



# 2024 Reviewed Annual Results

FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 November 2024

Anton Pillay, CEO

Mary-Anne Musekiwa, CFO

CORONATION

TRUST IS EARNED™



# Agenda

- + Economic & market overview
- + Business update
- + Financial update
- + Closing comments
- + Questions
- + Annexure

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# Economic & market overview



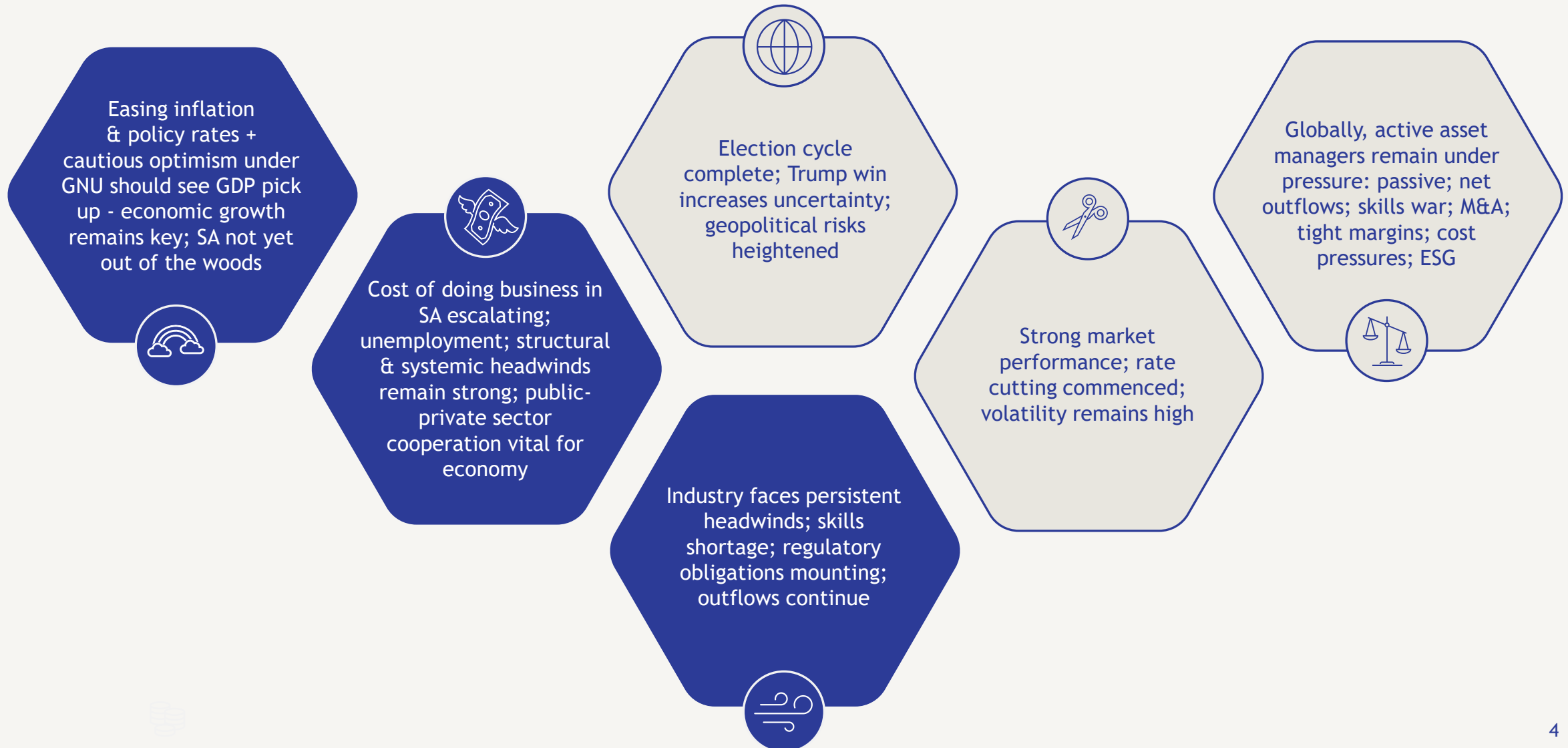
**30** *Years of Earning Trust*

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# Some relief... but strong headwinds continue



... VOLATILITY & UNCERTAINTY UNLIKELY TO ABATE





# Business update



**30** *Years of Earning Trust*

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# Coronation is a resilient & sustainable business



## FINANCIAL RESULTS ENCOURAGING IN A TOUGH OPERATING ENVIRONMENT

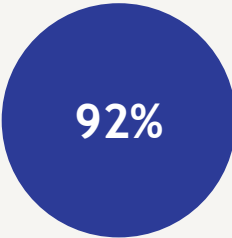
Assets under management <sup>1</sup>	↑	11%	R667bn
Revenue	↑	7%	R3.9bn
Expenses excl. impact of SARS matter	↑	8%	R2.2bn
FMEPS excl. impact of SARS matter <sup>2</sup>	↑	9%	402.9 cps
Interim & final dividend declared	↑	150%	413.0 cps



B-BBEE contributor<sup>3</sup>



Employee owned



Outperformance of benchmarks<sup>4</sup>



Special dividend

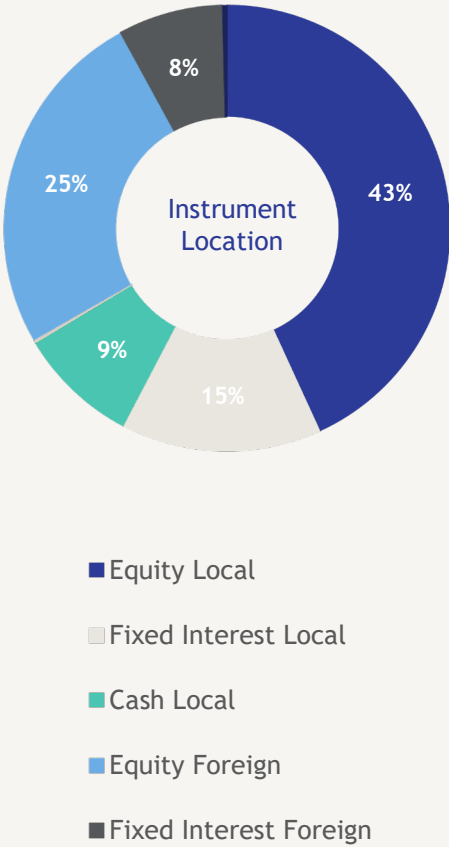
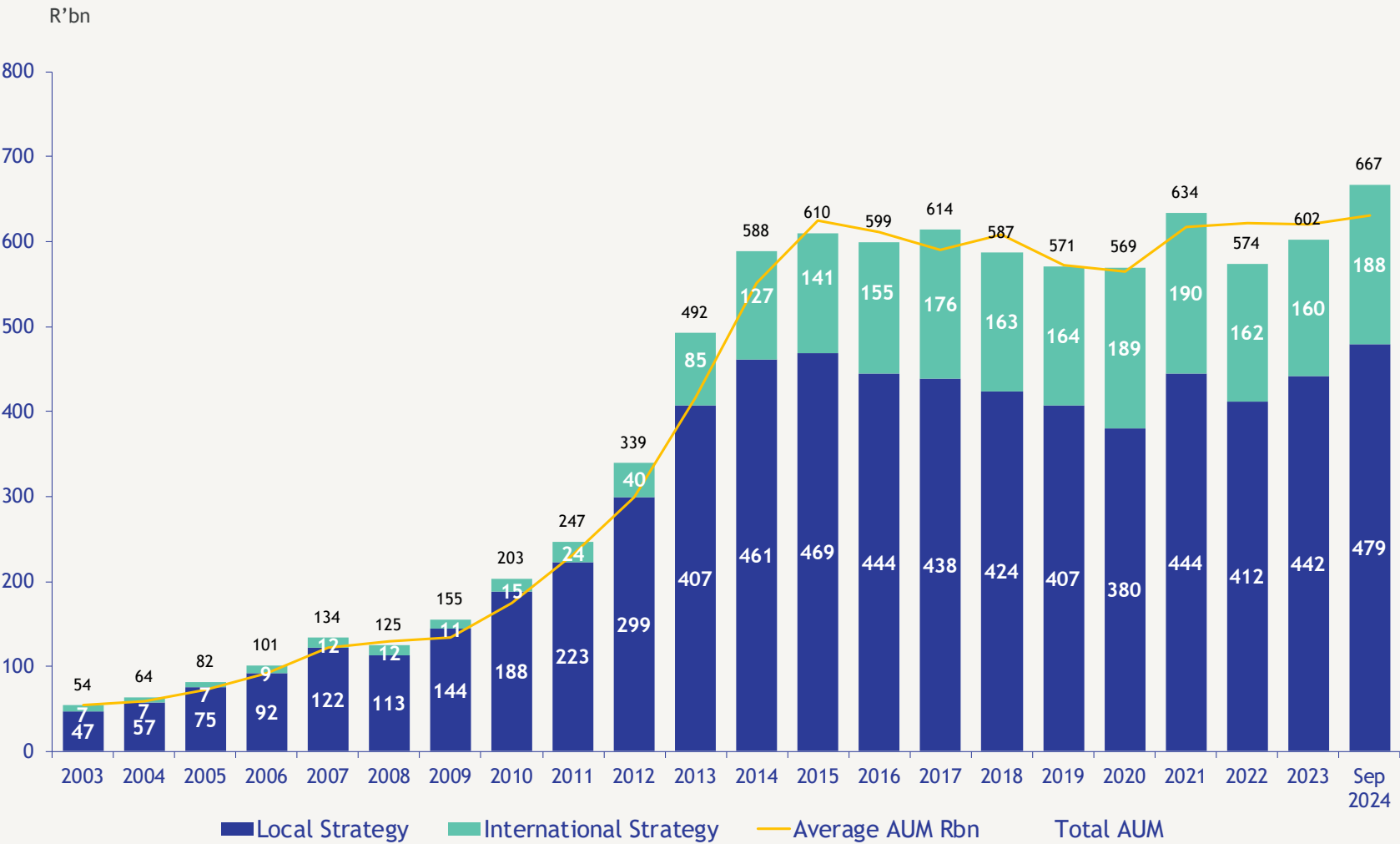
<sup>1</sup>Average AUM increased 2% to R631bn | <sup>2</sup>FMEPS are 617.1 cents per share, including the impact of SARS tax matter

