

# Investec Funds Series III Semi-Annual Report and Accounts

For the period ended 31 August 2018



# Investec Funds Series iii Semi-Annual Report and Accounts

Emerging Markets Local Currency Debt Fund*	2
Global Dynamic Fund*	5
Global Equity Fund*	8
Global Gold Fund*	11
Portfolio Statements per Fund*	14
Authorised Corporate Director's Report*	25
Comparative Tables	27
Financial Statements	31
Securities Financing Transactions ('SFTs')	38
Other Information	39
Glossary	40
Directory	43

\* 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 long-term capital growth.

The Fund invests primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). These bonds are issued by governments, institutions or companies in emerging markets (countries that are in economic terms less developed than the major Western countries) predominantly in the currency of the issuing country.

The Investment Manager is free to choose how the Fund is invested. However, the JPMorgan GBI-EM Global Diversified Composite GBP Index is currently taken into account when the Fund's investments are selected.

## Performance record

	<b>6 months (%)</b>
Investec Emerging Markets Local Currency Debt Fund 'I' accumulation shares	-9.8*
Performance comparison index	-8.2**
Peer group sector average	-5.7%**

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 2018	3.05 pence
6 months to 31 August 2017	3.35 pence

The amount of income payable may rise or fall.

## Performance review

The Fund produced a negative return over the period under review and underperformed its performance comparison index and peer group sector average.

## Factors hindering performance

The portfolio held an overweight allocation of the Polish zloty which detracted from performance. The currency – which is highly sensitive to changes in euro – fell during the six month period as result of the falling euro and the slowing euro zone economic activity. However, the biggest detractors to performance came from our overweight positions in Latin American currencies – particularly the Argentinian peso and Brazilian real. Argentinian assets were particularly vulnerable to the strengthening US dollar given their limited liquidity, high foreign ownership and international investor outflows. The peso stabilised somewhat in May, as the central bank raised interest rates to 40% and the government called in the International Monetary Fund (IMF) to help allay investor concerns. However, this was short-lived and the currency sank again when Argentina's request to accelerate IMF disbursements generated considerable selling in the peso into month-end. This adjustment, which surprised the market, has led to short-term volatility and losses in the FX market. We have since reduced our overweight holding in the peso. Elsewhere in Latin America, the portfolio's overweight in Brazilian local currency bonds also negatively impacted returns. Brazilian assets lagged peers due to a combination of a truckers' strike and investor concerns about the likelihood of necessary reforms given increasing uncertainty around the upcoming elections in October.

## Factors helping performance

A number of individual positions had a positive impact on returns over the six-month period. In India we held a short position (aiming to benefit from a fall in value) in the rupee which benefited returns. The currency depreciated materially over the period, partly due to rising oil prices. India is one of the major importers of oil and the increase in the oil prices had a direct impact on the trade deficit. Elsewhere in the Asia region, our short position in the Taiwan dollar also positively impacted returns. In Egypt, the portfolio continued to benefit from its holdings in Treasury Bills, which were supported by the marginal strength in the Egyptian pound (relative to the US dollar) and positive investor sentiment given the success of its reform programme. Lastly, the portfolio's underweight positions in the Hungarian forint and Romanian leu added to relative returns. As the euro fell, both currencies depreciated during the period given their sensitivity to the euro.

## Portfolio activity

### Significant purchases

Brazil Notas do Tesouro Nacional 10% 01/01/2025; Mexican Bonos 10% 20/11/2036; Mexican Bonos 6.5% 09/06/2022; Mexican Bonos 8.5% 18/11/2038; Republic of Poland Government Bond 2.5% 25/01/2023; Colombian TES 6% 28/04/2028; Mexican Bonos 8% 07/12/2023; Russian Federal Bond 7.5% 18/08/2021; Mexican Bonos 5.75% 05/03/2026; Mexican Bonos 7.5% 03/06/2027.

### Significant sales

Mexican Bonos 6.5% 09/06/2022; Russian Federal Bond 7.7% 23/03/2033; Brazil Notas do Tesouro Nacional 10% 01/01/2025; Republic of Poland Government Bond 2.5% 25/07/2026; Malaysia Government Bond 3.58% 28/09/2018; Mexican Bonos 10% 20/11/2036; Colombian TES 6% 28/04/2028; Hungary Government Bond 3% 26/06/2024; Republic of South Africa Government Bond 8.5% 31/01/2037; Mexican Bonos 10% 05/12/2024.

## Outlook

It's clearly been a challenging environment for the asset class given negative developments in some markets (Turkey and Argentina in particular) as well as ongoing headwinds of the US-China trade dispute and dollar liquidity tightening. In general, EM fundamentals remain relatively good and thus we maintain a positive longer-term outlook. However, we turned tactically more neutral from a top-down perspective given the ongoing challenges mentioned. Overall, the global economy is still growing well and on aggregate emerging markets are still early in the cycle with plenty of slack in many economies and therefore room for growth to accelerate without stoking inflation or blow out their trade balances.

The biggest immediate risk to the growth outlook is the risk of an even more extreme trade war – we are closely monitoring the situation and we believe some sort of compromise will be achieved in the end. We expect EM growth to hold up well and for the differential over developed markets to widen again into 2019 especially as the effects of loose fiscal policy in the US begin to fade. With terms of trade also supportive, we therefore continue to see selective value in EM currencies that have sold off in recent weeks. Local real yields also look attractive to history with a relatively benign inflationary outlook, we think local debt can perform well especially as we think Fed tightening from here will be much more modest.

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

\*\*Index (JPMorgan GBI-EM Global Diversified Index) and peer group sector average (Investment Association Global Emerging Markets Bond) shown for performance comparison purposes only.

The opinions expressed herein are as at the end of August 2018

**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.

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

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

**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.

**Derivative counterparty:** A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.

**Derivatives:** The use of derivatives may increase overall risk by magnifying the effect of both gains and losses. This may lead to large changes in value and potentially large financial loss.

**Developing 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 portfolio may invest more than 35% of its assets in government securities issued or guaranteed by a permitted single state.

**Interest rate:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

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

\*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 Investec Funds Series Omnibus prospectus.

# Global Dynamic Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests primarily in the shares of companies from around the world.

The Fund may invest in other assets such as cash, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

## Performance record

	<b>6 months (%)</b>
Investec Global Dynamic Fund 'I' accumulation shares	7.7*
Performance comparison index	8.3**
Peer group sector average	7.9**

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

## Performance review

The Fund delivered a positive return during the period under review but underperformed its performance comparison index and peer group sector average.

## Factors hindering performance

Our holdings in the consumer staples and healthcare sectors detracted most from performance. Within consumer staples, Chinese pork producer WH Group saw its share price decline, as investors worried that the imposition of import tariffs on US pork coming into China would impact negatively on profits. We have since sold out of WH Group.

Within healthcare, US health insurance service company Cigna Corporation hindered overall returns. Its share price declined due to market concerns about its acquisition of pharmacy benefits manager Express Scripts. We no longer hold Cigna in the portfolio.

The company that detracted most from performance over the six-month period was Italian bank UniCredit: its shares came under pressure due to the company's exposure to the ailing Turkish economy – through having shared control of Turkish bank, Yapi Kredi – as well as a spike in political uncertainty in Italy following that country's most recent election. We believe that the market reaction overstates the bank's exposure to these situations and continue to stay invested in UniCredit.

Elsewhere, Japanese heavy-equipment maker Komatsu saw its share price retreat on the fears of a slowing global economy. Meanwhile, US building material firm TopBuild suffered margin erosion due to rising input costs. The market was also worried concerned about slower housing starts. Both firms are still in the portfolio on account of the strength of their recent revenue growth.

Geographically, our overweight positioning in Asia detracted from performance (since Asian equities underperformed relative to certain other regions, especially the US). However, this was partially offset by our underweight positioning in emerging markets and Europe (two regions which also performed relatively poorly).

## **Factors helping performance**

At a sector level, our positioning in information technology was a major positive contributor to performance: US cloud-software-provider NetApp added most to returns – the company reported accelerating revenue growth, expanding margins, and better-than-expected profits and this resulted in a sharp rise in its share price over the six-month period. Meanwhile, Spanish airline technology company Amadeus, which recently signed a flight-optimisation deal with EasyJet, contributed strongly to performance on continuing profit growth in its specialist global niche and on increasingly positive news-flow.

Elsewhere within the technology sector, payment processors Worldpay and Paypal helped returns: the share prices of these globally-dominant fintech companies rose over the period, reflecting increased investor optimism with regard to their future profit growth driven by the strong secular trends of cash to card conversion.

Finally, returns in the industrials sector were lifted by business data and analytics provider Dun & Bradstreet when, towards the end of the period under review, the firm received a takeover approach from a consortium of private equity groups.

## **Portfolio activity**

### **Significant purchases**

United Rentals; UniCredit; Wuliangye Yibin; DaVita; Dun & Bradstreet; Mastercard; TopBuild; Discover Financial Services; Wyndham Destinations; Comcast.

### **Significant sales**

Tiffany; Cigna; BOC Hong Kong; ING; Cummins; Bayer; AXA; FactSet Research Systems; Barratt Developments; Lukoil ADR.

## **Outlook**

Movements in the interest rate market and a series of emerging market currency blow ups have unsettled investors. Despite an exodus towards the perceived safety of US assets and defensive sector, areas of the market that have traditionally been perceived as offering defensive characteristics – most notably tobacco and beverages, telco's and utilities – have underperformed, meaning that the shape of current sector leadership does not resemble a market that is truly fearful of an imminent economic downturn.

