CORONATION

GLOBAL EMERGING MARKETS EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 DECEMBER 2024

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LONG TERM OBJECTIVE

The Coronation Global Emerging Markets Equity Strategy provides access to what we consider to be the best investment opportunities in Global Emerging Markets. It aims to deliver capital growth through a focused equity portfolio of securities of companies based in emerging markets or that derive a significant portion of their business from emerging economies. The objective is to outperform the MSCI Emerging Markets Index over 5 years and longer periods.

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house, focused on bottom-up stock picking. 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 clean slate basis based on the relative risk-adjusted upside to fair value of each underlying security and their expected Internal Rate of Return (IRR). 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

Period	Gross Return	Net Return*	Benchmark	Active Return†
Since Inception cum.	112.8%	71.7%	57.1%	55.7%
Since Inception p.a.	4.7%	3.3%	2.8%	1.9%
Latest 15 years p.a.	3.9%	2.7%	3.1%	0.7%
Latest 10 years p.a.	2.3%	1.3%	3.7%	(1.4)%
Latest 5 years p.a.	(1.4)%	(2.3)%	1.7%	(3.1)%
Latest 3 years p.a.	(4.8)%	(5.5)%	(1.9)%	(2.9)%
Latest 2 years p.a.	9.0%	8.2%	8.7%	0.3%
Latest 1 year	7.0%	6.2%	7.5%	(0.5)%
Latest 3 months	(8.6)%	(8.8)%	(8.0)%	(0.6)%
Month	(3.7)%	(3.7)%	(0.1)%	(3.5)%

Active return is calculated as the Gross return less the Benchmark return. Figures may differ due to rounding.

** The "net" return series consists of a composite weighted average of actual net returns for USD denominated portfolios (both pooled and segregated). The highest fee paying class is used where the performance of pooled vehicles are included in the composite.*

† The active return shown is gross of fees.

SECTOR EXPOSURE

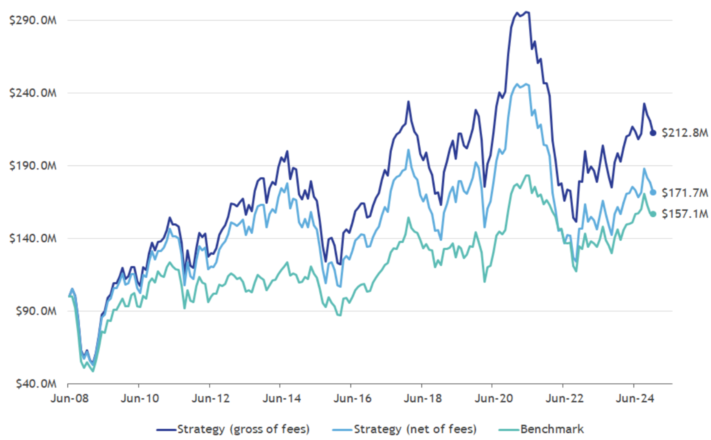
Sector	% Strategy
Consumer Discretionary	40.5%
Financials	19.8%
Information Technology	13.2%
Industrials	8.7%
Communication Services	7.2%
Consumer Staples	6.4%
Energy	3.8%
Cash	0.4%

GENERAL INFORMATION

Inception Date	14 July 2008
Strategy Size *	$2.89 billion
Strategy Status	Open
Mandate Benchmark	MSCI Emerging Markets Total Return (net) Index (Bloomberg ticker: NDUEEGF)
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

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

GROWTH OF US$100M INVESTMENT



Benchmark: MSCI Emerging Markets Total Return (net) Index (Bloomberg ticker: NDUEEGF)

TOP 10 HOLDINGS

Holding	% Strategy
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	5.3%
COUPANG INC (KOR)	4.5%
DELIVERY HERO SE (KOR)	4.1%
MERCADOLIBRE INC (BRA)	4.0%
HDFC BANK LTD (IND)	4.0%
JD.COM INC - CL A (CHN)	3.7%
SEA LTD-ADR (SGP)	3.5%
GRAB HOLDINGS LTD - CL A (SGP)	3.4%
BIM BIRLESIK MAGAZALAR AS (TUR)	3.4%
BANK MANDIRI PERSERO TBK PT (IDN)	3.4%

