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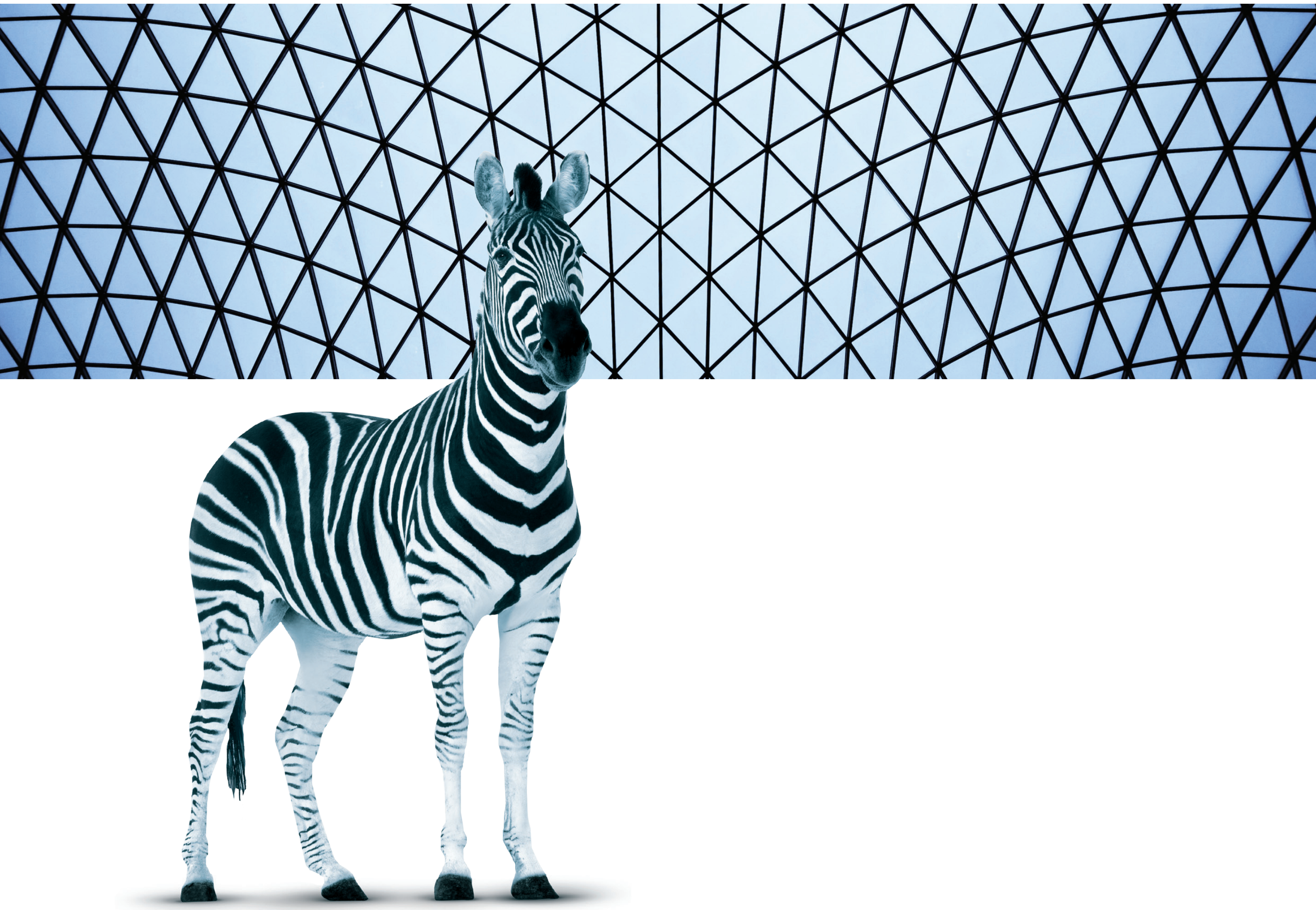
Investec Funds Series iii A UK based Investment Company

Annual short report | For the period ended 28 February 2013



Out of the Ordinary®

Investec
Asset Management

Contents

Investec Funds Series iii

Short report for the period ended 28 February 2013

Introduction

Our commitment to you

Our objective is to deliver superior returns from distinctive funds that satisfy a range of investment objectives and always to provide 'out of the ordinary' service. We know that we cannot guarantee results in the short term. What we can promise is that we will give our very best every step of the way.

Annual short report

The short report for the Investec Funds Series iii is sent to you twice a year in April and October. A longer version, the long form Report and Accounts, is also produced and is available upon request. Both the short and the long reports are also available on our website www.investecassetmanagement.com.

This short report contains key information on each fund in turn. This includes a description of the fund's investment objective and policy, a record of its performance over the reporting period and how it is being invested and managed. We also outline the risk and reward profile, costs that have been incurred and an outlook for the asset class or market of each fund. We hope that you find the report informative and helpful.

Up to date fund prices along with our fund charting tool are available online at www.investecassetmanagement.com.

If you hold shares in any of the sub-funds in Investec Funds Series i, Investec Funds Series ii or Investec Funds Series iv, the next short reports will be sent to you towards the end of the months stated below:

Investec Funds Series i
May 2013

Cautious Managed Fund
Diversified Income Fund[1]
Enhanced Natural Resources Fund
Managed Growth Fund
Strategic Bond Fund
UK Alpha Fund
UK Blue Chip Fund
UK Smaller Companies Fund
UK Special Situations Fund

Investec Funds Series iv
July 2013

Capital Accumulator Fund
Diversified Growth Fund[2]
Emerging Markets Blended Debt Fund
Emerging Markets Equity Fund
Global Franchise Fund
Global Special Situations Fund
Multi-Asset Protector Fund
Multi-Asset Protector Fund 2
Target Return Fund

Investec Funds Series ii
August 2013

American Fund
Asia ex Japan Fund
Global Energy Fund
Global Free Enterprise Fund
Monthly High Income Fund

Please do not hesitate to call us on **020 7597 1900** if you have any questions.

Telephone calls may be recorded for training and quality assurance purposes.

The value of investments can fall as well as rise and you may get back less than you invested.

[1]Previously known as the Managed Distribution Fund
[2]Previously known as the Balanced Managed Fund

Performance overview

	1 year period from 29.02.12 to 28.02.13	5 year period from 29.02.08 to 28.02.13	Calendar years 2012	2011	2010	2009	2008
Fund versus *IMA sector*							
Emerging Markets Local Currency Debt Fund[1]	8.8	77.5	10.2	-4.3	17.6	12.7	23.8
IMA Global Bonds	*7.9*	*45.4*	*6.6*	*1.1*	*7.9*	*5.9*	*16.3*
Global Bond Fund[1]	4.2	62.8	-1.5	2.0	10.3	2.8	44.8
IMA Global Bonds	*7.9*	*45.4*	*6.6*	*1.1*	*7.9*	*5.9*	*16.3*
Global Dynamic Fund[2]	16.0	41.5	11.6	-6.0	17.2	21.6	-
IMA Global	*12.6*	*26.7*	*9.8*	*-9.5*	*15.5*	*22.8*	*-24.3*
Global Equity Fund[2]	13.3	32.0	8.9	-6.2	16.9	18.7	-25.9
IMA Global	*12.6*	*26.7*	*9.8*	*-9.5*	*15.5*	*22.8*	*-24.3*
Global Gold Fund[2]	-27.2	-5.0	-12.9	-20.8	52.2	42.5	-18.5
IMA Specialist	*3.0*	*16.0*	*8.2*	*-15.7*	*18.1*	*34.8*	*-25.8*
Performance comparison indices							
Barclays Capital Global Aggregate (pre 01.05.11 Citigroup WGBI)	6.1	58.9	-0.3	6.0	8.5	-8.7	53.5
HSBC Global Gold CR	-29.5	-10.8	-17.0	-16.8	36.8	18.0	4.5
JP Morgan GBI-EM Global Diversified	11.6	95.7	11.6	-1.0	19.3	8.6	31.2
MSCI All Countries World Net Return (MSCI World NR pre 01.01.11)	15.0	38.3	11.0	-6.7	15.3	15.7	-17.9

All figures shown are percentages for the stated period. Past performance should not be taken as a guide to the future and there is no guarantee that this investment will make profits. Returns will vary with market action, fee levels and taxes and in certain market conditions losses may be exaggerated.

Source: Lipper, total return, net of UK basic rate tax, no initial charges, net of fees in sterling.

[1]'A' net income shares.

[2]'A' accumulation shares.

The performance of the other sub fund 'A', 'I', 'R' or 'S' share classes would be similar to that of the above share classes but will differ according to the tax and management fee charged.

Index shown for performance comparison only, total return, shown as net where applicable. The HSBC Global Gold Index is capital return only.

Emerging Markets Local Currency Debt Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). These derivatives may be used for investment purposes.

The bonds are issued by governments, institutions or companies in emerging markets (countries that are in economic terms less developed than the major Western countries). These bonds are predominantly issued in the currency of the issuing country.

The Investment Manager is free to choose how the Fund is invested. However, the JPMorgan GBI-EM Global Diversified GBP Index is currently taken into account when the Fund's investments are selected.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 August, 28/29 February	30 April, 31 July, 31 October, 31 January

Share class	Ongoing charges as per Key Investor Information Document (%)
'A' Class - net accumulation*	1.70
'A' Class - gross accumulation*	1.70
'A' Class - gross accumulation (USD)**	1.70
'A' Class - net income*	1.70
'A' Class - gross income*	1.70
'I' Class - net accumulation**	0.95
'I' Class - gross accumulation*	0.95
'I' Class - gross accumulation (USD)**	0.95
'I' Class - net income*	0.95
'R' Class - net accumulation**	1.21
'R' Class - net income**	1.21
'S' Class - gross accumulation*	0.20
'S' Class - gross income**	0.20

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the period ending 28 February 2012.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges figure shown here is an estimate of the charges, as there has been a change to the charging structure.

