

CORONATION



TRUST IS EARNED™



2017 Reviewed *Annual* Results

For the year ended 30 September 2017

Contents

1. HIGHLIGHTS
2. BUSINESS UPDATE
3. FINANCIAL RESULTS
4. CLOSING COMMENTS



Highlights



Annual results highlights

Business delivering credible performance

Excellent long-term investment returns across all core funds

- Of the assets invested with us for periods of 20 years, more than 99% have outperformed their benchmarks

Strong recent performance in difficult market environment – extraordinary level of local and global uncertainty

Increase in total AuM to R614bn as at year-end (average AuM R589bn)

Slowdown in total net outflows for the year to R43.3bn

Continued investment in building a global, world-class asset management company from South Africa

Revenue

R3.9bn

*Diluted headline
earnings per share*

437.5c

*Total dividend
per share*

437.0c



Business update



Coronation continues to deliver sustainable results

Based on long-term focused decision-making

We remain an active manager with a long-term focused valuation-driven investment philosophy.

Our business is cyclical. Revenue is geared to market returns and the outperformance we generate on behalf of clients.

We put clients' interests first – our key focus is on investment outperformance and service excellence.

- Administration changes will be fully implemented in 2018
- Reopened strategies that were closed to new institutional clients for a period of five years
- Participation in regulatory discussions to ensure better outcomes for investors

Continue to engage stakeholders and embrace good corporate citizenship

Transformation

A key strategic focus

Industry-leading transformation across our business

- 54% of our employees are black
- More than 50% of all our employees are female
- 75% of key business executives are black
- 63% of the board of directors are black

Material transformation of our SA-focused investment team

- 3 out of 4 leadership roles are held by black individuals (Head of Fixed Income, Head of SA Equity Research, Head of SA Equity)
- 43% of senior portfolio managers in the team are black

Black-owned

22.9%

as measured by the FSC

60%

of our black employees
are female

75%

of our executive committee
are black

The current environment is challenging

Saving levels of investors impacted by:

- Low economic growth rate, no employment growth
- Low levels of confidence
- Regulatory and policy uncertainty
- Potential impact of further ratings downgrade on economy
- Profound global political and economic changes

Strong market returns

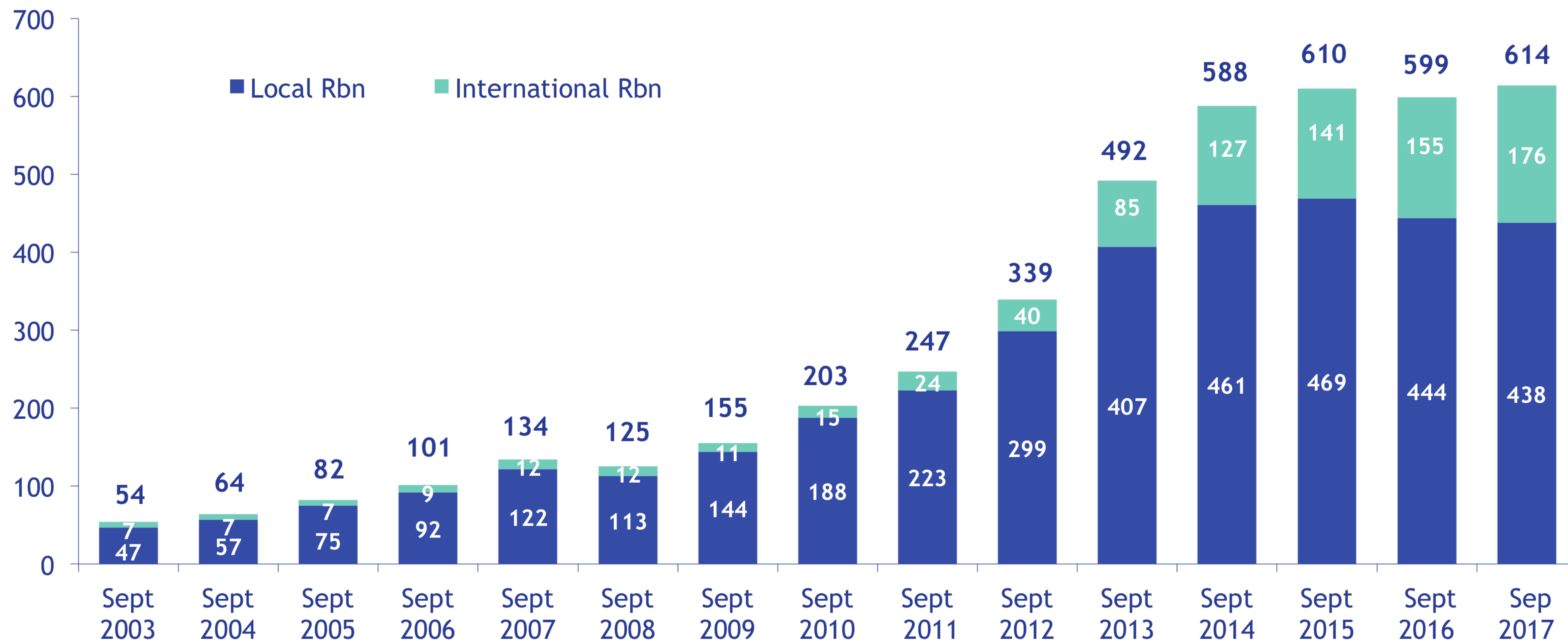
Despite political volatility and uncertainty

