



Ninety One Funds Series iii Interim Report and Accounts

For the period ended 31 August 2022



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

Emerging Markets Local Currency Debt Fund

Summary of the Fund's investment objective and policy

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

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

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

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

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

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

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

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

Performance record

	6 months (%)
Emerging Markets Local Currency Debt Fund 'I' accumulation shares	3.79*
Performance comparison index	3.90**
Peer group sector average	2.63**

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

Total deemed income distributions per 'I' accumulation share

6 Months to 31 August 2022	3.12 pence
6 Months to 31 August 2021	2.64 pence

The amount of income payable may rise or fall.

Emerging Markets Local Currency Debt Fund (continued)

Performance

The Fund slightly underperformed the benchmark over the period, but outperformed the peer group sector average.

Factors hindering performance

Overweight exposure to local bonds and currency in Egypt hurt relative returns. The delay in the IMF program and the further weakening of global investor sentiment weighed on the country's assets. We have since moved to a short position in the Egyptian pound as our view is that more of an adjustment in the currency is required.

In Ghana, portfolio outflows among offshore investors put significant pressure on the currency, weighing on the Fund's exposure and detracting from performance. We are still long the cedi as we think that an IMF deal is likely over the next six months. This, along with much higher interest rates and lighter investor positioning, should start to support the currency.

The Fund's positioning in the Ukrainian hryvnia weighed on performance. The government devalued the currency's peg with the US dollar by 25% due to the continuing drop in dollar reserves stemming from efforts to maintain the peg. We retain our exposure to the hryvnia; we believe it is the best course of action considering current levels and transactions costs.

Factors helping performance

The Fund's exposure to Russian local bonds contributed the most to relative performance. Index provider JP Morgan marked down Russian bond prices to zero following the invasion of Ukraine and excluded them from its indices. Later in the period, the price of Russian bonds rose significantly, driven by an increase in demand from hedge fund investors. As a result, we felt it prudent to reduce some of our exposure into this strength, being comfortable with the remaining small position given the potential for further price rises should the environment improve.

Earlier in the period, the Brazilian real benefitted from the rise in commodity prices and the resultant strengthening of the country's trade balance. The currency was also attractive to investors given Brazil's relatively high interest rate. Exposure helped performance.

Other positive contributors to performance included the Fund's positioning in Zambia's currency (kwacha) and local bonds. These outperformed on news of the country securing an IMF deal.

Portfolio activity

Significant purchases

After the Philippine peso significantly underperformed, we reduced our underweight to lock in positive returns; we remain underweight as we are still concerned by the economy's balance of payments weakness.

After Peru's Congress approved the pension fund withdrawal bill, the country's bond market sold off to create an attractive entry point for us to add duration in the local bonds, and although inflation was rising, it was not increasing as much as other markets.

Significant Sales

We closed our long Czech koruna versus underweight Hungarian forint position into strength after exceeding our revised target due to a more hawkish central bank in Hungary and expectations of fiscal consolidation from Hungary following the elections.

We reduced the portfolio's position in Chinese local rates to neutral. This followed strong outperformance on the back of escalating COVID and real estate sector concerns.

Emerging Markets Local Currency Debt Fund (continued)

Outlook

With both war in Ukraine and the economic impact of COVID lockdowns in China continuing, investors face ongoing volatility and uncertainty. Sources of uncertainty have included the disruption to exports of soft commodities and energy, and continuing supply-chain disruption. Against this global backdrop, global growth is falling and recession risk is rising.

The threat of inflation remains the dominant focus of central banks, with the US Federal Reserve (Fed) firmly on the rate-hiking path. We continue to believe that emerging market bond valuations are generally more fairly reflective of current inflationary pressures. While in some markets headline inflation appears to be peaking, it remains high and is a key risk facing investors. While our analysis of various projections leads us to anticipate some broad headline relief by the end of the year, the economic impact will be diverse and requires careful navigation, especially as the conflict in Ukraine has pushed the point at which global inflation is likely to peak further into the future. While commodity prices are well below their highs now, the volatility and dispersion of commodity price moves has impacted countries' terms of trade, with distinct winners and losers across the EM universe.

In aggregate though, the fundamentals of emerging markets remain relatively sound and valuations – that were already attractive before the war – remain a significant support for the asset class. While uncertainties are likely to continue to impact these markets, we remain constructive on the medium-term outlook for the asset class.

From a top-down positioning perspective, we remain somewhat overweight risk across our EM debt strategies. In currencies we continue to have a neutral top-down target; while strong underlying fundamentals of higher carry and healthy external balances are supportive, the stronger US dollar still presents a headwind, and the moderation of some commodity prices is weighing on many EM economies' current account dynamics. As for local currency bond markets (local rates), we have turned more constructive and increased our position to a small overweight to take advantage of the relative opportunity in the asset class given the extent of EM rate hikes, attractive real yields and low foreign positioning, although inflation remains a concern in some markets.

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

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

The opinions expressed herein are as at end of August 2022.

Emerging Markets Local Currency Debt Fund (continued)

Risk and reward profile*



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

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

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

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

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

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

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

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

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

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

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

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

Global Dynamic Fund

Summary of the Fund's investment objective and policy

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

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

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

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

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

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

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

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

	6 months (%)
Global Dynamic Fund 'I' accumulation shares	1.29*
Performance comparison index	2.38**
Peer group sector average	0.90**

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

Global Dynamic Fund (continued)

Performance

The portfolio delivered a positive return during the period under review, underperforming its benchmark but outperforming the peer group average.

Factors hindering performance

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

Positioning, and to a lesser extent stock selection, in semiconductor and semiconductor equipment companies weighed on returns on broader concerns about the industry cycle peaking. Chipmaker Nvidia weakened on news it had cut its Q2 revenue forecast, far below an earlier estimate, due to a weaker outlook in the gaming industry. At the end of the period, sentiment was further affected by news the company needed US government approval to sell certain products to Chinese-based entities. TSMC weakened on the negative read-across from Nvidia's results. Geopolitical concerns regarding China's reunification of Taiwan were also a headwind. Commentary from automotive manufacturers regarding better supply availability, which the market has taken as negative for underlying automotive demand weighed on semiconductor manufacturer Infineon Technologies. We remain invested in all mentioned stocks.

In industrials, there were no company specific drivers, German industrial Siemens fell as part of broader weakness in European cyclicals. US bank SVB Financial continued to underperform as IPO markets remained in flux as a result of heightened global geopolitical tensions. The weak IPO market restricts the ability of SVB's portfolio companies to raise equity financing and hence crystallise gains in their investment portfolio. We remain invested in both.

Factors helping performance

Positioning in energy added to relative returns with the ongoing Russia-Ukraine war, oil supply-side concerns, and easing COVID lockdowns in China all contributing to elevated oil and gas prices. Oil and gas producer Pioneer Natural Resources also reported a good set of Q2 results, demonstrating strong free cash flow. Management also declared a dividend to be paid during the third quarter and announced a US\$500 million share buyback. In materials, Igo benefitted from the strength in lithium prices as electric vehicle (EV) sales continue to surpass expectations. This miner also reported good operating results from its Greenbushes mine and news that its Kwinana Lithium hydroxide refinery has produced battery grade material was helpful. Sentiment was further aided by walking away from the overpriced Glencore deal and the finalisation of the Western Area nickel acquisition.

Within technology, Synopsys was the best performing holding in the portfolio following much stronger Q3 results from its closest peer in a consolidated market. The software business outperformed as a safe haven in the semiconductor space given its capital-light and high recurring revenue software model. Similarly, Q3 earnings exceeding expectations, driven by strong orders and a record backlog supported Keysight Technologies. In healthcare, UnitedHealth is a top-quality Health Maintenance Organisation (HMO) that should see earnings upside from procedures delayed by the pandemic and is able to pass inflation onto consumers. The shares of insurer Marsh & McLennan rallied as the market focussed on prospects for robust organic growth coupled with solid margin expansion through the balance of 2022 and into 2023.

Global Dynamic Fund (continued)

Portfolio activity

Significant purchases

Mastercard: Software & Services. Mastercard is a high quality, high return, high growth compounder that has the ability to grow faster than peers with more potential margin expansion. Long term, in the absence of COVID-19, we believe the company could be able to deliver low double digit revenue growth, with near 100% FCF return to shareholders. Sales growth supported by secular trend of increasing card penetration and expansion into ancillary markets, while there is ample room for margin expansion to peer levels as they manage discretionary OPEX and benefit from the inherent operating leverage in the model.

Boston Scientific: Healthcare. Prior to the pandemic, Boston Scientific repositioned its business toward faster growing end markets, increasing its sustainable growth rate. COVID disrupted that progression but with its impact on Western healthcare systems diminishing, we believe that Boston can re-establish those growth rates. There is also the scope to increase growth rates in the near term as hospital procedures catch up with the backlog following the pandemic. This opportunity is not reflected in consensus, suggesting the possibility for earnings upgrades. The valuation is also attractive, and it is trading at a discount compared to peers who have lower growth rates.

Significant Sales

Amazon.com: Retailing. Recent results have undermined core components of the investment case. In particular, they suggest that company spending during the pandemic period has mis-aligned revenues and costs in the near term, while also questioning the company's ability to derive meaningful profit margins in the retail business long term. While Amazon Web Service provides some valuation support to the shares, we believe that relying on such a sum of the parts argument in the face of deteriorating fundamentals would be the wrong strategy.

State Street Corporation: Diversified Financials. Following a strong start to the year the shares have slipped back as geopolitics, a tightening US Fed and concerns around the closure of the BBH Investor Services deal have all increased uncertainty. The glacial pace of the latter has increased scepticism as to whether the initial financial synergies hold true. With too many unknowns emerging, we decided to exit the shares.

Global Dynamic Fund (continued)

Outlook

We are currently faced with a market environment where uncertainty dominates. Whether it is concern over geopolitical events, inflationary pressures, the impact of lockdowns in China or weak consumer confidence, the news flow appears unceasingly negative. The broad consensus now seems to be that a recession is inevitable as central banks will have to move at an increasingly rapid pace to tighten monetary policy in order to dampen record inflation. While this is an entirely legitimate view, the bottom-up evidence is more nuanced. Corporates continue to report satisfactory earnings and order books. However, they are slightly more circumspect around guidance as they continue to cite supply chain issues hampering their ability to meet demand. At the same time, inventory levels are rising with market bears pointing to this as evidence of weakening demand, while others contend that businesses are now structurally holding higher stock levels due to the logistical issues around acquiring key components and raw materials.

