CORONATION

GLOBAL EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 30 JUNE 2024

CORONATION TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Global Equity Strategy provides access to the best investment opportunities across global markets through capital growth of underlying stocks selected. It is a flexible portfolio invested predominantly in equities listed on developed market exchanges, but will have exposure to emerging market listed companies as well. The Strategy may hold cash and interest bearing assets where appropriate. The objective is to outperform the MSCI All Country World Index over a 5-year period.

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. 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)	71.0%	128.4%	(57.4)%
Since Inception p.a.	5.7%	8.9%	(3.2)%
Latest 5 years p.a.	5.8%	10.8%	(5.0)%
Latest 3 years p.a.	(3.4)%	5.4%	(8.8)%
Latest 1 year	9.2%	19.4%	(10.2)%
Year to date	3.4%	11.3%	(7.9)%
Latest 6 months	3.4%	11.3%	(7.9)%
Latest 3 months	(2.8)%	2.9%	(5.7)%
Month	(2.4)%	2.2%	(4.6)%

For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance
Active return calculated as strategy return less benchmark return. Figures may differ due to rounding.

GEOGRAPHIC EXPOSURE

Region	% Strategy
North America	54.0%
Europe	32.3%
Asia	10.7%
CEEMEA	1.5%
LATAM	0.5%
Cash	1.0%

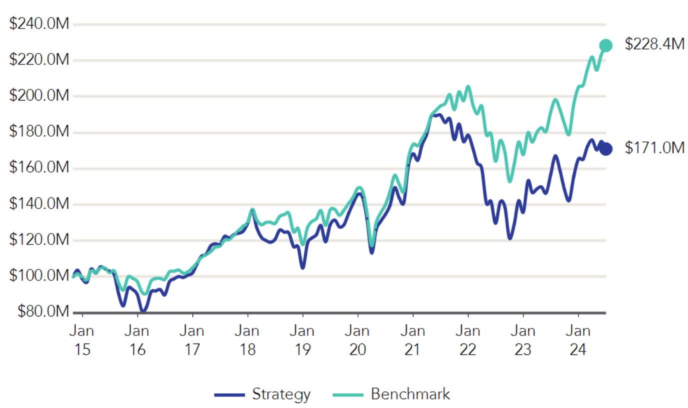
Market	% Strategy
Developed	89.8%
Emerging	9.7%
Other	0.5%

GENERAL INFORMATION

Inception Date	01 November 2014
Strategy Size *	$1.35 billion
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net All Country World USD (NDUEACWF Index)
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 Daily TR Net All Country World USD (NDUEACWF Index)

TOP 10 HOLDINGS

Holding	% Strategy
AMAZON.COM INC (USA)	4.3%
ALPHABET INC-CL A (USA)	3.9%
CANADIAN PACIFIC RAILWAY LTD (CAN)	3.8%
SCHWAB (CHARLES) CORP (USA)	3.7%
INTERACTIVE BROKERS GRO-CL A (USA)	3.6%
CANADIAN NATL RAILWAY CO (CAN)	3.4%
FLUTTER ENTERTAINMENT PLC-DI (IRL)	3.4%
AIRBUS SE (FRA)	3.4%
ELEVANCE HEALTH INC (USA)	3.3%
ENTAIN PLC (GBR)	3.2%

CORONATION
TRUST IS EARNED™

SECTOR EXPOSURE

Sector	% Strategy
Consumer Services	28.3%
Technology	23.4%
Financials	17.5%
Industrials	17.0%
Health Care	7.9%
Consumer Goods	4.9%
Interest Bearing	1.0%

PORTFOLIO MANAGER

Neil Padoa - BEconSc, FFA, CFA

Neil is a portfolio manager and head of Global Developed Markets. He joined Coronation in May 2012 and has 16 years' investment experience.

FUND MANAGERS

Please contact Coronation for further information

Sean Morris

Lead Client Service Fund Manager
tel: +27 21 680 2021
email: smorris@coronation.com

Gus Robertson

International Client Service Fund Manager
tel: +27 21 680 2443
email: grobertson@coronation.com

REGULATORY DISCLOSURE AND DISCLAIMER

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/.

