

2014 Reviewed Annual Results

11 November 2014



CORONATION 
FUND MANAGERS
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Agenda

 Highlights

 Business update

- Institutional
- Retail

 Financial results

 Closing remarks

Highlights



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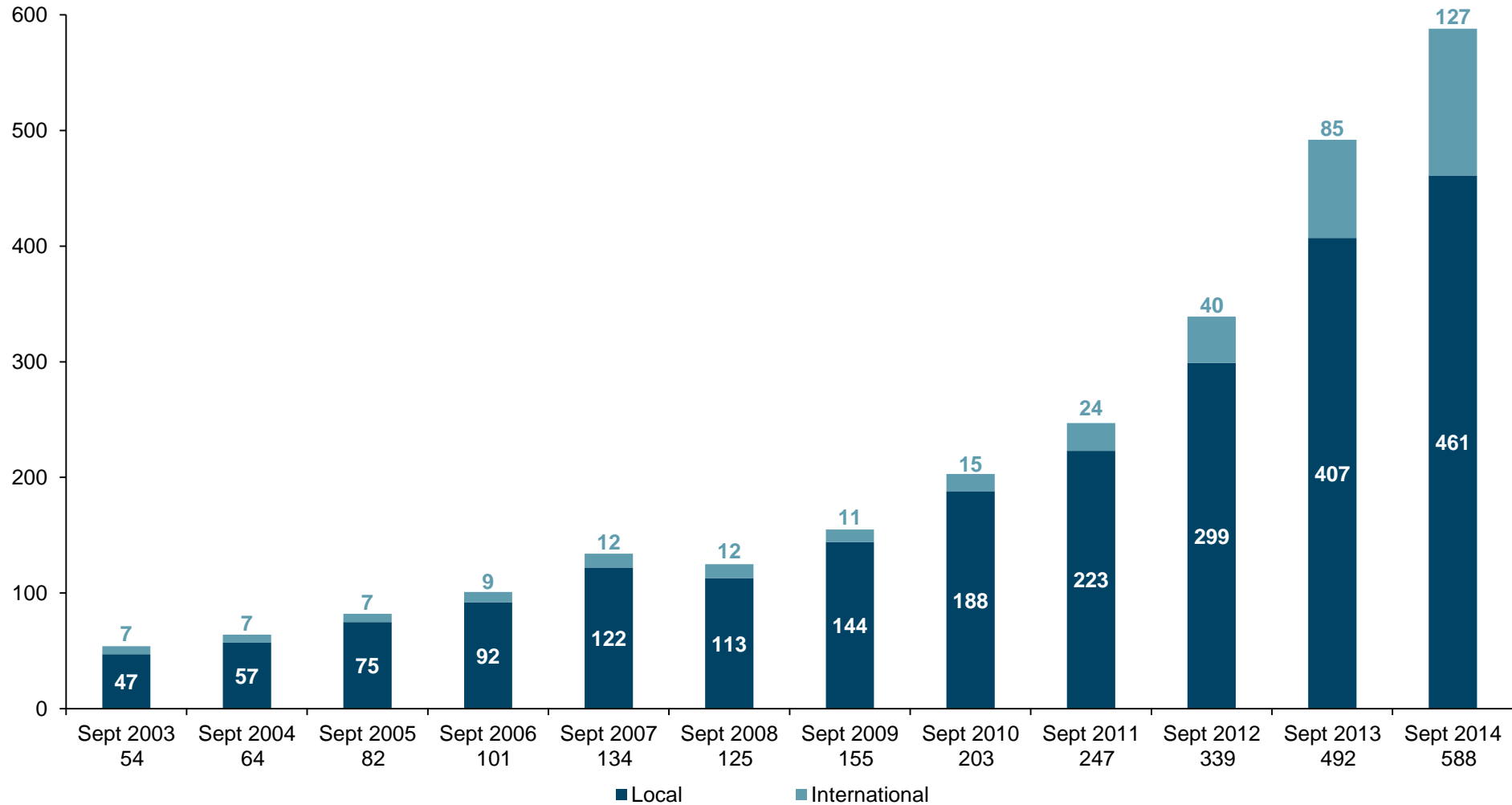
Highlights

