

2012 Results Reviewed

13 November 2012



CORONATION 
FUND MANAGERS

Agenda

 Financial highlights

 Overview of company

 Financial results

 Business review

- Institutional
- Retail
- International
- Transformation

 Conclusion

Market movements

30 September 2012

Economic group	3 months Sept 2012 %	6 months Sept 2012 %	12 months Sept 2012 %
All Share	7.3	8.3	24.4
All Share (Capital Return)	6.1	6.6	20.5
All Share (Dividend Return)	1.2	1.7	3.9
Resource	2.9	(0.8)	3.0
Small Cap	6.2	8.2	27.5
Industrial	10.5	13.4	36.7
Financials	6.5	11.4	36.5

Source: Deutsche Bank

Financial highlights



Financial highlights

	2012	%
AUM	R339 bn	+37%
Headline earnings	217.3 cps	+13%
Headline earnings (diluted)	197.8 cps	+12%
Dividend		
Total	206.0 cps	+20%*
Final	111.0 cps	+21%*

* Period on period change applicable to Dividends Tax exempt investors

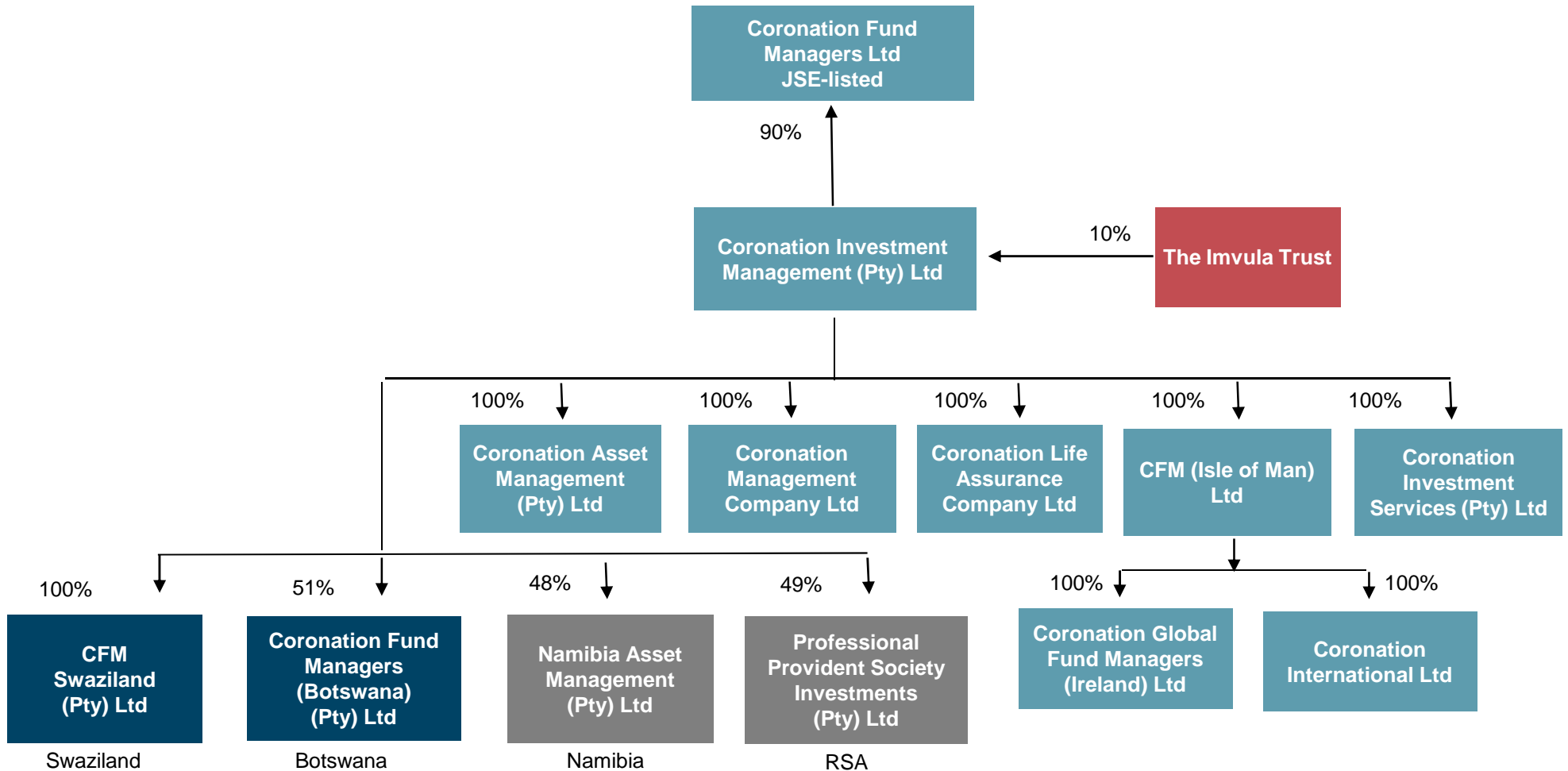
Financial highlights (Rm)

