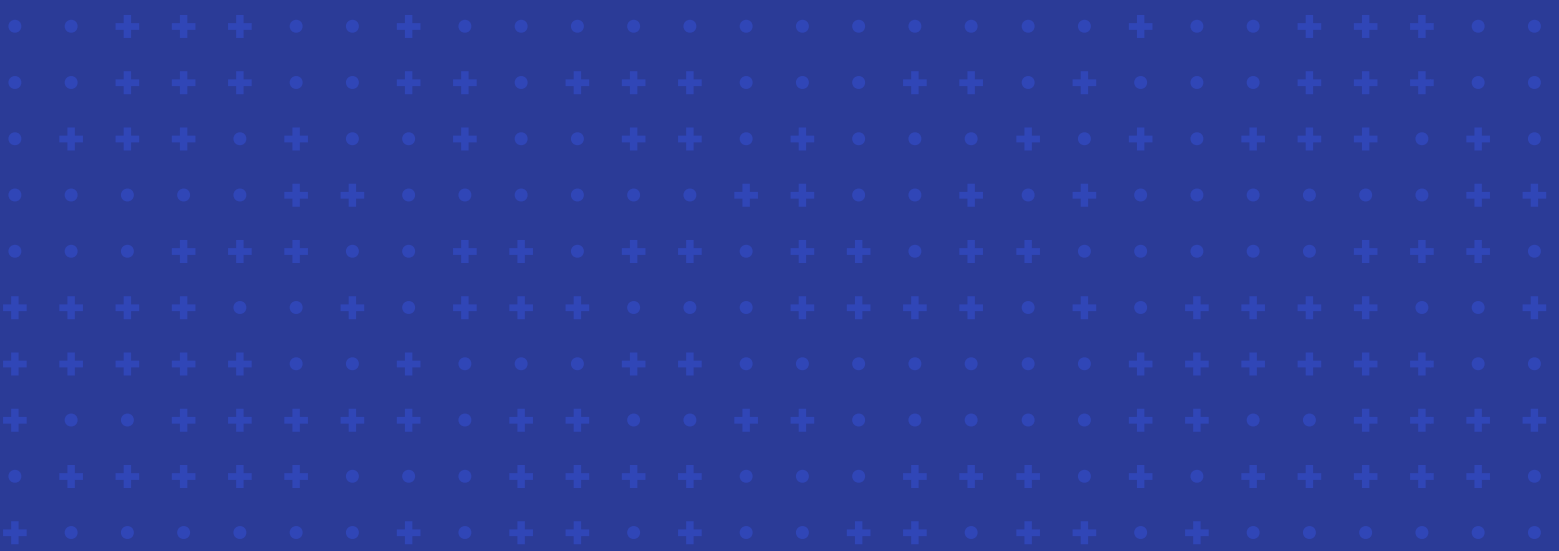




REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

for the year ended 30 September 2024



CORONATION

TRUST IS EARNED™

Assets under management

R667
billion

Fund management
earnings per share

617.1
cents

Final dividend
per share

228.0
cents

CORONATION FUND MANAGERS' ANNUAL RESULTS 2024

For the financial year under review, fund management earnings per share were up 9% year on year at 402.9 cents, after excluding the impact of the now-concluded SARS matter¹. Total assets under management (AUM) increased by 11% to R667 billion (30 September 2023: R602 billion) on the back of strong market returns and continued outperformance. Average AUM increased by 2% to R631 billion (30 September 2023: R620 billion).

Global markets delivered solid returns in 2024, as financial markets absorbed many concerning geopolitical tensions while also responding positively to encouraging developments in inflation, economic growth and interest rate outlooks. In South Africa, asset returns have been robust, fuelled by growing optimism that the new Government of National Unity will deliver much-needed reforms and unlock economic growth.

Coronation's portfolios performed well amid the market volatility, with clients benefitting from the value generated by our active asset allocation and rigorous research approach. For the period year under review, 92%² of our funds across the business have outperformed their benchmarks since inception. Long-term outperformance in our South African portfolios in particular continues to be outstanding at 97%², with many ranking exceptionally high in industry surveys. Our globally integrated approach to managing offshore allocations in our Regulation 28-compliant funds has been material to our ability to unlock value for our clients. Our global portfolios have recently delivered promising performance, and we are encouraged by the renewed interest in our Africa Frontiers Strategy after a decade of muted investor enthusiasm for this asset class.

Our total operating expenses, excluding the impact of the SARS tax matter³, have increased by 8% year on year, reflecting the rising cost of doing business in South Africa, notwithstanding our continued disciplined approach to expense management. We remain acutely aware of the competitive, skills-constrained environment in which we operate and have continued to invest meaningfully in the business to maintain our market-leading position. Key areas of investment include strengthening our local and global investment capabilities, enhancing client service systems, optimising information and technology systems and data management, and upholding rigorous compliance standards in response to a demanding global regulatory landscape.

