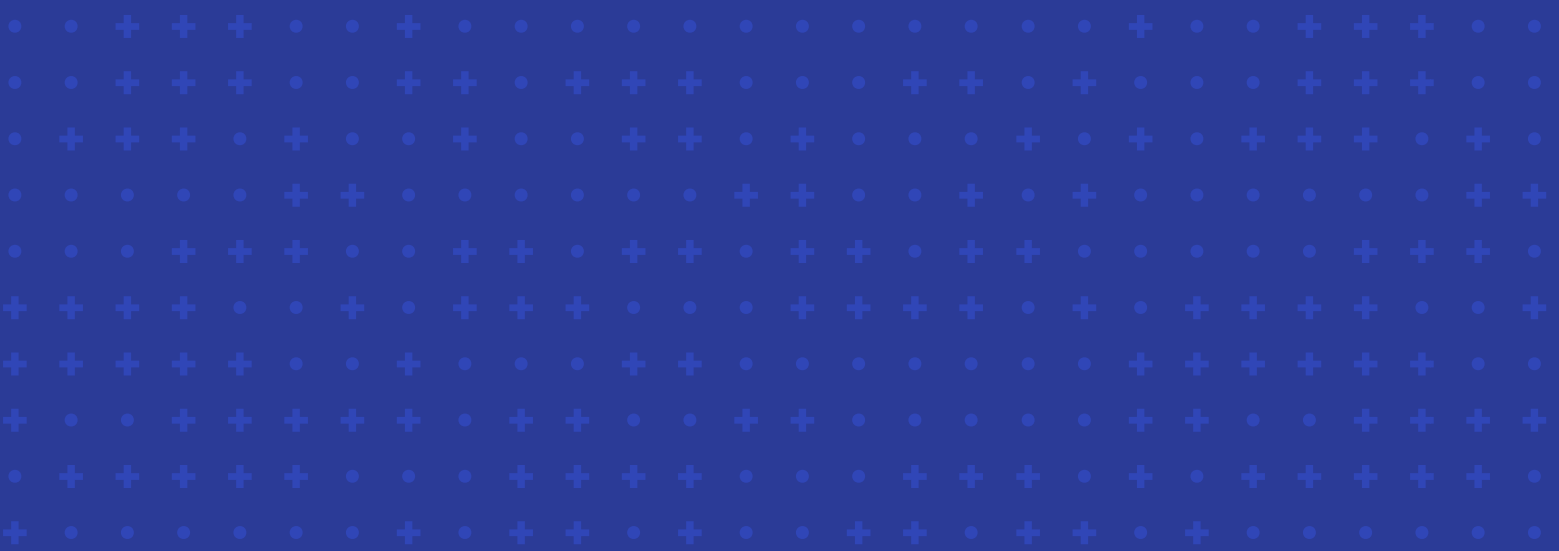




INTERIM RESULTS

for the six months ended 31 March 2022



Assets under management (AUM)

R625
billion

Diluted headline
earnings per share

199.1
cents

Fund management
earnings per share

214.8
cents

Interim dividend
per share

214.0
cents

CORONATION 2022 HALF-YEAR RESULTS

The start of 2022 has brought dramatic and rapid changes to the global political economy. Just as the world was returning to a semblance of post-pandemic normal, albeit at a disjointed pace, Russia invaded Ukraine in February, a month before the end of this reporting period. This radical act sent markets tumbling and saw existing geopolitical fault lines broaden. With inflation already soaring around the world due to supply chain bottlenecks and extremely loose developed market monetary policy, markets have now had to deal with the inflationary impact of Russian sanctions and curtailed exports of Ukrainian wheat and fertiliser. Energy and commodity prices have soared as a result, and have dramatically impacted global food supply, leading to fears of extended food insecurity, especially in the Middle East and North Africa and other already fragile emerging economies.

Locally, economic fundamentals continued to improve at the beginning of the year. As a significant exporter of commodities, South Africa has been a beneficiary of the commodities supply constraint – which has offset the impact of the hike in oil prices. But this is a temporary situation, and, given South Africa's infrastructure challenges, the country has not been able to capture the full benefits of this tailwind. It remains clear that in order to achieve sustainable economic growth, it is imperative that we execute the structural reforms necessary to avoid a return to a low-growth, high-inflation environment.