Coronation Investment Management International (Pty) Limited is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). An investment adviser's registration with the SEC does not imply a certain level of skill or training. Additional information about Coronation Investment Management International (Pty) Limited is also available on the SEC's website at https://www.adviserinfo.sec.gov. The information in this document has not been approved or verified by the SEC or by any state securities authority. Coronation Asset Management (Pty) Limited, Coronation Investment Management International (Pty) Limited and Coronation Alternative Investment Managers (Pty) Limited are also regulated by the Financial Sector Conduct Authority of South Africa.

This material is for information only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase an investment in the Strategy, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with, any contract for investment in the Strategy. Any such offer shall only be made pursuant to the provision of further information/prospectus in relation to the Strategy. The Strategy is subject to management, administration and performance fees. Past performance is not necessarily a guide to future performance. Investors may not receive back the full amount invested and may suffer capital loss. Investments in the Strategy may not be readily realisable. Opinions expressed in this document may be changed without notice at any time after publication. Nothing in this document shall constitute advice on the merits of buying and selling an investment. All income, capital gains and other tax liabilities that may arise as a result of investing in the Strategy, remain that of the investor.

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.

The information contained herein is not approved for use by the public and must be read together with our Disclaimer that contains important information. If you are in possession of a physical copy of this document and you are unable to access our Disclaimer online, kindly contact us at cib@coronation.com and a copy will be sent to you via email.

REVIEW FOR THE QUARTER

Markets continued their advance in the second quarter of 2024 (Q2-24), rising 3% over the period and rounding off a very strong first half of the year with gains of just over 11% (as measured by the MSCI All Country World Index). Returns continue to be led by an increasingly narrow US market, with the S&P 500, Nasdaq and Magnificent 7 up 15%, 17% and 37%, respectively, year to date (YTD). Looking more closely at the US, around 60% of YTD gains have been driven by just five stocks – Apple, Nvidia, Microsoft, Amazon and Meta – with Nvidia alone accounting for almost a third of market returns at the half-year mark. In fact, in Q2-24, an equally weighted S&P 500 Index returned a negative 2.6%, marking the second-worst underperformance on record when compared to the headline index's 4% gain and the worst market breadth in well over 20 years. Against this challenging backdrop, the Strategy declined by 2.8% in Q2-24, with gains of 3.4% for the YTD.

While US markets are at or near all-time highs, things below the index level look very different, marking a difficult environment for active investors. In our recent *Corospondent* article "Finding value in more than just the Magnificent Seven", we wrote about this and how we are finding lesser-known opportunities. Whilst this period of underperformance is frustrating, with markets narrow and at elevated levels, we continue to believe that the opportunity to add value from differentiated stock picking remains elevated for patient investors.

Auto1 Group was the largest positive contributor, with the stock advancing 39% in the quarter. Auto1 is a leading digitally-enabled European automobile wholesaler. The company is transitioning from a growth-at-all-costs mindset to a focus on profitability. In this regard, its first quarter earnings release showed excellent progress in several key areas, most notably a strong improvement in the wholesale (B2B) business' gross profit per unit accompanied by an upgrade to management's medium-term profitability guidance for this business. This was a significant turning point for the company and in line with our expectations of profitable growth in the core wholesale business, which should be further bolstered by recently launched dealer financing products, for which our channel checks support management's enthusiasm. The more nascent retail business (B2C), which trades under the Autohero brand, is still loss making, although we are cautiously optimistic that the fortunes of this business are set to improve in the coming years. Autohero is nearing the three-year underwriting track record for its consumer lending Strategy, allowing it to secure a credit rating from one of the rating agencies. This will result in a lower cost of funding and potentially the securitisation of this lending book, allowing the company to grow this product beyond its initial test markets. Whilst there are some nuances between the US and European auto lending markets, the progress of Carvana in the US demonstrates the potential for consumer lending to drive significantly increased profitability for online platforms like Autohero. This provides attractive optionality to the investment case.