<sup>3</sup>As measured by the Financial Sector Code | <sup>4</sup>Company-wide, asset-weighted, since-inception for funds with a 10-year+ track record

# AUM reflects our resilience



CONSISTENT INVESTMENT PHILOSOPHY & ESTABLISHED TEAM PROVE THEIR VALUE

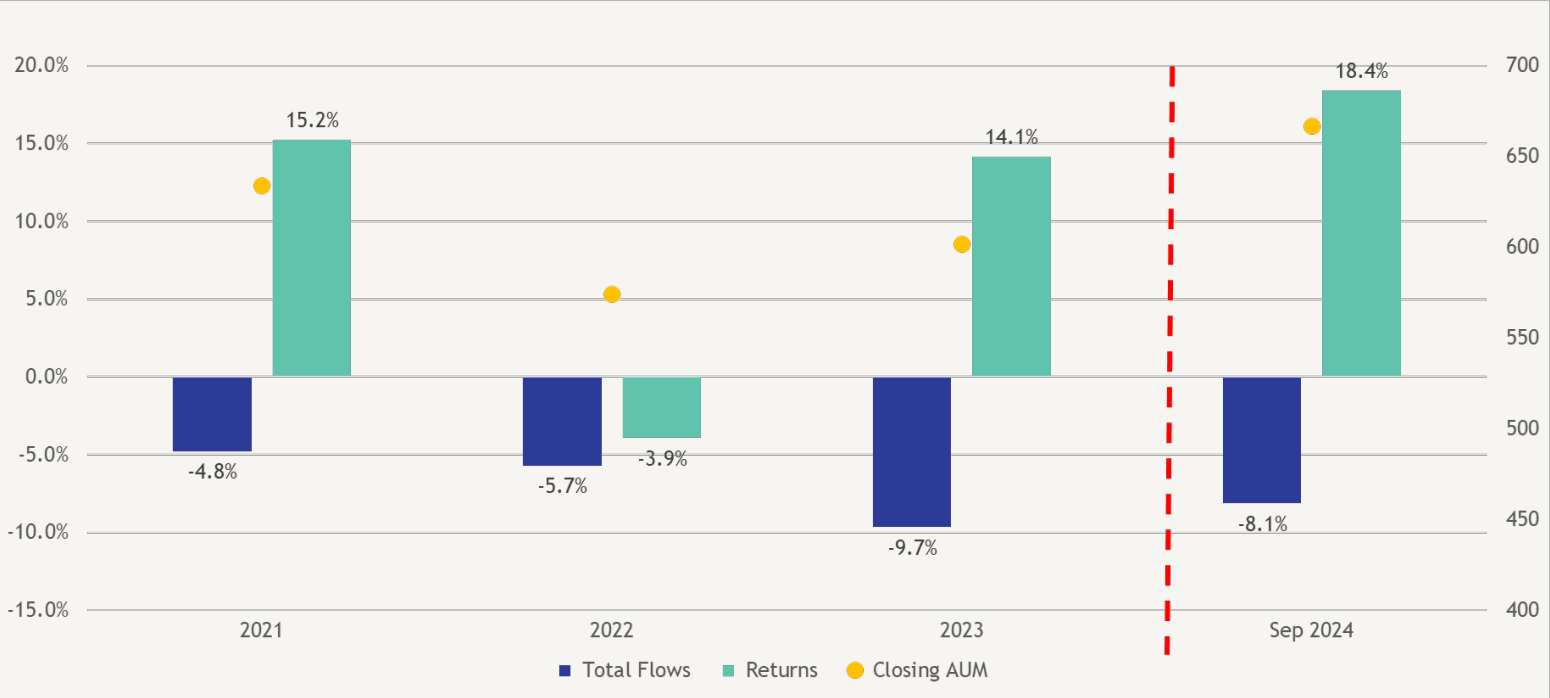


Source: Coronation

# Outflows continue to mirror the savings industry



POOR SA ECONOMY, OFFSHORE ALLOCATION & CLIENT PORTFOLIO REPOSITIONING



## CONTRIBUTION TO NET CLIENT FLOWS



Note: Net client flows and returns expressed as a percentage of average AUM  
Source: Coronation



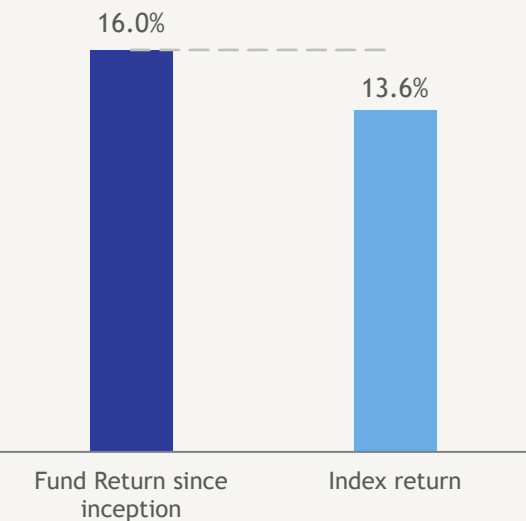
# Multi-decade outperformance from local strategies



## EXCELLENT LONG-TERM ALPHA FROM LOCAL PORTFOLIOS

### Houseview Equity Strategy 31-year track record

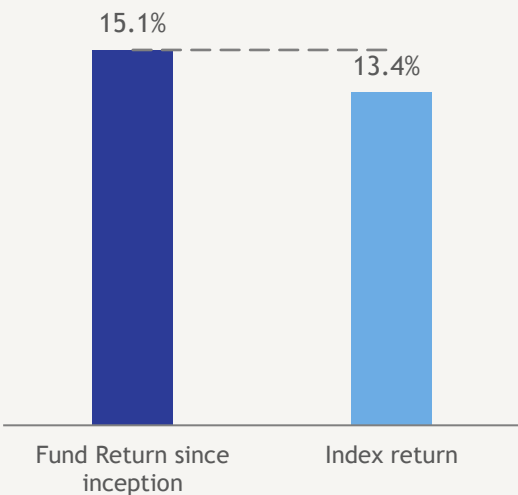
Annualised alpha of 2.4% since inception



- Active since October 1993
- Index: FTSE/JSE SWIX | FTSE/JSE Capped SWIX from 1 May 2017

### Global Houseview Strategy 31-year track record

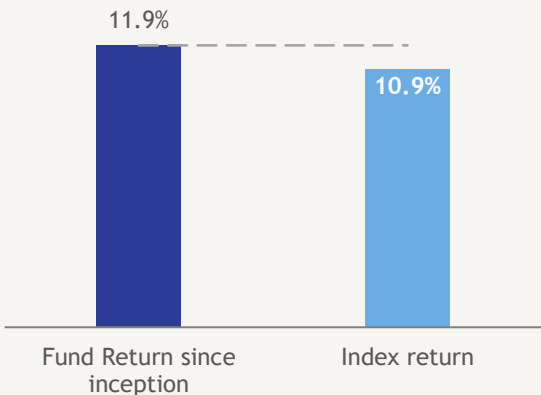
Annualised alpha of 1.7% since inception



