



March 2011 Reviewed Interim Results

17 May 2011

Agenda



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



Market movements

31 March 2011



Economic group	3 months %	6 months %	12 months %
All Share	1.1	10.7	15.2
All Share (Capital Return)	0.27	9.33	12.02
All Share (Dividend Return)	0.85	1.36	3.13
Resource 20	2.4	19.3	12.6
Small Cap	-5.3	5.4	11.9
Industrials	-8.6	-0.9	6.7
Financials	0.7	0.6	6.9





Financial Highlights

Financial highlights



➤ AUM	R231bn	+31% (28%*)
❖ Net flows of R13.9bn in H1		
➤ Headline earnings	89.2 cps	+25%
➤ Headline earnings (diluted)	81.7 cps	+26%
➤ Dividend	80.0 cps	+57%

* LFL (removing effect of restatement)



Financial highlights (Rm)



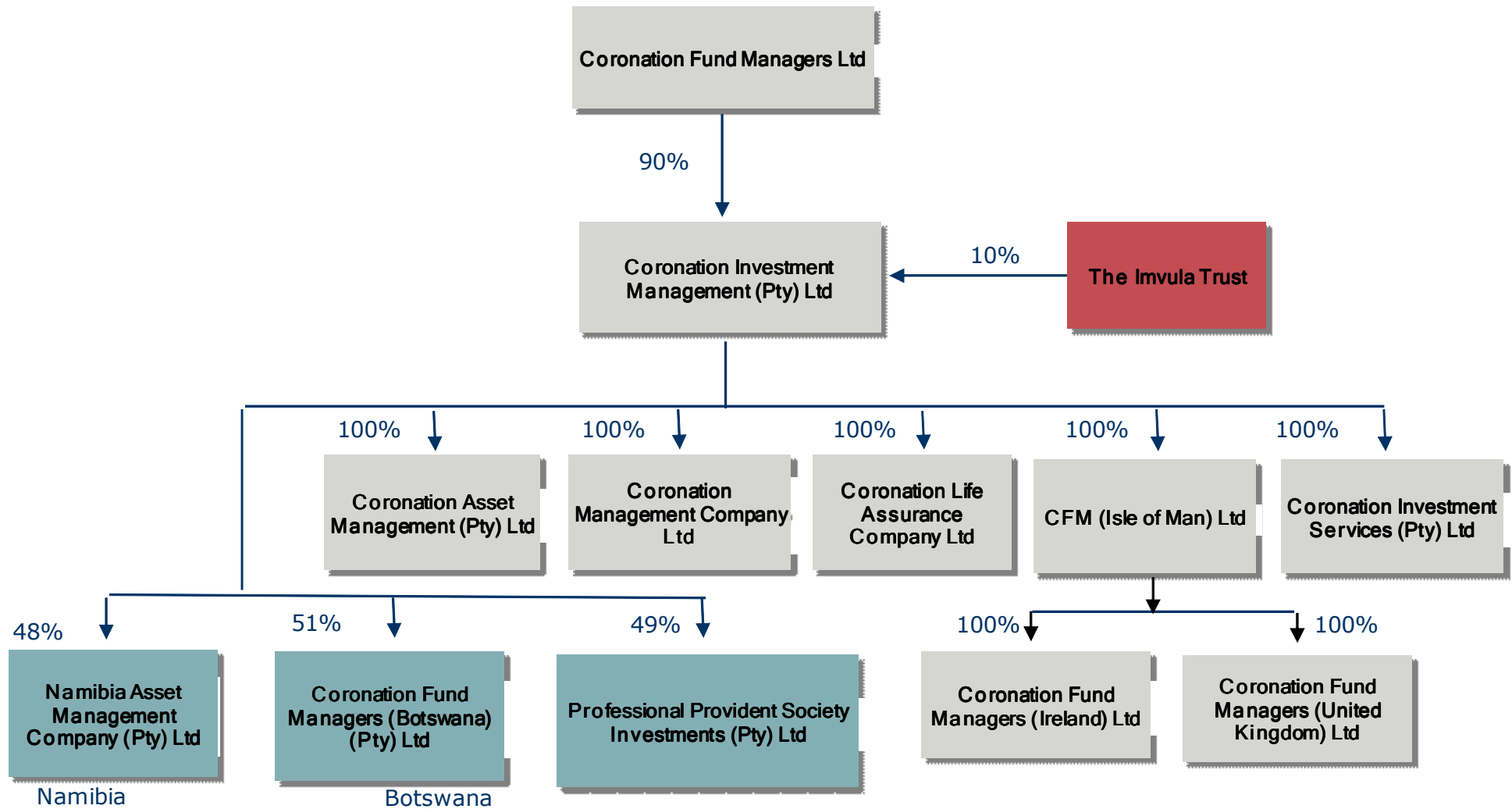
➤ Revenue (from fund management)	865	+32%
➤ Profit (from fund management)	440	+35%
➤ PAT	299	+32%
➤ Cashflow	228	- 11%