The Taiwan Semiconductor Manufacturing Company, or TSMC, was the second largest contributor, climbing 28% during the quarter. TSMC is the world's leading semiconductor foundry. With an over 50% share of global semiconductor production, including a market share north of 90% in the most advanced, leading-edge semiconductors, TSMC is quite simply one of the most important companies globally. As the world's leading foundry, TSMC manufactures and supplies its chips to the world's largest companies, including all of Nvidia's GPUs. The largest hyper scalers like Microsoft Azure and Amazon AWS rely on Nvidia for their AI chips, but Nvidia relies on TSMC to make them. It is thus a direct beneficiary of the rapid growth in high-performance computing and the buildout of "AI factories", supporting a very healthy mid to high teens revenue growth outlook whilst earning very attractive ROEs of around 25%. Unlike Nvidia, TSMC has not benefited from significant price hikes (yet), which provides positive optionality going forward for its all-important products. Considering the above, we do find it surprising that TSMC trades on 22x forward earnings, roughly half the rating of Nvidia, and this with far less optimism baked into its earnings outlook.

Airbus was the largest detractor in the quarter, declining by 25%. Its share price fell after a poor update from management in which 2024 delivery and earnings guidance was cut. Whilst we acknowledge this temporary setback, the future remains incredibly bright for the company. Airbus manufactures narrowbody and widebody airframes in a duopoly with Boeing. The industry structure has been remarkably stable for decades, a testament to the almost insurmountable barriers to entry that new competitors face. Coming out of Covid, Airbus has emerged even stronger as competitor Boeing entered the downturn with a weak balance sheet (versus Airbus' net cash position) and then suffered a series of well-publicised technical and quality issues. Airbus now stands with a backlog of over 8 500 planes on order. Considering that annual production is currently 770 planes (and growing), this equates to a multi-year backlog which underpins our very healthy growth forecasts, with Airbus continuing to gain share in a growing industry. So, what contributed to the recent earnings downgrade? The company – and, in fact, the whole aerospace industry – is still suffering from post-Covid supply chain bottlenecks that have caused delays in the production ramp-up of Airbus' most popular aircraft family (and biggest EBIT contributor by far), the A320neo narrowbody. Despite these delays, we believe it's only a matter of time before deliveries and, therefore, profits and sustainable free cash flow ramp up to management's ambitious long-term targets, which see a production run-rate for the key A320 family that is almost 50% higher than that achieved today. In addition, Airbus has a fortress balance sheet with a €10bn net cash position, and we expect returns to shareholders to continue to increase.

Considering its size and continued strong share price performance, Nvidia's absence in the strategy was a large detractor from performance. Nvidia advanced 37% in the quarter, detracting a disappointing 1.1% from relative performance. Nvidia, the key supplier of the microchips powering the AI revolution, saw its market capitalisation rise from $420bn before the public debut of ChatGPT at the end of 2022 to a staggering $3 trillion-plus during the quarter. In fact, Nvidia's market capitalisation hit $3 trillion less than four months after crossing the $2 trillion mark – a truly unprecedented and remarkable move. Despite its dominant position in a rapidly growing market, we do not think the shares are a compelling investment at current levels. While there is little doubt that generative AI marks a paradigm shift, much uncertainty remains regarding the final business models and technology choices over time. As AI workloads shift from training (building the models) to inference (using the models), we see a greater role for chips optimised for specific applications, in-house designs from hyper scalers (such as Amazon or Google) and edge devices (such as AI-optimised PCs and smartphones). Nvidia sells its product to the richest companies in the world including Amazon, Meta and Alphabet, and these businesses do not want to continue to be totally reliant on Nvidia for these key products. Given the sheer size of the numbers involved (Nvidia's projected data center revenue this year is $105 billion, roughly the size of the entire server market before the AI frenzy, while group margins are in the mid-60% range, well above its mid-30s historic range) we fear there is a real risk that Nvidia's growth and earnings – while objectively still high – will fall short of the lofty expectations embedded in the current valuation.

The first six months of the year have been a difficult time to be an active investor, and even more so for contrarian ideas. US markets have advanced in the face of building macroeconomic and geopolitical risks; in fact, the S&P 500 has now gone almost a full year without a one-day drop larger than 2%. Whilst this complacency points to a worrying setup at the index level, we continue to find many compelling bottom-up stock ideas, often in lesser-known names. We thus remain very optimistic about the outlook for our Strategy of companies, even though the same cannot be said for markets in general.