- Active since September 1993
- Index: Quantitative benchmark<sup>1</sup>

### Bond Fund 27-year track record

Annualised alpha of 1.0% since inception



- Active since August 1997
- Index: FTSE/JSE All Bond Index

Notes:  
All performance numbers since fund inception, gross & ZAR | Annualised as at 30 September 2024  
<sup>1</sup>40% Capped SWIX | 27.5% ACWI | 7.5% Barclay Aggregate Bond Index | 17.5% ALBI | 5.0% STeFI | 2.5% ALPI  
Source: Coronation

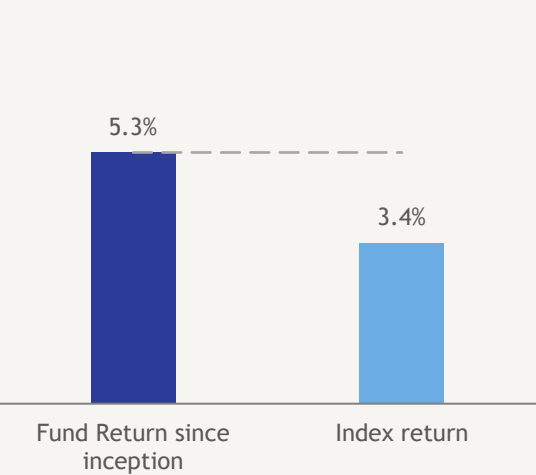
# Multi-decade outperformance from global strategies



>15-YEAR TRACK RECORD WITH LONG-TERM ALPHA

## Global Emerging Markets Equity Strategy 16-year track record

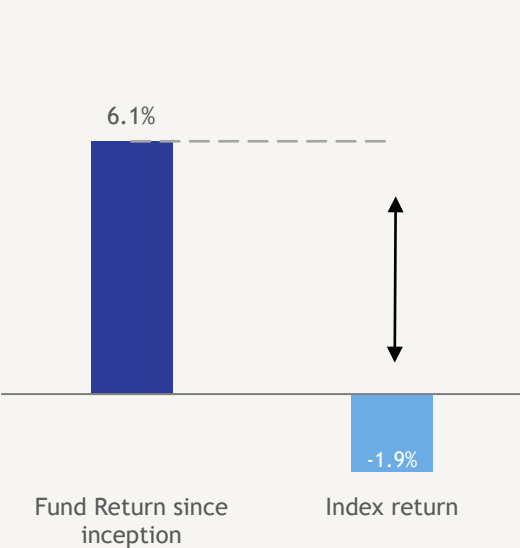
Annualised alpha of 1.9% since inception



- Active since July 2008
- Index: MSCI GEM

## Africa Frontiers Strategy 16-year track record

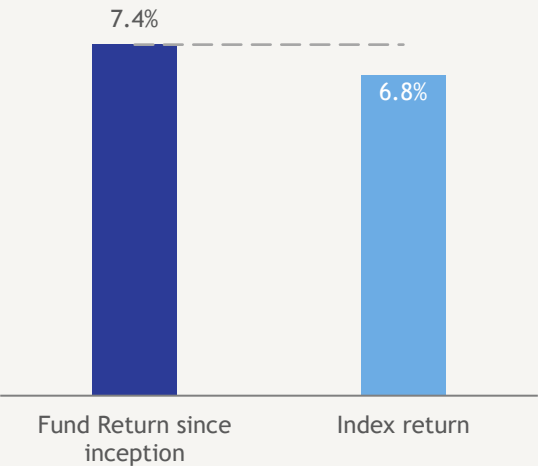
Annualised alpha of 8.0% since inception



- Active since October 2008
- Index: FTSE/JSE Africa ex-SA

## Global Multi-Asset Strategy 15-year track record

Annualised alpha of 0.6% since inception



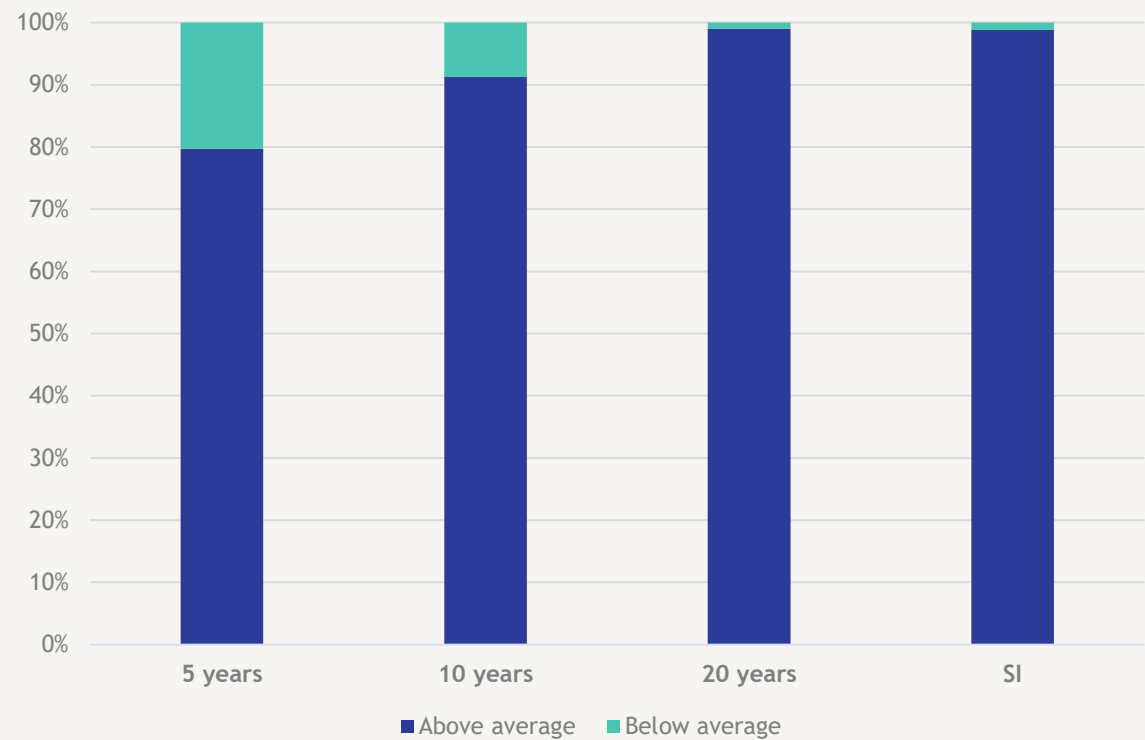
- Active since November 2009
- Index: 60% MSCI ACWI & 40% Bloomberg Barclays Global Aggregate Bond TR Unhedged USD

