

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 GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	132.7%	70.8%	62.0%
Since Inception p.a.	5.3%	3.4%	2.0%
Latest 15 years p.a.	5.2%	4.3%	0.9%
Latest 10 years p.a.	2.5%	4.1%	(1.5)%
Latest 5 years p.a.	2.8%	5.7%	(2.9)%
Latest 3 years p.a.	(3.7)%	0.4%	(4.1)%
Latest 2 years p.a.	22.7%	18.7%	4.0%
Latest 1 year	27.1%	26.1%	1.1%
Year to date	17.0%	16.9%	0.1%
Latest 3 months	8.9%	8.7%	0.1%
Month	9.5%	6.7%	2.9%

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.

SECTOR EXPOSURE

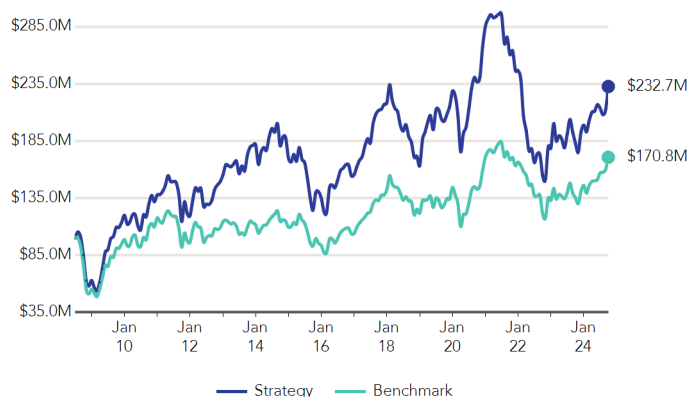
Sector	% Strategy
Consumer Discretionary	41.9%
Financials	19.7%
Information Technology	13.6%
Consumer Staples	7.4%
Industrials	6.6%
Communication Services	6.6%
Energy	3.7%
Cash	0.5%

GENERAL INFORMATION

Inception Date	14 July 2008
Strategy Size *	\$3.27 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)

The performance shown is gross of fees.

TOP 10 HOLDINGS

Holding	% Strategy
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	5.9%
JD.COM INC - CL A (CHN)	4.1%
HDFC BANK LTD (IND)	4.0%
DELIVERY HERO SE (DEU)	4.0%
AIA GROUP LTD (HKG)	3.7%
BANK MANDIRI PERSERO TBK PT (IDN)	3.4%
COUPANG INC (KOR)	3.3%
PDD HOLDINGS INC (IRL)	3.1%
GRAB HOLDINGS LTD - CL A (SGP)	3.1%
PROSUS NV (CHN)	2.9%

GEOGRAPHIC EXPOSURE

Country	% Strategy	Country	% Strategy
China	29.0%	Turkey	2.8%
South Korea	14.7%	Mexico	2.0%
India	10.0%	United Kingdom	1.5%
Brazil	9.1%	Netherlands	1.5%
Taiwan	6.6%	Kazakhstan	1.3%
Singapore	5.9%	Switzerland	0.9%
Hong Kong	3.7%	Saudi Arabia	0.7%
France	3.5%	Cash	0.5%
Indonesia	3.4%		
South Africa	2.9%		

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.

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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 8.9% in the third quarter of 2024, slightly ahead of the 8.7% return of the benchmark MSCI Global Emerging Markets (Net) Total Return Index. For 2024 year to date, the Strategy is marginally ahead of the benchmark's return (17.0% vs 16.9%). Short-term performance has improved materially since the bottom of the performance cycle around June 2022, with the Strategy 4.0% p.a. ahead of the benchmark over the last two years. Over longer-term periods, however, the impact of the very tough 15-month period (March 2021 to June 2022), means the Strategy is 2.9% p.a. behind the benchmark over five years. Since inception 16 years ago, the Strategy has outperformed by 2.0% p.a.

The biggest contributor in the quarter was Delivery Hero (DHER), which returned 70% and contributed +1.6% to relative performance (alpha). As the graph below shows, DHER's share price has been exceptionally volatile over the last year, reflecting significant changes in the market's view of its long-term outlook. DHER has a number one or two position in online food delivery in several attractive countries within Asia, the Middle East, the Americas, and Western Europe. Although it is listed in Germany, around 90% of DHER's business comes from emerging markets. Generally, strong network effects result in most food delivery markets consolidating into two to three meaningful players per country. These players tend to dominate volumes and generate most of the profits for the industry, with smaller players unable to survive and certainly not making any meaningful money.

