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Investec Funds Series ii A UK based Investment Company

Interim short report | For the period ended 30 June 2013

Out of the Ordinary®

Investec
Asset Management

Contents

Investec Funds Series ii

Short report for the period ended 30 June 2013

Introduction

Our commitment to you

Our objective is to deliver superior returns from distinctive funds that satisfy a range of investment objectives and always to provide 'out of the ordinary' service. We know that we cannot guarantee results in the short term. What we can promise is that we will give our very best every step of the way.

Interim short report

The short report for the **Investec Funds Series ii** is sent to you twice a year in **February** and **August**. A longer version, the long form Report and Accounts, is also produced and is available upon request. We do not automatically send this out to save the funds the postage costs of a weighty publication. Both the short and the long reports are also available on our website www.investecassetmanagement.com.

This short report contains key information on each fund in turn. This includes a description of the fund's investment objective and policy, a record of its performance over the reporting period and how it is being invested and managed. We also outline the risk and reward profile, costs that have been incurred and an outlook for the asset class or market. We hope that you find the report interesting and helpful.

Up to date fund prices along with our fund charting tool are available online at www.investecassetmanagement.com.

If you hold shares in any of the sub-funds in Investec Funds Series i, Investec Funds Series iii or Investec Funds Series iv, the next short reports will be sent to you towards the end of the months stated below:

Investec Funds Series i November 2013	Investec Funds Series iii October 2013	Investec Funds Series iv January 2014
Cautious Managed Fund	Emerging Markets Local Currency Debt Fund	Capital Accumulator Fund
Diversified Income Fund[1]	Global Bond Fund	Diversified Growth Fund
Enhanced Natural Resources Fund	Global Dynamic Fund	Emerging Markets Blended Debt Fund
Managed Growth Fund	Global Equity Fund	Emerging Markets Equity Fund
Strategic Bond Fund	Global Gold Fund	Global Franchise Fund
UK Alpha Fund		Global Special Situations Fund
UK Blue Chip Fund		Multi-Asset Protector Fund
UK Smaller Companies Fund		Multi-Asset Protector Fund 2
UK Special Situations Fund		Target Return Fund

Please do not hesitate to call us on **020 7597 1900** if you have any questions.

Telephone calls may be recorded for training and quality assurance purposes.

[1]Previously known as the Managed Distribution Fund.

Performance overview

	6 months to 30.06.13	5 years to 30.06.13	Calendar years 2012	2011	2010	2009	2008
Fund versus IMA or Lipper sector (as appropriate)							
Investec American Fund[(1)]	21.8	41.2	-0.8	-13.9	13.9	29.7	-22.1
IMA North America	*21.9*	*66.1*	*7.5*	*-1.9*	*17.7*	*19.1*	*-18.5*
Investec Asia ex Japan Fund[(1)]	1.4	58.2	16.5	-15.3	31.3	54.6	-36.2
IMA Asia Pacific Excluding Japan	*2.1*	*50.2*	*16.7*	*-16.4*	*21.4*	*52.4*	*-33.2*
Investec European Fund[(4)]	n/a	n/a	24.5	-17.2	14.2	19.2	-31.1
IMA Europe Excluding UK	*12.1*	*24.1*	*19.0*	*-15.6*	*8.4*	*19.4*	*-24.6*
Investec Global Energy Fund[(1)]	7.4	-5.9	-2.9	-12.9	15.0	34.3	-25.7
IMA Specialist	*-1.4*	*15.0*	*8.2*	*-15.7*	*18.1*	*34.8*	*-25.8*
Investec Global Free Enterprise Fund[(1)]	16.3	36.6	12.9	-8.8	15.0	19.4	-30.2
IMA Global	*13.7*	*34.8*	*9.8*	*-9.5*	*15.5*	*22.8*	*-24.3*
Investec Monthly High Income Fund[(2)]	-1.3	39.0	17.5	-5.3	11.4	43.0	-22.6
IMA £ High Yield	*0.5*	*40.9*	*18.2*	*-4.2*	*10.6*	*45.9*	*-25.7*
World market indices							
Bank of America Merrill Lynch European Currency Non-Financial High Yield Constrained (Hedged GBP)[(3)]	1.7	84.3	26.0	-2.7	16.3	78.3	-31.4
MSCI AC Asia ex Japan NDR	1.0	55.7	17.0	-16.7	23.4	53.2	-34.1
MSCI Europe ex UK NDR	10.6	17.2	16.0	-14.6	4.8	18.0	-24.6
MSCI AC World NDR (MSCI World NR pre 01.01.11)	13.7	44.2	11.0	-6.7	15.3	15.7	-17.9
MSCI AC World Energy NDR (MSCI World Energy NDR pre 01.09.12)	7.0	8.3	-1.5	0.9	15.4	12.4	-14.2
S&P 500 NDR	21.6	78.1	10.2	2.2	18.0	11.8	-13.4

All figures shown are percentages for the stated period. Past performance should not be taken as a guide to the future and there is no guarantee that this investment will make profits. Returns will vary with market movement, fee levels and taxes and in certain market conditions losses may be exaggerated.

Source: Lipper, total return, net of UK basic rate tax, no initial charges, net of fees in GBP. Index shown for performance comparison purposes only.

(1) 'A' net accumulation shares, (2) 'A' net income shares,
(3) Pre 01.06.12 index was the Merrill Lynch European Currency High Yield Constrained (Hedged GBP)
(4) Following the approval of shareholders at an EGM held 7 December 2012, the European Fund was merged into the Global Franchise Fund (a sub-fund of Investec series iv) on 4 January 2013. As such, we cannot show returns to 30.06.13.

The performance of other sub-fund 'A', 'B', 'I', or 'S' share classes would be similar to that of the above share classes but will differ according to the taxation and fees charged.

American Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of US companies and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	28 February

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
\`A\` Class - accumulation	1.62	1.62
\`A\` Class - accumulation GBP hedged	1.67	1.67
\`A\` Class - accumulation USD	1.62	1.62
\`B\` Class - accumulation	1.37	1.37
\`I\` Class - accumulation	0.87	0.87
\`R\` Class - accumulation*	1.11	n/a
\`S\` Class - accumulation	0.12	0.12

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions as at 30.06.13	Distributions as at 30.06.12
'A' Class – accumulation	-	-
'A' Class – accumulation GBP Hedged	-	-
'A' Class – accumulation USD	-	-
'B' Class – accumulation	-	-
'I' Class – accumulation	-	-
\`R\` Class - accumulation	-	-
'S' Class – accumulation	-	-

Performance

Share class	Net Asset Value per share as at 30.06.13	Net Asset Value per share as at 31.12.12
'A' Class – accumulation	182.07p	149.70p
'A' Class – accumulation GBP Hedged	140.75p	123.06p
'A' Class – accumulation USD	277.54c	242.02c
'B' Class – accumulation	186.26p	152.97p
'I' Class – accumulation	117.00p	95.85p
\`R\` Class - accumulation	119.37p	n/a
'S' Class – accumulation	136.40p	111.34p

c = cent

p = pence

Share price range

American Fund 'A' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	189.55	176.28	186.66
Lowest Price	152.89	143.20	134.54
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	176.48	157.02	152.55
Lowest Price	143.85	96.75	95.59
Net revenue per accumulation share	-	0.74	0.20

American Fund 'A' Class (Accumulation shares) (GBP Hedged)(1)

Calendar year	2013†	2012	2011
Highest Price	145.44	141.54	153.42
Lowest Price	126.13	112.46	104.86
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	137.96	126.10	-
Lowest Price	112.60	96.87	-
Net revenue per accumulation share	-	0.43	-

American Fund 'A' Class (USD Accumulation shares)(2)

Calendar year	2013 †	2012	2011
Highest Price	286.90	254.75	-
Lowest Price	249.20	221.77	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

American Fund 'B' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	193.86	179.77	189.83
Lowest Price	156.21	146.11	137.04
Net revenue per accumulation share	-	0.32	-
	2010	2009	2008
Highest Price	179.41	159.23	153.75
Lowest Price	146.11	97.80	96.56
Net revenue per accumulation share	0.02	1.07	0.56

American Fund 'I' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	121.70	112.21	117.88
Lowest Price	97.88	91.30	85.34
Net revenue per accumulation share	-	0.71	0.15
	2010	2009	2008
Highest Price	111.37	98.61	94.80
Lowest Price	90.62	60.48	59.67
Net revenue per accumulation share	0.27	0.87	0.55

American Fund 'R' Class (Accumulation shares)(3)

Calendar year	2013†	2012	2011
Highest Price	124.21	-	-
Lowest Price	100.00	-	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

American Fund 'S' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	141.77	129.58	134.97
Lowest Price	113.70	105.60	98.21
Net revenue per accumulation share	-	1.72	1.15
	2010	2009	2008
Highest Price	127.32	111.59	105.33
Lowest Price	103.28	67.91	66.81
Net revenue per accumulation share	1.42	1.82	1.51

† Up to 30 June 2013

(1) Launched 7 May 2009

(2) Launched 8 May 2012

(3) Launched 2 January 2013

Performance record

The 'A' shares of the Fund returned 21.8% in the six months to 30 June 2013*. Over the same period the Standard & Poor's 500 Index returned 21.6% while the IMA North America sector returned 21.9%**.

