

Ninety One plc
 Incorporated in England and Wales
 Registration number 12245293
 Date of registration: 4 October 2019
 LSE share code: N91
 JSE share code: N91
 ISIN: GBO0BJHPLV88

Ninety One Limited
 Incorporated in the Republic of South Africa
 Registration number 2019/526481/06
 Date of registration: 18 October 2019
 JSE share code: NY1
 ISIN: ZAE000282356

Interim results for the six months to 30 September 2020

Highlights

- Solid performance despite challenging operating conditions.
- Assets under management increased 15% to £119.0 billion, though average AUM decreased by 3%.
- Net outflows of £0.3 billion.
- Significant improvement in investment performance during the period.
- Net revenue decreased 1% to £297.3 million, although performance fees increased substantially (to £18.0 million).
- Profit before tax increased 3% to £94.8 million.
- Basic earnings per share increased 1% to 7.9p and adjusted earnings per share remained flat.
- Declared an interim dividend of 5.9p per share.
- Staff shareholding increased to 22.5%.

£' billion	30 September 2020	30 September 2019	31 March 2020
Assets under management	119.0	120.8	103.4
Net flows	(0.3)	3.2	6.0
Average assets under management	114.2	117.8	118.3

Key financials ⁽¹⁾	Six months to 30 September 2020	Six months to 30 September 2019	Change %
Net revenue (£'m)	297.3	299.4	(1)
Adjusted operating revenue (£'m)	288.8	292.4	(1)
Profit before tax (£'m)	94.8	91.9	3
Basic earnings per share (p)	7.9	7.8	1
Headline earnings per share (p)	7.9	7.8	1
Adjusted earnings per share (p)	8.0	8.0	-
Adjusted operating profit margin	33.3%	32.2%	
Ordinary dividend per share (p)	5.9	n.a.	

Note: (1) Please refer to explanations and definitions on pages 12-14.

Hendrik du Toit, Founder and Chief Executive Officer, commented:

"In the face of challenging operating conditions, the people of Ninety One remained focused on what really matters: serving and supporting our clients in these unprecedented times. We are mindful of the fact that the communities we serve have suffered from the health and economic consequences of the pandemic.

These results evidence the resilience of our diversified, capital-light, organic business model. Our sustained investment in technology over many years and the positive mindset of our people supported the shift to virtual client engagement and remote working and then a partial return to the office over the reporting period. Although aggregate investment performance has improved, flows were impacted by a few large mandate losses relating to past performance. The initial "risk-

off" approach from clients in the advisor channel and lower than usual levels of pipeline visibility in parts of the institutional market affected new business momentum.

We believe in the considerable long-term opportunity for Ninety One to grow organically. Our strategy is clear and our focus remains on execution."

For further information please contact:

Investor relations

Varuni Dharma	varuni.dharma@ninetyone.com	+44(O) 203 938 2486
Eva Hatfield	eva.hatfield@ninetyone.com	+44(O) 203 938 2908

Media enquiries

Neil Doyle, FTI Consulting (UK)	neil.doyle@fticonsulting.com	+44 (O) 777 197 8220
Daniel Thole, Fletcher Advisory (South Africa)	daniel@fletcheradvisory.com	+27 (O) 61 400 2939

Investor presentation

A presentation to investors and financial analysts will be made via live webcast at 9.00 am (UK time) on 17 November 2020. The webcast link is available at <https://ninetyone.com/interim-results>.

A copy of the presentation will be made available on the Company's website at <https://ninetyone.com/reports-presentations>.

Forward-looking statements

This announcement does not constitute or form part of any offer, advice, recommendation, invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Ninety One plc and its subsidiaries or Ninety One Limited and its subsidiaries (together, "Ninety One"), nor should it be construed as legal, tax, financial, investment or accounting advice.

This announcement 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 contained in the announcement 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 of this announcement.

Except as required by any applicable law or regulation, Ninety One expressly disclaims 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 it may make whether as a result of new information, future developments or otherwise.

About Ninety One

Ninety One is an independent investment manager, founded in South Africa in 1991. It now operates and invests globally and offers a range of active strategies to its global client base.

Ninety One is listed on the London and Johannesburg Stock Exchanges.

CHIEF EXECUTIVE OFFICER'S REVIEW

Ninety One delivered solid performance in the first half, demonstrating the resilience of our people-centred, diversified and capital-light business model in a period of significant market, economic, political, and policy uncertainty. The spectre of negative interest rates provided support for our income strategies and the pricing of risk assets.

Our people and clients remain the priority. Ninety One did not make redundant nor furlough any staff as a result of COVID-19 and we have not required government support. We have managed to serve our clients without disruption.

This was a period of intense client activity, albeit largely virtually. We have learnt new and efficient methods of client engagement although it was harder to reach new client opportunities. Our experience suggests that these conditions favoured incumbents more than before. The positive mindset and strong culture of the people of Ninety One were significant contributors to the resilience of the business.

Notwithstanding the recovery in aggregate investment performance, Ninety One experienced its first half-yearly outflows since the second half of the 2017 financial year, of £0.3 billion. The loss of a few large institutional mandates, relating to performance, and a cautious investor approach in the advisor channel contributed to this result. Our South African business capitalised on its market leadership position and excellent investment performance track records, in spite of very weak economic conditions. Our stable and experienced investment teams benefited from their commitment to process disciplines in difficult markets during the reporting period.

We are pleased to have maintained our earnings and declared a maiden interim dividend in these conditions. Ninety One has further built up its capital base, enhancing its balance sheet.

Notwithstanding the weak economic landscape and the impact of COVID-19, our strategy remains unchanged. We remain committed to keeping our business simple. In this context we have announced the intended disposal of Silica (our third-party administration business in South Africa), and our plan to sub-advise the remainder of our Africa Private Equity business.

We continued to invest in our business, with technology and people the major areas of investment focus. Our strategy remains the same and our attention will be on execution and delivery for our clients.

Outlook

We are in a better place than at the beginning of the reporting period in terms of performance and pipeline visibility, but we expect flows to remain performance sensitive for the near-term.

The current market environment remains uncertain, but we are a resilient business that has successfully dealt with many challenges over the past three decades. We continue to see long-term growth opportunities in markets in which we operate. We are ready and energised to increase our intensity and continue to deliver value for our clients, while investing to support our long-term growth.

OPERATING REVIEW

Assets under management (“AUM”)

AUM increased 15% to £119.0 billion (31 March 2020: £103.4 billion), supported by positive market movements. The market and foreign exchange impact in the first half added £15.9 billion (H1 2020: £6.2 billion).

AUM by asset class

£ million	30 September 2020	31 March 2020 ⁽¹⁾	Change %
Equities	56,605	47,606	19
Fixed income	31,859	28,009	14
Multi-asset	19,990	18,261	10
Alternatives	3,625	3,312	9
South African fund platform	6,922	6,218	11
Total	119,001	103,406	15

Note: (1) During the second quarter of H1 2021, AUM totalling approximately £2.5 billion was reclassified across asset classes. This was done to better reflect our Alternatives asset class, which now predominantly consists of alternative credit strategies. Therefore, the figures presented above as at 31 March 2020 are on the same reclassified basis. Prior to reclassification, AUM as at 31 March 2020 was: Equities £45,824 million, Fixed income £30,495 million, Alternatives £2,608 million; Multi-asset and South African fund platform were unaffected by the reclassifications.

Our AUM remained well diversified across asset classes and broadly spread in line with the prior period.

AUM by Client Group

£ million	30 September 2020	31 March 2020	Change %
United Kingdom	24,372	21,922	11
Africa	41,428	35,963	15
Europe	16,953	14,479	17
Americas	14,442	13,649	6
Asia Pacific	21,806	17,393	25
Total	119,001	103,406	15

The AUM of the business remains well diversified by client geography (i.e. Client Group) and split broadly in line with the prior period. All regions benefited from positive market movements. The Africa and Asia Pacific Client Groups also achieved strong net inflows.