Figure 1

DELIVERY HERO SHARE PRICE PERFORMANCE



Source: Bloomberg

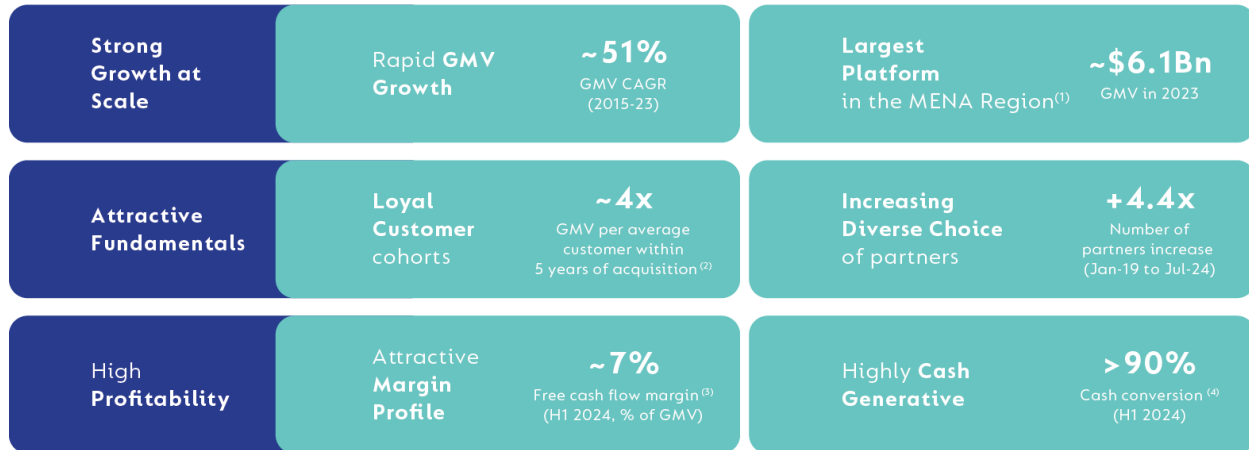
DHER built up its portfolio through acquisitions over time and funded much of this with debt. Once the post-pandemic surge in food delivery dissipated, the high level of debt, coupled with a slower level of top-line growth than in previous years, saw the share price fall precipitously, reaching its nadir in early February 2024 when the market capitalisation was below the value of the debt outstanding. Much of this outstanding debt was convertible debt that was deeply out of the money (the weighted average conversion price is over €100 per share so most of this debt is likely going to have to be repaid). Since then, the share price has pretty much doubled, halved and doubled again in the space of seven months. We are not believers in trying to time the market and don't think that the value of the business has materially changed in this intervening seven-month period, but we do believe that it is significantly undervalued and have generally added when it was extremely oversold and have somewhat lightened our exposure as it has recovered quickly.

The key driver for the strong recovery in the share price since July was the announcement that DHER would IPO its Talabat business in the Middle East. Talabat is the leader in eight MENA countries and is expected to command a valuation above \$10bn. DHER today own 100% of Talabat but will sell some of this stake in the IPO to pay down debt. DHER also owns 100% of Hunger Station in Saudi Arabia (which is not part of Talabat) and is the leader there too. The total market capitalisation of DHER today is \$12bn (compared to the value for just Talabat of around \$10bn), yet Talabat contributes only 14% of group Gross Merchandise Value (GMV). DHER has reiterated its €750m guidance for EBITDA for this year compared to its Enterprise Value (market capitalisation plus net debt) of just over €14bn, and profitability is well below normal across most of its markets. We forecast EBITDA to grow at over 35% p.a. for the next five years to in excess of €3.5bn in 2029. Over this same period, we forecast annual free cash flow to grow to over €2.5bn (compared with a current market capitalisation of \$12bn, so a 20% normalised free cash flow yield to equity). Further positive news for DHER was a stabilisation of competitive intensity in Korea and where a new CEO for the local business was announced. In addition, DHER is in the process of selling its Taiwanese business (only 3% of GMV) to Uber at a price just shy of \$1bn, so another 8% of DHER's market

capitalisation. Despite the recent strong share price recovery, in our view there is still conservatively 60%+ upside (more optimistically, 100%+ upside) in DHER, and it remains a top 10 holding in the Strategy.

