Ninety One Funds Series ii Annual Report and Audited Financial Statements

For the year ended 31 December 2022

Contents

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

American Franchise Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily (at least two-thirds) in the shares of USA companies (those incorporated in, domiciled in, or that have significant economic exposure to, the USA) and in related derivatives (financial contracts whose value is linked to the price of the shares of such USA companies).

The Fund focuses on investing in companies believed to be of high quality, which are typically associated with strong brands or franchises.

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

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

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives. The S&P 500 Net Return Index is used for performance comparison. The Fund does not seek to replicate the index.

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

Performance record

	12 months (%)
American Franchise Fund 'I' accumulation shares	(13.6)*
Performance comparison index	(8.25)**
Peer group sector average	(10.1)**

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

American Franchise Fund (continued)

Performance

The Fund underperformed both its benchmark and peer group sector average.

Factors hindering performance

Dental group Align Technology lagged on the slow pandemic recovery, Facebook owner Meta (TikTok competition, advertising headwinds), while three software companies: Autodesk (underwhelming results), Intuit (weak outlook) and Adobe (poorly received M&A) also detracted. We still hold all of these laggards given their long-term structural growth potential.

Factors helping performance

More positively, avoiding Amazon and Tesla delivered the biggest lift to the portfolio, followed by a number of holdings such as Automatic Data Processing (strong jobs market), Becton Dickinson (elective procedures returning), auto goods supplier O'Reilly Automotive (more repairs versus new car purchases), Activision Blizzard (being bought by Microsoft). New holdings over the year including Cadence (design software) and CoStar (real estate data) have both delivered operational strength.

Portfolio activity

Significant purchases

ASML, Idexx Labs, S&P Global, Nvidia.

Significant Sales

Nike, Embecta, O'Reilly Automotive

Outlook

We remain comfortable that the quality attributes we seek across the portfolio – enduring competitive advantages, dominant market positions, strong balance sheets, lower cyclicality, low capital intensity, sustainable cash generation and disciplined capital allocation – are suited to both current conditions and for uncertain times ahead, and we continue to monitor markets closely.

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*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
**Benchmark (S&P 500 NDR Index) and peer group sector average (Investment Association North America sector) shown for performance comparison purposes only.
The opinions expressed herein are as at end of December 2022.

American Franchise Fund (continued)

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

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

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

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

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

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

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

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

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

Style Bias: The use of a specific investment style or philosophy can result in particular portfolio characteristics that are different to more broadly invested portfolios. These differences may mean that, in certain market conditions, the value of the portfolio may decrease while more broadly invested portfolios might grow.

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

Asia Pacific Franchise Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily (at least two-thirds) in the shares and in related derivatives (financial contracts whose value is linked to the price of such shares) of Asia Pacific ex Japan companies (those incorporated in, domiciled in, or that have significant economic exposure to Asia Pacific excluding Japan).

The Asia Pacific region, excluding Japan includes Australia, Hong Kong, Singapore, Malaysia, Thailand, Taiwan, South Korea, the Philippines, Indonesia, China, India, New Zealand and Vietnam.

The Fund focuses on investing in companies believed to be of high quality which are typically associated with strong brands or franchises.

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

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

The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives. The MSCI AC Asia Pacific ex Japan Net Return Index is used for performance comparison. The Fund does not seek to replicate the index.

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

Performance record

	12 months (%)
Asia Pacific Franchise Fund 'I' accumulation shares	(11.10)*
Performance comparison index	(9.55)**
Peer group sector average	(6.77)**

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

Asia Pacific Franchise Fund (continued)

Performance

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

Factors hindering performance

In terms of specific detractors, Domino's Pizza Enterprises faced operational headwinds, as did Chinese condiment staple Fuling Zhacai. Gaming machine maker Aristocrat Leisure fell back due to regulatory issues facing the gaming sector given lingering effects of COVID on casino footfall. Microchip makers Samsung Electronics and TSMC slipped back amid the broader challenges facing the semiconductors industry. We still hold all of these companies given their long-term structural growth potential.

Factors helping performance

Positively, the rally in the last two months of the year saw some holdings which had been struggling, such as clinical research company Tigermed and casino operator Sands China, improve to become contributors for the year, while tech names such as Alibaba and Tencent recovered from the worst of their losses as global investors began to add China exposure back to their portfolios. Amongst other holdings Insurer AIA Group and HDFC Bank have benefitted from rising rates.

Portfolio activity

Significant purchases

NVIDIA, Beijing Kingsoft.

Significant Sales

Sands China, Travelsky Technology, LG Household and Healthcare.

Outlook

The last 12 months was undoubtedly a challenging environment in which to operate, but we remain comfortable with the current positioning of the fund. While Asia Pacific Franchise does have a large exposure to China, reflecting the depth of quality investment opportunities, the portfolio also has exposure to long-term secular growth opportunities elsewhere in the region- in particular within the semiconductor, consumer and health care sectors. Furthermore, we continue to believe that the best defence against the risk of inflation remains pricing power, the most valuable characteristic companies can possess in such an environment, together with a reasonable starting valuation, and were pleased to see this in evidence during the quarter, with the majority of portfolio holdings delivering robust results that continued to highlight the outstanding opportunities for these businesses.

Asia Pacific Franchise Fund (continued)

In the meantime, the same secular trends that led us to be invested in these quality companies remain in place. We remain comfortable that the quality attributes we seek across the portfolio – enduring competitive advantages, dominant market positions, strong balance sheets, lower cyclicality, low capital intensity, sustainable cash generation and disciplined capital allocation – are all well suited to both current conditions and for uncertain times ahead.

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*Source: Morningstar, total return, income reinvested, no initial charge, accumulation share class, net of fees in GBP.
Benchmark (MSCI* AC Asia Pacific ex Japan NDR Index and peer group sector average (Investment Association Asia Pacific ex Japan sector) shown for performance comparison purposes only.
***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Ninety One UK Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
The opinions expressed herein are as at end of December 2022.

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

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

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

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

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

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

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

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

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

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

Style Bias: The use of a specific investment style or philosophy can result in particular portfolio characteristics that are different to more broadly invested portfolios. These differences may mean that, in certain market conditions, the value of the portfolio may decrease while more broadly invested portfolios might grow.

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

Global Strategic Equity Fund

Summary of the Fund's investment objective and policy

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

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

The Fund focuses on investing in companies expected to become more profitable due to operational and/or structural improvements.

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

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

The Fund may also invests in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in units or shares in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives. The MSCI AC World Net Return Index is used for performance comparison and risk management. The Fund does not seek to replicate the index.

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

Performance record

	12 months (%)
Global Strategic Equity Fund 'I' accumulation shares	-15.87*
Performance comparison index	-8.08**
Peer group sector average	-11.34**

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

Global Strategic Equity Fund (continued)

Performance

The Fund underperformed both its benchmark and peer group sector average.

Factors hindering performance

Individual holdings in the portfolio, particularly within the industrial and financial sectors, were the principal drivers of underperformance. US generator business Generac proved to be the biggest detractor in the portfolio with staff shortages among the issues which resulted in disappointing results from the company. In a difficult year for semiconductor stocks, the fund's overweight position in technology proved unhelpful as concerns about weakening demand and increased supply affected stocks across the sector and as a result, MediaTek, Lam Research and Nvidia were among the largest detractors from performance. In addition, Californian bank SVB Financial was caught up in the shift in sentiment towards the technology sector as it became more difficult for clients to raise external finance. French customer service business Teleperformance also lagged the market following work practice allegations relating to its Colombian business. We retain our conviction in these companies as their long-term investment cases remain intact.

Factors helping performance

In contrast, holdings in the consumer discretionary sector proved positive. We received an additional boost, by not owning Tesla, which was the largest portfolio contributor to relative performance. Mounting evidence of weakening demand and increasing price discounting, and concerns around the overhang effect of Elon Musk's entanglement with Twitter acted as headwinds. Energy stocks did well as oil and gas prices rose. Pioneer Natural Resources in the US and BP in the UK were both among the top contributors to performance. Taking advantage of the year-end rally as China abandoned its zero-COVID policy, Chinese stocks such as internet giant Alibaba and Yangzijiang Shipbuilding added to performance. In the US, quality healthcare business UnitedHealth Group was a leading contributor. The company was well-positioned for solid Q3 results given procedures recovery is still rather slow.

Portfolio activity

Significant purchases

AstraZeneca PLC: Pharmaceuticals Biotechnology & Life Sciences. Pharmaceutical company AstraZeneca has transitioned into a pre-eminent innovator in the European sector. The stock has recently de-rated but there are several pipeline catalysts in the next few quarters with the potential to unlock stronger long-term growth and see a re-rating in the shares.

LG Energy Solution Ltd: Capital Goods. LG Energy Solution is the leading pure play EV battery player outside of China in terms of size, technology and low costs per kilowatt-hour. This makes it excellently positioned not just for the growth in electric vehicle adoption we have already seen, but also for that we are likely to see as the electric vehicle industry benefits from specific measures in the US Inflation Reduction Act.

Significant Sales

Alphabet. Media & Entertainment. While Alphabet is likely to remain a quality company, the size and make-up of the earnings shortfall last quarter was concerning. In particular with revenues starting to notably miss – partly related to a slowing economy but also potentially some specific headwinds – and little evidence of a cost response, there is the risk of Alphabet following the recent trajectory of other internet platform businesses and seeing more material earnings downgrades in the future.

Global Strategic Equity Fund (continued)

Lincoln National Corp: Insurance. We exited the shares after its latest results pointed to a heavy loss following unexpected reserve and goodwill impairment charges. It was forced to log almost US$2 billion in losses due to policyholder expiration in its guaranteed universal life insurance block. This news has effectively ended the capital returns story. Management credibility has severely been impacted and share buybacks will be suspended indefinitely, thus eroding the investment case.

IQVIA Holdings Inc: Pharmaceuticals Biotechnology & Life Sciences. The shares reacted very well to an in-line quarter and reiterated outlook, but still leaves earnings forecasts for 2023 notably reduced on the combination of adverse currency movements and the costs of re-financing at higher rates.

Outlook

The vast majority of market observers, including politicians and central bankers, are now convinced that the world is looking at a looming recession in 2023. The debate has now turned to how bad and how long a downturn has already been discounted by the market after its decline of 2022. Certainly, at the moment, there remains a tension between top-down economic forecasters and bottom-up stock analysts, with the latter much more optimistic about the magnitude of an earnings decline in 2023. History shows us that, when slowdowns occur, it usually transpires that the macro-economic forecasters are right about profit attrition but that they also tend to forecast recessions that do not materialise. This is also true of stock markets, which tend to respond to real or imagined recessionary fears ahead of their realisation or confounding.

Throughout last year's multiple contraction it was noticeable that companies which failed to meet forecasts were punished by investors to a greater extent than those who met or exceeded earning predictions were rewarded. This asymmetrical response pattern is typical of markets subsequent to a period during which "risk on" investment strategies have been rewarded for a sustained market up cycle and investors are rebalancing towards a more defensive stance. This is a process that can take time but whose culmination ultimately results in a market price level that over-discounts the damage done to longer term growth trends for the global economy. Thereafter, share prices eventually move to a new upcycle.

The issue, of course, is to identify when this moment is reached. We suspect that this will prove to be at some point in 2023 and will be signalled by a more symmetrical share price response to earnings surprise. Obviously, there are many geopolitical events and other unknowns that can significantly alter the investment landscape but, given the huge shift in investor preference towards cash, it appears to us that there are good quality companies out there whose longer term prospects seem undervalued at this point and for whom a positive inflection in sentiment could see a meaningful move to the upside.

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*Source: Morningstar, total return, income reinvested, no initial charge, accumulation share class, net of fees in GBP.
Benchmark (MSCI* All Countries World NDR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.
***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Ninety One UK Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
The opinions expressed herein are as at end of December 2022.

Global Strategic Equity Fund (continued)

Risk and Reward profile*

Lower risk Potentially lower rewards						Higher risk Potentially higher rewards
1	2	3	4	5	**6**	7

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

Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of the investments made by the Fund.The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because the Fund invests in the shares of companies, whose values tend to fluctuate widely.

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

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

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

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

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

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

Global Total Return Credit Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide total returns comprised of income and capital growth (to grow the value of your investment) over at least a full credit cycle (this objective may be measured over at least 5 years).

The Fund targets a positive return of Overnight SONIA +4% before fees over a full credit cycle (which may be measured over 5-year rolling periods).

While the Fund aims to achieve a positive return and its performance target, there is no guarantee that either will be achieved over the full credit cycle, or over any period of time, and there is a risk of loss.

A credit cycle means the economic conditions over which the cost of borrowing initially increases, then decreases and then stabilises. Credit cycles can vary in length and typically last between 3 and 7 years.

The Fund invests primarily (at least two-thirds) in bonds (or similar debtbased assets) issued by borrowers around the world (including but not limited to emerging markets) and in related derivatives (financial contracts whose value is linked to the price of such bonds (or similar debt-based assets)).

These bonds (or similar debt-based assets) may be denominated in any currency, have any credit rating or be unrated, and may be issued by any borrower e.g. governments or companies. They may also have a fixed or floating rate and/or coupon, and may be of any duration (measures the sensitivity of the value of bonds (or similar debt-based assets) to change in interest rates).

The Fund may invest up to 20% of its assets in structured credit instruments (assets whose value and level of income payments depend on the underlying assets held by/for the business that issues them).

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

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

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

The Fund cannot replicate the target benchmark index. The benchmark index is not investable and therefore cannot be replicated.

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

Performance record

	12 months (%)
Global Total Return Credit Fund 'I' accumulation shares	(12.41)*
Performance comparison index	5.40**
Peer group sector average	(11.70)**

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

Total deemed income distributions per 'I' accumulation shares

12 Months to 31 December 2022	4.42 pence
12 Months to 31 December 2021	4.01 pence

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

Performance

The Fund underperformed its comparative cash benchmark and its peer group sector during the period under review.

Factors hindering performance

Credit markets were buffeted by two key themes in 2022, namely: hawkish central banks grappling with persistent inflationary pressures, and growing fears that central banks' quantitative tightening (QT) initiatives could tip economies into a recession and destroy demand. This ultimately led to a dramatic reset in credit markets, which saw yields and spreads move to well above historic averages.

It is, however, important to note that the Fund aims to achieve its return objective over a full market cycle, rather than in any individual year.

The Fund's holdings in the more interest rate-sensitive market segments (such as traditional fixed coupon bonds) and some individual credit issuers detracted from returns.

Factors helping performance

In an environment where there were few places for credit investors to hide, positive contributors to performance were limited. The Fund's exposure to short-dated and floating rate instruments offered some downside protection in an environment where interest rates were rising at a fast pace.

Portfolio activity

Significant purchases

Cogent 4.375% 30/06/2024, SBB Treasury 1.125% 26/11/2029, Telenet Finance Luxembourg Notes 5.5% 01/03/2028, iShares USD High Yield Corporate Bond UCITS ETF, UBS 2.095% 11/02/2032, Eircom 3.5% 15/05/2026, Abercrombie & Fitch Management 8.75% 15/07/2025, iShares Core EUR Corp Bond UCITS ETF, Techem Verwaltungsgesellschaft 6% 30/07/2026, Barclays 2.645% 24/06/2031.

Significant Sales

iShares USD High Yield Corporate Bond UCITS ETF, Banijay Entertainment 3.5% 01/03/2025, Paprec 4% 31/03/2025, APX 6.75% 15/02/2027, Eircom 3.5% 15/05/2026, iStar 5.5% 15/02/2026, Motion Finco 7% 15/05/2025, Techem Verwaltungsgesellschaft 6% 30/07/2026, Royal Caribbean Cruises 5.5% 01/04/2028, United Airlines 4.625% 15/04/2029.

Outlook

Credit markets were buffeted by two key themes in 2022, namely: hawkish central banks grappling with persistent inflationary pressures, and growing fears that central banks' quantitative tightening (QT) initiatives could tip economies into a recession and destroy demand. This ultimately led to a dramatic reset in credit markets, which saw yields and spreads move to well above historic averages. We feel the driving forces behind this re-pricing are now in the throes of shifting.

While market technicals such as supply/demand dynamics, fund flows, central bank QT momentum and interest rate volatility were key factors through 2022, we feel their influence is possibly receding and company fundamentals (i.e., corporate health/strength) are now nearer to the fore. Corporate fundamentals are generally starting from a position of strength, with reasonable leverage levels, manageable maturity walls, and strong interest coverage a feature across large parts of the credit market. As macro conditions get tougher, we will inevitably see an increase in default rates, but we believe there is potential for this rise to be less pronounced than in previous recessions given the factors mentioned above. However, in such a rising default rate environment, company-specific credit risk abounds, and we think investors should generally favour companies with more defensive end markets, and sufficient margins and liquidity to absorb higher funding costs and any potential economic weakness ahead. Also, sector dispersion remains at historically low levels, but this will likely increase as the market begins to increasingly discriminate between issuer fundamentals. This rising dispersion is likely to manifest itself in multiple ways, both between and within asset classes, sectors and rating segments. A flexible and bottom-up, fundamentally driven approach is likely to be the most fruitful in such an environment, in our view.

The asset classes' higher yields have increased the forward-looking attractiveness of the asset class, with the income profile dramatically improving, especially compared with equities. The gap between corporate bond yields and dividend yields is at the highest level over the past decade. Not only does this higher level of income mark a shift in regime for investors who have been starved of yield for many years now – boding well for the outlook for asset class demand – it also has historically shown itself to be a higher quality/less volatile source of return for credit investors. Furthermore, higher yields also typically provide a buffer to absorb further market stresses.

While we continue to favour the higher-quality segments of credit markets (such as investment-grade and structured credit), we also believe that pockets of possible value are starting to emerge in the lower-rated parts of the market which lagged the market recovery in the fourth quarter. This is most apparent in high-yield markets, where certain subsets of the single B and CCC rated categories have meaningfully lagged the recovery seen in BBs, which now screen as one of the more expensive segments. However, selection is key, particularly in this cohort as default risk will undoubtably increase from historically low levels.

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*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
**Overnight SONIA +4% (pre 30 November 2022, benchmark was LIBOR 3 Month GBP +4%) and peer group sector average (Investment Association £ Strategic Bond) shown for performance comparison purposes only.
The opinions expressed herein are as at end of December 2022.

