

Reviewed preliminary condensed consolidated financial results

FOR THE YEAR ENDED 30 SEPTEMBER 2017



ASSETS UNDER MANAGEMENT (AUM)

R614 billion

DILUTED HEADLINE EARNINGS PER SHARE

437.5 cents

TOTAL DIVIDEND PER SHARE

437.0 cents

RESULTS

Coronation Fund Managers Ltd (Coronation) delivered credible results that are in line with management expectations for the 12 months to 30 September 2017.

Our entire range of client portfolios performed very well against a backdrop of strong market gains worldwide. For the year, the MSCI All Country World Index delivered a return of 18.7% and the MSCI Emerging Markets Index added 22.5% (both in US dollar terms), while the FTSE/JSE All Share Index gained 10.2% (in rand terms). Despite ongoing domestic political uncertainty and volatility in the US dollar and euro, the rand exchange rate has been relatively resilient during the 12-month period, with the local currency strengthening by 1.2% against the US dollar (to close at R13.55) and by 3.7% against the euro (to close at R16.01).

As a cyclical business, Coronation's revenue stream is highly geared to the returns of the market and the level of outperformance it generates on behalf of its clients. While total AUM rose by 2.5% for the full year (September 2016: R599 billion) average AUM declined by 3.5% over the period, contributing to the decline in revenue of 3.1% to R3.9 billion (September 2016: R4.0 billion) for the year. Although certain once-off fixed expenses relating to our retail client reporting and correspondence system, and outsourced fund administration function were incurred during the year under review, the decrease in variable expenses resulted in an overall decline of 4.2% in total expenses. The variable cost nature of our business model dampens the impact of a decline in revenue on profits. The combined effect of these factors was a 2.3% decline in diluted headline earnings per share to 437.5 cents (September 2016: 447.6 cents).

BUSINESS UPDATE

We are an active manager with a valuation-driven investment philosophy. The key driver of our success is our ability to create long-term value on behalf of clients. Both our institutional and retail businesses are acknowledged as industry leaders in the South African market. Our homegrown expertise in managing money in global markets has been recognised by an increasing number of international allocators of capital, and our global franchise has developed into a compelling business in its own right. Growing this franchise will be a key focus area in the years ahead.

Since our inception in 1993, we have built a track record of producing significant market-beating returns over meaningful time periods – an achievement very few fund managers can lay claim to. Of our institutional and retail assets, 98.9% have outperformed their respective benchmarks since inception.

INSTITUTIONAL BUSINESS

Our institutional business manages assets for both South African and international investors, totalling R376 billion (September 2016: R374 billion).

South Africa

We are a significant participant in the local institutional market, investing assets on behalf of a substantial portion of domestic retirement funds. Our local institutional AUM totals R305 billion (September 2016: R323 billion), which represents a meaningful share of the market.

Our decision to reopen our top-performing SA Equity and Multi-Asset portfolios to new investors in March 2017 (after being closed for nearly five years) has been very well received by the market, and increased engagements are taking place with both South African and global investors.

The local pension funds industry continues to see structural net outflows, which have been exacerbated by the poor economic conditions. Notwithstanding this backdrop, we are encouraged by the sharp slowdown in net outflows to R43.7 billion over the period (September 2016: R58.1 billion). Our business is well positioned to take advantage of industry shifts and we expect to see a positive impact on flows from our reopened strategies. We continue to lead the market in many areas, including in making bold new changes to our hedge funds fees, which is a global first. Further, we offer a complete and easily understandable range of solutions that has consistently delivered market-beating performance for our investors over the long term.

A large number of our institutional investors have been invested with us for more than a decade and we are proud of the investment returns they have achieved.

Within our South African specialist equity strategies:

- + Coronation Houseview Equity has produced a return of 17.5% p.a. since its inception in October 1993, thereby delivering an active return (alpha) of 2.7% p.a., while Coronation Aggressive Equity has produced a return of 18.0% p.a. since its launch in February 2002, delivering alpha of 2.7% p.a.

Within our market-leading multi-asset strategies:

- + Coronation Global Houseview has delivered 16.5% p.a. since its launch in October 1993, thereby representing a real return of 10.3% p.a., while Coronation Managed has produced 16.9% p.a. since its launch in May 1996, representing a real return of 11.0% p.a.

