



# Global Sustainable Equity Fund

## Sustainability label



Sustainability Impact – invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet. Sustainable investment labels help investors find products that have a specific sustainability goal.

Date **28 February 2025**  
Fund Identifier  
**213800HW5GUZDK6C7N80**

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.

## Sustainability Goal

The Fund's impact sustainability objective is to invest in and engage with companies that offer products and services that address pressing environmental and social sustainability challenges across six sustainable solution areas:

- **Decarbonisation**
- **Climate adaptation, water, and pollution management**
- **Financial inclusion**
- **Digital inclusion**
- **Healthcare impact**
- **Access to education**

The Fund aims for these companies to grow their products and services that address these challenges over at least 5 years. Growth in these products and services is expected to mitigate climate risks and improve underserved populations' access to essential services which promote wellbeing, financial resilience and economic equality.

Unlike other portfolios that may have a broader selection of assets, the Fund's targeted Sustainability Approach may result in different performance outcomes compared to funds without sustainability objectives. For example, the Fund will not include companies that do not have structural growth linked to the above sustainable solution areas. In pursuing the Fund's sustainability objective, we assess the material environmental or social effects a company may have on its stakeholders. If we determine that a company has material negative effects on the environment and/or society, it will not be included in the Fund.

## Sustainability Approach

We seek to invest in companies that drive their capital growth (increase in value over time) by providing products and services that deliver sustainable solutions. To find these companies, we do the following:

### 1 Idea generation

We utilise a proprietary Sustainable Revenues screen as an idea generation tool to identify companies globally that generate at least half of their revenue from activities most likely to align with one or more of our six sustainable solution areas. These companies are evaluated based on their potential to deliver meaningful solutions to environmental and social challenges.

### 2 Detailed company analysis

From this pool of eligible companies, we conduct in-depth research and analysis seeking companies that can grow, have competitive advantages and sustainable return profiles. We analyse each line of the company's revenue statements to do this. If a business is generating at least 20% of its revenue from sustainable solutions, we consider this to be of strategic importance to the company. In addition, we consider both positive and harmful effects on the environment and society to understand its overall impact on people and the planet.

Every company is different, and a deep understanding of each helps us incorporate the company's unique characteristics, such as its maturity, disclosure standards, and management awareness of the positive outcomes of its products or services, into the investment case and in setting engagement milestones. Engagement, as set out in the section 'Approach to stewardship', is a crucial part of our investment process both before and after deciding to invest.

We integrate this research into our analysis and focus on investing in those companies that have an impact through sustainable solutions and have the potential for increased value.

## Contact us

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

[ninetyone.com/sustainability](https://ninetyone.com/sustainability)

## Approach to Stewardship

We follow a structured engagement process with companies to achieve long-term sustainability objectives. This involves the following activities to grow the products and services that deliver sustainable solutions and ensure companies effectively disclose on sustainability risks, such as carbon emissions disclosure.

### Setting engagement objectives

For each company we invest in, we set long-term engagement objectives linked to the Fund's sustainability objective and define success in achieving these objectives. For example, encouraging companies to report key performance indicators on the impact driven by their sustainable solutions (impact KPIs) such as carbon avoided or number of underserved beneficiaries reached, and to grow these KPIs over time by investing more into delivering sustainable solutions.

### Progress tracking

We track companies' progress towards these objectives through various milestones. This includes acknowledging the engagement topic, sharing plans to address it, and demonstrating progress towards these plans. We report on these milestones in the Fund's Annual Impact Report.

### Escalation process

We escalate our engagement if a company does not meet our expectations in progressing towards engagement objectives. This could involve more frequent meetings with company management or other actions to ensure the company is on track to meet its sustainability goals. After escalation, if we believe there is a lack of progress, we may decide to sell the investment.

## Sustainability Characteristics

The Fund focuses on intentional, measurable and material environmental and social impact, across six sustainable solution areas. Within each of these, there are underlying, investable areas of opportunity that we can track impact KPIs for.

### Decarbonisation

1. Renewable energy
2. Electrification
3. Resource efficiency

KPI example: carbon avoided

### Financial inclusion

1. Priority area lending
2. Priority area insurance
3. Credit ratings

KPI example: number of customers into banking economy

### Healthcare impact

1. Treatment of chronic conditions
2. Treatment of acute conditions
3. Low-and middle-income access
4. Healthcare insurance
5. Medtech devices

KPI example: number of treated patients

### Climate adaptation & water and pollution management

1. Financial resilience
2. Operational resilience
3. Water resilience

KPI example: water saved

### Digital inclusion

1. SME enterprise software
2. SME ecommerce
3. SME ebooking and orders
4. SME digital training

KPI example: number of SME users

### Access to education

1. Training providers
2. Publishing

KPI example: number of articles

### What we do not invest in:

The Global Sustainable Equity Fund avoids investing in companies that may negatively impact the environment or society. It does not invest in companies earning more than 5% of their revenue from tobacco, thermal coal, or oil and gas activities. It excludes those involved in producing controversial or nuclear weapons, firearms, or depleted uranium products, as well as companies expanding coal power or unconventional oil and gas operations. It also will not invest in companies we believe are in violation of the UN Global Compact Principles, which outline responsible business practices.

For more details about what the Fund will not invest in, please see the 'Links' section at the end of this document or visit our website.

## Sustainability Metrics

We engage companies to report impact KPIs. By the end of 2023, 77% of companies in the portfolio were reporting KPIs. We engage with companies to accelerate the reporting of impact KPIs, and expect the proportion of companies reporting impact KPIs to increase over time. Changes in KPI reporting are driven by a combination of positive developments from companies and positioning changes. Not only do we want our companies to report KPIs, our aim is that every company increases their KPIs over time by selling more of those products and services delivering sustainable solutions. Therefore, here we show year-on-year how much the companies in the portfolio have grown their KPI. In 2023, 65% of the companies achieved growth in their impact KPI. The metric shown here provides the weighted average (i.e. adjusted for the size of each company held within the portfolio) percentage change in impact KPIs for the portfolio over the past year.

Weighted average  
KPI growth

3.9%

### 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 our online [literature library](#). For further information on the Fund's sustainability criteria, including details about what the Fund will not invest in, please click [here](#). To view the latest Sustainability Report relating to the Fund's investment strategy, please click [here](#). Both of these documents are also available to view in the literature library.

### 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, please refer to [ninetyone.com/glossary](https://www.ninetyone.com/glossary).