CORONATION

CORE EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2024

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)	1,509.0%	1,109.8%	399.2%
Since Inception p.a.	14.8%	13.2%	1.6%
Latest 20 years p.a.	14.9%	13.3%	1.6%
Latest 15 years p.a.	12.8%	11.7%	1.1%
Latest 10 years p.a.	6.8%	6.5%	0.3%
Latest 5 years p.a.	7.9%	7.6%	0.3%
Latest 1 year	3.1%	2.9%	0.2%
Year to date	(1.8)%	(2.3)%	0.5%
Month	2.8%	2.9%	(0.1)%

TOP 10 HOLDINGS

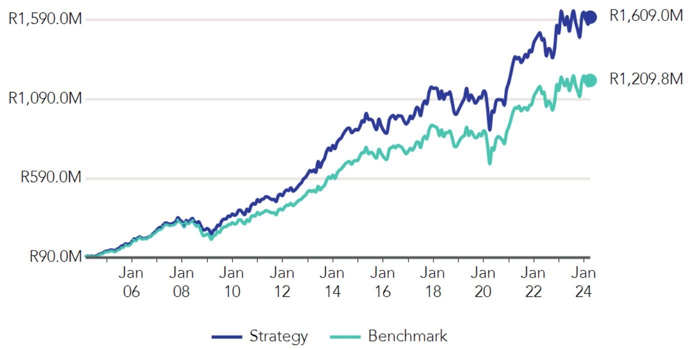
Holding	% Strategy
PROSUS	9.6%
STANDARD BANK GROUP LTD	6.9%
CIE FINANCIERE RICHEMO-A REG	6.7%
FIRSTRAND LIMITED	5.9%
BRITISH AMERICAN TOBACCO PLC	5.6%
NASPERS LIMITED	5.6%
ASPEN PHARMACARE HOLDINGS LTD	4.7%
NEDBANK GROUP LIMITED	4.4%
ANGLO AMERICAN PLC	4.3%
GLENCORE PLC	3.9%

GENERAL INFORMATION

Inception Date	01 March 2004
Strategy Size *	R7.89 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



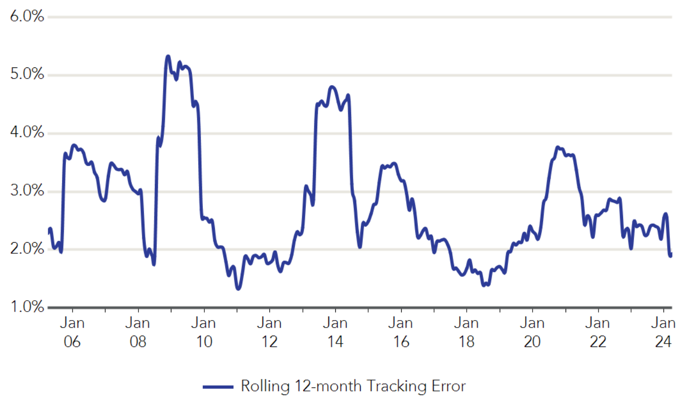
Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*FTSE/JSE Capped Shareholder Weighted Index from 01 April 2022. Previously FTSE/JSE Africa Shareholder Weighted Index, excluding real estate (inception to 30 November 2006) and FTSE/JSE Africa Shareholder Weighted Index (01 December 2006 to 31 March 2022).

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	16.0%	14.4%
Tracking Error	2.9%	
Information Ratio	0.6	
Annualised Standard Deviation	14.4%	14.6%
Maximum Drawdown	(30.1)%	(37.5)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy
Financials	23.1%
Consumer Services	22.1%
Basic Materials	21.7%
Technology	15.2%

Sector	% Strategy
Consumer Goods	9.3%
Health Care	4.7%
Telecommunications	3.3%
Interest Bearing	0.6%

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 performed well relative to the benchmark over the quarter and performance over more meaningful long-term periods remains compelling.