Within our South African specialist fixed income strategies:

- + Coronation Strategic Bond has produced a return of 10.0% p.a. since its inception in January 2008, thereby outperforming the BEASSA All Bond Index by 1.5% p.a., while Coronation Active Bond has produced a return of 11.6% p.a. since its launch in July 2000, representing alpha of 0.9% p.a.

Global

In the more than nine years since the launch of our global franchise, we have made great strides in establishing a world-class track record across our entire product range. Our expertise and perspective in managing money from an emerging market resonate well with many investors globally, attracting R7.4 billion in new flows (14.5% of opening AUM) during the period. Currently, we manage a combined total of R71 billion (September 2016: R51 billion) in our global strategies on behalf of a number of leading international retirement funds, endowments and family offices.

The long-term track records of our global portfolios are highly compelling:

- + Coronation Global Emerging Markets Equity Strategy has produced a return of 8.5% p.a. (in US dollars) since its inception in July 2008, delivering alpha of 5.3% p.a.
- + Coronation Africa Frontiers has delivered an absolute return of 9.3% p.a. (in US dollars) since its launch in October 2008, placing it at the top of its peer group globally.
- + Coronation Global Equity Fund of Funds has produced a return of 6.7% p.a. (in US dollars) since its inception in July 2000, delivering alpha of 2.0% p.a.
- + Coronation Global Managed Strategy has delivered a return of 9.3% p.a. (in US dollars) since its inception in November 2009, representing a real return of 7.6% p.a.

All institutional performance returns are stated gross of fees.

RETAIL BUSINESS

We remain one of the country's foremost managers of long-term assets in the collective investment schemes industry. Poor sentiment and challenging conditions in the local economy contributed to subdued net inflows at industry level, which were significantly below the average achieved since the global financial crisis. Against this backdrop, we experienced reduced net outflows of R6.9 billion (September 2016: R18.4 billion). If we exclude more volatile money market flows, our total net outflow figure equals R5.3 billion for the period. Our retail AUM rose to R238 billion (September 2016: R225 billion).

Performance highlights across our domestic as well as international fund range are detailed below, which reflect consistent first-quartile rankings in their respective Morningstar categories since their respective inception dates:

- + Coronation Top 20, a top-performing general equity fund, has outperformed its benchmark by 4.5% p.a. since its inception in October 2000, and by 3.1% p.a. over the past 10 years.

- + Coronation Balanced Plus, the no. 1 balanced fund in South Africa since its launch in April 1996, has outperformed its average competitor by 2.4% p.a. and inflation by, on average, 8.8% p.a. over this period.
- + Coronation Capital Plus, the no. 1 multi-asset medium equity fund since its inception in July 2001, has delivered a real return of 6.8% p.a. over this period.
- + Coronation Balanced Defensive, a top-performing conservative fund, has produced a real return of 4.0% p.a. since its launch in February 2007.
- + Coronation Strategic Income, the no. 1 multi-asset income fund since its launch in July 2001, has outperformed cash by, on average, 2.7% p.a. over this same period.
- + Coronation Global Opportunities Equity [ZAR] Feeder, a top-performing global equity general fund since its launch in August 1997, has outperformed the global equity market by 1.0% p.a. over its more than 20-year history.
- + Coronation Global Managed [ZAR] Feeder, the no. 1 global multi-asset high-equity fund in South Africa since its launch in October 2009, has outperformed its average competitor by 2.2% p.a. over this same period.

All performance returns are stated net of fees for the respective retail classes.

We continuously review fees as market conditions and client preferences change. Over the last few years, we have standardised and simplified fees across our fund range, most recently by adopting the same fee across our multi-asset funds regardless of risk budget. Given the scale benefits achieved in our growing international business, we were also able to lower the fund management and administration charges in our global funds. These changes will continue to benefit clients through enhanced investment outcomes, and shareholders through contributing to the sustainability of our market position.

