



**2005**  
**Interim Results**

**10 May 2005**

# Agenda

- Key themes
  - Financial highlights
  - Assets under management
  - Corporate developments
  - Investment performance highlights
- Corporate structure and shareholding
- Financials
- Strategic environment
- Future focus



# Key themes

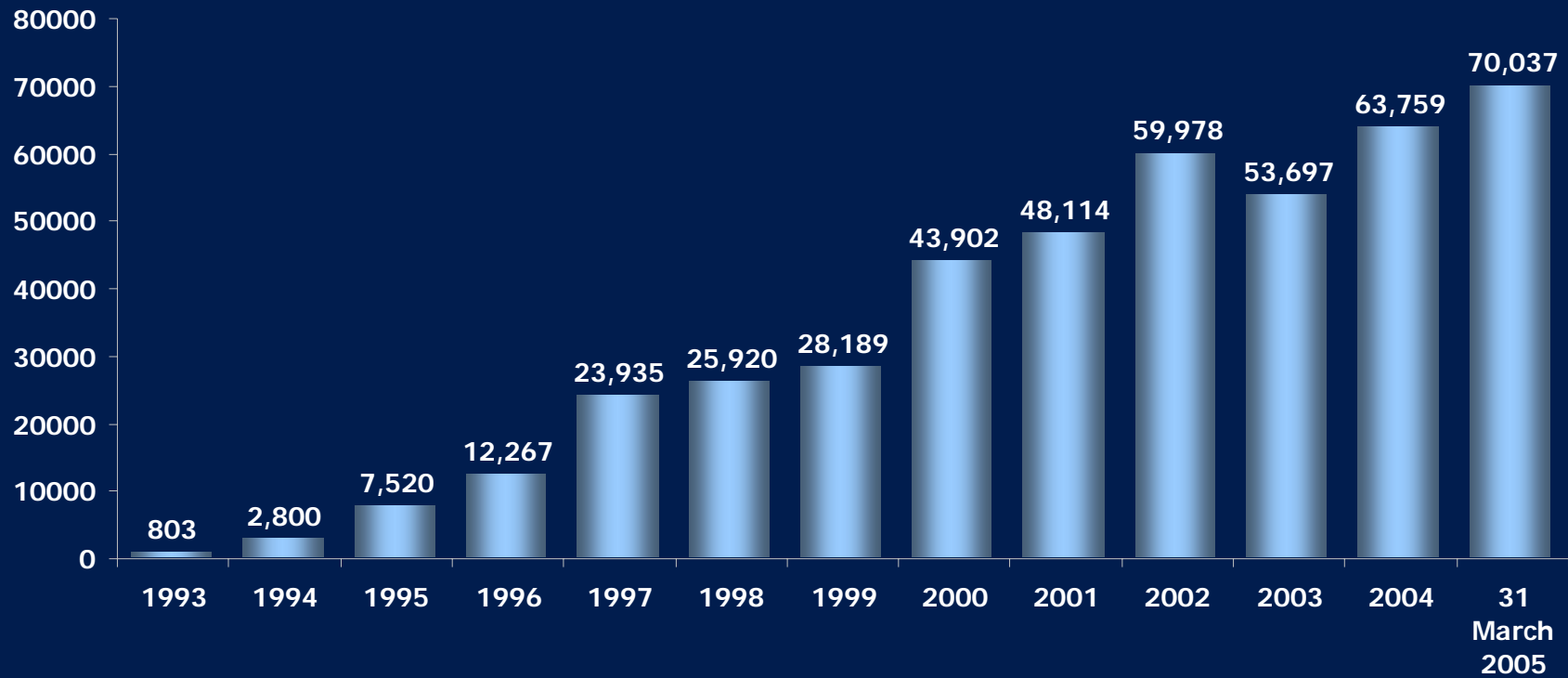
# Strong financial results



- Revenue: 39% growth from R188,9 million to R262,7 million
- Fixed fees: 19% growth from R127,8 million to R151,6 million
- Operating costs increased, due to:
  - Restraint payments (R28 million)
  - Increased staff remuneration (2 months)
  - Increased administrative costs (as % of assets under management)
  - Increased marketing and distribution spend



