

Investec Limited

Incorporated in the Republic of South Africa
Registration number 1925/002833/06
JSE share code: INL
NSX share code: IVD
BSE share code: INVESTEC
ISIN: ZAE000081949

Investec plc

Incorporated in England and Wales
Registration number 03633621
LSE share code: INVVP
JSE share code: INP
ISIN: GB00B17BBQ50

29 November 2019

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

As part of the dual-listed company structure, Investec plc and Investec Limited notify both the London Stock Exchange and the JSE Limited of matters which are required to be disclosed under the Disclosure Guidance, Transparency Rules ("DTR") and Listing Rules of the United Kingdom Financial Conduct Authority ("FCA") and/or the JSE Listing Requirements.

Investec plc, Investec Limited**Update on Asset Management Demerger Proposals**

Further to the announcement by Investec (comprising Investec plc and Investec Limited) on 14 September 2018 relating to the proposed demerger and public listing of its global Asset Management business (the "Demerger"), Investec plc and Investec Limited today announce further details of the proposals related to the Demerger ("Proposals") and key next steps. It is expected that Investec plc and Investec Limited will shortly publish a joint circular (the "Circular") to their shareholders (the "Investec Shareholders") relating to the Demerger, which should be read in conjunction with this announcement.

Post Demerger, the Asset Management business (currently known as Investec Asset Management) will be known as Ninety One. The separation will be implemented by way of a demerger of Ninety One to a new dual-listed company structure ("DLC"), comprising Ninety One plc, a company incorporated in England and Wales, and Ninety One Limited, a company incorporated in South Africa. Ninety One plc is expected to have a premium listing on the London Stock Exchange and a secondary inward listing on the Johannesburg Stock Exchange and Ninety One Limited is expected to have a primary listing on the Johannesburg Stock Exchange.

Following the Demerger, the business of Investec plc, Investec Limited and their respective subsidiaries ("Investec Group") will comprise the Investec Specialist Banking and Wealth & Investment businesses (together, "Investec Bank and Wealth") and will continue to be held under Investec Group's current DLC structure. The existing listings of Investec plc and Investec Limited will be retained.

Demerger benefits for Investec Bank and Wealth

The Demerger brings greater focus and simplicity to the Investec Specialist Banking and Wealth & Investment businesses, which should enhance the returns for shareholders and enable the businesses to grow with discipline.

Investec Bank and Wealth has five key areas of focus to continue to enhance returns:

- **Capital discipline:** A more disciplined approach to capital allocation, particularly where businesses are non-core to the overall long-term growth and capital strategy, such as reducing the non-core equity investments portfolio in South Africa;
- **Driving growth:** Multiple strategic initiatives to deliver further growth in the medium term, including delivering a more holistic, client-centric offering in Specialist Banking, leveraging the investment in the UK private bank through client growth, and extending Wealth & Investment's proposition through the expansion of its UK financial planning and South African fiduciary capabilities;
- **Cost management:** Improved management of Investec Bank and Wealth's cost base, reducing the overall cost to income ratio through top line growth, moderating investment spend and cost savings (including central costs);
- **Greater connectivity:** Opportunity to build on the compelling existing linkages in Investec Bank and Wealth between business units and across geographies; and

- **Digitalisation:** Further developing digital capabilities, delivering an enhanced high-tech, high-touch client proposition and promoting greater connectivity and efficiency across all businesses.

The Demerger also provides Investec Shareholders with a clear and transparent valuation for Investec Bank and Wealth's retained stake in Ninety One by virtue of Ninety One's public listing.

Demerger benefits for Ninety One

For Ninety One, the Demerger brings several core benefits:

- **Enhances positioning:** Establishes Ninety One as a truly independent global asset management business, better positioned to achieve its growth ambitions.
- **Strategic flexibility:** Provides the boards of directors of Ninety One ("Ninety One Boards") with the strategic freedom and flexibility to create value over the long-term.
- **Talent acquisition and retention:** Enhances Ninety One's ability to attract and retain the best talent in a competitive global market.
- **Attractiveness for clients:** Raises Ninety One's profile with both existing and prospective clients and improves ability for greater alignment with client objectives.
- **Financial flexibility:** Reduces some of the capital constraints placed on Ninety One through being part of Investec Group and, against a backdrop of continuing industry consolidation, provides Ninety One with a listed currency in the form of the Ninety One Shares.

