



Investor Presentation

2018 interim results

For the six months ended 31 August 2017



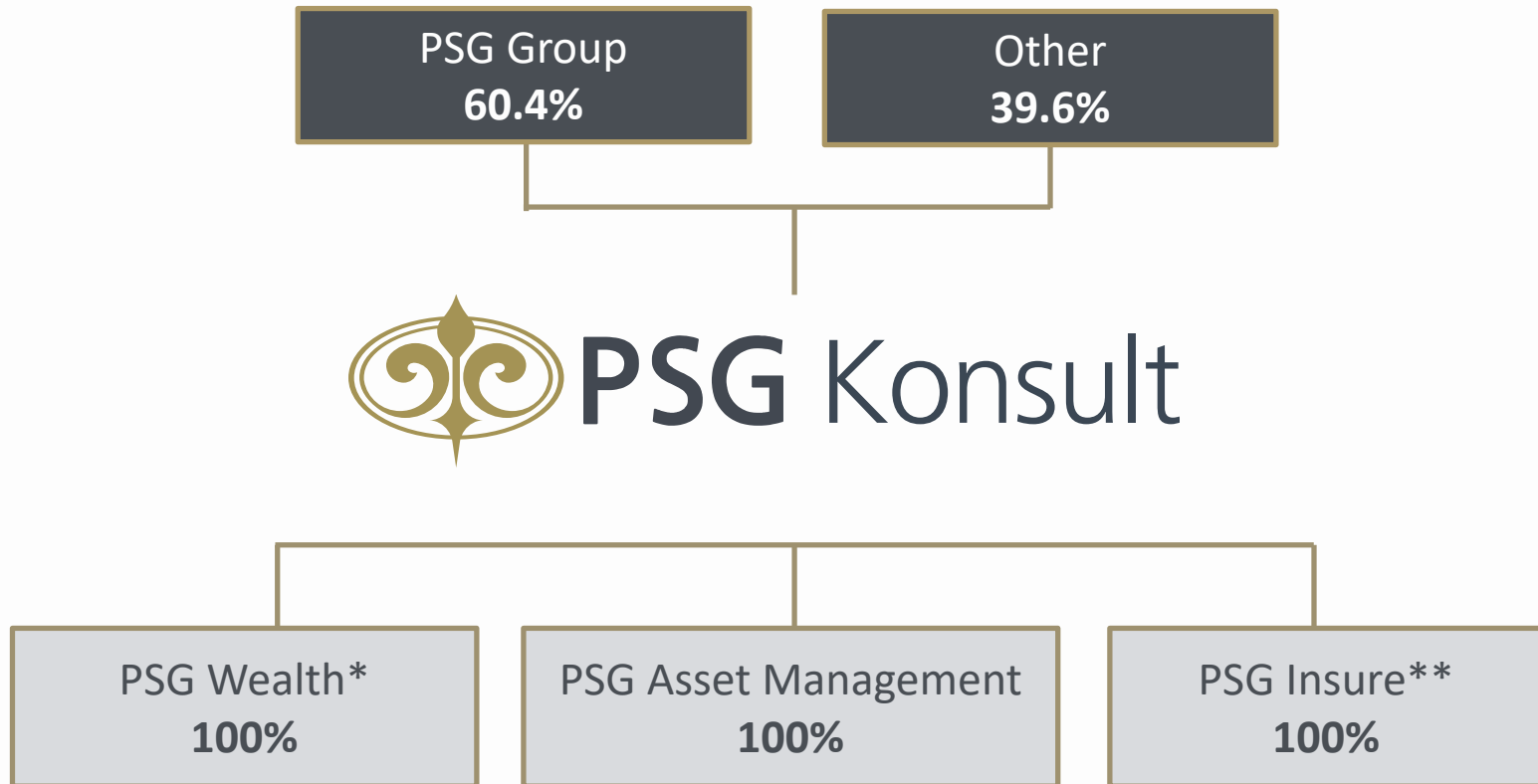
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01 Overview

