GLOBAL EMERGING MARKETS EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2026

CORONATION
TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Global Emerging Markets Equity Strategy provides access to what we consider to be the best investment opportunities in Global Emerging Markets. It aims to deliver capital growth through a focused equity portfolio of securities of companies based in emerging markets or that derive a significant portion of their business from emerging economies. The objective is to outperform the MSCI Emerging Markets Index over 5 years and longer periods.

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 and their expected Internal Rate of Return (IRR). 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)	143.9%	109.5%	34.4%
Since Inception p.a.	5.2%	4.3%	0.9%
Latest 15 years p.a.	3.5%	3.8%	-0.3%
Latest 10 years p.a.	5.4%	7.8%	-2.4%
Latest 5 years p.a.	-3.6%	3.7%	-7.3%
Latest 3 years p.a.	8.7%	14.8%	-6.1%
Latest 1 year	11.0%	29.6%	-18.6%
Latest 3 months	-12.4%	-0.2%	-12.2%
Month	-11.1%	-13.1%	1.9%

For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance.
Active return calculated as strategy return less benchmark return. Figures may differ due to rounding.

SECTOR EXPOSURE

Sector	% Strategy
Consumer Discretionary	37.4%
Financials	22.8%
Information Technology	15.3%
Industrials	11.9%
Communication Services	7.3%
Energy	4.0%
Consumer Staples	1.0%
Cash	0.3%

GENERAL INFORMATION

Inception Date	14 July 2008
Strategy Size *	$3.56 billion
Strategy Status	Open
Mandate Benchmark	MSCI Emerging Markets Total Return (net) Index (Bloomberg ticker: NDUEEGF)
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

$285.0M
$235.0M
$185.0M
$135.0M
$85.0M
$35.0M

Jan 10, Jan 12, Jan 14, Jan 16, Jan 18, Jan 20, Jan 22, Jan 24, Jan 26

$243.9M
$209.5M

Strategy — Benchmark

Benchmark: MSCI Emerging Markets Total Return (net) Index (Bloomberg ticker: NDUEEGF)

The performance shown is gross of fees.

TOP 10 HOLDINGS

Holding	% Strategy
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	9.4%
MERCADOLIBRE INC (BRA)	5.9%
SEA LTD-ADR (SGP)	5.7%
NU HOLDINGS LTD (BRA)	5.6%
CONTEMPORARY AMPEREX TECHN-A (CHN)	4.6%
COUPANG INC (KOR)	4.5%
AIA GROUP LTD (HKG)	4.2%
PROSUS NV (CHN)	4.1%
PETRO RIO SA (BRA)	4.0%
JD.COM INC - CL A (CHN)	3.7%

GEOGRAPHIC EXPOSURE

Country	% Strategy	Country	% Strategy
China	20.6%	Netherlands	1.4%
Brazil	17.1%	Germany	1.4%
Taiwan	10.2%	Kazakhstan	1.4%
South Korea	10.0%	Turkey	1.0%
Singapore	8.4%	Spain	1.0%
India	7.5%	Peru	0.7%
Indonesia	4.5%	Georgia	0.6%
Hong Kong	4.2%	Poland	0.5%
Italy	3.2%	Cash	0.3%
South Africa	3.0%		
France	3.0%		

PORTFOLIO MANAGERS

Gavin Joubert - BBusSc, CFA

Gavin is Coronation's Head of Global Emerging Markets and a portfolio manager at Coronation. He manages the Global Emerging Markets Equity Strategy, the International Core Equity Strategy and the Global Optimum Growth Unit Trust. Gavin joined Coronation in 1999 and has more than 27 years' investment experience.

Suhail Suleman - BBusSc, CFA

Suhail is a portfolio manager in the Global Emerging Markets team at Coronation. He manages the Coronation Emerging Markets Diversified Equity Strategy and is co-manager of the Global Emerging Markets Equity Strategy. Suhail joined Coronation in 2007 and has 24 years' investment experience.

