

CORONATION



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2020 Reviewed *Interim* Results

FOR THE PERIOD ENDED 31 MARCH 2020

26 May 2020

Anton Pillay, CEO

Mary-Anne Musekiwa, CFO



Agenda

- + Economic environment
- + Highlights
- + AUM and financial results
- + Business update
- + Good corporate citizenship
- + Questions
- + Annexure A



Economic environment



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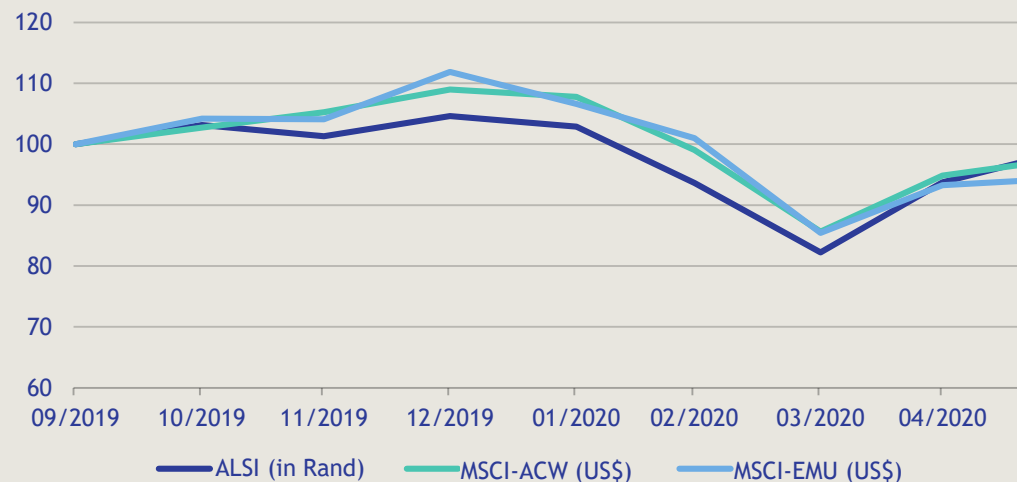
Global & SA macro overview



NO ONE COULD HAVE FORESEEN THE POSSIBILITY OR PREPARED FOR THE IMPACT OF COVID-19

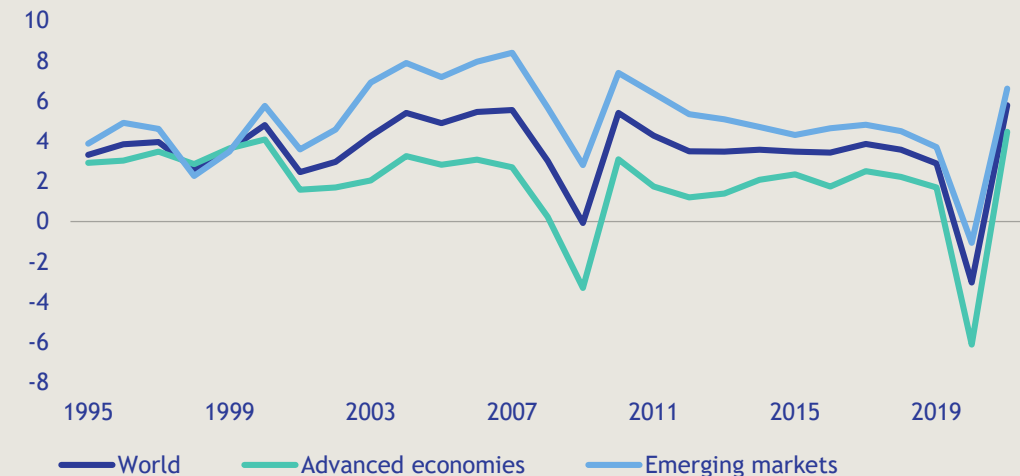
- + At the end of 2019, geopolitical tensions eased and world markets began to recover
- + Record-breaking market moves; first quarter of 2020 sharp declines, only to recover with equal speed
- + Policymakers implementing extraordinary measures to limit economic meltdown - deep rate cuts, quantitative easing & fiscal stimulus
- + We expect developed markets will recover reasonably quickly due to demand and stimulus
- + Concerned about low-income emerging countries: lack of ability to finance households & SMMEs; no social safety nets; uncoordinated responses

MARKET MOVEMENT



Source: IRESS & Bloomberg

GLOBAL: REAL GDP, % (IMF, APRIL 2020)



Source: IMF

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Highlights





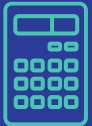

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Singular focus on clients



THROUGH ACTIVE ASSET MANAGEMENT

	INVESTMENT PERFORMANCE Very encouraging outperformance by our clients' portfolios in 2019, supporting continued long-term outperformance	<i>Total AUM</i> R508bn
	REVENUE R1.8 bn Increase due to improved performance	
	COSTS 5.2% Increase in operating costs	<i>Total dividend per share</i> 178.0c
	HEADLINE EARNINGS PER SHARE 178.3c Increase of 10% Diluted HEPS increase of 12% (excl. IFRS 9 effect)	



