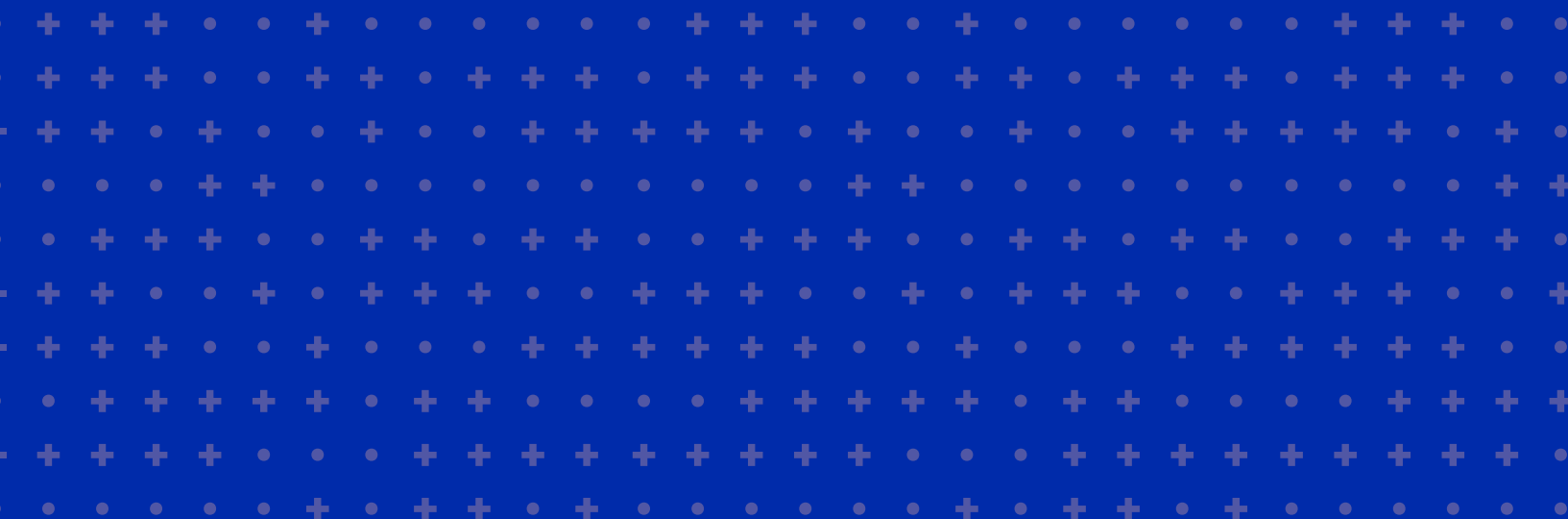




NOTICE TO SHAREHOLDERS

2019 Annual General Meeting



CORONATION

TRUST IS EARNED™



Contents

LETTER TO THE SHAREHOLDERS	1
OUR BUSINESS	2
2018 AT A GLANCE	4
NOTICE TO SHAREHOLDERS	6
COMPANY INFORMATION	13
ANNEXURE 1 – CORONATION FUND MANAGERS LIMITED SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS	14
ANNEXURE 2 – SHAREHOLDER ANALYSIS	22
ANNEXURE 3 – DIRECTORS UP FOR RE-ELECTION	24
ANNEXURE 4 – MEMBERS OF THE AUDIT AND RISK COMMITTEE	25
ANNEXURE 5 – REMUNERATION POLICY AND IMPLEMENTATION REPORT	26
ANNEXURE 6 – SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT	40
ANNEXURE 7 – DIRECTORS' RESPONSIBILITY REPORT	42
FORM OF PROXY	Attached



Letter to the shareholders

Dear Shareholder

We are pleased to enclose herewith a detailed notice of the 45th annual general meeting (the Meeting) of Coronation Fund Managers Ltd (Coronation, or the Company, or the Group), to be held on Tuesday, 19 February 2019, at 10:00, at Coronation's offices: 7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont, Cape Town.

Inside this document you will find the Notice to Shareholders (Notice), which includes the list of resolutions for consideration and the proxy form. We have also included annexures for your information, including, but not limited to, the 2018 summary consolidated annual financial statements and remuneration report.

The 2018 Integrated Annual Report and Annual Financial Statements are available for download on our website, www.coronation.com. Should you wish to receive a hard copy of either document, please email me at lparenzee@coronation.com.

Yours sincerely

Lee-Anne Parenzee
Company Secretary

11 January 2019



Our business

2018 marks 25 years of our relentless commitment to delivering the best possible investment growth over the long term.

WE INVEST

R587 billion

entrusted to us by our clients

SINGULARLY FOCUSED

We are a Cape Town-based asset management company and one of the largest independent fund managers in South Africa. We employ 331 people globally and invest the long-term savings of millions of South Africans. Our clients are individuals, pension and provident funds, medical schemes, banks, insurers and other fund managers in southern Africa. We also manage assets for several international retirement funds, endowments and family offices.

Our strategic objective is to deliver investment excellence, which is underpinned by five strategic focus areas, namely long-term performance, world-class client service, corporate citizenship, effective governance, and building a global franchise.

The long-term performance across our entire fund range remains excellent. This includes our full suite of local equity, fixed income, multi-asset class, frontier and emerging market equity products.

We generate revenue by charging a fee on the assets that we manage. The income remaining after paying total operating expenses and taxes is distributed to our employees, the individuals and communities who are supported through our corporate social investment (CSI) initiatives, and our shareholders.

STRONG LONG-TERM INVESTMENT RETURNS

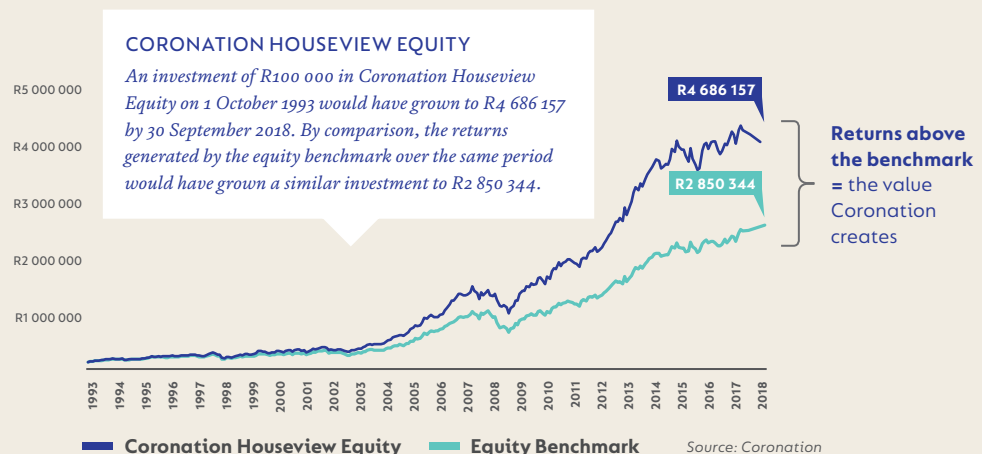
Coronation's investment team invests our clients' savings according to our long-term investment philosophy. We invest in opportunities across the world and carefully match investments with the risk profile of each product.

VALUE CREATED

>60%

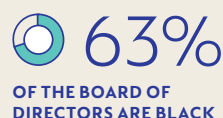
in excess of the market's return since inception

Value allocation to stakeholders



Performance figures are quoted gross of management fees after the deduction of certain costs incurred within the particular fund

A PROUDLY SOUTH AFRICAN COMPANY



MEANINGFUL
TRANSFORMATION
IN THE SOUTH AFRICAN-
FOCUSED INVESTMENT
TEAM:



2018



15 989

CHILDREN

*benefited from our maths
and literacy programmes*



5 172

SMALL-SCALE BLACK FARMERS

*+ 226 cooperatives were
equipped with the tools to
establish sustainable businesses*

SINCE 1993



198

BURSARIES AND SCHOLARSHIPS

*allocated to deserving
young South Africans*

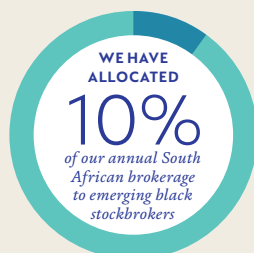
A RESPONSIBLE CORPORATE CITIZEN

As a proudly South African company, we are determined to ensure that our actions deliver sustainable long-term value to our stakeholders. More specifically, for the past quarter of a century, we have been active participants in advancing meaningful transformation not only within our own business, but also in the broader financial services industry and the communities in which we operate. We achieve this through skills development, participating in industry initiatives, engaging with regulators, and our CSI initiatives.

We believe trust can only be earned by maintaining the highest standards of integrity in all our endeavours.

ADVANCING ECONOMIC TRANSFORMATION

Black-owned stockbrokers



Black financial advisers

We assist in the development of black financial advisers through a bespoke business development programme.

Independent black-owned business

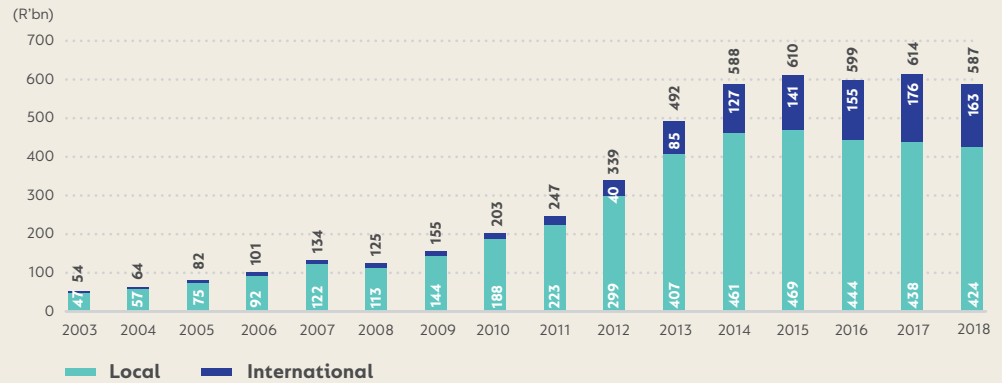
In the past year, we continued to support the establishment of an independent black-owned administration transfer agency, Intembeko Investment Administrators.



2018 at a glance

Coronation delivered decent performance in extremely challenging conditions.

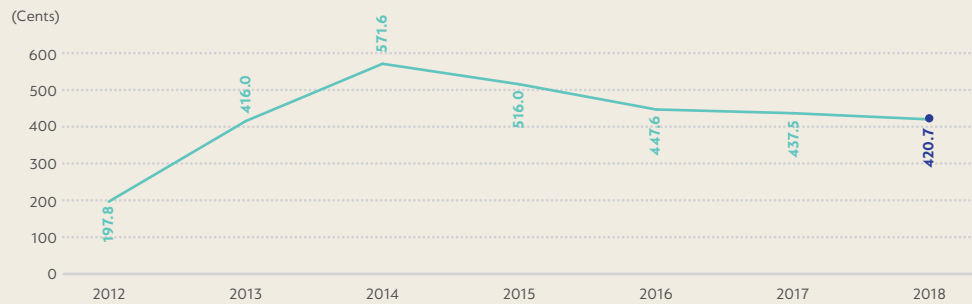
ASSETS UNDER MANAGEMENT



2018 DILUTED
HEADLINE EARNINGS
PER SHARE

420.7
cents

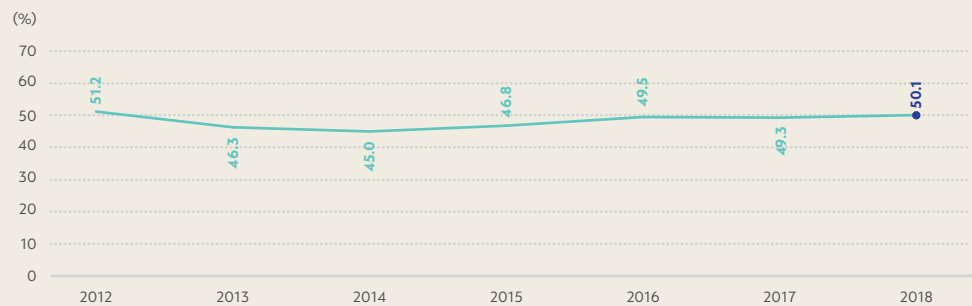
DILUTED HEADLINE EARNINGS PER SHARE



2018 COST-TO-INCOME

50.1%

COST-TO-INCOME RATIO



ALLOCATION OF FINANCIAL VALUE TO STAKEHOLDERS



WE INVEST

R285bn

on behalf of South African institutional clients

WE INVEST

R61bn

on behalf of international retirement funds, endowments and family offices

WE INVEST

R241bn

on behalf of investors in unit trusts, retirement annuities, provident funds and tax-free investments

OUR SOUTH AFRICAN INSTITUTIONAL BUSINESS

Highlights

- Long-term performance remains excellent; some strategies underperformed in the short term.
- Continued positive reaction following the reopening of some of our top-performing portfolios to new clients in March 2017. These products had been closed for five years.
- Complete and easily understandable range of solutions.
- We successfully completed the implementation of our new fund administration model which consolidates our asset administration service across local and offshore portfolios.
- Total net outflows of R22.6 billion, sharply down from net outflows of R43.7 billion in 2017.

