



About us

We have been growing long-term wealth for our institutional and personal investment clients for 29 years. Our business generates financial capital by earning fixed and performance fees on the assets we manage on behalf of our clients. The success of our business is founded on our clients, who entrust us to manage their assets; and on our employees, who work hard to deliver on our core purpose of delivering superior long-term investment outcomes for the benefit of all stakeholders.

A PROUD SOUTH AFRICAN COMPANY

As one of the largest independent asset managers in South Africa, we invest the long-term savings of millions of South Africans. Our clients include individuals, retirement funds, medical schemes and financial institutions. We also manage assets for several leading international retirement funds, endowments and family offices. We understand that we have been granted a social licence to operate. We earn this in the ways in which we invest and run our business.

In everything we do, we are guided by five strategic pillars, namely: excellent long-term performance, world-class client service, building a leading global investment capability, active corporate citizenship, and effective governance.

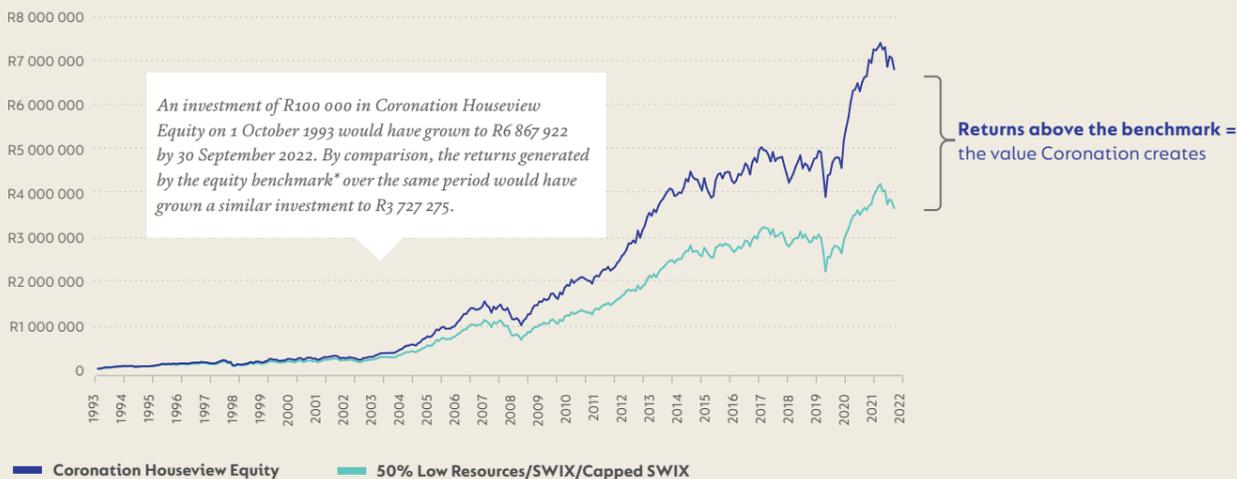
VALUE CREATED BY OUR HOUSEVIEW EQUITY STRATEGY

84%

more than the benchmark since inception

STRONG LONG-TERM INVESTMENT OUTPERFORMANCE

Our ability to deliver attractive and sustainable financial outcomes for clients is evidenced by long-term performance across our fund range, which remains compelling. 96% of our portfolios have outperformed their benchmarks.¹



¹ As at 30 September 2022, Company-wide, asset-weighted since-inception track record for funds with >10-year track records.
* FTSE/JSE Capped Shareholder Weighted Index from 1 May 2017. Previously 50% Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (1 February 2002 to 30 April 2017)

ACTIVE INVESTMENT STEWARDSHIP

Active engagement



Voting in line with our principles



* 2021 figures: we report on our stewardship figures on a calendar year basis

TRANSFORMING OUR BUSINESS AND INDUSTRY

A homegrown South African business committed to transforming our business and society

As an active corporate citizen, we have also been active in the transformation of the financial services sector and South African society, empowering our employees and benefiting the communities in which we operate.



