CORONATION

AFRICA FRONTIERS STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2025

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LONG TERM OBJECTIVE

The Coronation Africa Frontiers Strategy aims to maximise the long-term risk-adjusted returns available from investments on the continent through capital growth of the underlying stocks selected. It is a flexible portfolio primarily invested in listed African equities or stocks listed on developed and emerging market exchanges where a substantial part of their earnings are derived from the African continent. The Strategy may hold cash and interest bearing assets where appropriate.

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)	178.4%	27.1%	151.3%
Since Inception p.a.	6.4%	1.5%	4.9%
Latest 15 years p.a.	4.3%	1.5%	2.8%
Latest 10 years p.a.	1.6%	2.1%	(0.5)%
Latest 5 years p.a.	9.9%	2.7%	7.2%
Latest 1 year	21.4%	5.1%	16.3%
Year to date	7.4%	1.1%	6.3%
Month	3.1%	0.4%	2.7%

For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance

SECTOR EXPOSURE

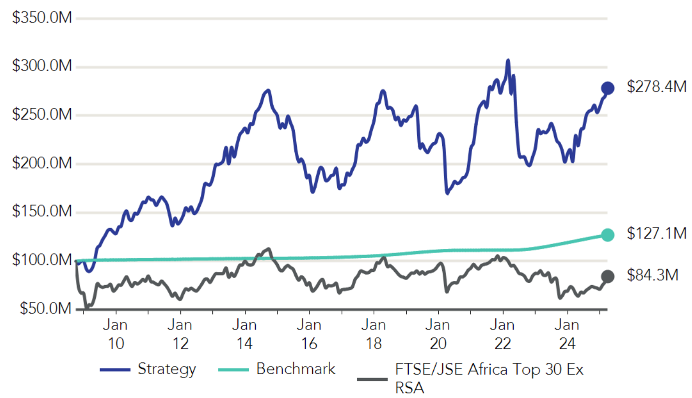
Sector	% Strategy
Consumer Goods	28.3%
Telecommunications	21.5%
Financials	20.9%
Basic Materials	9.3%
Industrials	7.9%
Oil & Gas	4.4%
Health Care	3.0%
Utilities	3.0%
Consumer Services	0.9%
Interest Bearing	0.8%

GENERAL INFORMATION

Inception Date	01 October 2008
Strategy Size *	$365.0 million
Strategy Status	Open
Target	Secured Overnight Financing Rate (SOFRINDX Index) + 3% per annum
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: Secured Overnight Financing Rate (SOFRINDX Index) from 01 December 2021. Previously ICE LIBOR USD 3 Month (US0003M Index).

The performance shown is gross of fees.

GEOGRAPHIC EXPOSURE

Country	% Strategy
Egypt	28.1%
Nigeria	16.6%
Morocco	13.4%
Kenya	12.2%
Zimbabwe	8.4%
Ghana	3.4%
Mauritius	3.0%
Uganda	3.0%
Senegal	2.9%
Botswana	2.6%
Tanzania	2.0%
Côte d'Ivoire	2.0%
Democratic Republic of the Congo	1.1%
Canada	0.3%
South Africa	0.2%
Cash	0.8%

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PORTFOLIO MANAGERS

Peter Leger - BScEng, BCom (Hons), CFA

Peter is head of Global Frontier Markets and manager across all strategies within the investment unit. He joined Coronation in 2005 and has 25 years' experience in African financial markets as both a portfolio manager and research analyst.

Gregory Longe - BBusSc, CA (SA), CFA

Greg is an analyst and portfolio manager in the Global team at Coronation. He co-manages the Africa Frontiers Strategy and is also responsible for analysing developed market stocks. He joined Coronation in 2013 and has over 11 years' investment experience.

Floris Steenkamp - BAcc (Hons), CA (SA), CFA

Floris is an analyst and portfolio manager in the Global team at Coronation. He co-manages the Africa Frontiers Strategy and is also responsible analysing developed market stocks. He joined Coronation in 2014 and has 10 years' investment experience.

FUND MANAGER

Please contact Coronation for further information

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The Prospectus 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

Markets in Africa were off to a strong start in 2025. Over the past three months, the Strategy returned +7.4% in US dollars. The Africa indices performed even better with the FTSE/JSE All Africa (ex-South Africa) 30 Index (JA30) up +18.3% and the MSCI EFM ex SA Index, which was +16.6% this quarter. With our valuation-driven, benchmark agnostic approach, we expect that there will at times be large differences between the performance of the Strategy and the indices. We view the absolute returns as satisfactory, and the performance relative to indices must be seen in the context that this follows an exceptionally strong 2024, where the Strategy outperformed the indices by 20% and 24%, respectively. Since inception more than 15 years ago, the Strategy has returned 6.4% p.a., while the index return over this period was negative -1.0% p.a. for the JA30 index and -0.8% p.a. for MSCI EFM ex SA.

In Morocco, the market was up +26.4% in US dollars and was the biggest driver of the performance of the index. The economy in Morocco has been performing well, and results from Moroccan businesses have generally been good. The country announced 25 basis points (bps) interest rate cuts in December 2024 as well as in March 2025, and we saw stocks performing well on the back of this. Ghana (+20.7%) was also very strong, largely driven by MTN Ghana, which increased +21% in US dollars over the past three months. BRVM (+8.9%), Egypt (+8.3%), Mauritius (+6.1%), Kenya (+5.9%) and Nigeria (+3.0%) were all positive during the quarter. Tanzania (-2.3%) was one of the few markets that declined.