as at 30 September 2014

- 👑 Total AUM increased to R588bn (+20%)
- 👑 Total net inflows for year R32bn (R21bn into international products/mandates)
- 👑 International AUM increased to R127bn (+49%)
- 👑 Revenue increased to R4.8bn (+31%)
- 👑 Diluted headline earnings per share of 571.6 cents per share (+37%)
- 👑 Total gross dividend of 571 cents (+37%)
- 👑 Outstanding long-term performance across all products
- 👑 Level III contributor as measured by the dti's B-BBEE Codes of Good Practice

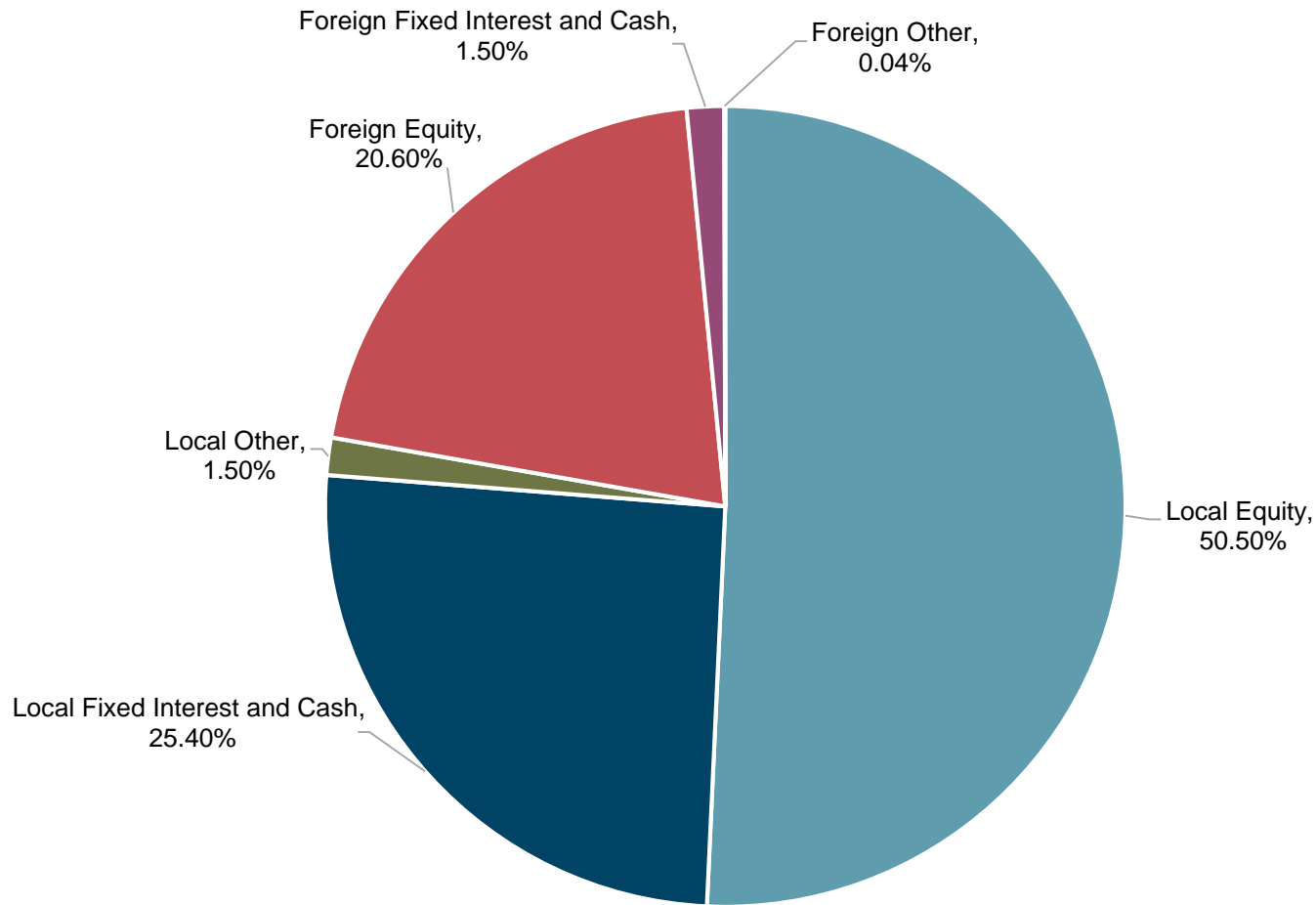
Assets under management (Rbn)