Demerger benefits for Investec Shareholders

For the reasons outlined above, the Investec Boards strongly believe that implementing the Demerger simplifies the businesses and focuses them on their respective growth paths, which will enhance the long-term prospects of both businesses for the benefit of Investec Shareholders, clients, employees and other stakeholders. Specifically, the Investec Bank and Wealth management team have committed to deliver improved returns on equity with an Investec Bank and Wealth target of 12% to 16% to be achieved by the financial year ending 31 March 2022 (compared to 10.7% achieved by Investec Bank and Wealth for the six months ended 30 September 2019), alongside detailed financial targets for each of the underlying businesses, whilst Ninety One will remain focused on delivering profitable growth over the long term.

The Investec Boards believe Investec Shareholders should benefit from value creation over the medium term through direct ownership of two separately listed companies, each pursuing its own growth path.

Following the Demerger, the combined dividend capacity of Investec Bank and Wealth and Ninety One is expected to be unchanged. Based on the proposed dividend policies of Investec Bank and Wealth and Ninety One, the Investec Boards expect that the aggregate level of dividends received by the holders of ordinary shares in Investec Limited and Investec plc ("Investec Ordinary Shareholders") from their two shareholdings will initially be comparable to the level of dividends they would have received if the Demerger did not happen.

In taking the decision to separate Ninety One, the Investec Boards considered the importance of Investec Group to South Africa, and its continued commitment to South Africa and its development. Ninety One Limited will have a primary listing on the Johannesburg Stock Exchange and Ninety One plc will have a premium listing on the London Stock Exchange and a secondary inward listing on the Johannesburg Stock Exchange to ensure South African resident shareholders are treated equally with non-resident shareholders and can benefit from the expected future growth in Ninety One. Ninety One considers South Africa and the rest of Africa as important markets for its future and is committed to on-going investment and growth in these markets.

Impact on Investec Shareholders

Following the implementation of the Proposals, it is expected that:

- approximately 55.9% of the total issued share capital of Ninety One plc, representing approximately 37.7% of the combined total issued share capital of Ninety One, will be held by Investec plc Ordinary Shareholders;
- approximately 53.1% of the total issued share capital of Ninety One Limited representing approximately 17.3% of the combined total issued share capital of Ninety One, will be held by Investec Limited Ordinary Shareholders;

- up to approximately 8.3% of the total issued share capital of Ninety One plc and up to approximately 13.5% of the total issued share capital of Ninety One Limited, representing up to approximately 10% of the combined total issued share capital of Ninety One, will be held by new and/or existing institutional and certain other investors following a secondary cash placing that is expected to be carried out on the same day as Admission (the “Ninety One Share Sale”);
- approximately 15.8% of the total issued share capital of Ninety One plc, representing approximately 10.7% of the combined total issued share capital of Ninety One, will be held by Investec plc;
- approximately 13.4% of the total issued share capital of Ninety One Limited, representing approximately 4.3% of the combined total issued share capital of Ninety One, will be held by Investec Limited (through its wholly owned subsidiary, Investec Investments); and
- approximately 20% of the total issued share capital of Ninety One plc and approximately 20% of the total issued share capital of Ninety One Limited, representing approximately 20% of the combined total issued share capital of Ninety One, will be held by Forty Two Point Two (the investment vehicle through which management and directors of Ninety One participate in the business).¹

The net proceeds of the Ninety One Share Sale will be retained by Investec plc and Investec Limited (through Investec Investments) strengthening the overall capital position of Investec Bank and Wealth, supporting its growth plans, funding tax liabilities arising as a result of the Ninety One Share Sale and costs arising as a result of the Proposals.

The Investec Ordinary Shareholders will:

- retain their shareholdings in Investec plc and/or Investec Limited, as applicable, and receive one Ninety One plc Share for every two Investec plc Ordinary Shares held and/or one Ninety One Limited Share for every two Investec Limited Ordinary Shares held, such that they will hold shares in two publicly listed companies which will have enhanced long-term prospects as a result of the Demerger; and
- receive dividends from two companies from the financial year ending 31 March 2021:
 - with Ninety One expecting to target, subject to approval of the Ninety One Boards, an ordinary dividend pay-out ratio of at least 50% of operating earnings adjusted for tax. In addition, Ninety One is expected to retain only after tax earnings sufficient to meet current or expected changes in its regulatory capital requirements and investment needs, as well as a reasonable buffer to protect against fluctuations in those requirements. Subject to approval of the Ninety One Boards, it is expected that the remaining balance of after tax earnings, after taking into account any specific events, would be returned to Ninety One Shareholders through payment of a special dividend; and
 - with Investec Bank and Wealth targeting a dividend pay-out ratio of 30% to 50% of the consolidated Investec Group’s adjusted earnings per share in pounds sterling.