Challenges and risks

- The weak South African economic environment has depressed the savings market.
- South African retirement funds continue to see net outflows.
- Regulatory changes driving the future pension funds landscape.

OUR GLOBAL INSTITUTIONAL BUSINESS

Highlights

- Our global franchise is a compelling business in its own right. Its growth will be a key focus in future years.
- We continue to enhance our relationships with global asset allocators regarding our suite of global solutions.
- Our Global Emerging Markets Strategy reached its 10-year milestone in July; we are proud of its long-term performance versus its global peer group.
- After strong inflows in 2017, we saw net outflows of R4.2 billion in 2018; a reasonable outcome given the material shift towards passive strategies away from active managers.

Challenges and risks

- A highly competitive market.
- An increasingly complex regulatory environment.
- A strong shift in favour of passive strategies.

OUR SOUTH AFRICAN PERSONAL INVESTMENT BUSINESS

Highlights

- Excellent long-term performance across unit trusts; short-term performance in some funds has been disappointing.
- Further fee reductions announced on our income-and-growth multi-asset funds as well as our international funds.
- Continued to support the creation of a new black-owned client administration business, the migration to which was successfully completed in the final quarter of calendar 2018.
- We have launched various initiatives to improve client service, including the insourcing of retail client reporting and correspondence, introducing new reporting elements to existing clients and evolving client security through a SIM swap check.
- Encouraged a culture of savings among young South Africans by dropping our minimum investment amount for investments made through the becauseitsyourmoney.com investment channel.
- Net outflows of R4.2 billion; an improvement from net outflows of R6.9 billion in 2017.

Challenges and risks

- The retail savings market remains weak. At industry level, inflows over the 12 months under review remained subdued. Savings levels are being impacted by the weak economy and a high unemployment rate, further depressing consumer income and confidence.
- Political, regulatory and policy uncertainty, an increase in interest rates, disruption created by the upcoming election, and the prospect of further ratings downgrades, remain concerning.



Notice to shareholders

Download Coronation's 2018 Integrated Annual Report at www.coronation.com

Coronation Fund Managers Ltd
(Incorporated in the Republic of South Africa)
(Registration number 1973/009318/06)
ISIN: ZAE000047353 Share code: CML

Notice is hereby given that the 45th annual general meeting of Coronation Fund Managers Ltd (the Company) will be held, subject to any cancellation, postponement and adjournment, in the boardroom of the offices of the Company at 7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont, Cape Town, on Tuesday, 19 February 2019, at 10:00.

The record date to receive notice of the Meeting, determined in accordance with section 59(1)(a) of the Companies Act, No. 71 of 2008, as amended (the Act), is Friday, 4 January 2019 being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to receive notice of the Meeting. The record date to participate in and vote at the Meeting, determined in accordance with section 59(1)(b) of the Act, is Friday, 8 February 2019, being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to participate in and vote at the Meeting. The last day to trade to be able to participate in and vote at the Meeting is Tuesday, 5 February 2019.

Votes at the Meeting will be taken by way of a poll and not on a show of hands. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak, act and vote in his or her stead. The proxy so appointed need not be a shareholder of the Company. A form of proxy is attached to this notice.

Kindly note that, in accordance with section 63(1) of the Act, participants (including proxies) are required to provide satisfactory identification before being entitled to attend or participate in a shareholders' meeting. In addition, the person presiding at the Meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or proxy, has been reasonably verified. Suitable forms of identification include a valid identity document, a driver's licence or a passport.

The purpose of the Meeting is to transact the business set out below.

1. PRESENTATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements of the Company for the year ended 30 September 2018, together with the reports by the directors, the external auditor and the Audit and Risk Committee were approved by the Board of Directors of the Company (the Board) on 5 December 2018 and is available on the Company's website www.coronation.com. A summarised version of the audited annual financial statements is included in Annexure 1 to this notice

2. PRESENTATION OF SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

In accordance with regulation 43(5)(c) of the Companies Regulations, 2011, the Social, Ethics and Transformation (SET) Committee of the Board will report, through one of its members, to the shareholders at the Meeting on the matters within its mandate.

3. TO CONSIDER AND, IF DEEMED FIT, APPROVE, WITH OR WITHOUT MODIFICATION, THE FOLLOWING ORDINARY AND SPECIAL RESOLUTIONS:

Ordinary resolutions

3.1 Re-election of directors

Ordinary resolution number 1

- a) To re-elect, by way of a separate vote, Mr John Snalam, who retires by rotation in accordance with the provisions of the Company's memorandum of incorporation (MOI) but is eligible and available for re-election.
- b) To re-elect, by way of a separate vote, Ms Lulama Boyce who retires by rotation in accordance with the provisions of the Company's MOI but is eligible and available for re-election.
- c) To re-elect, by way of a separate vote, Mr John David (Jock) McKenzie who retires by rotation in accordance with the provisions of the Company's MOI but is eligible and available for re-election.

A profile in respect of each candidate is set out in Annexure 3 to this Notice. The re-election of the candidates as set out in ordinary resolution number 1 will be conducted by way of a separate vote in respect of each individual, who shall be re-elected if the majority of the voting rights exercised support the candidate.

Explanatory note

The reason for ordinary resolution number 1 is to re-elect the directors who retire by rotation in terms of the MOI of the Company, read with the Listings Requirements of the JSE Limited (Listings Requirements).

3.2 Re-appointment of auditor

Ordinary resolution number 2

To re-appoint, as recommended by the Audit and Risk Committee of the Board, Ernst & Young Inc. as the Company's registered auditor and to note Ms L Killin as the designated audit partner.

Explanatory note

The reason for ordinary resolution number 2 is that the Company, being a public Company listed on the Johannesburg Stock Exchange, a licensed exchange, must have its annual financial statements audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the Company as required by the Act.

3.3 Re-election of the members of the Audit and Risk Committee

Ordinary resolution number 3

To re-elect the Audit and Risk Committee of the Board members, by way of a separate vote, as required in terms of the Act. The following individuals are recommended for re-election to the Audit and Risk Committee:

- a) Prof Alexandra Watson for re-election
- b) Ms Lulama Boyce for re-election
- c) Mr John David (Jock) McKenzie for re-election
- d) Dr Hugo Anton Nelson for re-election

A profile in respect of each candidate recommended for re-election to the Audit and Risk Committee is set out in Annexure 4 to this notice. The re-election of the candidates of the Audit and Risk Committee will be conducted by way of a separate vote in respect of each individual.

Explanatory note

The reason for ordinary resolution number 3 is that the Company, being a public company listed on the JSE must appoint an audit committee. The members of the Audit and Risk Committee are required to be re-appointed at the Meeting of the Company in terms of the Act.

3.4 Non-binding advisory vote on the Company's Remuneration Policy**Ordinary resolution number 4**

To consider and endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy, as set out in Annexure 5 to this notice.

Explanatory note

The Company's Remuneration Policy has been tabled for a non-binding advisory vote at the Meeting to allow shareholders an opportunity to express their views on the Remuneration Policy adopted by the Company by casting their vote thereon. The vote is of an advisory nature only and will not be binding. In the event that 25% or more of the shareholders vote against the Company's Remuneration Policy, the Company will follow an engagement process with shareholders.

3.5 Non-binding advisory vote on the Company's remuneration implementation report for the year ended 30 September 2018**Ordinary resolution number 5**

To consider and endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report for the year ended 30 September 2018, as set out in Annexure 5 to this notice.

Explanatory note

The Company's remuneration implementation report has been tabled for a non-binding advisory vote at the Meeting to allow shareholders an opportunity to express their views on the remuneration implementation report adopted by the Company by casting their vote thereon. The vote is of an advisory nature only and will not be binding. In the event that 25% or more of the shareholders vote against the Company's remuneration implementation report, the Company will follow an engagement process with shareholders.

SPECIAL RESOLUTIONS**3.6 Intercompany financial assistance****Special resolution number 1**

To approve, as a general approval, that the Board may authorise the Company to provide any direct or indirect financial assistance to any company or corporation that is related or interrelated to the Company (with 'related' and 'interrelated' having the meaning ascribed in section 2 of the Act) (as contemplated in and subject to the provisions of section 45 of the Act) as the Board may deem fit.

Explanatory note

To grant the Board the authority to provide direct or indirect financial assistance to any company or corporation which is related or interrelated to the Company. This means that the Company is authorised to, for example, grant loans to its subsidiaries and to guarantee the debt of subsidiaries. For the avoidance of doubt, this special resolution, if approved, does not authorise the Company to provide financial assistance to any director, prescribed officer or shareholder of the Company.

3.7 Financial assistance for intercompany share or option transactions

Special resolution number 2

To approve, as a general approval, that the Board may authorise the Company to provide any direct or indirect financial assistance, for the purpose of or in connection with the subscription or purchase of any option, or any shares or other securities in the Company or in a related or interrelated company (with 'related' and 'inter-related' having the meaning ascribed in section 2 of the Act) as contemplated in and subject to the provisions of section 44 of the Act, to any company or corporation that is related or interrelated to the Company and/or to any financier that provides funding by acquiring preference shares or other securities in the Company or in any company or corporation that is related or interrelated to the Company, on the terms and for the amounts that the Board may determine.

Explanatory note

To grant the Board of the Company the authority to provide direct or indirect financial assistance to any company or corporation which is related or interrelated to the Company and/or to provide security to any financier for the purposes of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or in any related or interrelated company. This means that the Company is, inter alia, authorised to guarantee and furnish other security for the obligations of subsidiaries where the financial assistance is directly or indirectly related to a party acquiring options, shares or other securities in the Company or in a subsidiary. A typical example of where the Company would rely on this authority is where a subsidiary raises funds by issuing preference shares to a bank and the Company is required to issue a guarantee or other security to the financier for the subsidiary's obligations arising from the preference shares.

The Company has no immediate plans to use this authority but is obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority. For the avoidance of doubt, this special resolution, if approved, does not authorise the Company to provide financial assistance to any director, prescribed officer or shareholder of the Company for the purpose of, or in connection, with the acquisition of shares in the Company or in any of its subsidiary companies.

