

**NINETY ONE LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2019/526481/06)

JSE Share Code: NY1

ISIN: ZAE000282356

**NINETY ONE PLC**

(Incorporated in England and Wales)

(Registration number: 12245293)

LSE Share Code: N91

JSE Share Code: N91

ISIN: GB00BJHPLV88

LEI: 549300G0TJCT3K15ZG14

**SANLAM LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1959/001562/06)

JSE & A2X Share Code: SLM; NSX Share Code: SLA

ISIN: ZAE000070660

("Sanlam" or "Sanlam Group")

**SANLAM LIFE INSURANCE LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1998/021121/06)

LEI: 378900E10332DF012A23

Bond Issuer Code: BISLI

("Sanlam Life")

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**JOINT ANNOUNCEMENT REGARDING THE CREATION OF A LONG-TERM ACTIVE ASSET MANAGEMENT RELATIONSHIP BETWEEN SANLAM AND NINETY ONE**

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Sanlam and Ninety One (the dual-listed company consisting of Ninety One plc and Ninety One Limited) have entered into a binding Framework Agreement ("**FWA**"). Under the terms of the FWA, the parties have agreed to establish a long-term relationship whereby Sanlam will appoint Ninety One as its primary active investment manager for single-managed local and global products ("**Proposed Transaction**").

As part of the Proposed Transaction, Ninety One will acquire all the issued shares in Sanlam Investment Management Proprietary Limited ("**SIM**")<sup>1</sup>, an active investment management business wholly owned by Sanlam Investment Holdings Limited ("**SIH**"), in which the Sanlam Group holds an effective 65.6%

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<sup>1</sup> Following the implementation of the Proposed Transaction, SIM will become a wholly owned subsidiary of Ninety One Limited and its memorandum of incorporation will adhere to the provisions of Schedule 10 of the JSE Listings Requirements.

interest. In addition, Sanlam will appoint Ninety One as the permanent investment manager to manage assets for Sanlam Investments UK Limited (“SI UK”), a wholly owned subsidiary of the Sanlam Group. Furthermore, Sanlam will serve as an anchor investor in Ninety One’s international private and specialist credit strategies that meet its investment requirements.

As consideration for the Proposed Transaction, the Sanlam Group will receive an approximate 12.3% equity stake in Ninety One through a combination of Ninety One Limited and Ninety One plc shares, thereby establishing the Sanlam Group as a long-term shareholder of Ninety One.

## **1. BACKGROUND TO THE PARTIES AND RATIONALE FOR THE PROPOSED TRANSACTION**

### **1.1. Ninety One:**

Ninety One, established in 1991 in South Africa, is an active investment manager for third-party clients. From its emerging market origins, the firm has built a global presence. Ninety One is listed on the London and Johannesburg Stock Exchanges. Over the years, Ninety One has built substantial relationships with many of South Africa’s leading financial institutions.

The Proposed Transaction strengthens the relationship with Sanlam. Ninety One will gain preferred access to Sanlam’s distribution network, expanding its market reach through Sanlam’s established channels and into savings pools outside the normal reach of the Ninety One brand. Furthermore, anchor investment will be provided for Ninety One to accelerate the expansion of its international private credit offerings. This relationship enables Ninety One to bolster its South African market leadership and reinforces its ability to deliver outcomes that benefit clients over the long term.

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

*“We are looking forward to a long and fruitful relationship with Sanlam, a business with a powerful brand and significant scale in South Africa. Our experience and expertise are complementary. This agreement will give us the opportunity, as leaders in our respective markets, to create additional value for our stakeholders. We are making a substantial investment in the future of South Africa.”*

### **1.2. Sanlam:**

Founded in 1918, Sanlam is the largest non-banking financial services group in Africa and is listed on the Johannesburg Stock Exchange<sup>2</sup>, Namibian Stock Exchange and A2X Markets Limited. Sanlam operates in 31 countries, including eight of the top ten largest African economies. Sanlam offers a wide range of financial solutions, including life and general insurance, health, financial planning, retirement, investments, wealth management and credit, to institutional and retail clients. As a leading player in the non-banking financial services sector, Sanlam has built an extensive distribution network within the South African market, delivering solutions to a diverse client base.

