



## **2005 reviewed results**

**15 November 2005**

# Agenda

- Key themes
  - Financial summary
  - Assets under management
  - Corporate developments
- Business reviews
  - Institutional
  - Retail
  - International
- Corporate structure and shareholding
- Financials
- Future focus





# Key themes

# Strong financial results

- Attributable earnings per share of 48,5 cents, up 48%
- Diluted headline earnings per share of 44,5 cents, up 33%
- Final distribution of 36 cents per share
- Assets under management of R82 billion, up 29%



# Assets under management



# Reconciliation of assets under management



	6 months till March Rbn	6 months till Sept Rbn	12 months till Sept Rbn
Opening market value	63,76	70,04	63,76
Net flows	(2,96)	(1,71)	(4,60)
Charges	(0,23)	(0,28)	(0,51)
Currency effect	(0,28)	0,20	(0,07)
Capital appreciation	9,75	13,74	23,48
Closing market value	70,04	81,98	81,98



# Split of AUM reconciliation



	Balance 30/09/2004	Net assets acquired / (lost)*	Market Movement	Balance 31/03/2005
	Rbn	Rbn	Rbn	Rbn
Institutional	49,56	(7,67)	19,48	61,37
Retail	7,82	2,60	3,27	13,69
International	6,38	(0,12)	0,66	6,92
<b>Total</b>	<b>63,76</b>	<b>(5,19)</b>	<b>23,41</b>	<b>81,98</b>

\* Inclusive of charges and currency



# AUM by business group



	2005	2004	2003	2002
Institutional (excluding international)	74.9%	77.7%	77.6%	71.0%
Retail (excluding international unit trusts)	16.7%	12.3%	10.4%	10.3%
International (including international unit trusts)	8.4%	10.0%	12.0%	18.7%
	100.0%	100.0%	100.0%	100.0%





# AUM asset class summary



Asset class	Market value	% of total AUM
Domestic Equity	56,257,105	68.62
Domestic Cash	9,774,822	11.92
Foreign Equity	7,512,664	9.16
Domestic Fixed Interest	5,640,531	6.88
Domestic Other	1,811,863	2.21
Foreign Cash	742,706	0.91
Foreign Fixed Interest	158,296	0.19
Foreign Other	71,181	0.09
Domestic Direct Property	10,869	0.01
Asset class total	81,980,038	100



# Corporate developments

- Sale of 25% of Coronation's equity to staff
  - BEE deal with the Imvula Trust (10%)
  - Sale by Coronation Investments and Trading (15%)
  - Total of 103 staff participated
  - Enhanced long-term sustainability of the business



# Corporate developments



- Establishment of Coronation Fund Managers (Botswana) (Pty) Limited
- Continue to benefit from strategic partnership with Namibia Asset Management
- Disposal of:
  - 49% shareholding in Kagiso Asset Management
  - 26% shareholding in FinSource Group Holdings (Pty) Limited



# Review of Institutional business

# Institutional

## Highlights

- Total assets up 24% to R61,4 billion (2004: R49,6 billion)
- Strong focus on client retention and good performance has paid off
- Attracted 39 new client mandates, totalling R4.1 billion
- Absolute unit now closed to new business on 30 September 2005 (R10 billion)
- Progress being made in increasing profile in union and parastatal market
- Continue to develop hedge fund franchise



# Institutional

## Investment performance highlights

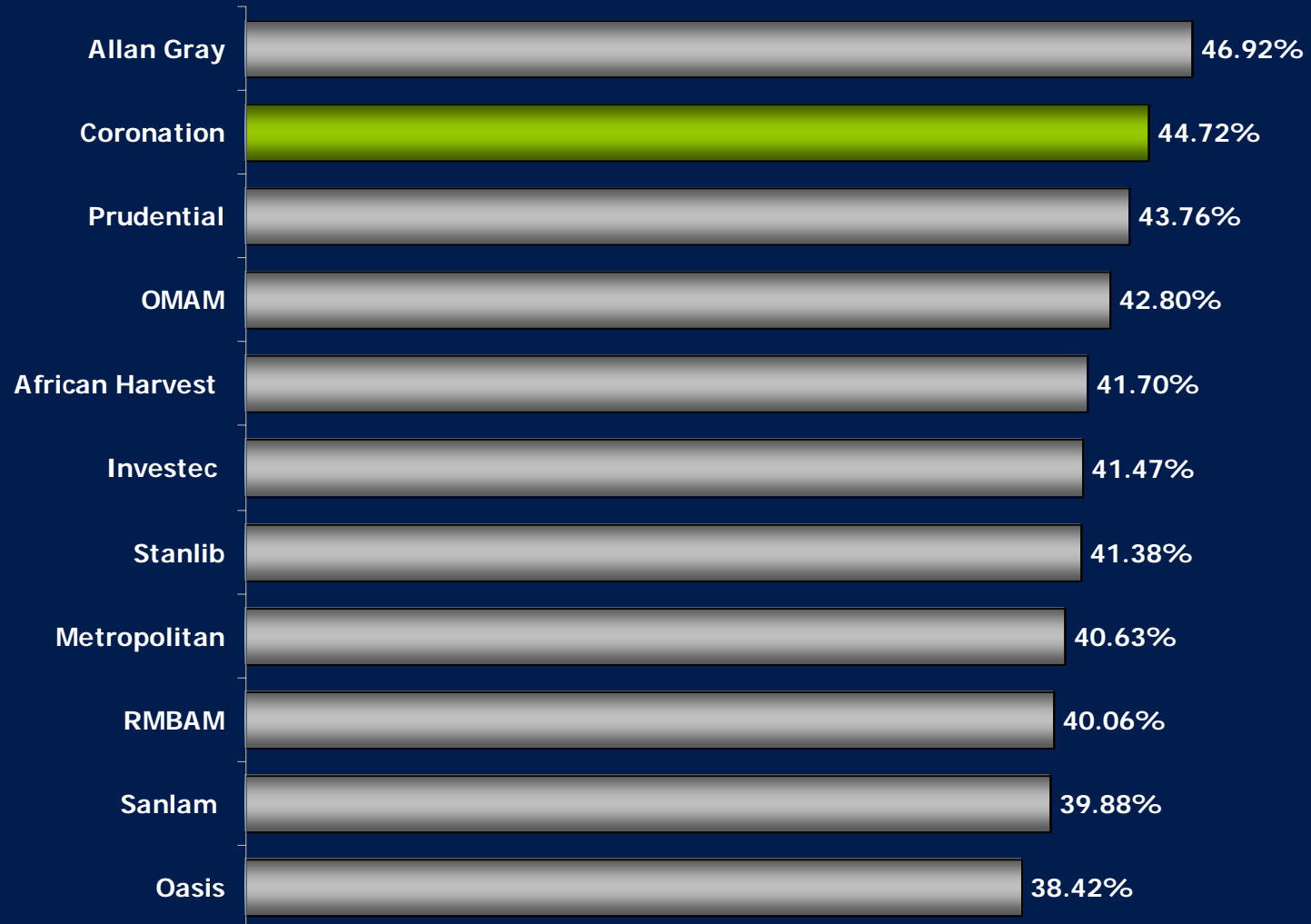
- SA balanced portfolios – Ranked 2<sup>nd</sup> over one and three years and 3<sup>rd</sup> over five years in Alexander Forbes SA Large Manager Watch survey (30 September 2005)
- Global balanced portfolios – Ranked 3<sup>rd</sup> over one year in Alexander Forbes Global Large Manager Watch survey (30 September 2005)



