Ninety One

Investing for a better tomorrow

Integrated Annual Report 2020

This was a momentous year

About this report

Our journey from emerging market roots has been like no other in our industry. We started with a unique perspective and continue to embrace opportunities and challenges in our own way.

We look different because we are different. This report introduces you to our distinctive culture and our passion to always do our best for our clients, our people, our shareholders and the world overall.

Key numbers and events

£103.4bn
Assets under management

£588.0m
Adjusted operating revenue[1]

£198.5m
Profit before tax

16.1p
Adjusted earnings per share[2]

£6.0bn
Net flows

16.8p
Basic earnings per share

39%
Investment outperformance[3] (1-year)

5.4%
Torque ratio

55%
Investment outperformance[3] (3-year)

21%
Staff ownership

Demerged, rebranded and listed on London and Johannesburg Stock Exchanges in March 2020

1. Calculated as net revenue, less Silica third-party revenue and adjusted for foreign exchange gains/losses, deferred employee benefit scheme movements, and other income.
2. Adjusted earnings per share ("Adjusted EPS") is profit attributable to ordinary shareholders, adjusted to remove non-operating items, divided by the number of ordinary shares in issue at the end of the year.
3. Firm-wide outperformance is calculated as the sum of the total market values for individual portfolios that have positive active returns on a gross basis expressed as a percentage of total AUM. Our percentage of firm outperformance is reported on the basis of current AUM and therefore does not include terminated funds. Total AUM excludes double-counting of pooled products and third-party assets administered on our South African ("SA") fund platform (known as Ninety One Investment Platform). Benchmarks used for the above analysis excludes 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.

Investing for a better tomorrow

Our purpose

We set up our business in 1991 with the aim of making a positive difference to both our clients and the country in which we started. Since then, we have expanded our scope and ambition globally.

Our purpose is simple: investing for a better tomorrow. This is what guides our strategic decision-making, culture and interactions with our clients.

We do this by building a better firm, by trying to invest in a better way and by contributing to a better world.

Our culture

The culture of Ninety One is a reflection of who we are as people and it is our shared values and norms that make us. Our culture informs our brand. It is a source of competitive advantage and the foundation for enduring investment performance and client service.

We strive to do the right thing for our clients, our people, our community and for the wider world. Ambition and care are not mutually exclusive and our culture aims to achieve both. We are building a firm that insists on results, excellence and ambition, but not at the expense of the human spirit. We aim to be successful and decent at the same time.

Read more about our culture on page 28

Better firm
Better investing
Better world

We are building a firm that aims to achieve excellence over the long term, with a culture that encourages our people to reach their highest potential and puts our clients at the centre of our business.


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Ninety One at a Glance

Launched in South Africa in 1991, we are one of the few investment management firms to have developed a substantial global footprint from emerging market origins.

Ninety One is a founder-led global investment manager with £103.4 billion of assets under management ("AUM"), as at 31 March 2020.

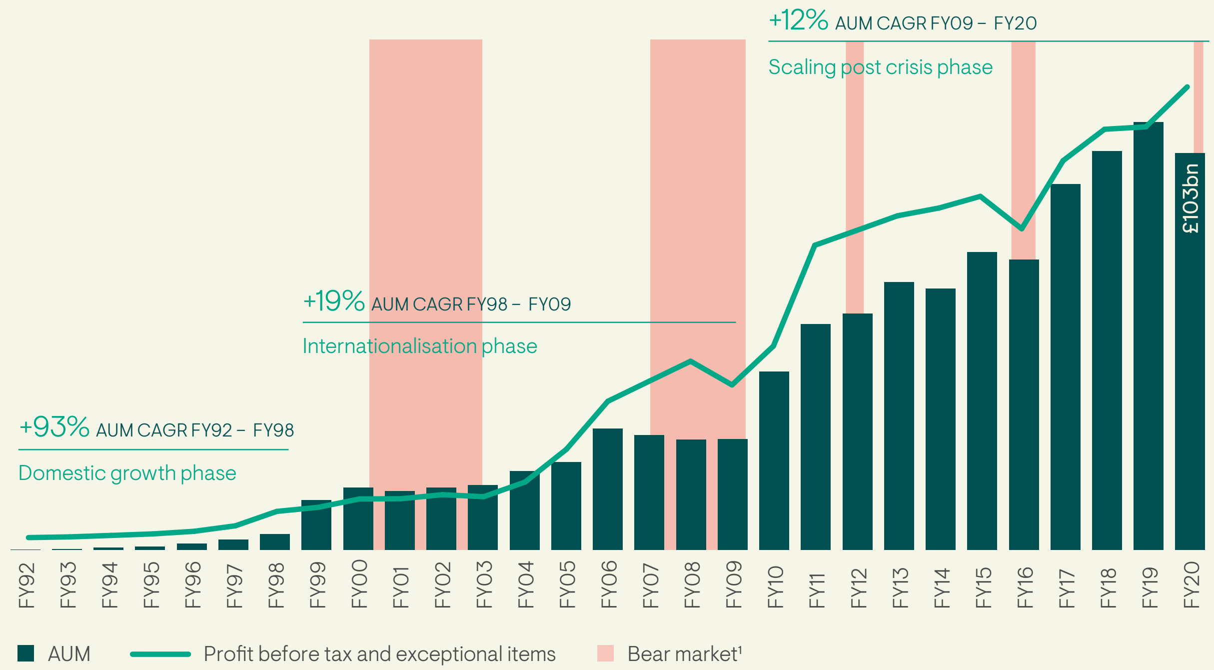
It was initially founded as Investec Asset Management, an independent entity within Investec.

In March 2020, Investec Asset Management demerged from Investec, rebranded as Ninety One and independently listed on the London and Johannesburg Stock Exchanges ("LSE" and "JSE").

Our history

Ninety One has been sustainably and predominantly organically built over nearly 30 years. Over this time, it has established a long-term track record of growth in AUM over three distinct phases.

Ninety One is now entering a new phase as an independently listed investment management firm.



Financial years ended 31 March.

1. Bear market defined as a period in which share prices fell 20% (measured by the MSCI All Countries World Index) or more from the prior peak and would include the period from the peak in the market to the lowest point of the bear market.

What we do

Ninety One offers a range of specialist and outcome-oriented strategies. It has several distinct skillsets and invests across the asset class spectrum.

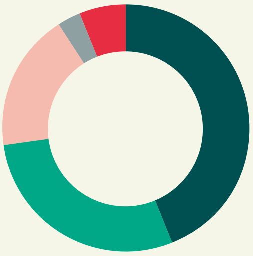
Offering by asset class[1]	£45.8bn Equities		£30.5bn Fixed income		£18.3bn Multi-asset	£2.6bn Alternatives
Distinct skillsets[1]	4Factor	Quality	Value	Fixed income	Alternatives	Multi-asset
Client demand	Specialist					Outcomes

1. Excluding SA fund platform.

Who we serve

Ninety One has a sophisticated and geographically diverse client base.

AUM by asset class



Equities	44%
Fixed income	29%
Multi-asset	18%
Alternatives	3%
SA fund platform	6%

AUM by client type

Advisor	32%
Institutional	68%

AUM as at 31 March 2020.

How we do it

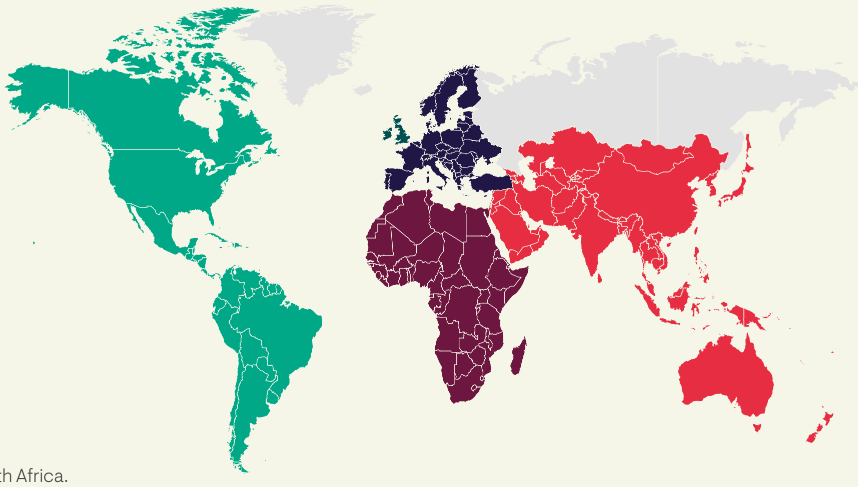
1,165 staff (exc. Silica[1])

(1,630 staff, inc. Silica[1])

21 Offices

14 Countries

5 Client Groups
- Africa
- United Kingdom
- Asia Pacific
- Europe
- Americas



1. Silica is our transfer agency business in South Africa.

Our Business Model

We focus on creating value for all our stakeholders, while staying true to our purpose – investing for a better tomorrow.

The value for our stakeholders

Ninety One's objective is to generate value for our clients, our people, our shareholders, and for society and the environment.

For clients

We want to assist our clients to achieve their long-term financial objectives.

For people

We want our people to be proud of Ninety One, enjoy the work they do and have the freedom to be themselves, within a team context.

For shareholders

We want to offer our shareholders participation in a simple and capital-light business model with an attractive long-term financial profile.

For society and the environment

We want to invest for a better tomorrow and contribute to a better and more sustainable world.

Our value proposition to shareholders

Ninety One's offering is differentiated by the following attributes:

- Unique employee ownership
- Organically and sustainably built
- Emerging market heritage underpins growth
- Distinctive specialist active strategies
- Superior global reach given scale
- Sophisticated institutional and advisor client base
- Significant growth potential across existing skillsets
- Attractive financial profile with strong cash generation

Our business model and organisational structure

Investments

Equities	Fixed income	Multi-asset	Alternatives
Investment support			

Ninety One invests across the asset class spectrum and our investment teams are organised according to specialist skillsets. These teams are aligned to investment philosophies that are suited to different market environments. This diversity allows the teams to focus on the long term and to produce good outcomes for clients.

4Factor, Quality and Value specialist equity teams offer global and regional strategies. The fixed income team invests in both emerging and developed markets, covering bonds and credit. The multi-asset team benefits from insights across the entire firm, delivering global and regional growth and income strategies. Unlisted investments and thematic strategies are represented as alternatives.

The investment teams are globally integrated, with major hubs in London and Cape Town, with additional investment centres in New York, Hong Kong, Singapore, Gaborone and Windhoek. They are centrally supported by the Chief Investment Officers' office and Environmental, Social and Governance ("ESG"), performance, risk and dealing teams.

Client Group

Africa	United Kingdom	Asia Pacific	Europe	Americas
Global marketing				

Ninety One's clients are served through five regional Client Groups. We work with clients from all over the world, predominantly in the institutional and advisor markets. Our institutional clients include some of the world's largest private and public sector pension funds, sovereign wealth funds, central banks, insurers, corporates and foundations. Our advisor clients include large retail financial groups, wealth managers, private banks and intermediaries serving individual investors.

The Client Groups are responsible for all aspects of client engagement and service. We have developed strategic client management teams in key locations across the globe to coordinate our client relationships and offer bespoke servicing where required, to cater to the varied and specific needs of our clients. Close cooperation across our teams allows us to share best practices and ensures our clients can benefit from a diverse range of expertise.

The Client Groups are supported by a global marketing team which is responsible for preparing a wide range of insightful client materials, branding, events and digital engagement.

Clients' assets are managed in pooled vehicles, primarily mutual funds and segregated mandates. As at 31 March 2020, Ninety One managed over 200 funds and 1,100 share classes across its well-structured product platform and fund infrastructure.

Ninety One's South African fund platform offers both offshore and domestic investment solutions for independent financial advisors in South Africa. The platform predominantly comprises third-party products and selected Ninety One funds, which as at 31 March 2020 represented £1.8 billion of the platform's total assets of £8.0 billion.

The Client Group operates out of 19 of Ninety One's offices around the world.

Operations

Legal, Compliance and Operational Risk	Human Capital	Finance & Workplace	Internal Audit	Investment Operations	Product Management	Information Technology

Ninety One deploys a globally integrated operations platform that relies on partnering with global service providers across the value chain. This operating model allows for efficiency and flexibility which acts as an enabler for targeted cost savings through operations in low-cost locations.

Ninety One's London and Cape Town offices are the main operational centres. It has further operational activities in Hong Kong, New York, Singapore, Sydney, Johannesburg, Gaborone and Windhoek, which support distribution and investment activities while taking advantage of time zones.

Chairman's Statement

— Gareth Penny
Chairman

"As the new Chairman of the Board of Ninety One, I am delighted to introduce this year's Integrated Annual Report, in what has been a momentous year for the business."

Ninety One was set up by Hendrik du Toit some 29 years ago, as Investec Asset Management, to provide sophisticated asset management strategies to clients in South Africa. Since then, the business has grown into an independent global investment manager with over £100 billion in assets under management.

The demerger from Investec and the subsequent listing on the LSE and JSE in March 2020 have been extraordinary achievements and a great team effort by the leadership and staff in the business. This achievement in these volatile and unprecedented times, shows the resilience of the business and the strengths of its long-standing and committed management team under Hendrik's continued leadership.

But the listing is just the next step on a long-term journey for Ninety One. As an independent business, we are now in a strong position to apply our specialist investment capabilities and skillsets, our global distribution footprint and stable, committed and experienced staff to serve our clients to the best of our abilities, to continue to profitably grow our business and to create long-term shareholder value.

The Board

I was appointed as the Chairman of the Board in November 2019, and I look forward to being part of the business's next stage of development, building on our strong heritage and a long track record.

In November 2019, we announced the composition of our new Board, introducing four independent non-executive directors, namely Colin Keogh, Busisiwe Mabuza, Idoya Basterrechea Aranda and Victoria Cochrane.

Our diverse new Board brings substantial financial sector experience and a deep understanding of international business, particularly in emerging markets, as well as the skills and expertise required for a global dual-listed company.

More information about our governance arrangements, the Board and its committees can be found in the Governance section of this Integrated Annual Report.

Relationship with Investec

Ninety One (then known as Investec Asset Management) was part of Investec for nearly three decades. As the group evolved, there was a need to simplify and focus the different businesses within Investec for growth. This resulted in a decision in September 2018 to demerge and separately list the asset management business.

Although we are now starting our journey as an independent, newly listed investment manager, we remain grateful and proud of our heritage as part of Investec and look forward to continuing our good relationship. We wish them well as they pursue their goals as a more focused bank and wealth management business.

Management and employee ownership

Following our demerger, Ninety One's proposition is now simpler and clearer. It has also enabled increased employee ownership. This not only provides greater incentivisation for many of our employees, but is also ideal for talent retention and talent attraction, and most importantly it aligns our people with our clients, shareholders and the communities we serve.

Following the demerger, collectively through the employee benefit trusts and the management ownership vehicle, employees own just over 21% of Ninety One. We believe this employee ownership will increase over time, with our staff excited to participate and be part of our long-term story.

Stakeholder engagement

The Board recognises that the long-term success of our business is dependent on the success of all our stakeholders. The Board has had regard to the interests of our stakeholders while complying with its obligations under relevant Companies Acts to promote the success of the company. Notwithstanding the limited time since its appointment, the Board has discussed its obligations, including how stakeholder engagement is incorporated into our long-term decision-making.

Further information on our stakeholders can be found on pages 24 to 25 of this Integrated Annual Report

Looking ahead

Ninety One is monitoring the continuing developments around the spread of COV ID-19 and we have taken measures to ensure the safety of our people, while continuing to serve our clients, unhindered. However, we note the impact on the wider economy and markets, bringing a lasting change to the way we live, the way we work and communicate, and how we view the world.

We recognise the need, now more than ever, for businesses to align themselves with wider society and to look beyond pure profit maximisation. Ninety One has always sought to do that. We strive to do the right thing for our clients, for our people, for our communities and for the wider world, which is reflected in our purpose and in the way we conduct our business and ourselves.

In spite of the many challenges ahead, Ninety One is well-positioned for the long term.

Chief Executive Officer's Review

— **Hendrik du Toit**
Founder and Chief Executive Officer

"Despite the recent market volatility, Ninety One remains a resilient, stable business with strategic clarity and an ambitious long-term growth agenda."

Historic year

The financial year to 31 March 2020 was a momentous year for Ninety One. We ended our twenty-ninth year in business with record earnings, a high-quality client base from across the world, and a highly motivated and experienced leadership team, but we were challenged by the enormous economic and market consequences of the COVID-19 pandemic.

During the last month of the financial year we successfully demerged from Investec, listed on the LSE and JSE, and rebranded as Ninety One. Significantly, all staff can now be shareholders and the people who work in the firm collectively own more than 21% of the equity of Ninety One. This was a pivotal period in the evolution of our business. While these developments support our proposition as an independent investment manager with significant employee ownership, it is important to emphasise the stability of our staff and continuity of our long-term strategy, which underpin the success of our business.

Notwithstanding the cyclicality and high-beta inherent in an asset management business, our business model remains capital light and talent intensive, with a preference for organic growth. The combination of a strong "owner-culture" with a diversified investment offering provides resilience over time. We deliberately engage across the asset class spectrum as this provides useful diversification through various market cycles. Our client focus is clear. Ninety One serves institutional and advisor clients in chosen markets around the world and does not concentrate on direct retail business.

Strategy and opportunities

Although the past year is correctly characterised as eventful, our strategy remains consistent. Ninety One continues to provide a range of specialist, active strategies to its global client base. The business is differentiated from the competitor universe by its blend of global and emerging markets investment expertise and its origins in emerging markets. We believe that the growing weight of emerging markets in the world economy is a structural trend, leading to increased representation in major indices, over time. This underlines the relevance of emerging markets to asset owners. Our investment approach combines this perspective with a global approach to investing, free from "home bias". The near-term challenges facing emerging markets, relating to the COVID-19-triggered downturn, have not changed our long-term view. On the contrary, we expect the next few years to provide our investors with compelling long-term opportunities in both developed and emerging markets and risk assets in general. The stable and experienced investment teams at Ninety One are motivated to make the most of these opportunities for our clients.

Investment performance and progress

All of Ninety One's investment capabilities are managed with the simple aim of delivering performance which meets or exceeds our clients' expectations around agreed, well-defined return and risk parameters.

In many ways the reporting period was a "year of two parts". Most of the first 11 months took place against the background of rising markets and an expanding global economy. During this period, our short- and longer-term investment performance, as measured at firm level on an aggregate asset-weighted basis, displayed an improving trend. As at the end of December 2019, our one- and three-year firm-wide outperformance stood at 81% and 71% respectively. This compared favourably with the numbers we released for the half year to 30 September 2019 (54% and 75% for one- and three-year firm-wide outperformance respectively).

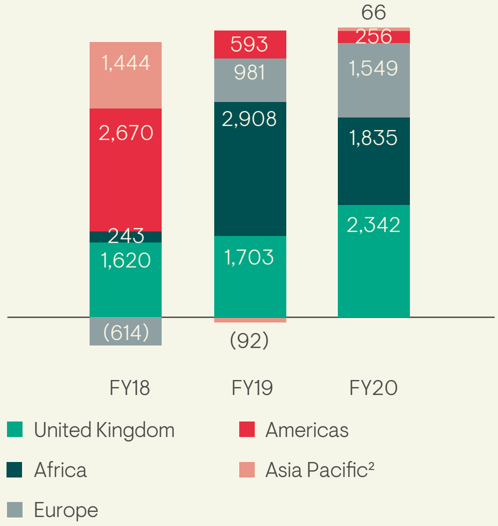
After markets were hit by the COVID-19 correction in March 2020, the situation deteriorated to the point where our aggregate performance looked decidedly average over one and three years, where the percentages of our strategies, measured on an aggregate asset-weighted basis, that beat their benchmarks were 39% and 55% respectively. Value strategies had a particularly tough time. On the positive side our global and emerging markets equity strategies have delivered excellent results. Our South African domestic strategies also reported strong performance. This period of market dislocation caused by the COVID-19 "black swan" event will create opportunities for substantial alpha generation over the coming year and we intend to capture as many of these opportunities as possible. The past year has not been our best performance year, but the investment teams have been here before and know exactly what they need to do to improve the situation and they have the full support of the leadership team to achieve this.

Ninety One has strong client relationships, built up over many years. This is because clients come first at Ninety One. This is non-negotiable and central to the way in which we operate. Against a very challenging background for the active investment industry, we have achieved net inflows in line with the prior year. The flows were mainly driven by our fixed income and equities offerings. Our five client regions (known as "Client Groups") have all generated net inflows with the UK, Africa and Europe the best performers.

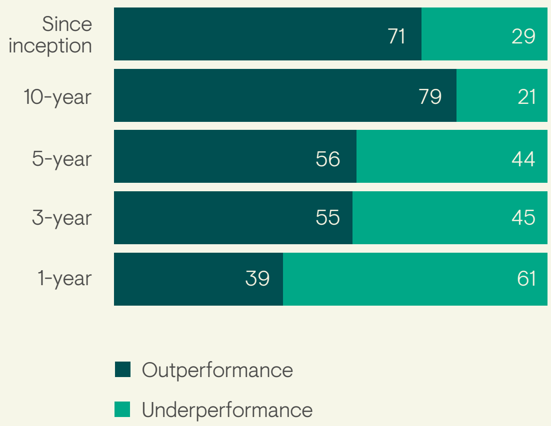
Our focus on developing our outcomes-based offerings across the advisor market was also reflected in strong inflows in certain multi-asset strategies. We remain confident that our substantial investments in our Americas and Asia Pacific Client Groups will deliver value for our shareholders over the long term.

Over the past year, Ninety One has increased its investment in technology to support its front office investment and client-facing teams. We are acutely aware of the benefits of our single and well-invested operations platform, which we have built over many years. The fact that we could grow over the past year, demerge, list and rebrand on schedule whilst coping with the COVID-19 imperative to enable our people to work from home without a major incident, tells the story of a robust, experienced, well-invested and well-run operations platform.

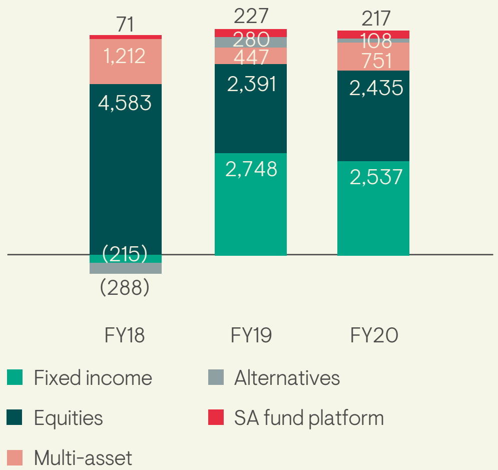
Net flows by Client Group[1]
£m



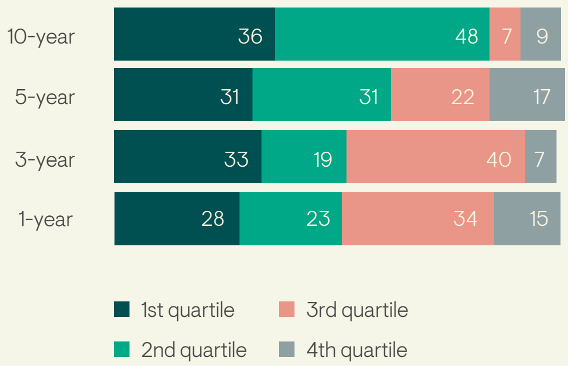
Firm-wide investment performance[3]
As at 31 March 2020
%



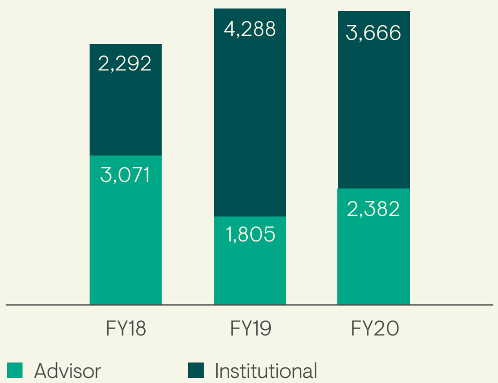
Net flows by asset class[1]
£m



Mutual fund performance[4]
As at 31 March 2020
%



Net flows by client type[1]
£m



1. Net inflows of £5.4 billion in financial year 2018, £6.1 billion in financial year 2019 and £6.0 billion in financial year 2020.
2. Asia Pacific includes Middle East.
3. Firm-wide outperformance (underperformance) is calculated as the sum of the total market values for individual portfolios that have positive active returns (negative active returns) on a gross basis expressed as a percentage of total AUM. Our percentage of firm outperformance is reported on the basis of current AUM and therefore does not include terminated funds. Total AUM excludes double-counting of pooled products and third-party assets administered on our SA fund platform. Benchmarks used for the above 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.
4. Mutual fund performance and ranking as per Morningstar data using primary share classes net of fees to 31 March 2020. Peer group universes are either IA, GIFS or ASISA sectors as classified by Morningstar. Cash or cash-equivalent funds are excluded from the charts. Mutual fund performance weighted by AUM. Percentages may not add up to 100% due to rounding.

People and culture

This business is an intellectual capital business. We have deliberately opted for a capital-light, organic model to emphasise the fact we have built this business around our people. At Ninety One, talented people from diverse backgrounds enjoy working together in a demanding, performance-driven and collaborative environment. Teamwork is central to our success, but the individual is also important. We care about results, but we care as much about relationships. This approach sustains our owner-culture, which is especially important in tough times. It allows us to put clients first, to prioritise the important over the urgent, and to think long term when short-term pressure is high.

Sustainability

In spite of many other short-term concerns, we have no hesitation to express our commitment to sustainability in challenging times like these. This is no time to cut back on our commitment to ensuring ESG integration in all our investment processes; we continue to strive to mobilise capital and encourage the companies in which we invest to pursue a more sustainable future. Climate change is a global emergency which needs urgent attention. Within our **invest, engage** and **inhabit** framework, Ninety One attempts to address the sustainability challenge in a comprehensive way. We are committed to investing client capital responsibly in support of a more sustainable world, to engage society through advocacy on the importance of sustainability and to inhabit the world as a business in a way which reflects our commitment to responsible citizenship.

Outlook

As we look ahead to the new year, we recognise the challenging market conditions and competitive environment.

Our well-tested and diverse set of investment capabilities are in areas relevant to our clients, as evidenced by recent flows. We have solid bridgeheads into the largest markets in the world and we have maintained positive momentum in our original markets. We expect the appetite for risk assets to increase over time as the extreme volatility recedes and we see opportunities for alpha generation. Notwithstanding these opportunities, we expect significant revenue pressure in the coming period.

Our response will be one of strict prioritisation and cost discipline, but without impairing our ability to serve our clients in these uncertain times.

Ninety One is committed to doing its best for all stakeholders in the ongoing battle against the COVID-19 pandemic and its devastating economic consequences. We will do this by remaining focused on our clients and the investments we make on their behalf. We recognise the key to our long-term growth is maintaining client relevance and delivering investment performance. Furthermore, we will engage and support the companies we invest in, care for our people and contribute to the societies we serve.

We believe our staff stability and strategic clarity position us well for the long term. We intend to use this moment of market and economic dislocation to inspire ourselves to build a better firm, develop better ways of investing and renew our commitment to building a better world. The people of Ninety One fully intend to pursue our purpose of investing for a better tomorrow.

Finally, I would like to thank our clients, shareholders, regulators, board of directors and my colleagues at Ninety One for their support through this time of change.

Long-term investment excellence is our primary function and is non-negotiable. We aim to provide our clients with an investment outcome that allows them to achieve their financial goals.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Our Strategy

Strategic principles

Ninety One is a patient, organic, long-term and intergenerational business. Correspondingly, Ninety One's strategy is long-term and remains consistent across reporting periods, based on the following principles:

- Ninety One offers organically-developed investment capabilities through active segregated mandates and mutual funds to sophisticated clients.
- Ninety One operates globally in both the institutional and advisor space through five geographically defined Client Groups.
- Ninety One has an approach to growth that is driven by structural medium- to long-term client demand and competitive investment performance.

See our principal risks on pages 50 to 57

Strategic priorities

1. Capture the growth inherent in our current capability set

Why it is important

Ninety One's investment capabilities are aligned to industry demand and the available revenue opportunities.

Ninety One believes its investment capabilities are client relevant with adequate diversity.

Key performance indicators

- Net flows
- Investment performance
- Adjusted EPS
- Client relationships and reputation

Progress in financial year 2020

Progress in this area was reflected in our significant net inflows for the year of £6.0 billion, a testament to solid and deep client relationships and a well-diversified product offering.

Net inflows into our most established markets of the UK and Africa were strong at £2.3 billion and £1.8 billion respectively, driven mainly by our established fixed income and specialist equities strategies.

Similarly, fixed income and equities saw significant overall net inflows of £2.5 billion and £2.4 billion respectively.

As ever, we continued to build long-term relationships with our clients, which were reflected in various new and expanding mandates during the year.

Although investment performance was solid and improving for most of the year, short-term performance was affected in the last month of the financial year. This will continue to be an area of ongoing focus across our capabilities in the year ahead.

2. Develop differentiated strategies, anticipating client needs

Why it is important

Clients are at the centre of what we do. Therefore, we evolve our investment offerings to align with their needs and help them meet their investment objectives.

Ninety One has a demonstrable track record of expanding its offering across asset classes to meet future client demand and we will continue to adopt this approach and long-term thinking in the way we operate and serve our clients.

Key performance indicators

- Net flows
- Investment performance
- Client relationships and reputation

Progress in financial year 2020

We continued to invest across our investment capabilities to develop strategies and products to meet our clients' needs into the future.

Our recently-developed sustainability strategies continued to gain investor attention. Similarly, some of our recently-launched credit strategies and other fixed income strategies attracted strong net flows in Europe.

Our investment in multi-asset over recent years was also evident in the net inflows into our outcomes-based strategies, across a number of geographies.

We continued to build our investment capabilities in China and the rest of Asia as we anticipate client needs in, and into, the region.

3. Focus on growth in professionally intermediated channels (advisor and institutional)

In the advisor channel, Ninety One has access to key portfolio assemblers and financial institutions across all its Client Groups, and its outcomes-based offerings are positioned to capture flows from intermediaries and their clients who increasingly seek solutions.

In the institutional channel, Ninety One's differentiated capabilities and strong traction with investment consultants enable unique entry to globalising capital pools, with investors in large markets. Ninety One also remains focused on the needs of our original markets, South Africa and the UK.

- Net flows
- Investment performance
- Adjusted EPS
- Client relationships and reputation

There were positive net flows across both the advisor and institutional channels with £2.4 billion and £3.7 billion in net flows over the period, respectively.

Our focus on growing specialist equities in recent years has been favourably reflected in this year's net flows, across both the advisor and institutional channels.

Our focus on scaling our outcomes-based offerings across the advisor market was well reflected in strong inflows in certain multi-asset strategies.

Institutional net flows were strong in specialist equities and fixed income and were positive in all regions.

4. Ensure sustainability is at the core of our business

The rising importance of the sustainability agenda for society, investors and business, places an obligation on investment managers.

Ninety One is an active steward of capital with ESG investment considerations and sustainability factors integrated across our strategies as well as dedicated sustainability strategies, helping to mitigate risks and enhance value for clients.

In addition to investing our clients' assets responsibly, we also engage actively to promote sustainability and try to inhabit our communities as responsible citizens.

- Commitment to sustainability
- Client relationships and reputation

Our sustainability activities are organised into three focus areas:

Invest: During the year, we improved our ESG integration across all investment teams and continued to develop and promote our dedicated sustainability and impact strategies in various markets.

Engage: Our commitment to sustainability also extended into our engagements with clients and partners, as well as how we operate as a business.

Inhabit: As a business, we continued to focus on energy, waste, water and travel in our own drive towards the reduction and mitigation of our carbon footprint.

See further details on pages 34 to 40

5. Continuously invest in our people and build an intergenerational business

Ninety One is a people business with a clearly defined culture. We enable our people to have the freedom to create within clear parameters of values, team and strategy.

This culture is a vital element of Ninety One's long-term success and is conducive to building an intergenerational business.

- Key employee retention and succession planning
- Commitment to sustainability
- Client relationships and reputation
- Adjusted EPS

During the year, Ninety One continued to evolve as a long-term and intergenerational business.

In March 2020, we successfully completed our demerger from Investec, rebranded and listed on the LSE and JSE.

This historic moment and evolution of the business did not change the culture of the business or the stability of our experienced staff complement. Furthermore, the period of transition did not affect or interrupt the ordinary course of business, as is evident in the financial results for the year, which reflects the quality of Ninety One's people and leadership.

The listing also enabled all eligible staff to become shareholders, collectively owning more than 21% of the equity of Ninety One. This supports the long-term orientation of the firm and underwrites our "owner-culture".

Tracking our Strategic Progress

Our key performance indicators ("KPIs") enable us to monitor our progress towards our strategic priorities.

Financial (quantitative) KPIs

	Adjusted EPS	Investment performance	Net flows
Metric	16.1p	55%	£6.0bn
Definition	Profit attributable to ordinary shareholders, adjusted to remove non-operating items, divided by the number of ordinary shares in issue.	3-year firm-wide investment outperformance calculated as the sum of the total market values for individual portfolios that have positive active returns on a gross basis, expressed as a percentage of total AUM.	New funds from clients less funds withdrawn by clients, with any duplication removed.
Why it's important	Adjusted EPS measures the value generated for shareholders.	Investment performance is an important indicator for our continued investment success and demonstrates our competitive advantage in helping our clients to meet their long-term financial objectives.	Net flows indicate client support and market relevance.

Methodology

At Ninety One we have tracked our progress using three key financial KPIs. Adjusted EPS is the single most important financial indicator of our business performance. Net flows and investment performance are also key drivers of value creation.
In relation to non-financial KPIs, the Board periodically identifies non-financial indicators which are aligned with Ninety One's short-term and long-term objectives. While the specific non-financial KPIs may change over time, these will always emphasise a focus on people and culture, risk management and conduct, and client outcomes and reputation.

Non-financial (qualitative) KPIs

Key employee retention and succession planning	Commitment to sustainability	Client relationships and reputation	Strategic progress
The retention and continued development of leadership.	The progress against objectives identified by the Board under the firm's invest, engage, inhabit sustainability framework.	The achievement of consistent client service outcomes, and continued reputation and brand strengthening.	The progress against strategic initiatives specifically identified by the Board. This could include growth initiatives in respect of new products, strategies or geographies.
Ninety One is a people business at its core. The stability of our leadership team has a direct impact on the firm's ability to compete.	Ninety One is committed to investing for a better tomorrow and sustainability is a key part of our purpose as an active investment manager. We are a long-term business, allocating capital on a global basis to meet the future needs of society and our enduring commitment to sustainability is a key differentiator.	The consistent quality of Ninety One's client service, together with a culture of good conduct and risk management, informs the brand and reputation, and is a source of competitive advantage.	The achievement of our strategic objectives will drive the future growth of Ninety One.

To see how our KPIs link to principal risks see pages 54 to 57

We are dedicated to building a better world. We are responsible citizens of our societies and natural environment.


Bette
d

Engaging with our Stakeholders

"The Board recognises that the long-term success of our business is dependent on the success of all our stakeholders. The Board has had regard to the interests of our stakeholders while complying with its obligations under relevant Companies Acts to promote the success of the company. Notwithstanding the limited time since its appointment, the Board has discussed its obligations, including how stakeholder engagement is incorporated into our long-term decision-making."

Gareth Penny, Chairman

Section 172 statement

The Board is fully aware of its duties under s172(1) of the UK's Companies Act 2006 to promote the success of Ninety One for the benefit of its shareholders as a whole, while having regard to the interest of all Ninety One's stakeholders.

Ninety One respects and carefully considers the views of its stakeholders. Where their priorities conflict, the Board will exercise its independent judgement, recognising in particular the need to act fairly between all shareholders.

The pages that follow detail Ninety One's engagement with these stakeholders over the period under report.

Further details of the Board's activities are described on pages 58 to 112

Our clients

Who they are

We work with clients all over the world, predominantly in the institutional and advisor markets.

Our institutional clients include some of the world's largest private and public sector pension funds, sovereign wealth funds, central banks, insurers, corporates and foundations.

Our advisor clients include large retail groups, wealth managers, private banks and intermediaries serving individual investors.

Why we engage

We want to assist our clients to meet their long-term financial objectives.

How we engaged in financial year 2020

- There are five regional Client Groups in Africa, Asia Pacific, Europe, the UK and the Americas, servicing clients from 19 locations.
- More than 1,000 meetings per month were conducted to engage with clients and prospects.
- An active programme to communicate the demerger and listing of Ninety One was executed.
- A high-intensity virtual engagement programme was implemented during the COVID-19 lockdown period, including client webinars, virtual meetings and podcast distribution.
- The Board received regular reports on client engagement over the period.

For more information, see Our Clients on pages 26 to 27

Our people

Ninety One is a people business.

Our people are key to our ongoing success. They engage with our clients to deliver exceptional service, provide support and ultimately help create long-term value.

Ninety One values diversity and our teams and operations are built on a founder-owner mindset and collaborate to generate long-term value for our clients.

We want our people to be proud of Ninety One, enjoy the work they do and have the freedom to be themselves, within a team context.

- There is regular engagement with our staff through team, office and global updates and communications. Their opinions and relevant concerns are reported to the Board via our quarterly board and committee meetings.
- The Chief Executive Officer and senior management provided regular staff updates to large audiences in the main offices, with smaller offices invited. In addition the Chief Executive Officer regularly updated all staff via email, sharing his views on a wide range of topics.
- To celebrate the independent listing of Ninety One, the Board gifted shares to all eligible employees, in the spirit of our culture.
- The business encouraged and promoted employee wellbeing, diversity and "doing the right thing" via various initiatives throughout the year.

For more information, see Our People on pages 28 to 31

Our shareholders

Our shareholders include both large institutional and smaller retail investors, as well as our own people.

As part of the demerger, all our eligible staff were awarded shares in Ninety One and together with a previously acquired management stake, our people collectively hold over 21% of the business.

Our former parent, Investec, is currently our largest single shareholder, holding c. 25% of our issued share capital.

We want to offer our shareholders participation in a simple and capital-light business model with an attractive long-term financial profile.

- In the ordinary course of business, as part of Investec, we participated in two results roadshows (in May and November 2019) reaching our largest shareholders in the UK and South Africa.
- Furthermore, we held various dialogues with our major shareholders in preparation for the demerger and the listing of Ninety One. We were pleased to see our shareholders strongly supporting the transaction.
- We also held a Capital Markets Day in December 2019 to provide existing and future shareholders with information on our business and strategy.
- Our institutional shareholders can contact our Investor Relations Team and our retail shareholders are able to contact our Company Secretariat Team and Ninety One's registrar (Computershare), with any relevant queries.

For more information on our relationships with shareholders, see page 64

Society and environment

From the start, we have been committed to investing for a better tomorrow with sustainability as a key part of our purpose as an active investment manager.

Society and environment are represented by the local communities in which we operate as a global business, as well as the world we live in.

We also recognise our responsibility to wider society and other key stakeholders, including regulators and suppliers.

We want to invest for a better tomorrow and contribute to a better and more sustainable world.

- Ninety One has a dedicated cross-capability Sustainability team focused on a wide range of ESG matters.
- At the investment level, we continued to develop new sustainability strategies, while continuing to embed ESG into our investment decisions.
- At an engagement level, we continued to develop and contribute to our partnerships with industry leaders and advocates, as well as engaging our clients on sustainable investing.
- We also aim to act sustainably in the way we inhabit our own environment. Over the year we have continued to run our business responsibly with various initiatives including managing our energy consumption and working with our communities globally.
- Last year we established a Sustainability, Social and Ethics Committee to ensure there is a dedicated board-led forum to consider our societies and environments.

For more information, see the Sustainability section on pages 32 to 40

Our Clients

We want to assist our clients to meet their long-term financial objectives.

We work with clients from all over the world, predominantly in the institutional and advisor markets. Our institutional clients include some of the world's largest private and public sector pension funds, sovereign wealth funds, central banks, insurers, corporates and foundations. Our advisor clients include large retail groups, wealth managers, private banks and intermediaries serving individual investors.

Our client proposition

We are active and responsible investors, who focus on where we can make a real difference for our clients – to help them achieve their long-term investment goals. Delivering active investment returns over the long term through investment excellence is our primary function. If we do this well, we add meaningful value and we create the opportunity to retain and grow our client relationships.

At the heart of our business philosophy is "clients always come first". We invest clients' money, not our own. Our journey to date has taught us to see the world differently, to recognise and embrace change and uncertainty.

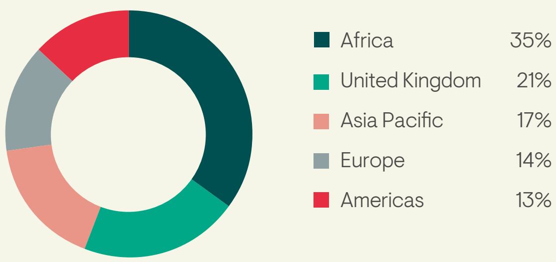
It's given us a different perspective on the issues that matter, from how we invest sustainably to the major thematic and structural challenges facing investors.

In the world of investing, we recognise that change is a constant and that for our clients, investment firms that understand and anticipate their needs are better long-term partners. We are deeply committed to this continuous process of understanding and anticipating needs, and developing and presenting relevant propositions to our clients.

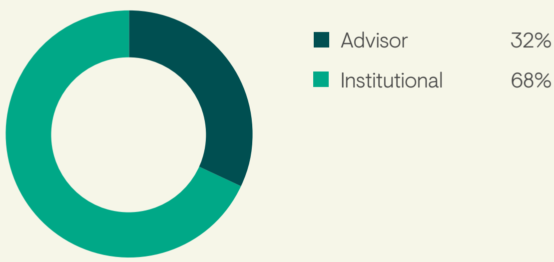
Our client relationships are centred on actively delivering positive investment outcomes, but importantly we believe that the best long-term relationships go beyond that to include outstanding, transparent client service and the capacity to share a meaningful investment dialogue.

We aim to provide valued investment insight that can contribute positively to solving a range of investment challenges our clients face and help them to build better portfolios for the long term. We put considerable emphasis on developing frameworks to anticipate and understand the long-term agents of change and the implications these can have for investing in today's markets. Our client proposition incorporates a platform for debate and knowledge transfer, learning opportunities for all levels of our partner organisations and access to our experts across investment disciplines. We are constantly refining our ability to provide a professional and market-leading experience whenever our clients engage with us, and where possible, we want to exceed their expectations.

AUM by Client Group



AUM by client type



We believe active managers play a unique role in allocating capital responsibly. We are devoted to embedding sustainability at the core of our investment thinking. Our approach continues to evolve as we strive to help investors align their capital with the transition to a sustainable future.

For further details on our approach to sustainability, see pages 32 to 40

As stewards of our clients' capital, our distinctive founder-owner culture helps ensure that Ninety One's interests and values are fully aligned with our clients' long-term investment objectives. Each of our portfolio managers invests alongside our clients in the strategies they are managing. All of our employees have the opportunity to own part of our firm and therefore link their potential with the long-term outcomes experienced by our clients. We see employee ownership as integral to attracting and retaining talented people and to building our investment capabilities to consistently meet our clients' investment expectations.

Client engagement

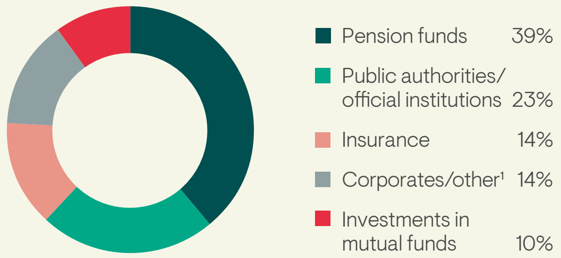
We are constantly striving to establish Ninety One as a preferred investment partner for each of our client relationships. Our clients and prospects are engaged and serviced by our five regional Client Groups – Africa, Asia Pacific, Europe, the UK and the Americas. We believe that a local presence enhances our ability to build positive relationships and ensure we understand our clients' evolving needs over the long term. Each Client Group tailors its approach to the markets and clients within its remit, covering all aspects of client engagement and servicing.

We believe productive client engagement needs to be supported by helpful, clear and transparent reporting. Our clients want to hear directly from their investment managers. We work closely with our clients to provide relevant tools and reporting to enable them to understand their investments and the market context. We believe taking a more holistic approach to our reporting framework and discussions with clients improves our understanding of each other and positions our clients to make better portfolio decisions.

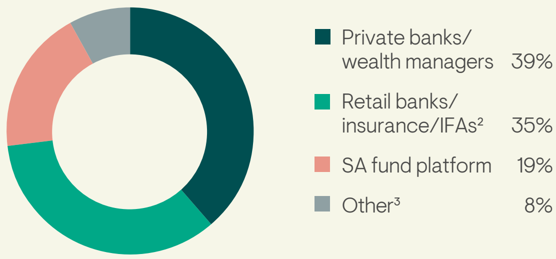
Read more about our approach to stewardship in the Sustainability section on pages 34 to 37

Even though Ninety One works in professionally intermediated channels, we know that there are individuals at the end of the chain. We are motivated by the fact that if we do our job well, more people reach their financial goals.

AUM by institutional clients



AUM by advisor clients



1. "Other" represents c. 1% of institutional AUM.
2. "IFAs" represent Independent Financial Advisors.
3. "Other" represents sub-advised and legacy direct book.

AUM as at 31 March 2020. Percentages may not add up to 100% due to rounding.

Our People and Culture

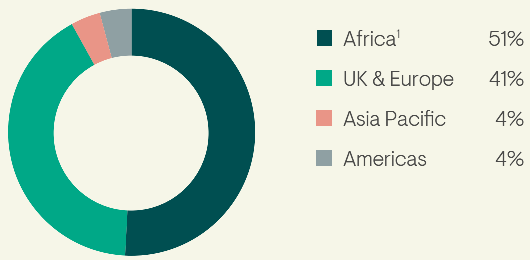
We want our people to be proud of Ninety One, enjoy the work they do and have the freedom to be themselves within a team-oriented culture.

