



Emerging Markets Local Currency Debt Fund

Date **01 December 2024** | Fund Identifier **213800U12R3E3QFSCQ58**

A sub-fund of Ninety One Funds Series iii managed by Ninety One Fund Managers UK Limited

The Investment Manager for this Fund is Ninety One UK Limited. Throughout this document, any reference to 'Ninety One', 'our' or 'we' refers to the Investment Manager.

What are the Fund's key sustainability characteristics?

The Fund will invest in:

Countries that in aggregate, contribute to more than half of the Fund's country exposure possessing an ESG trend score of neutral or positive according to our Sustainability Approach for countries. That is unless the benchmark in aggregate has an ESG trend score that is worse than neutral, in which case, more than half of the Fund's country investments will have a better ESG trend score than the benchmark.

The Fund won't invest in:

The Fund avoids investing in government borrowers with the worst ESG trend score of -3.

More exclusions may be added in the future. As they are introduced, they will be disclosed on our website and added to this document at the next opportunity.

Sustainability label

This product does not have a UK sustainable investment label.

This product evaluates the sustainability of the companies and countries it invests in but does not have a specific sustainability goal. It does not, therefore, meet the criteria under the Financial Conduct Authority's Sustainability Disclosure Requirements ('SDR') for a Sustainability label, which helps identify products with specific sustainability goals.

Sustainability Approach

Our sustainability approach involves evaluating the sustainability of the countries we invest in, using our own research frameworks. The Fund invests in government bonds where we apply an approach tailored to country-level analysis:

We believe that positive environmental, social, and governance (ESG) developments are important factors when making investment decisions. Countries that have strong governance, treat their citizens well, and manage their resources sustainably are expected to perform better economically in the long run.

To find such countries, we use a research framework that includes an ESG trend score. It analyses different aspects such as:

- Environmental policies (like climate action and natural resource management)
- Social policies (like infrastructure development, human capital, and inclusive growth)
- Governance (like civil authority, institutional capacity, and economic policy)

These aspects are compared against the UN Sustainable Development Goals, and a qualitative assessment (i.e. measuring quality rather than quantity) is made to anticipate future trends. Each country receives an ESG trend score from -3 to +3, indicating the expected improvement when positive or deterioration when negative in their ESG practices over time. A score of zero is considered neutral.

Even though a country may have a lower ESG trend score (e.g., of -2), it may still be an attractive investment overall based on other factors, such as growth expectations. The ESG trend score also helps us prioritise sustainability-related engagements.

Sustainability Metrics

Emerging Markets Local Currency Debt Fund

These metrics provide a useful overview of the Fund's sustainability characteristics.:

Metric

For direct investments in bonds issued by governments

Proportion of investments held in countries that have an ESG trend score that is either; 1) greater than 0 or 2) greater than the benchmark's* ESG trend score (whichever is lower).

74%

The proportion of investments in borrowers rated -3 as per Ninety One's ESG trend scores.

0%

This data has been applied to the Fund position weightings as at the end of December 2023.

*JP Morgan GBI-EM Global Diversified.

ESG trend score

Internally generated qualitative assessment score of ESG (environmental, social, governance) trends for countries, scored on nine sub-categories aligned with the United Nations' 17 Sustainable Development Goals. Scores range from -3 to +3 and impact investment rankings. All other things being equal, markets with improving ESG scores will be higher up the scorecard rankings than those that are deteriorating.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Links

This document provides you with sustainability-related information about this Fund. Investors must read the Key Investor Information Document and Prospectus prior to investing. For latest copies of these documents as well as the Fund's annual and semi-annual Report & Accounts and Instrument of Incorporation, please visit <https://ninetyone.com/en/united-kingdom/funds-strategies/literature-library>

Contact us

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Telephone calls may be recorded for training, monitoring and regulatory purposes and to confirm investors' instructions.

Important information

All investments carry the risk of capital loss.

This communication is not an invitation to make an investment nor does it constitute an offer for sale.

For an explanation of technical terms not explained in this document, please refer to ninetyone.com/glossary