



Ninety One Registration Document

January 2020

This document comprises a registration document relating to Ninety One plc (“**Ninety One plc**”) and has been prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “**FCA**”) made under section 73A of the Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”). This document has been filed with, and approved by, the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This document has been approved as a registration document by the FCA, as competent authority under Regulation (EU) 2017/1129. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; such approval should not be considered as an endorsement of the Companies that are the subject of this document.

Ninety One plc and its directors, whose names appear on page 27 of this document (the “**Ninety One plc Directors**”), accept responsibility for the information contained in this document. To the best of the knowledge of the Ninety One plc Directors and Ninety One plc, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

This document should be read in its entirety. See Part I: “*Risk Factors*” for a discussion of certain risks and other factors relating to Ninety One plc and Ninety One Limited (together, the “**Companies**”) and the Group.

LR 2.2.10(2)(a)
A1.1.5



Ninety One plc

(previously **Investec Asset Management UK Group plc**)
(incorporated under the Companies Act 2006 and registered in
England and Wales with registered number 12245293)



Ninety One Limited

(previously **Investec Asset Management SA Group Limited**)
(incorporated and registered in the Republic of South Africa with
registration number 2019/526481/06)

A1.4.1
A1.4.2

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Dated 31 January 2020.

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RISK FACTORS

The risk factors described below are not an exhaustive list or explanation of all risks relating to the Group and should be used as guidance only. Additional risks and uncertainties relating to the Companies that are not currently known to the directors, or that they currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Companies' business, prospects, results of operations and/or financial condition.

This document contains "forward-looking" statements that involve risks and uncertainties. The actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this document. See Part II: "Presentation of Information on the Group – Information regarding forward-looking statements".

Risks Relating to the Macro-economic Environment in which the Group Operates

The Group is subject to risks arising from general macro-economic conditions in South Africa, the United Kingdom and globally.

The Group is subject to risks arising from a variety of factors that affect general macro-economic conditions in the countries in which it operates, in particular South Africa and the United Kingdom, as well as global economic conditions in other significant markets, such as the United States. Economic conditions in the countries in which the Group operates have been negatively impacted by a number of global macro-economic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, global trade concerns, a weakening of the Chinese economy, uncertainty regarding growth of the US economy, protectionist trends in global markets (for example, trade disputes between China and the United States) and significant volatility in global commodity prices such as crude oil. Similarly, factors such as rapid rises and falls in currency exchange rates, changes in inflation expectations, levels of investment capital, long-term low, negative or increasing interest rates and bond yields, and investor sentiment generally have in the past and may in the future adversely affect the economic performance of the primary markets in which the Group operates. Furthermore, the Group is subject to the risk of volatility or deterioration in economic conditions in countries in which it does not have operations, given linkages across the global economy and financial markets.

South Africa is a core market for the Group, representing 31 per cent. of the Group's assets under management as at 30 September 2019. South Africa's domestic economic outlook has deteriorated significantly in recent years amid low commodity prices, heightened financial market volatility, diminished consumer and business confidence and weak investment, severe drought, severe strike action, electricity supply constraints, political uncertainty and concern over governance and debt levels of state-owned entities. South Africa's real GDP growth rate has decreased from 3.3 per cent. in 2011 to 0.8 per cent. in 2018 and it remained volatile in the first half of 2019. Although the South African government has announced its intention to pursue a series of economic and fiscal reform initiatives, there can be no assurance that such initiatives will achieve or maintain the necessary political support in the short or long term, or if sufficient fiscal resources will be provided given the challenging fiscal environment. In addition, there has been substantial political and media scrutiny regarding corruption in the South African government (both at a national and local level) and with respect to key state-owned entities. Improving economic and fiscal conditions and fighting corruption have been key policy platforms of the current president, and a failure to adequately address these issues could have a negative impact on South Africa's economic growth as well as investor confidence. It is not certain what, if any, political, economic or social impacts the current government will have on economic or market conditions in South Africa, and there can be no assurance that measures to rebuild confidence and to return public finances to a sustainable path will be maintained or successful.

The Group's other core market is the United Kingdom, which represented 20 per cent. of the Group's assets under management as at 30 September 2019. Since a significant portion of the Group's revenue is derived from clients based in the United Kingdom, it is also particularly exposed to the condition of the United Kingdom economy, including matters that impact investor sentiment and corporate profitability. While economic indicators in the United Kingdom have stabilised in recent years, the United Kingdom economy has been characterised by extended periods of modest GDP growth and uncertainty following the vote in June 2016 to leave the European Union, as further described below, as well as market declines and strained political conditions in recent years. Economic and political conditions in the United Kingdom will likely continue to be affected by these factors, and significant changes in government policies, legislation or regulatory interpretation applicable to the Group or the

industries in which its clients operate, whether due to a change of government or otherwise, could have a material adverse effect on the Group.

Although the Group undertakes the majority of its operations in the United Kingdom and South Africa, it also has a material presence in a number of other markets. These operations expose the Group to additional risks, including in relation to local political, economic, regulatory and business challenges that may affect the demand for the Group's products and services, its reputation or the amount of the Group's assets under management in those markets.

Any further adverse economic developments in the countries in which the Group operates or, more generally, in the global economy could have a material adverse effect on its business, operating results, financial condition and prospects.

The Group's assets under management and, as a result, its profitability are exposed to volatility in global financial markets and to other adverse financial, economic, political and market factors that affect investor sentiment.

The Group earns fixed fees levied as a percentage of assets under management, as well as variable performance fees. Accordingly, its operating results are influenced by fluctuations in the market value of assets under management and the amounts of assets invested by its clients.

As at 30 September 2019, the Group had dedicated equity mandates that comprised 45 per cent. of its total assets under management and further equity exposure through its multi-asset mandates. Therefore, its fee income is vulnerable to fluctuations in equity markets, since a reduction in the value of equities would contribute to a reduction in the value of assets under management and, therefore, a reduction in fee income. In the recent past, a combination of stable growth and accommodative monetary policies supported extended periods of low volatility across financial markets. However, as the Federal Reserve and the European Central Bank began in 2018 to normalise monetary policy by gradually increasing interest rates and discontinuing accommodative monetary policies, the Federal Reserve has reduced the target range for the federal funds rate three times in 2019 and global equities markets have been significantly more volatile and the world's leading equity markets, as well as the emerging markets in which the Group operates, experienced significant declines in 2018. Although the majority of the investment mandates for the Group's clients are based on a long-term approach to investment through market cycles, significant volatility in securities markets may result in equities and equity funds becoming less attractive investments for the Group's clients.

As at 30 September 2019, approximately 57 per cent. of the Group's total assets under management were invested in emerging markets. Investing in emerging markets carries particular risks, including in relation to volatile domestic, political or economic conditions, as well as vulnerabilities to external shocks, from regional trading partners to more general contagion effects affecting emerging market economies globally and exchange rate fluctuations. As a result, securities markets in emerging economies have historically experienced periods of higher volatility than in more established markets. The Group's fee income from these investments can be particularly volatile from period to period, whether due to changes in the value of assets under management or investor decisions to reduce exposure to these markets during downturns.

A deterioration or significant volatility in equity or other securities markets may, therefore, make it harder for the Group to attract new clients and/or could potentially result in clients withdrawing a portion or all of the assets in their portfolios, the occurrence of any of which could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The Group may be negatively impacted by the UK's withdrawal from the European Union.

In March 2017, the United Kingdom gave notice of its intention to leave the EU under Article 50 of the Treaty on European Union. In October 2019, a withdrawal agreement (the "Withdrawal Agreement") setting out the terms of the United Kingdom's exit from the European Union, and a political declaration on the framework for the future relationship between the United Kingdom and European Union was agreed between the UK and EU governments. The Withdrawal Agreement, which became effective on 31 January 2020 includes the terms of a transition or "standstill" period until 31 December 2020, during which time the United Kingdom and European Union will continue to negotiate the terms of a trading arrangement which will apply following the standstill period when the United Kingdom will have formally withdrawn from the European Union but will still be treated for most purposes as an EU member state.

In July 2019, Boris Johnson became prime minister of the United Kingdom, and following a general election held on 12 December 2019, the Conservative and Unionist Party, of which he is the leader, won a substantial majority in the UK parliament. While the UK government has stated that it will negotiate the terms of a future trading arrangement with the European Union, there is no guarantee that the terms of such arrangement will be ratified by the UK government or the European Union prior to the end of the standstill period.

The withdrawal of the United Kingdom from the European Union (and uncertainty with regards to its future trading arrangements with the EU) continues to create significant political, social, and macro-economic uncertainty. For example, the GDP of the United Kingdom decreased by 0.2 per cent. in the second quarter of 2019, the first contraction of the UK economy since 2012, and remained relatively flat for the second half of the year. In addition, if the standstill period ends with no trading arrangement in place, the result may be significant macro-economic deterioration, including, but not limited to, decreases in global stock exchange indices, trade wars, increased foreign exchange volatility (in particular a further weakening of the pounds sterling and the Euro against other leading currencies), and further decreases to the GDP in the UK or other markets in which the Group operates.

In addition, the Group's regulatory environment is subject to change as a result of the United Kingdom's exit from the EU, including as a result of any regulatory divergence between the United Kingdom and the EU. These include regulations related to financial institutions, tax and mobility of personnel. If any such changes differ significantly from those anticipated by the Group, in particular if they are implemented over a short period of time, the Group's contingency planning may not be adequate to prevent intermittent disruptions to its operations. If any prolonged disruption were to occur, it may in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Any of the foregoing could have a negative impact on the Group's financial condition and/or results of operations.

Exchange control regulations in South Africa may have a negative impact on the Group's business.

South African exchange control regulations provide for a common monetary area ("CMA") consisting of South Africa, Namibia, Lesotho and Swaziland. Transactions between South African residents and non-CMA residents are subject to South African exchange control regulations. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. South African residents, including companies, are generally not permitted to export capital from the CMA or to hold foreign currency for longer than specified periods without the approval of the Financial Surveillance Department of the South African Reserve Bank, and restrictions are imposed on their foreign investments. The Group's South African and Namibian businesses will continue to be bound by such restrictions.

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African government may further relax such exchange controls cannot be predicted with certainty, although the South African government has committed itself to a gradual approach of relaxation. Relaxation or abolition of exchange controls may change the capital flows to and from South Africa. If changes to exchange controls result in large capital outflows, the Group's South African and Namibian business could be adversely affected, which could, in turn, have a material adverse effect on the Group's business, operating results, financial condition and prospects.

Fluctuations in exchange rates could have an adverse impact on the Group's operating results.

The Group's reporting currency is pounds sterling. The operating results and the financial position of each Group company are reported in the local currencies of the countries in which they are domiciled, including pounds sterling, Rand and US dollars. These results are then translated, as relevant, into pounds sterling at the applicable foreign currency exchange rates for inclusion in the Group's consolidated financial statements. In the case of the statement of comprehensive income, the weighted average rate for the relevant period is applied and, in the case of the statement of financial position, the relevant closing rate is used. To the extent that any of these currencies depreciate against pounds sterling, it will negatively impact the Group's reported profitability for the period. This impact might be material during periods when depreciation in one or more local currencies relative to the pounds sterling is significant. For example, in late 2019, the pounds sterling appreciated materially, which could affect the Group's reported profitability for the year ending 30 March 2020.

The Group is also exposed to risks related to mismatches between the currencies in which it incurs expenses and those in which it receives fee revenues in a given period. For example, the Group earns significant fee revenue in US dollars from operations in countries outside the United States, where expenses are incurred in the local currency. Therefore, the Group could be exposed to foreign exchange losses that could adversely affect its operating results.

Risks relating to the Group's business

The asset management industry in which the Group operates is intensely competitive and highly regulated.

The investment solutions and asset management markets in the United Kingdom, South Africa and internationally are competitive, and the Group expects such competition to intensify in response to competitor behaviour, consumer preferences, technological changes, the impact of consolidation, regulatory actions and other factors. The Group faces the risk that advisers and clients do not prefer the Group's service offerings to those of competitors, or that preferences change significantly away from its services, either of which could reduce the Group's client base or assets under management.

The Group's principal competitors are pure asset management firms that operate internationally and domestically in its chosen markets, including the United Kingdom and South Africa. The factors affecting the Group's ability to sell its products and services and achieve continued profitability include investment management performance, financial strength and ratings, range of product lines and product and service quality, choice of distributor and distribution method, client perception of the Group's offering, brand strength, innovation of competitors, developing demographic trends and client appetite for certain investment products.

Furthermore, the asset management industry has experienced periods of significant consolidation as numerous asset management firms have either been acquired by other financial services firms or ceased operations. This has resulted in the Group having to compete with larger and potentially better capitalised firms offering more comprehensive suites of products and services. If the Group's clients and potential clients decide to use the services of its competitors, this could result in a slowdown in the growth in the Group's assets or result in net client outflows. Any of the foregoing factors could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The imposition of new regulation in the asset management industry may force the Companies to modify its business and operating model, causing them to incur additional costs. This could result in adverse financial effects for the Companies.

The Group views technology as a key business enabler and, therefore, continues to invest in this area. However, there is the risk that the Companies may invest in technologies that are unable to match those of competitors, or may be unable to keep pace with industry change that may arise as a result of alternative intelligence developments, industry disruptors or otherwise.

Poor investment performance relative to competitors and applicable benchmarks or a deterioration in the Group's services could lead to a loss of assets under management and a decline in operating profit.

Investment performance is an important factor for the maintenance and growth of the Group's assets under management. If the Group were to experience poor investment performance over a prolonged period, affected clients (or clients generally) might decide to reduce their investments or withdraw funds altogether in favour of better-performing services or competing investment managers, which would lead to a direct reduction in the level of the Group's assets under management and, as a result, lower fee income. Furthermore, during a period of significant poor investment performance, the Group's reputation and brand, which have in part been built around its strong investment performance, may deteriorate. As a result, its ability to attract funds from existing and new clients might diminish, particularly given the competitive nature of the asset management market. A limited portion of the Group's revenues relates to performance fees, which could also decline during a period of poor investment performance.

In addition to the Group's investment performance, its relationships with clients are important to the maintenance and growth of its assets under management. The Group's investment managers are central to these relationships and play a key role in enabling the Group to earn the long-term trust of its client base. However, client complaints regarding dissatisfaction with the services they receive from their investment managers or the Group generally, including in relation to general administration of their investments, could ultimately lead to the withdrawal of client investments and a reduction in the Group's assets under management.

The occurrence of any of the foregoing could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The Group's clients may withdraw their assets under management at short or with no notice.

The Group's arrangements with its clients are generally terminable without cause and at short or no notice. Additionally, under most client contracts, clients may withdraw significant amounts of assets quickly or entirely prior to any such termination. Clients may decide to withdraw a portion or all of the assets managed by the Group, for various reasons, including crystallisation of any of the other risks described in this Part I. In particular, if interest rates rise or stock markets decline in a rapid and/or unexpected manner, or the Group's investment performance underperforms significantly during periods of volatility, the pace of withdrawals could accelerate. A reduction in the value of assets under management would adversely affect the Group's fee income and operating profit. Significant withdrawals of assets under management could have a material adverse effect on the Group's fee income, as well as its business, operating results, financial condition and prospects.

The asset classes or investment strategies underlying the portfolios managed by the Group may become less attractive to clients or their advisers.

The Group is reliant on its ability to offer products, exposed to a number of asset classes, that meet clients' needs. If these asset classes or investment strategies were to become unsuitable for clients or if there were to be a further significant shift towards investors investing through competing products, such as passive or index-based investment products, or investment vehicles representing asset classes that the Group does not offer, there may be reduced sales or increased redemptions from the Group's services.

In addition, an adviser may make judgements as to investment products and services on the basis of suitability for its clients by considering, among other things, its clients' tolerance for risk and the prospects for future investment returns in light of the product offering, the Group's past investment performance, perceived financial strength and stability, credit and other ratings (if applicable), the quality of the service, price and technical support provided by the Group, and other product features. There can be no assurance that advisers that currently recommend the Group's products or services will continue to do so or that additional advisers will recommend them in the future.

These developments could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

New products and services introduced by the Group may not achieve acceptance in the market.

The Group depends on its ability to develop new products and services that achieve sufficient levels of acceptance in the market to challenge its competitors. There can be no assurance that it will be able to develop new products or services that will appeal to clients in its Institutional or Advisor distribution channels, or any new channel, or that its competitors will not introduce more successful products or services or successfully copy the products and services introduced by the Group. New product and service launches involve a significant investment by the Group and future initiatives may also require substantial expenditures and commitment of human resources. If the products and services introduced by the Group do not achieve the anticipated level of acceptance, or it is unsuccessful in any new distribution channel, the Group could lose clients or be required to incur substantial costs in order to maintain its client base. Additionally, if the processes to design, develop and launch new products and services are inadequate, it may result in the Group investing development resources inappropriately, launching products or services that are incapable of achieving their stated goals, or failing to achieve its business objectives. The inability to effectively develop and successfully launch new products and services could have a material adverse effect on its business, operating results, financial condition and prospects.

Changes within and in distribution channels, in particular in relation to institutional investment consultants or financial advisers, may have a material adverse effect on the Group's business.

The Group provides investment management services to a range of private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations, central banks, large retail groups, wealth managers, private banks and intermediaries serving individual investors through its core Institutional and Advisor distribution channels. As a result, changes to how its clients procure investment management services, or an inability on the part of the Group to anticipate and respond to the development of new distribution channels, could result in a loss of clients and assets under management or the inability to win new clients.

The Group relies on institutional investment consultants and advisory platforms to intermediate the relationship with end clients who may retain responsibility for specific aspects of the overall service provided to the client, such as the recording of "know your customer" information and the suitability of the investment mandate. Although the Group has undertaken various steps to expand and deepen its investment consultant and advisory relationships

and networks, there can be no assurance that its efforts will continue to be successful. As the Group's competitors work to expand and deepen their own investment consultant relationships and networks, its competition may expand resulting in the Group being unable to maintain its key relationships or grow the amount of new business it generates from these channels.

The Group also faces risks arising from the evolution of distribution channels, including changing client demand trends in existing distribution channels, the growth of new distribution channels and the emergence of new types of intermediaries. Although the Group continuously evaluates its distribution channels across the range of its existing client and intermediary relationships, market trends are constantly evolving. New distribution trends, such as channel convergence between Institutional and Advisor clients and the emergence of new channels, including investment consultants, fiduciary advisers, multi-managers and outsourced investment management providers, require agility to meet client demands. In addition, the Group must ensure that its product and service offerings meet evolving client needs in these new and growing channels. For example, certain Institutional clients, particularly insurers, are required to invest based on defined investment objectives, and the Group must ensure that its product and service offerings are aligned to suit these types of client needs, which are subject to change. If the Group is unable to identify changes in distribution channels, or to align its product and service offerings with evolving distribution trends, it may face a loss of clients or assets under management.

The Group is also exposed to the risk that advisers may change their business models in ways that affect whether or how they recommend the Group's products or services, either in response to changing business priorities or as a result of shifts in regulatory supervision or potential changes in applicable laws and regulations. This may concern, for instance, requirements and standards applicable to the distribution of the Group's products or services, as well as changes in distribution trends. Each of these factors may result in advisers ceasing to recommend the Group's products or services, or recommending fewer of the Group's products or services, or clients seeking asset management products and services from other providers.

Breaches by the Group of investment mandates, fund rules, or regulatory restrictions could have a material adverse effect on its business, financial condition, operating results and prospects.

The Group is generally required to invest in accordance with specific investment mandates or objectives established for the particular portfolio or product, including where outlined in the applicable prospectus or fund rules, and where set out in investment restrictions imposed by regulation. If investments are made or managed in breach of any such investment mandate, including with regard to the use of benchmark indices, the Group could be required to unwind the relevant transactions, could suffer reputational and brand damage and likely would be liable for any losses suffered by an affected party in doing so. Losses could be significant and exceed amounts recoverable under the Group's insurance policies, if any. The potential reputational and brand damage and the obligation to compensate for such losses could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

Changes in regulatory capital requirements may lead to a reduction in dividends.

The prudential capital requirements for the Group apply both on a solo basis (i.e. to an authorised firm based on its own situation) and on a consolidated, or Group, basis. Broadly, this means that the regulated entity which triggers the consolidation requirement must also comply with capital requirements based on the consolidated situation of its consolidation Group. It is expected that on a Demerger the Group will have two separate consolidation group's (one largely comprising companies within the sub-Group held by Ninety One plc, and one largely comprising companies within the sub-Group held by Ninety One Limited).

Solo and consolidated capital requirements typically comprise two elements, the more formulaic Pillar 1 element and the more discretionary and institution (or Group) specific Pillar 2 element. Changes in regulation that impact the quantum or quality of regulatory capital required (whether Pillar 1 and/or Pillar 2) for the Group, or changes in regulatory approach which mean a greater proportion of the Pillar 2 regulatory capital element must be held at the solo (i.e. legal entity) level instead of by the key regulated entities at the consolidated Group level, could lead to more onerous regulatory capital requirements overall.

The consolidated Pillar 1 regulatory capital element for the Group is, in part, a function of fixed overheads. Therefore increases in fixed costs impact the applicable regulatory capital requirement. In addition, a large portion of the Pillar 2 capital element is determined through operational risk scenario modelling and so can be influenced by key components of that modelling such as changes in business model, client base, product mix and concentration, and volatility in financial markets. Pillar 2 capital requirements can also be mandated through individual capital guidance from regulators. In more extreme market conditions, Pillar 2 credit risk capital requirements could be affected by a deterioration in credit ratings at banks where own funds are deposited (either directly or through money market funds).

A new prudential regime for investment firms was adopted at the EU level at the end of 2019 with the majority of the provisions being applicable from mid-2021. Ignoring Brexit complexities, even if it is applicable in the UK and so would apply to certain UK and EU Group companies, the current expectation is that the prudential impact would not be material at the Group level.

Accordingly, where any of the factors noted above applies and results in an increase in the quantum or quality of regulatory capital required for the Group, one impact is that the Group's ability to pay out dividends, and the quantum of any dividends payable, may be reduced.

Operational risk may disrupt the Group's business or result in regulatory action.

Operational risk is defined as any instance where there is potential or actual impact to the Group resulting from inadequate or failed internal processes, people or systems or from external events. Operational losses can result, for example, from errors or misconduct by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of the Group's suppliers or counterparties. The Group is also exposed to risk from potential non-compliance by its staff with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm.

Although the Group maintains a global business continuity management capability, and substantial resources are devoted to developing efficient and well-controlled procedures, reporting systems and staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Group or preventing or detecting employee misconduct. Given the Group's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The Group is subject to various risks relating to the outsourcing of services to third party contractors, suppliers, agents and other service providers.

The Group relies on third parties to supply a variety of services, technologies and equipment that are central to significant portions of its operational and administrative and support processes. These include administrative and support and fund accounting services, which are provided under an agreement with State Street Bank & Trust Co., as well as transfer agent services as provided by RBC Investor Services Bank S.A., DST Financial Services Europe Limited and Silica Financial Administration Solutions Proprietary Limited to process retail investor applications and manage fund shareholder registers. In addition, the Group currently receives and will, following the Demerger, receive services from Bank and Wealth, including: (i) certain IT, operational and other services pursuant to the Transitional Services Agreement for a transitional period in order to assist the Group in continuing the Ninety One Business following the Demerger; and (ii) a licence under the Transitional Trade Mark Licence Agreement pursuant to which the Group will have the right to use certain Investec trade marks for a transitional period of up to 24 months following the Demerger.

While the Group has contractual protections in place with its third party service providers, the Group does not have operational or financial control over them, and the Group has limited or no influence with respect to the manner in which they conduct their business. Since certain of these services are only available from a limited number of providers, the Group could also experience difficulties identifying alternative service providers on a timely basis, on comparable terms or at all, and it could suffer disruption as a result of the transition of functions to the new service provider.

In addition, since the Group's operations rely on a day-to-day basis on the continued provision of these services, it is also exposed to risks associated with the conduct of these third parties, in particular with respect to cybercrime and fraud, as well as risks in relation to third party contractor handling of client money. If these third parties fail to provide their services, technologies or equipment in accordance with relevant requirements, on a timely basis, the Group's clients may be impacted and the Group may ultimately be held liable for any client loss or regulatory breach. Any failure by third parties to provide their products and services could also result in reputational damage to the Group, a requirement to pay compensation to clients or regulatory action or fines. The Group may be unable to recover losses from these third parties, for example, in the event of a provider's financial distress or limitations on liability.

If the Group does not effectively develop and implement its outsourcing and procurement strategies and its internal capability to manage such strategies, or third party providers do not perform as anticipated, its business, operating results, financial condition and prospects could be materially adversely affected.

The Group's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures.

The Group devotes significant resources to developing its risk management policies and procedures and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of the Group's methods of managing risk will be based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Group operates, its clients or other matters that are publicly available or otherwise accessible by the Group. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any failure of the Group's risk management techniques may have a material adverse effect on its business, operating results, financial condition and prospects.

The Group is dependent upon the proper and continued functioning of its IT systems.

The Group relies on the proper functioning of its information technology systems. Hardware, software, power or telecommunications failures, as well as data security breaches are key risks. Any significant degradation, failure or lack of capacity of the Group's information systems or other related systems in its trading processes in particular could cause it to fail to complete transactions on a timely basis. The occurrence of any of the foregoing events could give rise to adverse regulatory and reputational consequences for the Group's business and have a material adverse effect on the Group's business, operating results, financial condition and prospects.

In addition, the Group's continued success will depend in part on its ability to respond to changing technologies and demands of the marketplace, and its inability to upgrade its information and communications systems on a timely or cost-effective basis could damage its relationships with its clients and counterparties.

The Group may be unable to recruit, retain and motivate key personnel.

The Group's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by the Group for a substantial period of time and have developed with the business. Competition in the financial services industry for qualified employees is intense. Further, the Group's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the Group's business.

The Group's continued ability to compete effectively and further develop its business depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel particularly for investment roles. A number of the Group's competitors are private partnerships or private entities, in which key employees have significant partnership interests or equity holdings as a material component of their compensation arrangements. In an increasingly competitive environment for attracting and retaining talented employees, these compensation arrangements are very attractive for individuals and are competitive in the market.

If the Group is unable to recruit, retain and motivate key personnel, or if it is required to incur additional costs to retain such personnel, its business, operating results, financial condition and prospects could be materially adversely affected.

The Group is reliant on the success of its brand.

The success of the Group's strategy going forward will rely significantly on the appeal of its brand. Since being founded in 1991, the Group established itself and its brand as a part of the broader Investec Group. During that time, the Ninety One plc Directors believe that the Group's growth and the success of its product and service offerings have allowed it to differentiate itself from competitors and provided a key competitive advantage in the countries and markets where it operates.

The Group is currently dependent on a single brand. The Group has established a new brand and, from the Demerger, it will operate under the Ninety One brand. A variety of activities have been and will continue to be undertaken in connection with the new brand, which could be more costly than planned or less successful in supporting the Group's operations than anticipated. An inability to manage the risks associated with its brand could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The Group faces risks associated with the implementation of its strategy.

The Group faces risks associated with the implementation of its strategy. The Group's ability to implement its strategy successfully is subject to execution risks, including those relating to attracting client demand into growth areas and the management of its relationship with Bank and Wealth, management of its cost base and limitations in its management or operational capacity, as well as the effectiveness of new reporting lines and management structures following the Demerger. These risks may be exacerbated by a number of external factors, including a downturn in global and significant national economies, increased competition in the financial services industry and/or significant or unexpected changes in the regulation of the financial services sector in the countries where the Group operates. If the Group is unable to implement its business strategy, its business, operating results, financial condition and prospects could be materially adversely affected.

The Group's historical financial performance may not in all respects be indicative of its future performance.

The Group's historical financial information presented in Part X: "*Historical Financial Information*" has been prepared on a basis that combines the historical financial results and assets and liabilities of the companies constituting the Group. During the period covered by the historical financial information, the Group's business was managed as part of Investec and, as a result, the historical financial information presented in Part X: "*Historical Financial Information*" may not be indicative of the Group's future performance.

The Group may not be able to adequately insure against specific risks.

The Group's business entails the risk of liability related to litigation from clients, shareholders, employees or third-party service providers and actions taken by regulatory agencies, which may not be adequately covered by insurance or at all. Specifically, there is a risk that claims may arise in relation to damage resulting from the Group's employees' or service providers' operational errors or negligence, or misconduct or misrepresentation by its employees, agents and other operational personnel. There can be no assurance that a claim or claims will be covered by insurance or, if covered, that any such claim will not exceed the limits of available insurance coverage or that any insurer will meet its obligations to insure. There can also be no assurance that insurance coverage with sufficient limits will continue to be available at a reasonable cost. Renewals of insurance policies or claims under existing policies may expose the Group to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability. A significant increase in the costs of maintaining insurance cover or the costs of meeting liabilities not covered by insurance could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

Risks Relating to Supervision and Regulation

The Group's regulated businesses may breach the regulations to which it is subject.

The Group is subject to extensive regulation in each of the jurisdictions in which it conducts business. The Group is also obliged to complete extensive and complex disclosures relating to assets held within the Group to meet UK, South African and international regulations. Regulatory agencies have broad regulatory and administrative powers over many aspects of financial services businesses such as the Group, which may include governance, systems and controls requirements, conduct of business requirements (including marketing and selling practices, advertising, client documentation and service standards), market conduct, product authorisation and governance, solvency, liquidity, intra-group transactions, risk concentration, management of conflicts of interest and permitted investments.

The Group's UK business is subject to regulation by the FCA. The FCA has broad powers, including the authority to grant, vary the terms of or cancel a regulated firm's authorisation, to investigate marketing and sales or advice practices, and to require the maintenance of adequate financial resources. The FCA has the power to take a range of investigative, disciplinary or enforcement actions, including public censure, client restitution, fines or sanctions and (in practice) to require compensation. The FCA may make enquiries of the companies that it regulates regarding compliance matters and, like all UK regulated financial services firms, the Group faces the risk that the FCA could find that it has failed to comply with applicable regulations or has not undertaken corrective action as required. The FCA also has temporary product intervention powers, which enable it to restrict certain products, product features or their promotion in the UK for up to 12 months without consultation.

In South Africa, the recently enacted Financial Sector Regulation Act, 2017 has put international "**Twin Peaks**" regulation into effect. As a result, the Group's business is now subject to regulation by the SA FSCA and the SARB PA. The SARB PA is responsible for regulating, among others, banks, insurers, financial institutions and

financial services providers. Within the SARB PA's competency is the regulation of the Group's business in respect of prudential and capital requirements, risk, anti-money laundering and combating the financing of terrorism. The SA FSCA launched on 1 April 2018, as successor to the South African Financial Services Board. The SA FSCA regulates, on the other hand, financial market conduct, including licensing, oversight of treatment of financial clients, efficiency and integrity in financial markets and financial stability. The SARB PA and the SA FSCA have broad powers to gather information, conduct supervisory on-site inspections and investigations, to question individuals and require production of documents and search premises. For enforcement purposes, the SARB PA and the SA FSCA can issue directives to regulated entities and/or key individuals directing that specified action be taken in furtherance of regulatory powers. In serious cases the SARB PA and the SA FSCA can remove individuals from their positions with regulated entities, commence high court proceedings against regulated entities and debar individuals from working within regulated industries. Like all South African regulated financial services firms, the Group faces the risk that the SARB PA or the SA FSCA could find that it has failed to comply with applicable regulations or has not undertaken corrective action as required.

Outside the United Kingdom and South Africa, the Group's businesses are regulated by local domestic and supranational regulators that often have similar powers to these regulators, including, but not limited to, the Commission de Surveillance du Secteur Financier (Luxembourg), the Securities and Exchange Commission (USA), the Guernsey Financial Services Commission (Guernsey) and the Hong Kong Securities and Futures Commission (Hong Kong). These authorities can apply a wide range of sanctions to firms (and individuals working for firms) found to be operating in breach of their regulations, or in a manner deemed to pose a significant risk to their statutory obligations, including public or private censure, fines, regulatory proceedings and, in extreme cases, suspension or withdrawal of authorisation to operate particular parts of their business or prosecution. Additionally, defending itself in proceedings and the cost of any applicable sanctions may involve significant expense. Enforcement or other action taken by regulators against the Group could also have a detrimental impact on its reputation, which could undermine client confidence and reduce demand for the Group's products and services. Any of these matters may have a material adverse effect on the Group's business, financial condition, operating results and prospects.

The Group's businesses are subject to the risk of adverse changes in the laws and regulations in the markets in which they operate.

The Group is subject to extensive regulation by governmental and other regulatory organisations in the jurisdictions in which it operates, and the financial services industry continues to be the focus of significant regulatory change and scrutiny. Financial services laws, regulations and regulatory requirements currently affecting the Group may change at any time in ways that could negatively impact the Group. It is difficult for the Group to accurately predict the timing, scope or form of future regulatory initiatives, although it is widely expected that there will continue to be a substantial amount of regulatory change and a high degree of supervisory oversight of regulated financial services firms. In addition, under certain principles-based rules and regulations, there may be different industry views about how to achieve particular outcomes. Regulators may from time to time have different views about how market participants should meet regulatory outcomes and interpretations may differ from generally accepted market practice.

The Group will not always be able to predict accurately the impact of future legislation or regulations or changes in the interpretation or operation of existing legislation or regulations on its business, financial condition, operating results and prospects, but it expects that the asset management industry will continue to be subject to high levels of regulatory scrutiny in the future. Changes in government policy, legislation or regulatory interpretation that applies to companies in financial services industries in any of the markets in which the Group operates which may be applied retrospectively, may limit the Group's activities or otherwise adversely affect the Group's service offering, distribution channels, capital requirements, results and financing requirements. For example, the Group may be unable to sell, or may decide not to sell, products or solutions in certain jurisdictions if regulations or interpretations change. In addition, the Group may face regulatory action on products or solutions that were designed to meet legislation in force at the time of design or sale that has subsequently been amended. Such changes may also result in increased compliance costs due to the need to establish additional compliance controls, or if investor demand is affected by changes to tax regulation or enforcement in their home jurisdictions or the countries where the Group operates.

The FCA continues to explore other areas of regulation. For example, the FCA has extended the Senior Managers & Certification Regime to all UK-authorized firms from 9 December 2019, which allows enforcement or other action to be taken against key individuals, including senior management at the relevant entity. Any such actions may last a number of years and could divert management's attention from the day-to-day running of the Group's business, result in increased employee turnover if senior staff elect to leave the Group due to exposure, and involve considerable cost and expense.

Financial regulation in the EU Member States in which the Group operates is primarily based on EU directives, which are required to be implemented into national law. Due to differences in the way EU Member States may implement EU directives, and their discretion to impose more stringent requirements in certain areas, financial regulation is not fully harmonised across the EU. Different approaches to implementing EU directives in the EU Member States in which the Group operates may increase compliance costs and place the Group's business at a competitive disadvantage to financial services Groups operating in fewer or certain other EU jurisdictions. Regulatory divergence also increases the risk of the Group failing to comply with certain regulations.

As a result of the foregoing factors, significant regulatory change could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

The Group may be vulnerable to attacks on or breaches of its security systems.

The secure transmission of confidential information is a critical element of the Group's operations. The Group's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, the Group is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. There also can be no assurance that the Group's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt the Group's operations. The Group cannot be certain that its existing security measures will prevent security breaches, including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Group's or its clients' confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

Any failure by the Group to maintain effective security systems, or to implement upgrades on a timely or cost-effective basis, could damage its relationships with its clients and counterparties and result in adverse regulatory consequences, which could have a material adverse effect on its business, operating results, financial condition and prospects.

The Group must comply with complex data protection and privacy laws.

The Group is subject to regulations and heightened regulatory scrutiny in the jurisdictions in which it operates regarding the use of personal data. As data privacy concerns have increased in recent years, a number of jurisdictions have implemented, or commenced exploration into the introduction of, new regulations on the treatment and protection of client data. The Group collects and processes personal data (including name, address, age, bank and credit card details and other personal data) from its clients, third party claimants, business contacts and employees as part of the operation of its business, and, therefore, it must comply with data protection and privacy laws. Those laws generally impose certain requirements on the Group in respect of the collection, retention, deletion, use and processing of such personal data. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of policies or overpayment of claims. The Group seeks to ensure that procedures are maintained to comply with the relevant data protection regulations by its employees and any third party service providers, and also implement security measures to help prevent cyber-theft. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. In addition, the Group may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure that such controls are current and keep pace with the growing threat.

In the United Kingdom, data protection law has been subject to material change in recent years. The European Commission, European Parliament and the Council of Ministers agreed the General Data Protection Regulation ("GDPR") on 15 December 2015, and from 25 May 2018 the GDPR has applied, replacing the UK Data Protection Act 1998 (and the equivalent laws in other EU and EEA Member States). In addition, the UK Data Protection Act, supplementing the obligations in the GDPR, came into effect on 25 May 2018. The GDPR and the UK Data Protection Act have increased the regulatory burden on the Group in processing personal client, employee and other data in the conduct of its business and may also increase the potential sanctions for breach as the GDPR includes significant financial penalties of up to four per cent. of the annual worldwide turnover of company groups. The Group has undertaken a detailed programme to develop and implement further data protection policies and procedures designed to comply with the GDPR. In addition, a new ePrivacy Regulation ("ePR") is expected in 2020. Once in force, this will introduce new rules around, among other things, confidentiality of online communications, the use of cookies and direct marketing, again increasing the regulatory burden on the Group in conducting its business and impacting the way it markets its products and services.

In South Africa, the Protection of Personal Information Act (No. 4 of 2013) (the “**POPI Act**”) was signed in 2013 and although enacted, it is not yet fully in force. Only certain administrative provisions, namely those relating to the establishment of the information regulator and the making of regulations, came into force on 11 April 2014. Regulations relating to the administrative aspects of the POPI Act were published on 14 December 2018 (“**POPI Regulations**”) and, despite being in final form, the commencement date of the POPI Regulations has not yet been announced. It is expected that the commencement date of the POPI Regulations will be aligned with the commencement date of the remaining provisions of the POPI Act. If the remaining provisions of the POPI Act come into force, there will be a one-year transitional period to allow for organisations to become compliant with the provisions of the POPI Act before penalties for non-compliance are enforced. The POPI Act imposes a range of obligations, including restrictions on direct marketing and on cross-border transfers of personal information and an obligation to keep personal information secure. The POPI Act empowers the information regulator to impose administrative fines of up to R10 million where a data controller such as the Group fails to comply with an enforcement notice. Non-compliance with an enforcement notice is also a criminal offence. It should be noted that, in terms of the POPI Act (once in force), legal entities will enjoy the same rights as individuals (where appropriate in the circumstances). In this regard, the POPI Act is different to the GDPR, the UK Data Protection Act and ePR.

In addition, the Group expects data privacy to remain a focus area for regulators in many of the other jurisdictions where it operates and that new data protection requirements will continue to be introduced in the future.

If the Group or any of the third party service providers on which it relies (including non-subsidiary affiliates of the Group) fails to comply with existing data protection laws or fails to adapt to new or amended data protection laws, including the GDPR, the UK Data Protection Act, ePR (once in force) or the POPI Act (once in force), due to any failure to store or transmit client information in a secure manner or any loss or wrongful processing of personal data, the Group could be subject to investigative and enforcement action by relevant regulatory authorities, claims or complaints from the individuals or juristic persons (as applicable) to whom the data relates or could face liability under data protection laws. Any of these events could also result in the Group suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on the Group’s business, financial condition, operating results and prospects.

The Group may fail to detect or prevent money laundering and other financial crime activities.

The Group is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing and other laws and regulations in the jurisdictions in which it operates, including the UK Bribery Act 2010, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the UK Criminal Finances Act 2017, South African anti-bribery and corruption legislation, such as the Financial Intelligence Centre Act 2001 (including amendments under the Financial Intelligence Centre Amendment Act 2017) and Money Laundering and Terrorist Financing Control Regulations, and the extra-jurisdictional reach of international laws such as the US Foreign Corrupt Practices Act. These laws and regulations require the Group to, among other things, conduct client due diligence regarding fiscal evasion, anti-money laundering, sanctions and politically exposed persons screening, keep client and supplier account and transaction information up to date and implement effective financial crime policies and procedures. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals identified on lists maintained by the US government, the EU, various EU Member States, other governments and the UN Security Council. As such, future changes could impact existing investments or limit future investment strategies.

Financial crime has become the subject of enhanced scrutiny and supervision by regulators globally. Anti-money laundering, anti-bribery and anti-corruption, insider dealing and economic sanctions laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory supervision, requiring businesses to invest in improved systems, sophisticated monitoring and skilled compliance personnel. Regulatory authorities may, from time to time, make enquiries of companies within their respective jurisdictions regarding compliance with regulations governing the operation of a regulated business (including the degree and sufficiency of supervision of the business) or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive.

Financial crime is continually evolving, and the expectations of regulators are increasing. This requires similarly proactive and adaptable responses from the Group so that it is able to, effectively, deter threats and criminality, in particular, in certain of the emerging markets jurisdictions where the Group operates and undertakes investment activities. Even known threats can never be fully eliminated, and there may, in the future, be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Group relies on its employees, external administrators and certain other third party service providers to identify and report such activities. There is a risk that they will fail to do so or otherwise fail to comply with or implement the Group’s policies and procedures relating to financial crime.

Where the Group is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. Globally, anti-money laundering and financial crime compliance is expected to remain a key regulatory priority from a supervisory and enforcement perspective. The reputational damage to the Group's business and global brand could be severe if it were found to have breached anti-money laundering or sanctions requirements. The Group's financial position and reputation could also suffer if it were unable to protect clients or prevent the business from being used by criminals for illegal or improper purposes.

The Group cannot guarantee that its current policies and procedures are sufficient to completely prevent situations of fiscal evasion, money laundering, bribery, fraud or corruption, including actions by the Group's employees, for which the Group might be held responsible. Any such event may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

Where the Group is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. Globally, anti-money laundering regulatory authorities or clients may attempt to seek redress against the Group where it is alleged that products were misrepresented, mis-sold or otherwise failed to meet regulatory requirements or client expectations.

The Group is exposed to the risk of regulatory action or claims from clients regarding misleading information. For example, regulators or clients could allege that the terms and conditions of relevant products or solutions, the nature of the products or solutions, or the circumstances under which the products or solutions were recommended, were misrepresented or the products otherwise mis-sold to them.

Complaints may also arise if clients feel that they have not been treated reasonably or fairly, or that the duty of care which they are owed has been breached.

These issues or disputes arising in relation to private individuals that cannot be resolved privately may be resolved ultimately by an enforcement action involving the relevant regulatory body, including the Financial Ombudsman Service or the FCA in the United Kingdom or the SA FSCA in South Africa, or by litigation. The relevant regulator may intervene directly where larger groups or matters of public policy are concerned. There have been several industry-wide financial product mis-selling issues in the past in which the regulator in the United Kingdom has intervened directly, including the sale of personal pensions, the sale of mortgage-related endowments, investments in split capital investment trusts and the sale of payment protection insurance. Certain designated consumer bodies are also empowered under the FSMA to make "super-complaints" to the FCA in relation to issues causing detriment to large numbers of consumers.

The Group may be exposed, in particular, to risks relating to "vulnerable customers". In the United Kingdom, the FCA has defined these customers as persons who, due to their personal circumstances, are especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care. The FCA has noted that vulnerability can affect consumers across all financial products and services. The FCA has recently consulted on the fair treatment of vulnerable customers, and further regulatory guidance is expected to be provided in 2020. In South Africa, the SA FSCA also emphasised fair customer treatment and ensuring that financial customers are informed in their decisions as two of its strategic priorities in its regulatory release statement covering the period from October 2018 to September 2021. In South Africa, Treating Customers Fairly ("**TCF**") was launched in 2011 and is an outcomes-based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered by regulated financial firms. Some of the TCF outcomes had already been included in existing legislation with which the Group has to comply in South Africa, such as the Financial Advisory and Intermediary Services Act, 37 of 2002 ("**FAIS**") General Code which requires financial service providers to render services honestly, fairly, with due skill, care and diligence, and in the interest of the client and the integrity of the financial services industry. Failure to identify customer vulnerability could lead to poor customer outcomes and detriment, including if a client is not able to fully understand products or services or if information is not provided in an appropriate format for the client's needs. If the Group does not have adequate policies to identify vulnerable clients, or if such policies are not embedded in a way that promotes the fair treatment of all clients, the Group could fall below regulatory expectations in this area, which could result in regulatory action.

Failure to comply with these regulatory requirements could lead to enforcement or other actions being brought against the Group, which could have a material adverse effect on its business, financial condition, operating results of operations and prospects.

The Group may be subject to regulatory action or financial penalties if it fails to comply with the CASS rules.

As Investec Fund Managers Limited (“**IFML**”) can hold client money and Investec Asset Management Limited (“**IAML**”) can control, but not hold, client money, both IFML and IAML (members of the Group) must comply with the FCA’s Client Asset sourcebook (“**CASS**”) rules. Additionally, the Group contracts with certain third party transfer agent service providers that perform the administration of client money, which could create indirect risks in relation to compliance with the CASS rules. The CASS requirements help to protect clients’ assets and money when a firm is responsible for them and helps to ensure that client assets and money could be returned within a reasonable timeframe in the event of a firm’s insolvency. Client money and asset protection remains at the core of the FCA’s agenda, and firms classified in CASS terms as “medium” (such as IFML) or “large” are, therefore, required to submit monthly “Client Money” and “Asset Returns” to the FCA to provide key data in relation to CASS processing. This enables the FCA to oversee firms’ CASS processing and to discuss any potential areas of concern. Adherence to CASS requirements relies on a number of complex operational processes and systems, both internal and external, resulting in a high inherent risk of non-compliance. All CASS breaches are reported to the FCA annually as part of firms’ external CASS audit, and the FCA would be immediately notified of any material breaches. There are also risks that the Group could be held responsible for a breach of CASS requirements by a third party service provider acting on behalf of the Group. If any such breaches were not fully remediated, or the FCA concluded that IFML or IAML or, where relevant, the Group did not have sufficient regard for the protection of clients’ assets and money, it may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage to the Group, and ultimately have a material adverse effect on the Group’s business, financial condition, operating results and prospects.

The Group faces compliance risks and potential liability in relation to MiFID II.

The second Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”) forms the legal framework governing the requirements applicable to investment firms, trading venues, data reporting service providers and third-country firms providing investment services or activities in the European Union. The framework, which came into force on 3 January 2018, imposes additional requirements in respect of transparency in trades and product manufacturing and distribution, establishes a harmonised EU regime for non-discriminatory access to trading venues, clearing counterparties and benchmarks for trading and clearing purposes. The framework has increased the role and supervisory powers of regulators and establishes powers to prohibit or restrict the marketing and distribution of certain financial products. In 2020, the European Securities and Markets Authority is scheduled to review MiFID II to identify prospective developments or amendments where future change may occur (this review is not expected to introduce changes in 2020), including in relation to consistency in the application of MiFID II for secondary markets, the performance and cost of retail investment products, and the application of requirements in relation to investor protection and intermediaries. Increased oversight could give rise to unforeseen compliance costs for the Group. The continued development of market practice and interpretation of certain requirements have led to an increase in administrative and compliance costs related to activities within the scope of MiFID II and a reduction in income. Failure to comply with MiFID II requirements could lead to enforcement action by the FCA, which could have a material adverse effect on the Group’s business, financial condition, operating results and prospects.

Poor management of investment risk within portfolios or funds, including management of liquidity, may lead to regulatory censure, investor harm and reputational harm to the Group.

The management by the Group of investment risk within portfolios or funds can have a significant impact on the investment performance experienced by investors, as well as the ability of investors to invest in, or divest from, the portfolios or funds that the Group manages.

In particular, poor management of a portfolio’s investment liquidity profile can lead to a mismatch between a portfolio’s liquidity needs (i.e. its ability to service subscriptions and redemptions) and the ability of the investment manager to liquidate or invest in assets to service those liquidity needs, without adversely impacting the price at which assets must be bought or sold, or breaching the portfolio’s investment parameters.

Where liquidity constraints do lead to assets being bought or sold at adverse prices in order to generate necessary liquidity, this will also impact remaining investors in the portfolio by devaluing the portfolio's assets and, therefore, the value of the remaining investors' holdings.

The occurrence of any of the foregoing could result in regulatory censure, investor harm (where redemptions cannot be met) or investor discontent, ultimately damaging the reputation of the Group and leading to a further loss of clients.

Risks Relating to the Demerger

The agreements entered or to be entered into by the Group with Bank and Wealth in connection with the Demerger expose the Group to counterparty risk.

In anticipation of, and in connection with, the Demerger, the Group has entered into the Demerger Agreements with Bank and Wealth, including:

- the Separation Agreement;
- the Transitional Services Agreement;
- the Transitional Trade Mark Licence Agreement; and
- the Relationship Agreement.

If Bank and Wealth fails to meet its obligations under these agreements or provide the services and other information in a timely manner or as required under the relevant agreement, such failure could negatively impact the Group's operations or the orderly implementation of the Demerger. This could, in turn, have a material adverse effect on the Group's business, operating results, financial condition and prospects.

As a result of the Demerger, the Group's ability to attract and retain clients may be negatively impacted, third parties may reprice, modify or terminate their relationships with the Group and the Group may be forced to lower the prices of its services.

The Demerger could change clients' perception of the Group and adversely affect its ability to attract and retain clients, which could result in reduced sales of its products. In addition, the Demerger may prompt some third parties to reprice, modify or terminate their distribution or other relationships with the Group. The Group may be required to lower the prices of its services, change long-term selling and marketing agreements and take other action to maintain its relationships with its clients and third party distributors. Should any of the consequences set out above occur, individually or in combination with others, they could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

Risks Relating to the DLC Structure

The DLC Structure is complex.

The governance and administration arrangements that are involved in the DLC Structure are more complex and onerous than those under which the Group currently operates. In addition, the South African Ministry of Finance has imposed certain conditions in relation to the DLC Structure; see paragraph 14 of Part VII: "*Details of the DLC Structure – DLC Structure FinSurv conditions*". There can also be no assurance that the conditions imposed on the Group, in connection with the DLC Structure, might not be amended or varied.

The DLC Structure may affect the Group's ability to pay dividends.

The Group's operating results and financial condition are entirely dependent on the trading performance of members of the Group. Similarly to the existing Investec Group structure, the ability of each of Ninety One Limited and Ninety One plc to pay dividends will depend upon the level of distributions, if any, received from their operating subsidiaries and interests, any amounts received on asset disposals, the level of cash balances and in certain circumstances distributions received from Ninety One Limited and Ninety One plc (as the case may be) as a result of the operation of the equalisation arrangements which form part of the DLC Structure as described further in Part VII: "*Details of the DLC Structure*". Ninety One Limited and certain of its and Ninety One plc's subsidiaries and associated companies may, from time to time, be subject to restrictions on their ability to make distributions, including as a result of exchange control restrictions, earnings, levels of statutory reserves and capitalisation of such subsidiaries or associated companies, and other regulatory restrictions or agreements with the other shareholders of such subsidiaries or associated companies which may restrict the Group's ability to comply with

its dividend policy. As applicable regulation may restrict the ability of the companies to make such payments, it may not be possible for Shareholders to receive their full entitlement in cash. If Shareholders are not to receive a cash dividend in full, another form of Matching Action may be taken and reference should be made to the risk factor entitled “*Matching Actions are equivalent but not necessarily identical*” in this Part I.

Future changes in the legal and regulatory environment may mean that the DLC Structure will no longer be viable.

The DLC Structure has been developed on the basis of existing laws and policies of regulatory authorities in the United Kingdom and South Africa. The governance and administration arrangements arising out of the DLC Structure are complex and onerous. Changes to the laws or policies (including changes in tax law or policy) related to the DLC Structure may result in the DLC Structure no longer being viable, which may affect the ability of the Group’s operations to continue in their current form and may affect the Companies’ results in the future.

Matching Actions are equivalent but not necessarily identical.

Under the DLC Equalisation Principles as described in paragraph 5 of Part VII: “*Details of the DLC Structure – Equalisation of voting and economic rights*”, if either Ninety One Limited or Ninety One plc takes an Action which, having regard to the prevailing Equalisation Ratio, has a disproportionate economic effect on the relevant Shareholders, then, subject to certain exceptions, the Equalisation Ratio will be adjusted or a Matching Action will be undertaken to provide an equivalent economic benefit to the Shareholders of the other company. A Matching Action is, therefore, equivalent in economic terms, but not necessarily identical. The combination of an Action or a Matching Action may, therefore, result in the voting interests of the Ninety One plc Shareholders (as a whole) relative to the Ninety One Limited Shareholders (as a whole) in respect of Joint Electorate Actions being altered. In addition, the form and value of a Matching Action will be determined by the Boards having regard to, among other things, the prevailing market prices of the Ninety One plc Shares and the Ninety One Limited Shares, the prevailing exchange rates and (where relevant) the market price of shares in any demerged entity at or around the time that such Action is taken. Following their decision, the Boards will not be required to have regard to any fluctuations in such factors which may favour either the Ninety One plc Shareholders or the Ninety One Limited Shareholders.

The market price of Ninety One plc Shares may be different from the market price of Ninety One Limited Shares and give rise to the possibility of arbitrage between the shares.

Following Admission and as a result of the DLC Structure, Ninety One plc will have a primary listing on the LSE together with a secondary listing on the JSE and Ninety One Limited will have a primary listing on the JSE. There can be no assurance that the market price of the Ninety One plc Shares and the Ninety One Limited Shares on these different exchanges will equate. Any disparity between such market prices will give rise to the possibility of arbitrage between the Ninety One plc Shares and the Ninety One Limited Shares, which could adversely affect the market price of the Ninety One plc Shares and/or the Ninety One Limited Shares, as the case may be.

Dividends received under the dividend access arrangements may have a different tax treatment.

Dividends received by Ninety One plc Shareholders from Ninety One plc on the Ninety One plc Shares will constitute UK source dividends for UK taxation purposes. Any dividends received by Ninety One plc Shareholders from Ninety One Limited pursuant to the dividend access arrangements, however, are likely to constitute non-UK source dividends for UK taxation purposes. Dividends paid by Ninety One Limited pursuant to the dividend access arrangements may be paid after deduction of South African dividend withholding tax.

Dividends received by Ninety One Limited Shareholders from Ninety One Limited on the Ninety One Limited Shares will constitute local dividends for South African taxation purposes. Any dividends received by Ninety One Limited Shareholders from Ninety One plc pursuant to the dividend access arrangements, however, are likely to constitute foreign dividends for South African taxation purposes. Assuming that any dividends declared by Ninety One plc must be distributed by the UK Trust Co to the South African resident Ninety One Limited Shareholders in the same year of assessment that any dividend accrues to the UK Trust Co- foreign dividends received by South African resident Ninety One Limited Shareholders in relation to the dividend access arrangements will be exempt from normal tax in the hands of such shareholders, only to the extent that such shareholders hold at least 10% of the equity shares and voting rights in the company declaring the dividend (i.e. Ninety One plc), which is unlikely to ever be the case. However, such dividend may be partially exempt from normal tax in the hands of the South African resident Ninety One Limited Shareholders in certain circumstances. No South African dividends tax should arise in relation to dividends declared in relation to such shares.

Having regard to the above, for some classes of Ninety One Limited Shareholders who are resident for tax purposes in South Africa (such as South African companies), the receipt of non-SA source dividends from Ninety One plc pursuant to the dividend access arrangements could be less tax efficient than the receipt of SA source dividends from Ninety One Limited on the Ninety One Limited Shares.

The tax residence position of Ninety One plc and Ninety One Limited is complex and could have adverse tax consequences for both the Group and the Shareholders.

The DLC Structure will be established with the intention that Ninety One plc is and will remain resident in the UK for tax purposes and that Ninety One Limited is and will remain resident only in South Africa for tax purposes. Considerations of tax residence may place constraints on where Board meetings of Ninety One plc and Ninety One Limited can be held, and may result in additional complexities and costs, as well as possible inefficiencies in the decision-making processes of the Group. It is intended that the management of Ninety One plc, Ninety One Limited and the Group will be carried out so as to ensure that this residence status of Ninety One plc and Ninety One Limited is preserved. However, if Ninety One plc were to cease to be resident in the UK and/or Ninety One Limited were to cease to be resident in South Africa for tax purposes (including as a result of changes in law or in HMRC and/or SARS practice), this could have adverse tax consequences for both the Group and the Shareholders.

PRESENTATION OF INFORMATION ON THE GROUP

1. General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than Ninety One plc and its directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this document is, or may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this document and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of Ninety One plc or its directors. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this document or that the information contained herein is correct as of any time subsequent to its date.

This document has been filed with, and approved by, the FCA, as competent authority under Regulation (EU) 2017/1129. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Companies that are the subject of this document. This document may be combined with a securities note and summary to form a prospectus in accordance with the Prospectus Regulation Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, this document, where not combined with the securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Companies in any jurisdiction, nor shall this document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise.

The contents of this document are not to be construed as legal, business or tax advice. This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Companies, the Directors, any of the Companies' advisers or any of their affiliates or representatives regarding the securities of the Companies.

2. Presentation of financial information and non-financial operating data

2.1 Presentation of financial information

The Group's combined historical financial information included in Part X: "*Historical Financial Information*" of this document has been prepared in accordance with the requirements of the Prospectus Regulation and comprises the following:

- Section A – *Accountant's Report on the Combined Historical Financial Information of the Ninety One Business*;
- Section B – *Basis of preparation of the Combined Historical Financial Information of the Ninety One Business*; and
- Section C – "*Combined Historical Financial Information of the Ninety One Business*".

2.2 Currency presentation

The Group prepares its financial information in British pounds sterling ("£" or "**pounds sterling**"). The abbreviation "£million" represents millions of pounds sterling, and references to ("**pence**") and "**p**" represent pence in the United Kingdom.

The Group's results of operations and the financial condition of individual companies are reported in the local currencies of the countries in which they are domiciled, including Rand, euros and US dollars.

These results are then translated into pounds sterling at the applicable foreign currency exchange rates for inclusion in the Combined Historical Financial Information of the Ninety One Business. The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the 12-month periods from 31 March 2017 to 31 March 2019 and for the six months ended 30 September 2018 and 2019:

	30 September 2019		30 September 2018		31 March 2019		31 March 2018		31 March 2017	
	Period end	Aver- age	Period end	Aver- age	Period end	Aver- age	Period end	Aver- age	Period end	Aver- age
Rand	18.68	18.28	18.45	17.76	18.79	18.04	16.62	17.21	18.28	18.42
US Dollar	1.23	1.26	1.30	1.33	1.30	1.31	1.40	1.33	1.30	1.31

2.3 Rounding

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

2.4 Basis of preparation

During the periods under review, the operations and activities of the Group were operated through a number of subsidiaries of Investec and associates of those entities. Prior to the Demerger, those subsidiaries did not form a group and, therefore, it is not possible to prepare consolidated historical financial information in respect of the Ninety One Business in accordance with International Financial Reporting Standards (“IFRS”) and the interpretations of the IFRS Interpretations Committee (“IFRIC”) as adopted by the EU, which comply with IFRS as issued by the International Accounting Standards Board (“IASB”). Accordingly, the combined historical financial information relating to the Ninety One Business has been prepared for the purposes of presenting financial information of the Group in accordance with the basis of preparation set out in Section B of Part X: “*Historical Financial Information*”.

2.5 Assurance customer policy-linked assets and liabilities

Under IAS32 and IFRS9, as described in note 1 to Section C of Part X: “*Historical Financial Information*” of this document, the Group is required to show policy-linked assets and liabilities in relation to long-term insurance services provided by Investec Assurance Limited (“IAL”) on the Group’s combined statement of financial position. However, since these policy-linked assets and liabilities broadly offset one another, they do not have a material net impact on the Group’s consolidated net assets as at any combined statement of financial position date. In addition, the activities of IAL require, in the ordinary course of its business, the purchase and sale of these policy-linked assets on behalf of policyholders and settlement of related liabilities, which are reflected in the Group’s combined statement of financial position. These cash movements relate solely to policyholders’ entitlements, and they do not have any net impact on the Group’s consolidated underlying cash position. For the sake of clarity, IAL does not take on any insurance risk. IAL is used to co-mingle client assets in South Africa, where in certain circumstances, it may be more efficient and appropriate for the client to come in this manner, for example, via unit trusts.

2.6 Key performance measures

Certain key performance indicators and other operating measures have been presented in this document, to assist in the comparison of the Group’s combined historical financial and operating performance from period to period. These performance indicators are presented in Part IX: “*Operating and Financial Review*”.

Management of the Group considers these metrics when evaluating growth trends, establishing budgets and assessing operational performance and efficiencies, on the basis that they provide an enhanced understanding of the Group’s results and related trends, therefore, increasing transparency and clarity into the core results of its business.

2.7 Non-IFRS and other alternative performance and non-financial operating measures

In addition to the audited combined historical financial information of the Ninety One Business for the years ended 31 March 2019, 2018 and 2017, the audited combined historical financial information of the Ninety One Business for the six months ended 30 September 2019 and the unaudited combined historical financial information of the Ninety One Business for the six months ended 30 September 2018, prepared in accordance with the basis of preparation detailed in Section B of Part X: *“Historical Financial Information”* this document includes certain non-IFRS financial information (listed below) and other alternative performance measures (“**APMs**”) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415) (the “**ESMA guidelines**”). The ESMA guidelines define an APM as a financial measure of historical or future performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Purpose of non-IFRS financial information and applicable metrics

The Group uses these measures to present a better understanding of its financial performance and financial condition. In particular, these non-IFRS measures have been prepared to illustrate certain financial metrics absent the impact of the revenue and expense items excluded therefrom. These measures are considered additional disclosures and in no case are intended to replace the financial information prepared in accordance with the basis of preparation detailed in Section B of Part X: *“Historical Financial Information”*. Moreover, the way in which the Group defines and calculates these measures may differ from the way in which these or similar measures are calculated by other companies. Accordingly, they may not be comparable to measures used by other companies in the Group’s industry. All measures that are calculated in accordance with the basis of preparation detailed in Section B of Part X: *“Historical Financial Information”* are considered not to be APMs. Due to its nature, the non-IFRS financial information may not fairly present the results of operations of the Ninety One Business.

In accordance with the ESMA guidelines, the following is a list of non-IFRS financial measures that the Group believes to be useful indicators of its operating performance and financial condition. The Group believes that the following non-IFRS measures are widely used by analysts and are helpful in understanding its financial position as they reflect items that the Group believes are not substantially related to its underlying operating performance:

- adjusted net interest income, which the Group calculates as net interest income for the relevant period less interest income arising from Silica operations (a South Africa-based fund administration business wholly-owned by the Group), interest expenses from lease liabilities for the Group’s office premises, other interest expenses and rounding for that period;
- adjusted operating revenue, which the Group calculates as net revenue for the relevant period, adjusted for Silica third-party revenue, foreign exchange gains/losses, other income/expense and rounding for that period;
- adjusted operating expenses, which the Group calculates as operating expenses for the relevant period less Silica expenses and deferred employee benefit scheme expenses, but including interest expense on lease liabilities and rounding for that period;
- adjusted operating profit, which the Group calculates as adjusted operating revenue for the relevant period less adjusted operating expenses for that period; and
- adjusted operating profit margin, which the Group calculates as adjusted operating profit for the relevant period divided by adjusted operating revenue for that period.

For further detail on the calculation of these non-IFRS measures, including reconciliations to their nearest combined historical financial information equivalents, in accordance with the basis of preparation detailed in Section B of Part X: *“Historical Financial Information”*, please see Part VIII: *“Selected Financial Information – Non-IFRS Measures”*.

The Directors are responsible for the non-IFRS financial information included in this document.

Other alternative performance and operational measures

In addition, this document contains the following operational measures, which the Group evaluates as indicators of its operating capabilities and performance:

- assets under management, which the Group defines as the aggregate assets managed on behalf of clients as at the relevant date. For some private markets investments, the aggregate value of assets managed is based on committed funds by clients; this is changed to the lower of committed funds and net asset value, in line with the fee basis. Where cross investment occurs, assets and flows are identified and the duplication is removed. Assets under management excludes assets administered for third party clients by Silica;
- average fee rate, which is expressed in basis points and the Group calculates as the management fee revenue for the relevant period divided by the average assets under management for that period, annualised (for six-month periods);
- net flows, which are measured as the increase from assets under management received from clients, less the decrease from assets under management withdrawn by clients, during a given period; and
- torque ratio, which signifies the relative scale of net flows in relation to the overall size of the business, is expressed as a percentage and is calculated as net flows for the relevant period divided by assets under management as at the first day of that period, annualised (for six-month periods).

The way in which the Group defines and calculates these measures may differ from the way in which these or similar measures are calculated by other companies.

2.8 Service of process and enforcement of civil liabilities

Ninety One plc is incorporated under English law. Many of the directors are citizens of the United Kingdom, South Africa or other non-US jurisdictions, and a majority of the Companies' assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England or South Africa, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

3. Market, economic and industry data

This document includes economic, industry and market data and forecasts, and statements regarding the industry in which the Group operates that was prepared and published by third parties. Where such third party information has been used in this document, the source of such information has been identified. Such third-party information includes the Alexander Forbes Group survey "Assets Under Management" as at June 2019 ("**Alexander Forbes 'Assets under Management'**"); the Boston Consulting Group report "Global Asset Management 2019: Will These '20s Roar?" published on 31 July 2019 ("**BCG 'Global Asset Management 2019'**"); the Boston Consulting Group report "Global Asset Management 2018: The Digital Metamorphosis?" published on 19 July 2018 ("**BCG Global 'Asset Management 2018'**"); the McKinsey & Company report "State of the European asset management industry: Adapting to a new normal" published on 15 November 2019 ("**McKinsey 'State of the European asset management industry'**"); the McKinsey & Company article "Will the good times keep rolling for Asia's asset managers?" published in October 2018 ("**McKinsey 'Will the good times keep rolling for Asia's asset managers?'**"); and the Willis Towers Watson Thinking Ahead Institute report "Global Pension Assets Study 2019" published on 10 February 2019 ("**Willis Towers Watson 'Global Pension Assets Study 2019'**").

In addition, this document includes certain industry data regarding the Group's business and market position that has been prepared by the Group. Such information is based on the Group's analysis of customer feedback and internal surveys, third party market research and reports, and government and other publicly available information, including information sourced from Boston Consulting Group, Mercer Consulting, the Bank of England, the UK Office for National Statistics, the LSE and the International Monetary Fund ("**IMF**") ("**Market Data**"). The Directors believe this Market Data is useful for investors to gain a better understanding of the specific industry sectors and geographic regions in which the Group operates.

Industry publications and market research generally state that the information that they contain has been obtained from sources the Ninety One plc Directors believe to be reliable, but that the accuracy and completeness of such information is not guaranteed and any estimates or projections that they contain are based on a number of significant assumptions.

In some cases, there is no readily available external information (whether from trade and business organisations and associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Group to rely on internally developed estimates. The Group does not intend, and does not assume any obligation, to update industry or market data set forth in this document. Market behaviours, preferences and trends are subject to change and, as such, prospective investors should be aware that market and industry information in this document and estimates based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations.

Ninety One plc confirms that all third party information contained in this document has been accurately reproduced where relevant from the Market Data, and, so far as Ninety One plc is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

4. Information regarding forward-looking statements

This document and the documents incorporated by reference into it contain statements about the Group that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof are forward-looking statements. Forward-looking statements include statements relating to the following: (a) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (b) business and management strategies and the expansion and growth of the Companies' operations; and (c) the effects of government regulation on the Group's business.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

These statements are further qualified by the risk factors disclosed in or incorporated by reference in this document that could cause actual results to differ materially from those in the forward-looking statements. See Part I: "*Risk Factors*".

These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the LSE, the Prospectus Regulation Rules, the Listing Rules, the Disclosure and Transparency Rules, the MAR or applicable law, the Group does not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. Except as required by the FCA, the LSE, the Prospectus Regulation Rules, the Listing Rules, the Disclosure and Transparency Rules, the MAR or applicable law, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur.

5. Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

6. **Definitions**

Certain terms used in this document, including all capitalised terms and certain technical and other terms, are defined and explained in Part XIII: “*Definitions*”.

7. **No incorporation of website information**

The contents of the Companies’ website, any website mentioned in this document or any website, directly or indirectly, linked to these websites have not been verified and are not incorporated into and do not form part of this document, and investors should not rely on such information.

DIRECTORS, COMPANY SECRETARIES, REGISTERED OFFICES AND ADVISERS

The following table lists the names and positions of the directors. The business address for each of the directors and the Company Secretaries are: (i) 55 Gresham Street, London EC2V 7EL, United Kingdom, in respect of Ninety One plc; and (ii) 36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001, Republic of South Africa, in respect of Ninety One Limited.

Directors	Title
Gareth Peter Herbert Penny	Chairman (Independent)
Colin Denis Keogh	Senior Independent Director
Idoya Fernanda Basterrechea Aranda	Non-Executive Director (Independent)
Victoria Susan Cochrane	Non-Executive Director (Independent)
Busisiwe Abigail Mabuza	Non-Executive Director (Independent)
Fani Titi	Non-Executive Director
Hendrik Jacobus du Toit	Chief Executive Officer
Kim Mary McFarland	Finance Director
Ninety One Limited Company Secretary	Adam John Fletcher
Ninety One plc Company Secretary	Paula Mary Watts
Registered Offices	Ninety One plc 55 Gresham Street London EC2V 7EL United Kingdom Ninety One Limited 36 Hans Strijdom Avenue Foreshore Cape Town, 8001 Republic of South Africa
Financial Advisers to Investec and the Companies	J.P. Morgan Securities plc 25 Bank Street, Canary Wharf London E14 5JP United Kingdom
Financial Advisers to Investec and the Companies	Fenchurch Advisory Partners LLP 110 Bishopsgate London EC2N 4AY United Kingdom
Legal Advisers to the Companies and Investec <i>As to English and US law</i>	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom
Legal Advisers to the Companies and Investec <i>As to South African law</i>	Edward Nathan Sonnenbergs Inc. The MARC Tower 1, 129 Rivonia Road, Sandton Johannesburg 2196 South Africa
Auditors and Reporting Accountant to Ninety One plc	KPMG LLP 15 Canada Square London E14 5GL United Kingdom
Auditors to Ninety One Limited	KPMG Inc. 85 Empire Road Parktown 2193 Republic of South Africa

INFORMATION ON THE GROUP

In this Part IV, the operations of the Group, giving effect to the Demerger, are discussed. Further details of the Demerger are set out in paragraph 4 of Part XII: “Additional Information – Detailed terms and conditions of the Demerger”. Unless otherwise stated, financial information in this section has been extracted without material adjustment from Part X: “Historical Financial Information”.