RESULTS

Global markets were volatile as a result of the war in Ukraine, the threat of sticky inflation, rising supply chain constraints and, consequently, higher prices. For the six months ended 31 March 2022, the MSCI All Country World Index was up 1% (USD) and the MSCI Global Emerging Markets Index was down 8% (USD). Local markets fared far better, the FTSE/JSE All Share Index was up 20% (ZAR) on the back of improved terms of trade resulting from higher commodity prices.

After a period of earning elevated levels of fund management fees, due to exceptional portfolio performance resulting from opportunities presented by the Covid-19 pandemic, earnings have started to normalise. This is in line with management's expectations, and we anticipate ongoing market volatility given the impact of unfolding and unpredictable macro events. We remind shareholders that as a cyclical business, our earnings are linked to our active management, valuation-based portfolio positioning and market performance.

While somewhat less than recent reporting periods, as well as our estimates of the outflows being experienced by the South African savings pool, we continued to experience net outflows representing 2% of our average AUM. As a significant manager of South African assets, we expect Coronation's flows to continue reflecting those of the broader savings industry and the prevailing economic conditions in which we operate. These are both likely to remain under pressure for some time to come.

For the period under review, average AUM increased by 8% to R646 billion (March 2021: R600 billion), while closing AUM was down 1% to R625 billion (September 2021: R634 billion). As an investment-led business, our primary focus remains on growing the value of the client assets entrusted to us over the long term, rather than simply looking to grow the pool of assets under our management.

Total operating expenses decreased by 13% to R948 million, compared to R1 088 million for the six months ended 31 March 2021. Variable expenses responded to the reduction in revenue, highlighting the strength of our variable cost model, which we continue to expect to offer shareholder protection. While variable costs decreased by 21%, fixed expenses were relatively contained, remaining flat year on year. It is worth noting that we operate in an environment where the ongoing need to invest in business operations makes it challenging to contain fixed costs below inflation. Key areas of focus that require ongoing investment include compliance, client experience, information technology and information systems.

Investment in our business is consistent with our promise of service excellence to our clients. With the increased risks of cybercrime and data breaches, it is becoming increasingly important for us to ensure world-class cyber security and data protection for all of our stakeholders. This means that we are constantly striving to lead and innovate in our security and data management systems. The relaxing of lockdowns and resultant resumption of travel, marketing and advertising activities have also added to our costs during the current period.

Fund management earnings per share (FMEPS) for the six months ended 31 March 2022 have decreased by 12% to 214.8 cents when compared to 244.0 cents in the prior corresponding period. FMEPS is used to measure operating financial performance, being profit for the period excluding the net mark-to-market impact of fair value gains and losses, and related foreign exchange, on investment securities held.

Diluted and basic headline earnings per share decreased by 22% to 199.1 cents (March 2021: 255.8 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. This is a fiduciary responsibility that we take very seriously. With this in mind, we are an active corporate citizen that is committed to contributing to the health and prosperity of society and the South African economy.

Our regular CSI activities, through our education-focused flagship Capsule programme, partnerships with several well-established not-for-profit organisations and employee initiatives, remain at the core of our social outreach programmes. We also continued with our hunger relief, education support and additional funding to the Solidarity Fund. Following the torrential rains and flooding that devastated the region, we have supported recovery and food relief efforts for the residents of KwaZulu-Natal via FoodForward SA and Gift of the Givers.

Coronation is an active participant in industry and government-related engagements to find solutions to help mitigate the socioeconomic effects of lockdowns, low growth, high unemployment levels, ailing State-owned enterprises and set South Africa on the road to economic recovery.

Transformation and empowerment

Since we opened our doors at the dawn of democracy in 1993, we have been active in the transformation of the financial services sector and South African society, empowering our employees and benefiting the communities in which we operate. We were proud to be recognised as a Level 1 B-BBEE contributor as per the Financial Sector Code scorecard.

Diversity and inclusion are core aspects of our culture and values, and are key to our ability to deliver on our commitment to be responsible stewards of our clients' assets. Coronation continues to make a significant impact on industry transformation, as is evidenced by the R279 billion of AUM managed by black investment professionals. Through our recruitment process, our black enterprise development and training initiatives, as well as our CSI programmes, we will continue to promote and build a transformed financial services industry and an inclusive society.

Of our employees¹, 50% are women; 61% are black, of whom 58% are black women; and, for the six months under review, 83% of new hires are black and 42% of new hires are women.