PSG Structure



* Includes PSG Employee Benefits

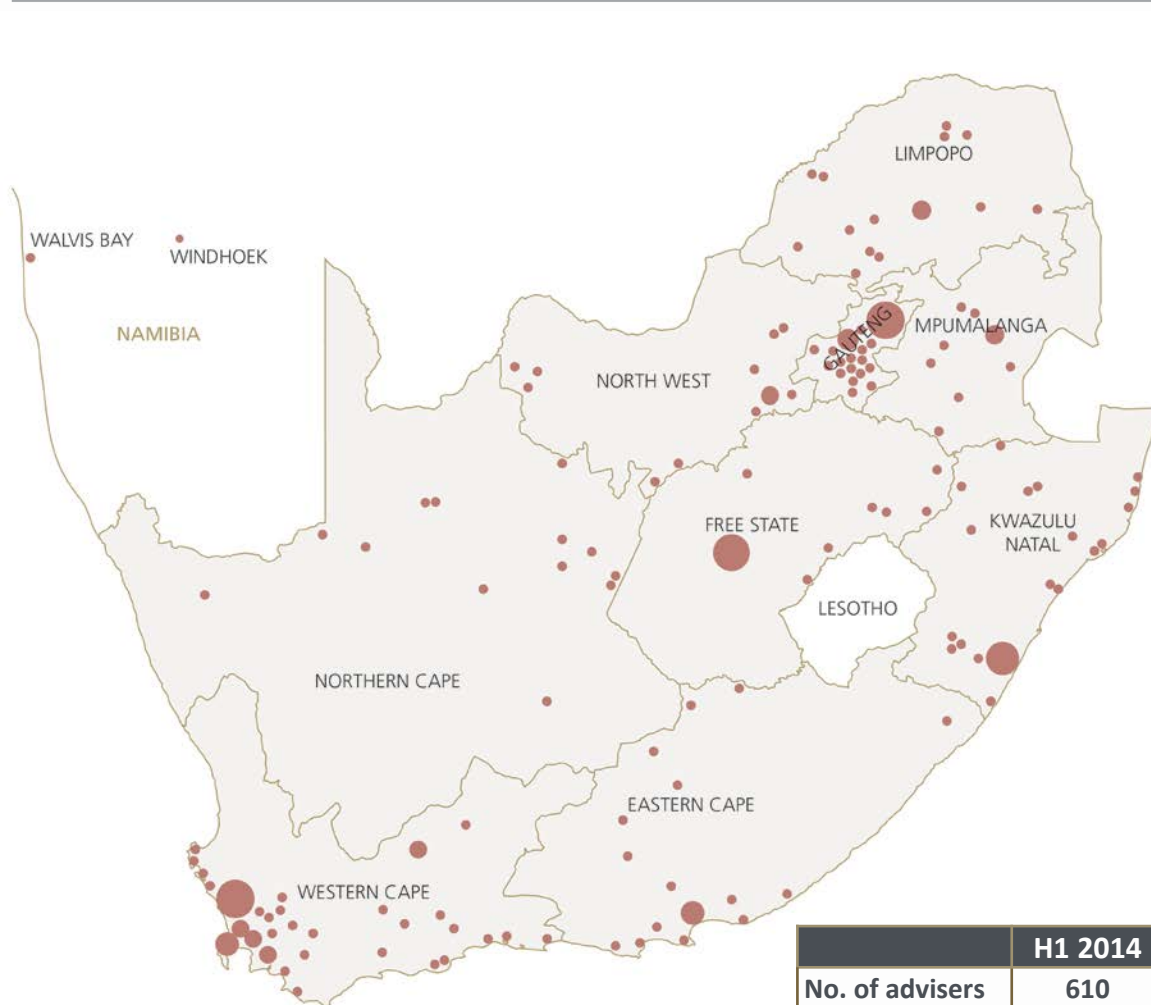
** Includes Western National Insurance

PSG Group's holding net of treasury shares = 61.4%

As at 31 August 2017

A great company

Wealthy clients serviced where they reside



211
Adviser offices



753
Advisers

Source: PSG Distribution

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	H1 2014	H1 2015	H1 2016	H1 2017	H1 2018
No. of advisers	610	629	667	738	753
<i>PSG Wealth</i>	391	419	443	505	527
<i>PSG Insure</i>	219	210	224	233	226
No. of offices	220	193	201	207	211

Business characteristics

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



02 H1 2018 results

Key macro indicators

Weakening economic environment

Key indicators	H1 2014	%Δ	H1 2015	%Δ	H1 2016	%Δ	H1 2017	%Δ	H1 2018
Rand / US\$	10.3	3.8%	10.7	24.5%	13.3	10.7%	14.7	-11.5%	13.0
Cash Index – STeFI Call	274	5.1%	288	5.7%	305	6.5%	324	7.0%	347
All Bond Index	420	11.7%	469	5.4%	494	4.5%	516	10.2%	569
SA Property Index	479	12.3%	538	20.1%	646	-1.7%	635	2.9%	653
FTSE/JSE Index	42 228	20.7%	50 959	-1.9%	49 972	5.5%	52 733	7.2%	56 522



H1 2017 financial results overview

Consolidated results	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm
Headline earnings	109	34%	145	28%	187	15%	214	12%	239
Recurring headline earnings	109	36%	147	27%	187	15%	214	12%	239
Weighted average no. of shares (millions)	1 221	3%	1 260	1%	1 267	2%	1 290	2%	1 315
HEPS (Cents)	8.9	30%	11.5	28%	14.7	13%	16.6	10%	18.2
Recurring HEPS (Cents)	8.9	32%	11.7	26%	14.7	13%	16.6	10%	18.2