TRANSFORMATION

Coronation is a proudly South African business. We have achieved industry-leading transformation in all areas of our business, and have made a significant contribution to the transformation and development of skills in the broader financial services industry. Highlights include:

- + Coronation is 22.9% black owned (as measured by the Financial Sector Charter), which includes our employee-owned empowerment vehicle, the Imvula Trust.
- + More than 50% of our employee complement is black, of which 60% are female.
- + Within our South African-focused investment team, three out of the four leadership roles are held by black employees, while 43% of our portfolio managers are black.
- + Three out of our four key business executives are black, while black representation at board level is 63%.
- + The successful Coronation Business Support Programme, which has directly benefited nine black South African stockbroking companies over its lifespan of 10 years, has inspired the creation of a broader industry programme. The Association for Savings and Investment South Africa (ASISA), together with six leading industry participants, including Coronation, launched this new initiative last year.
- + As a sponsor and co-founder of ASISA's Independent Financial Advisor (IFA) Development Programme, we provide business development support and skills training to black IFAs. Since the programme's inception in 2015, it has trained 60 black IFA practices and created internship opportunities for 43 individuals.

We are unwavering in our efforts to uplift society through the holistic approach that we apply to our Corporate Social Investment programmes. With a focus on literacy, numeracy, entrepreneurial, financial and life skills, we empower contributors from the whole community to rise above their challenges.

PENDING RETIREMENT OF FINANCIAL DIRECTOR

After almost 25 years with Coronation, Mr John Snalam indicated that he will retire as chief financial officer and financial director of the group after he reaches the company retirement age of 60 years in December 2018. He will remain in these roles until the conclusion of the annual general meeting (AGM) to be held in February 2019.

John has been with Coronation since its inception in 1993 and has served in his current position as financial director of the group for the past five years. His retirement notice affords the company more than 12 months to ensure an orderly handover of responsibilities. A recruitment process has been launched and a further announcement will be released when the new financial director is formally appointed at the AGM in February 2019.

FINAL DIVIDEND

We continue to reward shareholders through regular and significant distributions of free cash flow generated. We endeavour to distribute at least 75% of after-tax cash profit. After assessing any projected future cash requirements, a final gross dividend of 217.0 cents per share has been declared for the year ended 30 September 2017, which has resulted in a final net dividend of 173.6 cents per share for shareholders subject to Dividends Tax (DT). Together with the interim gross dividend of 220.0 cents per share, this amounts to a total gross dividend of 437.0 cents per share for the year.

Last day to trade	Tuesday, 5 December 2017
Shares trade ex dividend	Wednesday, 6 December 2017
Record date	Friday, 8 December 2017
Payment date	Monday, 11 December 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 December 2017 and Friday, 8 December 2017, both dates inclusive. In terms of DT, the following additional information is disclosed:

- + The local DT rate is 20%.
- + The number of ordinary shares in issue at the date of this declaration is 349 799 102.
- + Coronation's tax reference number is 9 675 107 719.

PROSPECTS

Our business remains anchored in our relentless commitment to the long term and the delivery of compelling investment returns for our clients. The near-term outlook appears sound. Net flows have normalised over the past year; we are yet to see the flow impact of our re-opened South African institutional strategies and our global franchise continues to show strong prospects across a wider range of products. Further, our long-term investment track record has been bolstered by our contrarian views, which have been vindicated over the past two years. While continued near-term volatility and uncertainty may persist, our robust investment approach enables us to make appropriate long-term decisions for the benefit of our clients. We believe that our success in achieving this will ensure long-term value for all stakeholders.

EXTERNAL AUDIT REVIEW

The external auditor, EY, reviewed the preliminary condensed consolidated statement of financial position of Coronation as at 30 September 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and other explanatory notes. The review has been conducted in accordance with the International Standard on Review Engagements 2410. Copies of the unqualified report of EY are available for inspection at the registered office of the company. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the accompanying financial information, from the issuer's registered office.

