

Company Number 03042092

IWI Fund Management Limited (formerly WDB Asset Management Limited)

Report and Financial Statements

For the year ended
31 March 2014

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IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

STRATEGIC REPORT

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2014.

Principal activity

The company's principal activity has continued to be that of an Authorised Corporate Director ('ACD') of investment funds.

Financial results and business development

During the year, the board approved the merger of the sub funds of the Williams de Broë Assetmaster Fund plc, a fund managed by another Investec group company, with the sub funds of the WDB Funds ICVC ('the merger'), to which the company is the Authorised Corporate Director. The mergers were subsequently agreed by the Financial Conduct Authority and took effect 29 November 2013. On 16 June 2014 the WDB Funds ICVC was renamed the IWI Funds ICVC.

From revenue (net of fees payable to third parties) of £1,429,000 (2013: £895,000), an increase of 60.0%, the profit for the year ended 31 March 2014 was £474,000 (2013: £395,000). Operating expenses include £329,000 of one-off costs relating to the merger of the sub funds during the year. Adjusting for this, the company made a profit for the year of £803,000 (2013: £395,000), an increase of 103.3%. No interim dividends were paid during the year (2013: £nil) and the directors are not recommending the payment of a final dividend (2013: £nil).

At 31 March 2014, funds under management ('FUM') were £237.6 million, up from £151.7 million at 31 March 2013, an increase of 56.6%. The merger of the sub funds resulted in the transfer of £119.9m of FUM (as at 29 November 2013) to the company.

The board considers FUM and total income to be the key performance indicators for the company. Taking into consideration the positive impact of the merger on the FUM and income of the company, the board are satisfied that the company has a solid platform from which future growth can be achieved.

Change of name

On 16 June 2014, the company changed its name from WDB Asset Management Limited to IWI Fund Management Limited.

Risks and uncertainties

The potentially significant risks faced by the company and the controls operating over such risks are kept under regular review by the board. These risks have been faced by the company throughout the reporting period and are expected to continue to be faced going forward. Hence, the appropriate management of these risks is key to the successful long-term development, performance and position of the company.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

STRATEGIC REPORT (CONTINUED)

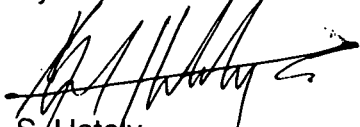
Risks and uncertainties (continued)

The principal risks and uncertainties, together with the associated controls, are:

1. Reputational risk, which may arise from poor service or from a public censure by the regulator. This risk is mitigated by the company engaging firms with professionally qualified and experienced fund managers with a proven investment track record, who operate in an environment where compliance is given a high priority.
2. Market risk arises from the company's exposure to sudden movements and/or downturns in the UK and world financial markets in which it operates. The company seeks to mitigate this risk as far as reasonably can be achieved, by maintaining a fixed element within its annual management charge structure.
3. Regulatory risk arises, given the company operates in the highly regulated financial services sector where failure to comply with regulatory requirements could lead to substantial fines or other disciplinary action. The company invests substantial resources into ensuring that the company maintains compliance on an ongoing basis in respect of all regulatory obligations.
4. Operational risk, which principally arises from inadequate business continuity and/or disaster recovery planning or a significant business process failure in one of the outsourced support functions. Business continuity and disaster recovery is an area where the company's outsourced support function providers invest significant time and resources in mitigating this risk. With regard to the outsourced support functions, the adequacy and operation of the service providers processes and controls are kept under regular review by the board.

Financial risks, comprising credit, liquidity and price risks, and the associated key controls are described in detail in note 10 to the financial statements.

