



2023 Reviewed Interim Results

FOR THE SIX MONTHS ENDED 31 March 2023

23 May 2023

Anton Pillay, CEO

Mary-Anne Musekiwa, CFO

CORONATION

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Agenda

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

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Economic & market overview



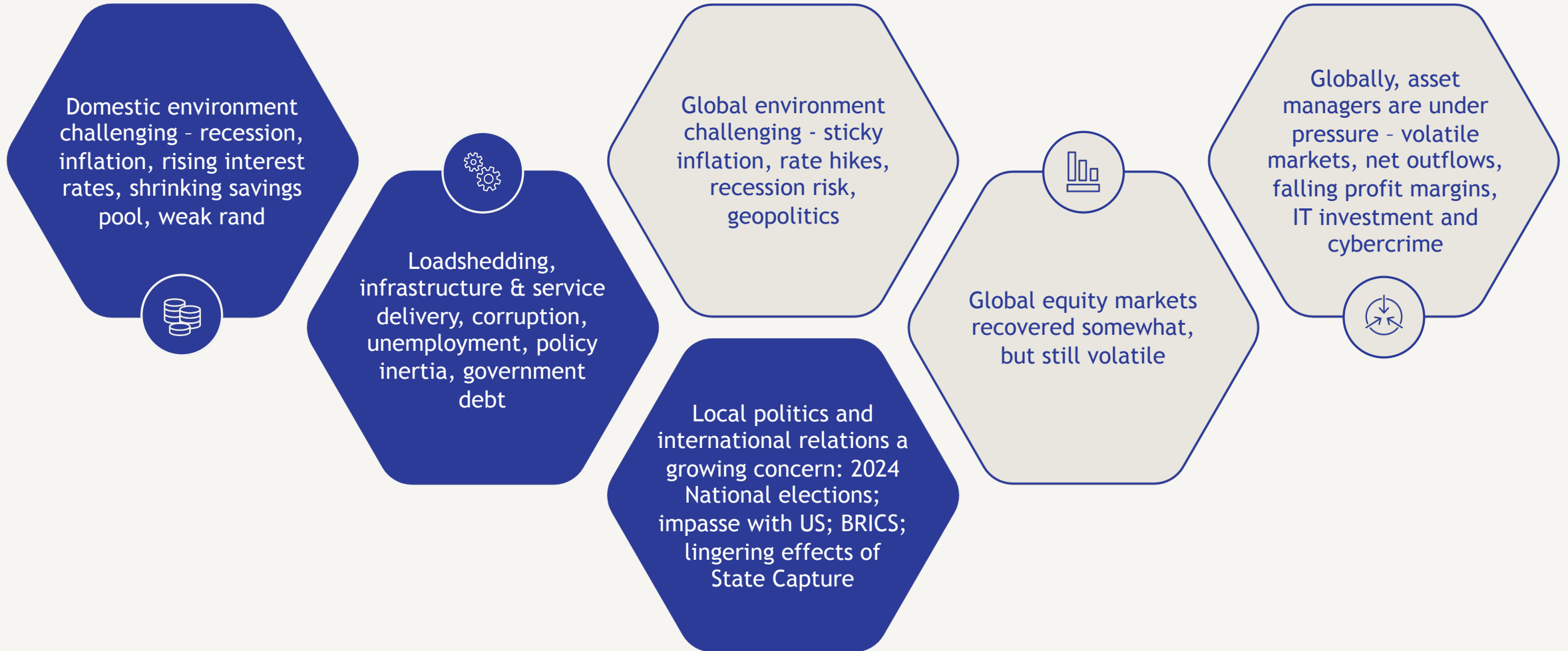
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2022 headwinds approaching gale force in 2023

A PERFECT STORM OF INFLATION, POLICY ERROR & GEOPOLITICS...PROMISES PROLONGED UNCERTAINTY





Business update



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Resilient performance despite local & global headwinds

RESULTS REFLECT CYCLICAL NATURE OF OUR BUSINESS & PREVAILING CAPITAL MARKETS

Assets under management	↑ 9%	R623bn
Revenue	↓ 6%	R1.8bn
Expenses**	↑ 22%	R1.2bn
FMEPS	↓ 106%	(12.9)cps
FMEPS excluding impact of once off tax charge	↓ 11%	191.5 cps



B-BBEE contributor
As measured by the Financial Sector Code



Outperformance of benchmarks*



Interim dividend

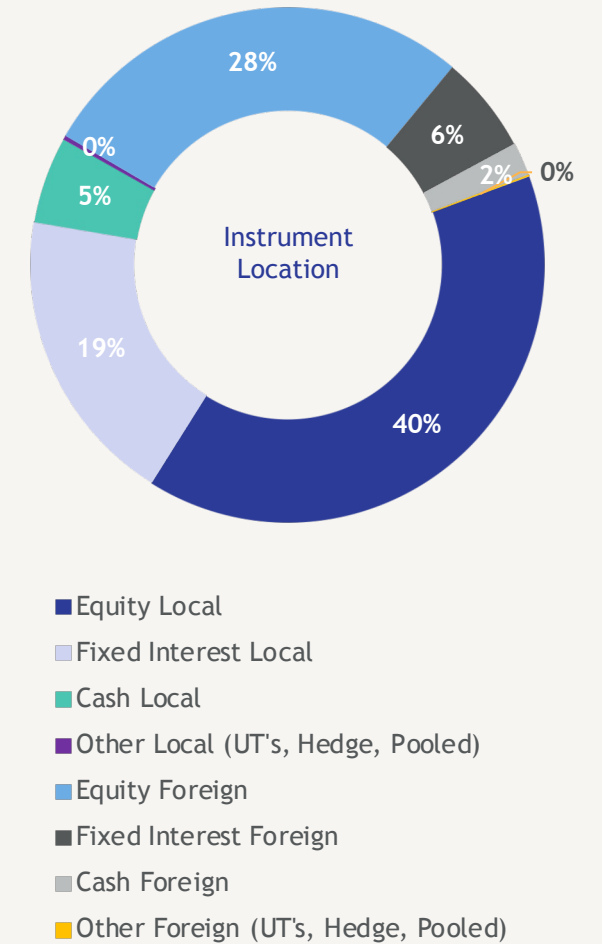
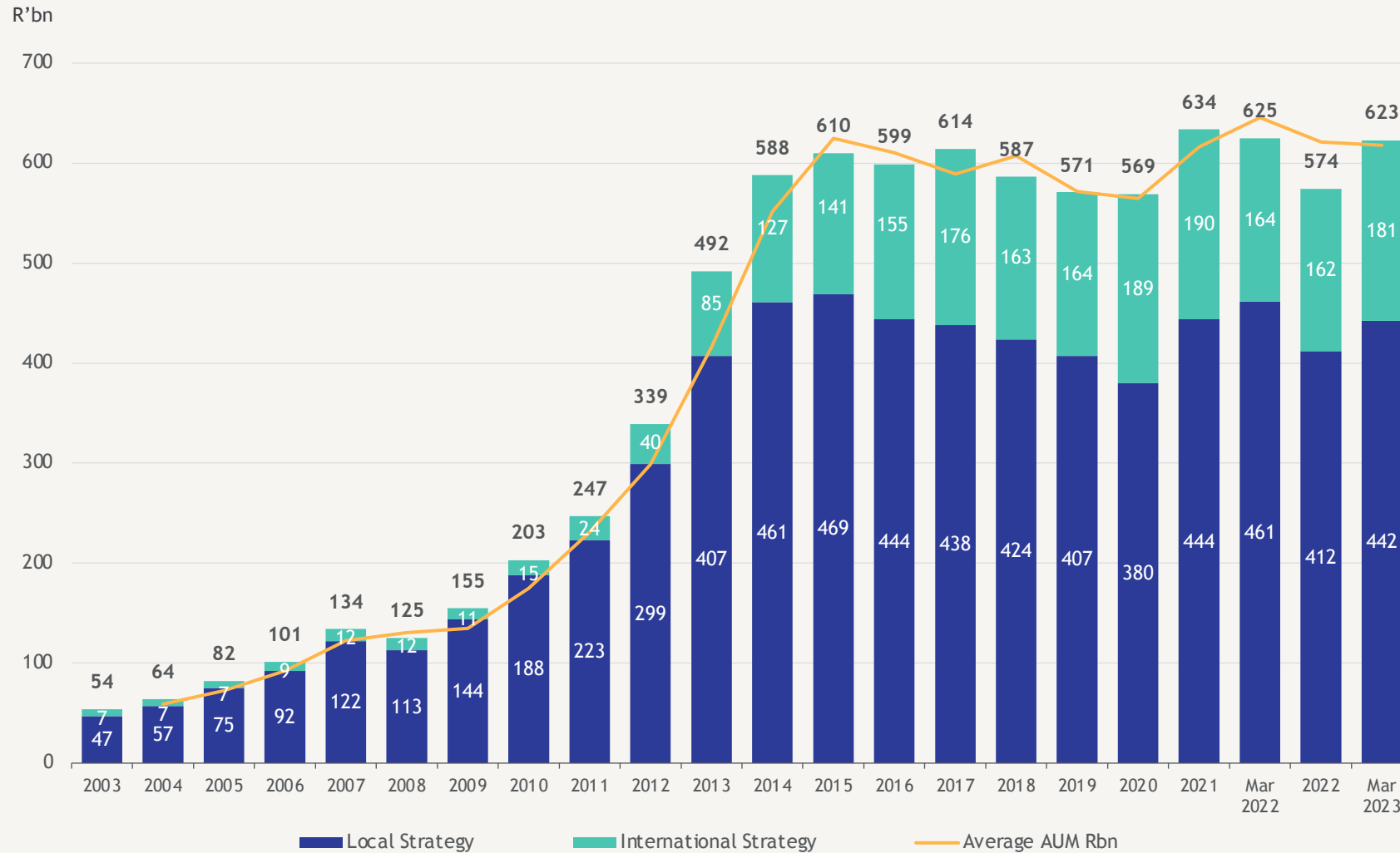
*Company-wide, asset-weighted, since-inception for funds with a 10-year+ track record

