

LONG TERM OBJECTIVE

The Coronation Managed Strategy is an aggressive, clean slate fully discretionary balanced portfolio. The Strategy's objective is to outperform its peer group or a composite benchmark over meaningful periods (defined as at least 5 years). The Strategy is managed in accordance with the limits of Regulation 28 of the Pension Funds Act.

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 business 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 cleanslate 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 a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	5,840.3%	3,093.9%	2,746.4%
Since Inception p.a.	15.3%	12.8%	2.5%
Latest 20 years p.a.	14.3%	12.1%	2.2%
Latest 15 years p.a.	12.9%	11.1%	1.8%
Latest 10 years p.a.	10.2%	8.8%	1.4%
Latest 5 years p.a.	14.2%	11.0%	3.2%
Latest 1 year	19.2%	13.5%	5.7%
Year to date	19.2%	13.5%	5.7%
Month	0.6%	0.5%	0.1%

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Annualised Standard Deviation	11.7%	11.2%
Maximum Drawdown	(23.5)%	(27.7)%

ASSET ALLOCATION

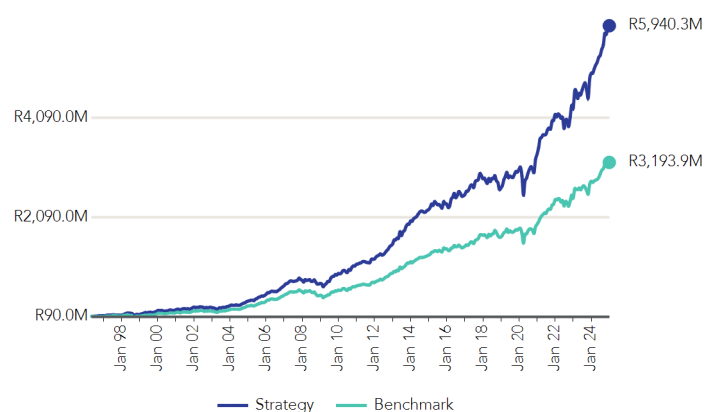
Asset Type	% Strategy
Local Equities	40.5%
Foreign Equities	27.8%
Local Bonds	13.8%
Local Real Estate	7.9%
Foreign Bonds	6.7%
Local Hedge	1.5%
Cash	1.2%
Foreign Real Estate	0.6%

GENERAL INFORMATION

Inception Date	01 May 1996
Strategy Size †	R23.62 billion
Strategy Status	Open
Mandate Benchmark	Median of Peer Group
Dealing Frequency	Daily
Base Currency	ZAR
Regulation 28	Yes

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

GROWTH OF R100M INVESTMENT



Benchmark: Median of Peer Group

TOP 10 HOLDINGS

Holding	% Strategy
CORONATION GLOBAL EQUITY FUND OF FUNDS CLASS Z	11.8%
RSA FIX 6.500% 280241	7.2%
CORONATION GLOBAL EMERGING MARKETS EQUITY FUND	6.2%
PROSUS	4.4%
CORONATION GLOBAL EQUITY SELECT FUND CLASS Z	4.2%
NASPERS LTD	2.6%
ANHEUSER-BUSCH INBEV SA/NV	2.2%
ATTACQ LTD	2.1%
STANDARD BANK GROUP LTD	2.0%
QUILTER PLC	1.8%

EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	1.0%	2.4%
1 to 3 years	0.9%	0.9%
3 to 7 years	3.7%	3.6%
7 to 12 years	0.6%	0.6%
Over 12 years	7.4%	7.3%

MODIFIED DURATION*

Portfolio	0.8
Fixed Income Assets	6.1

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.



Nicholas Hops - BBusSc, CFA

Nicholas is Head of South African Equity Research and a portfolio manager at Coronation. He co-manages the Market Plus, Industrial and Resources unit trust funds. Nicholas joined Coronation in 2014 and has 11 years' investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

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* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.

REVIEW FOR THE QUARTER

The fourth quarter of 2024 (Q4) saw most asset classes soften as risk assets were hurt by election results in the US and an adjustment of inflation and interest rate expectations. Returns remained strong, however, despite the softness in Q4, the Strategy did particularly well, delivering results well ahead of inflation. The Strategy's performance remains pleasing over more meaningful longer-term periods, continuing to deliver double-digit returns for clients.