Figure 2

TALABAT: ATTRACTIVE COMBINATION OF SCALE, CATEGORY LEADERSHIP, GROWTH AND PROFITABILITY



Source: Talabat Capital Markets Day Presentation Oct 2024

¹For MENA countries within the talabat perimeter (UAE, Kuwait, Qatar, Bahrain, Egypt, Oman, Jordan and Iraq). Based on a management estimates which are based on publicly available data, but which may not reflect actual position in a given competitively relevant market. Talabat competes with all the available offline and online ordering, takeaway and delivery channels through which consumers can order food and other consumer goods to consume at home, including phone/direct orders.

²Based on 2019 cohort

³Free cash flow defined as Adj. EBITDA - change in working capital (change in working capital excludes receivables from payment service providers and restaurant liabilities) - capex - IFRS 16 lease payments - tax. Free cash flow excludes interest income and expense. FCF margin = FCF divided by GMV

⁴Cash conversion defined as Free Cash Flow divided by Adj. EBITDA

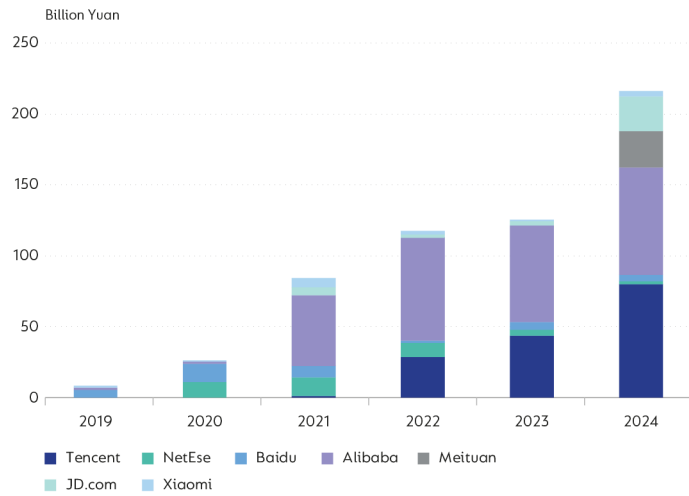
There are half a dozen Chinese stocks that feature within the top 15 contributions to alpha in the quarter and this largely is a result of a sea change in attitudes toward Chinese stocks in the last full week of September. The Chinese government, in an attempt to kickstart the local economy and improve sentiment, announced a wide range of measures to support the property market, local investors and state-owned banks. Further fiscal stimulus is expected to make this the largest intervention to support the economy in the country's history. With most global funds owning very little in China and a large proportion of actively managed emerging market funds also having substantial underweights in China, the market reaction to such unprecedented levels of support was fierce and swift, with massive amounts of capital chasing Chinese stocks to close underweight and short positions. This resulted in the MSCI China and Nasdaq Golden Dragon China Index (an index of US-listed Chinese stocks) both up 22% in the last week of September, some of which has unwound in early October.

We have in recent years held the view that the Strategy's Chinese holdings were very attractively valued and the weighted average upside to fair value of these holdings peaked at 120% a month or two ago. In some cases, stocks like JD.com were trading at under 2x earnings adjusted for the cash on balance sheet and the stake it held in listed subsidiaries. Even though this stimulus was not part of our investment case, the Strategy did very well from the resulting share price moves. For the quarter, the top Chinese contributor to alpha was JD.com, which returned 63% for +1.2% alpha. This was followed by AIA (+0.7% alpha), Naspers (+0.6%), Trip.com (+0.4%), Yum China (+0.3%), Li Ning and Wuliangye Yibin (+0.2% each). The only material detractor from the stocks owned in China was Tencent Music, which cost -0.3% relative performance. Not owning (or being underweight in) Alibaba, Tencent and Ping An, cost a combined -1.4% alpha but the overall impact of China for the quarter was still positive.

One of the most encouraging developments in recent years has been the increased willingness of Chinese companies to return cash to shareholders via dividends and buybacks. When earnings were growing very strongly every year, there was less pressure to return cash since the money was required for reinvestment but, more recently, with the businesses being more mature there has been less need to reinvest and many stocks built up large amounts of cash on their balance sheets. We have engaged frequently with management teams (and indeed boards) over the years on the need to return capital to shareholders and the value unlock that can be created through share buybacks. After a period of resistance by some companies, many of the most widely held stocks in China have started returning meaningful cash to shareholders as the table below shows.

