



Investor Presentation 2017 Financial Results

For the year ended 28 February 2017



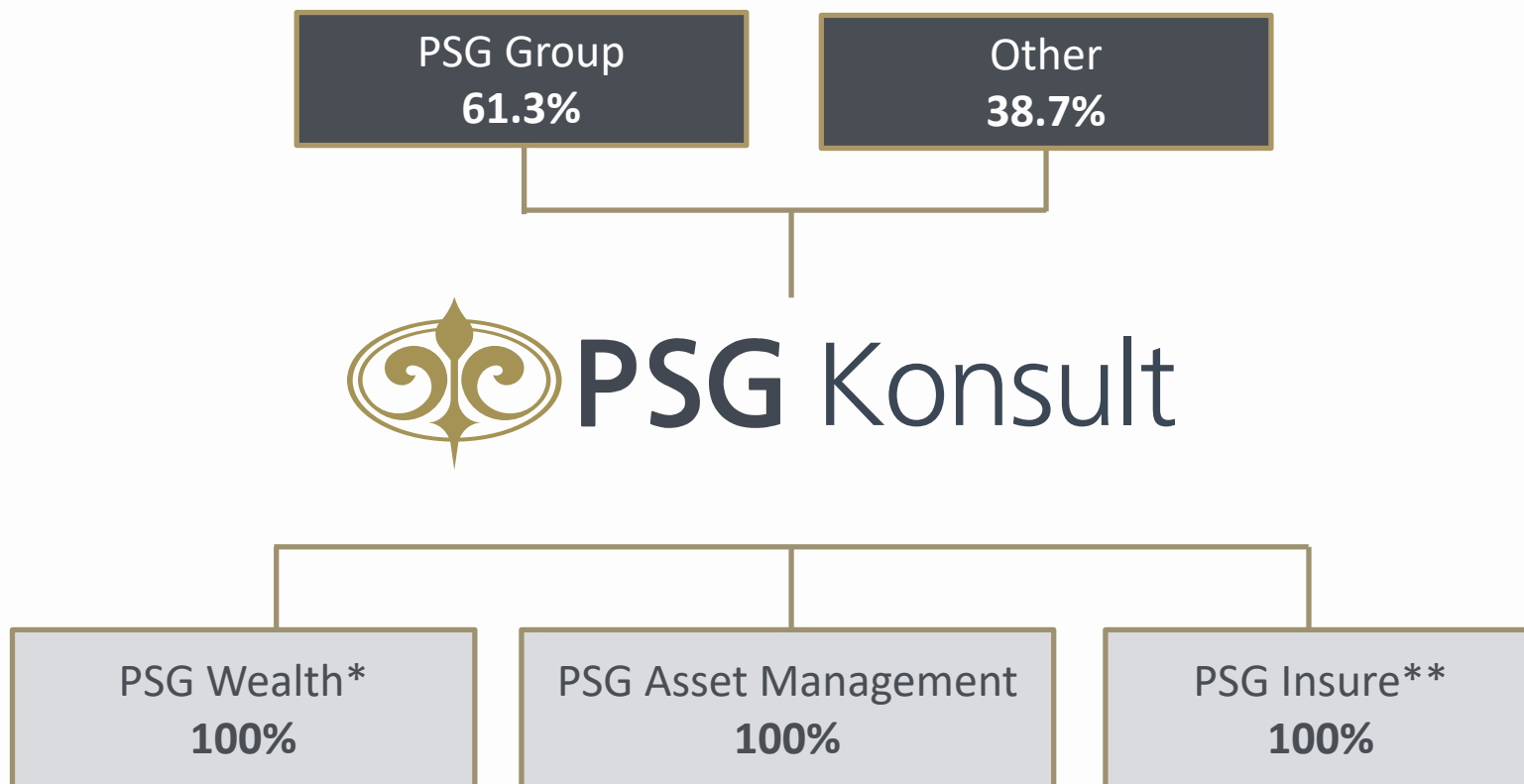
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01 Overview

