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Previously Investec
Asset Management

Global Energy Fund, a sub-fund of Ninety One Funds Series ii

Merger proposal information pack

6 January 2021

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This information pack is important and requires your immediate attention.

If, after reading this document, you wish to exercise your rights under it, you are requested to complete and return the enclosed voting form by email or post no later than 11am 8 February 2021.

You should consult a professional advisor if you require any assistance in assessing the options set out in this information pack.

About this information pack

This document

Part A	Notification to Investors	1
	A high-level summary of Ninety One's plan to merge the fund in which you are invested with another Ninety One fund and what you need to do.	
Part B	Details of the proposal	3
	More detailed information about the plan, procedure, your options, costs of the merger and key dates.	
Part C	Comparison of your Current Fund and the Receiving Fund	10
	Detail regarding the differences between your current investment fund and the new fund under the merger.	
Part D	Merger Terms	15
	The technical and legal terms of the merger.	
Part E	Glossary	19
	Explanation of the definitions and terms used in this information pack.	

Separate enclosures

Attachment 1	Notice of meeting of Investors of Global Energy Fund
	Formal notice of the extraordinary general meeting of investors in Global Energy Fund.
Attachment 2	Voting form
	The form you need to complete to vote on the resolution being proposed at the extraordinary general meeting of investors.

Part A

Notification to Investors

| In this section capitalised terms have the meanings set out in the Glossary

Proposed Merger

You own shares in the Global Energy Fund, a sub-fund of Ninety One Funds Series ii (your Current Fund). We are writing to inform you of a proposed Merger of your **Current Fund** with the Global Environment Fund, a sub-fund of Ninety One Funds Series iii (the **Receiving Fund**), and how this will affect you and the action you may need to take.

You will have the opportunity to participate in a vote to approve the Merger at an Investor Meeting. Due to concerns surrounding the safety of Investors in light of the COVID-19 pandemic, Investors are not expected to attend the Investor Meeting in person and are strongly encouraged to vote using the attached Voting Form, which is also available on our website at www.ninetyone.com.

Please read this Information Pack carefully, it provides full details of the proposal. If there is anything about which you are uncertain we recommend that you consult a financial advisor.

We have undertaken an assessment on the ongoing viability of your Current Fund. Having considered a number of options, we have concluded that a merger of your Current Fund with the Receiving Fund is in the interests of Investors. If the proposed Merger is approved by a vote of the Investors, your Current Shares will be exchanged for New Shares in the Receiving Fund on the Effective Date, the 5 March 2021.

Reasons for the proposed Merger

Your Current Fund has experienced a steady decline in assets from a peak of around £343 million in April 2011 to approximately £53.3 million, as of 30 November 2020. As a result, the Merging Fund is no longer considered economically viable and is not expected to attract significant inflows in the future. Therefore, Ninety One has considered the ongoing viability of your Current Fund and has assessed a number of options for its future – taking into account, most importantly, the interests of Investors.

Rather than closing your Current Fund, which would mean returning your investment and potential tax consequences for Investors, Ninety One believes that it is in the interests of Investors to merge your Current Fund into the Receiving Fund. The Receiving Fund has greater assets than the Merging Fund, which were approximately £304.9 million as at 30 November 2020. Further, unlike your Current Fund, as at the date of this Investor letter, the Receiving Fund had grown as a result of strong investor interest since its launch on 2 December 2019. As an Investor in the Receiving Fund, you will benefit from economies of scale as the impact of the fees and fixed costs are lower on a larger fund.

Your Current Fund has some features that are similar to the Receiving Fund and so, subject to your individual investment needs and circumstances, it may be a suitable alternative for Investors who wish to access a combined bottom-up and top-down philosophy focussed on investment in global energy companies.

However, there are some important differences between your Current Fund and the Receiving Fund, which are set out in Part C in side-by-side comparisons. Most notably, your Current Fund has a broad focus on the energy sector (including oil, gas and renewable energy) whereas the Receiving Fund invests with a focus on companies believed to contribute to environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions), which are typically committed to renewable energy, resource efficiency or electrification.

Your Current Fund and the Receiving Fund have a co-Portfolio Manager in common, are both supported by the same investment team and are driven by a similar investment philosophy. Due to the growth potential that the investment team believes is associated with companies which seek to contribute to sustainable decarbonisation, your Current Fund has increasingly invested in companies which are also held by the Receiving Fund. Currently, there is around 37% overlap in terms of the companies they invest in. The two funds also share the same risk rating of 6 out of 7.

Details of the proposal and the Merger process

This Information Pack sets out the full terms of the proposed Merger, details of the procedure by which the Merger will be carried out and the action you should take.

Your vote counts

In order for the Merger to be approved, the proposal requires at least three quarters by value (75%) of the votes cast at the Investor Meeting to be in favour. So it is important that you exercise your right to vote and we encourage you to vote in favour of the proposal as we believe the Merger is in the interests of Investors.

It is important that you complete and return the enclosed Voting Form. To be counted, your Voting Form must arrive no later than 11am (UK time) on 8 February 2021.

If you are uncertain as to how to respond to this document, you should consult a financial advisor. If you do not have a financial advisor but would like to find one, please visit www.unbiased.co.uk which is a directory of independent financial advisors.

If you have any queries concerning the proposed Merger, please contact our team between 8:30am to 5:30pm (UK time) Monday to Friday. Full details are provided in this document.

Yours faithfully,

Ninety One Fund Managers UK Limited

Part B

Details of the proposal

| In this section capitalised terms have the meanings set out in the Glossary

About the Merger

Why we are proposing the Merger

Your Current Fund has experienced a steady decline in assets from a peak of around £343 million in April 2011 to approximately £53.3 million, as of 30 November 2020. As a result, the Merging Fund is no longer considered economically viable and is not expected to attract significant inflows in the future. Therefore, Ninety One has considered the ongoing viability of your Current Fund and has assessed a number of options for its future – taking into account, most importantly, the interests of Investors.

Rather than closing your Current Fund, which would mean returning your investment and potential tax consequences for Investors, Ninety One believes that it is in the interests of Investors to merge your Current Fund into the Receiving Fund. The Receiving Fund has greater assets than the Merging Fund, which were approximately £304.9 million as at 30 November 2020. Further, unlike your Current Fund, as at the date of this Investor letter, the Receiving Fund had grown as a result of strong investor interest since its launch on 2 December 2019. As an Investor in the Receiving Fund, you will benefit from economies of scale as the impact of the fees and fixed costs are lower on a larger fund.

Your Current Fund has some features that are similar to the Receiving Fund and so, subject to your individual investment needs and circumstances, it may be a suitable alternative for Investors who wish to access a combined bottom-up and top-down philosophy focussed on investment in global energy companies.

However, there are some important differences between your Current Fund and the Receiving Fund, which are set out in Part C in side-by-side comparisons. Most notably, your Current Fund has a broad focus on the energy sector (including oil, gas and renewable energy) whereas the Receiving Fund invests with a focus on companies believed to contribute to environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions), which are typically committed to renewable energy, resource efficiency or electrification.

Your Current Fund and the Receiving Fund have a co-Portfolio Manager in common, are both supported by the same investment team and are driven by a similar investment philosophy. Due to the growth potential that the investment team believes is associated with companies which seek to contribute to sustainable decarbonisation, your Current Fund has increasingly invested in companies which are also held by the Receiving Fund. Currently, there is around 37% overlap in terms of the companies they invest in. The two funds also have the same risk rating of 6 out of 7.

Costs of the Merger

The legal, administrative and accounting costs associated with the Merger will be borne by the General Administration Charge (as disclosed in the Prospectus – which you can refer to for more information on how this works).

Your Current Fund would pay the cost of changing the composition of its portfolio to fit the Receiving Fund. This is expected to be no more than 0.2% of the value of your Current Fund. So for every £100 invested, the cost would be no more than 20p.

Your options

Investors have a right to vote on the proposal for the Merger as long as you still hold Current Shares on 10 February 2021. You can also exercise any of the options set out below at any time. However, you may wish to wait for the outcome of the Merger before you decide.

Before making your choice we recommend that you read the Key Investor Information Document (KIID) for the Receiving Fund which is available from the literature library section on our website (www.ninetyone.com) or is available upon request from our team using the contact details below. We are not able to advise you as to which option you should choose and you may wish to consider your options in consultation with a financial advisor.

Option 1: Proceed with the outcome of the vote.

If the Merger is approved, you are not required to take any further action following the Investor Meeting and you will receive New Shares in the Receiving Fund.

Alternatively, if the Merger is not approved, you will continue to hold your Current Shares.

Option 2: Switch your investment to another Ninety One fund.

You are entitled to switch your Current Shares for shares in another Ninety One UK-domiciled fund, free of any charges should you not wish to proceed with the Merger.

Ninety One ISA Holders

If you hold Current Shares through a Ninety One ISA, switching to another fund within the Ninety One range will not affect the tax status of your ISA.

Other Investors

A switch will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the switch of your Current Shares.

You must ensure that you read the relevant KIID before switching. All KIIDs are available from the literature library on our website or available from our team.

To exercise this option, please contact our Investor Services team (whose details are in the adjacent box). Please note that instructions to switch must also be made no later than 12:00 noon (UK time) on 4 March 2021.

Our team

By telephone

0800 389 2299 (freephone)
or 020 3938 1900

Lines are open 8:30am to 5:30pm (UK time) Monday to Friday

By email

enquiries@ninetyone.com

By website

www.ninetyone.com

Option 3: Redeem (sell back) your investment.

You can redeem (sell back) your Current Shares.

Ninety One ISA Holders

If you redeem your Current Shares, the proceeds of redemption will no longer benefit from a tax-exempt status. If you decide to reinvest these proceeds into an ISA, they will count towards your annual ISA allowance for the current tax year.

If your ISA consists entirely of your Current Shares, your ISA plan with us will close after the redemption.

Other Investors

A redemption will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the redemption of your Current Shares.

To exercise this option, please contact our team (whose details are set out above in the box adjacent to Option 1). Please note that instructions to redeem must also be made no later than 12:00 noon (UK time) on 4 March 2021.

Option 4: Transfer your ISA (NINETY ONE ISA HOLDERS ONLY).

You can transfer your ISA to another ISA Plan Manager should you not wish to proceed with the Merger. Ninety One will not charge you to transfer your ISA, but your new ISA Plan Manager may have its own charging structure. If you wish to do this, please do not redeem your investment but instead contact your chosen ISA Plan Manager to arrange for this transfer. If you want the transfer to take place before the Merger takes place, your chosen ISA Plan Manager must contact us by 12:00 noon 4 March 2021 so please leave enough time for them to process your request.

You will need to transfer all investments made in the current tax year as it is not possible to transfer part only. This means if you hold another fund within the Ninety One range within your ISA, you will also need to transfer these investments.

