CORONATION

AGGRESSIVE EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 DECEMBER 2024

CORONATION TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Aggressive Equity Strategy is our aggressive offering within our equity product range. The Strategy is constructed on a clean-slate basis with no reference to a benchmark, and seeks to outperform the equity market over meaningful periods (defined as at least 5 years).

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house. Our aim is to identify mispriced assets trading at discounts to their long-term underlying value (fair value) through extensive proprietary research. In calculating fair values, through our fundamental research, we focus on through-the-cycle normalised earnings and/or free cash flows using a long-term time horizon. The Portfolio is constructed on a clean-slate basis based on the relative risk-adjusted upside to fair value of each underlying security. The Portfolio is constructed with no reference to a benchmark. We do not equate risk with tracking error, or divergence from a benchmark, but rather with the probability of a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	2,061.4%	1,354.6%	706.8%
Since Inception p.a.	15.8%	13.6%	2.2%
Latest 20 years p.a.	14.8%	12.7%	2.1%
Latest 15 years p.a.	12.4%	10.5%	1.9%
Latest 10 years p.a.	9.4%	7.1%	2.3%
Latest 5 years p.a.	14.4%	10.3%	4.1%
Latest 1 year	15.8%	13.4%	2.4%
Year to date	15.8%	13.4%	2.4%
Month	(0.4)%	(0.3)%	(0.1)%

TOP 10 HOLDINGS

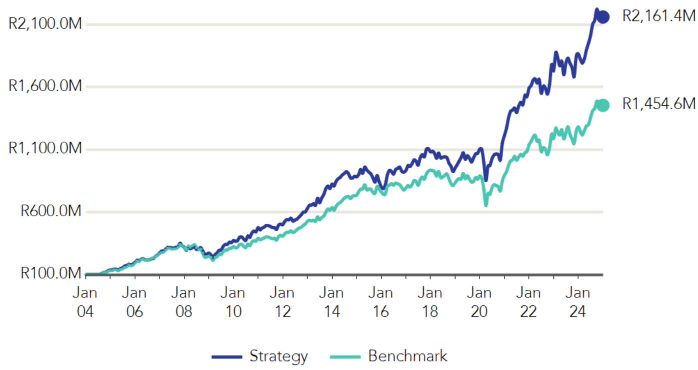
Holding	% Strategy
PROSUS	11.8%
STANDARD BANK GROUP LTD	7.2%
ANHEUSER-BUSCH INBEV SA/NV	5.9%
NEDBANK GROUP LTD	5.2%
NASPERS LTD	5.1%
QUILTER PLC	4.7%
ANGLOGOLD ASHANTI PLC	3.5%
INVESTEC LTD	3.3%
DIS-CHEM PHARMACIES LTD	3.0%
SPAR GROUP	2.7%

GENERAL INFORMATION

Inception Date	01 January 2004
Strategy Size †	R18.05 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

†Strategy assets under management as at the most recent quarter end.

GROWTH OF R100M INVESTMENT



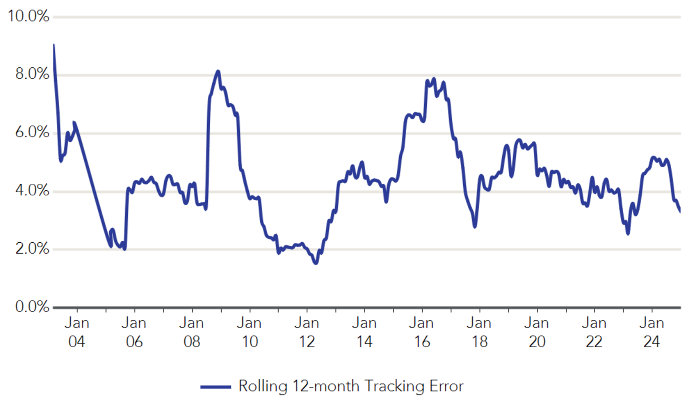
Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*FTSE/JSE Capped Shareholder Weighted Index from 01 April 2022. Previously FTSE/JSE Africa Shareholder Weighted Index, excluding real estate (inception to 30 November 2006) and FTSE/JSE Africa Shareholder Weighted Index (01 December 2006 to 31 March 2022).

