Global Quality Dividend Growth Fund

Date **01 December 2024** | Fund Identifier **213800WB6FADBBE5JI51**

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:
Companies that, as part of the overall portfolio, help the Fund maintain a lower carbon footprint than the benchmark.

The Fund won't invest in:

In the context of a transition towards net zero, the Fund avoids investing in companies from specific high-emitting sectors, including:

- thermal coal extraction or power generation; or
- the production and generation of fossil fuels.

In addition, the Fund does not invest in companies involved in making controversial weapons, such as biological and chemical weapons, cluster munitions, or landmines. It also avoids companies directly involved in the production of nuclear weapons. Furthermore, the Fund excludes businesses that we believe violate the UN's Global Compact principles, which promote responsible practices in areas such as human rights, labour standards, environmental protection, and anti-corruption.

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 it invests in but it does not have a specific sustainability objective. 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

We believe that how a company manages relationships with its internal and external stakeholders, such as employees, suppliers, customers, and regulators, and how it manages its key environmental resources over the long term is critical to understanding whether a company can be a long-term high-quality investment.

To systematically assess this, we have developed our own sustainability-focused research frameworks that form part of our broader in-depth approach to researching companies:

Our Stakeholder Framework help us assess how companies manage relationships with various internal and external stakeholders, such as employees, suppliers, customers, and regulators, and how they manage relevant environmental resources over the long term.

Our Climate Strategy Assessment evaluates a company's disclosure of its emissions and climate strategy, including the establishment of credible emissions targets and commitment to reach net zero by 2050 (net zero means that total greenhouse gas emissions are equal to the emissions removed from the atmosphere). It also evaluates companies' governance and risk mechanisms related to climate policies (such as board oversight and remuneration). The output of this assessment helps us prioritise which companies to engage with to improve their emissions-related disclosures and alignment with net-zero pathways.

Our Transition Plan Assessment is used for certain higher-emitting companies where we conduct a more detailed climate assessment, evaluating additional criteria such as financial planning, lobbying, and a Just Transition (planning for a fair and inclusive shift to a sustainable economy). This helps determine if a company has a credible transition plan in place and helps us identify further engagement priorities.

Through this research, we determine if a company's sustainability risks can be categorised as low, medium, or high. We also assess whether those sustainability risks are trending in a negative direction, are stable or are trending positively. This contributes to our assessment of a company's risk versus reward of investment, which may influence its inclusion in the portfolio and position size.

However, investment decisions are not made solely based on environmental, social and governance (ESG) assessments; rather, they are the result of our investment process, which includes ESG analysis alongside financial analysis.

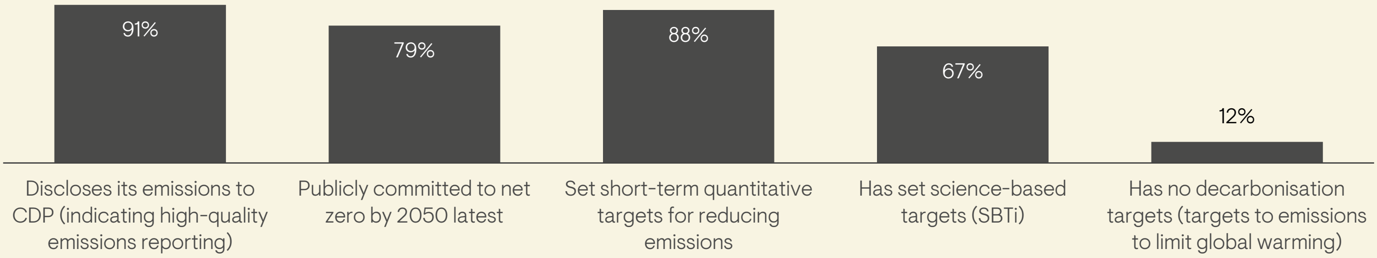
Sustainability Metrics

Global Quality Dividend Growth Fund

These metrics provide a useful overview of the Fund's sustainability characteristics. The Fund's carbon footprint is compared to the benchmark to show whether the Fund has a higher or lower emissions profile than the market it invests in:

Metric	Fund	Benchmark*
For direct investments in shares of companies		
— Scope 1 & 2 company carbon footprint (in tonnes of CO2e per US$m invested)	5	52
— Scope 3 company carbon footprint (in tonnes of CO2e per US$m invested)	73	327

**Percentage of Fund's investments that:



*MSCI AC World Net Return Index. The above carbon disclosure is based on data from companies where available. This data has been applied to the Fund position weightings as at the end of December 2023. **Data as of end January 2024. Scope 3 data is complex, varies widely and is subject to underreporting and estimation errors. It includes supply chain and product usage emissions and should be interpreted cautiously when comparing companies or funds.

Carbon footprint

This measures the total carbon emissions 'owned' by the fund per US$ million invested. This enables comparability across different investment types.

Carbon 'Scope'

Scopes categorize different types of emissions:

- Scope 1: Direct emissions from company-owned sources, like fuel use on-site or company vehicles.
- Scope 2: Indirect emissions from energy the company buys (e.g., electricity).
- Scope 3: Emissions related to a company's supply chain and product use. There are 15 categories, covering both upstream (supply chain) and downstream (product usage) emissions.

CDP

The Carbon Disclosure Project (CDP) is a global disclosure system that tracks environmental impacts. It sets a standard for environmental reporting and provides extensive data on company and city actions.

Credible net-zero targets

Short and medium term greenhouse gas (GHG) emissions reduction targets that are science-based and consistent with the reduction pathway required to achieve agreed global climate goals. Net zero refers to reaching the point where total GHG emissions are equal to the emissions removed from the atmosphere.

Credible net-zero transition plans

A published plan that has clear actions and timelines covering the main activities or investments required to achieve an entity's short and mid term net zero targets.

Carbon Intensity & Weighted Average Carbon Intensity ('WACI')

This measures the carbon emissions of a given entity per US$ million of company revenue. At the fund or index level, the figure takes the weighted average carbon intensity of each assessable security in the fund/index to determine an overall carbon intensity.

Carbon emissions

Carbon reporting is improving but may still involve estimates due to data limitations. Where company-reported data isn't available, MSCI or internal estimates are used. Results may vary across data providers.

Contact us

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

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

Important information

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