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Investing for a
world of change

The resilience of Quality – Seeking certainty in uncertain times

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7 August 2024



Quality investment philosophy

We believe
that

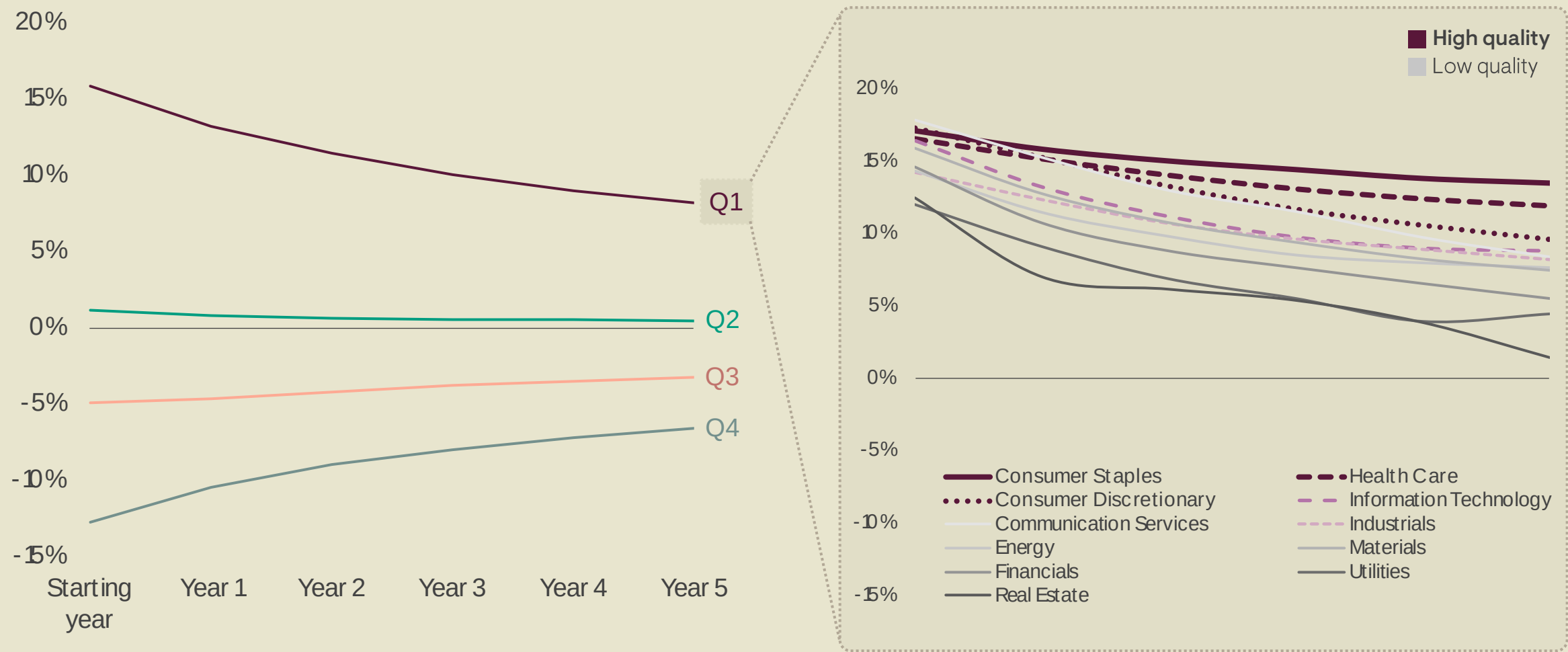
- The market is biased to the short term and assumes mean reversion
- As a result, the market systematically misprices what we believe to be exceptional companies able to sustain high returns and compound Free Cash Flow persistently over time
- Diversified, high-conviction portfolios of these differentiated businesses can exploit this inefficiency and deliver superior long-term returns



Sustained high returns from high quality companies

Return on Invested Capital (ROIC) – a fundamental measure of success

ROIC persistence (average of rolling five-year periods, 1990-2022)



Source: Ninety One analysis of FactSet data. For the full research methodology, please refer to our white paper entitled 'Equity Investing the Quality way' (October 2020) which is available on request. Our research framework involved gathering relevant data from the MSCI ACWI dating from 31 December 1990 to 31 December 2017 (this was the furthest point that would provide six full years of data for the analysis, conducted in 2023: one year to establish the ROIC quartiles across all sectors and then five subsequent years to track the decay profile of returns).