AUM by client type

£ million	30 September 2020	31 March 2020	Change %
Advisor	37,648	33,422	13
Institutional	81,353	69,984	16
Total	119,001	103,406	15

The split of AUM between the institutional and advisor channels remained consistent with the prior period.

Net flows

In the first half, we experienced net outflows of £0.3 billion (H1 2020: net inflows of £3.2 billion).

Net flows by asset class

£ million	Six months to 30 September 2020	Six months to 30 September 2019 ⁽¹⁾
Equities	(1,324)	618
Fixed income	1,350	1,702
Multi-asset	(516)	586
Alternatives	96	188
South African fund platform	62	114
Total	(332)	3,208

Note: (1) Due to the AUM reclassifications described above, the net flow figures presented above for the six months to 30 September 2019 are on the same reclassified basis. Prior to reclassification, net flows for the six months to 30 September 2019, were: Equities £636 million, Fixed income £1,856 million, Alternatives £16 million; Multi-asset and South African fund platform were unaffected by the reclassifications.

Net flows were lower than the comparable prior period across all asset classes. The largest generator of net inflows was fixed income, where corporate cash strategies received significant inflows (particularly from South Africa). Equities experienced overall net outflows. This asset class benefited from significant net inflows into regional strategies, which were countered by large institutional net outflows from a few global strategies. The outflows from multi-asset were largely driven by outflows from growth strategies (mainly from the UK).

Net flows by Client Group

£ million	Six months to 30 September 2020	Six months to 30 September 2019
United Kingdom	(766)	46
Africa	1,363	1,135
Europe	(83)	930
Americas	(1,408)	784
Asia Pacific	562	313
Total	(332)	3,208

The largest net inflows were in the Africa Client Group across both the advisor and institutional channels. Asia Pacific also generated net inflows, driven by the institutional channel. In all other Client Groups there were net outflows. The outflows reflected a cautious investor sentiment, performance concerns and a need for liquidity.

Net flows by client type

£ million	Six months to 30 September 2020	Six months to 30 September 2019
Advisor	404	1,436
Institutional	(736)	1,772
Total	(332)	3,208

Redemptions from a small number of large global equity mandates drove institutional outflows. Advisor flows were constrained by investor caution.

Investment performance

Firm-wide investment performance⁽¹⁾

During the first half of financial year 2021, short- and longer-term firm-wide investment performance improved significantly. As at the end of September 2020, our one- and three-year outperformance stood at 76% and 70% respectively. This compared favourably with the numbers for the year ended 31 March 2020 (39% and 55% for one- and three-year firm-wide outperformance respectively).

	1 Year	3 Year	5 Year	10 Year	Since inception
Outperformance	76%	70%	59%	84%	78%
Underperformance	24%	30%	41%	16%	22%

Note: (1) 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 South African 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.

Mutual fund investment performance⁽¹⁾

During the first half of financial year 2021, Ninety One's mutual fund investment performance on a one-year basis improved over the year with 53% of mutual funds in the first or second quartiles (compared with 51% as at 31 March 2020). However, on a three- and five-year basis, mutual fund performance declined with 45% and 46% of mutual funds in the first or second quartile respectively (compared with 52% and 62% respectively as at 31 March 2020).

	1 Year	3 Year	5 Year	10 Year
First quartile	23%	27%	30%	47%
Second quartile	30%	18%	16%	36%

Third quartile	26%	50%	45%	11%
Fourth quartile	21%	5%	9%	6%

Note: (1) Mutual fund performance and ranking as per Morningstar data using primary share classes, as defined by Morningstar, net of fees to 30 September 2020. Peer group universes are either IA, Morningstar Categories or ASISA sectors as classified by Morningstar. Cash or cash-equivalent funds are excluded from the tables. Mutual fund performance weighted by AUM.

FINANCIAL REVIEW

Financial results⁽¹⁾

£ billion	Six months to 30 September 2020	Six months to 30 September 2019	Year ended 31 March 2020
Closing AUM	119.0	120.8	103.4
Net flows	(0.3)	3.2	6.0
Average AUM	114.2	117.8	118.3

£ million (unless stated)	Six months to 30 September 2020	Six months to 30 September 2019	Change %
Management fees	270.4	283.1	(4)
Performance fees	18.0	5.8	210
Foreign exchange and other income	0.4	3.5	(89)
Adjusted operating revenue	288.8	292.4	(1)
Adjusted operating expenses	(192.6)	(198.3)	(3)
Adjusted operating profit	96.2	94.1	2
Adjusted net interest income	1.0	2.3	(57)
Silica profit	0.5	0.9	(44)
Profit before tax and exceptional items	97.7	97.3	0
Exceptional items	(2.9)	(5.4)	(46)
Profit before tax	94.8	91.9	3
Tax	(22.1)	(19.6)	13
Profit after tax	72.7	72.3	1
Average fee rate (bps)	47.2	47.9	
Adjusted operating profit margin	33.3%	32.2%	
Full-time employees	1,165	1,147	2

Note: (1) Please refer to explanations and definitions on pages 12-14.

Our adjusted operating profit increased 2% to £96.2 million (H1 2020: £94.1 million). Adjusted operating profit margin of 33.3% increased on the prior period (H1 2020: 32.2%), principally due to higher performance fees earned. Profit before tax and exceptional items increased marginally to £97.7 million (H1 2020: £97.3 million).

Assets under management

Ninety One saw net outflows of £0.3 billion (H1 2020: £3.2 billion). Total AUM increased by 15% to £119.0 billion (31 March 2020: £103.4 billion), supported by positive market movements. The market and foreign exchange impact for the period was

positive £15.9 billion (H1 2020: positive £6.2 billion).

The average AUM decreased 3% to £114.2 billion (H1 2020: £117.8 billion), reflecting the lower AUM levels over the period.

Adjusted operating revenue

Management fees decreased 4% to £270.4 million (H1 2020: £283.1 million), slightly more than the 3% reduction in average AUM. This reflects the downward fee pressure and a change in asset class mix, with a higher weighting in lower fee strategies such as fixed income in the current period, and a lower weighting in higher fee strategies such as equities. The average management fee rate reduced 0.7bps to 47.2bps (H1 2020: 47.9bps).

Performance fees increased to £18.0 million (H1 2020: £5.8 million) reflecting relative investment outperformance in a selection of strategies, particularly in South African equities.

Foreign exchange and other income of £0.4 million was lower compared to the comparative period (H1 2020: £3.5 million) mainly due to a swing from foreign exchange gains to losses, as Pound Sterling strengthened against the US Dollar.

Adjusted operating expenses

Adjusted operating expenses decreased 3% to £192.6 million (H1 2020: £198.3 million), largely driven by a reduction in travel and promotional expenses, as well as staff-related expenses. The decrease in travel and promotional costs is linked to the COVID-19 imposed restrictions, which resulted in minimal business travel and fewer client events in the period.

Staff expenses

Ninety One is a people business and staff expenses represent the largest portion of the expense base. While the average headcount increased 2% to 1,166 (H1 2020: 1,144), the total staff expenses (excluding Silica and the deferred employee benefit scheme) decreased by 1% to £128.2 million (H1 2020: £129.6 million). This is due to the impact of the weaker Rand on the South Africa staff costs in the period.

Over 50% of our staff expenses are variable and fluctuate in line with adjusted operating profit, ensuring alignment with financial performance.

Non-staff expenses

Non-staff expenses decreased 6% to £64.4 million (H1 2020: £68.7 million). This largely reflects the saving on travel and promotional costs in the period. Retail and client fund administration expenses reduced due to lower average AUM and flows in the period, while the remaining expenses grew broadly 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 £1.0 million (H1 2020: £2.3 million) in line with lower interest rates. Adjusted net interest income excludes interest expense on lease liabilities of £1.8m (H1 2020: £1.4m), which has been included in adjusted operating expenses.

Silica

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

During the period, we took a strategic decision to dispose of Silica, further simplifying our business. The sale will allow Silica to work with a strong and strategically-aligned partner. The transaction is expected to be completed in the current financial year.

