



# Ninety One Funds Series iii Annual Report and Audited Financial Statements

For the year ended 28 February 2023



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\*The above information collectively forms the Authorised Corporate Director's Report

# Emerging Markets Local Currency Debt Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide income and capital growth (to grow the value of your investment) over at least 5 years.

The Fund invests primarily (at least two-thirds) in bonds (or similar debt based assets) issued by emerging market borrowers or borrowers who have significant economic exposure to emerging markets (countries that have less developed economies) and in related derivatives (financial contracts whose value is linked to the price of such bonds (or similar debt-based assets)).

These bonds (or similar debt based assets) will be denominated in local currencies (the currency of the issuing country). They may have any credit rating or be unrated and may be issued by any borrower e.g. governments or companies.

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives.

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The JPMorgan GBI-EM Global Diversified Index is used for performance comparison and risk management. The Fund does not seek to replicate the index.

The Investment Association Global Emerging Markets Bond - Local Currency Sector (a peer group of broadly similar funds) average is an additional measure by which you can compare the Fund's performance.

## Performance record

	12 months (%)
Emerging Markets Local Currency Debt Fund 'I' accumulation shares	2.73*
Performance comparison index	4.06**
Peer group sector average	3.85**

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

## Total deemed income distributions per 'I' accumulation shares

12 Months to 28 February 2023	6.33 pence
12 Months to 28 February 2022	5.35 pence

The amount of income payable may rise or fall.

## Emerging Markets Local Currency Debt Fund (continued)

### Performance

The Fund produced a positive absolute return over the period but underperformed the benchmark and the peer group sector average.

### Factors hindering performance

The Fund's exposure to the Ghanaian cedi detracted from performance. The currency came under significant pressure from a crisis of confidence, which saw locals convert the cedi to US dollars and investors retreat over fears of a restructuring of domestic local debt. We remain overweight the currency as we believe it is very attractively valued and we expect confidence to be restored in the likely event of the IMF providing the country with a package of support.

Overweight exposure, relative to the benchmark, to the Polish zloty weighed on performance as concerns over rising gas prices and potential supply disruptions from Russia added pressure on Central and Eastern European currencies, including the zloty. We have since moved to a benchmark-neutral position in the currency given complications around the country meeting milestones linked to EU fund flows, among other factors. However, the Fund's positioning in Polish bonds added to relative performance to partially counteract the negative effect of the zloty exposure.

The Fund's overweight position in Ukrainian local currency debt detracted from relative returns, following the significant pressure put on domestic assets after Russia's invasion. We remain invested given the lack of market liquidity in Ukraine's domestic assets.

### Factors helping performance

Following Russia's invasion of Ukraine, JP Morgan (benchmark provider) removed Russian bonds from its index at a price of zero. Since then, the Fund's residual off-benchmark exposure to Russian local bonds added significantly to relative performance. In early July, the bonds rallied (almost tripling in price from the post-index-exclusion lows), led by an increase in demand and liquidity. As a result, we felt it was prudent to reduce some of our exposure into this strength.

Our underweight position in Chile's local bonds helped the Fund's relative returns by cushioning against weakness. The market came under pressure both from the sell-off in US Treasuries and the increase in domestic bond issuance. Underweight positioning in the Chilean peso also added to relative performance, given the weaker copper price (Chile is a major copper exporter) and slightly dovish (more expansionary) central bank minutes during the second quarter of 2022.

The Fund's underweight positioning in Romanian local bonds early in the period added to relative returns. The market sold off due to several factors, including higher-than-expected inflation, a hawkish central bank and the rise in developed market bond yields. In addition, growing concerns about the economic slowdown in Europe led to an increase in risk premium for economies with weaker fundamentals, such as Romania.

### Portfolio activity

#### Significant purchases

We closed the Fund's short position (by adding exposure) in the Indian rupee to lock in gains resulting from the currency's underperformance. In addition, the country's terms of trade have improved, while the central bank has been more hawkish than expected.

We also added an overweight position relative to the benchmark in South Korea's local bond market. The country is the furthest advanced in Asia in terms of its interest rate hiking cycle, while inflation is moderating, all of which points to the potential for lower interest rates (bond prices are inversely related to interest rates).

## Emerging Markets Local Currency Debt Fund (continued)

In South Africa, we reduced our rand exposure to an underweight position given a widening interest rate differential relative to the US - which is making the rand relatively less profitably to hold - and in reflection of the weakening terms of trade in South Africa.

### Significant Sales

In Taiwan, we implemented a short position in the currency given the weak outlook for global growth, which will likely weigh on tech exporters.

We reduced the Fund's position in Chinese local bonds following strong performance when escalating COVID cases and real estate sector concerns increased the likelihood of expansionary monetary policy.

We also increased our underweight position in Hungary's local bonds; at the time of the trade, we believed that Hungary's central bank was still in the early stages of its rate hiking cycle, and that the bond market was likely to continue underperforming. Inflation data was also printing at much higher levels than expected, with no sign of it slowing.

### Outlook

Although we expect Emerging Market bond markets to remain volatile given ongoing uncertainty around global economic growth, inflation, the war in Ukraine and recent developments in the banking sector, we are constructive on the medium-term outlook for returns from the EM debt asset class. Many EM economies have solid fundamental foundations, while the more fragile among them are receiving plenty of support from the IMF and other multilaterals. Furthermore, with much of the painful interest-rate hiking now behind them, most EM economies are in an enviable position relative to developed markets overall. Against this backdrop, EM bond market valuations look compelling - with some markets pricing in significantly more risk than we believe is justified.

As the monetary policy action of the past 12 months and the financial tightening caused by recent events in the banking sector begins to bite, growth will slow and with it the risk of recession is likely to rise across markets. However, the relaxation of China's COVID policy stance is likely to counteract this somewhat by spurring an economic recovery. Many EM economies are on a solid footing, aided by quick central bank action that helped rein in inflation. With EM inflation generally subsiding and much of the rate hiking done, nominal GDP is rising, fiscal balances largely look healthy, and debt-to-GDP ratios are falling. While risks around inflation (particularly the speed and rate of its decline) remain, we think most EM bond markets are already pricing this to a large extent.

Looking to some of the more vulnerable emerging markets, the IMF appears intent on ensuring that liquidity risks do not spiral into solvency risks as it engages with them, enters programmes, and helps facilitate reform agendas. We believe that many of these markets have already priced risks to a great degree.

Into the end of last year and the start of this year, one of the key headwinds to EM debt - the relentlessly strong US dollar - reversed its trend, giving some cause for optimism. At the same time, markets began to consider when a 'pivot' away from the US Federal Reserve's tight monetary policy might occur. While uncertainty and volatility are likely to remain a feature of global markets for some time, we believe that in the coming months the Fed will approach the end of its hiking cycle and bond yields reach their peak. There are risks to this view, which include the Fed ramping up its hawkish rhetoric if financial conditions ease too much, and short-term rates may be more sluggish than expected in reversing course.

### Emerging Markets Local Currency Debt Fund (continued)

From a top-down perspective, we have further trimmed our overweight risk target across our EM debt strategies and are now only slightly overweight. This was driven by our reduction in our hard currency debt target, which we cut to neutral. As a US recession appears closer, hard currency debt is vulnerable to the slowing growth, and although in our view valuations remain attractive, we felt it was prudent to reduce risk. As for EM local debt, we remain at a neutral target, as while we are seeing improved structural strength across EMs, spreads over US Treasuries and hedged-bond yields have both become less attractive. Regarding EM currencies, we have retained our overweight target given good underlying fundamentals against positive valuations.

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\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

\*\*Benchmark (JPMorgan GBI-EM Global Diversified Index) and peer group sector average (Investment Association Global Emerging Market Bond - Local Currency) shown for performance comparison purposes only.

## Emerging Markets Local Currency Debt Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

#### The following risks may not be fully captured by the Risk and Reward Indicator:

**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.

**Government securities exposure:** The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.

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

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.  
The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# Global Dynamic Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide capital growth (to grow the value of your investment) over at least 5 years.

The Fund invests primarily (at least two-thirds) in the shares of companies around the world and in related derivatives (financial contracts whose value is linked to the price of the shares of such companies).

Investment opportunities are identified using in-depth analysis and research on individual companies. Based on this research, the Investment Manager invests in the shares it most confidently expects to perform well.

These companies may be of any size and in any industry sector.

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives.

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

## Performance record

	01.03.22 to 07.10.2022 (%)
Global Dynamic Fund 'I' accumulation shares	(1.57)*
Performance comparison index	1.67**
Peer group sector average	1.57**

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

This Fund was merged with Global Strategic Equity Fund (a sub-fund of Ninety One Funds Series ii) on 7 October 2022.



## Global Dynamic Fund (continued)

### Performance

The Fund underperformed both its benchmark and peer group sector average during the period under review.

### Factors hindering performance

In a volatile period for equity markets, stock selection was responsible for the portfolio underperforming, led by the consumer discretionary sector. Amazon underperformed following a disappointing Q1 profit report and guidance due to increasing expense pressure relating to external inflation, overstaffing, and overexpansion of distribution capacity. We subsequently sold the stock. The shares subsequently rebounded, hurting our relative position. The shares rallied after the release of Q2 results, which removed the immediate negative risks of the company's susceptibility to the broader consumer sector slowdown, as well as the removal of further negative cost surprises.

### Factors helping performance

Within technology, Synopsys was the best performing holding in the portfolio following much stronger Q3 results from its closest peer in a consolidated market. The software business outperformed as a safe haven in the semiconductor space given its capital-light and high recurring revenue software model. Similarly, Q3 earnings exceeding expectations, driven by strong orders and a record backlog supported Keysight Technologies. In healthcare, UnitedHealth is a top-quality Health Maintenance Organisation (HMO) that should see earnings upside from procedures delayed by the pandemic and is able to pass inflation onto consumers.

### Portfolio activity

#### Significant purchases

Thermo Fisher Scientific, Roche, Apple, Mastercard, Exxon Mobil, Hess, Kweichow, Moutai, Iqvia, Mondelez International and Boston Scientific.

#### Significant Sales

Microsoft, Amazon.com, Nvidia, UnitedHealth, Alphabet, Pioneer Natural Resources, Synopsys, Steris, Keysight Technologies and Broadcom.

### Outlook

Not applicable as the fund is now closed.

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\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation share class, net of fees in GBP.

\*\*Benchmark (MSCI\*\*\* AC Asia Pacific ex Japan NDR Index and peer group sector average (Investment Association Asia Pacific ex Japan sector) shown for performance comparison purposes only.

\*\*\*Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Ninety One UK Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. The opinions expressed herein are as at end of December 2022.

## Global Dynamic Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because the Fund invests in the shares of companies, whose values tend to fluctuate widely.

#### **The following risks may not be fully captured by the Risk and Reward Indicator:**

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

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**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.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# Global Environment Fund

## Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment and provide income over at least 5 year periods, after allowing for fees.

The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions). This means the Investment Manager focuses on identifying companies whose products, technologies and/or services avoid carbon, relative to their industry peers. These companies are typically committed to renewable energy, resource efficiency and/or electrification (the process of powering by electricity by switching from other power sources).

This approach means that not all companies in the portfolio will have low absolute levels of carbon emissions as the company's shares may be selected because the Investment Manager believes the company contributes to sustainable decarbonisation in another way. The Fund does not place a time limit on an investment in the shares of a company and may remain invested in the shares of companies that do not reduce their absolute carbon emissions, provided that the company continues to meet the criteria set out above.

These companies may be located anywhere in the world, be of any size and operate within any industry sector. The Fund may, at times, invest in a relatively small number of companies.

The Fund may invest in other transferable securities (e.g. shares and bonds), money market instruments, cash or near cash, deposits, units or shares in other funds (up to 10%) (which may be managed by the Investment Manager, one of its affiliates or a third party) and derivatives (for investment purposes and/or managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth with a low level of risk).

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

## Performance record

	12 months (%)
Global Environment Fund 'I' accumulation shares	6.99*
Performance comparison index	1.67**
Peer group sector average	1.57**

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

## Performance review

The Fund delivered a positive absolute return during the period under review. It outperformed the benchmark and peer group sector average.

## Global Environment Fund (continued)

### Factors helping performance

The Fund's outperformance was driven by positive stock selection. During the period, the Fund maintained its focus on companies that the portfolio managers believe are positively exposed to the transition to a low-carbon global economy, and that contribute 'carbon avoided' – i.e., they offer products and services that avoid greenhouse gas emissions relative to the products and services that are commonly used at present.

The primary contributors to relative returns included Zhejiang Sanhua Intelligent Controls, a global provider of electric vehicle (EV) heat-management components and of consumer and commercial HVAC (heating, ventilation and air conditioning) components; Trane Technologies, the leader in the global HVAC sector; and Rockwell Automation, a leader in industrial automation and digital transformation. In a generally volatile period in markets – characterised by surging inflation, concern over the trajectory of monetary policy and global growth, and heightened geopolitical instability following Russia's invasion of Ukraine – all of these companies delivered strong results. Waste Management, a US waste and environmental-services business, was another contributor. As well as reporting robust results amid strong volumes and pricing during 2022, it benefited from being a high-quality and less cyclical business as concern fluctuated over the global economic outlook.

### Factors hindering performance

The main detractors from relative returns included Xinyi Solar, the world's largest producer of solar glass. Its shares were impacted partly by some disappointing earnings, and by a reduction in government subsidies to parts of its business. Longer-term, we continue to think the company is well placed to benefit from the transition towards renewable energy. Other detractors included Wuxi Lead Intelligent Equipment, which designs and manufactures battery-production equipment for leading EV battery manufacturers. Its shares were impacted by concern over slowing demand for EVs in China.

The transition to cleaner, electrified transport continues to support its long-term potential, in our view, and we maintain our position. Orsted, a Denmark-based multinational power company, underperformed partly due to the impact of ineffective hedging amid energy-price volatility. The underlying business performed well, and we see Orsted continuing to benefit from the shift away from fossil fuels; we maintain our position. Novozymes – a biotech company that uses enzyme technology to offer products that improve yields, increase energy efficiency and reduce carbon emissions – also detracted. Its share-price performance was impacted by concerns of a cyclical slowdown in consumer demand, as well as investor caution following the announcement of a deal to acquire microbial/probiotics firm Chr. Hansen. We continue to see the company benefiting from structural tailwinds linked to decarbonisation; we maintain our position.

### Portfolio activity

#### Significant purchases

**Power Grid:** we acquired a position in Power Grid, a leading transmission business in India, partly on the basis of strong growth in power demand in India and ambitious plans to decarbonise the energy sector.

**CATL:** we acquired the global leader in EV and energy storage battery manufacturing as we believed it had reached an attractive entry level.

**Analog Devices:** Analog Devices makes integrated circuits and other solutions used in electronic equipment. Analog's technologies enable various systems within EVs, and hence we regard the company as positively exposed to the rapid growth of the EV sector.

#### Significant sales

**Brambles:** we exited our position in Brambles, a global operator of reusable pallets, crates and containers, due to reduced upside potential and lower conviction in the company's structural-growth linkage to decarbonisation.

## Global Environment Fund (continued)

**Terna:** Terna is an Italian transmission operator, managing large quantities of electricity over long distances via substations and transmission lines. We sold this defensive equity to add to our China exposure and other opportunities where we saw more potential upside.

**Beyond Meat:** we sold our holding in Beyond Meat following a deteriorating structural growth case, which we felt was impairing the financial health of the business.

Nippon Ceramic: we sold our position in Nippon Ceramic, driven by a combination of poor fundamentals, including growth prospects, as well as a lack of progress on carbon emission reporting following several engagements with the company.

### Outlook

The past 12 months have been challenging for many businesses in the decarbonisation universe (as defined using our proprietary methodology). Cost inflation, supply-chain disruptions and a deteriorating global economic outlook were major headwinds for some. It was also a tough 12 months for many equity investors generally. But while the near-term picture remains uncertain, we maintain a positive outlook for the Global Environment strategy, and for the decarbonisation investment opportunity more broadly.

First, we see advantages for our approach in the fact that our decarbonisation universe is highly diverse – including by size, sector, region and company/equity characteristics (e.g., defensive or more cyclically exposed) – and becoming more so as the energy transition progresses across industries and regions. Diversifying the portfolio and balancing risks will remain a cornerstone of our portfolio construction in the year ahead.

Second, from a nearer-term perspective, we see potential advantages in this economic environment for the types of companies we seek to invest in: i.e., businesses that are positively exposed to the structural growth driven by the shift to a low-carbon economy; that have leading market positions and durable competitive advantages; and that we believe represent good value relative to our estimate of their intrinsic worth. The first and second of these attributes give many of our holdings pricing power, which is a notable benefit in times of rising prices and cyclical headwinds. And while some of our holdings are more cyclically exposed than others, we believe that the structural drivers of growth dominate the cyclical drivers for every company that we own.

Finally, and most importantly, we would highlight that events of the past 12 months have significantly strengthened the long-term structural tailwinds behind companies that are enabling sustainable decarbonisation. Energy security concerns and rising costs are adding to the urgency to accelerate the energy transition and improve energy efficiency. Carbon-avoiding products and services are increasingly reaching, and in many cases exceeding, cost levels (both in absolute terms and relative to the higher-carbon alternative) that could trigger much wider adoption.

Put another way, we expect policymakers, companies and consumers to remain strongly motivated this year and beyond to make decisions that favour the types of business we invest in.

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\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

\*\*Benchmark (MSCI\*\*\* All Countries World NDR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

\*\*\*Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Ninety One UK Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Global Environment Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because the Fund invests in the shares of companies, whose values tend to fluctuate widely.

#### **The following risks may not be fully captured by the Risk and Reward Indicator:**

**Concentrated portfolio:** The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

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

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**Emerging market (inc. China):** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

**Sustainable Strategies:** Sustainable, impact or other sustainability-focused portfolios consider specific factors related to their strategies in assessing and selecting investments. As a result, they will exclude certain industries and companies that do not meet their criteria. This may result in their portfolios being substantially different from broader benchmarks or investment universes, which could in turn result in relative investment performance deviating significantly from the performance of the broader market.

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.  
The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# Global Gold Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide capital growth (to grow the value of your investment) over at least 5 years.

The Fund invests primarily (at least two-thirds) in the shares of companies around the world involved in gold mining and in related derivatives (financial contracts whose value is linked to the price of the shares of such companies).

The Fund may invest up to one-third of its assets in the shares of companies around the world that are involved in mining for precious metals other than gold, non-precious metals and minerals and related derivatives.

Investment opportunities are identified using macroeconomic research (based on a view of the economy as a whole) and research on individual companies.

The Fund may at times invest in a relatively small number of companies. These companies may be of any size.

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives.

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

## Performance record

	12 months (%)
Global Gold Fund 'I' accumulation shares	-9.23*
Performance comparison index	-9.71**
Peer group sector average	n/a**

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

## Global Gold Fund (continued)

### Performance

The Fund delivered a negative absolute return during the period under review. It outperformed the benchmark.

### Factors helping performance

The relative outperformance was driven by positive stock selection. The main contributors to relative returns included an underweight position, relative to the benchmark, in Newmont, which lagged the benchmark after reporting disappointing results in the period, partly due to higher-than-expected costs. An overweight position in OceanaGold benefited relative returns after the company delivered strong gold production, with its Didipio mine in the Philippines performing well and the operational recovery of its Haile mine in South Carolina. An overweight position in Northern Star Resources also contributed, its shares outperforming on increasing recognition of the fact that its operations are stabilising, plans to expand the Super Pit in Western Australia look promising, and confidence is growing in the new management team following senior personnel changes about a year ago. An overweight position in Perseus Mining, which operates gold mines in Ghana and Côte d'Ivoire, was another contributor. Its shares outperformed on strong production and declining costs.

### Factors hindering performance

Absolute returns in the period were impacted by rising interest rates and a strong US dollar, both of which weighed on the gold price and hence the shares of gold producers. In addition, gold miners were negatively affected by energy and labour cost inflation, leading to market concerns over their profit margins. At the stock level, the main detractors from relative returns included an overweight position in Westgold Resources, partly after the market became concerned the company may not meet its production guidance. We maintain our positive longer-term view.

Not holding Alamos Gold detracted, with the Canada-based gold producer performing well partly because it produces most of its gold from underground mines, which means it is less dependent on fossil fuels than operators of open-pit mines, and hence was shielded from one of the main drivers of cost inflation last year. An overweight position in Evolution Mining also detracted, after the company cautioned of lower volumes and rising costs, partly due to COVID-related worker absences during the 12 months. We believe the market appeared to be pricing in that the cost increases will be permanent, which we do not believe to be the case. A zero weight in royalty streaming company Franco-Nevada also detracted, its shares outperforming those of its gold-focused peers partly because it has oil & gas exposure in a 12-month period that saw generally strong energy prices,

### Portfolio activity

#### Significant purchases

ERO Copper: ERO Copper is a copper producer with operations in Brazil and headquarters in Canada. The position was added to increase our copper exposure.

Gold Road Resources: we added the position as we saw attractive valuations among Australian miners. We like the fact Gold Road has a sizeable position in De Grey Mining, and see potential for the stock to benefit from M&A activity.

Hecla Mining: Hecla provides exposure to silver, which we were underweight. We see strong growth potential for the company in the next years following its acquisition of the Keno Hill silver mine in Canada, as well as the turnaround of its Lucky Friday mine in Idaho. The company continues to benefit from strong cash generation from its Greens Creek mine in Alaska.



## Global Gold Fund (continued)

K92 Mining: K92 Mining is headquartered in Canada and owns the Kainantu gold mine in Papua New Guinea. We added the stock to the portfolio based on its strong growth and exploration potential in Papua.

Zijin Mining: Zijin Mining is the largest Chinese mining group, with approximately 45% of the business focused on gold and the same on copper, with 10% on other commodities. It has the strongest growth profile among its peers, and adds to the portfolio's copper exposure.

### Significant Sales

St Barbara: we sold our position in St Barbara, taking advantage of a share-price rise on bid speculation. With some of its asset compromised, we had doubts over the fundamental value of the business.

AngloGold Ashanti: we sold the position on concerns about the long-term strategy of the new CEO, a lack of significant growth opportunities, and risks linked to operating the Obuasi mine in Ghana.

### Outlook

We remain positive on the outlook for gold prices. In our view, inflation is likely to moderate, leading to the US Federal Reserve slowing and even reversing rate increases. This could lead to a weaker US dollar, therefore helping gold to hold current price levels or even rise. Added support comes from central-bank buying: 2022 saw central banks purchase gold at the fastest pace since 1967.

At current levels, gold-mining stocks are seemingly attractive on both valuation and fundamental grounds. We expect gold companies' cash-generation to remain strong, while the longer-term trend for gold companies to pay dividends and return cash to shareholders remains intact, in our view. Overall, should we be correct in our view that gold prices are flat or higher in 2023, we would expect gold companies to benefit as earnings recover and cashflows remain strong. We continue to maintain close to 100% exposure to gold and silver companies in the portfolio and remain comforted by the strength of balance sheets.

We retain conviction in our view that, the future being inherently uncertain, gold and gold equities remain a valuable hedge over the long-term, with the latter paying an increasingly attractive income.

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\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

\*\*Benchmark (NYSE ARCA Gold Miners TR) shown for performance comparison purposes only. For this Fund there is no relevant Investment Association sector against which to measure performance.

## Global Gold Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because the Fund's investments are linked to commodities and natural resources, whose values tend to fluctuate widely.

#### The following risks may not be fully captured by the Risk and Reward Indicator:

**Commodity-related investment:** Commodity prices can be extremely volatile and losses may be made.

**Concentrated portfolio:** The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

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

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

**Geographic / Sector:** Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.  
The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# Global Sustainable Equity Fund

## **Summary of the Fund's investment objective and policy**

The Fund aims to provide capital growth (to grow the value of your investment) over at least 5 years.

The Fund invests primarily (at least two-thirds but typically substantially more) in the shares of companies around the world which meet the Investment Manager's sustainability framework.

The Fund takes a positive inclusion approach which means that the Investment Manager focuses on investing in companies it believes to be leaders in their industry sectors and geographies in their approach to sustainability. These companies have policies, operations and/or business models that aim to minimise their harmful effects on society and the environment, or whose products and/or services seek to benefit society and the environment. The Investment Manager believes that the effects a company has on its wider stakeholders (e.g. society, the environment, its employees) will be increasingly recognised by the financial markets.

When researching individual companies, the Investment Manager focuses on an assessment of:

- i. whether the company exhibits the characteristics of a sustainability leader within its industry sector;
- ii. company net zero transition plans: the Investment Manager will increasingly look to invest in companies that have, or are striving to have, credible net zero transition plans (i.e. plans to reduce greenhouse gas emissions), such as those companies committing to science-based targets; and
- iii. company culture using a proprietary framework (believing this to be a source of persistence as a sustainability leader).

The Fund may at times invest in a relatively small number of companies. These companies may be of any size, in any industry sector, and in any region (including developed and emerging markets), provided that they satisfy the Investment Manager's sustainability framework. The Fund's exposure to emerging markets will not exceed 40%.

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. The Investment Manager's assessment of environmental and/or social characteristics is not applied to these investments.

More information on the Investment Manager's sustainability framework can be found in the Prospectus

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

## Global Sustainable Equity Fund (continued)

### Performance record

	12 months (%)
Global Sustainable Equity Fund 'I' accumulation shares	4.34*
Performance comparison index	1.67**
Peer group sector average	1.57**

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

### Performance

The Fund delivered a positive absolute return during the period under review, and outperformed the benchmark and peer group sector average.

### Factors helping performance

The Fund's outperformance was driven by positive stock selection, particularly in healthcare equipment and services, and in semiconductors. At the stock level, the main contributors to relative returns included Novo Nordisk and Trane Technologies. Novo Nordisk, a Denmark-based pharmaceutical company, reported expectations-beating results and raised its profit and sales forecasts for 2022 on strong demand for its diabetes and obesity treatments. Trane Technologies, the leader in the heating, ventilation and air conditioning (HVAC) sector, performed well following robust earnings that showed strong bookings growth.

Having been weighed down by growth and inflation concerns for much of 2022, the shares of KLA and other semiconductor-sector companies responded positively to indications that inflation had peaked. Momentum behind the US's 'value-based outcomes' healthcare transition, in which providers are paid based on patient outcomes, provided a tailwind for the shares of UnitedHealth Group, a US managed care operator whose services help to improve the affordability of healthcare

### Factors hindering performance

Relative performance was hindered by our holdings in US internet services companies Charter Communications and Comcast, which underperformed on signs that broadband subscriber growth in the US was slowing. We continue to hold Charter Communications, but exited Comcast for the reasons given below. Alphabet, the Google parent company, underperformed after its quarterly earnings disappointed due to a slowdown in advertising revenue. While the cyclical advertising outlook appears weaker, we continue to see Alphabet in a strong position to deliver sustainable growth over the medium to longer term.

Partners Group, a Swiss private equity company with exposure to areas of the economy seeing sustainability tailwinds such as renewable infrastructure and digitisation, underperformed on concern over its ability to generate performance fees in a more challenging economic environment. We maintain our positive longer-term view and note that fundraising remained solid. Shares in Alibaba Group, the Chinese internet and technology company, declined in response to President Xi securing a third term and strengthening his grip on power. We subsequently sold the position owing to lower conviction in Alibaba's ability to maintain its lead over competitors.

### Portfolio activity

#### Significant purchases

Rentokil: we added the position following Rentokil's acquisition of Terminix in the US, which we see as offering significant scope for delivering synergies and driving sales.

Danaher: we acquired science and technology company Danaher, which designs, manufactures and markets professional, medical, industrial and commercial products and services, on a positive view of its long-term potential.

## Global Sustainable Equity Fund (continued)

TSMC: we took advantage of an opportunity to acquire the leading semiconductor business at what we regarded as an attractive valuation, given its central role in an area of structural growth.

### Significant Sales

Comcast: we exited on concerns around the growth trajectory and long-term structural growth potential of the business.

Alibaba: we exited the position in the multinational technology company due to an increasingly negative view of the company's incremental returns.

Roche: we exited as we saw opportunities to recycle the capital into better opportunities, given some concerns over Roche's medium- to longer-term potential.

### Outlook

We continue to see sustainability being increasingly priced into the market, creating a wide and growing opportunity set for active, concentrated investors. The decade ahead will be critical for addressing a broad range of sustainability challenges, presenting investors with significant potential to both generate returns and shape social and environmental outcomes.

From a nearer-term perspective, the path immediately ahead looks challenging for many businesses. Although inflation appears to have peaked, the prospects for the global economy are challenging in many respects, and at best somewhat uncertain. While keeping a close eye on how macro trends may affect the Fund's holdings, we remain focused on seeking to identify persisting leaders in sustainability with enduring competitive moats at attractive valuations. We view these characteristics as advantageous in the present context, giving companies in our view not only a greater potential to withstand a challenging economic backdrop, but also exposure to areas of structural growth as efforts to address critical environmental and social issues advance.

From a wider perspective, we continue to see seemingly positive longer-term prospects for the diverse group of companies in the Fund, and we maintain our belief that companies that put sustainability at the heart of their business models and operations – and that proactively manage their relationships with all of their stakeholders, including employees, business partners, customers, local communities and society – stand the best chance of achieving success over the long term.

For active managers, volatility continues to present opportunities. Looking ahead, we will remain patient and ready to respond to compelling opportunities to enter positions in businesses we have been monitoring, and to add to existing positions in which we have strong conviction.

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

\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

\*\*Benchmark (MSCI\*\*\* All Countries World NDR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

\*\*\*Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Ninety One UK Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Global Sustainable Equity Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because the Fund invests in the shares of companies, whose values tend to fluctuate widely.