Iakovos Mekios - Ptychion (BSc), MIA, IMC, CFA

Iakovos is Joint-Head of Global Emerging Markets Research. He is the lead portfolio manager on the Emerging Markets Ex-China Strategy and co-manages the Global Emerging Markets Strategy. He joined Coronation in 2013 and has 12 years' investment experience.

FUND MANAGER

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REGULATORY DISCLOSURE AND DISCLAIMER

REVIEW FOR THE QUARTER

The Coronation Global Emerging Markets Strategy (the Strategy) had a weak first quarter of 2026 (Q1-26), returning -12.4% for the period compared to the -0.2% return of the benchmark MSCI Emerging Markets (Net) Total Return Index. The cycle of underperformance that started in the fourth quarter of 2025 has continued into 2026, driven largely by the same underlying factors. We understand that this is a difficult period for our investors, but we are also very positive on the underlying fundamentals of the companies held in the Strategy – at the time of writing, the Strategy shows upside to fair value (FV) in excess of 100%, with a projected 5-year internal rate of return (IRR) of 25%. These figures sit at the very high end of their historical ranges, and there has generally been a strong relationship between high upside/IRR and subsequent returns and alpha, as well as significant outperformance following periods of poor relative underperformance.

The biggest contributor to the Strategy's return in the quarter was the long-held position in PRIO, a Brazilian oil company. This stock rerated during January and February as its Wahoo asset was nearing its first oil milestone and then was a direct beneficiary of the spike in oil prices that occurred when the conflict in the Middle East started to escalate. PRIO returned 66% in the quarter and contributed +1.1% to relative return.

The second largest contributor was Chinese battery maker CATL, up 11% for +0.4% alpha contribution. The intensifying conflict and subsequent disruption to energy markets have reinforced the value that battery storage can provide to those countries investing in solar and other renewable electricity sources, as well as for BEVs (battery electric vehicles).

Other material positive contributors were Kia Motors, BIM (the food retailer in Turkey), and ASML (the global leader in lithography machines used for making high-end chips). Each contributed around 0.3% to the Strategy's relative performance.

In our previous commentary for the quarter to end-December 2025, we highlighted how businesses perceived to be threatened by Artificial Intelligence (AI) had been sold off heavily by the market. This has largely continued into 2026, and most of the Strategy's largest detractors during the first quarter sit firmly within this category. The biggest detractor was SEA Limited (SEA), which contributed -2.4% in relative performance. This was followed by material share price declines in MakeMyTrip (-1.4% relative impact) and Tencent Music (-1.1% relative impact). Other notable detractors included Delivery Hero (-0.9%), Trip.com (-0.7%), and MercadoLibre (MELI, -0.7%). The Strategy's relative underperformance, therefore, was the result of the collective contribution of a number of individual holdings rather than a few very big negative detractors.

As alluded to above, the common theme amongst the Strategy's detractors was that they are all perceived to be 'AI losers' and here the sell-off has largely been indiscriminate, without much regard for the actual businesses, the strength of their management teams, the barriers in different industries and specific companies, or what these companies are doing from an AI perspective. In our view, a number of these holdings could actually be 'AI winners', the exact opposite of the market's current view, as we explore below.

The Strategy's holdings that are perceived to be at risk from AI fall broadly into three categories. The first of these is ecommerce, the second is online travel, and the third is music streaming. Online food delivery does on occasion get raised as another industry that could be disrupted in some way. In our view, the risk here is low due to the significant operational complexity of these businesses; which is even more so the case in emerging markets (EMs). We address ecommerce and online travel below; given music streaming is a smaller exposure at 1% of the portfolio, we focus our commentary on the two more material categories.

In general terms, the ecommerce companies (MELI, SEA [Shopee division], and Coupang, which together make up 15% of the Strategy) in particular are well placed to defend against and take advantage of AI, in our view. There are numerous reasons for this: they own crucial proprietary data (that cannot be accessed by AI); are dominant operators in their respective countries, with the most customer and merchant data as well as the strongest brands; generally offer the widest product range at the lowest prices; operate with the lowest cost bases and complicated logistics, integrated payments and returns infrastructure; and, very importantly, remain founder-led with entrepreneurial and technology-savvy management teams. We also view these three companies as amongst the best businesses in EMs, operating in countries where ecommerce penetration is still low, certainly in the case of MELI (Latin America) and SEA (Southeast Asia).

