CORONATION

AGGRESSIVE EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 30 JUNE 2024

CORONATION
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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)	1,913.1%	1,256.0%	657.1%
Since Inception p.a.	15.8%	13.6%	2.2%
Latest 20 years p.a.	16.1%	13.9%	2.2%
Latest 15 years p.a.	13.6%	11.6%	2.0%
Latest 10 years p.a.	8.3%	6.7%	1.6%
Latest 5 years p.a.	13.9%	8.7%	5.2%
Latest 1 year	12.3%	10.0%	2.3%
Year to date	7.9%	5.7%	2.2%
Month	3.1%	4.2%	(1.1)%

TOP 10 HOLDINGS

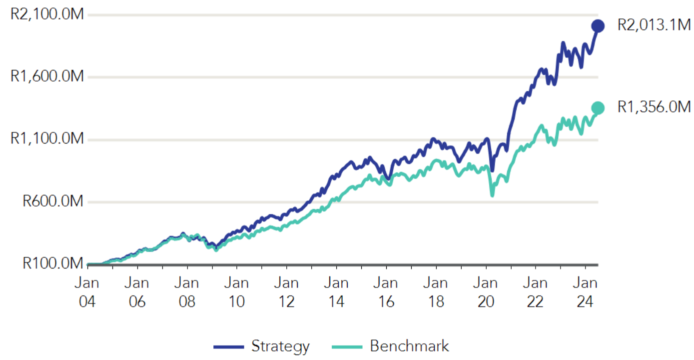
Holding	% Strategy
PROSUS	12.2%
STANDARD BANK GROUP LTD	7.1%
NEDBANK GROUP LIMITED	5.9%
CIE FINANCIERE RICHEMO-A REG	5.4%
ANHEUSER-BUSCH INBEV SA/NV	5.1%
QUILTER PLC	4.4%
BRITISH AMERICAN TOBACCO PLC	4.0%
ANGLOGOLD ASHANTI PLC	3.8%
NASPERS LIMITED	3.4%
DIS-CHEM PHARMACIES PTY	3.0%

GENERAL INFORMATION

Inception Date	01 January 2004
Strategy Size †	R14.54 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



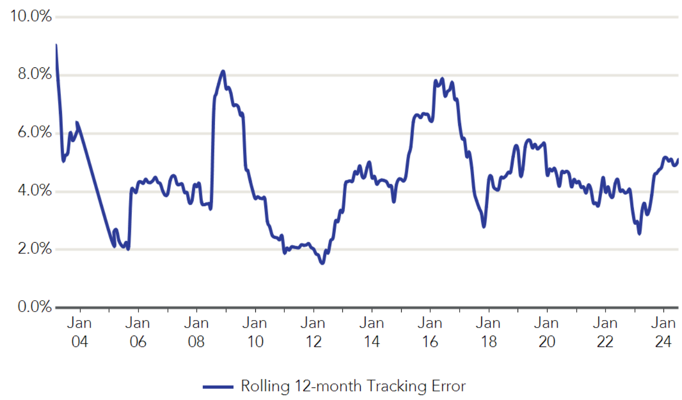
Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*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	4.7%	
Information Ratio	0.5	
Annualised Standard Deviation	14.6%	14.6%
Maximum Drawdown	(33.2)%	(27.8)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy
Financials	29.6%
Basic Materials	19.8%
Technology	18.1%
Consumer Services	18.0%
Consumer Goods	9.4%
Telecommunications	2.6%
Industrials	1.7%
Health Care	0.5%
Derivatives	0.3%

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 Strategy delivered a strong quarterly performance, which was especially pleasing given the significant volatility in local markets driven initially by fear and then by positive surprises running up to and after the election. With very different shares outperforming in these two phases, delivering positive alpha in this period is pleasing. Notably, it was done measuredly, without taking undue risks, given the inherently unforecastable outcome of the election and the formation of a Government of National Unity (GNU), which was by no means a certainty before and immediately after the election. Our investment process of identifying value, based on long-term modelling, remains the key underpin of our investment approach, aided by active Strategy activity to identify what we believe to be the best shares to own. This long-term focus is best assessed over a minimum of five years, and the Strategy has outperformed over this period and all long-term time periods.