For more information about this option, please contact the Investor Services team (whose details are set out above in the box adjacent to Option 1).

The Investor Meeting and voting at it

We invite Investors to vote on the proposed Merger by completing a Voting Form. At least three quarters (by value) of the votes cast must approve the Merger for it to take place. If the proposal is approved, the Merger will take place on the Effective Date and it will bind all Investors in the Current Fund at that time whether or not they voted in favour of it, or voted at all.

Attachment 1 to this Information Pack is a formal Meeting Notice. However, due to concerns surrounding the safety of Investors in the light of the COVID-19 pandemic, we do not expect that it will be possible for Investors to attend the meeting in person. As such, you are strongly encouraged to place a distanced vote using the enclosed Voting Form. The Meeting Notice sets out the wording of the proposal that Investors will vote on at the Investor Meeting (also known as a 'resolution').

Ninety One ISA Holders

If you are a Ninety One ISA Holder, you do not hold Current Shares in your own name and therefore do not have a direct right to vote. However, using the included Voting Form you can instruct Ninety One to vote on your behalf.

Other Investors

If you invest in your Current Fund directly, you have a right to vote at the Investor Meeting in your own name. To vote, you do not need to attend the Investor Meeting - you can vote through an appointed representative (a 'proxy') who you instruct, which can include the Investor Meeting's chairperson. Use the included Voting Form to do this.

If the Merger is approved by 75% of the votes cast, the Merger will take place on 5 March 2021.

The minimum number of participants for the Investor Meeting is two Investors, which can include Investors represented by a proxy (this minimum number of participants is known as the 'quorum'). At the time of the Investor Meeting, Ninety One will exclude anyone it knows no longer holds shares in the Current Fund from voting or counting in the quorum.

Details of the outcome of the Investor Meeting will be available on our website at www.ninetyone.com/OEICMergerResults shortly after the Investor Meeting.

If the Merger goes ahead

The Merger will be governed by the detailed Merger Terms in Part D. If the proposal is approved, on 5 March 2021, all of the property of the Current Fund will be transferred to the Receiving Fund and we will issue New Shares in place of any Current Shares. Please see Part C for information on the class of shares to be issued if the Merger proceeds. The formula used in calculating an Investor's entitlement to New Shares will be available on www.ninetyone.com as soon as possible after the Effective Date.

If the Merger proceeds, we will apply to the Financial Conduct Authority (FCA) for the termination of the Current Fund.

Dealings in Current Shares

In order to facilitate the Merger, dealings in your Current Fund will be suspended from 12:00 noon on 4 March 2021. We will continue to process requests to buy, sell, switch or convert Current Shares in the normal way until 12:00 noon on the 4 March 2021. If the Merger proceeds, and you send a request after this time, we will treat this as applying to your New Shares issued under the Merger and it will be processed at the next dealing point in the Receiving Fund after the Effective Date. The first dealing point in the Receiving Fund following the Merger, and at which you will be able to deal in your New Shares, is expected to be 8 March 2021.

You will receive confirmation of the New Shares you hold in the Receiving Fund within 14 days of the Effective Date. You may deal in your New Shares before you receive the letter of notification confirming the allocation of New Shares to you.

Any mandates or other standing instructions which you have given us in relation to your Current Shares will automatically apply to the New Shares issued to you under the Merger. If you do not want these mandates to be carried forward, please let us know. You can, of course, change these mandates or instructions at any time.

Treatment of income

The Current Fund's investments generate income. If you hold 'accumulation shares', this income is reflected in the price of your shares. If you hold 'income shares' you will be entitled to be paid the distributable income attributed to such shares on any relevant interim and/or annual allocation dates.

To make it easier to organise the Merger, we will introduce an additional accounting date for the Current Fund at 12:00 noon (UK time) on the Effective Date. This will allow us to allocate any income that has built up between the start of the accounting period and the Effective Date.

If you hold 'accumulation shares', this income will then be reflected in the value of the New Units you receive under the Merger. If you hold 'income shares', this income will be paid to you as soon as reasonably practicable after the Effective Date and in any event within two months of the Effective Date.

Taxation

We would remind investors that Ninety One is not responsible or liable for any personal tax which arises in relation to Investors' dealings in Current Shares, including the Merger.

UK Investors (If you are a Ninety One ISA Holder, see below instead)

This is a summary of our understanding of the current UK legislation and HM Revenue & Customs' practice relevant to UK resident investors regarding the issue of New Shares in relation to the Merger proposal. It may be subject to change.

We do not expect a difference in the tax treatment of your Current Shares and the New Shares.

Based on our understanding of the tax legislation and confirmations from UK tax authorities, the Merger should not involve a 'disposal' of your Current Shares for capital gains tax purposes, whatever the size of your investment. New Shares issued to you under the Merger, should have the same acquisition cost and acquisition date for capital gains tax purposes as your Current Shares.

We do not expect UK stamp duty reserve tax or stamp duty or equivalent overseas taxes to be payable in respect of the transfer of the property of your Current Fund to the Receiving Fund under the Merger.

Any redemption or switch is likely to be treated as a 'disposal' of your Current Shares for tax purposes and may give rise to capital gains tax on any gains arising from the redemption or switch of your Current Shares.

If you are in any doubt about your potential liability to tax, you should consult a professional advisor.

Ninety One ISA Holders

Your Current Shares and the New Shares will both be held within your ISA and are protected from UK tax on their income and capital gains by its tax-exempt status.

Non-UK Investors The tax consequences of the Merger may vary depending on the law and regulations of your country of residence, citizenship or domicile.

**If you are in any doubt about your potential liability to tax,
you should consult a professional advisor.**

Other information available to you

The following documents are all available on our website (www.ninetyone.com):

1. the instrument of incorporation of your Current Fund;
2. the instrument of incorporation of the Receiving Fund;
3. the current prospectus of your Current Fund and Receiving Fund;
4. the key investor information document (KIID) relating to your Current Fund;
5. the latest report and accounts for your Current Fund; and
6. the key investor information document (KIID) relating to the Receiving Fund.

Subject to COVID-19 restrictions, the following documents are available for inspection upon request until the date of the Merger:

1. the confirmation letter from the Financial Conduct Authority; and
2. the confirmation letter from HM Revenue and Customs to Ninety One's legal advisers, Eversheds Sutherland (International) LLP.

Summary of the key milestones (UK time, unless stated otherwise)

18 Dec 2020	The date at which a person must hold shares in order to be eligible to vote (i.e. to qualify as an 'Investor')
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11am on 8 February 2021	The date by which we must receive your Voting Form
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11am on 10 February 2021	Investor Meeting
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11 February 2021	Outcome of the meeting published on our website
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Additionally, if the Merger is approved by Investors:

12 noon on 4 March 2021	The last point for dealing in your Current Shares
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12 noon on 5 March 2021	The end of the interim accounting period of your Current Fund
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12:01pm on 5 March 2021	The point at which the Merger is effective
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9:00am on 8 March 2021	The point at which dealing in the New Shares becomes available
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Part C

Comparison of your Current Fund and the Receiving Fund

In this section capitalised terms have the meanings set out in the Glossary

The following tables identify aspects of the Receiving Fund that differ from your Current Fund and sets these out side-by-side.

Investment management

Below we have set out a comparison of various investment management characteristics of your Current Fund and the Receiving Fund. This includes a comparison of the investment objectives and policies where we have aligned equivalent paragraphs where possible for comparability.

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Fund launch date	25 January 1985	2 December 2019
Fund size	£53.3m (as at 30 November 2020)	£304.9m (as at 30 November 2020)
Portfolio managers	Tom Nelson and Graeme Baker	Deirdre Cooper and Graeme Baker
Investment objective and policy	<p>The Fund aims to provide capital growth (to grow the value of your investment) over at least 5 years.</p> <p>The Fund invests primarily (at least two-thirds) in the shares of companies (of any size) around the world involved in the exploration, production or distribution of oil, gas and other energy sources (including renewable energy sources), or companies which service the energy industry, and in related derivatives (financial contracts whose value is linked to the price of the shares of such companies).</p>	<p>The Fund aims to grow the value of your investment and provide income over at least 5 year periods, after allowing for fees.</p> <p>The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions).</p>

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Investment objective and policy cont.	<p>Investment opportunities are identified using macroeconomic research (based on a view of the economy as a whole) and research on individual companies.</p> <p>The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives may be used for managing the Fund in a way that is designed to reduce risk or cost, generating income or growth with a low level of risk and, occasionally, investment purposes.</p>	<p>This means the Investment Manager focuses on identifying companies whose products, technologies and/or services avoid carbon, relative to their industry peers. These companies are typically committed to renewable energy, resource efficiency and/or electrification (the process of powering by electricity by switching from other power sources).</p> <p>This approach means that not all companies in the portfolio will have low absolute levels of carbon emissions as the company's shares may be selected because the Investment Manager believes the company contributes to sustainable decarbonisation in another way. The Fund does not place a time limit on an investment in the shares of a company and may remain invested in the shares of companies that do not reduce their absolute carbon emissions, provided that the company continues to meet the criteria set out above.</p> <p>These companies may be located anywhere in the world, be of any size and operate within any industry sector. The Fund may, at times, invest in a relatively small number of companies.</p> <p>The Fund may invest in other transferable securities (e.g. shares and bonds), money market instruments, cash or near cash, deposits, units or shares in other funds (up to 10%) (which may be managed by the Investment Manager, one of its affiliates or a third party) and derivatives (for investment purposes and/or managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth with a low level of risk).</p>

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Key risks disclosed in prospectus	Commodities Derivatives Emerging Markets Equity Investments Investment in China Sector and / or geography Stock Connect	China tax Commodities Concentration Derivatives Emerging Markets Equity Investment Investment in China RQFII Sector and / or geography Stock Connect
Synthetic Risk Reward Indicator	6 out of 7	6 out of 7
Comparator benchmark	MSCI AC World Energy + Global Environment ex Select GICS 10-40 Net Return	MSCI AC World Net Return
Investment Association sector	Investment Association Specialist Sector	Investment Association Global Sector

Share classes

In the table below, we have set out the various Current Shares in issue in your Current Fund and the corresponding New Shares that will be issued to Investors in that class if the Merger proceeds. Any variations in eligibility criteria that are more stringent in the Receiving Fund will be waived for New Shares issued under the Merger.