By order of the board



S. Hately
Director

1 July 2014

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

DIRECTORS' REPORT

Directors

The directors who held office during the year and through to the date of signing of these financial statements were as follows:

S. Hately
P.E. Herrington
C.G. Lewis
J.P. Wragg

Secretary

D. Miller

Directors indemnities

Certain of the company's directors are also directors of Rensburg Sheppards plc. Rensburg Sheppards plc has undertaken, by way of deeds of indemnity, to indemnify its directors for liabilities that they may incur in the course of acting as a director of Rensburg Sheppards plc or a subsidiary of Rensburg Sheppards plc in connection with negligence, default or breach of duty or trust. These indemnities, which represent qualifying third party indemnity provisions, do not extend to a liability of a director to Rensburg Sheppards plc or a subsidiary of Rensburg Sheppards plc, or liabilities in respect of criminal proceedings or regulatory sanctions. Rensburg Sheppards plc, in accordance with its articles of association, maintains insurance against potential liabilities of directors.

Going concern

The financial statements have been prepared on the going concern basis. Details of the directors' conclusion that the going concern basis is appropriate are set out in note 1 (a) to the financial statements.

Disclosure of information to the independent auditor

The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.


IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

DIRECTORS' REPORT (CONTINUED)

Auditor

KPMG Audit Plc will be deemed to have been reappointed as auditor under section 487(2) of the Companies Act 2006.

By order of the board



S. Hatley
Director

1 July 2014

2 Gresham Street
London
EC2V 7QP

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £'000	2013 £'000
Revenue	1(b)		
Fee income		2,485	1,946
Fee expense		(1,056)	(1,051)
Net revenue		<u>1,429</u>	<u>895</u>
Sub fund merger costs		(329)	-
Other operating expenses		(472)	(403)
Operating expenses		<u>(801)</u>	<u>(403)</u>
Profit before tax	2	<u>628</u>	<u>492</u>
Taxation	4	<u>(154)</u>	<u>(97)</u>
Profit for the year attributable to the equity holders of the company		<u>474</u>	<u>395</u>
Total comprehensive income for the year net of tax, attributable to the equity holders of the company		<u>474</u>	<u>395</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2012	75	312	387
Total comprehensive income for the year	-	395	395
At 31 March 2013	<u>75</u>	<u>707</u>	<u>782</u>
Total comprehensive income for the year	-	474	474
At 31 March 2014	<u>75</u>	<u>1,181</u>	<u>1,256</u>

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

BALANCE SHEET AS AT 31 MARCH 2014

	Note	2014 £'000	2013 £'000
Current assets			
Trade and other receivables	6	1,455	1,351
Cash and cash equivalents	7	<u>3,323</u>	<u>1,281</u>
		4,778	2,632
Total assets		<u>4,778</u>	<u>2,632</u>
Current liabilities			
Trade and other payables	8	(3,259)	(1,741)
Current tax liabilities		<u>(263)</u>	<u>(109)</u>
		(3,522)	(1,850)
Total liabilities		<u>(3,522)</u>	<u>(1,850)</u>
Net assets		<u>1,256</u>	<u>782</u>
Equity attributable to the equity holders of the company			
Share capital	11	75	75
Retained earnings		<u>1,181</u>	<u>707</u>
Total equity		<u>1,256</u>	<u>782</u>

The financial statements on pages 6 to 18 were approved by the board of directors on 1 July 2014 and were signed on its behalf by:



S. Hatelly
Director
1 July 2014

Company registration number: 03042092

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Profit before taxation		628	492
Increase in trade and other receivables		(104)	(622)
Increase in trade and other payables		1,518	881
Net cash inflow from operating activities		<u>2,042</u>	<u>751</u>
Net increase in cash and cash equivalents		2,042	751
Cash and cash equivalents at start of year		1,281	530
Cash and cash equivalents at end of year	7	<u>3,323</u>	<u>1,281</u>

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ('adopted IFRS'). The financial statements are reported in sterling and have been prepared on the historical cost basis.

The directors have undertaken a review to establish whether the use of the going concern basis is appropriate for the preparation of the financial statements. This review involved the preparation of detailed forecasts of the profitability, cash position and regulatory capital position of the company for the period ending 30 June 2015. These forecasts were subject to stress testing, in order to assess the impact on the financial position of the company of a deterioration in market conditions.

