



2011 Results Reviewed

8 November 2011

Agenda



- Financial highlights
- Overview of company
- Financial results
- Business review
 - ❖ Retail
 - ❖ Institutional
 - ❖ International
 - ❖ Transformation
- Conclusion



Market movements

30 September 2011



Economic group	3 months %	6 months %	12 months %
All Share	-5.8	-6.4	3.6
All Share (Capital Return)	-6.9	-7.9	0.7
All Share (Dividend Return)	1.0	1.5	2.9
Resource	-10.0	-15.2	1.6
Small Cap	-2.3	0.0	5.4
Industrial	-3.3	0.3	7.8
Financials	-3.1	-1.9	-1.3

Source: Deutsche Bank





Financial highlights

Financial highlights



➤ AUM	R247 bn	+21%
➤ Headline earnings	192.4 cps	+39%
➤ Headline earnings (diluted)	176.1 cps	+38%
➤ Dividend		
❖ Total	172.0 cps	+35%
❖ Final	92.0 cps	+21%



Financial highlights (Rm)



➤ Revenue (from fund management)	1,725	+34%
➤ Profit (from fund management)	918	+41%
➤ PAT	624	+42%
➤ Cashflow	936	+23%

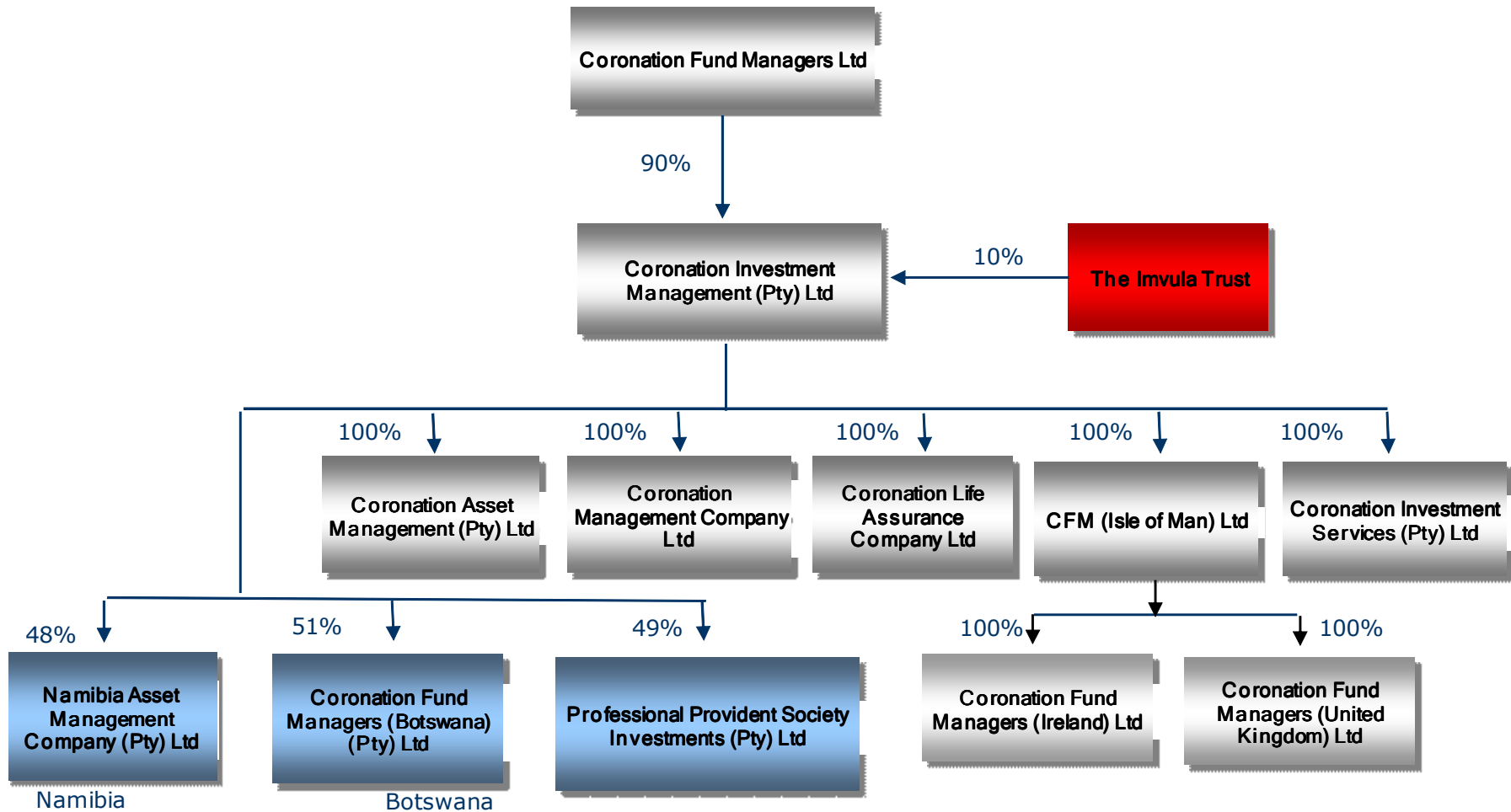




Company overview

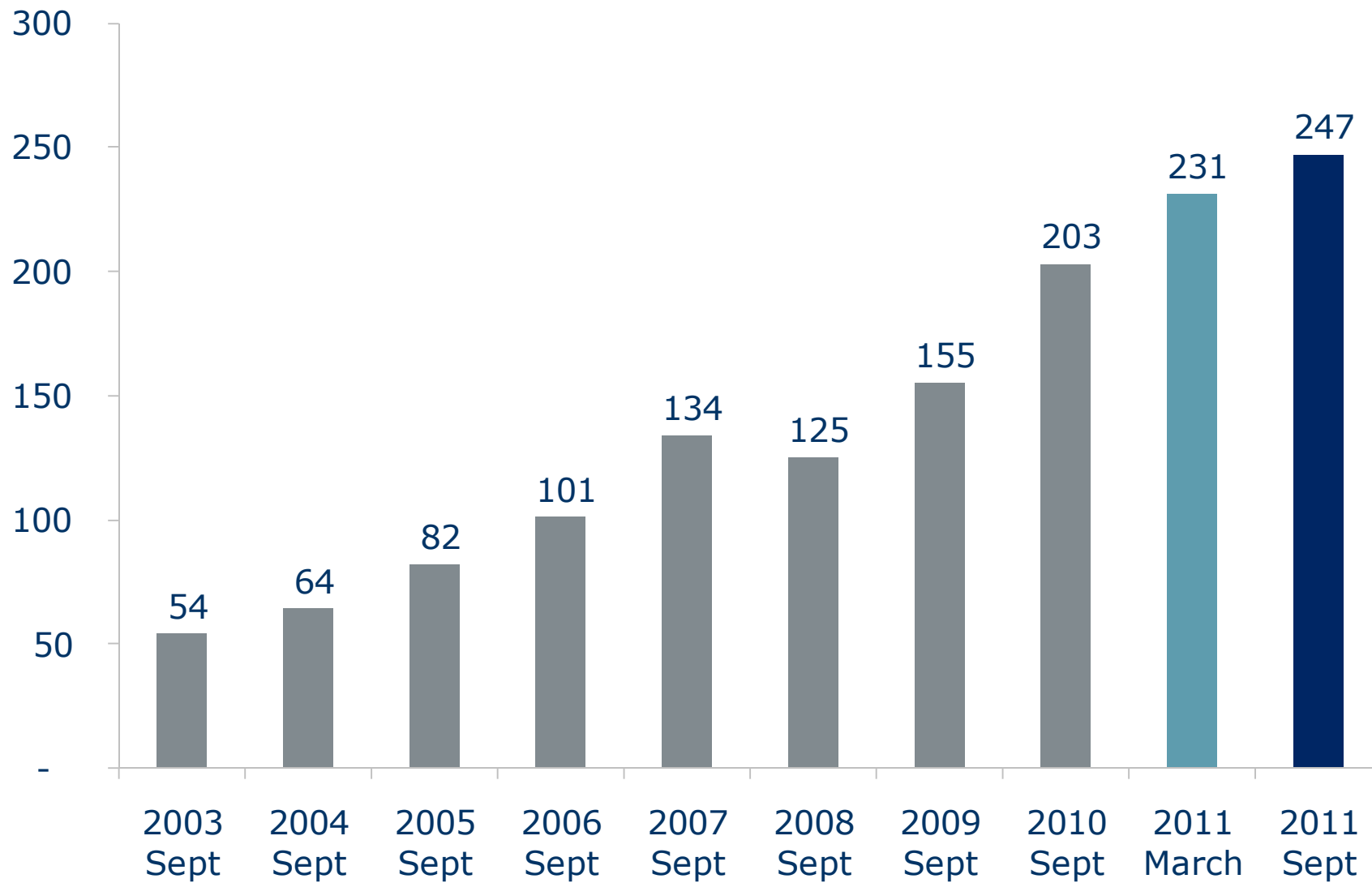
Company structure

at 30 September 2011