**The ongoing charges figure shown here is an estimate of the charges, as the share class was only recently launched.

For more information about charges, please see section 7 of the Investec Fund Series iii Prospectus.

Summary

Distributions

Share class	Distributions as at 28.02.13	Distributions as at 28.02.12
'A' Class - net accumulation	9.89p	9.18p
'A' Class - gross accumulation	13.17p	12.06p
'A' Class - gross accumulation (USD)‡	20.63c	-
'A' Class - net income	7.14p	6.97p
'A' Class - gross income	8.99p	8.86p
'I' Class - net accumulation‡	4.64p	-
'I' Class - gross accumulation	13.58p	12.28p
'I' Class - gross accumulation (USD)‡	21.14c	-
'I' Class - net income	5.75p	5.59p
'R' Class - net accumulation‡ 4	1.39p	-
'R' Class - net income‡ 4	1.39p	-
'S' Class - gross accumulation	12.53p	11.27p
'S' Class - gross income‡	4.07p	-

Performance

Share class	Net Asset Value as at 28.02.13	Net Asset Value as at 28.02.12
'A' Class - net accumulation	202.85p	185.32p
'A' Class - gross accumulation	217.65p	196.18p
'A' Class - gross accumulation (USD)‡	330.87c	-
'A' Class - net income	141.87p	136.70p
'A' Class - gross income	142.80p	137.63p
'I' Class - net accumulation‡	113.65p	-
'I' Class - gross accumulation	224.44p	200.59p
'I' Class - gross accumulation (USD)‡	340.50c	-
'I' Class - net income	114.61p	109.60p
'R' Class - net accumulation‡	106.86p	-
'R' Class - net income‡	105.47p	-
'S' Class - gross accumulation	207.78p	184.52p
'S' Class - gross income‡	107.97p	-

p=pence, c=cents (USD)

‡Share class launched during the reporting period

Share price range

Emerging Markets Local Currency Debt Fund 'A' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	204.81	190.92	187.73
Lowest price	190.00	171.19	168.01
Net revenue per accumulation share	2.70	9.53	9.19
	2010	2009	2008
Highest price	184.89	159.04	137.46
Lowest price	153.96	121.83	100.75
Net revenue per accumulation share	9.88	9.97	10.83

Emerging Markets Local Currency Debt Fund 'A' Class (Gross accumulation shares)

Calendar year	2013†	2012	2011
Highest price	219.64	204.33	197.05
Lowest price	203.37	180.78	177.10
Gross revenue per accumulation share	3.62	12.64	11.99
	2010	2009	2008
Highest price	192.34	162.33	138.46
Lowest price	158.47	123.08	101.09
Gross revenue per accumulation share	12.78	12.96	12.40

Emerging Markets Local Currency Debt Fund 'A' Class (Gross USD accumulation shares)*5

Calendar year	2013†	2012	2011
Highest price	333.80	329.54	-
Lowest price	328.09	280.60	-
Gross revenue per accumulation share	5.51	15.12	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Gross revenue per accumulation share	-	-	-

Emerging Markets Local Currency Debt Fund 'A' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest price	145.20	139.39	143.90
Lowest price	134.67	126.07	127.06
Net revenue per income share	1.92	6.97	7.16
	2010	2009	2008
Highest price	147.20	133.28	123.37
Lowest price	128.34	106.67	91.58
Net revenue per income share	7.95	8.58	10.54

Emerging Markets Local Currency Debt Fund 'A' Class (Gross income shares)

Calendar year	2013†	2012	2011
Highest price	146.55	140.76	145.09
Lowest price	135.70	126.94	128.20
Gross revenue per income share	2.42	8.79	8.95
	2010	2009	2008
Highest price	148.78	135.28	123.68
Lowest price	129.48	106.91	91.84
Gross revenue per income share	10.12	10.75	11.92

Emerging Markets Local Currency Debt Fund 'I' Class (Net accumulation shares)[4]

Calendar year	2013†	2012	2011
Highest price	114.73	106.82	-
Lowest price	106.31	96.25	-
Net revenue per accumulation share	1.52	3.11	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Emerging Markets Local Currency Debt Fund 'I' Class (Gross accumulation shares)

Calendar year	2013†	2012	2011
Highest price	226.01	209.99	200.48
Lowest price	209.04	184.65	180.73
Gross revenue per accumulation share	3.72	13.01	12.19
	2010	2009	2008
Highest price	194.86	163.69	139.07
Lowest price	160.05	123.74	101.37
Gross revenue per accumulation share	12.85	12.90	13.29

Emerging Markets Local Currency Debt Fund 'I' Class (Gross USD accumulation shares)*5

Calendar year	2013†	2012	2011
Highest price	343.45	338.74	-
Lowest price	337.30	286.60	-
Gross revenue per accumulation share	5.66	15.48	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Gross revenue per accumulation share	-	-	-

Emerging Markets Local Currency Debt Fund 'I' Class (Net income shares)[3]

Calendar year	2013†	2012	2011
Highest price	117.27	111.82	114.81
Lowest price	108.67	101.26	101.54
Net revenue per income share	1.55	5.61	5.74
	2010	2009	2008
Highest price	116.91	103.33	-
Lowest price	101.59	99.28	-
Net revenue per income share	6.20	0.31	-

Emerging Markets Local Currency Debt Fund 'R' Class (Net accumulation shares)[7]

Calendar year	2013†	2012	2011
Highest price	107.87	-	-
Lowest price	100.00	-	-
Net revenue per accumulation share	1.39	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Emerging Markets Local Currency Debt Fund 'R' Class (Net income shares)[7]

Calendar year	2013†	2012	2011
Highest price	107.88	-	-
Lowest price	100.00	-	-
Net revenue per income share	1.39	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per income share	-	-	-

Emerging Markets Local Currency Debt Fund 'S' Class (Gross accumulation shares)[1]

Calendar year	2013†	2012	2011
Highest price	209.66	194.57	183.56
Lowest price	193.70	169.66	165.92
Gross revenue per accumulation share	3.45	11.98	11.16
	2010	2009	2008
Highest price	177.31	147.35	124.17
Lowest price	144.53	110.68	90.38
Gross revenue per accumulation share	11.70	11.54	9.33

Emerging Markets Local Currency Debt Fund (continued)

Emerging Markets Local Currency Debt Fund 'S' Class (Gross income shares)[2,6]

Calendar year	2013†	2012	2011
Highest price	110.79	102.82	-
Lowest price	102.36	98.61	-
Gross revenue per income share	1.82	2.24	-
	2010	2009	2008
Highest price	-	144.04	141.47
Lowest price	-	122.61	104.43
Gross revenue per income share	-	3.22	4.31

High and low prices are quoted at mid valuation.
*Share class numbers quoted in US cents
†Up to 28 February 2013

[1] Launched on 29 February 2008

[2] Closed on 27 April 2009

[3] Launched on 9 November 2009

[4] Launched on 2 May 2012

[5] Launched on 8 May 2012

[6] Re-launched on 31 July 2012

[7] Launched on 2 January 2013

Performance record

The 'A' shares of the Fund returned 8.8% over the reporting period*. Over the same period the JP Morgan GBI-EM Global Diversified Index returned 11.6% and IMA Global Bonds sector returned 7.9% in sterling terms**.

The total income distribution for the period in relation to 'A' (net) income shares was 7.14 pence per share. This compares to a total of 6.97 pence per share paid for the corresponding period in 2012.

Emerging market debt posted strong returns over the period, with both bonds and currencies performing strongly, contributing 7.3% and 4.3%, respectively, to the overall index return of 11.6%. Performance began the period in a somewhat lacklustre fashion, before the notable weakness in May on the back of the inconclusive first round of Greek elections stoked new fears about the euro zone. Policymakers in the United States, Japan and Europe provided a supportive backdrop for risk sentiment in the second half of 2012 through additional injections of liquidity (introducing more cash into the financial system by buying bonds). Fears of a sudden fall in growth in China were subsequently eased thanks to a cyclical pick-up in activity through restocking of inventories, providing further support for risk assets (typically equities and higher yielding bonds). As we entered 2013, the United States managed to avoid the fiscal cliff of tax increases and spending cuts which provided additional support to markets. While the sequestration spending cuts could not be avoided at the end of the period, market reaction to this was relatively muted.

While emerging markets generally performed well over the period, returns were buoyed by weakness in the pound, particularly following the loss of the United Kingdom's AAA credit rating, weak economic data and anticipation of likely policies from the incoming Governor of the Bank of England. Activity data in emerging markets has been fairly mixed, with the recent cyclical improvement in China buoying activity throughout the rest of Asia, while data in central and eastern Europe has been very weak, both in absolute terms and versus market expectations. Inflation in emerging markets has remained relatively benign, and given a lack of strong growth, has kept emerging market policymakers biased towards keeping rates low or cutting them further, although this easing cycle appears to have largely come to an end. Flows into the asset class have been strong, with a record year in 2012, a theme which has continued into 2013.

Currency selection contributed positively to returns over the period, with our overweight position in the South Korean won and underweight position in the Czech koruna particularly significant. Currency selection in frontier (i.e. less developed) markets also proved positive, while our underweight positions in the Philippine peso and Taiwanese dollar were the main detractors from returns. Within bonds, country selection was the biggest contributor to returns. Our decision to make an allocation to Nigeria on the back of attractive valuations and expectations that Nigeria would be added to the JP Morgan GBI-EM Index (leading to increased investment flow into the country) was the main contributor to performance, along with our underweight position in Thailand, one of the lower yielding markets in our universe. Yield curve and issue selection detracted from relative performance. Our overweight allocation to the long end of the yield curve in Brazil suffered as the curve steepened (i.e. long-term yields increased by more than short-term yields) with interest rates hitting historical lows on benign inflationary pressures and very weak growth. Yield curve steepening in Hungary also hurt performance. Offsetting this somewhat was our yield curve positioning in South Africa, where we timed overweight positions in the long end of the curve very well. Allocations to hard currency debt (i.e. denominated in globally traded currencies) and emerging market corporate debt performed well as both asset classes benefited from very strong inflows as investors looked for alternative sources to add yield with developed market yields reaching unprecedented lows.

Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Turkey Government 9% 05/03/2014, Malaysia Government 3.418% 15/08/2022, Turkey Government 9% 08/03/2017, South Africa Government 7.25% 15/01/2020, Hungary Government 7% 24/06/2022

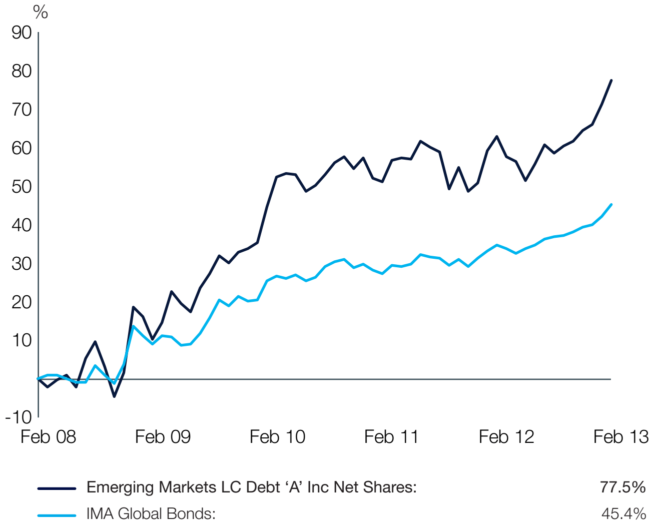
Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Poland Government 5.25% 25/10/2017, South Africa Government 7.25% 15/01/2020, Turkey Government 0% 20/02/2013, Turkey Government 4.5% 11/02/2015, Hungary Government 8% 12/02/2015, South Africa Government 10.5% 21/12/2026

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

5 year performance graph (%)



Past performance will not necessarily be repeated.
Source: Lipper, 29.02.08 to 28.02.13, total return net of UK basic tax rate, no initial charges, net of fees, in sterling.
IMA sector shown for performance comparison only.

Portfolio analysis

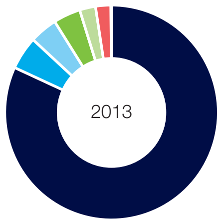
Top 10 holdings (%)

Security	28.02.13
Brazil Notas do Tesouro Nacional 10% 01/01/2021	5.4
Turkey Government 9% 05/03/2014	5.2
Russian Federal 7.6% 14/04/2021	3.9
Malaysia Government 3.418% 15/08/2022	3.0
Brazil Notas do Tesouro Nacional 10% 01/01/2014	2.8
Turkey Government 9% 08/03/2017	2.4
Malaysia Government 4.378% 29/11/2019	2.4
South Africa Government 8% 21/12/2018	2.1
Investec Global Strategy Emerging Markets Corporate Debt Fund†	2.0
Russian Federal 7.4% 14/06/2017	2.0

Security	28.02.12
Brazil Notas do Tesouro Nacional 10% 01/01/2021	4.4
Poland Government 5.25% 25/10/2017	3.7
Russian Federal 7.6% 14/04/2021	3.6
Brazil Notas do Tesouro Nacional 10% 01/01/2014	3.0
Turkey Government 4.5% 11/02/2015	2.5
Malaysia Government 4.16% 15/07/2021	2.2
South Africa Government 8% 21/12/2018	2.2
Russian Federal 7% 03/06/2015	2.2
Hungary Government 8% 12/02/2015	2.2
Malaysia Government 4.378% 29/11/2019	2.1

†A related party to the Fund

Investments (%)



	28.02.13	28.02.12
Government bonds	81.9	77.3
Derivatives	5.0	5.7
Collective investment schemes	4.2	2.4
Net other assets	4.1	7.2
Corporate bonds	2.4	4.2
Certificate of deposits	2.3	1.7
Forward foreign exchange contracts	0.1	1.2
Collateral cash	-	0.3

Outlook

The notable global developments, both positive and negative, have done very little to affect performance in local currency emerging market debt this year. Despite the gyrations we have seen in developed market yields, particularly in US government bonds, the yield on the JP Morgan GBI-EM Global Diversified Index has been particularly unresponsive, trading in a range between 5.45% and 5.53%. Inflows into the asset class continued throughout February; we expect this to continue given the lack of real yield in developed markets and the structural under allocation to emerging markets in global portfolios.

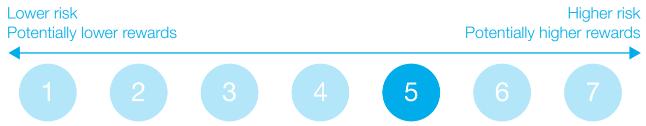
Given the relatively muted returns from the asset class year to date, bottom-up investment decision making has become more prevalent within emerging market debt portfolios as dispersions in returns at both a country and currency level have increased. For example, given the current environment of generally positive risk sentiment, as reflected in the strong performance in global equities year to date and robust inflows into emerging market debt, you would expect a country like South Africa to be one of the better performing markets given its historically high sensitivity to general market movements (beta). However, it has been the worst performing market in the index year to date. Furthermore, over the past couple of years, Europe, as a region has generally outperformed Asia in a positive risk environment. This year we have witnessed the opposite – another clear sign that idiosyncratic factors have been a bigger driver of country/currency performance than general market risk sentiment. We expect this theme to continue which should provide us with good opportunities to generate outperformance.

While our view of emerging market debt remains structurally positive on the back of portfolio reallocations to emerging markets away from developed markets, attractive valuations and strong fundamentals relative to developed markets, we retain a relatively neutral position from both a bond and currency perspective for now, acknowledging that a number of potential risks remain. Given these risks and the increasing role idiosyncratic factors are playing on individual country/currency performance, we prefer to focus our efforts on bottom-up, relative value trades which we believe should provide more consistent performance in the current environment.

The opinions expressed herein are as at March 2013.

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 can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

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

- The value of bonds tends to decrease when interest rates and/or inflation rises.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating (ratings based on the ability of the issuers of bonds to repay borrowed money).
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.
- The Fund's expenses are charged to the capital account of the Fund rather than to its income, which has the effect of increasing the Fund's income (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series iii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class income shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form report and accounts of the OEIC.

Other information

Changes during the accounting period:

- Emerging Markets Local Currency Debt, I Accumulation Net, GBP share class was launched on 2 May 2012.
- Emerging Markets Local Currency Debt, A Accumulation Gross, USD share class was launched on 8 May 2012.
- Emerging Markets Local Currency Debt, I Accumulation Gross, USD share class was launched on 8 May 2012.
- Emerging Markets Local Currency Debt, S Income Gross, GBP share class was re-launched on 31 July 2012.
- Emerging Markets Local Currency Debt, R Accumulation Net, GBP share class was launched on 2 January 2013.
- Emerging Markets Local Currency Debt, R Income Net, GBP share class was launched on 2 January 2013.

Change of registered office

On 8 October 2012 the registered office of each of the Company, the ACD and the Investment Manager to the Company changed from 2 Gresham Street, London EC2V 7QP to Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FCA approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now 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.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Bond Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income and grow the value of your investment over the long term.

The Fund invests around the world in bonds (contracts to repay borrowed money which typically pay interest at fixed times) and related derivatives (financial contracts whose value is linked to the price of an underlying asset). These derivatives may be used for investment purposes.

The bonds held are issued by governments, institutions and companies and are primarily of investment grade (high quality) as rated by the credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money).

The Investment Manager is free to choose how the Fund is invested within the limits of its investment policy. However, the Barclays Aggregate Global Bond Index is currently taken into account when the Fund's investments are selected.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 August, 28/29 February	30 April, 31 October

Share class	Ongoing charges as per Key Investor Information Document (%)
'A' Class - net accumulation	1.11
'A' Class - net income	1.11
'A' Class - net income (USD)*	1.11
'A' Class - gross income	1.11
'I' Class - net accumulation*	0.61
'I' Class - net income	0.61
'I' Class - gross income	0.61
'R' Class - net accumulation*	0.85
'S' Class - net income	0.11
'S' Class - gross income	0.11

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the period ending 28 February 2012.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges shown here is an estimate of the charges, as the share class was only recently launched.

For more information about charges, please see section 7 of the Investec Fund Series iii Prospectus.