1. Overview

The Group comprises the Ninety One Business, a founder-led independent global asset manager, established in South Africa in 1991 with £121 billion in assets under management, as at 30 September 2019. Ninety One primarily offers a range of high-conviction, active strategies to its sophisticated global client base with over 1,600 employees across the world.

The Group’s investment proposition for clients centres on its range of differentiated strategies managed by its specialist investment teams, providing access to a diverse range of asset classes and regions globally. Founded as an emerging market-focused South African asset management business, the Group now operates and invests globally and has established a long-term growth track record, reflecting a resilient ability to grow through market cycles across both emerging and established market investments.

Today, the Group serves its client base via five regional teams (known as “**Client Groups**”) – Africa, the United Kingdom, Asia Pacific, the Americas and Europe. Clients are served across two distribution channels: Institutional and Advisor. Institutional clients include some of the world’s largest private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations and central banks, while Advisor clients include large retail groups, wealth managers, private banks and intermediaries serving individual investors.

The Group has grown assets under management from £40 million in 1991 to £121 billion as at 30 September 2019, with approximately £83.3 billion managed on behalf of non-South African clients. For the six months ended 30 September 2019, the Companies had net inflows of £3.2 billion and operating profit before exceptional items of £97.3 million, and for the year ended 31 March 2019 it had net inflows of £6.1 billion and operating profit before exceptional items of £179.4 million.

The leadership team that founded the Ninety One Business has played a central role in the firm’s growth over the last 28 years and continues to manage the Group today. As a result, the Group’s employee ownership culture and purpose-led business approach underpins its investment proposition. The Group operates in line with strategic principles centred around patient and organic growth, driven by long-term client demand and alignment with stakeholders.

2. History

Ninety One plc was incorporated in the United Kingdom on 4 October 2019 and Ninety One Limited was incorporated in South Africa on 18 October 2019. As part of the Demerger, the historical operations of the Ninety One Business will be acquired by the Companies prior to Admission, through the acquisition of IAM UK (and its subsidiaries) by Ninety One plc and the acquisition of IAM SA (and its subsidiaries) by Ninety One Limited, to form the Group.

Investec’s senior management established the Ninety One Business in South Africa in 1991, as part of Investec Group. The business has expanded primarily through organic growth since that time, together with the acquisitions of Guinness Flight Hambro Asset Management in 1998 (based in London) and the asset management business of Fedsure Holdings Limited in 2001 (which owned several asset management entities in Africa).

The Ninety One Business opened offices in New York, Sydney and Singapore in 2006, 2008 and 2012, respectively, to meet growing demand in the Americas and the Asia Pacific regions.

Until 2013, the Ninety One Business was 100 per cent. owned by Investec. In 2013, the senior management of the Ninety One Business acquired a 15 per cent. equity shareholding (through shareholdings in each of IAM UK and IAM SA), with options to acquire up to a further five per cent. of the business over time. This investment was structured through a long-term Ninety One employee share ownership vehicle called the Marathon Trust. The Ninety One's senior management and key employees have continued to invest via the Marathon Trust through the exercise (in full, less one share) of these options, with completion of the share transfer for the options in respect of the final two per cent. (less one share) taking place on 14 December 2018, taking the total shareholding of Marathon Trust's wholly-owned subsidiary Forty Two Point Two to 20 per cent. (less one share).

3. Key strengths

3.1 Unique employee ownership and culture

Since inception in 1991, the Group has built upon a foundation of entrepreneurship, and it continues to operate with this founder-owner mindset. This unique culture is evidenced by the significant experience of the senior leadership team, with an average tenure of the Executive Committee members of approximately 20 years, as at 30 September 2019. The Group has been further strengthened by significant experience throughout its business, including an average tenure of approximately 17 years for operations heads, 15 years for investment heads (including Chief Investment Officers), and 14 years for Client Group heads, in each case, as at 30 September 2019.

The business seeks to reinforce its culture and values through the commitment of its employees and by rewarding their passion, energy and dedication to support longevity and stability. As a result, the Group has an average tenure of seven years across the business, comprising 250 personnel in investment and investment support roles, 402 personnel in Client Group roles and 495 personnel in operations roles, as at 30 September 2019. The longevity of its personnel across the organisation reinforces the Group's entrepreneurial, collaborative and team-oriented culture.

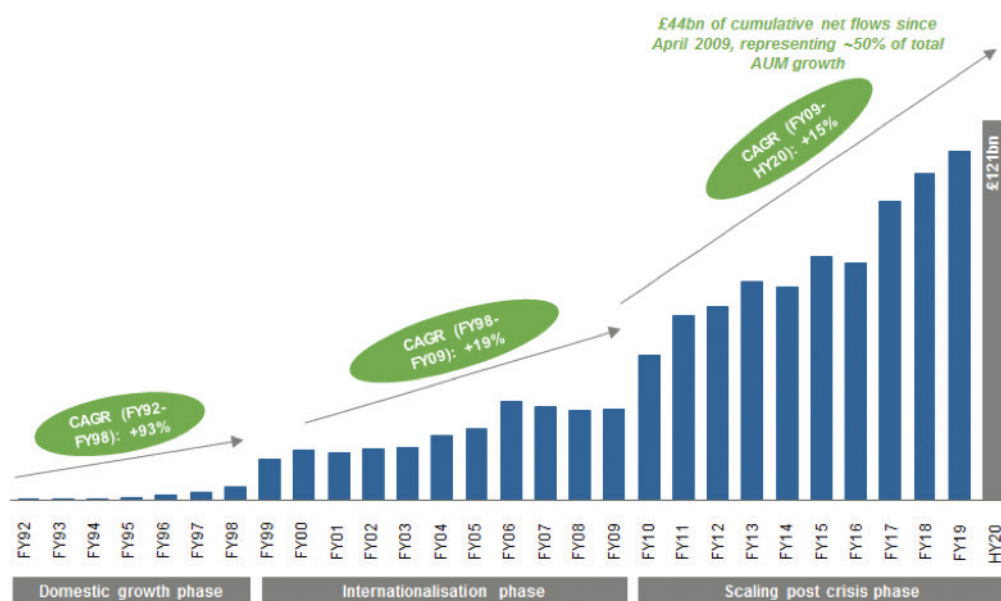
As described above, through their participation in the Marathon Trust, certain senior management and key employees collectively have invested in the Ninety One Business to acquire a shareholding of 20 per cent. (less one share).

3.2 Organically and sustainably built

The Group has established a long-term track record in growing assets under management in a largely organic manner and across market cycles, broadly corresponding to the following three phases:

- a domestic growth phase up to March 1998, during which the business was primarily focused on activities in South Africa and grew assets under management by a compound annual growth rate ("CAGR") of approximately 93 per cent.;
- an internationalisation phase between March 1998 and March 2009, during which the business expanded operations in the United Kingdom, Asia Pacific, the Americas and Europe and grew assets under management by a CAGR of approximately 19 per cent.; and
- a scaling phase following the global financial crisis, during which the business was able to gain significant market share and grew assets under management by a CAGR of approximately 15 per cent. From April 2009 to 30 September 2019, the business generated approximately £44 billion of cumulative net flows, representing approximately 50 per cent. of its total growth in assets under management over that period.

The following chart shows the Ninety One Business' growth in assets under management during these periods:

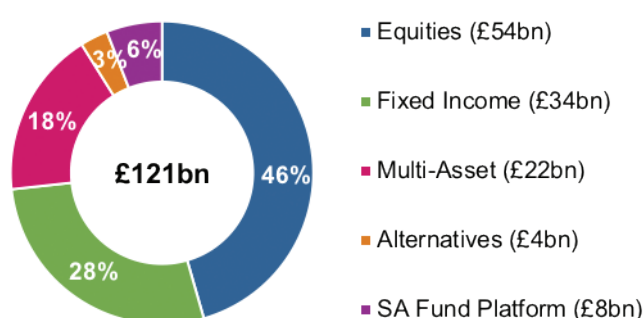


The Group's approach to growth has always emphasised sustainability, which it seeks to achieve by prioritising medium- to long-term client demand rather than pursuing short-term trends in investment preferences. This long-term outlook has underpinned the Group's sustainable business model since inception.

3.3 Distinctive specialist active strategies

The Group has developed a differentiated and diversified set of sustainably-built active investment strategies with a long-term focus. These strategies have been developed organically and support a suite of investment solutions that appeal to sophisticated investors and meet long-term client demand for specialist/high alpha and outcome-based products.

This long-term approach is integral to the investment philosophy across the Group's four core asset class offerings, with £54 billion invested in Equities, £34 billion invested in Fixed Income, £22 billion invested in Multi-Asset and £4 billion invested in Alternatives, as at 30 September 2019, each as described below:



The Group operates three investment strategies within the Equities asset class (4Factor, Quality and Value) and dedicated investment strategies for each of Fixed Income, Multi-Asset and Alternatives.

In addition to the assets that it manages on a discretionary basis across these four asset classes, the Group also operates a South African fund platform, Investec Investment Management Services (IMS), for intermediary clients. IMS had approximately £8 billion of third party assets under administration (which excludes approximately £2 billion of the Group's own products on the platform) as at 30 September 2019.

The Group's investment expertise has delivered robust, long-term investment performance for its clients, with a consistent track record of investment outperformance across multiple market cycles. The percentage of the Group's strategies which have outperformed their benchmarks are as follows (each calculated on the basis set out in paragraph 5.4 "Investment performance" below):

- over the 10-year period to 30 September 2019: 93 per cent.;
- over the five-year period to 30 September 2019: 64 per cent.;
- over the three-year period to 30 September 2019: 75 per cent.; and
- over the one-year period to 30 September 2019: 54 per cent.

The Group aims to continue to deliver long-term sustainable investment performance for its clients, underpinned by a committed and focused investment team.

3.4 Emerging market heritage underpins growth and credentials as an emerging markets investor

According to the IMF, between 1991 and 2019, GDP per capita grew at a CAGR of approximately six per cent. in emerging markets and developing economies compared to approximately three per cent. in advanced economies. However, developed market institutional allocations to emerging markets are typically underweight relative to global market capitalisation and global indices. The Group believes that its heritage provides it with an ideal position to help clients face the structural flow of capital from developed to emerging markets. In addition, the Group has deliberately developed a range of global investment capabilities and sought to diversify its client base by seeking similar clients across many jurisdictions. As a result, the Group is now a diversified global business, with emerging markets remaining both an important investment strategy and a significant source of client assets. Of the Group's £121 billion of assets under management, approximately 57 per cent. represents investments in emerging market strategies, as at 30 September 2019.

3.5 Superior global reach given scale

The Group is geographically well diversified, with increasing local penetration in its chosen markets. The business has grown in recent years, broadening its reach across markets worldwide while maintaining experienced and well-established local teams. This strategy has led to growth in assets under management in each geography where the Group operates.

The following table shows the Group's assets under management growth by region as compared to the relevant industry average, for the period from 2010 to 2018, and headcount supporting its operating activities:

	Ninety One Business assets under management	Ninety One Business Client Group headcount ⁽¹⁾	Assets under management CAGR 2010 – 2018	
			Ninety One Business	Regional industry
	(£' billions)			(%)
Africa	43.2	231 ⁽²⁾	2	2
Americas	17.0	28	30	6
Asia Pacific	20.7	26	22	8
Europe	15.8	21	20	5
United Kingdom	24.1	31	8	4
Total	120.8	337	10	6

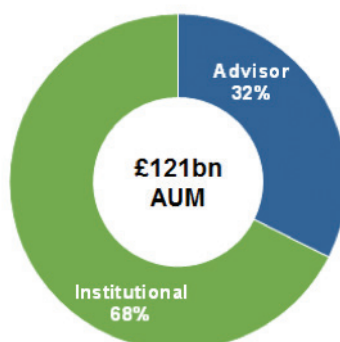
Notes:

(1) As at 30 September 2019, excluding marketing and support staff included in total Client Group headcount.

(2) The Africa Client Group includes 172 employees who are dedicated to the SA Fund Platform (IMS) as at 30 September 2019.

3.6 **Sophisticated Institutional and Advisor client base**

The Group has built a diversified client base across its two core distribution channels, comprising Institutional clients, which accounted for 68 per cent. of assets under management, and Advisor clients, which accounted for 32 per cent. of assets under management, as at 30 September 2019, as set out below:



Within its Institutional clients, the Group's largest client category is pension and other retirement funds, which together made up 39 per cent. of assets under management from Institutional clients, followed by public bodies (including sovereign wealth funds), which made up 21 per cent. of assets under management from Institutional clients, as at 30 September 2019. The remainder of Institutional clients were broadly split between insurers, corporate entities and institutional investors invested in mutual funds, which made up 14 per cent., 12 per cent. and 12 per cent., respectively, of assets under management from Institutional clients as at that date, with the two per cent. remainder of clients categorised as "other".

The Group's assets under management from Advisor clients are predominantly from large retail groups and from wealth managers and private banks, which comprised 35 per cent. and 38 per cent. of assets under management from Advisor clients, respectively, as at 30 September 2019. The Advisor channel is an important area of growth for the Group as it brings diversity to the client base and supports attractive fee rates.

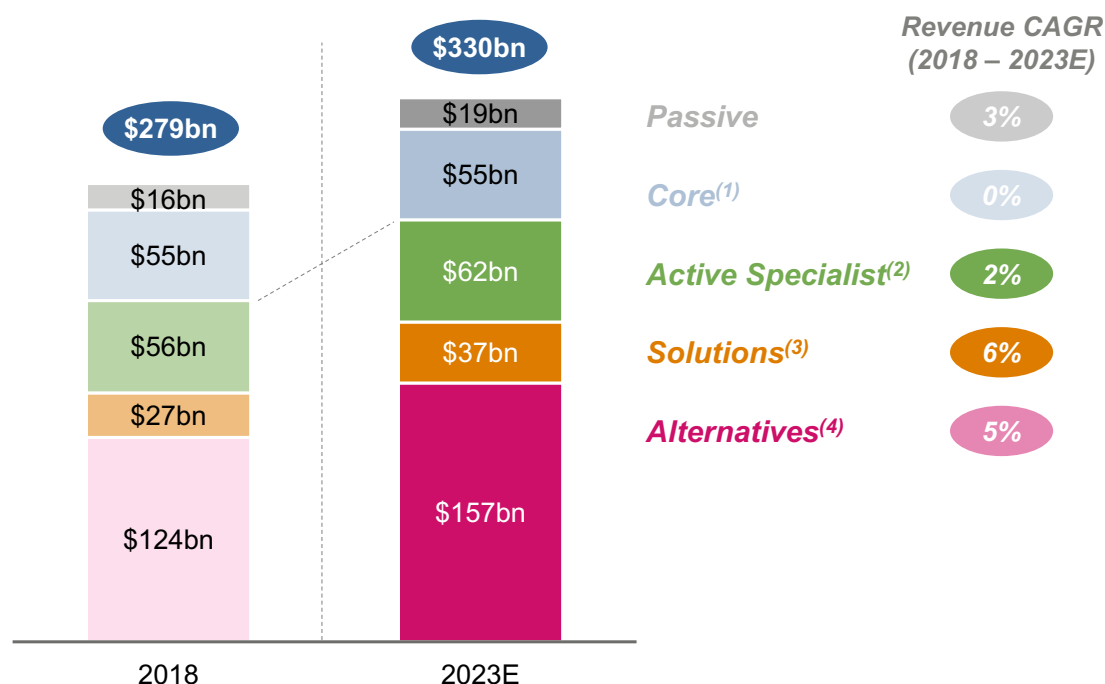
Deep-rooted relationships across this diverse client base support the continued growth of the Group. There is very limited reliance on Investec for client relationships, with less than two per cent. of assets under management having been sourced from Investec, as at 30 September 2019.

3.7 **Significant growth potential across existing investment strategies**

The global investment management industry has been characterised by growth in recent years, which has led to increases in global assets under management and revenues, and these trends are projected to continue going forward. Global revenue growth is projected to be strongest in active specialist, solutions and alternative asset classes (source: BCG 2019). This is expected to continue to provide an attractive market for future growth potential.

The following chart shows projected industry growth by asset class for the periods indicated (source: BCG 2019):

Global industry revenue by asset class



Notes:

- (1) "Core" includes actively managed domestic large cap equity, domestic government and corporate debt, money market and structured products.
- (2) "Active Specialist" includes equity specialties (foreign, global, emerging market, small- and mid-capitalisation, sectors) and fixed income specialties (emerging market, global, high yield, convertibles).
- (3) "Solutions" includes target dated, global asset allocation, flexible, income, liability driven investment and traditional balanced.
- (4) "Alternatives" includes hedge funds, private equity, real estate, infrastructure and commodity funds, liquid alternative mutual funds (e.g. absolute returns, long/short, market neutral, volatility). Private equity and hedge fund revenues exclude performance fees.

Source: BCG 2019

The Group's established investment capabilities provide it with a stable platform to continue serving clients and targeting increases in assets under management within these high-growth asset classes. In particular, the Group has a well-established position in active management strategies, with over 240 investment professionals across these strategies as at 30 September 2019.

The Group anticipates continuing to leverage its existing investment strategies to meet the growing demand across its Institutional and Advisor relationships and to continue to support its diversity of revenues in the coming years.

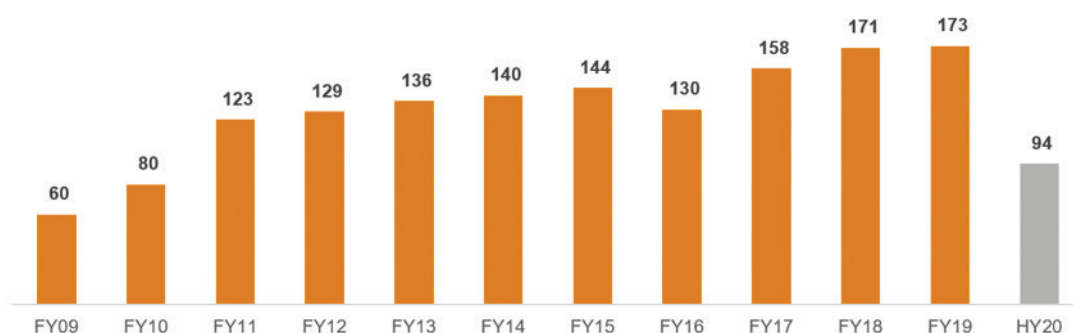
3.8 Attractive financial profile with track record of strong cash generation

The Group has a long track record of profitable growth, driven by increases in assets under management and cost discipline. Between 31 March 2009 and 30 September 2019, the Group has grown its assets under management at a CAGR of 15 per cent. from £29 billion to £121 billion, which has, alongside relative stability in management fee levels, supported adjusted operating revenue growth from £190 million in the year ended 31 March 2009 to £541 million in the year ended 31 March 2019.

The Group has adopted a global operations platform, underpinned by stable outsourcing relationships (which include partnering with global service providers for back- and middle-office services, such as administrative, support and fund accounting services, transfer agent services, and services process retail investor applications and manages fund shareholder registers) and supported by a globally integrated operations team. This operating model, along with a focus on cost discipline, has improved the Group's operating leverage, laying the foundation to support enhanced scale.

During this period, the Group has achieved stable operating margins of between approximately 31 per cent. and 37% per cent., leading to consistent growth in adjusted operating profit from £60 million in the year ended 31 March 2009 to £173 million in the year ended 31 March 2019, as well as £94 million for the six months ended 30 September 2019, as shown in the following chart:

Adjusted operating profit (£ millions)



This operating model has supported high cash conversion across the Group, which has facilitated paying out a high proportion of earnings as dividends, with approximately £1.3 billion paid in dividends during the eleven-year period ended 30 September 2019. The Group has also delivered consistently high returns on equity.

4. Strategy

- The Group operates according to the following core strategic principles:
- offering organically developed investment capabilities through active segregated mandates or mutual funds to sophisticated clients;
- operating globally in both the Institutional and Advisor space through five geographically defined Client Groups; and
- having an approach to growth that is driven by structural medium- to long-term client demand and competitive investment performance.

The Group aims to deliver long-term, profitable growth guided by four strategic priorities:

- **Capture the growth inherent in the Group's current capability set** – the Group's specialist skillsets are aligned with global trends. Industry assets under management and revenue pools across the Group's capabilities, including active specialist, solutions and alternatives strategies, are expected to see continued structural growth. Ninety One's diversified, competitive and client-relevant investment capabilities across global and regional equities, fixed income, multi-asset and alternatives asset classes provide a platform for further growth potential.
- **Develop differentiated strategies, anticipating client needs** – the Group has a demonstrable track record of expanding its product offering across asset classes to meet future client demand. For example, the development of the 4Factor and Quality equities platforms and the early provision of dedicated emerging markets fixed income strategies, resulting in a substantial position in emerging markets local currency strategies.
- **Focus on growth in professionally intermediated channels (Advisor and Institutional)** – the Group has two core distribution channels, serving both large institutional and sophisticated advisory clients, and the Group's client base is increasingly diversified across these channels. In the Advisor channel, the Group has access to key portfolio assemblers and financial institutions across all its Client Groups, and its outcomes-based offerings (such as Multi-Asset) are ideally positioned to capture flows from intermediaries and end investors who increasingly seek solutions products. In the Institutional channel, the Group's differentiated emerging markets capabilities and strong traction with investment consultants enable unique entry to globalising capital pools, with investors in large markets, such as the US, increasingly seeking more specialist international products. Europe and Asia also remain important Institutional markets for the Group.

- **Ensure sustainability is at the core of its business** – The rising importance of the sustainability agenda for society, investors and business places an obligation on investment managers. The Group is an active steward of capital with environmental, social and governance investment considerations (“**ESG**”) and sustainability factors integrated across its strategies, helping to mitigate risks and enhance value for clients. Continuous progress in this area is core to its organisational purpose. More recently, the firm has launched dedicated positive-inclusion strategies such as global environment. It is also building within the impact space on the back of its well-proven infrastructure credit offering.

In addition to growing its assets under management and developing its client reach through these strategic growth drivers, the Group is committed to improving efficiency to meet the challenges of a maturing and ever-more competitive industry. To deliver consistent profitability across market cycles, the Group aims to maintain its simple business model, with high cash conversion and no long-term debt on the balance sheet, and by avoiding capital-intensive activities. The Group’s platform is long established and well-invested to support continued AUM growth, led by client demand. The Group’s intention is to use the strength of this business model and internal discipline to deliver consistent dividends to Shareholders.

5. Business overview

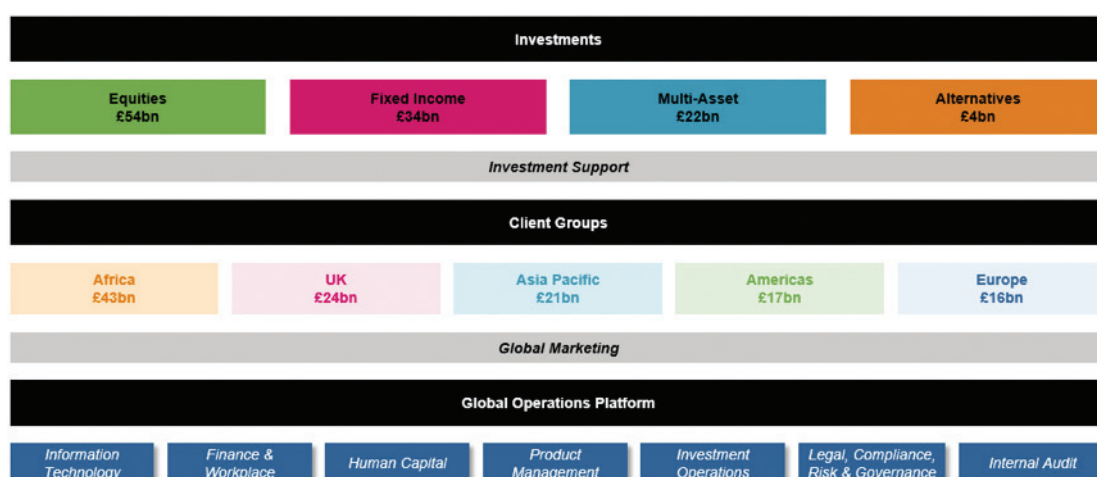
5.1 Overview

The Group is an active asset manager, primarily offering a range of specialist and outcome-orientated strategies to its sophisticated global client base.

The Group’s management of assets focuses on four core asset classes: Equities, Fixed Income, Multi-Asset and Alternative strategies, as described in detail below. The Group aims to implement its specialist approach through clearly articulated investment philosophies and well-defined investment processes within the context of the team with clear leadership. The Group prefers to develop investment strategies organically, over time.

With an emerging market heritage and global reach, the Group targets clients across five Client Groups (Africa, the United Kingdom, Asia Pacific, the Americas and Europe) and through two core distribution channels (Institutional and Advisor). Institutional clients include some of the world’s largest private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations and central banks, while Advisor clients include large retail groups, wealth managers, private banks and intermediaries serving individual investors.

The high-level organisational structure of the Group by asset class and Client Group is set out in the chart below, including assets under management as at 30 September 2019, and is underpinned by the Group’s global operations platform:



The Group operates through 21 offices in 13 countries, with its largest offices and key investment centres being in London and Cape Town.

The Group’s London and Cape Town offices perform investment, distribution, client relationship management and operational functions. It has a further portfolio management presence in Hong Kong, New York, Singapore, Gaborone and Windhoek, and a global distribution reach with 19 Client Group offices (out of 21 offices) around the world. The remaining two offices, in Guernsey and Luxembourg, focus on operational functions.

The Group's South African fund platform, IMS (becoming Ninety One Investment Platform Proprietary Limited), was established in 1994 and built in partnership with independent financial advisers. The investment platform offers both offshore and local investment solutions, predominantly comprising third-party products and selected Group funds.

The Group's South African fund administration business, Silica, is a 100 per cent. owned subsidiary that was established in 1999, at a time when no other suitable local outsourcing platforms were available in South Africa. Today, it is an established industry service provider, with more than £100 billion of predominantly third-party assets under administration as at 30 September 2019.

The Group operates across an integrated global operations platform, utilising an operational model that utilises an outsourcing business model for certain functions by partnering with global service providers for back- and middle-office services, such as administrative, support and fund accounting services, which are provided under an agreement with State Street Bank & Trust Co., as well as transfer agent services as provided by RBC Investor Services Bank S.A., DST Financial Services Europe Limited and Silica Financial Administration Solutions Proprietary Limited to process retail investor applications and manage fund shareholder registers. It also has various in-house operations functions, including finance and workplace, information technology, human capital, fund operations, internal audit and legal and compliance. The Group seeks to leverage this outsourcing approach where it supports operations and profitability across its operations. This approach allows the Group to operate from a global platform, enabling it to scale across markets and products.

Following completion of the Demerger, the Group will receive a limited amount of continued support from Bank and Wealth under the Demerger Agreements, as described in further detail in paragraph 20.1 of Part XII: *"Additional Information – Demerger Agreements"*.

5.2 Fees

The Group generates revenues through management fees, which are typically calculated daily or monthly for each client on an *ad valorem* basis as a proportion of the client's assets under management. Fee rates vary by investment strategy, client type and geography.

In certain instances, the Group also charges performance fees, from certain investment strategies and clients, where investment performance exceeds agreed benchmarks or other measures.

5.3 Investments

The Group applies differentiated investment processes across four core asset classes: Equities, Fixed Income, Multi-Asset and Alternatives.

The Group's business is supported across its core asset class offerings by six specialist teams with distinctive capabilities that invest according to distinct investment strategies. Within its Equity strategies, these teams are 4Factor (53 investment professionals), Quality (20 investment professionals) and Value (11 investment professionals); this is followed by Fixed Income strategies (55 investment professionals), Multi-Asset strategies (14 investment professionals) and Alternative strategies (24 investment professionals), all as at 30 September 2019.

The Group has developed its specialist teams and capabilities organically over time, resulting in experienced and stable personnel supporting long-term strategies. It values diversity, and its operations are built on a culture of collaborating to generate long-term value for its clients.

Equities

The Group's "Equity" asset class offerings comprise its range of investment strategies covering global and regional equities markets. They are managed by focused, specialist investment teams using proprietary developed and disciplined investment processes. All of its strategies are managed in an active manner that seek out either market-relative returns or total return outcomes for clients. Its global Equity offerings comprise three different investment styles: 4Factor, Quality and Value.

The Group's "4Factor" strategies focus on value, quality, earnings and technical factors. These strategies are momentum-oriented and follow an active, evidence-based, bottom-up investment style, which marries alpha-generating factors from traditional financial theory and behavioural finance.

"Quality" strategies aim to apply a bottom-up research process, which is focused on seeking to identify businesses with strong and consistent track records with embedded identifiable strategies, low levels of leverage, strong management teams and good governance structures.

“Value” strategies target a value/contrarian approach focusing on companies that are considered under-priced. These strategies seek to understand why conventional wisdom might be wrong and is based on the belief that the most predictable behavioural response of investors is their overreaction to negative news. Investments are typically held on a long-term basis and realised at the point of fundamental profit improvement or shift in long-term market outlook.

Fixed Income

The Group’s “Fixed Income” asset class offering comprises its actively managed strategies investing in both developed and emerging markets across a range of debt opportunities including sovereign bonds, corporate credit, money markets and private debt. Its range of strategies, both global and regional, look to provide both market-relative returns as well as total return outcomes for clients.

In terms of developed market strategies, the Group focuses on the active management of global interest rates, currencies and credit strategies. From an emerging market perspective, the Group offers a range of global and regional emerging market debt strategies investing in local and hard currency debt, as well as corporate debt. This includes a wide range of South African fixed income strategies. It further manages a strategy that takes a blended approach to emerging market debt.

The Group also offers multi-strategy fixed income solutions and a range of strategies spanning the credit spectrum.

Multi-Asset

The Group’s multi-asset class offering comprises a range of actively managed global and regional strategies, including emerging market multi-asset solutions aimed at growth or income exposure. The multi-asset strategies are driven by analyses of fundamental factors, valuation and market price behaviour. Performance of these strategies is predominantly measured on an absolute return basis. These strategies invest around the world in a mix of different assets, including bonds, money market instruments, equities, convertible securities, alternatives and other funds.

Alternatives

The Group’s “Alternatives” asset class offering comprises a range of investment solutions. These include natural resource equities that provide exposure to broad and specialist sectors, such as gold and energy. It also offers sustainable investing solutions to clients that encompass investing in renewable energy and environmental transition strategies focused on sustainability.

Furthermore, through the Alternative offering, the Group offers a comprehensive range of direct investment strategies, including investing in African real estate, infrastructure debt and private equity.

5.4 Investment performance

All of the investment capabilities of the Group are managed with the simple aim of delivering performance which meets or exceeds its clients’ expectations around agreed, well-defined return and risk parameters. The Group measures its investment performance relative to peer groups and against benchmarks over one-, three-, five- and 10-year periods, and since inception.

The following table presents investment performance in terms of outperformance and underperformance, which is defined as the sum of total market values for the portfolios presented that have positive (in the case of outperformance) or negative (in the case of underperformance) returns relative to the respective external benchmarks of each fund, expressed as a percentage of total assets under management, to 30 September 2019:

	1 year	3 year	5 year	10 year	Since inception⁽¹⁾
Outperformance ⁽¹⁾	54%	75%	64%	93%	77%
Underperformance ⁽¹⁾	46%	25%	36%	7%	23%

Notes:

- (1) Outperformance and underperformance are calculated as the sum of the total market values for individual portfolios that have positive relative returns (negative relative returns), gross of fees, expressed as a percentage of total assets under management. The Group’s percentage of fund outperformance and underperformance is reported on the basis of current assets under management for funds that have been active for the entire length of the time period being measured as at 30 September 2019, and, therefore, does not include funds which were terminated or otherwise wound down during these periods. Total assets under management exclude double-counting of pooled products (where clients are invested in IAM funds as opposed to being directly invested) and third-party assets administered on the Group’s IMS fund platform. Benchmarks used for the analysis include cash, peer group averages, inflation and market indices as specified in client mandates or fund prospectuses. For all periods shown, market values are as at the period end date.

The following table presents the Group's mutual fund investment performance for certain periods from inception by quartile:

	1 year⁽¹⁾	3 year (annualised)⁽¹⁾	5 year (annualised)⁽¹⁾	10 year (annualised)⁽¹⁾
First quartile	38%	29%	40%	61%
Second quartile	15%	43%	23%	16%
Third quartile	37%	16%	27%	15%
Fourth quartile	10%	12%	10%	8%

Notes:

(1) Fund performance and ranking are as per Morningstar data using primary share classes net of fees to 30 September 2019. Peer group universes are either UK Investment Association ("IA"), Global Investment Fund Sector ("GIFS") or Association for Savings and Investment South Africa ("ASISA") sectors as classified by Morningstar. Cash or cash-equivalent funds are excluded from chart.

5.5 Client Groups

The Group's client coverage is organised across five geographically defined Client Groups, comprising Africa, the United Kingdom, Asia Pacific, the Americas and Europe. This model provides the Group with access and proximity to its clients across the Advisor and Institutional channels globally.

The Client Groups are responsible for two main activities: distribution and client relationship management. The regional Client Groups cover the business' full range of investment strategies and services to the distribution channels and geographies across which the Group operates. The respective client Groups are also responsible for all aspects of client service, acting as a conduit for all information to and from clients and drawing upon the resources of the business to provide the highest standard of service to all clients.

As at 30 September, reflecting the composition of the Group's assets, the headcount supporting these Client Groups was 59 in Africa, 31 in the UK, 28 in the Americas, 26 in Asia Pacific and 21 in Europe. The Africa Client Group consists of a further 172 employees who are dedicated to the SA Fund Platform (IMS), as at 30 September 2019.

The following table presents a breakdown of assets under management by Client Group as at 30 September 2019 and 31 March 2019, 2018 and 2017 and net flows for the applicable periods then ended:

	As at and for the six-month period ended 30 September		As at and for the years ended 31 March					
	2019		2019		2018		2017	
	AUM⁽¹⁾	Net flows⁽²⁾	AUM⁽³⁾	Net flows⁽⁴⁾	AUM⁽³⁾	Net flows⁽⁴⁾	AUM⁽³⁾	Net flows⁽⁴⁾
<i>(£' billions)</i>								
Africa	43.2	1.1	40.6	2.9	39.2	0.2	37.4	1.4
United Kingdom	24.1	0.1	22.8	1.7	19.5	1.6	17.9	0.4
Asia Pacific	20.7	0.3	19.1	(0.1)	17.7	1.4	15.3	(1.3)
Americas	17.0	0.8	15.1	0.6	14.7	2.7	11.8	(0.7)
Europe	15.8	0.9	13.8	1.0	12.8	(0.5)	12.9	(0.4)
Total	120.8	3.2	111.4	6.1	103.9	5.4	95.3	(0.6)

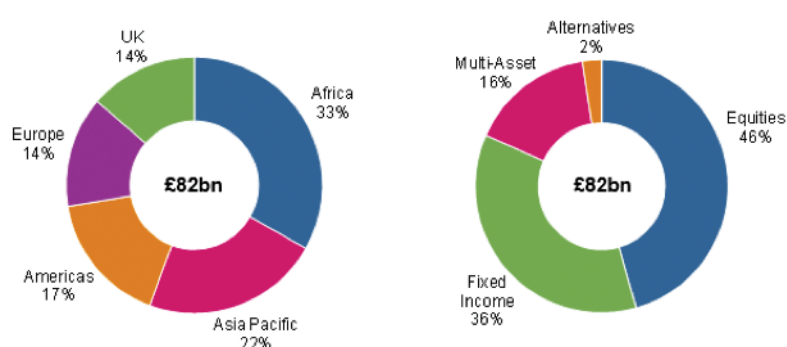
Notes:

- (1) As at 30 September.
- (2) For the six-month period ended on 30 September.
- (3) As at 31 March of the relevant year.
- (4) For the 12-month period ended on March 31 of the relevant year.

5.5.1 Clients

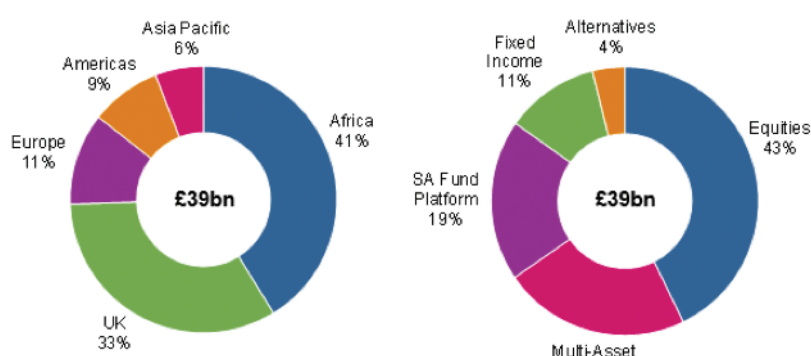
The Group puts clients at the centre of its business, aiming to provide them with competitive and differentiated investment opportunities and services. The Group services a growing broad range of clients globally, through its two core distribution channels: Institutional and Advisor.

As at 30 September 2019, the Group managed £82.1 billion (or 68 per cent. of total assets under management) for Institutional clients that comprised some of the world's largest private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations and central banks. The following charts show the Group's assets under management from Institutional clients by geography and asset class as at 30 September 2019:



As at 30 September 2019, the Group managed £38.7 billion (or 32 per cent. of total assets under management) for Advisor clients, which range from private and retail banks to discretionary wealth managers, sub-advised clients and financial advisers. The Group also offers a market leading retail fund platform (IMS) to financial advisers and retail clients in South Africa. The Group's Advisor clients are intermediated in nature and, therefore, the Group does not interact directly with retail clients.

The following charts show the Group's assets under management from Advisor clients by geography and asset class as at 30 September 2019:



The Group has built its client credentials with great care and it remains mindful that it operates as a long-term business. The Group's longest-standing client relationship spans over two decades. Alignment of interests matters, and clients always come first at the Group with the intention to build client advocacy over time.

In addition to its client relationships, the Group has long-established relationships with a variety of institutional investment consultants and independent financial advisers globally. These relationships support the Group's ongoing efforts to acquire new clients and retain existing ones.

5.5.2 Product types and fund ranges

As at 30 September 2019, the Group's assets under management are generally classified as mutual funds and segregated mandates.

As at September 2019, the Group has 219 individual funds and 1,129 share classes, across a well-structured product platform which enables it to serve clients globally. A well-established fund infrastructure is in place to support future global fund launches. The Group's existing funds include the following:

- United Kingdom: OEICs and investment trusts;
- Europe and International Cross-Border: SICAVs (UCITS and AIFs and Limited Partnerships);
- Guernsey: protected cell companies and Limited Partnerships;
- Asia Pacific: unit trusts (Australia);
- Africa:
 - South Africa: unit trusts, pooled life funds and hedge funds;
 - Namibia: unit trusts;
 - Botswana: unit trusts;
 - Mauritius: GBC1 company; and
- In the Americas, pooled investment vehicles offered by registered investment companies (as defined in the Investment Companies Act of 1940) and limited liability companies.

5.6 Marketing

The Group's marketing activities are co-ordinated by its global marketing team, within the central Client Group operations, which comprises 62 personnel, as at 30 September 2019. The global marketing team's responsibilities include preparing materials in response to existing and potential client request for proposals, strategic marketing, marketing campaigns, branding, communications (including the website), investor education and client events.

6. Global Operations Platform

The Group operates across an integrated global operations platform, utilising an operating model that focuses on investment and client service that aims to ensure consistent levels of standards, efficiency and flexibility. This is achieved by partnering with global service providers across the value chain and targeted cost-savings through operations in low-cost locations, supported by globally integrated in-house operations teams. This model provides a platform to support future growth and enable the Group's investment capabilities and technologies across its operations, as described in paragraph 5 above.

The in-house functions can be categorised as those aligned with strategy and change which includes the information technology, human capital and product management functions and those aligned with finance and firm oversight which includes finance and workplace, legal, operational risk, company secretarial and compliance, and vendor management and operations oversight. The operations team consists of 495 staff, as at 30 September 2019, based primarily in London and Cape Town. The Group's locations strategy is managed by taking time zone and cost into account, with Cape Town being utilised as the offshoring lower cost base for global operations. This approach allows the Group to operate from a unified global investment infrastructure, allowing it to scale across markets and products.

The Group has a globally integrated Information Technology (IT) team, which supports all aspects of its technology requirements. The team is structured to support the business through Investment Technology, Client Technology and Central Services Technology teams. These teams are further supported by Shared Technology, IT Operations and Infrastructure, and IT Risk and Information Security. All IT teams operate on a globally integrated basis. The Group's integrated platform uses established third-party systems, including FactSet and thinkFolio investment management systems, IHSMarkit enterprise data management systems and Salesforce client management systems. The Group's main investment administration process is underpinned by its long-term relationship with State Street Bank & Trust Co, which provides investment administration and fund accounting services across the Group's operations.

The Group has undertaken a number of initiatives in recent years to further harness the benefits of operating across a single platform. This has included centralising its data architecture, automating client reporting and marketing processes, performing regular updates of key systems and introducing end-user productivity measures through a Digital Workplace programme. Current technology priorities include enhancing the Group's ability to act as a "round the clock" operational model to better enable the Group to expedite processes in one region by utilising personnel and systems in other time zones and offices, evolving the investment risk platform, improving access to data and information globally, further improving scalability and efficiency, and introducing intelligent security.

Following the Demerger, the Group will continue to rely on Bank and Wealth for a limited range of services for a transitional period, as set out in paragraph 22.1 of Part XII: *"Additional Information: – "Demerger Agreements"*. These include a limited range of software and trademarks, certain IT, operational and other services, and facilities space predominantly in South Africa

7. Brand and intellectual property

7.1 Brand

The Group's current name, brand identity and tools have all been built upon the Investec Group's brand. The Group will rebrand immediately upon the Demerger to Ninety One. Building the new brand is a key aspect of the Group's plans prior to and post the Demerger.

The Companies have worked with external branding and naming experts to create a company name and brand positioning that is differentiated in the Group's industry while conveying its values and principles which are not changing as a result of the Demerger. The Group is proud of its heritage and plans to maintain a link to this in its new name and positioning. It remains a business-to-business (B2B) and business to business-to-consumer (B2B2C) company, with its asset management clients being institutional investors or intermediaries. In addition, the Group is aware the brand needs to consider new audiences such as investors in the Group, policy makers and other influences.

A key aspect of the rebrand across all audiences is to ensure that the Group remains consistent with how existing clients and investors see the firm – its values, principles, product capabilities and growth aspirations. The Group has chosen a name with a strong connection to its heritage, that feels authentic to who it is and will stand out in a competitive market, while reflecting its heritage from South Africa during a time of transformative change, which taught it the power of active investing to help create a better future. Although the Group is changing its name upon Demerger, what it is and what it stands for remain unchanged.

7.2 Intellectual property

Trademarks applications for the words and images used by the companies within the Group have been filed in the countries in which they are located. The Group has worldwide trademark applications and registrations in place in relation to the name “Ninety One”. Moreover, the Group is the owner of the main domain names containing “Ninety One”, and the Group’s companies own several domain names for the “.com”, “.co.uk” and “.co.za” domains. The Ninety One plc Directors believe that the Group’s core intellectual property rights will be adequately protected following the Demerger.

8. Culture and sustainability

8.1 Culture

The Group’s culture is one of the most important aspects of the firm to understand – whether as an employee, prospective employee, client or shareholder. The Group is a people business and its culture is a vital element of its long-term success. It is the foundation for enduring investment performance and client service, informs the brand and is a source of competitive advantage. The culture of the Group, originally a reflection of the founders, still guides the firm today. The central tenet of the “owner” culture is the notion of “the freedom to create” within the clear parameters of values, team and strategy. The Group encourages direct, honest and open discussion, ensuring diversity of thought and perspective. The employees of the Group have the freedom to be themselves which facilitates the combination of individual expression with collective ambition and team discipline. The Group insists on results but not at the expense of the human spirit. Relationships matter and the Group balances relentless drive with decency.

A cornerstone of the culture is “Do the Right Thing”. This refers to how the Group engages clients, community and team. The Group and its employees are acutely aware of their responsibility to ensure that its clients are always treated fairly, not merely to meet regulatory requirements, but as it is a core part of the culture and values of the Group. It is all about the drive to be better.

8.2 Sustainability

From the start, the Group has been committed to investing for a better tomorrow and sustainability is a key part of its purpose as an active asset manager. The Group is a long-term focused business allocating capital on a global basis to meet the future needs of society. The Group aims to deliver on this commitment through three pillars:

8.2.1 Invest

The Group invests responsibly for a more sustainable future on behalf of its clients. As a global asset manager, the essential purpose of the Group’s work is to preserve and grow the real purchasing power of its clients’ assets over the long term in accordance with their mandates. However, it also involves acting with stewardship, as an active asset manager.

The Group believes that active management has a unique role in facilitating the allocation of capital in a responsible manner and supporting the shift to a more sustainable future. It does this by building capabilities that invest in areas which will improve global sustainability, which take an integrated approach to ESG, based on the view that considering material ESG risks and opportunities should be integral to the investment process and embedded in all investment strategies.

The Group actively supports industry organisations advocating for deeper sustainability within investments. This includes the Principles for Responsible Investment, the UK Stewardship Code and the Code for Responsible Investing in South Africa. The Group is also involved with specialised groups that focus on themes such as carbon (Institutional Investors Group on Climate Change and the Carbon Disclosure Project) and corporate governance (The UK Investor Forum, the UK Impact Investing Institute, the International Corporate Governance Network, the Asia Corporate Governance Association and Chartered Insurance Institute). The Group's support for these organisations and initiatives does not mean that it simply follows what is prescribed. True to its commitment to active management, the Group applies judgement and careful thought in this field, always guided by the interest of its clients and society at large.

8.2.2 Engage

The Group generates insight and thought leadership to shape the global imperatives for sustainable development. The Group believes that it is important not only to manage clients' assets in a responsible manner but also to proactively engage with clients and stakeholders about sustainability. The Group recognises that the sustainability imperative means that there is an opportunity to lead the conversation around sustainable development and encourage clients on their journey towards more sustainable long-term investing.

Leadership across the Group is fully engaged and participating with a series of global organisations committed to the advancement and implementation of sustainable development. Through the work of executive leadership with the Business and Sustainable Development Commission, the Coalition for Inclusive Capitalism, the Impact Investing Institute, the SDG Centre for Africa, the Sustainable Development Solutions Network and the UN Principles for Responsible Investment, dialogue with international business, governments, labour and civil society leaders aims to articulate and quantify the case for participation in moving towards sustainable development.

8.2.3 Inhabit

The Group believes that change starts at home and, therefore, takes direct responsibility for its environmental and social impact ensuring that it behaves in line with its principles. The Group takes on the responsibility for "inhabiting" its ecosystem in a manner that ensures a sustainable future for all by supporting sustainability in the communities in which it operates. From the Group's Green Team at its offices through to its work in conservation and communities, the Group supports the preservation of the natural world. The guiding principle is to contribute to a better tomorrow.

The corporate sustainability strategy is focused on five areas, from energy, waste and water to travel and responsible procurement, driving towards the reduction and lessening of its carbon footprint.

The Group remains deeply aware of its broader responsibility to society at large and, more specifically, to the communities in which Group has an investment footprint. Diversity continues to be part of the fabric of the firm, given its long-standing commitment to racial transformation in South Africa, with the Group also signing up as a founder member of The Diversity Project in the United Kingdom as one continuation of this aspect of its culture.

9. Risk management and internal controls

The Boards are ultimately responsible for risk management and for establishing systems of risk management and control that are appropriate for the size and complexity of the Group.

Risk management is achieved through a combination of the Group's risk management framework and governance structure and its business culture. It is a continuous function of the Group's management process. The Boards and Executive Committee have created and fostered a risk awareness culture throughout the organisation that encourages open and honest dialogue at all levels of seniority.

Where appropriate, the Boards delegate certain responsibilities for risk management to specialist committees; such delegations are under formal arrangements and with defined terms of reference.

9.1 Risk management framework

The Group has established an enterprise-wide risk management framework that is designed to provide the business with the appropriate tools and process to identify, assess, manage and escalate risks in line with the Group's risk appetite.

Risk appetite sets the tone from the top and is demonstrable throughout the risk management framework. It provides the basis for defining parameters against which events, business activities, and decisions can be assessed to ensure that they are appropriate, and appropriately monitored and controlled.

The risk management framework is underpinned by a suite of policies that provide parameters within which the Group, and its employees, must operate or behave. Employees must attest adherence to key policies annually.

In line with industry best practice, and as expected by global regulators, the Companies operate a "three lines of defence" model, comprising:

- First Line: business teams (specifically management);
- Second Line: investment risk, operational risk, compliance; and
- Third Line: internal audit.

9.1.1 First Line

Risk is inherent in most business activities; therefore, the design and operation of controls by owners acts as the first line of defence against risks manifesting. As such, all employees have responsibilities in respect of risk management and compliance, which are detailed in their job descriptions and in the Group's various policies. Management is responsible for the controls in areas of the business it oversees and for liaising with the various risk management teams.

9.1.2 Second Line

Specialist, independent "second line" functions assist the Boards in the design of risk management systems, oversee the implementation and operation of the risk management framework on a day-to-day basis and ensure the ongoing adequacy and effectiveness of risk management processes and controls. The second line functions provide advice and challenge to the business on risk matters and will escalate any risks, events, findings or concerns to the appropriate management or committee (including, where appropriate, the Boards and/or Audit and Risk Committee).

The second line functions are independent of the teams and processes that they oversee and their reporting lines ensure that their independence is not compromised. The Investment Risk function reports to the Chief Investment Officers, while the Operational Risk and Compliance functions report to the General Counsel (both of whom have unfettered access to senior management and the Board).

9.1.3 Third Line

The Internal Audit function, representing the third line of defence, acts under the sole direction of the firm's Audit and Risk Committee. The Internal Audit function follows a risk-based audit review programme but can be directed to undertake targeted and thematic reviews where necessary.

In addition to the deployment of various internal functions representing "lines of defence", the Group employs third-party professional services firms to conduct independent assessments of the adequacy and effectiveness of the Group's control environment at least annually.

9.2 Internal control environment

The Group's internal control environment is designed to ensure that:

- client assets are appropriately identified and segregated, and managed within agreed parameters, and that investment transactions and decisions are recorded and reported accurately and in a timely manner;
- client assets are appropriately valued and that fees are accurately calculated and collected;

- the activities of the firm, including its management decisions, are in the best interests of its stakeholders and are appropriately and accurately recorded and reported (where necessary), including in relation to the firm's own financial records;
- appropriate steps are taken to protect client and proprietary information and intellectual property;
- appropriate steps are taken to protect clients and the Group from financial crime, including the fraudulent misappropriation of assets;
- appropriate steps are taken to ensure that the Group meets its legal, contractual and regulatory obligations; and
- conflicts of interest are identified and appropriately assessed, recorded and monitored.

The Group's teams, processes and systems (including system permissions) are arranged to ensure that appropriate segregation of duties is maintained, both in terms of responsibilities and reporting lines.

Employees have formal job descriptions setting out their responsibilities in respect of their roles and wider obligations in respect of risk management and compliance; these are reviewed annually for accuracy and completeness.

9.3 Regulatory compliance

The Group has an independent, dedicated compliance function that is responsible for ensuring ongoing compliance with regulatory obligations in each jurisdiction where it has operations.

The compliance function comprises a compliance advisory team which identifies regulatory rules, monitors any changes in the regulatory environment, and advises the Group on how best to implement and adhere to regulations on an ongoing basis. The compliance advisory team also liaises with regulators on behalf of the business.

A separate compliance monitoring team operates a review programme to ensure that the Group adheres to all applicable financial services regulation, and that controls designed to meet these regulatory obligations are appropriately designed and operated. Both teams provide formal reports to key governance committees and the Board and have direct access to senior management.

The Group also has a dedicated tax function. The tax function is responsible for ensuring compliance with existing tax rules in jurisdictions in which the Group operates, identifying any changes in tax regulations, and advising the Group on how best to implement and meet the rules on an ongoing basis. The Group has established an enterprise-wide risk management framework that is designed to provide the business with the appropriate tools and process to identify, assess, manage and escalate risks in line with the Group's risk appetite.

10. Silica

The Group owns and operates Silica, a South Africa-based fund administration business. Silica provides administration, outsourcing and technology solutions to the Group and other third-party asset managers and other financial advisers within Southern Africa and the United Kingdom. Silica was formed by the Group in 1999, as management considered it to be more practical and cost efficient to establish its own provider rather than to outsource. Silica has subsequently grown to provide services to a number of third-party clients.

The business consists of a small group of companies which operate autonomously, with new strategies and the on-boarding of new clients requiring board approval from Silica Holdings. The scope of services provided to each client is negotiated on a client-by-client basis, and Silica earns revenue based on fixed systems fees and variable transactional fees. Services include STP (straight-through processing) automation, liability administration, quality checking, legal administration and outbound call centre operations, as well as the building of bespoke systems for clients.

Although Silica is wholly owned by the Group, third-party revenues and costs of the Silica business are excluded from the Group's adjusted operating performance metrics on the basis that Silica is an independent business that is not core to the Group's underlying performance. See Paragraph 4 of Part VIII: *"Selected Financial Information – Non-IFRS Measures"*.

11. Employees

The Group had 1,632 employees as at 30 September 2019. The following table sets forth a breakdown of employees across the Group's divisions as at 30 September 2019 and 31 March 2019, 2018 and 2017:

	As at 30 September		As at 31 March	
	2019	2019	2018	2017
Investments	250	246	230	228
Client Groups	402	405	381	342
Operations	495	488	448	421
Silica	485	490	533	663
Total	1,632	1,629	1,592	1,654

12. Information technology

The Group maintains a technical environment tailored to its own needs, as well as industry-standard settlement and portfolio management systems which allow the business to operate efficiently. The Group's IT systems are designed to support its business with a focus on delivering customer value and to serve the business in an effective and efficient manner.

13. Insurance

In order to protect the Group against major financial losses arising from the risks in performing the Group's activities and services, the Group carries (and will carry by the point of Admission) insurance policies, which the Directors believe, as at the date of this document, are customary for the industry, to cover certain risks associated with its activities and services. Broadly, these policies are a combination of directors' and officers' liability insurance, comprehensive crime and civil liability insurance, property damage, business interruption and terrorism insurance, public liability insurance, employer liability insurance and various other liability and accident insurance policies. The Directors confirm that, upon Admission, the Group will have appropriate insurance policies in place.

INDUSTRY OVERVIEW

The information in the following section has been provided for background purposes. The information has been extracted from a variety of sources released by public and private organisations as described in Part II: “Presentation of Information on the Group”.

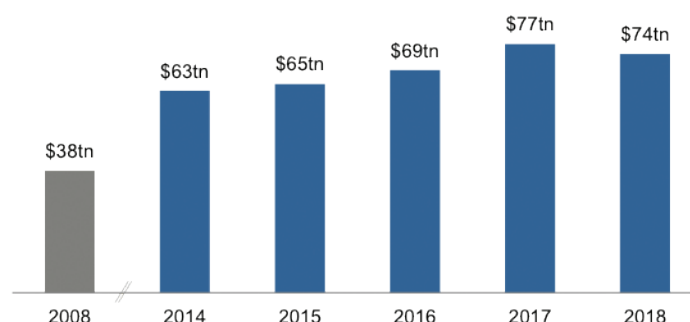
Ninety One plc confirms that the information in this section has been accurately reproduced from these sources and, as far as Ninety One plc is aware and is able to ascertain from information published by these sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Ninety One plc believes that these industry publications, surveys and forecasts are reliable but Ninety One plc has not independently verified them and cannot guarantee their accuracy or completeness.

The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See Part I: “Risk Factors” and paragraph 4 of Part II: “Presentation of Information on the Group – Information regarding forward-looking statements”.

1. Assets under management and flows

Assets under management across the global asset management industry have grown significantly since the financial crisis, from US\$38 trillion in 2008 to US\$74 trillion in 2018 (source: BCG ‘Global Asset Management 2019’). The four per cent. year-on-year decline experienced in 2018 reversed some of the strong growth in 2017, when global assets under management increased by 12 per cent. (source: BCG ‘Global Asset Management 2019’). In 2018, the global economy experienced weakening financial market sentiment, increasing trade policy uncertainty and a slowdown in global growth projections. This global market volatility created headwinds for the asset management industry, compounded by structural pressures including the rise of passive investing, increased regulatory scrutiny and further fee pressure.

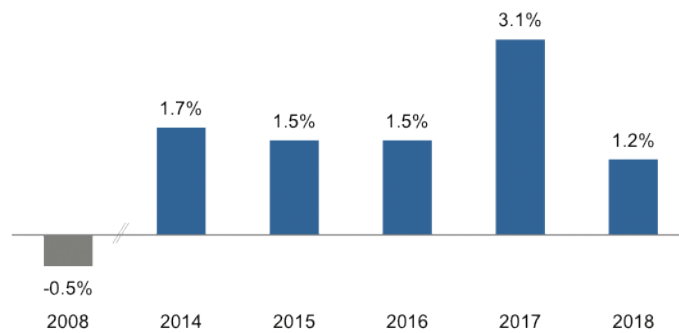
The following chart shows global assets under management from 2008 to 2018:



Source: BCG ‘Global Asset Management 2019’

While global assets under management decreased in 2018, structural industry growth is expected to continue in the medium term, underpinned by global demographic factors such as increasing household wealth, the shift from defined benefit to defined contribution pension schemes and the resulting greater penetration of retirement savings products, and increasing capital flows into emerging market economies. The global asset management market is estimated to grow by approximately six per cent. annually, reaching US\$101 trillion of assets under management by 2023 (source: BCG ‘Global Asset Management 2019’).

Notwithstanding market volatility in 2018, asset flows into the industry have been consistently positive. The following chart shows global net flows as a percentage of global assets under management at the start of the relevant period:

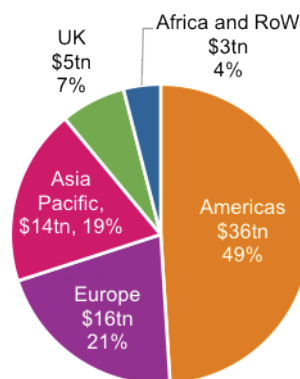


Source: BCG 'Global Asset Management 2019'

Following above-average net inflows in 2017, global net flows reverted to the long-term average in 2018, equating to 1.2 per cent. of opening assets under management (source: BCG 'Global Asset Management 2019'). Particularly strong flows in 2017 reflected three key trends: the bull market run encouraging greater retail investment; the growth of wealth in emerging markets, especially China; and the continued flow into pension products. By contrast, more modest flows in 2018 reflected the slowdown in equity market growth and reduced investor confidence in the face of market volatility driven by various factors, including increasing trade policy uncertainty and a slowdown in global growth projections.

1.1 Analysis by region

The following chart shows global assets under management by region as at 31 December 2018:



Source: Market Data

The Americas remained the largest market in 2018, with US\$36 trillion of assets under management (almost half of the global total) having grown at a CAGR of six per cent. since December 2010 (source: Market Data). Although North America has experienced a pronounced shift towards passive asset management in recent years, the scale of this market still presents a very significant opportunity for active asset managers, particularly those with specialist and/or non-US investment strategies. Institutional investors in North America have steadily increased their weighting to international equity investment strategies to 38 per cent. of total exposure in 2018 up from 16 per cent in 1998 (source: Willis Towers Watson "Global Pension Assets Study 2019").

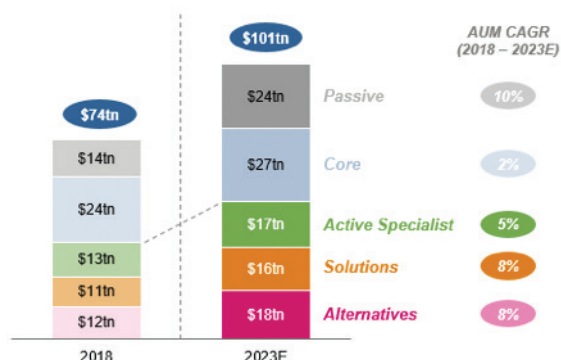
Europe represented the second largest market, with US\$16 trillion of assets under management, having grown at a CAGR of five per cent. since December 2010 (source: Market Data). In addition, the UK has experienced a steady CAGR of four per cent. since December 2010, with US\$5 trillion of assets under management at the end of 2018 (source: Market Data). While the UK and Europe have been affected by Brexit uncertainty and increased regulatory pressure, particularly following MiFID II, these markets have continued to experience steady organic growth, with positive net flows of 1.5 per cent forecast for Western Europe in 2019, representing a recovery compared to net flows of 0.2 per cent. in 2018 (source McKinsey 'State of the European asset management industry'). The UK and Europe have also experienced a relatively slower shift from active to passive strategies than in North America and other geographies.

Assets under management in Asia Pacific stood at US\$14 trillion at the end of 2018, growing at a CAGR of eight per cent. since December 2010 (source: Market Data). Asia Pacific wealth pools, including private banks and retail intermediaries, are expected to grow at 14 per cent. between 2018 and 2022, creating a significant opportunity in this market (source: McKinsey 'Will the good times keep rolling for Asia's asset managers?'). In addition to expanding Asia Pacific wealth pools, growth has also been driven by the Chinese market, which has been characterised by the rapid development of digital distribution and new product development designed to access customers, improve customer experience and further enhance demand, as well as increased access for foreign asset managers. However, the Chinese market is still subject to restrictions on its capital outflows and therefore presents short-term limitations on the ability of international managers to service Chinese clients.

The South African economy recorded assets under management of US\$0.4 trillion as at June 2019, with a CAGR of two per cent. since December 2010 (source: Alexander Forbes 'Assets Under Management'). South Africa remains the most developed African market and is supported by the largest African stock exchange and by favourable insurance and pensions regulations. The adoption of the Retail Distribution Review in South Africa is expected to improve the quality of financial advice, which may be expected to lead to greater demand for high-quality specialist and/or outcomes-based products. However, the current macro-economic challenges in the market are constraining local wealth creation, thus inhibiting opportunities for asset managers to acquire more assets to manage in the region.

1.2 Analysis by Investment Strategy Types

Core strategies, representing traditional active strategies, including actively managed domestic large cap equity, domestic government and corporate debt, money market and structured products, represents the biggest category of investment strategies globally with US\$24 trillion of assets under management as at 31 December 2018, as illustrated by the graph below:



Source: BCG 'Global Asset Management 2019'

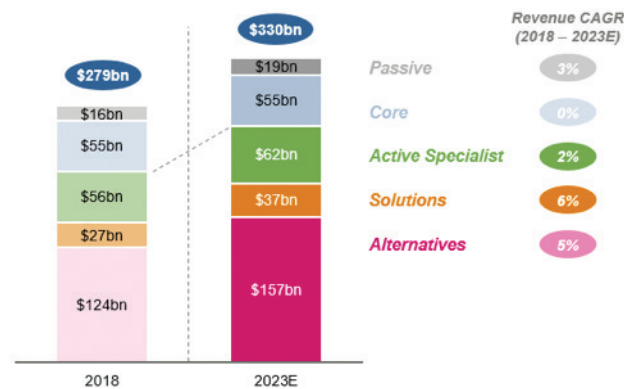
Globally, there continues to be rebalancing of assets under management from traditional active products to active specialist, solutions, alternative and passive asset classes (active core assets under management decreased from 46 per cent. of total global assets under management in 2008 to 33 per cent. in 2018) (source: BCG 'Global Asset Management 2019').

This shift represents an opportunity for global asset managers with differentiated investment processes and high-conviction strategies, managed by specialist investment teams.

2. Revenues and profitability

The increase in global assets under management described above has driven strong revenue growth since the financial crisis, and total revenues globally were US\$279 billion in 2018, up from US\$167 billion in 2008 (source: BCG 'Global Asset Management 2019'). Going forward, global industry revenues are expected to grow at a slower rate than assets under management at approximately 3.4 per cent. (annually), as fees are expected to be impacted globally, particularly in more traditional active and passive strategies (source: BCG 'Global Asset Management 2019').

While there is forecast to be a continuing shift in industry revenue mix away from traditional active products towards active specialist, solutions and alternatives, this is less pronounced than the trend in headline assets under management, as illustrated by the graph below:



Source: BCG 'Global Asset Management 2019'

Despite their increasing share of assets under management, passive strategies accounted for less than six per cent. of global revenues in 2018, highlighting the very significant competitive pressures for managers operating in the passive space (source: BCG 'Global Asset Management 2019'). Similarly, traditional active strategies are not forecast to grow their revenue pool over the next four years.

This underlines the strong revenue opportunity that exists for differentiated asset managers focused on specialist high alpha, solutions and alternatives. Across all asset classes, there is also increasing importance placed on sustainable investing, for example, incorporating the use of environmental, social and governance factors.

It is estimated that the global profit pool remained relatively flat from 2017 to 2018 (source: BCG 'Global Asset Management 2019'), having expanded by 13 per cent. from 2016 to 2017 (in absolute terms) to a record high (source: BCG 'Global Asset Management 2018'). Global profit margins fell slightly in 2018 from 36 per cent. to 35 per cent. of net revenues, driven by continuing fee compression, increased investment in areas such as information technology and increasing fixed costs (for example, in areas related to regulations such as MiFID II) (source: BCG 'Global Asset Management 2019').

3. Summary

Historically, the asset management industry has been relatively high margin and capital light compared to other industries, with an attractive return on equity. More recently, margins have been under pressure with the shift towards lower-cost passive managers, fee compression and increasing operating costs. Although the industry is becoming more competitive owing to these factors, there remains a significant opportunity for differentiated, active asset managers who are able to capture and retain market share.

DIRECTORS AND CORPORATE GOVERNANCE

1. Directors and Company Secretaries

The following table lists the names, positions and ages of the Directors. The business address for each of the Directors and the Company Secretaries is: (i) 55 Gresham Street, London EC2V 7EL, in respect of Ninety One plc; and (ii) 36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001, Republic of South Africa, in respect of Ninety One Limited.

Name	Age	Date of birth	Nationality	Position	Date appointed as Director	
					Ninety One plc	Ninety One Limited
Gareth Peter Herbert Penny	57	24 December 1962	South African and British	Chairman (Independent)	19 November 2019	19 November 2019
Colin Denis Keogh	66	27 July 1953	British	Senior Independent Director	19 November 2019	19 November 2019
Idoya Fernanda Basterrechea Aranda	60	30 May 1959	Spanish	Non-Executive Director (Independent)	19 November 2019	19 November 2019
Victoria Susan Cochrane	63	3 July 1956	British	Non-Executive Director (Independent)	19 November 2019	19 November 2019
Busisiwe Abigail Mabuza	56	1 December 1963	South African	Non-Executive Director (Independent)	19 November 2019	19 November 2019
Fani Titi	57	25 June 1962	South African	Non-Executive Director	19 November 2019	19 November 2019
Hendrik Jacobus du Toit	58	4 November 1961	South African & British	Chief Executive Officer	4 October 2019	18 October 2019
Kim Mary McFarland	55	15 June 1964	South African & British	Finance Director	4 October 2019	18 October 2019

In addition, the Company Secretary of Ninety One Limited is Adam John Fletcher and the Company Secretary of Ninety One plc is Paula Mary Watts. The Boards have satisfied themselves on the competence, qualifications and experience of Adam and Paula for their respective roles as Company Secretaries.

The management expertise and experience of each Director and the Company Secretaries are set out in his/her biography below.

Gareth Peter Herbert Penny (Independent Non-Executive Director and Chairman)

Gareth is Chairman of Norilsk Nickel, or Nor Nickel, the world's leading producer of nickel and palladium. Nor Nickel, Russia's largest diversified mining and metals company, is listed on the Moscow Exchange, with ADRs traded in London and New York.

Gareth is Chairman of the Edcon Group, a private company and Southern Africa's largest non-food retailer.

For 12 years, until April 2019, Gareth served as a Non-Executive Director (and Remuneration Committee Chairman) of Julius Bär Group, a listed Swiss bank focused on wealth management.

Gareth has worked in various forms of mining over the past three decades. For 22 years, he was with De Beers and Anglo American, the last five of which he was group Chief Executive Officer of De Beers.

In 2016, Gareth was awarded Russian Chairman of the Year, with reference to his contribution to improvements in corporate governance.

Gareth has had considerable experience in chairing both public and private boards and has a deep understanding of governance processes and risk management. He has had significant exposure to developing markets, wealth management, private equity and the financial sector.

Colin Denis Keogh (*Senior Independent Director*)

Colin has spent his career in financial services, principally at Close Brothers Group plc, where he worked for 24 years and was Chief Executive Officer from 2002 until 2009.

Colin is Senior Independent Director and chairs the Remuneration Committee of Hiscox Limited. He is also Chairman of the specialist financial services business Premium Credit Limited and a Non-Executive Director of M&G Group Limited.

He was previously a Non-Executive Director of Virgin Money Holdings (UK) plc.

Idoya Fernanda Basterrechea Aranda (*Independent Non-Executive Director*)

Idoya is the Senior Partner for strategy and business development at Fidentiis Gestion SGIC, an independent asset manager headquartered in Madrid, Spain. It was established in 2007 as a boutique provider of unconstrained investment products and strategies on the Iberian equity markets and, latterly, global macro, financial and ESG strategies have been added to Fidentiis offering.

Idoya's prior experience includes being a founding member, Chief Investment Officer and Deputy General Director of Norbolsa SVB (the investment arm of the Basque Savings Banks) from 1989 to 2013, a member of the international equity sales team at Swiss Bank Corporation and Legal Counsel at Basque Government.

Idoya has been a member of the Bizkaia Bar Association since 1984.

Idoya has a law degree from Deusto University (Bilbao) and a MSc in European Studies from the London School of Economics.