#### **The following risks may not be fully captured by the Risk and Reward Indicator:**

**Concentrated portfolio:** The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

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

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**Emerging market (inc. China):** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

**Sustainable Strategies:** Sustainable, impact or other sustainability-focused portfolios consider specific factors related to their strategies in assessing and selecting investments. As a result, they will exclude certain industries and companies that do not meet their criteria. This may result in their portfolios being substantially different from broader benchmarks or investment universes, which could in turn result in relative investment performance deviating significantly from the performance of the broader market.

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.  
The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# UK Sustainable Equity Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide capital growth (to grow the value of your investment) and income over at least 5 years.

The Fund invests primarily (at least two-thirds) in the shares of UK companies (those incorporated in, domiciled in, or that have significant economic exposure to, the UK).

The Fund invests in companies which are considered by the Investment Manager to be making a positive contribution to society and/or the environment through sustainable and socially responsible practices, products and/or services.

Examples may include companies which provide products or services in environmental markets such as alternative energy, energy efficiency and water treatment as well as companies that contribute to improving the basic needs and quality of life of society, such as those providing or improving access to finance, health care and education.

The Fund is actively managed with a long-term investment horizon and focusses on shares which the Investment Manager believes offer above average opportunities for income and growth.

Investment opportunities are identified using in-depth analysis and research on individual companies.

These companies may be of any size and in any sector.

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives may be used for managing the Fund in a way that is designed to reduce risk or cost, generating income or growth with a low level of risk and, occasionally, investment purposes.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives. The FTSE All-Share Total Return Index is used for performance comparison. The Fund does not seek to replicate the index.

The Investment Association UK All Companies Sector (a peer group of broadly similar funds) average is an additional measure by which you can compare the Fund's performance.

## Performance record

	12 months (%)
UK Sustainable Equity Fund 'I' accumulation shares	(0.63)*
Performance comparison index	7.3**
Peer group sector average	3.06**

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

## UK Sustainable Equity Fund (continued)

### Performance

The Fund delivered a negative absolute return during the period under review. It underperformed the benchmark and peer group sector average.

### Factors hindering performance

The Fund's relative performance was hindered by the fact that it does not invest in the heavy extractive industries, a part of the economy which the investment team believes is at present inconsistent with its sustainable investment approach. At the stock level, the two largest detractors were not holding oil majors Shell and BP. A zero weight position in HSBC was another of the main detractors from relative returns, with shares in the financial services company benefiting from the rise in interest rates.

Among the stocks we hold, the biggest detractors from relative returns included PodPoint, which provides charging solutions for electric vehicles. Its shares were weaker on higher costs and because charger-installation rates had been slowed by disruption to auto supply chains. Longer term, we continue to see the company benefiting from the accelerating transition towards cleaner transport, to which the company is contributing by building out the UK's charging infrastructure; we maintain our position. GB Group, which provides identity verification, location and fraud prevention services, underperformed partly after a trading update that showed slower-than-expected revenue growth, as well as due to a broad rotation away from tech stocks in the period. We continue to see long-term potential for the business due to the continuing trend towards the digitisation of services; we maintain our position.

### Factors helping performance

More positively, relative performance was helped by the fact that several companies in the portfolio received bids. HomeServe, the home repairs and emergency services group, gained after receiving an offer from Brookfield Asset Management. AVEVA Group, a British multinational software company headquartered in Cambridge, UK, also outperformed after receiving a bid. Shares in Biffa – a company with strong sustainability credentials, in our view, given its role in helping the UK manage waste responsibly – rose sharply after the company received a £1.4 billion bid from a private equity firm. Other contributors to relative returns included ConvaTec, which supplies medical products that help to deliver better health outcomes for patients. We initiated this position during a period of share-price weakness and its latest updates confirm our conviction in the business, with the market increasingly recognising its cost discipline and ability to innovate. Finally, not holding diversified mining company Anglo American helped relative returns, its share-price underperformance mostly reflecting a sell-off in parts of the natural-resources sector.

### Portfolio activity

#### Significant purchases

**Genus:** we added Genus, a leading animal-genetics company that facilitates more efficient breeding of livestock, as share-price weakness created an attractive opportunity to re-acquire a company that we exited two years ago as its valuation was full, in our view.

**Rentokil:** we added the position following Rentokil's acquisition of Terminix in the US, which we see as offering significant scope for delivering synergies and driving sales.



## UK Sustainable Equity Fund (continued)

### Significant Sales

**AVEVA:** we exited after the IT company received a bid.

**Kier:** we exited Kier, a UK construction company that has performed well. Given its high levels of debt, we felt there were better opportunities elsewhere.

**ITM Power:** we exited as we began to lose confidence in management controls and capital-allocation decision-making.

### Outlook

The share-price performance of UK companies has been challenged in the past year by macro developments, particularly rising interest rates, high and persistent inflation, and significant geopolitical tensions. The most recent quarter saw a more positive mood in equity markets. Nevertheless, the path immediately ahead continues to look challenging for many businesses, not least as consumers continue to be squeezed.

Even if the pace of price rises has indeed peaked, cost inflation remains a major headwind for many companies, and it will be important for investors to understand and monitor cost dynamics closely, given that they can impact each sector, and each company within a sector, very differently. It will also be particularly important to consider the demand outlook for companies. We have seen various downgrades already, primarily in consumer sectors, but if we head into recessionary conditions we may see further demand weakness. We think many sectors are already expecting this (to a degree); for investors, matching these expectations with valuations will be critical.

While keeping a close eye on how macro trends may affect our Fund holdings, we remain focused on investing in good quality businesses with resilient earnings, and products and services that contribute to a sustainable future. We view these characteristics as seemingly particularly advantageous in the present context, giving companies not only a greater ability to withstand a challenging economic backdrop, but also exposure to areas of structural growth as efforts to address climate change and other critical environmental and social issues advance. From a wider perspective, we continue to see positive longer-term prospects for the diverse group of companies in the portfolio, and we maintain our belief that companies that put sustainability at the heart of their business models and operations – and that proactively manage their relationships with all of their stakeholders, including employees, business partners, customers, local communities and society – stand the best chance of achieving success over the long term.

As we have noted before, for active managers, volatility presents opportunities. Looking ahead, we will remain patient and ready to respond to compelling opportunities to enter positions in businesses we have been monitoring, and to add to existing positions in which we have strong conviction. We would highlight that, with no capitalisation bias, the UK Sustainable Equity Strategy has access to all of the UK market. We will continue to proactively manage the Fund and optimise portfolio construction when opportunities arise.

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\*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

\*\*Benchmark (FTSE All-Share TR Index) and peer group sector average (Investment Association UK All Companies sector) shown for performance comparison purposes only.

## UK Sustainable Equity Fund (continued)

### Risk and Reward profile\*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because the Fund invests in the shares of companies, whose values tend to fluctuate widely.

#### **The following risks may not be fully captured by the Risk and Reward Indicator:**

**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

**Sustainable Strategies:** Sustainable, impact or other sustainability-focused portfolios consider specific factors related to their strategies in assessing and selecting investments. As a result, they will exclude certain industries and companies that do not meet their criteria. This may result in their portfolios being substantially different from broader benchmarks or investment universes, which could in turn result in relative investment performance deviating significantly from the performance of the broader market.

\*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VI of the Ninety One Funds Series Omnibus prospectus.

# Emerging Markets Local Currency Debt Fund

## Portfolio Statement

As at 28 February 2023

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Collective investment schemes 9.39% (28.02.22: 6.33%)</b>			
Ninety One Global Strategy Fund - All China Bond Fund†	165,341	4,180	4.96
State Street USD Liquidity Fund	361,000	3,060	3.63
Ninety One Global Strategy Fund - Emerging Markets Hard Currency Debt†	27,242	678	0.80
		<b>7,918</b>	<b>9.39</b>
<b>Corporate bonds 6.61% (28.02.22: 11.67%)</b>			
JPMorgan Chase Bank 7% 18/09/2030	IDR 26,991,000,000	1,493	1.77
Standard Chartered Bank 7.5% 19/05/2038	IDR 18,079,000,000	1,021	1.21
JPMorgan Chase Bank 8.375% 17/03/2034	IDR 14,004,000,000	840	1.00
Eskom 7.5% 15/09/2033	ZAR 24,400,000	800	0.95
JPMorgan Chase Bank 7.5% 15/06/2035	IDR 12,420,000,000	699	0.83
Asian Infrastructure Investment Bank 0% 08/02/2038	MXN 30,700,000	323	0.38
European Investment Bank 8.5% 17/09/2024	ZAR 4,760,000	214	0.25
Shimao 5.2% 16/01/2027	USD 531,000	77	0.09
Shimao 5.6% 15/07/2026	USD 513,000	75	0.09
Shimao 5.2% 30/01/2025	USD 246,000	36	0.04
		<b>5,578</b>	<b>6.61</b>
<b>Government bonds 74.19% (28.02.22: 75.71%)</b>			
Brazil Notas do Tesouro Nacional 10% 01/01/2025	BRL 25,578,000	3,909	4.64
Mexican Bonos 7.75% 29/05/2031	MXN 74,266,100	3,058	3.63
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 75,518,892	2,916	3.46
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 59,900,000	2,413	2.86
Korea Treasury Bond 3.125% 10/09/2027	KRW 3,951,450,000	2,398	2.85
Thailand Government Bond 1.25% 12/03/2028	THB 86,671,000	2,231	2.65
Mexican Bonos 8.5% 18/11/2038	MXN 51,955,200	2,190	2.60
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2029	BRL 14,621,000	2,048	2.43
Mexican Udibonos 4.5% 04/12/2025	MXN 4,320,000	1,477	1.75
Romania Government Bond 6.7% 25/02/2032	RON 8,685,000	1,438	1.71
Malaysia Government Bond 3.828% 05/07/2034	MYR 6,852,000	1,234	1.46
Mexican Bonos 7.75% 13/11/2042	MXN 31,155,800	1,206	1.43
Zambia Government Bond 11% 25/01/2026	ZMW 40,380,000	1,201	1.42
Czech Republic Government Bond 2.5% 25/08/2028	CZK 34,540,000	1,128	1.34
Malaysia Government Bond 3.906% 15/07/2026	MYR 5,781,000	1,078	1.28
Peru Government Bond 6.15% 12/08/2032	PEN 5,581,000	1,067	1.27
Republic of Poland Government Bond 1.75% 25/04/2032	PLN 8,301,000	1,050	1.25
Dominican Republic Central Bank Notes 13% 05/12/2025	DOP 70,520,000	1,043	1.24
Bonos de la Tesorería de la Republica en pesos 7% 01/05/2034	CLP 890,000,000	981	1.16
Mexican Udibonos 3.5% 16/11/2023	MXN 2,820,000	959	1.14
Czech Republic Government Bond 5.5% 12/12/2028	CZK 24,960,000	948	1.13
Malaysia Government Bond 3.885% 15/08/2029	MYR 4,950,000	915	1.09
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2033	BRL 6,578,000	867	1.03
Malaysia Government Bond 3.9% 30/11/2026	MYR 4,386,000	819	0.97
Peru Government Bond 5.94% 12/02/2029	PEN 3,933,000	782	0.93
Malaysia Government Bond 3.757% 22/05/2040	MYR 4,437,000	770	0.91
Thailand Government Bond 2.875% 17/06/2046	THB 30,996,000	681	0.81
Indonesia Treasury Bond 7.125% 15/06/2043	IDR 11,955,000,000	648	0.77
Republic of Poland Government Bond 7.5% 25/07/2028	PLN 3,324,000	645	0.77
Thailand Government Bond 1.585% 17/12/2035	THB 30,195,000	617	0.73
Colombian TES 7% 30/06/2032	COP 5,086,500,000	601	0.71
Indonesia Treasury Bond 6.875% 15/08/2051	IDR 11,151,000,000	592	0.70
Republic of Uganda Government Bonds 15% 20/05/2032	UGX 2,704,400,000	579	0.69

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
<b>Government bonds 74.19% (28.02.22: 75.71%) (continued)</b>			
Thailand Government Bond 3.3% 17/06/2038	THB 23,005,000	559	0.66
Malaysia Government Bond 2.632% 15/04/2031	MYR 3,326,000	558	0.66
Thailand Government Bond 3.775% 25/06/2032	THB 21,128,000	545	0.65
Thailand Government Bond 3.45% 17/06/2043	THB 22,282,000	543	0.64
Malaysia Government Bond 4.254% 31/05/2035	MYR 2,748,000	513	0.61
Czech Republic Government Bond 1.95% 30/07/2037	CZK 19,100,000	500	0.59
Romania Government Bond 3.65% 28/07/2025	RON 2,940,000	486	0.58
Czech Republic Government Bond 5% 30/09/2030	CZK 13,020,000	484	0.57
Romania Government Bond 5% 12/02/2029	RON 3,085,000	482	0.57
Romania Government Bond 4.85% 25/07/2029	RON 3,080,000	473	0.56
Czech Republic Government Bond 0.05% 29/11/2029	CZK 17,410,000	466	0.55
Mexican Bonos 8% 07/11/2047	MXN 11,716,600	464	0.55
Republic of Poland Government Bond 3.75% 25/05/2027	PLN 2,739,000	460	0.55
Republic of Poland Government Bond 2.75% 25/04/2028	PLN 2,923,000	457	0.54
Malaysia Government Bond 3.955% 15/09/2025	MYR 2,411,000	450	0.53
Republic of Poland Government Bond 1.25% 25/10/2030	PLN 3,451,000	443	0.53
Czech Republic Government Bond 2.75% 23/07/2029	CZK 13,370,000	436	0.52
Indonesia Treasury Bond 6.5% 15/02/2031	IDR 8,031,000,000	428	0.51
Thailand Government Bond 2% 17/06/2042	THB 20,979,000	416	0.49
Romania Government Bond 8.25% 29/09/2032	RON 2,245,000	410	0.49
Czech Republic Government Bond 2% 13/10/2033	CZK 14,430,000	407	0.48
Bonos de la Tesoreria de la Republica en pesos 4.5% 01/03/2026	CLP 430,000,000	406	0.48
Bonos de la Tesoreria de la Republica en pesos 4.7% 01/09/2030	CLP 430,000,000	401	0.48
Ukraine Government Bond 15.84% 26/02/2025	UAH 29,982,000	401	0.48
Malaysia Government Bond 3.733% 15/06/2028	MYR 2,146,000	396	0.47
Malaysia Government Bond 3.582% 15/07/2032	MYR 2,100,000	376	0.45
Malaysia Government Bond 3.478% 14/06/2024	MYR 2,012,000	372	0.44
Czech Republic Government Bond 1.75% 23/06/2032	CZK 13,020,000	371	0.44
Czech Republic Government Bond 1.5% 24/04/2040	CZK 14,920,000	337	0.40
Zambia Government Bond 13% 18/12/2027	ZMW 12,325,000	331	0.39
Ukraine Government Bond 0% 30/11/2023	UAH 22,536,000	301	0.36
Colombian TES 7% 26/03/2031	COP 2,437,600,000	301	0.36
Colombian TES 9.25% 28/05/2042	COP 2,053,000,000	256	0.30
Czech Republic Government Bond 1% 26/06/2026	CZK 7,200,000	233	0.28
Financiera de Desarrollo Territorial Findeter 7.875% 12/08/2024	COP 1,433,000,000	225	0.27
Hungary Government Bond 4.75% 24/11/2032	HUF 125,430,000	218	0.26
Thailand Government Bond 1.6% 17/06/2035	THB 10,475,000	215	0.26
Indonesia Treasury Bond 6.375% 15/04/2032	IDR 3,734,000,000	197	0.23
Egypt Government International Bond 7.625% 29/05/2032	USD 333,000	196	0.23
Malaysia Government Bond 4.065% 15/06/2050	MYR 1,106,000	194	0.23
Colombian TES 7.25% 18/10/2034	COP 1,601,900,000	182	0.22
Ukraine Government Bond 16% 24/05/2023	UAH 13,550,000	181	0.21
Republic of Uganda Government Bonds 16% 14/05/2037	UGX 846,800,000	179	0.21
Ukraine Government Bond 15.97% 19/04/2023	UAH 13,360,000	179	0.21
Egypt Government Bond 14.292% 05/01/2028	EGP 7,338,000	154	0.18
Republic of Poland Government Bond 2.75% 25/10/2029	PLN 1,027,000	153	0.18
Romania Government Bond 3.65% 24/09/2031	RON 1,110,000	149	0.18
Czech Republic Government Bond 0.25% 10/02/2027	CZK 4,370,000	134	0.16
Republic Of Peru 6.95% 12/08/2031	PEN 601,000	123	0.15
Export-Import Bank of Korea 7.25% 07/12/2024	IDR 2,100,000,000	115	0.14
Republic of Uganda Government Bonds 14% 29/05/2025	UGX 447,000,000	100	0.12
Egypt Government Bond 14.556% 13/10/2027	EGP 4,456,000	94	0.11
Egypt Government Bond 14.483% 06/04/2026	EGP 4,138,000	93	0.11
Zambia Government Bond 13% 29/08/2026	ZMW 3,010,000	90	0.11
Colombian TES 7.75% 18/09/2030	COP 516,100,000	68	0.08
Hungary Government Bond 3% 21/08/2030	HUF 40,760,000	66	0.08
Russian Federal Bond - OFZ 7.95% 07/10/2026	RUB 91,365,000	50	0.06
Egypt Government Bond 14.4% 10/09/2029	EGP 2,138,000	43	0.05
Romania Government Bond 4.15% 26/01/2028	RON 235,000	36	0.04
Bonos de la Tesoreria de la Republica en pesos 5% 01/03/2035	CLP 30,000,000	28	0.03
Russian Federal Bond - OFZ 7% 30/07/2036	RUB 50,177,000	28	0.03
Russian Federal Bond - OFZ 6.7% 14/03/2029	RUB 48,626,000	27	0.03
Uruguay Government International Bond 4.375% 15/12/2028	UYU 314,224	17	0.02

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Government bonds 74.19% (28.02.22: 75.71%) (continued)</b>			
Thailand Government Bond 2.75% 17/06/2052	THB 737,000	15	0.02
Ukraine Government Bond 0% 30/11/2023	UAH 850,045	11	0.01
Russian Federal Bond - OFZ 0% 30/11/2023	RUB 33,004,455	-	-
		<b>62,511</b>	<b>74.19</b>
<b>Government treasury bills 4.30% (28.02.22: 5.83%)</b>			
US Treasury 0% 07/09/2023	USD 2,187,100	1,763	2.09
US Treasury 0% 02/03/2023	USD 1,158,800	958	1.14
Brazil Letras do Tesouro Nacional 0% 01/01/2025	BRL 5,016,000	641	0.76
Brazil Letras do Tesouro Nacional 0% 01/07/2023	BRL 1,720,000	262	0.31
		<b>3,624</b>	<b>4.30</b>
<b>Derivatives - futures (0.16%) (28.02.22: 0.05%)</b>			
South African R2030 Bond Futures 04/05/2023	166	(7)	(0.01)
South African R2035 Bond Futures 04/05/2023	513	(19)	(0.02)
South African R186 Bond Futures 04/05/2023	473	(24)	(0.03)
Korea 10 Year Treasury Bond Futures 21/03/2023	15	(35)	(0.04)
Korea 3 Year Treasury Bond Futures 21/03/2023	52	(47)	(0.06)
		<b>(132)</b>	<b>(0.16)</b>
<b>Derivatives - interest rate swaps (0.33%) (28.02.22: (0.26%))</b>			
Citibank Interest Rate Swap receive 5.87% 4/2/2027	195,622,799	57	0.07
Citibank Interest Rate Swap receive 8.213% 4/3/2027	17,053,464	33	0.04
Citibank Interest Rate Swap receive 3.99% 27/01/2027	2,400,000	33	0.04
Citibank Interest Rate Swap receive 9.357% 1/10/2032	25,645,603	30	0.04
Standard Chartered Bank Interest Rate Swap receive 2.028% 23/01/2028	55,580,900	22	0.02
Standard Chartered Bank Interest Rate Swap receive 2.069% 23/01/2028	54,358,100	19	0.02
Citibank Interest Rate Swap receive 8.867% 12/5/2027	18,415,580	16	0.02
Citibank Interest Rate Swap receive 5.255% 1/6/2027	21,175,000	12	0.01
Citibank Interest Rate Swap receive 5.247% 1/6/2027	21,175,000	12	0.01
Citibank Interest Rate Swap receive 8.467% 21/05/2027	7,156,964	11	0.01
Citibank Interest Rate Swap receive 8.24% 3/3/2027	5,591,299	11	0.01
Citibank Interest Rate Swap receive 8.752% 11/5/2027	9,626,326	10	0.01
Citibank Interest Rate Swap receive 8.42% 21/05/2027	5,775,795	9	0.01
Citibank Interest Rate Swap receive 9.315% 30/09/2032	7,236,917	8	0.01
Citibank Interest Rate Swap receive 8.81% 10/5/2027	7,343,700	7	0.01
Goldman Sachs Interest Rate Swap receive 5.31% 2/2/2033	297,034,791	7	0.01
Goldman Sachs Interest Rate Swap receive 5.17% 27/01/2033	164,284,407	6	0.01
Citibank Interest Rate Swap receive 8.475% 19/05/2027	3,662,189	6	0.01
Goldman Sachs Interest Rate Swap receive 5.315% 31/01/2033	228,081,211	5	0.01
Goldman Sachs Interest Rate Swap receive 9.955% 22/02/2028	2,372,415,000	5	0.01
Goldman Sachs Interest Rate Swap receive 5.345% 1/2/2033	230,903,998	5	0.01
Citibank Interest Rate Swap receive 2.82% 13/01/2028	9,140,000	5	0.01
HSBC Bank Interest Rate Swap receive 6.432% 5/1/2028	41,780,000	5	0.01
Citibank Interest Rate Swap receive 9.357% 1/10/2032	4,002,671	5	0.01
Citibank Interest Rate Swap receive 2.825% 13/01/2028	9,140,000	5	0.01
Goldman Sachs Interest Rate Swap receive 5.47% 14/02/2033	463,200,000	5	0.01
Citibank Interest Rate Swap receive 8.65% 24/05/2027	3,662,189	4	0.01
Citibank Interest Rate Swap receive 8.77% 13/05/2027	3,662,189	4	0.01
Goldman Sachs Interest Rate Swap receive 11.25% 22/02/2025	5,400,605,000	3	-
Citibank Interest Rate Swap receive 9.357% 1/10/2032	2,126,102	3	-
Citibank Interest Rate Swap receive 9.315% 30/09/2032	1,165,145	1	-
Citibank Interest Rate Swap receive 5.247% 1/6/2027	1,412,500	1	-
Goldman Sachs Interest Rate Swap receive 11.36% 24/02/2025	5,400,605,000	1	-
Citibank Interest Rate Swap receive 9.315% 30/09/2032	618,894	1	-
Citibank Interest Rate Swap pay 8.752% 11/5/2027	846,955	(1)	-
Citibank Interest Rate Swap pay 8.752% 11/5/2027	855,511	(1)	-
Citibank Interest Rate Swap pay 8.24% 3/3/2027	696,117	(1)	-
Citibank Interest Rate Swap pay 8.24% 3/3/2027	712,891	(1)	-
Citibank Interest Rate Swap pay 8.81% 10/5/2027	1,817,566	(2)	-
Citibank Interest Rate Swap pay 8.81% 10/5/2027	1,835,925	(2)	-
Citibank Interest Rate Swap pay 8.752% 11/5/2027	1,719,576	(2)	-
Citibank Interest Rate Swap pay 8.77% 13/05/2027	1,831,094	(2)	-

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset	Holding	Market value (£'000)	Percentage of net assets (%)	
<b>Derivatives - interest rate swaps (0.33%) (28.02.22: (0.26%)) (continued)</b>				
Citibank Interest Rate Swap pay 8.77% 13/05/2027	1,831,095	(2)	-	
Citibank Interest Rate Swap pay 8.467% 21/05/2027	1,287,583	(2)	-	
Citibank Interest Rate Swap pay 8.467% 21/05/2027	1,287,584	(2)	-	
Citibank Interest Rate Swap pay 8.867% 12/5/2027	2,310,160	(2)	-	
Citibank Interest Rate Swap pay 8.867% 12/5/2027	2,310,161	(2)	-	
Citibank Interest Rate Swap pay 8.65% 24/05/2027	1,831,094	(2)	-	
Citibank Interest Rate Swap pay 8.65% 24/05/2027	1,831,095	(2)	-	
Citibank Interest Rate Swap pay 8.24% 3/3/2027	1,397,825	(3)	-	
Citibank Interest Rate Swap pay 8.475% 19/05/2027	1,831,094	(3)	-	
Citibank Interest Rate Swap pay 8.475% 19/05/2027	1,831,095	(3)	-	
Goldman Sachs Interest Rate Swap pay 2.36% 4/10/2024	25,192,974	(4)	-	
Citibank Interest Rate Swap pay 8.81% 10/5/2027	3,690,209	(4)	(0.01)	
Citibank Interest Rate Swap pay 5.255% 1/6/2027	6,500,000	(4)	(0.01)	
Citibank Interest Rate Swap pay 5.255% 1/6/2027	7,337,500	(4)	(0.01)	
Citibank Interest Rate Swap pay 7.67% 27/01/2028	3,639,360	(4)	(0.01)	
Citibank Interest Rate Swap pay 5.247% 1/6/2027	8,000,000	(4)	(0.01)	
Goldman Sachs Interest Rate Swap pay 2.45% 3/10/2024	25,710,017	(4)	(0.01)	
Citibank Interest Rate Swap pay 8.42% 21/05/2027	2,887,898	(5)	(0.01)	
Citibank Interest Rate Swap pay 8.42% 21/05/2027	2,887,897	(5)	(0.01)	
Citibank Interest Rate Swap pay 8.24% 3/3/2027	2,784,466	(5)	(0.01)	
Citibank Interest Rate Swap pay 8.752% 11/5/2027	6,204,284	(7)	(0.01)	
Goldman Sachs Interest Rate Swap pay 12.8% 1/1/2024	4,726,754	(7)	(0.01)	
Citibank Interest Rate Swap pay 8.467% 21/05/2027	4,581,797	(7)	(0.01)	
Goldman Sachs Interest Rate Swap pay 12.82% 2/1/2024	5,514,546	(8)	(0.01)	
Goldman Sachs Interest Rate Swap pay 6.96% 24/06/2027	72,642,667	(8)	(0.01)	
Citibank Interest Rate Swap pay 7.665% 27/01/2028	7,064,640	(8)	(0.01)	
Citibank Interest Rate Swap pay 8.213% 4/3/2027	4,220,732	(8)	(0.01)	
Citibank Interest Rate Swap pay 8.213% 4/3/2027	4,263,366	(8)	(0.01)	
Citibank Interest Rate Swap pay 5.247% 1/6/2027	16,000,000	(9)	(0.01)	
Goldman Sachs Interest Rate Swap pay 12.93% 2/1/2024	9,453,508	(11)	(0.01)	
Standard Chartered Bank Interest Rate Swap pay 2.388% 4/10/2024	72,066,959	(11)	(0.01)	
Citibank Interest Rate Swap pay 8.867% 12/5/2027	13,795,259	(12)	(0.02)	
Goldman Sachs Interest Rate Swap pay 7% 27/06/2027	101,957,333	(13)	(0.02)	
Goldman Sachs Interest Rate Swap pay 2.423% 4/10/2024	77,130,050	(13)	(0.02)	
Citibank Interest Rate Swap pay 9.315% 30/09/2032	14,473,780	(15)	(0.02)	
Goldman Sachs Interest Rate Swap pay 7.07% 27/01/2025	706,405,733	(16)	(0.02)	
Goldman Sachs Interest Rate Swap pay 7.28% 1/2/2025	929,203,209	(17)	(0.02)	
Citibank Interest Rate Swap pay 8.213% 4/3/2027	8,569,366	(17)	(0.02)	
Goldman Sachs Interest Rate Swap pay 7.215% 31/01/2025	925,473,609	(18)	(0.02)	
Goldman Sachs Interest Rate Swap pay 7.313% 2/2/2025	1,265,003,183	(22)	(0.02)	
Goldman Sachs Interest Rate Swap pay 12.83% 2/1/2024	19,752,370	(26)	(0.03)	
Citibank Interest Rate Swap pay 7.672% 26/01/2028	24,976,000	(28)	(0.04)	
Goldman Sachs Interest Rate Swap pay 12.765% 2/1/2024	19,752,370	(29)	(0.04)	
Citibank Interest Rate Swap pay 6.27% 25/10/2027	31,280,000	(38)	(0.05)	
HSBC Bank Interest Rate Swap pay 7.076% 31/01/2025	1,977,460,000	(43)	(0.06)	
Citibank Interest Rate Swap pay 9.357% 1/10/2032	49,720,000	(59)	(0.07)	
Citibank Interest Rate Swap pay 3.99% 27/01/2027	7,300,000	(99)	(0.12)	
		<b>(268)</b>	<b>(0.33)</b>	
<b>Forward foreign exchange contracts (0.43%) (28.02.22: 0.04%)</b>				
<b>Forward currency contracts</b>				
Buy USD	235,651	for GBP (190,000)	5	0.01
Sell USD	(222,205)	for GBP 180,000	(4)	-
			<b>1</b>	<b>0.01</b>
<b>Forward cross currency contracts</b>				
Buy BRL	30,149,358	for USD (5,623,749)	137	0.16
Buy CLP	1,029,812,786	for USD (1,180,098)	48	0.06
Buy CNH	56,600,261	for USD (8,252,138)	(91)	(0.11)
Buy COP	24,110,939,173	for USD (4,897,213)	75	0.09
Buy CZK	22,615,356	for USD (976,652)	34	0.04
Buy EGP	105,008,824	for USD (4,275,326)	(793)	(0.94)
Buy EUR	2,425,652	for USD (2,598,542)	(19)	(0.02)
Buy GHS	11,448,195	for USD (871,036)	15	0.02
Buy HUF	2,212,801,149	for USD (5,652,042)	370	0.44

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset			Holding	Market value (£'000)	Percentage of net assets (%)
<b>Forward foreign exchange contracts (0.43%) (28.02.22: 0.04%) (continued)</b>					
Buy IDR	81,056,102,171	for USD	(5,183,231)	104	0.12
Buy ILS	16,590,000	for USD	(4,710,216)	(154)	(0.18)
Buy INR	498,850,344	for USD	(6,014,201)	16	0.02
Buy MXN	153,830,000	for USD	(8,188,419)	147	0.17
Buy MYR	5,617,000	for USD	(1,282,684)	(25)	(0.03)
Buy PEN	21,307,173	for USD	(5,541,448)	23	0.03
Buy PHP	14,260,000	for USD	(259,047)	(1)	-
Buy PLN	17,188,364	for USD	(3,828,231)	27	0.03
~Buy RON	3,875,444	for USD	(834,936)	-	-
Buy SGD	6,480,237	for USD	(4,851,586)	(37)	(0.04)
Buy THB	299,514,306	for USD	(8,767,761)	(233)	(0.28)
Buy TWD	52,140,000	for USD	(1,709,788)	(10)	(0.01)
Buy USD	5,940,147	for BRL	(32,119,976)	(184)	(0.22)
Buy USD	2,957,629	for CLP	(2,455,480,000)	4	-
Buy USD	782,609	for CNH	(5,410,000)	4	-
Buy USD	608,236	for COP	(2,965,038,105)	(11)	(0.01)
Buy USD	2,044,512	for CZK	(45,843,000)	(16)	(0.02)
Buy USD	2,775,752	for EGP	(82,067,451)	144	0.17
Buy USD	2,468,262	for EUR	(2,251,000)	54	0.06
Buy USD	3,016,846	for HUF	(1,090,550,000)	(17)	(0.02)
Buy USD	759,435	for IDR	(11,499,660,000)	5	0.01
Buy USD	2,355,830	for ILS	(8,250,000)	88	0.10
Buy USD	6,018,287	for INR	(498,850,344)	(13)	(0.02)
Buy USD	3,317,212	for KRW	(4,161,810,000)	141	0.17
Buy USD	6,654,826	for MXN	(130,375,420)	(361)	(0.43)
Buy USD	538,234	for MYR	(2,350,000)	12	0.01
~Buy USD	1,169,966	for NGN	(564,810,000)	-	-
Buy USD	3,163,933	for PEN	(12,210,279)	(30)	(0.04)
Buy USD	2,487,922	for PHP	(138,401,954)	(10)	(0.01)
Buy USD	607,507	for PLN	(2,680,000)	5	0.01
Buy USD	1,208,756	for RON	(5,612,496)	(1)	-
Buy USD	2,417,561	for SGD	(3,250,000)	6	0.01
Buy USD	3,447,014	for THB	(112,510,000)	214	0.25
Buy USD	4,389,006	for TWD	(132,420,000)	65	0.08
Buy USD	6,850,288	for ZAR	(123,410,000)	143	0.17
Buy USD	1,307,365	for ZMW	(23,630,000)	96	0.11
Buy ZAR	126,440,000	for USD	(7,234,749)	(325)	(0.39)
Buy ZMW	3,660,000	for USD	(187,789)	(3)	-
				<b>(357)</b>	<b>(0.44)</b>
Portfolio of investments <sup>^</sup>				78,875	93.57
Net other assets*				5,424	6.43
<b>Net assets</b>				<b>84,299</b>	<b>100.00</b>

<sup>^</sup> Including derivative liabilities.