Training stats are cumulative since programme inception
Employee figures refer to South Africa-based employees; all figures as at 30 September 2022.

A SINGULAR FOCUS ON FUND MANAGEMENT

Coronation is 27% employee owned, creating a high-performance meritocracy that is characterised by curiosity, diversity and inclusivity. Our ability to consistently deliver outperformance, at scale, over multi-periods is a key differentiator.



VALUES UNDERPINNED BY CLIENT FOCUS

We always put clients first

As an investment-led business, our focus is to grow the value of the client assets entrusted to us over the long term. Our clients allocate assets to us because they trust us to manage their capital responsibly. As we are independent, our success depends on our ability to provide a world-class client experience, including client service and performance, while playing our part as an active corporate citizen.

We are focused on the long term

We believe a key risk to the investment industry is that market participants increasingly focus on the short term. This is a fundamental mismatch given the typical long-term objectives of most pension funds and individual investors. Coronation has an unrelenting focus on the long term, both from an investment and business perspective. Where we identify value, we are willing to endure short-term underperformance in our pursuit of compelling, long-term outcomes for clients.

We act like owners

Our business is 27% employee owned. We believe that asset management companies should be owner managed. Ownership aligns employees' interests with those of all other stakeholders, empowers employees and entrenches long-term thinking across all areas of the business. This aligns with our investment philosophy, business objectives and remuneration approach. Our culture of ownership is reflected in the large number of our employees who participate in long-term incentives, which have had vesting periods ranging from one to seven years, currently extending as far as 2027.

We always act with integrity

At Coronation, we believe trust is earned. We have a fiduciary responsibility to our clients to act with uncompromising integrity. Employees are expected to maintain the highest ethical standards in everything they do.

We embrace our high-performance culture

We are a meritocracy and believe in rewarding employees for their individual contribution to their team and the Group. We have a culture of excellence, and one that is attractive to highly-skilled professionals.

We are a team-based company

Our people are critical to our success. While we know that all strong teams are underpinned by strong individuals, we encourage employees to place the organisation first and collaborate well as part of a strong, cohesive team.

OUR PERFORMANCE AT A GLANCE

The following table outlines Coronation's activities and key performance indicators, and links them to the Company's five strategic focus areas.



Long-term investment performance



Excellent client service



Our global footprint



Active corporate citizenship



Effective and integrated governance

Strategy and values

Established organisational culture and values



- ▶ In November 2021, all employees returned to the office, as our team-based culture thrives best in-person
- ▶ Our strong ethos of ownership continued to be reinforced, demonstrated by the fact that employees own 27% of Coronation
- ▶ We remained uncompromising about ethics and putting clients first.
- ▶ Entrepreneurial flair and sense of ownership remain vital components of our cultural DNA
- ▶ Social upliftment is central to who we are. As a business and individually, we are active in helping those in need via our CSI partners and registered charities.
- ▶ As an active manager, we engage with our peers, industry and regulators with a view to creating both a sustainable economy and society

Nurturing talent



- ▶ Back together, our people continued to drive excellence across all areas of the business
- ▶ Employee turnover at 6.9% remained well below the industry average
- ▶ We continue to invest significantly in our employees through skills training programmes
- ▶ Explicit company-wide initiatives continue to prioritise employee wellbeing in the aftermath of the Covid-19 pandemic
- ▶ Succession plans across the business were reviewed both internally and by the Remuneration and Nominations Committee

Building our brand and tracking our reputation



- ▶ Coronation maintained its strong brand by monitoring key market information and through the launch of a new through-the line advertising campaign. This was well received, and rewarded with a bronze Loerie award
- ▶ Formal programmes monitoring brand awareness continued to yield encouraging results
- ▶ Our annual client survey indicated that client loyalty remains above 90%

Offering an appropriate product range



- ▶ We continually monitor the appropriateness of our product offering in relation to client needs and our strategic goals to ensure alignment
- ▶ The Company continued to evaluate its product offering and enhanced many strategies during the year

Established platform efficiency and technology



- ▶ We continued to invest in and focus on implementing appropriate technology across the business and extracting efficiencies from these systems
- ▶ Successful implementation of a new retail transactional website, data platform and broader strategic IT-related initiatives

