Strategy RFP

Ninety One

Previously Investec Asset Management

All China Bond

Quarter ending September 2020

Contents

At Ninety One we believe in investing for a better tomorrow. We want to assist people around the globe to retire with dignity and meet their financial objectives by offering specialist, active investment expertise. We are a patient, long-term business offering organically-developed investment capabilities through active segregated mandates and mutual funds. Our clients include some of the world's largest private and public sector pension funds, financial institutions, corporates, foundations, central banks and intermediaries serving individual investors.

It all began in South Africa in 1991 and we have grown to become an established global investment management firm. We continue to develop our owner culture and are committed to building a long-term inter-generational business. The founding leadership is still in place, offering stability and a long-term investment outlook for clients.

We are deeply committed to creating a better, sustainable future. We are conscious of our responsibility, both as investors of other people's money and of our broader responsibility to society. Through our core investing activities, our leadership in the industry, our environmental initiatives and our commitment to our local communities, we seek to make a positive impact in all that we do.

Our overriding aim is to manage our investments to the highest standard possible and thereby exceed our clients' investment and service expectations.

Executive summary

Ninety One has a long history of investing in emerging markets debt (EMD). Our business started in South Africa in 1991. Fixed income and cash management in the diverse markets of Africa has been a core part of this business since the beginning. At the same time, Ninety One's investment teams have been investing in emerging markets debt for many years.

Ninety One has been an active participant in the broader China fixed income asset class for over 10 years, starting with the currency and offshore USD bonds, then offshore CNH bonds from 2011 and onshore CNY bonds from 2015 onwards.

Our **All China Bond Strategy** adopts a broad investment mandate that allows for active management:

- A best-ideas China-centric fixed income strategy that invests across the universe of onshore (CNY) and offshore (USD, CNH) bonds, spanning the spectrum of rates, credit and FX
- Aims to unlock relative value opportunities driven by differences in market price behaviour and currency basis across these markets
- The All China Bond Strategy aims to provide income

The All China Bond Strategy aims to provide income with the opportunity for long-term capital growth primarily through investment in a portfolio of bonds issued by Chinese borrowers. The Strategy's securities may be denominated in renminbi and/or hard currencies. For any security which is not denominated in renminbi, the returns of such security may be converted into renminbi at the discretion of the portfolio manager.

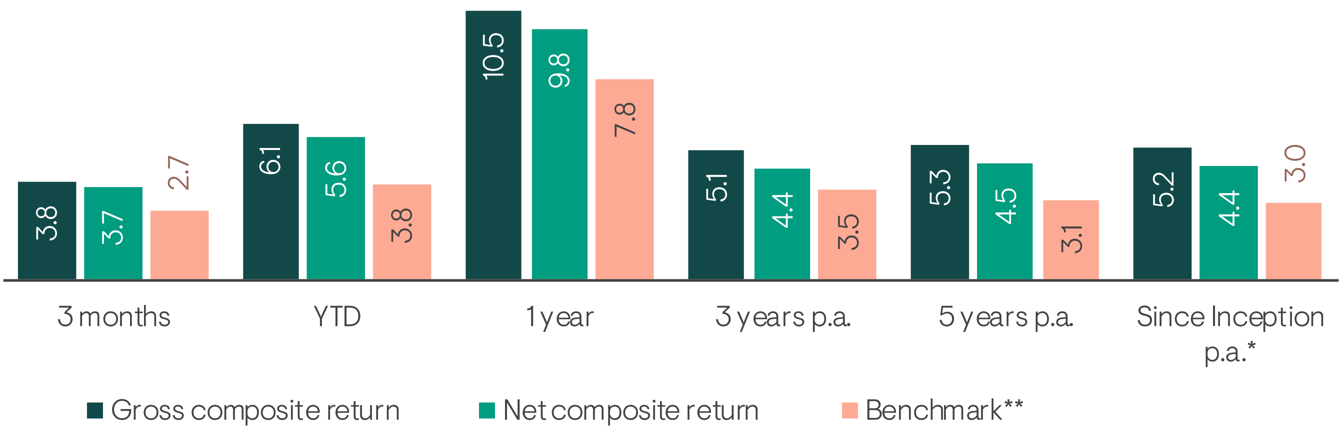
The key differentiators of Ninety One's All China Bond Strategy are:

- An **established platform** and **long history** in emerging markets:
  - More than 25 years' experience in local and external bond markets
  - Involvement in other emerging asset classes gives us insight into what drives market returns
- **Specialist** team:
  - Diverse and complementary skill set
  - Experienced professionals based in **Singapore, Hong Kong** and **London**
- **Broad investment mandate** that allows for active management:
  - Aims to unlock relative value opportunities found in China's still developing bond markets
  - **Tried and tested track-record**