	Your Current Fund Global Energy Fund		The Receiving Fund Global Environment Fund	
Available share classes	A, Acc, GBP		A, Acc, GBP	
	A, Acc, USD		A, Acc, USD	
	I, Acc, GBP		I, Acc, GBP	
	I, Inc, GBP		I, Inc, GBP	
	R, Acc, GBP		R, Acc, GBP	
	S, Acc, GBP		S, Acc, GBP	
Minimum initial investment / minimum holding	A, Acc, GBP	£1,000	A, Acc, GBP	£1,000
	A, Acc, USD	\$100,000	A, Acc, USD	\$100,000
	I, Acc, GBP	£1,000,000	I, Acc, GBP	£1,000,000
	I, Inc, GBP	£1,000,000	I, Inc, GBP	£1,000,000
	R, Acc, GBP	£1,000	R, Acc, GBP	£1,000
	S, Acc, GBP	£100,000,000	S, Acc, GBP	£100,000,000
Minimum subsequent investment / minimum redemption	A, Acc, GBP	£500	A, Acc, GBP	£500
	A, Acc, USD	\$10,000	A, Acc, USD	\$10,000
	I, Acc, GBP	£250,000	I, Acc, GBP	£250,000
	I, Inc, GBP	£250,000	I, Inc, GBP	£250,000
	R, Acc, GBP	£500	R, Acc, GBP	£500
	S, Acc, GBP	£1,000,000	S, Acc, GBP	£1,000,000
Ongoing charges figure (latest)	A, Acc, GBP	1.75%	A, Acc, GBP	1.65%
	A, Acc, USD	1.75%	A, Acc, USD	1.65%
	I, Acc, GBP	0.99%	I, Acc, GBP	0.90%
	I, Inc, GBP	0.97%	I, Inc, GBP	0.90%
	R, Acc, GBP	1.25%	R, Acc, GBP	1.15%
	S, Acc, GBP	0.25%	S, Acc, GBP	0.15%
Annual Management Charge	A, Acc, GBP	1.50%	A, Acc, GBP	1.50%
	A, Acc, USD	1.50%	A, Acc, USD	1.50%
	I, Acc, GBP	0.75%	I, Acc, GBP	0.75%
	I, Inc, GBP	0.75%	I, Inc, GBP	0.75%
	R, Acc, GBP	1.00%	R, Acc, GBP	1.00%
	S, Acc, GBP	0.00%	S, Acc, GBP	0.00%

ISINs

The following ISINs are affected by the Merger.

Your Current Fund UK Total Return Fund		The Receiving Fund UK Special Situations Fund	
Share class	ISIN	Share class	ISIN
A, Acc, GBP	GB00B049P968	A, Acc, GBP	GB00BMXZ8565
A, Acc, USD	GB00B04C4877	A, Acc, USD	GB00BMXZ8672
I, Acc, GBP	GB00B049PC91	I, Acc, GBP	GB00BKT89K74
I, Inc, GBP	GB00BMMVFQ59	I, Inc, GBP	GB00BMXZ8896
R, Acc, GBP	GB00B7K27Y73	R, Acc, GBP	GB00BKT89M98
S, Acc, GBP	GB00B1FQHB91	S, Acc, GBP	GB00BKT89N06

Other features

For completeness we have set out a few final comparisons between your Current Fund and the Receiving Fund.

	Your Current Fund Global Energy Fund	The Receiving Fund Global Environment Fund
Legal vehicle (umbrella)	Ninety One Funds Series ii	Ninety One Funds Series iii
Fund reference currency	GBP	GBP
Fund valuation point	12:00 UK time	12:00 UK time
Financial year end	31 December	28/29 February

Part D

Merger terms

In this section capitalised terms have the meanings set out in the Glossary

The following section sets out the legal process for the Merger.

1. Definitions and interpretation

- 1.1 References to paragraphs are to paragraphs of these Merger Terms.
- 1.2 The Glossary is deemed to form part of these Merger Terms.
- 1.3 If there is any conflict between these Merger Terms and the Current Fund's constitutional documents, then these Merger Terms will prevail.

2. Approval of Investors

- 2.1 The Merger will only take place if the Merger itself, and these Merger Terms, are approved by an extraordinary resolution of Investors.
- 2.2 If the extraordinary resolution referred to at 2.1 is passed, the Merger will be binding on all Investors (whether or not they voted in favour of it, or voted at all) and the Merger Terms will be carried out as set out in the following paragraphs.

3. Effective Date

If approved by Investors, Ninety One intends for the Merger to become effective on the Effective Date (5 March 2021).

4. Type of merger

The Merger is a scheme of arrangement within the meaning of Chapter 7.6 of the FCA's Collective Investment Schemes sourcebook.

5. Last dealings in the Current Fund

- 5.1 The last dealing in Current Shares will be at 12 noon on the 4 March 2021.

- 5.2 Any dealing instructions received after 12 noon on the 4 March 2021 will be held over until the next valuation point of the Receiving Fund after the Effective Date (which will be 9:00am on 8 March 2021) and will be deemed to apply to the New Shares in the Receiving Fund.

6. Income allocation and distribution arrangements

- 6.1 The additional interim accounting period of the Current Fund will end at 12 noon on the Effective Date.
- 6.2 All income (actual or estimated) that has accrued in the interim accounting period and is:
 - 6.2.1 available for allocation in relation to accumulation shares, will be transferred to the capital account of the Current Fund, allocated to the accumulation shares, and reflected in the value of those shares (and used to calculate the number of the new shares in the Receiving Fund under the Merger); and
 - 6.2.2 available for distribution in relation to income shares, will be allocated to the income shares, transferred to the distribution account, and, within two months, distributed to Investors.
- 6.3 Any interest earned on income while held by State Street as the depositary of the Current Fund, will be treated as the property of the Current Fund but will not increase the number of New Shares to be issued in the Receiving Fund under the Merger.

7. Calculation of the Current Fund value and the Receiving Fund value

- 7.1 Based on valuations made in accordance with the respective instruments of incorporation and prospectus of the Current Fund and the Receiving Fund:
- 7.1.1 the value of the property of the Current Fund will be calculated as at 12 noon on the Effective Date; and
- 7.1.2 the value of the property of the Receiving Fund will be calculated as at 12 noon on the Effective Date.
- 7.2 The value of the Current Fund and the value of the Receiving Fund will be used to calculate the number of New Shares to be issued to each Investor (under paragraphs 8 and 9 below).

8. Transfer of property from the Current Fund to the Receiving Fund and issue of New Shares

- 8.1 Ninety One will, in consultation with the Depositary, calculate an amount necessary to meet the actual and contingent liabilities of the Current Fund after the Merger (the **Retained Amount**). The Retained Amount is to be retained by State Street as depositary of the Current Fund for the purposes of discharging those liabilities.
- 8.2 The property of the Current Fund will become part of the property of the Receiving Fund in exchange and in full payment for the issue of New Shares. State Street will cease to hold the property of the Current Fund (less the Retained Amount) as attributable to the Current Fund, and will hold the property as attributable to the Receiving Fund and State Street will ensure that any necessary transfers or re-designations are carried out.
- 8.3 Ninety One will arrange New Shares to be issued to Investors (who are registered as holding Current Shares on the Effective Date) free of any initial charge. The type of New Shares to be issued is detailed in the Investor Mailing.

- 8.4 All Current Shares will be deemed to be cancelled and will cease to be of any value as at 12:01 p.m. on the Effective Date.

- 8.5 Investors will be treated as exchanging their Current Shares for New Shares.

9. Basis for the issue of New Shares

- 9.1 The price of New Shares to be issued under these Merger Terms will be the price based on the Receiving Fund value as at 12 noon on the Effective Date.
- 9.2 New Shares of the appropriate class and type (as noted in the “Merger Proposal Information Pack” dated 6 January 2021) will be issued to each Investor invested in the Current Fund in proportion to that Investor’s individual entitlement to the Current Fund value as at 12 noon on the Effective Date.
- 9.3 The formula used in calculating an Investor’s entitlement to New Shares will be available on www.ninetyone.com.
- 9.4 The number of New Shares to be issued to each Investor will (if necessary) be rounded up to the nearest denomination of shares at the expense of Ninety One (which will, within four business days of the Effective Date, accordingly pay into the Receiving Fund an amount equal to the value of the additional shares issued as a result of the rounding up).
- 9.5 Compared to the number of Current Shares held in the Current Fund, Investors may be issued with a different number of New Shares in the Receiving Fund, but these will total the same value.

10. Notification of the New Shares issued under these Merger Terms

- 10.1 Certificates will not be issued in respect of New Shares.
- 10.2 Ninety One intends to notify each Investor (or, in the case of joint holders, the first named holder on the register) of the number and class of New Shares in the Receiving Fund issued to that Investor within 14 days following the Effective Date.
- 10.3 Transfers or redemptions of New Shares in the Receiving Fund issued under these Merger Terms may be carried out from the next business day after the Effective Date.

11. Mandates and other instructions in respect of New Shares

Mandates and other instructions to Ninety One that are in force on the Effective Date in respect of Current Shares will be deemed to be effective in respect of shares in the Receiving Fund following the Merger. Investors may change these mandates or instructions at any time.

12. Termination of the Current Fund

- 12.1 After the Merger has taken place, Ninety One will make arrangements to terminate the Current Fund.
- 12.2 The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it, will be used by State Street to pay any outstanding liabilities of the Current Fund in accordance with the directions and instructions of Ninety One and the provisions of the instrument of incorporation and the Prospectus of the Current Fund and any applicable laws or regulations.
- 12.3 If, on the completion of the termination of the Current Fund, there are any surplus monies remaining in the Current Fund, they, together with any income that has arisen, will be transferred to the Receiving Fund. No further issue of shares in the Receiving Fund will be made as a result. State

Street will cease to hold the Retained Amount in its capacity as depositary of the Current Fund and will make any transfers and re-designations as Ninety One may direct or instruct.

- 12.4 If the Retained Amount is insufficient to discharge all the liabilities of the Current Fund, State Street will, if permitted by applicable laws and regulations, be entitled to pay the amount of the shortfall out of the scheme property of the Receiving Fund if directed to do so by Ninety One.
- 12.5 On completion of the termination of the Current Fund, State Street and Ninety One will be discharged from all their obligations and liabilities in respect of the Current Fund, except those arising from a breach of duty before that time. Termination accounts in respect of the Current Fund will be drawn up and will be made available to Investors on request.
- 12.6 If, after the completion of the termination of the Current Fund, contingent assets arise that were not recognised (or were only partly recognised by Ninety One and State Street at the time of the Effective Date), those assets will be transferred to the Receiving Fund less any costs that Ninety One or State Street might incur in securing these assets for the Current Fund.

13. Costs, charges and expenses

- 13.1 Up to the Effective Date, Ninety One and State Street will continue to receive their usual fees and expenses out of the property of the Current Fund for being (respectively) the manager and depositary of the Current Fund.
- 13.2 The legal, administrative and accounting costs associated with the Merger will be borne by the General Administration Charge. The Current Fund will pay the cost of changing the composition of its portfolio to fit the Receiving Fund.