	2012	%
Revenue (from fund management)	1,975	+14%
Profit (from fund management)	979	+7%
PAT	684	+10%
Cashflow	1,074	+15%

Company overview

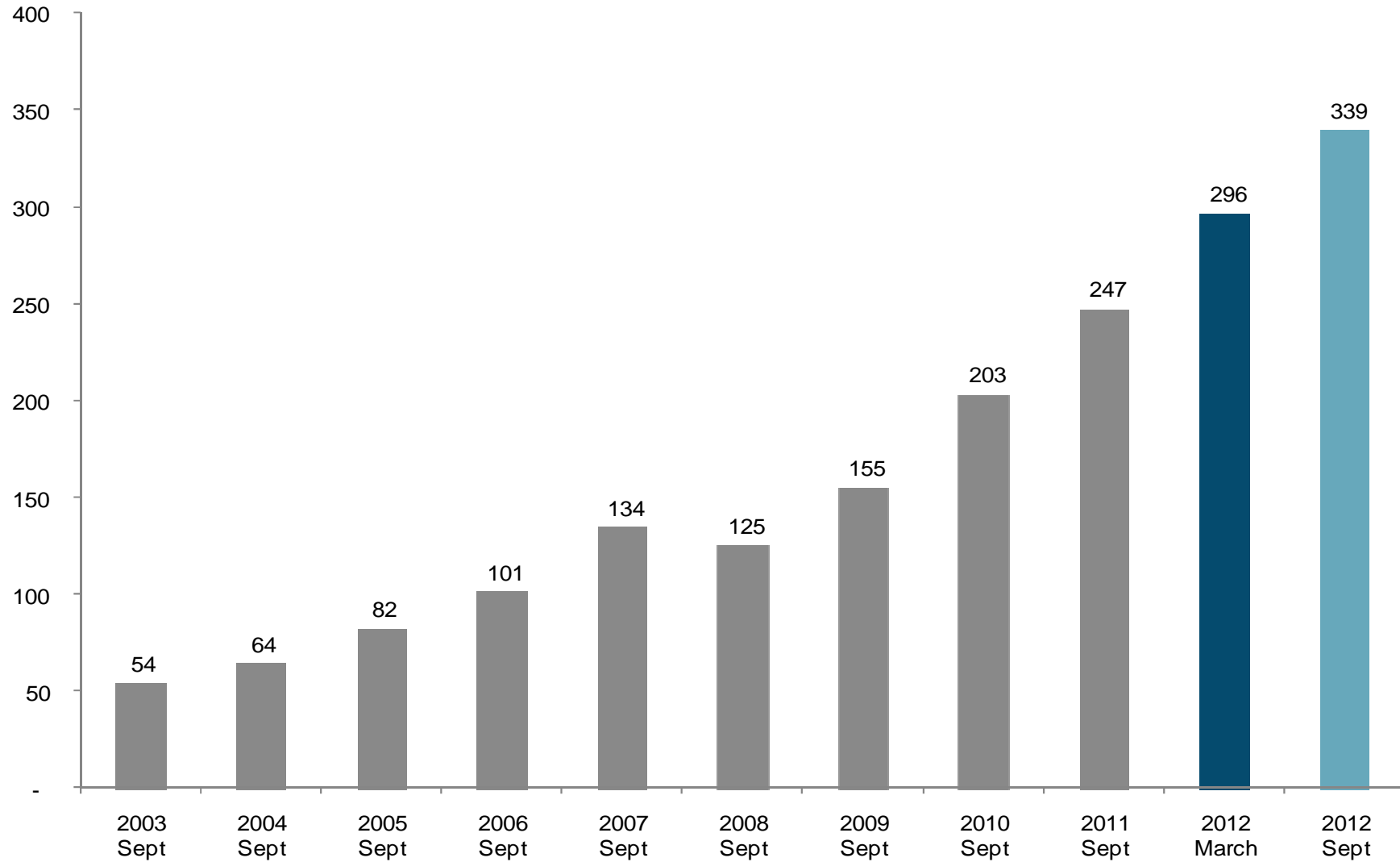


Company structure at 30 September 2012



Assets under management (Rbn)

2003 – 30 September 2012



Domestic: Equity 57.7%; Fixed Interest and Cash 25.9%
Foreign: Equity 13.4%; Fixed Interest and Cash 2.9%
As at 30 September 2012

Financial results



Earnings