Whoever proves correct in the hard/soft landing debate, valuations are beginning to appear quite compelling on a long-term basis. This type of market typically presents attractive opportunities as overly pessimistic investors cut prices of corporate winners to highly attractive levels. It is these investments that we will be seeking to explore for your portfolio.

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

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

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

Global Dynamic Fund (continued)

Risk and reward profile*



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

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

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

The Fund appears towards the 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:

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

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

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

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

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

Global Environment Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions). This means the Investment Manager focuses on identifying companies whose products, technologies and/or services avoid carbon, relative to their industry peers. Examples may include companies which provide, utilize, implement or advise upon technology-based systems, products or services in environmental markets, particularly those of alternative energy, decarbonisation and energy efficiency, water treatment and pollution control, and waste technology and resource management. These companies are typically committed to renewable energy, resource efficiency and/or electrification (the process of powering by electricity by switching from other power sources).

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

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

The Fund may invest in other transferable securities (e.g. shares and bonds), money market instruments, cash or near cash, deposits, units or shares in other funds (up to 10%) (which may be managed by the Investment Manager, one of its affiliates or a third party) and derivatives.

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. The Fund does not seek to replicate the index.

Performance record

	6 months (%)
Global Environment Fund 'I' accumulation shares	7.76*
Performance comparison index	2.38**
Peer group sector average	0.90**

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

Global Environment Fund (continued)

Performance

The portfolio delivered a positive return during the period under review, outperforming both its benchmark and the peer group sector average.

Factors helping performance

At the broad level, amid a generally downbeat market tone, parts of the universe of companies positively exposed to decarbonisation performed relatively well in the period, for several reasons. First, mounting concern over the cyclical outlook increased the appeal of businesses perceived as having strong structural growth drivers, which includes some of those well-positioned to benefit from decarbonisation. Second, several decarbonisation-linked sectors were regarded as likely to be the focus of any government stimulus programmes to counter a slowdown. Third, renewables-focused utilities within the universe outperformed global equity benchmarks, partly because they are in a more defensive equity sector, but also as they were seen as key to enabling countries to address energy-security concerns, which gained urgency following the outbreak of the Russia-Ukraine conflict.

At the stock level, the main contributors to relative returns included Zhejiang Sanhua Intelligent Controls, a leading global provider of electric vehicle (EV) heat-management components, as well as of consumer and commercial HVAC (heating, ventilation and air conditioning) components. The company benefited from the more positive sentiment towards Chinese equities generally as COVID restrictions were eased and the Chinese government indicated it would move to stimulate growth; as well as news that battery-producer CATL's next-generation battery, which will have a 1,000km range and for which Sanhua provides vital components, will go into production next year. Other contributors included Waste Management, a US waste and environmental-services business. The company reported solid results amid strong volumes and pricing during the period; it benefited additionally from being a high-quality and less cyclical business as concern mounted over the global economic outlook. Finally, Brambles, which operates the world's largest pool of reusable pallets, crates and containers, outperformed partly because it is seen as a relatively resilient business amid mounting concerns over the global economy.

Factors hindering performance

Aptiv is a leading provider of technology solutions that enable the transition to an electrified, software-defined vehicle of the future. It underperformed after lowering its full-year revenue guidance in response to an expected economic slowdown in Europe. However, the company's new bookings reached a record level, demonstrating the strong long-term outlook. We remain invested. Infineon Technologies is a market-leading power semiconductor company. The company underperformed along with the other businesses perceived as more cyclically exposed. However, while a slowing global economy would be a headwind, longer term we expect Infineon's products to see structural growth in demand as a consequence of the trends towards renewable energy, electrified transport and greater energy efficiency.

Vestas Wind Systems is the world leader in wind-turbine manufacturing, and in our view is well-positioned to benefit from the transition from fossil-fuel power-generation to clean energy. Its shares were held back by factors including ongoing supply-chain disruption, as well as the lack of progress in the US of legislation that would have spurred the renewables sector. From a longer-term perspective, we believe stable and high demand for onshore wind, coupled with improving economics of offshore wind projects against the backdrop of a need for mass electrification and rising energy-security concerns, means wind technology companies are likely to see extended periods of high growth. Finally, utility Orsted underperformed partly due to the impact of ineffective hedging amid energy-price volatility. This overshadowed an otherwise positive period where it continued to benefit from broad-based support for renewable energy and an upgrade of EBITDA guidance. We maintain our positive long-term view.

Global Environment Fund (continued)

Portfolio activity

Significant purchases

Analog Devices makes integrated circuits and other solutions used in electronic equipment. It is a leading high-performance technology company, focusing particularly on signal converting and processing (from real-world phenomena such as temperature, pressure, sound, light, speed and motion) into electrical signals. Analog's technologies enable various systems within EVs, and hence we regard the company as positively exposed to the rapid growth of the EV sector.

Significant Sales

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

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

Outlook

The global economic outlook is challenging, and a significant slowdown would be a headwind for many businesses. In this context, we continue to take comfort from the fact that every company in the Global Environment portfolio is positively exposed to the powerful structural growth trend of decarbonisation. And while some of our holdings are more cyclically exposed than others, we believe that the structural drivers of growth dominate the cyclical drivers for every company that we own.

As we have noted before, our analysis of our holdings under different economic scenarios is the base of our conviction that the Global Environment portfolio has the potential to perform well through an economic cycle and to give investors differentiated exposure relative to broad equities.

Amid a challenging near-term macro backdrop, the passage of the US Inflation Reduction Act is a timely reminder that the long-term structural-growth trends driving businesses that are positively exposed to decarbonisation remain intact. As is always the case with policy, the devil is in the detail. In this case, we think the details are well designed and are likely to support decarbonisation for years to come. For a more detailed assessment of the act, please see 'A game changing response to the challenge of climate change' on Ninety One's website.

Importantly, the passage of the legislation should allow the US to play a stronger role at the upcoming COP27 in November, as the country can no longer be accused of asking others to take action it is not taking itself. We look forward to updating our investors on our key takeaways for the universe of businesses positively exposed to decarbonisation, and for our portfolio specifically, following the conference.

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

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

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

Global Environment Fund (continued)

Risk and reward profile*



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

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

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

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

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

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

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

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

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

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

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

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

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

Global Gold Fund

Summary of the Fund's investment objective and policy

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

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

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

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

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

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

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

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

The NYSE Arca Gold Miners Total Return Index is used for performance comparison. The Fund does not seek to replicate the index.

Performance record

	6 months (%)
Global Gold Fund 'I' accumulation shares	-19.16*
Performance comparison index	-19.58**
Peer group sector average	n/a**

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

Global Gold Fund (continued)

Performance

The portfolio delivered a negative return during the period under review, slightly outperforming its benchmark.

Factors helping performance

The portfolio's outperformance was driven by positive stock selection. The biggest single stock-level contributor to relative returns was a sizeable underweight in gold major Newmont, which underperformed after reporting weaker-than-expected results, partly as costs came in higher than forecast. Other contributors to relative returns included an overweight in OceanaGold, which outperformed after delivering stronger production with its Didipio mine in the Philippines performing well and the operational recovery of its Haile mine in South Carolina. An overweight in Perseus Mining, whose assets are predominantly located in West Africa though the company is headquartered and listed in Australia, contributed, though there was no particularly notable stock-specific news. An overweight in Centamin also helped relative returns, with the company's shares outperforming on good drilling results and on news of potential extensions to its Sukari gold mine in Egypt.

Factors hindering performance

At the stock level, the main detractors from relative returns included a zero weight in royalty streaming company Franco-Nevada, which outperformed its gold-focused peers because it has oil & gas exposure in a relatively positive period for energy, combined with the fact that royalty companies are seen as defensive parts of the gold sector in the context of concern over rising costs. In addition, some market concerns over Westgold Resources' guidance led to an overweight in the company detracting we remain invested. An overweight in Evolution Mining also detracted from relative returns, after the company cautioned of lower volumes and rising costs, partly due to COVID-related worker absences. We believe the market overreacted and appeared to be pricing in that the cost increases would be permanent, which we do not believe to be the case we continue to hold. Finally, zero weights in Yamana Gold, Alamos Gold and Zhaojin Mining detracted from relative returns, given the relatively strong (though still negative) performances of these stocks over the period.

Portfolio activity

Significant purchases

Ero Copper is a copper producer with operations in Brazil and headquarters in Canada. The position was added to increase our copper exposure, in particular around good growth and exploration in Brazil.

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

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

Significant Sales

There were no significant sales.

Global Gold Fund (continued)

Outlook

Central-bank policy is a key driver of the gold price, which is typically amplified by inflation. As a result of the magnitude and persistence of the inflation overshoot, we have seen a more stark central-bank rate-hiking cycle than was initially anticipated by the market. That has weighed on gold.

Much of the debate in the market continues to centre on the trajectory of inflation and what that means for policy. What we do know is that the path from here is uncertain, and that inflation risks have been compounded by geopolitical risk. With governments trying to normalise financial conditions and growth prospects diverging internationally, against a backdrop of heightened geopolitical risk, it remains challenging to forecast precisely what issues may arise next. But it seems easier to forecast that there are likely to be issues. In such an environment, and with inflation pressures persisting, gold's appeal could increase once again.

At current levels, gold-mining stocks look attractive on both valuation and fundamental grounds. We have seen gold miners caught in a margin squeeze. However, firstly, they have been able to withstand these pressures far better than five years ago given the improved quality of their balance sheets; and secondly, we believe these headwinds are starting to come to an end. Even if headwinds for gold persist, gold equities are enjoying their best margins in real terms for nearly 40 years, and recent results showed that with record cashflows for a number of companies. This was enhanced by many companies increasing or initiating dividends as well as buybacks. Dividend yields for the sector have increased significantly versus levels a year ago. We expect gold companies' cash-generation to remain strong. The longer-term trend for gold companies to pay dividends and return cash to shareholders remains intact, in our view. We continue to maintain close to 100% exposure to gold and silver companies in the portfolio and remain comforted by the strength of balance sheets.

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

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

**Benchmark (NYSE ARCA Gold Miners TR) shown for performance comparison purposes only. For this Fund there is no relevant Investment Association sector against which to measure performance.
The opinions expressed herein are as at end of August 2022.

