



Francois Gouws

UBS Financial Services Conference

13 October 2016



Contents

1. Overview
2. Divisions
3. PSG advisers using technology
4. Conclusion



01 | Overview

PSG Structure

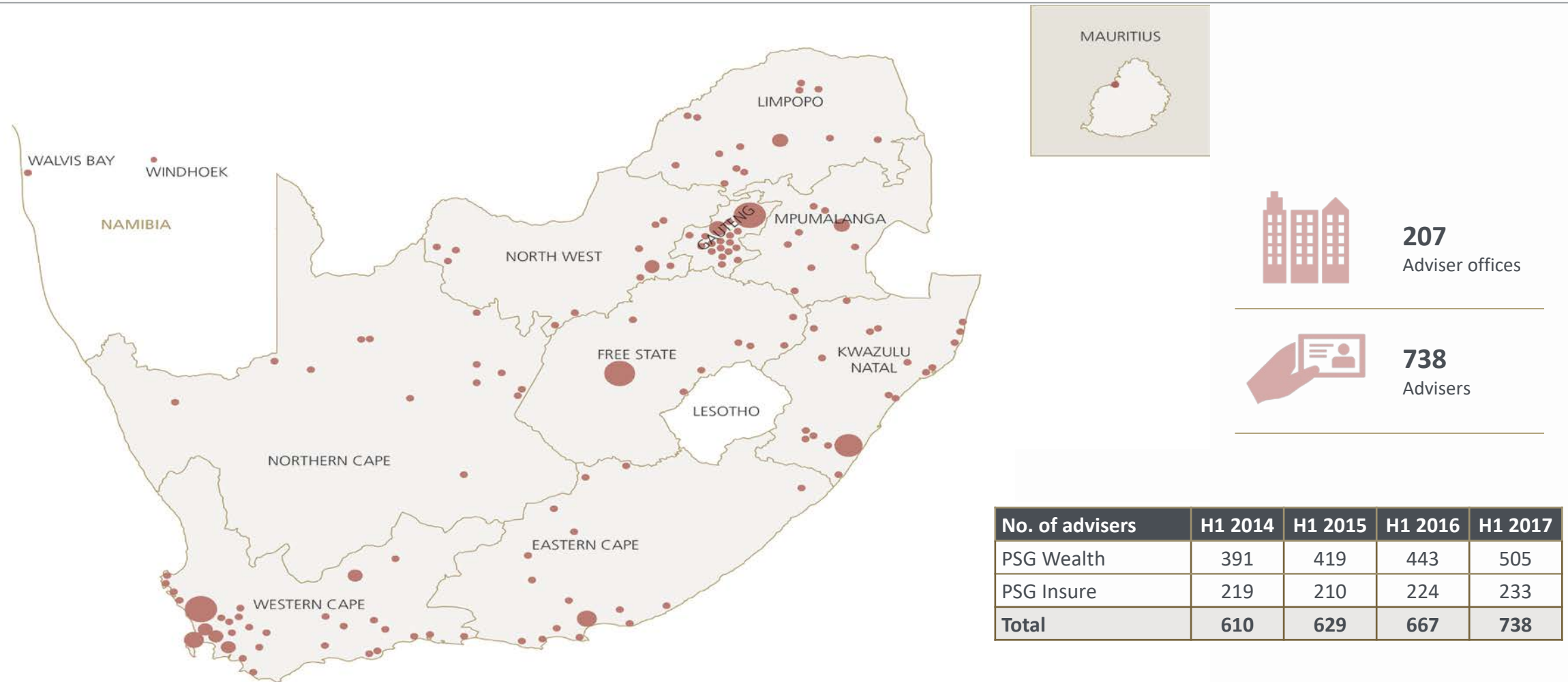


* Includes PSG Employee Benefits
** Includes Western National Insurance
As at 31 August 2016



A great company

Wealthy clients serviced where they reside



Business characteristics

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



02 | Divisions

Key macro indicators

Weakening economic environment

Key indicators	H1 2014	%Δ	H1 2015	%Δ	H1 2016	%Δ	H1 2017
Rand / US\$	10.3	3.8%	10.7	24.5%	13.3	10.9%	14.7
Cash Index – STeFI Call	289	5.5%	305	6.4%	325	7.0%	348
All Bond Index	420	11.7%	469	5.4%	494	4.5%	516
SA Property Index	479	12.3%	538	20.1%	646	-1.7%	634
FTSE/JSE Index	42 228	20.7%	50 959	-1.9%	49 972	5.5%	52 733



H1 2017 financial results overview

Consolidated results	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm
Headline earnings	109	34%	145	28%	187	15%	214
Recurring headline earnings	109	36%	147	27%	187	15%	214
Weighted average no. of shares (millions)	1,221	3%	1,260	1%	1,267	2%	1,290
HEPS (Cents)	8.9	30%	11.5	28%	14.7	13%	16.6
Recurring HEPS (Cents)	8.9	32%	11.7	26%	14.7	13%	16.6

Assets under management (Rand billion)	85	44%	122	16%	142	18%	167
Assets under administration (Rand billion)	202	32%	266	21%	321	10%	354
Premiums (Rand billion) *	0.9	11%	1.0	20%	1.2	8%	1.3

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



Headline earnings by division

Headline earnings*	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm
Wealth	71	32%	94	28%	120	17%	141
Asset Management	21	63%	34	37%	46	2%	47
Insure	17	4%	17	16%	21	29%	26
Total	109	34%	145	28%	187	15%	214

* Includes amortisation of intangibles of H1 2017: R21m (H1 2016: R16m; H1 2015: R15m, H1 2014: R11m)

Note: Recurring & headline earnings the same for H1 2017. (All figures rounded to nearest R million)



