



# **March 2010 Reviewed Interim Results**

**6 May 2010**

# Agenda



- Financial highlights
- Overview of company
- Financial results
- Business review
  - ❖ Retail
  - ❖ Institutional
  - ❖ International
  - ❖ Transformation
- Other



# Market movements

31 March 2010



<b>Economic group</b>	<b>3 months</b> %	<b>6 months</b> %	<b>12 months</b> %
All Share	4.5	16.4	44.1
All Share (Capital Return)	3.91	15.40	41.17
All Share (Dividend Return)	0.57	1.03	2.93
Resource 20	2.1	19.1	36.0
Small Cap	5.5	12.4	44.6
Industrials	6.2	6.6	48.1
Financials	9.9	17.0	51.3





# Financial Highlights

# Financial highlights



➤ AUM	R176bn	+47%
❖ Net flows of R4.5bn		
➤ Headline earnings	71.2 cps	+219%
➤ Headline earnings (diluted)	64.8 cps	+221%
➤ Dividend	51.0 cps	+292%



# Financial highlights (Rm)



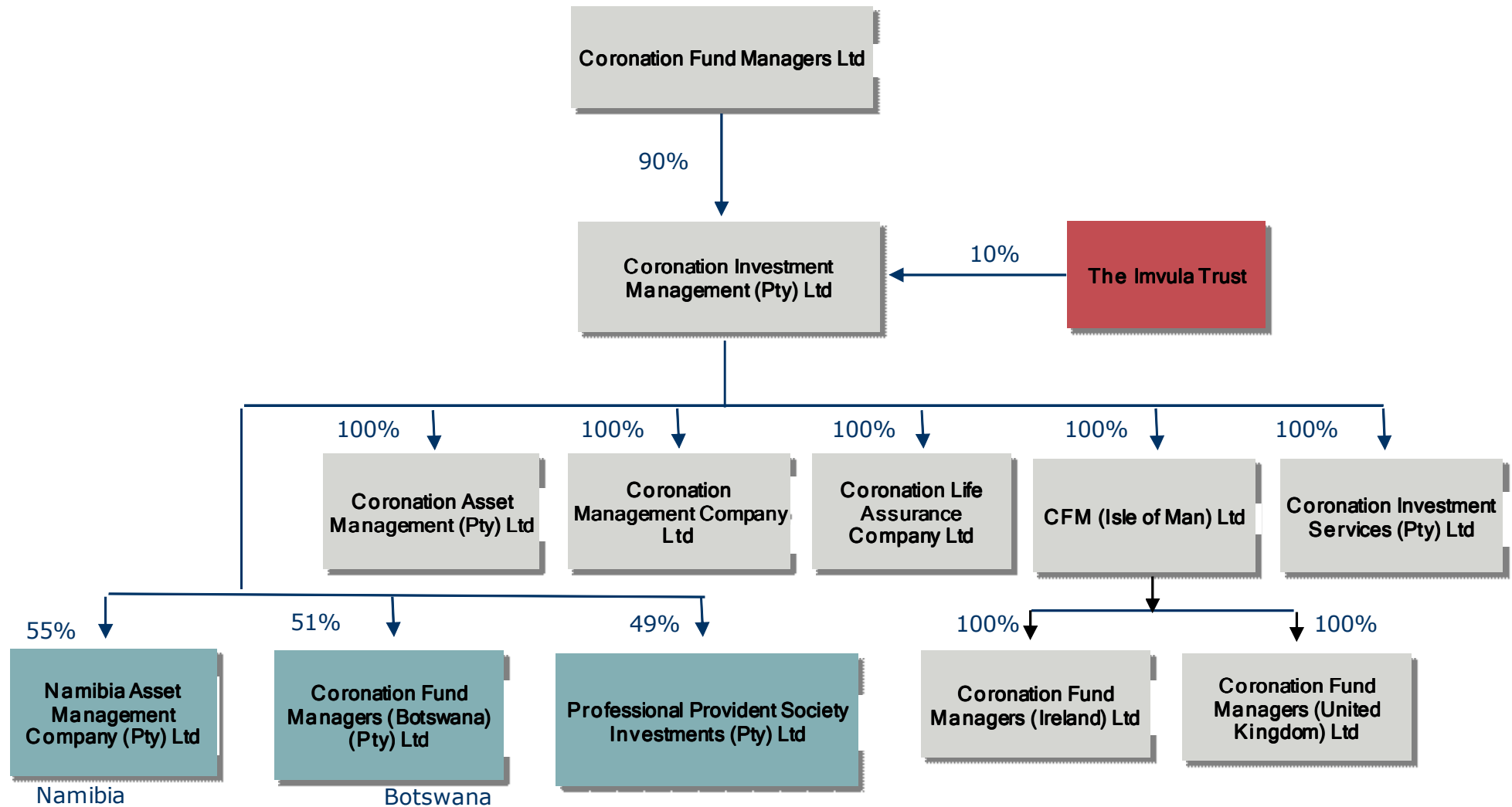
➤ Revenue (from fund management)	654	+80%
➤ Profit (from fund management)	327	+168%
➤ PAT	227	+210%
➤ Cashflow	256	+127%