# Assets under management



# Reconciliation of assets under management



Total assets	30 September 2004	63,758,820,582
Market movement		9,511,044,090
Currency effect		(275,448,845)
Net assets acquired/(lost)		(2,957,735,566)
Total assets	31 March 2005	70,036,680,260



# Corporate developments

- Pre 31 March 2005:
  - Sale of 11% of Coronation's equity to senior management and staff by Coronation Investments & Trading Limited
  - Establishment of Bojammogo Asset Management Company (Pty) Limited in Botswana



# Corporate developments



- Post 31 March 2005:
  - Creation of the Invula Trust
    - Formalised commitment to achieving black participation in equity of the business
  - Disposal of 49% shareholding in Kagiso Asset Management





# Alignment of interest



- Staff interests aligned with those of clients and shareholders
- Number of staff = 146
  - South Africa: 120
  - International: 26
- 71 SA staff members are shareholders through either/or Imvula or CIT transaction
- Investment team operating at full strength
  - 37 individuals (with Charles de Kock joining in August)
  - Led by founder member, Louis Stassen, with more than 15 years' experience



# Investment performance highlights

## Institutional

- SA balanced portfolios – Ranked 1<sup>st</sup> over one year and 3<sup>rd</sup> over three years in Alexander Forbes SA Large Manager Watch survey (31 March 2005)
- Global balanced portfolios – Ranked 2<sup>nd</sup> over one year in Alexander Forbes Global Large Manager Watch survey (31 March 2005)



# SA Institutional Performance

## SA Large Manager Watch

1 year ended 31 March 2005



Source: Alexander Forbes

# SA Institutional Performance

## Global Large Manager Watch

### 1 year ended 31 March 2005



Source: Alexander Forbes

# Investment performance highlights

## Absolute Return product



	1 Year	3 Years	Since inception*
Absolute	28.6%	19.7%	19.8%
CPIX	3.7%	5.6%	6.6%
<b>CPIX + 7</b>	<b>10.7%</b>	<b>12.6%</b>	<b>13.6%</b>

\* Since inception – August 1997



# Investment performance highlights

## Retail

- ACI/Raging Bull Best Unit Trust Company of the Year for 2004
- 18th consecutive 1<sup>st</sup> or 2<sup>nd</sup> place in quarterly Plexus Survey



# Plexus Survey



One year		Three years		Five years		Overall	
1. Prudential	2.00	1. Coronation	2.31	1. Coronation	1.82	1. Coronation	2.03
2. Old Mutual	2.09	2. Investec	2.50	2. Investec	2.17	2. Investec	2.43
3. Coronation	2.14	2. Nedbank	2.50	3. Stanlib	2.58	3. Nedbank	2.60
4. Absa	2.31	2. Oasis	2.50	4. Nedbank	2.69	4. Old Mutual	2.71
5. Nedbank	2.50	2. Prudential	2.50	5. RMB	3.00	5. Sage	2.93
6. Analytics	2.60	6. Old Mutual	2.55	6. Old Mutual	3.06	6. Stanlib	3.01
7. m Cubed	2.75	7. Sage	2.60	7. Sage	3.14	7. RMB	3.07
8. Quantum	2.80	8. Momentum	2.83	8. Absa	3.38	8. Absa	3.08
9. PSG	2.88	9. Sanlam	2.92	9. Futuregrowth	3.57	9. Sanlam	3.52
9. RMB	2.88	10. Absa	3.10	10. Metropolitan	3.83	10. PSG	3.60
11. Sage	2.91	11. m Cubed	3.17	11. PSG	4.00	11. Futuregrowth	3.64
12. Investec	3.00	12. RMB	3.31	11. Sanlam	4.00	12. Metropolitan	4.13
13. Investment Solutions	3.20	13. Futuregrowth	3.43				
13. Sanlam	3.20	13. PSG	3.43				
15. Stanlib	3.40	15. Stanlib	3.46				
16. Oasis	3.88	16. Metropolitan	4.43				
17. Momentum	4.00						
18. Futuregrowth	4.14						
19. Allan Gray	4.20						
20. Metropolitan	4.43						