14. Ninety One and State Street to rely on register

- 14.1 Ninety One and State Street are entitled to assume that all information contained in the register of Investors of the Current Fund on the Effective Date is correct, and will use that information to calculate the number of New Shares in the Receiving Fund to be issued and registered under these Merger Terms.
- 14.2 Ninety One may act and rely on any certificate, opinion, evidence or information provided to it by its professional advisers or by the auditors of the Current Fund in connection with these Merger Terms and will not be liable or responsible for any resulting loss.

15. Impact on the Receiving Fund

The Merger will cause the net asset value and number of New Shares in the Receiving Fund to increase. Other than this, there is no expected impact on the Receiving Fund.

16. Alterations to these Merger Terms

These Merger Terms may be amended by Ninety One with the consent of State Street.

17. Governing law

These Merger Terms are governed by and will be construed in accordance with the laws of England and Wales.

Part E

Glossary

“Current Fund”

Global Energy Fund, which is a sub-fund of Ninety One Funds Series ii

“Current Shares”

shares in the Current Fund

“Effective Date”

5 March 2021

“General Administration Charge”

has the meaning set out in the current prospectus the Current Fund and Receiving Fund

“Investor”

each person who holds Current Shares (as at 18 December 2020) and who, for the purposes of the Merger Terms only, remains a shareholder until the Effective Date

“Investor Meeting”

the extraordinary general meeting of Investors described in the Meeting Notice

“Information Pack”

this document (the merger proposal information pack)

“Meeting Notice”

the meeting notice labelled “Attachment 1” calling attention to the extraordinary general meeting of Investors on 10 February 2021

“Merger”

the scheme of arrangement under which property of the Current Fund is transferred to the Receiving Fund in exchange for an issue of New Shares

we also refer to ‘Merged’ which has a corresponding meaning

“Merger Terms”

the technical and legal terms governing the Merger set out in Part D

“New Shares”

shares in the Receiving Fund issued under the Merger

“Ninety One”

Ninety One Fund Managers UK Limited as the authorised fund manager of the Current Fund and the Receiving Fund

“Ninety One ISA Holder”

each person who holds Current Shares (as at 18 December 2020) in a Ninety One ISA

“Receiving Fund”

Global Environment Fund, which is a sub-fund of Ninety One Funds Series iii

“State Street”

as the context requires, either State Street Trustees Limited:

- (a) as depositary of the Current Fund;
- or
- (b) as depositary of the Receiving Fund.

“Voting Form”

the voting form included as Attachment 2

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Attachment 1

Notice of meeting of Investors of Global Energy Fund

| Please read the notes on the following page.

Notice of an extraordinary general meeting of Global Energy Fund

This document notifies you that Ninety One Fund Managers UK Limited will hold an extraordinary general meeting of the shareholders of Global Energy Fund, a sub-fund of Ninety One Funds Series ii at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time). The purpose of the meeting is to consider the extraordinary resolution below and, if shareholders agree, to pass it.

Extraordinary resolution:

THAT, the scheme of arrangement (the 'Merger') between **Global Energy Fund**, a sub-fund of Ninety One Funds Series ii and **Global Environment Fund**, a sub-fund of Ninety One Funds Series iii, the terms of which are set out in the 'merger proposal information pack' dated 6 January 2021, is hereby approved and that Ninety One Fund Managers UK Limited (as authorised corporate director) is instructed, and State Street Trustees Limited (as depositary) is authorised, to implement the Merger in accordance with its terms.

Ninety One Fund Managers UK Limited

as authorised corporate director of Global Energy Fund,
a sub-fund of Ninety One Funds Series ii

Issued on 6 January 2021

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf or if they are a Ninety One ISA Investor, to instruct Ninety One as to how to vote on their behalf.

Notes:

1. A shareholder who is entitled to attend and vote at the extraordinary general meeting can appoint someone to attend the meeting as their representative and vote instead of them (a proxy). The proxy does not need to be a shareholder.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf by returning the enclosed Voting Form for direct Investors.

Please note that Ninety One ISA holders do not hold shares in their own name but can instruct Ninety One to vote on their behalf by completing the Voting Form for Ninety One ISA Investors.

2. An appropriate Voting Form is attached. Shareholders / Ninety One ISA holders are requested to complete and return it in the reply paid envelope or by email to ninetyone@paragon-cc.co.uk so that it arrives at Ninety One Fund Managers UK Limited not less than 48 hours before the time appointed for the holding of the meeting. Voting Forms will only be valid if properly and fully completed in accordance with the instructions on the form and accompanying notes.
3. In the case of joint shareholders, the vote of a senior shareholder who tenders a vote (whether at the meeting or by proxy) will be accepted to the exclusion of the votes of the other joint shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders.
4. The minimum number of participants (quorum) for a meeting of shareholders is any two shareholders attending the meeting, or represented by proxy.
5. The depositary of Global Energy Fund has appointed a duly authorised representative of Ninety One, to be chairperson for the Investor Meeting. In the event of (i) a tied vote at the Investor Meeting; or (ii) the Investor Meeting being duly convened with a quorum present but at which no investors vote, the chairperson will be entitled to a casting vote. It is expected that any such casting vote would be exercised in favour of the resolution.
6. A shareholder entitled to more than one vote does not have to use any or all of their votes or cast all of their votes in the same way.
7. The majority required for the passing of the extraordinary resolution is 75 percent or more (weighted by investment value) of the total of votes cast (whether for or against the resolution).
8. At the meeting, the vote will be taken by poll. On a poll, each share's voting rights is determined by that share's price in relation to the total price of all shares.
9. Ninety One may, if necessary, postpone (or 'adjourn') or cancel the extraordinary general meeting. Any decision to postpone the extraordinary general meeting will be published on www.ninetyone.com. Unless otherwise specified, the replacement general meeting to consider the extraordinary resolution will be held at 55 Gresham Street, London, England, EC2V 7EL on 12 February 2021 at 10am (UK time).

Attachment 2

Voting form direct



Previously Investec
Asset Management

Please read the notes on the following page.

This voting form (or form of proxy) is for use at the meeting of shareholders of Global Energy Fund, a sub-fund of Ninety One Funds Series ii to be held at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time).

Before filling in this form read the 'merger proposal information pack' dated 6 January 2021 and the notes on the next page.

Name (See Note 6)

Address(es) (See Note 6)

Client Account Number

Your proxy

Tick the appropriate box to choose your representative (proxy) for the meeting and at any adjournments of it (see Note 1):

The meeting Chairperson (default) ☐ ←

The person named below ☐ ←

Representative's name and address

Vote

Tick the appropriate box to indicate how your representative (proxy) should vote in respect of the resolution.

In respect of the resolution set out in the meeting notice, I direct my representative (proxy) to vote as follows (see Notes 2 and 3).

For the resolution ☐ ←

Against the resolution ☐ ←

Please complete and return this voting form to us by 11am (UK time) on 8 February 2021 via email to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

Signature(s) (see Notes 4, 5 and 6)

Date

Notes:

For your vote to count, this Voting Form must be properly completed and received no later than 11am on 8 February 2021. If you do not return this form (or do not complete it properly), your representative (proxy) will not be able to vote on your behalf, and your vote may not count.

Please return the form via email to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST using the enclosed reply paid envelope.

1. Please indicate whether you wish to appoint the meeting chairperson or another person as your representative (proxy) for the Investor Meeting. The person you choose does not need to be a shareholder but must attend the Investor Meeting to represent you. If you do not make a selection, by default the chairperson will be appointed as your proxy.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf. If you designate a person other than the chairperson as your proxy, they may not be able to attend the meeting in person and therefore your vote may not be counted.

2. Please indicate how you wish to vote in relation to the resolution. If this form is signed and returned without instructions for voting, the representative (proxy) is able to vote or abstain from voting as they see fit.
3. Voting on the resolution will be by a 'poll' and your rights to vote relate to the value your shares bear in proportion to all of the shares in issue. You do not have to use all of your voting rights or vote them all in the same way. Please contact Ninety One (using the contact details provided in the Information Pack sent to you) if you want to split your votes.
4. If this Voting Form is signed under an authority, we can only validate it if you provide the authority (or a notarially certified copy of it) to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.
5. A body corporate (such as a company) must execute this Voting Form under seal or have it signed by an officer (who is authorised in writing to sign it).
6. In the case of joint shareholders, please ensure that all signatures and all names and addresses are included in the Voting Form.

A Voting Form may be revoked only with the consent of Ninety One.

Attachment 2

Voting form ISA



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Asset Management

Please read the notes on the following page.

This voting form (or form of direction) is issued in relation to the meeting of shareholders of Global Energy Fund, a sub-fund of Ninety One Fund Series ii to be held at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time).

Ninety One ISA investors who beneficially own shares in the Global Energy Fund can use this form to instruct Ninety One as to how they wish their shares to be voted.

Before filling in this form read the 'merger proposal information pack' dated 6 January 2021 and the notes on the next page.

Name

Address

Client Account Number

Vote

In respect of the resolution set out in the meeting notice, I instruct Ninety One to vote as follows (see Notes 1 and 2).

For the resolution

☐ ←

Against the resolution

☐ ←

Please complete and return this voting form to us by 11am (UK time) on 8 February 2021 via email to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

Signature(s) (see Notes 3)

Date

Notes:

For your vote to count, this Voting Form must be properly completed and received no later than 11am on 8 February 2021. If you do not return this form (or do not complete it properly), your vote may not count.

Please return the form via email to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST using the enclosed reply paid envelope.

1. Please indicate how you wish Ninety One to vote in relation to the resolution. If this form is signed and returned without instructions for voting, it will be invalid.
2. Voting on the resolution will be by a 'poll' and your instructions to vote relate to the value your shares bear in proportion to all of the shares in issue. You do not have to instruct us to use all of your voting rights or vote them all in the same way. Please contact Ninety One (using the contact details provided in the Information Pack sent to you) if you want to split your votes.
3. If this Voting Form is signed under an authority, we can only validate it if you provide the authority (or a notarially certified copy of it) to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

A Voting Form may be revoked only with the consent of Ninety One.

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The registered office of Ninety One Fund Managers UK Limited is 55 Gresham Street, London, EC2V 7EL. Ninety One Fund Managers UK Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No. 2392609.



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Previously Investec
Asset Management

Global Energy Fund, a sub-fund of Ninety One Funds Series ii

Merger proposal information pack

6 January 2021

—
This information pack is important and requires your immediate attention.

If, after reading this document, you wish to exercise your rights under it, you are requested to complete and return the enclosed voting form by email or post no later than 11am 8 February 2021.

You should consult a professional advisor if you require any assistance in assessing the options set out in this information pack.