	3 months September 2017 %	6 months September 2017 %	12 months September 2017 %
All Share	8.91	8.48	10.22
Resources	17.82	9.51	11.08
Small Cap	3.01	(4.95)	(0.05)
Industrials	7.38	9.75	11.54
Financials	5.13	5.12	6.99
USD/ZAR exchange	(3.58)	(1.01)	1.24
MSCI All Country World Index (USD)	3.18	9.68	18.65
MSCI Emerging Markets Index (USD)	7.89	14.66	22.46

Source: Deutsche Bank

Assets under management increased in current year

Supported by strong capital appreciation and slowdown in net outflows



Local: equity 48.6%; fixed interest and cash 21.0%; other 0.6%
 International: equity 24.8%; fixed interest and cash 4.7%; other 0.3%

As at 30 September 2017

Worldwide manager of institutional client investments

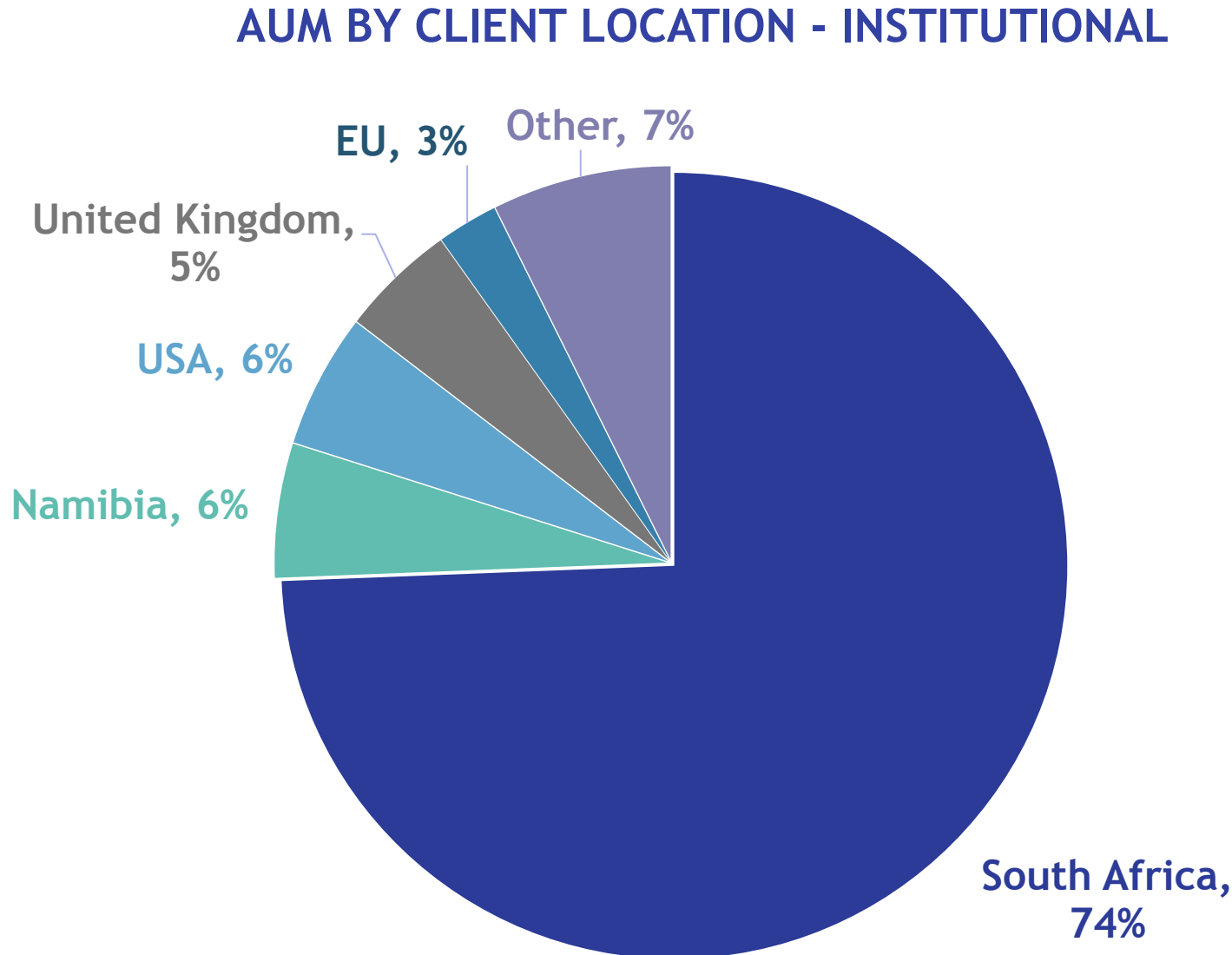
Total institutional client AuM of R376bn

