Today’s presenters

Hendrik du Toit
Founder, Investec Asset Management and Joint CEO, Investec Group

Kim McFarland
COO and CFO, Investec Asset Management and Executive Director, Investec Group

Background

- Founded Investec Asset Management in 1991
- Joined Investec Group board in 2010
- Appointed Joint CEO of Investec Group in 2018
- 28 years at Investec

Background

- Joined Investec Asset Management in 1993 as CFO and COO
- Joined Investec Group board in 2018
- Previously named Business Woman of the Year in South Africa
- 25 years at Investec
The Investec Asset Management growth story

Note: FY92-FY18 represent financial years ended 31 March; HY19 represents AUM as at 30 September 2018
Investing for a better tomorrow

Better Firm
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.

Better Investing
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.

Better World
We are dedicated to building a better world through our capital allocation. We are responsible citizens of our societies and natural environment.
We are a people business
The numbers tell the story

~28 years of heritage

~20 years average tenure of Executive Committee¹

~170 dedicated PMs², Analysts and Strategists

18% employee owned³

~13 years average tenure for Client Group Heads

~12 years average tenure for Investment Heads and CIOs

~14 years average tenure for Operations Heads and COO/CFO

Note: As at 30 September 2018. Tenures are based on length of service at IAM only and excludes previous experience
1. Consists of 9 individuals; 2. "PMs" are Portfolio Managers; 3. As at 1 October 2018, with option available to acquire an additional 2%
Global asset manager with an emerging market heritage

Founded in 1991, Investec Asset Management (“IAM”) is a leading global asset manager, with assets under management (“AUM”) of £109bn

High conviction strategies managed by specialist investment teams with differentiated investment processes

Well diversified by asset class and region with 56% of AUM invested in emerging markets (“EM”) strategies

Consistent track record of investment outperformance across multiple market cycles

Five regional client-facing teams serve our sophisticated Institutional and Advisor client base around the globe

Global presence and reach with 1,000+ employees spanning 23 offices

Note: AUM as at 30 September 2018. 1. On a 3 and 5 year rolling basis; 2. “SA Fund Platform” is IAM’s South African fund advisory platform with £7bn AUM (which may also include some internal AUM); 3. Asia Pacific includes the Middle East.
Core strategic principles

We offer **organically-developed investment capabilities** through active segregated mandates or mutual funds to sophisticated clients.

We operate globally in both the **Institutional and Advisor** space through five geographically defined client groups.

We have an approach to growth that is driven by structural **medium to long-term client demand** and competitive investment performance.

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<tr>
<th>Patient</th>
<th>Organic</th>
<th>Long-term</th>
<th>Intergenerational</th>
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<td>9</td>
<td>Q&amp;A</td>
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Global asset management market landscape

Demographic factors underpin structural growth

Rebalancing of capital flows towards global and emerging markets

Revenue opportunity for high alpha products, solutions and sustainable investing

Global market size

Global AUM by geography$^1$

Global AUM by asset class$^{1,2}$

Return on equity by industry$^3$

1. As at December 2017. “RoW” is Rest of World; 2. Alternatives excludes performance fees from hedge funds and private equity; Active Core comprises actively managed domestic large cap equity, domestic government and corporate debt, money market and structured products; 3. Source: Thomson Reuters as at 15 November 2018. Analysis of US publicly listed companies with market capitalisation above $100m and return on equity above zero (1,938 companies). Calculated based on mean prior year return on equity by industry; 4. “Cycl.” is cyclicals

Confidential | Investec Asset Management
A global asset manager with an emerging market heritage

A differentiated asset manager…

1. Unique employee ownership and culture
2. Organically and sustainably built
3. Distinctive specialist active strategies
4. Emerging market heritage underpins growth

…with the attributes of industry leaders

5. Superior global reach given scale
6. Sophisticated Institutional and Advisor client base
7. Significant growth potential across existing skillsets
8. Attractive financial profile with strong cash generation
Unique employee ownership and culture

History of entrepreneurship and founder-owner mindset

Launched in 1991 and grown organically by existing senior management team

Senior management and key employees have acquired an 18% stake

Creates strong and fundamental long-term alignment with shareholders and clients

Facilitates entrepreneurial, collaborative and team-oriented culture

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<tr>
<th>Investments&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Client Group&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Operations&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Executive Committee&lt;sup&gt;5&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No. of people</strong></td>
<td><strong>241</strong></td>
<td><strong>388</strong></td>
<td><strong>459</strong></td>
</tr>
<tr>
<td><strong>Average tenure at IAM</strong></td>
<td><strong>~7 years</strong></td>
<td><strong>~7 years</strong></td>
<td><strong>~6 years</strong></td>
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</tbody>
</table>

Note: As at 30 September 2018. Executive Committee members also included in Investments, Client Group and Operations headcount figures.