Contributors and detractors

The largest contributor to performance this quarter was the Strategy's largest position, Eastern Tobacco. The share was up approximately +13% and added +1.1% to the performance of the Strategy. The Moroccan ports operator, Marsa Maroc, returned +47% and added 1.0% to performance over the quarter. In February, Marsa Maroc reported full-year results, showing strong growth in volumes, which led to strong revenue growth, and the company announced a partnership agreement with MSC at the new Nador West terminal. With the strong performance of MTN Ghana this quarter, it ended up being the 3rd largest contributor to the Strategy's performance during the period.

Only a handful of stocks in the Strategy were down during the quarter. The largest detractor was Ivanhoe, one of the lowest cost copper mines in the world. Ivanhoe declined -28% during the quarter and detracted -0.4% from the Strategy's performance. The company announced higher-than-expected cost guidance for 2025 due to a slight delay in hydro power coming online. In our view, this disappointment is short term in nature and does not change our view on the extremely compelling long-term cost structure of the business.

Country visits

In February we travelled to Kenya. Over the past 18 months, the new Kenyan central bank governor restored forex liquidity through orthodox policies such as higher rates and allowing the currency to devalue. Forex reserves increased substantially in 2024, although this was partly driven by lower imports as economic activity slowed. The challenge for Kenya is on the fiscal side. They still run large fiscal deficits and it has proved difficult to raise taxes. Last year there were protests which forced the authorities to reverse some of the planned tax hikes. Debt levels, and particularly external debt levels are high, which leaves Kenya vulnerable to shocks. This has been a tough environment for banks with higher non-performing loans and lower net interest margins. Because of these challenges, banks in Kenya are trading at very attractive valuations – a leading bank like Equity Group trades on a PE multiple of only three times. Banks are starting to see margins improve as the interest rates normalise and they are seeing clear signs that asset quality should improve in the coming year. This should result in strong earnings growth in 2025 and at current valuations we believe a bank like Equity Group offers compelling value.

As part of the trip, we attended the Safaricom investor day which reinforced the investment case. On the telco side Safaricom has gone through large price adjustments over the past few years. These adjustments are now behind them, which means telco revenue growth should be better going forward. The mobile money business, M-Pesa, is the exciting part of Safaricom. M-Pesa is the most advanced mobile money business on the continent, but the opportunities to add more services remain large. This includes lending, insurance, and wealth management to name a few. Safaricom is also more than just a connectivity and mobile money company, they also do projects that are digitising several paper-based systems for the government which not only drives efficiency for the government, but also drives more data usage and more opportunities to plug M-Pesa into various parts of the economy which benefits Safaricom.

Safaricom's entry into Ethiopia has been disappointing. The environment in Ethiopia remains tough, but Safaricom is making steady progress. We believe the risks are fully reflected in the share price. Safaricom trades on a forward PE of only 8x and a 10% dividend yield. This is very attractive for a business that should deliver earnings growth above 20% p.a. for several years as the Kenyan business grows and the losses from Ethiopia reduce over time.

Outlook

A few days after the quarter ended, the US announced large tariffs on a long list of countries which has sent shockwaves through global financial markets. Most of the large markets that the Strategy is exposed to are not as severely impacted as Europe and many countries in Asia. Large markets like Egypt, Morocco and Kenya only got the minimum 10% tariff, the US is a relatively small export destination for many Africa countries, and several African countries largely export commodities which are not included in the tariffs – Nigeria's oil exports is a case in point. We have seen more currency volatility globally, but on the African continent this has been more around the second order effects. The tariffs raised concerns about global growth which resulted in declines in prices of commodities like oil and copper. This is negative for countries that export these commodities, but positive for a country like Kenya which is an oil importer.

The Strategy remains in excellent shape with all the large markets functioning properly, valuations at very attractive levels and some of the benefits of the hard decisions countries made over the past two years starting to come through. In Egypt for example, the inflation rate dropped to 13% in February 2025 after being above 30% a year earlier. Egypt now has some of the highest real rates in the world and it is likely that we will see substantial interest rate cuts over the coming quarters. This should result in stronger economic growth and the companies in Egypt with local currency debt should see a meaningful increase in the earnings if interest rates decline.

In Nigeria, inflation was above 30% for most of 2024 and has also started to decline with the number printing at 23% in February 2025. The changes in Nigeria have been significant. The extent to which the currency was allowed to devalue and the commitment to a floating exchange rate have exceeded the expectations of what most foreign investors were expecting. The increased transparency in the foreign exchange market, the approval of large oil deals, the removal of fuel subsidies and the Dangote refinery finally operating are all very positive for the country. Following several capital raises, the balance sheets of companies are generally strong, which leaves them well-positioned to grow strongly as the economy starts to benefit from all the reforms. There are still several risks, but companies are very attractively valued, particularly in US dollar terms. Owning high-quality businesses that are well-capitalised and trade on very low valuations should offer attractive returns to investors who are willing to take a longer-term view.