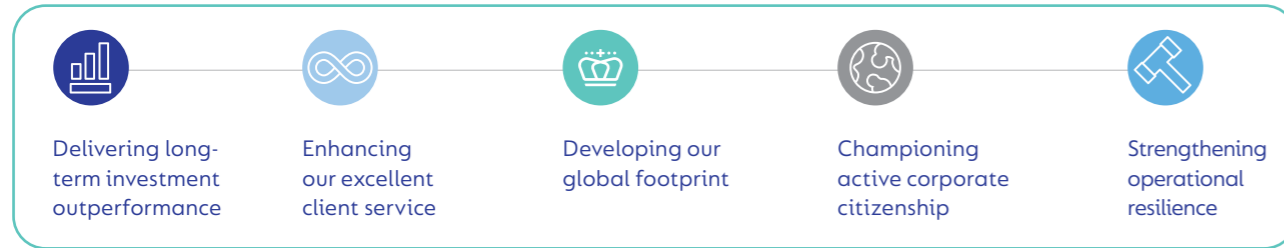




Material matters

These are the key matters that can significantly influence our financial sustainability, drive long-term investment outperformance for our clients, and create lasting value for our stakeholders.



Material matter	Description	Risk	Opportunity/Response
Investment performance 	<p>We are a long-term active investment manager operating in a pressurised global environment with a proven track record spanning more than 31 years. Anchored by a consistent investment philosophy, we have demonstrated our ability to generate alpha over the long term. This commitment lies at the heart of our promise to deliver superior investment outperformance for our clients and stakeholders.</p>	<ul style="list-style-type: none"> Unprecedented global economic and geopolitical challenges disrupting markets and diminishing the effectiveness of our investment approach to generate alpha over medium- and long-term periods The global emerging market (GEM) asset class has lost traction globally, experiencing significant outflows and numerous fund closures Developed markets (DM) are facing severe disruptions to price discovery; it is unclear when rational market pricing will resume 	<ul style="list-style-type: none"> Challenging environment creates an opportunity to acquire undervalued assets with strong growth prospects, setting the stage for future outperformance Our long-term track record and proprietary research offer a compelling value proposition for potential clients Our fully integrated global team uniquely positions us to manage multi-asset class funds with an offshore component Coronation's GEM Fund will benefit when the cycle turns due to a strong long-term track record, solid client relationships, and a limited number of remaining competitors Should fundamentals reassert, our DM funds are well-positioned to capture the upside
South African environment 	<p>As an outsized participant in the market, we are directly impacted by a shrinking South African savings pool. This contraction is driven by low economic growth, ailing State-owned enterprises, failing infrastructure, and low confidence in SA Inc.</p>	<ul style="list-style-type: none"> As a major market player, we face a disproportionate impact from the declining savings pool Ongoing shift of capital towards offshore investments Investor confidence may not recover – much hinges on policy delivery by the Government of National Unity 	<ul style="list-style-type: none"> Opportunity to buy undervalued SA stocks Leverage the benefits of a globally integrated team to retain SA offshore exposure in-house To actively engage with policymakers, regulators, and industry peers to lobby for policy implementation to support stronger and sustainable economic growth Strong in-house research capabilities able to identify opportunities in markets where there is increasingly less coverage

Material matter	Description	Risk	Opportunity/Response
Client changing requirements 	<p>Shifts in client demand are driving the need for new solutions and enhanced client service.</p> <p>In the increasingly competitive asset management sector, exceptional client service and relationship building have become critical differentiators.</p>	<ul style="list-style-type: none"> Failure to meet evolving client needs Risk of losing existing clients The inability to stand out via client service due to increasing competition and regulatory demands 	<ul style="list-style-type: none"> Ongoing engagement to understand evolving client needs Deepening connections with existing clients while expanding our network Launch of new products to meet changing market demands
Transformation 	<p>Transformation is a market imperative with increasing emphasis on black ownership as a differential criterion.</p> <p>Coronation is committed to maintaining and enhancing our transformation status in line with our long-term objectives and strategy.</p>	<ul style="list-style-type: none"> Loss of clients if transformation credentials fall below those of our competitors 	<ul style="list-style-type: none"> In response to regulatory demands and the needs of SA asset owners, we finalised a broad-based black economic empowerment deal and achieved 52% black ownership To clearly communicate our authentic, merit-based transformation status Continue with the implementation of impactful transformation programmes, internally and externally
Talent 	<p>Our people are our most valued asset, but we face challenges in a highly competitive market for scarce skills, further intensified by the globalisation of the workforce.</p>	<ul style="list-style-type: none"> Not achieving authentic transformation in a scarce-skills environment Significant scarcity of skills across functions Talent loss due to emigration High levels of head-hunting add pressure to retaining key talent 	<ul style="list-style-type: none"> Continue investing in employee development and wellness, with a strong focus on nurturing young talent Greater flexibility for employees to enable work-life balance Develop comprehensive compensation packages to effectively retain top talent The B-BBEE transaction allocations to employees aim to strengthen retention

Material matter

Regulatory environment



Description	Risk	Opportunity/Response
<p>Significant shifts in the regulatory landscape and the increased pace and volume of regulations.</p>	<ul style="list-style-type: none"> ➤ Non-compliance due to the pace and volume of regulatory change ➤ Increased cost of doing business ➤ Uncertainty around proposed amendments to the taxation of collective investment schemes 	<ul style="list-style-type: none"> ➤ Continued engagement with policymakers ➤ Engagement with peers and broader SA Inc. to avoid unintended consequences and strive for the best outcomes

Environmental, social & governance (ESG) factors



<p>The need to incorporate ESG into the investment process in a holistic manner that ensures that we are assessing and promoting the long-term sustainability of the companies in which we invest.</p>	<ul style="list-style-type: none"> ➤ Many ESG factors manifest over the longer term and are subjectively integrated into valuation models, often using varying levels of data quality: <ul style="list-style-type: none"> i) There is a risk that our long-term forecasts materialise differently over time ii) There is a risk that other market participants price these risks differently, which could impact market prices ➤ There is a risk that our engagement strategy is unsuccessful, which may result in an investee company action that is value destructive over the longer term ➤ ESG in the investment process is a broad concept that can be implemented in several different ways, particularly within specific issues. We may face reputational risks from stakeholders or external parties who disagree with our chosen approach ➤ We have a diverse client base, who may have differing views and priorities regarding how we should incorporate ESG into our investment process or approach various ESG issues ➤ Climate change poses a systemic risk that could severely impact large segments of our portfolios over time 	<ul style="list-style-type: none"> ➤ Our fundamental bottom-up research process fully integrates ESG analysis and engagement into each investment case; handled by the responsible analyst, rather than outsourcing the function. This leads to a holistic understanding of the impact of ESG factors on individual shares and the overall portfolio ➤ Value creation and responsible corporate citizenship can be achieved through increased engagement and collaboration on material ESG issues ➤ We continue to deepen our stewardship activities across key ESG issues, including climate change, and to ensure that investee companies have appropriate governance structures in place to manage material ESG risks and opportunities ➤ We actively monitor relevant regulations and best practice frameworks and participate in policy advocacy to stay ahead of evolving ESG requirements ➤ We follow a structured engagement escalation strategy if the initial stages of engagement prove unsuccessful ➤ We actively communicate with stakeholders, explaining our process and highlighting complexities and nuances through detailed case studies
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