



INTERIM RESULTS

for the six months ended 31 March 2020



Assets under management (AUM)

R508
billion

*Diluted headline
earnings per share*

178.3
cents

*Interim dividend
per share*

178.0
cents

The Covid-19 pandemic has impacted financial markets with a swiftness and ferocity normally only seen in a classic financial crisis, pushing the world economy into a recession. In a matter of weeks, global equity benchmarks fell from record highs into bear markets.

In South Africa, although the initial early response to controlling the virus should be commended, it is evident that the huge economic cost of the lockdown has already exacted a very hefty toll on our country. As we shift to Level 3 on 1 June, we will continue to engage in discussions to responsibly reopen the economy, while keeping the health and safety of citizens top of mind.

RESULTS

Against this challenging backdrop, for the six months ended 31 March 2020, Coronation's revenue is up 8% to R1.8 billion (March 2019: R1.6 billion) and net profit is up 8% year on year from March 2019. This can be attributed to improved short-term relative performance in our portfolios. We have continued to meticulously manage costs, with total operating expenses up 7% from the comparable reporting period in 2019, with our variable cost model once again demonstrating its value to shareholders in the difficult years. Variable costs were up only 1%, while fixed costs increased by 11%, mainly due to continued investment in the business, specifically ongoing spend on strategically important information technology and information systems.

From a market perspective, over the six months to end-March, the key asset classes included in our client portfolios were down, with the FTSE/JSE All Share Index declining 17.7% and the All Bond Index down 7.1%, while the MSCI All Country World Index and MSCI Emerging Markets Index returned 0.3% and 0.8% in rands, respectively. Despite these disappointing returns and ongoing market volatility, we continue to experience encouraging short-term relative performance, especially within our domestic and global equity portfolios.

In this difficult operating environment, as at 31 March 2020, Coronation's total AUM was R508 billion, down 11% over the six months (September 2019: R571 billion), while average AUM remained flat year on year at R562 billion (March 2019: R566 billion).

Diluted and basic headline earnings per share increased 8% for the period to 178.3 cents (March 2019: 165.1 cents).

BUSINESS UPDATE AND CORPORATE CITIZENSHIP

We are a large independent asset manager and custodian of the savings of millions of South Africans, as well as several international retirement funds, endowments and family offices – a responsibility that we take very seriously. As an investment-led business, our focus is to grow the value of the client assets entrusted to us over the long term, rather than growing the pool of assets under our management. Net outflows of 3.8% of the opening balance reflect our assessment of the experience of the broader asset management industry, which, aside from the continuously shrinking pool of formal savers in South Africa, has suffered a double blow due to the economic fallout caused by the Covid-19 pandemic and the resulting sudden stop in economic activity caused by global response measures.

Our business has remained fully operational during the national lockdown, with approximately 85% of our employees working seamlessly from home to uphold our commitments to our clients. However, we are very aware of the extraordinarily tough business environment, and the staggering economic impact of the lockdown, with National Treasury forecasting job losses of between three and seven million, depending on the speed of unlocking the shutdown, while Stats SA reports that 42.2% of businesses have stated that they cannot afford to continue operating during lockdown.

In response to this crippling data, we have pledged both corporate and individual (approximately 30% of Coronation employees and our non-executive directors) contributions to the Solidarity Fund and other non-profit organisations totalling over R10 million. We have also provided support to our service providers, including small- and medium-sized businesses with whom we do business, and are working with our partners to implement community support initiatives, such as feeding schemes.

In addition, Coronation is an active participant in industry engagements to find solutions to mitigate the effects of Covid-19 and the lockdown on the South African economy and its citizens, with the aim of supporting the stability and orderly functioning of domestic financial markets.

INSTITUTIONAL BUSINESS

Our institutional business manages R292 billion (September 2019: R331 billion) on behalf of South African and global institutions.

South African clients

We continue to manage a meaningful share of assets in the local retirement fund industry, representing a total AUM of R224 billion (September 2019: R265 billion), making us one of the largest independent managers of retirement assets in the country. Net outflows were in line with our estimate of those experienced by the South African asset management industry and represented 5.8% of our opening balance for local institutional assets. We expect outflows to continue to be impacted as the ongoing local savings pool shrinkage is exacerbated by financially distressed employers having to retrain employees or cut their earnings. Over the short term, contributions will also be affected by the three- to six-month reprieve from retirement fund contributions.

