



By considering it all, PSG sees the bigger picture, which gives you the advantage

Investor Roadshow Presentation 2016 Financial Results

For the year ended 29 February 2016

14 April 2016



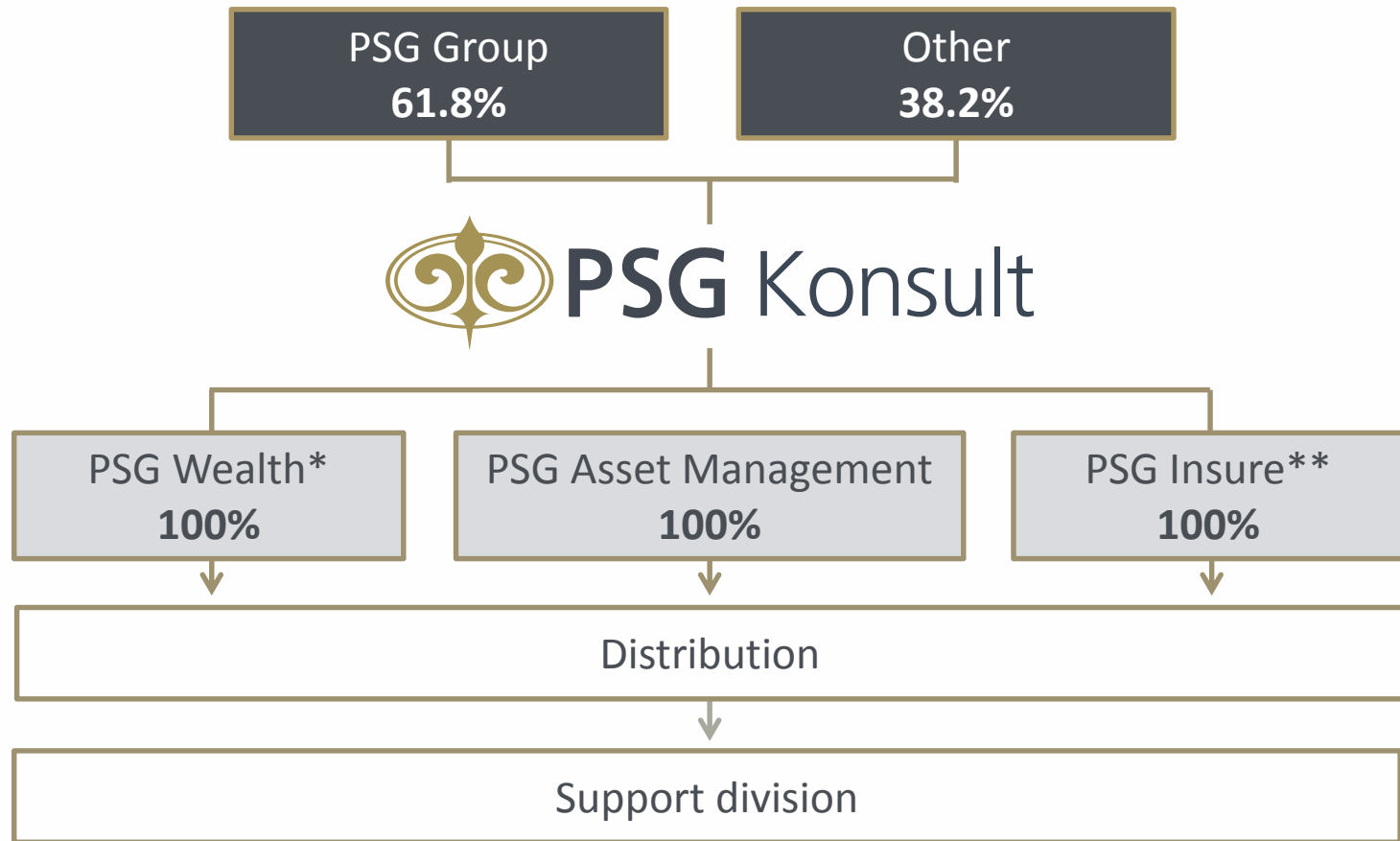
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01 | Group overview

