

# Investec Asset Management

Presenting Emerging Markets Equity to  
the Mendocino County Employees'  
Retirement Association

*May 10, 2017*



**Archie Hart, Portfolio Manager**

[archie.hart@investecmail.com](mailto:archie.hart@investecmail.com)

**Jack Coan, Regional Client Director**

[jack.coan@investecmail.com](mailto:jack.coan@investecmail.com)

 **Investec**  
Asset Management



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# Target audience

This document is being provided for informational purposes for discussion with institutional 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 fund, product, investment vehicle or derivative.

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# Presenting to Mendocino CERA



## **Archie Hart**

Portfolio Manager  
Joined the firm in 2008  
Joined the industry in 1986

Archie is the portfolio manager for the Emerging Markets Equity Strategy in the 4Factor Equity team at Investec Asset Management.

He joined Investec Asset Management in 2008 from WestLB Mellon Asset Management where he was responsible for managing Latin American portfolios and maintaining the analytical coverage for this region. Prior to this, Archie worked for Deutsche Bank for seven years, starting as head of regional research in Hong Kong, then becoming a regional media analyst, and moving to London where he marketed Deutsche's Asian equity product to institutional clients. Prior to this, Archie worked for BZW Asia in Hong Kong where he sold Asian equities to clients. Also in Hong Kong, Archie worked as an investment analyst for Crosby Securities before being promoted to head of Hong Kong research and deputy managing director, and subsequently moving to their sales team.

He started his career at Royal Life Fund Management in London as an investment analyst. Archie graduated in 1986 from the University of Sheffield with a degree in Business Studies.



## **Jack Coan**

Regional Director  
Joined the firm in 2014  
Joined the industry in 1990

Jack is a regional director within the North American Client Group at Investec Asset Management. He is based in Marin County, California, and is responsible for developing new and existing institutional relationships in the western United States.

Jack joined Investec Asset Management from Crosslink Capital where he was a general partner and global head of sales & investor relations. Previously he was managing director of sales at Renaissance Technologies LLC, Boston Partners Asset Management LP and The Boston Company Asset Management, covering consultants, endowments, foundations, family offices, corporate and public pension plans in the western region.

Jack earned a Bachelor of Arts degree in Economics from Harvard University.

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# Agenda

- Organization
- Philosophy, process and performance
- Appendices
- Portfolio positioning
- Universe historical model

# Organization



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# Introduction to Investec Asset Management

- Founded 1991 in Cape Town, South Africa
- Emerging market specialist
  - Equities
  - Fixed Income
  - Commodities
- Multiple Alignments of Interest with our clients
- High degree of stability and continuity within the 4Factor team
- Significant investment in Client Relations
  - \$10.8b AUM North American Clientele\*
  - 25-person North American Client & Operations team\*

Source: Investec Asset Management, 31 March 2017. \*Numbers are unaudited and updated quarterly.

# Key Investec contacts for Mendocino County ERA

## Portfolio Management



**Archie Hart**  
Portfolio Manager  
[Archie.Hart@investecmail.com](mailto:Archie.Hart@investecmail.com)



**Adam Child**  
Portfolio Manager  
[Adam.Child@investecmail.com](mailto:Adam.Child@investecmail.com)

## Client Service & Operations

### Marin County



**Jack Coan**  
Regional Director  
[Jack.Coan@investecmail.com](mailto:Jack.Coan@investecmail.com)  
+415-306-7270

### New York



**Doug Doucette**  
Client Director  
[Doug.Doucette@investecmail.com](mailto:Doug.Doucette@investecmail.com)  
+917-206-5154

### London



**Monika Thaler**  
Client Director  
[Monika.Thaler@investecmail.com](mailto:Monika.Thaler@investecmail.com)  
+44-20-7597-2056



**Katherine Hunter**  
Client Operations Manager  
[Katherine.Hunter@investecmail.com](mailto:Katherine.Hunter@investecmail.com)  
+44-20-7597-1897

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



# Global specialist asset manager

Investment and Operational hubs in London, Cape Town, Luxembourg, Hong Kong, New York and Singapore

## UK

Client group:	29
Investment professionals:	115
Operations:	233

## Europe

Client group:	15
Operations:	5

## Americas

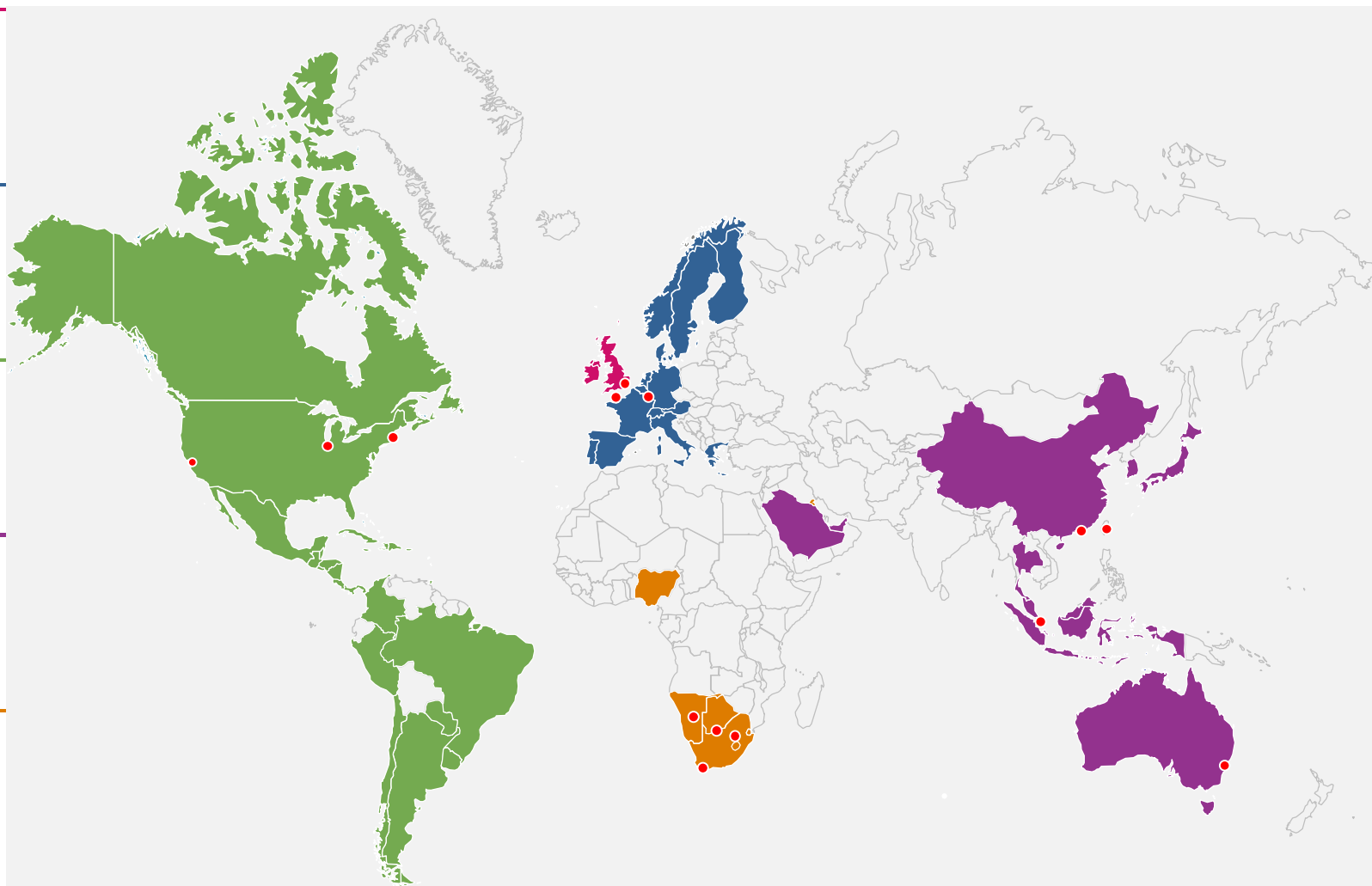
Client group:	19
Investment professionals:	3
Operations:	6

## Asia Pacific

Client group:	24
Investment professionals:	6
Operations:	18

## Africa

Client group:	169
Investment professionals:	72
Operations:	219



Source: Investec Asset Management, 31 March 2017

● Investec Asset Management office

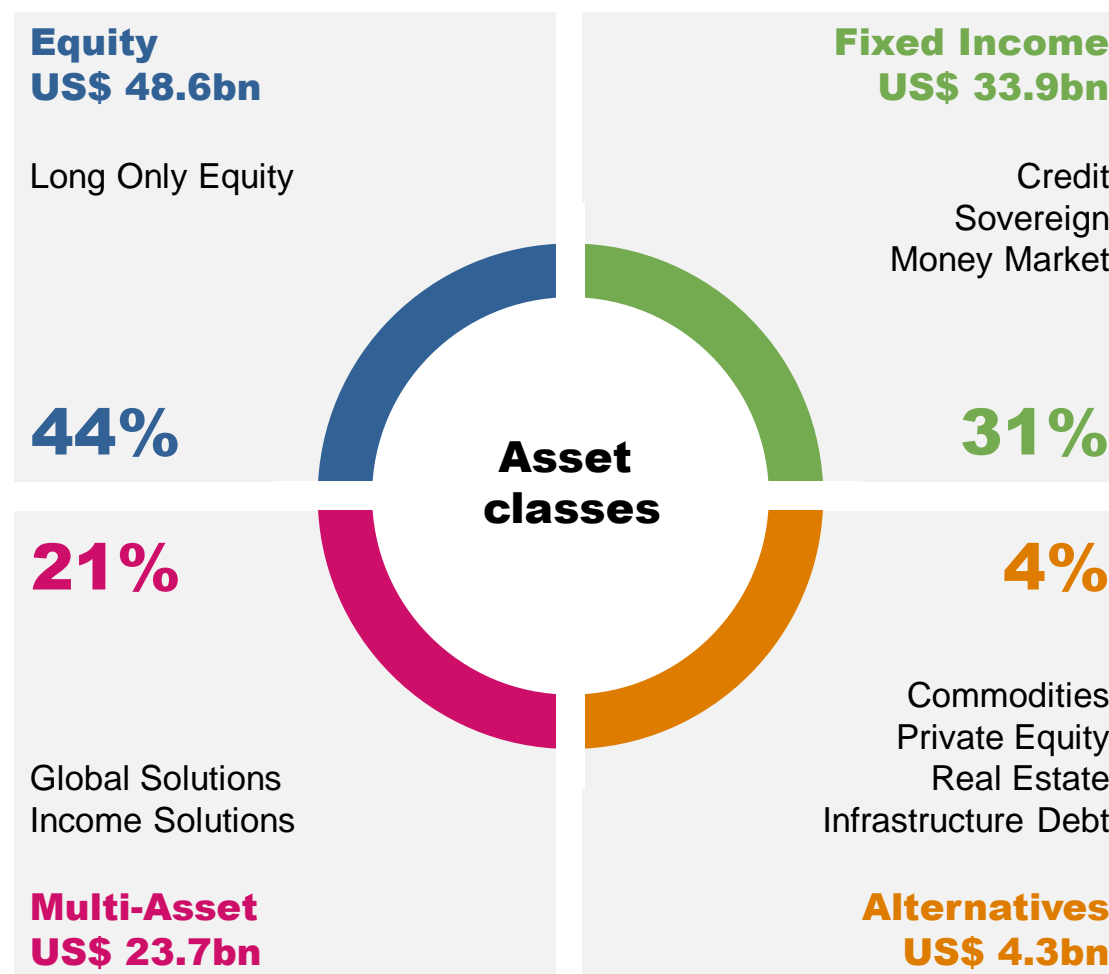


# A focus on global and emerging market investing across asset classes

## AUM by strategy type



## AUM by asset class\*



\* An additional US\$ 8.6bn AuM, includes outsourced and administration assets not included in the chart.

Source: Investec Asset Management, as at 31 March 2017, numbers are unaudited. Figures may not add up to 100% due to rounding.