# Institutional performance

## SA Large Manager Watch

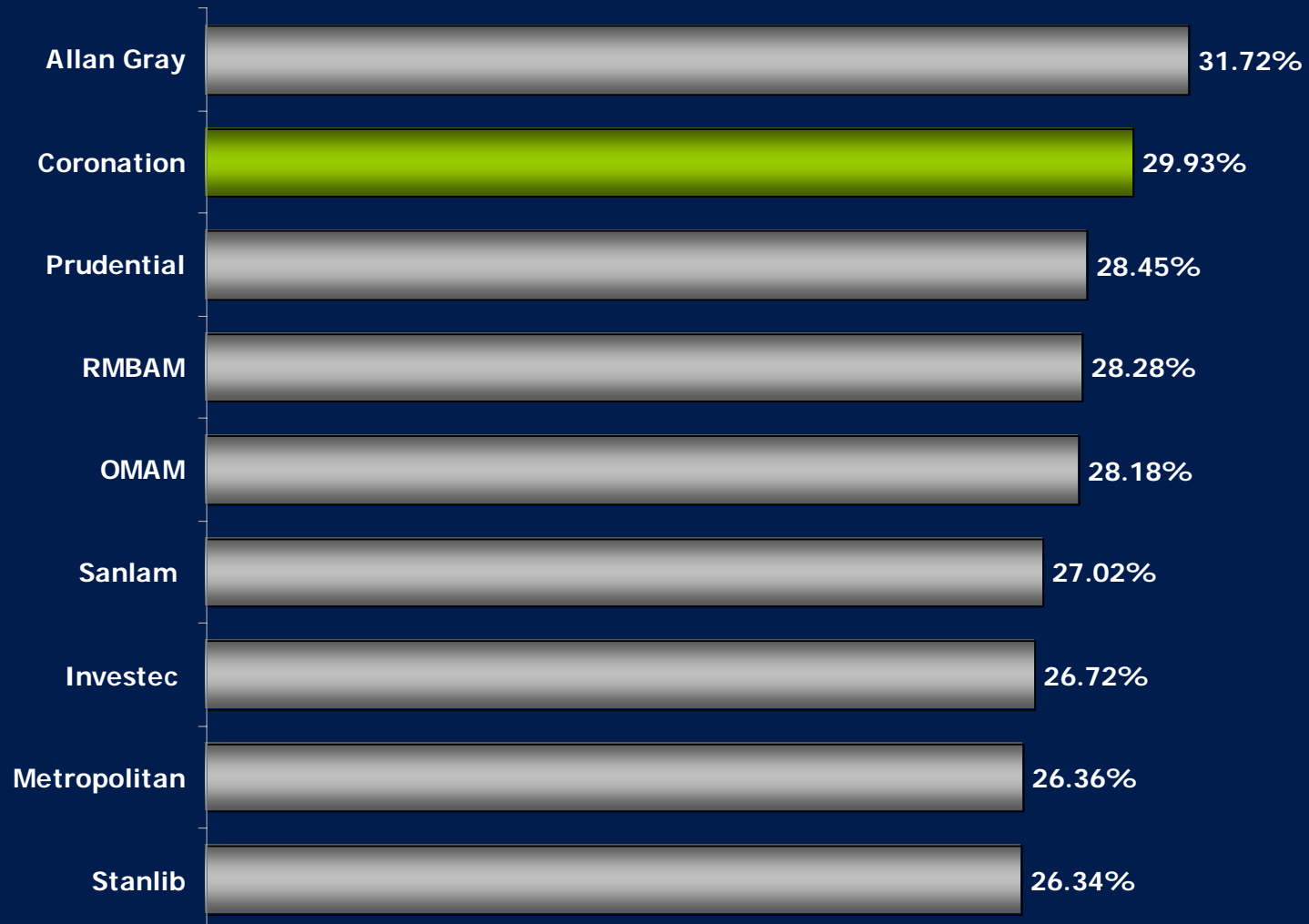
1 year ended 30 September 2005



# Institutional performance

## SA Large Manager Watch

3 years ended 30 September 2005

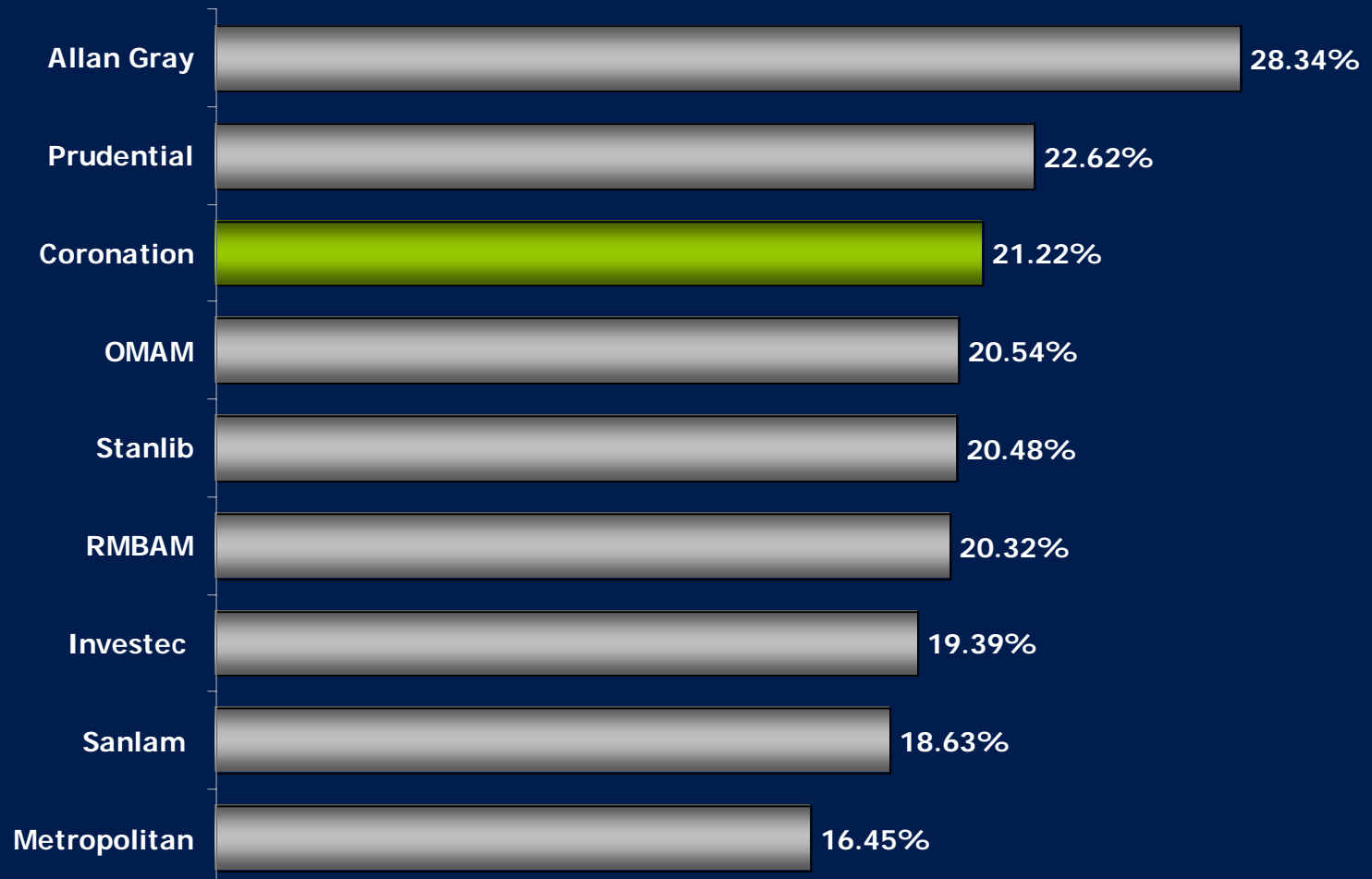




# Institutional performance

## SA Large Manager Watch

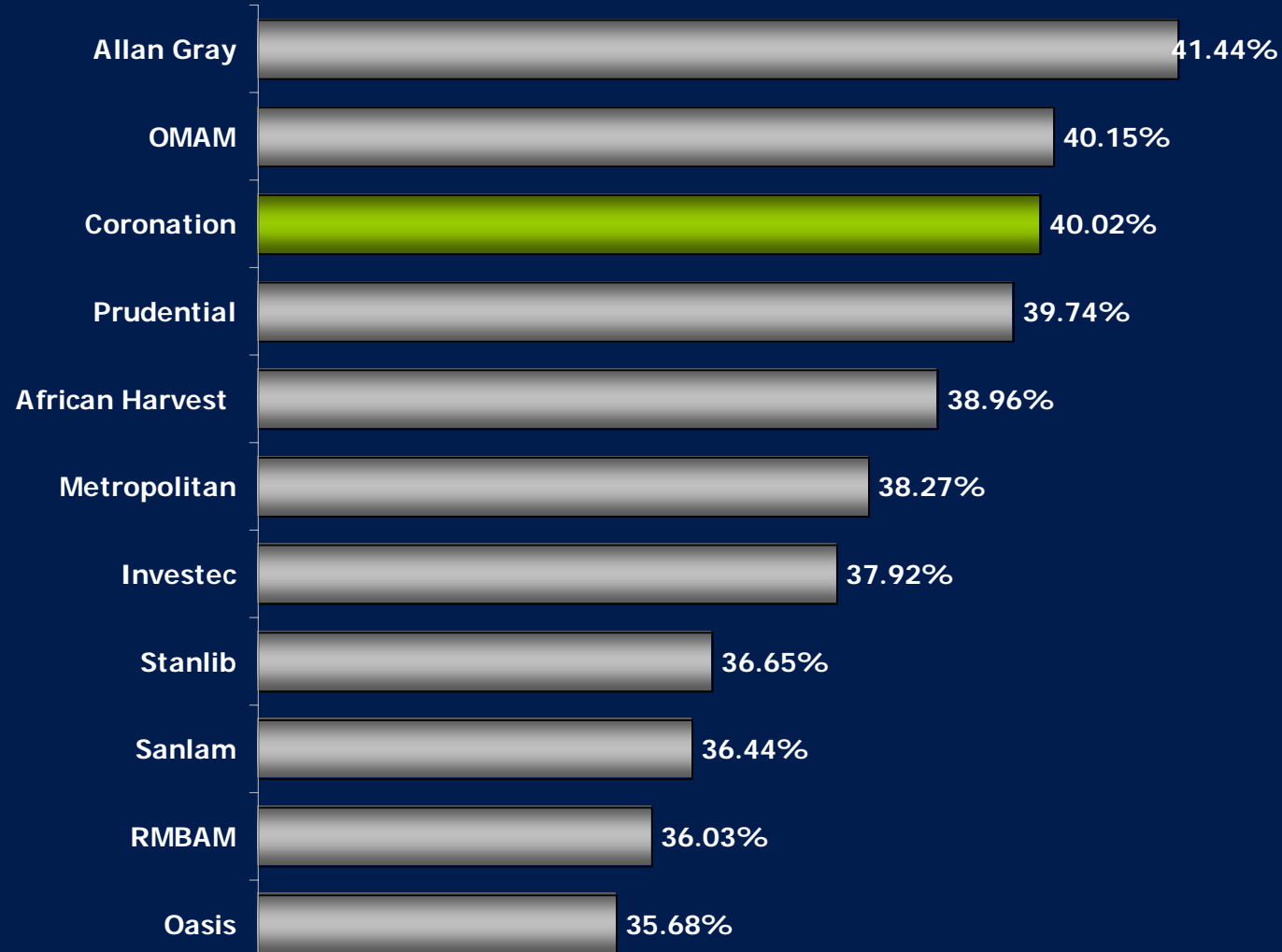
5 years ended 30 September 2005



# Institutional performance

## Global Large Manager Watch

1 year ended 30 September 2005



# Absolute return product



	1 Year	3 Years	Since inception*
Absolute	34.9%	24.0%	21.1%
CPIX	4.7%	4.6%	6.4%
CPIX +7%	11.7%	11.6%	13.4%

\*Since inception – August 1999