AUM & financial results



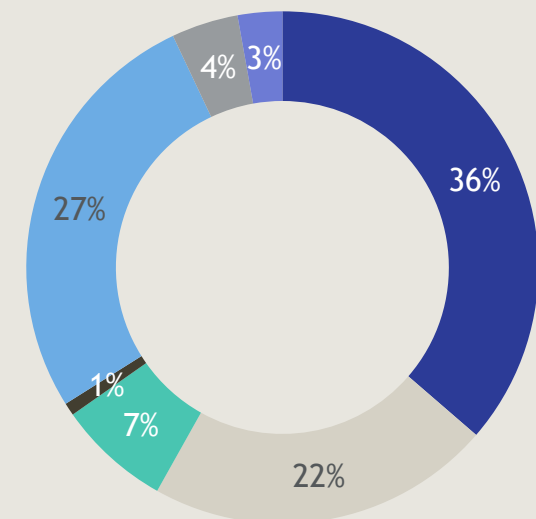
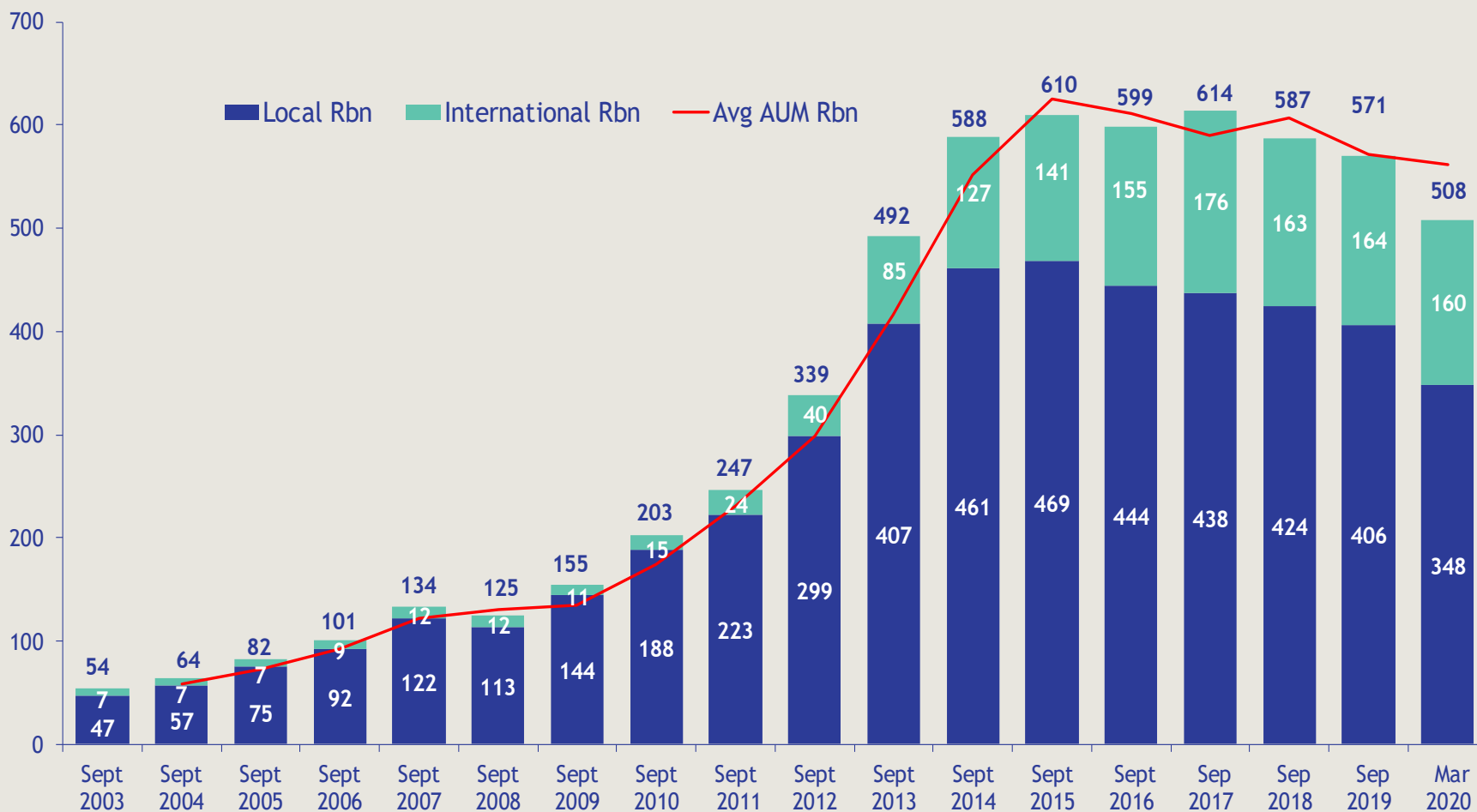
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Assets under management