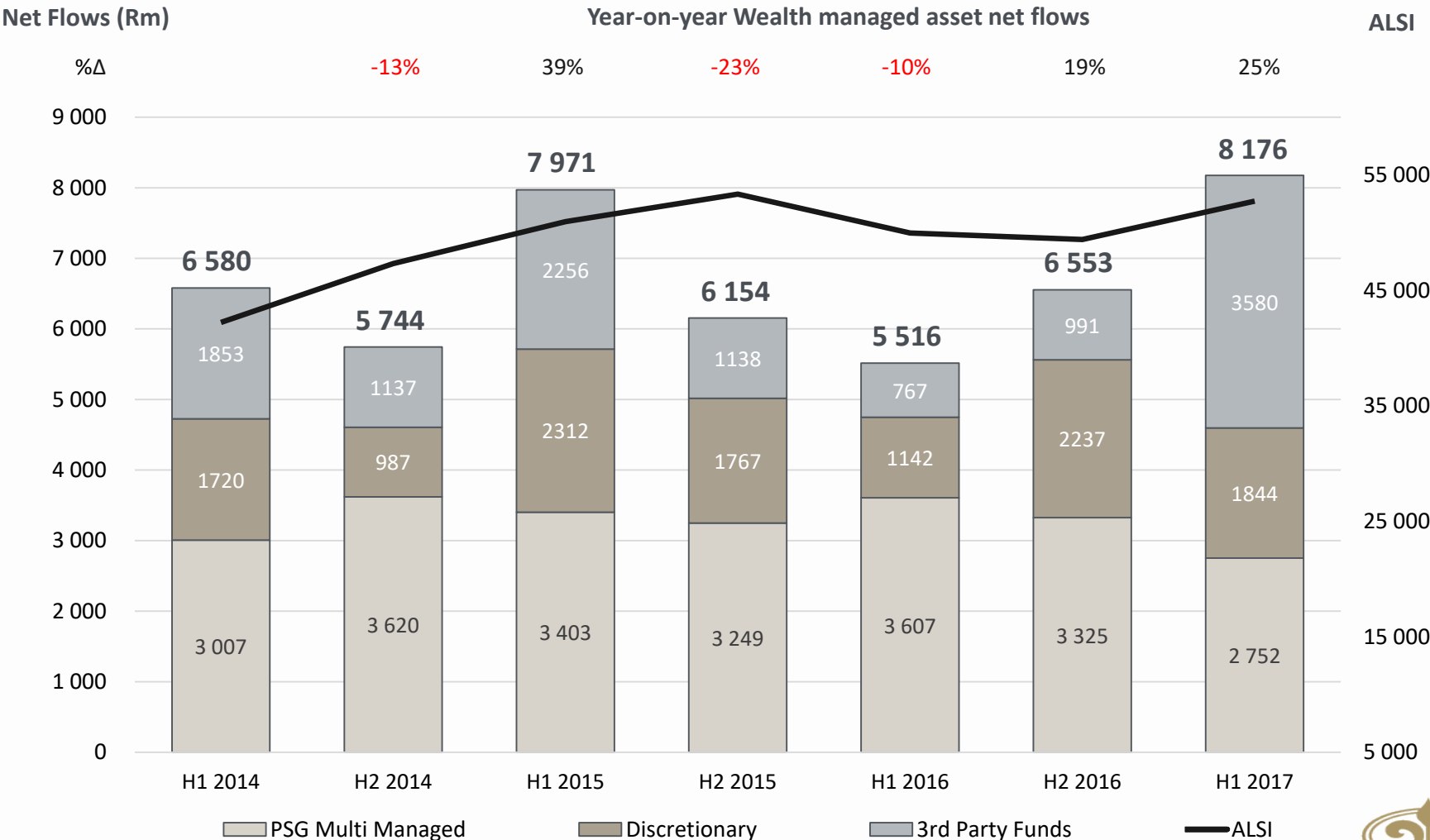
Wealth

Excellence in products and services

Independent process
with advisers’
oversight

Rapid growth in
advisers

Negotiation with
product providers



Source: PSG Wealth, Bloomberg

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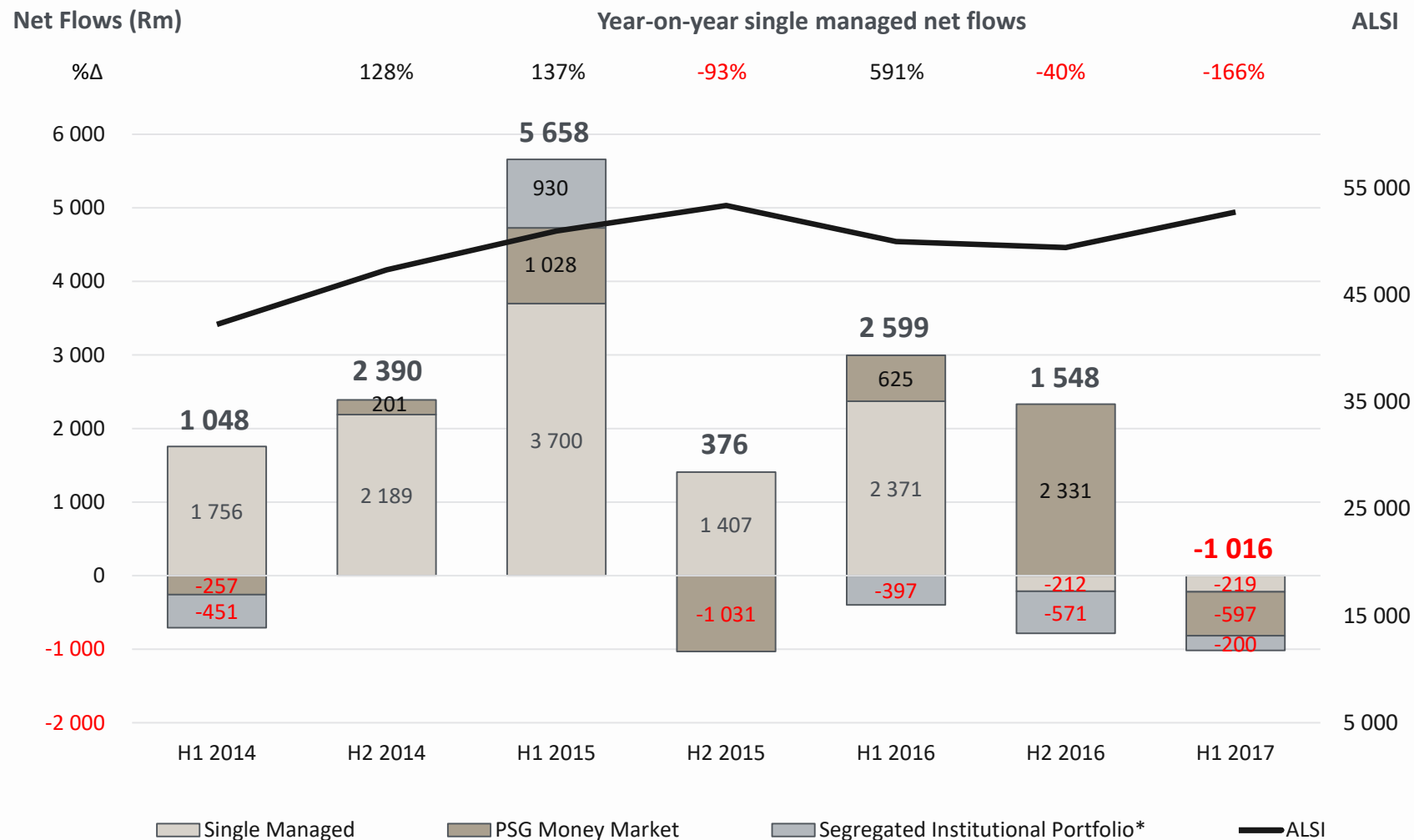
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our capacity