Summary

Distributions

Share class	Distributions as at 28.02.13	Distributions as at 28.02.12
'A' Class - net accumulation	1.86p	2.27p
'A' Class - net income	1.48 p	1.91p
'A' Class - net income (USD)‡	2.39c	-
'A' Class - gross income	1.89p	2.39p
'I' Class - net accumulation‡	1.77p	-
'I' Class - net income	18.42p	24.29p
'I' Class - gross income	25.16p	30.87p
'R' Class - net accumulation‡	1.10p	-
'S' Class - net income	2.15p	2.54p
'S' Class - gross income	2.86p	3.36p

Performance

Share class	Net Asset Value as at 28.02.13	Net Asset Value as at 28.02.12
'A' Class - net accumulation	120.82p	116.13p
'A' Class - net income	97.96p	95.61p
'A' Class - net income (USD)‡	148.81c	-
'A' Class - gross income	97.84p	95.49p
'I' Class - net accumulation‡	106.24p	-
'I' Class - net income	1,019.48p	995.91p
'I' Class - gross income	1,045.33p	1,020.17p
'R' Class - net accumulation‡	105.60p	-
'S' Class - net income	95.90p	93.57p
'S' Class - gross income	97.92p	95.55p

p=pence, c=cent (USD)

‡Share class launched during the reporting period

Share price range

Global Bond Fund 'A' Class (Net accumulation shares)[1]

Calendar year	2013†	2012	2011
Highest price	121.72	119.93	119.68
Lowest price	114.49	113.65	110.13
Net revenue per accumulation share	0.94	1.87	2.38
	2010	2009	2008
Highest price	117.18	108.58	-
Lowest price	104.28	92.52	-
Net revenue per accumulation share	2.57	0.90	-

Global Bond Fund 'A' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest price	99.48	98.83	99.27
Lowest price	93.57	93.65	92.62
Net revenue per income share	0.75	1.54	2.01
	2010	2009	2008
Highest price	99.38	94.30	91.74
Lowest price	90.43	81.30	65.30
Net revenue per income share	2.19	2.45	2.08

Global Bond Fund 'A' Class (Net USD income shares)*[3]

Calendar year	2013†	2012	2011
Highest price	152.45	154.27	-
Lowest price	149.39	149.14	-
Net revenue per income share	1.18	1.21	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per income share	-	-	-

Global Bond Fund 'A' Class (Gross income shares)

Calendar year	2013†	2012	2011
Highest price	99.44	98.84	99.15
Lowest price	93.50	93.58	92.52
Gross revenue per income share	0.96	1.95	2.50
	2010	2009	2008
Highest price	99.33	94.53	91.91
Lowest price	90.58	81.43	65.45
Gross revenue per income share	2.74	3.09	2.65

Global Bond Fund 'I' Class (Net accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest price	107.00	105.10	-
Lowest price	100.58	100.00	-
Net revenue per accumulation share	1.06	0.71	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Bond Fund 'I' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest price	1,037.73	1,031.04	1,034.21
Lowest price	975.52	976.15	964.56
Net revenue per income share	9.34	19.85	24.77
	2010	2009	2008
Highest price	1035.60	989.70	962.87
Lowest price	937.87	856.08	670.22
Net revenue per income share	24.88	39.33	25.77

Global Bond Fund 'I' Class (Gross income shares)

Calendar year	2013†	2012	2011
Highest price	1,065.05	1,057.87	1,059.62
Lowest price	1,000.59	1,000.64	988.46
Gross revenue per income share	12.77	25.85	32.06
	2010	2009	2008
Highest price	1062.19	1005.15	963.89
Lowest price	967.09	853.52	686.09
Gross revenue per income share	30.30	22.11	31.95

Global Bond Fund 'R' Class (Net accumulation shares)[4]

Calendar year	2013†	2012	2011
Highest price	106.34	-	-
Lowest price	100.00	-	-
Net revenue per accumulation share	1.10	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Bond Fund 'S' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest price	97.63	96.92	97.18
Lowest price	91.47	91.78	90.63
Net revenue per income share	1.06	2.21	2.58
	2010	2009	2008
Highest price	99.09	94.56	91.95
Lowest price	90.67	81.26	65.37
Net revenue per income share	2.60	2.85	2.51

Global Bond Fund 'S' Class (Gross income shares)

Calendar year	2013†	2012	2011
Highest price	100.00	99.28	99.28
Lowest price	93.88	93.81	92.58
Gross revenue per income share	1.43	2.93	3.45
	2010	2009	2008
Highest price	99.54	94.93	92.25
Lowest price	90.90	81.56	65.61
Gross revenue per income share	3.43	3.65	3.20

High and low prices are quoted at mid valuation.
*Share class numbers quoted in US cents
†Up to 28 February 2013

[1]Launched on 27 April 2009
[2]Launched on 2 May 2012
[3]Launched on 8 May 2012
[4]Launched on 2 January 2013

Performance record

The 'A' shares of the Fund returned 4.2% over the reporting period*. Over the same period the Barclays Capital Global Aggregate Bond Index returned 6.1% and IMA Global Bonds** sector returned 7.9% in sterling terms.

The total income distribution for the period in relation to 'A' (net) income shares was 1.48 pence per share. This compares to a total 1.91 pence per share paid for the corresponding period in 2012.

The period was dominated by some key words uttered by European Central Bank (ECB) president Mario Draghi in July 2012: his promise to "do whatever it takes" to preserve the euro was the defining moment of the period, finally holding out the promise of a buyer of last resort in the euro zone and so ending months of speculation as to the near-term sustainability of the currency bloc. This unleashed a flood of short-covering (purchasing securities in order to close an open short position) in the debt of stressed countries, the euro and risk assets (typically equities and higher yielding bonds) in general. The mood was aided by further injections of liquidity (introducing more cash into the financial system by buying bonds) from the United States Federal Reserve and the Bank of England. Draghi's promise, however, was not enough to improve the underlying economic data, with the euro zone lacklustre in aggregate and under enormous pressure in more vulnerable economies, as the prescribed remedy of fiscal austerity sapped confidence. It was a similar story in the United Kingdom where the government's austerity programme, along with high inflation and stagnant wages, saw the economy stall. The United States, in contrast, seems to be experiencing a genuine recovery; the labour market slowly but surely improved, banks started lending, the housing market began to pick up and energy output boomed.

For the period ending 28 February 2013, the Fund experienced positive contributions from all but one of its major risk allocations, as the currency exposure of the Fund detracted from performance. Particularly in the final months of 2012 and first part of 2013, the exceptionally sharp depreciation of the Japanese yen was problematic. While the Fund held reduced holdings here relative to the performance comparison index, the greater than 20% fall in the yen from the end of September until the end of February weighed on overall performance. Similarly, the US dollar's strong and broad-based appreciation over February also provided a drag on returns, even as the Fund was relatively overweight the US dollar versus the performance comparison index. Otherwise, emerging market debt holdings and corporate debt assets produced a similar positive contribution over the period. The contribution from interest rate risk was the largest of the major allocations, even as the period was split between broadly decreasing and broadly increasing interest rate regimes in different countries.

Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Sweden Government 3.5% 01/06/2022, Bundesobligation 1.25% 14/10/2016, United States Treasury 2.125% 15/08/2021, Spain Government 3.15% 31/01/2016, Canadian Government 5.25% 01/06/2013, Province of Ontario Canada 4% 02/06/2021, Austria Government 3.4% 22/11/2022, Canadian Government 3.25% 01/06/2021, United States Treasury 4.25% 15/11/2014, United States Treasury 3.125% 15/05/2019, France Government 3.5% 25/04/2020, Norway Government 3.75% 25/05/2021

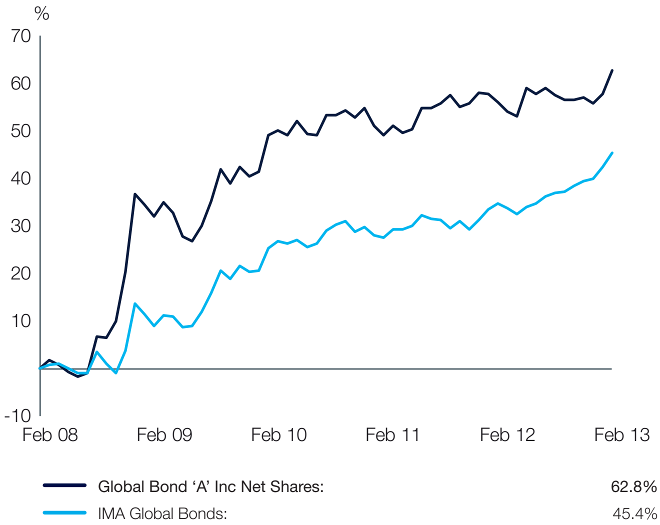
Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Bundesrepublik Deutschland 4.25% 04/01/2014, Sweden Government 3.5% 01/06/2022, Norway Government 3.75% 25/05/2021, Spain Government 3.15% 31/01/2016, Canadian Government 2% 01/09/2012, Canadian Government 1.5% 01/09/2017, Australia Government 4.5% 15/04/2020, United Kingdom Treasury Inflation Linked 2.5% 16/04/2020, Austria Government 3.4% 22/11/2022, Canadian Government 3.25% 01/06/2021, United States Treasury 2.125% 15/08/2021, France Government 3.5% 25/04/2020, Netherlands Government 4% 15/07/2016

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

5 year performance graph (%)



Past performance will not necessarily be repeated.
Source: Lipper, 29.02.08 to 28.02.13, total return net of UK basic tax rate, no initial charges, net of fees, in sterling.
IMA sector shown for performance comparison purposes only.