# Investment performance highlights

## Retail



- 8 Standard & Poor's Investment Fund Awards
- Best overall composite performance in the industry as at 31 March 2005 and rolling 12-month performance:
  - Coronation Balanced Plus, with a 32.7% return, was the best performing prudential fund
  - Coronation Top 20 (+10.1%), Coronation Equity (+7%) and Coronation Market Plus (+9%) all significantly outperformed their peers
  - Coronation Strategic Income, with 12.4%, outperformed cash by 4.7%
  - Coronation International Active Fund of Funds ranked 4/23 with a 10.6% US\$ return





# CIS Industry

Market share: single managers



Ranking excl. cash, institutional, FoF, white-labels (R135.4bn; 3/05)

1	Allan Gray (15%, up 1%)	R20.5bn
2	Investec (13%, down 1%)	R18.1bn
3	Old Mutual (13%, unchanged)	R18.1bn
4	Stanlib (13%, unchanged)	R17.0bn
5	<b>Coronation (6%, unchanged)</b>	<b>R9.0bn</b>
6	Sanlam (6%, unchanged)	R8.8bn
7	Polaris (4%, unchanged)	R6.1bn
8	RMB (3%, down 1%)	R5.2bn
9	Marriott (3%, down 1%)	R4.9bn
10	ABSA (3%, down 1%)	R4.9bn
11	Sage (3%, unchanged)	R4.6bn
12	Nedcor ex Polaris & RE:CM (3%, unchanged)	R4.5bn