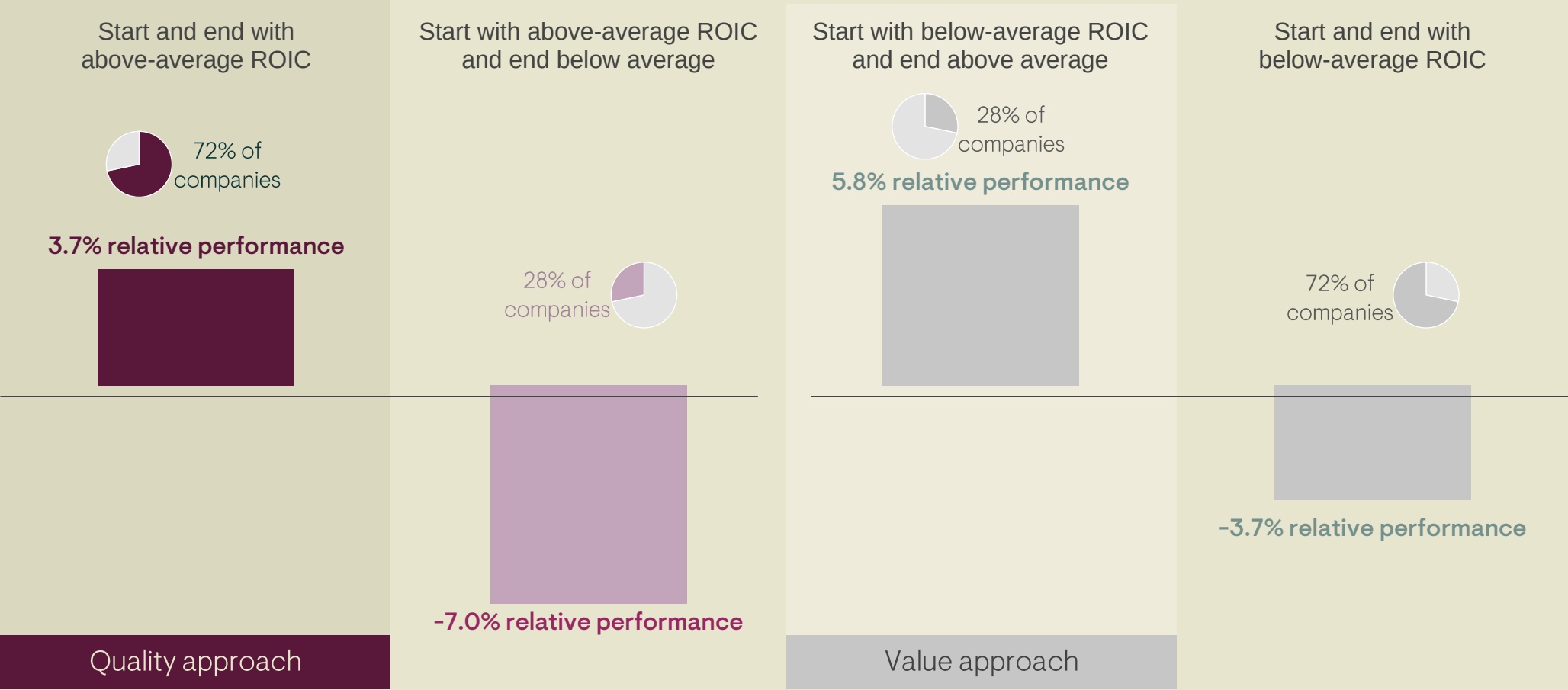
For further information on investment process, please see the Important Information section.