2003 – 30 September 2014

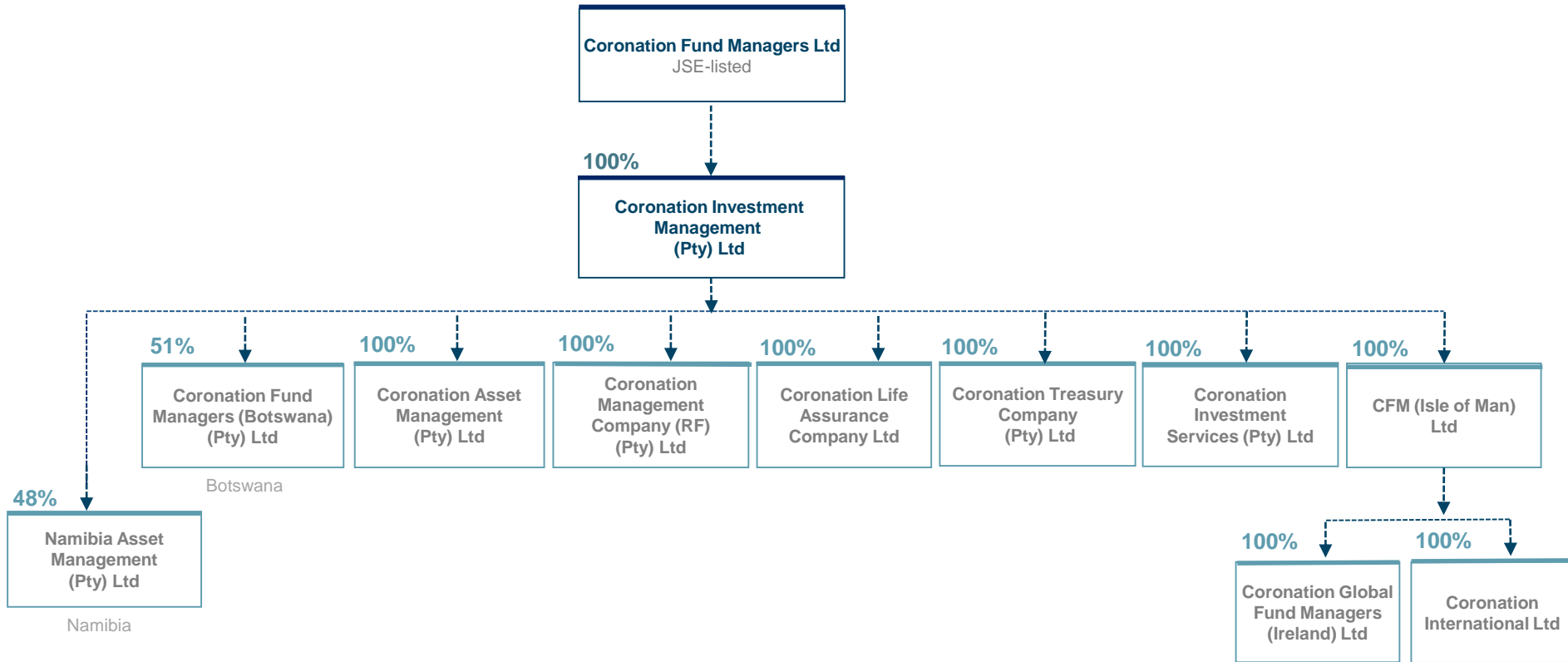


Assets under management (Rbn)