Victoria Susan Cochrane (*Independent Non-Executive Director*)

Victoria started her career as a solicitor, training with Beale & Co, before joining Cameron Markby which then merged with McKenna & Co to create what is now known as CMS Cameron McKenna. She spent 10 years in private practice, working on litigation across a range of sectors, including banking, reinsurance and professional services. It was her litigation experience that led to her joining Ernst & Young as their first UK General Counsel in 1991. She was a partner for 20 years and for the last five was Global Executive Board Member and Global Managing Partner for Risk.

Victoria currently serves as Senior Independent Director at Integragrin Holdings plc, which provides platform services to UK financial advisers and their clients. She also serves as a Non-Executive Director and Chair of the Audit and Risk Committee at Euroclear Bank SA/NV and at Perpetual Income and Growth Investment Trust plc and as Senior Independent Director and Chair of the Audit & Risk Committee at HM Courts & Tribunals Service.

Victoria's prior experience includes serving as a Non-Executive Director at Gloucester Insurance Ltd and Senior Adviser to Bowater Industries Limited.

Busisiwe Abigail Mabuza (*Independent Non-Executive Director*)

Busisiwe is Chair of the Board of Directors of Industrial Development Corporation of South Africa, a self-financing development finance institution established to promote sustainable economic growth and industrial development in South Africa. Industrial Development Corporation of South Africa is the largest development finance institution in sub-Saharan Africa.

Busisiwe is also Lead Independent Director of Tsogo Sun Gaming Limited, a South African gaming and entertainment group listed on the JSE. She has held several other Non-Executive Directorships, including appointments as Chair of the Board of Directors of Airports Company South Africa Limited and the Central Energy Fund Proprietary Limited.

For five years until March 2010, Busisiwe was a partner at Ethos Private Equity Proprietary Limited. For the decade prior to this, she held several positions at several South African investment firms working in both listed and non-listed investment environments.

Fani Titi (Non-Executive Director)

Fani has been a member of the Boards of Investec plc and Investec Limited since January 2004, has been Non-Executive Chairman of the Boards of Investec plc and Investec Limited from November 2011, and is currently Joint Chief Executive Officer of the Investec Group. Following the Demerger, Fani will remain as Chief Executive Officer of the Investec Group.

Fani has also been a member of the Investec Bank Limited Board from July 2002 and he has Chaired its Board since June 2007. He has been a member of the Investec Bank plc Board from August 2011, and its Chairman since August 2014. He served on the Boards of Investec Asset Management Holdings Proprietary Limited and Investec Asset Management Limited from May 2005 and November 2013 respectively until May 2019.

Fani was a founding member of the private investment group Kagiso Trust Investments Limited (now Kagiso Tiso Holdings), and later co-founded and led the public offering of Kagiso Media Limited on the JSE Limited as its Chief Executive Officer. Fani was subsequently the founding Executive Chairman of the private investment firm the Tiso Group, which subsequently merged with Kagiso Trust Investments to form Kagiso Tiso Holdings. Fani stepped down from the Tiso Group in 2008 to concentrate his time on his duties at the Investec Group, while also looking after his private investment portfolio. Fani has over two decades of investment banking experience and has sat on the boards of different investee companies and JSE listed companies.

Hendrik Jacobus du Toit (Chief Executive Officer)

Hendrik is Joint Chief Executive Officer of the Investec Group. Hendrik entered the asset management industry in 1988 and joined Investec in 1991 as founding member of the Group. He assumed the role of Joint Chief Executive Officer of the Investec Group on 1 October 2018. Upon completion of implementation of the Demerger and Admission, Hendrik will step down from his current role and leave the Boards of Investec plc and Investec Limited to focus on Ninety One plc and Ninety One Limited. Upon completion of implementation of the Demerger and Admission, Hendrik will step down from his current role and leave the Boards of Investec plc and Investec Limited to focus on Ninety One plc and Ninety One Limited.

Hendrik is a Non-Executive Director of Naspers Limited and its European subsidiary, Prosus. In 2019, Hendrik joined the Advisory Boards of the UN Business and Human Security Initiative and the Impact Investing Institute. Previously, Hendrik served as a Non-Executive Director of the Industrial Development Corporation of South Africa. He has also served on the Advisory Board of the Sustainable Development Solutions Network, the Expert Board of HM Treasury's Belt and Road initiative and as Commissioner of the Business and Sustainable Development Commission which authored the report "Better Business Better World" in 2017.

Hendrik holds an MPhil in Economics and Politics of Development from Cambridge University, as well as an MCom in Economics from Stellenbosch University.

Kim Mary McFarland (Finance Director)

Kim is the Finance Director of the Group, and is an Executive Director of Investec plc and Investec Limited. She joined the Group in 1993 as its Chief Financial Officer and Chief Operating Officer to manage the financial and operational growth of the business. In October 2018, Kim was appointed as an Executive Director of Investec plc and Investec Limited. Upon completion of the implementation of the Demerger and Admission, Kim will leave the Boards of Investec plc and Investec Limited to focus on her role on the Boards of Ninety One plc and Ninety One Limited.

Prior to joining the Group, Kim served as Financial and Operations Manager at two South African life insurance companies. Kim has been a Non-Executive Director of the Investment Association (UK) since September 2015.

Kim graduated from University of the Witwatersrand (Johannesburg) with degrees in Commerce and Accounting and subsequently qualified as a Chartered Accountant with Price Waterhouse in 1987. She also holds an MBA degree from the University of Cape Town. Among other awards, Kim has been named Business Woman of the Year in South Africa and has been named in multiple years as one of the top- 100 most influential women in finance (Financial News).

Adam John Fletcher (*Ninety One Limited Company Secretary*)

Adam is the General Counsel of the Group. He joined the Group in September 2002, and has held a number of positions in the legal, compliance, governance and operational risk functions of the business.

He has served on and chaired many boards and committees within the Group, and on industry bodies.

Prior to joining the Group, Adam worked as an attorney in private practice, specialising in structured finance and investment management. Adam is a South African qualified lawyer, having graduated BCom (Econ) LLB from the University of Cape Town.

Paula Mary Watts (*Ninety One plc Company Secretary*)

Paula was appointed as the Ninety One plc Company Secretary on 29 January 2020. She joined the Group initially as a consultant company secretary in June 2019. Paula is a seasoned Company Secretary with over 25 years of experience working mainly in public limited companies. She has spent the last 12 years working in the financial services sector in both senior permanent and interim company secretary roles. Her most recent publicly listed company role was as Interim Company Secretary for Hargreaves Lansdown plc.

Paula is a Fellow of the Institute of Chartered Secretaries and Administrators.

2. Corporate governance

2.1 UK Corporate Governance Code and King IV

Ninety One plc, as an unlisted English incorporated company, is not currently subject to the UK Corporate Governance Code (and, therefore, the principle of “comply or explain” does not apply to it). Similarly, Ninety One Limited, as an unlisted South African incorporated company, is not currently subject to King IV.

The Boards are committed to the highest standards of corporate governance. On and following Admission, the Boards and the Companies will be fully compliant with all applicable requirements of the UK Corporate Governance Code and King IV save as described in the following sentence. King IV recommends that the nomination committee's members are all Non-Executive Directors with the majority thereof being independent and that the Chief Executive Officer shall not sit on the nomination committee; however, from Admission Hendrik du Toit will be a member of the Companies' Nominations and Directors Affairs Committee.

On and following Admission: (i) Ninety One plc will report to the Shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules; and (ii) Ninety One Limited will report to the Shareholders on its compliance with King IV to the extent required by the JSE Listings Requirements.

2.2 Boards composition

As of the date of this document, the Boards consist of six Non-Executive Directors and two Executive Directors. The Directors expect the Companies' current composition of the Boards to be identical to their composition as at Admission.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairman, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Companies regard all of the Non-Executive Directors, other than Fani Titi, as “Independent Non-Executive Directors” within the meaning of the UK Corporate Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The UK Corporate Governance Code further recommends that directors should be subject to annual re-election. The Companies intend to comply with these recommendations on and following Admission.

The Companies have also adopted a Board Charter setting out the functions, obligations, rights, responsibilities and powers of the Boards. In preparing and adopting the Board Charter, the Boards have taken account of the applicable provisions of the UK Corporate Governance Code, King IV, the UK Companies Act and the SA Companies Act.

2.3 Committees

As at the date of this document, the Boards have established four common committees under the DLC Structure: an Audit and Risk Committee, a Nominations and Directors Affairs Committee, a Sustainability, Social and Ethics Committee and a Human Capital and Remuneration Committee. Further information on the four committees is set out below. As envisaged by the UK Corporate Governance Code, the Directors expect these four committees to remain in place on and following Admission, with additional appropriate committees set up should the need arise.

2.3.1 Audit and Risk Committee

The Audit and Risk Committee operates on a Group-wide basis and has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Companies, and the involvement of the Auditors in that process, as well as reviewing the Companies' internal control and risk management systems. The Audit and Risk Committee shall also ensure compliance with its duties as set out in, *inter alia*, section 94 of the SA Companies Act and the JSE Listings Requirements.

The UK Corporate Governance Code recommends that all members of the audit committee should be independent non-executive directors and should include one member with recent and relevant financial experience. King IV recommends that all members of the audit committee should be independent, non-executive directors and that the members of the audit committee should, as a whole, have the necessary financial literacy, skills and experience to execute their duties effectively. The Audit and Risk Committee is chaired by Victoria Cochrane, and its other members are Colin Keogh and Idoia Basterrechea Aranda. The Audit and Risk Committee will meet at least three times a year.

The Audit and Risk Committee's terms of reference cover such issues as membership and the frequency of meetings, together with requirements for the quorum and the right to attend meetings, reporting responsibilities and the authority of the Audit and Risk Committee to carry out its duties.

The Audit and Risk Committee has satisfied itself as to the appropriateness of the expertise and experience of the Finance Director, Kim McFarland.

2.3.2 Nominations and Directors Affairs Committee

The Nominations and Directors Affairs Committee operates on a Group-wide basis and is responsible for considering and making recommendations to the Boards in respect of appointments to the Boards, the Boards' committees and the chairmanship of the Boards' committees. It is also responsible for keeping the structure, size and composition of the Boards under regular review, and for making recommendations to the Boards with regard to any changes necessary, which shall be in line with its policies on gender and racial diversity at Board level. The Nominations and Directors Affairs Committee also considers succession planning, taking into account the skills and expertise that will be needed by the Boards in the future.

The UK Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent non-executive directors. King IV recommends that all members of the nomination committee should be non-executive directors, and the majority should be independent. The Nominations and Directors Affairs Committee is chaired by Gareth Penny, and its other members are Idoia Basterrechea Aranda and Hendrik du Toit. The Nominations and Directors Affairs Committee will meet not less than twice a year.

The Boards and the Nominations and Directors Affairs Committee recognise the benefits of having diverse Boards and view increasing diversity in this regard as an essential element in maintaining a competitive advantage. As such, the terms of reference of the Nominations and Directors Affairs Committee require account to be taken of the Boards' gender and racial mix in order to represent the demographics of the markets in which it operates and to promote diversity.

The Nominations and Directors Affairs Committee's terms of reference also cover such issues as membership and the frequency of meetings, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Nominations and Directors Affairs Committee to carry out its duties.

2.3.3 **Sustainability, Social and Ethics Committee**

The Sustainability, Social and Ethics Committee operates on a Group-wide basis, assisting the Boards with ensuring that the Companies comply with their obligations in respect of social development, good corporate citizenship and environmental, health and public safety matters.

King IV recommends that the sustainability, social and ethics committee should, subject to legal provisions, be made up of both executive and non-executive directors, with a majority being non-executive directors.

The Sustainability, Social and Ethics Committee is chaired by Busisiwe Mabuza, and its other members are Gareth Penny and Hendrik du Toit.

The Sustainability, Social and Ethics Committee's terms of reference cover such issues as membership and the frequency of meetings, together with requirements for the quorum and the right to attend meetings, reporting responsibilities and the authority of the Sustainability, Social and Ethics Committee to carry out its duties.

2.3.4 **Human Capital and Remuneration Committee**

The Human Capital and Remuneration Committee operates on a Group-wide basis, assisting the Boards in determining their responsibilities in relation to remuneration, including making recommendations to the Boards on the Companies' policy on executive remuneration, for example, setting the overarching principles, parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Companies' Executive Directors. The Human Capital and Remuneration Committee will also ensure compliance with the UK Corporate Governance Code in relation to remuneration and workforce engagement.

The UK Corporate Governance Code provides that a remuneration committee should comprise at least three members who are independent non-executive directors. The UK Corporate Governance Code further recommends that the chair of the board may only be a member if they were independent on appointment, but should not chair the remuneration committee. King IV recommends that all members of a remuneration committee should be non-executive directors, with the majority being independent non-executive directors, and the chairman should be an independent non-executive director. The Human Capital and Remuneration Committee will be chaired by Colin Keogh, and its other members are Idoya Basterrechea Aranda and Busisiwe Mabuza. The Human Capital and Remuneration Committee will meet not less than twice a year.

The Human Capital and Remuneration Committee's terms of reference cover such issues as membership and frequency of meetings, together with the requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Human Capital and Remuneration Committee to carry out its duties.

2.4 **Share dealing**

The Companies have adopted, with effect from Admission, a DLC Share Dealing Policy in relation to the Shares (and any debt instruments or other instruments related to the Shares or any debt instruments, as well as interests in Forty Two Point Two) which reflect the requirements of the MAR, the FMA and the JSE Listings Requirements. The DLC Share Dealing Policy adopted will apply to the Directors and other relevant employees of the Companies with effect from Admission.

2.5 **Relationship Agreement**

On 29 November 2019, the Companies entered into the Relationship Agreement with Investec, pursuant to which (among other things) Bank and Wealth has the right to appoint a Non-Executive Director to the Boards. Fani Titi is the initial Investec Group appointee. Although the Relationship Agreement is not required pursuant to the Listing Rules (given Investec's proposed shareholding in Ninety One plc on Admission), it has been entered into on a voluntary basis. Please see paragraph 19.1.3 of Part XII: *"Additional Information – Relationship Agreement"* for a more detailed description of the Relationship Agreement.

2.6 **Conflicts of interest**

Hendrik du Toit and Kim McFarland are Directors of Forty Two Point Two. Therefore, potential conflicts of interest may arise between the duties owed by such Directors to the Companies and their duties to Forty Two Point Two. There are no other potential conflicts of interest between any duties owed by the Directors to the Companies and to their private interests or other duties.

See paragraph 11 of Part XII: *"Additional Information – Forty Two Point Two and the Marathon Trust"* for further details regarding Forty Two Point Two.

2.7 **Borrowing powers**

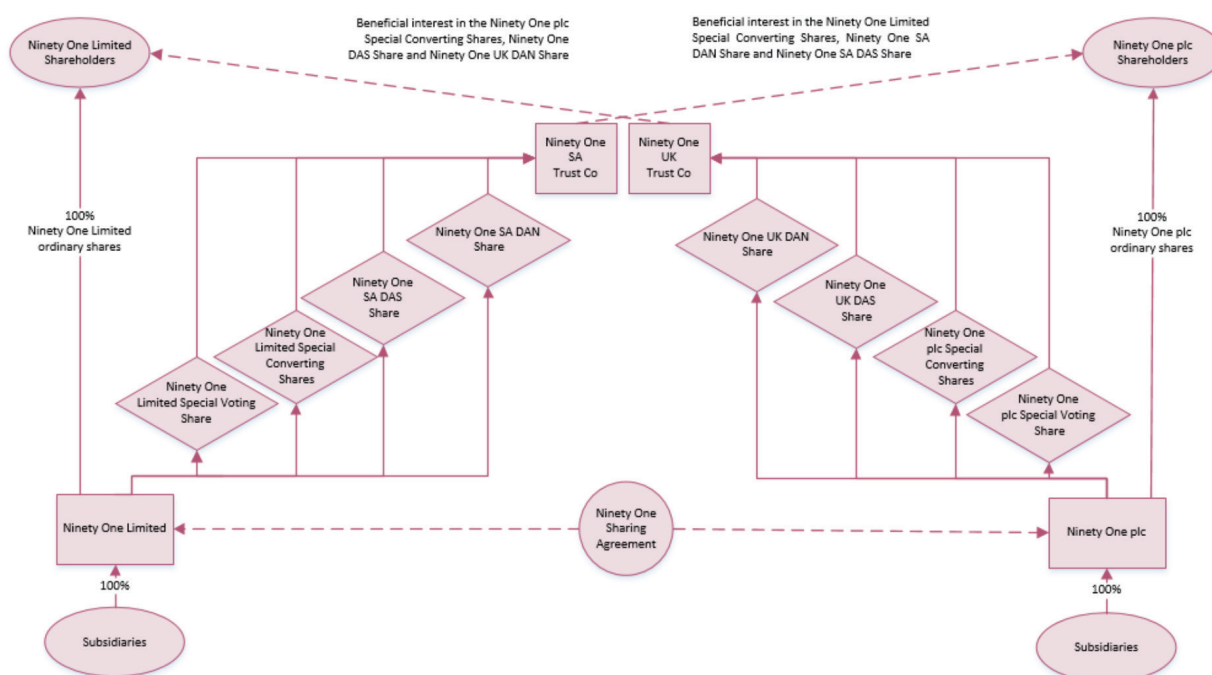
The business of the Companies shall be managed by the Boards which may exercise all the powers of the Companies.

DETAILS OF THE DLC STRUCTURE

A summary of the DLC Structure, as it will exist and operate following the establishment of the structure, and the DLC Agreements is set out in this Part VII: “Details of the DLC Structure”.

1. Illustration of the DLC Structure

The following is a simplified illustration of the DLC Structure:



2. Key features of the DLC Structure

2.1 Separate entities and listings

Ninety One plc and Ninety One Limited will have separate corporate identities and separate stock exchange listings.

Following Admission, Ninety One plc will be eligible for inclusion in the FTSE indices. In South Africa, it is expected that Ninety One plc and Ninety One Limited will be considered together, as a single enterprise, for the purposes of index inclusion.

2.2 Holdings of ordinary shares in Ninety One plc and Ninety One Limited

Following implementation of the DLC Structure, any ordinary share held in either Ninety One plc or Ninety One Limited gives the holder an equivalent effective economic interest in the Group.

2.3 Unified boards and management

The Companies will operate as a single corporate group. As Ninety One plc and Ninety One Limited will be separate corporate entities, they will each continue to have a board of directors, but the Ninety One plc Board and Ninety One Limited Board will be comprised of the same persons. The Ninety One plc Board and the Ninety One Limited Board will, in addition to their duties to the respective companies, have regard to the interests of both the Ninety One plc Shareholders and the Ninety One Limited Shareholders as if the two companies were a single economic enterprise.

Details of the proposed membership of the Boards are set out in paragraph 1 of Part VI: “*Directors and Corporate Governance – Directors and Company Secretaries*”.

2.4 Equivalent economic interests

Both Ninety One plc Shareholders and Ninety One Limited Shareholders will have equivalent economic and voting interests in the Companies. The economic and voting interests represented by an ordinary share in one company relative to the economic and voting interests of an ordinary share in the other company will be determined by reference to a ratio known as the “**Equalisation Ratio**”.

Following the Demerger, the economic and voting interests attached to each Ninety One plc Share and each Ninety One Limited Share are the same, on the basis that the initial Equalisation Ratio is 1:1.

This means, for example, that the amount of any cash dividend paid in respect of each Ninety One plc Share will normally be matched by an equivalent cash dividend in respect of each Ninety One Limited Share, and vice versa. To facilitate such matching dividends being paid, Ninety One plc and Ninety One Limited will each issue Dividend Access Shares to UK Trust Co and SA Trust Co, respectively.

For further information in relation to equalisation, and the payment of dividends, see paragraphs 5 and 6 of this Part VII.

2.5 Voting arrangements

Under the terms of the DLC Agreements, the Ninety One plc Articles and the Ninety One Limited Mol, special voting arrangements are in place so that the ordinary shareholders of both companies effectively vote together as a single decision-making body on matters affecting the shareholders of each company in similar ways (“**Joint Electorate Actions**”), which are described in paragraph 7.2 of this Part VII. For so long as the Equalisation Ratio remains 1:1, each Ninety One plc Share will effectively have the same voting rights as each Ninety One Limited Share on Joint Electorate Actions.

In the case of certain actions in relation to which the two bodies of Shareholders may have divergent interests (“**Class Rights Actions**” which are described in paragraph 7.3 of this Part VII), the company wishing to carry out the Class Rights Action would require the prior approval of the Shareholders in the other company voting separately and the approval of its own Shareholders voting separately.

These voting arrangements will be secured through the constitutional documents of the two companies, the Sharing Agreement, the Voting Agreement and the rights attaching to the specially created special voting shares (“**Special Voting Shares**”) issued by Ninety One plc and Ninety One Limited, respectively, and held, in each case, by the relevant Trust Company.

For more information about the voting arrangements, see paragraph 7 of this Part VII.

2.6 Restrictions on takeovers of one company only

The Ninety One plc Articles and the Ninety One Limited Mol ensure that a person cannot gain control of one company without having made an offer to the shareholders of the other company on equivalent terms.

Further details in relation to these provisions are set out in paragraph 11 of this Part VII.

2.7 Termination

On termination of the DLC Structure (for whatever reason), it will be necessary to ensure that the structure is unwound so that, immediately following termination of the DLC Structure, the economic interest of a holder of one Ninety One plc Share relative to the economic interest of a holder of one Ninety One Limited Share is in proportion to the Equalisation Ratio at the moment of termination of the DLC Structure.

To ensure that this is the case, each of Ninety One plc and Ninety One Limited will issue to UK Trust Co and SA Trust Co, respectively, a new class of special converting shares (“**Special Converting Shares**”). Prior to termination of the DLC Structure, the Special Converting Shares will have only limited rights. The Special Converting Shares issued by Ninety One plc will be held on trust for the Shareholders in Ninety One Limited, and vice versa. Following termination of the DLC Structure

(and save for in specific circumstances set out in the Sharing Agreement), the Special Converting Shares will be redesignated as ordinary shares in the relevant company, with the same rights as the existing ordinary shares in that company, and the Shareholders that are the beneficiaries of the trust arrangements, with certain exceptions, will be entitled to have the converted shares transferred to them.

Further details on termination of the DLC Structure, and the Special Converting Shares and the transfer thereof, are set out in paragraph 13 of this Part VII.

2.8 The Trust Companies

As set out above, UK Trust Co holds the Ninety One plc Special Voting Share, the Ninety One plc Special Converting Shares, the UK DAN Share and the UK DAS Share and SA Trust Co holds the Ninety One Limited Special Voting Share, the Ninety One Limited Special Converting Shares, the SA DAN Share and the SA DAS Share. Further details of the UK DAN Share, the UK DAS Share, the SA DAN Share and the SA DAS Share are set out in paragraph 6.4 of this Part VII.

SA Trust Co holds the SA DAN Share and the SA DAS Share on trust for the benefit of the non-South African resident Ninety One plc Shareholders and the South African resident Ninety One plc Shareholders, respectively. The Ninety One Limited Special Converting Shares are also held on trust for the Ninety One plc Shareholders.

UK Trust Co holds the UK DAN Share and the UK DAS Share on trust for the benefit of the non-South African resident Ninety One Limited Shareholders and the South African resident Ninety One Limited Shareholders, respectively. The Ninety One plc Special Converting Shares are also held on trust for the Ninety One Limited Shareholders.

UK Trust Co also holds a “special rights share” in Ninety One plc and SA Trust Co holds a “special rights share” in Ninety One Limited. The purpose of these shares, which carry limited other rights, is to facilitate the issue to the relevant Trust Company of Ninety One plc Special Converting Shares or Ninety One Limited Special Converting Shares, as applicable, including in the event of any such Special Converting Shares being required to be issued in the future in order to ensure that the Ninety One plc Equivalent Number or the Ninety One Limited Equivalent Number, as the case may be, is in issue, and to facilitate the issue of the Dividend Access Shares. Further details in relation to the Special Rights Shares are set out in paragraph 6.6 of this Part VII.

The rights and obligations of the Trust Companies in relation to these shares are set out in the DLC Agreements (see paragraph 9 of this Part VII), the Ninety One plc Articles and the Ninety One Limited MoI (see paragraph 8.1 of this of this Part VII).

UK Trust Co is incorporated in England and Wales and SA Trust Co is incorporated in South Africa. The shares in the Trust Companies will be held by a subsidiary of one of the two Trust Corporations.

The Trust Corporations will have responsibility for the administration of the Trust Companies pursuant to the Administration Agreement (which is summarised in paragraph 10 of this Part VII).

3. DLC Structure Principles

The Sharing Agreement provides that the relationship between Ninety One plc and Ninety One Limited will be underpinned by the DLC Structure Principles, which are as follows:

- (a) the Ninety One plc group and the Ninety One Limited group must operate as if they were a single corporate group, with Ninety One plc and Ninety One Limited having boards of directors comprised of the same individuals;
- (b) the directors of Ninety One plc and Ninety One Limited will, in addition to their duties to the company concerned, have regard to the interests of Ninety One plc Shareholders and Ninety One Limited Shareholders as if the two companies were a single unified economic enterprise, and for that purpose the directors of each company will take into account, in the exercise of their powers, the interests of the Shareholders of the other company; and
- (c) the DLC Equalisation Principles (see paragraph 5.1 of this Part VII) must be observed.

In the Sharing Agreement, Ninety One plc and Ninety One Limited agree, subject to applicable regulation (including the FinSurv conditions set out in paragraph 14 of this Part VII), to pursue the DLC Structure Principles.

4. **Ninety One management**

Each of Ninety One plc and Ninety One Limited has a board of directors and each board comprises the same individuals.

4.1 **Board meetings**

The Ninety One plc Board and the Ninety One Limited Board will hold regularly scheduled meetings each year. Board meetings will generally be combined meetings of the Ninety One plc Board and the Ninety One Limited Board. Meetings of either the Ninety One plc Board or the Ninety One Limited Board on a standalone basis to discuss matters relating specifically to the business of either Ninety One plc or Ninety One Limited (as the case may be) will be held from time to time as required. It is expected that the two companies will be managed such that Ninety One plc is resident in the United Kingdom and Ninety One Limited is resident in South Africa. This will impact the location of board meetings.

Resolutions of the Ninety One plc Board and/or the Ninety One Limited Board may, provided that the Directors consider that it is consistent with preserving the tax residence status of each of Ninety One plc and Ninety One Limited, be effected by way of written resolution of the Directors.

4.2 **Board responsibility**

The Ninety One plc Board and the Ninety One Limited Board will, respectively, pursue the DLC Structure Principles (see paragraph 3 of this Part VII).

Meetings which comprise meetings of both the Ninety One plc Board and the Ninety One Limited Board, or (where the Directors consider it necessary in order to preserve the tax residence status of Ninety One plc and Ninety One Limited) separate meetings of the Ninety One plc Board and the Ninety One Limited Board at which matters which do not relate specifically to the business of the company concerned are discussed, will consider the overall direction of the businesses of the Group, including major policy and strategic decisions of the Group. For example, the following types of matters which would affect the Companies will be considered at such meetings:

- (a) setting overall strategy and direction of the businesses;
- (b) taking decisions on integrating or separating major businesses on a global scale;
- (c) approving acquisitions and disposals and debt financing;
- (d) declaring dividends; and
- (e) approving the Group accounts and appointing and removing the Auditors of the Group.

Where, in the circumstances described above, separate meetings of the Ninety One plc Board and the Ninety One Limited Board consider the overall direction of the business of the Group, the Directors present at each of such meetings will take decisions acting only in the capacity as Directors of the relevant Board, although, consistent with the DLC Structure Principles, in taking such decisions they will have regard to the interests of the Shareholders as a whole. For practical reasons, having regard to the different locations of such separate meetings, at each such meeting the individual Directors present may not in all respects be identical, although the Directors do not believe that this would result in any departure from the application of the DLC Structure Principles.

Meetings which comprise meetings of either the Ninety One plc Board only or the Ninety One Limited Board only will (in addition to the circumstances where such separate meetings are required to be held, as described in paragraph 4.1 of this Part VII) be responsible among other things for taking decisions regarding corporate and administrative functions relating exclusively to that company.

4.3 **Board members**

The composition of the Boards following implementation of the DLC Structure is set out in paragraph 1 of Part VI: *“Directors and Corporate Governance – Directors and Company Secretaries”*.

5. Equalisation of voting and economic rights

5.1 DLC Equalisation Principles

The principles to be observed in relation to the rights of the Ninety One plc Shares and the Ninety One Limited Shares are set out below:

- (a) The Equalisation Ratio will define the economic benefits of one Ninety One plc Share relative to one Ninety One Limited Share (and vice versa) and the relative voting rights of one Ninety One plc Share and one Ninety One Limited Share on Joint Electorate Actions, so that:
 - (i) where the Equalisation Ratio is 1:1, a holder of one Ninety One plc Share and a holder of one Ninety One Limited Share will, as far as practicable:
 - (A) receive equivalent economic benefit (as to capital and dividends); and
 - (B) enjoy equivalent rights as to voting in relation to Joint Electorate Actions; and
 - (ii) where the Equalisation Ratio is not 1:1, such economic benefits and such voting rights as between a Ninety One plc Share and a Ninety One Limited Share will be in proportion to the prevailing Equalisation Ratio.

For the purposes of the DLC Equalisation Principles, the economic benefit of a Ninety One plc Share or a Ninety One Limited Share will include any rights or benefits accruing to the Shareholders by way of payments made or other actions taken in respect of the Dividend Access Shares, being any distribution or any action affecting the amount or nature of or economic benefit derived from issued equity share capital, including any cash dividend, distribution *in specie*, offer by way of rights, bonus issue or capitalisation issue, repayment or reduction of capital, sub-division or consolidation, share buy-back or amendment of the rights of any shares or a series of one or more of such actions, but excluding any change in the Equalisation Ratio (an “**Action**”).

- (b) If Ninety One plc or Ninety One Limited undertakes an Action which, having regard to the prevailing Equalisation Ratio, would have a disproportionate economic effect on the holders of ordinary shares in one company relative to its effect on the holders of ordinary shares in the other company, then, subject to paragraphs 5.2 and 5.3 of this Part VII, an appropriate adjustment to the Equalisation Ratio will be made, unless:
 - (i) a matching action, being, in relation to an Action in respect of either of Ninety One plc Shareholders or Ninety One Limited Shareholders (the “**Initial Action**”), an Action in respect of the Shareholders in the other company in relation to which the Ninety One plc Board and the Ninety One Limited Board resolve that it has as far as is practicable an economic effect on the Shareholders of such other company equivalent, but not necessarily identical, to the economic effect of the Initial Action on the Shareholders of the company undertaking the Initial Action (a “**Matching Action**”) has been or is to be undertaken; or
 - (ii) such Action has received approval as a Class Rights Action.
- (c) The Ninety One plc Equivalent Number of Ninety One plc Special Converting Shares will at all times be in issue and the Ninety One Limited Equivalent Number of Ninety One Limited Special Converting Shares will at all times be in issue.

5.2 Actions which do not have a disproportionate economic effect

The following Actions will not be considered to have a disproportionate economic effect on the Shareholders in one company relative to its effect on the shareholders in the other company:

- (a) any allotment and issue of shares or the granting of rights over shares by either Ninety One plc or Ninety One Limited at a price not less than the prevailing market value on the date of grant, pursuant to any employee share scheme;
- (b) any allotment and issue of shares in either Ninety One plc or Ninety One Limited which is not an issue on a pre-emptive basis;
- (c) any buy-back, repurchase or redemption of any ordinary shares of either company (including a share cancellation in connection with a reduction of capital);

- (i) on market in compliance with the rules of the relevant stock exchange and listing rules; or
- (ii) at or below market value; or
- (iii) pursuant to a general offer to shareholders in both Ninety One plc and Ninety One Limited which (applying the Equalisation Ratio) is made on equivalent terms;
- (d) any allotment and issue of shares *in lieu* of the payment of the whole or any part of a cash dividend where (on a per ordinary share basis) the quantum of the discount offered to the Shareholders in respect of the subscription price for further ordinary shares in the issuing company is less than the greater of: (x) five per cent. of the market value of an ordinary share of the issuing company at the date of declaration of the relevant dividend; and (y) the tax that would be saved by the issuing company by effecting such issue rather than paying a cash dividend;
- (e) arrangements entered into by Ninety One plc or Ninety One Limited for the purchase of Shares under a dividend re-investment plan, the costs of which will be borne by the shareholder; and
- (f) any suspension or curtailment of the dividend, voting or other rights of any shareholder of Ninety One plc and/or Ninety One Limited pursuant to any provision of the Ninety One plc Articles or Ninety One Limited Mol.

5.3 Unadjusted Actions

In addition to the above, there is no requirement for an adjustment to the Equalisation Ratio, a Matching Action or approval as a Class Rights Action where an Action (an “**Unadjusted Action**”) is taken in circumstances where the Boards consider that the effect of such Action upon a Ninety One plc Shareholder relative to its effect on a Ninety One Limited Shareholder is not material. For this purpose, an effect is taken to be “not material” if:

- (a) the costs to Ninety One plc and Ninety One Limited of taking a Matching Action or seeking approval as a Class Rights Action would be, in the opinion of the Boards, disproportionate to the economic benefit conferred by such Action upon the Ninety One plc Shareholders or Ninety One Limited Shareholders (as the case may be) for whose benefit a Matching Action would otherwise (in the absence of an adjustment to the Equalisation Ratio or approval as a Class Rights Action) be required; and
- (b) the adjustment that would be required to be made to the Equalisation Ratio would result in an adjustment to the relevant element of the Equalisation Ratio of less than 0.5 per cent.

However, in considering the application of the DLC Equalisation Principles to any subsequent Actions, the Ninety One plc Board and the Ninety One Limited Board will take into account the effect of all prior Unadjusted Actions in deciding whether a Matching Action, an adjustment to the Equalisation Ratio or approval as a Class Rights Action is appropriate.

5.4 Tax, exchange rates and market fluctuations

In relation to any Action, when calculating any economic effect on Ninety One Limited Shareholders or Ninety One plc Shareholders:

- (a) any tax payable by or on behalf of, or tax benefit arising to, such Shareholders will be disregarded; and
- (b) in relation to any cash dividend, the amount of such dividend will be calculated before the deduction of any withholding taxes (and paid net of any such withholding taxes) and no account will be taken of any obligation on the company making such distribution to pay any tax in relation to such distributions (such tax being payable in addition to the dividend).

The Ninety One plc Board and the Ninety One Limited Board will not be required to take into account any fluctuations in exchange rates or in the market value of any securities or any other changes in circumstances arising after the date on which they make a determination as to the form and value of any Matching Action or the calculation of any adjustment to the Equalisation Ratio.

5.5 Timing of Action and Matching Action

A Matching Action will be implemented as soon as practicable after or, if possible, simultaneously with the Action giving rise thereto.

5.6 **Applicable regulation**

Ninety One plc and Ninety One Limited must not take any Action which would cause any Ninety One entity to be in breach of any applicable regulation.

5.7 **Suspension of rights**

There will be no need to make any adjustment to the Equalisation Ratio or to do or omit to do any other thing as a result of the dividend, voting or other rights of any Shareholder being suspended or curtailed pursuant to any provision of the Ninety One plc Articles or the Ninety One Limited Mol.

6. **Cash dividends**

6.1 **Currency**

Ninety One plc will declare and pay its dividends and other distributions in pounds sterling. Ninety One plc Shareholders will receive dividends in pounds sterling. Ninety One Limited will declare and pay its dividends and other distributions in Rand. If Ninety One plc is to pay a dividend to the Ninety One Limited Shareholders via its Dividend Access Shares, the Ninety One Limited Shareholders will be paid such dividend in Rand and, if Ninety One Limited is to pay a dividend to the Ninety One plc Shareholders via its Dividend Access Shares, the Ninety One plc Shareholders will be paid such dividend in pounds sterling, as appropriate.

6.2 **Ninety One matching dividends**

If it is proposed that the Shareholders of one company should receive a cash dividend, then (subject to paragraph 6.3 of this Part VII) the Shareholders of the other company must receive, as nearly as practicable to the same time, a matching cash dividend (a “**Matching Dividend**”) of an equivalent cash amount per Share having regard to the then prevailing Equalisation Ratio and the applicable exchange rate. The applicable exchange rate used in applying the Equalisation Ratio will be the average of the ZAR/GBP buying and selling spot rates quoted by Bloomberg at 11:00 a.m. (South African time) on the date on which a dividend is declared by the later of Ninety One plc and Ninety One Limited to do so. The Boards have the power to agree a different basis for the exchange rate.

To effect the payment of Matching Dividends, Ninety One plc and Ninety One Limited will make payments on either their ordinary shares or their Dividend Access Shares or both. To enable payments to be made on their respective ordinary shares and Dividend Access Shares, Ninety One plc and Ninety One Limited will be entitled to enter into such transactions with each other or third parties as the Boards agree to be necessary or desirable and/or to arrange for payments to be made on the Equalisation Shares (if issued).

For further information in relation to Dividend Access Shares see paragraph 6.4 of this Part VII and for further information on the Equalisation Shares see paragraph 6.5 of this Part VII. The payment of Matching Dividends will not restrict either company’s ability to offer to its Shareholders the ability to elect to subscribe for further shares of such company *in lieu* of the whole or any part of a cash dividend.

6.3 **No Matching Dividend to be paid**

If Ninety One plc or Ninety One Limited is prohibited by applicable regulation or is otherwise unable to declare, pay or otherwise make all or any portion of such a Matching Dividend or the directors of Ninety One plc and Ninety One Limited decide that it is not practicable or desirable to declare or pay a Matching Dividend, then Ninety One plc and Ninety One Limited will, so far as it is practicable to do so, take some other form of Matching Action and the DLC Equalisation Principles will apply.

6.4 **Dividend Access Shares**

To facilitate the payment of Matching Dividends, dividend access trust arrangements will be established as part of the DLC Structure.

Ninety One plc will issue two Dividend Access Shares, the UK DAS Share and the UK DAN Share to UK Trust Co. UK Trust Co will hold the UK DAS Share and the UK DAN Share separately on trust for the benefit of the South African resident Ninety One Limited Shareholders and the non-South African resident Ninety One Limited Shareholders, respectively. Ninety One plc will undertake on behalf of UK Trust Co the distribution of any dividend payments, made by Ninety One plc, to such Shareholders.

Similarly, Ninety One Limited will issue two Dividend Access Shares, the SA DAS Share and the SA DAN Share to SA Trust Co. SA Trust Co holds the SA DAS Share and the SA DAN Share separately on trust for the benefit of the South African resident Ninety One plc Shareholders and the non-South African resident Ninety One plc Shareholders, respectively. Ninety One Limited will undertake on behalf of SA Trust Co the distribution of any dividend payments, made by Ninety One Limited, to such Shareholders.

The Dividend Access Shares enable, therefore, each company to pay dividends to the Shareholders in the other company. For example, in respect of any dividend declared or announced by the companies, a South African resident Ninety One plc Shareholder may receive part of their dividend entitlement via a payment made on his Ninety One plc Shares and the remainder via a payment on the SA DAS Share. This facility may be used by the Boards to address imbalances in the Companies' distributable reserves and/or to address the effect of South African exchange controls and/or if they otherwise consider it necessary or desirable.

6.5 **Equalisation Shares**

The Sharing Agreement provides that a share (an "**Equalisation Share**") may be allotted and issued by a member of each company's group to a member of the other company's group. Distributions may be made on these Equalisation Shares if the Boards consider it necessary or desirable, which may include a distribution to enable the payment of Matching Dividends. There is no current intention to issue such shares.

6.6 **Special Rights Shares**

To facilitate the issue of Ninety One plc Special Converting Shares following the Demerger, Ninety One plc will issue the Ninety One plc Special Rights Share to UK Trust Co. The Ninety One plc Special Rights Share will not have any rights to vote, except on a resolution either to vary the rights attached to such share or on a winding-up of Ninety One plc, nor any right to receive any dividend or other distribution by Ninety One plc. The Directors may, however, capitalise any sum standing to the credit of any of Ninety One plc's reserve accounts or any sum standing to the credit of the profit and loss account in circumstances where any such sum is appropriated to the holder of the Ninety One plc Special Rights Share and applied on behalf of such holder in or towards paying up in full unissued Ninety One plc Special Converting Shares if the issue of such Ninety One plc Special Converting Shares to the holder of the Ninety One plc Special Rights Share is necessary and expedient in order to maintain the Ninety One plc Equivalent Number.

To facilitate the issue of the Ninety One Limited Special Converting Shares, the SA DAN Share, the SA DAS Share and the Ninety One Limited Special Voting Share, Ninety One Limited will issue the Ninety One Limited Special Rights Share to SA Trust Co. The Ninety One Limited Special Rights Share will not have any rights to vote, except on a resolution either to vary the rights attached to such share or on a winding-up of Ninety One Limited, nor any right to receive any dividend or other distribution by Ninety One Limited. The Directors may, however, capitalise any sum standing to the credit of any of Ninety One Limited's reserve accounts or any sum standing to the credit of the profit and loss account in circumstances where any such sum is appropriated to the holder of the Ninety One Limited Special Rights Share and applied on behalf of such holder in or towards paying up in full:

- (a) unissued Ninety One Limited Special Converting Shares if the issue of such Ninety One Limited Special Converting Shares to the holder of the Ninety One Limited Special Rights Share is necessary and expedient in order to maintain the Ninety One Limited Equivalent Number; and/or
- (b) the SA DAS Share and the SA DAN Share.

7. Shareholder voting rights

7.1 Categories of Shareholder decisions

There will be four categories of matters or actions requiring Shareholder decisions:

- (a) Joint Electorate Actions (described in paragraph 7.2 of this Part VII);
- (b) Class Rights Actions (described in paragraph 7.3 of this Part VII);
- (c) other actions: any action which is neither a Class Rights Action nor a Joint Electorate Action, but which, under applicable regulation, or under the Ninety One plc Articles or the Ninety One Limited Mol, requires Shareholder approval. Such actions require only the approval of the Shareholders of the company proposing to take the relevant action, unless the Boards decide that such action should be treated as a Joint Electorate Action or Class Rights Action; and
- (d) procedural resolutions: procedural resolutions, where considered at a Shareholders' meeting at which the holder of the Ninety One plc Special Voting Share and/or the holder of the Ninety One Limited Special Voting Share is entitled to vote, may be voted on by the relevant holder either in person in accordance with the directions of the chair of the meeting or by proxy given to the chair of the meeting, who will cast such votes as they think fit.

7.2 Joint Electorate Actions

The Ninety One plc Shareholders and the Ninety One Limited Shareholders will vote together as a joint electorate on matters affecting them in similar ways ("**Joint Electorate Actions**"). The special voting procedure in respect of Joint Electorate Actions is described below.

7.2.1 Matters which require approval as Joint Electorate Actions

Matters which will require approval as a Joint Electorate Action are as follows:

- (a) the appointment, removal or re-election of any director of Ninety One plc or of Ninety One Limited, or both of them;
- (b) the receipt or adoption of the annual accounts of Ninety One plc or of Ninety One Limited, or both of them, or accounts prepared on a combined basis;
- (c) a change of name by Ninety One plc or Ninety One Limited, or both of them;
- (d) the appointment or removal of the Auditors of Ninety One plc or of Ninety One Limited, or both of them;
- (e) any proposed acquisition, disposal or other transaction of the kinds referred to in the JSE Listings Requirements or the UK Listing Rules which (in any case) is required under those regulations to be authorised by holders of ordinary shares in either company;
- (f) any matter considered at an annual general meeting of Ninety One plc or Ninety One Limited (or at a general meeting convened on the same day as an annual general meeting); and
- (g) any other matter which the Boards decide (either in a particular case or generally) should be approved as a Joint Electorate Action.

7.2.2 Voting procedures for Joint Electorate Actions

Joint Electorate Actions must be submitted to both the Ninety One plc Shareholders and the Ninety One Limited Shareholders for approval at separate meetings but acting as a joint electorate. Parallel Shareholders' meetings will be held on the same date or as close together in time as practicable.

Procedure for Joint Electorate Actions

The Ninety One plc meeting	The Ninety One Limited meeting
<ul style="list-style-type: none"> At the Ninety One plc Shareholders' meeting, voting will be on a poll which will (as regards the Ninety One plc Special Voting Share) remain open for sufficient time to allow the parallel Ninety One Limited Shareholders' meeting to be held and for the votes attaching to the Ninety One plc Special Voting Share to be ascertained and cast on the poll. On the poll: each fully paid Ninety One plc ordinary share (other than those that are subject to voting restrictions in respect of the relevant resolution) will have one vote; and UK Trust Co, as holder of the Ninety One plc Special Voting Share, will cast (if the Equalisation Ratio is 1:1) the same number of votes as were validly cast for and against the equivalent resolution at the parallel Ninety One Limited Shareholders' meeting (rounded up, if necessary to the nearest whole number). Under the Voting Agreement, UK Trust Co will be obliged to cast these votes for and against the relevant resolution in accordance with the votes cast for and against the equivalent resolution by Ninety One Limited ordinary shareholders on the poll at the parallel Ninety One Limited Shareholders' meeting. Through this mechanism, the votes of the Ninety One Limited ordinary shareholders at the Ninety One Limited Shareholders' meeting will be reflected at the Ninety One plc meeting by UK Trust Co casting the votes on the Ninety One plc Special Voting Share precisely to reflect voting at the parallel Ninety One Limited Shareholders' meeting. 	<ul style="list-style-type: none"> At the corresponding Ninety One Limited Shareholders' meeting, voting will be on a poll which will (as regards the Ninety One Limited Special Voting Share) remain open for sufficient time to allow the parallel Ninety One plc Shareholders' meeting to be held and for the Ninety One Limited Special Voting Share votes to be ascertained and cast on the poll. On the poll: each Ninety One Limited ordinary share (other than those that are subject to voting restrictions in respect of the relevant resolution) will have one vote; and SA Trust Co, as holder of the Ninety One Limited Special Voting Share, will cast (if the Equalisation Ratio is 1:1) the same number of votes as were validly cast for and against the equivalent resolution at the parallel Ninety One plc Shareholders' meeting (rounded up, if necessary, to the nearest whole number). Under the Voting Agreement, SA Trust Co will be obliged to cast these votes for and against the relevant resolution in accordance with the votes cast for and against the equivalent resolution by Ninety One plc ordinary shareholders on the poll at the parallel Ninety One plc Shareholders' meeting. Through this mechanism, the votes of the Ninety One plc ordinary shareholders at the Ninety One plc Shareholders' meeting will be reflected at the Ninety One Limited Shareholders' meeting by SA Trust Co casting the votes on the Ninety One Limited Special Voting Share precisely to reflect voting at the parallel Ninety One plc Shareholders' meeting.

The results of the Joint Electorate Action will be announced after both polls have closed.

If the Equalisation Ratio at any stage ceases to be 1:1, the number of Ninety One Limited Special Converting Shares allotted and issued and the number of votes attaching to the Ninety One plc Special Voting Share will be adjusted to reflect the then prevailing Equalisation Ratio so as to ensure that each Ninety One plc Share and each Ninety One Limited Share carries appropriate voting rights in relation to Joint Electorate Actions.

7.2.3 **Voting threshold for Joint Electorate Actions**

A Joint Electorate Action will be taken to have been approved if it is approved by:

- (a) an ordinary resolution (or a special resolution if required by applicable regulation or the Ninety One plc Articles) of the Ninety One plc Shareholders and UK Trust Co (as holder of the Ninety One plc Special Voting Share), voting as a single class; and
- (b) an ordinary resolution (or a special resolution if required by applicable regulation or the Ninety One Limited Mol) of the Ninety One Limited Shareholders and SA Trust Co (as holder of the Ninety One Limited Special Voting Share), voting as a single class.

In this paragraph 7.2, ordinary resolution means any resolution of shareholders which requires a simple majority of votes cast to be in favour in order to be approved, and special resolution means any resolution which requires a 75 per cent. majority of votes cast to be in favour in order to be approved or such other affirmative vote or quorum prescribed by applicable regulation, the Ninety One plc Articles or the Ninety One Limited Mol which is greater than or different from that required for an ordinary resolution.

7.3 **Class Rights Actions**

Class Rights Actions are normally those matters on which Ninety One plc Shareholders and Ninety One Limited Shareholders may have divergent interests or which involve an amendment either to the DLC Agreements or the DLC Structure-specific provisions (“entrenched provisions”) in either the Ninety One plc Articles or the Ninety One Limited Mol.

7.3.1 **Matters which require approval as Class Rights Actions**

Matters which will require approval as a Class Rights Action are as follows:

- (a) the amendment or termination of the Sharing Agreement, the Voting Agreement, the SCS Trust Deeds or the DAT Deeds other than:
 - (i) any amendment which is formal or technical in nature and which would not be materially prejudicial to the interests of the Shareholders of either company or is necessary to correct any inconsistency or manifest error; or
 - (ii) any amendment to conform the terms of the Voting Agreement, the SCS Trust Deeds or the DAT Deeds with the terms of the Sharing Agreement,in each case, as agreed between the Boards;
- (b) the amendment to, removal or alteration of the effect of (including the ratification of any breach of) any entrenched provision in the Ninety One plc Articles or the Ninety One Limited Mol other than:
 - (i) any amendment which is formal or technical in nature and would not be materially prejudicial to the interests of any Shareholders of either company or is necessary to correct any inconsistency or manifest error; or
 - (ii) any amendment to conform such provisions with the Sharing Agreement,in each case, as agreed between the Boards;
- (c) any Action by one company which, having regard to the prevailing Equalisation Ratio, has a disproportionate economic effect on the Shareholders of one company, but in respect of which neither a Matching Action is to be taken nor an adjustment to the Equalisation Ratio made; and
- (d) any action or matter which the Boards agree (either in a particular case or generally) should be treated as a Class Rights Action.

If a particular matter falls both within the list of matters which constitute Joint Electorate Actions (see paragraph 7.2 of this Part VII) and the list of matters which constitute Class Rights Actions, such matter will be treated as a Class Rights Action.

7.3.2 Voting threshold for Class Rights Actions

Class Rights Actions of a kind described in:

- (a) paragraphs 7.3.1(a) and 7.3.1(b) of this Part VII will require approval by special resolution;
- (b) paragraph 7.3.1(c) of this Part VII will require approval by ordinary resolution unless either applicable regulation imposes a requirement on either company for a special resolution, in which case, that company will require a special resolution; and
- (c) paragraph 7.3.1(d) of this Part VII will require approval by ordinary resolution, unless either applicable regulation imposes a requirement on either company for a special resolution, in which case, that company will require a special resolution, or the Boards decide that it requires a special resolution.

The majority vote in favour required to approve such resolutions will be referred to as the **“Required Majority”**.

Class Rights Actions will require approval by:

- (d) an ordinary resolution or a special resolution (as the case may be) of the Ninety One plc Shareholders and UK Trust Co (as holder of the Ninety One plc Special Voting Share) voting as a single class; and
- (e) an ordinary resolution or a special resolution (as the case may be) of the Ninety One Limited Shareholders and SA Trust Co (as holder of the Ninety One Limited Special Voting Share) voting as a single class.

7.3.3 Voting procedures for Class Rights Actions

The following voting arrangements apply in relation to Class Rights Actions:

Procedure for Class Rights Actions requiring approval of both companies	
Ninety One plc	Ninety One Limited
<ul style="list-style-type: none">Ninety One plc ordinary shareholder and the holder of the Ninety One plc Special Voting Share will vote as a single class at the general meeting of Ninety One plc. Voting will be on a poll with each fully paid Ninety One plc ordinary share (other than those that are subject to voting restrictions in respect of the relevant resolution) having one vote per share.	<ul style="list-style-type: none">The Ninety One Limited Shareholders’ meeting will be held as close in time to the corresponding meeting of Ninety One plc ordinary shareholders as is practicable. The relevant resolution will be put to the Ninety One Limited ordinary shareholders and the holder of the Ninety One Limited Special Voting Share, voting as a single class at a general meeting of Ninety One Limited. Voting will be on a poll with each Ninety One Limited ordinary share (other than those that are subject to voting restrictions in respect of the relevant resolution) having one vote per share.
<ul style="list-style-type: none">UK Trust Co, as holder of the Ninety One plc Special Voting Share, will not vote unless the proposed action has not been approved by the Required Majority of the Ninety One Limited ordinary shareholders at the parallel Ninety One Limited Shareholders’ meeting at the close of the poll at that meeting, in which case, UK Trust Co will vote to defeat the resolution at the Ninety One plc meeting (and the Ninety One plc Special Voting Share will, as a result of the rights attached thereto, carry sufficient votes to effect such defeat).	<ul style="list-style-type: none">SA Trust Co, as holder of the Ninety One Limited Special Voting Share, will not vote unless the proposed action has not been approved by the Required Majority of the Ninety One plc ordinary shareholders at the parallel Ninety One plc Shareholders’ meeting at the close of the poll at that meeting, in which case, SA Trust Co will vote to defeat the resolution at the Ninety One Limited meeting (and the Ninety One Limited Special Voting Share will, as a result of the rights attached thereto, carry sufficient votes to effect such defeat).

7.3.4 The Trust Companies

The Trust Companies are obliged pursuant to the Voting Agreement, the Ninety One plc Articles and the Ninety One Limited Mol to exercise the votes attaching to the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share so as to give effect to the voting arrangements set out above.

8. Constitutional documents

8.1 Ninety One plc Articles and Ninety One Limited Mol

A summary of the provisions of the Ninety One plc Articles and Ninety One Limited Mol is set out in paragraph 7 of Part XII: *“Additional Information – Ninety One plc Articles and Ninety One Limited Mol”*.

8.2 Trust Companies

The articles of association of UK Trust Co and the Memorandum of Incorporation of SA Trust Co authorise the respective Trust Companies to enter into, exercise their powers and perform their obligations under the Voting Agreement, the DAT Deeds and the SCS Trust Deeds.

9. DLC Agreements

The following comprise the DLC Agreements which come into effect on or before Admission and govern the ongoing relationship between Ninety One plc and Ninety One Limited and establish the relationship between Ninety One plc, Ninety One Limited and the Trust Companies:

- (a) the Sharing Agreement;
- (b) the Voting Agreement;
- (c) the Ninety One plc SCS Trust Deed;
- (d) the Ninety One Limited SCS Trust Deed;
- (e) the UK DAS Share Trust Deed;
- (f) the UK DAN Share Trust Deed;
- (g) the SA DAS Share Trust Deed; and
- (h) the SA DAN Share Trust Deed.

The DLC Agreements are summarised below. Each DLC Agreement other than the SA DAS Share Trust Deed, the SA DAN Share Trust Deed and the Ninety One Limited SCS Trust Deed (which are governed by South African law) is governed by English law.

9.1 The Sharing Agreement

The Sharing Agreement will be entered into between Ninety One plc and Ninety One Limited and is the primary agreement regulating the ongoing relationship of Ninety One plc and Ninety One Limited as dual-listed companies.

9.1.1 Regulation of the DLC Structure

Among other things, the Sharing Agreement regulates the following aspects of the DLC Structure:

- (a) the DLC Structure Principles (see paragraph 3 of this Part VII for further details);
- (b) the DLC Equalisation Principles (see paragraph 5.1 of this Part VII for further details);
- (c) the circumstances under which the Equalisation Ratio may be adjusted (see paragraph 5.1 of this Part VII for further details);
- (d) the circumstances under which Matching Actions may not be required (see paragraphs 5.2 and 5.3 of this Part VII for further details);
- (e) the declaration and payment of cash dividends (see paragraph 6 of this Part VII for further details);

- (f) the scope of, and procedure in relation to, Class Rights Actions (see paragraph 7.3 of this Part VII for further details);
- (g) the scope of, and procedure in relation to, Joint Electorate Actions (see paragraph 7.2 of this Part VII for further details);
- (h) the obligation on each of Ninety One plc and Ninety One Limited to enforce the change of control provisions in their constitutional documents (see paragraph 11.5 of this Part VII for further details);
- (i) the issue of the Equalisation Shares (see paragraph 6.5 of this Part VII for further details); and
- (j) the obligations on each of Ninety One plc and Ninety One Limited in relation to the Special Converting Shares, including an obligation not to take any Action unless the Ninety One plc Equivalent Number and Ninety One Limited Equivalent Number (as the case may be) is maintained and the requirement to make an application for listing following a Conversion Event (see paragraph 13.2.2 of this Part VII for further details).

9.1.2 **Termination and amendment**

The circumstances in which the Sharing Agreement may be terminated are set out in paragraph 13 of this Part VII. The circumstances in which it may be amended are set out in paragraph 7.3 of this Part VII.

9.1.3 **Relationship to the Ninety One plc Articles and Ninety One Limited Mol**

If there is a conflict between the Sharing Agreement on the one hand and either: (i) the Ninety One plc Articles; or (ii) the Ninety One Limited Mol on the other hand, Ninety One plc and Ninety One Limited are required to use their best endeavours to ensure that any required amendment to the Ninety One plc Articles or the Ninety One Limited Mol, as appropriate, is proposed at general meetings of Ninety One plc and/or Ninety One Limited in order to conform them with the provisions of the Sharing Agreement.

9.1.4 **Other transactions**

Subject to applicable regulation, the Sharing Agreement also obliges Ninety One plc and Ninety One Limited to enter into such further transactions or arrangements, and do such acts and things, as the other may reasonably require from time to time in the furtherance of the common interests of the Ninety One plc Shareholders and Ninety One Limited Shareholders or to give effect to the DLC Agreements.

9.2 **Voting Agreement**

The Voting Agreement will be entered into by Ninety One plc, Ninety One Limited, UK Trust Co (as holder of the Ninety One plc Special Voting Share) and SA Trust Co (as holder of the Ninety One Limited Special Voting Share).

9.2.1 **Voting procedures and the Trust Companies**

The Voting Agreement sets out, among other things, the following obligations:

(a) *Notification obligations*

The obligations of Ninety One plc and Ninety One Limited, respectively, to notify the Trust Companies:

- (i) of the votes cast by Ninety One plc Shareholders and Ninety One Limited Shareholders at general meetings (in the case of Joint Electorate Actions); and
- (ii) whether or not any resolution in relation to Class Rights Actions was passed by the Required Majority (as defined in paragraph 7.3.2 of this Part VII) of Ninety One plc Shareholders or Ninety One Limited Shareholders.

(b) *Voting obligations*

The obligations of each of UK Trust Co and SA Trust Co to attend meetings and to vote, respectively, the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share. Such obligations are to be carried out in accordance with the notification received from Ninety One plc or Ninety One Limited pursuant to paragraph 9.2.1(a) of this part VII.

(c) *Restrictions on transfer of the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share*

There is a prohibition on the Trust Companies dealing in any way with the Ninety One plc Special Voting Share and the voting rights attaching to Ninety One Limited Special Voting Share or interests in or rights attaching to such shares unless approved as a Class Rights Action. UK Trust Co and SA Trust Co may, respectively, transfer the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share by giving not less than 90 days' notice, provided that the transferee has been approved by Ninety One plc and Ninety One Limited, has agreed to be bound by the terms of the Voting Agreement and, in the case of a transfer by SA Trust Co, has agreed to be successor trustee under the Ninety One Limited SCS Trust Deed.

(d) *Provision of information*

The obligations of Ninety One plc and Ninety One Limited to provide each of the Trust Companies with such information as they reasonably require (other than information which is of a price-sensitive nature and not generally available) for the purpose of discharging the powers, duties and discretion vested in them under the Voting Agreement.

(e) *Confidentiality*

The obligation of the Trust Companies to maintain the confidentiality of such information provided to it.

(f) *Remuneration of the Trust Companies*

The remuneration, which will be agreed between the parties from time to time, and expenses payable to the Trust Companies.

(g) *Powers and discretions of the Trust Companies*

The Trust Companies will have:

- (i) all requisite power to take actions contemplated by the Voting Agreement, the Ninety One plc Articles and the Ninety One Limited Mol; and
- (ii) absolute uncontrolled discretion as to the exercise of such powers.

(h) *Exclusion of responsibilities*

Exclusion of responsibility on the part of the Trust Companies:

- (i) in respect of the exercise of their voting rights where Ninety One plc and/or Ninety One Limited have failed to comply in all material respects with their obligations to provide notification as regards the convening of, the matters to be considered at and the results of any general meeting at which the Trust Companies are required to vote;
- (ii) in respect of any discretion exercised reasonably and honestly;
- (iii) in respect of actions taken by them on the opinion or advice of or on information obtained from any lawyer, valuer, banker, accountant, the share registrars of Ninety One plc or Ninety One Limited or other expert;
- (iv) in circumstances where they have acted upon or have implemented or given effect to any resolution purporting to have been passed either as a resolution of Ninety One plc Shareholders or of Ninety One Limited Shareholders; and
- (v) in respect of their having accepted or acted or relied upon notices given to them by Ninety One plc or Ninety One Limited.

Neither Trust Company is required to take steps to ascertain whether any breach of the Voting Agreement has occurred and the Trust Companies may refrain from acting if they have not been supplied with all information that they consider reasonably necessary to perform their obligations having requested the same.

(i) *Indemnities*

Subject to certain exceptions (such as fraud, gross negligence or wilful default), indemnities in favour of the Trust Companies (and their directors, officers, employees, etc.) against all liabilities or expenses incurred by them in the execution of their obligations under the Voting Agreement.

9.2.2 **Amendments**

The Voting Agreement may be amended by all the parties to it agreeing in writing.

The Trust Companies are generally required to concur with Ninety One plc and Ninety One Limited in amending the Voting Agreement, provided that the amendments are:

- (a) formal or technical amendments which the Boards certify do not materially prejudice the interests of either Ninety One plc Shareholders or Ninety One Limited Shareholders;
- (b) amendments necessary to correct manifest errors or inconsistencies between the Voting Agreement and the Sharing Agreement; or
- (c) amendments approved by Ninety One plc Shareholders and Ninety One Limited Shareholders as a Class Rights Action, provided that such amendments do not affect the obligations or rights of the Trust Companies.

9.2.3 **Termination**

The Voting Agreement will terminate if:

- (a) the Sharing Agreement is terminated; or
- (b) UK Trust Co has transferred the Ninety One plc Special Voting Share and SA Trust Co has transferred the Ninety One Limited Special Voting Share, provided that, if only one of the Trust Companies has made such a transfer, the other Trust Company, Ninety One plc and Ninety One Limited will continue to be bound by the terms of the Voting Agreement.

9.3 **Ninety One Limited SCS Trust Deed**

The Ninety One Limited SCS Trust Deed has been entered into between Ninety One plc, Ninety One Limited and SA Trust Co and governs the rights and obligations of the parties thereto in respect of the Ninety One Limited Special Converting Shares prior to and following the occurrence of a Conversion Event.

Among other things, the Ninety One Limited SCS Trust Deed sets out the following:

9.3.1 **Trust funds**

SA Trust Co is to hold the Ninety One Limited Special Converting Shares on trust for the benefit of the Ninety One plc Shareholders. Each Ninety One plc Shareholder will be entitled to such proportion of the issued Ninety One Limited Special Converting Shares as corresponds to the proportion of the Ninety One plc Shares in issue held by such Ninety One plc Shareholders (referred to as an “**Entitlement**”).

9.3.2 **Distribution of the converted Ninety One Limited Special Converting Shares following the occurrence of a Conversion Event**

- (a) Ninety One Limited will inform SA Trust Co of the occurrence of a Conversion Event, provide details (including names, addresses, shareholdings and Entitlements) of each Ninety One plc Shareholder as at the Conversion Date and confirm whether or not SA Trust Co is to undertake the distribution or sale of the converted Ninety One Limited Special Converting Shares. The circumstances in which Ninety One Limited will confirm that no distribution or sale is to take place are likely to be where Ninety One Limited is the subject of a Liquidation Event or an Insolvency Event.

- (b) SA Trust Co will procure that the Ninety One plc Shareholders are notified of the occurrence of the Conversion Event and their Entitlement as at the Conversion Date.
- (c) If SA Trust Co is to effect distribution and/or sale of the converted Ninety One Limited Special Converting Shares, it will (unless Ninety One Limited notifies it to the contrary) cause to be sent to each of the Ninety One plc Shareholders a form of certification. By completing and returning the form of certification, the Ninety One plc Shareholders will confirm whether or not they reside in a Restricted Jurisdiction.
- (d) Once the converted Ninety One Limited Special Converting Shares have been listed:
 - (i) in respect of any Ninety One plc Shareholder who has returned a form of certification confirming that they do not reside in a Restricted Jurisdiction (or if no form of certification is required), SA Trust Co will transfer to him his Entitlement as at the Conversion Date (less any shares which are sold to meet all fees, costs, taxes, duties and expenses arising out of the transfer); and
 - (ii) in respect of any Ninety One plc Shareholder who has returned a form of certification confirming that they do reside in a Restricted Jurisdiction, SA Trust Co will sell, or procure the sale of, the converted Special Converting Shares of such Ninety One plc Shareholder and remit the proceeds (less any fees, commissions, costs, taxes and duties payable in relation to such sale).

If, after the Conversion Date, a Ninety One plc Shareholder requests the transfer of the Special Converting Shares to which they are entitled, SA Trust Co shall be under no obligation to effect such transfer until such Shareholder has put SA Trust Co in funds for all fees, commissions, costs, taxes or duties relevant to such transfer.

9.3.3 **Dividends following a Conversion Event**

Where a dividend falls to be paid by Ninety One Limited in respect of the converted Ninety One Limited Special Converting Shares on or after the Conversion Date but before all such shares have been transferred or sold by SA Trust Co, Ninety One Limited will, on behalf of SA Trust Co, pay or procure the payment of such dividend to the relevant Ninety One plc Shareholders.

9.3.4 **Untraced shareholders**

If there are converted Ninety One Limited Special Converting Shares which have not been sold or distributed by SA Trust Co within 12 years of the Conversion Date, SA Trust Co will request that Ninety One Limited places an advertisement in a national daily newspaper and a newspaper circulating in the area of the last-known registered address of the relevant Ninety One plc Shareholders stating the intention to sell the shares. If any such shareholders have not made contact within three months of such advertisement being published, SA Trust Co will be entitled to sell the shares. The proceeds of sale will be paid to Ninety One Limited, SA Trust Co will be entered as a creditor in the Ninety One Limited books and the right to receive payment will become the trust property and will be held in trust for the relevant shareholders.

9.3.5 **Delegation of operation**

Ninety One plc and Ninety One Limited agree as a term of the trust that the trustee has delegated to Ninety One Limited and/or Ninety One plc responsibility for:

- (a) the establishment of the identity of the Ninety One plc Shareholders and their Entitlements;
- (b) the making of distributions on the Ninety One Limited Special Converting Shares and the mechanics of such distributions; and
- (c) obtaining directions from Ninety One plc Shareholders.

In addition, the trustee shall have no responsibility for any funds paid or property delivered as part of a distribution to Ninety One plc Shareholders. Such funds or property will not be segregated or marked as belonging to the trustee or the shareholders and the trustee shall have no responsibility for monitoring such funds. Neither the trustee nor the shareholders shall have any entitlement to interest or income arising from such funds or property pending their application.

The trustee may require that any amounts paid as detailed above are held to its order and applied as it directs or that such amounts are paid to it directly. The trustee is entitled to apply any such amounts to pay any sums owed under the indemnity described in paragraph 9.3.12 of this Part VII.

9.3.6 Voting obligations

Prior to the occurrence of a Conversion Event, the Ninety One Limited Special Converting Shares will only have voting rights in respect of variations of the rights attaching to such shares or on a winding-up of Ninety One Limited (see paragraph 13.2.2 of this Part VII). If such a resolution is proposed, SA Trust Co must, if due notification has been given, vote in favour of or give its written consent to the resolution, where such resolution has been approved either as a Class Rights Action or a Joint Electorate Action (as the case may be), or vote against, or withhold its consent to, a resolution, where such resolution has been defeated as a Class Rights Action or a Joint Electorate Action (as the case may be).

9.3.7 Restriction on dealings with the Ninety One Limited Special Converting Shares

A prohibition on SA Trust Co from dealing with the Ninety One Limited Special Converting Shares other than in accordance with the provisions of the Ninety One Limited SCS Trust Deed.

9.3.8 Furnishing of information

The obligation of SA Trust Co to furnish Ninety One plc and/or Ninety One Limited with such information regarding the affairs of the trust as they may require. SA Trust Co will keep such books and records as are necessary or appropriate, commensurate with its duties in relation to the trust.

9.3.9 Variations

SA Trust Co will concur with Ninety One plc and Ninety One Limited in making changes to the Ninety One Limited SCS Trust Deed, provided that those changes:

- (a) are formal or technical amendments which the Boards have certified are not materially detrimental to the interests of the Ninety One plc Shareholders;
- (b) are necessary to correct any manifest error in the Ninety One Limited SCS Trust Deed or inconsistencies between its provisions and those of the Sharing Agreement; or
- (c) have been approved by Ninety One plc Shareholders and Ninety One Limited Shareholders as a Class Rights Action.

9.3.10 Redemption proceeds and the trustee's remuneration and expenses

If the trustee receives the proceeds of the redemption of Ninety One Limited Special Converting Shares, it will retain such sums in a non-interest-bearing account. The trustee may use such sums to reimburse Ninety One plc and Ninety One Limited for any fees and expenses paid or to be paid by Ninety One plc and Ninety One Limited to the trustee for performing its services in relation to the trust. The fees of the trustee shall be agreed in writing between the parties. If any amounts remain in the bank account on the winding-up of the trust, these sums shall be paid to the trustee as a bonus payment.

9.3.11 Liability of the trustee

The exclusion of SA Trust Co's liability for any loss to any person as a result of any exercise of its power or discretion pursuant to the Ninety One Limited SCS Trust Deed unless such loss results from its own fraud, wilful default or negligence.

9.3.12 Indemnity

An indemnity in favour of SA Trust Co (and its directors, officers, employees, etc.), given by Ninety One plc and Ninety One Limited, against all liabilities (excluding those which arise from its own fraud, wilful default or negligence or that of its directors, officers, employees, etc.) incurred in the execution of its obligations under the Ninety One Limited SCS Trust Deed.

9.3.13 **Change of trustee**

Ninety One Limited has the power to appoint new and/or additional trustees and the transfer of such powers in full to Ninety One plc if Ninety One Limited goes into liquidation and SA Trust Co has the right to retire in accordance with the provisions of the Ninety One Limited SCS Trust Deed. Ninety One Limited may remove SA Trust Co as trustee if SA Trust Co has breached any term of the Ninety One Limited SCS Trust Deed or such removal has been approved as a Class Rights Action.

