faces risks of litigation, liabilities, or reclamation costs.
- Wood Group inherited historic contract and asbestos provisions with the acquisition of competitor AMEC Foster Wheeler.

**The existence of the legacy issues from AMEC and the temporary cashflow complication that they created was part of what gave us the opportunity to buy shares at an attractive price. By pivoting from its heavy historic bias towards oil & gas, and applying its skills to renewables and the built environment, Wood is becoming part of the solution to the environmental challenges that the world faces.**

#### Direct engagement with issuer

### easyJet

#### easyJet

- Low-cost European airline.
- In 2020, founder Stelios Hajjiannou agitated for a change of strategy away from investment and growth, calling an EGM at which he put forward a motion to dismiss the CEO, CFO and two members of the Board, including the Chairman. His 34% holding gave him significant power to influence the vote.
- We believe that investment in new planes provides the company with an opportunity to gain market share for its long-term benefit, so we made a public statement of support by publishing, along with two other shareholders, a letter on easyJet's website publicly standing by the strategy and the current executive team.

**In the event, the motions were defeated and easyJet can now continue on what we believe to be a sound strategy.**

No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

This is not a buy, sell or hold recommendation for any particular security.

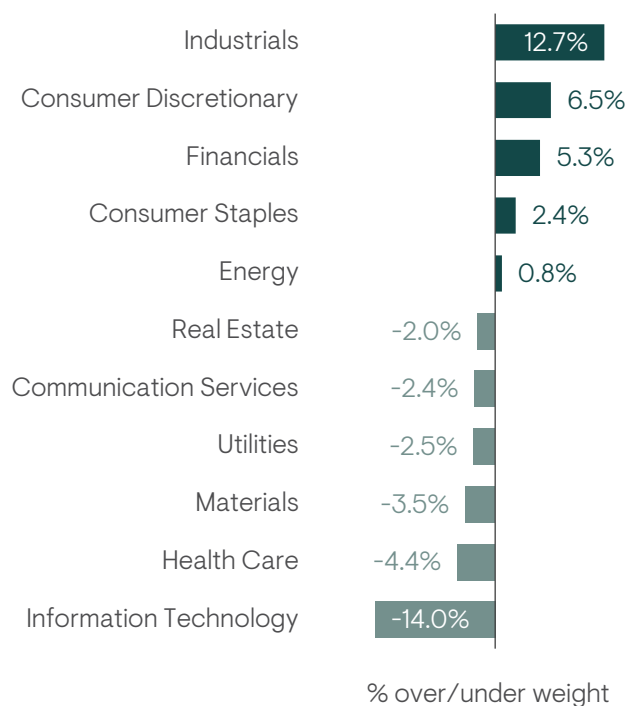
Source: Ninety One for illustrative purposes only.

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

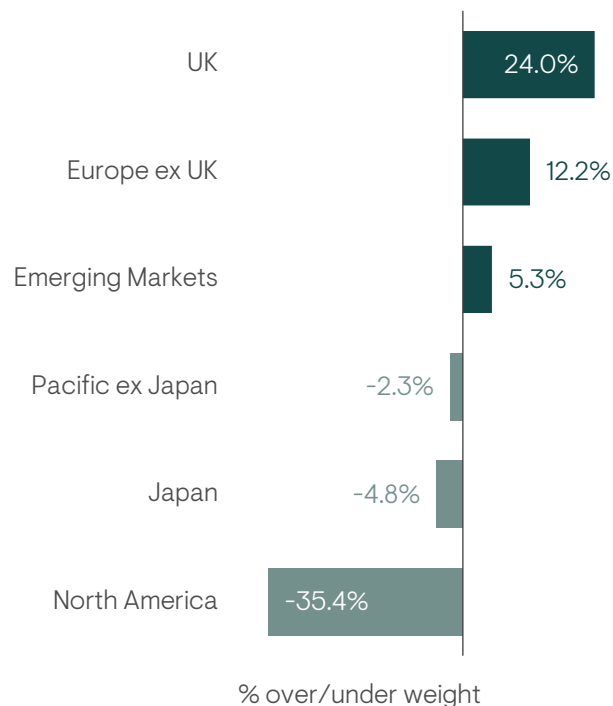
## Portfolio characteristics

## Sector and country active positions

## Sectors



## Regions



## Top ten holdings and themes

| Stock                          | Portfolio ending weight % | Cyclical Leaders | Deep Value | Fallen Angels | Hidden Assets | Special Situations |
|--------------------------------|---------------------------|------------------|------------|---------------|---------------|--------------------|
| Rolls-Royce Holdings plc       | 7.2                       |                  |            | X             |               |                    |
| Meta Platforms Inc Class A     | 5.9                       |                  |            | X             |               |                    |
| AerCap Holdings NV             | 5.8                       |                  |            |               |               | X                  |
| McKesson Corporation           | 5.3                       |                  |            | X             |               |                    |
| Temenos AG                     | 4.7                       |                  |            | X             |               |                    |
| TAV Havalimanlari Holding A.S. | 4.0                       |                  |            | X             |               |                    |
| American Express Company       | 3.9                       |                  |            | X             |               |                    |
| NatWest Group Plc              | 3.9                       |                  | X          |               |               |                    |
| AIXTRON SE                     | 3.8                       |                  |            |               |               | X                  |
| Jet2 PLC                       | 3.3                       |                  |            | X             |               |                    |
| <b>Total</b>                   | <b>47.6</b>               |                  |            |               |               |                    |

## Investment Team



### Alessandro Dicorrado

Portfolio Manager  
joined the industry in 2011

The portfolio manager is supported by the wider Value team.

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

## Why Ninety One for Global Value Equity

1

Managed by a focused, experienced value team who are relentless investigators

2

Underpinned by an authentic value approach

3

Our investment culture strikes a careful balance between extremes: conviction and humility, optimism and caution, urgency and patience and process and creativity

## 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. **Style Bias:** The use of a specific investment style or philosophy can result in particular portfolio characteristics that are different to more broadly-invested portfolios. These differences may mean that, in certain market conditions, the value of the portfolio may decrease while more broadly-invested portfolios might grow

## Ninety One contact details

### United Kingdom

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

### www.ninetyone.com

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).

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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.

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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.

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