# Exceptional long-term outperformance

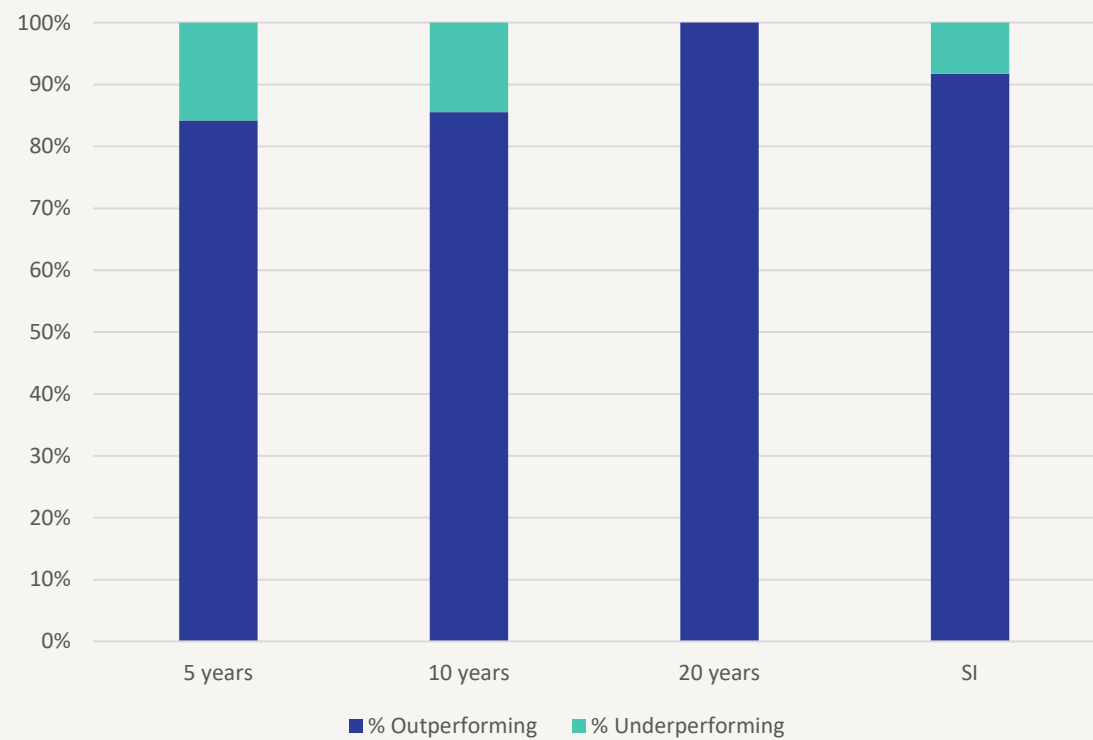


## SINGULAR LONG-TERM INVESTMENT FOCUS

RETAIL CLIENT ASSETS <sup>1</sup>



INSTITUTIONAL CLIENT ASSETS <sup>2</sup>



<sup>1</sup>Asset-weighted performance of 19 funds representing 97% of rand-denominated CIS funds; four specialist funds with less than five comparable funds in category and two new funds launched during the financial year excluded.

Source: Morningstar using primary share classes & formal ASISA categories for all funds (excl. Global Managed, compared to Global - MA - Flexible & High Equity Categories combined, Market Plus, compared to SA - MA - Flexible and Capital Plus, compared to SA - MA - Moderate Equity).

<sup>2</sup>On an asset-weighted basis; since inception figure for strategies with a 10-year+ track record  
Source: Coronation

# A homegrown investment firm with two decades of global coverage



ONE OF SA'S ONLY FULLY-INTEGRATED GLOBAL INVESTMENT FIRMS... WITH OVER 30 YEARS OF INVESTMENT EXPERIENCE

## LOCAL INSTITUTIONAL CLIENTS

- + Manage a meaningful share of SA's savings industry, across a wide range of products
- + Our integrated global approach allows for unique solutions to meet client needs
- + Well positioned & resourced to deliver excellent client service

## GLOBAL INSTITUTIONAL CLIENTS

- + Spread of institutional clients across the globe
- + Established team & products positioned to deliver outperformance
- + Broadening networks & products to meet evolving client needs

Total institutional AUM

**R373bn**

Southern African AUM

**R322bn**

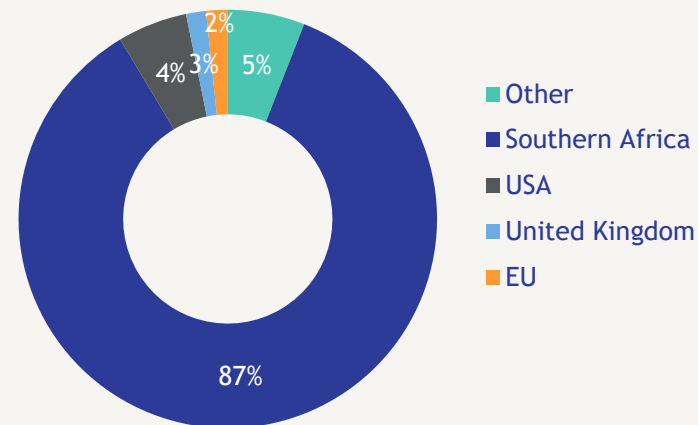
Global AUM

**R51bn**

## KEY FOCUS AREAS

- + Enhanced communications with a diverse content mix
- + Retention & expansion of client base
- + Relationship building & collaboration
- + Ensure relevant product offering
- + Comprehensive sustainability reporting in line with global best practice

AUM BY CLIENT LOCATION<sup>1</sup>



<sup>1</sup>May not add up to 100% due to rounding

# A leading manager of SA's retirement savings & investments



OUR CLIENTS ARE AT THE CENTRE OF OUR BUSINESS

## 2024 SNAPSHOT

- + Multi-decade long-term outperformance continues
- + South African consumers remain under pressure & unemployment is high, regardless of easing policy rates
- + Real compensation, avg;  $y/y^1 = -0.4\%$
- + Long-term & fixed income domestic-biased funds' NCCF in line with industry experience
- + International funds' NCCF lagged the overall industry experience
- + Enhanced product range
  - Listed 7 AMETFs
  - Corporate money market fund
  - 2 niche fixed-income funds

## KEY FOCUS AREAS

- + Ensure the business is resourced to deliver long-term investment & client service alpha
- + Strong focus on client engagement via digital channels & in-person events
- + Direct adviser & client online services provide a seamless, world-class experience for IFA's & direct investors
- + Enhanced awareness of offshore funds & integrated global capability
- + Continue to leverage existing capabilities to ensure appropriate products

Total retail AUM  
**R294bn**

Coronation Global Capital Plus <sup>2</sup>  
**Raging Bull  
Award**

Entered the listed market with the  
launch of  
**AMETFs**

<sup>1</sup>Real compensation measures total income from wages, salaries, bonuses & overtime, adjusted for inflation; Source SARB; Stats SA (Q2-24)

<sup>2</sup>Best (FSCA-Approved) Offshore Global Asset Allocation Fund on a Risk-Adjusted Basis

# We are active owners & a responsible business



STEWARDSHIP IS AT THE HEART OF OUR INVESTMENT PROCESS & BUSINESS OPERATIONS

## Investment approach

- + Focus on the long-term sustainability, prospects & intrinsic value of investee companies
- + Support the move to a greener, more sustainable & equitable world
- + Integrate | Engage | Collaborate - built into investment process
- + Preference for active ownership to encourage on-the-ground change
- + 6<sup>th</sup> annual Stewardship Report published
- + Disclose carbon footprints of key equity portfolios

## Corporate approach

- + Oversight by Board & Exco
- + Continuous education & engagement
- + Enhanced sustainability reporting based on best-practice framework
- + 5<sup>th</sup> Operational Carbon Footprint Report & 3<sup>rd</sup> Sustainability Report to be published in December 2024



Active owners exercising  
voting rights



Responsible citizenship  
in a time of crisis



Driving good corporate  
governance



Tackling climate change



Sustainability reporting



Diversity, equity &  
inclusion

Note: Stewardship figures are for the 2023 calendar year

# Meaningful social impact with a focus on education

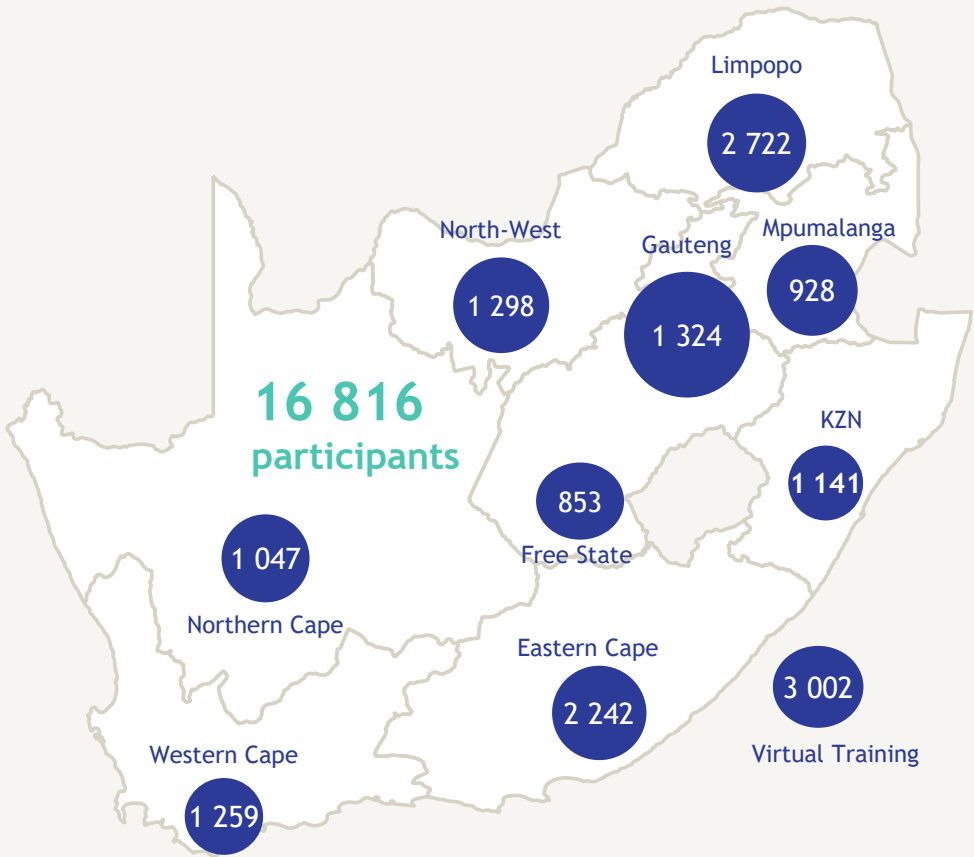


EDUCATION & ENTREPRENEURSHIP ARE THE FOUNDATION OF A PROSPEROUS & INCLUSIVE ECONOMY

## EDUCATION SUPPORT

>250	Students awarded study opportunities
138 219	Participants benefited from CFE workshops
96	Internships offered
332 443	Learners