About this information pack

This document

Part A	Notification to Investors	1
	A high-level summary of Ninety One's plan to merge the fund in which you are invested with another Ninety One fund and what you need to do.	
Part B	Details of the proposal	3
	More detailed information about the plan, procedure, your options, costs of the merger and key dates.	
Part C	Comparison of your Current Fund and the Receiving Fund	10
	Detail regarding the differences between your current investment fund and the new fund under the merger.	
Part D	Merger Terms	15
	The technical and legal terms of the merger.	
Part E	Glossary	19
	Explanation of the definitions and terms used in this information pack.	

Separate enclosures

Attachment 1	Notice of meeting of Investors of Global Energy Fund
	Formal notice of the extraordinary general meeting of investors in Global Energy Fund.
Attachment 2	Voting form
	The form you need to complete to vote on the resolution being proposed at the extraordinary general meeting of investors.

Part A

Notification to Investors

| In this section capitalised terms have the meanings set out in the Glossary

Proposed Merger

You own shares in the Global Energy Fund, a sub-fund of Ninety One Funds Series ii (your **Current Fund**). We are writing to inform you of a proposed Merger of your Current Fund with the Global Environment Fund, a sub-fund of Ninety One Funds Series iii (the **Receiving Fund**), and how this will affect you and the action you may need to take.

You will have the opportunity to participate in a vote to approve the Merger at an Investor Meeting. Due to concerns surrounding the safety of Investors in light of the COVID-19 pandemic, Investors are not expected to attend the Investor Meeting in person and are strongly encouraged to vote using the attached Voting Form, which is also available on our website at www.ninetyone.com.

Please read this Information Pack carefully, it provides full details of the proposal. If there is anything about which you are uncertain we recommend that you consult a financial advisor.

We have undertaken an assessment on the ongoing viability of your Current Fund. Having considered a number of options, we have concluded that a merger of your Current Fund with the Receiving Fund is in the interests of Investors. If the proposed Merger is approved by a vote of the Investors, your Current Shares will be exchanged for New Shares in the Receiving Fund on the Effective Date, the 5 March 2021.

Reasons for the proposed Merger

Your Current Fund has experienced a steady decline in assets from a peak of around £343 million in April 2011 to approximately £53.3 million, as of 30 November 2020. As a result, the Merging Fund is no longer considered economically viable and is not expected to attract significant inflows in the future. Therefore, Ninety One has considered the ongoing viability of your Current Fund and has assessed a number of options for its future – taking into account, most importantly, the interests of Investors.

Rather than closing your Current Fund, which would mean returning your investment and potential tax consequences for Investors, Ninety One believes that it is in the interests of Investors to merge your Current Fund into the Receiving Fund. The Receiving Fund has greater assets than the Merging Fund, which were approximately £304.9 million as at 30 November 2020. Further, unlike your Current Fund, as at the date of this Investor letter, the Receiving Fund had grown as a result of strong investor interest since its launch on 2 December 2019. As an Investor in the Receiving Fund, you will benefit from economies of scale as the impact of the fees and fixed costs are lower on a larger fund.

Your Current Fund has some features that are similar to the Receiving Fund and so, subject to your individual investment needs and circumstances, it may be a suitable alternative for Investors who wish to access a combined bottom-up and top-down philosophy focussed on investment in global energy companies.

However, there are some important differences between your Current Fund and the Receiving Fund, which are set out in Part C in side-by-side comparisons. Most notably, your Current Fund has a broad focus on the energy sector (including oil, gas and renewable energy) whereas the Receiving Fund invests with a focus on companies believed to contribute to environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions), which are typically committed to renewable energy, resource efficiency or electrification.

Your Current Fund and the Receiving Fund have a co-Portfolio Manager in common, are both supported by the same investment team and are driven by a similar investment philosophy. Due to the growth potential that the investment team believes is associated with companies which seek to contribute to sustainable decarbonisation, your Current Fund has increasingly invested in companies which are also held by the Receiving Fund. Currently, there is around 37% overlap in terms of the companies they invest in. The two funds also share the same risk rating of 6 out of 7.

Details of the proposal and the Merger process

This Information Pack sets out the full terms of the proposed Merger, details of the procedure by which the Merger will be carried out and the action you should take.

Your vote counts

In order for the Merger to be approved, the proposal requires at least three quarters by value (75%) of the votes cast at the Investor Meeting to be in favour. So it is important that you exercise your right to vote and we encourage you to vote in favour of the proposal as we believe the Merger is in the interests of Investors.

It is important that you complete and return the enclosed Voting Form. To be counted, your Voting Form must arrive no later than 11am (UK time) on 8 February 2021.

If you are uncertain as to how to respond to this document, you should consult a financial advisor. If you do not have a financial advisor but would like to find one, please visit www.unbiased.co.uk which is a directory of independent financial advisors.

If you have any queries concerning the proposed Merger, please contact our team between 8:30am to 5:30pm (UK time) Monday to Friday. Full details are provided in this document.

Yours faithfully,

Ninety One Fund Managers UK Limited

Part B

Details of the proposal

In this section capitalised terms have the meanings set out in the Glossary

About the Merger

Why we are proposing the Merger

Your Current Fund has experienced a steady decline in assets from a peak of around £343 million in April 2011 to approximately £53.3 million, as of 30 November 2020. As a result, the Merging Fund is no longer considered economically viable and is not expected to attract significant inflows in the future. Therefore, Ninety One has considered the ongoing viability of your Current Fund and has assessed a number of options for its future – taking into account, most importantly, the interests of Investors.

Rather than closing your Current Fund, which would mean returning your investment and potential tax consequences for Investors, Ninety One believes that it is in the interests of Investors to merge your Current Fund into the Receiving Fund. The Receiving Fund has greater assets than the Merging Fund, which were approximately £304.9 million as at 30 November 2020. Further, unlike your Current Fund, as at the date of this Investor letter, the Receiving Fund had grown as a result of strong investor interest since its launch on 2 December 2019. As an Investor in the Receiving Fund, you will benefit from economies of scale as the impact of the fees and fixed costs are lower on a larger fund.

Your Current Fund has some features that are similar to the Receiving Fund and so, subject to your individual investment needs and circumstances, it may be a suitable alternative for Investors who wish to access a combined bottom-up and top-down philosophy focussed on investment in global energy companies.

However, there are some important differences between your Current Fund and the Receiving Fund, which are set out in Part C in side-by-side comparisons. Most notably, your Current Fund has a broad focus on the energy sector (including oil, gas and renewable energy) whereas the Receiving Fund invests with a focus on companies believed to contribute to environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions), which are typically committed to renewable energy, resource efficiency or electrification.

Your Current Fund and the Receiving Fund have a co-Portfolio Manager in common, are both supported by the same investment team and are driven by a similar investment philosophy. Due to the growth potential that the investment team believes is associated with companies which seek to contribute to sustainable decarbonisation, your Current Fund has increasingly invested in companies which are also held by the Receiving Fund. Currently, there is around 37% overlap in terms of the companies they invest in. The two funds also have the same risk rating of 6 out of 7.

Costs of the Merger

The legal, administrative and accounting costs associated with the Merger will be borne by the General Administration Charge (as disclosed in the Prospectus – which you can refer to for more information on how this works).

Your Current Fund would pay the cost of changing the composition of its portfolio to fit the Receiving Fund. This is expected to be no more than 0.2% of the value of your Current Fund. So for every £100 invested, the cost would be no more than 20p.

Your options

Investors have a right to vote on the proposal for the Merger as long as you still hold Current Shares on 10 February 2021. You can also exercise any of the options set out below at any time. However, you may wish to wait for the outcome of the Merger before you decide.

Before making your choice we recommend that you read the Key Investor Information Document (KIID) for the Receiving Fund which is available from the literature library section on our website (www.ninetyone.com) or is available upon request from our team using the contact details below. We are not able to advise you as to which option you should choose and you may wish to consider your options in consultation with a financial advisor.

Option 1: Proceed with the outcome of the vote.

If the Merger is approved, you are not required to take any further action following the Investor Meeting and you will receive New Shares in the Receiving Fund.

Alternatively, if the Merger is not approved, you will continue to hold your Current Shares.

Option 2: Switch your investment to another Ninety One fund.

You are entitled to switch your Current Shares for shares in another Ninety One UK-domiciled fund, free of any charges should you not wish to proceed with the Merger.

Ninety One ISA Holders

If you hold Current Shares through a Ninety One ISA, switching to another fund within the Ninety One range will not affect the tax status of your ISA.

Other Investors

A switch will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the switch of your Current Shares.

You must ensure that you read the relevant KIID before switching. All KIIDs are available from the literature library on our website or available from our team.

To exercise this option, please contact our Investor Services team (whose details are in the adjacent box). Please note that instructions to switch must also be made no later than 12:00 noon (UK time) on 4 March 2021.

Our team

By telephone

0800 389 2299 (freephone)
or 020 3938 1900

Lines are open 8:30am to 5:30pm (UK time) Monday to Friday

By email

enquiries@ninetyone.com

By website

www.ninetyone.com

Option 3: Redeem (sell back) your investment.

You can redeem (sell back) your Current Shares.

Ninety One ISA Holders

If you redeem your Current Shares, the proceeds of redemption will no longer benefit from a tax-exempt status. If you decide to reinvest these proceeds into an ISA, they will count towards your annual ISA allowance for the current tax year.

If your ISA consists entirely of your Current Shares, your ISA plan with us will close after the redemption.

Other Investors

A redemption will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the redemption of your Current Shares.

To exercise this option, please contact our team (whose details are set out above in the box adjacent to Option 1). Please note that instructions to redeem must also be made no later than 12:00 noon (UK time) on 4 March 2021.

Option 4: Transfer your ISA (NINETY ONE ISA HOLDERS ONLY).

You can transfer your ISA to another ISA Plan Manager should you not wish to proceed with the Merger. Ninety One will not charge you to transfer your ISA, but your new ISA Plan Manager may have its own charging structure. If you wish to do this, please do not redeem your investment but instead contact your chosen ISA Plan Manager to arrange for this transfer. If you want the transfer to take place before the Merger takes place, your chosen ISA Plan Manager must contact us by 12:00 noon 4 March 2021 so please leave enough time for them to process your request.

You will need to transfer all investments made in the current tax year as it is not possible to transfer part only. This means if you hold another fund within the Ninety One range within your ISA, you will also need to transfer these investments.

For more information about this option, please contact the Investor Services team (whose details are set out above in the box adjacent to Option 1).

The Investor Meeting and voting at it

We invite Investors to vote on the proposed Merger by completing a Voting Form. At least three quarters (by value) of the votes cast must approve the Merger for it to take place. If the proposal is approved, the Merger will take place on the Effective Date and it will bind all Investors in the Current Fund at that time whether or not they voted in favour of it, or voted at all.