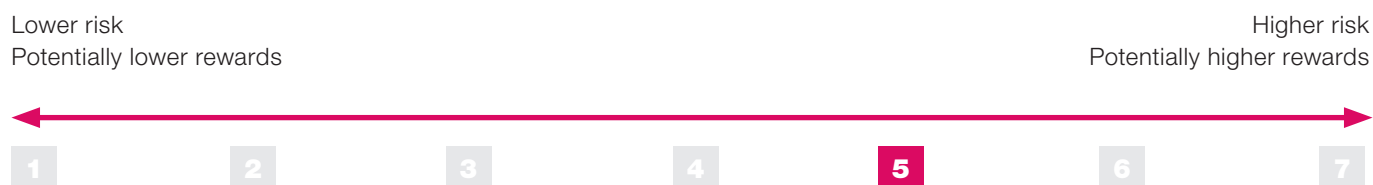
This has also opened up significant pockets of value where stocks in the process of demonstrating positive earnings revisions have underperformed. With investors still preoccupied with the cacophony around trade tariffs and their impact on the global economy it is perhaps unsurprising markets are uncertain. But this confusion provides us with an opportunity to discover undervalued long-term stock winners.

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

\*\*Index (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, Investec Asset Management 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 2018.

**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.

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

**Developing 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. bankruptcy), 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 VI of the Investec Funds Series Omnibus prospectus.



# Global Equity Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide long term capital growth.

The Fund invests around the world primarily in the shares of companies.

The Fund may invest in other assets such as cash, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested. However, the MSCI All Countries World Net Return Index is currently taken into account when the Fund's investments are selected.

## Performance record

	<b>6 months (%)</b>
Investec Global Equity Fund 'I' accumulation shares	6.7*
Performance comparison index	8.3**
Peer group sector average	7.9**

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

## Performance review

The Fund delivered a positive return during the period under review and underperformed its performance comparison index and peer group sector average.

## Factors hindering performance

Our holdings in the consumer staples and real estate sectors detracted from performance. Within consumer staples, British American Tobacco hurt performance as sales of cigarettes continued to slow and regulatory pressure rose. The market appears sceptical over the extent to which next-generation tobacco-related products will be able to replace cigarettes in terms of maintaining long-term revenue growth. We continue to hold the company as we believe its efforts to roll out next-generation products will deliver value in the long run.

Meanwhile, Chinese pork producer WH Group also hindered performance: its share price declined as investors worried that the imposition of import tariffs on US pork coming into China would negatively impact its profits. We continue to hold WH Group on valuation grounds as the recent selloff has left its shares trading historical lows with regards to valuation.

Elsewhere in the consumer sector, profit-taking saw the share price of Chinese spirits producer Kweichow Moutai retreat over the six-month period, following a strong run of performance through 2017. Meanwhile the share price performance of automobile component supplier Delphi also hurt performance: troubles stemming from the lacklustre organic sales growth it reported during the second quarter of the year caused some analysts to re-appraise their profit forecast. We continue to hold both companies as we believe Moutai's market leading position will deliver value in the future, while we anticipate that Delphi too will start to reap the rewards of recent investments in the coming 12 months.

## Factors helping performance

The Fund's stock selection in the technology and energy sectors contributed positively to performance. Within technology the standout contributor was cloud infrastructure provider NetApp, which reported accelerating revenue growth, expanding margins, and better-than-expected profits. Elsewhere within the technology sector, payment processors Worldpay and PayPal helped returns: the share prices of these globally-dominant fintech companies rose over the period, reflecting increased investor optimism regarding their future profit growth.

Our holdings in the energy sector performed well as the share prices of companies such as US energy exploration and production firm Hess, US-listed refiner Valero Energy, and Hong-Kong-listed energy conglomerate CNOOC, all rose on optimism surrounding the strength in oil prices and its expected positive impact on future profits.

Finally, US fitness-centre franchisor Planet Fitness saw its share price rise substantially over the six-month period under review, as its profits continued to beat market expectations.

## Portfolio activity

### Significant purchases

Goldman Sachs; Tencent; Chevron; Merck; Swatch; Marsh & McLennan; Glencore; Parker- Hannifin; Discover Financial Services; Samsung Electronics.

### Significant sales

Facebook; Cummins; Bank of Nova Scotia; PTT; Bank of New York Mellon; HeidelbergCement; BNP Paribas; China Construction Bank; Planet Fitness; ING.

## Outlook

Movements in the interest rate market and a series of emerging market currency blow ups have unsettled investors. Despite an exodus towards the perceived safety of US assets and defensive sectors, areas of the market that have traditionally been perceived as offering defensive characteristics – most notably tobacco and beverages, telco's and utilities – have underperformed, meaning that the shape of current sector leadership does not resemble a market that is truly fearful of an imminent economic downturn.

This has also opened up significant pockets of value where stocks in the process of demonstrating positive earnings revisions have underperformed. With investors still preoccupied with the cacophony around trade tariffs and their impact on the global economy it is perhaps unsurprising markets are uncertain. But this confusion provides us with an opportunity to discover undervalued long-term stock winners.

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

\*\*Index (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, Investec Asset Management 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 2018.

### Risk and Reward profile\*

Lower risk  
Potentially lower rewards

Higher risk  
Potentially higher rewards



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.

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

**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. bankruptcy), 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 VI of the Investec Funds Series Omnibus prospectus.

# Global Gold Fund

## Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests around the world primarily in the shares of companies involved in gold mining.

The Fund may also invest up to one-third of its value in the shares of companies involved in the mining of other precious metals, minerals and non-precious metals.

The Fund may invest in other assets such as cash, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

## Performance record

	<b>6 months (%)</b>
Investec Global Gold Fund 'I' accumulation shares	-6.3*
Performance comparison index	-7.5**
Peer group sector average	N/A**

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

## Performance review

The Fund delivered a negative absolute return over the period under review but outperformed its performance comparison index.

## Factors helping performance

The Fund's relative outperformance of the index was driven by favourable stock selection over the period. Our gold equity holdings performed well on a relative basis. Stand-out performers were OceanaGold, Saracen Mineral Holdings and Northern Star Resources. All three of these Australian producers outperformed their North American-based peers, helped by a stronger US dollar, the currency in which gold is priced internationally – i.e. the earnings of Australian producers benefited from a weakening Australian dollar.

Our underweight allocation to streaming and royalty company Franco Nevada Corporation and zero weight in Newcrest Mining also helped relative performance. Franco-Nevada provides financing for miners in return for a percentage of gold produced over the mine's life. After purchasing the stock at attractive levels, we sold out in the second quarter of 2018 following strong share price outperformance relative to the gold sector and other royalty and streaming peers. Not holding Newcrest Mining added strongly to relative returns over the period, despite a short period of detraction during the second quarter when news came that its shut-down mine, Cadia, would return to full production sooner than had been expected.

## Factors hindering performance

Our overweight holdings in Detour Gold and AngloGold Ashanti were among the leading detractors over the period. In addition to the lower gold price environment, Detour sold off as investors reacted to guidance revisions announced at its first-quarter results. The company lowered production estimates for 2018 at its Detour Lake Mine in northern Ontario. Management also expected its operating costs to increase.

Exposure to platinum group metals, through Impala Platinum, weighed on performance over the period. In a similar pattern to gold, platinum had a brief rally in early April to reach a quarter high of US\$941/oz before sliding in tandem with gold into the period end. Recently, investment demand for platinum and gold suffered as global growth remains resilient despite fears of escalating trade wars.

## **Portfolio activity**

### **Significant purchases**

Franco-Nevada; Barrick Gold; Agnico Eagle Mines; Yamana Gold; Rangold Resources; Newmont Mining; Endeavour Mining; Goldcorp; Regis Resources; Detour Gold.

### **Significant sales**

Barrick Gold; Invesco Physical Gold; Evolution Mining; Saracen Mineral; Randgold Resources; Sandstorm Gold; Wheaton Precious Metals; Fresnillo; Coeur Mining; Kirkland Lake Gold; AngloGold Ashanti.

## **Outlook**

Gold companies have retained their focus on cost cutting and efficiencies, which has improved margins and profitability, and we see potential for better capital returns via dividends. The outlook for miners appears positive with production growth largely limited to brownfield sites, helping to keep costs low while improving overall revenues. We believe these factors promise increasingly attractive returns from gold equities and the potential for increased merger and acquisition activity could create additional upside.

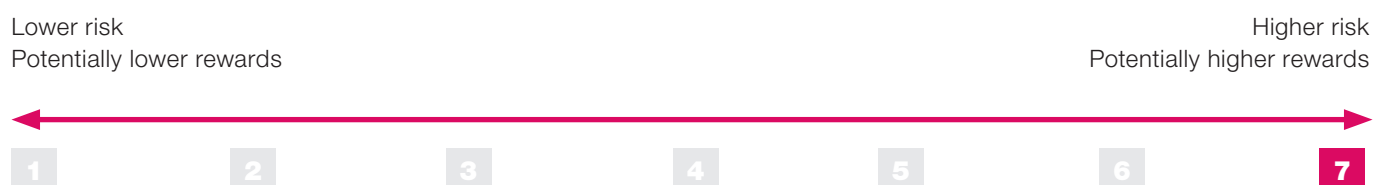
The Fed's favoured inflation measure (the personal consumption expenditures price index – excluding food and energy) remained steady at 2% in August. Official projections are for inflation to reach 2.1% in both 2019 and 2020, before settling back down to the long-term target of 2%. Notably, we have started to see US wage inflation tick up, which raises the possibility that inflation could move beyond these targets. The key question for gold over rest of the year is the path of the US dollar. Forecasters are split on whether US growth will remain at its relative highs to other economies – thus supporting the currency as rates rise – or if a slowdown in the US will see the dollar fall. In the latter case, gold is expected to perform strongly into year-end, but the risk is this may be further delayed with another three rate rises expected in 2019, followed by one more in 2020. However, with volatility rising as the trade war escalates, we believe gold remains attractive as a diversifier, especially in the context of emerging market weakness.

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

\*\*Index (Euromoney Global Gold TR) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association sector against which to measure Fund performance.

The opinions expressed herein are as at end of August 2018.

## 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.

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

**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. bankruptcy), 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 Investec Funds Series Omnibus prospectus.