9.3.14 **Powers of the trustee**

SA Trust Co will be entitled to deal with the Ninety One Limited Special Converting Shares for the purposes of achieving the objects of the trust in accordance with the terms set out in the Ninety One Limited SCS Trust Deed and to do all such things lawful to facilitate the administration of the trust.

9.3.15 **Exclusion of responsibilities**

SA Trust Co will not be responsible for, among other things, the following:

- (a) actions taken by it on the opinion or advice of or any information obtained from any lawyer, valuer, banker, accountant or other expert;
- (b) anything done having accepted or acted or relied upon notices given to it from Ninety One plc and/or Ninety One Limited;
- (c) failure to fulfil any duties or obligations which are not expressly specified in the Ninety One Limited SCS Trust Deed;
- (d) incurring any financial liability in connection with the performance of its rights and obligations where it has reasonable grounds to believe that reimbursement of such financial liability is not guaranteed;
- (e) actions of agents that it has appointed;
- (f) actions of any person to whom it has delegated duties;
- (g) the validity or suitability of the Ninety One Limited SCS Trust Deed or any other document or any liability to any person because of the invalidity or unsuitability of such documents; and
- (h) any liabilities arising from the exercise of its functions, provided that such liabilities do not result from its own wilful default, fraud or negligence.

9.3.16 **Trustee discretion**

SA Trust Co will have absolute and uncontrolled discretion as to the exercise of its functions.

9.3.17 **Unlawful action**

SA Trust Co has the right to refrain from doing anything that it reasonably believes to constitute an unlawful action or otherwise render it liable to any person and to do anything necessary to comply with any legal requirement.

9.4 **Ninety One plc SCS Trust Deed**

The Ninety One plc SCS Trust Deed contains corresponding provisions to the Ninety One Limited SCS Trust Deed.

9.5 **UK DAS Share Trust Deed**

The UK DAS Share Trust Deed has been entered into between Ninety One plc, Ninety One Limited and UK Trust Co (as holder of the UK DAS Share) for the purposes of facilitating the payment of dividends by Ninety One plc to South African resident Ninety One Limited Shareholders through UK Trust Co, in circumstances where Ninety One Limited will not be paying such Shareholders the required dividend in full. UK Trust Co is to hold the UK DAS Share on trust for each South African resident Ninety One Limited Shareholder. Each South African resident Ninety One Limited Shareholder will be entitled to such amount of the dividend as would bear the same proportion to the

total dividend as the number of Ninety One Limited Shares they hold bears to the aggregate number of Ninety One Limited Shares held by South African Ninety One Limited Shareholders (in each case, as at the record date) (an “**Entitlement**”).

Among other things, the UK DAS Share Trust Deed sets out the following:

9.5.1 **Payment of dividends**

Following a declaration by Ninety One plc of a dividend on the UK DAS Share:

- (a) Ninety One plc will notify UK Trust Co of such declaration; and
- (b) Ninety One plc will, on behalf of UK Trust Co, effect the distribution of such dividends to the South African resident Ninety One Limited Shareholders, in accordance with their respective Entitlements.

Ninety One plc will hold all cash dividends in separate bank accounts and all non-cash dividends to the order of UK Trust Co. Ninety One plc may, at any time, convert a non-cash dividend into cash and hold it in a separate bank account.

9.5.2 **Delegation of operation**

Ninety One plc and Ninety One Limited agree as a term of the trust that the trustee has delegated to Ninety One plc and Ninety One Limited responsibility for:

- (a) the establishment of the identity of the Ninety One Limited members and their Entitlements; and
- (b) the payment or delivery of dividends and the mechanics for effecting such payment or delivery.

In addition, the trustee shall have no responsibility for funds paid or property delivered to Ninety One Limited members. Such funds or property will not be segregated or marked as belonging to the trustee or shareholders and the trustee shall have no responsibility for monitoring such funds. Neither the trustee nor the shareholders shall have any entitlement to interest or income arising from such funds or property.

9.5.3 **Unclaimed dividends**

If any part of a dividend has not been paid within 12 years from the date it was declared or became due for payment, the Entitlements of the relevant Ninety One Limited Shareholders to such dividends will be forfeited in accordance with the Ninety One plc Articles.

9.5.4 **Voting**

The UK DAS Share only has voting rights in respect of variations of the rights attaching to such share or on a winding-up of Ninety One plc. In relation to any such resolution, UK Trust Co must, if due notification has been given, exercise the votes attaching to the UK DAS Share in favour of or give its written consent to the resolution, where such resolution has been approved as either a Class Rights Action or a Joint Electorate Action (as the case may be) and exercise the votes against or withhold its consent to the resolution, where such resolution has been defeated either as a Class Rights Action or a Joint Electorate Action (as the case may be).

9.5.5 **Other provisions**

The UK DAS Share Trust Deed contains provisions corresponding to those under the Ninety One Limited SCS Trust Deed detailed under paragraphs 9.3.6 to 9.3.17 of this Part VII.

9.6 **UK DAN Share Trust Deed**

The UK DAN Share Trust Deed has been entered into between Ninety One plc, Ninety One Limited and UK Trust Co (as holder of the UK DAN Share) for the purposes of facilitating the payment of dividends by Ninety One plc to non-South African resident Ninety One Limited Shareholders through UK Trust Co, in circumstances where Ninety One Limited will not be paying such Shareholders the required dividend in full.

The UK DAN Share Trust Deed contains corresponding provisions to the UK DAS Share Trust Deed.

9.7 **SA DAS Share Trust Deed**

The SA DAS Share Trust Deed has been entered into between Ninety One plc, Ninety One Limited and SA Trust Co (as holder of the SA DAS Share) for the purposes of facilitating the payment of dividends by Ninety One Limited to South African resident Ninety One plc Shareholders through SA Trust Co, in circumstances where Ninety One plc will not be paying such Shareholders the required dividend in full.

The SA DAS Share Trust Deed contains corresponding provisions to the UK DAS Share Trust Deed but is governed by South African law and the voting rights attaching to the SA DAS Share will be subject to the statutory rights to vote pursuant to the SA Companies Act and all disputes will be referred to arbitration.

9.8 **SA DAN Share Trust Deed**

The SA DAN Share Trust Deed has been entered into between Ninety One plc, Ninety One Limited and SA Trust Co (as holder of the SA DAN Share) for the purposes of facilitating the payment of dividends by Ninety One Limited to the non-South African resident Ninety One plc Shareholders through SA Trust Co, in circumstances where Ninety One plc will not be paying such Shareholders the required dividend in full.

The SA DAN Share Trust Deed contains corresponding provisions to the UK DAS Share Trust Deed but is governed by South African law and the voting rights attaching to the SA DAN Share will be subject to the statutory rights to vote pursuant to the SA Companies Act and all disputes will be referred to arbitration.

10. **Administration Agreement**

The Administration Agreement is expected to be entered into between Ninety One plc, Ninety One Limited and the Trust Corporations prior to Admission. The agreement imposes the following obligations:

- (a) **DLC Agreements** – The Trust Corporations are to procure compliance of the Trust Companies with their respective obligations under the Voting Agreement, the DAT Deeds and the SCS Trust Deeds and ensure that the only activities the Trust Companies perform are those necessary or expedient in order for such Trust Companies to fulfil such obligations.
- (b) **Trust Company activities** – The Trust Companies shall not be permitted to carry on any activities (unless otherwise agreed by the Companies) other than those which are necessary or expedient to perform their respective obligations and exercise their respective powers, authorities and discretions under the DLC Agreements.
- (c) **Trust Company administration** – The Trust Corporations are to maintain the accounts and corporate records for the Trust Companies and ensure that all necessary filings are made in relation thereto and arrange for the filing of all tax returns.
- (d) **Trust Company directors** – The Trust Corporations are to appoint suitable persons to act as directors of the Trust Companies.
- (e) **Trust Company shares** – The Trust Corporations are not to transfer or otherwise deal with the shares in the Trust Companies unless otherwise agreed by Ninety One plc and Ninety One Limited (such agreement not to be unreasonably withheld or delayed).
- (f) **Indemnities** – Ninety One plc and Ninety One Limited indemnify the Trust Corporations and officers employees, agents or advisors of the Trust Corporations and their affiliates against any loss or damage suffered in the good faith provision of the services under the Administration Agreement (in the absence of fraud, wilful default or negligence).

11. **Takeovers regulation of the DLC Structure**

11.1 **Background**

Ninety One plc and Ninety One Limited will be separate listed companies and will be subject to the takeover laws and rules in the United Kingdom and South Africa, respectively. Provisions have been included in the Ninety One plc Articles and the Ninety One Limited MoI which are intended to have the effect of:

- (a) recognising the substantive effect of the DLC Structure, which is that the Companies should be regarded as a single corporate group;

- (b) allowing the two regulatory systems to work together harmoniously and sensibly;
- (c) respecting United Kingdom takeover rules and South Africa takeover laws, respectively; and
- (d) avoiding any unintended impediment to any takeover of the Companies.

11.2 Key thresholds

Under the Ninety One plc Articles and the Ninety One Limited Mol:

- (a) there is a limit which prevents a person (and concert parties) from exceeding (except as a result of a permitted acquisition as described in paragraph 11.3 of this Part VII) a voting power threshold of 30 per cent. in relation to Ninety One plc on a standalone basis, that is calculated as if there were no Ninety One plc Special Voting Share and only counting Ninety One plc Shares;
- (b) there is a separate limit which prevents a person (and concert parties) from exceeding the mandatory offer limit set out in Rule 9 of the City Code which imposes a voting power threshold of 30 per cent. in relation to Ninety One plc, calculated having regard to all the voting power on a joint electorate basis, (i.e. calculated on Ninety One plc Shares and on the voting power in Ninety One plc derived through the Ninety One plc Special Voting Share by holding or controlling Ninety One Limited Shares); this limit effectively treats all Shares, together with the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share, as voting shares and sets a 30 per cent. limit on control of this joint electorate voting power;
- (c) there is a limit which prevents a person (and concert parties) from exceeding a voting power threshold of 30 per cent. in relation to Ninety One Limited on a standalone basis, that is calculated as if there was no Ninety One Limited Special Voting Share and only counting Ninety One Limited Shares; and
- (d) there is a separate limit which prevents a person (and concert parties) from exceeding a voting power threshold of 30 per cent. in relation to Ninety One Limited, calculated having regard to all the voting power on a joint electorate basis, (i.e. calculated on Ninety One Limited Shares and on the voting power in Ninety One Limited derived (through the Ninety One Limited Special Voting Share) by holding or controlling Ninety One plc Shares); this limit effectively treats all Shares, together with the Ninety One plc Special Voting Share and the Ninety One Limited Special Voting Share, as voting shares and sets a 30 per cent. limit on control of this joint electorate voting power.

The principal requirement for exceeding a limit is for all Shareholders in both companies to be treated in an equivalent manner and sanctions may be imposed for breaches of these provisions.

11.3 Equivalent offers on equivalent terms

The Ninety One plc Articles and the Ninety One Limited Mol provide, in effect, that a person may only exceed any of these limits if an equivalent offer is made to both Ninety One plc Shareholders and Ninety One Limited Shareholders on equivalent terms. In summary, this would require:

- (a) an equivalent procedure which:
 - (i) is undertaken for both Ninety One plc Shares and Ninety One Limited Shares at or about the same time; and
 - (ii) applies to both the Ninety One plc Shares and the Ninety One Limited Shares;
- (b) that each procedure complies with the Ninety One plc Articles, the Ninety One Limited Mol and all applicable regulation, including the takeover laws and rules in the United Kingdom (as regards the offer for the Ninety One plc Shares) and in South Africa (as regards the offer for the Ninety One Limited Shares); and
- (c) an offer of equivalent consideration, terms, information, conditions and time to consider to the Ninety One plc Shareholders and the Ninety One Limited Shareholders, both in relation to an initial offer and any increases or extensions.

Due to the variety of takeover procedures and the different takeover regimes applying in the United Kingdom and South Africa, the concept of equivalence cannot be defined prescriptively. It is expected that a combination of the Ninety One plc Board and the Ninety One Limited Board, the Panel of Takeover and Mergers in the UK and/or the South African Takeover Regulation Panel will have a role in determining and achieving equivalence in a particular case.

With equivalent treatment in terms of the opportunities afforded to each group of Shareholders, each such group of Shareholders will make its own decision as to whether the relevant offer is to be accepted.

11.4 Breach of limits

Under the Ninety One plc Articles and the Ninety One Limited Mol, if a person breaches a shareholding limit without making equivalent offers to both groups of Shareholders on equivalent terms, then the Ninety One plc Articles and the Ninety One Limited Mol give the Ninety One plc Board and the Ninety One Limited Board power to impose certain sanctions on the relevant Shareholders. The Ninety One plc Board and the Ninety One Limited Board each have the power to deny dividend rights in respect of that number of Ninety One plc Shares or Ninety One Limited Shares (as the case may be) which results in the threshold being exceeded (“**excess shares**”), and the power to dispose of the excess shares. The relevant Ninety One plc Board or the Ninety One Limited Board also has the power to deny voting rights, or the exercise of voting rights, as the case may be, in respect of the excess shares.

11.5 Sharing Agreement

Under the Sharing Agreement, Ninety One plc and Ninety One Limited have agreed to co-operate with each other in the enforcement of the restrictions in the Ninety One plc Articles and the Ninety One Limited Mol, respectively, described in paragraphs 11.2 and 11.4 of this Part VII.

12. Financial reporting

Ninety One plc and Ninety One Limited intend to publish a single primary set of combined financial statements, denominated in GBP and prepared in accordance with IFRS. Ninety One plc and Ninety One Limited will furthermore also prepare any other financial information needed to meet their respective local requirements.

13. Termination

13.1 Termination of the Sharing Agreement

The Sharing Agreement will be terminated:

- (a) if either Ninety One plc or Ninety One Limited serves notice on the other at any time after either of them has become a subsidiary of the other or where both Ninety One plc and Ninety One Limited have become subsidiaries of a third party;
- (b) by the approval of the Ninety One plc Shareholders and the Ninety One Limited Shareholders as a Class Rights Action. However, such approval may only be sought if the Boards have agreed terms for the termination and, so far as practicable, such terms are equitable to the Ninety One plc Shareholders and Ninety One Limited Shareholders;
- (c) if a Liquidation Event occurs in respect of either Ninety One plc or Ninety One Limited and:
 - (i) the company whose group is not directly affected by the Liquidation Event serves notice on the other company terminating the agreement; or
 - (ii) the order or resolution or appointment constituting the Liquidation Event is not revoked or rescinded within 30 days or such longer period as applicable regulation may allow; or
- (d) if a Insolvency Event occurs in respect of Ninety One plc or Ninety One Limited and:
 - (i) the company whose group is not directly affected by the Insolvency Event serves notice on the other company terminating the agreement; or
 - (ii) a proposal not to terminate the agreement has not been approved as a Class Rights Action within 90 days of the date on which the Insolvency Event occurs or such longer period as the Ninety One plc Board and the Ninety One Limited Board may agree.

Termination will not affect any accrued rights of Ninety One plc and Ninety One Limited or their respective obligations to seek a listing for their Special Converting Shares (see paragraph 13.2.1 of this Part VII).

13.2 Effect of termination

Under the Sharing Agreement, the Ninety One plc SCS Trust Deed, the Ninety One Limited SCS Trust Deed, the Ninety One plc Articles and the Ninety One Limited Mol, the provisions described below apply on termination of the Sharing Agreement (“**Conversion Event**”), save to the extent specifically provided in the Sharing Agreement. These provisions are intended to ensure that, as far as practicable, the Shareholders are treated equitably in the event of insolvency of either or both companies, having regard to the Equalisation Ratio.

13.2.1 Special Converting Shares

Equality of treatment on termination for both sets of Shareholders will be achieved through the issue of Special Converting Shares by both companies save in specific circumstances (namely where either Ninety One plc or Ninety One Limited has become a subsidiary of the other company such that there is no need for the Special Converting Shares to convert in order to give the Shareholders direct ownership of both entities).

Ninety One plc will issue the Ninety One plc Equivalent Number of Ninety One plc Special Converting Shares. UK Trust Co will hold these shares on trust for the benefit of the Ninety One Limited Shareholders. The proportion of the Ninety One plc Special Converting Shares to which each Ninety One Limited Shareholder is entitled corresponds to the proportion of Ninety One Limited Shares in issue held by such Shareholders.

Similarly, Ninety One Limited will issue the Ninety One Limited Equivalent Number of Ninety One Limited Special Converting Shares. SA Trust Co will hold these shares on trust for the benefit of the Ninety One plc Shareholders. The proportion of the Ninety One Limited Special Converting Shares to which each Ninety One plc Shareholder is entitled corresponds to the proportion of Ninety One plc Shares in issue held by such Shareholders.

Under the Sharing Agreement, each of Ninety One plc and Ninety One Limited have agreed not to take an Action unless, as the case may be, the Ninety One Limited Equivalent Number or the Ninety One plc Equivalent Number of Special Converting Shares can be maintained. In the event of the occurrence of a Conversion Event, the Special Converting Shares will automatically convert into ordinary shares (see paragraph 13.2.2 of this Part VII). Ninety One plc will use its best endeavours to seek admission of the resulting Ninety One plc Shares to the Official List and to trading on the LSE and the JSE. Ninety One Limited will similarly use its best endeavours to obtain a listing on the JSE for the Ninety One Limited Shares resulting from the conversion. If the relevant shares are admitted to listing, the relevant Trust Company will distribute them to the relevant Shareholders unless such Shareholder resides in a Restricted Jurisdiction, in which case, their shares will be sold and the proceeds (less all fees, commissions, costs, taxes and duties in respect of such sale) remitted to such Shareholder.

Where converted Special Converting Shares are distributed to Shareholders, the Shareholders shall bear the costs of all fees, commissions, costs, taxes and duties associated with such distribution.

13.2.2 Rights of Special Converting Shares

(a) Prior to a Conversion Event

- (i) The Ninety One plc Special Converting Shares will have the following rights as set out in the Ninety One plc Articles:
 - (A) no voting rights except in relation to a resolution proposing the variation of the rights attaching to such shares or a resolution proposing the winding-up of Ninety One plc; and
 - (B) no rights to dividends.

The Ninety One plc Special Converting Shares may, prior to the occurrence of a Conversion Event, be redeemed at the discretion of the Ninety One plc Board if it is necessary or expedient in order to ensure the Ninety One plc Equivalent Number is in issue.

- (ii) The Ninety One Limited Special Converting Shares will (subject to section 37 of the SA Companies Act) have the following key rights as set out in the Ninety One Limited Mol:

- (A) no voting rights except in relation to a resolution proposing the variation of the rights attaching to such shares or a resolution proposing the winding-up of Ninety One Limited; and
- (B) no rights to dividends.

The Ninety One Limited Special Converting Shares may, prior to the occurrence of a Conversion Event, be redeemed at the discretion of the Ninety One Limited Board if it is necessary or expedient in order to ensure the Ninety One Limited Equivalent Number is in issue.

(b) After a Conversion Event

- (i) Upon the occurrence of a Conversion Event, each Special Converting Share of both companies will have the same rights as an ordinary share issued by the relevant company and will rank *pari passu* in all respects with the ordinary shares of that company.
- (ii) For a summary of the principal provisions of the Ninety One plc SCS Trust Deed and the Ninety One Limited SCS Trust Deed, see paragraph 9 of this Part VII.

14. **DLC Structure FinSurv conditions**

The South African National Treasury Department, the SARB and the South African Minister of Finance has granted approval for the DLC Structure subject to a number of Exchange Control conditions. The Directors intend to comply fully with these conditions.

These Exchange Control conditions as set out in a letter dated 7 August 2019 from FinSurv to the joint Chief Executive Officers of Investec are replicated in full below (and, for these purposes, “SA NewCo (IAM)” refers to Ninety One Limited and “UK NewCo (IAM)” refers to Ninety One plc).

- (a) The listings of SA NewCo (IAM) and UK NewCo (IAM) on the JSE and LSE must take place simultaneously.
- (b) The classification of the secondary inward listed UK NewCo (IAM) ordinary shares will be regarded as a domestic investment on the JSE.
- (c) The South African shareholders in UK NewCo (IAM) must hold/trade their securities on the JSE in terms of the Currency and Exchanges Manual for Authorised Dealers issued by FinSurv.
- (d) Any dividends funded from a South African source due to South African shareholders must be paid locally in order to avoid the gross flow of funds from South Africa.
- (e) Any utilisation of inward listed UK NewCo (IAM) securities as acquisition currency in the purchase of common monetary area assets, as well as any future capital-raising exercise undertaken by UK NewCo (IAM) on a South African Exchange by means of a new issue, rights offer or similar transaction, will be subject to prior approval by FinSurv and the Prudential Authority.
- (f) SA NewCo (IAM) (including its subsidiaries) and UK NewCo (IAM) (including its subsidiaries) shall not issue any blanket cross-guarantees between themselves.
- (g) UK NewCo (IAM) (including its subsidiaries) shall not buy or sell any shares in SA NewCo (IAM) (including its subsidiaries) without the prior written approval of FinSurv.
- (h) SA NewCo (IAM) (including its subsidiaries) shall not, directly or indirectly, provide any assets, finance or capital to UK NewCo (IAM) (including its subsidiaries) or to non-resident shareholders without the prior written approval of FinSurv.
- (i) All other conditions, in line with the Currency and Exchanges Manual for Authorised Dealers remain extant.

SELECTED FINANCIAL INFORMATION

Save for the tables set out in paragraphs 5 and 6, the tables below set out selected combined historical financial information of the Ninety One Business as at and for the years ended 31 March 2019, 2018 and 2017 and as at and for the six months ended 30 September 2019, in each case, prepared on a basis that combines the financial results and assets and liabilities of each of the companies constituting the Group. This information has been extracted without material adjustment, from Section C of Part X: "Historical Financial Information". The selected financial information of this Part VIII: "Selected Financial Information" as at and for the years ended 31 March 2019, 2018 and 2017 and as at and for the six months ended 30 September 2019 has been audited. The combined historical financial information as at and for the six months ended 30 September 2018 is unaudited.

The tables set out in paragraphs 5 and 6 below show the impact of the Group's linked insurance business (which is undertaken through one of its South African entities and does not take on any insurance risk in respect of such business) on the combined statement of financial position and the combined cash flow statement. The policyholders hold units in a pooled portfolio of assets via linked policies issued by the insurance entity. The assets are beneficially held by the insurance entity and the assets are reflected on its statement of financial position. Because of the nature of a linked policy, the Group's liability to the policyholders is equal to the market value of the assets underlying the policies, less applicable taxation. The policyholder related revenues and costs are included on the face of the statement of comprehensive income but have no impact on operating profit, or profit before or after tax. However, policyholder assets and liabilities and movements in cash flows do materially impact the statement of financial position and cash flow statements, so for these statements the "Policyholder" (i.e. the insurance entity) and "Shareholder" (i.e. the rest of the Group) items have been separately disclosed in the tables set out in paragraphs 5 and 6.

1. Combined Statement of Comprehensive Income for the six months ended 30 September 2019 and 2018 and for the years ended 31 March 2019, 2018 and 2017

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
	<i>(Unaudited)</i>				
Revenue	376,261	350,864	696,574	662,081	590,142
Commission expense	(76,886)	(70,929)	(139,673)	(124,947)	(105,687)
Net revenue	299,375	279,935	556,901	537,134	484,455
Operating expenses	(211,256)	(199,750)	(393,706)	(361,572)	(334,604)
Other income/expenses					
Other income/(expense)	–	7	360	594	(106)
Net interest income	995	2,791	5,682	5,411	5,475
Net gain on investments	4,256	4,009	5,059	1,555	5,775
Foreign exchange gain/(loss)	3,959	4,537	5,058	(5,077)	2,213
Operating profit	97,329	91,529	179,354	178,045	163,208
Exceptional items					
Financial impact of Group restructures	(5,385)	–	(1,548)	–	–
Gain on disposal of subsidiary	–	597	597	–	–

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
	<i>(Unaudited)</i>				
Profit from operations before changes in policyholder investment contract ("IC") liabilities	91,944	92,126	178,403	178,045	163,208
IC surplus transferred to shareholders	(14,486)	(13,305)	(27,055)	(24,919)	(22,577)
IC investment and administration expenses	(14,005)	(12,472)	(24,890)	(23,534)	(19,549)
IC income tax	(3,588)	(6,221)	(6,700)	(3,739)	(3,072)
IC net fair value adjustment	32,079	31,998	58,645	52,192	45,198
Profit before tax	91,944	92,126	178,403	178,045	163,208
Income tax expense	(19,665)	(18,288)	(38,589)	(37,560)	(35,578)
Profit after tax	72,279	73,838	139,814	140,485	127,630
Other comprehensive income for the year (net of tax)					
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial (losses)/gains on pension plan	(1,217)	–	(1,975)	481	(2,169)
Other comprehensive gains/(losses)	5	–	(2)	4	(31)
	(1,212)	–	(1,977)	485	(2,200)
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations	571	(8,333)	(9,866)	(1,522)	18,197
Other comprehensive (loss)/income for the year	(641)	(8,333)	(11,843)	(1,037)	15,997
Total comprehensive income for the year	71,638	65,505	127,971	139,448	143,627
Attributable to:					
Shareholders	71,356	65,221	127,435	139,237	142,973
Non-controlling interests	282	284	536	211	654
	71,638	65,505	127,971	139,448	143,627

2. **Combined Statement of Financial Position at 30 September 2019 and 31 March 2019, 2018 and 2017**

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Assets				
Investments	7,234	5,255	4,008	3,463
Investment in associate	37	37	80	–
Property and equipment	9,901	7,685	3,443	3,755
Right-of-use assets	81,286	–	–	–
Intangible assets	39	24	132	109
Deferred tax asset	21,867	25,262	24,640	20,915
Pension fund asset	–	180	2,625	2,075
Total non-current assets	120,364	38,443	34,928	30,317
Investments	86,064	72,446	72,039	66,461
Linked investments backing policyholder funds	8,600,782	8,173,659	8,424,236	7,679,791
Income tax recoverable	4,202	1,241	747	1,122
Trade and other receivables	230,740	247,522	226,154	233,163
Cash and cash equivalents	230,444	269,241	308,334	271,587
Total current assets	9,152,232	8,764,109	9,031,510	8,252,124
Total assets	9,272,596	8,802,552	9,066,438	8,282,441
Liabilities				
Other liabilities	48,941	44,862	59,069	59,495
Lease liabilities	80,392	–	–	–
Pension fund obligation	1,333	–	–	–
Deferred tax liabilities	16,793	15,354	14,236	16,171
Total non-current liabilities	147,459	60,216	73,305	75,666
Policyholder investment contract liabilities	8,622,631	8,190,926	8,446,056	7,692,747
Other liabilities	43,144	32,633	17,679	11,686
Lease liabilities	7,783	–	–	–
Trade and other payables	240,206	307,450	278,766	283,596
Deferred income	–	155	166	427
Amounts payable to Investec	3,839	3,723	3,184	3,696
Income tax payable	5,157	11,805	35,670	18,006
Total current liabilities	8,922,760	8,546,692	8,781,521	8,010,158
Equity				
Net assets attributable to shareholders	225,982	219,886	225,995	209,200
Other components of equity	(24,240)	(24,811)	(14,945)	(13,423)
Total equity attributable to shareholders	201,742	195,075	211,050	195,777
Non-controlling interests	635	569	562	840
Total equity	202,377	195,644	211,612	196,617
Total equity and liabilities	9,272,596	8,802,552	9,066,438	8,282,441

3. **Combined Cash Flow Statement for the six months ended 30 September 2019 and 2018 and for the years ended 31 March 2019, 2018 and 2017**

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
	<i>(Unaudited)</i>				
Cash flows from operating activities					
Profit before tax	91,944	92,126	178,403	178,045	163,208
Adjusted for:					
Net gain on investments	(4,256)	(4,009)	(5,059)	(1,555)	(5,775)
Depreciation of property and equipment	1,115	821	1,985	1,865	1,756
Depreciation of right-of-use assets	5,190	–	–	–	–
Amortisation of intangible assets	29	22	49	144	68
Net interest income	(995)	(2,791)	(5,682)	(5,411)	(5,475)
Net return/(losses) of pension fund	47	–	66	30	(46)
Net fair value gains on linked investments backing policyholder funds	(84,439)	(202,367)	(159,745)	(99,290)	(29,301)
Net fair value change on policyholder investment contract liabilities	284,038	392,186	543,763	460,301	348,598
Net contribution received from/ (withdrawals by) policyholders	109,319	151,681	206,518	200,979	(17,130)
Gain on disposal of property and equipment	–	–	–	(47)	–
Gain on disposal of subsidiary	–	(597)	(597)	–	–
Impairment of goodwill	–	–	–	–	1,614
Impairment of investment in associate	–	–	42	2,429	–
Working capital changes:					
Trade and other receivables	16,782	(60,857)	(21,368)	7,009	3,538
Trade and other payables	(63,957)	48,296	28,684	(4,830)	31,238
Deferred income	(155)	(14)	(11)	(261)	52
Other liabilities	10,511	14,224	14,954	5,993	2,784
Other liabilities – non-current	4,079	(12,531)	(14,207)	(426)	15,222
Amounts payable to Investec	116	(224)	539	(512)	94
Cash flows from operations	369,368	415,966	768,334	744,463	510,445
Interest received	2,428	2,828	5,745	5,565	5,867
Interest paid	(1,433)	(37)	(63)	(155)	(391)
Income tax paid	(25,563)	(44,687)	(64,489)	(23,265)	(40,394)
Balance at beginning of period	(10,564)	(34,923)	(34,923)	(16,884)	(21,633)
Current tax	(15,949)	(17,629)	(40,132)	(41,314)	(35,681)
Current tax on share options vested	(5)	–	2	10	36
Balance at end of period	955	7,865	10,564	34,923	16,884
Net cash flows from operating activities	344,800	374,070	709,527	726,608	475,527

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
	<i>(Unaudited)</i>				
Cash flows from investing activities					
Net acquisition of investments	(11,341)	2,368	3,405	(4,568)	(13,205)
Additions to property and equipment	(3,264)	(2,681)	(6,505)	(1,695)	(1,769)
Additions to intangible assets	(44)	–	(8)	(165)	(97)
Proceeds from disposal of subsidiary	–	1,752	1,752	–	–
Net acquisition of linked investments backing policyholder funds	(304,337)	(350,446)	(592,655)	(553,543)	(318,620)
Net cash flows from investing activities	(318,986)	(349,007)	(594,011)	(562,533)	(333,691)
Cash flows from financing activities					
Principal element of lease rental payments	(1,686)	–	–	–	–
Dividends paid	(64,905)	(68,475)	(143,939)	(124,291)	(116,506)
Net cash flows from financing activities	(66,591)	(68,475)	(143,939)	(124,291)	(116,506)
Effect of foreign exchange rate changes	1,980	(8,221)	(10,670)	(3,037)	24,196
Net change in cash and cash equivalents	(38,797)	(51,633)	(39,093)	36,747	49,526
Cash and cash equivalents at beginning of period	269,241	308,334	308,334	271,587	222,061
Cash and cash equivalents at end of period	230,444	256,701	269,241	308,334	271,587

4. Non-IFRS Measures

The Group uses these measures to present a better understanding of its financial performance and financial condition. These measures have not been audited and they are considered additional disclosures and in no case are intended to replace the financial information prepared in accordance with the basis of preparation detailed in Section B of Part X: “*Historical Financial Information*”. Moreover, the way in which the Group defines and calculates these measures may differ from the way in which these or similar measures are calculated by other companies. Accordingly, they may not be comparable to measures used by other companies in the Group’s industry. Due to its nature, the Non-IFRS Financial Information may not fairly present the results of operations of the Ninety One Business and should not be considered in isolation or as a substitute for metrics of financial performance reported in accordance with IFRS.

The following table reconciles adjusted operating revenue to net revenue, as disclosed in the Group’s Combined Statement of Comprehensive Income, for the periods indicated:

	For the six months ended 30 September		For the year ended 31 March		
	2019	2018	2019	2018	2017
	£’ millions				
Net revenue	299.4	279.9	556.9	537.1	484.5
<i>Adjustments⁽¹⁾</i>					
Silica third-party revenue	(10.7)	(11.3)	(21.8)	(22.2)	(19.8)
Foreign exchange gains/(losses)	3.9	4.5	5.1	(5.1)	2.2
Other income/(expense)	–	–	0.4	0.6	(0.1)
Rounding	(0.2)	0.1	–	0.2	0.1
Adjusted operating revenue	292.4	273.2	540.6	510.6	466.9
Of which management fees ⁽²⁾	283.1	263.8	524.6	495.4	434.6
Of which performance fees ⁽³⁾	5.8	5.2	11.0	18.4	28.0
Of which foreign exchange gains/(losses) and other income	3.5	4.2	5.0	(3.2)	4.3

Notes:

- ⁽¹⁾ Management adjust net revenue, as disclosed in the Group’s Combined Statement of Comprehensive Income, for items that it believes are not substantially related to its underlying operating performance in order to present a better understanding of its financial performance and condition. These adjustments include third party revenue arising from ordinary course Silica operations (which are not core to underlying performance), which have been extracted from management accounts; foreign exchange gains and losses, and other income/expenses which for the six months ended 30 September 2019 and 2018 and the years ended 31 March 2019, 2018 and 2017 have been extracted from the Report of Combined Historical Financial Information of the Ninety One Business.
- ⁽²⁾ Management fees represent revenue from fees charged to clients based on the amount of assets under management, according to the specific management fee arrangements in place with the relevant client, for a given period.
- ⁽³⁾ Performance fees represent revenue from fees charged to clients based on the investment performance of specified assets under management, according to the specific methodology agreed with the relevant client, for a given period.

The following table reconciles adjusted operating expenses to operating expenses, as disclosed in the Group's Combined Statement of Comprehensive Income, for the periods indicated:

	For the six months ended 30 September		For the year ended 31 March		
	2019	2018	2019	2018	2017
	<i>£' millions</i>				
Operating expenses	211.3	199.8	393.7	361.6	334.6
<i>Adjustments⁽¹⁾</i>					
Silica expenses	(9.9)	(10.7)	(20.6)	(20.9)	(18.0)
Deferred employee benefit scheme expense	(4.3)	(4.0)	(5.0)	(1.5)	(5.6)
Goodwill impairment	–	–	–	–	(1.6)
Interest expense on lease liabilities	1.4	–	–	–	–
Rounding	(0.2)	–	–	–	–
Adjusted operating expenses	198.3	185.1	368.1	339.2	309.4

Note:

⁽¹⁾ Management adjusts operating expenses, as disclosed in the Group's Combined Statement of Comprehensive Income, for items that it believes are not substantially related to its underlying operating performance in order to present a better understanding of its financial performance and condition. These adjustments include expenses arising from ordinary course Silica operations (which are not core to underlying performance); deferred employee benefit scheme expense and interest expense arising on lease liabilities in respect of the Group's office premises (to allow like-for-like comparison with prior periods under IFRS 16), all of which have been extracted from management accounts; and rounding.

The following table shows the calculation of adjusted operating profit and adjusted operating profit margin from adjusted operating revenue and adjusted operating expenses (reconciled to net revenue and operating expenses, respectively, above):

	For the six months ended 30 September		For the year ended 31 March		
	2019	2018	2019	2018	2017
	<i>£' millions</i>				
Adjusted operating revenue	292.4	273.2	540.6	510.6	466.9
Adjusted operating expenses	(198.3)	(185.1)	(368.1)	(339.2)	(309.4)
Adjusted operating profit	94.1	88.1	172.5	171.4	157.5
Adjusted operating profit margin (%)	32.2%	32.3%	31.9%	33.6%	33.7%

The following table reconciles adjusted net interest income to net interest income, as disclosed in the Group's Combined Statement of Comprehensive Income, for the periods indicated.

	For the six months ended 30 September		For the year ended 31 March		
	2019	2018	2019	2018	2017
	<i>£' millions</i>				
Net interest income	1.0	2.8	5.7	5.4	5.5
<i>Adjustment⁽¹⁾</i>					
Silica interest	(0.1)	(0.1)	(0.2)	(0.1)	0.4
Interest expense on lease liabilities	1.4	–	–	–	–
Other interest expense	–	–	0.1	(0.2)	(0.4)
Rounding	–	–	0.1	0.2	–
Adjusted net interest income	2.3	2.7	5.5	5.3	5.5

Note:

- (1) Management adjusts net interest income, as disclosed in the Group's Combined Statement of Comprehensive Income, for items that it believes are not substantially related to its interest-generating activities in the business in order to present a better understanding of its financial performance and condition. These adjustments include interest income arising from Silica operations, which has been extracted from management accounts; interest expense on lease liabilities in respect of the Group's office premises and other interest expenses recognised, which have been extracted from the Report of Combined Historical Financial Information of the Ninety One Business.

5. **Combined Statement of Financial Position at 30 September 2019 and 31 March 2019 (including policyholder figures)**

	As at 30 September 2019			As at 31 March 2019		
	<i>Policy-holders £'000 (Unaudited)</i>	<i>Share-holders £'000 (Unaudited)</i>	<i>Total £'000</i>	<i>Policy-holders £'000 (Unaudited)</i>	<i>Share-holders £'000 (Unaudited)</i>	<i>Total £'000</i>
Assets						
Investments	–	7,234	7,234	–	5,255	5,255
Investment in associate	–	37	37	–	37	37
Property and equipment	–	9,901	9,901	–	7,685	7,685
Right-of-use assets	–	81,286	81,286	–	–	–
Intangible assets	–	39	39	–	24	24
Deferred tax asset	–	21,867	21,867	–	25,262	25,262
Pension fund asset	–	–	–	–	180	180
Total non-current assets	–	120,364	120,364	–	38,443	38,443
Investments	–	86,064	86,064	–	72,446	72,446
Linked investments backing policyholder funds	8,600,782	–	8,600,782	8,173,659	–	8,173,659
Income tax recoverable	–	4,202	4,202	–	1,241	1,241
Trade and other receivables	57,361	173,379	230,740	60,314	187,208	247,522
Cash and cash equivalents	–	230,444	230,444	–	269,241	269,241
Total current assets	8,658,143	494,089	9,152,232	8,233,973	530,136	8,764,109
Total assets	8,658,143	614,453	9,272,596	8,233,973	568,579	8,802,552
Liabilities						
Other liabilities	–	48,941	48,941	–	44,862	44,862
Lease liabilities	–	80,392	80,392	–	–	–
Pension fund obligation	–	1,333	1,333	–	–	–
Deferred tax liabilities	16,785	8	16,793	15,354	–	15,354
Total non-current liabilities	16,785	130,674	147,459	15,354	44,862	60,216
Policyholder investment contract liabilities	8,622,631	–	8,622,631	8,190,926	–	8,190,926
Other liabilities	–	43,144	43,144	–	32,633	32,633
Lease liabilities	–	7,783	7,783	–	–	–
Trade and other payables	18,546	221,660	240,206	27,560	279,890	307,450
Deferred income	–	–	–	–	155	155
Amounts payable to Investec	–	3,839	3,839	–	3,723	3,723
Income tax payable	181	4,976	5,157	133	11,672	11,805
Total current liabilities	8,641,358	281,402	8,922,760	8,218,619	328,073	8,546,692
Equity						
Net assets attributable to shareholders	–	225,982	225,982	–	219,886	219,886
Other components of equity	–	(24,240)	(24,240)	–	(24,811)	(24,811)
Total equity attributable to shareholders	–	201,742	201,742	–	195,075	195,075
Non-controlling interests	–	635	635	–	569	569
Total equity	–	202,377	202,377	–	195,644	195,644
Total equity and liabilities	8,658,143	614,453	9,272,596	8,233,973	568,579	8,802,552

6. **Combined Cash Flow Statement for the six months ended 30 September 2019 and for the year ended 31 March 2019 (including policyholder figures)**

	For the six months ended 30 September 2019			For the year ended 31 March 2019		
	<i>Policy- holders £'000 (Unaudited)</i>	<i>Share- holders £'000 (Unaudited)</i>	<i>Total £'000</i>	<i>Policy- holders £'000 (Unaudited)</i>	<i>Share- holders £'000 (Unaudited)</i>	<i>Total £'000</i>
Cash flows from operating activities						
Profit before tax	–	91,944	91,944	–	178,403	178,403
Adjusted for:						
Net gain on investments	–	(4,256)	(4,256)	–	(5,059)	(5,059)
Depreciation of property and equipment	–	1,115	1,115	–	1,985	1,985
Depreciation of right-of-use assets	–	5,190	5,190	–	–	–
Amortisation of intangible assets	–	29	29	–	49	49
Net interest income	–	(995)	(995)	–	(5,682)	(5,682)
Net return of pension fund	–	47	47	–	66	66
Net fair value gains on linked investments backing policyholder funds	(84,439)	–	(84,439)	(159,745)	–	(159,745)
Net fair value change on policyholder investment contract liabilities	284,038	–	284,038	543,763	–	543,763
Net contribution received from policyholders	109,319	–	109,319	206,518	–	206,518
Gain on disposal of subsidiary	–	–	–	–	(597)	(597)
Impairment of investment in associate	–	–	–	–	42	42
Working capital changes:						
Trade and other receivables	2,953	13,829	16,782	11,336	(32,704)	(21,368)
Trade and other payables	(9,012)	(54,945)	(63,957)	(5,329)	34,013	28,684
Deferred income	–	(155)	(155)	–	(11)	(11)
Other liabilities	–	10,511	10,511	–	14,954	14,954
Other liabilities – non current	–	4,079	4,079	–	(14,207)	(14,207)
Amounts payable to Investec	–	116	116	–	539	539
Cash flow from operations	302,859	66,509	369,368	596,543	171,791	768,334
Interest received	–	2,428	2,428	–	5,745	5,745
Interest paid	–	(1,433)	(1,433)	–	(63)	(63)
Income tax paid	–	(25,563)	(25,563)	–	(64,489)	(64,489)
Net cash flows from operating activities	302,859	41,941	344,800	596,543	112,984	709,527
Cash flows from investing activities						
Net acquisition of investments	–	(11,341)	(11,341)	–	3,405	3,405
Additions to property and equipment	–	(3,264)	(3,264)	–	(6,505)	(6,505)
Additions to intangible assets	–	(44)	(44)	–	(8)	(8)
Proceed from disposal of subsidiary	–	–	–	–	1,752	1,752
Net acquisition of linked investments backing policyholder funds	(304,337)	–	(304,337)	(592,655)	–	(592,655)
Net cash flows from investing activities	(304,337)	(14,649)	(318,986)	(592,655)	(1,356)	(594,011)

	For the six months ended 30 September 2019			For the year ended 31 March 2019		
	<i>Policy- holders £'000 (Unaudited)</i>	<i>Share- holders £'000 (Unaudited)</i>	<i>Total £'000</i>	<i>Policy- holders £'000 (Unaudited)</i>	<i>Share- holders £'000 (Unaudited)</i>	<i>Total £'000</i>
Cash flows from financing activities						
Principal elements of lease payments	–	(1,686)	(1,686)	–	–	–
Dividends paid	–	(64,905)	(64,905)	–	(143,939)	(143,939)
Net cash flows from financing activities	–	(66,591)	(66,591)	–	(143,939)	(143,939)
Effect of foreign exchange rate changes	1,478	502	1,980	(3,888)	(6,782)	(10,670)
Net change in cash and cash equivalents	–	(38,797)	(38,797)	–	(39,093)	(39,093)
Cash and cash equivalents at beginning of period/year	–	269,241	269,241	–	308,334	308,334
Cash and cash equivalents at end of period/year	–	230,444	230,444	–	269,241	269,241

OPERATING AND FINANCIAL REVIEW

The following discussion summarises the significant factors and events affecting results of operations and the financial condition of the Group for the years ended 31 March 2019, 2018 and 2017 and the six-month periods ended 30 September 2019 and 2018, and should be read in conjunction with the combined historical financial information of the Ninety One Business set out in Section C of Part X: “Historical Financial Information” and the other financial information contained elsewhere in this document, including under Part II: “Presentation of Information on the Group” and Part VIII: “Selected Financial Information”.

The following discussion of the Group’s combined results of operations and financial condition contains forward-looking statements that reflect the current view of the Group’s management. The Group’s actual results could differ materially from those anticipated in any forward-looking statements as a result of the factors discussed below and elsewhere in this document, particularly under Part I: “Risk Factors”.

1. Overview

The Group comprises the Ninety One Business, a founder-led independent global asset manager, established in South Africa in 1991 with £121 billion in assets under management, as at 30 September 2019. Ninety One primarily offers a range of high-conviction, active strategies to its sophisticated global client base with over 1,600 employees across the world.

The Group’s investment proposition for clients centres on its range of differentiated strategies managed by its specialist investment teams, providing access to a diverse range of asset classes and regions globally. Founded as an emerging market-focused South African asset management business, the Group now operates and invests globally and has established a long-term growth track record, reflecting a resilient ability to grow through market cycles across both emerging and established market investments.

Today, the Group serves its client base via five regional Client Groups – Africa, the United Kingdom, Asia Pacific, the Americas and Europe. Clients are served across two distribution channels: Institutional and Advisor. Institutional clients include some of the world’s largest private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations and central banks, while Advisor clients include large retail groups, wealth managers, private banks and intermediaries serving individual investors.

The Ninety One Business has grown assets under management from £40 million in 1991 to £121 billion as at 30 September 2019, with approximately £83.3 billion managed on behalf of non-South African clients. For the six-month period ended 30 September 2019, the companies had net inflows of £3.2 billion and operating profit before exceptional items of £97.3 million, and for the year ended 31 March 2019 it had net inflows of £6.1 billion and operating profit before exceptional items of £179.4 million.

The leadership team that founded the Ninety One Business has played a central role in the firm’s growth over the last 28 years and continues to manage the Group today. As a result, the Group’s employee ownership culture and purpose-led business approach underpin its investment proposition. The Group operates in line with strategic principles centred around patient and organic growth, driven by long-term client demand and alignment with stakeholders.

2. Factors Affecting Results of Operations

The Group’s combined results of operations and financial condition are affected by a variety of factors, a number of which are outside the control of the Group. Set out below is a discussion of the most significant factors that have affected the Group’s combined historical financial information during the periods under review and which the Group currently expects to affect its financial results in the future. Factors other than those presented below could also have a significant impact on the Group’s results of operations and financial condition in the future.

2.1 Changes in the value of the Group's assets under management

The Group experienced significant growth in its assets under management during the periods under review, from £75.7 billion as at 1 April 2016, to £95.3 billion as at 31 March 2017, £103.9 billion as at 31 March 2018, £111.4 billion as at 31 March 2019 and £120.8 billion as at 30 September 2019.

Since the vast majority of the Group's net revenue is derived from fees that are calculated as a percentage of its assets under management, factors that affect the value of the Group's assets under management materially influence its results of operations from period to period. In general, any increase in value of the Group's assets under management increases the management fee revenue generated, and any decline in the value of the assets under management reduces the Group's management fee revenue. New client inflows that increase assets under management, and client outflows that reduce assets under management, will, therefore, also have an impact on the Group's management fee revenue.

The Group's assets under management primarily fluctuate due to: (i) increases and decreases in the value of clients' invested assets, measured as market- and foreign exchange-related changes in assets under management; and (ii) investments and withdrawals by the Group's clients, measured as net inflows and outflows, as illustrated in the table below:

	Group assets under management
	(£' billions)
Opening assets under management as at 1 April 2016	75.7
Net inflows/(outflows)	(0.6)
Market- and foreign exchange-related changes	20.2
Closing assets under management as at 31 March 2017	95.3
Net inflows/(outflows)	5.4
Market- and foreign exchange-related changes	3.2
Closing assets under management as at 31 March 2018	103.9
Net inflows/(outflows)	6.1
Market- and foreign exchange-related changes	1.4
Closing assets under management as at 31 March 2019	111.4
Net inflows/(outflows)	3.2
Market- and foreign exchange-related changes	6.2
Closing assets under management as at 30 September 2019	120.8

As a result, investment trends as well as macro-economic and capital market conditions have in the past impacted and may in the future impact clients' investment strategies and preferences, asset values and, ultimately, the Group's business.

2.1.1 Assets under management inflows and outflows

The Group's results of operations are affected by inflows and outflows of client assets under management since, as discussed in more detail below, the Group charges client fees primarily on the basis of the value of assets invested. In the six-month period ended 30 September 2019, the Group had a net inflow of £3.2 billion in assets under management, and in the year ended 31 March 2019, the Group experienced a net inflow in assets under management of £6.1 billion, as compared to a net inflow of £5.4 billion in the year ended 31 March 2018 and a net outflow of £0.6 billion in the year ended 31 March 2017. The Group measures its torque ratio, which signifies the relative scale of net flows in relation to the overall size of the business, as a measure of its operating performance. For the six-month period ended 30 September 2019, the Group's torque ratio was 5.8 per cent. (on an annualised basis), as compared to 5.9 per cent. 5.6 per cent. and (0.8 per cent.) for the years ended 31 March 2019, 2018 and 2017.

The following tables summarise the Group's assets under management by asset class, Client Group and distribution channel as at 30 September 2019 and 31 March 2019, 2018 and 2017, and net flows for each of the respective periods then ended:

Asset Class	As at and for the six-month period ended 30 September		As at and for the years ended 31 March					
	2019		2019		2018		2017	
	AUM ⁽¹⁾	Net flows ⁽²⁾	AUM ⁽³⁾	Net flows ⁽⁴⁾	AUM ⁽³⁾	Net flows ⁽⁴⁾	AUM ⁽³⁾	Net flows ⁽⁴⁾
<i>(£' billions)</i>								
Equities	54.0	0.6	50.5	2.4	45.5	4.6	38.9	(1.5)
Fixed Income	33.9	1.9	29.8	2.8	27.3	(0.2)	27.1	(1.0)
Multi-Asset	21.8	0.6	20.5	0.4	20.8	1.2	18.9	1.2
Alternatives	3.5	—	3.3	0.3	2.9	(0.3)	3.5	0.5
Third-party funds on the IMS platform	7.6	0.1	7.3	0.2	7.4	0.1	6.9	0.2
Total	120.8	3.2	111.4	6.1	103.9	5.4	95.3	(0.6)

Client Group	As at and for the six-month period ended 30 September		As at and for the years ended 31 March					
	2019		2019		2018		2017	
	AUM ⁽¹⁾	Net flow ⁽²⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾
<i>(£' billions)</i>								
Africa	43.2	1.1	40.6	2.9	39.2	0.2	37.4	1.4
United Kingdom	24.1	0.1	22.8	1.7	19.5	1.6	17.9	0.4
Asia Pacific	20.7	0.3	19.1	(0.1)	17.7	1.4	15.3	(1.3)
Americas	17.0	0.8	15.1	0.6	14.7	2.7	11.8	(0.7)
Europe	15.8	0.9	13.8	1.0	12.8	(0.5)	12.9	(0.4)
Total	120.8	3.2	111.4	6.1	103.9	5.4	95.3	(0.6)

Distribution Channel	As at and for the six-month period ended 30 September		As at and for the years ended 31 March					
	2019		2019		2018		2017	
	AUM ⁽³⁾	Net flow ⁽⁴⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾	AUM ⁽³⁾	Net flow ⁽⁴⁾
<i>(£' billions)</i>								
Institutional	82.1	1.8	76.1	4.3	70.4	2.3	65.2	(1.2)
Advisor	38.7	1.4	35.3	1.8	33.5	3.1	30.1	0.6
Total	120.8	3.2	111.4	6.1	103.9	5.4	95.3	(0.6)

Notes:

- (1) As at 30 September.
- (2) For the six-month period ended on 30 September.
- (3) As at 31 March of the relevant year.
- (4) For the 12-month period ended on March 31 of the relevant year.

A number of factors contribute to the Group's ability to attract and retain assets under management. In particular, the Group's investment performance and, more generally, the level of service that it provides to clients both play key roles in inflow and outflow trends. The Group's clients value its ability to deliver investment performance, on an absolute basis as well as relative to applicable benchmarks, which leads to client retention and the possibility of additional flows from those clients. Investment performance also has an impact on the Group's ability to attract new clients, which further drives growth in its assets under management. Notwithstanding these direct factors, external macro-economic and capital markets conditions, which are outside the control of the Group, also have a bearing on growth in assets under management, as further discussed below.

The Group manages its client relationships across its five Client Groups and, within each Client Group, through its core Institutional and Advisor distribution channels. Accordingly, the Group evaluates inflows and outflows of its assets under management by these categories.

The Group's largest Client Groups by assets under management are its Africa and United Kingdom Client Groups, with assets under management of £43.2 billion and £24.1 billion as at 30 September 2019, respectively, and £40.6 billion and £22.8 billion as at 31 March 2019, respectively. All Client Groups experienced relatively stable but growing assets under management during the periods under review.

Institutional distribution channel net inflows of £1.8 billion for the six-month period ended 30 September 2019 reflected Multi-Asset inflows from new client wins in the Fixed Income and Equities asset classes in the Africa, Americas and Europe Client Groups. Institutional distribution channel net inflows of £4.3 billion for the year ended 31 March 2019 reflected significant client wins from the Africa and Europe Client Groups, predominantly into the Equities and Fixed Income asset classes. Institutional distribution channel net inflows of £2.3 billion for the year ended 31 March 2018 reflected significant client wins from the Americas, Asia Pacific and Europe Client Groups, predominantly into the Equities and Fixed Income asset classes, but these were offset to some degree by outflows from Fixed Income clients in the Europe Client Group. Net outflows in the Institutional distribution channel during the year ended 31 March 2017 of £1.2 billion were mainly due to outflows in the Asia Pacific Client Group, from the Equities asset class.

Focused efforts on the Advisor distribution channel contributed to net inflows of £1.4 billion for the six-month period ended 30 September 2019 and of £1.8 billion and £3.1 billion in the years ended 31 March 2019 and 2018, respectively. The United Kingdom Client Group experienced good net inflows during the years ended 31 March 2019, 2018 and 2017, before slowing during the six-month period ended 30 September 2019. Positive trends for the Americas and Europe Client Groups in the year ended 31 March 2018 did not continue during the year ended 31 March 2019, which explains most of the decrease in the level of net inflows between the two periods, although net inflows rebounded moderately during the six-month period ended 30 September 2019 for the Europe Client Group. The lower net inflows of £0.6 billion in the year ended 31 March 2017 were mainly from the Africa Client Group, with relatively low net flow amounts from the other Client Groups.

The Group's ability to attract and retain assets under management also depends indirectly on its reputation, leadership stability and brand awareness. The Group intends to continue to leverage these strengths as it seeks to grow its assets under management and further expand its business.

2.1.2 Economic and capital market conditions

The Group invests in markets around the world and, as a result, its operating performance is affected by macro-economic and capital market conditions globally. These market-related conditions impact the value of client investments, which, in turn, impact the Group's management fee revenue and results of operations.

Macro-economic and capital market conditions have been, at times, significantly impacted by a variety of factors affecting asset values and, ultimately, the Group's business. These factors include sovereign debt levels, the perceived strength of large domestic economies, particularly in China and the United States, protectionist trends and trade disputes, other geopolitical tensions and volatility in global commodity prices. Markets and investor sentiment have also been affected by changes in currency exchange rates, interest rates, bond yields and inflation expectations. As a result of these and other trends, GDP growth globally has been at times subdued during the periods under review.

The Group's operating results are also influenced by fluctuations in global equities and bond markets, since a significant portion of its assets under management are invested in equity and fixed income securities. Equity and bond markets have fluctuated during the periods under review. Although levels of market volatility typically vary by specific market and by investment strategy, broad shifts in global equity and fixed income market sentiment can affect the Group's operating performance from year-to-year.

Similarly, since the Group invests in markets globally, its assets under management are also subject to fluctuations in currency exchange rates – including due to translation of asset values into pounds sterling for purposes of the Group's operations and financial reporting. The impact of changes in foreign currency exchange rates during the periods under review supported, in particular, increases in the reported value of the Group's assets under management in Equities and Fixed Income, and appreciation in pounds sterling since 30 September 2019 may affect these reported amounts for the year ending 31 March 2020. For example, in late 2019, the pounds sterling appreciated materially, which could affect the Group's reported profitability for the year ending 30 March 2020.

The Group also earns revenues from a diverse, international range of clients and investment classes and incurs expenses across the jurisdictions where it has offices and staff. As a result, significant portions of the Group's management fees are earned in currencies other than pounds sterling, including 42 per cent. in US dollars for the six-month period ended 30 September 2019 (43 per cent. 43 per cent. and 42 per cent. for the years ended 31 March 2019, 2018 and 2017, respectively) and 25 per cent. in Rand for the six-month period ended 30 September 2019 (25 per cent. 26 per cent. and 29 per cent. for the years ended 31 March 2019, 2018 and 2017, respectively). Since a substantial amount of revenues are earned in Rand, a decline in Rand relative to the pounds sterling would have a negative impact on the Group's reported profitability, such as the volatility since 30 September 2019 which may affect the Group's results for the year ending 31 March 2020. The Group's results were compiled using average exchange rates of:

- R18.3/£ for the six-month period ended 30 September 2019, and R18.0/£, R17.2/£ and R18.4/£ for the years ended 31 March 2019, 2018 and 2017, respectively.
- US dollar 1.3/£ for the six-month period ended 30 September 2019, and US dollar 1.3/£ for each of the years ended 31 March 2019, 2018 and 2017 respectively.

Similarly, since a significant portion of expenses are incurred in pounds sterling, depreciation in the pounds sterling relative to other currencies would have a positive impact on the Group's reported profitability.

During the periods under review, the Group's assets under management and, as a result, its operating results, were also impacted by Brexit. In particular, following the UK referendum on membership in the EU on 23 June 2016, significant depreciation in the pounds sterling relative to foreign currencies, primarily the Rand and US dollar, contributed to the increase in the reported value of the Group's global assets under management during the year ended 31 March 2017 when translated into pounds sterling. Although the pounds sterling has generally stabilised since that time, it has experienced periods of volatility during the course of 2019 and increased late in the year and early in 2020, and uncertainty in capital markets and in the domestic UK and broader EU economies has persisted. Political, social and macro-economic uncertainty is likely to continue to affect financial markets, currency stability, consumer sentiment and corporate profitability in the United Kingdom and the EU.

2.2 Fee arrangements and assets under management mix, other revenues

The Group derives substantially all of its net revenue from management fees, which comprise the fees that it charges its clients based on the value of clients' assets under management (and excludes performance fee revenue). Because the Group's investment strategies generally focus on medium- to long-term investments, a significant portion of client assets are invested with the Group for multi-year periods, resulting in relatively stable, recurring management fees closely related to development in, and stability of, the Group's diverse assets under management.

The following table summarises the Group's management fee revenue during the six-month periods ended 30 September 2019 and 2018 and the years ended 31 March 2019, 2018 and 2017, as well as its average assets under management and average fee rate for each of those periods:

	For the six-month periods ended 30 September		For the years ended 31 March		
	2019	2018	2019	2018	2017
Management fee revenue ⁽¹⁾ (£' millions)	283.1	263.8	524.6	495.4	434.6
Average assets under management ⁽²⁾ (£' billions)	117.8	107.9	108.0	99.6	87.1
Average fee rate ⁽³⁾	47.9bps	48.8bps	48.6bps	49.7bps	49.9bps

Notes:

- (1) Management fees represent revenue from fees charged to clients based on the amount of assets under management, according to the specific management fee arrangements in place with the relevant client, for a given period.
- (2) Average assets under management is calculated based on a seven-point average of closing assets under management in each month for the six-month periods and a 13-point average of closing assets under management for full-year periods.
- (3) Average fee rate is calculated as the management fee revenue for the relevant period divided by the average assets under management for that period, and is expressed in basis points. Average fee rate for the six-month periods has been annualised.

Although the Group's net revenue is significantly correlated to overall assets under management, management fee rates vary depending on the arrangements in place with the relevant client. In particular, the Group's largest clients often negotiate preferential fee rates as part of large-scale segregated investment mandates. As a result, fee rates tend to differ between the Group's core distribution channels – fee rates on Advisor assets under management are higher than fee rates on Institutional assets under management. As at 30 September 2019, 68.0 per cent. of the Group's assets under management were from Institutional clients and 32.0 per cent. were from Advisor clients, as compared to 68.3 per cent. and 31.7 per cent. respectively, as at 31 March 2019, 67.8 per cent. and 32.2 per cent. respectively, as at 31 March 2018, and 68.4 per cent. and 31.6 per cent. respectively, as at 31 March 2017.

During the periods under review, the Group experienced a degree of management fee pressure due to some new mandates agreed at lower fee rates, and the occasional renegotiation of preferential fee rates, in particular in the Institutional channel. Fee pressure and changes in client mix contributed to moderate declines in the Group's average fee rate, from 49.9 bps in the year ended 31 March 2017, to 49.7 bps in the year ended 31 March 2018, 48.6 bps in the year ended 31 March 2019 and 47.9 bps in the six-month period ended 30 September 2019 (calculated on the basis of the Group's management fees), during periods when the Group's assets under management and net revenue nevertheless continued to increase period on period and year on year.

In addition, the management fee rates charged by the Group vary based on the client's chosen asset class and investment strategy. For example, the Group earns the highest fee margins for assets invested in its Alternative asset class (which are typically investment strategies in private assets, which are not freely tradeable and as a result require longer lock-up periods) and within certain Equity mandates.

As a result, as existing clients' investment preferences evolve and as new clients invest assets, the Group's mix of assets under management and, correspondingly, average fee rates fluctuate from period to period.

In addition to management fees, the Group's net revenue also includes performance fees on a limited portion of assets under management. Performance fee revenue, which reflects fees charged to clients based on the investment performance of specified assets under management, according to the specific methodology agreed with the relevant client, decreased during the periods under review, comprising 1.9 per cent. of the Group's total net revenue for the six-month period ended 30 September 2019, as compared to 2.0 per cent. 3.4 per cent. and 5.8 per cent. for the years ended 31 March 2019, 2018 and 2017, respectively. The decrease in performance fee revenue is a result of short-term investment underperformance in the Group's performance fee-earning strategies and a reduction in the value of client assets managed pursuant to fee arrangements with a performance component.

The Group also earns revenue through its Silica operations. Silica revenue from third-party clients, which was broadly stable during the periods under review, comprised 3.5 per cent. of the Group's total net revenue in the six-month period ended 30 September 2019, as compared to 3.9 per cent. in the year ended 31 March 2019 and 4.1 per cent. in each of the years ended 31 March 2018 and 2017.

2.3 Personnel costs

The Group's level of operating expenses, and its ability to leverage its cost base and infrastructure to generate higher levels of revenue from its operating activities, is a key driver of its financial results. The Group's most significant operating expenses are personnel costs, which comprised 67.1 per cent. of its operating expenses for the six-month period ended 30 September 2019 and 67.0 per cent. for the year ended 31 March 2019, as compared to 70.0 per cent. and 69.3 per cent. respectively, for the years ended 31 March 2018 and 2017. These personnel costs comprise fixed and variable elements.

Excluding Silica and personnel expenses related to movements in the deferred employee benefit scheme (which are offset by an equal and opposite amount included in other income/expenses in the financial statements), personnel expenses comprised 65.4 per cent. of adjusted operating expenses for the six months ended 30 September 2019, and 65.9 per cent. 69.0 per cent. and 67.6 per cent. respectively, for the years ended 31 March 2019, 2018 and 2017.

The key factor affecting the Group's fixed staff costs is the number of employees. The Group employed 1,632 employees as at 30 September 2019, as compared to 1,629, 1,592 and 1,654 employees as at 31 March 2019, 2018 and 2017, respectively. Excluding Silica, the Group's employee headcount increased from 991 as at 31 March 2017 to 1,055 as at 31 March 2018, 1,139 as at 31 March 2019 and 1,147 as at 30 September 2019. These moderate personnel increases supported growth in the Group's business during these periods, highlighting the Group's cost discipline and ability to leverage its capabilities across continued growth in assets under management and operations. The Group also outsources a significant number of operational functions, including middle- and back-office roles, as described in paragraph 5 of Part IV: *"Information on the Group – Business overview"*, as a means of managing its operating expenses.

The Group's variable staff costs principally comprise staff bonuses. Employees of the Group are eligible to receive an annual bonus derived from a bonus pool calculated as a fixed proportion of the Group's pre-bonus profit before tax in each financial year (on an aggregated Group level). As a result, during the periods under review, the year-on-year changes in the Group's variable staff costs generally correlated with changes in the Group's pre-tax profitability.

2.4 Operating platform and non-personnel costs

The Group's non-personnel costs comprise expenses arising from a variety of support, operational and other functions, which together accounted for 32.9 per cent. of its operating expenses for the six-month period ended 30 September 2019 and 33.0 per cent. for the year ended 31 March 2019, compared to 30.0 per cent. and 30.7 per cent. for the years ended 31 March 2018 and 2017, respectively. These non-personnel operating expenses include costs in relation to investment fund administration, systems (IT), office accommodation, promotional (including marketing), information (investment data and research), travel and overheads.

The following table provides a breakdown of the Group's non-personnel operating expenses for the six-month period ended 30 September 2019 and the year ended 31 March 2019:

	For the six-month period ended 30 September 2019	For the year ended 31 March 2019
	%	%
Investment and fund administration	28	27
Systems	15	15
Accommodation	16	14
Promotional	10	10
Information	11	11
Travel	6	7
Overheads	14	16
Total non-personnel operating expenses	100	100

The Group aims to continue growing assets under management across its five Client Groups by building on its strong Institutional relationships and with a continued focus on the Advisor channel, and believes that its existing operating model will enable it to continue to grow in the near term without significant further investment in its global platform. The Group's operating model relies on an integrated global architecture, with an in-house operations team partnered with global service providers for back- and middle-office services. This unified and capital-light infrastructure allows the Group to expand across markets and products as it targets continued growth in clients and assets under management globally without requiring significant levels of new investment in or expansion of its existing platform.

Additionally, in the past, the Group has been successful in expanding its Client Group footprint into new jurisdictions. Although it has no current plans to do so, the Group is confident that its current operating model and third-party service partners could support future growth into new jurisdictions.

2.5 **Costs relating to the Demerger and becoming a public company**

The Group has taken a number of actions as part of the Demerger to create the corporate infrastructure necessary to operate as independent public companies. These actions include the establishment of independent corporate functions and governance (in each case, operating on a Group-wide basis), including fully independent Boards, building capability within head office functions to support a publicly listed group operating in a DLC Structure and the transfer of certain information technology systems. In connection with the Demerger, the Group established the Ninety One brand, as described in paragraph 7.1 of Part IV: *"Information on the Group – Brand"*.

The primary costs that have been expected to be incurred by the Group in connection with the Demerger include operational and public company costs (including items that were not required pre-Demerger, or where it previously relied on support and services from the Investec Group), and costs associated with the Transitional Services Agreement and Transitional Trade Mark Licence Agreement (as described in paragraph 19.1 of Part XII: *"Additional Information – Demerger Agreements"*).

As a consequence of the Demerger and of becoming an independent entity, the Group incurred recurring operating costs related to new corporate functions and replacement services of £1.1 million in the six-month period ended 30 September 2019 and £0.2 million in the year ended 31 March 2019. The Group expects these costs to reach approximately £2.2 million in the six-month period ending 30 March 2020, and it expects related marketing costs to increase in the year ending 30 March 2021.

In addition, the Group currently expects to incur a series of one-off costs in connection with the completion of the Demerger, including the separate listing of the Ninety One Business. These costs will be excluded from operating expenses and included in non-recurring income and expenses in the statement of comprehensive income. These comprise a mixture of Demerger project costs, such as adviser and other transaction costs, including expenses relating to migration of services to the Group during and at the end of the Transitional Services Agreement period, and one-off costs in connection with rebranding. The Group expects to incur approximately £5.4 million in respect of these one-off costs in the six-month period ending 31 March 2020, as compared to £5.4 million in the six-month period ended 30 September 2019 and £1.5 million in the year ended 30 March 2019. In the year ending 30 March 2021, the Group expects to incur additional costs related to the rebranding exercise, although the aggregate one-off costs in connection with the Demerger are expected to decrease as compared to the prior year.

Following the Demerger, the Group will put in place the LTIP as part of its broader remuneration strategy. It is expected that the Group's bonus pool (including LTIP awards) will remain a fixed portion of pre-bonus profit before tax, although remuneration expenses (as reported on the income statement) may comprise a nominal amount lower than the fixed ratio since LTIP-related expenses are required to be presented on an amortised basis.

3. Key Operating and Financial Metrics (excluding investment performance)

The following table sets out certain key operating and financial metrics for the periods indicated:

	As at and for the six months ended 30 September		As at and for the years ended 31 March		
	2019	2018	2019	2018	2017
Profit before tax (£' millions) ⁽¹⁾	91.9	92.1	178.4	178.0	163.2
Adjusted operating profit margin ⁽¹⁾⁽²⁾	32.2%	32.3%	31.9%	33.6%	33.7%
Assets under management (billions) ⁽³⁾	120.8	109.2	111.4	103.9	95.3
Net flows (£' billions) ⁽¹⁾	3.2	4.1	6.1	5.4	(0.6)
Torque ratio ⁽¹⁾⁽⁴⁾	5.8%	8.0%	5.9%	5.6%	(0.8)%
Average fee rate ⁽¹⁾⁽⁵⁾	47.9bps	48.8bps	48.6bps	49.7bps	49.9bps

Notes:

- (1) For the six-month period ended on 30 September or the 12-month period ended on 31 March of the relevant year, as applicable.
- (2) Adjusted operating profit margin is calculated as adjusted operating profit for the relevant period divided by adjusted operating revenue for that period expressed as a percentage. For a reconciliation of adjusted operating profit margin to revenue, please see paragraph 4 of Part VIII: "Selected Financial Information – Non-IFRS Measures".
- (3) As at 30 September or 31 March of the relevant year, as applicable.
- (4) Torque ratio is calculated as net flows for the relevant period divided by assets under management as at the first day of that period, and signifies the relative scale of net flows in relation to the overall size of the business. Torque ratio for six-month periods has been annualised.
- (5) Average fee rate is calculated as the management fee revenue for the relevant period divided by the average assets under management for that period, and is expressed in basis points. Average fee rate for the six-month periods has been annualised.

