CORONATION

CORE EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2025

CORONATION TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Core Equity Strategy is our benchmark cognisant offering within our equity product range. The Strategy is constructed with reference to a benchmark, and seeks to outperform the equity market over meaningful periods (defined as at least 5 years).

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house. Our aim is to identify mispriced assets trading at discounts to their long-term underlying 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 with reference to a benchmark based on the relative risk-adjusted upside to fair value of each underlying security.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	1,843.2%	1,386.4%	456.8%
Since Inception p.a.	15.1%	13.7%	1.4%
Latest 20 years p.a.	14.1%	12.8%	1.3%
Latest 15 years p.a.	11.3%	10.6%	0.7%
Latest 10 years p.a.	7.4%	7.0%	0.4%
Latest 5 years p.a.	16.7%	18.7%	(2.0)%
Latest 1 year	20.8%	22.9%	(2.1)%
Year to date	5.2%	5.8%	(0.6)%
Month	2.4%	3.6%	(1.2)%

TOP 10 HOLDINGS

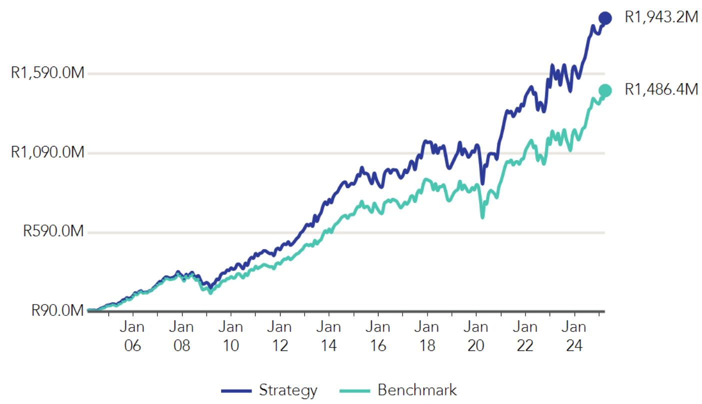
Holding	% Strategy
PROSUS	9.6%
STANDARD BANK GROUP LTD	7.7%
FIRSTRAND LTD	6.7%
ANGLOGOLD ASHANTI PLC	4.8%
NASPERS LTD	4.3%
BRITISH AMERICAN TOBACCO PLC	4.3%
NEDBANK GROUP LTD	4.1%
CIE FINANCIERE RICHEMO-A REG	3.9%
MTN GROUP LTD	3.8%
GOLD FIELDS LTD	3.5%

GENERAL INFORMATION

Inception Date	01 March 2004
Strategy Size *	R7.62 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

*Strategy assets under management as at the most recent quarter end.

GROWTH OF R100M INVESTMENT



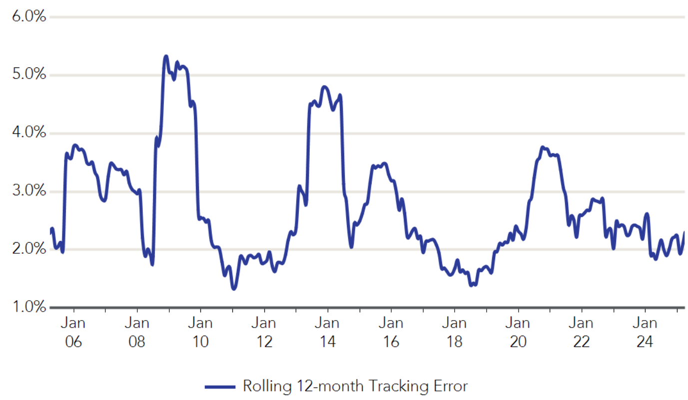
Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*FTSE/JSE Capped Shareholder Weighted Index from 01 May 2017. Previously 50 Low Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (01 February 2002 to 30 April 2017).

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	16.2%	14.8%
Tracking Error	2.9%	
Information Ratio	0.5	
Annualised Standard Deviation	14.1%	14.4%
Maximum Drawdown	(30.1)%	(37.0)%

TRACKING ERROR



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SECTOR EXPOSURE

Sector	% Strategy
Financials	29.9%
Basic Materials	18.0%
Consumer Services	15.5%
Technology	14.6%
Consumer Goods	12.9%
Telecommunications	5.6%
Health Care	2.3%
Industrials	1.0%
Interest Bearing	0.2%

PORTFOLIO MANAGER

Quinton Ivan - BBusSc, Bcom (Hons), CA (SA), CFA

Quinton is Head of Coronation's Core Equity Strategy. He also co-manages the Presidio Hedge Fund. Quinton has 18 years of investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

REVIEW FOR THE QUARTER

The Strategy returns were behind the benchmark for the quarter and over the past 12 months. Longer term returns remain compelling.