# Emerging Markets Local Currency Debt Fund

## Portfolio statement

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>COLLECTIVE INVESTMENT SCHEMES 2.74% (28.02.18: 2.36%)</b>			
Investec GSF Emerging Markets Investment Grade Corporate Debt Fund †	197,725	3,045	1.47
Investec GSF All China Bond Fund †	123,908	2,633	1.27
		<b>5,678</b>	<b>2.74</b>
<b>CORPORATE BONDS 5.80% (28.02.18: 4.72%)</b>			
Petroleos Mexicanos 7.19% 12/09/2024	MXN 80,108,200	2,777	1.34
European Investment Bank 6.95% 06/02/2020	IDR 42,380,000,000	2,154	1.04
Inter-American Development Bank 7.35% 12/09/2018	IDR 38,050,000,000	1,981	0.95
International Bank for Reconstruction & Development 7.45% 20/08/2021	IDR 34,400,000,000	1,728	0.83
Development Bank of Kazakhstan 9.5% 14/12/2020	KZT 509,750,000	1,083	0.52
Eskom 7.5% 15/09/2033	ZAR 24,400,000	951	0.46
America Movil 7.125% 09/12/2024	MXN 22,140,000	814	0.39
Financiera de Desarrollo Territorial Findeter 7.875% 12/08/2024	COP 2,151,000,000	557	0.27
		<b>12,045</b>	<b>5.80</b>
<b>GOVERNMENT BONDS 69.88% (28.02.18: 67.30%)</b>			
Mexican Bonos 6.5% 09/06/2022	MXN 149,472,300	5,742	2.76
Turkey Government Bond 10.7% 17/08/2022	TRY 64,165,984	4,675	2.25
Malaysia Government Bond 3.8% 17/08/2023	MYR 24,461,000	4,568	2.20
Republic of Poland Government Bond 2.5% 25/01/2023	PLN 21,484,000	4,511	2.17
Republic of Poland Government Bond 2.5% 25/07/2027	PLN 21,371,000	4,245	2.04
Mexican Bonos 8% 07/12/2023	MXN 99,503,600	4,021	1.94
Republic of South Africa Government Bond 8.875% 28/02/2035	ZAR 78,913,097	3,843	1.85
Mexican Bonos 7.5% 03/06/2027	MXN 91,929,100	3,597	1.73
Thailand Government Bond Index-Linked 1.25% 12/03/2028	THB 154,300,000	3,557	1.71
Russian Federal Bond 7.5% 18/08/2021	RUB 317,816,000	3,553	1.71
Colombian TES 6% 28/04/2028	COP 14,423,700,000	3,437	1.66
Mexican Bonos 5.75% 05/03/2026	MXN 90,202,700	3,187	1.53
Hungary Government Bond 3% 27/10/2027	HUF 1,111,170,000	2,945	1.42
Mexican Bonos 10% 20/11/2036	MXN 57,366,100	2,750	1.32
Peruvian Government Bond 6.15% 12/08/2032	PEN 11,334,000	2,725	1.31
Russian Federal Bond 6.4% 27/05/2020	RUB 243,956,000	2,700	1.30
Indonesia Treasury Bond 8.375% 15/03/2034	IDR 51,561,000,000	2,698	1.30
Brazil Notas do Tesouro Nacional 10% 01/01/2023	BRL 15,029,000	2,659	1.28
Russian Federal Bond 7.1% 16/10/2024	RUB 249,067,000	2,639	1.27
Thailand Government Bond 4.875% 22/06/2029	THB 92,062,000	2,562	1.23
Colombian TES 6.25% 26/11/2025	COP 9,886,500,000	2,465	1.19
Malaysia Government Bond 3.892% 15/03/2027	MYR 12,699,000	2,320	1.12
Colombian TES 11% 24/07/2020	COP 8,193,000,000	2,292	1.10
Colombian TES 7.5% 26/08/2026	COP 8,544,100,000	2,277	1.10
Bonos Tesoreria Pesos 5% 01/03/2035	CLP 2,000,000,000	2,274	1.09
Brazil Notas do Tesouro Nacional 10% 01/01/2021	BRL 1,208,200	2,246	1.08
Colombian TES 4.75% 04/04/2035	COP 28,013,000	2,082	1.00
Colombian TES 7.75% 18/09/2030	COP 7,741,800,000	2,074	1.00
Uruguay Government International Bond 4.375% 15/12/2028	UYU 46,397,222	2,049	0.99
Mexican Bonos 8.5% 18/11/2038	MXN 47,744,500	2,013	0.97
Indonesia Treasury Bond 7.5% 15/05/2038	IDR 40,771,000,000	1,898	0.91
Bonos Tesoreria Pesos 6% 01/01/2043	CLP 1,450,000,000	1,850	0.89
Peruvian Government International Bond 6.95% 12/08/2031	PEN 7,037,000	1,818	0.87
Argentine Republic Government International Bond 5.875% 11/01/2028	USD 3,150,000	1,744	0.84
Brazil Notas do Tesouro Nacional 10% 01/01/2025	BRL 9,610,000	1,631	0.79
Republic of South Africa Government Bond 8.5% 31/01/2037	ZAR 34,638,575	1,616	0.78
Russian Federal Bond 7.4% 07/12/2022	RUB 145,626,000	1,599	0.77
Russian Federal Bond 7.75% 16/09/2026	RUB 146,637,000	1,583	0.76
Malaysia Government Bond 3.62% 30/11/2021	MYR 8,279,000	1,552	0.75
Thailand Government Bond 2.875% 17/06/2046	THB 71,154,000	1,524	0.73
Brazil Notas do Tesouro Nacional 10% 01/01/2027	BRL 9,000,000	1,480	0.71
Republic of South Africa Government Bond 10.5% 21/12/2026	ZAR 25,500,000	1,447	0.70
Colombian TES 7% 04/05/2022	COP 5,478,100,000	1,444	0.70

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>GOVERNMENT BONDS 69.88% (28.02.18: 67.30%) (continued)</b>			
Mexican Bonos 10% 05/12/2024	MXN 32,110,500	1,427	0.69
Thailand Government Bond 3.65% 20/06/2031	THB 56,441,000	1,421	0.68
Peruvian Government International Bond 6.9% 12/08/2037	PEN 5,088,000	1,280	0.62
Republic of South Africa Government Bond 9% 31/01/2040	ZAR 25,397,634	1,229	0.59
Czech Republic Government Bond 0.25% 10/02/2027	CZK 40,600,000	1,222	0.59
Ghana Government Bond 19% 02/11/2026	GHS 7,733,000	1,210	0.58
Czech Republic Government Bond 2.75% 23/07/2029	CZK 32,910,000	1,198	0.58
Czech Republic Government Bond 4.2% 04/12/2036	CZK 28,060,000	1,197	0.58
Hungary Government Bond 2.75% 22/12/2026	HUF 453,830,000	1,194	0.58
Ghana Government Bond 19.75% 25/03/2024	GHS 7,067,000	1,134	0.55
Thailand Government Bond 3.4% 17/06/2036	THB 46,808,000	1,121	0.54
Hungary Government Bond 5.5% 24/06/2025	HUF 340,230,000	1,084	0.52
Serbia Treasury Bonds 5.875% 08/02/2028	RSD 126,940,000	1,033	0.50
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 21,860,000	1,029	0.50
Turkey Government Bond 9.5% 01/12/2022	TRY 12,957,446	976	0.47
Peruvian Government Bond 6.9% 12/08/2037	PEN 3,613,000	910	0.44
Malaysia Government Bond 4.378% 29/11/2019	MYR 4,609,000	872	0.42
Malaysia Government Bond 4.254% 31/05/2035	MYR 4,809,000	856	0.41
Thailand Government Bond 3.775% 25/06/2032	THB 33,482,000	846	0.41
Czech Republic Government Bond 2% 13/10/2033	CZK 23,900,000	787	0.38
Thailand Government Bond 2.125% 17/12/2026	THB 34,721,000	786	0.38
Colombian TES 10% 24/07/2024	COP 2,529,800,000	757	0.36
Malaysia Government Bond 3.899% 16/11/2027	MYR 3,797,000	696	0.34
Colombian TES 7% 30/06/2032	COP 2,718,300,000	677	0.33
Turkey Government Bond 9.2% 22/09/2021	TRY 6,973,258	544	0.26
Russian Federal Bond 8.5% 17/09/2031	RUB 47,001,000	528	0.25
Brazilian Government International Bond 12.5% 05/01/2022	BRL 2,384,000	496	0.24
Uruguay Government International Bond 9.875% 20/06/2022	UYU 16,812,000	400	0.19
Malaysia Government Bond 3.9% 30/11/2026	MYR 2,157,000	399	0.19
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 8,200,000	387	0.19
Colombia Government International Bond 9.85% 28/06/2027	COP 1,110,000,000	350	0.17
Malaysia Government Bond 4.181% 15/07/2024	MYR 1,772,000	336	0.16
Uruguay Government International Bond 8.5% 15/03/2028	UYU 16,063,000	334	0.16
Malaysia Government Bond 3.58% 28/09/2018	MYR 1,718,000	322	0.16
Hungary Government Bond 3% 26/06/2024	HUF 109,140,000	305	0.15
Thailand Government Bond 5.5% 13/03/2023	THB 10,658,000	284	0.14
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2029	BRL 1,514,000	244	0.12
Malaysia Government Bond 3.659% 15/10/2020	MYR 1,058,000	198	0.10
Malaysia Government Bond 3.492% 31/03/2020	MYR 1,059,000	198	0.10
Bonos de la Tesorería de la República en pesos 4.7% 01/09/2030	CLP 170,000,000	192	0.09
Turkey Government Bond 11% 02/03/2022	TRY 2,365,096	176	0.08
Bonos de la Tesorería de la República en pesos 4% 01/03/2023	CLP 155,000,000	175	0.08
Malaysia Government Bond 3.759% 15/03/2019	MYR 822,000	154	0.07
Czech Republic Government Bond 2.5% 25/08/2028	CZK 3,570,000	129	0.06
Thailand Government Bond 3.58% 17/12/2027	THB 4,710,000	118	0.06
Indonesia Treasury Bond 9% 15/03/2029--	IDR 1,000,000	-	-
		<b>145,103</b>	<b>69.88</b>
<b>GOVERNMENT TREASURY BILLS 13.58% (28.02.18: 12.76%)</b>			
Egypt Treasury Bill 15/01/2019	EGP 144,625,000	5,813	2.80
Brazil Letras do Tesouro Nacional 01/07/2020	BRL 22,066,000	3,475	1.67
Brazil Letras do Tesouro Nacional 01/07/2021	BRL 23,000,000	3,230	1.56
Nigeria Treasury Bill 08/11/2018	NGN 1,310,694,000	2,726	1.31
Brazil Letras do Tesouro Nacional 01/01/2020	BRL 11,000,000	1,824	0.88
Argentina Letras del Banco Central 21/11/2018	ARS 101,339,535	1,786	0.86
Egypt Treasury Bill 07/10/2018	EGP 39,375,000	1,663	0.80
Brazil Letras do Tesouro Nacional 01/04/2020	BRL 1,000,000	1,617	0.78
Brazil Letras do Tesouro Nacional 01/10/2019	BRL 9,000,000	1,529	0.74
Brazil Letras do Tesouro Nacional 01/01/2022	BRL 10,000,000	1,317	0.63
Nigeria Treasury Bill 18/10/2018	NGN 596,569,000	1,250	0.60
Argentina Letras del Banco Central 17/10/2018	ARS 41,977,082	767	0.37
Egypt Treasury Bill 11/09/2018	EGP 17,200,000	737	0.36
Nigeria Treasury Bill 22/11/2018	NGN 113,815,000	236	0.11
Nigeria Treasury Bill 25/10/2018	NGN 111,393,000	233	0.11
		<b>28,203</b>	<b>13.58</b>