# Review of Retail business

# Retail

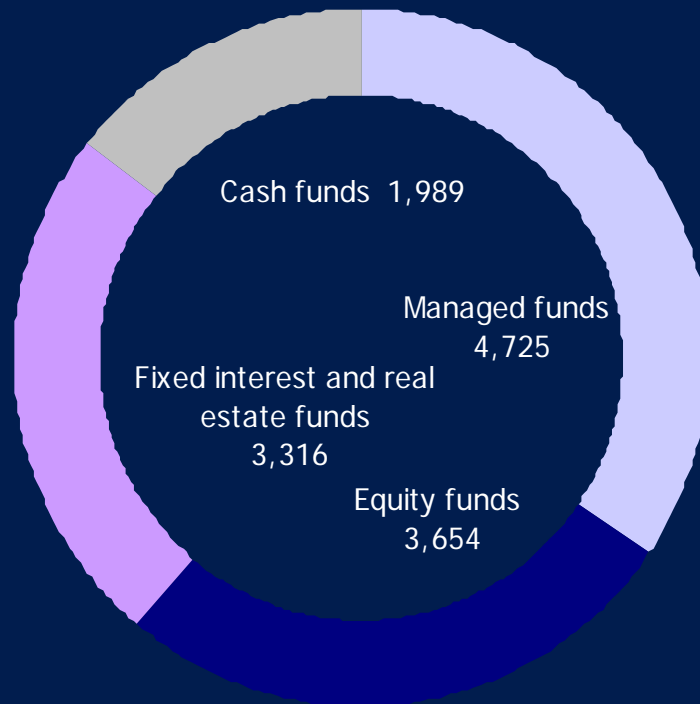
## Highlights

- Total assets up 76% to R13.7 billion, significantly exceeding the industry's 46.3% growth
- Market share (based on total AUM) at 7%
- Strong new business across Managed, Equity, Fixed Interest and Property funds
- Development of third-generation tax effective retirement products
- Significant net inflows of R2.5 billion



# Retail

## Assets under management



Significant growth over past year in:

- Strategic Income (R1bn)
- Capital Plus & SA Capital Plus (R650m)
- Money Market (R450m)
- Market Plus (R350m)
- Absolute (R300m)
- Equity (R250m)
- Balanced (R200m)
- Property Equity (R100m)