Source: ACI Statistics

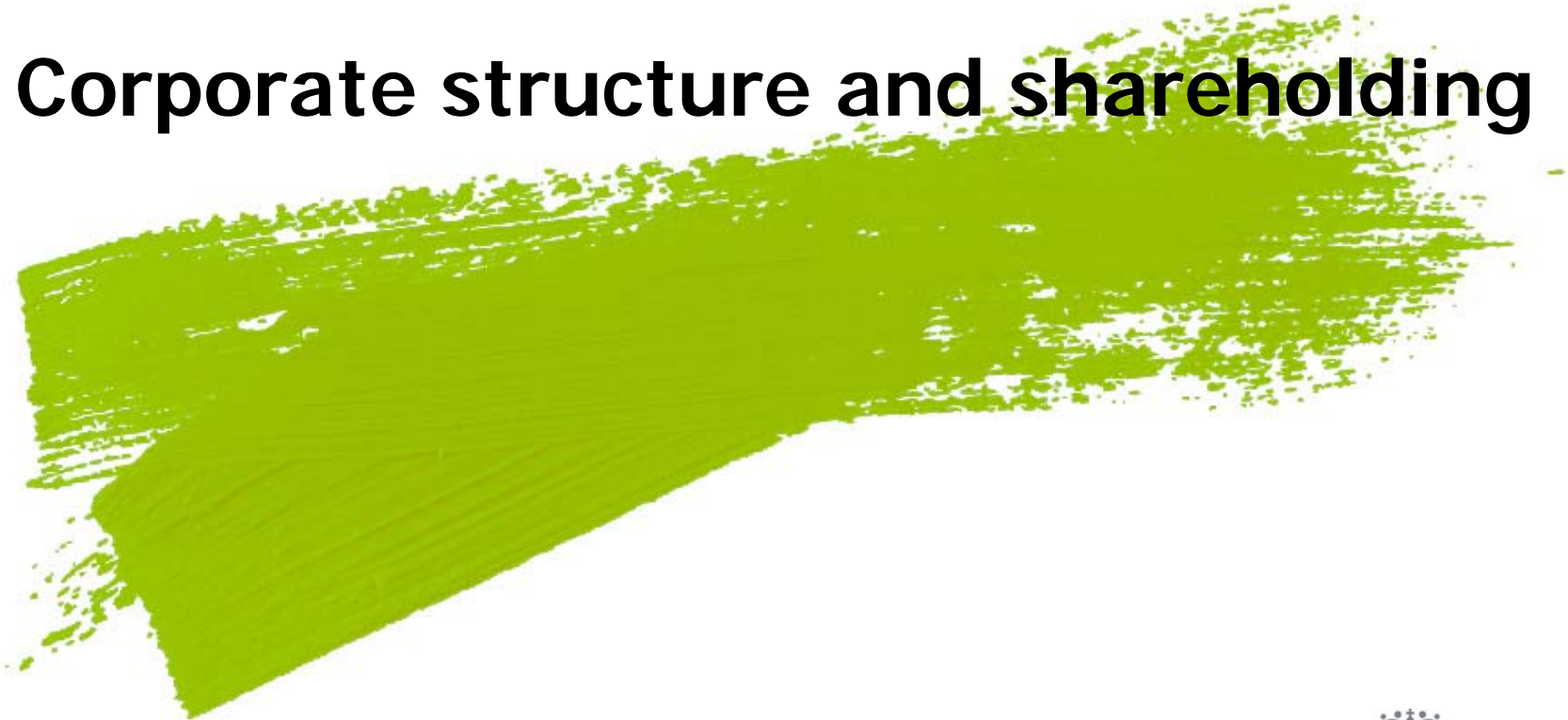
# Investment performance highlights

## International

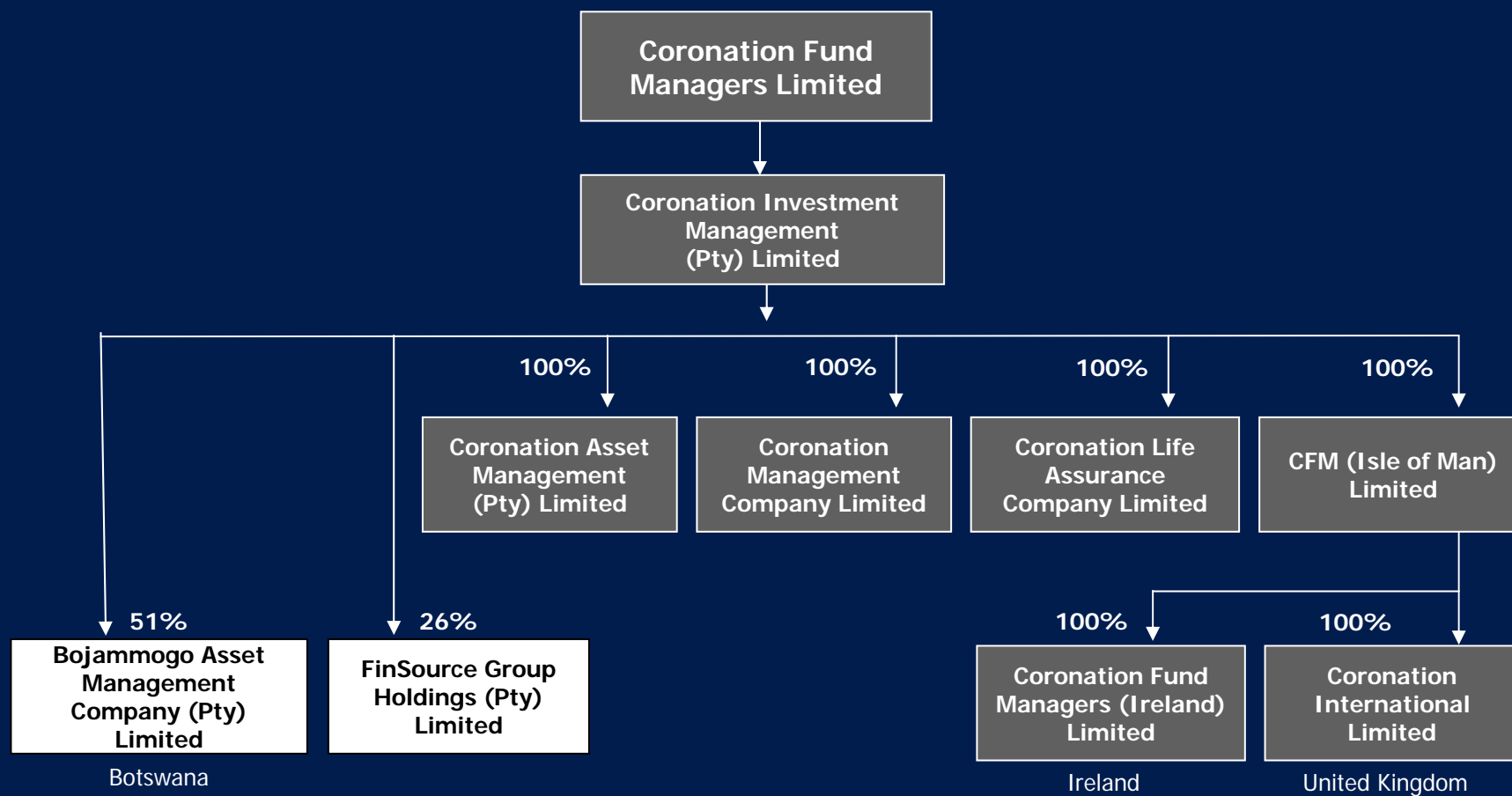
- Coronation Global Equity Alternative Strategy Fund named Best Global Equity Fund for 2004 by InvestHedge
- Rolling 1 year return: +7.70%
- Since inception annual return: +12.04%