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

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

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

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

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

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

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

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

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

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

American Franchise Fund

Portfolio Statement

As at 31 December 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Consumer discretionary 14.53% (31.12.21: 14.21%)			
Leisure goods			
Activision Blizzard	301,832	19,227	3.91
Electronic Arts	106,913	10,848	2.21
		30,075	**6.12**
Retailers			
O'Reilly Automotive	19,363	**13,567**	**2.76**
Travel and leisure			
Starbucks	198,779	16,473	3.35
Booking	6,803	11,318	2.30
		27,791	**5.65**
Consumer staples 5.85% (31.12.21: 4.42%)			
Beverages			
Monster Beverage	172,472	**14,613**	**2.97**
Food producers			
Nestle	146,026	**14,159**	**2.88**
Financials 12.37% (31.12.21: 14.39%)			
Finance and credit services			
S&P Global	64,101	18,092	3.68
FactSet Research Systems	46,966	15,862	3.23
		33,954	**6.91**
Investment banking and brokerage			
Charles Schwab	239,181	16,422	3.34
Tradeweb Markets	189,781	10,425	2.12
		26,847	**5.46**
Health care 16.97% (31.12.21: 15.86%)			
Medical equipment and services			
Becton Dickinson	79,111	16,881	3.44
Alcon	259,908	14,914	3.03
Agilent Technologies	98,372	12,346	2.51
Stryker	58,308	11,889	2.42
Align Technology	54,995	9,688	1.98
IDEXX Laboratories	21,803	7,428	1.52
		73,146	**14.90**
Pharmaceuticals and biotechnology			
Zoetis	82,659	**10,170**	**2.07**
Industrials 6.77% (31.12.21: 8.93%)			
Industrial support services			
Automatic Data Processing	94,384	18,860	3.84
Visa	83,440	14,418	2.93
		33,278	**6.77**

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Real estate 2.85% (31.12.21: 0.00%)			
Real estate investment and services			
CoStar	217,391	**14,020**	**2.85**
Technology 40.42% (31.12.21: 40.98%)			
Software and computer services			
Microsoft	195,750	39,179	7.97
Alphabet	358,210	26,306	5.35
Autodesk	148,046	23,124	4.71
Adobe	67,117	18,811	3.83
Dolby Laboratories	284,091	16,622	3.38
VeriSign	95,501	16,281	3.31
Intuit	49,572	16,085	3.27
Cadence Design Systems	86,170	11,585	2.36
Meta Platforms A Class	84,682	8,458	1.73
		176,451	**35.91**
Technology hardware and equipment			
ASML	25,072	11,479	2.34
NVIDIA	88,028	10,672	2.17
		22,151	**4.51**
Portfolio of investments		490,222	99.76
Net other assets*		1,181	0.24
Net assets		**491,403**	**100.00**

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

Asia Pacific Franchise Fund

Portfolio Statement

As at 31 December 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 12.13% (31.12.21: 14.44%)			
CSL	61,398	9,978	4.61
Aristocrat Leisure	462,139	7,966	3.68
Domino's Pizza Enterprises	116,300	4,351	2.01
REA	63,275	3,959	1.83
		26,254	**12.13**
Cayman Islands 18.04% (31.12.21: 20.13%)			
Tencent	468,600	16,680	7.70
Alibaba	1,565,144	14,386	6.64
NetEase	656,952	8,009	3.70
		39,075	**18.04**
China 21.30% (31.12.21: 17.38%)			
Hangzhou Tigermed Consulting	1,086,100	10,440	4.82
Kweichow Moutai	48,860	10,142	4.68
Shenzhen Mindray Bio-Medical Electronics	239,889	9,110	4.21
Glodon	1,127,796	8,076	3.73
Chongqing Fuling Zhacai	2,036,453	6,305	2.91
Beijing Kingsoft Office Software	64,475	2,048	0.95
		46,121	**21.30**
Hong Kong 7.77% (31.12.21: 4.16%)			
AIA	1,820,600	16,841	7.77
Real Gold Mining‡	1,507,000	–	–
		16,841	**7.77**
India 6.49% (31.12.21: 6.10%)			
HDFC Bank	623,537	10,205	4.71
Hindustan Unilever	150,004	3,861	1.78
		14,066	**6.49**
Jersey 3.04% (31.12.21: 3.00%)			
Amcor	660,163	**6,596**	**3.04**
Netherlands 4.76% (31.12.21: 5.99%)			
ASML	11,641	5,330	2.46
Heineken	63,624	4,973	2.30
		10,303	**4.76**
South Korea 6.72% (31.12.21: 11.04%)			
Samsung Electronics	401,528	**14,586**	**6.72**
Taiwan 8.53% (31.12.21: 9.11%)			
Taiwan Semiconductor Manufacturing	1,525,357	**18,489**	**8.53**
United States 7.41% (31.12.21: 5.05%)			
Agilent Technologies	50,566	6,346	2.93
Dolby Laboratories	87,222	5,103	2.36
NVIDIA	37,946	4,601	2.12
		16,050	**7.41**

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Vietnam 2.69% (31.12.21: 3.06%)			
Vietnam Dairy Products	2,170,375	**5,820**	**2.69**
Portfolio of investments		**214,201**	**98.88**
Net other assets*		2,420	1.12
Net assets		**216,621**	**100.00**

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

Global Strategic Equity Fund

Portfolio Statement

As at 31 December 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 1.89% (31.12.21: 0.77%)			
Santos	1,313,485	**5,297**	**1.89**
Austria 0.60% (31.12.21: 0.65%)			
Erste Group Bank	63,765	**1,692**	**0.60**
Canada 3.05% (31.12.21: 0.00%)			
Barrick Gold	333,691	4,781	1.71
Ritchie Bros Auctioneers	77,893	3,748	1.34
		8,529	**3.05**
Cayman Islands 1.17% (31.12.21: 0.00%)			
Alibaba	356,700	**3,279**	**1.17**
China 2.19% (31.12.21: 1.83%)			
Midea	555,897	3,461	1.24
Contemporary Amperex Technology	56,127	2,654	0.95
		6,115	**2.19**
Denmark 1.60% (31.12.21: 2.25%)			
Novo Nordisk	39,880	**4,492**	**1.60**
Finland 0.00% (31.12.21: 0.54%)			
France 3.26% (31.12.21: 2.66%)			
Pernod Ricard	35,212	5,768	2.06
Teleperformance	16,895	3,356	1.20
		9,124	**3.26**
Germany 2.29% (31.12.21: 0.87%)			
Merck	22,259	3,592	1.28
Bayer	65,642	2,841	1.01
		6,433	**2.29**
Hong Kong 0.00% (31.12.21: 0.69%)			
Ireland 1.10% (31.12.21: 0.00%)			
Allegion	34,746	**3,079**	**1.10**
Isle Of Man 1.45% (31.12.21: 1.52%)			
Entain	307,375	**4,065**	**1.45**
Italy 2.48% (31.12.21: 1.54%)			
UniCredit	588,584	**6,931**	**2.48**
Japan 3.22% (31.12.21: 5.19%)			
Sony	92,400	5,843	2.09
Shimamura	38,500	3,177	1.13
		9,020	**3.22**
Jersey 1.71% (31.12.21: 2.31%)			
Ferguson	45,977	**4,784**	**1.71**
Mexico 1.05% (31.12.21: 0.93%)			
Grupo Mexico	973,073	**2,938**	**1.05**

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Netherlands 6.26% (31.12.21: 3.96%)			
Universal Music	339,594	6,820	2.45
Ferrari	33,227	5,952	2.13
NN	137,487	4,694	1.68
		17,466	**6.26**
Singapore 1.73% (31.12.21: 0.73%)			
Yangzijiang Shipbuilding	5,758,500	**4,854**	**1.73**
South Korea 1.37% (31.12.21: 1.87%)			
LG Energy Solution	13,437	**3,844**	**1.37**
Spain 0.00% (31.12.21: 0.73%)			
Switzerland 2.41% (31.12.21: 1.99%)			
UBS	237,848	3,692	1.32
Roche	11,629	3,063	1.09
		6,755	**2.41**
Taiwan 3.58% (31.12.21: 4.70%)			
MediaTek	348,000	5,878	2.10
Taiwan Semiconductor Manufacturing	343,000	4,157	1.48
		10,035	**3.58**
United Kingdom 8.06% (31.12.21: 1.33%)			
Unilever	145,523	6,097	2.18
AstraZeneca	41,140	4,626	1.65
BP	683,140	3,255	1.16
Anglo American	91,567	2,962	1.06
Intertek	71,273	2,879	1.03
London Stock Exchange	38,110	2,739	0.98
		22,558	**8.06**
United States 47.25% (31.12.21: 58.37%)			
Microsoft	66,890	13,388	4.78
Exxon Mobil	120,885	10,966	3.92
Mastercard	32,152	9,297	3.32
Lam Research	21,519	7,512	2.68
NVIDIA	61,451	7,450	2.66
UnitedHealth	16,024	7,052	2.52
Apple	61,155	6,581	2.35
Dolby Laboratories	111,544	6,526	2.33
World Wrestling Entertainment	114,553	6,519	2.33
Chemed	13,521	5,801	2.07
Thermo Fisher Scientific	11,668	5,399	1.93
Keysight Technologies	37,414	5,352	1.91
Broadcom	11,176	5,177	1.85
Tapestry	160,714	5,034	1.80
Morgan Stanley	68,118	4,822	1.72
Westrock	141,183	4,139	1.48
Jacobs Solutions	35,472	3,569	1.27
General Motors	114,245	3,194	1.14
Pioneer Natural Resources	16,248	3,059	1.09
Citigroup	78,257	2,936	1.05
Texas Roadhouse	29,293	2,259	0.81
Air Products and Chemicals	8,436	2,182	0.78
SVB Financial	7,043	1,373	0.49
Generac	16,142	1,350	0.48
Airbnb	18,833	1,333	0.49
		132,270	**47.25**

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Virgin Islands 0.00% (31.12.21: 1.72%)			
Portfolio of investments		273,560	97.72
Net other assets*		6,386	2.28
Net assets		**279,946**	**100.00**

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

Global Total Return Credit Fund

Portfolio Statement

As at 31 December 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Collective investment schemes 1.08% (31.12.21: 1.23%)			
iShares Core EUR Corp Bond UCITS ETF	38,100	**3,887**	**1.08**
Bonds 95.34% (31.12.21: 92.66%)			
Collateralised loan obligations 16.43% (31.12.21: 17.58%)			
Ares European CLO IX FRN 3.688% 14/10/2030	EUR 4,000,000	3,062	0.85
Carlyle Global Market Strategies Euro CLO 2015-3 FRN 3.028% 15/07/2030	EUR 3,300,000	2,678	0.75
Barings Euro CLO 2018-1 2.878% 15/04/2031	EUR 3,300,000	2,638	0.73
Barings Euro CLO 2018-1 3.678% 15/04/2031	EUR 3,050,000	2,372	0.66
Carlyle Global Market Strategies Euro CLO 2015-3 3.928% 15/07/2030	EUR 2,900,000	2,242	0.62
Euro-Galaxy VI CLO 2.798% 11/04/2031	EUR 2,750,000	2,214	0.62
Ares European CLO XIV 2.582% 21/10/2033	EUR 2,500,000	2,164	0.60
Cairn Clo IX 3.843% 25/04/2032	EUR 2,750,000	2,081	0.58
St Paul's CLO III-R 3.778% 15/01/2032	EUR 2,650,000	2,014	0.56
Oak Hill European Credit Partners III 4.406% 22/07/2030	EUR 2,520,000	2,004	0.56
Allegro CLO VII Ltd 5.9791% 13/06/2031	USD 2,500,000	1,934	0.54
Newhaven II CLO 4.091% 16/02/2032	EUR 2,150,000	1,645	0.46
Carlyle Global Market Strategies Euro CLO 2016-2 3.778% 15/04/2034	EUR 1,954,000	1,583	0.44
St Paul's CLO VIII 5.978% 17/07/2030	EUR 2,325,000	1,562	0.44
OZLME IV 4.277% 27/07/2032	EUR 2,000,000	1,515	0.42
Aurium CLO IV 3.678% 16/01/2031	EUR 2,000,000	1,495	0.42
Avoca CLO XIX 3.078% 15/10/2031	EUR 1,750,000	1,460	0.41
CIFC 5.7926% 20/01/2028	USD 1,700,000	1,368	0.38
Contego CLO X 6.978% 15/11/2036	EUR 1,550,000	1,333	0.37
Adagio V CLO 4.578% 15/10/2031	EUR 1,700,000	1,299	0.36
Phoenix Park CLO 4.048% 29/10/2031	EUR 1,500,000	1,249	0.35
Harvest CLO XIX 3.063% 14/04/2031	EUR 1,500,000	1,213	0.34
Cairn CLO VIII FRN 3.455% 30/10/2030	EUR 1,450,000	1,181	0.33
Contego CLO IV 4.152% 23/01/2030	EUR 1,436,000	1,083	0.30
Providus CLO II 3.728% 15/07/2031	EUR 1,315,000	1,081	0.30
Ares European CLO VI 4.078% 15/04/2030	EUR 1,387,000	1,077	0.30
Golub Capital Partners CLO 22B 5.7426% 20/01/2031	USD 1,250,000	993	0.28
Carlyle Euro CLO 5.958% 15/01/2031	EUR 1,400,000	951	0.26
OAK Hill European Credit Partners VII 6.756% 20/10/2031	EUR 1,288,000	902	0.25
Richmond Park CLO 1 4.413% 14/07/2031	EUR 1,100,000	880	0.25
Jubilee CLO 2018-XX 4.208% 19/07/2031	EUR 1,100,000	838	0.23
Adagio VI CLO 4.178% 30/04/2031	EUR 1,100,000	830	0.23
Ares European CLO IX FRN 2.388% 14/10/2030	EUR 1,000,000	824	0.23
Blackrock European CLO IX FRN 4.446% 15/12/2032	EUR 1,000,000	822	0.23
Ares European CLO VIII FRN 5.178% 17/04/2032	EUR 1,000,000	781	0.22
Harvest CLO VIII 5.928% 15/01/2031	EUR 1,040,000	724	0.20
Ares European CLO IX 5.688% 14/10/2030	EUR 1,000,000	690	0.19
Harvest CLO XVIII 6.008% 15/10/2030	EUR 1,000,000	683	0.19
Carlyle Global Market Strategies Euro CLO 5.048% 17/11/2031	EUR 700,000	541	0.15
Sculptor European CLO V 4.663% 14/01/2032	EUR 580,000	449	0.13
Richmond Park CLO 1 6.513% 14/07/2031	EUR 550,000	407	0.11
Blackrock European CLO IV 6.178% 15/07/2030	EUR 500,000	345	0.10
Adagio CLO VII 6.398% 10/10/2031	EUR 500,000	345	0.10
Phoenix Park CLO 6.838% 29/10/2031	EUR 450,000	312	0.09
Contego CLO III 3.678% 15/10/2030	EUR 400,000	304	0.08
Bain Capital Euro CLO 2019-1 3.778% 15/04/2032	EUR 300,000	247	0.07
Harvest CLO XVIII 3.928% 15/10/2030	EUR 300,000	228	0.06
Blackrock European CLO V 5.818% 16/07/2031	EUR 250,000	170	0.05

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Collateralised loan obligations 16.43% (31.12.21: 17.58%) (continued)			
Carlyle Global Market Strategies Euro CLO 2014-3 3.143% 25/01/2032	EUR 200,000	161	0.04
		58,974	**16.43**
Corporate bonds 78.91% (31.12.21: 75.08%)			
Adient Global 3.5% 15/08/2024	EUR 4,625,000	3,925	1.09
Telecom Italia SpA/Milano 5.875% 19/05/2023	GBP 3,550,000	3,519	0.98
CPUK Finance 6.5% 28/08/2026	GBP 3,824,000	3,499	0.97
BNP Paribas 2.159% 15/09/2029	USD 4,790,000	3,252	0.91
Barclays 2.645% 24/06/2031	USD 4,910,000	3,195	0.89
Viasat 6.5% 15/07/2028	USD 4,980,000	3,169	0.88
Newell Brands 5.625% 01/04/2036	USD 4,330,000	3,120	0.87
SBB Treasury 1.125% 26/11/2029	EUR 5,504,000	3,106	0.87
Telenet Finance Luxembourg Notes 5.5% 01/03/2028	USD 4,000,000	2,994	0.83
BPCE 2.277% 20/01/2032	USD 4,600,000	2,868	0.80
GLP Capital 4% 15/01/2031	USD 3,900,000	2,778	0.77
Nobel Bidco 3.125% 15/06/2028	EUR 4,564,000	2,727	0.76
Deutsche Bank 4.875% 01/12/2032	USD 3,810,000	2,647	0.74
IHO Verwaltungs 3.75% 15/09/2026	EUR 3,370,000	2,599	0.72
Cellnex Finance 2% 15/02/2033	EUR 4,000,000	2,598	0.72
Resorts World Las Vegas 4.625% 16/04/2029	USD 4,400,000	2,576	0.72
CDW 3.25% 15/02/2029	USD 3,580,000	2,537	0.71
VICI Properties 4.125% 15/08/2030	USD 3,490,000	2,536	0.71
Altice France 5.125% 15/01/2029	USD 3,911,000	2,473	0.69
Abercrombie & Fitch Management 8.75% 15/07/2025	USD 3,000,000	2,460	0.69
Cimpress 7% 15/06/2026	USD 4,177,000	2,426	0.68
Prime Healthcare Services 7.25% 01/11/2025	USD 3,432,000	2,411	0.67
Paramount Global 4.2% 01/06/2029	USD 3,250,000	2,409	0.67
Paganini Bidco FRN 5.891% 30/10/2028	EUR 2,822,000	2,407	0.67
Discovery Communications 3.95% 20/03/2028	USD 3,255,000	2,404	0.67
LABL 10.5% 15/07/2027	USD 3,030,000	2,336	0.65
Heimstaden Bostad 2.625% Perpetual	EUR 4,960,000	2,287	0.64
Nationwide Building Society 5.875% Perpetual	GBP 2,420,000	2,283	0.64
QVC 4.375% 01/09/2028	USD 4,607,000	2,266	0.63
Jaguar Land Rover Automotive 3.875% 01/03/2023	GBP 2,280,000	2,253	0.63
Bellis Acquisition 3.25% 16/02/2026	GBP 2,757,000	2,237	0.62
UBS 2.095% 11/02/2032	USD 3,460,000	2,163	0.60
Jaguar Land Rover Automotive 5.875% 15/11/2024	EUR 2,530,000	2,109	0.59
Charter Communications Operating 6.384% 23/10/2035	USD 2,596,000	2,107	0.59
eBay 5.95% 22/11/2027	USD 2,450,000	2,098	0.58
Lorca Telecom Bondco 4% 18/09/2027	EUR 2,643,000	2,095	0.58
Iberdrola International 2.25% Perpetual	EUR 2,900,000	2,060	0.57
NatWest Group 5.516% 30/09/2028	USD 2,504,000	2,054	0.57
Morgan Stanley 3.622% 01/04/2031	USD 2,775,000	2,026	0.56
Banijay 6.5% 01/03/2026	EUR 2,416,000	2,016	0.56
Carnival 9.875% 01/08/2027	USD 2,490,000	1,956	0.54
Voya Clo 2017-4 FRN 5.8291% 15/10/2030	USD 2,500,000	1,918	0.53
Bausch Health 4.875% 01/06/2028	USD 3,590,000	1,909	0.53
Energean Israel Finance 5.375% 30/03/2028	USD 2,550,000	1,908	0.53
INEOS Quattro Finance 1 3.75% 15/07/2026	EUR 2,527,000	1,839	0.51
CSC Holdings 5.25% 01/06/2024	USD 2,400,000	1,833	0.51
United Group 5.012% 15/02/2026	EUR 2,392,000	1,827	0.51
Dell International 5.3% 01/10/2029	USD 2,210,000	1,797	0.50
TalkTalk Telecom 3.875% 20/02/2025	GBP 2,290,000	1,787	0.50
Nykredit Realkredit 4.125% Perpetual	EUR 2,200,000	1,781	0.50
MPT Operating Partnership 3.5% 15/03/2031	USD 3,086,000	1,764	0.49
Triton Water 6.25% 01/04/2029	USD 2,620,000	1,763	0.49
Enel 1.375% Perpetual	EUR 2,513,000	1,762	0.49
Berry Global 4.875% 15/07/2026	USD 2,190,000	1,757	0.49
Lumen Technologies 4% 15/02/2027	USD 2,480,000	1,748	0.49
Lowe's Cos 4.5% 15/04/2030	USD 2,190,000	1,747	0.49
Warnermedia 4.054% 15/03/2029	USD 2,410,000	1,737	0.48
Marriott International 4.625% 15/06/2030	USD 2,220,000	1,727	0.48
Tiaa Clo III 5.8291% 16/01/2031	USD 2,300,000	1,721	0.48
Landesbank Baden-Wuerttemberg 4% Perpetual	EUR 2,400,000	1,700	0.47
TransDigm 8% 15/12/2025	USD 2,000,000	1,680	0.47
United Group 3.625% 15/02/2028	EUR 2,610,000	1,670	0.47
OAK Hill European Credit Partners VI 2.656% 20/01/2032	EUR 2,000,000	1,654	0.46
Bath & Body Works 7.5% 15/06/2029	USD 2,017,000	1,652	0.46