3.8 Remuneration of non-executive directors

Special resolution number 3

To approve the remuneration to be paid by the Company to its non-executive directors for their services as directors in respect of the following amounts:

	YEAR ENDING 30 SEPTEMBER 2019 R'000	YEAR ENDING 30 SEPTEMBER 2018 R'000
Basic Annual fee	126.0	118.0
Attendance fees per meeting		
Board – Chairman	101.0	94.0
Board – lead independent non-executive	65.0	60.0
Board – non-executive director	57.0	53.0
Audit and Risk Committee – Chairman	95.0	88.0
Audit and Risk Committee – non-executive director	57.0	53.0
Social, Ethics and Transformation Committee – Chairman	70.0	65.0
Social, Ethics and Transformation Committee non-executive director	57.0	53.0
Remuneration and Nominations Committee – Chairman	70.0	65.0
Remuneration and Nominations Committee – non-executive director	57.0	53.0
Invitee fees for all Committees – non-executive director	28.0	26.5

Explanatory note

To approve the remuneration to be paid for the year ending 30 September 2019 by the Company to non-executive directors of the Company, as required in terms of section 66(9) of the Act.

3.9 Share repurchases by the Company and its subsidiaries

Special resolution number 4

To approve that the Board be hereby authorised, by way of a renewable general authority, to approve the purchase by the Company of its own ordinary shares or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company at such price, and in such manner and subject to such terms and conditions as the Board may deem fit, provided that:

- this general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
- the ordinary shares shall be purchased through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and/or the Company's relevant subsidiary and the counterparty from whom the shares are purchased;
- an announcement complying with paragraph 11.27 of the Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time that the general authority was given (the initial number); and (ii) for each 3% in aggregate of the initial number of ordinary shares acquired by the Company and/or its subsidiaries;
- the general repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class, and the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares in the Company;
- repurchases are not to be made at a price more than 10% above the weighted average of the market value for the ordinary shares for the five business days immediately preceding the date upon which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any of its subsidiaries;
- a resolution is passed by the Board authorising the repurchase, and it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed repurchased and that since this test was done there have been no material changes to the financial position of the Company and its subsidiaries (group);
- the Company and its subsidiaries do not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the Company's prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- such repurchase shall be subject to compliance with the Act, the Company's MOI and the Listings Requirements.

Explanatory note

To grant the Board the general authority to authorise the Company and/or any of its subsidiaries to acquire shares in the Company, should the Board consider it appropriate in the circumstances. The effect of special resolution number 4 is that the Board will be granted the general authority, subject to the provisions set out in the resolution, to acquire shares in the Company, should they deem it appropriate in the circumstances and should the Company comply with the relevant statutes and authority applicable thereto.

The Board, as at the date of this notice, has no definite intention of repurchasing shares of the Company. It is, however, proposed that the Board believes it to be in the best interests of the Company that shareholders pass this resolution so that the Company is able to rely on the authority in the event that unforeseen circumstances should arise that make such a repurchase appropriate.

The Board shall not make any payment in whatever form to acquire any shares issued by the Company as contemplated in special resolution number 4 if, after the Board has considered the effects of the maximum repurchase or payment, there are reasonable grounds for believing that:

- The Company and the Group are, or will, at any time during the period of 12 months after the date of this notice, be unable, in the ordinary course of business, to repay their debts as they become due;
- The Company's and the Group's consolidated assets, recognised and measured according to the accounting policies used in the latest audited annual financial statements and International Financial Reporting Standards, will not be more than their consolidated liabilities for a period of 12 months after the date of this notice;
- The ordinary share capital and reserves of the Company and the Group will not be adequate for ordinary business purposes for a period of 12 months after the date of this notice; and
- The Company and Group will not have sufficient working capital to meet its needs for a period of 12 months after the date of this notice.

Any repurchases shall comply with the limitations set out in special resolution number 4, the requirements of the JSE Listings Requirements and the Act.

There have been no material changes in the affairs and in the financial or trading position of the Group since the financial period ended 30 September 2018 and the signature date of this notice.

The directors of the Company, collectively and individually, accept full responsibility for the accuracy of the information contained in special resolution number 4 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable queries in this regard and that this notice contains all information required by law and the Listings Requirements.

The following information, which required by the JSE Listings Requirements with regard to this special resolution number 4 granting a general authority to the Company to repurchase shares, appears in Annexure 2 of this notice:

- Major shareholders
- Share capital of the Company
- Directors' interests in securities

4. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

4.1 Voting and proxies

Each ordinary resolution to be considered at the Meeting requires the support of more than 50% of the voting rights exercised on the resolution in order to be adopted, unless otherwise stipulated.

Each special resolution to be considered at the Meeting requires the support of at least 75% of the voting rights exercised on that resolution, in order to be adopted.

Shareholders who have not dematerialised their shares or have dematerialised their shares, but with 'own name' registration (entitled shareholders), may appoint one or more proxies to attend, speak and vote or abstain from voting in such shareholder's stead. A form of proxy is attached for the use of those entitled shareholders who wish to be so represented.

Shareholders who have already dematerialised their shares (other than those with 'own name' registration) are required to inform their duly appointed Central Securities Depository Participant (CSDP) or broker, as the case may be, of their intention to attend the Meeting and request that their duly appointed CSDP or broker, as the case may be, issue them with the necessary letters of representation to attend or provide their duly appointed CSDP or broker, as the case may be, with their voting instruction should they not wish to attend the Meeting in person, but wish to be represented thereat.

The attention of the shareholders is drawn to the fact that the completed form of proxy is to reach the Company's transfer secretaries in Johannesburg at least 48 hours before the time appointed for the Meeting for administration purposes (which period excludes Saturdays, Sundays and South African public holidays) but may be handed to the Chairman at the Meeting at any time prior to the commencement of voting at the Meeting on the particular resolution(s) to which the proxy relates.

4.2 Electronic participation

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the Meeting by way of electronic participation, that shareholder should make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate, to the Company Secretary, PO Box 44684, Claremont 7735, South Africa, or via email: lparenzee@coronation.com, to be received by the Company Secretary at least seven business days prior to the Meeting (i.e. at least by Friday, 8 February 2019) in order for the Company Secretary to arrange for the shareholder (or its representative or proxy) to provide reasonable satisfactory identification to the Company Secretary for the purposes of section 63(1) of the Act and for the Company Secretary to provide the shareholder (or its representative or proxy) with details as to how to access the Meeting by means of electronic participation. Shareholders participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. The Company reserves the right not to provide for electronic participation at the Meeting in the event that it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) requests to so participate.

By order of the Board



Lee-Anne Parenzee
Company Secretary

11 January 2019

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



Company information

Annual general meeting:

Tuesday, 19 February 2019 at 10:00

Share code (ordinary shares): CML

ISIN: ZAE000047353

Board of Directors

Shams Pather* (chairman)
Anton Pillay (chief executive officer)
John Snalam (chief financial officer)
Lulama Boyce*
Judith February*
Jock McKenzie*
Hugo Nelson*
Alexandra Watson*

** Independent non-executive directors*

Company Secretary

Lee-Anne Parenzee

Registered office

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

Postal address

PO Box 44684
Claremont 7735

Transfer secretaries

Computershare Investor
Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(PO Box 61051, Marshalltown 2107)

Auditors

Ernst & Young Inc.
3rd Floor, Waterway House
3 Dock Road
V&A Waterfront
Cape Town 8001

Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch 7600
(PO Box 7403, Stellenbosch 7599)

and

2nd Floor, Building 3
11 Alice Lane
Sandhurst
Sandton 2196
(PO Box 650957, Benmore 2010)

Download Coronation's 2018 Integrated Annual Report at www.coronation.com



Annexure 1:

Coronation Fund Managers Limited summary consolidated annual financial statements for the year ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	AUDITED 30 SEPT 2018 R MILLION	AUDITED 30 SEPT 2017 R MILLION	% CHANGE
Fund management activities			
Revenue	3 848	3 919	(2)
Other income	18	6	
Total operating expenses*	(1 933)	(1 934)	(0)
Other expenses*	(3)	(6)	
Operating expenses*	(1 930)	(1 928)	
Results from operating activities	1 933	1 991	(3)
Finance and dividend income	38	37	
Finance expense	(24)	(23)	
Share of profit of equity-accounted investee	8	8	
Profit from fund management	1 955	2 013	(3)
Income attributable to policyholder linked assets and investment partnerships	5	2	
Net fair value gains on policyholder and investment partnership financial instruments	99	45	
Administration expenses borne by policyholders and investors in investment partnerships	(94)	(43)	
Profit before income tax	1 960	2 015	(3)
Income tax expense	(489)	(492)	
Taxation on shareholder profits	(484)	(490)	
Taxation on policyholder investment contracts	(5)	(2)	
Profit for the year	1 471	1 523	(3)
Other comprehensive income (to be reclassified to profit and loss in future periods)	55	67	
Foreign currency translation differences for foreign operations	22	(24)	
Net change in fair value of available-for-sale financial assets	33	91	
Total comprehensive income for the year	1 526	1 590	
Profit attributable to:			
– equity holders of the company	1 471	1 523	(3)
– non-controlling interest	–	–	
Profit for the year	1 471	1 523	
Total comprehensive income attributable to:			
– equity holders of the company	1 526	1 590	(4)
– non-controlling interest	–	–	
Total comprehensive income for the year	1 526	1 590	
Earnings per share (cents)			
– basic	420.7	435.4	(3)
– diluted	420.7	435.4	(3)
Note to the statement of comprehensive income			
Earnings attributable to shareholders	1 471	1 523	
Non-controlling interest	–	–	
Earnings attributable to ordinary shareholders	1 471	1 523	
Profit on disposal of financial assets available for sale	–	7	
Headline earnings attributable to ordinary shareholders	1 471	1 530	
Headline earnings per share (cents)			
– basic	420.7	437.5	(4)
– diluted	420.7	437.5	(4)
Dividend per share (cents)			
– interim	223.0	220.0	1
– final	197.0	217.0	(9)

* The following changes have been made to the presentation of operating expenses in order to more appropriately describe the nature of such expenses. 'Other expenses' now includes foreign exchange losses as well as share-based payment expenses. Previously the share-based payment expense was separately disclosed as 'share-based payment expense'. No foreign exchange losses were incurred in the 2017 financial year, and the foreign exchange losses reported at interim this year have all reversed.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AUDITED 30 SEPT 2018 R MILLION	AUDITED 30 SEPT 2017 R MILLION
Assets		
Intangible assets	1 088	1 088
Equipment	20	21
Investment in equity-accounted investees	41	39
Deferred tax asset	125	171
Investments backing policyholder funds and investments held through investment partnerships	51 424	55 721
Investment securities	1 190	934
Taxation receivable	15	–
Trade and other receivables	448	558
Cash and cash equivalents	805	564
Total assets	55 156	59 096
Liabilities		
Long-term borrowings (note 3)	300	150
Deferred tax liabilities	23	24
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	51 421	55 718
Short-term portion of long-term borrowings (note 3)	–	150
External investors in consolidated funds (note 5)	221	–
Taxation payable	–	35
Trade and other payables	935	747
Total liabilities	52 900	56 824
Net assets	2 256	2 272
Equity		
Share capital and premium	256	256
Retained earnings	1 539	1 607
Reserves	301	243
Total equity attributable to equity holders of the company	2 096	2 106
Non-controlling interest in consolidated funds (note 5)	160	166
Total equity	2 256	2 272

Annexure 1 (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R MILLION	SHARE CAPITAL AND PREMIUM	FOREIGN CURRENCY TRANS- LATION RESERVE
Balance at 30 September 2016 (audited)	256	155
Total comprehensive income for the year		
Profit for the year		
Other comprehensive income (available to be recycled to profit and loss in future periods)		
Currency translation differences		(24)
Revaluation of available-for-sale financial assets		
Total other comprehensive income	-	(24)
Total comprehensive income for the year	-	(24)
Transactions with owners recorded directly to equity		
Share-based payments		
Transfer to retained earnings		
Dividends paid		
Change in non-controlling interest in consolidated funds (note 5)		
Total transactions with owners	-	-
Balance at 30 September 2017 (audited)	256	131
Total comprehensive income for the year		
Profit for the year		
Other comprehensive income (available to be recycled to profit and loss in future periods)		
Currency translation differences		22
Revaluation of available-for-sale financial assets		
Total other comprehensive income	-	22
Total comprehensive income for the year	-	22
Transactions with owners recorded directly to equity		
Share-based payments		
Dividends paid		
Change in non-controlling interest in consolidated funds (note 5)		
Total transactions with owners	-	-
Balance at 30 September 2018 (audited)	256	153