1. As at 1 October 2018, with option to acquire an additional 2%; 2. Includes investment support functions (relating to ESG, risk and performance, traders); 3. Includes 165 SA Fund Platform staff and 57 Global Marketing staff; 4. Excludes Silica staff; 5. As at 1 October 2018.
Organically and sustainably built
Established long-term growth track record in AUM

- Domestic growth phase
- Internationalisation phase
- Scaling post crisis phase

£39bn of cumulative net flows since April 2009, representing ~50% of total AUM growth

CAGR (FY92-FY98): +93%
CAGR (FY98-FY09): +19%
CAGR (FY09-HY19): +15%

Note: FY92-FY18 are financial years to 31 March; HY19 represents AUM as at 30 September 2018
Distinctive specialist active strategies

Differentiated and diversified set of sustainably built active strategies with a long-term focus and global appeal to sophisticated investors

**Core asset class offerings**

- **£51bn** Equities
- **£28bn** Fixed Income
- **£20bn** Multi-Asset
- **£3bn** Alternatives

**Distinct skillsets**

- 4Factor
- Quality
- Value
- Fixed Income
- Multi-Asset
- Alternatives

1. Excluding SA Fund Platform; 2. Denotes number of investment professionals within defined skillset, Portfolio Managers and Analysts only

**Client demand**

- Specialist / High Alpha
- Outcomes

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Note: AUM and number of investment professionals as at 30 September 2018

1. Excluding SA Fund Platform; 2. Denotes number of investment professionals within defined skillset, Portfolio Managers and Analysts only
Distinctive specialist active strategies

Delivering robust long-term investment performance for our clients

- Consistent track record of investment outperformance across multiple market cycles
- We continue to deliver long-term sustainable investment performance for our clients
- Over 10 years, 94% of our strategies have outperformed their benchmarks

Note: 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 % of fund outperformance is reported on the basis of current AUM and therefore does not include terminated funds. Total AUM exclude double-counting of pooled products and third party assets administered on our South African platform. Benchmarks used for the above analysis include cash, peer group averages, inflation and market indices as specified in client mandates or fund prospectus. For all periods shown, market values are as at the period end date. 1. As at 30 September 2018; 2. On a 3 and 5 year rolling basis.
Emerging market heritage underpins growth
Ideally positioned to help clients face the structural flow of capital from developed to emerging markets

- **Emerging market heritage**
  - Founded: 1991
  - Presence: South Africa
  - AUM: c.£40m

- Limited scale of South African market necessitated early internationalisation
- Now a diversified global business though emerging markets remain both an important investment strategy and a significant source of client assets
- Access to, and insight across, the full breadth of emerging market regions

**By client location (today¹)**
- 50% £109bn
- 50%

**By investment strategy (today¹)**
- 44% £109bn
- 56%

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1. AUM as at 30 September 2018, "Emerging markets" includes Africa and Asia Pacific (excluding Australia)
Emerging market heritage underpins growth

The structural growth opportunity for emerging markets is compelling

**Faster growth in GDP per capita**

![Graph showing growth in GDP per capita from 1980 to 2022 for emerging and developed markets.](chart)

- **Emerging markets**
  - 1980: $1,573
  - 2022 estimate: $16,382

- **Developed markets**
  - 1980: $10,184
  - 2022 estimate: $60,690

**Developed market investors typically underweight vs. global market capitalisation and global indices**

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<tr>
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<th>Emerging market equities</th>
<th>Emerging market debt</th>
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<tr>
<td>% of global market capitalisation</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Global index allocation</td>
<td>10% (5% overweight)</td>
<td>22% (5% overweight)</td>
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<td>Average pension fund allocation</td>
<td>5%</td>
<td>5%</td>
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1. Source: IMF, current prices, PPP basis. Rebased to 1980
2. Source: iShares MSCI ACWI ETF as at November 2018 and JPM Global Aggregate Bond Index as at September 2018
3. Source: Mercer European Asset Allocation Survey 2018