Avon Products, a strong contributor in the period under review, has been a troubled beast in recent years, and so the recent strength in its share price has brought welcome relief. We believe Avon has suffered from a protracted period of poor management strategy and execution. Against its peers, Avon's top-line growth has disappointed and its profitability has deteriorated. Despite this, it remains a leading player in an attractive industry. With its new management team the company has the potential to embark on a long-term turnaround story. Data from Euromonitor, the strategy researcher for consumer markets, shows that, with the exception of North America, direct selling is taking an ever larger share of total retail sales in beauty and personal care. While recovery can never be guaranteed, we see the likelihood of significant share price appreciation if the company begins to close the gap on its competitors.

We believed troubled computer maker Dell could perform relatively well against its arch rival, Hewlett Packard, which it did, but only because Hewlett Packard developed problems of its own. Both companies have struggled in a competitive world that has simply moved too fast for them. Dell is now on the verge of being taken private, and if this happens we will not benefit from the upside that we felt was there.

Gold shares were a drag on performance. Having already come under significant pressure, in terms of cost discipline and capital allocation, historically low valuations provided no support for the slump in the gold price. The second quarter of 2013 witnessed the worst performance by gold since the link between it and the dollar was cut in the early 1970s. Our overall underweight position in precious metal equities contributed positively to relative performance. With the gold price down 23% over the second quarter the associated equities fell 37% as the market became concerned about the future prospects of many high cost operations weighing down the performance of these companies.

Significant purchases (2% of Net Asset Value and above) during the period comprised:
Carnival, WellPoint, Washington Federal.

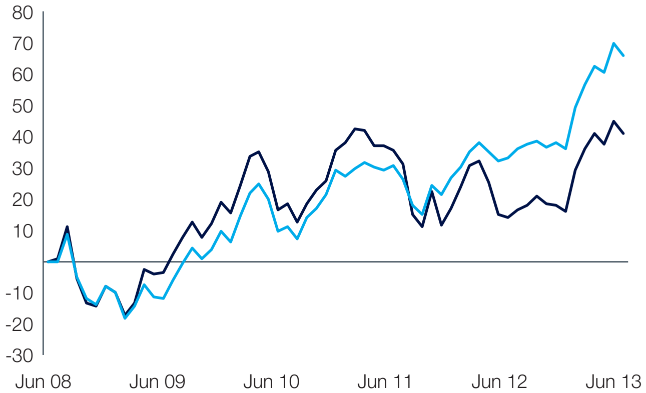
Significant sales (2% of Net Asset Value and above or minimum of five holdings) during the period comprised:
Symantec, Pfizer, Valero Energy, MDC Holdings, Expedia.

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, income share class (inc), net of fees in sterling.

**Index shown for performance comparison purposes only.

American Fund (continued)

5 year performance graph (%)



American Fund 'A' Acc Shares:	41.2%
IMA North America Sector:	66.1%

Past performance will not necessarily be repeated.

Source: Lipper, 30.06.08 to 30.06.13, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA sector shown for performance comparison only.

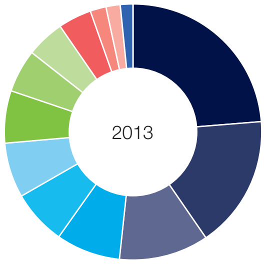
Portfolio analysis

Top 10 holdings (%)

Security	30.06.13
Medtronic	5.6
Zimmer	4.7
Carnival	4.5
Merck & Co	4.4
Cisco Systems	4.3
Washington Post	4.3
Avon Products	4.0
Johnson & Johnson	3.8
Wal-Mart Stores	3.6
Northrop Grumman	3.5

Security	31.12.12
Pfizer	4.8
Medtronic	4.7
Zimmer	4.4
Merck & Co	4.0
Cisco Systems	3.6
Newmont Mining	3.4
Washington Post	3.4
Wal-Mart Stores	3.4
Johnson & Johnson	3.2
MDC Holdings	3.2

Investments (%)



	30.06.13	31.12.12
Health Care	23.7	21.0
Technology	16.7	18.1
Travel & Leisure	11.3	8.7
Retail	8.1	6.8
Media	6.9	5.4
Personal & Household Goods	6.9	7.6
Net other assets	6.6	8.2
Industrial Goods & Services	5.4	4.6
Oil & Gas	4.8	6.4
Basic Resources	4.2	8.4
Food & Beverage	2.0	3.0
Utilities	1.8	1.8
Banks	1.6	-

Outlook

While US corporate profitability has deteriorated in recent quarters, it remains well above historical 'norms'. The long-held belief that the 'profitability mean' will revert, has been seriously challenged over the past decade or so, yet believing in new paradigms tends to have painful consequences. Globalisation, and its impact on unit labour costs, is often held up as a good example of permanently higher margins. While it might seem churlish to question this trend, it is not immediately obvious that, over time, these savings will not get competed away. Other consensual drivers of improved profitability include lower interest rates and lower tax rates.

But, as we showed last year, the most significant driver of corporate profitability in recent years has been the increase in fiscal deficits (the rationale being that profitability is enhanced when the public or private sector spends borrowed money). In this light, it seems more than coincidental that margins have contracted at the same time as a dramatic reduction in the budget deficit, from -9.5% of GDP in the first quarter of 2011 to -5.7% in the same period of 2013. So although reduced deficit spending sounds good from an economic point of view, it is a headwind for corporate margins.

With another US earnings season upon us, attention will turn away from central bankers – as much as it can – and toward chief executives. We expect earnings announcements to be benign in aggregate, but only because of the growing trend for negative preannouncements.

Meanwhile, the S&P 500 is enjoying a historically elevated valuation as well as margin. Our stockpicking approach is to seek out companies with depressed margins trading on derated price to earnings multiples – a style we believe may be all the more necessary, given our view that the market as a whole offers little in the way of a margin of safety.

The opinions expressed herein are as at July 2013.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 **6** 4 5 7

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift` over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears at the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The investments of the Fund are primarily concentrated in one country. This may mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- Changes between the values of different international currencies may adversely affect the value of the Fund's investments and any related income.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series ii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for the long form Report and Accounts of the OEIC.

Other information

Changes during the accounting period:

- American, R Accumulation Net, GBP share class was launched on 2 January 2013.

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FSA (now 'FCA') approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, to defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the shareholder requesting the conversion as soon as practicable and will discuss with the shareholder the timing for the completion of the conversion.

Reduction of the General Administration Charge (GAC)

The GAC was reduced from 0.09% to 0.08%, effective 1 April 2013.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Asia ex Japan Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of companies in the Asian region (excluding Japan) and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). The Fund seeks to invest in companies that are expected to benefit from Chinese economic growth and development.