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Corporate bonds 78.91% (31.12.21: 75.08%) (continued)			
Ziggo 4.875% 15/01/2030	USD 2,389,000	1,651	0.46
OI European Group 2.875% 15/02/2025	EUR 1,875,000	1,598	0.45
Banijay Entertainment 5.375% 01/03/2025	USD 2,030,000	1,589	0.44
Agilent Technologies Inc 2.75% 15/09/2029	USD 2,190,000	1,572	0.44
HCA 5.625% 01/09/2028	USD 1,900,000	1,572	0.44
Newell Brands 4.45% 01/04/2026	USD 1,984,000	1,557	0.43
Credit Agricole 4.75% Perpetual	USD 2,334,000	1,557	0.43
Digital Dutch Finco 1% 15/01/2032	EUR 2,490,000	1,546	0.43
Natwest 5.125% Perpetual	GBP 1,840,000	1,544	0.43
Georgia-Pacific 7.75% 15/11/2029	USD 1,620,000	1,529	0.43
Alcoa Nederland Holding BV 6.125% 15/05/2028	USD 1,840,000	1,503	0.42
Deutsche Telekom International Finance BV 8.75% 15/06/2030	USD 1,530,000	1,503	0.42
Skandinaviska Enskilda Banken 1.375% 31/10/2028	EUR 1,738,000	1,500	0.42
Level 3 Financing 3.4% 01/03/2027	USD 2,120,000	1,492	0.42
Credit Suisse 2.125% 31/05/2024	EUR 1,770,000	1,490	0.42
Goldman Sachs 3.615% 15/03/2028	USD 1,920,000	1,483	0.41
Morgan Stanley 4.813% 25/10/2028	EUR 1,630,000	1,472	0.41
CDW 3.569% 01/12/2031	USD 2,140,000	1,469	0.41
SCIL IV 5.375% 01/11/2026	USD 2,020,000	1,433	0.40
Orange 9% 01/03/2031	USD 1,390,000	1,414	0.39
TeamSystem FRN 5.128% 15/02/2028	EUR 1,684,000	1,414	0.39
News 3.875% 15/05/2029	USD 1,984,000	1,412	0.39
Hasbro 3.9% 19/11/2029	USD 1,870,000	1,383	0.39
INEOS Finance 2.875% 01/05/2026	EUR 1,799,000	1,373	0.38
HSBC 6.375% Perpetual	USD 1,740,000	1,370	0.38
JPMorgan Chase & Co 2.875% 24/05/2028	EUR 1,580,000	1,317	0.37
Altice France Holding SA 10.5% 15/05/2027	USD 2,072,000	1,311	0.37
HSBC 7.336% 03/11/2026	USD 1,510,000	1,306	0.36
InterContinental Hotels 3.375% 08/10/2028	GBP 1,490,000	1,288	0.36
Bank of America 2.592% 29/04/2031	USD 1,880,000	1,276	0.36
Lloyds Banking 3.75% 18/03/2028	USD 1,660,000	1,269	0.35
Carnival 1% 28/10/2029	EUR 3,480,000	1,254	0.35
GLP Capital 4% 15/01/2030	USD 1,700,000	1,241	0.35
Iceland Bondco 4.625% 15/03/2025	GBP 1,500,000	1,241	0.35
Expedia Group 3.25% 15/02/2030	USD 1,722,000	1,217	0.34
Wynn Las Vegas 4.25% 30/05/2023	USD 1,480,000	1,213	0.34
Telefonica Europe 3% Perpetual	EUR 1,400,000	1,203	0.34
Vodafone 4.125% 04/06/2081	USD 1,930,000	1,202	0.33
Oracle 2.875% 25/03/2031	USD 1,730,000	1,194	0.33
Braskem Netherlands Finance 4.5% 31/01/2030	USD 1,670,000	1,178	0.33
BP Capital Markets 3.625% Perpetual	EUR 1,535,000	1,168	0.33
CVC Cordatus Loan Fund XII FRN 3.702% 23/01/2032	EUR 1,400,000	1,142	0.32
Mauser Packaging Solutions 7.25% 15/04/2025	USD 1,470,000	1,129	0.31
British Telecommunications PLC 9.625% 15/12/2030	USD 1,130,000	1,124	0.31
Bath & Body Works 6.75% 01/07/2036	USD 1,556,000	1,124	0.31
Carnival 10.125% 01/02/2026	EUR 1,270,000	1,118	0.31
Nationwide Building Society 5.75% Perpetual	GBP 1,240,000	1,111	0.31
JPMorgan Chase & Co 1.638% 18/05/2028	EUR 1,390,000	1,108	0.31
Barclays 5.262% 29/01/2034	EUR 1,250,000	1,096	0.31
Hanesbrands Finance Luxembourg 3.5% 15/06/2024	EUR 1,268,000	1,087	0.30
Carnival 5.75% 01/03/2027	USD 1,840,000	1,086	0.30
Goldman Sachs 4% 21/09/2029	EUR 1,260,000	1,085	0.30
Broadcom 4% 15/04/2029	USD 1,430,000	1,082	0.30
Bellis Finco 4% 16/02/2027	GBP 1,480,000	1,079	0.30
Union Pacific 4.5% 20/01/2033	USD 1,320,000	1,071	0.30
Telefonica Europe 8.25% 15/09/2030	USD 1,150,000	1,067	0.30
Booking 4.25% 15/05/2029	EUR 1,196,000	1,065	0.30
Level 3 Financing 3.875% 15/11/2029	USD 1,610,000	1,054	0.29
Dollar General 5% 01/11/2032	USD 1,270,000	1,041	0.29
BPCE 5.7% 22/10/2023	USD 1,250,000	1,032	0.29
Expedia Group 5% 15/02/2026	USD 1,250,000	1,026	0.29
Alcoa Nederland Holding BV 5.5% 15/12/2027	USD 1,270,000	1,016	0.28
KBC Group NV 4.75% Perpetual	EUR 1,200,000	1,016	0.28
Sprint Capital 6.875% 15/11/2028	USD 1,170,000	1,011	0.28
Bank of America 4.948% 22/07/2028	USD 1,240,000	1,010	0.28
British Telecommunications 1.874% 18/08/2080	EUR 1,300,000	1,008	0.28
ARD Finance 5% 30/06/2027	EUR 1,698,051	1,007	0.28
Wynn Las Vegas 5.5% 01/03/2025	USD 1,250,000	990	0.28
Open Text 6.9% 01/12/2027	USD 1,178,000	985	0.27
CVC Cordatus Loan Fund V FRN 4.412% 21/07/2030	EUR 1,250,000	985	0.27

Portfolio Statement (continued)
As at 31 December 2022

Asset	Holding	Market Value (£'000)	Percentage of net assets (%)
Corporate bonds 78.91% (31.12.21: 75.08%) (continued)			
Svenska Handelsbanken 6.25% Perpetual	USD 1,200,000	972	0.27
Vodafone Group 7.875% 15/02/2030	USD 1,032,000	967	0.27
Olympus Water 6.25% 01/10/2029	USD 1,530,000	966	0.27
HSBC 6.25% Perpetual	USD 1,180,000	958	0.27
Verisure 3.875% 15/07/2026	EUR 1,188,000	953	0.27
Svenska Handelsbanken 4.75% Perpetual	USD 1,400,000	952	0.27
Iberdrola International 1.874% Perpetual	EUR 1,200,000	947	0.26
Telecom Italia 5.303% 30/05/2024	USD 1,210,000	946	0.26
ING 2.5% 15/02/2029	EUR 1,100,000	946	0.26
NatWest Group 4.067% 06/09/2028	EUR 1,080,000	933	0.26
Verisure Midholding 5.25% 15/02/2029	EUR 1,293,000	920	0.26
ING 4.125% 24/08/2033	EUR 1,100,000	919	0.26
Ardagh Packaging Finance 5.25% 15/08/2027	USD 1,460,000	918	0.26
UBS 4.375% Perpetual	USD 1,440,000	910	0.25
Bank of America 5.015% 22/07/2033	USD 1,149,000	909	0.25
Chrome Holdco 5% 31/05/2029	EUR 1,320,000	907	0.25
ZF Finance 3.75% 21/09/2028	EUR 1,200,000	893	0.25
Iron Mountain 4.5% 15/02/2031	USD 1,290,000	881	0.25
MPT Operating Partnership 3.692% 05/06/2028	GBP 1,190,000	871	0.24
Comcast 7.05% 15/03/2033	USD 900,000	864	0.24
ING Groep 3.875% Perpetual	USD 1,413,000	857	0.24
Vmed O2 UK Financing I 4.25% 31/01/2031	USD 1,268,000	851	0.24
Heimstaden Bostad 3% Perpetual	EUR 1,650,000	836	0.23
Ardagh Packaging Finance 2.125% 15/08/2026	EUR 1,120,000	829	0.23
CSC 4.5% 15/11/2031	USD 1,420,000	823	0.23
Nexi 2.125% 30/04/2029	EUR 1,137,000	818	0.23
CPI Property 3.75% Perpetual	EUR 1,760,000	801	0.22
CPI Property 4.875% Perpetual	EUR 1,741,000	793	0.22
Iceland Bondco 4.375% 15/05/2028	GBP 1,107,000	792	0.22
Bank of America 2.551% 04/02/2028	USD 1,050,000	775	0.22
At Home 7.125% 15/07/2029	USD 1,548,000	763	0.21
Mauser Packaging Solutions 4.75% 15/04/2024	EUR 894,000	761	0.21
MPT Operating Partnership 2.55% 05/12/2023	GBP 780,000	742	0.21
Barclays 8.875% Perpetual	GBP 746,000	735	0.20
Open Text 4.125% 15/02/2030	USD 1,050,000	703	0.20
Clydesdale Acquisition Holdings 8.75% 15/04/2030	USD 990,000	701	0.20
British Telecommunications 4.25% 23/11/2081	USD 990,000	694	0.19
QVC 4.85% 01/04/2024	USD 870,000	673	0.19
Level 3 Financing 4.25% 01/07/2028	USD 1,020,000	667	0.19
CCO 6.375% 01/09/2029	USD 841,000	653	0.18
Deutsche Bank 3.742% 07/01/2033	USD 1,050,000	625	0.17
Nykredit Realkredit 5.5% 29/12/2032	EUR 700,000	611	0.17
Enel Finance America 7.1% 14/10/2027	USD 691,000	597	0.17
Carnival 7.625% 01/03/2026	USD 870,000	573	0.16
Masonite International 3.5% 15/02/2030	USD 839,000	564	0.16
Bausch Health 6.125% 01/02/2027	USD 978,000	559	0.16
Chart Industries 7.5% 01/01/2030	USD 666,000	556	0.15
United Group 4.875% 01/07/2024	EUR 670,000	552	0.15
Suzano Austria 6% 15/01/2029	USD 660,000	548	0.15
Credit Suisse 7.75% 01/03/2029	EUR 618,000	545	0.15
Energizer Gamma Acquisition 3.5% 30/06/2029	EUR 762,000	539	0.15
MPT Operating Partnership 3.325% 24/03/2025	EUR 640,000	514	0.14
Fertitta Entertainment 6.75% 15/01/2030	USD 760,000	509	0.14
NatWest 7.416% 06/06/2033	GBP 480,000	483	0.13
Kaisa 9.375% 30/06/2024	USD 4,237,000	475	0.13
Booking 4.5% 15/11/2031	EUR 504,000	453	0.13
Carnival 6% 01/05/2029	USD 804,000	446	0.12
Telefonica Europe 2.875% Perpetual	EUR 600,000	445	0.12
QVC 4.45% 15/02/2025	USD 630,000	428	0.12
Jaguar Land Rover Automotive 2.2% 15/01/2024	EUR 490,000	412	0.11
Nationwide Building Society 4.85% 27/07/2027	USD 490,000	396	0.11
Shimao 5.6% 15/07/2026	USD 2,407,000	369	0.10
Kaisa 11.7% 11/11/2025	USD 3,290,000	368	0.10
Digital Euro Finco 2.5% 16/01/2026	EUR 440,000	362	0.10
Samhallsbyggnadsbolaget i Norden AB 1.75% 14/01/2025	EUR 470,000	355	0.10
CPUK Finance 4.875% 28/08/2025	GBP 380,000	351	0.10
Credit Suisse 2.125% 13/10/2026	EUR 460,000	347	0.10
BCP V Modular Services Finance 6.75% 30/11/2029	EUR 492,000	321	0.09
ING 4.875% Perpetual	USD 500,000	320	0.09
Chart Industries 9.5% 01/01/2031	USD 348,000	298	0.08

Portfolio Statement (continued)
As at 31 December 2022

Asset			Holding	Market Value (£'000)	Percentage of net assets (%)
Corporate bonds 78.91% (31.12.21: 75.08%) (continued)					
Iron Mountain 5.25% 15/07/2030			USD 360,000	258	0.07
Rentokil Initial Finance 3.875% 27/06/2027			EUR 247,000	217	0.06
British Telecommunications 4.25% 23/11/2081			USD 310,000	217	0.06
UBS 7% Perpetual			USD 259,000	212	0.06
SBB Treasury Oyj 2.284% 08/02/2024			EUR 247,000	203	0.06
United Group 3.125% 15/02/2026			EUR 260,000	185	0.05
At Home 4.875% 15/07/2028			USD 293,000	172	0.05
Level 3 Financing 3.625% 15/01/2029			USD 239,000	145	0.04
Heimstaden Bostad 3.375% Perpetual			EUR 190,000	96	0.03
Zhenro Properties 6.63% 07/01/2026			USD 2,250,000	93	0.03
Kaisa 8.5% 30/06/2022			USD 410,000	46	0.01
Zhenro Properties 7.875% 14/04/2024			USD 670,000	28	0.01
				283,313	**78.91**
Derivatives – futures 0.10% (31.12.21: (0.02%))					
Germany Euro-BOBL Futures 08/03/2023			(11)	**371**	**0.10**
Derivatives – credit default swaps 0.00% (31.12.21: 0.12%)					
Citigroup Markit Itrax 20/12/2027			4,730,000	141	0.04
Citigroup Markit Itrax 100 BPS 20/12/2027			8,100,000	54	0.02
Citigroup Markit Itrax 100 BPS 20/12/2027			14,530,000	48	0.01
Citigroup Markit Itrax 20/12/2027			13,330,000	44	0.02
Citigroup Markit Itrax 100 BPS 20/12/2027			11,100,000	37	0.01
Citigroup Markit Itrax 100 BPS 20/12/2027			10,360,000	34	0.01
Citigroup Markit Itrax 100 BPS 20/12/2027			8,650,000	29	0.01
Citigroup Markit Itrax Xover 500 BPS 20/12/2027			2,180,000	20	0.01
Citigroup Markit Itrax Xover 500 BPS 20/12/2027			2,060,000	19	0.01
Citigroup Markit Itrax Xover 500 BPS 20/12/2027			1,070,000	10	0.01
Citigroup Markit Itrax Xover 500 BPS 20/12/27			1,040,000	10	0.01
Citigroup Markit Itrax Xover 500 BPS 20/12/2027			982,000	9	–
Citigroup Lloyds Banking 100 BPS 20/12/2027			2,480,000	4	–
Citigroup Markit CDX 500 BPS 20/12/2027			1,010,000	–	–
Citigroup Markit CDX 500 BPS 20/12/2027			(1,010,000)	–	–
Citigroup Markit Itrax 100 BPS 20/12/2027			(16,560,000)	(2)	–
Citigroup Lloyds Banking CDX 100 BPS 20/12/2027			(2,480,000)	(15)	(0.01)
Citigroup Natwest 100 BPS 20/12/2027			(2,480,000)	(23)	(0.01)
Citigroup Markit Itrax 100 BPS 20/12/2027			(4,155,000)	(27)	(0.01)
Citigroup Markit Itrax 100 BPS 20/12/2027			(8,430,000)	(28)	(0.01)
Citigroup Markit Itrax 100 BPS 20/12/2027			(12,508,000)	(41)	(0.01)
Citigroup Markit Itrax 100 BPS 20/12/2027			(15,700,000)	(52)	(0.01)
Citigroup Markit CDX 100 BPS 20/12/2027			(8,130,000)	(56)	(0.02)
Citigroup Markit CDX 100 BPS 20/12/2027			(8,490,000)	(59)	(0.02)
Citigroup Markit CDX 100 BPS 20/12/2027			(8,840,000)	(61)	(0.02)
Citigroup Markit Itrax 100 BPS 20/12/2027			(41,730,000)	(138)	(0.04)
				(43)	**–**
Derivatives – credit default swaptions 0.00% (31.12.21: 0.06%)					
Forward foreign exchange contracts (2.09%) (31.12.21: 1.31%)					
Forward currency contracts					
Euro					
Buy EUR	2,010,000	for GBP	(1,756,816)	27	0.01
Sell EUR	(168,334,545)	for GBP	145,885,431	(3,527)	(0.98)
US dollar					
Buy USD	11,190,000	for GBP	(9,188,120)	102	0.03
Sell USD	(227,263,130)	for GBP	184,542,508	(4,127)	(1.15)
				(7,525)	**(2.09)**
Portfolio of investments^				338,977	94.43
Net other assets*				19,982	5.57
Net assets				**358,959**	**100.00**

^ Including derivative liabilities.
*The net other assets figure includes any bank or short term cash deposits.
Securities shown as FRNs represent Floating Rate Notes – debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as SONIA.
Fixed interest securities are traded on a regulated market, unless otherwise stated.
The collective investment schemes investments, credit default swaps and the forward foreign exchange contracts are not listed.