Outperformance from sustained high returns

Return on Invested Capital (ROIC) – a fundamental measure of success

Relative performance vs. ROIC persistence (rolling five-year periods, 1990-2022)



Past performance is not a reliable indicator of future results, losses may be made.
Source: Ninety One analysis of FactSet data, MSCI ACWI universe, 31 December 1990 to 31 December 2022. For the full research methodology, please refer to our white paper entitled 'Equity Investing the Quality way' (October 2020) which is available on request. The MSCI All Country World Index is a market capitalisation weighted index designed to provide a broad measure of equity-market performance throughout the world. Comprised of stocks from developed and emerging markets. Maintained by Morgan Stanley Capital International. Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.



Our definition of Quality

5 key attributes

1

Competitive advantages

2

Dominant market positions

3

Low economic sensitivity

4

Healthy balance sheets

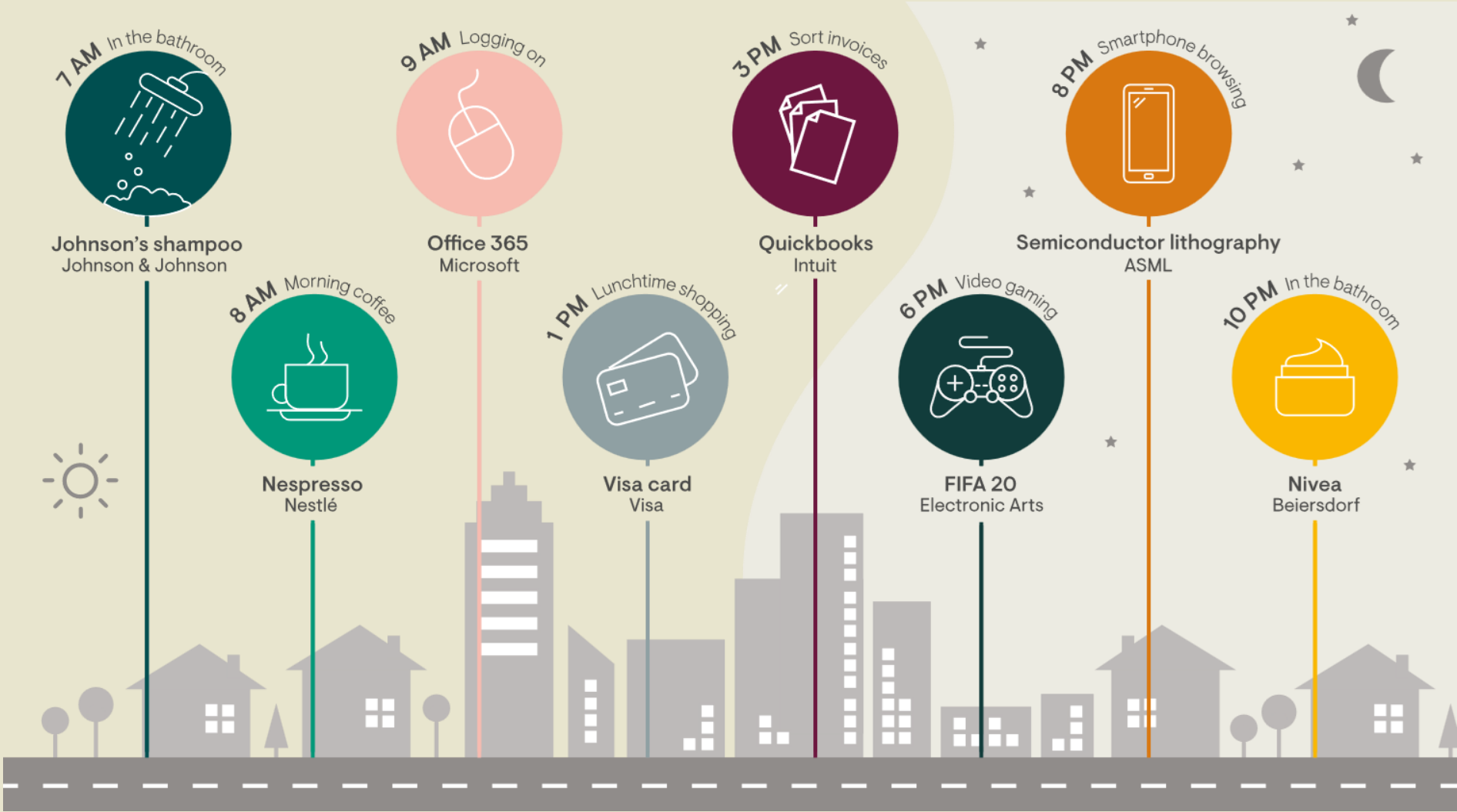
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Cash flow and capital allocation