# Company Overview

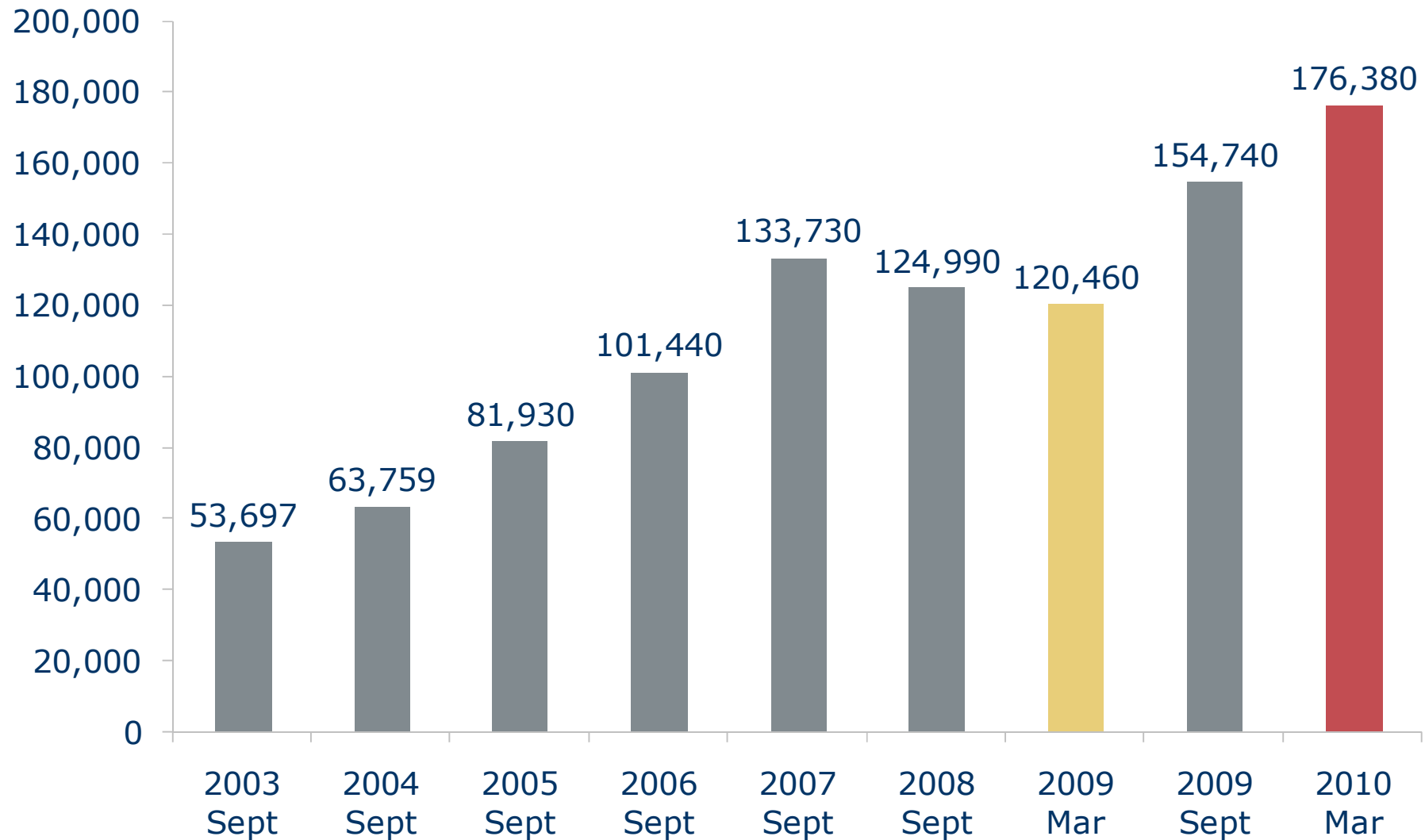
# Company structure at 31 March 2010





# Assets under management

2003 – 31 March 2010



58% of AUM subject to performance fees





# Financial Results

# Earnings



		March	March
	Change %	2010	2009
Attributable earnings (R'000)	215	223,997	71,200
EPS (cents)	215	71.2	22.6
Headline earnings (R'000)	219	223,997	70,361
HEPS (cents)	219	71.2	22.3
Diluted HEPS (cents)	221	64.8	20.2
Weighted average shares in issue - 31 March	(0.3)	314,646,591	315,636,428
Actual shares in issue - 31 March	0.1	314,819,192	314,565,858
<i>Proposed Interim DPS</i>	292	51	13