\*The net other assets figure includes any bank or short term cash deposits.

† A related party to the Fund.

‡ Suspended

~ The market value of the holdings is below £500 and is therefore rounded down to £0.

The collective investment schemes investments, interest rate swaps and the forward foreign exchange contracts are not listed.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# Portfolio Analysis

As at 28 February 2023

## Portfolio Analysis

Asset	28.02.23		28.02.22	
	Market value (£'000)	Percentage of net assets (%)	Market value (£'000)	Percentage of net assets (%)
Bonds	68,089	80.80	82,368	87.38
Collective investment schemes	7,918	9.39	5,982	6.33
Derivatives	(400)	(0.49)	(223)	(0.21)
Forward foreign exchange contracts	(356)	(0.43)	47	0.04
Government treasury bills	3,624	4.30	5,500	5.83
Net other assets	5,424	6.43	593	0.63
<b>Net assets</b>	<b>84,299</b>	<b>100.00</b>	<b>94,267</b>	<b>100.00</b>

## Credit Breakdown\*

Asset	28.02.23		28.02.22	
	Market value (£'000)	Percentage of net assets (%)	Market value (£'000)	Percentage of net assets (%)
AAA	537	0.63	2,229	2.36
AA	7,957	9.45	4,344	4.60
A	12,699	15.07	19,656	20.86
BBB	28,249	33.54	33,739	35.79
BB	14,221	16.88	13,009	13.81
B	1,626	1.92	7,740	8.21
CCC	2,695	3.19	1,651	1.75
D	105	0.12	-	-
<b>Total bonds</b>	<b>68,089</b>	<b>80.80</b>	<b>82,368</b>	<b>87.38</b>

\*Bond ratings are Ninety One approximations.



# Global Dynamic Fund

## Portfolio Statement

As at 28 February 2023

**Australia 0.00% (28.02.22: 3.41%)**

**Canada 0.00% (28.02.22: 1.67%)**

**Cayman Islands 0.00% (28.02.22: 1.55%)**

**Denmark 0.00% (28.02.22: 1.75%)**

**France 0.00% (28.02.22: 4.11%)**

**Germany 0.00% (28.02.22: 4.50%)**

**Guernsey 0.00% (28.02.22: 0.86%)**

**Hong Kong 0.00% (28.02.22: 2.68%)**

**Ireland 0.00% (28.02.22: 4.77%)**

**Mexico 0.00% (28.02.22: 0.99%)**

**Netherlands 0.00% (28.02.22: 1.69%)**

**Spain 0.00% (28.02.22: 2.32%)**

**Sweden 0.00% (28.02.22: 1.82%)**

**Switzerland 0.00% (28.02.22: 2.88%)**

**Taiwan 0.00% (28.02.22: 3.51%)**

**United Kingdom 0.00% (28.02.22: 2.07%)**

**United States 0.00% (28.02.22: 58.04%)**

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The Fund was merged with Global Strategic Equity Fund (a sub-fund of Ninety One Series ii) on 7 October 2022, so there is no Portfolio Statement.

# Global Environment Fund

## Portfolio Statement

As at 28 February 2023

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Australia 0.00% (28.02.22: 4.01%)</b>			
<b>Cayman Islands 4.60% (28.02.22: 4.79%)</b>			
Xinyi Solar	103,358,947	91,231	4.60
<b>China 14.51% (28.02.22: 13.81%)</b>			
Wuxi Lead Intelligent Equipment	18,186,689	93,984	4.74
Zhejiang Sanhua Intelligent Controls	25,428,214	77,170	3.89
Contemporary Amperex Technology	1,438,912	69,059	3.48
Sungrow Power Supply	3,336,916	47,419	2.39
Wuxi Lead Intelligent	17,760	92	0.01
		<b>287,724</b>	<b>14.51</b>
<b>Denmark 11.53% (28.02.22: 13.86%)</b>			
Orsted	1,130,443	82,324	4.15
Novozymes	1,962,425	78,533	3.97
Vestas Wind Systems	2,855,629	67,570	3.41
		<b>228,427</b>	<b>11.53</b>
<b>France 4.83% (28.02.22: 3.69%)</b>			
Schneider Electric	716,531	95,736	4.83
<b>Germany 4.70% (28.02.22: 2.98%)</b>			
Infineon Technologies	3,150,566	92,927	4.70
<b>India 0.49% (28.02.22: 0.00%)</b>			
Power Grid Corp of India	4,381,020	9,723	0.49
<b>Ireland 5.91% (28.02.22: 3.91%)</b>			
Trane Technologies	768,127	117,051	5.91
<b>Italy 0.00% (28.02.22: 4.01%)</b>			
<b>Japan 0.00% (28.02.22: 0.42%)</b>			
<b>Jersey 5.07% (28.02.22: 4.09%)</b>			
Aptiv	1,044,059	100,383	5.07
<b>Spain 5.19% (28.02.22: 4.45%)</b>			
Iberdrola	10,756,850	102,787	5.19
<b>Switzerland 5.42% (28.02.22: 4.34%)</b>			
TE Connectivity	1,020,961	107,355	5.42
<b>Taiwan 4.75% (28.02.22: 3.62%)</b>			
Voltronic Power Technology	2,167,752	94,115	4.75
<b>United Kingdom 4.53% (28.02.22: 4.88%)</b>			
Croda International	1,354,636	89,840	4.53

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>United States 26.79% (28.02.22: 26.02%)</b>			
ANSYS	422,392	103,284	5.21
Rockwell Automation	401,029	97,590	4.92
Autodesk	596,317	96,939	4.89
Waste Management	745,540	93,108	4.70
NextEra Energy	1,462,441	86,888	4.38
Analog Devices	351,791	53,270	2.69
		<b>531,079</b>	<b>26.79</b>
Portfolio of investments		1,948,378	98.32
Net other assets*		33,392	1.68
<b>Net assets</b>		<b>1,981,770</b>	<b>100.00</b>

\*The net other assets figure includes any bank or short term cash deposits.  
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# Global Gold Fund

## Portfolio Statement

As at 28 February 2023

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Australia 26.43% (28.02.22: 24.65%)</b>			
Newcrest Mining	2,204,824	27,655	9.39
Northern Star Resources	3,150,593	18,181	6.17
Perseus Mining	11,371,729	12,435	4.22
Evolution Mining	8,117,577	12,287	4.17
Westgold Resources	8,340,923	4,363	1.48
Gold Road Resources	3,592,256	2,929	1.00
		<b>77,850</b>	<b>26.43</b>
<b>Canada 43.94% (28.02.22: 43.26%)</b>			
Agnico Eagle Mines	721,436	27,331	9.28
Barrick Gold	1,886,998	24,915	8.46
Wheaton Precious Metals	424,190	14,439	4.90
OceanaGold	8,560,940	13,931	4.73
B2Gold	4,385,310	12,267	4.17
Pan American Silver	842,780	10,215	3.47
SSR Mining (Toronto listing)	887,044	10,023	3.40
K92 Mining	1,739,794	7,656	2.60
ERO Copper	545,639	7,120	2.42
SSR Mining (New York listing)	131,674	1,490	0.51
		<b>129,387</b>	<b>43.94</b>
<b>China 5.14% (28.02.22: 0.00%)</b>			
Zijin Mining	12,142,000	15,142	5.14
<b>Jersey 2.79% (28.02.22: 3.73%)</b>			
Centamin	8,047,504	8,212	2.79
<b>South Africa 3.73% (28.02.22: 9.67%)</b>			
Gold Fields	1,479,180	10,993	3.73
<b>United Kingdom 4.91% (28.02.22: 7.95%)</b>			
Endeavour Mining	778,539	13,290	4.51
SolGold	7,057,261	1,191	0.40
		<b>14,481</b>	<b>4.91</b>
<b>United States 12.04% (28.02.22: 9.38%)</b>			
Royal Gold	145,700	14,244	4.84
Newmont	346,404	12,410	4.21
Hecla Mining	2,103,271	8,799	2.99
		<b>35,453</b>	<b>12.04</b>
Portfolio of investments		291,518	98.98
Net other assets*		2,992	1.02
<b>Net assets</b>		<b>294,510</b>	<b>100.00</b>

\*The net other assets figure includes any bank or short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# Global Sustainable Equity Fund

## Portfolio Statement

As at 28 February 2023

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Australia 0.00% (28.02.22: 1.86%)</b>			
<b>Austria 0.00% (28.02.22: 0.34%)</b>			
<b>Canada 4.11% (28.02.22: 0.67%)</b>			
Intact Financial	7,401	887	4.11
<b>Cayman Islands 0.00% (28.02.22: 1.90%)</b>			
<b>China 0.00% (28.02.22: 0.92%)</b>			
<b>Denmark 4.11% (28.02.22: 0.00%)</b>			
Novo Nordisk	7,514	886	4.11
<b>Finland 0.00% (28.02.22: 1.24%)</b>			
<b>France 3.21% (28.02.22: 3.22%)</b>			
Schneider Electric	5,172	691	3.21
<b>Germany 0.00% (28.02.22: 3.60%)</b>			
<b>Hong Kong 4.19% (28.02.22: 1.23%)</b>			
AIA	103,200	904	4.19
<b>India 3.25% (28.02.22: 0.00%)</b>			
HDFC Bank ADR	12,642	701	3.25
<b>Ireland 12.96% (28.02.22: 1.90%)</b>			
Aon	3,816	955	4.43
Trane Technologies	6,205	946	4.39
Accenture	4,056	893	4.14
		<b>2,794</b>	<b>12.96</b>
<b>Japan 3.39% (28.02.22: 0.95%)</b>			
Sony	10,600	732	3.39
<b>Jersey 2.14% (28.02.22: 1.17%)</b>			
Experian	16,501	462	2.14
<b>Netherlands 0.00% (28.02.22: 2.30%)</b>			
<b>Singapore 0.00% (28.02.22: 1.27%)</b>			
<b>South Korea 0.00% (28.02.22: 2.49%)</b>			
<b>Spain 0.00% (28.02.22: 1.70%)</b>			
<b>Sweden 0.00% (28.02.22: 0.59%)</b>			
<b>Switzerland 3.36% (28.02.22: 3.33%)</b>			
Partners Group Holding	911	725	3.36
<b>Taiwan 3.34% (28.02.22: 6.14%)</b>			
Taiwan Semiconductor Manufacturing	52,000	721	3.34
<b>United Kingdom 3.11% (28.02.22: 3.24%)</b>			
Rentokil Initial	130,104	671	3.11

**Portfolio Statement (continued)**  
**As at 28 February 2023**

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>United States 50.01% (28.02.22: 63.70%)</b>			
Anthem	2,819	1,110	5.15
UnitedHealth	2,501	999	4.63
Thermo Fisher Scientific	2,178	975	4.52
Mastercard	3,264	959	4.45
Intercontinental Exchange	10,601	890	4.13
S&P Global	2,922	825	3.83
NextEra Energy	13,229	786	3.65
Alphabet	10,240	761	3.53
Danaher	3,649	748	3.47
Autodesk	4,117	669	3.10
KLA	2,098	658	3.05
Waste Management	3,899	487	2.26
Texas Instruments	3,420	483	2.24
Home Depot	1,765	432	2.00
		<b>10,782</b>	<b>50.01</b>
<b>Virgin Islands 0.00% (28.02.22: 0.91%)</b>			
Portfolio of investments		20,956	97.18
Net other assets*		607	2.82
<b>Net assets</b>		<b>21,563</b>	<b>100.00</b>

\*The net other assets figure includes any bank or short term cash deposits.  
Stocks shown as ADRs represent American Depositary Receipts.  
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# UK Sustainable Equity Fund

## Portfolio Statement

As at 28 February 2023

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
<b>Isle Of Man 0.49% (28.02.22: 0.66%)</b>			
Agronomics	5,059,292	607	0.49
<b>Jersey 2.25% (28.02.22: 2.46%)</b>			
Experian	99,494	2,787	2.25
<b>United Kingdom 92.28% (28.02.22: 93.00%)</b>			
AstraZeneca	67,966	7,430	6.01
Unilever	157,576	6,513	5.26
National Grid	560,723	5,930	4.79
Lloyds Banking	10,174,027	5,360	4.33
London Stock Exchange	65,110	4,847	3.92
RELX	178,508	4,475	3.62
ConvaTec	1,911,804	4,302	3.48
Reckitt Benckiser	72,152	4,162	3.36
PureTech Health	1,777,817	4,045	3.27
Johnson Matthey	169,625	3,654	2.95
GSK	256,537	3,644	2.95
Smith & Nephew	306,079	3,599	2.91
BT	2,556,605	3,586	2.90
Smart Metering Systems	408,018	3,493	2.82
Compass	176,404	3,409	2.76
Informa	489,213	3,281	2.65
FDM	363,100	2,970	2.40
AJ Bell	903,469	2,911	2.35
Rentokil Initial	536,039	2,767	2.24
Mondi	184,687	2,572	2.08
Ricardo	410,143	2,342	1.89
Morgan Crucible	708,596	2,228	1.80
Gamma Communications	188,308	2,203	1.78
Oxford Instruments	88,095	2,158	1.74
YouGov	224,524	1,976	1.60
Intertek	47,120	1,974	1.60
Genus	65,514	1,904	1.54
Ceres Power	444,100	1,866	1.52
GB	556,222	1,859	1.50
WAG Payment Solutions	2,336,085	1,754	1.42
Victrix	95,175	1,670	1.35
Dechra Pharmaceuticals	58,554	1,595	1.29
Hotel Chocolat	595,836	1,204	0.97
Genuit	334,306	1,081	0.87
Abcam	86,781	1,030	0.83
Marlowe	214,846	971	0.78
Gym	762,489	958	0.77
Pod Point	1,297,495	863	0.70
Accsys Technologies	1,102,773	785	0.64
IntegraFin	207,018	585	0.47
Mind Gym	276,413	207	0.17
		<b>114,163</b>	<b>92.28</b>
<b>United States 2.06% (28.02.22: 1.49%)</b>			
Boku	1,783,209	2,550	2.06
Portfolio of investments		120,107	97.08
Net other assets*		3,612	2.92
<b>Net assets</b>		<b>123,719</b>	<b>100.00</b>

\*The net other assets figure includes any bank or short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# Authorised Corporate Director's Report

The Authorised Corporate Director (the "ACD") of Ninety One Funds Series iii (the "Company") is Ninety One Fund Managers UK Limited. The ACD is the sole director of the Company.

## **Authorised status**

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC13 and authorised by the Financial Conduct Authority (the "FCA") with effect from 6 August 1998.

The Company is structured as an umbrella company in that different sub-funds (the "Funds") may be established from time to time by the ACD with the approval of the FCA. The Company currently comprises four Funds.

The Company (and therefore the Funds) has been certified by the FCA as complying with the FCA Collective Investment Scheme ("COLL") Sourcebook and the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 No.325 including any amendments or updates made in relation thereto. The Company has an unlimited duration.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Scheme Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

Under English law, the Funds are segregated portfolios of assets and the assets of a Fund belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between share classes in accordance with their terms of issue. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant Funds.

## **Accounting period covered by these accounts**

The accounting period covered in these accounts is from 1 March 2022 to 28 February 2023.

## **Changes during the accounting period**

### **Changes made following required notice:**

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of COLL, shareholders were given notice of the following:

On 17 August 2022, of the merger of the Global Dynamic Fund, a sub-fund of Ninety One Funds Series iii, into Global Strategic Equity Fund, a sub-fund of Ninety One Funds Series ii, effective 7 October 2022.



**Authorised Corporate Director's Report (continued)**

On 31 March 2022, of the following changes to the Global Equity Fund, effective 5 July 2022:

- (a) the change in the investment policy of the Fund;
- (b) the change to the name of the sub-fund to the 'Global Sustainable Equity Fund'; and
- (c) changes to the sub-fund's investment objective, policy and strategy.

There were no fundamental changes to the Funds that required shareholder approval.

**Other changes made:**

There were no other changes made during the period under review.

Director of the ACD

Director of the ACD

30 June 2023

# Statement of Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ('the COLL Rules') require the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Statement of Depositary's Responsibilities and Report to Shareholders

## **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Ninety One Funds Series iii ('the Company') for the year ended 28 February 2023.**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

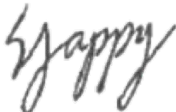
The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager 'the AFM' which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.



**State Street Trustees  
Limited**

30 June 2023

# Independent auditors' report to the Shareholders of Ninety One Funds Series iii

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Ninety One Funds Series iii (the "Company"):

- give a true and fair view of the financial position of each of the sub-funds as at 28 February 2023 and of the net revenue and the net capital gains/losses on the scheme property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Ninety One Funds Series iii is an Open Ended Investment Company ('OEIC') with six sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheets as at 28 February 2023; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Accounting Policies (in the Notes to the Financial Statements of the Company section) and the Notes to the Financial Statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to Accounting policy (a) Basis of accounting which describes the Authorised Corporate Director's reasons why the financial statements for the Global Dynamic Fund (the "terminating sub-fund"), a sub-fund of Ninety One Funds Series iii have been prepared on a basis other than going concern. The Financial Statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

## **Independent Auditor's Report (continued)**

### **Conclusions relating to going concern**

In respect of the Company as a whole and the continuing sub-funds, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or its continuing sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### **Authorised Corporate Director's Report**

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the Authorised Corporate Director for the financial statements**

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

## Independent Auditor's Report (continued)

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of any sub-funds of the Company and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Independent Auditor's Report (continued)**

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### **Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

30 June 2023

# Emerging Markets Local Currency Debt Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	176.96	185.47	193.33	265.44	289.20	278.93
Return before operating charges*	6.50	(5.42)	(4.70)	(16.93)	(19.02)	14.86
Operating charges	(3.03)	(3.09)	(3.16)	(4.13)	(4.74)	(4.59)
Return after operating charges*	3.47	(8.51)	(7.86)	(21.06)	(23.76)	10.27
Distributions	(9.23)	(7.23)	(6.83)	(12.46)	(11.05)	(10.12)
Retained distributions on accumulation shares	9.23	7.23	6.83	12.46	11.05	10.12
Closing net asset value per share	180.43	176.96	185.47	244.38	265.44	289.20
* after direct transaction costs of :	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	1.96%	(4.59%)	(4.07%)	(7.93%)	(8.22%)	3.68%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	14,652	14,457	16,931	181	196	542
Closing number of shares	8,120,605	8,169,467	9,128,985	74,000	74,000	187,533
Operating charges	1.71%	1.68%	1.67%	1.71%	1.68%	1.67%
Direct transaction costs‡	-	-	-	-	-	-
<b>Prices</b>						
Highest share price	190.97	190.09	200.69	259.01	298.16	302.94
Lowest share price	169.15	177.30	170.45	220.68	265.95	230.49

For the financial year ending	'A' Class (Income-2 shares)			'I' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	73.43	81.40	89.44	105.69	109.94	113.74
Return before operating charges*	2.61	(2.23)	(2.10)	3.90	(3.23)	(2.77)
Operating charges	(1.23)	(1.33)	(1.44)	(1.02)	(1.02)	(1.03)
Return after operating charges*	1.38	(3.56)	(3.54)	2.88	(4.25)	(3.80)
Distributions	(4.91)	(4.41)	(4.50)	(6.33)	(5.12)	(4.87)
Retained distributions on accumulation shares	-	-	-	6.33	5.12	4.87
Closing net asset value per share	69.90	73.43	81.40	108.57	105.69	109.94
* after direct transaction costs of :	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	1.88%	(4.37%)	(3.96%)	2.72%	(3.87%)	(3.34%)
<b>Other information</b>						
Closing net asset value (£'000)	751	817	923	58,359	69,718	79,101
Closing number of shares	1,074,833	1,113,237	1,133,279	53,752,356	65,967,439	71,951,928
Operating charges	1.71%	1.68%	1.67%	0.96%	0.93%	0.92%
Direct transaction costs‡	-	-	-	-	-	-
<b>Prices</b>						
Highest share price	76.59	82.12	91.87	114.55	113.10	118.77
Lowest share price	68.79	74.49	78.76	101.04	105.89	100.35



## Comparative tables

As at 28 February 2023

For the financial year ending	'I' Class (USD Accumulation shares)			'I' Class (Income-2 shares)		
	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	292.48	316.30	302.72	63.43	69.79	76.13
Return before operating charges*	(18.61)	(20.93)	16.23	2.25	(1.93)	(1.81)
Operating charges	(2.56)	(2.89)	(2.65)	(0.60)	(0.63)	(0.68)
Return after operating charges*	(21.17)	(23.82)	13.58	1.65	(2.56)	(2.49)
Distributions	(15.79)	(14.45)	(13.33)	(4.24)	(3.80)	(3.85)
Retained distributions on accumulation shares	15.79	14.45	13.33	-	-	-
Closing net asset value per share	271.31	292.48	316.30	60.84	63.43	69.79
* after direct transaction costs of :	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	(7.24%)	(7.53%)	4.49%	2.60%	(3.67%)	(3.27%)
<b>Other information</b>						
Closing net asset value (USD'000)/(£'000)	69	75	70	10,214	8,948	16,686
Closing number of shares	25,575	25,575	22,200	16,787,866	14,106,725	23,908,723
Operating charges	0.96%	0.93%	0.90%	0.96%	0.92%	0.92%
Direct transaction costs‡	-	-	-	-	-	-
<b>Prices</b>						
Highest share price	287.40	326.78	330.95	66.45	70.68	78.22
Lowest share price	244.34	293.03	250.27	59.78	64.35	67.10

For the financial year ending	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	97.25	101.41	105.17	57.20	63.08	68.95
Return before operating charges*	3.58	(2.97)	(2.55)	2.01	(1.74)	(1.61)
Operating charges	(1.18)	(1.19)	(1.21)	(0.68)	(0.72)	(0.78)
Return after operating charges*	2.40	(4.16)	(3.76)	1.33	(2.46)	(2.39)
Distributions	(5.58)	(4.47)	(4.25)	(3.81)	(3.42)	(3.48)
Retained distributions on accumulation shares	5.58	4.47	4.25	-	-	-
Closing net asset value per share	99.65	97.25	101.41	54.72	57.20	63.08
* after direct transaction costs of :	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	2.47%	(4.10%)	(3.58%)	2.33%	(3.90%)	(3.47%)
<b>Other information</b>						
Closing net asset value (£'000)	88	96	78	29	27	31
Closing number of shares	88,096	99,153	76,988	52,365	46,927	49,403
Operating charges	1.21%	1.18%	1.17%	1.21%	1.17%	1.17%
Direct transaction costs‡	-	-	-	-	-	-
<b>Prices</b>						
Highest share price	105.25	104.20	109.61	59.83	63.81	70.92
Lowest share price	92.96	97.43	92.79	53.79	58.02	60.83

## Comparative tables

As at 28 February 2023

### **Portfolio transaction costs**

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# Global Dynamic Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	197.52	195.49	157.25	265.13	272.79	203.02
Return before operating charges*	(1.86)	5.43	40.80	(45.42)	(2.99)	73.36
Operating charges	(2.05)	(3.40)	(2.56)	(2.49)	(4.67)	(3.59)
Return after operating charges*	(3.91)	2.03	38.24	(47.91)	(7.66)	69.77
In-specie transfer to the Ninety One Series ii Global Strategic Equity Fund	(193.61)	-	-	(217.22)	-	-
Distributions	-	(0.88)	(0.50)	-	(1.19)	(0.66)
Retained distributions on accumulation shares	-	0.88	0.50	-	1.19	0.66
Closing net asset value per share	-	197.52	195.49	-	265.13	272.79
* after direct transaction costs of :	0.42	0.38	0.20	0.51	0.52	0.28
<b>Performance</b>						
Return after charges	(1.98%)	1.04%	24.32%	(18.07%)	(2.81%)	34.37%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	-	739	783	-	1,654	1,764
Closing number of shares	-	373,995	400,730	-	623,934	646,462
Operating charges	1.72%	1.64%	1.60%	1.72%	1.64%	1.60%
Direct transaction costs‡	0.21%	0.18%	0.13%	0.21%	0.18%	0.13%
<b>Prices</b>						
Highest share price	201.64	222.97	203.47	236.06	300.44	282.62
Lowest share price	192.25	188.94	127.33	212.53	253.63	147.15

For the financial year ending	'I' Class (Accumulation shares)			'I' Class (GBP Hedged Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	343.76	337.68	269.63	148.31	147.45	114.56
Return before operating charges*	(2.96)	9.26	70.52	(23.38)	2.25	33.96
Operating charges	(2.31)	(3.18)	(2.47)	(2.44)	(1.38)	(1.07)
Return after operating charges*	(5.27)	6.08	68.05	(25.82)	0.87	32.89
In-specie transfer to the Ninety One Series ii Global Strategic Equity Fund	(338.49)	-	-	(122.49)	-	-
Distributions	(0.23)	(4.23)	(3.04)	(1.84)	(1.83)	(1.20)
Retained distributions on accumulation shares	0.23	4.23	3.04	1.84	1.83	1.20
Closing net asset value per share	-	343.76	337.68	-	148.31	147.45
* after direct transaction costs of :	0.74	0.66	0.36	0.24	0.29	0.15
<b>Performance</b>						
Return after charges	(1.53%)	1.80%	25.24%	(17.41%)	0.59%	28.71%
<b>Other information</b>						
Closing net asset value (£'000)	-	11,406	58,974	-	13,847	78,960
Closing number of shares	-	3,317,965	17,464,410	-	9,336,536	53,548,780
Operating charges	1.10%	0.88%	0.83%	3.56%	0.88%	0.89%
Direct transaction costs‡	0.21%	0.18%	0.13%	0.21%	0.18%	0.13%
<b>Prices</b>						
Highest share price	352.33	387.40	351.38	133.44	166.02	152.83
Lowest share price	336.03	328.81	218.43	120.88	141.98	82.53