Of our Board, 80% of the directors are black and 50% are women. Key senior leadership positions are occupied by black individuals, including our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Head of Institutional Business and Head of Fixed Interest. Further to this, Coronation is 29% black owned².

We are mindful of the pressing need to develop black investment talent, and our multi-counsellor approach helps to expose up-and-coming portfolio managers to the investment process. To enhance this, our Portfolio Manager Accelerator Programme (PMAP) focuses specifically on black and female investment talent and offers them the opportunity to manage money within a timeframe that is well ahead of the current industry standard. Launched in 2019, PMAP participants are backed and mentored by Coronation's seasoned investment team and supported by the rigour of our investment process and high-end systems infrastructure.

Across the broader industry, Coronation has been instrumental in establishing three black-owned asset managers and South Africa's first black-owned and managed transfer agency. We are material contributors to the ASISA IFA Development Programme and bespoke analyst programmes, through which we have supported 176 black IFA practices and 31 black analysts, respectively³. In addition, we offer internship programmes, bursaries and scholarships to promising black talent, with a view to developing pipeline talent for our business and for the industry as a whole.

Regulation

As a leading financial services industry participant, we are impacted by regulatory changes that affect the South African savings pool. A key update is the amendment of Regulation 28 of the Pension Funds Act, which further relaxed the offshore allocation allowance of retirement vehicles from 30% to 45%. This will likely result in net outflows from domestic assets into offshore investments, potentially changing the nature of invested asset classes across the savings industry significantly.

Stewardship

We have been active stewards of our clients' capital for almost 30 years and fully integrate environmental, social and governance considerations into all of the assets that we manage on their behalf. This includes active engagement, voting and shareholder activism. We will be releasing our fourth annual Stewardship Report in June this year, which will outline our stance on key issues, and highlight some of the engagements our investment team undertook during the course of the 2021 calendar year. We also continue to deepen our corporate operational stewardship with our carbon footprint reporting and mapping our business activities to the UN Sustainable Development Goals.

¹ South Africa-based employees

² As per Financial Sector Code scorecard

³ 30 September 2021 financial year

INSTITUTIONAL BUSINESS

Our institutional business manages R354 billion of assets (March 2021: R367 billion) on behalf of South African and global institutions.

We manage a meaningful share of assets in the local savings industry, with total AUM of R298 billion (March 2021: R287 billion) making us one of the largest independent managers of institutional savings in the country. We continued to experience net outflows within this client segment over the reporting period. This is in line with trends within the formal savings industry in South Africa, which continues to shrink as a result of difficult economic conditions. We expect flows in the industry to remain under pressure for the foreseeable future.

We also manage a total of R56 billion in our global strategies (March 2021: R80 billion) on behalf of international retirement funds, endowments and family offices. For the reporting period, this segment experienced small positive inflows, largely as a result of some new client wins although, overall, we were not immune to macro events. We continue to focus on growing our global franchise and attracting new clients into our global strategies over the long term.

We place high emphasis on institutional client fit by partnering with clients that share our long-term investment horizon and that stay committed to an investment strategy through multiple investment cycles. Over two-thirds of our institutional client assets have been invested with us for more than 10 years and we value the long-term relationships that we have with our clients.

Investment Performance

We are committed to delivering outstanding long-term investment performance for our clients through our active approach to portfolio management. Our long-term track record remains compelling, and we remain fully committed to our investment approach and confident in our ability to continue delivering excellent long-term returns on behalf of our clients.

For clients that have been invested with Coronation for more than 10 years, 94% of client assets have outperformed their benchmarks since inception⁴. This statistic increases to 98% of client assets in respect of clients that have been invested with us for more than 15 years.

Coronation's Flagship strategies continue to show excellent performance since their inception:

- Coronation Houseview Equity Strategy has outperformed its benchmark by 2.2% p.a. since 1993
- Coronation Global Balanced Strategy has delivered a return of 9.5% p.a. above inflation since 1993
- Coronation Global Emerging Markets Strategy has outperformed the MSCI Emerging Markets Index by 1.7% p.a. since 2008
- Coronation Active Bond Strategy has outperformed the JSE ASSA All Bond Index by 0.8% p.a. since 2000

All institutional performance returns are stated gross of fees.

