FAMILIAR IN THE UNFAMILIAR

How the combination of EM with DM can boost a fund’s overall alpha

Reza Fakie | Portfolio Manager

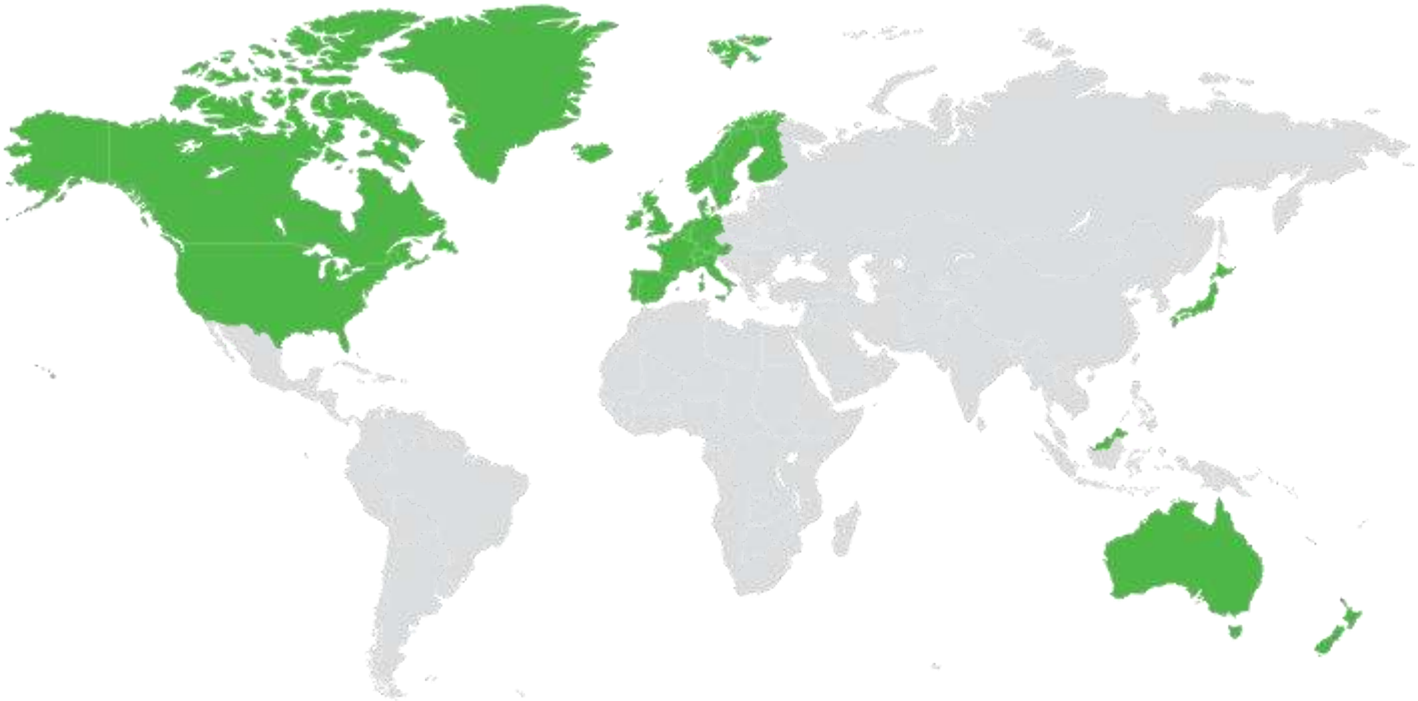
OLDMUTUAL INVESTMENT GROUP

MSCI ALL COUNTRY WORLD INDEX (ACWI)

There is a lot more to the investment universe than just these stocks

(DM)
Developed Markets

amazon
Microsoft
BHP
NVIDIA
Alphabet
AstraZeneca
BROADCOM
SIEMENS
RBC
TESLA
ASML
Roche



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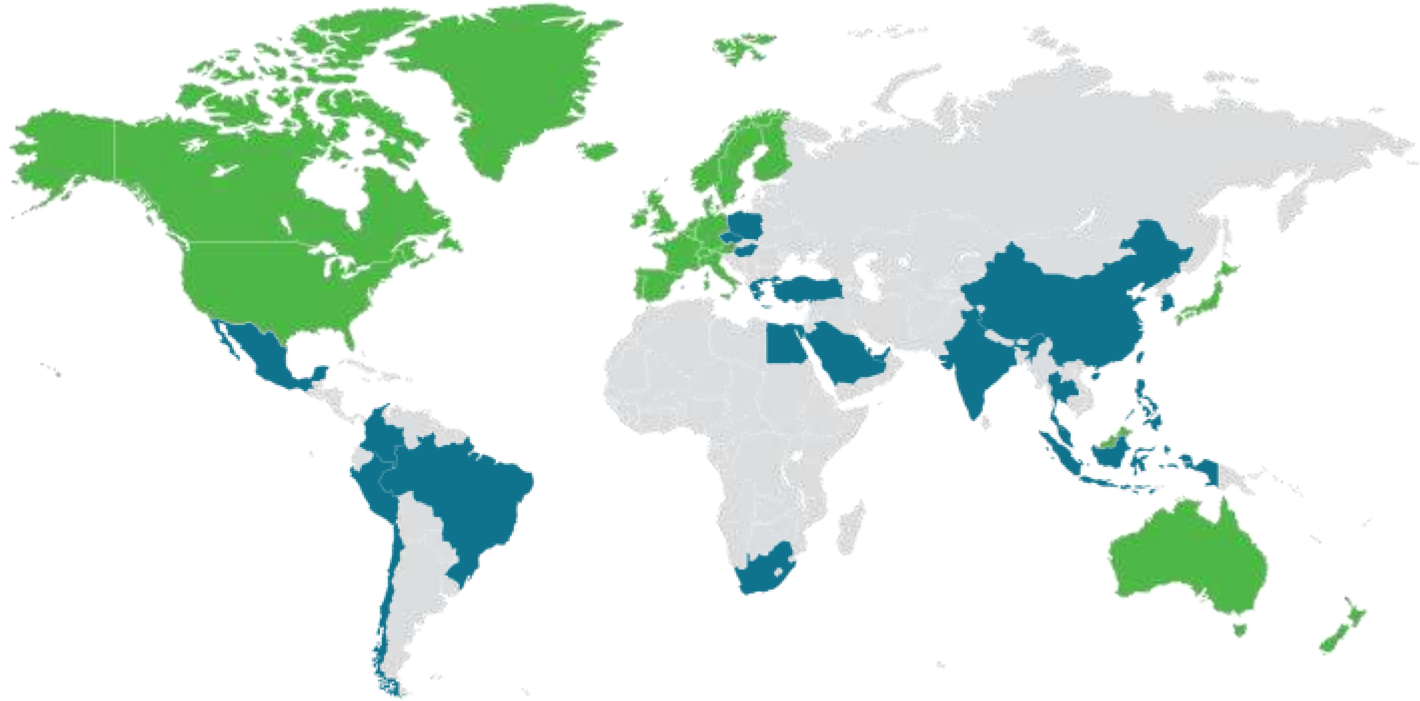

(EM)
Emerging Markets

NASPERS
Alibaba.com
SAMSUNG
Tencent 腾讯
tsmc
SK hynix
HDFC BANK
Reliance Industries Limited
中国建设银行
xiaomi

WEIGHT DOMINATED BY DEVELOPED MARKETS (DM)

Region weight in ACWI (by market cap)

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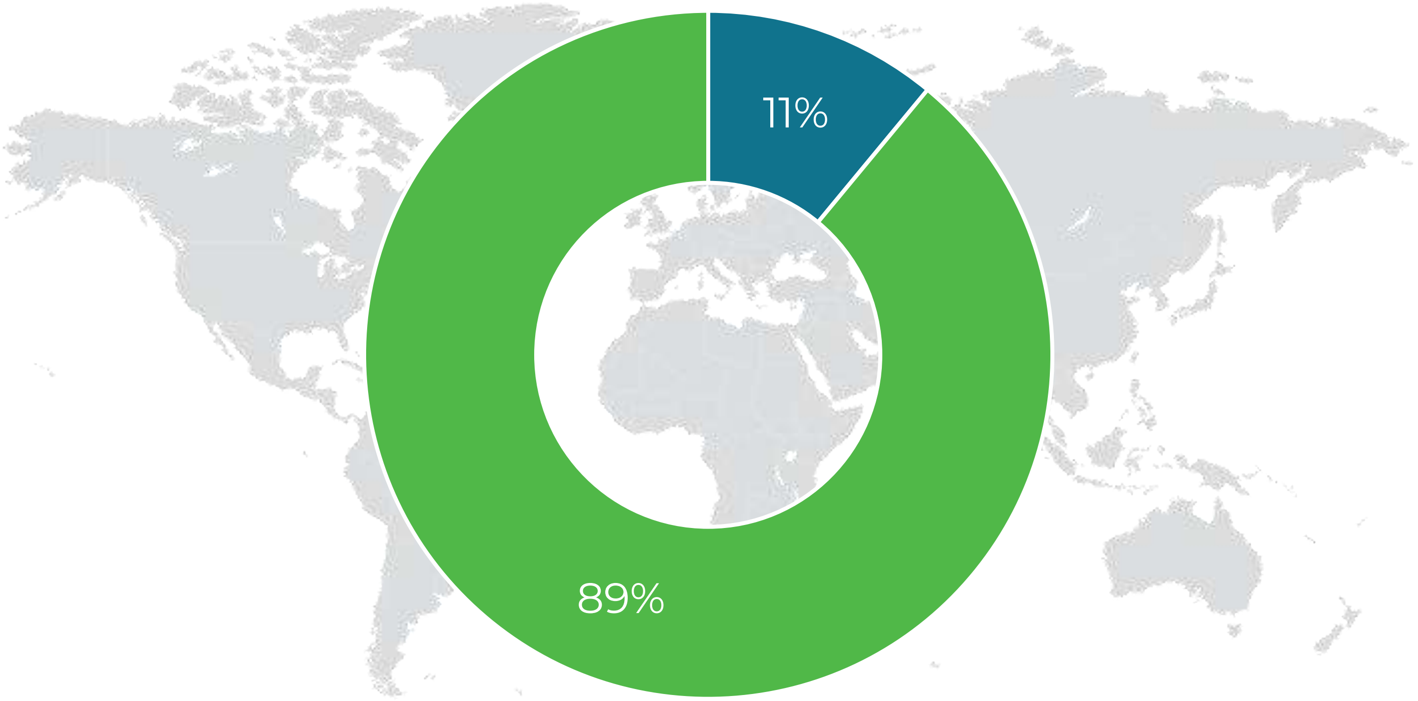