The financial position of the company, together with details of the key risks and uncertainties faced by the business, are set out in the strategic report on pages 1 and 2. Details of the company's liquidity and financial risk management procedures are set out in note 10 to the financial statements.

After taking into account the results of the review set out above, the directors consider that the company is well positioned to successfully manage the risks faced. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The accounting policies applied are the same as those applied by the company in its financial statements for the year ended 31 March 2013, other than with regard to changes in accounting policies and disclosures that have been applied during the year as a result of changes to IFRSs, as set out below.

IFRS 13, 'Fair value measurements'. This standard affects the measurement, hierarchical level classification and supporting disclosures of the company's assets and liabilities measured at fair value. In the year ended 31 March 2014, the application of this new standard has not had a material impact on the valuation or disclosure of the company's financial instruments. However, as the impact of the standard will depend upon the assets held by the company at each subsequent period of account, it is not possible to quantify the potential effects in future years.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Principal accounting policies (continued)

(a) Basis of preparation (continued)

Other changes to IFRSs applicable in the year include the amendments to IAS 19 (revised 2011) 'Employee benefits', the new interpretation IFRIC 20, 'Stripping costs in the production phase of a surface mine' and the amendments to; IAS 1, 'Presentation of financial statements' on presentation of items of other comprehensive income, IAS 12, 'Income taxes' on deferred tax, IFRS 1, 'First time adoption' on hyperinflation and fixed dates, IFRS 1, 'First time adoption' on government grants, IFRS 7, 'Financial instruments: Disclosures' on financial instruments asset and liability offsetting and the 'Annual improvements 2011'. These changes currently are not applicable to the company or do not have a material impact on the results for the year ended 31 March 2014, nor are they expected to materially impact the results of the company in the future.

The International Accounting Standards Board ('IASB') has issued a number of new IFRSs and amendments to previous standards which are not effective until after 1 April 2014. Other than as set out below, it is not expected that these standards will have an impact upon the financial statements of the company.

IFRS 9, 'Financial Instruments'. This standard replaces IAS 39. It has not yet been endorsed by the European Union and is therefore not yet effective. The adoption of this standard will primarily have an effect on the classification and measurement of the company's financial assets. The company is currently assessing the impact of adopting IFRS 9. However, as the impact of adoption will depend upon the assets held by the company at the date of adoption, it is not possible to quantify the effect.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported values of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and they are reviewed on an ongoing basis. Actual results may differ from these estimates.

(b) Revenue

Revenue comprises fees from the provision of Authorised Corporate Director ('ACD') services to authorised collective investment schemes. Revenue is disclosed both before and after the deduction of fees payable to third parties in connection with investment management services. Fees receivable are recognised in the period in which the related service is provided. Interest is recognised in the period in which it is earned. Fees payable to third parties are recognised in the period in which the obligation to pay the amount arises.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

1. Principal accounting policies (continued)

(c) Taxation

Current tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also recognised within equity. Current tax represents the expected tax payable on profits chargeable to corporation tax, using the rates of taxation enacted at the balance sheet date, net of any adjustments to tax payable in respect of prior years.

(d) Trade receivables

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(e) Financial assets

Financial assets are initially recognised at their fair value. Financial assets are categorised into one of the following categories at the time of initial recognition, being assets that are:

- Available-for-sale;
- Held-to-maturity;
- Held 'at fair value through profit and loss';
- Loans and receivables.

(f) Financial liabilities

Financial liabilities comprising trade and other payables are recognised initially at fair value, which is the agreed market price at the time goods or services are provided and are subsequently measured at amortised cost using the effective interest rate method. The company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

(g) Share capital

Ordinary shares of the company are classified as equity. Share capital represents the nominal value of shares issued. Where shares are issued at an amount greater than their nominal value, the surplus is credited to the share premium account or, where merger relief is available, the merger reserve. Costs directly incurred in respect of shares issued are recognised as a deduction from the issue proceeds.

(h) Retained earnings

This reserve records all income, expenses, gains and losses recognised in the statement of comprehensive income and is net of dividends paid to shareholders. This reserve is distributable.