## CONSUMER FINANCIAL EDUCATION



## EDUCATION PROGRAMMES

1 116	Schools
138	Youth trained as teacher assistants and ECD educators
10 622	Educators
5 957	Small-scale farmers

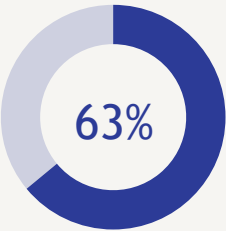
Note: Figures are cumulative & quoted since each programme's inception up to and including 2024, unless stated otherwise.

# Diversity, equality & inclusion are embedded in our business

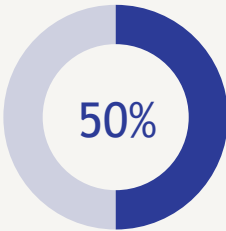


## OUR TALENTED PEOPLE ENSURE THE SUSTAINABILITY OF OUR BUSINESS

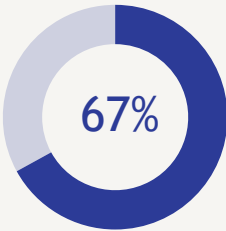
### RACE



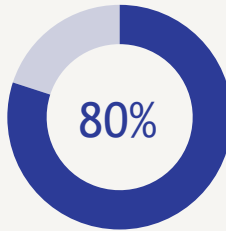
of our employees are black



of our SA investment team leaders are black



of our executive committee are black



of our Board members are black

### GENDER



50%

of our employees are women



64%

of our new hires are women



60%

of our interns are women



50%

of our Board members are women

31%

black owned

42%

R278bn AUM managed by black investment professionals

3

Board sub-committee chairpersons are women

R460m

to train, grow & support black-owned brokerages

252

black IFA practices supported via the ASISA IFA Development Programme

53

black analysts trained via bespoke training academies

**Notes:**  
AUM & ownership as at 30 September 2024; ownership as per the FSC scorecard  
South Africa-based employees as at FY-end, 30 September 2024  
Enterprise development figures as at FY-end, 30 September 2024 & since projects' inception



# Proposed B-BBEE transaction to increase black ownership to 51%<sup>1</sup>



## + Proposed transaction

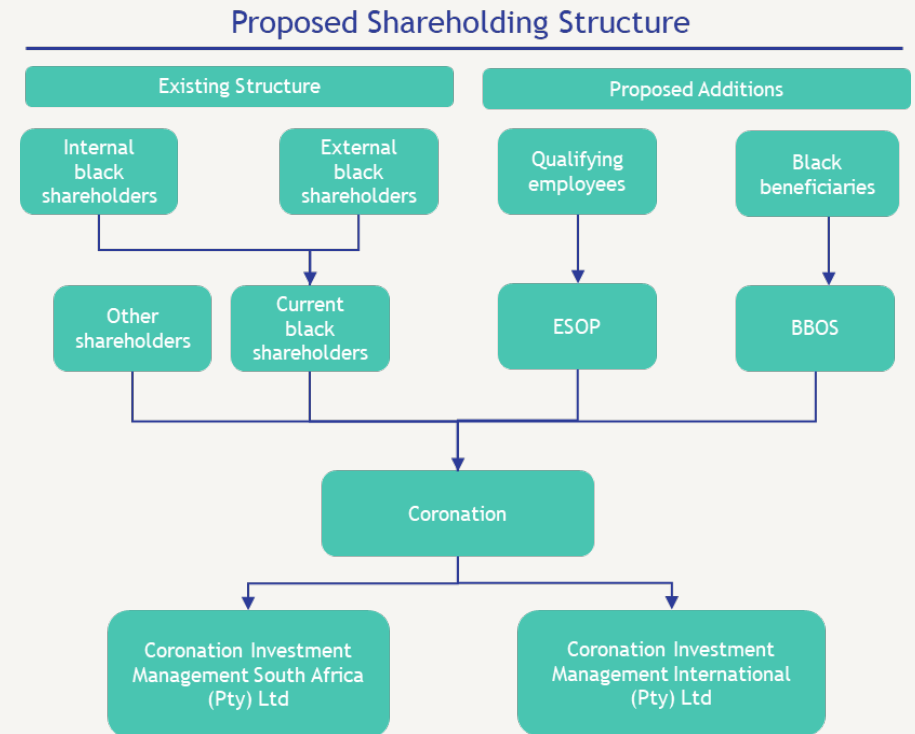
- natural progression in decades-long journey to transform business and industry
- limited impact on current shareholders (dividend & earnings dilution)
- participants benefit via an employee share scheme & broad-based community projects:
  - **The Imbewu Trust:** black employees (81% of the deal), with allocations as follows:
    - (i) 17% general allocation
    - (ii) 58% specific allocation
    - (iii) 25% retained for future black staff
  - **The Ho Jala Community Trust:** 19% to be held by a broad-based scheme for the benefit of charitable organisations
- funded over 10 years via Notional Vendor Finance, trickle dividend payable
- a General Meeting of the shareholders will be held on 28 November 2024
- benefit to all stakeholders in the business - shareholders, clients, employees & society

## + Increased focus on transformation; especially ownership

- government & regulators, e.g., Financial Sector Code amendments
- asset owners actively driving transformation (government & private sector mandates)

## + Ensuring the competitive sustainability of our business

- positions the business well for the future by opening potential revenue streams through access to opportunities that would otherwise not be available to Coronation
- can strongly defend existing AUM &, consequently, the value of the business
- increased employee shareholding in the business, further aligning employees with the interests of clients & shareholders
- Ho Jala Community Trust provides the opportunity to benefit society via Public Benefit Organisations & charities