# Portfolio statement continued

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>DERIVATIVES – FUTURES (0.12)% (28.02.18: 0.23%)</b>			
South Korean Government Bond 10 Year Futures 18/09/2018	35	68	0.03
South Korean Government Bond 3 Year Futures 18/09/2018	109	66	0.03
United States Long Bond Futures 19/12/2018~	(4)	-	-
United States Treasury Note 5 Year Futures 31/12/2018~	(17)	-	-
United States Treasury Note 10 Year Futures 19/12/2018	(38)	(2)	-
Germany Euro-BUND Futures 06/12/2018	(16)	(5)	-
South African R207 Bond Futures 01/11/2018	404	(12)	(0.01)
South African R208 Bond Futures 01/11/2018	488	(21)	(0.01)
South African R2035 Bond Futures 01/11/2018	428	(50)	(0.02)
South African R186 Bond Futures 01/11/2018	531	(53)	(0.03)
South African R2037 Bond Futures 01/11/2018	883	(91)	(0.04)
South African R2030 Bond Futures 01/11/2018	1,149	(138)	(0.07)
		<b>(238)</b>	<b>(0.12)</b>
<b>DERIVATIVES – CURRENCY SWAPS (0.16)% (28.02.18: 0.02%)</b>			
Goldman Sachs Currency Swap TRY for USD 3.83% 28/11/2019	3,940,000	446	0.21
Goldman Sachs Currency Swap TRY for USD 3.83% 28/11/2019	(1,000,000)	(769)	(0.37)
		<b>(323)</b>	<b>(0.16)</b>
<b>DERIVATIVES – INTEREST RATE SWAPS 0.02% (28.02.18: (0.47%))</b>			
Citi Interest Rate Swap receive 6.418% 14/11/2022	562,007,164	171	0.08
Citi Interest Rate Swap receive 6.45% 16/11/2022	366,972,836	109	0.05
Citibank Interest Rate Swap pay 2.185% 23/07/2023	31,754,849	(3)	-
Goldman Sachs Interest Rate Swap pay 2.158% 20/06/2023	160,980,373	(18)	(0.01)
Goldman Sachs Interest Rate Swap pay 2.151% 21/06/2023	183,252,527	(19)	(0.01)
Citibank Interest Rate Swap pay 2.237% 01/08/2023	15,663,013	(33)	(0.01)
Goldman Sachs Interest Rate Swap pay 3.032% 03/03/2027	6,471,007	(37)	(0.02)
Goldman Sachs Interest Rate Swap pay 9.3685% 19/01/2046	14,090,000	(57)	(0.03)
Goldman Sachs Interest Rate Swap pay 9.32% 14/01/2046	16,600,000	(62)	(0.03)
		<b>51</b>	<b>0.02</b>
<b>DERIVATIVES – TOTAL RETURN SWAPS 4.57% (28.02.18: 6.26%)</b>			
Citibank – Indonesia Government Total Return Swap 10.5% 15/08/2030	47,231,000,000	2,892	1.39
Standard Chartered – Indonesia Government Total Return Swap 10% 15/02/2028	45,225,000,000	2,648	1.28
Standard Chartered – Indonesia Government Total Return Swap 9.5% 15/07/2031	27,544,000,000	1,575	0.76
Standard Chartered – Indonesia Government Total Return Swap 10.5% 15/08/2030	12,464,000,000	763	0.37
Citibank – Indonesia Government Total Return Swap 10.25% 15/07/2027	10,000,000,000	594	0.29
Citibank – Indonesia Government Total Return Swap 10.25% 15/07/2027	7,000,000,000	416	0.20
Citibank – Indonesia Government Total Return Swap 10.25% 15/07/2027	5,000,000,000	297	0.14
Citibank – Indonesia Government Total Return Swap 10% 15/02/2028	5,000,000,000	293	0.14
		<b>9,478</b>	<b>4.57</b>
<b>FORWARD FOREIGN EXCHANGE CONTRACTS (1.46)% (28.02.18: 1.51%)</b>			
<b>FORWARD CURRENCY CONTRACTS</b>			
Buy USD	711,863	for GBP	(530,000)
			<b>17</b>
<b>FORWARD CROSS CURRENCY CONTRACTS</b>			
Buy ARS	83,795,021	for USD	(2,801,140)
Buy BRL	96,395,705	for USD	(1,659)
Buy CLP	7,192,167,233	for USD	(514)
Buy CNH	105,390,000	for USD	(46)
Buy COP	22,024,383,743	for USD	(7,689,898)
Buy CZK	141,470,000	for EUR	(5,341,504)
Buy CZK	198,644,300	for USD	(8,784,377)
Buy EUR	5,135,065	for CZK	(132,310,000)
Buy EUR	2,851,979	for HUF	(931,310,000)
Buy EUR	8,164,992	for RON	(38,170,000)
Buy EUR	11,290,000	for USD	(13,218,795)
Buy GHS	13,620,000	for USD	(3)
Buy HUF	3,521,790,000	for EUR	(10,980,637)
Buy HUF	1,963,616,107	for USD	(7,199,897)
Buy IDR	44,742,672,823	for USD	(3,030,760)
Buy INR	498,500,000	for USD	(7,235,519)
Buy KZT	2,002,700,908	for USD	(5,863,566)
Buy MAD	10,511,301	for USD	(14)
Buy MXN	324,423,100	for USD	(15,697,187)
			<b>935</b>

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>FORWARD CROSS CURRENCY CONTRACTS (continued)</b>					
Buy MYR	16,430,000	for USD	(4,104,005)	(83)	(0.04)
Buy PEN	1,740,000	for USD	(530,892)	(4)	-
Buy PLN	20,832,458	for EUR	(4,843,947)	2	-
Buy PLN	56,061,400	for USD	(15,115,308)	90	0.04
Buy RON	33,200,000	for EUR	(7,066,138)	64	0.03
Buy RUB	314,954,644	for USD	(4,886,519)	(200)	(0.10)
Buy SGD	9,760,000	for USD	(7,336,415)	(162)	(0.08)
Buy THB	912,364,900	for USD	(28,315,365)	(331)	(0.16)
Buy TRY	132,142,257	for USD	(30,054,767)	(7,785)	(3.75)
Buy TWD	222,200,000	for USD	(7,291,761)	(39)	(0.02)
Buy UGX	12,001,350,000	for USD	(3,057,669)	94	0.05
Buy USD	25,544,111	for BRL	(97,935,860)	1,500	0.72
Buy USD	3,566,028	for CLP	(2,337,110,000)	97	0.05
Buy USD	3,815,434	for CNH	(24,516,500)	184	0.09
Buy USD	12,071,407	for COP	(35,746,448,343)	237	0.11
Buy USD	2,569,908	for CZK	(57,310,000)	(24)	(0.01)
Buy USD	5,435,785	for EUR	(4,740,000)	(78)	(0.04)
Buy USD	3,320,139	for GHS	(17,306,559)	(104)	(0.05)
Buy USD	4,686,926	for HUF	(1,292,400,000)	46	0.02
Buy USD	3,670,379	for IDR	(51,446,410,974)	184	0.09
Buy USD	6,397,682	for ILS	(23,396,556)	(111)	(0.05)
Buy USD	20,063,788	for INR	(1,385,720,000)	445	0.21
Buy USD	13,090,062	for KRW	(14,639,810,000)	(28)	(0.01)
Buy USD	1,085,528	for MAD	(10,511,301)	(12)	(0.01)
Buy USD	25,198,007	for MXN	(479,360,000)	175	0.08
Buy USD	1,310,066	for PEN	(4,296,360)	9	-
Buy USD	11,920,228	for PHP	(639,920,000)	(8)	-
Buy USD	924,226	for RON	(3,700,000)	(4)	-
Buy USD	1,779,024	for RUB	(112,541,611)	97	0.05
Buy USD	409,291	for SGD	(544,500)	9	-
Buy USD	8,556,818	for THB	(282,663,982)	(62)	(0.03)
Buy USD	27,316,339	for TRY	(129,432,106)	5,996	2.89
Buy USD	23,066,822	for TWD	(694,840,030)	327	0.16
Buy USD	5,701,015	for UGX	(22,310,950,000)	(162)	(0.08)
Buy USD	8,548,524	for ZAR	(118,545,742)	385	0.19
Buy ZAR	195,710,000	for USD	(14,668,152)	(1,064)	(0.51)
				<b>(3,053)</b>	<b>(1.47)</b>
Portfolio of investments <sup>^</sup>				196,961	94.85
Net other assets				10,685	5.15*
<b>Net assets</b>				<b>207,646</b>	<b>100.00</b>

<sup>^</sup> Including derivative liabilities.

<sup>†</sup> A related party to the Fund.