# Earnings

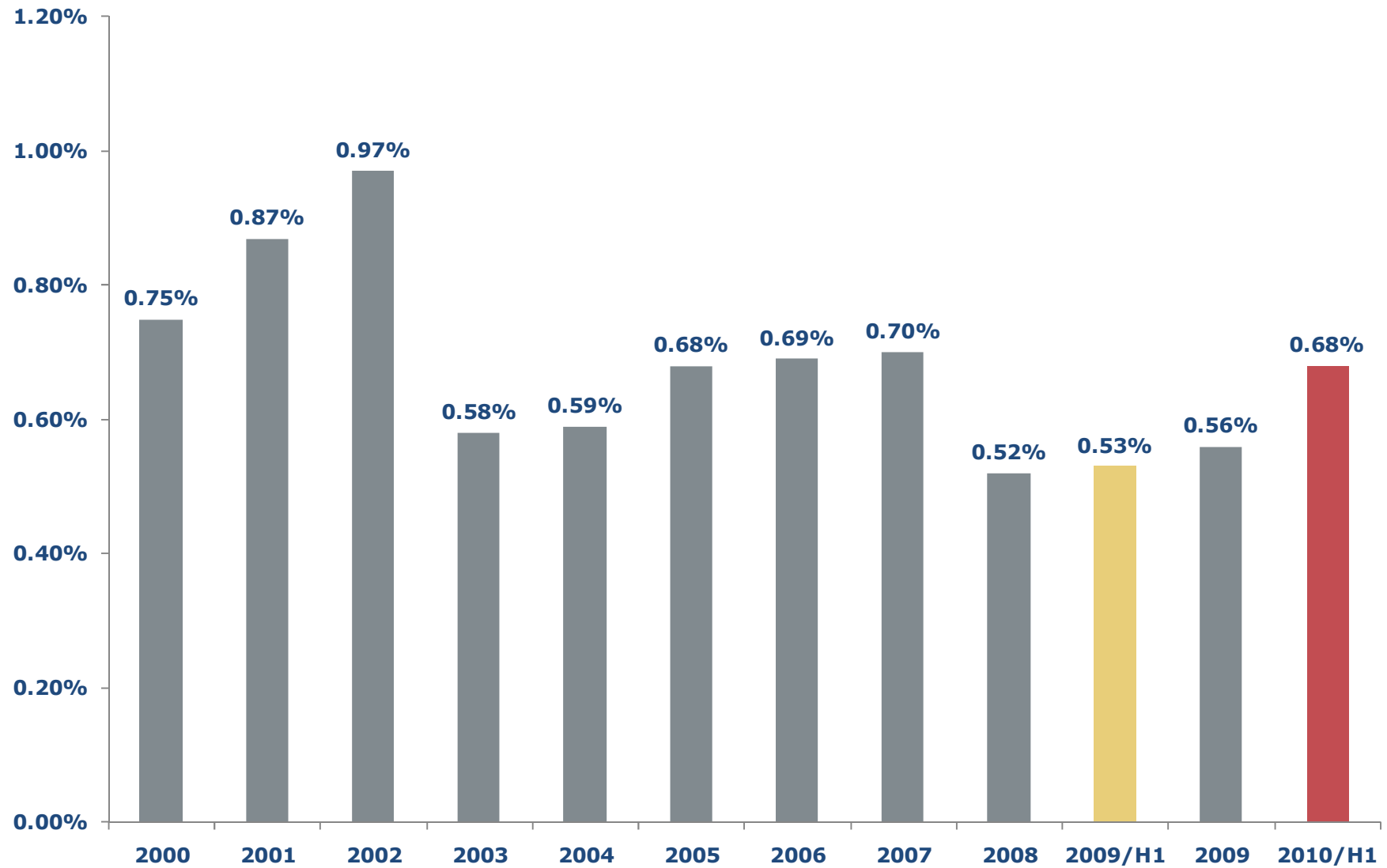


	Change %	March 2010	March 2009
Cost to income	30.4	51.2	66.8
Cost to income (excluding collection fees)	31.8	49.3	65.0
EBITDA (Rm's)	139.3	332,460	138,935
Market capitalisation (Rm's)	98.9	3,066,339	1,541,373
Share price @ 31 March (Rands)	98.8	9.74	4.90
Price earnings per share*	(37.8)	6.8	11.0

\* PE earnings – share price/annualised HEPS



# Total net fee as at 31 March 2010



# Cost comparison



	Change %	March 2010 R'000	March 2009 R'000
Fixed operational costs	(3.7)	113,225	109,173
Variable costs	(93.7)	215,193	111,080
IFRS 2	9.6	9,588	10,604
<b>TOTAL OPERATIONAL COSTS</b>	<b>(46.4)</b>	<b>338,006</b>	<b>230,857</b>
<b>Other costs (Interest expense*)</b>	<b>64.3</b>	<b>5,250</b>	<b>14,697</b>
<b>TOTAL COSTS</b>	<b>(39.8)</b>	<b>343,256</b>	<b>245,554</b>
<b>* Interest</b>			
Invula interest		4,334	5,270
Bank overdraft		916	9,427
		<b>5,250</b>	<b>14,697</b>