Operational

Rigorous cost control



- ▶ Total expenses were well controlled given the current inflationary environment, without negatively impacting the sustainability of the business
- ▶ Meticulous management of our fixed operating expenses that increased by 2% year on year, with a three-year compound annual growth rate of only 6%, is a positive outcome in an inflationary operating environment
- ▶ Our continued investment in the business ensures we are able to offer our clients a world-class service while remaining focused on managing our cost base appropriately. Our cost-to-income and cost-to-AUM ratios continue to outperform our competitors

Driving investment management and performance



- ▶ Geopolitical turmoil impacted the short-term performance of our global developed and emerging market portfolios, however performance across our fund range is exceptional over all meaningful periods. Our long-term track record in managing client assets in South Africa remains exemplary. Over the past three decades, 96% of our portfolios have outperformed their benchmarks*
- ▶ During the year, we took advantage of the indiscriminate mispricing of assets and are excited about the prospects for our clients' portfolios

* Company-wide, asset-weighted since-inception track record for funds with >10-year track records

ESG

Effective governance and risk management



- ▶ Successful reviews were conducted by various regulatory authorities during the period with no significant negative findings
- ▶ Balance sheet, capital and liquidity management are monitored on an ongoing basis to ensure sound balance sheet management and regulatory compliance. The result is a strong balance sheet that is fully compliant with regulations
- ▶ The financial control environment is monitored on an ongoing basis as guided by the Committee of Sponsoring Organisations (COSO) Framework and subject to annual review by the CEO and CFO. No material deficiencies in internal financial controls were identified
- ▶ No material governance breaches were experienced, and governance and risk reporting continue to be monitored closely
- ▶ An independent, external formal assessment of the performance of the Board of Directors and its committees was completed. The assessment concluded the Board was a developed, well-functioning board
- ▶ Ongoing monitoring and robust formal discussions of key and emerging risks across the business were undertaken as part of our comprehensive Risk Management Framework

Bolstering diversity



- ▶ Emphasis continued to be on sustaining and improving black and female representation in key leadership roles and the investment team
- ▶ In line with the prior reporting period:
 - › 80% of our Board and 67% of our Executive Committee are black
 - › 51% of our employees and 50% of our Board are women
 - › 86% of new appointments made during the 2022 financial year are black (2021: 80%)
- ▶ The Aspiring Leaders Project, a workplace career development initiative, was run again in 2022 to facilitate retention
- ▶ The Company's B-BBEE rating was actively monitored, and the Level 1 contributor status has been retained for 2022
- ▶ We are proud of the progress we have made in achieving diversity in our workforce. We were rewarded with first place in the Gender Reporting by JSE-listed Companies category in the Accenture 10th Gender Mainstreaming Awards

Active stewardship

- We have continued to deepen our stewardship activities in both our investment process and corporate operations
- Compliance with our Corporate ESG Policy, the Task Force on Climate-Related Financial Disclosures (TCFD) and the ESG Policy governing the investment process was monitored continuously throughout the year
- Our fourth annual Stewardship Report illustrates the work the investment team undertook in the 2021 calendar year in this regard and affirms our commitment to corporate engagement, responsible investing and analysis of material risks
- We were awarded first place for our stewardship disclosure in the International Corporate Governance Network's Global Stewardship Disclosure Awards
- From a business operations perspective, we have started reporting against the TCFD reporting guidelines and have published our first Sustainability Report along with our third Carbon Footprint Assessment
- Notwithstanding the above, we recognise that this is a continuing journey and our approach will continue to be enhanced in future