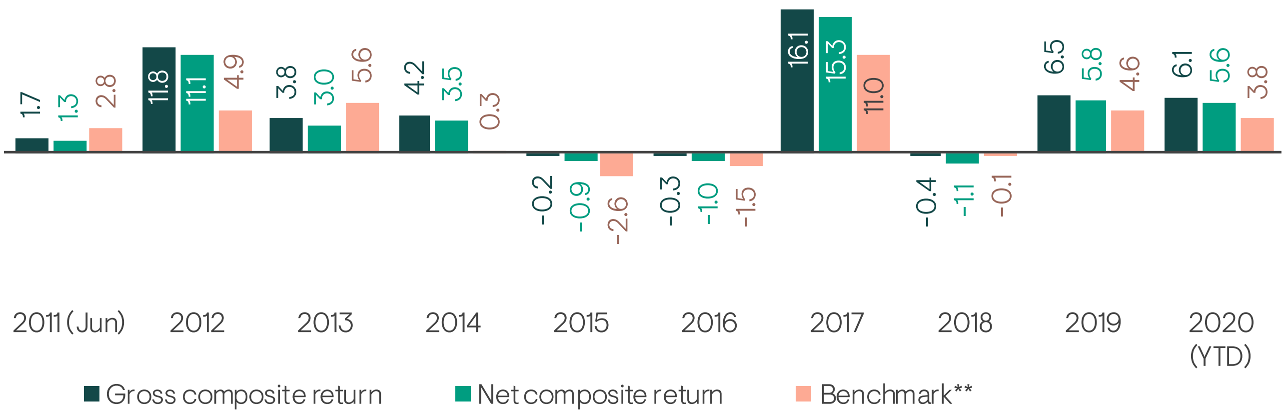
Performance

The performance of Ninety One 's All China Bond composite is shown in the following graphs and tables.

All China Bond - Annualised (Gross) performance (USD)



All China Bond - Annual (Gross) Performance (USD)



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

Source: Ninety One as at 30 September 2020. Gross performance (returns will be reduced by management fees and other expenses incurred). Net performance (net of highest institutional segregated portfolio management fee), income is reinvested in USD

*Composite inception date: 01 June 2011 returns of less than one year are not annualised.

** Benchmark: Bloomberg Barclays Global Aggregate - Chinese Renminbi Index (pre 30/08/2019 iBoxx ALBI Offshore China, pre 01/05/2016 HSBC OS RMB Overall, pre 01/01/2015 CNHDR).

For further information on indices please see the Important Information section

Potential outperformance

Our 'Compelling Forces' approach ensures that we focus on fixed income segments where fundamentals, valuation and market behaviour line up in the same direction.

Our process incorporates a range of active positions across the currency, sovereign yield curve plays and issue selection. We believe that this helps to ensure that we are not reliant on one investment theme, dampen volatility and provides the potential for outperformance in a wide variety of market conditions. We believe that relative value opportunities present themselves in both bear and bull markets.

Having said this, as we adopt a fundamentals-based investment process, we find that the Strategy has tended to perform best in environments of higher dispersion where returns are being driven by economic and corporate fundamentals.

Potential underperformance

We believe our Strategy may perform less well during a period when markets reverse very sharply, particularly when markets are moving from a general bull market to a general bear market or vice versa.

We firmly believe that fundamentals drive markets over the medium and long term. Our process is therefore likely to suffer on occasions where markets behave less rationally, are driven by event risk or appear to ignore fundamentals.

Our investment expertise

Team members are organised into specialist groups that apply their expertise to focused areas in which they have proven their ability to perform. This facilitates timely and effective decision-making and ensures accountability for key decisions. The investment ideas are subject to team peer review to ensure that only the best opportunities are selected.

Within Global Emerging Market Debt, we have two sub-teams; Emerging Market Sovereign & FX and Emerging Market Corporate Debt. The sovereign sub-team is organised by region, working in pairs to cover the regions across three asset classes: sovereign local debt, sovereign hard currency debt, and currencies. The corporate sub-team is organised by sector. The teams work very closely together, bisecting countries and corporate sectors to support broader investment views and themes. Investment ideas are generated by the analysts before being debated and discussed by the broader team. Once a suggested trade has been approved by the portfolio managers it will filter into the relevant strategies via the teams' disciplined portfolio construction process.

Wilfred Wee and Alan Siow are responsible for the All China Bond Strategy and take full responsibility for the strategy's positioning and performance.