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	17.0%	14.8%
Tracking Error	4.6%	
Information Ratio	0.5	
Annualised Standard Deviation	14.5%	14.5%
Maximum Drawdown	(33.2)%	(37.0)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Financials	33.7%	Industrials	1.6%
Technology	20.2%	Health Care	1.4%
Basic Materials	15.7%	Derivatives	0.2%
Consumer Services	14.0%	Interest Bearing	0.1%
Consumer Goods	9.9%		
Telecommunications	3.2%		

PORTFOLIO MANAGERS

Neville Chester - BCom, CA (SA), CFA

Neville is a senior member of the investment team with 27 years' investment experience. He manages Coronation's Aggressive Equity Strategy and is co-manager of the Coronation Top 20 and Market Plus unit trust funds.

Nic Stein - BBusSc, CA (SA), CFA

Nic is a portfolio manager and analyst within the Coronation investment team with 15 years' investment experience. He co-manages the Coronation Aggressive Equity and Managed strategies as well as the Coronation Resources, Top 20 and Market Plus unit trust funds.

REGULATORY DISCLOSURE AND DISCLAIMER

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REVIEW FOR THE QUARTER

The final quarter of 2024 saw capital markets continue to experience the volatility that has been ever-present, given the great number of macro and geopolitical events that played out in 2024. On the macro front, we continued to see the markets react to monthly economic data from the US as market players tried to assess the pace and extent of interest rate cuts. On top of this, the sweeping win by Donald Trump and the Republican Party in the US elections saw the US dollar strengthen and most other currencies weaken on fears/expectations of massive tariff hikes (even though economically, these are likely to be detrimental to the US in the long run). The local market was buffeted by these major macro moves, resulting in the rand, bond markets, and equities all finishing weaker in the quarter but not taking too much shine off what was a great year overall for most markets in South Africa.

We took advantage of the market moves to do some repositioning within the Strategy. At a sectoral level, we cut the resource position in favour of industrials and, to a lesser extent, financials. Within resources, we reduced our holding in Exxaro, a long-held position in the Portfolio. Despite the strong cash generation by Exxaro's underlying businesses, the prospect of the company misallocating capital under pressure to buy assets outside of its existing businesses has become a significant risk. We also reduced our exposure to Sasol in this period despite the very cheap valuation, as we are no longer particularly bullish on the oil price which is necessary to drive earnings at Sasol given the company's poor production performance and outlook.

In the industrial holdings, we have increased exposure to Woolworths and Vodacom. Both companies' share prices have been weak, and we now believe there to be significant return potential. Vodacom operates the no.1 network in South Africa, but also owns a stake in the very successful Safaricom business in Kenya, which operates M-Pesa, the pre-eminent African mobile money business. It has also recently purchased a controlling stake in Vodafone Egypt. While South Africa is a mature market, it does generate very strong cash flows, and the growth opportunities in markets like Kenya and Egypt offer potential growth vectors for the company. Egypt, in particular, now that its currency has been allowed to float, is an attractive market for Vodacom to generate decent returns.

Woolworths has seen its food and groceries business continue to do well in South Africa, defending its market share in a very competitive market and continuing to innovate, which makes its offerings so desirable. Its clothing business has, however, been the main drag on performance, both in Australia and South Africa. Significant investment is being channeled into the South African business to deliver better product and availability, which should then result in the business stabilising its market share and returning to growth. The market has derated the business substantially, especially when you look at the rating of the other FMCG businesses as well as against the more successful fashion retailers in the local market. With management progressing a turnaround in the fashion business and the potential benefits from an easing interest rate cycle, we see the group as well positioned to outperform from here.

Within financials, we have added to our positions in the banking sector as we continue to expect this industry to be the first beneficiary of an improved South African economic performance. Commercial lending, driven by improved business sentiment, has risen faster than retail lending, and the SARB's recalcitrance to cut interest rates has seen our bank holdings' endowment earnings (the return on group capital) maintain current high levels. The banks are well capitalised, still paying out good dividends to shareholders, and should all be able to deliver at least mid-single-digit earnings growth in the year ahead.

We also added to our holding in Investec, which is part South African bank, but also part UK specialist bank, with a stake in a UK wealth management business. The same drivers as above are relevant for their investment case, as well as the benefit to be derived from synergies after having merged its UK wealth business with Rathbones. Investec is now one of the largest wealth managers in the UK, with good runway for growth and cost-saving synergies.

The calendar year 2024 was a period of politicians making promises and voters making their choices. In 2025, returns are going to be driven by the actual policy decisions being implemented around the world and how these decisions will drive economic outcomes. We remain active in identifying those businesses best able to handle volatility, and those that can take advantage of the potential opportunities.