	% Change	Sept 2012	Sept 2011
Attributable earnings (R'000)	10	684,090	623,977
EPS (cents)	10	217.3	198.2
Headline earnings (R'000)	13	684,022	605,842
HEPS (cents) ¹	13	217.3	192.4
Diluted HEPS (cents)	12	197.8	176.1
Weighted average shares in issue	-	314,819,192	314,819,192
Actual shares in issue	-	314,819,192	314,819,192

Notes

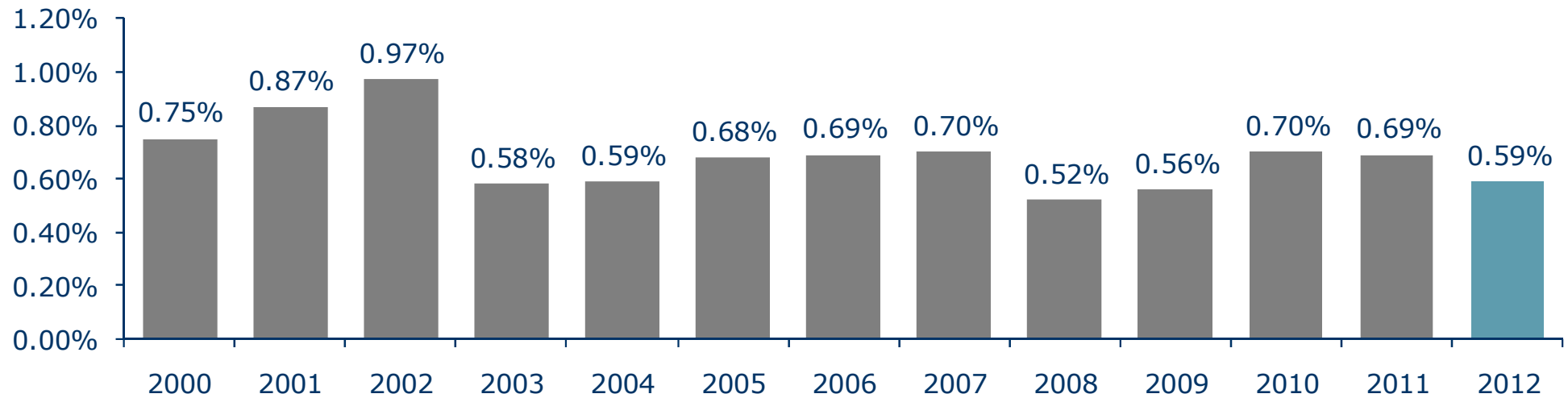
1. EPS-HEPS difference as result of R18m NAM valuation in 2011