Asset class split as at 30 September 2014



Company structure at 30 September 2014



Business update



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Market movements

30 September 2014

Economic group	3 months Sep 2014 %	6 months Sep 2014 %	12 months Sep 2014 %
All Share (ZAR)	-2.1	4.9	15.4
Resources	-7.1	-4.4	7.9
Small Cap	2.0	8.2	17.6
Industrials	-0.7	8.3	16.5
Financials	0.4	8.3	22.8
USD/ ZAR exchange	-5.8	-6.6	-11.1
MSCI World (USD)	-2.1	2.9	12.8
MSCI Emerging Markets (USD)	-3.4	3.1	4.7

Source: Deutsche Bank

Institutional business highlights

Institutional AUM of R383bn

- Net asset level also accounts for pending deregistration of CFM Botswana

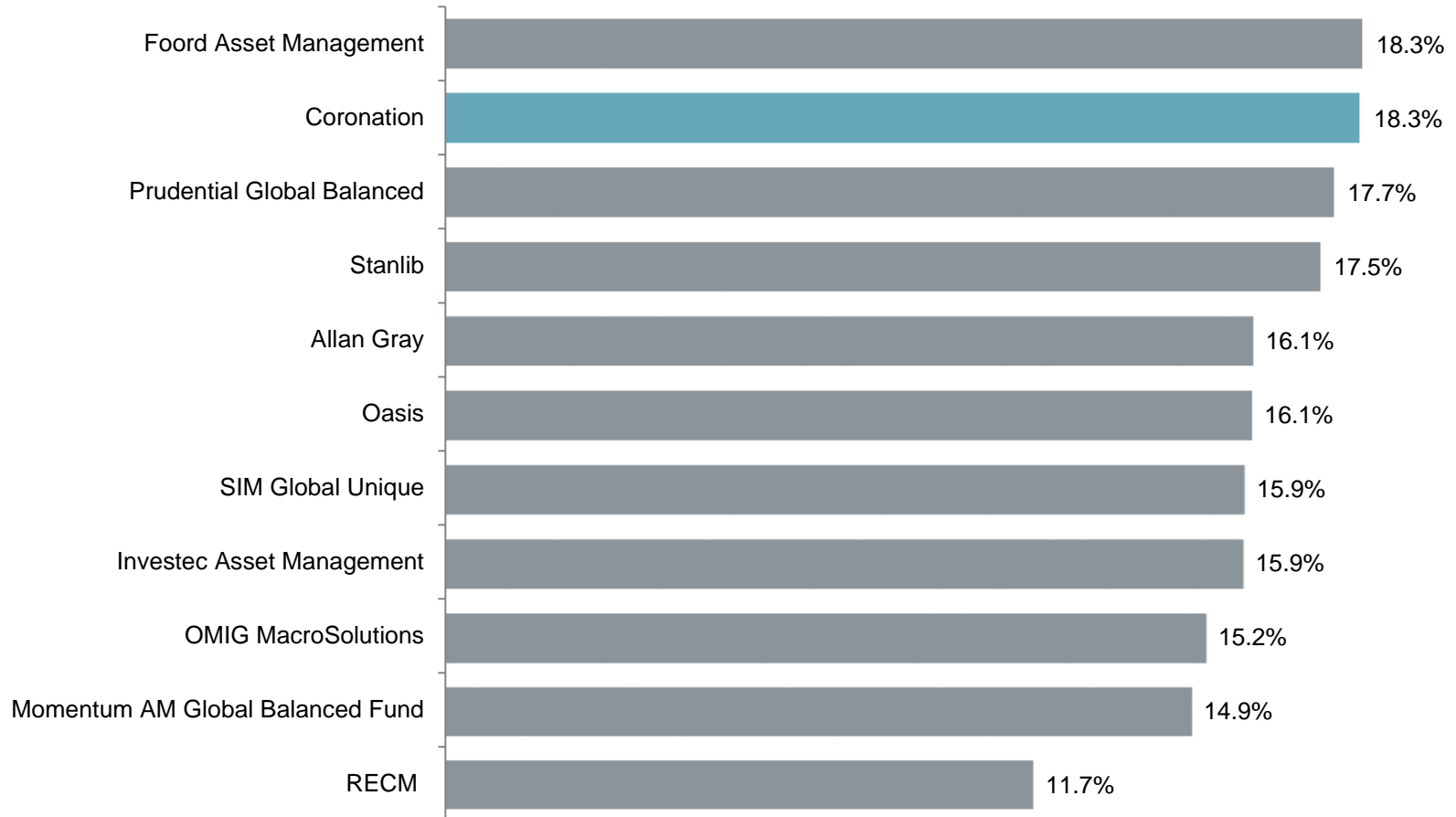
Net inflows to institutional business close to zero:

- Outflows from our mature domestic institutional business
- Offset by international inflows (specifically into GEM product)

Expanding international offering to include Global Equity and Global Frontiers products

Performance

Alexander Forbes Global Large Manager Watch™
5 years ending 30 September 2014



Source: Alexander Forbes Global Large Manager Watch™ survey to 30 September 2014

Coronation Houseview Equity portfolio

as at 30 September 2014

	1 year %	3 years (p.a.) %	5 years (p.a.) %	10 years (p.a.) %	Since inception (p.a.) %
Coronation Houseview Equity	13.8	25.5	21.2	22.4	19.2
FTSE/JSE SWIX	18.0	23.3	18.9	19.4	16.0
Outperformance of benchmark	(4.1)	2.2	2.2	3.1	3.2

* Since inception - October 1993

Source: Independent Retirement Fund Survey

Coronation Global Absolute portfolio

performance for periods ending 30 September 2014

	1 year %	3 years (p.a.) %	5 years (p.a.) %	10 years (p.a.) %	Since inception (p.a.) %
Coronation Global Absolute	13.4	17.0	15.3	17.1	17.6
CPI	6.1	5.9	5.3	6.1	6.3
CPI + 6% (benchmark)	12.1	11.9	11.3	12.1	12.3
Outperformance of benchmark	1.3	5.1	4.0	5.0	5.3

*Since inception – August 1999

Source: Independent Retirement Fund Survey

Coronation Strategic Bond portfolio

performance for periods ending 30 September 2014

	1 year %	3 years (p.a.) %	5 years (p.a.) %	Since inception (p.a.) %
Coronation Strategic Bond	7.6	10.4	11.0	10.7
BEASSA All Bond Index	5.8	8.5	9.3	9.0
Outperformance of benchmark	1.8	1.9	1.7	1.7

*Since inception – January 2008

Source: Independent Retirement Fund Survey

Strong international track record

(US dollar returns)

Offshore USD Funds	Annualised Alpha* %	Launch date	
Global Equity Fund of Funds	1.41	01-Jul-00	Net
Global Emerging Markets	6.96	14-Jul-08	Gross
Global Bond	2.62	01-Oct-09	Gross
Africa Frontiers	12.88	01-Oct-08	Gross
Global Capital Plus	6.85	01-Sep-09	Gross
Global Managed	2.82	01-Mar-10	Gross

* Annualised alpha for institutional portfolios since launch to 30 September 2014

Africa fund offering delivering excellent performance

- Africa Frontiers Fund has delivered 18.4% p.a. US dollar return (gross of fees) since launch in October 2008 versus 5.5% p.a. for the benchmark of 3-month USD Libor + 5%, resulting in alpha of 12.9% p.a.
- The FTSE/JSE Africa Top 30 Ex-SA Index has returned 2.0% p.a. over the same period
- Total AUM R9.0bn