**Interest cover**

**63.3 times**

**9.4 times**

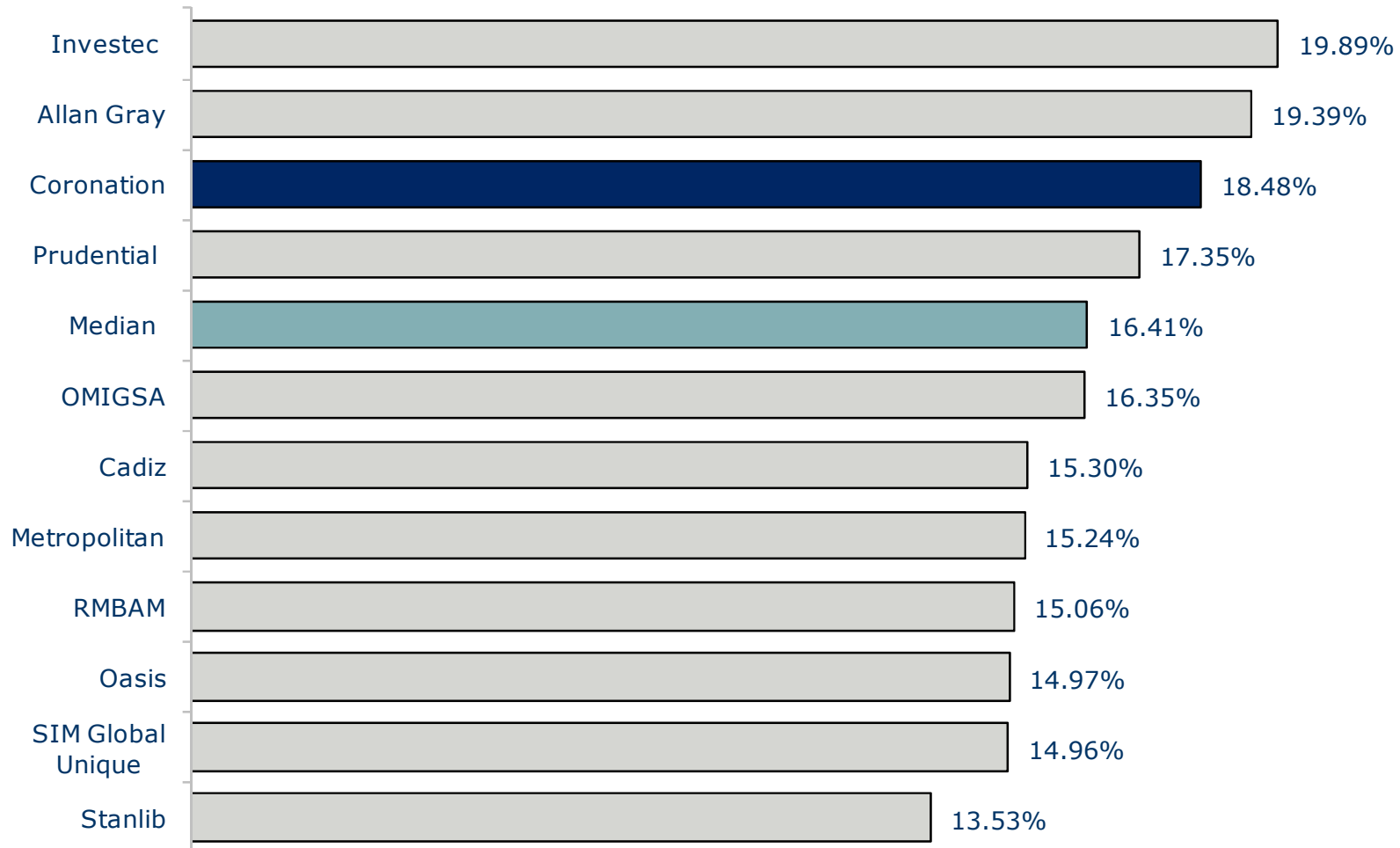




# **Business Overview Institutional**