Attachment 1 to this Information Pack is a formal Meeting Notice. However, due to concerns surrounding the safety of Investors in the light of the COVID-19 pandemic, we do not expect that it will be possible for Investors to attend the meeting in person. As such, you are strongly encouraged to place a distanced vote using the enclosed Voting Form. The Meeting Notice sets out the wording of the proposal that Investors will vote on at the Investor Meeting (also known as a 'resolution').

Ninety One ISA Holders

If you are a Ninety One ISA Holder, you do not hold Current Shares in your own name and therefore do not have a direct right to vote. However, using the included Voting Form you can instruct Ninety One to vote on your behalf.

Other Investors

If you invest in your Current Fund directly, you have a right to vote at the Investor Meeting in your own name. To vote, you do not need to attend the Investor Meeting - you can vote through an appointed representative (a 'proxy') who you instruct, which can include the Investor Meeting's chairperson. Use the included Voting Form to do this.

If the Merger is approved by 75% of the votes cast, the Merger will take place on 5 March 2021.

The minimum number of participants for the Investor Meeting is two Investors, which can include Investors represented by a proxy (this minimum number of participants is known as the 'quorum'). At the time of the Investor Meeting, Ninety One will exclude anyone it knows no longer holds shares in the Current Fund from voting or counting in the quorum.

Details of the outcome of the Investor Meeting will be available on our website at www.ninetyone.com/OEICMergerResults shortly after the Investor Meeting.

If the Merger goes ahead

The Merger will be governed by the detailed Merger Terms in Part D. If the proposal is approved, on 5 March 2021, all of the property of the Current Fund will be transferred to the Receiving Fund and we will issue New Shares in place of any Current Shares. Please see Part C for information on the class of shares to be issued if the Merger proceeds. The formula used in calculating an Investor's entitlement to New Shares will be available on www.ninetyone.com as soon as possible after the Effective Date.

If the Merger proceeds, we will apply to the Financial Conduct Authority (FCA) for the termination of the Current Fund.

Dealings in Current Shares

In order to facilitate the Merger, dealings in your Current Fund will be suspended from 12:00 noon on 4 March 2021. We will continue to process requests to buy, sell, switch or convert Current Shares in the normal way until 12:00 noon on the 4 March 2021. If the Merger proceeds, and you send a request after this time, we will treat this as applying to your New Shares issued under the Merger and it will be processed at the next dealing point in the Receiving Fund after the Effective Date. The first dealing point in the Receiving Fund following the Merger, and at which you will be able to deal in your New Shares, is expected to be 8 March 2021.

You will receive confirmation of the New Shares you hold in the Receiving Fund within 14 days of the Effective Date. You may deal in your New Shares before you receive the letter of notification confirming the allocation of New Shares to you.

Any mandates or other standing instructions which you have given us in relation to your Current Shares will automatically apply to the New Shares issued to you under the Merger. If you do not want these mandates to be carried forward, please let us know. You can, of course, change these mandates or instructions at any time.

Treatment of income

The Current Fund's investments generate income. If you hold 'accumulation shares', this income is reflected in the price of your shares. If you hold 'income shares' you will be entitled to be paid the distributable income attributed to such shares on any relevant interim and/or annual allocation dates.

To make it easier to organise the Merger, we will introduce an additional accounting date for the Current Fund at 12:00 noon (UK time) on the Effective Date. This will allow us to allocate any income that has built up between the start of the accounting period and the Effective Date.

If you hold 'accumulation shares', this income will then be reflected in the value of the New Units you receive under the Merger. If you hold 'income shares', this income will be paid to you as soon as reasonably practicable after the Effective Date and in any event within two months of the Effective Date.

Taxation

We would remind investors that Ninety One is not responsible or liable for any personal tax which arises in relation to Investors' dealings in Current Shares, including the Merger.

UK Investors (If you are a Ninety One ISA Holder, see below instead)

This is a summary of our understanding of the current UK legislation and HM Revenue & Customs' practice relevant to UK resident investors regarding the issue of New Shares in relation to the Merger proposal. It may be subject to change.

We do not expect a difference in the tax treatment of your Current Shares and the New Shares.

Based on our understanding of the tax legislation and confirmations from UK tax authorities, the Merger should not involve a 'disposal' of your Current Shares for capital gains tax purposes, whatever the size of your investment. New Shares issued to you under the Merger, should have the same acquisition cost and acquisition date for capital gains tax purposes as your Current Shares.

We do not expect UK stamp duty reserve tax or stamp duty or equivalent overseas taxes to be payable in respect of the transfer of the property of your Current Fund to the Receiving Fund under the Merger.

Any redemption or switch is likely to be treated as a 'disposal' of your Current Shares for tax purposes and may give rise to capital gains tax on any gains arising from the redemption or switch of your Current Shares.

If you are in any doubt about your potential liability to tax, you should consult a professional advisor.

Ninety One ISA Holders

Your Current Shares and the New Shares will both be held within your ISA and are protected from UK tax on their income and capital gains by its tax-exempt status.

Non-UK Investors The tax consequences of the Merger may vary depending on the law and regulations of your country of residence, citizenship or domicile.

**If you are in any doubt about your potential liability to tax,
you should consult a professional advisor.**

Other information available to you

The following documents are all available on our website (www.ninetyone.com):

1. the instrument of incorporation of your Current Fund;
2. the instrument of incorporation of the Receiving Fund;
3. the current prospectus of your Current Fund and Receiving Fund;
4. the key investor information document (KIID) relating to your Current Fund;
5. the latest report and accounts for your Current Fund; and
6. the key investor information document (KIID) relating to the Receiving Fund.

Subject to COVID-19 restrictions, the following documents are available for inspection upon request until the date of the Merger:

1. the confirmation letter from the Financial Conduct Authority; and
2. the confirmation letter from HM Revenue and Customs to Ninety One's legal advisers, Eversheds Sutherland (International) LLP.

Summary of the key milestones (UK time, unless stated otherwise)

18 Dec 2020	The date at which a person must hold shares in order to be eligible to vote (i.e. to qualify as an 'Investor')
--------------------	--

11am on 8 February 2021	The date by which we must receive your Voting Form
------------------------------------	--

11am on 10 February 2021	Investor Meeting
-------------------------------------	------------------

11 February 2021	Outcome of the meeting published on our website
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Additionally, if the Merger is approved by Investors:

12 noon on 4 March 2021	The last point for dealing in your Current Shares
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12 noon on 5 March 2021	The end of the interim accounting period of your Current Fund
------------------------------------	---

12:01pm on 5 March 2021	The point at which the Merger is effective
------------------------------------	--

9:00am on 8 March 2021	The point at which dealing in the New Shares becomes available
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Part C

Comparison of your Current Fund and the Receiving Fund

In this section capitalised terms have the meanings set out in the Glossary

The following tables identify aspects of the Receiving Fund that differ from your Current Fund and sets these out side-by-side.

Investment management

Below we have set out a comparison of various investment management characteristics of your Current Fund and the Receiving Fund. This includes a comparison of the investment objectives and policies where we have aligned equivalent paragraphs where possible for comparability.

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Fund launch date	25 January 1985	2 December 2019
Fund size	£53.3m (as at 30 November 2020)	£304.9m (as at 30 November 2020)
Portfolio managers	Tom Nelson and Graeme Baker	Deirdre Cooper and Graeme Baker
Investment objective and policy	<p>The Fund aims to provide capital growth (to grow the value of your investment) over at least 5 years.</p> <p>The Fund invests primarily (at least two-thirds) in the shares of companies (of any size) around the world involved in the exploration, production or distribution of oil, gas and other energy sources (including renewable energy sources), or companies which service the energy industry, and in related derivatives (financial contracts whose value is linked to the price of the shares of such companies).</p>	<p>The Fund aims to grow the value of your investment and provide income over at least 5 year periods, after allowing for fees.</p> <p>The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions).</p>

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Investment objective and policy cont.	<p>Investment opportunities are identified using macroeconomic research (based on a view of the economy as a whole) and research on individual companies.</p> <p>The Fund may also invest in other transferable securities, money market instruments, cash or near cash, deposits, up to 10% in other funds (which may be managed by a Ninety One group company, or a third party) and derivatives. Derivatives may be used for managing the Fund in a way that is designed to reduce risk or cost, generating income or growth with a low level of risk and, occasionally, investment purposes.</p>	<p>This means the Investment Manager focuses on identifying companies whose products, technologies and/or services avoid carbon, relative to their industry peers. These companies are typically committed to renewable energy, resource efficiency and/or electrification (the process of powering by electricity by switching from other power sources).</p> <p>This approach means that not all companies in the portfolio will have low absolute levels of carbon emissions as the company's shares may be selected because the Investment Manager believes the company contributes to sustainable decarbonisation in another way. The Fund does not place a time limit on an investment in the shares of a company and may remain invested in the shares of companies that do not reduce their absolute carbon emissions, provided that the company continues to meet the criteria set out above.</p> <p>These companies may be located anywhere in the world, be of any size and operate within any industry sector. The Fund may, at times, invest in a relatively small number of companies.</p> <p>The Fund may invest in other transferable securities (e.g. shares and bonds), money market instruments, cash or near cash, deposits, units or shares in other funds (up to 10%) (which may be managed by the Investment Manager, one of its affiliates or a third party) and derivatives (for investment purposes and/or managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth with a low level of risk).</p>

	Your Current Fund Global Energy Fund, a sub-fund of Ninety One Funds Series ii	The Receiving Fund Global Environment Fund, a sub-fund of Ninety One Funds Series iii
Key risks disclosed in prospectus	Commodities Derivatives Emerging Markets Equity Investments Investment in China Sector and / or geography Stock Connect	China tax Commodities Concentration Derivatives Emerging Markets Equity Investment Investment in China RQFII Sector and / or geography Stock Connect
Synthetic Risk Reward Indicator	6 out of 7	6 out of 7
Comparator benchmark	MSCI AC World Energy + Global Environment ex Select GICS 10-40 Net Return	MSCI AC World Net Return
Investment Association sector	Investment Association Specialist Sector	Investment Association Global Sector

Share classes

In the table below, we have set out the various Current Shares in issue in your Current Fund and the corresponding New Shares that will be issued to Investors in that class if the Merger proceeds. Any variations in eligibility criteria that are more stringent in the Receiving Fund will be waived for New Shares issued under the Merger.