Total institutional client flows significantly declined to R36bn for the year (Sept 2016: R61bn)

Full range of products available to satisfy all our client requirements

Dedicated team servicing clients globally:

- SA team
- International team



Total institutional client AuM of **R376bn**

Local institutional client AuM of **R305bn**

Global institutional client AuM of **R71bn**

Significant manager of institutional assets in SA

SA institutional clients represent R305bn

Total net outflows from SA institutional business of R43.7bn for the year (Sept 2016: R58.1bn)

Local client net outflows affected by:

- SA retirement funds remaining in a net outflow market
- Current poor local economic environment
- Closure to new institutional investors in our biggest SA product categories for past five years

Focused engagements to ensure positive client outcomes:

- Re-opening of some of our top-performing portfolios has been positively received by clients
- Complete and easily understandable range of solutions
- Cap on hedge fund performance fees – a global industry first

Global institutional franchise

Over past decade we have made great strides in growing our global franchise, which now comprise R71bn in assets under management

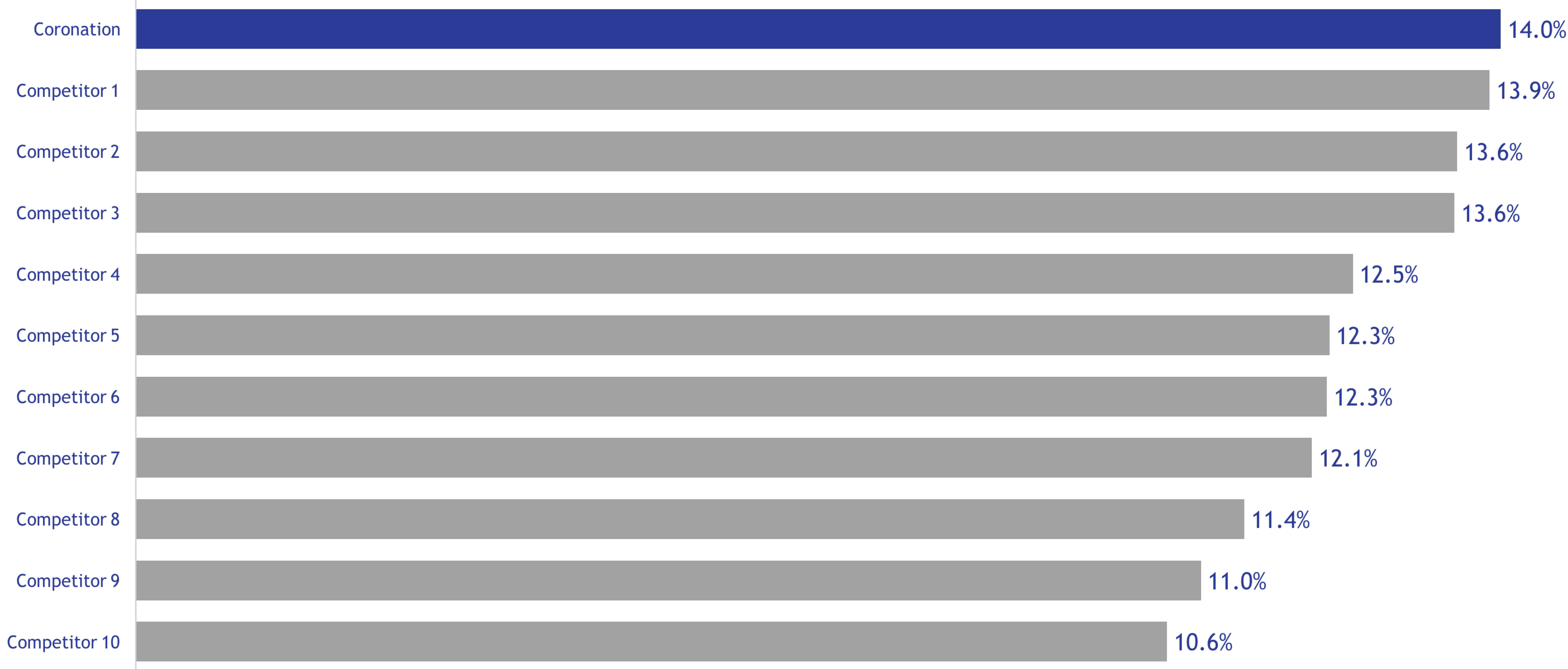
- Continued support from international clients with inflows of R7.4bn for the 12-month period
- We are enhancing our relationships with global asset allocators, mainly in our Global Emerging Markets Equity and Global Managed strategies