# Retail

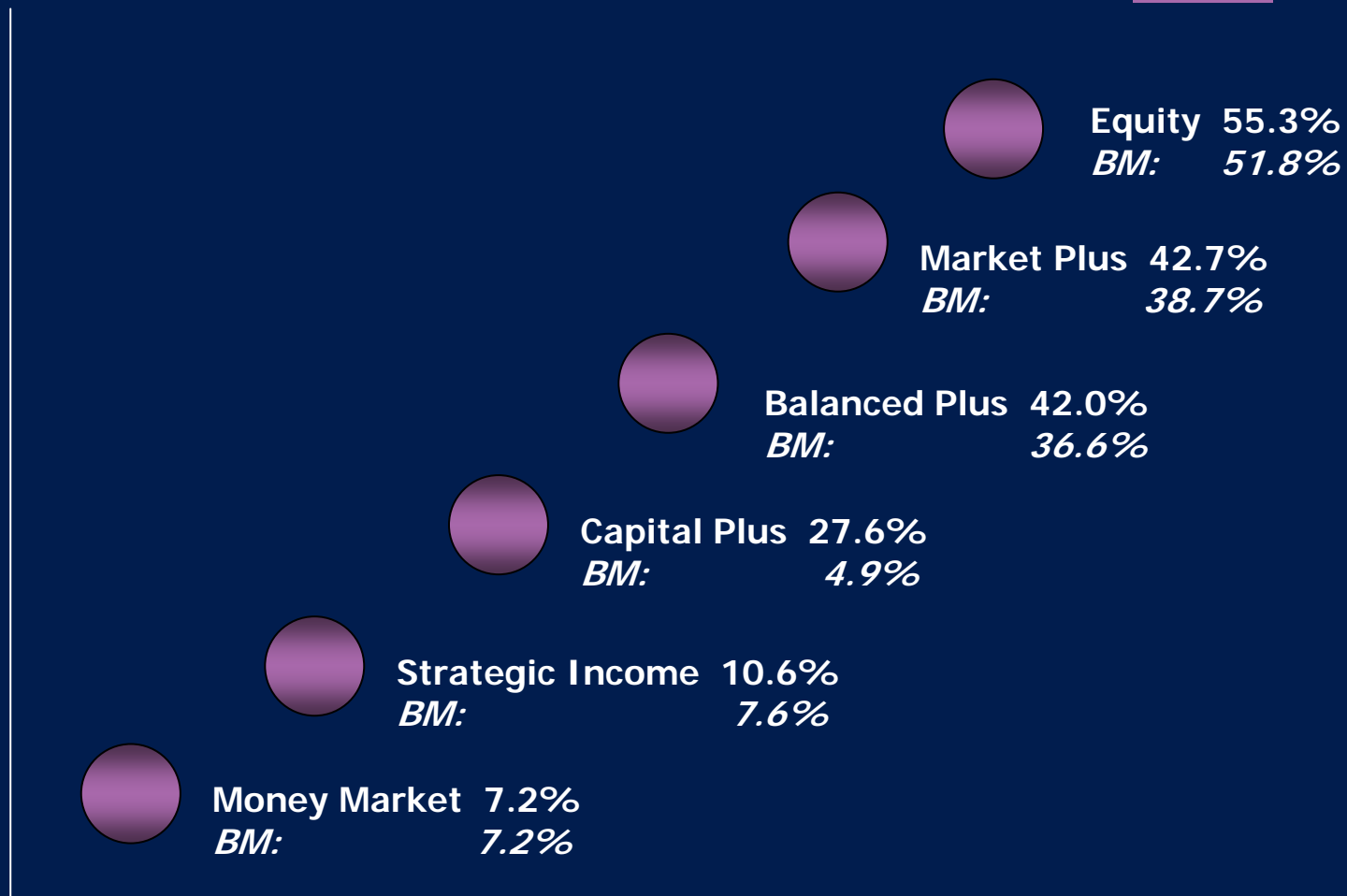
## Investment performance highlights

- 20 consecutive 1<sup>st</sup> or 2<sup>nd</sup> place in Plexus Survey (as at end September 2005)
- Rated Top Retail Asset Manager in PWC Survey of SA Bankers
- Equity and Managed products remain consistently in top quartile
- Reasonable Fixed Interest performance
- Property lagging in short term as a result of conservative stance



# Absolute performance

Core funds over the 12 months ended 30 September 2005



Low risk



High risk



# CIS Industry

Market share: Long-term single managers



Ranking excl. cash, institutional, FoF, white-labels (R188bn; 9/05)

1	Allan Gray (15%)	R28.6bn
2	Investec (13%)	R23.9bn
3	Old Mutual (13%)	R23.7bn
4	Stanlib (12%)	R22.4bn
5	Nedcor (8%)	R14.4bn
6	<b>Coronation (7%)</b>	<b>R12.9bn</b>
7	Sanlam (6%)	R11.4bn
8	Satrix (4%)	R7.5bn
9	RMB (4%)	R6.7bn
10	Absa (3%)	R5.8bn
11	Prudential (3%)	R5.6bn
12	Marriott (3%)	R5.4bn



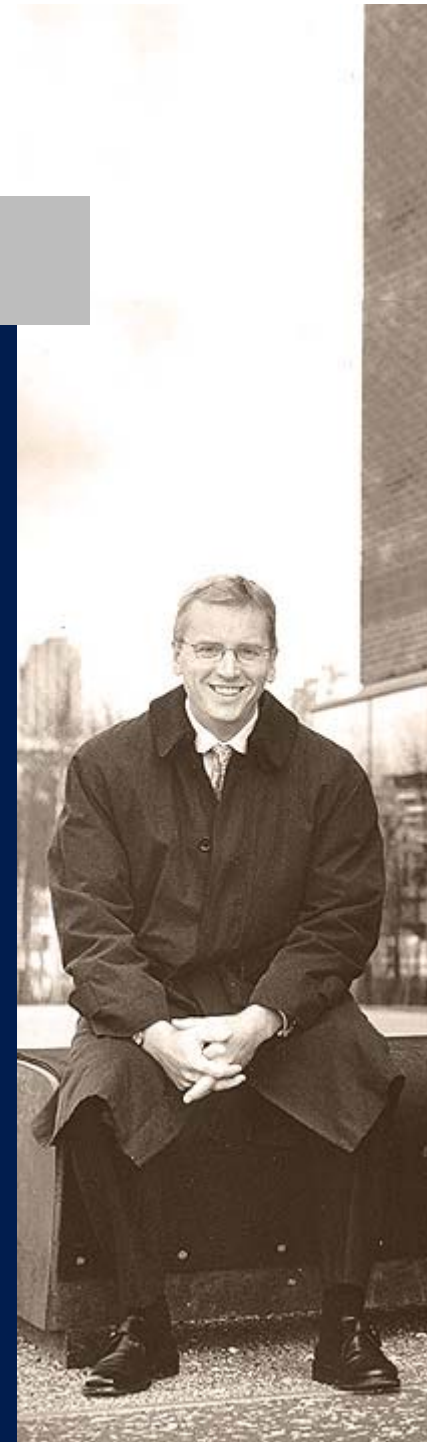
Source: ACI Statistics

# Review of International business

# International

## Highlights

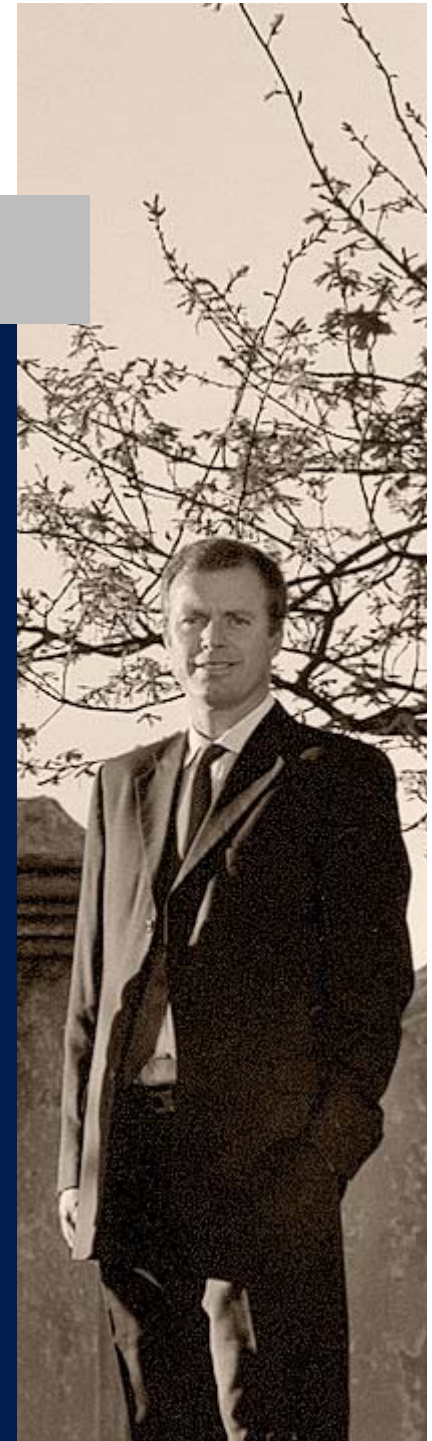
- Total assets : US\$1.1 billion
- Continue to build robust and credible fund of funds business
- Provided product which is representative of the varying needs of our different client portfolios
- Remain focused on managing international assets of our South African institutional and retail clients