**Including impact of interest as a result of SCA judgement (R187m)

AUM reflects our resilience



NOTWITHSTANDING MULTIPLE HEADWINDS OVER TIME



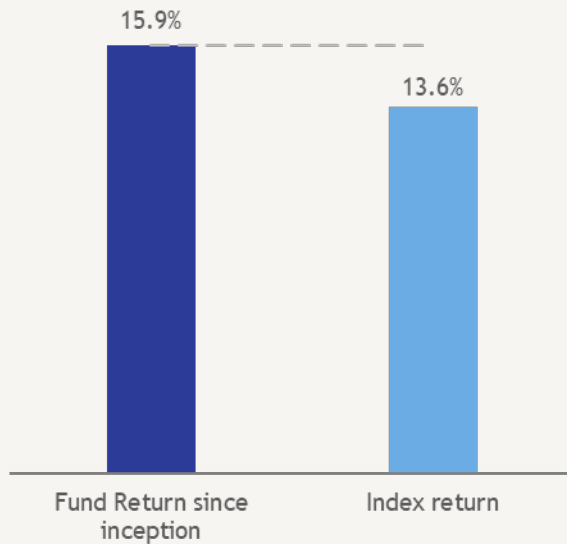


Three decades of long-term outperformance

EXCELLENT PERFORMANCE IN OUR LOCAL PORTFOLIOS

Houseview Equity Strategy
29-year track record

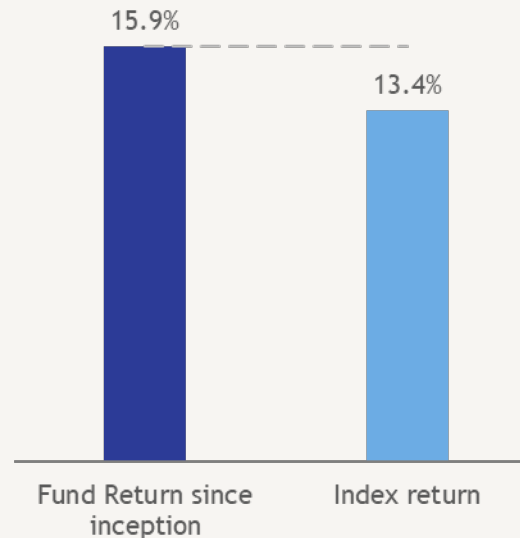
Annualised alpha of 2.3% since inception



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

Aggressive Equity Strategy
21-year track record

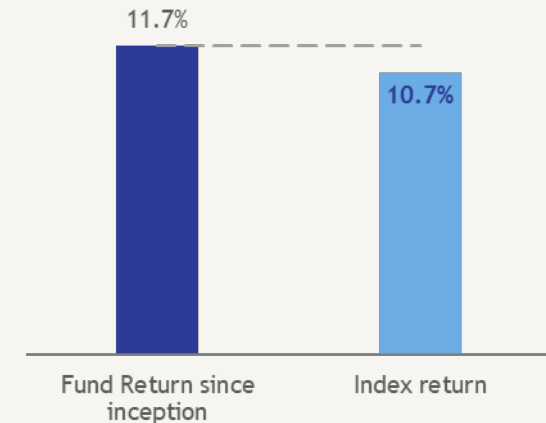
Annualised alpha of 2.5% since inception



- Active since February 2002
- Index: FTSE/JSE SWIX | FTSE/JSE Capped SWIX from 1 May 2017

Bond Fund
26-year track record

Annualised alpha of 1.0% since inception



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

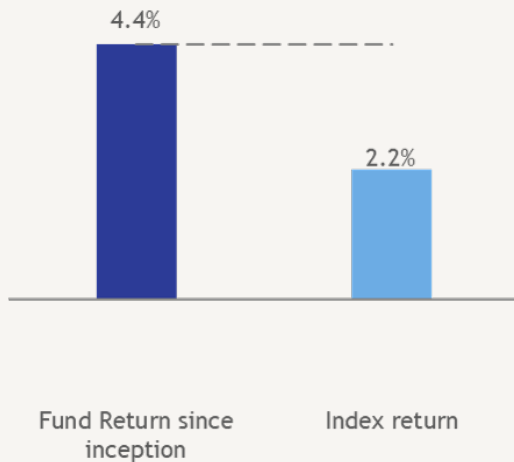


Three decades of long-term outperformance

FOCUSED ON IMPROVING PERFORMANCE

Global Emerging Markets Equity Strategy 14-year track record

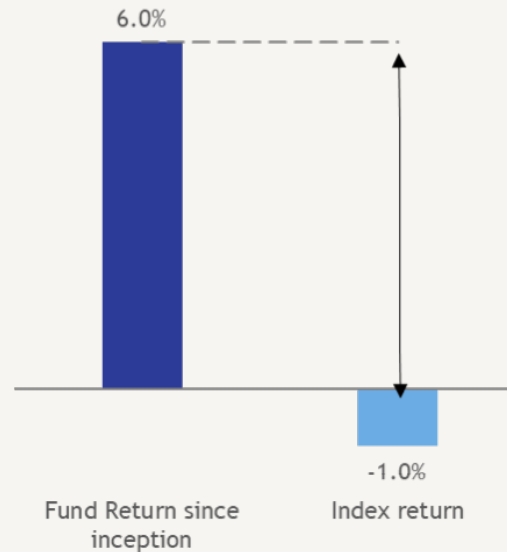
Annualised alpha of 2.2% since inception