Global Gold Fund (continued)

Risk and reward profile*



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

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

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

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

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

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

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

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

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

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

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

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

Global Sustainable Equity Fund

Summary of the Fund's investment objective and policy

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

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

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

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

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

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

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

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

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

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

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

Global Sustainable Equity Fund (continued)

Performance record

	6 months (%)
Global Sustainable Equity Fund 'I' accumulation shares	6.68*
Performance comparison index	2.38**
Peer group sector average	0.90**

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

Performance

The portfolio delivered a positive return during the period under review, outperforming both its benchmark and the peer group sector average.

Factors helping performance

The portfolio's outperformance was driven primarily by positive stock selection. By sector, stock selection was most positive in information technology, with another notable contribution from stock selection in financials.

At the stock level, the main contributors included UnitedHealth Group, a US managed care operator whose services help to improve the affordability of healthcare. The period saw increased interest in the US's value-based outcomes healthcare transition, which UnitedHealth Group is well placed to play a key part in. Anthem (renamed Elevance Health), another contributor, is also a US managed-care operator whose services help to improve the affordability of medical services. The business was lifted in the period by emerging signs of pricing discipline that the market welcomed, progress in its commercial business, and traction in its nascent pharmacy benefit manager (PBM) segment.

Trane Technologies performed well following robust earnings that showed strong bookings growth, as well as better operational execution. The company is the leader in the heating, ventilation and air conditioning (HVAC) sector, which accounts for a significant amount of the energy used in buildings, and has a target to save one gigaton of emissions from its customers' carbon footprints by 2030 via more energy efficient technologies. Intact Financial, a Canada-based multinational property and casualty insurance company, also contributed, partly as the market welcomed the completion of its acquisition of Highland Insurance Solutions – an addition seen as supporting its growth strategy – as well as after releasing strong results that beat expectations.

Factors hindering performance

At the sector level, stock selection in industrials and consumer staples detracted from relative returns. At the stock level, the main detractors from relative returns included Schneider Electric, which provides energy and automation digital solutions, supporting the transition towards a more electric, decentralised, decarbonised and digitised world. The company underperformed as concern mounted over the economic outlook. Longer term, we see Schneider as having significantly better structural growth drivers than many of its peers and continue to hold. Other detractors included Charter Communications, which provides broadband and related services in the US. It underperformed on concern that broadband subscriber growth in the US was slowing we remain invested. Experian is a global credit bureau whose services broaden access to financial services. Its shares have derated over recent quarters, and its shares declined in the period under review partly after results showed that organic growth had been slower than expected, but we continue to have conviction in the long-term growth potential of the business. Electronic products company Sony, which uses its strong culture to drive creativity and content innovation, detracted from performance partly due to currency volatility, but also on some concern over the outlook for its games business after the company trimmed its profit outlook we remain invested.

Global Sustainable Equity Fund (continued)

Portfolio activity

Significant purchases

We added a new position in science and technology company Danaher, which we regard as a Sustainability Leader dominant in social capital. The company designs, manufactures and markets professional, medical, industrial and commercial products and services. The business generates externalities through its bioprocessing and molecular diagnostics divisions, which among other things contribute to better healthcare outcomes, while its water testing and environment solutions divisions generate natural capital impacts.

Significant Sales

We reduced our position in Novo Nordisk after a strong share-price performance and on the basis of absolute-risk considerations.

Outlook

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

From a nearer-term perspective, the path immediately ahead looks challenging for many businesses, with the US Federal Reserve and other central banks tightening policy to tackle persistent and strong inflation. In our view, the portfolio is fairly positioned from a downside risk perspective, in the context of a likely recessionary environment. Meanwhile, cost inflation remains a major headwind for many companies, and it will be important for investors to understand and monitor cost dynamics closely, given that they can impact each sector, and each company within a sector, very differently.

While keeping a close eye on how macro trends may affect our portfolio companies, we remain focused on seeking to identify persisting Sustainability Leaders with enduring competitive moats at attractive valuations. We view these characteristics as particularly advantageous in the present context, giving companies not only a greater ability to withstand a challenging economic backdrop, but also exposure to areas of structural growth as efforts to address critical environmental and social issues advance.

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

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

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

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

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

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

The opinions expressed herein are as at end of August 2022.

Global Sustainable Equity Fund (continued)

Risk and reward profile*



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

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

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

The Fund appears towards the 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 (inc. China): These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

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

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

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

UK Sustainable Equity Fund

Summary of the Fund's investment objective and policy

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

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

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

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

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

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

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

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

Derivatives (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 FTSE All-Share Total Return Index is used for performance comparison. The Fund does not seek to replicate the index.

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

Performance record

	6 months (%)
UK Sustainable Equity Fund 'I' accumulation shares	(2.96%)*
Performance comparison index	(1.32%)**
Peer group sector average	(4.65%)**

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

UK Sustainable Equity Fund (continued)

Performance

The portfolio delivered a negative return during the period under review, underperforming its benchmark but outperforming its peer group sector average.

Factors hindering performance

Relative performance was hindered by the fact that UK Sustainable Equity does not invest in the heavy extractive industries – given our focus on businesses whose products and services contribute to a sustainable future – with traditional energy companies outperforming as oil & gas prices remained elevated. Highlighting the point, zero weights in Shell and BP were both among the top five stock-level detractors from relative returns.

At the stock level, among the companies we hold, the main detractors from relative returns included PodPoint, which provides charging solutions for electric vehicles. Its shares were weaker on higher costs and because charger-installation rates have been slowed by disruption to auto supply chains. However, longer term we continue to see the company benefiting from the accelerating transition towards cleaner transport, to which the company is contributing by building out the UK's charging infrastructure. Hotel Chocolat was another detractor after its management team decided to shelve international expansion plans to focus on the core UK market. While this has weighed on the shares, which is disappointing, longer-term this is a sensible capital-allocation decision against an increasingly uncertain economic backdrop, and we are encouraged that in the UK the brand has continued to gain strength. Finally, our holding in Smith & Nephew, a medical device company, also detracted from relative returns. The suspension of non-COVID-related hospital treatments has weighed on the company since the outbreak of the pandemic, and more recently its shares have been impacted by staff shortages at its largest plant in the US. However, we think Smith & Nephew can benefit from robust pent-up demand, as orthopaedic volumes have still only recovered to 2017 levels, particularly as it has now rounded out its product suite. We continue to hold all stocks discussed above.

Factors helping performance

The primary contributors to relative returns included waste manager Biffa – a company with strong sustainability credentials, in our view – whose shares rose sharply after it received a £1.4 billion bid from a private equity firm. HomeServe, the home repairs and emergency services group, also contributed after receiving an offer, from Brookfield Asset Management. We regard both companies as solid businesses with excellent long-term potential and will monitor the progress of the proposed transactions. Other contributors included ConvaTec, which supplies medical products that help to deliver better health outcomes for patients. We initiated this position during a period of share-price weakness and its latest updates have confirmed our conviction in the business, with the market increasingly recognising its cost discipline and ability to innovate. Smart Metering Systems – which offers metering and energy-management systems for utilities, consumers and other customers, supporting energy efficiency as well as the shift to renewables – also contributed, we believe because the market is recognising the advantages of earning index-linked recurring revenues from meter rentals at a time of rising prices and macro concerns. Finally, London Stock Exchange Group contributed after delivering results that bolstered confidence in the management team and the outlook for the business, following a period of concern over the Refinitiv acquisition. Revenues grew and cost synergies from the Refinitiv deal came in ahead of expectations.

UK Sustainable Equity Fund (continued)

Portfolio activity

Significant purchases

There were no significant purchases in the period.

Significant sales

We sold our position in Haleon, shares of which we acquired as a result of the business being demerged from GSK, an existing holding. The business is not currently large enough for the portfolio and we would need to gain more conviction in the investment case to maintain the position.

Outlook

The path immediately ahead looks challenging for many UK businesses, with the Bank of England and other central banks appearing on course to tighten policy further to tackle persistent and strong inflation. Higher interest rates would cast further shadows over the economic outlook. Meanwhile, cost inflation remains a major headwind for many companies, and it will be important for investors to understand and monitor cost dynamics closely, given that they can impact each sector, and each company within a sector, very differently. On a more optimistic note, the tight labour market – with many UK businesses still struggling to fill open positions – may provide something of a cushion in the event of a downturn. For reasons beyond the purely economic, we might hope that aggregate employment holds up better should economic activity slow significantly than has typically been the case in the past.

While keeping a close eye on how macro trends may affect our portfolio companies, we remain focused on investing in good quality businesses with resilient earnings, and products and services that contribute to a more sustainable future. We view these characteristics as particularly advantageous in the present context, giving companies not only a greater ability to withstand a challenging economic backdrop, but also exposure to areas of structural growth as efforts to address climate change and other critical environmental and social issues advance. We would caution that the post-lockdown bounce in demand may still be masking the risks facing businesses with higher cyclical exposure – put another way, it may well be that earnings resilience becomes an even more important portfolio characteristic in the final quarter of 2022.

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

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

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

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

The opinions expressed herein are as at end of August 2022.

UK Sustainable Equity Fund (continued)

Risk and reward profile*



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

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

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

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

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

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

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

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.