* Includes private clients and segregated money market portfolios

Source: PSG Asset Management, Bloomberg

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Asset management

Solid long-term track record

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	11	13	10	6	8	13	5
	Return	2.0%	1.1%	9.2%	11.0%	13.4%	16.2%	14.7%
PSG Equity A	Rank	21	8	11	67	29	10	21
	Return	1.5%	2.7%	12.8%	6.3%	11.8%	16.8%	12.1%
PSG Balanced A	Rank	28	16	45	61	27	23	14
	Return	1.6%	0.9%	7.2%	8.4%	11.3%	14.1%	11.1%
PSG Stable	Rank	66	19	28	43	58	N1	N1
	Return	1.1%	1.1%	5.5%	8.3%	8.5%		

1st Quartile
2nd Quartile
3rd Quartile
4th Quartile

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



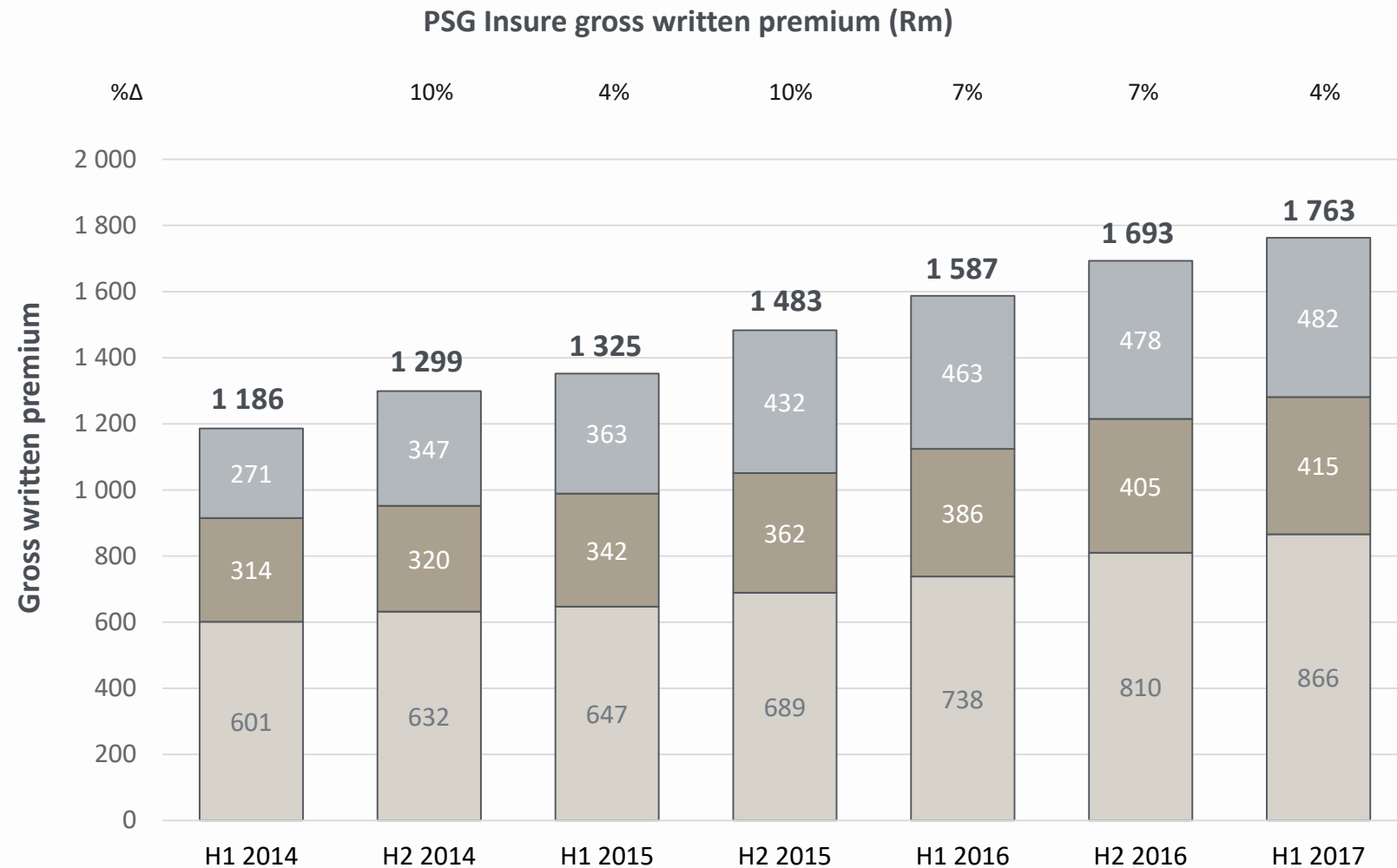
Insure

Grow gross written premium income

Top advisers

Excellence in underwriting

Superb platform



Western acquisition – Nov'12

* Includes Short-term administration platform gross written premium