From a performance perspective, we have seen good short-term performance in our equity portfolios; however, at Coronation, our focus is on the long term and our ability to add value via active management is represented in:

- Clients representing more than 50% of our total institutional assets have been invested with Coronation for more than 10 years.
 - Of these client assets, 97% have outperformed their benchmarks since inception.¹
- 93% and 98% of our institutional portfolios with 10-year and 15-year track records, respectively, have delivered positive active returns over that period.

Global clients

We manage a total of R68 billion (September 2019: R66 billion) in our global strategies on behalf of leading international retirement funds, endowments and family offices. For the reporting period, net outflows were marginal, representing 0.2% of our opening global AUM. Following very strong performance in the 2019 calendar year, we experienced inflows into the Global Emerging Markets Strategy, as clients seek to take advantage of the potential upside inherent in the current market volatility.

- Coronation Global Emerging Markets Strategy has delivered an active return of 4.1% p.a. since its inception in 2008.
- Coronation Africa Frontiers Strategy has delivered an active return of 4.0% p.a. since its inception in 2008.

All institutional performance returns are stated gross of fees.

RETAIL BUSINESS

With retail assets totalling R216 billion (September 2019: R240 billion), we are a leading independent manager of South Africa's household savings and investment pool. We experienced net outflows of 2.5% of our opening balance (September 2019: 5.4%), broadly in line with retail investment industry experience. We expect net client cash flows to remain under increasing pressure as already-stressed household incomes are further compromised by the economic shock delivered by Covid-19. The recent market crisis follows a protracted period of below average returns from South African assets, creating a challenging environment for investors. While our funds have felt the impact of this environment, long-term track records remain intact.

- Our 12 largest rand-denominated funds rank first in their respective ASISA categories since their respective inception dates. This includes:
 - Coronation Balanced Plus, the top traditional balanced fund in South Africa, outperforming peers, inflation and the FTSE/JSE All Share Index since its inception in 1996;
 - Coronation Strategic Income, the top-performing fund in the multi-asset income category, outperforming cash by 2.1% p.a. since its inception in 2001; and
 - Coronation Optimum Growth, the top-performing fund in the worldwide flexible category, with a return of 14.3% p.a. since its inception in 1999.
- 89% of our retail funds, on an asset-weighted basis, produced first quintile performance in their respective ASISA categories over the past ten years.

¹ On an asset-weighted basis

Level 2

*B-BBEE contributor as
measured by the Financial
Sector Code*

TRANSFORMATION AND EMPOWERMENT

Over and above our crisis response to the Covid pandemic to support all South African citizens, we remain committed to the role we play in promoting an inclusive financial services industry and in supporting our communities. In addition to our ongoing corporate social investment initiatives, and the financial and business support that we provide to small, black-owned businesses, we continue to transform our business to reflect the country's diversity. As at end-March 2020:

- Half of our employees are women;
- 57% of our South African-based employees are black, of whom 57% are black women;
- 81% of our South African-based employees appointed during the six-month reporting period are black, of whom 44% are black women;
- Many of our senior leadership positions are held by black individuals, including our CEO, CFO, COO, Head of Institutional Business, Head of Fixed Income and Head of SA Equity Research;
- 78% of our Board of Directors are black, and 56% are female; and
- We are a Level 2 contributor to broad-based black economic empowerment as per the Financial Sector Code.

INTERIM CASH DIVIDEND

We continue to reward shareholders through regular and significant distributions of free cash flow generated. We endeavour to distribute at least 75% of after-tax cash profit. After assessing any projected future cash requirements, a gross dividend of 178.0 cents per share has been declared for the interim period ended 31 March 2020 from income reserves, resulting in a net dividend of 142.4 cents per share for shareholders subject to Dividends Tax.

In compliance with the Listings Requirements of the JSE Ltd, the following dates are applicable:

Declaration date:	Tuesday, 26 May 2020
Last day to trade cum dividend:	Tuesday, 9 June 2020
Trading ex-dividend commences:	Wednesday, 10 June 2020
Record date:	Friday, 12 June 2020
Payment date:	Monday, 15 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 June 2020 and Friday, 12 June 2020, both dates inclusive. In terms of Dividend Tax, the following additional information is disclosed:

- The local Dividend Tax rate is 20%.
- The number of ordinary shares in issue at the date of this declaration is 349 799 102.
- Coronation's tax reference number is 9 675 107 719.