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

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

Emerging Markets Local Currency Debt Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Collective investment schemes 6.07% (28.02.22: 6.34%)			
Ninety One Global Strategy Fund – All China Bond Fund†	165,341	4,347	4.53
State Street USD Liquidity LVNAV Fund	171,000	1,480	1.54
		5,827	6.07
Bonds 84.04% (28.02.22: 87.31%)			
Corporate bonds 10.06% (28.02.22: 11.64%)			
European Bank for Reconstruction & Development 6.45% 13/12/2022	IDR 42,134,700,000	2,453	2.55
JPMorgan Chase 7% 18/09/2030	IDR 38,274,000,000	2,217	2.31
Standard Chartered 7.5% 19/05/2038	IDR 18,079,000,000	1,075	1.12
Eskom 7.5% 15/09/2033	ZAR 24,400,000	897	0.93
JPMorgan Chase 8.375% 17/03/2034	IDR 14,004,000,000	887	0.92
JPMorgan Chase 7.5% 15/06/2035	IDR 12,420,000,000	742	0.77
Petroleos Mexicanos 7.19% 12/09/2024	MXN 16,368,200	641	0.67
Financiera de Desarrollo Territorial 7.875% 12/08/2024	COP 1,433,000,000	254	0.26
European Investment Bank 8.5% 17/09/2024	ZAR 4,760,000	243	0.25
Export-Import Bank of Korea 7.25% 07/12/2024	IDR 2,100,000,000	123	0.13
Shimao 5.6% 15/07/2026	USD 513,000	59	0.06
Shimao 5.2% 16/01/2027	USD 531,000	58	0.06
Shimao 5.2% 30/01/2025	USD 246,000	28	0.03
		9,677	10.06
Government bonds 73.98% (28.02.22: 75.67%)			
Mexican Bonos 7.75% 29/05/2031	MXN 124,870,000	4,885	5.09
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	BRL 25,578,000	4,117	4.29
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 61,599,669	2,644	2.76
Republic of South Africa Government Bond 8.875% 28/02/2035	ZAR 60,776,246	2,621	2.73
China Government Bond 2.85% 04/06/2027	CNH 18,420,000	2,342	2.44
Thailand Government Bond 1.25% 12/03/2028	THB 86,671,000	2,293	2.39
Mexican Udbonos 4% 30/11/2028	MXN 7,069,800	2,234	2.33
Malaysia Government Bond 3.8% 17/08/2023	MYR 10,331,000	2,004	2.09
Mexican Udbonos 4.5% 04/12/2025	MXN 5,720,000	1,840	1.92
Peruvian Government International Bond 6.95% 12/08/2031	PEN 8,483,000	1,804	1.88
Malaysia Government Bond 3.828% 05/07/2034	MYR 8,319,000	1,546	1.61
Mexican Bonos 8.5% 18/11/2038	MXN 38,213,300	1,545	1.61
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	BRL 9,120,000	1,515	1.58
Zambia Government Bond 11% 25/01/2026	ZMW 40,380,000	1,450	1.51
Czech Republic Government Bond 2.5% 25/08/2028	CZK 47,470,000	1,444	1.50
Romania Government Bond 6.7% 25/02/2032	RON 8,685,000	1,421	1.48
Mexican Udbonos 3.5% 16/11/2023	MXN 4,130,000	1,313	1.37
China Government Bond 3.28% 03/12/2027	CNH 10,010,000	1,300	1.35
Malaysia Government Bond 3.906% 15/07/2026	MYR 5,781,000	1,122	1.17
Peruvian Government International Bond 6.35% 12/08/2028	PEN 5,145,000	1,092	1.14
Republic of Poland Government Bond 1.75% 25/04/2032	PLN 8,301,000	1,028	1.07
Colombian TES 5.75% 03/11/2027	COP 6,418,900,000	967	1.01
Peru Government Bond 6.15% 12/08/2032	PEN 4,672,000	924	0.96
Malaysia Government Bond 3.9% 30/11/2026	MYR 4,386,000	852	0.89
Peruvian Government International Bond 5.94% 12/02/2029	PEN 4,073,000	837	0.87
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 18,550,000	825	0.86
Malaysia Government Bond 3.757% 22/05/2040	MYR 4,437,000	786	0.82
Malaysia Government Bond 3.885% 15/08/2029	MYR 4,021,000	770	0.80
Hungary Government Bond 4.75% 24/11/2032	HUF 475,220,000	735	0.77
China Government Bond 2.89% 18/11/2031	CNY 5,780,000	732	0.76
Colombian TES 7% 30/06/2032	COP 5,086,500,000	709	0.74
China Government Bond 1.99% 09/04/2025	CNH 5,690,000	706	0.74

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Government bonds 73.98% (28.02.22: 75.67%) (continued)			
Romania Government Bond 5% 12/02/2029	RON 4,605,000	701	0.73
Thailand Government Bond 2.875% 17/06/2046	THB 33,189,000	699	0.73
Russian Federal Bond – OFZ 6.7% 14/03/2029	RUB 146,548,000	619	0.65
Czech Republic Government Bond 1% 26/06/2026	CZK 20,310,000	604	0.63
Thailand Government Bond 1.585% 17/12/2035	THB 30,195,000	598	0.62
Malaysia Government Bond 2.632% 15/04/2031	MYR 3,326,000	576	0.60
Hungary Government Bond 2.75% 22/12/2026	HUF 360,400,000	564	0.59
Mexican Bonos 7.75% 13/11/2042	MXN 14,980,000	559	0.58
Thailand Government Bond 3.775% 25/06/2032	THB 21,128,000	550	0.57
Thailand Government Bond 3.3% 17/06/2038	THB 23,005,000	549	0.57
Czech Republic Government Bond 0.25% 10/02/2027	CZK 19,450,000	547	0.57
Malaysia Government Bond 4.254% 31/05/2035	MYR 2,748,000	529	0.55
Colombian TES 7.75% 18/09/2030	COP 3,163,600,000	485	0.51
Hungary Government Bond 4.5% 23/03/2028	HUF 290,850,000	482	0.50
Czech Republic Government Bond 1.25% 14/02/2025	CZK 15,360,000	479	0.50
Egypt Government International Bond 7.625% 29/05/2032	USD 779,000	475	0.49
Malaysia Government Bond 3.955% 15/09/2025	MYR 2,411,000	471	0.49
Romania Government Bond 3.65% 28/07/2025	RON 2,940,000	466	0.49
Indonesia Treasury Bond 6.5% 15/02/2031	IDR 8,031,000,000	450	0.47
China Government Bond 2.8% 24/03/2029	CNY 3,510,000	443	0.46
Czech Republic Government Bond 2% 13/10/2033	CZK 16,430,000	438	0.46
Republic of Poland Government Bond 3.75% 25/05/2027	PLN 2,739,000	437	0.46
Zambia Government Bond 13% 18/12/2027	ZMW 12,325,000	432	0.45
Czech Republic Government Bond 0.05% 29/11/2029	CZK 17,410,000	431	0.45
Malaysia Government Bond 3.733% 15/06/2028	MYR 2,146,000	410	0.43
Czech Republic Government Bond 2.75% 23/07/2029	CZK 13,370,000	407	0.42
Thailand Government Bond 2% 17/06/2042	THB 20,979,000	405	0.42
Peru Government Bond 5.94% 12/02/2029	PEN 1,927,000	396	0.41
Malaysia Government Bond 3.478% 14/06/2024	MYR 2,012,000	388	0.40
Russian Federal Bond – OFZ 7.95% 07/10/2026	RUB 91,365,000	386	0.40
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2029	BRL 2,504,000	383	0.40
Peruvian Government International Bond 8.2% 12/08/2026	PEN 1,570,000	370	0.39
Colombian TES 7% 26/03/2031	COP 2,437,600,000	350	0.36
Russian Federal Bond – OFZ 8.15% 03/02/2027	RUB 77,046,000	325	0.34
Republic of Poland Government Bond 2.75% 25/04/2028	PLN 2,123,000	319	0.33
Republic of South Africa Government Bond 8.5% 31/01/2037	ZAR 7,399,412	302	0.31
Egypt Government International Bond 8.875% 29/05/2050	USD 509,000	285	0.30
Egypt Government Bond 14.292% 05/01/2028	EGP 7,338,000	284	0.30
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2033	BRL 1,843,000	271	0.28
Russian Federal Bond – OFZ 6.9% 23/07/2031	RUB 62,872,000	266	0.28
Colombian TES 7.25% 18/10/2034	COP 1,601,900,000	218	0.23
Russian Federal Bond – OFZ 7% 30/07/2036	RUB 50,177,000	212	0.22
Thailand Government Bond 1.6% 17/06/2035	THB 10,475,000	209	0.22
Malaysia Government Bond 4.065% 15/06/2050	MYR 1,106,000	196	0.20
China Government Bond 3.28% 03/12/2027	CNY 1,410,000	183	0.19
Egypt Government Bond 14.556% 13/10/2027	EGP 4,456,000	180	0.19
Egypt Government Bond 14.483% 06/04/2026	EGP 4,138,000	172	0.18
Ukraine Government Bond 15.84% 26/02/2025	UAH 29,982,000	156	0.16
Republic of Poland Government Bond 2.75% 25/10/2029	PLN 1,027,000	149	0.16
Romania Government Bond 3.65% 24/09/2031	RON 1,110,000	145	0.15
Hungary Government Bond 4% 28/04/2051	HUF 122,200,000	136	0.14
Thailand Government Bond 2% 17/12/2031	THB 5,310,000	121	0.13
Zambia Government Bond 13% 29/08/2026	ZMW 3,010,000	112	0.12
Egypt Government Bond 14.4% 10/09/2029	EGP 2,138,000	80	0.08
Russian Federal Bond – OFZ 0% 23/06/2027	RUB 17,048,036	72	0.08
Romania Government Bond 4.15% 26/01/2028	RON 435,000	64	0.07
China Government Bond 2.85% 04/06/2027	CNY 320,000	41	0.04
		70,980	73.98
Government treasury bills 6.04% (28.02.22: 5.81%)			
Brazil Letras do Tesouro Nacional 01/01/2024	BRL 27,000,000	3,855	4.02
Brazil Letras do Tesouro Nacional 01/01/2025	BRL 8,000,000	1,029	1.07
Brazil Letras do Tesouro Nacional 01/01/2023	BRL 6,000,000	907	0.95
		5,791	6.04