RETAINED EARNINGS	SHARE-BASED PAYMENT RESERVE	REVALUATION RESERVE	ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
1 586	29	16	2 042	136	2 178
1 523			1 523		1 523
			(24)		(24)
		91	91		91
-	-	91	67	-	67
1 523	-	91	1 590	-	1 590
	6		6		6
30	(30)				
(1 532)			(1 532)		(1 532)
				30	30
(1 502)	(24)	-	(1 526)	30	(1 496)
1 607	5	107	2 106	166	2 272
1 471			1 471		1 471
			22		22
		33	33		33
-	-	33	55	-	55
1 471	-	33	1 526	-	1 526
	3		3		3
(1 539)			(1 539)		(1 539)
				(6)	(6)
(1 539)	3	-	(1 536)	(6)	(1 542)
1 539	8	140	2 096	160	2 256

Annexure 1 (continued)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AUDITED 30 SEPT 2018 R MILLION	AUDITED 30 SEPT 2017 R MILLION
Cash flows from operating activities		
Profit from fund management	1 955	2 013
Non-cash and other adjustments	(15)	15
Operating cash flows before changes in working capital	1 940	2 028
Working capital changes	314	(5)
Cash flows from policyholders and investment partnership activities	(2 427)	(977)
Cash (utilised by)/generated from operations	(173)	1 046
Interest paid	(24)	(23)
Income taxes paid	(490)	(454)
Net cash from operating activities	(687)	569
Cash flows from investing activities		
Finance and dividend income	38	37
Acquisition of equipment	(12)	(10)
Net (acquisition)/disposal of investment securities	(8)	9
Net cash from investing activities	18	36
Cash flows from financing activities		
Dividends paid	(1 539)	(1 532)
Net cash from financing activities	(1 539)	(1 532)
Decrease in cash and cash equivalents	(2 208)	(927)
Net increase in cash and cash equivalents – shareholders	219	50
Net decrease in cash and cash equivalents – policyholders and investment partnerships	(2 427)	(977)
Cash and cash equivalents at beginning of the period	8 259	9 210
Cash and cash equivalents at beginning of period – shareholders	564	538
Cash and cash equivalents at beginning of period – policyholders and investment partnerships	7 695	8 672
Effect of exchange rate fluctuations on cash held	22	(24)
Cash and cash equivalents at end of the period	6 073	8 259
Cash and cash equivalents at end of period – shareholders	805	564
Cash and cash equivalents at end of period – policyholders and investment partnerships	5 268	7 695

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.

CONDENSED CONSOLIDATED SEGMENT REPORT

R MILLION	AFRICA		INTERNATIONAL		GROUP	
	AUDITED 30 SEPT 2018	AUDITED 30 SEPT 2017 RESTATED**	AUDITED 30 SEPT 2018	AUDITED 30 SEPT 2017 RESTATED**	AUDITED 30 SEPT 2018	AUDITED 30 SEPT 2017
Segment external revenue	2 516	2 525	1 332	1 394	3 848	3 919
Segment operating expenses	(1 457)	(1 461)	(476)	(473)	(1 933)	(1 934)
Segment profit	1 059	1 064	856	921	1 915	1 985
Share of income of equity-accounted investee	8	8	–	–	8	8
Net finance and other income/(expense)	10	17	22	3	32	20
Profit from fund management	1 077	1 089	878	924	1 955	2 013
Income*					5	2
Profit before income tax					1 960	2 015
Segment assets	1 557	1 121	921	956	2 478	2 077
Investments*					52 678	57 019
Total assets					55 156	59 096

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

** Segmental assets to the value of R505 million previously categorised as Africa assets have been restated as International assets

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The financial information has 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, the Listings Requirements of the JSE Limited, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the South African Companies Act, 71 of 2008. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS annual financial statements.

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 rand, rounded to the nearest million. The accounting policies applied in the presentation of the condensed financial statements are in terms of IFRS and are consistent with those presented in the previous annual financial statements. IFRS 9 and IFRS 15 will not have a material impact on opening equity for the 2019 financial year. Comparatives will not be restated.

These audited results have been prepared under the supervision of H Rawoot CA(SA).

2. 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 2017. No new significant related party transactions arose during the current year.

3. Long-term and short-term borrowings

Cumulative redeemable preference shares with dividends linked to prime are payable on a quarterly basis, with R150 million capital repayments due on 1 April 2020 and 1 April 2021 respectively. The latter was previously due on 31 March 2018.

4. Fair value disclosure

The table on the following page analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, 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 counter party credit risk. The fair value of policyholder and investment partnership liabilities that are included in Level 2 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 R1 383 million (30 September 2017: R2 253 million) have been excluded from the below table in current and prior years respectively.

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

R MILLION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
September 2018				
Investments backing policyholder funds and investments held through investment partnerships	45 017	5 024	–	50 041
Investment securities	1 189	–	1	1 190
	46 206	5 024	1	51 231
Policyholder, external investor and investment partnership liabilities	–	50 259	–	50 259
September 2017				
Investments backing policyholder funds and investments held through investment partnerships	46 960	6 508	–	53 468
Investment securities	933	–	1	934
	47 893	6 508	1	54 402
Policyholder, external investor and investment partnership liabilities	–	53 465	–	53 465

During the current year, a net amount of R63 million in debentures was transferred from Level 1 to Level 2 as these are now considered to be held in an inactive market.

Fair value 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 value.

5. Non-controlling interest in consolidated funds and external investors in consolidated funds

The non-controlling interest in consolidated funds arises as a result of the continued consolidation of Coronation Global Frontiers Fund. The group's interest in the Coronation Global Equity Select Feeder Fund increased to 52% during the period to augment regulatory capital held within the Group. As a result the fund is now consolidated and there has been no material change to the acquisition value as at year-end.

6. Contingent liabilities: South African Revenue Service (SARS) matters

From time to time, in common with other organisations, companies in the Group are subject to review by SARS. One of our companies has been the subject of a review on a matter of principle relating to international operations, and assessed for the 2012, 2013 and 2014 financial periods, to which management strongly disagreed and has objected. Management is confident, supported by external advisers, of the company's position and an outflow is not considered probable should the matter be interpreted by a court of law, the ultimate tax authority on these matters. Any amounts involved are currently not considered capable of reliable estimation.



Annexure 2:

Shareholder analysis

DISTRIBUTION OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES '000	%
1 – 1 000 shares	10 255	53.94	4 693	1.34
1 001 – 10 000 shares	7 212	37.94	22 599	6.46
10 001 – 100 000 shares	1 208	6.35	36 554	10.45
100 001 – 1 000 000 shares	272	1.43	81 071	23.18
1 000 001 shares and over	65	0.34	204 882	58.57
	19 012	100.00	349 799	100.00

DISTRIBUTION OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES '000	%
Banks	64	0.33	6 464	1.85
Brokers	52	0.27	14 368	4.11
Close corporations	104	0.55	540	0.16
Endowment funds	34	0.18	1 083	0.31
Individuals	14 886	78.30	32 392	9.25
Insurance companies	138	0.73	11 113	3.18
Medical aid schemes	36	0.19	1 175	0.34
Mutual funds	742	3.90	97 506	27.87
Nominees and trusts	1 928	10.14	9 928	2.84
Other corporations	22	0.12	770	0.22
Pension funds	418	2.20	60 958	17.43
Private companies	365	1.92	5 018	1.43
Employee holdings	174	0.91	85 334	24.39
Sovereign wealth funds	49	0.26	23 150	6.62
	19 012	100.00	349 799	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES '000	%
Non-public shareholders	175	0.92	91 661	26.20
Directors*	6	0.03	12 491	3.57
Shares held by staff	169	0.89	79 170	22.63
Public shareholders	18 837	99.08	258 138	73.80
	19 012	100.00	349 799	100.00

* Includes directors of subsidiary companies.

GEOGRAPHICAL OWNERSHIP	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES '000	%
South Africa	18 528	97.45	267 539	76.48
International	484	2.55	82 260	23.52
	19 012	100.00	349 799	100.00

SHAREHOLDERS WITH DIRECT OR INDIRECT BENEFICIAL INTEREST OF 5% OR MORE IN SHARES	NUMBER OF SHARES '000	%
Government Employees Pension Fund	39 747	11.36
The Imvula Trust	28 461	8.14
Louis Stassen	18 190	5.20

Share capital

	2018 R'000	2017 R'000
Authorised		
750 000 000 (2017: 750 000 000) ordinary shares of 0.01 (2017: 0.01) cent per share	75	75
Issued, allotted and fully paid		
	NUMBER R'000	NUMBER R'000
Number of ordinary shares		
At beginning of year	349 799	349 799
Issued during the year	–	–
At end of year	349 799	349 799
	R MILLION	R MILLION
Share capital and premium	256	256

Directors interest in securities

There were no material contracts entered into during the financial year in which a director or officer of the company had any interest.

The directors' direct and indirect beneficial interests in the issued share capital of the company were:

	BENEFICIAL		
	DIRECT	INDIRECT	%
2018			
Ordinary shares			
Anton Pillay	357 741	4 348 175	1.35
John Snam	548 785	22 046	0.16
Hugo Nelson	3 751 046	2 576 370	1.81
2017			
Ordinary shares			
Anton Pillay	343 889	4 349 969	1.34
John Snam	547 473	22 351	0.16
Hugo Nelson	3 751 046	2 677 480	1.84

There have been no changes in directors' interest subsequent to year-end up to the date of signing the financial statements.



Annexure 3:

Directors up for re-election

JOHN SNALAM

Executive Director, 59

BCom, CTA, CA(SA)

John has been the chief financial officer of Coronation Fund Managers since its inception in 1993. During that time, he has been responsible for all finance and legal functions related to the business, as well as responsibilities for operations, risk and compliance. He also held directorships on the boards of all South African operating subsidiaries of the group. Prior to joining Coronation, John spent eight years in the fields of finance, operations and compliance within financial services companies in London and South Africa. John was appointed to the Board in November 2012.

LULAMA BOYCE

Independent Non-Executive Director, 39

BCom (Hons), CA(SA), MCom, Financial Management (UJ)

Lulama is the Head of Department of Commercial Accounting at the University of Johannesburg. She is also a member of the Board of Adcock Ingram Holdings. She graduated from the University of Cape Town in 2002 and served her articles at Grant Thornton Johannesburg. She is a former account manager of the Industrial Development Corporation (IDC) and was part of the transport and financial services business unit from 2008 to 2011. She is a former project finance consultant and served on the audit committee of Automotive Supplier Park (ASP) from 2007 to 2009. Lulama was appointed to the Board in October 2014 and is an independent non-executive director of Coronation Management Company (RF) (Pty) Ltd and Coronation Life Assurance Company Ltd.

JOHN DAVID (JOCK) McKENZIE

Independent Non-Executive Director, 71

BSc (Chem Eng), MA (Lancaster)

Jock is a member of the boards of Sappi and Capitec and Zululand Distilling Company (Pty) Ltd. He chairs the board of trustees of the UCT Foundation, the Carleton Lloyd Educational Trust and the Rondebosch Boys' Schools Education Trust. Jock held several senior executive positions globally and in South Africa. In 1999, he was appointed chairman and chief executive officer of the Caltex Corporation, and served as president for Asia, Middle East and Africa Products of the Chevron Texaco Corporation from October 2001 to January 2004. Jock was appointed to the Board in May 2009.