Shams Pather Chairman	Anton Pillay Chief executive officer	John Snalam Chief financial officer
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Cape Town
21 November 2017

www.coronation.com

Directors:
S Pather (Chairman)*, A C Pillay (CEO),
J A Snalam (CFO), L Boyce*, J G February*,
J D McKenzie*, H A Nelson*, A Watson*
(* Independent non-executive)

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Transfer secretaries:
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JSE share code: CML
ISIN: ZAE000047353

Any forward-looking information contained in this announcement has not been reviewed or reported on by the company's external auditors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION	% CHANGE
Fund management activities			
Revenue	3 919	4 046	(3)
Other income	6	20	
Operating expenses	(1 934)	(2 019)	(4)
Share-based payment expense	(6)	(7)	
Other expenses	(1 928)	(2 012)	
Results from operating activities	1 991	2 047	(3)
Finance and dividend income	37	35	
Finance expense	(23)	(22)	
Share of profit of equity-accounted investee	8	9	
Profit from fund management	2 013	2 069	(3)
Income attributable to policyholder linked assets and investment partnerships	2	20	
Net fair value gains on policyholder and investment partnership financial instruments	45	58	
Administration expenses borne by policyholders and investors in investment partnerships	(43)	(38)	
Profit before income tax	2 015	2 089	(4)
Income tax expense	(492)	(515)	
Taxation on shareholder profits	(490)	(495)	
Taxation on policyholder investment contracts	(2)	(20)	
Profit for the year	1 523	1 574	(3)
Other comprehensive income (to be reclassified to profit and loss in future periods)	67	37	
Foreign currency translation differences for foreign operations	(24)	(8)	
Net change in fair value of available-for-sale financial assets	91	45	
Total comprehensive income for the year	1 590	1 611	
Profit attributable to:			
- equity holders of the company	1 523	1 574	(3)
- non-controlling interest	-	-	
Profit for the year	1 523	1 574	
Total comprehensive income attributable to:			
- equity holders of the company	1 590	1 611	(1)
- non-controlling interest	-	-	
Total comprehensive income for the year	1 590	1 611	
Earnings per share (cents)			
- basic	435.4	450.0	(3)
- diluted	435.4	450.0	(3)
Note to the statement of comprehensive income			
Headline earnings per share (cents)			
- basic	437.5	447.6	(2)
- diluted	437.5	447.6	(2)
Dividend per share (cents)			
- interim	220.0	229.0	(4)
- final	217.0	218.0	(0)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION
Assets		
Intangible assets	1 088	1 088
Equipment	21	31
Investment in equity-accounted investees	39	37
Deferred tax asset	171	162
Investments backing policyholder funds and investments held through investment partnerships	55 721	64 007
Investment securities	934	1 097
Trade and other receivables	558	498
Cash and cash equivalents	564	538
Total assets	59 096	67 458
Liabilities		
Long-term borrowings (note 3)	150	150
Deferred tax liabilities	24	25
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	55 718	63 988
Short-term portion of long-term borrowings (note 3)	150	150
External investors in consolidated funds	-	269
Taxation payable	35	4
Trade and other payables	747	694
Total liabilities	56 824	65 280
Net assets	2 272	2 178
Equity		
Share capital and premium	256	256
Retained earnings	1 607	1 586
Reserves	243	200
Total equity attributable to equity holders of the company	2 106	2 042
Non-controlling interest in consolidated funds (note 5)	166	136
Total equity	2 272	2 178

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION
Cash flows from operating activities		
Profit from fund management	2 013	2 069
Non-cash and other adjustments	15	27
Operating cash flows before changes in working capital	2 028	2 096
Working capital changes	(5)	(18)
Cash flows from policyholders and investment partnership activities	(977)	833
Cash generated from operations	1 046	2 911
Interest paid	(23)	(22)
Income taxes paid	(454)	(502)
Net cash from operating activities	569	2 387
Cash flows from investing activities		
Finance and dividend income	37	35
Acquisition of equipment	(10)	(13)
Net disposal/(acquisition) of investment securities	9	(13)
Net cash from investing activities	36	9
Cash flows from financing activities		
Dividends paid	(1 532)	(1 745)
Net cash from financing activities	(1 532)	(1 745)
(Decrease)/increase in cash and cash equivalents	(927)	651
Net increase/(decrease) in cash and cash equivalents - shareholders	50	(182)
Net (decrease)/increase in cash and cash equivalents - policyholders and investment partnerships	(977)	833
Cash and cash equivalents at beginning of period	9 210	8 567
Cash and cash equivalents at beginning of period - shareholders	538	728
Cash and cash equivalents at beginning of period - policyholders and investment partnerships	8 672	7 839
Effect of exchange rate fluctuations on cash held	(24)	(8)
Cash and cash equivalents at end of period	8 259	9 210
Cash and cash equivalents at end of period - shareholders	564	538
Cash and cash equivalents at end of period - policyholders and investment partnerships	7 695	8 672