Portfolio Analysis

As at 31 December 2022

Portfolio Analysis

Asset	31.12.22 Market value (£'000)	31.12.22 Percentage of net assets (%)	31.12.21 Market value (£'000)	31.12.21 Percentage of net assets (%)
Bonds	342,287	95.34	312,657	92.66
Collective investment schemes	3,887	1.08	4,149	1.23
Derivatives	328	0.10	481	0.16
Forward foreign exchange contracts	(7,525)	(2.09)	4,430	1.31
Net other assets	19,982	5.57	15,651	4.64
Net assets	**358,959**	**100.00**	**337,368**	**100.00**

Credit Breakdown*

Asset	31.12.22 Market value (£'000)	31.12.22 Percentage of net assets (%)	31.12.21 Market value (£'000)	31.12.21 Percentage of net assets (%)
AAA	2,164	0.60	–	–
AA	6,460	1.80	905	0.27
A	48,440	13.52	19,005	5.65
BBB	120,809	33.65	46,590	13.80
BB	80,884	22.52	104,552	30.98
B	71,858	20.00	128,158	37.99
CCC	11,626	3.24	11,982	3.54
C	46	0.01	1,465	0.43
Total bonds	**342,287**	**95.34**	**312,657**	**92.66**

*Bond ratings are Ninety One approximations.

Authorised Corporate Director's Report

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

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC125 and authorised by the Financial Conduct Authority (the "FCA") with effect from 7 September 2001.

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

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

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

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

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

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 January 2022 to 31 December 2022.

Changes during the accounting period

Changes made following required notice:

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

There were no fundamental changes to the Funds that required shareholder approval nor were there any significant changes to the operation of the Funds requiring pre-notification.

Share class launches and closures:

There were no shareclass launches or closures during the period under review.

Other changes made:

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

Director of the ACD

Director of the ACD

21 April 2023

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Statement of Depositary's Responsibilities and Report to Shareholders

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Ninety One Funds Series ii ('the Company') for the year ended 31 December 2022.

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

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

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

The Depositary must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited
21 April 2023

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 December 2022 and of the net revenue and the net capital losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Ninety One Funds Series ii is an Open Ended Investment Company ('OEIC') with four sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Final Report and Account (the "Annual Report"), which comprise: the Balance Sheets as at 31 December 2022; the Statements of Total Return, and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

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

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

Authorised Corporate Director’s Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

21 April 2023

Ninety One American Franchise Fund

Comparative tables

As at 31 December 2022

For the financial year ending	'A' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'A' Class (GBP Hedged Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	729.05	568.10	475.92	461.32	363.64	302.28
Return before operating charges*	(93.72)	171.13	100.31	(110.66)	104.28	66.44
Operating charges	(10.13)	(10.18)	(8.13)	(5.97)	(6.60)	(5.08)
Return after operating charges*	(103.85)	160.95	92.18	(116.63)	97.68	61.36
Distributions	–			–		
Retained distributions on accumulation shares						
Closing net asset value per share	625.20	729.05	568.10	344.69	461.32	363.64
* after direct transaction costs of :	0.06	0.11	0.07	0.04	0.07	0.05
Performance						
Return after charges	(14.24%)	28.33%	19.37%	(25.28%)	26.86%	20.30%
Other information						
Closing net asset value (£'000)	124,171	159,254	111,489	559	767	1,206
Closing number of shares	19,860,844	21,844,039	19,625,019	162,068	166,257	331,624
Operating charges	1.59%	1.58%	1.58%	1.62%	1.61%	1.61%
Direct transaction costs‡	0.01%	0.02%	0.01%	0.01%	0.02%	0.01%
Prices						
Highest share price	722.63	734.51	575.27	457.99	464.66	363.75
Lowest share price	569.58	549.05	405.84	317.17	351.95	223.19

For the financial year ending	'A' Class (USD Accumulation shares) 31.12.22 (c)	31.12.21 (c)	31.12.20 (c)	'B' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	983.17	775.87	629.07	761.83	592.17	494.85
Return before operating charges*	(217.42)	221.88	157.23	(97.94)	178.60	104.44
Operating charges	(12.53)	(14.58)	(10.43)	(8.93)	(8.94)	(7.12)
Return after operating charges*	(229.95)	207.30	146.80	(106.87)	169.66	97.32
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	753.22	983.17	775.87	654.96	761.83	592.17
* after direct transaction costs of :	0.08	0.16	0.09	0.06	0.11	0.08
Performance						
Return after charges	(23.39%)	26.72%	23.34%	(14.03%)	28.65%	19.67%
Other information						
Closing net asset value (USD'000)/(£'000)	89,518	118,123	13,294	5,105	6,593	5,665
Closing number of shares	11,884,706	12,014,546	1,713,372	779,366	865,386	956,606
Operating charges	1.59%	1.58%	1.58%	1.34%	1.33%	1.33%
Direct transaction costs‡	0.01%	0.02%	0.01%	0.01%	0.02%	0.01%
Prices						
Highest share price	975.92	988.91	776.10	755.15	767.31	599.61
Lowest share price	687.31	749.68	468.30	595.88	572.42	422.22

Comparative tables

As at 31 December 2022

For the financial year ending	'I' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'R' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	499.30	386.17	321.09	498.76	386.72	322.35
Return before operating charges*	(64.23)	116.78	67.97	(64.13)	116.80	68.14
Operating charges	(3.67)	(3.65)	(2.89)	(4.76)	(4.76)	(3.77)
Return after operating charges*	(67.90)	113.13	65.08	(68.89)	112.04	64.37
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	431.40	499.30	386.17	429.87	498.76	386.72
* after direct transaction costs of :	0.04	0.07	0.05	0.04	0.08	0.05
Performance						
Return after charges	(13.60%)	29.30%	20.27%	(13.81%)	28.97%	19.97%
Other information						
Closing net asset value (£'000)	269,659	386,131	329,914	7,870	9,054	7,194
Closing number of shares	62,507,447	77,334,913	85,432,490	1,830,906	1,815,296	1,860,348
Operating charges	0.84%	0.83%	0.83%	1.09%	1.08%	1.08%
Direct transaction costs‡	0.01%	0.02%	0.01%	0.01%	0.02%	0.01%
Prices						
Highest share price	494.94	502.58	390.97	494.40	502.19	391.55
Lowest share price	391.43	373.43	274.28	390.56	373.89	275.20

For the financial year ending	'S' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'S' Class (USD Accumulation shares)(1) 31.12.22 (c)	31.12.21 (c)	31.12.20 (c)
Change in net assets per share						
Opening net asset value per share	620.15	476.06	392.88	107.57	100.00	–
Return before operating charges*	(79.80)	144.55	83.51	(23.84)	7.59	–
Operating charges	(0.49)	(0.46)	(0.33)	(0.07)	(0.02)	–
Return after operating charges*	(80.29)	144.09	83.18	(23.91)	7.57	–
Distributions	(2.81)	(2.44)	(2.90)	(0.44)	(0.42)	
Retained distributions on accumulation shares	2.81	2.44	2.90	0.44	0.42	
Closing net asset value per share	539.86	620.15	476.06	83.66	107.57	–
* after direct transaction costs of :	0.05	0.09	0.06	0.01	0.02	–
Performance						
Return after charges	(12.95%)	30.27%	21.17%	(22.23%)	7.57%	–
Other information						
Closing net asset value (£'000)/(USD'000)	9,675	11,511	9,144	8	11	–
Closing number of shares	1,792,104	1,856,213	1,920,674	10,000	10,000	–
Operating charges	0.09%	0.08%	0.08%	0.08%	0.09%	–
Direct transaction costs‡	0.01%	0.02%	0.01%	0.01%	0.02%	–
Prices						
Highest share price	614.79	623.66	481.88	106.80	108.01	–
Lowest share price	487.86	460.62	336.17	76.09	97.70	–

(1) Launched 4 October 2021.

Comparative tables

As at 31 December 2022

Portfolio transaction costs

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

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

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

Ninety One Asia Pacific Franchise Fund

Comparative tables

As at 31 December 2022

For the financial year ending	'A' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'B' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	832.93	903.51	721.68	8,610.71	9,316.96	7,423.42
Return before operating charges*	(84.85)	(56.08)	194.45	(877.80)	(579.52)	2003.17
Operating charges	(12.29)	(14.50)	(12.62)	(107.23)	(126.73)	(109.63)
Return after operating charges*	(97.14)	(70.58)	181.83	(985.03)	(706.25)	1893.54
Distributions	–	–	–	(6.62)	–	–
Retained distributions on accumulation shares	–	–	–	6.62	–	–
Closing net asset value per share	735.79	832.93	903.51	7,625.68	8,610.71	9,316.96
* after direct transaction costs of :	0.48	0.37	0.69	5.00	3.79	7.07
Performance						
Return after charges	(11.66%)	(7.81%)	25.20%	(11.44%)	(7.58%)	25.51%
Other information						
Closing net asset value (£'000)	35,412	50,222	55,864	2,469	2,839	3,162
Closing number of shares	4,812,829	6,029,519	6,182,983	32,383	32,966	33,934
Operating charges	1.65%	1.63%	1.62%	1.39%	1.38%	1.37%
Direct transaction costs‡	0.06%	0.04%	0.09%	0.06%	0.04%	0.09%
Prices						
Highest share price	834.78	988.59	905.09	8,630.08	10,197.19	9,333.24
Lowest share price	635.31	809.21	626.76	6,581.35	8,357.86	6,450.56

For the financial year ending	'I' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'J' Class (Accumulation shares)(1) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	426.78	459.48	364.28	114.64	123.30	100.00
Return before operating charges*	(43.50)	(28.70)	98.65	(11.68)	(7.72)	23.83
Operating charges	(3.43)	(4.00)	(3.45)	(0.82)	(0.94)	(0.53)
Return after operating charges*	(46.93)	(32.70)	95.20	(12.50)	(8.66)	23.30
Distributions	(2.24)	(1.53)	(1.74)	(0.70)	(0.54)	(0.59)
Retained distributions on accumulation shares	2.24	1.53	1.74	0.70	0.54	0.59
Closing net asset value per share	379.85	426.78	459.48	102.14	114.64	123.30
* after direct transaction costs of :	0.25	0.19	0.35	0.07	0.05	0.10
Performance						
Return after charges	(11.00%)	(7.12%)	26.13%	(10.90%)	(7.02%)	23.30%
Other information						
Closing net asset value (£'000)	127,082	174,043	226,776	35,578	43,471	22,373
Closing number of shares	33,455,679	40,780,575	49,354,921	34,833,541	37,920,439	18,145,688
Operating charges	0.89%	0.88%	0.87%	0.79%	0.78%	0.77%
Direct transaction costs‡	0.06%	0.04%	0.09%	0.06%	0.04%	0.09%
Prices						
Highest share price	427.76	503.17	460.28	114.90	135.04	123.51
Lowest share price	327.55	413.49	316.87	88.06	111.03	98.33

(1) Launched 1 June 2020.

Comparative tables

As at 31 December 2022

	'R' Class (Accumulation shares)		
For the financial year ending	**31.12.22 (p)**	**31.12.21 (p)**	**31.12.20 (p)**
Change in net assets per share			
Opening net asset value per share	245.05	264.48	210.20
Return before operating charges*	(24.98)	(16.49)	56.82
Operating charges	(2.51)	(2.94)	(2.54)
Return after operating charges*	(27.49)	(19.43)	54.28
Distributions	(0.74)	(0.23)	(0.43)
Retained distributions on accumulation shares	0.74	0.23	0.43
Closing net asset value per share	217.56	245.05	264.48
* after direct transaction costs of :	0.14	0.11	0.20
Performance			
Return after charges	(11.22%)	(7.35%)	25.82%
Other information			
Closing net asset value (£'000)	16,080	21,487	22,054
Closing number of shares	7,391,115	8,768,381	8,338,468
Operating charges	1.14%	1.13%	1.12%
Direct transaction costs‡	0.06%	0.04%	0.09%
Prices			
Highest share price	245.61	289.55	264.95
Lowest share price	187.68	237.64	182.76

Portfolio transaction costs

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

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

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

Ninety One Global Strategic Equity Fund

Comparative tables

As at 31 December 2022

For the financial year ending	'A' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'A' Class (USD Accumulation shares) 31.12.22 (c)	31.12.21 (c)	31.12.20 (c)
Change in net assets per share						
Opening net asset value per share	1,367.36	1,124.82	1,001.67	1,840.20	1,533.04	1,321.30
Return before operating charges*	(206.26)	262.64	138.86	(445.12)	334.65	231.96
Operating charges	(19.41)	(20.10)	(15.71)	(22.27)	(27.49)	(20.22)
Return after operating charges*	(225.67)	242.54	123.15	(467.39)	307.16	211.74
Distributions	(4.71)	–	(1.33)	(5.90)	–	(0.53)
Retained distributions on accumulation shares	4.71	–	1.33	5.90	–	0.53
Closing net asset value per share	1,141.69	1,367.36	1,124.82	1,372.81	1,840.20	1,533.04
* after direct transaction costs of :	1.13	1.26	1.01	1.31	1.73	1.31
Performance						
Return after charges	(16.50%)	21.56%	12.29%	(25.40%)	20.04%	16.03%
Other information						
Closing net asset value (£'000)/(USD'000)	106,442	139,837	122,743	1,467	89	70
Closing number of shares	9,323,243	10,226,832	10,912,240	106,895	4,833	4,581
Operating charges	1.61%	1.60%	1.60%	1.59%	1.60%	1.60%
Direct transaction costs‡	0.09%	0.10%	0.10%	0.09%	0.10%	0.10%
Prices						
Highest share price	1,374.60	1,383.94	1,133.82	1,854.27	1,848.17	1,534.64
Lowest share price	1,105.83	1,138.91	750.37	1,236.83	1,557.36	864.07

For the financial year ending	'I' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'I' Class (GBP Hedged Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	359.28	293.35	259.28	178.36	144.64	129.82
Return before operating charges*	(54.30)	68.70	36.24	(44.55)	35.17	15.89
Operating charges	(2.73)	(2.77)	(2.17)	(1.36)	(1.45)	(1.07)
Return after operating charges*	(57.03)	65.93	34.07	(45.91)	33.72	14.82
Distributions	(3.63)	(2.43)	(2.27)	(1.68)	(1.17)	(1.03)
Retained distributions on accumulation shares	3.63	2.43	2.27	1.68	1.17	1.03
Closing net asset value per share	302.25	359.28	293.35	132.45	178.36	144.64
* after direct transaction costs of :	0.30	0.33	0.26	0.14	0.16	0.13
Performance						
Return after charges	(15.87%)	22.47%	13.14%	(25.74%)	23.31%	11.42%
Other information						
Closing net asset value (£'000)	132,955	171,435	268,157	4,018	32,168	37,566
Closing number of shares	43,988,410	47,715,711	91,411,443	3,033,582	18,035,249	25,972,894
Operating charges	0.86%	0.85%	0.85%	0.89%	0.88%	0.88%
Direct transaction costs‡	0.09%	0.10%	0.10%	0.09%	0.10%	0.10%
Prices						
Highest share price	361.22	363.48	295.69	179.80	179.13	144.83
Lowest share price	292.22	296.04	194.57	122.95	145.63	84.84

Comparative tables

As at 31 December 2022

For the financial year ending	'R' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'S' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	330.25	270.32	239.52	457.22	370.52	325.04
Return before operating charges*	(49.88)	63.26	33.39	(69.24)	87.12	45.79
Operating charges	(3.24)	(3.33)	(2.59)	(0.44)	(0.42)	(0.31)
Return after operating charges*	(53.12)	59.93	30.80	(69.68)	86.70	45.48
Distributions	(2.60)	(1.48)	(1.51)	(7.68)	(6.21)	(5.27)
Retained distributions on accumulation shares	2.60	1.48	1.51	7.68	6.21	5.27
Closing net asset value per share	277.13	330.25	270.32	387.54	457.22	370.52
* after direct transaction costs of :	0.27	0.30	0.24	0.38	0.42	0.33
Performance						
Return after charges	(16.08%)	22.17%	12.86%	(15.24%)	23.40%	13.99%
Other information						
Closing net asset value (£'000)	29,570	37,490	31,764	5,742	8,847	7,544
Closing number of shares	10,670,002	11,351,984	11,750,605	1,481,593	1,934,867	2,035,959
Operating charges	1.11%	1.10%	1.10%	0.11%	0.10%	0.10%
Direct transaction costs‡	0.09%	0.10%	0.10%	0.09%	0.10%	0.10%
Prices						
Highest share price	332.02	334.16	272.47	459.72	462.34	373.46
Lowest share price	268.10	272.79	179.64	373.99	373.96	244.33