Annexure 4:

Members of the Audit and Risk Committee

ALEXANDRA WATSON

Lead independent Non-Executive Director, 62

BCom (Hons), CA(SA)

Alexandra is an emeritus professor of the University of Cape Town, having retired earlier this year after decades of teaching postgraduate financial reporting. She is a former chairman of the accounting practices committee, the Technical Accounting Committee of the South African Institute of Chartered Accountants, and is a member of the Financial Reporting Investigations Panel (an advisory panel of financial reporting experts formed by a joint venture of the JSE and SAICA). In April 2018 Alexandra was appointed as an independent director of Steinhoff International Holdings N.V. She is the vice chairman of the Board of the Global Reporting Initiative, an Amsterdam-based organisation promoting understanding and communication of sustainability issues and in November 2018 was appointed to the Board of WWF-SA.

LULAMA BOYCE

Independent Non-Executive Director, 39

BCom (Hons), CA(SA), MCom, Financial Management (UJ)

Lulama is the Head of Department of Commercial Accounting at the University of Johannesburg. She is also a member of the board of Adcock Ingram Holdings. She graduated from the University of Cape Town in 2002 and served her articles at Grant Thornton Johannesburg. She is a former account manager of the Industrial Development Corporation (IDC) and was part of the transport and financial services business unit from 2008 to 2011. She is a former project finance consultant and served on the audit committee of Automotive Supplier Park (ASP) from 2007 to 2009. Lulama was appointed to the Board in October 2014 and is an independent non-executive director of Coronation Management Company (RF) (Pty) Ltd and Coronation Life Assurance Company Ltd.

HUGO NELSON

Independent Non-Executive Director, 48

MBChB, MBA (Oxon), CFA

Hugo is founding partner of Fortitudine Vincimus Capital Advisors (Pty) Ltd. He is a former CEO of Coronation Fund Managers, prior to which he was a member of the investment team of the business for eight years. Hugo is a medical doctor who found his way into investment management via an MBA completed at Oxford University. He is a CFA charter holder. Hugo is a trustee of the DG Murray Trust, member of the Steinhoff NV supervisory board and a patron of George Whitfield College. Hugo was appointed to the Board in November 2016.

JOHN DAVID (JOCK) McKENZIE

Independent Non-Executive Director, 71

BSc (Chem Eng), MA (Lancaster)

Jock is a member of the boards of Sappi and Capitec and Zululand Distilling Company (Pty) Ltd. He chairs the board of trustees of the UCT Foundation, the Carleton Lloyd Educational Trust and the Rondebosch Boys' Schools Education Trust. Jock held several senior executive positions globally and in South Africa. In 1999, he was appointed chairman and chief executive officer of the Caltex Corporation, and served as president for Asia, Middle East and Africa Products of the Chevron Texaco Corporation from October 2001 to January 2004. Jock was appointed to the Board in May 2009.



Annexure 5:

Remuneration policy and implementation report

REMUNERATION REPORT

Executive summary

Employee remuneration is designed to create long-term value for stakeholders and support the long-term strategy of our business. Its implementation is overseen by the Coronation Remuneration Committee, which is chaired by an independent director. In September 2018, Jock McKenzie stepped down as the Remuneration Committee Chair, and handed over to Hugo Nelson. Jock McKenzie remains a Remuneration Committee member.

The Remuneration Policy aims to not only attract and retain top talent, but also ensure that remuneration is based on individual performance and aligns employee rewards with Company performance. This is achieved through a combination of below-market fixed salaries for senior staff and the utilisation of variable remuneration for both short-term variable and long-term deferred remuneration.

Variable remuneration is dependent on Coronation's profitability. Long-term deferred variable remuneration is housed in the CFM Deferred Remuneration Trust, which is invested in Coronation shares and Coronation unit trusts, aligning staff incentivisation with the interests of clients and shareholders.

All staff benefit from a cash reward related to the year in which the profits were generated, should an individual's performance warrant it. In addition, a significant percentage of the variable remuneration for senior employees is deferred over the long term – and would be forfeited if they were to resign or sell any Coronation shares.

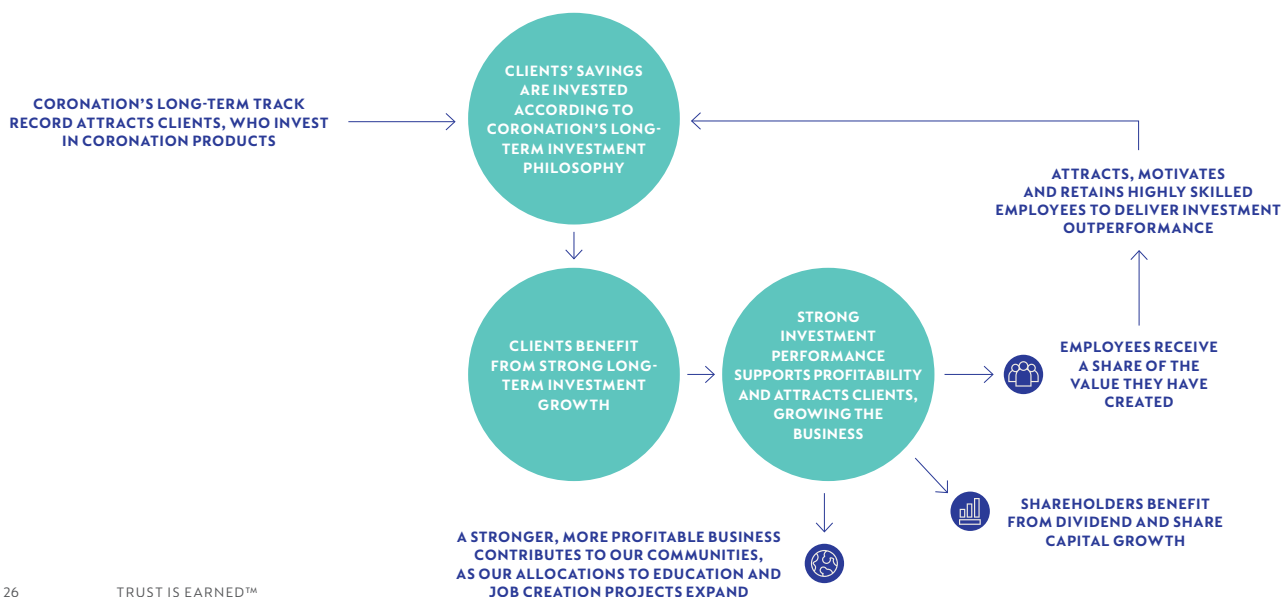
Coronation is 24.4% employee-owned. There is strong evidence globally that owner management of fund management firms correlates strongly with positive long-term investment outcomes and, consequently, delivery on aligned client interests.

Changes to policy and report

The philosophy and approach underpinning Coronation's remuneration has remained largely unchanged for the year under review and remuneration allocations for 2018 once again continue to reflect alignment with all stakeholders.

The Policy has been updated to include a provision for malus and clawback for 2019, in line with international best practice. We continue to enhance disclosure in line with the input we obtain through regular engagement with our shareholders.

How Coronation's Remuneration Policy creates long-term stakeholder value



REMUNERATION COMMITTEE REPORT

On behalf of the Coronation Remuneration Committee, we are pleased to submit the remuneration report for 2018.

Background

Coronation was an early adopter of integrated reporting as well as King IV™ principles in South Africa, and we continue to review and remain abreast of industry remuneration trends and regulatory changes.

Recently, the growing prominence of the responsible approach to investing has meant that asset managers are enhancing their consideration of ESG factors in their investment processes. An aspect of this is the 'say on pay' movement, and there is increased scrutiny of the fairness of executive compensation and a tightening regulatory environment globally.

Coronation's 2018 remuneration outcomes

At the 2018 annual general meeting, 83.6% of Coronation's shareholders voted in favour of the Remuneration Policy, which ties employee remuneration to Company performance. This high degree of support notwithstanding, Coronation's management team continued to engage shareholders throughout the year.

Building on last year's reporting enhancements, we have incorporated shareholder feedback into the Remuneration Policy. While it remains largely unchanged, we have implemented provision for malus and clawbacks, effective in the 2019 reporting year; and in this year's report we have provided enhanced information on key performance indicators (KPIs) for the CEO and CFO.

Remuneration review

The operating environment continued to be a challenging one, both from a market and an economic perspective, and Company earnings declined 3.4% in the year under review.

These negative conditions were exacerbated by corporate governance failures that not only stripped billions of rand from the investment and

retirement savings of ordinary South Africans, but also called into question the integrity of the auditing community and oversight exercised by boards.

The Remuneration Committee (the Committee), which is chaired by a non-executive member of the Board, ensures that the remuneration process is fair and responsible and that it endorses the performance culture of the Company.

With this in mind, underperformance in certain strategies over the short term, mainly in South African Equity and Global Emerging Markets, has been fully reflected in the remuneration of affected investment professionals and relevant management members.

Measures varied, according to the performance and accountability of each individual, but they included any, or all, of the following items:

- Material (and in some cases extreme) cuts to total variable remuneration.
- The vesting terms of deferred long-term incentives were extended to five years (from the previous three years) with the first vesting at the end of year two (as opposed to the previous year one).
- A zero cash variable remuneration allocation.

In addition, we implemented two significant projects relating to our asset administration and transfer agency services during 2018. Given the long-term strategic importance of these projects, the individuals involved in securing the success were allocated a project bonus based on successful delivery.

The remuneration approach succeeded in its attraction and retention goals, with turnover among employees who benefited from the CFM Deferred Remuneration Trust at 1% in the year under review (2017: 3%).

In line with our long-term orientation, vesting periods within the CFM Deferred Remuneration Trust extend as far as 2024 and a significant number of key employees have restraints of trade and extended notice periods. In 2018, 57% of the variable remuneration pool was allocated to the long term:

Year	% of variable remuneration allocated to the long term*
2018	57
2017	48
2016	57
2015	55

* Deferred remuneration, restraints of trade and notice period extensions

As per our Policy, variable remuneration is allocated to all employees of the Group. In 2018, 98% of eligible employees received cash variable remuneration, and 44% benefited from deferred variable remuneration (which were invested in Coronation shares and unit trusts) as depicted below:

Year	% of eligible Coronation employees who received deferred variable remuneration*
2018	44
2017	46
2016	41
2015	42

Percentages pertain to total employee complement of the relevant year
* Coronation shares and Coronation unit trusts

Despite the challenging short-term environment, Coronation's executive directors have continued to remain focused on the long term and have continued to invest in the business, building the brand locally and globally, enhancing systems and recruiting top talent.

Conclusion

The Committee has ensured that variable pay is distributed fairly, according to an individual's performance against their Key Performance Indicators (KPIs) as well as qualitative assessments, such that our human capital is recognised and rewarded for their contribution to the business.

Going forward, we will continue to monitor global and local regulatory developments and will continue to measure how the remuneration policy delivers long-term value creation.

The sense of ownership that our remuneration policy is designed to foster came to the fore as Coronation employees rallied in this challenging time, travelling extensively and focusing on clear and timeous communications to ensure that our customers continued to receive the excellent service that is enshrined in the Coronation client charter.