The following chart shows the China Rates and Credit team:

Wilfred Wee
Strategy Leader
Asia

Alan Siow
Strategy Leader
Credit

Investment Specialists – Asia Strategies

Mark Evans Asia	André Roux Asia

Investment Specialists – Corporate

Victoria Harling Corporate Strategist	Stacy Xie Financials
Juliet Lim Oil & Gas, Infrastructure	Kevan Salisbury Resources
Leah Parento Transport & Consumer	Alan Siow Real Estate
Tammy Lloyd Telecom & Utilities	

Investment Specialists – Sovereign & Currency

Peter Eerdmans Top-Down	Werner Gey van Pittius EEMEA
Vivienne Taberer LatAm	Grant Webster EEMEA & Top-Down
Antoon de Klerk Africa & LatAm	Michail Diamantopoulos CE
Roger Mark EEMEA	Thys Louw Africa & Top-Down

Internal Support

Julia Poszmik Business Manager	Tom Peberdy Portfolio Specialist

Quantitative Support

Nicholas Marshall Quantitative Analyst*	Jonathan George Analyst*

Global Investment Infrastructure Support

Trading | Environmental, Social and Governance (ESG) | Risk & Performance | Implementation

* Shared resource with SA Rates.

The investment team is subject to change not necessarily with prior notification. As at 30 September 2020.

Detailed biographies of the Strategy leaders can be found in the Appendix.

Investment philosophy

The breadth of China's fixed income universe – encompassing bonds issued in onshore CNY, and bonds issued offshore in USD by Chinese borrowers or in CNH – provides a broad landscape for alpha opportunities. While already counted among the largest bond markets in the world, China's fixed income markets are still in the early stages of opening up to foreign participation. As such, there are significant relative value opportunities for active investors to exploit, driven by differences in market price behaviour and currency basis effects across these markets.

We believe that an active approach is essential to investing in Chinese bonds. This is so that the strategy can be positioned to take advantage of opportunities and mispricing, and to manage risks as well as transaction costs and taxes. With this in mind, the core of our philosophy as active managers is the following:

1. Combine a strong bottom-up process, within a rigorous top-down framework. We believe that the optimal approach to asset allocation is to use tailored, bottom-up, high conviction ideas. We invest holistically, accessing country exposure through what we believe are the most attractive entry points across FX, sovereign debt and corporate debt markets. By using a number of appropriately sized trades, across the various asset classes, we seek to generate consistent alpha over time.

2. We cover all the bases and go to great lengths to make sure we do not get caught up in a single theme. We aim to make sure that our portfolio is never over-exposed to a single market segment or economic outcome, which can be a pitfall of some strategies.

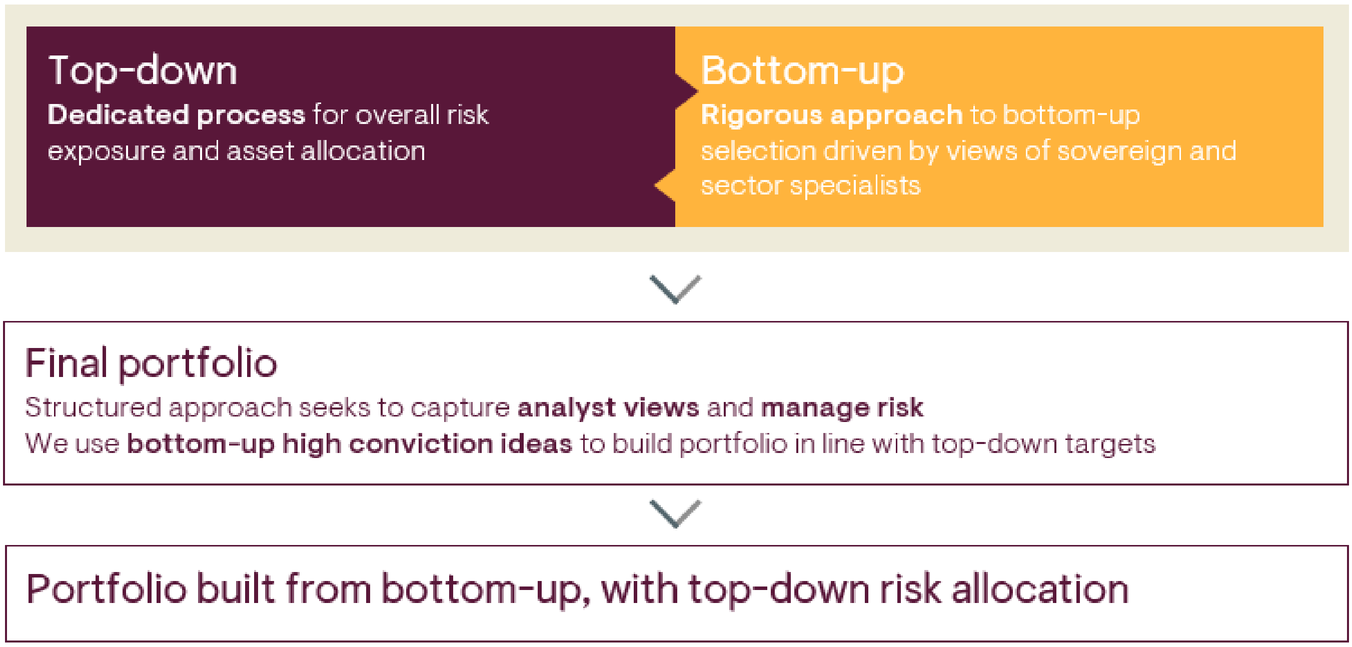
3. We use a structured analytical approach, with our team's insight supplemented by advanced proprietary econometric modelling and valuation tools.