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GEOGRAPHIC EXPOSURE

Country	% Strategy
China	24.0%
South Korea	15.0%
Brazil	11.9%
India	8.3%
Taiwan	8.1%
Singapore	6.9%
France	3.6%
Turkey	3.4%
Indonesia	3.4%
Hong Kong	2.8%
South Africa	2.6%

Country	% Strategy
Netherlands	2.0%
Switzerland	1.8%
Kazakhstan	1.7%
Mexico	1.6%
United Kingdom	1.1%
Saudi Arabia	0.8%
Spain	0.7%
Cash	0.4%

PORTFOLIO MANAGERS

Gavin Joubert - BBusSc, CA (SA), CFA

Head of Global Emerging Markets, Gavin has 25 years' experience as an investment analyst and portfolio manager. He joined Coronation in 1999 and manages assets within the Global Emerging Markets Equity Strategy.

Suhail Suleman - BBusSc, CFA

Suhail is a portfolio manager and joint-Head of Global Emerging Markets research. He manages the Coronation Emerging Markets Diversified Equity Fund and is co-manager of the Global Emerging Markets Equity Strategy and the Global Emerging Markets Flexible unit trust fund. Suhail joined Coronation in 2007 and has 22 years' investment experience.

Iakovos Mekios - Ptychion (BSc), MIA, IMC, CFA

Iakovos is a portfolio manager and joint-Head of Global Emerging Markets Research. He co-manages the Global Emerging Markets strategy, the Emerging Markets Diversified Equity strategy as well as the Global Emerging Markets Flexible unit trust fund. He joined Coronation in 2013 and has ten years of asset management experience.

FUND MANAGERS

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The Prospectus of Coronation Global Opportunities Fund and Fund KIID can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/ucits-fund-library/umbrella-fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/.

The Prospectus of the Coronation Universal Fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/.

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The volatility of the Benchmark represented in the growth chart above may be materially different from that of the Strategy. In addition, the holdings in the accounts comprising the Strategy may differ significantly from the securities that comprise the Benchmark. The Benchmark has not been selected to represent an appropriate benchmark to compare the Strategy's performance, but rather is disclosed to allow for comparison of the Strategy's performance to that of a well-known and widely recognized Benchmark.

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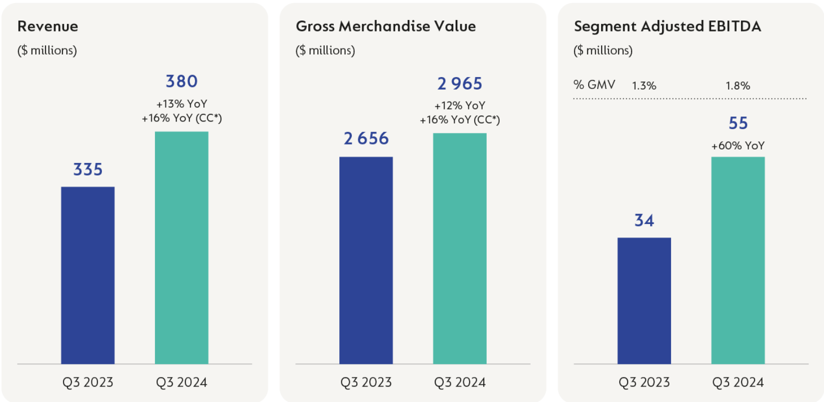
REVIEW FOR THE QUARTER

The Coronation Global Emerging Markets Strategy returned -8.6% during the fourth quarter of 2024, 0.6% behind the return of the benchmark MSCI Emerging Markets (Net) Total Return Index. As a result, the Strategy was 0.5% behind the benchmark for the year. Over two years, the Strategy has returned 9.0% p.a., 0.3% ahead of the benchmark's 8.7% p.a. return. Over 10 years, the Strategy has returned 2.3% p.a., which is 1.4% behind the benchmark return. Since inception in mid-2008, the Strategy has returned 4.7% p.a., which is 1.9% ahead of the benchmark.