The Investment Manager is free to choose how the Fund is invested. However, the MSCI All Countries Asia ex Japan Index is taken into account when the Fund's investments are selected.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	28 February

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
\`A\` Class - accumulation	1.74	1.74
\`B\` Class - accumulation	1.49	1.49
\`I\` Class - accumulation	0.99	0.99
\`R\` Class - accumulation*	1.24	n/a
\`S\` Class - accumulation	0.24	0.24

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions as at 30.06.13	Distributions as at 30.06.12
\`A\` Class - accumulation	-	-
\`B\` Class - accumulation	-	-
\`I\` Class - accumulation	-	-
\`R\` Class - accumulation	-	n/a
\`S\` Class - accumulation	-	-

Performance

Share class	Net Asset Value (p) per share as at 30.06.13	Net Asset Value (p) per share as at 31.12.12
\`A\` Class - accumulation	354.66	350.44
\`B\` Class - accumulation	3,588.90	3,541.61
\`I\` Class - accumulation	170.47	167.81
\`R\` Class - accumulation	99.99	n/a
\`S\` Class - accumulation	358.53	351.93

p = pence

Share price range

Asia ex Japan Fund 'A' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	393.82	351.77	365.36
Lowest Price	334.10	300.73	269.95
Net revenue per accumulation share	-	2.53	2.91
	2010	2009	2008
Highest Price	356.70	274.08	273.91
Lowest Price	251.40	156.86	138.97
Net revenue per accumulation share	2.58	2.06	2.71

Asia ex Japan Fund 'B' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	3,982.29	3,555.30	3,678.81
Lowest Price	3,380.85	3,034.62	2,719.79
Net revenue per accumulation share	-	33.52	37.49
	2010	2009	2008
Highest Price	3,586.90	2,749.08	2,741.70
Lowest Price	2,522.09	1,570.73	1,390.54
Net revenue per accumulation share	33.46	23.21	32.67

Asia ex Japan Fund 'I' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	188.85	168.42	173.00
Lowest Price	160.56	143.33	128.06
Net revenue per accumulation share	-	2.37	2.45
	2010	2009	2008
Highest Price	168.35	128.72	127.67
Lowest Price	118.11	73.36	64.90
Net revenue per accumulation share	1.92	1.47	1.71

Asia ex Japan Fund 'R' Class (Accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest Price	110.86	-	-
Lowest Price	94.19	-	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Asia ex Japan Fund 'S' Class (Accumulation shares)(1)

Calendar year	2013†	2012	2011
Highest Price	396.78	353.36	358.96
Lowest Price	338.07	298.61	266.20
Net revenue per accumulation share	-	7.25	7.70
	2010	2009	2008
Highest Price	173.84	131.71	128.55
Lowest Price	120.94	74.49	65.70
Net revenue per accumulation share	3.42	2.36	2.48

† Up to 30 June 2013
(1) Consolidation 18 July 2011
(2) Launched 2 January 2013

Performance record

The 'A' shares of the Fund* returned 1.4%, in the six months to 30 June 2013. Over the same period the MSCI AC Asia ex Japan NDR (net dividends reinvested) Index** returned 1.0% and IMA Asia Pacific excluding Japan** returned 2.1%.

Asian equity markets performed poorly during the period, returning 1.0% as measured by the MSCI AC Asia ex Japan NDR Index. They significantly lagged global equities, which delivered solid returns with the MSCI AC World NDR Index rising 13.7%.

The period began well, with the last minute resolution to the US fiscal cliff (the simultaneous expiration of the Bush tax cuts and the automatic imposition of spending cuts in January 2013) and supportive economic data from the US and China boosting investor risk appetite. However, by the end of March this positive trend had reversed, due to the re-emergence of euro-zone concerns, a poor corporate earnings season for Asian companies and disappointing performances from China and India. The second half of the period also proved difficult; global equity markets suffered on news that the US Federal Reserve may begin to taper its asset purchase plan if US unemployment drops as projected. In reaction, bond yields moved sharply upwards (prices fell) in June. Equity markets were also affected, as anxious investors rushed to sell their holdings, with emerging market equities especially hard hit. Asian markets continued to lag global markets as the period drew to a close, also impacted by disappointing economic data and slowing growth in China.

The Fund saw particularly good performance across the services, financials, and industrials sectors over the six-month period, with the telecommunications & utilities and resources sectors also adding to relative returns. However, the positive effect was reduced by poor performance from the technology and consumers sectors.

The largest positive contributor to returns was the services sector, mainly driven by our overweight position (relative to the performance comparison index) in consumer services stocks, which performed well. Casino and hotel operator Galaxy Entertainment Group benefited from strong first quarter earnings. Our holdings in SJM Holdings and Hyundai Home Shopping Network also performed well. Within financials, banks detracted, but this was more than offset by good performance in real estate. Good stock selection within diversified financials further aided returns.

In resources, energy stocks such as China Shenhua Energy and CNOOC underperformed on weak coal prices and worries about falling Chinese GDP growth, but this was offset by not holding poorly performing materials stocks such as LG Chem and POSCO. Meanwhile in telecommunications & utilities, stocks performed well after reporting strong earnings, which added to performance.

Technology was the biggest detractor over the period. We suffered from not holding Tencent, which performed well as the market is excited about new games and its upcoming mobile game platform. Our holdings in Infosys and ASUSTeK Computer underperformed after issuing profit warnings, while analysts downgraded Samsung Electronics on fears that margins may fall, impacting our holding in the company. However, AAC Technologies showed positive performance.

Stocks in the consumer sector performed well, but our underweight positions in household & personal products and pharmaceuticals negatively affected relative returns.

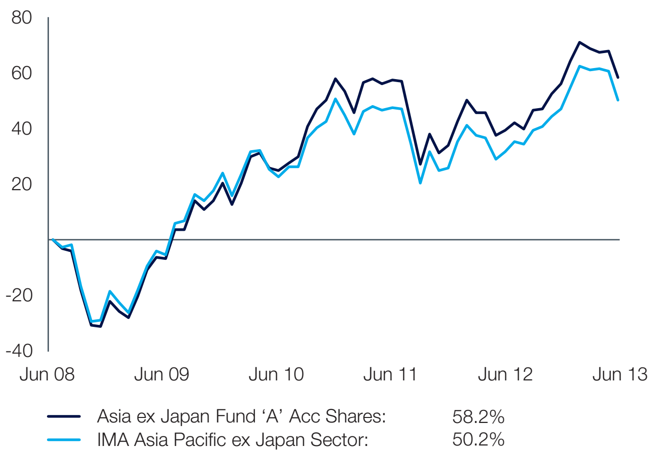
Significant purchases (2% of Net Asset Value and above or minimum five holdings) during the period comprised:
Infosys, Samsung Electronics, Tenaga Nasional, SK Telecom, Taiwan Semiconductor Manufacturing.

Significant sales (2% of Net Asset Value and above or minimum five holdings) during the period comprised:
Industrial & Commercial Bank of China, Samsung Electronics, SK Innovation, Infosys, China Mobile.

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index shown for performance comparison purposes only.

5 year performance graph (%)



Past performance will not necessarily be repeated.

Source: Lipper, 30.06.08 to 30.06.13, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA sector shown for performance comparison only.

Asia ex Japan Fund (continued)

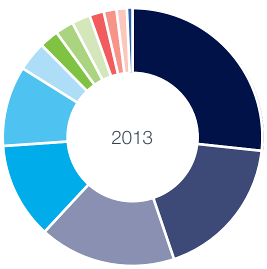
Portfolio analysis

Top 10 holdings (%)

Security	30.06.13
Samsung Electronics	7.0
China Mobile	4.5
Taiwan Semiconductor Manufacturing	4.0
AIA	3.3
China Construction Bank	3.0
Hyundai Motor	3.0
CNOOC	2.6
Oversea-Chinese Banking	2.3
Hutchison Whampoa	2.3
Cheung Kong	2.2

Security	31.12.12
Samsung Electronics	7.4
China Mobile	4.6
China Construction Bank	3.1
CNOOC	3.1
Taiwan Semiconductor Manufacturing	2.9
Hyundai Motor	2.8
Industrial & Commercial Bank of China	2.8
AIA	2.7
Cheung Kong	2.3
China Petroleum & Chemical	2.2

Geographical split (%)



	30.06.13	31.12.12
Hong Kong	26.7	27.6
China	18.1	17.3
South Korea	17.1	19.8
Taiwan	12.0	10.2
India	10.0	10.5
Thailand	3.7	2.9
Net other assets	2.4	1.5
Malaysia	2.3	3.5
Singapore	2.3	2.1
Philippines	1.8	1.4
United Kingdom	1.6	2.0
United States	1.3	0.6
Indonesia	0.7	0.6

Outlook

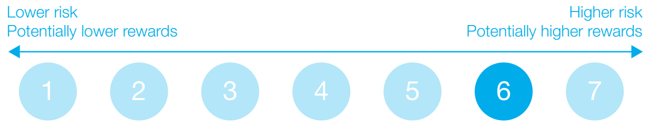
Asian markets have struggled year to date, hit by worries about weak Chinese growth, tightening liquidity (available capital) in the banking system and global central banks raising interest rates just as economic activity is picking up.

Earnings forecasts in the region have been cut for 2013, and earnings momentum has deteriorated (apart from Taiwan) as growth across emerging markets disappointed. In the short term, Asian equities appear oversold. Investor surveys show cautious sentiment towards emerging markets, as well as elevated redemptions out of emerging market mutual funds (two-thirds of their benchmarks are invested in Asia), recording the largest outflow in history. On valuations, Asian equities are trading 10% above the lows seen during the 2008 Lehman Brothers crisis, despite the return on equity being 12% versus the lows then of 8%. Yet outside of emerging markets, global economic momentum is surprisingly positive. If this momentum is not derailed by the shake-out in the bond markets and further deterioration in China, this should have a good effect on Asia, where earnings have historically had a high correlation to a global recovery. The current sell-off could be an exciting buying opportunity.

