

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

> Proactive engagement

> Corporate citizenship

compliance

Transformation

monitoring

OUR PEOPLE

> Enterprise development

> Corporate social investment

> Environmental impact

Inclusivity & diversity

> Reward for excellence

> Employee wellbeing

> Growth & development

SOCIETY

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

- years' average tenure **10** 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

- > Investment stewardship activities
 - > Efficient business operations

SOCIAL & RELATIONSHIP CAPITAL

in brokerage to >R350*m* 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.



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

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KEY RISKS &

CHALLENGES

MANAGED

Covid-19 & economic lockdown

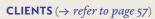
Tightening regulatory environment

AK Deteriorating economy

& shrinking savings pool



HOW CORONATION CREATED VALUE FOR STAKEHOLDERS IN 2021



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

SHAREHOLDERS (\rightarrow 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 (\rightarrow *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 (\rightarrow refer to page 75)

- > Covid-19 relief contributions: R6.4 million
- > Swift payment of SMEs to help cash flow
- > Second carbon footprint measured & bought CO₂ credits to offset emissions
- > Ongoing business development & CSI initiatives
- Corporate adoption of TCFD

OUR PEOPLE (\rightarrow *refer to page 70*)

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