While we sit today with arguably the most positive potential outcome from our national elections (an ANC with less than 50% majority and a GNU with centrist parties like the DA and IFP), this was certainly not the base case running up to the voting day. The decline in the ANC support was not inevitable, and it was not certain which way a divided ANC would move - towards the populist left or right or towards the more centrist parties. Given this uncertainty, we could not make wild investments based on one view or the other. Instead, we maintained our long-held investment policy of focusing on valuation-led opportunities in the Strategy. As we have been highlighting for several years now, there is compelling value to be had on the JSE in the form of dual-listed global companies that trade cheaply relative to their markets, as well as domestic businesses that are either able to continue growing market share in a low-growth economy or have a particular business focus which will allow them to continue growing earnings.

During the quarter, the Strategy benefited from its resource exposure, particularly its overweight position in Anglo American as BHP Billiton came with a surprise bid for the company, focusing on its copper assets. Despite several increased offers, the Anglo board ultimately rebuffed the offer in favour of its own value unlock strategy. Given the relative unattractiveness and risk inherent in its own strategy we had significantly reduced our Anglo holding and, as a result, were not as negatively impacted when the price fell on the company's decision not to present the offer to shareholders.

We added further to our AngloGold holding, where the stock still does not reflect, in our view, the outlook for normal gold prices. We do not own Gold Fields, which came out with another disappointing operational update, further validating our choice of holding in the gold sector. Finally, our African Rainbow Mineral (ARM) investment had a particularly good quarter. We have felt that the market has not appreciated its decent mix of producing assets and has largely ignored its holding in Harmony, which is up 45% year to date. However, the trigger for the big jump this quarter seems to have been the impact of an industrial accident in Australia which saw the large manganese mine, Groote Eylandt, out of operation for many months. Spot manganese prices have doubled, which will benefit ARM's manganese operations. Fortunately, the manganese export line has not experienced the same volume decline as the coal and iron ore lines in South Africa.

In our domestic exposures, we have seen a sharp turnaround in the performance of SPAR after the business announced the formal sale of its Polish operations and managed to assure the market of the strength of its balance sheet. While SPAR's local troubles, due to a failed SAP implementation in their largest distribution centre, are still evident in the results, we are cautiously optimistic that this is mainly behind them. Generally, all the domestic exposures we own in the Strategy have performed well this quarter on the back of steady earnings and a re-rating on optimism around the positive election outcome. The banking sector, in particular, should see positive optimism actually translate into earnings growth as both retail and corporate clients start borrowing to invest now that much of the political uncertainty has been put to rest.

A new position in the Strategy in the banking sector is Investec. The business has seen a very successful run over the past few years as its balance sheet has been slimmed down, non-yielding assets have been sold off, and capital has been returned to shareholders. The deal to merge its wealth management business into Rathbones has resulted in a scale player in an industry with significant growth prospects ahead of it. Despite the improved track record and reduced risk in its overall lending business, the company has remained very lowly rated. We believe this creates an opportunity to buy a bank that still has decent runway for growth on a very attractive multiple.

Remaining on the UK wealth opportunity, our holding in Quilter, the UK wealth management platform, also delivered a solid return this quarter as the market has started to recognise its strong position in the space and the benefits that accrue to it from its upgraded platform. The business is capital-light and converts most of its earnings into cash, which is then returned to shareholders through a generous dividend policy. The UK wealth management space remains a growth area, and this has increasingly been recognised through a lot of M&A in the sector, which has seen the market positively re-rate all the players in this industry.

A share we hold which has not performed this quarter is ABI. We saw a strong run-up in the price after it presented favourable quarterly results, but subsequently, it has given up most of these gains. We think this still presents a significant opportunity. The global brewers' margins are continuing to open as they recoup input inflation from the past few years, as well as benefiting from the lowering of input costs now that inflation is coming down. They will also start lapping the poor results from their US operations last year, which resulted from a marketing fiasco in that market. This should make de-gearing a simple task that will also boost their bottom line as finance costs reduce.

After a period of much uncertainty, it will be pleasing to enter a phase of relative stability, which would be positive for SA economic growth, but one needs to be aware that there is still plenty of global political uncertainty which would easily have an impact on the local market. Ultimately, we build robust and resilient Strategys of undervalued companies that we believe will outperform over the long term.