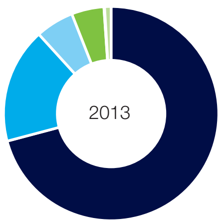
Portfolio analysis

Top 10 holdings (%)

Security	28.02.13
Bundesobligation 1.25% 14/10/2016	8.3
United States Treasury 4.625% 15/02/2040	5.7
Canadian Government 5.25% 01/06/2013	4.7
Bundesrepublik Deutschland 6.25% 04/01/2024	4.3
United States Treasury 3.125% 15/05/2019	4.1
United States Treasury 2.125% 15/08/2021	3.9
United States Treasury 4.25% 15/11/2017	3.8
United States Treasury 1.25% 31/08/2015	3.8
Province of Ontario Canada 4% 02/06/2021	3.5
United States Treasury 4.25% 15/11/2014	3.4

Security	28.02.12
Bundesrepublik Deutscheland 4.25% 04/01/2014	10.3
Norway Government 3.75% 25/05/2021	6.2
United States Treasury 4.625% 15/02/2040	5.6
Canadian Government 2% 01/09/2012	4.5
Australian Government 4.5% 15/04/2020	3.9
United States Treasury 4.25% 15/11/2017	3.8
United States Treasury 1.25% 31/08/2015 Inflation Linked	3.7
Bundesrepublik Deutscheland 6.25% 04/01/2024	3.7
Netherlands Government 4% 15/07/2016	2.7
United States Treasury 2.625% 31/12/2014	2.5

Investments (%)



	28.02.13	28.02.12
Government bonds	72.3	71.6
Corporate bonds	17.7	22.8
Net other assets	5.9	2.5
Collective investment schemes	5.0	4.9
Cash collateral	0.1	-
Forward foreign exchange contracts	(1.0)	(2.0)
Perpetual call bonds	-	0.3
Derivatives	-	(0.1)

Outlook

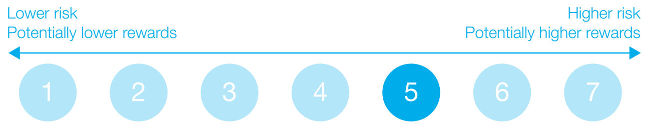
It is now six years since the start of the financial crisis. Markets began 2013 optimistically, but might have run ahead of economic reality. The headwinds to sustained recovery remain strong, with tight fiscal policy, secular deleveraging (longer-term shift to reduced debt levels) and structural reforms still opposing the emergent optimism. We remain far from convinced that the euro zone has done enough to achieve a lasting solution to the structural flaws in the design of the single currency. We believe politicians responsible for implementing the necessary reforms are in danger of being too complacent given the ECB's recent conversion to a 'lender of last resort'. The Italian election in February 2013 throws these dangers into stark focus with the ECB's promise of "doing whatever it takes" to save the euro contingent on a country accepting stringent terms and conditions. This will most likely keep bond yields of the stronger euro-zone countries low and those of the weaker countries volatile (the so-called 'core' and 'periphery' euro-zone countries, respectively).

We are concerned over the outlook for the Canadian economy given high household borrowing, expensive housing and vulnerability to the United States' potential energy independence. Indeed, recent economic data releases were weak enough for the Bank of Canada to tone down its hawkish (focusing on the dangers of inflation) rhetoric. It remains to be seen how far the housing market will rise, but several metrics suggest it is severely overvalued and therefore presents a possible risk to the economy. The key to the outlook in the United States will be how consumers react to the inevitable tightening of fiscal policy that will be implemented this year. So far, the economy is holding up relatively well. This is supporting the US dollar, which, even after the recent rally, remains cheap and an attractive 'haven' from tensions elsewhere in the world. Japan is likely to be a fascinating economy to monitor over the coming months. The new governor of the Bank of Japan has vowed to end deflation by boosting the bank's balance sheet. However, with the yields on 10-year government bonds at 0.66% and a debt to GDP ratio of 229% at the end of 2012, this is a path that needs to be trodden very carefully. We retain a negative view on Japanese government bonds.

While valuations for investment grade credit and emerging market debt have become less compelling, momentum is strong and fundamentals still supportive. We still, therefore, favour these asset classes, but have been selectively taking profits while demand for the asset class is strong.

The opinions expressed herein are as at March 2013.

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 can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears in the middle of the Risk and Reward Indicator scale. This is because it invests in currencies and bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

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

- The value of bonds tends to decrease when interest rates and/or inflation rises.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.
- The Fund may invest in derivatives the prices of which can fluctuate widely. However, it is not intended that this will produce Fund returns that fluctuate more widely or increase the level of risk in the Fund.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series iii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class income shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form report and accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Bond, I Accumulation Net, GBP share class was launched on 2 May 2012.
- Global Bond, A Income Net, USD share class was launched on 8 May 2012.
- Global Bond, R Accumulation Net, GBP share class was launched on 2 January 2013.

Change of registered office

On 8 October 2012 the registered office of each of the Company, the ACD and the Investment Manager to the Company changed from 2 Gresham Street, London EC2V 7QP to Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FCA approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now 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.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Dynamic Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests around the world primarily in a relatively small selection of company shares and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 August, 28/29 February	30 April

Share class	Ongoing charges as per Key Investor Information Document (%)
'A' Class - accumulation	1.63
'A' Class - accumulation USD*	1.63
'I' Class - accumulation	0.88
'R' Class - accumulation*	1.12
'S' Class - accumulation	0.13

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the period ending 28 February 2012.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges shown here is an estimate of the charges, as there has been a change to the charging structure.

For more information about charges, please see section 7 of the Investec Fund Series iii Prospectus.

Summary

Distributions

Share class	Distributions as at 28.02.13	Distributions as at 28.02.12
'A' Class - accumulation	0.55p	0.27p
'A' Class - accumulation USD‡	0.88c	-
'I' Class - accumulation	1.88p	1.27p
'R' Class - accumulation‡	1.26p	-
'S' Class - accumulation	2.93p	2.28p

Performance

Share class	Net Asset Value as at 28.02.13	Net Asset Value as at 28.02.12
'A' Class - accumulation	90.15p	77.82p
'A' Class - accumulation USD‡	137.00c	-
'I' Class - accumulation	146.34p	125.35p
'R' Class - accumulation‡	110.91p	-
'S' Class - accumulation	152.89p	129.98p

p=pence, c=cents (USD)
‡Share class launched during the reporting period

Share price range

Global Dynamic Fund 'A' Class (Net accumulation shares)[1]

Calendar year	2013†	2012	2011
Highest price	91.09	80.60	82.53
Lowest price	81.34	70.83	63.02
Net revenue per accumulation share	0.55	0.27	-
	2010	2009	2008
Highest price	76.80	66.23	74.58
Lowest price	61.32	44.28	43.26
Net revenue per accumulation share	0.50	1.13	-

Global Dynamic Fund 'A' Class (Net USD accumulation shares)*[3]

Calendar year	2013†	2012	2011
Highest price	139.42	131.41	-
Lowest price	132.60	110.42	-
Net revenue per accumulation share	0.88	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Dynamic Fund 'I' Class (Net accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest price	147.84	130.65	132.28
Lowest price	131.89	114.30	101.19
Net revenue per accumulation share	1.88	1.27	0.55
	2010	2009	2008
Highest price	122.74	105.27	110.03
Lowest price	97.76	71.66	69.89
Net revenue per accumulation share	0.59	-	-

Global Dynamic Fund 'R' Class (Net accumulation shares)[4]

Calendar year	2013†	2012	2011
Highest price	112.04	-	-
Lowest price	100.00	-	-
Net revenue per accumulation share	1.26	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Dynamic Fund 'S' Class (Net accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest price	154.43	136.30	136.42
Lowest price	137.63	118.72	104.61
Net revenue per accumulation share	2.93	2.28	1.70
	2010	2009	2008
Highest price	126.06	107.10	110.21
Lowest price	99.94	72.33	70.39
Net revenue per accumulation share	1.53	1.85	-

High and low prices are quoted at mid valuation.
*Share class numbers quoted in US cents

†Up to 28 February 2013
[1]From 1 February 2008 (previously known as Global Technology Fund)
[2]Launched on 3 March 2008
[3]Launched on 8 May 2012
[4]Launched on 2 January 2013

Performance record

The 'A' shares of the Fund returned 16.0% over the reporting period*. Over the same period the MSCI All Countries World Net Return Index returned 15.0% and IMA Global sector returned 12.6% in sterling terms**.

The largest contribution to performance came from the resources sector, where a number of our holdings posted strong returns over the period. Valero Energy was the Fund's standout performer, benefiting from the growth in the supply of cheap United States oil as well as the growth of infrastructure to move this crude to the United States Gulf Coast. LyondellBasell Industries, which manufactures polyolefin (polypropylene and polyethylene) materials for a wide range of industrial applications, also rose strongly over the period thanks to the cheap supply of natural gas owing to liquid rich shale drilling. Heidelberg Cement contributed positively to performance, as its business benefited from a recovery in the United States construction industry as well as cost savings.

The telecommunications & utilities sector added to returns over the period. Australian telecommunications and information services company, Telstra, benefited from the growth in fast broadband infrastructure build, following the success of the multi-year negotiation process with its regulator. Verizon Communications rose on growing smartphone penetration, while Norwegian operator Telenor enjoyed strong growth from its emerging market assets and a favourable resolution to strategic issues in India and Russia which had weighed on the stock.

Elsewhere, the portfolio benefited from strong performances by Swedbank, Anheuser-Busch InBev and CBS. Swedbank is a leading Nordic-Baltic banking group. The company posted several strong sets of results over the period, and more recently the stock has benefited from growing optimism in the market that it will soon be able to resume its share buyback programme following improved clarity on required levels of regulatory capital. Brewer Anheuser-Busch InBev performed well, thanks to its exposure to the profitable United States market and robust Brazilian market, while media company CBS saw a growth in its advertising spending.

On the negative side, the consumers sector was the largest detractor from returns. Herbalife, the direct seller of nutritional supplements, came under pressure when a United States hedge fund built up a significant short position in the stock and questioned the sustainability of its business model. The share price partially recovered at the beginning of 2013 and we subsequently sold the stock. Meanwhile, global pharmaceutical and drug company, Teva Pharmaceutical, performed poorly over the period due to weak results, driven by a slowdown in the European generic drugs market and concerns about the longevity of its multiple sclerosis drug.

Elsewhere, luxury accessories designer, Coach, struggled over the period as concerns built up about trading momentum in the United States and China as new designs were poorly received, despite good results from its peers in the luxury goods space.

Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

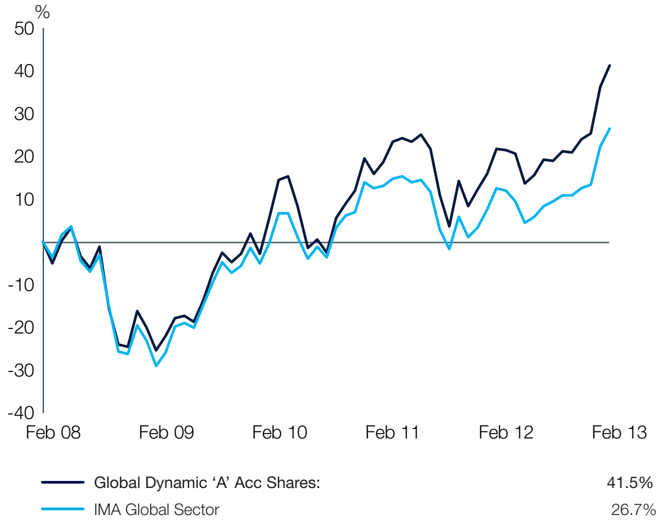
Mercadolibre, Nissan Motor, Emerson Electric, Hutchison Whampoa, Goldman Sachs, Henry Schein, JPMorgan Chase, Molson Coors Brewing, Dufry, MetLife, State Bank of India

Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Copart, Capital One Financial, Wyndham Worldwide, Hitachi, Verizon Communications, Time Warner, priceline.com, Altria, Herbalife, Nestle, Teva Pharmaceutical, British American Tobacco

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.
**Index and IMA sector shown for performance comparison purposes only.

5 year performance (%)



Past performance will not necessarily be repeated.
Source: Lipper, 29.02.08 to 28.02.13, total return net of UK basic tax rate, no initial charges, net of fees, in sterling.
IMA sector shown for performance comparison purposes only.

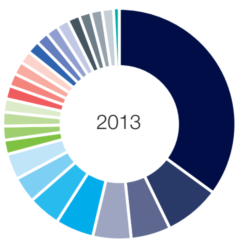
Portfolio analysis

Top 10 holdings (%)

Security	28.02.13
HeidelbergCement	2.0
Bangkok Bank	2.0
Weir	2.0
CBS	2.0
Cia de Saneamento Basico do Estado de Sao Paulo	2.0
JPMorgan Chase	2.0
AmerisourceBergen	1.9
Valeant Pharmaceuticals	1.9
AIA Group	1.9
Valero Energy	1.9

Security	28.02.12
Herbalife	2.3
Wyndham Worldwide	2.1
UnitedHealth	2.1
Anheuser-Busch InBev	2.1
Warnaco	2.1
Nestlé	2.1
Swedbank	2.0
Hitachi	2.0
Alliance Data Systems	2.0
Capital One Financial	2.0

Geographical split (%)



	28.02.13	28.02.12
United States	35.1	41.8
Hong Kong & China	7.8	6.2
Germany	5.5	5.5
Japan	5.4	7.0
Switzerland	5.3	5.4
Net other assets	4.5	1.1
Australia	3.6	3.5
United Kingdom	3.6	3.5
Thailand	2.0	3.2
Brazil	2.0	0.7
Canada	1.9	2.0
Mexico	1.9	-
South Korea	1.8	-
Israel	1.8	2.0
Sweden	1.8	2.0
Norway	1.8	1.8
Spain	1.8	1.9
Belgium	1.7	2.1
France	1.7	2.0
Argentina	1.7	-
Netherlands	1.7	3.7
South Africa	1.6	1.7
Russia	1.6	-
India	1.6	-
Luxembourg	0.8	0.8
Cayman Islands	-	2.3

Outlook

Despite a good set of expectation-beating earnings, overall corporate guidance (the earnings outlook provided by companies to the market) for 2013 has remained cautious. While this could be expected at this early stage of the year, it is a little disappointing in a macroeconomic environment that has generally provided some positive surprises.

Given rapid shifts in sentiment and the uncertainty surrounding the political environment, it is hardly surprising that caution abounds and talk of the 'great rotation' from bonds to equities has become more subdued. However, after a very strong run in January, perhaps it is more remarkable that equities have shown such resilience in February in the face of news that would have sent investors fleeing for cover only a year ago. This new composure is most intriguing and has corresponded with a sharp drop in volatility (fluctuations in prices) and a reduction in correlations (i.e. the extent to which different markets move together) across global markets. Markets seem more 'normal' with companies where earnings expectations are revised upwards being generously rewarded in February as the high correlations, we have seen in recent times, broke down. Investors are rewarding success while the 'risk-on, risk-off'[1] mantra of recent years, which has so tested the efficacy of momentum factors, now seems to be waning.

Perhaps it is too early to declare victory and applaud investors for re-discovering their longer-term perspective. However, as surplus capital inside the financial system continues to build and central banks show no inclination to raise interest rates, the alleviation of stress may finally see a sustained move by investors into riskier assets.

The outlook statement reflects the views of the output from our 4Factor process and is therefore similar to that of the Investec Global Equity Fund.

The opinions expressed herein are as at March 2013.

[1]Investors buy perceived riskier assets when they feel more optimistic about the future (risk-on) and sell these assets when they feel more pessimistic about the future (risk-off).

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 4 5 **6** 7

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 can fall as well as rise and you are not certain of making profits; losses may be made.

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

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

- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.
- The Fund invests in a smaller than average number of holdings relative to a typical fund. This may lead to the Fund's returns fluctuating more widely than those of other more broadly invested funds.
- Changes between the values of different international currencies may adversely affect the value of the Fund's investments and any related income.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series iii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form report and accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Dynamic, A Accumulation Net, USD share class was launched on 8 May 2012.
- Global Dynamic, R Accumulation Net, GBP share class was launched on 2 January 2013.

Change of registered office

On 8 October 2012 the registered office of each of the Company, the ACD and the Investment Manager to the Company changed from 2 Gresham Street, London EC2V 7QP to Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FCA approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now 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.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Equity Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of companies in the larger, more liquid (easier to deal in) markets of the USA, continental Europe, UK and Japan, and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested. However, the MSCI All Countries World Net Return Index is currently taken into account when the Fund's investments are selected.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 August, 28/29 February	30 April

Share class	Ongoing charges as per Key Investor Information Document (%)
'A' Class - accumulation	1.64
'A' Class - accumulation USD*	1.64
'I' Class - accumulation	0.89
'R' Class - accumulation*	1.14
'S' Class - income	0.14
'S' Class - accumulation	0.14

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the period ending 28 February 2012.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges shown here is an estimate of the charges, as the share class was only recently launched.

For more information about charges, please see section 7 of the Investec Fund Series iii Prospectus.

Summary

Distributions

Share class	Distributions as at 28.02.13	Distributions as at 28.02.12
'A' Class - accumulation	0.39p	0.30p
'A' Class - accumulation (USD)‡	0.70c	-
'I' Class - accumulation	14.57p	11.89p
'R' Class - accumulation‡	1.95p	-
'S' Class - income	1.64p	1.45p
'S' Class - accumulation	1.75p	1.50p

Performance

Share class	Net Asset Value as at 28.02.13	Net Asset Value as at 28.02.12
'A' Class - accumulation	94.02p	83.12p
'A' Class - accumulation (USD)‡	142.93c	-
'I' Class - accumulation	1,290.16p	1,131.31p
'R' Class - accumulation‡	111.43p	-
'S' Class - accumulation	98.42p	85.66p
'S' Class - income	91.87p	81.42p

p=pence, c=cent (USD)

‡Share class launched during the reporting period

Share price range

Global Equity Fund 'A' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	94.88	84.99	86.17
Lowest price	84.44	74.80	67.15
Net revenue per accumulation share	0.39	0.30	0.10
	2010	2009	2008
Highest price	81.76	70.56	79.31
Lowest price	65.80	47.58	47.71
Net revenue per accumulation share	0.39	0.45	-

Global Equity Fund 'A' Class (Net USD accumulation shares)*2

Calendar year	2013†	2012	2011
Highest price	145.28	136.60	-
Lowest price	137.68	116.69	-
Net revenue per accumulation share	0.70	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Equity Fund 'I' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	1,301.70	1,157.09	1,167.02
Lowest price	1,157.21	1,019.80	911.13
Net revenue per accumulation share	14.57	11.89	6.05
	2010	2009	2008
Highest price	1,103.66	950.93	1,059.29
Lowest price	886.08	637.31	639.44
Net revenue per accumulation share	8.62	11.52	6.35

Global Equity Fund 'R' Class (Net accumulation shares)3

Calendar year	2013†	2012	2011
Highest price	112.43	-	-
Lowest price	100.00	-	-
Net revenue per accumulation share	1.95	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Equity Fund 'S' Class (Net accumulation shares)[1]

Calendar year	2013†	2012	2011
Highest price	99.29	87.64	87.93
Lowest price	88.18	77.35	68.78
Net revenue per accumulation share	1.75	1.50	1.21
	2010	2009	2008
Highest price	82.76	70.66	-
Lowest price	66.13	53.32	-
Net revenue per accumulation share	1.14	-	-

Global Equity Fund 'S' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest price	94.32	83.29	85.05
Lowest price	83.77	73.51	66.53
Net revenue per income share	1.64	1.45	1.21
	2010	2009	2008
Highest price	81.30	70.57	96.32
Lowest price	72.28	47.01	56.99
Net revenue per income share	1.16	1.41	1.11

High and low prices are quoted at mid valuation.
*Share class numbers quoted in US cents

†Up to 28 February 2013

[1]Launched on 9 November 2009

[2]Launched on 8 May 2012

[3]Launched on 2 January 2013

Performance record

The 'A' shares of the Fund returned 13.3% over the reporting period*. Over the same period the MSCI All Countries World Net Return Index returned 15.0% and IMA Global sector returned 12.6% in sterling terms**.