However, it is likely to be a bumpy ride, with the key risks being a continuing rotation out of bonds, and the health of the Chinese economy and financial system. As regards the rotation out of bonds, EPFR Global, a US-based firm that tracks the flows and allocations of funds domiciled globally, reported that earlier this year emerging market debt mutual funds and exchange-traded funds had doubled in size to $220 billion over a 28-month period. Many new investors during this period have not seen positive returns, and there is a risk that elevated selling continues over the next few months. As for China, uncertainty lingers as the new leadership attempts to rein in lending outside the banking system. However, much of this is discounted by the market. Chinese stocks are at near historic lows over the last decade. We remain constructive on Asia as valuations look attractive and near lows reached in the global financial crisis. We believe the long-term outlook is superior to Western markets as a rising middle class drives consumption, while low interest rates, prudent government and economic growth is driving infrastructure investment.

The opinions expressed herein are as at July 2013.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears at the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The investments of the Fund are concentrated in one region. This may mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- Changes between the values of different international currencies may adversely affect the value of the Fund's investments and any related income.
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series ii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for the long form Report and Accounts of the OEIC.

Other information

Changes during the accounting period:

- Asia ex Japan, R Accumulation Net, GBP share class was launched on 2 January 2013.

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FSA (now 'FCA') approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, to defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the shareholder requesting the conversion as soon as practicable and will discuss with the shareholder the timing for the completion of the conversion.

Reduction of the General Administration Charge (GAC)

The GAC was reduced from 0.09% to 0.08%, effective 1 April 2013.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

European Fund

Please note, this Fund is closed and is no longer available for investment.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	28 February

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
`A` Class - accumulation	n/a	1.65
`I` Class - accumulation	n/a	0.90

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions as at 30.06.13	Distributions as at 30.06.12
`A` Class - accumulation	-	-
`I` Class - accumulation	-	-

Performance

Share class	Net Asset Value (p) per share as at 30.06.13	Net Asset Value (p) per share as at 31.12.12
`A` Class - accumulation	-	331.15
`I` Class - accumulation	-	113.75

p = pence

Share price range

European Fund 'A' Class (Accumulation shares)(1)

Calendar year	2013†	2012	2011
Highest Price	330.80	333.49	342.73
Lowest Price	330.49	266.41	240.18
Net revenue per accumulation share	-	3.47	5.36
	2010	2009	2008
Highest Price	321.31	290.98	345.71
Lowest Price	248.86	183.28	188.84
Net revenue per accumulation share	1.84	4.46	5.57

European Fund 'I' Class (Accumulation shares)(1)

Calendar year	2013†	2012	2011
Highest Price	113.64	114.54	116.27
Lowest Price	113.53	91.09	81.71
Net revenue per accumulation share	-	1.97	2.49
	2010	2009	2008
Highest Price	108.80	97.78	111.90
Lowest Price	83.99	61.42	63.19
Net revenue per accumulation share	1.11	1.90	2.39

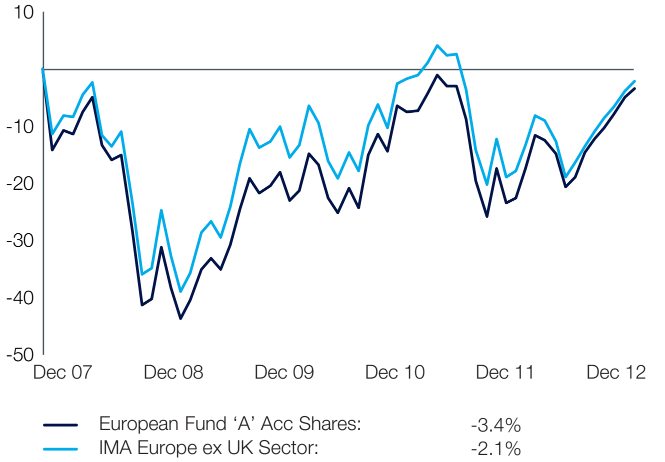
† Up to 4 January 2013

(1) Merged into the Global Franchise Fund (a sub-fund of Investec series iv) on 4 January 2013.

Performance record

We have not provided investment commentary as the Fund was merged on 4 January 2013.

5 year performance graph to 31 December 2012 (%)



Past performance will not necessarily be repeated.

Source: Lipper, 31.12.07 to 31.12.12, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA sector shown for performance comparison only.

Portfolio analysis

Top 10 holdings (%)

We have not provided data for top ten holdings as at the end of the reporting period or 31 December 2012 as the Fund was merged on 4 January 2013.

Geographical split (%)

We have not provided data for the geographical split as the Fund was merged on 4 January 2013.

Report and Accounts

Please contact Investec Fund Managers Limited for long form Report and Accounts of the OEIC.

Other information

After consultation with the Depositary and in accordance with the requirements of section 4.3 of the COLL, shareholders were given notice of the following:

On 16 November 2012 of the proposed merger, subject to shareholder approval of the European Fund into the Global Franchise Fund (a sub-fund of Investec Funds Series iv). Shareholder approval was given at the extraordinary general meeting on 6 December 2012 and the merger took place on 4 January 2013.

Other changes

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Energy Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests around the world primarily in the shares of companies and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). The companies are those that are involved in the exploration, production or distribution of oil, gas and other energy sources or those that service the energy industry.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the relevant Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	28 February

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
`A` Class - accumulation	1.62	1.62
`A` Class - accumulation USD	1.62	1.62
`I` Class - accumulation	0.87	0.87
`R` Class - accumulation*	1.12	n/a
`S` Class - accumulation	0.12	0.12

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions as at 30.06.13	Distributions as at 30.06.12
`A` Class - accumulation	-	-
`A` Class - accumulation USD	-	-
`I` Class - accumulation	-	-
`R` Class - accumulation	-	-
`S` Class - accumulation	-	-

Performance

Share class	Net Asset Value per share as at 30.06.13	Net Asset Value per share as at 31.12.12
`A` Class - accumulation	235.56p	219.41p
`A` Class - accumulation USD	358.76c	354.65c
`I` Class - accumulation	249.80p	231.85p
`R` Class - accumulation	104.39p	n/a
`S` Class - accumulation	156.95p	145.13p

c = cent
p = pence

Share price range

Global Energy Fund 'A' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	259.14	257.26	290.20
Lowest Price	226.27	198.80	192.06
Net revenue per accumulation share	-	0.60	1.35
	2010	2009	2008
Highest Price	260.33	233.66	269.42
Lowest Price	206.97	152.46	131.72
Net revenue per accumulation share	1.14	2.50	0.58

Global Energy Fund 'A' Class (USD Accumulation shares)[1]

Calendar year	2013†	2012	2011
Highest Price	391.32	406.67	-
Lowest Price	348.05	310.89	-
Net revenue per accumulation share	-	1.35	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Global Energy Fund 'I' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	274.61	270.11	302.63
Lowest Price	239.08	209.24	201.06
Net revenue per accumulation share	-	2.45	3.37
	2010	2009	2008
Highest Price	270.95	241.03	275.06
Lowest Price	214.88	152.46	134.94
Net revenue per accumulation share	2.90	4.04	1.69

Global Energy Fund 'R' Class (Accumulation shares)[2]

Calendar year	2013†	2012	2011
Highest Price	114.78	-	-
Lowest Price	100.00	-	-
Net revenue per accumulation share	-	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Global Energy Fund 'S' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	172.38	168.00	186.99
Lowest Price	149.65	130.47	124.69
Net revenue per accumulation share	-	2.63	3.33
	2010	2009	2008
Highest Price	167.09	147.25	166.21
Lowest Price	132.18	95.19	81.91
Net revenue per accumulation share	2.93	2.94	3.05

† Up to 30 June 2013
(1) Launched 8 May 2012
(2) Launched 2 January 2013

Performance record

The 'A' shares of the Fund returned 7.4% in the six months to 30 June 2013*. Over the same period the MSCI AC World Energy NDR (net dividends reinvested) Index returned 7.0% while the IMA Specialist sector fell 1.4%**.