AUM REFLECTIVE OF MARKET CONDITIONS

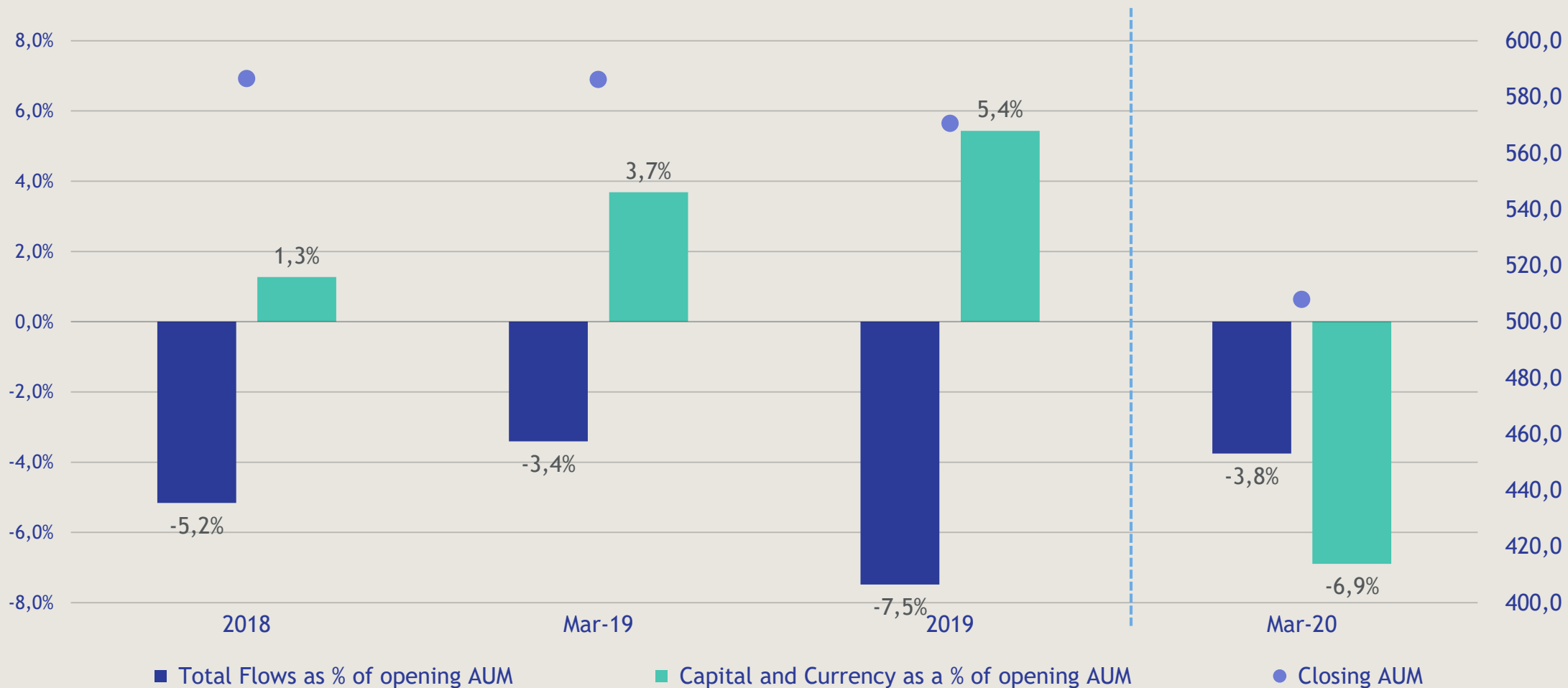


- Equity Local
- Fixed Interest Local
- Cash Local
- Other Local (UT's, Hedge, Pooled)
- Equity Foreign
- Fixed Interest Foreign
- Cash Local