Figure 3

HISTORICAL BUYBACKS AND PLANS



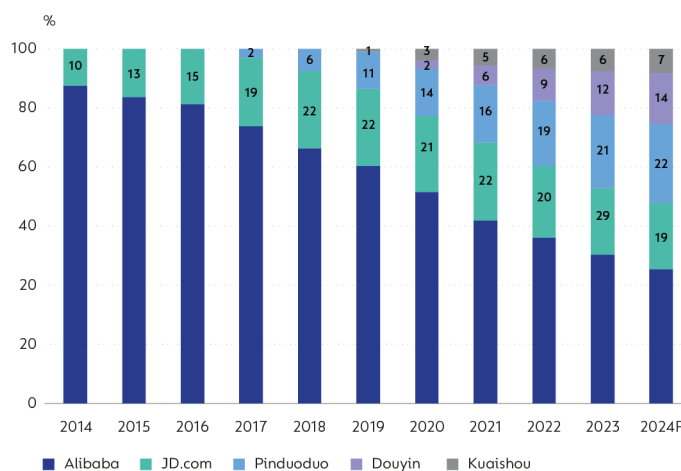
Source: Company Filings, CACS, Bloomberg Intelligence

	Currency	Amount	Time Frame
Tencent	HKD	100 Billion	2024
Alibaba	USD	35.3 Billion	3 years ending Mar, 2027
Baidu	USD	5 Billion	Effective until Dec, 2025
NetEase	USD	5 Billion	3 years starting Jan, 2023
JD.com	USD	5 Billion	3 years ending Aug, 2027
Meituan	USD	1 Billion	N/A
TME	USD	500 Million	2 years ending Mar, 2025
Kuaishou	HKD	16 Billion	3 years ending 2027 AGM
BYD	RMB	400 Million	2024

The one notable exception to this list has been Pinduoduo (PDD). During the quarter, PDD reported results that under normal circumstances would have been a cause for celebration. Revenue was up almost 90% year-on-year (yoy), with margin expansion leading to operating profit up 150% yoy. Free cash flow conversion also exceeded 100%. Yet negative comments by management about long-term profitability coming under pressure and the need to reduce take rates (commission on sales) to make the ecosystem more sustainable for merchants led to the share dropping by 40% in a short space of time, only to recoup most of the losses in the week before the end of the quarter to leave it only slightly down for Q3. A key criticism of PDD is that the business is somewhat opaque, with little interaction with investors and the sell-side, and limited disclosures outside of the required operating metrics we find in results releases. These are valid criticisms, but we have done a lot of work to understand PDD’s culture, management style, incentives and moat around its business model and believe that the reasoning has more to do with a desire not to assist competitors to counteract the threat PDD poses to them. This is why PDD has taken so much market share from Alibaba (in particular) over the years and why its take rates have been able to expand beyond that charged by Alibaba.