PSG Structure



* Includes PSG Employee Benefits

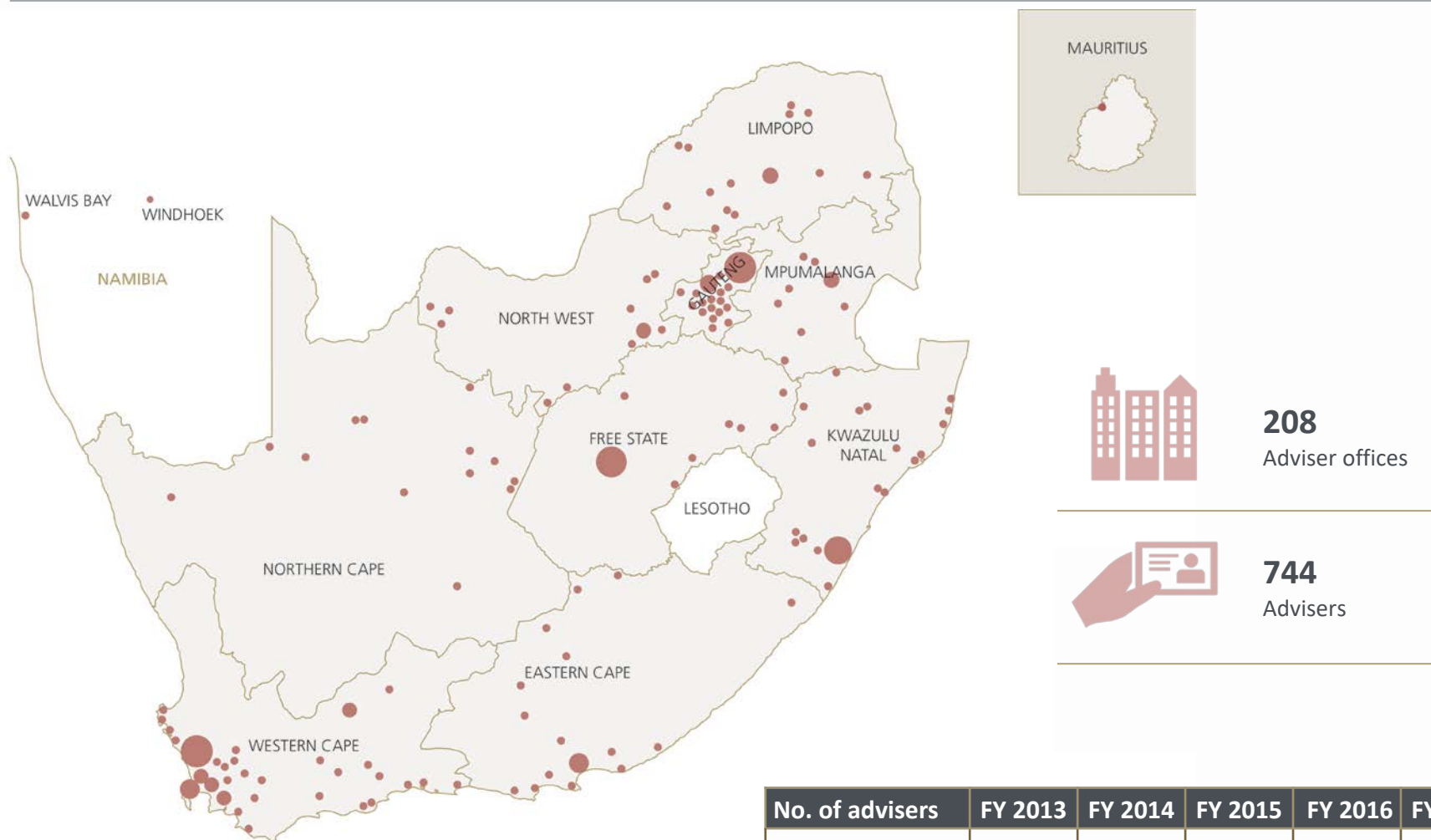
** Includes Western National Insurance

As at 28 February 2017



A great company

Wealthy clients serviced where they reside



Source: PSG Distribution

No. of advisers	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
PSG Wealth	384	406	434	480	515
PSG Insure	229	212	225	231	229
Total	613	618	659	711	744

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 2017 results

Key macro indicators

Weakening economic environment

Key indicators	FY 2013	%Δ	FY 2014	%Δ	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%CAGR
Rand / US\$	9.0	19%	10.8	8%	11.7	36%	15.8	-17%	13.1	10%
Cash Index – STeFI Call	268	5%	281	6%	296	6%	314	7%	335	6%
All Bond Index	437	-1%	433	15%	498	-4%	480	13%	544	6%
SA Property Index	519	-7%	485	35%	656	-7%	610	5%	640	5%
FTSE/JSE Index	39 710	19%	47 329	13%	53 344	-7%	49 415	4%	51 146	7%

Source: Bloomberg

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FY 2017 financial results overview

Recurring HEPS grew by 16% for FY2017

Consolidated results	FY 2013	%Δ	FY 2014	%Δ	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%CAGR
Headline earnings	174	40%	244	39%	339	(14%)	292	66%	486	29%
Recurring headline earnings	174	44%	251	36%	341	20%	409	19%	486	29%
Weighted ave. no. of shares (millions)	1 132	8%	1 221	3%	1 261	1%	1 274	3%	1 307	4%
HEPS (Rand cents)	15.4	30%	20.0	35%	26.9	(15%)	22.9	62%	37.2	25%
Recurring HEPS (Rand cents)	15.4	34%	20.6	31%	27.0	19%	32.1	16%	37.2	25%

Assets under management (Rbn)	71	39%	99	34%	133	16%	154	14%	175	21%
Assets under administration (Rbn)	180	31%	233	33%	309	6%	327	13%	371	20%
Premiums*	1.6**	13%	1.8	17%	2.1	17%	2.5	15%	2.9	16%

* Excludes ST admin gross written premium to avoid duplication.