Market performance and net flows



NET FLOWS IN LINE WITH EXPECTATIONS

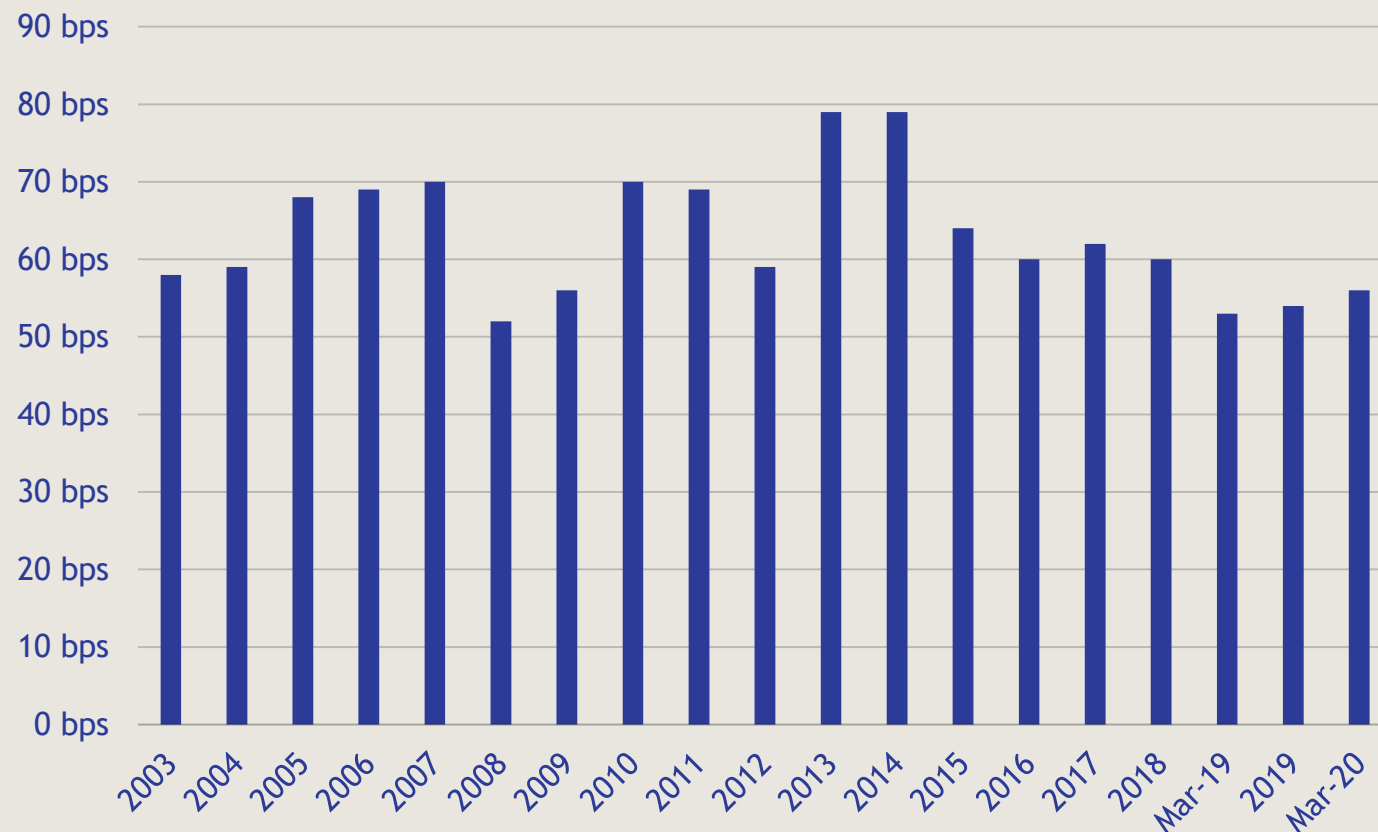




STRONG PERFORMANCE OVER SIX MONTHS

	Change	March 2020	March 2019
Revenue (from fund management)	8%	R1 769m	R1 632m
Profit (from fund management)	10%	R834m	R758m
Profit after tax	8%	R624m	R578m
Cost-to-income ratio		53.5%	54.0%

