CORONATION EQUITY FUND

Fund Information as at 28 February 2025

CORONATION

TRUST IS EARNED™

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

8/10
Aggressive

Maximum growth/ minimum income exposures

Growth Assets: 100%
Income Assets: 0%

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 a portfolio that is fully invested in shares;
- 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 and would typically also include exposure to international equities, 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.

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

CORONATION EQUITY FUND

CLASS A as at 28 February 2025

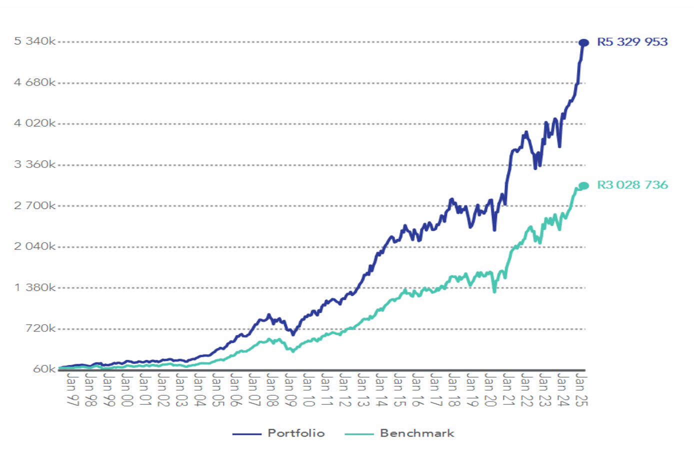
CORONATION
TRUST IS EARNED™

ASISA Fund Category	South African - Equity - General
Launch date	15 April 1996
Fund size	R11.86 billion
NAV	29926.43 cents
Benchmark/Performance Fee Hurdle	Composite (87.5% SA equity,12.5% International equity)
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

	1 Year*	3 Year
Total Expense Ratio	1.60%	1.22%
Fee for performance in line with benchmark	1.10%	1.10%
Adjusted for out/(under)-performance	0.28%	(0.06)%
Fund expenses	0.02%	0.02%
VAT	0.21%	0.16%
Transaction costs (inc. VAT)	0.24%	0.25%
Total Investment Charge	1.84%	1.47%

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)	5230.0%	2928.7%	2555.9%
Since Launch (annualised)	14.8%	12.6%	12.0%
Latest 20 years (annualised)	13.5%	13.7%	10.6%
Latest 15 years (annualised)	12.2%	12.3%	9.1%
Latest 10 years (annualised)	8.7%	8.8%	5.9%
Latest 5 years (annualised)	15.8%	15.3%	12.5%
Latest 3 years (annualised)	12.3%	8.8%	7.0%
Latest 2 years (annualised)	15.3%	10.9%	8.2%
Latest 1 year	25.5%	21.0%	17.9%
Year to date	5.4%	2.2%	0.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.1%	16.8%
Sharpe Ratio	0.39	0.21
Maximum Gain	47.6%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	62.4%	62.4%
	Fund	**Date Range**
Highest annual return	62.5%	Aug 2004 - Jul 2005
Lowest annual return	(28.7%)	Mar 2008 - Feb 2009

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	28 Feb 2025
Domestic Assets	48.7%
Equities	48.1%
Basic Materials	6.6%
Industrials	0.5%
Consumer Goods	5.3%
Health Care	0.4%
Consumer Services	8.8%
Telecommunications	1.7%
Financials	13.1%
Technology	9.2%
Derivatives	2.5%
Real Estate	0.3%
Cash	0.4%
International Assets	51.3%
Equities	51.2%
Cash	0.1%

TOP 10 HOLDINGS

As at 31 Dec 2024	% of Fund
Naspers Ltd	5.9%
Auto1 Group	4.9%
FirstRand Limited	3.1%
St James's Place	2.7%
Capitec Bank Ltd	2.7%
Wise	2.3%
Dis-chem Pharmacies Ltd	2.2%
Lpl Financial	2.2%
Tapestry	2.1%
Spotify	2.0%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2024	01 Oct 2024	116.70	105.80	10.91
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

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	4.0%	1.3%											**5.4%**
Fund 2024	(2.0)%	3.3%	1.3%	0.5%	1.9%	(0.4)%	1.2%	1.2%	3.6%	0.3%	7.1%	1.1%	**20.6%**
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%**

**This column shows the most recently available figures for the 12 months ending January 2025.*
The 12-month TER for the financial year ending September 2024 was 1.49% which included a 0.17% adjustment for out/(under) performance and a total investment charge of 1.73%.