Jock McKenzie

Outgoing Chairperson: Coronation Remuneration Committee

Hugo Nelson

Incoming Chairperson: Coronation Remuneration Committee

* Chairperson changeover effective 6 September 2018

Coronation's strategic focus areas

- › Long-term investment performance
- › Client service
- › Governance
- › Corporate citizenship
- › Growing a global franchise

KPIs ACROSS THE COMPANY

	Strategy and values	Operational excellence	Governance and corporate citizenship	Stakeholder engagement
Key KPIs across the Company	     ➤ Execution of strategy in line with the Board mandate. ➤ Entrenching Company culture, including ethical values and behaviour. ➤ Delivering investment excellence.	   ➤ Delivering sustainable financial performance. ➤ Manage risk in all areas of the business. ➤ Achieve operational efficiencies and contain costs.	  ➤ Complying with all relevant regulatory and corporate governance requirements. ➤ Advancing meaningful economic transformation. ➤ Promoting ethical leadership and good governance in South Africa.	    ➤ Improving stakeholder relations and delivering on stakeholder requirements.
Key 2018 outcomes for the Company	➤ Performance across our fund range over the longer term indicated a strong performance, but was disappointing over the short term due to internal and external challenges. ➤ We manage a combined total of R587 billion (September 2017: R614 billion) on behalf of leading international retirement funds, endowments and family offices. ➤ Roll out of key operational projects to enhance customer relationship and experience. ➤ Stable employee turnover and strong employment equity.	➤ Outperformed industry benchmarks for cost ratios. ➤ Total expenses are flat (0.1% up on 2017). ➤ Launch of new investment administration model, consolidating global and South African products under one administrator and supporting the creation of a new black-owned transfer agency.	➤ Coronation complied with regulatory requirements across all jurisdictions. ➤ Support of black businesses, including through black stockbroker programme and enterprise development, and creation of a new black-owned business. ➤ Numeracy and literacy programmes benefited more than 15 500 children in the past year ➤ Increased allocations to programmes supporting job creation, education and skills development. ➤ Engaging with regulators to ensure good outcomes for investors.	➤ Ongoing engagement with a large group of shareholders and global voting advisers. ➤ Meaningful engagement with regulators. ➤ Increased surveys to gain feedback from clients. ➤ Employee engagement.
Attracting and retaining highly skilled professionals	The Remuneration Policy succeeded in retaining and motivating highly skilled individuals who are in demand across the world. Turnover among employees who benefited from the CFM Deferred Remuneration Trust was only 1% in the past financial year. In addition, Coronation succeeded in making a number of valuable appointments, particularly of black professionals. As the Company's global reach expands, Coronation is increasingly required to attract and retain highly skilled professionals.			

Legend:



REMUNERATION POLICY

Introduction

Our remuneration framework is designed to create long-term value for all stakeholders – shareholders, clients, our employees and our community, in a manner that is fair and responsible.

The Remuneration Policy plays a critical role in supporting the overall business strategy of encouraging a high-performance, competitive business with a structure that attracts, retains, motivates and rewards high-performance employees.

This section contains a summary of the Remuneration Policy, which is available in full at www.coronation.com.

Remuneration philosophy

The objectives of the policy remain the following:

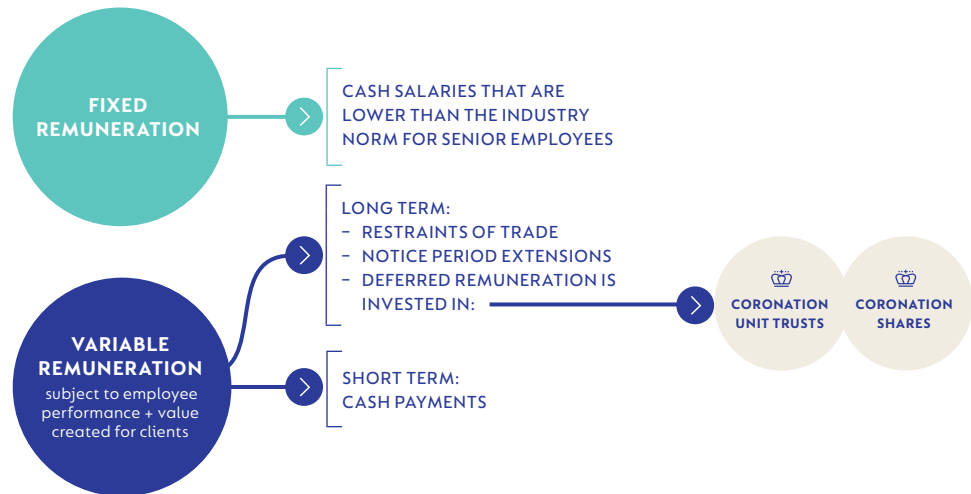
The remuneration process must motivate employees to achieve the long-term corporate strategy through supporting the Coronation values, specifically:

- focusing on long-term value creation;
- always putting clients first;
- creating a culture of ownership;
- recognising that Coronation is a team-based organisation;

- Coronation can attract, retain and motivate highly talented and sought-after individuals;
- employees are rewarded for outstanding and excellent performance. This is essential if the Group's remuneration process is to successfully support its strong performance culture;
- the remuneration structures and implementation are simple and easy to understand, and result in as few unintended consequences as possible;
- the remuneration process is holistic enough to be able to assess the performance of an individual without solely relying on quantitative metrics;
- the rewards for excellent performance should align employees' interests with that of the broader group and its clients;
- an effective balance is achieved between cash and deferred remuneration to ensure alignment with stakeholder interests, business sustainability and the Group's long-term ethos; and
- good corporate governance in relation to remuneration is applied and the approach to remuneration is consistent with, and promotes, sound and effective risk management.

Remuneration principles and structure

Coronation has a very simple framework by which to achieve these objectives and to avoid complicated structures that can result in unintended consequences. It applies the principles and practices to all employees, including executives, although the structure and value of individual packages vary by role, seniority and contribution.



Fixed remuneration

Cash salaries that are lower than the industry norm for senior employees.

Variable remuneration

Subject to employee performance + value created for clients.

Long term

- Restraints of trade
- Notice period extensions

Deferred remuneration is invested in:

- Coronation unit trusts
- Coronation shares

Short term

Cash payments

Total employee remuneration for all employees consists of fixed and variable (performance-based) remuneration as detailed on the following page.

Variable remuneration has been the cornerstone of Coronation's success since inception 25 years ago. It underpins our values, instils a sense of ownership and promotes a performance culture that directly aligns employee and stakeholder interests.

FIXED REMUNERATION

Elements	Outcomes
➤ Fixed remuneration is determined on a total cost-to-company basis, consisting of a base salary and compulsory benefits*	➤ This is based on roles and responsibilities. Senior employees receive fixed remuneration that is well below industry norm. This is capped to contain fixed costs and to encourage a performance-driven culture. In the case of its most senior employees, the differential is material.

* Compulsory benefits include retirement provision (including disability plans death and funeral cover) and medical insurance

VARIABLE REMUNERATION

Elements	Outcomes
➤ Variable remuneration is allocated to all employees according to their contribution	➤ This is directly dependent on the Company earnings and is paid from an allocation of 30% of audited pre-tax net profit. This is a contractual obligation in terms of our memorandum of incorporation and in employment contracts. It was communicated to shareholders in our prospectus on listing in 2003.
➤ Variable remuneration: short-term cash payments	➤ It is allocated based on individual employee performance appraisals that factor in both qualitative and quantitative measures.
➤ Deferred remuneration	➤ Allocated to eligible employees. ➤ Invested in either Coronation unit trusts or in listed Coronation shares, which are purchased on the market, aligning employees with the interests of shareholders and clients. ➤ Forfeited if employees resign or sell Coronation shares.

OTHER

➤ Restraint and notice period extensions	➤ In certain instances, the Remuneration Committee deems it necessary to make payments for notice period extension or restraint payments.
➤ Termination payments	➤ Coronation does not make termination payments unless obliged to do so under labour law or if a labour dispute has been settled.
➤ Once-off allocations	➤ In exceptional circumstances, once-off allocations will be made to relocation costs or to make good any loss of benefit or obligation that arises from the particular employee’s resignation from their previous employer.

Remuneration governance

The Coronation Board of Directors has the ultimate responsibility for the governance of the remuneration framework and for setting the direction for how remuneration is approached on a Group-wide basis. It ensures that the process that governs the assessment of employees’ performance is robust and fair given that this informs the allocation.

The Committee is responsible for key decisions regarding remuneration including the implications for overall risk management. The Committee has full oversight and control of the Remuneration Policy and practices.

Remuneration allocations are not calculated according to mechanistic and set formulas. We believe this kind of mechanistic measurement can result in unintended consequences. At Coronation, all employees are subject to holistic annual performance assessments which consider both qualitative and quantitative measures, including KPIs. Assessments also balance the performance of the individual with that of the team in which the employee operates and the broader organisation. Management’s final recommended allocations in respect of the variable components are submitted to the Committee for consideration and approvals.

Following the Committee’s approval of deferred remuneration allocations, the underlying investments are proposed to the CFM Deferred Remuneration Trust. The trustees of the CFM Deferred Remuneration Trust are independent of the executives and ensure that, once allocations have been made, the trust rules are strictly applied to all beneficiaries.

Conclusion

The Remuneration Policy and the implementation report will be tabled every year at Coronation’s AGM for a separate non-binding advisory vote by the shareholders of Coronation. Coronation continuously reviews its remuneration framework to ensure that it supports achieving our strategic objectives and promotes positive long-term outcomes for all stakeholders. As part of this process, Coronation actively seeks out the views of its shareholders where appropriate in relation to its remuneration practices.

IMPLEMENTATION REPORT

Introduction

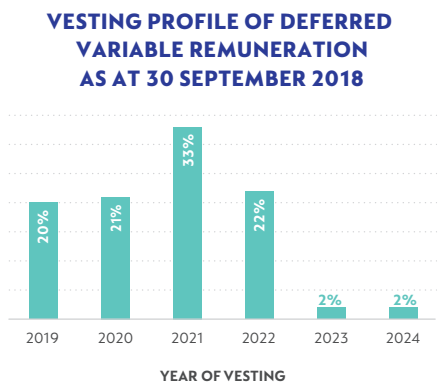
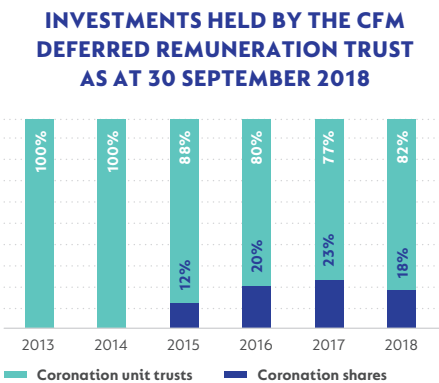
The Remuneration Committee (the Committee) is responsible for implementing Coronation’s Remuneration Policy (the Policy). It is constituted to enable it to exercise competent and independent judgement on remuneration policies and practices. The Committee ensures that the remuneration process is fair and responsible, accounting for all employees.

As outlined, the Committee found that the Policy achieved its objectives in the current year and it was implemented without any deviations.

Variable allocation

The contractual 30% allocation from audited pre-tax net profit of the Coronation group, the amount available for cash allocations and deferred remuneration declined by 2.9% in 2018.

For the period under review, 57% of the variable remuneration allocation was deferred and was primarily invested in Coronation unit trusts.



Fixed allocation

The fixed component of total remuneration increased by 14% to R217 million due to inflationary adjustments and new employee appointments – which were mainly driven by changes to our fund administration outsourcing arrangements. The total employee complement increased from 303 to 331 as at 30 September 2018.

Executive directors’ key performance measures – 2018

The Committee determines the awards to the executive directors based on individual performance. Performance is measured quantitatively and qualitatively. Specific emphasis is placed on the long-term performance of the individual, given that this is the defining characteristic of Coronation as a business and an investment manager.

Please note that, in some instances, the Committee considers the disclosure of certain details on the performance measures to be commercially sensitive.

The following tables provide details of the KPIs that the Committee has considered. It should be noted that the weightings have been assigned to each KPI only to give the reader a sense of the importance of each measure in the current financial year. They have not been used to perform a formulaic, overall score for the executive concerned.