NET FEE MARGIN





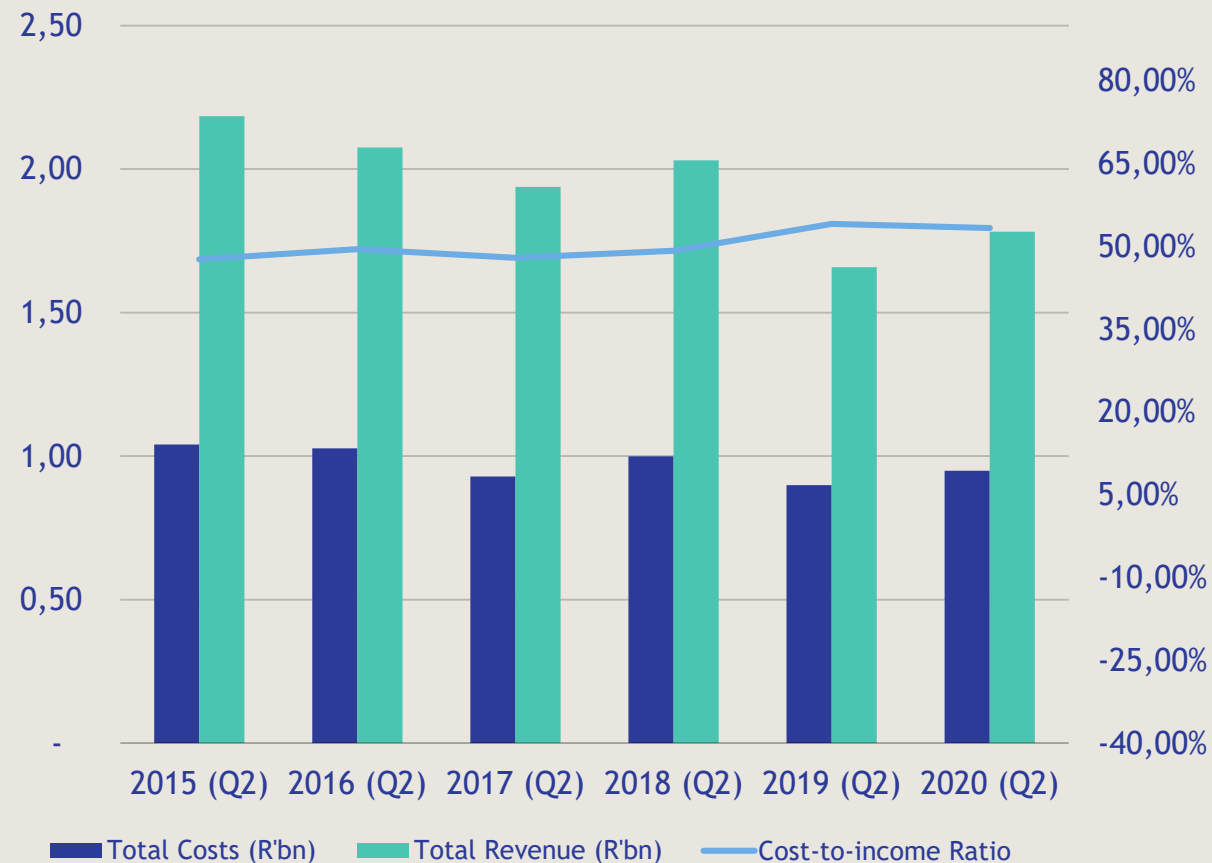
VARIABLE COST MODEL CONTINUES TO PROVE ITS STRENGTH

	Change	March 2020	March 2019
Fixed costs	11%	R402m	R362m
Variable costs*	1%	R533m	R527m
Operating costs	5%	R935m	R889m
Other costs**		R15m	R2m

*Includes distribution costs of R75m

**Includes Share-based payment expense and foreign exchange losses

REVENUE AND COSTS



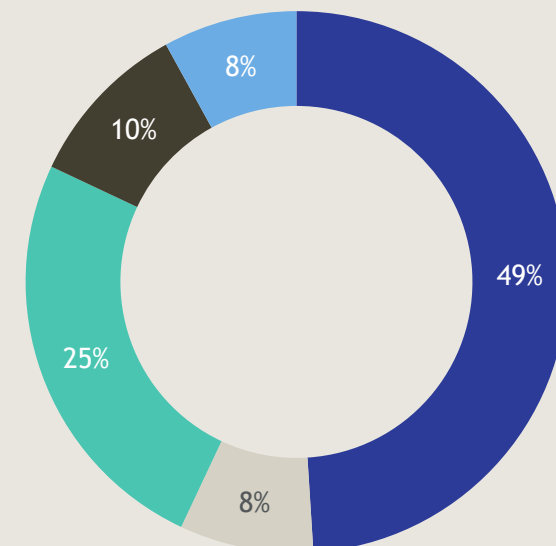
Cost-to-income (excl. IFRS 9)

Fixed costs



INFORMATION TECHNOLOGY & SYSTEMS SPEND TO DRIVE EFFICIENCY & MANAGE RISKS

	Change	March 2020	March 2019
Total fixed costs	11%	R402m	R362m
- Employee costs	6%	R195m	R183m
- Information systems & technology	43%	R100m	R70m
- Professional fees*	28%	R32m	R25m
- Marketing	(12%)	R34m	R39m
Employee complement		333	339



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

*Includes MiFD Research Costs

Source: Coronation

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Dividend declared reflects cash earnings

100% OF DILUTED HEADLINE EARNINGS PER SHARE DECLARED

	Change	March 2020	March 2019
Diluted HEPS (cents)	8%	178.3c	165.1c
Interim dividend per share (cents)	8%	178.0c	165.0c





Business update



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26 YEARS OF INTEGRATED STEWARDSHIP OF CLIENT ASSETS

An active manager with a singular focus on long-term investing



We put our clients first

- + We focus on growing the value of client assets over the long term rather than growing the pool of assets under our management
- + Closed institutional strategies for five years
- + Strong symmetry & value for money: fees aligned with client outcomes
- + Continue to ensure clients are kept abreast of market, company and investment strategy developments
- + Do not target AUM or share price, only alpha



Long-term performance our true measure of success

- + Long-term investment performance remains compelling across our entire fund range
- + Investment approach unchanged - encouraged by excellent outperformance in 2019
- + 97% of institutional client assets¹ have outperformed their benchmarks since inception
- + 98% of our retail assets² have outperformed peers since inception



Active Corporate Citizen

- + Response to COVID-19 by business to support affected communities
- + Active participants of CEO Initiative, BSA, BLSA & ASISA
- + Transformation of industry & company remains a key focus
- + Implement good corporate citizenship initiatives to ensure inclusive society and financial services sector
- + ESG analysis integrated into our investment process to allow for collaboration and engagement



Creating a sustainable global business

- + Cyclical nature of business means we need to manage for the long term
- + Committed to investment in organic growth
- + Employee ownership level maintained at 25%
- + Cash-generative business with strong balance sheet
- + Seed new products with own cash
- + Employ and retain the best people
- + Diverse product range

¹Asset-weighted, mandates with >10-year history

²Assets invested in our rand-denominated unit trust funds



A SIGNIFICANT MANAGER OF INSTITUTIONAL ASSETS IN SA AND A GROWING NUMBER OF GLOBAL CLIENTS

Local Clients

Client outflows totalling 5.8% of opening balance in line with prior year's flows; we expect to see continued outflows

Future focus:

- + Maintaining our world-class client service
- + Continued focus on enhancing ESG integration
- + Build out relationships with key allocators & look to maintain existing clients

Global Clients

Client outflows totalling 0.2% of opening balance

Future focus:

- + Confident in the long-term outlook for our global strategies as well as our value proposition to clients through active management
- + Continued focus on enhancing ESG integration
- + Build out relationships with key allocators