Our culture

Our culture is one of the most important aspects of our firm – for employees, prospective employees, clients or shareholders. We are a people business and our culture is a vital element of our long-term success. Since we started, we have been built upon a foundation of entrepreneurship which continues to operate with a founder-owner mindset.

This is based on what we call "the freedom to create" within the clear parameters of values, team and strategy. We encourage direct, honest and open discussion, ensuring diversity of thought and perspective. Our people at Ninety One have the freedom to be themselves which facilitates the combination of individual expression with collective ambition and team discipline. We insist on results but not at the expense of the human spirit. Relationships matter and we balance relentless drive with decency. A cornerstone of our culture is to "do the right thing".

Our people around the world



1. Africa figure excludes 465 Silica employees.

We are a people business

Freedom to create within clear parameters of value, team and strategy

We strive to do the right thing, for clients, community and the team	We combine individual expression with collective ambition and team discipline	Relationships matter
Our people have the freedom to be themselves	We insist on results but not at the expense of the human spirit	We balance relentless drive with decency

It is all about the drive to be better: better firm, better investing, better world

Do the right thing

Our values

Our culture creates a home for people who might not fit in traditional organisations. We have one overriding value: do the right thing.

This refers to how we strive to "do the right thing" for our clients, our communities and our colleagues. We are acutely aware of our responsibility to ensure that our clients are always treated fairly. Treating clients fairly is not merely a regulatory requirement, but rather a core part of our culture and values.

Freedom to create

Our philosophy of success

One of the main tenets of, and the philosophy behind our culture, is the concept of freedom to create.

This means that we strongly believe in giving individuals the freedom to be themselves within a team-oriented context. We are creating a culture where we can collectively achieve together, without sacrificing our individual selves, characters and personalities. We believe that people perform best when they are liberated to pursue their passions and interests and we strive to give people the freedom to give expression to their strengths, skills and talents. Freedom is the greatest driver of diversity in our business.

Results and relationships

Our metrics of success

If freedom sits at the core of our culture, strong relationships are critical around that core.

Strong relationships ensure diversity in our business and an environment where all people feel welcome and respected and where all people feel that they have a fair opportunity to develop and contribute. We expect people to perform both on the results they deliver and the quality of their relationships with each other. These are our measures of success.

Our approach to remuneration is outlined on pages 82 to 103

Talent development

Along with our philosophy of freedom to create that drives our culture, our talent development programmes are similar. We seek extraordinary performance and we require talented people to achieve this. Therefore, as an organisation, we encourage personal and professional growth.

We believe clear professional development opportunities are key to attracting and retaining high-quality employees. Testament to this are our high retention rates resulting in an average tenure of over 14 years for our senior leadership group. We encourage and empower our employees to pursue their own professional development and we believe this is to the ultimate benefit of our clients.

Professional qualifications

We are committed to maximising the potential of our employees through professional educational development and support our employees who wish to attain professional qualifications such as the Chartered Financial Analyst qualification and Investment Management Certificate, as well as a range of other professional role-related qualifications.

Skills training

We provide role-specific training for employees, which ranges widely from courses covering specific software packages to foreign languages and soft skills training. These are delivered through both internal teams and external suppliers. Employees are also encouraged to attend seminars and conferences relevant to their roles in order to gain more exposure to the wider industry.

Annual performance review

All employees have an annual performance review during which the employee and manager reflect on the past year, and jointly identify training, learning and development needs for the forthcoming year.

Graduate support

We aim to develop talent at all levels of our organisation and our various graduate recruitment programmes have been designed with that aim in mind. We have partnered with various organisations across the globe, including Investment20/20 in the UK and Girls Who Invest in the US, to help build our pipeline of new talent.

Leadership development

Leadership development at Ninety One is a key input to the long-term success of the business. We focus on developing people at all levels who can cultivate the best out of those around them. We look at helping them understand themselves, others and the organisational context to create a total greater than the sum of their parts. We focus on continuous learning at Ninety One, where our developmental aspirations are more than one-off interventions. This takes form in three stages, each of which plays out through a journey of more than 12 months:

- **Emerge:** Leading yourself, where high-potential future leaders learn about what leadership is, their own impact on others and how to continue to develop themselves.
- **Connect:** Leading others, where more established leaders explore the concepts that allow teams and individuals to perform.
- **Lead:** Leading the organisation, a more bespoke intervention where functional leadership teams in the business strengthen the dynamics within their team and also work on solving tangible problems they face day to day.

Through these initiatives we believe we encourage and support our staff in all areas of their professional development.

Diversity and inclusion

We believe diversity helps to ensure the best outcomes for our clients, shareholders, staff and the communities in which we work. We are creating an environment where everyone can be themselves and has the opportunity to build a successful career, regardless of who they are, or their background.

We abide by our diversity principles which help define the framework of our ongoing journey with respect to diversity and inclusion. These apply across the global business and incorporate key aspects of a number of more locally-based diversity and inclusion initiatives in the countries in which we operate.

Race diversity

We work hard to ensure people of different backgrounds, cultures, beliefs and perspectives feel comfortable and welcome at Ninety One. We do not tolerate racism in our business and believe diversity is essential to our firm's ability to compete, adapt and remain relevant. We are taking concrete steps to ensure that we are proactively combating racism, conscious and unconscious.

With regard to Black Economic Empowerment in South Africa, we are determined to play our part in building a country in which the majority of South Africans have a fair chance to succeed, and we are building a firm that is representative of the national population.

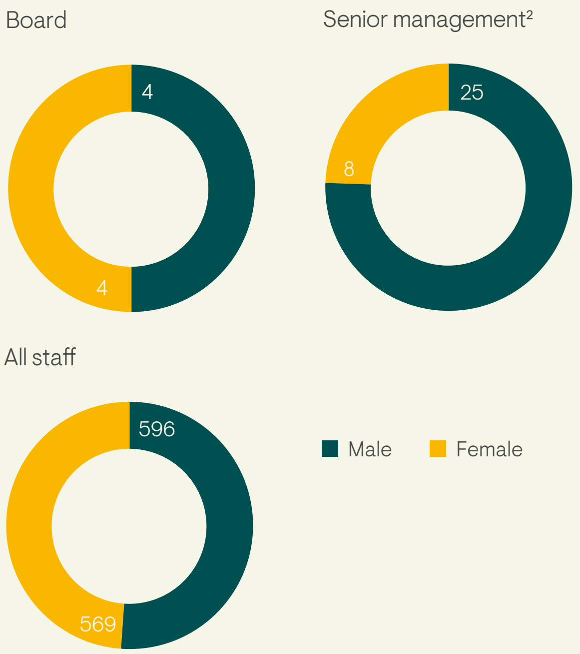
The Financial Sector Code in South Africa provides a benchmark against which we determine our Broad-Based Black Economic Empowerment (B-BBEE) rating. We are a B-BBEE level 2 contributor.

Gender diversity

We are committed to attracting, developing and retaining a diverse team of people and approach all decision-making with a diverse set of perspectives. We believe that this helps to ensure the best outcomes for our stakeholders.

This year, we have continued our work on increasing female representation in senior leadership roles. We believe that the key to making further progress is to make our senior business leaders accountable for achieving diversity.

Gender diversity[1]



1. Figures for Ninety One employees, excluding Silica.
2. Senior management, excluding Executive Directors.

Over the year, we have taken the following steps:

- Appointed a senior executive, responsible for diversity and inclusion;
- signed the Women in Finance Charter;
- appointed a board of directors, where half of the directors are female;
- committed to achieving a target of 30% of women in senior leadership by 2023; and
- linked the pay of our senior executives to the delivery of this target.

For more information on our approach to diversity and inclusion, including our UK gender pay gap disclosures, see our website, www.ninetyone.com

Networks

We are committed to promoting an inclusive work environment for all. As such, our employee networks are essential for creating inclusivity where everyone can be themselves at work.

Inspire
Inspire, is a network created by women for women at Ninety One. It enables the exchange of knowledge and experiences in order to improve the opportunities for career success and plays an important role in helping us make our firm a more inclusive place.

Proud
Proud is our LGBT+ network which is designed to create an internal community for our LGBT+ colleagues and their allies.

Protecting our people

Ninety One prioritises the safety and wellbeing of its staff. We have a range of firm-wide policies in place to protect and maintain a safe and healthy working environment, some of which are mentioned below.

Our Global Health and Safety Policy ensures that we provide and maintain a safe working environment across all of our offices, to promote welfare and mental wellbeing. We are an equal opportunities employer and our Equality Policy and Dignity at Work Policy are in place to ensure equal and respectful treatment for all our employees. This includes providing additional support to meet the needs of those with disabilities. The policy also outlines the types of behaviour that we consider to be unacceptable and explains what solutions are available if any employee has experienced any discrimination, harassment, less favourable treatment or victimisation at work. Our overarching value remains “do the right thing” and it is within this context that our various policies exist.

We encourage our employees to speak up in the event they become aware of malpractice either within Ninety One or at any of its counterparties or clients. Our Whistleblowing Policy ensures our employees feel safe to raise any issues or concerns via a range of mechanisms, including anonymously via a third-party hotline provider.

Partner organisations

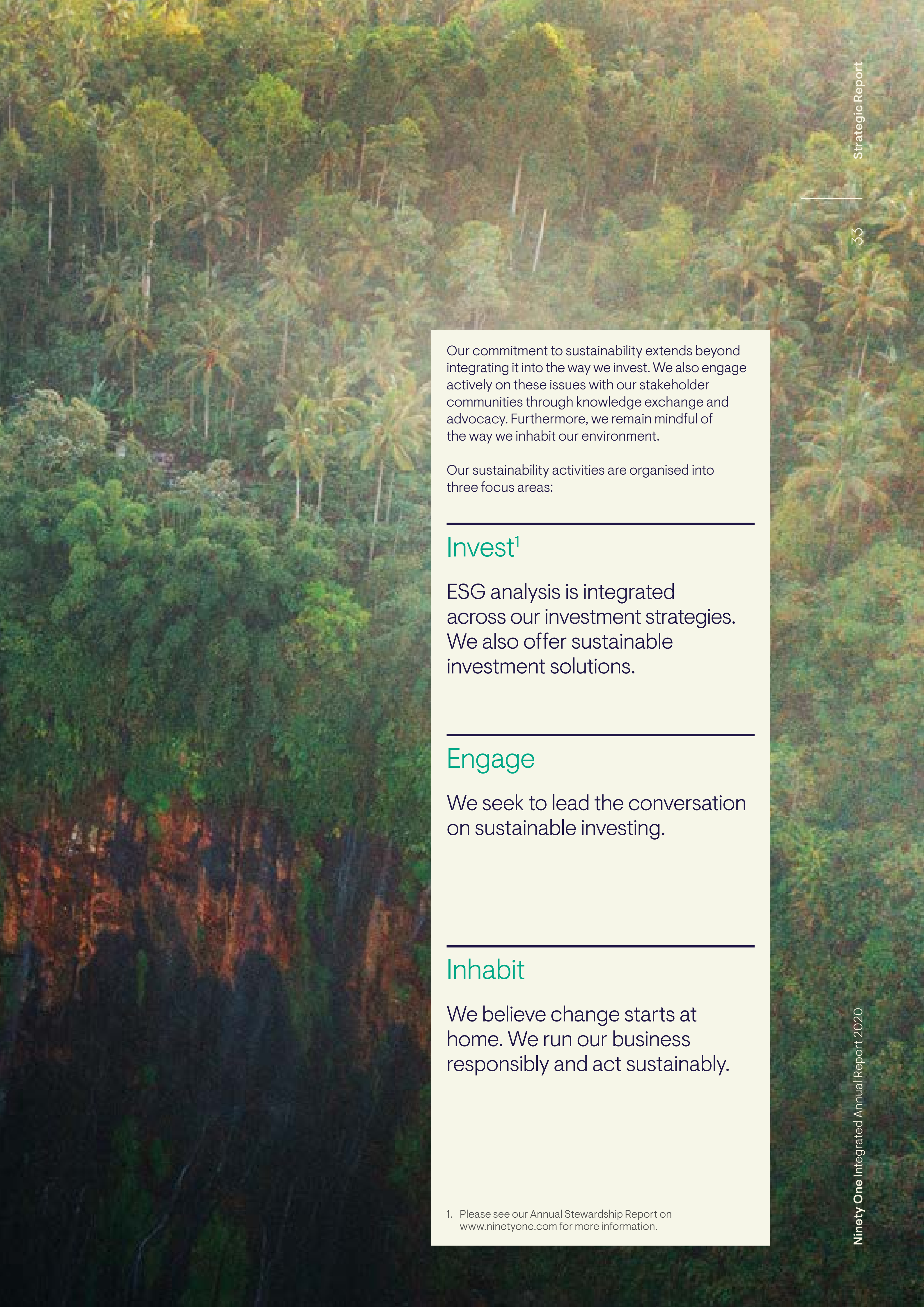
We have partnered with a number of external organisations and initiatives to support the development and growth of our people, including:

Sustainability

We are committed to investing for a better tomorrow, with sustainability as a key part of our purpose as an active investment manager.

We believe that the privilege of investing our clients' capital carries with it a responsibility to try to secure a sustainable future. We aim to help our clients make a positive difference.

With our roots in Africa, we know that well-directed investment can transform lives for the better. For over a decade, we have been investing in economic development in Africa, mobilising finance to bring health and prosperity to some of the continent's poorest communities. We also care deeply about preserving the natural world. As well as investing sustainably, we support initiatives to conserve wildlife.



Our commitment to sustainability extends beyond integrating it into the way we invest. We also engage actively on these issues with our stakeholder communities through knowledge exchange and advocacy. Furthermore, we remain mindful of the way we inhabit our environment.

Our sustainability activities are organised into three focus areas:

Invest[1]

ESG analysis is integrated across our investment strategies. We also offer sustainable investment solutions.

Engage

We seek to lead the conversation on sustainable investing.

Inhabit

We believe change starts at home. We run our business responsibly and act sustainably.

1. Please see our Annual Stewardship Report on www.ninetyone.com for more information.

Invest

241
engagements spanning 32 countries

17,190
votes cast across 1,384 shareholder meetings

We invest responsibly for a more sustainable future on behalf of our clients.

Our commitment

At Ninety One, we invest responsibly on behalf of our clients. As a global investment manager, our essential purpose is to preserve and grow the real purchasing power of our clients' assets over the long term in accordance with their mandates. A key part of our stewardship is the consideration and support of sustainability.

We believe 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. The investment management industry has an extraordinary opportunity to generate attractive long-term returns while contributing to positive social and environmental outcomes. Financial capital, social capital and natural capital must work together. This is based on our view that considering material ESG risks and opportunities should be integral to the investment process and embedded in all investment strategies, as we believe, they ultimately enable better investment outcomes.

How we engage and vote as investors

Engagements take place as an integral part of our investment process. The investment teams initiate engagement based on their investment processes and priorities. We engage to improve transparency of information and accountability of boards, and to preserve and encourage the creation of sustainable value.

Ninety One votes at shareholder meetings throughout the world as a matter of principle. We believe that once we become investors, that is to say part-owners of a company, we assume a duty of stewardship and therefore take responsibility to support or sanction as required. We follow the international corporate governance best practice principles, as embodied by the International Corporate Governance Network. We also take into account regional/country-specific market practice as the infrastructure that underpins our decision-making.

During financial year 2020, we carried out 241 engagements across 32 countries and cast 17,190 votes. Further details on our approach to active ownership can be found in our Annual Stewardship Report.

Our responsible investing approach

On behalf of our clients, we invest responsibly, as follows:

1. We integrate ESG analysis across our investment strategies as we believe this should enhance long-term performance. By integrating ESG analysis, our strategies consider the full spectrum of risks and opportunities associated with an investment.
2. As an active investor, we engage with portfolio companies and governments to encourage them to address sustainability and improve their ESG performance. We believe strongly in the power of engagement to effect positive change.
3. We offer a growing range of sustainability and impact strategies, giving investors the chance to put their capital to work in support of, and to benefit from, the sustainability revolution.

For more information on our sustainable investing strategies, visit our website, www.ninetyone.com

Tackling the big issues

Alongside stakeholders across the industry, we seek to address sustainability issues and related market-wide systemic risks that have wide-reaching implications on society, the environment and the economy. We believe that the Sustainable Development Goals ("SDGs") provide a useful and durable framework for investors to approach the shift we are seeing towards a more equitable society and a less carbon intensive economic model.

Our work over the year considering the implications of climate change and the destruction of natural capital is outlined below.

Climate change

We believe investors have a significant role to play as active owners of corporations in the transition to a low carbon economy. During this year we continued our efforts across advocacy groups, company engagements, and research, to understand and respond to the investment implications of climate change. Notable developments during the year, include:

1. We signed the Global Investor Statement to Governments on Climate Change, tabled at COP25 in December 2019. The statement urges governments to tackle the global climate crisis and proposes phasing out thermal coal, taxing carbon pollution, ending fossil fuel subsidies, and driving more far-reaching industrial change.
2. Our sovereign debt team, together with the London School of Economics, published a paper on the opportunity presented by sovereign debt restructuring in Argentina to direct investment into a climate-sustainable future.
3. We worked on our Task Force on Climate-related Financial Disclosures ("TCFD") response and expect to disclose in line with the TCFD recommendations in financial year 2021.
4. We participated in several collaborative engagements most notably with Glencore through the Climate Action 100+ initiative. This had a positive outcome, with Glencore agreeing to cap its coal production.

Natural capital

Deforestation and the degradation of biodiversity and productive land masses is a major concern for investors. With WWF, we co-authored a report highlighting the potential uses of geo-spatial data by investors. The report argues that "advances in geo-spatial data and satellite imagery could help sovereign debt investors better assess and manage environmental risks". The report can be found on the Ninety One website.

For further details on our stewardship approach, including highlights over the year, please refer to Ninety One's Annual Stewardship Report on the Ninety One website.

www.ninetyone.com

Engage

Through engaging with our stakeholders, we contribute actively to the conversation on sustainable investing.

The role of business in society

We believe it is important to not only manage our clients' assets in a responsible manner but also to proactively engage our clients and stakeholders on the subject of sustainability and encourage our clients on their journey towards more sustainable long-term investing.

A sustainable future depends on recognising that business is part of society, and that both depend on the natural world.

Through engagements with relevant bodies, we seek to play our part in accelerating the transition to a more sustainable way of thinking and acting.

Global engagement

Our leadership team is engaged with global organisations committed to the advancement and implementation of sustainable development. Through our participation in groups such as the Business and Sustainable Development Commission, the Coalition for Inclusive Capitalism, the Sustainable Development Goals Centre for Africa, the UN Sustainable Development Solutions Network and PRI, our dialogue with international business, governments, labour representatives and civil society leaders aims to articulate the case for sustainable development. This includes establishing policies and financing mechanisms that help businesses grow sustainably, create jobs and contribute to the SDGs. We are also an active participant in African private markets industry associations, seeking to contribute to the wider debate around mobilising capital to address the continent's needs.

Leading the conversation

Ninety One's Investment Institute (the "Institute") is an engagement platform that delivers strategic investing insights and analysis to our clients across asset classes, investment strategies and borders. We provide in-depth analysis and research on key geopolitical, economic and investment trends. Our work draws on our firm's investment capabilities and partnerships with leading academics and external practitioners, and seeks to empower our clients with insight and knowledge. With this collaboration, central themes of the Institute's work have been portfolio resilience, sustainability and the application of ESG principles to investing. These have culminated in the publication of annual journals and papers.

For example, our "Energy 3.0" series investigates the third energy transition as the world moves to a decarbonised growth model. It looks at past energy transitions, structural growth areas and the need for positive investment. The series proposes a decision-making framework to help asset owners assess and report the climate risk in their portfolios.

In our Journal 5, we focused on what asset owners can do to realign capital sustainably for the long term. We explored the mounting empirical evidence in support of long-horizon investing, how key stakeholders can move from talking about long-termism to taking action, and what role sustainability and ESG play.

Investment Institute's latest publications on sustainability

The publications can be accessed via our website, www.ninetyone.com

Sustainability Workshop

In November 2019, we welcomed almost 50 clients to our Sustainability Workshop in London.

The gap between how climate change is impacting our planet and the progress being made to green the world's financial systems remains stark. We were keen to empower investors to find solutions to climate change through active engagement and positive investment.

We heard our clients, consultants, expert guest speakers and portfolio managers discuss the progress being made, and witnessed the level of debate and engagement that took place during the event. We combined specific presentations with panel discussions and covered a broad range of topics, including the Just Transition framework, tackling climate risk in portfolios and the advances being made in sustainability data and research.

The evening saw the annual Tusk Conservation Awards, which highlighted the phenomenal work undertaken by individuals in the face of great danger to protect Africa's natural heritage.

Selection of our engagement partners

CDP
Climate Action 100+
FAIRR A Coller Initiative
ICGN
IIGCC
impact investing institute
Inclusive Capitalism
PRI Principles for Responsible Investment
Sustainable Development Solutions Network
Transition Pathway Initiative
The Investment Association
ASISA
The Investor Forum
Council of Institutional Investors

Inhabit

£2.9m

contributed to COVID-19 relief efforts

4%

reduction in total tCO_2e per FTE

We believe change starts at home. We run our business responsibly and act sustainably.

At Ninety One we try to inhabit our own ecosystem in a manner that ensures a sustainable future for all. This includes the way in which we look after our people and the way we govern our firm.

For more information, please see Our People section on pages 28 to 31 and the Governance section from page 58

As a long-term investor on behalf of our clients, we are aware of our broader responsibility to society. We focus on making a positive impact via our Inhabit initiatives, which support local communities and their environments. Our main charitable efforts are directed towards community and conservation.

Managing our energy consumption

As a newly listed business, we are looking to expand our existing corporate sustainability strategy and find new ways to reduce our direct carbon impact and encourage positive sustainable behaviour. We strive to become carbon neutral in our operations from a Scope 1 and Scope 2 emissions viewpoint. We calculated our carbon footprint in accordance with the international Greenhouse Gas ("GHG") Protocol's Corporate Accounting and Reporting Standard. Our data has been gathered in line with requirements of the UK government's Streamlined Energy and Carbon Reporting framework, and we have worked with the Carbon Trust who audited and verified our carbon footprint under Scope 1 and 2. We also monitor our Scope 3 emissions for water, waste and business travel and continue to implement measures on mitigating our Scope 3 emissions.

In financial year 2020, our total GHG emissions reduced 2% to 16,941 tonnes of carbon dioxide equivalent ("tCO_2e"). Total tCO_2e per full time employee, our intensity metric, reduced 4%.

Our Global Scope 1 emissions, which relate to fuel and refrigerant usage, reduced 40% to 313 tCO_2e. This is largely due to work undertaken in financial year 2020 to remove refrigerants with ozone-depleting potential, as well as a reduction in refrigerant leaks. The Global Scope 2 electricity consumption emissions increased 9% to 8,009 tCO_2e. This reflects the additional office space required as part of the demerger from Investec and the new office building in London. Our Global Scope 3 emissions, which include paper, waste and business travel, reduced 8% to 8,619 tCO_2e, driven by the reduction in employee air travel. We are also supportive of the TCFD by reinforcing our commitment to climate change. We look to report Scope 3 emissions in relation to our underlying client portfolios in line with the TCFD recommendations in financial year 2021. No energy efficiency measures were undertaken in 2020, though Scope 1 emissions have reduced due to maintenance and upgrade work on refrigerant systems that has reduced fugitive emissions.

We continue to assess viable options for sourcing our energy from renewable options. As part of Investec, we chose to purchase carbon credits to neutralise the remaining carbon impact from running a global business. For example, for our Scope 3 employee travel-related emissions, we mitigated some of our carbon footprint with the help of our strategic partners – Trees for Cities and Woodland Trust in the UK and Greenpops in South Africa.

	2020		2019	
Total CO_2e emissions (tonnes)	**UK and offshore**	**Global**	**UK and offshore**	**Global**
Scope 1 (fuel and refrigerant)	**147**	**313**	153	525
Scope 2 (electricity)	**780**	**8,009**	689	7,329
Scope 3 (paper, waste and travel)	**3,755**	**8,619**	3,398	9,393
Total GHG emissions	**4,682**	**16,941**	4,240	17,247
Energy consumption (kWh)[1]	**3,855,750**	**11,310,986**	3,324,197	10,612,921
Full time employees ("FTE")	**443**	**1,165**	432	1,139
Total CO_2e per FTE	**10.6**	**14.5**	9.8	15.1

1. Energy consumption in kWh for Scope 1 and 2.

Working with communities

We support a number of initiatives in various parts of the world both through donations and through our employees offering up their time. In South Africa, some of these have included Promaths (a programme aimed at improving Maths, Science and English for disadvantaged communities), the Ikasuasa Student Financial Aid Programme and Fundisa. Other notable partnerships include:

Tusk Trust
The Tusk charity addresses the urgent need to halt the decline of Africa's natural heritage and build a sustainable future for the people and wildlife of the continent.

JL Zwane
In 2003, Ninety One and other corporate sponsors provided the means to build the JL Zwane community centre in Gugulethu, an impoverished township in Cape Town. Today, this facility serves the needs of the entire community, providing services including education, adult literacy and HIV/Aids counselling and care. Our continued commitment to JL Zwane includes partnering with the Living Maths initiative to provide maths lessons to over 140 learners every year.

Songo.info
In 2015, we established our partnership with songo.info, a sports and education charity, enabling its development programme to be provided to more children in the township of Kayamandi in the Western Cape.

COVID-19 response

Our response to the COVID-19 pandemic is organised around four key categories:

– **Our people:** The main priority has been their care and wellbeing. We did not furlough or make any of our staff redundant as a result of COVID-19. We enabled our people to work from home and provided various webinars and forums to encourage interaction. These included 35 virtual check-ins with staff and our Chief Executive Officer (over five weeks), and webinars for managers to discuss virtual meetings and leadership support.

– **Our clients:** The focus here has been on delivering and intensifying good quality service. We remain fully operational globally, throughout the lockdowns, continuing client engagement and service virtually. Our technology allowed us to reach and interact with large numbers of clients and advisors, which has been a very positive outcome in an otherwise difficult situation. Our client engagement and reach since 31 March 2020 has extended to well over 40,000 clients and advisors (via more than 100 webinars) and continues, as all parties have adapted to virtual and digital communication.

– **Our shareholders:** We have maintained the clarity of our proposition and focus on results. Our strategy is unchanged, and we remain sufficiently capitalised. In relation to our year end reporting to 31 March 2020, we managed to successfully release our full year results via webcast and engage with our main institutional shareholders, without any delay, using virtual forums.

– **Society:** At Ninety One, we continued to conduct our business and operations as responsible citizens. We have contributed £2.9m to COVID-19 relief efforts and initiated a staff donation matching scheme. Since the beginning of the outbreak, we have continued to support our suppliers, while demanding they act in the spirit of solidarity towards their people. Furthermore, in June 2020, we also announced plans to launch the Ninety One SA Recovery Fund, to support South African businesses in need of capital during these unprecedented and challenging times.

Acting responsibly as a corporate citizen

At Ninety One, we are committed to acting responsibly throughout all our activities, and have a number of group-wide policies in place to ensure we continue to operate in a socially responsible and compliant manner.

Our approach to anti-bribery and anti-corruption

At Ninety One, through our culture and values, we are committed to the highest standards of integrity and ethical behaviour. We demand integrity in all internal and external dealings, consistently displaying the moral strength of the firm and our employees, and behaviour which promotes trust. We have a zero-tolerance approach to bribery and corruption. Our employees undertake training to ensure they understand their responsibilities and are aware of the consequences of the failure to comply with anti-bribery and anti-corruption policies and standards in all the relevant jurisdictions in which we operate.

Ninety One has established regional compliance teams responsible for reviewing and updating internal policies to enable our business and our employees to manage the legal and reputational risks associated with bribery and corruption.

The primary Ninety One policies established to mitigate bribery and corruption risks are the Anti-Bribery and Corruption Policy, the Anti-Money Laundering Policy, the Whistleblowing Policy, the Third Party Benefits Policy, the Prevention of Tax Evasion Policy and the Conflicts of Interest Policy. The key elements of these policies are also codified within the firm's Global Code of Ethics, which all staff members attest to annually, and in respect of which they receive training.

Our approach to human rights

Support for, and protection of, human rights is embedded in our core values. Ninety One is committed to ensuring that our supply chain is free of any slavery and/or human trafficking. We evaluate third-party relationships with these issues in mind and further expect that all organisations that we deal with, who fall within the ambit of the UK's Modern Slavery Act, are fully committed to the principles embodied therein. We will not knowingly support and/or do business with any third party who is involved in slavery and/or human trafficking.

Our Modern Slavery Act Statement is published on our website and includes details on the due diligence and procedures we take to mitigate modern slavery and human rights risks in our businesses dealings.

Data Protection and Privacy Policy

Our Data Protection and Privacy Policy promotes sound practices for the collection and processing of personal data to ensure that Ninety One acts in accordance with global data protection and privacy regulations, in addition to our fiduciary responsibilities towards our clients and employees. Our people are aware of their data protection responsibilities and receive the appropriate training.

Our relationships with regulators

Ninety One is a dual-listed company, with listings on the LSE and the JSE, and with regulatory obligations in the many jurisdictions in which we operate. We maintain constructive and proactive working relationships with our regulators around the world, as this enables us to conduct our business to the standards expected by our clients, our shareholders, our employees, our regulators, and the communities in which we operate.

We participate actively in industry forums in the markets in which we operate, with the intention of constructive development of policy and regulation. Our Board and our Audit and Risk Committee are comprehensively engaged in the material regulatory matters and policy initiatives that Ninety One deals with.

Working with our suppliers

At Ninety One, we rely on external service providers to provide goods and services globally to supplement our own infrastructure. We value the relationships we have built with our suppliers over the years and recognise the value they provide to our business.

To ensure that the suppliers who provide us with critical services adhere to the same high standards and behaviours we uphold across Ninety One, we have established a high level of oversight, focused on the selection, onboarding, monitoring and reporting across our supply chain. We also review their compliance with human rights legislation, ethical sourcing, bribery and corruption, living wages, and diversity and inclusion. In keeping with our principle of "doing the right thing", our oversight also ensures that our suppliers are paid promptly, and that we provide clear guidance on our terms. We review our procedures bi-annually, to ensure that our approach remains appropriate and that the existing relationships continue to add value to our own infrastructure.

Our global approach to tax

At Ninety One, we are committed to complying with all our tax obligations wherever we operate. We seek to do this in a manner consistent with both the spirit and the letter of the law. In practice, this means we seek to ensure that we comply with our tax reporting and payment obligations in a timely manner and keep tax authorities up to date on major changes within our business. Where a tax authority has questions, or we disagree about a tax treatment, we engage with those tax authorities in a cooperative and transparent way.

Our Group Tax Strategy sets out the framework for managing taxes, including information on our tax risk management and governance. This is reviewed and approved by the Board annually and is published on our website.

Non-financial Information Statement

(sections 414CA and 414CB of the Companies Act)

Ninety One aims to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below information is intended to help stakeholders better understand how we address key non-financial matters and guide them to where the relevant non-financial information can be viewed.

Reporting requirements	Policies and publications	Where to find necessary information
Environmental matters	Annual Stewardship Report	www.ninetyone.com
	Sustainability	See pages 32 to 40
Employees	Global Code of Ethics	See page 40
	Whistleblowing Policy	See page 31
	Equality Policy	See page 31
	Dignity at Work Policy	See page 31
	Diversity and Inclusion	See page 30
	Global Health and Safety Policy	See page 31
Social matters	Global Code of Ethics	See page 40
	Prevention of Tax Evasion Policy	See page 40
	Conflicts of Interest Policy	See page 40
	Data Protection and Privacy Policy	See page 40
	Annual Stewardship Report	www.ninetyone.com
Human rights	The Modern Slavery Act Statement	See page 40
Anti-corruption and anti-bribery matters	Anti-Bribery and Corruption Policy	See page 40
	Anti-Money Laundering Policy	See page 40
	Third Party Benefits Policy	See page 40
Other matters	Business model	See pages 8 to 9
	Non-financial KPIs	See page 21
	Principal risks	See pages 54 to 57
	Group Tax Strategy	See page 40

Financial Review

— Kim McFarland
Finance Director

"I am pleased to present Ninety One's first set of financial results as an independently listed company."

Summary income statement[1]

£ million unless otherwise stated	2020	2019	Change %
Closing assets under management (£ billion)	**103.4**	111.4	(7)
Net flows (£ billion)	**6.0**	6.1	(1)
Average assets under management (£ billion)	**118.3**	108.0	10
Management fees	**565.7**	524.6	8
Performance fees	**21.5**	11.0	95
Foreign exchange gains and other income	**0.8**	5.0	(84)
Adjusted operating revenue	**588.0**	540.6	9
Staff expenses	**(258.8)**	(242.6)	7
Non-staff expenses	**(139.3)**	(125.5)	11
Adjusted operating expenses	**(398.1)**	(368.1)	8
Adjusted operating profit	**189.9**	172.5	10
Adjusted net interest income	**4.5**	5.5	(18)
Silica profit	**1.9**	1.4	36
Profit before tax and exceptional items	**196.3**	179.4	9
Exceptional items			
Ninety One share scheme implementation	**13.1**	–	n.m.
Other exceptional items	**(10.9)**	(1.0)	n.m.
Profit before tax	**198.5**	178.4	11
Tax expense	**(42.5)**	(38.6)	10
Profit after tax	**156.0**	139.8	12
Average fee rate (bps)	**47.8**	48.6	n.m
Adjusted operating profit margin	**32.3%**	31.9%	n.m
Compensation ratio	**44.0%**	44.9%	n.m
Full-time employees	**1,165**	1,139	2

1. Please refer to the alternative performance measures explanations and definitions on pages 47 to 48 and pages 174 to 175 respectively.

Ninety One has delivered a strong set of financial results in the current difficult market environment. Our adjusted operating profit increased 10% to £189.9 million (2019: £172.5 million). Adjusted operating profit margin of 32.3% increased on the prior year (2019: 31.9%), principally due to higher performance fees earned. The profit before tax and exceptional items increased 9% to £196.3 million (2019: £179.4 million).

Response to COVID-19

The safety and security of our people and clients is of paramount importance. We continue to monitor and comply with the relevant government recommendations around the spread of COVID-19, across all our geographies. We have put in place a range of precautionary measures, including restrictions of all non-essential travel, and we were able to implement working from home arrangements for all our staff within a week of listing as an independent business. Our people have worked hard to achieve this with no material impact on our operations or client experience.

We have not needed to make any of our staff redundant or furloughed as a result of COVID-19, and we contributed £2.9 million to COVID-19 relief efforts.

Assets under management ("AUM")

Ninety One achieved net inflows of £6.0 billion, in line with the prior year. Our closing AUM reduced by 7% to £103.4 billion (31 March 2019: £111.4 billion), as the net inflows were more than offset by negative market movements in the last month of the year. The market and foreign exchange impact for the year was negative £14.0 billion (31 March 2019: positive £1.4 billion).

The torque ratio of 5.4% was slightly lower than the prior year (2019: 5.9%), as a result of similar net flows but higher opening AUM of £111.4 billion (31 March 2019: £103.9 billion).

The average AUM increased 10% to £118.3 billion (31 March 2019: £108.0 billion), reflecting the positive market environment for most of the financial year.

Adjusted operating revenue

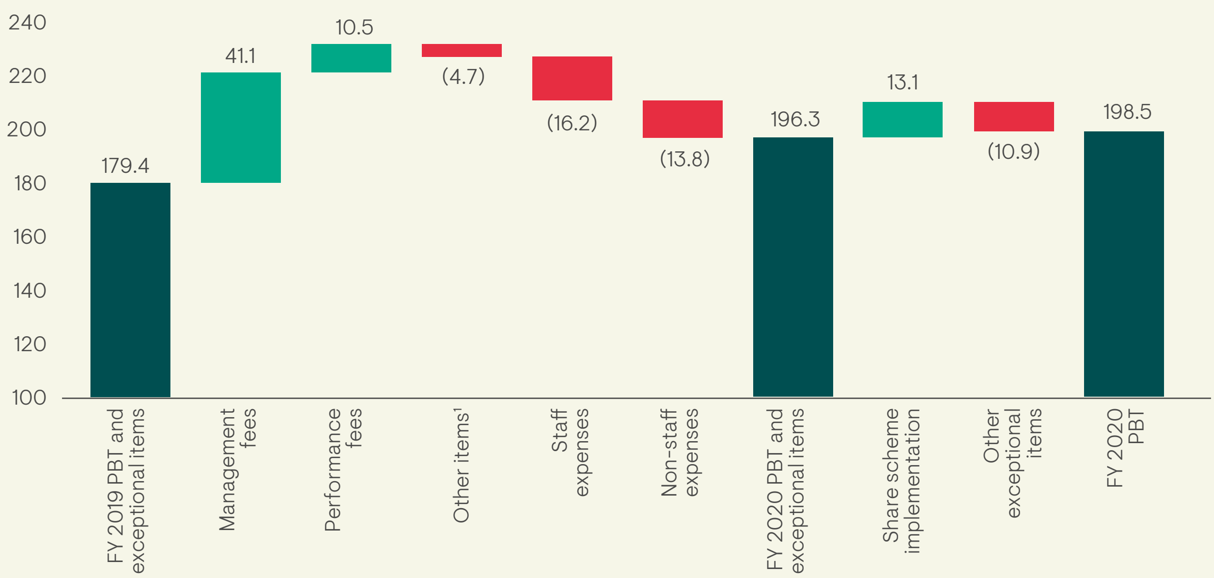
Management fees increased 8% to £565.7 million (2019: £524.6 million), below the 10% growth in average AUM, reflecting downward fee pressure due to some new mandates awarded at lower fee rates. Average fee rates were also impacted by the AUM mix, with growth in lower fee rate investment strategies, such as fixed income, relative to higher fee rate investment strategies, such as alternatives. The average fee rate reduced 0.8 bps to 47.8bps (2019: 48.6bps).

Performance fees increased to £21.5 million (2019: £11.0 million) reflecting relative investment outperformance in a selection of strategies, particularly in South African equities.

Foreign exchange gains and other income of £0.8 million was lower compared to the prior year (2019: £5.0 million) mainly due to lower foreign exchange gains earned as sterling strengthened and mark-to-market losses on private equity co-invested capital.

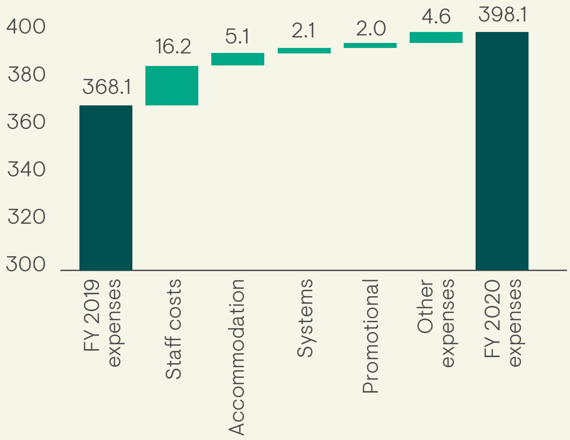
Movement in profit before tax ("PBT") and exceptional items

£m



1. Other items include foreign exchange gains and other income, adjusted net interest income, and Silica profit.

Adjusted operating expenses
£m



Adjusted operating expenses

Adjusted operating expenses increased 8% to £398.1 million (2019: £368.1 million), largely driven by an increase in staff expenses, as well as higher accommodation expenses. The increase in accommodation expenses was primarily due to a new office building in London, into which we have now moved, with the resulting double rent and associated expenses.

Included in the operating expenses are the new ongoing expenses we now incur as a listed business demerged from Investec. These expenses of £3.6 million (2019: £0.2 million) represent less than 1% of our operating expenses and will increase in line with inflation.

Staff expenses

Ninety One is a people business, and our staff expenses represent the largest portion of our expense base. Total staff expenses (excluding Silica staff expenses and deferred employee benefit scheme movements) increased by 7% to £258.8 million (2019: £242.6 million). This reflects a 5% increase in average headcount to 1,148 (2019: 1,094), with the remainder due to inflation and market-related adjustments. The growth in headcount largely relates to the replacement of functions previously provided by Investec such as IT support services and internal audit.

Approximately two-thirds of the operating expenses related to staff expenses and over 50% of these are variable and fluctuate in line with adjusted operating profit. This ensures that the variable component of staff expenses is aligned with our financial performance.

The compensation ratio reduced to 44.0% (2019: 44.9%), mainly due to the growth in management and performance fees being higher than the growth in staff expenses.

Non-staff expenses

Non-staff expenses increased 11% to £139.3 million (2019: £125.5 million). This largely reflects non-recurring items such as duplicate London rental and one-off donations to COVID-19 relief efforts of £2.9 million, as well as an increase in systems and other expenses. We expect the accommodation expense to normalise following the office move in London in June 2020. Remaining expenses grew largely in line with business activity levels, and our continued investment to support long-term growth.

Adjusted net interest income

Adjusted net interest income decreased to £4.5 million (2019: £5.5 million) in line with lower interest rates and maintaining reasonable levels of capital. Adjusted net interest income excludes interest expense on lease liabilities of £3.0 million (2019: nil), which has been included in adjusted operating expenses. This ensures that the changes resulting from the implementation of IFRS 16 Leases reflect consistently in adjusted operating expenses for both years.

Silica profit

Silica is our transfer agency business in South Africa, which was established in 1999. Its profits are not material as it reinvests them annually into its core operational platforms.

Ninety One share scheme implementation

Upon the successful listing, Ninety One awarded shares to the value of £2,000 to each eligible employee and also partially invested deferred compensation awards in shares into the Ninety One share scheme.

The Ninety One share scheme implementation income of £13.1 million (2019: nil) reflects the impact of reversing staff expense accruals of £18.3 million to fund the investment into the new Ninety One share schemes in March 2020, net of the share scheme expenses of £5.2 million, which are amortised over the vesting period of the awards under IFRS 2 Share-based Payment. This is to ensure a like-for-like comparison of our operating expenses with the prior financial year. Our estimate for the 2021 financial year indicates this figure will be immaterial and therefore will be included in staff expenses.

Other exceptional items

Other exceptional items of £10.9 million (2019: £1.0 million) largely related to the demerger from Investec, and subsequent listing on the LSE and JSE. Most of the demerger expenses related to promotional and rebranding expenses, as well as the IT network and support services migration. The other exceptional items in financial year 2019 primarily included the net foreign exchange related gain on the closing of our Taiwan subsidiary. We expect additional demerger related expenses, which will be included as exceptional items in the next financial year, reflecting that the demerger and listing only occurred two weeks prior to the end of financial year 2020.

Profit before tax

Profit before tax increased by 11% to £198.5 million (2019: £178.4 million), while adjusted operating profit increased 10% to £189.9 million (2019: £172.5 million).

Effective tax rate

The effective tax rate was 21.4% (2019: 21.6%), above the UK corporation tax rate of 19.0% (2019: 19.0%), mainly due to the effect of higher tax rates applicable in foreign jurisdictions such as South Africa, where the tax rate is 28.0% (2019: 28.0%).

The change in the effective tax rate in financial year 2020 was due to an increase in profits earned in higher tax rate countries offset by the adjustment of deferred tax assets for the fact that the UK tax rate will no longer reduce to 17.0% as previously announced.

Earnings per share

Basic earnings per share ("Basic EPS") and diluted earnings per share grew 11% to 16.8p (2019: 15.1p). There was no change in the number of shares in issue and the impact of the investment in own shares held by Ninety One as part of the new Ninety One share scheme had minimal impact on the weighted average number of ordinary shares. Headline earnings per share ("HEPS") grew 12% to 16.8p (2019: 15.0p), broadly in line with the growth in Basic EPS, reflecting minor adjustments between HEPS and Basic EPS.

Adjusted earnings per share increased by 10% to 16.1p (2019: 14.6p), consistent with the growth in adjusted operating profit and more reflective of the core operating performance of Ninety One. For details on calculations, see note 7 to the consolidated financial statements.

Earnings per share

£ million unless otherwise stated	2020	2019	Change %
Profit after tax	**156.0**	139.8	12
Profit attributable to non-controlling interests	**(0.6)**	(0.5)	20
Profit attributable to ordinary shareholders	**155.4**	139.3	11
Ninety One share scheme implementation[1]	**(13.1)**	–	n.m.
Other exceptional items[1]	**10.9**	1.0	n.m.
Adjusted net interest income[1]	**(4.5)**	(5.5)	(18)
Silica profit[1]	**(1.9)**	(1.4)	36
Tax on adjusting items[1]	**2.0**	1.6	25
Adjusted earnings attributable to ordinary shareholders	**148.8**	135.0	10
Weighted average number of ordinary shares (m)	**922.5**	922.7	0
Number of ordinary shares (m)	**922.7**	922.7	–
Basic earnings per share (p)	**16.8**	15.1	11
Diluted earnings per share (p)	**16.8**	15.1	11
Headline earnings per share (p)	**16.8**	15.0	12
Adjusted earnings per share (p)	**16.1**	14.6	10

1. These items comprise "non-operating items" per adjusted earnings per share definition on page 174.

Summary balance sheet

	2020		
£ million	Policyholders	Shareholders	Total IFRS
Non-current assets	–	145.2	145.2
Current assets			
Linked investments backing policyholder funds	6,988.5	–	6,988.5
Cash and cash equivalents	–	194.5	194.5
Other current assets	67.3	255.8	323.1
Total current assets	7,055.8	450.3	7,506.1
Total assets	7,055.8	595.5	7,651.3
Non-current liabilities	5.6	140.1	145.7
Current liabilities			
Policyholder investment contract liabilities	7,002.8	–	7,002.8
Other current liabilities	47.4	304.3	351.7
Total current liabilities	7050.2	304.3	7,354.5
Total liabilities	7,055.8	444.4	7,500.2
Equity	–	151.1	151.1
Total equity and liabilities	7,055.8	595.5	7,651.3

	2019		
£ million	Policyholders	Shareholders	Total IFRS
Non-current assets	–	44.3	44.3
Current assets			
Linked investments backing policyholder funds	8,173.7	–	8,173.7
Cash and cash equivalents	–	269.2	269.2
Other current assets	60.3	255.1	315.4
Total current assets	8,234.0	524.3	8,758.3
Total assets	8,234.0	568.6	8,802.6
Non-current liabilities	15.3	44.9	60.2
Current liabilities			
Policyholder investment contract liabilities	8,190.9	–	8,190.9
Other current liabilities	27.8	328.0	355.8
Total current liabilities	8,218.7	328.0	8,546.7
Total liabilities	8,234.0	372.9	8,606.9
Equity	–	195.7	195.7
Total equity and liabilities	8,234.0	568.6	8,802.6

Assets and liabilities

Ninety One undertakes linked insurance business through one of its South African entities and does not take on any insurance risk in respect of such business. 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. Due to the nature of a linked policy, Ninety One's liability to the policyholders is equal to the market value of the assets underlying the policies, less applicable taxation. Therefore, the commentary below only covers the shareholders' amounts.