Best-of-breed quality companies that sustain high returns and compound shareholder wealth over the long term



Let world-leading companies work for you



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.
Source: FactSet. As at 30 June 2024, Johnson & Johnson represented 2.4% of the Global Franchise Fund, Nestlé 3.6%, Microsoft 8.3%, Visa 9.6%, Intuit 4.1%, Electronic Arts 2.9%, ASML 8.3% and Beiersdorf 4.6%. This is not a buy, sell or hold recommendation for any particular security. The portfolio may change significantly over a short space of time.

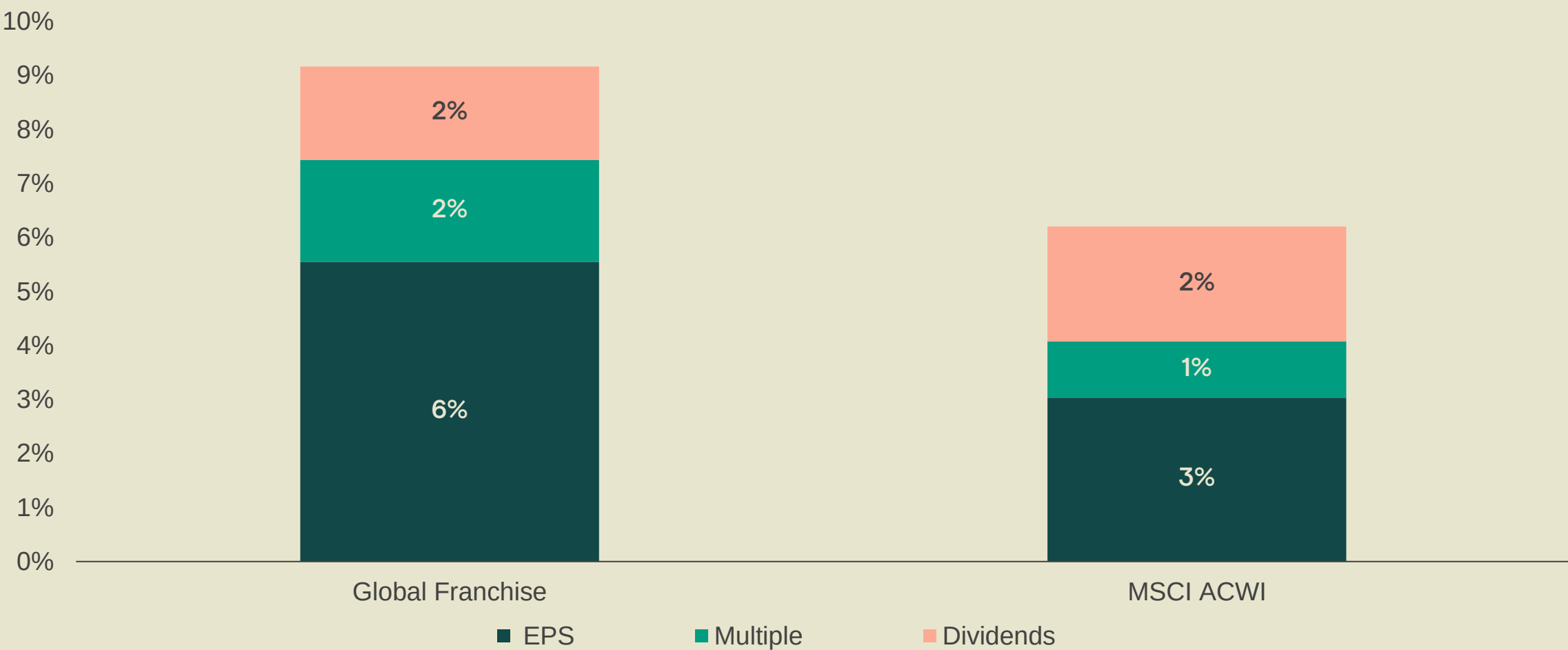
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Total shareholder return decomposition

Earnings growth the primary driver of returns

Since Inception



The proportional contribution from the growth in EPS, PE change and cumulative dividends are allocated across headlined Gross composite performance numbers.