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Derivatives – futures (0.01%) (28.02.22: 0.06%)			
South African R2030 Bond Futures 03/11/2022	567	6	0.01
South African R186 Bond Futures 03/11/2022–	377	–	–
South African R2035 Bond Futures 03/11/2022	547	(16)	(0.02)
		(10)	(0.01)
Derivatives – interest rate swaps 0.20% (28.02.22: 0.28%)			
Citi Interest Rate Swap receive 7.9456% 14/02/2024	83,100,000	93	0.10
Citi Interest Rate Swap receive 7.6% 08/02/2024	41,450,000	54	0.06
Citi Interest Rate Swap receive 7.81% 09/02/2024	41,450,000	49	0.05
Citi Interest Rate Swap receive 5.87% 04/02/2027	195,622,799	44	0.05
Citi Interest Rate Swap receive 3.99% 27/01/2027	2,400,000	35	0.03
Citi Interest Rate Swap receive 5.215% 31/05/2027	42,350,000	30	0.03
Citi Interest Rate Swap receive 8.213% 04/03/2027	17,053,464	20	0.02
Goldman Sachs Interest Rate Swap receive 8.871% 16/08/2027	2,613,527,164	19	0.02
Goldman Sachs Interest Rate Swap receive 9.716% 12/05/2027	5,820,923,170	16	0.02
Goldman Sachs Interest Rate Swap receive 9.722% 11/08/2024	5,357,076,830	15	0.02
Goldman Sachs Interest Rate Swap receive 9.13% 18/08/2027	2,613,532,836	14	0.01
Citi Interest Rate Swap receive 5.2475% 01/06/2027	16,000,000	11	0.01
Goldman Sachs Interest Rate Swap receive 7.4455% 14/07/2027	1,706,400,000	7	0.01
Citi Interest Rate Swap receive 8.24% 03/03/2027	5,591,299	6	0.01
Citi Interest Rate Swap receive 5.247% 01/06/2027	8,000,000	6	0.01
Citi Interest Rate Swap receive 8.467% 21/05/2027	7,156,964	6	0.01
Citi Interest Rate Swap receive 8.42% 21/05/2027	5,775,795	5	0.01
Citi Interest Rate Swap receive 5.682% 27/06/2027	36,540,000	4	0.01
Citi Interest Rate Swap receive 8.475% 19/05/2027	3,662,189	3	–
Citi Interest Rate Swap receive 8.7523% 11/05/2027	9,626,326	3	–
Citi Interest Rate Swap receive 8.65% 24/05/2027	3,662,189	2	–
Citi Interest Rate Swap receive 8.867% 12/05/2027	18,415,580	1	–
Citi Interest Rate Swap receive 8.81% 10/05/2027	7,343,700	1	–
Citi Interest Rate Swap receive 8.77% 13/05/2027	3,662,189	1	–
Citi Interest Rate Swap receive 5.755% 27/06/2027–	44,660,000	–	–
Citi Interest Rate Swap pay 5.755% 27/06/2027–	44,660,000	–	–
Goldman Sachs Interest Rate Swap pay 12.8% 01/01/2024	4,726,754	(3)	(0.01)
Goldman Sachs Interest Rate Swap pay 12.82% 02/01/2024	5,514,546	(4)	(0.01)
Goldman Sachs Interest Rate Swap pay 12.93% 02/01/2024	9,453,508	(4)	(0.01)
Citi Interest Rate Swap pay 5.682% 27/06/2027	36,540,000	(4)	(0.01)
Goldman Sachs Interest Rate Swap pay 12.83% 02/01/2024	19,752,370	(11)	(0.01)
Citi Interest Rate Swap pay 5.255% 01/06/2027	21,175,000	(14)	(0.01)
Goldman Sachs Interest Rate Swap pay 12.765% 02/01/2024	19,752,370	(14)	(0.01)
Citi Interest Rate Swap pay 5.2475% 01/06/2027	21,175,000	(14)	(0.02)
Goldman Sachs Interest Rate Swap pay 6.96% 24/06/2027	72,642,667	(20)	(0.02)
Goldman Sachs Interest Rate Swap pay 7% 27/06/2027	101,957,333	(30)	(0.03)
Citi Interest Rate Swap pay 5.215% 31/05/2027	42,350,000	(30)	(0.03)
Citi Interest Rate Swap pay 3.99% 27/01/2027	7,300,000	(108)	(0.11)
		189	0.20
Forward foreign exchange contracts (0.95%) (28.02.22: 0.04%)			
Forward cross currency contracts			
Buy BRL	21,557,000	for USD (4,064,530)	123 0.13
Buy CLP	5,208,516,441	for USD (5,468,147)	310 0.32
Buy CNH	49,490,000	for USD (7,277,555)	(91) (0.09)
Buy COP	13,718,258,000	for USD (3,241,859)	(128) (0.13)
Buy CZK	12,905,356	for USD (544,916)	(19) (0.02)
Buy EGP	94,124,691	for USD (4,507,309)	(209) (0.22)
Buy EUR	7,407,652	for USD (7,703,322)	(260) (0.27)
Buy GHS	14,690,000	for USD (1,785,796)	(307) (0.32)
Buy HUF	1,325,031,149	for USD (3,271,825)	(21) (0.02)
Buy IDR	126,970,772,171	for USD (8,691,114)	(123) (0.13)
Buy INR	241,110,000	for USD (3,012,304)	13 0.01
Buy KRW	3,333,630,000	for USD (2,589,305)	(92) (0.10)
Buy MXN	90,780,000	for USD (4,471,360)	2 –
Buy PEN	16,039,998	for USD (4,234,412)	(35) (0.04)
Buy PHP	288,160,000	for USD (5,193,076)	(64) (0.07)
Buy PLN	44,969,364	for USD (10,201,065)	(641) (0.67)
Buy RON	9,590,000	for USD (2,041,992)	(67) (0.07)
Buy SGD	11,360,237	for USD (8,271,032)	(124) (0.13)
Buy THB	206,120,573	for USD (6,015,942)	(307) (0.32)

Portfolio statement (continued)
As at 31 August 2022

Asset				Market value (£'000)	Percentage of net assets (%)
Forward foreign exchange contracts (0.95%) (28.02.22: 0.04%) (continued)					
Forward cross currency contracts (continued)					
Buy TRY	12,406,943	for USD	(643,476)	25	0.03
Buy UGX	830,359,558	for USD	(210,229)	5	0.01
Buy USD	5,742,105	for BRL	(29,243,988)	57	0.06
Buy USD	3,214,506	for CLP	(3,017,467,027)	(140)	(0.15)
Buy USD	11,178,349	for CNH	(75,240,521)	237	0.25
Buy USD	4,163,395	for COP	(17,256,136,827)	235	0.24
Buy USD	2,799,902	for CZK	(68,910,000)	6	0.01
Buy USD	3,211,066	for EGP	(64,237,591)	(13)	(0.01)
Buy USD	7,504,278	for EUR	(7,231,000)	240	0.25
Buy USD	83,770	for GHS	(720,000)	11	0.01
Buy USD	2,511,352	for HUF	(1,035,470,000)	(23)	(0.02)
Buy USD	6,626,745	for IDR	(99,385,520,000)	(55)	(0.06)
Buy USD	5,591,751	for INR	(438,630,344)	73	0.08
Buy USD	2,673,829	for KRW	(3,333,660,000)	165	0.17
Buy USD	8,676,463	for MXN	(176,955,420)	(39)	(0.04)
Buy USD	287,544	for MYR	(1,280,000)	1	–
Buy USD	1,169,966	for NGN	(564,810,000)	(10)	(0.01)
Buy USD	6,506,404	for PEN	(24,516,803)	83	0.09
Buy USD	5,342,578	for PHP	(282,971,954)	272	0.28
Buy USD	1,811,107	for PLN	(8,400,000)	39	0.04
Buy USD	1,579,526	for RON	(7,674,915)	7	0.01
Buy USD	3,230,811	for SGD	(4,460,000)	35	0.04
Buy USD	915,450	for THB	(31,667,166)	40	0.04
Buy USD	678,198	for TRY	(12,406,943)	5	0.01
Buy USD	3,118,251	for TWD	(94,290,000)	(5)	(0.01)
Buy USD	215,225	for UGX	(830,359,559)	(1)	–
Buy USD	7,179,752	for ZAR	(118,590,000)	206	0.21
Buy USD	126,443	for ZMW	(2,300,000)	(14)	(0.01)
Buy ZAR	115,853,422	for USD	(7,146,112)	(315)	(0.33)
				(913)	(0.95)
Portfolio of investments^				91,541	95.39
Net other assets*				4,424	4.61
Net assets				95,965	100.00

[^] Including derivative liabilities.

^{*} The net other assets figure includes any bank or short term cash deposits.

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

[†] A related party to the Fund.

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

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

Fixed interest securities are traded on a regulated market, unless otherwise stated.

Portfolio Analysis

As at 31 August 2022

Portfolio analysis

Asset	31.08.22		28.02.22	
	Market value (£'000)	Percentage of net assets (%)	Market value (£'000)	Percentage of net assets (%)
Bonds	80,657	84.04	82,368	87.38
Collective investment schemes	5,827	6.07	5,982	6.33
Derivatives	179	0.19	(223)	(0.21)
Forward foreign exchange contracts	(913)	(0.95)	47	0.04
Government treasury bills	5,791	6.04	5,500	5.83
Net other assets	4,424	4.61	593	0.63
Net assets	95,965	100.00	94,267	100.00

Credit breakdown*

Asset	31.08.22		28.02.22	
	Market value (£'000)	Percentage of net assets (%)	Market value (£'000)	Percentage of net assets (%)
AAA	2,696	2.80	2,229	2.36
AA	4,473	4.66	4,344	4.60
A	17,330	18.05	19,656	20.86
BBB	36,037	37.56	33,739	35.79
BB	14,470	15.07	13,009	13.81
B	1,621	1.69	7,740	8.21
CCC	2,150	2.24	1,651	1.75
D	1,880	1.97	–	–
Total bonds	80,657	84.04	82,368	87.38

* Bond ratings are Ninety One approximations.

Global Dynamic Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 5.12% (28.02.22: 3.41%)			
Santos	35,479	161	2.67
IGO	18,655	148	2.45
		309	5.12
Canada 0.00% (28.02.22: 1.67%)			
Cayman Islands 0.00% (28.02.22: 1.55%)			
China 4.81% (28.02.22: 0.00%)			
Kweichow Moutai	720	172	2.85
NetEase	7,600	118	1.96
		290	4.81
Denmark 0.00% (28.02.22: 1.75%)			
France 2.09% (28.02.22: 4.11%)			
Vinci	1,582	126	2.09
Germany 3.60% (28.02.22: 4.50%)			
Siemens	1,244	109	1.81
Infineon Technologies	5,021	108	1.79
		217	3.60
Guernsey 0.00% (28.02.22: 0.86%)			
Hong Kong 2.73% (28.02.22: 2.68%)			
AIA	19,774	165	2.73
Ireland 4.81% (28.02.22: 4.77%)			
STERIS	998	170	2.82
Allegion	1,439	120	1.99
		290	4.81
Mexico 0.00% (28.02.22: 0.99%)			
Netherlands 1.64% (28.02.22: 1.69%)			
Universal Music	5,879	99	1.64
Spain 2.85% (28.02.22: 2.32%)			
Iberdrola	19,125	172	2.85
Sweden 1.28% (28.02.22: 1.82%)			
Volvo	5,617	77	1.28
Switzerland 3.86% (28.02.22: 2.88%)			
Roche	493	137	2.27
UBS	7,060	96	1.59
		233	3.86
Taiwan 2.83% (28.02.22: 3.51%)			
Taiwan Semiconductor Manufacturing	12,000	171	2.83
United Kingdom 2.40% (28.02.22: 2.07%)			
HSBC	27,515	145	2.40