Philosophy, process and performance



# The Callan periodic table of investment returns

Annual returns for key indices ranked in order of performance (1997–2016)

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
S&P 500 Growth 36.52%	S&P 500 Growth 42.16%	MSCI Emerging Markets 56.42%	Russell 2000 Value 22.83%	Russell 2000 Value 14.02%	Bloomberg Barclays Agg 10.26%	MSCI Emerging Markets 56.28%	MSCI Emerging Markets 25.95%	MSCI Emerging Markets 34.54%	MSCI Emerging Markets 32.59%	MSCI Emerging Markets 39.78%	Bloomberg Barclays Agg 5.24%	MSCI Emerging Markets 79.02%	Russell 2000 Growth 29.09%	Bloomberg Barclays Agg 7.84%	MSCI Emerging Markets 18.63%	Russell 2000 Growth 43.30%	S&P 500 Growth 14.89%	S&P 500 Growth 5.52%	Russell 2000 Value 31.74%
S&P 500 33.36%	S&P 500 28.58%	Russell 2000 Growth 43.09%	Bloomberg Barclays Agg 11.63%	Bloomberg Barclays Agg 8.43%	Bloomberg Barclays High Yield -1.41%	Russell 2000 Growth 48.54%	Russell 2000 Value 22.25%	MSCI EAFE 13.54%	MSCI EAFE 26.34%	MSCI EAFE 11.17%	Bloomberg Barclays High Yield -26.16%	Bloomberg Barclays High Yield 58.21%	Russell 2000 26.85%	Bloomberg Barclays High Yield 4.98%	Russell 2000 Value 18.05%	Russell 2000 38.82%	S&P 500 13.69%	S&P 500 1.38%	Russell 2000 21.31%
Russell 2000 Value 31.78%	MSCI EAFE 20.00%	S&P 500 Growth 28.24%	S&P 500 Value 6.08%	Bloomberg Barclays High Yield 5.28%	MSCI Emerging Markets -6.00%	Russell 2000 47.25%	MSCI EAFE 20.25%	S&P 500 Value 5.82%	Russell 2000 Value 23.48%	S&P 500 Growth 9.13%	Russell 2000 Value -28.92%	Russell 2000 Growth 34.47%	Russell 2000 Value 24.58%	S&P 500 Growth 4.65%	S&P 500 Value 17.68%	Russell 2000 Value 34.52%	S&P 500 Value 12.36%	Bloomberg Barclays Agg 0.55%	S&P 500 Value 17.40%
S&P 500 Value 29.98%	S&P 500 Value 14.69%	MSCI EAFE 26.96%	Russell 2000 -3.02%	Russell 2000 2.49%	Russell 2000 Value -11.43%	Russell 2000 Value 46.03%	Russell 2000 18.33%	S&P 500 Value 4.91%	S&P 500 Value 20.81%	Russell 2000 Growth 7.05%	Russell 2000 -33.79%	MSCI EAFE 31.78%	MSCI Emerging Markets 19.20%	S&P 500 2.11%	MSCI EAFE 17.32%	S&P 500 Growth 32.75%	Bloomberg Barclays Agg 5.97%	MSCI EAFE -0.81%	Bloomberg Barclays High Yield 17.13%
Russell 2000 22.36%	Bloomberg Barclays Agg 8.70%	Russell 2000 21.26%	Bloomberg Barclays High Yield -5.86%	MSCI Emerging Markets -2.37%	MSCI EAFE -15.94%	MSCI EAFE 38.59%	S&P 500 Value 15.71%	Russell 2000 Value 4.71%	Russell 2000 18.37%	Bloomberg Barclays Agg 6.97%	S&P 500 Growth -34.92%	S&P 500 Growth 31.57%	Bloomberg Barclays High Yield 15.12%	S&P 500 Value -0.48%	Russell 2000 16.35%	S&P 500 32.39%	Russell 2000 Growth 5.60%	Russell 2000 Growth -1.38%	S&P 500 11.96%
Russell 2000 Growth 12.95%	Bloomberg Barclays High Yield 1.87%	S&P 500 21.04%	S&P 500 -9.11%	Russell 2000 Growth -9.23%	Russell 2000 -20.48%	S&P 500 Value 31.79%	Russell 2000 Growth 14.31%	Russell 2000 4.55%	S&P 500 15.79%	S&P 500 5.49%	S&P 500 -37.00%	Russell 2000 27.17%	S&P 500 Value 15.10%	Russell 2000 Growth -2.91%	S&P 500 16.00%	S&P 500 Value 31.99%	Russell 2000 4.89%	S&P 500 Value -3.13%	MSCI Emerging Markets 11.60%
Bloomberg Barclays High Yield 12.76%	Russell 2000 Growth 1.23%	S&P 500 Value 12.73%	MSCI EAFE -14.17%	S&P 500 Value -11.71%	S&P 500 Value -20.85%	Bloomberg Barclays High Yield 28.97%	Bloomberg Barclays High Yield 11.13%	Russell 2000 Growth 4.15%	Russell 2000 Growth 13.35%	S&P 500 Value 1.99%	Russell 2000 Growth -38.54%	S&P 500 26.47%	S&P 500 15.06%	Russell 2000 -4.18%	Bloomberg Barclays High Yield 15.81%	MSCI EAFE 22.78%	Russell 2000 Value 4.22%	Russell 2000 -4.41%	Russell 2000 Growth 11.32%
Bloomberg Barclays Agg 9.64%	Russell 2000 -2.55%	Bloomberg Barclays High Yield 2.39%	S&P 500 Growth -22.08%	S&P 500 -11.89%	S&P 500 -22.10%	S&P 500 28.68%	S&P 500 10.88%	S&P 500 Growth 4.00%	Bloomberg Barclays High Yield 11.85%	Bloomberg Barclays High Yield 1.87%	S&P 500 Value -39.22%	S&P 500 Value 21.17%	S&P 500 Growth 15.05%	Russell 2000 Value -5.50%	S&P 500 Growth 14.61%	Bloomberg Barclays High Yield 7.44%	Bloomberg Barclays High Yield 2.45%	Bloomberg Barclays High Yield -4.47%	S&P 500 Growth 6.89%
MSCI EAFE 1.78%	Russell 2000 Value -6.45%	Bloomberg Barclays Agg -0.82%	Russell 2000 -22.43%	S&P 500 Growth -12.73%	S&P 500 Growth -23.59%	S&P 500 Growth 25.66%	S&P 500 Growth 6.13%	Bloomberg Barclays High Yield 2.74%	S&P 500 Growth 11.01%	Russell 2000 -1.57%	MSCI EAFE -43.38%	Russell 2000 Value 20.58%	MSCI EAFE 7.75%	MSCI EAFE -12.14%	Russell 2000 Growth 14.59%	Bloomberg Barclays Agg -2.02%	MSCI Emerging Markets -1.82%	Russell 2000 Value -7.47%	Bloomberg Barclays Agg 2.65%
MSCI Emerging Markets -11.59%	MSCI Emerging Markets -25.34%	Russell 2000 Value -1.49%	MSCI Emerging Markets -30.61%	MSCI EAFE -21.44%	Russell 2000 Growth -30.26%	Bloomberg Barclays Agg 4.10%	Bloomberg Barclays Agg 4.34%	Bloomberg Barclays Agg 2.43%	Bloomberg Barclays Agg 4.33%	Russell 2000 Value -9.78%	MSCI Emerging Markets -53.18%	Bloomberg Barclays Agg 5.93%	Bloomberg Barclays Agg 6.54%	MSCI Emerging Markets -18.17%	Bloomberg Barclays Agg 4.21%	MSCI Emerging Markets -2.27%	MSCI EAFE -4.90%	MSCI Emerging Markets -14.60%	MSCI EAFE 1.00%

Source: Callan Associates, www.callan.com, December 2016. Past performance is not a reliable indicator of future results, losses may be made.

# Portfolio Construction and Risk Management

Construct and Maintain High Conviction, Risk Aware Portfolios

## EME LLC Portfolio Risk Controls

Typical number of holdings (max)	70–90 (100)
Typical Tracking Error (Max):	3 – 5% (7%)
Stock limits	+/- 3% vs. Index
Super-sector limits*	+/- 8% vs. Index
Country limits	+/- 10% vs. Index
Performance comparison index	MSCI EM
Portfolio manager	Archie Hart

## Maintain Portfolio Integrity - Checks & Balances

<b>Stock level</b>	<ul style="list-style-type: none"><li>• <b><u>Weekly</u></b> 4Factor™ screen run:<ul style="list-style-type: none"><li>- Analysts review score changes for new ideas and sell candidates</li><li>- Under 10 review meetings</li></ul></li><li>• <b><u>Quarterly</u></b> peer review of screen-only portfolio</li></ul>
<b>Portfolio level</b>	<ul style="list-style-type: none"><li>• <b><u>Monthly</u></b> Global team meeting reviews performance attribution, portfolio risk and regime indicator report</li><li>• <b><u>Monthly</u></b> review by Portfolio Group</li><li>• <b><u>Quarterly</u></b> structured formal report-back to the Investec Executive Committee</li></ul>
<b>Sector level</b>	<ul style="list-style-type: none"><li>• <b><u>Quarterly</u></b> Rotating Sector Review</li></ul>
<b>Process level</b>	<ul style="list-style-type: none"><li>• <b><u>Annual</u></b> offsite meeting for forensic process review and insight</li></ul>

\* Within our 4Factor™ Equities strategies we cover seven super-sectors, which follow the Global Industry Classification Standard (GICS) and these are as follows: Consumers (Healthcare and Consumer Staples), Financials, Resources (Energy and Materials), Services (Consumer Discretionary), Technology, Telecoms & Utilities (Telecommunications Services and Utilities) and Industrials.

As at 31 March 2017, the above parameters are internal and subject to change without prior notice.

The investment objective and performance target will not necessarily be achieved. Information is provided for reference only and does not represent the experience of the strategy nor is it intended as a representation or warranty by Investec as to the actual composition or performance of any future investment.

Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level.

For further information on indices, investment process, investment team and performance target, please see the Important Information section.

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# What drives long-term outperformance?

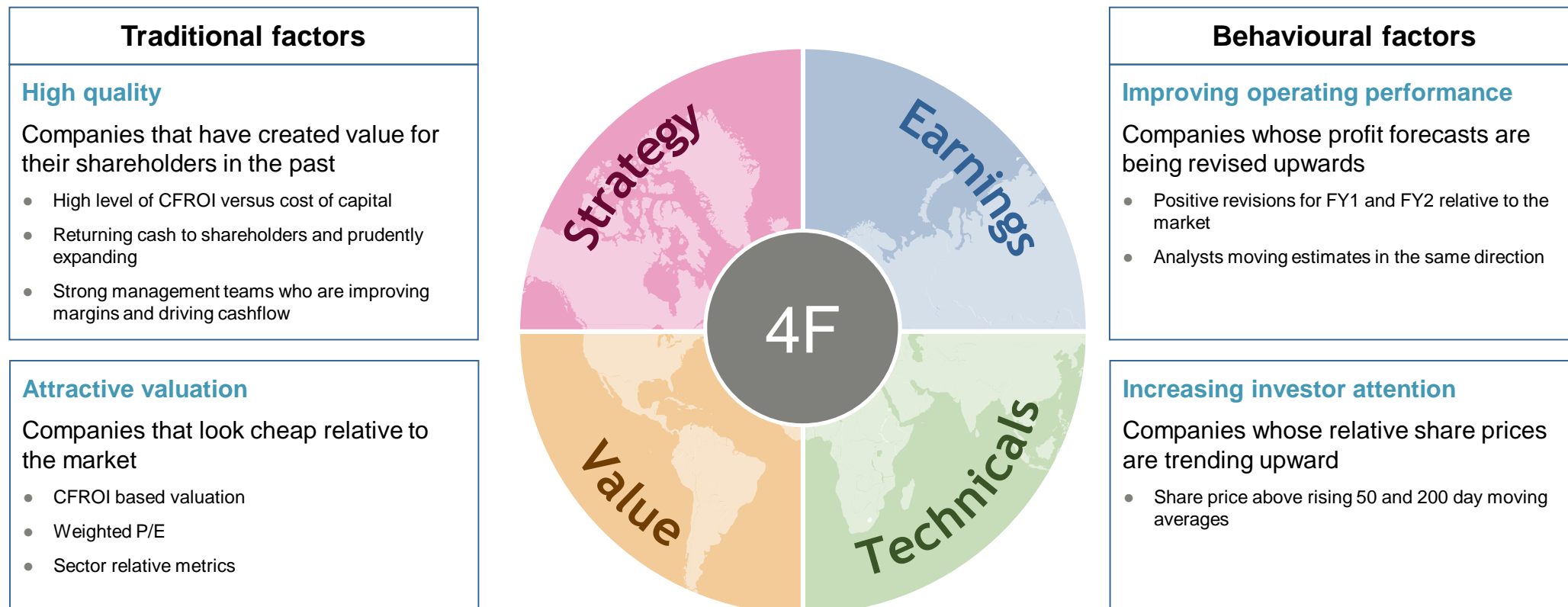
## **We believe that:**

- Markets are often inefficient due to behavioural errors made by investors
- Objective screening and a disciplined research process cuts through inefficiencies and avoids behavioural bias
- A bottom-up approach provides the most reliable opportunity for long-term alpha generation
- Ongoing management of the portfolio ensures portfolio integrity

**We search for high quality, attractively valued companies with improving operating performance that are receiving increasing investor attention**

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

# 4Factor™ investment philosophy



**These four factors can individually drive share prices and in combination can drive long-term outperformance**

No assurance can be given that the Strategy will be successful or that the investors will not lose some or all of their capital. For further information on investment process, please see the Important Information section.