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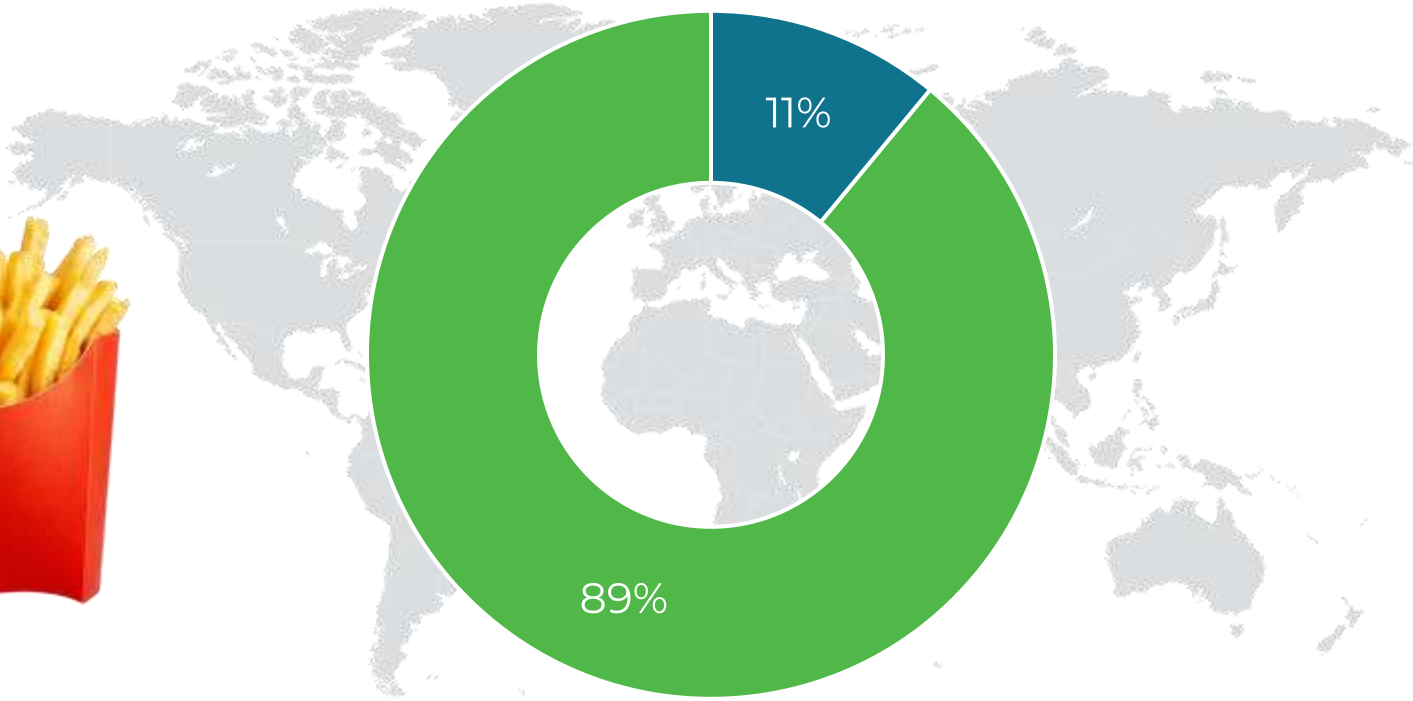
xiaomi

WOULD YOU LIKE THAT SUPERSIZED?

(DM)
Developed Markets

1300 STOCKS



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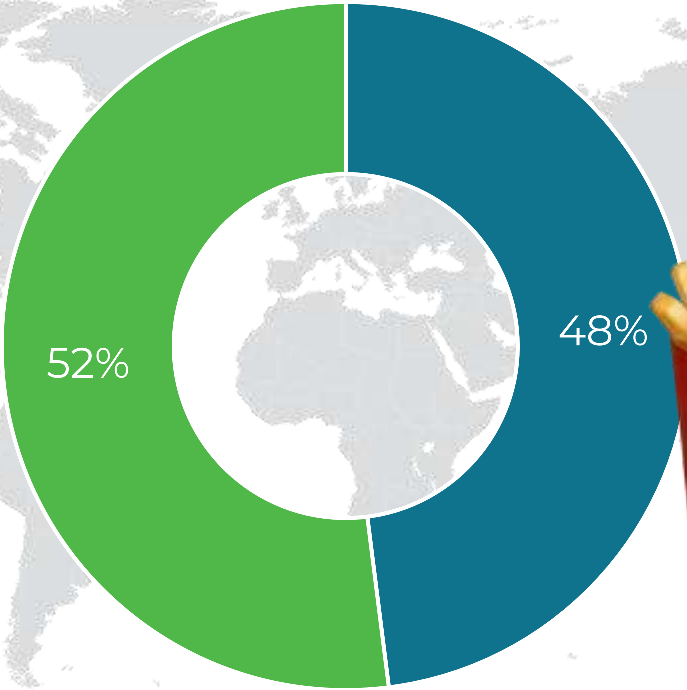


(EM)
Emerging Markets

1200 STOCKS

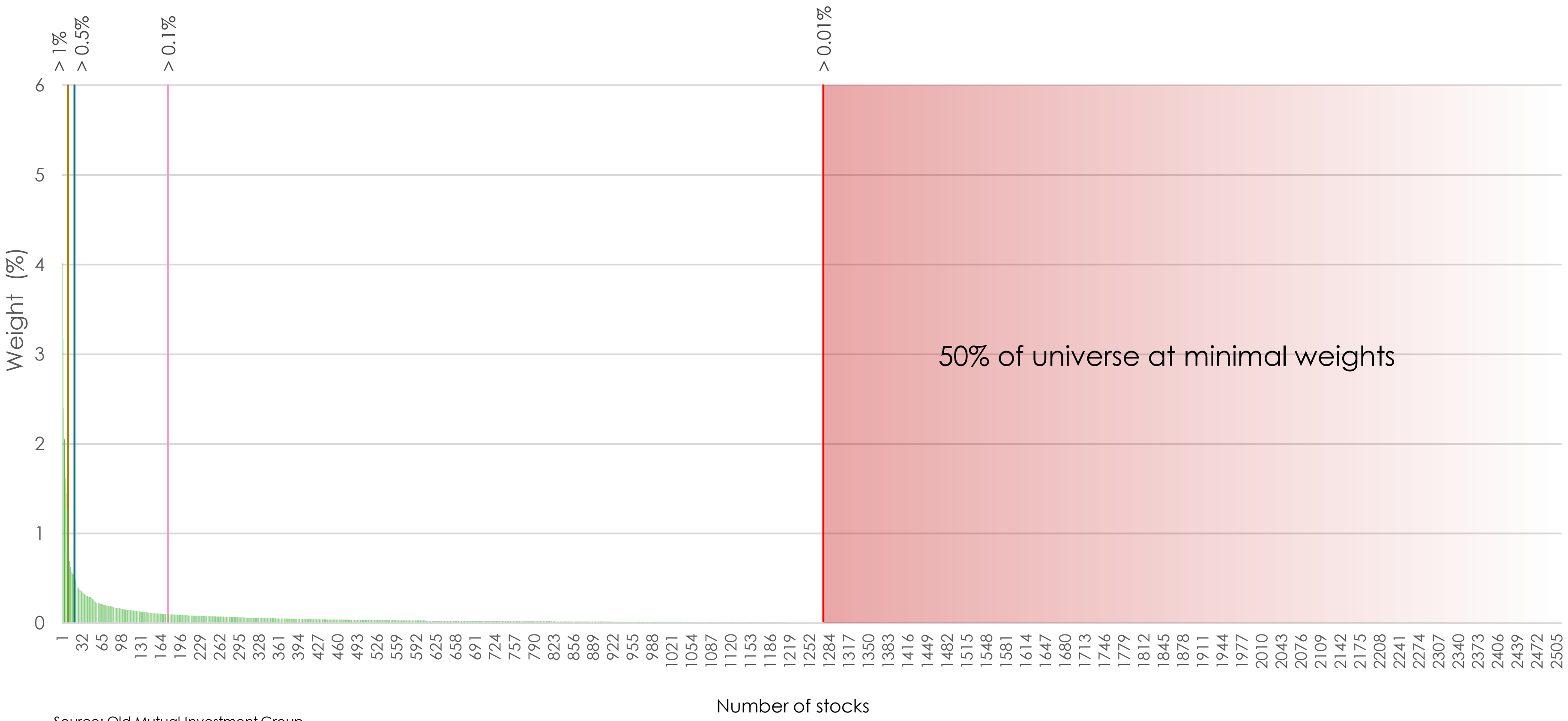
WOULD YOU LIKE THAT SUPERSIZED?