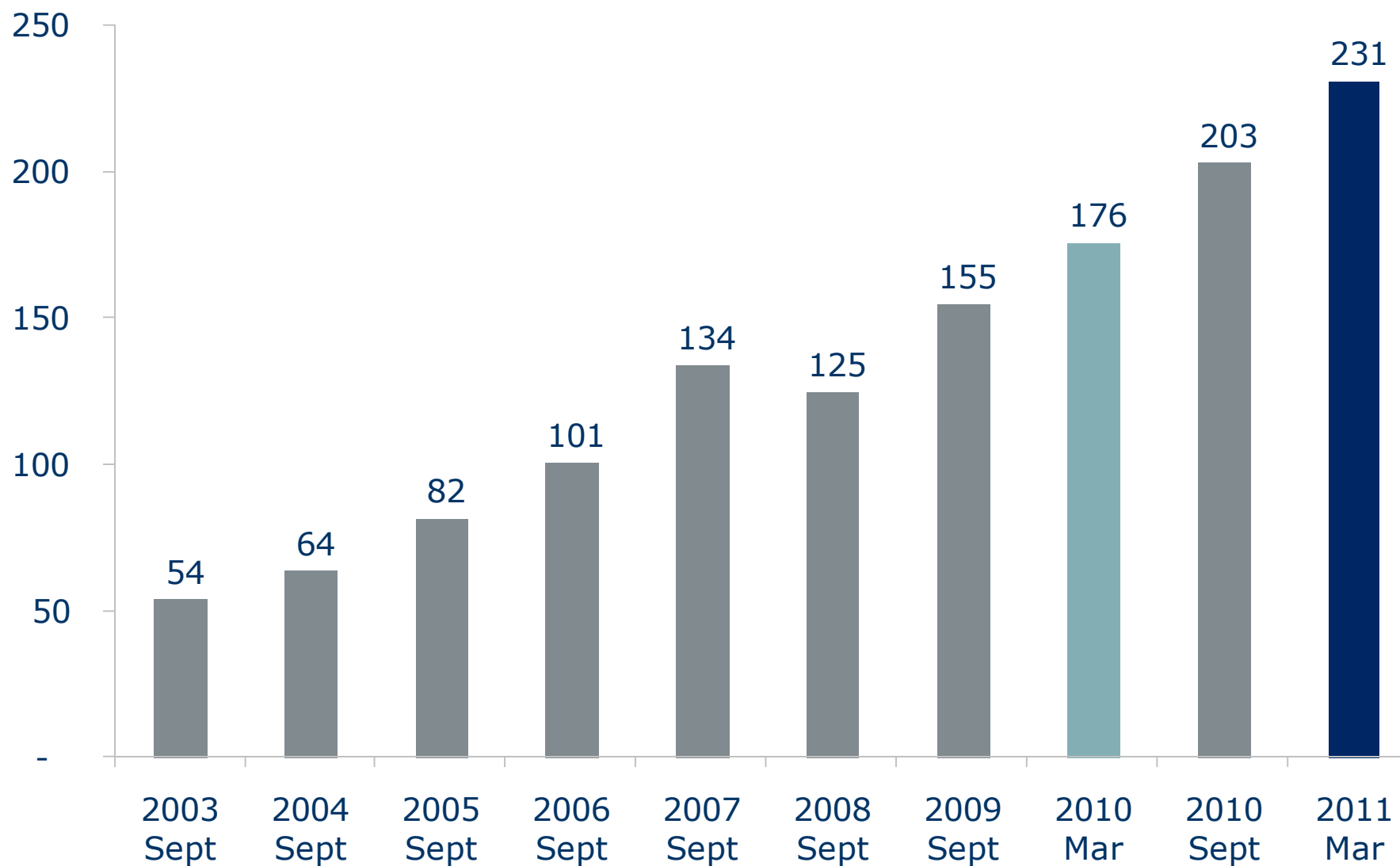
Company Overview

Company structure at 31 March 2011



Assets Under Management (Rbn)