** Includes Western National Insurance from November 2012

Note: figures rounded to nearest R'million

Source: PSG Finance

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Headline earnings by division

Total recurring headline earnings growth of 19% year on year

Headline earnings*	FY 2013	%Δ	FY 2014	%Δ	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%CAGR
Wealth	127	28%	162	40%	227	-26%	169	70%	287	23%
Asset Management	31	74%	54	51%	82	1%	83	57%	130	43%
Insure	16	75%	28	7%	30	33%	40	70%	69	44%
Total	174	40%	244	39%	339	-14%	292	66%	486	29%

Recurring headline earnings*	FY 2013	%Δ	FY 2014	%Δ	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%CAGR
Wealth	124	31%	162	41%	228	25%	286	1%	287	23%
Asset Management	31	74%	54	51%	82	1%	83	57%	130	43%
Insure	19	84%	35	-12%	31	29%	40	70%	69	38%
Total	174	44%	251	36%	341	20%	409	19%	486	29%

* All overhead costs are fully allocated

Source : PSG Finance



Financial trend

We always look at our 10 year rolling track record

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	CAGR %	FY 2016	FY 2017	YoY Gwth %
AUA (Rbn)	43	53	44	72	97	139	180	233	309	327	371	24%	327	371	13%
AUM (Rbn)	16	21	21	28	36	51	71	99	133	154	175	27%	154	175	14%
Premiums (Rbn) **	0.8	1.0	1.4	1.5	1.6	1.6	1.6*	1.8	2.1	2.5	2.9	14%	2.5	2.9	15%
Core Revenues (Rm)	540	726	823	901	1 018	1 426	1 648	2 349	2 858	3 346	3 874	22%	3 346	3 874	16%
Recurring headline earnings (Rm)	46	87	97	90	92	151	174	251	341	409	486	27%	409	486	19%
Shares in issue (m)	695	732	733	730	733	1 072	1 210	1 222	1 262	1 279	1 322	7%	1 279	1 322	3%
Recurring HEPS (cents)	8.7	12.0	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	37.2	16%	32.1	37.2	16%
Recurring HEPS (cents) excl. amortisation	9.9	13.2	14.7	14.1	14.8	16.0	17.2	22.3	29.4	34.6	40.4	15%	34.6	40.4	17%
Return on equity %)	25.9	23.2	22.8	19.6	19.3	26.7	21.1	24.8	26.4	24.8	25.3	0%	24.8	25.3	2%
Total advisers	391	497	524	567	597	635	613	618	659	711	744	7%	711	744	5%

* Includes Western National Premiums from Nov 2012

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

Source : PSG Finance

03 FY 2017 divisional performance

Wealth plans

Growing and protecting client wealth

Excellence in products & services

Top advisers

Superb platform

Wealth assets split (Rm)	FY 2016	Market movement	Net flows	FY 2017	%
Third party funds *	43 120	2 247	5 480	50 847	18%
PSG Multi Managed **	47 569	250	4 532	52 351	10%
Discretionary	35 709	-69	3 409	39 049	9%
Total managed assets	126 398	2 428	13 421	142 247	13%
Non discretionary	160 782	23 474	369	184 625	15%
Third party administration	12 067	-396	-580	11 091	-8%
Total wealth assets	299 247	25 506	13 210	337 963	13%

* Includes PSG advisers single managed funds of R5.4bn for Feb 2016 and R6.5bn for Feb 2017