- Active since July 2008
- Index: MSCI GEM

Africa Frontiers Strategy 14-year track record

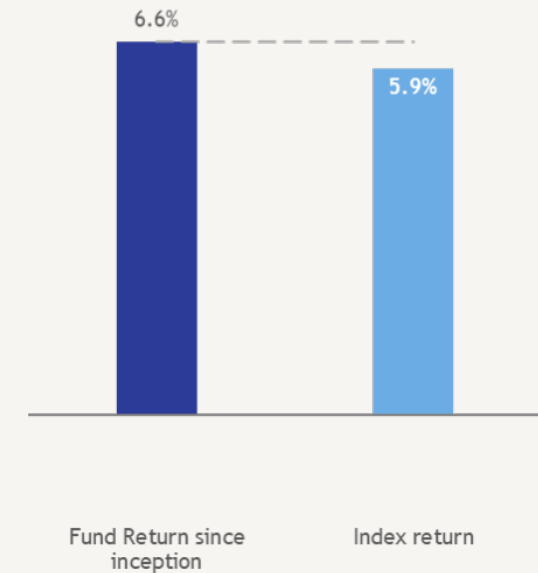
Annualised alpha of 7.1% since inception



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

Global Multi-Asset Strategy 14-year track record

Annualised alpha of 0.7% since inception



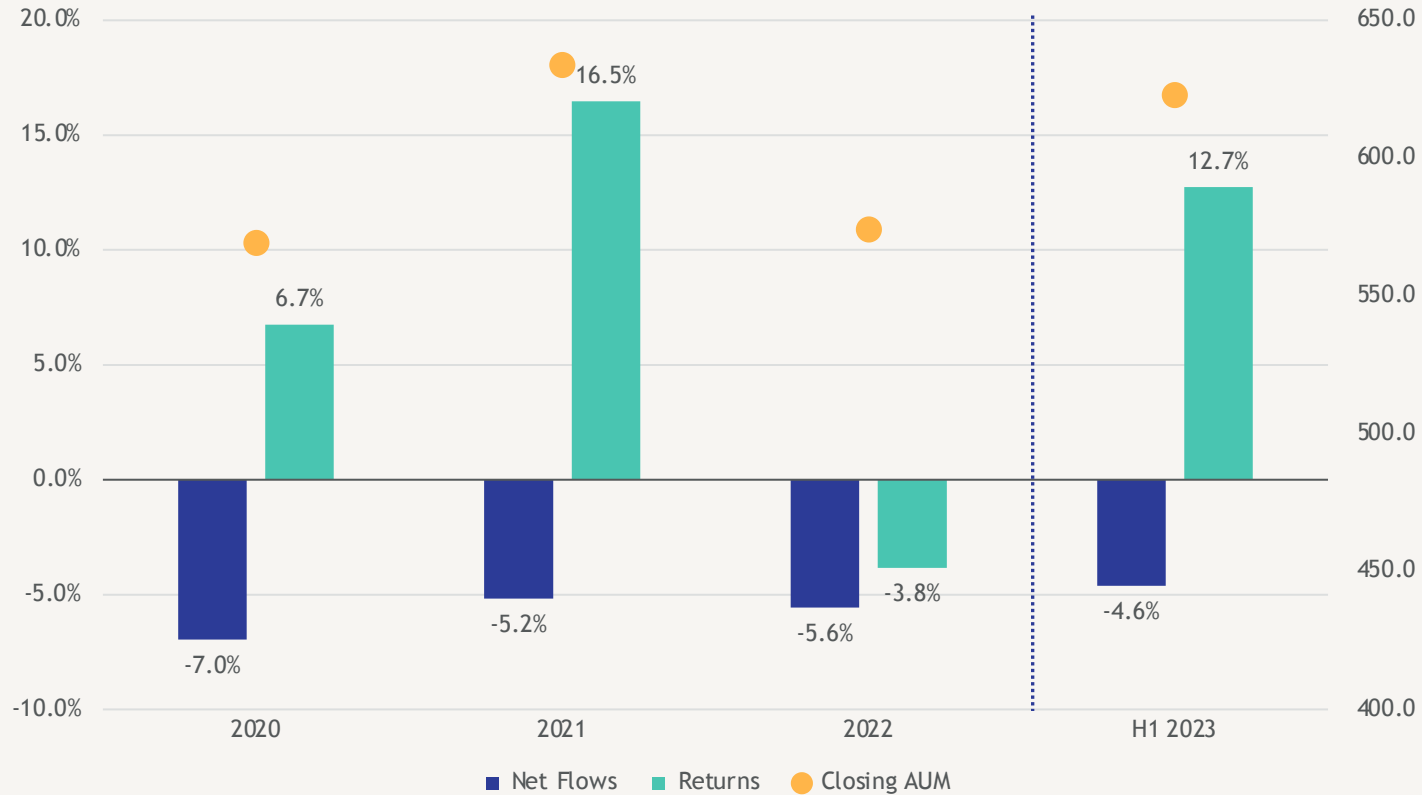
- Active since November 2009
- Index: 60% MSCI Daily and 40% Bloomberg Barclays Global Aggregate Bond TR Unhedged USD