Based on the proposed dividend policies of Investec Bank and Wealth and Ninety One, the Investec Boards expect that the aggregate level of dividends received by Investec Ordinary Shareholders from their two shareholdings will initially be comparable to the level of dividends they would have received if the Demerger did not happen.

The transaction structure is expected to be as tax efficient as practicable for Investec Ordinary Shareholders from a UK and South African tax perspective. Further information in relation to tax, including a general description of certain tax consequences of the Proposals relevant to Investec Ordinary Shareholders who are resident for tax purposes in the UK, the United States, South Africa, Namibia or Botswana, will be set out in the Circular.

Pro forma financial impact

The implementation of the Proposals is expected to have a positive impact on the CET1 ratio of Investec plc, improving by circa 1.3% to 12.0% (as at 30 September 2019 on a pro forma basis before the deduction of foreseeable dividends), and a positive impact on the CET1 ratio of Investec Limited, improving by circa 0.6% to 12.3% (as at 30 September 2019 on a pro forma basis including unappropriated profits).

To facilitate the Proposals, Investec Group will incur a number of transaction costs, estimated to be at least £56 million (excluding VAT or equivalent tax outside the UK), including tax costs estimated to be at least £19 million and advisory costs, underwriting fees and transaction expenses estimated to be £37 million.

¹ Subject to any acquisitions of Ninety One shares by Forty Two Point Two, as will be described in the Circular.

Further information on the expected financial effects of implementing the Proposals, including the derivation of the pro forma CET1 ratios, will be set out in the Circular.

Investec Shareholder and Court approvals required

In order for the Proposals to be finalised, Investec Shareholder approval will be sought at a general meeting of Investec plc shareholders and a general meeting of Investec Limited shareholders (the "General Meetings") expected to be held at 10:30am (London time) on Monday, 10 February 2020, which will be followed by a separate meeting of Investec plc ordinary shareholders convened pursuant to an order of the Court (the "Court Meeting") in respect of the UK Demerger, expected to be held at 11:00am (London time) on the same day.

The Proposals can be finalised only if they receive sufficient support from Investec Shareholders at each of these meetings and if the scheme of arrangement required to implement the UK Demerger is approved by the Court.

Timings

The effective time for the UK Demerger is currently expected to be 7.00 p.m. (London time) on Friday, 13 March 2020. At this time, Investec plc will transfer part of the Investec Asset Management Limited shares held by it to Ninety One plc and Ninety One plc will issue new shares in Ninety One plc to ordinary shareholders of Investec plc.

The effective time for the SA Demerger is currently expected to be 9.00 p.m. (Johannesburg time) on Friday, 13 March 2020. At this time, Investec Limited will declare an unconditional distribution in respect of all of the Ninety One Limited shares that it will hold at the record date for Johannesburg Stock Exchange settlement purposes to ordinary shareholders of Investec Limited.

Please refer to the timetable set out below. Further information on the expected key dates for the Proposals will be set out in the Circular.

Fani Titi and Hendrik du Toit, Joint CEOs said:

"We continue to make good progress with respect to the proposed demerger and listing of Ninety One. We remain excited about the benefits of this transaction and are determined to drive simplification across the group, focusing on enhancing the long-term prospects of Ninety One and Investec Bank and Wealth for the benefit of all our stakeholders. Our shareholders are set to benefit from the resulting value creation through their direct ownership of two distinct businesses, well-positioned for long-term growth."

Expected timetable of principal events

The expected dates and times listed below may be subject to change.