This consistent investment in our people and systems was demonstrated by our ability to efficiently and timeously manage the heightened level of withdrawals that accompanied the roll-out of the Two-Pot retirement system on 1 September 2024.

Net outflows moderated to 8.1% of average AUM during the reporting period. The South African savings industry remains cash-flow negative, and, as a major industry player, Coronation is likely to continue experiencing outflows reflective of the broader environment. We anticipate this trend will persist as long as a weak economy and the high unemployment rate continue to limit people's ability to save and invest.

A LANDMARK YEAR

It has been a significant year for Coronation, marked by two milestone achievements that underscore our dedication to corporate responsibility and economic empowerment.

The first was the conclusion of the tax dispute with the South African Revenue Service, with the Constitutional Court unanimously ruling in Coronation's favour in June. This decision supported Coronation's interpretation of the Income Tax Act concerning our international operations, affirming our reputation as a responsible corporate citizen and our adherence to good corporate governance. As a result of the reversal of the provision, we were able to pay a special dividend of 153 cents per share to shareholders in September 2024.

The second milestone is the proposal of Coronation's second Broad-Based Black Economic Empowerment (B-BBEE) deal, which will be presented to shareholders for approval at a General Meeting on 28 November this year. If successful, this transaction will elevate Coronation's effective black ownership to 51%⁴, building on the foundation of our 2005 Imvula Trust black employee ownership initiative. This advancement will not only enable us to participate in mandates requiring majority black ownership across both private and public sectors but will also reinforce our long-standing commitment to substantive transformation.

In addition to these achievements, shareholders voted in favour of the Odd-Lot and Specific Offers in March resulted in the repurchase of 206 804 shares, which were cancelled and delisted. This year, we also successfully launched several new products, expanding our offering to meet diverse client needs. We introduced an ex-China Global Emerging Markets Strategy for institutional clients, two fixed-income unit trusts, and listed seven actively managed exchange-traded funds on the JSE.

TRANSFORMATION AND DIVERSITY

The proposed B-BBEE transaction is a natural progression in Coronation's decades-long journey to transform our business. Over the years, we have supported the development of black-owned businesses, provided critical skills training through our investment management, stockbroking, and adviser training programmes, and fostered young talent through our internship and bursary programmes. Our corporate social investment efforts, focused on early learning and primary school, continue to make a meaningful difference in shaping future generations.

¹ Refer to Note 7 of the condensed consolidated financial statements

² On an asset-weighted basis; since inception figure for strategies with a 10-year+ track record

³ Refer to the Pro forma financial information

⁴ Measured in accordance with the B-BBEE Codes of Good Practice

Our commitment to transformation and diversity is reflected across our entire business:

- ▶ Level 1 B-BBEE contributor: we have proudly held this status since 2021⁵.
- ▶ Assets managed by experienced black portfolio managers: R278 billion, representing 42% of our total AUM.
- ▶ Diverse workforce: 63% of our South African-based employees are black and 50% are women.
- ▶ Inclusive leadership: Our woman-led Board of Directors is 80% black, while 50% are women. In addition to our Chairperson, three of our Board's subcommittees and our subsidiaries are chaired by women. Key leadership positions are held by black leaders, including our CEO, CFO, COO and the Heads of Institutional Business, Fixed Interest, Core Equity and Absolute Return.
- ▶ Ms. Alethea Conrad was appointed as an independent non-executive director of the Group with effect from 22 December 2023.

We believe our diversity is central to our success, as teams of diverse collaborators are better equipped to tackle challenges, drive innovation and foster resilience. This ethos has contributed to high retention rates and a stable team with consistent, durable leadership. With 29% of our business being employee owned, we foster an owner-led culture that aligns the interests of employees with those of all stakeholders.

Our drive to support gender equality extends beyond our own walls. We are proud signatories of the UN-supported Women's Empowerment Principles and a global corporate member of 100 Women in Finance (100WF), an organisation dedicated to advancing gender equity in the financial services industry. Over the years, our achievements have been recognised through numerous awards. In 2024, we placed first in the Gender Mainstreaming Awards in the Woman on Boards category and the 100 Women in Finance Diversity, Equity and Inclusion, EMEA Award.

Through the aforementioned proposed B-BBEE transaction and our ongoing initiatives, we remain steadfast in our mission to drive meaningful change across our industry and society at large.

STEWARDSHIP

Coronation's stewardship philosophy is grounded in our unwavering focus on delivering superior long-term outcomes for our clients – one that we've upheld consistently for over 30 years. We recognise that our capacity to create sustainable long-term value for our clients is intrinsically tied to the sustainability of the companies in which we invest.

We know that companies that are managed on a sustainable basis are more likely to create value over the long term. Our analysis of the ability of investee companies to create, sustain and protect value is, therefore, a cornerstone of our long-term, valuation-driven investment philosophy. As responsible stewards of the capital entrusted to us, we are mindful of the broader impact of our investment activities.