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

\* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

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

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

The value of collateral held in relation to swap contracts is £3,276,848 (28.02.18: £490,000).

# Portfolio statement continued

As at 31 August 2018

## Portfolio Analysis

ASSET	31.08.18		28.02.18	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	157,148	75.68	167,931	72.02
Collective Investment Schemes	5,678	2.74	5,499	2.36
Derivatives	8,968	4.31	14,073	6.04
Forward Foreign Exchange Contracts	(3,036)	(1.46)	3,503	1.51
Government Treasury Bills	28,203	13.58	29,744	12.76
Net other assets	10,685	5.15	12,374	5.31
<b>Net assets</b>	<b>207,646</b>	<b>100.00</b>	<b>233,124</b>	<b>100.00</b>

## Credit Breakdown\*

ASSET	31.08.18		28.02.18	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	3,882	1.87	2,277	0.98
AA	6,514	3.14	3,724	1.60
A	33,265	16.01	46,341	19.88
BBB	82,737	39.84	71,301	30.57
BB	26,662	12.85	40,973	17.57
B	4,088	1.97	3,315	1.42
<b>Total Bonds</b>	<b>157,148</b>	<b>75.68</b>	<b>167,931</b>	<b>72.02</b>

\*Bond ratings are Investec approximations.

# Global Dynamic Fund

## Portfolio statement

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>CAYMAN ISLANDS 3.04% (28.02.18: 3.29%)</b>			
CK Asset	1,531,500	8,386	1.62
WH	12,742,000	7,377	1.42
		<b>15,763</b>	<b>3.04</b>
<b>CHINA 1.65% (28.02.18: 0.00%)</b>			
Wuliangye Yibin	1,226,715	<b>8,516</b>	<b>1.65</b>
<b>FRANCE 4.48% (28.02.18: 5.81%)</b>			
Teleperformance	89,993	13,298	2.57
Vinci	133,343	9,894	1.91
		<b>23,192</b>	<b>4.48</b>
<b>GERMANY 0.00% (28.02.18: 1.85%)</b>			
<b>HONG KONG 2.13% (28.02.18: 4.01%)</b>			
AIA	1,662,000	<b>11,014</b>	<b>2.13</b>
<b>IRELAND 1.97% (28.02.18: 1.90%)</b>			
Accenture	78,537	<b>10,184</b>	<b>1.97</b>
<b>ITALY 1.67% (28.02.18: 0.00%)</b>			
UniCredit	765,942	<b>8,624</b>	<b>1.67</b>
<b>JAPAN 7.65% (28.02.18: 7.83%)</b>			
Fuji Electric	1,942,000	12,052	2.33
Suzuki Motor	201,100	10,086	1.95
Komatsu	413,900	9,079	1.75
SMC	32,600	8,364	1.62
		<b>39,581</b>	<b>7.65</b>
<b>MEXICO 3.43% (28.02.18: 3.62%)</b>			
Cemex ADR	1,773,125	9,735	1.88
Grupo Mexico	3,583,429	8,021	1.55
		<b>17,756</b>	<b>3.43</b>
<b>NETHERLANDS 0.00% (28.02.18: 1.97%)</b>			
<b>PUERTO RICO 2.27% (28.02.18: 2.23%)</b>			
Popular	303,793	<b>11,735</b>	<b>2.27</b>
<b>RUSSIA 1.00% (28.02.18: 2.45%)</b>			
Lukoil ADR	98,559	<b>5,193</b>	<b>1.00</b>
<b>SOUTH KOREA 1.72% (28.02.18: 1.96%)</b>			
POSCO	39,508	<b>8,897</b>	<b>1.72</b>
<b>SPAIN 2.52% (28.02.18: 1.97%)</b>			
Amadeus IT	180,986	<b>13,020</b>	<b>2.52</b>
<b>UNITED KINGDOM 5.60% (28.02.18: 7.86%)</b>			
Royal Dutch Shell	392,622	10,089	1.95
Rio Tinto	269,251	9,903	1.91
HSBC	1,332,800	8,989	1.74
		<b>28,981</b>	<b>5.60</b>
<b>UNITED STATES 59.98% (28.02.18: 51.58%)</b>			
Microsoft	155,292	13,367	2.58
Valero Energy	144,140	13,192	2.55
Worldpay Class 'A'	174,279	13,017	2.52
Thermo Fisher Scientific	67,656	12,443	2.41
VF	177,103	12,422	2.40
UnitedHealth	59,831	12,348	2.39
Mastercard	74,898	12,314	2.38
PayPal	172,599	12,222	2.36
Dun & Bradstreet	110,480	12,114	2.34
Alphabet Class 'A'	12,162	11,729	2.27
Bank of America	483,722	11,526	2.23

# Portfolio statement continued

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>UNITED STATES 59.98% (28.02.18: 51.58%) (continued)</b>			
NetApp	171,038	11,418	2.21
DXC Technology	162,801	11,348	2.19
Booking	7,385	11,040	2.13
United Rentals	89,946	10,837	2.09
Extended Stay America	679,858	10,706	2.07
Honeywell International	84,898	10,409	2.01
DaVita	203,279	10,394	2.01
DowDuPont	190,850	10,302	1.99
VMware	86,121	10,241	1.98
Citigroup	184,799	10,154	1.96
Wyndham Destinations	297,802	10,098	1.95
Unum	353,407	9,989	1.93
Las Vegas Sands	194,590	9,832	1.90
Foot Locker	250,204	9,386	1.81
Discover Financial Services	133,399	7,984	1.54
TopBuild	165,534	7,891	1.53
Comcast	189,570	5,347	1.03
Wyndham Hotels & Resorts	117,292	5,134	0.99
Perspecta	67,978	1,200	0.23
		<b>310,404</b>	<b>59.98</b>
Portfolio of investments		512,860	99.11
Net other assets		4,607	0.89
<b>Net assets</b>		<b>517,467</b>	<b>100.00</b>

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings. Stocks shown as ADRs represent American Depositary Receipts.

# Global Equity Fund

## Portfolio statement

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>AUSTRALIA 1.57% (28.02.18: 1.31%)</b>			
Santos	593,221	2,237	1.12
Evolution Mining	608,712	897	0.45
		<b>3,134</b>	<b>1.57</b>
<b>BRAZIL 0.46% (28.02.18: 0.40%)</b>			
TIM Participacoes ADR	52,665	594	0.30
Qualicorp	112,260	332	0.16
		<b>926</b>	<b>0.46</b>
<b>CANADA 0.45% (28.02.18: 1.31%)</b>			
Canadian Natural Resources	33,679	<b>904</b>	<b>0.45</b>
<b>CAYMAN ISLANDS 2.37% (28.02.18: 2.25%)</b>			
Tencent	63,600	2,117	1.06
WH	2,300,000	1,331	0.67
CK Asset	234,586	1,285	0.64
		<b>4,733</b>	<b>2.37</b>
<b>CHINA 2.20% (28.02.18: 4.09%)</b>			
Kweichow Moutai	24,530	1,813	0.91
Alibaba ADR	12,485	1,676	0.84
China Vanke	340,100	905	0.45
		<b>4,394</b>	<b>2.20</b>
<b>DENMARK 1.73% (28.02.18: 2.01%)</b>			
Novo Nordisk	52,811	2,010	1.01
Danske Bank	63,040	1,446	0.72
		<b>3,456</b>	<b>1.73</b>
<b>FRANCE 1.97% (28.02.18: 3.73%)</b>			
Arkema	21,458	2,072	1.03
Pernod Ricard	15,480	1,876	0.94
		<b>3,948</b>	<b>1.97</b>
<b>GERMANY 0.00% (28.02.18: 0.87%)</b>			
<b>HONG KONG 4.33% (28.02.18: 3.61%)</b>			
CNOOC	2,225,436	3,022	1.51
AIA	448,800	2,974	1.49
BOC Hong Kong	477,737	1,790	0.89
China Taiping Insurance	357,800	873	0.44
		<b>8,659</b>	<b>4.33</b>
<b>INDIA 1.74% (28.02.18: 0.71%)</b>			
Tech Mahindra	199,670	1,658	0.83
Infosys ADR	86,021	1,353	0.67
Infosys	30,436	475	0.24
		<b>3,486</b>	<b>1.74</b>
<b>ISRAEL 0.87% (28.02.18: 0.59%)</b>			
Nice ADR	19,713	<b>1,744</b>	<b>0.87</b>
<b>JAPAN 5.53% (28.02.18: 5.74%)</b>			
Asahi	94,700	3,295	1.65
Tokio Marine	59,100	2,148	1.07
Sumitomo Mitsui Financial	54,300	1,651	0.83
Nippon Telegraph & Telephone	45,300	1,555	0.78
Komatsu	65,100	1,428	0.71
Mitsubishi Electric	94,800	987	0.49
		<b>11,064</b>	<b>5.53</b>