(DM)
Developed Markets

(EM)
Emerging Markets

EM ADDS A LOT MORE STOCKS BUT THEIR WEIGHTS ARE VERY SMALL

Stock weights **(2500)**



Source: Old Mutual Investment Group

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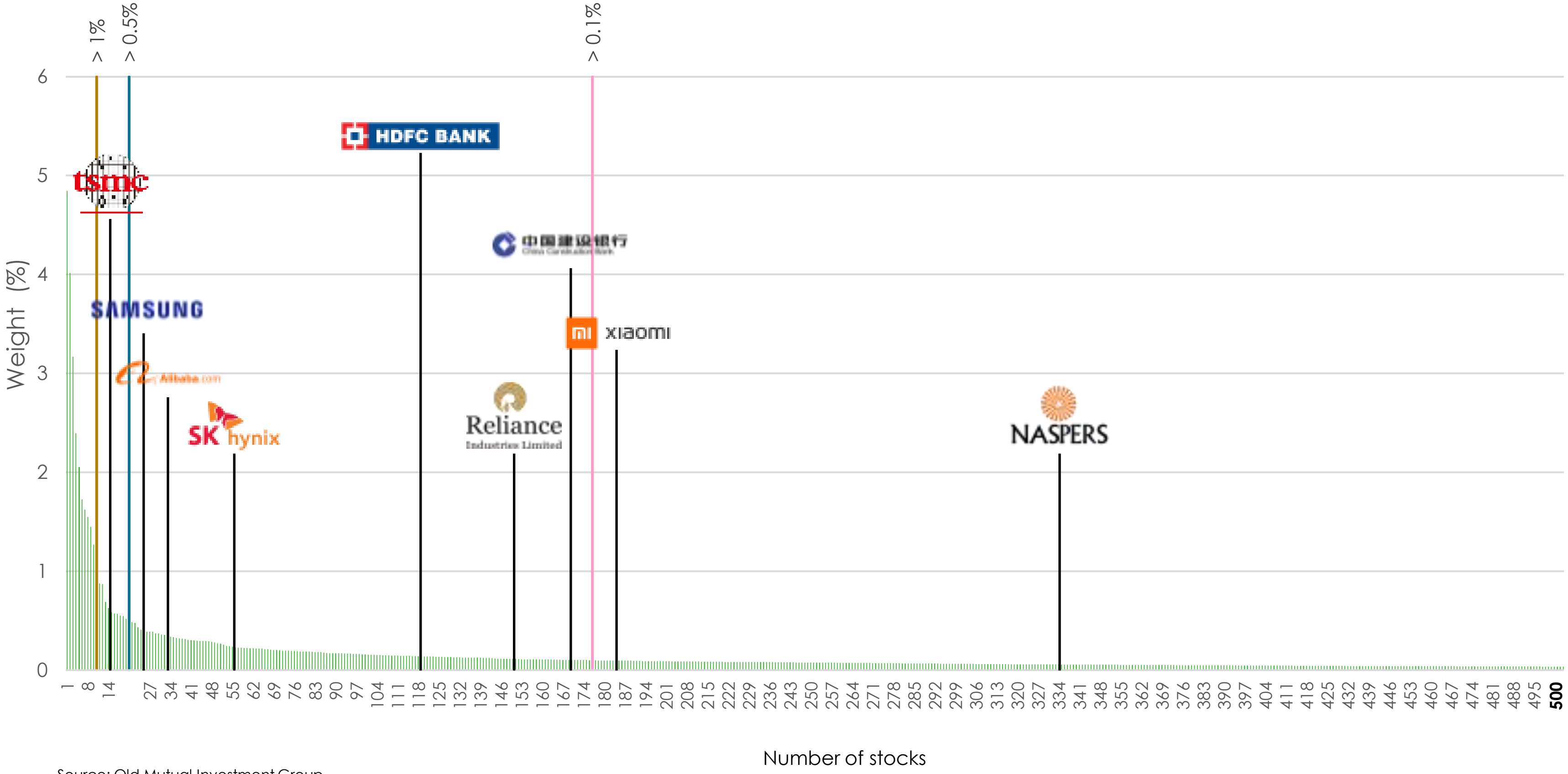
Stock weights **(500)**



Source: Old Mutual Investment Group

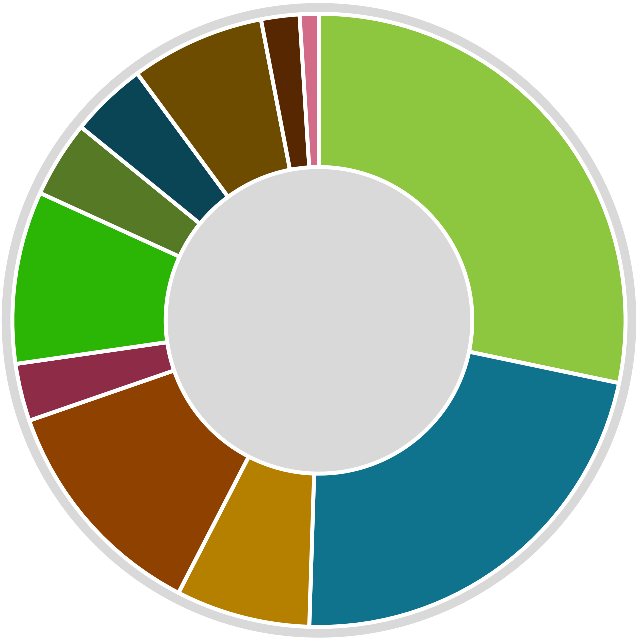
EM SECTORS HAVE EVOLVED | WHICH IS DM & EM?

Sectors are closely aligned between DM and EM

Chart 1

27%	Information Technology	28%
17%	Financials	22%
11%	Industrials	7%
10%	Consumer Discretionary	12%
10%	Health Care	3%
9%	Communication Services	9%
5%	Consumer Staples	4%
3%	Energy	4%
3%	Materials	7%
3%	Utilities	2%
2%	Real Estate	1%

Chart 2



Source: Old Mutual Investment Group

Identify which chart represents emerging markets

Scan the QR code

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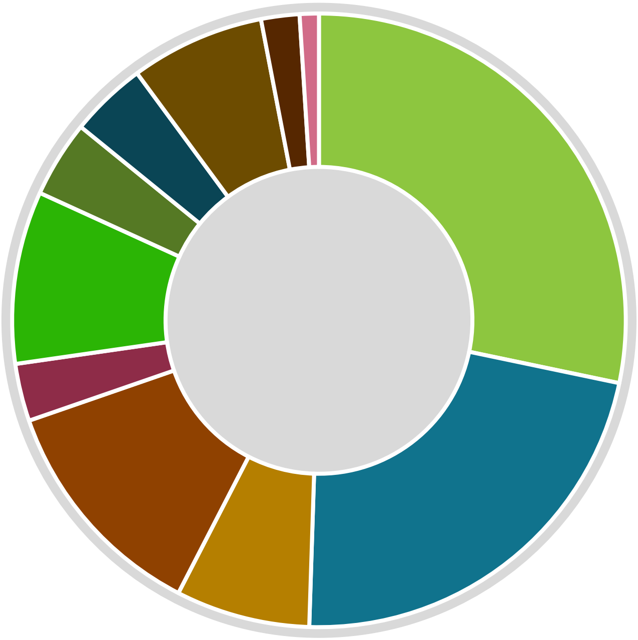

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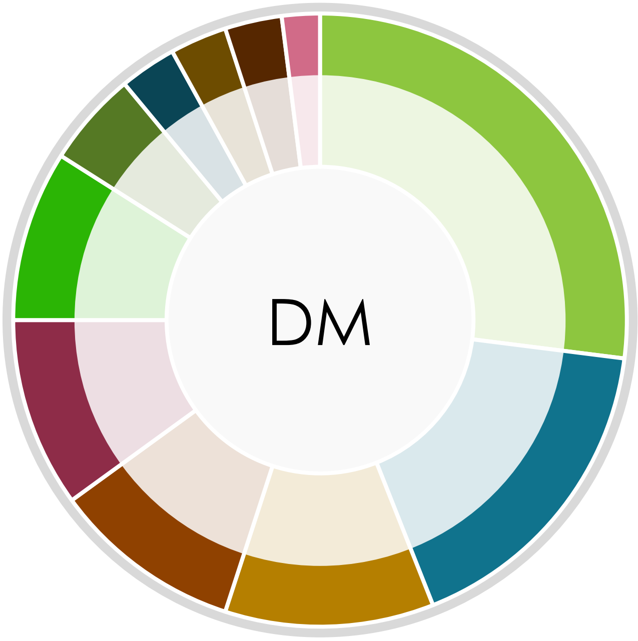

