

Company Registration No. 00328206 (England and Wales)

INVESTEC INVESTMENT TRUST PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

INVESTEC INVESTMENT TRUST PLC

COMPANY INFORMATION

| | |
|--------------------------|--------------------------------------------------------------|
| Directors | A Barnes C S Heyworth B Johnson K P Mckenna |
| Secretary | D Miller |
| Company number | 00328206 |
| Registered office | 2 Gresham Street London EC2V 7QP |
| Auditor | Ernst & Young LLP 25 Churchill Place London E14 5EY |

INVESTEC INVESTMENT TRUST PLC

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INVESTEC INVESTMENT TRUST PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report and financial statements for the year ended 31 March 2017.

Review of the business

The loss for the year, after taxation is £63,000 (2016: £63,000).

Investec Investment Trust plc (the "company") financial risks are managed at the Investec plc group level. Surplus liquidity is loaned by the company on an interest free basis to its immediate parent company. The loan is repayable on demand and the company has the right at any time and at its sole discretion to charge interest thereon at a commercial rate. Preference dividend payments are funded from the loan. The company's exposure to financial risks is further discussed in the financial statements.

Given the straight forward nature of the business the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or financial position of the business.

The company's 3.5 per cent and 5 per cent cumulative preference shares are listed on the London Stock Exchange.

The company's immediate parent company, Investec Group Investments (UK) Limited, a wholly owned subsidiary of Investec plc, owns all of the company's ordinary capital, £266,586 nominal of the company's 3.5 per cent cumulative preference shares and £96,612 nominal of the company's 5 per cent cumulative preference shares. The preference shares are classified as financial liabilities and not equity.

At 31 March 2017 the company had net assets of £25,768,000 (2016: £25,831,000).

On behalf of the board



B Johnson

Director

25 July 2017

INVESTEC INVESTMENT TRUST PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

The Corporate Governance Statement set out on page 4 forms part of this report.

Principal activities

The principal activity of the company is to source funds from the financial markets for Investec group activities and it will continue to operate in this capacity for the foreseeable future.

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend the payment of a final ordinary dividend for the year ended 31 March 2017 (2016: Nil).

Dividends paid on the preference shares in the year amounted to £62,772 (2016: £62,772).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Barnes

T R Chanter

(Resigned 16 June 2016)

C S Heyworth

B Johnson

K P Mckenna

No director holding office at 31 March 2017 had any direct beneficial interest in the shares of the company during the year.

Directors' insurance

The company maintains a Directors' and Officers' Liability Insurance Policy. In accordance with the company's Articles of Association, the board may also indemnify a director from the assets of the company against any costs or liability incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by the company provide cover for fraudulent or dishonest actions by the directors. However, costs may be advanced to directors for their defence in investigations or legal actions.

Auditor

Ernst & Young LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put forward at the next AGM.

INVESTEC INVESTMENT TRUST PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



B Johnson

Director

25 July 2017

INVESTEC INVESTMENT TRUST PLC

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

Corporate governance

The company has issued preference shares that are listed on the London Stock Exchange. The company is part of the Investec plc group and is therefore subject to the group's system of risk management, internal control and financial reporting. The corporate governance statements and disclosures, as required by section 7.2.1. of the Disclosure and Transparency Rules are detailed in the Investec plc consolidated financial statements which are publicly available at 2 Gresham Street, London, EC2V 7QP or on www.investec.com.

INVESTEC INVESTMENT TRUST PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTEC INVESTMENT TRUST PLC

We have audited the financial statements of Investec Investment Trust plc for the year ended 31 March 2017 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INVESTEC INVESTMENT TRUST PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVESTEC INVESTMENT TRUST PLC

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLA

Andrew Gilder (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP

27 July 2017

Chartered Accountants
Statutory Auditor

25 Churchill Place
London
E14 5EY

INVESTEC INVESTMENT TRUST PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | 2017 £000's | 2016 £000's |
|-------------------------------------------------------------------|-------|--------------------|--------------------|
| Interest payable to group undertakings | 5 | (63) | (63) |
| Loss before taxation | | <u>(63)</u> | <u>(63)</u> |
| Tax on loss | 6 | - | - |
| Loss and total comprehensive income for the financial year | | <u><u>(63)</u></u> | <u><u>(63)</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INVESTEC INVESTMENT TRUST PLC


BALANCE SHEET

AS AT 31 MARCH 2017

| | Notes | 2017 £000's | 2016 £000's |
|----------------------------------------------------------------|-------|----------------|----------------|
| Current assets | | | |
| Debtors | 7 | 27,468 | 27,531 |
| Creditors: amounts falling due within one year | | | |
| Creditors | 9 | (55) | (55) |
| Net current assets | | 27,413 | 27,476 |
| Total assets less current liabilities | | 27,413 | 27,476 |
| Creditors: amounts falling due after more than one year | | | |
| Preference shares treated as debt | 8 | (1,645) | (1,645) |
| Net assets | | 25,768 | 25,831 |
| Capital and reserves | | | |
| Called up share capital | 10 | 14,436 | 14,436 |
| Retained earnings | | 11,332 | 11,395 |
| Total equity | | 25,768 | 25,831 |