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**The structural growth opportunity for emerging markets is compelling**

- Faster growth in GDP per capita:
  - Emerging market heritage underpins growth
  - Developed market investors typically underweight vs. global market capitalisation and global indices

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18. Confidential | Investec Asset Management
Superior global reach given scale
Diversified across global markets with increasing local penetration

Note: AUM and Client Group Headcount as at 30 September 2018. Asia Pacific includes the Middle East
1. Analysis run based on AUM figures in USD; 2. 2010 – 2017 CAGR based on data as at 31 December 2017; 3. Africa Client Group Headcount excludes 165 SA Fund Platform staff; 4. Africa regional industry AUM CAGR based on figures from Alexander Forbes, Pension Fund Commission of Nigeria and internal analysis
Sophisticated Institutional and Advisor client base

Diversified client base with less than 2% of AUM sourced from Investec Group

Institutional

- Pension Funds
- Public Bodies (inc. SWFs)\(^1\)
- Insurers
- Corporates
- Investment in Mutual Funds

£109bn AUM

Institutional 68%

Advisor 32%

£74bn

£35bn

Advisor

- Large Retail Groups
- Wealth Managers / Private Banks
- Sub-Advised
- SA Fund Platform
- Other\(^2\)

Note: AUM as at 30 September 2018

1. “SWFs” represents Sovereign Wealth Funds; 2. Other represents legacy direct book
IAM’s specialist skillsets are fully aligned with global growth trends

Significant growth potential across existing skillsets

Global industry AUM by asset class¹

Global industry revenue by asset class¹

 IAM’s growth focus

1. Alternatives includes hedge funds (HF), private equity (PE), real estate, infrastructure and commodity funds, liquid alternative mutual funds (e.g. absolute returns, long/short, market neutral, volatility). PE and HF revenues exclude performance fees. Active Specialist includes equity specialties (foreign, global, EM, small and mid caps, sectors) and fixed income specialties (EM, global, high yield, convertibles). Solutions, LDI and Balanced includes target dated, global asset allocation, flexible, income, LDI and traditional balanced. Active Core includes actively managed domestic large cap equity, domestic government and corporate debt, money market and structured products

SUSTAINABLE INVESTING
Significant growth potential across existing skillsets
Continuing organic product evolution leveraging existing investment skillsets

At launch:
Single country offering

Today: Evolved into a diversified, global investment platform

Tomorrow: Scaling existing offering
Attractive financial profile with strong cash generation

Increasing AUM, recurring revenues and cost discipline driving consistent profit growth

- Long track record of increasing AUM
- Driving continued revenue growth

- High proportion of management fees

- Cost discipline across the business whilst continuing to invest for growth

- Consistent profit growth at attractive margins
- High cash conversion

Note: Numbers may not sum due to rounding
1. Fee rate excludes Silica revenues and performance fees; 2. Pre non-controlling interests
Attractive financial profile with strong cash generation

Over the past 10 years, IAM has paid out £1.1bn in dividends

Cumulative dividends (£m)

FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18

RoE¹: 91%

£1.1bn

Note: Excludes capital payments for purchase of minority equity stake
1. Pre-tax return on adjusted average ordinary shareholders’ equity – 31 March 2018
A global asset manager with an emerging market heritage

A differentiated asset manager…

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2. Organically and sustainably built
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…with the attributes of industry leaders

5. Superior global reach given scale
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A global integrated investment platform

1. Global platform
2. Key investment centres with growing investment presence in other regions
6. Clearly defined skillsets

Note: Investment professionals as at 30 September 2018
1. Denotes number of investment professionals within defined skillset, Portfolio Managers and Analysts only
Well balanced by asset class and investment strategy

By asset class

- Fixed Income (£28bn) 25%
- Multi-Asset (£20bn) 19%
- Alternatives (£3bn) 7%
- SA Fund Platform (£7bn) 3%