# Performance

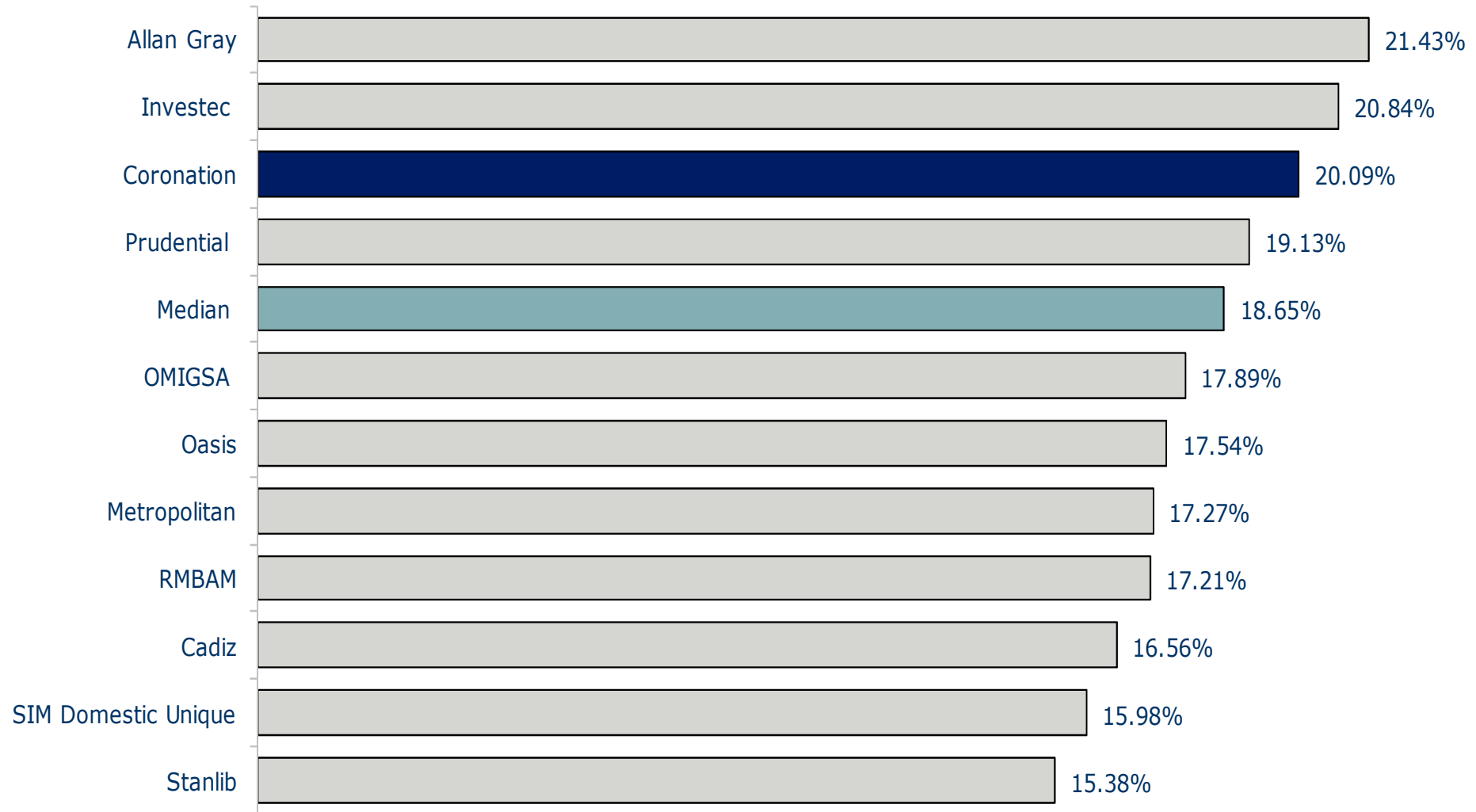
Alexander Forbes Global Large Manager Watch  
5 years ending 31 March 2010