** Includes PSG single managed funds of R5.6bn for Feb 2016 and R7.1bn for Feb 2017



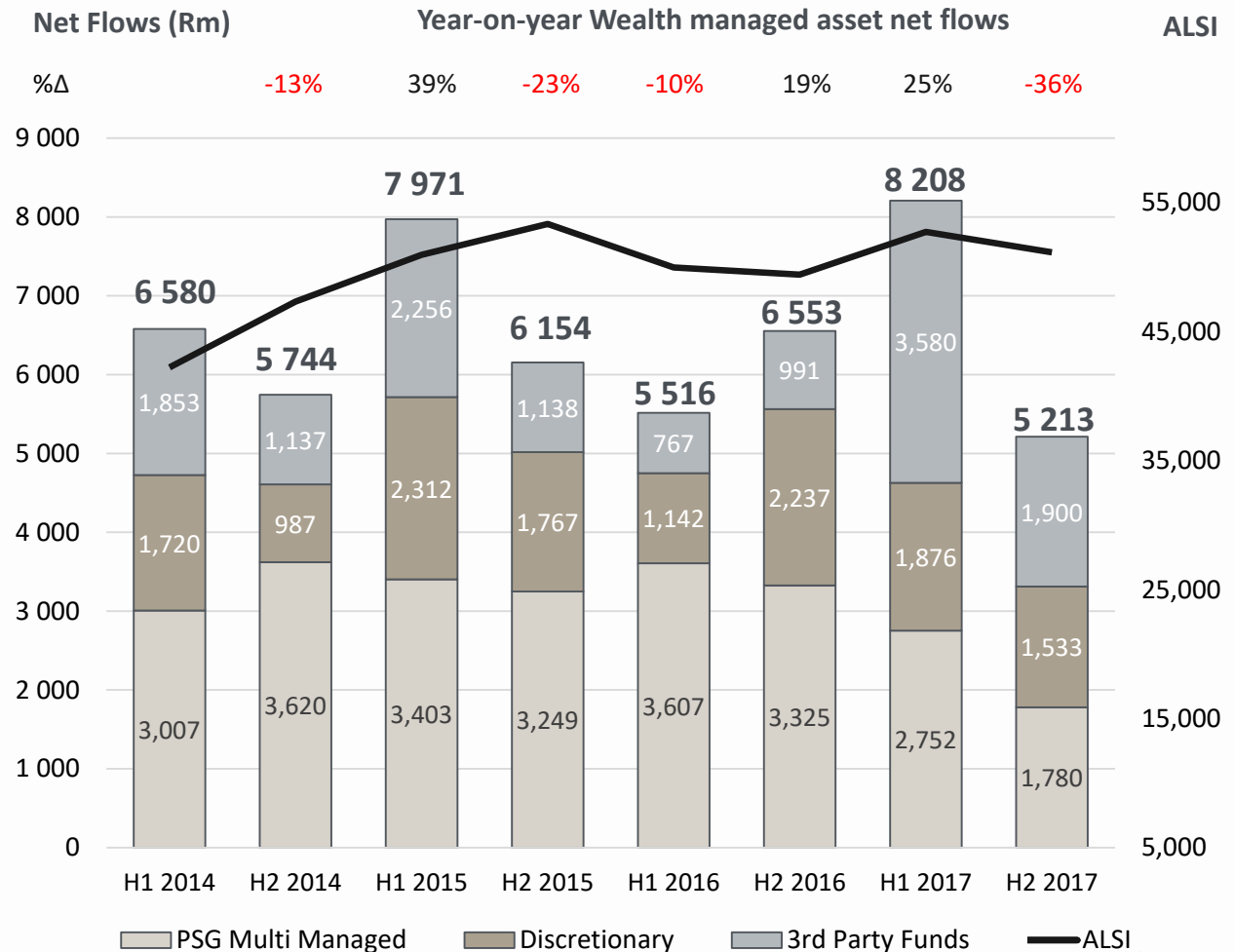
Wealth

Excellence in products and services

Independent process
with advisers'
oversight

Rapid growth in
advisers

Negotiation with
product providers



Source: PSG Wealth, Bloomberg



Top advisers

We continue to add top advisers to our PSG Wealth distribution business

Wealth advisers (incl. EB)	H1 2014*	H2 2014*	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017
Balance – opening	384	391	406	419	434	443	480	505
Net movement	7	15	13	15	9	37	25	10
Balance – closing	391	406	419	434	443	480	505	515
Growth	2%	4%	3%	4%	2%	8%	5%	2%

* 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



Asset management plans

Net new money at acceptable margin

Focused marketing

Investment performance

Superb platform

AM assets split (<u>Rbn</u>)	FY 2016	Market movement	Net flows	FY 2017	%
PSG Single manager	20 584	2 490	3 835	26 909	31%
PSG Money market and related assets	5 187	0	-950	4 237	-18%
PSG Segregated Portfolios	1 976	230	-232	1 974	-0%
Total assets under management	27 747	2 720	2 653	33 120	19%
Administered assets *	47 644	238	4 469	52 351	10%
Total AM assets	75 391	2 958	7 122	85 471	13%