PSG Structure



* Includes PSG Employee Benefits

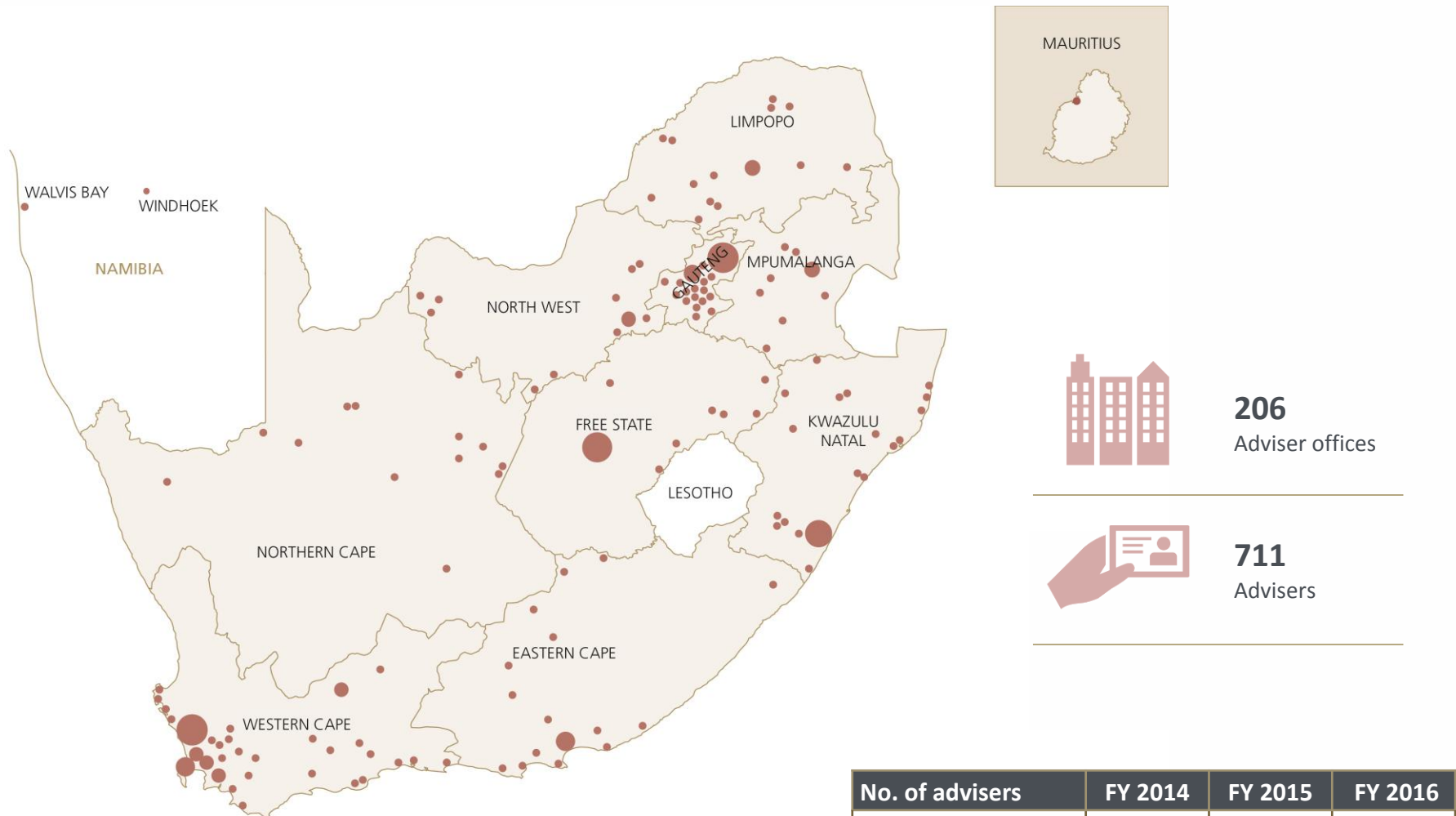
** Includes Western National Insurance

As at 29 February 2016



A great company

Wealthy clients serviced where they reside



Source: PSG Distribution

No. of advisers	FY 2014	FY 2015	FY 2016
PSG Wealth	406	434	480
PSG Insure	212	225	231
Total	618	659	711

Business characteristics

- Equity market dependent
- Administration businesses people / systems dependent
- Not very balance sheet intensive
- Free cash flow generative
- Vulnerable to regulatory change



02 | FY 2016 Results

FY 2016 financial results overview

Recurring HEPS grew by 19% for FY2016

Consolidated results	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Revenue *	2 557	18%	3 015	16%	3 502
PBT	384	37%	525	20%	632
Headline earnings	244	39%	339	(14%)	292
- Recurring headline earnings	251	36%	341	20%	409
- Non-recurring headline earnings	(7)	(71%)	(2)	-	(117)
Weighted ave. number of shares (millions)	1,221	3%	1,261	1%	1,274
HEPS (Rand cents)	20.0	35%	26.9	(15%)	22.9
Recurring HEPS (Rand cents)	20.6	31%	27.0	19%	32.1

Assets under management (Rand billion)	99	34%	133	16%	154
Assets under administration (Rand billion)	233	33%	309	6%	327
Premiums (Rand billion) **	1.8	17%	2.1	17%	2.5

* Total income per IFRS includes consolidated fund and policyholder related income

** Excludes Short-term administration platform gross written premium to avoid duplication

Note: figures rounded to nearest Rmillion



Core business results

Financial results analysis – IFRS vs Core

IFRS results (Core & Linked)	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Total income	2 557	18%	3 015	16%	3 502
Total expense	(2 041)	16%	(2 371)	17%	(2 781)
Profit before tax	384	37%	525	20%	632

Linked Investment business and other					
Income	208	(25%)	157	(1%)	155
Expense	(83)	(35%)	(54)	56%	(84)
Linked profit before tax	23	17%	27	(19%)	22