We are building the track records of our Global Equity and Global Frontiers strategies

A compelling business in its own right and growing this franchise will be a key focus going forward

Global Houseview

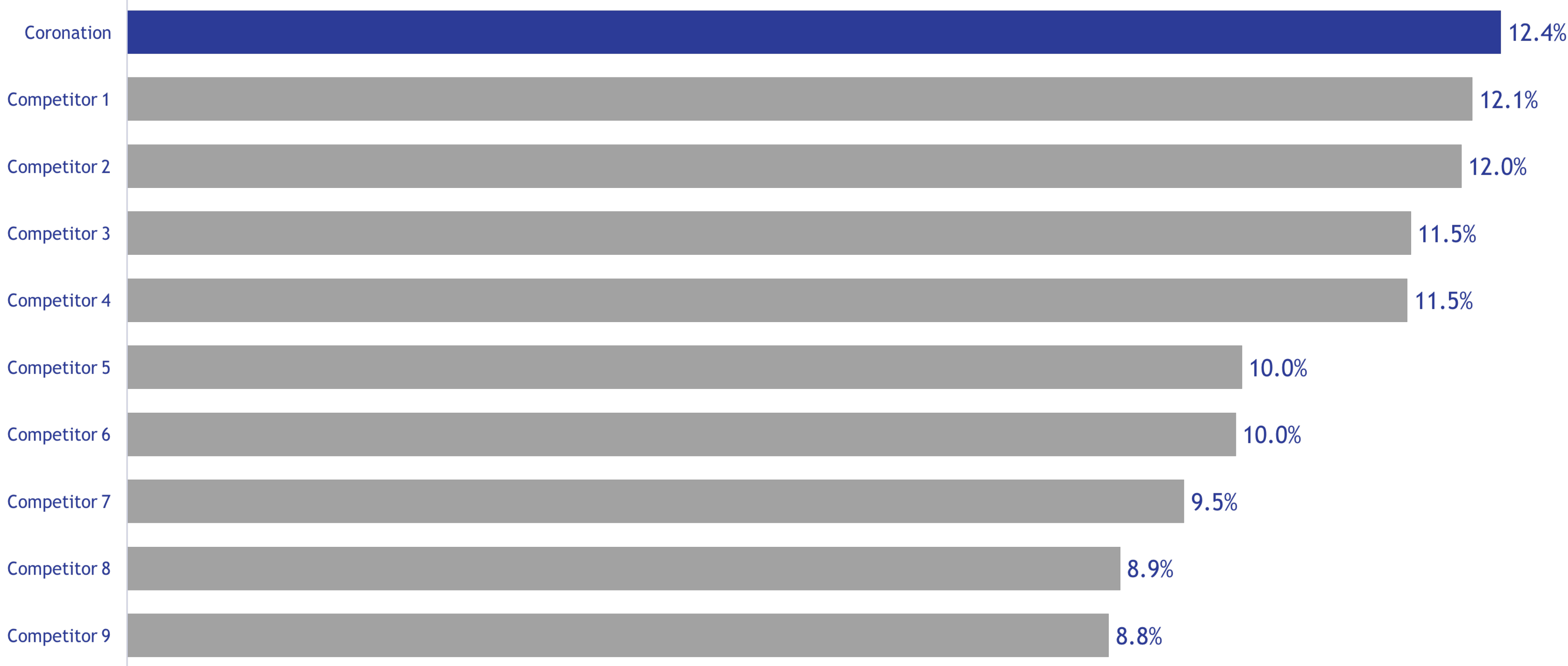
Compelling long-term performance (5 years)