# Portfolio statement continued

## As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>JERSEY 1.39% (28.02.18: 0.63%)</b>			
Glencore	462,807	1,479	0.74
Shire	28,801	1,294	0.65
		<b>2,773</b>	<b>1.39</b>
<b>NETHERLANDS 0.69% (28.02.18: 1.50%)</b>			
ASR Nederland	37,171	<b>1,373</b>	<b>0.69</b>
<b>NORWAY 0.00% (28.02.18: 0.48%)</b>			
<b>SINGAPORE 0.92% (28.02.18: 2.90%)</b>			
DBS	131,000	<b>1,834</b>	<b>0.92</b>
<b>SOUTH KOREA 1.83% (28.02.18: 1.30%)</b>			
Samsung Electronics	85,337	2,853	1.43
Shinhan Financial	26,589	799	0.40
		<b>3,652</b>	<b>1.83</b>
<b>SPAIN 3.63% (28.02.18: 4.03%)</b>			
Iberdrola	409,308	2,355	1.18
Repsol	141,103	2,095	1.05
Amadeus IT	25,977	1,869	0.93
Aena	6,929	942	0.47
		<b>7,261</b>	<b>3.63</b>
<b>SWITZERLAND 0.88% (28.02.18: 0.00%)</b>			
Swatch	5,383	<b>1,752</b>	<b>0.88</b>
<b>THAILAND 0.00% (28.02.18: 1.13%)</b>			
<b>UNITED KINGDOM 5.17% (28.02.18: 8.46%)</b>			
Royal Dutch Shell	96,894	2,490	1.25
British American Tobacco	53,879	2,027	1.01
Lloyds Banking	2,392,423	1,422	0.71
Normad Foods	72,328	1,152	0.58
Rio Tinto	31,148	1,146	0.57
Delphi Technologies	38,990	1,078	0.54
Imperial Brands	37,097	1,025	0.51
		<b>10,340</b>	<b>5.17</b>
<b>UNITED STATES 61.70% (28.02.18: 52.10%)</b>			
Microsoft	76,887	6,618	3.31
Alphabet	5,900	5,690	2.85
Apple	22,282	3,856	1.93
Bank of America	151,172	3,602	1.80
UnitedHealth	17,218	3,553	1.78
Amazon.com	2,192	3,375	1.69
Honeywell International	25,944	3,181	1.59
Johnson & Johnson	30,311	3,145	1.57
Citigroup	54,876	3,015	1.51
Goldman Sachs	16,032	2,951	1.48
Broadcom	17,432	2,903	1.45
NetApp	41,916	2,798	1.40
Thermo Fisher Scientific	14,990	2,757	1.38
Comcast	96,011	2,708	1.35
Norfolk Southern	18,761	2,513	1.26
VMware	19,997	2,378	1.19
PayPal	32,382	2,293	1.15
Booking	1,494	2,234	1.12
Merck	42,054	2,216	1.11
DowDuPont	39,754	2,146	1.07
PepsiCo	24,806	2,135	1.07
Delta Air Lines	47,476	2,134	1.07
Morgan Stanley	55,492	2,104	1.05
TransUnion	36,274	2,087	1.04
Eli Lilly	25,387	2,059	1.03
Marsh & McLennan	31,270	2,021	1.01
Chevron	21,781	2,006	1.00
Valero Energy	21,895	2,004	1.00
Aflac	50,894	1,820	0.91
Parker-Hannifin	13,106	1,764	0.88

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>UNITED STATES 61.70% (28.02.18: 52.10%) (continued)</b>			
Raytheon	11,015	1,687	0.84
Discover Financial Services	28,138	1,684	0.84
Cigna	11,480	1,675	0.84
Tiffany	17,657	1,671	0.84
Worldpay	22,334	1,668	0.83
Pfizer	51,836	1,654	0.83
Las Vegas Sands	32,480	1,641	0.82
CBS	39,707	1,618	0.81
American Financial	17,445	1,490	0.74
Mosaic	60,259	1,452	0.73
DXC Technology	20,727	1,445	0.72
Gaming and Leisure Properties*	51,689	1,425	0.71
AMC Networks	29,097	1,417	0.71
Hess	27,042	1,417	0.71
Unum	47,302	1,337	0.67
WestRock	31,242	1,334	0.67
Lam Research	9,652	1,280	0.64
Foot Locker	34,043	1,277	0.64
Hanesbrands	92,234	1,242	0.62
Fidelity National Financial	38,351	1,179	0.59
Alexion Pharmaceuticals	12,474	1,178	0.59
Radian	69,139	1,075	0.54
Lear	8,483	1,071	0.54
Generac	24,970	1,055	0.53
Planet Fitness	26,488	1,036	0.52
eBay	38,451	1,029	0.51
WESCO International	21,687	1,014	0.51
Wyndham Hotels & Resorts	18,348	803	0.40
Perspecta	44,987	794	0.40
Wyndham Destinations	18,348	622	0.31
		<b>123,336</b>	<b>61.70</b>
Portfolio of investments		198,769	99.43
Net other assets		1,144	0.57
<b>Net assets</b>		<b>199,913</b>	<b>100.00</b>

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

\* Real Estate Investment Trust (REIT).

Stocks shown as ADRs represent American Depositary Receipts.



# Global Gold Fund

## Portfolio statement

As at 31 August 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
<b>AUSTRALIA 13.24% (28.02.18: 16.11%)</b>			
Northern Star Resources	1,318,301	5,104	4.70
Resolute Mining	3,321,744	2,337	2.15
Evolution Mining	1,544,192	2,276	2.10
Regis Resources	910,688	2,117	1.95
Saracen Mineral	1,531,684	1,610	1.48
Dacian Gold	720,611	934	0.86
		<b>14,378</b>	<b>13.24</b>
<b>CANADA 62.07% (28.02.18: 46.53%)</b>			
Goldcorp	1,094,023	9,169	8.45
Franco-Nevada	175,374	8,829	8.13
Agnico Eagle Mines	305,876	8,180	7.54
OceanaGold	2,073,197	4,782	4.41
Kinross Gold	2,072,515	4,765	4.39
Kirkland Lake Gold	298,555	4,282	3.95
Yamana Gold	2,008,707	4,253	3.92
B2Gold	2,201,160	3,905	3.60
Barrick Gold	477,690	3,842	3.54
Pan American Silver	249,165	2,998	2.76
SEMAFO	1,520,159	2,805	2.58
SSR Mining	402,005	2,683	2.47
Centerra Gold	581,564	1,885	1.74
IAMGOLD	569,696	1,805	1.66
Detour Gold	160,648	1,012	0.93
Guyana Goldfields	445,623	933	0.86
TMAC Resources	189,577	533	0.49
MAG Silver	74,528	436	0.40
Alacer Gold	198,745	277	0.25
		<b>67,374</b>	<b>62.07</b>
<b>CAYMAN ISLANDS 4.54% (28.02.18: 3.20%)</b>			
Endeavour Mining	431,300	<b>4,926</b>	<b>4.54</b>
<b>IRELAND 0.00% (28.02.18: 5.94%)</b>			
<b>JERSEY 5.75% (28.02.18: 5.84%)</b>			
Randgold Resources	122,964	<b>6,239</b>	<b>5.75</b>
<b>SOUTH AFRICA 3.33% (28.02.18: 6.71%)</b>			
AngloGold Ashanti	476,519	2,930	2.70
Impala Platinum	735,718	686	0.63
		<b>3,616</b>	<b>3.33</b>
<b>UNITED KINGDOM 1.12% (28.02.18: 2.58%)</b>			
Acacia Mining	1,098,377	<b>1,214</b>	<b>1.12</b>
<b>UNITED STATES 8.88% (28.02.18: 11.88%)</b>			
Newmont Mining	403,912	<b>9,637</b>	<b>8.88</b>
Portfolio of investments		107,384	98.93
Net other assets		1,157	1.07
<b>Net assets</b>		<b>108,541</b>	<b>100.00</b>

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

# Authorised Corporate Director's Report

## **Authorised Corporate Director's report**

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

## **Authorised status**

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

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

The Company (and therefore the Funds) has been certified by the FCA as complying with the conditions necessary for it to enjoy rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities ("UCITS"). The Company has an unlimited duration.

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

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as shareholders are concerned, each Fund is treated as a separate entity.

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 2018 to 31 August 2018.

## **Changes during the accounting period**

### **Changes made following required notice:**

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

### **Other changes made**

The Prospectus was updated (on 6 April 2018) to include changes required in respect of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

## Authorised Corporate Director's Report continued

The Prospectus was updated on (31 May 2018) to:

- (a) include disclosure of the fact that the ACD acts as an authorised fund manager in relation to the IFML Vitality Funds;
- (b) reflect the increase of the Emerging Markets Local Currency Debt Fund's global expected level of leverage figure from 296% to 469%; and
- (c) include changes required in respect of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**K. McFarland**

Director of the ACD

25 October 2018

**D. Aird**

Director of the ACD

# Emerging Markets Local Currency Debt Fund

## Comparative Tables

As at 31 August 2018

### Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (Accumulation shares) <sup>(1)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	22,554	27,651	15,333	14,269	–	–	9,287	39,123
Closing number of shares	13,273,445	14,613,942	8,418,092	9,658,359	–	–	4,554,927	23,853,786
Closing net asset value per share (p)	169.92	189.21	182.14	147.74	–	–	203.89	164.01
Operating charges	1.64%	1.64%	1.66%	1.65%	–	1.64%	1.66%	1.65%

	'A' Class (USD Accumulation shares)				'A' Class (Income-2 shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (USD'000)/(£'000)	738	1,010	1,160	2,144	3,457	4,179	7,319	8,817
Closing number of shares	298,314	344,344	456,994	942,799	4,029,382	4,224,220	7,155,872	9,986,936
Closing net asset value per share (c)/(p)	247.50	293.34	253.80	227.37	85.80	98.93	102.29	88.28
Operating charges	1.64%	1.64%	1.66%	1.65%	1.64%	1.64%	1.66%	1.65%

	'A' Class (Income-2 shares) <sup>(1)</sup>				'I' Class (Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	–	–	2,853	2,729	65,522	63,462	30,240	37,244
Closing number of shares	–	–	2,772,246	3,072,598	66,284,263	57,872,754	28,864,888	44,102,779
Closing net asset value per share (p)	–	–	102.90	88.82	98.85	109.66	104.76	84.45
Operating charges	–	1.64%	1.66%	1.65%	0.89%	0.89%	0.91%	0.90%

	'I' Class (Accumulation shares) <sup>(1)</sup>				'I' Class (USD Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)/(USD'000)	–	–	33,411	100,627	115,810	145,231	187,721	216,580
Closing number of shares	–	–	15,457,144	58,293,661	43,600,384	46,307,549	69,702,598	90,456,221
Closing net asset value per share (p)/(c)	–	–	216.15	172.62	265.61	313.62	269.31	239.43
Operating charges	–	0.89%	0.91%	0.91%	0.89%	0.89%	0.91%	0.90%

	'I' Class (Income-2 shares)				'I' Class (Income-2 shares) <sup>(1)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	26,431	32,106	29,217	61,459	–	–	910	202
Closing number of shares	36,594,071	38,701,143	34,315,439	84,249,839	–	–	936,280	242,747
Closing net asset value per share (p)	72.23	82.96	85.14	72.95	–	–	97.20	83.28
Operating charges	0.89%	0.89%	0.91%	0.90%	–	0.89%	0.91%	0.91%

	'R' Class (Accumulation shares)				'R' Class (Income-2 shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	62	69	66	49	5	6	6	4
Closing number of shares	68,031	68,031	68,031	62,104	8,265	7,628	7,110	6,655
Closing net asset value per share (p)	91.75	101.92	97.63	78.85	65.72	75.58	77.73	66.75
Operating charges	1.14%	1.14%	1.16%	1.15%	1.14%	1.14%	1.16%	1.15%

	'S' Class (Accumulation shares) <sup>(2)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	–	–	22	107,532
Closing number of shares	–	–	10,572	65,658,179
Closing net asset value per share (p)	–	–	206.60	163.78
Operating charges	–	0.14%	0.16%	0.15%

(1) Closed 7 April 2017.