ST Distribution

ST Admin

Western

Source : PSG Insure

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Western National Insurance

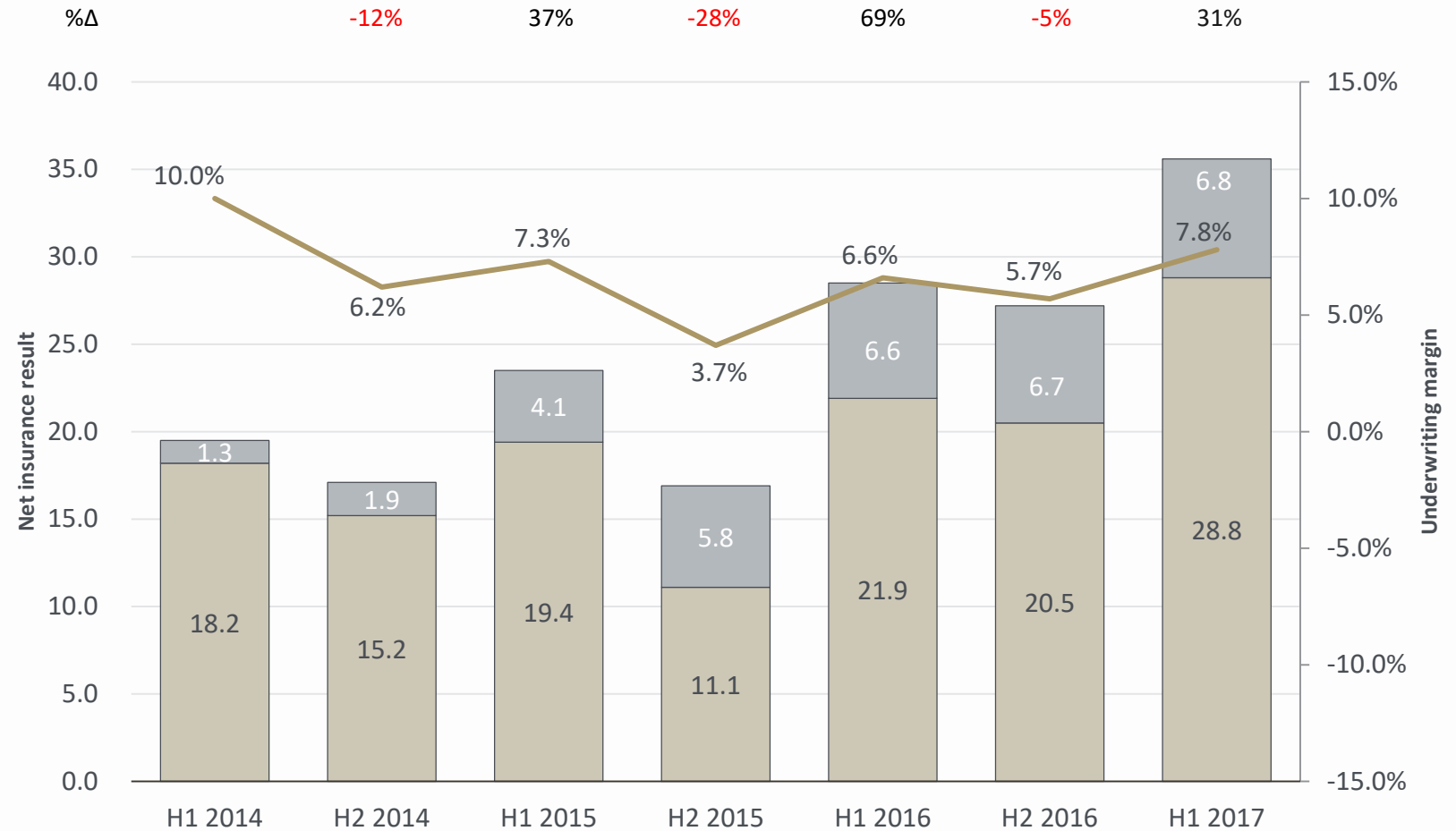
Insurance results

Key differentiators

- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level of R474m*
- Limited insurance and investment risk retention levels



* Conventional float R129m & ART float R345m

Underwriting Results (Rm) Float Income (Rm)

Underwriting Margin (%)



Reducing risk

Recurring revenues

Margin enhancing

Risk vs return

	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>	<u>H1 17</u>
Perf fees/HE	10.2%	7.0%	7.5%	6.6%
Recurring HEPS	8.9c	11.7c	14.7c	16.6c

	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>	<u>H1 17</u>
Op margin	13.0%	14.1%	14.2%	14.3%
Op margin (excl perf fees)	11.8%	13.5%	13.4%	13.5%
C:I %	66.2%	63.0%	63.0%	63.6%