4. We apply strong diversification through a disciplined portfolio construction process, which automatically captures risks, including liquidity risk, at the trade implementation stage.

Investment process

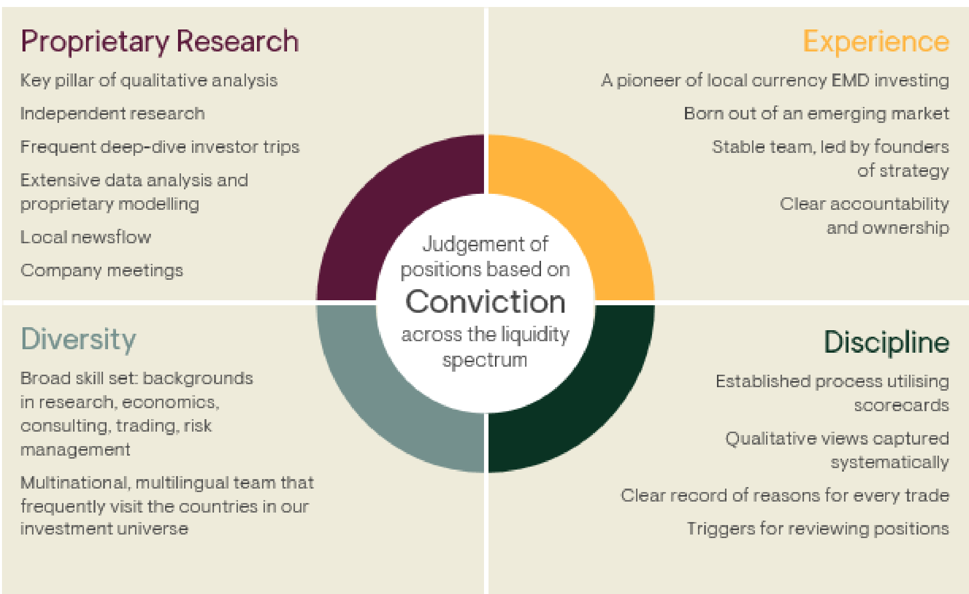
Our process combines top-down asset allocation with bottom-up security selection. The top-down asset allocation process determines the outlook for the various asset classes, namely onshore CNY denominated government bonds, policy banks and highest quality onshore local currency credits; and offshore USD and CNH denominated bonds. Where the bonds are not denominated in renminbi, they will be issued by a borrower with material links to China and may be converted back into renminbi depending on our view towards the currency.

Disciplined and repeatable process driven by bottom-up views. Allocation of risk driven by top-down process



For the sovereign, the local currency bond analysis develops a preferred duration and yield curve position. We analyse a wide range of indicators focusing on growth factors, inflation, valuations and market behaviour, these are summarised in scorecards that are updated weekly. On a regular basis, the China country specialist will make a detailed country presentation to the team where views and scores are rigorously debated. The currency and sovereign hard currency bond research follows a similar process. Here, the scorecards comprise quantitative scores and qualitative factors consisting of detailed analysis of the economic fundamentals of China.

Currency, sovereign bonds – Scorecards provide strong discipline



For corporates, the credit team will perform fundamental analysis for each company in the portfolio. In order to determine if a potential investment is an attractive opportunity, the credit team will look at a company's bond price, spread and yield in the context of its risk profile versus other companies with a similar risk profile or that operate within the same sector, and its own price levels in other currencies. These findings are summarised in a scorecard.