The resources sector made the strongest contribution to performance as a number of our holdings posted strong returns. United States oil refiners Valero Energy and Marathon Petroleum performed well, benefiting from the growth in the supply of cheap onshore United States crude oil and the growth of infrastructure to move this crude to the United States Gulf Coast. LyondellBasell Industries, a manufacturer of polyolefin (polypropylene and polyethylene) materials for a wide range of industrial applications benefited from the cheap supply of natural gas which helped boost the company's margins. Paint and coatings manufacturer, Valspar, also performed strongly, on the back of improving sentiment towards a recovery in the United States housing market, which should be positive in helping the company grow its paint volumes.

The telecommunications & utilities sector also added to returns over the period. Telstra posted pleasing results, confirming the structural advantages of its mobile network, while Verizon Communications benefited from the increased penetration of smartphones in its subscriber base. Brazilian water and sewage company, Cia de Saneamento Basico do Estado de Sao Paulo also made steady gains over the period, while Axiata Group Berhad added to returns after posting good results over the period.

However, these positive contributions were offset by the performance of some of our other holdings. The financials sector was the largest detractor from returns over the period. Banco do Brasil detracted from returns due to concerns about the impact of interest rate cuts on interest margins and the consequent long-term profitability of the Brazilian banking sector. Meanwhile, MSCI fell following Vanguard's decision to switch index provider for a number of its exchange traded funds to a combination of FTSE and University of Chicago CRSP indices. We subsequently sold our holding in the company.

Despite the resources sector being the largest contributor to returns over the period, it also included some of the weaker stocks in the Fund. Oil and gas exploration and production company, Occidental Petroleum fell over the period on concerns that its forecast production growth could be lower than expected as it focused on reducing costs to maintain returns. Cliffs Natural Resources struggled due to declines in the iron ore price and operational difficulties in its eastern Canadian iron ore operations, while Chinese offshore energy producer CNOOC was hampered by its failure to close the Pan American acquisition from BP.

Elsewhere, Herbalife, the direct seller of nutritional supplements, came under pressure when a United States hedge fund built up a significant short position in the stock and questioned the sustainability of its business model. The share price partially recovered at the beginning of 2013 and we subsequently sold the stock. Express, the United States clothing and accessories retailer, also performed poorly as it struggled to deliver the right product to customers on time. We sold our holding in this stock towards the end of the period.

Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Citigroup, MetLife, Hutchison Whampoa, Standard Chartered, Goldman Sachs

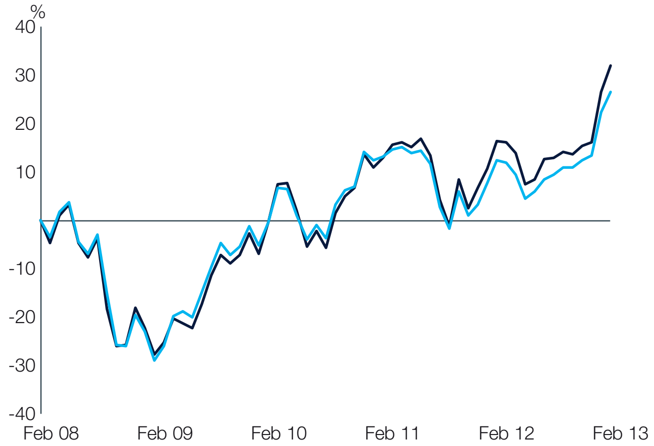
Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Apple, MasterCard, Time Warner, American Water Works, British American Tobacco

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

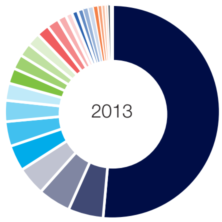
5 year performance graph (%)



Global Equity Fund 'A' Acc Shares:		32.0%
IMA Global Sector:		26.7%

Past performance will not necessarily be repeated.
Source: Lipper, 29.02.08 to 28.02.13, total return net of UK basic tax rate, no initial charges, net of fees, in sterling.
IMA sector shown for performance comparison purposes only.

Geographical split (%)



	28.02.13	28.02.12
United States	51.4	55.3
Switzerland	5.3	2.7
United Kingdom	4.9	5.2
Japan	4.3	4.6
Hong Kong	3.9	2.4
France	3.7	3.7
Germany	3.2	2.5
China	2.6	2.0
Norway	2.3	1.0
Russia	2.2	1.6
Brazil	2.0	2.2
South Korea	2.0	1.8
Australia	1.9	1.9
Netherlands	1.8	2.2
Israel	1.3	0.6
South Africa	1.0	1.0
Belgium	0.9	1.1
Sweden	0.9	1.3
Malaysia	0.8	0.7
Taiwan	0.8	0.4
Thailand	0.7	1.3
Spain	0.6	-
Singapore	0.5	0.6
Austria	0.4	0.5
India	0.4	-
Net other assets	0.2	2.3
Canada	-	1.1

Portfolio analysis

Top 10 holdings (%)

Security	28.02.13
Chevron	1.8
JPMorgan Chase	1.6
Pfizer	1.6
Samsung Electronics	1.5
Oracle	1.5
Nestlé	1.5
Occidental Petroleum	1.5
Citigroup	1.4
Valero Energy	1.4
Verizon Communications	1.3

Security	28.02.12
Apple	2.4
Chevron	1.9
Occidental Petroleum	1.8
JPMorgan Chase	1.6
Microsoft	1.5
Nestlé	1.5
Pfizer	1.3
TOTAL	1.3
Novartis	1.3
CNOOC	1.2

Outlook

Despite a good set of expectation-beating earnings, overall corporate guidance (the earnings outlook provided by companies to the market) for 2013 has remained cautious. While this could be expected at this early stage of the year, it is a little disappointing in a macroeconomic environment that has generally provided some positive surprises.

Given rapid shifts in sentiment and the uncertainty surrounding the political environment, it is hardly surprising that caution abounds and talk of the 'great rotation' from bonds to equities has become more subdued. However, after a very strong run in January, perhaps it is more remarkable that equities have shown such resilience in February in the face of news that would have sent investors fleeing for cover only a year ago. This new composure is most intriguing and has corresponded with a sharp drop in volatility (fluctuations in prices) and a reduction in correlations (i.e. the extent to which different markets move together) across global markets. Markets seem more 'normal' with companies where earnings expectations are revised upwards being generously rewarded in February as the high correlations, we have seen in recent times, broke down. Investors are rewarding success while the 'risk-on, risk-off'[1] mantra of recent years, which has so tested the efficacy of momentum factors, now seems to be waning.

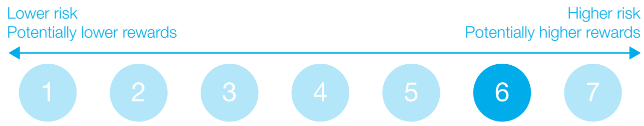
Perhaps it is too early to declare victory and applaud investors for re-discovering their longer-term perspective. However, as surplus capital inside the financial system continues to build and central banks show no inclination to raise interest rates, the alleviation of stress may finally see a sustained move by investors into riskier assets.

The outlook statement reflects the views of the output from our 4Factor process and is therefore similar to that of the Investec Global Dynamic Fund.

The opinions expressed herein are as at March 2013.

[1]Investors buy perceived riskier assets when they feel more optimistic about the future (risk-on) and sell these assets when they feel more pessimistic about the future (risk-off).

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 can fall as well as rise and you are not certain of making profits; losses may be made.

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

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

- Changes between the values of different international currencies may adversely affect the value of the Fund's investments and any related income.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series iii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form report and accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Equity, A Accumulation Net, USD share class was launched on 8 May 2012.
- Global Equity, R Accumulation Net, GBP share class was launched on 2 January 2013.

Change of registered office

On 8 October 2012 the registered office of each of the Company, the ACD and the Investment Manager to the Company changed from 2 Gresham Street, London EC2V 7QP to Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FCA approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now 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.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Gold Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests around the world primarily in the shares of companies involved in gold mining and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Fund may also invest up to one-third of its value in the shares of companies involved in the mining of other precious metals, minerals and non-precious metals.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 August, 28/29 February	30 April

Share class	Ongoing charges as per Key Investor Information Document (%)
'A' Class - accumulation*	1.62
'A' Class - accumulation USD**	1.62
'I' Class - accumulation*	0.87
'R' Class - accumulation**	1.12
'S' Class - accumulation*	0.12

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the period ending 28 February 2012.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges figure shown here is an estimate of the charges, as there has been a change to the charging structure.

**The ongoing charges shown here is an estimate of the charges, as the share class was only recently launched.

For more information about charges, please see section 7 of the Investec Fund Series iii Prospectus.

Summary

Distributions

Share class	Distributions as at 28.02.13	Distributions as at 28.02.12
'A' Class - accumulation	0.00	0.00
'A' Class - accumulation USD‡	0.00	-
'I' Class - accumulation	0.14p	0.00
'R' Class - accumulation‡	0.00	-
'S' Class - accumulation	1.41p	1.45p

Performance

Share class	Net Asset Value as at 28.02.13	Net Asset Value as at 28.02.12
'A' Class - accumulation	153.41p	207.69p
'A' Class - accumulation USD‡	233.05c	-
'I' Class - accumulation	143.83p	193.27p
'R' Class - accumulation‡	90.32p	-
'S' Class - accumulation	151.19p	201.64p

p=pence, c=cents (USD)

‡Share class launched during the reporting period

Share price range

Global Gold Fund 'A' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	172.07	213.10	239.36
Lowest price	150.14	142.89	184.90
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest price	244.51	172.99	165.13
Lowest price	140.97	96.70	62.38
Net revenue per accumulation share	-	-	-

Global Gold Fund 'A' Class (Net USD accumulation shares)*[1]

Calendar year	2013†	2012†	2011
Highest price	276.97	313.45	-
Lowest price	228.97	227.37	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Gold Fund 'I' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	161.21	198.20	220.92
Lowest price	140.75	133.19	171.82
Net revenue per accumulation share	0.14	-	-
	2010	2009	2008
Highest price	225.58	158.81	150.24
Lowest price	129.53	88.37	56.95
Net revenue per accumulation share	-	-	-

Global Gold Fund 'R' Class (Net accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest price	101.24	-	-
Lowest price	88.37	-	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest price	-	-	-
Lowest price	-	-	-
Net revenue per accumulation share	-	-	-

Global Gold Fund 'S' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest price	169.34	206.68	229.26
Lowest price	147.93	139.19	179.00
Net revenue per accumulation share	1.41	1.45	0.78
	2010	2009	2008
Highest price	233.05	162.40	151.19
Lowest price	132.69	89.61	57.63
Net revenue per accumulation share	-	-	-

High and low prices are quoted at mid valuation.
*Share class numbers quoted in US cents
†Up to 28 February 2013
[1]Launched on 8 May 2012
[2]Launched on 2 January 2013

Performance record

The 'A' shares of the Fund fell 27.2% over the reporting period*. Over the same period the HSBC Global Gold CR Index fell 29.5% and the IMA Specialist Sector returned 3.0% in sterling terms**.