RETAIL BUSINESS

With retail assets totalling R271 billion (March 2021: R262 billion), we remain a significant independent manager of South Africa's household savings and investments. Net client cash flows from longer-term domestic-biased funds were broadly in line with retail investment industry experience. Net outflows from our fixed income and international funds lagged the industry experience during the review period. We expect net client cash flows to remain subdued given the growth headwinds faced by both the global and South African economies, coupled with a sharp deterioration in investor sentiment in response to a weaker macro-political outlook, which is likely to continue to depress investor demand for long-term investment funds for the foreseeable future.

While our domestic-oriented funds delivered strong positive returns over the review period, international performance over the six months was weak, impacted by general market weakness, a stronger rand and idiosyncratic factors. The long-term track record across our fund range remains compelling.

87% of the assets entrusted to our rand-denominated fund range are invested in funds that produced first quartile performance in their respective peer groups over the past decade⁵.

In addition, 18 out of 23 Coronation unit trusts rank first in their respective ASISA categories since their inception dates. This includes:

- Coronation Balanced Plus, a leading traditional balanced fund in South Africa, which has returned 13.95% p.a. since its inception in 1996, outperforming peers, inflation and the FTSE/JSE All Share Index;
- Coronation Top 20, our concentrated domestic equity fund, delivering an annualised return of 17.1% p.a. since inception in 2000. This resulted in a total period return of close to double the domestic index for an investment made at inception; and
- Coronation Global Optimum Growth, the top-performing global aggressive allocation fund, returning 12.9% p.a. since its inception in 1999.

⁴ On an asset-weighted basis

⁵ On an asset-weighted basis, measured for the 10 years to 31 March 2022.

Level 1

*B-BBEE contributor as
measured by 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, an interim gross dividend of 214.0 cents per share has been declared for the six-month period ended 31 March 2022 from income reserves, resulting in a net dividend of 171.2 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, 24 May 2022
Last day to trade cum dividend:	Tuesday, 7 June 2022
Trading ex-dividend commences:	Wednesday, 8 June 2022
Record date:	Friday, 10 June 2022
Payment date:	Monday, 13 June 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 June 2022 and Friday 10 June 2022, both dates inclusive. In terms of Dividends Tax, the following additional information is disclosed: the local Dividends Tax rate is 20%. The number of ordinary shares in issue at the date of this declaration is 349 799 102. Coronation's tax reference number is 9 675 107 719.

PROSPECTS

The macroeconomic environment remains uncertain and unpredictable. We are currently faced with an escalating conflict in Europe, with material and long-lasting global political and economic repercussions. Global central banks have shifted from their long held accommodative stance in order to contain rampant inflation, significantly changing the medium-term prospects for interest rates and the cost of capital.

Capital markets have responded to this uncertainty through significant declines, with many key markets already in a technical bear market, which is defined as a decline of more than 20% from its peak. At an individual stock level, the moves have been even more extreme, with many global share prices down in excess of 50%. It is important to bear in mind that periods of intense volatility typically create the most fertile ground for significant value-creating investment opportunities. As active, long-term stock pickers, we are incredibly excited by the opportunities the market is presenting us, both locally and globally. This is reflected in our portfolios across all our strategies. As always, we remain focused on actively managing our clients' portfolios to ensure we deliver superior long-term investment outcomes.

After the prior period of exceptional portfolio performance, we do not expect to maintain the levels of performance fees earned. We also continue to invest in our business and remain committed to playing our part as an active and responsible corporate citizen, especially given the current macroeconomic uncertainty.

EXTERNAL AUDIT REVIEW

The external auditors, KPMG Inc. reviewed the condensed consolidated statement of financial position of Coronation Fund Managers Ltd as at 31 March 2022, and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, earnings per share and condensed consolidated segment report for the period then ended and explanatory notes. The review has been conducted in accordance with the International Standard on Review Engagements 2410 (ISRE 2410). Copies of the unmodified report of KPMG Inc. 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.