The biggest positive contributor for the quarter was Grab Holdings. Until now, this Southeast Asian ride-hailing, food delivery, and financial services platform operator had been a somewhat frustrating investment as the share price had declined since our initial investment in 2023 despite its operating performance improving materially. Almost uniquely among peers, Grab sits with substantial net cash on its balance sheet, and we had been advocating that the company buy back shares when the share price was trading below $3.50. In this last quarter, Grab appreciated 23% and contributed positive relative performance (alpha) of 1%. The share price had already been increasing off its lows, but after Q3 results were released in mid-November, it appreciated rapidly to over $5.00 on the back of a significant improvement in revenue and (especially) profitability in both food delivery (Figure 1) and mobility/ride-hailing (Figure 2).

Figure 1

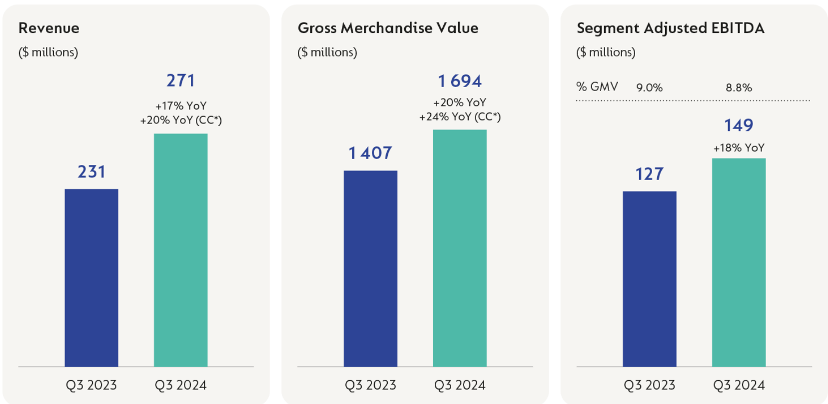
GRAB FOOD DELIVERY REVENUE, GMV AND ADJUSTED EBITDA



Source: Grab Investor Relations, Q3 results presentation
*Constant Currency

Figure 2

GRAB MOBILITY REVENUE, GMV AND ADJUSTED EBITDA



Source: Grab Investor Relations, Q3 results presentation
*Constant Currency

Most pleasingly, the financial services arm reached a milestone of $1bn in deposits and saw losses narrow despite the division still being very much in ramp-up phase (Figure 3).

Figure 3

GRAB FINANCIAL SERVICES KEY METRICS

Source: Grab Investor Relations, Q3 results presentation
*Constant Currency

The second largest contributor to relative performance also came from Southeast Asia, namely SEA Limited (SEA), which offers gaming, ecommerce and financial services throughout the region and in other geographies, the most material of which is Brazil. SEA returned 13% in the quarter, but by virtue of being a 2.9% position in the Strategy at the start of the period, the alpha contribution was 0.7%. Like Grab, Q3 results were strong, with group revenue up 31% (despite currency headwinds) and operating profit swinging from a $128m loss to a $202m profit. Over the years, the business has invested heavily in developing an in-house logistics provider (as opposed to outsourcing delivery to third-party couriers); it is now generating returns from these investments. This means SEA now delivers 70% of its orders in Brazil and 50% of its orders in Asia through its in-house logistics provider. The result is an improvement in the customer experience with a reduction in wait times, and–crucially–self-fulfilment brings down the costs per package as scale benefits on the fixed historical investment costs kick in with growing volumes.

Other material contributors in the quarter were Airbus (+9% return, 0.5% alpha), BIM in Turkey (+4% return, 0.4% alpha) and Brava Energia (Brava) in Brazil (+18% return, 0.3% alpha). Brava was a material detractor in the previous quarter, but announced positive developments at two of their fields that will see oil production increase significantly in 2025. Not owning Alibaba in the Strategy (it was down 21%) contributed +0.5% alpha as the late September rally in Chinese stocks, which was quite positive for the Strategy in the prior quarter, somewhat fizzled out.