## Comparative tables

As at 28 February 2023

For the financial year ending	'S' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	384.07	374.46	296.77
Return before operating charges*	(3.36)	10.16	78.00
Operating charges	(0.81)	(0.55)	(0.31)
Return after operating charges*	(4.17)	9.61	77.69
In-specie transfer to the Ninety One Series ii Global Strategic Equity Fund	(379.90)	-	-
Distributions	(3.19)	(7.70)	(5.82)
Retained distributions on accumulation shares	3.19	7.70	5.82
Closing net asset value per share	-	384.07	374.46
* after direct transaction costs of :	0.82	0.73	0.39
<b>Performance</b>			
Return after charges	(1.09%)	2.57%	26.18%
<b>Other information</b>			
Closing net asset value (£'000)	-	667	743
Closing number of shares	-	173,697	198,415
Operating charges	0.35%	0.14%	0.10%
Direct transaction costs‡	0.21%	0.18%	0.13%
<b>Prices</b>			
Highest share price	395.23	432.11	389.57
Lowest share price	377.03	367.34	240.54

### Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# Global Environment Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'A' Class (Accumulation shares) <sup>1</sup>			'A' Class (USD Accumulation shares) <sup>1</sup>		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	106.32	106.41	100.00	107.24	111.58	100.00
Return before operating charges*	8.32	1.74	6.92	(2.80)	(2.45)	12.07
Operating charges	(1.72)	(1.83)	(0.51)	(1.59)	(1.89)	(0.49)
Return after operating charges*	6.60	(0.09)	6.41	(4.39)	(4.34)	11.58
Distributions	-	-	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share	112.92	106.32	106.41	102.85	107.24	111.58
* after direct transaction costs of :	0.06	0.13	0.44	0.06	0.13	0.43
<b>Performance</b>						
Return after charges	6.21%	(0.08%)	6.41%	(4.09%)	(3.89%)	11.58%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	15,050	15,129	56	806	845	11
Closing number of shares	13,327,832	14,229,705	52,542	783,796	787,525	10,000
Operating charges	1.60%	1.61%	1.63%	1.60%	1.61%	1.63%
Direct transaction costs‡	0.06%	0.11%	0.40%	0.06%	0.11%	0.40%
<b>Prices</b>						
Highest share price	121.31	126.33	117.49	109.84	127.98	120.25
Lowest share price	96.60	99.69	100.00	86.85	100.56	100.00

For the financial year ending	'I' Class (Accumulation shares)			'I' Class (Income shares) <sup>1</sup>		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	146.58	145.62	99.08	106.06	106.05	100.00
Return before operating charges*	11.57	2.30	47.83	8.39	1.68	6.90
Operating charges	(1.28)	(1.34)	(1.29)	(0.95)	(0.98)	(0.27)
Return after operating charges*	10.29	0.96	46.54	7.44	0.70	6.63
Distributions	(0.83)	(0.94)	(0.78)	(0.60)	(0.69)	(0.58)
Retained distributions on accumulation shares	0.83	0.94	0.78	-	-	-
Closing net asset value per share	156.87	146.58	145.62	112.90	106.06	106.05
* after direct transaction costs of :	0.09	0.17	0.58	0.06	0.13	0.44
<b>Performance</b>						
Return after charges	7.02%	0.66%	46.97%	7.01%	0.66%	6.63%
<b>Other information</b>						
Closing net asset value (£'000)	336,747	252,335	96,757	9,209	6,099	2,671
Closing number of shares	214,671,235	172,146,808	66,444,110	8,156,201	5,749,908	2,519,013
Operating charges	0.85%	0.86%	0.89%	0.85%	0.86%	0.89%
Direct transaction costs‡	0.06%	0.11%	0.40%	0.06%	0.11%	0.40%
<b>Prices</b>						
Highest share price	167.85	173.79	160.63	121.45	126.57	117.61
Lowest share price	133.39	137.43	81.71	96.52	100.09	100.00

## Comparative tables

As at 28 February 2023

For the financial year ending	J' Class (Accumulation shares)			J' Class (Income shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	107.47	106.65	100.00	106.00	105.98	100.00
Return before operating charges*	8.49	1.69	6.89	8.40	1.67	6.89
Operating charges	(0.84)	(0.87)	(0.24)	(0.85)	(0.86)	(0.24)
Return after operating charges*	7.65	0.82	6.65	7.55	0.81	6.65
Distributions	(0.72)	(0.81)	(0.67)	(0.71)	(0.79)	(0.67)
Retained distributions on accumulation shares	0.72	0.81	0.67	-	-	-
Closing net asset value per share	115.12	107.47	106.65	112.84	106.00	105.98
* after direct transaction costs of :	0.06	0.13	0.44	0.06	0.13	0.44
<b>Performance</b>						
Return after charges	7.12%	0.77%	6.65%	7.12%	0.76%	6.65%
<b>Other information</b>						
Closing net asset value (£'000)	17,677	13,921	18	16	11	11
Closing number of shares	15,354,750	12,953,811	16,556	14,186	10,000	10,000
Operating charges	0.75%	0.76%	0.77%	0.75%	0.76%	0.77%
Direct transaction costs‡	0.06%	0.11%	0.40%	0.06%	0.11%	0.40%
<b>Prices</b>						
Highest share price	123.12	127.38	117.62	121.43	126.58	117.62
Lowest share price	97.81	100.76	100.00	96.47	100.13	100.00

For the financial year ending	K' Class (Accumulation shares)			K' Class (Income shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	147.24	145.99	99.15	154.34	154.34	100.00
Return before operating charges*	11.63	2.29	47.79	12.19	2.43	56.49
Operating charges	(0.98)	(1.04)	(0.95)	(1.03)	(1.10)	(1.06)
Return after operating charges*	10.65	1.25	46.84	11.16	1.33	55.43
Distributions	(1.14)	(1.26)	(1.01)	(1.19)	(1.33)	(1.09)
Retained distributions on accumulation shares	1.14	1.26	1.01	-	-	-
Closing net asset value per share	157.89	147.24	145.99	164.31	154.34	154.34
* after direct transaction costs of :	0.08	0.18	0.54	0.09	0.19	0.64
<b>Performance</b>						
Return after charges	7.23%	0.86%	47.24%	7.23%	0.86%	55.43%
<b>Other information</b>						
Closing net asset value (£'000)	795,690	764,784	361,001	803,931	728,318	330,309
Closing number of shares	503,960,911	519,407,600	247,281,411	489,271,241	471,883,767	214,016,176
Operating charges	0.65%	0.66%	0.71%	0.65%	0.66%	0.68%
Direct transaction costs‡	0.06%	0.11%	0.40%	0.06%	0.11%	0.40%
<b>Prices</b>						
Highest share price	168.76	174.48	160.99	176.91	184.47	171.39
Lowest share price	134.04	138.05	81.78	140.51	145.96	87.05

## Comparative tables

As at 28 February 2023

For the financial year ending	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	145.82	145.22	99.07	149.10	147.03	99.31
Return before operating charges*	11.47	2.33	47.69	11.82	2.24	47.95
Operating charges	(1.63)	(1.73)	(1.54)	(0.15)	(0.17)	(0.23)
Return after operating charges*	9.84	0.60	46.15	11.67	2.07	47.72
Distributions	(0.45)	(0.56)	(0.46)	(2.00)	(2.14)	(1.67)
Retained distributions on accumulation shares	0.45	0.56	0.46	2.00	2.14	1.67
Closing net asset value per share	155.66	145.82	145.22	160.77	149.10	147.03
* after direct transaction costs of :	0.08	0.17	0.53	0.09	0.18	0.49
<b>Performance</b>						
Return after charges	6.75%	0.41%	46.58%	7.83%	1.41%	48.05%
<b>Other information</b>						
Closing net asset value (£'000)	952	939	182	1,832	1,803	15
Closing number of shares	611,335	643,941	125,553	1,139,316	1,209,173	10,000
Operating charges	1.10%	1.11%	1.18%	0.10%	0.11%	0.19%
Direct transaction costs‡	0.06%	0.11%	0.40%	0.06%	0.11%	0.40%
<b>Prices</b>						
Highest share price	166.78	173.01	160.24	171.34	176.40	162.01
Lowest share price	132.62	136.72	81.69	135.88	139.79	81.93

### Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# Global Gold Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	197.88	176.89	159.01	264.88	246.17	204.71
Return before operating charges*	(16.67)	23.96	21.32	(45.85)	22.74	45.73
Operating charges	(3.02)	(2.97)	(3.44)	(3.65)	(4.03)	(4.27)
Return after operating charges*	(19.69)	20.99	17.88	(49.50)	18.71	41.46
Distributions	(1.67)	(0.94)	-	(2.02)	(1.26)	-
Retained distributions on accumulation shares	1.67	0.94	-	2.02	1.26	-
Closing net asset value per share	178.19	197.88	176.89	215.38	264.88	246.17
* after direct transaction costs of :	0.09	0.08	0.18	0.11	0.10	0.22
<b>Performance</b>						
Return after charges	(9.95%)	11.87%	11.24%	(18.69%)	7.60%	20.25%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	37,308	43,872	38,952	393	676	693
Closing number of shares	20,937,308	22,170,830	22,020,407	182,356	255,382	281,416
Operating charges	1.61%	1.60%	1.59%	1.62%	1.60%	1.59%
Direct transaction costs‡	0.05%	0.04%	0.08%	0.05%	0.04%	0.08%
<b>Prices</b>						
Highest share price	236.81	211.89	273.42	308.31	300.12	358.60
Lowest share price	153.35	165.93	119.25	167.55	223.91	146.91

For the financial year ending	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	198.48	176.10	157.11	104.61	100.00	-
Return before operating charges*	(16.81)	23.96	20.78	(8.63)	6.41	-
Operating charges	(1.62)	(1.58)	(1.79)	(0.88)	(0.55)	-
Return after operating charges*	(18.43)	22.38	18.99	(9.51)	5.86	-
Distributions	(3.10)	(2.33)	(0.76)	(1.64)	(1.25)	-
Retained distributions on accumulation shares	3.10	2.33	0.76	-	-	-
Closing net asset value per share	180.05	198.48	176.10	93.46	104.61	-
* after direct transaction costs of :	0.09	0.08	0.17	0.05	0.04	-
<b>Performance</b>						
Return after charges	(9.29%)	12.71%	12.09%	(9.09%)	5.86%	-
<b>Other information</b>						
Closing net asset value (£'000)	241,139	239,946	202,021	15,225	4,561	-
Closing number of shares	133,932,295	120,894,528	114,721,812	16,290,312	4,360,000	-
Operating charges	0.86%	0.85%	0.84%	0.86%	0.85%	-
Direct transaction costs‡	0.05%	0.04%	0.08%	0.05%	0.04%	-
<b>Prices</b>						
Highest share price	237.77	211.31	271.04	126.82	108.78	-
Lowest share price	154.40	165.91	117.87	81.40	88.49	-



## Comparative tables

As at 28 February 2023

For the financial year ending	'R' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	121.97	108.49	97.04
Return before operating charges*	(10.30)	14.74	12.90
Operating charges	(1.29)	(1.26)	(1.45)
Return after operating charges*	(11.59)	13.48	11.45
Distributions	(1.61)	(1.15)	(0.14)
Retained distributions on accumulation shares	1.61	1.15	0.14
Closing net asset value per share	110.38	121.97	108.49
* after direct transaction costs of :	0.06	0.05	0.11
<b>Performance</b>			
Return after charges	(9.50%)	12.43%	11.80%
<b>Other information</b>			
Closing net asset value (£'000)	513	590	696
Closing number of shares	464,462	483,960	641,798
Operating charges	1.11%	1.10%	1.09%
Direct transaction costs‡	0.05%	0.04%	0.08%
<b>Prices</b>			
Highest share price	146.07	130.11	167.23
Lowest share price	94.76	102.06	72.79

### Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# Global Sustainable Equity Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	221.62	201.35	161.40	296.86	280.35	207.90
Return before operating charges*	11.13	23.89	42.87	(15.28)	21.48	76.23
Operating charges	(3.39)	(3.62)	(2.92)	(4.14)	(4.97)	(3.78)
Return after operating charges*	7.74	20.27	39.95	(19.42)	16.51	72.45
Distributions	(0.21)	(1.00)	(0.10)	(0.26)	(1.37)	(0.13)
Retained distributions on accumulation shares	0.21	1.00	0.10	0.26	1.37	0.13
Closing net asset value per share	229.36	221.62	201.35	277.44	296.86	280.35
* after direct transaction costs of :	0.41	0.17	0.16	0.50	0.23	0.21
<b>Performance</b>						
Return after charges	3.49%	10.07%	24.75%	(6.54%)	5.89%	34.85%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	1,259	1,733	1,883	2,756	2,960	2,870
Closing number of shares	549,046	781,842	935,181	993,319	997,173	1,023,799
Operating charges	1.51%	1.63%	1.61%	1.49%	1.63%	1.61%
Direct transaction costs‡	0.18%	0.08%	0.09%	0.18%	0.08%	0.09%
<b>Prices</b>						
Highest share price	245.77	240.29	210.53	311.03	322.71	293.14
Lowest share price	208.55	202.22	135.93	248.17	279.35	156.73

For the financial year ending	'I' Class (Accumulation shares)			'I' Class (USD Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (c)	28.02.22 (c)	28.02.21 (c)
<b>Change in net assets per share</b>						
Opening net asset value per share	3,254.18	2,934.05	2,334.35	207.06	194.08	142.84
Return before operating charges*	169.40	348.59	622.43	(10.67)	14.84	52.62
Operating charges	(30.30)	(28.46)	(22.73)	(1.43)	(1.86)	(1.38)
Return after operating charges*	139.10	320.13	599.70	(12.10)	12.98	51.24
Distributions	(28.56)	(39.41)	(21.11)	(1.64)	(2.51)	(1.34)
Retained distributions on accumulation shares	28.56	39.41	21.11	1.64	2.51	1.34
Closing net asset value per share	3,393.28	3,254.18	2,934.05	194.96	207.06	194.08
* after direct transaction costs of :	5.76	2.49	2.36	0.35	0.16	0.14
<b>Performance</b>						
Return after charges	4.27%	10.91%	25.69%	(5.84%)	6.69%	35.87%
<b>Other information</b>						
Closing net asset value (£'000)/(USD'000)	15,183	20,788	130,937	66	71	66
Closing number of shares	447,430	638,799	4,462,694	34,090	34,090	34,090
Operating charges	0.95%	0.87%	0.86%	0.73%	0.87%	0.87%
Direct transaction costs‡	0.18%	0.08%	0.09%	0.18%	0.08%	0.09%
<b>Prices</b>						
Highest share price	3,621.40	3,522.38	3,067.02	217.07	224.83	202.88
Lowest share price	3,069.25	2,946.99	1,966.92	173.90	193.40	107.74

## Comparative tables

As at 28 February 2023

For the financial year ending	'M' Class (Accumulation shares) <sup>1</sup>			'R' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	100.00	-	-	275.05	248.61	198.29
Return before operating charges*	(0.99)	-	-	13.83	29.54	52.81
Operating charges	0.56	-	-	(2.79)	(3.10)	(2.49)
Return after operating charges*	(0.43)	-	-	11.04	26.44	50.32
Distributions	(1.01)	-	-	(1.70)	(2.65)	(1.24)
Retained distributions on accumulation shares	1.01	-	-	1.70	2.65	1.24
Closing net asset value per share	99.57	-	-	286.09	275.05	248.61
* after direct transaction costs of :	0.42	-	-	0.52	0.21	0.20
<b>Performance</b>						
Return after charges	(0.43%)	-	-	4.01%	10.64%	25.38%
<b>Other information</b>						
Closing net asset value (£'000)	10	-	-	2,459	1,863	1,554
Closing number of shares	10,000	-	-	859,579	677,321	625,134
Operating charges	(1.16%)	-	-	0.96%	1.13%	1.11%
Direct transaction costs‡	0.18%	-	-	0.18%	0.08%	0.09%
<b>Prices</b>						
Highest share price	104.67	-	-	305.73	297.88	259.90
Lowest share price	98.20	-	-	259.22	249.70	167.05

For the financial year ending	'S' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	265.61	237.68	187.70
Return before operating charges*	13.97	28.26	50.22
Operating charges	(0.54)	(0.33)	(0.24)
Return after operating charges*	13.43	27.93	49.98
Distributions	(4.41)	(5.19)	(3.30)
Retained distributions on accumulation shares	4.41	5.19	3.30
Closing net asset value per share	279.04	265.61	237.68
* after direct transaction costs of :	0.46	0.20	0.18
<b>Performance</b>			
Return after charges	5.06%	11.75%	26.63%
<b>Other information</b>			
Closing net asset value (£'000)	318	817	781
Closing number of shares	114,063	307,567	328,763
Operating charges	0.21%	0.13%	0.12%
Direct transaction costs‡	0.18%	0.08%	0.09%
<b>Prices</b>			
Highest share price	296.61	287.02	248.40
Lowest share price	251.08	238.76	158.23

<sup>1</sup> Share Class M Accumulation was launched on 15th December 2022.

## Comparative tables

As at 28 February 2023

### **Portfolio transaction costs**

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# UK Sustainable Equity Fund

## Comparative tables

As at 28 February 2023

For the financial year ending	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	136.88	140.19	122.66	112.75	116.62	102.63
Return before operating charges*	0.15	(2.20)	18.49	0.11	(1.80)	15.47
Operating charges	(1.00)	(1.11)	(0.96)	(0.82)	(0.92)	(0.76)
Performance fee	-	-	-	-	-	-
Return after operating charges*	(0.85)	(3.31)	17.53	(0.71)	(2.27)	14.71
Distributions	(1.93)	(1.35)	(0.85)	(1.59)	(1.15)	(0.72)
Retained distributions on accumulation shares	1.93	1.35	0.85	-	-	-
Closing net asset value per share	136.03	136.88	140.19	110.45	112.75	116.62
* after direct transaction costs of :	0.14	0.57	0.44	0.12	0.47	0.36
<b>Performance</b>						
Return after charges	(0.62%)	(2.36%)	14.29%	(0.63%)	(2.33%)	14.33%
<b>Other information</b>						
Closing net asset value (£'000)	43,710	51,328	12,618	1,883	1,636	1
Closing number of shares	32,133,414	37,497,980	9,000,674	1,704,491	1,451,159	1,014
Operating charges	0.74%	0.74%	0.74%	0.74%	0.74%	0.71%
Direct transaction costs‡	0.11%	0.38%	0.34%	0.11%	0.38%	0.34%
<b>Prices</b>						
Highest share price	142.22	160.83	147.48	117.14	133.82	123.44
Lowest share price	122.66	133.55	94.93	101.03	111.12	79.43

For the financial year ending	'K' Class (Accumulation shares)			'K' Class (Income shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	138.02	141.01	123.07	100.53	104.01	100.00
Return before operating charges*	0.15	(2.25)	18.58	0.12	(1.65)	5.02
Operating charges	(0.67)	(0.74)	(0.64)	(0.49)	(0.55)	(0.14)
Performance fee	-	-	-	-	-	-
Return after operating charges*	(0.52)	(2.99)	17.94	(0.37)	(2.20)	4.88
Distributions	(2.29)	(1.73)	(1.17)	(1.67)	(1.28)	(0.87)
Retained distributions on accumulation shares	2.29	1.73	1.17	-	-	-
Closing net asset value per share	137.50	138.02	141.01	98.49	100.53	104.01
* after direct transaction costs of :	0.14	0.57	0.44	0.10	0.42	0.37
<b>Performance</b>						
Return after charges	(0.38%)	(2.12%)	14.58%	(0.37%)	(2.12%)	4.88%
<b>Other information</b>						
Closing net asset value (£'000)	61,709	69,895	36,970	5,895	7,033	11
Closing number of shares	44,878,936	50,641,345	26,218,558	5,985,580	6,995,257	10,000
Operating charges	0.49%	0.49%	0.49%	0.49%	0.49%	0.46%
Direct transaction costs‡	0.11%	0.38%	0.34%	0.11%	0.38%	0.34%
<b>Prices</b>						
Highest share price	143.45	161.97	148.33	104.49	119.49	110.33
Lowest share price	123.87	134.66	95.26	90.23	99.34	97.67

## Comparative tables

As at 28 February 2023

For the financial year ending	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)	28.02.23 (p)	28.02.22 (p)	28.02.21 (p)
<b>Change in net assets per share</b>						
Opening net asset value per share	135.54	139.31	122.22	139.74	142.19	123.61
Return before operating charges*	0.15	(2.14)	18.58	0.16	(2.31)	18.70
Operating charges	(1.46)	(1.63)	(1.49)	(0.13)	(0.14)	(0.12)
Performance fee	-	-	-	-	-	-
Return after operating charges*	(1.31)	(3.77)	17.09	0.03	(2.45)	18.58
Distributions	(1.45)	(0.82)	(0.48)	(2.87)	(2.36)	(1.69)
Retained distributions on accumulation shares	1.45	0.82	0.48	2.87	2.36	1.69
Closing net asset value per share	134.23	135.54	139.31	139.77	139.74	142.19
* after direct transaction costs of :	0.14	0.56	0.47	0.15	0.58	0.44
<b>Performance</b>						
Return after charges	(0.97%)	(2.71%)	13.98%	0.02%	(1.72%)	15.03%
<b>Other information</b>						
Closing net asset value (£'000)	972	625	276	9,550	9,564	10,217
Closing number of shares	723,887	461,252	198,246	6,832,846	6,844,416	7,185,376
Operating charges	1.09%	1.09%	1.08%	0.09%	0.09%	0.10%
Direct transaction costs‡	0.11%	0.38%	0.34%	0.11%	0.38%	0.34%
<b>Prices</b>						
Highest share price	140.76	159.53	146.57	145.32	163.68	149.56
Lowest share price	121.20	132.25	94.57	125.73	136.33	95.70

### Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission and taxes.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company

For the year ended 28 February 2023

### 1. Accounting policies

#### a) Basis of accounting

The financial statements on pages 63 to 128 have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014) and amended in June 2017, Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

These Financial Statements are prepared on a going concern basis with the exception of the Global Dynamic Fund which was merged with the Global Strategic Equity, a sub-fund of Ninety One Series ii on 7 October 2022. The Global Dynamic Fund's financial statements have been prepared on a basis other than going concern and there have not been any adjustments required to the presentation. The costs incurred by the fund as a result of the termination will be borne by the ACD with no provision being made in these financial statements for such costs. With the exception of Global Dynamic Fund, the ACD has made an assessment of the sub-funds' ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment covers the period of at least twelve months from the date of issue of these Financial Statements and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service providers operational resilience. The costs of terminating the Global Dynamic Fund will be paid by the ACD.

#### Changes in accounting policies

There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 28 February 2022.

#### b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 28 February 2023 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee. Market value is defined by the SORP as fair value which is generally the bid value.

Delisted securities have been valued at nil market value.

Open Forward Currency Contracts are shown in the Portfolio Statement and are valued using contracted forward rates. The net gains/(losses) are reflected in 'Forward currency contracts' in Net capital gains/(losses).

Open Futures Contracts are shown in the Portfolio Statement and are valued using broker prices. The net gains/(losses) are reflected in 'Derivative contracts' in Net capital gains/(losses).

Open Swap Contracts are shown in the Portfolio Statement and are at fair value. The net gains/(losses) are reflected in 'Derivative contracts' in Net capital gains/(losses).

Option Contracts are shown in the Portfolio Statement and are valued at market value where listed on a recognised exchange, any unlisted contracts held are at fair value. The net gains/(losses) are reflected in 'Derivative contracts' in Net capital gains/(losses).

#### c) Exchange rates

Assets and liabilities held in overseas currencies have been translated into sterling at the exchange rates ruling at noon on 28 February 2023. Transactions during the year are translated at the rate ruling on the transaction date.

#### d) Recognition of revenue

Income encompasses both revenue and capital gains/(losses). Revenue generally includes items such as dividends, interest and other similar items that were previously referred to as 'income'. Capital is the return from holding investments other than part of the return that is revenue.

All dividends and scrip (stock) dividends on equities are recognised when the securities are quoted ex-dividend net of any attributable tax credits. Bank interest, interest on investments and other receivables are accrued up to the accounting date.

Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Revenue from debt securities is accounted for on an effective interest basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, unless the Funds are required to take up all or some of the underwritten shares. In this case the commission is used to reduce the cost of those shares.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

Where derivatives are used to protect or enhance capital, and the motives and circumstances support it, cashflows are treated as capital. Where derivatives are used to protect or enhance revenue, and the motives and circumstances support it, cashflows arising are treated as revenue.

#### e) Expenses

Expenses are accounted for on an accruals basis.

#### f) Taxation

Provision is made for corporation tax at current rates on the excess of taxable revenue over allowable expenses.

#### g) Deferred taxation

Where applicable, a provision is made on all material timing differences between the recognition of revenue in the financial statements and its recognition in the Funds' annual tax returns. Deferred tax liabilities are recognised to the extent that it is possible that an actual liability will crystallise and deferred tax assets are recognised where it is more than likely that an asset is recoverable. No deferred tax assets have been recognised as there is uncertainty over future net revenues to utilise such assets.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 2. Distribution policies

#### a) Basis of distribution

If at the end of the distribution period, revenue exceeds expenses borne by revenue for distribution purposes, the net revenue after taxation of that Fund is available to be distributed to its shareholders. In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue available for the period. At the end of the year, all remaining net revenue is distributed.

Emerging Markets Local Currency Debt Fund will distribute revenue on a quarterly basis.

Global Environment Fund, Global Gold Fund, Global Sustainable Equity Fund and UK Sustainable Fund will distribute annually by reference to net revenue arising during the year ended 28 February 2023.

Any deficit of revenue after taxation will reduce the capital of the Fund.

Distributions on accumulation shares are retained by the Fund and increase the value of the accumulation shares.

#### b) Apportionment to multiple share classes

The allocation of revenue and non class specific expenses is based upon the proportion of the Funds' assets attributable to each share class, on the day the revenue is earned or expense is suffered.

#### c) Stock dividends

Ordinary scrip dividends are treated as revenue and will form part of any distribution. A transfer is made from capital to revenue to compensate for the amount of revenue foregone. In the case of enhanced scrip dividends, any enhancement is taken to capital.

#### d) Interest from debt securities

As noted in note 1d above, revenue from fixed interest securities is accounted for on an effective interest basis, where applicable, UK interest distributions are also based on an effective interest basis.

#### e) Expenses

Management expenses including the General Administration Charge (GAC) and custody are charged against revenue unless otherwise stated in the Ninety One Funds Series Omnibus prospectus 'The Prospectus'. The only exception are the Income-2 ('Inc-2' share classes), where expenses are borne by capital for distribution.

Details of expenses borne by capital can be found in the 'Distributions' note.

#### f) Equalisation

Equalisation takes account of the distributable revenue in the share price that is received on the creation of shares and paid on cancellation of shares and is allocated to the distribution account to equalise the distribution payable to Shareholders.

#### g) Aggregate distribution

The aggregate distribution for the Company is based on the individual funds' net revenue after taxation. Where there is a significant difference between net revenue after taxation and the amounts available for distribution, a reconciliation has been provided.

### 3. Risk management policies

Any investment in stock market funds involves risk. Some of these risks are general, which means that they apply to all funds. Others are specific, which means that they apply to individual funds only.

We monitor our Funds' portfolios against certain parameters, seeking to ensure that they meet an acceptable risk: reward profile.

#### Risk management process

The stock selection and asset allocation of the portfolios are reviewed at periodic fund review meetings. Consideration is given to whether the risk associated with the exposure to particular investment categories or stocks is prudent in the context of the investment objective. The Investment Manager has responsibility for monitoring the existing portfolios in accordance with an overall investment category deviation parameter and seeks to ensure that the portfolios as a whole meet an acceptable risk: reward profile. Monthly market risk reviews are conducted on core funds, investigating levels and trends in risk exposures and the overall diversity of risk contributors. For certain forms of derivative intensive funds, daily predicted Value at Risk levels are also monitored.

Listed below are the specific risks applicable to the Funds. Investors should refer to Clause 5, Appendix 1 of the Prospectus (for specific risks) and Appendix vi of the Prospectus for a detailed explanation of each of the risks highlighted below.

#### General risks

##### Risks associated with investments

##### Accounting

Accounting, auditing and financial reporting standards, practices and disclosure requirements vary between countries and can change and this can be a source of uncertainty in the true value of investments and can lead to a loss of capital or income.



# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Active management

As the Funds are actively managed, the portfolio's constituents may vary from the benchmark and, therefore, the performance of the Funds may differ from that benchmark and so could underperform it.

#### Climate change

Climate change is an evolving risk which could affect the value of the underlying investments of a Fund. Climate change risk includes i) transition risks, being risks associated with markets transitioning to a lower-carbon economy (including extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change) and ii) physical risks which may be acute (e.g. extreme weather events) or chronic (e.g. longer term shifts in climate patterns such as sustained higher temperatures).

#### Cyber attack

Ninety One and its service providers are at risk of cyber attack which can cause operational disruption and impact business operations, potentially leading to financial loss. This can result from the misappropriation of assets or sensitive information, corruption of data or interference with the company's ability to perform its duties relating to, for example, processing transactions, asset valuation and maintenance and adherence to privacy and data security legislation. This could result in reputational damage, regulatory censure, legal fees and other costs. Cyber attacks affecting issuers in which a Fund invests could also cause the Fund's investments to lose value.

#### Efficient portfolio management

Efficient Portfolio Management may be used by the Funds to reduce risk, reduce costs or for the generation of additional capital or income in the Funds at an acceptably low level of risk.

The Funds may use derivatives repo contracts, and stock lending for Efficient Portfolio Management.

It is not intended that using derivatives for Efficient Portfolio Management will increase the volatility of the Funds. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or Efficient Portfolio Management and a Fund may suffer significant loss as a result.