World economic data continues to be mixed, not only across regions, but within countries. The strengthening US economy has seen the US Federal Reserve (Fed) suggest that it may taper its quantitative easing (QE) programme — buying government bonds with newly created money. However, the complete withdrawal of the Fed's support, in the short term, is unlikely as increased economic growth and reduced unemployment targets need to be met first. Elsewhere, Europe's prolonged recession has finally been met with lower interest rates and the suggestion of additional monetary policy stimulus. Certain EU states have been allowed greater freedom over their fiscal deficit positions, essentially loosening austerity constraints. Asia is showing signs of life, with Japan's dedication to quantitative easing having the desired effect on weakening the currency and improving underlying demand — Japan's economy is starting to recover moderately. Chinese headline numbers are slowing as the government focuses on the quality of growth, environmental factors and reform, but activity levels remain healthy as destocking has ended. We believe any slowdown in China will be orderly.

The Fund outperformed the MSCI AC World Energy Index over the period. We continue to see significant upside in energy equities, yet this subsector suffered from contagion as commodities fell out of favour. We based this belief on oil's relative demand stability and tight supply outlook. We continue to challenge the notion that US shale oil or tight oil represents a reliable growth stream for global oil supply. With robust demand from OECD nations and increased penetration in China, we see demand growth at 1.2% pushing market balances into deficit positions. This backdrop provides support for our long-term oil price forecast of $115 per barrel (bl), which is ahead of consensus market opinion. Using this price generates significant value in the associated energy equities.

Our energy positioning is best described as global, diversified and balanced. We have exposure in integrated oil companies, but have a significantly underweight position in North American names, which appear expensive on relative valuation. These large-cap integrated companies, particularly Exxon Mobil, acted as a perceived 'safe haven' during periods of volatility, but not holding Exxon Mobil detracted from performance, relative to the performance comparison index. We believe Exxon is unable to grow production organically and it will be forced to acquire other producers in order to replace reserves and, therefore, we continue to not hold this stock.

We also hold emerging market integrateds, notably Petrobras, CNOOC and Rosneft, as we believe that this is where significant production growth is likely to come from. However, Petrobras performed poorly during the period and was a significant detractor as it missed production targets. This was compounded by a depreciating Brazilian real. Despite this, we believe the company's vast offshore reserves are not being appreciated by the market.

Our exploration and production allocation is predominantly in North America, and oil-related companies, and proved to be the largest contributor to performance. Our exposure has moved away from natural gas and towards crude oil (Anadarko, Noble, Marathon, Oasis Petroleum and SM Energy), with the US liquids basins (oil supply areas) offering the best short-term production growth. These securities were also supported by the relative strength of the West Texas Intermediate oil price which closed to within $5/bl of Brent crude oil, due to increased pipeline capacity from Cushing and higher refinery utilisation reducing the Cushing inventory overhang. We also have international natural gas (ex-US) exposure, mainly in liquefied natural gas projects (Santos, Oil Search), which held up well during the period. We also think European gas is undervalued by the market, and hold Gazprom and Statoil for this reason.

The Investec Global Energy Fund held the following broad composition at the end of June:

Integrated oil companies (37%): We are significantly underweight in North American names. We do not own Exxon Mobil, a performance comparison heavyweight, as we see much better value in European names, particularly Shell, Total and Eni. We also have 12% in emerging market integrated companies, notably Petrobras, CNOOC and two Russian businesses. The allocation to integrated companies has come down marginally since the beginning of the year by between 2% and 3%.

Global Energy Fund (continued)

Exploration and production companies (33%): This is a significant overweight allocation, with the performance comparison index at 19%. We are invested predominantly in North America. The major change has been the move away from natural gas towards oil (Anadarko, Noble, Marathon Petroleum) as well as the introduction of international natural gas (ex-US) exposure (Oil Search, Santos, Gazprom, Inpex). We have added between 3% and 4% to this sector through the year as short-term oil price weakness has presented opportunity.

Service companies (23%): Currently the split is 70/30 towards services over drilling companies and is a meaningful overweight allocation. This has stayed broadly flat through the year, while we have rotated within subsectors. We have also diversified away from US service names, introducing some European companies. The European Oil Service Index has underperformed the US Oil Services Index by 16% year to date.

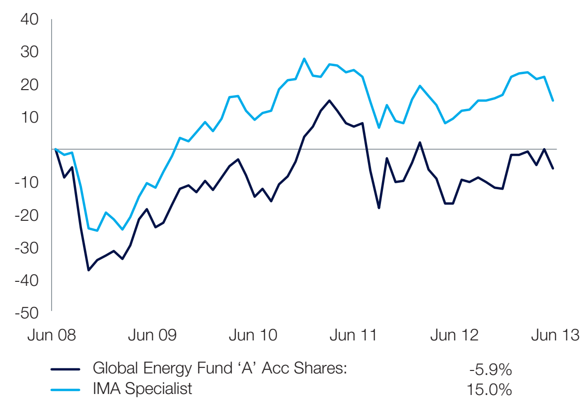
Significant purchases (2% of Net Asset Value and above or minimum of five holdings) during the period comprised: Lukoil, CNOOC, Gazprom, SM Energy, Inpex, Rosneft, Schlumberger, National Oilwell Varco.

Significant sales (2% of Net Asset Value and above or minimum of five holdings) during the period comprised: Lukoil, Halliburton, Occidental Petroleum, Gazprom, Royal Dutch Shell, ENI, Exxon Mobil, Apache, Chevron, Valero Energy, BG, Nabors Industries, Weatherford International, TOTAL, Suncor Energy.

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, accumulative share class (acc), net of fees in sterling.

**Index shown for performance comparison purposes only.

5 year performance graph (%)



Past performance will not necessarily be repeated.

Source: Lipper, 30.06.08 to 30.06.13, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA Specialist sector shown for performance comparison purposes.

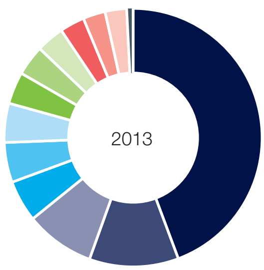
Portfolio analysis

Top 10 holdings (%)

Security	30.06.13
Suncor Energy	5.0
Petrobras	5.0
Royal Dutch Shell 'B' Shares	4.0
TOTAL	4.0
Marathon Petroleum	3.6
National Oilwell Varco	3.5
Noble Energy	3.3
CNOOC	3.1
Anadarko Petroleum	3.1
SM Energy	3.1

Security	31.12.12
Suncor Energy	5.3
Royal Dutch Shell 'B' Shares	5.1
ENI	5.0
Petrobras	4.9
TOTAL	4.8
Halliburton	3.9
Valero Energy	3.8
Apache	3.5
Occidental Petroleum	3.3
Noble Energy	3.1

Geographical split (%)



	30.06.13	31.12.12
United States	44.3	46.4
United Kingdom	11.2	11.1
Canada	8.7	10.7
Norway	5.2	3.6
Brazil	5.0	4.9
Russia	4.9	4.8
France	4.0	4.8
Australia	3.8	2.5
Switzerland	3.5	4.9
Hong Kong	3.1	-
Italy	2.8	5.0
Japan	2.7	-
Net other assets	0.8	1.3

Outlook

Our forecast price for Brent in 2013 remains at $110/bl. As anticipated, we are beginning to see evidence of a slowdown in the growth rate of US domestic oil production. The global supply/demand balance is especially sensitive to US production levels, with 80% of current supply growth from non-Opec countries, coming from the US. Demand has been relatively weak, especially from European countries within the OECD (Organisation for Economic Co-operation and Development). However, we remain confident that global demand growth will be at least 750,000 barrels per day (bl/d) for the year. Looking ahead, the consensus view remains that we are moving into a period of supply surplus and oil price forecasts are moving down. However, we do not support this outlook and our 2014 forecast for Brent is still $115/bl.

A higher price for gas in China, along with government intent to raise prices in the future should support natural gas producers and allay fears that a low natural gas price environment would discourage further exploration and development. We see this as a positive development for natural gas producers in China, considering the country's drive to increase the proportion of natural gas in its energy mix.

Gas prices in India are expected to increase to $8.4 per thousand cubic feet (mcf) for all domestic gas producers from April 2014. Gas prices for the power and fertiliser sectors are to be fixed separately. There will be a formula applied for reviewing gas prices in India every quarter. We remain positive on European and Asian gas prices as liquefied natural gas demand from Asia remains high and the global market remains tight.

The opinions expressed herein are as at July 2013.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 4 5 6 **7**

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears at the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The Fund invests in a narrow range of investments and specialised sectors. This may lead to its returns fluctuating more widely than those of more broadly invested funds. It may also mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- It may not be possible to sell smaller company shares as easily as those of larger companies. This could mean that their value fluctuates more widely and that the price obtained for these investments when they are sold is less than expected.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series ii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form Report and Accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Energy, R Accumulation Net, GBP share class was launched on 2 January 2013.