£109bn

By investment strategy

- Developed Markets (£48bn) 44%
- Emerging Markets (£61bn) 56%

£109bn

Note: AUM as at 30 September 2018
Diversified offering across all asset classes

Equities
- £51bn
- Global
- Regional
  - Asia
  - UK
  - EM
  - Europe
  - Africa (inc. SA)
  - Global

Fixed Income
- £28bn
- Global
- Regional
  - EM Sovereign & Currency
  - EM Credit
  - Africa (inc. SA) FI
  - Africa (inc. SA) Credit
  - Absolute Return
  - DM Credit

Multi-Asset
- £20bn
- Global
- Regional
  - Africa (inc. SA)
  - UK
  - EM
  - Income
  - Growth

Alternatives
- £3bn
- Global
- Regional
  - Specialist Commodities
  - Real Estate
  - Private Equity
  - Infrastructure Debt

Note: AUM as at 30 September 2018. Breakdown based on underlying Strategy definition
Our investment approach

We firmly believe in the power of specialisation

Well-articulated investment philosophies, well-defined investment processes and clear team leadership

Developed organically over time, resulting in experienced and stable teams

Diverse teams with a culture of collaboration, generating value for our clients
Our model: Well positioned active investment platform

Key components to our active manager construct

Specialist / High Alpha

The ‘core-satellite’ approach adopted by many institutional asset owners means manager opportunities are in high alpha and specialist portfolios

Outcomes

The shift from benchmark relative to outcomes has driven significant flow into products which effectively target returns within risk constraints

Equities

- Global Equity
- Regional Equity
- Private Equity

Fixed Income

- EM Debt
- EM Credit
- China

Thematic

- Sustainability

Return-Seeking

- Multi-Asset Growth
- Multi-Asset Credit
- Absolute Return
- Liquid Alternative

Income-Seeking

- Multi-Asset
- Equity Income
- Specialist Credit
- Private Credit
- Infrastructure Debt
- Property
Proven investment performance track record

Overall firm outperformance

Latest outperformance¹

94%

69%

57%

62%

Mutual funds outperformance²

87%

71%

60%

66%

1st quartile
2nd quartile
3rd quartile
4th quartile

FY00 FY05 FY10 FY15 FY19

Note: 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 % of fund outperformance is reported on the basis of current AUM and therefore does not include terminated funds. Total AUM exclude double-counting of pooled products and third party assets administered on our South African platform. Benchmarks used for the above analysis include cash, peer group averages, inflation and market indices as specified in client mandates or fund prospectus. For all periods shown, market values are as at the period end date. 1. As at 30 September 2018; 2. Fund performance and ranking as per Morningstar data using primary share classes net of fees to 30 September 2018. Peer group universes are either IA, GIFS or ASISA sectors as classified by Morningstar. Cash or cash-equivalent funds are excluded from charts.
Key takeaways

- Building differentiated skills patiently over time, focusing on Specialist / High Alpha and Outcomes

- Across skillsets, continuing to evolve our strategies in a disciplined manner

- Favourably positioned towards structural transitions:
  - Rebalancing of global investment portfolios
  - Rise of Asia, in particular China
  - Sustainability revolution
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## Global distribution reach