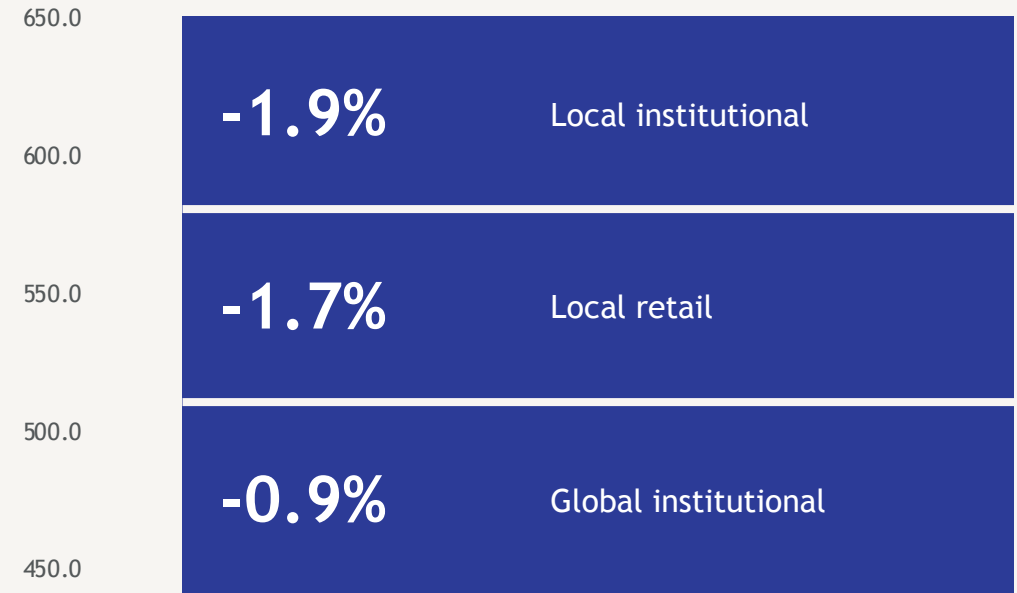
Continuation of outflows not unexpected

INDICATION OF ECONOMIC CONDITIONS

MARKET PERFORMANCE AND NET FLOWS AS A % OF OPENING AUM



NET CLIENT FLOWS BY MARKET SEGMENT*



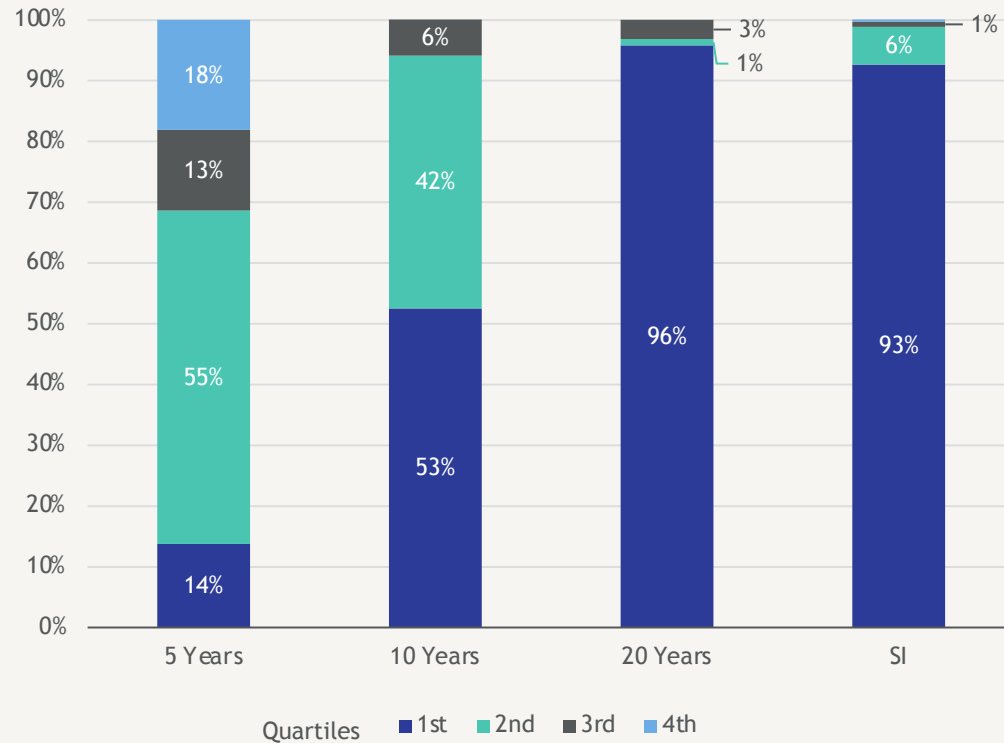
*Net flows as a % of total average AUM
Source: Coronation

Compelling 30-year track record

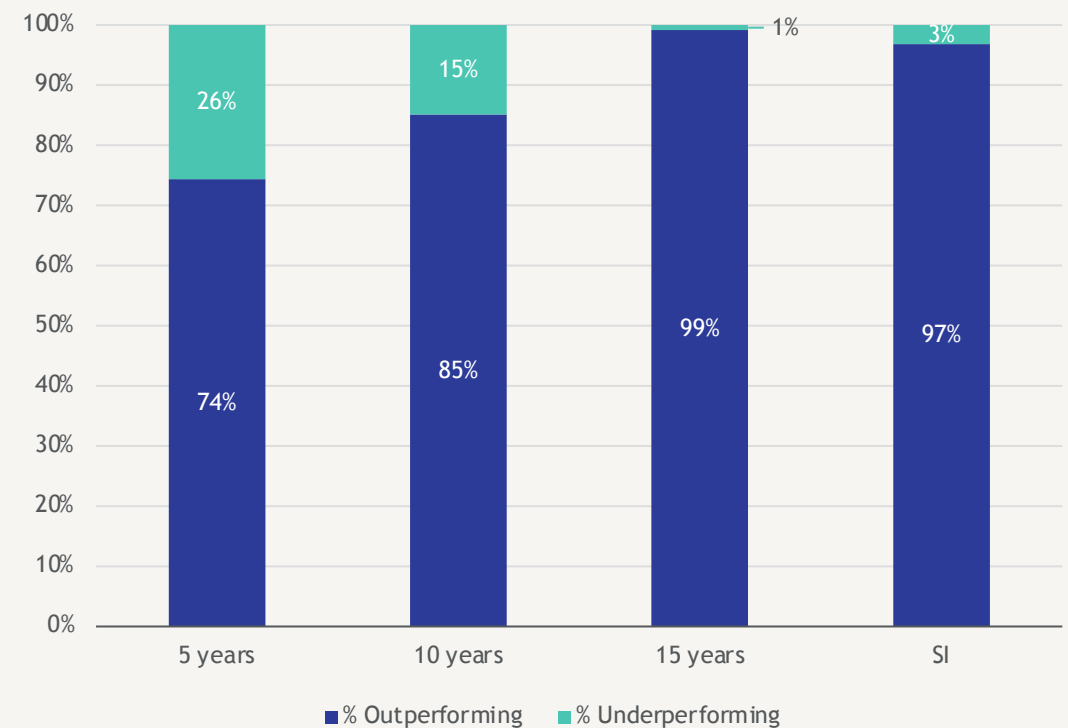


SINGULAR FOCUS ON DELIVERING ALPHA

RETAIL CLIENT ASSETS *



INSTITUTIONAL CLIENT ASSETS **



*Asset-weighted performance of 19 funds representing 98% of rand-denominated CIS funds. Four specialist funds with less than five comparable funds in category excluded.

**On an asset-weighted basis; since inception figure for strategies with a 10-year+ track record

Source: Morningstar using primary share classes and 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). Numbers may not add up due to rounding.

Source: Coronation



Custodian of local and international institutional assets

NURTURING RELATIONSHIPS AND BROADENING OUR APPEAL TO CLIENTS

LOCAL CLIENTS

- + We continue to manage meaningful share of SA's savings industry
- + Long-term returns in our local portfolios are excellent
- + Well positioned & resourced to deliver excellent client service

GLOBAL CLIENTS

- + Spread of institutional clients across the globe
- + The global emerging markets asset class was significantly affected by geopolitics; but has enjoyed solid recovery over 12 months
- + Direct access to client service fund managers and dedicated client relationship managers

Total institutional AUM

R354bn

Southern African AUM

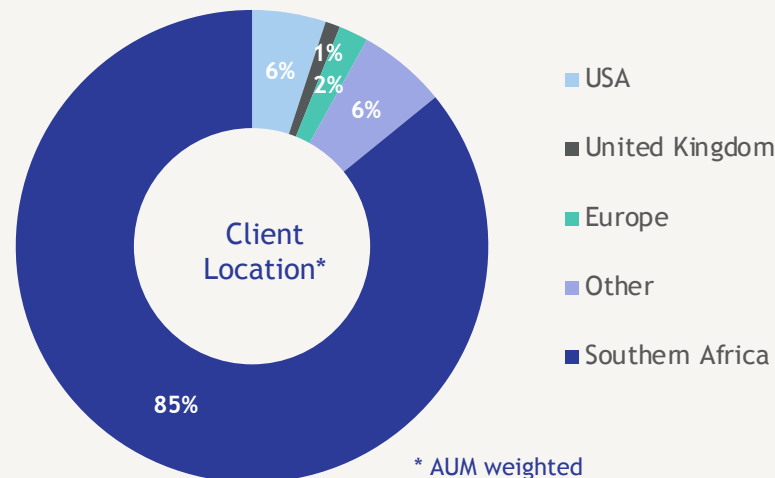
R299bn

Global AUM

R55bn

2023 FOCUS AREAS:

- + Deepen ESG integration & stewardship + focus on transformation
- + Strengthen relationships with key allocators through resumption of in-person events & engagements
- + Review product offering to address regulatory changes
- + Retention and expansion of client base