4. Current Trading and Prospects

The Group has continued the trend of operating profit growth since 30 September 2019, with higher pound sterling AUM at 31 December 2019 and net inflows for the quarter ended 31 December 2019.

5. Description of Certain Key Line Items

- **Net revenue:** the Group's revenue less commission expenses (shown as net income in the Group's Combined Statement of Comprehensive Income).
 - *Revenue:* the Group's revenue comprises fee revenue arising from the provision of services in the ordinary course of the Group's business, excluding value added tax or other sales taxes. The Group's fee revenue primarily comprises management fees as well as some performance fees.
 - *Commission expenses:* the Group's commission expenses comprise commissions, external manager fees and distribution fees payable to financial institutions, investment platform providers and financial advisers that distribute the Group's products.
- **Operating expenses:** the Group's operating expenses comprise fixed and variable staff costs, third-party investment and fund administration costs, systems costs, accommodation costs, promotional costs, information costs (including research fees), travel costs and overheads (including depreciation of property and equipment, auditors' remuneration and other operating expenses) and goodwill impairment (during the year ended 31 March 2017 only).
- **Other income/expense:** the Group's income arising from sundry items such as disposals of fixed assets.
- **Net interest income:** the Group's net interest income in relation to cash and cash equivalents (less operating lease interest from 1 April 2019).
- **Net gain on investments:** the Group's net gain on investments held in relation to its deferred employee compensation scheme. This income is offset by an equivalent expense included in personnel costs.
- **Foreign exchange gain/(loss):** the Group's gain/(loss) in a given period in relation to the restatement of foreign currency balance sheet assets and liabilities.
- **Exceptional items:** income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group and, therefore, are not expected to recur frequently or regularly.
- **Income tax expense:** the Group's income tax expense arising from operations and reflecting any impact of deferred tax adjustments from the current and prior years.
- **Investment contract surplus/liabilities:** the Group undertakes linked insurance business through IAL, one of its South African entities, and does not take on any insurance risk in respect of such business. IAL policyholders hold units in a pooled portfolio of assets via linked policies issued by the insurance entity. The assets are beneficially owned held by the insurance entity on behalf of policyholders, and are reflected on the Group's consolidated statement of financial position. Because of the nature of a linked insurance policy (which commonly features an investment element for the benefit of the policyholder), the Group's liability to IAL policyholders is equal to the market value of the assets underlying the policies, less applicable taxation. The policyholder related revenues and costs are included on the face of the Group's consolidated statement of comprehensive income but as a result of revenues and costs broadly offsetting one another, have no impact on consolidated operating profit, or profit before or after tax.

6. Results of Operations

The following table sets out the Group's combined results of operations for the periods indicated, which has been extracted without material adjustment from the historical financial information set out in Section C of Part X: "Historical Financial Information":

	For the six-months ended 30 September		For the years ended 31 March		
	2019	2018	2019	2018	2017
(Unaudited)					
(£' millions)					
Net revenue	299.4	279.9	556.9	537.1	484.5
Operating expenses	(211.3)	(199.8)	(393.7)	(361.6)	(334.6)
Other income/expenses					
Other income/(expense)	–	–	0.4	0.6	(0.1)
Net interest income	0.9	2.8	5.7	5.4	5.5
Net gain on investments	4.3	4.0	5.1	1.6	5.7
Foreign exchange gain/(loss)	4.0	4.6	5.0	(5.1)	2.2
Operating profit	97.3	91.5	179.4	178.0	163.2
Exceptional items ⁽¹⁾	(5.4)	0.6	(1.0)	–	–
Profit before tax	91.9	92.1	178.4	178.0	163.2
Income tax	(19.7)	(18.3)	(38.6)	(37.6)	(35.6)
Profit after tax	72.3	73.8	139.8	140.5	127.6

Note:

(1) Exceptional items relate primarily to the costs incurred as part of the Demerger and separate listing of the Ninety One Business.

The following discussion summarises certain profit and loss items in the Group's combined statement of comprehensive income for the six-month periods ended 30 September 2019 and 2018 and for the years ended 31 March 2019, 2018 and 2017.

Clients typically invest through segregated mandates or fund structures; for the purposes of this Part IX, "clients" means all clients irrespective of the manner of engagement with the Group.

6.1 Six-month period ended 30 September 2019 compared to six-month period ended 30 September 2018

6.1.1 Net revenue

The Group's net revenue was £299.4 million in the six-month period ended 30 September 2019, an increase of £19.5 million, or 7.0 per cent. compared to £279.9 million during the six-month period ended 30 September 2018. This increase reflected growth of £25.4 million, or 7.2 per cent, in the Group's gross revenue to £376.3 million during the six-month period ended 30 September 2019, which was partially offset by an increase of £6.0 million, or 8.4 per cent. in commission expense to £76.9 million during the six-month period ended 30 September 2019, which reflected the relatively higher proportion of growth in cross-border mutual fund assets under management, a principal vehicle for Advisor client investments.

The Group's revenue growth was driven by an increase in average assets under management from £107.9 billion during the six-month period ended 30 September 2018 to £117.8 billion during the six-month period ended 30 September 2019. During the six-month period ended 30 September 2019, growth in assets under management was due to net inflows of £3.2 billion and market-related growth of £6.2 billion. The Group experience steady client asset net inflows during the six-month period ended 30 September 2019 of £1.8 billion from Institutional clients and £1.4 billion from Advisor clients.

The revenue impact of the growth in assets under management was partially offset by a moderate decrease in the Group's average fee rate from 48.8 bps in the six-month period ended 30 September 2018 to 47.9 bps in the six-month period ended 30 September 2019. This decrease reflected a variety of factors across the Group's operations, including the Group's client mix between Institutional and Advisor clients, the shifting geographic locations of clients, and changes in clients' asset class and investment strategy preferences.

6.1.2 **Operating expenses**

The Group's operating expenses were £211.3 million in the six-month period ended 30 September 2019, an increase of £11.5 million, or 5.8 per cent. compared to £199.8 million during the six-month period ended 30 September 2018. The increase in operating expenses was partially due to higher levels of personnel costs, in particular, an increase in headcount (excluding Silica) from 1,088 as at 30 September 2018 to 1,147 as at 30 September 2019. Including Silica personnel, headcount increased from 1,600 as at 30 September 2018 to 1,632 as at 30 September 2019. Personnel expenses also increased due to higher bonus provisions in line with improved profitability.

The Group also experienced increases in operating expenses due to higher systems costs, duplicate accommodation costs arising from a premises move and an increase in research costs due to the loss of commission sharing recoveries in South Africa.

6.1.3 **Exceptional items**

The Group's exceptional items were an expense of £5.4 million in the six-month period ended 30 September 2019 compared to £0.6 million income during the six-month period ended 30 September 2018. This change was a result of expenses incurred in connection with the Demerger.

6.1.4 **Income tax expense**

The Group's income tax expense was £19.6 million in the six-month period ended 30 September 2019, an increase of £1.3 million, or 7.5 per cent. compared to £18.3 million during the six-month period ended 30 September 2018.

The increase in income tax expense was primarily due to increased operating profit (before exceptional items) and a relatively higher proportion of profit in South Africa.

In the six-month period ended 30 September 2019, the Group's effective tax rate was 21.4 per cent. as compared to 19.9 per cent. in the six-month period ended 30 September 2018.

6.1.5 **Profit after tax**

The Group's profit after tax was £72.3 million in the six-month period ended 30 September 2019, a decrease of £1.5 million, or 2.0 per cent. compared to £73.8 million during the six-month period ended 30 September 2018. This decrease was a result of the factors discussed above.

6.2 **Year ended 31 March 2019 compared to year ended 31 March 2018**

6.2.1 **Net revenue**

The Group's net revenue was £556.9 million in the year ended 31 March 2019, an increase of £19.8 million, or 3.7 per cent. compared to £537.1 million during the year ended 31 March 2018. This increase reflected growth of £34.5 million, or 5.2 per cent. in the Group's revenue to £696.6 million during the year ended 31 March 2019, which was partially offset by an increase of £14.8 million, or 11.8 per cent. in commission expense to £139.7 million during the year ended 31 March 2019, which reflected the relatively higher proportion of growth in cross-border mutual fund assets under management, a principal vehicle for Advisor client investments.

The Group's revenue growth was driven by an increase in average assets under management from £99.6 billion during the year ended 31 March 2018 to £108.0 billion during the year ended 31 March 2019. During the year ended 31 March 2019, growth in assets under management was due to net inflows of £6.1 billion and market-related growth of £1.4 billion. The Group experienced strong client asset net inflows across both its Institutional and Advisor channels, of £4.3 billion and £1.8 billion, respectively, during the year ended 31 March 2019, as compared to £2.3 billion and £3.1 billion, respectively, during the year ended 31 March 2018.

This growth in assets under management was partially offset by a moderate decrease in the Group's average fee rate from 49.7 bps in the year ended 31 March 2018 to 48.6 bps in the year ended 31 March 2019. This decrease reflected a variety of factors across the Group's operations, including the Group's client mix between Institutional and Advisor clients, the shifting geographic locations of clients, and changes in clients' asset class and investment strategy preferences.

6.2.2 **Operating expenses**

The Group's operating expenses were £393.7 million in the year ended 31 March 2019, an increase of £32.1 million, or 8.9 per cent. compared to £361.6 million during the year ended 31 March 2018. The increase in operating expenses was partially due to higher levels of personnel costs, in particular, an increase in headcount (excluding Silica) from 1,059 as at 31 March 2018 to 1,139 as at 31 March 2019. Including Silica personnel, headcount increased from 1,592 to 1,629.

The Group also experienced increases in operating expenses due to the impact of MiFID II. From the year ended 31 March 2018 to the year ended 31 March 2019, investments in relation to systems and infrastructure, exacerbated by the loss of commission sharing recoveries, increased costs by £6.8 million. In addition to this, there were incremental costs of £5.4 million in relation to new offices, primarily in London.

6.2.3 **Exceptional items**

The Group's exceptional items were £1.0 million in the year ended 31 March 2019, an increase of £1.0 million compared to nil during the year ended 31 March 2018. This increase was a result of expenses incurred in connection with the Demerger.

6.2.4 **Income tax expense**

The Group's income tax expense was £38.6 million in the year ended 31 March 2019, an increase of £1.1 million, or 2.9 per cent. compared to £37.5 million during the year ended 31 March 2018.

The increase in income tax expense was primarily due to higher profit before tax levels in higher-tax jurisdictions, such as South Africa.

In the year ended 31 March 2019, the Group's effective tax rate was 21.6 per cent. as compared to 21.1 per cent. in the year ended 31 March 2018.

6.2.5 **Profit after tax**

The Group's profit after tax was £139.8 million in the year ended 31 March 2019, a decrease of £0.7 million, or 0.5 per cent. compared to £140.5 million during the year ended 31 March 2018. This decrease was a result of the factors discussed above.

6.3 **Year ended 31 March 2018 compared to year ended 31 March 2017**

6.3.1 **Net revenue**

The Group's net revenue was £537.1 million in the year ended 31 March 2018, an increase of £52.6 million, or 10.9 per cent. compared to £484.5 million during the year ended 31 March 2017. This increase reflected growth of £72.0 million, or 12.2 per cent. in the Group's gross revenue to £662.1 million during the year ended 31 March 2018, which was partially offset by an increase of £19.2 million, or 18.2 per cent. in commission expense to £124.9 million during the year ended 31 March 2017, which reflected the relatively higher proportion of growth in cross-border mutual fund assets under management, a principal vehicle for Advisor client investments.

The Group's revenue growth was driven by an increase in average assets under management from £87.1 billion during the year ended 31 March 2017 to £99.6 billion during the year ended 31 March 2018. During the year ended 31 March 2018, growth in assets under management was due to net inflows of £5.4 billion and market-related growth of £3.2 billion. The Group experienced strong client asset net inflows across both its Institutional and Advisor channels, of £2.3 billion and £3.1 billion, respectively, during the year ended 31 March 2018, as compared to a net outflow of £1.2 billion and a net inflow of £0.6 billion, respectively, during the year ended 31 March 2017.

This growth in assets under management was partially offset by a moderate decrease in the Group's average fee rate from 49.9 bps in the year ended 31 March 2017 to 49.7 bps in the year ended 31 March 2018. This decrease reflected a variety of factors across the Group's operations, including the Group's client mix between Institutional and Advisor clients, the shifting geographic locations of clients, and changes in clients' asset class and investment strategy preferences.

6.3.2 **Operating expenses**

The Group's operating expenses were £361.6 million in the year ended 31 March 2018, an increase of £27.0 million, or 8.1 per cent. compared to £334.6 million during the year ended 31 March 2017.

The increase in operating expenses was primarily due to higher levels of personnel costs, in particular, an increase in headcount (excluding Silica) from 991 as at 31 March 2017 to 1,059 as at 31 March 2018, and in variable remuneration as a result of an increase in the Group's profit before tax in the year ended 31 March 2018 as compared to the year ended 31 March 2017. Including Silica personnel, headcount decreased from 1,654 to 1,592.

The Group also experienced increases in operating expenses due to investment in infrastructure and IT systems. From the year ended 31 March 2017 to the year ended 31 March 2018, costs in relation to systems and infrastructure increased by £4.3 million.

6.3.3 **Exceptional items**

The Group did not incur any exceptional items in the years ended 31 March 2018 or 2017.

6.3.4 **Income tax expense**

The Group's income tax expense was £37.5 million in the year ended 31 March 2018, an increase of £1.9 million, or 5.6 per cent. compared to £35.6 million during the year ended 31 March 2017.

The increase in income tax expense was primarily due to an increase in the Group's profit before tax in the year ended 31 March 2018 as compared to 31 March 2017, and reflected lower profit before tax levels in higher-tax jurisdictions, such as South Africa.

In the year ended 31 March 2018, the Group's effective tax rate was 21.1 per cent. as compared to 21.8 per cent. in the year ended 31 March 2017.

6.3.5 **Profit after tax**

The Group's profit after tax was £140.5 million in the year ended 31 March 2018, an increase of £12.9 million, or 10.1 per cent. compared to £127.6 million during the year ended 31 March 2017. This increase was a result of the factors discussed above.

7. **Liquidity and Capital Resources**

As at 30 September 2019, the Group had £230.4 million in cash and cash equivalents and no material outstanding indebtedness.

The Group's uses of cash have historically been, and are expected to continue to be, for the funding of operating expenses and, for the immediate future, costs related to the Demerger. The Group has funded these cash needs during the periods under review using net cash flows from operating activities.

7.1 Cash flows

The following table sets out the Group's consolidated cash flows for the periods indicated, which have been extracted without material adjustment from the historical financial information set out in Section C of Part X: "Historical Financial Information":

	For the six months ended 30 September						For the years ended 31 March								
	2019		2018		2019		2018		2017						Total
	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-holders	Share-holders	Policy-holders	Share-holders	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
(£' millions)															
Net cash flows from operating activities	302.9	41.9	344.8	353.2	20.9	374.1	596.5	113.0	709.5	554.5	172.1	726.6	309.3	166.2	475.5
Net cash flows from investing activities	(304.4)	(14.6)	(319.0)	(350.4)	1.4	(349.1)	(592.7)	(1.4)	(594.0)	(553.5)	(8.9)	(562.5)	(318.6)	(15.1)	(333.7)
Net cash flows from operating and investing activities⁽¹⁾	(1.5)	27.3	25.8	2.8	22.3	25.1	3.9	111.6	115.5	(0.9)	163.2	164.1	(9.3)	151.1	141.8
Net cash flows from financing activities	–	(66.6)	(66.6)	–	(68.5)	(68.5)	–	(143.9)	(143.9)	–	(124.3)	(124.3)	–	(116.5)	(116.5)
Effect of foreign exchange rate changes	1.5	0.5	2.0	2.8	5.4	(8.2)	3.9	6.8	10.7	(0.49)	(2.2)	3.1	9.3	14.9	24.2
Net change in cash and cash equivalents	–	(38.8)	(38.8)	–	(51.6)	(51.6)	–	(39.1)	(39.1)	–	36.7	36.7	–	49.5	49.5
Cash and cash equivalents at beginning of period	–	269.2	269.2	–	308.3	308.3	–	308.3	308.3	–	271.6	271.6	–	222.1	222.1
Cash and cash equivalents at end of period	–	230.4	230.4	–	256.7	256.7	–	269.2	269.2	–	308.3	308.3	–	271.6	271.6

Note:

- (1) For the financial year ended 31 March 2019, the difference between shareholder net cash flows from operating and investing activities of £111.6 million and profit after tax of £139.8 million is mainly income tax paid of £64.5 million versus income tax expense of £38.6 million (i.e. £25.9 million of the £28.2 million difference); for the year ended 31 March 2018, the difference between net cash flows from operating and investing activities of £163.1 million and profit after tax of £140.5 million is mainly income tax paid of £23.3 million versus income tax expense of £37.6 million (i.e. £14.3 million of the £22.6 million difference).

For the same reasons noted in the introduction to Part VIII: “*Selected Financial Information*”, policyholder and shareholder items have been separately disclosed below and commentary provided only on the shareholder cash flows as the policyholder movements are self-explanatory and are not reflective the real operating and investing cash flows of the Group.

7.1.1 **Cash flows from operating activities**

The Group’s net cash inflow from operating activities was £344.8 million during the six-month period ended 30 September 2019, as compared to £374.1 million during the six-month period ended 30 September 2018. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash inflow from operating activities was £41.9 million during the six-month period ended 30 September 2019, as compared to £20.9 million during the six-month period ended 30 September 2018. The increase in net cash from operating activities was primarily due to timing of corporate tax payments between the two periods. Cash flows from operating activities for the six month periods to 30 September are typically much lower than for the six month periods to 31 March due to the variable remuneration payment cycle falling into the first half of each financial year.

The Group’s net cash inflow from operating activities was £709.5 million during the year ended 31 March 2019, as compared to £726.6 million during the year ended 31 March 2018. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash inflow from operating activities was £113.0 million during the year ended 31 March 2019, as compared to £172.1 million during the year ended 31 March 2018. The decrease in net cash from operating activities was primarily due to timing of corporate tax payments between the two years.

The Group’s net cash inflow from operating activities was £726.6 million during the year ended 31 March 2018, as compared to £475.5 million during the year ended 31 March 2017. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash inflow from operating activities was £172.1 million during the year ended 31 March 2018, as compared to £166.2 million during the year ended 31 March 2017. The increase in net cash from operating activities was primarily due to timing of corporate tax payments between the two years.

7.1.2 **Cash flows used in investing activities**

The Group’s net cash outflow from investing activities was £319.0 million during the six-month period ended 30 September 2019, as compared to £349.0 million during the six-month period ended 30 September 2018. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash outflow from investing activities was £14.6 million during the six-month period ended 30 September 2019, as compared a net cash inflow of £1.4 million during the six-month period ended 30 September 2018. The increase in net cash outflow from investing activities was primarily due to an increase in deferred employee benefit investments.

The Group’s net cash outflow from investing activities was £594.0 million during the year ended 31 March 2019, as compared to £562.5 million during the year ended 31 March 2018. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash outflow from investing activities was £1.4 million during the year ended 31 March 2019, as compared to £8.9 million during the year ended 31 March 2018. The decrease in net cash outflow from investing activities was primarily due to a reduction in deferred employee benefit investments.

The Group’s net cash outflow from investing activities was £562.5 million during the year ended 31 March 2018, as compared to £333.7 million during the year ended 31 March 2017. Other than movements in items related to insurance-linked policyholder items, the Group’s net cash outflow from investing activities was £8.9 million during the year ended 31 March 2018, as compared to £15.1 million during the year ended 31 March 2017. The decrease in net cash outflow from investing activities was primarily due to a reduction in deferred employee benefit investments.

7.1.3 **Cash flows used in financing activities**

The Group's net cash outflow from financing activities was £66.6 million during the six-month period ended 30 September 2019, as compared to £68.5 million during the six-month period ended 30 September 2018. The decrease in net cash from financing activities was primarily due to higher dividends paid in the six-month period ended 30 September 2018.

The Group's net cash outflow from financing activities was £143.9 million during the year ended 31 March 2019, as compared to £124.3 million during the year ended 31 March 2018. The increase in net cash outflow from financing activities was primarily due to higher dividends paid following a reduction in the capital requirement for a subsidiary within the Group.

The Group's net cash outflow from financing activities was £124.3 million during the year ended 31 March 2018, as compared to £116.5 million during the year ended 31 March 2017. The increase in net cash outflow from financing activities was primarily due to higher levels of dividends paid during the year ended 31 March 2018 as a result of increased profit before tax during the year then ended.

7.2 **Capital expenditure**

The Group mainly utilises third-party software and, therefore, has relatively immaterial investments in fixed assets. The Group generally has not capitalised its expenses in the past.

7.3 **External funding, financing and indebtedness**

The Group does not have, and currently has no plans to seek, any external funding, financing or indebtedness.

7.4 **Contractual obligations and commitments**

The Group's lease liabilities are included in its combined statements of financial position set out in Section C of Part X: "*Historical Financial Information*", and its other contractual obligations are summarised in note 21 thereto.

7.5 **Regulatory capital**

The Group is regulated by the FCA in the United Kingdom and the SA FSCA in South Africa, and it retains regulatory capital levels as required under the relevant regimes in the jurisdictions where it operates. For a summary of these requirements, see Part XI: "*Regulatory Overview*".

7.6 **Off-balance sheet arrangements**

The Group did not have any off-balance sheet arrangements as of 30 September 2019 that have or are reasonably likely to have a current or future effect on its financial condition, change its financial condition, revenues, expenses, results, operating income, liquidity, capital expenditure or capital reserves that are material to investors, with the exception of a guarantee by the Investec Group in relation to the Group's new London office.

8. **Quantitative and Qualitative Disclosure about Market Risk**

The Group has exposure to credit and liquidity risk in the normal course of business. The Group is also exposed to market risk arising from its financial instruments. For a summary of the Group's exposure to these risks and the objectives, policies and processes that it has implemented to measure and manage these risks, see Note 20 to Section C of Part X: "*Historical Financial Information*".

9. **Significant Accounting Policies**

The Group's significant accounting policies are more fully described in Note 1 to Section C of Part X: "*Historical Financial Information*".

Some of the Group's accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the financial statements. By their nature, these judgements are subject to a degree of uncertainty and are based on the Group's historical experience, terms of existing contracts, management's view on trends in the industry, information from outside sources and other assumptions that management considers to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

During the periods under review, the operations and activities of the Group were undertaken through a number of subsidiaries of Investec and associates of those entities. Prior to the Demerger, those subsidiaries did not form a group and, therefore, it is not possible to prepare consolidated financial statements of the Group. Accordingly, related combined financial information has been prepared for the purposes of presenting financial information of the Group.

10. **Future Accounting Pronouncements**

For further information regarding standards relevant to the Group that have been issued but are not yet effective, see Note 1 to Section C of Part X: *"Historical Financial Information"*.

HISTORICAL FINANCIAL INFORMATION

SECTION A – Accountant’s Report on the Combined Historical Financial Information of the Ninety One Business

The Directors
Ninety One plc
55 Gresham Street
London
EC2V 7EL

The Directors
Ninety One Limited
36 Hans Strijdom Avenue
Foreshore
Cape Town, 8001
Republic of South Africa

31 January 2020

Ladies and Gentlemen

Ninety One Business

We report on the financial information set out on pages 112 to 153 for the three years ended 31 March 2017, 2018 and 2019 and the six months ended 30 September 2019. This financial information has been prepared for inclusion in the Registration Document dated 31 January 2020 of Ninety One plc and Ninety One Limited on the basis of the accounting policies set out in Section C Note 1 of Part X. This report is required by Item 18.3.1 of Annex I of the Commission Delegated Regulation (EU) 2019/980 (the “PR Regulation”) and is given for the purpose of complying with that item and for no other purpose. We have not audited or reviewed the financial information for the six months ended 30 September 2018 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The Directors of Ninety One plc and Ninety One Limited are responsible for preparing the financial information on the basis of preparation set out in Section B of Part X to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Item 1.2 of Annex I to the PR Regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex I of the PR Regulation, consenting to its inclusion in the Registration Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Registration Document dated 31 January 2020, a true and fair view of the state of affairs of the Ninety One Business as at 31 March 2017, 31 March 2018, 31 March 2019 and 30 September 2019 and of its combined Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement for the three years ended 31 March 2017, 2018 and 2019 and the six months ended 30 September 2019 in accordance with the basis of preparation set out in Section B Part X.

Declaration

For the purposes of Regulation Item 1.2 of Annex 1 to the PR Regulation we are responsible for this report as part of the Registration Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Registration Document in compliance with Item 1.2 of Annex I of the PR Regulation.

Yours faithfully

KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL

31 January 2020

SECTION B – Basis of preparation of the Combined Historical Financial Information of the Ninety One Business

1. Paragraph 1 – Background

Overview

On 14 September 2018, Investec plc and Investec Limited (collectively referred to as “**Investec**”) announced its plan to demerge and publicly list the asset management business (the “**Ninety One Business**”). On 7 August 2019, Investec further announced that all key regulatory approvals required in order to proceed with the Demerger of the Ninety One Business had been received and that the Ninety One Business would be separately listed using a dual-listed company (“**DLC**”) structure. Investec plans to retain a minority stake in the Ninety One Business.

The Ninety One Business consists of Investec Asset Management Limited (“**IAM UK**”) and Investec Asset Management Holdings (Pty) Limited (“**IAM SA**”) and their direct and indirect subsidiaries and associates.

As at 30 September 2019, senior managers and employees of the Ninety One Business hold a 20 per cent. (less one share) stake in the Ninety One Business through their participation in the Marathon Trust, a Mauritian trust vehicle (the “**Trust**”). The Trust wholly owns Forty Two Point Two, a private company incorporated in the Republic of Mauritius, which holds the direct 20 per cent. (less one share) stakes in each of IAM UK and IAM SA. The remaining stakes are held by Investec.

Proposed transaction (The “Transaction”)

The separation will be implemented by way of a Demerger of the Ninety One Business to a new DLC, comprising Ninety One plc, a company incorporated in England and Wales and Ninety One Limited, a company incorporated in South Africa. Ninety One plc is expected to have a primary listing on the LSE and to have a secondary inward listing on the JSE and Ninety One Limited is expected to have a primary listing on the JSE.

Upon the shareholders’ approval, Investec will transfer the shares held by it in IAM UK and IAM SA to Ninety One plc and Ninety One Limited, respectively, in exchange for Ninety One plc and Ninety One Limited issuing shares to Investec’s ordinary shareholders and Investec on a *pro rata* basis. The Transaction will also involve the roll-up of Forty Two Point Two’s interests in IAM UK and IAM SA for an equivalent interest of 20 per cent. (less one share) in Ninety One plc and Ninety One Limited through a share for share exchange. Once the previous steps have been effected, the Ninety One DLC agreements which implement the Ninety One DLC structure will come into effect. After the creation of the Ninety One DLC structure, the shares in Ninety One plc and Ninety One Limited as a DLC (collectively referred to as “**Ninety One**”) will be admitted to trading on the LSE and JSE followed by the share sales, being the expected divestment of up to approximately 10 per cent. in aggregate of the combined total issued share capital of Ninety One by way of a secondary cash placing of Ninety One’s shares to institutional and certain other investors.

2. Paragraph 2 – Basis of preparation

Combined Historical Financial Information

During the period covered by Combined Historical Financial Information (the “**Combined HFI**”), the Ninety One Business was performed through a number of subsidiaries of Investec and associates of those entities. Prior to the Group re-organisation described above, those subsidiaries and associates did not form a group and, therefore, it is not possible to prepare consolidated historical financial information in respect of the Ninety One Business in accordance with International Financial Reporting Standards and the interpretations of the IFRS Interpretations Committee (“**IFRIC**”) as adopted by the European Union (“**EU**”), which comply with IFRS as issued by the International Accounting Standards Board (“**IASB**”) (collectively, “**IFRS**”).

Accordingly, the Combined HFI relating to the Ninety One Business for the years ended 31 March 2019, 2018 and 2017, audited for the purposes of the Listing Rules, and for the six months ended 30 September 2019, audited for the purposes of the Listings Rules (“**Track Record Period**”) has been prepared for the purposes of presenting financial information of the businesses that are subject to the proposed transaction in which Ninety One may acquire the list of entities in note 24 from Investec.

The Ninety One Business has prepared the Combined HFI for the purposes of and in accordance with the requirements of the UK Prospectus Rules, together with the PD regulation and the requirements of the UKLA (the “**UK Prospectus Regime**”). This basis of preparation explains how the principles of IFRS have been applied. IFRS does not contain any specific rules for the preparation of combined historical

financial statements. As further explained below, the Combined HFI has been prepared by aggregating the assets, liabilities, income and expenses of the subsidiaries listed in note 24, including the equity accounted share of the associates listed in note 24, applying consolidation principles to eliminate any intercompany transactions. The aggregation is based on the financial statements of the individual subsidiaries of which the majority of them are prepared in accordance with IFRS and the rest of them are prepared in accordance with other accounting frameworks which comply with IFRS.

Certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied, including the following:

- The Ninety One Business did not constitute a separate legal entity and did not have a common parent company other than its ultimate parent, Investec, during the Track Record Period, the Combined HFI therefore does not apply the requirements of IAS 27 Consolidated and Separate Financial Statements; and
- The net assets of the Ninety One Business are represented by the cumulative investment of Investec in the Ninety One Business ("**Net asset attributable to shareholders**") and other equity components.

Principles in the Combined HFI

The basis of preparation of the Combined HFI, which are the first combined financial statements of the Ninety One Business, is consistent with the principles of IFRS 1 First time adoption of International Financial Reporting Standards. The Ninety One Business has prepared the Combined HFI using the accounting policies it intends to apply in preparing the combined financial statements of Ninety One, which are consistent with the accounting policies and valuation methods used by the Ninety One companies for the preparation of the financial information included in Investec's Consolidated Financial Statements and which are compliant with IFRS. These accounting policies have been disclosed under significant accounting policies. The Combined HFI was prepared on a historical cost basis with the exception of linked investments backing policyholder funds, policyholder investment contract liabilities, investments, the pension fund asset and the pension fund obligations. The Ninety One Business has a history of profitable operations and ready access to financial resources and the directors of Investec concluded that the Ninety One business has an ability to operate as a going concern with or without the Demerger and therefore the Combined HFI has been prepared on a going concern basis.

In preparing the Combined HFI consistent with the principles of IFRS 1, the Ninety One Business has applied the exemption in IFRS 1.D16(a) and has measured its assets and liabilities at the carrying amounts that would be included in Investec's consolidated financial statements, based on the parent's date of transition to IFRS. Accordingly, the date of initial application of IFRS 16 Leases in the Combined HFI would be the same date as that applied to Investec plc and Investec Limited, which is 1 April 2019.

The presentation currency of the Ninety One Business is Pound Sterling ("£"), being the functional currency of IAM UK. The functional currency of IAM SA is Rand. All values are rounded to the nearest thousand ("£'000"), unless otherwise indicated.

Foreign operations are subsidiaries and interests in associated undertakings of the Ninety One Business, the activities of which are based in a functional currency other than that of the reporting entity. The functional currency of an entity is determined based on the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency of the entity in which the transactions arise, based on rates of exchange ruling at the date of the transactions.

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Ninety One Business, as follows:

- Assets and liabilities for the Combined statements of financial position presented are translated at the closing rate at the reporting date;
- Income and expense items are translated at exchange rates ruling at the date of the transactions;
- All resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve), which is recognised in profit or loss within the Combined statement of comprehensive income on disposal of the foreign operation; and
- Cash flow items are translated at the exchange rates ruling at the date of the transactions.

All intra-group balances, income and expenses arising from transactions between companies belonging to the Ninety One Business were eliminated when preparing the Combined HFI. In addition, the investments of the holding companies in the Ninety One Business were eliminated against the equity of the respective subsidiaries. The share capital of the Ninety One Business are an aggregation of the share capitals of the holding companies of the business that are subject to the proposed transaction in which Ninety One may acquire the list of entities in note 24 from Investec. Transactions and balances with other entities within Investec but outside the Ninety One Business are disclosed as related party transactions and balances.

The Directors of Ninety One plc and Ninety One Limited are responsible for the Combined Historical Financial Information.

KPMG LLP is the reporting accountant to the Ninety One Business. KPMG LLP's audit opinion in respect of the Combined Historical Financial Information relating to the Ninety One Business for the years ended 31 March 2019, 2018 and 2017 and the six months ended 30 September 2019 is included in Section A of Part X of this document.

SECTION C – Combined Historical Financial Information of the Ninety One Business

Combined Statement of Comprehensive Income for the six months ended 30 September 2019 and for the years ended 31 March 2019, 2018 and 2017

		For the six months ended 30 September		For the year ended 31 March		
	Notes	2019	2018	2019	2018	2017
		£'000	£'000	£'000	£'000	£'000
(Unaudited)						
Revenue	2	376,261	350,864	696,574	662,081	590,142
Commission expense		(76,886)	(70,929)	(139,673)	(124,947)	(105,687)
Net revenue		299,375	279,935	556,901	537,134	484,455
Operating expenses	3	(211,256)	(199,750)	(393,706)	(361,572)	(334,604)
Other income/expenses						
Other income/(expense)		–	7	360	594	(106)
Net interest income	4	995	2,791	5,682	5,411	5,475
Net gain on investments		4,256	4,009	5,059	1,555	5,775
Foreign exchange gain/(loss)		3,959	4,537	5,058	(5,077)	2,213
Operating profit		97,329	91,529	179,354	178,045	163,208
Exceptional items						
Financial impact of Group restructures		(5,385)	–	(1,548)	–	–
Gain on disposal of subsidiary		–	597	597	–	–
Profit from operations before changes in policyholder investment contract (“IC”) liabilities		91,944	92,126	178,403	178,045	163,208
IC surplus transferred to shareholders	13	(14,486)	(13,305)	(27,055)	(24,919)	(22,577)
IC investment and administration expenses	13	(14,005)	(12,472)	(24,890)	(23,534)	(19,549)
IC income tax	13	(3,588)	(6,221)	(6,700)	(3,739)	(3,072)
IC net fair value adjustment		32,079	31,998	58,645	52,192	45,198
Profit before tax		91,944	92,126	178,403	178,045	163,208
Income tax expense	5	(19,665)	(18,288)	(38,589)	(37,560)	(35,578)
Profit after tax		72,279	73,838	139,814	140,485	127,630

	For the six months ended 30 September		For the year ended 31 March		
Notes	2019	2018	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
(Unaudited)					
Other comprehensive income for the year (net of tax)					
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial (losses)/gains on pension plan	(1,217)	–	(1,975)	481	(2,169)
Other comprehensive gains/(losses)	5	–	(2)	4	(31)
	(1,212)	–	(1,977)	485	(2,200)
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations	571	(8,333)	(9,866)	(1,522)	18,197
Other comprehensive (loss)/income for the year	(641)	(8,333)	(11,843)	(1,037)	15,997
Total comprehensive income for the year	71,638	65,505	127,971	139,448	143,627
Attributable to:					
Shareholders	71,356	65,221	127,435	139,237	142,973
Non-controlling interests	282	284	536	211	654
	71,638	65,505	127,971	139,448	143,627

Combined Statement of Financial Position at 30 September 2019 and 31 March 2019, 2018 and 2017

		As at 30 September		As at 31 March	
	Notes	2019	2019	2018	2017
		£'000	£'000	£'000	£'000
Assets					
Investments	10	7,234	5,255	4,008	3,463
Investment in associate		37	37	80	–
Property and equipment	6	9,901	7,685	3,443	3,755
Right-of-use assets	17	81,286	–	–	–
Intangible assets	7	39	24	132	109
Deferred tax asset	8	21,867	25,262	24,640	20,915
Pension fund asset	19	–	180	2,625	2,075
Total non-current assets		120,364	38,443	34,928	30,317
Investments	10	86,064	72,446	72,039	66,461
Linked investments backing policyholder funds	9	8,600,782	8,173,659	8,424,236	7,679,791
Income tax recoverable		4,202	1,241	747	1,122
Trade and other receivables		230,740	247,522	226,154	233,163
Cash and cash equivalents	11	230,444	269,241	308,334	271,587
Total current assets		9,152,232	8,764,109	9,031,510	8,252,124
Total assets		9,272,596	8,802,552	9,066,438	8,282,441
Liabilities					
Other liabilities	14	48,941	44,862	59,069	59,495
Lease liabilities	17	80,392	–	–	–
Pension fund obligation	19	1,333	–	–	–
Deferred tax liabilities	8	16,793	15,354	14,236	16,171
Total non-current liabilities		147,459	60,216	73,305	75,666
Policyholder investment contract liabilities	13	8,622,631	8,190,926	8,446,056	7,692,747
Other liabilities	14	43,144	32,633	17,679	11,686
Lease liabilities	17	7,783	–	–	–
Trade and other payables	15	240,206	307,450	278,766	283,596
Deferred income		–	155	166	427
Amounts payable to Investec	16	3,839	3,723	3,184	3,696
Income tax payable		5,157	11,805	35,670	18,006
Total current liabilities		8,922,760	8,546,692	8,781,521	8,010,158
Equity					
Net assets attributable to shareholders	12	225,982	219,886	225,995	209,200
Other components of equity	12	(24,240)	(24,811)	(14,945)	(13,423)
Total equity attributable to shareholders		201,742	195,075	211,050	195,777
Non-controlling interests		635	569	562	840
Total equity		202,377	195,644	211,612	196,617
Total equity and liabilities		9,272,596	8,802,552	9,066,438	8,282,441

Combined Statement of Changes in Equity for the six months ended 30 September 2019 and for the years ended 31 March 2019, 2018 and 2017

	Net assets attributable to shareholders	Other components of equity	Total equity attributable to shareholders	Non- controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000
For the six months ended					
30 September					
2019					
1 April 2019	219,886	(24,811)	195,075	569	195,644
Profit for the period	71,997		71,997	282	72,279
Other comprehensive (loss)/income	(1,212)	571	(641)		(641)
Dividends paid	(64,689)		(64,689)	(216)	(64,905)
30 September 2019	225,982	(24,240)	201,742	635	202,377
2018 (Unaudited)					
1 April 2018	225,995	(14,945)	211,050	562	211,612
Profit for the period	73,554		73,554	284	73,838
Other comprehensive loss		(8,333)	(8,333)		(8,333)
Dividends paid	(68,189)		(68,189)	(286)	(68,475)
30 September 2018	231,360	(23,278)	208,082	560	208,642
For the year ended					
31 March					
2019					
1 April 2018	225,995	(14,945)	211,050	562	211,612
Profit for the year	139,278		139,278	536	139,814
Other comprehensive loss	(1,977)	(9,866)	(11,843)		(11,843)
Dividends paid	(143,410)		(143,410)	(529)	(143,939)
31 March 2019	219,886	(24,811)	195,075	569	195,644
2018					
1 April 2017	209,200	(13,423)	195,777	840	196,617
Profit for the year	140,274		140,274	211	140,485
Other comprehensive income/(loss)	485	(1,522)	(1,037)		(1,037)
Dividends paid	(123,964)		(123,964)	(327)	(124,291)
Buy-back of non-controlling interests				(162)	(162)
31 March 2018	225,995	(14,945)	211,050	562	211,612
2017					
1 April 2016	200,409	(31,620)	168,789	707	169,496
Profit for the year	126,976		126,976	654	127,630
Other comprehensive (loss)/income	(2,200)	18,197	15,997		15,997
Dividends paid	(115,985)		(115,985)	(521)	(116,506)
31 March 2017	209,200	(13,423)	195,777	840	196,617

Combined Cash Flow Statement for the six months ended 30 September 2019 and for the years ended 31 March 2019, 2018 and 2017

		For the six months ended 30 September		For the year ended 31 March		
	Notes	2019	2018	2019	2018	2017
		£'000	£'000	£'000	£'000	£'000
(Unaudited)						
Cash flows from operating activities						
Profit before tax		91,944	92,126	178,403	178,045	163,208
Adjusted for:						
Net gain on investments		(4,256)	(4,009)	(5,059)	(1,555)	(5,775)
Depreciation of property and equipment	6	1,115	821	1,985	1,865	1,756
Depreciation of right-of-use assets	17	5,190	–	–	–	–
Amortisation of intangible assets	7	29	22	49	144	68
Net interest income	4	(995)	(2,791)	(5,682)	(5,411)	(5,475)
Net return/(losses) of pension fund		47	–	66	30	(46)
Net fair value gains on linked investments backing policyholder funds	9	(84,439)	(202,367)	(159,745)	(99,290)	(29,301)
Net fair value change on policyholder investment contract liabilities	13	284,038	392,186	543,763	460,301	348,598
Net contribution received from/(withdrawals by) policyholders		109,319	151,681	206,518	200,979	(17,130)
Gain on disposal of property and equipment		–	–	–	(47)	–
Gain on disposal of subsidiary		–	(597)	(597)	–	–
Impairment of goodwill	3	–	–	–	–	1,614
Impairment of investment in associate		–	–	42	2,429	–
Working capital changes:						
Trade and other receivables		16,782	(60,857)	(21,368)	7,009	3,538
Trade and other payables		(63,957)	48,296	28,684	(4,830)	31,238
Deferred income		(155)	(14)	(11)	(261)	52
Other liabilities		10,511	14,224	14,954	5,993	2,784
Other liabilities – non-current		4,079	(12,531)	(14,207)	(426)	15,222
Amounts payable to Investec		116	(224)	539	(512)	94

		For the six months ended 30 September		For the year ended 31 March		
	Notes	2019	2018	2019	2018	2017
		£'000	£'000	£'000	£'000	£'000
(Unaudited)						
Cash flows from operations		369,368	415,966	768,334	744,463	510,445
Interest received		2,428	2,828	5,745	5,565	5,867
Interest paid		(1,433)	(37)	(63)	(155)	(391)
Income tax paid		(25,563)	(44,687)	(64,489)	(23,265)	(40,394)
Balance at beginning of period		(10,564)	(34,923)	(34,923)	(16,884)	(21,633)
Current tax	5	(15,949)	(17,629)	(40,132)	(41,314)	(35,681)
Current tax on share options vested		(5)	–	2	10	36
Balance at end of period		955	7,865	10,564	34,923	16,884
Net cash flows from operating activities		344,800	374,070	709,527	726,608	475,527
Cash flows from investing activities						
Net acquisition of investments		(11,341)	2,368	3,405	(4,568)	(13,205)
Investment in associate		–	–	–	(2,509)	–
Additions to property and equipment	6	(3,264)	(2,681)	(6,505)	(1,695)	(1,769)
Proceeds from disposal of property and equipment		–	–	–	109	–
Additions to intangible assets	7	(44)	–	(8)	(165)	(97)
Repurchase of shares from non-controlling interests		–	–	–	(162)	–
Proceeds from disposal of subsidiary		–	1,752	1,752	–	–
Net acquisition of linked investments backing policyholder funds	9	(304,337)	(350,446)	(592,655)	(553,543)	(318,620)
Net cash flows from investing activities		(318,986)	(349,007)	(594,011)	(562,533)	(333,691)
Cash flows from financing activities						
Principal element of lease rental payments	11	(1,686)	–	–	–	–
Dividends paid		(64,905)	(68,475)	(143,939)	(124,291)	(116,506)
Net cash flows from financing activities		(66,591)	(68,475)	(143,939)	(124,291)	(116,506)
Effect of foreign exchange rate changes		1,980	(8,221)	(10,670)	(3,037)	24,196
Net change in cash and cash equivalents		(38,797)	(51,633)	(39,093)	36,747	49,526
Cash and cash equivalents at beginning of period		269,241	308,334	308,334	271,587	222,061
Cash and cash equivalents at end of period	11	230,444	256,701	269,241	308,334	271,587

Notes to the Combined Financial Statements for the six months ended 30 September 2019 and for the years ended 31 March 2019, 2018 and 2017

1. Summary of significant accounting policies

(a) Accounting judgements and estimates

The preparation of this Combined HFI requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgement is defined as the judgement that can significantly affect the amounts recognised in the financial statements. Significant estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Ninety One Business has not identified any significant judgements and estimates at the end of each reporting period. However, the areas that include estimates are related to the valuation of level 3 financial instruments per the fair value hierarchy and the valuation of the pension fund asset/obligation. The assumptions and their risk factors are presented in notes 19 and 20. Management do not expect changes in assumptions to lead to a material adjustment in future periods.

(b) New standards adopted by the Ninety One Business

The Ninety One Business has initially adopted IFRS 16 Leases as from 1 April 2019 (“**the date of initial application**”). IFRS 16 Leases replaces IAS 17 Leases and sets out the principles for recognition, measurement, presentation and disclosure of leases for lessees and lessors. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“**short-term leases**”) and leases of low-value assets. It also introduces additional disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Ninety One Business has elected to use the modified retrospective approach and, therefore, has not restated comparative information, as permitted under the specific transitional provisions in the standard.

At the date of initial application, the Ninety One Business determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates used at the date of initial application. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognised in the statement of financial position as at 31 March 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payment was 3.37 per cent. The Ninety One Business has applied the following practical expedients:

- grandfather the previous assessment of which existing contracts are, or contain, leases in accordance with IAS 17; and
- not consider on adoption any initial direct costs in the initial calculation of the right-of-use asset.

The following table reconciles the operating lease commitments as disclosed at the end of the annual reporting period immediately preceding the date of initial application to the opening balance for lease liabilities recognised as at the date of initial application:

	1 April 2019
	£'000
Operating lease commitments at 31 March 2019	113,840
Add: lease payments for the additional periods where the Ninety One Business considers it reasonably certain that it will exercise the extension options	71
	113,911
Less: total future interest expenses	(25,272)
Total lease liabilities recognised at 1 April 2019	88,639

The change in accounting policy affected the following items in the Combined Statement of Financial Position on 1 April 2019:

- right-of-use assets increased by £85.3 million;
- trade and other payables decreased by £3.3 million; and
- lease liabilities increased by £88.6 million.

(c) **Forthcoming standards applicable to the Ninety One Business**

There are new or revised accounting standards and interpretations in issue that are not yet effective. These include the following standards that are applicable to the Ninety One Business:

- Amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors align the wording of the definition of “material” across all IFRSs and the Conceptual Framework for Financial Reporting. It also clarifies when information is material and incorporates some of the guidance in IAS1 about immaterial information. The amendment is effective for annual periods beginning on or after 1 January 2020.
- Amendments to IFRS 3 Business combinations clarify that the definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term “outputs” is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendment is effective for annual periods beginning on or after 1 January 2020.

The Ninety One Business is in the process of making an assessment of what the impact of these amendments are expected to be in the period of initial application. So far the Ninety One Business has concluded that the adoption of them is unlikely to have a significant impact on the Combined HFI.

(d) **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in this Combined HFI, unless indicated otherwise.

Revenue

Policy applicable prior to 1 April 2018

Income is classified by the Ninety One Business as revenue when it arises from the provision of services in the ordinary course of Ninety One's business. Revenue excludes rebates, value added tax or other sales taxes. The Ninety One business' primary revenue components are shown as follows:

- management fees are recognised as services are rendered; and
- performance fees are recognised when they become receivable.

Policy applicable from 1 April 2018

Upon the effective date of IFRS 15 Revenue from contracts with customers (replacing IAS 18 Revenue), the Ninety One Business recognises revenue when or as it satisfies a performance obligation by transferring promised services to the customers, in an amount to which the Ninety One Business expects to be entitled in exchange for those services. The Ninety One Business includes variable consideration in revenue when it is no longer highly probable of significant reversal. Generally, the Ninety One Business is deemed to be the principal in the contracts because the Ninety One Business controls the promised services before they are transferred to customers, and accordingly presents the revenue gross of related costs.

- Management fees are recognised as the services performed over time and are primarily based on agreed percentages of the net asset values of the investment funds and segregated mandates.
- Performance fees are recognised on the crystallisation date (at a point in time) and are calculated on a percentage of the appreciation in the net asset value of investment funds and segregated mandates above a defined hurdle, taking into consideration the relevant basis of calculation for the investment funds and segregated mandates, and it is highly probable that it will not be subject to significant reversal.

Management fees and performance fees are both forms of variable consideration; however, there is no significant judgement or estimation involved as the transaction price is equal to the amount determined at the end of each measurement period or on the crystallisation date and is equal to the amount billed to the customer as per contractual agreements. Fees received from customers are generally not subject to returns or refunds.

All components of the Ninety One Business' revenue are revenue from contracts within the scope of IFRS 15. The Ninety One Business uses the output method to recognise revenue, applying the practical expedient that allows an entity to recognise revenue in the amount to which the entity has a right to invoice if that consideration corresponds directly with the value to the customer of the entity's performance completed to date.

The Ninety One Business' accounting policies under IAS 18 were aligned with the requirements of IFRS 15 in respect of revenue recognition; therefore, the adoption of IFRS 15 has not resulted in any changes to the way the Ninety One Business accounts for revenue or costs of sales and the adoption was not expected to have a significant impact on the Combined HFI.

Other income

Policy applicable prior to 1 April 2018

Interest income is recognised on an accrual basis.

Policy applicable from 1 April 2018

Interest income is recognised on an accrual basis using the effective interest method in accordance with the requirements of IFRS 9.

Commission expenses

Commissions and similar expenses payable to intermediaries are recognised when services are provided.

Leases

The Ninety One Business leases various offices for business purposes. Lease terms are negotiated on an individual basis and contain a wider range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Prior to the adoption of IFRS 16, all leases were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset with a corresponding liability at the date which the leased asset is available for use by the Ninety One Business. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of lease payments. The lease payments are discounted using the entity's incremental borrowing rate, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payment made at or before the commencement date less any lease incentives;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight-line basis over the estimated useful lives of property and equipment as follows:

Computer equipment	3 years
Fixtures and fittings	5 years
Leasehold improvements	Shorter of term of lease or useful economic life

The residual values, depreciation methods and useful lives are reassessed annually.

Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets are offset against deferred tax liabilities if they relate to income taxes levied by the same taxation authority on the same taxable entity.

Income taxes of the Ninety One Business were determined based on the assumption that the individual entities were separate taxable entities. Therefore, the current and deferred income taxes of all subsidiaries of the Ninety One Business are calculated separately and the recoverability of the deferred tax assets is also assessed accordingly.

Financial instruments

Recognition and de-recognition of financial instruments

Financial instruments are initially recognised at fair value on the statement of financial position when, and only when, the Ninety One Business becomes a party to the contractual provisions of the particular instrument. Financial assets are de-recognised when, and only when, the Ninety One Business transfers substantially all risks and rewards of ownership. Financial liabilities are de-recognised when, and only when, the obligations under the contract are discharged, cancelled or expire.

Classification and measurement of financial assets and financial liabilities

Policy applicable prior to 1 April 2018

Financial assets are classified under IAS 39 into held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at fair value through profit or loss (“**FVPL**”).

Investments designated at FVPL

Investments are designated at FVPL and consist of linked investments backing policyholder funds, holdings in pooled vehicles as part of the deferred compensation plan (explained further below), seed capital investments and the investment in unlisted investment vehicles. These investments are initially recognised at fair value and subsequently measured at FVPL. Contracts related to linked investments backing policyholder funds issued by the Ninety One Business do not qualify as insurance contracts as defined in IFRS 4 as there is no transfer of insurance risk. Therefore, these contracts are accounted under IAS 32 or IAS 39.

When available, the Ninety One Business measures the fair value of an instrument, such as interest-bearing investments, listed investments and investments in collective investment schemes and mutual funds, using the quoted price in an active market. If there is no quoted price in an active market, such as derivatives and unlisted equity investments, the fair value of these investments is determined by applying a generally accepted valuation technique.

Loans and receivables

Loans and receivables comprise trade and other receivables, cash and cash equivalents and amounts receivable from Investec and are measured at amortised cost using the effective interest method, less any impairment losses. Receivables with a short duration are not discounted.

Financial liabilities

Financial liabilities comprise policyholder investment contract liabilities, deferred compensation liabilities, other liabilities, trade and other payables and amounts payable to Investec. All financial liabilities, excluding policyholder investment contract liabilities and deferred compensation liabilities, are measured at amortised cost using the effective interest method. Policyholder investment contract liabilities and deferred compensation liabilities are held at fair value with movements in fair value recognised in the statement of comprehensive income. Policyholder investment contract liabilities are designated at fair value so as to avoid a mismatch in profit or loss between the policyholder investments linked to investment contracts and the policyholder investment contract liabilities.

Policy applicable from 1 April 2018

IFRS 9 supersedes IAS 39 and financial assets are classified into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“**FVOCI**”) and at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. The measurement categories for financial liabilities remain the same. The Ninety One Business applies the new expected credit loss (“**ECL model**”) to the financial assets measured at amortised cost. In measuring ECLs, the Ninety One Business takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

The ECL amount depends on the specific stage that the financial instrument has been allocated to within the ECL model which depends on whether there has been a significant increase in credit risk since initial recognition of the financial instrument, it is in default, or is considered to be credit impaired. ECL allowances are measured on either: (i) 12-month ECLs: that result from possible default events within the 12 months after the reporting date; or (ii) Lifetime ECLs: that result from all possible default events over the expected life of a financial instrument. The Ninety One Business considers a financial asset to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Ninety One Business in full, without recourse by the Ninety One Business to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due without reasonable expectation of recovery. The Ninety One Business applies the simplified approach in determining ECLs.

The adoption of IFRS 9 has not resulted in the amendment of any of the measurement categories for, or carrying amounts of, the Ninety One Business' financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and money market funds that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of non-financial assets

The carrying amounts of the Ninety One Business' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. At the reporting dates, there was no indication of impairment of any assets.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses. Amortisation in respect of computer software (software licences) is provided on the straight-line basis, over an estimated useful life of three to five years. Useful lives and residual values are reassessed annually. Subsequent expenditure relating to an item of intangible assets is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. Profits or losses on the disposal of intangible assets are recognised in profit or loss.

Pension schemes

The Ninety One Business operates a number of pension schemes, including defined benefit and defined contribution schemes. Payments to defined contribution schemes are charged as an expense as the employees render service.

Defined benefit pension obligations are calculated using the projected unit credit method. The net charge to the statement of comprehensive income mainly comprises the service cost and the net interest on the net defined benefit asset or liability, and is presented in operating expenses.

Remeasurements of the net defined benefit asset or liability, which comprise actuarial gains or losses, return on plan assets excluding interest and the effect of the asset ceiling (if any), are recognised in other comprehensive income. The net defined benefit asset or liability represents the present value of defined benefit obligations reduced by the fair value of plan assets, after applying the asset ceiling test, where the net defined benefit surplus is limited to the present value of available refunds and reductions in future contributions to the plan.

Share-based payment arrangements

Investec operates a share option scheme involving share options in Investec Limited and Investec plc. The share option scheme, which is on an equity settled basis, allows the employees of the Ninety One Business to acquire shares of Investec plc and Investec Limited. The fair value of options granted attributable to the Ninety One Business is recognised as an expense with a corresponding payment to the issuing companies for this expense, over the service vesting period during which the employees become unconditionally entitled to the options.

Long-term employee benefits

The obligation in respect of long-term employee benefits other than retirement benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. This future benefit relates to deferred compensation provided by the Ninety One Business to its employees, which the Ninety One Business invests in pooled vehicles managed by entities within the Ninety One Business. At the end of the specified vesting period, employees are entitled to an amount equal to the value of the investments held by the Ninety One Business. It is management's view that the most relevant measure of the employee benefit liability is, therefore, the fair value of the investments held by the Ninety One Business. The investments do not qualify as plan assets and are presented separately in the statement of financial position. The accounting policy for investments designated at fair value addresses the accounting treatment of these investments. As the nature of the scheme is that of an annual bonus award, the charge is booked in full in profit or loss at the time of the award.

Interests in structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The interests in unconsolidated structured entities are described in note 22.

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the Ninety One Business, and in respect of which the Ninety One Business has not agreed any additional terms with the holders of those interests which would result in the Ninety One Business as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. The Ninety One Business can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets, at initial recognition. Thereafter, non-controlling interests are measured using the proportionate share method. Non-controlling interests are presented in the combined statement of financial position within equity, separately from equity attributable to the equity shareholders of the Ninety One Business. Non-controlling interests in the results of the Ninety One Business are presented on the face of the combined statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Ninety One Business. Changes in the Ninety One Business' interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

Exceptional items

Exceptional items are defined as income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Ninety One Business and therefore are not expected to recur frequently or regularly. Exceptional items relate primarily to the costs incurred as part of the Demerger and separate listing of the Ninety One Business.

2. Segmental reporting

As an integrated global investment manager, the Ninety One Business operates a single-segment investment management business. All financial, business and strategic decisions are made centrally by the chief operating decision maker (the "CODM") of the Ninety One Business. The CODM is the chief executive officer of the Ninety One Business from time to time. Reporting provided to the CODM is on an aggregated basis which is used for evaluating the Ninety One Business' performance and the allocation of resources. Revenue is disaggregated by geographic location of contractual entities, as this best depicts how the nature, amount, timing and uncertainty of the Ninety One Business' revenue and cash flows are affected by economic factors. Non-current assets other than intangibles, investments, deferred tax assets and pension fund assets are allocated based on where the assets are physically located.

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
Revenue from external clients					
United Kingdom and Other	280,451	261,021	516,632	474,790	426,878
Southern Africa	95,810	89,843	179,942	187,291	163,264
Total	376,261	350,864	696,574	662,081	590,142
Performance fees included in revenue above	5,825	5,156	11,040	18,366	27,969
Revenue from external clients is stated gross of commission expense.					
Non-current assets					
United Kingdom and Other	6,673	2,803	5,082	1,310	1,566
Southern Africa	3,228	2,391	2,603	2,133	2,189
Total	9,901	5,194	7,685	3,443	3,755

3. Operating expenses

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
Staff costs (Note 3.1)	141,756	135,586	263,161	252,068	231,705
Operating lease expenses	–	4,373	11,667	8,327	7,914
Depreciation of right-of-use assets (Note 17)	5,190	–	–	–	–
Depreciation of property and equipment (Note 6)	1,115	821	1,985	1,865	1,756
Auditors' remuneration (Note 3.2)	592	662	1,233	1,063	1,063
Other operating expenses	62,603	58,308	115,660	98,249	90,552
Goodwill impairment (Note 7)	–	–	–	–	1,614
	211,256	199,750	393,706	361,572	334,604

3.1 Staff costs

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
Salaries, wages and other related costs	127,382	120,560	235,682	226,471	207,780
Share-based payments expense (Note 18)	634	1,631	2,366	2,082	3,005
Social security costs	8,928	8,989	16,729	15,968	14,080
Pension costs	4,812	4,406	8,384	7,547	6,840
	141,756	135,586	263,161	252,068	231,705

3.2 Average number of employees

The monthly average number of persons employed by the Ninety One Business during the six months ended 30 September 2019 (excluding 488 (31 March 2019: 506; 30 September 2018: 523; 31 March 2018: 569; 31 March 2017: 641) those employed by the Silica subsidiaries), including the directors, by activity is:

	For the six months ended 30 September		For the year ended 31 March		
	Number of employees		Number of employees		
	2019	2018	2019	2018	2017
Investment	248	235	238	229	222
Client Group and marketing	405	389	394	375	342
Operations and central services	491	451	462	430	401
	1,144	1,075	1,094	1,034	965

3.3 Auditors' remuneration

Fees payable to the auditors and their associates for audit and other services:

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
Audit of the subsidiaries of the Ninety One Business pursuant to legislation	285	276	552	508	473
Audit-related assurance services	144	144	290	207	198
Tax compliance services	47	48	81	70	81
Tax advisory services	14	33	56	21	48
Other assurance services	85	96	185	195	175
Other non-audit services	17	65	69	62	88
	592	662	1,233	1,063	1,063

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
4. Net interest income					
Interest income	2,428	2,828	5,745	5,566	5,867
Interest expense on lease liabilities (Note 17)	(1,394)	–	–	–	–
Other interest expense	(39)	(37)	(63)	(155)	(392)
	995	2,791	5,682	5,411	5,475

Interest income consists of interest on financial assets measured at amortised cost.

5. Income tax					
Current tax – current year	15,806	17,853	40,020	41,229	35,712
Current tax – adjustment for prior years	143	(224)	112	85	(31)
	15,949	17,629	40,132	41,314	35,681
Deferred tax – current year	3,655	945	(2,027)	(3,560)	(775)
Deferred tax – adjustment for prior years	–	–	49	(572)	263
Deferred tax – change in corporate tax rate	61	(286)	435	378	409
	3,716	659	(1,543)	(3,754)	(103)
	19,665	18,288	38,589	37,560	35,578

The UK tax rate was reduced from 20 per cent. to 19 per cent. (effective from 1 April 2017) and there will be a further reduction to 17 per cent. effective from 1 April 2020.

Reconciliation of effective tax rate

	For the six months ended 30 September		For the year ended 31 March		
	2019 %	2018 %	2019 %	2018 %	2017 %
	(Unaudited)				
Effective rate of taxation	21.4	19.9	21.6	21.1	21.8
Tax effect of non-deductible expenses	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)
Adjustment to tax charge in respect of prior year	(0.2)	0.2	(0.2)	0.1	(0.3)
Foreign tax credit relief	(0.7)	–	(0.3)	–	–
Effect of different tax rates applicable in foreign jurisdictions	(1.4)	(1.0)	(1.9)	(2.0)	(1.2)
United Kingdom standard tax rate	19.0	19.0	19.0	19.0	20.0

6. **Property and equipment**

	Leasehold improvements	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
As at 30 September 2019					
Cost					
Opening balance	6,092	12,061	1,280	35	19,468
Additions	1,623	942	699	–	3,264
Disposals	–	(3,811)	–	–	(3,811)
Exchange adjustment	99	53	(2)	–	150
Closing balance	7,814	9,245	1,977	35	19,071
Accumulated depreciation					
Opening balance	(1,317)	(9,494)	(937)	(35)	(11,783)
Depreciation	(153)	(849)	(113)	–	(1,115)
Disposals	–	3,811	–	–	3,811
Exchange adjustment	(55)	(24)	(4)	–	(83)
Closing balance	(1,525)	(6,556)	(1,054)	(35)	(9,170)
Closing net book value	6,289	2,689	923	–	9,901
As at 31 March 2019					
Cost					
Opening balance	2,050	12,506	2,010	38	16,604
Additions	4,391	1,970	144	–	6,505
Disposals	(369)	(1,632)	(766)	–	(2,767)
Exchange adjustment	20	(783)	(108)	(3)	(874)
Closing balance	6,092	12,061	1,280	35	19,468
Accumulated depreciation					
Opening balance	(1,301)	(10,279)	(1,543)	(38)	(13,161)
Depreciation	(405)	(1,469)	(111)	–	(1,985)
Disposals	411	1,685	605	–	2,701
Exchange adjustment	(22)	569	112	3	662
Closing balance	(1,317)	(9,494)	(937)	(35)	(11,783)
Closing net book value	4,775	2,567	343	–	7,685

	Leasehold improvements	Computer equipment	Fixtures and Fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
As at 31 March 2018					
Cost					
Opening balance	2,432	11,415	1,959	40	15,846
Additions	–	1,459	236	–	1,695
Disposals	(162)	(390)	(197)	(2)	(751)
Exchange adjustment	(220)	22	12	–	(186)
Closing balance	2,050	12,506	2,010	38	16,604
Accumulated depreciation					
Opening balance	(1,223)	(9,249)	(1,580)	(39)	(12,091)
Depreciation	(323)	(1,389)	(152)	(1)	(1,865)
Disposals	127	363	197	2	689
Exchange adjustment	118	(4)	(8)	–	106
Closing balance	(1,301)	(10,279)	(1,543)	(38)	(13,161)
Closing net book value	749	2,227	467	–	3,443
As at 31 March 2017					
Cost					
Opening balance	2,193	9,199	1,691	32	13,115
Additions	105	1,516	148	–	1,769
Disposals	(185)	(284)	–	–	(469)
Exchange adjustment	319	984	120	8	1,431
Closing balance	2,432	11,415	1,959	40	15,846
Accumulated depreciation					
Opening balance	(912)	(7,586)	(1,341)	(29)	(9,868)
Depreciation	(360)	(1,270)	(124)	(2)	(1,756)
Disposals	185	284	–	–	469
Exchange adjustment	(136)	(677)	(115)	(8)	(936)
Closing balance	(1,223)	(9,249)	(1,580)	(39)	(12,091)
Closing net book value	1,209	2,166	379	1	3,755

7. Intangible assets

	As at 30 September				As at 31 March			
	2019		2019		2018		2017	
	Software licences £'000	Goodwill £'000	Software licences £'000	Goodwill £'000	Software licences £'000	Goodwill £'000	Software licences £'000	Goodwill £'000
Cost								
Opening balance	385	27,200	1,124	30,751	1,496	30,486	1,408	24,189
Additions	44	–	8	–	165	–	97	–
Disposals	–	–	(652)	–	(551)	–	(375)	–
Exchange adjustment	1	153	(95)	(3,551)	14	265	366	6,297
Closing balance	430	27,353	385	27,200	1,124	30,751	1,496	30,486
Accumulated amortisation/impairment losses								
Opening balance	(361)	(27,200)	(992)	(30,751)	(1,387)	(30,486)	(1,344)	(22,939)
Amortisation/impairment	(29)	–	(49)	–	(144)	–	(68)	(1,614)
Disposals	–	–	596	–	551	–	375	–
Exchange adjustment	(1)	(153)	84	3,551	(12)	(265)	(350)	(5,933)
Closing balance	(391)	(27,353)	(361)	(27,200)	(992)	(30,751)	(1,387)	(30,486)
Closing net book value	39	–	24	–	132	–	109	–

8. Deferred taxation

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
<i>Deferred tax asset arising from:</i>				
Accelerated capital allowances	524	565	657	704
Employee benefits	8,135	9,963	10,125	10,865
Tax loss carried forward	3,040	803	1,324	437
Capital gains tax on fair value gains	(251)	(183)	(20)	(206)
Deferred compensation payments	10,483	14,177	12,659	9,147
Deferred income	–	–	–	46
Prepayment	(64)	(63)	(105)	(78)
	21,867	25,262	24,640	20,915
Opening balance	25,262	24,640	20,915	18,697
Deferred tax (credit)/charge to profit from operations	(3,716)	1,543	3,754	103
Deferred tax (credit)/charge to other comprehensive income:				
Deferred tax on revaluation of pension fund asset	249	404	(99)	498
Deferred tax on share options vested	5	(2)	(6)	(67)
Exchange adjustments	67	(1,323)	76	1,684
Closing balance	21,867	25,262	24,640	20,915
<i>Deferred tax liabilities arising from:</i>				
Deferred capital allowances	8	–	–	3
Unrealised capital gain	16,785	15,354	14,236	16,168
	16,793	15,354	14,236	16,171
Opening balance	15,354	14,236	16,171	13,643
Deferred tax charge to profit from operations	1,371	2,879	(2,005)	(788)
Exchange adjustment	68	(1,761)	70	3,316
Closing balance	16,793	15,354	14,236	16,171

9. **Linked investments backing policyholder funds**

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Quoted investments at fair value				
Equities	792,339	836,945	789,417	746,169
Interest-bearing stocks, debentures and other loans	1,775,975	1,760,498	1,855,945	1,576,330
	2,568,314	2,597,443	2,645,362	2,322,499
Unquoted investments at fair value				
Collective investment schemes	3,500,271	3,396,190	3,902,268	3,524,724
Mutual funds	1,304,601	1,125,398	755,226	865,946
Equities	4,931	4,854	587	3,920
Interest-bearing stocks, debentures and other loans	992,189	907,260	414,587	434,590
Derivatives	(16,136)	(12,919)	12,345	(4,943)
Cash and cash equivalents	246,612	155,433	693,861	533,055
	6,032,468	5,576,216	5,778,874	5,357,292
	8,600,782	8,173,659	8,424,236	7,679,791
Opening balance	8,173,659	8,424,236	7,679,791	5,793,360
Net fair value gains on linked investments backing policyholder funds	84,439	159,745	99,290	29,301
Net acquisition of linked investments backing policyholder funds	304,337	592,655	553,543	318,620
Exchange adjustment	38,347	(1,002,977)	91,612	1,538,510
Closing balance	8,600,782	8,173,659	8,424,236	7,679,791

10. **Investments**

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
<i>Non-current</i>				
Investments in unlisted investment vehicles	7,234	5,255	4,008	3,463
<i>Current</i>				
Deferred compensation investments	84,647	71,210	70,917	65,544
Investments in pooled vehicles	1,417	1,236	1,122	917
	86,064	72,446	72,039	66,461

11. Cash and cash equivalents and other cash flow information

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Cash at bank and on hand	92,830	82,578	76,019	74,805
Money Market Funds	137,614	186,663	232,315	196,782
	230,444	269,241	308,334	271,587

Cash balances within linked investments backing policyholder funds are not included as they are not due to the Ninety One Business.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Ninety One Business' liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the combined cash flow statement as cash flows from financing activities.

	Lease liabilities £'000
As at 31 March 2019	–
Impact on initial application of IFRS 16	88,639
Changes from financing cash flows:	
Principal elements of lease payments	(1,686)
Interest elements of lease payments	(1,394)
	(3,080)
Other changes:	
Increase in lease liabilities from entering into new leases during the period	772
Interest expenses	1,394
	2,166
Exchange adjustments	450
As at 30 September 2019	88,175

12. Equity (Net Assets)

The net assets of the Ninety One Business are derived by aggregating the net assets of IAM UK and IAM SA and their direct and indirect subsidiaries. The remaining changes in net assets relate to other equity components which include all remeasurements of the net obligation from defined benefit plans recognised in other comprehensive income and the effect of the translation of foreign subsidiaries.

Since the combined group does not have any share capital, earnings per share information is not presented.