Our analysis incorporates environmental, social and governance factors, considering the external costs of business activities and the potential for these to be internalised in the future. We believe that as an active, fundamental manager, our in-depth research and company-specific insights can significantly drive progress through a holistic understanding of each company and its context. Rather than adopting a one-size-fits-all model or a box-ticking approach, we evaluate the ESG risks and opportunities relating to each investment and how the entity responds to these challenges. Achieving real change while mitigating unintended consequences is only possible through thorough research and active engagement – a hallmark of our approach for more than three decades.

DIVIDEND

As per our policy, we endeavour to distribute a minimum of 75% of after-tax cash profit. A final gross dividend of 228.00000 cents per share has been declared for the financial year ended 30 September 2024 from income reserves, resulting in a net dividend of 182.40000 cents per share for shareholders subject to Dividends Tax. In compliance with the Listings Requirements of the JSE Ltd, the following dates are applicable:

- ▶ Declaration date: Tuesday, 19 November 2024
- ▶ Last day to trade cum dividend: Tuesday, 3 December 2024
- ▶ Trading ex-dividend commences: Wednesday, 4 December 2024
- ▶ Record date: Friday, 6 December 2024
- ▶ Payment date: Monday, 9 December 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 December 2024 and Friday, 6 December 2024, both dates inclusive. In terms of Dividends Tax, the following additional information is disclosed: the local Dividends Tax rate is 20%. The number of ordinary shares in issue at the date of this declaration is 349 592 298. Coronation's tax reference number is 9 675 107 719.

⁵ As per the Financial Sector Code

PROSPECTS

The operating environment has been volatile and challenging for several years, during which Coronation has consistently delivered value to its clients. Our fully integrated global investment team, guided by our long-term investment philosophy, has delivered alpha at scale for over three decades. We remain excited by the return prospects of the opportunities that are presenting themselves to active managers in both local and global markets.

Looking ahead, we are committed to positioning Coronation for continued success in this demanding landscape and will continue to invest appropriately in our business to ensure the resilience and adaptability to meet future challenges. We believe that those investors who embrace a long-term perspective will be well-rewarded, creating value not only for themselves but for the benefit of all our stakeholders.

EXTERNAL AUDIT REVIEW

The external auditors, KPMG Inc., reviewed the condensed consolidated statement of financial position of Coronation Fund Managers Ltd as at 30 September 2024, and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, earnings per share and condensed consolidated segment report for the period then ended and explanatory notes. The review has been conducted in accordance with the International Standard on Review Engagements 2410 (ISRE 2410). The unmodified review report of KPMG Inc. is included as Annexure A of these condensed consolidated financial statements and is available on the JSE cloudlink as well as the Coronation website.

The auditor's review report does not necessarily report on all of the information contained in this financial results announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's review report together with the accompanying financial information from the issuer's registered office. Any forward-looking information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

Alexandra Watson

Chairperson

Cape Town

19 November 2024

Anton Pillay

Chief Executive Officer

Mary-Anne Musekiwa

Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION	% CHANGE
Fund management activities			
Revenue (note 2)	3 913	3 647	7%
Other income	296	76	
Total operating expenses	(2 255)	(2 154)	5%
Results from operating activities	1 954	1 569	25%
Finance and dividend income	98	50	
Finance expense	(35)	(58)	
Profit from fund management	2 017	1 561	29%
Share of profit of equity-accounted investee	5	5	
Sundry gains	83	110	
Income attributable to policyholder linked assets and investment partnerships	16	13	
Net fair value gains on policyholder and investment partnership financial instruments	49	118	
Administration expenses borne by policyholders and investors in investment partnerships	(33)	(105)	
Profit before income tax	2 121	1 689	26%
Income tax credit/(expense)	84	(1 049)	
Taxation on shareholder profits (note 8)	100	(1 036)	
Taxation on policyholder investment contracts	(16)	(13)	
Profit for the year	2 205	640	245%
Other comprehensive losses	(8)	(6)	
Foreign currency translation differences for foreign operations	(8)	(6)	
Total comprehensive income for the year	2 197	634	
Profit attributable to:			
– equity holders of the company	2 205	640	245%
Profit for the year	2 205	640	
Total comprehensive income attributable to			
– equity holders of the company	2 197	634	246%
Total comprehensive income for the year	2 197	634	
Earnings per share (cents)			
– basic	630.5	182.9	245%
– diluted	630.5	182.9	245%
Headline earnings per share (cents)			
– basic	630.5	182.9	245%
– diluted	630.5	182.9	245%