2003 – 31 March 2011



Domestic: Equity 60.3%; Fixed Interest and Cash 22.7%
Foreign: Equity 11.9%; Fixed Interest and Cash 2.7%





Financial Results

Earnings



	Change %	March 2011	March 2010
Attributable earnings (R'000)	33	298,842	223,997
EPS (cents)	33	94.9	71.2
Headline earnings (R'000)	25	280,711	223,997
HEPS (cents)	25	89.2	71.2
Diluted HEPS (cents)	26	81.7	64.8
Weighted average shares in issue - 31 March	0	314,819,192	314,646,591
Actual shares in issue - 31 March	-	314,819,192	314,819,192
<i>Interim DPS</i>	57	80	51



Earnings

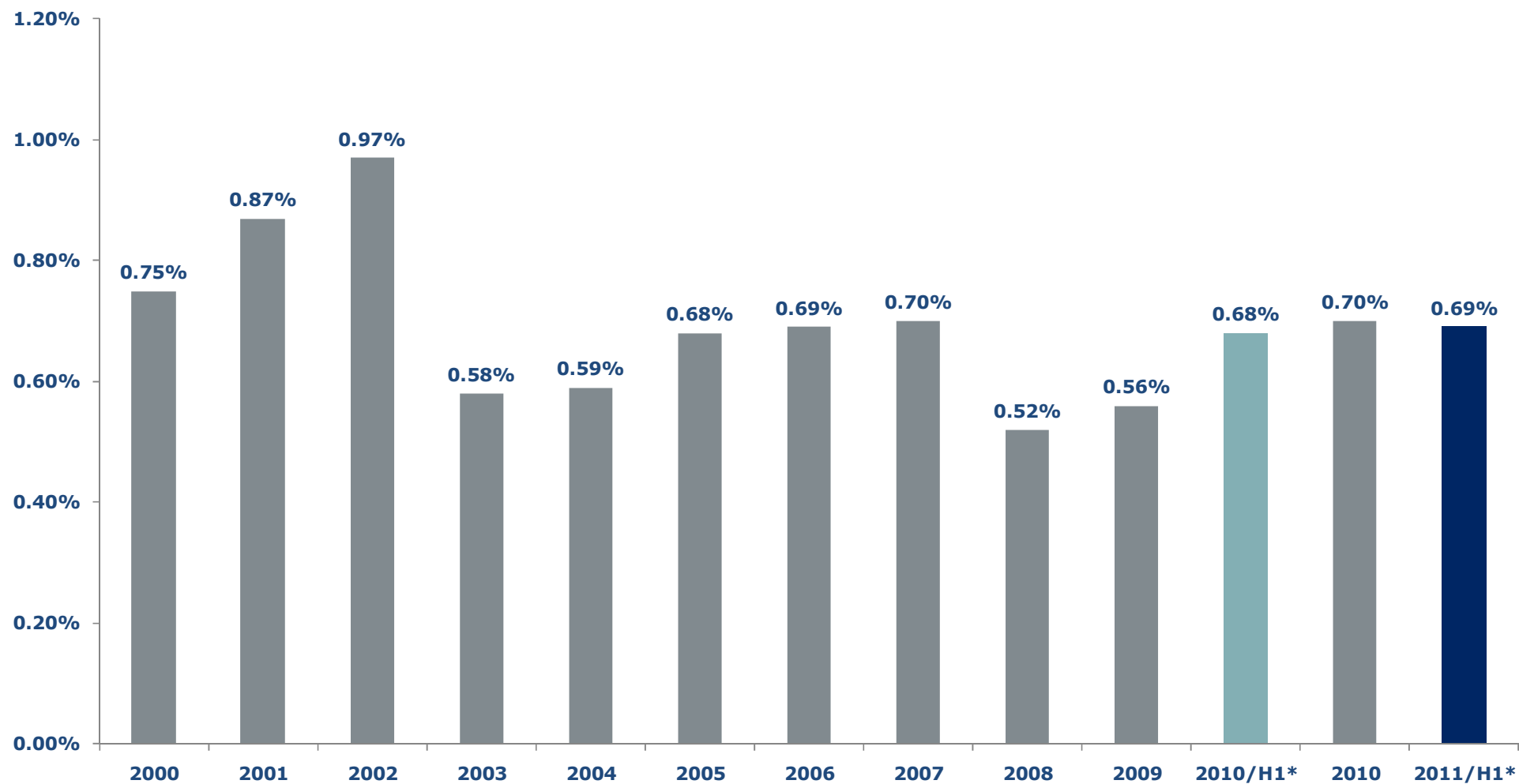


	Change	March	March
	%	2011	2010
Cost to income	1.3	50.6	51.2
Cost to income (excluding collection fees)	2.8	48.0	49.3
EBITDA (R'000)	34.1	445,843	332,460
Market capitalisation (R'000)	82.8	5,603,782	3,066,339
Share price @ 31 March (Rands)	82.8	17.80	9.74
Price earnings per share*	45.9	10.0	6.8

* PE – share price/annualised HEPS



Total net fee as at 31 March 2011



* H1 figures – annualised revenue



Cost comparison



	Change %	March 2011 R'000	March 2010 R'000
Fixed operational costs	(20.8)	136,826	113,225
Variable costs	(42.6)	306,903	215,193
IFRS 2	78.5	2,061	9,588
TOTAL OPERATIONAL COSTS	(31.9)	445,790	338,006
Other costs (Interest expense*)	39.8	3,160	5,250
TOTAL COSTS	(30.8)	448,950	343,256
* Interest			
Invula interest		2,560	4,334
Bank overdraft		600	916
		3,160	5,250