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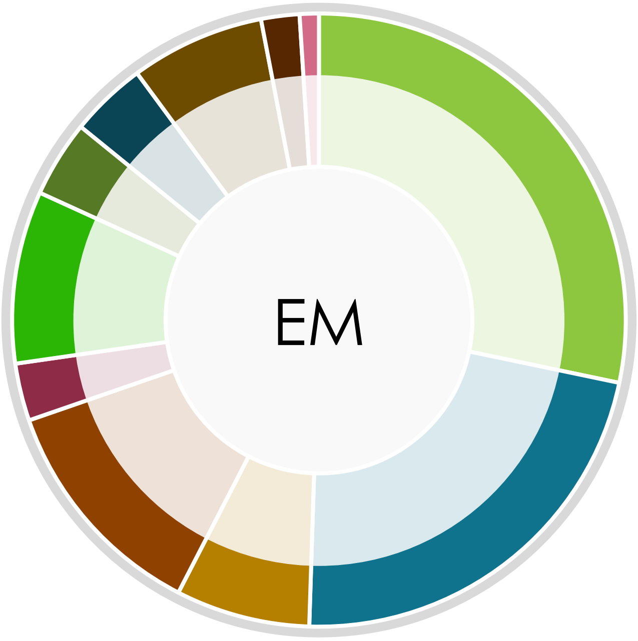
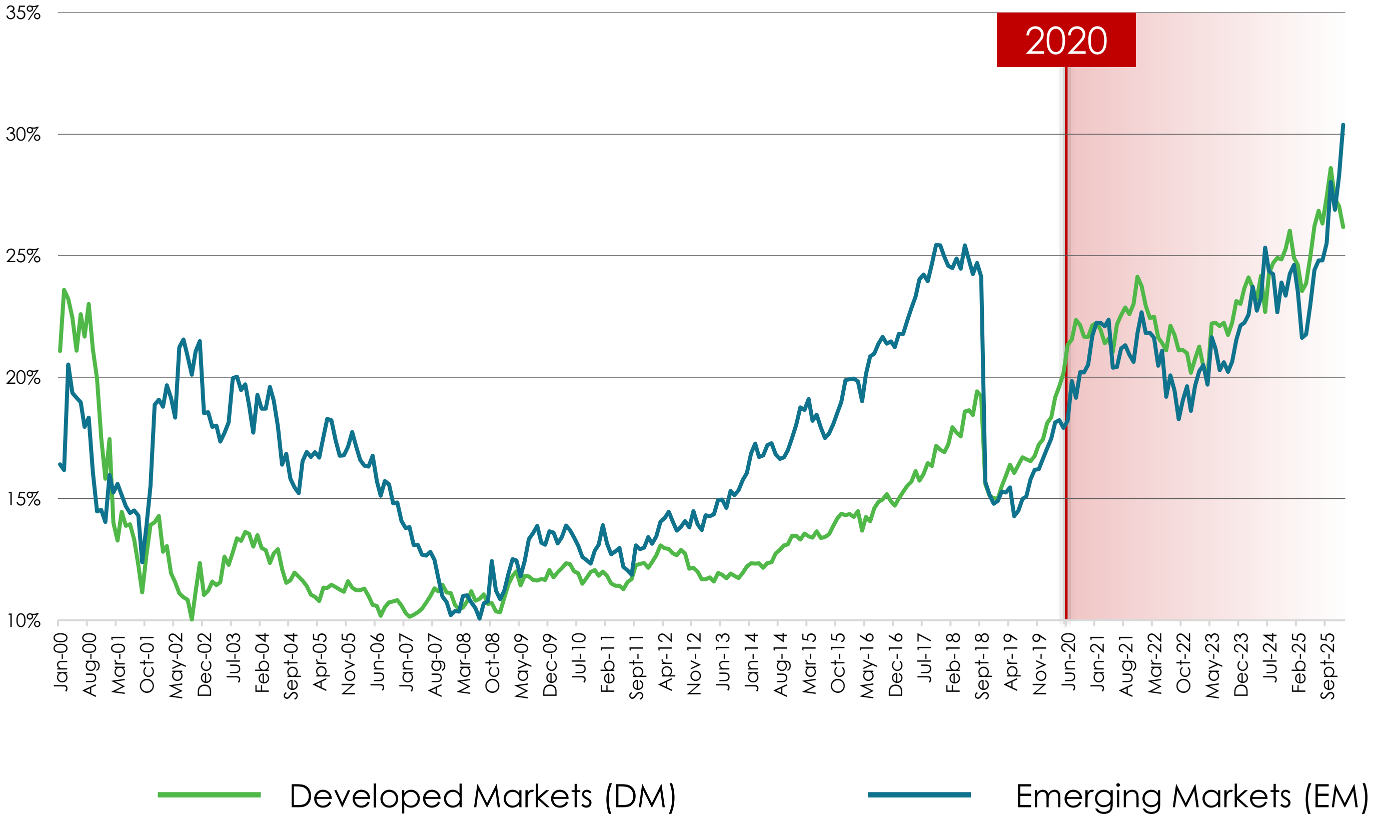


Source: Old Mutual Investment Group

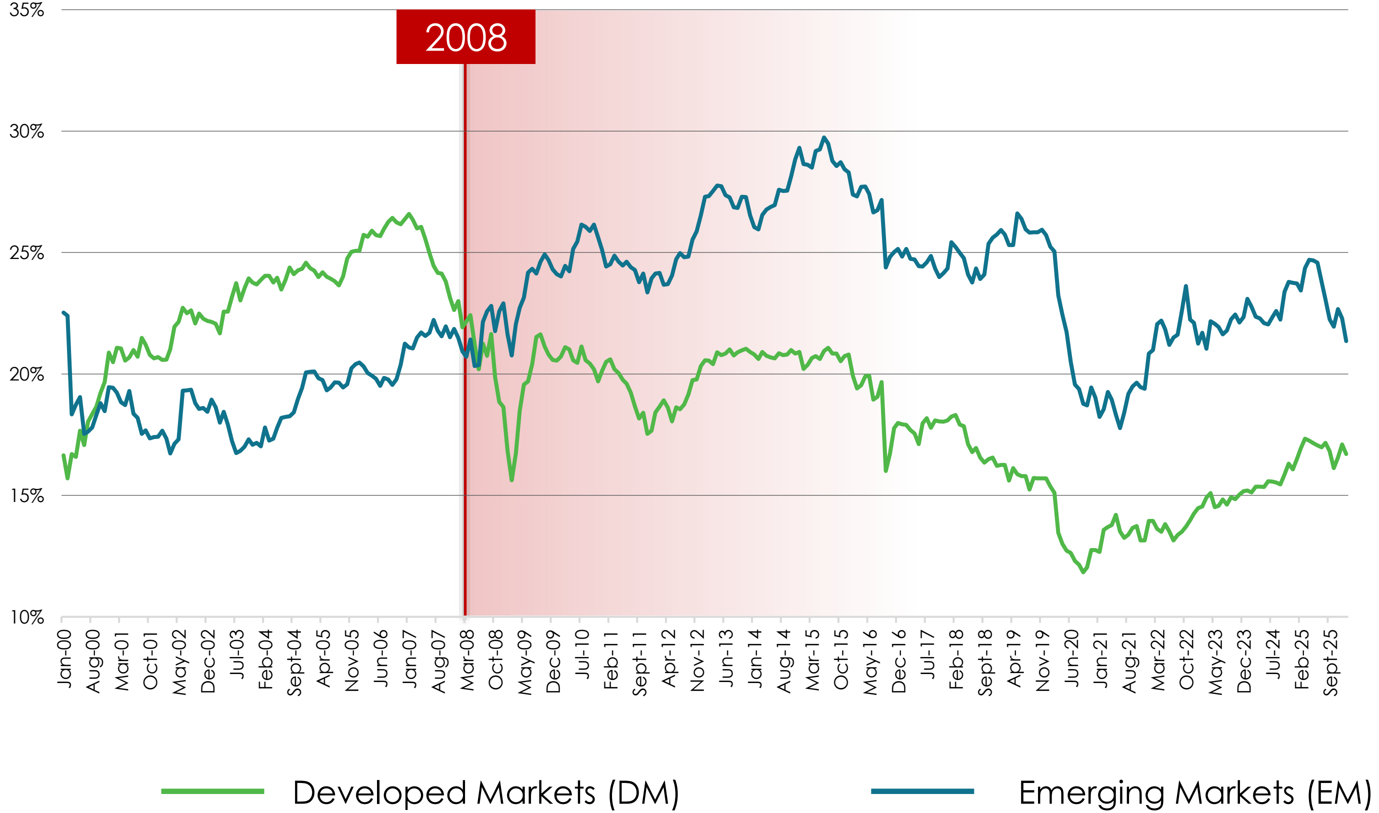
INFORMATION TECHNOLOGY



Prior to COVID, the weight in IT was far higher in EM than DM and with the rise of AI we now see a similar tech weight in DM and EM

Source: Old Mutual Investment Group

FINANCIALS

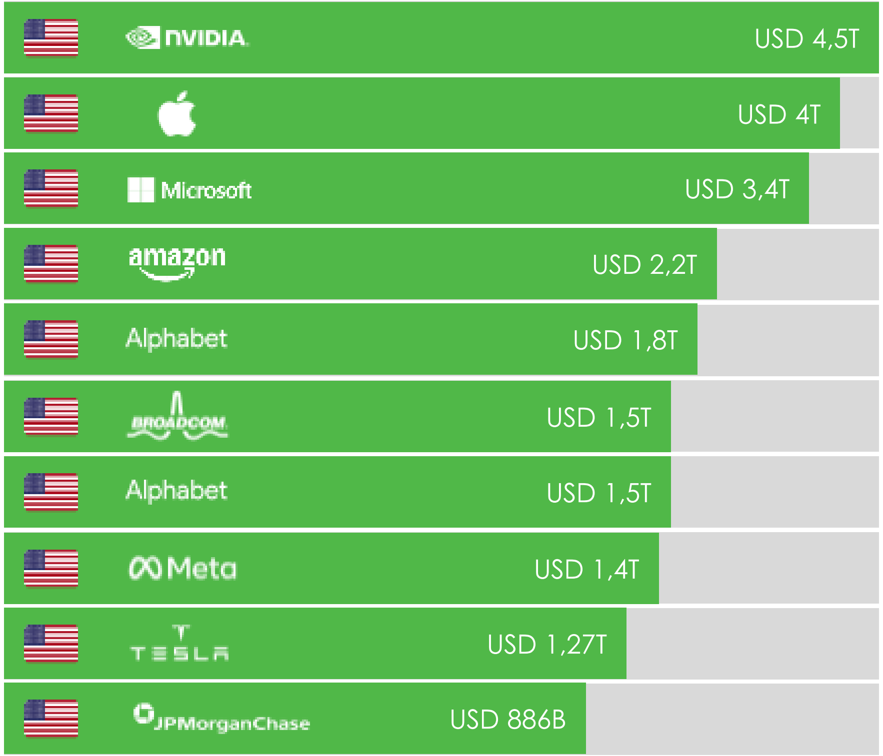


Source: Old Mutual Investment Group

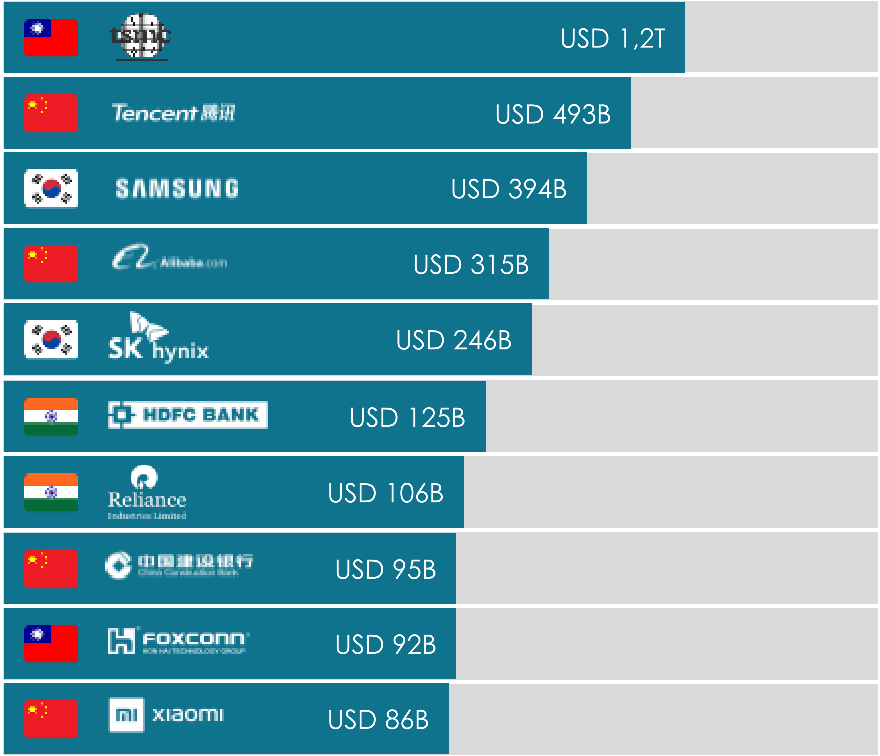
DM Financials did not recover their relative weight post GFC, meaning EM Financials remain a much larger relative weight