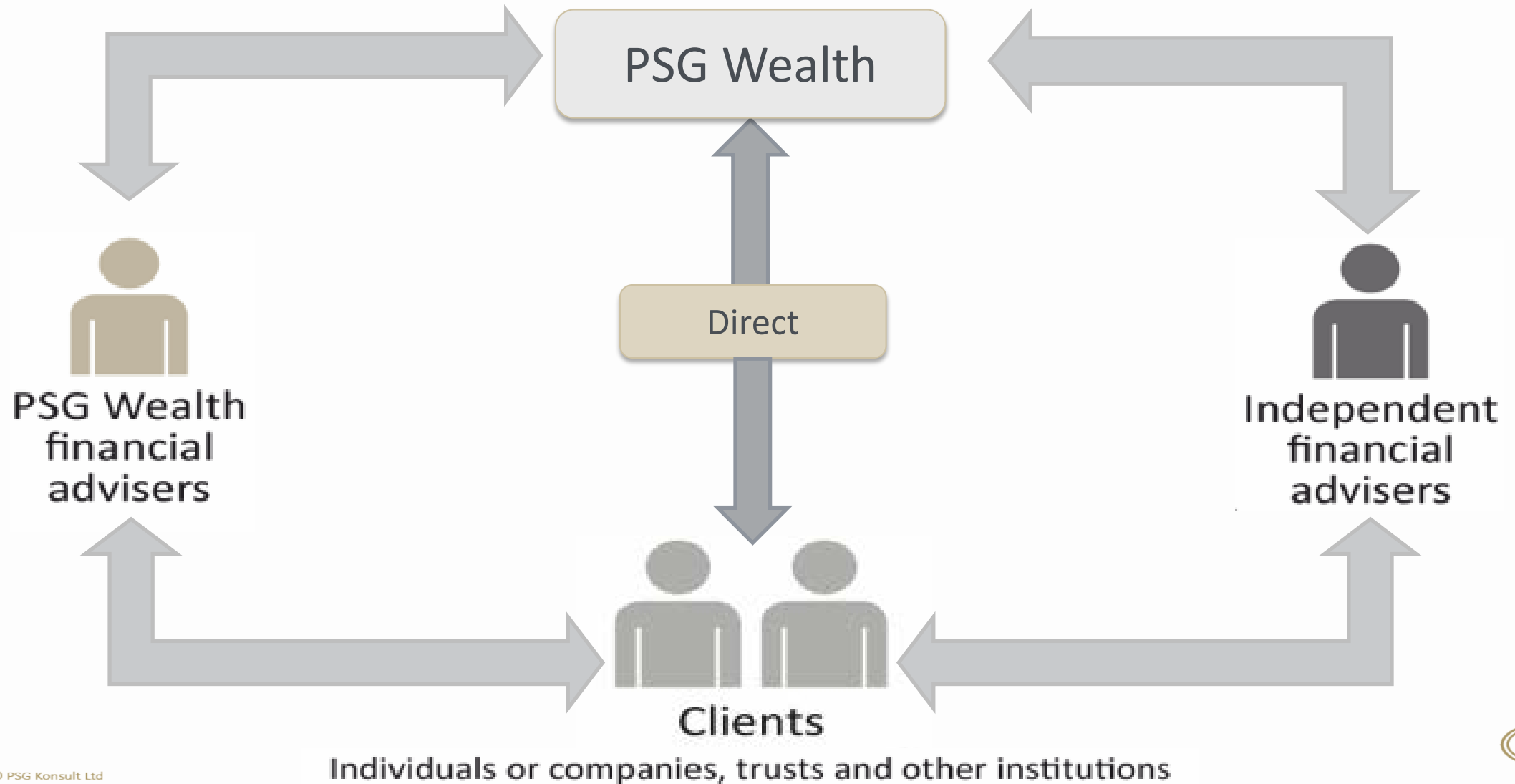
	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>	<u>H1 17</u>
ROE	23.8%	24.0%	23.9%	22.9%
ROE (excl. perf fees)	20.8%	22.3%	22.1%	21.4%
Debt:Equity	13.0%	4.6%	0.7%	0.2%