A Fund's ability to use Efficient Portfolio Management techniques may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by Efficient Portfolio Management techniques will be paid to the Funds.

The Investment Manager may use one or more separate counterparties to undertake transactions on behalf of these Funds. A Fund may be required to pledge or transfer collateral from its assets to secure the exposure of such contracts entered into for Efficient Portfolio Management. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements with regards the provision and/or return of collateral and any other payments due to the relevant Fund. The ACD measures the creditworthiness of counterparties as part of the risk management process.

A counterparty may be an associate of the ACD or the Investment Manager which may give rise to a conflict of interest. For further details on the ACD's conflicts of interest policy please contact the ACD.

#### ESG (environmental, social and governance) risk

ESG (Environmental, Social and Governance) risk factors may adversely affect the value of the securities of individual companies, sectors or countries through potential risks to economic growth and financial stability, which may negatively affect the value of the underlying investments of a Fund. Should businesses or countries contribute, or be seen to contribute, to poor environmental, social or governance outcomes then this may attract censure and negatively impact growth prospects, the market price of their securities and/or Fund's ability to buy or sell these securities as expected. Companies or countries with poor ESG outcomes may be subject to price shocks resulting from legal, regulatory, technological or environmental changes. Governments or regulators may impose new requirements on companies or industries relating to ESG obligations which may negatively affect the value of securities.

Environmental factors may include (but are not limited to) the impact of emissions, energy efficiency, the exploitation of natural resources or waste treatment. Social factors may include human rights, treatment of workers and workers' rights or diversity issues. Governance factors may include shareholder rights, remuneration of senior management, conflicts of interest or board independence.

#### Exchange rate fluctuation

Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon. Currency fluctuations may also adversely affect the profitability of an underlying company in which a Fund invests.

#### Income yield

The level of any yield arising from interest and/or dividend payments, and other such sources of income, for a Fund may be subject to fluctuations and is not guaranteed. Therefore the related distribution amount paid, or deemed to be paid, from any Fund's Share Classes may also fluctuate over time and is not guaranteed.

#### Inflation & deflation

Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses in a Fund's investments.

Deflation risk is the risk that prices throughout an economy may decline over time. Deflation may have an adverse effect on company profitability, impacting their value or creditworthiness, which may result in a decline in the value of a Fund's portfolio.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Initial public offerings (IPO) & placement

When a Fund subscribes for an IPO or a placing there is a (potentially lengthy) period between the Fund submitting its application and finding out whether the application has been successful. If the Fund is not allocated the full amount subscribed for due to oversubscription or the security is listed at lower than the issue price (in respect of an IPO only), this may result in a sudden change in the Fund's price. There is also the opportunity cost of having cash committed to the subscription (and therefore out of the market), and not receiving the full allocation. The price of securities involved in initial public offerings are often subject to greater and more unpredictable price changes than more established securities and there may be less financial information available.

#### Pandemics, epidemics and outbreaks of transmissible diseases risks

Investors are cautioned that pandemics, epidemics and outbreaks of transmissible diseases could pose significant and unpredictable risks for the Funds.

To contain pandemics, epidemics or outbreaks of transmissible diseases, governments around the world may take a number of actions, such as regional and country-wide quarantine measures, significant border closures and travel restrictions, ordering the closure of certain business sectors, prohibiting residents' freedom of movement, encouraging or ordering employees to work remotely from home, and banning public activities and events, among others. Such measures can result in the slowing and/or complete idling of commercial activity around the world.

The impacts of these actions could materially and adversely affect the performance of the Funds' investments and more generally the Funds' ability to implement their investment strategies.

In particular, the valuation of a Fund's existing and potential investments may be difficult to assess, and may be subject to a high degree of variability and uncertainty, which may lead to the suspension of the calculation of the net asset value per share of a Fund. Similarly, payments of income or interest and repayment of principal from borrowers may be delayed, and as a result, the predicted timing and amount of cash flows for a Fund may be adversely affected. These impacts and adverse effects are not exhaustive and may evolve rapidly as developments unfold.

In addition, the operations of the ACD, the Investment Manager and/or the Companies' other service providers (or their respective affiliates) could be, adversely impacted, including through quarantine measures and travel restrictions imposed on personnel based or temporarily located in affected countries.

#### Political, legal & regulatory

Expropriation by the state, social or political instability, or other restrictions on the freedom of a Fund to deal in its investments, may all lead to investment losses. It should also be noted that there may be occasions when a government imposes restrictions on a company's operations and/or the free movement of cash.

The regulatory environment may evolve in different territories and changes therein may adversely affect the ability of a Fund to pursue its investment strategies. The regulatory environment within which the Funds operate may be different to the regulatory requirements of the investors' home countries.

#### Risks associated with derivatives

##### EMIR clearing: client segregation model

EMIR requires clearing members of central counterparties established in the European Union to offer their clients (e.g. a Fund) the choice between omnibus accounts and individual accounts in relation to their centrally cleared over-the-counter (OTC) derivative transactions.

The omnibus account option is the minimum standard of client protection permitted under EMIR. Omnibus accounts are accounts at the level of the CCP which contain the OTC derivative positions and the related collateral of several of the clearing member's clients. The pooling of client positions and collateral in this way means that assets related to a client could be used to cover the losses of other clients following a clearing member default. Individual accounts only contain the positions and collateral of the respective account holder and therefore offer a higher level of client protection compared to an omnibus account structure.

For omnibus accounts, a further distinction is made between net omnibus accounts and gross omnibus accounts. In a gross omnibus account, which is the type of account the ACD has selected, positions are recorded on a gross basis by the clearing member for each of its clients and collateral is calculated on a gross basis. In contrast, in a net omnibus account there is netting between the different clients' positions and collateral is calculated on a net basis. Accordingly a gross omnibus account results in less risk for the respective client as following a clearing member default, there is likely to be a larger pool of collateral available to be returned to clients than would be the case in respect of a net omnibus account.

#### Risks associated with share classes

##### Base currency hedged share classes

For the base currency Hedged Share Classes, the ACD will implement a currency hedging strategy to limit exposure to the currency position of the relevant Fund's Base Currency relative to the currency denomination of the relevant base currency hedged Share Class ("BCHSC Currency"). However, there can be no assurance that the strategy implemented by the ACD will be successful.

The currency hedging transactions will be entered into regardless of whether the Base Currency is declining or increasing in value relative to the BCHSC Currency. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant Base Currency relative to the BCHSC Currency, it will also mean that investors will not benefit from an increase in the value of that Base Currency relative to the BCHSC Currency.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

Due to the impossibility of forecasting future market values the currency hedging will not be perfect and the returns of the base currency hedged Share Class, measured in the BCHSC Currency, will not be exactly the same as the returns of an equivalent Share Class denominated in and measured in the relevant Base Currency.

Shareholders should also note that liabilities arising from a Hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

#### Charges to capital

Where the income generated by a Fund's investments is not sufficient to offset the charges and expenses of the Fund they may instead be deducted from the capital of the Fund. This will constrain the rate of capital growth.

For the Inc-2 Share Classes, all expenses attributable to that Share Class will be charged against the capital account of that Share Class. This has the effect of increasing the Share Class' distributions (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

#### Currency denomination

The Currency Denomination of a Share Class in a Fund may not necessarily be an indicator of the currency risk to which its Shareholders are exposed. Currency risk derives from the currency exposures of the underlying assets of a Fund, while the currency denomination of a Share Class only indicates the currency in which the Net Asset Value of that Share Class is valued in.

It is also particularly important to be aware of the difference between a Share Class that is denominated in a given currency and a Share Class that is hedged into that currency. For a full overview of the different Share Classes available please refer to Section 3 of the Prospectus.

#### Distribution from capital

Inc-2 Shares may make distributions from capital as well as from net realised and unrealised capital gains before deduction of fees and expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital and income growth. In addition, this distribution policy may have tax implications for your investment in such Income Shares. If in doubt, please consult your tax adviser.

#### Initial charges

Where an Initial Charge is made, investors who sell their Shares may not, even in the absence of a fall in the value of the Shares, recover the total amount originally subscribed.

#### Transactional risks arising from the hedged share classes

There is a risk that where a Fund has Share Classes that operate a hedge as well as Share Classes that do not, the returns of the latter may be affected, positively or negatively, by inaccuracies and imperfections in the operation of the hedge. This risk arises because Share Classes are not separate legal entities. Hedged Share Classes and un-hedged Share Classes of the same Fund participate in the same pool of assets and/or liabilities of the same Fund.

Shareholders should also note that assets and/or liabilities arising from one Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

#### Portfolio currency hedged share class ("PCHSC")

Due to the impossibility of forecasting future market values and the primary currency exposures in the relevant Fund's portfolio, portfolio currency hedging will never be perfect and the returns of PCHSC may be impacted by exchange rate movements.

Currency hedging transactions will be entered into regardless of whether the primary currency exposures are declining or increasing in value relative to the currency denomination of the PCHSC. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant primary currency exposures relative to the currency denomination of the PCHSC, it will also mean that investors will not benefit from an increase in the value of those primary currency exposures relative to the currency denomination of the PCHSC.

Shareholders should also note that liabilities arising from a hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

By virtue of the hedging techniques used, the performance of any PCHSC will diverge from the performance of the equivalent Share Class that does not make use of these hedging strategies.

Please see Section 2.2.2 of the Prospectus for further details on the types of hedging transactions implemented by the ACD and the risks associated with the PCHSCs.

#### Risks associated with shareholder dealing and portfolio transactions

##### Cancellation

If you exercise any cancellation rights you have, you may not get back the full amount of your investment.

##### Conflicts of Interest

In relation to an investment in a Fund, it should be noted that the ACD, the Investment Manager and other companies within the Ninety One group may, from time to time, act as ACD, management company, investment manager or adviser to other funds, Funds or other client mandates which are competitors to the Fund in question because they follow similar investment objectives to that Fund. It is therefore possible that the ACD and the Investment Manager may in the course of their business dealings have potential conflicts of interest with the Fund. Each of the ACD and the Investment Manager will, however, have regard in such event to their regulatory and contractual obligations and to their overall duty to act in a commercially reasonable manner to act in the best interests of all customers and to treat all customers fairly when undertaking any investment business where potential conflicts of interest may arise.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Counterparty – trading

A Fund may enter into transactions with counterparties, thereby exposing it to the counterparties' credit worthiness and their ability to perform and fulfil their financial obligations (including the timely settlement of trades). This risk may arise at any time a Fund's assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of securities or, as the case may be, sale proceeds. In this situation, the receipt of securities or sale proceeds by a Fund is dependent on the counterparty fulfilling its own delivery obligation.

When entering derivatives transactions and making use of Efficient Portfolio Management techniques, a Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to the relevant investment manager or another member of the relevant Investment Manager's group of companies.

#### Dilution

In certain circumstances a dilution adjustment may be made on the purchase or sale of Shares. In the case of purchases this will reduce the number of Shares acquired, in the case of sales this will reduce the proceeds. Where a dilution adjustment is not made, existing investors in the Fund in question may suffer dilution which will constrain capital growth. The dilution is triggered based on estimated net flows on the Dealing Day, which may differ from the actual net flows for that day.

#### Liquidity risk – fund investments

A Fund may invest in less liquid securities or securities that subsequently become less liquid and therefore may be difficult to sell under certain circumstances. This could have an adverse impact on the market prices or the ability to realise the asset. Lower liquidity for such securities may be a result of lower liquidity in the asset class in general, such as smaller companies or certain categories of credit, or as a result of specific economic or market events, such as the deterioration in the performance of an issuer.

#### Risk of deferred redemptions

In the case of individual or collective redemptions and/or switches which are in aggregate 10% or more of the net asset value of a Fund on a Dealing Day, the ACD may decide without Shareholder approval to defer redemptions to the Valuation Point on the next Dealing Day (see section 3.11). Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

#### Risk of market closure

Certain markets in which a Fund invests may not open every Dealing Day. Consequently, the prices at which the Shares may be bought or sold will be based on prices for the underlying investments that are out of date to a greater or lesser extent. This will cause the returns of the Fund to be affected if purchases or sales of Shares are followed immediately by increases or decreases in the prices of the underlying investments. Causes of market closures can be either from differences in normal market trading days, national or localised public holidays or from non-standard market closures imposed as emergency measures.

#### Risk of remittance restrictions

In some countries, the proceeds from the sale of a security, or dividends or other income, which is due to foreign investors, may not be payable, in full or in part, due to governmental or other restrictions. Any such restrictions will reduce the profit potential of a Fund and may lead to losses. Other such risks may include the introduction of unexpected taxation rules. In some circumstances, governmental or regulatory controls may be imposed affecting the efficient movement of capital (e.g. exchange limitations or currency movements/repatriation).

#### Risk of suspension

In certain circumstances, Shareholders' right to redeem, switch or convert Shares (including a sale by way of conversion) may be suspended (see section 3.10). This will mean that on a temporary basis Shareholders will not have access to their money.

#### Risks associated with fund operations

##### Central securities depositories

For the purposes of the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system ("SSS") is currently not considered as a delegation by the Depository and the Depository would therefore be exempt from its obligation to return an asset lost by an SSS.

##### Custody

Each Fund's assets are safe kept by the Depository or its sub-custodians (which may not be part of the same group of companies as the Depository) and Shareholders in a Fund are exposed to the risk of the Depository or its sub-custodian not being able to fully meet its obligation to return in a short time frame all of the assets held at the Depository or a sub-custodian in the case of its insolvency. Securities of a Fund will normally be identified in the Depository's or sub-custodian's books as belonging to the Fund and will be segregated from the Depository or the sub-custodian's assets. This provides protection for the Fund's assets in the event of the insolvency of either the Depository or its sub-custodian, but does not exclude the risk that the assets will not be returned promptly in the event of insolvency.

A Fund's assets may also be pooled with the securities of other clients of the Depository or sub custodian. In this circumstance, if there were problems with the settlement or custody of any security in the pool then, subject to the requirements of COLL, the loss would be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

In addition, a Fund may be required to place assets outside of the Depositary and the sub-custodian's safekeeping network in order for the Fund to trade in certain markets. In such circumstances the Depositary remains responsible for the proper selection and supervision of the persons safekeeping such assets in the relevant markets. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Fund's investments which could affect the Fund's liquidity and which could lead to investment losses.

The Depositary is liable to a Fund for the loss of an asset held in custody by the Depositary and its sub-custodians. However, the Depositary may have no liability for the loss of an asset where the Depositary can prove that the loss is due to an event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary by the Depositary.

A Fund's cash held on deposit with a Depositary or its sub-custodian is not segregated from the assets of the Depositary or its sub-custodian and is held at the risk of the Fund.

#### Subscale

If a Fund does not reach a sustainable size, this will constrain the Investment Manager from implementing all of the investment decisions that it would like to for the Fund and/or the effect of charges and expenses may be higher than anticipated and the value of the investment consequently reduced. Also, in accordance with the relevant Instrument of Incorporation, a Fund may be liquidated if it does not reach assumed sustainable size and is no longer viable to operate.

#### Fair value pricing

Fair value pricing adjustments may be made to the price of an underlying asset of a Fund, at the absolute discretion of the Board of Directors, to reflect predicted changes in the last available price between the market close and the Valuation Point. There is, however, a risk that this predicted price is not consistent with the subsequent opening price of that security.

#### Fraud

A Fund's assets may be subject to fraud. This includes but is not limited to fraudulent acts at the sub-custodian level such that the sub-custodian does not maintain books and records that reflect the beneficial ownership of the Fund to its assets. Fraud may also arise with regards to counterparty default and/or fraudulent acts of other third parties.

#### Fund legal action

There is no certainty that any legal action taken by a Fund against its service providers, agents, counterparties or other third parties will be successful and Shareholders may not receive compensation in full or at all for any losses incurred. Recourse through the legal system can be lengthy, costly and protracted. Depending on the circumstances, a Fund may decide not to take legal action and/or the Fund may decide to enter into settlement negotiations which may or may not be successful.

#### Higher ongoing charges when investing in funds

Where a Fund invests in other UK or EEA UCITS schemes and/or other funds which are eligible for investment, there may be additional costs of investing in these UCITS/UCIs which may increase the Total Expense Ratio (TER) and/or Ongoing Charges (being a percentage figure shown in the KIID showing the total annual operating costs taken from the assets of the relevant Fund over the period of a year).

#### Liabilities of each company and the funds

As explained in paragraph 2.2.1 of the Prospectus where, under the OEIC Regulations, each Fund within a Company is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds in the same Company, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund in the same Company in every circumstance. However, for the avoidance of doubt there is no liability between Funds in different Companies.

#### Liquidity risk – shareholder activity

Subscriptions, conversions or redemptions of Shares in a Fund may have an impact on the other Shareholders of that Fund, which is commonly known as dilution or concentration.

To match subscriptions, conversions and redemptions of Shares from a Fund, assets may be bought or sold and such transactions may incur costs that the Fund must meet. Where a Fund is forced to buy or sell a significant volume of assets relative to the liquidity normally available in the market, it may affect the price at which those assets are bought or sold (and this may be different from the price at which they are valued), therefore having a dilutive or concentrative impact for the other Shareholders. In addition, the weighting of different holdings within the Fund may change, therefore altering the construction and composition of the Fund. The impact will vary to a lesser or greater extent depending on the volume of transactions, the purchase and sale price of the assets and valuation method used to calculate net asset value of the Fund.

The ACD may at its discretion, but always acting in the best interests of Shareholders, in times of illiquidity, utilise liquidity management tools including, without limitation, the power to defer redemptions and suspend dealing in the Shares of a Fund.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Tax

Tax laws may change without notice and may impose taxes on a retrospective basis, including, without limit, the imposition or increasing of taxes on income and/or unrealised gains which might affect return from a Fund. Taxes may be deducted at source without notice to the Fund and/or the Investment Manager. Tax charged may vary between Shareholders. Tax law and practice may also be unclear, leading to doubt over whether taxes may ultimately become due. Local tax procedures may have the effect of limiting or denying the reclaim of such taxes deducted that might otherwise be available.

#### Third-party operational (including counterparty – service providers)

Each Fund's operations depend on third parties, either for the purpose of segregating duties, or due to delegation/outsourcing of functions by the Investment Manager. Investors in a Fund may suffer disruption or financial loss in the event of third-party operational failure.

#### Specific risks

##### Risks associated with debt investments

##### Contingent convertibles or CoCos

A Fund may invest in contingent convertibles (CoCos), which are a type of debt security issued by financial institutions. The terms of these securities mean that investors in CoCos may suffer losses prior to investors in the same financial institution which hold securities ranking senior to the CoCo bond holders, as the instruments become loss absorbing upon certain triggering (contingent) events related to the solvency of the issuer. This creates uncertainty about how CoCos may perform under stressed conditions and presents risks over the certainty of future interest payments as well as the potential conversion to equity in such a stress scenario.

##### Credit

Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, there exists a risk that that obligation will not be satisfied. This risk is greater the weaker the financial strength of the party. The Net Asset Value of a Fund could be affected by any actual or feared breach of the party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

##### Distressed debt

A Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in insolvency or other reorganisation and liquidation proceedings. These assets involve a high risk of capital loss, uncertainty of interest payments and can suffer from poor liquidity.

##### High yield debt securities

High yield debt securities, that is those that are rated BB+ by Standard & Poor's or Ba1 by Moody's or lower, or are unrated, are subject to greater risk of loss of income and principal due to default by the issuer than are higher-rated debt securities. It may also be more difficult to dispose of, or to determine the value of, high yield debt securities.

##### Interest rate

The earnings or market value of a Fund may be adversely affected by changes in interest rates. This risk can be particularly relevant for Funds holding fixed-rate debt securities (such as bonds), since their values may fall and their yields may decrease below prevailing market rates if interest rates rise. Furthermore, Funds holding fixed-rate debt securities with a long time until maturity may be more sensitive to changes in interest rates than shorter-dated debt securities, for example a small rise in long-term interest rates may result in a more than proportionate fall in the price of a long-dated debt security. Low or negative interest rates pose additional risks to a Fund, because low yields on the Fund's portfolio holdings may have an adverse impact on the Fund's ability to provide a positive yield and return for its Shareholders, pay expenses out of Fund's assets, or, at times, preserve capital.

##### Investment grade

Investment grade debt securities, like other types of debt securities, involve credit risk. As such, they are subject to loss of income and/or principal due to default by the issuer, or if their financial circumstances deteriorate. Investment grade debt securities also face the risk that their ratings can be downgraded.

##### Mortgage backed and other asset backed securities

##### Mortgage backed

A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. As such they are vulnerable to similar risks to traditional fixed income securities as well as specific risks related to the exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the creditworthiness of the underlying mortgage assets and the originator of the security. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

##### Asset backed

Traditional debt securities typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on asset-backed securities (ABS) typically include both interest and partial payment of principal. ABS may be affected by changes to prevailing levels of interest rates. Principal may be prepaid voluntarily, or as a result of refinancing or forced repayment. Principal and interest payments may also not be made on time. The nature and timing of these payments may make the return profile less predictable when compared to other fixed income securities and they can increase the volatility of the Fund. The Fund will be vulnerable to specific risks related to the creditworthiness of the underlying assets and the originator of the security. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### CDOs/CLOs

Collateralised Debt Obligations (CDOs) and Collateralised Loan Obligations (CLOs), represent a participation in, or are secured by, a pool of fixed or floating rate debt obligations. These securities are issued in separate classes with different stated maturities that may have different credit and investment profiles. As the debt pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. Prepayments may cause the actual maturity of the securities to be substantially shorter than its stated maturity. Conversely, slower than anticipated prepayments can extend the effective maturities of the securities, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing their volatility. The securities and other instruments with complex or highly variable prepayment terms generally entail greater market, prepayment and liquidity risks than other asset backed securities (ABS). The securities are generally subject to each of the risks discussed under asset-backed (ABS) securities.

#### CLNs

Credit Linked Notes (CLNs) are executed directly with a counterparty rather than through a recognised exchange and are, therefore, not afforded the same protections as instruments trading on recognised exchanges. CLNs carry the default risk of the counterparty as well as the default risk associated with the underlying credit securities and may not have a claim over the underlying assets in the event of a default by the counterparty. Additionally, when compared to the underlying reference securities, a CLN may provide varying returns because of, for example, the terms of the CLN contract, imperfect matching of price points or coupon payments. In times of stress CLNs may become less liquid and more difficult to price.

#### Risks associated with derivative instruments

##### Cash flow

A Fund may have insufficient cash to meet the margin calls necessary to sustain its position in a derivatives contract. This may result in the Fund having to close a position (or sell other securities to raise the cash) at a time and/or on terms that it may otherwise not have done. This could lead to capital losses for the Fund.

##### Credit default swaps and other synthetic securities

A portion of a Fund's investments may consist of credit default swaps and other synthetic securities the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments. With respect to each synthetic security, a Fund will usually have a contractual relationship only with the counterparty of such synthetic security, and not have a direct claim over the underlying securities or direct rights and remedies against the issuer(s) of such securities. In the event of the insolvency of the counterparty, a Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying securities. Consequently, a Fund will be subject to the credit risk of the counterparty as well as that of the underlying securities.

Additionally, while the Investment Manager expects that the returns on a synthetic security will generally reflect those of the underlying securities, as a result of the terms of the synthetic security and the assumption of the credit risk of the synthetic security counterparty, a synthetic security may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default. Additionally, when compared to the underlying security, the terms of a synthetic security may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or noncredit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the synthetic security, the terms of the synthetic security may permit or require the issuer of such synthetic security to satisfy its obligations by delivering to the relevant Fund securities other than the underlying securities or an amount different than the then current market value of the underlying securities.

##### Derivatives

The use of derivatives may lead to large changes in the value of a Fund and includes the potential for large financial loss if improperly managed.

The value of a derivative typically depends on the value of an underlying asset. The value of the derivative may not be 100% correlated with the value of the underlying asset and therefore a change in the value of the asset may not be matched by a proportionate corresponding change in the value of the derivative.

##### Exchange derivatives

Futures contracts may have restricted liquidity due to certain exchanges limiting fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". These prevent trades from being executed at prices beyond the daily limits during a single trading day. Also, once the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

##### Leverage

Where a Fund uses derivatives to create aggregate exposure that is greater than its net assets, this may lead to potentially large financial loss. This also creates the effect that the Fund will have greater exposure to certain risks that are associated with the use of derivatives (e.g. Counterparty Risk – Trading, OTC Derivatives Risk and market risk).

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued)

For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### OTC (over the counter) derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

OTC derivatives expose a Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not that dispute is valid) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Investors should also refer to the risk factor Counterparty Risk – Trading.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the relevant Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell (in the case of non cash collateral), so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the relevant Fund.

EMIR requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing.

The Funds may enter into OTC derivatives cleared through a clearing house that serves as a CCP. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate the risk completely. The CCP will require margin from the clearing broker which will in turn require margin from the relevant Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the relevant Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the CCP. In the event that the clearing broker becomes insolvent, the central counterparty will try to transfer or “port” the Fund’s transactions and assets to another clearing broker or, if this cannot be achieved, the central counterparty will terminate the Fund’s transactions. The early termination of transactions in this context may result in significant losses to the Fund and there may be a considerable delay in the return of any net sum due to the Fund while insolvency proceedings in respect of the clearing broker are ongoing. In the event that other parties in the clearing structure default (e.g. the central counterparty, custodian, settlement agent or any other clearing brokers instructed by the Fund’s clearing broker), the Fund may not receive all of its assets back, suffer material delay and uncertainty around when and how much assets will be returned and its rights may differ depending on the law of the country in which the party is incorporated and the specific protections that party has put in place.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the transaction. While this type of arrangement allows greater flexibility to tailor the transaction to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

#### Short exposure

Where a Fund uses derivatives to create short exposure there is potential for gains to be made when the underlying securities are falling in value, but a loss could be incurred when the underlying security is rising in value. This means the Fund’s performance will be less closely related to the performance of the type of assets in which it will ordinarily invest.

#### Risks associated with emerging market investments

##### China interbank bond market

The China Interbank Bond Market (“CIBM”) is an OTC market (i.e. trades are conducted directly between the buyer and the seller and not on an exchange) that operates outside of the two main stock exchanges in China. On the CIBM, institutional investors trade sovereign, government and corporate bonds.

The main debt instruments traded on the CIBM include government bonds, bond repo, bond lending, People’s Bank of China (“PBOC”) bills, and other financial debt instruments.

The CIBM is regulated and supervised by the PBOC. The PBOC is responsible for, among other things, establishing listing, trading, functioning rules applying to the CIBM and supervising the market operators of the CIBM.

Counterparty and liquidity risk are particularly relevant to trading on the CIBM.



# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Settlement risk

There are various transaction settlement methods in the CIBM, which involve varying degrees of risk. Although the Investment Manager may be able to negotiate terms which are favourable to the Funds (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where the counterparty does not perform its obligations under a transaction, the Funds will sustain losses.

#### Risks in relation to RMB fixed income securities using the CIBM direct access

The CIBM Direct Access is the PRC investment program revised in 2016 under which certain foreign institutional investors such as the Funds may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent").

#### CIBM direct access rules and regulations

Participation in the CIBM Direct Access by foreign institutional investors (such as the Funds) is governed by rules and regulations set by the Mainland Chinese authorities, i.e. the PBOC and the State Administration of Foreign Exchange in China. Such rules and regulations may be amended from time to time (with retrospective effect).

The CIBM Direct Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Direct Access rules and regulations will not be abolished in the future. Funds, which invest in the PRC markets through the CIBM Direct Access, may be adversely affected as a result of any such changes or abolition.

#### Restrictions to remittances and repatriations risk

Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Direct Access and/or the Bond Settlement Agent which may have an adverse effect on the Funds' liquidity and performance. Repatriations (moving cash offshore from Mainland China) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. It should also be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control should such restrictions be imposed.

#### Securities and cash accounts

Onshore PRC securities are registered in accordance with the relevant rules and regulations and maintained by the Bond Settlement Agent. Onshore cash will be maintained on a cash account with the Bond Settlement Agent.

Beneficial ownership of RMB securities should be acquired by a Fund through CIBM Direct Access. However, beneficial ownership is an untested concept in the PRC.

Investors should note that cash deposited in the cash account of the Funds with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Funds will not have any proprietary rights to the cash deposited in such cash account, and the Funds will become unsecured creditors, ranking on equal footing with all other unsecured creditors, of the Bond Settlement Agent. The Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds will suffer losses.

#### Bond settlement agent risk

There is a risk that the Funds may suffer losses, whether direct or consequential, from the acts or omissions in the settlement of any transaction or in the transfer of funds or securities, default, bankruptcy or disqualification of the Bond Settlement Agent.

Such acts, omissions, default or disqualification may also adversely affect the Funds in implementing their investment strategies or disrupt the operations of the Funds, including causing delays in the settlement of any transaction.

In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Direct Access rules. Such sanctions may adversely impact on the investment by the Funds through the CIBM Direct Access.

#### China tax

In common with other Funds, income and gains derived from China may be subject to withholding tax and VAT and relevant surcharges on the VAT. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Funds' investments. The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-tax profit of Chinese companies and foreign investors in such companies, such as the Funds. There can be no guarantee that future tax laws, regulations, and practice in China will not adversely impact the tax exposure of the Funds and/or their Shareholders.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued)

For the year ended 28 February 2023

### 3. Risk management policies (continued)

The ACD considers that the Funds should be regarded as a UK tax resident and should be able to enjoy a tax exemption on capital gains under the UK-China double tax treaty, although there is no guarantee that the Chinese tax authorities will provide tax treaty relief.