Total assets increased to £595.5 million (31 March 2019: £568.6 million). Cash and cash equivalents reduced to £194.5 million (31 March 2019: £269.2 million), which largely related to the payment of dividends prior to the demerger.

Total liabilities increased to £444.4 million (31 March 2019: £372.9 million), principally due to the recognition of lease liabilities on the balance sheet under IFRS 16, and there continues to be no debt financing on the balance sheet.

The adoption of IFRS 16 in financial year 2020 resulted in an initial recognition of assets of £85.3 million and liabilities of £88.6 million, on 1 April 2019, which were previously not recognised on the balance sheet (see page 132 for details). At 31 March 2020, the corresponding assets and liabilities were £90.7 million and £101.6 million respectively.

Ninety One has limited seed investments. Seed capital for mutual funds was £1.7 million (31 March 2019: £1.2 million) and co-investments in private equity funds totalled £9.3 million (31 March 2019: £11.0 million).

Equity

Equity reduced to £151.1 million (31 March 2019: £195.7 million), which principally reflects the early payment of dividends in March 2020, ahead of the demerger from Investec.

Capital and regulatory position[1]

£ million	2020	2019
Equity	**151.1**	195.7
Non-qualifying assets[2]	**(12.7)**	(9.3)
Qualifying capital	**138.4**	186.4
Dividends declared after year end	**–**	(64.7)
Regulatory requirement	**(94.4)**	(86.4)
Expected capital surplus	**44.0**	35.3

1. The above table represents the amalgamated position across Ninety One plc and its subsidiaries and Ninety One Limited and its subsidiaries, which for regulatory requirement purposes are separate groups. Both groups of companies had an expected capital surplus at 31 March 2019 and 31 March 2020.
2. Non-qualifying assets comprise assets that are not available to meet regulatory requirements.

After deducting non-qualifying assets, our qualifying capital was £138.4 million (31 March 2019: £186.4 million). Our regulatory requirement increased to £94.4 million (31 March 2019: £86.4 million). This provides Ninety One with an expected capital surplus of £44.0 million (31 March 2019: £35.3 million) which is consistent with our intention of maintaining a capital-light balance sheet. The capital requirements for all Ninety One companies are monitored regularly throughout the year.

Through our internal capital adequacy assessment processes and in conjunction with the boards we assess our capital requirements to ensure Ninety One holds sufficient capital to mitigate the financial impact of any key risks materialising.

Ninety One plc's overall regulatory capital requirement and regulatory deductions, in accordance with the European Union ("EU") Capital Requirements Regulation, are set out in Ninety One plc's Pillar 3 Disclosures published on our website, www.ninetyone.com.

Dividends

Prior to the demerger Ninety One (as Investec Asset Management) paid a final dividend. The Ninety One board of directors recommended no further ordinary or special dividends for financial year 2020.

Looking ahead, Ninety One expects to target an ordinary dividend payout ratio of at least 50% of its profit after tax. We will consider paying a special dividend which will comprise surplus retained earnings not needed for regulatory or specific investment needs, as well as a reasonable buffer as agreed with our board of directors.

There are no plans to increase the current number of shares in issue.

Liquidity

Ninety One maintains a strong liquidity position, which comprises cash and cash equivalents of £194.5 million (31 March 2019: £269.2 million). Ninety One maintains a consistent liquidity management model, with liquidity requirements monitored carefully against its existing and longer-term obligations. To meet the daily requirements of the business and to mitigate its credit exposure, Ninety One diversifies its cash and cash equivalents across a range of suitably credit-rated corporate banks and money funds.

Alternative performance measures

Ninety One uses non-IFRS measures to reflect the manner in which management monitors and assesses the financial performance of Ninety One. In particular, they exclude Silica as it is not core to Ninety One's asset management activities. These non-IFRS 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 the consolidated financial statements. Moreover, the way in which Ninety One defines and calculates these measures may differ from the way in which these or similar measures are calculated by other entities. Accordingly, they may not be comparable to measures used by other entities in Ninety One's industry.

These non-IFRS measures are considered to be pro forma financial information for the purpose of the JSE Listings Requirements and are the responsibility of Ninety One's board of directors. The non-IFRS financial information has been prepared with reference to JSE Guidance Letter: Presentation of pro forma financial information dated 4 March 2010 and in accordance with paragraphs 8.15 to 8.33 in the JSE Listings Requirements, the Revised SAICA Guide on Pro forma Financial Information (issued September 2014) and International Standard on Assurance Engagement ("ISAE") 3420 – Assurance Engagements to Report on the Compilation of Pro forma Financial Information included in a Prospectus, to the extent applicable given the Non-IFRS Financial Information's nature.

This pro forma financial information has been reported on by KPMG Inc in terms of ISAE 3420 and their unmodified report is available for inspection on the Ninety One website (www.ninetyone.com). These non-IFRS measures, including reconciliations to their nearest consolidated financial statements equivalents, are as follows:

£ million	2020	2019
Net revenue	609.9	556.9
Adjusted for:		
Silica third-party revenue	(21.2)	(21.8)
Foreign exchange gains	2.1	5.0
Net (losses)/gains on investments	(4.2)	5.1
Deferred employee benefit scheme losses/(gains)	1.0	(5.0)
Other income	0.2	0.4
Rounding	0.2	–
Adjusted operating revenue	**588.0**	540.6
Of which management fees	565.7	524.6
Of which performance fees	21.5	11.0
Of which foreign exchange gains and other income	0.8	5.0

£ million	2020	2019
Operating expenses	413.4	393.7
Adjusted for:		
Silica net expenses	(19.4)	(20.6)
Deferred employee benefit scheme losses/(gains)	1.0	(5.0)
Interest expense on lease liabilities	3.0	–
Rounding	0.1	–
Adjusted operating expenses	**398.1**	368.1

£ million	2020	2019
Adjusted operating revenue	588.0	540.6
Adjusted operating expenses	(398.1)	(368.1)
Adjusted operating profit	**189.9**	172.5
Adjusted operating profit margin	**32.3%**	31.9%

£ million	2020	2019
Net interest income	1.7	5.7
Adjusted for:		
Silica interest	(0.1)	(0.2)
Interest expense on lease liabilities	3.0	–
Other interest expense	(0.1)	–
Adjusted net interest income	**4.5**	5.5

Foreign currency

Ninety One prepares its financial information in British pound sterling. The 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 South African rand and US dollars. These results are then translated into pound sterling at the applicable foreign currency exchange rates for inclusion in the consolidated financial statements. The following table sets out the movements in the relevant exchange rates against pound sterling for the years ended 31 March 2019 and 2020.

	2020		2019	
	Period end	Average	Period end	Average
South African rand	**22.16**	**18.78**	18.79	18.04
US dollar	**1.23**	**1.27**	1.30	1.31

Statement of viability

In accordance with the UK Corporate Governance Code, the board of directors has assessed the prospects of the Group over a longer period than the 12 months required by the going concern provision.

The directors confirm, based on information known today, that they have a reasonable expectation that Ninety One will continue to operate and meet its liabilities, as they fall due, to 31 March 2023. The directors' assessment has been made with reference to Ninety One's current position and strategy, the Board's risk appetite, Ninety One's financial plans and forecasts, and its principal risks and how these are managed, as detailed in the Strategic Report. Ninety One defines its strategic planning objectives over three years and this is underpinned by a rolling three-year financial plan, the first year of which is the current year budget. The budget is approved annually by the Board, and in exceptional circumstances, the Board reviews and approves structural changes to the budget intra-year.

The further into the future the planning horizon is, the greater the level of uncertainty in financial projections. Therefore, Ninety One uses a three-year period in assessing viability in order to be consistent with the minimum period used in the Group's capital assessments and financial projections. The rolling financial projections incorporate both the Group's strategy and principal risks and is reviewed by the Board at least annually. These formal approval processes are underpinned by regular executive management and Board discussions of strategy and risks, in the normal course of business. Throughout the year the Board assesses progress by reviewing forecasts compared to the budget and longer-term projections compared to the financial plan. The current year forecast and longer-term financial projections are regularly updated as appropriate.

Scenario analysis is performed as part of both the Group's financial planning process and within Ninety One's business capital assessment processes, which are approved by the Board. These scenarios evaluate the potential impact of severe but plausible occurrences which reflect Ninety One's risk profile.

Scenarios modelled included:

- Market stress: the effect of greater than expected market falls and lower than expected client flows as a result of the COVID-19 pandemic.
- Shock event: a one-time event that led to an immediate reduction in AUM of 35%. This is aligned to the firm's risk appetite limit and also compares to a modelled estimated fall in AUM of 32%-33% if the 2008 global financial crisis were to reoccur.
- Operational risk event: the effect of an idiosyncratic operational risk event. The event modelled was that representing the greatest single operational risk capital charge included in the capital assessment process.
- Net outflows: the effects of experiencing net outflows of AUM of £1.0 billion per annum. Falls were assumed to occur over an annual period equally across all capabilities. This value was chosen as it represents the worst net outflows experience from the period immediately prior to the financial crisis, to 31 March 2020.
- A combination of the Market stress, the Net outflows and the Operational risk event scenarios.

The capital assessments are conducted separately but in a consistent manner for each of the two groups: Ninety One plc and its subsidiaries and Ninety One Limited and its subsidiaries; for regulatory capital purposes these are considered to be separate groups.

Having reviewed the results of the stress tests, the directors have concluded that the Group would have sufficient capital and liquid resources in the respective scenarios and that the Group's ongoing viability would be sustained. It is possible that a stress event could be more severe and have a greater impact than we have determined plausible. Actions are available that may reduce the impact of more severe scenarios, but these have not been considered in this viability statement.

Brexit

The UK left the EU on 31 January 2020, and has entered into a transitional period which is due to run to 31 December 2020. The Group undertook a review of the potential impact of Brexit and concluded that there will be a minimal impact to the Group as a direct result of Brexit.

COVID-19

In light of the impact of COVID-19 on financial markets since mid-March 2020 and the fact that the budget for 31 March 2021 was approved ahead of this, Ninety One updated the budget and forecasts for the year ending 31 March 2021 to 2023 taking into account the impact of the fall in AUM to 31 March 2020 and adjusted for the following additional financial stress tests:

- A 20% drop in AUM from 31 March 2020 and no further market and foreign exchange related change in AUM for the remainder of the year ending 31 March 2021.
- A 3.5% increase in market and foreign exchange related increase in AUM per annum for the financial years ending 31 March 2022 and 2023.
- An 80% reduction in the budgeted net inflows for the year ending 31 March 2021, and for net inflows to continue at this reduced level for the years ending 31 March 2022 and 2023.

The Group was found to remain profitable for each of the following three financial years using these scenarios and therefore this analysis did not impact the directors' assessment.

Risk Management

Ninety One's Board has ultimate responsibility for risk management. It approves Ninety One's risk appetite and general risk management framework and monitors the operation of the framework. Ninety One's risk management framework is not designed to eliminate risk entirely, but to reduce uncertainty by identifying and managing current and emerging risks to acceptable levels and to harness risk management tools and techniques to optimise performance and inform business decisions.

Creating and nurturing good culture and conduct

One of the central attributes of Ninety One is the concept of "doing the right thing". Ninety One's culture and values permeate throughout the organisation. We take great care to hire the right people who share our values and nurture an environment where good behaviours are demonstrated. This culture is displayed in the actions of employees and the construction of our policies and processes, and in the design of our products.

We operate a risk aware, open culture where all employees contribute to effective risk management.

> One of the central attributes of Ninety One is the concept of "doing the right thing".

Approach to risk management

Risk appetite
Risk appetite sets the "tone from the top" and provides boundaries of acceptability within which the business can operate. Risk appetite provides a mechanism for treating risks that exceed appetite and ensuring the Board and key committees are informed where appropriate. Risk appetite considers qualitative and quantitative impacts affecting all stakeholders. Ninety One's risk appetite is documented in the Risk Appetite Policy.

Risk governance
Ninety One's Board has delegated responsibility for risk oversight to the Audit and Risk Committee ("ARC"). The ARC is supported by a Management Audit Committee ("MAC"), Management Risk Committee ("MRC") and specialised risk sub-committees, comprising subject matter experts from across the business. This model ensures that material risks are escalated to the ARC (or Board, where appropriate), but that all levels of risk are regularly and formally evaluated.

Risk responsibilities
Ninety One utilises a "three lines of defence" model. This ensures that there is responsibility for risk management embedded within the specialist teams overseeing day-to-day processes and demonstrable independence within the functions employed to challenge them. Ninety One's employees are made aware of their individual risk management responsibilities through comprehensive training.

Current risks

Ninety One considers risks that exist in its business or operating environment to be "current", as they could manifest at any time. Whilst the impact of current risks on the business can be analysed, an element of uncertainty may remain.

Emerging risks

Emerging risks, while also foreseeable are not an immediate threat, but are likely to have an impact on Ninety One's business in the medium to long term. Emerging risks may include those expected to result from foreseeable business, regulatory or environmental changes. As such, Ninety One identifies and plans for these risks as part of its longer-term view. Emerging risks, by their nature, may have a greater degree of uncertainty associated with them.

Key risk management committees

Ninety One Board

Ninety One Audit and Risk Committee

Ninety One's primary risk management committee comprising only independent non-executive members. Key stakeholders from the business attend meetings to present reports and respond to questions and challenges from ARC members on the business's risk management framework, profile and activities.

Chief Executive Officer

Management Audit Committee

Supports the ARC and executive management by overseeing completeness, accuracy and effectiveness of financial reporting, corporate tax compliance, and internal and external audit arrangements and operations. The MAC is chaired by Ninety One's Head of Finance and is attended by representatives from the Internal Audit, Tax and Risk Management Teams.

Management Risk Committee

Supports the ARC and executive management by ensuring there is appropriate oversight, reporting and escalation of risks identified in the business or wider operating environment. The MRC comprises senior representation from all areas of the business and considers reports and escalated items from each of its specialised risk sub-committees. The MRC is chaired by Ninety One's General Counsel and membership includes the heads of all functional areas.

Executive management

Supports the Chief Executive Officer in managing risks associated with delivering Ninety One's strategy and taking key management decisions escalated from the MRC. Executive management is supported and advised by specialist functions in developing and delivering Ninety One's strategy.

Specialised risk sub-committees

These act under specific delegated authority of the MRC. Their role is to perform a more detailed review of their risk universe to ensure that all risk matters are appropriately considered and escalated, in line with Ninety One's risk appetite.

- Investment Risk Committee
- Operational Risk Committee
- Legal and Compliance Risk Committee
- Liquidity Management Committee
- Third Party Oversight Committee
- IT Risk Committee

Advisory

- Product Management Team
- Finance Team
- Human Capital Team

Key: Independent Executive Management

The “three lines of defence”

Combined assurance is about effectively coordinating the three lines of defence, through the encouragement of collaboration and the development of a holistic view of Ninety One’s risk universe to most effectively and efficiently manage risk. Ninety One has implemented a Governance Risk and Compliance (“GRC”) technology solution that is used by all three lines of defence. The GRC is a single repository of risks and controls from which each team’s own risk assessments are administered, evaluated and challenged. GRC facilitates second and third line reviews, including tracking findings and actions to maximise visibility.

Ninety One’s management is the first line of defence against risk.
Management has a deep understanding of Ninety One’s processes and is best placed to identify and manage risk. Management assesses against risk appetite and builds appropriate defences that are overseen by the relevant risk sub-committee.

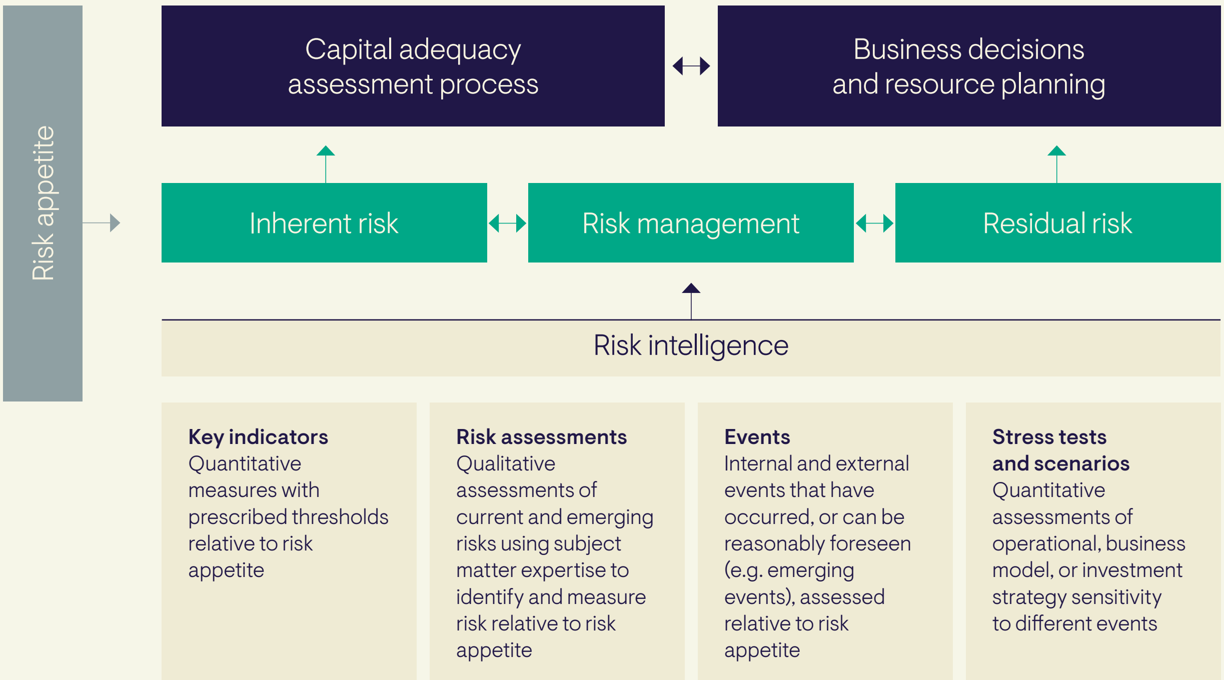
The second line of defence comprises the risk management and compliance teams.
Risk management separates into two specialist teams tasked with assessing and managing investment risks (within portfolios) and operational risks, respectively. Regulatory risk is managed by a dedicated compliance team.

The third line of defence is an independent internal audit team.
Internal audit operates a risk-based audit review programme to provide independent assurance to the Board (via the ARC) that the risk management framework and control environment are suitability designed and properly operated, and governed.

Risk management framework

The risk management framework is utilised across all categories of risk within Ninety One and employs tools including risk assessments, key indicators, stress and scenario tests and learnings from internal and external events. This informs business decisions, helps direct resources and helps to ensure Ninety One is appropriately capitalised. Current and emerging risks are evaluated against risk appetite to aid prioritisation and determine appropriate treatment and escalation.

Ninety One is exposed to risks from internal factors, such as poor control design or operation, inadequate technology or development and inadequate resourcing or poor product design; these are deemed “controllable” risks. Ninety One is also exposed to external factors such as market behaviour and other macroeconomic factors, changes in regulation and investor sentiment; these are deemed “uncontrollable” risks. Different risk management techniques (“treatments”) are employed.



Risk management process

There are four stages to the risk management process:

Identify
Risks are identified through continual assessment and monitoring of changes and events in the internal and external environment. All teams maintain a risk assessment.

Evaluate and report
Risks are evaluated, rated in line with our Risk Appetite Policy and reported through the governance structure as appropriate for the severity of the risk impact.

Manage
Treatment plans are agreed and monitored to completion. These may be tactical changes such as new controls or form the basis for more strategic projects.

Monitor and escalate
Tools to monitor changes in risk levels, such as key indicators are implemented, and the risk escalated where agreed levels are exceeded, in line with the Risk Appetite Policy.

Treating risk

Since not all risks can be prevented, Ninety One applies four main approaches to risk treatment:

Reduce likelihood
Where risks are deemed to be "controllable", all efforts are made to reduce the likelihood that an error will occur. This is achieved through a robust internal control environment that is under continual review by Ninety One's management and subject to challenge by the risk, compliance and internal audit teams.

Transfer
Where it is more efficient and cost effective, or the risk is too great for Ninety One to accept, Ninety One may "transfer" risks to third parties with larger capacity or specific skillsets (e.g. via its outsourcing model). However, risk transfer techniques do not dilute management accountability.

Reduce impact
Where risks cannot be controlled, measures may be taken to reduce the impact of risk, usually through diversification or hedging techniques.

Eliminate
Where risks are deemed or anticipated to breach tolerance levels set in Ninety One's Risk Appetite Policy, the risk must be eliminated.

Primary sources of risk

Ultimately, Ninety One's risk management framework is designed to ensure that we meet our stakeholders' (clients, employees, shareholders and communities) expectations and objectives and that we live up to our commitment to do the right thing.

Through our management and governance structure, Ninety One has defined clear lines of accountability and escalation for each of the risks inherent in our business and operating environment. Ninety One's primary sources of risk are as follows:

Business and strategic risk
Business and strategic risk is the risk that Ninety One fails to deliver our strategy or to achieve good stakeholder outcomes. Business and strategic risks can manifest through a failure to foresee and respond to the changing needs of our clients and other stakeholders, lack of resilience and ability to adapt to changes in our operating environment, or an inability to attract or retain the right talent to deliver good stakeholder outcomes.

Investment risk
Investment risk is the risk that we do not achieve clients' investment objectives, or that portfolios are exposed to inappropriate levels of risk in pursuit of achieving their objectives. Investment risks can manifest through portfolio positioning, portfolio construction, stock selection or inappropriate benchmarking.

Operational risk
Operational risk results from poor design or execution of controls. It can result in poor client experience through sub-standard servicing (including errors or omissions) or disruption to the provision of services. Operational risk inconveniences clients and damages Ninety One's reputation. Operational risks can also expose clients, and Ninety One to financial losses.

Principal Risks

Key

Current firm risk profile

- Risk is currently high
- Risk is currently moderate
- Risk is currently low

Risk profile change over the financial year

- ↗ Risk status has improved
- → Risk status remained stable
- ↘ Risk status has deteriorated

The Ninety One Board has carried out a robust assessment of the Group's risks. These are set out below:

Business and strategic risks

Risk	Risk management	Financial year update
1. Failure to devise and implement strategy		
Ninety One faces risks associated with the implementation of its strategy, owing to internal or external factors which may delay or inhibit progress on its strategic priorities. Strategic priorities: 1, 2, 3, 4, 5 Risk profile: low →	The Board, with the executive management, agree the strategy for the business and ensure the right structures are in place to achieve success. Executive management regularly reviews and monitors progress against Ninety One's strategic objectives. Where factors arise which may impede (or accelerate) the execution of these priorities, they are carefully considered and appropriate action taken. The Board is kept abreast of progress on Ninety One's strategy, including material developments which may arise, so they may opine on new developments, including risks.	Ninety One's strategic objectives have not changed as a result of demerging from Investec and listing as an independent business. Ninety One continued to adopt a long-term approach to its strategic priorities and its strategic principles and priorities remain unchanged.
2. Failure to plan for and adapt to changes in macroeconomy		
Ninety One's AUM and profitability are exposed to volatility in global financial markets and to other adverse financial, economic, political and market factors that affect investor sentiment and the operating environment. Fluctuations in exchange rates could have an adverse impact on the business's operating results and Ninety One is subject to the risk of adverse changes in the laws and regulations in the markets in which it operates. Strategic priorities: 1, 2, 3, 4, 5 Risk profile: low →	Ninety One offers a diverse mix of investment strategies in various asset classes and regions, which reduces the risk profile of the firm in normal circumstances. Similarly, a global and diversified client base enables lower client concentration risk. The business's cost base is continuously monitored with a preference for variable over fixed personnel costs, where possible. The balance sheet is conservatively positioned with no debt.	Since inception, Ninety One gained substantial experience in the management of macroeconomic and geopolitical risk. This includes the global financial crisis of 2008, various emerging market crises and the UK's withdrawal from the EU following the Brexit referendum in 2016. Most recently, the global impact of the COVID-19 pandemic has significantly and negatively impacted financial markets and economic prospects, which affected Ninety One's AUM in the period.

Business and strategic risks continued

Risk	Risk management	Financial year update

3. Poor product offerings or lack of diversification

Risk	Risk management	Financial year update
Ninety One requires appropriate and relevant product offerings to succeed in this competitive industry. Diversity and innovation protects Ninety One against changes in client demand patterns. **Strategic priorities:** 1, 2, 3, 4 **Risk profile:** ● →	Ninety One has a clear product focus, offering a diverse mix of organically developed investment capabilities and differentiated strategies to meet current, and anticipate future changes in, client needs. A dedicated team of client-facing professionals are in close contact with clients to ensure the firm can react to changes in their needs or to any concerns they may have. Ninety One's Client Groups work closely with both the investment teams and a team of product specialists to ensure the firm's offerings continue to anticipate changes in client expectations and demands.	In line with anticipating our clients' future needs, Ninety One launched numerous products during the year. These included separately managed accounts (an increasingly popular investment approach for US retail investors) as well as further funds related to African credit, environment and China, to cater for increasing investor demand in these strategies.

4. Inability to retain or attract talent

Risk	Risk management	Financial year update
Ninety One is a people business. Being able to retain and attract the best talent is key to Ninety One's ability to continue to provide competitive product offerings and to service our clients and prospects in a unique and differentiated way. **Strategic priorities:** 5 **Risk profile:** ● →	A comprehensive approach to the recruitment, development and retention of people is adopted through the mechanisms of leader and team development, remuneration, and culture and employee ownership. These mechanisms have been consistently applied for many years and are embedded into our culture. The approach to talent is therefore holistic and integrated into the culture, rather than a single analysis or process.	Intensive efforts have been made through the demerger and rebranding to ensure stability and continuity of the culture, which is the foundation of Ninety One's talent strategy. COVID-19 created a challenge, but also an opportunity, to reinforce our culture and talent environment. Through a comprehensive set of talent focused activities covering practical, psychological, physical and community support, we have maintained cohesion and engagement throughout the firm.

Investment risks

5. Failure to meet client investment objectives

Risk	Risk management	Financial year update
Poor investment performance relative to clients' stated benchmarks or outcomes could mean Ninety One fails to meet clients' investment objectives. **Strategic priorities:** 1, 2, 3, 4 **Risk profile:** ● ↘	Ninety One has a relentless commitment to achieving and exceeding portfolio expectations. We implement this using a number of structures and processes. Portfolio performance is measured by an independent team and governance processes are in place to monitor and assess portfolio performance for all strategies. Poor relative investment performance could trigger a review of portfolio composition or investment process to help improve performance.	Asset markets were strong in 2019 but as we entered 2020 the COVID-19 pandemic caused global markets to fall sharply. As a result, performance across Ninety One's various investment strategies was impacted by lower market levels in the short term; however, investment strategies broadly performed as expected given the market conditions. Despite these market falls, Ninety One's long-term track record remains satisfactory.

Investment risks continued

Risk	Risk management	Financial year update
6. Failure to effectively manage risk in clients' portfolios		
Risk limits Poor management of investment risks within portfolios or funds may lead to poor client outcomes through excessive, or insufficient risk taking.	An independent investment risk team monitors various risk measures to ensure portfolio risk is appropriate and that risk budgets are effectively used.	Market volatility materially increased in 2020 following a long period of stability. This in turn increased volatility in client portfolios. However, portfolio risks have remained within acceptable parameters.
Liquidity Poor liquidity management could result in clients being unable to withdraw assets when needed at prevailing market prices, and this could impact the value of clients' investments or the performance of their portfolio. Strategic priorities: 1, 2, 3, 4 Risk profile:	The investment risk team measures liquidity for all portfolios, to ensure liquidity obligations can be met. Given the redemption commitments of pooled vehicles, particular focus is given to these portfolios. The Liquidity Management Committee oversees the development of appropriate liquidity. The most important mitigant for liquidity risk remains the education of clients on the potential liquidity risks in products/strategies.	High profile failures of liquidity management and oversight within the industry heightened investor concerns in 2019 and invited regulatory scrutiny in relation to how investment firms measure, manage and report liquidity in their portfolios. Market liquidity was in many asset classes subsequently impacted by the effects of COVID-19; however, Ninety One was able to manage market exposure and service subscriptions and redemptions without disruption.

Operational risks

Risk	Risk management	Financial year update
7. Failure to meet regulatory or contractual obligations		
Ninety One could fail to meet its regulatory or contractual obligations of its clients, including adherence to clients' investment management agreements. This could result in poor client outcomes or regulatory censure. Strategic priorities: 1, 2, 3, 4, 5 Risk profile:	Ninety One has dedicated legal and compliance teams with local representation in key operating jurisdictions. These teams work closely with executive management to ensure regulatory and contractual obligations are identified, understood, and properly controlled.	Ninety One operates in a number of highly regulated environments and manages change on an ongoing basis as regulators continue to evolve the regulatory landscape to improve investor protection and market operations. During the period, Ninety One undertook significant work ahead of the transition away from LIBOR. In the UK and Europe, key focus areas have been the implementation of the Senior Managers and Certification Regime, EU action plan on sustainable finance and actions resulting from the FCA's Asset Management Market Study.

Operational risks continued

Risk	Risk management	Financial year update

8. Failure to design or operate an effective control environment

Risk	Risk management	Financial year update
Internal control environment A breakdown in Ninety One's controls could result in a poor client experience or have a material financial impact on Ninety One.	Ninety One operates a robust control framework that is under continual evolution through a proactive risk management process and the "three lines of defence" model. The firm's operating model benefits from automation and utilises competent and reliable outsourcing partners, which together improve efficiency and scalability, and reduce human errors.	Prior to the demerger, internal audit and some technology functions were provided by Investec. Ninety One has now established its own Internal Audit Team and implemented its own GRC technology solution. This further integrated the lines of defence and improved combined assurance by enhancing the efficiency and effectiveness of risk capture, assessment and communication.
Key outsourcing partners Ninety One utilises an outsourcing model to support core areas of its operations. Poor service levels or controls could weaken Ninety One's own internal control environment resulting in errors or poor client experience.	Dedicated teams oversee Ninety One's outsourced service providers. A governance and escalation structure ensures comprehensive due diligence at the point of take-on and on an ongoing basis to ensure any service deterioration/disruption is quickly identified and remediated to limit any impact to service provision.	The outsourced service provider market saw some consolidation, but Ninety One considers this as a positive development, ensuring stronger and better-invested providers. This allows Ninety One to leverage these strong relationships into new specialist areas such as cyber security.
Technology or cyber defences Ninety One is dependent upon the proper and continued functioning of its IT systems and may be vulnerable to attacks on, or breaches of, its security systems.	Ninety One has a well-defined IT strategy, underpinned by established governance and monitoring processes. A dedicated Information Security function is supported by specialist co-sourcing security partners.	The recently concluded demerger from Investec included a comprehensive implementation of skills and capabilities to address the technology and cyber risks which Ninety One may face.

Strategic priorities: 1, 2, 3

Risk profile: ● →

9. Lack of operational resilience or continuity planning

Risk	Risk management	Financial year update
Internal or external events may cause disruption to Ninety One's operations or render its systems or offices inaccessible. This could result in Ninety One being unable to meet client or regulatory obligations or service the needs of other stakeholders.	Ninety One has developed a dynamic crisis management plan designed to adapt operations in response to disruptive events. A focused team of senior individuals makes up Ninety One's Resilience and Continuity Steering Group and ensures that an effective plan can be quickly developed and deployed should a disruption event occur.	During the year, Ninety One's operations continued seamlessly despite unrest in Hong Kong and the COVID-19 pandemic. In both instances, by utilising our advanced remote working capabilities, Ninety One delivered uninterrupted operations across the organisation without any impact to key controls.

Strategic priorities: 1, 2, 3, 4, 5

Risk profile: ● →

For detailed disclosures of our risk factors, please see the Prospectus on our website, www.ninetyone.com

Chairman's Introduction to Corporate Governance

"While our history has taught us to think differently, one constant remains: the need to uphold the highest standards of integrity."

Dear shareholders

I am pleased to present our first corporate governance report following Ninety One's demerger from Investec and its successful admission and listing on both the London Stock Exchange ("LSE") and Johannesburg Stock Exchange ("JSE") on 16 March 2020. As a long-term investor Ninety One has always taken governance seriously and sought to attain the best standards. We see our commitment to good and sensible governance as an integral part of our efforts to build a better investment firm to finance a better world. This report details the current governance framework for Ninety One plc and its subsidiaries and Ninety One Limited and its subsidiaries (together, "Ninety One" or the "Group") and how we have applied the provisions of the UK Corporate Governance Code (the "UK Code") and the South African King IV Code on Corporate Governance ("King IV").

Governance structure

Prior to listing Ninety One was an independently-run division within Investec and its governance practices were organised accordingly. In anticipation of the listing, Ninety One sought to enhance its governance practices with the implementation of new policies and procedures akin to those expected of a business operating, in its own right, in a listed environment.

Following the demerger from Investec and listing of Ninety One on the LSE and the JSE, Ninety One now operates as a dual-listed company ("DLC") under a DLC structure. The DLC structure comprises Ninety One plc, a public company incorporated in the UK and listed on the LSE, with a secondary listing on the JSE, and Ninety One Limited, a public company incorporated in South Africa and listed on the JSE. The DLC structure is designed to place the shareholders of Ninety One plc and Ninety One Limited in substantially the same position as if they held shares in a single unified economic enterprise.

The boards of directors of Ninety One plc and Ninety One Limited (together the "Board") are identical in terms of their composition and Board meetings are held jointly. A single committee structure has been constituted comprising the Audit and Risk Committee, Human Capital and Remuneration Committee, Nominations and Directors' Affairs Committee, Sustainability, Social and Ethics Committee and Disclosure Committee. This enables the effective management of the DLC structure. Meetings of either the Ninety One plc board or Ninety One Limited board on a stand-alone 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 as required.

Code compliance

As disclosed in the Prospectus, up to listing on 16 March 2020, Ninety One plc, on incorporation, was an unlisted English company which was not subject to the UK Code. Similarly, on incorporation, Ninety One Limited, was an unlisted South African company which was not subject to King IV. On and following listing the Board has applied all the main principles of the UK Code and King IV and complied with all of their relevant provisions, except in respect of matters set out in the Governance Report on page 69 of this Integrated Annual Report.

The Board

Following the announcement of the demerger of Ninety One from Investec on 14 September 2018, Hendrik du Toit and Kim McFarland undertook to step down in due course from the boards of Investec upon demerger in March 2020. This then allowed them to devote their full attention to their roles as chief executive officer and finance director of Ninety One respectively.

Prior to listing, Ninety One also undertook a rigorous process for the selection of the independent non-executive directors. The selection process sought to identify and recruit non-executive directors with the skills and expertise needed for our business and the DLC. I was appointed chairman of the Board on 19 November 2019 in preparation for the demerger. In addition to my appointment, four new independent non-executive directors, Colin Keogh, Idoya Basterrechea Aranda, Victoria Cochrane and Busisiwe Mabuza were also appointed on 19 November 2019. Fani Titi, a director and chief executive officer of Investec, was also appointed as a non-executive director. Biographies for each of the directors are set out on pages 60 to 61.

Having established a strong Board with the appropriate balance of skills, experience, independence and knowledge, the non-executive directors in particular have spent considerable time in the run-up to the demerger familiarising themselves with the business having gone through an extensive induction process.

The Board is responsible to shareholders for strategic direction, management and control of the Group's activities and is committed to the highest standards of corporate governance in delivering in these areas.

Performance evaluation

The Board recognises the importance of carrying out an annual evaluation of the performance and effectiveness of the Board, the committees and individual directors. The Board is also committed to compliance with the requirements of the UK Code and King IV in this regard. Given how recently the listing took place and the short period of time that the Board has been fully established, an annual evaluation has not been carried out this year. Such an evaluation will be conducted internally through a questionnaire-based process in the second half of 2020 and through the annual cycle thereafter.

Diversity

We recognise the benefits of a diverse Board. Encouraging diversity and inclusion forms an integral part of our firm's recruitment, development and retention strategy. Diversity of thought, viewpoint, background and life experience ensures we approach all decision-making with a set of different perspectives. We believe this can be a competitive advantage, helping us achieve the best outcomes for our clients, our communities, our colleagues and the wider world in which we work. The DLC Board Diversity Policy was approved on 12 February 2020 and further information on Board appointments and Ninety One's approach to our stakeholders can be found in the Nominations and Directors' Affairs Committee report on page 70 and the Strategic Report on pages 24 to 31.

Dialogue with shareholders

The Board has looked to foster good relations with its new shareholders. A newly established investor relations function has assisted the Board in developing a programme of meetings and presentations to institutional shareholders.

Gareth Penny
Chairman

The Board of Directors

The management expertise and experience of each director and the company secretary are set out in the biographies below.

Gareth Penny N S D

Independent Non-Executive Director and Chairman

Gareth was appointed as an independent non-executive director and Chairman on 19 November 2019. He is chairman of Norilsk Nickel, or Nornickel, Russia's largest diversified mining and metals company listed on the Moscow Exchange. Gareth was previously chairman of the Edcon Group, a private fashion retailer in southern Africa, and served as a non-executive director and Remuneration Committee chairman of the Julius Bär Group. 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. He has had significant exposure to developing markets, wealth management, private equity and the financial sector.

Kim McFarland D

Finance Director

Kim was appointed to the Board in October 2019. She joined Investec Asset Management 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 of Ninety One, Kim resigned as a director of Investec plc and Investec Limited to focus on her role as finance director on the boards of Ninety One plc and Ninety One Limited. Prior to joining Investec, 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 has 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.

Hendrik du Toit D N S

Chief Executive Officer

Hendrik was appointed to the Board in October 2019. He resumed the role of chief executive officer on the demerger of the business from Investec in March 2020. Prior to this he was joint chief executive officer of Investec. Hendrik is a founding member of Ninety One having entered the asset management industry in 1988; joining Investec in 1991 to set up Investec Asset Management as Ninety One was called before the demerger from Investec.

Hendrik is a non-executive director of Naspers Limited and its European subsidiary, Prosus, a member of 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, 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.

Colin Keogh H A

Senior Independent Director

Colin was appointed as an independent non-executive director and Human Capital and Remuneration Committee chair on 19 November 2019. 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. He was previously a non-executive director of M&G Group Limited and Virgin Money Holdings (UK) plc.


Gareth Penny


Hendrik du Toit


Idoya Basterrechea Aranda


Busisiwe Mabuza


Kim McFarland


Colin Keogh


Victoria Cochrane


Fani Titi

Committee key

- Committee Chair
- A Audit and Risk
- D Disclosure
- H Human Capital and Remuneration
- N Nominations and Directors’ Affairs
- S Sustainability Social and Ethics


Paula Watts

Idoya Basterrechea Aranda A H N

Independent Non-Executive Director

Idoya was appointed as an independent non-executive director on 19 November 2019. Idoya is the senior partner for strategy and business development at Fidentiis Gestion SGIIC, an independent asset manager headquartered in Madrid, Spain. 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 in the Basque Government. Idoya has been a member of the Bizkaia Bar Association since 1984. Idoya has a law degree from Deusto University (Bilbao) and MSc in European Studies from the London School of Economics.

Victoria Cochrane A

Independent Non-Executive Director

Victoria was appointed as an independent non-executive director and Audit and Risk Committee chair on 19 November 2019. Victoria currently serves as senior independent director at Integrafin Holdings plc, non-executive director and chair of the Audit Committee at Euroclear Bank SA/NV, non-executive director and chair of the Audit and Risk Committee at Perpetual Income and Growth Investment Trust plc and senior independent director and chair of the Audit and Risk Committee at HM Courts & Tribunals Service. Victoria previously served as a non-executive director at Gloucester Insurance Limited and senior advisor to Bowater Industries Limited.

Victoria started her career as a solicitor where she spent 10 years in private practice, training with Beale & Co, before joining Cameron Markby and subsequently McKenna & Co (now CMS). Her litigation experience 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 a Global Executive Board member and global managing partner for Risk.

Busisiwe Mabuza S H

Independent Non-Executive Director

Busisiwe was appointed an independent non-executive director and Sustainability, Social and Ethics Committee chair on 19 November 2019. Busisiwe is chair of the Board of Industrial Development Corporation of South Africa, which was established to promote sustainable economic growth and industrial development in South Africa and 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 Airports Company South Africa Limited and the Central Energy Fund Proprietary Limited. Busisiwe was also previously a partner at Ethos Private Equity Proprietary Limited and has held several positions at listed and private South African investment firms.

Fani Titi

Non-Executive Director

Fani was appointed as a non-executive director on 19 November 2019. He is currently the chief executive officer of Investec where he has served as a board member since 2004. Prior to the demerger he was joint chief executive officer of Investec alongside Hendrik du Toit. Previously he has served on the boards of Investec Asset Management Holdings Proprietary Limited and Investec Asset Management Limited until May 2019.

Fani was a founding member of the private investment group Kagiso Trust Investments Limited (now Kagiso Tiso Holdings), and later cofounder of Kagiso Media Limited where, as chief executive officer, he led the public offering on the JSE. Fani was subsequently the founding executive chairman of the private investment firm the Tiso Group until 2008, which subsequently merged with Kagiso Trust Investments to form Kagiso Tiso Holdings.

Ninety One Africa Proprietary Limited

Ninety One Limited Company Secretary

Ninety One Africa Proprietary Limited was appointed as the corporate company secretary for Ninety One Limited in February 2020. The Board has satisfied itself with regard to the competence, qualifications and experience of Ninety One Africa Proprietary Limited.

Paula Watts

Ninety One plc Company Secretary

Paula was appointed as the Ninety One plc company secretary on 29 January 2020. She joined Ninety One 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.

Board Leadership and Company Purpose

Purpose

Our purpose is simple: Investing for a better tomorrow. This guides our strategic decision-making, culture and our interactions with our clients. And we do this by building a better firm, by trying to invest in a better way by contributing to a better world.

Leadership

The Board considers that its primary role is to provide leadership to the Group, to set Ninety One's long-term strategic objectives and to develop robust corporate governance and risk management practices.

The Board has ultimate responsibility for ensuring that the Group is managed effectively and in the best interests of the shareholders, clients, employees and other stakeholders (including regulators). The Board operates within a formal framework set out in the board charter which includes a schedule of matters reserved. The board charter and the schedule of matters reserved are reviewed by the Board on an annual basis. The Board is scheduled to meet at least quarterly or as required and provides direction, oversight, review and challenge of Ninety One's business.

A summary of matters reserved for the Board is set out below:

- Strategy and management;
- financial reporting and controls;
- structure and capital;
- approval of dividends;
- oversight of regulatory compliance and the relationship with regulators;
- oversight of internal control and risk management;
- corporate governance;
- remuneration;
- approval of communications to shareholders and other stakeholders;
- board membership and other appointments;
- delegation of authorities; and
- policies.

The Board delegates specific powers for some matters to committees, details of which are set out below. The outputs from each committee meeting are reported to the Board, thus ensuring the Board maintains the necessary oversight. More detail on the committees and their work is described in the section headed Board Committees.

Group subsidiary governance

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 Group 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 require the persons who control authorised firms to obtain and maintain approval to act as a controller. The Group's executive directors and a number of senior executives from the senior management team serve as directors on these boards and are duly authorised to do so by the appropriate regulator.

Board skills and experience

The skills and effectiveness of the Board will be reviewed annually. The non-executive directors have a wide range of relevant experience. The Board will look to a diverse pool of candidates when in future considering any vacancy which may arise and any appointments will be made based on merit, having regard to the skills, competencies and experience of the candidate. The Board considers that the balance between executive and non-executive directors allows it to exercise objectivity in decision-making and proper control of Ninety One's business. Each member of the Board has had access to all information relating to the Group and to the advice and services of the company secretaries of Ninety One plc and Ninety One Limited (together the "Company Secretary") who are responsible for ensuring that Board procedures are followed.

On listing the Board reviewed the structure, size and composition of the Board, the membership of the various committees of the Board and the expected time commitment. The policy for Board appointments prior to listing is reflected in the current construct. The directors' aim is to ensure that the balance between executive and non-executive directors of the Board reflects the changing needs of the Group's business.

Biographical details of all directors are given on pages 60 to 61

Meetings and attendance

The Board plans to hold meetings at regular intervals each year for the purpose of considering the Group's financial and business performance, along with risk, compliance, IT, human resources and strategic matters. A comprehensive agenda and Board pack is circulated beforehand so that directors have the opportunity to consider the issues to be discussed, and detailed minutes and any actions are documented. The regular meetings have been scheduled up to a year in advance, and if any director is unable to attend then they may provide comments on the papers to the chairman before the meeting. Meetings will be structured so that appropriate time is devoted to all agenda items.