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FSA (now 'FCA') approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, to defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the shareholder requesting the conversion as soon as practicable and will discuss with the shareholder the timing for the completion of the conversion.

Reduction of the General Administration Charge (GAC)

The GAC was reduced from 0.09% to 0.08%, effective 1 April 2013.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Global Free Enterprise Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests around the world primarily in the shares of companies and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). These companies are expected to benefit from privatisation, regulatory change or demutualisation (e.g. a building society becoming a company) or believed to offer good growth potential.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	28 February

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
\`A\` Class - accumulation	1.62	1.62
\`A\` Class - accumulation USD	1.62	1.62
\`I\` Class - accumulation	0.87	0.87
\`R\` Class - accumulation*	1.13	n/a
\`S\` Class - accumulation	0.12	0.12

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions as at 30.06.13	Distributions as at 30.06.12
\`A\` Class - accumulation	-	-
\`A\` Class - accumulation USD	-	-
\`I\` Class - accumulation	-	-
\`R\` Class - accumulation	-	-
\`S\` Class - accumulation	-	-

Performance

Share class	Net Asset Value per share as at 30.06.13	Net Asset Value per share as at 31.12.12
\`A\` Class - accumulation	491.92p	423.20p
\`A\` Class - accumulation USD	747.54c	684.10c
\`I\` Class - accumulation	121.27p	103.91p
\`R\` Class - accumulation	113.85p	n/a
\`S\` Class - accumulation	144.81p	123.66p

c = cent
p = pence

Share price range

Global Free Enterprise Fund 'A' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	529.40	429.73	436.37
Lowest Price	433.12	373.65	329.82
Net revenue per accumulation share	-	2.11	0.78

	2010	2009	2008
Highest Price	412.46	363.62	429.68
Lowest Price	333.37	242.25	252.55
Net revenue per accumulation share	-	2.94	3.33

Global Free Enterprise Fund 'A' Class (USD Accumulation shares)(1)

Calendar year	2013†	2012	2011
Highest Price	798.94	700.38	-
Lowest Price	705.06	586.26	-
Net revenue per accumulation share	-	3.44	-

	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Global Free Enterprise Fund 'I' Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	130.42	105.51	105.99
Lowest Price	106.38	91.35	80.25
Net revenue per accumulation share	-	1.24	0.84

	2010	2009	2008
Highest Price	99.85	87.53	102.44
Lowest Price	80.46	58.07	60.46
Net revenue per accumulation share	0.27	1.10	1.15

Global Free Enterprise Fund ‘R’ Class (Accumulation shares)[(2)]

Calendar year	2013†	2012	2011
Highest Price	122.44	-	-
Lowest Price	100.00	-	-
Net revenue per accumulation share	-	-	-

	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Global Free Enterprise Fund ‘S’ Class (Accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	155.59	125.51	124.69
Lowest Price	126.57	108.12	94.60
Net revenue per accumulation share	-	2.38	1.90

	2010	2009	2008
Highest Price	116.93	101.55	116.58
Lowest Price	93.80	66.76	69.33
Net revenue per accumulation share	1.34	2.03	2.11

† Up to 30 June 2013

(1) Launched 8 May 2012

(2) Launched 2 January 2013

Performance record

The ‘A’ shares of the Fund returned 16.3% in the six months to 30 June 2013*. Over the same period, the MSCI AC World NDR (net dividends reinvested) Index** returned 13.7% and IMA Global** returned 13.7% in sterling terms.

The Fund benefited from good performance across most sectors over the period, particularly financials, consumers and resources. A poor performance from the technology sector, however, detracted from returns.

Within financials, our holdings in US insurers Lincoln National and MetLife performed well. Buoyant equity markets, combined with rising yields on 10-year government bonds, helped increase the attractiveness of the companies’ life products to customers, pushing the stock prices higher. US diversified financial companies Citigroup and JPMorgan Chase, also added to returns over the period as both companies posted good earnings results for the first three months of 2013.

The consumers sector benefited from good returns across a range of holdings. Leading drug distributor, AmerisourceBergen performed well on the back of a 10-year distribution deal with drugstore, Walgreen. Canadian drug company, Valeant Pharmaceuticals rose after its acquisition of eye care company Bausch and Lomb thanks to significant cost savings which should boost earnings growth. Meanwhile, Japan Tobacco also added to returns as its overseas operations were boosted by the weaker yen.

Resources companies generally experienced a difficult six month period as commodity prices were weak and there were fears that a slowdown in Chinese growth would lead to a further drop in demand. Not holding companies that were impacted by these developments, such as Rio Tinto and Anglo American helped our returns relative to the performance comparison index over the period. A number of our holdings within the sector also performed well. US refiners, Valero Energy and Marathon Petroleum, posted good results over the period, while oil & gas exploration and production company Occidental Petroleum performed well as prior uncertainty surrounding a potential boardroom rift was dramatically resolved when the chairman was voted off the board.

These positive contributions to returns were partially offset by the technology sector. Samsung Electronics struggled as the market is concerned that margins may fall after signs that strong sales figures may have reached their peak. Taiwanese multinational computer hardware and electronics maker, ASUSTeK Computer, detracted from returns after the company cut guidance (the earnings outlook provided by companies to the market) twice in a short space of time for notebooks, tablets, revenues and margins. It blamed weaker underlying demand for PCs, too much inventory after aggressive roll outs in the US and Brazil, and low product returns.

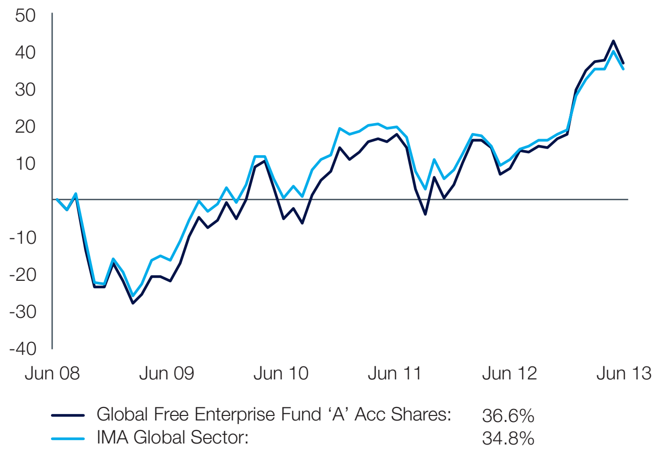
Significant purchases (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:
ON Semiconductor, Japan Airlines, bpost, CST Brands, Aozora Bank.

Significant sales (2% of Net Asset Value and above or minimum 5 holdings) during the period comprised:
Apple, Arkema, Comcast, Hitachi, Illinois Tool Works.

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, accumulative (acc) share class, net of fees in GBP.

**Index shown for performance comparison purposes only.

5 year performance graph (%)



Past performance will not necessarily be repeated.

Source: Lipper, 29.06.08 to 30.06.13, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA sector shown for performance comparison only.

Global Free Enterprise Fund (continued)

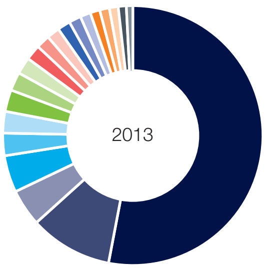
Portfolio analysis

Top 10 holdings (%)

Security	30.06.13
KDDI	3.1
Macy's	3.1
Citigroup	3.0
Lincoln National	2.9
Telstra	2.7
AmerisourceBergen	2.4
Japan Tobacco	2.4
Japan Airlines	2.4
Valero Energy	2.1
Pfizer	2.1

Security	31.12.12
ING	3.3
Telstra	2.9
Valero Energy	2.7
Pfizer	2.6
Macy's	2.5
Apple	2.5
UnitedHealth	2.3
Arkema	2.3
KDDI	2.2
Citigroup	2.1

Geographical split (%)



	30.06.13	31.12.12
United States	53.0	49.5
Japan	10.3	8.1
Germany	4.6	5.5
Netherlands	4.6	4.8
Switzerland	2.8	2.6
Australia	2.7	2.9
China	2.7	2.4
Russia	2.3	2.2
Hong Kong	2.1	2.8
Belgium	1.9	-
Taiwan	1.7	-
Canada	1.6	1.2
Brazil	1.6	2.4
South Korea	1.5	2.6
Denmark	1.3	1.4
India	1.2	1.0
Sweden	1.2	1.1
Net other assets	1.1	1.3
Malaysia	1.0	-
United Kingdom	0.8	1.1
France	-	2.3
Israel	-	0.9
Mexico	-	2.2
Singapore	-	0.8
South Africa	-	0.9

Outlook

Talk of a wind down in the US Federal Reserve's asset purchase programme, as a result of an improvement in US employment and leading economic indicators, has sparked a material shift in the investment landscape. A sharp upward shift in bond yield curves around the globe implies that the easing policy, which has seen numerous cuts in interest rates around the globe over the past six years, has been a success: inflation expectations have been raised and the global economy appears to be moving towards a renewed growth path. However, evidence of this, as yet, is rather scarce on the ground.