In light of the legal and regulatory uncertainties in China, the Funds reserve the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Funds to the Chinese tax authorities in respect of its investments in China) from assets of the Funds. The amount of provision (if any) will be disclosed in the financial statements of the Funds. In this regard, the Funds have determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Funds may be more or less than the Funds' actual Chinese tax liabilities. If the Funds do not set aside enough to meet these tax obligations, then the shortfall may be debited from the Funds' assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Funds may be reduced/adversely affected. The degree of impact on individual Shareholders may vary depending on whether or not the price they paid or received for Shares reflected any difference between the amount the Funds set aside for tax and their actual tax liabilities.

#### China interbank bond market

The Chinese tax authorities have granted VAT exemption on the capital gains derived by qualified non PRC tax residents from the investments through the China Interbank Bond Market with effective from 1 May 2016. In addition, according to the Caishui 2018 No. 108, effective from 7<sup>th</sup> November 2018 to 6<sup>th</sup> November 2021, there is a three-year tax exemption (including PRC withholding tax, VAT and local surcharges) on the bond interest income derived from the China Interbank Bond Market by qualified non-PRC tax residents.

#### Bond connect

According to the Caishui 2018 No. 108, effective from 7<sup>th</sup> November 2018 to 6<sup>th</sup> November 2021, there is a three-year tax exemption (including withholding tax, VAT and local surcharges) on bond interest income derived by qualified non PRC tax residents through Bond Connect. Except for the above, there is no specific regulation released regarding the tax treatment on capital gains through Bond Connect. Without further clarification, Chinese tax authorities may levy withholding tax, VAT as well as the surcharges on bond capital gains.

In light of the legal and regulatory uncertainties in China, the Companies reserve the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Funds to the Chinese tax authorities in respect of its investments in China) from assets of the Funds. The amount of provision (if any) will be disclosed in the financial statements of the Companies. In this regard, the Companies have, as at the date of the Prospectus, determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Companies may be more or less than the Funds' actual Chinese tax liabilities. If the Funds do not set aside enough to meet these tax obligations, then the shortfall may be debited from the Funds' assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Funds may be reduced/adversely affected and the impact/degree of impact on the individual shareholders may vary, depending on factors such as the level of the Funds' provision for taxes and the amount of the shortfall at the relevant time and when the relevant shareholders subscribed for and/or redeemed their Shares in the Funds.

#### Emerging markets

Emerging Markets investments may be more volatile and less liquid than investments in developed markets and the investments of a Fund in such markets may be subject to significant delays in settlement. In addition, there may be a higher than usual risk of exchange rate, political, economic, social and religious instability and of adverse changes in government regulations. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

#### Frontier market

Frontier markets are considered to be less mature in terms of market size, liquidity and their degree of economic and political stability, may be more volatile and present greater risks than other emerging or developed markets. Some of these markets may be characterised by poor liquidity, narrow economies based on only a few industries, government instability, greater risk of asset expropriation or nationalisation or underdeveloped regulatory systems and corporate governance standards resulting in lower protections for investors. These markets are also more likely to have investment and repatriation restrictions, exchange controls and less developed custodial and settlement systems than other developed and emerging markets. As a result, the relevant Fund may be adversely impacted.

#### Investment in China

Investments in China are particularly exposed to China's economic, social and political system, which may behave differently to other markets, and investments in China may be harder to assess for suitability or risk. China has enjoyed significant economic prosperity in recent years but continued growth cannot be assumed and a decline in China's economic performance may affect a Fund's investment.

Investments in China are subject to State-imposed restrictions, including the operation of trading quotas and currency management; while other State and regulatory intervention may be more unpredictable or intrusive than in other markets. China's laws and regulations relating to securities (including surrounding taxation) are new and evolving, their application is subject to uncertainty, and they may be subject to change in the future. Investments in China may be subject to greater or more frequent rises and falls in value than other markets and may be harder or impossible to buy or sell.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

Accounting and auditing standards in China may also be less rigorous than their international equivalents and this could result in investments being overvalued. Investments held by Chinese brokers may be mixed with other investors' assets or subject to lower safekeeping standards than investments held domestically, which could lead to delays in payment or losses should the broker become insolvent. Chinese investments are denominated in Renminbi and its value may fluctuate widely from other international currencies.

#### Other applicable risks:

Investors should also note the following risk factors, which may be applicable to the Funds, each of which is described in more detail: Accounting, Emerging Markets, Equity Investment, Exchange Rates, Market Action, Market Closure, Political, Settlement and Custody and Tax.

#### QFI risk

Certain Funds (the "QFI Funds") may invest in securities issued in Mainland China in accordance with their investment objective and policies. Other than risks involved in investments made on a worldwide basis and in emerging markets, as well as other risks of investments generally as described which are applicable to investments in China, investors in the QFI Funds should note the additional specific risks below.

#### Custody risk for investment in China:

The Investment Manager (in its capacity as an QFI) and the Depositary have appointed HSBC China (the "QFI Local Custodian") as custodian to maintain the QFI Funds' assets in custody in China, pursuant to relevant laws and regulations. According to the QFI rules and regulations and market practice, onshore Chinese securities shall be registered "in the full name of the investment manager - the name of the Fund -name of the Sub-Fund" in accordance with these rules and regulations, and maintained by the QFI Local Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited. The Depositary will make arrangements to ensure that the QFI Local Custodian has appropriate procedures in place to properly safekeep the QFI Fund's assets including maintaining records that clearly show that such QFI Fund's assets are recorded in the name of that QFI Fund and segregated from the other assets of the QFI Local Custodian. The Chinese regulators have affirmed their recognition of the concepts of nominee holders and beneficiary owners, and the QFI rules and regulations also specify the assets held within an account belong to the client or the fund and should be independent from the assets of the QFI or QFI Local Custodian, despite the registration naming convention of the account. However, this has not been tested in court and such assets may be vulnerable to a claim by creditors or a liquidator of the Investment Manager who incorrectly assume that a QFI Fund's assets belong to the Investment Manager, meaning the assets may not be as well protected as if they were registered solely in the name of the QFI Fund.

Cash shall be maintained in a cash account with the QFI Local Custodian. Investors should note that cash deposited in the cash account of a QFI Fund with the QFI Local Custodian will not be segregated but will be a debt owing from the QFI Local Custodian to that QFI Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the QFI Local Custodian. In the event of bankruptcy or liquidation of the QFI Local Custodian, a QFI Fund will not have any proprietary rights to the cash deposited in such cash account, and that QFI Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the QFI Local Custodian. The QFI Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the QFI Fund will suffer losses.

#### PRC broker risk:

The Investment Manager also selects the PRC Broker to execute transactions for a QFI Fund in the onshore Chinese markets. Should, for any reason, a QFI Fund's ability to use the relevant PRC Broker be affected, this could disrupt the operations of a QFI Fund. A QFI Fund may also incur losses due to the acts or omissions of the relevant PRC Broker(s) in the execution or settlement of any transaction or in the transfer of any funds or securities. In the event of any default of the relevant PRC Broker (directly or through its delegate) in the execution or settlement of any transaction or in the transfer of any funds or securities in the mainland China, a QFI Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of such QFI Fund.

#### QFI regime risk:

Under current Chinese laws and regulations, the QFI Fund's investments in the Chinese securities can only be made by or through an QFI as approved under and subject to applicable Chinese regulatory requirements. The QFI regime is governed by rules and regulations as promulgated by the Mainland Chinese authorities.

Neither the Companies nor the QFI Funds are themselves QFIs, but they may obtain access to the Chinese domestic securities market using the Investment Manager's QFI licence.

Investors should note that QFI status could be suspended or revoked at any time, which may have an adverse effect on an QFI Fund's performance as the Fund may be required to dispose of its securities holdings over a short period. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on an RQFII Fund's liquidity and performance.

The State Administration of Foreign Exchange in China ("SAFE") regulates and monitors the repatriation of funds out of China by an QFI. Repatriations by QFIs in respect of an open-ended fund (such as the QFI Funds) conducted in Renminbi are currently not subject to repatriation restrictions or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the QFI Local Custodian. There is no assurance, however, that the Chinese rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on an QFI Fund's ability to meet redemption requests from Shareholders. Furthermore, as the QFI Local Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Local Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

The SAFE may impose regulatory sanctions if the QFI or the QFI Local Custodian violates any provision of the QFI Measures. Any violations could result in the revocation of the QFI's licence or other regulatory sanctions.

Investors should note that there can be no assurance that an QFI will continue to maintain its QFI status or make available its QFI licence or that redemption requests can be processed in a timely manner due to repatriation restrictions or adverse changes in relevant laws or regulations. Such factors may restrict the ability to process subscriptions and/or redemptions in a timely manner. In extreme circumstances, an QFI Fund may incur significant losses due to limited investment capabilities, or inability to fully implement or pursue its investment objective or strategy due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI regulations are subject to change, which may take retrospective effect. Their application may depend on the interpretation given by the Mainland Chinese authorities. In addition, there can be no assurance that the QFI regulations will not be abolished. An QFI Fund, which invests in the Chinese domestic securities markets, may be adversely affected as a result of such changes.

#### Stock connect

To the extent that a Fund's investments in China are dealt via Hong Kong Shanghai Stock Connect or Shenzhen Stock Connect ("Stock Connect"), such dealing will be subject to additional risk factors.

Stock Connect is a relatively new trading programme, therefore the relevant rules and regulations are untested and subject to change. Since investments through Stock Connect are subject to certain restrictions (including trading day restrictions, pre-trade checking, eligibility of stock, quota limits and daily trade quotas), investments may be subject to greater or more frequent rises and falls in value and may be harder to buy or sell.

Under Stock Connect, overseas investors such as the investing Funds may invest directly in certain China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange ("Stock Connect Shares"). The Funds trade Stock Connect Shares through brokers who are Hong Kong Stock exchange participants.

Stock Connect Shares purchased through Stock Connect are uncertified and held in accounts in the Hong Kong Central Clearing and Settlement System maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC"), the central securities depository in Hong Kong. HKSCC in turn holds the legal title to the Stock Connect Shares of all its participants through a nominee omnibus securities account in its name, registered with ChinaClear, the central securities depository in China.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Shares and/or monies in connection with them and the Funds may suffer losses as a result.

Foreign investors like the Funds investing through the Stock Connect remain beneficial owners of the Stock Connect Shares and are only eligible to exercise their rights to the Stock Connect Shares in China through the HKSCC nominee.

In the event of a default of ChinaClear, HKSCC through its nominee is likely to seek to recover any outstanding Stock Connect Shares on behalf of the Funds from ChinaClear through available legal channels but it is not obligated to do so. If HKSCC does not enforce claims against ChinaClear the Fund may not be able to recover all of its Stock Connect Shares.

Trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund.

Investors should also consider the Investment in China detailed which applies to investment in China.

#### Risks associated with equity investments

##### Equity investment

The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

##### Smaller companies

Smaller company shares may be less liquid and more volatile than the shares of larger companies, due to the smaller market capitalisation and the frequently less diversified and less established nature of their businesses. These factors can create a greater potential for significant capital losses.

##### Style bias

Certain investment strategies adhere to a specific style or overall investment philosophy when selecting investments for a Fund. This can result in particular characteristics (or styles) being exhibited at a fund level, for example value, quality or growth characteristics.

This may result in the portfolios of these Funds being substantially different from broader benchmarks or investment universes, which could in turn result in relative performance deviating significantly from the performance of the broader market for potentially long periods of time.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Risks associated with investment strategy

##### Commodities

Investing in commodity-linked derivative instruments, exchange traded instruments and/or the equity securities of commodity-related companies may subject the Fund to greater volatility than investments in traditional securities. The commodities markets may fluctuate widely based on a variety of factors. Movements in commodity prices are outside of the Fund's control and may not be anticipated by the Investment Manager. Price movements may be influenced by, among other things: governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies; changing market and economic conditions; market liquidity; weather and climate conditions; changing supply and demand relationships; the availability of transportation systems; energy conservation; the success of exploration projects; changes in international balances of payments and trade; domestic and foreign rates of inflation; currency fluctuations; domestic and foreign political and economic events; domestic and foreign interest rates and/or investor expectations concerning interest rates; domestic and foreign governmental regulation and taxation; war, acts of terrorism and other political upheaval and conflicts; governmental expropriation; investment and trading activities of mutual funds, hedge funds and commodities funds. The frequency and magnitude of such changes are unpredictable.

##### Concentration

A Fund which invests in a concentrated portfolio of holdings may be more volatile than more broadly diversified funds.

##### Income priority

Where a Fund gives priority to income over capital growth this may constrain the rate of future capital and income growth.

##### Sector and/or geographical

A Fund that restricts investment to a small number of related sectors and / or geographical locations will be subject to risks specific to those sectors and/or locations and may decline even while broader based market indices are rising.

##### Sustainable strategies

Sustainable, impact or other environmental, social and governance (ESG) focused funds consider specific factors related to their strategies in assessing and selecting investments. As a result, they will exclude certain industries and companies that do not meet their criteria. This may result in their portfolios being substantially different from broader benchmarks or investment universes, which could in turn result in relative investment performance deviating significantly from the performance of the broader market.

#### Emerging Markets Local Currency Debt Fund

China Interbank Bond Market  
China tax  
CIBM Direct Access  
Credit  
Derivatives  
Emerging Markets  
Exchange Derivatives  
Frontier Market Risk  
High Yield Debt Securities  
Income Priority  
Interest Rate  
Investment Grade  
Investment in China  
Leverage  
Mortgage Backed and Other Asset  
Backed Securities  
OTC Derivative Instruments

#### Global Dynamic Fund

China tax  
Derivatives  
Emerging Markets  
Equity Investment  
Investment in China  
Stock Connect

#### Global Environment Fund

China tax  
Commodities  
Concentration  
Derivatives  
Emerging Markets  
Equity Investment  
Investment in China  
RQFII  
Sector and / or Geographical  
Stock Connect  
Sustainability Risk

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### 3. Risk management policies (continued)

#### Global Gold Fund

Commodities  
Concentration  
Contingent Convertibles or CoCos  
Derivatives  
Emerging Markets  
Equity Investment  
Sector and / or Geographical

#### Global Sustainable Equity Fund

China tax  
Derivatives  
Emerging Markets  
Equity Investment  
Investment in China  
Stock Connect

#### UK Sustainable Equity Fund

Derivatives  
Equity Investment  
RQFII  
Smaller Companies  
Sustainability Risk

#### Sensitivity analysis

The table below shows the funds' beta; this is a historical measure of the funds' sensitivity to movements in well known markets. A beta of 1.0 would suggest that a fund had experienced a close relationship to the volatility of the market index against which it was being measured, rising when the market rises and falling when it falls in a one to one manner. A beta of 1.5 would suggest that a fund had experienced movements of 1.5 times the index i.e. the fund was more volatile than the market. A beta of 0.5 would suggest that a fund had experienced movements in values of half of the index's movement i.e. the fund was less volatile than the market. Broadly speaking, if a fund has a beta of 'B' to an index, it means that if the index value changes by 'X'% we could expect the fund value to change by 'B' multiplied by 'X'%.

Of course, this is only an expectation, but it is a good indicator of the risk currently faced by particular funds.

	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index
<b>2023*</b>			
Emerging Markets Local Currency Debt Fund	n/a	n/a	0.37
Global Environment Fund	0.58	0.23	n/a
Global Gold Fund	0.25	0.03	n/a
Global Sustainable Equity Fund	0.51	0.24	n/a
UK Sustainable Equity Fund	0.62	0.17	n/a

	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index
<b>2022**</b>			
Emerging Markets Local Currency Debt Fund	n/a	n/a	0.22
Global Dynamic Fund	0.79	0.43	n/a
Global Environment Fund	0.61	0.46	n/a
Global Gold Fund	0.42	0.19	n/a
Global Sustainable Equity Fund	0.68	0.40	n/a
UK Sustainable Equity Fund	0.58	0.28	n/a

Past performance is not a guide to future performance.

\* Source: Lipper 01.03.22 – 28.02.23 using monthly sub-periods for class 'I' accumulation shares.

\*\* Source: Lipper 01.03.21 – 28.02.22 using monthly sub-periods for class 'I' accumulation shares.

# Ninety One Fund Series iii

## Notes to the Financial Statements of the Company (continued) For the year ended 28 February 2023

### **4. Dilution adjustment**

A dilution adjustment may be applied at the ACD's discretion to all purchases, sales and switches of shares where the impact of the net deals is believed to have a material effect. A dilution adjustment or levy is a method to ensure fair treatment between investors joining or remaining in a Fund. We reserve the right to levy a dilution adjustment on any deals. The price of the shares of a Fund may be adjusted to protect its value from being reduced in the case of larger scale movements into or out of the Fund.

Full details on the ACD policy for dilution adjustment can be found in the Prospectus.

We hereby certify the ACD's Report and Financial Statements on behalf of the Directors of Ninety One Fund Managers UK Limited.

**A. Fletcher**

Director of the ACD

30 June 2023

**N. Smith**

Director of the ACD

## Emerging Markets Local Currency Debt Fund

### Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital losses	4		(2,882)		(8,797)
Revenue	6	7,165		5,975	
Expenses	7	(944)		(1,071)	
Interest payable and similar charges	8	(814)		(5)	
Net revenue before taxation		5,407		4,899	
Taxation	9	(127)		(115)	
Net revenue after taxation			5,280		4,784
<b>Total return before distributions</b>			<b>2,398</b>		<b>(4,013)</b>
Distributions	10		(5,408)		(4,900)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(3,010)</b>		<b>(8,913)</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

		01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>94,267</b>		<b>114,190</b>
Amounts receivable on creation of shares		7,918		15,909	
Amounts payable on cancellation of shares		(19,466)		(31,066)	
			(11,548)		(15,157)
Dilution adjustment			12		-
Change in net assets attributable to shareholders from investment activities			(3,010)		(8,913)
Retained distributions on accumulation shares			4,578		4,147
<b>Closing net assets attributable to shareholders</b>			<b>84,299</b>		<b>94,267</b>

### Balance Sheet

As at 28 February 2023

	Note	28.02.23		28.02.22	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments assets			81,980		96,520
Current assets					
Debtors	11	4,372		2,987	
Cash and bank balances	12	7,819		2,083	
Total other assets			12,191		5,070
<b>Total assets</b>			<b>94,171</b>		<b>101,590</b>
<b>Liabilities</b>					
Investment liabilities			3,105		2,846
Provisions for liabilities	13a		25		1
Creditors					
Bank overdrafts		3,322		158	
Distribution payable		203		123	
Other creditors	13b	3,217		4,195	
Total other liabilities			6,742		4,476
<b>Total liabilities</b>			<b>9,872</b>		<b>7,323</b>
<b>Net assets attributable to shareholders</b>			<b>84,299</b>		<b>94,267</b>

Notes to the financial statements are on pages 81 to 89.



# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital losses

The net capital losses during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Gains/(losses) on foreign exchange	232	(728)
Derivative contracts	94	45
Forward currency contracts	(1,031)	(452)
Non-derivative securities	(2,154)	(7,649)
Transaction charges	(23)	(13)
<b>Net capital losses</b>	<b>(2,882)</b>	<b>(8,797)</b>

#### 5. Purchases, sales and transaction costs

There were no transactions costs incurred during the year to 28 February 2023.

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Bonds	49,770	47,097	61,715	50,655
Collective investment schemes	35,527	19,672	33,848	18,011
Swaps	159,485	32,588	159,755	33,625
Treasury bills	5,374	5,266	8,154	5,816
<b>Trades excluding transaction costs</b>	<b>250,156</b>	<b>104,623</b>	<b>263,472</b>	<b>108,107</b>
<b>Commissions</b>				
Total commissions	-	-	-	-
<b>Taxes</b>				
Total costs	-	-	-	-
<b>Net trades in the year after transaction costs</b>	<b>250,156</b>	<b>104,623</b>	<b>263,472</b>	<b>108,107</b>

#### Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>	-	-	-	-
<b>Taxes</b>	-	-	-	-

#### Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	-	-
Taxes	-	-
<b>Total costs</b>	<b>-</b>	<b>-</b>

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.45% (28.02.22: 0.42%).

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Bank interest	831	15
Interest on debt securities	6,147	5,804
Interest on total return swaps	-	3
Offshore distribution taxable from collective investment schemes	187	153
<b>Total revenue</b>	<b>7,165</b>	<b>5,975</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	800	918
General administration charge (GAC)	72	82
	872	1,000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	55	69
	55	69
<b>Other expenses:</b>		
VAT refund	(7)	(11)
Out of pocket expenses	3	1
Collateral interest fee	21	12
	17	2
<b>Total expenses</b>	<b>944</b>	<b>1,071</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £13,910 (28.02.22: £13,355).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Interest payable and similar charges

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Interest	6	4
Margin Interest	808	1
<b>Total interest payable and similar charges</b>	<b>814</b>	<b>5</b>

### 9. Taxation

(a) Analysis of the tax charge in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Irrecoverable income tax	102	117
Capital Gains Tax on Treasury Bills	25	(2)
<b>Current tax charge</b>	<b>127</b>	<b>115</b>
Deferred tax charge (note 9(c))	-	-
<b>Total tax charge (note 9(b))</b>	<b>127</b>	<b>115</b>

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 9. Taxation (continued)

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	5,407	4,899
Corporation tax of 20%	1,081	980
<b>Effects of:</b>		
Non taxable overseas dividends	(2)	(1)
Tax deductible interest distributions	(1,080)	(979)
Irrecoverable income tax	103	117
Indian Capital Gain Tax	25	(2)
<b>Total tax charge (note 9(a))</b>	<b>127</b>	<b>115</b>

#### (c) Provision for deferred taxation:

There is a deferred tax liability as at the Balance Sheet date of £25,000 due to Indian Capital Gain Tax (2021: £1,000).

### 10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
First quarter	1,297	1,104
Second quarter	1,473	1,458
Third quarter	1,224	1,301
Final	1,346	947
<b>Add:</b> Equalisation deducted on cancellation of shares	120	195
<b>Less:</b> Equalisation received on creation of shares	(52)	(105)
<b>Net distribution for the year</b>	<b>5,408</b>	<b>4,900</b>

The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue after taxation	5,280	4,784
ACD fee	88	99
General administration charge (GAC)	9	10
Safe custody fee	6	7
Capital Gain Tax	25	-
<b>Net distribution for the year</b>	<b>5,408</b>	<b>4,900</b>

### 11. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued bond interest	1,368	1,341
Amounts receivable for creation of shares	37	66
Sales awaiting settlement	2,967	1,580
	<b>4,372</b>	<b>2,987</b>

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

<b>12. Cash and bank balances</b>	<b>28.02.23</b>	<b>28.02.22</b>
	<b>£'000</b>	<b>£'000</b>
Cash and bank balances	7,274	1,685
Amount held at futures clearing houses and brokers	545	398
	<b>7,819</b>	<b>2,083</b>

<b>13a. Provision for liabilities</b>	<b>28.02.23</b>	<b>28.02.22</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax liability	25	1
	<b>25</b>	<b>1</b>

<b>13b. Other creditors</b>	<b>28.02.23</b>	<b>28.02.22</b>
	<b>£'000</b>	<b>£'000</b>
Amounts payable for cancellation of shares	139	4,090
Purchases awaiting settlement	2,980	–
Accrued ACD fees	60	67
Accrued general administration charge (GAC)	5	6
Accrued safe custody fee	19	28
Accrued transaction charges	14	4
	<b>3,217</b>	<b>4,195</b>

### 14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

### 15. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

Included in note 5 are purchases and sales to the value of £687,032.60 (28.02.22: £Nil) and £Nil (28.02.22: £Nil) respectively where Ninety One UK Limited and Investec Bank acted as broker, no commission was received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 11 and 13.

At the year end date 0.01% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (28.02.22: Nil%).

### 16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

### 17. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	<b>28.02.23</b>	<b>28.02.22</b>
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'R' Shares	1.00%	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 17. ACD Fee and charges (continued)

Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'A' Class (Accumulation shares)	8,169,467	1,467,171	(1,516,033)	-	8,120,605
'A' Class (USD Accumulation shares)	74,000	-	-	-	74,000
'A' Class (Income-2 shares)	1,113,237	15,862	(49,468)	(4,798)	1,074,833
'I' Class (Accumulation shares)	65,967,439	1,663,452	(13,878,535)	-	53,752,356
'I' Class (USD Accumulation shares)	25,575	-	-	-	25,575
'I' Class (Income-2 shares)	14,106,725	5,817,604	(3,136,463)	-	16,787,866
'R' Class (Accumulation shares)	99,153	390	(11,447)	-	88,096
'R' Class (Income-2 shares)	46,927	1,234	(1,951)	6,155	52,365

### 18. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2023 was:

Currency	Currency exposure	
	28.02.23 Total £'000	28.02.22 Total £'000
Argentine peso	-	(3)
Brazilian real	7,488	10,070
Chilean peso	352	1,974
Chinese yuan	(3,268)	1,113
Chinese yuan offshore	9,407	4,412
Colombian peso	5,373	3,886
Czech koruna	4,803	6,597
Dominican peso	1,075	-
Egyptian pound	3,425	1,663
Euro	150	1,517
Ghanaian cedi	736	(79)
Hungarian forint	2,524	1,071
Indian rupee	41	(4,362)
Indonesian rupiah	9,924	13,318
Israeli sheqel	1,882	-
Kazakhstan tenge	(13)	(10)
Kenyan shilling	-	1,069
Malaysian ringgit	8,337	12,278
Mexican peso	9,331	9,076
Nigerian naira	(966)	-
Peruvian nuevo sol	3,927	2,240
Philippine peso	(1,854)	(4,229)
Polish zloty	6,129	8,815
Romanian leu	3,509	(435)
Russian ruble	105	4,203
Serbian dinar	-	(7)
Singapore dollar	1,982	4,334
South African rand	6,577	10,256
South Korean won	(77)	64
Sterling	(235)	(3,462)
Taiwan dollar	(2,160)	-
Thai baht	10,243	9,169
Turkish lira	-	(691)
Uganda shilling	891	(28)
Ukrainian hryvnia	652	(476)
Uruguayan peso	17	(1)
US dollar	(6,794)	(552)
Zambian Kwacha	786	1,477
<b>Total</b>	<b>84,299</b>	<b>94,267</b>

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 18. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 28 February 2023 was as follows:

Currency	Floating rate	Fixed rate	Financial	Total
	financial	financial	assets	
	assets	assets	not	
	28.02.23	28.02.23	carrying	28.02.23
	£'000	£'000	interest	28.02.23
			£'000	£'000
Argentine peso	-	-	-	-
Brazilian real	33	7,727	(272)	7,488
Chilean peso	-	1,816	(1,464)	352
Chinese yuan	(3,277)	-	9	(3,268)
Chinese yuan offshore	3,320	-	6,087	9,407
Colombian peso	11	1,633	3,729	5,373
Czech koruna	72	5,444	(713)	4,803
Dominican peso	-	1,043	32	1,075
Egyptian pound	4	384	3,037	3,425
Euro	4	-	146	150
Ghanaian cedi	-	-	736	736
Hungarian forint	-	284	2,240	2,524
Indian rupee	-	-	41	41
Indonesian rupiah	-	6,033	3,891	9,924
Israeli sheqel	1	-	1,881	1,882
Kazakhstan tenge	-	-	(13)	(13)
Kenyan shilling	-	-	-	-
Malaysian ringgit	-	7,675	662	8,337
Mexican peso	(16)	9,677	(330)	9,331
Nigerian naira	-	-	(966)	(966)
Peruvian nuevo sol	-	1,972	1,955	3,927
Philippine peso	-	-	(1,854)	(1,854)
Polish zloty	110	3,208	2,811	6,129
Romanian leu	1	3,474	34	3,509
Russian ruble	364	105	(364)	105
Serbian dinar	-	-	-	-
Singapore dollar	2	-	1,980	1,982
South African rand	330	6,343	(96)	6,577
South Korean won	171	2,398	(2,646)	(77)
Sterling	14	-	(249)	(235)
Taiwan dollar	-	-	(2,160)	(2,160)
Thai baht	-	5,822	4,421	10,243
Turkish lira	-	-	-	-
Uganda shilling	-	858	33	891
Ukrainian hryvnia	19	1,073	(440)	652
Uruguayan peso	-	17	-	17
US dollar	3,326	3,105	(13,225)	(6,794)
Zambian Kwacha	7	1,622	(843)	786
<b>Total</b>	<b>4,496</b>	<b>71,713</b>	<b>8,090</b>	<b>84,299</b>

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 18. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 28 February 2022 was as follows:

Currency	Floating rate	Fixed rate	Financial	Total
	financial	financial	assets	
	assets	assets	not	
	28.02.22	28.02.22	carrying	28.02.22
	£'000	£'000	interest	28.02.22
			£'000	£'000
Argentine peso	-	-	(3)	(3)
Brazilian real	-	5,014	5,056	10,070
Chilean peso	-	-	1,974	1,974
Chinese yuan	-	1,093	20	1,113
Chinese yuan offshore	-	7,469	(3,057)	4,412
Colombian peso	-	4,097	(211)	3,886
Czech koruna	52	4,230	2,315	6,597
Egyptian pound	-	3,864	(2,201)	1,663
Euro	-	-	1,517	1,517
Ghanaian cedi	-	-	(79)	(79)
Hungarian forint	-	2,655	(1,584)	1,071
Indian rupee	-	-	(4,362)	(4,362)
Indonesian rupiah	-	9,413	3,905	13,318
Kazakhstan tenge	-	-	(10)	(10)
Kenyan shilling	-	1,064	5	1,069
Malaysian ringgit	-	10,197	2,081	12,278
Mexican peso	(5)	6,589	2,492	9,076
Nigerian naira	-	-	-	-
Peruvian nuevo sol	-	2,398	(158)	2,240
Philippine peso	-	-	(4,229)	(4,229)
Polish zloty	5	897	7,913	8,815
Romanian leu	-	1,438	(1,873)	(435)
Russian ruble	-	3,713	490	4,203
Serbian dinar	-	-	(7)	(7)
Singapore dollar	-	-	4,334	4,334
South African rand	282	7,168	2,806	10,256
South Korean won	64	-	-	64
Sterling	1,011	-	(4,473)	(3,462)
Taiwan dollar	-	-	-	-
Thai baht	-	6,505	2,664	9,169
Turkish lira	-	-	(691)	(691)
Uganda shilling	-	1,054	(1,082)	(28)
Ukrainian hryvnia	-	702	(1,178)	(476)
Uruguayan peso	-	-	(1)	(1)
US dollar	-	1,157	(1,709)	(552)
Zambian Kwacha	-	1,651	(174)	1,477
<b>Total</b>	<b>1,409</b>	<b>82,368</b>	<b>10,490</b>	<b>94,267</b>

# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 28 February 2023 was as follows:

#### (a) Swaps

Counterparty	Value of collateral	
	28.02.23 £'000	28.02.22 £'000
Citibank	(101)	(288)
Goldman Sachs	(159)	13
HSBC Bank	(38)	-
Standard Chartered Bank	30	-
<b>Total</b>	<b>(268)</b>	<b>(275)</b>

#### (b) Forwards

Counterparty	Market value	
	28.02.23 £'000	28.02.22 £'000
Barclays	(8)	143
BNP Paribas	3	(99)
Citibank	(636)	6
Goldman Sachs	285	(10)
HSBC	61	23
JP Morgan	156	(209)
Merrill Lynch	(126)	(41)
Standard Chartered Bank	(117)	73
State Street Bank	25	159
<b>Total</b>	<b>(357)</b>	<b>45</b>

#### (c) Futures

Counterparty	Market value	Value of exposure
	28.02.23 £'000	28.02.23 £'000
Goldman Sachs	(50)	-
Rand Merchant Bank	(82)	52
<b>Total</b>	<b>(132)</b>	<b>52</b>

#### (d) Cash Collateral

The value of collateral received and pledged as at 28 February 2023 was:

Counterparty	Collateral asset class	Collateral pledged £'000	Collateral received £'000	Collateralized assets
Citibank	Cash	732	-	Forward FX
JP Morgan	Cash	-	116	Forward FX
Merrill Lynch	Cash	116	-	Forward FX
<b>Total</b>		<b>848</b>	<b>116</b>	

The value of collateral received and pledged as at 28 February 2022 was:

Counterparty	Collateral asset class	Collateral pledged £'000	Collateral received £'000	Collateralized assets
BNP Paribas	Cash	112	-	Forward FX
Citibank	Cash	212	-	Forward FX
HSBC	Cash	-	82	Forward FX
JP Morgan	Cash	194	-	Forward FX
Standard Chartered Bank	Cash	-	164	Forward FX
State Street Bank	Cash	-	82	Forward FX
<b>Total</b>		<b>518</b>	<b>328</b>	



# Emerging Markets Local Currency Debt Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 20. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	2,721	(132)	55	(3)
Level 2	78,081	(2,973)	96,465	(2,843)
Level 3	1,178	-	-	-
<b>Total fair value</b>	<b>81,980</b>	<b>(3,105)</b>	<b>96,520</b>	<b>(2,846)</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

# Emerging Markets Local Currency Debt Fund

## Distribution Tables

For the year ended 28 February 2023

### Interim distribution paid 31 July 2022

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March and 31 May 2022

	Net Income pence	Equalisation pence	Distribution paid 31.07.22 pence	Distribution paid 31.07.21 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.0926	–	2.0926	1.4956
Group 2	1.3185	0.7741	2.0926	1.4956
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.1637	–	1.1637	0.9917
Group 2	0.7992	0.3645	1.1637	0.9917
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.4442	–	1.4442	1.0938
Group 2	0.9903	0.4539	1.4442	1.0938
<b>'I' Class (Income-2 shares)</b>				
Group 1	0.9838	–	0.9838	0.8507
Group 2	0.6168	0.3670	0.9838	0.8507
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.2691	–	1.2691	0.9457
Group 2	0.8261	0.4430	1.2691	0.9457
<b>'R' Class (Income-2 shares)</b>				
Group 1	0.8894	–	0.8894	0.7672
Group 2	0.4243	0.4651	0.8894	0.7672
	Net Income US cent	Equalisation US cent	Distribution paid 31.07.22 US cent	Distribution paid 31.07.21 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	2.9431	–	2.9431	2.3748
Group 2	2.9431	–	2.9431	2.3748
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	3.7548	–	3.7548	3.1982
Group 2	3.7548	–	3.7548	3.1982

# Emerging Markets Local Currency Debt Fund

## Distribution Tables (continued)

For the year ended 28 February 2023

### Interim distribution paid 31 October 2022

Group 1 – Shares purchased before 1 June 2022

Group 2 – Shares purchased between 1 June and 31 August 2022

	Net Income pence	Equalisation pence	Distribution paid 31.10.22 pence	Distribution paid 31.10.21 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.4741	–	2.4741	2.2508
Group 2	1.5240	0.9501	2.4741	2.2508
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.3077	–	1.3077	1.3126
Group 2	0.3389	0.9688	1.3077	1.3126
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.6803	–	1.6803	1.5471
Group 2	0.9305	0.7498	1.6803	1.5471
<b>'I' Class (Income-2 shares)</b>				
Group 1	1.1329	–	1.1329	1.1283
Group 2	0.7841	0.3488	1.1329	1.1283
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.4836	–	1.4836	1.3629
Group 2	0.7685	0.7151	1.4836	1.3629
<b>'R' Class (Income-2 shares)</b>				
Group 1	1.0193	–	1.0193	1.0195
Group 2	0.3124	0.7069	1.0193	1.0195
	Net Income US cent	Equalisation US cent	Distribution paid 31.10.22 US cent	Distribution paid 31.10.21 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	3.2172	–	3.2172	3.4703
Group 2	3.2172	–	3.2172	3.4703
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	4.0334	–	4.0334	4.3999
Group 2	4.0334	–	4.0334	4.3999

# Emerging Markets Local Currency Debt Fund

## Distribution Tables (continued)

For the year ended 28 February 2023

### Interim distribution paid 31 January 2023

Group 1 – Shares purchased before 1 September 2022

Group 2 – Shares purchased between 1 September and 30 November 2022

	Net Income pence	Equalisation pence	Distribution paid 31.01.23 pence	Distribution paid 31.01.22 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.1186	–	2.1186	2.0312
Group 2	0.8845	1.2341	2.1186	2.0312
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.1478	–	1.1478	1.1869
Group 2	0.3418	0.8060	1.1478	1.1869
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.4732	–	1.4732	1.4158
Group 2	0.7505	0.7227	1.4732	1.4158
<b>'I' Class (Income-2 shares)</b>				
Group 1	0.9963	–	0.9963	1.0224
Group 2	0.3070	0.6893	0.9963	1.0224
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.2920	–	1.2920	1.2399
Group 2	0.7626	0.5294	1.2920	1.2399
<b>'R' Class (Income-2 shares)</b>				
Group 1	0.8966	–	0.8966	0.9201
Group 2	0.2887	0.6079	0.8966	0.9201
	Net Income US cent	Equalisation US cent	Distribution paid 31.01.23 US cent	Distribution paid 31.01.22 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	2.8493	–	2.8493	3.0348
Group 2	2.8493	–	2.8493	3.0348
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	3.6632	–	3.6632	3.9057
Group 2	3.6632	–	3.6632	3.9057

# Emerging Markets Local Currency Debt Fund

## Distribution Tables (continued)

For the year ended 28 February 2023

### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 December 2022

Group 2 – Shares purchased between 1 December 2022 and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.5481	–	2.5481	1.4494
Group 2	1.1174	1.4307	2.5481	1.4494
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.2906	–	1.2906	0.9199
Group 2	0.2993	0.9913	1.2906	0.9199
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.7342	–	1.7342	1.0666
Group 2	0.9408	0.7934	1.7342	1.0666
<b>'I' Class (Income-2 shares)</b>				
Group 1	1.1223	–	1.1223	0.7956
Group 2	0.4913	0.6310	1.1223	0.7956
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.5305	–	1.5305	0.9229
Group 2	0.9078	0.6227	1.5305	0.9229
<b>'R' Class (Income-2 shares)</b>				
Group 1	1.0091	–	1.0091	0.7124
Group 2	0.2957	0.7134	1.0091	0.7124

	Net Income US cent	Equalisation US cent	Distribution payable 28.04.23 US cent	Distribution paid 30.04.22 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	3.4511	–	3.4511	2.1711
Group 2	3.4511	–	3.4511	2.1711
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	4.3351	–	4.3351	2.9456
Group 2	4.3351	–	4.3351	2.9456

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Global Dynamic Fund

## Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23 £'000		01.03.21 to 28.02.22 £'000	
<b>Income</b>					
Net capital gains	4		55		4,889
Revenue	6	116		1,739	
Expenses	7	(41)		(593)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		75		1,145	
Taxation	8	(70)		(160)	
Net revenue after taxation			5		985
<b>Total return before distribution</b>			<b>60</b>		<b>5,874</b>
Distribution	9		(5)		(985)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>55</b>		<b>4,889</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

		01.03.22 to 28.02.23 £'000		01.03.21 to 28.02.22 £'000	
<b>Opening net assets attributable to shareholders</b>			<b>27,893</b>		<b>140,727</b>
In-specie transfer		(5,254)		-	
Amounts receivable on creation of shares		114		564	
Amounts payable on cancellation of shares		(22,830)		(118,713)	
			(27,970)		(118,149)
Dilution adjustment			22		92
Change in net assets attributable to shareholders from investment activities			55		4,889
Retained distributions on accumulation shares			-		334
<b>Closing net assets attributable to shareholders</b>			<b>-</b>		<b>27,893</b>

## Balance Sheet

As at 28 February 2023

	Note	28.02.23 £'000		28.02.22 £'000	
<b>Assets</b>					
Investments assets			-		27,509
Current assets					
Debtors	10	-		176	
Cash and bank balances		6		410	
Total other assets			6		586
<b>Total assets</b>			<b>6</b>		<b>28,095</b>
<b>Liabilities</b>					
Creditors					
Other creditors	11	6		202	
Total other liabilities			6		202
<b>Total liabilities</b>			<b>6</b>		<b>202</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>27,893</b>

Fund merged with Ninety One Series ii Global Strategic Equity Fund on 7 October 2022.

Notes to the financial statements are on pages 95 to 99.

# Global Dynamic Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital gains

The net capital gains during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
(Losses)/gains on foreign exchange	(37)	179
Forward currency contracts	4	(648)
Non-derivative securities	11	5,382
Transaction charges	(14)	(24)
Correction of compensation	91	-
<b>Net capital gains</b>	<b>55</b>	<b>4,889</b>

#### 5. Purchases, sales and transaction costs

##### Analysis of total trade costs

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Equities	5,187	36,532	28,036	152,098
In-specie transfer	-	-	4,744	-
<b>Trades excluding transaction costs</b>	<b>5,187</b>	<b>36,532</b>	<b>32,780</b>	<b>152,098</b>
<b>Commissions</b>				
Equities	2	12	(9)	(48)
<b>Taxes</b>				
Equities	2	33	(5)	(35)
<b>Total costs</b>	<b>4</b>	<b>45</b>	<b>(14)</b>	<b>(83)</b>
<b>Net trades in the year after transaction costs</b>	<b>5,191</b>	<b>36,577</b>	<b>32,766</b>	<b>152,015</b>

##### Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>				
Equities	0.03	0.03	0.03	0.03
<b>Taxes</b>				
Equities	0.04	0.09	0.01	0.02

##### Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	0.13	0.08
Taxes	0.09	0.10
<b>Total costs</b>	<b>0.21</b>	<b>0.18</b>

##### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was nil% (28.02.22: 0.07%).

# Global Dynamic Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas dividends	106	1,379
UK dividends	10	360
<b>Total revenue</b>	<b>116</b>	<b>1,739</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	42	532
General administration charge (GAC)	4	54
	46	586
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	-	11
	-	11
<b>Other expenses:</b>		
VAT refund	(6)	(9)
Out of pocket expenses	1	1
SEBI Registration fees	-	2
Currency hedge	-	2
	(5)	(4)
<b>Total expenses</b>	<b>41</b>	<b>593</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £10,700 (28.02.22: £9,029).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Taxation

#### (a) Analysis of the tax charge in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas tax	70	160
<b>Current tax charge</b>	<b>70</b>	<b>160</b>
Deferred tax charge (note 8(c))	-	-
<b>Total tax charge (note 8(b))</b>	<b>70</b>	<b>160</b>

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	75	1,145
Corporation tax of 20%	15	229
<b>Effects of:</b>		
Movement in excess management expenses	8	119
Overseas tax	70	160
Revenue not subject to taxation	(23)	(348)
<b>Total tax charge (note 8(a))</b>	<b>70</b>	<b>160</b>



# Global Dynamic Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 8. Taxation (continued)

##### (c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### 9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Final	–	334
<b>Add:</b> Equalisation deducted on cancellation of shares	5	655
<b>Less:</b> Equalisation received on creation of shares	–	(4)
<b>Net distribution for the year</b>	<b>5</b>	<b>985</b>

The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue after taxation	5	985
<b>Net distribution for the year</b>	<b>5</b>	<b>985</b>

#### 10. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued dividends and bank interest	–	29
Overseas tax recoverable	–	147
	–	176

#### 11. Other creditors

	28.02.23 £'000	28.02.22 £'000
Payable for hedge fee expense	–	6
Surplus payable to Global Strategic Equity Fund	6	–
Accrued ACD fees	–	17
Accrued general administration charge (GAC)	–	2
Accrued safe custody fee	–	4
Accrued transaction charges	–	8
Unrealised currency hedge	–	165
	<b>6</b>	<b>202</b>

#### 12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

#### 13. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 10 and 11.

# Global Dynamic Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

#### 15. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	28.02.23	28.02.22
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'S' Shares	0.00%	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

#### Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'A' Class (Accumulation shares)	373,995	7,414	(381,409)	-	-
'A' Class (USD Accumulation shares)	623,933	-	(623,933)	-	-
'I' Class (Accumulation shares)	3,317,965	29,097	(3,347,062)	-	-
'I' Class (GBP Hedged Accumulation shares)	9,336,536	116	(9,336,652)	-	-
'S' Class (Accumulation shares)	173,697	-	(173,697)	-	-

#### 16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

#### The Fund's currency exposure as at 28 February 2023 was:

Currency	Currency exposure	
	28.02.23 Total £'000	28.02.22 Total £'000
Australian dollar	1	475
Canadian dollar	-	229
Chinese yuan	21	-
Chinese yuan (offshore)	(21)	-
Danish krone	-	251
Euro	1	1,768
Hong Kong dollar	-	481
Indian rupee	-	-
Japanese yen	-	-
New Taiwan dollar	-	980
Mexican peso	-	272
South Korean won	-	-
Sterling	(3)	14,342
Swedish krona	-	255
Swiss franc	1	454
US dollar	-	8,386
<b>Total</b>	<b>-</b>	<b>27,893</b>

# Global Dynamic Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 16. Risk consideration (continued)

The currency exposure included in the above table that was exclusive to the currency hedge share classes at 28 February 2023 was:

Currency	Currency exposure	
	Total 28.02.23 £'000	Total 28.02.22 £'000
Australian dollar	-	526
Canadian dollar	-	273
Danish krone	-	322
Euro	-	2,039
Hong Kong dollar	-	827
Japanese yen	-	-
Sterling	-	(15,592)
Swedish krona	-	346
Swiss franc	-	563
US dollar	-	10,696
<b>Total</b>	<b>-</b>	<b>-</b>

#### Interest rate risk profile of financial assets and liabilities as at 28 February 2022 was as follows:

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

#### 17. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	-	-	27,509	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>-</b>	<b>-</b>	<b>27,509</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

# Global Dynamic Fund

## Distribution Tables

For the year ended 28 February 2023

### Interim special distribution payable 7 December 2022

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March 2022 and 7 October 2022

	Net Income pence	Equalisation pence	Distribution payable 07.12.22 pence
<b>'A' Class (Accumulation shares)</b>			
Group 1	-	-	-
Group 2	-	-	-
<b>'I' Class (Accumulation shares)</b>			
Group 1	0.2257	-	0.2257
Group 2	0.0831	0.1426	0.2257
<b>'I' Class (GBP Hedged Accumulation shares)</b>			
Group 1	1.8434	-	1.8434
Group 2	0.6512	1.1922	1.8434
<b>'S' Class (Accumulation shares)</b>			
Group 1	3.1852	-	3.1852
Group 2	3.1852	-	3.1852

	Net Income US cent	Equalisation US cent	Distribution payable 07.12.22 US cent
<b>'A' Class (USD Accumulation shares)</b>			
Group 1	-	-	-
Group 2	-	-	-

This Fund was merged with Global Strategic Equity Fund (a sub-fund of Ninety One Funds Series ii) on 7 October 2022.

# Global Dynamic Fund

## Distribution Tables (continued)

For the year ended 28 February 2023

### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 March 2023

Group 2 – Shares purchased between 1 March and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	n/a	–	n/a	0.8824
Group 2	n/a	n/a	n/a	0.8824
<b>'I' Class (Accumulation shares)</b>				
Group 1	n/a	–	n/a	4.2251
Group 2	n/a	n/a	n/a	4.2251
<b>'I' Class (GBP Hedged Accumulation shares)</b>				
Group 1	n/a	–	n/a	1.8340
Group 2	n/a	n/a	n/a	1.8340
<b>'S' Class (Accumulation shares)</b>				
Group 1	n/a	–	n/a	7.7028
Group 2	n/a	n/a	n/a	7.7028
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	n/a	–	n/a	1.1851
Group 2	n/a	n/a	n/a	1.1851

This Fund was merged with Global Strategic Equity Fund (a sub-fund of Ninety One Funds Series ii) on 7 October 2022.

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Global Environment Fund

## Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23 £'000      £'000		01.03.21 to 28.02.22 £'000      £'000	
<b>Income</b>					
Net capital gains/(losses)	4		117,842		(53,610)
Revenue	6	28,281		22,211	
Expenses	7	(12,997)		(10,478)	
Interest payable and similar charges		(11)		(17)	
Net revenue before taxation		15,273		11,716	
Taxation	8	(1,952)		(1,761)	
Net revenue after taxation			13,321		9,955
<b>Total return before distribution</b>			<b>131,163</b>		<b>(43,655)</b>
Distribution	9		(13,355)		(9,981)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>117,808</b>		<b>(53,636)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

		01.03.22 to 28.02.23 £'000      £'000		01.03.21 to 28.02.22 £'000      £'000	
<b>Opening net assets attributable to shareholders</b>			<b>1,783,968</b>		<b>791,028</b>
In-specie transfer			-		89,127
Amounts receivable on creation of shares		284,632		1,001,077	
Amounts payable on cancellation of shares		(212,292)		(52,441)	
			72,340		948,636
Dilution adjustment			-		518
Change in net assets attributable to shareholders from investment activities			117,808		(53,636)
Retained distributions on accumulation shares			7,654		8,295
<b>Closing net assets attributable to shareholders</b>			<b>1,981,770</b>		<b>1,783,968</b>

## Balance Sheet

As at 28 February 2023

	Note	28.02.23 £'000      £'000		28.02.22 £'000      £'000	
<b>Assets</b>					
Investments assets			1,948,378		1,764,000
Current assets					
Debtors	10	57,139		11,810	
Cash and bank balances		50,451		43,613	
<b>Total assets</b>			<b>2,055,968</b>		<b>1,819,423</b>
<b>Liabilities</b>					
Creditors					
Distribution payable		5,885		6,315	
Other creditors	11	68,313		29,140	
<b>Total liabilities</b>			<b>74,198</b>		<b>35,455</b>
<b>Net assets attributable to shareholders</b>			<b>1,981,770</b>		<b>1,783,968</b>

Notes to the financial statements are on pages 103 to 107.

# Global Environment Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Gains/(losses) on foreign exchange	8	(710)
Non-derivative securities	117,854	(52,843)
Transaction charges	(20)	(58)
Transfers in related to mergers	-	15
Stamp Duty	-	(14)
<b>Net capital gains/(losses)</b>	<b>117,842</b>	<b>(53,610)</b>

#### 5. Purchases, sales and transaction costs

##### Analysis of total trade costs

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Equities	743,647	1,461,522	678,184	499,293
In-specie transfer	-	74,334	-	-
<b>Trades excluding transaction costs</b>	<b>743,647</b>	<b>1,535,856</b>	<b>678,184</b>	<b>499,293</b>
<b>Commissions</b>				
Equities	277	484	(275)	(214)
<b>Total commissions</b>	<b>277</b>	<b>484</b>	<b>(275)</b>	<b>(214)</b>
<b>Taxes</b>				
Equities	294	711	(216)	(274)
<b>Total taxes</b>	<b>294</b>	<b>711</b>	<b>(216)</b>	<b>(274)</b>
<b>Total costs</b>	<b>571</b>	<b>1,195</b>	<b>(491)</b>	<b>(488)</b>
<b>Net trades in the year after transaction costs</b>	<b>744,218</b>	<b>1,537,051</b>	<b>677,693</b>	<b>498,805</b>

##### Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>				
Equities	0.04	0.03	0.04	0.04
<b>Taxes</b>				
Equities	0.04	0.05	0.03	0.05

##### Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	0.03	0.05
Taxes	0.03	0.07
<b>Total costs</b>	<b>0.06</b>	<b>0.12</b>

##### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.05% (28.02.22: 0.06%).

# Global Environment Fund

## Notes to the Financial Statements (continued) For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Bank interest	234	7
Overseas dividends	26,705	21,149
UK dividends	1,341	1,049
Tax reclaims and tax refund from mergers	-	6
CSDR Penalties	1	-
<b>Total revenue</b>	<b>28,281</b>	<b>22,211</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	11,184	8,957
General administration charge (GAC)	1,502	1,173
	12,686	10,130
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	362	346
	362	346
<b>Other expenses:</b>		
VAT refund	(51)	(21)
Out of pocket expenses	-	23
	(51)	2
<b>Total expenses</b>	<b>12,997</b>	<b>10,478</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £10,700 (28.02.22: £9,029).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Taxation

#### (a) Analysis of the tax charge in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas tax	1,952	1,761
<b>Current tax charge</b>	<b>1,952</b>	<b>1,761</b>
Deferred tax charge (note 8(c))	-	-
<b>Total tax charge (note 8(b))</b>	<b>1,952</b>	<b>1,761</b>



# Global Environment Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 8. Taxation (continued)

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	15,273	11,716
Corporation tax of 20%	3,055	2,343
<b>Effects of:</b>		
Movement in excess management expenses	2,553	2,096
Overseas tax	1,952	1,761
Revenue not subject to taxation	(5,608)	(4,439)
<b>Total tax charge (note 8(a))</b>	<b>1,952</b>	<b>1,761</b>

#### (c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### (d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,919,000 (2022: £2,366,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

### 9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Final	13,539	14,610
<b>Add:</b> Equalisation deducted on cancellation of shares	847	274
<b>Less:</b> Equalisation received on creation of shares	(1,031)	(4,903)
<b>Net distribution for the year</b>	<b>13,355</b>	<b>9,981</b>

The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue after taxation	13,321	9,955
Equalisation on conversion of shares	4	3
Shortfall of income transferred from capital	30	23
<b>Net distribution for the year</b>	<b>13,355</b>	<b>9,981</b>

### 10. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued dividends and bank interest	1,559	841
Amounts receivable for creation of shares	621	3,396
Overseas tax recoverable	486	272
Sales awaiting settlement	54,417	7,235
Spanish Financial Transaction Tax	-	8
Receivable for tax reclaims and dividends from mergers	56	58
	<b>57,139</b>	<b>11,810</b>

# Global Environment Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 11. Other creditors

	28.02.23 £'000	28.02.22 £'000
Amounts payable for cancellation of shares	6,047	923
Purchases awaiting settlement	61,078	27,146
Accrued ACD fees	931	779
Accrued general administration charge (GAC)	125	103
Accrued safe custody fee	119	166
Accrued transaction charges	10	17
Payable for expenses and dividends from mergers	3	6
	<b>68,313</b>	<b>29,140</b>

### 12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

### 13. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 10 and 11.

### 14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

### 15. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	28.02.23	28.02.22
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'J' Shares	0.65%	0.65%
'K' Shares	0.55%	0.55%
'R' Shares	1.00%	1.00%
'S' Shares	0.00%	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

### Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'A' Class (Accumulation shares)	14,229,705	2,040,553	(2,856,773)	(85,653)	13,327,832
'A' Class (USD Accumulation shares)	787,525	-	(3,729)	-	783,796
'I' Class (Accumulation shares)	172,146,808	75,239,205	(31,127,723)	(1,587,055)	214,671,235
'I' Class (Income shares)	5,749,908	3,175,788	(1,152,862)	383,367	8,156,201
'J' Class (Accumulation shares)	12,953,811	3,903,925	(1,653,747)	150,761	15,354,750
'J' Class (Income shares)	10,000	4,186	-	-	14,186
'K' Class (Accumulation shares)	519,407,600	45,903,893	(62,858,430)	1,507,848	503,960,911
'K' Class (Income shares)	471,883,767	58,927,362	(41,308,228)	(231,661)	489,271,240
'R' Class (Accumulation shares)	643,941	48,611	(69,147)	(12,071)	611,334
'S' Class (Accumulation shares)	1,209,173	3,364	(73,221)	-	1,139,316

# Global Environment Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2023 was:

Currency	Currency exposure	
	Total 28.02.23 £'000	Total 28.02.22 £'000
Australian dollar	3	71,619
Chinese yuan	287,724	246,346
Danish krone	228,898	242,239
Euro	292,217	264,363
Hong Kong dollar	84,920	85,545
Indian rupee	9,366	-
Japanese yen	-	8,110
Sterling	127,096	124,055
Taiwan dollar	94,115	64,534
US dollar	857,431	677,157
<b>Total</b>	<b>1,981,770</b>	<b>1,783,968</b>

#### Interest rate risk profile of financial assets and liabilities

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

#### 17. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,948,378	-	1,764,000	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>1,948,378</b>	<b>-</b>	<b>1,764,000</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

# Global Environment Fund

## Distribution Table

For the year ended 28 February 2023

### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March 2022 and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'A' Class (Accumulation shares)*</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>'I' Class (Accumulation shares)</b>				
Group 1	0.8328	-	0.8328	0.9440
Group 2	0.4144	0.4184	0.8328	0.9440
<b>'I' Class (Income shares)</b>				
Group 1	0.6024	-	0.6024	0.6865
Group 2	0.2784	0.3240	0.6024	0.6865
<b>'J' Class (Accumulation shares)</b>				
Group 1	0.7198	-	0.7198	0.8138
Group 2	0.3237	0.3961	0.7198	0.8138
<b>'J' Class (Income shares)</b>				
Group 1	0.7061	-	0.7061	0.7940
Group 2	0.0993	0.6068	0.7061	0.7940
<b>'K' Class (Accumulation shares)</b>				
Group 1	1.1370	-	1.1370	1.2582
Group 2	0.4034	0.7336	1.1370	1.2582
<b>'K' Class (Income shares)</b>				
Group 1	1.1927	-	1.1927	1.3299
Group 2	0.4972	0.6955	1.1927	1.3299
<b>'R' Class (Accumulation shares)</b>				
Group 1	0.4530	-	0.4530	0.5555
Group 2	0.0388	0.4142	0.4530	0.5555
<b>'S' Class (Accumulation shares)</b>				
Group 1	1.9968	-	1.9968	2.1419
Group 2	1.9519	0.0449	1.9968	2.1419
	Net Income US cent	Equalisation US cent	Distribution payable 28.04.23 US cent	Distribution paid 30.04.22 US cent
<b>'A' Class (USD Accumulation shares)*</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

\*Share class was in deficit position at the year end.

# Global Gold Fund

## Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital (losses)/gains	4		(37,683)		28,396
Revenue	6	8,112		5,876	
Expenses	7	(2,850)		(2,479)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		5,259		3,396	
Taxation	8	(658)		(495)	
Net revenue after taxation			4,601		2,901
<b>Total return before distribution</b>			<b>(33,082)</b>		<b>31,297</b>
Distribution	9		(4,604)		(2,901)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(37,686)</b>		<b>28,396</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

		01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>289,474</b>		<b>242,167</b>
Amounts receivable on creation of shares		127,399		72,956	
Amounts payable on cancellation of shares		(89,183)		(57,079)	
			38,216		15,877
Change in net assets attributable to shareholders from investment activities			(37,686)		28,396
Retained distributions on accumulation shares			4,506		3,034
<b>Closing net assets attributable to shareholders</b>			<b>294,510</b>		<b>289,474</b>

## Balance Sheet

As at 28 February 2023

	Note	28.02.23		28.02.22	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments assets			291,518		285,544
Current assets					
Debtors	10	1,669		19,508	
Cash and bank balances		2,048		1,480	
Total other assets			3,717		20,988
<b>Total assets</b>			<b>295,235</b>		<b>306,532</b>
<b>Liabilities</b>					
Creditors					
Distribution payable		267		55	
Other creditors	11	458		17,003	
<b>Total liabilities</b>			<b>725</b>		<b>17,058</b>
<b>Net assets attributable to shareholders</b>			<b>294,510</b>		<b>289,474</b>

Notes to the financial statements are on pages 110 to 114.