Asset allocation methodology

The overall top-down portfolio process includes a general assessment of the outlook for emerging markets fixed income and main investment themes. The wider Ninety One investment teams hold a monthly macroeconomic meeting where the global economic environment is debated. Following this, the Global Emerging Market Debt team holds its own asset allocation meeting which focuses on a range of emerging markets specifics, such as growth fundamentals, inflation forecasts, the outlook for risk appetite, trade dynamics, geo-politics, valuations and surveys of market positioning and flows. All these factors are captured within the 'Compelling Forces' framework and are reflected in our asset allocation scorecard, which has two major components. The first, called the "Beta Score", gives us an overall steer to the amount of risk the portfolio should contain. The second component, called the "Relative Scores", gives a ranking of the relative attractiveness of the four components: hard currency debt, hard currency corporate debt, local currency debt and EM currencies. This component helps to determine how we should allocate relative risk to the individual asset classes in order to achieve our overall risk exposure.

For the All China Bond Strategy, the main impact of our top-down views will be determining the overall currency stance, the splits between the various asset classes – namely, onshore CNY government bonds, policy banks and highest quality onshore local currency credits; and offshore USD and CNH denominated bonds – as well as duration and curve positioning.

Asset allocation targets are achieved by emphasising the team's best bottom-up ideas, subject to the following limits:

All China Bond Strategy	Internal limit	Typical range
Total RMB currency exposure	120%	90–110%
Duration	bmk +/- 3 years	bmk +/- 1.5 years
CNY, CNH-denominated bonds	100%	60–80%
USD-denominated bonds	100%	20–40%
Investment grade	100%	75–100%
High yield	50%	0–25%
Max per IG corporate issuer	4%	1–3%
Max per HY corporate issuer	3%	1–2%
Cash	20%	0–10%

These internal parameters are subject to change without notification necessarily to investors.

Evaluation of country and currency risk

Bonds are only selected after rigorous screening and in-depth research. Our active positions are diversified across companies, sectors and markets, but we are also careful to ensure that this does not dilute performance potential. The credit analysts in the EM Corporate Debt team are global EM sector domain specialists – their deep understanding of industry gives them a unique perspective to assess Chinese credits within their sectors. The credit analysts work closely together and participate in each other's scorecard sessions, which are held daily.

On the macro front, China is well researched across the firm. As a key driver of global markets, China is a core focus of the Global Emerging Market Debt team and intensely analysed daily and at every regional meeting. Members of the team typically make at least two to four trips to China annually to meet with key policymakers, analysts and companies.

We start with a detailed analysis of the economic fundamentals of China. A thorough assessment of the inflation risks is crucial at this stage. We also analyse how we expect the country to fare in the current environment. How supportive is global growth? What are the drivers of economic growth: exports, investments, domestic consumption, fiscal expansion? Is there a positive current account balance?

We then focus on the specific country risk factors. Is there a risk of policy mistake by either the central bank or the government? What are credit conditions like? Is there a lot of debt? What is the debt profile? What is the event risk in terms of domestic politics or the international situation?

Valuation is another key driver of our decision. We have developed several proprietary models where we analyse real and nominal rates and calculate how these compensate for country, inflation and currency risks.

Finally, we look at market behaviour. In particular, investor positioning, supply/demand and technicals are all important. We try to be contrarian and look for value when other investors are getting overly concerned and selling in a panic.

Evaluation of corporate securities risk

Corporates – Stage 1, Quantitative screening

Initial quantitative screening is done based on absolute and relative valuation. We look at each individual bond and compare to the overall universe for value and against its own history of value. We assign a score based on the relative strengths of these metrics and screen on these scores.

The screen allows to identify where the current bonds in our concentrated coverage list may begin to look expensive or move down the value chain, and where other bonds not currently included in our universe may look attractive enough to move into it. This means our existing coverage universe remains fluid with names dropping out and coming in over time.

Corporates – Stage 2, Fundamental analysis

The next stage involves fundamental analysis. The analyst will then embark on in depth analysis of that corporate debt. This involves:

Speaking to bank analysts and rating agencies to provide an initial understanding of the business and identify key issues.

Complete financial modelling of that corporate debt. Provide scenarios and stress test those financials.

Complete background checks on management where possible and speak directly to the company to get a better sense of management strategy and earnings outlook

Examining bond structures and covenants to understand what protections are offered along with risks of breaching covenants.

If any issues remain unclear such as lack of understanding of specifics when modelling, or management issues etc, they will be taken up with management again to ensure we fully understand the risks we take in the portfolio.

Peer reviews are also conducted to provide a comparison within its sector.

All the corporates we cover are maintained in scorecards. This systematic approach covering a set of consistent metrics provides a common language for discussing corporate debt across all sectors and is used to assess all investments. This ensures a transparent, repeatable and attributable process exists. The scorecards pull together our views on the 'Compelling Forces' for each corporate debt. They use the quantitative output from the screen along with softer factors.