PROSPECTS

At the end of 2019, geopolitical tensions began to ease and world markets were making a recovery. No one could have foreseen the possibility of, or prepared for, the havoc that the Covid-19 virus would unleash on a global scale in the first quarter of 2020. These certainly are extraordinary times, and with so many unknowns and no immediate solutions, the reality is that there remains large-scale uncertainty in the global economy.

In these conditions, we believe that active management has a significant role to play, not only in mitigating both sector- and stock- specific risks; but, our proprietary research and valuation-driven investment approach will assist us in identifying investments that are resilient and offer the best upside potential for our clients' portfolios. While we are mostly positive on expected returns from current levels, it is too early to forecast outcomes, as we have no way of knowing how the crisis will ultimately play out.

Coronation remains fully operational and we will continue to manage the business for the benefit of all stakeholders, and in so doing ensuring that we are able to continue to contribute positively to the country and its citizens.

EXTERNAL AUDIT REVIEW

The external auditors, EY, reviewed the condensed consolidated statement of financial position of Coronation Fund Managers Ltd Group as at 31 March 2020, and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the period then ended, and other explanatory notes as set out on pages 4 to 11. The review has been conducted in accordance with the International Standard on Review Engagements 2410. Copies of the unqualified report of EY are available for inspection at the registered office of the company. Any forward-looking information contained in this announcement has not been reviewed or reported on by the company's external auditors.

Shams Pather
Chairman

Cape Town
26 May 2020

Anton Pillay
Chief Executive Officer

Mary-Anne Musekiwa
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	% CHANGE	FULL YEAR AUDITED 30 SEPT 2019 R MILLION
Fund management activities				
Revenue	1 769	1 632	8	3 291
Other income	13	11		22
Total operating expenses	(950)	(891)	7	(1 797)
Other expenses	(15)	(2)		(1)
Operating expenses	(935)	(889)		(1 796)
Results from operating activities	832	752	11	1 516
Finance and dividend income	13	17		37
Finance expense	(14)	(14)		(24)
Share of profit of equity-accounted investee	3	3		6
Profit from fund management	834	758	10	1 535
Sundry (losses)/gains	(6)	11		40
Income attributable to policyholder linked assets and investment partnerships	-	-		4
Net fair value gains on policyholder and investment partnership financial instruments	35	12		87
Administration expenses borne by policyholders and investors in investment partnerships	(35)	(12)		(83)
Profit before income tax	828	769	8	1 579
Income tax expense	(204)	(191)		(383)
Taxation on shareholder profits	(204)	(191)		(379)
Taxation on policyholder investment contracts	-	-		(4)
Profit for the period	624	578	8	1 196
Other comprehensive income/(loss) (to be reclassified to profit and loss in future periods)	27	(10)		7
Foreign currency translation differences for foreign operations	27	(10)		7
Other comprehensive income/(loss) for the period	27	(10)		
Total comprehensive income for the period	651	568		1 203
Profit attributable to:				
- equity holders of the company	624	578	8	1 196
Profit for the period	624	578		1 196
Total comprehensive income attributable to:				
- equity holders of the company	651	568	15	1 203
Total comprehensive income for the period	651	568		1 203
Earnings per share (cents)				
- basic	178.3	165.1	8	341.9
- diluted	178.3	165.1	8	341.9
Note to the statement of comprehensive income				
Headline earnings per share (cents)				
- basic	178.3	165.1	8	341.9
- diluted	178.3	165.1	8	341.9
Dividend per share (cents)				
- interim	178.0	165.0	8	165.0
- final				176.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	REVIEWED 31 MARCH 2020 R MILLION	REVIEWED 31 MARCH 2019 R MILLION	AUDITED 30 SEPT 2019 R MILLION
Assets			
Intangible assets	1 088	1 088	1 088
Equipment	15	24	18
Lease asset (note 1)	78	–	–
Investment in equity-accounted investees	38	38	42
Deferred tax asset	98	106	126
Investments backing policyholder funds and investments held through investment partnerships	44 967	51 532	49 603
Investment securities	1 363	1 159	1 145
Trade and other receivables	569	484	448
Cash and cash equivalents	340	285	682
Total assets	48 556	54 716	53 152
Liabilities			
Long-term borrowings (note 3)	328	300	150
Deferred tax liabilities	4	23	27
Lease liability (note 1)	109	–	–
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	44 966	51 529	49 598
Short-term portion of long-term borrowings (note 3)	150	–	150
External investors in consolidated funds	349	212	260
Taxation payable	70	47	38
Trade and other payables	397	466	748
Total liabilities	46 373	52 577	50 971
Net assets	2 183	2 139	2 181
Equity			
Share capital and premium	256	256	256
Retained earnings	1 604	1 568	1 609
Reserves	196	152	169
Total equity attributable to equity holders of the company	2 056	1 976	2 034
Non-controlling interest in consolidated funds	127	163	147
Total equity	2 183	2 139	2 181