Figure 4

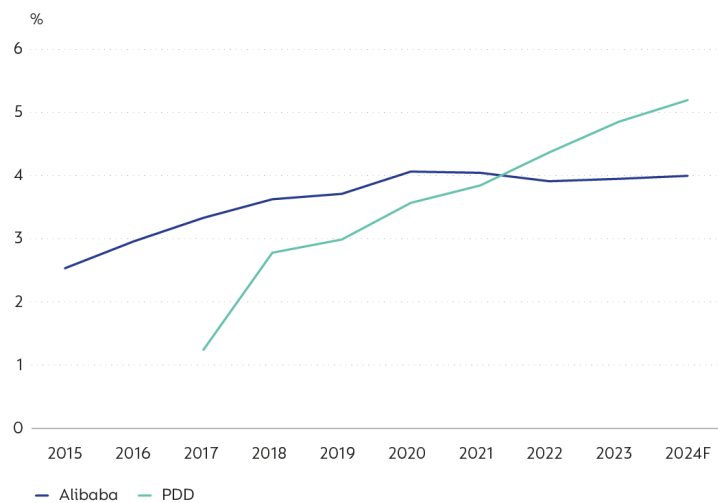
CHINA ECOMMERCE MARKET SHARE



Sources: Broker estimates, company presentations and Coronation estimates

Figure 5

TAKE RATES: ALIBABA ECOMMERCE VS PDD CHINA



Sources: Broker estimates, company presentations and Coronation estimates

We have reduced the China exposure marginally in early October (a 1.5% net reduction in exposure at the overall Strategy level) but continue to hold the view that the Chinese holdings in the Strategy still offer very good value (the weighted average upside to fair value is now still >80%). Importantly, with one or two exceptions, the 15 Chinese holdings in the Strategy were growing both top-line and earnings in the double-digits prior to any stimulus (in many cases by taking market share) and our investment cases were not based around or dependent on stimulus. We will obviously be assessing the impact of the stimulus actions on an ongoing basis, notably with regard to how it may impact the earnings streams (and hence fair values) of the companies owned.

Other positive contributors to relative performance were SEA (32% return, +0.6% alpha) and Mercado Libre (25% return, +0.5% alpha), which are both leading ecommerce operators with a little overlap in Brazil where they compete directly, albeit with very different business models. SEA in particular has recovered well off its lows, with a one-year return of 113% and +1.4% contribution to alpha.

The biggest detractor in the quarter was not owning Alibaba – although this was more than compensated for by the very high return in JD.com. Brazil exposure continues to have a negative impact on the Strategy – with Brava Energia (“Brava” - the new name for oil company 3R Petroleum after its merger of equals with Enauta) costing -0.8% alpha, a bit more than Sendas cash & carry food retail, which cost -0.7%. In the case of Brava, the merger process has seen some integration problems and one of its main fields Papa Terra is likely to produce little until December due to a maintenance backlog. Brava is also sensitive to oil prices, which declined 17% in the quarter. Sendas remains subject to negative sentiment in Brazil, with the consumer under heavy pressure, interest rates being quite high and traffic in retail largely being negative, resulting in revenue growing below the rate of inflation. Sendas has cut back its expansion plans for new stores to bring down capex and ensure its primary goal of reducing its debt burden can be achieved. With less immature space in the mix, margins should improve, and the combination of higher EBITDA and lower debt should see gearing become progressively less of an issue in the next two years.

The largest new buy in the quarter was Chinese food delivery platform Meituan, which we last owned in 2023. We bought a meaningful position during the quarter (about 1.3% at cost) as it had derated to 15-16x forward earnings, which in our view was very attractive given its dominance of the Chinese market and, to a lesser extent, the overseas expansion potential available for the firm. In the last two weeks of September, the share price moved almost 50% upward, taking it to a 1.8% position at quarter end before we started to reduce the position. We also bought back Chinese down jacket maker Bosideng (0.5% position) after its share price declined 20% due to the controlling shareholder reducing his stake. It now trades on 12x forward earnings (with a 6% dividend yield), having risen 35% from the levels at which we bought it back into the Strategy.

There were several sales in the quarter, largely to fund the buys above and to increase position sizes in higher conviction names like ASML and Nubank. In China, we sold China Resources Beer Holdings (0.3% position at 30 June) and hotpot restaurant chain Xiabu Xiabu (0.2% at end June) While both of these holdings were cheap, neither was a meaningful position and Meituan and Bosideng

became more attractive. In Latin America, we sold the small position in online travel agency Despegar (0.4%) to fund adding to more attractive existing holdings that were declining.

The three most meaningful sales were AngloGold (1.5% at end June) which reached and exceeded our fair value, Infosys (0.4% at end June) which similarly surpassed our fair value and was trading on 30x forward earnings at the time of sale, and Richemont (1.1% at end June). While Richemont remains attractively valued, too many other pure emerging market stocks were very attractive and had been under pressure whilst at the same time were delivering ahead of our expectations. The proceeds from all the above sales – apart from funding new buys – went toward increasing the position sizes in Grab (Southeast Asian food delivery and mobility), SEA (ecommerce and financial services in Southeast Asia and Brazil) and Coupang (ecommerce and food delivery in South Korea).

The weighted average upside of the Strategy of 60% has reduced slightly as a result of the strong moves in share prices in China in particular but remains comfortably above the long-term average of around 40%. For this reason, we are confident that the Strategy represents an attractive investment opportunity for long-term investors into the asset class and can deliver market-beating returns in the years ahead.