Earnings

	% Change	Sept 2012	Sept 2011
Cost to income	(6.3)	51.2	47.9
EBITDA (R'000)	6.5	991,040	930,165
Market capitalisation (R'000)	55.0	9,759,395	6,296,384
Share price @ 30 September (Rands)	55.0	31.00	20.00
Price earnings per share*	37.3	14.3	10.4

* PE earnings – share price/annualised historic HEPS

Total net fee (actual revenue) as at 30 September 2012



Cost comparison

	% Change	Sept 2012 R'000	Sept 2011 R'000
Fixed operational costs	(16.1)	289,949	249,802
Variable costs	(24.0)	723,291	583,398
IFRS 2	33.3	3,239	4,856
Total Operational Costs	(21.3)	1,016,479	838,056
Other costs (Interest*)	9.4	4,765	5,262
Total Costs	(21.1)	1,021,244	843,318
*Interest			
Imvula interest		976	3,673
Other (SARS etc)		3,789	1,589
		4,765	5,262
Interest cover		205.5 times	175.1 times

CFM expenses

	% Change	Sept 2012 R'000	Sept 2011 R'000
Fixed costs	(16.1)	289,949	249,802
<i>Major contributors:</i>			
Staff costs	(14.8)	146,534	127,648
Rental	4.9	12,509	13,148
Marketing	(13.8)	46,450	40,834
Information technology	(22.2)	27,035	22,120
<i>Staff numbers</i>		220	208
Variable costs	(24.0)	723,291	583,398