In addition to these regular, scheduled meetings, 'ad hoc' board meetings may be held outside the published cycle where circumstances require – for example, to approve appointments to the board, any material transactions, the signing of the Integrated Annual Report or the approval of regulatory submissions.

How the board spent its time

From their appointment prior to listing and for the period spanning the financial year ended 31 March 2020 and the publication of this report, the board has devoted significant time to considering:

- The demerger and listing on the LSE and JSE;
- strategy;
- financial performance;
- operational performance;
- governance and risk management framework;
- policies;
- capital and liquidity adequacy;
- the control environment; and
- culture and people.

Meeting attendance

Director	Ninety One plc	Eligible to attend	Attended	Ninety One Limited	Eligible to attend	Attended
Gareth Penny	4	4	4	4	4	4
Hendrik du Toit	4	4	4	4	4	4
Kim McFarland	4	4	4	4	4	4
Colin Keogh	4	4	4	4	4	4
Idoya Basterrechea Aranda	4	4	4	4	4	4
Victoria Cochrane	4	4	4	4	4	4
Busisiwe Mabuza	4	4	4	4	4	4
Fani Titi	4	4	4	4	4	4

Conflicts of interest

All directors have a duty to avoid situations that may give rise to a conflict of interest and to disclose to the Board any outside interests which may pose a conflict with their duty to act in the best interests of Ninety One. Formal procedures are in place to deal with any conflict of interest. Directors are responsible for notifying the chairman and the company secretary as soon as they become aware of any actual or potential conflict of interest for discussion by the members of the Board who will take into account the circumstances of the conflict when deciding whether or not to waive the potential conflict or impose conditions on the director in the interests of Ninety One. In addition, directors are required to declare any new appointments or changes in commitments. Directors will also be required, on an annual basis, to confirm that they are not aware of any circumstances which may affect their fitness and propriety and therefore their ability to continue to serve on the Board.

Relations with shareholders

The Board remains committed to maintaining good relationships with shareholders. There is a good dialogue with institutional shareholders, although care is exercised to ensure that any price-sensitive information is released at the same time to all shareholders, in accordance with the requirements of the UK Market Abuse Regulations and South African Financial Markets Act 2012. The chief executive officer, finance director and Investor Relations Team will meet with institutional shareholders on a regular basis, have attended a number of investor road shows and have been available for additional meetings where requested. Institutional shareholders will be given the opportunity to meet with the chairman and/or other non-executive directors if they have concerns that have not been, or cannot be, addressed through the chief executive officer or the finance director.

The chairman is responsible for ensuring that appropriate channels of communication are established between the chief executive officer (and the other executive directors) and shareholders, and for ensuring that the views of the shareholders are made known to the Board; this includes feedback prepared by the Group's brokers on meetings held with institutional shareholders.

Ninety One recognises the importance of ensuring effective communication with all of its stakeholders. An Integrated Annual Report and full year and half year presentations will be distributed to all shareholders and to other parties, who may have an interest in the Group's performance. This report, together with a wide range of other information, including regulatory announcements and current share price details, are made available on Ninety One's website at www.ninetyone.com.

Relationship with major shareholder

On listing of its shares on the LSE and the JSE in March 2020, Ninety One entered into a relationship agreement with its major shareholder Investec which (among other things) gives Investec the right to appoint a non-executive director to the Board. Fani Titi is the initial Investec appointee.

The directors believe that the terms of the relationship agreement enable Ninety One to carry on its business independently of the major shareholder.

Division of Responsibilities

Governance structure

This report details the governance arrangements in place at the time of listing, which was shortly prior to the financial year end on 31 March 2020. As set out in the Chairman's Introduction on page 58, from listing, Ninety One has operated under a DLC structure.

The nature of the DLC structure, the identical composition of the boards and single committee structure enables the effective management of the dual-listed companies as a single unified economic enterprise with due consideration being given to the interests of ordinary shareholders of both Ninety One plc and Ninety One Limited.

The governance framework of the DLC structure, as set out below, has been derived from, and is aligned to the requirements of the UK Code and King IV.

Governance framework

Ninety One plc	Ninety One Limited

Single unified economic enterprise

↓

DLC board of directors

Board Committees

DLC Audit and Risk Committee
- Oversees the Group's financial reporting and internal control and risk management framework
- Oversees the relationship with the external auditor
- Oversees the activities of internal audit
- Reviews and monitors the Group's key risks and risk appetite limits
- Reviews the Group's capital requirements

DLC Human Capital and Remuneration Committee
- Approves and monitors the level and structure of remuneration for the executive directors
- Approves annual performance objectives
- Reviews workforce policies, practices and remuneration

DLC Nominations and Directors' Affairs Committee
- Recommends board appointments
- Oversees succession planning
- Reviews composition, knowledge, experience and diversity of the board
- Oversees board evaluation

DLC Sustainability, Social and Ethics Committee
- Oversees the Group's strategy, commitments, targets and performance relating to safety, the environment and other sustainability matters
- Oversees social and ethical issues

DLC Disclosure Committee
Responsible for overseeing the prompt disclosure of inside information

Chief executive officer
Responsible for managing the business of the Group on a day-to-day basis in accordance with the strategy approved by the board.

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Executive management
Reporting to the chief executive officer, the executive management team is responsible for:

- Management of the Group's business on a day-to-day basis
- Developing the business and delivering on the board's approved strategy
- Managing and monitoring the financial and operational performance of the Group against budgets, forecasts and targets
- Managing the Group's risks and internal control mechanisms
- Providing leadership to the people of Ninety One

Board committees

The Board has established four common committees under the DLC structure: Audit and Risk, Nominations and Directors' Affairs, Human Capital and Remuneration, and Sustainability, Social and Ethics. The written terms of reference of the committees, including their objectives and the authority delegated to them by the Board, are available upon request from the Company Secretary or via the Group's website at www.ninetyone.com.

The Board also has a Disclosure Committee, which is responsible for monitoring, evaluating and enhancing disclosure controls and procedures within the Group. In particular, responsibilities set out in its terms of reference include the identification of inside information and maintenance of insider lists, the design, implementation and evaluation of disclosure procedures and the resolution of any questions concerning the materiality of certain information. The Disclosure Committee is also required to help the Group make timely and accurate disclosures of all information where disclosure is required to meet legal and regulatory obligations.

All committees have access to independent expert advice and the services of the Company Secretary. The chair of each committee reports to the Board. The constitution and terms of reference of each committee are reviewed annually to ensure that the committees are operating effectively, and any changes considered necessary are recommended to the Board for approval. The Board delegates daily management responsibility for the Group to the chief executive officer, who is supported by an executive management team. The chief executive officer is responsible for developing the business and delivering against a strategy approved by the Board and for ensuring effective management of day-to-day operations, risk and internal control mechanisms including that of its regulated and non-regulated subsidiary boards.

The chief executive officer has established a number of other management committees to assist with managing the Group's business. These committees are responsible for risk and audit matters across the Group. Further details regarding the structure of these committees is set out on page 51 of the Strategic Report.

Chairman and chief executive officer

The roles of the chairman and the chief executive officer are separate, clearly defined in writing and have been agreed by the Board.

Their roles and the roles of the finance director, the senior independent director, the non-executive directors and company secretary are described below.

Chairman

The Chairman, Gareth Penny, is responsible for leadership of the Board, ensuring its effectiveness in all aspects of its role as well as being responsible for its governance. He sets the tone for the Group and ensures that relationships between the Board, management and shareholders are strong. He also sets the agenda for the Board and ensures that sufficient time is allocated to important matters.

The key responsibilities of the chairman are:

- Chairing the Board and Nominations and Directors' Affairs Committee. Member of the Disclosure Committee and Sustainability, Social and Ethics Committee;
- Leading the Board, ensuring its effectiveness on all aspects of its role in directing the Group;
- Ensuring that the directors receive accurate, timely and clear information;
- Ensuring effective communication with shareholders;
- Acting on the results of the Board's performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of directors; and
- Facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.

Chief executive officer

The Chief Executive Officer, Hendrik du Toit is responsible for day-to-day running of the business and, alongside the chairman, provides leadership of the Group. He is also accountable to and reports to the Board.

The key responsibilities of the chief executive officer are:

- Chairing the Disclosure Committee, member of the Nominations and Directors' Affairs Committee and Sustainability, Social and Ethics Committee;
- leading the executive directors and the senior executive team in the day-to-day running of the Group's business in accordance with the Board's approved strategy;
- reviewing the strategic direction and operational performance of the Group; and
- ensuring that appropriate systems of risk management and internal control mechanisms are in place and operating effectively.

Finance director

The Finance Director, Kim McFarland, is responsible for finance and governance across the business, reporting directly to the chief executive officer.

The key responsibilities of the finance director are:

- All aspects of financial and capital reporting and governance;
- supporting and advising the chairman and the chief executive officer in the execution of the strategy; and
- ensuring the non-executive directors have access to management and documentation.

Senior independent director ("SID")

The SID, Colin Keogh, acts as a sounding board to the chairman and if necessary, serves as an intermediary between the other directors. He is available to shareholders if they have concerns when the normal channels via the chairman, chief executive officer and other executive directors, are not available.

The key responsibilities of the SID are:

- Chairing the Human Capital and Remuneration Committee and a member of the Audit and Risk Committee;
- chairing the Nominations and Directors' Affairs Committee when considering the succession of the chairman of the Board;
- developing effective working relationships with both executive and non-executive directors while having an awareness of any issues or concerns individual directors may have;
- leading the annual performance evaluation of the chairman, considering the views of both executive and non-executive directors and providing appropriate feedback to the chairman;
- all aspects of financial and capital reporting and governance;
- supporting and advising the chairman and the chief executive officer in the execution of the strategy; and
- ensuring the non-executive directors have access to management and documentation.

Non-executive directors

The non-executive directors are independent of management. Their role is to advise and challenge management, along with monitoring their success in delivering the agreed strategy within the risk appetite and control framework set by the Board. They are also responsible for determining appropriate levels of remuneration for the executive directors.

Company secretary

All directors have access to the services of the Company Secretary in relation to the discharge of their duties. The Company Secretary is responsible for working with the chairman to develop the agendas of the Board and committees and to ensure that all procedures of the Board are complied with. In addition, the Company Secretary supports the chairman in the design and delivery of the non-executive director induction programme. The Company Secretary is the secretary for the Board and its committees. The Company Secretary also advises the Board on corporate governance matters, applicable rules and relevant regulatory matters. The Board also obtains advice from professional advisors as and when required. The removal and appointment of the Company Secretary is a matter reserved for the Board's approval. The Board confirmed the experience and effectiveness of the Company Secretary on appointment.

Composition, Succession and Evaluation

Board composition

There is an appropriate combination of executive directors and non-executive directors on the Board such that no individual or small group of individuals can dominate the Board's decision-making. Prior to listing the Board comprised a non-executive chairman, chief executive officer, finance director and five non-executive directors. On listing and at 31 March 2020 the composition remained the same with a non-executive chairman, chief executive officer, finance director and five non-executive directors.

Board balance, independence and time commitment

The UK 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 Board regards all of the non-executive directors, other than Fani Titi, as "independent non-executive directors" within the meaning of the UK Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

On his appointment as Chairman, Gareth Penny did satisfy the independence criteria. However, following his appointment he is assumed, in accordance with the UK Code, not to be independent. The Board, while recognising the reasoning behind this assumption, has concluded that the Chairman is independent, being independent in character and judgement and being free from any relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

Appointments to the Board are the responsibility of the full Board. On joining the Board, the non-executive directors receive a formal appointment letter, which identifies the time commitments expected of them. The terms and conditions of appointment of the non-executive directors and service contracts of executive directors are available to shareholders for inspection at the Group's registered office during normal business hours.

The UK Code further recommends that directors should be subject to annual re-election. Ninety One intends to comply with this recommendation.

Board effectiveness

Due to the short period in the financial year for which Ninety One was listed, the Board has not carried out a board effectiveness review for the relevant period to 31 March 2020 but, in line with the requirements of the UK Code and King IV, intends to undertake, led by the chairman, a self-evaluation of its effectiveness in the current financial year ending 31 March 2021.

Election and re-election

All new directors are subject to election at the first Annual General Meeting ("AGM") following their appointment by the Board. Ninety One's Articles of Association and Memorandum of Incorporation also state that all directors are subject to election at every AGM.

The Board explains the reasons why it believes each director should be elected or re-elected in the notice of meeting for the next AGM. As referred to above, those directors who held office during the relevant period will be subject to election at the forthcoming AGM. The Board believes that its performance continues to be effective and that their election is also consistent with the Board's evaluation of the size, structure and composition of the Board.

Induction and professional development

On appointment all new directors receive a comprehensive and tailored induction, having regard to any previous experience they may have as a director of a public company or otherwise. Ninety One also provides additional induction materials and training for those directors who are committee chairs. The induction programme provided to Board members on appointment included:

- The culture of Ninety One;
- the structure and operation of a DLC;
- directors' duties and responsibilities under the UK and South African Companies Acts, UK and JSE Listing Rules, Disclosure and Transparency Rules as well as the UK Code and King IV;
- board charter and matters reserved for the Board;
- group structure charts;
- board committees, governance structure and terms of reference;
- constitutional documents;
- board meeting schedule and plans;
- risk management framework and the Internal Capital Adequacy Assessment Process ("ICAAP");
- share dealing rules;
- contact information for Board members and key staff; and
- meetings with executive management and the company secretary.

The Board receives detailed reports from executive management on the performance of Ninety One at its meetings and other information as necessary. Regular updates are provided on relevant legal, compliance, risk, corporate governance and financial reporting developments and directors are encouraged to attend external seminars on areas of relevance to their role.

Appropriate training will be provided to any newly appointed director and an ongoing programme of training is available to all members of the Board including professional external training, internal on-line training and bespoke Board training on relevant topics such as regulatory developments, ICAAP and cyber security. Directors are also encouraged to devote an element of their time to self-development. This is in addition to any guidance that may be given from time to time by the company secretary.

Diversity policy

The Board is committed to improving diversity in its membership and while new appointments continue to be based on skill, experience and knowledge, careful consideration will be given to diversity.

On 12 February 2020, the Board approved the introduction of a DLC Board Diversity Policy to be implemented in 2020. A diverse Board will include and make good use of differences in the skills, regional and industry experience, cultural background, race, gender and other distinctions between its members. Further information on Board appointments can be found in the Nominations and Directors' Affairs Committee report on page 70.

Compliance with the UK Code and King IV

The Board is committed to the highest standards of corporate governance. On and following listing, the Board was fully aligned and compliant with all applicable requirements of the UK Code and King IV save as described below:

- In relation to principles 8 and 10, King IV recommends that the nomination committee's members are all non-executive directors with the majority being independent and that the chief executive officer shall not sit on the nomination committee, however, from listing Hendrik du Toit has been a member of Ninety One's Nominations and Directors' Affairs Committee. See the explanation in the Nominations and Director's Affairs Committee report on page 71; and
- as referred to in the Chairman's Introduction on page 59 given how recently the listing took place and the short period of time that the Board has been fully established, an annual evaluation has not been carried out this year (Section 3.21 of the UK Code). Such evaluation will be conducted internally through a questionnaire-based process in the second half of 2020 and through the annual cycle thereafter. The Board also intends to comply with recommended practice in relation to King IV principle 9 by having an externally facilitated annual evaluation every two years.

DLC Nominations and Directors' Affairs Committee Report

Role and responsibilities

The committee's primary responsibility is to lead the process for the appointment of new members to the Board and in doing so ensuring that they bring the right skills, experience, knowledge and diversity to the Board. The committee is also responsible for regularly reviewing the size, structure and composition of the Board and leading the process for succession planning.

Meeting attendance

The committee will meet at least twice a year.

Member	Appointment date	Meetings eligible to attend	Meetings attended
Gareth Penny	19 November 2019	1	1
Idoya Basterrechea Aranda	19 November 2019	1	1
Hendrik du Toit	19 November 2019	1	1

Dear shareholders

I am pleased to present my first Nominations and Directors' Affairs Committee Report for the financial period to 31 March 2020.

The Board considers that having the appropriate range of high calibre directors is key to achieving Ninety One's strategic objectives and to providing appropriate oversight of regulatory matters and other risks facing the business. Achieving the right balance of skills, knowledge experience and diversity on the board in the interests of enhancing the Board's capabilities to deal with the growth of the business and an ever changing regulatory environment in which it operates, is of upmost importance.

Section 3.21 of the UK Code recommends an annual performance review of each committee. However, due to the committee only being established in late 2019 a performance evaluation for the year was not considered appropriate but an internal review will be completed in the next financial period and reported on in the next Integrated Annual Report.

The committee's duties and responsibilities are noted below but detailed fully in the committee's terms of reference, which are available to view on Ninety One's website at www.ninetyone.com. Further information on the activities of the Nominations and Directors' Affairs Committee are provided in the following report.

Gareth Penny
Chair of the Nominations and Directors' Affairs Committee

Committee membership and regular attendees

The committee is chaired by Gareth Penny and the formal members are Idoya Basterrechea Aranda and Hendrik du Toit, Gareth and Idoya are independent non-executive directors. The company secretary of Ninety One plc acts as secretary to the committee.

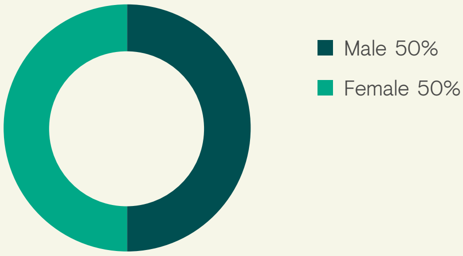
Every member of the Board is entitled to attend any committee meeting as an observer. However, the finance director, the head of human capital and general counsel will be invited to attend all meetings of the committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate or necessary.

The Board has applied the principles set out in the UK Code and King IV. Section 3.17 of the UK Code recommends that a majority of the members of a nomination committee should be independent non-executive directors. However, King IV recommends that all members of the nomination committee should be non-executive directors and that the chief executive officer should not sit on the nomination committee. Hendrik du Toit is a member of the committee, so in that regard Ninety One will not be compliant with King IV. The reason for this is due to the level of experience, continuity and corporate memory Hendrik brings to the committee as a founder of the business, especially given that the independent non-executive directors only joined during the final stages of the demerger process.

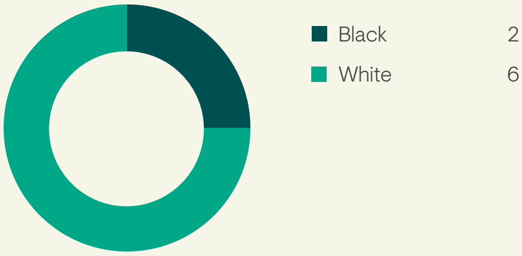
Board skills and experience

During the year the committee reviewed a directors' skills matrix detailing key expertise areas relevant to Ninety One's business. The matrix demonstrated that the Board has a breadth of experience across a large number of areas including financial services, financial markets, ESG, risk management and business ethics. The review also highlighted more limited experience with regard to the technology sector. The Ninety One Information Technology Team prepares regular Board reports and is able to provide comprehensive support to the Board when required but the committee will consider the skills needs again when appointing future directors.

Board composition by gender



Board composition by race



Key areas of responsibility

The committee was constituted prior to listing and operates under formal terms of reference. It has discharged its responsibilities both in the period prior to listing and post listing, up to and including the publication of the Integrated Annual Report in the following areas:

Responsibilities	Committee's activities
Composition of the Board	— Reviewed the size and composition of the Board and confirmed that it was appropriate for the DLC.
Board skills, experience and knowledge	— Prepared and considered a skills matrix for the Board detailing skills, knowledge, experience, geographical spread and diversity. The committee were comfortable with the make-up of the Board.
Committees' membership	— Considered the membership and appointment of the chair for each of the Board committees just prior to listing and recommended the appointments to the Board for approval; and — in particular, the committee considered the skills of the members of the Audit and Risk Committee and confirmed that they were sufficiently qualified and experienced to be elected at the forthcoming AGM.
Committees' terms of reference	— Approved the committees' terms of reference and annual agenda framework in readiness for listing.
Appointment of the SID	— Reviewed the skills and experience of the independent non-executive directors and agreed that Colin Keogh has the requisite skills required to be the SID.
Independence of the chairman and non-executive directors	— Reviewed and confirmed that the Chairman, Gareth Penny was independent on appointment and that the non-executive directors, Idoya Basterrechea Aranda, Victoria Cochrane, Colin Keogh, and Busisiwe Mabuza, were independent in character judgement and free from any relationship that might hinder that independence. With respect to Fani Titi, the committee confirmed that he was not independent due to his appointment as a director of a significant shareholder, Investec.
Board induction	— Approved the Board's induction policy. The committee also noted that a comprehensive and structured induction process had been provided to the Board based on life as a listed company; and — the induction had included inviting new directors to meet with senior members of the business and key external advisors.
Board development	— Discussed and agreed that continued development would be provided, particularly for new directors covering such items as Ninety One's business, its market environment, its people and its culture; and — the committee had agreed to keep abreast of other development areas where training may be required on regulatory, cyber, governance and economic changes.
Board diversity	— Reviewed and recommended the approval of the DLC Board Diversity Policy.
Election and re-election of directors	— Confirmed that it was satisfied that the composition of the newly appointed Board will drive effectiveness and recommended to the Board that each of the directors should stand for election (in accordance with the UK Code) at the 2020 AGM.
Succession planning	— Considered succession planning for the board of directors and senior management, considering the opportunities, challenges and future needs facing Ninety One in light of its strategic objectives.
Board and committees effectiveness	— Discussed and agreed, in support of the chairman, that it will lead an internally facilitated Board, committees and director evaluation process for 2020, the results of which will be discussed by the committee and the Board as outlined in the corporate governance statement for the financial year ending on 31 March 2021.

DLC Audit and Risk Committee Report

Role and responsibilities

The committee's primary responsibility is to oversee Ninety One's corporate financial reporting, internal controls and risk management framework and the relationship with the external auditor, including an assessment of the auditor's independence and objectivity.

Meeting attendance

The committee will, under normal circumstances, meet at least three times a year. However, the number of meetings this year reflects the fact that the committee was only established mid-way through the financial period in readiness for the demerger.

Member	Appointment date	Meetings eligible to attend	Meetings attended
Victoria Cochrane	19 November 2020	2	2
Idoya Basterrechea Aranda	19 November 2020	2	2
Colin Keogh	19 November 2020	2	2

Dear shareholders

Following the committee's formation in November 2019, I am pleased to present my first Audit and Risk Committee Report for the financial period to 31 March 2020.

The Audit and Risk Committee is a key governance function for Ninety One providing formal arrangements for considering how to apply financial reporting, risk management, internal control processes and oversight of the relationship with the auditor. It also advises the Board on any material current risk exposures, emerging risks and future risk strategy of Ninety One, including the strategy for capital and liquidity management, and the embedding and maintenance of a supportive risk management culture. This report details the committee's performance against its duties detailed in the terms of reference, which are available to view on the Ninety One website at www.ninetyone.com.

Section 3.21 of the UK Code recommends an annual performance review of each committee. However, due to the committee's recent establishment, a performance evaluation for the financial period was not considered appropriate but an internal evaluation will be completed during the financial year 2021 and will be reported on in the Integrated Annual Report 2021.

Victoria Cochrane
Chair of the Audit and Risk Committee

Key areas of responsibility

The committee was constituted prior to listing and operates under formal terms of reference. It has discharged its responsibilities both in the period prior to listing and post listing, up to and including the publication of the Integrated Annual Report in the following areas:

Responsibilities	Committee's activities
Annual report and financial statements	— Reviewed the integrity of the financial disclosures, the financial statements and the significant accounting policies; — ensured that the necessary information was included for shareholders to understand the business model and strategy and to assess Ninety One's financial position and performance; — reviewed significant judgements and accounting issues; — ensured that Ninety One had established appropriate financial reporting procedures and that those procedures were operating, which included consideration of all entities included in the consolidated group IFRS financial statements, to ensure that the firm had access to all the financial information to effectively prepare and report on the financial statements; — considered whether Ninety One's annual financial reports were fair, balanced and understandable; and — assessed the going concern and viability assessment.
Tax	— Reviewed and approved the firm's tax strategy and policy.
JSE proactive monitoring	— Reviewed the JSE's latest report from its proactive monitoring process setting out the results of its reviews of financial statements.
Finance director	— Reviewed the appropriateness of the expertise and the experience of the finance director and the wider Finance Team; and — confirmed that they were satisfied with the appropriateness of the expertise and experience of the finance director.
External audit	— Reviewed and approved the continued appointment, terms and fee of the external auditor; — received a detailed formal report on external audit findings for the financial year and management's response; — received information from the external auditor to enable assessment of the suitability for appointment of KPMG and designated partners; — reviewed the directors' letter of representation to the external auditor; — reviewed the policy and provision of non-audit services; — reviewed and confirmed the objectivity and independence of the external auditor; — reviewed the quality of the external audit, and the effectiveness of the External Audit Team; — considered the tenure of the external auditor and the external audit partners; and — met with the external audit partners without management present.
Internal audit	— Reviewed and approved the internal audit charter and annual internal audit plan; — received updates on the progress and status of internal audit reviews; and — reviewed the effectiveness of the Internal Audit Team.
Internal controls and risk management	— Reviewed the adequacy and effectiveness of the internal controls and risk management systems.
Risk and compliance	— Reviewed the principal risks and uncertainties; — reviewed the risk management framework, risk appetite statement, risk tolerances and risk reporting; — reviewed the compliance management framework and monitoring plan; — received a presentation on IT risk management; and — reviewed the adequacy and security of the Ninety One's arrangements for anti-money laundering, anti-bribery and corruption, anti-fraud and whistleblowing policies, IT risk controls and compliance monitoring.
COVID-19	— Discussed extensively the impact and the risks associated with the COVID-19 pandemic.
Capital and liquidity	— Reviewed the UK ICAAP; — reviewed the South African ORSA; and — reviewed the wind-down plan and Liquidity Risk Management Framework.
Committee terms of reference	— Reviewed and approved the committee's terms of reference and annual agenda framework.

Committee membership and regular attendees

The committee is chaired by Victoria Cochrane and the members are Idoya Basterrechea Aranda and Colin Keogh, who are all independent non-executive directors. The company secretary of Ninety One plc acts as secretary to the committee.

Every member of the Board is entitled to attend any committee meeting as an observer. However, the chief executive officer, finance director, head of finance, head of internal audit, representatives of the external auditor and senior risk and compliance personnel are invited to attend all meetings of the committee on a regular basis, and other non-members may be invited to attend all or part of any meeting, as and when appropriate or necessary.

The committee is constituted as a statutory committee as required by the South African Companies Act 2008. The committee's composition complies with the UK Code and King IV. Furthermore, it is a DLC committee of the Board in respect of other duties assigned to it by the Board.

Financial reporting

The committee has reviewed the integrity of the financial disclosures made in the Integrated Annual Report together with the letter of representation and reports from the external auditor, KPMG. The committee has reviewed whether suitable accounting policies have been adopted and has considered the significant accounting estimates and judgements applied as part of this process.

Significant accounting estimates and judgements

The preparation of the financial statements requires the application of certain estimates and judgements. Ninety One has not identified any significant judgements and estimates in respect of each reporting period that require separate disclosure in the financial statements. 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 assets/obligations. Management do not expect changes in assumptions to lead to a material adjustment in future periods in these areas and full details are set out in the financial statements.

Areas of either estimation or judgement not considered to be significant, but which were reviewed by the committee in respect of the 31 March 2020 financial statements are set out below. Each of these areas is assessed by the committee based on reports prepared by the Finance Team. The external auditor, considered each estimate and judgement and presented their conclusions to the committee.

Basis of consolidation

Ninety One consists of two separate legal entities, being Ninety One plc and Ninety One Limited, that operate under a DLC structure as a result of legally binding agreements that became effective at the point of demerger. The effect of the DLC is that Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS.

IFRS does not specifically provide guidance on how to account for such structures and hence judgement is required when applying the consolidation principles of IFRS 10 Consolidated Financial Statements. The directors of Ninety One plc and Ninety One Limited, having assessed the legal agreements referred to above and the requirements of IFRS 10, have concluded that Ninety One's financial statements represent the consolidation of the assets, liabilities and the results of Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates. Subsidiaries are consolidated from the date Ninety One obtains control and are excluded from consolidation from the date which Ninety One loses control.

The committee considered the principles of consolidation at length in the preparation of the Prospectus/pre-listing statement ahead of Ninety One's listing in March 2020 and are satisfied that appropriate consolidation principles have been applied in preparing the 31 March 2020 financial statements in accordance with IFRS.

Lease assets and liabilities

IFRS 16 became effective for periods beginning on or after 1 January 2019. The new standard removes the distinction between operating and finance leases and requires the recognition of a right-of-use asset and corresponding liability for future lease payments. Ninety One has elected to use the modified retrospective approach and therefore has not restated comparative information in preparing the 31 March 2020 financial statements, as permitted under the specific transitional provisions in the standard.

The committee reviewed the impact of IFRS 16 and key judgements, including the determination of lease terms and identification of appropriate discount rates used in the calculation of lease liabilities. The committee agreed with the discount rates recommended by the Finance Team and the estimation and judgement required to determine the incremental borrowing rates.

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 Ninety One and therefore are not expected to recur frequently or regularly. Such items have been separately presented to enable a better understanding of Ninety One's operating performance. Exceptional items relate primarily to:

- The costs incurred as part of the demerger and listing of Ninety One in March 2020; and
- the impact of reversing staff expense accruals to fund the investment into the new Ninety One share schemes in March 2020, net of the share scheme expenses which are amortised over the vesting period of the awards under IFRS 2.

The committee reviewed the exceptional items proposed by the Finance Team for the period and agreed that they met the principles for treatment as exceptional items.

Alternative performance measures ("APMs")

APMs have been separately presented to enable a better understanding of Ninety One's operating performance.

The use and disclosure of APMs in the Integrated Annual Report was reviewed by the committee and was found to be appropriate, with clear definitions and explanations.

Tax strategy

The committee has reviewed and approved Ninety One's tax strategy noting the low appetite for tax risk. This has been made publicly available on the Ninety One website.

Viability statement

The committee has assessed the viability of Ninety One over a three year period to 31 March 2023 on behalf of the Board and discussed Ninety One's current financial position, its liquidity and any risk to its future liquidity, its capital surplus position and, for the financial statements for the year ended 31 March 2020, the impact of COVID-19. It has also reviewed the statements made in the Integrated Annual Report to ensure that they comply with disclosure requirements. Details of the assessment can be found following the Financial Review on pages 48 to 49.

The committee recommended to the Board that the viability statement be approved.

Fair, balanced and understandable

The committee has considered on behalf of the Board whether the Integrated Annual Report for the year ended 31 March 2020, taken as a whole, is fair balanced and understandable and whether the disclosures are appropriate. As part of that process and in justifying this statement the committee has taken into account:

- The robust process in place, led by the Investor Relations Team, to create the Integrated Annual Report working with appropriate internal teams who have worked together to prepare the report, including members of the Company Secretariat, Legal, Risk, Internal Audit, Human Capital, Finance and Marketing teams;
- the early involvement of the committee in the preparation of the report which enabled it to provide input into the overall messages and tone;
- the input provided by senior management and the process of review, evaluation and verification to ensure balance, accuracy and consistency;
- a review of the full document to ensure the information provided and the language used were accurate, there was consistency between the front and back sections of the report and user-friendly language was used throughout;
- assurance on each section in advance of the sign off by the committee;
- the reviews conducted by external advisors appointed to advise on best practice; and
- the final sign-off process by the Board.

Risk and internal controls

The Board has overall responsibility for Ninety One's system of internal controls, the ongoing monitoring of risk and internal control systems and for reporting on any significant failings or weaknesses. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve Ninety One's strategic objectives and can only provide reasonable assurance against material misstatement or loss. The Board has delegated responsibility to the committee for monitoring and reviewing the effectiveness of the risk and internal control framework.

The internal control framework is based on the "three lines of defence" model. Risk management is the responsibility of the management who constitute the "first line". Oversight and guidance are provided by the "second line" through the risk management and compliance functions. Independent oversight of the internal controls of the business is the responsibility of the "third-line", the Internal Audit Team.

The head of internal audit reports to the committee, to ensure its independence from the business and internal audit it is subject to an effectiveness review on an annual basis.

Both the Internal Audit Team and the Compliance Monitoring Team perform a number of audits during the year covering the adequacy of controls and compliance with regulation. Results from these assurance activities are reported to executive management and to the Board and are shared for action with the relevant teams. In satisfying the requirements to ensure Ninety One has adequate and effective systems of internal controls and risk management, and taking into account the assurance provided by risk, compliance and internal audit functions, the committee has:

- Reviewed the adequacy and effectiveness of internal controls, financial controls, risk management framework and infrastructure as well as the internal control statements in the Integrated Annual Report;
- considered reports on a range of factors when determining the key risks and uncertainties faced by Ninety One. These included assessments of Ninety One's capital position and process for the production of Ninety One's internal capital assessments. Further information can be found in the Risk Management section of the Strategic Report set out on pages 50 to 57; and
- reviewed the effectiveness of the anti-money laundering, anti-bribery and corruption, anti-fraud and whistleblowing policies, IT risk controls and compliance monitoring.

The committee was content with the effectiveness of Ninety One's processes governing financial and regulatory reporting and controls, its culture, ethical standards and its relationships with regulators. The committee was also satisfied with the appropriateness and adequacy of the risk management arrangements and supporting risk management systems including: the risk monitoring processes, internal controls framework and the three lines of defence model.

Internal audit

In anticipation of the demerger from Investec, Ninety One established its own Internal Audit Team from 1 October 2019, covering all geographies in which Ninety One operates by using a risk-based methodology. Previously, internal audit work was performed by Investec's internal audit teams.

Internal audit complies with the International Standards for the Professional Practice of Internal Auditing and will be subject to an independent Quality Assurance Review ("QAR") at appropriate intervals. The first QAR will take place in the financial year 2026. The terms of reference for internal audit are set out in the internal audit charter which the committee approved.

Annually, internal audit compiles a risk-based audit plan, which is assessed and validated by management and approved by the committee. The annual internal audit plan is reviewed regularly to ensure it remains relevant and responsive, as a result of changes in the industry, the regulatory and operating environment. All changes to the plan are approved by the committee. Significant control weaknesses are reported in terms of an escalation protocol to Ninety One's specialised sub-risk committees, where remediation procedures and progress are considered and reviewed by management. The committee receives a report on significant control issues and actions taken by management to remediate risks. Internal audit has unrestricted access to all Ninety One documentation, functions and employees as required, to enable it to perform its functions.

Internal audit proactively reviews its practices and resources for adequacy and appropriateness to meet corporate governance and the regulatory requirements. The Internal Audit Team comprises well-qualified, experienced staff to ensure that the function has the competence to meet Ninety One's requirements. Where specialist skills are required, these are obtained from third parties. Internal audit liaises with the external auditors and with Ninety One's risk management and compliance teams providers, to enhance efficiencies in terms of integrated assurance.

The committee has the responsibility to assess that internal audit has adequate resources and continues to be effective within its remit. The appointment and removal of the head of internal audit is the responsibility of the committee. A questionnaire based procedure to monitor and review internal audit's effectiveness using feedback from the board and senior management has been established.

External auditor

The committee has responsibility for overseeing the relationship with the external auditor, KPMG, as well as ensuring its independence and objectivity. The committee has approved the external auditor engagement letter, audit fee and audit plan, including materiality levels. The committee has reviewed arrangements for ensuring the external auditor's independence and objectivity, including the external auditor's fulfilment of the agreed audit plan.

A full assessment of the quality and effectiveness of KPMG's FY 2020 audit was considered by way of a questionnaire completed by key stakeholders in accordance with the FRC's guidance on assessing audit quality. The findings from this questionnaire were presented to the committee in May 2020. During the year, the committee also discussed the periodic UK FRC's and South African Independent Regulatory Board for Auditors' audit quality review findings, performed during the ordinary course of business, and root cause analysis performed by KPMG. The committee has concluded that external audit and the external audit process was effective.

Tenure of external audit

This is the first year KPMG have been the auditors of Ninety One. Jatin Patel is the lead partner for the UK and Gawie Kolbe is the lead partner for South Africa. They have demonstrated appropriate qualifications and expertise and have remained independent of the Group. However, to meet UK requirements, the committee will undertake a tender process during the year ending 31 March 2021.

Non-audit fees

The committee reviewed and approved the non-audit services policy noting that it was the Group's intention not to utilise KPMG for the provision of non-audit services, other than in rare circumstances which would require approval by the finance director and the committee chair. KPMG as a firm has taken the decision going forward not to engage in non-audit services for any of their clients. However, the committee noted that there were exceptions to this in that certain services provided by the auditors were classed as non-audit but were not considered to impact on their independence as they are closely linked to their statutory audit responsibilities. These exceptions include the audit of the interim financial statements, the Dual AAF 01/06 and ISAE 3402 controls reporting, and regulatory reporting (including in respect of the FCA Client Money and Asset Rules), where KPMG would continue to provide these services. It was also noted that fund audits were separate and not considered to be part of this assessment.

Fees paid to KPMG for non-audit work during the year amounted to £1,941,855 of which £1,043,000 related directly to the demerger from Investec, £604,947 related to mandated assurance reporting of regulated subsidiaries, £238,908 related to tax advisory services and £55,000 related to other non-audit services. Fees for the statutory audit for the year were £1,607,461. Investec paid £1,691,000 of the above fees as they related directly or indirectly to the demerger.

DLC Sustainability, Social and Ethics Committee Report

Role and responsibilities

The committee's primary responsibility is to oversee sustainability, social and ethical commitments, targets and performance of the Group.

It provides guidance in relation to sustainability matters generally, reviewing and updating Ninety One's framework of sustainability policies and strategies, ensuring they are aligned with global best practice. Our approach to sustainability is set out in the Strategic Report on pages 32 to 40.

Meeting attendance

The committee will, under normal circumstances, meet at least four times a year. However, the number of meetings this year reflects the fact that the committee was only established mid-way through the financial period in readiness for the demerger.

Member	Appointment Date	Meetings eligible to attend	Meetings attended
Busisiwe Mabuza	19 November 2019	1	1
Gareth Penny	19 November 2019	1	1
Hendrik du Toit	19 November 2019	1	1

Dear shareholders

Following the committee's formation in November 2019, I am pleased to present my first Sustainability, Social and Ethics Committee Report for the financial period to 31 March 2020.

The committee plays a critical role in monitoring Ninety One's ability to create value and contribute to the health of our economies, our people, our communities and the shared environment. We recognise that economic growth and societal transformation are vital to creating a sustainable future for all the communities in which we operate and that we play a meaningful role in enabling this.

Ninety One also recognises the contribution each employee makes towards the success of the Group. Our aim is to promote a non-biased safe working environment for all our workforce to enable each employee to flourish. We are committed to reviewing our practices around creating a fair, diverse and inclusive working environment. For further information in regard to Ninety One's approach to corporate sustainability, social and ethics please refer to pages 32 to 40.

This report details the committee's performance against its duties, as detailed in its terms of reference, for the brief period that Ninety One has been listed. The committee's terms of reference are available to view on Ninety One's website at www.ninetyone.com.

Section 3.21 of the UK Code recommends an annual performance review of each committee. However, due to the committee's recent establishment, a performance evaluation for the financial period was not considered appropriate but an internal evaluation will be completed in late 2021 and reported on in the Integrated Annual Report 2021.

Busisiwe Mabuza
Chair of the Sustainability, Social and Ethics Committee

Committee membership and regular attendees

The committee is chaired by Busisiwe Mabuza, an independent non-executive director and the members are Gareth Penny who is an independent non-executive director and Chairman of the Group and Hendrik du Toit who is the Chief Executive Officer. The company secretary of Ninety One plc acts as secretary to the committee. In accordance with King IV recommended practice, the majority of the members of the committee are independent non-executive directors.

Every member of the Board is entitled to attend any committee meeting as an observer. However, the finance director, the head of human capital and general counsel will be invited to attend all meetings of the committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate or necessary.

The committee is constituted in accordance with the South African Companies Act No. 71 of 2008 read with Regulation 43 of the Companies Regulations, 2011 and recommendations of King IV.

Schedule of topics

During the reporting period, at the committee's request, management have formulated a revolving schedule of topics to focus on at each meeting. These topics are based on a comprehensive matrix of matters relating to the committee's areas of responsibility. The resulting matrix is a key tool to ensure that the committee meets its monitoring obligations.

The committee chair regularly reports to the Board on the work and output from meetings and provides any necessary recommendations or advice on matters of direct relevance to the deliberations of the Board.

Key areas of responsibility

The committee was constituted prior to listing and operates under formal terms of reference. It has discharged its responsibilities both in the period prior to listing and post listing, up to and including the publication of the Integrated Annual Report in the following areas:

Responsibilities	Committee's activities
Sustainability	— Reviewed the Group's global sustainability framework and strategy to: · **Invest:** Investing in strategies which incorporate ESG processes and offering sustainable investment solutions; · **Engage:** Seeking to lead the conversation on sustainable investing; and · **Inhabit:** Running the business responsibly and acting sustainably.
Social and economic development (including human rights)	— Reviewed the Group's standing in terms of the goals and purposes of the 10 principles set out under the United Nations Global Compact Principles (UNGC) and noted that the Group remains committed to these principles with respect to human rights, labour, environment and anti-corruption; — reviewed and approved the Group's human trafficking and modern slavery statement; and — reviewed the Organisation of Economic Co-Operation and Development (OECD) recommendations regarding corruption.
The South African Employment Equity Act	— Reviewed Ninety One's compliance with the relevant legislation and progress made against employment equity plans; — reviewed diversity across the Group and considered any regulatory developments in this regard; — supported management's efforts to build a diverse organisation and maintain a diverse talent pipeline; and — satisfied itself that the Group did take the appropriate measures in order to comply with the relevant legislation.
The South African Broad-Based Black Economic Empowerment Act (B-BBEE)	— Reviewed compliance with the relevant legislation; — received and reviewed detailed information on recent developments with respect to the Department of Trade and Industry Codes, the Financial Sector Charter and the scorecards; and — reviewed empowerment rating and discussed with management how to improve the rating.

Corporate citizenship	— Reviewed the various initiatives and elements of good corporate citizenship across the Group's promotion of equality, prevention of unfair discrimination and reduction of corruption, including transformation policies and strategies, and social responsibility policies and strategies; — contributing to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; — recording sponsorship, donations and charitable giving; and — monitoring the COVID-19 response.
Environment, health and public safety	— Reviewed the Group's impact on the environment, health and public safety, including the impact of Ninety One's activities and of its products or services; and — reviewed the performance relating to CO_2 emissions and carbon-based energy.
Consumer relationships	— Considered consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws.
Labour, employment issues and workforce engagement	— Reviewed the Group's standing in terms of the International Labour Organisation Declaration on Fundamental Principles and Rights at Work; — reviewed the Group's investment in significant opportunities for the development of its leaders and employees; — reviewed the Group's employment relationships and its contribution towards the educational development of its employees; — reviewed culture and ethics with respect to its employees; — confirmed the appointment of Colin Keogh as the independent non-executive director responsible for interfacing with the workforce in compliance with the requirements of the UK Code on workforce engagement; — reviewed and approved the workforce engagement programme; and — received updates on the workforce engagement programme.
Culture and ethics	— Reviewed and satisfied itself that the Group's culture and ethical values had a positive impact on the success of the Group and wellbeing of local communities, the environment and on overall macroeconomic stability.
Whistleblowing	— Reviewed the Whistleblowing Policy and programme for staff to raise issues of potential impropriety, with the Audit and Risk Committee.

DLC Human Capital and Remuneration Committee Report

Role and responsibilities

The committee is responsible for determining and developing the Group's policies for remuneration of the chairman of the Board, the Executive Directors and senior executives. In determining such policies, the committee will have regard to the need to attract, retain and motivate directors and senior executives of the quality required to run the Group successfully in a way that promotes its strategy and long term success.

Meeting attendance

The table below lists the members of the committee during 2020 and the number of meetings they attended in the financial year 2020. Two meetings of the committee took place during the financial year 2020.

Member	Appointment Date	Meetings eligible to attend	Meetings attended
Colin Keogh	19 November 2019	2	2
Idoya Basterrechea Aranda	19 November 2019	2	2
Busisiwe Mabuza	19 November 2019	2	2

Dear shareholders

I am pleased to present our Directors' Remuneration Report for the financial year 2020, which includes our first Directors' Remuneration Policy ("the Policy") submission for your approval since Ninety One's demerger from Investec.

Ninety One's listing as an independent business on the LSE and JSE took place on 16 March 2020, and was the culmination of nearly 30 years of the visionary stewardship of Hendrik du Toit and Kim McFarland, the Executive Directors of Ninety One.

Under their leadership, Ninety One retains a long-standing and highly motivated management team, which has together delivered record earnings in the financial year 2020. While the COVID-19 pandemic continues to pose logistical, economic and market challenges, Ninety One is a resilient business, supported by our high quality client relationships, diverse investment offering and our unique "owner-culture".

Committee membership and regular attendees

The committee is chaired by Colin Keogh, and the members are Idoya Basterrechea Aranda and Busisiwe Mabuza, who are all independent non-executive directors. The company secretary of Ninety One plc acts as secretary to the committee.

Every member of the Board is entitled to attend any committee meeting as an observer. In addition, the chief executive officer, the finance director, the head of human capital and external advisors may be invited by the committee to attend all or part of any meeting, as and when appropriate or necessary. Notwithstanding this, no person shall be involved in any decisions as to their own remuneration.

The committee is constituted in accordance with the JSE Listing Requirements, the UK Code and King IV. The committee's composition complies with the UK Code and King IV. Furthermore, the committee is a DLC committee of the Board in respect of other duties assigned to it by the Board.

Major decisions of the committee

Since the committee formed in February 2020, it has focused its work on finalising the transitional remuneration arrangements for the Executive Directors for the financial year 2020 and formulating the Policy, which is intended to apply from the financial year 2021 onwards. I have set out below a summary of our approach and further details of the Policy can be found on pages 86 to 94.