13. **Policyholder investment contract liabilities**

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Opening balance	8,190,926	8,446,056	7,692,747	5,816,667
Net fair value change on policyholder investment contract liabilities	284,038	543,763	460,301	348,598
Investment income on linked investments backing policyholder funds	231,678	442,663	413,203	364,495
Net fair value gains on linked investments backing policyholder funds	84,439	159,745	99,290	29,301
Investment and administration expenses	(14,005)	(24,890)	(23,534)	(19,549)
Income tax expense – Policyholders' funds	(3,588)	(6,700)	(3,739)	(3,072)
Surplus transferred to shareholders	(14,486)	(27,055)	(24,919)	(22,577)
Contributions	509,288	929,973	994,488	1,760,462
Withdrawals	(399,969)	(723,455)	(793,509)	(1,777,592)
Exchange adjustment	38,348	(1,005,411)	92,029	1,544,612
	8,622,631	8,190,926	8,446,056	7,692,747

14. **Other liabilities**

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Non-current deferred compensation liabilities	48,941	44,862	59,069	59,495
Current deferred compensation liabilities	43,144	32,633	17,679	11,686
	92,085	77,495	76,748	71,181

The above liabilities include employer's National Insurance.

15. **Trade and other payables**

Employee-related payables	89,905	152,677	148,873	136,477
Trade payables	150,301	154,773	129,893	147,119
	240,206	307,450	278,766	283,596

16. Transactions with related parties

Transactions with key management personnel

The key management personnel of the Ninety One Business are defined as the directors of IAM UK and IAM SA.

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
<i>Remuneration paid to the key management personnel</i>					
Short-term employee benefits	567	3,003	8,173	10,061	8,776
Post-employment benefits	21	–	19	–	–

In addition to the directors' remuneration disclosed above, certain directors are not paid directly by the Ninety One Business but receive remuneration from Investec, in respect of their services to the larger group which includes the Ninety One Business.

Transactions with Investec

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
Interest income on deposit account – Investec Bank Limited	169	223	426	468	547
Administration fee expense	6,241	6,273	12,831	13,234	13,010

Balances with Investec

	As of 30 September	As at 31 March		
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Amounts payable to Investec	(3,839)	(3,723)	(3,184)	(3,696)
Current account with Investec Bank Limited	9,581	5,098	8,505	6,597
Current account with Investec Bank (Channel Islands) Limited	935	1,215	1,205	1,670

The current accounts with Investec Bank Limited and Investec Bank (Channel Islands) Limited earn interest at 6.3 per cent. (2019: 6.6 per cent. 2018: 6.3 per cent. 2017: 6.8 per cent.) and 0 per cent. (2019: 0 per cent. 2018: 0 per cent.; 2017: 0 per cent.) per annum respectively. Included in the amounts payable to Investec is an amount owing to Investec Bank Limited, interest is payable at Investec Bank Limited's prime rate plus one per cent. per annum, which is the same as the prior years.

Except for amounts disclosed above, all the other amounts outstanding are unsecured, interest free, due on demand and will be settled through the normal operations of the Ninety One Business.

Balance and transaction with Marathon Trust and Forty Two Point Two

As at 30 September 2019, Ninety One employees indirectly hold interest in the Ninety One Business through the Marathon Trust (the “**Trust**”) and Forty Two Point Two. The Trust owns 100 per cent. of Forty Two Point Two and Forty Two Point Two owns 19.9999 per cent. (31 March 2019: 19.9999 per cent. 31 March 2018: 17 per cent.; 31 March 2017: 16 per cent.) of the Ninety One Business. Forty Two Point Two has made an additional investment in Ninety One Business of one per cent. each financial year ended 31 March 2018 and 2017 and 2.9999 per cent. during the financial year ended 31 March 2019. The terms and conditions of the transaction were no more favourable than those available, or which might be expected to be available, on a similar transactions to non-related entities on an arm’s length basis.

17. Leases

17.1 Amount recognised in the balance sheet applying IFRS 16

	As at 30 September 2019 £’000
<i>Right-of-use assets</i>	
Office premises	81,286
Additions to the right-of-use assets during the six months ended 30 September 2019 were £772,000.	
<i>Lease liabilities</i>	
Current	7,783
Non-current	80,392
	88,175

The following table shows the remaining contractual maturities of the Ninety One Business’ lease liabilities at the end of the current reporting period:

	As at 30 September 2019	
	Present value of the minimum lease payments £’000	Total minimum lease payments £’000
Within one year	7,783	5,474
Between one and five years	18,835	29,176
Between five and 10 years	61,557	77,458
	88,175	112,108

17.2 Amount recognised in the statement of profit or loss applying IFRS 16

	For the six months ended 30 September
	2019 £'000
Depreciation charge of right-of-use assets	5,190
Interest expense on lease liabilities	1,394

The total cash outflow for leases during the six months ended 30 September 2019 was £3.1 million. As at 30 September 2019, the Ninety One Business was committed to enter into a lease for an office in Durban of five years that has not yet commenced, the lease payments under which will amount to £37,000 per annum.

17.3 For each of the previous reporting periods, commitments for minimum lease payments in relation to non-cancellable operating leases were payable as follows:

	As at 31 March		
	2019 £'000	2018 £'000	2017 £'000
Within one year	5,890	7,220	7,181
Between one and five years	26,407	11,079	15,527
Between five and 10 years	81,543	714	1,830
	113,840	19,013	24,538

18. Share-based payments

Employees of the Ninety One Business participated in the share-based payment program of Investec. Investec operates a share option scheme for employees, which is on an equity-settled basis. The purpose of the staff share option scheme is to promote an "esprit de corps" within the organisation, create an awareness of performance and provide an incentive to maximise individual and Investec performance by allowing staff to share in the risks and rewards of Investec. For the purposes of the Combined HFI, the expenses arising from share-based payments were recognised in the financial statements of those Ninety One entities which incurred the expenses. Further information on the share options and long-term incentive plans are provided in the remuneration report of the combined consolidated financial statements of Investec plc and Investec Limited for the years ended 31 March 2019, 2018 and 2017 and for the six months ended 30 September 2019.

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
<i>(Unaudited)</i>					
Expense charged to statement of comprehensive income:					
Equity-settled	634	1,631	2,366	2,082	3,005
Fair value of share options at grant date, granted in the year/ period	1,274	1,116	1,203	3,534	1,625

UK schemes								
As at 30 September					As at 31 March			
	2019		2019		2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at start of the year/period	308,274	£0.13	320,229	£0.24	292,516	£0.24	580,508	£0.31
Relocation of employees during the year/period	–	£–	1,068	£–	(1,600)	£–	(250)	£–
Granted during the year/period	389,354	£–	113,560	£–	143,557	£0.27	50,080	£–
Exercised during the year/period	(11,590)	£–	(106,753)	£0.23	(92,606)	£0.34	(299,082)	£0.11
Lapsed during the year/period	(23,638)	£0.31	(19,830)	£0.76	(21,638)	£–	(38,740)	£1.92
Outstanding at end of the year/period	662,400	£0.05	308,274	£0.13	320,229	£0.24	292,516	£0.24
Exercisable at end of year/period	1,650	£5.87	4,860	£–	2,996	£–	1,250	£–
South African schemes								
As at 30 September					As at 31 March			
	2019		2019		2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at start of the year/period	803,416	R–	1,184,359	R–	1,793,130	R–	1,983,736	R–
Relocation of employees during the year/period	(20,965)	R–	10,396	R–	2,870	R–	(16,288)	R–
Granted during the year/period	–	R–	115,722	R–	524,702	R–	264,738	R–
Exercised during the year/period	(29,672)	R–	(456,346)	R–	(949,267)	R–	(411,118)	R–
Lapsed during the year/period	(21,275)	R–	(50,715)	R–	(187,076)	R–	(27,938)	R–
Outstanding at end of the year/period	731,504	R–	803,416	R–	1,184,359	R–	1,793,130	R–
Exercisable at end of year/period	–	R–	14,508	R–	6,089	R–	750	R–

The exercise price range and weighted average remaining contractual life for share options outstanding at year/period end were as follows:

	UK Schemes				South African Schemes			
	As at 30 Sept- ember	As at 31 March			As at 30 Sept- ember	As at 31 March		
	2019	2019	2018	2017	2019	2019	2018	2017
Exercise price range	£0 – £5.87	£0 – £5.87	£0 – £5.87	£0 – £5.72	R–	R–	R–	R–
Weighted average remaining contractual life (years)	3.51	2.21	2.43	2.01	1.66	2.15	2.26	1.50

	UK Schemes				South African Scheme			
	As at 30 Sept- ember	As at 31 March			As at 30 Sept- ember	As at 31 March		
	2019	2019	2018	2017	2019	2019	2018	2017
Share price at date of grant	£4.79	£5.59	£5.03 – £5.87	£4.71 – £5.20	n/a	R90.96 – R92.55	R94.94 – R97.45	R89.97 – R105.30
Exercise price	£0	£0	£nil, £5.87	£nil	n/a	Rnil	Rnil	Rnil
Expected volatility	n/a	n/a	28.54% 4.75 –	n/a 4.75 –	n/a	n/a	n/a	n/a 4.5 –
Option life	7 years	4.75 years	5 years	5 years	n/a	4.75 years	4.75 years	5 years
Expected dividend yields	n/a	n/a	5.59%	n/a	n/a	n/a	n/a	n/a
Risk-free rate	n/a	n/a	0.62%	n/a	n/a	n/a	n/a	n/a

The expected volatility is based on the respective share price movement over the last six months but also includes an element of forward expectation.

The Demerger will not cause an accelerated vesting of the existing share schemes. Share awards held by Ninety One Business' employees under the existing share schemes will continue on their vesting schedule. Upon the completion of the Demerger, the shares awards under the existing share schemes will refer to both Investec's and Ninety One's shares.

19. Pension schemes

Defined benefit schemes

- The Ninety One Business participated in the Guinness Mahon Group Pension Scheme, which was a non-contributory defined benefit scheme, and its assets were held in separate trustee administered funds. During the year of 2018, this scheme entered into a buy out with the assets and liabilities being transferred to the insurer Aviva. Members now receive their pension from Aviva and the Ninety One Business has no remaining liability relating to this scheme.
- The Ninety One Business participates in the Investec Asset Management Pension Scheme (the "**Scheme**"), which is a closed defined benefit scheme. The Scheme is a registered defined benefit final salary scheme subject to the UK regulatory framework for pensions and is administered by the trustee with their assets held separately from those of the Ninety One Business. The trustees are required by the Trust Deed to act in the best interest of the scheme participants. The Scheme was funded by contributions from the Ninety One Business in accordance with an independent actuary's recommendation based on actuarial valuations. The latest independent actuarial valuations of the Scheme were at 30 September 2019 by qualified independent actuaries. There is no restriction to the amount of surplus that can be recognised as the Ninety One Business has the right to a refund of the surpluses, assuming the gradual settlement of the Scheme over time until all members have left the Scheme. The Scheme exposes the Ninety One Business to actuarial risks, such as interest rate risk, investment risk and longevity risk.

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
The pension fund (obligation)/asset in respect of the Scheme is as follows:				
Investec Diversified Growth Fund	9,090	8,893	18,653	21,637
Investec Cautious Managed Fund	8,839	8,712	–	–
Trustees' bank account	68	185	80	12
Total fair value of plan assets	17,997	17,790	18,733	21,649
Present value of obligation	(19,330)	(17,610)	(16,108)	(19,574)
Pension fund (obligation)/asset recognised in the combined statement of financial position	(1,333)	180	2,625	2,075

Investec Diversified Growth Fund and Investec Cautious Managed Fund are managed funds, which invest primarily in a globally diversified portfolio of assets, mainly consisting of global equities, bonds issued by governments, physical gold and silver bullion and money market instruments. The funds are quoted in an active market and their underlying investments are either level 1 or level 2 investments.

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
<i>Movements in plan assets:</i>				
Plan assets at the beginning of the year	17,790	18,733	21,649	21,971
Benefits paid including expenses	(249)	(609)	(3,550)	(1,934)
Interest income	211	487	505	726
Return on plan assets, excluding interest income	245	(821)	129	886
Plan assets at the end of the year	17,997	17,790	18,733	21,649

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
<i>Movements in the present value of the defined benefit obligation:</i>				
Obligations at the beginning of the year	17,610	16,108	19,574	17,275
Actuarial (gains)/losses arising from changes in demographic	–	(290)	94	–
Actuarial losses/(gains) arising from changes in financial assumptions	1,711	1,847	(546)	3,553
Benefits paid including expenses	(249)	(609)	(3,550)	(1,934)
Interest cost	209	420	455	568
Administration costs	49	134	81	112
Obligations at the end of the year	19,330	17,610	16,108	19,574
<i>Amounts recognised in the combined statement of comprehensive income are as follows:</i>				
Net interest on net defined benefit asset	2	67	50	158
Actuarial (losses)/gains	(1,711)	(1,557)	452	(3,553)
Return on plan assets, excluding interest income	245	(821)	129	886
Total defined benefit (costs)/income	(1,464)	(2,311)	631	(2,509)
	As at 30 September		As at 31 March	
	2019	2019	2018	2017
The major assumptions used were:				
Inflation assumption	3.1%	3.3%	3.2%	3.2%
Rate of increase in pensions in payment for post 1997 service	3.1%	3.2%	3.1%	3.2%
Rate of increase in pensionable salaries	3.1%	3.3%	3.2%	3.2%
Discount rate	1.8%	2.4%	2.7%	2.5%

The defined benefit obligations are not expected to be materially different as a result of a 0.25 per cent. change in the above major assumptions. This sensitivity assessment is based on the assumption that changes in actuarial assumptions are not correlated and, therefore, it does not take into account the correlations between the actuarial assumptions.

20. Financial risk management and fair values of financial instruments

The Ninety One Business has exposure to credit and liquidity risk which arises in the normal course of the business. The Ninety One Business is also exposed to market risk arising from its financial instruments.

This note presents information about the Ninety One Business' exposure to each of the above risks and the objectives, policies and processes for measuring and managing risk.

The management of the Ninety One Business has overall responsibility for the establishment and oversight of the risk management framework. The Ninety One Business' Risk Committee, which is responsible for developing and monitoring the Ninety One's risk management policies, reports quarterly to management on its activities.

Ninety One's risk management policies are established to identify and analyse the risks faced by the Ninety One Business, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Risk Committee meets once every two months and risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Ninety One Business' activities.

The Audit Committee oversees how management monitors compliance with Ninety One's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Ninety One Business. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Policyholders' assets and liabilities

The Ninety One Business has no credit or market risk related to policyholders' investments and trade and other receivables as they are matched by the liability that Ninety One has to its policyholders for the value of these assets. Therefore, the credit and market risk disclosure in the remainder of this note only deals with the financial risks related to non-policyholder financial assets.

Credit risk

Credit risk is the risk of financial loss to the Ninety One Business if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Ninety One Business' trade receivables. The Ninety One Business' credit risk arising from cash and cash equivalents is limited because the counterparties are reputable banks or financial institutions with a minimum credit rating of Ba1 or BB+ assigned by Moody's and S&P, respectively, for which the management of the Ninety One Business considers to have low credit risk. The maximum exposure to credit risk is represented by the carrying value of trade receivables and cash and cash equivalents.

The Ninety One Business has no significant concentrations of credit risk with respect to trade receivables as the client bases are widely dispersed in different sectors and industries. Aging of trade receivables at year/period end was:

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Less than 30 days	200,108	226,387	200,266	206,706
Between 30 and 90 days	4,713	4,439	3,844	1,632
More than 90 days	90	97	171	46
	204,911	230,923	204,281	208,384

Outstanding balances are aged monthly and long outstanding balances are actively followed up. Prior to 1 April 2018, an impairment loss was recognised only when there was objective evidence of impairment.

Expected credit losses (“ECL”)

Effective 1 April 2018, the Ninety One Business applies the IFRS 9 simplified approach to measuring ECL for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are determined by grouping together trade receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions. While cash and cash equivalents are also subject to the impairment requirement of IFRS 9, the identified impairment loss was immaterial.

Expected loss rates are based on the payment profiles of trade receivables over the preceding 10 years and the corresponding historical credit losses experienced within this period. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Ninety One Business’ view of economic conditions over the expected lives of the receivables.

The ECL is considered insignificant as the results of the assessment showed an insignificant impact, therefore, no loss allowance has been provided for the year ended 31 March 2019 and the six months ended 30 September 2019.

The Ninety One Business considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganisation.

Trade receivables are written off when it is considered credit impaired or there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Ninety One Business after the contractual payment has been past due. The Ninety One Business has not written off any trade receivables for the Track Record Period.

Liquidity risk

Liquidity risk is the risk that the Ninety One Business will not be able to meet its financial obligations as they fall due. The Ninety One Business’ approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The maximum exposure to liquidity risk is represented by current financial liabilities which are contractually due on demand. All amounts are unsecured and interest free.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Ninety One Business’ income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

The Ninety One Business is exposed to currency risk in the ordinary course of business on portions of its trade receivables, amounts payable to Investec, cash and cash equivalents and trade payables. Foreign currency exchange rate fluctuations may create unpredictable earnings and cash flow volatility. Entities within the Ninety One Business conducting business with international counterparties that leads to future cash flows denominated in a currency other than their functional currencies are exposed to the risk from changes in foreign currency exchange rates. Outstanding amounts are regularly monitored and settled to mitigate currency exposures. The risk is also mitigated by, as far as possible, closing all types of business transactions mainly in the functional currency.

Effects of foreign currency translation

The financial statements of those entities located outside of the United Kingdom are translated into GBP for the preparation of the Combined HFI of the Ninety One Business. Investments in foreign-based operations are permanent and that reinvestment is continuous. Effects from foreign currency exchange rate fluctuations on the translation of net asset amounts into GBP are reflected in the combined equity position.

Cash flow sensitivity analysis

At the six months ended 30 September 2019, if the functional currencies of respective foreign entities had strengthened by 10 per cent. profit before tax of the Ninety One Business would have decreased by: £3,301,000; (31 March 2019: £1,057,000; 31 March 2018: £1,954,000; 31 March 2017: £3,041,000). A 10 per cent. weakening would have had the equal but opposite effect. Results of the analysis represent an aggregation of the instantaneous effects on each of the Ninety One entities' profit before tax. Differences from the translation of the financial statements of foreign operations into Ninety One's presentation currency are excluded.

Interest rate risk

The Ninety One Business adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis as virtually all such exposures are short-term in nature. At year/period end, the Ninety One Business' only interest-bearing financial instruments were cash and cash equivalents, which are variable rate instruments. This was also the case at the previous year-ends.

Sensitivity analysis

An increase of 10 basis points in interest rates at the six months ended 30 September 2019 would have increased profit before tax by: £223,000 (31 March 2019: £271,000; 31 March 2018: £305,000; 31 March 2017: £257,000). A decrease of 10 basis points in interest rates at year end would have had the equal but opposite effect. This assumes that all other variables remain constant and the year-end balance has been constant throughout the year. The analysis is performed on the same basis for the prior year/period.

Price risk

The financial instruments of the Ninety One Business subject to price risk are its deferred compensation investments, investment in unit trusts which are seed capital investments and the investment in unlisted investment vehicles. As the Ninety One Business' deferred compensation investments are matched by the liability the Ninety One Business has to its employees for the value of these investments, there is no impact to the statement of comprehensive income for changes in the values of these investments. Price risk on seed capital investments is not deemed to be significant as the holding in the investments are small. The investment in unlisted investment vehicles are unquoted investments, and changes in market conditions will not directly affect the profit or loss for the period/year.

Capital management

The capital of the Ninety One Business is considered to be its total equity less deferred tax assets and the pension fund asset. The Ninety One Business' policy is to retain sufficient capital on hand to meet the external minimum capital requirements of the Financial Conduct Authority ("**FCA**") and certain overseas financial regulators. All regulated entities within the Ninety One Business complied with the externally imposed regulatory capital requirements. Surplus capital is returned to shareholders on a regular basis. There were no changes in the approach to capital management during the year/period.

Fair value measurements

The fair values of all financial instruments are substantially similar to carrying values reflected in the statement of financial position as they are short-term in nature, subject to variable, market-related interest rates or stated at fair value in the statement of financial position. The Ninety One Business measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques, where all significant inputs are, directly or indirectly, observable from market data.

Level 3: Valuation techniques where one or more significant inputs are unobservable.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 September 2019				
Deferred compensation investments	84,647	–	–	84,647
Investments in pooled vehicles	1,417	–	–	1,417
Unlisted investment vehicle	–	–	7,234	7,234
Investments backing policyholder funds	2,568,314	5,983,697	48,771	8,600,782
Policyholder investment contract liabilities	(2,568,314)	(6,005,546)	(48,771)	(8,622,631)
	86,064	(21,849)	7,234	71,449
As at 31 March 2019				
Deferred compensation investments	71,210	–	–	71,210
Investments in pooled vehicles	1,236	–	–	1,236
Unlisted investment vehicle	–	–	5,255	5,255
Investments backing policyholder funds	2,597,443	5,568,725	7,491	8,173,659
Policyholder investment contract liabilities	(2,597,443)	(5,585,992)	(7,491)	(8,190,926)
	72,446	(17,267)	5,255	60,434
As at 31 March 2018				
Deferred compensation investments	70,917	–	–	70,917
Investments in pooled vehicles	1,122	–	–	1,122
Unlisted investment vehicle	–	–	4,008	4,008
Investments backing policyholder funds	2,645,362	5,757,494	21,380	8,424,236
Policyholder investment contract liabilities	(2,645,362)	(5,779,314)	(21,380)	(8,446,056)
	72,039	(21,820)	4,008	54,227
As at 31 March 2017				
Deferred compensation investments	65,544	–	–	65,544
Investments in pooled vehicles	917	–	–	917
Unlisted investment vehicle	–	–	3,463	3,463
Investments backing policyholder funds	2,322,499	5,357,292	–	7,679,791
Policyholder investment contract liabilities	(2,322,499)	(5,370,248)	–	(7,692,747)
	66,461	(12,956)	3,463	56,968

During the Track Record Period, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Ninety One Business' policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

Unlisted investment vehicle represents the Ninety One Business' investment in Investec Africa Private Equity Fund 2 GP LP. The input used in measuring its fair value is the audited net asset value of the underlying investment which is calculated by the General Partner.

Investments backing policyholder funds/policyholder investment contract liabilities include derivatives that are not actively traded and the principal input in their valuation (i.e. credit spreads) are unobservable. Accordingly, an alternative valuation methodology has been applied being either an EBITDA multiple or expected cost recovery. A sensitivity analysis has not been presented as the "stressing" of the significant unobservable inputs applied in the valuation does not have a material impact on the Combined HFI.

The movements during the period/year in the balance of the level 3 fair value measurements are as follows:

	As at 30 September		As at 31 March	
	2019 £'000	2019 £'000	2018 £'000	2017 £'000
Opening balance	5,255	4,008	3,463	1,561
Purchase of investments	1,891	959	957	1,651
Unrealised gain/(loss) on investments	88	288	(412)	251
Closing balance	7,234	5,255	4,008	3,463

21. Commitments

The Ninety One Business has a USD 20.0m private equity investment commitment to the Investec Africa Frontier Private Equity Associate Fund L.P. of which USD 18.3m (31 March 2019: USD 18.2m; 31 March 2018: USD 18.1m; 31 March 2017: USD 18.1m) has been paid, USD 7.6m (equivalent to £6.2m) remains receivable as at 30 September 2019 and is included in trade and other receivables. The Ninety One Business also has a USD 10.5m (31 March 2019: USD 10.5m; 31 March 2018: USD 10.5m; 31 March 2017: USD 10.4m) private equity investment commitment to the Investec Africa Private Equity Fund 2 GP LP of which USD 8.3m (31 March 2019: USD 7.0m; 31 March 2018: USD 5.8m; 31 March 2017: USD 4.3m) has been paid as at 30 September 2019. This amount has been classified as a non-current investment.

22. Interests in unconsolidated structured entities

The Ninety One Business has concluded that the mutual funds and investment trusts managed by the Ninety One Business are structured entities. The table below describes the types of structured entities that the Ninety One Business does not consolidate but in which it holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Ninety One Business
Mutual funds and investment trusts	To manage assets on behalf of investors and generate fees for the investment manager. These vehicles are financed through the issue of shares or units to investors.	(i) Shares or units issued by the funds or trusts (ii) Management fee and performance fee

The table below sets out interests held by the Ninety One Business in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held and management fee receivables.

	Number of funds	AUM of the funds	Carrying amount included in the combined statement of financial position	Investment management and performance fee for the period/year	Management/ performance fees receivable as at period/ year end
		£'billion	£'000	£'000	£'000
As at 30 September 2019	143	64	139,031	204,711	36,885
As at 31 March 2019	146	58	187,899	376,739	34,139
As at 31 March 2018	131	54	233,437	354,215	32,825
As at 31 March 2017	132	49	197,699	309,170	29,596

During the year/period, the Ninety One Business did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

23. Financial metrics

Headline earnings

Headline earnings has been calculated and is disclosed in accordance with the JSE Listings Requirements, and in terms of circular 4/2018 issued by the South African Institute of Chartered Accountants. Disclosure of headline earnings is not a requirement of IFRS, but it is a commonly used measure of earnings in South Africa that is more closely aligned to the operating activities of the entity. The items excluded from the calculation of headline earnings meet the definition of separately identifiable remeasurements as defined in circular 4/2018. The table below reconciles the profit for the financial year/period to headline earnings:

	For the six months ended 30 September		For the year ended 31 March		
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2017 £'000
	(Unaudited)				
Total earnings	72,279	73,838	139,814	140,485	127,630
Impairment of goodwill	–	–	–	–	1,614
Impairment of investment in associate	–	–	42	2,429	–
Gain on disposal of property and equipment	–	–	–	(47)	–
Share of non-controlling interests	(282)	(284)	(536)	(211)	(654)
Gain on disposal of subsidiary	–	(597)	(597)	–	–
Headline earnings	71,997	72,957	138,723	142,656	128,590
Net tangible asset value					
The net tangible assets of the Ninety One Business are reflected as below:					
Total equity	202,377	208,642	195,644	211,612	196,617
Less: Intangible assets	(39)	(43)	(24)	(132)	(109)
Net tangible asset value	202,338	208,599	195,620	211,480	196,508

24. List of subsidiaries and associated companies

	Country of incorporation	Equity interest in %			
		As at 30 September		As at 31 March	
		2019	2019	2018	2017
Investec Asset Management Limited	United Kingdom				
Direct subsidiaries of Investec Asset Management Limited					
Investec Asset Management Guernsey Limited	Guernsey	100	100	100	100
Investec Fund Managers Limited	United Kingdom	100	100	100	100
Investec Asset Management North America Inc	United States	100	100	100	100
Investec Asset Management Luxembourg S.A.	Luxembourg	100	100	100	100
Investec Asset Management Switzerland GmbH	Switzerland	100	100	100	100
Indirect subsidiaries/associated companies of Investec Asset Management Limited					
Growthpoint Investec African Property Management Limited ⁽¹⁾	Guernsey	47	47	50	100
Guinness Flight (Guernsey) Nominees Limited ⁽²⁾	Guernsey	–	100	100	100
Investec Africa Frontier Private Equity Fund GP Limited	Guernsey	100	100	100	100
Investec Africa Private Equity Fund 2 GP Limited	Guernsey	100	100	100	100
Investec Asset Management Australia Proprietary Limited	Australia	100	100	100	100
Investec Asset Management Hong Kong Limited	Hong Kong	100	100	100	100
Investec Asset Management Singapore Pte Limited	Singapore	100	100	100	100
Growthpoint Investec African Properties Co-Invest GP Ltd ⁽³⁾	Guernsey	100	100	100	–
Growthpoint Investec African Properties Co-Invest LP	Guernsey	100	100	100	–
Investec Africa Credit Opportunities Fund 2 GP S.a r.l. ⁽⁴⁾	Luxembourg	100	100	–	–
GIAP Manco Empowerment Limited ⁽⁵⁾	Guernsey	50	50	–	–
Investec Asset Management Taiwan Limited ⁽⁶⁾	Taiwan	–	–	100	100
Investec Asset Management Holdings Proprietary Limited	South Africa				
Direct subsidiaries of Investec Asset Management Holdings Proprietary Limited					
Investec Alternative Investments GP Proprietary Limited	South Africa	100	100	100	100
Investec Alternative Investments Proprietary Limited ⁽⁷⁾	South Africa	–	–	–	100
Investec Asset Management Namibia (Proprietary) Limited	Namibia	85	85	85	85
Investec Asset Management Proprietary Limited	South Africa	100	100	100	100
Investec Assurance Limited	South Africa	100	100	100	100
Investec Fund Managers Namibia Limited	Namibia	85	85	85	85
Investec Fund Managers SA (RF) Proprietary Limited	South Africa	100	100	100	100
Investec Asset Management Botswana (Proprietary) Limited	Botswana	70	70	70	70
Investec Investment Management Services Proprietary Limited	South Africa	100	100	100	100
Silica Holdings Proprietary Limited	South Africa	100	100	100	100

	Country of incorporation	Equity interest in %			
		As at 30 September		As at 31 March	
		2019	2019	2018	2017
Indirect subsidiaries of Investec Asset Management Holdings Proprietary Limited					
Grayston Nominees Proprietary Limited	South Africa	100	100	100	100
Investec Fund Managers Botswana (Proprietary) Limited	Botswana	70	70	70	70
Silica Financial Administration Solutions Proprietary Limited	South Africa	100	100	100	100
Silica Administration Services Proprietary Limited	South Africa	100	100	100	100
Silica Software Solutions Proprietary Limited	South Africa	100	100	100	100
Silica Nominees Proprietary Limited	South Africa	100	100	100	100

Notes:

- (1) During the financial year of 2018, the company issued additional shares resulting in a decrease in IAM UK's percentage holding to 50 per cent. and is, therefore, no longer considered a subsidiary. It was classified as an investment in an associate for the financial year 2018 and onward. During the financial year of 2019, IAM UK further transferred 3.5 per cent. of its indirect holding to GIAP Manco Empowerment Limited.
- (2) The subsidiary was dissolved on 3 September 2019.
- (3) The subsidiary was incorporated on 19 March 2018.
- (4) The subsidiary was incorporated on 21 February 2019.
- (5) The company was incorporated on 28 September 2018. It was classified as investment in associate for the financial year ended 2019.
- (6) The company completed its liquidation process in the financial year ended 2019.
- (7) The company was deregistered on 19 March 2018.

REGULATORY OVERVIEW

The Group is subject to regulation by various regulatory bodies across the jurisdictions in which it operates. The nature and extent of applicable regulation varies from jurisdiction to jurisdiction, but typically requires companies carrying out specified activities to obtain and maintain authorisation from one or more regulators to carry on those activities and, consequently, to comply with various prudential and conduct of business rules, among other requirements. Regulators also typically require the persons who control authorised firms to obtain and maintain approval to act as a controller.

This section is intended to provide an overview of certain principal regulations to which particular Group members will be subject if carrying on certain regulated activities in the United Kingdom, in EEA Member States or in South Africa. This overview is not intended to be a comprehensive description of all the regulatory requirements to which Group members are subject in every jurisdiction and should be read in conjunction with the rest of this document.

Aside from the jurisdictions described above, the Group also includes entities that are regulated by the appropriate regulator in the jurisdictions indicated below:

Jurisdiction	Regulator(s)
Australia	Australian Securities and Investments Commission
Botswana	Non-Bank Financial Institutions Regulatory Authority Botswanan Accounting Oversight Authority
Guernsey	Guernsey Financial Services Commission
Hong Kong	Hong Kong Securities and Futures Commission
Luxembourg	Commission de Surveillance du Secteur Financier
Namibia	Namibia Financial Institutions Supervisory Authority
Singapore	Monetary Authority of Singapore
US	Securities and Exchange Commission

Although the regulatory requirements and approach of regulators would be expected to be broadly similar across jurisdictions, there may be significant differences compared with the regulatory requirements in the United Kingdom or South Africa. As the majority of the Group's business is carried out by IAM UK in the United Kingdom and IAM SA in South Africa, this section provides an overview of the regulation applicable to the Group's business carried out by those entities.

1. Regulatory framework applicable to IAM UK

There are five English incorporated entities in the Group: Ninety One plc, IAM Global, IAM International, IAM UK and IFML. The Group's business involves carrying out a range of activities that are regulated activities in the United Kingdom. These regulated activities are carried out by IAM UK and IFML, each of which is duly authorised by the FCA and has appropriate permissions in respect of the activities it undertakes. Full details of the permissions and associated client types for each of IAM UK and IFML can be found in the UK Financial Services Register maintained by the FCA.

1.1 Summary of regulatory requirements in the United Kingdom

The FSMA sets out the framework for the regulation of the UK financial services industry. Responsibility for financial services regulation is split between the FCA, the Prudential Regulation Authority (the "PRA") and the Bank of England.

The FCA is the independent conduct of business regulator and is broadly responsible for: (i) regulating standards of conduct in the retail and wholesale markets; (ii) supervising trading infrastructures that support those markets; (iii) the authorisation and prudential regulation of non-PRA authorised firms; and (iv) regulating consumer credit. The FCA has the strategic objective of ensuring the retail and wholesale markets function well and has operational objectives focused on market integrity, consumer protection and effective competition.

The PRA is a subsidiary of the Bank of England and was established as the regulator responsible for the authorisation and prudential regulation and supervision of institutions that manage significant risks on their balance sheets, including banks, building societies, credit unions, insurers and major investment firms.

The Bank of England is responsible for the regulation of systemically important clearing, payment and settlement infrastructure.

The Group is required to comply with the FSMA (and various pieces of secondary legislation made under it), other relevant UK legislation, directly applicable EU legislation, the FCA Handbook of Rules and Guidance (the “**FCA Handbook**”) and certain other requirements. The rules and guidance in the FCA Handbook are contained in a number of sourcebooks. Key sourcebooks include: Principles for Businesses, the Senior Management Arrangements, Systems and Controls Sourcebook, the Conduct of Business Sourcebook and the Client Assets Sourcebook.

The points set out below comprise a summary of some of the requirements that apply to firms in the United Kingdom that are regulated by the FCA, such as the Group. This is a very high-level summary, however, and should not be taken as a comprehensive description of the regulatory requirements to which the Group is subject in the United Kingdom.

- 1.1.1 **Prudential supervision.** The FCA supervises IFML and IAM UK with respect to its prudential requirements (rather than the PRA, which supervises banks and certain designated investment firms). Prudential capital and liquidity requirements apply on both an individual basis (i.e. to an authorised firm based on its own situation) and at least for capital, on a consolidated basis (i.e. the consolidated capital requirement is determined based on the regulatory consolidation group of which the relevant authorised firm which triggers the consolidation requirement (in this case, IAM UK) forms part, see further paragraph 1.1.10 below). Each authorised firm is required to submit various periodic returns to demonstrate compliance with certain prudential requirements applicable to it.
- 1.1.2 **Conduct rules.** IFML and IAM UK must follow detailed and comprehensive conduct of business rules and guidance that deal with various aspects of dealing with clients, such as client categorisation, communicating with clients, client agreements, best execution of client orders and preparing product information and providing such information to clients.
- 1.1.3 **Client money and assets.** IFML is authorised to hold client money; IAM UK is not authorised to do so. Client assets and client money held on behalf of a client are generally deemed to be held by authorised firms on trust. Firms are required under the FCA Handbook to hold such assets and money separately from the firm’s own assets and funds and are also required to put systems and controls in place so that firm holdings of client assets and funds are recorded effectively.
- 1.1.4 **Market abuse.** The FCA has wide powers to combat and uncover market abuse, which includes insider dealing, improper disclosure, misuse of information, manipulating transactions or devices, dissemination and misleading behaviour and distortion. The FCA has wide investigatory powers and also has powers to take action against firms and individuals engaging in abusive practices. The FCA’s rules relating to market abuse apply in conjunction with the Market Abuse Regulation (“**MAR**”), as described in paragraph 1.4 below.
- 1.1.5 **Senior managers and certified persons.** An authorised firm is required to obtain approval from the FCA in respect of individuals who carry on specific senior management functions such as executive directors and individuals that have responsibility for compliance. The FCA will only approve an individual to undertake a senior management function if that individual is assessed and determined to be a fit and proper person. In order to approve a person as fit and proper, the FCA must be satisfied as to the person’s honesty, integrity and reputation, competence and capability for the role that the person is to assume in the firm as well as their financial soundness. For other employees who perform roles with the potential to cause significant harm to the firm, its customers or the market generally, firms are required to provide regular certifications that their employees remain fit and proper.

- 1.1.6 **Investigation and discipline.** The FCA has wide powers to investigate misconduct or suspicions of misconduct by firms and has a wide array of sanctions that it can impose on firms that the FCA finds have breached rules or guidance in the FCA Handbook or other regulatory requirements. This can include unlimited fines, restitution, public censure, the suspension of employees and the withdrawal of authorisation.
- 1.1.7 **Shareholder controllers.** Any person who wishes to acquire or increase control of an authorised firm must seek approval from the FCA as soon as the decision to acquire or increase control has been made. Control of a firm is taken to include voting powers and owning shares set at certain thresholds. Acquiring or increasing control of an authorised firm without FCA approval may constitute a criminal offence. There are also certain notification requirements that must be satisfied if a controller wishes to decrease its degree of control over an authorised firm below certain thresholds.
- 1.1.8 **Money laundering and other financial crime.** All firms regulated by the FCA are required to observe and apply certain administrative procedures and checks that are designed to prevent money laundering and financial crime. Failure to observe and apply appropriate procedures and checks can itself constitute a criminal offence.
- 1.1.9 **Consumer complaints and compensation.** The rules of the FCA require that authorised firms have in place appropriate complaints handling procedures. The Financial Services Compensation Scheme has been set up as an independent body under the FSMA and provides for limited compensation to be paid to certain categories of customers (broadly private individuals) where the authorised firm is unable or unlikely to be able to meet claims against it. A Financial Ombudsman Service has also been set up under the FSMA. This operates independently of the FCA and allows certain categories of customer to escalate complaints about a firm (for example, in relation to mis-selling or the provision of a poor service or product by the firm).
- 1.1.10 **Regulatory capital and liquidity.** Regulatory capital and liquidity requirements form an integral part of the FCA's prudential supervision of UK authorised firms. The FCA has detailed rules relating to the maintenance of minimum levels of regulatory capital and liquidity for authorised firms which amplify the general principle under which a firm must maintain adequate financial resources in order to be able to meet its liabilities as they fall due. In general, the overall adequacy of a firm's financial resources is assessed in relation to the particular risks to which the firm may be exposed given its business activities. The FCA also expects firms to take a proactive approach to monitoring and managing risks.

Regulatory capital requirements apply on two levels. The first is a solo requirement applicable to individual authorised entities. This applies to IFML and IAM UK, each of which is required to hold a certain amount of capital at all times. In addition, there is a consolidated (or group) requirement. To date, this has been assessed based on there being two separate regulatory consolidation groups for the wider Investec Group, one for each of the UK and South African parts of the Investec Group DLC structure. However, the supervisory approach in the UK has also been concerned to ensure that an amount representing the consolidated capital requirements referable to the Ninety One sub-group of asset management companies in the UK part of the Investec Group DLC structure and of which IAM UK and IFML form part, is held within that sub-group. Historically, this has largely been held at the level of IAM UK and is currently comfortably in excess of capital requirements.

On Demerger, a similar supervisory approach is expected to apply to the restructured Group (i.e. that there would be two separate regulatory consolidation groups one for each part of the Group's DLC Structure) and current forecasts indicate that the consolidated capital held post Demerger by Ninety One plc and its subsidiaries consolidation group will continue to be in excess of consolidated capital requirements.

Given the regulatory nature of IAM UK and IFML, relatively simple solo liquidity requirements apply and consolidated liquidity requirements do not apply.

1.2 Summary of regulatory requirements in the European Economic Area

1.2.1 MiFID II

As part of the goal to create a single European market in financial services across the EEA, the second Market in Financial Instruments Directive (2014/65/EU) ("**MiFID II**") and the Markets in Financial Instruments Regulation ((EU) No 600/2014) ("**MiFIR**" and, together with MiFID II, the "**MiFID II Framework**") repealed and partially replaced the MiFID I framework. Both came into force across the EU on 3 January 2018. As a directive, MiFID II is not directly applicable and applies through its transposition by EEA Member States into national law. MiFIR is directly applicable as a regulation.

MiFID I provided, in general terms, that as long as an investment firm complies with the requirements of its home state regulator, that firm does not have to comply with any additional conduct of business requirements in the other EEA states in which it provides services on a cross-border basis. MiFID I also, in general terms, provided for a framework for the authorisation and supervision of firms carrying on business through a branch established in EEA states other than their home state. The MiFID II Framework broadened the scope of MiFID I to include financial products and services that were not previously caught and also enhanced and extended the rules that regulated firms were required to comply with. In particular, the conduct of business requirements, organisational requirements and requirements relating to market transparency have been enhanced and new rules on corporate governance have been introduced. The MiFID II Framework also introduced new forms of, and rules governing, financial market infrastructure. IAM UK is authorised to perform investment services and is subject to the requirements of the MiFID II Framework.

1.3 AIFMD

The Alternative Investment Fund Managers Directive (the "**AIFMD**") was required to be transposed into national law by Member States by 22 July 2013 and is generally now in force across the EU. The Group is permitted to manage unauthorised AIFs within the scope of the AIFMD. The AIFMD was implemented in the United Kingdom by a combination of HM Treasury statutory instruments and FCA Handbook rules. The effectiveness of the AIFMD's implementation is subject to review by the European Commission and the AIFMD will be potentially subject to revision thereafter.

EU delegated legislation, in the form of Commission Delegated Regulation (EU) 231/2013, has implemented various aspects of AIFMD into EU law. This regulation applied from 22 July 2013 and is directly applicable in all Member States.

The aim of the AIFMD is to create a comprehensive and effective regulatory and supervisory framework for alternative investment fund managers within the EU. The AIFMD introduced a raft of new requirements for alternative investment fund managers, including, among others: new authorisation and operating requirements; requirements for cross-border marketing and passporting; that a single depositary must be appointed in respect of each fund; requirements relating to transparency and providing information to investors; and capital requirements. IFML and Investec Asset Management Luxembourg S.A. ("**IAM Luxembourg**") are authorised as alternative investment fund managers and are subject to the requirements of the AIFMD regime.

1.4 MAD II

The revised Market Abuse Directive reforms, known as "**MAD II**", came into force on 3 July 2016. The MAD II reforms comprise a regulation, MAR, which amends and restates certain parts of the previous market abuse regime and captures behaviour in relation to instruments traded on multilateral trading facilities and organised trading facilities, and related over-the-counter financial instruments, and a directive ("**CSMAD**"), which introduces EU-wide minimum rules on criminal offences and criminal sanctions for market abuse. MAR, being a regulation, is directly applicable across Member States. As a directive, CSMAD must be transposed into national law by Member States. The United Kingdom has opted out of CSMAD as it already has a criminal regime for insider dealing which goes beyond that proposed in CSMAD.

The MAD II reforms extended the market abuse framework to abusive behaviour with respect to spot commodity contracts, algorithmic and high-frequency trading, and benchmarks. In particular, the regime captures cross-market abusive behaviour and addresses the difficulties in monitoring possible market abuse caused by the increase in trading across different venues.

1.5 UCITS

Undertakings for collective investment in transferable securities (“**UCITS**”) are regulated investment funds that can be sold to retail clients throughout the EU. The UCITS IV Directive came into force on 1 July 2011 and contains the framework of rules for the UCITS regime including, among other rules, requirements relating to authorisation and organisational standards of UCITS management companies. The UCITS regime creates a framework for the creation, administration, marketing and distribution of these funds and has been updated several times since its inception. In particular, the UCITS regime permits cross-border marketing of UCITS funds throughout the EU through a “marketing passport”. The latest directive (UCITS V) imposed additional requirements relating to the depositary function and the remuneration of UCITS managers. IFML and IAM Luxembourg are authorised as UCITS management companies and are subject to the requirements of the UCITS regime.

1.6 Upcoming developments

1.6.1 EU developments

The EU is undertaking significant reform in a number of other areas of financial services regulation. Reforms applicable to EU investment firms and fund management companies include the introduction of the EU Sustainable Finance Package establishing a taxonomy and disclosure requirements for sustainable investment to ensure that environmental, social and governance factors are taken into account in investment decisions. The European Securities and Markets Authority has also indicated that its regulatory priorities in respect of the asset management sector will include examining the performance of active versus passive funds and the performance of equity exchange traded funds, the performance scenarios and the presentation and calculation of costs in respect of packaged retail investment and insurance products.

The European Commission has also adopted proposals to introduce a new prudential regulatory regime for investment firms (including capital, liquidity, large exposure and consolidation rules). It will be implemented through the new Investment Firms Regulation (IFR) and Investment Firms Directive (IFD) which came into force on 25 December 2019, though most provisions will not take effect until mid-2021, subject to certain transitional arrangements. Under the IFR and IFD, the application of the prudential requirements will depend more precisely on the size and nature of the business of the investment firm. Only a small number of entities in the Group will be subject to IFR/IFD and the expectation is that its impact would not be material at a Group level.

1.6.2 United Kingdom developments

From 30 September 2020, the United Kingdom regulators will apply new rules relating to ability of certain types of fund to invest in illiquid assets, liquidity management and the suspension of dealings in certain circumstances, and requirements relating to the disclosure of liquidity risk to investors. The rules are intended to reduce the potential for harm to investors in funds that hold illiquid assets, particularly under stressed market conditions. The FCA has also indicated that asset managers’ disclosure of costs and charges to investors will continue to be a focus.

1.6.3 Brexit

Financial regulation in the United Kingdom has been substantially influenced by EU regulation. In light of the United Kingdom’s vote to exit the EU following the referendum on 23 June 2016 significant changes to EU laws applicable in the United Kingdom are expected in the event that the United Kingdom does, in fact, leave the EU. The United Kingdom is currently expected to leave the EU at 11 p.m. (London time) on 31 January 2020 (“**Brexit**”), with a transitional period during which EU law will continue to apply in the United Kingdom in substantially the same way as immediately before Brexit until its expiry (which is currently anticipated to occur on 31 December 2020). However the terms of the United Kingdom’s future relationship with the EU following the transitional period remain unclear and will be determined by the negotiations which have been taking (and will continue to take) place. Until these negotiations have concluded, the impact of Brexit on the regulation of financial services in the United Kingdom and the ability of firms to provide services on a cross-border basis in the United Kingdom and EU-27 countries is unclear. The Group has appropriate contingency measures in place in order to allow it to continue to service its clients following the United Kingdom’s exit from the European Union. These plans remain under review pending final determination of the terms of the United Kingdom’s exit from the European Union and future relationship.

2. Regulatory framework applicable to IAM SA

2.1 Regulation

The Group's business is subject to extensive regulation in South Africa. In order to conduct a regulated activity in South Africa, a company needs to obtain licences and/or gain approvals from the relevant regulatory authorities.

2.2 Regulatory authorities

The following authorities are responsible for financial services regulation in South Africa, including for the regulation of IAM SA:

2.2.1 South African Reserve Bank ("SARB")

The SARB is, as South Africa's central bank and macro-prudential regulator, responsible for, among other things, contributing to the achievement and maintenance of a stable financial system and for protecting and enhancing financial stability and restoring and maintaining financial stability in terms of systemic events. The SARB holds various international memberships, including the G-20, the IMF, the Bank for International Settlements and the Committee of Central Bank Governors in the Southern African Development Community. The SARB serves on various Bank for International Settlements' committees, including the Basel Committee and the Committee on Payments and Settlement Systems.

2.2.2 The Prudential Authority ("SARB PA")

The SARB PA, which is a juristic body operating within the administration of the SARB, launched on 1 April 2018. The SARB PA is responsible for, among other things, prudential regulation and supervision of banks, banking groups and financial conglomerates (which may include insurers) in South Africa with the purpose of promoting and enhancing the safety and soundness of financial institutions and assisting in maintaining financial stability. The SARB PA is additionally responsible for prudential regulation in relation to over-the-counter ("**OTC**") derivative providers and plays an important role in South Africa's developing derivatives regulation.

The SARB PA has extensive regulatory and supervisory powers which, among other things, oblige banks and insurers, as well as their controlling companies, to furnish certain prescribed returns to the SARB PA in order to enable the SARB PA to monitor compliance with the various prudential and other regulatory requirements imposed on banks, insurers and their controlling companies in terms of the Banks Act, No. 94 of 1990, the Regulations Relating to Banks and bank controlling companies, and any other applicable regulatory instruments (e.g. the Insurance Act, No. 18 of 2017 and the Financial Sector Regulation Act, No. 9 of 2017). The Chief Executive Officer of the SARB PA is a Deputy Governor of the SARB and a member of the SARB's Financial Stability Oversight Committee.

2.2.3 The SA FSCA

As a financial institution, the market conduct of the SA entities within the Group is now regulated by the SA FSCA, which was also launched on 1 April 2018.

The objective of the SA FSCA is to enhance and support the efficiency and integrity of financial markets, to protect financial customers and to assist in maintaining financial stability. Specifically, the SA FSCA is responsible for licensing and regulating providers of financial advice and intermediary services to clients ("**Financial Services Providers**" or "**FSPs**") and their key representatives and employees under the Financial Advisory and Intermediary Services Act, No. 37 of 2002 ("**FAIS**"), and together with the SARB PA is jointly responsible for South Africa's developing derivatives regulation.

2.2.4 Financial exchanges

- (a) The purpose of the Financial Markets Act, No. 19 of 2012 (“**FMA**”) is to: (i) provide for the regulation of financial markets; (ii) license and regulate exchanges, central securities depositories, central counterparties, clearing houses and trade repositories; (iii) regulate and control securities trading, clearing and settlement and the custody and administration of securities; (iv) prohibit insider trading and other market abuses; and (v) provide for the approval of nominees.
- (b) The JSE Limited is licensed as an exchange under the FMA. The various JSE Listings Requirements, rules and directives set out what is expected from issuers and their directors and member companies. The JSE connects buyers and sellers in a variety of different financial markets, namely equities, equity derivatives, agricultural derivatives and interest rate and currency instruments. The JSE also enables companies to access both debt and equity capital through its interest rate and currency markets, equities Main Board and the equities Alternative Exchange. The JSE and Strate Proprietary Limited (“**Strate**”), which is licensed as a central securities depository under the FMA, largely operate as self-regulating organisations. They, therefore, regulate their own activities and those of authorised users (exchange members) and participants (members of central securities depositories) in terms of their own rules and the FMA. The supervisory or surveillance division of the JSE additionally monitors trades in the market for potential market abuses, including insider trading and market manipulation.

2.2.5 Anti-money laundering regulations

The Financial Intelligence Centre (the “**FIC**”) was created under the Financial Intelligence Centre Act, No. 38 of 2001 (“**FICA**”) in order to assist in the identification of the proceeds of unlawful activities and terrorist financing activities, and the combating of money laundering and terrorist financing activities. FICA, the Prevention of Organised Crime Act, No. 76 of 1996 and the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, No. 33 of 2004 form the body of legislation regulating anti-money laundering and anti-terror financing activities. In terms of FICA, designated accountable institutions, which include the majority of Group entities, are required to perform adequate client identification, risk rating and record keeping processes, and to report suspicious transactions to the FIC. The FIC Amendment Act, No. 1 of 2017 (“**FIC Amendment Act**”) was promulgated in 2017 with the aim of bringing South Africa's anti-money laundering and combating of financial terrorism regimes into line with international standards, by introducing the “risk based approach” in South Africa. Several provisions of the FIC Amendment Act have not yet come into effect.

2.2.6 The Department of Trade and Industry

The Department of Trade and Industry develops and reviews regulatory systems in the areas of competition, consumer protection and company and intellectual property, as well as public interest regulation. The Consumer Protection Act, No. 68 of 2008 (“**CPA**”) was signed into law on 24 April 2009. The CPA sets out the minimum requirements to ensure adequate consumer protection in South Africa. Sector-specific legislation is to be read in conjunction with the provisions of the CPA, where applicable. The CPA constitutes an overarching framework for consumer protection, and all other laws which provide for consumer protection (usually within a particular sector) will need to be read with the CPA to ensure a common standard of protection. The National Consumer Commission is tasked with investigating complaints under the CPA.

2.2.7 The FAIS Ombud

The FAIS Ombud was set up in terms of FAIS, which as described above regulates the rendering of certain financial advisory and intermediary services to clients. FAIS also sets “Fit and Proper” requirements for the representatives and key individuals of a licensed Financial Services Providers, in terms of which these individuals are required to have the necessary qualifications, experience and meet honesty and integrity requirements to be able to provide financial advisory and intermediary services to clients. FAIS additionally sets up a complaints process, which is an alternative dispute-resolution process for which the FAIS Ombud is the arbiter.

2.2.8 **Collective Investment Schemes Control Act, No. 45 of 2000 (“CISCA”)**

Under CISCA, the SA FSCA regulates and controls the establishment and administration of collective investment schemes (“**CISs**”) and hedge funds. CISCA places significant restrictions on the asset classes in which a CIS can invest as well as concentration limits and other prudential restrictions on CIS and hedge fund portfolio exposure.

Foreign investment funds approved by the SA FSCA under CISCA may be marketed publicly in South Africa in the same manner as CISs and hedge funds. In order to qualify for South African registration, the foreign investment fund must have an investment policy which is consistent with the requirements set out under CISCA. CISCA has significantly more restrictive prudential requirements than, for example, the European Undertakings for the Collective Investment of Transferable Securities regime.

2.3 **Conduct of regulation**

The South African regulators undertake both prudential and conduct of business regulation and supervision in respect of the Companies’ activities. Supervision is carried out by way of on-site visits by the regulators and off-site supervision through the completion and submission of statutory returns in respect of capital adequacy, liquidity, market risk, foreign exchange, large exposures, counterparty risk, credit risk, consolidated supervision and similar matters. The regulators prescribe certain rules promoting good practice and conduct and prohibiting undesirable practices with which the Companies’ regulated subsidiaries are required to comply.

2.4 **South African regulatory developments**

Important regulatory developments in South Africa include the POPI Act, the Conduct of Financial Institutions Bill (“**CoFI Bill**”) and finalisation of the South African resolution framework in line with international standards.

2.4.1 **POPI Act**

The POPI Act introduces certain minimum conditions for the processing of personal information, including having a justification to do so, such as consent and provides for the establishment of an Information Protection Regulator. The POPI Act, although signed in 2013 and enacted, is not yet fully in force. Only certain administrative provisions, namely those relating to the establishment of the Information Regulator and the making of regulations, came into force on 11 April 2014. Regulations relating to the administrative aspects of the POPI Act were published on 14 December 2018 (“**POPI Regulations**”) and, despite being in final form, the commencement date of the POPI Regulations has not yet been announced. It is expected that the commencement date of the POPI Regulations will be aligned with the commencement date of the remaining provisions of the POPI Act. Once the remaining provisions of the POPI Act come into force, there will be a one-year transitional period to allow for organisations to become compliant with the provisions of the POPI Act before penalties for non-compliance are enforced. The POPI Act imposes a range of obligations, including restrictions on direct marketing and on cross-border transfers of personal information and an obligation to keep personal information secure. This legislation provides for conditions of privacy and protection of personal information. The POPI Act affects the Group subsidiaries and their operations, particularly in relation to the manner in which they use, record and transfer information. The POPI Act empowers the Information Regulator to impose administrative fines of up to R10 million where a responsible party (i.e. data controller) such as an entity within the Group commits an offence under the Act, including failure to comply with an enforcement notice.

2.4.2 **CoFI Bill**

The CoFI Bill represents the legislation which will underpin the supervision conducted by the SA FSCA on financial institutions in South Africa. It is the next phase of the legislative reforms aimed at strengthening the regulation of how the financial services industry treats its customers and will in effect formally legislate the regime formerly known as “Treating Customers Fairly” in South Africa. The CoFI Bill will outline what customers and industry players can expect of financial institutions and will apply to the majority of Group subsidiaries in South Africa. It is unclear when the CoFI Bill will be finalised.

2.4.3 **Finalisation of the South African resolution framework in line with international standards**

South Africa is a member of the G20 and of the Financial Stability Board. As such and to meet South Africa's international commitments, the Bank Supervision Department of the SARB in conjunction with the National Treasury is in the process of drafting legislation to provide for bank and bank controlling company resolution in South Africa. In accordance with its Basel III and G20 commitments, the SARB is developing a resolution framework as well as a deposit insurance scheme ("**DIS**") in South Africa. On 5 October 2018, the National Treasury published the Draft Financial Sector Laws Amendment Bill for public comment. The Financial Sector Laws Amendment Bill proposes to establish a framework for the orderly resolution of banks, systemically important non-bank financial institutions and holding companies of banks or systemically important non-bank financial institutions that are designated by the Governor of the SARB as systemically important (the "**Resolution Framework**"). The Financial Sector Laws Amendment Bill also proposes to establish a DIS in line with the proposals set out in the Financial Stability Department's discussion paper published in 2017, and amend the creditor hierarchy under the Insolvency Act No. 24 of 1936. The Resolution Framework has not yet been finalised and only once it is finalised will banks and bank controlling companies be in a better position to fully assess the potential impact of the Resolution Framework on the South African banking market.

2.4.4 **South African regulation of OTC derivative providers in line with international standards**

In keeping with the aim of meeting South Africa's G20 and other international commitments, the SARB PA and the SA FSCA have worked for a number of years to introduce licensing and regulation requirements concerning persons who, as a regular feature of their business and transacting as principal, originate, issue, sell or make a market in OTC derivatives ("**OTC Derivatives Providers**"). Existing OTC Derivatives Providers had until 14 June 2019 to submit to the SA FSCA applications for authorisation as OTC Derivatives Providers. Once authorised, OTC Derivatives Providers will be bound by FMA Conduct Standard 2 of 2018, titled "Conduct Standard for Authorised OTC Derivative Providers" (the "**ODP Conduct Standard**"). The ODP Conduct Standard sets out requirements of authorised OTC Derivatives Providers in relation to, *inter alia*, conduct with clients, forms of OTC derivative agreements, timely confirmations of transactions, portfolio reconciliation and compression, dispute resolution and safeguarding of collateral. Although the regulatory documents associated with the margin requirements have not yet been finalised, OTC Derivatives Providers will become subject to requirements relating to the posting and exchange of margin for non-centrally cleared derivatives, trade data reporting and mandatory clearing. The companies may become subject to the ODP Conduct Standard prior to publication of this Registration Document.

ADDITIONAL INFORMATION

1. Responsibility

Ninety One plc and the Ninety One plc Directors accept responsibility for the information contained in this document.

To the best of the knowledge of the Ninety One plc Directors and Ninety One plc, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2. Incorporation and registered office

Ninety One plc

- 2.1 Ninety One plc was incorporated as a public limited company in England and Wales, under the UK Companies Act, on 4 October 2019 with registered number 12245293. On 6 December 2019, its name changed from Investec Asset Management UK Group plc to Ninety One plc. Ninety One plc's LEI is 549300G0TJCT3K15ZG14.
- 2.2 The principal legislation under which Ninety One plc operates and under which the Ninety One plc Shares have been created is the UK Companies Act and regulations made thereunder.
- 2.3 Ninety One plc's registered office is at 55 Gresham Street, London EC2V 7EL, United Kingdom and its telephone number is +44 20 7597 2000. The business of Ninety One plc, and its principal activity, is to act as one of two dual-listed holding companies of the Group.
- 2.4 Ninety One plc's website (and that of the Group's) is www.ninetyone.com. Information contained on the Group's website or the contents of any website accessible from hyperlinks on the Group's website are not incorporated into and do not form part of this document.
- 2.5 By resolution of the Directors dated 19 November 2019, KPMG LLP, whose address is 15 Canada Square, London E14 5GL, were appointed as the Auditors of Ninety One plc. KPMG LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 2.6 Ninety One plc's accounting reference date is 31 March.

Ninety One Limited

- 2.7 Ninety One Limited was incorporated as a public limited company in South Africa, under the SA Companies Act, on 18 October 2019 with registered number 2019/526481/06. On 20 December 2019, its name changed from Investec Asset Management SA Group Limited to Ninety One Limited. Ninety One Limited's LEI is 2138006NUUFPDXHSUP38.
- 2.8 The principal legislation under which Ninety One Limited operates and under which the Ninety One Limited Shares have been created is the SA Companies Act and regulations made thereunder.
- 2.9 Ninety One Limited's registered office is at 36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa and its telephone number is +27 (0) 21 416 2000. The business of Ninety One Limited, and its principal activity, is to act as one of two dual-listed holding companies of the Group.
- 2.10 Ninety One Limited's website (and that of the Group's) is www.ninetyone.com. Information contained on the Group's website or the contents of any website accessible from hyperlinks on the Group's website are not incorporated into and do not form part of this document.
- 2.11 Upon its incorporation on 18 October 2019, KPMG Inc., whose address is 85 Empire Road, Parktown 2193, Republic of South Africa, were appointed as the Auditors of Ninety One Limited. KPMG Inc. is registered to carry out audit work by the Institute of Registered Auditors.
- 2.12 Ninety One Limited's accounting reference date is 31 March.

3. The Companies' share capital

3.1 On incorporation, the issued share capital of the Companies was as follows:

Company	Class of share	Number	Nominal value (£)	Number unpaid
Ninety One plc	Ordinary	1	1.00	Nil
	Non-voting redeemable preference shares of £1.00 each ("Redeemable Preference Shares")	50,000	50,000.00	Nil
Ninety One Limited	Ordinary	1	Nil	Nil

3.2 On 19 November 2019, Ninety One plc subdivided its one issued Ninety One plc ordinary share into 10,000 Ninety One plc Shares of £0.0001 each and subsequently cancelled 9999 of the newly subdivided Ninety One plc Shares. Save for the preceding statement, the issued and fully paid share capital of each Company has not changed since its incorporation. Accordingly, as at 28 January 2020 (being the latest practicable date prior to publication of this document), the issued share capital of Ninety One Limited is as set out in paragraph 3.1 above and the issued share capital of Ninety One plc is as follows:

Company	Class of share	Number	Nominal value (£)	Number unpaid
Ninety One plc	Ordinary	1	0.0001	Nil
	("Redeemable Preference Shares")	50,000	50,000.00	Nil

3.3 Following the date of this document, and immediately prior to the intended date of Admission, Investec and the Companies intend to implement the Demerger as described in paragraph 4 below, which will result in, among other things, the Companies becoming the ultimate holding companies of the Group and existing ordinary shareholders of Investec plc and Investec Limited receiving one Ninety One plc Share for every two ordinary shares they hold in Investec plc and/or one Ninety One Limited Share for every two ordinary shares they hold in Investec Limited. The Demerger, once completed, is expected to result in the following alterations to the share capital of each Company:

Ninety One plc

- 3.3.1 Ninety One plc will allot and issue 348,041,309 Ninety One plc Shares to existing ordinary shareholders of Investec plc pursuant to the UK Demerger described in paragraph 4.1 below, following which the Ninety One plc's issued share capital will consist of 348,041,310 Ninety One plc Shares and 50,000 Redeemable Preference Shares;
- 3.3.2 Ninety One plc will allot and issue 150,059,011 Ninety One plc Shares to Investec plc as described in paragraph 4.4 below, following which, the Ninety One plc's issued share capital will consist of 498,100,321 Ninety One plc Shares and 50,000 Redeemable Preference Shares;
- 3.3.3 Ninety One plc will allot and issue 124,524,302 Ninety One plc Shares to Forty Two Point Two as described in paragraph 4.6 below, following which Ninety One plc's issued share capital will consist of 622,624,622 Ninety One plc Shares and 50,000 Redeemable Preference Shares;
- 3.3.4 Ninety One plc will allot and issue one Ninety One plc Special Voting Share, one UK DAS Share, one UK DAN Share, one Ninety One plc Special Rights Share and 300,089,454 Ninety One plc Special Converting Shares to UK Trust Co and redeem the 50,000 Redeemable Preference Shares, in each case, as described in Part VII: "Details of the DLC Structure", following which, Ninety One plc's issued share capital will consist of 622,624,622 Ninety One plc Shares, one Ninety One plc Special Voting Share, one UK DAS Share, one UK DAN Share, one Ninety One plc Special Rights Share and 300,089,454 Ninety One plc Special Converting Shares;

Ninety One Limited

- 3.3.5 Ninety One Limited will allot and issue 159,452,354 Ninety One Limited Shares to Investec Limited as described in paragraph 4.2 below (all of which, in addition to Investec Limited's initial subscriber Ninety One Limited Share, shall then be distributed by Investec Limited to

existing ordinary shareholders of Investec Limited pursuant to the SA Demerger described in paragraph 4.3 below), following which Ninety One Limited's issued share capital will consist of 159,452,355 Ninety One Limited Shares;

- 3.3.6 Ninety One Limited will allot and issue 80,619,508 Ninety One Limited Shares to Investec Investments as described in paragraph 4.5 below, following which Ninety One Limited's issued share capital will consist of 240,071,863 Ninety One Limited Shares;
- 3.3.7 Ninety One Limited will allot and issue one Ninety One Limited Special Voting Share, one SA DAS Share, one SA DAN Share, one Ninety One Limited Special Rights Share and 622,624,622 Ninety One Limited Special Converting Shares to SA Trust Co, in each case, as described in Part VII: "*Details of the DLC Structure*", following which, Ninety One Limited's issued share capital will consist of 240,071,862 Ninety One Limited Shares, 1 Ninety One Limited Special Voting Share, 1 SA DAS Share, 1 SA DAN Share and 622,624,622 Ninety One Limited Special Converting Shares; and
- 3.3.8 following Admission, Ninety One Limited will allot and issue 60,017,591 Ninety One Limited Shares to Forty Two Point Two as described in paragraph 4.6 below, following which Ninety One Limited's issued share capital will consist of 300,089,454 Ninety One Limited Shares, one Ninety One Limited Special Voting Share, one SA DAS Share, one SA DAN Share, one Ninety One Limited Special Rights Share and 622,624,622 Ninety One Limited Special Converting Shares.

Further details of the Demerger are set out in paragraph 4 below.

3.4 **Authorities relating to the share capital of Ninety One plc**

Prior to the Demerger, Ninety One plc will obtain approval for resolutions of Ninety One plc which, among other matters, grant authorities to the Ninety One plc Directors to allot Ninety One plc Shares and to make purchases of Ninety One plc Shares, in each case, subject to and conditional upon Admission becoming effective and calculated on the basis that the Ninety One plc Reduction of Capital has become effective. The authorities sought are generally consistent with the approach previously taken by Investec when seeking such authorities, taking into account the views of Investec Shareholders. Additional information on the expected form of such authorities is set out below:

- 3.4.1 the Ninety One plc Articles are to be adopted as the new articles of association of Ninety One plc in substitution for, and to the exclusion of, the Ninety One plc articles of association currently in force;
- 3.4.2 the Ninety One plc Directors are to be generally and unconditionally authorised, in accordance with section 551 of the UK Companies Act, to exercise all powers of Ninety One plc to allot and to grant rights to subscribe for, or to convert any security into, up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the UK Companies Act) of:
 - (a) £12,452.49 in respect of Ninety One plc Shares, being 10 per cent. of the nominal share capital in respect of the issued Ninety One plc Shares as at Admission; and
 - (b) £6,001.79 in respect of Ninety One plc Special Converting Shares, being 10 per cent. of the nominal share capital in respect of the issued Ninety One plc Special Converting Shares as at Admission,

such authority to expire at the conclusion of the annual general meeting of Ninety One plc to be held in 2021 or, if earlier, at the close of business on 30 September 2021;

- 3.4.3 that Ninety One plc be generally and unconditionally authorised to make market purchases within the meaning of section 693 of the UK Companies Act of Ninety One plc Shares on such terms and in such manner as the directors of Ninety One plc may determine, such authority being limited:
 - (a) to a maximum number of 62,262,462 Ninety One plc Shares;
 - (b) by the condition that the maximum price which may be paid for any Ninety One plc Share purchased under this authority (exclusive of expenses payable by Ninety One plc in connection with the purchase) may not be more than the higher of:
 - (i) an amount equal to 105 per cent. of the average of the middle market prices shown in the quotations for the Ninety One plc Shares in the LSE Daily Official List for the

five business days immediately preceding the day on which that Ninety One plc Share is purchased; and

- (ii) an amount equal to the higher of the price of the last independent trade of a Ninety One plc Share and the highest current independent bid for a Ninety One plc Share on the trading venue where the purchase is carried out; and
- (c) by the condition that the minimum price which may be paid shall be the nominal value of such share at the time of purchase exclusive of expenses payable by Ninety One plc in connection with the purchase,

such authority to expire at the conclusion of the annual general meeting of Ninety One to be held in 2021 or, if earlier, at the close of business on 30 September 2021; and

3.4.4 that, in accordance with section 366 of the UK Companies Act, Ninety One plc and all companies that are subsidiaries of Ninety One plc at any time during the period for which this resolution has effect be authorised to:

- (a) make political donations to political parties or independent election candidates;
- (b) make political donations to political organisations other than political parties; and
- (c) incur political expenditure,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 during the period beginning with the date of the passing of this resolution and ending on 30 September 2021 or, if sooner, the conclusion of the annual general meeting of Ninety One plc to be held in 2021.

For the purpose of this resolution, the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings given in sections 363 to 365 of the UK Companies Act.