Quarter after quarter equity investors have seen companies beat earnings expectations but only through cutting costs. Sales estimates have been reduced and outlook statements have been broadly pessimistic. With the second quarter earnings season approaching, it will be interesting to see if the central banks are right to shift the rhetoric from 'we will do whatever is needed' to a tapering down of asset purchases. Either way, the recent sell-off in bond markets has been particularly severe as sellers rushed to be first out of the door and the fear factor pushed through, perhaps unfairly, to equities. Inflection points of any kind do tend to be accompanied by a fluctuation in prices, but the stockmarket sell-down seemed a little contradictory given that the potential pullback in asset purchases is driven by higher growth expectations.

Despite renewed uncertainty, overall stockmarkets look well supported: if growth does not materialise we get more asset purchases by central banks, if growth picks up the outlook for profits improves, and if inflation rises then equities are a more attractive asset class than fixed income.

The opinions expressed herein are as at July 2013.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 **6** 7 4 5

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears at the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- Changes between the values of different international currencies may adversely affect the value of the Fund's investments and any related income.
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series ii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Report and Accounts

Please contact Investec Fund Managers Limited for the long form Report and Accounts of the OEIC.

Other information

Changes during the accounting period:

- Global Free Enterprise, R Accumulation Net, GBP share class was launched on 2 January 2013.

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FSA (now 'FCA') approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, to defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the shareholder requesting the conversion as soon as practicable and will discuss with the shareholder the timing for the completion of the conversion.

Reduction of the General Administration Charge (GAC)

The GAC was reduced from 0.09% to 0.08%, effective 1 April 2013.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Monthly High Income Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide a high income, paid on a monthly basis.

The Fund invests around the world primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) and related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The bonds may be issued by governments, institutions or companies and may be of investment grade (high quality) as rated by the credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money) or below investment grade (if providing a high income).

The Fund will use hedging (an investment technique which aims to protect the value of an investment against currency movements) to minimise any currency risk in sterling.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the relevant Prospectus.

Fund facts

Interim/Annual accounting dates	Income payment dates
30 June, 31 December	31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November, 31 December

Share class	Ongoing charges as per the Key Investor Information Document (%) 2012	2011
\`A\` Class - net accumulation	1.36	1.36
\`A\` Class - net income	1.36	1.36
\`I\` Class - net accumulation	0.76	0.76
\`I\` Class - net income	0.76	0.76
\`R\` Class - net accumulation*	0.86	n/a
\`R\` Class - net income*	0.86	n/a
\`S\` Class - gross accumulation	0.11	0.11

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses for the financial year ending 31 December 2012.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series iv Prospectus.

Summary

Distributions

Share class	Distributions (p) as at 30.06.13	Distributions (p) as at 30.06.12
\`A\` Class - net accumulation	4.81	4.54
\`A\` Class - net income	1.92	1.92
\`I\` Class - net accumulation	3.84	3.61
\`I\` Class - net income	2.72	0.90
\`R\` Class - net accumulation	2.61	n/a
\`R\` Class - net income	2.59	n/a
\`S\` Class - gross accumulation	6.24	5.74

Performance

Share class	Net Asset Value (p) per share as at 30.06.13	Net Asset Value (p) per share as at 31.12.12
\`A\` Class - net accumulation	180.39	182.59
\`A\` Class - net income	70.94	73.70
\`I\` Class - net accumulation	144.36	145.68
\`I\` Class - net income	100.72	104.32
\`R\` Class - net accumulation	98.18	n/a
\`R\` Class - net income	95.61	n/a
\`S\` Class - gross accumulation	188.38	188.19

p = pence

Share price range

Monthly High Income Fund 'A' Class (Net accumulation shares)

Calendar year	2013†	2012	2011
Highest Price	188.24	183.71	171.23
Lowest Price	180.51	156.69	145.90
Net revenue per accumulation share	4.81	9.99	9.87

	2010	2009	2008
Highest Price	166.21	148.28	133.90
Lowest Price	148.86	103.44	102.00
Net revenue per accumulation share	9.86	9.06	8.52

Monthly High Income Fund 'A' Class (Net income shares)

Calendar year	2013†	2012	2011
Highest Price	75.09	74.80	76.60
Lowest Price	71.31	66.98	63.82
Net revenue per income share	1.92	4.17	4.41

	2010	2009	2008
Highest Price	77.18	72.85	75.03
Lowest Price	70.55	54.13	54.15
Net revenue per income share	4.69	4.57	4.63

Monthly High Income Fund 'I' Class (Net accumulation shares)(1)

Calendar year	2013†	2012	2011
Highest Price	150.51	146.57	135.40
Lowest Price	144.45	124.23	115.62
Net revenue per accumulation share	3.84	7.93	7.84
	2010	2009	2008
Highest Price	130.87	116.47	104.23
Lowest Price	116.93	81.01	79.85
Net revenue per accumulation share	7.90	7.10	5.63

Monthly High Income Fund 'I' Class (Net Income shares)(2)

Calendar year	2013†	2012	2011
Highest Price	106.32	105.64	-
Lowest Price	101.23	97.57	-
Net revenue per income share	2.72	3.85	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Monthly High Income Fund 'R' Class (Net Accumulation shares)(4)

Calendar year	2013†	2012	2011
Highest Price	102.38	-	-
Lowest Price	98.24	-	-
Net revenue per accumulation share	2.61	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Monthly High Income Fund 'R' Class (Net Income shares)(4)

Calendar year	2013†	2012	2011
Highest Price	101.02	-	-
Lowest Price	96.11	-	-
Net revenue per income share	2.59	-	-
	2010	2009	2008
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Monthly High Income Fund 'S' Class (Gross accumulation shares)(3)

Calendar year	2013†	2012	2011
Highest Price	195.83	189.30	168.83
Lowest Price	188.46	157.16	145.35
Gross revenue per accumulation share	6.24	12.69	12.69
	2010	2009	2008
Highest Price	161.01	140.87	-
Lowest Price	141.43	98.62	-
Gross revenue per accumulation share	11.83	9.85	-

† Up to 30 June 2013
(1) Launched 3 March 2008
(2) Launched 2 May 2012
(3) Launched 30 January 2009
(4) Launched 2 January 2013

Performance record

The 'A' shares of the Fund fell 1.3% in the six months to 30 June 2013*. Over the same period, the Bank of America Merrill Lynch European Currency Non-Financial High Yield Constrained Hedged** returned 1.7 % while the IMA £ High Yield sector returned 0.5%**.

The total income distributions for the period in relation to 'A' Income shares was 1.92 pence per share. This compares to a total of 1.92 pence per share paid for the corresponding period in 2012.

High-yield corporate bonds posted a modest positive return over the past six months as the market sell-off in June wiped out more than half of the returns generated during the first five months of the year. That said, high-yield corporate bonds still performed well relative to other fixed income classes such as emerging market government debt. The sell-off was triggered, in part, by broad market fears centred on the withdrawal of quantitative easing (QE) — buying government bonds with newly created money — by the US Federal Reserve (Fed) and a larger-than-expected slowdown in China. Concerns regarding the latter were amplified by a sharp spike in Chinese interbank lending rates, with investors initially fearing defaults in the Chinese banking sector. It later emerged that the spike was ostensibly encouraged by the People's Bank of China as a way of putting pressure on the banks to slow credit growth. QE and Chinese economic growth were also, ironically, the drivers of market strength in the first five months of the period.

The strength of the corporate market at the beginning of 2013 saw income on high-yield bond yields reach historic lows, against a backdrop of improving economic data in the US and strong inflows into the high-yield corporate bond asset class. Negative events, such as the crisis in Cyprus earlier in the year, were only small setbacks as markets continued to rally, buoyed by strong inflows into the corporate bond asset class. The Fund used this market strength to reduce exposure to commodity-related sectors and emerging market corporate bonds such

Monthly High Income Fund (continued)

as IPIC, the Abu Dhabi government energy investment vehicle. These bonds had performed particularly well over the last nine months and we used an opportunity to take some profits.