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	FULL YEAR AUDITED 30 SEPT 2019 R MILLION
Cash flows from operating activities			
Profit from fund management	834	758	1 535
Non-cash and other adjustments	39	16	7
Operating cash flows before changes in working capital	873	774	1 542
Working capital changes	(417)	(497)	(170)
Cash flows from policyholders and investment partnership activities	1 443	(17)	54
Cash generated from operations	1 899	260	1 426
Interest paid	(14)	(14)	(24)
Income taxes paid	(162)	(110)	(325)
Net cash from operating activities	1 723	136	1 077
Cash flows from investing activities			
Finance and dividend income	13	17	37
Acquisition of equipment	(1)	(12)	(12)
Net (purchases)/sales of securities	(223)	21	88
Net cash (utilised in)/from investing activities	(211)	26	113
Cash flows from financing activities			
Dividends paid	(616)	(689)	(1 266)
Increase in long term borrowings	178	–	–
Net cash utilised in financing activities	(438)	(689)	(1 266)
Increase/(decrease) in cash and cash equivalents	1 074	(527)	(76)
Net decrease in cash and cash equivalents – shareholders	(369)	(510)	(130)
Net increase/(decrease) in cash and cash equivalents – policyholders and investment partnerships	1 443	(17)	54
Cash and cash equivalents at beginning of period	6 004	6 073	6 073
Cash and cash equivalents at beginning of period – shareholders	682	805	805
Cash and cash equivalents at beginning of period – policyholders and investment partnerships	5 322	5 268	5 268
Effect of exchange rate fluctuations on cash held	27	(10)	7
Cash and cash equivalents at end of period	7 105	5 536	6 004
Cash and cash equivalents at end of period – shareholders	340	285	682
Cash and cash equivalents at end of period – policyholders and investment partnerships	6 765	5 251	5 322

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND PREMIUM R MILLION	FOREIGN CURRENCY TRANSLATION RESERVE R MILLION
Balance at 30 September 2018 (audited)	256	153
Transfer between reserves 1 October 2018		
Profit for the period		
Other comprehensive income		
Currency translation differences		(10)
Total other comprehensive income		(10)
Total comprehensive income for the period		(10)
Transactions with owners recorded directly to equity		
Share-based payments		
Dividends paid		
Change in non-controlling interest in consolidated funds		
Total transactions with owners		
Balance at 31 March 2019 (reviewed)	256	143
Profit for the period		
Other comprehensive income		
Currency translation differences		17
Total comprehensive income for the period		17
Transactions with owners recorded directly to equity		
Share-based payments		
Dividends paid		
Change in non-controlling interest in consolidated funds		
Total transactions with owners		
Balance at 30 September 2019 (audited)	256	160
IFRS 16 adjustment (note 1)		
Profit for the period		
Other comprehensive income		
Currency translation differences		27
Total comprehensive income for the period		27
Transactions with owners recorded directly to equity		
Share-based payments		
Dividends paid		
Change in non-controlling interest in consolidated funds		
Total transactions with owners		
Balance at 31 March 2020 (reviewed)	256	187

RETAINED EARNINGS R MILLION	SHARE- BASED PAYMENT RESERVE R MILLION	REVALUATION RESERVE R MILLION	ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY R MILLION	NON- CONTROLLING INTEREST R MILLION	TOTAL EQUITY R MILLION
1 539	8	140	2 096	160	2 256
140		(140)			
578			578		578
			(10)		(10)
			(10)		(10)
578			568		568
	1		1		1
(689)			(689)		(689)
				3	3
(689)	1		(688)	3	(685)
1 568	9		1 976	163	2 139
618			618		618
			17		17
618			635		635
(577)			(577)		(577)
				(16)	(16)
(577)			(577)	(16)	(593)
1 609	9		2 034	147	2 181
(13)			(13)		(13)
624			624		624
			27		27
624			651		651
(616)			(616)		(616)
				(20)	(20)
(616)			(616)	(20)	(636)
1 604	9		2 056	127	2 183