A leading manager of South Africa's retail savings

SA CLIENT BASE AFFECTED BY LOCAL ECONOMIC CONDITIONS

- + Long-term performance of domestic funds remains excellent with highly competitive outcomes
- + Industry challenged by low growth, cash-strapped consumers and allocations to offshore
- + Strong focus on client engagement and communication
- + Direct adviser online services launched providing a seamless, world-class IFA experience
- + Focus & engagement on industry specific challenges

Total retail AUM

R269bn

- + Long-term, domestic-biased fund NCCF in line with industry experience
- + NCCF from fixed-income and international funds lagged the overall industry experience

SA consumers under pressure due to dire economic position - real compensation, avg; y/y

-2.3%



Active stewards of client portfolios and business

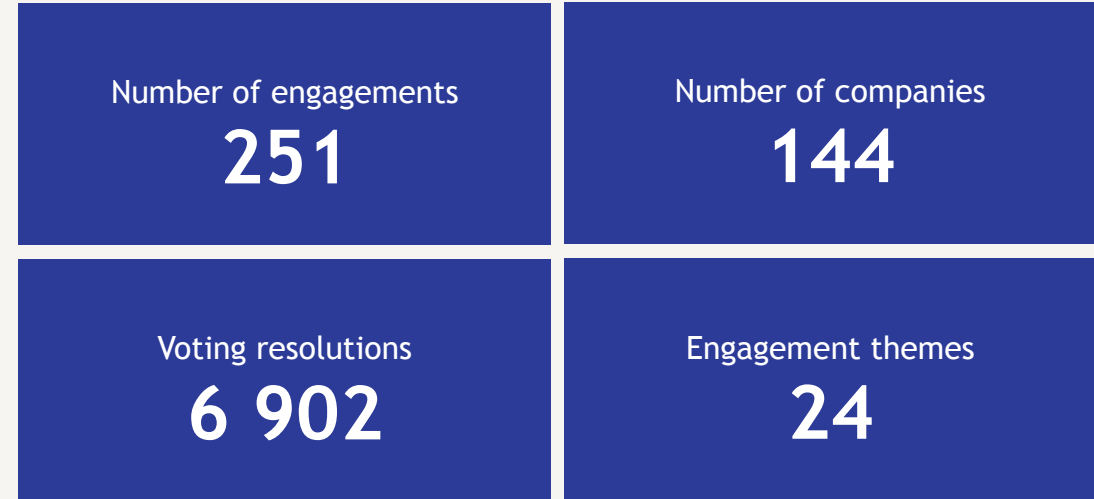
RESPONSIBLE INVESTMENT AND BUSINESS PRACTICES PART OF OUR DNA

Investment approach

- + Support the move to a greener, more sustainable and equitable world
- + Integrate | Engage | Collaborate - built into investment process
- + Preference for active ownership to encourage on-the-ground change
- + 5th annual Stewardship Report to be published shortly
- + Disclosed carbon footprints of key equity portfolios
- + Sustainability Committee established

Corporate approach

- + Oversight by Board & Exco
- + Continued to improve on TCFD reporting framework
- + 3rd operational Carbon Footprint Report published in 2022
- + 1st Sustainability Report published in 2022



Active owners exercising voting rights



Responsible citizenship in a time of crisis



Driving good corporate governance



Tackling climate change



Sustainability reporting



Diversity and inclusion



Meaningful social impact with a focus on education

EDUCATION & ENTREPRENEURSHIP IS THE FOUNDATION OF A PROSPEROUS ECONOMY

EDUCATION SUPPORT

>250

Students awarded study opportunities

103 462

Participants benefited from CFE workshops

90

Internships placed

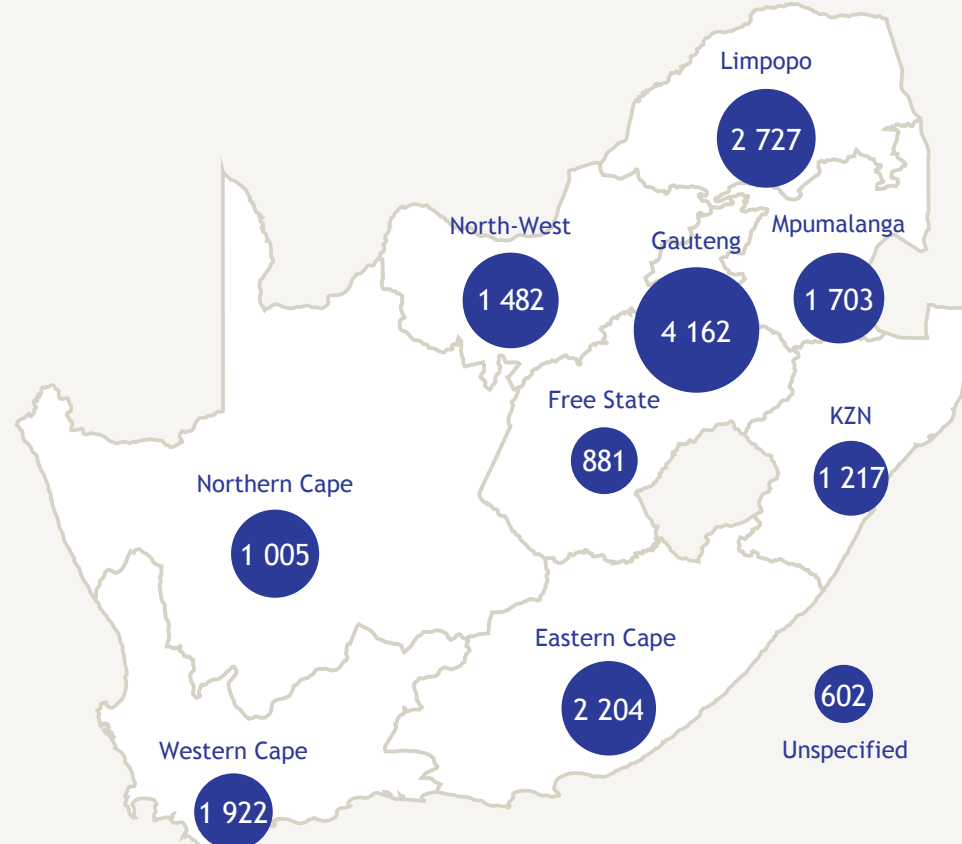
203

IFA practices trained since 2016

CONSUMER FINANCIAL EDUCATION

>17 500

Participants (2022)