3.5 Authorities relating to the share capital of Ninety One Limited

Prior to the Demerger, Ninety One Limited will obtain approval for resolutions of Ninety One Limited which, among other matters, grant authorities to the Ninety One Limited Directors to allot and issue Ninety One Limited Shares and to make purchases of Ninety One Limited Shares, in each case (unless otherwise stated), subject to and conditional upon Admission becoming effective and calculated, where applicable, on the basis of the SA Demerger becoming effective. The authorities sought are generally consistent with the approach previously taken by Investec when seeking such authorities, taking into account the views of Investec Shareholders. Additional information on such authorities is set out below:

3.5.1 the Ninety One Limited Directors are authorised, as they in their discretion think fit, to allot and issue up to a total of:

- (a) 30,008,945 Ninety One Limited Shares, being 10 per cent. of the issued Ninety One Limited Shares as at Admission (for which purposes any shares approved to be issued by the company in terms of any share plan or incentive scheme for the benefit of employees shall be excluded); and
- (b) 62,262,462 Ninety One Limited Special Converting Shares, being 10 per cent. of the issued Ninety One Limited Special Converting Shares as at Admission,

such authority to endure until the next annual general meeting of Ninety One Limited to be held in 2021 or, if earlier, at the close of business on 30 September 2021;

3.5.2 as a general authority provided for in the JSE Listings Requirements, which authority shall be valid until Ninety One Limited's next annual general meeting to be held in 2021, or, if earlier, at the close of business on 30 September 2021, that the acquisition by Ninety One Limited or any of its subsidiaries from time to time of the issued Ninety One Limited Shares, upon such terms and conditions and in such amounts as the directors of Ninety One Limited or its subsidiaries may from time to time decide, be approved, but subject to the provisions of the SA Companies Act and the JSE Listings Requirements, it being recorded that, as at the date of this document, the JSE Listings Requirements provide, *inter alia*, that:

- (a) any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement;
- (b) an announcement containing full details of such acquisitions will be published as soon as Ninety One Limited or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, three per cent. of the number of ordinary shares in issue, as the case may be, when the authority is granted and for each three per cent. in aggregate acquired thereafter;
- (c) acquisitions of shares in aggregate in any one financial year may not exceed 20 per cent. of Ninety One Limited's issued ordinary share capital in any one financial year;
- (d) in determining the price at which ordinary shares issued by Ninety One Limited are acquired by it, or any of its subsidiaries, in terms of this general authority, the maximum price at which such ordinary shares may be acquired will be 10 per cent. above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary shares, as the case may be, by Ninety One Limited or any of its subsidiaries;
- (e) at any point in time, Ninety One Limited may only appoint one agent to effect any acquisition on Ninety One Limited's behalf;
- (f) a resolution is passed by the board of directors that it has authorised the acquisition, that Ninety One Limited and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group; and
- (g) neither Ninety One Limited nor its subsidiaries may acquire any shares during a prohibited period as defined by the JSE Listings Requirements unless there is in place a repurchase programme where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE Limited prior to the commencement of the prohibited period; and

3.5.3 to the extent required by the SA Companies Act, the board of directors of Ninety One Limited may, subject to compliance with the requirements of Ninety One Limited's MoI (if any), the SA Companies Act and the JSE Listings Requirements, authorise Ninety One Limited to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise to:

- (a) any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to Ninety One Limited, for any purpose or in connection with any matter, including, but not limited to, any option, or any securities issued or to be issued by Ninety One Limited or a related or interrelated company or entity, or for the purchase of any securities of Ninety One Limited or a related or interrelated company or entity; and/or
- (b) any of the present or future directors or prescribed officers of Ninety One Limited or of a related or interrelated company or entity (or any person related to any of them or to any company or corporation related or interrelated to any of them), or to any other person who is a participant in any of Ninety One Limited's present or future share or other employee incentive schemes, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by Ninety One Limited or a related or interrelated company or entity, or for the purchase of any securities of Ninety One Limited or a related or interrelated company or entity, where such financial assistance is provided in terms of any such scheme, such authority to endure until the next annual general meeting of Ninety One Limited to be held in 2021 or, if earlier, at the close of business on 30 September 2021.

3.6 If, prior to the Demerger becoming effective, the number of Ninety One plc's, Ninety One Limited's, Investec plc's or Investec Limited's issued shares increases or decreases:

3.6.1 the number of Shares to be allotted as described at paragraph 3.3 above; and

3.6.2 the details of the shareholder resolutions for which the Companies intend to seek shareholder approval as described at paragraphs 3.4 and 3.5 above,

will be adjusted accordingly to reflect the correct number of Shares that exist at Admission.

- 3.7 Once the steps to implement the Demerger are implemented, on Admission the share capital of each Company is expected to be:

Company	Class of Share	Number	Amount
Ninety One plc	Ordinary shares of £0.0001 each	622,624,622	£62,262.46
	Ninety One plc Special Voting Share of £0.0001	1	£0.0001
	Ninety One plc Special Converting Shares of £0.0001 each	300,089,454	£0.0001
	UK DAN Share of £0.0001	1	£0.0001
	UK DAS Share of £0.0001 each	1	£0.0001
Ninety One Limited	Ordinary shares of no par value	240,081,862 ⁽¹⁾	No par value
	Ninety One Limited Special Voting Share of no par value	1	No par value
	Ninety One Limited Special Converting Shares of no par value	622,624,622	No par value
	SA DAN Share of no par value	1	No par value
	SA DAS Share of no par value	1	No par value

Notes:

- (1) Post-Admission on the second date after the record date for JSE settlement purposes, expected to be Friday, 29 March 2020, Ninety One Limited's ordinary share capital will increase to 300,089,454 as a result of the roll-up of Forty Two Point Two's interest in IAM SA. See paragraph 4.6 below for further details.

The final share capital of each Company on Admission will be published prior to Admission.

- 3.8 Except as disclosed in this document, there is no contract or arrangement, nor has any been proposed, whereby an option or preferential right of any kind has been or will be given to any person to subscribe for any shares in either Company or their subsidiaries.

4. Detailed terms and conditions of the Demerger

4.1 The UK Demerger

The UK Demerger will be implemented by way of a scheme of arrangement (including a reduction of capital), which is a process requiring Court approval under the UK Companies Act. Under the Scheme, Investec plc's share premium account will be reduced by £855,926,402 and part of the shares in IAM UK held by Investec plc representing approximately 55.9 per cent. of the issued share capital of IAM UK will be transferred to Ninety One plc in exchange for Ninety One plc issuing to Investec plc Ordinary Shareholders one Ninety One plc Share for every two Investec plc Ordinary Shares held at the Demerger Record Time. Any excess amount arising from the amount of the reduction of share premium account exceeding the value of IAM UK, which will be informed by the price per share of the Ninety One plc Shares, will be retained by Investec plc and available for future distributions and other purposes.

The UK Demerger will only be implemented if the conditions to the Scheme as set out in paragraph 4.9 below are satisfied.

The Ninety One plc Shares issued to Investec plc Ordinary Shareholders pursuant to the UK Demerger will rank equally in all respects with all other Ninety One plc Shares in issue or issued at the same time, including for all dividends and other distributions (if any) declared, made or paid.

If the number of Investec plc Ordinary Shares held by Investec plc Ordinary Shareholders is not divisible by two, an entitlement to a fraction of a Ninety One plc Share will arise. Fractional entitlements will be rounded down to the nearest whole number and the aggregated excess fractions of the Ninety One plc Shares to which such Investec plc Ordinary Shareholder would otherwise be entitled will not be issued to them, but will instead be sold in the market as soon as practicable after Admission, and the relevant Investec plc Ordinary Shareholder will be entitled to receive a cash equivalent to the fraction.

The Demerger Record Time is expected to be 6.00 p.m. (London time) on Friday 13 March 2020. Investec plc Ordinary Shareholders on the Investec plc Register at this time will participate in the UK Demerger.

The UK Demerger Effective Time is expected to be 7.00 p.m. (London time) on Friday 13 March 2020. At this time, Investec plc will transfer part of the IAM UK shares held by it to Ninety One plc and Ninety One plc will issue new Ninety One plc Shares to Investec plc Ordinary Shareholders as described above.

4.2 Transfer of shares in IAM SA held by Investec Limited to Ninety One Limited

Investec Limited will transfer part of the shares it holds in IAM SA representing approximately 53.13 per cent. of the total issued share capital of IAM SA to Ninety One Limited in exchange for Ninety One Limited issuing shares to Investec Limited.

The transfer referred to in this paragraph 4.2 will be completed on the day before the SA Demerger Effective Time.

4.3 The SA Demerger

The SA Demerger will be implemented by way of a distribution of Ninety One Limited Shares in terms of article 121 of the Investec Limited Mol and section 46(1)(a)(ii) of the South African Income Tax Act and out of Investec Limited as a 'return of capital' (as such term is defined under the South African Income Tax Act). Investec Limited will distribute all of its Ninety One Limited Shares to Investec Limited Ordinary Shareholders on the Investec Limited Register at the record date for JSE settlement purposes.

Each Investec Limited Ordinary Shareholder will receive one Ninety One Limited Share for every two Investec Limited Ordinary Shares held by them.

The Ninety One Limited Shares distributed to Investec Limited Ordinary Shareholders pursuant to the SA Demerger will, on and from Admission, rank equally in all respects with Ninety One Limited Shares in issue or issued at the same time, including for all dividends and other distributions (if any) declared, made or paid.

If the number of Investec Limited Ordinary Shares held by Investec Limited Ordinary Shareholders is not divisible by two, an entitlement to a fraction of a Ninety One Limited Share will arise. Fractional entitlements will be rounded down to the nearest whole number and the aggregated excess fractions of the Ninety One Limited Shares to which such Investec Limited Ordinary Shareholder would otherwise be entitled will not be transferred to them but will instead be sold in the market as soon as practicable after Admission, and the relevant Investec Limited Ordinary Shareholder shall be entitled to receive a cash equivalent to the fraction.

The SA Demerger Effective Time is expected to be 7:00 p.m. (London time) on 13 March 2020. At this time, Investec Limited will declare an unconditional distribution in respect of all of its Ninety One Limited Shares that it will hold at the record date for JSE settlement purposes to Investec Limited Ordinary Shareholders as described above.

The record date for JSE settlement purposes is expected to be Wednesday, 18 March 2020. Investec Limited Ordinary Shareholders on the Investec Limited Register at this time will participate in the SA Demerger.

4.4 Transfer of remaining shares in IAM UK held by Investec plc to Ninety One plc

The remaining IAM UK Shares held by Investec plc representing approximately 24.1 per cent. of the total issued share capital of IAM UK, will be transferred to Ninety One plc in exchange for Ninety One plc issuing shares to Investec plc. This step is expected to be completed at least one day after the UK Demerger Effective Time, but prior to Admission.

4.5 Transfer of shares in IAM SA held by Investec Investments to Ninety One Limited

The IAM SA shares held by Investec Investments, representing approximately 26.87 per cent. of the total issued share capital of IAM SA, will be transferred to Ninety One Limited in exchange for Ninety One Limited issuing shares to Investec Investments. This step is expected to be completed after the SA Demerger Effective Time but prior to Admission.

4.6 Roll-up of Ninety One Business management

Forty Two Point Two currently has a shareholding of 20 per cent. (less one share) in each of IAM UK and IAM SA. Certain members of the Ninety One Business' management team participate in the Marathon Trust that, in turn, wholly owns Forty Two Point Two. The participants comprise senior managers and employees of the Ninety One Business.

Investec Limited, Investec plc, Investec 1, Forty Two Point Two, IAM SA and IAM UK are currently party to the Shareholders' Agreement, which regulates the respective rights of IAM SA's and IAM UK's shareholders. The Shareholders' Agreement contains, among other things: (i) customary minority protections in favour of Forty Two Point Two; and (ii) provisions setting out the distribution policy applicable to IAM SA and IAM UK.

Immediately following the above steps, Forty Two Point Two will transfer its shares in IAM UK to Ninety One plc in exchange for Ninety One plc issuing shares to Forty Two Point Two.

On the second day after the record date for JSE settlement purposes, currently expected to be Friday, 20 March 2020, Forty Two Point Two will transfer its shares in IAM SA to Ninety One Limited in exchange for Ninety One Limited issuing shares to Forty Two Point Two.

The overall effect of these transactions is to exchange Forty Two Point Two's current shareholdings of 20 per cent. (less one share) in each of IAM SA and IAM UK for an equivalent shareholding in the Companies, which will amount to a shareholding of 19.9999 per cent. in each Ninety One plc and Ninety One Limited.

Following Admission:

- 4.6.1 the Shareholders' Agreement will be terminated;
- 4.6.2 the Dividend Agreement will be terminated; and
- 4.6.3 the trust deed governing the Marathon Trust will be amended.

Pursuant to a lock-up deed to be entered into by Forty Two Point Two in favour of the Global Coordinator, it is expected that Forty Two Point Two's shareholding in the Companies shall be subject to a lock-up for a period of 365 days following Admission. During such time, Forty Two Point Two will consent not to sell or otherwise dispose of its Shares (or interests in Shares), subject to certain limited exceptions). Pursuant to the Underwriting Agreement, Hendrik du Toit and Kim McFarland are expected to each also be subject to a lock-up for a period of 365 days following Admission in respect of any Shares (or interests in Shares) that they will hold directly following Admission.

4.7 The DLC Structure

On or before Admission, the DLC Agreements, which implement the DLC Structure, will come into effect. Information on the DLC Structure is set out in Part VII: "*Details of the DLC Structure*" of this document.

4.8 The Ninety One plc reduction of capital

Following the Demerger, Ninety One plc will effect a court approved reduction of capital, reducing Ninety One plc's share premium account in order to create distributable reserves for future distributions.

4.9 Conditions to the Demerger

The Demerger is conditional upon the following conditions having been satisfied (or, in respect of paragraph 4.9.5 below, waived):

- 4.9.1 the Scheme having been approved by a majority in number of those Investec plc Ordinary Shareholders who are present and vote, either in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Investec plc Ordinary Shares voted by such Shareholders;
- 4.9.2 the Demerger Resolution, as set out in the Notices of General Meeting, having been passed by the requisite majority of Investec Ordinary Shareholders at the General Meetings;
- 4.9.3 the Scheme having been sanctioned by the Court and the reduction of capital required to effect the UK Demerger having been confirmed by the Court;

- 4.9.4 (i) the SARB having approved the primary listing of the Ninety One Limited Shares and secondary inward listing of the Ninety One plc Shares on the JSE on conditions acceptable to the Companies; (ii) JSE Limited having acknowledged to the Companies or their agents (and such acknowledgement not having been withdrawn) that the application for the admission of the Ninety One Limited Shares and the Shares to the JSE List has been approved and the listing will be granted and become effective; (iii) the FCA having acknowledged to the Companies or their agents (and such acknowledgement not having been withdrawn) that the application for the admission of the Ninety One plc Shares to the UK Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**FCA listing conditions**")) will become effective as soon as a dealing notice has been issued by the FCA and any FCA listing conditions have been satisfied; (iv) the LSE having acknowledged to the Companies or their agents (and such acknowledgement not having been withdrawn) that the Ninety One plc Shares will be admitted to trading; and (v) JSE Limited having acknowledged to the Companies or their agents (and such acknowledgement not having been withdrawn) that the Ninety One Limited Shares and the Ninety One plc Shares will be admitted to trading;
- 4.9.5 the Demerger Agreements (as described more fully in this paragraph 4 and paragraph 19.1 below) having been entered into and none of them having been terminated in accordance with their respective terms;
- 4.9.6 a copy of the Scheme Court Order having been delivered to the Registrar of Companies;
- 4.9.7 a resolution approved by the requisite majority of the board of directors of Investec Limited authorising the distribution of the relevant Shares to give effect to the SA Demerger (as contemplated in paragraph 4.3 above) in accordance with the provisions of the SA Companies Act; and
- 4.9.8 the following specific regulatory approvals being obtained unconditionally or on conditions satisfactory to Investec and Ninety One Limited:
- (a) the Namibian and Botswanan competition authorities;
 - (b) the SARB PA;
 - (c) the SA FSCA;
 - (d) Securities and Futures Commission of Hong Kong; and
 - (e) the Monetary Authority of Singapore.

The Directors will not take the necessary steps to implement the Scheme and the Demerger unless and until the above conditions have been or will be satisfied (or, where permitted, waived) and, at the relevant time, the Directors consider that it continues to be in the best interests of the Investec Shareholders that the Scheme and the Demerger be implemented. As at 28 January 2020 (being the latest practicable date prior to publication of this document) the conditions in paragraphs 4.9.5 and 4.9.8(a),(b) and (e) have been satisfied.

The requisite approval for the Demerger has been obtained from the South African Department of National Treasury, the SARB and the South African Minister of Finance on terms and subject to conditions customary to international transactions of this nature. Certain other regulators have also been notified of the Demerger as required.

5. Intended listings

Following Admission, Ninety One Limited may apply for listing on the Namibia Stock Exchange and the Botswana Stock Exchange.

6. **Ninety One plc Registration Articles and Ninety One Limited Registration Mol**

6.1 The Ninety One plc Registration Articles, which are in force as at the date of this Registration Document, contain the following provisions:

6.1.1 *Objects*

The Company's objects are not restricted by its Articles of Association. Accordingly, pursuant to Section 31 of the Companies Act 2006, the Company's objects are unrestricted.

6.1.2 *Shares*

Ninety One plc's share capital is made up of two classes of shares: (i) ordinary shares which carry one vote per share and are non-redeemable; and (ii) preference shares which are non-voting and may be redeemed at any time by Ninety One plc for an amount equal to the nominal value paid up thereon upon such redemption. The preference shares are not entitled to any dividend, distribution, nor any other right of participation in the assets of Ninety One plc. The holder of the preference shares is however entitled, in priority to any payment to the holders of any other class of shares in the capital of Ninety One plc, in the event of a return of capital on winding up, to a sum equal to the nominal capital paid up or credited as being paid up on the Redeemable Preference Shares.

6.1.3 *Transfers*

The directors of Ninety One plc may, in their absolute discretion, decline to register any transfer of Ninety One plc shares.

6.2 The Ninety One Limited Registration Mol, which is in force as at the date of this Registration Document, is a constitution suitable for a South African public company limited by shares.

7. **Ninety One plc Articles and Ninety One Limited Mol**

7.1 The Ninety One plc Articles of Association and the Ninety One Limited Mol which are to be in effect on and from Admission are broadly identical save as indicated below, which differences are mainly due to differences in the English law applicable in respect of Ninety One plc and South African law applicable in respect of Ninety One Limited.

7.2 In this paragraph 7:

"Articles of Association" shall mean:

- (a) the Ninety One plc Articles in the case of Ninety One plc; and
- (b) the Ninety One Limited Mol in the case of Ninety One Limited;

"Companies Act" shall mean:

- (c) the Companies Act 2006 of the United Kingdom in the case of Ninety One plc; or
- (d) the SA Companies Act in the case of Ninety One Limited; and;

"Company" means either Ninety One plc or Ninety One Limited.

7.3 The Ninety One plc Articles will be adopted pursuant to a special resolution passed by the shareholders of Ninety One plc prior to Admission.

7.4 The Ninety One Limited Articles of Association was adopted pursuant to a special resolution passed by its shareholder, Investec Limited, on 29 January 2020.

7.5 The Ninety One plc Articles of Association and the Ninety One Limited Articles of Association contain the following provisions (as summarised):

7.5.1 **Share capital**

- (a) The share capital of Ninety One plc will comprise the Ninety One plc Shares, the Ninety One plc Special Converting Shares, the Ninety One plc Special Voting Share, the Ninety One plc Special Rights Share, the UK DAN Share and the UK DAS Share. The share capital of Ninety One Limited will comprise the Ninety One Limited Shares, the Ninety One Limited Special Voting Share, the Ninety One Limited Special Converting Shares, the Ninety One Limited Special Rights Share, the SA DAN Share and the SA DAS Share.

The voting rights attached to these shares are set out in paragraph 7.11 below entitled “*Voting and votes attaching to shares*” and paragraph 7.12 below entitled “*Restrictions on voting in respect of Ninety One plc*” below, the entitlement of these shares to share in profits is set out in paragraph 7.13 below entitled “*Dividends*” and their respective rights to any surplus on a liquidation are set out in paragraph 7.14 below entitled “*Winding-up*”.

- (b) On the Conversion Date, all of the Ninety One plc Special Converting Shares will automatically be converted into and in all respects rank *pari passu* with the Ninety One plc Shares

Ninety One plc will have the right to redeem:

- (i) at any time prior to the Conversion Date, any or all of the Ninety One plc Special Converting Shares if the Ninety One plc Board considers such redemption is necessary or expedient in order to maintain the Ninety One plc Equivalent Number; and
 - (ii) at any time on or after the Conversion Date, the Ninety One plc Special Voting Share, the UK DAN Share, the UK DAS Share and the Ninety One plc Special Rights Share if the Ninety One plc Board so decides;
- (c) On the Conversion Date, all of the Ninety One Limited Special Converting Shares will automatically be converted into and in all respects rank *pari passu* with the Ninety One Limited Shares.

Ninety One Limited will have the right to redeem:

- (i) at any time prior to the Conversion Date, any or all of the Ninety One Limited Special Converting Shares if the Ninety One Limited Board considers such redemption is necessary or expedient in order to maintain in issue the Ninety One Limited Equivalent Number; and
 - (ii) at any time on or after the Conversion Date, the Ninety One Limited Special Voting Share, the SA DAN Share, the SA DAS Share and the Ninety One Limited Special Rights Share if the Ninety One Limited Board so decides.

Ninety One plc or Ninety One Limited, as the case may be, will pay for each share so redeemed an amount equal to the nominal value paid up thereon.

7.5.2 **Alteration of share capital**

- (a) Ninety One plc may by ordinary resolution and Ninety One Limited may, by special resolution:
 - (i) (in the case of Ninety One plc only) increase its capital by such sum to be divided into shares of such amounts as the resolution will prescribe;
 - (ii) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
 - (iii) cancel any shares which, at the date of the resolution, have not been taken, or agreed to be taken, by any person and reduce its share capital by the amount of the shares so cancelled;
 - (iv) subject to the Companies Act, subdivide its shares into shares of a smaller nominal amount than is fixed by the Ninety One plc Articles or the Ninety One Limited Mol, as the case may be, and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any preferred, deferred or other special rights or be subject to any restrictions, as the Company has power to attach to unissued or new shares;
 - (v) (in the case of Ninety One Limited only) convert any of its shares, whether issued or not, into shares of another class.

Where any members would become entitled to fractions of a share, the Directors may deal on behalf of the members by selling the shares as they deem fit. In particular, the Directors may sell

the shares representing the fractions for the best price reasonable for any person and authorise some person to transfer the shares to, or in accordance with the directions of, the purchaser.

- (b) Subject to the provisions of the Companies Act, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class, including any redeemable shares.
- (c) Subject to the provisions of the Companies Act and to any rights conferred on the holders of any class of shares, the Company may, by special resolution (unless applicable regulation requires otherwise), reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

7.6 Share issues

- 7.6.1 In the case of Ninety One plc, subject to the provisions of the Companies Act, and without prejudice to the rights attached to any existing shares or class of shares:
 - (a) any share in the Company may be issued with such rights and subject to such restrictions as the Company may by ordinary resolution determine or, in the absence of such determination, as the Directors will determine; and
 - (b) subject to the provisions of the Articles of Association, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed, or create and issue secured or unsecured debentures, on such terms and conditions and in such manner as the Company may determine.
- 7.6.2 In the case of Ninety One plc, subject to the provisions of the Companies Act, the Directors will have the authority to allot, grant options over or otherwise dispose of unissued shares on such terms and conditions as they think proper.
- 7.6.3 In the case of Ninety One Limited, subject to the statutes and the JSE Listings Requirements relating to authority, pre-emption rights or otherwise the Company may in general meeting authorise the Directors to allot and issue all or any shares authorised by the Company, with or without conferring a right of renunciation, grant options over or otherwise dispose of them to such persons, at such times and on such terms and conditions as they think proper.
- 7.6.4 The Directors may capitalise profits and reserves by appropriating sums to such members on such basis as they may decide and by applying such sums, *inter alia*, to pay up shares of any class.

7.7 Variations of rights

Subject to the Companies Act and, to the extent applicable, the DLC Structure voting mechanism summarised in paragraph 7.11 below entitled: “*Voting and votes attaching to shares*”, unless provided by the terms of allotment of shares of that class, whenever the share capital of the Company is divided into different classes of shares, the rights attaching to any class of shares may be varied or abrogated by special resolution of the Company approving such variation or abrogation either with the consent in writing or support of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise).

7.8 Transfers of shares

- 7.8.1 All transfers of shares which are in certificated form may be effected in writing in any usual or common form or in any other form acceptable to the Directors. The transfer instrument will be signed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The transferor will remain the holder of the shares until the transferee's name is entered in the share register. All transfers of shares that are in uncertificated form may be effected by means of a computer-based system and procedures which enable the transfer of shares without a written instrument.
- 7.8.2 Every instrument of transfer must be lodged, duly stamped if required, at the transfer office accompanied by the share certificates or other form of evidence the Directors may reasonably require to show the transferor's right of transfer.

- 7.8.3 The Directors may decline to recognise any transfer instrument relating to shares in certificated form unless it is in respect of one class of share and the provisions of paragraph 7.8.2 above have been complied with.
- 7.8.4 The Directors may, in the case of shares in certificated form, in their absolute discretion and without giving any specific reason, refuse to register any transfer of certificated shares that are not fully paid provided that their discretion does not prevent dealings of shares of that class from taking place on an open and proper basis. The Directors also may refuse to register an allotment or transfer of shares, whether fully paid or not, in favour of more than four persons jointly.
- 7.8.5 If the Directors refuse to register an allotment or transfer, they will send to the allottee or transferee notice of the refusal within two months after the date on which:
- (a) the letter of allotment or transfer was lodged with the Company, in the case of shares held in certificated form; or
 - (b) the instruction required by Strate or the CREST Regulations (as the case may be) was received by the Company in the case of Shares held in uncertificated form.
- 7.8.6 The Directors will decline to register any transfer of:
- (a) in the case of Ninety One plc, the Ninety One plc Special Voting Share unless the transfer has been approved in accordance with the provisions of the Voting Agreement;
 - (b) in the case of Ninety One Limited, the Ninety One Limited Special Voting Share unless the transfer has been approved in accordance with the provisions of the Voting Agreement;
 - (c) in the case of Ninety One plc, the UK DAN Share or the UK DAS Share unless the transfer has been effected in accordance with the provisions of the UK DAN Share Trust Deed and UK DAS Share Trust Deed, respectively, or the Ninety One plc Special Rights Share, unless the transfer is to a successor to UK Trust Co;
 - (d) in the case of Ninety One Limited, the SA DAN Share or the SA DAS Share unless the transfer has been effected in accordance with the SA DAN Share Trust Deed or the SA DAS Share Trust Deed, respectively, or the Ninety One Limited Special Rights Share, unless the transfer is to a successor to SA Trust Co; and
 - (e) prior to the date of a Conversion Event, any or all of the Ninety One plc Special Converting Shares or the Ninety One Limited Special Converting Shares, as the case may be, unless the transfer is to a successor to UK Trust Co or SA Trust Co (as appropriate).

7.9 General meetings and notices

An annual general meeting will be held every year, at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and place or places as may be determined by the Directors. All other general meetings will be called extraordinary general meetings.

The Directors may direct that any shareholders' meeting will be held at two or more locations. Arrangements must be made to ensure that all members and proxies are able to participate at the meeting and see and hear everyone else at the meeting.

Annual general meetings and extraordinary general meetings shall: (a), in respect of Ninety One plc, be called on at least 21 days' written notice where any special resolution is proposed, or otherwise on 14 days' notice; and (b) in respect of Ninety One Limited, be called on at least 15 business days' notice.

Any notice calling a general meeting will specify, *inter alia*:

- (a) the date, time and place of the meeting; and
- (b) the general nature of business to be transacted and whether resolutions to be proposed are special or extraordinary resolutions.

7.10 Amendments to resolutions

In the case of any resolution for Ninety One plc, no amendment thereto (other than to correct an error) may be considered or voted upon. In the case of Ninety One Limited, amendments may be considered and voted upon.

7.11 Voting and votes attaching to shares

The Articles of Association set out the provisions relating to Joint Electorate Actions and Class Rights Actions and the procedures relating thereto as described in paragraph 7 of Part VII: “*Details of the DLC Structure – Shareholder Voting Rights*”. Paragraphs 7.11.1 and 7.11.2 below set out the voting rights attached to the Ninety One Ordinary Shares, the Ninety One plc Special Voting Share and the Ninety One Limited Special Converting Shares, which give effect to those voting arrangements.

7.11.1 Subject to any special rights or restrictions as to voting attached to any class of shares the Ninety One Ordinary Shares have the following voting rights in respect of resolutions of the Company which is the issuer of such shares:

- (a) on a show of hands, every holder who is present in person will have one vote; and
- (b) on a poll, every holder who is present in person or by proxy will have one vote for each fully paid Ninety One Ordinary Share of which he or she is the holder.

7.11.2 Prior to the Conversion Date, the holder of the Ninety One plc Special Voting Share and the holder of the Ninety One Limited Special Voting Share will have the following voting rights in respect of resolutions of the Company which is the issuer of such shares:

- (a) no right to vote on any show of hands; and
- (b) the right to attend any general meeting and to cast on a poll the Specified Number (as set out below) of votes, some of which may be cast for and others against any resolution in such numbers as the holder may determine.

In respect of the Ninety One plc Special Voting Share:

- on a resolution in respect of a Joint Electorate Action: the Specified Number of votes will be the total number of votes validly cast (both for or against) by Ninety One Limited Shareholders on the poll on the equivalent resolution at the parallel Ninety One Limited Shareholders’ meeting (adjusted, if necessary, by reference to the Equalisation Ratio);
- on a resolution in respect of a Class Rights Action: if the resolution has not been approved by the necessary majority of the Ninety One Limited Shareholders, the Specified Number of votes will be equal to 25.1 per cent. (in relation to an action to be approved by special resolution) and 50.1 per cent. (in relation to an action to be approved by ordinary resolution), in each case, of the aggregate number of votes attaching to all classes of issued shares in Ninety One plc (including the Ninety One plc Special Voting Share) which could be cast on such resolution (rounded up to the next whole number). In such circumstances, the holder of the Ninety One plc Special Voting Share is required, pursuant to the Voting Agreement, to vote against the relevant resolution. If the resolution has been approved by the Required Majority (as defined in paragraph 7.3.2 of Part VII: “*Details of the DLC Structure – Class Rights Actions*”) of the Ninety One Limited Shareholders, the holder of the Ninety One plc Special Voting Share will not under the terms of the Voting Agreement be entitled to vote;
- on a procedural resolution put to a general meeting at which a Joint Electorate Action is to be considered: the Specified Number of votes will be the greatest number of votes cast or able to be cast via proxy (if such meeting has not yet been held) by Ninety One Limited Shareholders at the parallel Ninety One Limited shareholders’ meeting on any equivalent resolution on a Joint Electorate Action (adjusted, if necessary, by reference to the Equalisation Ratio); and
- the Specified Number of votes that may be cast on all other decisions will be zero.

In respect of the Ninety One Limited Special Voting Share:

- on a resolution in respect of a Joint Electorate Action: the Specified Number of votes will be the total number of votes validly cast (both for or against) by Ninety One plc Shareholders on the poll on the equivalent resolution at the parallel Ninety One plc

Shareholders' meeting (adjusted, if necessary, by reference to the Equalisation Ratio rounded up to the nearest whole number);

- on a resolution in respect of a Class Rights Action: if the resolution has not been approved by the necessary majority of the Ninety One plc Shareholders, the Specified Number of votes will be equal to 25.1 per cent. (in relation to an action to be approved by special resolution) and 50.1 per cent. (in relation to an action to be approved by ordinary resolution), in each case, of the aggregate number of votes attaching to all classes of issued shares in Ninety One Limited (including the Ninety One Limited Special Voting Share) which could be cast on such resolution (rounded up to the next whole number). In such circumstances, the holder of the Ninety One Limited Special Voting Share is required, pursuant to the Voting Agreement, to vote against the relevant resolution. If the resolution has been approved by the Required Majority (as defined in paragraph 7.3 of Part VII: *"Details of the DLC Structure – Class Rights Actions"*) of the Ninety One plc Shareholders, the holder of the Ninety One Limited Special Voting Share will, under the terms of the Voting Agreement, not be entitled to vote;
- on a procedural resolution put to a general meeting at which a Joint Electorate Action is to be considered: the Specified Number of votes will be the greatest number of votes cast or able to be cast via proxy (if such meeting has not yet been held) by Ninety One plc Shareholders at the parallel Ninety One plc shareholders' meeting on any equivalent resolution on a Joint Electorate Action (adjusted, if necessary, by reference to the Equalisation Ratio); and
- the Specified Number of votes that may be cast on all other decisions will be zero.

7.11.3 The prescribed manner in which the above voting rights are to be exercised are set out in the Voting Agreement, as described in paragraph 9.2 of Part VII: *"Details of the DLC Structure – Voting Agreement"*. In this paragraph 7.11.3, the expression "special resolution" will have the same meaning as set out in paragraph 7.2 of Part VII: *"Details of the DLC Structure – Joint Electorate Actions"*.

- (a) On and from the Conversion Date, the holder of the Ninety One plc Special Voting Share and the holders of the Ninety One Limited Special Voting Share will cease to have any right to receive notice of, attend, speak at or vote at a general meeting.
- (b) In the case of Ninety One plc, holders of the UK DAS Share, the UK DAN Share and the Ninety One plc Special Rights Share will have the right to receive notice of, attend and vote at a general meeting only in relation to a resolution proposing to vary the rights attached to the UK DAS Share, the UK DAN Share or the Ninety One plc Special Rights Share, as the case may be, or a resolution proposing the winding-up of Ninety One plc.
- (c) In the case of Ninety One Limited, holders of the SA DAS Share, the SA DAN Share and the Ninety One Limited Special Rights Share will have the right to receive notice of, attend and vote at a general meeting only in relation to a resolution proposing to vary the rights attached to the SA DAS Share, the SA DAN Share or the Ninety One Limited Special Rights Share, as the case may be, or a resolution proposing the winding-up of Ninety One Limited, except where subject to the statutory rights to vote pursuant to the SA Companies Act.
- (d) The holder(s) of the Ninety One plc Special Converting Shares will, prior to the Conversion Date, have the right to receive notice of, attend and vote at a general meeting only in relation to a resolution proposing to vary the rights attached to the Special Converting Shares or a resolution proposing the winding-up of the Company.

7.12 Restrictions on voting in respect of Ninety One plc

- 7.12.1 A member loses their right to vote if any call or other sum presently payable by him in respect of the shares in the Company remains unpaid.
- 7.12.2 Unless the Ninety One plc Board determines otherwise, a Ninety One plc Shareholder who has been served with a notice under Part 22 of Companies Act 2006 (the “**Notice**”) (which confers upon public companies the power to require information as to interests in its voting shares) and is in default for a period of 14 days in supplying to Ninety One plc the information required will not be entitled to vote in respect of the Ninety One plc Shares (“**Default Shares**”) in relation to which the information has not been supplied. If the Default Shares represent 0.25 per cent. or more of the nominal value of the issued ordinary share capital, then the Directors may:
- (a) direct that any dividend on the Default Shares is withheld (without any liability to pay interest thereon); and/or
 - (b) refuse to register any transfer of the Default Shares if, in the case of shares held in uncertificated form, they are permitted to do so by the CREST Regulations or rules under Strate.
- 7.12.3 The Ninety One plc Board may also decide to impose voting restrictions in respect of the takeover restrictions described in paragraph 7.15 entitled “*Directors*”.

7.13 Dividends

7.13.1 Prior to the Conversion Date:

- (a) in respect of Ninety One plc:
 - profits resolved to be distributed will be divided among the holders of the Ninety One plc Shares, the UK DAN Share and the UK DAS Share in such a manner as to ensure that Ninety One plc (having regard to any Actions taken by Ninety One Limited) gives effect to the DLC Equalisation Principles (described in paragraph 5 of Part VII: “*Details of the DLC Structure – Equalisation of Voting and Economic Rights*”);
 - the holder of the Ninety One plc Special Voting Share will have no right to receive dividends or other distributions;
 - the holder of the Ninety One plc Special Converting Shares will have no right to receive dividends or other distributions; and
 - the holder of the Ninety One plc Special Rights Share may, if the Directors so determine, receive, by way of any capitalisation of share premium account or reserves, fully paid up Ninety One plc Special Converting Shares where such appropriation is necessary or expedient in order to maintain the Ninety One plc Equivalent Number, but otherwise will have no right to receive dividends or other distributions; and
- (b) in respect of Ninety One Limited:
 - profits resolved to be distributed will be divided among the holders of the Ninety One Limited Shares, the SA DAN Share and the SA DAS Share in such a manner as to ensure that Ninety One Limited (having regard to any Actions taken by Ninety One plc) gives effect to the DLC Equalisation Principles (described in paragraph 5 of Part VII: “*Details of the DLC Structure – Equalisation of Voting and Economic Rights*”);
 - the holder of the Ninety One Limited Special Voting Share will have no right to receive dividends or other distributions;
 - the holder of the Ninety One Limited Special Converting Shares will have no right to receive dividends or other distribution; and
 - the holder of the Ninety One Limited Special Rights Share may, if the Directors so determine, receive, by way of any capitalisation of any sum standing to the credit of any of the Company’s reserve accounts, however described, fully paid up new SA DAS Shares, SA DAN Shares, Ninety One Limited Special Converting Shares where such appropriation is necessary or expedient in order to maintain the Ninety One Limited Equivalent Number, but otherwise will have no rights to receive dividends or other distributions.

7.13.2 On and from the Conversion Date:

- (a) in respect of Ninety One plc:
 - profits resolved to be distributed will be divided among the holders of Ninety One plc Shares (including the newly converted Ninety One plc Special Converting Shares);
 - the holder of the UK DAN Share and the UK DAS Share will have no right to receive dividends or other distributions;
 - the holder of the Ninety One plc Special Voting Share will have no right to receive any dividends or other distributions; and
 - the holder of the Ninety One plc Special Rights Share will have no right to receive any dividends or other distributions;
- (b) in respect of Ninety One Limited:
 - profits resolved to be distributed will be divided among the Ninety One Limited Shareholders (including the newly converted Ninety One Limited Special Converting Shares);
 - the holder of the SA DAN Share and the SA DAS Share will have no right to receive dividends or other distributions;
 - the holder of the Ninety One Limited Special Voting Share will have no right to receive any dividends or other distributions; and
 - the holder of the Ninety One Limited Special Rights Share may, if the Directors so determine, receive, by way of any capitalisation of any sum standing to the credit of any of the Company's reserve accounts, however described, fully paid up new SA DAN Shares, SA DAS Shares and Ninety One Limited Special Converting Shares where such appropriation is necessary or expedient in order to maintain the Ninety One Limited Equivalent Number, but otherwise will have no rights to receive dividends or other distributions.
- (c) Subject to the statutes and the Articles of Association, the Company by ordinary resolution or the Directors by board resolution may declare final dividends, provided that no dividend declared by the Company by ordinary resolution will exceed the amount recommended by the Directors.
- (d) The Directors may pay, if it appears to the Directors that the profits of the Company justify such payments:
 - fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof; and
 - interim dividends on shares of any class of such amounts, on such dates and in respect of such periods as they think fit. If the Directors act in good faith, they will not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment of any such fixed or interim dividend.

The Company may, upon the authorisation of the Directors and by ordinary resolution, direct payment of a dividend in whole or in part by the distribution of specific assets.

No dividend will be paid otherwise than out of profits available for distribution or distributable reserves under the provisions of the Companies Act.

In respect of Ninety One plc, except as otherwise provided by the rights attached to any shares and the terms of issue thereof, all dividends will be apportioned and paid pro rata according to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid. No amount paid on a share in advance of calls will be treated as paid on the share.

Subject to the rights attaching to any shares, the Directors may determine that any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine, using such exchange rate for currency conversions as the Directors may select.

No dividend or other moneys payable in respect of a share will bear any interest as against the Company.

Any dividend unclaimed after a period of 12 years (in the case of Ninety One plc) or six years (in the case of Ninety One Limited) from the date on which such dividend was declared or became due for payment will be forfeited and will cease to remain owing by the Company. Any sums paid on the UK DAN Share, the UK DAS Share, the SA DAN Share or the SA DAS Share which have not been claimed by the beneficiaries under the relevant trust within the equivalent 12-year or six year period (as applicable), shall also be unclaimed dividends and be forfeited by the relevant beneficiaries.

The Directors may offer to Ninety One plc Shareholders or Ninety One Limited Shareholders, as the case may be, the right to elect to receive new Ninety One plc Shares or Ninety One Limited Shares (as appropriate) by way of scrip dividend instead of cash in respect of all or any part of a dividend. In the case of Ninety One plc, the Directors shall not allot new Ninety One plc Shares unless so authorised by ordinary resolution.

7.14 Winding-up

7.14.1 Subject to paragraph 7.14.2 below, if the Company is wound up, the liquidator may, with the authority of a special resolution:

- (a) divide among the members in specie or in kind the whole or any part of the assets of the Company (whether they will consist of property of the same kind or not) and may, for such purpose, set such value as he or she deems fair upon any property to be divided and may determine how such division will be carried out between the members or different classes of members; and
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator will think fit but no shareholder will be compelled to accept any shares or other property in respect of which there is a liability.

7.14.2 On a winding-up of the Company, the assets of the Company remaining after payments of all amounts payable to the creditors of the Company and prior ranking statutory entitlements and subject to the rights attaching to any existing shares or class of shares will be distributed:

- first to the holders of the UK DAN Share, the UK DAS Share, the Ninety One plc Special Voting Share and the Ninety One plc Special Rights Share in the case of Ninety One plc, or to the holders of the SA DAN Share, the SA DAS Share, the Ninety One Limited Special Rights Share and the Ninety One Limited Special Converting Shares in the case of Ninety One Limited, subject, in each case, to a maximum of the par value of such shares in the case of Ninety One plc and the stated capital of such shares in the case of Ninety One Limited; and
- subject to paragraph (a) above, the Company's ordinary shareholders (including, after the Conversion Date, the holders of any converted Ninety One plc Special Converting Shares and/or Ninety One Limited Special Converting Shares).

7.15 Directors

7.15.1 Number of Directors

The minimum number of Directors of the Company will be not fewer than four nor more than 20 in number. The Company may by special resolution from time to time vary the minimum and/or maximum number of Directors.

7.15.2 No share qualification

A Director will not be required to hold any shares in the capital of the Company by way of qualification. A Director who is not a member of the Company will nevertheless be entitled to attend and speak at the Company general meetings.

7.15.3 Remuneration

- (a) The ordinary remuneration of the Directors will be determined by the Directors (in the case of Ninety One plc) or by special resolution within the previous two years following a proposal by a disinterested quorum of Directors (in the case of Ninety One Limited), in each case from time to time (except that, in the case of Ninety One plc such remuneration for non-executive Directors will not exceed £5 million per annum in aggregate or such higher amount as may be determined by an ordinary resolution of the Company and will (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally), except that any Director who will hold office for part only of the period in respect of which such remuneration is payable will be entitled only to rank in such division for a proportion of remuneration related to the period during which he or she has held office. Any fee payable under the relevant provision of the Ninety One plc Articles of Association will be distinct from any remuneration or other amounts payable to a Director under other provisions of the Ninety One plc Articles of Association or payable by Ninety One Limited under the relevant provisions of the Ninety One Limited Articles of Association and *vice versa*.
- (b) Any Director who holds an executive office with Ninety One plc or Ninety One Limited, including for this purpose the office of joint chairman or deputy chairman, or who serves on any committee of the Board, or who otherwise performs services, in relation to the business of Ninety One that are outside the scope of ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission, participation of profits or otherwise.
- (c) The Directors may repay to any Director all reasonable expenses properly incurred by him in travelling to and from meetings of the Boards or general meetings, meetings of any committees appointed pursuant to the Articles of Association or otherwise in connection with the business of Ninety One plc or Ninety One Limited respectively.
- (d) The Directors may provide benefits, whether by the payment of gratuities or pensions or otherwise, to any past or present Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

7.15.4 Age limit

Any provision of the Companies Act which, subject to the Articles, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his or her having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, will not apply to Ninety One plc or Ninety One Limited.

7.15.5 Retirement of Directors by rotation

Save as provided in paragraph 7.15.6 below, at each annual general meeting held in each year one-third of the Directors, or, if the number is not a multiple of three then the number nearest to, but not less than, one-third shall retire from office. A Director retiring by rotation will be eligible for re-election.

7.15.6 Nomination of Director for election

No person other than a Director retiring at a meeting will be eligible for election as a Director at any general meeting unless there is lodged at the offices of Ninety One plc and Ninety One Limited:

- (a) a written notice signed by a member qualified to attend and vote at the meeting or a Director indicating his intention to propose such person for election; and
- (b) a written notice signed by the person to be proposed of his or her willingness to be elected as a director of Ninety One plc and Ninety One Limited.

In the case of Ninety One plc:

- the Directors will nominate for election as a director of Ninety One plc at a general meeting of Ninety One plc any person duly nominated for election at the parallel general meeting of Ninety One Limited; and
- the notice required for the nomination of a person or election as a Director at a general meeting of Ninety One plc must be lodged not fewer than seven business days and no more than 28 business days inclusive of the date on which the notice is given before the earlier of the date appointed for the meeting and the date appointed for the parallel general meeting of Ninety One Limited.

In the case of Ninety One Limited:

- the Directors will nominate for election as a director of Ninety One Limited at a general meeting of Ninety One Limited any person duly nominated for election at the parallel general meeting of Ninety One plc; and
- the notice required for the nomination of a person or election as a Director at a general meeting of Ninety One Limited must be lodged not fewer than seven business days and no more than 28 business days inclusive of the date on which the notice is given before the earlier of the date appointed for the meeting and the date appointed for the parallel general meeting of Ninety One plc.

7.15.7 **Additional Directors**

The Company may, by ordinary resolution, elect, that the Directors will have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the appointment will not cause the maximum number of Directors to be exceeded and will not take effect before such Director has been duly appointed as a director of the other Company. Any person so appointed by the Directors will hold office only until the next annual general meeting and will then be eligible for election.

7.15.8 **Termination of office**

A Director's office will be terminated if, *inter alia*, that Director ceases to be a director of the other Company.

7.15.9 **Directors' interests**

Subject to the provisions of the Companies Act, and provided that he or she has disclosed to the Directors the nature and extent of any interest of his or her, a Director:

- (a) may be party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or officer of, or be employed by, or be a party to any contract, transaction or arrangement with, or be otherwise interested in, any body corporate promoted by the Company in which the Company is otherwise interested provided that a Director may not accept such office or employment or enter into such contract, transaction or arrangement or take such interest or receive remuneration in relation to any of the foregoing without the prior approval of a disinterested quorum of Directors;
- (c) may (or any firm of which he or she is a partner, employee or member may) act in a professional capacity for the Company, other than as auditor, and be remunerated provided that any appointment so to act and the remuneration therefore will require the approval of a disinterested quorum of Directors; and
- (d) will not, except as otherwise agreed by him or her, be accountable to the Company for any benefit that he or she derives from any contract, transaction or arrangement or from any such office or employment or from any interest in any body corporate or for remuneration, and no such contract, transaction or arrangement disclosed to the Directors will be avoided because of any such interest or benefit.

7.15.10 Restrictions on voting

In respect of Ninety One plc, a Director is prevented from voting at a meeting of the Boards in respect of any contract or arrangement or any other proposal whatsoever in which he or she has a material interest (together with any interest of any person connected with him or her) except where the resolution relates to any of the following matters:

- (a) the giving of any security, guarantee or indemnity in respect of:
 - (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
 - (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself or herself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings where the Director concerned is entitled to participate as a holder of shares or in the underwriting or sub-underwriting;
- (c) any proposal concerning any other company in which he or she is interested, directly or indirectly and in whatever capacity, provided that he or she (together with persons connected with him or her as defined by applicable law) does not have an interest in one per cent. or more of any class of shares issued by such company or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (e) any proposal concerning: (i) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors; or (ii) indemnities in favour of Directors; or (iii) the funding of expenditure by one or more Directors on defending proceedings against him or her or them; or (iv) doing anything to enable such Director or Directors to avoid incurring such expenditure.

In respect of Ninety One Limited, if a Director has a personal financial interest in respect of a matter to be considered at a meeting of the Board, or knows that a related person has a personal financial interest in the matter, the Director:

- (a) must disclose the personal financial interest and its general nature before the matter is considered at the meeting;
- (b) must disclose to the meeting any material information relating to the matter, and known to the Director;
- (c) may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;
- (d) if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in paragraphs (b) and (c) above;
- (e) must not take part in the consideration of the matter, except to the extent contemplated in paragraphs (b) and (c) above;
- (f) while absent from the meeting:
 - (i) is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute a quorum; and
 - (ii) is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
 - (iii) must not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.

7.15.11 Powers and obligations in relation to the Sharing Agreement

The Directors are authorised and directed, subject to applicable regulation, to carry into effect the provisions of the DLC Agreements and any further or other agreements or arrangements contemplated by or relating to such agreements and nothing done by any Director in good faith pursuant to such authority and obligations (the “**DLC Obligations**”) will constitute a breach of fiduciary duties of such Director to the Company or the members of the Company. In particular, but without limitation to the generality of the above, the Directors may, in addition to their duties to Ninety One plc, have regard to the interests of Ninety One Limited (and *vice versa*) and both the holders of Ninety One plc Shares and Ninety One Limited Shares as if Ninety One plc and Ninety One Limited were a single unified entity and, for that purpose, the Directors will, in exercising their powers, take into account the interests of the holders of Ninety One Limited Shares and *vice versa*.

In the absence of fraud or negligence, neither the Company nor any member(s) will have the right to bring any proceedings or claims against any Director(s) which arise out of or in connection with anything done in good faith by any Director(s) or the Boards pursuant to the DLC Obligations.

7.15.12 Borrowing powers

Subject to the Articles of Association and to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to:

- (a) borrow money;
- (b) mortgage or charge all or any part or parts of its undertaking, property, and uncalled capital; and
- (c) issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, provided that in the case of Ninety One Limited, no special privileges may be granted to secured and unsecured debentures as contemplated in section 42(3) of the SA Companies Act.

7.16 Takeover restrictions

7.16.1 Except as a result of a Permitted Acquisition (as defined below), a person must not breach any of the limits (“**Limits**”) set out under the following provisions:

- (a) 30 per cent. of the voting rights of Ninety One Limited without regard to the Ninety One Limited Special Voting Share; or
- (b) 30 per cent. of the voting rights of Ninety One Limited taking into account the Ninety One Limited Special Voting Share on a Joint Electorate Action; or
- (c) 30 per cent. of the voting rights of Ninety One plc without regard to the Ninety One plc Special Voting Share; or
- (d) 30 per cent. of the voting rights of Ninety One plc taking into account the Ninety One plc Special Voting Share on a Joint Electorate Action.

7.16.2 Where any person breaches any such Limits (except as a result of a Permitted Acquisition, as defined below) that person and any person acting in concert with him or her (as defined by the relevant applicable laws in South Africa and United Kingdom) will be in breach of these Articles of Association, and any Ninety One plc Shares held by such defaulting member which cause the relevant limit to be equalled or exceeded shall be designated as excess shares. As soon as reasonably practicable after giving a notice to a defaulting member, the Companies will effect the transfer of the excess shares to a trustee. The Companies can direct the trustee to sell the excess shares to a third party and the defaulting member will receive the proceeds net of costs, duties and commissions.

- 7.16.3 An acquisition will be a **“Permitted Acquisition”** if the Boards consent to the acquisition or if each of paragraphs (a) and (b) below is satisfied:
- (a) the acquisition is under or pursuant to a procedure which applies to or is undertaken for both the Ninety One Limited Shares and the Ninety One plc Shares at or about the same time; and
 - (b) each such procedure complies with applicable regulation and the Articles of Association.
- 7.16.4 Ninety One Limited Shareholders on the one hand and the Ninety One plc Shareholders on the other hand are afforded equivalent treatment in terms of, *inter alia*:
- (a) the consideration offered for their shares (having regard to the Equalisation Ratio);
 - (b) the information provided to them;
 - (c) the time to consider the offer or procedure; and
 - (d) the conditions to which the procedure is subject.
- 7.16.5 The effect of these control provisions, having regard to the operation of the South African Securities Regulation Code on Takeovers and Mergers and the City Code, is described in paragraph 11 of Part VII: *“Details of the DLC Structure – Takeovers regulation of the DLC Structure”*.

7.17 Entrenchment

The DLC Structure-specific provisions of the Articles of Association (the **“Entrenched Provisions”**) will be prohibited from being altered except by the passing of special resolutions of both Ninety One Limited and Ninety One plc, as a Class Rights Action. The Entrenched Provisions include, *inter alia*:

- 7.17.1 the scope of, and voting rights and procedures in relation to, Joint Electorate Actions;
- 7.17.2 the scope of, and voting rights and procedures in relation to, Class Rights Actions;
- 7.17.3 the rights attaching to the shares as to dividends or other distributions and return of capital;
- 7.17.4 the provisions dealing with restrictions on transfers;
- 7.17.5 the appointment and retirement/vacation of office of Directors;
- 7.17.6 the takeover restrictions; and
- 7.17.7 the defined terms relating to the above.

7.18 Notices to overseas shareholders

- 7.18.1 In the case of Ninety One plc, a Shareholder who has no registered address within the United Kingdom or South Africa (if the Ninety One plc Shares are held on the Ninety One plc South African Branch Register) and has not supplied to Ninety One plc an address within the United Kingdom or South Africa for the service of notices will not be entitled to receive notices from Ninety One plc.
- 7.18.2 In the case of Ninety One Limited, a Shareholder who has no registered address within South Africa and has not supplied to Ninety One Limited an address within South Africa for the service of notices will still be entitled to receive notices from Ninety One Limited.

8. Directors and Company Secretaries

- 8.1 The Directors and their functions within the Companies and brief biographies are set out in Part VI: *“Directors and Corporate Governance”*.
- 8.2 The business address for each of the Directors is: (i) 55 Gresham Street, London EC2V 7EL, United Kingdom, in respect of Ninety One plc; and (ii) 36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001, Republic of South Africa, in respect of Ninety One Limited.

- 8.3 Hendrik du Toit, Kim McFarland and Adam Fletcher hold directorships of various entities within the Group. In addition to these directorships, the Directors and the Company Secretaries hold, or have held, the following non-Group directorships or equivalent roles and are or were members of the following partnerships, within the previous five years prior to the date of this document:

Director/company secretary	Current directorships/ partnerships	Former directorships
Gareth Peter Herbert Penny	Amulet Diamond Corp. Edcon Group Norilsk Nickel	Julius Bär Group AG New World Resources plc OKD a.s. Pangolin Diamonds Corp
Colin Denis Keogh	Hiscox Ltd M&G Group Ltd Premium Credit Ltd	Brait Societe Anonyme Downe House School Emerald Plantation Group Emerald Plantation Holdings Ltd Greenheart Group Ltd New World Resources plc Virgin Money Holdings (UK) plc Virgin Money plc Virgin Money Unit Trust Managers Limited
Idoya Fernanda Basterrechea Aranda	Alcisco Sociedade Imobiliaria LDA Alma Nova Inversiones SL Farm Lane Advisors LLP Ockham Court Management Company (Number One), Ltd Violeta Invest, SL	Fidentiis Gestion SGILC s.a.
Victoria Susan Cochrane	Euroclear Bank SA/NV Farm Partnership (trading as Parsonage Farm, Kirdford) HM Courts and Tribunals Services IntegraFin Holdings plc Perpetual Income and Growth Investment Trust plc Tyn Glyn Student Ltd	Bowater Manufacturing Ltd
Busisiwe Abigail Mabuza	ABSA Financial Services Limited AFGRI Charitable Trust AFGRI Employee Empowerment Trust AFGRI Operations (Pty) Ltd AFGRI Sizwe Trust Aviation Co-Ordination Services Proprietary Limited Bmabuza Consulting (Pty) Ltd Industrial Development Corporation of South Africa Izitsalo Employee Investments (Pty) Ltd Johannesburg Philharmonic Orchestra NPC K2018106753 (South Africa) (Pty) Ltd Kleoss Capital (Pty) Ltd Lehumo Women's Investment Holdings (Pty) Ltd Platchro Holdings (Pty) Ltd Provest Group (Pty) Ltd Tsogo Sun Gaming Limited ZA Central Registry NPC	ABN Publishing (Pty) Ltd Africa Business News (Pty) Ltd Averda (Pty) Ltd Development Bank of Southern Africa Nehawu Investment Holdings (Pty) Ltd Pan Africa Business Media Holdings (Pty) Ltd

Director/company secretary	Current directorships/ partnerships	Former directorships
Fani Titi	Business Leadership South Africa ED Trust Global Capital Investments (Pty) Ltd George Avenue Investments 101 (Pty) Ltd IEP Group (Pty) Ltd Igagasi 99.5 (Pty) Ltd Investec Bank Ltd Investec Bank plc Investec Ltd Investec plc MRC Media (Pty) Ltd Newshelf 1280 (RF) (Pty) Ltd Radio Heart 104.9 (Pt) Ltd Tsiya Radio Pty Ltd	ED Trust INL Investments 1 (Pty) Ltd Investec Specialist Investments (RF) (Pty) Ltd Izandla Property Fund (Pty) Ltd Izandla Property (Pty) Ltd Kumba Resources Ltd MTN Group Ltd Tsiya Foundation
Hendrik du Toit	August Moon (Pty) Ltd Brouwerskloof Eiendomme Eindoms Beperk Forty Two Point Two Growthpoint Investec African Property Management Ltd* Investec Ltd Investec plc Mediterranean Holdings (Pty) Ltd Naspers Ltd Prosus N.V.	
Kim Mary McFarland	Forty Two Point Two Growthpoint Investec African Property Management Ltd* Investec Ltd Investec plc The Investment Association	
Adam Johnne Fletcher	Crimson King (Pty) Ltd	
Paula Mary Watts	CoSec and Governance Consultants Ltd	

* The Group holds a minority stake in Growthpoint Investec African Property Management Ltd

9. Interests of Directors

Save as set out in paragraph 9.1 below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Companies or any of the subsidiaries comprising the Group.

9.1 Shareholdings of Directors

As at 28 January 2020 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial unless otherwise stated and are inclusive of any interests held by their respective immediate families) in the share capital of the Companies or (so far as is known or could with reasonable due diligence be ascertained by the relevant Director) interests of a person connected (within the meaning of section 252 of the UK Companies Act) with a Director and the existence of which was known to or could, with reasonable due diligence, be ascertained by the relevant Director as at 28 January 2020 were as follows:

Director	Ninety One plc	Ninety One Limited
Hendrik Jacobus du Toit	–	0.2% ⁽¹⁾
Kim Mary McFarland	–	0.0 ⁽¹⁾

Notes:

(1) As at 28 January 2020 (being the latest practicable date prior to the publication of this document) Investec Limited holds one ordinary share in Ninety One Limited. Hendrik Jacobus du Toit and Kim Mary McFarland each hold shares in Investec Limited. Through these shareholdings in Investec Limited, both of these Directors therefore also have a fractional indirect interest in Ninety One Limited. Ninety One plc is wholly owned by its subscriber shareholder, Derek Tong.

9.2 Directors' interests in transactions

No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions, or is or was significant to the business of the Companies, and which was effected by any member of the Group in the current or immediately preceding financial year or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

There are no guarantees provided by any member of the Group for the benefit of the Directors.

Within the period of five years preceding the date of this document, none of the Directors has:

- (a) had any convictions in relation to fraudulent offences;
- (b) been a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership, administration or liquidation of such company; or
- (c) received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

10. Remuneration details, Directors' service contracts and letters of appointment

10.1 Remuneration approach

10.1.1 Remuneration policy

From Admission, the Companies will apply a clear and transparent approach to remuneration. Their remuneration frameworks will be overseen by the Human Capital and Remuneration Committee. Over the months leading up to Admission, the Companies have considered the most appropriate basis for the Companies' remuneration arrangements that it should apply to Directors to ensure that these are appropriate for the listed company environment. The Companies have, therefore, established the remuneration principles set out below. The Companies' remuneration policy will be designed to provide a remuneration framework that will:

- (a) promote sound and effective risk management and does not encourage risk taking that exceeds the level of risk tolerance of the business and does not impair compliance with the Companies' obligations to act in the best interests of their clients;
- (b) ensure that the payment of variable remuneration does not limit the business ability to maintain or strengthen their capital base;
- (c) provide a balance of fixed and variable reward that is appropriate in light of an individual's role, responsibilities and contribution;

- (d) reflect an approach where both financial and non-financial considerations form an integral part of the determination of reward levels at a team and individual level;
- (e) ensure that the applicable regulations which apply to the Companies in respect of remuneration are applied in a way that is proportionate to the nature, scale and complexity of the firm's activities; and
- (f) be in line with the Companies' business strategy, culture, the funds and strategies that the Companies manage and, importantly, client requirements.

10.1.2 **Remuneration policy of Executive Directors**

In accordance with UK Companies Act requirements, the Companies will propose for approval by their shareholders a remuneration policy for the Executive Directors at each Company's first annual general meeting after Admission currently expected to be held in September 2021.

(a) **Base salary**

Details of the fixed pay for the Executive Directors are set out in paragraph 11.2 below. An Executive Director's fixed pay takes into account the individual's professional experience, individual performance, level of responsibility, the scope and nature of their role and is initially set with reference to the market. Fixed pay is reviewed annually in the context of both Group and individual performance, and pay and conditions of the broader employee population more generally

(b) **Pension and employee benefits**

The Executive Directors will not be entitled to any pension benefits.

The Executive Directors will each be entitled to receive private medical insurance, disability insurance and life cover, which are the employee benefits generally offered to all Ninety One employees in the UK. These employee benefits will be funded by sacrificing a portion of their fixed pay.

(c) **Variable compensation**

The Executive Directors' proposed variable compensation arrangements after Admission are set out below in paragraph 10.4.2 below.

10.1.3 **Malus and clawback**

Consistent with best practice, malus and clawback provisions which may be operated at the discretion of the Human Capital and Remuneration Committee will be included in the variable compensation arrangements for the Executive Directors.

10.1.4 **All-employee share plans**

The Executive Directors will be entitled to participate in any all-employee share plans operated by the Companies, for example the SIP, on the same terms as other employees. A summary of the principal terms of the SIP are set out at paragraph 15.4 of this Part XII.

10.1.5 **Share ownership guidelines**

The Executive Directors will be required to build and maintain a shareholding in the Companies. The Chief Executive Officer will be subject to a minimum shareholding requirement of 1,000 per cent. of fixed pay, while the Finance Director will be subject to a minimum shareholding requirement of 800 per cent. of fixed pay. The equivalent net value after statutory deductions of unvested shares subject to any awards held by an Executive Director to which time-based vesting or a holding period only applies, will count towards the shareholding requirement. The current Executive Directors' participations in the Marathon Trust, as detailed in paragraph 11 of this Part XII, exceed this shareholding requirement. The Chief Executive Officer will be required to maintain a minimum shareholding requirement of 500 per cent. of fixed pay for a period of two years after the termination of his or her employment, while the Finance Director will be required to maintain a minimum shareholding requirement of 400 per cent. of fixed pay for a period of two years after the termination of her employment.

10.1.6 **Service agreements**

The policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Companies or the individual on six months' notice. The service agreements of all Executive Directors will comply with that policy. The services agreements of an Executive Director may be with either of the Companies. A summary of the principal terms of the Executive Directors' service agreements is set out at paragraph 11.4.1 of this Part XII.

10.1.7 **Termination policy**

The Human Capital and Remuneration Committee will consider treatment on termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Human Capital and Remuneration Committee may choose to apply under the discretions available to it under the terms of any short-term and long-term incentive plans in which the Executive Directors participate.

10.1.8 **Non-Executive Directors' letters of appointment**

The Chairman and the other Non-Executive Directors are appointed by a letter of appointment and are subject to annual re-election. Details of each Non-Executive Directors' appointment with each Company are set out in paragraph 11.4.3 of this Part XII.

The Chairman's and the other Non-Executive Directors' fees will be set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Boards and their committees, and to attract and retain Non-Executive Directors of the highest caliber with relevant commercial and other experience. The fees paid to the Chairman and the other Non-Executive Directors are determined by the Boards and in the case of Ninety One Limited, approved by special resolution of shareholders. No member of the Boards may participate in the approval of their own fees.

The Chairman and other Non-Executive Directors are not eligible to participate in any of the Companies' incentive arrangements and do not receive pension contributions.

10.1.9 **Statement of consideration of employment conditions elsewhere in the Group**

Pay and employment conditions generally in the Group will be taken into account when setting Executive Directors' remuneration. The Human Capital and Remuneration Committee will receive regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and any staff bonus pools in operation. There is also oversight of the all-employee share plans which Executive Directors and all other Group employees can participate in on the same terms and conditions. Reflecting standard practice, the Companies will not consult with employees in drawing up the Companies' annual remuneration report.

10.1.10 **Statement of consideration of shareholder views**

In compliance with section 439A of the UK Companies Act, the Companies' new remuneration policy will be submitted for approval at each Company's first annual general meeting after Admission currently expected to be held in September 2021. This annual general meeting will be the first occasion on which each Company will seek the support of its shareholders for matters relating to the remuneration of Executive Directors. The Human Capital and Remuneration Committee will ensure that it considers all of the feedback which it receives from the Shareholders during this process.

10.2 **Remuneration of the Boards**

The aggregate value of the remuneration paid by the Group (including salaries, fees, incentives and other benefits) to Directors who served as directors or employees of the Group during the year ended 31 March 2019 was £2,838,284.

10.3 **Retirement age**

There is no set retirement age for the Directors.

10.4 Directors' service contracts, incentive arrangements, letters of appointment and termination rights

10.4.1 Executive Directors

Hendrik du Toit's employment with the Group commenced on 1 February 1991. On 1 October 2018, his employment transferred to Investec plc when he assumed his role as Joint Chief Executive Officer of Investec. His employment will transfer back to the Group on 1 March 2020 (in anticipation of Admission) though he will continue to act as an Executive Director of Investec until Admission.

Kim McFarland's employment with the Group commenced on 1 December 1993. On 1 October 2018, she assumed the role of executive director of Investec plc, but has always remained an employee of the Group. Kim McFarland will continue to act as an Executive Director of Investec until Admission.

Hendrik du Toit and Kim McFarland are expected to enter into new service contracts in respect of their roles within the Group, which will take effect from 1 March 2020 (in anticipation of Admission). Under the terms of these service contracts:

- (i) they will each receive fixed pay equal to the cash component of their current annual fixed pay which they receive as executive directors of Investec plc. Hendrik will therefore receive fixed pay of £666,000 per annum and Kim will receive fixed pay of £533,000 per annum;
- (ii) they will each be entitled to receive private medical insurance, disability insurance and life cover, which are the employee benefits generally offered to all Ninety One employees in the UK. These employee benefits will be funded by sacrificing a portion of their fixed pay. They will also be eligible for cover under any director or officer insurance that each Company maintains from time to time;
- (iii) in addition to normal bank and public holidays, they will be entitled to 35 days holiday per annum;
- (iv) they will each be eligible to be considered for an annual variable compensation award described in more detail below in paragraph 11.4.2 of this Part XII; and
- (v) their employment may be terminated by either party providing written notice to the other of not less than six months. The Companies will have the ability to make a payment in lieu of notice equal to base salary only for any unexpired portion of the notice period. The Companies may also reserve the right to place them on garden leave during the notice period. The Companies will also be entitled to dismiss them without notice in certain circumstances such as serious misconduct or following a serious breach of their duties.

10.4.2 Executive Directors' incentive arrangements

In accordance with UK Companies Act requirements, the Group will propose for approval by its shareholders at its first annual general meeting following Admission, a directors' remuneration policy, which shall include variable compensation arrangements for each of the Executive Directors.

It is proposed that the variable compensation arrangements will comprise an annual single incentive award for each Executive Director which would reward performance over both the long-term and the short-term. The reason for selecting a single incentive model over the more widely used STI and LTI structure is the considerable alignment that already exists between the Executive Directors and shareholders. The Executive Directors intend to retain their significant equity exposure through their participation in the Marathon Trust for the long-term.

Under the single incentive, the long-term element will comprise 55 per cent. of the total award and be subject to performance assessment over three financial years, while the short-term element will comprise 45 per cent. of the award and be subject to performance assessment over the most recent financial year. The incentive award will be based 75 per cent. on financial metrics (comprising 55 per cent. long-term performance and 20 per cent. short-term performance) while 25 per cent. of the award will be based on non-financial performance (all short-term performance). For both short and long-term financial performance, the metrics will include Adjusted EPS (weighted at 50 per cent.), net inflows (weighted at 12.5 per cent.) and investment performance (weighted at 12.5 per cent.).

When determining the performance outcome of any element of an award, the Human Capital and Remuneration Committee will take into account the overall level of performance of the Group and the Executive Directors, the management of risk and any other factors it considers relevant over the relevant performance period and may reduce the size of an element to reflect such factors.

After determination of the performance outcome, no more than 50 per cent. of the award will be paid in cash. The remainder will be deferred into Ninety One plc Shares and funds under the management of the Group and vest in full after three years. Following vesting, one half of the amount deferred will be subject to a holding period of one year and the other half will be subject to a holding period of two years. The proportion of the award which is deferred and the period of deferral may be adjusted for future awards to reflect any changes in the remuneration rules which apply to the Executive Directors.

Awards will be subject to malus and clawback provisions.

It is proposed that the first awards under the above arrangements will be made after the financial year ending 31 March 2021 by reference to performance over that financial year for the short-term element and by reference to performance over the three financial years ending with that year for the long-term element. The Human Capital and Remuneration Committee shall make provisions to cover the short period prior to the application of the proposed arrangements.

These variable compensation arrangements are subject to further consideration by the Human Capital and Remuneration Committee and the final arrangements will be described in more detail in the first directors' remuneration policy of the Group.

10.4.3 **Non-Executive Directors**

Each of the Non-Executive Directors has agreed to be appointed by a letter of appointment, the terms of which take effect upon Admission. The key terms of these letters of appointment are set out below.

The basic annual fee for each Non-Executive Director will be £70,000. The Chair of the Boards will receive a fee of £150,000 per annum (inclusive of their basic annual fee as a Non-Executive Director). The Senior Independent Director will receive a fee of £85,000 per annum (inclusive of their basis annual fee as a Non-Executive Director). The Chairs of the Audit and Risk Committee and the Human Capital and Remuneration Committee will each receive an additional £25,000 per annum, and the Chairs of the Nominations and Directors Affairs Committee and Sustainability, Social and Ethics Committee will each receive an additional £15,000 per annum. Other members of these committees will each receive £10,000 per annum in respect of each Committee they are a member of. Each Non-Executive Director is: (i) entitled to be reimbursed for all reasonable expenses properly incurred in the performance of his or her duties; (ii) provided with cover under the Companies' customary directors' and officers' indemnity insurance; (iii) not entitled to participate in the Companies' share, bonus or pension schemes; and (iv) subject to confidentiality undertakings.

Appointment is terminable by each Non-Executive Director of the Companies on three months' notice. The Non-Executive Directors' continuation of appointment is subject to satisfactory performance and each Non-Executive Director is expected to devote sufficient time to meet the expectations and requirements connected with their appointments. They are all subject to re-election at each annual general meeting of each Company and are not entitled to any compensation for loss of office if they are not reappointed or are removed from office by the Shareholders. The appointments may also be terminated with immediate effect if, among others, they: (i) commit a material breach of their obligations; or (ii) are disqualified from acting as a director.