Formulating the Policy

Prior to Ninety One's listing, the committee developed a framework for remunerating the Executive Directors, the principles of which were set out in our Prospectus. In developing the Policy, the committee has considered both external guidance and factors specific to Ninety One.

External guidance:

- Market practice and peer data;
- advice from our independent remuneration advisors, Deloitte LLP;
- advice from legal counsel, being Linklaters LLP and ENSafrica; and
- corporate governance standards in the UK and South Africa.

In addition, the committee has specifically consulted with shareholders to obtain their views on the Policy.

Factors specific to Ninety One:

- The committee recognises the instrumental roles the Executive Directors have played in founding and growing this business over a period of almost three decades, as well as their unique and enduring roles in ensuring the stability and development of Ninety One's senior management team, which will support the continuity of Ninety One's long-term strategy and ultimately deliver value for shareholders.

  This was a fundamental consideration in setting the fixed remuneration levels and the variable remuneration opportunities under the Policy.
- The Executive Directors have significant equity exposure to Ninety One via their participations in the Marathon Trust (being equivalent to 1.93% in the case of Hendrik du Toit, and 1.25% for Kim McFarland, as at 31 March 2020).

  This was a fundamental consideration in the structural design of the Policy.

The committee was further guided by the following key principles:

Simplicity, clarity and alignment with existing remuneration philosophy

Ninety One strives to attract and retain the highest calibre individuals who enjoy a sense of responsibility and ownership. In support of this objective, Ninety One has long-standing remuneration structures in place for the wider workforce which are clear and simple, and which also promote and protect Ninety One's unique employee ownership and culture. These structures have been designed and implemented to align employee interests with those of shareholders and clients, while supporting the long term sustainability of the business, and our culture of good conduct and risk management.

We attach considerable importance to simplicity and clarity and believe it is important that the Policy is aligned with Ninety One's existing remuneration philosophy. To this end, the Policy proposes only two pay components, namely fixed remuneration and a single annual variable remuneration award.

Competitive remuneration levels

Remuneration levels at Ninety One reflect both our pursuit of excellence and commitment to organic business building. In setting remuneration levels, truly exceptional contributions are rewarded, recognising our competitive positioning alongside local and international peers, including those that are privately held.

Fixed remuneration levels reflect the relative skills and experience of the Executive Directors. The current Executive Directors will not receive any pension benefits, and their employee benefits will be in line with the wider UK workforce. As set out in the Prospectus, the Executive Directors will each receive fixed remuneration equal to 50% of the annual fixed remuneration which they received as executive directors of Investec, in line with typical asset management pay structures where a greater emphasis is placed on variable remuneration.

Variable remuneration opportunities under the Policy are capped at 800% of fixed remuneration, and in setting this cap the committee specifically considered historical remuneration levels of the Executive Directors at Ninety One, industry benchmarks for both listed and unlisted peers and remuneration levels of other senior management at Ninety One. The proposed award opportunities also reflect the instrumental roles the Executive Directors have played in founding and growing this business over a period of almost three decades, as well as their unique and enduring roles in ensuring the stability and development of Ninety One's senior management team, which will support the continuity of Ninety One's long term strategy and ultimately deliver value for shareholders. Maximum variable remuneration outcomes will only be awarded for the achievement of stretching financial and non-financial performance, in line with Ninety One's long term strategy.

The current operating environment has presented challenges for the committee in setting performance targets under the Policy. In this regard, the committee has been guided by the importance of ensuring that performance and remuneration outcomes are aligned. The committee therefore devoted significant energy to identifying a range of performance and remuneration outcomes which would ensure that the Executive Directors continue to be incentivised to deliver long-term value for shareholders, in the context of this challenging environment and market expectations. Market volatility and uncertainty are expected to persist for the foreseeable future, which may have a significant impact on Ninety One's future performance. Notwithstanding the targets set, the committee retains discretion under the Policy to apply its judgement when determining final remuneration outcomes, to ensure that these are clearly linked to performance achieved and also reflect the shareholder experience.

Link to strategy and long term alignment with shareholders

The Policy for Executive Directors has been formulated by the committee to closely align with the overall remuneration philosophy at Ninety One, while recognising shareholder expectations for a listed company. The reason for selecting a single incentive model over the more widely used long term and short term incentive structure is the considerable alignment that already exists between the Executive Directors and shareholders, principally through their significant equity exposure to Ninety One via their participations in the Marathon Trust.

Ninety One is committed to profitably growing and continuing to create long term shareholder value through the consistent quality of our client servicing and differentiated investment offering.

The committee will select measures and targets which are aligned with our strategic priorities, in order to incentivise the Executive Directors in a way that will deliver value over the long term in line with our purpose. The committee has created this long term incentivisation by setting the lifespan of any one award at eight years, being the period from the start of the performance period through to the end of the required holding period for that award.

Policy summary

For the purposes of the Policy, the committee has proposed the Executive Incentive Plan (the "EIP"), under which each of the Executive Directors will be eligible to receive an annual single incentive award, which has both long term and short term elements. The long term element will comprise 55% of the award and be subject to performance assessment over three financial years, on a trailing basis, while the short term element will comprise 45% of the award and be subject to performance assessment over the most recent financial year.

The award will be based 75% on financial/quantitative performance (comprising 55% long term performance and 20% short term performance) while 25% of the award will be based on non-financial/qualitative performance (all short term performance). For both long term and short term financial performance, the measures will include adjusted earnings per share ("Adjusted EPS") (50% weighting), net flows (12.5% weighting) and investment performance (12.5% weighting). The targets for the performance measures will be set annually by the committee for the relevant performance periods. The targets applicable to the financial measures may differ between the long term and short term performance elements, considering the financial performance outlook for Ninety One.

The committee believes that the financial measures chosen are consistent with the overall strategy of Ninety One. In particular, Adjusted EPS is the single most important indicator of business performance and has been weighted accordingly. Net flows and investment performance are also key drivers of value creation. The non-financial measures chosen each year by the committee will ensure an appropriate focus on strategic progress, sustainability, risk management, client outcomes, people and culture.

Up to 50% of the award will be payable in cash following the end of the financial year, and at least 50% will be deferred into Ninety One shares for three years. Following the end of the deferral period, deferred awards will normally be subject to a further two-year holding period, with 50% released four years after award and 50% released five years after award. Awards will be subject to malus and clawback provisions.

Corporate governance

The committee is satisfied that the Policy meets the requirements of corporate governance codes in both the United Kingdom and South Africa. In particular, the Policy incorporates features which enhance the positive alignment between the Executive Directors and shareholders. Further, the committee has been mindful of shareholder guidelines on remuneration and will continue to take these into account in fulfilling our duties in relation to remuneration for the Executive Directors and for the wider workforce.

Executive remuneration outcomes for the financial year 2020

For the financial year 2020, Ninety One's two Executive Directors were remunerated as described in the Prospectus. This includes fixed remuneration and an award of variable remuneration made in recognition of their contribution to the successful rebranding and demerger of Ninety One from Investec, together with Ninety One's strong financial performance in the financial year 2020. Further detail is set out in the Annual Report on Remuneration.

The committee recognises that both Executive Directors are eligible to receive variable remuneration in respect of their services as directors of Investec during the financial year 2020, as described in the Prospectus. In determining the Ninety One remuneration outcomes for the financial year 2020, the committee was mindful of these entitlements and determined outcomes in this context.

Overview of executive remuneration for the financial year 2021

For the financial year 2021, no increases are proposed to the fixed remuneration for either of the Executive Directors. In relation to variable remuneration, the single incentive model proposed will measure performance relative to stretching targets across a range of financial and non-financial measures.

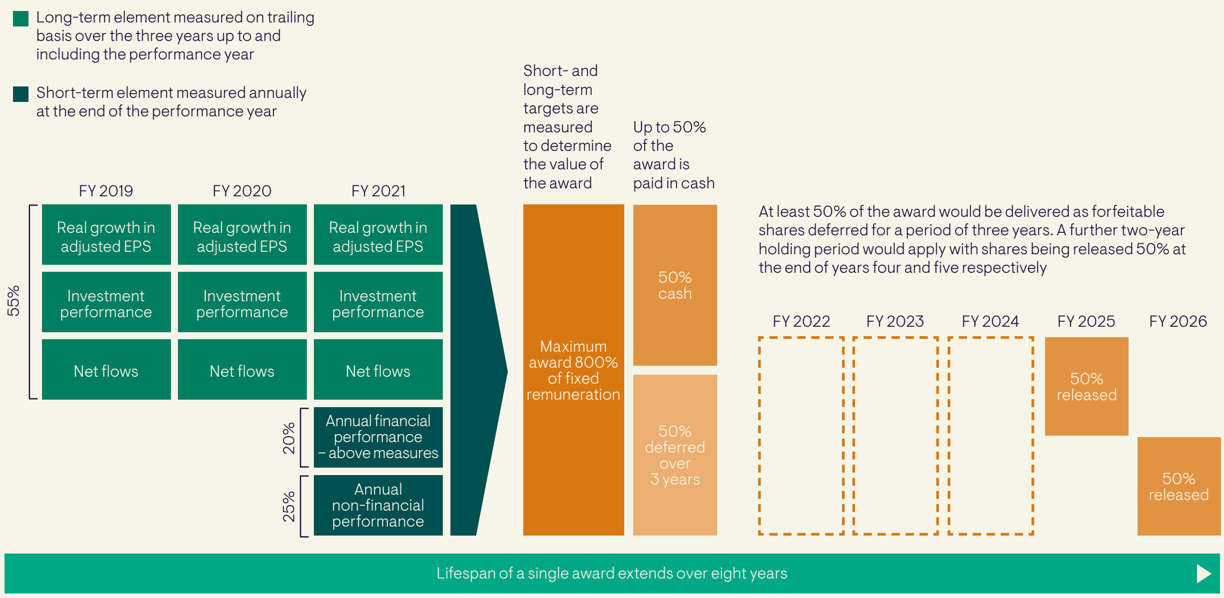
While the framework for the single incentive model is formulaic, the committee will retain discretion to consider performance holistically and adjust formulaic outcomes to ensure that final remuneration awards are aligned with the sustainable performance of Ninety One and our purpose to deliver value over the long term.

The committee believes that the 2020 executive remuneration outcomes are aligned with the interests of shareholders and that the Policy will incentivise the Executive Directors over both the long and short term, which will support the continuity of Ninety One's long term strategy and ultimately deliver value for shareholders. I hope that you will vote in support of the proposed resolutions at our AGM on 3 September 2020.

Colin Keogh
Chair of the Human Capital and Remuneration Committee

Illustration of the EIP

The graphic below illustrates the operation of the EIP for the award to be granted in respect of the financial year 2021, which is described in detail in the Policy, set out on the pages that follow.



Directors' Remuneration Policy

Introduction and key principles

It is intended that the Policy takes effect from 3 September 2020, the date of the AGM, subject to shareholder approval of the Policy and associated plan rules.

At Ninety One, we seek to attract and retain the highest calibre individuals who enjoy a sense of individual responsibility and ownership. Results and relationships remain at the core of our thinking. Our approach to remuneration is that it is an important (but not the only) part of our employee value proposition – designed to attract, retain and motivate staff and to reinforce the behaviours needed to support our culture and values over the short term and long term in a risk conscious manner. Integral to the determination of remuneration levels is the commitment to our culture in the pursuit of excellence for our clients within an effective risk management environment.

Ninety One's remuneration policies are clear and transparent - they are designed and implemented to align employee interests with those of all stakeholders including our shareholders and clients, and to support the long term success of our business.

The Policy has been formulated within the framework of Ninety One's overall remuneration philosophy described on page 94. Under the Policy, the performance of the Executive Directors will be assessed against financial and non-financial measures which are key drivers of Ninety One's success.

The Policy has been developed over the course of a number of committee meetings between February 2020 and May 2020, taking into account market data and competitor practice, corporate governance requirements and shareholder expectations.

The Policy supports the long term success of our business by adhering to the following principles, in line with corporate governance requirements:

- It is simple, fair and transparent, with clear links between Ninety One's strategy and remuneration outcomes.
- It is designed to promote our culture and values, with an emphasis on risk management and conduct.
- It aligns interests of Executive Directors with those of shareholders and clients.
- It emphasises the importance of non-financial drivers for Ninety One's long term success.
- Remuneration levels reflect our pursuit of excellence for our clients and our commitment to organic business building.

Executive Directors – policy table

The Executive Directors' remuneration has two main components, being fixed remuneration and variable remuneration in the form of an annual single incentive award. A single incentive award was deemed appropriate given the significant direct and indirect shareholdings of the Executive Directors in Ninety One. The Executive Directors are also eligible to participate in HMRC-registered all-employee share plans. The following table sets out the Policy in relation to these components. Full details of how the committee intends to apply the Policy in the financial year 2021 are contained in the Annual Report on Remuneration.

Element and link to strategy	Operation	Opportunity	Performance
Fixed remuneration			
Fixed remuneration reflects the relative skills and experience of, and contribution made by, the individual. Fixed remuneration is set at levels that allow us to attract and retain executives with the necessary skills and experience to deliver strategic objectives.	Fixed remuneration is delivered in cash (base salary), with a portion sacrificed to fund benefits. Fixed remuneration will be reviewed annually. Factors considered in any review would include: the size and scope of the role, business and individual performance, affordability, increases for the wider workforce and peer comparisons. Fixed remuneration adjustments would typically be effective from 1 April.	The current fixed remuneration for the chief executive officer is £666,000 per annum and £533,000 per annum for the finance director. There is no overall maximum opportunity or increase. However, in awarding any increase, the committee will be mindful of any relevant factors, which may include increases for the wider workforce or changes in scope of role.	Individual performance will be taken into consideration when awarding any increase in fixed remuneration.
Pension			
The current Executive Directors are not entitled to any pension benefits. Any new Executive Directors may be entitled to pension benefits in line with those generally offered to the wider workforce in the location in which they are employed.			
Benefits			
To provide a market competitive level of fixed remuneration that allows us to attract and retain executives with the necessary skills and experience. Benefits reflect local market practice and support health and wellbeing.	Ninety One offers a range of benefits which currently includes private medical insurance, disability insurance and life cover, which are the benefits generally offered to all Ninety One employees in the UK. The benefits provided may be subject to amendment from time to time by the committee within the Policy. In addition, Executive Directors are eligible for other benefits which are introduced for the wider workforce, on broadly similar terms.	These benefits are funded by each of the Executive Directors sacrificing a portion of their fixed remuneration. The value of benefits is dependent on each Executive Director's individual circumstances. The committee has therefore not set a maximum monetary value for this component of fixed remuneration, save that the aggregate of cash and benefits will not exceed the value of fixed remuneration.	Not applicable

Element and link to strategy	Operation	Opportunity	Performance
EIP			
Annual single incentive award which rewards the delivery of key financial and non-financial objectives which are consistent with Ninety One's strategy and are measured over both long term and short term periods. Enhances Executive Directors' alignment with shareholders via appropriate performance measures and through deferral into Ninety One shares.	The EIP will reward performance, assessed against financial/quantitative and non-financial/qualitative measures, over the current year and the preceding three-year period. The committee will set the long term and short term performance measures, targets and the weighting annually to reflect the key financial and strategic priorities for Ninety One. Performance conditions will be determined and set subject to the following parameters: – Not less than 75% of the overall award will be based on financial performance measures, and – Not less than 55% of the overall award will be based on long term performance. Award outcomes will be assessed annually following year end, and will be based on a formulaic application of the Policy, with the committee retaining discretion to consider performance holistically and adjust formulaic outcomes to ensure that final remuneration awards are aligned with the sustainable performance of Ninety One and our purpose to deliver value over the long term. Up to 50% of each award will be paid in cash, with the remaining amount (being at least 50% of the award) deferred into an award of Ninety One shares, which will be entitled to receive dividends or dividend equivalents. Deferred awards will vest in full three years after award. Following vesting, deferred awards will normally be subject to a further two year holding period, with 50% released four years after award and 50% released five years after award. Malus and clawback provisions will apply, as described in further detail on page 90.	Awards granted in respect of each financial year will be capped at 800% of fixed remuneration (subject to treatment in a change of control event). Performance will be measured relative to threshold, target and stretch achievement levels. Award outcomes as a percentage of the maximum award opportunity will be as follows: – Threshold: 25% – Target: 50% – Stretch: 100% Award outcomes will be determined on a straight-line basis for performance between these levels. Award outcomes will be set out in the relevant Annual Report on Remuneration.	The committee will set the long term and short term performance measures annually to reflect the key financial and strategic priorities for Ninety One. The measures may therefore vary from year to year. The measures for the financial years 2021, 2022 and 2023 are set out in the Annual Report on Remuneration on page 101.
Share Incentive Plan ("SIP")			
To increase the alignment of the Executive Directors' interests with shareholders. May provide UK tax benefits.	Executive Directors are eligible to participate in Ninety One's HMRC-approved SIP, on the same terms as other employees.	Participation in the Ninety One SIP is subject to maximum limits set by HMRC. This is currently £1,800 per year for partnership shares.	Not applicable
Shareholding requirement			
To maintain the alignment of the Executive Directors with the long term interest of Ninety One and our stakeholders.	Executive Directors are expected to build and maintain an interest in Ninety One shares, and to retain a portion of this interest for a period after ceasing to be an Executive Director. **Requirements for current Executive Directors** While serving as an Executive Director: – 1,000% of fixed remuneration for the chief executive officer, and – 800% of fixed remuneration for the finance director. Each of the current Executive Directors exceeds this requirement by virtue of their respective participation in the Marathon Trust. For a period of two years from ceasing to be an Executive Director, the following will normally apply: – 500% of fixed remuneration for the chief executive officer, and – 400% of fixed remuneration for the finance director. **Requirements for new Executive Directors** The level of interests in Ninety One shares required will be considered by the committee at the time of appointment, having due regard to the scope of the role. This requirement will need to be attained within a reasonable timeframe (expected to be no longer than five years from appointment), but having regard to any existing share interests.	Not applicable	Not applicable

Explanatory notes to the table

Competitive positioning

Remuneration opportunities recognise our competitive positioning alongside local and international peers, including those that are privately held.

Wider workforce context

The wider workforce receives fixed remuneration, which includes base salary, pension contributions (where applicable) and other local employee benefits. Variable remuneration typically takes the form of an annual discretionary award, which may comprise both cash and deferred elements. Deferred elements are normally invested in a combination of Ninety One shares and funds, which cliff vest after three years and are subject to malus and clawback provisions consistent with those applicable to the Executive Directors. Remuneration levels at Ninety One reflect both our pursuit of excellence and commitment to organic business building. In setting remuneration levels, truly exceptional contributions are rewarded and individual variable remuneration awards are not capped for the wider workforce. Aggregate variable remuneration is however subject to affordability considerations. In exceptional cases, retention related share awards may also be granted to employees other than the Executive Directors.

Performance measures

The performance measures are set out in the Annual Report on Remuneration. These have been chosen to align with Ninety One's key financial and strategic priorities. Targets will be set taking into account both internal and external factors which may include internal benchmarks, and economic and market conditions. The committee expects to measure performance against the financial and non-financial measures set out below. The committee shall retain discretion to select the most appropriate measures at the start of a performance period, to ensure these are aligned with Ninety One's short term and long term objectives.

Financial/quantitative measures

Real growth in Adjusted EPS

Adjusted EPS (as defined on page 142) is the primary measure of Ninety One's financial performance. Our long term objective is to grow adjusted earnings consistently, recognising the potential significant impact of market volatility on financial results.

Net flows

The achievement of net flows is a key driver of value. Our long term objective is to grow and diversify our asset and client base by consistently generating positive net flows. The torque ratio will be the primary metric to monitor success.

Investment performance

As an active investment manager, investment outperformance is critical to delivering value to our clients. Our objective is to deliver investment outperformance in the long run. As such, performance is measured over multiple time periods, with higher weightings for longer time periods.

Non-financial/qualitative measures

These would typically include the following:

- Key employee retention and succession planning – retention and development of senior leadership team;
- client relationships and reputation – positive client service outcomes;
- commitment to sustainability – progress against objectives agreed by the Board under Ninety One's Invest / Engage / Inhabit sustainability framework; and
- strategic progress – progress relative to strategic initiatives specifically identified from time to time by the Board. This could include growth initiatives in respect of new products, strategies or geographies.

Ongoing regulatory compliance

In the event that regulatory requirements change, the committee has discretion to make such changes as are necessary to ensure continued compliance, even if a revised policy has not been tabled for approval by shareholders. Any such changes would be included in the next Directors' Remuneration Report.

Prior arrangements

The committee reserves the right to honour any award commitments made to Executive Directors prior to the approval of the Policy (including exercising any discretions available to it in connection with such commitments), notwithstanding that these are not in line with the Policy. This includes awards granted in relation to periods prior to the listing of Ninety One or prior to their appointment to the Board).

Malus and clawback

Malus will apply to unvested awards under the EIP. Clawback will apply to both vested awards and the cash element awarded under the EIP. These provisions may be invoked at the committee's discretion at any time within two years of the payment of upfront cash elements and within five years of the grant of deferred elements.

The circumstances in which the committee may consider the application of malus and/or clawback are set out in the EIP rules and can be summarised as follows:

- A material misstatement of financial results.
- An error in the assessment or calculation of award outcomes, or such calculations being performed using inaccurate or misleading information.
- Misbehaviour or material error committed.
- Failure to meet appropriate standards of conduct.
- Material risk management failures.
- Exceptional events materially impacting the value or reputation of Ninety One.

Exercise of discretion

The committee may exercise discretion under the terms of the EIP, in addition to the discretions referred to elsewhere in the Policy, in a number of key areas as follows:

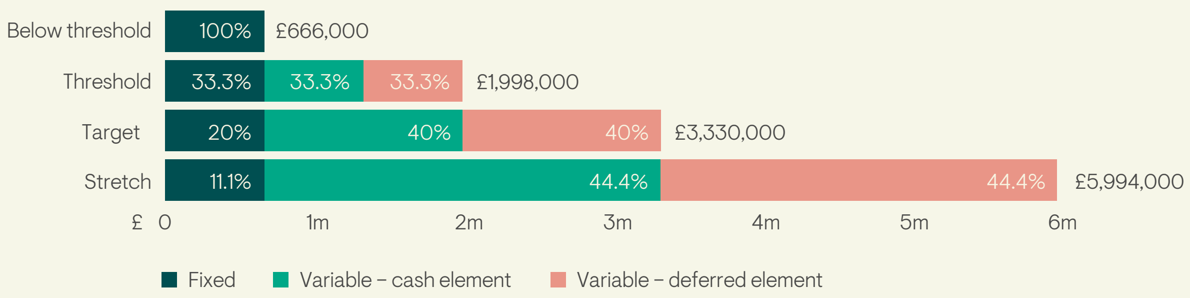
- The committee has an overriding discretion to consider performance holistically and adjust formulaic outcomes to ensure that final remuneration awards are aligned with the sustainable performance of Ninety One and our purpose to deliver value over the long term.
- The committee also has discretion to adjust performance conditions if anything happens which causes it reasonably to consider that the amended condition would be a fairer measure of performance.
- The committee may adjust the timing of vesting, for example it may delay vesting during a disciplinary review or accelerate vesting in exceptional circumstances.
- The committee has standard discretions relating to share awards, including discretion to adjust awards on a variation in share capital or settle awards in cash in exceptional circumstances.

Remuneration scenario charts

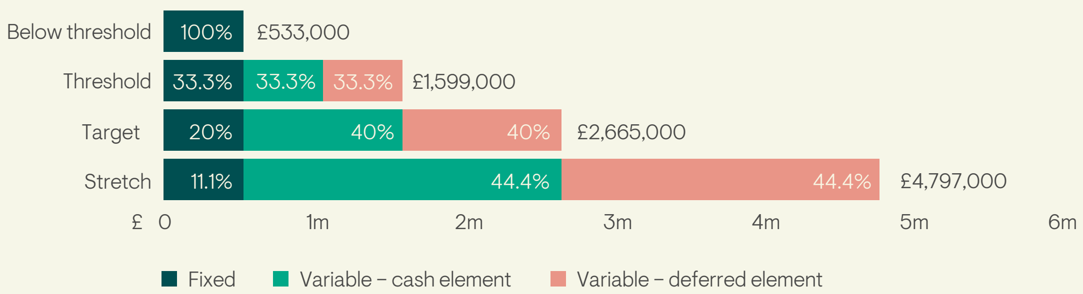
The following charts illustrate the potential range of remuneration outcomes for each of the Executive Directors under the Policy. The following scenarios are presented:

	Fixed remuneration	Variable remuneration	Deferral of variable remuneration
Below threshold	Total fixed remuneration for the financial year, consisting of base salary plus benefits	Nil	
Threshold		Value of single incentive awarded if threshold performance is achieved, which is 25% of the maximum opportunity	Up to 50% of any single incentive will be paid in cash, with the remainder deferred into Ninety One shares. These scenarios assume a 50% deferral rate.
Target		Value of single incentive awarded on-target performance is achieved, which is 50% of the maximum opportunity	
Stretch		Value of single incentive awarded stretch performance is achieved, which is 100% of the maximum opportunity	

Chief executive officer



Finance director



These scenarios do not assume any share price growth between the dates of award and vesting. A 50% increase in share price between these dates would increase the value of the deferred variable remuneration in the stretch scenarios, such that total remuneration would be £7.3 million for the chief executive officer and £5.9 million for the finance director.

Approach to recruitment remuneration

Remuneration for new Executive Directors will be consistent with the Policy, including maximum variable remuneration opportunities. In setting fixed remuneration levels, the committee will consider the size and scope of the role, the skills and experience of a candidate, and their existing levels of fixed remuneration.

Where applicable, awards may be granted to replace awards or amounts forfeited from a previous employer. In such cases, the committee retains the discretion to grant awards on a comparable basis to the forfeited award(s) taking into account the time horizons and performance conditions that applied. For internal candidates, unvested deferred awards granted in respect of the prior role would continue to vest as per the original terms. These may be adjusted at the discretion of the committee.

Although the intention would be to offer any new Executive Director benefits as set out in the Policy table on page 87, the committee reserves the discretion to offer a new Executive Director additional benefits such as to cover relocation expenses in order to facilitate their appointment.

To facilitate any buyout awards outlined above, the committee may grant awards to a new Executive Director, relying on the exemption in the applicable Listing Rules, which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director without seeking prior shareholder approval (including under any other appropriate Ninety One incentive plan).

The fees payable to a new chairman or Non-Executive Director would be in accordance with the Policy.

Service contracts and letters of appointment

The Executive Directors are the only Directors with service contracts, which set out their terms and conditions of employment. These contracts are terminable by either party on six months' written notice and do not have an expiry date. Service contracts include a provision for a termination payment in lieu of notice (see further details on the following page). The terms set out in the service contracts for the current Executive Directors do not provide for any payments that are not in line with the Policy. Service contracts for new Executive Directors will be consistent with the Policy, including notice periods and payments in lieu of notice. The service contracts are available for inspection on request from Ninety One's offices.

Non-Executive Directors have not entered into service contracts with Ninety One. They are appointed under a letter of appointment under which their appointment is terminable by either party on three months' written notice except where the Director is not reappointed by shareholders, in which case termination is with immediate effect. There are no obligations within the Non-Executive Directors' letters of appointment that could give rise to remuneration payments on termination or payments for loss of office.

The dates of appointment and notice period for each Director are set out below.

	Date of appointment – Ninety One plc	Date of appointment – Ninety One Ltd	Notice period
Executive Directors			
Hendrik du Toit	4 October 2019	18 October 2019	six months
Kim McFarland	4 October 2019	18 October 2019	six months
Non-Executive Directors			
Gareth Penny	19 November 2019	19 November 2019	three months
Colin Keogh	19 November 2019	19 November 2019	three months
Idoya Basterrechea Aranda	19 November 2019	19 November 2019	three months
Victoria Cochrane	19 November 2019	19 November 2019	three months
Busisiwe Mabuza	19 November 2019	19 November 2019	three months
Fani Titi	19 November 2019	19 November 2019	three months

Hendrik du Toit's employment with Ninety One commenced on 1 February 1991, while Kim McFarland's employment commenced on 1 December 1993. On 1 October 2018, both Hendrik and Kim transferred to Investec plc, assuming roles as executive directors. In advance of the demerger of Ninety One from Investec, both Hendrik and Kim entered into service contracts with Ninety One, which took effect from 1 March 2020 and remuneration for qualifying services commenced from that date.

Policy on payments for loss of office

In the event of the termination of an Executive Director's employment, any payments will be determined in accordance with the Policy, and will be in line with the relevant Executive Director's service contract and the rules of any relevant incentive plans. The table below sets out a summary of Ninety One's policy in relation to payments for loss of office.

Element	Policy
Notice period	Ninety One 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. Ninety One may also reserve the right to place the Executive Directors on garden leave during the notice period. However, neither notice nor a payment in lieu of notice will be given in the event of gross misconduct or gross negligence.
EIP awards	Good leavers[1] who depart during a performance period, or after a performance period but prior to the grant of any awards, may receive awards at the committee's discretion, taking into account relevant factors including but not limited to the Executive Director's length of service and the circumstances of departure. In granting any awards in respect of uncompleted performance periods, the committee will consider the Executive Director's performance in the financial year of departure in addition to their contribution towards long term goals on such reasonable basis as it decides taking into account performance to departure and, if it so decides, expected future performance, and any awards granted would be pro-rated. In the financial year of departure, any awards granted shall not exceed the maximum variable remuneration opportunity under the Policy. Those awards would normally be deferred per the normal vesting schedule, although the committee retains discretion to accelerate the vesting schedule in exceptional circumstances. Any such award would be subject to the normal malus and clawback provisions. A good leaver holding awards would normally be entitled to retain their deferred awards, subject to the original terms (including deferral and holding periods, and malus and clawback). The committee retains the discretion to accelerate the vesting of unvested deferred EIP awards in exceptional circumstances. Unvested deferred awards for bad leavers will lapse in full.
Deferred EIP awards	The committee will have the discretion to determine the appropriate vesting treatment, including potential acceleration which would be granted only in exceptional circumstances, in respect of unvested deferred EIP awards for good leavers, taking account relevant factors including but not limited to the Executive Director's length of service. All awards continue to be subject to their original terms, including malus, clawback and holding periods.
All employee plans	Leaver treatment will be determined in accordance with HMRC-approved provisions.
Other	The committee may make other limited payments in connection with a Director's cessation of office or employment including but not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with their cessation of office or employment, where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment.

1. Good leavers are individuals who are either not terminated for cause, or who do not leave to join a direct competitor of Ninety One.

Change of control

On a change of control (for example, a takeover by an acquiring company), awards will vest or participants may be allowed or required to exchange their awards for equivalent awards over shares in the acquiring company. Where awards vest on a change of control, the extent of vesting will be subject to the committee's discretion. If a change of control is due to occur during a performance period or after a performance period but prior to the grant of any awards then the committee may measure performance early on such reasonable basis as it decides taking into account performance to date and, if it so decides, expected future performance, and pro-rated awards will then be granted in respect of each performance period, conditional on the change of control occurring. In the case of any performance period where the short term performance targets have not yet been set, the short term performance targets of the most recent financial year for which such targets have been set will be used for that performance period.

Consideration of shareholder views

The terms of the Policy are in line with the arrangements described in Ninety One's Prospectus, which was issued on 2 March 2020.

In formulating the Policy and determining remuneration outcomes, the committee has been mindful of the status of the current Executive Directors as significant contributors over many years to growing this business. The committee has also considered corporate governance requirements and best practice guidelines issued by institutional shareholder bodies, which would typically apply for executive directors of listed companies. The committee has proactively sought input on the Policy from significant shareholders and their feedback has been taken into consideration. We also welcome feedback from all shareholders at any time. The committee's proposal incorporates shareholder views and is an appropriate and effective incentivisation arrangement for Ninety One's Executive Directors.

Consideration of wider remuneration arrangements at Ninety One

In formulating the Policy, the committee has been mindful of the Ninety One remuneration policy which applies to the wider workforce, although employees have not been directly consulted in its development. Both of these policies have been developed to align with our culture and reflect our pursuit of excellence and commitment to organic business building. This ensures that all employees, including the Executive Directors, are incentivised in a similar way. The Policy contains some differences to the wider workforce policy, notably that Executive Director variable remuneration opportunities are capped and determined in a formulaic manner, subject to committee discretion. All discretionary variable remuneration awards, including those for the Executive Directors, are funded from the same variable remuneration pool.

Since inception in 1991, Ninety One has been built upon a foundation of entrepreneurship, and it continues to operate with this founder-owner mindset. On listing, Ninety One introduced new employee share schemes to enable the deferral of variable remuneration into Ninety One shares. Ninety One also introduced an HMRC-approved SIP, which allows UK staff to purchase shares in Ninety One, in a potentially tax advantaged way. In line with our philosophy to encourage a culture of employee ownership, an award of shares to the value of £2,000 was offered on admission to all eligible employees globally. Through these employee share schemes and the participation of senior leadership in the Marathon Trust, people who work for the firm collectively own more than 21% of Ninety One.

Non-Executive Directors – policy table

The Non-Executive Directors' fee remuneration is set out in the table below.

Element	Policy
Fees	Non-Executive Directors fees are industry competitive and reflect the skills, experience and time required to undertake their roles. The fees cover the dual roles that the directors perform in relation to Ninety One plc and Ninety One Limited. Fees for the chairman are determined by the committee, while fees for other Non-Executive Directors are determined by the Board. Non-Executive Directors do not participate in the determination of their own fees. Fees are paid in cash and reviewed annually. Non-Executive Directors receive a basic annual fee. Fees are also payable for additional responsibilities, including to the chairman, the Senior Independent Director and for serving as a chairperson or member of major board sub-committees. 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 Ninety One.
Benefits and Other	Non-Executive Directors are entitled to be reimbursed for all reasonable expenses properly incurred in the performance of their duties and to be provided with cover under Ninety One's directors' indemnity insurance. The Non-Executive Directors are not entitled to receive any other benefits, bonuses or share awards.

Proposed annual fees for the chairman and the Non-Executive Directors are set out on page 102.

Annual Report on Remuneration

This section of the Directors' Remuneration Report sets out the remuneration paid to the Executive Directors and Non-Executive Directors of Ninety One in respect of the financial year 2020. During the year, the Directors (including the chief executive officer and finance director) were appointed to the boards of the newly-established holding companies of the Investec Asset Management business which was renamed Ninety One on listing. The information contained in this section refers to their remuneration from their relevant dates of appointment to the end of the financial year 2020. The chief executive officer and finance director have 29 and 26 years of service respectively with Ninety One and Investec.

Sections which are subject to audit are indicated as such.

Single figure of remuneration (audited)

The table below sets out the total remuneration received by the Directors in respect of the financial year 2020. No information is disclosed for the prior year as Ninety One listed on the LSE and JSE on 16 March 2020.

	Salary/fees	Taxable benefits	Annual variable remuneration	Total remuneration	Total fixed remuneration	Total variable remuneration
	£	£	£	£	£	£
Executive Directors[1]						
Hendrik du Toit	54,294	950	500,000	555,244	55,244	500,000
Kim McFarland	43,410	796	400,000	444,206	44,206	400,000
Total	**97,704**	**1,746**	**900,000**	**999,450**	**99,450**	**900,000**
Non-Executive Directors[2]						
Gareth Penny	64,167	–	–	64,167	64,167	–
Colin Keogh	44,000	–	–	44,000	44,000	–
Idoya Basterrechea Aranda	36,667	–	–	36,667	36,667	–
Victoria Cochrane	34,833	–	–	34,833	34,833	–
Busisiwe Mabuza	34,955	–	–	34,955	34,955	–
Fani Titi	25,667	–	–	25,667	25,667	–
Total	**240,289**	**–**	**–**	**240,289**	**240,289**	**–**

1. Hendrik du Toit and Kim McFarland entered into new service contracts in respect of their roles within Ninety One, which took effect from 1 March 2020 prior to the listing on 16 March 2020. The table shows remuneration awarded in respect of their service to Ninety One between 1 March and 31 March 2020.
2. All of the Non-Executive Directors were appointed as Directors of Ninety One plc and Ninety One Limited on 19 November 2019.

Notes to the table (audited)

Fixed remuneration

The Executive Directors' fixed remuneration levels were reviewed at the time of the Group's admission.

There will be no change to their fixed remuneration for the financial year 2021.

Single figure of remuneration (audited) continued

Pension
The Executive Directors are not entitled to any pension benefits.

Benefits
The Executive Directors are entitled to receive private medical insurance, disability insurance and life cover, which are the benefits generally offered to all Ninety One employees in the UK. These benefits are funded by sacrificing a portion of their fixed remuneration.

Variable remuneration
For the financial year 2020, the committee decided to make a one-off variable remuneration award, payable in cash, in recognition of the material time and effort devoted to the Ninety One business in addition to their commitments as executive directors of Investec. This award further recognised that 2020 was a momentous year for Ninety One, delivering record earnings and the successful demerger from Investec, rebranding as Ninety One and listing on the LSE and JSE.

In setting the quanta of the awards, the committee exercised its discretion under the Prospectus, and in particular took into account Ninety One's consistent investment performance, and strong earnings growth and strong net inflows, which delivered the following outcomes for the financial year 2020:

- Nominal growth in Adjusted EPS of 10% relative to the financial year 2019;
- net inflows and a torque ratio of 5.4%, which is well ahead of both the UK and global industry five-year averages; and
- the majority of AUM (on a firm-wide asset weighted basis) outperforming their basic benchmarks over one, three and five years.

In addition, the committee also recognised the instrumental roles played by the Executive Directors in delivering the following:

- Demerger of Ninety One from Investec;
- rebranding of Ninety One; and
- successful listing of Ninety One.

	Annual variable remuneration £
Hendrik du Toit	500,000
Kim McFarland	400,000

Directors' shareholdings

Directors' interests in shares and share schemes (audited)

No share scheme interests were granted to Directors between admission and the end of the financial year 2020. Neither were any exercised, nor did any lapse during this period.

The share scheme interests listed below are conditional share awards granted by Investec to Hendrik du Toit, Kim McFarland and Fani Titi in their capacity as executive directors of Investec.

All of these awards were granted prior to the demerger on 13 March 2020. The awards will be settled partly in Investec plc shares (two-thirds) and partly in Ninety One plc shares (one-third), in line with the demerger conversion ratio. The table below includes only the portion of these awards which will be settled in Ninety One plc shares. For the Executive Directors, these awards are conditional on continued service with Ninety One.

The Directors and their associates/connected persons own the following ordinary shares and hold the following share scheme interests in Ninety One plc and Ninety One Limited ordinary shares at 31 March 2020.

	Shares owned outright		Share scheme interests[4]			Total share scheme interests and shares owned outright[3]	
			Investec deferred STI 2019	Investec LTI 2019	Investec LTI 2020		
	Ninety One plc	Ninety One Limited	Ninety One plc	Ninety One plc	Ninety One plc	Ninety One plc	Ninety One Limited
Hendrik du Toit	172,818	302,370	36,902	139,040	139,176	487,936	302,370
Kim McFarland	82,095	3,772	14,440	55,637	111,383	263,555	3,772
Fani Titi	72,740	–	36,902	139,040	–	248,682	–
Forty Two Point Two[2]	127,752,520	60,017,591	–	–	–	127,752,520	60,017,591
Total[1]	**128,080,173**	**60,323,733**	**88,244**	**333,717**	**250,559**	**128,752,693**	**60,323,733**

Notes to the table

1. The Directors not listed in this table do not hold any interests in Ninety One shares at 31 March 2020.
2. Forty Two Point Two is a company wholly-owned by the Marathon Trust, both of which are associates/connected persons of Hendrik du Toit and Kim McFarland. The Marathon Trust is a long term share ownership vehicle which was established to enable key employees of Ninety One, including Hendrik du Toit and Kim McFarland, to collectively participate in an indirect equity shareholding in Ninety One. Forty Two Point Two's acquisition of its shareholding in Ninety One 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. The Ninety One shares held by Forty Two Point Two are pledged in terms of the third party debt-funding arrangements. Voting rights in relation to the shares pledged remain with Forty Two Point Two. At 31 March 2020, the Executive Directors' Marathon participations equated to an indirect equity shareholding of 1.93% in the case of Hendrik du Toit and 1.25% for Kim McFarland.
3. Between 31 March and 22 June 2020 (being the last practicable date prior to the finalisation of this report), 50% of the share scheme interests related to the 'Investec deferred STI – 2019' vested to each of Hendrik du Toit, Kim McFarland and Fani Titi. Fani Titi also disposed of 49,279 Ninety One plc shares to settle tax liabilities arising from the vesting of previous Investec share awards. In addition, Hendrik du Toit and Kim McFarland received awards under the Investec directors' remuneration policy of 39,765 and 31,120 Ninety One plc shares respectively, for their services as executive directors to Investec for Investec's financial year 2020. There were no other movements in the share interests of the Directors or their associates/connected persons between 31 March and 22 June 2020.
4. Details of the share scheme interests are as follows:

Share scheme	Details	
Investec deferred STI – 2019	These below awards are not subject to any further performance conditions. These awards vest equally over a period of two years and are subject to a 12-month retention period after each vesting date.	
	Vesting date	**Vesting %**
	Tranche 1 – 29 May 2020	50%
	Tranche 2 – 29 May 2021	50%

Directors' shareholdings continued

Notes to the table continued

Investec LTI – 2019

These awards are subject to the following Investec performance conditions.

Investec performance condition	Weighting	Threshold (0% vesting)	Target (100% vesting)	Stretch (150% vesting)[1]
Financial measures				
Growth in net tangible asset value per share	40%	15%	30%	45%
Return on risk-weighted assets	35%	1.4%	1.6%	1.8%
Non-financial measures[2]				
Culture and values	4%	0	4	6
Franchise development	13%	0	4	6
Governance and regulatory and shareholder relationships	4%	0	4	6
Employee relationship and development	4%	0	4	6

1. If stretch levels of performance for all measures are achieved, the vesting of the awards will be capped at 135% of target.
2. Non-financial measures are assessed against a seven-point scale, with scores between 0 and 6 awarded.

These awards vest equally over a period of five years and are subject to a 12-month retention period after each vesting date.

Vesting date	Vesting %
Tranche 1 – 29 May 2022	20%
Tranche 2 – 29 May 2023	20%
Tranche 3 – 29 May 2024	20%
Tranche 4 – 29 May 2025	20%
Tranche 5 – 29 May 2026	20%

Investec LTI – 2020

These awards are subject to the following Ninety One performance conditions.

Ninety One performance condition	Weighting	Threshold (0% vesting)	Target (100% vesting)	Stretch (150% vesting)[1]
Real growth in Adjusted EPS[2]	67%	2% p.a.	4% p.a.	6% p.a.
Investment performance[3]	16.5%	50%	62.5%	75%
Net flows[4]	16.5%	1% p.a.	2.5% p.a.	4% p.a.

1. If stretch levels of performance for all measures are achieved, the vesting of the awards will be capped at 135% of target.
2. Measured as per the definition of Adjusted EPS on page 142. Real growth adjusted for UK CPI.
3. Measured as the proportion of firm-wide AUM outperforming basic benchmarks on an asset weighted basis, weighted over one (20% weighting), three (30% weighting) and five (50% weighting) years.
4. Measured as the torque ratio.

These awards vest equally over a period of five years and are subject to a 12-month retention period after each vesting date.

Vesting date	Vesting %
Tranche 1 – 28 May 2023	20%
Tranche 2 – 28 May 2024	20%
Tranche 3 – 28 May 2025	20%
Tranche 4 – 28 May 2026	20%
Tranche 5 – 28 May 2027	20%

Directors' interests in fund awards (audited)

At 31 March 2020, Hendrik du Toit had an unvested deferred interest in a fund award granted under Ninety One's fund deferral incentive plan. The award represented the deferred component of a variable remuneration award granted by Ninety One for the financial year 2017. The award had a face value of £930,000 at grant. This award vested on 31 May 2020 and was paid in June 2020. No performance conditions applied to this award.

No other Directors holds any interests in fund awards.

Shareholding guidelines

To ensure the alignment of the financial interests of executives with those of shareholders the Executive Directors are required to build up and maintain an interest in shares in Ninety One equivalent to 1,000% of fixed remuneration for the chief executive officer and 800% of fixed remuneration for the finance director. Each of the Executive Directors currently exceeds this requirement by virtue of their participation in the Marathon Trust.

The chief executive officer will be required to maintain a minimum interest in shares in Ninety One equivalent to 500% of fixed remuneration for a period of two years after the termination of his employment, while the finance director will be required to maintain a minimum interest in shares in Ninety One equivalent to 400% of fixed remuneration for a period of two years after the termination of her employment. Participations in the Marathon Trust will count towards this requirement.

Payments to past directors (audited)

There were no payments to past directors in the financial year 2020.