Exceptional items

The exceptional items of £2.9 million (H1 2020: £5.4 million) related to the demerger from Investec in March 2020, and the subsequent listing on the LSE and JSE. These demerger expenses related to promotional and rebranding expenses in the current period.

Profit before tax

Profit before tax increased by 3% to £94.8 million (H1 2020: £91.9 million), while adjusted operating profit increased 2% to £96.2 million (H1 2020: £94.1 million).

Effective tax rate

The effective tax rate for the six months to 30 September 2020 was 23.3% (H1 2020: 21.3%) against a headline UK corporation tax rate of 19% (H1 2020: 19%). The increase in effective tax rate was largely due to a higher proportion of Group profits being made in South Africa, where the income tax rate is 28% (H1 2020: 28%), as well as the removal of the reducing effect of deferred tax adjustments in the year to 31 March 2020, following the reversal of the previously announced reduction in UK corporation tax rate.

Earnings per share ("EPS")

£ million (unless stated otherwise)	Six months to 30 September 2020	Six months to 30 September 2019	Change %
Profit after tax	72.7	72.3	1
Profit attributable to non-controlling interests	(0.2)	(0.3)	(33)
Profit attributable to ordinary shareholders	72.5	72.0	1
Exceptional items ⁽¹⁾	2.9	5.4	(46)
Adjusted net interest income ⁽¹⁾	(1.0)	(2.3)	(57)
Silica profit ⁽¹⁾	(0.5)	(0.9)	(44)
Tax on adjusting items ⁽¹⁾	(0.2)	(0.3)	(33)
Adjusted earnings attributable to ordinary shareholders	73.7	73.9	0
Weighted average number of ordinary shares (m)	913.6	922.7	(1)
Number of ordinary shares (m)	922.7	922.7	-
Basic earnings per share (p)	7.9	7.8	1
Diluted earnings per share (p)	7.9	7.8	1
Headline earnings per share (p)	7.9	7.8	1
Adjusted earnings per share (p)	8.0	8.0	-

Note: (1) This comprises a component of "non-operating items" per adjusted earnings per share definition on page 14.

Basic EPS and diluted EPS grew 1% to 7.9p (H1 2020: 7.8p). Headline EPS grew 1% to 7.9p (H1 2020: 7.8p), in line with the growth in Basic EPS. Adjusted EPS was flat at 8.0p (H1 2020: 8.0p), which is more reflective of the core operating performance of Ninety One.

For details on calculations, see note 6 to the financial statements.

COVID-19 statement

Overall, our business has remained resilient in the COVID-19 environment. The safety and wellbeing of our people remain our priority. 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 enabled working from home arrangements for all our staff. All our offices are operating with protective COVID-19 protocols in place, aligned with local government guidelines. Our people have adapted well and continue to serve and support our clients in these challenging times.

We have not needed to make any of our staff redundant or furloughed as a result of COVID-19.

Summary balance sheet

30 September 2020			
£ million	Policyholders	Shareholders	Total IFRS
Non-current assets	-	156.2	156.2
Current assets			
Linked investments backing policyholder funds	7,978.0	-	7,978.0
Cash and cash equivalents	-	212.4	212.4
Other current assets	54.9	338.5	393.4
Total current assets	8032.9	550.9	8,583.8
Total assets	8,032.9	707.1	8,740.0
Non-current liabilities	18.7	146.4	165.1
Current liabilities			
Policyholder investment contract liabilities	7,980.1	-	7,980.1
Other current liabilities	34.1	343.1	377.2
Total current liabilities	8,014.2	343.1	8,357.3
Total liabilities	8,032.9	489.5	8,522.4
Equity	-	217.6	217.6
Total equity and liabilities	8,032.9	707.1	8,740.0

31 March 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

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. Because of 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 £707.1 million (31 March 2020: £595.5 million), largely due to subscription accounts receivables related to funds. Cash and cash equivalents increased to £212.4 million (31 March 2020: £194.5 million). Total liabilities increased to £489.5 million (31 March 2020: £444.4 million), principally due to an increase in subscription creditors related to funds. There continues to be no debt financing on the balance sheet.

Ninety One has limited seed investments. Seed capital for mutual funds was £3.0 million (31 March 2020: £1.7million) and co-investments in private equity funds totalled £7.0 million (31 March 2020: £9.3 million).

Equity increased to £217.6 million (31 March 2020: £151.1 million), reflecting the profits for the period.

Capital and regulatory position⁽¹⁾

£ million	30 September 2020	31 March 2020
Equity	217.6	151.1
Non-qualifying assets ⁽²⁾	(11.4)	(12.7)
Qualifying capital	206.2	138.4
Dividends declared after period end	(54.5)	-
Estimated regulatory requirement	(95.2)	(96.8)
Estimated capital surplus	56.5	41.6

Notes:

(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 capital purposes are separate groups. Both groups of companies had an estimated capital surplus at 30 September 2020 and 31 March 2020.

(2) Non-qualifying assets comprise assets that are not available to meet regulatory requirements.

Our estimated regulatory capital decreased to £95.2 million (31 March 2020: £96.8 million). This provides Ninety One with an expected capital surplus of £56.5 million (31 March 2020: £41.6 million), which is consistent with our intention of maintaining a capital-light balance sheet. The capital requirements for all Ninety One companies are monitored throughout the year.

Dividends

The Board has considered the resilience of the balance sheet and the outlook for the remainder of the year. In line with our stated dividend policy the Board has declared an interim dividend of 5.9 pence per share, of which 3.9 pence per share represents 50% of profit after tax and 2.0 pence per share represents after-tax earnings after ensuring we have sufficient capital to meet current or expected changes in the regulatory capital requirements and investment needs, as well as a reasonable buffer to protect against fluctuations in those requirements. The interim dividend will be paid on 23 December 2020 to shareholders on the UK and South African share registers on 11 December 2020.

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

Liquidity

Ninety One maintains a healthy liquidity position, which comprises cash and cash equivalents of £212.4 million (31 March 2020: £194.5 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, included for illustrative purposes, and in no case are intended to replace the financial information prepared in accordance with the basis of preparation detailed in the condensed 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 pro-forma financial information has not been reviewed or reported on by Ninety One's auditor. 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, and the Revised SAICA Guide on Pro forma Financial Information (issued September 2014).

These non-IFRS measures, including reconciliations to their nearest condensed consolidated financial statements equivalents, are as follows:

£ million	Six months to 30 September 2020	Six months to 30 September 2019
Net revenue	297.3	299.4
Adjustments		
Silica third-party revenue	(8.8)	(10.7)
Foreign exchange (loss) / gain	(2.2)	3.9
Net gain on investments	10.5	4.3
Deferred employee benefit scheme gains	(9.5)	(4.4)
Share of profit from associate	0.3	-
Other income	1.2	-
Rounding	-	(0.1)
Adjusted operating revenue	288.8	292.4
Of which management fees	270.4	283.1
Of which performance fees	18.0	5.8
Of which foreign exchange and other income	0.4	3.5

£ million	Six months to 30 September 2020	Six months to 30 September 2019
Operating expenses	208.7	211.3
Adjustments		
Silica net expenses	(8.4)	(9.9)
Deferred employee benefit scheme gains	(9.5)	(4.4)
Interest expense on lease liabilities	1.8	1.4
Rounding	-	(0.1)
Adjusted operating expenses	192.6	198.3

£ million	Six months to 30 September 2020	Six months to 30 September 2019
Adjusted operating revenue	288.8	292.4
Adjusted operating expenses	(192.6)	(198.3)

Adjusted operating profit	96.2	94.1
Adjusted operating profit margin	33.3%	32.2%

£ million	Six months to 30 September 2020	Six months to 30 September 2019
Net interest (expense) / income	(0.7)	1.0
Adjustments		
Silica interest income	(0.1)	(0.1)
Interest expense on lease liabilities	1.8	1.4
Adjusted net interest income	1.0	2.3

Foreign currency

Ninety One prepares its financial information in Pounds Sterling. The results of operations and the financial condition of Ninety One's individual companies are reported in the local currencies of the countries in which they are domiciled, including South African Rand and US Dollar. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the condensed consolidated financial statements. The following table sets out the movements in the relevant exchange rates against Pounds Sterling for the six months ended 30 September 2019 and 2020 and the year ended 31 March 2020.