Core business					
Income	2 349	22%	2 858	17%	3 347
Expense	(1 958)	18%	(2 317)	16%	(2 697)
Core profit before tax	361	38%	498	22%	610
Core profit before tax (Excluding Intangible amortisation cost)	381	38%	527	22%	642



Headline earnings by division

Total recurring headline earnings growth of 20% year on year

Headline earnings*	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Wealth	162	40%	227	(26%)	169
Asset Management	54	51%	82	1%	83
Insure	28	7%	30	33%	40
Total	244	39%	339	(14%)	292

* Includes amortisation of intangibles of FY 2016: R32m (FY 2015: R29m; FY 2014: R20m)

Recurring headline earnings*	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Wealth	162	41%	228	25%	286
Asset Management	54	51%	82	1%	83
Insure	35	(11%)	31	29%	40
Total	251	36%	341	20%	409

* All overhead costs are fully allocated

Note: figures rounded to nearest Rmillion



Financial trend

We always look at our historical rolling track record

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	CAGR %		FY 2015	FY 2016	YoY Gwth %
AUA (Rbn)	21	43	53	44	72	97	139	180	233	309	327	31.6%		309	327	5.8%
Premiums (Rbn) **	0.4	0.8	1.0	1.4	1.5	1.6	1.6	1.6*	1.8	2.1	2.5	20.1%		2.1	2.5	16.7%
Revenues (Rm)	246	540	726	823	901	1,018	1,604	1,846	2,557	3,015	3,502	30.4%		3,015	3,502	16.2%
Recurring headline earnings (Rm)	17	46	87	97	90	92	151	174	251	341	409	37.4%		341	409	19.8%
Shares in issue (m)	379	695	732	733	730	733	1,072	1,210	1,221	1,261	1,274	12.9%		1,261	1,274	1.0%
Recurring HEPS (cents)	4.4	8.2	12.0	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	22.0%		27.0	32.1	19.3%
Total advisers	285	391	497	524	567	597	635	613	618	659	711	9.6%		659	711	7.9%

11 * Includes Western National Premiums from Nov 2012

** Excludes Short-term administration platform gross written premium to avoid duplication
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Source : PSG Finance



03 | FY 2016 divisional performance

Wealth plans

Growing and protecting client wealth

Excellence in
products & services

Top advisers

Superb platform

Wealth assets split (Rm)	Feb-15	Market movement	Net flows	Feb-16	%Δ
Third party funds *	39 772	1 590	1 758	43 120	8%
PSG Multi Managed **	37 468	3 169	6 932	47 569	27%
Discretionary	31 462	868	3 379	35 709	13%
Total managed assets	108 702	5 627	12 069	126 398	16%
Non discretionary	164 613	7 971	-11 802	160 782	-2%
Third party administration	8 176	1 052	2 839	12 067	48%
Total wealth assets	281 491	14 650	3 106	299 247	6%

* Includes PSG advisers single managed funds of R4.8bn for Feb 2015 and R5.4bn for Feb 2016

** Includes PSG single managed funds of R5.0bn for Feb 2015 and R5.6bn for Feb 2016

Source: PSG Wealth

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Growing and protecting client wealth driving new flows resulting in clients entrusting new investments with us



