



# Pulse check

*Reflections on a world in transition*

By **KIRSHNI TOTARAM**  
Global Head of Institutional Business



## DEMOCRACY STRESS TEST

The dust has barely settled on one of the most consequential election years in modern history and already its ripple effects are shaping economies, markets and public sentiment worldwide.

With over 70 elections held across the globe, 2024 proved to be a significant stress test of the resilience of democratic systems. Every governing party in a developed nation lost material vote share – a historical first.

But these elections were about more than just politics; they reflected deeper concerns about governance, stability, and the widening chasm between the real-life challenges people face daily and what policies their governments instead chose to focus on primarily.

The cost-of-living crisis was therefore a critical factor in shaping the outcomes of these elections. Across the Western world, citizens are grappling with economic pressures that headline inflation numbers often fail to fully capture. And as such, people are fed up – fed up with regulations and policies imposed over the last decade that, while perhaps noble in intention, have made life harder and prohibitively costly for the average citizen.

## THE CULTURAL “VIBE SHIFT”

We’ve also witnessed a cultural “vibe shift” – a palpable pushback against extreme ideologies that have dominated discourse for years. The radical fringes of movements, once heralded as progressive, are now being met with resistance from the very people they aimed to champion. The conflation of causes like transgender rights with civil rights movements, while important in many respects, has alienated many who feel the conversation has gone too far, too fast.

And let’s not forget the bloated civil service problems in the Western world, or the UK’s “butler economy”, where the service sector advances while the wealth is created elsewhere. These issues have become symbolic of a broader frustration with inefficiency, overregulation, and declining national value propositions.

*“People are fed up – fed up with regulations and policies imposed over the last decade that, while perhaps noble in intention, have made life harder and prohibitively costly for the average citizen.”*



### THE TRUMP EFFECT

Much of the world’s focus is understandably on the recent US election. The Republicans – led by Donald Trump – secured a significant victory, riding on a mandate for change. Trump’s emphasis on a colourblind, merit-based system has struck a chord with many, signaling a real shift in identity politics. His message of a “common sense revolution” was re-iterated strongly in his speech at Davos in January, influencing the tone other nations feel increasingly pressured to adopt.

Of course, this vibe shift isn’t without turbulence. The removal of censorship on social media platforms is a win for free speech, but it’s also opened the floodgates for AI bots to spread incendiary content and misinformation, often for profit purposes. Managing this mess will be a challenge, but one worth tackling.

Against this backdrop, AI is the most disruptive technology of our time, transforming industries at an unprecedented pace. But here’s the kicker: it demands enormous energy resources. The astronomical cost of energy in many regions, like the UK, resulting from exuberant net-zero policies, threatens the competitiveness in AI development and adoption. The debate over “virtue signaling” versus pragmatic policymaking is only heating up.

### CHANGE FOR SOUTH AFRICA

Closer to home, South Africa saw its own seismic shift. We use the term so freely today that it’s impossible to think that a year ago, most of us would never have bet the house on the “GNU”. The Government of National Unity represents a historic turning point in SA politics and definitely the “high road” of available scenarios. Now, let’s not forget this is an arranged marriage between two major parties who were sworn enemies for the better part of three decades. So, realistically, one must expect things to be messy and bumpy, but I am sure you will all join me in hoping that the common goal of wanting to do what’s best for our country (and the parties involved may all have differing views on what that is) is hopefully strong enough to keep things together.

Needless to say, markets have liked the election outcome and rallied. Optimism in the country has surged. The honeymoon period was in fact so good, that it seemed to even lift the dreaded semi-final curse for the Proteas – although, sadly, they were in the end unable to clinch the trophy at the T20 World Cup. Maybe next time.

From an industry perspective, we saw the implementation of the two-pot system and the outflows that ensued, which far exceeded initial expectations. We expect the pace of outflows to slow materially this year and into the next, with the benefits of preservation hopefully starting to yield good outcomes for members in the years to come.

*Our achievements in 2024*

				
<i>Largest independent black asset manager in the country</i>	<i>Winner of the Irish Pensions Awards 2024 Diversity Award of the Year</i>	<i>Winner of the 100 Women in Finance EMEA Diversity and Inclusion Award</i>	<i>Ranked 1st for the Gender Mainstreaming Women on Boards Award</i>	<i>Private Sector CFO of the Year at the African Women Chartered Accountants (ACWA) Awards</i>



## CORONATION REMAINS FOCUSED

And amidst all the challenges, the Coronation team has remained focused on the task at hand. I am pleased to report strong performances across both our multi asset and specialist asset class mandates – which, when taken over the decades since inception, show staggering market-beating returns that have been produced for our clients.

We have also had a busy year as a business.

We launched a few new products – both local and global, and have won numerous investment awards and three culture awards – the 2024 Gender Mainstreaming Women on Boards; the 2024 Irish Pensions Diversity Award and the 2024 100 Women in Finance EMEA Award.

We were also relieved to finally put the long-running tax dispute with SARS behind us, with the Constitutional Court ruling decisively in our favour. And of course, we ended the year on a high note, with the announcement of an exciting BEE transaction, making us majority black-owned and the largest independent black asset manager in the country.

As always, none of these would have been possible without the ongoing loyalty and support of our clients, and I really do want to take this moment and opportunity to just emphasise how truly grateful we are for you and to assure you that we remain focused on achieving the best possible outcomes for your funds.

## EMBRACING OPPORTUNITY AMID CHAOS

As we stand here today, the world reflects uncertainty, frustration, and deep societal shifts. But it also reflects resilience, innovation, and humanity’s incredible capacity to adapt and survive.

The world has faced calamity before – cultural, political, economic. This period of transition is going to be messy, yes. But history has shown us time and time again that out of messiness, comes opportunity. And we at Coronation remain committed to navigate these turbulent times, armed with data, analysis, and yes, also a bit of common sense.