# Integrated teamwork to leverage global expertise

## Strategy Leaders

	Archie Hart Strategy Leader	Adam Child Alternate Strategy Leader	
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## Investment Specialists

	Mark Breedon Global Strategic		Rhynhardt Roodt Global Equity		Adrian Jackson Global Energy & Materials		Tom Miller Global Industrials
	James Hand Global Equity		Jonathan Parker Global Equity, Global Dividend		Sandi Greenwood Global Health Care		Jonathan Adams Global Telcos, Utilities & Real Estate
	Nigel Hankin Global Endurance		Christine Baalham Global Endurance		Morten Herholdt Global Consumer Staples		Wenchang Ma China
	Ian Vose Global/International Dynamic		Ken Hsia Europe, UK Smaller Companies		Niall Hartnett Global Consumer Discretionary		Jay Wang China
	Archie Hart Emerging Markets		Calum Joglekar UK Smaller Companies		Anton du Plooy Global Information Technology		Joanna Yang Asia
	Adam Child Emerging Markets		Greg Kuhnert Asia Pacific, China		John Holmes Global Financials		Varun Laijwalla Emerging Markets
			Charlie Linton Asia Pacific		Jeremy Galopin Global Financials		Rajeev Bahl Europe
							Steven Blackbeard Global Quantitative

## Environmental, Social and Governance (ESG)

	Therese Niklasson Head of ESG
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## Internal Support

	Mike Procter Business Manager		Grace Rushe 4Factor Analytics
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## Global Investment Infrastructure Support

Dealing | Risk & Performance | Implementation

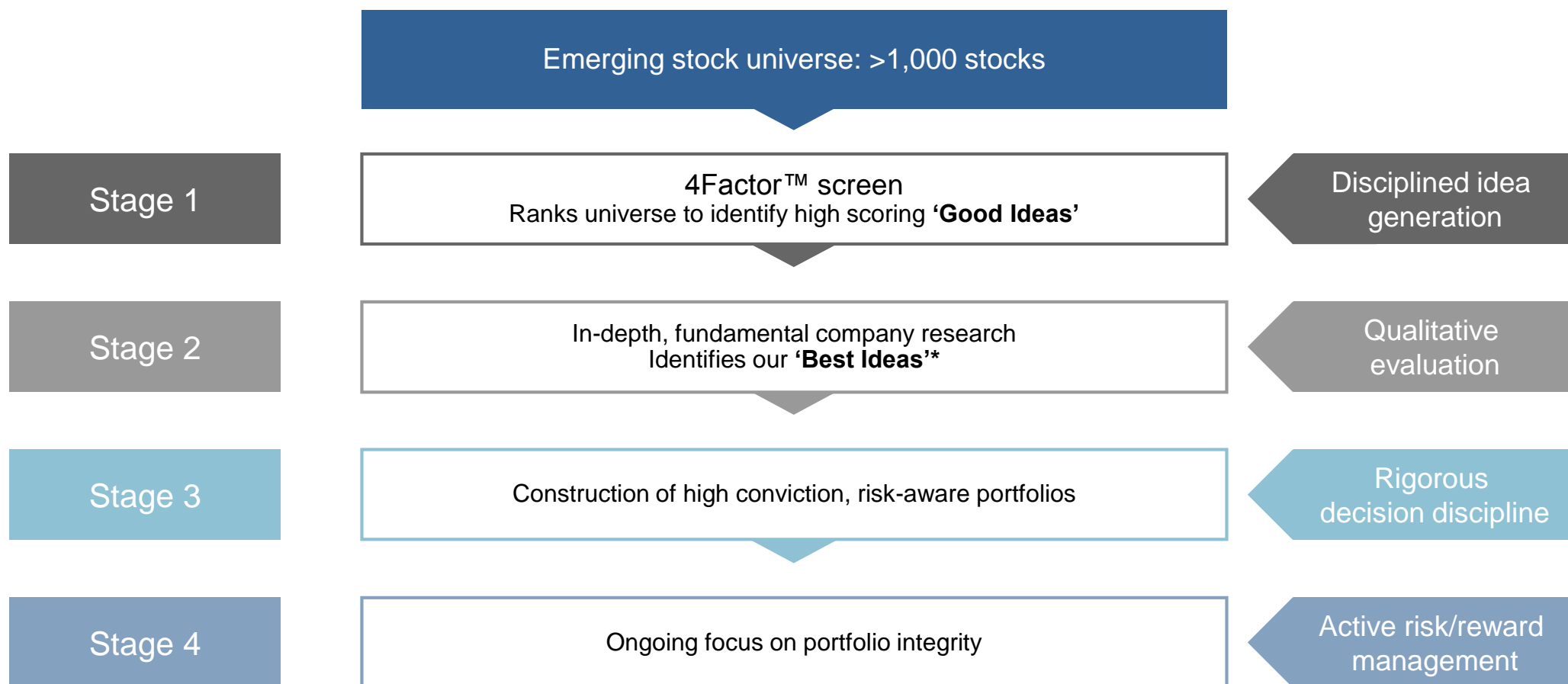
- Total AUM of \$36.8bn\*
- Unified around a clear philosophy and disciplined process
- Highly experienced global sector specialists
- Individual accountability, collective responsibility
- Co-investment and ownership aligns interests with clients
- Average industry experience of over 16 years
- Those highlighted represent the key contributors to the Emerging Markets Equity Strategy

Subject to change not necessarily with prior notification. As at 31 March 2017. \* The assets under management ("AUM") figure for the 4Factor™ team stated above is calculated on an investment basis i.e. the assets that are managed across the 4Factor™ range of strategies. These AUM figures may therefore reflect a double count of assets where investment strategies have underlying holdings in other Investec funds or investment strategies. For further information on investment team and investment process, please see the Important Information section.



# Disciplined framework for investment decisions

## 4Factor™ Framework



Internal parameters and process are subject to change and not necessarily with prior notification. Current as at date of publication. \* 'Good Ideas' represent the number of 4Factor™ high scoring stocks from the stage 1 screen. 'Best Ideas' represents our highest conviction ideas following fundamental analysis. For further information on investment process, please see the Important Information section.

# Idea generation

Score global universe

Stage 1

## 4Factor™ weekly screen: Example selection of high to low scorers

Company name	Earnings	Strategy	Technical	Value	Total
TransDigm Group	4	4	4	2	14
BlackRock	3	4	3	3	13
KIA Motors	3	2	3	4	12
SABMiller	3	4	3	1	11
Toyota Industries	3	1	3	3	10
Western Digital	1	3	1	4	9
Bridgestone	1	2	1	4	8
Mead Johnson Nutrition	1	3	1	2	7
Centrica	1	1	1	3	6
Enbridge	1	1	1	1	4

Negative

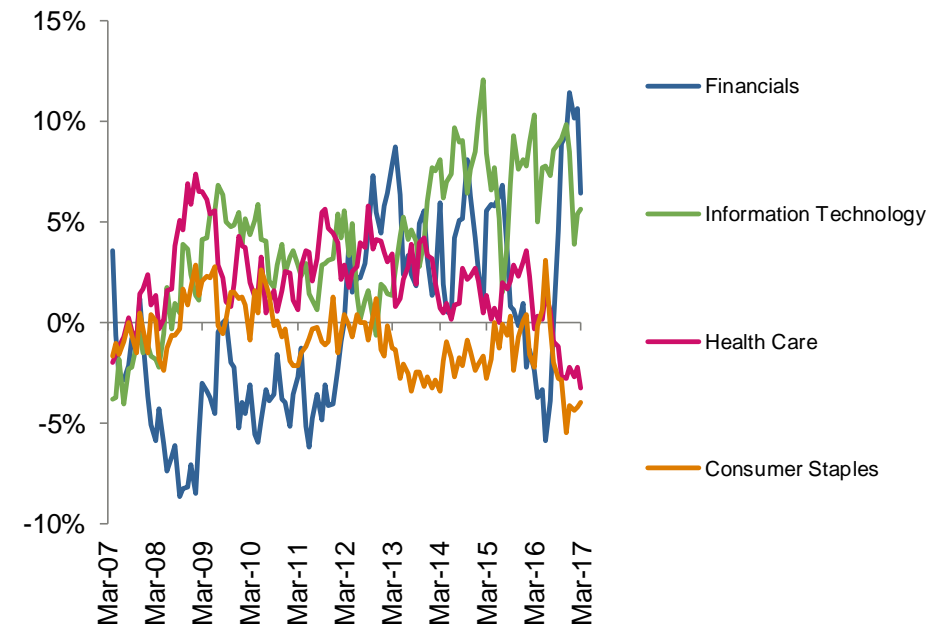
Positive

4 5 6 7 8 9 10 11 12 13 14 15 16

Source: Investec Asset Management, as at 31 December 2015.

- Factor scores are equally weighted
- Stocks scoring a total of 12 and above are potential buy candidates

## Top quartile rolling sector steers: Top and bottom 2 over last 10 years



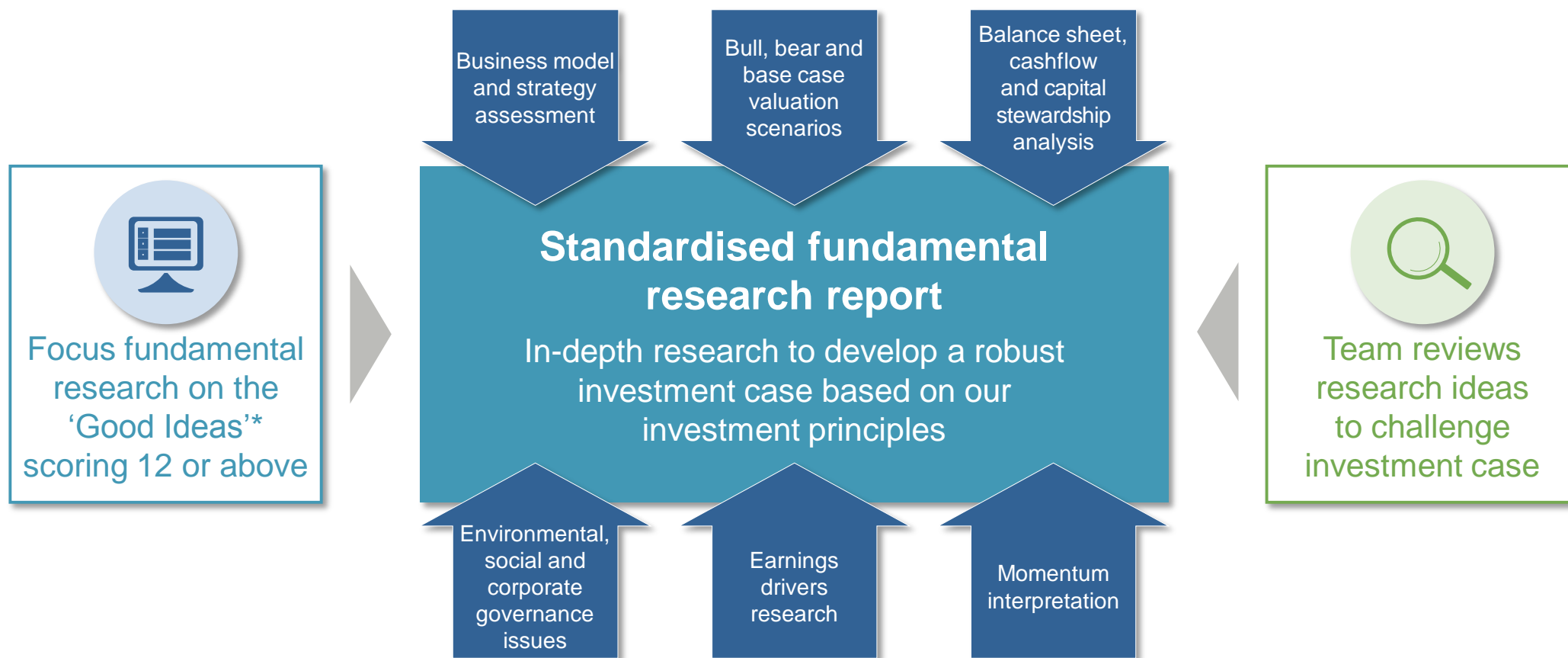
Source: Investec Asset Management, as at 31 March 2017.

- 'Dashboard' provides insight into industry and market trends based on our four factors

This is not a buy, sell or hold recommendation for any particular security. Screen shown for illustrative purposes only. No representation is made that these examples are past or current recommendations, that they should be bought or sold, nor whether they were successful or not. These examples do not represent all of the securities purchased, sold or recommended for the client's accounts. There is no guarantee that Investec will be able to identify or secure investment in securities substantially like those discussed. Source: Investec Asset Management's 4Factor™ proprietary scoring model. For further information on investment process, please see the Important Information section.

# Investment case built through in-depth research

Stage 2



**We search for high quality, attractively valued companies with improving operating performance that are receiving increasing investor attention**

\* 'Good Ideas' represent the number of 4Factor™ high scoring stocks from the stage 1 screen. For further information on investment process, please see the Important Information section.