EDUCATION PROGRAMMES

>500

Schools

>280 000

Learners

>8 400

Educators

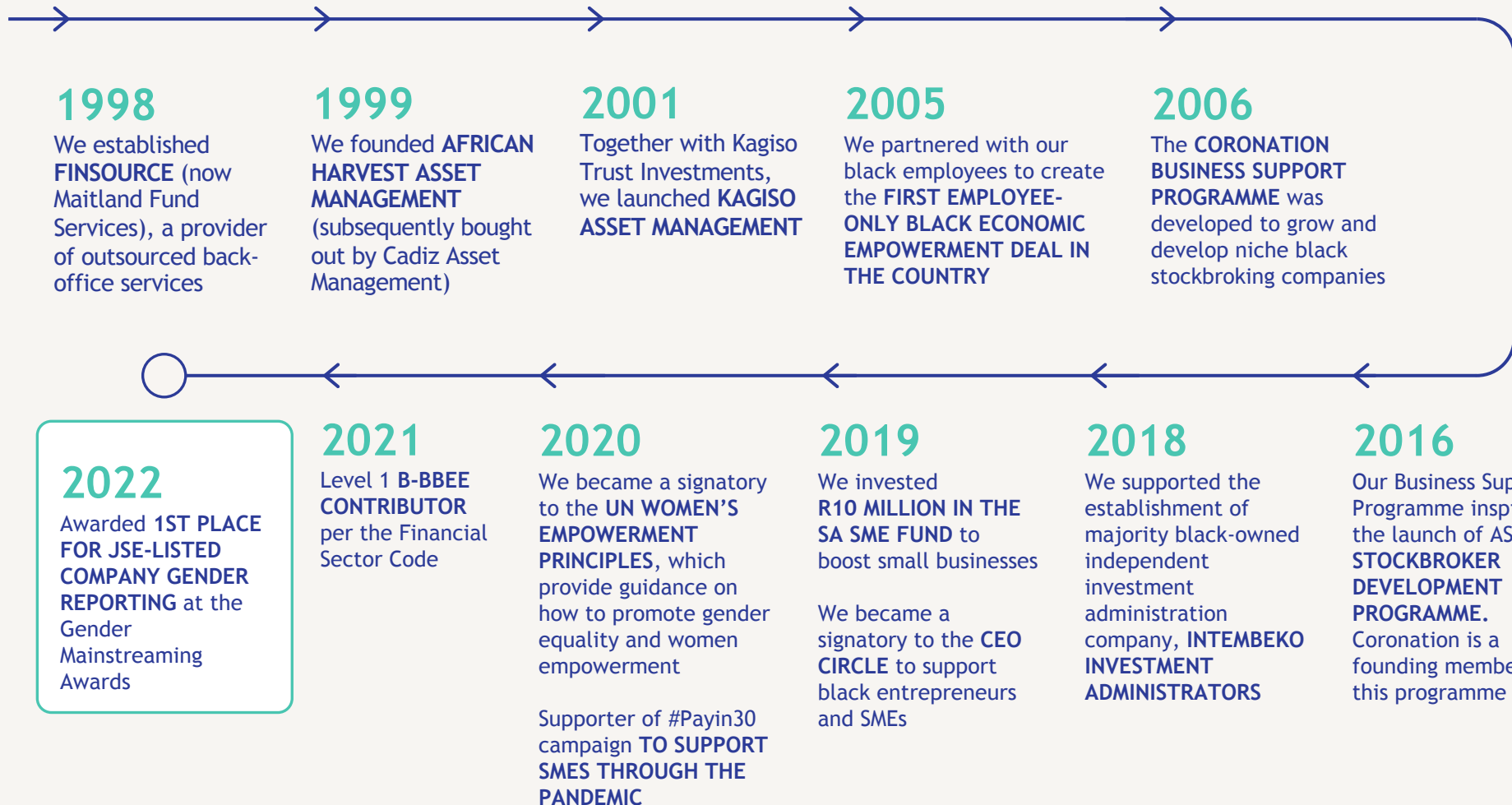
5 702

Small-scale farmers



Diversity, equality & inclusion

ACTIVE, HIGH-IMPACT, ON-THE-GROUND TRANSFORMATION OF OUR BUSINESS AND SOCIETY



27%
employee owned

29%
black owned

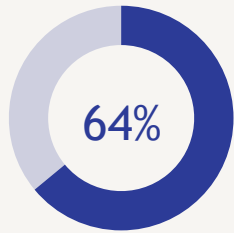
Level 1
B-BBEE contributor
as measured by the Financial Sector Code

Committed to building a transformed industry & society

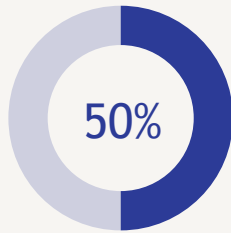


DIVERSITY AND INCLUSION ARE KEY TO ENSURING LONG-TERM BUSINESS SUSTAINABILITY

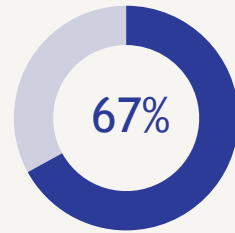
RACE



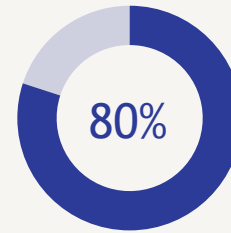
of our employees are black



of our SA investment team leaders are black



of our executive committee are black



of our Board members are black

R298bn

48% of total AUM managed by black investment professionals

R360m

to grow and support black-owned brokerages

>R19m

donated to the ASISA Foundation

GENDER



50%

of our employees are women



45%

of our new hires are women



55%

of our interns are women



50%

of our Board of Directors are women

203

black IFA practices through the ASISA IFA Development Programme

32

black analysts through the bespoke training academies



Financial update



CORONATION

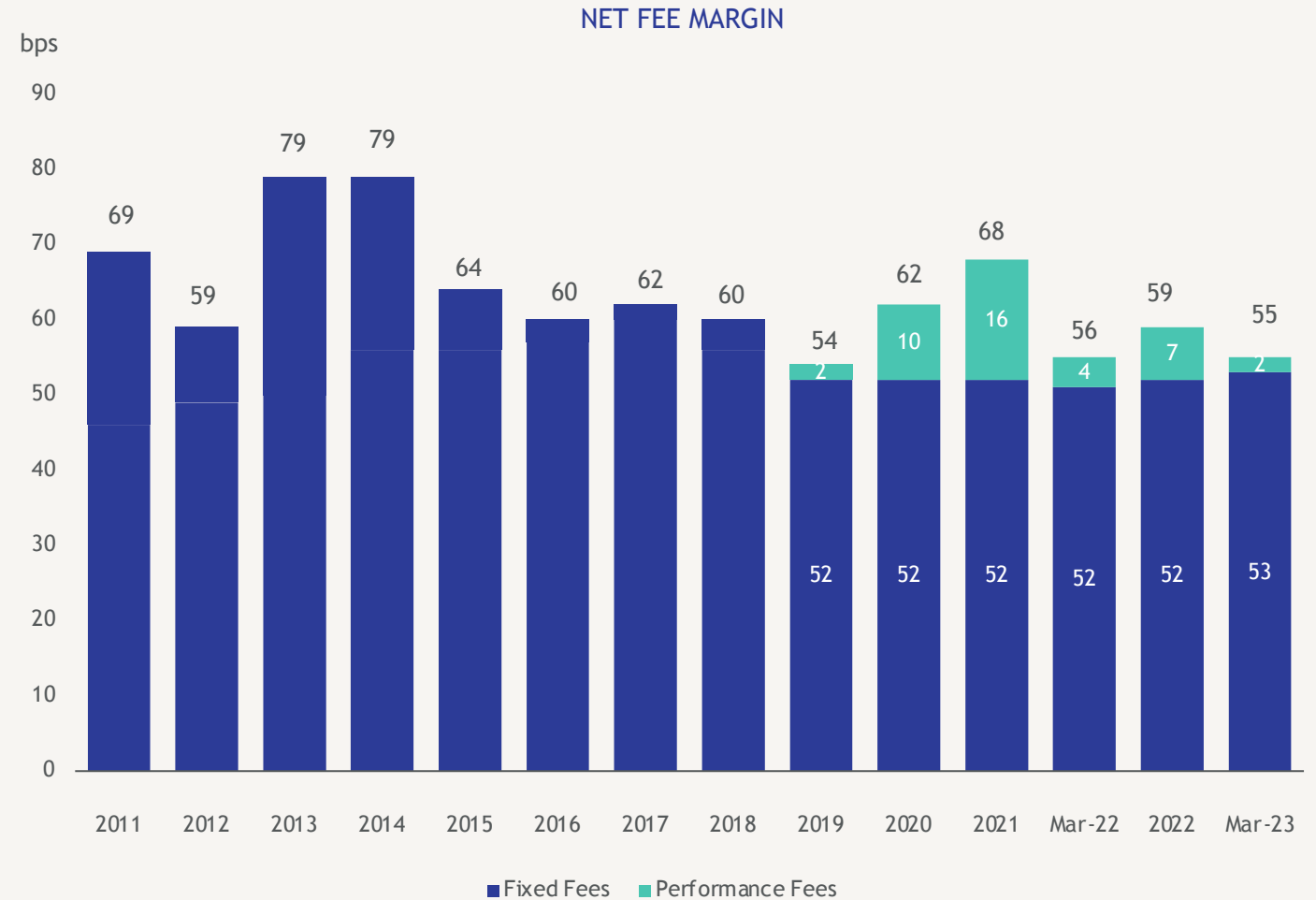
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Stable fee margin over time