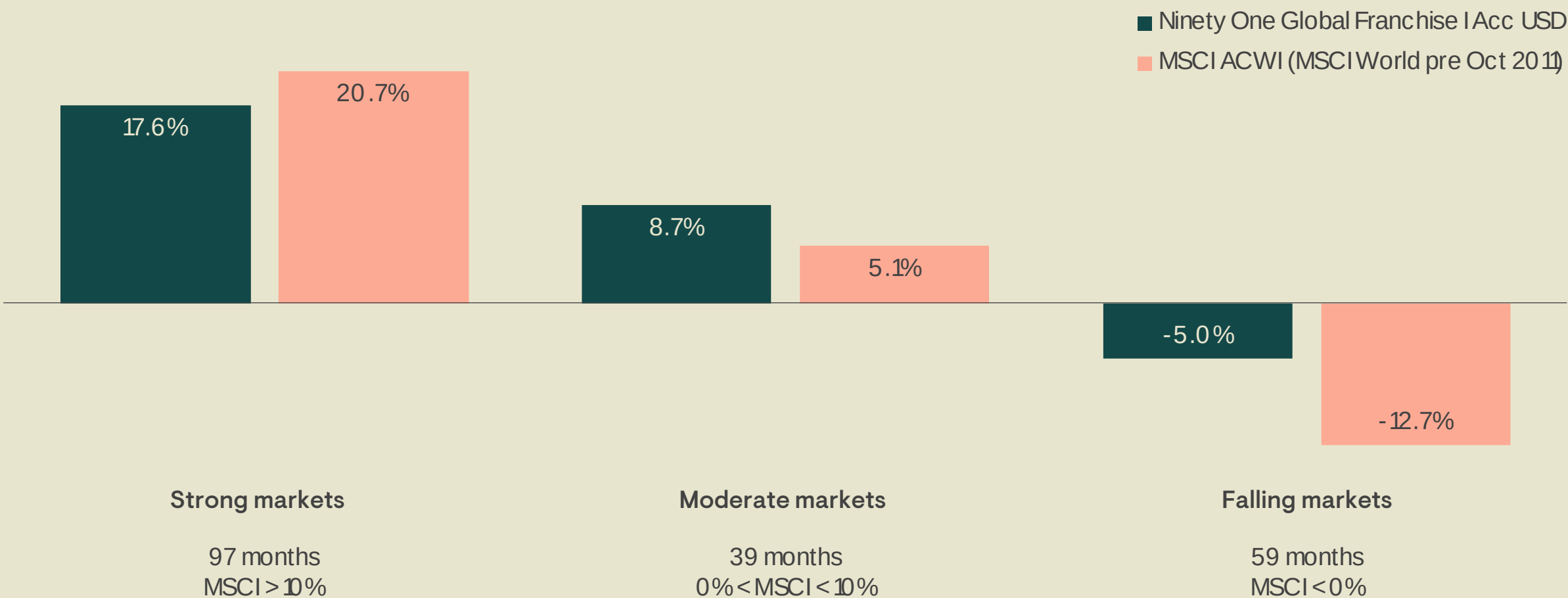
Source: Ninety One, FactSet, Bloomberg, 28 June 2024, based to 100 at April 2007.

Weighting based on GSF vehicle. Earnings based on Blended 12mth forward EPS. Rating based on 12 month forward PE. TSR is derived from portfolio constituent through time and is based on the weighted average aggregation of EPS growth, Rating change, dividend yield, hence doesn't not take account of fees and trading costs.



Quality: seeking greater certainty in an uncertain world

Average rolling 12 month performance



Past performance is not a reliable indicator of future results, losses may be made.
Source: Ninety One, 30 June 2024. Performance is net of fees (NAV based, including ongoing charges, excluding initial charges), gross income reinvested, in USD. Rolling 12 month periods since inception: 30 April 2007.
For further information on indices, please see the Important Information section.



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Thank you





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