Assets under management

2003 – 30 September 2011



Domestic: Equity 60.7%; Fixed Interest and Cash 22.7%
Foreign: Equity 13.6%; Fixed Interest and Cash 3.1%





Financial results

Earnings

as at 30 September 2011



	Change %	Sept 2011	Sept 2010
Attributable earnings (R'000)	43	623,976	437,108
EPS (cents)	43	198.2	138.9
Headline earnings (R'000)	39	605,841	437,208
HEPS (cents)	39	192.4	138.9
Diluted HEPS (cents)	38	176.1	128.0
Weighted average shares in issue - 30 Sept	0.03	314,819,192	314,733,128
Actual shares in issue - 30 Sept	-	314,819,192	314,819,192
<i>Total dividend per share</i>		<i>172</i>	<i>127</i>



Earnings

as at 30 September 2011



	Change %	Sept 2011	Sept 2010
Cost to income	(5.2)	47.9	50.6
EBITDA (Rm)	40.5	930	662
Market capitalisation (Rm)	35.2	6,296	4,656
Share price @ 30 September (Rands)	35.2	20.00	14.79
Price earnings per share	(2.4)	10.4	10.6



Total net fee as at 30 September 2011



Cost comparison



	Change %	Sept 2011 R'000	Sept 2010 R'000
Fixed operational costs	(9.8)	266,373	242,560