Anton Pillay

BBusSc, CA(SA), CFA, AMP (Harvard)

Chief Executive Officer

KPI	Weighting	The CEO must	Action
Strategic/values	40%		
Culture and values		➤ Build the meritocratic and entrepreneurial culture of the Company. ➤ Instil the core values of putting clients' first, uncompromising ethics and teamwork.	➤ Coronation remains a people-focused, investment-led business. While the Company had policies and processes in place to ensure its values and codes are maintained, it is ultimately about behaviour on a daily basis. ➤ The CEO ensures that business culture and values are instilled, and where necessary are encouraged through regular engagement with employees.
Talent management		➤ Create a high-performance working environment that attracts, retains and develops world-class skills. ➤ Ensure an industry-leading staff turnover ratio. ➤ Ensure that there are succession plans in place.	➤ Turnover well below industry standard at 4.5%. ➤ Regular engagement and internal communication. ➤ Continued development of employees through both internal and external initiatives. ➤ Continued process of support through coaching and mentoring.
Brand and reputation		➤ Be accountable for building the Coronation brand and ensuring it becomes a household name.	➤ New above and below the line brand activation. ➤ Launched becauseitsyourmoney.com and savings month campaign to appeal to youth. ➤ Market research conducted.
Roll out of global product range		➤ Be accountable for building the franchise value of our key global products. ➤ Build relationships with asset allocators and clients. ➤ Establishing compelling performance track records across the fund range. ➤ Build out the investment teams.	➤ Our global strategies continued to deliver excellent long-term performance, with GEM facing some challenges over the short term. ➤ The team continued to engage actively with current and potential clients. ➤ 65 shareholder engagements. ➤ The investment team remains stable and continues to deepen their understanding of global markets to identify opportunities.
Platform efficiency and technology		➤ Be accountable for the successful migration of the administration (domestic business) from one provider to another. ➤ Key deliverables include whether delivery is on time, on budget and without disruption to clients.	➤ The migration to new service providers was seamlessly and successfully implemented.

KPI	Weighting	The CEO must	Action
Operational	25%		
Cost control		➤ Implementation of sound group financial management and controls. ➤ Ensure that costs are judiciously managed and reduced where appropriate. ➤ Benchmark cost to income and cost to AUM ratios against leading local and international competitors.	➤ Fixed expenses increased due to platform and service provider implementation costs. Variable expenses decreased, resulting in operating expenses remaining flat year on year. ➤ Maintained 50% cost-to-income ratio.
Investment performance		➤ Be accountable for ensuring that all Coronation funds deliver compelling investment performance over meaningful periods (five-years +).	➤ Short-term performance is disappointing for certain strategies while our long-term performance across the product range remains exceptional: two out of three funds are top quartile over the 10-year period; and seven unit trusts are top quartile long-term performers.
Governance	20%		
Governance and risk management		➤ Be responsible for building an appropriate risk and compliance culture and processes to protect client assets, minimise the risk of reputational damage and of financial losses.	➤ The Company continued to operate to the highest levels of global governance and risk management with no issues.
Transformation		➤ Drive industry-leading and credible transformation through the business. ➤ Sustain and improve black employee representation and procurement. ➤ Improve gender diversity broadly.	➤ Rated as Level 2 B-BBEE contributor in terms of revised Financial Sector Code. ➤ 78% of new hires were black; 58% of the business is black, 58% of whom were black women. ➤ Supported establishment of black-owned fund administration service.
Clients/stakeholders	15%		
Clients		➤ Maintain and strengthen key client relationships.	➤ Client-facing teams have continued to focus on ensuring clients are kept abreast of Company and product developments.
Stakeholder relations		➤ Ensure that transparent communications and sound relationships are maintained with key stakeholders.	➤ The CEO communicated with a number of stakeholders through the course of the year. ➤ Shareholder and regulatory engagements in respect of proposed changes to the CIS taxation regime. ➤ As a board member of ASISA, the CEO engaged on various industry-related issues.

2018 Board assessment

Assessing the CEO's performance against KPIs and qualitative measures, the Remuneration Committee decided on an allotment from the variable remuneration allocation. As the executives' award opportunity is directly aligned with the profitability of the Company, we believe minimum, on-target and maximum performance outcomes are not applicable. The CEO was also impacted by investment underperformance across certain strategies, but has KPIs across the business, and operational project delivery was significant during the year.

Group wide, the total allocation for 2018 was adjusted downwards to reflect the reduction in the available cash allocations resulting from the decline in the contractual 30% allocation from audited net profit before taxation of the Coronation Group.

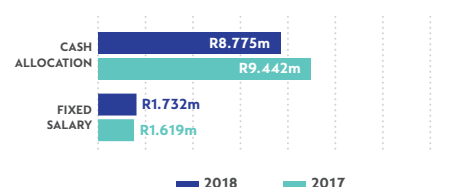
In addition, the available allocation was smaller due to an increase in employees and a larger allotment across the Company to retain employees whose responsibilities have increased.

The CEO's total remuneration was determined after taking into account the outcome of his performance against 2018 KPIs as detailed above, the key outcomes being:

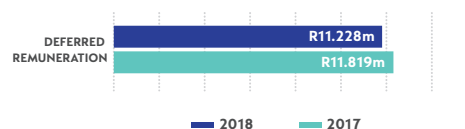
- launch of a new investment administration model and progress in implementation of the new transfer agency services;
- maintained Coronation's global franchise in tough environment;
- no turnover among senior employees – stable employee turnover across the business;

- market-leading cost control metrics;
- short-term investment underperformance across certain strategies impacted negatively on performance assessment but longer-term investment outperformance remains strong;
- continued compliance with regulatory requirements across all jurisdictions; and
- maintained Coronation's strong brand and reputation through new above and below the line brand activation.

2018 REMUNERATION OUTCOME



The Committee allocated the CEO a long-term allocation which is invested in Coronation shares and unit trusts with vesting periods of between one and five years. The CEO's underlying holdings as at 30 September 2018 are the same proportion represented in the CFM Deferred Remuneration Trust.



The CEO's shareholding in Coronation's issued share capital is 1.35%. The CEO has not sold any of his shares, ensuring alignment with shareholders and Company values. The CEO has a permanent employment contract, with a notice period of 12 months and a 12-month paid restraint of trade.

John Snalam

BCom, CTA, CA(SA)

Chief Financial Officer

KPI	Weighting	KPI	Action
Strategic/values	20%		
Financial operating model		➤ The CFO is responsible for ensuring the implementation of an effective financial operating model and controls of the Group, including sound balance sheet management and maintaining required statutory levels of capital and liquidity. The number of reportable items raised by external auditors being the key metric for this deliverable.	➤ Successive clean audits for 26 years since inception of Coronation in 1993 for the group and across all subsidiary companies and associated entities and products.
Talent management		➤ The CFO is responsible for ensuring the finance department employs the appropriate world class skills to deliver on its responsibilities and roles (finance, company secretarial, transformation and remuneration).	➤ Small but highly effective finance team, with minimal staff turnover for 15 years, that executes all financial and related activities for all entities within the listed group.
Operational	35%		
Cost control		➤ A proactive focus on controllable costs is entrenched in the culture of the Company. The CFO is responsible for ensuring the required cost controls are implemented and adhered to across the Group. He is also responsible for the preparation of and reporting on budgets and holding the departmental heads accountable to projected budgets. The business must continue to benchmark favourably on cost to income and cost to AUM ratios against leading, local and international competitors.	➤ Variable cost model established at inception in 1993 and maintained to date, as the most appropriate and beneficial model for the type of business and structure of Coronation. ➤ Have successfully maintained below 50% cost-to-income ratio since 2010, which compares very favourably to asset management industry averages of between 65% and 75%.
Financial reporting		➤ The CFO is responsible for maintaining a high level of internal and external reporting (including relevant statutory and regulatory reporting) as measured by the relevance, accuracy and timeliness of the reporting.	➤ Detailed monthly and ad hoc reporting of all financial facets of the business and further financial analysis and forecasting/valuation produced quarterly for Board reporting. ➤ Biannual results reporting to the market. ➤ Annual audited financial statements for the group and all subsidiaries and entities. ➤ Regular regulatory financial reporting.
Tax		➤ The CFO is responsible for the management of the group's tax affairs, including appropriate implementation of tax regulation and interaction with the respective regulatory bodies.	➤ Implementation and monitoring of conservative tax strategies for all group companies, entities and products. ➤ Interaction with all relevant tax authorities.

KPI	Weighting	KPI	Action
Governance	25%		
Governance and risk management		➤ The CFO should ensure that an environment of appropriate corporate governance and effective risk management prevails across the Company and is specifically responsible for oversight of and assisting the company secretarial function.	➤ Clean financial closing reports from internal audit to the Audit Committee since inception.
Transformation		➤ The CFO is responsible for monitoring and reporting on transformation initiatives and goals from an internal and external perspective. CFO also specifically responsible for driving enterprise development, supplier development and preferential procurement initiatives.	➤ Regular BEE reporting internally and to SET Committee. ➤ Annual external verification of scorecard. ➤ Rated as Level 2 B-BBEE contributor in terms of revised Financial Sector Code.
Clients/stakeholders	20%		
Stakeholder relations		➤ The CFO needs to ensure excellent and relevant communication is maintained with shareholders, analysts, regulators and Board of Directors.	➤ Regular ad hoc interaction with investors and analysts. ➤ Formalised biannual reporting and interaction with investors and analysts. ➤ Regular formal Board meetings and ad hoc interaction with the Board of Directors.

2018 Board assessment

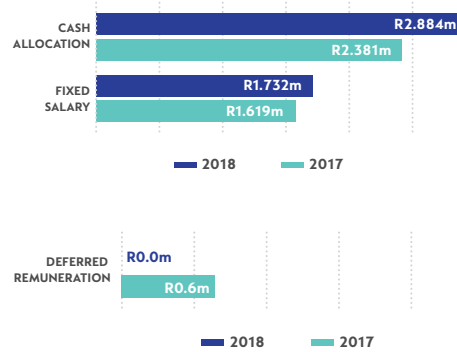
Assessing the CFO's performance against KPIs and qualitative measures, the Remuneration Committee decided on an allotment from the variable remuneration allocation. The award opportunity is directly aligned with the profitability of the Company.

The total allocation for 2018 was adjusted downwards to reflect the reduction in the available cash allocations resulting from the decline in the contractual 30% allocation from audited net profit before taxation of the Coronation Group. In addition, the available allocation was smaller due to an increase in employees and a larger allotment across the Company to retain employees whose responsibilities have increased.

The CFO's total remuneration was determined after taking into account the outcome of his performance against 2018 KPIs as detailed above, the key outcome being:

- unqualified audits across the group during the financial year;
- Coronation's cost-to-income and cost-to-AUM ratios outperformed leading local and international competitors;
- all subsidiaries maintained required levels of regulatory capital and liquidity;
- compliance with regulatory requirements across all jurisdictions; and
- BEE scorecard improvement.

2018 REMUNERATION OUTCOME



The CFO's shareholding is 0.16% of Coronation's issued share capital. The CFO has a permanent employment contract with a three-month notice period and a six-month paid restraint of trade. CFO John Snalam will be retiring in 2019.

Non-executive directors

Non-executive directors of Coronation receive an annual fixed fee and an attendance fee for Board and subcommittee meetings, as contained in a resolution that is subject to shareholder approval. They do not participate in any of the remuneration structures addressed in this policy document or receive share options.

In preparation for the 2018 fee proposal for non-executive directors, the Remuneration Committee considered the increased demands on directors to contend with the growing complexity of a global business and a dynamic regulatory environment.

In addition, director fees were reviewed against the January 2018 PricewaterhouseCoopers Non-Executive Directors Practices and Trends Report and were found to be lower than the observed non-executive fees in the financial service industry (for companies comparable in size to Coronation).