Source: Alexander Forbes Global Large Manager Watch™ Survey to 30 September 2017

Global Houseview

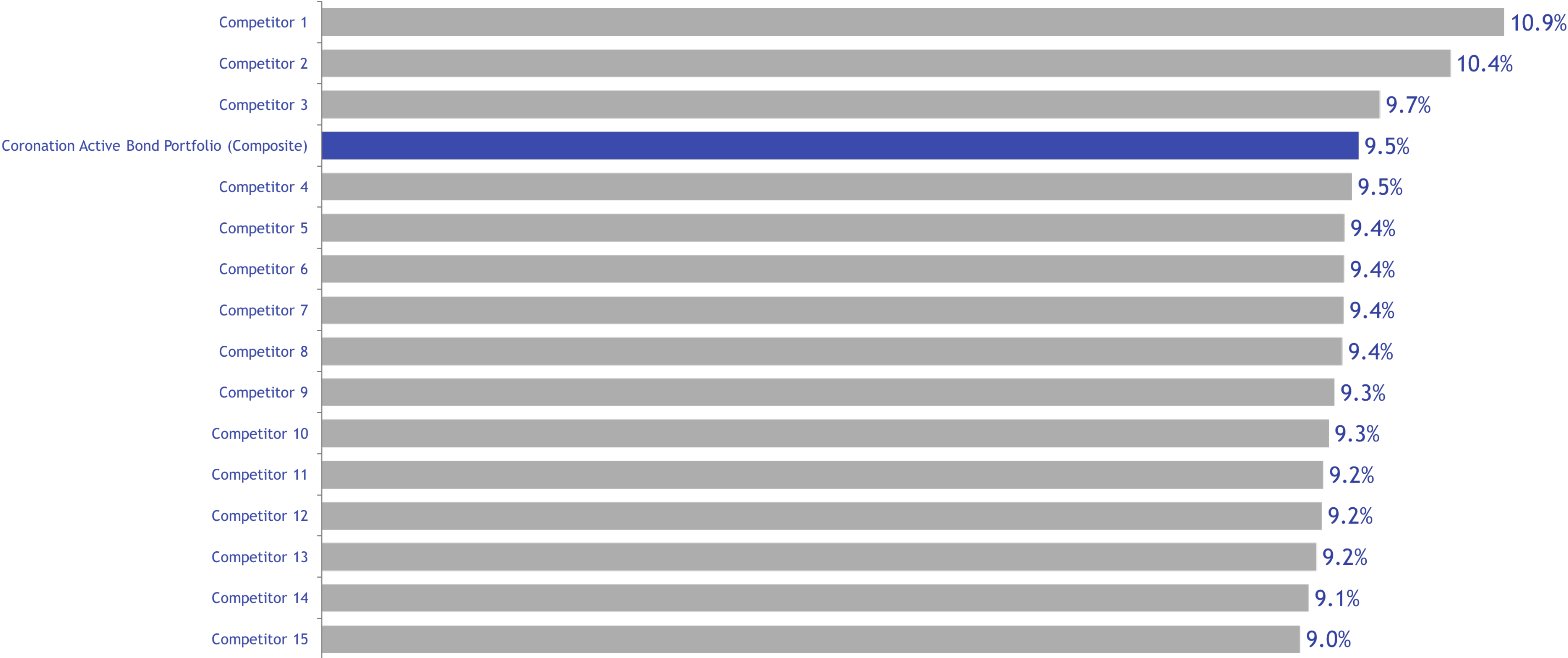
Compelling long-term performance (10 years)



Source: Alexander Forbes Global Large Manager Watch™ Survey to 30 September 2017

Global Fixed Income Strategies

Compelling performance (10 years)



Source: SA Bond Manager Watch™ to 30 September 2017

Houseview Equity

Exceptional active returns (alpha) over 24 years

	5 Years (p.a.) %	10 years (p.a.) %	*Since inception (p.a.) %
Houseview Equity	13.4	12.2	17.5
CAPI	12.5	10.0	14.8
Active return	0.8	2.2	2.7

*Since Inception - October 1993

Source: Independent Retirement Fund Survey as at 30 September 2017

Global Absolute

Consistently delivered real returns over significant periods

	5 years (p.a.) %	10 years (p.a.) %	*Since inception (p.a.) %
Global Absolute	11.5	11.2	15.9
CPI	5.4	6.0	6.1