Portfolio transaction costs

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

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

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

Ninety One Global Total Return Credit Fund

Comparative tables

As at 31 December 2022

	'A' Class (Accumulation shares)[1]			'A' Class (Income-2 shares)		
For the financial year ending	**31.12.22 (p)**	**31.12.21 (p)**	**31.12.20 (p)**	**31.12.22 (p)**	**31.12.21 (p)**	**31.12.20 (p)**
Change in net assets per share						
Opening net asset value per share	98.73	100.00	–	97.18	100.09	99.27
Return before operating charges*	(11.71)	(0.93)	–	(11.39)	2.61	6.16
Operating charges	(1.22)	(0.34)	–	(1.18)	(1.29)	(1.37)
Return after operating charges*	(12.93)	(1.27)	–	(12.57)	1.32	4.79
Distributions	(3.21)	(0.66)	–	(4.26)	(4.23)	(3.97)
Retained distributions on accumulation shares	3.21	0.66	–	–	–	
Closing net asset value per share	85.80	98.73	–	80.35	97.18	100.09
* after direct transaction costs of :	–	–	–	–	–	-
Performance						
Return after charges	(13.10%)	(1.27%)	-	(12.93%)	1.32%	4.83%
Other information						
Closing net asset value (£'000)	5,524	6,718	–	7,388	10,453	14
Closing number of shares	6,438,100	6,804,484	–	9,194,407	10,756,115	14,355
Operating charges	1.36%	1.35%	–	1.36%	1.35%	1.42%
Direct transaction costs‡	-	-	-	–	–	-
Prices						
Highest share price	99.04	100.00	–	97.47	101.63	101.50
Lowest share price	82.50	98.07	–	78.32	96.88	83.03

	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
For the financial year ending	**31.12.22 (p)**	**31.12.21 (p)**	**31.12.20 (p)**	**31.12.22 (p)**	**31.12.21 (p)**	**31.12.20 (p)**
Change in net assets per share						
Opening net asset value per share	114.77	112.64	106.45	99.63	102.01	100.52
Return before operating charges*	(13.63)	2.99	7.03	(11.70)	2.70	6.34
Operating charges	(0.80)	(0.86)	(0.84)	(0.68)	(0.75)	(0.81)
Return after operating charges*	(14.43)	2.13	6.19	(12.38)	1.95	5.53
Distributions	(4.42)	(4.01)	(3.55)	(4.37)	(4.33)	(4.04)
Retained distributions on accumulation shares	4.42	4.01	3.55	–	–	-
Closing net asset value per share	100.34	114.77	112.64	82.88	99.63	102.01
* after direct transaction costs of :	–	–	–	–	–	-
Performance						
Return after charges	(12.57%)	1.89%	5.81%	(12.43%)	1.91%	5.50%
Other information						
Closing net asset value (£'000)	110,020	197,276	114,531	34,594	45,891	493
Closing number of shares	109,644,442	171,893,021	101,682,391	41,740,953	46,060,828	483,224
Operating charges	0.76%	0.75%	0.79%	0.76%	0.75%	0.82%
Direct transaction costs‡	-	-	-	–	–	-
Prices						
Highest share price	115.14	116.72	113.06	99.93	103.86	103.44
Lowest share price	96.37	112.78	89.20	80.69	99.28	84.23

Comparative tables

As at 31 December 2022

For the financial year ending	'K' Class (Accumulation shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'K' Class (Income-2 shares) 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	115.83	113.46	106.98	100.52	102.72	100.99
Return before operating charges*	(13.76)	3.00	7.07	(11.78)	2.72	6.35
Operating charges	(0.59)	(0.63)	(0.59)	(0.51)	(0.56)	(0.55)
Return after operating charges*	(14.35)	2.37	6.48	(12.29)	2.16	5.80
Distributions	(4.63)	(4.27)	(3.82)	(4.45)	(4.36)	(4.07)
Retained distributions on accumulation shares	4.63	4.27	3.82	–	–	-
Closing net asset value per share	101.48	115.83	113.46	83.78	100.52	102.72
* after direct transaction costs of :	–	–	–	–	–	-
Performance						
Return after charges	(12.39%)	2.09%	6.06%	(12.23%)	2.10%	5.74%
Other information						
Closing net asset value (£'000)	6,418	7,360	8,278	14,781	25,343	42,116
Closing number of shares	6,324,567	6,354,387	7,296,354	17,641,891	25,212,430	41,000,904
Operating charges	0.56%	0.55%	0.56%	0.56%	0.55%	0.56%
Direct transaction costs‡	-	-	-	-	-	-
Prices						
Highest share price	116.21	117.73	113.88	100.82	104.68	104.16
Lowest share price	97.42	113.61	89.70	81.55	100.15	84.68

For the financial year ending	'R' Class (Accumulation shares)[1] 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)	'R' Class (Income-2 shares)[1] 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share						
Opening net asset value per share	98.84	100.00		98.02	100.00	-
Return before operating charges*	(11.74)	(0.95)	–	(11.51)	(0.95)	-
Operating charges	(0.77)	(0.21)	–	(0.75)	(0.21)	-
Return after operating charges*	(12.51)	(1.16)	–	(12.26)	(1.16)	-
Distributions	(3.68)	(0.78)		(4.30)	(0.82)	-
Retained distributions on accumulation shares	3.68	0.78	–	-		
Closing net asset value per share	86.33	98.84	–	81.46	98.02	-
* after direct transaction costs of :	–	–	–	–	–	-
Performance						
Return after charges	(12.66%)	(1.16%)	-	(12.51%)	(1.16%)	-
Other information						
Closing net asset value (£'000)	318	411	–	5,103	6,378	-
Closing number of shares	368,066	415,936	–	6,265,306	6,507,186	-
Operating charges	0.86%	0.85%	–	0.86%	0.85%	-
Direct transaction costs‡	-	-	–	–	–	-
Prices						
Highest share price	99.16	100.00	–	98.36	100.00	-
Lowest share price	82.93	98.15	–	79.29	97.66	-

Comparative tables

As at 31 December 2022

For the financial year ending	'S' Class (Accumulation shares)[1] 31.12.22 (p)	31.12.21 (p)	31.12.20 (p)
Change in net assets per share			
Opening net asset value per share	99.01	100.00	
Return before operating charges*	(11.79)	(0.97)	-
Operating charges	(0.09)	(0.02)	-
Return after operating charges*	(11.88)	(0.99)	-
Distributions	(4.30)	(0.95)	
Retained distributions on accumulation shares	4.30	0.95	
Closing net asset value per share	87.13	99.01	-
* after direct transaction costs of :	–	–	-
Performance			
Return after charges	(12.00%)	(0.99%)	-
Other information			
Closing net asset value (£'000)	174,813	37,538	-
Closing number of shares	200,630,277	37,912,291	-
Operating charges	0.11%	0.10%	
Direct transaction costs‡	-	-	-
Prices			
Highest share price	99.34	100.00	-
Lowest share price	83.58	98.26	-

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(1) Launched 4 October 2021.

Portfolio transaction costs

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

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

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

Ninety One Fund Series ii

Notes to the Financial Statements of the Company

For the year ended 31 December 2022

1. Accounting policies

a) Basis of accounting

The financial statements on pages 49 to 106 have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014) and amended in

June 2017, Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

These Financial Statements are prepared on a going concern basis. The ACD has made an assessment of the sub-funds' ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment covers the period of at least twelve months from the date of issue of these Financial Statements and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service providers operational resilience.

Changes in accounting policies

There have been no changes to the accounting policies for the year ended 31 December 2021.

b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 31 December 2022 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee.

Market value is defined by the SORP as fair value which is generally the bid value. The bid price is the highest price a buyer is willing to pay for a security.

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

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

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

c) Exchange rates

Assets and liabilities held in overseas currencies have been translated into sterling at the exchange rates ruling at noon on 31 December 2022. Transactions during the year are translated at the rate ruling on the transaction date.

d) Recognition of revenue

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

All dividends and scrip (stock) dividends on equities are recognised when the securities are quoted ex-dividend net of any attributable tax credits. Bank interest, interest on investments and other receivables are accrued up to the accounting date. Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment. Revenue from debt securities is accounted for on an effective interest basis.

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

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

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

e) Expenses

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

f) Taxation

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

g) Deferred taxation

Where applicable, a provision is made on all material timing differences between the recognition of revenue in the financial statements and its recognition in the Funds' annual tax returns. Deferred tax liabilities are recognised to the extent that it is possible that an actual liability will crystallise and deferred tax assets are recognised where it is more than likely that an asset is recoverable.

No deferred tax assets have been recognised as there is uncertainty over future net revenues to utilise such assets.

Notes to the Financial Statements of the Company (continued)
For the year ended 31 December 2022

2. Distribution policies

a) Basis of distribution

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

Global Total Return Credit Fund will distribute on a monthly basis. The ACD may smooth the revenue within an accounting period by carrying forward revenue otherwise distributable with a view to augmenting amounts to be paid out at a later date within the same accounting period.

American Franchise Fund, Asia Pacific Franchise Fund and Global Strategic Equity Fund will distribute annually by reference to net revenue arising during the year ended 31 December 2022.

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

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

b) Apportionment to multiple share classes

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

c) Stock dividends

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

d) Interest from debt securities

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

e) Expenses

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

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

f) Equalisation

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

g) Aggregate distribution

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

3. Risk management policies

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

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

Risk management process

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

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

General risks

Risks associated with investments

Accounting

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

3. **Risk management policies (continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Risk management policies (continued)

Initial public offerings (IPO) & placement

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

Pandemics, epidemics and outbreaks of transmissible diseases risks

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

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

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

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

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

Political, legal & regulatory

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

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

Risks associated with derivatives

EMIR clearing: client segregation model

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

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

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

Risks associated with share classes

Base currency hedged share classes

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

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

3. Risk management policies (continued)

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

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

Charges to capital

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

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

Currency denomination

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

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

Distribution from capital

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

Initial charges

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

Transactional risks arising from the hedged share classes

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

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

Portfolio currency hedged share class ("PCHSC")

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

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

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

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

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

Risks associated with shareholder dealing and portfolio transactions

Cancellation

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

Conflicts of Interest

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

3. Risk management policies (continued)

Counterparty – trading

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

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

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

Dilution

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

Liquidity risk – fund investments

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

Risk of deferred redemptions

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

Risk of market closure

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

Risk of remittance restrictions

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

Risk of suspension

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

Risks Associated with fund operations

Central securities depositaries

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

Custody

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

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

Ninety One Fund Series ii

Notes to the Financial Statements of the Company (continued)
For the year ended 31 December 2022

3. Risk management policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

3. Risk management policies (continued)

Tax

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

Third-Party operational (including counterparty – service providers)

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

Specific risks applicable to the Funds:
Risks associated with debt investments
Contingent convertibles or CoCos

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

Credit

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

Distressed debt

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

High yield debt securities

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

Interest rate

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

Investment grade

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

Mortgage backed and other asset backed securities
Mortgage backed

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

Asset Backed

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

3. Risk management policies (continued)

CDOs/CLOs

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

CLNs

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

Risks associated with derivative instruments

Cash flow

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

Credit default swaps and other synthetic securities

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

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

Derivatives

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

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

Exchange Derivatives

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

Leverage

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

3. Risk management policies (continued)

OTC (over the counter) derivative instruments

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

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

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

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

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

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

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

Short exposure

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

Risks associated with emerging market investments

China interbank bond market

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

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

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

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

3. Risk management policies (continued)

Settlement risk

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

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

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

CIBM direct access rules and regulations

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

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

Restrictions to remittances and repatriations risk

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

Securities and cash accounts

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

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

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

Bond settlement agent risk

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

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

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

China Tax

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

3. Risk management policies (continued)

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

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

China Interbank Bond Market

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

Bond Connect

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

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

Emerging Markets

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

Frontier Market

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

Investment in China

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

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

3. Risk management policies (continued)

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

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

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

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

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

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

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

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

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

3. Risk management policies (continued)

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

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

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

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

Stock connect

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

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

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

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

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

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

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

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

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

3. Risk management policies (continued)

Risks associated with equity investments

Equity investment

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

Smaller companies

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

Style Bias

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

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

Risks associated with investment strategy

Commodities

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

Concentration

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

Income Priority

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

Sector and / or geographical

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

Sustainable strategies

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

American Franchise Fund

Concentration
Derivatives
Equity Investment
Sector and / or Geographical
Style Bias

Asia Pacific Franchise Fund

China tax
Concentration
Derivatives
Emerging Markets
Equity Investment
Frontier Market Risk
Investment in China
Sector and / or Geographical
Stock Connect
Style Bias

3. Risk management policies (continued)

Global Strategic Equity Fund
China tax
Derivatives
Emerging Markets
Equity Investment
Investment in China
Stock Connect

Global Total Return Credit Fund
China Interbank Bond Market
China tax
CIBM Direct Access
Contingent Convertibles or CoCos
Credit
Credit Default Swaps and Other Synthetic Securities
Derivatives
Emerging Markets
High Yield Debt Securities
Investment Grade
Investment in China
Leverage
Mortgage Backed and Other Asset Backed Securities
OTC Derivative Instruments

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

2022*	FTSE All-Share Index	MSCI World Index	Bank of America Merrill Lynch Global High Yield Constrained GBP hedged (from 01.11.2015)
American Franchise Fund	0.65	0.98	1.11
Asia Pacific Franchise Fund	0.58	0.25	0.44
Global Strategic Equity Fund	0.90	0.96	1.24
Global Total Return Credit Fund	0.67	0.50	0.83

2021**	FTSE All-Share Index	MSCI World Index	Bank of America Merrill Lynch Global High Yield Constrained GBP hedged (from 01.11.2015)
American Franchise Fund	0.69	1.17	1.97
Asia Pacific Franchise Fund	0.27	0.22	1.64
Global Strategic Equity Fund	0.53	0.58	1.13
Global Total Return Credit Fund	0.11	0.01	0.75

Past performance is not a guide to future performance.

* Source: Lipper 01.01.22 – 31.12.22 using monthly sub-periods for class 'I' accumulation shares.
** Source: Lipper 01.01.21 – 31.12.21 using monthly sub-periods for class 'I' accumulation shares.

Ninety One Fund Series ii

Notes to the Financial Statements of the Company (continued)
For the year ended 31 December 2022

4. Dilution adjustment

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

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

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

A. Fletcher
Director of the ACD

N. Smith
Director of the ACD

21 April 2023

Ninety One American Franchise Fund

Statement of Total Return

For the year ended 31 December 2022

	Note	01.01.22 to 31.12.22 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.21 to 31.12.21 £'000
Income					
Net capital (losses)/gains	4		(87,569)		137,405
Revenue	6	3,885		3,279	
Expenses	7	(6,137)		(5,540)	
Interest payable and similar charges		(1)		(2)	
Net expense before taxation		(2,253)		(2,263)	
Taxation	8	(575)		(460)	
Net expense after taxation			(2,828)		(2,723)
Total return before distribution			**(90,397)**		**134,682**
Distribution	9		(52)		(46)
Change in net assets attributable to shareholders from investment activities			**(90,449)**		**134,636**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	01.01.22 to 31.12.22 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.21 to 31.12.21 £'000
Opening net assets attributable to shareholders		**660,973**		**474,352**
Amounts receivable on creation of shares	38,204		148,877	
Amounts payable on cancellation of shares	(117,376)		(96,937)	
		(79,172)		51,940
Change in net assets attributable to shareholders from investment activities		(90,449)		134,636
Retained distributions on accumulation shares		51		45
Closing net assets attributable to shareholders		**491,403**		**660,973**

Balance Sheet

As at 31 December 2022

	Note	31.12.22 £'000	31.12.22 £'000	31.12.21 £'000	31.12.21 £'000
Assets					
Investments assets			490,222		653,003
Current assets					
Debtors	10	426		959	
Cash and bank balances		2,200		7,757	
Total other assets			2,626		8,716
Total assets			**492,848**		**661,719**
Liabilities					
Creditors					
Other creditors	11	1,445		746	
Total other liabilities			1,445		746
Total liabilities			**1,445**		**746**
Net assets attributable to shareholders			**491,403**		**660,973**

Notes to the financial statements are on pages 67 to 72.

Ninety One American Franchise Fund
Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 49.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 50.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 50 to 65.

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Gains/(losses) on foreign exchange	550	(363)
Forward currency contracts	(87)	6
Non-derivative securities	(88,002)	137,768
Transaction charges	(30)	(6)
Net capital (losses)/gains	**(87,569)**	**137,405**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Equities	79,047	227,084	153,880	179,133
Collective investment schemes	7,944	36,076	7,943	36,287
Trades excluding transaction costs	**86,991**	**263,160**	**161,823**	**215,420**
Commissions				
Equities	15	47	(35)	(42)
Total commissions	**15**	**47**	**(35)**	**(42)**
Taxes				
Equities	–	–	(3)	(2)
Total taxes	**–**	**–**	**(3)**	**(2)**
Total costs	**15**	**47**	**(38)**	**(44)**
Net trades in the year after transaction costs	**87,006**	**263,207**	**161,785**	**215,376**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions				
Equities	0.02	0.02	0.02	0.02
Taxes				
Equities	–	–	–	–

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

	01.01.22 to 31.12.21 %	01.01.21 to 31.12.20 %
Commissions	0.01	0.02
Taxes	–	–
Total costs	**0.01**	**0.02**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.03% (31.12.21: 0.04%).

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Revenue

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Bank interest	64	1
Overseas dividends	3,821	3,278
Total revenue	**3,885**	**3,279**

7. Expenses

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	5,690	5,116
General administration charge (GAC)	433	410
	6,123	5,526
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	29	30
	29	30
Other expenses:		
VAT refund	(15)	(16)
	(15)	(16)
Total expenses	**6,137**	**5,540**

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

The audit fee for the year is £10,700 (31.12.21: £9,229).

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

8. Taxation
(a) Analysis of the tax charge in the year:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Overseas tax	575	460
Current tax charge	**575**	**460**
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	**575**	**460**

(b) Factors affecting current tax charge for the year:
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.12.21: 20%). The differences are explained below:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net expense before taxation	(2,253)	(2,263)
Corporation tax of 20%	(451)	(453)
Effects of:		
Movement in excess management expenses	1,215	1,108
Overseas tax	575	460
Revenue not subject to taxation	(764)	(655)
Total tax charge (note 8(a))	**575**	**460**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

8. Taxation (continued)
(c) Provision for deferred taxation:
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,875,000 (2021: £9,660,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Final	50	45
Add: Equalisation deducted on cancellation of shares	4	4
Less: Equalisation received on creation of shares	(2)	(3)
Net distribution for the year	**52**	**46**

The net distribution for the year is represented by:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net expense after taxation	(2,828)	(2,723)
Shortfall of income transferred from capital	2,880	2,769
Net distribution for the year	**52**	**46**

10. Debtors

	31.12.22 £'000	31.12.21 £'000
Accrued dividends and bank interest	115	127
Amounts receivable for creation of shares	59	660
Overseas tax recoverable	252	168
Unrealised currency hedge	–	4
	426	**959**

11. Other creditors

	31.12.22 £'000	31.12.21 £'000
Amounts payable for cancellation of shares	942	155
Accrued ACD fees	441	540
Accrued general administration charge (GAC)	33	41
Accrued safe custody fee	9	8
Accrued transaction charges	20	2
	1,445	**746**

12. Capital commitments and contingent liabilities
The Fund had no contingent liabilities or capital commitments at the year end date (31.12.21: Nil).