* Excluded from total PSG assets under administration to eliminate duplication

Source: PSG Asset Management



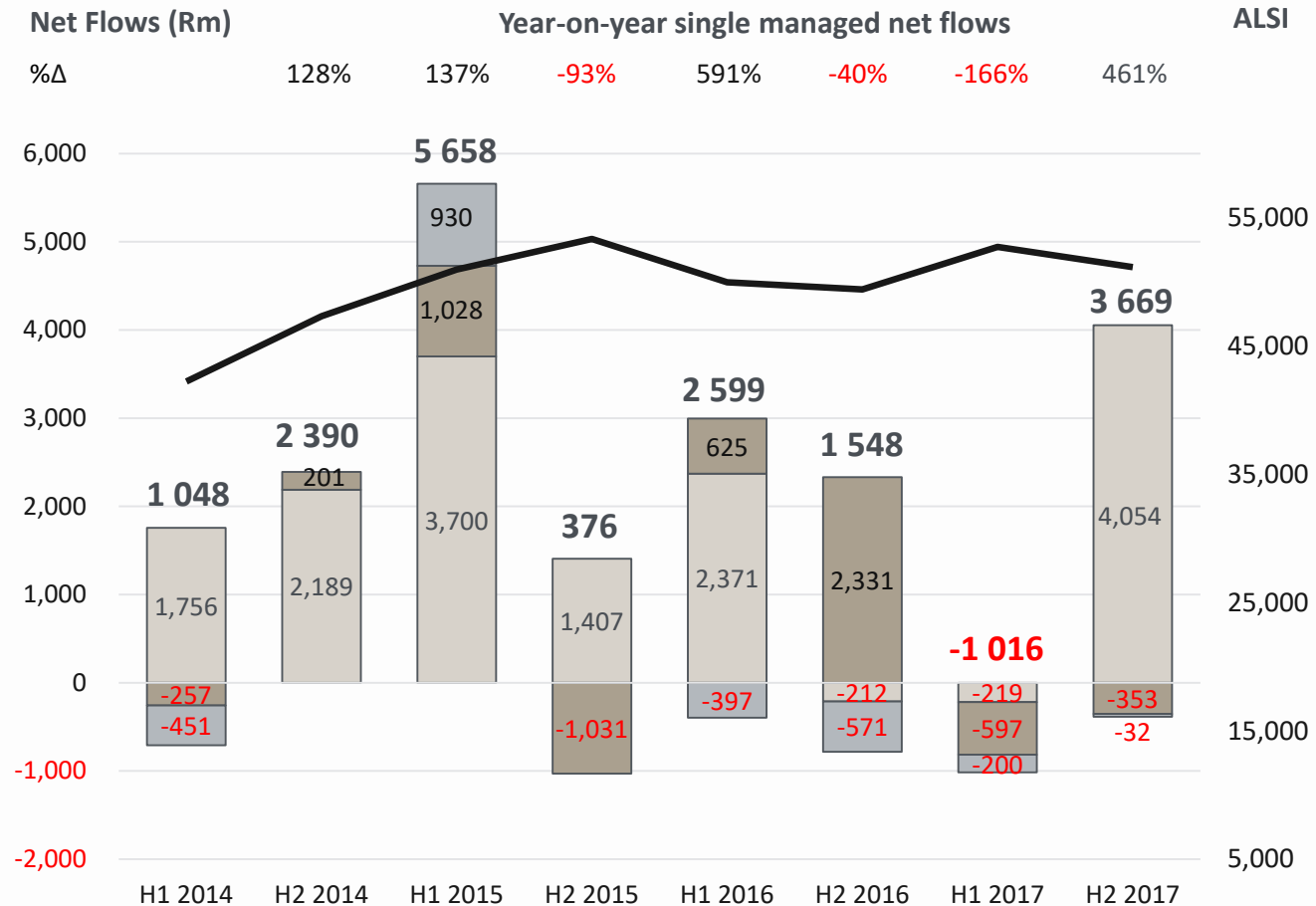
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our capacity



Single Managed | PSG Money Market | Segregated Institutional Portfolio* | ALSI

* Includes private clients and segregated money market portfolios

Source: PSG Asset Management, Bloomberg



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	4	11	2	4	5	3	2
	Return	0.9%	3.3%	7.3%	17.2%	11.4%	15.3%	14.1%
PSG Equity A	Rank	9	15	3	4	8	1	9
	Return	1.1%	4.8%	12.3%	26.7%	9.6%	16.9%	11.2%
PSG Balanced A	Rank	3	10	3	6	6	1	7
	Return	1.3%	3.3%	6.1%	13.7%	9.7%	13.3%	10.1%
PSG Stable	Rank	4	8	5	6	11	15	N1
	Return	1.2%	2.6%	4.3%	10.0%	8.1%	9.9%	