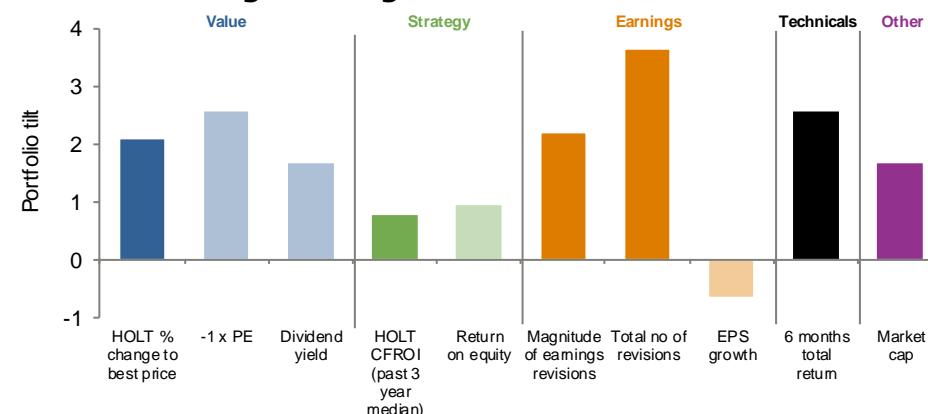
# Investec EM Equity Strategy

Construct high conviction, risk-aware portfolios

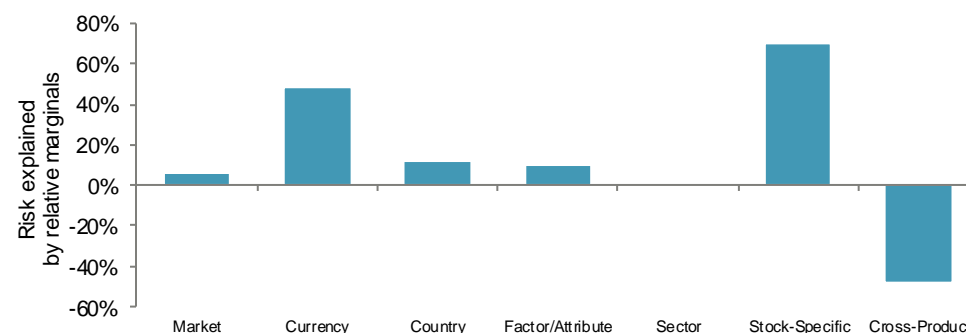
Stage 3

- Define appropriate risk profile with adherence to process via EMA risk system
- Maintain diversification through focus on predictive tracking error, correlation and beta
- Determine position size according to conviction level, volatility, liquidity and value skew
- Comply with investment restrictions via trade order management system for pre-trade compliance

## 4Factor™ style skyline



## Decomposition of tracking error



Source: Investec Asset Management, 31 March 2017. The portfolio may change significantly over a short period of time. Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level. Information is provided for reference only and does not represent the experience of the strategy nor is it intended as a representation or warranty by us as to the actual composition or performance of any future investment. Diversification does not protect against a loss or ensure a profit. Equity securities are subject to price volatility. EMA risk report snapshot: Units show how significant the portfolio's exposure is to the given attribute. Risk report run on a custom EMA template – we believe the template to be reliable, however we make no undertaking in this regard. For further information on investment process, please see the Important Information section.

# Continually manage risk and portfolio integrity

Stage 4

## Ongoing portfolio review to focus on:

- Portfolio maintains optimal risk/reward balance
- Portfolio retains appropriate risk characteristics
- Each holding's investment case remains robust
- Rigorous sell discipline

## Maintain Portfolio Integrity - Checks & Balances

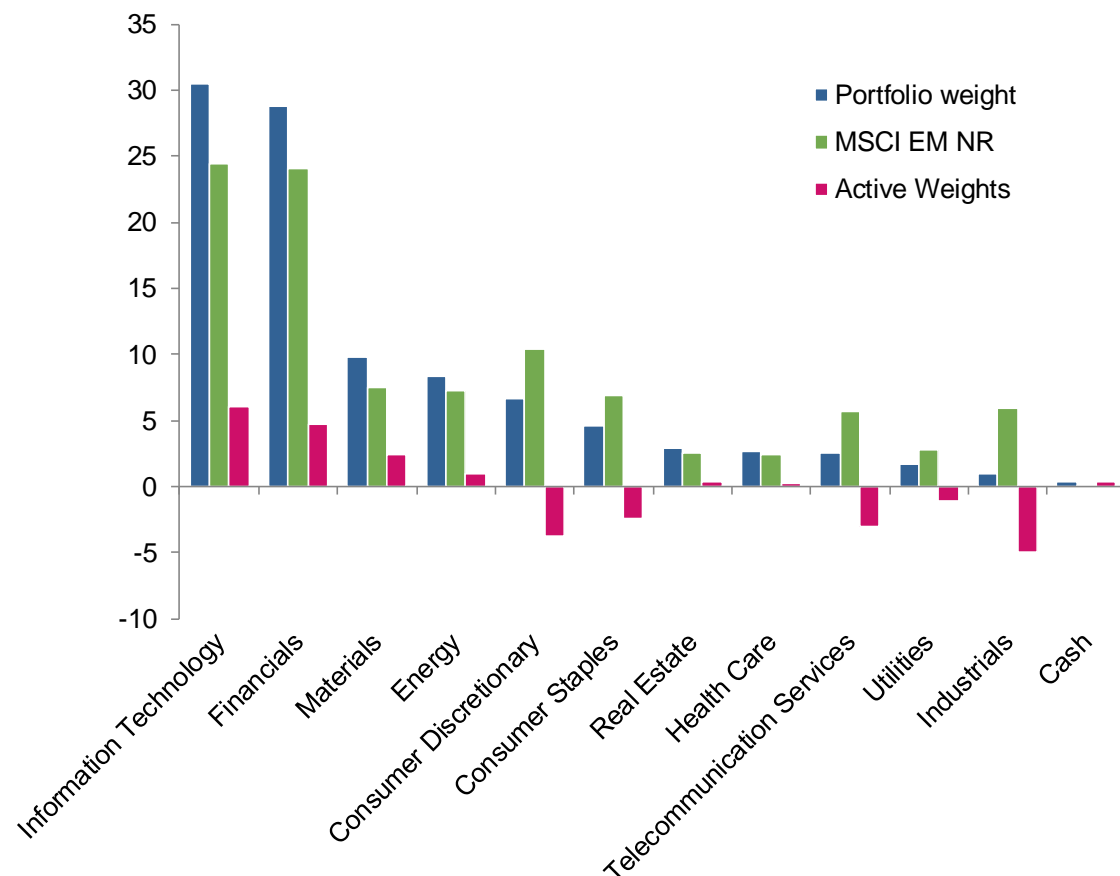
Stock level	<ul style="list-style-type: none"><li>• <b><u>Weekly</u></b> 4Factor™ screen run:<ul style="list-style-type: none"><li>- Analysts review score changes for new ideas and sell candidates</li><li>- Under 10 review meetings</li></ul></li><li>• <b><u>Quarterly</u></b> peer review of screen-only portfolio</li></ul>
Portfolio level	<ul style="list-style-type: none"><li>• <b><u>Monthly</u></b> Global team meeting reviews performance attribution, portfolio risk and regime indicator report</li><li>• <b><u>Monthly</u></b> review by Portfolio Group</li><li>• <b><u>Quarterly</u></b> structured formal report-back to the Investec Executive Committee</li></ul>
Sector level	<ul style="list-style-type: none"><li>• <b><u>Quarterly</u></b> Rotating Sector Review</li></ul>
Process level	<ul style="list-style-type: none"><li>• <b><u>Annual</u></b> offsite meeting for forensic process review and insight</li></ul>

The information is as of the date of the publication. Investec Asset Management reserves the right to modify any of the procedures, processes and controls described herein at its discretion. For further information on investment process, please see the Important Information section.

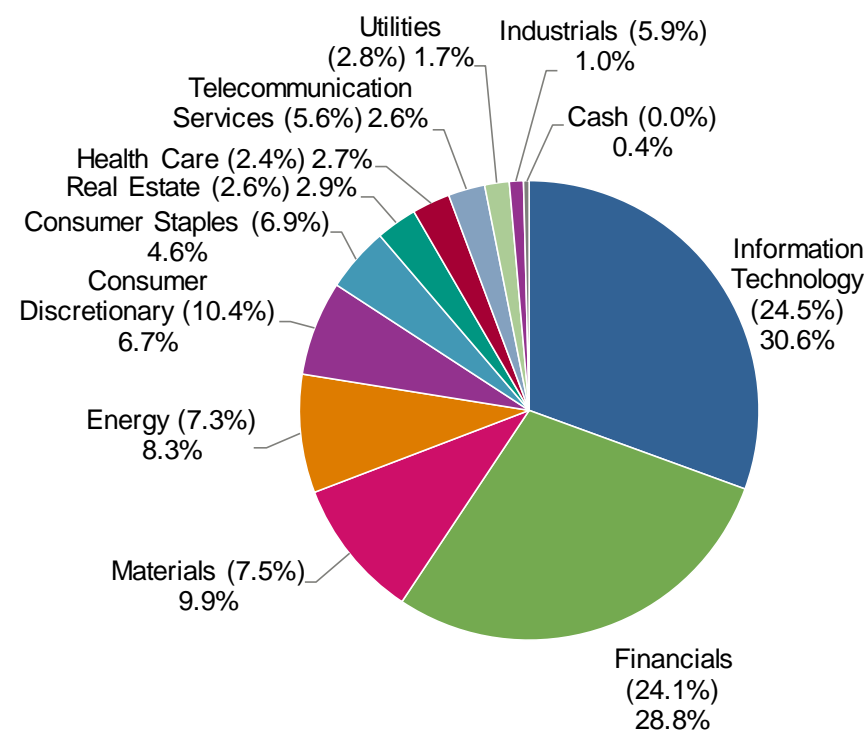
# Investec Emerging Markets Equity pooled vehicle

## Sector active positions

### Sector relative weights



### Portfolio absolute weights



The example of the holdings is intended to reflect the typical sector and geography that could be deployed by the strategy to generate the target returns. There is no assurance that Investec will be able to identify or secure investments in securities substantially like those discussed and the above is not intended to represent a summary of buy / sell recommendations. The portfolio may change significantly over a short period of time. Figures in brackets represent comparative index weights. Source: Investec Asset Management, portfolio stock weights relative to MSCI Emerging Markets NR Index, 31 March 2017.

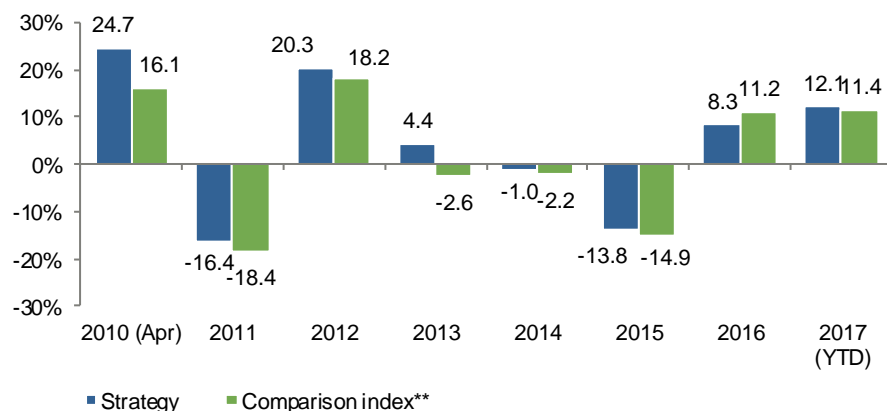
Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level.

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

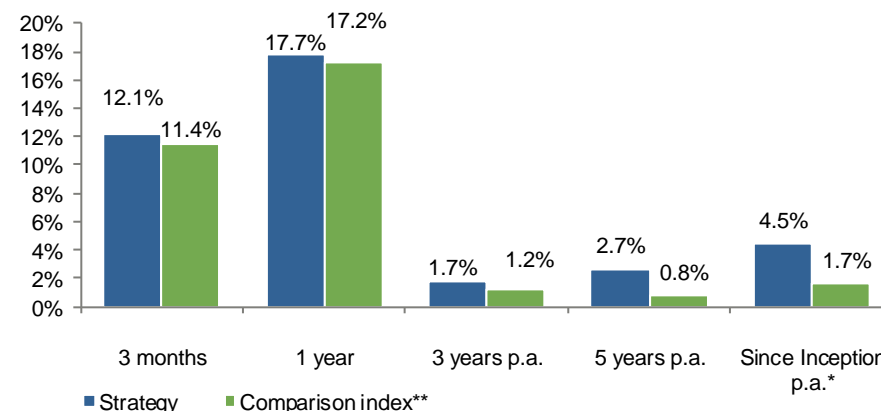
# Investec 4Factor™ EM Equity Strategy

## Composite performance

### Annual (Gross) performance in USD



### Annualised (Gross) performance in USD



	2010 (Apr)	2011	2012	2013	2014	2015	2016	2017 (YTD)
Strategy	24.7%	-16.4%	20.3%	4.4%	-1.0%	-13.8%	8.3%	12.1%
Comparison index**	16.1%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	11.4%
Relative performance	8.6%	2.1%	2.1%	7.0%	1.2%	1.1%	-2.9%	0.7%

Example effect of compounded management fees over 10yrs on the value of a client's portfolio: Initial value = \$100m, assumed return = 10% p.a., grows to \$259m (no fees), grows to \$235m (1.00% p.a. net fees). The annualised returns over 10yrs are 10% (gross of fees) and 8.91% (net of fees). The fees are calculated on a monthly basis, showing the maximum effect of compounding. Past performance should not be taken as a guide to the future, losses may be made. Performance is shown since inception or capped at most recent 10 years if strategy inception date exceeds this period. Client returns will be reduced by deduction of management fees and other expenses incurred relative to its advisory account.