			Valutations				Fundamentals									Technicals								ESG Credit Impact		
Name	Spread	Yield	3 valuation drivers			Value Score	8 fundamental drivers								Corp Qual Score	3 technical drivers			Tech Score	Total Score	Rank	Change in Rank	Implied Notches Up / Down	Credit Rating Impact	Sensitivity Risk	ESG Credit Impact Score
IHS HOLDCO 8% 2027	586	7.45	1	0	0	0.25	0	0	0	0	0	1	1	0	0.25	0	-1	0	-0.33	0.13	1	+1	-2	-1	+3	-2
IHS HOLDCO 7.125% 2025	501	6.62	1	0	0	0.25	0	0	0	0	0	1	1	0	0.25	0	-1	0	-0.33	0.13	1	+5	-2	-1	+3	-2
GTH/ VIP 7 ¼ 04/26/23	176	3.39	-1	1	0	0	0	1	0	0	0	0	0	0	0.13	1	0	0	0.33	0.12	3	+0	+1	-1	+1	-1
MX America Movil 6 1/8% 2040	196	3.70	0	1	0	0.25	0	0	0	0	0	0	0	0	0.00	0	0	0	0.00	0.10	4	+4	+1	-1	+2	-1
RU VIP 4.95 06/16/24	175	3.35	0	1	0	0.25	0	-1	0	0	0	-1	0	0	-0.25	1	0	0	0.33	0.07	5	-1	+0	-1	+1	-1
TR TCell 2028	497	6.60	1	0	0	0.25	0	0	0	0	-2	1	0	0	-0.13	0	0	0	0.00	0.05	7	+14	-1	-1	+2	-1
MX America Movil 6 3/8% 2035	172	3.43	0	1	0	0.25	0	0	0	0	0	0	0	0	0.00	0	0	-1	-0.33	0.03	8	-2	+1	-1	+2	-1
MX America Movil 6 1/8% 2037	191	3.64	0	1	0	0.25	0	0	0	0	0	0	0	0	0.00	0	0	-1	-0.33	0.03	8	+3	+0	-1	+2	-1
C&W 7.5 10/15/26	362	5.35	0	0	0	0	0	0	0	0	0	1	1	0	0.25	0	-1	0	-0.33	0.03	8	+3	+0	-1	+2	-1
ZALIQTEF 8 ½ 07/13/22	749	9.16	1	0	0	0.25	0	0	0	0	0	-2	-1	-1	-0.50	-2	0	-2	-1.33	-0.37	64	-10	-2	-1	-2	-1
CN Baidu 4 1/8% due 25	137	2.96	0	-1	-1	-0.75	0	0	0	0	0	0	0	0	0.00	-1	0	0	-0.33	-0.37	64	+0	+0	-1	+2	-1
CN Alibaba Group 3.6% 2024	100	2.59	0	0	-1	-0.5	-1	-1	0	0	0	1	-1	0	-0.25	-1	0	0	-0.33	-0.37	64	+0	+0	-1	+2	-1
CN Alibaba Group 4 1/2% 2034	165	3.36	1	-1	-1	-0.5	-1	-1	0	0	0	1	-1	0	-0.25	-1	0	0	-0.33	-0.37	64	+6	-1	-1	+2	-1
QA Qatar Telecom 4 1/2% 2043	177	3.53	-2	0	-1	-1	0	0	0	0	-1	0	0	0	-0.13	0	1	0	0.33	-0.38	68	-2	+3	+0	+0	+0
QA Qatar Telecom 4 3/4% 2021	53	2.36	-1	0	-1	-0.75	1	-1	-1	0	-1	0	0	0	-0.25	-1	1	0	0.00	-0.40	69	-1	+3	+0	+0	+0
CN Baidu 3 % 07/06/27	159	3.19	0	-1	-1	-0.75	0	0	0	0	0	-1	0	0	-0.13	-1	0	0	-0.33	-0.42	70	-9	+0	-1	+2	-1
CN Huawei 4 % 02/21/27	224	3.85	2	-1	-1	-0.25	-1	0	0	1	-2	0	0	-2	-0.50	-2	-1	0	-1.00	-0.50	71	+0	-2	-1	+3	-2
CN Huawei 4.125% 05/06/26	214	3.74	2	-1	-1	-0.25	-1	0	0	0	-2	0	0	-2	-0.63	-2	-1	0	-1.00	-0.55	72	+0	-2	-1	+3	-2
CN Huawei 4.125% 2025	202	3.61	2	-1	-1	-0.25	-1	0	0	0	-2	0	0	-2	-0.63	-2	-1	0	-1.00	-0.55	72	+0	-2	-1	+3	-2

Integrated ESG scoring

Candidates to buy

Candidates to sell if held

> Scorecards provide a disciplined approach to compare the universe across sectors

Source Ninety One. This is not a buy, sell or hold recommendation for any particular security, data is for illustrative purposes.