Issue date: 2025/03/12

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

Performance

The Fund had a good year, returning 8.6% in the final quarter of 2024 (Q4-24) and 20.6% for the 12 months. This outcome was thanks to strong equity markets (both global and local) and good stock picking. The Fund has performed well against its peer group over all meaningful time periods.

Fund positioning

Global markets delivered a second year of strong returns, with the MSCI All Country World Index returning 17% for the year in USD (-1% in Q4) after rising 22% in 2023. The S&P 500 Index rose 25% for the year (2% in Q4) backed by a resilient US economy, which defied expectations. Emerging markets lagged behind their developed market peers as the MSCI Emerging Markets Index rose 8% for the year in USD (-8% Q4) with particular weakness in Brazil, Mexico, Egypt, and Korea. Broad-based dollar strength was an additional headwind. Chinese economic growth remained lacklustre, but stimulus measures announced in September boosted market returns. The MSCI China Index ended the year up 20% in USD after recording double-digit declines in each of the two years prior.

Strong S&P 500 Index returns have been driven by a narrow basket of stocks, with the Magnificent Seven returning 246% over the last two years. This has increased concentration, with the Top 10 S&P 500 stocks comprising 40% of the Index – the highest level in more than 30 years. Whilst we don't advocate owning the indices at this level, we see rich stock-picking opportunities in neglected shares both within the US market and across regional markets. It was pleasing to see support for this thesis in the latter part of 2024 as the Fund's global equity holdings delivered strong alpha. Notable contributions came from wide-ranging sources and included both US stocks (a compounder like Interactive Brokers) and regional stocks (long-duration growth stocks like Auto 1, Spotify, or SEA). The attractive value in our global basket of stocks continues to support meaningful allocation to global equities. Portfolio holdings are diversified, both geographically and by sector. The basket includes compounders, long-duration stocks, and value stocks. The diversification it brings to a South African portfolio is an additional benefit.

Many countries went to the polls in 2024. It was a challenging year for incumbent leadership as voters rejected the status quo. In the US, Donald Trump unseated the Democrats and returned to power. Governing parties across our own SADC region lost votes, too, as seen in the national election outcomes in South Africa, Mozambique, Botswana, and Namibia. The global geopolitical situation remained fraught. Israel broadened its field of military operations with targeted operations across the region, including Lebanon and Syria. These actions contributed to the fall of the Assad regime in Syria. Despite the turbulence in the Middle East, the oil price declined slightly in the year (Brent crude -3%) as demand remained weak, and supply is expected to grow in 2025. The Russia-Ukraine war drags on almost three years after the initial invasion. Trump, who assumes the US presidency in late January, has promised a swift end to the conflict. Trump's return to power in the US is expected to see a rise in protectionism and trade tariffs (most notably against China) as envisioned in his "America First" policy. The gold price rose 27% for the year (in USD) in response to the heightened geopolitical risk as central banks bought the yellow metal. The Fund has limited exposure to gold equities, given a gold price trading above our assessment of its long-term fair value.

Global inflation broadly trended downwards, enabling the US Federal Reserve Board to surprise the market with a larger-than-expected 50 basis points (bps) cut in September, and a total of 100bps of cuts by year-end. We expect a shallow rate-cutting cycle on the back of a resilient economy and sticky inflation.

