# HOW CORONATION CREATES VALUE FOR CLIENTS

*We focus on excellent client service delivered via long-term investment outperformance, integrated stewardship of client assets, and building a transformed and inclusive financial services industry.*

## Our Client Charter

We strive to always put clients first

We have an unwavering commitment to the long term

We focus on producing top performance over all meaningful periods

We are uncompromising about ethics

All our employees commit to the Coronation Client Charter and, as an independent asset manager with no tied assets, we are conscious of the fact that assets under our management can leave us on 24 hours' notice. Putting clients' needs first is key to our sustainability as a business.

Coronation has two primary client markets: institutional clients (South Africa and international); and personal investors (South Africa only). Employees are directly invested in the business and currently own 25% of the Company, while our Remuneration Policy aligns employees with client interests (→ *refer to our Remuneration Policy on page 55*). We strive to protect investment outcomes for clients, as demonstrated by our decision to close our institutional business to new clients in our South African equity and multi-asset class portfolios in 2012. They were subsequently reopened in 2017.

Further, we focus on consistent execution of our valuation-driven investment philosophy; regular fee and benchmark reviews; achieving rigorous client service targets; continuous enhancement of client service platforms and correspondence; and world-class security measures.

We are committed to:

### No window-dressing of returns

- Institutional and retail clients are treated equally
- We were the first asset manager in South Africa to comply with the Global Investment Performance Standards: a set of standardised ethical principles promoting performance transparency and comparability

### Appropriate funds and strategies

- We offer a complete institutional offering across asset classes and geographies
- Our focused range of domestic and international unit trust funds is grouped by investor need

### Fees aligned with client interests

- When determining fees, we make allowance for our long-term ability to outperform the market over meaningful time periods, while also being fair and reasonable to both clients and the business
- As part of this commitment, we continually review fees to ensure they reflect market conditions and offer compelling value to both our retail and institutional clients

CORONATION IS

25%

*employee owned*

## A highly skilled and stable investment team

- A single, integrated global investment team, including 68 well-rounded professionals with the expertise to price for profit across sectors, asset classes and geographies
- On average, team members have 10 years of experience with Coronation
- Three former chief investment officers still actively manage money

## How we deliver investment outperformance

For over a quarter of a century, Coronation has invested its clients' assets according to the same disciplined philosophy. Coronation is an active manager, with a single long-term, valuation-driven investment philosophy. Through extensive proprietary research, we identify mispriced assets trading at discounts to their long-term business value. We are solely focused on assessing the long-term worth of a business and do not change positions based on the near-term earnings outlook, or on recent news flow.

- Our proprietary company research is supported by extensive first-hand scrutiny of potential holdings, including country visits and meetings with management, competitors, industry experts and other information sources.
- Consistent with our long-term investment horizon, we integrate environmental, social and governance (ESG) factors into our investment decision-making. We also engage and collaborate as an active shareholder, enabling us to more deeply understand the drivers of long-term value for companies in our portfolio, address key business risks and promote sound governance, all of which are consistent with our overall investment objectives. (→ *refer to page 18*).
- We manage risk in multiple ways, including requiring higher margins of safety to our valuations, calibrating the size of exposures, diversifying, monitoring various macro drivers and ensuring that risk is appropriately managed at a portfolio level.
- Our investment team has been remarkably stable for the past 10 years when compared to the industry, and we are privileged to have a large and experienced group of professionals with a deep knowledge of industries and asset classes across multiple geographies. We believe our investment strategy benefits from a culture that encourages individuals to challenge one another, making us less prone to error as a result of biases and or faulty assumptions.

We understand that all clients are different, with differing risk budgets and return targets. This is why we offer a complete fund range that includes multi-asset funds and building blocks (single-asset class funds). In this way, clients are empowered to select the fund that best meets their needs at a specific point in time. All clients receive the same investment outcomes in their chosen strategy – no matter their size, or whether they invested directly with Coronation or through their retirement fund or other intermediaries.

In our pursuit of generating long-term outperformance, we are fortunate that the majority of our clients understand this may, from time to time, come at the cost of underperformance in the short term. While these periods may be uncomfortable and testing, we have endured them many times throughout our 26-year history. We therefore know that they are an important part of our compelling and proven long-term investment track record.