How Coronation creates value for stakeholders

The quality of our capital inputs directed by our material matters ⟩ **and our strategy enable our core business activities** ⟩ **to generate long-term value for all our primary stakeholders**

INTELLECTUAL CAPITAL

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

- 367 years' cumulative Coronation experience of senior investment professionals
- IT & IS investment of R224 million
- 53 CFAs on our team

HUMAN CAPITAL

- Highly skilled employees
- Strong, ethical culture
- Mentorship by senior investment professionals
- Significant investment in training

- 11 years' average tenure of investment team
- Training and wellness: R12.7 million
- Ownership culture

FINANCIAL CAPITAL

- High cash generating business and strong capital management
- Variable expenditure model

- Dividend policy: a minimum of 75% of after-tax cash profit
- Seeding of international products
- Remuneration Policy reduces fixed costs

NATURAL CAPITAL

Active Stewardship
- Investment stewardship activities
- Efficient business operations

- Carbon Footprint Assessment

SOCIAL & RELATIONSHIP CAPITAL

- Recognise key role in building stronger and transformed society

- Engaged corporate citizen
- Key focus on diversity and transformation
- Investment in enterprise and supplier development
- Active participant in business and industry forums

INPUTS

MATERIAL MATTERS

- INVESTMENT PERFORMANCE
- ESG
- TALENT
- SOUTH AFRICAN ENVIRONMENT
- CHANGING CLIENT NEEDS
- REGULATORY TIGHTENING
- TRANSFORMATION

STRATEGIC FOCUS AREAS

Enhancing our excellent client service

- Focused initiatives for retention, development and wellness of our people
  › fit-for-purpose remuneration model
  › robust succession planning
- Investment in technology solutions to enable efficiency, innovation and risk management

- Client loyalty and satisfaction >90%
- Hybrid client engagement – in-person and digital delivery of thought-leadership content
- Launch of new secure IFA portal

Strengthening operational resilience

Delivering long-term investment outperformance

Developing our global footprint

Championing active corporate citizenship

- Holistic approach to education
- Conscious focus on food security
- Active engagement with industry peers, SA Inc. and government to improve operating environment

- Comprehensive range of solutions that meets the needs of our global clients
- R50 billion in global AUM
- First place in the 2022 ICGN Global Stewardship Disclosure Awards

To deliver superior long-term investment outperformance for the benefit of all stakeholders

OUTCOMES

- Long-term investment out-performance
- Launch of secure IFA portal
- CFA outcomes
- Launch of Coronation innovation hub
- Migration of Pooled Portfolios from JPMorgan to Intembeko
- Migration from Saleslogix to Salesforce for our retail business-to-business operation

- Employee turnover: 4.3% is well below industry average
- Diversity and inclusion
  › 80% of our Board of Directors ⟩ ARE BLACK
  › 64% of our employees
  › 51% of our employees ⟩ ARE FEMALE
  › 50% of our Board of Directors
- Performance-based remuneration outcomes

- 100% of fund management earnings paid as dividend[2]
- Strong equity position
- Our variable expenditure model protected earnings in downward market cycle

[2] FMEPS down 4% excluding impact of tax matter

- Carbon footprint results (erosion) and carbon neutrality
- Further embedded our corporate sustainability reporting
- Continued engagement with investee companies on key environmental issues

- B-BBEE Level 1 contributor
- Stockbroker support initiative
- IFA initiatives
- Consumer financial education
- Education CSI initiatives
- External training initiatives

STAKEHOLDER VALUE

	Clients	Shareholders	Our people
Intellectual	+	+	+
Human	+	+	+
Financial	I	−	−
Natural	+	+	+
Social & Relationship	+	+	+

⊕ Value creation   ⓘ Value preservation   ⊖ Value erosion