Assets under management (Rand billion)	85	44%	122	16%	142	18%	167	16%	193
Assets under administration (Rand billion)	202	32%	266	21%	321	10%	354	12%	398
Premiums (Rand billion) *	0.9	11%	1.0	20%	1.2	8%	1.3	19%	1.6

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

Note: figures rounded to nearest R'million



Headline earnings by division

Headline earnings*	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm
Wealth	71	32%	94	28%	120	17%	141	7%	150
Asset Management	21	63%	34	37%	46	2%	47	20%	57
Insure	17	4%	17	16%	21	29%	26	23%	32
Total	109	34%	145	28%	187	15%	214	12%	239

* Includes amortisation of intangibles of H1 2018: R22m (H1 2017: R21m; H1 2016: R16m; H1 2015: R15m; H1 2014: R11m)

Note: Recurring & headline earnings the same for H1 2018. (All figures rounded to nearest R million)



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 %	H1 2017	H1 2018	YoY Gwth %
AUA (Rbn)	43	53	44	72	97	139	180	233	309	327	371	24%	354	398	12%
AUM (Rbn)	16	21	21	28	36	51	71	99	133	154	175	27%	167	193	16%
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%	1.3	1.6	19%
Core Revenues (Rm)	540	726	823	901	1 018	1 426	1 648	2 349	2 858	3 346	3 874	22%	1 855	2 062	11%
Recurring headline earnings (Rm)	46	87	97	90	92	151	174	251	341	409	486	27%	214	239	12%
Shares in issue (m)	695	732	733	733	733	1 072	1 210	1 222	1 262	1 279	1 322	7%	1 321	1 342	2%
Recurring HEPS (cents)	8.2	12.0	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	37.2	16%	16.6	18.2	10%
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%	18.2	19.9	9%
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%	22.9	21.4	(7%)
Total advisers	391	497	524	567	597	635	613	618	659	711	744	7%	738	753	2%

* Includes Western National Premiums from Nov 2012

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

Source : PSG Finance

03 H1 2018 divisional performance

Wealth plans

Growing and protecting client wealth

Excellence in products & services

Top advisers

Superb platform

Wealth assets split (Rm)	FY 2017	Market movement	Net flows	H1 2018	%
Third party funds *	50 847	3 480	1 161	55 488	9%
PSG Multi Managed **	52 351	2 461	2 606	57 418	10%
Discretionary	39 049	3 571	1 328	43 948	13%
Total managed assets	142 247	9 513	5 095	156 855	10%
Non discretionary	184 625	7 351	- 64	191 912	4%
Third party administration	11 091	483	771	12 345	11%
Total wealth assets	337 963	17 347	5 802	361 112	7%

* Includes PSG advisers single managed funds of R6.5bn for Feb 2017 and R7.8bn for Aug 2017