The above cash flows include the policyholder and investment partnership activities. These cash flows represent net contributions and withdrawals by policyholders and investment partnerships and the related investing activities. Cash and cash equivalents of policyholders and investment partnerships are not available for use by the shareholders of the group.

CONDENSED CONSOLIDATED SEGMENT REPORT

	AFRICA		INTERNATIONAL		GROUP	
	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION
Segment external revenue	2 525	2 690	1 394	1 356	3 919	4 046
Segment operating expenses	(1 461)	(1 501)	(473)	(518)	(1 934)	(2 019)
Segment profit	1 064	1 189	921	838	1 985	2 027
Share of income of equity-accounted investee	8	9	-	-	8	9
Net finance and other income/(expenses)	17	36	3	(3)	20	33
Profit from fund management	1 089	1 234	924	835	2 013	2 069
Income*					2	20
Profit before income tax	2 015	2 089			2 015	2 089
Segment assets	1 626	1 286	451	878	2 077	2 164
Investments*					57 019	65 294
Total assets	59 096	67 458			59 096	67 458

* Income and investments are attributable to and backing policyholder funds and investments held through investment partnerships, consolidated funds and other assets.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R MILLION	SHARE CAPITAL AND PREMIUM	FOREIGN CURRENCY TRANS- LATION RESERVE	RETAINED EARNINGS	SHARE- BASED PAYMENT RESERVE	REVALUA- TION RESERVE	ISSUED CAPITAL AND RESERVES ATTRI- BUTABLE TO EQUITY HOLDERS OF THE COMPANY	NON- CON- TROLLING INTEREST	TOTAL
								EQUITY
Balance at 30 September 2015 (audited)	256	163	1 757	22	(29)	2 169	-	2 169
Total comprehensive income for the year								
Profit for the year			1 574			1 574		1 574
Other comprehensive income (available to be recycled to profit and loss in future periods)								
Currency translation differences		(8)				(8)		(8)
Revaluation of available-for-sale financial assets					45	45		45
- net change in fair value					52	52		52
- reclassified to profit or loss on disposal					(7)	(7)		(7)
Total other comprehensive income		(8)			45	37		37
Total comprehensive income for the year		(8)	1 574		45	1 611		1 611
Transactions with owners recorded directly to equity								
Share-based payments				7		7		7
Dividends paid			(1 745)			(1 745)		(1 745)
Non-controlling interest in consolidated funds (note 5)							136	136
Total transactions with owners			(1 745)	7		(1 738)	136	(1 602)
Balance at 30 September 2016 (audited)	256	155	1 586	29	16	2 042	136	2 178
Total comprehensive income for the year								
Profit for the year			1 523			1 523		1 523
Other comprehensive income (available to be recycled to profit and loss in future periods)								
Currency translation differences		(24)				(24)		(24)
Revaluation of available-for-sale financial assets					91	91		91
Total other comprehensive income		(24)			91	67		67
Total comprehensive income for the year		(24)	1 523		91	1 590		1 590
Transactions with owners recorded directly to equity								
Share-based payments				6		6		6
Transfer to retained earnings			30	(30)				
Dividends paid			(1 532)			(1 532)		(1 532)
Change in non-controlling interest in consolidated funds (note 5)							30	30
Total transactions with owners			(1 502)	(24)		(1 526)	30	(1 496)
Balance at 30 September 2017 (reviewed)	256	131	1 607	5	107	2 106	166	2 272

EARNINGS PER SHARE

	REVIEWED 30 SEPT 2017 R MILLION	AUDITED 30 SEPT 2016 R MILLION
Earnings attributable to shareholders	1 523	1 574
Non-controlling interest	-	-
Earnings attributable to ordinary shareholders	1 523	1 574
Loss/(profit) on disposal of financial assets available for sale	7	(7)
Profit on disposal of group operations	-	(2)
Headline earnings attributable to ordinary shareholders	1 530	1 565

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
1. Basis of preparation and accounting policies

The financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), the International Accounting Standard 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the South African Companies Act, Act 71 of 2008. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS annual financial statements.