Global Emerging Markets (GEM)

Excellent performance since inception

- Global Emerging Markets Fund has delivered a 9.2% p.a. US dollar return (gross of fees) since launch in July 2008 versus 2.2% p.a. for the MSCI Emerging Markets benchmark, resulting in alpha of 7.0% p.a. since inception
- Have now passed a 6-year track record (launch 14 July 2008)
- Relative performance position versus GEM peers – 2nd out of a peer group of 66 GEM funds since inception (source: Coronation analysis of Bloomberg data net of fees)
- Total AUM R52bn


Retail business highlights

 Retail assets under management of R205bn

 Net inflows of R32bn

- Representing a disproportionate share of local industry flows

 Coronation now largest manager of long-term retail assets (15.1% market share)

 Raging Bull Management Company of the Year for the second consecutive year, and Morningstar Best Large Fund House for the fourth consecutive year

Retail Business Performance 2014

League Table: Long-Term Funds
as at 30 September 2014

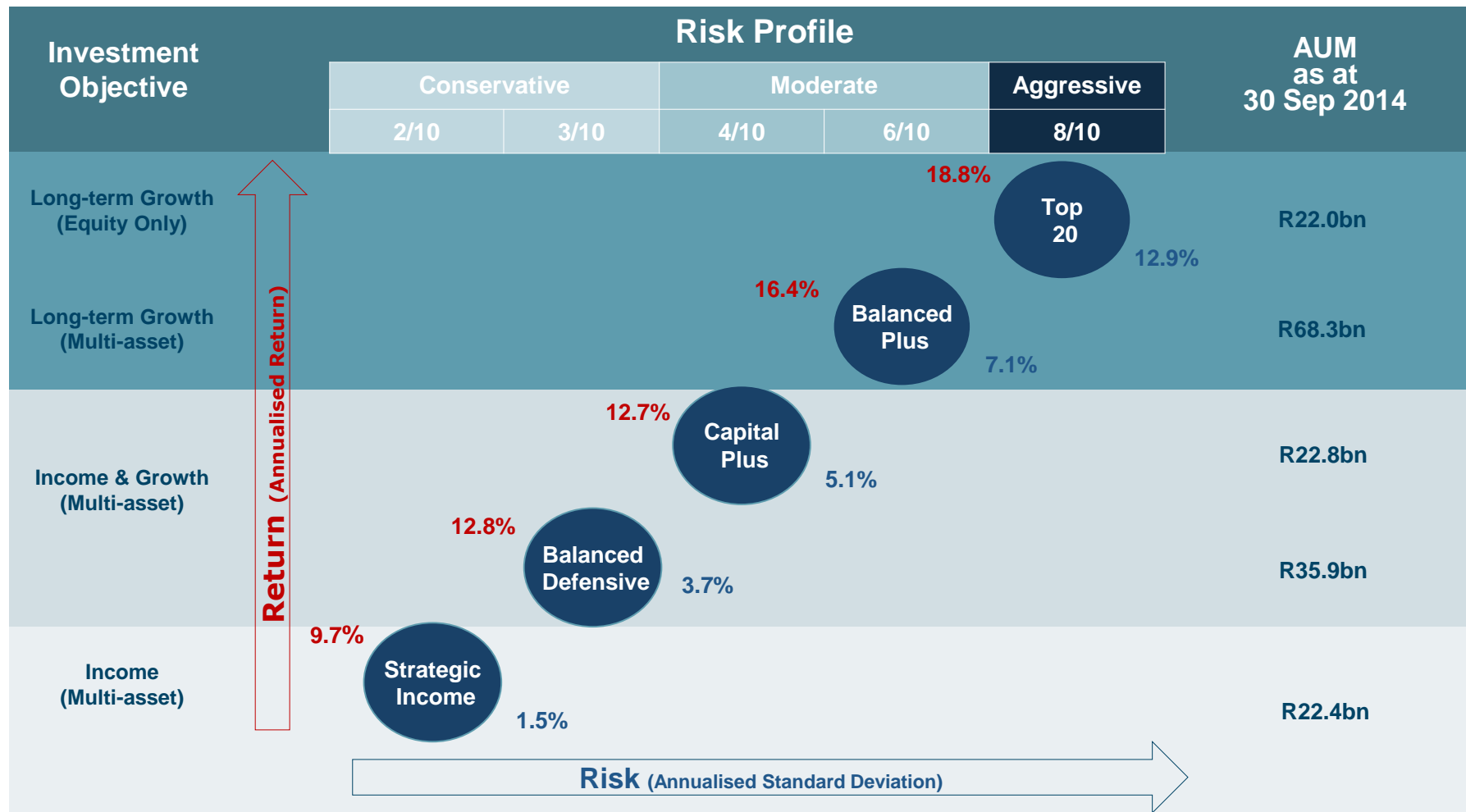
Manager	AUM (Rbn)		Flows (Rbn)	
	FY 2014	FY 2013	FY 2014	FY 2013
1. Coronation (+1)	211	157	38 (1 st)	38
2.	210	168	17	5
3.	100	93	0.5	6
4.	96	95	(1)	18
5.	79	67	5	5