** Includes PSG single managed funds of R7.1bn for Feb 2017 and R7.3bn for Aug 2017



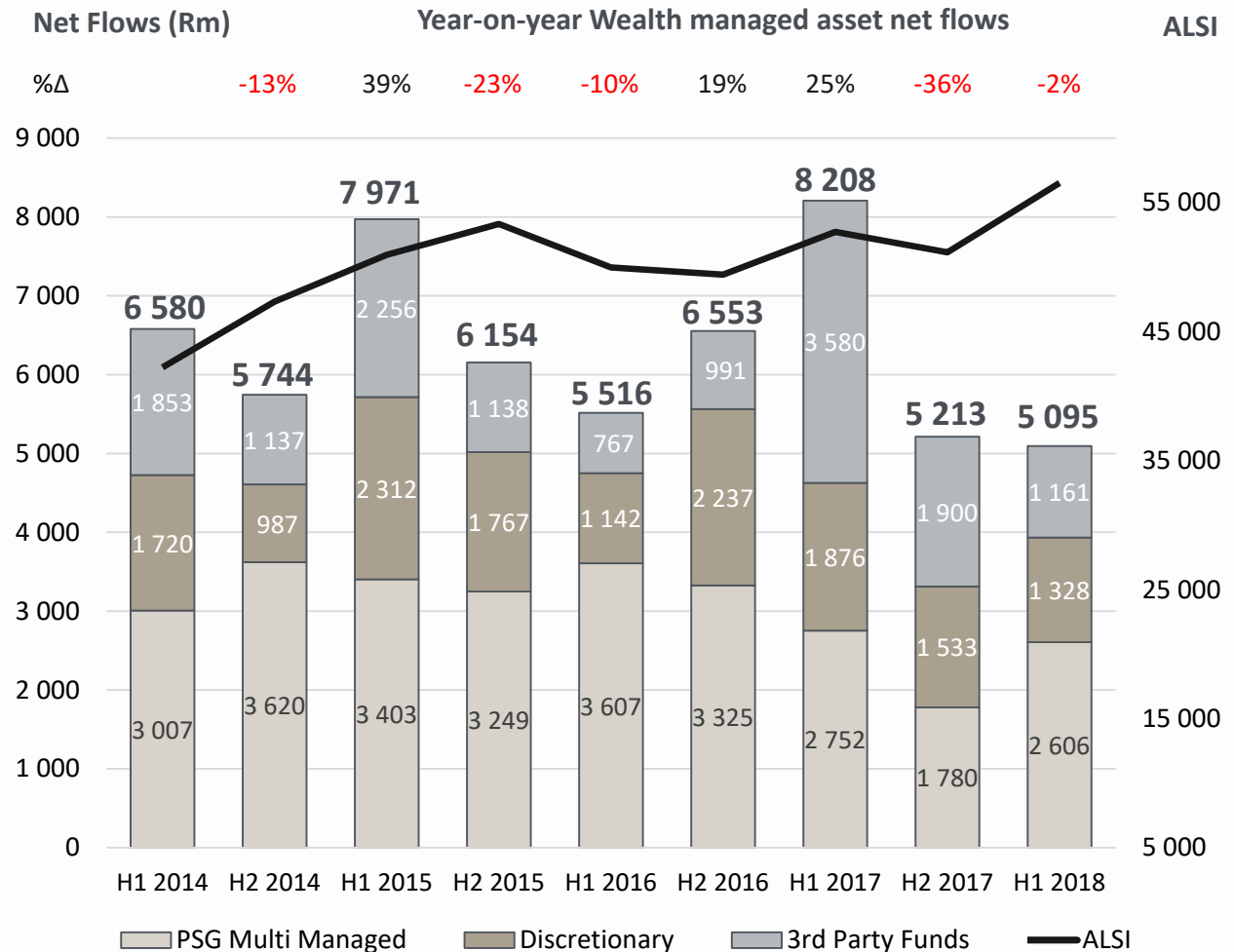
Wealth

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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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	H1 2018
Balance – opening	384	391	406	419	434	443	480	505	515
Net movement	7	15	13	15	9	37	25	10	12
Balance – closing	391	406	419	434	443	480	505	515	527
Growth	2%	4%	3%	4%	2%	8%	5%	2%	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 (Rbn)	FY 2017	Market movement	Net flows	H1 2018	%
PSG Single manager	26 909	537	3 285	30 731	14%
PSG Money market and related assets	4 237	0	-105	4 132	-2%
PSG Segregated Portfolios	1 974	46	-373	1 647	-17%
Total assets under management	33 120	583	2 807	36 510	10%
Administered assets *	52 351	2 462	2 606	57 419	10%
Total AM assets	85 471	3 045	5 413	93 929	10%