The financial statements were approved by the Board of directors and authorised for issue on 25 July 2017

Signed on its behalf by:


C S Heyworth
Director

Company Registration No. 00328206

INVESTEC INVESTMENT TRUST PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

| | Share capital £000's | Retained earnings £000's | Total £000's |
|-----------------------------------------|----------------------------|--------------------------------|-----------------|
| Balance at 1 April 2015 | 14,436 | 11,458 | 25,894 |
| | <hr/> | <hr/> | <hr/> |
| Loss for the year | - | (63) | (63) |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (63) | (63) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2016 | 14,436 | 11,395 | 25,831 |
| | <hr/> | <hr/> | <hr/> |
| Loss for the year | - | (63) | (63) |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (63) | (63) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2017 | 14,436 | 11,332 | 25,768 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

Investec Investment Trust plc is incorporated and domiciled in England and Wales.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000) except otherwise when indicated.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable to the company.

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Investec plc in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group accounts of Investec plc. The group accounts of Investec plc are available to the public and can be obtained as set out below.

Investec Investment Trust plc is a wholly owned subsidiary of Investec Group Investments (UK) Limited which is a wholly owned subsidiary of Investec plc and the results of Investec Investment Trust plc are included in the consolidated financial statements of Investec plc which are available from 2 Gresham Street, London, EC2V 7QP.

1.2 Going concern

On the basis of current financial projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements.

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Fair value measurement

A qualifying entity which is a financial institution is not exempt from the disclosure requirements of IFRS 7 Financial Instruments: Disclosures, IFRS 13 Fair Value Measurement to the extent that they apply to financial instruments, and paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements. Investec Investment Trust plc is considered a financial institution and is therefore not exempt from the requirements of IFRS 13 and IFRS 7.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The company classifies disclosed fair values according to hierarchy that reflects the significance of observable market inputs. A transfer is made between the hierarchy when the inputs have changed or there has been a change in the valuation method. Transfers are deemed to occur at the end of each semi-annual group reporting period.

1.4 Financial liabilities (Preference Shares)

Financial instruments issued by the group are classified as liabilities if they contain a contractual obligation to deliver cash or another financial asset.

Shares classified as debt are initially measured at fair value net of transaction costs and thereafter at amortised cost until extinguished on redemption. The corresponding dividends relating to the preference shares classified as a liability are charged as interest expense in the profit and loss account on an accrual basis.

1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is provided on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is provided using the balance sheet method on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit.
- In respect of temporary timing differences associated with the investments in subsidiaries or interests in associated undertakings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Items recognised directly in other comprehensive income are net of related current and deferred taxation.

2 Emoluments of Directors

The directors were employed and remunerated as directors of Investec plc and its subsidiaries (the "Group") in respect of their services to the Group as a whole and their remuneration has been paid by other Group companies. It is estimated that the remuneration for their services to the Company in the year totalled £21,250 (2016: £25,000).

3 Employees

The company has no employees (2016: nil).

4 Auditor's remuneration

| | 2017 £000's | 2016 £000's |
|--------------------------------------------------------------------------------------|----------------|----------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 12 | 12 |

The auditor's remuneration in respect of the audit of the company's financial statements has been borne by another group entity. Statutory information for other services provided by the company's auditor is given in the consolidated financial statements of its ultimate parent company which are publicly available. There were no non-audit services provided to the company during the year and in the prior year.

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

| 5 Finance costs | 2017 £000's | 2016 £000's |
|------------------|----------------|----------------|
| Interest payable | 63 | 63 |

Interest payable represents the dividend paid and accrued on the cumulative preference shares classified as financial liabilities.

| | | 2017 £000's | 2016 £000's |
|-------------------------------------------|--------|----------------|----------------|
| Dividends paid | | | |
| 3.5 per cent cumulative preference shares | 1-Jun | 7 | 7 |
| 3.5 per cent cumulative preference shares | 1-Dec | 23 | 23 |
| 5 per cent cumulative preference shares | 15-May | 2 | 2 |
| 5 per cent cumulative preference shares | 15-Nov | 9 | 9 |
| | | 41 | 41 |
| Dividends payable | | | |
| 3.5 per cent cumulative preference shares | | 15 | 15 |
| 5 per cent cumulative preference shares | | 7 | 7 |
| | | 22 | 22 |

| 6 Income tax expense | Continuing operations | |
|----------------------|-----------------------|----------------|
| | 2017 £000's | 2016 £000's |
| Total tax charge | - | - |

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

| | 2017 £000's | 2016 £000's |
|-------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Loss before taxation on continued operations | (63) | (63) |
| Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2016 - 20.00%) | (13) | (13) |

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

(Continued)