Total client AUM

R292bn

Local client AUM

R224bn

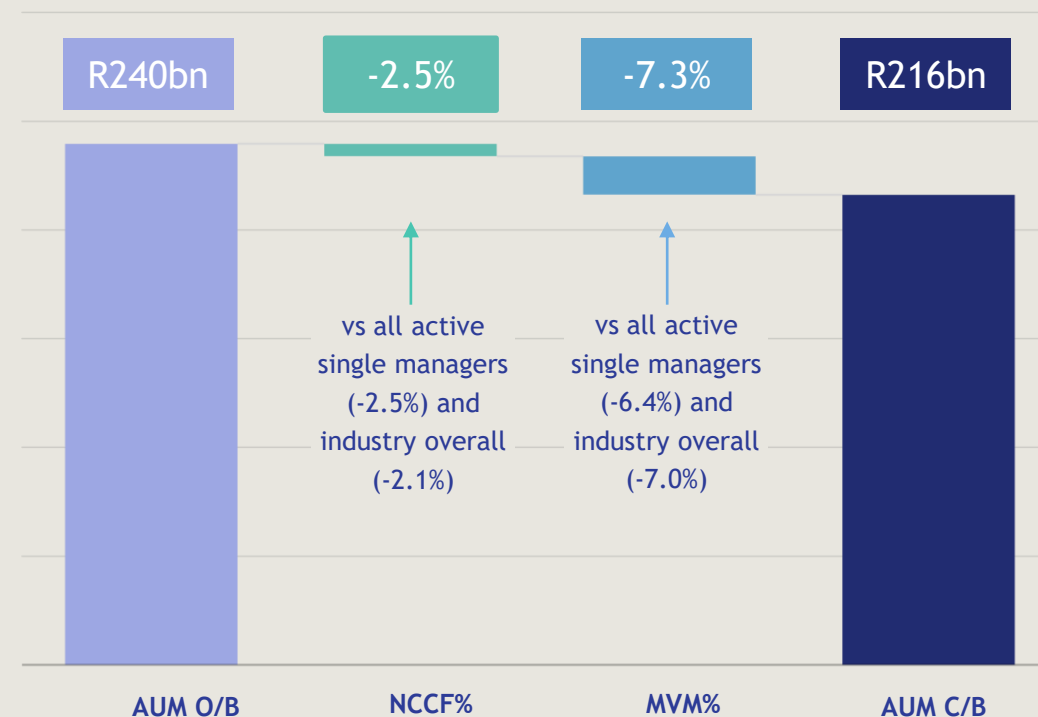
Global client AUM

R68bn



CORONATION REMAINS ONE OF SA'S FOREMOST MANAGERS OF RETAIL SAVINGS AT R216BN AUM

- + Industry remains under pressure due to tough economic conditions and muted medium-term returns
 - We expect industry flows to remain under pressure for the foreseeable future
- + Coronation unit trust net outflows 2.5% of opening CIS AUM
 - Coronation net flow mix similar to industry experience
- + We remain focused on client outcomes
 - Long-term performance remains excellent
 - Service clients across the wealth spectrum
 - Continuing to invest in client service infrastructure



Source: Morningstar as at 31 March 2020. All fund categories included. Overall CFM CIS assets adjusted for institutional clients in line with SENS disclosure.