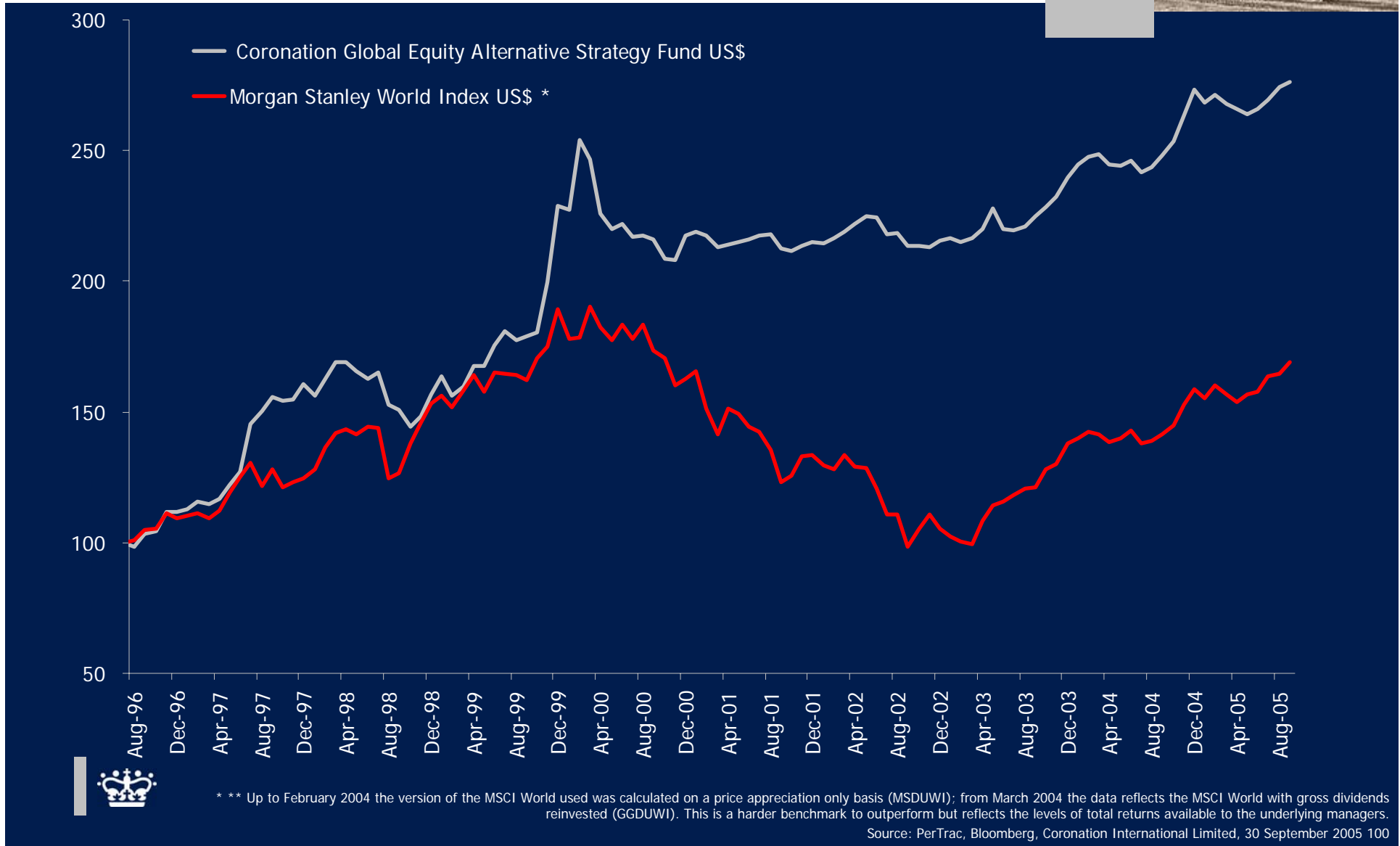
# International

## Investment performance highlights

- Coronation Global Equity Alternative Strategy Fund:
  - Awarded “Best Large Global Long/Short Fund of Funds of the Year” for 2004 by InvestHedge
  - Rolling 1 year return: +11.5%
  - Since inception annual return: +11.7%
  - Assets in excess of US\$500 million



# Coronation Global Equity Alternative Strategy Fund vs MSCI World Index

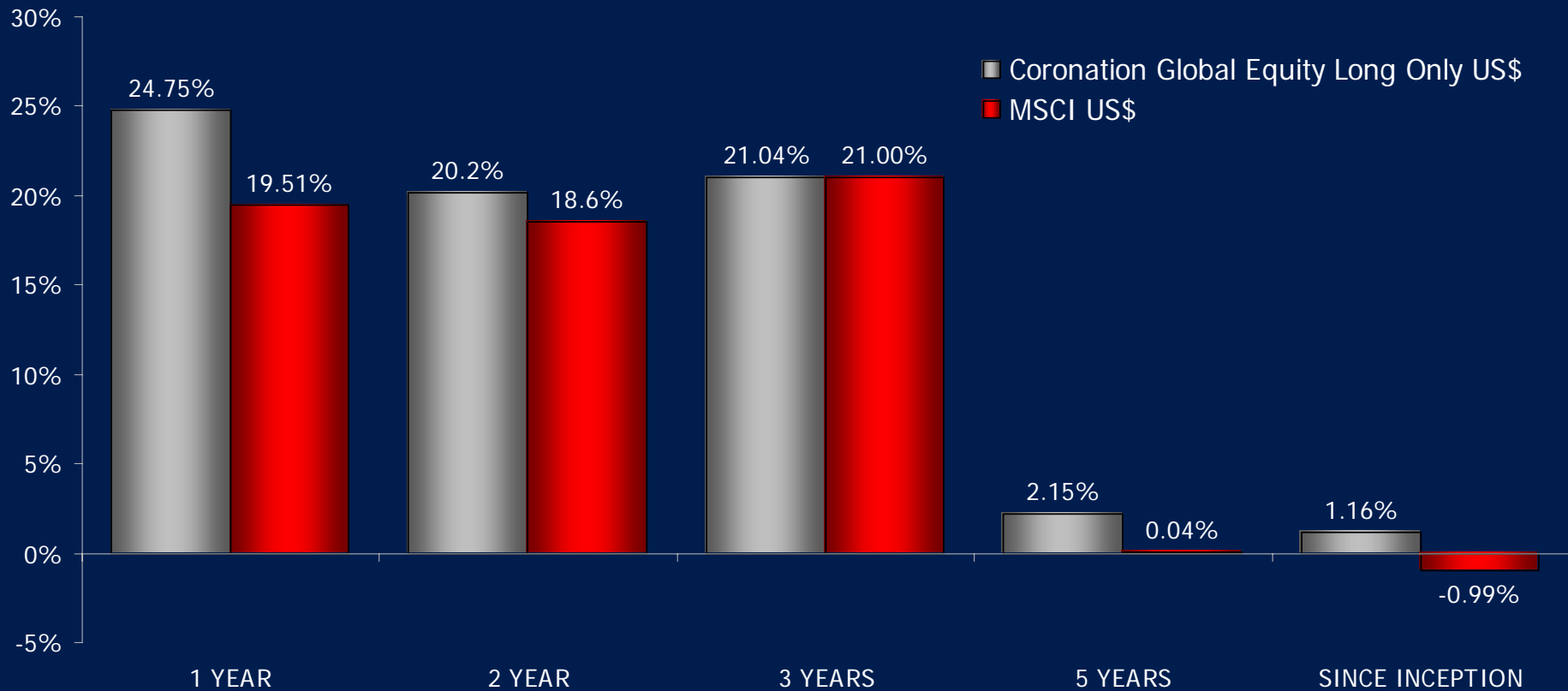


\*\*\* Up to February 2004 the version of the MSCI World used was calculated on a price appreciation only basis (MSDUWI); from March 2004 the data reflects the MSCI World with gross dividends reinvested (GGDUWI). This is a harder benchmark to outperform but reflects the levels of total returns available to the underlying managers.