(i) Dividends

Final dividends payable to the company's shareholder are recognised in the financial statements as a distribution of retained earnings in the period in which the dividend is approved by the company's shareholder. Interim dividends are recognised in the period in which they are paid.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks and financial institutions with a maturity of up to three months and bank overdrafts repayable on demand.

(k) Critical estimates and judgements

The company's corporation tax charge and balance sheet provision are judgmental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The company recognises liabilities for taxation based on estimates of levels of taxation expected to be payable, taking into consideration expert external advice where appropriate. The final resolution may result in different amounts of cash flows to those initially provided and any necessary adjustments are taken into consideration in the period in which they are identified.

2. Profit before tax

	2014 £'000	2013 £'000
Profit before tax is stated after charging:		
Sub fund merger costs	329	-
Auditor's remuneration – audit fee	15	8

Fees paid to the company's auditor, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in the report and financial statements of IWI Fund Management Limited since the consolidated accounts of the company's ultimate parent undertaking, Investec plc, are required to disclose non-audit fees on a consolidated basis.

During the year, the board approved the merger of the sub funds of the Williams de Broë Assetmaster Fund plc, a fund managed by another Investec group company, with the sub funds of the IWI Funds ICVC, to which the company is the Authorised Corporate Director. The costs associated with the merger were borne by the company. The charge of £329,000 represents the costs that have been committed to during the year ended 31 March 2014.

3. Staff costs and directors' emoluments

There were no employees, including directors, directly employed by the company during the current or prior year. Where employees of other group companies provide services to the company, the costs associated with the provision of such services are recharged by way of management and support cost recharges (see note 12).

The directors did not receive any emoluments for the services provided to the company in the current or prior year.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Taxation

	2014 £'000	2013 £'000
Current tax expense:		
United Kingdom corporation tax	144	108
Adjustment in respect of prior periods	10	(11)
Total tax expense in the statement of comprehensive income	<u>154</u>	<u>97</u>

The standard rate of corporation tax that was applicable in the UK throughout the year ended 31 March 2014 was 23% (2013: 24%).

The total current tax charge stated above and the amount calculated by applying the standard UK Corporation tax rate of 23% (2013: 24%) can be reconciled as follows:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	<u>628</u>	<u>492</u>
Tax on profit on ordinary activities before taxation at 23% (2013: 24%)	144	118
Effect of:		
Group relief claimed	-	(10)
Adjustment in respect of prior periods	10	(11)
Total tax expense in the statement of comprehensive income	<u>154</u>	<u>97</u>

5. Dividends

No interim dividends were paid during the year ended 31 March 2014 (2013: £nil) and no final dividend was declared (2013: £nil).

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Trade and other receivables

	2014 £'000	2013 £'000
Current assets:		
Trade receivables	1,410	1,316
Amounts owed from group companies	45	-
Prepayments and accrued income	-	35
	<u>1,455</u>	<u>1,351</u>

At 31 March 2014 and 31 March 2013 none of the company's trade receivable balances were past due or impaired. All trade and other receivables balances are denominated in sterling.

7. Cash and cash equivalents

	2014 £'000	2013 £'000
Cash and cash equivalents	<u>3,323</u>	<u>1,281</u>

Details of interest rate risk to which cash balances are exposed are set out in note 10. The carrying value of cash and cash equivalents approximates to their fair value.

8. Trade and other payables

	2014 £'000	2013 £'000
Current liabilities:		
Trade payables	1,706	976
Amounts owed to group companies	1,144	508
Accruals and deferred income	409	257
	<u>3,259</u>	<u>1,741</u>

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Financial instruments

The financial instruments of the company are short term in nature and as such, the carrying value of the financial assets and liabilities held at the 31 March 2014 and 2013 are considered to be a reasonable approximation to their fair values and therefore no further disclosure of fair value is required.

None of the financial assets or liabilities held have been renegotiated during the year ended 31 March 2014 (2013: none) and no defaults of their terms have occurred. No financial assets of the company are impaired.