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



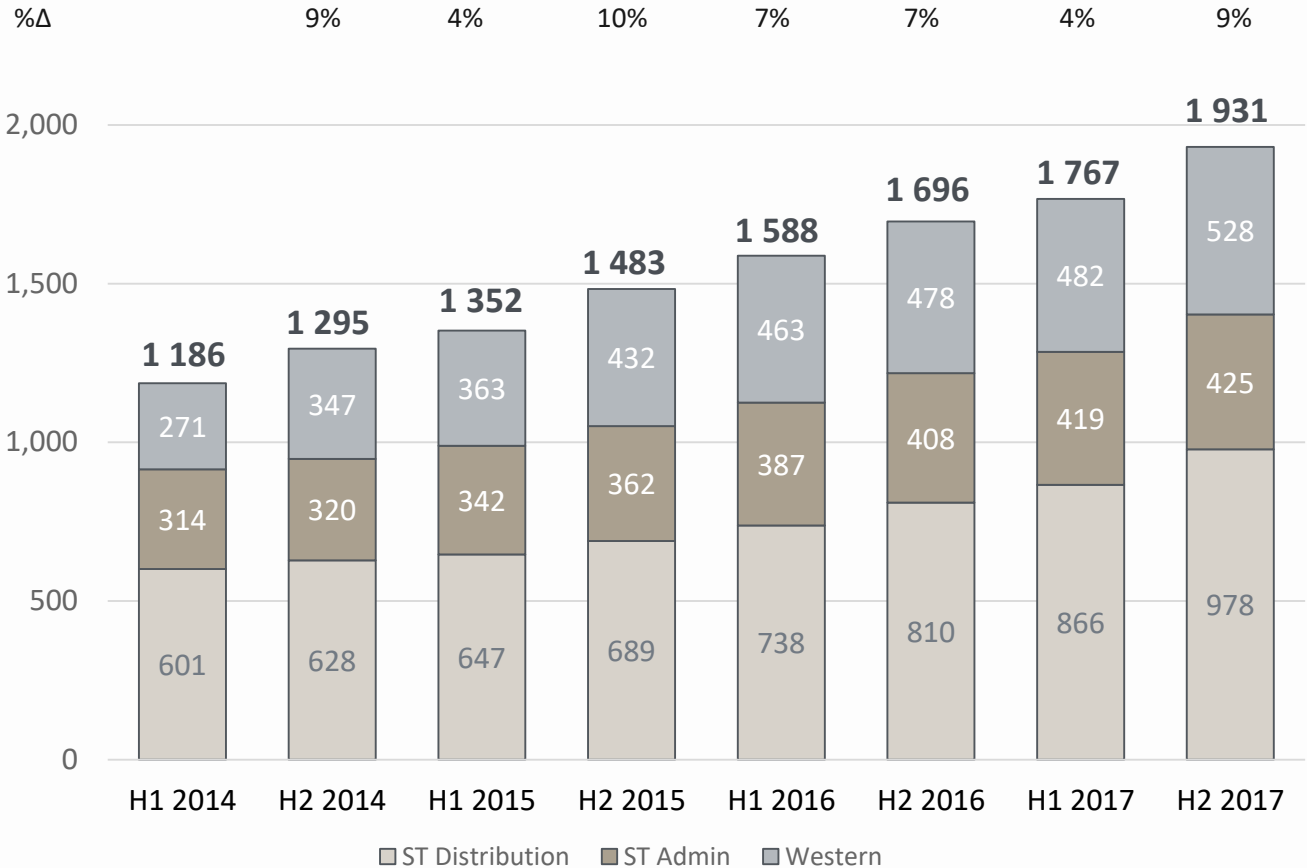
Source : MorningStar February 2017 report



Insure

Grow gross written premium income

PSG Insure gross written premium (Rm)



Top advisers

Excellence in underwriting

Superb platform

Western acquisition – Nov'12

* Includes Short-term administration platform gross written premium



Top advisers

We continue to add top advisers to our Insure Distribution business

Insure advisers	H1 2014*	H2 2014*	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017
Balance – opening	229	219	212	210	225	224	231	233
Net movement	-10	-7	-2	15	-1	7	2	-4
Balance – closing	219	212	210	225	224	231	233	229
Growth	-4%	-3%	-1%	7%	0%	3%	1%	-2%