EARNINGS PER SHARE

	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	FULL YEAR AUDITED 30 SEPT 2019 R MILLION
Earnings attributable to shareholders	624	578	1 196
Non-controlling interest	–	–	–
Earnings attributable to ordinary shareholders	624	578	1 196
Headline earnings attributable to ordinary shareholders	624	578	1 196
Earnings per share (cents)			
– basic	178.3	165.1	341.9
– diluted	178.3	165.1	341.9
Headline earnings per share (cents)			
– basic	178.3	165.1	341.9
– diluted	178.3	165.1	341.9

CONDENSED CONSOLIDATED SEGMENT REPORT

	AFRICA			INTERNATIONAL			GROUP		
	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	FULL YEAR AUDITED 30 SEPT 2019 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	FULL YEAR AUDITED 30 SEPT 2019 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2020 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2019 R MILLION	FULL YEAR AUDITED 30 SEPT 2019 R MILLION
Segment external revenue	1 139	1 050	2 165	630	582	1 126	1 769	1 632	3 291
Segment operating expenses	(703)	(675)	(1 308)	(247)	(216)	(489)	(950)	(891)	(1 797)
Segment profit	436	375	857	383	366	637	819	741	1 494
Share of income of equity-accounted investee	3	3	6	–	–	–	3	3	6
Net finance and other income/ (expenses)	11	19	39	1	(5)	(4)	12	14	35
Profit from fund management	450	397	902	384	361	633	834	758	1 535
Sundry (losses)/ gains							(6)	11	40
Income*							–	–	4
Profit before income tax							828	769	1 579
Segment assets	1 285	1 269	1 383	1 003	683	910	2 288	1 952	2 293
Investments*							46 268	52 764	50 859
Total assets							48 556	54 716	53 152

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

NOTES TO THE CONDENSED 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, Act 71 of 2008. The condensed consolidated interim financial statements do not include all of the information required for a complete set of IFRS annual financial statements.

These condensed consolidated interim 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 interim financial statements are presented in rand, rounded to the nearest million.

The accounting policies applied in the presentation of the condensed interim financial statements are in terms of IFRS and are consistent with those presented in the 2019 annual financial statements except for IFRS 16.

The group applied IFRS 16 Leases for the first time. IFRS 16 has resulted in leases previously classified as operating leases under IAS 17 being brought onto the statement of financial position through the raising of a right-of-use asset and lease liability. In its adoption of IFRS 16 the group used the modified retrospective approach with adjustments made to balances at the date of initial application. This is similar to the treatment of finance leases under IAS 17. The group elected to make use of a single discount rate for portfolios of leases with reasonably similar characteristics. In the context of the transition to IFRS 16, right-of-use assets of R81 million and lease liabilities of R110 million were recognised as at 1 October 2019, with an adjustment of R13 million to the opening equity balance as at 1 October 2019 (including the reversal of lease smoothing liabilities amounting to R16 million).

These reviewed results have been prepared under the supervision of N Salie 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 2019. No new significant related party transactions arose during the interim period.

3 LONG-TERM AND SHORT-TERM BORROWINGS

As at period end, cumulative redeemable preference shares with dividends linked to prime are payable on a quarterly basis, with R150 million capital payments due on 1 April 2020 and 1 April 2021 as separate tranches. These two tranches have been subsequently combined into one tranche as at 1 April 2020 with the capital payment of R300 million now due on 1 April 2025. The refinanced tranche calculates dividends at a fixed rate payable quarterly.

Additional long-term borrowings at period end reflect a new term loan facility of R178 million (US\$10 million) with Standard Bank of South Africa Limited (Standard Bank) entered into on 18 October 2019 for the purposes of funding for a Common Contractual Fund (i.e. CCF, refer to note 5) issued by Coronation Global Fund Managers (Ireland) Limited. The loan facility is at a fixed rate and capital repayment is due on 17 October 2024.