These condensed consolidated financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments which are stated at fair value. The condensed consolidated financial statements are presented in rand, rounded to the nearest million. The accounting policies applied in the presentation of the condensed consolidated financial statements are in terms of IFRS and, with the exception of the early adoption of IFRIC 23: Uncertainty over income tax treatments, are consistent with those presented in the previous annual financial statements. The early adoption of IFRIC 23: Uncertainty over income tax treatments has had no impact on the condensed consolidated financial statements. Please see note 6 for more information regarding the relevant uncertain income tax treatments for this reporting period.

These reviewed results have been prepared under the supervision of H Rowot CA(SA).

2. Related party transactions

Related party transactions for the current year are similar to those disclosed in the group's annual financial statements for the year ended 30 September 2016. No new significant related party transactions arose during the current year.

3. Long-term and short-term borrowings

Cumulative redeemable preference shares with dividends linked to prime are payable on a quarterly basis, with R150 million capital repayments due on 31 March 2018 and 1 April 2020. The latter was previously due on 31 March 2017, with the terms now renegotiated.

4. Fair value disclosure

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices). The majority of Level 2 investments are deposits held with financial institutions. The fair values of these deposits are determined using a discounted cash flow valuation methodology based on market rates, reflecting the time value of money and counterparty credit risk. The fair value of policyholder and investment partnership liabilities that are included in Level 2 of the hierarchy are measured with reference to the quoted prices in an active market of the investments underlying the liabilities. Cash and cash equivalent balances along with their related liabilities of R2 253 million (R2 170 million: 30 September 2016) have been excluded from the below table in current and prior years respectively.
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

R MILLION	LEVEL 1 RESTATED*	LEVEL 2 RESTATED*	LEVEL 3	TOTAL
September 2017				
Investments backing policyholder funds and investments held through investment partnerships	46 960	6 508	-	53 468
Investment securities	933	-	1	934
	47 893	6 508	1	54 402
Policyholder, external investor and investment partnership liabilities	-	53 465	-	53 465
September 2016				
Investments backing policyholder funds and investments held through investment partnerships	54 520	7 317	-	61 837
Investment securities	1 060	-	37	1 097
	55 580	7 317	37	62 934
Policyholder, external investor and investment partnership liabilities	269	61 818	-	62 087

* Policyholder, external investor and investment partnership liabilities to the value of R54 520 million as at 30 September 2016 previously categorised as Level 1 have been restated as Level 2. These changes have been made to more appropriately reflect the nature of the fair value of the liability.

During the current year, a net amount of R222 million in debentures were transferred from Level 1 to Level 2 as these are now considered to be held in an inactive market.

Fair value for all other financial assets and liabilities have not been presented because they are not carried at fair value and their carrying amounts approximate fair value.

5. Non-controlling interest in consolidated funds

The non-controlling interest in consolidated funds arises as a result of the continued consolidation of Coronation Global Frontiers Fund. The group's interest in the Coronation Global Equity Select Fund was diluted in the period and the fund is no longer consolidated. Investment securities and external investors in consolidated funds were reduced by R269 million on deconsolidation.

6. Contingent liabilities: South African Revenue Service (SARS) matters

From time to time, in common with other organisations, companies in the group are subject to review by SARS. One of our companies has been the subject of a review on a matter of principle relating to international operations, and assessed for the 2012 financial period, to which management strongly disagrees and has objected. Management is confident, supported by external advisors, of the company's position and an outflow is not considered probable should the matter be interpreted by a court of law, the ultimate tax authority on these matters. Any amounts involved are currently not considered capable of reliable estimation.

Sponsor

Deutsche Bank
Deutsche Securities (SA) (Proprietary) Limited
(A non-bank member of the Deutsche Bank Group)