TOP WEIGHTED STOCKS IN DM AND EM

Developed Markets (DM)

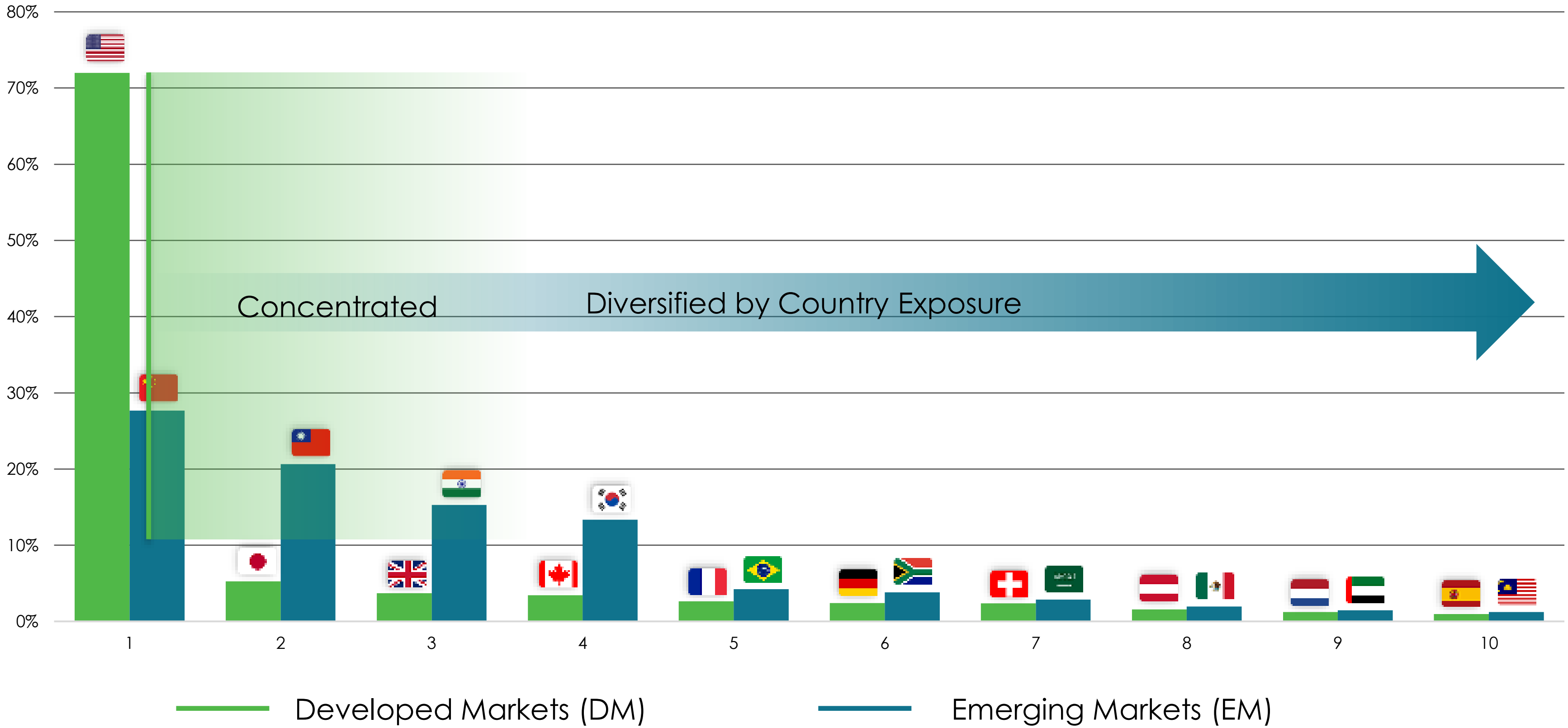


Emerging Markets (EM)



Source: Old Mutual Investment Group

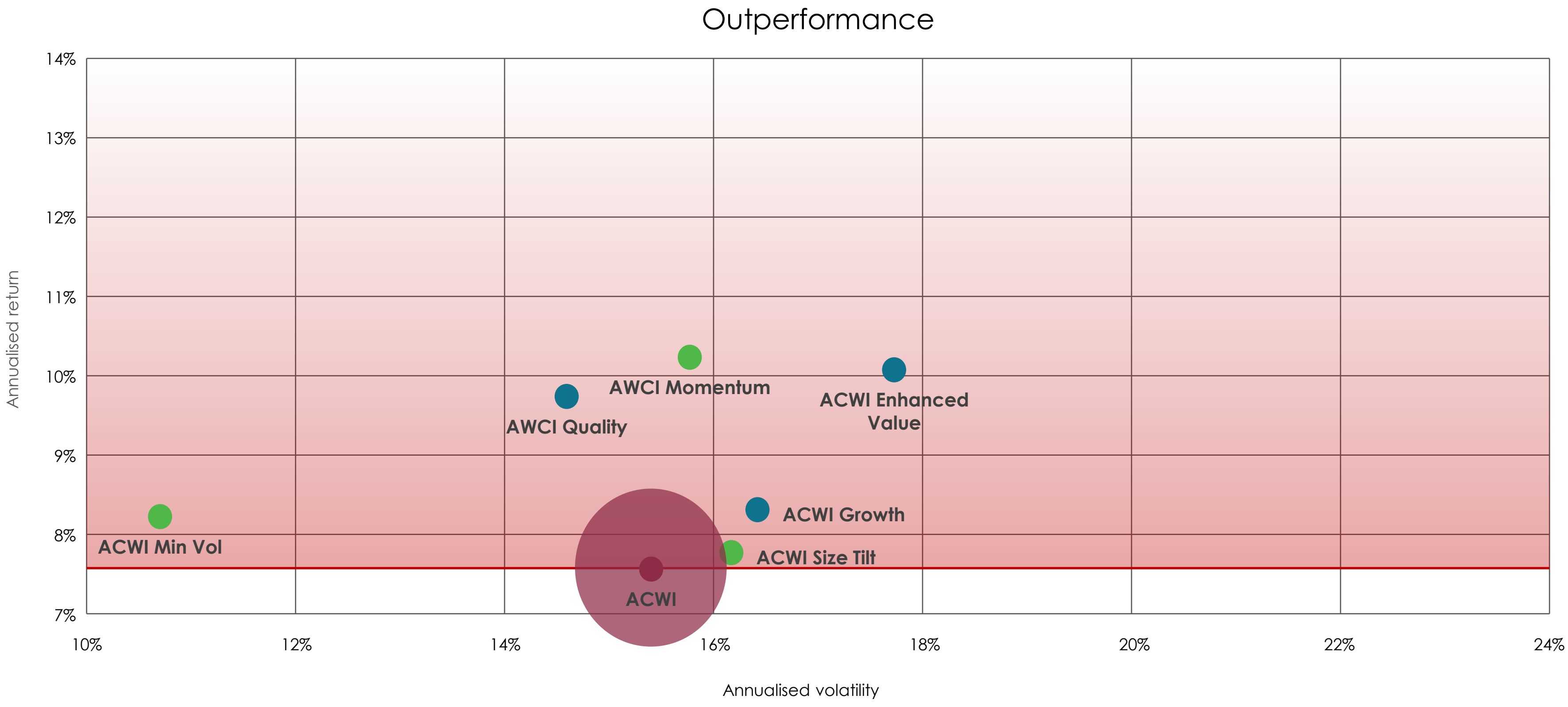
COUNTRY CONCENTRATION



Source: Old Mutual Investment Group

DO STATIC FACTORS OUTPERFORM ACWI? (25 YEARS)

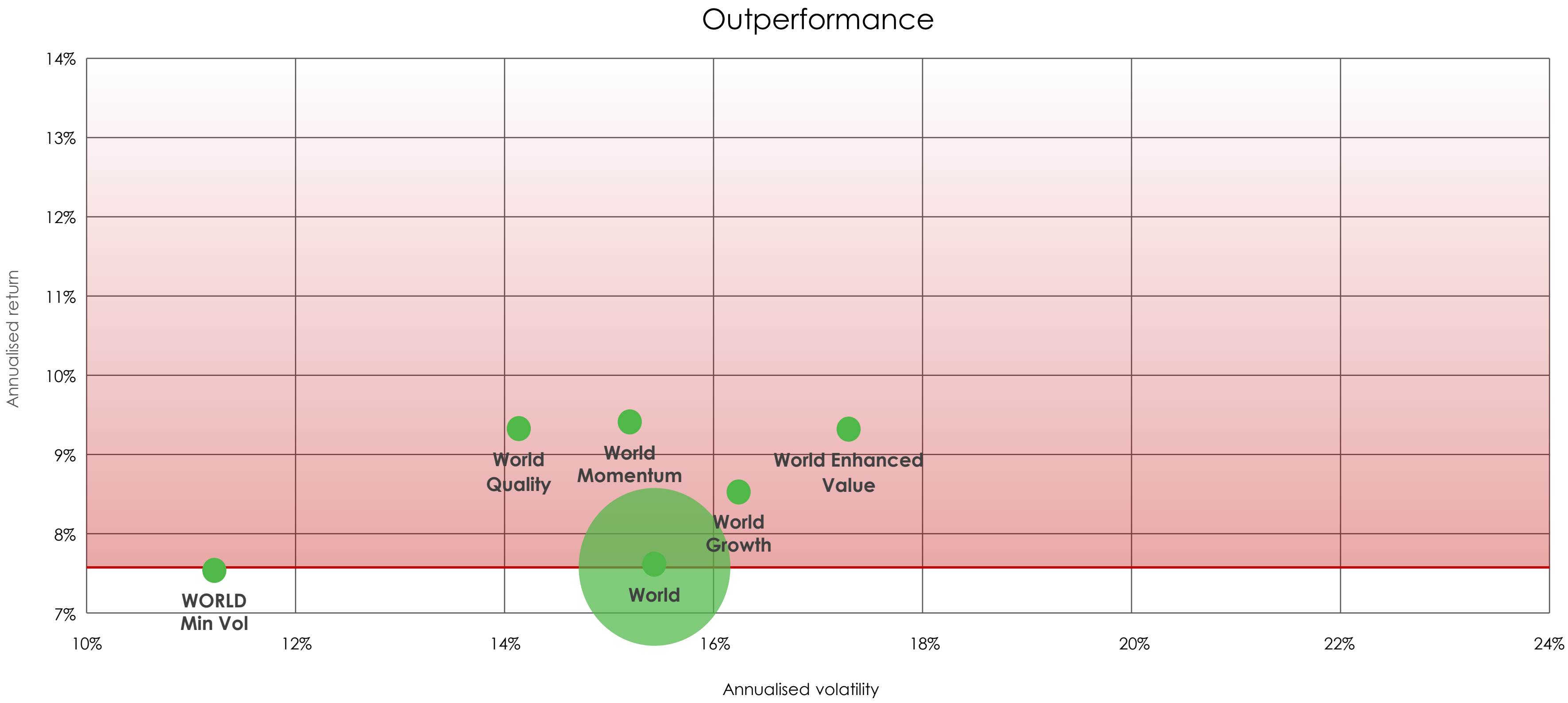
Return vs risk (Jan-01 to Dec-25)