Ecommerce

The 'bear' case for ecommerce businesses in a world of AI is that Agentic AI will disintermediate the ecommerce platforms from the customer. In this hypothetical world, a consumer will tell ChatGPT (or equivalent) what they want to buy, and the AI agent will go out and buy the product for the user. Since the consumer never ends up on the website of the ecommerce operator, it can no longer earn any high-margin advertising revenue (why would anyone pay for advertising on an ecommerce platform without any user traffic?).

While this is a real risk, it is far more material for Amazon than for the two largest ecommerce holdings in the Strategy – SEA and MELI. Figure 1 below shows how important advertising revenue is for the three companies mentioned.

Figure 1

ADVERTISING REVENUE AS A PERCENTAGE OF GROSS MERCHANDISE VALUE
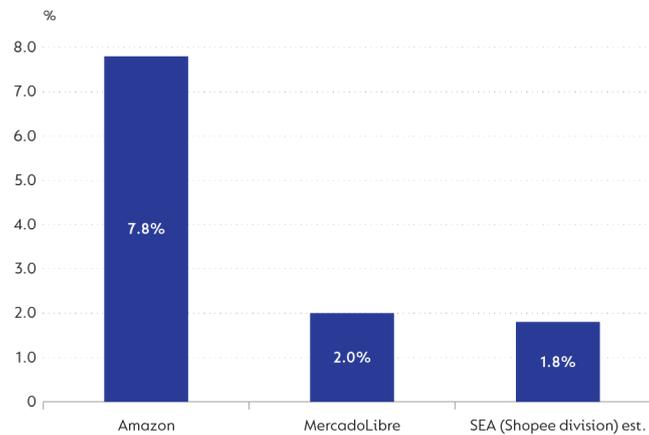
Source: Company results reports, analyst estimates

It is safe to conclude that MELI and SEA are far less exposed to a collapse in advertising revenues than global leader Amazon. Naturally, we cannot own Amazon in an EM fund. Rather, we make this point to illustrate that not all companies (ecommerce in this case) are equal, and furthermore that there are a lot of differences between companies in EMs and those in developed markets. Furthermore, if the goal of agentic AI is to get the best product to the consumer at the best price and in the most efficient manner, then it stands to reason that ecommerce platforms that have invested heavily in having the widest assortment of products at the best price and offering flexible delivery options will probably see more traffic coming their way rather than less. This is especially the case in EMs where the offline retail competition is fragmented, weak, and expensive. MELI does not face a single credible offline competitor in Brazil in the way that Amazon faces Walmart and others in the US. Similarly, in Indonesia (SEA's largest market), the offline competition is weak, and the logistical difficulties of delivering in a 17 000-island archipelago are a huge barrier to entry. On a related point, the natural loser of Agentic AI generally successfully breaking into the online market (whether that be in ecommerce, online travel, online food delivery or other verticals), in our view, would arguably be Alphabet (and other search engines), given its dominance in directing online traffic today.

We are not seeing any evidence of a slowdown in gross merchandise value (GMV) growth for MELI and SEA so far, yet their share prices have declined significantly as they have announced continued investments into improving their offerings to customers.

Figure 2

MELI AND SEA LIMITED (SHOPEE DIVISION) GROSS MERCHANDISE VALUE (GMV) AND % CHANGE YOY
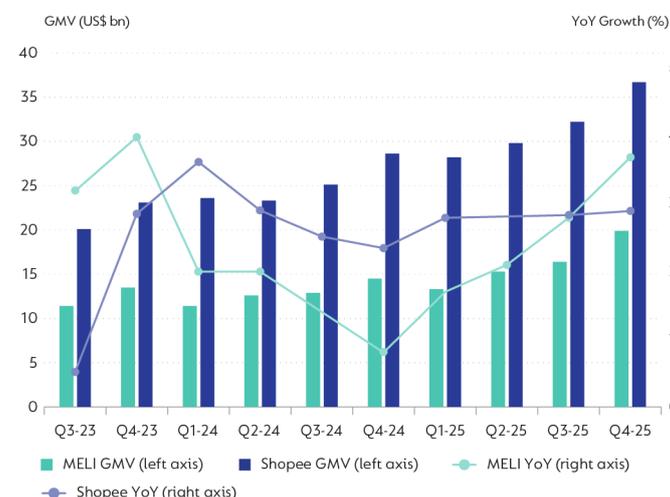
Source: Company results reports