# Corporate structure and shareholding

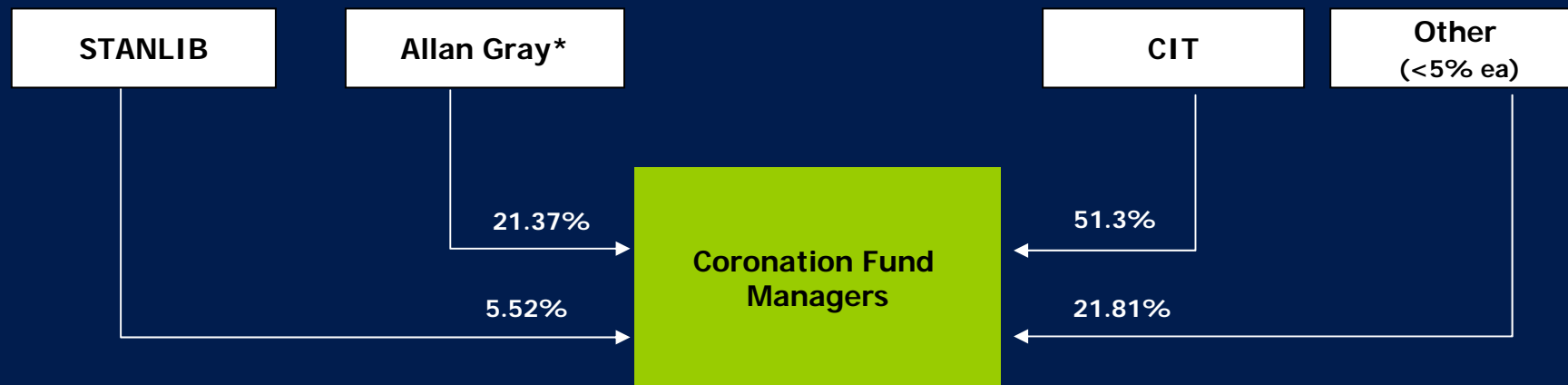


# Corporate structure



# Shareholding

As at 31 March 2005



\* On behalf of clients



# Financials



# Snap shot results



	31 March 2005	31 March 2004	% change
Earnings	75,307	60,484	25
Headline earnings	74,809	61,683	21
Headline EPS			
Normal	19.6	16.1	22
Diluted	19.3	16.0	21
NAV per share	54.4	59.1	(8)



# Snap shot results



	31 March 2005	31 March 2004	% change
Cost to income	56.5%	54.2%	(4)
Segment contribution			
SA	90.0%	92.0%	(2)
International	10.0%	8.0%	2
Annuity income as % of operating income	57.7%	67.7%	(15)





# Cost to income ratio analysis



	31 March 2005	31 March 2004
Cost to income	56.5%	54.2%
Cost to income excluding restraints	45.8%	54.2%
Cost to income excluding performance fees & restraints	61.2%	62.1%