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

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

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

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

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

15. ACD Fee and charges
The different level of ACD fees payable per annum as at 31 December 2022 for each share class is detailed below:

	31.12.22	31.12.21
'A' Shares	1.50%	1.50%
'B' Shares	1.25%	1.25%
'I' Shares	0.75%	0.75%
'R' Shares	1.00%	1.00%
'S' Shares	0.00%	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.12.21 Opening number shares in issue	Creations	Cancellations	Shares converted	31.12.22 Closing number shares in issue
'A' Class (Accumulation shares)	21,844,039	1,891,958	(3,814,627)	(60,526)	19,860,844
'A' Class (GBP Hedged Accumulation shares)	166,257	10,641	(14,830)	–	162,068
'A' Class (USD Accumulation shares)	12,014,546	56,896	(186,736)	–	11,884,706
'B' Class (Accumulation shares)	865,386	722	(22,244)	(64,498)	779,366
'I' Class (Accumulation shares)	77,334,913	5,479,063	(20,402,296)	95,767	62,507,447
'R' Class (Accumulation shares)	1,815,296	18,969	(93,870)	90,511	1,830,906
'S' Class (Accumulation shares)	1,856,213	252,886	(316,995)	–	1,792,104
'S' Class (USD Accumulation shares)	10,000	–	–	–	10,000

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

The Fund's currency exposure as at 31 December 2022 was:

	Currency exposure	
Currency	Total 31.12.22 £'000	Total 31.12.21 £'000
Sterling	(1,203)	1,293
Swedish krona	5	5
Swiss franc	14,387	17,507
US dollar	478,214	642,168
Total	**491,403**	**660,973**

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by 10.02% (31.12.21: 9.98%). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by 10.02% (31.12.21: 9.98%). These calculations assume all other variables remain constant.

Interest rate risk profile of financial assets and liabilities as at 31 December 2022 was as follows:

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

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

17. Fair value

Valuation technique	31.12.22 Assets £'000	31.12.22 Liabilities £'000	31.12.21 Assets £'000	31.12.21 Liabilities £'000
Level 1	490,222	–	653,003	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**490,222**	**–**	**653,003**	**–**

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

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

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

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

Ninety One American Franchise Fund

Distribution Table

For the year ended 31 December 2022

Final distribution payable 28 February 2023
Group 1 – Shares purchased before 1 January 2022
Group 2 – Shares purchased between 1 January and 31 December 2022

	Net Income pence	Equalisation pence	Distribution payable 28.02.23 pence	Distribution paid 28.02.22 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (GBP Hedged Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'B' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'I' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'R' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'S' Class (Accumulation shares)				
Group 1	2.8127	–	2.8127	2.4422
Group 2	1.6900	1.1227	2.8127	2.4422

	Net Income US cent	Equalisation US cent	Distribution payable 28.02.23 US cent	Distribution paid 28.02.22 US cent
'A' Class (USD Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'S' Class (USD Accumulation shares)				
Group 1	0.4375	–	0.4375	0.4221
Group 2	0.4375	–	0.4375	0.4221

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

Ninety One Asia Pacific Franchise Fund

Statement of Total Return

For the year ended 31 December 2022

	Note	01.01.22 to 31.12.22 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.21 to 31.12.21 £'000
Income					
Net capital losses	4		(32,597)		(25,267)
Revenue	6	3,708		4,374	
Expenses	7	(2,390)		(3,340)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		1,317		1,034	
Taxation	8	(449)		(297)	
Net revenue after taxation			868		737
Total return before distribution			**(31,729)**		**(24,530)**
Distribution	9		(1,146)		(918)
Change in net assets attributable to shareholders from investment activities			**(32,875)**		**(25,448)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	01.01.22 to 31.12.22 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.21 to 31.12.21 £'000
Opening net assets attributable to shareholders		**292,062**		**330,229**
Amounts receivable on creation of shares	25,257		63,223	
Amounts payable on cancellation of shares	(68,874)		(76,787)	
		(43,617)		(13,564)
Change in net assets attributable to shareholders from investment activities		(32,875)		(25,448)
Retained distributions on accumulation shares		1,051		845
Closing net assets attributable to shareholders		**216,621**		**292,062**

Balance Sheet

As at 31 December 2022

	Note	31.12.22 £'000	31.12.22 £'000	31.12.21 £'000	31.12.21 £'000
Assets					
Investments assets			214,201		290,490
Current assets					
Debtors	10	2,011		248	
Cash and bank balances		1,241		2,409	
Total other assets			3,252		2,657
Total assets			**217,453**		**293,147**
Liabilities					
Provisions for liabilities	11		538		437
Creditors					
Other creditors	11a	294		648	
Total other liabilities			294		648
Total liabilities			**832**		**1,085**
Net assets attributable to shareholders			**216,621**		**292,062**

Notes to the financial statements are on pages 74 to 79.

Ninety One Asia Pacific Franchise Fund

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 49.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 50.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 50 to 65.

4. Net capital losses

The net capital losses during the year comprise:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Losses on foreign exchange	(94)	(107)
Non-derivative securities	(32,477)	(25,169)
Transaction charges	(26)	9
Net capital losses	**(32,597)**	**(25,267)**

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Equities	33,134	67,098	77,133	73,908
Collective investment schemes	13,085	30,454	13,056	30,511
Trades excluding transaction costs	**46,219**	**97,552**	**90,189**	**104,419**
Commissions				
Equities	18	26	(33)	(30)
Taxes				
Equities	19	29	(84)	(51)
Total costs	**37**	**55**	**(117)**	**(81)**
Net trades in the year after transaction costs	**46,256**	**97,607**	**90,072**	**104,338**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions				
Equities	0.05	0.04	0.04	0.04
Taxes				
Equities	0.06	0.04	0.11	0.07

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

	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions	0.02	0.02
Taxes	0.04	0.02
Total costs	**0.06**	**0.04**

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.13% (31.12.21: 0.38%).

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Revenue

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Bank interest	5	1
Overseas dividends	3,703	4,373
Total revenue	**3,708**	**4,374**

7. Expenses

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	2,086	2,920
General administration charge (GAC)	186	256
	2,272	**3,176**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	127	171
	127	**171**
Other expenses:		
VAT refund	(12)	(14)
Out of pocket expenses	3	6
ADR fees	–	1
	(9)	(7)
Total expenses	**2,390**	**3,340**

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

The audit fee for the year is £10,700 (31.12.21: £9,229).

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

8. Taxation
(a) Analysis of the tax charge in the year:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Overseas tax	243	350
Capital Gains Tax	206	(53)
Current tax charge	**449**	**297**
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	**449**	**297**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

8. Taxation (continued)
(b) Factors affecting current tax charge for the year:
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.12.21: 20%). The differences are explained below:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue before taxation	1,317	1,034
Corporation tax of 20%	263	207
Effects of:		
Movement in excess management expenses	477	668
Overseas tax	244	351
Revenue not subject to taxation	(741)	(875)
Capital gains tax	206	(54)
Total tax charge (note 8(a))	**449**	**297**

(c) Provision for deferred taxation:
There is a deferred tax liability as at the Balance Sheet date of £538,000 due to Indian Capital Gain Tax (2021: £437,000).

(d) Factors affecting future tax charge:
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,810,000 (2021: £6,333,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Final	1,051	845
Add: Equalisation deducted on cancellation of shares	131	192
Less: Equalisation received on creation of shares	(36)	(119)
Net distribution for the year	**1,146**	**918**

The net distribution for the year is represented by:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue after taxation	868	737
Equalisation on conversion of shares	2	2
Capital gains tax	206	(53)
Revenue deficit	70	232
Net distribution for the year	**1,146**	**918**

10. Debtors

	31.12.22 £'000	31.12.21 £'000
Accrued dividends and bank interest	215	95
Amounts receivable for creation of shares	237	116
Overseas tax recoverable	24	37
Sales awaiting settlement	1,535	–
	2,011	**248**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

11. Other creditors

	31.12.22 £'000	31.12.21 £'000
Amounts payable for cancellation of shares	64	367
Accrued ACD fees	160	222
Accrued general administration charge (GAC)	15	19
Accrued safe custody fee	42	39
Accrued transaction charges	13	1
	294	**648**

Provision for liabilities

	31.12.22 £'000	31.12.21 £'000
Deferred tax liability	538	437
	538	**437**

12. Capital commitments and contingent liabilities
The Fund had no contingent liabilities or capital commitments at the year end date (31.12.21: Nil).

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

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

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

The ACD and its associates held nil% of the sub-fund at year end date (31.12.21: 0.12%).

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

15. ACD Fee and charges
The different level of ACD fees payable per annum as at 31 December 2022 for each share class is detailed below:

	31.12.22	31.12.21
'A' Shares	1.50%	1.50%
'B' Shares	1.25%	1.25%
'I' Shares	0.75%	0.75%
'J' Shares	0.65%	0.65%
'R' Shares	1.00%	1.00%

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

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

Reconciliation of the shares movement in the year:

	31.12.21 Opening number shares in issue	Creations	Cancellations	Shares converted	31.12.22 Closing number shares in issue
'A' Class (Accumulation shares)	6,029,519	449,945	(1,101,916)	(564,719)	4,812,829
'B' Class (Accumulation shares)	32,966	–	(583)	–	32,383
'I' Class (Accumulation shares)	40,780,575	5,133,956	(13,528,671)	1,069,819	33,455,679
'J' Class (Accumulation shares)	37,920,439	2,548,638	(5,635,536)	–	34,833,541
'R' Class (Accumulation shares)	8,768,381	81,709	(1,512,602)	53,627	7,391,115

16. Risk consideration

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

The Fund's currency exposure as at 31 December 2022 was:

	Currency exposure	
Currency	**Total 31.12.22 £'000**	**Total 31.12.21 £'000**
Australian dollar	32,850	50,935
Chinese yuan	8,332	1,113
Chinese yuan (offshore)	27,606	37,417
Euro	5,031	7,707
Hong Kong dollar	67,893	72,078
Indian rupee	14,092	17,803
Singapore dollar	5	4
South Korean won	14,586	32,256
Sterling	(550)	(929)
Taiwan dollar	18,598	26,714
US dollar	22,249	37,934
Vietnamese dong	5,929	9,030
Total	**216,621**	**292,062**

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by 10.03% (31.12.21: 10.03%). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by 10.03% (31.12.21: 10.03%). These calculations assume all other variables remain constant.

Interest rate risk profile of financial assets and liabilities as at 31 December 2022 was as follows:
The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the Fund's exposure to interest rate risk is not considered to be significant.

17. Fair value

	31.12.22		31.12.21	
Valuation technique	**Assets £'000**	**Liabilities £'000**	**Assets £'000**	**Liabilities £'000**
Level 1	214,201	–	290,490	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**214,201**	**–**	**290,490**	**–**

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

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

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

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

Ninety One Asia Pacific Franchise Fund

Distribution Table

For the year ended 31 December 2022

Final distribution payable 28 February 2023
Group 1 – Shares purchased before 1 January 2022
Group 2 – Shares purchased between 1 January and 31 December 2022

	Net Income pence	Equalisation pence	Distribution payable 28.02.23 pence	Distribution paid 28.02.22 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'B' Class (Accumulation shares)				
Group 1	6.6217	–	6.6217	–
Group 2	–	6.6217	6.6217	–
'I' Class (Accumulation shares)				
Group 1	2.2383	–	2.2383	1.5256
Group 2	1.5463	0.6920	2.2383	1.5256
'J' Class (Accumulation shares)				
Group 1	0.7047	–	0.7047	0.5361
Group 2	0.4035	0.3012	0.7047	0.5361
'R' Class (Accumulation shares)				
Group 1	0.7350	–	0.7350	0.2258
Group 2	0.5910	0.1440	0.7350	0.2258

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

Ninety One Global Strategic Equity Fund

Statement of Total Return

For the year ended 31 December 2022

	Note	01.01.22 to 31.12.22 £'000	£'000	01.01.21 to 31.12.21 £'000	£'000
Income					
Net capital (losses)/gains	4		(67,953)		81,999
Revenue	6	7,274		7,036	
Expenses	7	(3,618)		(4,402)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		3,654		2,633	
Taxation	8	(847)		(746)	
Net revenue after taxation			2,807		1,887
Total return before distribution			**(65,146)**		**83,886**
Distribution	9		(2,809)		(1,906)
Change in net assets attributable to shareholders from investment activities			**(67,955)**		**81,980**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	01.01.22 to 31.12.22 £'000	£'000	01.01.21 to 31.12.21 £'000	£'000
Opening net assets attributable to shareholders		**389,843**		**467,825**
Amounts receivable on creation of shares	12,074		14,139	
Amounts payable on cancellation of shares	(56,499)		(175,909)	
		(44,425)		(161,770)
Dilution adjustment		–		147
Change in net assets attributable to shareholders from investment activities		(67,955)		81,980
Retained distributions on accumulation shares		2,483		1,661
Closing net assets attributable to shareholders		**279,946**		**389,843**

Balance Sheet

As at 31 December 2022

	Note	31.12.22 £'000	£'000	31.12.21 £'000	£'000
Assets					
Investments assets			273,560		378,722
Current assets					
Debtors	10	714		852	
Cash and bank balances		6,639		10,897	
Total other assets			7,353		11,749
Total assets			**280,913**		**390,471**
Liabilities					
Creditors					
Bank overdrafts		514		–	
Other creditors	11	453		628	
Total liabilities			**967**		**628**
Net assets attributable to shareholders			**279,946**		**389,843**

Notes to the financial statements are on pages 81 to 86.

Ninety One Global Strategic Equity Fund

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 49.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 50.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 50 to 65.

4. Net capital (losses)/gains

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Gains/(losses) on foreign exchange	799	(424)
Forward currency contracts	(4,302)	602
Non-derivative securities	(64,396)	81,839
Transaction charges	(54)	(18)
Net capital (losses)/gains	**(67,953)**	**81,999**

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Equities	166,826	198,799	207,893	355,201
Trades excluding transaction costs	**166,826**	**198,799**	**207,893**	**355,201**
Commissions				
Equities	59	71	(70)	(125)
Taxes				
Equities	123	65	(49)	(140)
Total costs	**182**	**136**	**(119)**	**(265)**
Net trades in the year after transaction costs	**167,008**	**198,935**	**207,774**	**354,936**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions				
Equities	0.04	0.04	0.03	0.04

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

	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions	0.04	0.05
Taxes	0.05	0.05
Total costs	**0.09**	**0.10**

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.08% (31.12.21: 0.08%).

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Revenue

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Bank interest	62	1
Overseas dividends	6,813	6,641
UK dividends	399	394
Total revenue	**7,274**	**7,036**

7. Expenses

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	3,327	4,017
General administration charge (GAC)	253	310
	3,580	4,327
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Hedge fees	6	11
Safe custody fee	43	68
	49	79
Other expenses:		
VAT refund	(12)	(14)
Out of pocket expenses	1	5
ADR fees	–	5
	(11)	(4)
Total expenses	**3,618**	**4,402**

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

The audit fee for the year is £10,700 (31.12.21: £9,229).

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

8. Taxation
(a) Analysis of the tax charge in the year:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Overseas tax	847	746
Current tax charge	**847**	**746**
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	**847**	**746**

(b) Factors affecting current tax charge for the year:
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.12.21: 20%). The differences are explained below:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue before taxation	3,654	2,633
Corporation tax of 20%	731	527
Effects of:		
Movement in excess management expenses	711	884
Overseas tax	847	746
Revenue not subject to taxation	(1,442)	(1,407)
Overseas tax expensed	–	(4)
Total tax charge (note 8(a))	**847**	**746**

(c) Provision for deferred taxation:
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,410,000 (2021: £9,699,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Final	2,483	1,661
Add: Equalisation deducted on cancellation of shares	402	283
Less: Equalisation received on creation of shares	(76)	(38)
Net distribution for the year	**2,809**	**1,906**

The net distribution for the year is represented by:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue after taxation	2,807	1,887
Equalisation on conversion	2	3
Shortfall of income transferred from capital	–	16
Net distribution for the year	**2,809**	**1,906**

10. Debtors

	31.12.22 £'000	31.12.21 £'000
Accrued dividends and bank interest	81	154
Amounts receivable for creation	5	159
Dilution adjustment receivable	92	13
Overseas tax recoverable	393	401
Sales awaiting settlement	143	–
Unrealised currency hedge	–	125
	714	**852**

11. Other creditors

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Amounts payable for cancellation of shares	112	238
Payable for hedge fee expense	3	10
Unrealised currency hedge	7	–
Accrued ACD fees	252	336
Accrued general administration charge (GAC)	19	25
Accrued safe custody fee	13	13
Accrued transaction charges	47	6
	453	**628**

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.12.21: Nil).

13. Related party transactions

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

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

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

The ACD and its associates held nil% of the sub-fund at year end date (31.12.21: 0.61%).

14. Dilution adjustment

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

15. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 December 2022 for each share class is detailed below:

	31.12.22	31.12.21
'A' Shares	1.50%	1.50%
'I' Shares	0.75%	0.75%
'R' Shares	1.00%	1.00%
'S' Shares	0.00%	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.12.21 Opening number shares in issue	Creations	Cancellations	Shares converted	31.12.22 Closing number shares in issue
'A' Class (Accumulation shares)	10,226,832	210,393	(1,061,063)	(52,919)	9,323,243
'A' Class (USD Accumulation shares)	4,833	102,691	(629)	–	106,895
'I' Class (Accumulation shares)	47,715,711	2,430,279	(6,291,299)	133,719	43,988,410
'I' Class (GBP Hedged Accumulation shares)	18,035,249	18,015	(15,019,682)	–	3,033,582
'R' Class (Accumulation shares)	11,351,984	5,789	(760,791)	73,020	10,670,002
'S' Class (Accumulation shares)	1,934,867	181,930	(635,204)	–	1,481,593

16. Risk consideration

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

The Fund's currency exposure as at 31 December 2022 was:

Currency	Currency exposure Total 31.12.22 £'000	Total 31.12.21 £'000
Australian dollar	5,269	2,970
Canadian dollar	3,748	–
Chinese yuan	511	492
Chinese yuan (offshore)	5,601	5,123
Danish krone	4,608	8,242
Euro	41,287	37,627
Hong Kong dollar	3,262	3,846
Japanese yen	11,335	18,637
Mexican peso	2,964	3,612
Singapore dollar	4,650	691
South Korean won	3,844	7,310
Sterling	34,608	58,752
Swedish krona	–	1,928
Swiss franc	6,805	7,333
Taiwan dollar	10,059	18,337
US dollar	141,412	214,943
Total	**279,963**	**389,843**

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by 8.30% (31.12.21: 8.28%). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by 8.30% (31.12.21: 8.28%). These calculations assume all other variables remain constant.