10. Financial risk management

The financial risks to which the company is exposed comprise credit risk, liquidity risk and price risk. The management of these financial risks is set out below.

Credit risk

Credit risk is the risk of financial loss arising from a counterparty failing to meet their obligations as outstanding amounts fall due.

As the company's trade and other receivables balances predominantly reflect amounts due from the investment funds to which the company is the appointed ACD, the primary credit risk for the company arises from cash deposited with banks. Cash deposits are placed on call with major banks that possess a high credit rating and are managed by the dedicated treasury function within the company's intermediate parent undertaking, Investec Wealth & Investment Limited.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as they fall due.

As explained in the section on credit risk above, the company's cash balances are deposited on call with a number of highly rated banks. The company's ability to generate cash from its operating activities remains strong and there continues to be a high correlation between the company's profitability and cash generation. A principal reason for this is that the company's fees are charged to, and paid directly from, the investment funds to which the company is the appointed ACD.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Financial risk management (continued)

Liquidity risk (continued)

At 31 March 2014 and 31 March 2013 the company's liabilities were all payable within one year and the contractual cash flows are equal to the amounts at which the liabilities are carried on the balance sheet.

The company had no operating lease or capital commitments at 31 March 2014 or 31 March 2013.

Price risk

Price risk is the risk that changes in market prices will affect the company's income.

The company's income is exposed to market risk where the management fee is determined by reference to the value of the investment funds to which the company is the appointed ACD.

Although these investment funds represent client assets and are not assets of the company, changes to the level of funds directly affect the level of the company's management fee income. To the extent that the investment funds include equity investments and other traded securities, changes in market prices of investments will affect the value of the investment funds and hence the level of management fee income earned by the company. This represents exposure to price risk.

Concentration of risks

The business of the company is to act as ACD to investment funds and is undertaken within the UK. It is therefore inherent within the business that the risk arising from the company's financial instruments are concentrated within this business and geographical sector.

11. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	<u>75,000</u>	<u>75</u>	<u>75,000</u>	<u>75</u>

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Related party transactions

The directors represent the key management of the company. The directors did not receive any emoluments from the company in respect of their services during the current or prior year.

The company is a wholly owned subsidiary of Investec plc, the ultimate parent company. The transactions set out below have taken place with Investec plc or its subsidiary companies during the year.

	Year ended 31/3/14 £'000	Year ended 31/3/13 £'000
Investment management recharge	401	838
Support cost recharges	282	225
Tax group relief surrendered to the company	-	10
	2014 £'000	2013 £'000
Amounts due from group companies at 31 March	45	-
Amounts due to group companies at 31 March	1,144	508

All transactions with related parties have been undertaken on an arm's length basis in the normal course of business. None of the amounts outstanding are impaired or are subject to securities or guarantees. All amounts outstanding are due for settlement in cash.

13. Parent undertaking

The company is a subsidiary of Investec plc, the ultimate parent undertaking, which is registered in England & Wales. Investec Bank plc, also registered in England & Wales, is the parent undertaking of the smallest group to consolidate these financial statements. Copies of the Investec plc and Investec Bank plc consolidated financial statements can be obtained from 2 Gresham Street, London, EC2V 7QP.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Country by country reporting

Under Regulation 4 of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the regulations'), the company is exempt from the requirement to publish the reportable information required by the regulations on the grounds that a parent undertaking includes the company in its own consolidated country by country reporting, published on the Investec plc website www.investec.co.uk.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWI FUND MANAGEMENT LIMITED

We have audited the financial statements of IWI Fund Management Limited for the year ended 31 March 2014 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 statement of directors' responsibilities set out on page 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

IWI FUND MANAGEMENT LIMITED (FORMERLY WDB ASSET MANAGEMENT LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WDB ASSET MANAGEMENT LIMITED (CONTINUED)

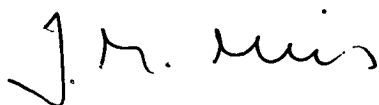
Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.



**Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants

1 The Embankment
Neville Street
Leeds
LS1 4DW

1 July 2014