Source: Investec Asset Management, 31 March 2017. Returns are stated gross of fees in USD. Supplemental information for GIPS purposes. Please refer to composite disclosure in the appendix.

\* 4Factor™ Emerging Markets Equity inception date: 01 April 2010

\*\* Comparison index: MSCI Emerging Markets NDR. For further information on indices please see the Important Information section.



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# Thank You for your consideration

Investec offers Mendocino County Employees' Retirement Association the following:

- 25+ years' experience in Emerging Markets
- High level of prioritization on Risk Management
- Equity teams' leverage from in-house EM Fixed Income and Commodities research
- Multiple alignments of interest with our clients
- Investment expertise rooted within a client-centric culture

***--We would be pleased to provide client references upon request--***

# Appendices



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# Fees

We are happy to offer Mendocino County Employee's Association an all inclusive fee of 0.80% for an investment in the Investec 4Factor™ Emerging Markets Equity Fund (LLC).

The fee proposed is valid for a period of six months from the date of this submission and may be subject to change.

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# Investable universe

- Universe of over 1,000 stocks
- All stocks meeting the following criteria:
  - Market capitalisation of over \$500 million
  - Average daily trading value of over \$1,000,000
- Beyond this, we have NO size bias or structural preference for large vs. small stocks or vice-versa

# Construct high conviction, risk-aware portfolios

## Emerging Markets Equity pooled vehicle guidelines

### Emerging Markets Equity

Portfolio manager	Archie Hart
Outperformance target*	2–3%
Performance comparison index	MSCI EM
Maximum tracking error	7%
Typical number of holdings (max)	70–90 (100)
Stock limits	+/- 3% vs. Index
Super-sector limits**	+/- 8% vs. Index
Country limits	+/- 10%
Strategy inception date	1 April 2010
Information ratio since inception***	0.9

\* Gross of fees, over a rolling three year period.

\*\* Within our 4Factor™ Equities strategies we cover seven super-sectors, which follow the Global Industry Classification Standard (GICS) and these are as follows: Consumers (Healthcare and Consumer Staples), Financials, Resources (Energy and Materials), Services (Consumer Discretionary), Technology, Telecoms & Utilities (Telecommunications Services and Utilities) and Industrials.

\*\*\* 31 March 2017, the above parameters are internal and subject to change without prior notice.

The investment objective and performance target will not necessarily be achieved. Information is provided for reference only and does not represent the experience of the strategy nor is it intended as a representation or warranty by Investec as to the actual composition or performance of any future investment.

Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level.

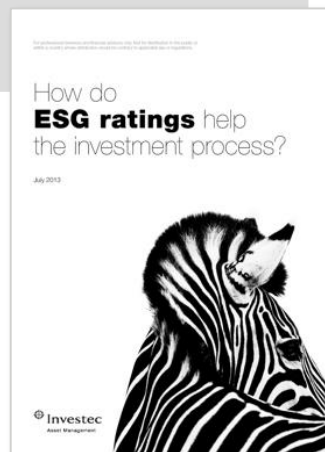
For further information on indices, investment process and performance target, please see the Important Information section.

# Environmental, Social and Governance integration

## ESG considerations are addressed throughout the investment process

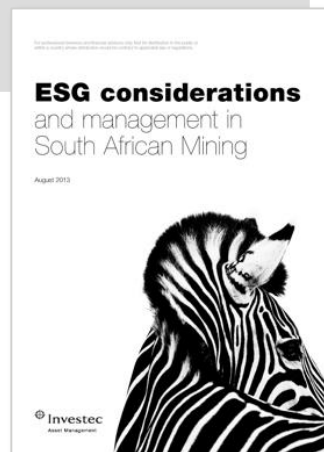
### 1. Universe screening

- ESG considerations do not currently affect the 4Factor™ Universe
- Empirical research looking at correlation of ESG ratings with universe performance (July 2013)



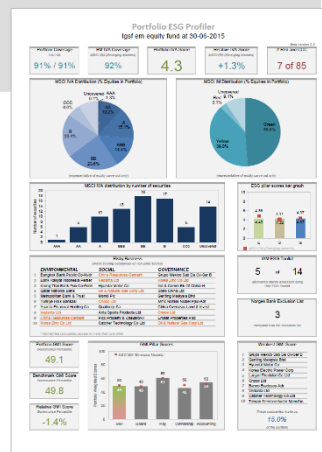
### 2. Fundamental analysis

- The team considers ESG issues for industries and topics such as stranded assets
- ESG team contributes with notes, e.g. Mining in South Africa



### 3. Portfolio construction

- External ESG ratings are considered
- Uncovered stocks are addressed through internal proprietary ESG toolkit
- Portfolio ESG Profiler allows team to review ESG portfolio footprints and identify areas of concern
- Climate change risk areas are highlighted using the Portfolio Carbon Profiler



### 4. Engagement

- Engagement is triggered by three key reasons (material holding, material issue or group of company issues and client focus)
- The ESG team meets with investment team regularly to review and discuss ongoing engagements
- The Investment Governance Committee reviews engagements quarterly

COMPANY	COUNTRY	TYPE	NOTES	OPTIONS
ALSTOM	France	Energy	Material holding	Engagement
ALSTOM	France	Energy	Material holding	Engagement
ALSTOM	France	Energy	Material holding	Engagement

### 5. Reporting

- The business reports extensively on ESG activities in a quarterly Stewardship Report, available on the website
- We also can prepare a number of bespoke ESG reports for specific mandates on request



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

# Team based approach to research and development

## Thought and insight papers

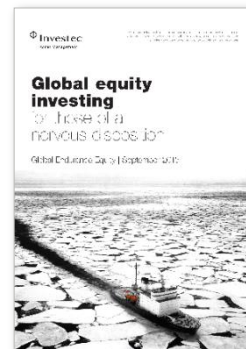
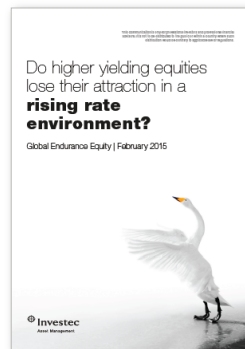
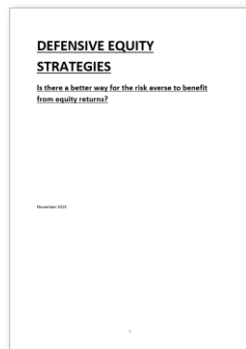
### Sample thought papers:

- 'Global equity investing: Navigating equity markets in an uncertain world' (Nigel Hankin, Christine Baalham – April 2016)
- 'Defensive Equities – is there a better way for the risk averse to benefit from equity returns?' (Nigel Hankin, Christine Baalham – November 2015)
- 'Global equity investing for those of a nervous disposition' (Nigel Hankin, Christine Baalham – September 2015)
- 'Do higher yielding equities lose their attraction in a rising rate environment?' (Nigel Hankin, Christine Baalham – February 2015)
- 'Understanding tracking error' (Richard Saldanha – July 2013)
- 'How do ESG ratings help the investment process?' (Steven Blackbeard, Therese Niklasson – July 2013)
- 'The Regime Indicator – Phase II – looking back to look forward' (Steven Blackbeard, Nigel Hankin – May 2013)

### Special Focus:

Quarterly special focus articles on pertinent market themes – included in client quarterly investment reporting, e.g from the past six quarters:

- 'Far from the madding crowd' (Steven Blackbeard – December 2016)
- 'Real Estate Investment Trusts (REITs) – the benefits of real-estate specific analysis' (Jonathan Adams – September 2016)
- 'The UK's referendum on EU membership' (Ken Hsia, Calum Joglekar – March 2016)
- 'Impact of negative interest rates on bank business models' (March 2016)
- 'Climate change – opportunities and risks in a 4Factor framework' (Jonathan Adams, Adrian Jackson – December 2015)
- 'Japanese corporate governance – unlocking shareholder value' (Charlie Linton – September 2015)

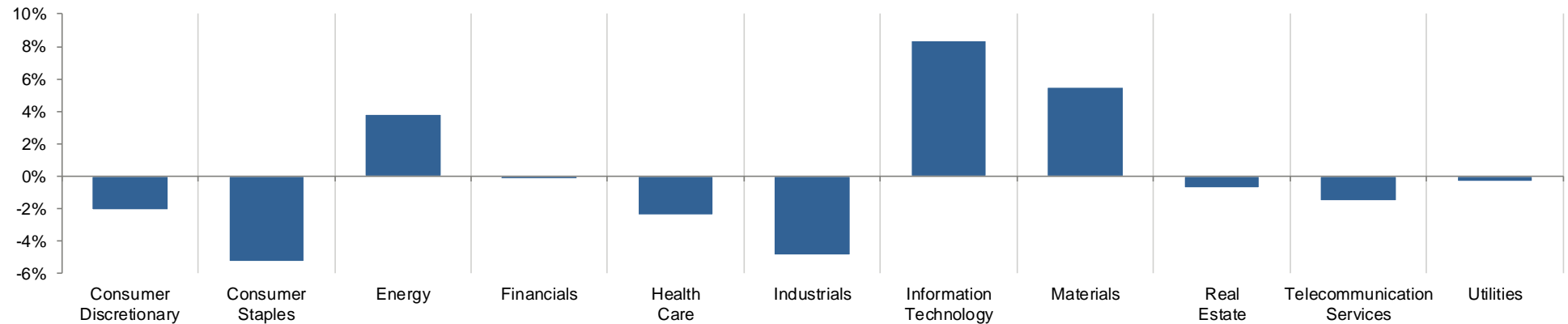




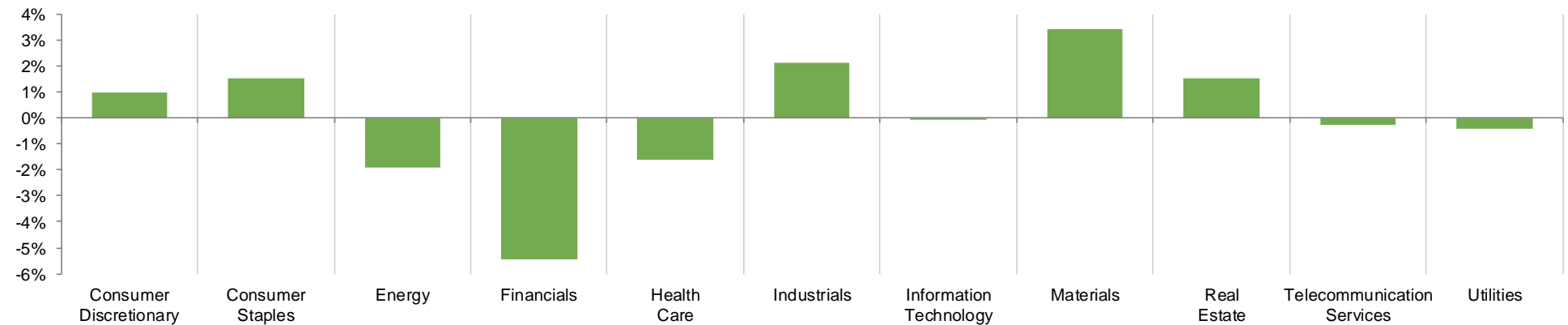
# Investec EM Equity

## Sector steers

### Current steers



### 3 month change

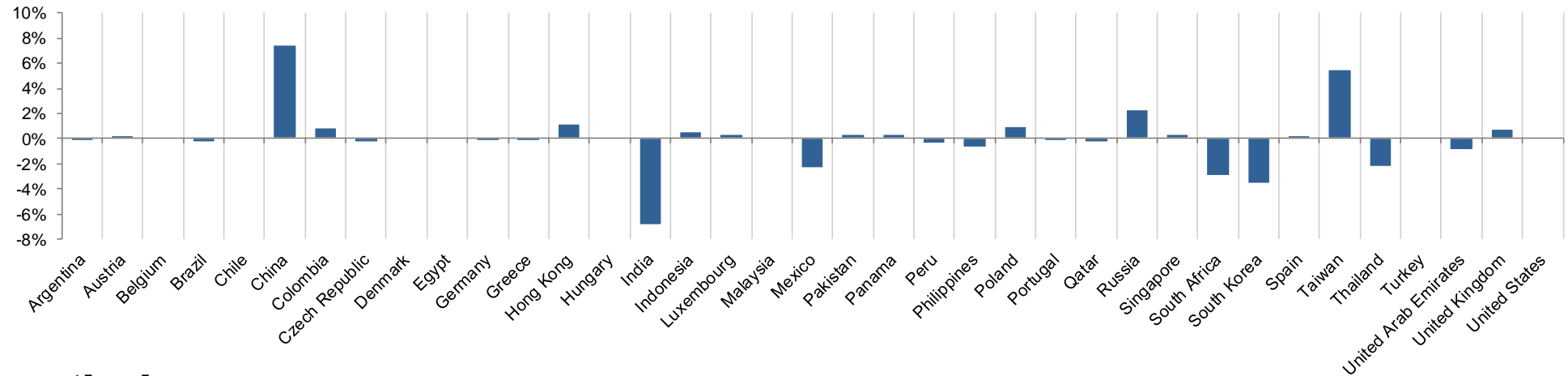


Source: Investec Asset Management, 11 April 2017. For further information on investment process, please see the Important Information section.