(2) Closed 31 August 2017.

# Global Dynamic Fund

## Comparative Tables

As at 31 August 2018

### Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)/(USD'000)	1,112	1,077	1,047	3,079	1,411	1,449	2,266	1,133
Closing number of shares	676,013	702,209	739,750	2,816,856	658,025	681,173	1,283,455	746,814
Closing net asset value per share (p)/(c)	164.52	153.37	141.56	109.30	214.46	212.78	176.52	151.74
Operating charges	1.59%	1.59%	1.61%	1.60%	1.59%	1.59%	1.61%	1.60%

	'B' Class (Accumulation shares) <sup>(1)</sup>				'I' Class (Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	–	–	–	157,398	142,485	135,379	298,712	185,088
Closing number of shares	–	–	–	144,886,366	51,075,150	52,253,946	125,847,304	101,750,915
Closing net asset value per share (p)	–	–	–	108.64	278.97	259.08	237.36	181.90
Operating charges	–	–	–	0.60%	0.84%	0.84%	0.86%	0.85%

	'I' Class (EUR Accumulation shares) <sup>(2)</sup>				'I' Class (GBP Hedged Accumulation shares) <sup>(3)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (EUR'000)/(£'000)	1	2,993	2,479	275	117,256	111,368	22	–
Closing number of shares	1,000	2,741,961	2,393,602	320,119	96,599,205	93,467,759	20,000	–
Closing net asset value per share (c)/(p)	115.59	109.14	103.56	86.06	121.38	119.15	102.64	–
Operating charges	0.84%	0.84%	0.86%	0.86%	0.89%	0.89%	0.89%	–

	'R' Class (Accumulation shares) <sup>(4)</sup>				'S' Class (Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	–	–	–	115	255,527	234,921	270,536	289,431
Closing number of shares	–	–	–	84,225	84,141,096	83,610,651	105,892,218	148,971,725
Closing net asset value per share (p)	–	–	–	136.86	303.69	280.97	255.48	194.29
Operating charges	–	–	–	1.10%	0.09%	0.09%	0.11%	0.10%

(1) Closed 17 November 2016.

(2) Launched 7 April 2015.

(3) Launched 31 January 2017.

(4) Closed 9 September 2016.

# Global Equity Fund

## Comparative Tables

As at 31 August 2018

### Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)/(USD'000)	4,621	4,666	4,529	3,378	4,158	6,462	5,880	6,222
Closing number of shares	2,788,021	2,993,856	3,127,639	3,049,176	1,928,853	2,995,449	3,264,610	4,054,391
Closing net asset value per share (p)/(c)	165.73	155.86	144.80	110.78	215.58	215.73	180.12	153.46
Operating charges	1.62%	1.62%	1.62%	1.63%	1.62%	1.62%	1.62%	1.63%

	'I' Class (Accumulation shares)				'I' Class (USD Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)/(USD'000)	173,503	183,141	178,918	148,954	169	510	351	30,759
Closing number of shares	7,318,419	8,246,940	8,737,453	9,578,730	115,570	349,425	289,828	30,062,980
Closing net asset value per share (p)/(c)	2,370.77	2,220.72	2,047.71	1,555.05	146.49	146.03	121.01	102.31
Operating charges	0.87%	0.87%	0.87%	0.88%	0.87%	0.87%	0.87%	0.88%

	'R' Class (Accumulation shares)				'S' Class (Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	118	110	65	50	18,345	14,007	113,019	111,781
Closing number of shares	58,150	58,150	37,293	37,293	9,732,127	7,962,761	70,206,924	92,124,557
Closing net asset value per share (p)	202.13	189.57	175.24	133.41	188.50	175.91	160.98	121.34
Operating charges	1.12%	1.12%	1.12%	1.13%	0.12%	0.12%	0.12%	0.13%

	'S' Class (Income shares) <sup>(1)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	–	–	960	4,027
Closing number of shares	–	–	686,394	3,753,537
Closing net asset value per share (p)	–	–	139.84	107.29
Operating charges	–	–	0.12%	0.13%

(1) Closed 31 August 2017.

# Global Gold Fund

## Comparative Tables

As at 31 August 2018

### Net Asset Value and Ongoing Charges Figure

	'A' Class (Accumulation shares)				'A' Class (USD Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)/(USD'000)	16,738	19,251	26,524	18,913	86	118	136	159
Closing number of shares	15,316,890	16,467,577	19,687,365	17,906,140	60,888	72,888	81,225	108,554
Closing net asset value per share (p)/(c)	109.28	116.90	134.72	105.62	142.00	161.69	167.47	146.21
Operating charges	1.64%	1.64%	1.72%	1.67%	1.64%	1.64%	1.72%	1.68%

	'I' Class (Accumulation shares)				'R' Class (Accumulation shares)			
	31.08.18	28.02.18	28.02.17	29.02.16	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	91,722	69,511	67,508	44,072	15	11	84	15
Closing number of shares	85,904,353	61,076,330	51,857,020	43,508,474	22,860	15,349	103,720	24,327
Closing net asset value per share (p)	106.77	113.81	130.18	101.29	66.19	70.62	80.98	63.18
Operating charges	0.89%	0.89%	0.97%	0.93%	1.14%	1.14%	1.22%	1.15%

	'S' Class (Accumulation shares) <sup>(1)</sup>			
	31.08.18	28.02.18	28.02.17	29.02.16
Closing net asset value (£'000)	-	-	-	31
Closing number of shares	-	-	-	28,633
Closing net asset value per share (p)	-	-	-	108.88
Operating charges	-	-	-	0.15%

(1) Closed on 30 January 2017.

# Notes to the Aggregated Financial Statements

For the period ended 31 August 2018

## 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 2018 and are described in those annual financial statements.

**K. McFarland**

Director of the ACD

25 October 2018

**D. Aird**

Director of the ACD



# Emerging Markets Local Currency Debt Fund

## Statement of Total Return

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital (losses)/gains		(29,063)		7,685
Revenue	7,591		10,087	
Expenses	(1,112)		(1,398)	
Interest payable and similar charges	(18)		(23)	
Net revenue before taxation	6,461		8,666	
Taxation	(221)		10	
Net revenue after taxation		6,240		8,676
<b>Total return before distributions</b>		<b>(22,823)</b>		<b>16,361</b>
Distributions		(6,406)		(8,883)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(29,229)</b>		<b>7,478</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>233,124</b>		<b>280,497</b>
Amounts receivable on creation of shares	21,162		58,124	
Amounts payable on cancellation of shares	(22,711)		(78,769)	
		(1,549)		(20,645)
Change in net assets attributable to shareholders from investment activities		(29,229)		7,478
Retained distributions on accumulation shares		5,300		7,305
Unclaimed distributions		-		11
<b>Closing net assets attributable to shareholders</b>		<b>207,646</b>		<b>274,646</b>

## Balance Sheet

As at 31 August 2018

	31.08.18		28.02.18	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investments assets		212,570		228,902
Current assets				
Debtors	3,055		6,855	
Cash and bank balances	15,206		9,573	
Total other assets		18,261		16,428
<b>Total assets</b>		<b>230,831</b>		<b>245,330</b>
<b>LIABILITIES</b>				
Investment liabilities		15,609		8,152
Creditors				
Bank overdrafts	3,244		2,927	
Distribution payable	503		687	
Other creditors	3,829		440	
Total other liabilities		7,576		4,054
<b>Total liabilities</b>		<b>23,185</b>		<b>12,206</b>
<b>Net assets attributable to shareholders</b>		<b>207,646</b>		<b>233,124</b>

## Distribution Tables

For the period ended 31 August 2018

### Interim distribution paid 31 July 2018

Group 1 – Shares purchased before 1 March 2018

Group 2 – Shares purchased between 1 March and 31 May 2018

	Net Income pence	Equalisation pence	Distribution paid 31.07.18 pence	Distribution paid 31.07.17 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.4959	–	2.4959	2.3466
Group 2	1.4109	1.0850	2.4959	2.3466
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.7085	–	1.7085	1.7471
Group 2	0.5477	1.1608	1.7085	1.7471
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.6510	–	1.6510	1.5495
Group 2	0.9032	0.7478	1.6510	1.5495
<b>'I' Class (Income-2 shares)</b>				
Group 1	1.4342	–	1.4342	1.4559
Group 2	0.6384	0.7958	1.4342	1.4559
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.4707	–	1.4707	1.3785
Group 2	1.4707	–	1.4707	1.3785
<b>'R' Class (Income-2 shares)</b>				
Group 1	1.3185	–	1.3185	1.3440
Group 2	0.5138	0.8047	1.3185	1.3440
<b>'S' Class (Accumulation shares)(1)</b>				
Group 1	0.0000	–	0.0000	3.4482
Group 2	0.0000	0.0000	0.0000	3.4482
	Net Income US cent	Equalisation US cent	Distribution paid 31.07.18 US cent	Distribution paid 31.07.17 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	3.7251	–	3.7251	3.3607
Group 2	3.7251	0.0000	3.7251	3.3607
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	4.5460	–	4.5460	4.1036
Group 2	3.3513	1.1947	4.5460	4.1036