# Performance

Alexander Forbes SA Large Manager Watch  
5 years ending 31 March 2010





# **Business Overview Retail**

# League table: long-term funds



Rank	Manager	AUM	Net Inflow
		31 March 2010	H1/2010
1	Allan Gray	101.7	7.8
2	Investec	45.6	1.7
3	Nedgroup	33.9	2.0
4	Old Mutual	33.0	0.0
<b>5</b>	<b>Coronation</b>	<b>32.3</b>	<b>5.3</b>
6	Stanlib	29.0	0.3
7	RMB	19.4	-0.9
8	SIM	16.2	1.0
9	Advantage	14.6	0.3
10	Acsis	12.6	0.5

Source: Coronation calculations based on Morningstar data as at 31 March 2010. Excludes institutional, money market, near cash and dividend income funds. Multi-managed and single manager assets shown separately where applicable.

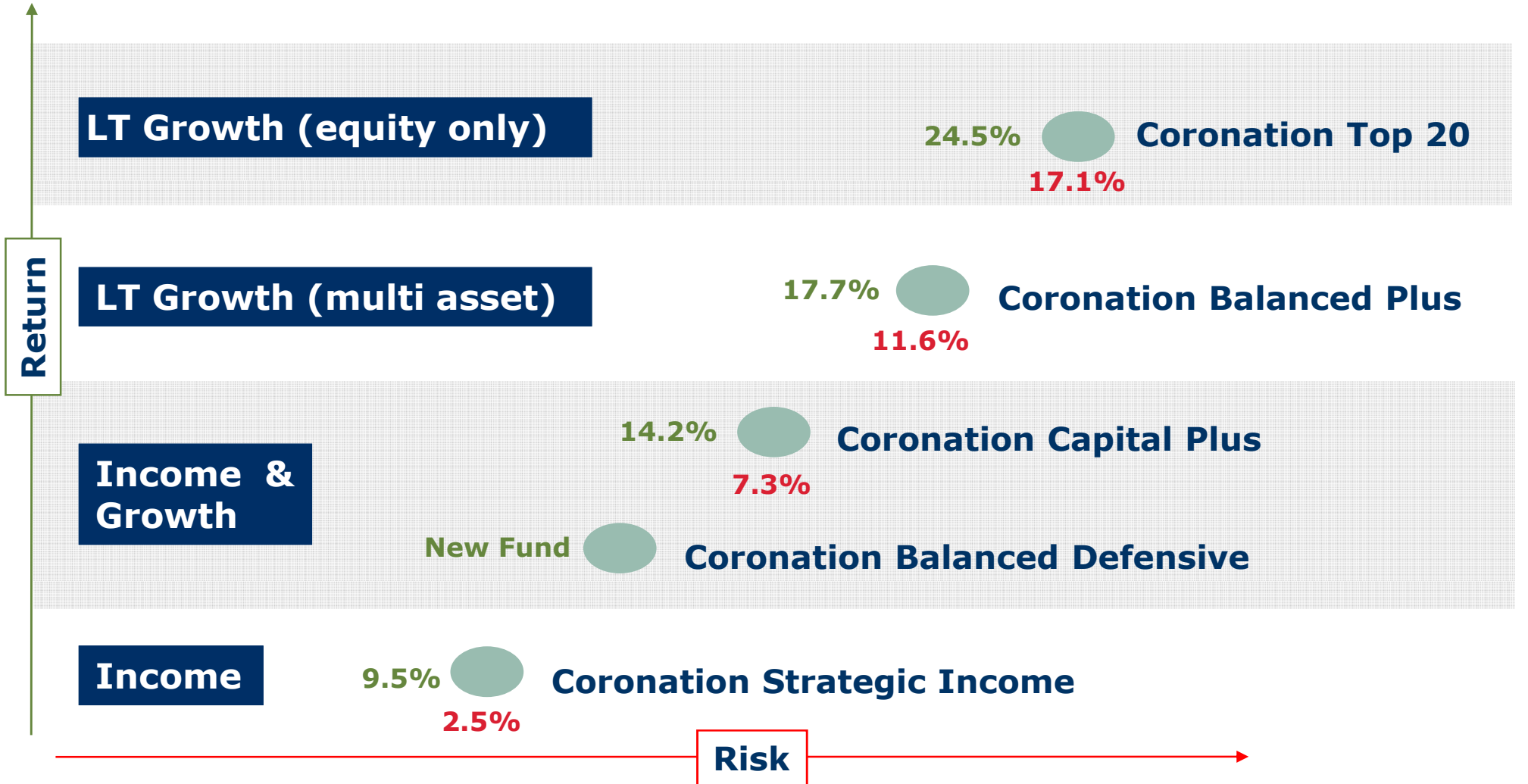


# Core domestic fund range

Risk versus return



Return = annualised returns



Risk = annualised standard deviation

5 year performance and risk quoted from Morningstar as at 31 March 2010. Figures quoted after all income reinvested and all costs deducted.