6 Income tax expense

Taxation impact of factors affecting tax charge:

| | | |
|-------------------------------------------------------------|-----------|-----------|
| Expenses not deductible in determining taxable loss | 13 | 13 |
| Loss surrendered from other group companies for nil payment | 4 | - |
| Transfer pricing adjustment | (4) | - |
| | <u>13</u> | <u>13</u> |
| Total adjustments | 13 | 13 |
| | <u>13</u> | <u>13</u> |
| Tax charge for the year | - | - |
| | <u>-</u> | <u>-</u> |

The Finance Act 2015 reduced the main rate of corporation tax to 19% with effect from 1 April 2017. On 16 March 2016, the Chancellor of the Exchequer announced a further reduction of the corporation tax rate to 17% effective from 1 April 2020.

A deferred tax asset has not been recognised in respect of capital losses carried forward of £137,712 (2016: £137,712) as there is insufficient evidence that the loss will be recovered.

7 Debtors

| | 2017 | 2016 |
|------------------------------------|---------------|---------------|
| | £000's | £000's |
| Amount due from parent undertaking | 27,468 | 27,531 |
| | <u>27,468</u> | <u>27,531</u> |

The amount receivable from the immediate parent undertaking currently bears no interest and is repayable on demand at request of the company.

Receivables are carried on the balance sheet at amortised cost. The fair value is £27,468,000 (2016 - £27,531,000) and the fair value hierarchy is level 2 (2016 - level 2).

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

| | | |
|---------------------------------------------|-------------------|-------------------|
| 8 Preference Shares | 2017 | 2016 |
| | £000's | £000's |
| Secured borrowings at amortised cost | | |
| Preference shares | 1,645 | 1,645 |
| | <u> </u> | <u> </u> |

Analysis of preference shares

The balance of preference shares is comprised of two classes: 1,300,000 3.5 per cent cumulative preference shares of £1 each (1.75p each dividend); and 345,438 5.0 per cent cumulative preference shares of £1 each (2.5p each dividend), in both cases authorised, issued, allotted and fully paid up.

Both classes of share carry the following rights:

- holders are entitled to fixed cumulative preferential dividends at the rates of 3.5 per cent and 5.0 per cent per annum respectively. Payment of such dividends is due on 1 June and 1 December each year in the case of the 3.5 per cent preference shares and 15 May and 15 November each year in the case of the 5.0 per cent preference shares;
- holders are entitled to the amounts paid up on the preference shares together with all arrears of the respective cumulative preferential dividends on a winding up of the company, in priority to the ordinary shareholders; and
- there is no prescribed redemption or repayment date for either class of preference share.

The preference shares are carried on the balance sheet at amortised cost. The fair value is £1,645k (2016 - £1,645k) and the fair value hierarchy is level 1 (2016 - level 1).

| | | |
|----------------------------------------|----------------------------|-------------------|
| 9 Creditors | Due within one year | |
| | 2017 | 2016 |
| | £000's | £000's |
| Other creditors | 55 | 55 |
| | <u> </u> | <u> </u> |
| 10 Share capital | 2017 | 2016 |
| | £000's | £000's |
| Ordinary share capital | | |
| Authorised | | |
| 60,000,000 Ordinary Shares of 25p each | 15,000 | 15,000 |
| | <u> </u> | <u> </u> |
| Issued and fully paid | | |
| 57,744,387 Ordinary Shares of 25p each | 14,436 | 14,436 |
| | <u> </u> | <u> </u> |

11 Events after the reporting date

The directors confirm that there were no significant events occurring after the balance sheet date to the date of this report that would meet the criteria to be disclosed in the financial statements for the year end 31 March 2017.

INVESTEC INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Risk management

As a wholly-owned subsidiary of Investec plc, the company falls under Investec plc Group's Risk Management Framework which is set out in the combined Investec plc and Investec Limited 2017 financial statements, Risk Management and Corporate Governance report.

Credit Risk

The company has no exposure to credit risk other than on the loan advanced to the parent undertaking.

Liquidity Risk

The company's only financial obligations in the foreseeable future are payment of dividend on the preference shares and administrative expenses. The company is able to recall the loan to the parent undertaking (or part thereof) at any time and therefore does not foresee any risk of being unable to meet its financial commitments.

Interest rate risk

The company has a fixed interest obligation in respect of the dividend on the preference shares and is therefore not exposed to fluctuation in interest rates. The loan to the parent is interest free. However, the company has the right at any time and at its sole discretion to charge interest thereon at a commercial rate.

Capital management

The company manages and monitors its capital on an ongoing basis and with consideration for the ongoing commitments of the entity. The company is not regulated and therefore it is not subject to any capital adequacy requirements.

13 Ultimate parent undertaking

The company's ultimate parent and controlling party is Investec plc, a company incorporated in the United Kingdom and registered in England and Wales. The consolidated financial statements of Investec plc are available to the public and may be obtained from Investec plc at 2 Gresham Street, London, EC2V 7QP.