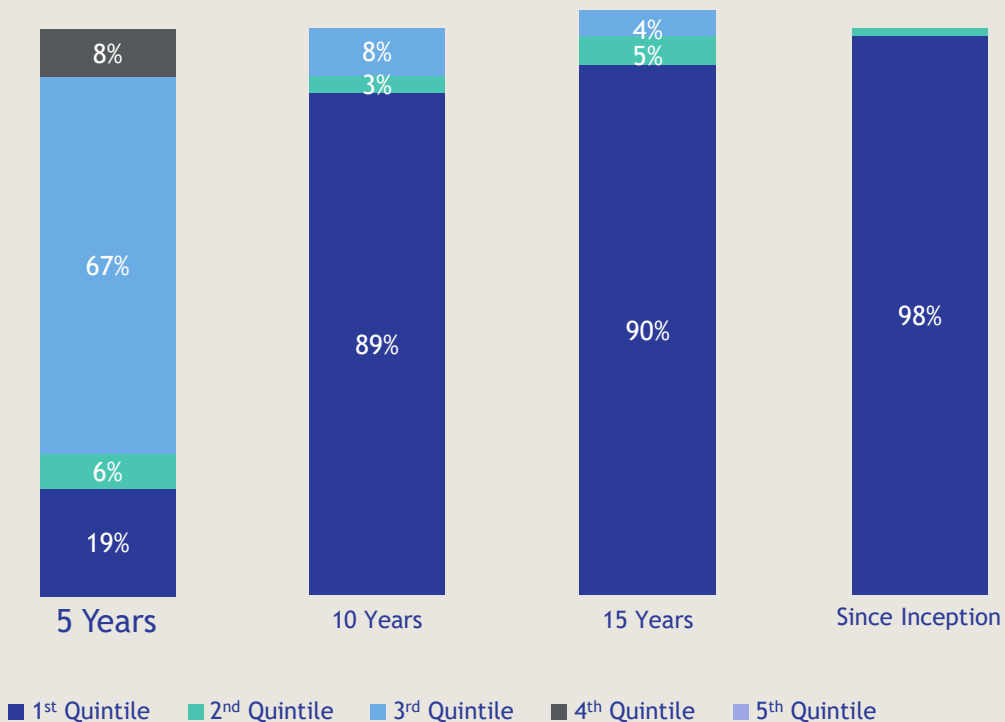
Investment performance



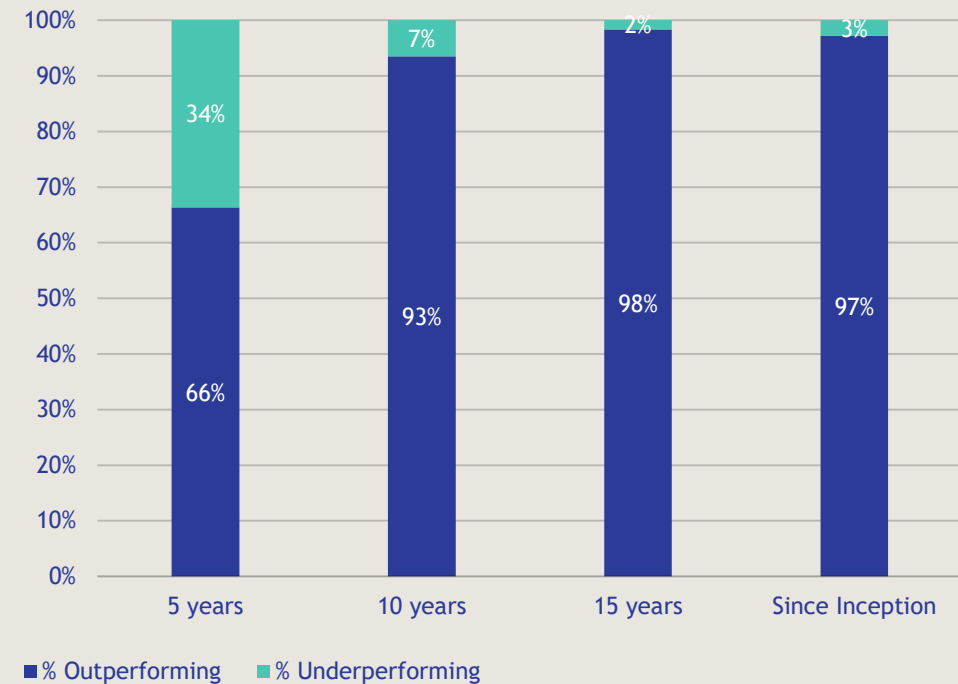
+ 98% of rand-denominated retail assets have outperformed peers since inception

+ 97% of institutional client assets outperformed benchmark since inception

QUINTILE RANKINGS FOR UNIT TRUST RANGE



% INSTITUTIONAL FUNDS OUTPERFORMING



As at 31 March 2020. Asset-weighted performance of 18 funds representing 97% of rand-denominated CIS funds included above. 5 specialist funds with less than five comparable funds in the industry excluded. Source: Morningstar using primary share classes and formal ASISA categories for all funds, except Global Managed, compared to Global - MA - Flexible & High Equity Categories combined and Market Plus, compared to SA - MA - Flexible. Numbers may not add up due to rounding.

Source: Coronation as at 31 March 2020; asset weighted basis
Since inception figure refers to strategies with a 10-year+ track record

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Good corporate citizenship

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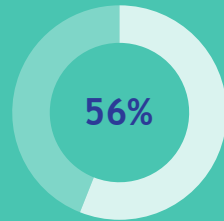
Transforming our business and industry



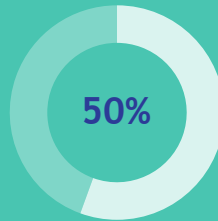
A HOMEGROWN SOUTH AFRICAN BUSINESS COMMITTED TO TRANSFORMING FROM WITHIN & THE BROADER INDUSTRY

Transforming our business from within

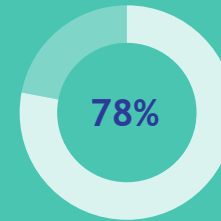
We are a proud South African business



of our employees are black



of our employees are female



of our Board members are black

>R225bn¹

of total AUM managed by black investment professionals

¹As at 30 September 2019

Advancing transformation in our industry

Pre-dating BEE legislation in South Africa, we pioneered corporate initiatives that have contributed to meaningful transformation and the development of skills in the financial services industry

Established 3 independent black businesses:

- + African Harvest Fund Managers
- + Kagiso Asset Management
- + Intembeko Investment Administrators

Since 2006 we have allocated:

>R300m

in brokerage to black stockbrokers through the Coronation Business Support Programme

120

black IFA practices through the ASISA IFA Development Programme

29

analysts through the Vunani Securities Training Academy

* As measured by the revised Financial Sector Code
All figures are as at 31 March 2020, unless otherwise stated.