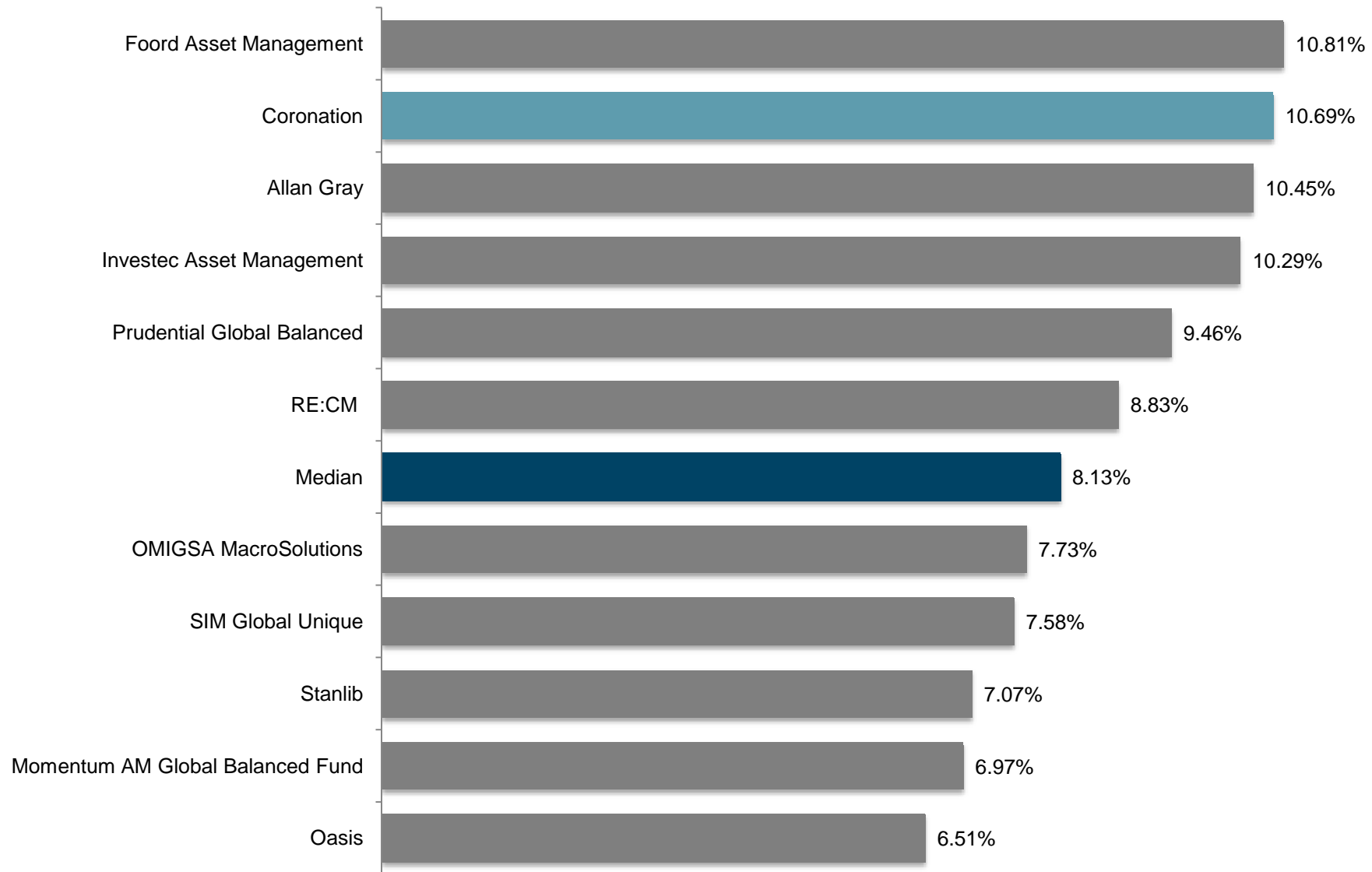
Business overview

Institutional



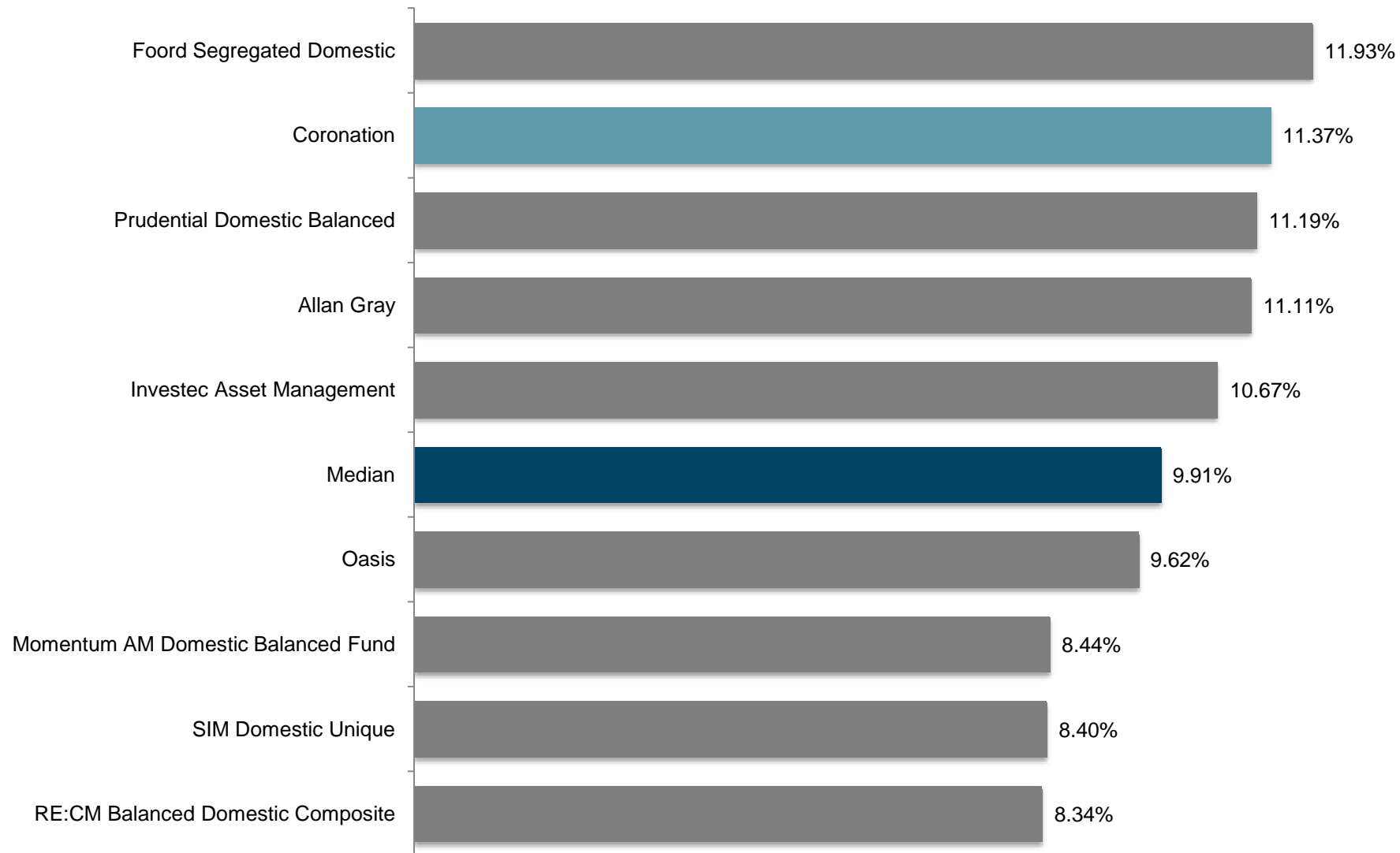
Performance

Alexander Forbes Global Large Manager Watch™
5 years ending 30 September 2012



Performance

Alexander Forbes SA Large Manager Watch™
5 years ending 30 September 2012



Coronation Global Absolute

performance for periods ending 30 September 2012

	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception*
Coronation Global Absolute	15.6%	13.7%	10.9%	17.4%	17.6%
CPI	5.2%	4.7%	6.5%	5.8%	6.4%
CPI +6%	11.2%	10.7%	12.5%	11.8%	12.4%

*Since inception – August 1999

Source: Independent Retirement Fund Survey

Coronation Core Equity

performance for periods ending 30 September 2012

	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception*
Coronation Core Equity	26.5%	18.9%	12.0%	22.3%
Benchmark**	27.0%	17.2%	8.4%	19.5%
Outperformance	-0.5%	1.7%	3.6%	2.9%