* Restated to include 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

Source: PSG Distribution

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Western National Insurance

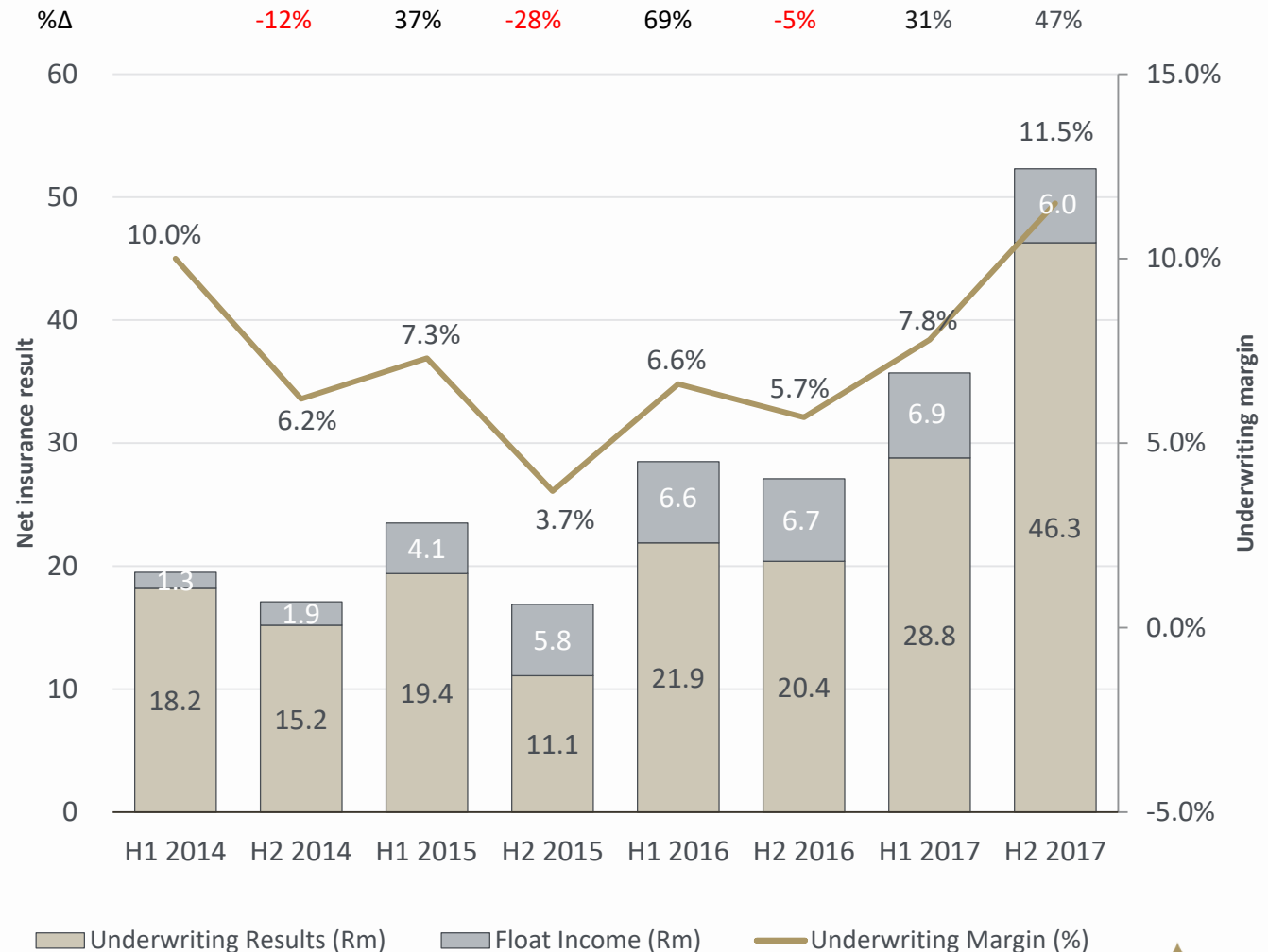
Insurance results

Key differentiators

- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level of R449m*
- Limited insurance and investment risk retention levels



Reducing risk



	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Perf fees/HE *	8.0%	11.4%	7.7%	3.8%	8.8%
Recurring HEPS	15.4c	20.6c	27.0c	32.1c	37.2c

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Op margin	14.7%	13.2%	14.9%	15.2%	15.7%
Op margin (excl perf fees)	13.9%	12.1%	14.0%	14.7%	14.5%
C:I %	67.2%	63.8%	60.6%	59.0%	60.0%

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
ROE	21.1%	24.8%	26.4%	24.8%**	25.3%
ROE (excl. perf fees)	19.4%	22.0%	24.3%	24.0%**	23.4%
Debt:Equity	14.3%	9.4%	0.9%	0.7%	0.2%