	30 September 2020		31 March 2020		30 September 2019	
	Period end	Average	Period end	Average	Period end	Average
South African Rand	21.61	22.07	22.16	18.78	18.68	18.28
US Dollar	1.29	1.27	1.23	1.27	1.23	1.26

DEFINITIONS

Adjusted earnings per share: 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, net gain on investment and other items

ASISA: Association for Savings and Investment South Africa

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 exchange rate: Calculated as average of the daily closing spot exchange rates in the relevant period.

Average fee rate: Management fees divided by Average AUM (annualised for non-twelve month periods), expressed in 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 period, excluding own shares held by Ninety One share schemes

Diluted earnings per share: Profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares

Headline earnings per share (HEPS): Ninety One is required to calculate HEPS in accordance with JSE Listings Requirements, determined by reference to circular 1/2019 "Headline Earnings" issued by the South African Institute of Chartered Accountants

IA: The Investment Association (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

Net flows: The increase in AUM received from clients, less the decrease in AUM withdrawn by clients, during a given period. Where cross investment occurs, assets and flows are identified, and the duplication is removed

Net revenue: Represents revenue in accordance with IFRS, less commission expense

PRINCIPAL RISKS AND UNCERTAINTIES

Ninety One faces a number of risks in the normal course of business. Our Board has the ultimate responsibility for risk management. It approves Ninety One's risk appetite and general risk management framework and monitors the operation of the 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.

While there have been no significant changes to our risk management approach in the period, we continue to closely monitor our working environment and the impact of the COVID-19 pandemic. The principal risks faced by the Group remain unchanged since the year end and continue to be our principal risks for the second half of the financial year. These comprise business and strategic risks, investments risks and operational risks. A detailed description of each, including an overview of our risk management and mitigation approach, is disclosed on pages 50 to 57 of our Integrated Annual Report 2020, which can be accessed via the Investor Relations home page on our website at www.ninetyone.com. In addition, we continue to monitor potential emerging risks including the risk of economic and political uncertainty as a result of the UK's exit from the EU, and the risk of financial loss resulting from the physical or transitional impacts of climate change.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the six months ended 30 September 2020

Each of the directors of Ninety One plc and Ninety One Limited confirms to the best of his or her knowledge and belief that:

- The condensed set of interim consolidated financial statements, which comprises the condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes, has been prepared in accordance with the basis of preparation, which includes the International Financial Reporting Standard, IAS 34 Interim Financial Reporting as adopted by the European Union, and as issued by the International Accounting Standards Board since the latter is identical in all material respects, and presents fairly, in all material respects, the assets, liabilities, financial position and profits of Ninety One for the six months ended 30 September 2020.
- Under the UK Disclosure Guidance and Transparency Rules ("DTR"), the interim management report includes a fair review of the information required by:
 - DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and

their impact on the IFRS interim condensed consolidated financial information and a description of the principal risks and uncertainties for the remaining six months of the year; and

- DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in Ninety One's Integrated Annual Report 2020, that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.
- The results for the six months ended 30 September 2020 taken as a whole, present a fair, balanced and understandable assessment of Ninety One's position and prospects.

There have been no changes to the board of directors during the six months ended 30 September 2020. A list of current directors is maintained on the Ninety One website: www.ninetyone.com.

On behalf of the board of directors

Hendrik du Toit
Chief Executive Officer

16 November 2020

Kim McFarland
Finance Director

16 November 2020

INDEPENDENT REVIEW REPORT TO NINETY ONE PLC

For the six months ended 30 September 2020

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 which comprises the condensed consolidated statement of financial position as at 30 September 2020, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the six-month period then ended, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the

half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report 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 for our review work, for this report, or for the conclusions we have reached.

Jatin Patel
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

16 November 2020

INDEPENDENT REVIEW REPORT TO NINETY ONE LIMITED

For the six months ended 30 September 2020

Independent auditor's review report on interim financial statements

To the shareholders of Ninety One Limited

We have reviewed the condensed consolidated financial statements of Ninety One Limited (the Group) contained in the accompanying interim report set out on pages 19 to 36, which comprise the condensed consolidated statement of financial position at 30 September 2020 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended and selected explanatory notes and the annexure to the condensed consolidated financial statements.

Director's responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council 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 the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Ninety One Limited for the six months ended 30 September 2020, are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

KPMG Inc.

Per GS Kolbé	The Halyard
Chartered Accountant (SA)	4 Christiaan Barnard Street
Registered Auditor	Foreshore
Director	Cape Town
	8000
16 November 2020	South Africa

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2020

		Six months ended 30 September 2020 (Reviewed)	Six months ended 30 September 2019 (Unaudited)
	Notes	£'m	£'m
Revenue	2	362.2	376.3
Commission expense		(64.9)	(76.9)
Net revenue		297.3	299.4
Operating expenses	3	(208.7)	(211.3)
Net gain on investments		10.5	4.3
Foreign exchange (loss)/gain		(2.2)	3.9
Share of profit from associate		0.3	-
Other income		1.2	-
Operating profit		98.4	96.3
Net interest (expense)/income	4	(0.7)	1.0
Profit before tax and exceptional item		97.7	97.3
Exceptional item			
Financial impact of group restructures	13	(2.9)	(5.4)
Profit before tax		94.8	91.9
Tax expense	5	(22.1)	(19.6)
Profit after tax		72.7	72.3
Profit attributable to:			

Shareholders		72.5	72.0
Non-controlling interests		0.2	0.3
		<u>72.7</u>	<u>72.3</u>

Earnings per share (pence)

Basic and diluted	6(a)	7.9	7.8
-------------------	------	-----	-----

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

		Six months ended 30 September 2020 (Reviewed) £'m	Six months ended 30 September 2019 (Unaudited) £'m
Profit after tax		72.7	72.3
Other comprehensive income/(loss) for the period			
Items that will not be reclassified to profit or loss:			
Net actuarial losses on pension fund obligation		(1.0)	(1.2)
Deferred tax on revaluation of pension fund obligation		0.3	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		1.5	0.6
Exchange differences on translation of related assets and liabilities classified as held for sale		0.1	-
Other comprehensive income/(loss) for the period		0.9	(0.6)
Total comprehensive income for the period		73.6	71.7
Total comprehensive income attributable to:			
Shareholders		73.4	71.4
Non-controlling interests		0.2	0.3
		<u>73.6</u>	<u>71.7</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

		30 September 2020 (Reviewed) £'m	30 September 2019 (Unaudited) £'m	31 March 2020 (Audited) £'m
Assets	Notes			
Investments	7	5.2	7.2	4.8
Investment in associate		0.6	-	0.3
Property and equipment	2	31.9	9.9	18.0
Right-of-use assets		93.9	81.3	90.7

Deferred tax assets		21.1	21.9	25.2
Other receivable		3.5	-	6.2
Total non-current assets		156.2	120.3	145.2
Investments	7	64.1	86.1	72.3
Linked investments backing policyholder funds	11	7,978.0	8,600.8	6,988.5
Income tax recoverable		9.8	4.2	4.4
Trade and other receivables		307.6	230.8	246.4
Cash and cash equivalents		212.4	230.4	194.5
		8,571.9	9,152.3	7,506.1
Assets classified as held for sale	9	11.9	-	-
Total current assets		8,583.8	9,152.3	7,506.1
Total assets		8,740.0	9,272.6	7,651.3
Liabilities				
Other liabilities	8	37.1	48.9	39.3
Lease liabilities		106.1	80.4	98.9
Pension fund obligation		2.9	1.3	1.8
Deferred tax liabilities		19.0	16.8	5.7
Total non-current liabilities		165.1	147.4	145.7
Policyholder investment contract liabilities	11	7,980.1	8,622.6	7,002.8
Other liabilities	8	29.3	43.1	37.6
Lease liabilities		3.6	7.8	2.7
Trade and other payables		328.2	244.1	304.3
Income tax payable		8.3	5.2	7.1
		8,349.5	8,922.8	7,354.5
Liabilities classified as held for sale	9	7.8	-	-
Total current liabilities		8,357.3	8,922.8	7,354.5
Equity				
Share capital	10(a)	441.2	441.2	441.2
Own share reserve	10(b)	(19.5)	-	(9.9)
Other reserves	10(c)	(346.2)	(345.5)	(351.6)
Retained earnings		141.6	106.1	71.0
Shareholders' equity excluding non-controlling interests		217.1	201.8	150.7
Non-controlling interests		0.5	0.6	0.4
Total equity		217.6	202.4	151.1
Total equity and liabilities		8,740.0	9,272.6	7,651.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 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
Six months ended 30 September 2020 (Reviewed)								
1 April 2020		441.2	(9.9)	(351.6)	71.0	150.7	0.4	151.1
Profit for the period		-	-	-	72.5	72.5	0.2	72.7
Other comprehensive income		-	-	1.6	(0.7)	0.9	-	0.9
Total comprehensive income		-	-	1.6	71.8	73.4	0.2	73.6