Close to clients with 21 Client Group offices around the world

### Industry AUM and IAM AUM

<table>
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<tr>
<th>Region</th>
<th>Industry AUM</th>
<th>IAM AUM</th>
<th>Client Group FTE</th>
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<tbody>
<tr>
<td><strong>Americas</strong></td>
<td>$39tn</td>
<td>£15bn</td>
<td>28</td>
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<tr>
<td></td>
<td>o/w Institutional 78%</td>
<td>o/w Institutional 78%</td>
<td></td>
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<tr>
<td></td>
<td>14% of IAM total</td>
<td>14% of IAM total</td>
<td></td>
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<tr>
<td><strong>UK</strong>¹</td>
<td>$6tn</td>
<td>£23bn</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>o/w Institutional 78%</td>
<td>o/w Institutional 52%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>21% of IAM total</td>
<td>21% of IAM total</td>
<td></td>
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<tr>
<td><strong>Europe</strong></td>
<td>$16tn</td>
<td>£13bn</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>o/w Institutional 69%</td>
<td>o/w Institutional 70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12% of IAM total</td>
<td>12% of IAM total</td>
<td></td>
</tr>
<tr>
<td><strong>Asia-Pacific²</strong></td>
<td>$15tn</td>
<td>£19bn</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>o/w Institutional 73%</td>
<td>o/w Institutional 86%</td>
<td></td>
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<tr>
<td></td>
<td>17% of IAM total</td>
<td>17% of IAM total</td>
<td></td>
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<tr>
<td><strong>Africa³</strong></td>
<td>$0.3tn</td>
<td>£39bn</td>
<td>55</td>
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<tr>
<td></td>
<td>o/w Institutional 61%</td>
<td>o/w Institutional 63%</td>
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<tr>
<td></td>
<td>36% of IAM total</td>
<td>36% of IAM total</td>
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### Notes:
1. Includes “Other” which represents 1% of total AUM.
2. Includes the Middle East.
3. Africa Client Group Full Time Employees (“FTEs”) excludes 165 SA Fund Platform staff.

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Note: Industry data as at 31 December 2017. IAM data as at 30 September 2018.
Institutional distribution channel
Well diversified with no single client representing more than 5% of revenues

By geography
- £74bn
- Americas 33%
- Africa 22%
- Europe 13%
- UK 16%
- Asia Pacific 16%

By client type
- £74bn
- Investment in Mutual Funds 12%
- Pension Funds 43%
- Public Bodies (inc. SWFs) 20%
- Corporates 12%
- Insurers 13%

By asset class
- £74bn
- Equities 46%
- Fixed Income 33%
- Alternatives 3%
- Multi-Asset 18%

Note: As at 30 September 2018
1. Includes the Middle East
Advisor distribution channel
Well diversified and built on strength of products and long-term partnerships

By geography

- Africa: 41%
- UK: 31%
- Europe: 11%
- Americas: 9%
- Asia Pacific: 8%

Total: £35bn

By client type

- Large Retail Groups: 37%
- Wealth Managers / Private Banks: 33%
- SA Fund Platform: 20%
- Other: 2%
- Sub-Advised: 8%

Total: £35bn

By asset class

- Equities: 47%
- SA Fund Platform: 20%
- Multi-Asset: 21%
- Alternatives: 3%
- Fixed Income: 9%

Total: £35bn

Note: As at 30 September 2018
1. Includes the Middle East; 2. “Other” represents legacy direct book
Sources of gross flows
Well diversified by channel and region and relatively stable over time

Gross flows by channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisor</td>
<td>35%</td>
<td>33%</td>
<td>35%</td>
<td>45%</td>
<td>38%</td>
<td>42%</td>
</tr>
<tr>
<td>Institutional</td>
<td>65%</td>
<td>67%</td>
<td>65%</td>
<td>55%</td>
<td>62%</td>
<td>58%</td>
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</tbody>
</table>

Gross flows by region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>21%</td>
<td>21%</td>
<td>29%</td>
<td>13%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Americas</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>7%</td>
<td>17%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>UK</td>
<td>22%</td>
<td>24%</td>
<td>21%</td>
<td>25%</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Africa</td>
<td>30%</td>
<td>24%</td>
<td>24%</td>
<td>33%</td>
<td>26%</td>
<td>26%</td>
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Note: Gross flow figures exclude cash strategies
1. Includes the Middle East
## Client Group snapshot by region