Source: Old Mutual Investment Group

DO STATIC FACTORS OUTPERFORM IN EM? (25 YEARS)

Return vs risk (Jan-01 to Dec-25)



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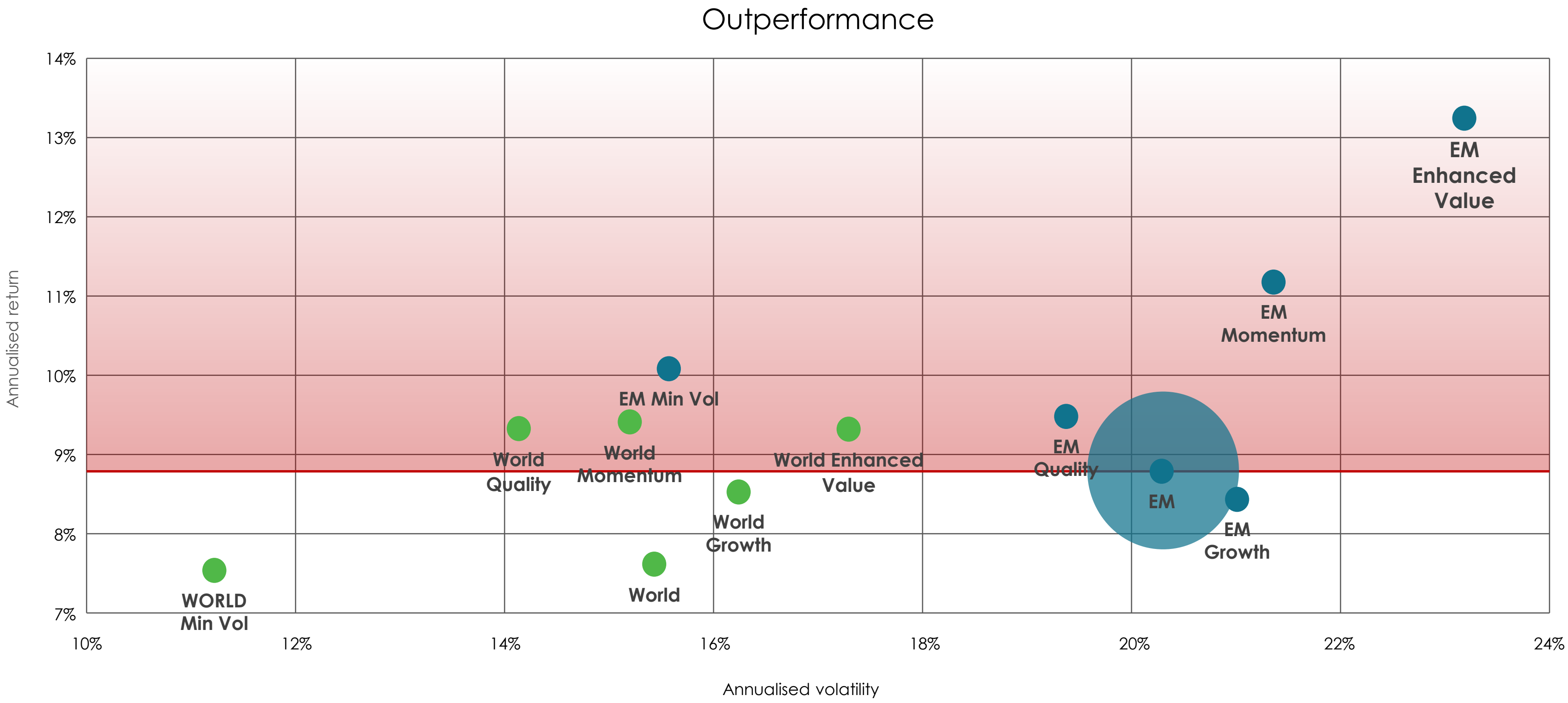
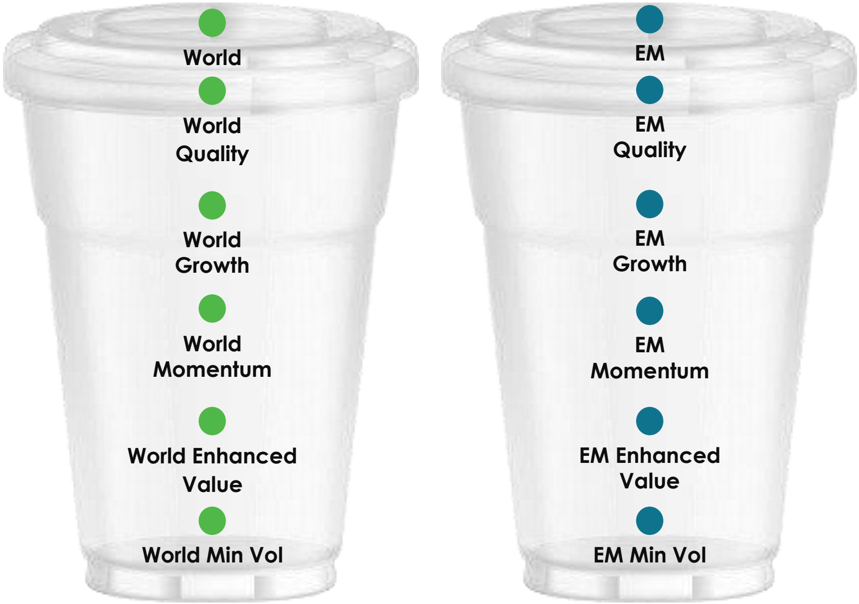


Source: Old Mutual Investment Group

CORRELATION ACROSS FACTORS

Absolute Returns



Developed Markets

Emerging Markets

DIFFERENT REGIONS BUT SIMILAR FACTOR BEHAVIOUR | RELATIVE RETURNS

	World Growth	EM Growth	World Enhanced Value	EM Enhanced Value	World Quality	EM Quality	World Min vol	EM Min vol	EM Momentum	World Momentum
World Growth	100%	48%	-64%	-20%	49%	16%	-23%	-10%	21%	22%
EM Growth	**48%**	[illegible]	[illegible]	[illegible]	20%	12%	-16%	22%	12%	14%
World Enhanced value	-64%	-37%	100%	35%	-54%	-25%	-8%	-17%	-17%	-23%
EM Enhanced value	-20%	-40%	35%	100%	-30%	-26%	-29%	-22%	-30%	-21%
World Quality	49%	20%	-54%	-30%	100%	32%	[illegible]	34%	31%	16%
EM Quality	16%	12%	-25%	-26%	30%	100%	[illegible]	50%	24%	26%
World Min vol	-23%	-16%	-8%	-29%	35%	29%	100%	66%	36%	11%
EM Min vol	-10%	-22%	-17%	-22%	34%	50%	66%	100%	28%	20%
EM Momentum	21%	12%	-17%	-30%	31%	24%	36%	28%	100%	48%
World Momentum	22%	12%	-23%	-21%	16%	26%	11%	20%	48%	100%

World growth's highest correlation is with **EM growth** (48%)

Source: Old Mutual Investment Group

DIFFERENT REGIONS BUT SIMILAR FACTOR BEHAVIOUR | RELATIVE RETURNS

	World Growth	EM Growth	World Enhanced Value	EM Enhanced Value	World Quality	EM Quality	World Min vol	EM Min vol	EM Momentum	World Momentum
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World Min vol	-23%	-16%	-8%	-29%	35%	29%	100%	66%	36%	11%
EM Min vol	-10%	-22%	-17%	-22%	34%	50%	66%	100%	28%	20%
EM Momentum	21%	12%	-17%	-30%	31%	24%	[illegible]	[illegible]	[illegible]	**48%**
World Momentum	22%	12%	-23%	-21%	16%	26%	11%	20%	48%	100%

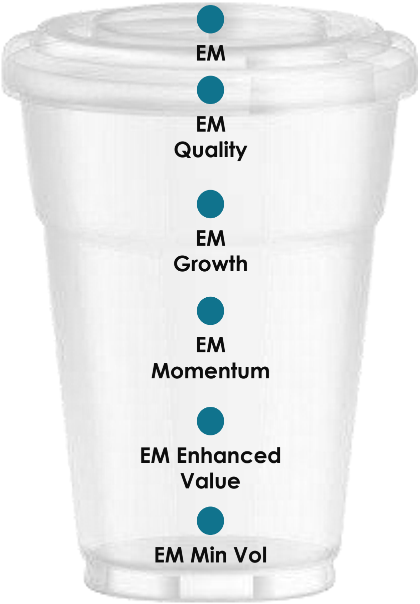
World Momentum's highest correlation is with **EM Momentum** (48%)

Source: Old Mutual Investment Group

CORRELATION ACROSS FACTORS

Absolute Returns

Developed Markets



Emerging Markets

ABSOLUTE VS RELATIVE RETURNS

Relative Returns

OLD MUTUAL GLOBAL MANAGED ALPHA FUND

Top quartile performance over eight years.