What a start to the year it has been. Trump ascended to the White House and began rapidly implementing a series of radical policy reforms. US markets responded to the threat of higher tariffs, with the S&P 500 (-4% in USD) and MSCI World (-2%) ending the quarter in negative territory. In the early days of April, a punitive tariff regime was indeed implemented, threatening to disrupt and undermine free trade. This policy poses a risk to confidence levels, consumption, investment inflation and, ultimately, to growth. Markets corrected dramatically in the early days of April, with the S&P 500 falling -15% in the first week (Nasdaq -21%). Promises of tax cuts and more efficient delivery of government services (via the Department of Government Efficiency) have been insufficient to soften the blow.

During the quarter, regional markets outperformed the US, as the flow of funds was redirected (EMEA +8% in USD, Europe +11% in USD). A weaker US dollar provided further support to these returns. The MSCI China continued to rise during Q1 (+15%), adding to the c. 20% gain in the prior year. In addition to the stabilisation of the Chinese economy, markets were reminded of China's growing role as a technological powerhouse with the release of DeepSeek's extremely cost-effective and efficient AI model. China continues to battle for technological leadership and re-embraced the role of the private sector in achieving this outcome.

Market performance broadened during the quarter, with both regional market outperformance (vs the US) and the decline of the Magnificent Seven within the S&P 500 (Magnificent Seven, -16% for Q1).

The gold price increased by a spectacular 19% in the quarter (after rising 27% in 2024). Demand for gold remains strong. The metal was supported by heightened uncertainty, high sovereign indebtedness and the potential of a diminished role for the USD in the global payment system. The Strategy is underweight gold shares, which are trading above our assessment of long-term fair value. This has detracted from recent performance. We remain concerned about the capital losses that shareholders in gold shares would incur should some of the froth come out of the gold sector.

The FTSE/JSE Capped Shareholder Weighted Index (CSWIX) continued its strong performance in Q1 rising 6% (in ZAR). Whilst the 'GNUphoria' of the post-election 2024 period faded, the index was buoyed by the rampant performance of precious metal stocks on the back of higher gold and PGM prices. The Resources Index rose a meaningful 28% for the quarter. Indices with higher domestic exposure fared considerably worse with the Financials Index (-2%) and the SA Listed Property Index (SAPY, -4%) both declining. The Industrials Index rose 3%.

Trading reported by South African retailers during the first quarter was mixed. This despite growth in real disposable income as a result of lower inflation, interest rate cuts (during 2024), massively reduced loadshedding and the release of pension savings via the "two-pot" retirement system. The economy remains lacklustre. The South African Reserve Bank remained conservative, despite low inflation, thus offering no further support for economic growth.

Global headwinds to a domestic economic recovery have been building (tariffs, risks of weaker economic growth). This combined with a floundering coalition-led government are rattling consumer and business confidence. Prospects of a pickup in domestic growth are diminished. The pace of reform remains slow (with pockets of progress, Transnet being a good example). The budget impasse reflects the differing opinions between the major coalition partners on the importance of stimulating economic growth to resolve the country's fiscal challenges. Without a meaningful step change in economic growth, we believe the fiscal outlook is poor.

Given the large number of global stocks listed on our market, South African equities do provide diversification away from a challenged domestic economy and good protection in a low road scenario (which could include higher inflation and a weaker currency). The Strategy has meaningful exposure to locally listed global stocks.

Domestic stock selection is focused on picking winning franchises that can thrive despite a tough economy. In the previous quarter, we spoke of the significant expansion in market multiples for many domestic shares and the need to demonstrate faster earnings growth to justify this expansion. The diminished growth prospects for South Africa have seen a rapid contraction in market multiples. The basket of domestic stocks held by the Strategy has broadly performed pleasingly - delivering good results despite these headwinds. The strength of their franchises has been evident in market updates from businesses including OUTsurance, and ADvTECH.

The Strategy has held an underweight position in the resources sector for some time. The underweight in the gold miners came at a high opportunity cost during the quarter given their share price moves. The gold price has risen rapidly to a level above our assessment of its long-term value. Margins for the gold miners have spiked. We believe these margins will be difficult to sustain as input cost pressures rise accordingly. The locally listed gold miners have been poor at returning capital to shareholders over time. Even in periods of excellent free cash flow, their short mine lives require constant reinvestment. We have retained a material underweight position. During the second half of 2024, the Strategy built a position in the PGM miners premised on tighter supply-demand fundamentals, rising prices and growing free cash flows. Slower electric vehicle adoption is sustaining PGM demand for longer, whilst underinvestment in mines will contribute to rising production costs and declining supply. It was pleasing to see metal prices rise during the first quarter. The significant weakness in diversified miners over the past year has provided an opportunity to buy into these names, with a preference for Glencore.

As long-term investors, we continue to buy assets where we feel impaired short-term prospects create an opportunity to buy winning businesses at undemanding valuations. We hope that the current uncertainty and volatility will provide further compelling opportunities. We believe the attractive valuations presently on offer serve the Strategy well to deliver its long-term return expectations.