Variable costs	(41.7)	566,828	399,936
IFRS 2	65.5	4,856	14,059
TOTAL OPERATIONAL COSTS	(27.6)	838,057	656,554
Other costs (Interest expense*)	40.6	5,262	8,851
TOTAL COSTS	(26.7)	843,319	665,405
* Interest			
Invula interest		4,546	7,776
Bank overdraft		716	1,075
		5,262	8,851

Interest cover

175.1 times

74.5 times



CFM expenses



	Change %	Sept 2011 R'000	Sept 2010 R'000
Fixed costs	(9.8)	266,373	242,560
<i>Major contributors:</i>			
Staff costs	(17.7)	144,218	122,528
Marketing	(3.4)	40,834	39,476
Information technology	(5.8)	22,120	20,913
Rental	18.0	13,148	16,027
<i>Staff numbers</i>		208	198
Variable costs	(41.7)	566,828	399,936



Earnings summary - 2nd vs 1st half



	Change	Apr-Sept-11	Oct-Mar-11
	%	R'000	R'000
Revenue	8.4	915,103	844,477
Net fee income	9.8	838,071	763,425
Trailer Commissions	14.4	66,380	58,034
Other	(53.7)	10,652	23,018
Expenses	7.9	437,627	405,692
Operating expenses	6.6	368,452	345,597
Trailer Commissions	14.4	66,380	58,034
IFRS2	35.7	2,795	2,061
PBT	8.8	477,476	438,785
Tax	9.3	153,905	140,872
PAT	8.6	323,571	297,913