Alexandra Watson
Chairman

Cape Town
24 May 2022

Anton Pillay
Chief Executive Officer

Mary-Anne Musekiwa
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	% CHANGE	FULL YEAR AUDITED 30 SEPT 2021 R MILLION
Fund management activities				
Revenue (note 2)	1 934	2 168	(11%)	4 263
Other income	9	43		50
Total operating expenses	(948)	(1 088)	(13%)	(2 104)
Other expenses	–	(1)		(1)
Operating expenses	(948)	(1 087)		(2 103)
Results from operating activities	995	1 123	(11%)	2 209
Finance and dividend income	6	5		13
Finance expense	(17)	(15)		(39)
Profit from fund management	984	1 113	(12%)	2 183
Share of profit of equity-accounted investee	3	3		5
Sundry (losses)/gains	(97)	74		106
Income/(losses) attributable to policyholder linked assets and investment partnerships	1	(2)		10
Net fair value gains on policyholder and investment partnership financial instruments	63	48		118
Administration expenses borne by policyholders and investors in investment partnerships	(62)	(50)		(108)
Profit before income tax	891	1 188	(25%)	2 304
Income tax expense	(194)	(293)		(597)
Taxation on shareholder profits	(193)	(295)		(587)
Taxation on policyholder investment contracts	(1)	2		(10)
Profit for the period	697	895	(22%)	1 707
Other comprehensive losses (to be recycled through profit and loss)	(2)	(38)		(46)
Foreign currency translation differences for foreign operations	(2)	(38)		(46)
Total comprehensive income for the period	695	857		1 661
Profit attributable to:				
– equity holders of the company	697	895	(22%)	1 707
Profit for the period	697	895		1 707
Total comprehensive income attributable to:				
– equity holders of the company	695	857	(19%)	1 661
Total comprehensive income for the period	695	857		1 661
Earnings per share (cents)				
– basic	199.1	255.8	(22%)	487.9
– diluted	199.1	255.8	(22%)	487.9
Headline earnings per share (cents)				
– basic	199.1	255.8	(22%)	487.9
– diluted	199.1	255.8	(22%)	487.9
Dividend per share (cents)				
– interim	214.0	244.0	(12%)	244.0
– final				226.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	REVIEWED 31 MARCH 2022 R MILLION	RESTATED* REVIEWED 31 MARCH 2021 R MILLION	AUDITED 30 SEPT 2021 R MILLION
Assets			
Intangible assets	1 088	1 088	1 088
Equipment	17	15	18
Right-of-use assets	53	68	61
Investment in equity-accounted investees	39	39	41
Deferred tax assets	109	160	228
Investments backing policyholder funds and investments held through investment partnerships	60 081	54 696	60 786
Investment securities	1 918	1 978	1 278
Taxation receivable	119	–	54
Trade and other receivables	609	733	675
Cash and cash equivalents	258	425	600
Total assets	64 291	59 202	64 829
Liabilities			
Long-term borrowings (note 4)	446	448	451
Long-term other payables	32	29	61
Lease liabilities	85	101	94
Deferred tax liabilities	–	34	51
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	60 068	54 691	60 771
External investors in consolidated funds (note 6)	924	906	178
Taxation payable	–	5	–
Trade and other payables	566	672	957
Total liabilities	62 121	56 886	62 563
Net assets	2 170	2 316	2 266
Equity			
Share capital and premium	256	256	256
Retained earnings	1 794	1 930	1 888
Reserves	120	130	122
Total equity attributable to equity holders of the company	2 170	2 316	2 266
Total equity	2 170	2 316	2 266

* In the prior period ended 31 March 2021, 'Non-controlling interest in consolidated funds' disclosed under Equity amounting to R147 million has been reclassified to 'External investors in consolidated funds' under Liabilities in the Statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND PREMIUM R MILLION	FOREIGN CURRENCY TRANSLATION RESERVE R MILLION	RETAINED EARNINGS R MILLION	SHARE- BASED PAYMENT RESERVE R MILLION	ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY R MILLION	NON- CONTROLLING INTEREST R MILLION	RESTATED* TOTAL EQUITY R MILLION
Balance at 30 September 2020 (audited)	256	157	1 752	10	2 175	130	2 305
Restatement of non-controlling interest*						(130)	(130)
Restated balance at 1 October 2020	256	157	1 752	10	2 175		2 175
Total comprehensive income for the period							
Profit for the period			895		895		895
Other comprehensive losses							
Currency translation differences		(38)			(38)		(38)
Total comprehensive income for the period		(38)	895		857		857
Transactions with owners recorded directly to equity							
Share-based payments				1	1		1
Dividends paid			(717)		(717)		(717)
Total transactions with owners			(717)	1	(716)		(716)
Restated balance at 31 March 2021 (reviewed)	256	119	1 930	11	2 316		2 316
Total comprehensive income for the period							
Profit for the period			812		812		812
Other comprehensive losses							
Currency translation differences		(8)			(8)		(8)
Total comprehensive income for the period		(8)	812		804		804
Transactions with owners recorded directly to equity							
Share-based payments							
Dividends paid			(854)		(854)		(854)
Total transactions with owners			(854)		(854)		(854)
Balance at 30 September 2021 (audited)	256	111	1 888	11	2 266		2 266
Total comprehensive income for the period							
Profit for the period			697		697		697
Other comprehensive losses							
Currency translation differences		(2)			(2)		(2)
Total comprehensive income for the period		(2)	697		695		695
Transactions with owners recorded directly to equity							
Share-based payments							
Dividends paid			(791)		(791)		(791)
Total transactions with owners			(791)		(791)		(791)
Balance at 31 March 2022 (reviewed)	256	109	1 794	11	2 170		2 170