<sup>1</sup>Measured in accordance with the B-BBEE Codes of Good Practice



# Financial update



**30** *Years of Earning Trust*

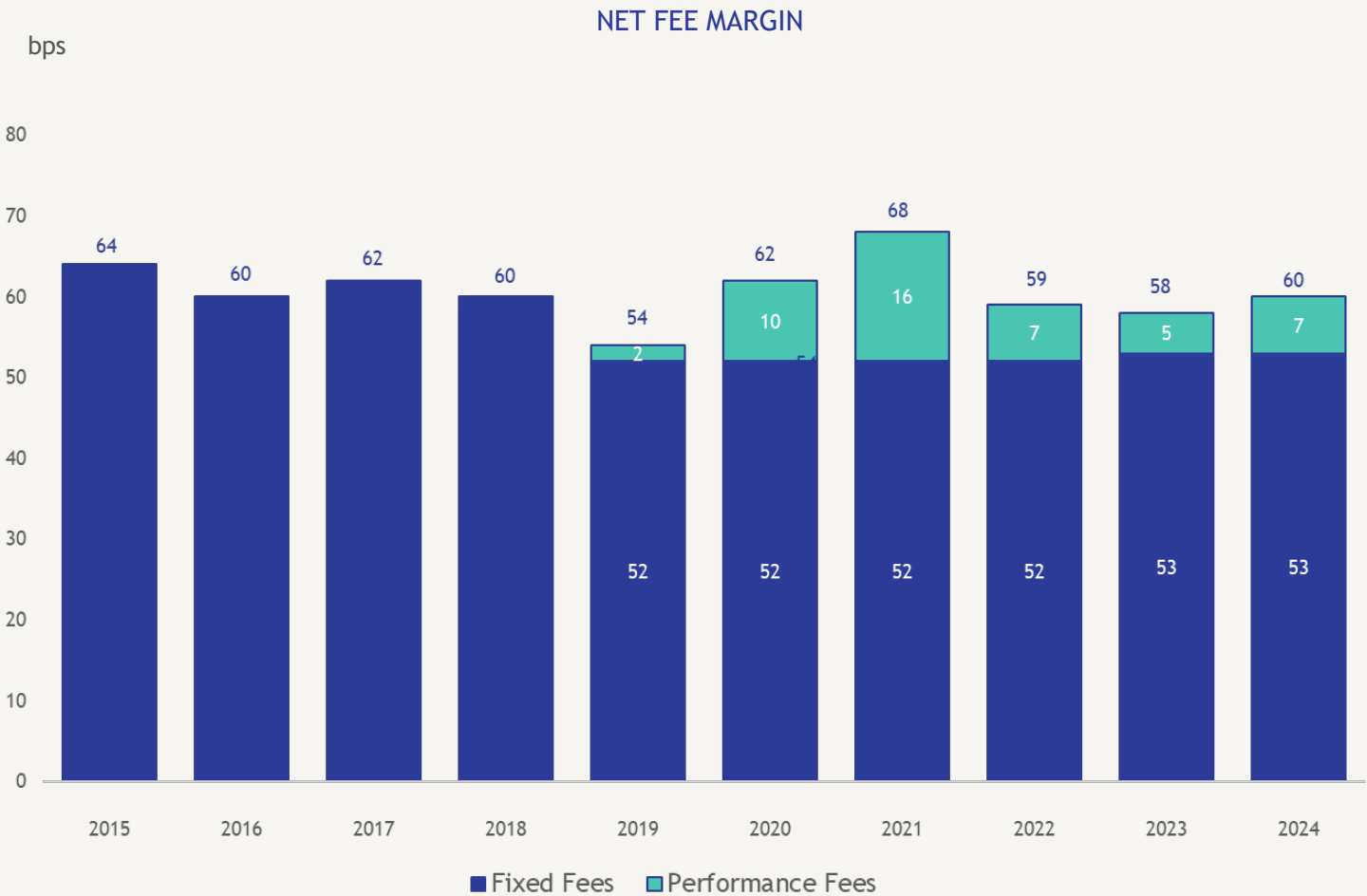
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# Stable fixed fee margin over time



## RESILIENCE IN TURBULENT MARKETS

	Change	Sep 2024	Sep 2023
Revenue from fund management	7%	R3 913m	R3 647m
Management fees	3%	R3 440m	R3 353m
Performance fees	61%	R473m	R294m



# Total expenses...continue to invest in the business

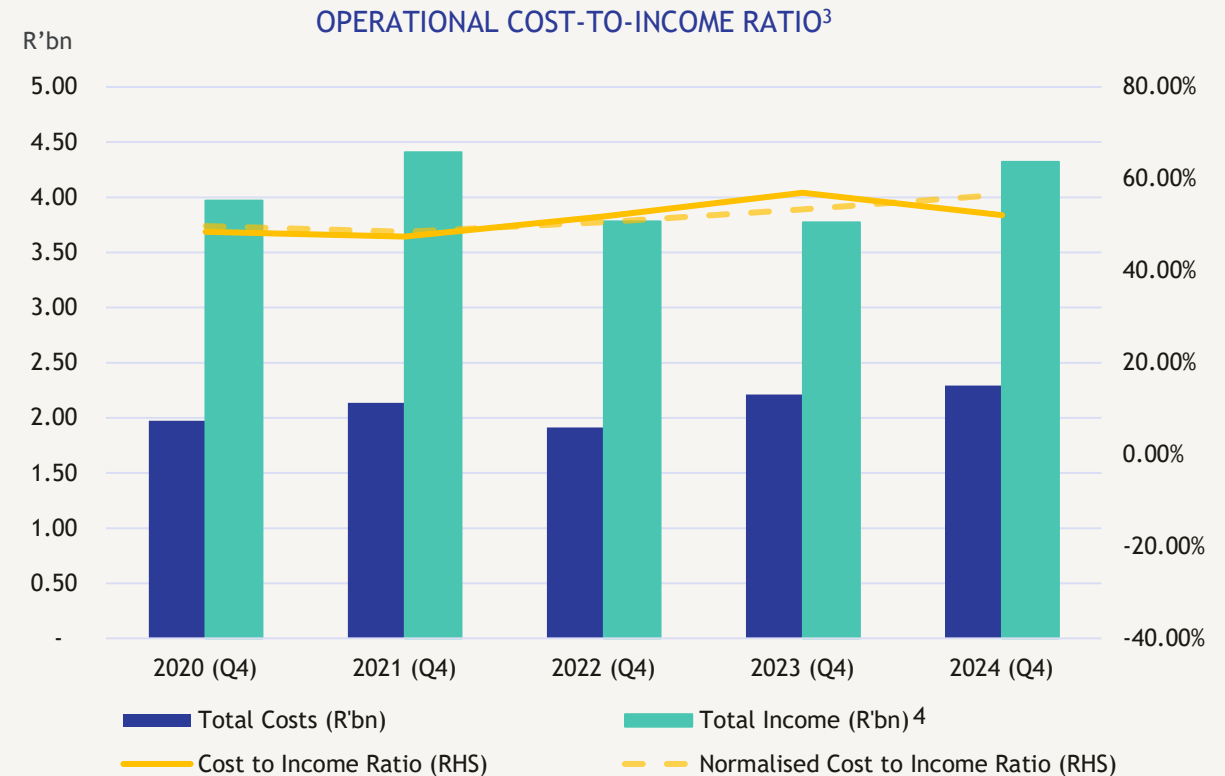


## FOCUSED & RESPONSIBLE MANAGEMENT OF FIXED EXPENSES

	Change	Sep 2024	Sep 2023
Total operating expenses	5%	R2 255m	R 2 154m
Major components:			
Fixed expenses	10%	R1 026m	R933m
Variable expenses <sup>1</sup>	19%	R1 209m	R1 019m
SARS tax matter related interest <sup>2</sup>	-	-	R200m
Total operating expenses excl. SARS tax matter related interest	8%	R2 176m	R2 014m

<sup>1</sup>Includes distribution expenses of R51m

<sup>2</sup>Prior year includes tax & interest relating to years of assessment from 2012 to FY 2023



	Change	Sep 2024	Sep 2023
Cost-to-income ratio <sup>3</sup>	8%	56.6%	52.3%

<sup>3</sup>Excl. non-operational fair value gains/losses & impact of SARS tax matter

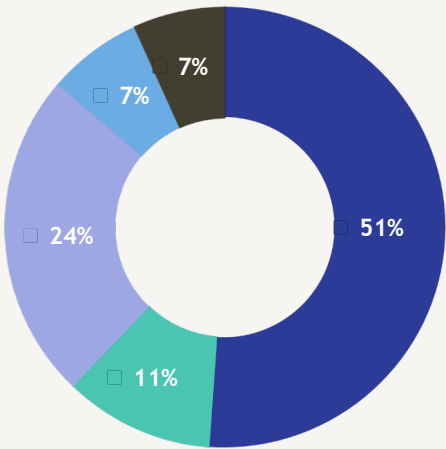
<sup>4</sup>Total income excl. non-operational fair value gains and losses

# Fixed expenses well managed in an inflationary environment



CONTINUED TO INVEST IN LOCAL & GLOBAL INVESTMENT CAPABILITIES, IT & IS, DATA MANAGEMENT, COMPLIANCE, CLIENT SERVICE & TALENT

	Change	Sep 2024	Sep 2023
Total fixed expenses	10%	R1 026m	R933m
Employee expenses	8%	R525m	R484m
Information systems & technology	10%	R247m	R224m
Other	13%	R254m	R225m



- Employee costs
- Professional fees
- Information systems & technology
- Other business
- Marketing