*Kirshni*

*“We ended the year on a high note, with the announcement of an exciting BEE transaction, making us majority black-owned and the largest independent black asset manager in the country.”*

\*This article is an edited version of a message delivered by Kirshni Totaram at TI with Coronation 2025.



## DISCLAIMER

### South African Readers

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. As a result, there may be limitations as to the appropriateness of any information given. It is therefore recommended that the reader first obtain the appropriate legal, tax, investment or other professional advice and formulate an appropriate investment strategy that would suit the risk profile of the reader prior to acting upon such information and to consider whether any recommendation is appropriate considering the reader's own objectives and particular needs. Neither Coronation Fund Managers Limited nor any subsidiary of Coronation Fund Managers Limited (collectively "Coronation") is acting, purporting to act and nor is it authorised to act in any way as an adviser. Any opinions, statements or information contained herein may change and are expressed in good faith. Coronation does not undertake to advise any person if such opinions, statements or information should change or become inaccurate. This document is for information purposes only and does not constitute or form part of any offer to the public to issue or sell, or any solicitation of any offer to subscribe for or purchase an investment, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with any contract for investment. In the event that specific funds and/or strategies (collectively "funds") and/or their performance is mentioned, please refer to the relevant fact sheet in order to obtain all the necessary information regarding that fund ([www.coronation.com](http://www.coronation.com)). Fund investments should be considered a medium-to long-term investment. The value of investments may go down as well as up, and is therefore not guaranteed. Past performance is not necessarily an indication of future performance. Funds may be allowed to engage in scrip lending and borrowing. To the extent that any performance information is provided herein, please note that: Performance is calculated by Coronation for a lump sum investment with distributions, to the extent applicable, reinvested. Performance figures are quoted gross of management fees after the deduction of certain costs incurred within the particular fund. Fluctuations or movements in exchange rates may cause the value of any underlying international investment to go down or up. Coronation Fund Managers Limited is a full member of the Association for Savings and Investment SA (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017.

### US Readers

Coronation Investment Management International (Pty) Limited is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). An investment adviser's registration with the SEC does not imply a certain level of skill or training. Additional information about Coronation Investment Management International (Pty) Limited is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this document has not been approved or verified by the SEC or by any state securities authority. The opinions expressed herein are those of Coronation Investment Management International (Pty) Limited at the time of publication and no representation is made that they will be valid beyond that date. Certain information herein has been obtained from third party sources which we believe to be reliable but no representation is being made as to the accuracy of the information obtained from third parties. This newsletter contains references to targeted returns which we believe to be reasonable based on current market conditions, but no guarantees are being made the targets will be achieved or that investors will not lose money.

This article is for informational purposes and should not be taken as a recommendation to purchase any individual securities. The companies mentioned herein are currently held in Coronation managed strategies, however, Coronation closely monitors its positions and may make changes to investment strategies at any time. If a company's underlying fundamentals or valuation measures change, Coronation will re-evaluate its position and may sell part or all of its position. There is no guarantee that, should market conditions repeat, the abovementioned companies will perform in the same way in the future. There is no guarantee that the opinions expressed herein will be valid beyond the date of this presentation. There can be no assurance that a strategy will continue to hold the same position in companies described herein.

### Global (ex-US) readers

The information contained in the publication is not approved for the public and is only intended for recipients who would be generally classified as 'qualified', 'professional', 'accredited' or 'institutional' investors. The information is not designed for use in any jurisdiction or location where the publication or availability of the information would be contrary to local law or regulation. If you have access to the information it is your responsibility to be aware of and to observe all applicable laws and regulations of any relevant jurisdiction and it is recommended any potential investor first obtain appropriate legal, tax, investment or other professional advice prior to acting upon the information. The value of investments and any income from them can go down as well as up and investors may not get back all that they have invested. Please be advised that any return estimates or indications of past performance in this publication are for information purposes and can in no way be construed as a guarantee of future performance. Coronation Fund Managers accepts no liability of any sort resulting from reliance being placed upon outdated information contained in this publication by any user or other person. Whilst every effort is made to represent accurate financial and technical information on an ongoing basis, inadvertent errors and typographical inaccuracies may occur. Information, laws, rules and regulations may also change from time to time. Information contained in the publication is therefore made available without any express or implied representation or warranty whatsoever, and Coronation Fund Managers disclaims liability for any expenses incurred, or any damage, claims or costs sustained by users arising from the reliance being placed on the use of links, services or any information or representations contained in the publication. Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017. Coronation International Limited is authorised and regulated by the Financial Conduct Authority. Coronation Global Fund Managers (Ireland) Limited is authorised by the Central Bank of Ireland under the European Communities (UCITS) Regulations 2011 and the Alternative Investment Fund Managers Directive 2011, with effect from 22 July 2014. Unit trusts are generally medium to long-term investments. The value of units may go up as well as down. Past performance is not necessarily an indication of the future. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Unit trusts may invest in assets denominated in currencies other than their base currency and fluctuations or movements in exchange rates may have an adverse effect on the value of the underlying investments. Performance is measured on NAV prices with income distribution reinvested.

This article is for informational purposes and should not be taken as a recommendation to purchase any individual securities. The companies mentioned herein are currently held in Coronation managed strategies, however, Coronation closely monitors its positions and may make changes to investment strategies at any time. If a company's underlying fundamentals or valuation measures change, Coronation will re-evaluate its position and may sell part or all of its position. There is no guarantee that, should market conditions repeat, the abovementioned companies will perform in the same way in the future. There is no guarantee that the opinions expressed herein will be valid beyond the date of this presentation. There can be no assurance that a strategy will continue to hold the same position in companies described herein.