Transactions with shareholders of the Group

Share-based payment transactions related to Ninety One share scheme	10(c)(iv)	-	-	3.8	-	3.8	-	3.8
Own shares purchased	10(b)	-	(9.6)	-	-	(9.6)	-	(9.6)
Dividends paid	10(d)	-	-	-	-	-	-	-
Total transactions with shareholders of the Group		-	(9.6)	3.8	-	(5.8)	-	(5.8)
Repurchase of non-controlling interests		-	-	-	(1.2)	(1.2)	(0.1)	(1.3)
30 September 2020		441.2	(19.5)	(346.2)	141.6	217.1	0.5	217.6

Six months ended 30 September 2019 (Unaudited)

1 April 2019	441.2	-	(346.1)	100.0	195.1	0.6	195.7
Profit for the period	-	-	-	72.0	72.0	0.3	72.3
Other comprehensive loss	-	-	0.6	(1.2)	(0.6)	-	(0.6)
Total comprehensive income	-	-	0.6	70.8	71.4	0.3	71.7

Transactions with shareholders of the Group

Share-based payment transactions related to Ninety One share scheme	10(c)(iv)	-	-	-	-	-	-
Own shares purchased	10(b)	-	-	-	-	-	-
Dividends paid	10(d)	-	-	-	(64.7)	(64.7)	(0.3)
Total transactions with shareholders of the Group		-	-	-	(64.7)	(64.7)	(0.3)
Repurchase of non-controlling interests		-	-	-	-	-	-
30 September 2019		441.2	-	(345.5)	106.1	201.8	0.6

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Notes	Six months ended 30 September 2020 (Reviewed) £'m	Six months ended 30 September 2019 (Unaudited) £'m
Cash flows from operations - shareholders		49.1	66.5
Cash flows from operations - policyholders		242.5	302.9
Cash flows from operations	12(a)	291.6	369.4
Interest received		1.1	2.4
Interest paid in respect of lease liabilities		(0.7)	(1.4)
Income tax paid		(22.3)	(25.6)
Net cash flows from operating activities		269.7	344.8
Cash flows from investing activities			
Net disposal/(acquisition) of investments		16.8	(11.4)
Additions to property and equipment		(17.1)	(3.3)
Net acquisition of linked investments backing policyholder funds		(255.9)	(304.3)
Net cash flows from investing activities		(256.2)	(319.0)
Cash flows from financing activities			
Principal elements of lease payments		(3.0)	(1.7)
Payment for acquisition of subsidiary's interests in the non-controlling interests		(1.3)	-
Purchase of own shares by EBTs	10(b)	(9.6)	-
Dividends paid		-	(65.0)
Net cash flows from financing activities		(13.9)	(66.7)
Effect of foreign exchange rate changes		18.3	2.1

Net change in cash and cash equivalents	17.9	(38.8)
Cash and cash equivalents at beginning of period	194.5	269.2
Cash and cash equivalents at end of period	212.4	230.4

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

General information

Ninety One operates as a dual-listed company ("DLC") under a DLC structure. The DLC structure comprises Ninety One plc, a public company incorporated in the England and Wales under the UK Companies Act 2006 and Ninety One Limited, a public company incorporated in South Africa under the South African Companies Act 71 of 2008. Under the DLC structure, Ninety One plc and Ninety One Limited, together with their direct and indirect subsidiaries, effectively form a single economic enterprise (the "Group") in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. 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

The interim condensed consolidated financial statements for the six months ended 30 September 2020 ("Interim financial statements") have been prepared in accordance with:

- International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB"), IAS 34 Interim Financial Reporting, and IFRS as adopted by the EU since the latter is identical in all material respects to current IFRSs as issued by the IASB;
- the accounting policies applied in the preparation of these Interim financial statements are consistent with those applied to the Group's consolidated financial statements for the year ended 31 March 2020;
- the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa; and
- the Disclosure and Transparency Rules of the FCA in the UK.

The interim 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 interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 in the UK. The results for the full year 31 March 2020 have been taken from the Group's Integrated Annual Report 2020. Therefore, these interim results should be read in conjunction with that Integrated Annual Report 2020 which have been prepared in accordance with IFRS as issued by IASB and adopted by the European Commission for use in the European Union. KPMG reported on the 31 March 2020 financial statements, and their report was unmodified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006 in the UK. The Integrated Annual Report 2020 has been filed with the Registrar of Companies in the UK.

This is the first set of the Group's interim condensed consolidated financial statements, using the accounting policies applied in preparing the combined historical financial information of the Group 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 of the Integrated Annual Report 2020 for the year ended 31 March 2020.

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 Interim 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 is unaudited and not reviewed but has been derived from the reviewed financial information of entities forming the Group adjusted for the demerger equity and reserve adjustments.

The Interim financial statements are unaudited but have been reviewed by KPMG Inc and KPMG LLP, who expressed unmodified review conclusions. The auditors' reports do not necessarily report on all of the information contained in these interim results for the six months to 30 September 2020 report. Refer to KPMG Inc and KPMG LLP's review reports to obtain a full understanding of the nature of their engagement.

The presentation currency of the Group is Pounds 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.

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.

Going concern

The board of directors has 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 coronavirus ("COVID-19") and its associated events has had on the Group. 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. The Interim financial statements have therefore been prepared on a going concern basis.

2 Segmental reporting

Revenue primarily consists of management fees and performance fees derived from investment management activities. 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.

	Notes	Six months ended 30 September 2020 £'m	Six months ended 30 September 2019 £'m
Revenue from external clients			
United Kingdom and Other		279.5	280.5
Southern Africa		82.7	95.8
Total		<u>362.2</u>	<u>376.3</u>
Performance fees included in revenue above		<u>18.0</u>	<u>5.8</u>
Non-current assets			
United Kingdom and Other		30.3	6.7
Southern Africa		1.6	3.2
Total		<u>31.9</u>	<u>9.9</u>

Non-current assets for this purpose consist of property and equipment. The increase in the six months ended 30 September 2020 mainly related to purchases of leasehold improvements and computer equipment for new offices.

		Six months ended 30 September 2020 £'m	Six months ended 30 September 2019 £'m
3 Operating expenses			
Staff costs		136.2	136.5
Deferred employee benefit gains		10.2	5.3
Depreciation of right-of-use assets	12(a)	6.4	5.2
Depreciation of property and equipment	12(a)	2.0	1.1
Auditors' remuneration		0.8	0.6
Other administrative expenses		53.1	62.6
		<u>208.7</u>	<u>211.3</u>

		Six months ended 30 September 2020	Six months ended 30 September 2019
		£'m	£'m
4 Net interest (expense)/income			
Interest income		1.1	2.4
Interest expense on lease liabilities		(1.8)	(1.4)
	12(a)	<u>(0.7)</u>	<u>1.0</u>

Interest income consists of interest on financial assets measured at amortised cost.