* In the prior period ended 31 March 2021, 'Non-controlling interest in consolidated funds' disclosed under Equity amounting to R147 million has been reclassified to 'External investors in consolidated funds' under Liabilities in the Statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	FULL YEAR AUDITED 30 SEPT 2021 R MILLION
Cash flows from operating activities			
Profit from fund management	984	1 113	2 183
Non-cash and other adjustments	40	(9)	11
Operating profit before changes in working capital	1 024	1 104	2 194
Working capital changes	(353)	(156)	220
Cash flows (utilised in)/generated from policyholders and investment partnership activities*	(956)	404	1 662
Cash (utilised in)/generated from operations	(285)	1 352	4 076
Interest on lease liabilities paid	(5)	(6)	(11)
Interest paid	(17)	(15)	(28)
Income taxes paid	(188)	(270)	(682)
Net cash (utilised in)/generated from operating activities	(495)	1 061	3 355
Cash flows from investing activities			
Finance and dividend income	6	5	13
Acquisition of equipment	(3)	(2)	(11)
Net disposal of investment securities	–	13	16
Net cash from investing activities	3	16	18
Cash flows from financing activities			
Dividends paid	(791)	(717)	(1 571)
Lease liabilities paid	(13)	(12)	(13)
Net cash utilised in financing activities	(804)	(729)	(1 584)
(Decrease)/increase in cash and cash equivalents	(1 296)	348	1 789
Net (decrease)/increase in cash and cash equivalents – shareholders	(340)	(56)	127
Net (decrease)/increase in cash and cash equivalents – policyholders and investment partnerships*	(956)	404	1 662
Cash and cash equivalents at beginning of period	7 485	5 742	5 742
Cash and cash equivalents at beginning of period – shareholders	600	519	519
Cash and cash equivalents at beginning of period – policyholders and investment partnerships*	6 885	5 223	5 223
Effect of exchange rate fluctuations on cash held	(2)	(38)	(46)
Cash and cash equivalents at end of period	6 187	6 052	7 485
Cash and cash equivalents at end of period – shareholders	258	425	600
Cash and cash equivalents at end of period – policyholders and investment partnerships*	5 929	5 627	6 885

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

EARNINGS PER SHARE

	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	FULL YEAR AUDITED 30 SEPT 2021 R MILLION
Earnings attributable to shareholders	697	895	1 707
Earnings attributable to shareholders	697	895	1 707
Headline earnings attributable to shareholders	697	895	1 707
Earnings per share (cents)			
– basic	199.1	255.8	487.9
– diluted	199.1	255.8	487.9
Headline earnings per share (cents)			
– basic	199.1	255.8	487.9
– diluted	199.1	255.8	487.9

CONDENSED CONSOLIDATED SEGMENT REPORT

	AFRICA			INTERNATIONAL			GROUP		
	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	FULL YEAR AUDITED 30 SEPT 2021 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	FULL YEAR AUDITED 30 SEPT 2021 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	FULL YEAR AUDITED 30 SEPT 2021 R MILLION
Segment external revenue	1 359	1 309	2 830	575	859	1 433	1 934	2 168	4 263
Segment operating expenses	(707)	(778)	(1 546)	(241)	(310)	(558)	(948)	(1 088)	(2 104)
Segment profit	652	531	1 284	334	549	875	986	1 080	2 159
Net finance and other income/(expenses)	3	91	29	(5)	(58)	(5)	(2)	33	24
Profit from fund management	655	622	1 313	329	491	870	984	1 113	2 183
Share of income of equity-accounted investee	3	3	5	–	–	–	3	3	5
Sundry (losses)/gains							(97)	74	106
Income attributable to policyholder linked assets and investment partnerships							1	(2)	10
Profit before income tax							891	1 188	2 304
Segment assets	1 895	2 071	1 458	960	1 148	1 167	2 855	3 219	2 625
Investments*							61 436	55 983	62 204
Total assets							64 291	59 202	64 829
Segment liabilities	919	910	1 112	210	346	451	1 129	1 256	1 563
Investor liabilities**							60 992	55 630	61 000
Total liabilities							62 121	56 886	62 563