The biggest detractor in the quarter was Delivery Hero (DHER), which declined 31% in the period and contributed -1.0% to the Strategy's relative return. From a share price low in the middle of July to its peak in late October, DHER returned 120%, largely as the balance sheet concerns dissipated due to management action to unlock value from some of the company's operating countries. Two main events drove the share price surge. Firstly, in May 2024 DHER announced the sale of its Taiwanese operation to Uber for $950m (€900m), subject to local competition authority approval. Secondly, as discussed in our previous commentary, the company announced the IPO of Talabat, its pan-Middle Eastern operation, which went ahead in December at a €9.5bn valuation, in line with the mid-point of the range of estimates touted for this business. The IPO brought €2bn in cash into DHER to deal with its debt burden of €4.5bn. The Taiwanese divestment would have further bolstered the cash inflows from these value-unlock developments. Unfortunately, in late December, the Taiwanese Fair Trade Commission, which has regulatory oversight for competition matters, blocked the sale from going ahead on concerns that with a combined 90% share of the food delivery market in the country, competition would be frozen out. Further negative news emerged in Spain, where DHER's local operation, Glovo, has been in dispute with labour authorities on the treatment of riders as employees. To prevent further contingencies from accruing, Glovo reclassified riders as employees, with the associated increased costs of doing so, while the historic treatment (and associated fines) are being contested.

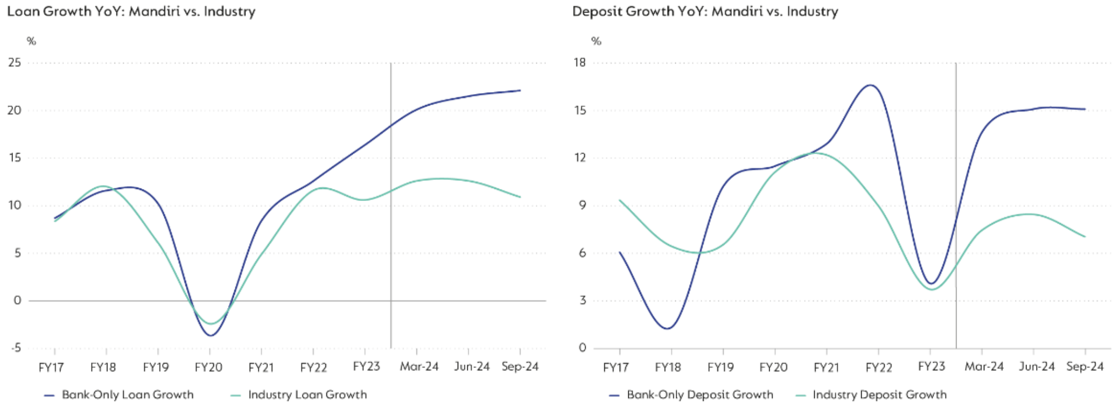
Despite these two setbacks, we believe that DHER is significantly undervalued. Their 80% stake in Talabat alone is larger than the group's market capitalisation and makes up almost 80% of DHER's Enterprise Value (market capitalisation plus net debt). We added to the position as the share price declined, and at year-end, DHER was a 4.1% position in the Strategy.

Although TSMC is the largest individual position in the Strategy at 5.3%, at quarter end, the stock's continued outperformance (it returned +9% in Q4 compared to the -8% for the benchmark) meant that the underweight (it is almost 11% in the benchmark now) cost the Strategy 0.6% in alpha. We reiterate that we are very positive on the long-term prospects and valuation for TSMC; however, given our clean-slate approach to portfolio construction, the roughly 5% position is more appropriate in our view, given the business's relative valuation and competition for space within the Strategy.

Bank Mandiri in Indonesia returned -23%, costing the Strategy 0.5% in relative performance. Mandiri's operational performance was mixed. On the positive side, loan growth and deposit growth are double the respective industry levels (see Figure 4), and non-performing loans are at half the industry levels. Unfortunately, loan yields have declined marginally, and the cost of funding has increased to leave Net Interest Margins down by 40-50 basis points compared to last year. As a result, overall Net Interest Income was only up by 4% in the nine months to the end of September compared to the same period in 2023. We do expect the funding cost pressure to abate going forward, and with an easier base, profits are likely to return to the double-digit growth level that we believe Mandiri can deliver long-term, which makes it very attractive at less than 9x forward earnings and paying a 6.5% dividend yield.