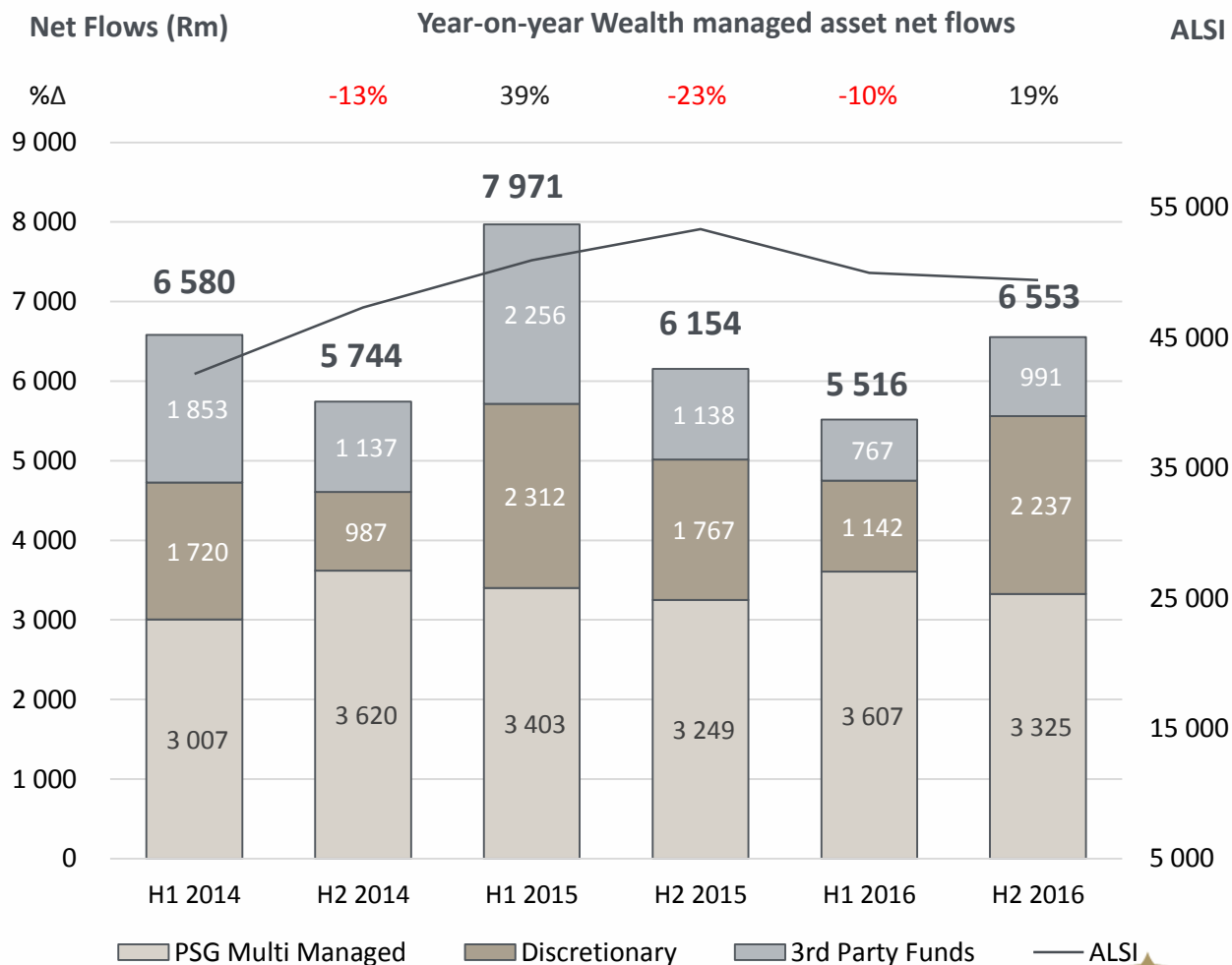
Wealth - excellence in products and services

Sound new business flows

Independent process
with advisers'
oversight (both funds
and securities)

Review all
counterparties

Negotiation with
product providers



Source: PSG Wealth, Bloomberg



Wealth - top advisers

Quality advisers delivering quality advice...

Wealth advisers (Incl. EB)	FY 2014 *	FY 2015 *	FY 2016
Balance – Opening	384	406	434
Net new acquisitions	22	28	46
Balance – Closing	406	434	480
Growth	6%	7%	11%

* Restated to exclude advisers moved from Wealth to Insure during FY2016

- Up scale existing offices via new hires
- Greater penetration selected area
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: Open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction

Source: PSG Wealth



Asset management plans

Net new money at acceptable margin

Focused marketing

Investment performance

Superb platform

AM assets split (<u>Rbn</u>)	Feb-15	Market movement	Net flows	Feb-16	%Δ
PSG Single manager **	18 432	-7	2 159	20 584	12%
PSG Money market and related assets ***	2 232	-	2 956	5 187	132%
PSG Segregated Portfolios ****	3 148	-203	-969	1 976	-37%
Total assets under management	23 812	-210	4 146	27 747	17%
PSG Wealth administered assets *	37 468	3 169	6 932	47 569	27%
PSG White Label	3 445	853	-4 223	75	-98%
Total AM assets	64 725	3 812	6 855	75 391	16%