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

** Investor liabilities include policyholder investment contract liabilities and liabilities to holders of interest in investment partnerships and external investors in consolidated funds. In the prior period ended 31 March 2021, 'Non-controlling interest in consolidated funds' disclosed under Equity amounting to R147 million has been reclassified to 'External investors in consolidated funds' under Liabilities in the Statement of financial position. Post this reclassification, R178 million and deferred tax of R51 million as at 30 September 2021 have been reclassified from Segment liabilities to Investor liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS); the International Accounting Standard 34 Interim Financial Reporting; the Listings Requirements of the JSE Ltd; 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, No. 71 of 2008 (as amended). 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 South African Rand (R), rounded to the nearest million.

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

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

- the valuation of unlisted investments is the principal area of judgement applied in the preparation of these condensed consolidated interim financial statements. It is the opinion of the directors that fair value approximates carrying amount;
- valuation of the share-based payment expense where inputs are based on observable market inputs, adjusted for factors that specifically apply to the transaction and recognise market volatility;
- assessing whether the group controls an investee by assessing the power over the investee, exposure or rights, to variable returns from its involvement with its investee and the ability to use its power over the investee to affect the amount of the group's returns; and
- assessing the probability of a negative outcome in relation to areas of tax uncertainty. In addition, judgement has been applied in determining the ultimate tax authority.

The accounting policies applied in the presentation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those presented in the 2021 annual financial statements.

On 23 February 2022, the Minister of Finance announced a change in the corporate tax rate from 28% to 27% effective for years of assessment ending on or after 31 March 2023. This resulted in a change in the rate of deferred tax for the current reporting period. The reduction of 1% in the corporate tax rate did not have a material impact on the Interim results.

These condensed consolidated interim financial statements have been prepared under the supervision of K Splinter CA(SA).

2 REVENUE FROM CONTRACTS WITH CUSTOMERS

	SIX MONTHS REVIEWED 31 MARCH 2022 R MILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	AUDITED 30 SEPT 2021 R MILLION
Management fees	1 662	1 602	3 285
Performance fees	272	566	978
	1 934	2 168	4 263

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

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

All revenue from contracts with customers is earned over time.

3 RELATED PARTY TRANSACTIONS

Related party transactions for the interim period are similar to those disclosed in the group's annual financial statements for the year ended 30 September 2021. No new significant related party transactions arose during the interim period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

4 LONG-TERM AND SHORT-TERM BORROWINGS

The cumulative redeemable preference shares with dividends linked to prime amounting to R300 million (30 September 2021: R300 million) are due for repayment on 1 April 2025. The dividends are calculated at a fixed rate payable quarterly.

In addition, long-term borrowings at period end reflect a term loan facility of R146 million (30 September 2021: R151 million) (US\$10 million) with The Standard Bank of South Africa Ltd (Standard Bank). The loan facility is at a fixed rate and capital repayment is due on 17 October 2024.

5 FAIR VALUE DISCLOSURE

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

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

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

Cash and cash equivalent balances along with their related liabilities of R2 644 million (30 September 2021: R3 983 million and 31 March 2021: R2 228 million) have been excluded from the below table in current and prior periods respectively.

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

	LEVEL 1 R MILLION	LEVEL 2 R MILLION	LEVEL 3 R MILLION	TOTAL R MILLION
March 2022 (reviewed)				
Investments backing policyholder funds and investments held through investment partnerships	52 820	4 617	–	57 437
Investment securities	1 908	–	10	1 918
	54 728	4 617	10	59 355
Policyholder, external investor and investment partnership liabilities	–	58 348	–	58 348
March 2021 (reviewed)				
Investments backing policyholder funds and investments held through investment partnerships	47 284	5 184	–	52 468
Investment securities	1 968	–	10	1 978
	49 252	5 184	10	54 446
Policyholder, external investors and investment partnership liabilities	–	53 222	–	53 222
September 2021 (audited)				
Investments backing policyholder funds and investments held through investment partnerships	52 028	4 775	–	56 803
Investment securities	1 268	–	10	1 278
	53 296	4 775	10	58 081
Policyholder, external investors and investment partnership liabilities	–	56 788	–	56 788