It has been a good year for South Africa. Calendar year 2024 brought relief from the load shedding that was crippling the economy, saw a positive election outcome (with a centrist coalition committed to reform) and the prospect of better economic growth. This progress is reflected in buoyant returns from domestic assets, with the FTSE/JSE Capped Shareholder Weighted Index (CSWIX) returning 13% for the year. The consumer is experiencing relief in the form of fewer power outages, lower fuel prices, falling food inflation and 50bps in rate cuts. The release of pension savings (previously unavailable without resignation) via the "two-pot" retirement system is an additional, lower-quality tailwind. These factors are driving real growth in consumer spending, of which we are seeing early evidence.

Unfortunately, South Africa is not yet benefiting from a step change in investment (neither foreign nor domestic) as investors wait to see whether the GNU coalition government endures and if it can deliver much-needed structural reform. This reform is essential to support better medium-term economic growth. Thus far, we have seen good progress in power and positive early-stage developments in rail reform. Without sufficient further reform, the consumer tailwind will fade, and South African assets will look expensive (given their higher rating and the lack of subsequent growth). The rand weakened -8% against the USD in the fourth quarter (-3% for the year) in solidarity with most major currencies as markets priced in stronger US growth and fewer rate cuts.

Despite the optimism, South Africa faces many headwinds. The country's assets and infrastructure remain profoundly damaged by a decade of mismanagement. Municipal service delivery is poor. The state of water quality and availability is deeply worrying and a significant threat to economic activity. The long-term fiscal outlook remains concerning with a high starting level of sovereign debt. Without a meaningful pick-up in economic growth, South Africa faces ongoing deterioration in its debt-to-GDP ratio.

Within South Africa, holdings include global stocks listed on the JSE as well as selected resources and domestic stocks. Performance at a sector level reflects the strong performance of domestic shares, with the heavily domestic Financials Index up 22% for the year (-1% for the quarter) and the Industrial Index up 18% for the year (flat for the quarter). The Fund benefited from a significant underweight in resources. The Resources Index lagged meaningfully, declining -9% for the year (-9% in Q4).

The improved domestic outlook drove an expansion in market multiples for domestic shares. These businesses will need to demonstrate faster earnings growth to justify the multiple expansion from which they benefited in 2024. Whilst the basket of domestic stocks held by the Fund will not be isolated from changes to the economic growth outlook nor sentiment, stock picking has remained focused on businesses where we believe the fundamentals are solid. These businesses should grow their medium-term earnings even if tough economic conditions prevail. In previous commentaries for the 2024 calendar year, we highlighted OUTsurance, Capitec, Advantech, and WeBuyCars, all of which delivered good results during the year despite challenging economic conditions. Pepkor, too, deserves mention. The intensified efforts of its management over the last few years were evident in recent results, with improved retail sales, a meaningful pick-up in fintech performance, and the launch of innovative new products like FoneYam.

The Fund holds an underweight position in the resources sector, given reasonably full valuations. China's shift to less infrastructure-heavy growth remains a headwind to demand, contributing to a weaker outlook for many commodities. The Fund has built a small position in the PGM miners where a slower transition to electric vehicles will sustain demand for longer whilst underinvestment in mines contributes to declining supply. This should result in a tight market for several years, bringing considerable cash flows to those miners who are sufficiently well-positioned to benefit.

Outlook

We remain excited about the medium-term returns for the Fund. Our assessment of the portfolio shows attractive upside to fair value, reflecting the exciting stock-picking opportunities we see across the domestic market and globally. The Fund continues to have a meaningful allocation offshore which plays an important role both in achieving diversification and delivering compelling risk-adjusted long-term returns. Careful stock picking within South Africa should ensure these holdings are able to deliver even if economic growth does not accelerate. This diversified, global basket positions the Fund well to deliver its medium-term return expectations.

Portfolio managers
Karl Leinberger and Sarah-Jane Alexander
as at 31 December 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; 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 (CAPI). 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

IMPORTANT INFORMATION REGARDING TERMS OF USE

This document is for information purposes 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 any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.