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Assets		
Intangible assets	1 088	1 088
Equipment	14	26
Right-of-use assets	47	58
Investment in equity accounted investees	41	41
Deferred tax assets	263	175
Investments backing policyholder funds and investments held through investment partnerships	79 578	61 483
Investment securities (note 6)	931	639
Trade and other receivables	678	686
Cash and cash equivalents	1 429	1 141
Total assets	84 069	65 337
Liabilities		
Long term borrowings (note 4)	38	535
Long term other payables	55	29
Lease liabilities	65	88
Deferred tax liabilities	50	41
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	79 553	61 469
External investors in consolidated funds (note 6)	223	-
Short term portion of long term borrowings (note 4)	472	-
Taxation payable	48	433
Trade and other payables	1 055	669
Total liabilities	81 559	63 264
Net assets	2 510	2 073
Equity		
Share capital and premium	249	256
Retained Earnings	2 114	1 668
Reserves	147	149
Total equity	2 510	2 073

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND PREMIUM R MILLION	FOREIGN CURRENCY TRANSLATION RESERVE R MILLION	RETAINED EARNINGS R MILLION	SHARE- BASED PAYMENT RESERVE R MILLION	TOTAL EQUITY R MILLION
Balance at 30 September 2022 (audited)	256	141	1 630	12	2 039
Total comprehensive income for the year					
Profit for the year			640		640
Other comprehensive gains					
Currency translation differences		(6)			(6)
Total comprehensive income for the year		(6)	640		634
Transactions with owners recorded directly to equity					
Share-based payments				2	2
Dividends paid			(602)		(602)
Total transactions with owners			(602)	2	(600)
Balance at 30 September 2023 (audited)	256	135	1 668	14	2 073
Total comprehensive income for the year					
Profit for the year			2 205		2 205
Other comprehensive losses					
Currency translation differences		(8)			(8)
Total comprehensive income for the year		(8)	2 205		2 197
Transactions with owners recorded directly to equity					
Share-based payments				6	6
Dividends paid			(1 759)		(1 759)
Odd-lot offer	(7)				(7)
Total transactions with owners	(7)		(1 759)	6	(1 760)
Balance at 30 September 2024 (reviewed)	249	127	2 114	20	2 510

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Cash flows from operating activities		
Profit from fund management	2 017	1 561
Non-cash and other adjustments	(31)	2
Operating profit before changes in working capital	1 986	1 563
Working capital changes	415	(175)
Decrease/(increase) in trade and other receivables	3	(10)
Increase/(decrease) in trade and other payables	412	(165)
Cash flows generated from/(utilised in) policyholders and investment partnership activities*	2 214	(21)
Cash generated from operations	4 615	1 367
Interest on lease liability paid	(6)	(7)
Interest paid	(37)	(36)
Income tax paid	(821)	(512)
Amounts received from SARS	445	-
Net cash generated from operating activities	4 196	812
Cash flows from investing activities		
Finance and dividend income	90	43
Acquisition of equipment	-	(25)
Net disposal of investment securities	22	210
Net cash generated from investing activities	112	228
Cash flows from financing activities		
Dividends paid	(1 759)	(602)
(Repayment of)/proceeds from long term liabilities	(8)	46
Purchase and cancellation of shares	(7)	-
Lease liability paid	(24)	(14)
Net cash utilised in financing activities	(1 798)	(570)
Increase in cash and cash equivalents	2 510	470
Net increase in cash and cash equivalents – shareholders	296	491
Net increase/(decrease) in cash and cash equivalents – policyholders and investment partnerships*	2 214	(21)
Cash and cash equivalents at beginning of the year	6 924	6 460
Cash and cash equivalents at beginning of year – shareholders	1 141	656
Cash and cash equivalents at beginning of year – policyholders and investment partnerships*	5 783	5 804
Effect of exchange rate fluctuations on cash held	(8)	(6)
Cash and cash equivalents at end of the year	9 426	6 924
Cash and cash equivalents at end of year – shareholders	1 429	1 141
Cash and cash equivalents at end of year – policyholders and investment partnerships*	7 997	5 783

* The above cash flows include the policyholder and investment partnership activities. These cash flows represent net contributions and withdrawals by policyholders and investment partnerships and the related investing activities. Cash and cash equivalents of policyholders and investment partnerships are not available for use by the shareholders of the Group.

EARNINGS PER SHARE

	REVIEWED 30 SEPT 2024 R MILLION	FULL YEAR AUDITED 30 SEPT 2023 R MILLION
Earnings attributable to shareholders	2 205	640
Earnings attributable to ordinary shareholders	2 205	640
Headline earnings attributable to ordinary shareholders	2 205	640
Earnings per share (cents)		
– basic	630.5	182.9
– diluted	630.5	182.9
Note to the condensed consolidated statement of comprehensive income		
Headline earnings per share (cents)		
– basic	630.5	182.9
– diluted	630.5	182.9
Dividend per share (cents)		
– interim	185.0	–
– special	153.0	–
– final	228.0	165.0