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
United States 59.18% (28.02.22: 58.04%)			
Microsoft	1,541	349	5.79
Alphabet	2,320	218	3.61
Thermo Fisher Scientific	432	206	3.42
Mastercard	704	199	3.30
NVIDIA	1,462	195	3.23
Keysight Technologies	1,340	189	3.13
Broadcom	423	184	3.05
Marsh & McLennan	1,291	181	3.00
Pioneer Natural Resources	754	165	2.73
Synopsys	498	148	2.45
Intercontinental Exchange	1,600	138	2.29
UnitedHealth	300	135	2.24
Jacobs Solutions	1,191	128	2.12
Boston Scientific	3,628	125	2.07
M&T Bank	786	124	2.06
Eastman Chemical	1,432	115	1.91
Huntington Bancshares	9,950	115	1.91
Hess	1,046	110	1.82
eBay	2,842	109	1.81
TransUnion	1,649	107	1.77
General Motors	2,979	100	1.66
State Street	1,564	93	1.54
SVB Financial	211	74	1.23
Tapestry	2,048	63	1.04
		3,570	59.18
Portfolio of investments		5,864	97.20
Net other assets*		169	2.80
Net assets		6,033	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 Environment Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 5.06% (28.02.22: 4.01%)			
Brambles	13,673,006	99,747	5.06
Cayman Islands 4.53% (28.02.22: 4.79%)			
Xinyi Solar	75,116,947	89,317	4.53
China 9.84% (28.02.22: 13.81%)			
Wuxi Lead Intelligent Equipment	13,346,019	91,815	4.65
Zhejiang Sanhua Intelligent Controls	17,825,682	56,981	2.89
Sungrow Power Supply	3,258,734	45,272	2.29
Wuxi Lead Intelligent	17,760	122	0.01
		194,190	9.84
Denmark 10.35% (28.02.22: 13.86%)			
Novozymes	1,916,418	95,305	4.83
Orsted	973,261	82,591	4.19
Vestas Wind Systems	1,214,931	26,194	1.33
		204,090	10.35
France 3.69% (28.02.22: 3.69%)			
Schneider Electric	699,733	72,896	3.69
Germany 3.35% (28.02.22: 2.98%)			
Infineon Technologies	3,076,703	66,094	3.35
Ireland 6.09% (28.02.22: 3.91%)			
Trane Technologies	901,556	120,138	6.09
Italy 0.00% (28.02.22: 4.01%)			
Japan 0.00% (28.02.22: 0.42%)			
Jersey 4.19% (28.02.22: 4.09%)			
Aptiv	1,019,582	82,753	4.19
Spain 5.04% (28.02.22: 4.45%)			
Iberdrola	11,036,888	99,466	5.04
Switzerland 5.82% (28.02.22: 4.34%)			
TE Connectivity	1,056,374	114,904	5.82
Taiwan 4.58% (28.02.22: 3.62%)			
Voltronic Power Technology	1,840,752	90,330	4.58
United Kingdom 4.53% (28.02.22: 4.88%)			
Croda International	1,322,878	89,400	4.53

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
United States 31.51% (28.02.22: 26.02%)			
Waste Management	881,415	129,549	6.57
NextEra Energy	1,428,156	105,354	5.34
Autodesk	585,211	102,175	5.18
ANSYS	455,584	97,957	4.95
Rockwell Automation	449,223	91,508	4.64
Analog Devices	605,787	79,650	4.04
Beyond Meat	733,717	15,494	0.79
		621,687	31.51
Portfolio of investments		1,945,012	98.58
Net other assets*		28,026	1.42
Net assets		1,973,038	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 Gold Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 25.30% (28.02.22: 24.65%)			
Newcrest Mining	1,942,264	20,280	7.87
Northern Star Resources	4,288,186	19,946	7.74
Perseus Mining	12,082,157	11,105	4.31
Evolution Mining	6,573,457	9,239	3.59
Westgold Resources	8,014,283	4,393	1.70
St Barbara	418,848	226	0.09
		65,189	25.30
Canada 43.73% (28.02.22: 43.26%)			
Agnico Eagle Mines	677,928	24,609	9.55
Barrick Gold	1,753,065	22,608	8.77
B2Gold	4,492,324	11,973	4.65
Wheaton Precious Metals	446,132	11,852	4.60
SSR Mining (Toronto listing)	887,044	10,376	4.03
Pan American Silver	780,678	10,182	3.95
OceanaGold	8,146,064	9,946	3.86
K92 Mining	1,506,978	6,707	2.60
ERO Copper	462,391	3,758	1.46
SSR Mining (New York listing)	56,914	670	0.26
		112,681	43.73
China 4.96% (28.02.22: 0.00%)			
Zijin Mining	13,022,000	12,771	4.96
Jersey 4.25% (28.02.22: 3.73%)			
Centamin	10,577,060	9,541	3.70
Polymetal International	674,211	1,417	0.55
		10,958	4.25
South Africa 5.36% (28.02.22: 9.67%)			
Gold Fields	1,616,904	11,291	4.38
AngloGold Ashanti	219,231	2,535	0.98
		13,826	5.36
United Kingdom 6.71% (28.02.22: 7.95%)			
Endeavour Mining	953,590	16,031	6.22
SolGold	6,346,218	1,272	0.49
		17,303	6.71
United States 9.03% (28.02.22: 9.38%)			
Royal Gold	145,448	11,768	4.57
Newmont	316,512	11,499	4.46
		23,267	9.03
Portfolio of investments		255,995	99.34
Net other assets*		1,696	0.66
Net assets		257,691	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 Sustainable Equity Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Australia 0.00% (28.02.22: 1.86%)			
Austria 0.00% (28.02.22: 0.34%)			
Canada 3.76% (28.02.22: 0.67%)			
Intact Financial	8,944	1,114	3.76
Cayman Islands 0.00% (28.02.22: 1.90%)			
China 2.81% (28.02.22: 0.92%)			
Alibaba	81,100	836	2.81
Denmark 3.04% (28.02.22: 0.00%)			
Novo Nordisk	9,826	904	3.04
Finland 0.00% (28.02.22: 1.24%)			
France 3.02% (28.02.22: 3.22%)			
Schneider Electric	8,617	898	3.02
Germany 0.00% (28.02.22: 3.60%)			
Hong Kong 3.50% (28.02.22: 1.23%)			
AIA	125,200	1,042	3.50
India 2.94% (28.02.22: 0.00%)			
HDFC Bank ADR	16,535	874	2.94
Ireland 11.87% (28.02.22: 1.90%)			
Trane Technologies	9,444	1,259	4.24
Accenture	4,650	1,171	3.94
Experian	41,645	1,097	3.69
		3,527	11.87
Japan 2.74% (28.02.22: 0.95%)			
Sony	11,900	815	2.74
Jersey 0.00% (28.02.22: 1.17%)			
Netherlands 0.00% (28.02.22: 2.30%)			
Singapore 0.00% (28.02.22: 1.27%)			
South Korea 0.00% (28.02.22: 2.49%)			
Spain 0.00% (28.02.22: 1.70%)			
Sweden 0.00% (28.02.22: 0.59%)			
Switzerland 6.37% (28.02.22: 3.33%)			
Partners	1,341	1,124	3.78
Roche	2,768	769	2.59
		1,893	6.37
Taiwan 0.00% (28.02.22: 6.14%)			
United Kingdom 0.00% (28.02.22: 3.24%)			
United States 59.00% (28.02.22: 63.70%)			
Alphabet	16,952	1,590	5.35
Anthem	3,682	1,544	5.19
Thermo Fisher Scientific	2,849	1,360	4.57
Aon	5,597	1,359	4.57
UnitedHealth	2,816	1,268	4.26
NextEra Energy	14,434	1,065	3.58
Mastercard	3,768	1,063	3.57
Autodesk	6,046	1,056	3.55
Texas Instruments	6,766	971	3.26
Danaher	4,101	965	3.24
Comcast	27,954	860	2.89
KLA	2,876	859	2.89

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
United States 59.00% (28.02.22: 63.70%) (continued)			
Charter Communications	2,400	846	2.84
S&P Global	2,716	831	2.79
Intercontinental Exchange	8,473	733	2.46
NVR	166	595	2.00
Home Depot	2,342	591	1.99
		17,556	59.00
Virgin Islands 0.00% (28.02.22: 0.91%)			
Portfolio of investments		29,459	99.05
Net other assets*		284	0.95
Net assets		29,743	100.00

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

UK Sustainable Equity Fund

Portfolio Statement

As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
Isle Of Man 0.64% (28.02.22: 0.66%)			
Agronomics	5,059,292	860	0.64
Jersey 2.05% (28.02.22: 2.46%)			
Experian	103,891	2,738	2.05
United Kingdom 94.57% (28.02.22: 93.00%)			
Unilever	157,576	6,169	4.61
AstraZeneca	55,294	5,893	4.40
London Stock Exchange	71,389	5,805	4.34
ConvaTec	2,423,472	5,254	3.91
Reckitt Benckiser	75,341	4,963	3.71
AVEVA	177,471	4,941	3.69
Lloyds Banking	10,623,659	4,657	3.48
PureTech Health	1,741,372	4,310	3.22
RELX	181,206	4,122	3.08
Biffa	992,614	3,945	2.95
National Grid	363,167	3,910	2.92
BT	2,556,605	3,841	2.87
Smart Metering Systems	426,050	3,834	2.86
GSK	267,874	3,693	2.76
Compass	184,200	3,418	2.55
Johnson Matthey	167,510	3,407	2.55
HomeServe	281,525	3,342	2.50
Smith & Nephew	319,606	3,217	2.40
AJ Bell	1,084,957	3,216	2.40
Informa	560,648	3,065	2.29
Mondi	182,327	2,705	2.02
GB	566,484	2,506	1.87
Morgan Advanced Materials	865,939	2,273	1.70
WAG Payment Solutions	2,232,036	2,056	1.54
Ricardo	434,735	2,017	1.51
Ceres Power	312,288	2,006	1.50
Intertek	49,202	1,959	1.46
Oxford Instruments	97,180	1,940	1.45
Marlowe	299,205	1,921	1.44
FDM	249,592	1,904	1.42
Dechra Pharmaceuticals	50,526	1,760	1.31
Gamma Communications	151,752	1,642	1.23
Countryside Partnerships	624,726	1,507	1.13
Victrex	78,593	1,388	1.04
Close Brothers	129,700	1,323	0.99
Hotel Chocolat	980,038	1,303	0.97
Genuit	349,080	1,248	0.93
Kier	1,694,273	1,215	0.91
Accsys Technologies	1,249,711	1,215	0.91
Abcam	86,781	1,102	0.82
Gym	762,489	1,081	0.81
Halma	50,685	1,057	0.79
Pod Point	1,354,837	1,044	0.78
De La Rue	1,162,644	1,009	0.75
Kainos	74,058	1,003	0.75
IntegraFin	312,777	831	0.62
Mind Gym	282,813	311	0.23
ITM Power	134,698	268	0.20
		126,596	94.57

Portfolio statement (continued)
As at 31 August 2022

Asset	Holding	Market value (£'000)	Percentage of net assets (%)
United States 1.20% (28.02.22: 1.49%)			
Boku	1,730,898	1,610	1.20
Portfolio of investments		131,804	98.46
Net other assets*		2,057	1.54
Net assets		133,861	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.