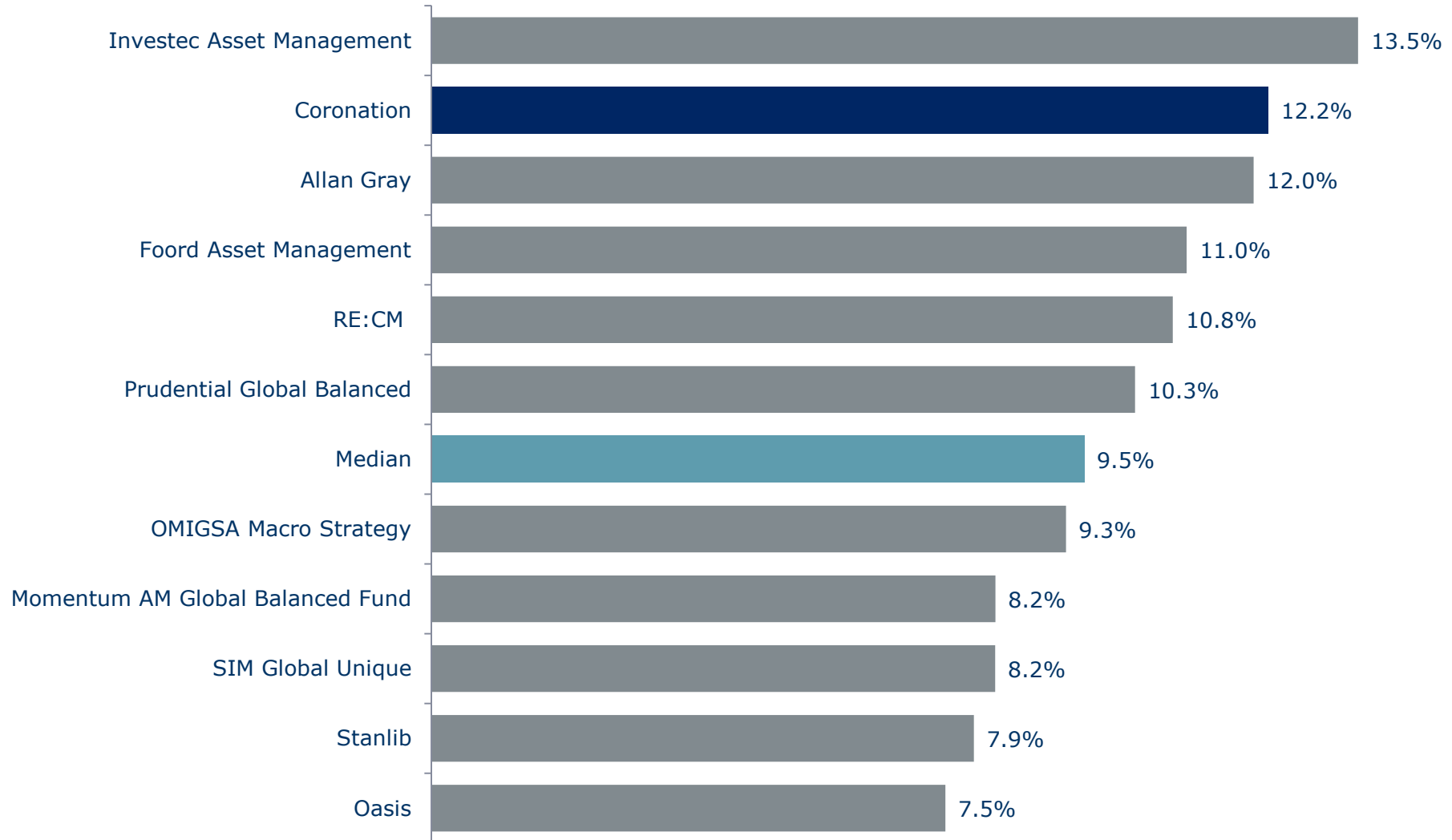


Business overview

Institutional

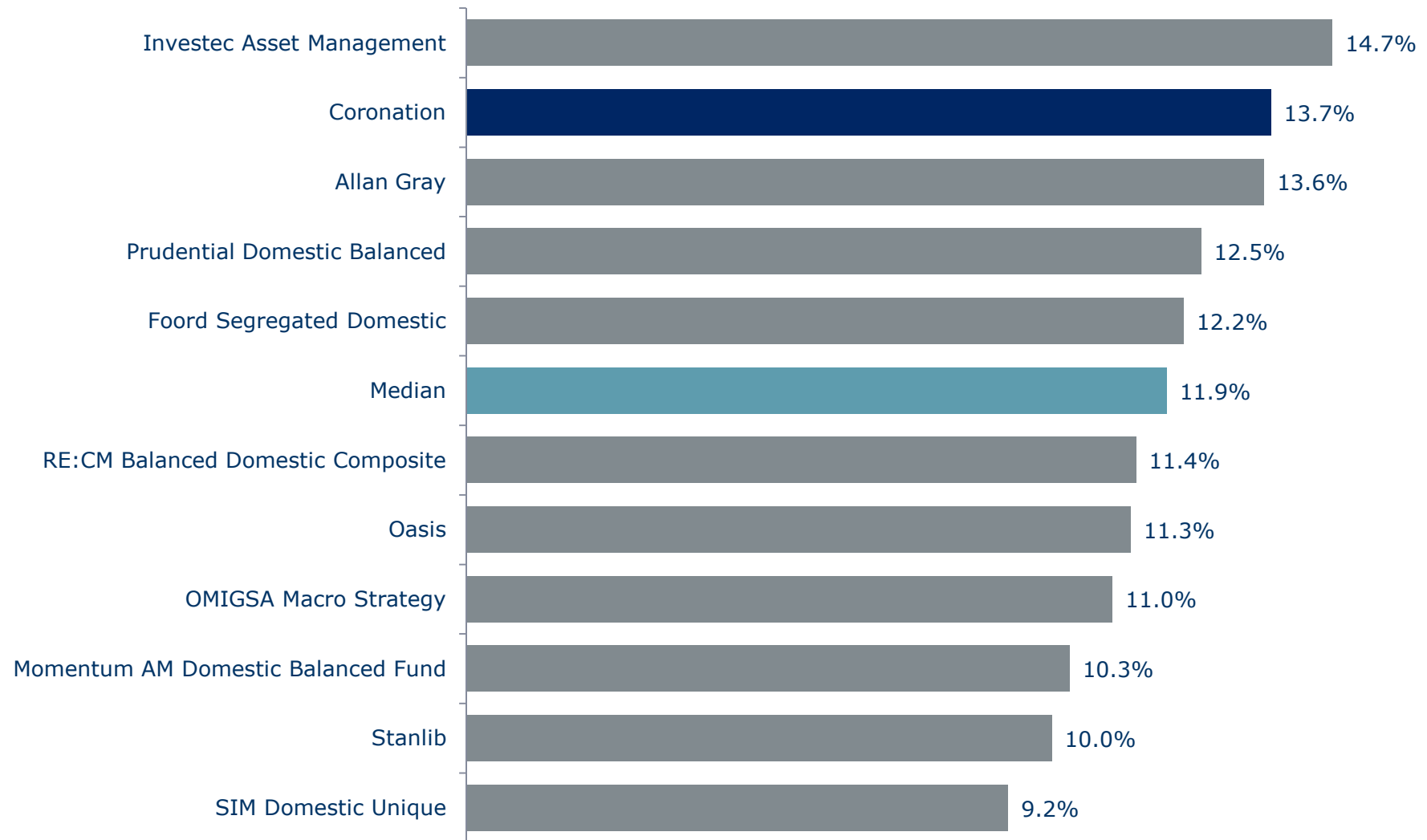
Performance

Alexander Forbes Global Large Manager Watch™
5 years ending 30 September 2011



Performance

Alexander Forbes SA Large Manager Watch™
5 years ending 30 September 2011



Performance

Coronation Global Absolute
Periods ending 30 September 2011



	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	* Since Inception
Global Absolute Fund	7.8%	14.2%	12.6%	17.2%	17.8%
CPI	5.7%	4.8%	6.8%	6.3%	6.4%
CPI +6%	11.7%	10.8%	12.8%	12.3%	12.4%

* Since inception – August 1999
Source: Independent Retirement Fund Survey



Performance

Coronation Core Equity
periods ending 30 September 2011



	1 year	3 years (p.a.)	5 years (p.a.)	* Since Inception
Core Equity Fund	6.4%	15.3%	14.6%	21.8%
Benchmark **	4.1%	11.4%	10.0%	18.2%
Outperformance	2.3%	3.9%	4.6%	3.6%