2018 FEES PAID TO THE NON-EXECUTIVE DIRECTORS*

Non-executive directors	Basic fee R'000	Board meetings R'000	Audit and Risk Committee meetings R'000	Remuneration and Nominations Committee meetings R'000	SET Committee meetings R'000	Total 2018 R'000
Shams Pather	135	539	121	224	–	1 019
Alexandra Watson	124	318	277	–	106	825
Judith February	135	304	91	–	148	678
Jock McKenzie	135	304	182	210	–	831
Lulama Boyce	118	265	159	–	–	542
Hugo Nelson	132	296	175	189	–	792
Total	779	2 026	1 005	623	254	4 687

* Actual non-executive directors' fees paid (excluding value added tax (VAT) where applicable)

We have proposed an inflation-based increase for 2019 year. We continue to monitor the fees to ensure they are we are able to attract and retain non-executive directors with the required experience and expertise, especially given that we will be focusing on succession in the immediate future.

The proposal will be submitted for approval by shareholders by way of a special resolution tabled at the AGM, in compliance with the Companies Act. Approvals for non-executive directors' fees are sought excluding VAT, and where necessary non-executive directors will levy VAT on their fees.



Annexure 6:

Social, Ethics and Transformation (SET) Committee

The responsibilities of the SET Committee include upholding, monitoring and reporting to the Board on organisational ethics; responsible corporate citizenship; organisational transformation and the fulfilment of its statutory duties on behalf of the group; as well as any additional functions as delegated by the Board. The SET charter, approved annually by the Board, more fully sets out the Committee's responsibilities and is available for review in the shareholder information section of our website at www.coronation.com.

While this Committee has insight into the investment process, especially in relation to stewardship and the consideration of ESG factors during the investment process, the SET Committee is not accountable for trading decisions of the investment team, which are operational, given the nature of the business. As the business continues its responsible investment journey, it is revising its Stewardship Report which will be published on the website in the first quarter of 2019.

The Committee comprises independent non-executive directors Ms Judith February (Chairperson), Prof Alexandra Watson, as well as executive director Mr Anton Pillay, who lend a wealth of experience and diverse perspectives to Committee discussions.

In addition, managers in business including the Chief Operating Officer, heads of talent management and marketing attend and report at Committee meetings by invitation. The Committee is supported in the execution of its mandate by joint staff and management Employment Equity and CSI committees. The activities of these committees are part of the SET Committee agenda.

The Committee met twice during 2018, and each meeting was fully attended by its members.

In its deliberations during the year, the Committee considered substantive local and international regulation and frameworks, as well as leading industry practice. This included oversight of an exercise to verify that the

Committee achieved the principles of King IV™. Furthermore, the Committee received feedback on the monitoring, assessment and measurement of group activities as they relate to social and economic development, transformation and ethics, including the group's standing in terms of the goals and purposes of, inter alia, the following:

- The Companies Act;
- United Nations Global Compact 10 Principles;
- OECD recommendations regarding corruption;
- Employment Equity Act; and
- Broad-Based Black Economic Empowerment Act.

Key areas of focus 2017/ 2018

Labour and employment practices

Oversight of the impact of the revised Financial Sector Code (FSC) gazetted during December 2017 on Coronation and monitoring measures implemented by management to influence the businesses rating under the revised FSC in 2018.

Overseeing that meaningful transformation is taking place within the business in terms of recruitment, employee retention and career development, as well as the development of the workforce pipeline through graduate recruitment and bursary programmes.

Organisational ethics

- Overseeing the promotion of an ethical culture, equality, and prevention of unfair discrimination, including oversight and monitoring adherence to the code of ethics and related policies.
- Monitoring the results of the anonymous whistle-blowing mechanism, maintained by a third party.
- Receiving regular feedback on an initial and follow-up assurance provider due diligence performed in 2017 and 2018, respectively.

Corporate citizenship

- The Committee discussed at length the efficacy of social impact investing programmes.
- The Committee monitors corporate spend in respect of the various programmes supported.
- Focus was allocated to the CSI Capsule Programme, which was launched at three schools in the city during March 2018. The launch was attended by Prof Alexandra Watson on behalf of the Committee.

Stakeholder engagement

Reviewing a summary of engagement with the material stakeholders including the number and method of engagement, and the nature of discussions held. No material matters requiring the focus of the Committee were noted during the year.

The Committee relies on management for the implementation of strategies and initiatives, of which the primary contributors are the management team as well as the Employment Equity and CSI committees. The Committee completed a self-assessment during the 2018 financial year and is of the opinion that it has effectively discharged its responsibilities in terms of its mandate.

Future focus

Given the increased culture of stakeholder activism across the country, the Committee continues to apply increasing focus to the group's relationships with its stakeholders, as well as public perception of the Company. In addition, the Committee will continue to focus on meaningful transformation initiatives within the business and further entrenching the culture of responsible corporate governance and transparency within the Company.

The Committee looks forward to reviewing the performance of the CSI Capsule Programme that launched in March 2018, post the first anniversary of the project in 2019, as well as the launch of an improved graduate recruitment programme in 2019.

The Committee remains focused on ensuring the maintenance of an ethical culture within Coronation, to ensure that we serve as reliable and trusted custodians of our clients' assets, and because we realise this is good for business and it is our duty to model best practice as a large corporate citizen in South Africa.



Annexure 7:

Directors' responsibility report

The directors are responsible for the preparation and fair presentation of the audited annual financial statements of Coronation Fund Managers Limited, comprising the statement of financial position at 30 September 2018, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies, the directors' report and the audit and risk committee report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The board reviews the operation of the system of internal control primarily through the audit and risk committee of Coronation Fund Managers Limited and various other risk monitoring committees.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead. The auditor is responsible for reporting on whether the consolidated and separate annual financial statements of Coronation Fund Managers Limited are fairly presented in accordance with International Financial Reporting Standards and the Companies Act of South Africa.

Approval of audited annual financial statements

The audited annual financial statements of Coronation Fund Managers Limited as identified in the first paragraph for the year ended 30 September 2018, which is available on the Company's website www.coronation.com, were approved by the board of directors on 5 December 2018 and are signed on its behalf by:

Shams Pather
Chairman

Anton Pillay
Chief executive officer

5 December 2018



Form of proxy

Coronation Fund Managers Ltd
(Incorporated in the Republic of South Africa)
(Registration number 1973/009318/06)
ISIN: ZAE000047353 Share code: CML
(the Company)

For use at the 45th annual general meeting of shareholders of the Company to be held in the boardroom of the offices of the Company at 7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont, Cape Town, on Tuesday, 19 February 2019, at 10:00 and any cancellation, postponement and adjournment thereof.

To be completed by certificated shareholders and dematerialised shareholders with 'own name' registration only.

I/We _____

of (address) _____

Telephone number: _____ Cellphone number: _____

Email address: _____

being a shareholder of the above-mentioned company

and holding _____ (number of shares)

hereby appoint (1) _____ or failing him/her,

(2) _____ or failing him/her,

the Chairman of the annual general meeting, as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company for purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions and special resolutions proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s).

		Mark with an X whichever is applicable		
	I/We desire to vote and/or abstain from voting as follows:	Vote for	Vote against	Abstain
	Ordinary resolutions			
1.	Re-election of directors:			
	a) To re-elect Mr John Snalam as director.			
	b) To re-elect Ms Lulama Boyce as director.			
	c) To re-elect Mr John David (Jock) McKenzie as director.			
2.	To re-appoint Ernst & Young Inc. as the Company's registered auditor and to note Ms L Killin as the designated audit partner.			
3.	To re-elect Audit and Risk Committee members each by way of a separate vote:			
	a) To re-elect Prof Alexandra Watson			
	b) To re-elect Ms Lulama Boyce			
	c) To re-elect Mr John David (Jock) McKenzie			
	d) To re-elect Dr Hugo Anton Nelson			
4.	Non-binding advisory vote on the Company's Remuneration Policy.			
5.	Non-binding advisory vote on the Company's remuneration implementation report for the year ended 30 September 2018.			
	Special resolutions			
1.	Intercompany financial assistance.			
2.	Financial assistance for intercompany share or option transactions.			
3.	Remuneration of non-executive directors			
4.	General authority to repurchase share by the Company and its subsidiaries			

Unless otherwise directed, the proxy will vote or abstain, as he or she thinks fit, in respect of the shareholder's total holding.

Any shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak, act and, on a poll, vote in his or her stead. The proxy so appointed need not be a shareholder of the Company.

Dated this _____ day of _____, 20____

Signature/s _____

Assisted by me (where applicable)

Shareholders holding certificated shares or dematerialised shares registered in their own name

1. Only shareholders who hold certificated shares and shareholders who have dematerialised their shares with 'own name' registration may use this form of proxy.
2. Each shareholder is entitled to appoint one or more proxies (none of whom needs be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting, by inserting the name of the proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the Meeting will be entitled to act as the proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided or by marking an 'X' in the appropriate box(es). Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting, as he deems fit, in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his proxy is not obliged to vote in respect of all the shares held or represented by him, but the total number of votes for or against the resolutions or in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his proxy is entitled.
5. Forms of proxy must be lodged and/or posted to the Company's transfer secretaries (Computershare Investor Services (Pty) Ltd) at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown, 2107), to be received by the transfer secretaries by not later than 10:00 on Friday, 15 February 2019 or must be handed to the Chairman at the Meeting at any time prior to the commencement of voting at the Meeting on the particular resolution(s) to which the proxy relates.
6. The completion and return of this form of proxy in accordance with point 5 above will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. A minor must be assisted by the minor's parent or guardian, unless the relevant documents establishing the minor's capacity are produced or have been registered by the Company.
8. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
9. This form of proxy must be signed by all joint shareholders. If more than one of those shareholders is present at the annual general meeting either in person or by proxy, the person whose name stands first in the register shall alone be entitled to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer office or waived by the Chairman of the annual general meeting.
11. The Chairman of the Meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

Shareholders holding dematerialised shares

1. Shareholders who have dematerialised their shares through a central securities depository participant (CSDP) or broker (except those shareholders who have elected to dematerialise their shares with 'own name' registration) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the Company of their voting instructions before the closing time as detailed in point 5 above.
2. All such shareholders wishing to attend the Meeting in person may do so only by requesting their CSDP, broker or nominee to issue the shareholder with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries or the Chairman before the closing time as detailed in point 5 above.

SUMMARY OF THE RIGHTS OF A SHAREHOLDER TO BE REPRESENTED BY PROXY

Shareholders' rights regarding proxies in terms of section 58 of the Act are as follows:

- At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to: (i) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or (ii) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Act.

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
 - one year after the date on which it was signed; or
 - any longer or shorter period expressly set out in the appointment unless it is revoked in a manner contemplated in subsection 58(4)(c); or expires earlier as contemplated in subsection 58(8)(d) of the Act.

Except to the extent that the MOI of a company provides otherwise:

- a shareholder of that company may appoint two or more persons concurrent as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy and to the company.
- the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of (i) the date stated in the revocation instrument (if any); or (ii) the date on which the revocation instrument was delivered to the proxy and the company (as contemplated above).
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.

TRUST IS EARNED™

CAPE TOWN

7th Floor, MontClare Place
Cnr Campground and Main Roads
Claremont 7708

PO Box 44684
Claremont 7735

Telephone: +27 (0)21 680 2000
Fax: +27 (0)21 680 2100

PRETORIA

1st Floor, Block 4
The Boardwalk Office Park
Eros Street
Faerie Glen 0043

Telephone: +27 (0)12 990 9040
Fax: +27 (0)12 991 6079

DURBAN

Suite 6, 15 The Boulevard
Westway Office Park
Westville 3635

Telephone: +27 (0)87 354 0508

JOHANNESBURG

3rd Floor, Building 2
Oxford and Glenhove
114 Oxford Road
Houghton 2196

Telephone: +27 (0)11 328 8200
Fax: +27 (0)11 684 2187

LONDON

7th Floor, St Albans House, 57-59 Haymarket
London SW1Y 4QX, United Kingdom

Telephone: +44 (0)207 389 8840
Fax: +44 (0)207 389 8899

DUBLIN

Suite One, 2 Grand Canal Square
Macken Street
Dublin D02 A342, Ireland

Telephone: +353 (0)1 674 5410
Fax: +353 (0)1 674 5411

