

## WHAT IS THE FUND'S OBJECTIVE?

The fund seeks to maximise long-term capital appreciation by investing primarily in a broad spectrum of listed equities.

## WHAT DOES THE FUND INVEST IN?

The Equity Fund primarily invests in the shares of companies listed on the Johannesburg Stock Exchange but can also invest in international equities.

There are no restrictions on how much exposure the fund can have to different sectors (for example, to mining, financial or industrial companies).

The fund will be fully invested in shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

## Risk Profile

Maximum growth/  
minimum income exposures

The fund's managers actively seek out attractively valued shares that could achieve strong investment growth over the long run. Rigorous research is conducted into the long-term potential of a company and whether it is attractively valued relative to other companies, before its shares are selected for the fund.

Shares can be volatile investments and there is a meaningful risk of capital loss over the short term. However, given its focus on attractively valued shares that could offer long-term growth, the Equity Fund may preserve capital better than its benchmark over the long run.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of 10 years or more is therefore ideal. It is not suitable as a single investment for investors who need to preserve their capital over five years or less.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- are comfortable with full exposure to shares listed in South Africa;
- accept that the fund may underperform the market in the short term in pursuit of superior long-term gains.
- do not require an income in the short term.
- The fund is less concentrated than the Coronation Top 20 Fund, making it more suitable for investors holding only one equity fund.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.75% and a maximum of 2.60%, depending on the fund's performance, is payable.

If the fund's return (after fees and costs) is equal to that of the benchmark, a fee of 1.10% will be charged. We share in 20% of the performance above the benchmark, up to a total annual fee of 2.60%. Performance is measured over a rolling 24-month period.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.35%.

All fees exclude VAT. Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?



**KARL LEINBERGER**  
BBusSc, CA (SA), CFA



**SARAH-JANE ALEXANDER**  
BBusSc, CFA

## GENERAL FUND INFORMATION

Launch Date	15 April 1996
Fund Class	A
Benchmark	Composite: 87.5% SA equity, 12.5% International equity
ASISA Fund Category	South African – Equity – General
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	COREQYA
ISIN Code	ZAE000058566
JSE Code	CORA

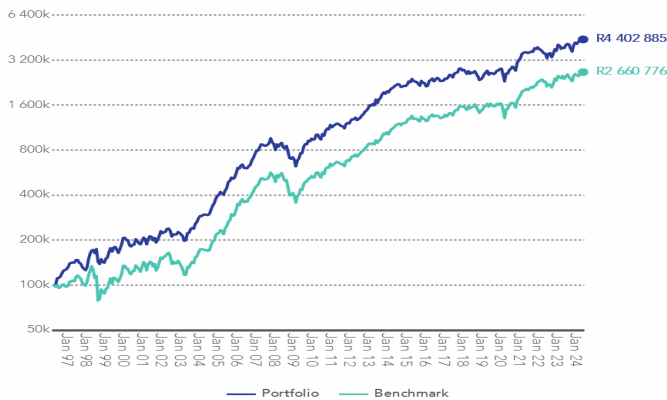
CLASS A as at 31 May 2024

ASISA Fund Category	South African - Equity - General
Launch date	15 April 1996
Fund size	R 9.99 billion
NAV	24830.76 cents
Benchmark/Performance	Composite (87.5% SA equity, 12.5% International equity)
Fee Hurdle	International equity)
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

Total Expense Ratio	1 Year*	3 Year
Fee for performance in line with benchmark	1.41%	1.25%
Adjusted for out/(under)-performance	1.10%	1.10%
Fund expenses	0.11%	(0.03)%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.18%	0.16%
Total Investment Charge	0.25%	0.25%
	1.66%	1.50%

## PERFORMANCE AND RISK STATISTICS

## GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Peer Group Average
Since Launch (unannualised)	4302.9%	2560.8%	2859.1%
Since Launch (annualised)	14.4%	12.4%	12.8%
Latest 20 years (annualised)	14.4%	14.7%	12.7%
Latest 15 years (annualised)	12.4%	12.8%	10.4%
Latest 10 years (annualised)	7.5%	8.8%	6.2%
Latest 5 years (annualised)	11.5%	11.2%	8.9%
Latest 3 years (annualised)	6.8%	8.9%	7.6%
Latest 2 years (annualised)	11.5%	7.6%	5.4%
Latest 1 year	14.3%	10.9%	8.8%
Year to date	5.1%	2.8%	2.1%

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.3%	17.0%
Sharpe Ratio	0.36	0.20
Maximum Gain	47.6%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	61.7%	62.6%

	Fund	Date Range
Highest annual return	62.5%	Aug 2004 - Jul 2005
Lowest annual return	(28.7)%	Mar 2008 - Feb 2009

## MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	(2.0)%	3.3%	1.3%	0.5%	1.9%								5.1%
Fund 2023	9.6%	(1.2)%	(5.0)%	2.0%	(0.7)%	4.5%	2.1%	(0.9)%	(5.7)%	(4.9)%	10.5%	3.9%	13.3%
Fund 2022	(2.9)%	(0.8)%	(2.6)%	(2.8)%	(0.6)%	(6.7)%	6.8%	1.2%	(6.1)%	5.6%	7.0%	(2.2)%	(5.2)%
Fund 2021	3.2%	6.4%	2.4%	0.5%	0.1%	(1.1)%	1.0%	1.2%	(0.4)%	5.5%	(1.1)%	2.7%	22.1%
Fund 2020	0.2%	(8.5)%	(9.9)%	12.7%	0.0%	5.4%	1.9%	3.6%	(2.4)%	(3.6)%	12.7%	4.0%	14.2%

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2024
<b>Domestic Assets</b>	<b>54.1%</b>
<b>Equities</b>	<b>53.4%</b>
Basic Materials	8.3%
Industrials	0.6%
Consumer Goods	3.8%
Health Care	1.7%
Consumer Services	12.1%
Telecommunications	1.2%
Financials	13.8%
Technology	10.0%
Derivatives	1.8%
<b>Real Estate</b>	<b>0.1%</b>
<b>Cash</b>	<b>0.6%</b>
<b>International Assets</b>	<b>45.9%</b>
<b>Equities</b>	<b>45.9%</b>
<b>Cash</b>	<b>0.0%</b>

## TOP 10 HOLDINGS

As at 31 Mar 2024	% of Fund
Naspers Ltd	5.2%
Cie Financiere Richemont Ag	4.4%
FirstRand Limited	3.1%
Capitec Bank Ltd	3.0%
Prosus	2.7%
Airbus Group Se	2.7%
Bid Corp Ltd	2.6%
Spotify Technology Sa	2.4%
Dis-chem Pharmacies Ltd	2.4%
Mondi Limited	2.3%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
28 Mar 2024	02 Apr 2024	59.43	55.66	3.77
29 Sep 2023	02 Oct 2023	243.68	225.81	17.88
31 Mar 2023	03 Apr 2023	70.61	67.01	3.60
30 Sep 2022	03 Oct 2022	259.35	251.23	8.12

\*This column shows the most recently available figures for the 12 months ending April 2024.

The 12-month TER for the financial year ending September 2023 was 1.09% which included a -0.16% adjustment for out/(under) performance and a total investment charge of 1.33%.

Issue date: 2024/06/11

**Please note that the commentary is for the retail class of the Fund.**

## Performance

The Fund returned 2.6% for the quarter, resulting in a return of 13.0% over the last twelve months. The Fund benefited from its meaningful exposure to global equities and strong alpha in the SA building block. The Fund has performed well against its peer group over all meaningful time periods.

## Fund positioning

Markets continue to hit record highs despite interest rate cuts being pushed further out. The MSCI All Country World Index returned 8% for Q1-24 after rising 22% (in USD) in 2023. US growth has remained resilient thus far, shrugging off concerns that rapid rate rises would induce a recession. Despite elevated market levels, there remains a big value dispersion, both regionally and even within markets. The 10 largest US stocks now comprise more than a third of the S&P 500 Index's total market capitalisation. Conditions remain ripe for good stock picking opportunities, given these divergences. We continue to make full use of the Fund's offshore capacity.

China is struggling to restore growth to its prior pace in the face of high debt levels, a weak property market, and a demographic headwind. Notwithstanding the risks of investing in China, we believe a holding in the portfolio is warranted, given the very low prices at which many high-quality businesses trade.

Geopolitical tensions remain heightened with the ongoing Russian shelling of Ukraine, a tenuous US-China relationship, and the risk of broader Middle East contagion. Half of the world's population goes to the polls in 2024 (including SA during Q2 and the US later in the year). The US outcome could have major ramifications for its allies. Nations such as Australia and Germany are already increasing their military spending. Against this backdrop, we have seen rising prices for a traditional safe haven like gold (+8%) and oil (+14%). (Both figures are for the quarter in USD.)

The Fund has a sizeable allocation to financial services businesses across the banking, brokerage, wealth, and payments spaces. These holdings are expected to compound profits ahead of their respective markets over the medium term yet trade on reasonable multiples. Within the brokerage space, the Fund holds Charles Schwab and Interactive Brokers. Their efficient platforms and scale benefits enable them to provide a compelling service to clients very profitably, creating a sizeable moat. Client accounts and trading activity continue to grow. We don't believe the market is fully pricing in the benefits of growing volumes and compounding profits these businesses can deliver in the years ahead.

The South African economic outlook remains constrained. The state of infrastructure continues to slide after decades of underinvestment and mismanagement. Growing water shortages warn of a pending crisis. The poor performance of port and rail assets is further undermining the competitiveness of important export sectors like mining. In short, the much-anticipated relief from lower levels of loadshedding in 2024 has been overshadowed by ongoing decay elsewhere. Elections in May 2024 bring further uncertainty as to the extent of support for the ruling party and what a potential coalition government could look like. Our base case remains a low-growth environment with ongoing infrastructure challenges. The currency weakened by -2% against the USD for the quarter (-5% over 12 months). This further erodes the relative returns of domestic equities.