*Since Inception - August 1999

Source: Independent Retirement Fund Survey as at 30 September 2017

Global Emerging Markets Equity (USD)

A highly compelling track record of alpha generation

	1 Year %	5 Years (p.a.) %	*Since inception (p.a.) %
Global Emerging Markets Equity Strategy	28.9	8.3	8.5
MSCI Daily TR Net Emerging Markets USD	22.5	4.2	3.1
Active Return	6.5	4.1	5.3

*Since Inception - 14 July 2008
Returns quoted in USD

Strong international track record

US dollar returns since their respective launch dates

Offshore USD Funds	Active return* %	Launch date
Global Equity Fund of Funds	2.0	01-Jul-00
Global Emerging Markets Equity Strategy	5.3	14-Jul-08
Global Bond	2.2	01-Oct-09
Coronation Africa Frontiers Strategy	8.8	01-Oct-08
Global Capital Plus	7.1	01-Sep-09
Coronation Global Managed Strategy	2.2	01-Nov-09

*Annualised active return for institutional portfolios (gross of fees) since launch to 30 September 2017

Retail assets

Coronation remains one of the foremost managers in the unit trust industry

We remain one of the country's foremost managers of long-term assets, managing R238bn

Net outflows of R6.9bn a big improvement on R18.4bn of net outflows in the prior 12 months:

- Following sustained period of rapid growth and disproportionate share of industry flows
- Significant slowdown at industry level to R30bn inflow for past 12 months*

We remain focused on client outcomes

- Fee reductions announced on core multi-asset funds
- Continued investment in retail client-facing infrastructure
- Excellent long-term performance across products

*Source: Morningstar Data; Coronation classification. Based on retail funds
Excluding domestic funds of funds and money market funds

Domestic flagship funds

Competitive track records

	Fund	5-year ranking	10-year ranking	Since inception ranking
Long-term Growth (equity only)	Top 20	1st Quartile	1st Quartile	1st Quartile
Long-term Growth (multi asset)	Balanced Plus	1st Quartile	1st Quartile	1st Quartile
Income & Growth	Capital Plus	3rd Quartile	1st Quartile	1st Quartile
	Balanced Defensive	1st Quartile	1st Quartile	1st Quartile
Income only	Strategic Income	1st Quartile	1st Quartile	1st Quartile

Source: Morningstar as at 30 September 2017

Global and worldwide flagship funds

Consistently competitive

	Fund	5-year ranking	10-year ranking	Since inception ranking
LT Growth (equity only)	Global Emerging Markets	1st Quartile	-	1st Quartile
	Global Opportunities Equity	1st Quartile	1st Quartile	1st Quartile
LT Growth (multi asset)	Global Managed	1st Quartile	-	1st Quartile
Preservation & growth	Global Capital Plus	2nd Quartile	-	1st Quartile

Source: for GEM [USD]: Bloomberg as at 30 September 2017
For all other funds [Rand-denominated]: Morningstar as at 30 September 2017