	Your Current Fund Global Energy Fund		The Receiving Fund Global Environment Fund	
Available share classes	A, Acc, GBP		A, Acc, GBP	
	A, Acc, USD		A, Acc, USD	
	I, Acc, GBP		I, Acc, GBP	
	I, Inc, GBP		I, Inc, GBP	
	R, Acc, GBP		R, Acc, GBP	
	S, Acc, GBP		S, Acc, GBP	
Minimum initial investment / minimum holding	A, Acc, GBP	£1,000	A, Acc, GBP	£1,000
	A, Acc, USD	\$100,000	A, Acc, USD	\$100,000
	I, Acc, GBP	£1,000,000	I, Acc, GBP	£1,000,000
	I, Inc, GBP	£1,000,000	I, Inc, GBP	£1,000,000
	R, Acc, GBP	£1,000	R, Acc, GBP	£1,000
	S, Acc, GBP	£100,000,000	S, Acc, GBP	£100,000,000
Minimum subsequent investment / minimum redemption	A, Acc, GBP	£500	A, Acc, GBP	£500
	A, Acc, USD	\$10,000	A, Acc, USD	\$10,000
	I, Acc, GBP	£250,000	I, Acc, GBP	£250,000
	I, Inc, GBP	£250,000	I, Inc, GBP	£250,000
	R, Acc, GBP	£500	R, Acc, GBP	£500
	S, Acc, GBP	£1,000,000	S, Acc, GBP	£1,000,000
Ongoing charges figure (latest)	A, Acc, GBP	1.75%	A, Acc, GBP	1.65%
	A, Acc, USD	1.75%	A, Acc, USD	1.65%
	I, Acc, GBP	0.99%	I, Acc, GBP	0.90%
	I, Inc, GBP	0.97%	I, Inc, GBP	0.90%
	R, Acc, GBP	1.25%	R, Acc, GBP	1.15%
	S, Acc, GBP	0.25%	S, Acc, GBP	0.15%
Annual Management Charge	A, Acc, GBP	1.50%	A, Acc, GBP	1.50%
	A, Acc, USD	1.50%	A, Acc, USD	1.50%
	I, Acc, GBP	0.75%	I, Acc, GBP	0.75%
	I, Inc, GBP	0.75%	I, Inc, GBP	0.75%
	R, Acc, GBP	1.00%	R, Acc, GBP	1.00%
	S, Acc, GBP	0.00%	S, Acc, GBP	0.00%

ISINs

The following ISINs are affected by the Merger.

Your Current Fund Global Energy Fund		The Receiving Fund Global Environment Fund	
Share class	ISIN	Share class	ISIN
A, Acc, GBP	GB00B049P968	A, Acc, GBP	GB00BMXZ8565
A, Acc, USD	GB00B04C4877	A, Acc, USD	GB00BMXZ8672
I, Acc, GBP	GB00B049PC91	I, Acc, GBP	GB00BKT89K74
I, Inc, GBP	GB00BMMVFQ59	I, Inc, GBP	GB00BMXZ8896
R, Acc, GBP	GB00B7K27Y73	R, Acc, GBP	GB00BKT89M98
S, Acc, GBP	GB00B1FQHB91	S, Acc, GBP	GB00BKT89N06

Other features

For completeness we have set out a few final comparisons between your Current Fund and the Receiving Fund.

	Your Current Fund Global Energy Fund	The Receiving Fund Global Environment Fund
Legal vehicle (umbrella)	Ninety One Funds Series ii	Ninety One Funds Series iii
Fund reference currency	GBP	GBP
Fund valuation point	12:00 UK time	12:00 UK time
Financial year end	31 December	28/29 February

Part D

Merger terms

In this section capitalised terms have the meanings set out in the Glossary

The following section sets out the legal process for the Merger.

1. Definitions and interpretation

- 1.1 References to paragraphs are to paragraphs of these Merger Terms.
- 1.2 The Glossary is deemed to form part of these Merger Terms.
- 1.3 If there is any conflict between these Merger Terms and the Current Fund's constitutional documents, then these Merger Terms will prevail.

2. Approval of Investors

- 2.1 The Merger will only take place if the Merger itself, and these Merger Terms, are approved by an extraordinary resolution of Investors.
- 2.2 If the extraordinary resolution referred to at 2.1 is passed, the Merger will be binding on all Investors (whether or not they voted in favour of it, or voted at all) and the Merger Terms will be carried out as set out in the following paragraphs.

3. Effective Date

If approved by Investors, Ninety One intends for the Merger to become effective on the Effective Date (5 March 2021).

4. Type of merger

The Merger is a scheme of arrangement within the meaning of Chapter 7.6 of the FCA's Collective Investment Schemes sourcebook.

5. Last dealings in the Current Fund

- 5.1 The last dealing in Current Shares will be at 12 noon on the 4 March 2021.

- 5.2 Any dealing instructions received after 12 noon on the 4 March 2021 will be held over until the next valuation point of the Receiving Fund after the Effective Date (which will be 9:00am on 8 March 2021) and will be deemed to apply to the New Shares in the Receiving Fund.

6. Income allocation and distribution arrangements

- 6.1 The additional interim accounting period of the Current Fund will end at 12 noon on the Effective Date.
- 6.2 All income (actual or estimated) that has accrued in the interim accounting period and is:
 - 6.2.1 available for allocation in relation to accumulation shares, will be transferred to the capital account of the Current Fund, allocated to the accumulation shares, and reflected in the value of those shares (and used to calculate the number of the new shares in the Receiving Fund under the Merger); and
 - 6.2.2 available for distribution in relation to income shares, will be allocated to the income shares, transferred to the distribution account, and, within two months, distributed to Investors.
- 6.3 Any interest earned on income while held by State Street as the depositary of the Current Fund, will be treated as the property of the Current Fund but will not increase the number of New Shares to be issued in the Receiving Fund under the Merger.

7. Calculation of the Current Fund value and the Receiving Fund value

- 7.1 Based on valuations made in accordance with the respective instruments of incorporation and prospectus of the Current Fund and the Receiving Fund:
- 7.1.1 the value of the property of the Current Fund will be calculated as at 12 noon on the Effective Date; and
- 7.1.2 the value of the property of the Receiving Fund will be calculated as at 12 noon on the Effective Date.
- 7.2 The value of the Current Fund and the value of the Receiving Fund will be used to calculate the number of New Shares to be issued to each Investor (under paragraphs 8 and 9 below).

8. Transfer of property from the Current Fund to the Receiving Fund and issue of New Shares

- 8.1 Ninety One will, in consultation with the Depositary, calculate an amount necessary to meet the actual and contingent liabilities of the Current Fund after the Merger (the **Retained Amount**). The Retained Amount is to be retained by State Street as depositary of the Current Fund for the purposes of discharging those liabilities.
- 8.2 The property of the Current Fund will become part of the property of the Receiving Fund in exchange and in full payment for the issue of New Shares. State Street will cease to hold the property of the Current Fund (less the Retained Amount) as attributable to the Current Fund, and will hold the property as attributable to the Receiving Fund and State Street will ensure that any necessary transfers or re-designations are carried out.
- 8.3 Ninety One will arrange New Shares to be issued to Investors (who are registered as holding Current Shares on the Effective Date) free of any initial charge. The type of New Shares to be issued is detailed in the Investor Mailing.

- 8.4 All Current Shares will be deemed to be cancelled and will cease to be of any value as at 12:01 p.m. on the Effective Date.

- 8.5 Investors will be treated as exchanging their Current Shares for New Shares.

9. Basis for the issue of New Shares

- 9.1 The price of New Shares to be issued under these Merger Terms will be the price based on the Receiving Fund value as at 12 noon on the Effective Date.
- 9.2 New Shares of the appropriate class and type (as noted in the “Merger Proposal Information Pack” dated 6 January 2021) will be issued to each Investor invested in the Current Fund in proportion to that Investor’s individual entitlement to the Current Fund value as at 12 noon on the Effective Date.
- 9.3 The formula used in calculating an Investor’s entitlement to New Shares will be available on www.ninetyone.com.
- 9.4 The number of New Shares to be issued to each Investor will (if necessary) be rounded up to the nearest denomination of shares at the expense of Ninety One (which will, within four business days of the Effective Date, accordingly pay into the Receiving Fund an amount equal to the value of the additional shares issued as a result of the rounding up).
- 9.5 Compared to the number of Current Shares held in the Current Fund, Investors may be issued with a different number of New Shares in the Receiving Fund, but these will total the same value.

10. Notification of the New Shares issued under these Merger Terms

- 10.1 Certificates will not be issued in respect of New Shares.
- 10.2 Ninety One intends to notify each Investor (or, in the case of joint holders, the first named holder on the register) of the number and class of New Shares in the Receiving Fund issued to that Investor within 14 days following the Effective Date.
- 10.3 Transfers or redemptions of New Shares in the Receiving Fund issued under these Merger Terms may be carried out from the next business day after the Effective Date.

11. Mandates and other instructions in respect of New Shares

Mandates and other instructions to Ninety One that are in force on the Effective Date in respect of Current Shares will be deemed to be effective in respect of shares in the Receiving Fund following the Merger. Investors may change these mandates or instructions at any time.

12. Termination of the Current Fund

- 12.1 After the Merger has taken place, Ninety One will make arrangements to terminate the Current Fund.
- 12.2 The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it, will be used by State Street to pay any outstanding liabilities of the Current Fund in accordance with the directions and instructions of Ninety One and the provisions of the instrument of incorporation and the Prospectus of the Current Fund and any applicable laws or regulations.
- 12.3 If, on the completion of the termination of the Current Fund, there are any surplus monies remaining in the Current Fund, they, together with any income that has arisen, will be transferred to the Receiving Fund. No further issue of shares in the Receiving Fund will be made as a result. State

Street will cease to hold the Retained Amount in its capacity as depositary of the Current Fund and will make any transfers and re-designations as Ninety One may direct or instruct.

- 12.4 If the Retained Amount is insufficient to discharge all the liabilities of the Current Fund, State Street will, if permitted by applicable laws and regulations, be entitled to pay the amount of the shortfall out of the scheme property of the Receiving Fund if directed to do so by Ninety One.
- 12.5 On completion of the termination of the Current Fund, State Street and Ninety One will be discharged from all their obligations and liabilities in respect of the Current Fund, except those arising from a breach of duty before that time. Termination accounts in respect of the Current Fund will be drawn up and will be made available to Investors on request.
- 12.6 If, after the completion of the termination of the Current Fund, contingent assets arise that were not recognised (or were only partly recognised by Ninety One and State Street at the time of the Effective Date), those assets will be transferred to the Receiving Fund less any costs that Ninety One or State Street might incur in securing these assets for the Current Fund.

13. Costs, charges and expenses

- 13.1 Up to the Effective Date, Ninety One and State Street will continue to receive their usual fees and expenses out of the property of the Current Fund for being (respectively) the manager and depositary of the Current Fund.
- 13.2 The legal, administrative and accounting costs associated with the Merger will be borne by the General Administration Charge. The Current Fund will pay the cost of changing the composition of its portfolio to fit the Receiving Fund.