* Excluded from total PSG assets under administration to eliminate duplication

** Includes PSG Advisers single managed funds of R3.8bn for Feb 2015 and R4.2bn for Feb 2016

*** Includes PSG Advisers single managed funds of R1.0bn for Feb 2015 and R1.1bn for Feb 2016

**** Majority of this outflow relates to an execution only institutional client

Source: PSG Asset Management

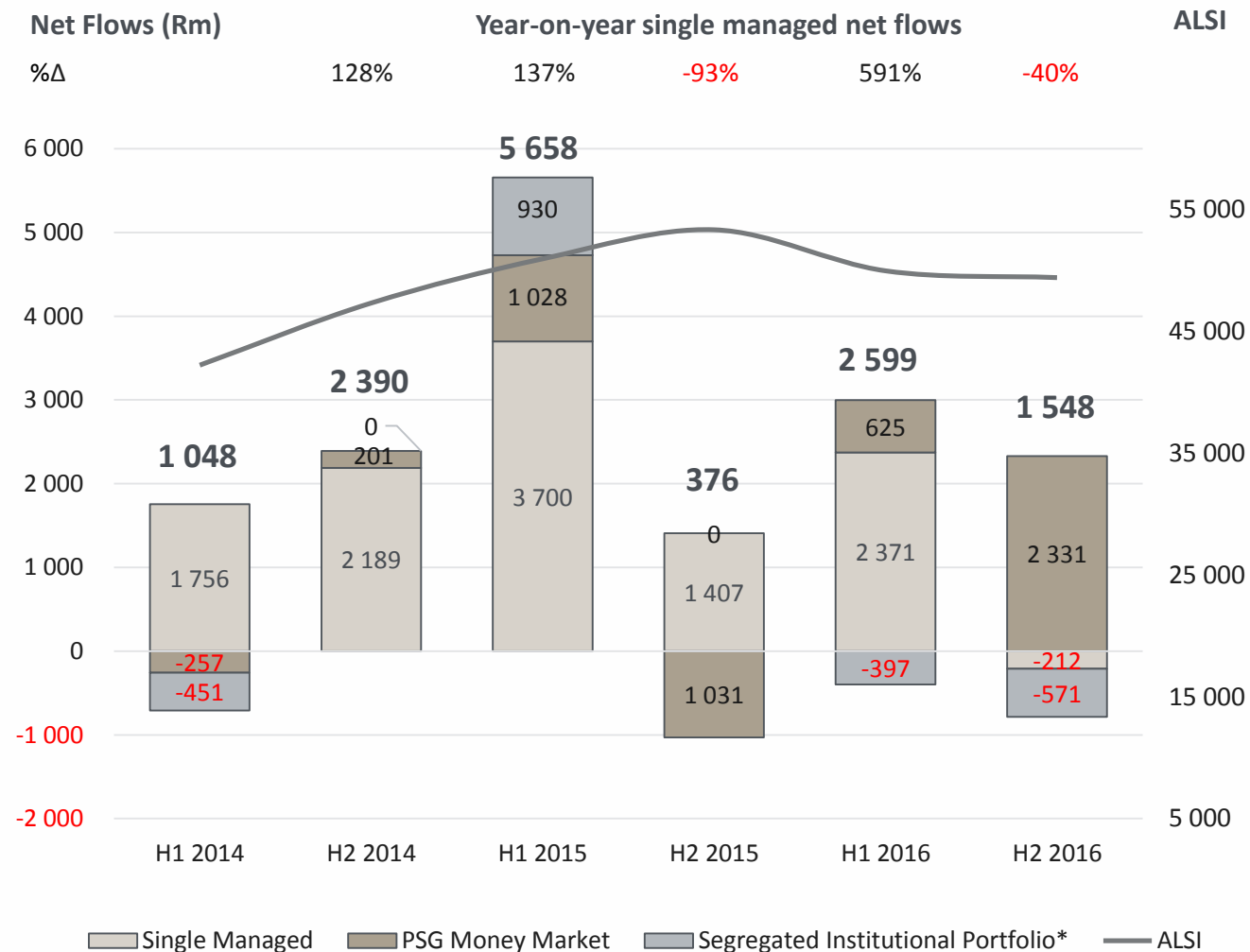


Asset management - focused marketing

'Brick by Brick' strategy

Our approach

- Long-term assets (retail emphasis)
- Getting adequate margins
- Protect our capacity



Source: PSG Asset Management, Bloomberg

* Includes private clients and segregated money market portfolios



Asset management

Improving short and long term performance

Single manager funds	Performance	1-month rank	3-months rank	6-months rank	1-year rank	3-year rank	5-year rank	10-year rank
PSG Flexible	Rank	3	8	22	15	7	14	4
	Return	4.7%	0.9%	1.7%	2.9%	14.8%	14.1%	14.9%
PSG Equity A	Rank	8	27	126	113	30	22	24
	Return	6.7%	-2.1%	-5.8%	-10.4%	11.9%	13.5%	11.7%
PSG Balanced A	Rank	8	25	89	67	23	24	14
	Return	3.9%	-0.1%	1.2%	1.9%	12.1%	12.5%	10.9%
PSG Stable	Rank	7	22	67	49	46	N1	N1
	Return	1.9%	0.7%	2.7%	2.7%	2.7%		