CONDENSED CONSOLIDATED SEGMENT REPORT

	AFRICA		INTERNATIONAL		GROUP	
	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Segment external revenue	2 715	2 568	1 198	1 079	3 913	3 647
Segment operating expenses	(1 722)	(1 559)	(533)	(595)	(2 255)	(2 154)
Segment profit	993	1 009	665	484	1 658	1 493
Net finance and other income/(expense)	206	129	153	(61)	359	68
Profit from fund management	1 199	1 138	818	423	2 017	1 561
Share of income of equity-accounted investee	5	5	–	–	5	5
Sundry gains					83	110
Income attributable to policyholder linked assets and investment partnerships					16	13
Profit before income tax					2 121	1 689
Segment assets	1 144	1 427	1 954	1 124	3 098	2 551
Investments*					80 971	62 786
Total assets					84 069	65 337
Segment liabilities	1 274	985	459	770	1 733	1 755
Investor liabilities**					79 826	61 509
Total liabilities					81 559	63 264

Total tax on shareholder profits amounts to a tax credit of R100 million (30 September 2023: tax expense R1 036 million). Tax expense on policyholder investment contracts amounts to R16 million (30 September 2023: R13 million).

* Investments are attributable to investments backing policyholder funds and investments held through investment partnerships, consolidated funds and other assets.

** Investor liabilities include policyholder investment contract liabilities and liabilities to holders of interest in investment partnerships and external investors in consolidated funds.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS); the International Accounting Standard 34 Interim Financial Reporting (IAS 34); the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (JSE Limited's Listings Requirements); as well as the South African Companies Act, No. 71 of 2008 (as amended). The condensed consolidated financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These condensed consolidated financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments which are stated at fair value. The condensed consolidated financial statements are presented in South African Rand (R), rounded to the nearest million.

The preparation of the condensed consolidated financial statements, in conformity with IAS34, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key areas in which judgement and estimation uncertainty is applied include:

- ▶ The valuation of unlisted investments is a notable area of judgement applied in the preparation of these condensed consolidated financial statements. It is the opinion of the directors that fair value approximates carrying amount;
- ▶ Assessing whether the Group controls an investee by assessing the power over the investee, exposure or rights, to variable returns from its involvement with its investee and the ability to use its power over the investee to affect the amount of the Group's returns; and
- ▶ Assessing the impact of the Constitutional Court of South Africa (ConCourt) judgement in favour of Coronation Investment Management SA (Pty) Ltd (CIMSA), in relation to the SARS v CIMSA SARS Matter. Management has determined that the total obligation raised including interest recognised up until 21 June 2024 (date of the ConCourt judgement) should be reversed in the 2024 Annual Financial Statements upon receiving a favourable judgement at the ConCourt. IFRS Accounting Standards do not specifically address the accounting treatment for interest and penalties related to income taxes. An entity must assess the facts of the particular matter to determine whether a financing decision was made (intentional or due to an oversight) or whether a significant tax uncertainty existed at the time. The interest income recognised is a reversal of the total interest expense recognised up until the date of the ConCourt judgement which was disclosed as an operating expense, as a result the interest income has been accounted for as an operating income as it is not a financing income. Any additional interest earned on payments due from SARS subsequent to the date of the ConCourt judgement has been recognised as finance income;
- ▶ Valuation of the share-based payment expense where inputs are based on observable market inputs, adjusted for factors that specifically apply to the transaction and recognise market volatility.

The accounting policies applied in the presentation of the condensed consolidated financial statements are consistent with those presented in the 2023 annual financial statements. These reviewed results have been prepared under the supervision of N Salie CA(SA).

2 REVENUE FROM CONTRACTS WITH CUSTOMERS

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Management fees	3 440	3 353
Performance fees	473	294
	3 913	3 647

Revenue from contracts with customers comprises fees earned in respect of fund management activities.

Refer to the condensed consolidated segment report for disaggregation of revenue based on the geographical split of revenue earned.

All revenue from contracts with customers is earned over time.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3 RELATED PARTY TRANSACTIONS

Related party transactions for the current year are similar to those disclosed in the Group's annual financial statements for the year ended 30 September 2023. No new significant related party transactions arose during the year.

Ms. Alethea Conrad has been appointed as an independent non-executive director of the Group with effect from 22 December 2023.

Ms. Judith February resigned as an independent non-executive director of the Group with effect from 21 February 2024.

4 LONG-TERM AND SHORT-TERM BORROWINGS

The cumulative redeemable preference shares with fixed rate dividends payable quarterly has a capital payment of R300 million (30 September 2023: R300 million) due on 1 April 2025.

On 31 August 2023, a new tranche of cumulative redeemable preference shares to the amount of R46 million were issued by CIMSA with dividends linked to JIBAR payable on a quarterly basis with capital repayment due on 31 August 2027. Capital repayments of R2 million were made in December 2023 and June 2024 with a further capital repayment of R4 million made in September 2024. ZARONIA has been confirmed as the replacement rate and transition is expected in 2025 followed by the formal cessation date at the end of 2026.