		Six months ended 30 September 2020	Six months ended 30 September 2019
		£'m	£'m
5 Tax expense			
Current tax - current year		17.8	15.8
Current tax - adjustment for prior years		0.2	0.1
Current tax expense		<u>18.0</u>	<u>15.9</u>
Deferred tax - current year		4.0	3.7
Deferred tax - adjustment for prior years		0.1	-
Deferred tax expense		<u>4.1</u>	<u>3.7</u>
		<u>22.1</u>	<u>19.6</u>

The UK corporate tax rate for the six months ended 30 September 2020 was 19% (H1 2020: 19%). The tax charge in the period is higher (H1 2020: higher) than the standard rate of corporate tax in the UK and the differences are explained below:

	Six months ended 30 September 2020	Six months ended 30 September 2019
Reconciliation of effective tax rate	%	%
Effective rate of taxation	23.3	21.3
Tax effect of non-deductible expenses	(0.1)	(0.1)
Effect on deferred tax balances resulting from a change in tax rate	-	(0.2)
Adjustment to tax charge in respect of prior year	(0.3)	(0.1)
Effect of different tax rates applicable in foreign jurisdictions	<u>(3.9)</u>	<u>(1.9)</u>
United Kingdom standard tax rate	<u>19.0</u>	<u>19.0</u>

6 Earnings per share

The Group calculates earnings per share ("EPS") on a number of different bases in accordance with IFRS and prevailing South African 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 at the beginning of the year ended 31 March 2019.

6(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 EPS is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding own shares held by the Ninety One Employee Benefit Trusts.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares.

	Six months ended 30 September 2020 £'m	Six months ended 30 September 2019 £'m
Profits attributable to ordinary shareholders	<u>72.5</u>	<u>72.0</u>

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:

	Number of shares	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	<u>(9,114,944)</u>	<u>-</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS	<u>913,599,132</u>	<u>922,714,076</u>
Basic and diluted EPS (pence)	7.9	7.8

6(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:

	Six months ended 30 September 2020 £'m	Six months ended 30 September 2019 £'m
Profits attributable to ordinary shareholders	72.5	72.0
Share of profit from associates	<u>(0.3)</u>	<u>-</u>
Headline earnings and diluted headline earnings	<u>72.2</u>	<u>72.0</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS (note 6(a))	913,599,132	922,714,076
HEPS and diluted HEPS (pence)	7.9	7.8

7 Investments

Non-current

	30 September 2020 £'m	30 September 2019 £'m	31 March 2020 £'m
Investments in unlisted investment vehicles	<u>5.2</u>	<u>7.2</u>	<u>4.8</u>

Current

Deferred compensation investments	61.1	84.7	70.6
-----------------------------------	------	------	------

Investments in pooled vehicles	3.0	1.4	1.7
	<u>64.1</u>	<u>86.1</u>	<u>72.3</u>

	30 September 2020 £'m	30 September 2019 £'m	31 March 2020 £'m
8 Other liabilities			
Non-current			
Deferred compensation liabilities	36.9	48.9	39.3
Other liabilities	0.2	-	-
	<u>37.1</u>	<u>48.9</u>	<u>39.3</u>
Current			
Deferred compensation liabilities	29.3	43.1	37.6
	<u>66.4</u>	<u>92.0</u>	<u>76.9</u>

The deferred compensation liabilities include applicable employer tax.

9 Assets and liabilities classified as held for sale

Assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Assets and liabilities held for sale are presented separately in the condensed consolidated statement of financial position.

Assets and liabilities (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. No depreciation or amortisation is charged on a non-current asset while classified as held for sale or while part of a disposal group once it has been classified as held for sale. When an asset (or disposal group) ceases to be classified as held for sale, the individual assets and liabilities cease to be shown separately in the statement of financial position at the end of the period in which the classification changes. Comparatives are not restated.

Disposal of subsidiaries

On 25 September 2020, the Group entered into an agreement with a third party on the proposed sale of the Group's transfer agency business in South Africa consisting of Silica Holdings Proprietary Limited and its direct and indirect subsidiaries (collectively "Silica"). The transaction is expected to be completed within one year of the date of the agreement. Consequently, the following assets and liabilities of Silica are classified as held for sale at 30 September 2020:

	30 September 2020 £'m
Assets classified as held for sale	
Property and equipment	1.1
Investments	1.6
Right-of-use assets	1.1
Deferred tax assets	0.7
Cash and cash equivalents	2.3
Trade and other receivables	5.0
Other assets	0.1
	<u>11.9</u>
Liabilities classified as held for sale	
Trade and other payables	5.4
Lease liabilities	1.2
Other liabilities	1.2
	<u>7.8</u>

10 Share capital, other reserves and dividends

10(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. 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 Group had already existed before the start of the earliest period presented.

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 paid²:		
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 30 September 2020, 30 September 2019 and 31 March 2020		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 £732.2m 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 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 paid²:		
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 30 September 2020, 30 September 2019 and 31 March 2020		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 30 September 2020, 30 September 2019 and 31 March 2020	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.

10(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 Interim financial statements, with any Ninety One shares held by the EBTs classified as own shares deducted from equity of the Group's condensed consolidated statement of financial position. These shares are recorded at cost and no gain or loss is recognised in the Group's condensed consolidated income statement on the purchase, sale, issue or cancellation of these shares.

Movements in the own shares reserve during the period/year were as follows:

	30 September 2020 £'m	30 September 2019 £'m	31 March 2020 £'m
Opening balance	9.9	-	-
Own shares purchased	9.6	-	9.9
Closing balance	19.5	-	9.9

11.0 million ordinary shares were held as own shares within the EBTs at 30 September 2020.
(H1 2020: nil; FY 2020: 6.4 million).

10(c) Other reserves

The following tables show the movements in other reserves during the period/year:

	Distributable reserve £'m (i)	Merger reserve £'m (ii)	DLC reserve £'m (iii)	Share-based payments reserve £'m (iv)	Foreign currency translation reserve £'m (v)	Total £'m
1 April 2020	732.2	183.0	(1,236.5)	4.7	(35.0)	(351.6)
Exchange differences on translating foreign subsidiaries	-	-	-	-	1.6	1.6
Share-based payment transactions	-	-	-	3.8	-	3.8
30 September 2020	732.2	183.0	(1,236.5)	8.5	(33.4)	(346.2)
1 April 2019	732.2	183.0	(1,236.5)	-	(24.8)	(346.1)
Exchange differences on translating foreign subsidiaries	-	-	-	-	0.6	0.6
30 September 2019	732.2	183.0	(1,236.5)	-	(24.2)	(345.5)
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)

(i) Distributable reserve

The share premium arising from the Demerger Transactions described in note 10(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 as part of the Demerger Transactions 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 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 UK Companies Act 2006.

(iii) DLC reserve

The DLC reserve 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 represents the corresponding increase in equity arising from the share-based payment expenses recognised over the vesting period. The amount will be reversed to own share reserve when the related awards are forfeited or vested and transferred to the employees.

(v) Foreign currency translation reserve

The foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

10(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 period.

	Six months ended 30 September 2020		Six months ended 30 September 2019	
	Pence per share	£'m	Pence per share	£'m
Ordinary dividends				
Prior year's final dividend paid	-	-	7.0	64.7
Total dividends attributable to ordinary shareholders	-	-	7.0	64.7

The dividends paid in the six months ended 30 September 2019 relate to the distribution of profits prior to the Date of Demerger. Dividend per share is calculated by dividing dividends paid by the number of shares in issue at the Date of Demerger. The prior period dividends are not comparable to the current period dividends as they were paid to shareholders when Ninety One was part of the Investec group.

On 16 November 2020, the Board declared an interim dividend for the six months ended 30 September 2020 of 5.9 pence per ordinary share, an estimated £54.5 million in total. The dividend is expected to be paid on 23 December 2020 to ordinary shareholders on the register at the close of business on 11 December 2020.