Authorised Corporate Director's Report

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

Authorised status

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

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

The Company (and therefore the Funds) has been certified by 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 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. Shareholders are not liable for the debts of the Company.

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 March 2022 to 31 August 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:

On 6 January 2021, the merger of the Enhanced Natural Resources Fund, a sub-fund of Ninety One Funds Series i and Global Energy Fund, a sub-fund of Ninety One Funds Series ii into Global Environment Fund, a sub-fund of Ninety One Funds Series iii effective 5 March 2021.

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

Authorised Corporate Director's Report (continued)

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

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

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

Other changes made during the period:

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

A. Fletcher

Director of the ACD

28 October 2022

N. Smith

Director of the ACD

Emerging Markets Local Currency Debt Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)/(USD'000)	14,890	14,457	16,931	21,637	176	196	542	542
Closing number of shares	8,148,918	8,169,467	9,128,985	11,191,878	74,000	74,000	187,533	194,213
Closing net asset value per share (p)/(c)	182.72	176.96	185.47	193.33	237.80	265.44	289.20	278.93
Operating charges	1.74%	1.68%	1.67%	1.65%	1.74%	1.68%	1.67%	1.65%

	'A' Class (Income-2 shares)				'I' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	809	817	923	1,113	69,565	69,718	79,101	71,529
Closing number of shares	1,103,460	1,113,237	1,133,279	1,243,956	63,472,546	65,967,439	71,951,928	62,888,123
Closing net asset value per share (p)	73.31	73.43	81.40	89.44	109.60	105.69	109.94	113.74
Operating charges	1.74%	1.68%	1.67%	1.65%	0.99%	0.93%	0.92%	0.90%

	'I' Class (USD Accumulation shares)				'I' Class (Income-2 shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (USD'000)/(£'000)	67	75	70	102,257	10,402	8,948	16,686	14,940
Closing number of shares	25,575	25,575	22,200	33,779,067	16,372,014	14,106,725	23,908,723	19,625,159
Closing net asset value per share (c)/(p)	263.02	292.48	316.30	302.72	63.54	63.43	69.79	76.13
Operating charges	0.99%	0.93%	0.90%	0.90%	0.99%	0.92%	0.92%	0.90%

	'R' Class (Accumulation shares)				'R' Class (Income-2 shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	97	96	78	87	31	27	31	49
Closing number of shares	95,951	99,153	76,988	82,967	53,636	46,927	49,403	70,343
Closing net asset value per share (p)	100.66	97.25	101.41	105.17	57.22	57.20	63.08	68.95
Operating charges	1.24%	1.18%	1.17%	1.15%	1.24%	1.17%	1.17%	1.14%

Global Dynamic Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)/(USD'000)	720	739	783	791	1,411	1,654	1,764	1,337
Closing number of shares	361,378	373,995	400,730	503,068	608,748	623,934	646,462	658,771
Closing net asset value per share (p)/(c)	199.19	197.52	195.49	157.25	231.87	265.13	272.79	203.02
Operating charges	2.63%	1.64%	1.60%	1.58%	2.64%	1.64%	1.60%	1.59%

	'I' Class (Accumulation shares)				'I' Class (GBP Hedged Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	3,752	11,406	58,974	113,096	22	13,847	78,960	105,009
Closing number of shares	1,078,297	3,317,965	17,464,410	41,944,860	16,417	9,336,536	53,548,780	91,661,102
Closing net asset value per share (p)	347.98	343.76	337.68	269.63	131.55	148.31	147.45	114.56
Operating charges	1.60%	0.88%	0.85%	0.84%	2.51%	0.88%	0.89%	0.86%

	'S' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	324	667	743	2,465
Closing number of shares	82,998	173,697	198,415	830,540
Closing net asset value per share (p)	390.25	384.07	374.46	296.77
Operating charges	1.00%	0.14%	0.10%	0.09%

Global Environment Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares) ¹				'A' Class (USD Accumulation shares) ¹			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)/(USD'000)	16,168	15,129	56	-	786	845	11	-
Closing number of shares	14,161,326	14,229,705	52,542	-	787,525	787,525	10,000	-
Closing net asset value per share (p)/(c)	114.17	106.32	106.41	-	99.87	107.24	111.58	-
Operating charges	1.61%	1.61%	1.63%	-	1.61%	1.61%	1.63%	-

	'I' Class (Accumulation shares)				'I' Class (Income shares) ¹			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	341,424	252,335	96,757	1,657	8,380	6,099	2,671	-
Closing number of shares	216,083,615	172,146,808	66,444,110	1,672,069	7,329,220	5,749,908	2,519,013	-
Closing net asset value per share (p)	158.01	146.58	145.62	99.08	114.33	106.06	106.05	-
Operating charges	0.86%	0.86%	0.89%	0.83%	0.86%	0.86%	0.89%	-

	'J' Class (Accumulation shares) ¹				'J' Class (Income shares) ¹			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	17,871	13,921	18	-	12	11	11	-
Closing number of shares	15,418,685	12,953,811	16,556	-	10,078	10,000	10,000	-
Closing net asset value per share (p)	115.90	107.47	106.65	-	114.31	106.00	105.98	-
Operating charges	0.76%	0.76%	0.77%	-	0.76%	0.76%	0.77%	-

	'K' Class (Accumulation shares)				'K' Class (Income shares) ²			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	772,718	764,784	361,000	25,777	812,900	728,318	330,309	-
Closing number of shares	486,365,592	519,407,600	247,281,411	25,998,006	488,107,543	471,883,767	214,016,176	-
Closing net asset value per share (p)	158.88	147.24	145.99	99.15	166.54	154.34	154.34	-
Operating charges	0.66%	0.66%	0.71%	0.62%	0.66%	0.66%	0.68%	-

	'R' Class (Accumulation shares)				'S' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	1,003	939	182	23	1,887	1,803	15	10
Closing number of shares	639,004	643,941	125,553	23,636	1,169,497	1,209,173	10,000	10,000
Closing net asset value per share (p)	156.98	145.82	145.22	99.07	161.33	149.10	147.03	99.31
Operating charges	1.11%	1.11%	1.18%	1.07%	0.11%	0.11%	0.19%	0.07%

¹ Launched 18 November 2020.

² Launched 09 March 2020

Global Gold Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)/(USD'000)	34,051	43,872	38,952	42,580	403	676	693	2,468
Closing number of shares	21,296,431	22,170,830	22,020,407	26,778,984	217,374	255,382	281,416	1,205,446
Closing net asset value per share (p)/(c)	159.89	197.88	176.89	159.01	185.61	264.88	246.17	204.71
Operating charges	1.62%	1.60%	1.59%	1.60%	1.62%	1.60%	1.59%	0.60%

	'I' Class (Accumulation shares)				'I' Class (Income shares) ⁽¹⁾			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	218,553	239,946	202,021	285,931	4,283	4,561	-	-
Closing number of shares	135,765,531	120,894,528	114,721,812	181,990,303	5,046,868	4,360,000	-	-
Closing net asset value per share (p)	160.98	198.48	176.10	157.11	84.87	104.61	-	-
Operating charges	0.87%	0.85%	0.84%	0.85%	0.87%	0.85%	-	-

	'R' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	457	590	696	509
Closing number of shares	462,408	483,960	641,798	524,961
Closing net asset value per share (p)	98.80	121.97	108.49	97.04
Operating charges	1.12%	1.10%	1.09%	1.09%

¹ Launched 5 July 2021.

Global Sustainable Equity Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)/(USD'000)	1,340	1,733	1,883	1,585	2,727	2,960	2,870	2,712
Closing number of shares	569,156	781,842	935,181	981,734	997,173	997,173	1,023,799	1,304,367
Closing net asset value per share (p)/(c)	235.37	221.62	201.35	161.40	273.45	296.86	280.35	207.90
Operating charges	2.25%	1.63%	1.61%	1.61%	2.27%	1.63%	1.61%	1.62%

	'I' Class (Accumulation shares)				'I' Class (USD Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	23,145	20,788	130,937	121,522	65	71	66	165
Closing number of shares	667,078	638,799	4,462,694	5,205,811	34,090	34,090	34,090	115,570
Closing net asset value per share (p)	3,469.65	3,254.18	2,934.05	2,334.35	191.45	207.06	194.08	142.84
Operating charges	1.52%	0.87%	0.86%	0.87%	1.52%	0.87%	0.87%	0.87%

	'R' Class (Accumulation shares)				'S' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	2,530	1,863	1,554	1,258	324	817	781	7,415
Closing number of shares	863,902	677,321	625,134	634,182	114,063	307,567	328,763	3,950,167
Closing net asset value per share (p)	292.90	275.05	248.61	198.29	284.13	265.61	237.68	187.70
Operating charges	1.78%	1.13%	1.11%	1.12%	0.73%	0.13%	0.12%	0.12%

UK Sustainable Equity Fund

Comparative tables

As at 31 August 2022

Net Asset Value and Ongoing Charges Figure

	'I' Class (Accumulation shares)				'I' Class (Income shares) ⁽¹⁾			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	50,390	51,328	12,618	4,427	1,991	1,636	1	1
Closing number of shares	37,924,241	37,497,980	9,000,674	3,609,431	1,819,893	1,451,159	1,014	1,000
Closing net asset value per share (p)	132.87	136.88	140.19	122.66	109.44	112.75	116.62	102.63
Operating charges	0.74%	0.74%	0.74%	0.77%	0.74%	0.74%	0.71%	0.78%

	'K' Class (Accumulation shares)				'K' Class (Income shares) ⁽²⁾			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	62,984	69,895	36,970	12,771	8,304	7,033	11	-
Closing number of shares	46,953,062	50,641,345	26,218,558	10,376,879	8,498,397	6,995,257	10,000	-
Closing net asset value per share (p)	134.14	138.02	141.01	123.07	97.71	100.53	104.01	-
Operating charges	0.49%	0.49%	0.49%	0.50%	0.49%	0.49%	0.46%	-

	'R' Class (Accumulation shares)				'S' Class (Accumulation shares)			
	31.08.22	28.02.22	28.02.21	29.02.20	31.08.22	28.02.22	28.02.21	29.02.20
Closing net asset value (£'000)	894	625	276	1	9,298	9,564	10,217	9,300
Closing number of shares	680,454	461,252	198,246	1,000	6,832,846	6,844,416	7,185,376	7,523,380
Closing net asset value per share (p)	131.34	135.54	139.31	122.22	136.09	139.74	142.19	123.61
Operating charges	1.09%	1.09%	1.08%	1.06%	0.09%	0.09%	0.10%	0.13%

Fund launched 14 December 2018.

