



# How Coronation creates value for stakeholders

## STAKEHOLDER NEEDS



### CLIENTS

- Strong long-term investment performance
- One focused investment philosophy
- Excellent client service
- Investment stewardship



### SHAREHOLDERS

- Ethical & sustainable business model
- Return on investment
- Investment in business



### GOVERNMENT & REGULATORS

- Best-practice regulatory compliance
- Proactive engagement
- Corporate citizenship



### SOCIETY

- Transformation
- Enterprise development
- Environmental impact monitoring
- Corporate social investment



### OUR PEOPLE

- Inclusivity & diversity
- Reward for excellence
- Growth & development
- Employee wellbeing

## CORONATION INPUTS

### INTELLECTUAL CAPITAL

**367** years' cumulative Coronation experience of senior investment professionals

- Ongoing investment in IT & IS infrastructure
- Robust, valuations-based investment process
- Thought-leadership

### HUMAN CAPITAL

**10** years' average tenure of investment team

- Highly-skilled employees
- Strong, ethical culture
- Mentorship by senior investment professionals
- Best practice recruitment process

### FINANCIAL CAPITAL

Strong performance outcomes for clients and shareholders

- Grow profitability through fund management earnings
- Dividend policy: at least 75% of after-tax cash profit
- Remuneration Policy reduces fixed costs

### NATURAL CAPITAL



- Active stewardship
- Investment stewardship activities
- Efficient business operations

### SOCIAL & RELATIONSHIP CAPITAL

**>R350m** in brokerage to black stockbrokers

- Strong client & IFA relationships
- Diversity & transformation
- Active corporate citizenship

## HOW CORONATION CREATES VALUE



*We invest clients' savings to deliver strong, long-term growth & construct risk-resilient portfolios.*

*As an active corporate citizen, we continuously engage the industry & strive for sector & social transformation.*

## KEY RISKS & CHALLENGES MANAGED



*Covid-19 & economic lockdown*

*Tightening regulatory environment*



*Deteriorating economy & shrinking savings pool*

## HOW CORONATION ENSURES VALUE CREATION FOR STAKEHOLDERS



### CLIENTS

- Consistent execution of investment philosophy
- Regular fee & benchmark reviews
- Achieving rigorous client service targets
- World-class IT & IS infrastructure
- Active stewards of the assets we manage



### SHAREHOLDERS

- Robust governance structures
- Ongoing investment in our business
- Consistent & sustainable operational performance & cost control
- Stable investment team
- Regular dividend distribution



### GOVERNMENT & REGULATORS

- Detailed compliance universe & risk assurance monitoring plans
- Continuous engagement with regulators & industry to achieve a safer and effective financial sector
- Compliance with regulations



### SOCIETY

- Active corporate citizen, including environmental stewardship
- Transformation of industry & society through business development, CSI & recruitment



### OUR PEOPLE

- Training & development
- Coaching & mentoring
- Performance-based remuneration
- Employee ownership & empowerment
- Employee wellbeing

## HOW CORONATION CREATED VALUE FOR STAKEHOLDERS IN 2021



### CLIENTS (→ refer to page 57)

- Strong long-term investment performance
- Enhanced stewardship & ESG
- World-class client service & communication
- Large, stable investment team



### SHAREHOLDERS (→ refer to page 65)

- Dividend policy maintained
- Ongoing shareholder engagement
- IT & IS infrastructure investment
- Remuneration model aligns employees with shareholders
- Board succession planning



### GOVERNMENT & REGULATORS (→ refer to page 69)

- No material regulatory fines or sanctions received
- Well-established team of experienced compliance professionals
- Delivery of POPIA project
- Total tax paid, including VAT: R1.1 billion
- Impactful engagement with government & industry bodies



### SOCIETY (→ refer to page 75)

- Covid-19 relief contributions: R6.4 million
- Swift payment of SMEs to help cash flow
- Second carbon footprint measured & bought CO<sub>2</sub> credits to offset emissions
- Ongoing business development & CSI initiatives
- Corporate adoption of TCFD



### OUR PEOPLE (→ refer to page 70)

- No Covid-19-related retrenchments/furloughs
- Employee wellbeing & coaching interventions
- Training & development
- Performance-based remuneration