Further underlining the investment case for MELI and SEA is their respective fintech businesses that offer a range of financial services that could be worth almost as much as their ecommerce businesses on long-term normalised assumptions, and these are very hard to disrupt due to the direct relationship these firms have with their customers and suppliers who sell on their platform(s) as well as regulatory constraints such as banking/financial services licences, which both MELI and SEA have.

Online travel

Online travel agencies (OTAs) is the second area that has been sold off. Here, the bear case is that there is no real value-add provided by an OTA – the flight you buy is ultimately a seat on an airline, which could be bought directly, while the hotel room you reserve could easily be booked directly. In our view, there is more complexity involved in OTA transactions, with payments, fraud prevention, and live customer support all being high-friction areas; in EMs, the industry is even further complicated. More than 90% of hotel rooms in India (as an example) are unbranded/non-chain hotels. Most are single-site hotels. There is no website, no verifiable photographs, and certainly no recourse if you book at one of these hotels directly and then find out when you arrive that the accommodation's quality is poor or your room has been given to someone else who was willing to pay the higher walk-in rate. OTAs like MakeMyTrip play a powerful role here – they bring these small-scale hotels online, they provide consumers with real comfort on what they are going to get if they book a room and, in the event of things not going according to plan, the OTA will step in and ensure that the hotel that has misbehaved is penalised and the consumer is housed somewhere else so they are not stranded away from home. There is real value-add provided by the OTA, even if the barriers to entry may not be as strong as in ecommerce. In total, and from a risk perspective, we have limited the Strategy's OTA exposure to 5%, broadly equally split between India (two holdings, 2.5% in total) and China (one holding, 2.5% position).

Figure 3

HOTEL ROOM MIX BY COUNTRY, 2025, ESTIMATES BASED ON VARIOUS INDUSTRY RESEARCH REPORTS

Country	Chain	Independent
USA	73%	27%
UK	40-45%	55-60%
China	55%	45%
India	5-10%	90-95%

Source: Coronation estimates

Portfolio activity

There were three new buys in the Strategy in the quarter, albeit none greater than a 1% position size: Credicorp (Peru), BTG Pactual (Brazil), and Baidu (China). The Strategy sold out of several stocks as the high conviction names were added to. Stocks sold include Stone (Brazil), Bajaj Finance, Mahindra & Mahindra, and Swiggy (India), and Meituan and New Oriental Education (China), as well as Kia and Kiwoom (South Korea). The South Korean holdings were sold after very sharp share price appreciation, having benefited from the South Korean market's strong performance (up 16.5% YTD).

We have used the proceeds from these sales, as well as trims in the likes of SK Hynix and ASML, which appreciated strongly, to increase the position sizes of some of our higher conviction names. In Korea, we added to Coupang as we gained comfort that the data breach reported last quarter was unlikely to have a lasting impact on its operations. Coupang is now a 4.5% position in the Strategy. Tencent continues to execute operationally, but its share price continues to languish. We thus increased our Prosus/Naspers exposure by over 2% to a combined 7.1% of Strategy at quarter end. We also added materially to SEA, Grab (Southeast Asia mobility and food delivery), and Nu Holdings (Brazil/Latin American banking).
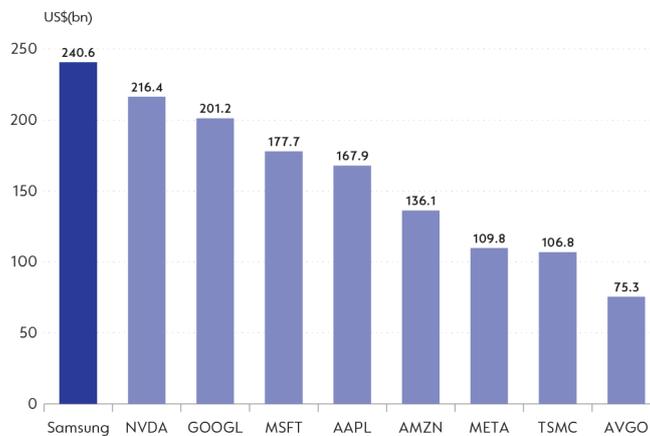
The AI supply chain