Pursuant to the terms of the Relationship Agreement, for so long as Investec has an aggregate interest in the Companies that is and remains: (i) greater than 25 per cent. they shall be entitled to appoint up to two Non-Executive Directors to the Boards of the Companies; and (ii) equal to or less than 25 per cent. but equal to or greater than seven per cent. they shall be entitled to appoint one Non-Executive Director to the Boards of the Companies. Any Non-Executive Director appointed by Investec will resign immediately if required to do so in accordance with the terms of the Relationship Agreement.

11. Forty Two Point Two and the Marathon Trust

Until 2013, the Ninety One Business was 100 per cent. owned by Investec. Today, Investec, via its shareholdings in IAM UK and IAM SA, owns 80 per cent. (plus one share) of the Ninety One Business. The remaining shareholding is owned by Forty Two Point Two, a Mauritian incorporated company wholly owned by the Marathon Trust. The Marathon Trust is a long-term share ownership vehicle which was established to enable key employees of the Ninety One Business, including Hendrik du Toit and Kim McFarland, to collectively participate in an indirect equity shareholding in the Ninety One Business. This collective participation has endured over a sustained period and serves to align the interests of key employees with the Group's shareholders and clients. The Marathon Trust is governed by a trust deed between Forty Two Point Two (as settlor) and ITL Trustees Limited (as trustee). Its object is to acquire and hold shares in Forty Two Point Two as a long-term investment and, by doing so, allow key employees of the Ninety One Business to participate indirectly (in their capacity as portionholders in the Marathon Trust) in Forty Two Point Two (which, in turn, holds a shareholding in the Ninety One Business). Beneficiaries of the Marathon Trust hold interests in the trust which determine the nature and extent of their interest in Forty Two Point Two (and accordingly the underlying Shares it holds). Forty Two Point Two's acquisition of its shareholding in the Ninety One Business has been, and future Share acquisitions are expected to be, funded by capital provided by the participating employees to the Marathon Trust and/or third party debt-funding assumed by Forty Two Point Two.

Given that Forty Two Point Two is a long-term holder of Shares and represents a significant investment by key employees in the Ninety One Business, Forty Two Point Two intends, following Admission and subject to applicable law and regulation, to continue to exercise, collectively on behalf of the key employees, its powers in relation to the Shares it holds, including its voting rights.

12. Significant shareholdings

As at the date of this document, each Company has one subscriber shareholder, Derek Tong (in respect of Ninety One plc) and Investec Limited (in respect of Ninety One Limited).

The Companies are not aware of any persons who, as at 28 January 2020 (being the latest practicable date prior to the publication of this document), directly or indirectly, jointly or severally, exercise or could exercise control over the Companies and neither is it aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Group (other than the Demerger).

13. Subsidiaries

As at the date of this document, the subsidiaries of Ninety One plc are Ninety One Global (direct subsidiary) and Ninety One International (indirect subsidiary). Both Ninety One International and Ninety One Global are 100 per cent. owned by Ninety One plc.

As at the date of this document, Ninety One Limited has no direct or indirect subsidiaries.

However, as a result of the Demerger and on Admission, it is intended that the Companies will become the parent companies of the Group, operating in the DLC Structure. Following Admission, the Group is expected to comprise the following entities:

Name	Country of incorporation	Registered office	Company ownership
Investec Asset Management Australia Pty Ltd	Australia	Suite 3, Level 28 Chifley Tower, 2 Chifley Square, Sydney, New South Wales 2000, Australia	100 per cent.
Investec Asset Management Botswana (Pty) Ltd	Botswana	Plot 64511, Stand 5, Fairgrounds Park, PO Box 49, Gaborone	70 per cent.
Investec Fund Managers Botswana (Pty) Ltd	Botswana	Plot 64511, Stand 5, Fairgrounds Park, PO Box 49, Gaborone	70 per cent.
Ninety One Global Limited	England and Wales	55 Gresham Street, London EC2V 7EL, United Kingdom	100 per cent.
Ninety One International Limited	England and Wales	55 Gresham Street, London EC2V 7EL, United Kingdom	100 per cent.

Name	Country of incorporation	Registered office	Company ownership
Investec Asset Management Ltd	England and Wales	55 Gresham Street, London EC2V 7EL, United Kingdom	100 per cent.
Investec Fund Managers Ltd	England and Wales	55 Gresham Street, London EC2V 7EL, United Kingdom	100 per cent.
Investec Asset Management Guernsey Ltd	Guernsey	First Floor, Dorey Court, Elizabeth Avenue, St Peter Port, Guernsey GY1 2HT, Guernsey	100 per cent.
Investec Africa Frontier Private Equity Fund GP Ltd	Guernsey	First Floor, Dorey Court, Elizabeth Avenue, St Peter Port, Guernsey GY1 2HT, Guernsey	100 per cent.
Investec Africa Private Equity Fund 2 GP Ltd	Guernsey	First Floor, Dorey Court, Elizabeth Avenue, St Peter Port, Guernsey GY1 2HT, Guernsey	100 per cent.
Growthpoint Investec African Property Management Ltd	Guernsey	First Floor, Dorey Court, Elizabeth Avenue, St Peter Port, Guernsey GY1 2HT, Guernsey	46.5 per cent.
Investec Asset Management Hong Kong Ltd	Hong Kong	Suites 3609-3614, 36/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	100 per cent.
Investec Asset Management Luxembourg S.A.	Luxembourg	2 – 4 Avenue Marie-Thérèse Luxembourg	100 per cent.
Investec Africa Credit Opportunities Fund 2 GP S.à r.l.	Luxembourg	2 – 4 Avenue Marie-Thérèse Luxembourg	100 per cent.
Investec Asset Management Namibia (Pty) Ltd	Namibia	24 Orban Street, Klein Windhoek, Namibia	85 per cent.
Investec Fund Managers Namibia Ltd	Namibia	24 Orban Street, Klein Windhoek, Namibia	85 per cent.
Investec Asset Management Singapore Pte. Ltd	Singapore	8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095	100 per cent.
Investec Asset Management Holdings (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Asset Management (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Fund Managers SA (RF) (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Investment Management Services (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Grayston Nominees (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Alternative Investments GP (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Assurance Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.

Name	Country of incorporation	Registered office	Company ownership
Silica Holdings (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Silica Software Solutions (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Silica Administration Services (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Silica Financial Administration Solutions (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Silica Nominees (Pty) Ltd	South Africa	36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	100 per cent.
Investec Asset Management Switzerland GmbH	Switzerland	Seefeldstrasse 69, 8008 Zurich, Switzerland	100 per cent.
Investec Asset Management North America, Inc	United States of America	2711 Centerville Road, Suite 400, Wilmington, New Castle, Delaware 19808, United States of America	100 per cent.

14. Dividend policy

It is the Companies' policy to declare dividends in line with the trend in profitability. Subject to approval of the Boards, the Companies are expected to target an ordinary dividend payout ratio of at least 50 per cent. of operating earnings adjusted for tax.

Further, the Companies are expected only to retain after-tax earnings sufficient to meet current or expected changes in their regulatory capital requirements and investment needs, as well as a reasonable buffer to protect against fluctuations in those requirements. Subject to approval of the Boards, it is expected that the remaining balance of after tax earnings, after taking into account any specific events, would be returned to shareholders through payment of a special dividend.

The Companies' first dividend following Admission is expected to be an interim dividend for the period from Admission to 30 September 2020.

15. Employee share plans

15.1 Overview

Ninety One will adopt the Ninety One Share Plans with effect from Admission. The Ninety One plc LTIP and the Ninety One Limited LTIP will be used in conjunction with Ninety One plc Shares and Ninety One Limited Shares, respectively, and references to Shares in this paragraph 15.1 and in paragraph 15.2 of this Part XII should be interpreted accordingly. The Ninety One Share Plans will not have a facility to use new issue Shares or Shares held in treasury. In addition, the Ninety One Executive Directors will be excluded from receiving awards under the Ninety One plc LTIP until the approval of Shareholders except for: (i) awards made on an all-employee basis; and (ii) the Ninety One portion of the Investec short-term incentive arrangements award prorated to 29 February 2020, referred to in paragraph 15.2 of this Part XII at the cost of Investec. Therefore, the approval of Investec Ordinary Shareholders is not being sought for the Ninety One Share Plans.

15.2 The proposed principal terms of the Ninety One Share Plans are summarised in paragraphs 15.3 and 15.4 of this Part XII and it is intended that the Ninety One Share Plans will be used to grant awards over Shares in the following circumstances:

15.2.1 on the day of Admission, awards (“**Listing awards**”) over approximately £2,000 worth of Shares will be made to all permanent employees of Ninety One and selected subsidiaries at the date of Admission. These Listing awards will normally vest after three years. For UK employees, these Listing awards will be made under the Ninety One SIP rather than the Ninety One LTIP which is described in paragraph 16.3 of this Part XII. The Listing awards will not be subject to malus and clawback. Ninety One may use the Ninety One LTIP to make future awards on an all-employee basis but does not currently intend to do so;

15.2.2 for annual bonus deferral into Shares. Ninety One currently operates a bonus deferral arrangement where a proportion of selected employees’ annual bonuses are deferred into investment funds managed by Ninety One. The Ninety One LTIP, described at paragraph 16.3 of this Part XII, will be used to complement this arrangement. The bonus deferral awards over Shares will normally vest after three years; and

15.2.3 one-off awards for strategically important employees and new hires, excluding Ninety One Executive Directors. These awards may be subject to forward-looking performance conditions and would normally vest in equal tranches on the third, fourth and fifth anniversaries of grant.

The Ninety One LTIP

15.3 The proposed principal terms of the Ninety One LTIP are set out below.

15.3.1 Operation

The Ninety One LTIP will be overseen by the Ninety One Human Capital and Remuneration Committee.

15.3.2 Eligibility and individual limits

- (a) Employees of Ninety One plc and its subsidiaries are eligible to participate in the Ninety One plc LTIP, except Ninety One Executive Directors until the approval of Shareholders unless they are participating in awards granted on an all-employee basis. All employees of Ninety One Limited and its subsidiaries in South Africa, Namibia and Botswana are eligible to participate in the Ninety One Limited LTIP.
- (b) The Ninety One Human Capital and Remuneration Committee will decide who will be granted awards and over how many shares.

15.3.3 Types of awards

- (a) Awards may take the form of:
 - (i) Forfeitable awards – under which participants receive the beneficial interests in Shares on grant but which will be forfeit if the awards subsequently lapse;
 - (ii) Conditional awards – under which participants receive Shares if and when their awards vest; or
 - (iii) Options – under which the participant can acquire Shares, to the extent that their award has vested, either at no cost or at a price set when the option is granted.

- (b) The current intention is that awards will be made in the form of forfeitable awards, except for locations where conditional awards would be more appropriate for regulatory or tax reasons. Options will only be used if there is a change in approach over the life of the Ninety One LTIP.
- (c) Awards may also be granted as cash awards if necessary for regulatory and/or tax reasons.

15.3.4 **Performance conditions**

An award may be granted on the basis that it will normally only vest to the extent that a performance condition, set at the time of grant, is satisfied. However, Listing awards and deferred bonus awards will not be subject to performance conditions.

15.3.5 **Dividends and dividend equivalents**

- (a) Holders of forfeitable awards may receive dividends (both ordinary and any special dividends) and any other distributions on the Shares subject to their awards.
- (b) For conditional awards and options, participants may receive a payment in cash or Shares at the time of the delivery of their vested Shares of an amount equivalent to the dividends that would have been paid on those Shares over the vesting period. The Ninety One Human Capital and Remuneration Committee may decide to exclude a special dividend or other distribution from a dividend equivalent payment.

15.3.6 **Vesting of awards**

- (a) Awards will normally vest at the end of a period set when the award is granted. In exceptional circumstances, the Ninety One Human Capital and Remuneration Committee may decide that an award will vest at an earlier time where the vested Shares become subject to an alternative long-term incentive arrangement. Where the vesting of awards is subject to a performance condition, those awards will vest to the extent that the performance condition has been achieved. Shares will be transferred to the participant (or an option may be exercised) from vesting. Where awards are settled in cash, then cash representing the value of the notional vested Shares will be paid from vesting (or exercise in the case of an option).
- (b) Vesting may be delayed where a participant is subject to any external investigation or similar circumstances.

15.3.7 **Retention period**

An award may be granted on the basis that the participant is required to hold a net number of vested Shares (or shares subject to an option) for a set period following vesting.

15.3.8 **Malus and claw-back**

- (a) The Ninety One Human Capital and Remuneration Committee may, at its discretion, reduce (including reduced to nil) the number of Shares to be received on vesting of an award (malus). In determining whether or not to reduce an award, the Ninety One Human Capital and Remuneration Committee will consider:
 - (i) whether any financial results announced in respect of any part of the vesting period have subsequently appeared materially inaccurate or misleading;
 - (ii) whether a business area in which the participant worked has made an unexpected loss in the vesting period;
 - (iii) misbehaviour or material error by the participant, whether or not that results in a loss for a business area in which the participant works or has worked or for which the participant is or has been responsible;
 - (iv) failure of the participant to meet appropriate standards of fitness and propriety, in accordance with any applicable regulatory rules or principles, internal policies or

reasonable expectations;

- (v) material failure of risk management by Ninety One, any member of the Group or a business area in which the participant works or has worked;
 - (vi) where a participant has ceased employment before vesting in circumstances where the award has not lapsed and facts emerge which, if known at the time, would have caused the award to lapse on cessation;
 - (vii) any error or misstatement which has resulted in a material overpayment to a participant;
 - (viii) whether Ninety One or the business area in which the participant works has suffered a material downturn in its financial performance;
 - (ix) an exceptional event or events occur that has had or may have a material effect on the value or reputation of any member of the Group (excluding an exceptional event or events which have a material adverse effect on global macro-economic conditions); and/or
 - (x) any other factor which the Ninety One Human Capital and Remuneration Committee considers relevant.
- (b) The Ninety One Human Capital and Remuneration Committee may also recover value received by a participant under the Ninety One LTIP (clawback) for a set period after the vesting of their award. The circumstances where clawback may be applied will include:
- (i) misbehaviour or material error by the participant whether or not that results in a loss for the business in which they worked or were responsible;
 - (ii) failure of a participant to meet appropriate standards of fitness or propriety;
 - (iii) Ninety One or the participant's business unit suffering a material failure of risk management;
 - (iv) the assessment of the satisfaction of any performance condition was based on error or inaccurate or misleading information;
 - (v) an exceptional event or events occur that has had or may have a material effect on the value or reputation of any member of the Group (excluding an exceptional event or events which have a material adverse effect on global macro-economic conditions); and/or
 - (vi) circumstances have arisen which permit clawback under any other incentive plan in which the participant participates.
- (c) Where relevant, the application of malus and clawback will be subject to any applicable financial services remuneration codes applying to the Group and its employees.

15.3.9 Leaving employment

- (a) An award will normally lapse if the participant leaves the employment of the Group.
- (b) However, if a participant leaves because of disability (or injury in the case of Listing awards), death, redundancy, retirement with agreement of Ninety One, the sale of the company or business in which they work or for any other reason at the discretion of the Ninety One Human Capital and Remuneration Committee, then their award will normally vest at the time it would have vested if the participant had not left employment.
- (c) Alternatively, the Ninety One Human Capital and Remuneration Committee may decide that an award will vest at the time when the participant leaves employment or such other time as the Ninety One Human Capital and Remuneration Committee determines in its absolute discretion.
- (d) Where an award vests on or after leaving, the number of Shares may be reduced pro rata to reflect the fact that the participant left early. Pro-rating is not expected to be applied to Listing awards or deferred bonus awards.
- (e) In the context of leavers, to the extent that options are granted under the Ninety One LTIP,

the options will normally be exercisable for up to 12 months after the later of the date on which the option vests and the date on which the participant left.

15.3.10 Takeovers and reorganisations

- (a) If there is a takeover of Ninety One, awards will vest on completion of the takeover, subject to the extent to which any performance condition has been satisfied. Alternatively, participants may be allowed or required to exchange their awards for equivalent awards over shares in the acquiring company. If awards vest, the awards will be pro-rated unless the Ninety One Human Capital and Remuneration Committee decides otherwise. However, pro-rating is not expected to apply to Listing awards or deferred bonus awards.
- (b) If Ninety One is affected by any demerger, delisting, scheme of arrangement, merger or amalgamation, distribution (other than an ordinary dividend) or other transaction, which, in the opinion of the Ninety One Human Capital and Remuneration Committee, might affect the current or future value of any award or any other significant corporate event (as determined by the Ninety One Human Capital and Remuneration Committee), the Ninety One Human Capital and Remuneration Committee may allow an award to vest on the same basis as described above for a takeover.
- (c) If there is an internal reconstruction, reorganisation, merger or acquisition of Ninety One where there is no significant change in the identity of the ultimate shareholders of Ninety One, then the Ninety One Human Capital and Remuneration Committee may arrange for the awards to be replaced with equivalent awards over shares in a new parent company.

15.3.11 Adjustment of awards

For conditional awards and options, the number of Shares subject to an award may be adjusted to reflect any variation in the share capital of Ninety One or a corporate event which, in the opinion of the Ninety One Human Capital and Remuneration Committee, could materially affect the market price of Shares. Any adjustment to the awards under the Ninety One Limited LTIP will require the approval of an independent adviser as being reasonable.

15.3.12 Source of shares

- (a) It is intended that Listing awards will be satisfied with Shares purchased by the EBT from the Investec EBT at the same time as, and at the same price Shares are acquired in, any public offering of Shares at, or immediately following, Admission. Future awards will be satisfied using Shares purchased in the market. No new issue Shares or Shares held in treasury can be used in conjunction with the Ninety One LTIP.
- (b) The maximum number of Ninety One Limited Shares which can be utilised for the Ninety One Limited LTIP (determined in accordance with the JSE Listings Requirements) will be 15,004,473 and the maximum number of Ninety One Limited Shares which any one participant may acquire under that plan is 3,000,895.

15.3.13 General

- (a) Awards will normally only be granted within 42 days of the announcement of Ninety One's results for any period. Awards may also be granted within 42 days of Admission and after any shareholders meeting. No awards can be granted more than 10 years after Admission.
- (b) Awards are not transferable (except on death) and cannot be used as collateral.
- (c) Holders of forfeitable awards will be able to exercise their voting rights in the same way as other Shareholders.
- (d) The Ninety One Human Capital and Remuneration Committee can decide to satisfy any award in cash instead of Shares.
- (e) Participants do not pay for the grant of an award. Awards are not pensionable.

15.3.14 Amendments

The Ninety One Human Capital and Remuneration Committee may amend the Ninety One LTIP in any way subject, in the case of the Ninety One Limited LTIP, to the approval of JSE Limited and Shareholders in limited circumstances prescribed in the JSE Listings Requirements.

15.4 Ninety One SIP

15.4.1 Overview

The Ninety One SIP is an HMRC all-employee share plan. The Ninety One SIP will be used to make the Listing awards described in paragraph 15.4.3(a) of this Part XII, to all eligible UK employees on the day of Admission. It is intended that it will be used as a UK employee share purchase plan on an ongoing basis after Admission utilising the partnership share facility described below. The proposed principal terms of the Ninety One SIP are set out below.

15.4.2 Eligibility

All employees (including Ninety One Executive Directors) of Ninety One and any participating subsidiary may participate in the Ninety One SIP. The Ninety One Human Capital and Remuneration Committee may set a qualifying period of continuous employment (which cannot exceed 18 months) for eligibility. When the Ninety One SIP is operated, all eligible employees must be invited to participate. The Ninety One Human Capital and Remuneration Committee may also offer participation to any other employees.

15.4.3 Operation

- (a) Eligible employees may be offered free, partnership and/or matching shares (see below), as the Ninety One Human Capital and Remuneration Committee decides. The Ninety One SIP may also offer dividend reinvestment. As mentioned above, it is currently intended to use the Ninety One SIP for the Listing awards and as an employee share purchase plan after Admission.
- (b) The Ninety One SIP operates in conjunction with a trust, which will hold Shares on behalf of participants. No new issue or treasury Shares can be used for the Ninety One SIP without the prior approval of Shareholders in a general meeting.

15.4.4 Free shares

- (a) Participants can be given free Shares ("**free shares**") with a market value currently limited by the tax legislation to £3,600 in a tax year. The free shares must generally be offered to all eligible employees on similar terms, but the number of free shares can vary by reference to the participant's remuneration, length of service or hours worked. The Ninety One Human Capital and Remuneration Committee may make the awards of free shares subject to performance targets.
- (b) Free shares must generally be held in trust for between three and five years. The Ninety One Human Capital and Remuneration Committee may require free shares to be forfeited if the participant leaves employment within three years, other than as a result of death, retirement, redundancy, injury or disability, or the participant's employing company or business being sold out of the Group. These terms of forfeiture will apply to the Listing awards.

15.4.5 Partnership shares

- (a) Eligible employees may be offered the opportunity to buy Shares ("**partnership shares**") by deduction from their pre-tax salary. Under current legislation, they can buy up to £1,800 in each tax year or, if less, 10 per cent. of salary.
- (b) The Ninety One SIP trustee may use the deductions from participants' salaries to buy partnership shares on their behalf immediately. Alternatively, it may accumulate them for a period of up to one year and then use them to buy partnership shares.
- (c) Participants can stop their salary deductions at any time. Participants can also withdraw their partnership shares from the plan at any time, although there are tax advantages if the partnership shares are retained in the Ninety One SIP.

15.4.6 **Matching Shares**

The Ninety One Human Capital and Remuneration Committee may award additional free Shares (“**matching shares**”) on a matching basis to participants who buy partnership shares. Under current legislation, up to a maximum of two matching shares can be offered for each partnership share. Matching shares must be offered on the same basis to each participant purchasing partnership shares on each occasion. Matching shares must generally be held in trust for a holding period of between three and five years. The Ninety One Human Capital and Remuneration Committee may decide that matching shares will be forfeited on the same basis as free shares or if the corresponding partnership shares are taken out of the Ninety One SIP within three years of award. It is not currently intended that matching shares will be offered.

15.4.7 **Dividends**

Cash dividends paid on Shares held in the Ninety One SIP may be reinvested in Shares up to certain limits set out in the legislation.

15.4.8 **Corporate events**

As Ninety One SIP awards consist of Shares from grant, these Shares will be subject to corporate actions and variations of share capital in the same way as other Shares.

15.4.9 **Voting Rights**

The trustees can only vote Shares held in the Ninety One SIP in accordance with participants’ instructions.

15.4.10 **General**

- (a) The Ninety One Human Capital and Remuneration Committee may amend the Ninety One SIP, provided such amendments are permitted by the governing tax legislation.
- (b) Awards are not transferable (except on death). Awards are not pensionable.

16. **Employee benefit trusts**

Two employee benefit trusts will be established by the Group for the purpose of providing Shares for use in the Companies’ future employee share plans, including the LTIP. One of these trusts will be established in South Africa while the other will be established in Guernsey. Both trusts will have independent professional trustees and the purpose and terms of the trusts are in accordance with standard market practice. The trusts will each have an advisory committee comprising the directors of the Companies or a duly authorised committee or person or persons which may make recommendations to the trustee as to how it should act and may appoint or remove trustees.

The trustees of the trusts may acquire Shares by buying them on the market or, where the Shares are to be used for a share plan approved by Shareholders, by subscribing for new issue Shares. It is intended that the trusts will be funded by way of loans and other contributions from the members of the Group.

The trustees may vote in respect of any Shares they hold except where the Shares are being held as a nominee for a beneficiary of the EBT when the trustees will vote the Shares in accordance with the wishes of the beneficial holder of the Shares. The Guernsey trustee will waive dividends on any Shares it holds in trust but this does not apply to Shares it holds as nominee, for example, under the forfeitable awards.

17. **Pension schemes**

The Group operates pension schemes throughout its areas of operation. The majority of the schemes are defined contribution schemes or mandatory state arrangements, with the exception of a defined benefit arrangement operated in the United Kingdom: the Investec Asset Management Pension Scheme. This defined benefit scheme has been closed to new members and ceased future accrual since 31 March 2002. IAM UK is the principal employer of the Investec Asset Management Pension Scheme.

Investec Bank Limited is the principal employer of two defined contribution arrangements for South African and Namibian employees: the Investec Group Limited Pension Fund and the Investec Group Provident Fund. The Investec Group Limited Pension Fund is a legacy arrangement with all new entrants joining the Investec Group Provident Fund. Investec Asset Management Holdings Proprietary Limited, Investec Asset Management Namibia Proprietary Limited and Silica Holdings Proprietary Limited participate in these arrangements and will continue to do so following Demerger.

A high-level summary of the other defined contribution schemes or mandatory state arrangements is set out below:

Country	DC/Mandatory	High-level summary
Australia	DC/Mandatory	A Superannuation Fund provided by First Colonial State complies with the conditions of the Superannuation Industry (Supervision) Act 1993 with minimum employer contributions meeting legislative requirements.
Botswana	Mandatory	Employees contribute between seven and 20 per cent. of their total cost to the employer.
Guernsey	DC	The employer contributes 10 per cent. of monthly salary.
Hong Kong	DC	The employer contributes 10 per cent. of employee gross eligible salary to the fund as well as deducting five per cent. of employee gross eligible salary on employees' behalf to meet the mandatory employee contribution levels.
Luxembourg	Mandatory Provident Fund	The employer contributes 10 per cent. of basic salary. Employees can choose to make additional personal contributions up to a current maximum of EUR 1,200 per annum (such employee contributions deducted from monthly payroll).
Singapore	DC	Contribution rates set at 17 per cent. of ordinary wages (as defined in local law) up to a maximum of US\$6,000 per month plus 17 per cent. of additional wages (as defined in local law) up to a maximum total compensation of US\$102,000 per annum.
United States	Mandatory Provident Fund	Employees make pre-tax contributions to the 401(K) plan (capped at Inland Revenue Service limits) with employers contributing three per cent. safe harbour and an additional two per cent. profit sharing on eligible earnings.

18. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Companies are aware) during the 12-month period prior to the date of this document which may have, or have had in the recent past, significant effects on the Companies and/or the Group's financial position or profitability.

19. Material contracts and arrangements

The following contracts (not being contracts entered into in the ordinary course of business) are all of the contracts that have been entered into by members of the Group: (a) within two years immediately preceding the date of this document which are or may be material; or (b) which may contain any provisions under which a member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

19.1 Demerger Agreements

The Demerger Agreements, as described further in this paragraph 19.1, were entered into on 29 November 2019. the Transitional Services Agreement, I Transitional Trade Mark Licence Agreement and the Relationship Agreement are each conditional on Admission occurring not later than 8:00 a.m. (London) on 30 June 2020 (or such later date as may be agreed in writing between

the parties to the applicable agreements) and will take effect upon Admission. Following Admission, the Demerger Agreements will govern the relationship between the Companies and Investec on the basis set out below.

19.1.1 **Separation Agreement**

Overview of the Separation Agreement

On 29 November 2019, the Companies, Investec, IAM UK and IAM SA entered into a separation agreement to set out the principal steps necessary to effect the Demerger and other provisions to govern certain aspects of the Companies' relationship with Investec after the Demerger (the "**Separation Agreement**").

Allocation of liabilities and wrong pockets

Subject to any allocation of liabilities provisions contained in the other Demerger Agreements, the Separation Agreement provides that, following the Demerger: (i) any liability that arises in a company in the Investec Group owing to a third party shall remain with that company unless such liability principally relates to the Ninety One Business as carried on prior to Admission, in which case, such liability shall be novated to, or the relevant company shall be indemnified by, a company in the Group; and (ii) any liability that arises in a company in the Group owing to a third party shall remain with that company unless such liability principally relates to a business which is not within the perimeter of the Ninety One Business as carried on prior to Admission, in which case, such liability shall be novated to, or the relevant company shall be indemnified by, Investec or one of its subsidiaries.

Following the Demerger, if any property, right or asset relating principally to the business of either the Investec Group or the Group is found to be owned or held by the other in error, Investec or the Companies, as applicable, shall procure that the relevant property, right or asset be transferred to the other as soon as reasonably practicable.

Tax matters

The Separation Agreement contains provisions relating to, among other things, the allocation of tax liabilities between the Group and the Investec Group, the manner in which the groups will prepare and agree tax computations and returns, the basis on which certain claims and elections can be made, the conduct of negotiations and disputes with the tax authorities, the exchange of information relating to their tax affairs and certain other administrative matters. The two general principles underlying the tax provisions are that: (i) each company in the Group and the Investec Group will be responsible for its own tax liabilities; and (ii) the Group and the Investec Group will co-operate in relation to any tax matter or issue which affects both the Group and the Investec Group.

Other matters

The Separation Agreement also includes provisions relating to: (i) the sharing of information to permit each of the Companies and Investec to comply with their respective financial or tax reporting obligations; (ii) the administration of the Investec share plans in which Group employees participate; and (iii) the separation mechanics with respect to the pension arrangements as they relate to Group employees. In addition, for up to seven years following the Demerger, the Investec Group shall not conduct its business using certain names related to the Ninety One Business. However, without prejudice to this restriction, nothing in the Separation Agreement restricts or restrains any party from carrying on, being engaged in, or being economically interested in, any business or undertaking of any nature.

19.1.2 **Transitional Services Agreement**

Overview of the Transitional Services Agreement

On 29 November 2019, the Companies and Investec entered into a transitional services agreement pursuant to which the Investec Group will continue to provide certain IT, operational and other services to the Group for a transitional period in order to assist the Group in continuing the Ninety One Business following Demerger (the "**Transitional Services Agreement**"). The Transitional Services Agreement will take effect upon Admission and is conditional on Admission occurring not later than 8:00 a.m. (London) on 30 June 2020 (or such later date as may be agreed in writing between the parties to the Transitional Services Agreement).

Scope

The services provided under the Transitional Services Agreement will each have a specified service term and the Transitional Services Agreement will terminate when the last service terminates unless otherwise agreed by the parties. A service term may only be extended by agreement of the parties to the Transitional Services Agreement. The services to be provided will generally be, in terms of performance levels and efficiency, of similar quality to those that were provided to the Group by the Investec Group prior to the Demerger.

Service charges

The service charges for services provided under the Transitional Services Agreement are either fixed fees or are calculated by reference to the cost incurred in providing the service, market price or previously agreed charging mechanisms. Charges are calculated on a broadly similar basis to those currently paid for similar services.

Termination

The Transitional Services Agreement can be terminated by either the Companies or Investec if: (i) there is a change of control (i.e. material change in ownership, influence or voting rights) of the other party; (ii) the other party becomes insolvent; or (iii) the other party commits a material breach of its obligations under the Transitional Services Agreement. The Companies may also terminate a service provided under the Transitional Services Agreement at any time on 30 days' prior written notice.

19.1.3 **Relationship Agreement**

Overview of the Relationship Agreement

On 29 November 2019, the Companies and Investec entered into a relationship agreement that will regulate aspects of the ongoing relationship between the parties following the Demerger (the "**Relationship Agreement**").

Term and termination

The Relationship Agreement will take effect upon Admission and is conditional on Admission occurring not later than 8:00 a.m. (London) on 30 June 2020 (or such later date as may be agreed in writing between the parties to the Relationship Agreement). The Relationship Agreement will terminate upon the earliest of: (i) as it relates to Ninety One plc, the Ninety One plc Shares ceasing to be listed on the Official List and traded on the LSE's main market for listed securities and the Ninety One plc Shares ceasing to be secondary inward listed and traded on the Main Board of the JSE; (ii) as it relates to Ninety One Limited, the Ninety One Limited Shares ceasing to be listed and traded on the Main Board of the JSE; and (iii) Investec ceasing to own or control (directly or indirectly) in aggregate seven per cent. or more of the Companies' combined issued ordinary share capital of (or which carries seven per cent. or more of the aggregate voting rights in the Companies (on a combined basis) from time to time).

Independence

The Relationship Agreement contains, among others, undertakings from Investec that: (i) all transactions and arrangements between Investec and/or its associates with any member of the Group are conducted at arm's length and on normal commercial terms; (ii) neither Investec nor any of its associates shall take any action that would have the effect of preventing Ninety One plc from complying with its obligations under the Listing Rules; and (iii) neither Investec nor any of its associates shall propose or procure the proposal of a shareholder resolution of the Companies which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Investec Directors

Under the Relationship Agreement, for so long as Investec has an aggregate interest in the Companies (on the basis of the Companies' combined issued ordinary share capital from time to time) that is and remains: (i) greater than 25 per cent. they shall be entitled to appoint up to two Non-Executive Directors to the Boards; and (ii) equal to or less than 25 per cent. but equal to or greater than seven per cent. they shall be entitled to appoint one Non-Executive Director to the Boards.

Transfers

Under the Relationship Agreement, Investec undertakes to: (i) inform the Companies in advance of any disposal or transfer of an aggregate interest in two per cent. or more of the Companies' combined issued ordinary share capital from time to time (or which carries two per cent. or more of the aggregate voting rights in the Companies (on a combined basis) from time to time) by it to a third party or third parties; and (ii) consult with the Companies thereafter as to the timing and manner of such proposed transfer.

Other matters

Nothing in the Separation Agreement restricts or restrains any party from carrying on, being engaged in, or being economically interested in, any business or undertaking of any nature.

19.1.4 **Transitional Trade Mark Licence Agreement**

Overview of the Transitional Trade Mark Licence Agreement

On 29 November 2019, the Companies and Investec Bank Limited, a subsidiary of Investec plc, entered into a transitional trade mark licence agreement pursuant to which, among other things, the Investec Group will license certain Investec trade marks (the "**Investec Trade Marks**") to the Companies for a transitional period in order to assist the Group in continuing the Ninety One Business following the Demerger (the "**Transitional Trade Mark Licence Agreement**").

Scope

Pursuant to the Transitional Trade Mark Licence Agreement, the Investec Group will grant a non-exclusive, fully paid-up and royalty-free licence to the Companies to use the Investec Trade Marks for a transitional period following the Demerger. The Companies are required to commence using their new replacement brand as their primary brand by no later than nine months after Admission (the "**Rebranding Date**") and must use commercially reasonable endeavours to cease all use of the Investec Trade Marks as soon as reasonably practicable after the Rebranding Date, but no later than 24 months following Admission. The use of the Investec Trade Marks is limited to use in relation to existing products of the Ninety One Business and shall comply with the Investec brand guidelines. The Companies are permitted to sub-license the Investec Trade Marks to other members of the Group.

Term and termination

The Transitional Trade Mark Licence Agreement will terminate at the earlier of 24 months after Admission and the date on which the Companies (and their sub-licensees) cease all use of the Investec Trade Marks, subject to Investec Group's right to terminate the Transitional Trade Mark Licence Agreement in its entirety with immediate effect on written notice if: (i) one of the Companies commits a material breach of the Transitional Trade Mark Licence Agreement and such breach is not remedied within 30 days of written notice of the breach; (ii) one of the Companies or a member of the Group challenges the ownership, validity or enforceability of the Investec Trade Marks, any copyright subsisting in them or the goodwill or reputation associated with them; (iii) one of the Companies or a member of the Group brings the Investec Trade Marks into disrepute; (iv) one of the Companies or a member of the Group undergoes an insolvency event; or (v) control of one of the Companies is acquired by one or more financial institutions or asset managers, other than a member of the Investec Group.

20. **Intercompany financial and other transactions**

There are no material intercompany financial or other transactions within the Group.

21. **Prior issue of securities**

Save as set out in paragraph 3 of this Part XII, in the last three years, neither of the Companies have made any issue or offer of securities. In addition, in the last three years, no Group company has made any issue, offer or repurchase of securities that were material to the Companies.

22. Properties, investments and assets

The following are the principal establishments of the Group:

Address	Tenant	Lease expiry	Type	Tenure
55 Gresham Street, London EC2V 7EL	Investec Asset Management Limited	24 June 2020	Office	Leasehold
55 Gresham Street, London EC2V 7EL	Investec Asset Management Limited	31 March 2034	Office	Leasehold
36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa	Investec Bank Limited	29 February 2024	Office	Leasehold

There have been no material acquisitions or disposals within the last three years, and there are no proposed material acquisitions or disposals by the Group, save as otherwise contemplated for the purposes of the implementation of the Demerger.

23. Related party transactions

Details of related party transactions entered into by members of the Group during the period covered by the historical financial information and up to the date of this document are set out in the notes to the historical financial information contained in Section C of Part X: “*Historical Financial Information*”. See also paragraph 19.1.3 above regarding the Relationship Agreement.

Save as set out above, there are no related party transactions that were entered into during the period covered by the historical financial information or during the period from 30 September 2019 to the date of this document.

24. No significant change

There has been no significant change in financial position or financial performance of the Group since 30 September 2019 (the date to which the latest audited combined financial statements of the Group were prepared).

25. General

KPMG LLP of 15 Canada Square, Canary Wharf, London E14 5GL has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Section A of Part X: “*Historical Financial Information*” of this document and references thereto and has authorised the contents of that part of this document for the purposes of Item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

The financial information contained in this document does not amount to statutory accounts within the meaning of section 434(3) of the UK Companies Act.

26. Documents available for inspection

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the offices of the Companies’ solicitors (Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom and Edward Nathan Sonnenbergs Inc., The MARC, Tower 1, 129 Rivonia Road, Sandton, Johannesburg, 2196, South Africa), and, where marked with an asterisk (*), also on Investec’s website at www.investec.com/demerger and at Ninety One’s website at www.investecassetmanagement.com/disclosure:

26.1 *the Ninety One plc Registration Articles of Association;

26.2 *this document;

26.3 *the accountant’s report on the Historical Financial Information of the Ninety One Business as set out in Section A of Part X: “*Historical Financial Information*”;

26.4 the Investec Circular; and

26.5 the consent letter referred to in paragraph 25 of this Part XII.

DEFINITIONS

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

“4Factor”	one of the Group’s three equities investment strategies.
“Action”	any distribution or action affecting the amount or nature of, or economic benefit derived from, issued equity share capital including any cash dividend, distribution in specie, rights issue, bonus issue or capitalisation issue, repayment or reduction of capital, subdivision or consolidation, share buy-back or amendment of the rights of any shares or a series of one or more of such actions, but excluding any change in the Equalisation Ratio.
“Administration Agreement”	the agreement to be entered into between Ninety One plc, Ninety One Limited, the Trust Companies and the Trust Corporations in relation to the performance by the Trust Companies with their respective obligations under the Ninety One Voting Agreement, the Ninety One DAT Deeds and the Ninety One SCS Trust Deeds and certain related matters.
“Adjusted EPS”	profit after tax adjusted to remove non-operating items, divided by the weighted average number of ordinary shares in issue.
“Admission”	(i) the admission of all of the Ninety One plc Shares to listing on the premium listing segment of the UK Official List in accordance with the UK Listing Rules and to trading on the LSE’s main market for listed securities in accordance with the UK Admission and Disclosure Standards; (ii) the secondary inward listing and admission to trading of all of the Ninety One plc Shares on the main board of the JSE in accordance with the JSE Listings Requirements; and (iii) the primary listing and admission to trading of all of the Ninety One Limited Shares on the main board of the JSE in accordance with the JSE Listings Requirements.
“Advisor”	one of the Group’s two distribution channels, which focuses on investment products and services provided to clients such as large retail groups, wealth managers, private banks and intermediaries serving individual investors.
“AIF”	alternative investment funds.
“Alternatives”	one of the Group’s four asset class offerings, including its investment strategies focused on natural resource equities.
“Audit and Risk Committee”	the audit and risk committee of the Companies.
“Auditors”	KPMG LLP with reference to Ninety One plc and KPMG Inc with reference to Ninety One Limited.
“Authorised Dealer Manual”	the Exchange Control Regulations, Currencies and Exchanges Manual for Authorised Dealers.
“Authorised Dealers”	the South African banks and South African branches of foreign banks appointed to act as authorised dealers (as defined by the Excon Rules) in foreign exchange.
“Bank and Wealth”	Investec Group comprising the Specialist Banking Business and the Wealth & Investment Business, but excluding the Ninety One Group.
“Board Charter”	the board charter of the Companies.

“Boards” or “Directors”	the common boards of directors of the Companies comprising the Ninety One plc Board and the Ninety One Limited Board, and “Director” means any member of the Boards, as the context so requires.
“Botswana”	the Republic of Botswana.
“Business Day”	any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.
“certificated” or “in certificated form”	a share or other security which is not in uncertificated or dematerialised form.
“Class Rights Actions”	actions in relation to which the two bodies of Shareholders may have divergent interests, as are described in paragraph 7.3 of Part VII: <i>“Details of the DLC Structure – Class Rights Actions”</i> .
“City Code”	the UK’s City Code on Takeovers and Mergers.
“Client Groups”	the Group’s five geographically defined sales and client relationship management units, being Africa, the United Kingdom, Asia Pacific, the Americas and Europe.
“Common Monetary Area”	the monetary union comprising South Africa, Namibia, Lesotho and Swaziland.
“Companies”	Ninety One plc and Ninety One Limited taken together or either of them as the context requires.
“Company Secretary”	the company secretary of Ninety One plc or Ninety One Limited as the context requires, and “Company Secretaries” shall mean both taken together.
“Conversion Date”	the time and date of termination of the Sharing Agreement in accordance with its terms.
“Court”	the High Court of Justice in England and Wales.
“Court Meeting”	the meeting of Investec plc Ordinary Shareholders convened pursuant to an order of the Court under section 896 of the UK Companies Act to consider and, if thought fit, approve the Scheme, including any adjournment thereof.
“CREST”	the system for the paperless settlement of trades in securities and the holding of Uncertificated securities operated by Euroclear in accordance with the CREST Regulations.
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended).
“CSDP”	a Central Securities Depository Participant, a participant as defined in section 1 of the South African FMA.
“DAT Deeds”	SA DAN Share Trust Deed, the SA DAS Share Trust Deed, the UK DAN Share Trust Deed and the UK DAS Share Trust Deed.
“DLC Agreements”	the Sharing Agreement, the Voting Agreement, the DAT Deeds and the SCS Trust Deeds.
“DLC Equalisation Principles”	the principles described in paragraph 5.1 of Part VII: <i>“Details of the DLC Structure – DLC Equalisation Principles”</i> .
“DLC Structure”	the arrangement whereby, <i>inter alia</i> , Ninety One plc and Ninety One Limited agree to operate as a single economic enterprise with each company observing the principles applicable to the management and operation of each dual-listed company.

“DLC Structure Principles”	the principles which are essential to the implementation, management and operation of the DLC Structure, which are described in paragraph 3 of Part VII: <i>“Details of the DLC Structure – DLC Structure Principles”</i> .
“Demerger”	the UK Demerger and the SA Demerger.
“Demerger Agreements”	together, the Separation Agreement, the Transitional Services Agreement, the Transitional Trade Mark Licence Agreement and the Relationship Agreement.
“Demerger Record Time”	6:00 p.m. (London time) on the second Friday after the date of the Scheme Court Hearing, which is expected to be 13 March 2020.
“Demerger Resolution”	the ordinary resolution of Investec plc and Investec limited set out in paragraph (1) of the relevant Notice of General Meetings in Part XIX or Part XX of the Investec Circular.
“Directors”	the common directors of each of the Companies whose names are set out on page 27 of this document.
“Disclosure and Transparency Rules”	the rules relating to the disclosure of information made in accordance with section 73A(3) of the FSMA.
“Dividend Access Shares”	the UK DAN Share, the UK DAS Share, the SA DAN Share and the SA DAS Share, the rights attaching to which are described in paragraph 6.4 of Part VII: <i>“Details of the DLC Structure – Dividend Access Shares”</i> .
“Dividend Agreement”	the dividend agreement entered into between Investec Limited, Investec plc, Investec 1, Forty Two Point Two and HSBC Johannesburg dated 14 March 2013 which sets out the terms on which payment of dividends by IAM SA and IAM UK will be made to an account held by HSBC Johannesburg.
“Dividend Allowance”	the first £2,000 payment of the total amount of dividend income.
“EBT”	the employee benefit trusts of the Group.
“EEA”	the European Economic Area.
“Employee Share Plans”	the LTIP and the SIP.
“Equalisation Fraction”	the Equalisation Ratio expressed as a fraction with the numerator being the number related to Ninety One Limited Shares and the denominator being the number related to the Ninety One plc Shares.
“Equalisation Ratio”	the ratio for the time being of: (i) the dividend, capital and, in relation to the Joint Electorate Actions voting rights per Ninety One Limited Share; to (ii) the dividend, capital and, in relation to the Joint Electorate Actions, voting rights per Ninety One plc Share, which at the date of this document is 1:1.
“Equalisation Share”	as described in paragraph 6.5 of Part VII: <i>“Details of the DLC Structure – Equalisation Shares”</i> .
“Equities”	one of the Group’s for asset class offerings, including its 4Factor, Quality and Value investment strategies in equities markets.
“EU”	the European Union.
“Euro”	the single currency of the EU Member States that adopt or have adopted the euro as their lawful currency under the legislation of the European Union or European Monetary Union.
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST.
“Excon Rules”	the Exchange Control Regulations, Currencies and Exchanges Manual for Authorised Dealers and circulars.

“Executive Committee”	the executive committee of the Companies.
“Executive Directors”	the executive directors of the Companies.
“FAIS”	the Financial Advisory and Intermediary Services Act 37 of 2002.
“FAIS Ombud”	the South African Office of the Ombud for Financial Services Providers.
“FCA Handbook”	the FCA's Handbook of rules and guidance.
“Fenchurch Advisory”	Fenchurch Advisory Partners LLP.
“FIC”	the Financial Intelligence Centre.
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority of the UK.
“FinSurv”	the Financial Surveillance Department of the South African Reserve Bank.
“Fixed Income”	one of the Group's four asset class offerings.
“Forty Two Point Two”	Forty Two Point Two, a company incorporated in the Republic of Mauritius, whose registered office is at Level 3, Alexander House, 35 Cybercity, Ebène, Mauritius.
“FSMA”	the Financial Services and Markets Act 2000, as amended.
“GDP”	gross domestic product.
“General Meetings”	the Investec Limited General Meeting and the Investec plc General Meeting or either of them, as the context requires.
“Global Coordinator”	J.P. Morgan Securities plc.
“Group”	the Companies and their subsidiaries and subsidiary undertakings from time to time which, prior to the Demerger, shall be deemed to include the historical activities of the Ninety One Business.
“HMRC”	HM Revenue & Customs.
“HSBC Johannesburg”	HSBC Bank plc, Johannesburg Branch.
“Human Capital and Remuneration Committee”	the human capital and remuneration committee of the Companies.
“IAM SA”	Investec Asset Management Holdings (Pty) Ltd incorporated and registered in South Africa with registration number 1997/000445/07 and its registered office address at 36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001, Republic of South Africa. Investec Asset Management Holdings (Pty) Ltd is held 80 per cent. plus one share by Investec Limited, its remaining shares are held by Forty Two Point Two
“IAM UK”	Investec Asset Management Limited, incorporated and registered in England and Wales with registered number 02036094 and its registered office address at 55 GreshWoolgate Exchange, 25 Basinghallam Street, London EC2V 5HA, United Kingdom. Investec Asset Management Limited is held 80 per cent. plus one share by Investec 1 Limited, its remaining shares are held by Forty Two Point Two.
“IAS”	International Accounting Standards.
“IFD”	Investment Firms Directive.
“IFML”	Investec Fund Managers Limited.
“IFR”	Investment Firm Regulation.
“IFRS”	International Financial Reporting Standards and interpretations issued by the International Financial Reporting Interpretations Committee published by the International Accounting Standards Board as adopted by the European Union.

“Insolvency Event”	in relation to the Companies, any of the following events: (i) a provisional liquidator is appointed to either of the Companies; (ii) except to reconstruct or amalgamate while solvent on terms approved by the other party, a Company enters into a scheme of arrangement, or composition with, or assignment for the benefit of its creditors generally; (iii) an administration order is made in respect of either Company or a receiver is appointed in relation to the whole or substantially the whole of the property, assets or undertaking of Ninety One; (iv) the appointment of a curator to Ninety One pursuant to section 69(1)(a) of the Banks Act of South Africa (Act No. 94 of 1990); or (v) anything analogous or having a substantially similar effect to any of the events specified above happens under the requirements of applicable regulation.
“Institutional”	one of the Group’s two distribution channels, which focuses on investment products and services provided to institutional clients, such as large private and public sector pension funds, sovereign wealth funds, insurers, corporates, foundations and central banks.
“Investec”	Investec Limited and Investec plc taken together or either of them as the context requires.
“Investec EBT”	the employee benefit trusts of Investec.
“Investec 1”	Investec 1 Limited, incorporated and registered in England and Wales with registered number 00119609 and its registered office address at 30 Gresham Street, London, England, EC2V 7QP, United Kingdom. Investec 1 Limited is a wholly owned subsidiary of Investec plc.
“Investec Asset Management Pension Scheme”	the UK employee pension scheme (registration number: 10233621) set up by the Trust Deed with effect from 1 May 1998 on the acquisition of Guinness Flight Hambro Ltd by the Investec Group. The scheme is closed to new members and the active members of the scheme ceased accruing benefits with effect from 31 March 2002.
“Investec Circular”	the circular submitted to Investec Limited and Investec plc’s shareholders on 29 November 2019 in connection with Demerger and Admission.
“Investec Group”	Investec and its subsidiaries and subsidiary undertakings, excluding the Group.
“Investec Group Limited Pension Fund”	the employee pension fund of Investec Group Limited.
“Investec Group Provident Fund”	the employee provident fund operated by Investec Limited for the benefit of South African and Namibian employees.
“Investec Investments”	Investec Investments Proprietary Limited, incorporated and registered in South Africa with registration number 1990/001609/07 and its registered office address at 100 Grayston Drive, Sandown, Sandton 2195, South Africa. Investec Investments Proprietary Limited is a wholly owned subsidiary of Investec Limited.
“Investec Limited”	Investec Limited, a company incorporated under the laws of South Africa with registration number 1925/002833/06. Investec Limited is listed on the JSE.
“Investec Limited Botswanan Register”	the Botswanan branch register of Investec Limited.
“Investec Limited Namibian Register”	the Namibian branch register of Investec Limited.
“Investec Limited Ordinary Shares”	the ordinary shares of R0.0002 each in the share capital of Investec Limited.
“Investec Limited Preference Share Register”	the register of Investec Limited Preference Shareholders.

“Investec Limited Preference Shareholders”	a holder of the Investec Limited Preference Shares.
“Investec Limited Preference Shares”	the Investec Limited variable rate redeemable preference shares of R0.60 each in the share capital of Investec Limited and the Investec Limited perpetual preference shares of R0.10 each in the share capital of Investec Limited.
“Investec Limited Register”	the Investec Limited SA Register, the Investec Limited Botswanan Register, the Investec Limited Namibian Register and the Investec Limited Preference Share Register, or one or more of them, as the context requires.
“Investec Limited SA Register”	the South African Register of Investec Limited.
“Investec Limited Shares”	the Investec Limited Ordinary Shares, the Investec Limited Preference Shares or the Investec Limited Special Converting Shares, or one or more of them, as the context requires.
“Investec Limited Special Converting Shares”	the special converting shares in Investec Limited issued to Investec SA Trust Co.
“Investec Ordinary Shareholder”	a holder of the Investec Ordinary Shares.
“Investec plc”	Investec plc, a company incorporated under the laws of England and Wales registered under number 3633621, with its registered office at 2 Gresham Street, London EC2V 7QP, United Kingdom. Investec plc is listed on the LSE.
“Investec plc Ordinary Shareholder”	a holder of Investec plc Ordinary Shares.
“Investec plc Ordinary Shares”	the ordinary shares of £0.0002 each in the share capital of Investec plc.
“Investec plc Preference Share Register”	the register of Investec plc Preference Shareholders.
“Investec plc Preference Shareholders”	a holder of Investec plc Preference Shares.
“Investec plc Preference Shares”	Investec plc preference shares of £0.01 each in the share capital of Investec plc and the Investec plc perpetual preference shares of R0.001 each in the share capital of Investec plc.
“Investec plc Register”	the Investec plc UK Register, the Investec plc SA Register and the Investec plc Preference Share Register, or one or more of them, as the context requires.
“Investec plc SA Register”	the South African branch register of Investec plc.
“Investec plc Shares”	the Investec plc Ordinary Shares, the Investec plc Preference Shares or the Investec plc Special Converting Shares or one or more of them as the context requires.
“Investec plc UK Register”	Investec plc’s principal share register maintained in the UK.
“Investec SA Trust Co”	Investec SSC (SA) (Pty) Ltd, a limited liability company incorporated in South Africa with registration number 2001/027607/07, or such other entity as replaces SA Trust Co. from time to time.
“Investec Shareholders”	holders of Investec plc Shares or Investec Limited Shares.
“IRBA Codes”	Independent Regulatory Board Codes.
“ISAE”	International Standard on Assurance Engagements.

“Joint Electorate Actions”	the Companies’ actions in relation to matters affecting the shareholders of Ninety One Limited and Ninety One plc in similar ways on which the shareholders of both companies effectively vote together as a single decision making body.
“J.P. Morgan Cazenove”	J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name J.P. Morgan Cazenove).
“J.P. Morgan Equities SA”	J.P. Morgan Equities South Africa Proprietary Limited.
“JSE”	the exchange operated by JSE Limited under the FMA.
“JSE Limited”	JSE Limited, a public company incorporated and registered in South Africa with registration number 2005/022939/06, licensed as an exchange under the FMA and its registered office address at One Exchange Square, 2 Gwen Lane, Sandown, 2196, South Africa.
“JSE List”	the list maintained by the JSE of securities admitted for listing on the JSE.
“JSE Listings Requirements”	the listings requirements issued by JSE Limited under the FMA to be observed by issuers of equity securities listed on the JSE (as amended).
“JSE Sponsor”	the sponsor appointed by the Companies from Admission in accordance with the JSE Listings Requirements.
“King IV”	the King IV Report on Corporate Governance for South Africa.
“Liquidation Event”	in relation to the Companies, where an order is made or an effective resolution is passed for winding-up of the Companies or a liquidator is appointed to the Companies.
“Listing Rules”	the listing rules relating to admission to the Official List made under section 73A(2) of the FSMA.
“LSE”	the securities exchange operated by London Stock Exchange plc under the FSMA.
“LTIP”	the long-term incentive plan of the Group.
“MAR”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
“Marathon Trust”	Marathon Investment Trust, a Mauritian trust vehicle with ITL Trustees Limited as trustee.
“Matching Action”	in relation to an Action in respect of the holders of Ninety One Limited Shares or the holders of the Ninety One plc Shares (the “Initial Action”), an Action in respect of the holders of ordinary shares in the other company which the Boards have resolved, as far as practicable, has an economic effect equivalent, but not necessarily identical to, the Initial Action on holders of ordinary shares of the company undertaking the Initial Action.
“Matching Dividend”	the matching cash dividend to be received by the Shareholders of one company, as nearly as practicable at the same time, if it is proposed that the Shareholders of the other company should receive a cash dividend, as described in paragraph 6.3 of Part VII: <i>“Details of the DLC Structure – No Matching Dividend to be paid”</i> .
“Member States”	the Member States of the EU.
“MiFID I”	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.
“MiFID II”	EU Directive 2014/65/EU on markets in financial instruments.

“MiFID II Product Governance Requirements”	EU Directive 2014/65/EU on markets in financial instruments, Articles 9 and 10 of Commission delegated Directive (EU) 2017/593 supplementing MiFID I, and local implementing measures.
“Multi-Asset”	one of the Group’s four asset class offerings.
“Ninety One Business”	the asset management business of Investec prior to implementation of the Demerger or the business of Ninety One following the implementation of the Demerger, as the context requires, consisting of the business of IAM UK and IAM SA.
“Ninety One Global”	Ninety One Global Limited, incorporated and registered in England and Wales with registered number 11730926. Ninety One Global Limited is a wholly owned subsidiary of Ninety One plc.
“Ninety One International”	Ninety One International Limited, incorporated and registered in England and Wales with registered number 11731068. Ninety One International Limited is a wholly owned subsidiary of Ninety One Global Limited.
“Ninety One Limited”	Ninety One Limited (previously Investec Asset Management SA Group Limited), incorporated in South Africa with registration number 2019/526481/06 and its registered office address at 36 Hans Strijdom Avenue, Foreshore, Cape Town 8001, South Africa.
“Ninety One Limited Board”	the board of directors of Ninety One Limited.
“Ninety One Limited Equivalent Number”	in relation to Ninety One Limited Special Converting Shares, such number as equals the number of Ninety One plc Shares then in issue divided by the Ninety One Equalisation Fraction then applicable.
“Ninety One Limited Mol”	the memorandum of incorporation of Ninety One Limited adopted by special resolution on 29 January 2020 (but not in force as at the date of this Document), as described in paragraph 8 of Part XII: <i>“Additional Information – Ninety One plc Articles and Ninety One Limited Mol”</i> .
“Ninety One Limited Registration Mol”	the Memorandum of Association of Ninety One Limited in force as at the date of this document.
“Ninety One Limited SCS Trust Deed”	the declaration of trust entered into by Ninety One plc, Ninety One Limited and SA Trust Co which sets out the parties’ rights and obligations in relation to the Ninety One Limited Special Converting Shares.
“Ninety One Limited Shareholder”	a holder of Ninety One Limited Shares.
“Ninety One Limited Shares”	the ordinary shares of no par value in the capital of Ninety One Limited.
“Ninety One Limited Special Converting Shares”	the special converting shares in Ninety One Limited issued to SA Trust Co.
“Ninety One Limited Special Rights Shares”	the redeemable preference share in the capital of Ninety One Limited having the rights set out in the Ninety One Limited Mol.
“Ninety One Limited Special Voting Shares”	the special voting share in Ninety One Limited issued to SA Trust Co.
“Ninety One LTIP”	the Ninety One plc Long Term Incentive Plan and the Ninety One Limited Long Term Incentive Plan taken together or either of them as the context requires.
“Ninety One Ordinary Shares”	the Ninety One plc Ordinary Shares and the Ninety One Limited Ordinary Shares together.
“Ninety One plc”	Ninety One plc (previously Investec Asset Management UK Group plc), incorporated and registered in England and Wales with registered number 12245293 and its registered office address at One Silk Street, London, EC2Y 8HQ, United Kingdom.

“Ninety One plc Articles” or “Ninety One plc Articles of Association”	the articles of association of Ninety One plc to be adopted with effect from upon Admission, as described in paragraph 8 of Part XII: <i>“Additional Information – Ninety One plc Articles and Ninety One Limited Mol”</i> .
“Ninety One plc Board”	the board of directors of Ninety One plc.
“Ninety One plc Equivalent Number”	in relation to the Ninety One plc Special Converting Shares, such number as equals the number of Ninety One Limited Shares then in issue multiplied by the Equalisation Fraction then applicable.
“Ninety One plc Reduction of Capital”	the proposed reduction of capital of Ninety One plc to reduce Ninety One plc’s share premium account.
“Ninety One plc Registration Articles”	the Articles of Association of Ninety One plc which are in force as at the date of this document.
“Ninety One plc SCS Trust Deed”	the declaration of trust entered into by Ninety One plc, Ninety One Limited and UK Trust Co which sets out the parties’ rights and obligations in relation to the Ninety One plc Special Converting Shares.
“Ninety One plc Shareholder”	a holder of Ninety One plc Shares.
“Ninety One plc Shares”	the ordinary shares with a nominal value of £0.0001 each in the capital of Ninety One plc.
“Ninety One plc Special Converting Shares”	the special converting shares in Ninety One plc issued UK Trust Co.
“Ninety One plc Special Rights Shares”	the redeemable preference share of £0.0001 in the capital of Ninety One plc having the rights set out in the Ninety One plc Articles.
“Ninety One plc Special Voting Share”	the special voting share in Ninety One plc issued to UK Trust Co.
“Ninety One Share Plans”	the Ninety One LTIP and Ninety One SIP.
“Nominations and Directors Affairs Committee”	the nomination committee of the Companies.
“Non-Executive Directors”	the non-executive directors of the Companies.
“Notices of General Meeting”	notices of the General Meetings set out in Part XIX and Part XX of the Investec Circular.
“Official List”	the Official List of the Financial Conduct Authority.
“Pillar 1”	the minimum capital requirements imposed on prudentially regulated firms to address credit risk, market risk and operational risk to which the firm is exposed. It is calculated on the basis of formulaic rules relating to the firm’s exposures, fixed overheads or other metrics depending on the type of regulated firm.
“Pillar 2”	the discretionary capital buffer which is additional to the Pillar 1 requirement and imposed by prudential regulators to address idiosyncratic risks to which a firm is exposed and which are not adequately covered by Pillar 1 (such as systemic risk, pension risk, concentration risk and reputational risk).
“POPI Act”	the South African Protection of Personal Information Act, No. 4 of 2013.
“pounds sterling”, “£”, “sterling”, “pence”, “p” or “GBP”	the lawful currency of the UK.
“PRA”	the Prudential Regulation Authority of the UK.
“Prospectus Regulation”	the Prospectus Regulation (EU) (2017/1129) (and amendments thereto).
“Prospectus Regulation Rules”	the prospectus rules published by the FCA under section 73 A of FSMA.

“Quality”	one of the Group’s three equities investment strategies.
“R”, “Rand”, “ZAR”	the lawful currency of South Africa.
“Redeemable Preference Shares”	the redeemable preference shares of £1.00 each in the capital of Ninety One plc.
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Registration Document”	the Registration Document published by the Companies on 31 January 2019.
“Regulatory Information Service”	in respect of the UK: (i) one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies; and (ii) in respect of South Africa, SENS
“Relationship Agreement”	the agreement: (i) recording the right of Bank and Wealth, for so long as it has an aggregate interest in the combined total issued share capital of the Companies: (a) greater than 25 per cent. to appoint up to two Non-Executive Directors to the Board; and (b) equal to or less than 25 per cent. but equal to or greater than seven per cent. to appoint one Non-Executive Director to the Board; and (ii) ensuring that the Companies are capable of operating independently of Bank and Wealth pursuant to the Listing Rules following the Demerger, a summary of the principal terms of which is set out in paragraph 19.1.3 of Part XII: <i>“Additional Information – Relationship Agreement”</i> of this document.
“Restricted Jurisdiction”	any jurisdiction in respect of which the Ninety One plc Board or the Ninety One Limited Board (as the case may be) considers, in its absolute discretion, that the requirements of applicable regulation would mean that a transfer of Special Converting Shares to the shareholders entitled to such shares who are resident in that jurisdiction would be impractical or unlawful.
“SA Companies Act”	the SA Companies Act, 71 of 2008 (as amended).
“SA DAN Share”	the dividend access (non-South African resident) redeemable preference share in Ninety One Limited.
“SA DAN Share Trust Deed”	the declaration of trust entered into by Ninety One plc, Ninety One Limited and SA Trust Co which sets out the parties’ rights and obligations in relation to the SA DAN Share.
“SA DAS Share”	the dividend access (South African resident) redeemable preference share of Rand 1.00 in Investec Limited.
“SA DAS Share Trust Deed”	the declaration of trust to be entered into by Ninety One plc, Ninety One Limited and SA Trust Co which sets out the parties’ rights and obligations in relation to the SA DAS Share.
“SA Demerger”	the distribution by Investec Limited of all of Investec Limited’s shareholding in Ninety One Limited, pursuant to which Investec Limited Ordinary Shareholders will receive one Ninety One Limited Share for every two Investec Limited Ordinary Shares held at the Demerger Record Time.
“SA Demerger Effective Time”	the time at which the SA Demerger becomes unconditional in all respects, expected to be at 7:00 p.m. (London time) on 13 March 2020.
“SA FSCA”	the South African Financial Sector Conduct Authority.
“SA Registrar”	Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, Republic of South Africa.
“SA Trust Co”	Ninety One SSC (SA) (Pty) Ltd, a limited liability company incorporated in South Africa with registration number 2020/005116/07, or such other entity as replaces SA Trust Co. from time to time.

“SARB”	the South African Reserve Bank.
“SARS”	the South African Revenue Service.
“Scheme”	the scheme of arrangement between Investec plc Ordinary Shareholders to effect the UK Demerger in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Investec and, if applicable, Ninety One plc.
“Scheme Court Hearing”	the hearing by the Court to sanction the Scheme and confirm the reduction of capital.
“SCS Trust Deeds”	the Ninety One plc SCS Trust Deed and the Ninety One Limited SCS Trust Deed.
“SDRT”	Stamp duty reserve tax.
“SENS”	the Stock Exchange News Service of the JSE.
“Securities Act”	US Securities Act of 1933.
“Separation Agreement”	the agreement recording certain terms upon which the Demerger is to be effected and upon which relations between the Companies and Bank and Wealth and their respective subsidiaries shall be governed subject to, and following, the Demerger, a summary of the principal terms of which is set out in paragraph 20.1.1 of Part XII: <i>“Additional Information – Separation Agreement”</i> of this document.
“Shareholders” or “Shareholder”	a Ninety One plc Shareholder or a Ninety One Limited Shareholder or both (as the case may be).
“Shareholders’ Agreement”	the shareholders’ agreement entered into between Investec Limited, Investec plc, Investec 1, Forty Two Point Two, IAM SA and IAM UK dated 31 July 2013 which regulates the respective rights of IAM SA and IAM UK’s shareholders.
“Shares”	the Ninety One plc Shares and the Ninety One Limited Shares.
“Sharing Agreement”	the DLC Structure sharing agreement to be entered into between Ninety One Limited and Ninety One plc.
“SICAV”	société d’investissement à capital variable.
“SIP”	the Share Incentive Plan of the Group.
“Silica”	Silica Holdings and its subsidiaries and subsidiary undertakings.
“Silica Holdings”	Silica Holdings (Pty) Limited, registration number 2000/030673/07, a private company incorporated in South Africa. Silca Holdings (Pty) Ltd is a wholly owned subsidiary of Investec Asset Management Holdings (Pty) Ltd.
“South Africa”	the Republic of South Africa, and “South African” shall be construed accordingly.
“South African Exchange Control Regulations”	the South African exchange control regulations as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice No. R.445 in Government Gazette No. 35430 of 8 June 2012, as amended by Orders and Rules in terms thereof, dated 2016.
“South African FMA”	the South African Financial Markets Act, 19 of 2012 (as amended).
“South African Takeover Regulations”	the Takeover Regulations published under the SA Companies Act.
“Special Converting Shares”	the Ninety One plc Special Converting Shares and the Ninety One Limited Special Converting Shares.

“Special Rights Shares”	the Ninety One plc Special Rights Share and the Ninety One Limited Special Rights Share.
“Strate”	Strate Proprietary Limited, a private company incorporated and registered in South Africa with registration number 1998/022242/07 and its office address at 5th Floor, The MARC Tower 1 129 Rivonia Road, Sandown, Sandton, 2146, South Africa which is a registered central securities depository in terms of the FMA, and which manages the Strate System.
“Strate System”	the system operated for dealings in Uncertificated securities listed on the JSE that take place on the JSE and for dealings in Certificated securities listed on the JSE that take place off market.
“Sustainability, Social and Ethics Committee”	the Sustainability, Social and Ethics Committee of the Companies.
“Target Market Assessment”	the Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
“Taxable Excess”	the amount an individual shareholder’s total dividend income for a tax year exceeds the United Kingdom Dividend Allowance.
“Transitional Services Agreement”	the agreement recording the terms upon which Bank and Wealth will provide certain services to the Companies on a transitional basis following the Demerger, a summary of the principal terms of which is set out in paragraph 20.1.2 of Part XII: <i>“Additional Information – Transitional Services Agreement”</i> of this document.
“Transitional Trade Mark Licence Agreement”	the agreement recording the terms upon which Bank and Wealth will provide a licence to use the Investec brand for a transitional period following the Demerger, a summary of the principal terms of which is set out in paragraph 20.1.4 of Part XII: <i>“Additional Information – Transitional Trade Mark Licence Agreement”</i> of this document.
“Trust Company”	UK Trust Co or SA Trust Co, or one or both of them, as the context requires.
“Trust Corporations”	Sanne Group (UK) Limited and Sanne Fund Services SA (Pty) Limited.
“UCITS IV Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to the undertakings for collective investment in transferable securities.
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“UK Companies Act”	the UK Companies Act 2006 (as amended).
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council and dated September 2012, as amended from time to time.
“UK DAN Share”	the dividend access (non-UK resident) redeemable preference share of £0.0001 in Ninety One plc.
“UK DAN Share Trust Deed”	the declaration of trust entered into by Ninety One plc, Ninety One Limited and UK Trust Co which sets out the parties’ rights and obligations in relation to the UK DAN Share.
“UK DAS Share”	the dividend access (UK resident) redeemable preference share of £0.0001 in Ninety One plc.

“UK DAS Share Trust Deed”	the declaration of trust entered into by Ninety One plc, Ninety One Limited and UK Trust Co which sets out the parties’ rights and obligations in relation to the UK DAS Share.
“UK Demerger”	the reduction of Investec plc’s share premium account by £855,926,402 and the transfer of a portion of Investec plc’s shareholding in IAM UK to Ninety One plc in exchange for Ninety One plc issuing to Investec plc Ordinary Shareholders one Ninety One plc Share for every two Investec plc Ordinary Shares held at the Demerger Record Time, to be implemented pursuant to the Scheme.
“UK Demerger Effective Time”	the time at which the UK Demerger becomes effective, expected to be at 7:00 p.m. (London time) on 13 March 2020.
“UK Registrar”	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY United Kingdom.
“UK Sponsor”	J.P. Morgan Cazenove.
“UK Trust Co”	Ninety One SSC (UK) Limited, a limited liability company incorporated in England and Wales with registered number 12403312, or such other entity as replaces UK Trust Co from time to time.
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share, depositary interest or other security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.
“Underwriting Agreement”	the underwriting agreement expected to be entered into at or immediately prior to Admission between Ninety One plc, Ninety One Limited, the Directors of Ninety One, Investec plc, Investec Investments and the underwriters of any public offering of Shares at, or immediately following, Admission.
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
“US\$” or “USD”	the lawful currency of the US.
“VAT”	value added tax.
“Value”	one of the Group’s three equities investment strategies.
“Voting Agreement”	the voting agreement to be entered into between Ninety One Limited, SA Trust Co, Ninety One plc and UK Trust Co.