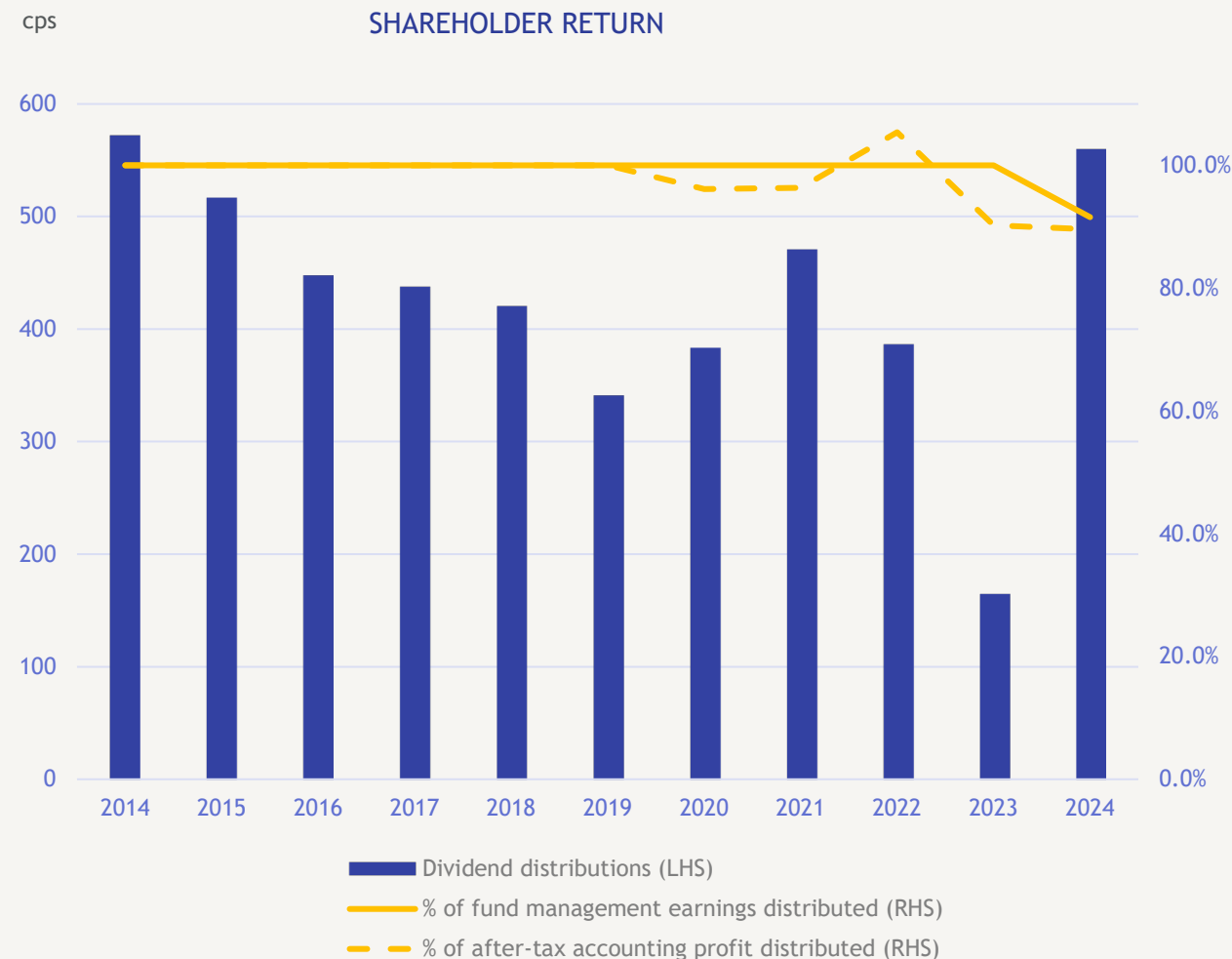
	Sep 2024	Sep 2023
Employee complement	336	348

# Well-capitalised & sustainable business



REMAINS A HIGHLY CASH-GENERATIVE BUSINESS WITH SIGNIFICANT CAPITAL RESERVES

	Sep 2024	Sep 2023
Cash	R1 429m	R1 141m
Investments (seed capital)	R708m	R639m
Total liquid assets as per capital adequacy requirements	R1 648m	R1 135m
Capital surplus	R1 190m	R742m
DPS (cents) (Interim & Final)	413.0	165.0
Interim dividend	185.0	-
Final dividend	228.0	165.0
Special dividend <sup>1</sup>	153.0	-





# Closing comments

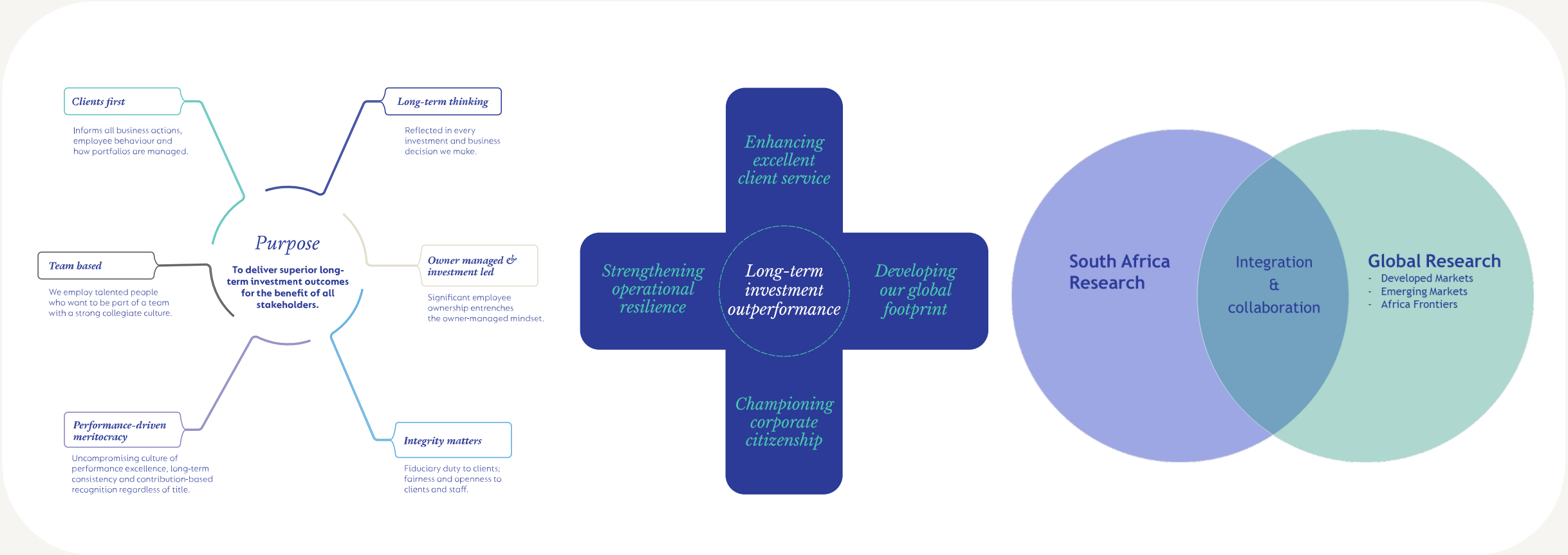
**30** *Years of Earning Trust*

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# In a volatile world, our purpose & culture keeps us focused on clients



OUR STAKEHOLDERS BENEFIT FROM OUR FULLY INTEGRATED GLOBAL INVESTMENT TEAM & ACTIVE STOCK SELECTION





# Resilient business with unwavering focus on long-term outperformance



Excellent positioned to build wealth for our clients in a competitive & complex global context



The US election results introduced more uncertainty; economic & geopolitical conditions fluid; markets continue to offer opportunities for active asset managers



Compelling, multi-decade alpha across our strategies demonstrates the value of an integrated global team implementing deep research & active asset allocation + stock selection



Sustainable & agile business ... year of increased activity & substantial investment in our business & people



Maturity, size & scale of business position us well to come through the cycle strongly; we continue to deepen our stewardship activities



We positively impact SA society through active corporate citizenship & social investment initiatives

*Long-term outperformance remains the true measure of our ultimate success... on behalf of our clients & stakeholders*



# Q&A



**30** *Years of Earning Trust*

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# Thank you

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# About Coronation Fund Managers

- + We are an established SA business with a 31-year track record of delivering alpha for our clients
- + Founded in Cape Town, South Africa, in 1993 with zero assets under management
- + Listed in 2003
- + 29% employee owned
- + An independent fund manager with no safety net of in-house assets or shareholder of reference
- + Singular focus on asset management, outsourcing non-core components of business
- + An active manager with a long-term valuation-driven investment approach
- + A single fully integrated global investment team & process
- + SA-based business with offices in Cape Town, Johannesburg, Durban, Pretoria, London & Dublin

# Capital markets



Economic group	3 months	6 months	12 months
All Share (ZAR)	9,61%	18,58%	23,93%
CAP1	9,62%	18,62%	23,97%
Resources	-1,49%	2,07%	3,43%
All Property	19,14%	25,93%	50,97%
Industrials	11,64%	17,45%	25,14%
Financials	14,33%	32,52%	39,85%
USD/ZAR	5,35%	8,12%	9,59%
AF Money Market/CASH	2,08%	4,22%	8,64%
CPI	0,61%	1,13%	3,85%
Small Cap	15,59%	27,99%	37,48%
MSCI Emerging Markets (USD)	8,72%	14,16%	26,05%
MSCI All Country World Net USD	6,61%	9,67%	31,76%
FTSE/JSE All Africa ex SA 30 Index (USD)	9,79%	10,62%	17,12%
MSCI Frontier Markets NET USD	4,50%	5,18%	15,09%
MSCI World (USD)	6,36%	9,16%	32,43%