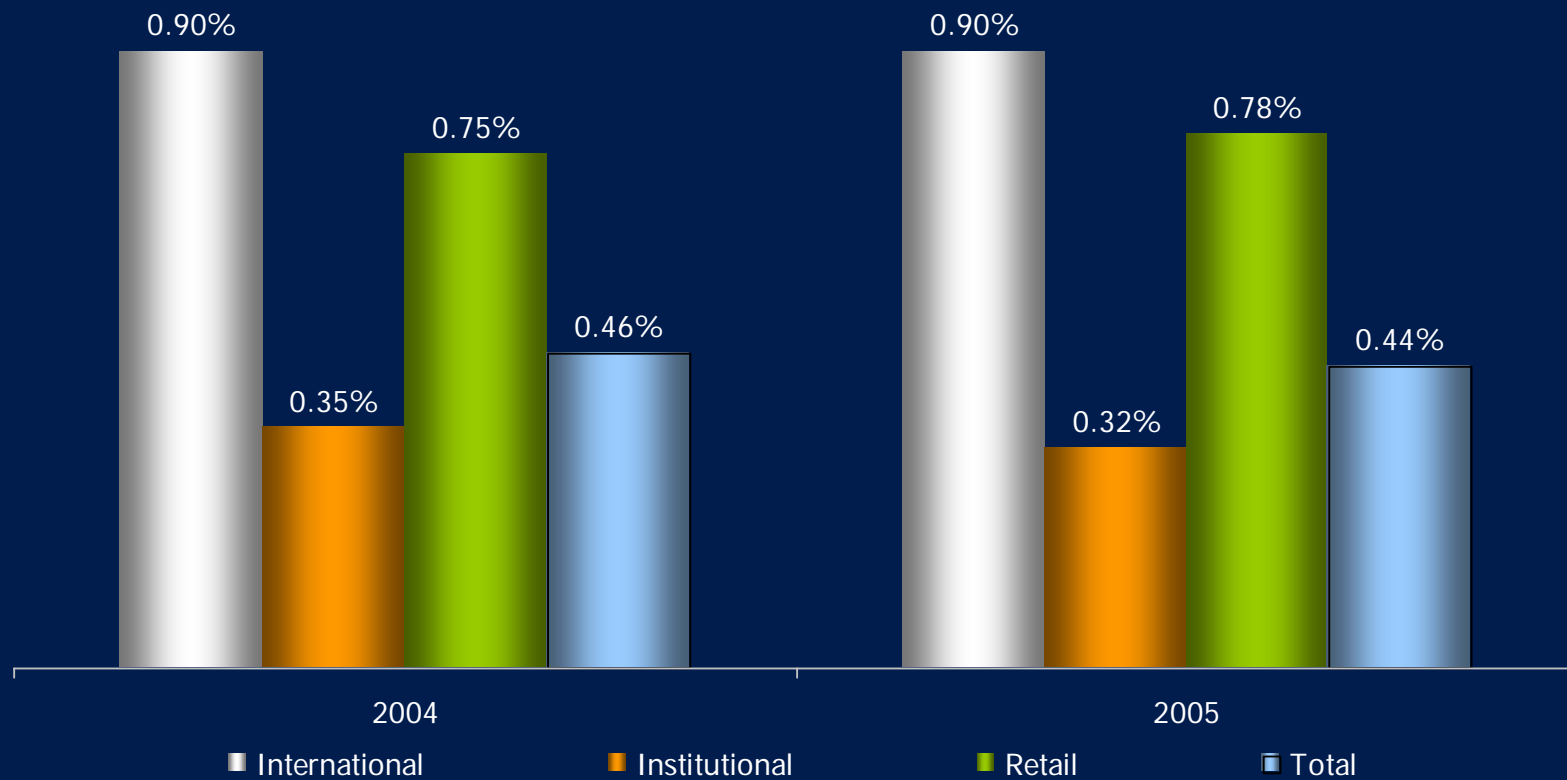
# Financial summary



	31 March 2005	31 March 2004
	Rm	Rm
Revenue	R262,7	R188,9
Performance fees	R96,4	R46,6
Management fees	R151,6	R127,8
Others	R14,7	R14,5
Operating Expenses	R148,5	R102,3
Fixed	R102,6	R67,0
Variable	R45,9	R35,3
PBT	R114,2	R86,6
Tax	R39,7	R27,0
PAT	R74,5	R59,6



# Average fixed fee



# Funds subject to performance fees

% of assets under management



Institutional	58%
Retail	31%
International	73%
<hr/> Total	<hr/> 55%



# Cost base – per month



	6 months 31 March 2005	12 months 30 September 2004
International (USD)	429,000	441,000
SA (ZAR)	8,687,000	8,200,000
Total (ZAR)	11,241,000	11,110,000
Exchange rate	5.9537	6.5990



# Cost base – per month

(including salary increase)



	6 months 31 March 2005	12 months 30 September 2004
International (USD)	429,000	441,000
SA (ZAR)	9,882,000	8,200,000
Total (ZAR)	12,436,000	11,110,000
Exchange rate	5.9537	6.5990