Interest cover

139.9 times

63.3 times

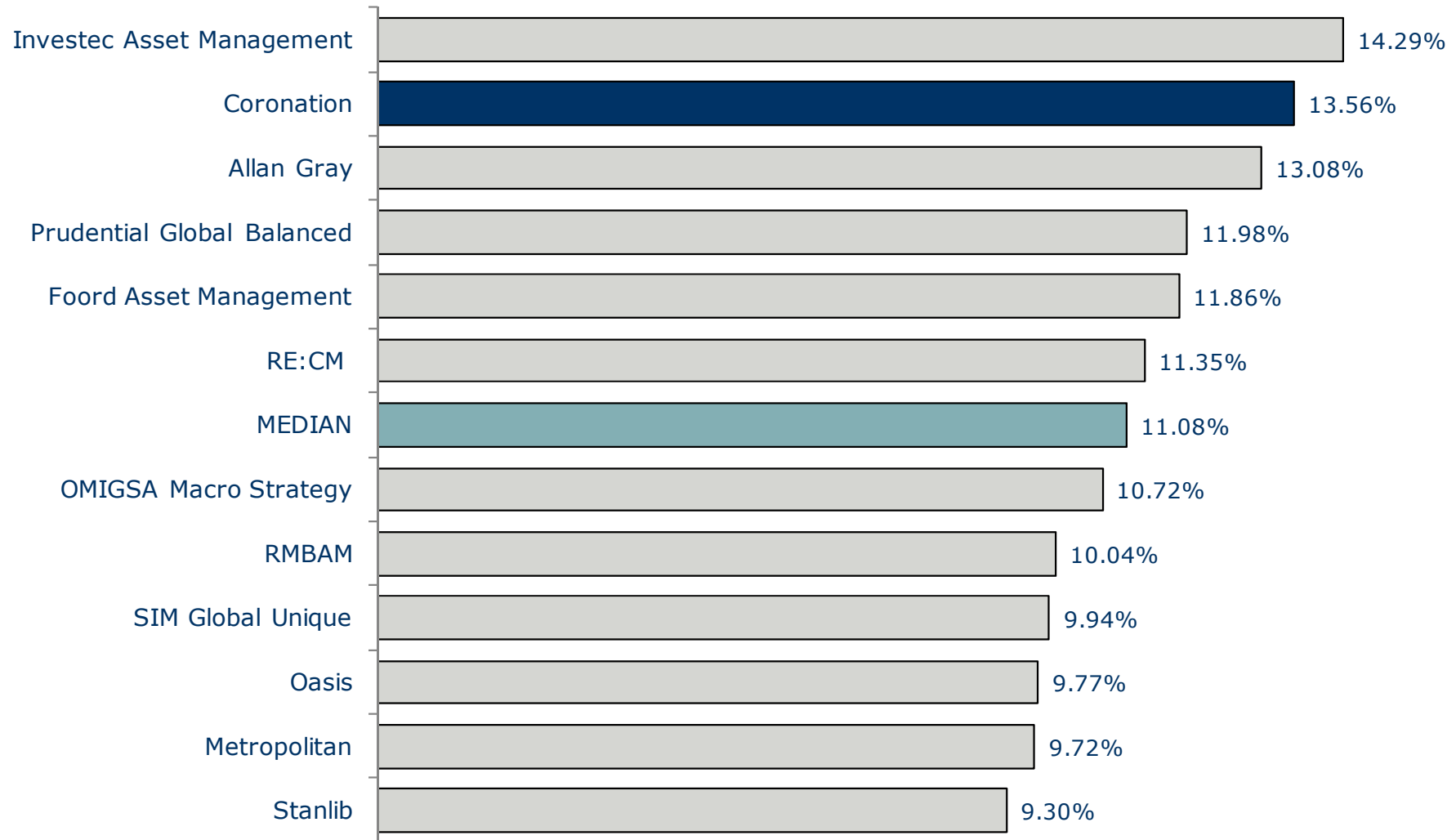




Business Overview Institutional

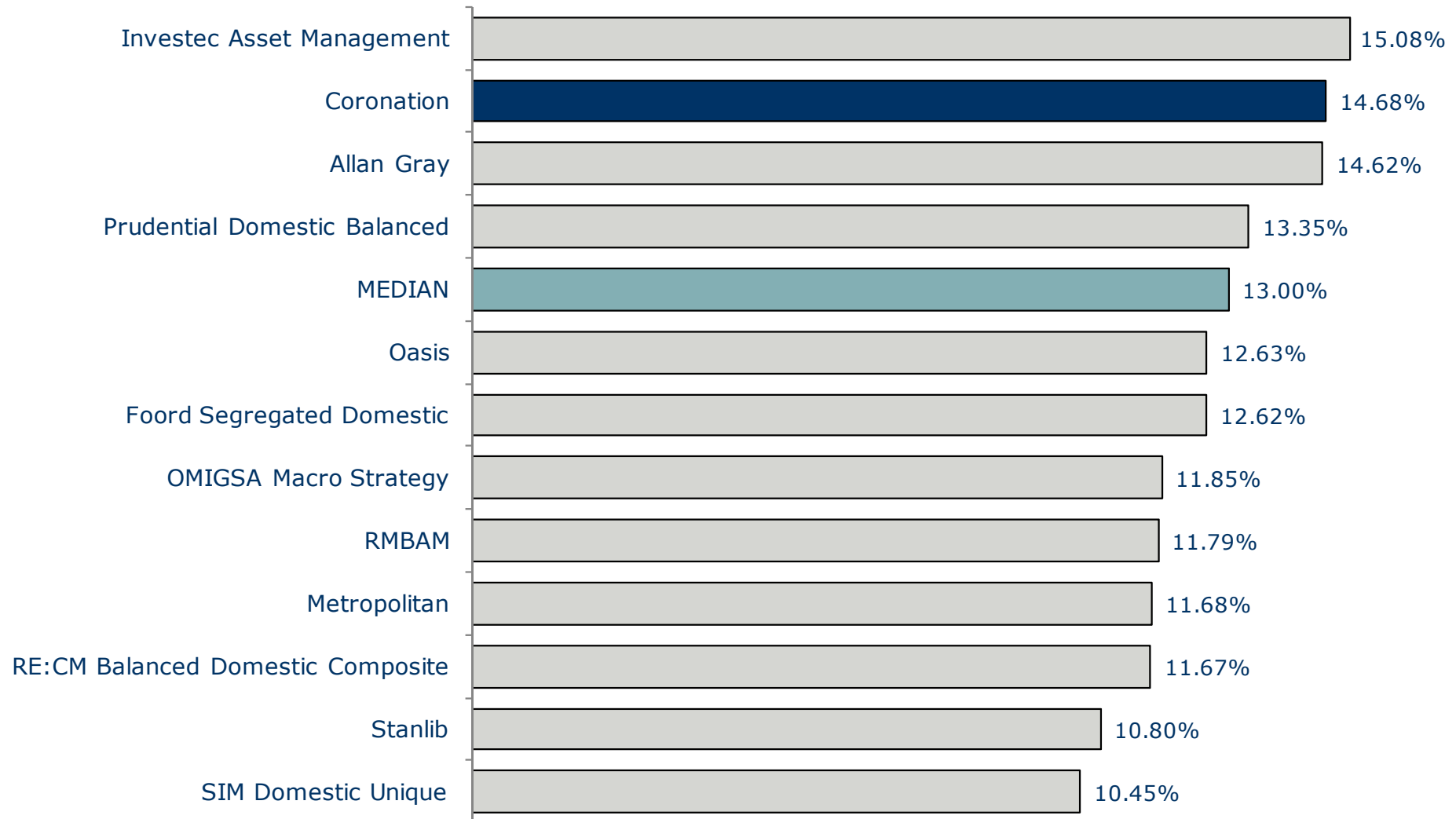
Performance

Alexander Forbes Global Large Manager Watch
5 years ending 31 March 2011



Performance

Alexander Forbes SA Large Manager Watch
5 years ending 31 March 2011





Business Overview Retail

Business performance

H1 FY2011



- Exceptional market share gains continue
 - ❖ From 6.5% to 8.7% of long-term funds over past 12 months to 31 March 2011
- R10bn net inflows for the first half of the 2011 financial year, compared to R11bn for the 2010 financial year
 - ❖ Highest net cash flows into long-term funds in the industry in both the December and March quarters
 - ❑ Very large share of post-retirement income cash flows
 - ❑ Source of new business broadening



Fund performance

By franchise as at 31 March 2011



- Continued long-term outperformance across our fund range and over meaningful time periods
- Domestic equity
 - ❖ Both Top 20 and Equity funds remain top quartile over all meaningful periods
- AA Long-Term Growth
 - ❖ Balanced Plus Fund in top 3 of category over 3,5 and 10-year periods
- AA Income and Growth
 - ❖ Balanced Defensive Fund in top 2 in category over 1 year, 3 years and since launch