N1 – The Stable fund does not have a 5/10-year history

Source : MorningStar February 2016 report



Insure

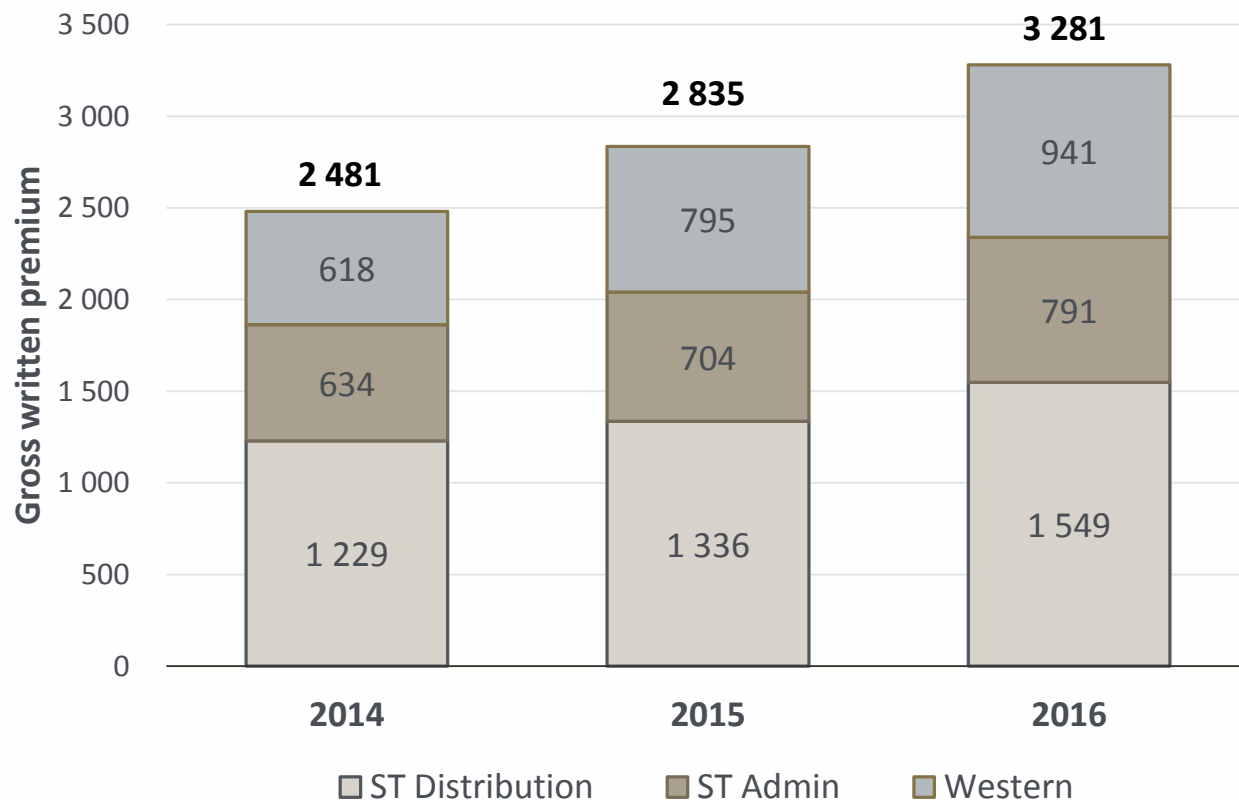
Grow gross written premium income

Top advisers

Excellence in underwriting

Superb platform

PSG Insure gross written premium (Rm) *



Western acquisition – Nov'12

* Includes Short-term administration platform gross written premium

Source : PSG Insure



Insure - top advisers

We continue to add top advisers to our Insure Distribution business

Insure advisers	FY 2014 *	FY 2015 *	FY 2016
Balance – Opening	229	212	225
Net new acquisitions	(17)	13	6
Balance – Closing	212	225	231
Growth	(7%)	6%	3%

* Restated to exclude advisers moved from Wealth to Insure during FY2016

- Greater penetration selected area
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: Open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction



Western National Insurance

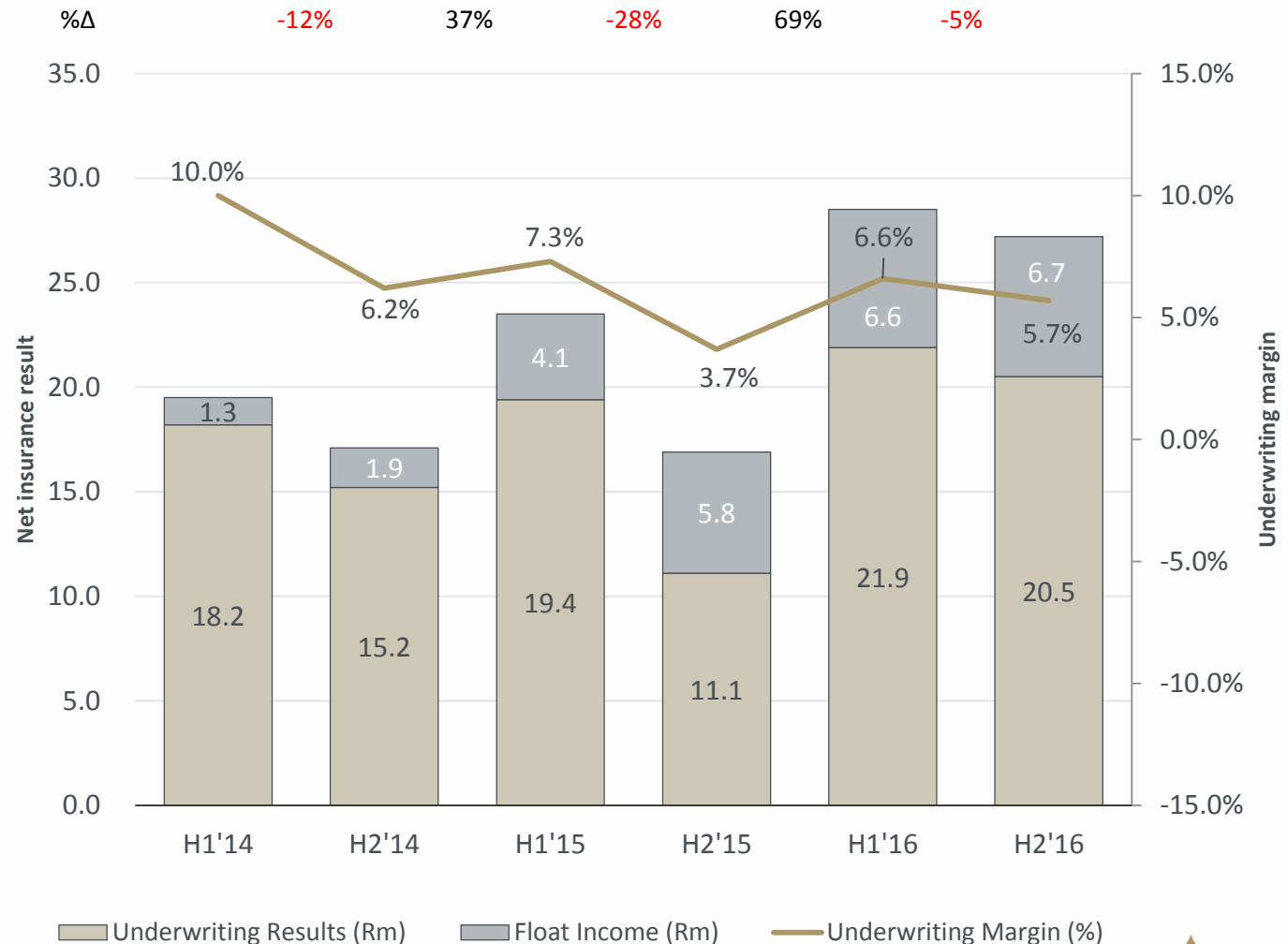
Insurance results

Key differentiators

- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level > R500m
- Limited insurance and investment risk retention levels



Source : PSG Insure



Reducing risk

**Recurring
revenues**

**Margin
enhancing**

Risk vs return

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Perf fees/HE *	11.4%	7.7%	3.8%
Recurring HEPS	20.6c	27.0c	32.1c

* - Based on recurring headline earnings

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Op margin	13.2%	14.9%	15.2%
Op margin (excl perf fees)	12.1%	14.0%	14.7%
C:I %	63.8%	60.6%	59.0%

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
ROE	24.8%	26.4%	24.8%*
ROE (excl. perf fees)	22.0%	24.3%	24.0%**
Debt:Equity	9.4%	0.9%	0.7%

Including PSG Life tax settlement:

* ROE: 18.4%

** ROE (excl. perf. Fees): 17.6%

Source : PSG Finance function



04 | 2017 Focus

Key achievements

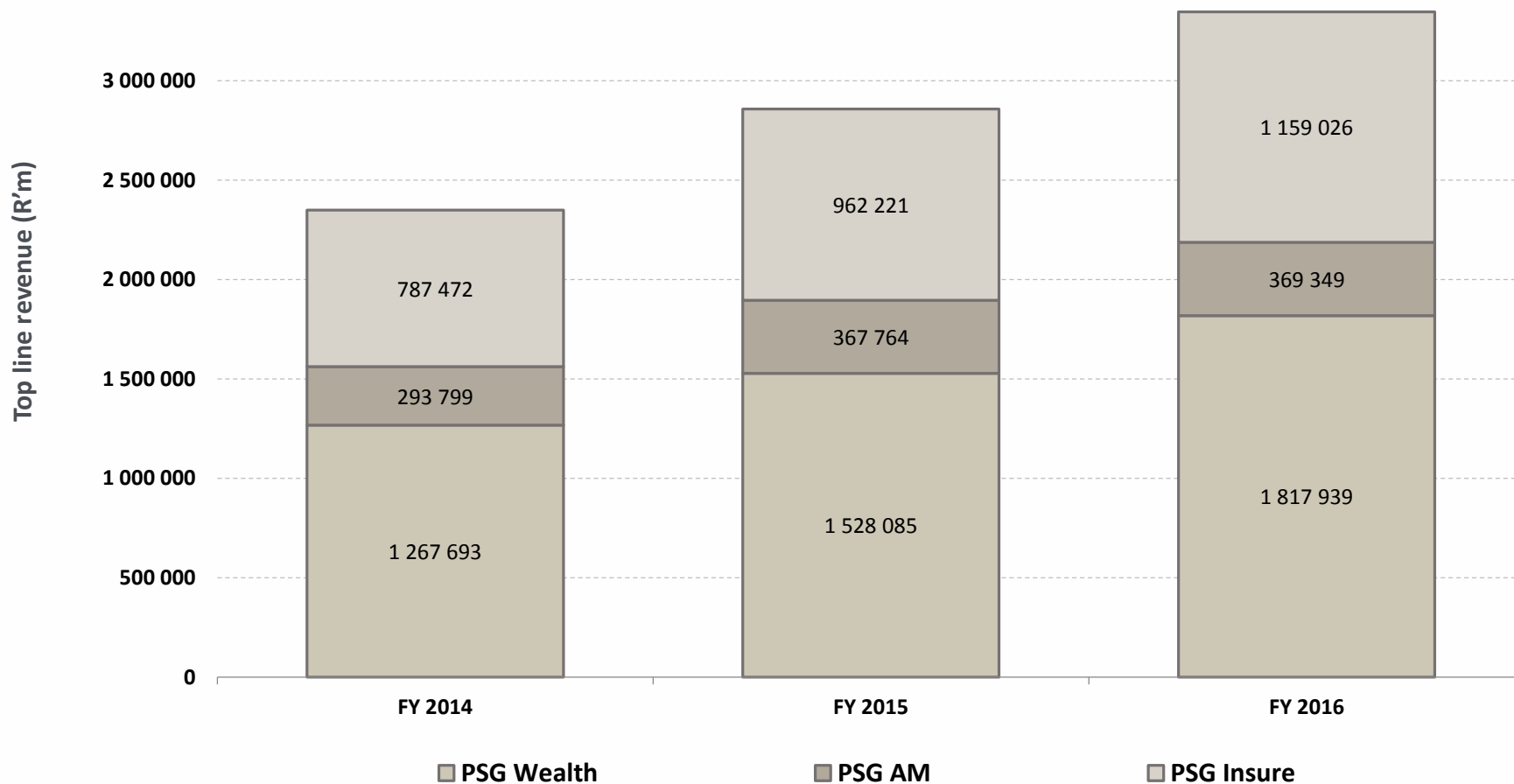
Significant progress on top priorities

- Profitable strategic acquisitions (Western, Mauritius Adviser Office, IFR Equity Research)
- Growth in number and profitability of PSG Advisers (organic and acquisitions growth)
- Disposed of non-core operations (South Easter Hedge Fund, PSG Academy, Nhluvuko Risk Admin and others)
- Marketing Improvements (incl. TV campaign)
- Single sign-on client portal developed
- PSG Wealth Platform re-organisation
- Daily dashboards monitoring key financial and operational metrics



Top line focus

Core operations (excl. IFRS consolidated fund and policyholder related income)



Total core revenue per division (excluding inter-segment income)



05 | Investor returns

PSG Konsult's TRI

PSG Konsult performed better than JSE ALSI during tough times (in USD terms)

Investment of R100 000 in PSG Konsult shares on 11 April 2005, and reinvesting all dividends received (net of DWT) and other distributions over period vs R100 000 invested on JSE ALSI

Date	Number of PSG Konsult shares	PSG Konsult investment (R)	PSG Konsult investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)	JSE ALSI Total Return Index	JSE ALSI Investment (R)	JSE ALSI Investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)
2005-04-11	250 000	100 000	16 379			1 311	100 000	16 379		
2006-02-28	260 725	286 797	46 461	187%	184%	1 926	146 929	23 802	47%	45%
2007-02-28	297 398	490 706	67 645	71%	46%	2 670	203 678	28 078	39%	18%
2008-02-28	309 914	526 854	69 012	7%	2%	3 255	248 335	32 529	22%	16%
2009-02-28	327 703	426 014	42 816	(19%)	(38%)	2 032	154 988	15 577	(38%)	(52%)
2010-02-28	351 652	509 895	65 490	20%	53%	3 013	229 848	29 521	48%	90%
2011-02-28	373 653	597 845	85 553	17%	31%	3 723	284 027	40 645	24%	38%
2012-02-28	395 168	790 336	105 692	32%	24%	4 082	311 393	41 643	10%	2%
2013-02-28	422 411	1 203 871	136 169	52%	29%	4 870	371 546	42 025	19%	1%
2014-02-28	435 546	2 177 731	203 194	81%	49%	5 981	456 251	42 571	23%	1%
2015-02-28	441 856	3 190 197	277 314	46%	36%	6 946	529 912	46 064	16%	8%
2016-02-29	447 709	3 080 237	190 833	(3%)	(31%)	6 643	506 779	31 397	(4%)	(32%)
		3 080 237					506 779			
CAGR				37.0%	25.3%				16.1%	6.2%

Source: Finance Team



Trading statistics

Creating shareholder value

Statistic	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
No. of shares in issue (millions)	733	730	733	1 072	1 210	1 222	1 262	1 279
No. of shares traded (millions)	1.7	6.7	9.5	14.9	21.2	31.4	61.8	113.9
% of shares traded	0.2%	0.9%	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%
Market capitalisation (Rm)	953	1 059	1 173	2 145	3 447	6 110	9 115	8 800
Value of shares traded (Rm)	2	9	13	24	47	129	429	900
% of market cap traded	0.3%	0.8%	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%

Source: Finance Team



Conclusion

Business features underpinning our expectations for future success

- Largest independent adviser network in South Africa, with a broad geographic footprint that continues to expand
- Strong governance structures
- Strong brand supported by various industry recognition awards
- Highly cash-generative business with a sound financial position
- Clear growth opportunities for our businesses
- History of superior shareholder returns
- Focus on optimising risk adjusted return per share (Restrict issuance of new shares)



END | thank you

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