The local market has been weak, with the FTSE/JSE Capped Shareholder Weighted Index returning -2% for the quarter and +3% for the year. Pleasingly, the Fund was

able to supplement low market returns in this period with strong alpha over the quarter and year, respectively. Fund holdings include global stocks listed on the JSE (with their high offshore exposure) and selected resources and domestic stocks. Domestic stocks offer good opportunities for stock picking, but avoiding value traps is critical. The gap between winning and losing domestic businesses is widening. Winning businesses are investing in their franchises and can grow their top lines above costs. We have a strong preference for the winners and believe that perceived value in many of the weaker, low PE (price-to-earnings) businesses will prove to be illusory. This has been extremely stark in a sector like food retail.

Investor concerns about the SA outlook were reflected in the weak performance of the financial sector with its heavy domestic exposure. The Financials index declined -8% for the quarter (still +12% over 12 months) as banks and insurers came under pressure. For the banks, low economic growth is subduing advances growth across both the corporate and retail sectors while credit losses remain elevated. We believe the winning banks merit a position within the portfolio as their ability to grow real earnings over the medium term should deliver good returns. The Fund has a position in both FirstRand and Capitec.

The resource sector declined -2% for the quarter (and is down -9% over 12 months). The Fund holds an underweight position in resources, given early profit-taking across most of the sector (especially diversified and PGM miners). Performances within the sector varied widely, with the gold companies meaningfully outperforming PGM shares, diversified miners, and Sasol. The Fund has benefited from low holdings across the underperforming sectors. The gold price has strengthened in the face of heightened geopolitical uncertainty and ongoing polarisation. Gold equities rose to reflect the higher gold spot prices. The Fund's underweight position detracted from performance. We do not believe current gold equity valuations offer sufficient margin of safety to increase our holding.

The Industrials Index rose +1% for the quarter (+3% over 12 months). The Fund's core holdings include many of the global stocks listed in SA: Naspers, Richemont, Aspen, Bidcorp, British American Tobacco, and Anheuser-Busch InBev. We saw a step change in the number of domestic businesses delivering disappointing earnings as weaker revenue growth and ongoing brutal cost pressures eroded operating profits. We continue to reassess our domestic holdings and cull those that are not well-positioned to withstand the challenging domestic environment. We have been pleased to see the strong volume growth of a business like ADVTECH that has consistently invested in the value of its private education offering, constraining fee increases at or below inflation while managing costs appropriately. Dis-Chem, too, should continue to grow strongly, fuelled by store rollout and share gains from independents. In Transaction Capital, the collapse of SA Taxi and a sharp share price correction allowed Coronation to increase our holding, thereby increasing exposure to WeBuyCars (WBC). We believe WBC is a strong franchise with good medium-term growth prospects. It offers customers convenience, a trusted partner in buying/selling their vehicle, and fair prices. This should enable it to continue gaining market share from the fragmented independent dealers in the used car market.

## Outlook

We are optimistic about future returns given the many attractive stock-picking opportunities available in both global and local equity markets.

## Portfolio managers

**Karl Leinberger and Sarah-Jane Alexander**  
as at 31 March 2024

**IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION EQUITY FUND**

The Equity Fund should be considered a long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation and top 10 holdings are reflected on a look-through basis. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) Ltd (FSP 548), an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund ([www.sc.com/za](http://www.sc.com/za); 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

**HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?**

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

**HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?**

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. Class R NAV prices were used for the period prior to the launch of Class A. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category)

**HOW ARE THE BENCHMARK RETURNS CALCULATED?**

The benchmark used for performance purposes is a composite benchmark consisting of 87.5% Domestic Equity (CSWIX), 12.5% International Equity (ACWI).

From 1 April 2021 the SA equity component of the composite benchmark is the FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX) which replaces the FTSE/JSE Capped All Share Index (C-API). The benchmark returns shown in this MDD will be spliced between the performance of the previously applicable index values and that of the new composite benchmark using C-SWIX from 1 April 2021.

Note that we use the formal SA – Equity – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FSTE/JSE All Share Index, for compliance monitoring purposes

**WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?**

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio over the period referenced. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the underlying fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 Year\* TER is for a rolling 12-month period to the last available month end (updated monthly). The financial year TER displayed at the bottom of page 2, is the latest available 12-month TER to the end of the previous financial year ending 30 September (updated annually). The 3 Year TER is for a rolling 36-month period to the last available quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

**ADVICE AND PLATFORM COSTS**

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

**WHERE CAN I FIND ADDITIONAL INFORMATION?**

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, [www.coronation.com](http://www.coronation.com)

**IMPORTANT INFORMATION REGARDING TERMS OF USE**

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