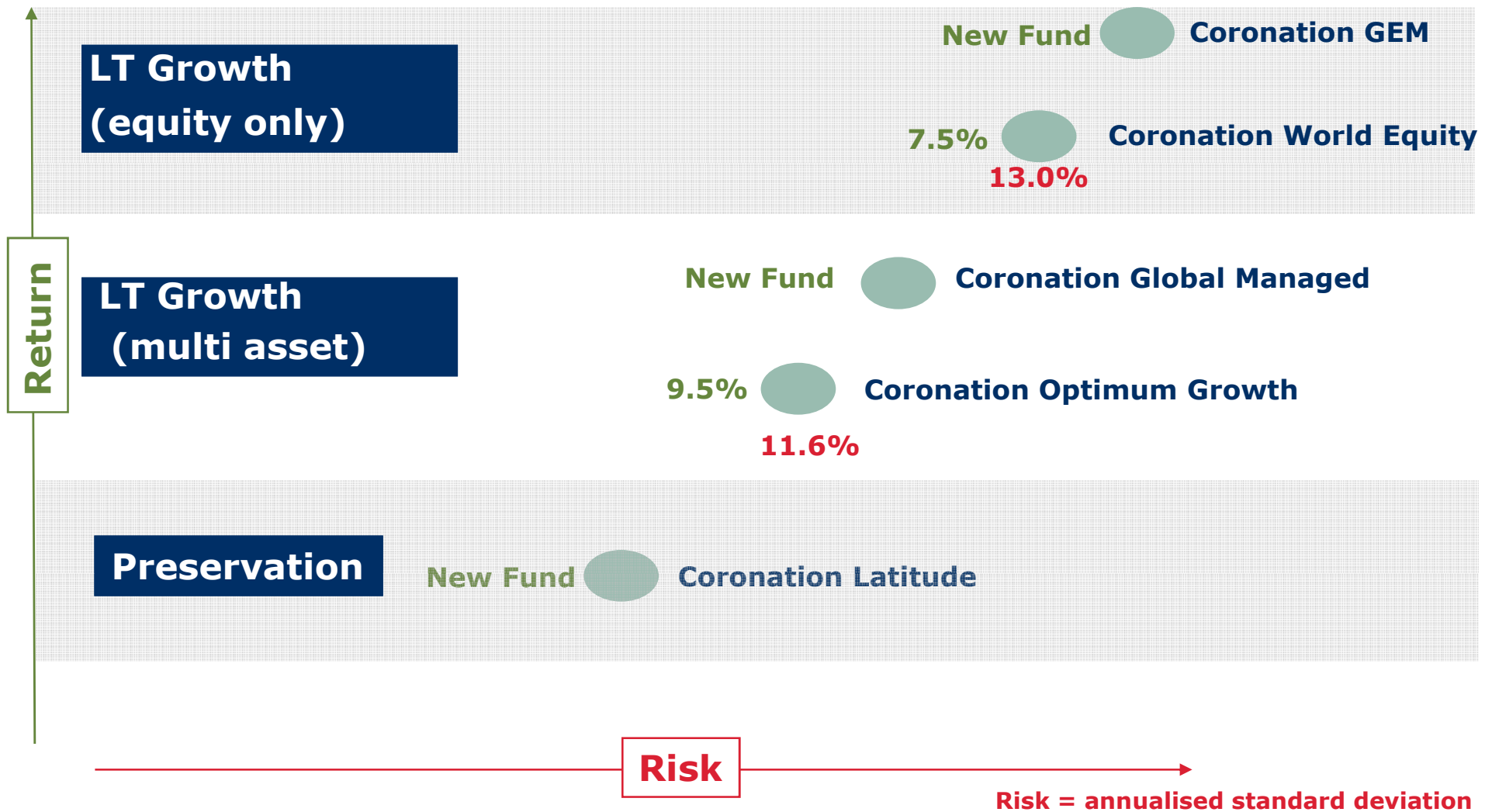


# Core international fund range

## Risk versus return



Return = annualised returns



5 year performance quoted from Morningstar as at 31 March 2010. Figures quoted after all income reinvested and all costs deducted.





# **International**

# UK and Ireland



- AUM up from \$1.33bn (Sept 09) to \$1.65bn (March 10).
- AUM increase attributable to market subscriptions.
- Investment performance is very pleasing with all funds ahead of benchmarks



# Africa



- Africa portfolios delivering excellent absolute and relative performance
  - ❖ Successfully raising assets
- Botswana AUM up from BWP1.7bn (March 09) to BWP2.3bn (March 10)
  - ❖ Excellent relative performance
- Namibian AUM flat from NAM\$8.1bn (Sept 09) to NAM\$7.9bn (March 10)
  - ❖ AUM decline attributable to outflows
  - ❖ Good relative performance position





# Global Emerging Markets (GEM)



- A total of 3 funds, managed by a team of 7 headquartered in Cape Town
- Excellent relative performance of the Global Emerging Markets Fund
  - ❖ 8% annualised outperformance of MSCI GEM index since inception (July 2008)
  - ❖ Great relative performance position vs. GEM peers – 2/40
- Have enjoyed incredible support from SA investors, with plans to market internationally towards the end of 2010





# Transformation

# Transformation



- Rated as Level IV contributor in terms of DTI codes
- Staff Ownership scheme (Imvula)
  - ❖ Outstanding debt reduced by 45% since inception
  - ❖ Positive equity
- Enterprise development
  - ❖ Providing business support to 7 BEE stockbrokers
  - ❖ Second 3-year term in process





**Other**

# Initiatives



## ➤ PPS Investments

- ❖ Growing AUM strongly (off a low base)
- ❖ Gaining ongoing traction among PPS members

## ➤ Private Equity

- ❖ Exited the general partnership
- ❖ Remain a limited partner
- ❖ The fund closed successfully on 1 March 2010





**Thank you**