* Excluded from total PSG assets under administration to eliminate duplication



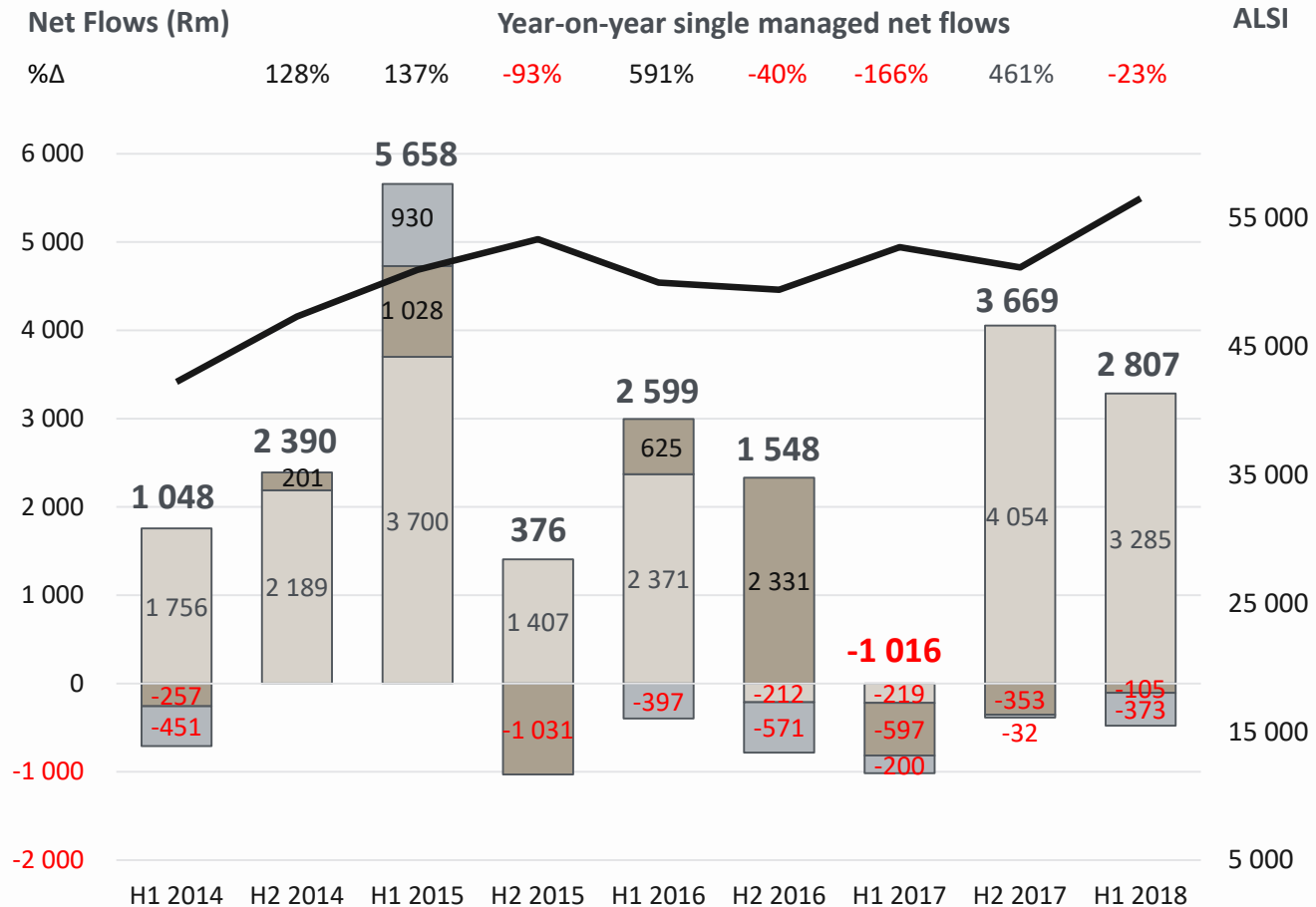
Asset management

'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
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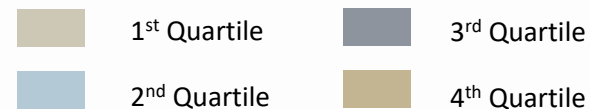


Asset management

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	12	12	53	5	2	3	2