Historically, the Fund has delivered around 1.4 times the return of the gold price. During the period under review, however, the Fund – and gold shares in general – fell further than the price of gold bullion, which declined by 7.4%.

Global gold equities have underperformed the gold price in recent years. Meanwhile, inflationary pressures have weighed on companies' costs. In our view, in an environment where the gold price does not outpace inflationary pressures, gold mining companies that adopt a 'do nothing' or follow a 'no growth' strategy will likely face an annual margin squeeze. Over time, this could result in bankruptcy, unless these companies try to reduce their unit costs by restructuring, and/or consider merger & acquisition (M&A) strategies to increase their reserves.

Within the Fund, we favour gold producers which benefit from good cost control, operations (costs) in markets with weakening currencies, strong balance sheets that do not require funding, growing production profiles and, most importantly, strong free cashflow generation. Specific examples include Yamana, Goldcorp, RandGold and New Gold. We also have a large position in palladium, via an exchange-traded commodity (ETC), an investment fund traded on stock exchanges that aims to track the price of a commodity.

Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

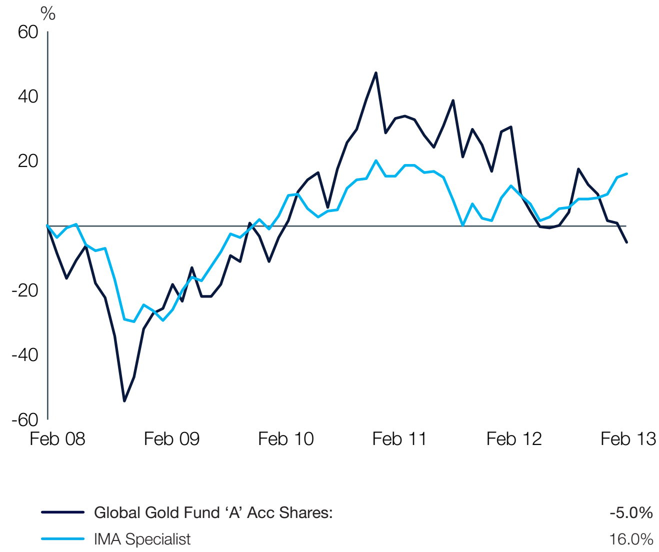
Goldcorp, Eldorado Gold, ETFS Physical Platinum, Source Physical Markets Gold P-ETC, Yamana Gold, Barrick Gold

Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:

Goldcorp, Newcrest Mining, Royal Gold, Randgold Resources, European Goldfields, Aurico Gold, Barrick Gold, Yamana Gold

*Source: Lipper, total return, net of UK basic tax rate, no initial charge, net of fees in sterling.
**Index and IMA sector shown for performance comparison purposes only. The HSBC Global Gold Index is capital return only.

5 year performance graph (%)



Past performance will not necessarily be repeated.
Source: Lipper, 29.02.08 to 28.02.13. Total return net of UK basic rate tax, no initial charges, net of fees, in sterling.
IMA sector is shown for performance comparison purposes only.

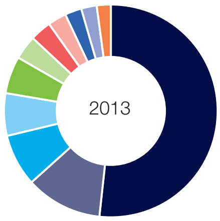
Portfolio analysis

Top 10 holdings (%)

Security	28.02.13
Yamana Gold	10.0
Goldcorp	9.7
Randgold Resources	7.8
New Gold	7.1
Franco-Nevada	5.2
Barrick Gold	4.9
Eldorado Gold	4.4
Source Physical Markets Gold P-ETC	4.0
NewGold Issuer	3.8
Fresnillo	3.6

Security	28.02.12
Goldcorp	9.2
Newcrest Mining	8.6
Randgold Resources	6.8
Yamana Gold	6.6
New Gold	6.3
Barrick Gold	4.3
Royal Gold	3.9
Newmont Mining	3.7
Fesnillo	3.5
SEMAFO	3.2

Geographical split (%)



	28.02.13	28.02.12
Canada	51.7	53.8
Jersey	11.6	8.0
South Africa	7.9	6.9
Ireland	6.5	2.2
Australia	5.7	10.1
Mexico	3.6	3.5
United Kingdom	3.2	3.4
Net other assets	2.8	1.9
China	2.5	2.6
United States	2.4	7.6
Russia	2.1	-

Outlook

Since the end of the reporting period, there has been a heavy sell off of gold, silver and other precious metals, along with their associated equities, particularly in mid-April. This meant that during 2013 to 19 April, gold was down 16.2%, while gold equities, as measured by the HSBC Global Gold Mining Index were down 36.0%, in US dollars. Silver has also been impacted significantly, down 24% over the same period. Other more industrial precious metals have held up a lot better, given supply-side issues in South Africa and improving vehicle demand, resulting in platinum and palladium being down 8.0% and 3.9%, respectively.

The sell off seems to be due to a combination of factors, including:

- Short-selling (selling securities that are not currently owned, with the intention of subsequently repurchasing them at a lower price) by macro hedge funds with large tranches of futures, through crucial support levels, especially the key $1,530/oz level. This has been triggering stop-loss selling (the enforced selling of a security when it drops below a pre-agreed level);
- Large gold ETC liquidations by institutional and retail investors taking profit.
- Possible central-bank selling, with The Central Bank of Cyprus recently agreeing to sell €400 million of its reserves. This potentially reflects a larger monetisation of gold reserves across other European central banks;
- Weakness in the Indian fabrication market (the largest physical gold market);
- Downgrades to gold company earnings, as sell-side analysts revise gold forecasts lower.

However, European central banks' gold holdings are still restricted under the Washington Agreement on Gold. This recognises that gold should remain an important element of global monetary reserves and stipulates that sales should be limited to no more than 400 tonnes (12.9 moz) annually over five years, expiring September 2014.

While our exposure to palladium and platinum physically-backed ETCs has been hit by the generalised sell off of the precious metals sector, we see demand for these metals driven by other factors, for example, their industrial application in auto catalytic converters. With 60% of platinum and 90% of palladium used industrially, we expect that demand will be stimulated by these lower prices.

The market is clearly spooked and various 'conspiracy theories' are doing the rounds. We understand that such volatility (widely fluctuating values) is alarming for clients. However, periods of market capitulation and minimal physical gold buying typically present opportunities to long-term investors. We still believe that in an era of unprecedented money-printing by major central banks, real assets will benefit, and gold in particular, being a relatively easy to store physical asset. We also believe that high quality gold equities, generating free cashflow, can act as an important inflation hedge and a store of value, as fiat (paper) currencies continue to debase (close their value).

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 4 5 6 **7**

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 can fall as well as rise and you are not certain of making profits; losses may be made.

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

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

- The Fund invests in a narrow range of investments and specialised sectors. This may lead to its returns fluctuating more widely than those of more broadly invested funds. It may also mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- It may not be possible to sell smaller company shares as easily as those of larger companies. This could mean that their value fluctuates more widely and that the price obtained for these investments when they are sold is less than expected.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series iii Prospectus.

* Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form report and accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Gold, A Accumulation Net, USD share class was launched on 8 May 2012.
- Global Gold, R Accumulation Net, GBP share class was launched on 2 January 2013.

Change of registered office

On 8 October 2012 the registered office of each of the Company, the ACD and the Investment Manager to the Company changed from 2 Gresham Street, London EC2V 7QP to Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FCA approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now 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.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Other information

ISA status

During the period under review, all of 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.

Investec Fund Managers 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 2013 and will be distributed to shareholders, where applicable, on 30 April 2013.

For accumulation shares payments are deemed to be paid on 30 April 2013.

Ratings

Provided as at 28.02.13. Fund ratings may be provided by independent rating agencies based on a range of investment criteria. For a full description of the ratings please see www.investecassetmanagement.com/ratings.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Registration in overseas markets

	Chile	Peru	Switzerland	UK
Emerging Markets Local Currency Debt Fund	✓	✓	✓	✓
Global Bond Fund			✓	✓
Global Dynamic Fund			✓	✓
Global Equity Fund			✓	✓
Global Gold Fund			✓	✓

Notes: Chile and Peru to be distributed to AFP (Pension Funds) only.

The Company's Prospectus, Key Investor Information Documents, Instrument of Incorporation, annual and semi annual accounts may be obtained, free of charge, from Investec Fund Managers Limited or, in Switzerland, from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, PO Box 101, CH-8066 Zurich.

A copy of the full portfolio changes during the period under review is available free of charge from the Swiss Representative.

Investec Fund Series iii was de-registered in Germany, Luxembourg and the Netherlands on 1 April 2012.

Authorised Corporate Director (ACD)

Investec Fund Managers Limited

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Asset Management

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