* Since inception – March 2004

** FTSE/JSE Shareholder Weighted Index

Source: Independent Retirement Fund Survey





Business overview

Retail

Business Performance 2011

League table: long-term funds



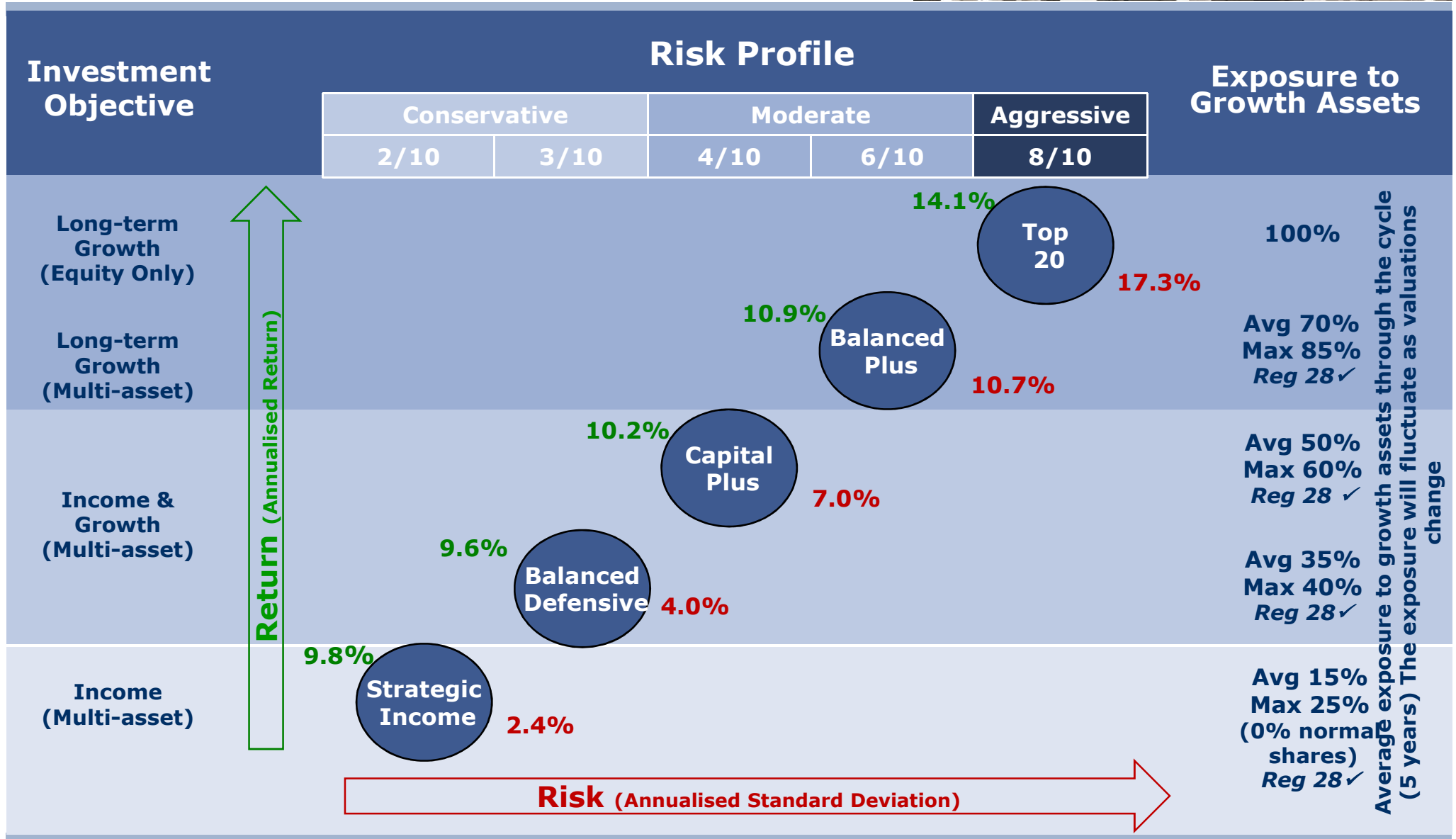
Manager	AUM		Flows
1.	R113bn	R107bn	-R3bn [70 th] R11bn
2. Coronation	R62bn	R40bn	R20bn [1 st] R12bn
3.	R59bn	R50bn	R7bn [2 nd] R5bn
4.	R42bn	R37bn	R4bn [4 th] R4bn
5.	R40bn	R35bn	R4bn [6 th] R1bn

After attracting the highest net flows in the industry for the 2nd consecutive year, Coronation moved from 3rd to 2nd largest manager of long-term funds during the 2011FY (after gaining 3 places in the previous year)



Domestic Flagship Income & Growth Solutions

Meeting our clients' key investment needs



5-Year Performance & Risk quoted from Morningstar as at 30 September 2011 for a lump sum investment with income distributions reinvested. Growth Assets are defined as domestic/foreign equities, listed property & commodities. Balanced Defensive's figures are quoted since launch on 1 February 2007.