	Return	1.6%	3.5%	2.7%	10.2%	10.8%	15.2%	13.5%
PSG Equity A	Rank	62	40	166	8	8	3	12
	Return	2.2%	4.5%	1.5%	14.0%	8.0%	16.2%	10.8%
PSG Balanced A	Rank	16	24	166	4	5	4	12
	Return	1.5%	3.5%	3.2%	9.5%	9.5%	12.8%	9.9%
PSG Stable	Rank	13	51	133	7	10	19	N1
	Return	1.0%	2.1%	3.2%	7.6%	8.2%	9.4%	

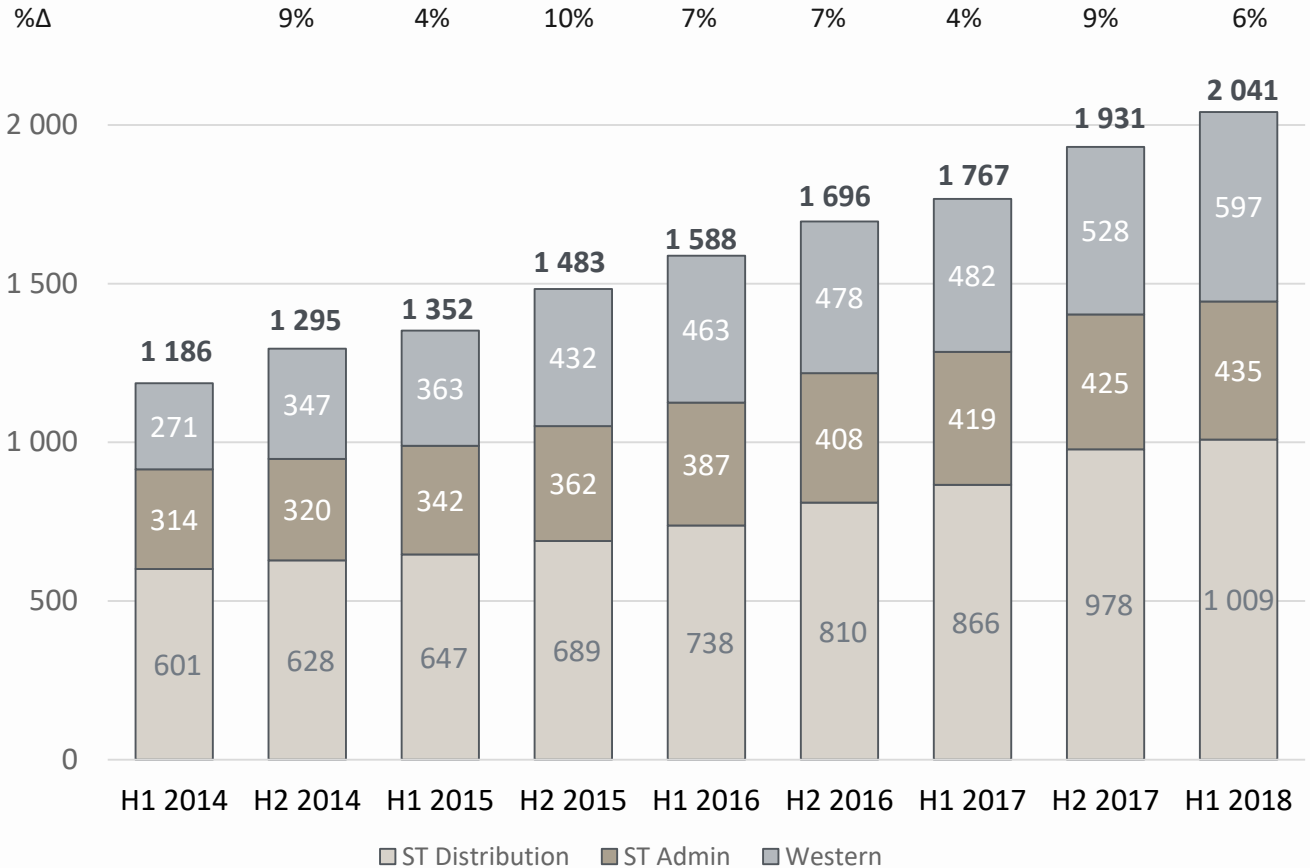
N1 – The PSG Stable fund does not have a 10-year history