Our defensive positioning was a drag on performance in the first part of the period, but was a strong contributor in the last month. The Fund's significant exposure to the telecommunications sector was a positive driver of the performance and reflected the defensive, cash generative characteristics of the sector. Our low exposure to the commodity sector was also a positive contributor to overall performance. Our relatively small exposure to the automobile sector, while still generating positive returns, detracted from relative performance. The Fund also benefited from positive event risk with its holding in First Hydro, a Welsh hydroelectric power business, which is ultimately owned by GDF Suez. GDF Suez made a tender offer to purchase up to 75% of the outstanding First Hydro bonds, pushing their price up.

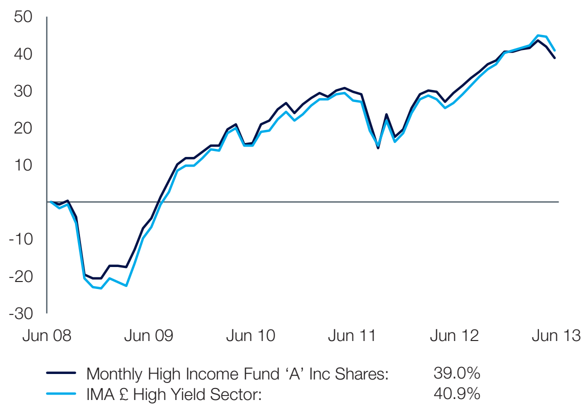
Significant purchases (2% of Net Asset Value and above or minimum of five holdings) during the period comprised: Bombardier 6.125% 15/05/2021, Siemens Financieringsmaatschappij 6.125% 14/09/2066, Equiniti Newco 7.125% 15/12/2018, Edcon Proprietary 9.5% 01/03/2018, Smurfit Kappa Acquisitions 4.125% 30/01/2020.

Significant sales (2% of Net Asset Value and above or minimum of five holdings) during the period comprised: Edcon Proprietary Floating 15/06/2014, New World Resources 7.875% 01/05/2018, Brenntag Finance 5.5% 19/07/2018, Codere Finance Luxembourg 8.25% 15/06/2015, IPIC GMTN 5.875% 14/03/2021.

*Source: Lipper, total return, net of UK basic rate tax, no initial charge, income share class (inc), net of fees in sterling.

**Index shown for performance comparison purposes only.

5 year performance graph (%)



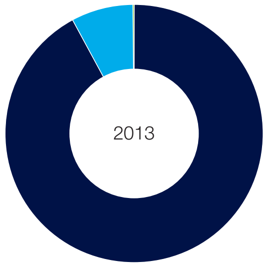
Past performance will not necessarily be repeated.

Source: Lipper, 30.06.08 to 30.06.13, total return net of UK basic rate tax, no initial charges, net of fees, in sterling.

IMA sector shown for performance comparison only.

Portfolio analysis

Sector split (%)



	30.06.13	31.12.12
Corporate Bonds	93.2	93.4
Net other assets	7.9	6.8
Cash Collateral	0.1	-
Credit Default Swaps	-0.1	-
OTC Forward Foreign	-1.1	-0.2

Top 10 holdings (%)

Security	30.06.13
Ladbrokes Finance 7.625% 05/03/2017	2.2
Ziggo Bond 8% 15/05/2018	2.1
William Hill 7.125% 11/11/2016	2.1
Greif Luxembourg Finance 7.375% 15/07/2021	2.1
Cyfrowy Polsat Finance 7.125% 20/05/2018	2.0
Boardriders 8.875% 15/12/2017	2.0
Carlson Wagonlit 7.5% 15/06/2019	2.0
Cirsa Capital Luxembourg 8.75% 15/05/2018	2.0
Rexam 6.75% 29/06/2067	2.0
Aguila 7.875% 31/01/2018	1.9
Security	**31.12.12**
Cyfrowy Polsat Finance 7.125% 20/05/2018	2.7
William Hill 7.125% 11/11/2016	2.6
Ladbrokes Finance 7.625% 05/03/2017	2.5
Ziggo Bond 8% 15/05/2018	2.4
Edcon Proprietry Floating 15/06/2014	2.3
Cirsa Capital Luxembourg 8.75% 15/05/2018	2.3
Greif Luxembourg Finance 7.375% 15/07/2021	2.2
Care UK Health & Social Care 9.75% 01/08/2017	2.2
New World Resources 7.875% 01/05/2018	2.1
Wind Acquisition Finance 7.375% 15/02/2018	2.1

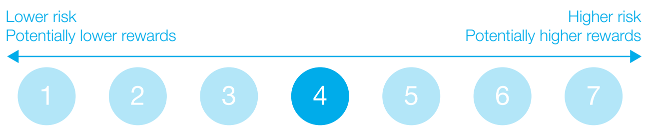
Outlook

The rise in core bond yields continued towards the end of the period. The mid-June Federal Open Market Committee meeting provided little in the way of reassurance for the market about the Fed's intentions around winding down QE. However, after the subsequent sharp sell-off, verbal intervention from a panel of Fed members and other central bankers in the last week of June did provide some respite.

Within emerging market debt, the sell-off in local markets was somewhat diminished. The worst performing regions were Asia and Latin America, with the previously harder-hit Middle East and Africa region and emerging Europe granted relative relief. Emerging market hard currency debt fared even worse, as volatility increased and the outright fall was more extensive than the previous month. However, after the JP Morgan EMBI Global Index spread (the difference in the yield of two different bonds) climbed to almost 4%, some value was perceived and the index spread closed the month close to 3.5%.

We believe the outlook for corporate bonds remains positive through the rest of the year. However, we would expect capital gains to be muted, relative to what we have seen in recent years, as markets remain cautious on slowing global growth. Following the recent sell-off in government bonds and corporate yield spreads, we believe overall yields remain attractive on a standalone basis and relative to other asset classes. This is further supported by corporate fundamentals, which remain strong. Default rates and default rate expectations remain low, underpinning, in our view, the attractiveness of the asset class.
The opinions expressed herein are as at July 2013.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The value of bonds tends to decrease when interest rates and/or inflation rises.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating (ratings based on the ability of the issuers of bonds to repay borrowed money).

The Fund's expenses are charged to the capital account of the Fund rather than to its income, which has the effect of increasing the Fund's income automatically reflected in the value of your shares (which may be taxable) whilst reducing its capital to an equivalent extent.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of he Investec Funds Series ii Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class income shares.

Report and Accounts

Please contact Investec Fund Managers Limited for long form Report and Accounts of the OEIC.

Other information

Changes during the accounting period:

- Monthly High Income, R Accumulation Net, GBP share class was launched on 2 January 2013.
- Monthly High Income, R Income Net, GBP share class was launched on 2 January 2013.

There have been no other fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

Conversion to protected cell status

From 19 February 2013 the Company took on protected status following FSA (now 'FCA') approval to the conversion. This means that from this date, under English law, the Funds are segregated portfolios of assets and the assets of a Fund now belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, to defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the shareholder requesting the conversion as soon as practicable and will discuss with the shareholder the timing for the completion of the conversion.

Reduction of the General Administration Charge (GAC)

The GAC was reduced from 0.09% to 0.08%, effective 1 April 2013.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Other information

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the A shares of the funds through its own ISA plan.

Distributions

Where a distribution is to be paid, it has been calculated as at 30 June 2013 and will be distributed to shareholders, where applicable, on 31 August 2013.

For accumulation shares, payments are deemed to be paid on 31 August 2013.

Ratings

Provided as at 30 June 2013. Fund ratings may be provided by independent rating agencies based on a range of investment criteria. For a full description of the ratings please see www.investecassetmanagement.com/ratings

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Registration in overseas markets

Investec Fund Series ii	Chile	Peru	Switzerland	UK
American Fund	✓		✓	✓
Asia ex Japan Fund	✓		✓	✓
Global Energy Fund	✓		✓	✓
Global Free Enterprise	✓		✓	✓
Monthly High Income	✓	✓	✓	✓

Notes: Chile and Peru to be distributed to AFPs (Pension Funds) only.

The Company's Prospectus, Key Investor Information Documents, Instrument of Incorporation, annual and semi-Annual Report and Accounts may be obtained, free of charge from Investec Fund Managers Limited or, in Switzerland, from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, P.O. Box 101, CH–8066 Zurich.

A copy of the full portfolio changes during the period under review, is available free of charge from the Swiss Representative.

Authorised Corporate Director (ACD)

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Authorised and regulated by the Financial Conduct Authority (previously the Financial Services Authority.)

Telephone calls may be recorded for training and quality assurance purposes.

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