03 | PSG advisers using technology

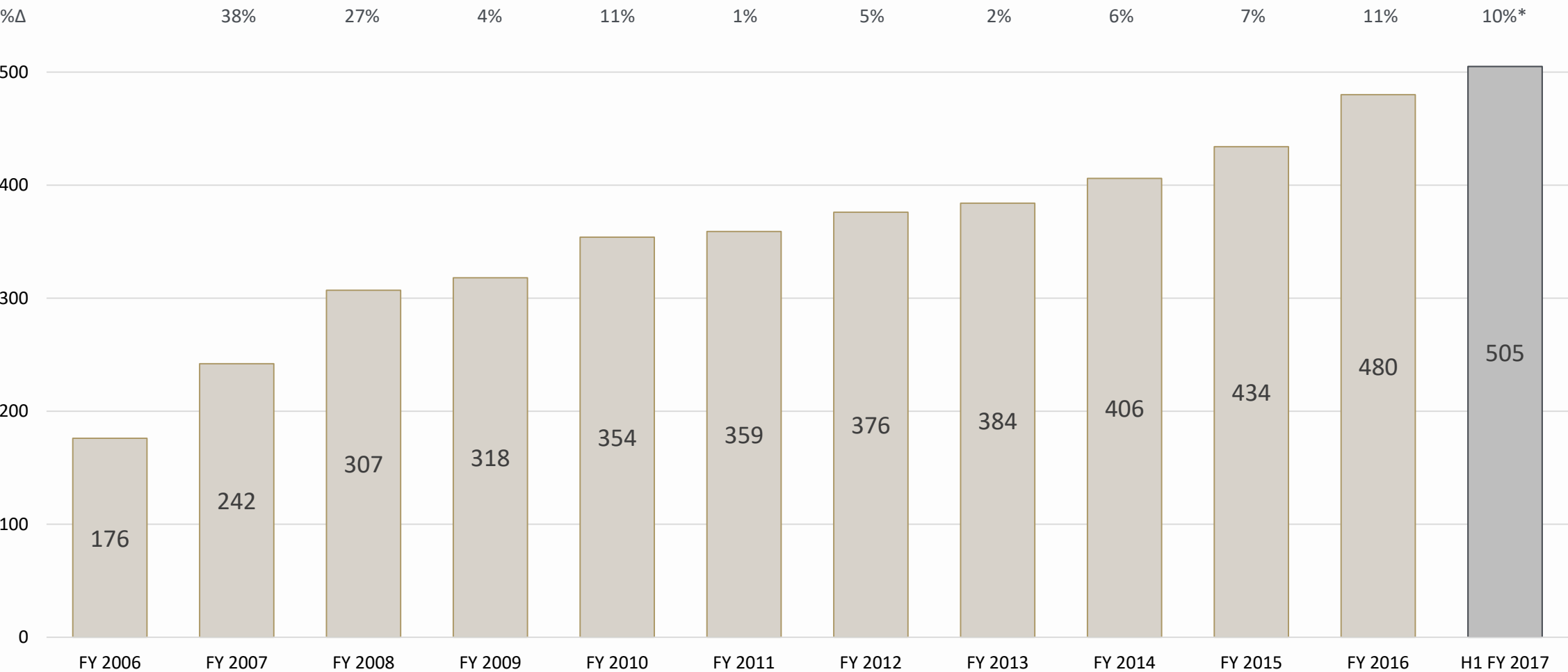
Client strategy

Our clients must have a choice on how they want to deal with us



Growing our Wealth adviser base

Consistent growth in our advisers over the long term

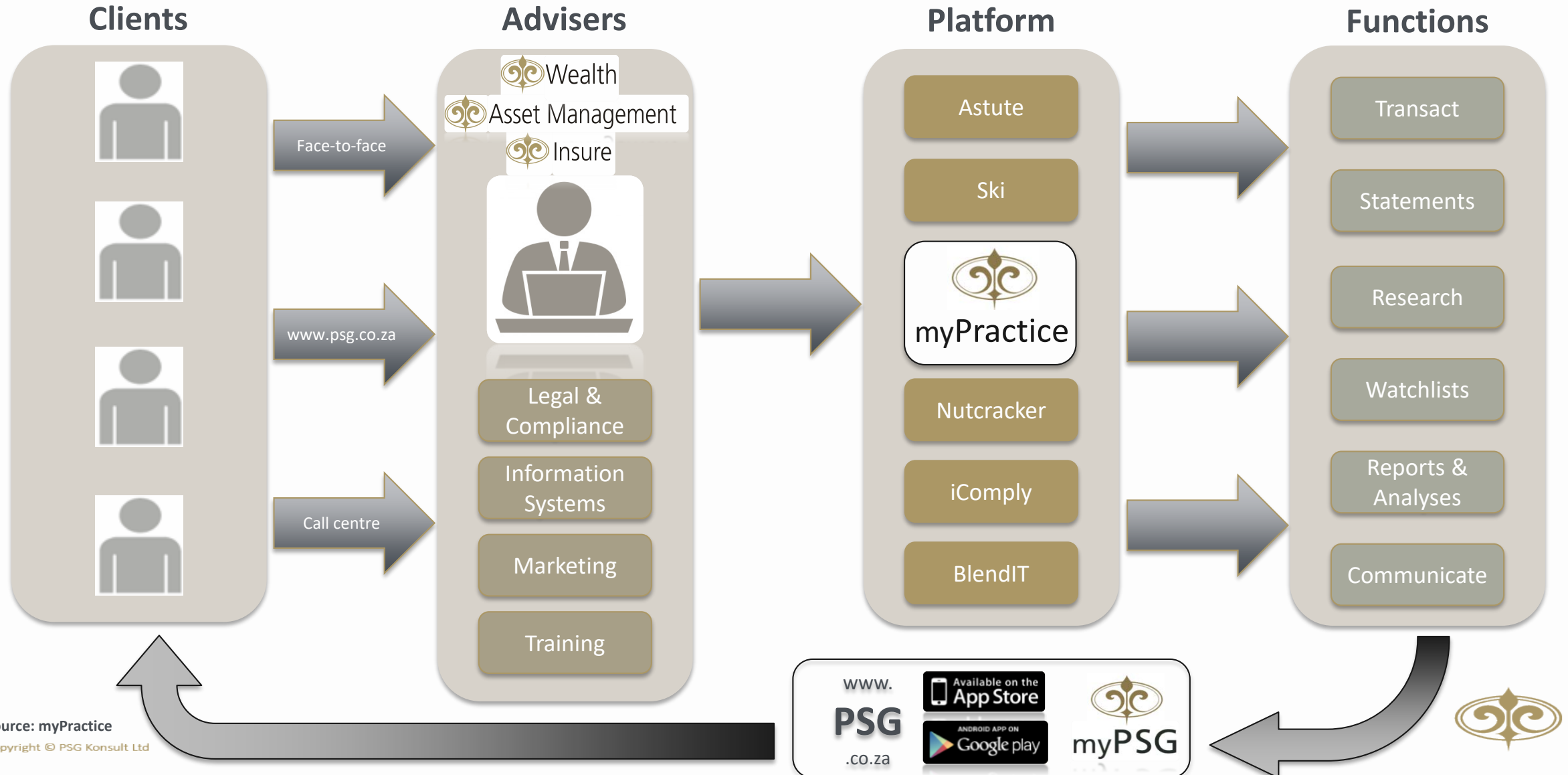


* Annualised percentage change



myPractice

Client flow



Manage individual (Admin)

Smith, John

Back

Personal financial report

Refer client

View on myPSG

-- Manage related entity --

- Summary
- Details
- CRM
- Family
- Businesses
- Contacts
- Workflows
- iComply
- Products
- Notes / Tasks
- Communication
- Documents
- Account
- Admin