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	H1 2018
Balance – opening	229	219	212	210	225	224	231	233	229
Net movement	-10	-7	-2	15	-1	7	2	-4	-3
Balance – closing	219	212	210	225	224	231	233	229	226
Growth	-4%	-3%	-1%	7%	0%	3%	1%	-2%	-1%

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

** Terminations relate to personal lines advisers and is due to the strategy of focussing on commercial product lines

- 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

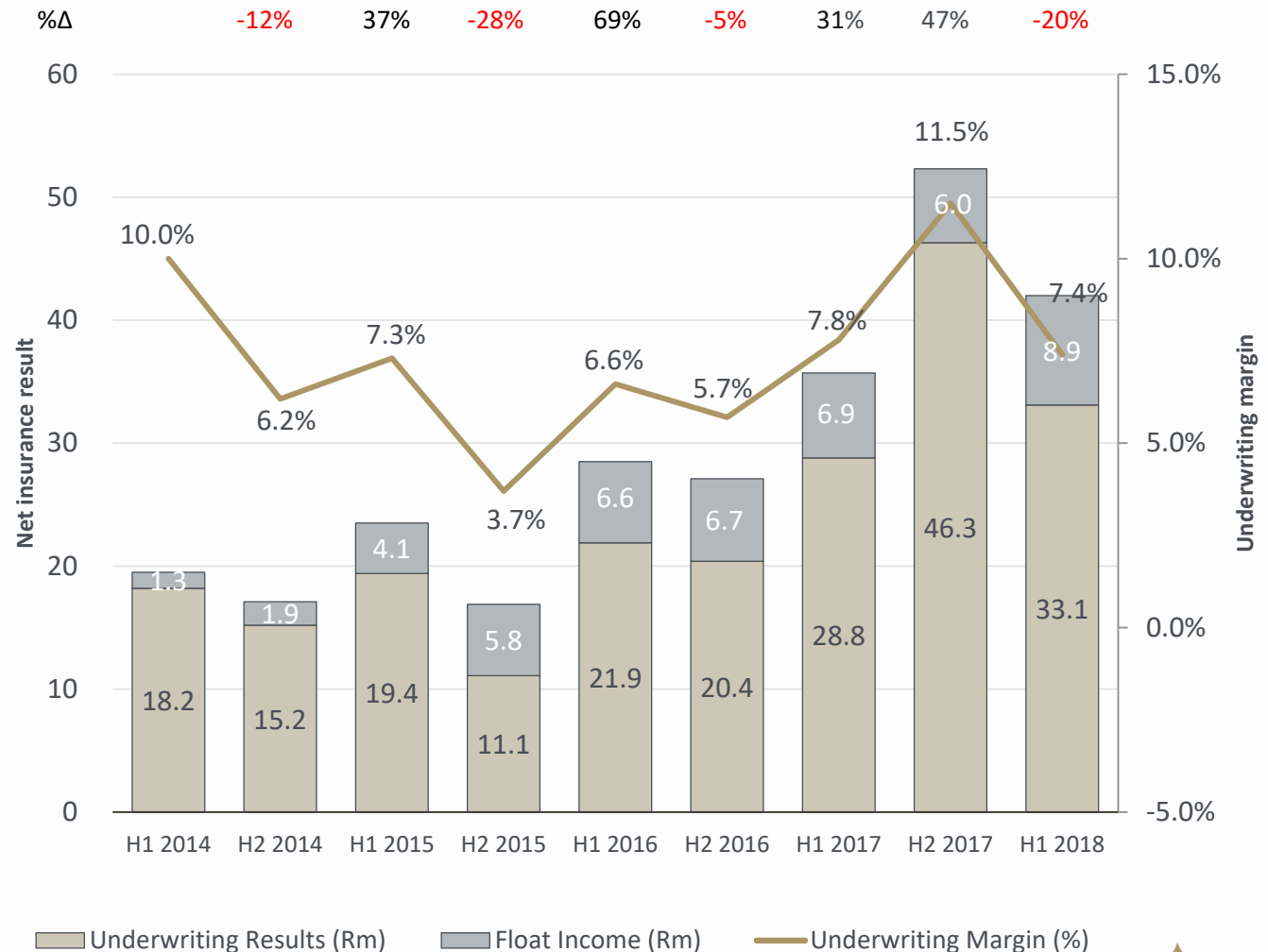
Insurance results

Key differentiators

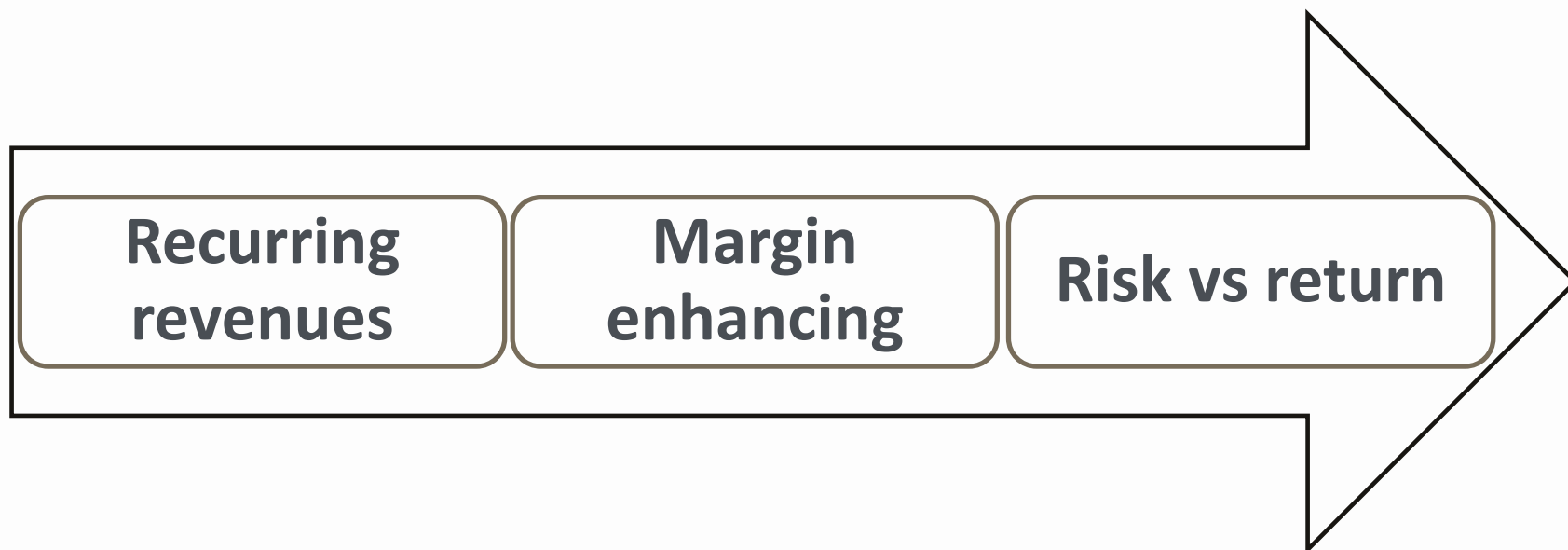
- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level of R421m*
- Limited insurance and investment risk retention levels



Reducing risk



H1 14 H1 15 H1 16 H1 17 H1 18

Perf fees/HE 10.2% 7.0% 7.5% 6.6% 4.4%

Recurring HEPS 8.9c 11.7c 14.7c 16.6c 18.2c

H1 14 H1 15 H1 16 H1 17 H1 18

Op margin 13.0% 14.1% 14.2% 14.3% 14.4%

Op margin 11.8% 13.5% 13.4% 13.5% 13.8%
(excl perf fees)

C:I % 66.2% 63.0% 63.0% 63.6% 62.1%

H1 14 H1 15 H1 16 H1 17 H1 18

ROE 23.8% 24.0% 23.9% 22.9% 21.4%

ROE 20.8% 22.3% 22.1% 21.4% 20.5%
(excl. perf fees)