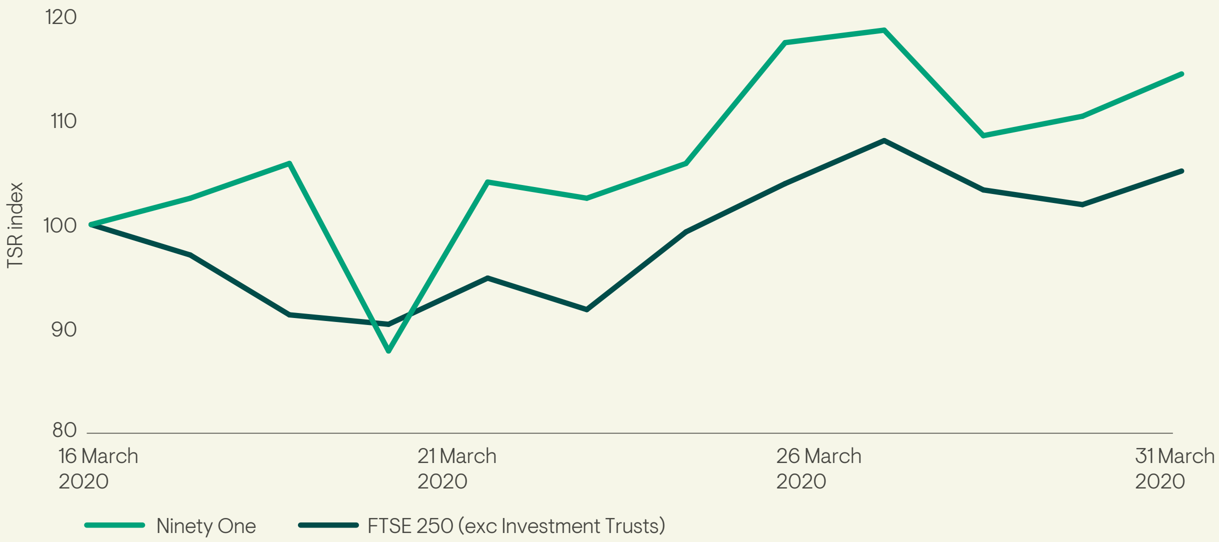
Payments for loss of office (audited)

There were no payments to Directors for loss of office in the financial year 2020.

Total shareholder return ("TSR") performance

The graph below shows Ninety One's TSR performance from admission to 31 March 2020 relative to the TSR performance of the FTSE 250 excluding Investment Trusts. This index has been chosen because it is a broad equity market index, and Ninety One is a constituent of this index.

TSR performance



Source: Thomson Reuters Datastream, April 2020

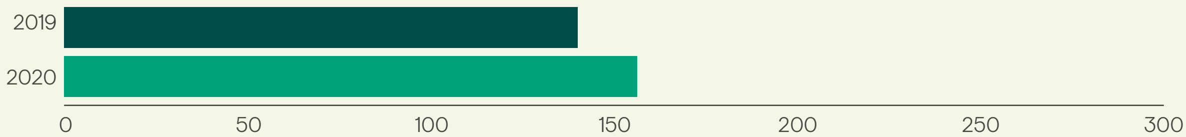
Percentage change in chief executive officer's remuneration

Ninety One demerged from Investec on 13 March 2020 and listed independently on 16 March 2020 and no comparative information for the chief executive officer's remuneration is available.

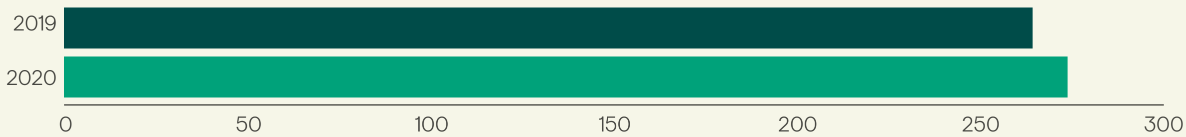
Relative importance of spend on pay

The following graphs illustrate Ninety One's profit after tax, employee remuneration and dividends declared for 2020 and 2019.

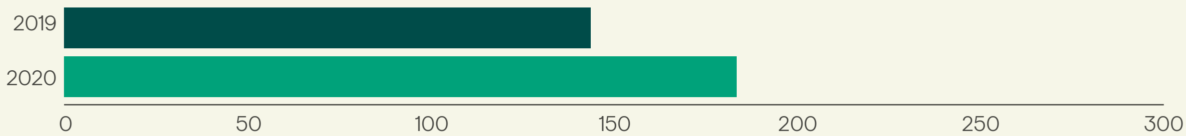
Profit after tax
£m



Total employee remuneration
£m



Dividends declared
£m



Implementation of the Policy in the financial year 2021

Fixed remuneration

The Executive Directors' fixed remuneration was set prior to admission and has been effective since 1 March 2020. No increases to these fixed remuneration levels are proposed for the financial year 2021. The committee will continue to review fixed remuneration on a regular basis.

	Current fixed remuneration £
Hendrik du Toit	666,000
Kim McFarland	533,000

Fixed remuneration is inclusive of benefits, which are funded by sacrificing a portion of fixed remuneration.

Variable remuneration

Shareholder approval is being sought, at the AGM on 3 September 2020, for the introduction of a new single incentive plan, the EIP, which will apply for the financial year 2021 onwards.

As described fully in the Policy, the EIP will reward performance assessed, against financial/quantitative and non-financial/qualitative measures, over the current year and over the preceding three-year period. Up to 50% of the award will be payable in cash following the end of the financial year, and at least 50% will be deferred into Ninety One shares for three years. Following the end of the deferral period, deferred awards will normally be subject to a further two-year holding period, with 50% released four years after award and 50% released five years after award.

The first awards under the EIP will be made following the end of the financial year 2021.

Awards in respect of any financial year will be capped at 800% of fixed remuneration (excluding any awards granted in relation to a change of control event).

The EIP will reward the achievement of financial and non-financial targets assessed over the one-year and trailing three-year period ending 31 March 2021.

Performance will be measured relative to threshold, target and stretch achievement levels for financial/quantitative and non-financial/qualitative measures. Award outcomes as a percentage of the maximum award opportunity will be as follows:

- Threshold: 25%
- Target: 50%
- Stretch: 100%

For performance between the above levels, the award outcome will be determined on a straight-line basis.

In determining awards under the EIP, the committee retains discretion to consider performance holistically and adjust formulaic outcomes where deemed appropriate – for example, where the committee considers that the formulaic outcomes do not reflect underlying performance or circumstances arise that were unexpected or unforeseen when performance targets were set.

The performance measures will be as follows for the financial years 2021, 2022 and 2023:

Performance measure	Weighting	Measurement period
Financial/quantitative measures	**75%**	one and three years[4]
Real annual growth in Adjusted EPS[1]	50%	
Investment performance[2]	12.5%	
Net flows[3]	12.5%	
Non-financial/qualitative measures	**25%**	one year
Key employee retention and succession planning		
Client relationships and reputation		
Commitment to sustainability		
Strategic progress		

1. Measured as per the definition of Adjusted EPS on page 142. Real growth adjusted for UK CPI.
2. Measured as the proportion of firm-wide AUM outperforming basic benchmarks on an asset weighted basis, weighted over one (20% weighting), three (30% weighting) and five (50% weighting) years.
3. Measured as the torque ratio.
4. 75% of the award will be determined based on performance relative to financial/quantitative measures. This comprises 55% long term performance (three years) and 20% short term performance (one year).

Financial/quantitative targets

Long-term performance will be measured relative to the following three financial/quantitative targets for the financial year 2023.

In setting these targets, the committee was guided by the importance of ensuring that performance and remuneration outcomes are aligned. The committee devoted significant energy to identifying a range of performance and remuneration outcomes which would ensure that the Executive Directors continue to be incentivised to deliver long-term value for shareholders, in the context of this challenging environment and market expectations. Market volatility and uncertainty are expected to persist for the foreseeable future, which may have a significant impact on Ninety One's future performance. Notwithstanding the targets set, the committee retains discretion under the Policy to apply its judgement when determining final remuneration outcomes, to ensure that these are clearly linked to performance achieved and also reflect the shareholder experience.

Implementation of the Policy in the financial year 2021 continued

Measure	Threshold	Target	Stretch
Real annual growth in Adjusted EPS	-5% p.a.	0% p.a.	5% p.a.
Investment performance	50%	62.5%	75%
Net flows	1% p.a.	2.5% p.a.	4% p.a.

Given the performance periods remaining for these awards, the Adjusted EPS and net flows targets for the short term performance period ending 31 March 2021, and the long term performance periods ending 31 March 2021 and 2022, are considered to be commercially sensitive and are therefore not disclosed here. The investment performance targets for these periods are as per the table above. The committee will report on the relevant targets set and provide a description of the achievement levels and outcomes against these measures in the relevant Directors' Remuneration Report.

Non-financial/qualitative targets

The committee has set objectives for the non-financial measures, all of which are fundamental to the long term success of Ninety One. Where applicable, quantitative targets may be set by the committee in support of these objectives. The committee will assess performance against these objectives annually and will provide a description of the achievement levels and outcomes against these measures in the relevant Directors' Remuneration Report.

Chairman and Non-Executive Director fees

The annual fees for the chairman and Non-Executive Directors were set upon appointment and are as follows:

	£
Chairman fee (inclusive of the Non-Executive Director basic fee)	150,000
Senior Independent Director fee (inclusive of the Non-Executive Director basic fee)	85,000
Non-executive Director basic fee	70,000
Chairs of the Audit and Risk and Human Capital and Remuneration Committee additional fee	25,000
Chairs of the Nominations and Directors' Affairs and Sustainability, Social and Ethics Committee additional fee	15,000
Committee member supplementary fee	10,000

There is no change to these fee levels for the financial year 2021.

Directors' service contracts

The Executive Directors have entered into rolling service contracts with Ninety One. These contracts are terminable by either party on six months' written notice.

Non-Executive Directors have not entered into service contracts with Ninety One. They operate under a letter of appointment under which their appointment can be terminated by either party on three months' written notice except where the Director is not reappointed by shareholders, in which case termination is with immediate effect.

Chief executive officer pay ratio

The table below shows the ratio of the single total figure of remuneration for the chief executive officer relative to the 25th, 50th and 75th percentile annual remuneration of full-time equivalent UK employees. These total remuneration percentiles have been calculated based on fixed remuneration at 31 March 2020 and annual variable remuneration awarded in respect of the financial year 2020. Where an identified employee was part-time or only employed for part of the year, their annual remuneration figures have been converted to a full-time annual equivalent.

The chief executive officer was appointed on 1 March 2020, one month before the end of the financial year 2020. As a result, the chief executive officer pay ratio for the financial year 2020 does not reflect a consistent comparison to the full-time equivalent total remuneration of UK employees. The table below therefore additionally includes a comparison to normalised chief executive officer remuneration, assuming on-target performance levels. The committee considers that this approach provides the most consistent comparison of the chief executive officer's remuneration relative to that of UK employees.

	Financial year	Option	25th percentile	50th percentile	75th percentile
Statutory chief executive officer pay ratio	2020	A	6 : 1	4 : 1	2 : 1
Normalised chief executive officer pay ratio	2020	A	38 : 1	24 : 1	13 : 1

UK regulations require this disclosure, and provide three options in relation to the methodology used to calculate the ratio, termed Options A, B and C. Ninety One has chosen to calculate the chief executive officer pay ratio using Option A. This method was chosen because it is statistically the most accurate and it should provide, as far as possible, a like-for-like comparison between employee and chief executive officer pay. This method entails calculating the total remuneration of all UK employees, employed as at the end of the financial year 2020, to identify the total remuneration at the 25th, 50th and 75th percentiles. The total remuneration value for the employees at the 25th, 50th and 75th percentiles was £87,980, £139,440 and £253,688 respectively, of which the salary component was £61,200, £90,000 and £91,800 respectively.

This is the first year in which Ninety One is required to report this ratio. Longer-term trends and year-on-year comparisons will only be possible in future years.

As Ninety One only listed as an independent business in March 2020, no comparable increases can be disclosed. Ninety One has a Group-wide remuneration policy which applies to all staff globally, including those in the UK. The proposed Directors' Remuneration Policy has been formulated using the same principles which underpin the Group-wide remuneration policy. The committee recognises that the chief executive officer pay ratio will fluctuate from year to year due to the variety of factors which will influence this ratio, specifically the fact that the Executive Directors will be measured exclusively on Group-wide performance. The committee therefore does not target a specific pay ratio, but will consider trends in the movement of the ratio over time.

The Human Capital and Remuneration Committee

The Human Capital and Remuneration Committee's terms of reference were approved on 13 February 2020 and can be viewed on our website, www.ninetyone.com.

The committee considers all factors including relevant legal and regulatory requirements which it deems necessary. This includes the FCA Listing Rules, the UK Corporate Governance Code, the King IV Report on Corporate Governance for South Africa, 2016, the Listings Requirements issued by the JSE Limited and where relevant FCA Remuneration Codes covering AIFMD, UCITS, CRD III and MiFID II, as well as all associated guidance.

The committee is also responsible for reviewing all employee pay arrangements to ensure that they are aligned with the strategy, culture and values of the Group and the health and wellness of employees. It also monitors and reviews the Group's compliance with good corporate governance in respect of human capital matters including the application of the King IV Code and the Companies Act requirements in South Africa. Lastly, the committee reviews the engagement levels of all employees and ensures that management takes appropriate action to ensure the highest possible levels of engagement. In fulfilling its responsibilities, the committee will work with other Board committees as appropriate.

The chairman, chief executive officer, finance director, company secretary and human capital representatives attend meetings by invitation, except when their own remuneration is discussed. No Director is involved in setting his or her own remuneration. None of the committee members have had any personal financial interest, except as shareholders in the matters decided.

In addition to the binding resolution for the Policy, this report will be submitted for an advisory shareholder vote at our AGM on 3 September 2020. On behalf of the committee, I look forward to receiving your support.

Colin Keogh
Chair of the Human Capital and Remuneration Committee

Annual Financial Statements

* The DLC Audit and Risk Committee Report forms part of the annual financial statements and can be found on pages 73 to 78.

Preparation of annual financial statements
These are the annual financial statements of Ninety One DLC for the year ended 31 March 2020. They have been prepared by management under the supervision of the Finance Director, Kim McFarland CA(SA).

Directors' Report

The directors present their report for the financial period from listing to 31 March 2020.

The Strategic Report, the Governance Report and the Annual Report on Remuneration, which form part of this Integrated Annual Report include information that would otherwise need to be included in this Directors' Report. Relevant items are referred to below and incorporated by reference into this report. Readers are also referred to the forward looking statements on page 176 of this Integrated Annual Report.

Principal activities and performance

Ninety One is an active investment manager, serving its clients from around the world. Detail of our business model and organisational structure is explained in the Strategic Report on pages 8 to 9. Ninety One has 21 offices worldwide, with head offices in London and Cape Town and branches in Italy, Germany and Sweden. Detail of our subsidiaries can be found in note 26 to the Consolidated Financial Statements.

Commentary on Ninety One's development and performance in the financial year ended 31 March 2020, and likely future developments, is included in the Strategic Report on pages 4 to 57.

Our approach to stakeholder engagement, including our section 172 statement, can be found on pages 24 to 25.

Disclosures relating to the employment of disabled persons, the number of women in senior management roles, employee engagement and policies are included in the Our People and Culture section of the Strategic Report on pages 28 to 31.

Disclosures relating to Ninety One's approach to the environment and sustainability, including disclosures on Scope 1, Scope 2 and Scope 3 emissions for financial year 2020, can be found in the Sustainability section of the Strategic Report on pages 32 to 40.

Details of Ninety One's policy on risk management in relation to the use of financial instruments and its exposure to financial, market, and liquidity risks are included in note 21 to the Consolidated Financial Statements.

Information concerning directors' contractual arrangements and entitlements under share based remuneration arrangements is given in the Director's Remuneration Policy and Annual Report on Remuneration on pages 86 to 103.

Requirements of Listing Rule 9.8.4 of the UK Listing Rules

Information to be included in the annual report and financial statements under Listing Rule 9.8.4, where applicable, can be found as follows:

Listing Rule	Description	Location
9.8.4(1) R	Interest capitalised	Not applicable
9.8.4(2) R	Publication of unaudited financial information	The results announcement on 20 May 2020 was not audited and is available on Ninety One's website.
9.8.4(4) R	Details of long-term incentive schemes required by Listing Rule 9.4.3	Annual Report on Remuneration pages 95 to 103
9.8.4(5) R	Waiver of emoluments by a director	Not applicable
9.8.4(6) R	Waiver of future emoluments by a director	Not applicable
9.8.4(7) R	Non pre-emptive issues of equity for cash	Not applicable
9.8.4(8) R	Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings	Not applicable
9.8.4(9) R	Parent participation in a placing by a listed subsidiary	Not applicable
9.8.4(10) R	Contracts of significance involving a director	Not applicable
9.8.4(11) R	Provision of services by a controlling shareholder	Not applicable
9.8.4(12) R	Shareholder waivers of dividends	Not applicable
9.8.4(13) R	Shareholder waivers of future dividends	Not applicable
9.8.4(14) R	Agreements with controlling shareholders	Not applicable

Corporate governance

The Corporate Governance Report is found on pages 58 to 103 and it, together with this report of which it forms part, fulfils the requirements of the corporate governance statement for the purpose of the Financial Conduct Authority's Disclosure and Transparency Rules Sourcebook ("DTR").

Market abuse regulations

Ninety One has its own internal dealing rules which apply to all staff and which encompass the requirements of the UK Market Abuse Regulations and the South African Financial Markets Act.

The effectiveness of Ninety One policies will be reviewed through the annual cycle of activities and Board and committee meetings.

Directors

The names and details of the current directors, together with their biographical details are set out on pages 60 to 61.

Directors' guarantees

There are no guarantees provided by Ninety One plc or Ninety One Limited for the benefit of the directors.

Directors' interests

Information about interests in the shares of Ninety One of those who held the office of director in the period to 31 March 2020 is included in the Directors' Remuneration Policy and Annual Report on Remuneration on pages 86 to 103.

During the period covered by this report, no director had any interest in any transaction which was unusual in its nature or conditions or was significant to the business of Ninety One, and which was effected by any entity of Ninety One in the current financial year or which remains in any respect outstanding or unperformed.

The UK and South African Companies Acts require directors to disclose any direct or indirect material interest they have in contracts, including proposed contracts, which are of significance to the Group's business. Directors are required to make these disclosures at Board meetings, and all disclosures made are recorded in the minutes of those meetings.

Conflicts of interest

Statutory duties with respect to directors' conflicts of interest exist under the UK and South African Companies Acts. In accordance with these Acts and the Articles of Association ("Articles") of Ninety One plc and the Memorandum of Incorporation ("MOI") of Ninety One Limited, the Board may authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director to avoid a situation in which he or she has, or can have, a direct interest that conflicts, or possibly may conflict, with the interest of the Group. The Board has adopted a procedure, as set out in the Articles and MOI, that includes a requirement for directors to notify the Board of any actual or potential conflict for consideration, and if considered appropriate, approval.

External directorships

Outside business interests of directors are closely monitored and we are satisfied that all of the directors have sufficient time to effectively discharge their duties.

Directors' dealings

Directors' dealings in the securities of Ninety One plc and Ninety One Limited are subject to a policy based on the DTR and the JSE Listings Requirements. All directors' and company secretaries' dealings require the prior approval of the Compliance Team and the Chairman.

Dealings in securities

Dealings in securities by staff are subject to Ninety One's Personal Account Dealing Policy. The policy is based on regulatory guidance and industry practice and is updated to ensure compliance with applicable regulations and industry best practice. The policy is designed to discourage speculative trading and highlight potential conflicts of interest between employees and Ninety One or any of its clients, shareholders or potential shareholders. The UKLA's Disclosure Guidance and Transparency Rules require Ninety One to disclose transactions in shares and related securities by all persons discharging management responsibilities and their "connected persons". These include directors and senior executives of Ninety One. Staff are prohibited from dealing in all listed Ninety One securities during closed periods.

Directors' indemnity and insurance

Ninety One's Articles and MOI respectively permit the provision of indemnities to the directors. Each of the directors is entitled to rely on, and has the benefit of, the indemnity against directors' liability set out in the Articles and MOI respectively.

In addition, Ninety One maintains directors' and officers' liability insurance cover in respect of legal actions brought against the directors and officers. No amounts have been paid under this insurance policy.

Related parties

Ninety One has processes and policies in place to govern the review, approval and disclosure of related party transactions entered into with directors, management and staff.

Powers of the Board

The Board may exercise all powers conferred on it by the Articles and MOI which may only be amended by special resolution of the shareholders at a general meeting. Copies of the Articles and MOI are available on Ninety One's website www.ninetyone.com.

With effect from 16 March 2020 (the "Admission Date"), the Board was authorised to allot shares up to certain limits as detailed in the Prospectus. Such authority will expire at the conclusion of the annual general meeting to be held in 2021 or, if earlier, at the close of business on 30 September 2021.

Share capital

Full details of Ninety One's share capital can be found in note 13 to the consolidated financial statements.

Issued share capital

The Ninety One plc shares are denominated in pound sterling and trade on the London Stock Exchange ("LSE") in pound sterling and on the Johannesburg Stock Exchange ("JSE") in South African rand. The issued nominal share capital of Ninety One plc is £92,271.41 comprising: (i) 622,624,622 Ninety One plc ordinary shares of £0.0001 each; (ii) 300,089,454 Ninety One plc special converting shares of £0.0001 each; (iii) one UK DAS share of £0.0001; (iv) one UK DAN share of £0.0001; (v) one Ninety One plc special voting share of £0.0001; and (vi) one Ninety One plc special rights share of £0.0001, all of which were fully paid or credited as fully paid.

The Ninety One Limited shares are denominated, and trade on the JSE, in South African rand. The issued share capital of Ninety One Limited comprises: (i) 300,089,454 Ninety One Limited ordinary shares; (ii) 622,624,622 Ninety One Limited special converting shares; (iii) one SA DAS share; (iv) one SA DAN share; (v) one Ninety One Limited special voting share; and (vi) one Ninety One Limited special rights share, all of which were issued at no par value. The salient features of the various share classes are set out in the Prospectus.

In the UK, the demerger from Investec was implemented by way of a court approved scheme of arrangement including a reduction of capital. The share premium (amounting to £732.2 million) arising from the demerger transactions described in note 13(a) on page 146, being the premium of shares issued by Ninety One plc to Investec plc shareholders in exchange for an 80 percent plus one share stake in Ninety One UK Limited, was subsequently transferred to a distributable reserve by effecting a reduction of capital, see note 13(c) on page 147.

Rights and obligations

The rights attaching to the Ninety One plc shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and for all dividends and other distributions declared, made or paid on the ordinary share capital of Ninety One plc. Subject to the provisions of the UK Companies Act, any equity securities issued by Ninety One plc for cash must first be offered to the holders of Ninety One plc shares in proportion to their holdings. The UK Companies Act and the UK Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of Ninety One plc, whether generally or specifically, for a maximum period not exceeding five years.

The rights attaching to the Ninety One Limited shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of Ninety One Limited. Subject to the provisions of the JSE Listings Requirements, any equity securities issued by Ninety One Limited for cash must first be offered to the holders of Ninety One Limited shares in proportion to their holdings. The JSE Listings Requirements allow for disapplication of pre-emption rights which may be waived by a special resolution of Ninety One Limited, whether generally or specifically, for a fixed period of time.

In respect of resolutions of each company which is the issuer of such shares, on a show of hands, every shareholder who is present in person shall have one vote and, on a poll, every shareholder present in person or by proxy shall have one vote per share held.

Under the terms of the DLC Agreements (detailed in the Prospectus), any joint electorate action will effectively be voted upon by the holders of both Ninety One plc shares and Ninety One Limited shares acting together as a single decision-making body. Furthermore, under the terms of the DLC Agreements, any class rights action would require the prior approval of the ordinary shareholders in the other companies voting separately and the approval of its own ordinary shareholders voting separately. Joint electorate actions and class rights actions are together expected to cover the majority of the resolutions to be voted upon by the shareholders.

The shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the UK and South African Companies Acts. The Ninety One plc shares will rank pari passu in all respects and the Ninety One Limited shares will rank pari passu in all respects.

Restrictions on transfer

The shares are freely transferable and there are no restrictions on transfer. The Ninety One plc shares will have full transferability between the LSE and the JSE as well as the UK share register and South African branch share register.

Authority to issue shares

The directors require authority from shareholders in relation to the issue of shares. Whenever shares that constitute equity securities are issued, these must be offered to existing shareholders pro-rata to their holdings unless the directors have been given authority by shareholders to issue shares without offering them first to existing shareholders. Ninety One will seek authority from its shareholders on an annual basis to issue shares up to a maximum amount, of which a defined number may be issued without pre-emption. Disapplication of statutory pre-emption procedures is also sought for rights issues. Relevant resolutions to authorise share capital issuances will be put to shareholders at the annual general meeting ("AGM") on 3 September 2020.

Authority to purchase own shares

The Board requires authority from shareholders in relation to the purchase of Ninety One's own shares. Ninety One will seek authority by special resolution on an annual basis for the buyback of its own shares in accordance with applicable law, regulation and other related guidance. A special resolution will be put to shareholders at the AGM on 3 September 2020. Full details of Ninety One's purchases of own shares are set out in note 13(b).

Beneficial owners of shares with "information rights"

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the UK Companies Act are required to direct all communications to the registered holder of their shares rather than to the company's UK registrar, Computershare Investor Services PLC, or to Ninety One directly.

Shares held in Ninety One employee benefit trusts

There are three employee benefit trusts which have been established to facilitate the acquisition of shares in Ninety One plc or Ninety One Limited under employee share plans for the benefit of employees of the Ninety One Group.

The Ninety One South Africa Employee Benefit Trust (the "SA EBT") holds ordinary shares in Ninety One Limited for the benefit of employees based in Africa, while the Ninety One Guernsey Employee Benefit Trust (the "GSY EBT") holds ordinary shares in Ninety One plc for the benefit of employees based outside of Africa. In addition, Ninety One has established an HMRC-approved Share Incentive Plan ("SIP") for the benefit of employees in the UK. The SIP shares are held in trust ("SIP Trust").

Terra Nova Trustees (Pty) Ltd, Zedra Trust Company (Guernsey) Limited and Yorkshire Building Society are the respective trustees for the SA EBT, GSY EBT and SIP Trust (the "Trustees"). Where the Trustees have allocated shares in respect of specific awards granted under Ninety One's share plans, the holders of such awards may recommend to the Trustees as to how voting rights relating to such shares should be exercised. In respect of shares for which no participant recommendation is made, it is recommended that the Trustees vote in favour of the relevant resolutions. As at 31 March 2020 the SA EBT held 0.6% of the issued share capital of Ninety One Limited, the GSY EBT held 0.6% of the issued share capital of Ninety One plc, and the SIP Trust held 0.1% of the issued share capital of Ninety One plc.

Dividends

The results of Ninety One are set out in detail on pages 42 to 49. As indicated in the Prospectus, the directors will not be recommending a final dividend for the financial period ended 31 March 2020. The first dividends to be paid by Ninety One are expected to be interim dividends in respect of the six months ending 30 September 2020.

Shareholder analysis

Major shareholders

Ninety One Limited

Based on the Ninety One Limited share register as at 31 March 2020, the directors are aware of the following shareholders directly holding 5% or more of the issued shares of Ninety One Limited:

Shareholder	Number of shares	% of shares
Investec Investments	80,619,508	26.87
Forty Two Point Two	60,017,591	20.00
Public Investment Corporation	21,741,527	7.25
Allan Gray	17,048,933	5.68
Investec Limited Security Purchase and Option Scheme 2002 Trust	15,054,751	5.02

Between 31 March 2020 and 29 May 2020, Coronation Fund Managers increased their shareholding in Ninety One Limited to 8.84%.

Ninety One plc

Based on the Ninety One plc share register as at 31 March 2020, the directors are aware of the following shareholders directly holding 3% or more of the issued shares of Ninety One plc:

Shareholder	Number of shares	% of shares
Investec Investments	150,059,010	24.10
Forty Two Point Two	127,752,520	20.52
Allan Gray	48,063,940	7.72
Public Investment Corporation	27,029,641	4.34
Prudential Portfolio Managers	25,002,861	4.02

Between 31 March 2020 and 29 May 2020, Coronation Fund Managers increased their shareholding in Ninety One plc to 3.35%.

Public and non-public shareholding[1]

Ninety One Limited

	Number of Ninety One Limited shares	% of shares
Public	144,405,227	48.11
Non-public	155,684,227	51.89
Investec Investments[2]	80,619,508	26.87
Forty Two Point Two	60,017,591	20.00
Investec employee share scheme[3]	12,899,378	4.30
Ninety One employee share scheme	1,821,386	0.61
Directors[4] and any associates[5]	326,364	0.11
Total	**300,089,454**	**100.00**

Ninety One plc

	Number of Ninety One plc shares	% of shares
Public	325,577,819	52.29
Non-public	297,046,803	47.71
Investec Investments[2]	150,059,010	24.10
Forty Two Point Two	127,752,520	20.52
Investec employee share scheme[3]	14,312,867	2.30
Ninety One employee share scheme	4,560,663	0.73
Directors[4] and any associates[5]	361,743	0.06
Total	**622,624,622**	**100.00**

1. As required by JSE Listings Requirements. Analysis at 31 March 2020.
2. At 31 March 2020, Investec Investments held 10% or more of both Ninety One plc and Ninety One Limited and as such is regarded as a non-public shareholder under the JSE Listing Requirements.
3. Certain directors and employees of Ninety One are beneficiaries of these schemes and as such they are regarded as a non-public shareholder under the JSE Listing Requirements.
4. Including any directors of major subsidiaries.
5. Excluding Forty Two Point Two, which is listed separately.

Events after balance sheet date

Details of those important events affecting Ninety One which have occurred since the end of the reporting period are set out in note 25 to the consolidated financial statements.

Political donations

Ninety One does not make political donations.

Going concern, longer-term prospects and viability statement

As described in the Viability Statement on pages 48 to 49, the directors have assessed the viability of Ninety One over a period that exceeds the 12 months required by the going concern provision. The Board has also performed an assessment of the principal and emerging risks facing Ninety One. The details of this assessment can be found in the Risk Management section of the Strategic Report on pages 50 to 57.

The Board has concluded that it remained appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements as it believes Ninety One will continue to be in business, with neither the intention nor the necessity of liquidation, ceasing of trading or seeking of protection from creditors pursuant to laws or regulations for a period of at least 12 months from the date of approval of Ninety One's financial statements.

Appointment of auditor

KPMG LLP and KPMG Inc. (together "KPMG") have expressed their willingness to accept appointment as auditors of Ninety One plc and Ninety One Limited respectively and resolutions to appoint KPMG will be proposed at the AGM to be held on 3 September 2020. The appointment of KPMG has the support of the DLC Audit and Risk Committee, which will be responsible for determining their audit fee on behalf of the directors. However, to meet UK requirements, the committee will undertake a tender process during the year ending 31 March 2021.

Note 3(b) to the financial statements and page 78 set out the auditors' fees both for audit and non-audit work.

Disclosure of information to auditor

Having made the requisite enquiries, the directors in office on the date of this report and financial statements have each confirmed that:

- So far as they are aware, there is no relevant audit information of which Ninety One's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that Ninety One's auditors are aware of that information.

Annual general meeting

All shareholders are invited to attend the AGM on 3 September 2020 and will have the opportunity to put questions to the Board.

Details of all resolutions to be proposed to Ninety One's shareholders will be set out in the notice of AGM, which will be published ahead of the meeting.

By order of the Board.

Paula Watts
Company Secretary Ninety One plc

Ninety One Africa Proprietary Limited
Company Secretary Ninety One Limited

Directors' Responsibility Statement

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for the preparation and fair presentation of the Integrated Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under these laws they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") and the interpretations of the IFRS Interpretations Committee as adopted by the European Union ("EU"), and with IFRS as issued by the International Accounting Standards Board (collectively "IFRS") since the latter is identical in all material respects. Under UK law, the directors have elected to prepare the parent company financial statements on the same basis.

Under UK company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period.

In preparing each of the Group and parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping an effective system of risk management and for maintaining adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006 in the UK and the Companies Act of South Africa. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on Ninety One's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Ninety One plc and Ninety One Limited were incorporated in accordance with applicable laws and regulations and operated in conformity with, respectively, their Articles and MOI.

Responsibility statement of the directors

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, present fairly and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report and Strategic Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Integrated Annual Report taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approval of the annual financial statements

The Directors' Report and the Consolidated Financial Statements of the Group and the Ninety One plc Parent Company Accounts, which appear on pages 105 to 110 and 124 to 173 respectively, were approved by the Board on 3 July 2020.

On behalf of the Board

Hendrik du Toit
Chief Executive Officer

Kim McFarland
Finance Director

Certificate by the company secretary of Ninety One Limited

In terms of section 88(2)(e) of the South African Companies Act, we hereby certify that, to the best of our knowledge and belief, Ninety One Limited has lodged with the South African Companies and Intellectual Property Commission, for the financial year ended 31 March 2020, all such returns and notices as are required in terms of the Act and that all such returns and notices are true, correct and up to date.

Ninety One Africa Proprietary Limited
Company Secretary Ninety One Limited

Independent auditor's report

To the members of Ninety One plc

1. Our opinion is unmodified

We have audited the financial statements of Ninety One plc ("the Company") for the year ended 31 March 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion:

— The financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;

— the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);

— the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and

— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit & Risk Committee.

Ninety One plc was set up as part of the demerger from Investec plc and therefore this is KPMG's first year as auditors of the Company.

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: group financial statements as a whole	£9.8m 5% of Group profit before tax
Coverage	100% of Group profit before tax
Key audit matters	
Event driven	**New Group risk:** Consolidation
Recurring risks	**New Group risk:** Revenue recognition **New Parent Company risk:** Valuation of investment in subsidiary undertakings

Other matter

The Ninety One Business implemented a dual-listed company ("DLC") arrangement comprising Ninety One plc and Ninety One Limited effective 16 March 2020. The 31 March 2020 consolidated financial statements is the first set of consolidated financial statements of the Group. The basis of preparation explains how the comparative information, on which no previous audit opinion was issued, is presented as if the demerger transactions had occurred as at 1 April 2018. The comparative information has been derived from the underlying financial information previously included in the audited financial statements of the entities forming the Ninety One Business, adjusted for the demerger equity and reserve transactions which are now audited.

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Group risk: Consolidation of Ninety One plc *Refer to page 73 (Audit and Risk Committee Report), page 129 (accounting policy) and page 146 (financial disclosures).*	**Accounting treatment** Ninety One plc and Ninety One Limited, which together are referred to as the Ninety One Business exist as a dual listed company ("DLC") with no single overall parent company. Ninety One plc and Ninety One Limited have entered into various agreements which seek to ensure that shareholders in each company receive equal rights and obligations over the combined Ninety One Business. Accordingly, in preparing the consolidated financial statements of Ninety One plc, judgement is required when assessing if the provisions and clauses in the agreements meet the consolidation principles set out in accounting standards. There is a risk that the criteria required to be met to consolidate an entity as set out in accounting standards have not been applied correctly. Due to the complexity of the structure and the work effort required by the audit team, the consolidation of Ninety One plc was determined to be a key audit matter.	Our procedures included: — **Test of details:** Inspection of the following agreements to determine whether consolidation requirements were met: – The demerger agreements; – the Ninety One Sharing Agreements; and – the Ninety One Voting Agreement. — **Accounting analysis:** Critically assessed the directors' key judgements in their technical accounting paper against our understanding of the agreements and relevant accounting standards. — **Test of details:** We challenged the directors and their legal expert on the interpretation and application of the various agreements referred to above that supported the directors' judgements. — **Assessing transparency:** We considered the adequacy of disclosures to support the preparation of the consolidated financial statements in accordance with accounting standards. **Our findings** — We found that the group's judgement of the consolidation of Ninety One plc was balanced with proportionate disclosures of the group structure and related assumptions.

	The risk	Our response
Group risk: Revenue recognition *Refer to page 73 (Audit and Risk Committee Report), page 129 (accounting policy) and page 138 (financial disclosures).*	**Data capture and calculation error** Revenue is the most significant balance in the Consolidated Income Statement. Revenue largely comprises the recurring management fee income which results from the business activities of the Group. The two key components to management fee calculations are fee rates and assets under management. The following are identified as the key risks for recurring fee income: — **Risk in relation to fee rates:** There is a risk that fee rates have not been entered into the fee calculation and billing systems when new clients are on boarded or agreements are amended. — **Risk in relation to assets under management ("AUM"):** There is a risk that AUM data from the third- party service providers and other in- house systems is not complete and/or accurate. — **Risk in relation to calculation of management fee income:** There is a risk that management fee income is incorrectly calculated.	Our procedures included: **Procedures in relation to fee rates:** — **Control design and operation:** We tested the design and operating effectiveness of controls over the integrity of system data for fee rates and over new and amended fee agreements. — **Test of details:** We agreed a selection of fee rates used in the system calculation to the original investment management agreements ("IMAs"), fee letters or fund prospectuses outlining the latest effective fee rates. **Procedures in relation to assets under management:** — **Control design and operation:** For institutional recurring management fees, we tested the design and operating effectiveness of controls over the production of AUM valuations used in calculating recurring management fees. — for retail recurring management fees, we inspected the internal controls reports prepared by the outsourced service organisations (in particular State Street) to understand if the key controls over the production of AUM valuations used in calculated recurring management fees were designed and operating effectively. **General procedures** — **Test of details:** We independently recalculated a sample of recurring fee income and agreed the recalculated fees to the management fee recognised. — **Assessing transparency:** We considered the adequacy of the disclosures made in respect of revenue against the relevant accounting standards. **Our findings** — We found no errors in the Group's calculation of management fee income and related disclosures to be balanced.

	The risk	Our response
Parent company risk: recoverability of parent company's investment in subsidiaries: (£915.3 million) *Refer to page 73 (Audit and Risk Committee Report), page 129 (accounting policy) and page 169 (financial disclosures).*	**Low risk, high value** The carrying amount of the parent company's investments in subsidiaries represents 99.5% of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: — **Test of details:** We compared the carrying amount of the investment balances to audited net assets of the respective subsidiary to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and inspected that the subsidiaries had historically been profit making. **Our findings** — We found the parent company's estimated recoverable amount to be balanced.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £9.8 million, determined with reference to a benchmark of Group profit before tax, of which it represents 5%. Materiality for the parent Company financial statements as a whole was set at £0.92 million for Ninety One plc, determined with reference to a benchmark of Company total assets, of which it represents 0.1%.

We agreed to report to the Group Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.49 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

In addition, we applied materiality of £38 million to the classification of unit-linked assets and liabilities in the consolidated statement of financial position and related notes, determined with reference to a benchmark of total assets, of which it represents 0.5%. This materiality was applied solely for our work on matters for which a misstatement is likely only to lead to a reclassification between line items within assets and liabilities, in accordance with FRC Practice Note 20 The Audit of Insurers in the United Kingdom.

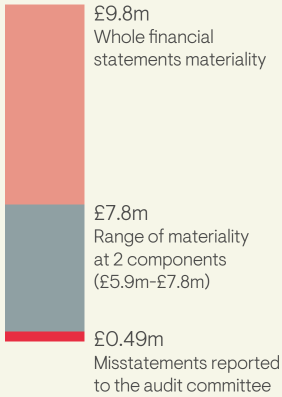
We agreed to report to the Audit and Risk Committee any corrected or uncorrected classification misstatements in unit-linked assets and liabilities exceeding £1.9 million.

All audit procedures are completed by the UK and South African component teams. Of the Group's two reporting components, we subjected both to audits for Group reporting purposes. These audits covered 100% of Group net revenue; 100% of Group profit before tax; 100% of total Group assets; and 100% of total Group expenses. All audit procedures are completed by the Group audit team in the UK and the South African component team.

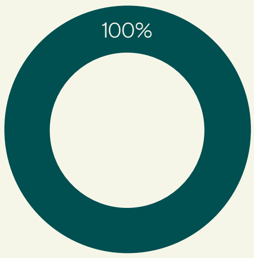
Group profit before tax
£198.5m

Profit before tax
Group materiality

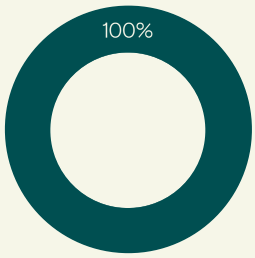
Group materiality
£9.8m



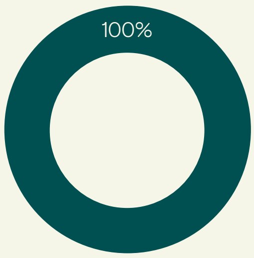
Group net revenue



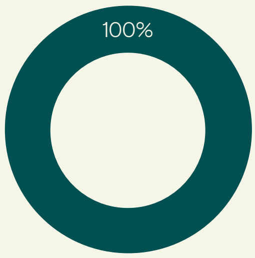
Group profit before tax



Group total assets



Group total expenses



Full scope for group audit purposes 2020
Specified risk-focused audit procedures 2020
Residual components

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional procedures.

Based on this work, we are required to report to you if:

- We have anything material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 105 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report
Based solely on our work on the other information:

- We have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability
Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- The directors' confirmation within the statement of viability on pages 48 to 49 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the statement of viability of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the statement of viability. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- We have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 111, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
United Kingdom
E14 5GL

3 July 2020

Independent auditor's report

To the shareholders of Ninety One Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Ninety One Limited (the "group"), set out on pages 124 to 165 which comprise the consolidated statement of financial position at 31 March 2020, and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, the annexure to the consolidated financial statements and the specified remuneration disclosures marked as audited included in the Annual Report on Remuneration.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ninety One Limited at 31 March 2020, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Consolidation of Ninety One Limited

Refer to introduction on page 129, significant accounting policies note 1(a); and note 13 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit

Ninety One plc and Ninety One Limited, which together are referred to as the Ninety One Business exist as a dual-listed company ("DLC") with no single overall parent company.
 	
Ninety One plc and Ninety One Limited have entered into various agreements which ensure that shareholders in each company receive equal rights and obligations over the combined Ninety One Business. The agreements allow the DLC to operate as a single corporate group (collectively the "group").
 	
Accordingly, in preparing the consolidated financial statements of Ninety One Limited, judgement is required when assessing if the provisions and clauses in the DLC agreements meet the consolidation principles set out in accounting standards.
 	
There is a risk that the criteria required to be met to consolidate an entity as set out in accounting standards have not been applied correctly.
 	
Due to the complexity of the structure and the work effort required by the audit team, the consolidation of Ninety One Limited was determined to be a key audit matter.
	Our procedures included:
	
	— Inspection of the following agreements to determine whether consolidation requirements were met:
	  — The demerger agreements;
	  — the Ninety One Sharing Agreements; and
	  — the Ninety One Voting Agreement.
	— critically assessed the directors' key judgements in their technical accounting paper against our understanding of the agreements and relevant accounting standards.
	— we challenged the directors and their legal expert on the interpretation and application of the various agreements referred to above that supported the directors' judgements.
	— we considered the adequacy of disclosures to support the preparation of the consolidated financial statements in accordance with accounting standards.
	
	We found that the group's judgement of the consolidation of Ninety One Limited was balanced with proportionate disclosures of the group structure and related assumptions.

Revenue recognition

Refer to significant accounting policies note 1(e)(ii); and note 2 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
Revenue is the most significant balance in the consolidated income statement. Revenue largely comprises recurring management fee income which results from the business activities of the Group. The two key components to management fee calculations are fee rates and assets under management ("AUM"). The following are identified as the key risks for recurring fee income: — There is a risk that fee rates have not been accurately entered into the fee calculation and billing systems when new clients are on boarded or agreements are amended. — there is a risk that assets under management data from the third-party service providers and other in-house systems is not complete and/or accurate. — there is a risk that management fee income is incorrectly calculated. Due to the work effort required by the audit team, revenue recognition was determined to be a key audit matter.	Our procedures included: **Procedures in relation to fee rates:** — We tested the design and operating effectiveness of controls over the integrity of system data for fee rates and over new and amended fee agreements. — we agreed a selection of fee rates used in the system calculation to the original investment management agreements ("IMAs"), fee letters or fund prospectuses outlining the latest effective fee rates. **Procedures in relation to assets under management:** — For institutional recurring management fees, we tested the design and operating effectiveness of controls over the production of AUM valuations used in calculating recurring management fees. — for retail recurring management fees, we inspected the internal control reports prepared by the outsourced service organisations to understand if the key controls over the production of AUM valuations used in calculated recurring management fees were designed and operating effectively. **General procedures:** — We independently recalculated 100% of recurring fee income and agreed the recalculated fees to the management fees recognised. — we considered the adequacy of the disclosures made in respect of revenue against the relevant accounting standards. We found no errors in the Group's calculation of management fee income and related disclosures to be balanced.

Other matter

The Ninety One Business implemented a dual-listed company ("DLC") arrangement comprising Ninety One plc and Ninety One Limited effective 16 March 2020. The 31 March 2020 consolidated financial statements is the first set of consolidated financial statements of the Group. The basis of preparation explains how the comparative information, on which no previous audit opinion was issued, is presented as if the demerger transactions had occurred as at 1 April 2018. The comparative information has been derived from the underlying financial information previously included in the audited financial statements of the entities forming the Ninety One Business, adjusted for the demerger equity and reserve transactions which are now audited.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ninety One Integrated Annual Report 2020", which includes the Directors' Report, the DLC Audit and Risk Committee Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa, but excludes the specified remuneration disclosures marked as audited included in the Annual Report on Remuneration. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Ninety One Limited for one year.