4 FAIR VALUE DISCLOSURE

The table below 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 counterparty 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 R2 957 million (R1 705 million: 30 September 2019 and R 1 823 million: 31 March 2019) 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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 FAIR VALUE DISCLOSURE (CONTINUED)

	LEVEL 1 R MILLION	LEVEL 2 R MILLION	LEVEL 3 R MILLION	TOTAL R MILLION
March 2020 (reviewed)				
Investments backing policyholder funds and investments held through investment partnerships	36 946	5 064	–	42 010
Investment securities	1 353	–	10	1 363
	38 299	5 064	10	43 373
Policyholder, external investor and investment partnership liabilities	–	42 358	–	42 358
March 2019 (reviewed)				
Investments backing policyholder funds and investments held through investment partnerships	44 795	4 914	–	49 709
Investment securities	1 155	–	4	1 159
	45 950	4 914	4	50 868
Policyholder, external investors and investment partnership liabilities	–	49 918	–	49 918
September 2019 (audited)				
Investments backing policyholder funds and investments held through investment partnerships	43 018	4 880	–	47 898
Investment securities	1 141	–	4	1 145
	44 159	4 880	4	49 043
Policyholder, external investors and investment partnership liabilities	–	48 153	–	48 153

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. During the current reporting period a net amount of R145 million in debentures was transferred from level 1 to level 2 as these are no longer considered to be held in active market

5 NON-CONTROLLING INTEREST AND EXTERNAL INVESTORS IN CONSOLIDATED FUNDS

The group consolidates both the Coronation Global Frontiers Fund and the Coronation Global Equity Select [ZAR] Feeder Fund due to the seed capital invested in the funds relative to the total fund size being significant. In the current year the group seeded the Coronation Global Sustainable Equity Income Fund (CCF) and is the largest unitholder of the fund.

The group's interest in the Coronation Global Frontiers Fund is 57% (30 September 2019: 53%); its interest in Coronation Global Equity Select [ZAR] Feeder Fund is 49% (30 September 2019: 55%) and its interest in the Coronation Global Sustainable Equity Income Fund (CCF) is 100%.

6 CONTINGENT LIABILITIES: SOUTH AFRICAN REVENUE SERVICE (SARS) MATTERS

From time to time, in common with other organisations, the group is subject to review by SARS. The group has been the subject of a review on a matter of principle relating to international operations, and assessed for the 2012 to 2017 financial periods, to which management strongly disagrees and has objected. Management is confident, supported by external advisors, of the group's position and an outflow is not considered probable when the matter is interpreted by a court of law, the ultimate tax authority on these matters. This matter has been set down in the Western Cape Tax Court. Any amounts involved are currently not considered capable of reliable estimation.

7 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The Covid-19 impact has been felt globally, with economies and the financial markets experiencing unprecedented turmoil and significant declines. This is of particular significance to the financial results of the group due to the fact that fee revenues, and related variable costs, are underpinned by the market valuation of AUM. While markets have recovered since period-end and AUM has seen a similar recovery, there is no certainty regarding future movements in the financial markets, and the full economic impact of the pandemic is unknown. However, based on various scenario analyses performed, and business continuity plans in place, the directors remain confident in the group's ability to deliver on its core strategy, and we continue to actively manage our client portfolios as the markets respond to the consequences of the pandemic.

Conclusions relating to significant estimates and judgements relevant to the interim financial results, including goodwill impairment considerations, have been reassessed by the directors and remain unchanged.

Directors:	S Pather (Chairman)*, A C Pillay (CEO), M-A Musekiwa (CFO), A Watson*, H Nelson*, J D McKenzie*, J G February*, L Boyce*, M Nhlumayo* (* Independent non-executive)
Company secretary:	N Hawa
Registered office:	7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont 7708, Cape Town
Postal address:	PO Box 44684, Claremont 7735, Cape Town
Registration number:	1973/009318/06
Transfer secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, Gauteng
JSE share code:	CML
ISIN:	ZAE000047353
LEI:	3789001BC9A29E6FF77
Website:	www.coronation.com
Sponsor:	PSG Capital (Pty) Ltd

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
JOHANNESBURG	3rd Floor, Building 2, Oxford and Glenhove, 114 Oxford Road, Houghton 2196 PO Box 652643, Benmore 2010 Telephone: +27 (0)11 328 8200 Fax: +27 (0)11 684 2187
PRETORIA	Menlyn Central, 6th Floor, 125 Dallas Avenue, Waterkloof Glen 0010 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
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 1, 2 Grand Canal Square, Macken Street, Dublin D02 A342, Ireland Telephone: +353 (0)1 674 5410 Fax: +353 (0)1 674 5411