RESILIENCE IN TURBULENT TIMES

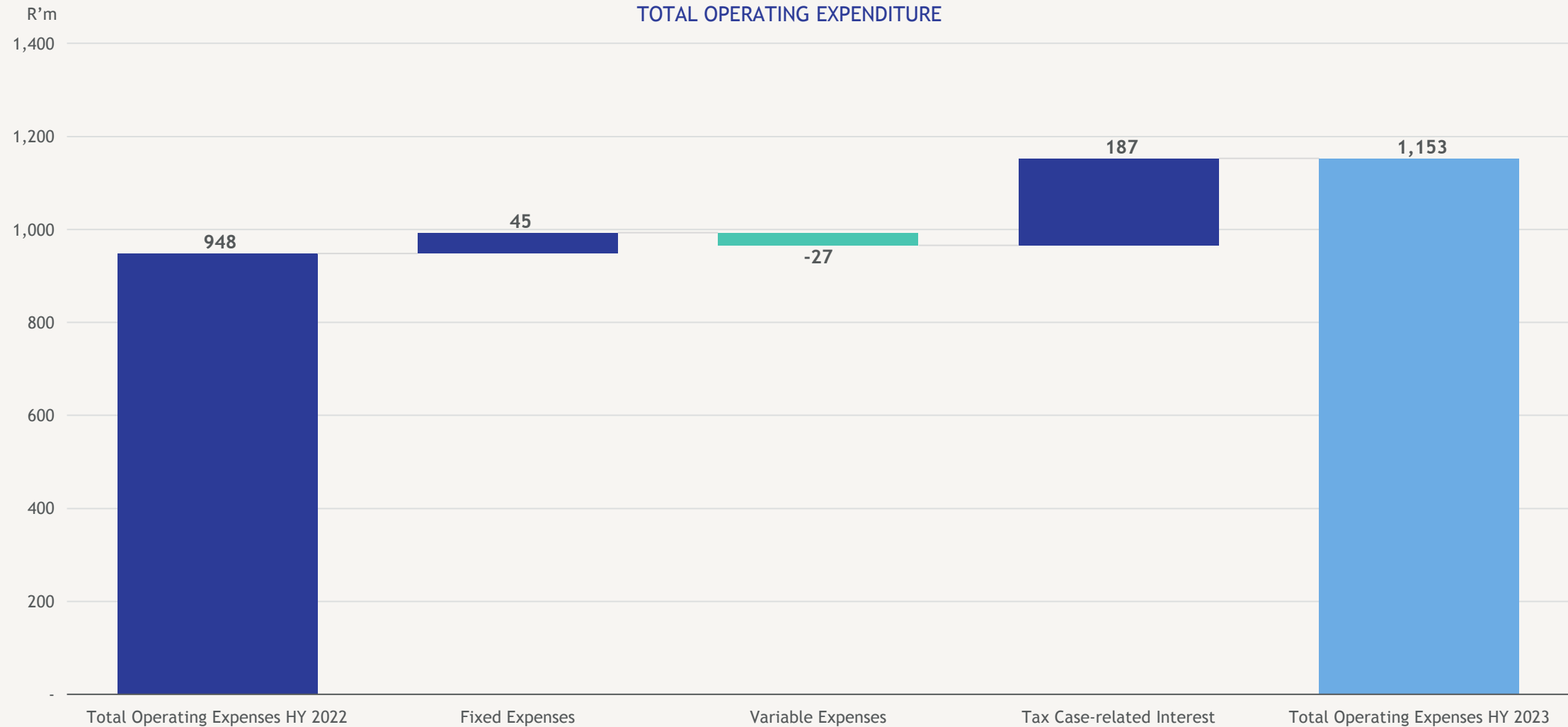
	Change	Mar 2023	Mar 2022
Revenue from fund management	-6%	R1 815m	R1 934m
Management fees	0%	R1 660m	R1 662m
Performance fees	-43%	R155m	R272m