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<thead>
<tr>
<th>Region</th>
<th>AUM¹</th>
<th>Presence²</th>
<th>FY18 net flows⁴</th>
<th>Channel split¹</th>
<th>Asset mix</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>£39bn</td>
<td>Since 1991</td>
<td>£0.2bn</td>
<td>37% 63%</td>
<td></td>
<td>- Market-leading position</td>
</tr>
<tr>
<td></td>
<td>36% of total</td>
<td>55 FTEs³</td>
<td></td>
<td></td>
<td></td>
<td>- Advisor growth opportunity</td>
</tr>
<tr>
<td>UK</td>
<td>£23bn</td>
<td>Since 1998</td>
<td>£1.6bn</td>
<td>48% 52%</td>
<td></td>
<td>- Competitive in Advisor market</td>
</tr>
<tr>
<td></td>
<td>21% of total</td>
<td>32 FTEs</td>
<td></td>
<td></td>
<td></td>
<td>- Well-positioned competitor in sub-advisor space</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Brexit-ready</td>
</tr>
<tr>
<td>Asia Pacific⁵</td>
<td>£19bn</td>
<td>Since 1998</td>
<td>£1.4bn</td>
<td>14% 86%</td>
<td></td>
<td>- Increasing Institutional relevance</td>
</tr>
<tr>
<td></td>
<td>17% of total</td>
<td>28 FTEs</td>
<td></td>
<td></td>
<td></td>
<td>- Competitive offering</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- China</td>
</tr>
<tr>
<td>Americas</td>
<td>£15bn</td>
<td>Since 1998</td>
<td>£2.7bn</td>
<td>22% 78%</td>
<td></td>
<td>- Ready to take North America Institutional to the next level</td>
</tr>
<tr>
<td></td>
<td>14% of total</td>
<td>28 FTEs</td>
<td></td>
<td></td>
<td></td>
<td>- Leading position in Latin America cross-border</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>£13bn</td>
<td>Since 2002</td>
<td>£(0.6)bn</td>
<td>30% 70%</td>
<td></td>
<td>- Established Institutional position</td>
</tr>
<tr>
<td></td>
<td>12% of total</td>
<td>20 FTEs</td>
<td></td>
<td></td>
<td></td>
<td>- Significant growth opportunity in Advisor</td>
</tr>
</tbody>
</table>

1. AUM as at 30 September 2018; 2. Client Group FTEs; 3. Africa Client Group FTEs excludes 165 SA Fund Platform staff; 4. 12 month net flows to year ended 31 March 2018; 5. Includes the Middle East
## Fund ranges

Well structured product platform enabling IAM to serve clients globally

<table>
<thead>
<tr>
<th>Africa</th>
<th>UK</th>
<th>Asia Pacific</th>
<th>Americas</th>
<th>Europe and International Cross-Border</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Unit trusts</td>
<td>● OEICs</td>
<td>● Unit trusts</td>
<td>● US 40 Act funds</td>
<td>● SICAVs</td>
</tr>
<tr>
<td>● Pooled life funds</td>
<td>● Investment trusts</td>
<td></td>
<td>● LLCs</td>
<td>● AIFs</td>
</tr>
<tr>
<td>● Hedge funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namibia</td>
<td>Guernsey</td>
<td>Australia</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>● Unit trusts</td>
<td></td>
<td>● Unit trusts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Unit trusts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Over 200 individual funds and over 1,000 share classes**

Note: OEIC = Open-ended investment company. LLC = Limited liability company. SICAV = Société d'investissement à capital variable. AIF = Alternative investment fund
Key takeaways

- Focus on large pools of capital in developed markets
- Established global distribution in two channels (Institutional and Advisor)
- Experienced and well established local teams, close to clients
- Well developed infrastructure to reach clients and flexible product wrapping
- Proven ability to anticipate investment demand and opportunity over the long term
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7  Break                                           
8  Concluding Remarks                              58
9  Q&A                                             

Operating model strategy and benefits

2002 – strategic decision to outsource operations across back / middle office, transfer agent, fund accounting

Achieved by partnering with leading global service providers

Enables IAM to focus on investment platform and servicing its clients

A single global integrated platform created, utilising lower cost base and high quality professional staff in South Africa

Backbone – supports the global investment infrastructure allowing us to scale across the markets and our products
Operating platform overview
Single global platform, best of breed systems

... underpinned by a long-term, stable outsource partner

... and supported by one internal globally integrated operations team
Proven ability to scale

70% Average AUM growth¹

30% outsourcing cost growth¹.²

c.1m trades per annum

c.900k positions reconciled monthly

c.2,500 institutionally managed portfolios

Outsourcing cost vs. AUM³ growth

Outsourcing cost vs. recurring revenue growth

Note: Data as at 30 September 2018
1. Refers to 5 year cumulative growth; 2. Outsource cost growth related to client and retail fund administrative expenditure less operational losses; 3. Average AUM based on month ends
Harnessing technology to support growth
Investment focus on technology as an enabler and to enhance our East / West capability