 - ❖ Capital Plus Fund produced real return of 9% p.a. since launch with bond-like volatility
- International
 - ❖ Early days, but new funds remain ahead of benchmarks
- Fixed Interest and Real Estate
 - ❖ Strategic Income Fund had an exceptional 2010, outperforming cash by >4%



Change in AUM

By category for the past 6 months to 31 March 2011



- Domestic equity: from R8.9bn to **R11.2bn** (70bps market share gain to 5.5%)
 - ❖ Attracted **32%** of available cash flows
- AA Long-Term Growth: from R12.2bn to **R16.2bn** (120bps market share gain to 11.8%)
 - ❖ Attracted **24%** of available cash flows
- AA Income and Growth: from R10.6bn to **R14.8bn** (380bps market share gain to 16.1%)
 - ❖ Attracted **71%** of available cash flows
- International: from R2.5bn to **R3.2bn** (80bps market share gain to 6.6%)
 - ❖ Attracted **27%** of available cash flows
- Fixed Interest and Real Estate: from R6.2bn to **R7.2bn** (20bps market share gain to 6%)
 - ❖ Attracted **8%** of available cash flows





International

UK and Ireland



- AUM up from \$1.97bn (Sept 2010) to \$2.55bn (March 2011)
- AUM increase attributable to subscriptions
- Investment performance is very pleasing with all funds ahead of benchmarks