KPMG Inc
Per GS Kolbé
Chartered Accountant (SA)
Registered Auditor
Director

The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town
8000
South Africa

3 July 2020

Consolidated income statement

For the year ended 31 March 2020

	Notes	2020 £'m	2019 £'m
Revenue	2	**761.0**	696.6
Commission expense		**(151.1)**	(139.7)
Net revenue		**609.9**	556.9
Operating expenses	3	**(413.4)**	(393.7)
Net (loss)/gain on investments		**(4.2)**	5.1
Foreign exchange gain		**2.1**	5.0
Other income		**0.2**	0.4
Operating profit		**194.6**	173.7
Net interest income	4	**1.7**	5.7
Profit before tax and exceptional items		**196.3**	179.4
Exceptional items			
Financial impact of group restructures	6(a)	**(10.9)**	(1.5)
Ninety One share scheme implementation	6(b)	**13.1**	–
Gain on disposal of subsidiary		**–**	0.5
Profit before tax		**198.5**	178.4
Tax expense	5	**(42.5)**	(38.6)
Profit after tax		**156.0**	139.8
Profit attributable to:			
Shareholders		**155.4**	139.3
Non-controlling interests		**0.6**	0.5
		156.0	139.8
Earnings per share (pence)			
Basic and diluted	7(a)	**16.8**	15.1

Consolidated statement of comprehensive income

For the year ended 31 March 2020

	2020 £'m	2019 £'m
Profit after tax	**156.0**	139.8
Other comprehensive income/(loss) for the year		
Items that will not be reclassified to profit or loss:		
Net actuarial losses on pension fund asset/obligation	**(1.8)**	(2.4)
Deferred tax on revaluation of pension fund asset/obligation	**0.4**	0.4
Deferred tax on share options vested	**0.1**	–
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**(10.2)**	(9.9)
Other comprehensive loss for the year	**(11.5)**	(11.9)
Total comprehensive income for the year	**144.5**	127.9
Total comprehensive income attributable to:		
Shareholders	**143.9**	127.4
Non-controlling interests	**0.6**	0.5
	144.5	127.9

Consolidated statement of financial position

At 31 March 2020

	Notes	2020 £'m	2019 £'m
Assets			
Investments	11	**4.8**	5.3
Investment in associate		**0.3**	–
Property and equipment	8	**18.0**	7.7
Right-of-use assets	18(a)	**90.7**	–
Deferred tax assets	9	**25.2**	25.3
Other receivable		**6.2**	5.8
Pension fund asset	20	**–**	0.2
Total non-current assets		**145.2**	44.3
Investments	11	**72.3**	72.4
Linked investments backing policyholder funds	10	**6,988.5**	8,173.7
Income tax recoverable		**4.4**	1.2
Trade and other receivables		**246.4**	241.8
Cash and cash equivalents	12	**194.5**	269.2
Total current assets		**7,506.1**	8,758.3
Total assets		**7,651.3**	8,802.6
Liabilities			
Other liabilities	15	**39.3**	44.9
Lease liabilities	18(a)	**98.9**	–
Pension fund obligation	20	**1.8**	–
Deferred tax liabilities	9	**5.7**	15.3
Total non-current liabilities		**145.7**	60.2
Policyholder investment contract liabilities	14	**7,002.8**	8,190.9
Other liabilities	15	**37.6**	32.6
Lease liabilities	18(a)	**2.7**	–
Trade and other payables	16	**304.3**	311.2
Deferred income		**–**	0.2
Income tax payable		**7.1**	11.8
Total current liabilities		**7,354.5**	8,546.7
Equity			
Share capital	13(a)	**441.2**	441.2
Own share reserve	13(b)	**(9.9)**	–
Other reserves	13(c)	**(351.6)**	(346.1)
Retained earnings		**71.0**	100.0
Shareholders' equity excluding non-controlling interests		**150.7**	195.1
Non-controlling interests		**0.4**	0.6
Total equity		**151.1**	195.7
Total equity and liabilities		**7,651.3**	8,802.6

The consolidated financial statements were approved by the Board on 3 July 2020 and signed on its behalf by:

Hendrik du Toit
Chief Executive Officer

Kim McFarland
Finance Director

Consolidated statement of changes in equity

For the year ended 31 March 2020

	Notes	Share capital £'m	Own share reserve £'m	Total other reserves £'m	Retained earnings £'m	Total shareholders' equity £'m	Non-controlling interests £'m	Total equity £'m
1 April 2019		**441.2**	**–**	**(346.1)**	**100.0**	**195.1**	**0.6**	**195.7**
Profit for the year		**–**	**–**	**–**	**155.4**	**155.4**	**0.6**	**156.0**
Other comprehensive loss		**–**	**–**	**(10.2)**	**(1.3)**	**(11.5)**	**–**	**(11.5)**
Total comprehensive income		**–**	**–**	**(10.2)**	**154.1**	**143.9**	**0.6**	**144.5**
Transactions with shareholders of the Group								
Share-based payment transactions related to Ninety One share scheme	13(c)(iv)	**–**	**–**	**4.7**	**–**	**4.7**	**–**	**4.7**
Own shares purchased	13(b)	**–**	**(9.9)**	**–**	**–**	**(9.9)**	**–**	**(9.9)**
Dividends paid	13(d)	**–**	**–**	**–**	**(183.1)**	**(183.1)**	**(0.8)**	**(183.9)**
Total transactions with shareholders of the Group		**–**	**(9.9)**	**4.7**	**(183.1)**	**(188.3)**	**(0.8)**	**(189.1)**
31 March 2020		**441.2**	**(9.9)**	**(351.6)**	**71.0**	**150.7**	**0.4**	**151.1**
1 April 2018		441.2	–	(336.2)	106.1	211.1	0.6	211.7
Profit for the year		–	–	–	139.3	139.3	0.5	139.8
Other comprehensive loss		–	–	(9.9)	(2.0)	(11.9)	–	(11.9)
Total comprehensive income		–	–	(9.9)	137.3	127.4	0.5	127.9
Transactions with shareholders of the Group								
Share-based payment transactions related to Ninety One share scheme	13(c)(iv)	–	–	–	–	–	–	–
Own shares purchased	13(b)	–	–	–	–	–	–	–
Dividends paid	13(d)	–	–	–	(143.4)	(143.4)	(0.5)	(143.9)
Total transactions with shareholders of the Group		–	–	–	(143.4)	(143.4)	(0.5)	(143.9)
31 March 2019		441.2	–	(346.1)	100.0	195.1	0.6	195.7

Consolidated statement of cash flows

For the year ended 31 March 2020

	Notes	2020 £'m	2019 £'m
Cash flows from operations – shareholders		**196.4**	171.7
Cash flows from operations – policyholders		**667.5**	596.5
Cash flows from operations	22(a)	**863.9**	768.2
Interest received		**4.8**	5.7
Interest paid in respect of lease liabilities		**(0.6)**	–
Other interest paid		**(0.1)**	–
Income tax paid		**(54.4)**	(64.5)
Net cash flows from operating activities		**813.6**	709.4
Cash flows from investing activities			
Net (acquisition)/disposal of investments		**(3.6)**	3.4
Additions to property and equipment	8	**(13.4)**	(6.5)
Proceeds from disposal of subsidiary		**–**	1.8
Net acquisition of linked investments backing policyholder funds	10	**(655.0)**	(592.7)
Net cash flows from investing activities		**(672.0)**	(594.0)
Cash flows from financing activities			
Payment of lease liabilities	22(b)	**(5.7)**	–
Purchase of own shares by EBTs	13(b)	**(9.9)**	–
Dividends paid		**(183.9)**	(143.9)
Net cash flows from financing activities		**(199.5)**	(143.9)
Effect of foreign exchange rate changes		**(16.8)**	(10.6)
Net change in cash and cash equivalents		**(74.7)**	(39.1)
Cash and cash equivalents at beginning of year		**269.2**	308.3
Cash and cash equivalents at end of year	12	**194.5**	269.2

Notes to the consolidated financial statements

For the year ended 31 March 2020

Introduction

On 14 September 2018, Investec plc and Investec Limited (collectively referred to as "Investec") announced their plan to demerge and publicly list the asset management business (the "Ninety One Business"). The separation was implemented by way of a demerger of the Ninety One Business to a new dual-listed company ("DLC") arrangement, comprising Ninety One plc, a public limited company incorporated in England and Wales under the UK Companies Act 2006 and Ninety One Limited, a public company incorporated in the Republic of South Africa under the South African Companies Act 71 of 2008. Investec has retained a minority stake in the Ninety One Business.

As a result of the planned demerger of the Ninety One Business from Investec, Ninety One plc and Ninety One Limited became the holding companies of the Ninety One Business, through a share-for-share exchange, with Ninety One plc and Ninety One Limited receiving the entire net asset value of the underlying entities of the Ninety One Business, in exchange for the issue of ordinary shares of Ninety One plc and Ninety One Limited to the original stakeholders of the Ninety One Business on a pro rata basis. Upon the completion of the share-for-share exchange, Ninety One plc and Ninety One Limited, together with their direct and indirect subsidiaries formed a DLC arrangement through the Ninety One DLC agreements which is that Ninety One plc and Ninety One Limited are operated as a single corporate group (collectively, the "Group") under the agreements. The Group was demerged from Investec on 13 March 2020 (the "Date of Demerger") and listed on the London and Johannesburg Stock Exchanges on 16 March 2020 (the "Admission Date").

1. Basis of preparation and accounting policies

1(a) Basis of preparation

The Group's financial statements are prepared in accordance with both International Financial Reporting Standards ("IFRS") and the interpretations of the IFRS Interpretations Committee ("IFRIC") as adopted by the European Union ("EU"), and with IFRS as issued by the International Accounting Standards Board ("IASB") (collectively "IFRS") since the latter is identical in all material respects. They are also prepared in accordance with the interpretations adopted by the International Accounting Standards Board, the South African Institute of Chartered Accountants' Financial Reporting Guides and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act 2006 in the UK and the Companies Act of South Africa.

The Group's financial statements comprise the consolidated statement of financial position at 31 March 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2020, and a summary of significant accounting policies and the notes thereto.

This is the first set of the Group's financial statements in which the Group has prepared the consolidated financial statements, using the accounting policies applied in preparing the combined historical financial information of the Ninety One Business reported in the Ninety One prospectus and pre-listing statement dated 2 March 2020 (the "Prospectus"), which is available on the Group's website. These accounting policies have been disclosed under significant accounting policies.

The insertion of Ninety One plc and Ninety One Limited as the ultimate holding companies of the Group via a share-for-share exchange with the original stakeholders of the Ninety One Business (the "Demerger Transactions") constitute "transactions under common control" in which merger accounting is applied. Accordingly, the consolidated financial statements are prepared as if the Group had already existed before the start of the earliest period presented. The comparative information is, therefore, presented as if the Demerger Transactions had occurred at 1 April 2018. The comparative information has been derived from the audited financial statements of entities forming the Ninety One Business adjusted for the demerger equity and reserve adjustments.

The financial statements have been prepared on the 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 presentation currency of the Group is pound Sterling ("£"), being the functional currency of Ninety One plc. The functional currency of Ninety One Limited is South African Rand. All values are rounded to the nearest million ("£m"), unless otherwise indicated.

1(a) Basis of preparation continued

Foreign operations are subsidiaries and interests in associated undertakings of the Group, 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.

The separate financial statements of Ninety One plc are included in the Group's financial statements in accordance with the requirement of UK Listing Rules. The separate financial statements of Ninety One plc are prepared in accordance with the Group's accounting policies, other than for investments in subsidiary undertakings, which are stated at cost less impairments in accordance with IAS 27 Separate Financial Statements. The separate financial statements of Ninety One Limited are published on the Group's website as a separate document.

Going concern

The board of directors have considered the resilience of the Group, taking into account its current financial position, the principal risks facing the business and the impacts that the outbreak of the new coronavirus ("COVID-19") and its associated events has had on the Group. The board of directors have considered the impact of COVID-19 by applying various stressed scenarios, including plausible downside assumptions, about the impact on assets under management, profitability of the Group and known commitments. All scenarios show that the Group would continue to operate profitably for a period of at least 12 months from the date of approval of the annual financial statements. The consolidated financial statements have therefore been prepared on a going concern basis.

1(b) Accounting judgements and estimates

The preparation of the consolidated financial statements 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 underlying 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.

The Group has not identified any significant judgements and estimates at the end of the 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. Management do not expect changes in assumptions to lead to a material adjustment in the future periods.

(i) Basis of consolidation

Ninety One plc and Ninety One Limited operate under a DLC arrangement as a result of legally binding agreements that were executed at the point of demerger. The effect of the DLC structure is that Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS. IFRS does not specifically provide guidance on how to account for such structures and hence judgement is required in applying the consolidation principles set out in IFRS 10. The board of directors of Ninety One plc and Ninety One Limited, having assessed the legal agreements referred to above and the requirements of IFRS 10, have concluded that the Group's consolidated financial statements represent the consolidation of the assets, liabilities and the results of Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates. Subsidiaries are those entities controlled by the Group. Subsidiaries are consolidated from the date the Group obtains control and are excluded from consolidation from the date which the Group loses control.

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Group, as follows:

- Assets and liabilities for the consolidated statement 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 consolidated 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 Group were eliminated when preparing the consolidated financial statements. In addition, the investments of the holding companies in the Group were eliminated against the equity of the respective subsidiaries. The share capital of the Group is an aggregation of the share capitals of Ninety One plc and Ninety One Limited.

(ii) Lease assets and liabilities
IFRS 16 became effective for periods beginning on or after 1 January 2019. The new standard removes the distinction between operating and finance leases and requires the recognition of a right-of-use asset and corresponding liability for future lease payments. The Group has elected to use the modified retrospective approach and therefore has not restated comparative information in preparing the 31 March 2020 consolidated financial statements, as permitted under the specific transitional provisions in the standard.

Calculation of leased assets and liabilities requires the use of both estimation and judgement. The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. Several of the Group's leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised.

In addition, the identification of an appropriate discount rate to use in the calculation of the lease liability involves both estimation and judgement. Where the lease's implicit rate is not readily determinable, an incremental borrowing rate must be calculated by the Group. The discount rate used has a direct effect on the size of the lease liability capitalised, however it is assessed that the change in discount rate is unlikely to have an material impact to the Group.

Details of the adoption of IFRS 16 are disclosed in note 1(c).

(iii) 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. Such items have been separately presented to enable a better understanding of the Group's operating performance. Exceptional items relate primarily to:

- The costs incurred as part of the demerger and separate listing of the Group in March 2020; and
- the impact of reversing staff expense accruals to fund the investment into the new Ninety One share schemes in March 2020, net of the share scheme expenses which are amortised over the vesting period of the awards under IFRS 2.

Details of exceptional items are presented in note 6.

1(c) New standard adopted by the Group

The Group has initially adopted IFRS 16 as from 1 April 2019 (the "Date of Initial Application"). IFRS 16 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 Group 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.

1(c) New standard adopted by the Group continued

At the Date of Initial Application, the Group 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 payments relating to that lease recognised in the statement of financial position of the respective subsidiaries as at 31 March 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 3.37%. The Group 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 of the respective subsidiaries immediately preceding the Date of Initial Application to the opening balance for lease liabilities recognised as at the Date of Initial Application.

	£'m
Operating lease commitments at 31 March 2019	113.8
Add: lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension options	0.1
	113.9
Less: total future interest expenses	(25.3)
Total lease liabilities recognised at 1 April 2019	88.6

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 April 2019:

- Right-of-use assets increased by £85.3m;
- trade and other payables decreased by £3.3m; and
- lease liabilities increased by £88.6m.

1(d) Forthcoming standards applicable to the Group

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 Group:

- 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 IAS 1 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 Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far the Group has concluded that the adoption of these amendments is unlikely to have a significant impact on the consolidated financial statements.

1(e) Significant accounting policies

The accounting policies set out below have been applied consistently throughout the periods presented in the consolidated financial statements, unless indicated otherwise.

(i) Consolidation and related policies

Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an entity if the Group has all of the following:

- Power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between companies within the Group are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, through participation in the financial and operating policy decisions. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, investments are initially recognised at cost and thereafter the Group recognises its share of the investee's post-acquisition profits or losses in its consolidated income statement. Dividends received or receivable from the investee are recognised as a reduction in the carrying amount of the investment. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in "Impairment of non-financial assets" in these accounting policies.

Merger accounting for common control combinations

Merger accounting is used by the Group for common control transactions, which are transactions between entities that are ultimately controlled by the same party or parties. This method treats the merged entities as if they had been merged throughout the current and comparative accounting periods.

The net assets of the combining entities or businesses use the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest. The excess of the acquiree's share capital and share premium over the cost of investment is represented as a reserve in equity in the consolidated statement of financial position.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that are to be accounted for by using merger accounting are recognised as an expense in the year in which they are incurred.

1(e) Significant accounting policies continued

(i) Consolidation and related policies continued

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Group, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. The Group 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 consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Group. Non-controlling interests in the results of the Group are presented on the face of the consolidated 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 Group. Changes in the Group's 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.

(ii) Other significant accounting policies

Revenue

The Group recognises revenue when or as it satisfies a performance obligation by transferring promised services to the customers in an amount to which the Group expects to be entitled in exchange for those services. The Group includes variable consideration in revenue when it is no longer highly probable of significant reversal. Generally, the Group is deemed to be the principal in the contracts because the Group controls the promised services before they are transferred to customers, and accordingly presents the revenue gross of related costs.

i) Management fees are recognised as the services are performed over time and are primarily based on agreed percentages of the net asset values of the investment funds and segregated mandates.

ii) 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 investment funds and segregated mandates, and it is highly probable that they will not be subject to significant reversal.

iii) Silica's revenue includes fee income for third-party administration outsourced services and project income for client system development and implementation. Fee income for third-party administration outsourced services is recognised as the services are rendered. Project income for client system development and implementation is recognised on a stage of completion basis.

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 Group's revenue are revenue from contracts within the scope of IFRS 15 Revenue from Contracts with Customers. The Group 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.

Interest income

Interest income is recognised on an accrual basis using the effective interest method in accordance with the requirements of IFRS 9 Financial instruments.

Commission expenses

Commissions and similar expenses payable to intermediaries are recognised when services are provided.

Leases
The Group leases various offices for business purposes. Lease terms are negotiated on an individual basis and contain a wide 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 Group. 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 the 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 Group 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 Group are calculated separately and the recoverability of the deferred tax assets is also assessed accordingly.

1(e) Significant accounting policies continued

(ii) Other significant accounting policies continued

Financial instruments

Recognition and derecognition of financial instruments

Financial instruments are initially recognised at fair value on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the particular instrument. Financial assets are derecognised when, and only when, the Group transfers substantially all risks and rewards of ownership. Financial liabilities are derecognised when, and only when, the obligations under the contract are discharged, cancelled or expire.

Classification and measurement of financial assets and financial liabilities

Financial assets are classified into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss ("FVTPL"). 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 Group's financial assets are either classified as measured at FVTPL or amortised cost.

Financial assets measured at amortised cost

Financial assets are measured at amortised cost when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows. It typically applies to the Group's trade and other receivables. The carrying amount of financial assets measured at amortised cost is adjusted for expected credit loss ("ECL") under the ECL model.

In measuring ECLs, the Group 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 ECL: 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 Group considers a financial asset to be in default when: i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group applies the simplified approach in determining ECLs for trade receivables.

Financial assets measured at FVTPL

Financial assets measured at FVTPL 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 FVTPL, with gains and losses recognised in the consolidated income statement in the period which they arise. Contracts related to linked investments backing policyholder funds issued by the Group do not qualify as insurance contracts as defined in IFRS 4 Insurance Contracts as there is no transfer of insurance risk. Therefore, these contracts are accounted for under IFRS 9.

When available, the Group 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.

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.

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 Group's 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 date, there was no indication of impairment of any assets.

Pension schemes
The Group 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 services.

Defined benefit pension obligations are calculated using the projected unit credit method. The net charge to the consolidated 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 administrative 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 payments
The Group operates a number of share incentive plans for its employees. The share incentive plans, which are on an equity- settled basis, involve an award of shares or options in the Group to selected employees. The vesting conditions of the awards can be performance and/or service conditions and vary between different types of awards. The fair value of employee services received, measured by reference to the grant date fair value of the awards adjusted by the estimate of the likely levels of forfeiture and achievement of performance criteria, is recognised as an expense over the vesting period with a corresponding credit to the share-based payments reserve in the equity of the Group's consolidated financial statements. The vesting period for these plans may commence before the legal grant date if the employees have started to render services in respect of the award before the legal grant date, where there is a shared understanding of the terms and conditions of the arrangement.

At each period end, the Group reassesses the number of equity instruments expected to vest and recognises any difference between the revised and original estimate in the consolidated income statement with a corresponding adjustment to the share-based payments reserve in equity. Failure to meet a vesting condition by the employee is not treated as a cancellation, and the amount of expense recognised for the award is adjusted to reflect the number of awards expected to vest.

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 Group to its employees, which the Group invests in pooled vehicles managed by entities within the Group. At the end of the specified vesting period, employees are entitled to an amount equal to the value of the investments held by the Group. 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 Group. 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 24.

2. Segmental reporting

As an integrated global investment manager, the Group 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 Group. The CODM is the chief executive officer of the Group from time to time. Reporting provided to the CODM is on an aggregated basis which is used for evaluating the Group's performance and the allocation of resources. The CODM monitors operating profit for the purpose of making decisions about resource allocation and performance assessment. Revenue is disaggregated by geographic location of contractual entities, as this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. Revenue is generated from a diversified customer base and the Group has no single customer that it relies on. Non-current assets other than intangibles, investments, deferred tax assets and pension fund assets are allocated based on where the assets are physically located. Non-current assets for this purpose consist of property and equipment.

	Notes	2020 £'m	2019 £'m
Revenue from external clients			
United Kingdom and Other		**597.4**	546.3
Southern Africa		**163.6**	150.3
Total		**761.0**	696.6
Performance fees included in revenue above		**21.5**	11.0
Non-current assets			
United Kingdom and Other		**14.8**	5.1
Southern Africa		**3.2**	2.6
Total	8	**18.0**	7.7

3. Operating expenses

	Notes	2020 £'m	2019 £'m
Staff costs	3(a)	**273.2**	263.6
Operating lease expense		**–**	11.6
Depreciation of right-of-use assets	18(b)	**10.7**	–
Depreciation of property and equipment	8	**2.5**	2.0
Auditors' remuneration	3(b)	**1.5**	1.2
Other administrative expenses		**125.5**	115.3
		413.4	393.7

3(a) Staff costs

	2020 £'m	2019 £'m
Salaries, wages and other related costs	**245.0**	236.1
Share-based payment expenses related to Investec Share Plans	**1.2**	2.4
Social security costs	**17.8**	16.7
Pension costs	**9.2**	8.4
	273.2	263.6

The share-based payments expense related to the Ninety One share scheme of £5.2 million (2019: nil) is excluded from the above expenses. See note 6(b) for more detail.

(i) Average number of employees

The monthly average number of persons, including the directors, employed by the Group during the year ended 31 March 2020, excluding 481 (2019: 506) employed by the Silica subsidiaries, by activity is:

	2020	2019
Investments	**249**	238
Client group and marketing	**401**	394
Operations and central services	**498**	462
	1,148	1,094

3(b) Auditors' remuneration

	2020 £'m	2019 £'m
Fees payable to the Group's auditors and their associates for the audit of the Group's consolidated financial statements	**0.3**	–
Fees payable to the Group's auditors and their associates for audit and other services:		
Audit of the Group's subsidiaries pursuant to legislation	**0.7**	0.6
Audit-related assurance services	**0.3**	0.3
Tax compliance services	**–**	0.1
Other assurance services	**0.2**	0.2
	1.5	1.2

4. Net interest income

	2020 £'m	2019 £'m
Interest income	**4.8**	5.7
Interest expense on lease liabilities	**(3.0)**	–
Other interest expense	**(0.1)**	–
	1.7	5.7

Interest income consists of interest on financial assets measured at amortised cost.

5. Tax expense

	2020 £'m	2019 £'m
Current tax – current year	**43.6**	40.0
Current tax – adjustment for prior years	**(0.2)**	0.1
Current tax expense	**43.4**	40.1
Deferred tax – current year	**0.5**	(2.0)
Deferred tax – adjustment for prior years	**(0.3)**	–
Deferred tax – change in corporate tax rate	**(1.1)**	0.5
Deferred tax credit	**(0.9)**	(1.5)
	42.5	38.6

5. Tax expense continued

The UK corporate tax rate for 2020 was 19% (2019: 19%). The UK corporate tax rate was planned to reduce to 17% from 1 April 2020 as part of the Finance Bill 2016. However, it was further announced by HMRC on 11 March 2020 that the UK corporate tax rate remains at 19% rather than reducing it to 17% from 1 April 2020 with the objective of raising revenue while maintaining the UK's competitive rate of corporation tax.

The tax charge in the year is higher (2019: higher) than the standard rate of corporate tax in the UK and the differences are explained below:

	2020 %	2019 %
Reconciliation of effective tax rate		
Effective rate of taxation	**21.4**	21.6
Tax effect of non-deductible expenses	**(0.3)**	(0.2)
Effect on deferred tax balances resulting from a change in tax rate	**0.6**	(0.3)
Adjustment to tax charge in respect of prior year	**0.2**	–
Effect of different tax rates applicable in foreign jurisdictions	**(2.9)**	(2.1)
United Kingdom standard tax rate	**19.0**	19.0

6. 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 Group and therefore are not expected to recur frequently or regularly. Exceptional items are set out as below:

6(a) Financial impact of group restructures

The financial impact amounting to £10.9 million (2019: £1.5 million) are the costs incurred in separating from Investec which mainly consist of costs on rebranding and network migration.

6(b) Ninety One share scheme implementation

The Group established two new long-term incentive plans and a UK tax advantaged share incentive plan with effect from the Admission Date. Before the Date of Demerger, the Ninety One Business operated a bonus deferral arrangement where a portion of selected employees' annual bonuses are deferred into investment funds managed by the Ninety One Business. The Ninety One share schemes are intended to complement this arrangement and allow for a portion of the annual bonus to be deferred into an award under the Ninety One share scheme.

Due to the terms attaching to these incentive plans, previously expensed bonus deferral costs for relevant employees are fully reversed and replaced by costs of the new long-term incentive plans over their vesting period. The net impact of reversing costs related to the deferred bonus arrangement into the Ninety One share scheme in March 2020 is set out as below:

	2020 £'m
Reversal of costs related to the deferred bonus arrangement	**18.3**
Recognition of share-based payment expense and other related costs for the Ninety One share scheme	**(5.2)**
	13.1

These expenses are not expected to be exceptional in future periods.

7. Earnings per share

The Group calculates earnings per share ("EPS") on a number of different bases in accordance with IFRS and prevailing South Africa requirements.

Share transactions such as share issues in respect of the Demerger Transactions are reflected in the EPS denominator as if these transactions had occurred before the year ended 31 March 2019.

7(a) Basic and diluted earnings per share

The calculations of basic and diluted EPS are based on IAS 33 Earnings Per Share; details are shown as below:

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding own shares held by the Ninety One Employee Benefit Trusts.

Diluted earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares. There are no potentially dilutive shares for the years ended 2020 and 2019, therefore the weighted average number of ordinary shares used to calculate the basic and diluted EPS is the same.

	2020 £'m	2019 £'m
Profits attributable to ordinary shareholders	**155.4**	139.3

The table below summarises the calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share:

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares		
Ordinary shares in issue	**922,714,076**	922,714,076
Less: Own shares held by the Ninety One Employee Benefit Trusts	**(262,276)**	–
Weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS	**922,451,800**	922,714,076
Basic earnings per share and diluted earnings per share (pence)	**16.8**	15.1

7(b) Headline earnings and diluted headline earnings per share

The Group is required to calculate headline earnings per share ("HEPS") in accordance with the JSE Listings Requirements, determined by reference to circular 1/2019 "Headline Earnings" issued by the South African Institute of Chartered Accountants.

The table below reconciles the profits attributable to ordinary shareholders to headline earnings and summarises the calculation of basic and diluted HEPS:

	2020 £'m	2019 £'m
Profits attributable to ordinary shareholders	**155.4**	139.3
Share of profit from associates	**(0.2)**	–
Gain on disposal of subsidiary	**–**	(0.5)
Headline earnings and diluted headline earnings	**155.2**	138.8

7(b) Headline earnings per share continued

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS (note 7(a))	**922,451,800**	922,714,076
Headline earnings per share and diluted headline earnings per share (pence)	**16.8**	15.0

7(c) Adjusted earnings per share

Adjusted earnings per share is the Group's key alternative performance measure which is consistent with the way that financial performance is measured by the senior management of the Group. It is calculated by dividing the adjusted earnings after tax attributable to ordinary shareholders by the total number of ordinary shares in issue at the end of the year. Adjusted earnings are calculated to reflect the underlying long-term performance of the Group by excluding the impact of the following items:

- Exceptional items;
- interest income excluding Silica;
- profit or loss arising from entities which do not reflect the core business of the Group, (Silica); and
- relevant tax impact on adjusting items.

The table below reconciles the profit for the financial year to adjusted earnings and summarises the calculation of adjusted EPS:

	2020 £'m	2019 £'m
Profits attributable to ordinary shareholders	**155.4**	139.3
Adjusted for:		
Financial impact of group restructures	**10.9**	1.5
Ninety One share scheme implementation	**(13.1)**	–
Gain on disposal of subsidiary	**–**	(0.5)
Interest income excluding Silica	**(4.5)**	(5.5)
Profit from Silica	**(1.9)**	(1.4)
Tax on adjusted items	**2.0**	1.6
Adjusted earnings attributable to ordinary shareholders	**148.8**	135.0

	2020 Number of shares	2019 Number of shares
Total number of ordinary shares in issue	**922,714,076**	922,714,076
Adjusted earnings per share (pence)	**16.1**	14.6

8. Property and equipment

	Leasehold improvements £'m	Computer equipment £'m	Fixtures and fittings £'m	Total £'m
At 31 March 2020				
Cost				
Opening balance	**6.1**	**12.1**	**1.2**	**19.4**
Additions	**9.9**	**2.8**	**0.7**	**13.4**
Disposals	**(0.4)**	**(4.0)**	**(0.2)**	**(4.6)**
Exchange adjustment	**(0.1)**	**(1.2)**	**(0.2)**	**(1.5)**
Closing balance	**15.5**	**9.7**	**1.5**	**26.7**
Accumulated depreciation				
Opening balance	**(1.3)**	**(9.5)**	**(0.9)**	**(11.7)**
Depreciation	**(0.5)**	**(1.7)**	**(0.3)**	**(2.5)**
Disposals	**0.4**	**4.0**	**0.2**	**4.6**
Exchange adjustment	**—**	**0.8**	**0.1**	**0.9**
Closing balance	**(1.4)**	**(6.4)**	**(0.9)**	**(8.7)**
Closing net book value	**14.1**	**3.3**	**0.6**	**18.0**

	Leasehold improvements £'m	Computer equipment £'m	Fixtures and fittings £'m	Total £'m
At 31 March 2019				
Cost				
Opening balance	2.1	12.5	2.0	16.6
Additions	4.4	2.0	0.1	6.5
Disposals	(0.4)	(1.6)	(0.8)	(2.8)
Exchange adjustment	—	(0.8)	(0.1)	(0.9)
Closing balance	6.1	12.1	1.2	19.4
Accumulated depreciation				
Opening balance	(1.3)	(10.3)	(1.5)	(13.1)
Depreciation	(0.4)	(1.5)	(0.1)	(2.0)
Disposals	0.4	1.7	0.6	2.7
Exchange adjustment	—	0.6	0.1	0.7
Closing balance	(1.3)	(9.5)	(0.9)	(11.7)
Closing net book value	4.8	2.6	0.3	7.7

9. Deferred taxation

	2020 £'m	2019 £'m
Deferred tax assets arising from the following:		
Accelerated capital allowances	**0.2**	0.6
Employee benefits	**10.5**	10.0
Tax loss carried forward	**–**	0.8
Capital gains tax on fair value gains	**–**	(0.2)
Deferred compensation payments	**14.5**	14.2
Prepayments	**(0.1)**	(0.1)
Donation	**0.1**	–
	25.2	25.3
Opening balance	**25.3**	24.6
Deferred tax charge to profit from operations	**0.9**	1.5
Deferred tax charge to other comprehensive income:		
Deferred tax on revaluation of pension fund asset	**0.4**	0.4
Deferred tax on other movements through other comprehensive income	**0.1**	–
Exchange adjustments	**(1.5)**	(1.2)
Closing balance	**25.2**	25.3
Deferred tax liabilities arising from the following:		
Deferred capital allowance	**0.1**	–
Unrealised capital gain	**5.6**	15.3
	5.7	15.3
Opening balance	**15.3**	14.2
Deferred tax (credit)/charge related to policyholder funds	**(8.8)**	2.9
Exchange adjustments	**(0.8)**	(1.8)
Closing balance	**5.7**	15.3

10. Linked investments backing policyholder funds

	2020 £'m	2019 £'m
Quoted investments at fair value		
Equities	**412.3**	836.9
Interest-bearing stocks, debentures and other loans	**1,429.5**	1,760.5
Derivatives	**(30.9)**	–
	1,810.9	2,597.4
Unquoted investments at fair value		
Collective investment schemes	**2,886.4**	3,396.2
Mutual funds	**1,233.9**	1,125.4
Equities	**4.5**	4.9
Interest-bearing stocks, debentures and other loans	**824.2**	907.3
Derivatives	**(13.5)**	(12.9)
Cash and cash equivalents	**242.1**	155.4
	5,177.6	5,576.3
	6,988.5	8,173.7
Opening balance	**8,173.7**	8,424.2
Net fair value (losses)/gains on linked investments backing policyholder funds	**(588.7)**	159.7
Net acquisition of linked investments backing policyholder funds	**655.0**	592.7
Exchange adjustment	**(1,251.5)**	(1,002.9)
Closing balance	**6,988.5**	8,173.7

11. Investments

	2020 £'m	2019 £'m
Non-current		
Investments in unlisted investment vehicles	**4.8**	5.3
Current		
Deferred compensation investments	**70.6**	71.2
Investments in pooled vehicles	**1.7**	1.2
	72.3	72.4

12. Cash and cash equivalents

	2020 £'m	2019 £'m
Cash at bank and on hand	**152.0**	82.6
Money Market Funds	**42.5**	186.6
	194.5	269.2

Cash balances within linked investments backing policyholder funds are not included as they are not due to the Group.

13. Share capital, other reserves and dividends

13(a) Share capital

Ordinary shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. The value of the Group's share capital consists of the number of ordinary shares in issue in Ninety One plc and Ninety One Limited multiplied by their nominal value. The comparative figures are presented as if the Demerger Transactions had occurred at the beginning of the year ended 31 March 2019.

The tables below provide details of the share capital of Ninety One plc and Ninety One Limited.

	Number of shares	Nominal value £'m
Ninety One plc		
Ordinary shares of £0.0001 each, issued, allotted and fully paid[1]	**622,624,622**	**0.1**
Special shares of £0.0001 each, issued, allotted and fully paid:[2]		
Special converting shares	**300,089,454**	**–**
UK DAS share	**1**	**–**
UK DAN share	**1**	**–**
Special voting share	**1**	**–**
Special rights share	**1**	**–**
Ninety One plc balance at 31 March 2020 and 2019		**0.1**

On the Date of Demerger, Ninety One plc acquired the net assets of Ninety One UK Limited (previously Investec Asset Management Limited), the former holding company of the Ninety One Business in the UK, from Investec and Forty Two Point Two for a consideration of £915.3 million. The transfer was effected by the issue of 622,624,621 ordinary shares by Ninety One plc, with the balance giving rise to the share premium of £732.2 million and a merger reserve of £183.0 million, being the differences between the nominal value of shares issued and the consideration of the acquired net assets of Ninety One UK Limited. Share premium was subsequently transferred to a distributable reserve by means of the reduction of share capital.

	Number of shares	Nominal value £'m
Ninety One Limited		
Ordinary shares with no par value, issued, allotted and fully paid[1]	**300,089,454**	**441.1**
Special shares with no par value, issued, allotted and fully paid:[2]		
Special converting shares	**622,624,622**	**–**
SA DAS share	**1**	**–**
SA DAN share	**1**	**–**
Special voting share	**1**	**–**
Special rights share	**1**	**–**
Ninety One Limited balance at 31 March 2020 and 2019		**441.1**

On the Date of Demerger, Ninety One Limited acquired the net assets of Ninety One Africa Proprietary Limited (previously Investec Asset Management Holding Proprietary Limited), the former holding company of the Ninety One Business in Southern Africa, from Investec and Forty Two Point Two for a consideration of £441.1 million. The transfer was effected by the issue of 300,089,454 ordinary shares by Ninety One Limited.

	Number of shares	Nominal value £'m
Total ordinary shares in issue and share capital at 31 March 2020 and 2019	**922,714,076**	**441.2**

1. All ordinary shares in issue rank pari passu and carry the same voting rights and entitlement to receive dividends and other distributions declared or paid by the Group. Ninety One Limited is authorised to issue one billion ordinary shares with no par value.
2. Special shares 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 or Ninety One Limited, nor any right to receive any dividend or other distribution by Ninety One plc or Ninety One Limited.

13(b) Own share reserve

The Group established the employee benefit trusts ("EBTs") for the purpose of purchasing the Group's shares and satisfying the share-based payment awards granted to employees. The EBTs are funded and operated by the relevant entity of the Group and hold shares that have not vested unconditionally to employees of the Group. The EBTs are consolidated into the Group's consolidated financial statements, with any Ninety One shares held by the EBTs classified as own shares deducted from equity of the Group's consolidated statement of financial position. These shares are recorded at cost, and no gain or loss is recognised in the Group's consolidated income statement on the purchase, sale, issue or cancellation of these shares.

Movements in the own share reserve during the year were as follows:

	2020 £'m
Opening balance	**–**
Own shares purchased	**(9.9)**
Closing balance	**(9.9)**

6.4 million ordinary shares were purchased and held within the EBTs during the year.

13(c) Other reserves

The following table shows the movements in other reserves during the year:

	Share premium £'m (i)	Distributable reserve £'m (i)	Merger reserve £'m (ii)	DLC reserve £'m (iii)	Share-based payment reserve £'m (iv)	Foreign currency translation reserve £'m (v)	Total £'m
1 April 2019	**–**	**732.2**	**183.0**	**(1,236.5)**	**–**	**(24.8)**	**(346.1)**
Exchange differences on translating foreign subsidiaries	**–**	**–**	**–**	**–**	**–**	**(10.2)**	**(10.2)**
Share-based payment transactions	**–**	**–**	**–**	**–**	**4.7**	**–**	**4.7**
31 March 2020	**–**	**732.2**	**183.0**	**(1,236.5)**	**4.7**	**(35.0)**	**(351.6)**
1 April 2018	732.2	–	183.0	(1,236.5)	–	(14.9)	(336.2)
Transfer to distributable reserve	(732.2)	732.2	–	–	–	–	–
Exchange differences on translating foreign subsidiaries	–	–	–	–	–	(9.9)	(9.9)
31 March 2019	–	732.2	183.0	(1,236.5)	–	(24.8)	(346.1)

13(c) Other reserves continued

(i) Share premium and distributable reserve

The share premium amounting to £732.2 million arising from the Demerger Transactions described in note 13(a), being the premium of shares issued by Ninety One plc to Investec plc shareholders in exchange for the 80 percent stake, plus one share, in Ninety One UK Limited, was subsequently transferred to a distributable reserve by effecting a court approved reduction of capital, reducing its share premium account in order to create a distributable reserve for future distributions.

(ii) Merger reserve

The merger reserve of £183.0 million is a legally created reserve that represents the premium of shares issued by Ninety One plc to Forty Two Point Two in exchange for its 20 percent (less one share) stake in Ninety One UK Limited. This transaction attracted merger relief under section 612 of the Companies Act 2006.

(iii) DLC reserve

The DLC reserve of £1,236.5 million is an accounting reserve in equity to reflect the difference between the consideration for the acquired net assets of Ninety One UK Limited and Ninety One Africa Proprietary Limited (i.e. value of shares issued by Ninety One plc and Ninety One Limited) amounting to £1,356.4 million and the share capital and share premium of Ninety One UK Limited and Ninety One Africa Proprietary Limited amounting to £119.9 million.

(iv) Share-based payment reserve

The share-based payment reserve of £4.7 million comprises the fair value of share awards granted which are yet to be exercised. The amount will be reversed to the own share reserve when the related awards are forfeited or vested and transferred to employees.

(v) Foreign currency translation reserve

The foreign currency translation reserve of £35.0 million (2019: £24.8 million) represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

13(d) Dividends

Dividends are distributions of profit to holders of the Group's share capital and as a result are recognised as a deduction in equity. Dividends are recognised only when they are paid or approved by the shareholders of the Group. The table below shows the total dividends paid during the year.

	2020		2019	
	Pence per share	£'m	Pence per share	£'m
Ordinary dividends				
Prior year's final dividend paid	**7.0**	**64.7**	7.4	68.2
Interim dividend paid	**7.0**	**64.6**	8.2	75.2
Dividend paid prior to the Demerger	**5.8**	**53.8**	—	—
Total dividends attributable to ordinary shareholders	**19.8**	**183.1**	15.6	143.4

Final and interim dividends paid for the years ended 31 March 2020 and 2019 relates to the distributions of profits prior to the Date of Demerger. Dividend per share is calculated by dividing dividend paid by the number of shares in issue at the Date of Demerger. The board of directors recommended no further ordinary or special dividend for financial year 2020.

14. Policyholder investment contract liabilities

	2020 £'m	2019 £'m
Opening balance	**8,190.9**	8,446.1
Investment income on linked investments backing policyholder funds	**452.9**	442.7
Net fair value (losses)/gains on linked investments backing policyholder funds	**(588.7)**	159.7
Investment and administration expenses	**(27.6)**	(24.9)
Income tax credit/(expense) - policyholders' funds	**4.5**	(6.7)
Surplus transferred to shareholders	**(28.3)**	(27.1)
Net fair value change on policyholder investment contract liabilities	**(187.2)**	543.7
Contributions	**975.1**	930.0
Withdrawals	**(722.1)**	(723.5)
Exchange adjustment	**(1,253.9)**	(1,005.4)
	7,002.8	8,190.9

15. Other liabilities

	2020 £'m	2019 £'m
Non-current deferred compensation liabilities	**39.3**	44.9
Current deferred compensation liabilities	**37.6**	32.6
	76.9	77.5

The above liabilities include applicable employer tax.

16. Trade and other payables

	2020 £'m	2019 £'m
Employee related payables	**145.4**	152.7
Trade payables	**158.1**	154.8
Amounts payable to Investec	**0.8**	3.7
	304.3	311.2

17. Related parties

In the ordinary course of business, the Group carries out transactions with related parties, as defined by IAS 24 Related Party Disclosures. Apart from those disclosed elsewhere in the consolidated financial statements, material transactions for the year are set out below:

17(a) Transactions with key management personnel

Prior to the Date of Demerger, the key management personnel are defined as the directors of Ninety One UK Limited and Ninety One Africa Proprietary Limited, which are the former holding companies of the Ninety One Business. Certain directors are not paid directly by the Ninety One Business but received remuneration from Investec, in respect of their services to the larger group which included the Ninety One Business. Following the Date of Demerger, the key management personnel are defined as the directors (both executive and non-executive) of Ninety One plc and Ninety One Limited. Details of the compensation paid to the directors as well as their shareholdings in the Group are disclosed in the Annual report on remuneration.

The aggregate compensation paid or payable to key management personnel for employee services is as follows:

	2020 £'m	2019 £'m
Remuneration paid to key management personnel		
Short-term employee benefits	**11.2**	8.2

17(b) Balance and transactions with Marathon Trust and Forty Two Point Two

At 31 March 2020, Ninety One employees indirectly hold an interest in the Group through the Marathon Trust (the "Trust") and Forty Two Point Two. The Trust owns 100 percent of Forty Two Point Two and Forty Two Point Two owns 20.35 percent of the Group. During the year ended 31 March 2020, Forty Two Point Two increased their shareholding in the Group by 0.35 percent through purchases of shares in the market.

At 31 March 2019, Forty Two Point Two owned 20 percent (less one share) of Ninety One UK Limited and Ninety One Africa Proprietary Limited, the former holding companies of the Ninety One business. During the year ended 31 March 2019, Forty Two Point Two made additional investment in Ninety One UK Limited and Ninety One Africa Proprietary Limited of 2.9999 percent. 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 transaction to non-related entities. There are no cross guarantees between Ninety One and Forty Two Point Two.

17(c) Balances and transactions with former parent group, Investec

Investec retained significant influence over the Group by holding 25 percent of the Group's shares, therefore Investec remained as a related party to the Group for the year ended 31 March 2020. The Group had various transactions with Investec and its subsidiaries, all of which were in the normal course of business. Transactions and balances are shown as below:

	2020 £'m	2019 £'m
Transactions with Investec		
Interest income on deposit account – Investec Bank Limited[1]	**0.3**	0.4
Administration fee expenses[2]	**11.1**	12.8

	2020 £'m	2019 £'m
Balances with Investec		
Amounts payable to Investec	**0.8**	3.7
Current account with Investec Bank Limited[1]	**1.1**	5.1
Current account with Investec Bank (Channel Islands) Limited[1]	**0.2**	1.2

1. The current accounts with Investec Bank Limited and Investec Bank (Channel Islands) Limited earn interest at 6.7% (2019: 6.6%) and 0% (2019: 0%) per annum respectively.
2. Prior to the Date of Demerger, Investec incurred operating expenditures (i.e. accommodation, system and information) on behalf of the Group. Invested recharged these expenditures at cost to the Group on a monthly basis.

17(d) Other related parties

The Group operates and participates in staff pension schemes as detailed in note 20. Transactions made between the Group and the Group's staff pension schemes are made in the normal course of business.

18. Leases

18(a) Amounts recognised in the consolidated statement of financial position applying IFRS 16

	2020 £'m
Right-of-use assets	
Office premises	90.7

Additions to the right-of-use assets during the year ended 31 March 2020 were £19.2m.

Lease liabilities	
Current	2.7
Non-current	98.9
	101.6

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current reporting period:

	2020	
	Present value of the minimum lease payments £'m	Total minimum lease payments £'m
Within one year	2.7	2.8
Between one and five years	20.2	35.4
Over five years	78.7	90.7
	101.6	128.9

18(b) Amounts recognised in the consolidated income statement applying IFRS 16

	2020 £'m
Depreciation charge of right-of-use assets	10.7
Interest expense on lease liabilities	3.0

The total cash outflow for leases during the year ended 31 March 2020 was £5.7 million.

