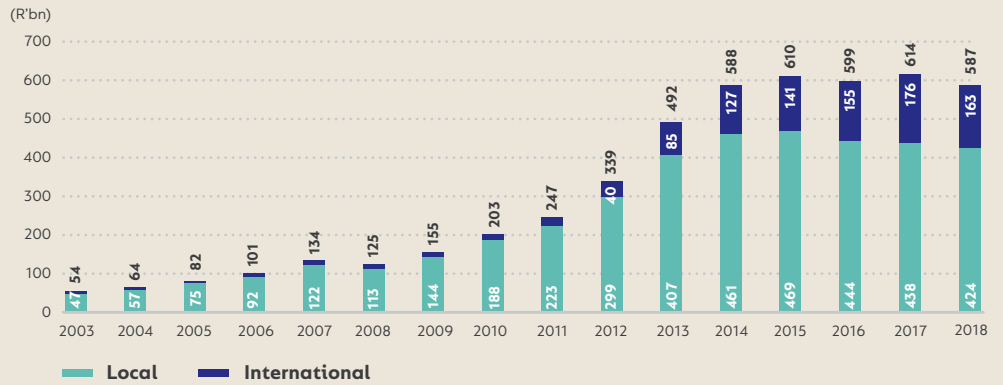




2018 at a glance

Coronation delivered decent performance in extremely challenging conditions.

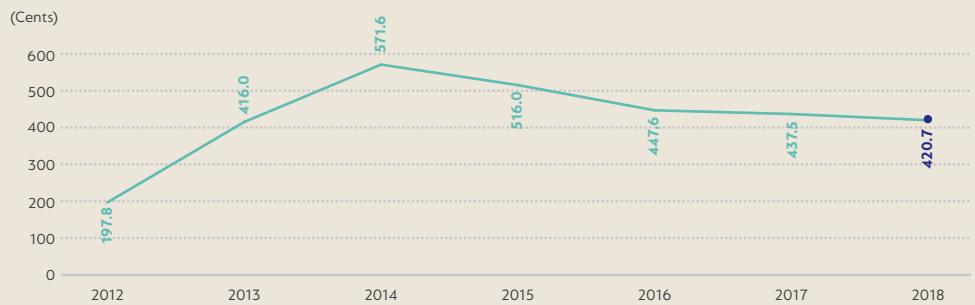
ASSETS UNDER MANAGEMENT



2018 DILUTED HEADLINE EARNINGS PER SHARE

420.7 cents

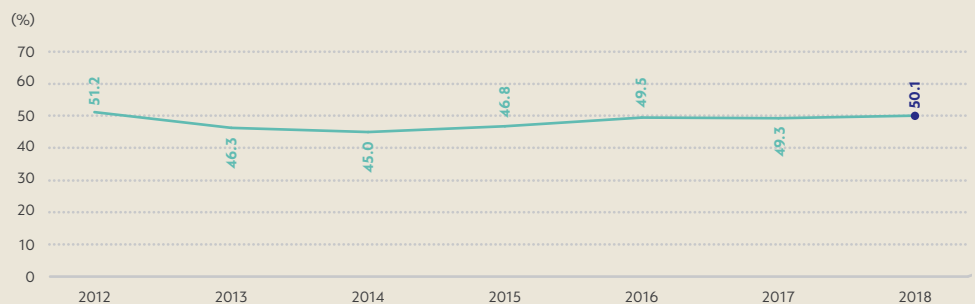
DILUTED HEADLINE EARNINGS PER SHARE



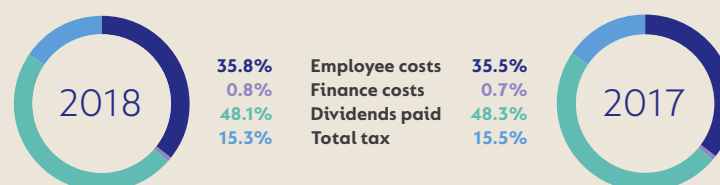
2018 COST-TO-INCOME

50.1%

COST-TO-INCOME RATIO



ALLOCATION OF FINANCIAL VALUE TO STAKEHOLDERS



WE INVEST

R285bn

on behalf of South African institutional clients

WE INVEST

R61bn

on behalf of international retirement funds, endowments and family offices

WE INVEST

R241bn

on behalf of investors in unit trusts, retirement annuities, provident funds and tax-free investments

OUR SOUTH AFRICAN INSTITUTIONAL BUSINESS

Highlights

- ▶ Long-term performance remains excellent; some strategies underperformed in the short term.
- ▶ Continued positive reaction following the reopening of some of our top-performing portfolios to new clients in March 2017. These products had been closed for five years.
- ▶ Complete and easily understandable range of solutions.
- ▶ We successfully completed the implementation of our new fund administration model which consolidates our asset administration service across local and offshore portfolios.
- ▶ Total net outflows of R22.6 billion, sharply down from net outflows of R43.7 billion in 2017.

Challenges and risks

- ▶ The weak South African economic environment has depressed the savings market.
- ▶ South African retirement funds continue to see net outflows.
- ▶ Regulatory changes driving the future pension funds landscape.

OUR GLOBAL INSTITUTIONAL BUSINESS

Highlights

- ▶ Our global franchise is a compelling business in its own right. Its growth will be a key focus in future years.
- ▶ We continue to enhance our relationships with global asset allocators regarding our suite of global solutions.
- ▶ Our Global Emerging Markets Strategy reached its 10-year milestone in July; we are proud of its long-term performance versus its global peer group.
- ▶ After strong inflows in 2017, we saw net outflows of R4.2 billion in 2018; a reasonable outcome given the material shift towards passive strategies away from active managers.

Challenges and risks

- ▶ A highly competitive market.
- ▶ An increasingly complex regulatory environment.
- ▶ A strong shift in favour of passive strategies.

→ *Read more about our strategic focus on building a global franchise on pages 20 and 21.*

OUR SOUTH AFRICAN PERSONAL INVESTMENT BUSINESS

Highlights

- ▶ Excellent long-term performance across unit trusts; short-term performance in some funds has been disappointing.
- ▶ Further fee reductions announced on our income-and-growth multi-asset funds as well as our international funds.
- ▶ Continued to support the creation of a new black-owned client administration business, the migration to which was successfully completed in the final quarter of calendar 2018.
- ▶ We have launched various initiatives to improve client service, including the insourcing of retail client reporting and correspondence, introducing new reporting elements to existing clients and evolving client security through a SIM swap check (→ [read more on page 19](#)).
- ▶ Encouraged a culture of savings among young South Africans by dropping our minimum investment amount for investments made through the [becauseitsyourmoney.com](#) investment channel.
- ▶ Net outflows of R4.2 billion; an improvement from net outflows of R6.9 billion in 2017.

Challenges and risks

- ▶ The retail savings market remains weak. At industry level, inflows over the 12 months under review remained subdued. Savings levels are being impacted by the weak economy and a high unemployment rate, further depressing consumer income and confidence.
- ▶ Political, regulatory and policy uncertainty, an increase in interest rates, disruption created by the upcoming election, and the prospect of further ratings downgrades, remain concerning.