In addition, the short-term portion of long-term borrowings at year-end reflect a term loan facility of R172 million (30 September 2023: R189 million) (US\$10 million) with The Standard Bank of South Africa Ltd (Standard Bank).

The loan facility is at a fixed rate and capital repayment was due on 17 October 2024.

5 FAIR VALUE DISCLOSURE

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of policyholder and investment partnership liabilities that are included in Level 1 of the hierarchy are measured with reference to the quoted prices in an active market of the investments underlying the liabilities.

Cash and cash equivalent balances along with their related liabilities of R2 883 million (30 September 2023: R2 462 million) have been excluded from the below table in current and prior years respectively.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices). The majority of Level 2 investments are deposits held with financial institutions. The fair values of these deposits are determined using a discounted cash flow valuation methodology based on market rates, reflecting the time value of money and counterparty credit risk. The fair values of the policyholder and investment partnership liabilities included in Level 2 are measured with reference to the fair values of the mentioned assets underlying these liabilities.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 R MILLION	LEVEL 2 R MILLION	LEVEL 3 R MILLION	TOTAL R MILLION
September 2024 (reviewed)				
Investments backing policyholder funds and investments held through investment partnerships	70 962	5 733	-	76 695
Investment securities	921	-	10	931
	71 883	5 733	10	77 626
Policyholder, external investors and investment partnership liabilities	-	76 893	-	76 893
September 2023 (audited)				
Investments backing policyholder funds and investments held through investment partnerships	54 012	5 009	-	59 021
Investment securities	629	-	10	639
	54 641	5 009	10	59 660
Policyholder, external investors and investment partnership liabilities	-	59 007	-	59 007

Fair values for all other financial assets and liabilities have not been presented because they are not carried at fair value and their carrying amounts approximate fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 FAIR VALUE DISCLOSURE (continued)

During the current period, an amount of R319 million (30 September 2023: R108 million) in debentures included in investments backing policyholder funds and investments held through investment partnerships were transferred from Level 1 to Level 2 as these are now considered to be held in an inactive market and R201 million (30 September 2023: R65 million) moved from Level 2 to Level 1 as these are now considered to be in an active market. Transfers between levels of the assets and liabilities held at fair value occur when there is a change in market conditions, with transfers from Level 1 occurring when assets and liabilities are no longer held in an active market and vice versa. Bonds are classified as Level 1 if they have been traded within three months prior to the reporting date as the Level 1 classification for these instruments are based on the liquidity basis.

6 EXTERNAL INVESTORS IN CONSOLIDATED FUNDS

The group's interest at period end in the Coronation Global Sustainable Equity Income Fund* is 100% (30 September 2023: 100%), in the Coronation Emerging Markets Diversified Equity Fund* is 100% (30 September 2023: 100%), in the Coronation International Equity Fund* is 100% (30 September 2023: 100%) and in the Coronation International Core Equity Fund is 45% (30 September 2023: 0%). The investment in the Coronation International Core Equity Fund has resulted in an increase in investment securities, however, due to the fund not being wholly-owned, R223 million has been raised as a corresponding liability within external investors in consolidated funds.

The group consolidates the Coronation Global Sustainable Equity Income Fund*, the Coronation Emerging Markets Diversified Equity Fund*, the Coronation International Equity Fund* and the Coronation International Core Equity Fund due to the seed capital invested in the funds relative to the total fund size being significant.

* Common Contractual Fund

7 TAX PAYABLE: SOUTH AFRICAN REVENUE SERVICES (SARS) MATTER

The Group was the subject of a review by SARS on a matter of principle relating to its international operations (SARS Matter), to which management had objected. In the 2021 financial year, this matter was heard in the Western Cape Tax Court (the Court) and the Court ruled in the Group's favour on 17 September 2021. SARS subsequently appealed this judgment, and the matter was heard before the Supreme Court of Appeal (SCA) on 17 November 2022. The SCA handed down its judgment on 7 February 2023, in which, based upon its interpretation of certain provisions of the Income Tax Act, upheld SARS' appeal and ordered CIMSA to pay additional taxes in respect of profits earned by its international operations, together with interest and costs. The SCA dismissed SARS' claim for penalties which SARS subsequently appealed.

Prior to the SCA ruling, a contingent liability was disclosed as a possible obligation existed at that point. The ruling by the SCA was considered as an obligating event and as such the Group had a present obligation to pay the additional taxes and interest. As a result and given that there were no changes to the corporate structure, the total obligation payable to SARS included all years of assessments from 2012 to 30 September 2023 and amounted to R761 million. The tax payable portion of the total obligation due was disclosed in the tax liability and the interest payable was disclosed in trade and other payables as it was recognised as an operating expense.