Interest rate risk profile of financial assets and liabilities as at 31 December 2022 was as follows:
The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

17. Fair value

Valuation technique	31.12.22 Assets £'000	31.12.22 Liabilities £'000	31.12.21 Assets £'000	31.12.21 Liabilities £'000
Level 1	273,560	–	378,722	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**273,560**	**–**	**378,722**	**–**

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

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

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

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

Ninety One Global Strategic Equity Fund

Distribution Table

For the year ended 31 December 2022

Final distribution payable 28 February 2023

Group 1 – Shares purchased before 1 January 2022
Group 2 – Shares purchased between 1 January and 31 December 2022

	Net Income pence	Equalisation pence	Distribution payable 28.02.23 pence	Distribution paid 28.02.22 pence
'A' Class (Accumulation shares)				
Group 1	4.7059	–	4.7059	–
Group 2	2.1447	2.5612	4.7059	–
'I' Class (Accumulation shares)				
Group 1	3.6291	–	3.6291	2.4326
Group 2	1.6363	1.9928	3.6291	2.4326
'I' Class (GBP Hedged Accumulation shares)				
Group 1	1.6821	–	1.6821	1.1728
Group 2	0.2391	1.4430	1.6821	1.1728
'R' Class (Accumulation shares)				
Group 1	2.6022	–	2.6022	1.4821
Group 2	1.7749	0.8273	2.6022	1.4821
'S' Class (Accumulation shares)				
Group 1	7.6784	–	7.6784	6.2132
Group 2	3.3709	4.3075	7.6784	6.2132

	Net Income US cent	Equalisation US cent	Distribution payable 28.02.23 US cent	Distribution paid 28.02.22 US cent
'A' Class (USD Accumulation shares)				
Group 1	5.8965	–	5.8965	–
Group 2	0.5384	5.3581	5.8965	–

Equalisation

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

Ninety One Global Total Return Credit Fund

Statement of Total Return

For the year ended 31 December 2022

	Note	01.01.22 to 31.12.22 £'000	£'000	01.01.21 to 31.12.21 £'000	£'000
Income					
Net capital losses	4		(59,813)		(4,431)
Revenue	6	17,677		8,961	
Expenses	7	(1,949)		(1,497)	
Interest payable and similar charges	8	(208)		(4)	
Net revenue before taxation		15,520		7,460	
Taxation	9	–		–	
Net revenue after taxation			15,520		7,460
Total return before distributions			**(44,293)**		**3,029**
Distributions	10		(16,072)		(7,726)
Change in net assets attributable to shareholders from investment activities			**(60,365)**		**(4,697)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	Note	01.01.22 to 31.12.22 £'000	£'000	01.01.21 to 31.12.21 £'000	£'000
Opening net assets attributable to shareholders			**337,368**		**165,432**
In Specie transfer*			–		100,928
Amounts receivable on creation of shares		194,581		119,542	
Amounts payable on cancellation of shares		(125,963)		(50,093)	
			68,618		69,449
Dilution adjustment			527		185
Change in net assets attributable to shareholders from investment activities			(60,365)		(4,697)
Retained distributions on accumulation shares			12,810		6,071
Unclaimed distributions			1		–
Closing net assets attributable to shareholders			**358,959**		**337,368**

Note:
*Relating to the transfer of assets from the Ninety One Monthly High Income Fund on 10 December 2021. Fund merged with Ninety One Monthly High Income Fund on 10 December 2021.

Balance Sheet

As at 31 December 2022

	Note	31.12.22 £'000	£'000	31.12.21 £'000	£'000
Assets					
Investments assets			347,133		322,193
Current assets					
Debtors	11	5,263		3,741	
Cash and bank balances	12	16,600		14,264	
Total other assets			21,863		18,005
Total assets			**368,996**		**340,198**
Liabilities					
Investment liabilities			8,156		476
Creditors					
Bank overdrafts		174		140	
Distribution payable		643		582	
Other creditors	13	1,064		1,632	
Total other liabilities			1,881		2,354
Total liabilities			10,037		2,830
Net assets attributable to shareholders			**358,959**		**337,368**

Notes to the financial statements are on pages 88 to 107.

Ninety One Global Total Return Credit Fund

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 49.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 50.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 50 to 65.

4. Net capital losses
The net capital losses during the year comprise:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Gains/(losses) on foreign exchange	4,851	(740)
Derivative contracts	3,329	170
Forward currency contracts	(28,876)	7,833
Non-derivative securities	(39,091)	(11,690)
Transaction charges	(34)	(4)
Residual from Monthly Income Fund	8	–
Net capital losses	**(59,813)**	**(4,431)**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Bonds	374,011	249,533	306,327	177,901
Collective investment schemes	7,823	5,911	8,334	3,101
Options	609	970	1,310	604
Swaps	626,211	39,523	626,248	39,152
Inspecie Transfer	–	94,693	–	–
Trades excluding transaction costs	**1,008,654**	**390,630**	**942,219**	**220,758**
Commissions				
Collective investment schemes	–	–	–	–
Taxes				
Collective Investment Schemes	–	–	–	–
Net trades in the year after transaction costs	**1,008,654**	**390,630**	**942,219**	**220,758**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions				
Collective investment schemes	**–**	**–**	**–**	**–**

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

	01.01.22 to 31.12.22 %	01.01.21 to 31.12.21 %
Commissions	–	–
Taxes	–	–
Total costs	**–**	**–**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.88% (31.12.21: 0.50%).

Ninety One Global Total Return Credit Fund

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Revenue

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Bank interest	262	2
Interest on debt securities	17,140	8,661
Interest on total return swaps	–	(1)
Offshore distribution taxable from collective investment schemes	21	106
Margin interest	251	193
CSDR Penalties	3	–
Total revenue	**17,677**	**8,961**

7. Expenses

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,616	1,301
General administration charge (GAC)	277	166
	1,893	1,467
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	34	21
Middle office collateral fee	31	16
	65	37
Other expenses:		
VAT refund	(9)	(7)
	(9)	(7)
Total expenses	**1,949**	**1,497**

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

The audit fee for the year is £13,910 (31.12.21: £13,555).

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

8. Interest payable and similar charges

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Interest	38	4
Margin Interest	170	–
Total interest payable and similar charges	**208**	**4**

9. Taxation
(a) Analysis of the tax charge in the year:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Overseas tax	–	–
Current tax charge	**–**	**–**
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	**–**	**–**

(b) Factors affecting current tax charge for the year:
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.12.21: 20%). The differences are explained below:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue before taxation	15,520	7,460
Corporation tax of 20%	3,104	1,492
Effects of:		
Tax deductible interest distributions	(3,104)	(1,492)
Total tax charge (note 9(a))	**–**	**–**

(c) Provision for deferred taxation:
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

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

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
January	748	–
February	1,010	–
March	970	1,614
Apri l	1,065	–
May	1,157	–
June	1,627	2,120
July	1,372	–
August	1,850	–
September	1,667	2,120
October	1,424	–
November	1,486	–
Special distribution	–	1,411
Final	1,914	799
Add: Equalisation deducted on cancellation of shares	300	239
Less: Equalisation received on creation of shares	(518)	(577)
Net distribution for the year	**16,072**	**7,726**

The net distribution for the year is represented by:

	01.01.22 to 31.12.22 £'000	01.01.21 to 31.12.21 £'000
Net revenue after taxation	15,520	7,460
Expenses charged to capital:		
ACD fee	489	228
General administration charge (GAC)	56	34
Safe custody fee	7	4
Net distribution for the year	**16,072**	**7,726**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

11. Debtors

	31.12.22 £'000	31.12.21 £'000
Accrued bond interest	4,902	3,714
Amounts receivable for creation of shares	237	27
Sales awaiting settlement	124	–
	5,263	**3,741**

12. Cash and bank balances

	31.12.22 £'000	31.12.21 £'000
Cash and bank balances	16,427	14,247
Amount held at futures clearing houses and brokers	173	17
	16,600	**14,264**

13. Other creditors

	31.12.22 £'000	31.12.21 £'000
Amounts payable for cancellation of shares	692	97
Accrued dividends and bank interest	31	–
Purchases awaiting settlement	179	1,353
Accrued ACD fees	106	148
Accrued general administration charge (GAC)	25	19
Accrued safe custody fee	12	9
Accrued transaction charges	19	6
	1,064	**1,632**

14. Capital commitments and contingent liabilities
The Fund had no contingent liabilities or capital commitments at the year end date (31.12.21: Nil).

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

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

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

The ACD and its associates held 0.77% of the sub-fund at the year end (31.12.21: 0.06%).

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

17. ACD Fee and charges
The different level of ACD fees payable per annum as at 31 December 2022 for each share class is detailed below:

	31.12.22	31.12.21
'A' Shares	1.25%	1.25%
'I' Shares	0.65%	0.65%
'K' Shares	0.45%	0.45%
'R' Shares	0.75%	0.75%
'S' Shares	0.00%	0.00%

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

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

Ninety One Global Total Return Credit Fund

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

Reconciliation of the shares movement in the year:

	31.12.21 Opening number shares in issue	Creations	Cancellations	Shares converted	31.12.22 Closing number shares in issue
'A' Class (Accumulation shares)	6,804,484	275,673	(638,054)	(4,003)	6,438,100
'A' Class (Income-2 shares)	10,756,115	250,397	(1,651,382)	(160,723)	9,194,407
'I' Class (Accumulation shares)	171,893,021	28,106,764	(90,355,397)	54	109,644,442
'I' Class (Income-2 shares)	46,060,828	1,622,385	(6,140,727)	198,467	41,740,953
'K' Class (Accumulation shares)	6,354,387	1,526,073	(1,555,839)	(54)	6,324,567
'K' Class (Income-2 shares)	25,212,430	2,547,959	(10,040,943)	(77,555)	17,641,891
'R' Class (Accumulation shares)	415,936	7,514	(59,376)	3,992	368,066
'R' Class (Income-2 shares)	6,507,186	163,656	(442,427)	36,891	6,265,306
'S' Class (Accumulation shares)	37,912,291	178,230,553	(15,512,567)	–	200,630,277

18. Risk consideration

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

The Fund's currency exposure as at 31 December 2022 was:

Currency	Currency exposure Total 31.12.22 £'000	Total 31.12.21 £'000
Euro	(1,416)	(806)
Sterling	360,835	337,503
US dollar	(460)	671
Total	**358,959**	**337,368**

Interest rate risk profile of financial assets and liabilities as at 31 December 2022 was as follows:

Currency	Floating rate financial assets 31.12.22 £'000	Fixed rate financial assets 31.12.22 £'000	Financial assets not carrying interest 31.12.22 £'000	Total 31.12.22 £'000
Euro	64,171	75,995	(141,582)	(1,416)
Sterling	8,902	25,815	326,118	360,835
US dollar	8,074	168,232	(176,766)	(460)
Total	**81,147**	**270,042**	**7,770**	**358,959**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

Interest rate risk profile of financial assets and liabilities as at 31 December 2021 was as follows:

Currency	Floating rate financial assets 31.12.21 £'000	Fixed rate financial assets 31.12.21 £'000	Financial assets not carrying interest 31.12.21 £'000	Total 31.12.21 £'000
Euro	76,671	99,744	(177,221)	(806)
Sterling	14,067	25,471	297,965	337,503
US dollar	1,246	109,582	(110,157)	671
Total	**91,984**	**234,797**	**10,587**	**337,368**

Assuming that all other variables remain constant, the effect on the net asset value of the Fund of a 0.50% increase or decrease in interest rates at 31 December 2022 is 0.11% and -0.11% respectively. (2021: 0.14% and -0.14%)."

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 December 2022 was as follows:

(a) Swaps

Counterparty	Market value 31.12.22 £'000	31.12.201 £'000
Citibank	(43)	389
Total	**(43)**	**389**

(b) Forwards

Counterparty	Market value 31.12.22 £'000	31.12.21 £'000
Barclays	(7,283)	4,460
BNP Paribas	–	(9)
HSBC	(171)	55
JP Morgan	16	(25)
Merrill Lynch	11	–
Standard Chartered	(98)	(51)
Total	**(7,525)**	**4,430**

(c) Futures

Counterparty	Market value 31.12.22 £'000	31.12.21 £'000
Goldman Sachs	371	(75)
Total	**371**	**(75)**

(d) Swaptions

Counterparty	Market value 31.12.22 £'000	31.12.21 £'000
Bank of America	–	104
Merrill Lynch	–	63
Total	**–**	**167**

(e) Cash Collateral

The value of collateral received and pledged as at 31 December 2022 was:

Counterparty	Collateral asset class	Collateral pledged	Collateral received	Collateralized assets
Barclays Bank	Cash	6,600	–	Forward FX
Citibank	Cash	665	–	Cash
HSBC	Cash	100	–	Forward FX
Standard Chartered	Cash	160	–	Forward FX
Total		**7,525**	**–**	**–**

The value of collateral received and pledged as at 31 December 2021 was:

Counterparty	Collateral asset class	Collateral pledged	Collateral received	Collateralized assets
Barclays Bank	Cash	–	4,690	Forward FX
Citibank	Cash	319	–	Forward FX
Merill Lynch	Cash	–	240	Swaps
Total		**319**	**4,930**	**–**

20. Fair value

Valuation technique	31.12.22 Assets £'000	31.12.22 Liabilities £'000	31.12.21 Assets £'000	31.12.21 Liabilities £'000
Level 1	4,258	–	4,185	(111)
Level 2	342,875	(8,156)	318,008	(365)
Level 3	–	–	–	–
Total fair value	**347,133**	**(8,156)**	**322,193**	**(476)**

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

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

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

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

Ninety One Global Total Return Credit Fund

Distribution Tables

For the year ended 31 December 2022

Interim distribution paid 31 March 2022

Group 1 – Shares purchased before 1 January 2022
Group 2 - Shares purchased between 1 January and 31 January 2022

	Net Income pence	Equalisation pence	Distribution paid 31.03.22 pence	Distribution paid 31.03.21 pence
A' Class (Accumulation shares)(1)				
Group 1	0.1480	–	0.1480	n/a
Group 2	0.0863	0.0617	0.1480	n/a
'A' Class (Income-2 shares)				
Group 1	0.2540	–	0.2540	n/a
Group 2	0.0464	0.2076	0.2540	n/a
'I' Class (Accumulation shares)				
Group 1	0.2276	–	0.2276	n/a
Group 2	0.1118	0.1158	0.2276	n/a
'I' Class (Income-2 shares)				
Group 1	0.2605	–	0.2605	n/a
Group 2	0.0701	0.1904	0.2605	n/a
'K' Class (Accumulation shares)				
Group 1	0.2498	–	0.2498	n/a
Group 2	0.0669	0.1829	0.2498	n/a
'K' Class (Income-2 shares)				
Group 1	0.2629	–	0.2629	n/a
Group 2	0.0677	0.1952	0.2629	n/a
R' Class (Accumulation shares)(1)				
Group 1	0.1887	–	0.1887	n/a
Group 2	0.1887	–	0.1887	n/a
R' Class (Income-2 shares)(1)				
Group 1	0.2564	–	0.2564	n/a
Group 2	0.0183	0.2381	0.2564	n/a
S' Class (Accumulation shares)(1)				
Group 1	0.2501	–	0.2501	n/a
Group 2	0.2501	–	0.2501	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 29 April 2022
Group 1 - Shares purchased before 1 February 2022
Group 2 – Shares purchased between 1 February and 28 February 2022

	Net Income pence	Equalisation pence	Distribution paid 29.04.22 pence	Distribution paid 30.04.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2308	–	0.2308	n/a
Group 2	0.0786	0.1522	0.2308	n/a
'A' Class (Income-2 shares)				
Group 1	0.3257	–	0.3257	n/a
Group 2	0.1010	0.2247	0.3257	n/a
'I' Class (Accumulation shares)				
Group 1	0.3174	–	0.3174	n/a
Group 2	0.1941	0.1233	0.3174	n/a
'I' Class (Income-2 shares)				
Group 1	0.3342	–	0.3342	n/a
Group 2	0.1126	0.2216	0.3342	n/a
'K' Class (Accumulation shares)				
Group 1	0.3390	–	0.3390	n/a
Group 2	0.1020	0.2370	0.3390	n/a
'K' Class (Income-2 shares)				
Group 1	0.3373	–	0.3373	n/a
Group 2	0.0977	0.2396	0.3373	n/a
R' Class (Accumulation shares)[1]				
Group 1	0.2685	–	0.2685	n/a
Group 2	0.2685	–	0.2685	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3287	–	0.3287	n/a
Group 2	0.1866	0.1421	0.3287	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3257	–	0.3257	n/a
Group 2	0.3257	–	0.3257	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 31 May 2022
Group 1 – Shares purchased before 1 March 2022
Group 2 – Shares purchased between 1 March and 31 March 2022

	Net Income pence	Equalisation pence	Distribution paid 31.05.22 pence	Distribution paid 31.05.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2317	–	0.2317	n/a
Group 2	0.0727	0.1590	0.2317	n/a
'A' Class (Income-2 shares)				
Group 1	0.3257	–	0.3257	1.0211
Group 2	0.1561	0.1696	0.3257	1.0211
'I' Class (Accumulation shares)				
Group 1	0.3187	–	0.3187	0.9450
Group 2	0.0450	0.2737	0.3187	0.9450
'I' Class (Income-2 shares)				
Group 1	0.3344	–	0.3344	1.0438
Group 2	0.2007	0.1337	0.3344	1.0438
'K' Class (Accumulation shares)				
Group 1	0.3404	–	0.3404	1.0081
Group 2	0.1656	0.1748	0.3404	1.0081
'K' Class (Income-2 shares)				
Group 1	0.3375	–	0.3375	1.0525
Group 2	0.2081	0.1294	0.3375	1.0525
R' Class (Accumulation shares)[1]				
Group 1	0.2696	–	0.2696	n/a
Group 2	0.2696	–	0.2696	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3289	–	0.3289	n/a
Group 2	–	0.3289	0.3289	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3272	–	0.3272	n/a
Group 2	0.3272	–	0.3272	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 30 June 2022
Group 1 – Shares purchased before 1 April 2022
Group 2 – Shares purchased between 1 April and 30 April 2022