Initiatives delivered

- ✓ Centralised data architecture
- ✓ Client reporting and marketing automation
- ✓ Mobility, Office365, Windows10
- ✓ Robotics framework and capability

Technology priorities

- Enhancing East / West capability
- New investment risk platform
- Improving access to data and information
- Intelligent security
**Relationship with Investec Group**

Limited, as IAM operates independently; no material incremental costs

In preparation for the demerger, a services and transitional agreement will be put in place for:

- Payroll services
- Networks and communication
- Cyber and IT security
- Software licenses and trademarks (limited)
- Workplace - shared offices predominantly in South Africa
Key takeaways

- Single global operating model with global leadership in place
- Well-embedded outsourcing partnerships with industry leaders
- Established operational backbone which has been built for growth
- Experienced and knowledgeable operations team
- Disciplined approach to growth
## Agenda

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7. Break
8. Concluding Remarks 58
9. Q&A
Attractive financial profile
Increasing AUM, recurring revenues and cost discipline driving consistent profit growth

- Long track record of increasing AUM
- Driving continued revenue growth

High proportion of management fees

Cost discipline across the business whilst continuing to invest for growth

Consistent profit growth at attractive margins
- High cash conversion

**Total AUM (£bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>29</td>
<td>30</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>31</td>
</tr>
</tbody>
</table>

**Total net revenues (£m) and management fee margin¹ (bps)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>201</td>
<td>202</td>
<td>203</td>
<td>204</td>
<td>205</td>
<td>206</td>
<td>207</td>
<td>208</td>
<td>209</td>
<td>210</td>
<td>211</td>
</tr>
</tbody>
</table>

**Operating costs (£m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>134</td>
<td>135</td>
<td>136</td>
<td>137</td>
<td>138</td>
<td>139</td>
<td>140</td>
<td>141</td>
<td>142</td>
<td>143</td>
<td>144</td>
</tr>
</tbody>
</table>

**Operating profit (£m) and margin (%)²**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>66</td>
<td>67</td>
<td>68</td>
<td>69</td>
<td>70</td>
<td>71</td>
<td>72</td>
<td>73</td>
<td>74</td>
<td>75</td>
<td>76</td>
</tr>
</tbody>
</table>

Note: Numbers may not sum due to rounding
1. Fee rate excludes Silica revenues and performance fees; 2. Pre non-controlling interests
AUM development over time
Strong AUM growth, significantly driven by net flows; 10 year average torque ratio of 7%

Torque ratio¹:

1. May not calculate precisely due to rounding; 2. Half year torque ratio for 6 months ended 30 September 2018
Consistent and diversified flows

Substantial and diversified net flows

- IAM generated £5bn of net inflows in FY18
- Strong start to FY19 with £4bn of net inflows in the first six months

- Net flows historically broadly spread by asset class
- All asset classes generated positive net flows in HY19
## Reported financials

<table>
<thead>
<tr>
<th>£m, unless stated</th>
<th>FY17</th>
<th>FY18</th>
<th>% Change</th>
<th>HY18</th>
<th>HY19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing AUM (in £bn)</td>
<td>95</td>
<td>104</td>
<td>9%</td>
<td>98</td>
<td>109</td>
<td>11%</td>
</tr>
<tr>
<td>Management Fees</td>
<td>435</td>
<td>495</td>
<td>14%</td>
<td>242</td>
<td>264</td>
<td>9%</td>
</tr>
<tr>
<td>Management Fee Rate (bps)</td>
<td>51</td>
<td>50</td>
<td></td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Performance Fees</td>
<td>28</td>
<td>18</td>
<td>(34)%</td>
<td>4</td>
<td>5</td>
<td>18%</td>
</tr>
<tr>
<td>Silica Revenues&lt;sup&gt;1&lt;/sup&gt;</td>
<td>16</td>
<td>18</td>
<td>15%</td>
<td>9</td>
<td>9</td>
<td>(3)%</td>
</tr>
<tr>
<td>Non-Operating Income&lt;sup&gt;2&lt;/sup&gt;</td>
<td>20</td>
<td>8</td>
<td>(60)%</td>
<td>6</td>
<td>13</td>
<td>104%</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>498</td>
<td>540</td>
<td>8%</td>
<td>262</td>
<td>291</td>
<td>11%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>(333)</td>
<td>(362)</td>
<td>9%</td>
<td>(179)</td>
<td>(200)</td>
<td>12%</td>
</tr>
<tr>
<td>Operating Profit (pre-NCl)</td>
<td>165</td>
<td>178</td>
<td>8%</td>
<td>83</td>
<td>92</td>
<td>10%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>33%</td>
<td>33%</td>
<td></td>
<td>32%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>FTEs (#)&lt;sup&gt;3&lt;/sup&gt;</td>
<td>991</td>
<td>1,059</td>
<td>7%</td>
<td>1,040</td>
<td>1,088</td>
<td>5%</td>
</tr>
</tbody>
</table>