Markets continue to hit record highs despite interest rate cuts being pushed further out. The MSCI All Country World Index returned 8% for Q1-24 after rising 22% (in USD) in 2023. US growth has remained resilient thus far, shrugging off concerns that rapid rate rises would induce a recession. Despite elevated market levels, there remains a big value dispersion, both regionally and even within markets. The 10 largest US stocks now comprise more than a third of the S&P 500 Index's total market capitalisation.

China is struggling to restore growth to its prior pace in the face of high debt levels, a weak property market, and a demographic headwind. Notwithstanding the risks of investing in China, we believe the exposure in the portfolio is warranted, given the very low prices at which many high-quality businesses trade.

Geopolitical tensions remain heightened with the ongoing Russian shelling of Ukraine, a tenuous US-China relationship, and the risk of broader Middle East contagion. Half of the world's population goes to the polls in 2024 (including SA during Q2 and the US later in the year). The US outcome could have major ramifications for its allies. Nations such as Australia and Germany are already increasing their military spending. Against this backdrop, we have seen rising prices for a traditional safe haven like gold (+8%) and oil (+14%, both for the quarter in USD).

The South African economic outlook remains constrained. The state of infrastructure continues to slide after decades of underinvestment and mismanagement. Growing water shortages warn of a pending crisis. The poor performance of port and rail assets is further undermining the competitiveness of important export sectors like mining. In short, the much-anticipated relief from lower levels of loadshedding in 2024 has been overshadowed by ongoing decay elsewhere. Elections in May 2024 bring further uncertainty as to the extent of support for the ruling party and what a potential coalition government could look like. Our base case remains a low-growth environment with ongoing infrastructure challenges.

The local market has been weak, with the FTSE/JSE Capped Shareholder Weighted Index returning -2% for the quarter and +3% for the year. Strategy holdings include global stocks listed on the JSE (with their high offshore exposure) and selected resources and domestic stocks. Domestic stocks offer good opportunities for stock picking, but avoiding value traps is critical. The gap between winning and losing domestic businesses is widening. Winning businesses are investing in their franchises and can grow their top lines above costs. We have a strong preference for the winners and believe that perceived value in many of the weaker, low PE (price-to-earnings) businesses will prove to be illusory. This has been extremely stark in a sector like food retail.

Investor concerns about the SA outlook were reflected in the weak performance of the financial sector with its heavy domestic exposure. The Financials index declined -8% for the quarter (still +12% over 12 months) as banks and insurers came under pressure. For the banks, low economic growth is subduing advances growth across both the corporate and retail sectors while credit losses remain elevated. We believe the winning banks merit a position within the portfolio as their ability to grow real earnings over the medium term should deliver good returns. The Strategy's exposure is in Standard Bank, FirstRand and Nedbank.

The resource sector declined -2% for the quarter (and is down -9% over 12 months). The Strategy holds an underweight position in resources, given early profit-taking across most of the sector (especially diversified and PGM miners). Performances within the sector varied widely, with the gold companies meaningfully outperforming PGM shares, diversified miners, and Sasol. The gold price has strengthened in the face of heightened geopolitical uncertainty and ongoing polarisation. Gold equities rose to reflect the higher gold spot prices and current gold equity valuations offer insufficient margin of safety. The Strategy's underweight position detracted from performance.

The Industrials Index rose +1% for the quarter (+3% over 12 months). The Strategy's core holdings include many of the global stocks listed in SA: Naspers, Richemont, Aspen, Bidcorp, British American Tobacco, and Anheuser-Busch InBev. We saw a step change in the number of domestic businesses delivering disappointing earnings as weaker revenue growth and ongoing brutal cost pressures eroded operating profits. We continue to reassess our domestic holdings and cull those that are not well-positioned to withstand the challenging domestic environment. Dis-Chem should continue to grow strongly, fuelled by store rollout and share gains from independents. Following the unbundling of We Buy Cars (WBC) from Transaction Capital, the Strategy has direct exposure to a strong franchise with good medium-term growth prospects. WBC offers customers convenience, a trusted partner in buying/selling their vehicle, and fair prices. This should enable it to continue gaining market share from the fragmented independent dealers in the used car market.

We are optimistic about future returns, given the attractive stock-picking opportunities available in our local equity market. Careful stock picking is critical to avoid value traps.