Products

Add new product

Request astute life update






Astute report

| Show inactive products

Client products

Linked

Added by Client

Name	Advisor	Role	Premium	Frequency	Value	Value updated	ID
Investments							
<div><div></div><div></div></div> <div>Momentum - Provident Fund - PGK800384742 </div> <div>FundsAtWork Provident Fund</div>	Adams, Luke	Owner	R 3 456.25	Monthly	711 835.12 (ZAR)	2016-09-25	
<div><div></div></div> <div>PSG Wealth - Retirement Annuity - 200948271358 </div> <div></div>	Adams, Luke	Owner	R 2 000.00	Monthly	231 588.50 (ZAR)	2016-09-23	
Stockbroking							
<div><div></div><div></div></div> <div>PSG Securities Local - Derivatives - HHF335 </div> <div>SSF Portfolio</div>	Adams, Luke	Owner	-	-	28.65 (ZAR)	2016-09-27	
<div><div></div></div> <div>PSG Securities Local - Share portfolio (Local) - 1998437 </div> <div>Share Portfolio</div>	Adams, Luke	Owner	-	-	1 256 703.88 (ZAR)	2016-09-28	
<div><div></div></div> <div>PSG Securities Local - Share portfolio (Local) - 0846804 </div> <div>Share Portfolio</div>	Adams, Luke	Owner	-	-	399 768.05 (ZAR)	2016-09-28	



WELCOME BACK JOHN SMITH

SUMMARY

INVESTMENT SUMMARY

R2 599 924.20

(R 5 456.25 Monthly)


INSURANCE - LIFE AND RISK SUMMARY (MONTHLY)

R1 286.97

INSURANCE - SHORT TERM SUMMARY (MONTHLY)


R664.60

LAST VIEWED

- 

200948271358 SMITH, JOHN

Retirement Annuity

View
- 

1998437 SMITH, JOHN

Local share portfolio

View
- 

0846804 SMITH, JOHN

Local share portfolio

View

INVESTMENT SUMMARY (MONTHLY)

Search:

Provider	Registered owner	Product	Account number	Premiums	Value	
Momentum	Smith, John	FundsAtWork Provident Fund	PGK800384742	R 3 456.25	R 711 835.12	> View
PSG Securities Local	Smith, John	Local share portfolio	0846804	-	R 399 768.05	> View
PSG Securities Local	Smith, John	Local share portfolio	1998437	-	R 1 256 703.88	> View
PSG Wealth	Smith, John	Retirement Annuity	200948271358	R 2 000.00	R 231 588.50	> View
PSG Securities Local	Smith, John	SSF portfolio	HHF335	-	R 28.65	> View

TOTAL

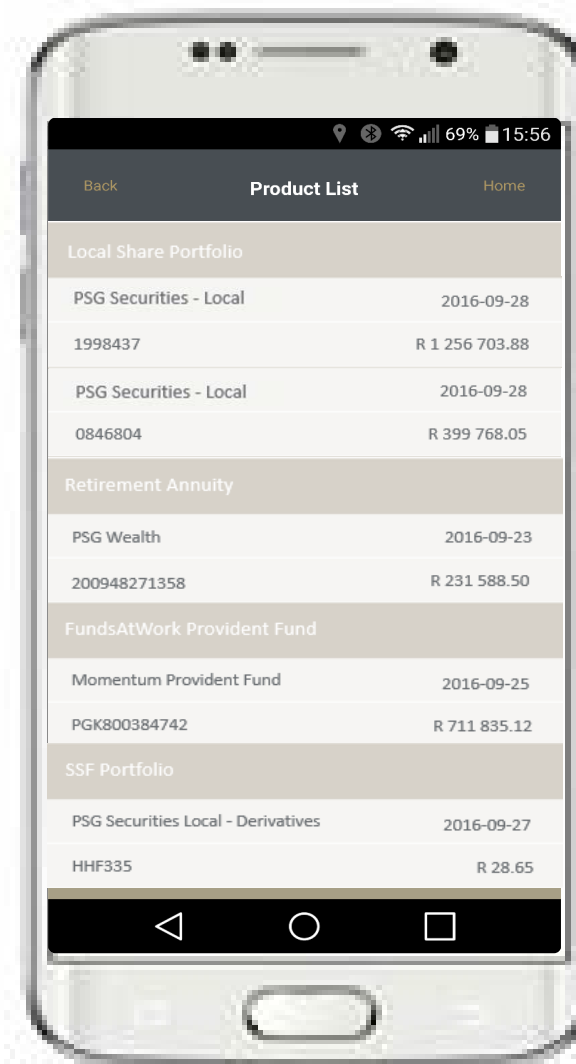
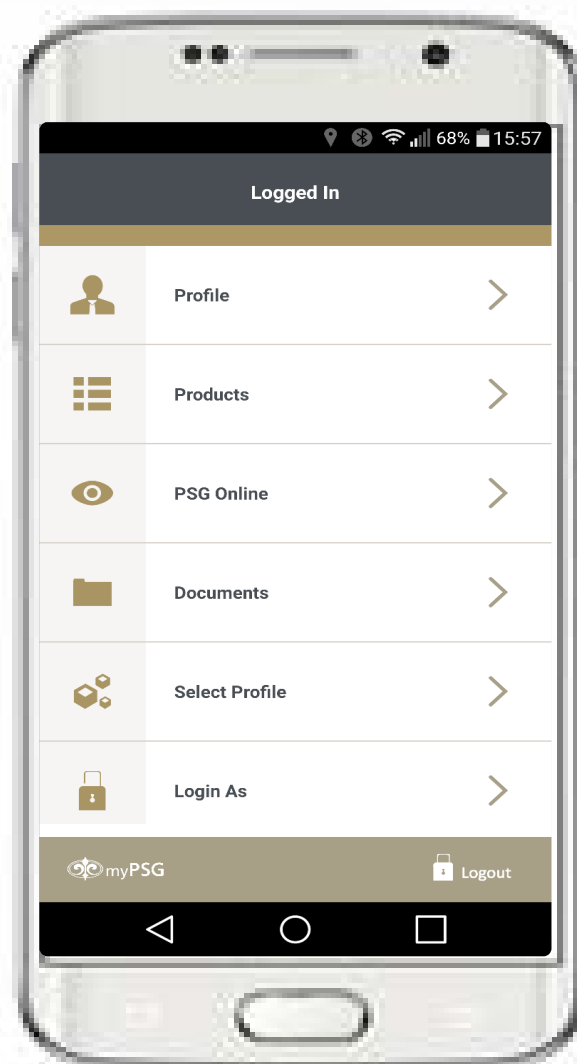
R 2 599 924.20