Over the past 3-6 months, Taiwan and South Korea have been the two standout performers in EMs, led by the AI supply chain companies. For the past several months, we have had around 15%-17% of Strategy invested in the AI supply chain, through holdings in TSMC, SK Hynix, Samsung (preference shares), ASML, and Wiwynn (Taiwan). All the AI supply chain index constituents represent a weight of around 25%-27% in the index. Note that this is a custom basket that we have built, consisting of 73 stocks in the index, but effectively dominated by three: TSMC, Samsung and SK Hynix which together account for 22%-24% of this basket. So the fact that we were 'underweight' had a negative impact of approximately -2% over the quarter and -4% over the past 1-year period. This group of companies took off as the US hyperscalers (Amazon, Alphabet, Meta, Microsoft, Oracle) announced ever-increasing AI capex late last

year and into 2026. The hyperscalers, in turn, have seen share price declines as investors question the return that will be generated on this capex. In our view, the capex binge cannot continue at this pace indefinitely: it may be shareholder pressure that results in a slowdown, it may be the conflict in the Middle East, it could be an economic slowdown in the US, it could be social (environmental issues and/or job losses or political pressure). It is precisely these ever-increasing hyperscaler capex numbers that have resulted in the significant share price appreciation of the Taiwan and Korean AI supply chain. In many cases, a number of these stocks are now expensive, and at a minimum, offer no margin of safety. As just one example, Samsung (ordinary shares) trades on around 6.5x this year's earnings on consensus: this is due to a surge in memory prices. Memory still remains a very cyclical business, in our view, and using what we consider to be more normalised memory prices, Samsung trades on 17.5x these normal earnings. Looked at another way, Samsung trades on 32x last year's (2025) earnings and using earnings expectations for 2027, Samsung could earn the highest profits of any company in the world next year.

Figure 4

2027E OPERATING PROFIT

Source: Morgan Stanley estimates

As a result of the above, we are cautious on the AI supply chain and continue to reduce exposure to this part of the market. The last 3-6 months have been one big AI trade, in our view: long and adding to the AI winners with strong momentum (i.e., the AI supply chain, dominated by semiconductors), and near indiscriminate selling/shorting of the perceived 'AI losers'. All the funds flowing into the AI supply chain stocks have effectively drained oxygen out of the rest of the market. The latter (wholesale selling of perceived 'AI losers') has had a far greater impact on relative performance than the impact of being underweight the AI supply chain (as detailed above). This is because we held a meaningful absolute (albeit 'underweight') TSMC position during the past year (9% during the quarter and 7% for the year) and were actually 'overweight' SK Hynix (3% absolute position over the past year), on a clean-slate bottom-up basis (though, this was more than offset by being 'underweight' Samsung). In aggregate, memory (Samsung + SK Hynix) had slightly less than a -1% relative performance impact YTD and a -1.4% relative impact over the past 1-year period. The substantial negative impact on relative performance has therefore come far more from the significant sell-off in the perceived 'AI losers', which (as detailed above) is unjustified in many cases in our view, and is where we believe the big mispricing in the EM universe sits today. In our view, given the current respective valuations of these two categories (the AI supply chain vs the perceived AI losers), there is likely to be a reversal of this at some point. Importantly, our FVs for most of the perceived 'AI losers' have not materially changed over the past 3-6 months. After a significant (and ongoing) research effort, we don't believe these businesses have been permanently impaired, and as a result, our upside to FV in the Strategy now sits close to an all-time high, at just over 100%.