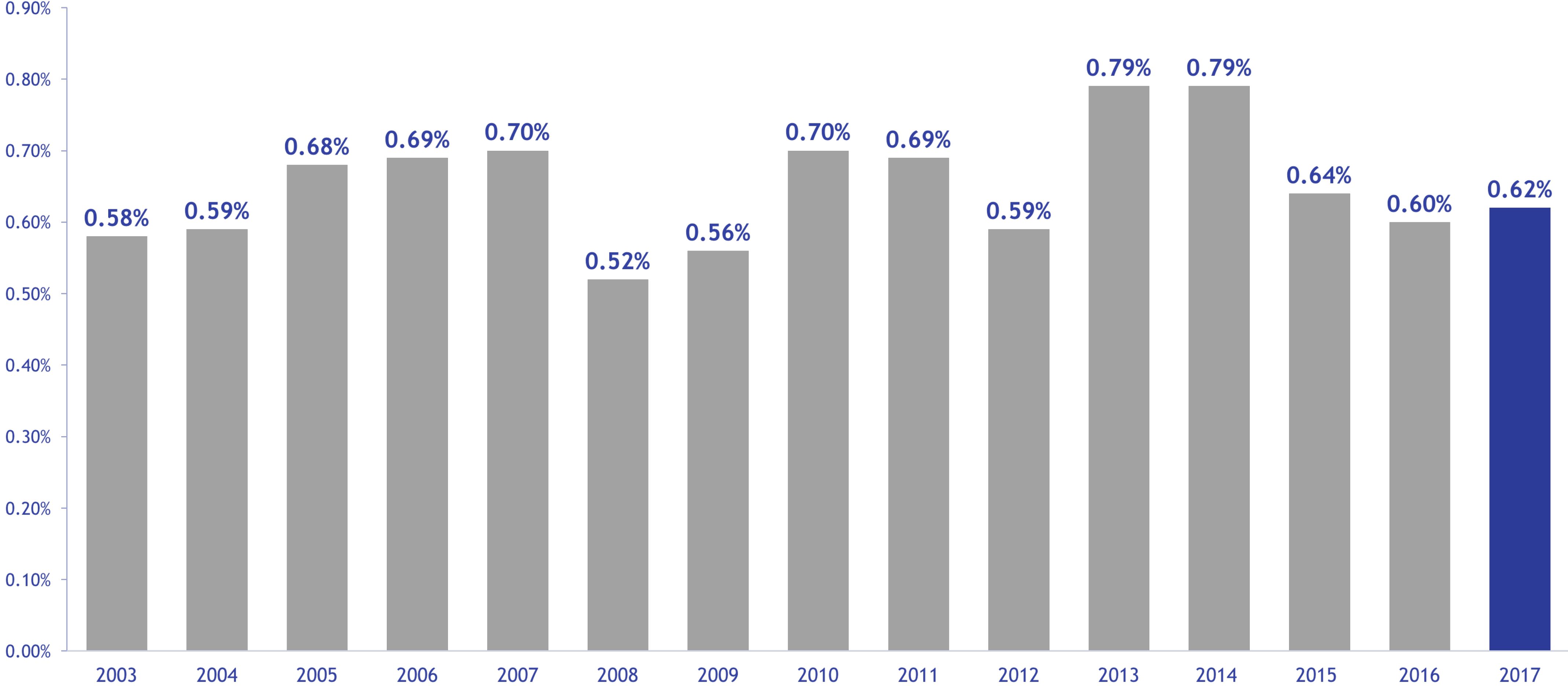
Financial results



Robust revenue in tough environment

	September 2017	September 2016	% Change
Revenue (from fund management)	R3.9bn	R4.0bn	(3)
Profit (from fund management)	R2.0bn	R2.1bn	(3)
Profit after tax	R1.5bn	R1.6bn	(3)
Cost to income ratio	49.3%	49.5%	

Net fee margin reflective of changing product mix



Dividend declared reflects cash earnings

	% Change	September 2017	September 2016
Diluted HEPS (cents)	(2)	437.5	447.6
Interim dividend per share (cents)	(4)	220	229
Final dividend per share (cents)	(0)	217	218
Actual shares in issue		349 799 102	349 799 102