Event	Time (London time) and/or date²
Publication of the Circular	Friday, 29 November 2019
Last day to trade on the Investec plc SA Register for Investec plc Ordinary Shareholders that hold Investec plc Ordinary Shares through a CSDP in order to participate in the Investec plc General Meeting.....	Tuesday, 28 January 2020
Last day to trade on the Investec Limited SA Register for Investec Limited Shareholders to participate in the Investec Limited General Meeting.....	Tuesday, 28 January 2020
Publication of the Ninety One Registration Document	Friday, 31 January 2020
SA Voting Record Time for Investec Limited Shareholders in respect of the Investec Limited General Meeting	6.00 p.m. on Friday, 31 January 2020
Latest time and date for receipt of blue and pink Forms of Proxy for the Investec plc General Meeting³	10.30 a.m. on Thursday ,6 February 2020
Latest time and date for appointing a proxy for the Investec plc General Meeting by way of CREST Proxy Instruction .	10.30 a.m. on Thursday, 6 February 2020
Latest time and date for receipt of green and yellow Forms of Proxy for the Investec Limited General Meeting⁴	10.30 a.m. on Thursday, 6 February 2020
Latest time and date for receipt of white Forms of Proxy for the Court Meeting⁵	11.00 a.m. on Thursday, 6 February 2020
Latest time and date for appointing a proxy for the Court Meeting by way of CREST Proxy Instruction	11.00 a.m. on Thursday, 6 February 2020
UK Voting Record Time for Investec plc Shareholders on the Investec plc UK Register in respect of the Investec plc General Meetings and the Court Meeting	6.00 p.m. on Thursday, 6 February 2020
General Meetings	10.30 a.m. on Monday, 10 February 2020
Court Meeting	11.00 a.m.⁶ on Monday, 10 February 2020
Publication of the Ninety One Prospectus.....	Monday, 2 March 2020
Scheme Court Hearing to sanction the Scheme and confirm the Investec plc reduction of capital required to effect the UK Demerger	Wednesday, 4 March 2020

² All references to time in this timetable are to London time. The time in South Africa will be two hours ahead of London time.

³ The blue and pink Forms of Proxy may be handed to the Chairman of the Investec plc General Meeting or the UK Registrar at any time before the proxy exercises any rights of the shareholder at the meeting.

⁴ The green and yellow Forms of Proxy may be handed to the Chairman of the Investec Limited General Meeting or the SA Registrar at any time before the proxy exercises any rights of the shareholder at the meeting.

⁵ The white Form of Proxy may be handed to the Chairman of the Court Meeting or the UK Registrar at the commencement of the meeting.

⁶ Court Meeting to commence at 11.00 a.m. (London time) or, if later, immediately after the conclusion or adjournment of the General Meetings.

Event	Time (London time) and/or date²
Announcement expected to be released on SENS and RNS regarding finalisation	Thursday, 5 March 2020
Last date for transfers between the Investec plc Registers by Investec plc Ordinary Shareholders prior to the UK Demerger Effective Time	Thursday, 12 March 2020
Last date for transfers between the Investec Limited Registers by Investec Limited Ordinary Shareholders prior to the SA Demerger Effective Time.....	Thursday, 12 March 2020
Last day to trade on the Investec plc SA Register for Investec plc Ordinary Shareholders that hold Investec plc Ordinary Shares through a CSDP in order to participate in the UK Demerger ⁷	Friday, 13 March 2020
Last day to trade on the Investec Limited SA Register for Investec Limited Ordinary Shareholders that hold Investec Limited Ordinary Shares through a CSDP in order to participate in the SA Demerger ⁸	Friday, 13 March 2020
Strate Nominee Share Transfers take place ⁹	5.30 p.m. on Friday, 13 March 2020
UK Demerger Record Time.....	6.00 p.m. on Friday, 13 March 2020
UK Demerger Effective Time	7.00 p.m. on Friday, 13 March 2020
SA Demerger Effective Time	7.00 p.m. on Friday, 13 March 2020
Investec Limited Ordinary Shares trade “ex” entitlement on the Investec Limited SA Register to receive the Ninety One Limited Shares pursuant to the SA Demerger ¹⁰	Monday, 16 March 2020
Admission of the Ninety One plc Shares and the Ninety One Limited Shares to the Johannesburg Stock Exchange and commencement of unconditional dealings in Ninety One plc Shares and Ninety One Limited Shares on the Johannesburg Stock Exchange	7.00 a.m. on Monday, 16 March 2020
Admission of the Ninety One plc Shares to the London Stock Exchange and commencement of unconditional dealings in Ninety One plc Shares on the London Stock Exchange	8.00 a.m. on Monday, 16 March 2020
Crediting of Ninety One plc Shares to CREST accounts ..	As soon as possible after 8.00 a.m. on Monday, 16 March 2020
SENS announcement confirming the cash proceeds payable in respect of fractional entitlements	By 12:00 p.m. on Tuesday, 17 March 2020

⁷ Investec plc Ordinary Shareholders should anticipate their holdings of Investec plc Shares at the Demerger Record Time by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before the record date for Johannesburg Stock Exchange settlement purposes.