The combination of a stronger US dollar and a sell-off in bond yields was a key driver of returns in the quarter. The rand sold off alongside its emerging market peers and weakened 8% in the final three months of the year. The Strategy's overweight position in SA equity contributed positively for the period, driven by security selection; the same can be said for SA property. A key contributor for the quarter was a strong performance from our global equity building block, driven by a particularly strong quarter from the Coronation Global Equity Select Replace (one of the Replaces we hold in this building block). Cash was amongst the worst-performing assets, delivering 8.21% for the year, vindicating the Strategy's high weighting towards risk assets.

News flow from the US drove markets in the final quarter, with Donald Trump being nominated as the 47th president and continued strong economic growth reducing the likelihood of further meaningful interest rate cuts. This strong growth combined with a shift in inflation expectations, with the latter due to likely upward pressure from Trump's tariff programme. The US dollar strengthened meaningfully compared to its counterparts, with particular pain being felt by emerging market currencies.

South African asset prices took a breather in the fourth quarter after the strong price action that had dominated over the previous nine months. Expectations adjusted quickly following the formation of the GNU earlier in the year, and market participants are all waiting with bated breath to see if any of the "feel good factor" and positive momentum on SA's challenges feeds through into job creation and economic growth. Despite the potential short-term boon from the two-pot withdrawals, the restrictively high interest rates in South Africa continue to keep a lid on consumer spending.

The FTSE/JSE Capped SWIX returned -2% for the quarter and 13% for the year. The Strategy's equity carveout outperformed the market over both these time frames and delivered around 20% for the full year. Alpha for the year was driven by overweight positions in Quilter, WeBuyCars and Lewis. Detractors were our overweight position in African Rainbow Minerals, Anheuser-Busch Inbev (ABI) as well as Mondi. In the quarter, we added to our Mondi and ABI position on continued share price weakness. We initiated a position in Woolworths as the stock's underperformance increased its margin of safety. The Woolworths food business continues to deliver excellent results, and whilst the turnaround in the clothing business is not yet complete, the market is placing a very penal valuation on the division.

Local bonds performed poorly in December, with the FTSE/JSE All Bond Index (ALBI) being flat for the quarter (-0.4%). This did little to reduce the eventual 17% return for the full year, and SA bonds outperformed SA equities over 2024. As we have been writing since the formation of the GNU in June 2024, the potential fiscal outlook for the South African economy has improved. A portion of this has been priced in already but with absolute yields on offer of up to 11% at the long end of the yield curve and a very muted inflation outlook, we see value in SA bonds and have been increasing our exposure. This has been funded by reducing our holdings of global credits.

Our select property exposure contributed positively to portfolio performance in the quarter and for the year as well. Top contributors were Attacq and Fairvest, with strong share price performance from both companies. We continue to hold a handful of counters where we believe asset quality is high, and the yields as well as earnings growth remain compelling. We added materially to our Hammerson position in the quarter as the share price fell 10%, and longer-term fundamentals did not change. Hammerson has made meaningful progress in the last year on de-gearing and asset disposals and is currently buying back shares in the market at prices that we deem to be below fair value. At the end of the quarter, the Portfolio is overweight in property stocks; we still believe the return outlook (for our selection of stocks) from here is favourable, with high single-digit dividend yields and the potential for mid-to-high single-digit earnings growth as well.

Performance from global equity was very encouraging in the quarter, with the Strategy's equity building block delivering positive USD returns against a -0.2% return for the MSCI World Index. Several individual stock picks delivered very strongly in the quarter which was boosted further by the 8% depreciation in the rand. Emerging market equities suffered a tougher quarter as currency depreciation in several key regions combined with a cooling in the Chinese equity market which saw a very strong rally up to the end of the previous quarter.

We have reduced our position in global credit assets over the quarter as alternative opportunities arose elsewhere, particularly in SA government debt. At over 6% of the Portfolio, and consisting of a diversified basket of 18 instruments, our credit portfolio is yielding in excess of 8% in USD.

After several periods of producing strong double-digit returns from the Strategy, we remain optimistic about the portfolio's outlook to continue delivering robust returns over the long term. Prospective returns across risk assets are high and the Strategy continues to hold an immaterial cash balance.