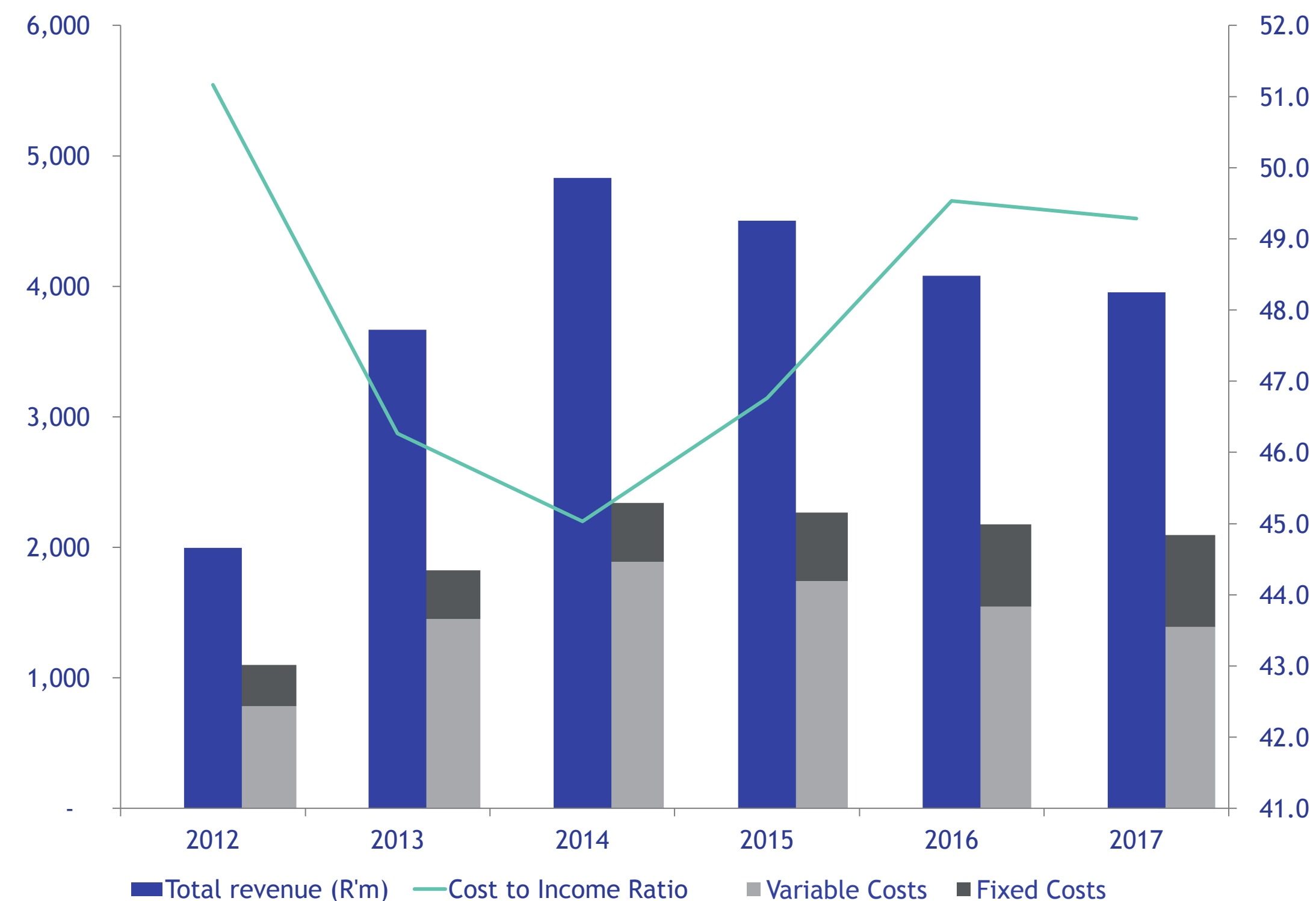
Variable cost model continues to contribute to effective management of total costs

Protect shareholders in down years

	% Change	Sept 2017 R'm	Sept 2016 R'm
Fixed costs*	(10)	641	585
Variable costs - including distribution costs	10	1 293	1 434
Total operating expenses**	4	1 934	2 019

* Includes share-based payment expense

** Excludes finance expense



Fixed costs increased as result of continued investment in business

	% Change	September 2017 R'm	September 2016 R'm
Total fixed costs	(10)	641	585
- Employee costs	(6)	268	253
- Information systems	(50)	123	82
- Professional fees	4	39	41
- Marketing	11	78	88
Employee complement		302	290



Closing comments



Our focus

We remain singularly focused on the delivery of active returns over meaningful periods and excellent service to all our clients

- Local and international financial markets continue to react to short-term news flow
- We remain focused on long-term valuation and seek to take advantage of attractive opportunities in the market
- We continue to build anti-fragile portfolios that can withstand unanticipated shocks

We remain committed to our long-term investment approach and the recent performance of our funds is highly encouraging

We will focus on expanding on our well-established relationships with global asset allocators in the years ahead, and introducing new local institutional clients to our product range provides an opportunity to offer our services to a broader client base

Similar to our investment approach we manage the business for the long term

- We continue to invest in the business and our people to ensure we remain world class

Our success in achieving this will ensure the creation of long-term value for all stakeholders



Questions

About Coronation Fund Managers

- Founded in Cape Town, South Africa, in 1993 with zero assets under management
- Listed in 2003
- 25% employee-owned
- An independent fund manager with no safety-net of in-house assets
- Singular focus on asset management, outsourcing non-core components of business
- An active manager with a long-term valuation-driven investment approach
- A single global investment team and process
- SA-based business with offices in Cape Town, Johannesburg, Durban, Pretoria, London and Dublin



Local market indicators

as at 30 September 2017

	3 years (p.a.) %	5 years (p.a.) %	10 years (p.a.) %
All Share	7.18	12.53	9.54
All Bond	7.63	6.34	8.44
Listed Property	12.65	12.67	13.91
AF Money Market	7.04	6.42	7.29
MSCI All Country World Index (USD)	7.43	10.20	3.88
MSCI Emerging Markets Index (USD)	4.90	3.99	1.32
Global Bonds (USD)	0.88	(0.43)	2.95
CPI	5.26	5.53	6.03
USD/ZAR	(5.92)	(9.32)	(6.57)

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Thank you