*Section 65 approved, USD denominated UCITS fund. **Inception date 2017, benchmark is MSCI All Country World Index.
**Morningstar – Peer Group quartile. Past performance is not an indication of future performance.

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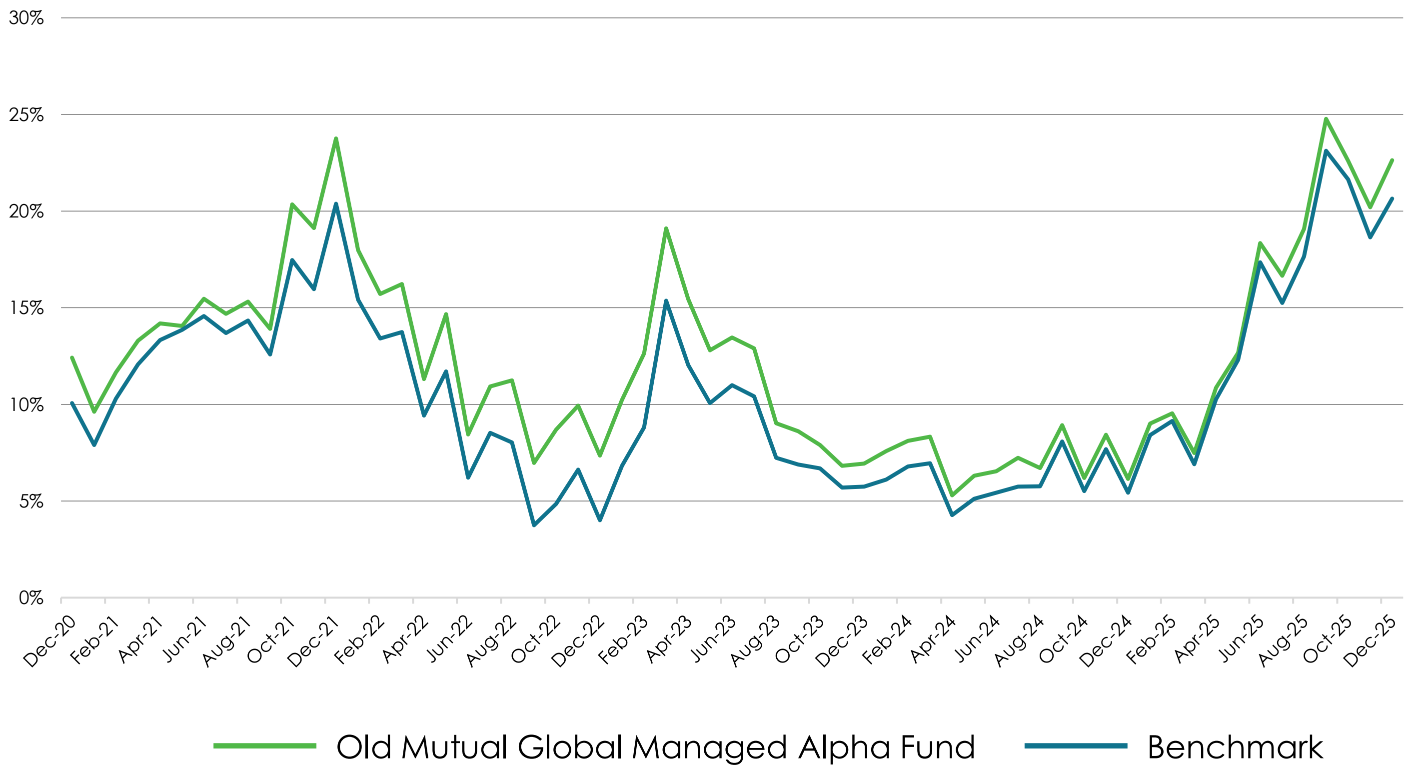
CONSISTENTLY OUTPERFORMING ACWI

On a rolling 3-year basis, we have outperformed the benchmark since inception of the strategy



100%

Success rate over a rolling 3-year period

5 star

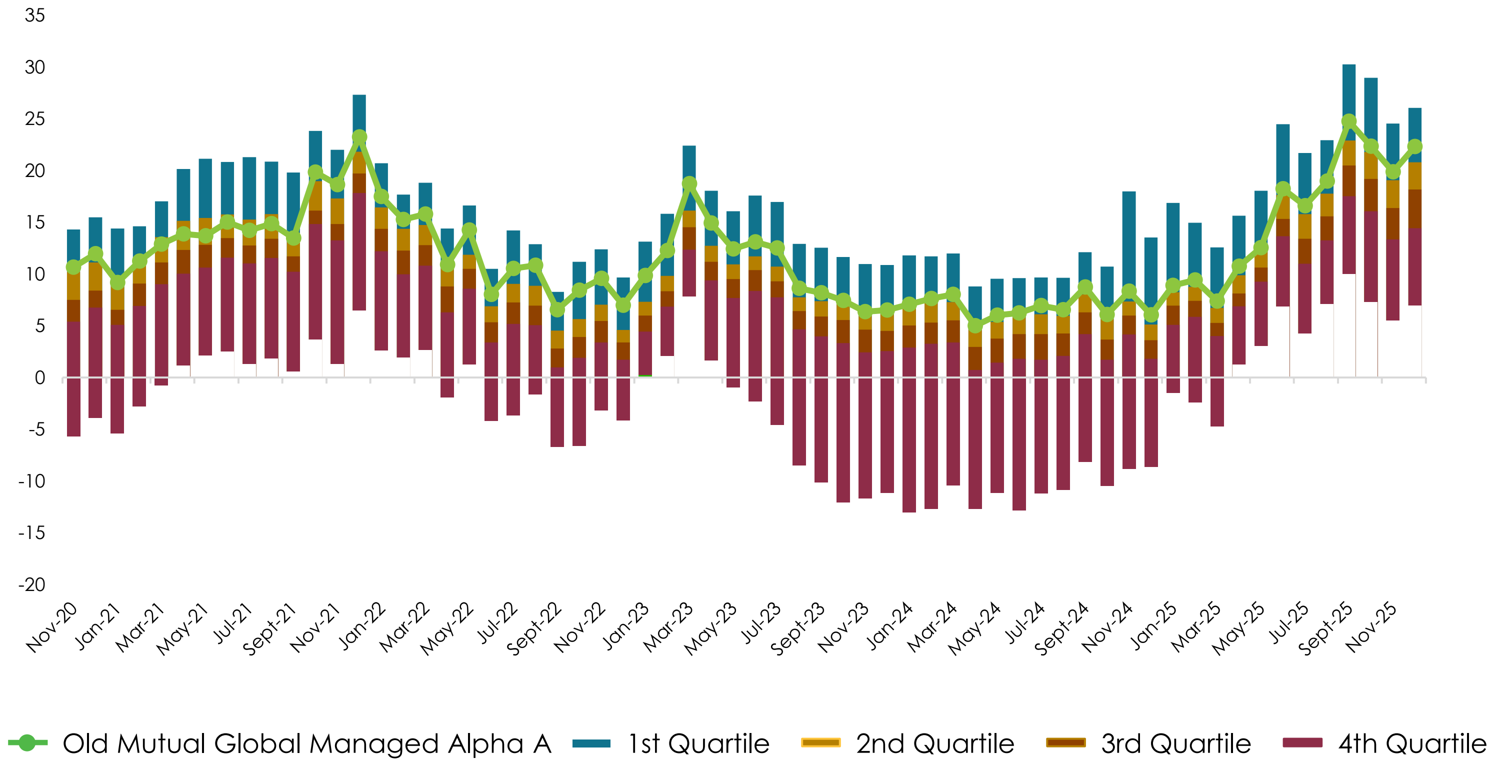
Rating by Morningstar

★★★★★

Source: Old Mutual Investment Group, Morningstar | * Inception date: 1 December 2017 | Morningstar Global Large-Cap Blend Peer Group Average - Gross Returns to 31 December 2025

CONSISTENT TOP QUARTILE PERFORMANCE

On a rolling 3-year basis, we have consistently demonstrated top quartile performance