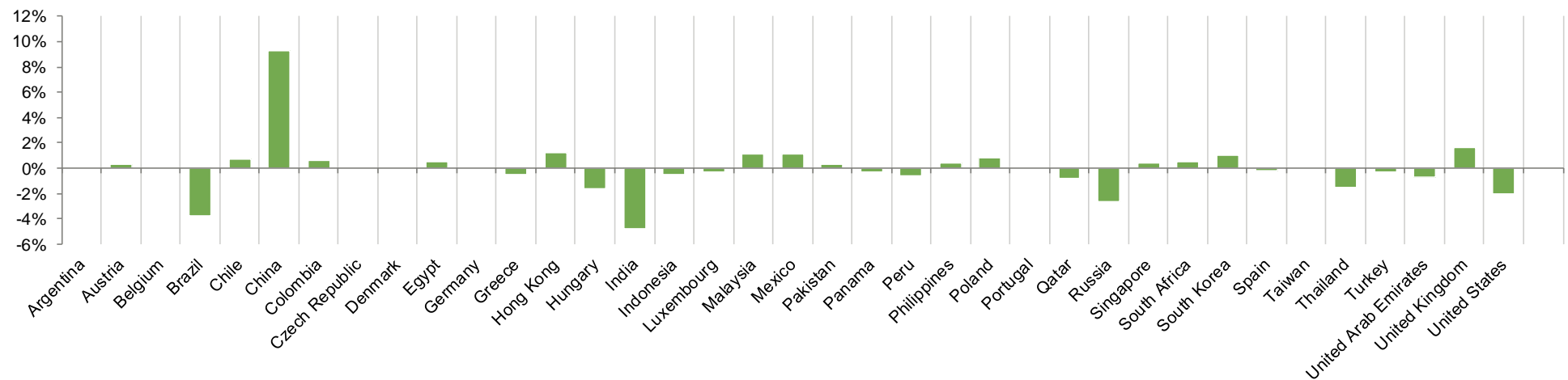
# Investec EM Equity

## Country steers

### Current steers



### 3 month change



Source: Investec Asset Management, 11 April 2017. For further information on investment process, please see the Important Information section.

# Portfolio positioning



# Investec EM Equity pooled vehicle

Benefit from portfolios distinct from index

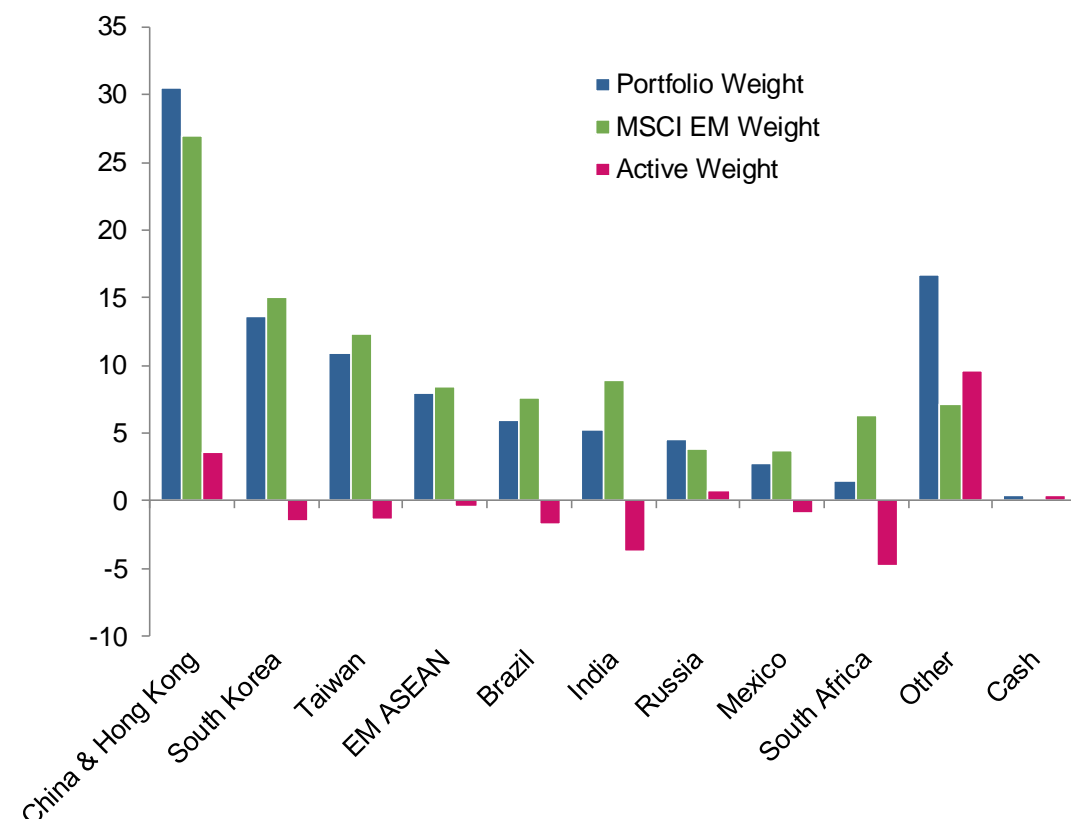
	Portfolio	Comparison index
Market capitalisation (weighted average)	\$71.3bn	\$56.9bn
Dividend yield	2.3%	2.4%
P/E FY1 (x)	11.4	12.4
P/E FY2 (x)	10.4	11.3
Historical 3 year sales growth	12.6%	12.2%
Historical 3 year EPS growth	16.2%	11.7%
Return on equity	16.3%	14.3%
Operating margin	21.4%	18.6%
Long-term debt/capital	24.7%	25.5%
Active share (different from index) %	73.0%	-
Beta ex-ante	0.96	-
Tracking error ex-ante	2.9%	-

Source: Investec Asset Management, 31 March 2017. The portfolio may change significantly over a short period of time. Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level. Past performance is no guide to future performance. No assurance can be given that the strategy will be successful or that investors will not lose some or all of their capital. Comparison index: MSCI Emerging Markets Index. For further information on indices and investment process, please see the Important Information section.

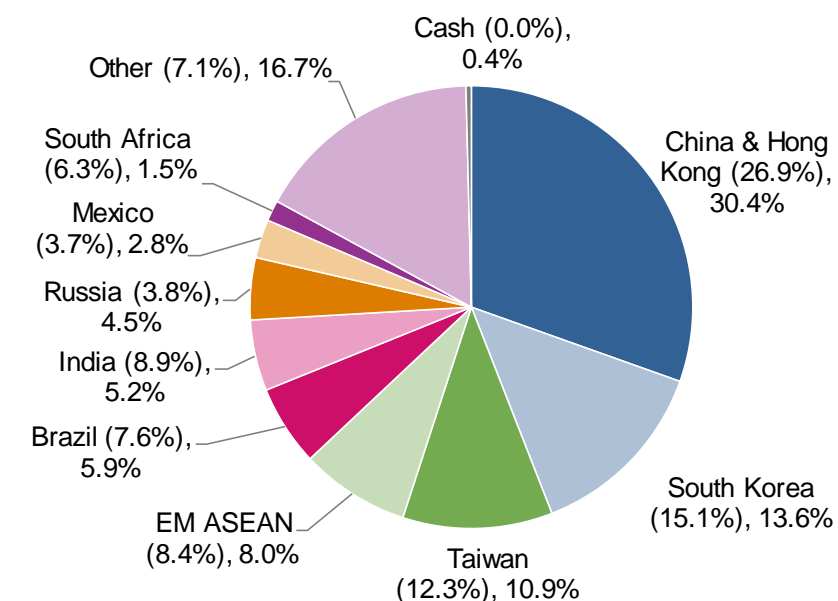
# Investec Emerging Markets Equity pooled vehicle

## Country active positions

### Country relative weights



### Portfolio absolute weights



The example of the holdings is intended to reflect the typical sector and geography that could be deployed by the strategy to generate the target returns. There is no assurance that Investec will be able to identify or secure investments in securities substantially like those discussed and the above is not intended to represent a summary of buy / sell recommendations. The portfolio may change significantly over a short period of time. Figures in brackets represent comparative index weights. Source: Investec Asset Management, portfolio stock weights relative to MSCI Emerging Markets NR Index, 31 March 2017.

Data is run monthly and is based on a pooled vehicle within the strategy. This data is not available at the composite level.

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

Universe historic model



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# Contact details

## Investec Asset Management

Woolgate Exchange  
25 Basinghall Street  
London  
EC2V 5HA  
United Kingdom

+44 20 7597 1900  
[enquiries@investecmail.com](mailto:enquiries@investecmail.com)

[www.investecassetmanagement.com](http://www.investecassetmanagement.com)



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# Biographies



## Archie Hart

Portfolio Manager  
Joined the firm in 2008  
Joined the industry in 1986

Archie is the portfolio manager for the Emerging Markets Equity Strategy in the 4Factor Equity team at Investec Asset Management.

He joined Investec Asset Management in 2008 from WestLB Mellon Asset Management where he was responsible for managing Latin American portfolios and maintaining the analytical coverage for this region. Prior to this, Archie worked for Deutsche Bank for seven years, starting as head of regional research in Hong Kong, then becoming a regional media analyst, and moving to London where he marketed Deutsche's Asian equity product to institutional clients. Prior to this, Archie worked for BZW Asia in Hong Kong where he sold Asian equities to clients. Also in Hong Kong, Archie worked as an investment analyst for Crosby Securities before being promoted to head of Hong Kong research and deputy managing director, and subsequently moving to their sales team.

He started his career at Royal Life Fund Management in London as an investment analyst. Archie graduated in 1986 from the University of Sheffield with a degree in Business Studies.



## Adam Child

Portfolio Manager, Emerging Markets  
Joined the firm in 2012  
Joined the industry in 2007

Adam is the alternate portfolio manager for the Emerging Markets Equity Strategy in the 4Factor Equity team at Investec Asset Management.

Adam joined Investec Asset Management as an emerging markets equity analyst, responsible for covering companies across all sectors and geographies of the emerging markets universe. He subsequently became the back-up manager for the Emerging Markets Equity strategy. Prior to joining the firm, Adam worked as a junior portfolio manager and analyst for the Asian Socially Responsible Investment (SRI) equity team at BNP Paribas Investment Partners in Hong Kong.

Adam started his career with Fortis Investments as an analyst in London, Frankfurt and Hong Kong, covering European, Global and Asian equities. He graduated from the University of Cambridge with a Bachelor of Arts (Hons) degree in History in 2007 and is a CFA Charterholder.



## Varun Laijawalla

Analyst  
Joined the firm in 2016  
Joined the industry in 2010

Varun is an analyst within the 4Factor Equity team at Investec Asset Management. His focus is on global emerging markets.

Prior to joining the firm he was vice president of Asia ex-Japan Equity Sales at Macquarie Capital Securities. Before that he was a management consultant at Corporate Value Associates.

Varun holds an MBA from INSEAD and has a Bachelor of Science in Management Science from Warwick University.

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

# Biographies



## James Hand

Co-Chief Investment Officer &  
Co-Head of 4Factor Equity  
Joined the firm in 2000  
Joined the industry in 1997

James is currently co-Chief Investment Officer and co-Head of 4Factor Equity at Investec Asset Management, and the lead portfolio manager of the Global Core Equity Strategy. From 1 April 2017, James will begin a period of transition, handing over responsibilities to Rhynhardt Roodt and Jonathan Parker. From 1 October James will step down from the 4Factor co-Head and portfolio management roles, but will continue to work in the co-CIO office on a reduced time basis with a focus on risk premia, investment process and ESG.

James joined Investec Asset Management in 2000 and has covered a range of global sectors including consumers, industrials and services before returning to technology in 2009. James is the author of 'The 4Factor Process' and has guest lectured on behavioural finance at Reading University's ICMA Centre. During his time at the firm, James has managed a range of global portfolios for predominantly institutional clients including sovereign wealth funds and corporate pension schemes.