⁽¹⁾ Launched 7 August 2019.

⁽²⁾ Launched 18 November 2020.

Notes to the Aggregated Financial Statements

For the period ended 31 August 2022

Accounting policies

The semi-annual financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2022 and are described in those annual financial statements.

A. Fletcher

Director of the ACD

28 October 2022

N. Smith

Director of the ACD

Emerging Markets Local Currency Debt Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		583		(124)
Revenue	3,682		3,179	
Expenses	(498)		(561)	
Interest payable and similar charges	(383)		–	
Net revenue before taxation	2,801		2,618	
Taxation	(71)		(75)	
Net revenue after taxation		2,730		2,543
Total return before distributions		3,313		2,419
Distributions		(2,780)		(2,609)
Change in net assets attributable to shareholders from investment activities		533		(190)

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		94,267		114,190
Amounts receivable on creation of shares	(5,083)		9,207	
Amounts payable on cancellation of shares	3,844		(19,358)	
		(1,239)		(10,151)
Dilution adjustment		12		–
Change in net assets attributable to shareholders from investment activities		533		(190)
Retained distributions on accumulation shares		2,392		2,179
Closing net assets attributable to shareholders		95,965		106,028

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		94,916		96,520
Current assets				
Debtors	1,886		2,987	
Cash and bank balances	7,835		2,083	
Total other assets		9,721		5,070
Total assets		104,637		101,590
Liabilities				
Investment liabilities		3,375		2,846
Creditors				
Bank overdrafts	4,731		158	
Distribution payable	200		123	
Other creditors	366		4,196	
Total other liabilities		5,297		4,477
Total liabilities		8,672		7,323
Net assets attributable to shareholders		95,965		94,267

Distribution table

For the period ended 31 August 2022

Interim distribution paid 31 July 2022

Group 1 – Shares purchased before 1 March 2022

Group 2 – Shares purchased between 1 March and 31 May 20221

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

Interim distribution payable 31 October 2022

Group 1 – Shares purchased before 1 June 2022

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

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

Equalisation

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

Global Dynamic Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		233		7,010
Revenue	98		1,287	
Expenses	(38)		(350)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	60		936	
Taxation	(66)		(89)	
Net (expense)/revenue after taxation		(6)		847
Total return before distribution		227		7,857
Distribution		(3)		(289)
Change in net assets attributable to shareholders from investment activities		224		7,568

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		27,893		140,727
Amounts receivable on creation of shares	112		434	
Amounts payable on cancellation of shares	(22,218)		(83,012)	
		(22,106)		(82,578)
Dilution adjustment		22		63
Change in net assets attributable to shareholders from investment activities		224		7,568
Closing net assets attributable to shareholders		6,033		65,780

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		5,864		27,509
Current assets				
Debtors	88		176	
Cash and bank balances	148		410	
Total other assets		236		586
Total assets		6,100		28,095
Liabilities				
Creditors				
Bank overdrafts	26		–	
Other creditors	41		202	
Total liabilities		67		202
Net assets attributable to shareholders		6,033		27,893

Global Environment Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		133,069		199,426
Revenue	17,954		13,058	
Expenses	(6,362)		(4,214)	
Interest payable and similar charges	(7)		(8)	
Net revenue before taxation	11,585		8,836	
Taxation	(1,336)		(982)	
Net revenue after taxation		10,249		7,854
Total return before distribution		143,318		207,280
Distribution		5		1,982
Change in net assets attributable to shareholders from investment activities		143,323		209,262

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,783,968		791,028
Amounts receivable on creation of shares	167,091		708,979	
Amounts payable on cancellation of shares	(121,344)		(21,208)	
		45,747		687,771
Dilution adjustment		–		323
Change in net assets attributable to shareholders from investment activities		143,323		209,262
Closing net assets attributable to shareholders		1,973,038		1,688,384

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		1,945,012		1,764,000
Current assets				
Debtors	4,789		11,810	
Cash and bank balances	25,429		43,613	
Total other assets		30,218		55,423
Total assets		1,975,230		1,819,423
Liabilities				
Creditors				
Distribution payable	–		6,315	
Other creditors	2,192		29,140	
Total liabilities		2,192		35,455
Net assets attributable to shareholders		1,973,038		1,783,968

Global Gold Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(66,513)		1,653
Revenue	4,072		3,461	
Expenses	(1,477)		(1,275)	
Interest payable and similar charges	–		–	
Net revenue before taxation	2,595		2,186	
Taxation	(374)		(277)	
Net revenue after taxation		2,221		1,909
Total return before distribution		(64,292)		3,562
Distribution		72		11
Change in net assets attributable to shareholders from investment activities		(64,220)		3,573

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		289,474		242,167
Amounts receivable on creation of shares	80,454		37,344	
Amounts payable on cancellation of shares	(48,017)		(36,037)	
		32,437		1,307
Change in net assets attributable to shareholders from investment activities		(64,220)		3,573
Closing net assets attributable to shareholders		257,691		247,047

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		255,995		285,544
Current assets				
Debtors	1,313		19,508	
Cash and bank balances	2,280		1,480	
Total other assets		3,593		20,988
Total assets		259,588		306,532
Liabilities				
Creditors				
Distribution payable	–		55	
Other creditors	1,897		17,003	
Total liabilities		1,897		17,058
Net assets attributable to shareholders		257,691		289,474

Global Sustainable Equity Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,661		16,131
Revenue	314		1,513	
Expenses	(130)		(619)	
Interest payable and similar charges	-		-	
Net revenue before taxation	184		894	
Taxation	(40)		(126)	
Net revenue after taxation		144		768
Total return before distribution		1,805		16,899
Distribution		(1)		(83)
Change in net assets attributable to shareholders from investment activities		1,804		16,816

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		27,463		137,265
Amounts receivable on creation of shares	2,268		999	
Amounts payable on cancellation of shares	(1,824)		(21,503)	
		444		(20,504)
Dilution adjustment		32		16
Change in net assets attributable to shareholders from investment activities		1,804		16,816
Closing net assets attributable to shareholders		29,743		133,593

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		29,459		28,745
Current assets				
Debtors	261		33,542	
Cash and bank balances	343		1,232	
Total other assets		604		34,774
Total assets		30,063		63,519
Liabilities				
Creditors				
Bank overdrafts	13		-	
Other creditors	307		36,056	
Total liabilities		320		36,056
Net assets attributable to shareholders		29,743		27,463

UK Sustainable Equity Fund

Statement of total return

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(5,506)		9,947
Revenue	2,015		813	
Expenses	(405)		(225)	
Interest payable and similar charges	-		-	
Net revenue before taxation	1,610		588	
Taxation	-		-	
Net revenue after taxation		1,610		588
Total return before distribution		(3,896)		10,535
Distribution		(93)		117
Change in net assets attributable to shareholders from investment activities		(3,989)		10,652

Statement of change in net assets attributable to shareholders

For the period ended 31 August 2022

	31.08.22		31.08.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		140,081		60,093
Amounts receivable on creation of shares	19,030		46,601	
Amounts payable on cancellation of shares	(21,261)		(2,182)	
		(2,231)		44,419
Dilution adjustment		-		41
Change in net assets attributable to shareholders from investment activities		(3,989)		10,652
Closing net assets attributable to shareholders		133,861		115,205

Balance sheet

As at 31 August 2022

	31.08.22		28.02.22	
	£'000	£'000	£'000	£'000
Assets				
Investments assets		131,804		136,739
Current assets				
Debtors	1,219		1,420	
Cash and bank balances	944		4,497	
Total other assets		2,163		5,917
Total assets		133,967		142,656
Liabilities				
Creditors				
Distribution payable	-		106	
Other creditors	106		2,469	
Total other liabilities		106		2,575
Total liabilities		106		2,575
Net assets attributable to shareholders		133,861		140,081

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

As at 31 August 2022

At 31 August 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 August 2022 and will be distributed to shareholders, where applicable, on 31 October 2022. For accumulations shares income distribution payments are deemed to be paid on 31 October 2022.

Telephone calls

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

Cross holding table

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

Glossary

Active management

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

Asset allocation

A fund's allotment to different asset classes.

Asset class

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

Bear market

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

Benchmark

A comparative performance index.

Bond

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures.

Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing

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

Bull market

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

Cash

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

Central bank base rate

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

Commodities

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

Credit rating agency

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

Credit risk

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

Credit spread

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

Currency risk

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

Deflation

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

Glossary (continued)

Derivatives

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

Developed markets

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

Disinflation

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

Diversification

Holding a range of assets to reduce risk.

Dividend

The portion of company net profits paid out to shareholders.

Dividend yield

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

Duration

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

Emerging markets

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

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

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

Fixed income

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

Future

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

Gilt

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

Hedging

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

High yield bond

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

Index-linked bonds

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

Inflation

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

Initial public offering (IPO)

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

Interest

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

Glossary (continued)

Investment grade bonds

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

Liabilities

Financial obligations that must be met.

Liquidity

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

Long dated bond

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

Long-term investment

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

Macroeconomic

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

Market capitalisation

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

Maturity

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

Outperformance

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

Overweight

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

Peer group

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

Performance

The results of an investment over a given period.

Portfolio

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

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

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

Security

A general term for a tradable financial instrument.

Short-term investment

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

Standard deviation

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

Top-down investing

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

Treasuries

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

Glossary (continued)

Underweight

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

Volatility

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

Year-to-date (YTD)

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

Yield

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

Yield curve

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

Yield spread

The difference in yield between different bonds.

Yield to maturity

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

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Issued by Ninety One Fund Managers UK Limited October 2022.
Authorised and regulated by the Financial Conduct Authority.