Balancing strong cost discipline with continued investment in business



EXPENSES NEGATIVELY IMPACTED BY SARS DISPUTE



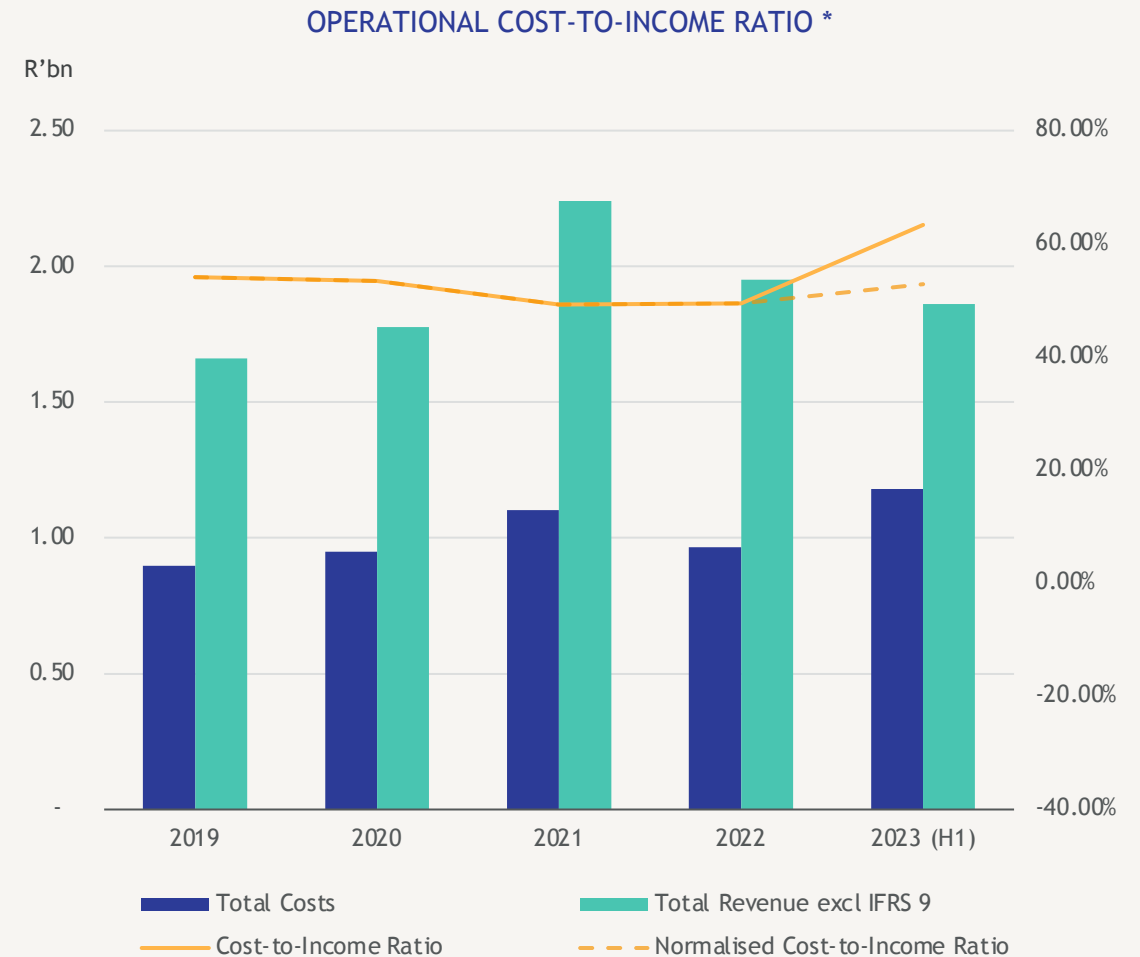


Total expenses

FOCUSED & RESPONSIBLE MANAGEMENT OF FIXED EXPENSES

	Change	Mar 2023	Mar 2022
Fixed expenses	11%	R467m	R422m
Variable expenses*	-5%	R499m	R526m
Tax dispute related interest	-	R187m	-
Total operating expenses	22%	R1 153m	R948m
Cost-to-income ratio (excl. non-operational fair value gains/losses)	27%	62.9%	49.5%
Cost-to-income ratio (excl. non-operational fair value gains/losses and s9D tax impact)	7%	52.8%	49.5%

*Includes distribution expenses of R25m



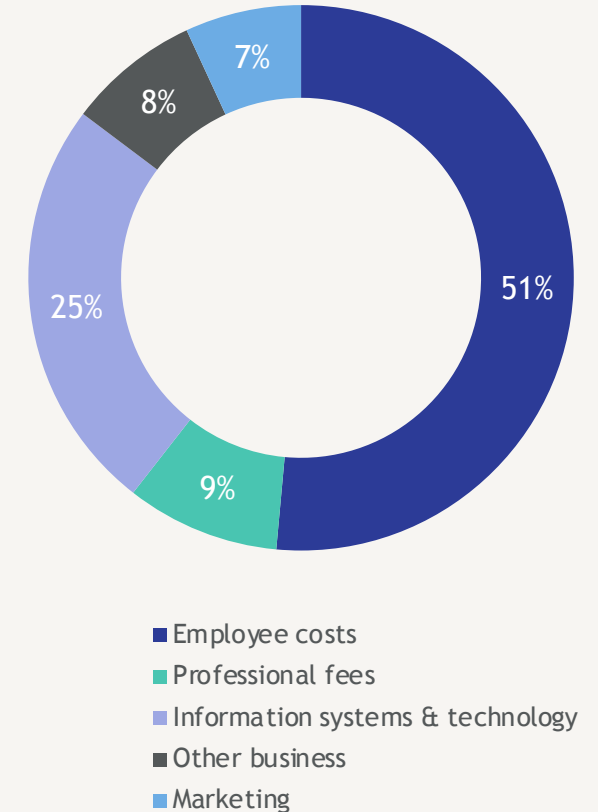
*Cost-to-Income (excl. non-operational fair value gains)



Fixed expenses well managed in an inflationary environment

RESUMED TRAVEL AND MARKETING ACTIVITIES; MULTI OFFICE CAPABILITY

	Change	Mar 2023	Mar 2022
Total fixed expenses	11%	R467m	R422m
- Employee expenses	16%	R240m	R207m
- Information systems & technology	-1%	R115m	R116m
- Professional fees*	-11%	R42m	R38m
- Marketing	10%	R32m	R29m
Employee complement		349	341



*Includes MiFD research expenses



Impact of tax dispute fully accounted for in H1-23 results

Financial Impact	Mar 2023
Tax differential	R529m
Interest on tax	R187m

	Change	Mar 2023	Mar 2022
Headline earnings excl. S9D impact	6%	R737m	R697m
Earnings from fund management excl. S9D impact	-11%	R670m	R751m
Effective tax rate incl. SCA judgement provision	346%	97.3%	21.8%
Effective tax rate per SCA judgement	14%	28.5%	25.0%

Background

- + In 2017, SARS raised a dispute (S9D of the Income Tax Act) in the context of our Irish based business & issued re-assessment for 2012 to 2017
- + Group appealed at the Tax Court in 2021 - ruled in Coronation's favour on 17 September 2021
- + SARS appealed the ruling to the Supreme Court of Appeal (SCA)
- + The SCA handed down its judgement on 7 February 2023 and upheld SARS' appeal and ordered Coronation to pay additional taxes, interests & legal costs
- + Applied for leave to appeal at the Constitutional Court, Coronation firmly of the view that SCA erred in its ruling

Accounting

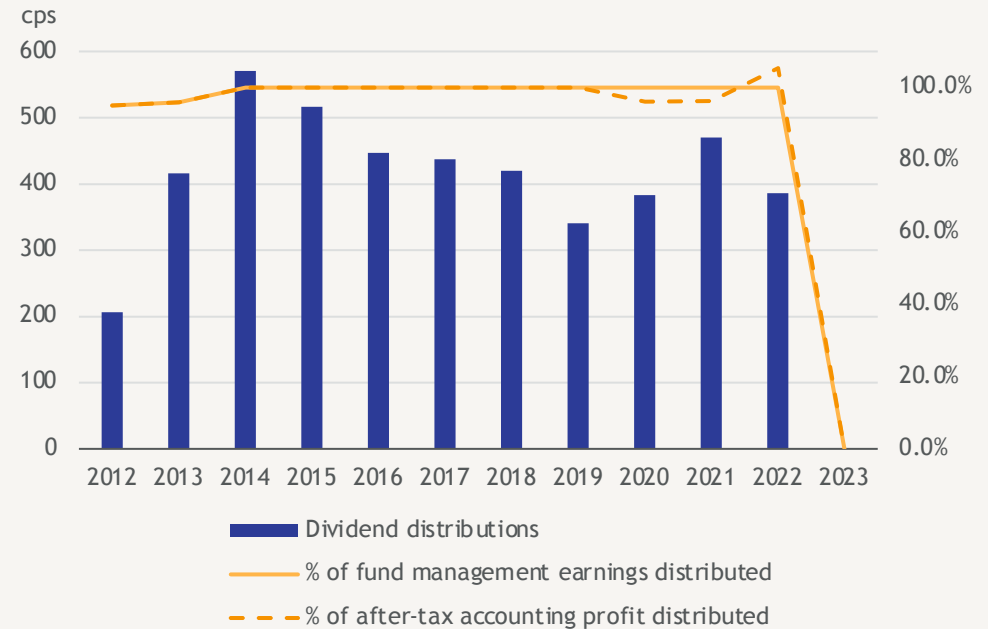
- + Raised provision for additional tax & related interest for 2012 to H1-2023
- + Interest expensed as operating cost
- + Courts found no evidence of maleficent behaviour and dismissed SARS's request for penalties to be imposed



Well-capitalised business

HIGHLY CASH GENERATIVE WITH SIGNIFICANT CAPITAL RESERVES

	Mar 2023	Mar 2022
Cash	R320m	R258m
Investments (seed capital)	R571m	R994m
Total liquid assets	R891m	R1 252m
Capital surplus	R520m	R465m



- + Given the material impact of the current tax ruling on our half-year results, Coronation will not be paying an interim dividend. This is in line with our Dividend Policy, which states that dividend payouts are dependent on our after-tax cash profits
- + Known tax fully provided for. In the event of recovery from SARS, impact will be reversed on like for like basis



Closing comments



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Three decades of consistent stakeholder focus

OUR PURPOSE REMAINS CLEAR AND INFORMS OUR STRATEGIC FOCUS AREAS