11 Fair value of financial instruments

The fair values of all financial instruments are substantially similar to carrying values reflected in the condensed consolidated 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 condensed consolidated 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 30 September 2020					
Deferred compensation investments	7	61.1	-	-	61.1
Investments in pooled vehicles	7	3.0	-	-	3.0
Investments in unlisted investment vehicles	7	-	-	5.2	5.2
Linked investments backing policyholder funds		2,097.0	5,853.0	28.0	7,978.0
Policyholder investment contract liabilities		(2,097.0)	(5,855.1)	(28.0)	(7,980.1)

		64.1	(2.1)	5.2	67.2
At 30 September 2019					
Deferred compensation investments	7	84.7	-	-	84.7
Investments in pooled vehicles	7	1.4	-	-	1.4
Investments in unlisted investment vehicles	7	-	-	7.2	7.2
Linked investments backing policyholder funds		2,568.3	5,983.7	48.8	8,600.8
Policyholder investment contract liabilities		(2,568.3)	(6,005.5)	(48.8)	(8,622.6)
		86.1	(21.8)	7.2	71.5
At 31 March 2020					
Deferred compensation investments	7	70.6	-	-	70.6
Investments in pooled vehicles	7	1.7	-	-	1.7
Investments in unlisted investment vehicles	7	-	-	4.8	4.8
Linked investments backing policyholder funds		1,810.9	5,137.3	40.3	6,988.5
Policyholder investment contract liabilities		(1,810.9)	(5,151.6)	(40.3)	(7,002.8)
		72.3	(14.3)	4.8	62.8

During all of the above reporting periods, 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.

Information about Level 3 fair value measurements

Unlisted investment vehicles represent the Group's investment in Ninety One 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 the principal input in their valuation (i.e. credit spreads) are unobservable. Accordingly, an alternative valuation methodology has been applied being either an EBITDA multiple or expected cost recovery. A sensitivity analysis has not been presented as the "stressing" of the significant unobservable inputs applied in the valuation does not have a material impact on the Interim financial statements. All of the investment risk associated with these assets is borne by policyholders and that the value of these assets is exactly matched by a corresponding liability due to policyholders. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned.

The movements during the period in the balance of the level 3 fair value measurements are as follows:

	30 September 2020 £'m	30 September 2019 £'m	31 March 2020 £'m
Opening balance	4.8	5.3	5.3
(Disposal)/purchase of investments	(0.1)	1.9	2.8
Unrealised gain/(loss) on investments	0.5	-	(3.3)
Closing balance	5.2	7.2	4.8

12 Notes to the condensed consolidated statement of cash flows

12(a) Reconciliation of cash flows from operations

		Six months ended 30 September 2020 £'m	Six months ended 30 September 2019 £'m
Profit before tax	Notes	94.8	91.9
Adjusted for:			
Net gain on investments		(10.5)	(4.3)
Depreciation of property and equipment	3	2.0	1.1
Depreciation of right-of-use assets	3	6.4	5.2
Net interest expense/(income)	4	0.7	(1.0)
Net loss of pension fund		0.1	-
Net fair value gains on linked investments backing policyholder funds		(600.5)	(84.4)
Net fair value change on policyholder investment contract liabilities		735.5	284.0
Net contribution received from policyholders		108.7	109.3
Share of profit from associate		(0.3)	-
Share-based payments amortisations related to Ninety One share scheme	10(c)(iv)	3.8	-

Working capital changes:

Trade and other receivables		(58.5)	16.9
Assets classified as held for sale	9	(11.9)	-
Trade and other payables		24.0	(63.9)
Deferred income		-	(0.1)
Other liabilities		(10.5)	14.7
Liabilities classified as held for sale	9	7.8	-
Cash flows from operations		291.6	369.4

Refer to the Annexure to the Interim financial statements for the split of shareholder and policyholder cash flows.

12(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 condensed consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	
	Six months ended 30 September 2020	Six months ended 30 September 2019
	£'m	£'m
Opening balance	101.6	-
Impact on initial application of IFRS 16	-	88.6
Changes from cash flows:		
Payment of lease liabilities	(3.7)	(3.1)
Other changes:		
Net change in lease liabilities from entering into new leases	10.3	0.8
Interest expense	1.8	1.4
	12.1	2.2
Exchange adjustments	(0.3)	0.5
Closing balance	109.7	88.2

13 Exceptional item

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:

Financial impact of group restructures

Costs incurred in separating from Investec of £2.9 million (H1 2020: £5.4 million) mainly relate to rebranding (H1 2020: rebranding and network migration).

14 Events after the reporting date

No event was noted after the reporting date that would require disclosures in or adjustments to the Interim financial statements.

Annexure to the condensed consolidated financial statements

Condensed consolidated statement of financial position (including policyholder figures)

	At 30 September 2020			At 30 September 2019			At 31 March 2020		
	Policy-holders	Share-holders	Total	Policy-holders	Share-holders	Total	Policy-holders	Share-holders	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Assets									
Investments	-	5.2	5.2	-	7.2	7.2	-	4.8	4.8
Investment in associate	-	0.6	0.6	-	-	-	-	0.3	0.3
Property and equipment	-	31.9	31.9	-	9.9	9.9	-	18.0	18.0

Right-of-use assets	-	93.9	93.9	-	81.3	81.3	-	90.7	90.7
Deferred tax assets	-	21.1	21.1	-	21.9	21.9	-	25.2	25.2
Other receivable	-	3.5	3.5	-	-	-	-	6.2	6.2
Total non-current assets	-	156.2	156.2	-	120.3	120.3	-	145.2	145.2
Investments	-	64.1	64.1	-	86.1	86.1	-	72.3	72.3
Linked investments backing policyholder funds	7,978.0	-	7,978.0	8,600.8	-	8,600.8	6,988.5	-	6,988.5
Income tax recoverable	-	9.8	9.8	-	4.2	4.2	0.1	4.3	4.4
Trade and other receivables	54.9	252.7	307.6	57.4	173.4	230.8	67.2	179.2	246.4
Cash and cash equivalents	-	212.4	212.4	-	230.4	230.4	-	194.5	194.5
Assets classified as held for sale	-	11.9	11.9	-	-	-	-	-	-
Total current assets	8,032.9	550.9	8,583.8	8,658.2	494.1	9,152.3	7,055.8	450.3	7,506.1
Total assets	8,032.9	707.1	8,740.0	8,658.2	614.4	9,272.6	7,055.8	595.5	7,651.3
Liabilities									
Other liabilities	-	37.1	37.1	-	48.9	48.9	-	39.3	39.3
Lease liabilities	-	106.1	106.1	-	80.4	80.4	-	98.9	98.9
Pension fund obligation	-	2.9	2.9	-	1.3	1.3	-	1.8	1.8
Deferred tax liabilities	18.7	0.3	19.0	16.8	-	16.8	5.6	0.1	5.7
Total non-current liabilities	18.7	146.4	165.1	16.8	130.6	147.4	5.6	140.1	145.7
Policyholder investment contract liabilities	7,980.1	-	7,980.1	8,622.6	-	8,622.6	7,002.8	-	7,002.8
Other liabilities	-	29.3	29.3	-	43.1	43.1	-	37.6	37.6
Lease liabilities	-	3.6	3.6	-	7.8	7.8	-	2.7	2.7
Trade and other payables	33.9	294.3	328.2	18.6	225.5	244.1	47.4	256.9	304.3
Income tax payable	0.2	8.1	8.3	0.2	5.0	5.2	-	7.1	7.1
Liabilities classified as held for sale	-	7.8	7.8	-	-	-	-	-	-
Total current liabilities	8,014.2	343.1	8,357.3	8,641.4	281.4	8,922.8	7,050.2	304.3	7,354.5
Equity									
Share capital	-	441.2	441.2	-	441.2	441.2	-	441.2	441.2
Own share reserve	-	(19.5)	(19.5)	-	-	-	-	(9.9)	(9.9)
Other reserves	-	(346.2)	(346.2)	-	(345.5)	(345.5)	-	(351.6)	(351.6)
Retained earnings	-	141.6	141.6	-	106.1	106.1	-	71.0	71.0
Shareholders' equity excluding non-controlling interests	-	217.1	217.1	-	201.8	201.8	-	150.7	150.7
Non-controlling interests	-	0.5	0.5	-	0.6	0.6	-	0.4	0.4
Total equity	-	217.6	217.6	-	202.4	202.4	-	151.1	151.1
Total equity and liabilities	8,032.9	707.1	8,740.0	8,658.2	614.4	9,272.6	7,055.8	595.5	7,651.3