# Coronation Global Equity Long Only Fund (October 2005)

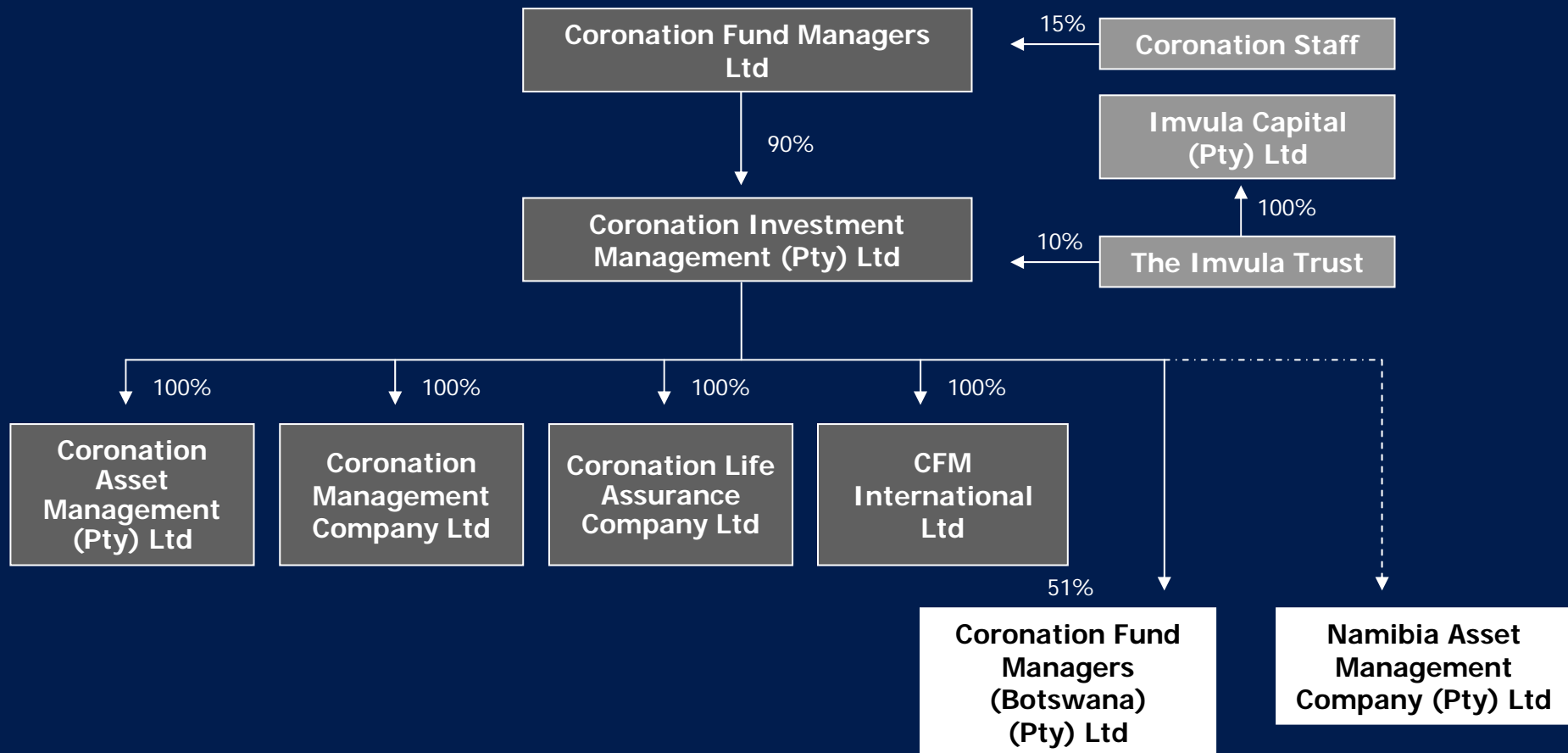


Coronation Global Equity Long Only



# Corporate structure, shareholding and board

# Corporate structure





# Shareholding

As at 30 September 2005



\* On behalf of clients



# Board changes



## Old Board

Gavan Ryan (Chairman)

Winston Floquet (Non Exec, Independent)

Eric Molobi (Non Exec, Independent)

Thys du Toit (Exec)

Tony Gibson (Exec)

## New Board

Gavan Ryan (Chairman)

Winston Floquet (Non Exec, Independent)

Shams Pather (Non Exec, Independent)

Thys du Toit (Exec)

Louis Stassen (Exec)



A large, textured orange brushstroke graphic that tapers from left to right, serving as a background for the title.

# Financials

# Snap shot results



	30 September 2005 R'000	30 September 2004 R'000	% change
Earnings	186,321	126,537	47
Headline earnings	181,975	129,507	41
Attributable EPS			
Normal	48,5	32,8	48
Diluted	45,3	32,5	39
NAV per share	57,6	59,0	(2)



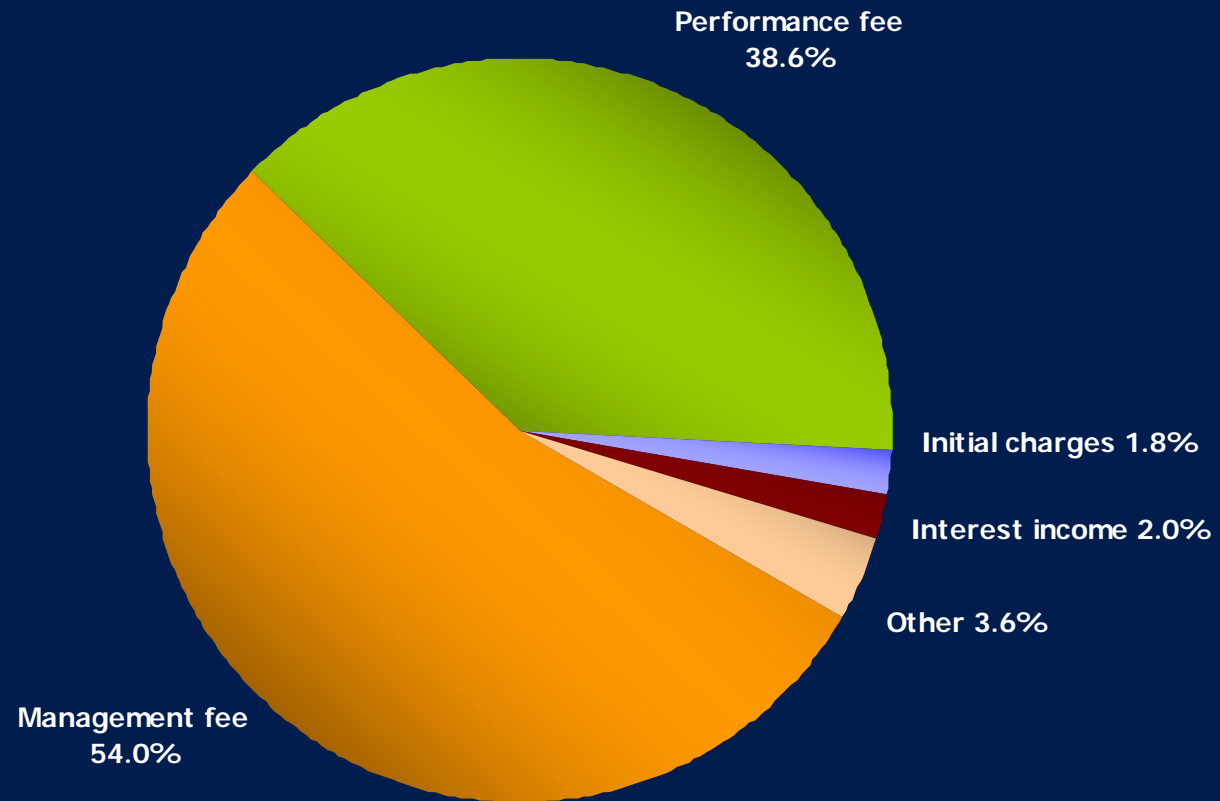
# Snap shot results



	30 September 2005	30 September 2004
ROE	83.6%	67.3%
Cost to income	53.4%	56.4%
Segment contribution		
SA	92.0%	84.0%
International	8.0%	16.0%
Annuity income as % of operating income	54.0%	67.7%