100%
Success rate vs peers over rolling 3–year period

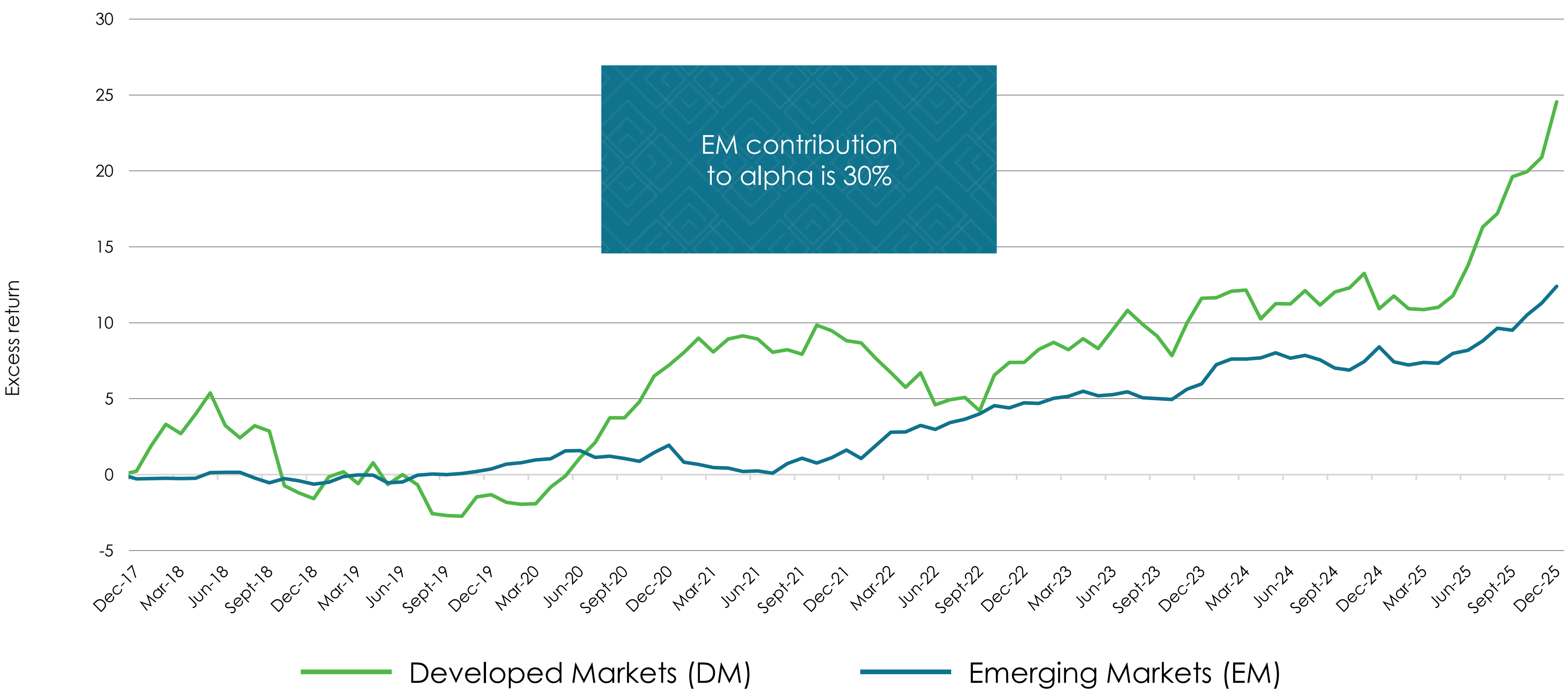
5 star
Rating by Morningstar

★★★★★

Source: Old Mutual Investment Group, Morningstar | * Inception date: 1 December 2017 | Morningstar | Net Returns to 31 December 2025

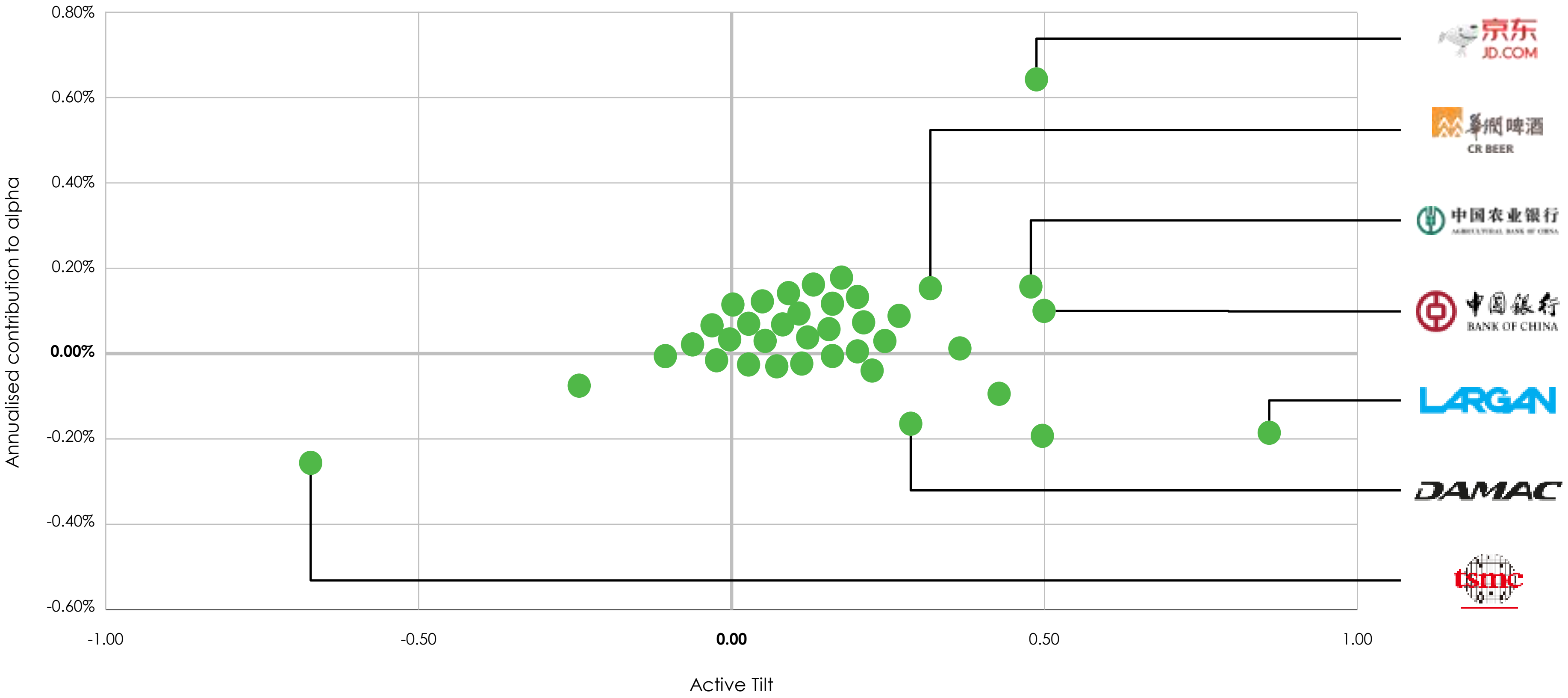
HOW HAS THE COMBINATION OF EM & DM BENEFITED OUR FUND?

Cumulative attribution to 31 Dec 2025



Source: Old Mutual Investment Group | 30 Dec 2025

BUT THE EM PER STOCK ALPHA CONTRIBUTION HAS BEEN INCREMENTAL



Source: Old Mutual Investment Group

THREE EM ALPHA CONTRIBUTORS

ZTE Corp (China)

Industry:
Telecommunications
& technology infrastructure

Employees:
±75,000

Market capitalisation:
±R430bn

Geographic reach:
Operations in ~160 countries

Context vs SA:
Larger market cap
than **Vodacom** (~R300bn)

Elite Material Co (Taiwan)

Industry:
Advanced electronic materials

Employees:
±4,297

Market capitalisation:
±R380bn

Geographic reach:
Global supply chains

Context vs SA:
'Larger than any SA INC
company, including FirstRand

SK Square (South Korea)

Industry:
Technology investment
& holdings

Employees:
± 48,000

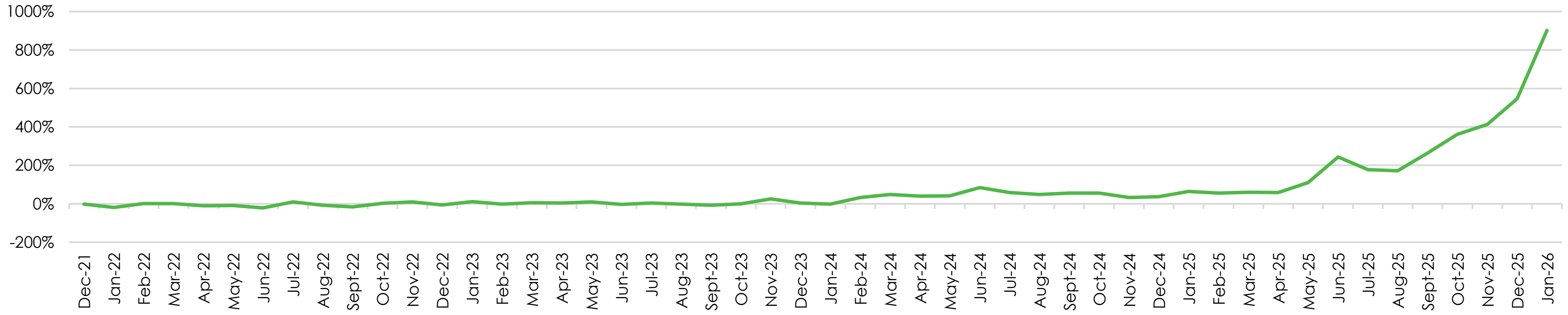
Market capitalisation:
±R780bn

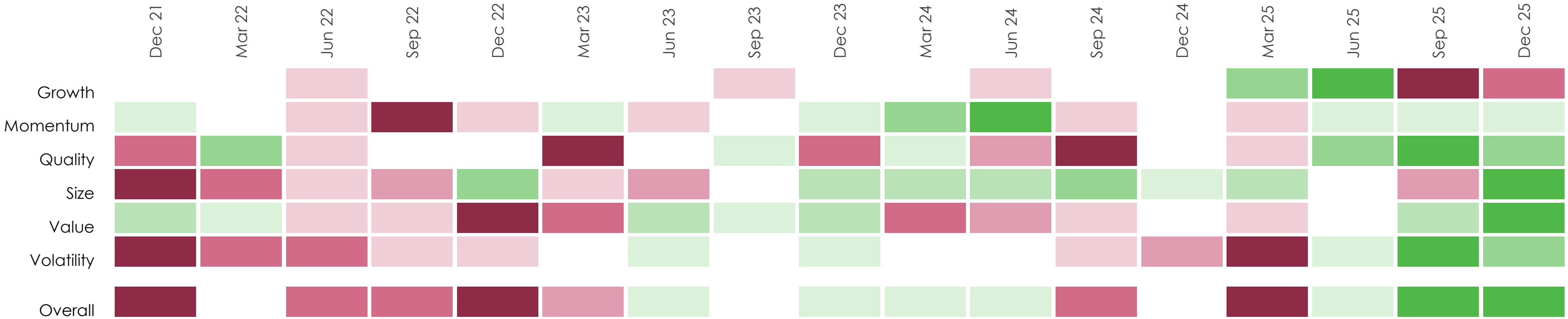
Geographic reach:
Global via portfolio companies

Context vs SA:
MTN + Vodacom combined
(~R570bn) still smaller

MODEL'S VIEW OF SK SQUARE (KOREA)

SK Square Cumulative Return





Source: Old Mutual Investment Group

SUPERSIZED

Scan for more information

THANK YOU