Condensed consolidated statement of cash flows (including policyholder figures)

	Six months ended 30 September 2020			Six months ended 30 September 2019		
	Policy-holders £'m	Share-holders £'m	Total £'m	Policy-holders £'m	Share-holders £'m	Total £'m
Cash flows from operating activities						
Profit before tax	-	94.8	94.8	-	91.9	91.9
Adjusted for:						
Net gain on investments	-	(10.5)	(10.5)	-	(4.3)	(4.3)
Depreciation of property and equipment	-	2.0	2.0	-	1.1	1.1
Depreciation of right-of-use assets	-	6.4	6.4	-	5.2	5.2
Net interest expense/(income)	-	0.7	0.7	-	(1.0)	(1.0)
Net loss of pension fund	-	0.1	0.1	-	-	-

Net fair value gains on linked investments backing policyholder funds	(600.5)	-	(600.5)	(84.4)	-	(84.4)
Net fair value change on policyholder investment contract liabilities	735.5	-	735.5	284.0	-	284.0
Net contribution received from policyholders	108.7	-	108.7	109.3	-	109.3
Share of profit from associate	-	(0.3)	(0.3)	-	-	-
Share-based payments amortisations related to Ninety One share scheme	-	3.8	3.8	-	-	-
Working capital changes:						
Trade and other receivables	12.3	(70.8)	(58.5)	3.0	13.9	16.9
Assets classified as held for sale	-	(11.9)	(11.9)	-	-	-
Trade and other payables	(13.5)	37.5	24.0	(9.0)	(54.9)	(63.9)
Deferred income	-	-	-	-	(0.1)	(0.1)
Other liabilities	-	(10.5)	(10.5)	-	14.7	14.7
Liabilities classified as held for sale	-	7.8	7.8	-	-	-
Cash flows from operations	242.5	49.1	291.6	302.9	66.5	369.4
Interest received	-	1.1	1.1	-	2.4	2.4
Interest paid in respect of lease liabilities	-	(0.7)	(0.7)	-	(1.4)	(1.4)
Income tax paid	-	(22.3)	(22.3)	-	(25.6)	(25.6)
Net cash flows from operating activities	242.5	27.2	269.7	302.9	41.9	344.8
Cash flows from investing activities						
Net disposal/(acquisition) of investments	-	16.8	16.8	-	(11.4)	(11.4)
Additions to property and equipment	-	(17.1)	(17.1)	-	(3.3)	(3.3)
Net acquisition of linked investments backing policyholder funds	(255.9)	-	(255.9)	(304.3)	-	(304.3)
Net cash flows from investing activities	(255.9)	(0.3)	(256.2)	(304.3)	(14.7)	(319.0)
Cash flows from financing activities						
Payment for acquisition of subsidiary's interests in the non-controlling interests	-	(1.3)	(1.3)	-	-	-
Principal elements of lease payments	-	(3.0)	(3.0)	-	(1.7)	(1.7)
Purchase of own shares by EBTs	-	(9.6)	(9.6)	-	-	-
Dividends paid	-	-	-	-	(65.0)	(65.0)
Net cash flows from financing activities	-	(13.9)	(13.9)	-	(66.7)	(66.7)
Effect of foreign exchange rate changes	13.4	4.9	18.3	1.4	0.7	2.1
Net change in cash and cash equivalents	-	17.9	17.9	-	(38.8)	(38.8)
Cash and cash equivalents at beginning of period	-	194.5	194.5	-	269.2	269.2
Cash and cash equivalents at end of period	-	212.4	212.4	-	230.4	230.4

SHAREHOLDER INFORMATION AND DIVIDEND DECLARATION

In terms of the DLC structure, Ninety One plc shareholders registered on the United Kingdom share register may receive all or part of their dividend entitlements through dividends declared and paid by Ninety One plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Ninety One Limited.

Ninety One plc shareholders registered on the South African branch register may receive all or part of their dividend entitlements through dividends declared and paid by Ninety One plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Ninety One Limited.

Ninety One plc dividend declaration

The Board has declared a gross interim dividend of 5.9 pence per share. The interim dividend will be paid on 23 December 2020 to shareholders recorded in the shareholders' registers of the company on close of business 11 December 2020.

Ninety One plc shareholders registered on the United Kingdom share register, will receive their dividend payment by Ninety One plc of 5.9 pence per ordinary share

Ninety One plc shareholders registered on the South African branch register, will receive their dividend payment by Ninety One Limited, on the SA DAS share, equivalent to 5.9 pence per ordinary share.

The relevant dates for the payment of dividend are as follows:

Last day to trade cum-dividend

On the Johannesburg Stock Exchange ("JSE")

Tuesday, 08 December 2020

On the London Stock Exchange ("LSE")

Wednesday, 09 December 2020

Shares commence trading ex-dividend

On the JSE

Wednesday, 09 December 2020

On the LSE

Thursday, 10 December 2020

Record date (on the JSE and LSE)

Friday, 11 December 2020

Payment date (on the JSE and LSE)

Wednesday, 23 December 2020

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 9 December 2020 and Friday, 11 December 2020, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 9 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information for Ninety One shareholders registered on the South African branch register

- The interim dividend declared by Ninety One plc to shareholders registered on the South African branch register is a local payment derived from funds sourced in South Africa.
- Shareholders registered on the South African branch register are advised that the distribution of 5.90000 pence, equivalent to a gross dividend of 119.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 18:00 (UK time) on Monday, 16 November 2020.
- Ninety One plc United Kingdom tax reference number: 623 59652 16053.
- The issued ordinary share capital of Ninety One plc is 622,624,622 ordinary shares.
- The dividend paid by Ninety One plc to South African resident shareholders registered on the South African branch register and the dividend paid by Ninety One Limited to Ninety One plc shareholders on the SA DAS share are subject to South African Dividend Tax ("Dividend Tax") of 20% (subject to any available exemptions as legislated).
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 119.00000 cents per share, paid by Ninety One Limited on the SA DAS share.
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 95.20000 cents per share (gross dividend of 119.00000 cents per share less Dividend Tax of 23.80000 cents per share) paid by Ninety One Limited on the SA DAS share.

By order of the board

Paula Watts

Company Secretary

16 November 2020

Ninety One Limited dividend declaration

The Board has declared a gross interim dividend of 119.0 cents per share. The interim dividend will be paid on 23 December 2020 to shareholders recorded in the shareholders' register of the company on close of business 11 December 2020.

The relevant dates for the payment of dividend are as follows:

Last day to trade cum-dividend

Tuesday, 08 December 2020

Shares commence trading ex-dividend

Wednesday, 09 December 2020

Record date

Friday, 11 December 2020

Payment date

Wednesday, 23 December 2020

The interim gross dividend of 119.0 cents per ordinary share has been determined by converting the Ninety One plc distribution of 5.9 pence

per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 18:00 (UK time) on Monday, 16 November 2020.

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 December 2020 and Friday, 11 December 2020, both dates inclusive.

Additional information to take note of:

- The interim dividend declared by Ninety One Limited to shareholders registered on the South African register is a local payment derived from funds sourced in South Africa.
- Ninety One Limited South African tax reference number: 9661 9311 71.
- The issued ordinary share capital of Ninety One Limited is 300,089,454 ordinary shares.
- The dividend paid by Ninety One Limited is subject to South African Dividend Tax ("Dividend Tax") of 20% (subject to any available exemptions as legislated).
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 119.00000 cents per ordinary share.
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 95.20000 cents per ordinary share (gross dividend of 119.00000 cents per ordinary share less Dividend Tax of 23.80000 cents per ordinary share).

By order of the board

Ninety One Africa Proprietary Limited

Company Secretary

16 November 2020