# Emerging Markets Local Currency Debt Fund

## Distribution Tables

For the period ended 31 August 2018

### Interim distribution payable 31 October 2018

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June and 31 August 2018

	Net Income pence	Equalisation pence	Distribution payable 31.10.18 pence	Distribution paid 31.10.17 pence
<b>'A' Class (Accumulation shares)</b>				
Group 1	2.0715	–	2.0715	2.7687
Group 2	0.7774	1.2941	2.0715	2.7687
<b>'A' Class (Income-2 shares)</b>				
Group 1	1.4456	–	1.4456	1.9487
Group 2	0.3664	1.0792	1.4456	1.9487
<b>'I' Class (Accumulation shares)</b>				
Group 1	1.4017	–	1.4017	1.7987
Group 2	0.4333	0.9684	1.4017	1.7987
<b>'I' Class (Income-2 shares)</b>				
Group 1	1.2152	–	1.2152	1.6265
Group 2	0.5617	0.6535	1.2152	1.6265
<b>'R' Class (Accumulation shares)</b>				
Group 1	1.2397	–	1.2397	1.6109
Group 2	1.2397	–	1.2397	1.6109
<b>'R' Class (Income-2 shares)</b>				
Group 1	1.1098	–	1.1098	1.4919
Group 2	0.2823	0.8275	1.1098	1.4919

	Net Income US cent	Equalisation US cent	Distribution payable 31.10.18 US cent	Distribution paid 31.10.17 US cent
<b>'A' Class (USD Accumulation shares)</b>				
Group 1	3.0176	–	3.0176	3.9886
Group 2	2.7777	0.2399	3.0176	3.9886
<b>'I' Class (USD Accumulation shares)</b>				
Group 1	3.7629	–	3.7629	4.7879
Group 2	0.3654	3.3975	3.7629	4.7879

(1) Closed 31 August 2017.

## 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 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains		27,111		30,195
Revenue	6,343		7,586	
Expenses	(1,223)		(1,358)	
Interest payable and similar charges	(3)		(1)	
Net revenue before taxation	5,117		6,227	
Taxation	(514)		(766)	
Net revenue after taxation		4,603		5,461
<b>Total return before distribution</b>		<b>31,714</b>		<b>35,656</b>
Distribution		(9)		(303)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>31,705</b>		<b>35,353</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>486,434</b>		<b>574,249</b>
Amounts receivable on creation of shares	7,145		60,686	
Amounts payable on cancellation of shares	(7,817)		(139,027)	
		(672)		(78,341)
Change in net assets attributable to shareholders from investment activities		31,705		35,353
<b>Closing net assets attributable to shareholders</b>		<b>517,467</b>		<b>531,261</b>

## Balance Sheet

As at 31 August 2018

	31.08.18		28.02.18	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investments assets		512,860		478,309
Current assets				
Debtors	2,432		506	
Cash and bank balances	5,751		8,267	
Total other assets		8,183		8,773
<b>Total assets</b>		<b>521,043</b>		<b>487,082</b>
<b>LIABILITIES</b>				
Creditors				
Bank overdrafts	2,489		–	
Other creditors	1,087		648	
<b>Total liabilities</b>		<b>3,576</b>		<b>648</b>
<b>Net assets attributable to shareholders</b>		<b>517,467</b>		<b>486,434</b>

# Global Equity Fund

## Statement of Total Return

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains		10,850		13,489
Revenue	2,734		4,533	
Expenses	(798)		(907)	
Interest payable and similar charges	(2)		–	
Net revenue before taxation	1,934		3,626	
Taxation	(241)		(402)	
Net revenue after taxation		1,693		3,224
<b>Total return before distribution</b>		<b>12,543</b>		<b>16,713</b>
Distribution		(15)		(169)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>12,528</b>		<b>16,544</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>206,962</b>		<b>302,499</b>
Amounts receivable on creation of shares	4,728		2,706	
Amounts payable on cancellation of shares	(24,305)		(25,435)	
		(19,577)		(22,729)
Change in net assets attributable to shareholders from investment activities		12,528		16,544
<b>Closing net assets attributable to shareholders</b>		<b>199,913</b>		<b>296,314</b>

## Balance Sheet

As at 31 August 2018

	31.08.18		28.02.18	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investments assets		198,769		205,200
Current assets				
Debtors	731		2,200	
Cash and bank balances	750		403	
Total other assets		1,481		2,603
<b>Total assets</b>		<b>200,250</b>		<b>207,803</b>
<b>LIABILITIES</b>				
Creditors				
Other creditors	337		841	
<b>Total liabilities</b>		<b>337</b>		<b>841</b>
<b>Net assets attributable to shareholders</b>		<b>199,913</b>		<b>206,962</b>

# Global Gold Fund

## Statement of Total Return

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital (losses)/gains		(8,223)		3,175
Revenue	440		474	
Expenses	(488)		(473)	
Interest payable and similar charges	(1)		–	
Net (expense)/revenue before taxation	(49)		1	
Taxation	(41)		(27)	
Net expense after taxation		(90)		(26)
<b>Total return before distribution</b>		<b>(8,313)</b>		<b>3,149</b>
Distribution		3		–
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,310)</b>		<b>3,149</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the period ended 31 August 2018

	31.08.18		31.08.17	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>88,858</b>		<b>94,225</b>
Amounts receivable on creation of shares	39,862		22,471	
Amounts payable on cancellation of shares	(11,905)		(18,023)	
		27,957		4,448
Dilution adjustment		36		28
Change in net assets attributable to shareholders from investment activities		(8,310)		3,149
<b>Closing net assets attributable to shareholders</b>		<b>108,541</b>		<b>101,850</b>

## Balance Sheet

As at 31 August 2018

	31.08.18		28.02.18	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investments assets		107,384		87,786
Current assets				
Debtors	1,737		1,622	
Cash and bank balances	907		563	
Total other assets		2,644		2,185
<b>Total assets</b>		<b>110,028</b>		<b>89,971</b>
<b>LIABILITIES</b>				
Creditors				
Other creditors	1,487		1,113	
<b>Total liabilities</b>		<b>1,487</b>		<b>1,113</b>
<b>Net assets attributable to shareholders</b>		<b>108,541</b>		<b>88,858</b>

# Securities Financing Transactions ('SFTs') (Unaudited)

As at 31 August 2018

## GLOBAL DATA

Assets engaged in SFTs and total return swaps	Fund assets under management (AUM) £'000	
Emerging Markets Local Currency Debt Fund	207,646	
Absolute value of assets engaged in total return swaps:	Underlying exposure value £'000	% of net assets
Emerging Markets Local Currency Debt Fund	9,478	4.57%

## CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
<b>Emerging Markets Local Currency Debt Fund</b>			
Citibank	UK	4,492	Bi-lateral
Standard Chartered	Singapore	4,986	Bi-lateral

## AGGREGATE TRANSACTION DATA

### Type, Quality and Currency of Collateral

Type	Quality	Currencies
------	---------	------------

#### Total return swaps

##### Emerging Markets Local Currency Debt Fund

The Sub-Fund entered into fully funded Total return swap contracts and as such did not receive any collateral as at period end

### Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
<b>Emerging Markets Local Currency Debt Fund</b>								
Total return swaps	-	-	-	-	-	9,478	-	9,478

## RETURN AND COST

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
<b>Emerging Markets Local Currency Debt Fund</b>				
<b>Total return swaps</b>				
Gross return		448	-	448
% of total gross return		100.00%	-	
Cost		-	-	-

---

## 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.

Investec 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 2018 and will be distributed to shareholders, where applicable, on 31 October 2018. For accumulations shares income distribution payments are deemed to be paid on 31 October 2018.

### 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 Investec Funds Series iii as at 31 August 2018.



# Glossary (Unaudited)

## Active management

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

## Asset allocation

A fund's allotment to different asset classes.

## Asset class

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

## Bear market

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

## Benchmark

A comparative performance index.

## Bond

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

## Bottom-up investing

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

## Bull market

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

## Cash

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

## Central bank base rate

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

## Commodities

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

## Credit rating agency

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

## Credit risk

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

## Credit spread

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

## Currency risk

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

## Deflation

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

## Derivatives

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

## Developed markets

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

## Disinflation

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

## Diversification

Holding a range of assets to reduce risk.

## Dividend

The portion of company net profits paid out to shareholders.

**Dividend yield**

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

**Duration**

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

**Emerging markets**

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

**Emerging market debt**

Debt issued by governments and corporates in emerging markets.

**Equity**

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

**Fixed Income**

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

**Future**

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

**Gilt**

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

**Hedging**

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

**High yield bond**

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

**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.

## Glossary (Unaudited) continued

### **Maturity**

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

### **Outperformance**

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

### **Overweight**

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

### **Peer group**

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

### **Performance**

The results of an investment over a given period.

### **Portfolio**

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

### **Rally**

A swift rise.

### **Real estate**

An asset class comprising buildings and land.

### **Risk premium**

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

### **Security**

A general term for a tradable financial instrument.

### **Short-term investment**

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

### **Standard deviation**

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

### **Top-down investing**

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

### **Treasuries**

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

### **Underweight**

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

### **Volatility**

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

### **Year-to-date (YTD)**

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

### **Yield**

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

### **Yield curve**

A graphical representation 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.

# Directory (Unaudited)

## Authorised Corporate Director (ACD)

### Investec Fund Managers Limited

Contact address PO Box 9042, Chelmsford CM99 2XL  
Telephone +44 (0)20 7597 1900  
Free phone 0800 389 2299  
Email enquiries@investecmail.com  
Indicator online valuation service  
www.investecassetmanagement.com

Registered address Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA

## Investment Manager

### Investec Asset Management Limited

Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA

## Registered number for Investec Funds Series iii

IC13 England and Wales

## Registrar

### DST Financial Services Europe Limited

DST House  
St. Nicholas Lane  
Basildon  
Essex SS15 5FS

## Depository

### State Street Trustees Limited

20 Churchill Place  
London E14 5HJ

## Fund Accounting

### State Street Bank and Trust Company Limited

20 Churchill Place  
London E14 5HJ

## Independent Auditors

### KPMG LLP

15 Canada Square  
Canary Wharf  
London E14 5GL

Issued by Investec Fund Managers Limited, October 2018.  
Authorised and regulated by the Financial Conduct Authority.