# Global Gold Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Losses on foreign exchange	(148)	(11)
Non-derivative securities	(37,477)	28,422
Transaction charges	(50)	(15)
Correction of compensation	(8)	-
<b>Net capital (losses)/gains</b>	<b>(37,683)</b>	<b>28,396</b>

#### 5. Purchases, sales and transaction costs

##### Analysis of total trade costs

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Equities	156,501	102,280	107,561	85,061
<b>Trades excluding transaction costs</b>	<b>156,501</b>	<b>102,280</b>	<b>107,561</b>	<b>85,061</b>
<b>Commissions</b>				
Equities	70	37	(51)	(47)
<b>Total commissions</b>	<b>70</b>	<b>37</b>	<b>(51)</b>	<b>(47)</b>
<b>Taxes</b>				
Equities	46	22	(5)	-
<b>Total taxes</b>	<b>46</b>	<b>22</b>	<b>(5)</b>	<b>-</b>
<b>Total costs</b>	<b>116</b>	<b>59</b>	<b>(56)</b>	<b>(47)</b>
<b>Net trades in the year after transaction costs</b>	<b>156,617</b>	<b>102,339</b>	<b>107,505</b>	<b>85,014</b>

##### Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>				
Equities	0.04	0.04	0.05	0.06
<b>Taxes</b>				
Equities	0.03	0.02	0.00	0.00

##### Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	0.03	0.03
Taxes	0.02	0.01
<b>Total costs</b>	<b>0.05</b>	<b>0.04</b>

##### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.46% (28.02.22: 0.38%).

# Global Gold Fund

## Notes to the Financial Statements (continued) For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Bank interest	6	1
Overseas dividends	7,299	5,691
UK dividends	807	184
<b>Total revenue</b>	<b>8,112</b>	<b>5,876</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	2,574	2,253
General administration charge (GAC)	238	200
	2,812	2,453
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	52	40
	52	40
<b>Other expenses:</b>		
VAT refund	(15)	(15)
Out of pocket expenses	1	1
	(14)	(14)
<b>Total expenses</b>	<b>2,850</b>	<b>2,479</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £10,700 (28.02.22: £9,029).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Taxation

#### (a) Analysis of the tax charge in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas tax	658	495
<b>Current tax charge</b>	<b>658</b>	<b>495</b>
Deferred tax charge (note 8(c))	-	-
<b>Total tax charge (note 8(b))</b>	<b>658</b>	<b>495</b>

# Global Gold Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 8. Taxation (continued)

##### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	5,259	3,396
Corporation tax of 20%	1,052	679
<b>Effects of:</b>		
Movement in excess management expenses	552	501
Overseas tax	658	495
Revenue not subject to taxation	(1,604)	(1,180)
<b>Total tax charge (note 8(a))</b>	<b>658</b>	<b>495</b>

##### (c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

##### (d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,823,000 (2022: £4,270,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

#### 9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Final	4,773	3,088
<b>Add:</b> Equalisation deducted on cancellation of shares	731	397
<b>Less:</b> Equalisation received on creation of shares	(900)	(584)
<b>Net distribution for the year</b>	<b>4,604</b>	<b>2,901</b>

##### The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	28.02.22 £'000
Net revenue after taxation	4,601	2,901
Equalisation on conversion of shares	3	-
<b>Net distribution for the year</b>	<b>4,604</b>	<b>2,901</b>

#### 10. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued dividends and bank interest	1,125	277
Amounts receivable for creation of shares	544	7,078
Sales awaiting settlement	-	12,153
	<b>1,669</b>	<b>19,508</b>



# Global Gold Fund

## Notes to the Financial Statements (continued) For the year ended 28 February 2023

### 11. Other creditors

	28.02.23 £'000	28.02.22 £'000
Amounts payable for cancellation of shares	182	164
Purchases awaiting settlement	-	16,627
Accrued ACD fees	207	174
Accrued general administration charge (GAC)	20	15
Accrued safe custody fee	15	16
Accrued transaction charges	34	7
	<b>458</b>	<b>17,003</b>

### 12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

### 13. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 10 and 11.

At the year end date 1.53% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (28.02.22: 0%).

### 14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

### 15. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	28.02.23	28.02.22
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'R' Shares	1.00%	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

### Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'A' Class (Accumulation shares)	22,170,830	6,208,108	(7,133,943)	(307,687)	20,937,308
'A' Class (USD Accumulation shares)	255,382	23,746	(96,772)	-	182,356
'I' Class (Accumulation shares)	120,894,528	52,161,330	(39,427,211)	303,648	133,932,295
'I' Class (Income shares)	4,360,000	13,330,082	(1,399,770)	-	16,290,312
'R' Class (Accumulation shares)	483,960	61,945	(84,501)	3,058	464,462

# Global Gold Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2023 was:

Currency	Currency exposure	
	Total 28.02.23 £'000	Total 28.02.22 £'000
Australian dollar	77,940	71,444
Canadian dollar	91,632	88,861
Hong Kong dollar	15,143	-
South African rand	11,129	28,244
Sterling	11,113	22,632
US dollar	87,553	78,293
<b>Total</b>	<b>294,510</b>	<b>289,474</b>

#### Interest rate risk profile of financial assets and liabilities

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

#### 17. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	291,518	-	285,544	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>291,518</b>	<b>-</b>	<b>285,544</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

# Global Gold Fund

## Distribution Table

For the year ended 28 February 2023

### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March 2022 and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	1.6719	–	1.6719	0.9425
Group 2	0.9348	0.7371	1.6719	0.9425
<b>'I' Class (Accumulation shares)</b>				
Group 1	3.0952	–	3.0952	2.3298
Group 2	1.7320	1.3632	3.0952	2.3298
<b>'I' Class (Income shares)</b>				
Group 1	1.6415	–	1.6415	1.2482
Group 2	0.3614	1.2801	1.6415	1.2482
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.6102	–	1.6102	1.1462
Group 2	0.7510	0.8592	1.6102	1.1462
	Net Income US cent	Equalisation US cent	Distribution payable 28.04.23 US cent	Distribution paid 30.04.22 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	2.0154	–	2.0154	1.2644
Group 2	1.4631	0.5523	2.0154	1.2644

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Global Sustainable Equity Fund

## Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains	4		1,142		13,963
Revenue	6	429		2,461	
Expenses	7	(242)		(1,170)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		187		1,290	
Taxation	8	35		311	
Net revenue after taxation			222		1,601
<b>Total return before distribution</b>			<b>1,364</b>		<b>15,564</b>
Distribution	9		(222)		(1,601)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,142</b>		<b>13,963</b>

## Statement of Change in Net Assets Attributable to shareholders

For the year ended 28 February 2023

	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>27,463</b>		<b>137,265</b>
Amounts receivable on creation of shares	4,975		1,703	
Amounts payable on cancellation of shares	(12,208)		(125,844)	
		(7,233)		(124,141)
Dilution adjustment		40		72
Change in net assets attributable to shareholders from investment activities		1,142		13,963
Retained distributions on accumulation shares		151		304
<b>Closing net assets attributable to shareholders</b>		<b>21,563</b>		<b>27,463</b>

## Balance Sheet

As at 28 February 2023

	Note	28.02.23		28.02.22	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments assets			20,956		28,745
Current assets					
Debtors	10	140		33,542	
Cash and bank balances		502		1,232	
Total other assets			642		34,774
<b>Total assets</b>			<b>21,598</b>		<b>63,519</b>
<b>Liabilities</b>					
Creditors					
Other creditors	11	35		36,056	
<b>Total liabilities</b>			<b>35</b>		<b>36,056</b>
<b>Net assets attributable to shareholders</b>			<b>21,563</b>		<b>27,463</b>

Notes to the financial statements are on pages 117 to 121.

# Global Sustainable Equity Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital gains

The net capital gains during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Losses on foreign exchange	(30)	(132)
Non-derivative securities	1,189	13,904
Transaction charges	(17)	(43)
Breach Compensation	-	234
<b>Net capital gains</b>	<b>1,142</b>	<b>13,963</b>

#### 5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Equities	38,525	29,877	47,551	151,125
<b>Trades excluding transaction costs</b>	<b>38,525</b>	<b>29,877</b>	<b>47,551</b>	<b>151,125</b>
<b>Commissions</b>				
Equities	11	12	(16)	(47)
<b>Taxes</b>				
Equities	10	15	(10)	(30)
<b>Net trades in the year after transaction costs</b>	<b>38,546</b>	<b>29,904</b>	<b>47,525</b>	<b>151,048</b>

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>				
Equities	0.03	0.04	0.03	0.03
<b>Taxes</b>				
Equities	0.03	0.05	0.02	0.02

Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	0.10	0.04
Taxes	0.08	0.04
<b>Total costs</b>	<b>0.18</b>	<b>0.08</b>

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.05% (28.02.22: 0.06%).

# Global Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Bank interest	56	1
Overseas dividends	344	2,194
UK dividends	25	266
Property revenue from overseas REITs	4	-
<b>Total revenue</b>	<b>429</b>	<b>2,461</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	230	1,051
General administration charge (GAC)	21	106
	251	1,157
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	2	20
	2	20
<b>Other expenses:</b>		
VAT refund	(12)	(10)
Out of pocket expenses	1	1
SEBI Registration fees	-	2
	(11)	(7)
<b>Total expenses</b>	<b>242</b>	<b>1,170</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £10,700 (28.02.22: £9,029).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Taxation

(a) Analysis of the tax credit in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas tax	(43)	270
Corporation tax: adjustment in respect of prior years	8	(581)
<b>Current tax credit</b>	<b>(35)</b>	<b>(311)</b>
Deferred tax charge (note 8(c))	-	-
<b>Total tax credit (note 8(b))</b>	<b>(35)</b>	<b>(311)</b>

# Global Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 8. Taxation (continued)

#### (b) Factors affecting current tax credit for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	187	1,290
Corporation tax of 20%	37	258
<b>Effects of:</b>		
Movement in excess management expenses	37	226
Overseas tax	(43)	270
Revenue not subject to taxation	(74)	(482)
Overseas tax expensed	–	(2)
Corporation tax: adjustment in respect of prior years	8	(581)
<b>Total tax credit (note 8(a))</b>	<b>(35)</b>	<b>(311)</b>

#### (c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### (d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,986,000 (2022: £2,950,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

### 9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Final	151	304
<b>Add:</b> Equalisation deducted on cancellation of shares	99	1,307
<b>Less:</b> Equalisation received on creation of shares	(28)	(10)
<b>Net distribution for the year</b>	<b>222</b>	<b>1,601</b>

The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue after taxation	222	1,601
<b>Net distribution for the year</b>	<b>222</b>	<b>1,601</b>

### 10. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued dividends and bank interest	8	90
Amounts receivable for creation of shares	18	1
Overseas tax recoverable	114	135
Sales awaiting settlement	–	32,735
Corporation tax: adjustment in respect of prior years	–	581
	<b>140</b>	<b>33,542</b>

# Global Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 11. Other creditors

	28.02.23 £'000	28.02.22 £'000
Amounts payable for cancellation of shares	12	35,839
Purchases awaiting settlement	-	39
HMRC Focus bank reclaims payable	-	87
Accrued ACD fees	15	59
Accrued general administration charge (GAC)	1	6
Accrued safe custody fee	1	7
Accrued transaction charges	6	19
	<b>35</b>	<b>36,056</b>

### 12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

### 13. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 10 and 11.

### 14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

### 15. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	28.02.23	28.02.22
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'M' Shares	0.55%	n/a
'R' Shares	1.00%	1.00%
'S' Shares	0.00%	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

### Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'A' Class (Accumulation shares)	781,842	29,760	(15,709)	(246,847)	549,046
'A' Class (USD Accumulation shares)	997,173	-	(3,854)	-	993,319
'I' Class (Accumulation shares)	638,799	145,710	(339,149)	2,070	447,430
'I' Class (USD Accumulation shares)	34,090	-	-	-	34,090
'M' Class (Accumulation shares)*	-	10,000	-	-	10,000
'R' Class (Accumulation shares)	677,321	9,231	(1,140)	174,167	859,579
'S' Class (Accumulation shares)	307,567	-	(193,504)	-	114,063

\*Share Class M Accumulation was launched on 15th December 2022.



# Global Sustainable Equity Fund

## Notes to the Financial Statements (continued)

### For the year ended 28 February 2023

#### 16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2023 was:

Currency	Currency exposure	
	Total 28.02.23 £'000	Total 28.02.22 £'000
Australian dollar	1	1,137
Canadian dollar	890	1
Chinese yuan	13	267
Chinese yuan offshore	(13)	296
Danish krone	929	40
Euro	720	6,453
Hong Kong dollar	905	1,853
Indian rupee	2	2
Japanese yen	732	357
New Taiwan dollar	735	-
New Zealand dollar	3	3
Singapore dollar	2	775
South Korean won	-	1,512
Sterling	1,566	(32,564)
Swedish krona	-	1,116
Swiss franc	779	2,077
Taiwan dollar	-	1,699
US dollar	14,299	42,439
<b>Total</b>	<b>21,563</b>	<b>27,463</b>

#### Interest rate risk profile of financial assets and liabilities as at 28 February 2023 was as follows:

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

#### 17. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	20,956	-	28,745	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>20,956</b>	<b>-</b>	<b>28,745</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

# Global Sustainable Equity Fund

## Distribution Table

For the year ended 28 February 2023

### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March 2022 and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	0.2126	–	0.2126	0.9969
Group 2	–	0.2126	0.2126	0.9969
<b>'I' Class (Accumulation shares)</b>				
Group 1	28.5559	–	28.5559	39.4099
Group 2	9.1799	19.3760	28.5559	39.4099
<b>'M' Class (Accumulation shares)*</b>				
Group 1	1.0067	–	1.0067	–
Group 2	–	1.0067	1.0067	–
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.6975	–	1.6975	2.6470
Group 2	0.9018	0.7957	1.6975	2.6470
<b>'S' Class (Accumulation shares)</b>				
Group 1	4.4146	–	4.4146	5.1922
Group 2	4.4146	–	4.4146	5.1922
	Net Income US cent	Equalisation US cent	Distribution payable 28.04.23 US cent	Distribution paid 30.04.22 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	0.2620	–	0.2620	1.3721
Group 2	0.2620	–	0.2620	1.3721
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	1.6409	–	1.6409	2.5101
Group 2	1.6409	–	1.6409	2.5101

\*Share Class M Accumulation was launched on 15th December 2022.

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

## UK Sustainable Equity Fund

### Statement of Total Return

For the year ended 28 February 2023

	Note	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital losses	4		(2,823)		(11,059)
Revenue	6	2,984		1,823	
Expenses	7	(755)		(591)	
Interest payable and similar charges		-		-	
Net revenue before taxation		2,229		1,232	
Taxation	8	-		-	
Net revenue after taxation			2,229		1,232
<b>Total return before distribution</b>			<b>(594)</b>		<b>(9,827)</b>
Distribution	9		(2,236)		(1,232)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,830)</b>		<b>(11,059)</b>

### Statement of Change in Net Assets Attributable to shareholders

For the year ended 28 February 2023

	01.03.22 to 28.02.23		01.03.21 to 28.02.22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>140,081</b>		<b>60,093</b>
Amounts receivable on creation of shares	32,849		93,693	
Amounts payable on cancellation of shares	(48,272)		(4,282)	
		(15,423)		89,411
Dilution adjustment		38		87
Change in net assets attributable to shareholders from investment activities		(2,830)		(11,059)
Retained distributions on accumulation shares		1,853		1,549
<b>Closing net assets attributable to shareholders</b>		<b>123,719</b>		<b>140,081</b>

### Balance Sheet

As at 28 February 2023

	Note	28.02.23		28.02.22	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments assets			120,107		136,739
Current assets					
Debtors	10	714		1,420	
Cash and bank balances		3,492		4,497	
Total other assets			4,206		5,917
<b>Total assets</b>			<b>124,313</b>		<b>142,656</b>
<b>Liabilities</b>					
Creditors					
Distribution payable		127		106	
Other creditors	11	467		2,469	
Total other liabilities			594		2,575
<b>Total liabilities</b>			<b>594</b>		<b>2,575</b>
<b>Net assets attributable to shareholders</b>			<b>123,719</b>		<b>140,081</b>

Notes to the financial statements are on pages 124 to 127.

# UK Sustainable Equity Fund

## Notes to the Financial Statements

### For the year ended 28 February 2023

#### 1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 63.

#### 2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 64.

#### 3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 64 to 78.

#### 4. Net capital losses

The net capital losses during the year comprise:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Gains on foreign exchange	1	2
Non-derivative securities	(2,812)	(11,053)
Transaction charges	(12)	(8)
<b>Net capital losses</b>	<b>(2,823)</b>	<b>(11,059)</b>

#### 5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	28.02.23 £'000	28.02.22 £'000	28.02.23 £'000	28.02.22 £'000
Purchases in the year before transaction costs:				
Equities	30,631	101,864	44,596	10,404
<b>Trades excluding transaction costs</b>	<b>30,631</b>	<b>101,864</b>	<b>44,596</b>	<b>10,404</b>
<b>Commissions</b>				
Equities	13	34	(17)	(5)
<b>Taxes</b>				
Equities	114	386	-	-
<b>Total costs</b>	<b>127</b>	<b>420</b>	<b>(17)</b>	<b>(5)</b>
<b>Net trades in the year after transaction costs</b>	<b>30,758</b>	<b>102,284</b>	<b>44,579</b>	<b>10,399</b>

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.23 %	28.02.22 %	28.02.23 %	28.02.22 %
<b>Commissions</b>				
Equities	0.04	0.03	0.04	0.05
<b>Taxes</b>				
Equities	0.37	0.38	-	-

Total transaction cost expressed as a percentage of average net asset value

	28.02.23 %	28.02.22 %
Commissions	0.02	0.04
Taxes	0.09	0.34
<b>Total costs</b>	<b>0.11</b>	<b>0.38</b>

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.45% (28.02.22: 0.47%).

# UK Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 6. Revenue

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Bank interest	3	–
Overseas dividends	–	36
UK dividends	2,981	1,787
<b>Total revenue</b>	<b>2,984</b>	<b>1,823</b>

### 7. Expenses

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
<b>Payable to the ACD or associates of the ACD, and agents of either of them:</b>		
ACD fee	641	499
General administration charge (GAC)	107	88
	748	587
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	7	5
	7	5
<b>Other expenses:</b>		
VAT refund	–	(1)
	–	(1)
<b>Total expenses</b>	<b>755</b>	<b>591</b>

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £10,700 (28.02.22: £9,029).

VAT is currently recovered in respect of certain expenses paid under the GAC.

### 8. Taxation

#### (a) Analysis of the tax charge in the year:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Overseas tax	–	–
<b>Current tax charge</b>	<b>–</b>	<b>–</b>
Deferred tax charge (note 8(c))	–	–
<b>Total tax charge (note 8(b))</b>	<b>–</b>	<b>–</b>

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.22: 20%). The differences are explained below:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue before taxation	2,229	1,232
Corporation tax of 20%	446	246
<b>Effects of:</b>		
Movement in excess management expenses	150	119
Revenue not subject to taxation	(596)	(365)
<b>Total tax charge (note 8(a))</b>	<b>–</b>	<b>–</b>

# UK Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 8. Taxation (continued)

#### (c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### (d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £313,000 (2022: £163,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

### 9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Final	1,980	1,655
<b>Add:</b> Equalisation deducted on cancellation of shares	502	31
<b>Less:</b> Equalisation received on creation of shares	(246)	(454)
<b>Net distribution for the year</b>	<b>2,236</b>	<b>1,232</b>

The net distribution for the year is represented by:

	01.03.22 to 28.02.23 £'000	01.03.21 to 28.02.22 £'000
Net revenue after taxation	2,229	1,232
Equalisation on conversion of shares	7	-
<b>Net distribution for the year</b>	<b>2,236</b>	<b>1,232</b>

### 10. Debtors

	28.02.23 £'000	28.02.22 £'000
Accrued dividends and bank interest	250	197
Amounts receivable for creation of shares	139	539
Sales awaiting settlement	325	684
	<b>714</b>	<b>1,420</b>

### 11. Other creditors

	28.02.23 £'000	28.02.22 £'000
Amounts payable for cancellation of shares	186	778
Purchases awaiting settlement	215	1,625
Accrued ACD fees	46	52
Accrued general administration charge (GAC)	8	8
Accrued safe custody fee	2	3
Accrued transaction charges	10	3
	<b>467</b>	<b>2,469</b>

### 12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.22: Nil).

### 13. Related party transactions

Ninety One Fund Managers UK Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Ninety One Fund Managers UK Limited at the end of the accounting year are disclosed in notes 10 and 11.

At the year end date 1.53% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (28.02.22: 0%).

# UK Sustainable Equity Fund

## Notes to the Financial Statements (continued)

For the year ended 28 February 2023

### 14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

### 15. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2023 for each share class is detailed below:

	28.02.23	28.02.22
'I' Shares	0.65%	0.65%
'K' Shares	0.40%	0.40%
'R' Shares	1.00%	1.00%
'S' Shares	0.00%	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

### Reconciliation of the shares movement in the year:

	28.02.22 Opening number shares in issue	Creations	Cancellations	Shares converted	28.02.23 Closing number shares in issue
'I' Class (Accumulation shares)	37,497,980	13,503,260	(15,632,439)	(3,235,387)	32,133,414
'I' Class (Income shares)	1,451,159	689,418	(436,086)	-	1,704,491
'K' Class (Accumulation shares)	50,641,345	8,570,587	(17,536,896)	3,203,900	44,878,936
'K' Class (Income shares)	6,995,257	2,156,368	(3,166,045)	-	5,985,580
'R' Class (Accumulation shares)	461,252	294,047	(31,411)	-	723,888
'S' Class (Accumulation shares)	6,844,416	82,868	(94,438)	-	6,832,846

### 16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. In addition, the Fund's financial instruments are almost exclusively held in the base currency, sterling. Therefore interest rate and currency risk is not deemed to be significant.

### 17. Fair value

Valuation technique	28.02.23		28.02.22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	120,107	-	136,739	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>120,107</b>	<b>-</b>	<b>136,739</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## UK Sustainable Equity Fund

### Distribution Table

For the year ended 28 February 2023

#### Final distribution payable 28 April 2023

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March 2022 and 28 February 2023

	Net Income pence	Equalisation pence	Distribution payable 28.04.23 pence	Distribution paid 30.04.22 pence
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.9303	–	1.9303	1.3490
Group 2	0.9187	1.0116	1.9303	1.3490
<b>'I' Class (Income shares)</b>				
Group 1	1.5910	–	1.5910	1.1464
Group 2	0.8076	0.7834	1.5910	1.1464
<b>'K' Class (Accumulation shares)</b>				
Group 1	2.2874	–	2.2874	1.7327
Group 2	1.1920	1.0954	2.2874	1.7327
<b>'K' Class (Income shares)</b>				
Group 1	1.6667	–	1.6667	1.2814
Group 2	0.9488	0.7179	1.6667	1.2814
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.4466	–	1.4466	0.8238
Group 2	0.9771	0.4695	1.4466	0.8238
<b>'S' Class (Accumulation shares)</b>				
Group 1	2.8711	–	2.8711	2.3630
Group 2	2.0421	0.8290	2.8711	2.3630

#### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.



# Other Information

## **ISA status**

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Ninety One Fund Managers UK Limited offer the 'A' shares of the funds through its own ISA plan.

## **Distributions**

Where a distribution is to be paid, it has been calculated as at 28 February 2023 and will be distributed to shareholders, where applicable, on 28 April 2023. For accumulations shares income distribution payments are deemed to be paid on 28 April 2023.

## **Telephone calls**

Telephone calls may be recorded for training and quality assurance purposes.

## **Cross holding table**

There were no cross holdings between sub-funds in Ninety One Funds Series iii as at 28 February 2023.

## **Assessment of Value**

Following the final report of the asset management market study ("AMMS"), the Financial Conduct Authority ("FCA") introduced (among other reforms) new rules on fund governance aiming to strengthen the pre-existing duty of care and acting in investors' best interest rules. These are outlined in the FCA policy statement PS18/8 and apply from 30 September 2019.

The FCA's Handbook rules require the relevant governing body of an Authorised Fund Manager ("AFM") to perform a detailed assessment to determine whether its funds are providing value to investors ("Value Assessment") and then publish an annual statement summarising the outcome of this Value Assessment. Ninety One Fund Managers UK Limited as the Authorised Corporate Director appointed as the AFM of Ninety One Funds Series i, ii, iii, iv (together the "Companies"), each with differing financial year ends, will publish one composite Value Assessment statement with respect to the Companies on or slightly before 31 July each year in respect of the prior year to 31 March. This statement can be found on the Ninety One website, [www.ninetyone.com/valueassessment](http://www.ninetyone.com/valueassessment).

## **UCITS V Directive on remuneration**

The latest remuneration policy relating to the Authorised Corporate Director (ACD) is available from [www.ninetyone.com/remuneration](http://www.ninetyone.com/remuneration) or free of charge on request from the Registered Office.

**Other Information (continued)**

Remuneration paid for 2022-23 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – Ninety One Fund Managers Limited does not employ any employees.

**Aggregate remuneration paid for 2022-23 to senior management and members of staff whose actions have a material impact on the risk profile of Ninety One Fund Managers Limited.**

Aggregate Remuneration	376,482
Senior Management	169,816
Other individuals with material impact	206,666
No of staff	13

# Glossary (unaudited)

## **Active management**

An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

## **Asset allocation**

A fund's allotment to different asset classes.

## **Asset class**

The main types of investment available. The traditional asset classes are equities, bonds and cash.

## **Bear market**

A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

## **Benchmark**

A comparative performance index.

## **Bond**

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures.

Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

## **Bottom-up investing**

An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

## **Bull market**

A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

## **Cash**

The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

## **Central bank base rate**

The basic rate of interest set by a central bank that determines the cost of borrowing.

## **Commodities**

An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

## **Credit rating agency**

An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

## **Credit risk**

The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

## **Credit spread**

The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

## **Currency risk**

The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

## **Deflation**

As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

## Glossary (unaudited) (continued)

### **Derivatives**

An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

### **Developed markets**

Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

### **Disinflation**

Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

### **Diversification**

Holding a range of assets to reduce risk.

### **Dividend**

The portion of company net profits paid out to shareholders.

### **Dividend yield**

The annual dividend per share divided by the current share price.

### **Duration**

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

### **Emerging markets**

Countries in the process of industrialising which tend to have rapidly growing economies.

### **Emerging market debt**

Debt issued by governments and corporates in emerging markets.

### **Equity**

Refers to shares. A share in a company provides an investor with part ownership of that company.

### **Fixed income**

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

### **Future**

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

### **Gilt**

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

### **Hedging**

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

### **High yield bond**

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk.

### **Index-linked bonds**

Bonds whose coupons and principal payment are linked to movements in inflation.

### **Inflation**

Describes conditions in which there have been a consistent rise in prices.

### **Initial public offering (IPO)**

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

### **Interest**

The return earned on funds which have been deposited, loaned, or invested.

## Glossary (unaudited) (continued)

### **Investment grade bonds**

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

### **Liabilities**

Financial obligations that must be met.

### **Liquidity**

The ease with which an asset can be sold at a reasonable price for cash.

### **Long dated bond**

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

### **Long-term investment**

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

### **Macroeconomic**

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

### **Market capitalisation**

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

### **Maturity**

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

### **Outperformance**

The return of a fund in excess of the comparative performance index.

### **Overweight**

When a fund has greater exposure to an asset than the comparative performance index.

### **Peer group**

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

### **Performance**

The results of an investment over a given period.

### **Portfolio**

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

### **Rally**

A swift rise.

### **Real estate**

An asset class comprising buildings and land.

### **Risk premium**

The extra return expected by an investor in compensation for holding a risky asset.

### **Security**

A general term for a tradable financial instrument.

### **Short-term investment**

Investments that are held for or mature in 12 months or less.

### **Standard deviation**

A measure of risk, deriving from the historic volatility of a particular asset.

### **Top-down investing**

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

### **Treasuries**

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

## **Glossary (unaudited) (continued)**

### **Underweight**

When a fund has less exposure to an asset than the benchmark.

### **Volatility**

Price movements. Standard deviation is a measure of an asset's historic volatility.

### **Year-to-date (YTD)**

Refers to the period extending from the beginning of the current calendar year to the present date.

### **Yield**

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

### **Yield curve**

A graphical representation of all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

### **Yield spread**

The difference in yield between different bonds.

### **Yield to maturity**

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

# Directory (unaudited)

## **Authorised Corporate Director (ACD)**

### **Ninety One Fund Managers UK Limited**

Contact address	PO Box 9042, Chelmsford CM99 2XL
Telephone	T+44 (0)20 3938 1900
Free phone	0800 389 2299
Email	ninetyoneenquiries@uk.sscinc.com
Indicator	online valuation service <a href="https://indicator.ninetyone.com">https://indicator.ninetyone.com</a>
Registered address	55 Gresham Street London EC2V 7EL

## **Investment manager**

### **Ninety One UK Limited**

55 Gresham Street  
London EC2V 7EL

## **Registered number for Ninety One Funds Series iii**

IC124 England and Wales

## **Registrar**

### **SS&C Financial Services Europe Limited**

SS&C House  
St. Nicholas Lane  
Basildon  
Essex SS15 5FS

## **Depository**

### **State Street Trustees Limited**

20 Churchill Place  
London E14 5HJ

## **Fund accounting**

### **State Street Bank and Trust Company Limited**

20 Churchill Place  
London E14 5HJ

## **Independent auditor**

### **PricewaterhouseCoopers LLP**

Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

Issued by Ninety One Fund Managers UK Limited, 30 June 2023.  
Authorised and regulated by the Financial Conduct Authority.