Market share increased to 15.1% (from 13.6%) of long-term funds as at 30 September 2014.

Source: ASISA statistics; Morningstar, using Coronation classification; based on retail single manager funds only

Domestic flagship funds

Meeting our clients' key investment needs
as at 30 September 2014



5-Year Performance & Risk quoted from Morningstar as at 30 September 2014 for a lump sum investment with income distributions reinvested and all costs deducted.

Domestic Flagship Funds

Consistent top quartile returns
as at 30 September 2014

	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	2 nd 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

Source: Morningstar as at 30 September 2014

International Feeder Funds - ZAR

Building a solid track record
as at 30 September 2014

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

Source: Morningstar as at 30 September 2014

Financial results

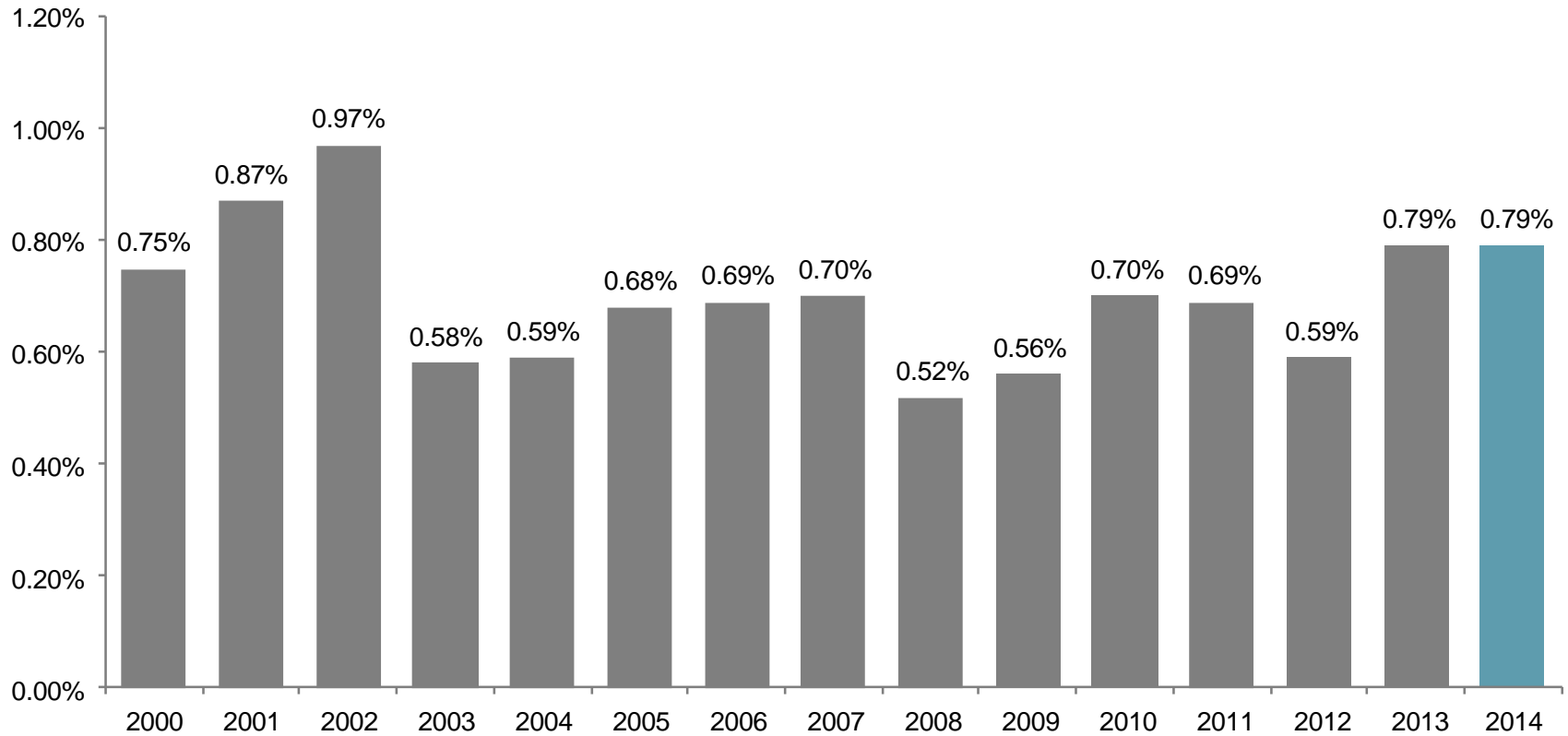


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Financial highlights

	2014	% Change
Assets under Management	R588bn	20
Revenue (from fund management)	R4 774m	31
Profit (from fund management)	R2 662m	35
Profit before tax	R2 703m	31
Profit for the year	R2 004m	38

Total net fee (actual revenue) as at 30 September 2014



Earnings and dividend

	% Change	Sept 2014	Sept 2013
Diluted HEPS (cents)	37	571.6	416.0
Interim dividend per share (cents)	69	275	163
Final dividend per share (cents)	17	296	253