Note: Numbers may not sum due to rounding

1. Silica Revenues are external revenues only and exclude revenues from IAM; 2. Non-Operating Income includes corporate interest and gains on deferred staff bonuses (equivalent expense in the Operating Costs line); 3. Number of FTEs excludes Silica employees (512 as at 30 September 2018)
Analysis of costs

### Analysis of cost growth (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff Costs</th>
<th>Systems &amp; Information</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>333</td>
<td>21</td>
<td>6</td>
<td>362</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>179</td>
<td>9</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Breakdown of non-staff costs (FY18)

- **Non-staff costs**
  - Fund Administration: 33%
  - Systems: 13%
  - Accommodation: 7%
  - Promotional: 12%
  - Information: 16%
  - Travel: 8%
  - Overheads: 7%

### Observations

- **Strong cost discipline with increases above inflation primarily driven by business investment and exceptional items**
- **Continued investment to support our long-term growth ambitions**

---

1. Excludes Silica costs however includes Silica as a non-consolidated third party provider
Track record of cash generation

Over the past 10 years, IAM has paid out £1.1bn in dividends

RoE¹: 91%

£1.1bn

Cumulative dividends (£m)

- 200
  400
  600
  800
  1,000
  1,200
FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18

Note: Excludes capital payments for equity stake
1. Pre-tax return on adjusted average ordinary shareholders’ equity – 31 March 2018
Key takeaways

- Consistently strong net flows supported by client and geographical diversity
- Substantial management fee growth
- Limited dependence on performance fees and other income
- Focused on cost discipline, yet continuing to invest to support long-term growth ambitions
- No financial leverage
- Highly cash-generative business supporting dividend-paying capacity
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Investec Asset Management</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Market Context and Investment Highlights</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Investment Platform</td>
<td>27</td>
</tr>
<tr>
<td>4</td>
<td>Clients and Distribution</td>
<td>35</td>
</tr>
<tr>
<td>5</td>
<td>Operating Model</td>
<td>43</td>
</tr>
<tr>
<td>6</td>
<td>Financial Performance</td>
<td>50</td>
</tr>
<tr>
<td>7</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Concluding Remarks</td>
<td>58</td>
</tr>
<tr>
<td>9</td>
<td>Q&amp;A</td>
<td></td>
</tr>
</tbody>
</table>
Long-term focus for sustainable growth

1. Concentrate effort on existing offering where we have differentiated strategies and performance
2. Scale offering through our global distribution model in Institutional and Advisor channels
3. Capture the next wave of flows, North America Institutional re-balancing and the growth opportunity in Asia
4. Continue to deepen and strengthen investment and client capabilities for long-term

= Increasing client relevance and shareholder value
A global asset manager with an emerging market heritage

A differentiated asset manager…

- Unique employee ownership and culture
- Organically and sustainably built
- Distinctive specialist active strategies
- Emerging market heritage underpins growth

…with the attributes of industry leaders

- Superior global reach given scale
- Sophisticated Institutional and Advisor client base
- Significant growth potential across existing skillsets
- Attractive financial profile with strong cash generation
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Investec Asset Management</td>
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<td>4</td>
<td>Clients and Distribution</td>
</tr>
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<td>5</td>
<td>Operating Model</td>
</tr>
<tr>
<td>6</td>
<td>Financial Performance</td>
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<td>7</td>
<td>Break</td>
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<tr>
<td>8</td>
<td>Concluding Remarks</td>
</tr>
<tr>
<td>9</td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>
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