# Sources of revenue



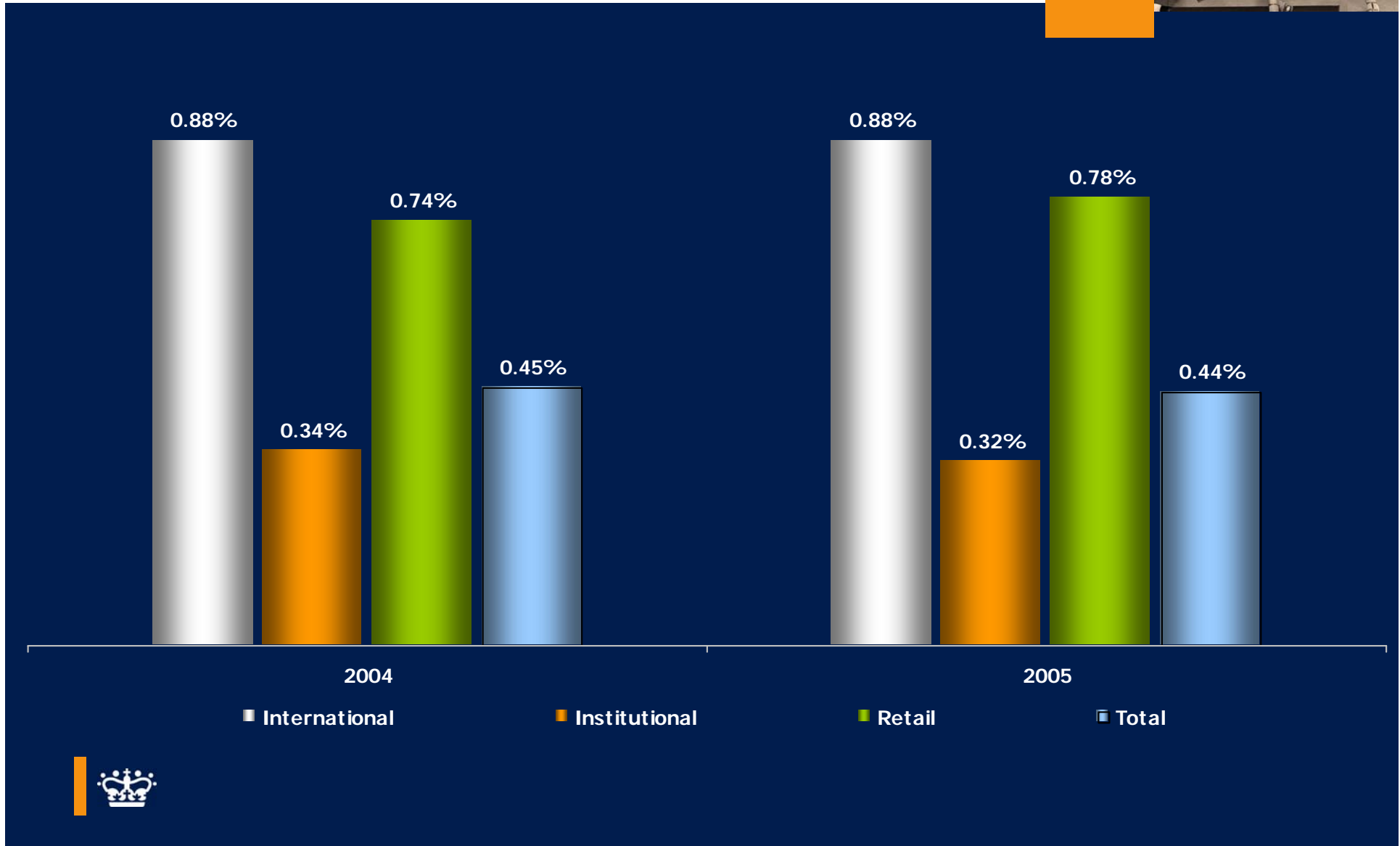
# Financial summary



	30 September 2005 Rm	30 September 2004 Rm
Revenue	R580,2	R389,0
Performance fees	R224,1	R107,2
Management fees	R313,1	R263,0
Others	R43,0	R18,8
Operating Expenses	R309,8	R219,6
PBT	R270,4	R169,4
Tax	R84,4	R43,0
PAT	R186,0	R126,4

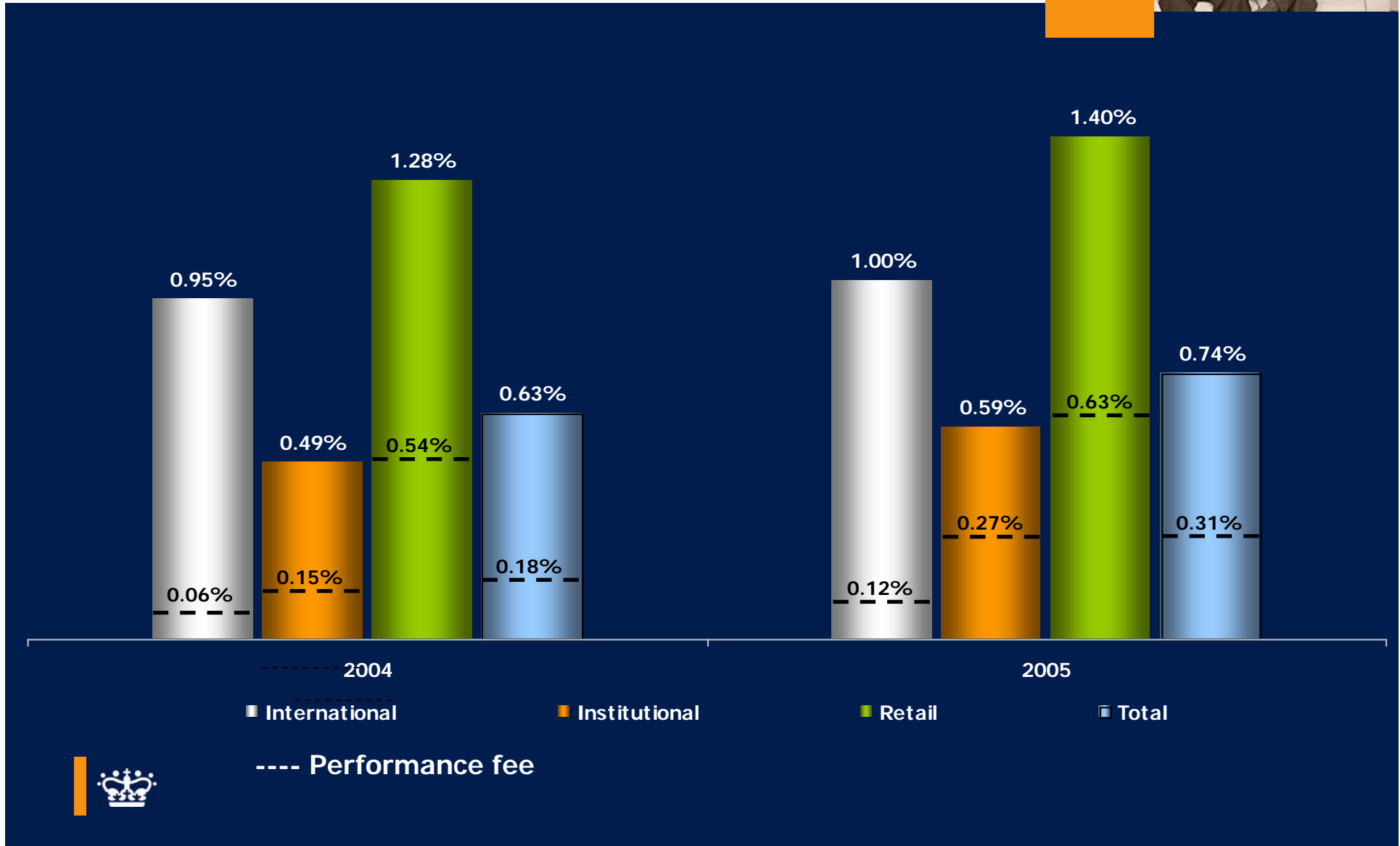


# Average fixed fee





# Total fee



# Funds subject to performance fees

% of assets under management



	2005	2004
Institutional	62%	44%
Retail	35%	29%
International	69%	64%
<b>Total</b>	<b>58%</b>	<b>44%</b>