*Since inception – March 2004

** FTSE/JSE Shareholder Weighted Index

Source: Independent Retirement Fund Survey

Business overview

Retail Performance and New Business



Business Performance 2012

League Table: Long-term funds

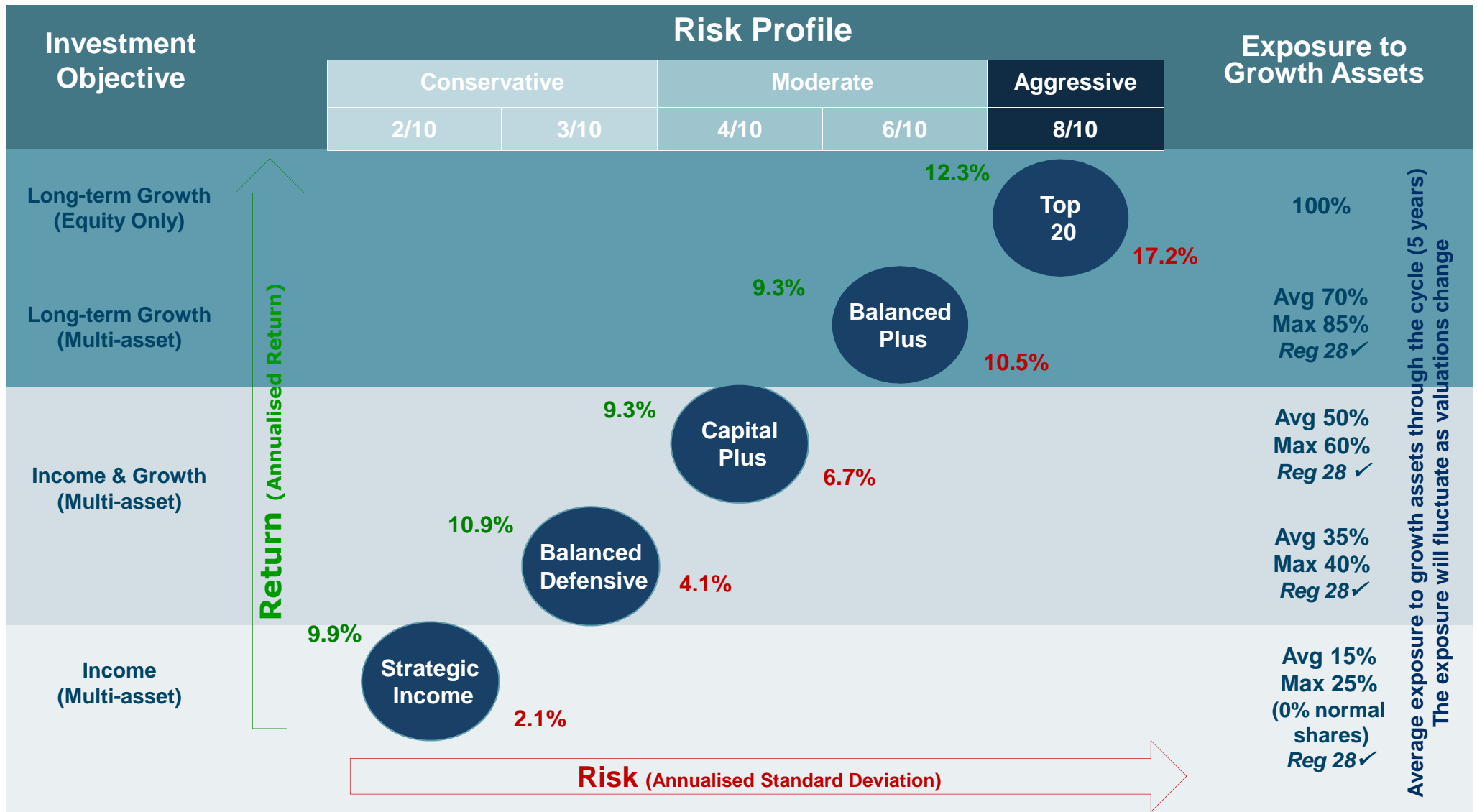
Manager	AUM		Flows	
	2012	2011	2012	2011
1.	R133bn	R113bn	R7bn [6 th]	-R3bn
2. Coronation (-)	R96bn	R62bn	R23bn [2 nd]	R20bn
3.	R77bn	R59bn	R11bn [4 th]	R7bn
4.	R73bn	R38bn	R28bn [1 st]	R7bn
5.	R58bn	R40bn	R12bn [3 rd]	R5bn

Consolidating 2nd position after attracting R23bn in net inflows for FY2012

Source: ASISA statistics, Morningstar, using Coronation classification based on retail funds only.

Domestic Flagship Income & Growth Solutions

Meeting our clients' key investment needs



5-Year Performance & Risk quoted from Morningstar as at 30 September 2012 for a lump sum investment with income distributions reinvested. Growth Assets are defined as domestic/foreign equities, listed property & commodities.

Domestic Flagship Funds

Consistent top quartile returns



	Fund	5-year ranking	10-year ranking	S.I. ranking
Long-term growth (equity only)	Top 20	1 st Quartile	1 st Quartile	1 st Quartile
Long-term growth (multi asset)	Balanced Plus	1 st Quartile	1 st Quartile	1 st Quartile
Income & growth	Capital Plus	1 st Quartile	1 st Quartile	1 st Quartile
	Balanced Defensive	1 st Quartile	-	1 st Quartile
Income only	Strategic Income	1 st Quartile	2 nd Quartile	1 st Quartile

Source: Morningstar as at 30 September 2012

International funds aimed at retail investors

Still early days, but promising track record developing

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

Source: Morningstar as at 30 September 2012, except 3-year ranking for Global Managed which was only reached for the first time on 29 October 2012.