The SARS Matter was heard by the Constitutional Court of South Africa (ConCourt) on 13 February 2024. On 21 June 2024, the ConCourt ruled in favour of CIMSA and set aside the orders of the SCA. As a result, the full impact recognised in the prior year has been reversed in the current year. The tax portion of the refund has been recognised in tax and the interest income has been recognised in other income and finance income as per note 1. The amounts paid to SARS in prior years along with the related interest has been refunded to the Group. The interest receivable from SARS as at 30 September 2024 amounting to R24 million is included in trade and other receivables.

The total payable/(receivable) from SARS is detailed below:

	TAX R MILLION	INTEREST R MILLION	TOTAL R MILLION
Balance due to SARS as at 30 September 2023	283	38	321
Total impact on Statement of Comprehensive Income	(561)	(263)	(824)
Reversed during the period	(561)	(200)	(761)
Additional interest raised	-	(63)	(63)
Payments made to SARS	(167)	(39)	(206)
Balance prior to amounts received from SARS	(445)	(264)	(709)
Payments received from SARS	445	240	685
Balance due from SARS as at 30 September 2024	-	(24)	(24)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 RECONCILIATION OF TAXATION ON SHAREHOLDER PROFITS

The tax charge is different to the standard rate as detailed below:

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Tax on profit before tax, at SA rate of 27%	568	453
Effect of tax rates in foreign jurisdictions	(56)	(59)
Share-based payment expense	2	1
Tax on capital gain	4	5
Non-deductible expenses*	19	116
Tax exempt Income**	(59)	(27)
Non-taxable income***	(15)	(12)
Effect of equity-accounted profits included net of tax	(2)	(2)
Tax reversal: South Africa Revenue Services (SARS) Matter	(561)	561
	(100)	1 036

* Non-deductible expenses include accounting adjustments and the non-deductible interest on the SARS matter

** Tax exempt income includes interest and dividend income exempt from tax

*** Non-taxable income/losses relates mainly realised/unrealised gains/losses on investments

9 RECONCILIATION OF FUND MANAGEMENT EARNINGS

Fund management earnings are used by management to measure operating financial performance, being profit for the year excluding the net impact of fair value gains and losses and related foreign exchange on investment securities held by the Group. In management's view, this measure represents the earnings from core business activities of the Group, being fund management activities.

The calculation of fund management earnings is based on headline earnings attributable to ordinary shareholders, adjusted for the after tax and after bonus impact of sundry gains or losses disclosed in the condensed consolidated statement of comprehensive income. These sundry gains or losses include the fair value and foreign exchange movements on investment securities disclosed in the condensed consolidated statement of financial position.

	REVIEWED 30 SEPT 2024 R MILLION	AUDITED 30 SEPT 2023 R MILLION
Headline earnings attributable to ordinary shareholders	2 205	640
Sundry gains (condensed consolidated statement of comprehensive income)	(83)	(110)
Related tax (27% at capital gains inclusion rate) and bonus impact	36	48
Earnings from fund management	2 158	578
Fund management earnings per share (cents)	617.1	165.2
Diluted fund management earnings per share (cents)	617.1	165.2

10 EVENTS AFTER THE REPORTING PERIOD

Cash dividend

The final cash dividend for the 2024 financial year of R797 million (228.0 cents per share) was declared based on the actual shares in issue of 349 592 298.

Settlement of long term borrowings

Long term borrowings with the Standard Bank of South Africa (Standard Bank) amounting to R172 million (\$10 million) was repaid on 17 October 2024.

B-BBEE Transaction

On 11 October 2024, the Group announced a "Proposed B-BBEE Transaction" in which an employee share ownership plan trust and broad-based ownership scheme trust (BEE Trusts) will collectively subscribe for 9.70% of the Group's issued share capital, to increase the Group's Level of Black Ownership* to 51%. The Group intends to facilitate the subscription of shares through a notional funding arrangement with a 10-year term during which the BEE Trusts will be entitled to a 10% Trickle Distribution

A General Meeting will be held on 28th November 2024 in which Shareholders will be required to vote on the approval of the Proposed B-BBEE Transaction.

The Transaction will have no material impact on the 2024 Annual Financial Statements and any costs incurred to date have been recognised in the 2024 financial year.

* Measured in accordance with the B-BBEE Codes of Good Practice.

PRO FORMA FINANCIAL INFORMATION

The pro forma financial information, which is the responsibility of the Group's directors, is presented in accordance with the JSE Pro Forma Listings Requirements, including JSE Guidance Letter: Presentation of pro forma financial information dated 4 March 2010 and the SAICA Guide on Pro Forma financial information. The pro forma financial information detailed below, relates to the impact of the SARS matter on the earnings of the Group for the year ended 30 September 2024. The pro forma financial information has been presented for illustrative purposes and, due to its nature, may not fairly present the Group's financial position or results of operations. KPMG Inc. has issued an unmodified Auditor's Assurance Report on the pro forma financial information for the year ended 30 September 2024, in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board (**Auditor's Assurance Report**). The starting point for all the pro forma financial information has been extracted from the Group's condensed consolidated financial statements for the period ended 30 September 2024 ("condensed consolidated financial statements"). The pro forma reconciliations presented below are comprised of reviewed or audited financial information, as applicable.