- Africa portfolios delivering excellent performance
 - ❖ The Coronation Africa Frontiers Fund has outperformed the FTSE/JSE Africa Top 30 Ex SA Index by 30.1% p.a. since inception in October 2008

- Botswana AUM flat at BWP2.3bn
 - ❖ Excellent relative performance

- Namibia AUM up from NAM\$8.9bn (Sept 2010) to NAM\$9.6bn (March 2011)
 - ❖ AUM increase attributable to performance

 - ❖ Good relative performance position



Emerging Markets



- Excellent relative performance of the institutional Coronation Global Emerging Markets Fund
 - ❖ Three-year track record will be achieved in July 2011
 - ❖ 7.8% annualised outperformance of MSCI Emerging Markets Index since inception
 - ❖ Great relative performance position versus GEM peers – 2/42*





Transformation

Transformation



- Rated as Level IV contributor in terms of DTI codes
- Staff Ownership Scheme (Imvula)
 - ❖ Outstanding debt reduced by 71% since inception in April 2005
 - ❖ Positive equity
- Enterprise development
 - ❖ Providing business support to selected BEE stockbrokers
 - ❖ Second 3-year term in process





Other

Initiatives



- PPS Investments
 - ❖ Growing AUM strongly
 - ❖ Gaining ongoing traction among PPS members





Thank you