Corporates – Stage 3, Sector scorecards

The final step is to then score the corporate in the sector scorecards we maintain to see where it ranks. All the corporates we cover are maintained in scorecards. This systematic approach covering a set of consistent metrics provides a common language for discussing corporate debt across all sectors and is used to assess all investments. This ensures a transparent, repeatable and attributable process exists. The scorecards pull together our views on the Compelling Forces for each corporate debt. They use the quantitative output from the screen along with softer factors.

The factors we use to score can be broken down into valuation, fundamentals and market behavioural factors:

Valuations: combination of the quantitative score from the screen and a qualitative score assigned by the sector analyst

Fundamentals: Qualitative scores assigned by the sector analysts. This incorporates several aspects such as quality of management, merger & acquisition catalyst, capex flexibility, refinance risk, government support / regulation, EBITDA margins and growth

Market behaviour: Qualitative scores assigned by the sector analysts. These can help explain mispricing and evaluate the degree and the length of time that a mispricing may exist for. We include potential issuance and market positioning, index inclusion/investor base, liquidity of issue. Within the scorecard we also integrate an ESG assessment, with separate scores determined across E, S & G derived from multiple quantitative & qualitative inputs. Here we are looking to determine any potential credit impact due to ESG factors.

Once the analyst has analysed the business and scored the corporate within the scorecard, they will write up a detailed note on the company with a (i) buy/sell recommendation (ii) fair value spread target (which will help determine the potential total return) and (iii) a level of conviction being low medium or high. The note will consist of a credit profile, key drivers, strengths and weaknesses, any covenant issues, a peer comparison and financial model where appropriate.

Portfolio construction

For sovereign risks, active positions – on overall duration, curve, and overall currency exposure – will be taken in terms of risk units, which are set based on the riskiness and the liquidity characteristics of the market. Importantly, in addition to backward-looking risk (volatility) measures, forward-looking risk measures (such as ratings, liquidity and our assessment of geo-politics) are used. Typically, no more than two risk units tend to be allocated to each active position.

For credit, the bottom-up security selection process is the key driver of performance. A thorough analysis creates a ranking of the range of issuers. The scorecard provides strong discipline to buy/sell and test conviction levels. Securities that score in the top one third of the credit scorecard are typically considered for the portfolio. Our internal guidelines limit individual corporate exposures to 4% for Investment Grade and 3% for High Yield issuers to limit potential downside idiosyncratic risks, although most typically we take a 1-3% position per issuer, depending on conviction levels

Non-rated bonds are counted as part of High Yield limits.

Local ratings are heavily skewed towards 'AA' and above; such bunching limits their efficacy as measures of credit differentiation. Therefore, we only use credit ratings of the international agencies. If the bond issue has a rating, we would use its Moody's, S&P and/or Fitch rating. If the bond issue itself is not rated by Moody's/S&P/Fitch (as is the case with a lot of onshore CNY bonds), we assign it the bond issuer rating by Moody's/S&P/Fitch. Otherwise, we would consider the bond non-rated.

Environmental, Social and Governance integration

Environmental, Social and Governance (ESG) integration is a priority for the leadership at Ninety One. We believe it adds more value to our clients to treat material ESG issues as an integral part of the investment analysis process rather than as a separate procedure.

We have a dedicated global ESG team, which is steered by a senior Investment Governance Committee. Together with all the investment teams, the ESG team focuses on integration strategies, ESG research and engagement efforts.

ESG integration within sovereign Emerging Market Debt

Proprietary ESG analysis

Sovereign ESG scorecard

- Comprehensive eight factor scoring of **ESG trends** based on **qualitative assessment** by regional specialists
- Informed by analysis of third party data, policy analysis and interaction with policy-makers

Ongoing collaboration and interaction with ESG team

Investment process integration

ESG scores feed into **all** our investment scorecards across sovereign, FX and rates scorecards with 5% weight

Complemented by a **Political Risk** score capturing shorter-term **governance** outlook

Engagement with company management, NGOs and country policy makers

Outcomes

Structured ESG process **embeds ESG risk management** in portfolio construction

Ability to **tailor ESG solutions** for institutional clients

Collaboration with clients ranging from sharing of quarterly ESG trend scorecards and qualitative views to ad hoc ESG interaction on particular topics, companies and countries.

ESG scorecard sub-categories

Environmental Policy			Social Policy			Governance	
Climate Action	Resource Strategy	Land & Water Management	Built Environment	Human Capital	Inclusive Growth	Institutional Capacity	Economic Policy

We have incorporated ESG-related factors in our investment process since the inception of our EMD capability. The details have naturally evolved as the asset class has matured and as ESG data has become more readily available. We now run an eight-factor ESG momentum scorecard that ensures we cover all the key elements of ESG, including 16 of the 17 SDGs. This scorecard provides a framework for our assessment of ESG policies and implementation, and their relevance to the long-run prospects for an economy, which in turn can influence asset returns.