\*Alexander Forbes Money Market  
Returns as at 30 September 2024



# Local market indicators

As at 30 September 2024	3 years (p.a.) %	5 years (p.a.) %	10 years (p.a.) %
All Share	14,73%	13,67%	9,41%
All Bond	11,14%	9,84%	9,06%
All Property	15,33%	5,05%	3,07%
AF Money Market	6,91%	6,04%	6,59%
MSCI World (ZAR)	14,13%	16,06%	14,86%
Global Bonds (ZAR)	0,02%	0,56%	4,20%
CPI	5,56%	4,92%	4,94%
USD/ZAR	-4,43%	-2,60%	-4,17%
MSCI Emerging Markets NET ZAR	5,05%	8,57%	8,55%
MSCI ACWI NET ZAR	13,10%	15,19%	14,14%

# Disclaimer

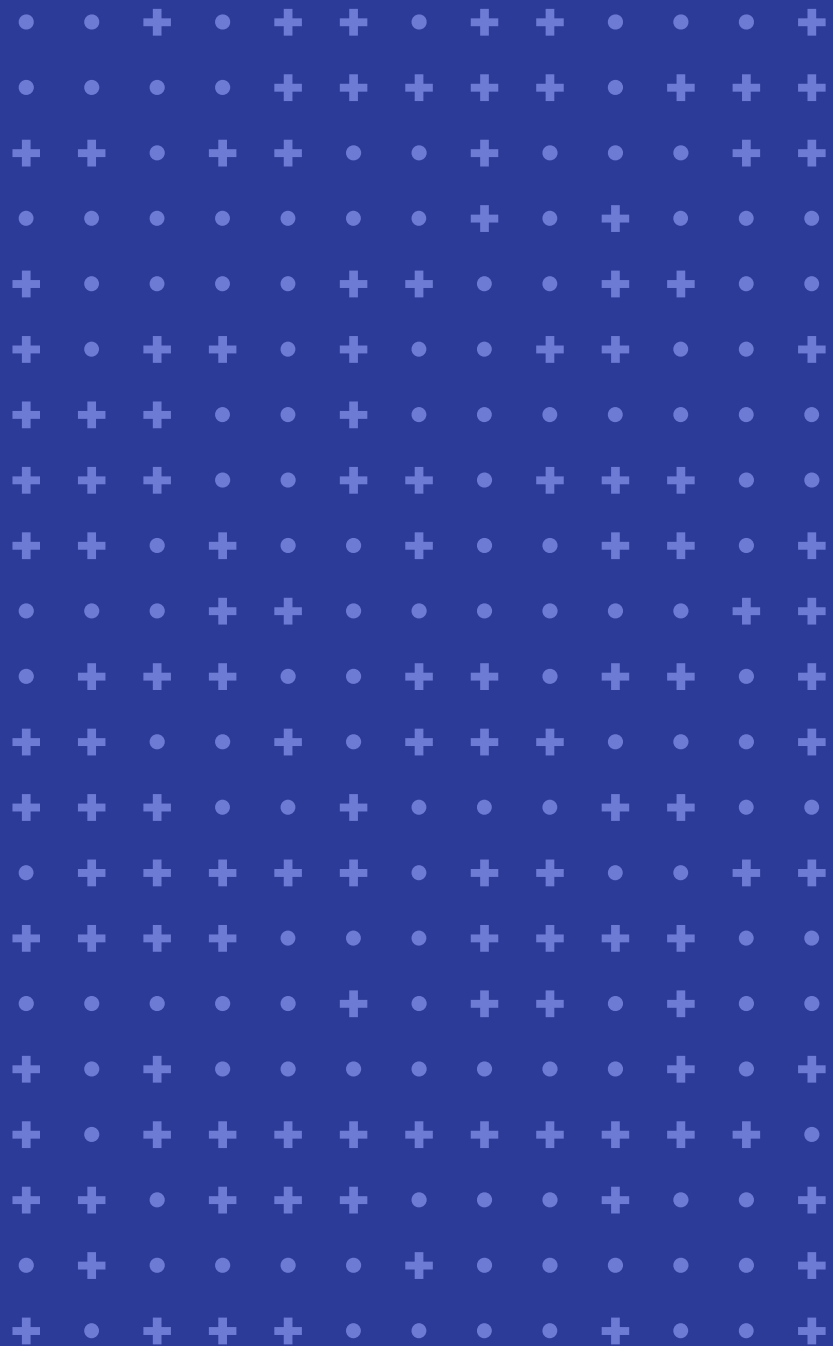
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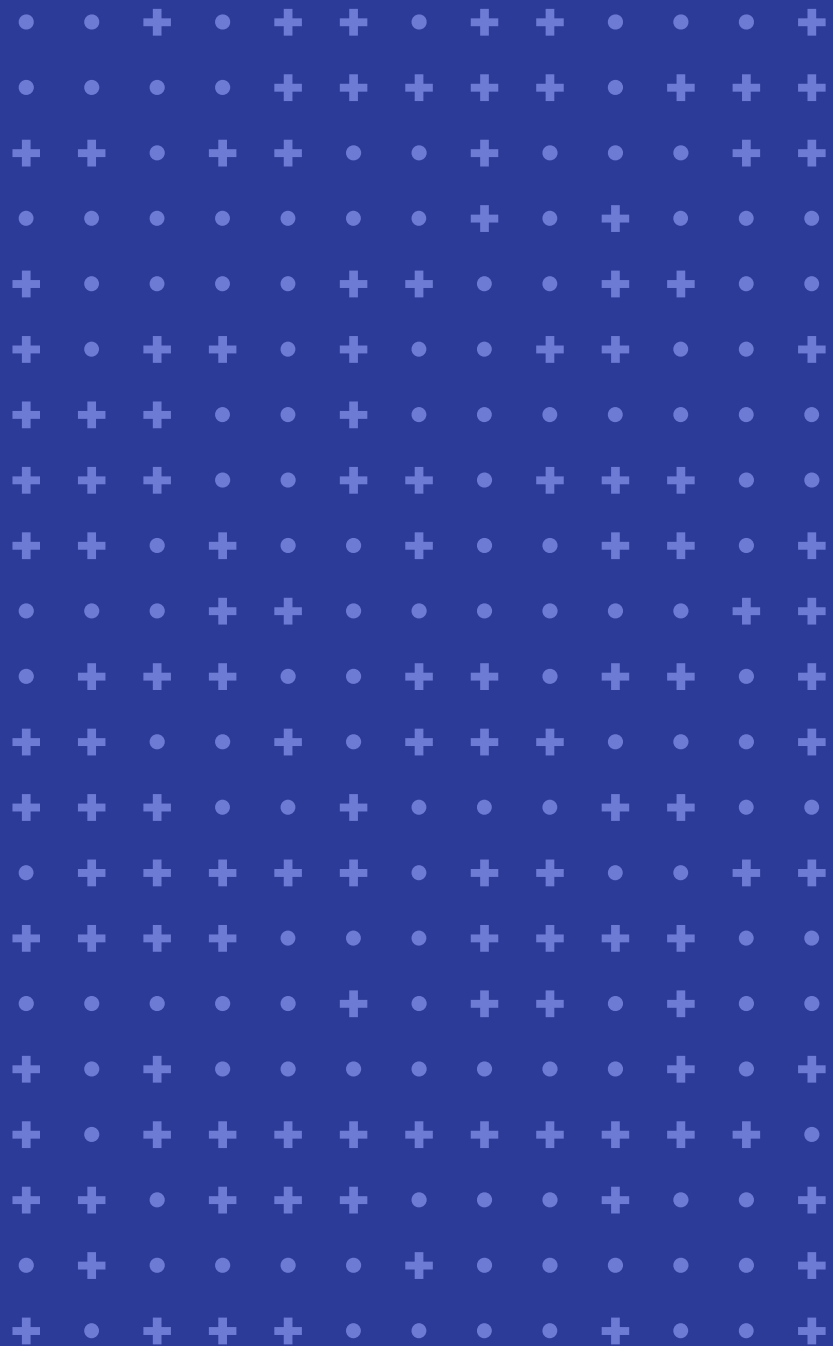


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