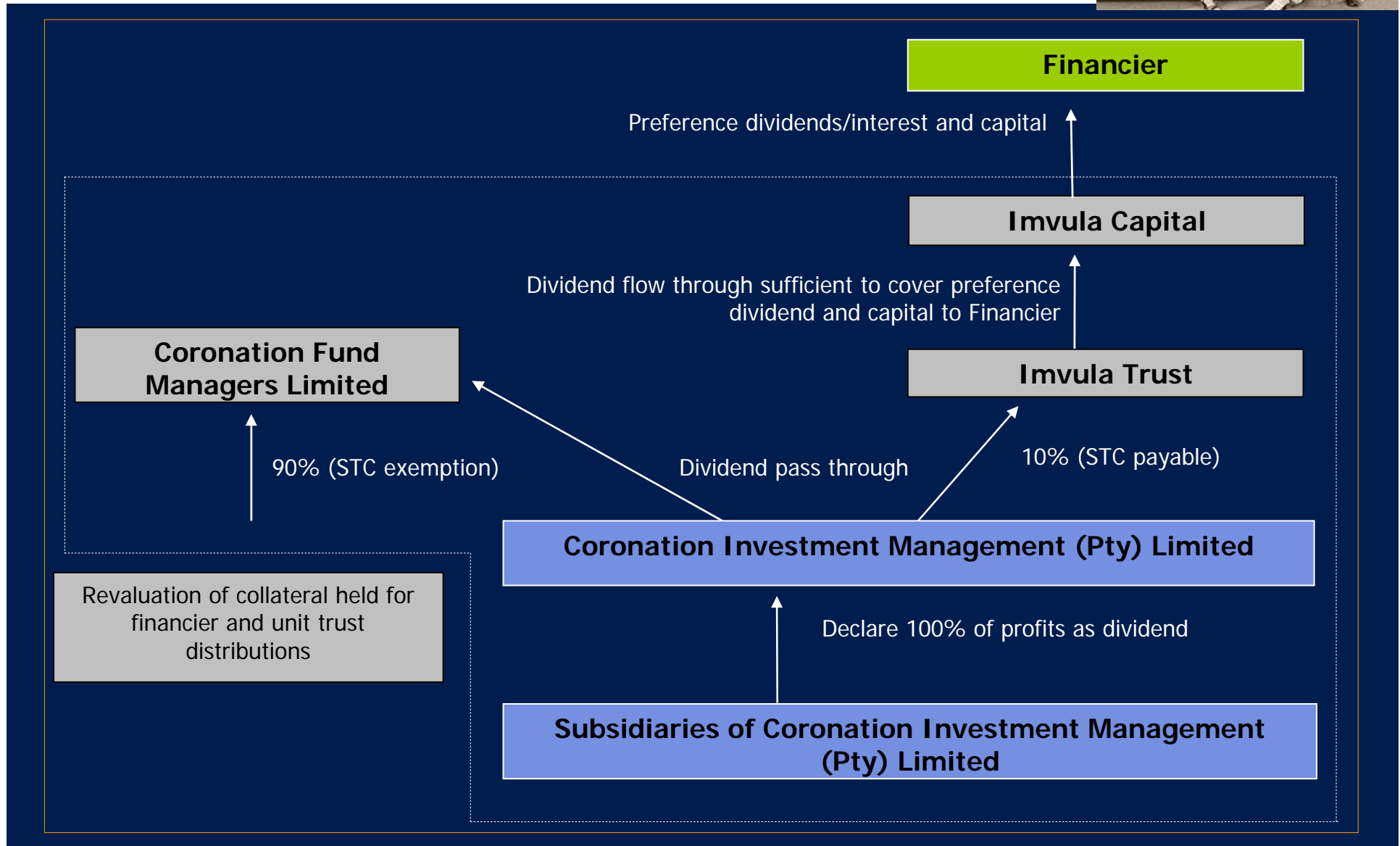
# IFRS 2 effect



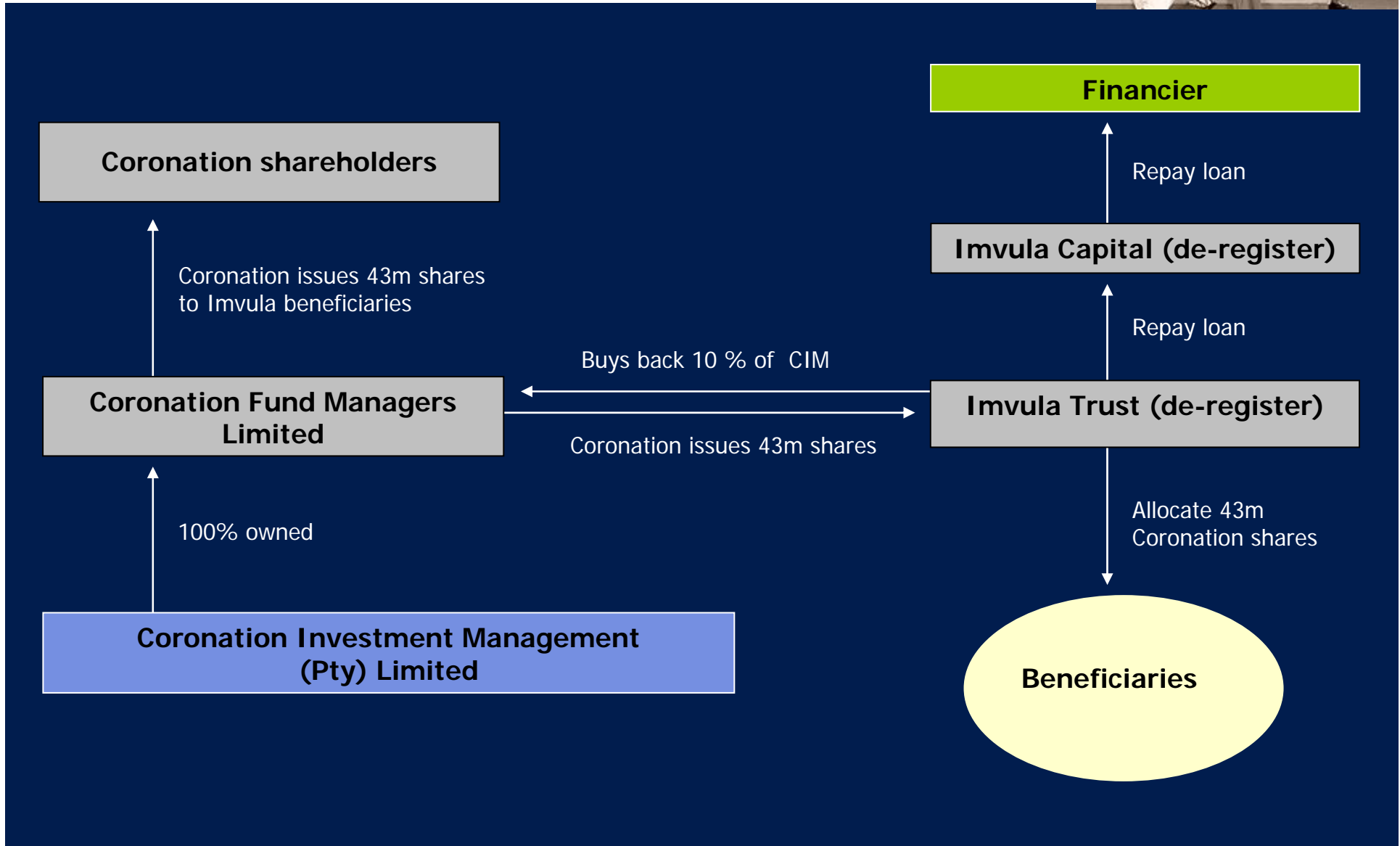
	2005	2006
	R'000	R'000
December 2003 options	1,729	1,923
Invula transaction	3,459	5,637
CIT transaction 1 (February 2005)	10,844	19,276
CIT transaction 2 (September 2005)	465	7,200
Total	16,497	34,036



# Consolidated accounting treatment of BEE transaction



# Imvula Scheme – unwinding





# Future focus

# Future focus



- Right strategy in place from which we continue to grow a long-term sustainable business
  - Singularly focused on fund management
  - Return to a culture of staff ownership, aligning staff interests with those of clients and shareholders
  - Team of talented and committed people who share passion and drive for excellence
  - Investment team operating at full strength
  - Remain committed to producing strong consistent investment performance, appropriate products and exceptional client service



# Future focus

- Desire to be the exemplar in the fund management industry
- Excited about our launch into third generation tax-effective retirement products
- Will continue to look for opportunities to enhance returns to clients and shareholders alike





**CORONATION**   
FUND MANAGERS