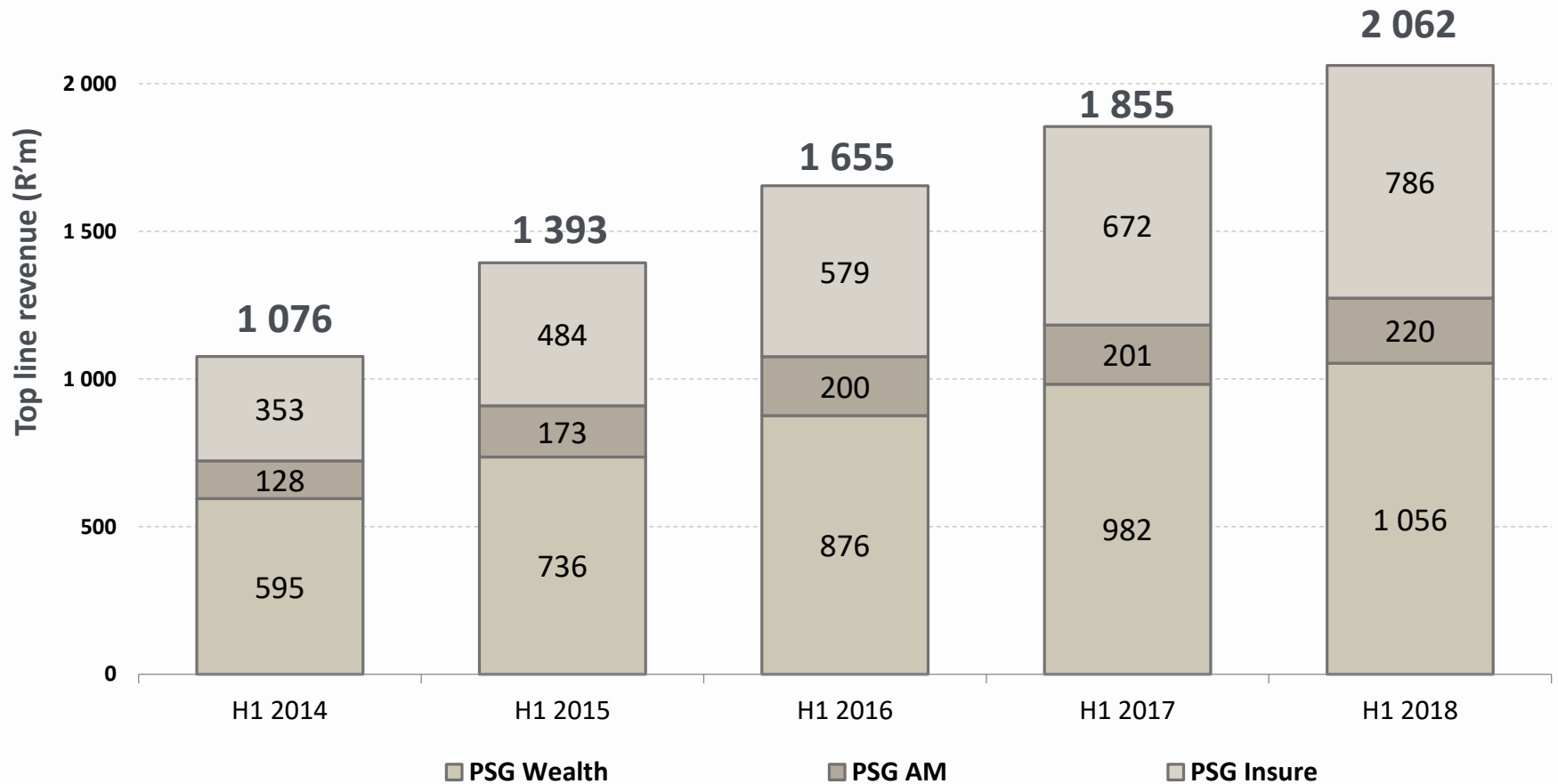
Debt:Equity 13.0% 4.6% 0.7% 0.2% 0.1%



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)

24 Source: PSG Finance



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

Affiliates of the PSG Konsult Group are authorised financial services providers.

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06 Appendices

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%)
2017/02/28	455 295	3 419 266	262 736	11%	38%	7 061	538 627	41 388	6%	32%
2017/08/31	459 939	4 093 458	314 219	20%	20%	7 934	605 254	46 460	12%	12%
		4 093 458					605 254			
CAGR				34.9%	26.9%				15.6%	8.8%

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	H1 18*
No. of shares in issue (millions)	733	730	733	1 072	1 210	1 222	1 262	1 279	1 322	1 342
No. of shares traded (millions)	1.7	6.7	9.5	14.9	21.2	31.4	61.8	113.9	111.7	102.1
% of shares traded	0.2%	0.9%	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%	8.4%	7.6%
Market capitalisation (Rm)	953	1 059	1 173	2 145	3 447	6 110	9 115	8 800	9 929	11 941
Value of shares traded (Rm)	2	9	13	24	47	129	429	900	783	831
% of market cap traded	0.3%	0.8%	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%	7.9%	7.0%

* Annualised trading statistics