# Strategic environment



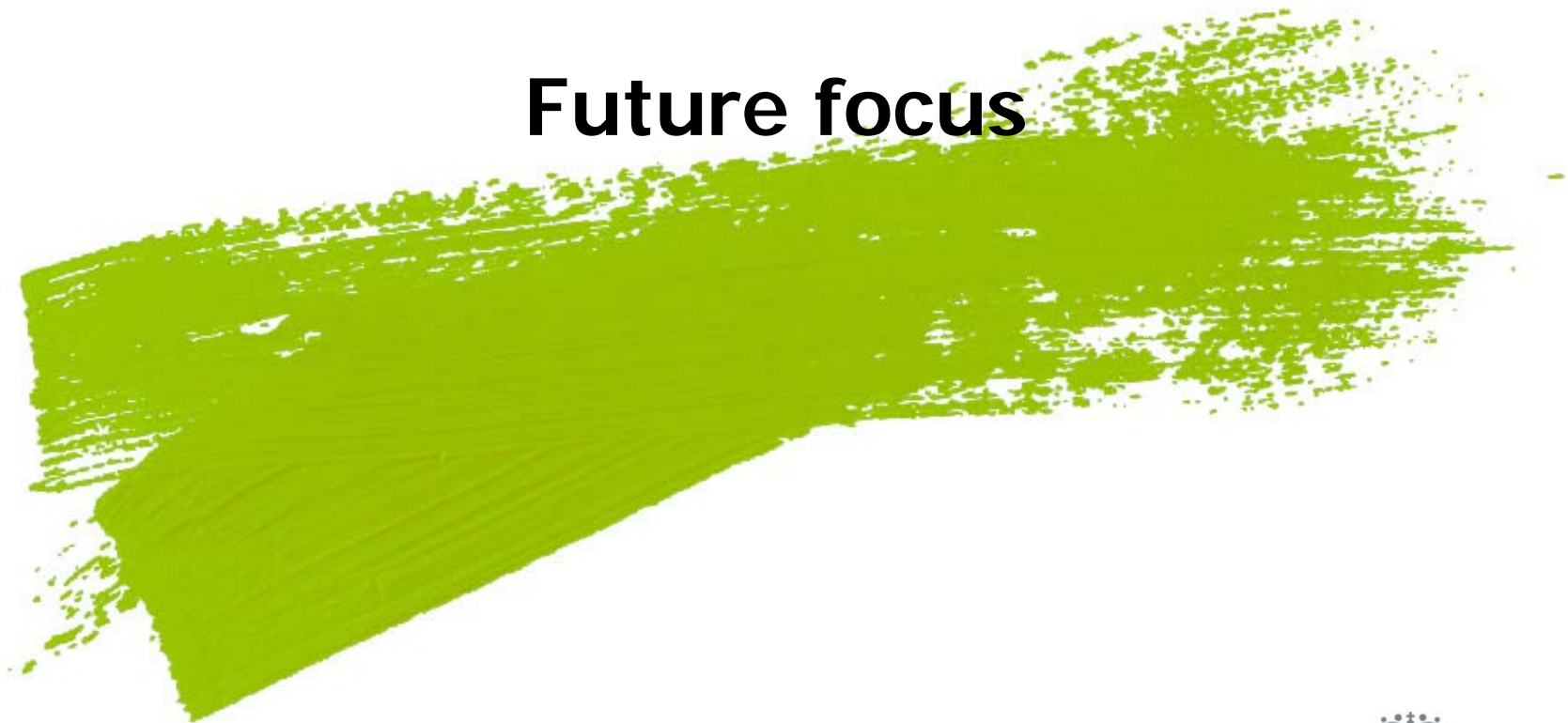
# Major strategic environmental issues

- Low barriers to entry in Collective Investment Schemes industry
- Fragmentation - “small is beautiful”
- Mandate complexity
- Corporate governance issues / rising shareholder activism by fund boards of trustees
- Life company vulnerability





# Future focus



# Future focus

- Singular focus on managing money for institutional and individual clients
- Equity ownership culture reinstated – staff now own more than 21% of the business
- Staff interests aligned with those of clients and shareholders, enhancing long-term competitiveness and sustainability



# Future focus



- 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
- Building a more sustainable business – more revenue sources
- Desire to be the exemplar in the fund management industry



# Questions