FUND MANAGEMENT EARNINGS EXCLUDING IMPACT OF SARS MATTER

Fund management earnings are used by management to measure operating financial performance, being profit for the year excluding the net impact of fair value gains and losses and related foreign exchange on investment securities held by the Group. In management's view, this measure represents the earnings from core business activities of the Group, being fund management activities.

The calculation of fund management earnings is based on headline earnings attributable to ordinary shareholders, adjusted for the after tax and after bonus impact of sundry gains or losses disclosed in the condensed consolidated statement of comprehensive income. These sundry gains or losses include the fair value and foreign exchange movements on investment securities disclosed in the condensed consolidated statement of financial position.

Per note 7 on the SARS Matter, the Group has reversed the full extent of the impact of the SARS Matter and as such has recognised R824 million of tax and interest as income in the condensed consolidated statement of comprehensive income. The pro forma financial information below reflects the operational fund management earnings excluding the impact of the SARS Matter.

	30 SEPT 2024 R MILLION	30 SEPT 2023 R MILLION
Headline earnings attributable to ordinary shareholders	2 205	640
Sundry gains (condensed consolidated statement of comprehensive income)	(83)	(110)
Related tax* and bonus impact	36	48
Earnings from fund management	2 158	578
Obligation (reversed)/raised on SARS Matter and additional interest income (refer to note 7)	(824)	761
Related bonus impact and tax thereon (27%)	75	(44)
Earnings from fund management excl. impact of SARS Matter	1 409	1 295
Fund management earnings per share (cents)	617.1	165.2
Diluted fund management earnings per share (cents)	617.1	165.2
Fund management earnings per share (cents) excl. impact of SARS Matter	402.9	370.2
Diluted fund management earnings per share (cents) excl. impact of SARS Matter	402.9	370.2

The impact of the SARS Matter is an increase in earnings (including the related bonus impact and tax thereon) amounting to R749 million (30 September 2023: decrease in earnings of R717 million).

* Based on the South African corporate tax rate at the capital gains inclusion rate

IMPACT OF SARS MATTER ON STATEMENT OF COMPREHENSIVE INCOME

Per note 7, the total obligation includes both taxes reversed (R561 million) and interest earned (R263 million). Per note 1, interest as it relates to the significant tax uncertainty was recognised in operating expenses. Furthermore, interest previously recognised and interest income up until the date of the ConCourt judgement has been included in other income while interest due from SARS subsequent to the date of the ConCourt judgement is recognised as finance income.

	30 SEPT 2024 R MILLION	30 SEPT 2023 R MILLION
Other income	296	76
Interest recognised on SARS Matter	(255)	-
Other income excl. impact of SARS matter	41	76
Finance and dividend income	98	50
Interest recognised on SARS Matter	(8)	-
Finance and dividend income excl. impact of SARS matter	90	50
Total operating expenses	(2 255)	(2 154)
Interest recognised on SARS Matter	-	200
Related bonus impact	79	(60)
Total operating expenses excl. impact of SARS matter	(2 176)	(2 014)

Directors: A Watson (Chairperson)*, A Pillay (Chief Executive Officer), L Boyce*, N Brown*, P Hadebe*, M Musekiwa (Chief Financial Officer), H Nelson*, M Nhlumayo*, S Ntombela*, A Conrad* (appointed 22 December 2023), J February* (resigned on 20 February 2024)
(* Independent non-executive)

Company Secretary: N Hawa

Registered office: 7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont 7708, Cape Town

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Registration number: 1973/009318/06

Transfer secretaries: Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, Gauteng

JSE share code: CML

ISIN: ZAE000047353

LEI: 3789001BC9A29E6FF77

Website: www.coronation.com

Sponsor: Valeo Capital (Pty) Ltd

ANNEXURE A: INDEPENDENT AUDITOR'S REVIEW REPORT

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Coronation Fund Managers Limited

INTRODUCTION

We have reviewed the accompanying condensed consolidated statement of financial position of Coronation Fund Managers Limited (the Group) at 30 September 2024, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, earnings per share and the condensed consolidated segment report for the year then ended, and notes to the condensed consolidated financial statements (condensed consolidated financial statements). The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34, Interim Financial Reporting, the JSE Limited's Listings Requirements and the requirements of the Companies Act of South Africa. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements at 30 September 2024 is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, the JSE Limited's Listings Requirements and the requirements of the Companies Act of South Africa.

KPMG Inc.

KPMG Inc.

Registered Auditor

Per ZA Beseti
Chartered Accountant (SA)
Registered Auditor
Director

4 Christiaan Barnard Street
Foreshore
Cape Town
8000

19 November 2024

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