International



Strong international track record

(US dollar returns)

Offshore USD Funds	Annual Alpha*	Launch date	Fees
Global Equity Alternative Strategy Fund of Funds	3.91%	01-Aug-96	Net
Global Equity Fund of Funds	1.45%	01-Jul-00	Net
Global Emerging Markets	6.87%	14-Jul-08	Gross
Global Bond	2.27%	01-Oct-09	Gross
Africa Frontiers	10.16%	01-Oct-08	Gross
Global Capital Plus	6.98%	01-Sep-09	Gross
Global Managed	0.66%	01-Mar-10	Gross

*Annual alpha for institutional portfolios since launch to end September 2012

UK and Ireland

 AUM up from \$2.73bn (Sept 11) to \$4.41bn (Sept 12)

 Investment performance remains satisfactory with all funds performing well within their peer groups

- Global Equity Alternative Strategy Fund of Funds: 8.34% annualised dollar return since launch to end September 2012 versus 5.78% p.a. for MSCI World Index
- Global Equity Fund of Funds: 3.42% annualised dollar return since launch to end September 2012 versus 1.97% for MSCI World Index

Africa

Africa fund offering delivering excellent relative performance

- Africa Frontiers Fund: 15.74% p.a. dollar return (gross of fees) since launch in 2008 to end September 2012 versus 5.58% p.a. for the benchmark 3-month USD Libor + 5%.
- ‘Best Africa Fund Manager of the Year’ – 2010 and 2012 Africa investor Index Series Awards

Namibian AUM up by 30% from NAM\$9.35bn (Sept 11) to NAM\$12.2bn (Sept 12)

- Good relative performance

Botswana AUM at BWP4.1bn

- Good relative performance

Global Emerging Markets (GEM)

Excellent relative performance since inception

- Global Emerging Markets Fund: 6.9% p.a. (gross of fees) ahead of MSCI Emerging Markets since inception 4 years ago.
- Relative performance position versus GEM peers – 5th out of 55 GEM funds since inception 4 years ago.

Transformation



Transformation

 Level III contributor in terms of DTI codes

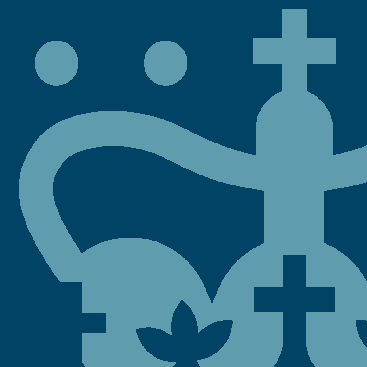
 Staff ownership scheme (Imvula)

- Outstanding debt settled
- Conversion awaiting Financial Sector Charter finalisation

 Enterprise development

- Providing business support to selected BEE stockbrokers

Conclusion



Local market indicators

periods ending 30 September 2012

	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)
All Share	16.0%	6.6%	17.6%
All Bond	12.7%	10.6%	11.3%
SA Listed Property	24.8%	15.2%	27.2%
AF Money Market	6.3%	8.2%	8.8%
MSCI (ZAR)	11.7%	2.2%	6.0%
Global Bonds (ZAR)	7.8%	10.6%	4.2%
CPI	4.7%	6.4%	5.4%
ZAR / USD	(3.3%)	(3.7%)	2.4%

Source: I-Net Bridge

Disclaimer

This presentation contains certain forward-looking statements. These forward-looking statements are based on current information and expectations, and involve a number of risks and uncertainties. Although Coronation believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results may differ materially from those projected in such statements due to various factors, including but not limited to changes in economic and market conditions, changes in regulatory environment, fluctuations in security prices and exchange rates, and business and operational risk management.

Thank you



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