Meaningful social impact



CONTINUED FOCUS ON EDUCATION

Education support

>200

Students awarded study opportunities

>300

Young girls reached by staff mentorship

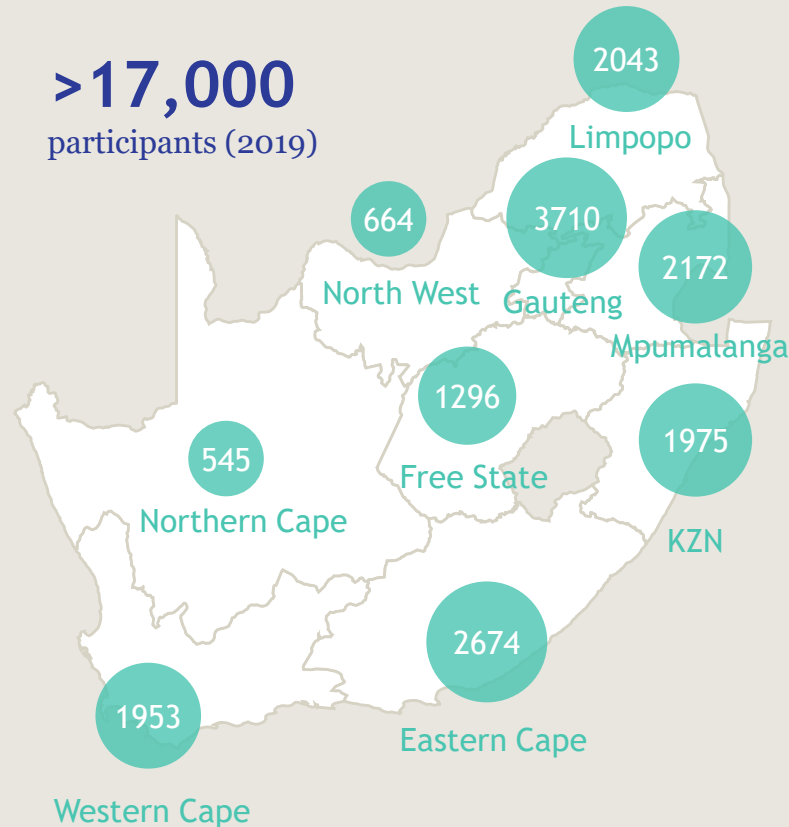
67

Internships placed since 2015

Sponsor and mentor Young Investor Programme students via South African universities

Consumer financial education

>17,000
participants (2019)



Education programmes

446
Schools

>190 000
Learners

5 961
Educators

5 167
Small-scale farmers

Our response to Covid-19



FOCUS ON ENSURING DELIVERY & SUPPORT NOW... WHILE KEEPING AN EYE ON THE FUTURE

Enabling employees

- + 85% seamlessly working from home
- + Well equipped to work from home, including access to support
- + Preventative measures in office environment
- + No retrenchments or furloughs

Ensuring clients continue to be serviced

- + Increased communications
- + Focus on fulfilling our primary commitment
- + Uninterrupted service
- + Continue to focus on investment excellence

Reducing the impact on society

- + Committed support to 3rd party service providers
- + Company, non-executive directors & 30% of employees contributed total of R10m to Solidarity Fund
- + Matched staff charitable contributions
- + SMME payments expedited
- + Community support programmes including feeding schemes
- + Gender & child abuse prevention programmes

Contributing to the way forward

- + Engage with government and regulators
- + Participate in industry structures and initiatives including:
 - ASISA
 - BLSA
 - CEO Initiative



ONGOING FOCUS AND COMMITMENT TO INVESTMENT EXCELLENCE FOR OUR CLIENTS GLOBALLY

- + Covid-19 epidemic an unforecastable event & unprecedented in modern times
 - with many unknowns and no immediate solutions, there remains large-scale uncertainty in global economies
- + Responsible continuity of business and engagement
 - we are fully operational
 - full compliance with lockdown regulations
 - continue to invest in the business
- + Active management has a significant role to play
 - encouraged by outperformance across our range of portfolios
 - in times of volatility, in-depth research and quick decision making is key
 - our focus is on making the right long-term decisions during this crisis; we believe that the quality of our decision-making can only be assessed three- to five years from now
 - our long-term performance remains the true measure of our ultimate success on behalf of our clients and stakeholders
- + We are optimistic about the opportunities that key markets present and believe that clients should see better returns in the next five years



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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 inhouse 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





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Annexure A:

MARKET PERFORMANCE

Capital *markets*



Economic group	3 months %	6 months %	12 months %
All Share (ZAR)	-21.38%	-17.74%	-18.42%
CAPI	-22.86%	-19.09%	-20.15%
Resources	-25.27%	-14.97%	-18.50%
All Property	-48.07%	-47.47%	-48.92%
Industrials	-8.44%	-8.44%	-7.18%
Financials	-39.48%	-37.77%	-38.82%
USD/ZAR	-21.58%	-15.22%	-18.82%
AF Money Market/CASH	1.68%	3.42%	7.13%
CPI	1.64%	1.99%	4.20%
Small Cap	-32.55%	-32.06%	-33.03%
MSCI Emerging Markets (USD)	-23.60%	-14.55%	-17.69%
MSCI All Country World Net USD	-21.37%	-14.33%	-11.26%
FTSE/JSE All Africa ex SA 30 Index (USD)	-28.12%	-22.64%	-21.30%
MSCI Frontier Markets NET USD	-26.59%	-21.73%	-18.96%
MSCI World (USD)	-21.05%	-14.30%	-10.39%

*Alexander Forbes Money Market
Returns as at end March 2020

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