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 FAIR VALUE DISCLOSURE (continued)

During the current period, an amount of R199 million (30 September 2021: R243 million) in debentures included in investments backing policyholder funds and investments held through investment partnerships were transferred from Level 1 to Level 2 as these are now considered to be held in an inactive market and R214 million (30 September 2021: R69 million) moved from Level 2 to Level 1 as these are now considered to be in an active market. Transfers between levels of the assets and liabilities held at fair value occur when there is a change in market conditions, with transfers from Level 1 occurring when assets and liabilities are no longer held in an active market and vice versa. Bonds are classified as Level 1 if they have been traded within three months prior to the reporting date as the Level 1 classification for these instruments are based on the liquidity basis.

6 NON-CONTROLLING INTEREST IN CONSOLIDATED FUNDS AND EXTERNAL INVESTORS IN CONSOLIDATED FUNDS

Prior period restatement

Amounts classified as 'Non-controlling interest in consolidated funds' disclosed under Equity in prior periods (March 2021: R147 million), have been reclassified to 'External investors in consolidated funds' under Liabilities in the statement of financial position. The reclassification is due to the incorrect application of the equity and liability principles of puttable instruments issued by funds upon consolidation in the group financial statements. These puttable instruments, which are classified as equity in the respective underlying funds' financial statements, are now classified as financial liabilities on consolidation.

This reclassification impacts the statement of financial position only and consequently has no impact on prior periods' profit, earnings per share, diluted earnings per share, retained earnings and cash flows of the group, nor any impact on total equity attributable to equity holders of the company.

Current period

The group's interest at period end in the Coronation Global Frontiers Fund is 52% (30 September 2021: 55%), in the Coronation Global Sustainable Equity Income Fund* is 100% (30 September 2021: 100%), in the Coronation Sustainable Global Emerging Markets Fund* is 100% (30 September 2021: 100%); the Coronation Global Equity Select [ZAR] Feeder Fund is 20% (30 September 2021: 19%) and in the Coronation International Equity Fund* is 100% (30 September 2021: 100%). The group consolidates the Coronation Global Frontiers Fund, the Coronation Global Sustainable Equity Income Fund*, the Coronation Sustainable Global Emerging Markets Fund*, the Coronation Global Equity Select [ZAR] Feeder Fund and the Coronation International Equity Fund* due to the capital invested in the funds relative to the total fund size being significant.

* Common Contractual Fund

7 CONTINGENT LIABILITIES: SOUTH AFRICAN REVENUE SERVICE (SARS) MATTER

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 its international operations, and assessed for the 2012 to 2017 financial periods, to which management strongly disagrees and has objected. This matter was heard in the Western Cape Tax Court ('the Court') and the Court has ruled in the group's favour on 17 September 2021. SARS subsequently appealed this judgment. Management, supported by external legal advisers involved in the matter, remains confident of the group's position. An outflow is not considered probable when the matter is ultimately adjudicated in the Supreme Court of Appeal.

8 RECONCILIATION OF FUND MANAGEMENT EARNINGS

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

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

	SIX MONTHS REVIEWED 31 MARCH 2022 RMILLION	SIX MONTHS REVIEWED 31 MARCH 2021 R MILLION	AUDITED 30 SEPT 2021 R MILLION
Headline earnings attributable to ordinary shareholders	697	895	1 707
Sundry losses/(gains) (condensed consolidated statement of comprehensive income)	97	(74)	(106)
Related tax (28% at capital gains inclusion rate) and bonus impact	(43)	33	46
Earnings from fund management	751	854	1 647
Fund management earnings per share (cents)	214.8	244.0	470.9
Diluted fund management earnings per share (cents)	214.8	244.0	470.9

9 EVENTS AFTER THE REPORTING PERIOD

The interim cash dividend for the 2022 financial year of R749 million (214.0 cents per share) was declared based on the actual shares in issue of 349 799 102.

Directors:	A Watson (Chairman)*, A C Pillay (Chief Executive Officer), L Boyce*, N Brown*, J G February*, P Hadebe*, M A Musekiwa (Chief Financial Officer), H Nelson*, M Nhlumayo*, S Ntombela* (* Independent non-executive)
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Transfer secretaries:	Computershare Investor Services (Pty) Ltd Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, Gauteng
JSE share code:	CML
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