The Proposed Transaction with Ninety One supports Sanlam’s strategy to strengthen its position in South Africa. Sanlam has a complete range of investment capabilities to ensure that assets can be managed optimally on behalf of clients and shareholders. As a core

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<sup>2</sup> A list of the top shareholders holding 5% or more is available in the most recent Sanlam Integrated Report (as of 31 December 2023) available on Sanlam’s website (<https://www.sanlam.com/>).

building block of its investment solutions, Sanlam’s active asset management capability will be strengthened by this arrangement. Over time, Sanlam anticipates that Ninety One’s investment culture and research processes will further enhance the competence of the current Sanlam teams, enabling them to deliver even better outcomes for clients.

Sanlam purposefully selected Ninety One after identifying them as the pre-eminent South African active asset manager. A key factor in this decision was Ninety One’s integrated approach to managing South African and offshore assets, reflecting the demands of an increasingly global industry. With a shared long-term philosophy and commitment to positive impact, Sanlam and Ninety One aim to forge a long-term relationship based on mutual trust, designed to unlock opportunities and optimise outcomes for shareholders and clients alike. Additionally, Sanlam has chosen to act as an anchor investor in Ninety One’s international private credit strategies. This strategic move complements Sanlam’s own private credit initiatives and addresses its long-term need for high-quality private credit assets, positioning the group to meet growing market demand effectively.

Paul Hanratty, Sanlam Group Chief Executive Officer, commented:

*“Sanlam is pleased to partner with a like-minded business with a shared South African heritage, proven global expertise and a reputable brand. By leveraging our complementary competencies, Sanlam Investments will be strengthening its South African and global position as a multi-skilled asset manager. Coupled with Sanlam Investments’ market-leading expertise in passive and alternative asset classes, as well as multi-managed solutions, the relationship is set to unlock value for its clients, distribution force and shareholders.”*

## 2. OVERVIEW OF THE PROPOSED TRANSACTION

The FWA includes the following key terms:

- **Sale of SIM:** SIH will dispose of its entire shareholding in SIM to Ninety One, delivering SIM as a clean legal entity, inclusive of all SIM’s active assets under management (“AUM”), associated revenue streams, and investment professionals, preserving the entity’s operational continuity.
- **Investment Management Agreement (“IMA”) for SI UK assets:** Ninety One will be appointed as the permanent investment manager for specific SI UK in-scope AUM. To facilitate Ninety One’s management of the in-scope SI UK assets, the associated SI UK investment professionals responsible for these assets will transition to Ninety One.
- **Execution of various operative agreements (“Operative Agreements”):** The Operative Agreements will comprise a 15-year relationship agreement as well as transaction agreements to formalise the arrangement between the parties.

Prior to implementing the sale of SIM, SIH will be responsible for a reorganisation of SIM to transfer out all business activities and associated costs not forming part of the active asset management business. Only investment professionals responsible for the management of assets will be retained in SIM and all other costs relating to the business will be transferred to other entities within the Sanlam Investments cluster.

## 3. TRANSACTION CONSIDERATION

The parties have agreed that the purchase consideration for the Proposed Transaction will be settled by the issue of a fixed number of Ninety One shares. This equates to approximately a 12.3% shareholding in Ninety One (calculated on the day prior to this announcement), with Sanlam Group holding an effective shareholding of approximately 9.2% in Ninety One when excluding ARC Financial Services Investments Proprietary Limited and Absa Financial Services Limited as indirect minority shareholders in SIH.

#### **4. FINANCIAL INFORMATION**

The in-scope SIM and SI UK AUM amount to approximately R400 billion (approximately GBP17 billion) as of 30 September 2024, with approximately 80% currently being managed in South Africa. For Sanlam, the Proposed Transaction is anticipated to be slightly earnings and dividend dilutive in the initial years. However, the Proposed Transaction is expected to become earnings accretive from year three onward as the strategic benefits begin to materialise.