14. Ninety One and State Street to rely on register

- 14.1 Ninety One and State Street are entitled to assume that all information contained in the register of Investors of the Current Fund on the Effective Date is correct, and will use that information to calculate the number of New Shares in the Receiving Fund to be issued and registered under these Merger Terms.
- 14.2 Ninety One may act and rely on any certificate, opinion, evidence or information provided to it by its professional advisers or by the auditors of the Current Fund in connection with these Merger Terms and will not be liable or responsible for any resulting loss.

15. Impact on the Receiving Fund

The Merger will cause the net asset value and number of New Shares in the Receiving Fund to increase. Other than this, there is no expected impact on the Receiving Fund.

16. Alterations to these Merger Terms

These Merger Terms may be amended by Ninety One with the consent of State Street.

17. Governing law

These Merger Terms are governed by and will be construed in accordance with the laws of England and Wales.

Part E

Glossary

“Current Fund”

Global Energy Fund, which is a sub-fund of Ninety One Funds Series ii

“Current Shares”

shares in the Current Fund

“Effective Date”

5 March 2021

“General Administration Charge”

has the meaning set out in the current prospectus the Current Fund and Receiving Fund

“Investor”

each person who holds Current Shares (as at 18 December 2020) and who, for the purposes of the Merger Terms only, remains a shareholder until the Effective Date

“Investor Meeting”

the extraordinary general meeting of Investors described in the Meeting Notice

“Information Pack”

this document (the merger proposal information pack)

“Meeting Notice”

the meeting notice labelled “Attachment 1” calling attention to the extraordinary general meeting of Investors on 10 February 2021

“Merger”

the scheme of arrangement under which property of the Current Fund is transferred to the Receiving Fund in exchange for an issue of New Shares

we also refer to ‘Merged’ which has a corresponding meaning

“Merger Terms”

the technical and legal terms governing the Merger set out in Part D

“New Shares”

shares in the Receiving Fund issued under the Merger

“Ninety One”

Ninety One Fund Managers UK Limited as the authorised fund manager of the Current Fund and the Receiving Fund

“Ninety One ISA Holder”

each person who holds Current Shares (as at 18 December 2020) in a Ninety One ISA

“Receiving Fund”

Global Environment Fund, which is a sub-fund of Ninety One Funds Series iii

“State Street”

as the context requires, either State Street Trustees Limited:

- (a) as depositary of the Current Fund;
- or
- (b) as depositary of the Receiving Fund.

“Voting Form”

the voting form included as Attachment 2

Attachment 1

Notice of meeting of Investors of Global Energy Fund

| Please read the notes on the following page.

Notice of an extraordinary general meeting of Global Energy Fund

This document notifies you that Ninety One Fund Managers UK Limited will hold an extraordinary general meeting of the shareholders of Global Energy Fund, a sub-fund of Ninety One Funds Series ii at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time). The purpose of the meeting is to consider the extraordinary resolution below and, if shareholders agree, to pass it.

Extraordinary resolution:

THAT, the scheme of arrangement (the 'Merger') between **Global Energy Fund**, a sub-fund of Ninety One Funds Series ii and **Global Environment Fund**, a sub-fund of Ninety One Funds Series iii, the terms of which are set out in the 'merger proposal information pack' dated 6 January 2021, is hereby approved and that Ninety One Fund Managers UK Limited (as authorised corporate director) is instructed, and State Street Trustees Limited (as depositary) is authorised, to implement the Merger in accordance with its terms.

Ninety One Fund Managers UK Limited

as authorised corporate director of Global Energy Fund,
a sub-fund of Ninety One Funds Series ii

Issued on 6 January 2021

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf or if they are a Ninety One ISA Investor, to instruct Ninety One as to how to vote on their behalf.

Notes:

1. A shareholder who is entitled to attend and vote at the extraordinary general meeting can appoint someone to attend the meeting as their representative and vote instead of them (a proxy). The proxy does not need to be a shareholder.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf by returning the enclosed Voting Form for direct Investors.

Please note that Ninety One ISA holders do not hold shares in their own name but can instruct Ninety One to vote on their behalf by completing the Voting Form for Ninety One ISA Investors.

2. An appropriate Voting Form is attached. Shareholders / Ninety One ISA holders are requested to complete and return it in the reply paid envelope or by email to ninetyone@paragon-cc.co.uk so that it arrives at Ninety One Fund Managers UK Limited not less than 48 hours before the time appointed for the holding of the meeting. Voting Forms will only be valid if properly and fully completed in accordance with the instructions on the form and accompanying notes.
3. In the case of joint shareholders, the vote of a senior shareholder who tenders a vote (whether at the meeting or by proxy) will be accepted to the exclusion of the votes of the other joint shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders.
4. The minimum number of participants (quorum) for a meeting of shareholders is any two shareholders attending the meeting, or represented by proxy.
5. The depositary of Global Energy Fund has appointed a duly authorised representative of Ninety One, to be chairperson for the Investor Meeting. In the event of (i) a tied vote at the Investor Meeting; or (ii) the Investor Meeting being duly convened with a quorum present but at which no investors vote, the chairperson will be entitled to a casting vote. It is expected that any such casting vote would be exercised in favour of the resolution.
6. A shareholder entitled to more than one vote does not have to use any or all of their votes or cast all of their votes in the same way.
7. The majority required for the passing of the extraordinary resolution is 75 percent or more (weighted by investment value) of the total of votes cast (whether for or against the resolution).
8. At the meeting, the vote will be taken by poll. On a poll, each share's voting rights is determined by that share's price in relation to the total price of all shares.
9. Ninety One may, if necessary, postpone (or 'adjourn') or cancel the extraordinary general meeting. Any decision to postpone the extraordinary general meeting will be published on www.ninetyone.com. Unless otherwise specified, the replacement general meeting to consider the extraordinary resolution will be held at 55 Gresham Street, London, England, EC2V 7EL on 12 February 2021 at 10am (UK time).

Attachment 2

Voting form direct



Previously Investec
Asset Management

Please read the notes on the following page.

This voting form (or form of proxy) is for use at the meeting of shareholders of Global Energy Fund, a sub-fund of Ninety One Funds Series ii to be held at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time).

Before filling in this form read the 'merger proposal information pack' dated 6 January 2021 and the notes on the next page.

Name (See Note 6)

Address(es) (See Note 6)

Client Account Number

Your proxy

Tick the appropriate box to choose your representative (proxy) for the meeting and at any adjournments of it (see Note 1):

The meeting Chairperson (default) ☐ ←

The person named below ☐ ←

Representative's name and address

Vote

Tick the appropriate box to indicate how your representative (proxy) should vote in respect of the resolution.

In respect of the resolution set out in the meeting notice, I direct my representative (proxy) to vote as follows (see Notes 2 and 3).

For the resolution ☐ ←

Against the resolution ☐ ←

Please complete and return this voting form to us by 11am (UK time) on 8 February 2021 via email to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

Signature(s) (see Notes 4, 5 and 6)

Date

Notes:

For your vote to count, this Voting Form must be properly completed and received no later than 11am on 8 February 2021. If you do not return this form (or do not complete it properly), your representative (proxy) will not be able to vote on your behalf, and your vote may not count.

Please return the form via email to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST using the enclosed reply paid envelope.

1. Please indicate whether you wish to appoint the meeting chairperson or another person as your representative (proxy) for the Investor Meeting. The person you choose does not need to be a shareholder but must attend the Investor Meeting to represent you. If you do not make a selection, by default the chairperson will be appointed as your proxy.

PLEASE NOTE: Due to concerns surrounding the safety of shareholders in light of the COVID-19 pandemic, shareholders are not expected to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf. If you designate a person other than the chairperson as your proxy, they may not be able to attend the meeting in person and therefore your vote may not be counted.

2. Please indicate how you wish to vote in relation to the resolution. If this form is signed and returned without instructions for voting, the representative (proxy) is able to vote or abstain from voting as they see fit.
3. Voting on the resolution will be by a 'poll' and your rights to vote relate to the value your shares bear in proportion to all of the shares in issue. You do not have to use all of your voting rights or vote them all in the same way. Please contact Ninety One (using the contact details provided in the Information Pack sent to you) if you want to split your votes.
4. If this Voting Form is signed under an authority, we can only validate it if you provide the authority (or a notarially certified copy of it) to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.
5. A body corporate (such as a company) must execute this Voting Form under seal or have it signed by an officer (who is authorised in writing to sign it).
6. In the case of joint shareholders, please ensure that all signatures and all names and addresses are included in the Voting Form.

A Voting Form may be revoked only with the consent of Ninety One.

Attachment 2

Voting form ISA



Previously Investec
Asset Management

Please read the notes on the following page.

This voting form (or form of direction) is issued in relation to the meeting of shareholders of Global Energy Fund, a sub-fund of Ninety One Fund Series ii to be held at 55 Gresham Street, London, England, EC2V 7EL on 10 February 2021 at 11am (UK time).

Ninety One ISA investors who beneficially own shares in the Global Energy Fund can use this form to instruct Ninety One as to how they wish their shares to be voted.

Before filling in this form read the 'merger proposal information pack' dated 6 January 2021 and the notes on the next page.

Name

Address

Client Account Number

Vote

In respect of the resolution set out in the meeting notice, I instruct Ninety One to vote as follows (see Notes 1 and 2).

For the resolution

☐ ←

Against the resolution

☐ ←

Please complete and return this voting form to us by 11am (UK time) on 8 February 2021 via email to ninetyone@paragon-cc.co.uk or by post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

Signature(s) (see Notes 3)

Date

Notes:

For your vote to count, this Voting Form must be properly completed and received no later than 11am on 8 February 2021. If you do not return this form (or do not complete it properly), your vote may not count.

Please return the form via email to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST using the enclosed reply paid envelope.

1. Please indicate how you wish Ninety One to vote in relation to the resolution. If this form is signed and returned without instructions for voting, it will be invalid.
2. Voting on the resolution will be by a 'poll' and your instructions to vote relate to the value your shares bear in proportion to all of the shares in issue. You do not have to instruct us to use all of your voting rights or vote them all in the same way. Please contact Ninety One (using the contact details provided in the Information Pack sent to you) if you want to split your votes.
3. If this Voting Form is signed under an authority, we can only validate it if you provide the authority (or a notarially certified copy of it) to ninetyone@paragon-cc.co.uk or post to Ninety One Fund Managers UK Limited, Pallion Trading Estate, Sunderland, SR4 6ST.

A Voting Form may be revoked only with the consent of Ninety One.



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The registered office of Ninety One Fund Managers UK Limited is 55 Gresham Street, London, EC2V 7EL. Ninety One Fund Managers UK Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No. 2392609.