Domestic Flagship Funds

Consistent top quartile returns



	Fund	3-year ranking	5-year ranking	10-year ranking	S.I. ranking
LT Growth (equity only)	Top 20	1 st Quartile	1 st Quartile	1 st Quartile	1 st Quartile
LT Growth (multi asset)	Balanced Plus	1 st Quartile	1 st Quartile	1 st Quartile	1 st Quartile
Income & Growth	Capital Plus	1 st Quartile	1 st Quartile	1 st Quartile	1 st Quartile
	Balanced Defensive	1 st Quartile	-	-	1 st Quartile
Income only	Strategic Income	1 st Quartile	1 st Quartile	1 st Quartile	1 st Quartile



International funds aimed at retail investors

Still early days, but promising track record developing



	Fund	3-year ranking	5-year ranking	10-year ranking	S.I. ranking
LT Growth (equity only)	GEM Flexible	1 st Quartile	-	-	1 st Quartile
	World Equity FoF	1 st Quartile	1 st Quartile	2 nd Quartile	1 st Quartile
LT Growth (multi asset)	Global Managed	-	-	-	2 nd Quartile
Preservation	Global Capital Plus	1 st Quartile	-	-	1 st Quartile





International

Strong international track record

(US dollar returns)



Offshore USD Funds	Annual Alpha	Launch date	
Global Equity Alternative Strategy Fund of Funds	4.13%	1-Aug-96	Net
Global Equity Fund of Funds	2.05%	1-Jul-00	Net
Global Emerging Markets	6.82%	14-Jul-08	Gross
Global Bond	-0.29%	1-Oct-09	Gross
Africa Frontiers	5.38%	1-Oct-08	Gross
Global Capital Plus	5.30%	1-Sep-09	Gross
Global Managed	-3.71%	1-Mar-10	Gross

* Annual alpha for institutional portfolios since launch to end September 2011



UK and Ireland



- AUM up from \$1.97bn (Sept 10) to \$2.73bn (Sept 11)
- Investment performance remains strong with all funds ahead of benchmarks
 - ❖ Global Equity Alternative Strategy Fund of Funds: 8.18% annualised dollar return since launch to end September 2011 versus 4.77% p.a. for MSCI World Index
 - ❖ Global Equity Fund of Funds: 2.06% annualised dollar return since launch to end September 2011 versus 0.34% for MSCI World Index



Africa



- Africa fund offering delivering excellent relative performance
 - ❖ Africa Frontiers Fund: 11% p.a. dollar return since launch in 2008 to end September versus 5.62% p.a. for the benchmark 3-month USD Libor + 5%.
 - ❖ 'Best Africa Manager of the Year' – 2010 Africa investor Index Series Awards
- Namibian AUM up by 9% from NAM\$8.8bn (Sept 10) to NAM\$9.35bn (Sept 11)
 - ❖ Good relative performance
- Botswana AUM at BWP2.3bn
 - ❖ Good relative performance



Global Emerging Markets (GEM)



➤ Excellent relative performance since inception

❖ Global Emerging Markets Fund: 6.8% p.a. ahead of MSCI Emerging Markets

Index as at end September 2011

❖ Relative performance position versus GEM peers – 2nd out of 59 over 3 years

to end September 2011





Transformation

Transformation



- Level IV contributor in terms of DTI codes
- Staff ownership scheme (Imvula)
 - ❖ Outstanding debt reduced by 71% since inception
 - ❖ Positive equity
- Enterprise development
 - ❖ Providing business support to selected BEE stockbrokers





Conclusion

Local market indicators

periods ending 30 September 2011



Period	Q3 '11	YTD	1 year	3 years	5 years	10 years
ALSI	-5.84%	-5.36%	3.60%	10.56%	8.76%	17.38%
ALBI	2.81%	5.13%	5.92%	10.04%	9.02%	10.25%
SAPI	2.19%	5.01%	8.30%	18.97%	17.44%	Not started
AF Money Mkt	1.41%	4.30%	5.88%	7.75%	8.95%	9.29%
MSCI (ZAR)	-0.07%	7.81%	11.85%	-0.11%	-0.80%	3.13%
CPI	1.45%	5.13%	5.69%	4.79%	6.77%	6.31%

Note: healthy returns over longer time periods across most asset classes!





Thank you