Accordingly, the Proposed Transaction will increase Ninety One's AUM by approximately GBP17 billion by reference to 30 September 2024. For Ninety One, the Proposed Transaction is anticipated to be earnings and dividend accretive from inception.

The value of the net assets that are the subject of the Proposed Transaction and the profits attributable thereto, will be finalised as part of the Operative Agreements referred to above. A further announcement will be released by Ninety One to its shareholders at an appropriate time, once finalised.

#### **5. MATERIAL TERMS AND CONDITIONS PRECEDENT**

The longstop date for the finalisation and execution of the Operative Agreements is 31 March 2025. The effective date of the Proposed Transaction will be dependent on the fulfilment of the suspensive conditions to the Operative Agreements.

The Operative Agreements will provide for customary warranties, indemnities, interim period undertakings and termination mechanisms that are normal for a transaction of this nature, including the obtaining of the necessary approvals from shareholders and the regulatory authorities in South Africa, the United Kingdom and any other applicable jurisdiction.

#### **6. CATEGORISATION OF THE PROPOSED TRANSACTION**

In accordance with Section 9 of the JSE Listings Requirements, the Proposed Transaction falls below the Category 2 threshold for Sanlam. As such, this announcement is made on a voluntary basis and no Sanlam shareholder approvals are required.

For Ninety One, the Proposed Transaction qualifies as a Category 2 transaction under Section 9 of the JSE Listings Requirements. Given the issuance of shares required as part of the Proposed Transaction, shareholder approval from both Ninety One Limited and Ninety One plc shareholders is necessary and will be sought in due course following execution of the Operative Agreements. Ninety One shareholders will be kept informed in this regard.

## **7. INVESTOR AND ANALYST CONFERENCE CALL**

Separate conference calls for analysts and investors will be held today, 20 November 2024.

Ninety One will host a webcast at 09:00 (UK time). Those wishing to participate should navigate to <https://ninetyone.com/interim-results-webcast> for a registration link to the webcast.

The Sanlam webcast will take place at 17:00 (South African time). Those wishing to participate should navigate to <https://my.100.lumiconnect.com/r/participant/live-meeting/100-172-033-036>.

Access details for each call are also available on the companies' websites.

### **20 November 2024**

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The person responsible for arranging the release of this announcement on behalf of Ninety One is Amina Rasool, Company Secretary.

This announcement is being released simultaneously on the LSE and JSE in accordance with the rules applicable to dual listed company structures and will be made available on the Ninety One website at [www.ninetyone.com](http://www.ninetyone.com).

#### **JSE Sponsor to Ninety One:**

J.P. Morgan Equities South Africa (Pty) Ltd

#### **Financial Advisor to Ninety One:**

Rothschild & Co South Africa (Pty) Ltd

#### **Legal Advisors to Ninety One:**

Edward Nathan Sonnenbergs Inc.  
Linklaters LLP

**Sanlam Enquiries:**

Sanlam Investor Relations

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**JSE Equity Sponsor to Sanlam Limited:**

The Standard Bank of South Africa Limited

**JSE Debt Sponsor to Sanlam Life Insurance Limited:**

The Standard Bank of South Africa Limited

**NSX sponsor to Sanlam Ltd:**

Simonis Storm Securities (Pty) Ltd

**Legal Advisors to Sanlam:**

Webber Wentzel

Allen Overy Shearman Sterling LLP

**Forward looking statements**

This announcement, oral statements made regarding the Proposed Transaction, and other information published by Ninety One (where it relates to Ninety One) and/or Sanlam (where it relates to Sanlam) (jointly the "Parties") may contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the respective management of the Parties about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Proposed Transaction for the Parties, the expected timing and scope of the Proposed Transaction and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although the Parties believe that the expectations reflected in such forward-looking statements are reasonable, the Parties can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither the Parties nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-

looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, the JSE Listings Requirements and the Disclosure and Transparency Rules of the FCA and/or Chapter X of the Financial Markets Act in South Africa), the Parties are under no obligation, and expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No statement in this announcement is intended as a profit forecast or profit estimate.

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