Prior to joining Investec Asset Management, James spent three years at Schroder Investment Management where he specialised in small-cap technology stocks. James graduated from Cambridge University with a first class degree in Economics.



## Rhynhardt Roodt

Co-Head of 4Factor Equity  
Joined the firm in 2004  
Joined the industry in 2004

Rhynhardt is the co-head of 4Factor Equity and co-portfolio manager for the Global Core Equity Strategy at Investec Asset Management. He began his career at the firm in 2004 and was previously the co-head of SA Equity & Multi-Asset.

Over the years he has been responsible for the fundamental analysis of a broad range of listed companies, the portfolio management of a number of equity and multi-asset strategies as well as driving the equity research agenda within these strategies. Rhynhardt rejoined the firm in 2010 from Oryx Investment Management where he worked for two years as a research analyst and portfolio manager.

He graduated from the University of Pretoria with a Bachelor of Commerce in Financial Management Sciences and a Bachelor of Commerce (Hons) in Investment Management (cum laude), before completing a Masters degree in Financial Management (cum laude) at the University of Cape Town. Rhynhardt is also a CFA Charterholder.



## Mark Breedon

Co-Head of 4Factor Equity  
Joined the firm in 2003  
Joined the industry in 1977

Mark is Co-Head of 4Factor Equity at Investec Asset Management. He is the portfolio manager for the Global Strategic Equity Strategy.

He joined Investec Asset Management from Alliance Capital Management where he managed portfolios including the \$500 million Worldwide Privatisation Fund, NYSE listed Southern Africa Fund, Spain Fund and Austria Fund. Prior to this, he managed developed market equity accounts for Brinson Partners (formerly First Chicago), following an initial three year spell in research at Vickers da Costa.

Mark graduated with a Bachelor of Arts (Hons.) degree in Economics.

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

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# Biographies



## Greg Kuhnert

Portfolio Manager  
Joined the firm in 1999  
Joined the industry in 1995

Greg is the portfolio manager for the Asia ex Japan and All-China Equity strategies and co-portfolio manager for the Asia Pacific ex Japan Equity strategy in the 4Factor Equity team at Investec Asset Management.

Greg joined Investec Asset Management in 1999 working as an analyst researching Asian and global equities. Prior to this, Greg spent five years at Ernst & Young in Johannesburg, South Africa, within auditing and consulting, where he specialised in mining and financial companies.

He qualified as a Chartered Accountant in 1997. Greg graduated from the University of Witwatersrand in Johannesburg, South Africa, in 1994 and achieved a first class degree in Accountancy and is a CFA Charterholder.



## Wenchang Ma

Alternate Portfolio Manager  
Joined the firm in 2014  
Joined the industry in 2009

Wenchang is the Alternate Portfolio Manager for the All China Equity Strategy in the 4Factor Equity team at Investec Asset Management.

Prior to joining the firm in 2014, she worked at JP Morgan as an equity research analyst covering transportation and logistics. Prior to joining JP Morgan in 2010, she did a similar role at Exane BNP Paribas.

Wenchang holds a Bachelor in Economics from Renmin University of China and an MSc in Management, majoring in Finance from HEC Paris. Wenchang is also a CFA Charterholder.



## Charlie Linton

Portfolio Manager  
Joined the firm in 2013  
Joined the industry in 2005

Charlie is portfolio manager for the Asia Pacific including Japan strategy and co-portfolio manager for Asia Pacific ex Japan within the 4Factor Equity team at Investec Asset Management. Prior to joining the firm, he worked as an analyst covering emerging markets equities at Legg Mason.

He started his career as an associate working in equity capital markets at UBS. Charlie graduated from the University of Cambridge with a Bachelor's degree in Mathematics in 2005 and a Masters of Finance in 2010. He is a CFA Charterholder.

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# Biographies



## **Christine Baalham**

Portfolio Manager

Joined the firm in 2000

Joined the industry in 1996

Christine is a portfolio manager at Investec Asset Management where she is co-portfolio manager for the Global Endurance Equity Strategy.

She joined the 4Factor Equity team in 2000 and held responsibilities including global financials sector specialist, global services sector specialist, portfolio manager for the International Equity Fund, as well as heading up the 4Factor UK Equity team from 2004 to 2014 where she was responsible for managing the UK core strategies.

She began her career at Schroder Investment Management, where she was recruited as part of the Schroder Investment Management graduate training programme in 1996. She worked on the UK fund management desk before joining the research department as the UK insurance and tobacco analyst.

Christine gained a Master of Philosophy degree in Chemistry from Cambridge University in 1996, after graduating with a first class degree in Natural Sciences the previous year.



## **Nigel Hankin**

Portfolio Manager

Joined the firm in 2006

Joined the industry in 1986

Nigel is co-portfolio manager for the Global Endurance Equity Strategy in the 4Factor Equity team at Investec Asset Management.

He joined Investec Asset Management from Mirabaud, where he was tasked with the launch of a new global equity research product for the firm. Nigel has a wide variety of experience managing equities and developing products, most recently as deputy head of the global equity team of RCM. He was also one of the founders of Draycott Partners, where he played a key role in building its US business and managed European equities for the company after its sale to Alliance Capital Management International.

Nigel started his career at Royal London as a European equity portfolio manager, where he launched a retail European equity product. He graduated from Oxford University with a first class degree in Modern History and Economics in 1985.



## **John Holmes**

Portfolio Manager

Joined the firm in 2010

Joined the industry in 2005

John is a portfolio manager and analyst in the 4Factor Equity team at Investec Asset Management, where he is a sector specialist for financials.

Prior to joining the firm, John worked at Keefe, Bruyette & Woods within the equity research team where he gained four years' experience analysing UK, French and European banks and other financial services companies. He started his career at Fidelity International providing support for retail brokers.

John graduated from Oxford University (St Catherine's College) in 2005, attaining an honours degree in Modern History. He also holds the Investment Management Certificate (IMC) from the CFA Institute and the Certificate in Investments (Securities) from the SII.

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

# Biographies



## Ken Hsia

Portfolio Manager

Joined the firm in 2004

Joined the industry in 1994

Ken is the portfolio manager for the European and UK Smaller Companies strategies at Investec Asset Management.

Ken joined the firm in 2004 from MoVa Investment Partners, a hedge fund, where he was portfolio manager and co-founder. He was involved in managing a portfolio focused on European small and mid-cap stocks. Prior to that, Ken spent eight years at Fidelity Investments as an equity analyst covering a range of sectors including UK and European auto components, construction, non-food retail and utilities, and was assistant fund manager on the UK Recovery Trust (now renamed UK Aggressive).

Ken graduated from Oxford University with a Doctorate in Organic Chemistry. He is also an associate member of the UK Society of Investment Professionals (UKSIP).



## Calum Joglekar

Portfolio Manager

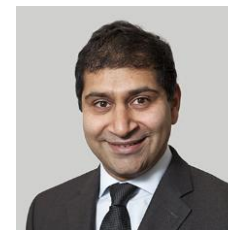
Joined the firm in 2010

Joined the industry in 2007

Calum is co-portfolio manager in the 4Factor Equity team at Investec Asset Management, for the UK Smaller Companies Fund. Calum joined the 4Factor team initially in 2010 as an analyst for the UK Smaller Companies Fund and the UK technology and telecoms sector.

He began his career as a graduate at ABN AMRO, subsequently Royal Bank of Scotland, as an analyst in the transport & logistics / global industrials sector. While at RBS he worked on a number of announced deals and takeover approaches, performing strategic industry analysis and valuation modelling.

Calum graduated from Edinburgh University in 2006 with a first class degree in Biological Sciences and is also a CFA Charterholder.



## Rajeev Bahl

Analyst

Joined the firm in 2011

Joined the industry in 1997

Rajeev is a European regional analyst within the 4Factor Equity team at Investec Asset Management, and previously a Global Service sector analyst.

Prior to joining the firm, Rajeev was a partner at Matrix Corporate Capital where he was co-head of research and senior research analyst covering European software and IT services. Rajeev previously worked in equity research at Piper Jaffray, Deutsche Bank and J.P. Morgan Cazenove covering a range of European mid and large caps including periods focusing on technology, and on mid-caps in northern Europe.

Rajeev graduated from the London School of Economics with the first class degree in Economics, Finance and Accounting. He subsequently qualified as a Chartered Accountant at KPMG, where he was focused on chemical, mining and distribution businesses.

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

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# Biographies



## Ian Vose

Portfolio Manager

Joined the firm in 2010

Joined the industry in 1983

Ian is the portfolio manager for the Global Dynamic Equity Strategy. He has a wealth of experience in international equities, joining Investec Asset Management from Scottish Widows Investment Partnership (SWIP), where he was most recently head of developed equities with responsibility for Global, EAFE, US and Japan performance managing a team of 15 investment professionals.

Ian previously worked at Allianz Global Investors (RCM) where he was chief investment officer for International Equities. Previous roles include that of director at Dresdner RCM UK, where he was co-head of European research, and CIO at GFM International. Ian graduated from Queen's College, Oxford, with a Master's degree in Biochemistry. He is a Fellow of the CISI.



## Jay Wang

Analyst

Joined the firm in 2015

Joined the industry in 2013

Jay is an analyst within Investec Asset Management's 4Factor Equity team, focusing on China.

Prior to joining the firm he worked at Exane Ltd as an equity research analyst, covering sell-side company and industry research.

Jay has a Masters in Management from HEC Paris, a MSc in Applied Physics from Imperial College and a BSc in Physics from Nanjing University. Jay is also a CFA Level III candidate.



## Joanna Yang

Analyst

Joined the firm in 2015

Joined the industry in 2002

Joanna is an analyst within Investec Asset Management's 4Factor Equity team, focusing on the Asia Pacific region.

Prior to joining the firm she worked at Allianz Global Investors, Hong Kong as senior research analyst, covering regional consumer and healthcare sectors. She started her career with Allianz in San Francisco, where she held various roles in Grassroots Research and marketing.

Joanna has a Bachelor of Art degree from the University of California, Berkeley with a major in Architecture and minor in Business Administration.

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

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# Biographies



## Jonathan Adams

Analyst

Joined the firm in 2006

Joined the industry in 1991

Jonathan is an analyst in the 4Factor Equity team at Investec Asset Management, where he is a sector specialist for telecoms and utilities.

Jonathan joined the firm from Citigroup Asset Management where he was a director within equity research, covering global telecom companies. Previously, Jonathan worked for J.P. Morgan Securities, where he was head of European wireless research and amongst other responsibilities, established a European cellular research franchise. Prior to this he worked as an analyst in emerging markets derivatives, before a three year spell as an associate in the European Telecoms Advisory division at J.P. Morgan.

Jonathan graduated from Princeton University's Woodrow Wilson School of Government with a Master's degree in Public Affairs, focusing on Economics and Finance, where he was a Woodrow Wilson Fellow. He completed a Master's degree in Economics at Cambridge University.



## Steven Blackbeard

Analyst

Joined the firm in 2009

Joined the industry in 2009

Steven is an analyst in the 4Factor Equity team at Investec Asset Management. His responsibilities include providing research and maintenance for the 4Factor database.

Steven joined Investec Asset Management in 2009 and initially spent two years as part of the risk and performance team where he was responsible for performance measurement and attribution for all areas of the business.

He graduated from the University of Manchester with an honours degree in Business Studies and Finance and holds a Master of Science in Finance from the Manchester Business School. Steven has passed Level III of the CFA Programme.



## Jeremy Galopin

Analyst

Joined the firm in 2016

Joined the industry in 2010

Jeremy is an analyst in Investec Asset Management's 4Factor Equities team where he covers the sector of financials.

Prior to joining the firm, Jeremy worked five years as a generalist equity analyst on European long only strategies for French asset management boutiques in Paris.

Jeremy holds an MSc in Management, from the Bordeaux Management School (KEDGE Business School) and is a CFA Charterholder.



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# Biographies



## **Sandi Greenwood**

Analyst

Joined the firm in 2005

Joined the industry in 1995

Sandi is an analyst in the 4Factor Equity team at Investec Asset Management where she is a consumers sector specialist.

Prior to joining the firm, Sandi worked as a management consultant for LECG Europe, analysing market trends, competition and private companies. Before this she worked for ABN AMRO as a pharmaceutical analyst in London. In South Africa, she worked for Merrill Lynch in equity research, analysing a diverse set of sectors and interacting regularly with corporate and asset management clients.

Sandi graduated from the University of Witwatersrand in Johannesburg, South Africa in 1992 and achieved an honours degree in Economics from the University of South Africa in 1994.



## **Niall Hartnett**

Analyst

Joined the firm in 2013

Joined the industry in 2010

Niall is an analyst within the 4Factor Equity team at Investec Asset Management covering the global services sector.

Prior to joining the firm in 2013, he worked in wealth management advising high net worth individuals at Saunderson House.

Niall graduated from the University of St Andrews with a Master's (Hons) degree in Philosophy in 2010 and is a CFA Charterholder.



## **Morten Herholdt**

Analyst

Joined the firm in 2013

Joined the industry in 1999

Morten is an analyst in the 4Factor Equity team at Investec Asset Management, where he covers the consumer sector.