18(c) For the year ended 31 March 2019, commitments for minimum lease payments in relation to non-cancellable operating leases were payable as follows:

	2019 £'m
Within one year	5.9
Between one and five years	26.4
Between five and ten years	81.5
	113.8

19. Share-based payments

A summary of charges related to share-based payments (excluding employer taxes) for each share-based payment arrangement is set out as below:

	2020 £'m	2019 £'m
Ninety One plc LTIP and Ninety One Limited LTIP (note 19(a)(i))	4.7	–
Ninety One SIP (note 19(a)(ii))	–	–
Investec Share Plans (note 19(b))	1.2	2.4
Expense charged to statement of comprehensive income: Equity settled	**5.9**	2.4

Details of each share-based payment arrangement are presented below:

19(a) Arrangements started from the Date of Demerger and onwards

The Group established two new long-term incentive plans and a UK tax advantaged share incentive plan with effect from the Admission Date. These are the Ninety One plc Long-Term Incentive Plan 2020 ("Ninety One plc LTIP"), Ninety One Limited Long-Term Incentive Plan 2020 ("Ninety One Limited LTIP") and Ninety One Share Incentive Plan 2020 ("Ninety One SIP") (collectively known as the "Ninety One share scheme"). Awards under the Ninety One share scheme have been accounted for as equity-settled share-based payments. The fair value of the awards granted is recognised as an expense over the appropriate performance and vesting period.

(i) Ninety One plc LTIP and Ninety One Limited LTIP

Employees of Ninety One plc and its subsidiaries are eligible to participate in the Ninety One plc LTIP. Employees of Ninety One Limited and its subsidiaries are eligible to participate in the Ninety One Limited LTIP. Awards are made at the discretion of the Group's Human Capital and Remuneration Committee and may be granted in the form of options, forfeitable shares or conditional awards. Awards granted under the Ninety One plc LTIP are over shares in Ninety One plc and awards granted under the Ninety One Limited LTIP are over shares in Ninety One Limited.

The awards granted under the Ninety One plc LTIP and Ninety One Limited LTIP in the year ended 31 March 2020 took the form of forfeitable shares or conditional awards.

Awards are granted in the following circumstances:

- Listing awards - on the Admission Date, awards over approximately £2,000 worth of shares were made to all eligible employees of selected subsidiaries of the Group as at the date of admission. These listing awards will vest after three years;
- annual bonus deferral into shares – before the Date of Demerger, the Ninety One Business operated a bonus deferral arrangement where a portion of selected employees' annual bonuses were deferred into investment funds managed by the Ninety One Business. The Ninety One share scheme is intended to complement this arrangement and allow for a portion of the annual bonus to be deferred into an award under the Ninety One plc LTIP or Ninety One Limited LTIP. The bonus deferral awards over shares will vest after three years, in line with the vesting period of awards deferred into investment funds; and
- ad hoc awards - for strategically important employees and new hires, excluding executive directors. These awards will vest in equal tranches on the third, fourth and fifth anniversaries of the grant.

	2020 Number of ordinary shares
Outstanding at start of the year	–
Granted during the year	5,631,288
Outstanding at end of the year	**5,631,288**

The weighted average fair value of shares granted under these plans is £1.531. Fair value is equal to the market value of the shares at the date of grant.

(ii) Ninety One SIP

The Ninety One SIP is an all-employee share plan. Free share awards (over approximately £2,000 worth of shares in Ninety One plc) were made under the Ninety One SIP. All eligible UK employees on the Admission Date received their listing awards (as described in 19(a)(i)) as free share awards under the Ninety One SIP. The Ninety One SIP may be used as an employee share purchase plan in the future. The free share awards granted in the year ended 31 March 2020 will be subject to a three-year holding period starting from the grant date.

	2020 Number of ordinary shares
Outstanding at start of the year	–
Granted during the year	594,900
Outstanding at end of the year	**594,900**

The charge for the Ninety One SIP during the year amounted to £13,000. The weighted average fair value of shares granted under this plans is £1.512. Fair value is equal to the market value of the shares at the date of grant.

19(b) Arrangements existing before the Date of Demerger

(i) Investec Share Plans – Investec Ordinary Shares

Investec operates a share option scheme involving share options in Investec Limited and Investec plc (the "Investec Share Plans"). The Investec Share Plans, which are on an equity-settled basis, allow the Group's employees to acquire shares of Investec Limited and Investec plc ("Investec Ordinary Shares") prior to the Date of Demerger. Following the Date of Demerger, share awards outstanding at the Date of Demerger under the Investec Share Plans, continue on their vesting schedule, modified such that the awards are over a combination of Investec Ordinary Shares and ordinary shares of the Group ("Ninety One Ordinary Shares"), in the same ratio as received by the holders of Investec Ordinary Shares on the Admission Date. As a result of this arrangement, the obligation of settling both Investec Ordinary Shares and ordinary shares of the Group remains with Investec. Investec continues to recharge the expenses arising from these share-based payments related to the Group's employees until all the options are vested. As the changes to the Investec Share Plans are not beneficial to the employees of the Group, these changes do not result in the accounting for modification to the share-based payments arrangement under IFRS 2. Awards over Ninety One Ordinary shares continue to be accounted for as equity-settled share-based payments within the scope of IFRS 2. Awards over Investec Ordinary Shares are accounted for as employee benefits within the scope of IAS 19 Employee Benefits. The following summarises the details of the awards under Investec Share Plans.

The number and weighted average exercise price for options outstanding during the year are as follows:

	UK Schemes				South African Schemes			
	2020		2019		2020		2019	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
Outstanding at start of the year	**308,274**	**0.13**	320,229	0.24	**803,416**	**–**	1,184,359	–
Relocation of employees during the year	**–**	**–**	1,068	–	**(9,236)**	**–**	10,396	–
Granted during the year	**890,471**	**–**	113,560	–	**–**	**–**	115,722	–
Exercised during the year	**(61,074)**	**–**	(106,753)	0.23	**(176,353)**	**–**	(456,346)	–
Lapsed during the year	**(32,902)**	**0.51**	(19,830)	0.76	**(30,333)**	**–**	(50,715)	–
Outstanding at the end of the year	**1,104,769**	**0.01**	308,274	0.13	**587,494**	**–**	803,416	–
Exercisable at end of year	**3,956**	**–**	4,860	–	**10,978**	**–**	14,508	–

19(b) Arrangements existing before the Date of Demerger continued

(i) Investec Share Plans – Investec Ordinary Shares continued

The exercise price range and weighted average remaining contractual life for share options outstanding at the year end were as follows:

	UK Schemes		South African Schemes	
	2020	2019	2020	2019
Exercise price range	**£0 - 4.18**	£0 - 5.87	**R —**	R —
Weighted average remaining contractual life (years)	**4.16**	2.21	**1.54**	2.15

The fair value of share options at grant date, granted in the year are £2.8 million (2019: £1.2 million). The fair values of shares options granted were calculated at market price of the shares; additional information relating to options was as follows:

	UK Schemes		South African Schemes	
	2020	2019	2020	2019
Share price at date of grant	**£4.38 - £4.79**	£5.59	**n/a**	R90.96 - R92.55
Exercise price	**£0**	£0	**n/a**	R —
Option life (years)	**7 - 7.25**	4.75	**n/a**	4.75

(ii) Investec Share Plans – Ninety One Ordinary Shares

The movement for numbers of options outstanding to acquire Ninety One Ordinary Shares and the weighted average exercise prices during the year are as follows:

	UK Schemes		South African Schemes	
	2020		2020	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price R
Ninety One share awards issued at the Date of Demerger	**553,397**	**0.01**	**297,347**	**—**
Exercised during the year	**(1,258)**	**—**	**(3,557)**	**—**
Outstanding at the end of the year	**552,139**	**0.01**	**293,790**	**—**
Exercisable at end of year	**1,717**	**—**	**5,502**	**—**

The exercise price range and weighted average remaining contractual life for share options outstanding at the year end were as follows:

	UK Schemes	South African Schemes
	2020	2020
Exercise price range	**£0 - £3.39**	**R —**
Weighted average remaining contractual life (years)	**4.16**	**1.54**

20. Pension schemes

20(a) Defined benefit schemes

The Group 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 its trustees with their assets held separately from those of the Group. 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 Group in accordance with an independent actuary's recommendation based on actuarial valuations. The latest independent actuarial valuations of the Scheme were at 31 March 2020 by qualified independent actuaries. There is no restriction to the amount of surplus that can be recognised, as the Group 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 Group to actuarial risks, such as interest rate risk, investment risk and longevity risk.

The pension fund (obligation)/asset in respect of the Scheme is as follows:

	2020 £'m	2019 £'m
Investec Diversified Growth Fund	**7.4**	8.9
Investec Cautious Managed Fund	**6.9**	8.7
Trustees' bank account	**0.1**	0.2
Total fair value of plan assets	**14.4**	17.8
Present value of obligation	**(16.2)**	(17.6)
Pension fund (obligation)/asset recognised in the consolidated statement of financial position	**(1.8)**	0.2

The 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.

	2020 £'m	2019 £'m
Movements in plan assets:		
Plan assets at the beginning of the year	**17.8**	18.7
Benefits paid including expenses	**(1.3)**	(0.6)
Interest income	**0.4**	0.5
Return on plan assets, excluding interest income	**(2.5)**	(0.8)
Plan assets at the end of the year	**14.4**	17.8
Movements in the present value of the defined benefit obligation:		
Obligations at the beginning of the year	**17.6**	16.1
Actuarial gains arising from changes in demographic	**–**	(0.3)
Actuarial (gains)/losses arising from changes in financial assumptions	**(0.6)**	1.9
Benefits paid including expenses	**(1.3)**	(0.6)
Interest cost	**0.4**	0.4
Administration costs	**0.1**	0.1
Obligations at the end of the year	**16.2**	17.6
Amounts recognised in the consolidated statement of comprehensive income are as follows:		
Net interest on net defined benefit asset/obligation	**–**	0.1
Actuarial gains/(losses)	**0.7**	(1.6)
Return on plan assets, excluding interest income	**(2.5)**	(0.8)
Total defined benefit costs	**(1.8)**	(2.3)

The major assumptions used were:

	2020 %	2019 %
Inflation assumption	**2.6**	3.3
Rate of increase in pensions in payment for post 1997 service	**2.6**	3.2
Rate of increase in pensionable salaries	**2.6**	3.3
Discount rate	**2.3**	2.4

The defined benefit obligations are not expected to be materially different as a result of a 0.25% 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.

21. Financial risk management and fair values of financial instruments

The Group has exposure to credit and liquidity risk which arises in the normal course of the business. The Group is also exposed to market risk arising from its financial instruments.

This note presents information about the Group's exposure to each of the above risks and the objectives, policies and processes for measuring and managing risk.

The board of directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Management Risk Committee, which is responsible for developing and monitoring the Group's risk management policies, reports quarterly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Management Risk Committee meets once every two months and risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's business activities.

The Ninety One Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Ninety One Audit and Risk Committee receives updates from the Internal Audit Team, the Management Risk Committee and the Management Audit Committee. Material risks are appropriately escalated to the Ninety One Audit and Risk Committee, and all levels of risk are regularly and formally evaluated. The Management Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Management Audit Committee reviews and oversees financial, audit and tax-related matters. The Internal Audit Team undertakes both regular and ad hoc reviews of the governance framework, risk management and control environment, the results of which are reported to the Management Audit Committee, as well as the Ninety One Audit and Risk Committee.

In preparation for the UK leaving the European Union, the Group established a Brexit Steering Committee made up of various stakeholders whose objective was to identify and implement plans to mitigate any risks arising from Brexit. Having undertaken a review of the potential impact of Brexit to the Group it was concluded that there will be a minimal impact to the Group as a direct result of Brexit. Where there are regulatory impacts such as authorisation to conduct business in Europe, the Group has taken measures to resolve these, which include the establishment of branch operations in Luxembourg. There may be indirect outcomes such as currency movements that come about as a result of Brexit, however these are difficult to predict.

21(a) Policyholders' assets and liabilities

The Group has no credit or market risk related to policyholders' investments and trade and other receivables as they are matched by the liability that the Group 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 and liabilities.

21(b) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables. The Group's 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, which the management of the Group 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 Group 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 end was:

	2020 £'m	2019 £'m
Less than 30 days	**104.6**	97.3
Between 30 and 90 days	**5.1**	4.4
More than 90 days	**0.4**	0.1
	110.1	101.8

Outstanding balances are aged monthly and long outstanding balances are actively followed up.

The Group applies the IFRS 9 simplified approach to measuring ECLs 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 ten 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 historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The ECLs are considered insignificant as the results of the assessment showed an insignificant impact, therefore no loss allowance has been provided for the years ended 31 March 2020 and 2019.

The Group 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 they are 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 Group after the contractual payment has been past due. The Group has not written off any trade receivables for the years ended 31 March 2020 and 2019.

21(c) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. The Group's approach to managing liquidity is to maintain sufficient liquidity to cover any cash flow funding, meeting obligations as they fall due and maintaining solvency. The Group holds sufficient liquid funds to cover its needs in the normal course of business. The maximum exposure to liquidity risk is represented by current financial liabilities. All amounts are unsecured and interest free. With the exception of lease liabilities, current financial liabilities are contractually due within one year or repayable on demand. The remaining contractual maturity of lease liabilities is disclosed in note 18.

21(d) 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 Group's 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.

(i) Currency risk

The Group is exposed to currency risk in the ordinary course of business on portions of its trade receivables, cash and cash equivalents and trade payables. Foreign currency exchange rate fluctuations may create unpredictable earnings and cash flow volatility. Entities within the Group 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 financial statements of the Group. 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 equity position.

21(d) Market risk continued

Cash flow sensitivity analysis
At the year ended 31 March 2020, if the functional currencies of respective foreign entities had strengthened by 10%, profit before tax of the Group would have decreased by £1.1 million (2019: £1.1 million). A 10% weakening would have had the equal but opposite effect. Results of the analysis represent an aggregation of the instantaneous effects on each of the entities' profit before tax. Differences from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

(ii) Interest rate risk
The Group 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 the year end, the Group's only interest-bearing financial instruments were cash and cash equivalents and loan receivable from a staff share scheme trust, which are variable rate instruments. This was also the case at the previous year ends.

Cash flow sensitivity analysis
An increase of 10 basis points in interest rates at the year ended 31 March 2020 would have increased profit before tax by: £ 0.2 million (2019: £ 0.3 million). 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.

(iii) Price risk
The financial instruments of the Group 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 Group's deferred compensation investments are matched by the liability the Group 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 holdings in the investments are small. The investments in unlisted investment vehicles are unquoted investments, changes in market conditions will not directly affect the profit or loss for the year.

21(e) Capital management

The capital of the Group is considered to be its share capital and reserves. The Group's objectives and policies are to retain sufficient capital on hand to meet the external minimum capital requirements of the Financial Conduct Authority ("FCA") in the UK, the Financial Sector Conduct Authority ("FSCA") in South Africa and certain overseas financial regulators and to safeguard the Group's ability to continues as a going concern. All regulated entities within the Group complied with the externally imposed regulatory capital requirements. Through our internal capital adequacy assessment processes and in conjunction with the board of directors, management assess the capital requirements to ensure that the Group holds sufficient capital to mitigate the financial impact of any key risks materialising. There were no changes in the approach to capital management during the year.

21(f) 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 Group 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:

	Notes	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
At 31 March 2020					
Deferred compensation investments	11	**70.6**	**–**	**–**	**70.6**
Investments in pooled vehicles	11	**1.7**	**–**	**–**	**1.7**
Unlisted investment vehicle	11	**–**	**–**	**4.8**	**4.8**
Investments backing policyholder funds	10	**1,810.9**	**5,137.3**	**40.3**	**6,988.5**
Policyholder investment contract liabilities	14	**(1,810.9)**	**(5,151.6)**	**(40.3)**	**(7,002.8)**
		72.3	**(14.3)**	**4.8**	**62.8**
At 31 March 2019					
Deferred compensation investments	11	71.2	–	–	71.2
Investments in pooled vehicles	11	1.2	–	–	1.2
Unlisted investment vehicle	11	–	–	5.3	5.3
Investments backing policyholder funds	10	2,597.4	5,568.8	7.5	8,173.7
Policyholder investment contract liabilities	14	(2,597.4)	(5,586.0)	(7.5)	(8,190.9)
		72.4	(17.2)	5.3	60.5

During the years ended 2020 and 2019, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur. Carrying amounts of the financial assets and financial liabilities measured at amortised cost approximate fair value.

(i) Information about level 3 fair value measurements

Unlisted investment vehicles represent the Group's investment in Investec Africa Private Equity Fund 2 GP LP and investment in Growthpoint Investec African Properties Limited. 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 where the principal input in their valuation (i.e. credit spreads) is 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 consolidated financial statements.

The movements during the year in the balance of the level 3 fair value measurements are as follows:

	2020 £'m	2019 £'m
Opening balance	**5.3**	4.0
Purchase of investments	**2.8**	1.0
Unrealised (loss)/gain on investments	**(3.3)**	0.3
Closing balance	**4.8**	5.3

22. Notes to the consolidated statement of cash flows

22(a) Reconciliation of cash flows from operations

	Notes	2020 £'m	2019 £'m
Profit before tax		**198.5**	178.4
Adjusted for:			
Net loss/(gain) on investments		**4.2**	(5.1)
Depreciation of property and equipment	8	**2.5**	2.0
Depreciation of right-of-use assets	18(b)	**10.7**	–
Net interest income	4	**(1.7)**	(5.7)
Net loss of pension fund		**0.1**	0.1
Net fair value losses/(gains) on linked investments backing policyholder funds	10	**588.7**	(159.7)
Net fair value change on policyholder investment contract liabilities	14	**(187.2)**	543.7
Net contribution received from policyholders		**253.0**	206.5
Gain on disposal of subsidiary		**–**	(0.5)
Share of profit from associate		**(0.2)**	–
Share-based payments amortisations related to Ninety One share scheme		**4.7**	–
Working capital changes:			
Trade and other receivables		**(5.0)**	(21.4)
Trade and other payables		**(3.6)**	29.2
Deferred income		**(0.2)**	–
Other liabilities		**(0.6)**	0.7
Cash flows from operations		**863.9**	768.2

Refer to the Annexure to the consolidated financial statements for the split of shareholder and policyholder cash flows.

22(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's 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 consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities £'m
At 31 March 2019	**–**
Impact on initial application of IFRS 16	**88.6**
Changes from financing cash flows:	
Payment of lease liabilities	**(5.7)**
Other changes:	
Net change in lease liabilities from entering into new leases	**16.2**
Interest expense	**3.0**
	19.2
Exchange adjustments	**(0.5)**
At 31 March 2020	**101.6**

23. Commitments

The Group has a USD 20.0 million private equity investment commitment to the Investec Africa Frontier Private Equity Associate Fund L.P. of which USD 18.2 million (2019: USD 18.2 million) has been paid, and USD 7.6 million (equivalent to £6.2 million) remains receivable as at 31 March 2020 and is included in non-current other receivables. The Group also has a USD 10.5 million (2019: USD 10.5 million) private equity investment commitment to the Investec Africa Private Equity Fund 2 GP L.P. of which USD 7.0 million (2019: USD 7.0 million) has been paid as at 31 March 2020. This amount has been classified as a non-current investment.

24. Interests in unconsolidated structured entities

The Group has concluded that the mutual funds and investment trusts managed by the Group are structured entities. The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Group
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 Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the seed capital, holdings in money market funds and management fee receivables.

	Number of funds	AUM of the funds £'bn	Carrying amount included in the statement of financial position £'m	Investment management and performance fees for the year £'m	Management/performance fees receivable as at year end £'m
At 31 March 2020	**145**	**54**	**44.2**	**414.0**	**38.8**
At 31 March 2019	146	58	187.9	376.7	34.1

During the years ended 2020 and 2019, the Group did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

25. Events after the reporting date

The consolidated financial statements reflect the impact of the COVID-19 pandemic up to the end of the reporting period. In the second quarter of 2020, the ongoing COVID-19 pandemic has led to disruption to business and economic activity, which has been reflected in recent fluctuations in global stock markets. The Group considers the continued spread of COVID-19 to be a non-adjusting post balance sheet event. The board of directors has considered the impact of COVID-19 by applying various stressed scenarios, including plausible downside assumptions, about the impact on assets under management, profitability of the Group and known commitments. All scenarios show that the Group would continue to operate profitably for a period of at least 12 months from the date of the release of these results.

26. Subsidiaries and other related undertakings

The Group operates globally, which results in the Group having a corporate structure consisting of a number of related undertakings, comprising subsidiaries and associates. All subsidiaries have been consolidated in the Group's financial statements. There are no restrictions or changes in ownership of the subsidiaries. The Group's related undertakings along with the place of incorporation, the registered address, the classes of shares held and the effective percentage of equity owned at 31 March 2020 are disclosed below.

The addresses of the registered offices of Ninety One plc and Ninety One Limited are 55 Gresham Street, London, EC2V 7EL, United Kingdom and 36 Hans Strijdom Avenue, Cape Town, 8001, South Africa respectively.

Company name	Share class	Equity interest in %
Principal subsidiaries and associates held by Ninety One plc		
United Kingdom		
Registered office: 55 Gresham Street, London, EC2V 7EL		
Ninety One Global Limited[1]	Ordinary	100
Ninety One International Limited	Ordinary	100
Ninety One UK Limited (previously Investec Asset Management Limited)	Ordinary	100
Registered office: 25 Basinghall Street, London, EC2V 5HA		
Investec Fund Managers Limited[4]	Ordinary	100
Guernsey		
Registered office: First Floor, Dorey Court, Elizabeth Avenue, St. Peter Port, GY1 2HT		
Investec Asset Management Guernsey Limited[4]	Ordinary	100
Growthpoint Investec African Property Management Limited[3, 4]	Ordinary	47
Investec Africa Frontier Private Equity Fund GP Limited[4]	Ordinary	100
Investec Africa Private Equity Fund 2 GP Limited[4]	Ordinary	100
Growthpoint Investec African Properties Co-Invest GP Limited[4]	Ordinary	100
Growthpoint Investec African Properties Co-Invest LP[4]	Limited partnership	100
GIAP Manco Empowerment Limited[3]	Ordinary	50
Luxembourg		
Registered office: 2-4 Avenue Marie-Thérèse, L-2132		
Ninety One Luxembourg S.A. (previously Investec Asset Management Luxembourg S.A.)	Ordinary	100
Ninety One Africa Credit Opportunities Fund 2 GP S.à r.l. (previously Investec Africa Credit Opportunities Fund 2 GP S.à r.l.)	Ordinary	100
Switzerland		
Registered office: Seefeldstrasse 69, 8008 Zurich		
Ninety One Switzerland GmbH (previously Investec Asset Management Switzerland GmbH)	Ordinary	100
United States of America		
Registered office: 2711 Centerville Road, Suite 400, Wilmington, 19808, New Castle		
Ninety One North America, Inc. (previously Investec Asset Management North America, Inc.)	Ordinary	100
Australia		
Registered office: Level 28 Suite 3, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000		
Ninety One Australia Pty Limited (previously Investec Asset Management Australia Pty Limited)	Ordinary	100
Hong Kong		
Registered office: Suite 3609-14, 36/F, Two International Finance Centre, 8 Finance Street, Central		
Ninety One Hong Kong Limited (previously Investec Asset Management Hong Kong Limited)	Ordinary	100
Singapore		
Registered office: 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095		
Ninety One Singapore Pte. Limited (previously Investec Asset Management Singapore Pte. Limited)	Ordinary	100

Company name	Share class	Equity interest in %
Principal subsidiaries and associates held by Ninety One Limited		
South Africa		
Registered office: 36 Hans Strijdom Avenue, Cape Town, 8001		
Ninety One Africa Proprietary Limited[2] (previously Investec Asset Management Holdings Proprietary Limited)	Ordinary	100
Ninety One Alternative Investments GP Proprietary Limited (previously Investec Alternative Investments GP Proprietary Limited)	Ordinary	100
Ninety One SA Proprietary Limited (previously Investec Asset Management Proprietary Limited)	Ordinary	100
Ninety One Fund Managers SA (RF) Proprietary Limited (previously Investec Fund Managers SA (RF) Proprietary Limited)	Ordinary	100
Investec Assurance Limited[4]	Ordinary	100
Ninety One Investment Platform Proprietary Limited (previously Investec Investment Management Services Proprietary Limited)	Ordinary	100
Silica Holdings Proprietary Limited	Ordinary	100
Silica Financial Administration Solutions Proprietary Limited	Ordinary	100
Silica Administration Services Proprietary Limited	Ordinary	100
Silica Software Solutions Proprietary Limited	Ordinary	100
Silica Nominees Proprietary Limited	Ordinary	100
Grayston Nominees Proprietary Limited	Ordinary	100
Namibia		
Registered office: 24 Orban Street, Klein Windhoek, Windhoek		
Ninety One Asset Management Namibia (Proprietary) Limited (previously Investec Asset Management Namibia (Proprietary) Limited)	Ordinary	85
Ninety One Fund Managers Namibia Limited (previously Investec Fund Managers Namibia Limited)	Ordinary	85
Botswana		
Registered office: Plot 465, Mathangwane Road, Extension 4, Gaborone		
Ninety One Botswana Proprietary Limited (previously Investec Asset Management Botswana (Proprietary) Limited)	Ordinary	70
Ninety One Fund Managers Botswana Proprietary Limited (previously Investec Fund Managers Botswana (Proprietary) Limited)	Ordinary	70

1. Directly held by Ninety One plc.
2. Directly held by Ninety One Limited.
3. This is an associate to the Group for the financial year ended 2020.
4. Company names have subsequently changed before the date of approval of the annual financial statements.

Consolidated statement of financial position (including policyholder figures)

	2020			2019		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
Assets						
Investments	–	4.8	4.8	–	5.3	5.3
Investment in associate	–	0.3	0.3	–	–	–
Property and equipment	–	18.0	18.0	–	7.7	7.7
Right-of-use assets	–	90.7	90.7	–	–	–
Deferred tax assets	–	25.2	25.2	–	25.3	25.3
Other receivable	–	6.2	6.2	–	5.8	5.8
Pension fund asset	–	–	–	–	0.2	0.2
Total non-current assets	–	145.2	145.2	–	44.3	44.3
Investments	–	72.3	72.3	–	72.4	72.4
Linked investments backing policyholder funds	6,988.5	–	6,988.5	8,173.7	–	8,173.7
Income tax recoverable	0.1	4.3	4.4	–	1.2	1.2
Trade and other receivables	67.2	179.2	246.4	60.3	181.5	241.8
Cash and cash equivalents	–	194.5	194.5	–	269.2	269.2
Total current assets	7,055.8	450.3	7,506.1	8,234.0	524.3	8,758.3
Total assets	7,055.8	595.5	7,651.3	8,234.0	568.6	8,802.6
Liabilities						
Other liabilities	–	39.3	39.3	–	44.9	44.9
Lease liabilities	–	98.9	98.9	–	–	–
Pension fund obligation	–	1.8	1.8	–	–	–
Deferred tax liabilities	5.6	0.1	5.7	15.3	–	15.3
Total non-current liabilities	5.6	140.1	145.7	15.3	44.9	60.2
Policyholder investment contract liabilities	7,002.8	–	7,002.8	8,190.9	–	8,190.9
Other liabilities	–	37.6	37.6	–	32.6	32.6
Lease liabilities	–	2.7	2.7	–	–	–
Trade and other payables	47.4	256.9	304.3	27.7	283.5	311.2
Deferred income	–	–	–	–	0.2	0.2
Income tax payable	–	7.1	7.1	0.1	11.7	11.8
Total current liabilities	7,050.2	304.3	7,354.5	8,218.7	328.0	8,546.7
Equity						
Share capital	–	441.2	441.2	–	441.2	441.2
Own share reserve	–	(9.9)	(9.9)	–	–	–
Other reserves	–	(351.6)	(351.6)	–	(346.1)	(346.1)
Retained earnings	–	71.0	71.0	–	100.0	100.0
Shareholders' equity excluding non-controlling interests	–	150.7	150.7	–	195.1	195.1
Non-controlling interests	–	0.4	0.4	–	0.6	0.6
Total equity	–	151.1	151.1	–	195.7	195.7
Total equity and liabilities	7,055.8	595.5	7,651.3	8,234.0	568.6	8,802.6

Consolidated statement of cash flows (including policyholder figures)

	2020			2019		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
Cash flows from operating activities						
Profit before tax	–	198.5	198.5	–	178.4	178.4
Adjusted for:						
Net loss/(gain) on investments	–	4.2	4.2	–	(5.1)	(5.1)
Depreciation of property and equipment	–	2.5	2.5	–	2.0	2.0
Depreciation of right-of-use assets	–	10.7	10.7	–	–	–
Net interest income	–	(1.7)	(1.7)	–	(5.7)	(5.7)
Net loss of pension fund	–	0.1	0.1	–	0.1	0.1
Net fair value losses/(gains) on linked investments backing policyholder funds	588.7	–	588.7	(159.7)	–	(159.7)
Net fair value change on policyholder investment contract liabilities	(187.2)	–	(187.2)	543.7	–	543.7
Net contribution received from policyholders	253.0	–	253.0	206.5	–	206.5
Gain on disposal of subsidiary	–	–	–	–	(0.5)	(0.5)
Share of profit from associate	–	(0.2)	(0.2)	–	–	–
Share-based payments amortisations related to Ninety One share scheme	–	4.7	4.7	–	–	–
Working capital changes:						
Trade and other receivables	(6.8)	1.8	(5.0)	11.3	(32.7)	(21.4)
Trade and other payables	19.8	(23.4)	(3.6)	(5.3)	34.5	29.2
Deferred income	–	(0.2)	(0.2)	–	–	–
Other liabilities	–	(0.6)	(0.6)	–	0.7	0.7
Cash flows from operations	667.5	196.4	863.9	596.5	171.7	768.2
Interest received	–	4.8	4.8	–	5.7	5.7
Interest paid	–	(0.7)	(0.7)	–	–	–
Income tax paid	–	(54.4)	(54.4)	–	(64.5)	(64.5)
Net cash flows from operating activities	667.5	146.1	813.6	596.5	112.9	709.4
Cash flows from investing activities						
Net (acquisition)/disposal of investments	–	(3.6)	(3.6)	–	3.4	3.4
Additions to property and equipment	–	(13.4)	(13.4)	–	(6.5)	(6.5)
Proceeds from disposal of subsidiary	–	–	–	–	1.8	1.8
Net acquisition of linked investments backing policyholder funds	(655.0)	–	(655.0)	(592.7)	–	(592.7)
Net cash flows from investing activities	(655.0)	(17.0)	(672.0)	(592.7)	(1.3)	(594.0)
Cash flows from financing activities						
Payment of lease liabilities	–	(5.7)	(5.7)	–	–	–
Purchase of own shares by EBTs	–	(9.9)	(9.9)	–	–	–
Dividends paid	–	(183.9)	(183.9)	–	(143.9)	(143.9)
Net cash flows from financing activities	–	(199.5)	(199.5)	–	(143.9)	(143.9)
Effect of foreign exchange rate changes	(12.5)	(4.3)	(16.8)	(3.8)	(6.8)	(10.6)
Net change in cash and cash equivalents	–	(74.7)	(74.7)	–	(39.1)	(39.1)
Cash and cash equivalents at beginning of year	–	269.2	269.2	–	308.3	308.3
Cash and cash equivalents at end of year	–	194.5	194.5	–	269.2	269.2

Statement of financial position

At 31 March 2020

	Notes	2020 £'m
Assets		
Non-current assets		
Investment in subsidiary undertakings	27	**915.3**
Current assets		
Amounts receivable from subsidiary undertakings	29	**4.2**
Total assets		**919.5**
Liabilities		
Current liabilities		
Trade and other payables		**0.2**
Loan payable to subsidiary undertakings	29	**7.1**
Total liabilities		**7.3**
Equity		
Share capital	28(a)	**0.1**
Own share reserve	28(b)	**(7.0)**
Other reserves	28(c)	**919.1**
Total equity		**912.2**
Total equity and liabilities		**919.5**

The financial statements of Ninety One plc (registered number 12245293) were approved by the Board on 3 July 2020 and signed on its behalf by:

Hendrik du Toit
Chief Executive Officer

Kim McFarland
Finance Director

Statement of changes in equity

For the period from 4 October 2019 to 31 March 2020

	Notes	Share capital £'m	Redeemable preference shares £'m	Own share reserve £'m	Total other reserves £'m	Total equity £'m
At the Date of Incorporation	28(a)	–	0.1	–	–	0.1
Transactions with shareholders of the Company						
Issue of share capital	28(a), (c)	0.1	–	–	915.2	915.3
Redemption of preference shares	28(a)	–	(0.1)	–	–	(0.1)
Share-based payment transactions	28(c)	–	–	–	3.9	3.9
Own shares purchased	28(b)	–	–	(7.0)	–	(7.0)
Total transactions with shareholders of the Company		0.1	(0.1)	(7.0)	919.1	912.1
At 31 March 2020		0.1	–	(7.0)	919.1	912.2

Statement of cash flows

For the period from 4 October 2019 to 31 March 2020

	Notes	2020 £'m
Cash flows from operating activities		
Result for the year		–
Adjusted for:		
Share-based payments transactions related to Ninety One share scheme		**3.9**
Working capital changes:		
Amounts receivable from subsidiary undertakings		**(4.2)**
Trade and other payables		**0.2**
Net cash flows from operating activities		**(0.1)**
Cash flows from financing activities		
Purchase of own shares by EBTs	28(b)	**(7.0)**
Loan from subsidiary undertakings	29	**7.1**
Net cash flows from financing activities		**0.1**
Net change in cash and cash equivalents		–
Cash and cash equivalents at the Date of Incorporation		–
Cash and cash equivalents at 31 March 2020		–

Notes to the Company financial statements

For the period from 4 October 2019 to 31 March 2020

Accounting policies

Basis of preparation

The separate financial statements of Ninety One plc (the "Company") have been prepared on a going concern basis in accordance with IFRS as adopted by the European Union ("EU"), and with the provisions of the Companies Act 2006 (the "Act") applicable to companies reporting under IFRS as adopted by the EU. The principal accounting policies adopted are the same as those set out in note 1 to the Group's consolidated financial statements.

The Company's financial statements comprise the statement of financial position, statement of changes in equity and statement of cash flows for the period from 4 October 2019 ("Date of Incorporation") to 31 March 2020. The accounting reference period of the Company ending on 31 October 2020 was shortened to end on 31 March 2020 in order to align with the accounting reference period of the Ninety One group of companies. The financial statements have been prepared on the historical cost basis. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement and statement of comprehensive income in these financial statements.

The Company made no profit or loss for the period ended 31 March 2020.

27. Investment in subsidiary undertakings

Investment in subsidiary undertakings are held at cost less any accumulated impairment losses.

	2020 £'m
Investment in subsidiary undertakings	
Opening balance	–
Acquisition of subsidiaries (Note 27(a))	915.3
Closing balance	**915.3**

A detailed listing of the Company's direct and indirect subsidiaries is set out in note 26 to the Group's consolidated financial statements.

27(a) Acquisition of subsidiaries

On the Date of Demerger, Ninety One plc acquired the net assets of Ninety One UK Limited (previously Investec Asset Management Limited), the former holding company of the Ninety One Business in the UK, from Investec and Forty Two Point Two for a consideration of £915.3 million. The transfer was effected by the issue of 622,624,621 ordinary shares by the Company, with the balance giving rise to the share premium of £732.2 million and merger reserve of £183.0 million, being the differences of the nominal value of shares issued and the consideration of the acquired net assets of Ninety One UK Limited. Share premium was subsequently transferred to distributable reserve by means of the reduction of share capital.

The Company subsequently undertook a reorganisation plan prior to 31 March 2020 in which Ninety One Global Limited, a direct subsidiary of the Company, acquired all the shares in Ninety One UK Limited from the Company at cost in exchange for the issue of the shares from Ninety One Global Limited.

28. Share capital and other reserves

28(a) Share capital

	Number of shares	Nominal value £'m
Ordinary shares of £0.0001 each, issued, allotted and fully paid[1]		
At the Date of Incorporation	1	–
Issued during the year[2]	622,624,621	0.1
At 31 March 2020	622,624,622	0.1

	Number of shares	Nominal value £'m
Special shares of £0.0001 each, issued, allotted and fully paid[3]		
At the Date of Incorporation	–	–
Issued during the year[2]		
Special converting shares	300,089,454	–
UK DAS share	1	–
UK DAN share	1	–
Special voting share	1	–
Special rights share	1	–
At 31 March 2020		–

	Number of shares	Nominal value £'m
Redeemable preference shares of £1 each		
At the Date of Incorporation	50,000	0.1
Redemption of preference shares[4]	(50,000)	(0.1)
At 31 March 2020	–	–
Total share capital		0.1

1. On 19 November 2019, the Company effected a subdivision of shares (from 1 share to 10,000 shares) with the nominal value per share reduced from £1 to £0.0001, and subsequent cancellation of 9,999 shares. All ordinary shares in issue rank pari passu and carry the same voting rights and entitlement to receive dividends and other distributions declared or paid by the Company.
2. These are the capital transactions related to the acquisition of subsidiaries from Investec as part of the Demerger Transactions on the Date of Demerger; details of the transactions are presented in note 27(a).
3. Special shares will not have any rights to vote, except on a resolution either to vary the rights attached to such shares or on a winding-up of the Company, nor any right to receive any dividend or other distribution by the Company.
4. The Company has fully redeemed 50,000 redeemable preference shares from the subscriber at nominal value during the period.

28(b) Own share reserve

The Company established employee benefit trusts ("EBTs") for the purpose of purchasing the Company's shares and satisfying the share-based payment awards granted to employees within the Ninety One plc group. The EBTs are funded by the relevant subsidiaries of the Company and operated by the Company. The EBTs hold shares that have not vested unconditionally to employees of the subsidiaries of the Company. The EBTs are consolidated into the Company's financial statements, with any Company's shares held by the EBT classified as own shares deducted from equity in the Company's statement of financial position. These shares are recorded at cost, and no gain or loss is recognised in the Company's income statement on the purchase, sale, issue or cancellation of these shares.

	2020 £'m
At the Date of Incorporation	—
Own shares purchased	7.0
At 31 March 2020	**7.0**

During the year, 4.6 million ordinary shares were purchased and held within the EBTs.

28(c) Other reserves

The following table shows the movements in other reserves during the year:

	Share premium £'m (i)	Distributable reserve £'m (i)	Merger reserve £'m (ii)	Share-based payment reserve £'m (iii)	Total other reserves £'m
At the Date of Incorporation	—	—	—	—	—
Issue of share capital	732.2	—	183.0	—	915.2
Transfer to distributable reserve	(732.2)	732.2	—	—	—
Share-based payment transactions	—	—	—	3.9	3.9
At 31 March 2020	**—**	**732.2**	**183.0**	**3.9**	**919.1**

28(c) Other reserves continued

(i) Share premium and distributable reserve
The share premium amounting to £732.2 million arising from the Demerger Transactions described in note 27(a), being the premium of shares issued by the Company to Investec plc shareholders in exchange for the 80 percent plus one share stake in Ninety One UK Limited, was subsequently transferred to a distributable reserve by effecting a court approved reduction of capital, reducing its share premium account in order to create a distributable reserve for future distributions.

(ii) Merger reserve
The merger reserve of £183.0 million is a legally created reserve that represents the premium of shares issued by Ninety One plc to Forty Two Point Two in exchange for its 20 percent (less one share) stake in Ninety One UK Limited. This transaction attracted merger relief under section 612 of the Companies Act 2006.

(iii) Share-based payment reserve
The share-based payment reserve of £3.9 million comprises the fair value of share awards granted which are yet to be exercised. The amount will be reversed to the own share reserve when the related awards are forfeited or vested and transferred to employees.

29. Related parties

In the ordinary course of business, the Company carries out transactions with related parties, as defined by IAS 24. Apart from those disclosed elsewhere in the financial statements, material transactions for the year are set out below:

29(a) Balances and transactions with subsidiaries

	2020 £'m
Loan payable to subsidiary undertakings[1]	**(7.1)**
Amounts receivable from subsidiary undertakings	**4.2**

1. On 16 March 2020, the Company entered into a loan facility agreement (the "Agreement") with its subsidiary, Ninety One UK Limited, to cover the cash requirement for the initial funding of the EBTs. The loan is repayable 12 months from the date of the Agreement and charged at interest rates of 2.75 percent above the 6-month LIBOR rate prevailing at the time of the advance per annum. Interest expense charged on this loan for the year ended 31 March 2020 amounted to £9,146.

29(b) Transactions with key management personnel

The key management personnel are defined as the directors (both executive and non-executive) of Ninety One plc. Certain directors are not paid directly by the Company but receive remuneration from companies within the Group, in respect of their services to the larger group which includes the Company.

The aggregate compensation paid or payable to key management personnel for employee services is as follows:

	2020 £'m
Remuneration paid to key management personnel	
Short-term employee benefits	0.3

30. Financial instruments

The table below summarises the carrying value of the financial instruments of the Company by category:

	Financial assets measured at amortised cost £'m	Financial liabilities measured at amortised cost £'m	Total financial instruments £'m	Non-financial instruments £'m	Total £'m
At 31 March 2020					
Investments in subsidiary undertakings	–	–	–	915.3	915.3
Amounts receivable from subsidiary undertakings	4.2	–	4.2	–	4.2
Loan payable to subsidiary undertaking	–	(7.1)	(7.1)	–	(7.1)
Trade and other payables	–	(0.2)	(0.2)	–	(0.2)
Total	4.2	(7.3)	(3.1)	915.3	912.2

At 31 March 2020, the Company did not hold any financial instruments measured at fair value. Carrying amounts of financial assets and financial liabilities measured at amortised cost approximate to their fair value. The Company's exposure to price, foreign exchange, interest rate, credit and liquidity risk is not considered to be material and, therefore, no further information is provided.

Glossary

Adjusted earnings per share (Adjusted EPS)
Profit attributable to ordinary shareholders, adjusted to remove non-operating items, divided by the number of ordinary shares in issue at the end of the year

Adjusted net interest income
Calculated as net interest income less interest income arising from Silica operations, interest expenses from lease liabilities for office premises and other interest expenses

Adjusted operating expenses
Calculated as operating expenses less Silica net expenses and deferred employee benefit scheme movements, but including interest expense on lease liabilities

Adjusted operating profit
Calculated as adjusted operating revenue less adjusted operating expenses

Adjusted operating profit margin
Calculated as adjusted operating profit divided by adjusted operating revenue

Adjusted operating revenue
Calculated as net revenue, less Silica third-party revenue and adjusted for foreign exchange gains/losses, deferred employee benefit scheme movements, and other income

AIFMD
Alternative Investment Fund Managers Directive

ASISA
Association for Savings and Investment South Africa represents the majority of the country's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance companies

Assets under management (AUM)
The aggregate assets managed on behalf of clients. 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. AUM excludes assets administered for third-party clients by Silica

Average AUM
Calculated as a 13-point average of opening AUM for the year, and the month end AUM for the subsequent 12 months

Average fee rate
Management fee revenue divided by average AUM (annualised for non-twelve months periods), expressed as basis points

Basic earnings per share (Basic EPS)
Profit after tax attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the year, excluding own shares held by Ninety One share schemes

Board
Includes the Board of Ninety One plc and the Board of Ninety One Limited

CRD III
Capital Requirements Directive

Compensation ratio
Total staff expenses excluding Silica and deferred employee benefit schemes as a percentage of adjusted operating revenue

Diluted earnings per share
Profit for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares

DLC structure
The arrangement whereby Ninety One plc and Ninety One Limited operate as a single economic enterprise

Executive Directors
The executive directors of Ninety One plc and Ninety One Limited, currently Hendrik du Toit and Kim McFarland

GIFS
Global Investment Fund Sectors are international categories developed and tested by Standard and Poor's

Headline earnings per share (HEPS)
Ninety One is required to calculate HEPS in accordance with JSE Listing Requirements, determined by reference to circular 1/2019 "Headline Earnings" issued by the South African Institute of Chartered Accountants

Investment Association (IA)
The Investment Association is the trade body that represents investment managers and asset management firms in the UK

Johannesburg Stock Exchange (JSE)
The exchange operated by JSE Limited, a public company incorporated and registered in South Africa, under the Financial Markets Act

London Stock Exchange (LSE)
The securities exchange operated by London Stock Exchange plc under the Financial Services and Markets Act 2000, as amended

MiFID
Markets in Financial Instruments Directive

MiFID 2
The second iteration of the Markets in Financial Instruments Directive. MiFID II is an EU directive which standardises regulation for investment services throughout the European Economic Area

Net flows
New funds from clients less funds withdrawn by clients, with any duplication removed, during a given period

Net revenues
Represents revenue in accordance with IFRS, less commission expense

Ninety One (also "the Group")
Ninety One plc and its subsidiaries and Ninety One Limited and its subsidiaries

Non-Executive Directors
The non-executive directors of Ninety One plc and Ninety One Limited

PRI
Principles for Responsible Investment

Prospectus
Ninety One Prospectus issued 2 March 2020

South African (SA) fund platform
Ninety One's South African fund platform (known as Ninety One Investment Platform) offers both offshore and local investment solutions for independent financial advisors in South Africa. The platform predominantly comprises third-party products and selected Ninety One funds

Torque ratio
The relative scale of net flows in relation to the overall size of the business, expressed as a percentage. Calculated as net flows for the relevant period divided by AUM as at the first day of that period (annualised for non-twelve month periods)

UCITS
Undertaking for Collective Investment in Transferable Securities Directive

Investor Relations

Financial calendar

Event	Date
First quarter AUM update	17 July 2020
Annual General Meeting	3 September 2020
Half year end	30 September 2020
Interim results	17 November 2020
Third quarter AUM update	22 January 2021
Financial year end	31 March 2021
Full year results	19 May 2021

Forward-looking statements

This Integrated Annual Report does not constitute or form part of any offer, invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Ninety One nor should it be construed as legal, tax, financial, investment or accounting advice.

This Integrated Annual Report may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Ninety One's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Ninety One's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Ninety One expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Integrated Annual Report or any other forward-looking statements it may make whether as a result of new information, future developments or otherwise.

Corporate information

Auditor
KPMG

Corporate brokers
HSBC Bank plc
Investec Bank plc and Investec Bank Limited
J.P. Morgan Cazenove

JSE Sponsor
J.P. Morgan Equities South Africa (Pty) Ltd

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Ninety One