* Based upon recurring headline earnings

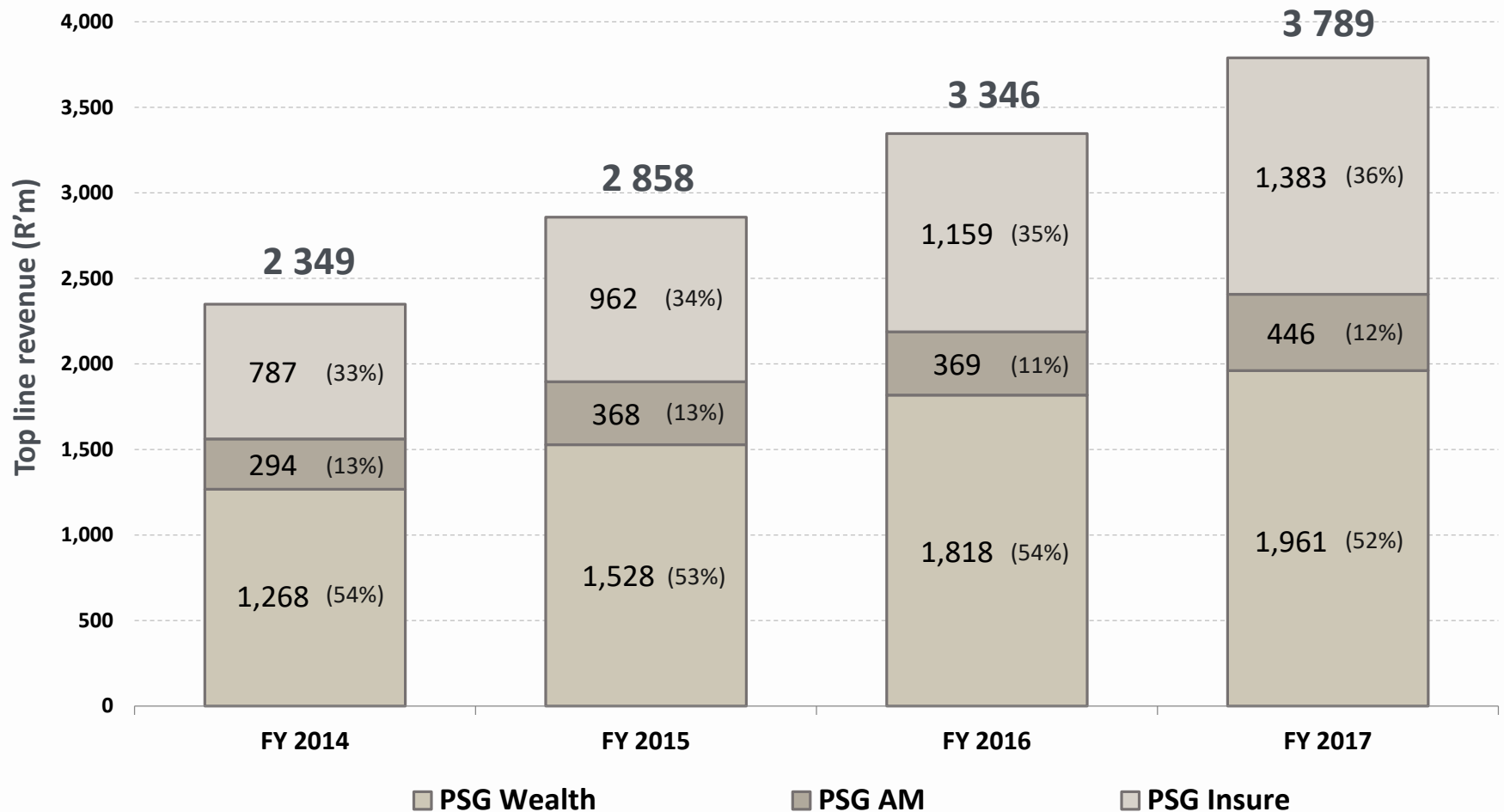
** Based upon recurring headline earnings (Headline ROE: 18.4% and Headline ROE (excl. perf. Fees): 17.6%)



04 Highlights & focus

Top line focus

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



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

Source: PSG Finance



Key achievements

Significant progress on top priorities

- Growth in number and profitability of PSG Advisers (organic and acquisitions growth)
- Accelerated IT investment to take advantage of future opportunities
- Top quartile fund performance across entire fund range for all key periods
- Established our “Bigger Picture Thinking” marketing campaign
- Strengthening of Wealth investment research team
- Standardising adviser remuneration model (converting salaried to commission advisers)
- Closure of ST Direct and Fixed Income businesses



05 Conclusion

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
- 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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Appendix

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)
11/04/2005	250,000	100,000	16,379			1,311	100,000	16,379		
28/02/2006	260,725	286,797	46,461	187%	184%	1,926	146,929	23,802	47%	45%
28/02/2007	297,398	490,706	67,645	71%	46%	2,670	203,678	28,078	39%	18%
28/02/2008	309,914	526,854	69,012	7%	2%	3,255	248,335	32,529	22%	16%
28/02/2009	327,703	426,014	42,816	(19%)	(38%)	2,032	154,988	15,577	(38%)	(52%)
28/02/2010	351,652	509,895	65,490	20%	53%	3,013	229,848	29,521	48%	90%
28/02/2011	373,653	597,845	85,553	17%	31%	3,723	284,027	40,645	24%	38%
28/02/2012	395,168	790,336	105,692	32%	24%	4,082	311,393	41,643	10%	2%
28/02/2013	422,411	1,203,871	136,169	52%	29%	4,870	371,546	42,025	19%	1%
28/02/2014	435,546	2,177,731	203,194	81%	49%	5,981	456,251	42,571	23%	1%
28/02/2015	441,856	3,190,197	277,314	46%	36%	6,946	529,912	46,064	16%	8%
29/02/2016	447,709	3,080,237	190,833	(3%)	(31%)	6,643	506,779	31,397	(4%)	(32%)
28/02/2017	455,295	3,419,266	262,736	11%	38%	7,061	538,627	41,388	6%	32%
		3,419,266					538,627			
CAGR				34.6%	26.3%				15.2%	8.1%

Source: PSG Finance

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Trading statistics

Creating shareholder value

Statistic	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
No. of shares in issue (millions)	733	730	733	1 072	1 210	1 222	1 262	1 279	1 322
No. of shares traded (millions)	1.7	6.7	9.5	14.9	21.2	31.4	61.8	113.9	111.7
% of shares traded	0.2%	0.9%	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%	8.4%
Market capitalisation (Rm)	953	1 059	1 173	2 145	3 447	6 110	9 115	8 800	9 929
Value of shares traded (Rm)	2	9	13	24	47	129	429	900	783
% of market cap traded	0.3%	0.8%	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%	7.9%