⁸ Investec Limited Ordinary Shareholders should anticipate their holdings of Investec Limited Shares at the Demerger Record Time by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before the record date for Johannesburg Stock Exchange settlement purposes.

⁹ Investec plc Ordinary Shareholders who hold Investec plc Shares in Certificated Form on the Investec plc SA Register will be subject to the Strate Nominee Share Transfers, which are described in further detail in the Circular.

¹⁰ Share certificates may not be dematerialised into Uncertificated Form or rematerialised into Certificated Form between Monday, 16 March 2020, and Wednesday, 18 March 2020, both days inclusive.

Event	Time (London time) and/or date²
Record date for Johannesburg Stock Exchange settlement purposes	Wednesday, 18 March 2020
Crediting of Ninety One plc Shares and Ninety One Limited Shares and fractional entitlement to CSDP or broker accounts in the Strate System	Thursday, 19 March 2020
Transfers between the Investec plc Registers by Investec plc Ordinary Shareholders re-opened	Thursday, 19 March 2020
Transfers between the Investec Limited Registers by Investec Limited Ordinary Shareholders re-opened.....	Thursday, 19 March 2020
Crediting fractional entitlement to CREST accounts	Thursday, 19 March 2020
Despatch of cheques or electronic transfer in respect of fractional entitlements for shareholders without a CSDP or broker account	As soon as practicable after Thursday, 19 March 2020
Despatch of share certificates for Ninety One Shares	by Friday, 20 March 2020

Conference call details

A conference call to address any questions from investors on information contained in the Circular will be held at 09:00 UK time/11:00 SA time on Tuesday, 3 December 2019. Further details in this regard, along with the Circular, will be available later on Investec's website at: www.investec.com/demerger. Telephone conference options as below:

- SA participants: +27 10 201 6800 OR +27 11 535 3600
- UK participants: +44 333 300 1418
- Rest of Europe and other participants: +27 11 535 3600 OR +27 10 201 6800
- USA participants: +1 508 924 4326

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J.P. Morgan Cazenove and Fenchurch Advisory Partners are acting as joint financial advisers to Investec Group in relation to the Demerger.

JSE Transaction Sponsor: J.P. Morgan Equities South Africa (Pty) Ltd

Notes to Editors:

Investec, established in 1974, is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base in three principal markets, the UK and Europe, South Africa and Asia/Australia as well as certain other countries. Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely Specialist Banking, Wealth & Investment and Asset Management:

- **Specialist Banking:** Market-leading specialist corporate and institutional banking, investment and private banking activities in South Africa and the UK with £25 billion in core loans and advances and £32 billion in customer deposits as at 30 September 2019.

- **Wealth & Investment:** One of the leading UK and South African private client investment managers with over £56 billion in funds under management as at 30 September 2019.
- **Asset Management (becoming Ninety One):** A leading global asset manager with £121 billion in assets under management (as at 30 September 2019), well diversified by asset class and region.

In July 2002, the Investec Group implemented a dual-listed company structure with listings on the London and Johannesburg Stock Exchanges. On 14 September 2018, the board of directors of the Investec Group announced the proposed demerger and separate listing of Ninety One which remains subject to shareholder and other customary approvals.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements with respect to certain of Investec plc's, Investec Limited's and Ninety One's plans and their current goals and expectations relating to the execution of the Demerger. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Investec plc's, Investec Limited's and Ninety One's control, including amongst other things, those set out in the Circular. As a result, the execution of the Demerger may differ materially from the forward-looking statements set forth in this announcement. These forward-looking statements speak only as of the date on which they are made. Investec plc, Investec Limited and Ninety One expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement or any other forward-looking statements they may make.

IMPORTANT INFORMATION

This announcement is not an offer to sell, or a solicitation of an offer to purchase, securities in the United States or in any other jurisdiction.

The securities to which these materials relate have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, they may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The Ninety One plc shares to be issued in connection with the UK Demerger will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. The Ninety One Limited shares to be issued in connection with the SA Demerger will only be issued in the United States to persons who are reasonably believed to be "qualified institutional buyers" ("QIBs") as defined in Rule 144A ("Rule 144A") under the US Securities Act. It is anticipated that US shareholders of Investec Limited who are not able to receive Ninety One Limited shares in the SA Demerger may, in lieu of Ninety One Limited shares, receive a cash amount corresponding to net proceeds from the sale of the Ninety One Limited shares that they otherwise would have been entitled to receive, as further described in the Circular.