Prior to joining Investec Asset Management, Morten was a portfolio manager at Cazenove Capital Management where he managed the European equities portfolios for the private bank. Before this he worked for Barclays as a global healthcare analyst in London.

Morten graduated from the University of Copenhagen and achieved a Master's degree in Economics, and also holds the Investment Management Certificate (IMC).

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



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# Biographies



## Adrian Jackson

Analyst

Joined the firm in 2004

Joined the industry in 1992

Adrian is an analyst in the 4Factor Equity team at Investec Asset Management where he is a resources sector specialist.

Prior to joining the firm, Adrian worked as the chief financial officer in London and Moscow for Petro-Russo Holdings/JSC Pechoraneft, an upstream oil production company in Russia. Before this, he spent six years at JP Morgan Chase as a vice president of its global oil & gas group, where he was responsible for marketing and raising capital, and was subsequently promoted to investment banking staff officer.

Adrian also worked for Daiwa Europe as an associate director of its project advisory group after spending the first ten years of his career at Royal Dutch Shell working as a petroleum engineer in both technical and commercial roles. Adrian graduated with a Master's degree in Physics from Oxford University in 1982 as well as a Master's degree in Business Administration from Henley Management College.



## Jonathan Parker

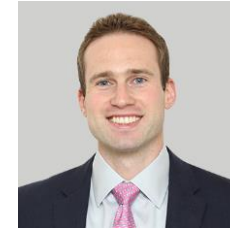
Portfolio Manager

Joined the firm in 2006

Joined the industry in 1997

Jonathan is a portfolio manager in the 4Factor Equity team at Investec Asset Management where he manages the Global Dividend Strategy. From April 2017 Jonathan will also become co-manager of the Global Core Equity Strategy. During his time within the 4Factor Equity team he has also managed UK Core and Aggressive portfolios, and covered the consumer staples sector as a global analyst.

Jonathan started his career at M&G Investment Management where he worked for four years as an analyst, and then a further five years as a UK Equity Income portfolio manager. He has a degree in Economics from Cambridge University and is a member of the CFA Institute.



## Tom Miller

Analyst

Joined the firm in 2016

Joined the industry in 2011

Tom is an analyst within the 4Factor Equity team at Investec Asset Management responsible for global industrials.

Prior to this, Tom started his career at M&G Investments where he also worked as a global equity analyst. He was initially responsible for global consumer discretionary across M&G's funds, before then becoming a global generalist, focusing on dividend and value strategies.

Tom secured a Bachelor of Science degree in Accounting and Finance from Warwick Business School, whilst further obtaining his IMC in 2011 and CFA in 2015.

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

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# Biographies



## **Anton du Plooy**

Analyst

Joined the firm in 2010

Joined the industry in 2010

Anton is an analyst in the 4Factor Equity team at Investec Asset Management, where he is a technology sector specialist.

He originally joined Investec Asset Management on an internship programme in the 4Factor Global Equity team in 2010, having previously worked at Barclays Capital as a business analyst. His career started at a forensic accountancy firm in Johannesburg, South Africa.

Anton graduated from the University of Cape Town in South Africa with honours degrees in both Actuarial Science and Finance in 2006. He has passed Level III of the CFA Programme.



## **Grace Rushe**

Analyst

Joined the firm in 2012

Joined the industry in 2006

Grace is an analyst within the 4Factor Equity team at Investec Asset Management. Her main responsibilities include maintenance and implementation of the 4Factor database and investment reporting.

Prior to joining the firm, Grace worked as an analyst at Investment Technology Group (ITG) in London where she was responsible for developing periodic reporting for clients. Prior to that she spent three years working as a senior trade data analyst at ITG in Dublin, where she was responsible for ensuring the integrity of trading data and developing reporting and management tools.

Grace spent two years as a client services administrator at Fidelity maintaining and developing client relationships. She graduated from N.U.I Maynooth with a Bachelor of Arts degree in Mathematics and French and has also passed Level III of the CFA Programme.

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

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# Biographies



## **Therese Niklasson**

Head of Global ESG  
Joined the firm in 2011  
Joined the industry in 2003

Therese is head of global ESG at Investec Asset Management. Therese works with the various Investment teams, Client Groups and Operations teams on a wide range of ESG areas, including ESG policies, research, corporate governance and engagement. Together with the investment teams for private and listed markets Therese leads the efforts around ESG integration strategies and analysis.

She joined Investec Asset Management in 2011, initially as the head of ESG research, from another asset management firm in London, where she was Head of Governance and Responsible Investment. She started her career as a research analyst focusing on corporate social responsibility and sustainable development in emerging markets, working at SustainAbility, Core Ratings and Global Water Intelligence.

Therese has degrees from both the London School of Economics (Bachelor of Science degree in Environmental Management and Policy) and Oxford University (Master of Science degree in Nature, Society and Environmental Policy).



## **Mike Procter**

Business Manager  
Joined the firm in 2013  
Joined the industry in 2004

Mike is the business manager for the 4Factor Equity Investment team at Investec Asset Management. He is responsible for managing various aspects of the team's operations, client engagements, marketing, and projects.

Mike joined Investec Asset Management in 2013 as a proposal manager in the marketing department. Prior to this, he spent six years in the British Army, during which time Mike trained at Sandhurst, commanded an infantry platoon in Afghanistan, advised on NATO's Libya operation and led an intelligence team for the London 2012 Olympics. Mike started his career in derivatives valuations for ABN AMRO.

Mike holds a BSc (Hons.) in Management and Finance from Warwick University and the Investment Management Certificate.

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

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## Investment Team

There is no assurance that the persons referenced herein will continue to be involved with investing for this Fund, or that other persons not identified herein will become involved with investing assets for the Manager or assets of the Fund at any time without notice.

## Investment Process

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## 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 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 investment or strategies are for illustrative purposes only. Unless stated otherwise, the specific companies listed or discussed are included as representative of the Fund. 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.

## Indices

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# Important information

## Index descriptions

Index	Description
MSCI AC Asia ex Japan	The MSCI All Country Asia ex Japan Index is a market capitalisation weighted index which captures large and mid-cap representation across both developed and emerging countries in Asia (excluding Japan). Maintained by Morgan Stanley Capital International.
MSCI Emerging Markets	The MSCI Emerging Markets Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance of emerging markets. Maintained by Morgan Stanley Capital International.
MSCI AC World	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.

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# Investec 4Factor™ EM Equity Strategy

## GIPS composite disclosure

### 4Factor™ Emerging Markets Equity

31 March 2017

Investec Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Investec Asset Management has been independently verified for the periods 1 Jan 00 - 31 Dec 15. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm --- The Firm comprises all fee-paying portfolios managed by Investec Asset Management, which includes institutional and retail assets, but excludes private clients. Investec Asset Management portfolios are managed from either the UK entity, Investec Asset Management Ltd or the SA entity, Investec Asset Management Holdings (Pty) Ltd. Investec Asset Management, a distinct business entity, is a subsidiary business of the Investec Group.

Composite Description --- Emerging Markets Equity mandates run against the MSCI Emerging Markets index using Investec Asset Management's Four Factor process, and targeting a gross benchmark outperformance of 2 - 3% p.a. over rolling 3-year windows.

Benchmark Description - The MSCI Emerging Markets Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance of emerging markets. Maintained by Morgan Stanley Capital International.

Performance --- Performance stated as gross, is gross of investment management fees and where appropriate, portfolio net of fees returns have been grossed up using their respective Total Expense Ratios. Performance stated as net, is net of the highest standard institutional segregated portfolio management fee shown below. Both gross and net performance are shown net of all trading expenses. All portfolio returns are calculated net of irrecoverable tax and gross of recoverable tax on income and capital gains, and the calculation is based on the assumption that tax is deducted from income on the ex-dividend date. Additional information regarding the firm's policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Currency --- The currency used to report performance for this composite is as denoted on the accompanying Composite Performance Results report.

Dispersion --- Dispersion is calculated as the asset weighted standard deviation of all constituent portfolios that were included in the composite for the entire year. If a composite consists of less than five portfolios, no measure of dispersion is presented.

The three year annualised standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. Standard Deviation measures are not shown where there are less than 36 monthly observations available.

Management Fees --- The management fee for this composite is based on the highest standard institutional segregated portfolio management fee which is 1% per annum.

Composite Inception Date --- The inception date for this composite is 1 Apr 10

Composite Creation Date --- This composite was created on 25 Jun 10. A full composite list with descriptions is available upon request.

# Investec 4Factor™ EM Equity Strategy

GIPS composite disclosure (Gross)

## Composite Performance Results

Composite: 4Factor™ Emerging Markets Equity  
Comparison Index: MSCI Emerging Markets NDR  
Returns as of: 31 March 2017  
Currency: USD  
Inception Date: 01 April 2010

Period	Composite Return	Comparison Index Return	Relative Return	Composite 3-Yr Ann St Dev	Comparison Index 3-Yr Ann St Dev	Number of portfolios	Composite Dispersion (%)	Market Value at end of period	Percentage of Firm Assets	Total Firm's Assets
2017 (YTD)	12.1%	11.4%	0.7%	16.3%	16.1%	13	0.2%	4,396,643,976.28	3.6%	123,355,210,509.76
2016	8.3%	11.2%	-2.9%	16.2%	16.3%	12	0.5%	3,602,576,380.50	3.5%	103,757,259,945.50
2015	-13.8%	-14.9%	1.1%	14.4%	14.3%	11	0.5%	3,601,258,337.32	3.7%	97,844,775,551.11
2014	-1.0%	-2.2%	1.2%	14.9%	15.2%	10	1.5%	2,547,946,142.40	2.4%	104,170,392,346.14
2013	4.4%	-2.6%	7.0%	19.7%	19.3%	7	0.6%	1,857,519,716.15	1.8%	103,001,543,567.28
2012	20.3%	18.2%	2.1%	N/A	N/A	6	N/A	1,025,335,084.07	1.1%	97,400,295,056.88
2011	-16.4%	-18.4%	2.1%	N/A	N/A	3	N/A	605,339,753.36	0.7%	82,799,379,083.52
2010 (Apr)	24.7%	16.1%	8.6%	N/A	N/A	2	N/A	184,061,567.96	0.2%	83,402,638,934.07

Past performance should not be taken as a guide to the future, losses may be made. Data is not audited. YTD total firm's assets are estimated. Performance information shown herein reflects the performance of a composite of accounts that does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. Actual portfolios may differ as a result of client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations.

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# Investec Asset Management

## Australia

Level 23, The Chifley Tower  
2 Chifley Square  
Sydney, NSW 2000

Telephone: +61 2 9293 6257  
Facsimile: +61 2 9293 2429

## Europe (ex UK)

Woolgate Exchange  
25 Basinghall Street  
London, EC2V 5HA

Telephone: +44 (0)20 7597 1890  
Facsimile: +44 (0)20 7597 1919

## Singapore

25 Duxton Hill #03-1  
Singapore  
089608

Telephone: +65 (0)6653 5550  
Facsimile: +65 (0)6653 5551

## Taiwan

Unit B-1, 33/F, Taipei 101 Tower  
No.7, Section 5, Xin Yi Road  
Taipei 110, Taiwan

Telephone: +886 (0)2 8101 0800  
Facsimile: +886 (0)2 8101 0900

## Botswana

Plot 64511, Unit 5  
Fairgrounds  
Gaborone

Telephone: +267 318 0112  
Facsimile: +267 318 0114

## Hong Kong

Suites 2602-06, Tower 2  
The Gateway, Harbour City  
Tsim Sha Tsui, Kowloon  
Hong Kong

Telephone: +852 2861 6888  
Facsimile: +852 2861 6861

## South Africa

**Cape Town**  
36 Hans Strijdom Avenue  
Foreshore  
Cape Town, 8001

Telephone: +27 (0)21 416 2000  
Facsimile: +27 (0)21 416 2001

## United Kingdom

Woolgate Exchange  
25 Basinghall Street  
London  
EC2V 5HA

Telephone: +44 (0)20 7597 1900  
Facsimile: +44 (0)20 7597 1919

## Channel Islands

PO Box 250,  
St. Peter Port  
Guernsey, GY1 3QH

Telephone: +44 (0)1481 710 404  
Facsimile: +44 (0)1481 712 065

## Namibia

100 Robert Mugabe Avenue, Office  
1 Ground Floor, Heritage Square  
Building, Windhoek

Telephone: +264 (61) 389 500  
Facsimile: +264 (61) 249 689

## Johannesburg

100 Grayston Drive  
Sandown  
Sandton, 2196

Telephone: +27 (0)11 286 7000  
Facsimile: +27 (0)11 286 7777

## United States

666 5<sup>th</sup> Avenue  
37<sup>th</sup> Floor  
New York, NY 10103

US Toll Free: +1 800 434 5623  
Telephone: +1 917 206 5179  
Facsimile: +1 917 206 5155

**[www.investecassetmanagement.com](http://www.investecassetmanagement.com)**

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