Clients & stakeholders

Client and stakeholder engagement

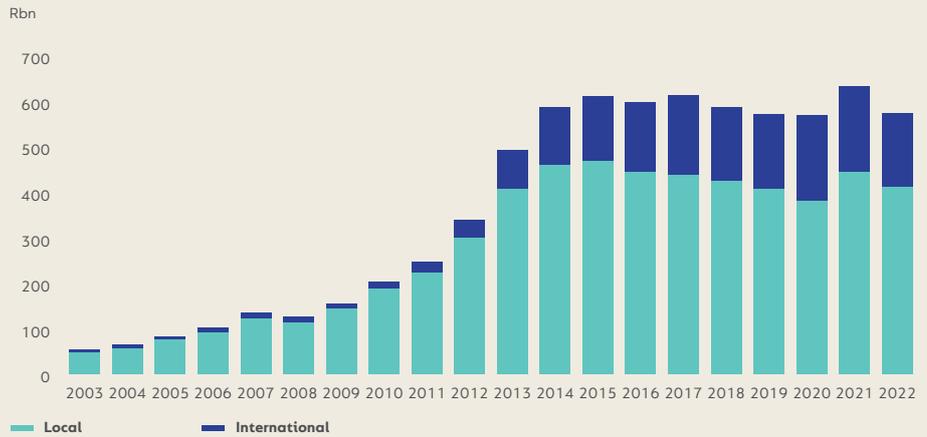
- International travel and in-person meetings and conferences resumed
 - We continued to offer clients select digital and in-person thought-leadership sessions in line with current content consumption habits
 - The business was purposeful and intensive in its efforts to build relationships with clients in a challenging global environment
 - We conducted engagements with our shareholders regularly throughout the year and have taken their feedback into consideration
 - Continued regular and meaningful engagements were held with stakeholders such as the Association for Savings and Investment South Africa, National Treasury, the Prudential Authority, the Financial Sector Conduct Authority and Business Leadership South Africa to assist in finding solutions for improving economic conditions for our country and its people
 - Efforts to contribute to society included accelerated payment arrangements for SMEs and our ongoing commitment to our corporate social investment activities
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Financial results

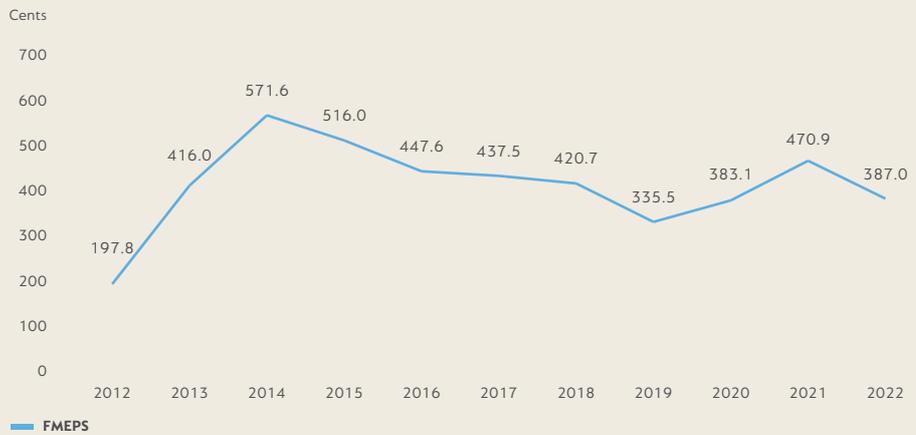
FUND MANAGEMENT EARNINGS PER SHARE
387.0c