ESG is integrated into our standard investment process through the ESG impact score. The ESG impact score is complemented by a political risk score that captures near-term governance shifts (which can potentially impact longer-term ESG trends).

Both these scores feed into all our investment scorecards – currencies, local rates and sovereign credit.
Thus, all other things equal, markets with improving ESG scores will be higher up the scorecard rankings than those that are deteriorating.

Within corporate debt we monitor ESG issues using MCSI ESG Research, which combines quantitative and qualitative analysis to assess companies and countries from an ESG perspective. Corporate governance is one of the eight fundamental factors in our quantitative screen of the benchmark universe.

Investment risk management and key characteristics

We have a comprehensive Governance and Oversight structure in place at Ninety One to manage risk throughout the business and this includes our approach to investment risk.

Managing risks across our investment strategies is an integral part of the portfolio management process and consists of both explicit limits as well as additional measures to ensure that the appropriate level of risk is employed to meet the risk and return objectives of our investors.

The four main areas that are of primary focus to Ninety One from an investment risk perspective are:

1. **Philosophy and Process:** Ensuring that investment capabilities adhere to investment style and mandate.
2. **Research and Analysis:** Confirming that suitable research and analysis underpins the investment decision-making process.
3. **Concentration and Liquidity:** Cognisance of the strategy's concentration and liquidity characteristics.
4. **Risk Measurement:** Making sure appropriate risk measurement and stress testing is carried out.

Investment characteristics

The investment characteristics and risk controls of Ninety One's All China Bond Strategy are as follows:

ALL CHINA BOND Strategy	
Benchmark	Bloomberg Barclays Global Aggregate - Chinese Renminbi Index
	(pre 30/08/2019 iBoxx ALBI Offshore China, pre 01/05/2016 HSBC OS RMB Overall, pre 01/01/2015 CNHDR).
Risk controls	
Typical number of holdings	30-50
Duration	BM +/- 3 years
CNY, CNH-denominated bonds	Maximum 100%
USD-denominated bonds	Maximum 100%
Investment grade	Maximum 100%
High yield	Maximum 50%
Maximum per IG corporate issuer	4%
Maximum per HY corporate issuer	3%
Cash	Maximum 20%

Note: These are internal parameters and subject to change without notification. These are for information purposes and describe the current investment process.

General risks:

The value of investments, and any income generated from them, can fall as well as rise. Where charges are taken from capital, this may constrain future growth.

Past performance is not a reliable indicator of future results. If any currency differs from the investor's home currency, returns may increase or decrease as a result of currency fluctuations.

Investment objectives and performance targets are subject to change and may not necessarily be achieved, losses may be made.

Specific risks:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: 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.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

Liquidity: There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than might be anticipated.

Appendix – biographies

Wilfred Wee
Portfolio Manager
Joined the firm in 2013
Joined the industry in 2004

Wilfred is a portfolio manager in the Fixed Income team at Ninety One and he is responsible for all China Bond strategies. He also shares responsibility for analysis of Asian bond and currency markets within the Fixed Income team.

Prior to joining the firm, Wilfred worked for the Government of Singapore Investment Corporation (GIC) for nine years, three of which were based in New York. At the GIC, Wilfred was a portfolio manager and lead credit analyst for Emerging Market credit, focused on Asia. He was also credit analyst and strategist responsible for European financials.

Wilfred holds a Bachelor of Arts (Hons) degree in Economics from the University of Cambridge, a Master's degree in Financial Mathematics from Stanford University, and is also a CFA® Charterholder.

Alan Siow
Portfolio Manager
Joined the firm in 2019
Joined the industry in 2004

Alan is a portfolio manager in the Fixed Income team at Ninety One with responsibility for Emerging Markets Investment Grade Corporate Debt and All China Bond. Prior to joining the firm, Alan worked at BlueBay Asset Management where he was a portfolio manager specialising in emerging markets. From 2008 to 2011 Alan worked at Alchemy Special Situations as an executive responsible for European distressed debt and special situations investing.

Prior to Alchemy, Alan was a vice president in fixed income at Citigroup Salomon Smith Barney. Alan started his career at Deloitte in Australia.

Alan graduated with a Bachelor of Commerce, first class honours (Accounting and Finance) degree from the University of Western Australia and completed a Master's in Business Administration at INSEAD, France. He is also a qualified Chartered Accountant (Australia and New Zealand).

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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. 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.

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 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 Strategy investments and the Strategy 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

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