Actual shares in issue – 30 Sept		349 799 102	349 799 102
Market capitalisation (R'000)	41	33 808 083	23 996 208
Share price at 30 Sept (Rands)	41	96.65	68.6

Cost comparison

	% Change	Sept 2014 R'm	Sept 2013 R'm
Cost to income	3	45.0	46.3
Fixed operational costs	(23)	418	341
Variable costs	(30)	1 756	1 348
IFRS 2	83	1	6
Operating expenses	(28)	2 175	1 695

Fixed expenses

	% Change	Sept 2014 R'm	Sept 2013 R'm
Fixed costs	(23)	418	341
Major contributors:			
Staff costs	(17)	197	169
Information technology	(47)	53	36
Professional fees	(3)	34	33
Marketing	(42)	68	48
<i>Staff numbers</i>		274	246

Closing remarks



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Closing remarks

- 👑 Recent market declines (local & international) act as caution that markets don't always go up
- 👑 Heightened geopolitical risk and uncertainty around domestic and global economy will contribute to markets remaining volatile
- 👑 Remain singularly focused on identifying long-term value for clients
- 👑 Earnings are highly geared to market returns and performance we deliver to clients
- 👑 Cyclical business that has benefited from strong markets and investment performance

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. Coronation is under no obligation to update these statements once it has been posted or released. Coronation Asset Management (Pty) Ltd is an authorised financial services provider.

Thank you



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