OPERATIONAL COST-TO-INCOME RATIO
49.8%

ASSETS UNDER MANAGEMENT



FUND MANAGEMENT EARNINGS PER SHARE



OPERATIONAL COST-TO-INCOME RATIO



VALUE ALLOCATION TO STAKEHOLDERS



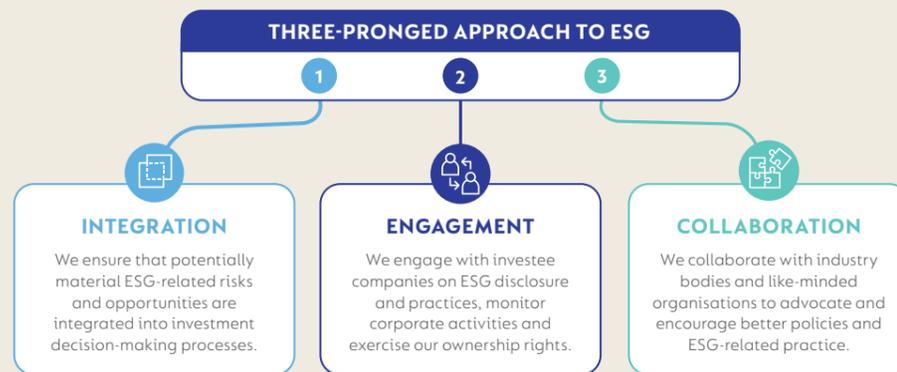


Active stewardship

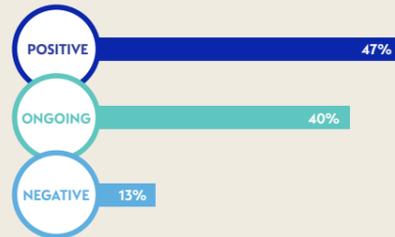
We are committed to being active stewards of the capital we manage on behalf of our clients and further strengthening stewardship in our business operations. This is a snapshot of our investment and operational stewardship activities.

INVESTMENT STEWARDSHIP

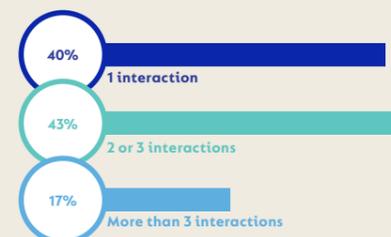
Our approach to integrating environmental, social and governance (ESG) issues into our investment process is underpinned by three core pillars of integration, engagement and collaboration.



Engagement outcomes



Number of interactions with a company



HIGHLIGHTS OF THE YEAR

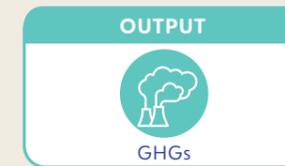
- Addressing greenhouse gas emissions
- Investing to decarbonise aerospace
- Pioneering sustainability-linked bonds
- Tackling related-party transactions
- Strengthening corporate governance through multi-year engagements

* Note: Investment stewardship activities refer to the 2021 calendar year

(→ For information on our investment stewardship activities, refer to our Stewardship Report)

CORPORATE ENVIRONMENTAL STEWARDSHIP

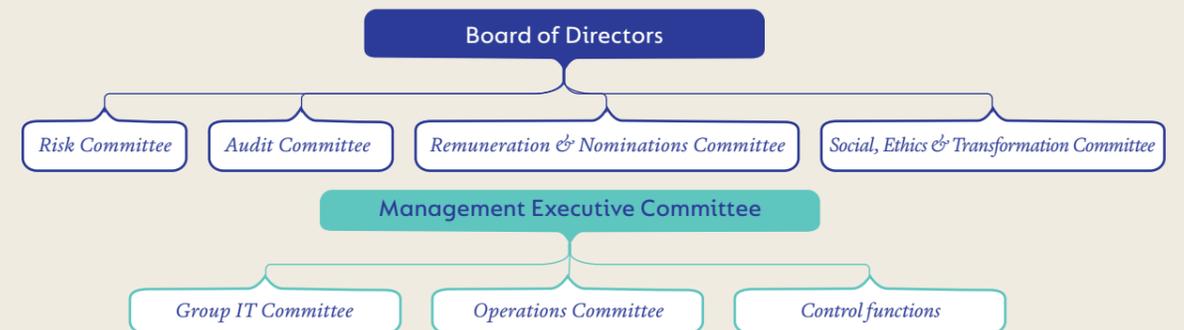
We assess our operational carbon footprint annually, and seek ways to reduce our impact.



(→ For information on our other corporate stewardship activities, refer to our Sustainability Report)

GOVERNANCE

The Board has oversight of all key matters related to sustainability and delegates its authority to its sub-committees and management.



SOCIAL



Figures are cumulative and since inception and include beneficiaries who participate across multiple years of a project cycle
* Includes beneficiaries of Coronation funding and partner funding