(R 5 456.25 Monthly)



myPSG

Mobile site



myPractice stats

Providing access to the broadest range of financial services' products



Platforms Available	Number
Linked Investment Service Providers ("LISP's")	12
Management Companies ("Manco's")	15
Products & Funds Available	Number
Investment funds	2 055
Investment products	734
Life & Risk products	441
Medical	283
Short term products	140



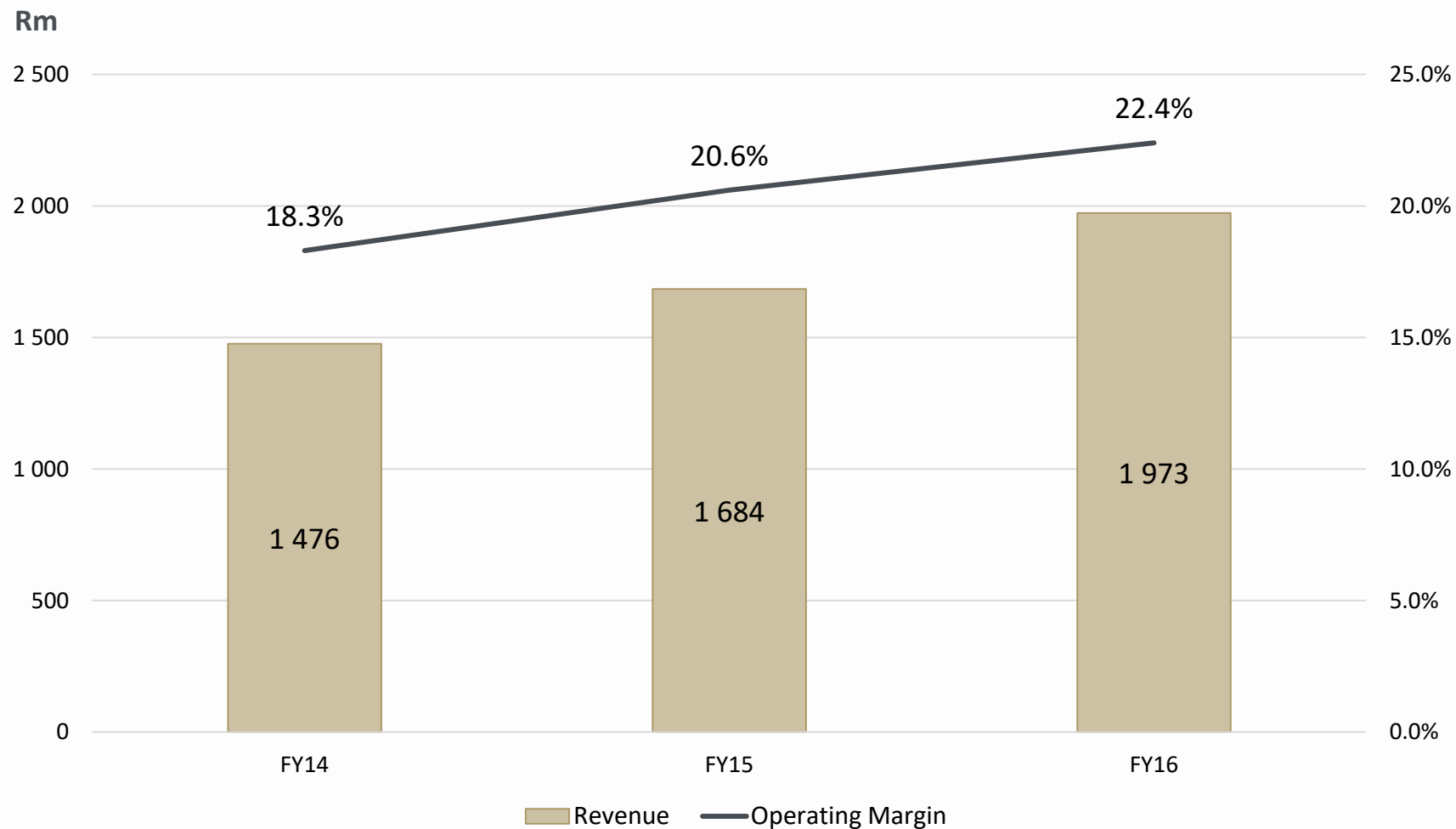
Platform metrics

A non-exhaustive list of how we manage our platforms

Business Growth	Capacity
Revenue growth	Total headcount
Net flows/premium growth	Volumes per person
No. of clients/contracts	Calls/emails per person
New or repeat business	Leave days taken
Margin analysis	No. of claims/redemptions etc.
Customer Experience	Efficiency
Client surveys	Manual vs Web transaction volumes
Call volumes	Financial vs Maintenance transaction volumes
Email volumes	Transaction types
Quality control reviews	No. of converted accounts
Turn-around times	Operational incident events
Complaints	Repeat/error rates



Growing our Wealth operating margin



04 | Conclusion

TRI of PSG Konsult

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%)
2016-08-31	452 493	3 176 500	220 084	3%	15%	7 203	549 523	38 074	8%	21%
		3 176 500					549 523			
CAGR				35.5%	25.6%				16.1%	7.7%



Conclusion

- PSG is a growing financial services company
- IT is a critical lever in operational management and achieving growth
- Real-time data access allows for swift management of clients



END | thank you