	Net Income pence	Equalisation pence	Distribution paid 30.06.22 pence	Distribution paid 30.06.21 pence
A' Class (Accumulation shares)(1)				
Group 1	0.2745	–	0.2745	n/a
Group 2	0.0873	0.1872	0.2745	n/a
'A' Class (Income-2 shares)				
Group 1	0.3640	–	0.3640	n/a
Group 2	0.0762	0.2878	0.3640	n/a
'I' Class (Accumulation shares)				
Group 1	0.3676	–	0.3676	n/a
Group 2	0.1822	0.1854	0.3676	n/a
'I' Class (Income-2 shares)				
Group 1	0.3739	–	0.3739	n/a
Group 2	0.1528	0.2211	0.3739	n/a
'K' Class (Accumulation shares)				
Group 1	0.3895	–	0.3895	n/a
Group 2	0.0910	0.2985	0.3895	n/a
'K' Class (Income-2 shares)				
Group 1	0.3775	–	0.3775	n/a
Group 2	0.1599	0.2176	0.3775	n/a
R' Class (Accumulation shares)(1)				
Group 1	0.3118	–	0.3118	n/a
Group 2	0.3118	–	0.3118	n/a
R' Class (Income-2 shares)(1)				
Group 1	0.3677	–	0.3677	n/a
Group 2	0.1441	0.2236	0.3677	n/a
S' Class (Accumulation shares)(1)				
Group 1	0.3685	–	0.3685	n/a
Group 2	0.3685	–	0.3685	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 29 July 2022
Group 1 – Shares purchased before 1 May 2022
Group 2 – Shares purchased between 1 May and 31 May 2022

	Net Income pence	Equalisation pence	Distribution paid 29.07.22 pence	Distribution paid 31.07.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2502	–	0.2502	n/a
Group 2	0.0868	0.1634	0.2502	n/a
'A' Class (Income-2 shares)				
Group 1	0.3365	–	0.3365	n/a
Group 2	0.0671	0.2694	0.3365	n/a
'I' Class (Accumulation shares)				
Group 1	0.3382	–	0.3382	n/a
Group 2	0.1163	0.2219	0.3382	n/a
'I' Class (Income-2 shares)				
Group 1	0.3458	–	0.3458	n/a
Group 2	0.1415	0.2043	0.3458	n/a
'K' Class (Accumulation shares)				
Group 1	0.3594	–	0.3594	n/a
Group 2	0.1325	0.2269	0.3594	n/a
'K' Class (Income-2 shares)				
Group 1	0.3492	–	0.3492	n/a
Group 2	0.1591	0.1901	0.3492	n/a
R' Class (Accumulation shares)[1]				
Group 1	0.2866	–	0.2866	n/a
Group 2	0.2866	–	0.2866	n/a
R' Class (Income-2 shares)(1)				
Group 1	0.3401	–	0.3401	n/a
Group 2	0.2679	0.0722	0.3401	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3421	–	0.3421	n/a
Group 2	0.1142	0.2279	0.3421	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 31 August 2022
Group 1 – Shares purchased before 1 June 2022
Group 2 – Shares purchased between 1 June and 30 June 2022

	Net Income pence	Equalisation pence	Distribution paid 31.08.22 pence	Distribution paid 31.08.21 pence
A' Class (Accumulation shares)(1)				
Group 1	0.3230	–	0.3230	n/a
Group 2	0.1496	0.1734	0.3230	n/a
'A' Class (Income-2 shares)				
Group 1	0.4001	–	0.4001	1.0810
Group 2	0.0914	0.3087	0.4001	1.0810
'I' Class (Accumulation shares)				
Group 1	0.4205	–	0.4205	1.0215
Group 2	0.1162	0.3043	0.4205	1.0215
'I' Class (Income-2 shares)				
Group 1	0.4114	–	0.4114	1.1046
Group 2	0.1936	0.2178	0.4114	1.1046
'K' Class (Accumulation shares)				
Group 1	0.4415	–	0.4415	1.0869
Group 2	0.1893	0.2522	0.4415	1.0869
'K' Class (Income-2 shares)				
Group 1	0.4155	–	0.4155	1.1132
Group 2	0.2675	0.1480	0.4155	1.1132
R' Class (Accumulation shares)(1)				
Group 1	0.3577	–	0.3577	n/a
Group 2	0.3577	–	0.3577	n/a
R' Class (Income-2 shares)(1)				
Group 1	0.4044	–	0.4044	n/a
Group 2	0.0635	0.3409	0.4044	n/a
S' Class (Accumulation shares)(1)				
Group 1	0.4105	–	0.4105	n/a
Group 2	0.1126	0.2979	0.4105	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)

For the year ended 31 December 2022

Interim distribution paid 30 September 2022

Group 1 – Shares purchased before 1 July 2022

Group 2 – Shares purchased between 1 July and 31 July 2022

	Net Income pence	Equalisation pence	Distribution paid 30.09.22 pence	Distribution paid 30.09.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2243	–	0.2243	n/a
Group 2	0.1668	0.0575	0.2243	n/a
'A' Class (Income-2 shares)				
Group 1	0.3063	–	0.3063	n/a
Group 2	0.1592	0.1471	0.3063	n/a
'I' Class (Accumulation shares)				
Group 1	0.3071	–	0.3071	n/a
Group 2	0.0844	0.2227	0.3071	n/a
'I' Class (Income-2 shares)				
Group 1	0.3151	–	0.3151	n/a
Group 2	0.1028	0.2123	0.3151	n/a
'K' Class (Accumulation shares)				
Group 1	0.3276	–	0.3276	n/a
Group 2	0.1215	0.2061	0.3276	n/a
'K' Class (Income-2 shares)				
Group 1	0.3183	–	0.3183	n/a
Group 2	0.1609	0.1574	0.3183	n/a
R' Class (Accumulation shares)[1]				
Group 1	0.2599	–	0.2599	n/a
Group 2	0.2599	–	0.2599	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3097	–	0.3097	n/a
Group 2	0.0238	0.2859	0.3097	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3142	–	0.3142	n/a
Group 2	0.0760	0.2382	0.3142	n/a

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 31 October 2022
Group 1 – Shares purchased before 1 August 2022
Group 2 – Shares purchased between 1 August and 31 August 2022

	Net Income pence	Equalisation pence	Distribution paid 31.10.22 pence	Distribution paid 31.10.21 pence
A' Class (Accumulation shares)(1)				
Group 1	0.3289	–	0.3289	n/a
Group 2	0.1189	0.2100	0.3289	n/a
'A' Class (Income-2 shares)				
Group 1	0.4052	–	0.4052	n/a
Group 2	0.0675	0.3377	0.4052	n/a
'I' Class (Accumulation shares)				
Group 1	0.4292	–	0.4292	n/a
Group 2	0.1495	0.2797	0.4292	n/a
'I' Class (Income-2 shares)				
Group 1	0.4171	–	0.4171	n/a
Group 2	0.2006	0.2165	0.4171	n/a
'K' Class (Accumulation shares)				
Group 1	0.4511	–	0.4511	n/a
Group 2	0.2069	0.2442	0.4511	n/a
'K' Class (Income-2 shares)				
Group 1	0.4213	–	0.4213	n/a
Group 2	0.2260	0.1953	0.4213	n/a
R' Class (Accumulation shares)(1)				
Group 1	0.3650	–	0.3650	n/a
Group 2	0.3650	–	0.3650	n/a
R' Class (Income-2 shares)(1)				
Group 1	0.4099	–	0.4099	n/a
Group 2	0.0256	0.3843	0.4099	n/a
S' Class (Accumulation shares)(1)				
Group 1	0.4201	–	0.4201	n/a
Group 2	0.1287	0.2914	0.4201	n/a

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 30 November 2022
Group 1 – Shares purchased before 1 September 2022
Group 2 – Shares purchased between 1 September and 30 September 2022

	Net Income pence	Equalisation pence	Distribution paid 30.11.22 pence	Distribution paid 30.11.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2981	–	0.2981	n/a
Group 2	0.1479	0.1502	0.2981	n/a
'A' Class (Income-2 shares)				
Group 1	0.3692	–	0.3692	1.1310
Group 2	0.0680	0.3012	0.3692	1.1310
'I' Class (Accumulation shares)				
Group 1	0.3911	–	0.3911	1.0874
Group 2	0.0759	0.3152	0.3911	1.0874
'I' Class (Income-2 shares)				
Group 1	0.3802	–	0.3802	1.1560
Group 2	0.1653	0.2149	0.3802	1.1560
'K' Class (Accumulation shares)				
Group 1	0.4118	–	0.4118	1.1559
Group 2	0.1225	0.2893	0.4118	1.1559
'K' Class (Income-2 shares)				
Group 1	0.3842	–	0.3842	1.1655
Group 2	0.1854	0.1988	0.3842	1.1655
R' Class (Accumulation shares)[1]				
Group 1	0.3324	–	0.3324	n/a
Group 2	0.3324	–	0.3324	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3736	–	0.3736	n/a
Group 2	0.0256	0.3480	0.3736	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3848	–	0.3848	n/a
Group 2	–	0.3848	0.3848	n/a

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution paid 30 December 2022

Group 1 – Shares purchased before 1 October 2022
Group 2 – Shares purchased between 1 October and 31 October 2022

	Net Income pence	Equalisation pence	Distribution paid 30.12.22 pence	Distribution paid 31.12.21 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2669	–	0.2669	n/a
Group 2	0.1556	0.1113	0.2669	n/a
'A' Class (Income-2 shares)				
Group 1	0.3382	–	0.3382	n/a
Group 2	0.0388	0.2994	0.3382	n/a
'I' Class (Accumulation shares)				
Group 1	0.3550	–	0.3550	n/a
Group 2	0.0796	0.2754	0.3550	n/a
'I' Class (Income-2 shares)				
Group 1	0.3484	–	0.3484	n/a
Group 2	0.1406	0.2078	0.3484	n/a
'K' Class (Accumulation shares)				
Group 1	0.3754	–	0.3754	n/a
Group 2	0.0158	0.3596	0.3754	n/a
'K' Class (Income-2 shares)				
Group 1	0.3521	–	0.3521	n/a
Group 2	0.0774	0.2747	0.3521	n/a
R' Class (Accumulation shares)[1]				
Group 1	0.3013	–	0.3013	n/a
Group 2	0.3013	–	0.3013	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3424	–	0.3424	n/a
Group 2	0.0119	0.3305	0.3424	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3539	–	0.3539	n/a
Group 2	0.3539	–	0.3539	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Interim distribution payable 31 January 2023
Group 1 – Shares purchased before 1 November 2022
Group 2 – Shares purchased between 1 November and 30 November 2022

	Net Income pence	Equalisation pence	Distribution payable 31.01.23 pence	Distribution paid 31.01.22 pence
A' Class (Accumulation shares)[1]				
Group 1	0.2792	–	0.2792	n/a
Group 2	0.1602	0.1190	0.2792	n/a
'A' Class (Income-2 shares)				
Group 1	0.3562	–	0.3562	n/a
Group 2	0.1467	0.2095	0.3562	n/a
'I' Class (Accumulation shares)				
Group 1	0.3775	–	0.3775	n/a
Group 2	0.0870	0.2905	0.3775	n/a
'I' Class (Income-2 shares)				
Group 1	0.3672	–	0.3672	n/a
Group 2	0.0910	0.2762	0.3672	n/a
'K' Class (Accumulation shares)				
Group 1	0.3987	–	0.3987	n/a
Group 2	0.2276	0.1711	0.3987	n/a
'K' Class (Income-2 shares)				
Group 1	0.3712	–	0.3712	n/a
Group 2	0.1267	0.2445	0.3712	n/a
R' Class (Accumulation shares)[1]				
Group 1	0.3169	–	0.3169	n/a
Group 2	0.3169	–	0.3169	n/a
R' Class (Income-2 shares)[1]				
Group 1	0.3607	–	0.3607	n/a
Group 2	0.0199	0.3408	0.3607	n/a
S' Class (Accumulation shares)[1]				
Group 1	0.3749	–	0.3749	n/a
Group 2	0.0655	0.3094	0.3749	n/a

Ninety One Global Total Return Credit Fund

Distribution Tables (continued)
For the year ended 31 December 2022

Final distribution payable 28 February 2023
Group 1 – Shares purchased before 1 December 2022
Group 2 – Shares purchased between 1 December and 31 December 2022

	Net Income pence	Equalisation pence	Distribution payable 28.02.23 pence	Distribution paid 28.02.22 pence
A' Class (Accumulation shares)[1]				
Group 1	0.3543	–	0.3543	0.1714
Group 2	0.1879	0.1664	0.3543	0.1714
'A' Class (Income-2 shares)				
Group 1	0.4791	–	0.4791	0.2694
Group 2	0.1949	0.2842	0.4791	0.2694
'I' Class (Accumulation shares)				
Group 1	0.5679	–	0.5679	0.2472
Group 2	0.4462	0.1217	0.5679	0.2472
'I' Class (Income-2 shares)				
Group 1	0.4864	–	0.4864	0.2769
Group 2	0.2956	0.1908	0.4864	0.2769
'K' Class (Accumulation shares)				
Group 1	0.5440	–	0.5440	0.2685
Group 2	0.3183	0.2257	0.5440	0.2685
'K' Class (Income-2 shares)				
Group 1	0.5191	–	0.5191	0.2794
Group 2	0.3150	0.2041	0.5191	0.2794
R' Class (Accumulation shares)[1]				
Group 1	0.4177	–	0.4177	0.2100
Group 2	0.4177	–	0.4177	0.2100
R' Class (Income-2 shares)[1]				
Group 1	0.4765	–	0.4765	0.2499
Group 2	0.1305	0.3460	0.4765	0.2499
S' Class (Accumulation shares)[1]				
Group 1	0.4308	–	0.4308	0.2670
Group 2	0.4308	–	0.4308	0.2670

(1) Launched 4 October 2021.
Distribution frequency changed from quarterly to monthly from 31 December 2021.

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

Securities Financing Transactions (‘SFT's’) (Unaudited)

As at 31 December 2022

At 31 December 2022 there were no securities out on loan and no collateral held.

Other Information

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Ninety One Fund Managers 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 31 December 2022 and will be distributed to shareholders, where applicable, on 28 February 2023. For accumulations shares income distribution payments are deemed to be paid on 28 February 2023.

Telephone calls

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

Cross holding table

There were no cross holdings between sub-funds in Ninety One Funds Series ii as at 31 December 2022.

Assessment of Value

Following the final report of the asset management market study ("AMMS"), the Financial Conduct Authority ("FCA") introduced (among other reforms) new rules on fund governance aiming to strengthen the pre-existing duty of care and acting in investors' best interest rules. These are outlined in the FCA policy statement PS18/8 and apply from 30 September 2019.

The FCA's Handbook rules require the relevant governing body of an Authorised Fund Manager ("AFM") to perform a detailed assessment to determine whether its funds are providing value to investors ("Value Assessment") and then publish an annual statement summarising the outcome of this Value Assessment. Ninety One Fund Managers UK Limited as the Authorised Corporate Director appointed as the AFM of Ninety One Funds Series i, ii, iii, iv (together the "Companies"), each with differing financial year ends, will publish one composite Value Assessment statement with respect to the Companies on or slightly before 31 July each year in respect of the prior year to 31 March. This statement can be found on the Ninety One website, www.ninetyone.com/valueassessment.

UCITS V Directive on remuneration

The latest remuneration policy relating to the Authourised Corporate Director (ACD) is available from www.ninetyone.com/remuneration or free of charge on request from the Registered Office.

Other Information (continued)

Remuneration paid for 2021-22 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – Ninety One Fund Managers Limited does not employ any employees.

Aggregate remuneration paid for 2021-22 to senior management and members of staff whose actions have a material impact on the risk profile of Ninety One Fund Managers Limited.

Aggregate Remuneration	£423,488
Senior Management	£257,808
Other individuals with material impact	£165,640
No of staff	12

Glossary (unaudited)

Active management

An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

Asset allocation

A fund's allotment to different asset classes.

Asset class

The main types of investment available. The traditional asset classes are equities, bonds and cash.

Bear market

A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

Benchmark

A comparative performance index.

Bond

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures.
Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing

An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

Bull market

A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

Cash

The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

Central bank base rate

The basic rate of interest set by a central bank that determines the cost of borrowing.

Commodities

An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

Credit rating agency

An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

Credit risk

The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

Credit spread

The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

Currency risk

The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

Deflation

As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

Derivatives

An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Developed markets

Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

Disinflation

Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

Diversification

Holding a range of assets to reduce risk.

Dividend

The portion of company net profits paid out to shareholders.

Dividend yield

The annual dividend per share divided by the current share price.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Emerging markets

Countries in the process of industrialising which tend to have rapidly growing economies.

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

Refers to shares. A share in a company provides an investor with part ownership of that company.

Fixed income

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

Future

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

Gilt

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

Hedging

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

High yield bond

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk.

Index-linked bonds

Bonds whose coupons and principal payment are linked to movements in inflation.

Inflation

Describes conditions in which there have been a consistent rise in prices.

Initial public offering (IPO)

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

Interest

The return earned on funds which have been deposited, loaned, or invested.

Investment grade bonds

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

Liabilities

Financial obligations that must be met.

Liquidity

The ease with which an asset can be sold at a reasonable price for cash.

Long dated bond

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

Long-term investment

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

Macroeconomic

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

Market capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

Maturity

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

Outperformance

The return of a fund in excess of the comparative performance index.

Overweight

When a fund has greater exposure to an asset than the comparative performance index.

Peer group

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

Performance

The results of an investment over a given period.

Portfolio

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

The extra return expected by an investor in compensation for holding a risky asset.

Security

A general term for a tradable financial instrument.

Short-term investment

Investments that are held for or mature in 12 months or less.

Standard deviation

A measure of risk, deriving from the historic volatility of a particular asset.

Top-down investing

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

Treasuries

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

Underweight

When a fund has less exposure to an asset than the benchmark.

Volatility

Price movements. Standard deviation is a measure of an asset's historic volatility.

Year-to-date (YTD)

Refers to the period extending from the beginning of the current calendar year to the present date.

Yield

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

Yield curve

A graphical representation off all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

Yield spread

The difference in yield between different bonds.

Yield to maturity

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

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