Figure 4

LOAN AND DEPOSIT GROWTH: MANDIRI VS INDUSTRY



Source: Bank Mandiri Investor Relations, Q3 results presentation

NU Holdings (Nubank) declined 24% in the quarter, costing 0.5% alpha. However, Nubank was still a positive contributor for the year as a whole. Sentiment has largely been driven by fears that Brazil's fiscal issues will negatively affect the local economy, and with the central bank hiking rates (and expected to continue doing so), this increases their funding costs in the shorter term. The weakness in the Brazilian real was a further drag on the share, which is listed in US dollars. The company's exposure to Mexico (albeit still small at this stage) also didn't help, as Mexico is most exposed to the incoming Trump administration imposing heavy tariffs on its closest geographic trading partners (the other being Canada).

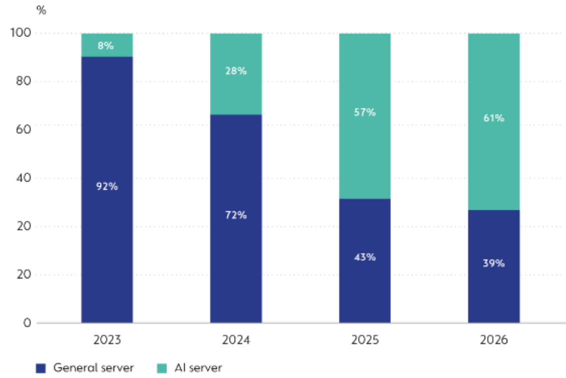
The only other material detractors (0.4% alpha or more) were Melco, AIA and JD.com, as the run-up in Chinese stocks following the stimulus measures announced in September partially reversed (as mentioned earlier). Although market sentiment remains weak towards China, the stocks are priced for a very dire outcome, and the weighted average upside in the Chinese stocks in the portfolio–our guideline for their intrinsic worth–is close to 100%.

With the sell-off in Brazil-exposed stocks reaching feverish levels in the quarter, the largest buying activity was centred on our two biggest holdings there. Mercado Libre (MELI, an ecommerce and fintech player across Latin America), whose share price reached levels over $2,100 in September, started the quarter as a 2% position, and a subsequent 30% decline allowed the Strategy to buy back shares at under $1,800 to leave MELI as a 4% position in the Strategy at the end of December. In a similar vein, Nubank reached a peak of close to $16 in November but then fell to a trough of just over $10 in December, and we bought close to 2% of Strategy here to leave it as a 3.2% position at year-end. There were material trims of Trip.com (Chinese online travel agency), TSMC and BYD (Chinese electric vehicles) on very big positive share price moves.

A few new stocks entered the Strategy in the period, the largest of which was Wiwynn Corporation (Wiwynn) in Taiwan (1.1% position at year-end). Wiwynn is a manufacturer of traditional servers that is diversifying its business into servers for Artificial Intelligence (AI). In the last two years, AI servers have gone from immaterial to being a quarter of their business and these are expected to account for the majority of revenue within the next two years (see Figure 5). Despite this significant growth potential, Wiwynn trades on a relatively modest 17x forward earnings multiple, has net cash on its balance sheet, and pays a 3% dividend yield.

Figure 5

WIWYNN REVENUE MIX BY PRODUCT: 2023-26E



Source: Morgan Stanley Research estimates

Other new buys (all under 1%) were banking group BBVA, whose primary business is in Mexico, Gold Circuit Electronics of Taiwan (a specialist producer of printed circuit boards for servers, network infrastructure and consumer electronics) and Chinese battery producer CATL, the largest battery supplier for electric vehicles in the world.

The Strategy sold out of its remaining position in Tata Consultancy Services (0.8% at end-September) as it reached our fair value, as well as out of KB Financial (0.9%) and Standard Bank (0.4%), which were identified as suitable funding sources for the buys covered already. The Strategy also exited Tencent Holdings (0.6% position), which rallied strongly in October, leaving us preferring to retain our exposure via Prosus and Naspers only.

Despite the positive absolute performance of both the Strategy and asset class, emerging markets underperformed global stocks and the US market in particular during 2024. The valuation discount at which emerging markets now trade has become even more attractive, and for the Strategy in particular, the weighted average upside is now back at 75% with a 23% IRR. We remain confident that this represents a compelling opportunity for investors.

**All charts were redrawn by Coronation*