

## WHAT IS THE FUND'S OBJECTIVE?

The fund aims to maximise long-term growth from investing in the financial services industry. It seeks to outperform an index of financial companies listed on the Johannesburg Stock Exchange (the JSE Financial Index) over the longer term.

## WHAT DOES THE FUND INVEST IN?

The Financial Fund primarily invests in the shares of companies listed on the Johannesburg Stock Exchange but can also invest in international equities.

The fund will remain fully invested in listed companies that earn a significant portion of their earnings from financial services. These include banks, insurance companies and related businesses.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

### Risk Profile



### Maximum growth/ minimum income exposures



The fund's managers actively seek out attractively valued financial companies that could offer strong long-term investment growth.

Shares are selected following rigorous research into the long-term potential of a company, and whether it is currently attractively valued relative to its sector.

Shares can be volatile investments and there is a meaningful risk of capital loss over the short term. However, given its focus on investing only in attractively valued shares that could offer long-term growth, the fund may preserve capital better than its benchmark over the long run.

The fund is concentrated and only invests in one sector of the market, making it riskier than a general equity fund.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of five years or more is therefore ideal.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- ▶ want to diversify their investments to include specific exposure to banks, insurers and related businesses;
- ▶ believe that the financial sector offers compelling value;
- ▶ accept that the fund may underperform the broader market significantly in the short term as a result of its sector focus;
- ▶ seek to hold the Financial Fund as one of multiple funds in their investment portfolio.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?



**NEILL  
YOUNG**  
BBusSc (Hons Fin), CA  
(SA), CFA



**GODWILL  
CHAHWAHWA**  
BCompt, CA (SA)  
CFA

## GENERAL FUND INFORMATION

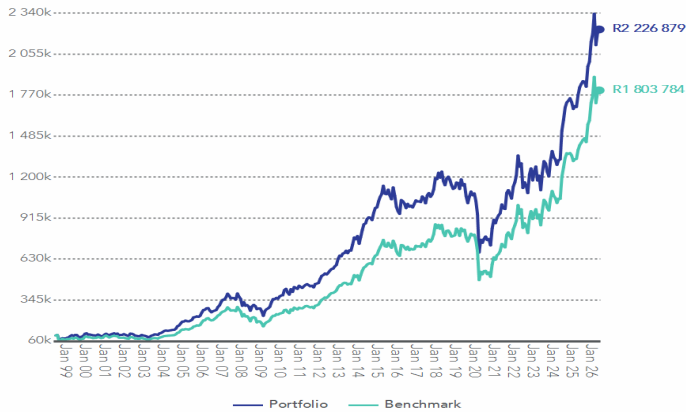
Launch Date	1 July 1998
Fund Class	A
Benchmark	FTSE/JSE Financials ex Real estate Index
ASISA Fund Category	South African – Equity – Financial
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORFING
ISIN Code	ZAE000019766
JSE Code	CNFG

CLASS A as at 31 May 2026

ASISA Fund Category	South African - Equity - Financial
Launch date	01 July 1998
Fund size	R467.90 million
NAV	9034.29 cents
Benchmark	FTSE/JSE Financials (ex Real estate) Index
Portfolio manager/s	Neill Young and Godwill Chahwahwa

## PERFORMANCE AND RISK STATISTICS

## GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	2126.9%	1703.8%	23.5%
Since Launch (annualised)	11.8%	10.9%	0.8%
Latest 20 years (annualised)	11.1%	11.4%	(0.3)%
Latest 15 years (annualised)	11.1%	12.6%	(1.4)%
Latest 10 years (annualised)	8.2%	9.7%	(1.6)%
Latest 5 years (annualised)	17.1%	19.6%	(2.5)%
Latest 3 years (annualised)	26.1%	27.7%	(1.6)%
Latest 1 year	22.0%	26.8%	(4.8)%
Year to date	4.0%	5.0%	(1.0)%

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	19.5%	20.7%
Sharpe Ratio	0.18	0.13
Maximum Gain	53.6%	80.4%
Maximum Drawdown	(45.4)%	(45.3)%
Positive Months	60.0%	60.6%

	Fund	Date Range
Highest annual return	63.0%	Aug 2004 - Jul 2005
Lowest annual return	(39.5)%	Apr 2019 - Mar 2020

## MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2026	2.7%	6.3%	(9.4)%	3.9%	1.2%								4.0%
Fund 2025	(2.8)%	1.2%	(0.4)%	4.9%	3.1%	1.3%	1.0%	(0.2)%	(1.9)%	7.7%	1.6%	6.9%	24.3%
Fund 2024	(3.2)%	(1.0)%	(2.9)%	2.5%	0.5%	14.9%	4.9%	5.5%	2.1%	0.7%	1.0%	(1.6)%	24.6%
Fund 2023	5.6%	2.5%	(7.6)%	2.9%	(8.4)%	10.8%	6.7%	(1.2)%	(4.5)%	(2.5)%	9.2%	5.0%	17.3%
Fund 2022	2.7%	4.1%	11.4%	(5.8)%	1.9%	(13.2)%	3.6%	(2.0)%	(4.6)%	11.8%	3.5%	(6.6)%	3.9%

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.47%	1.47%
Fund expenses	1.23%	1.23%
VAT	0.05%	0.05%
Transaction costs (inc. VAT)	0.18%	0.18%
Total Investment Charge	0.13%	0.14%
	1.59%	1.61%

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2026
<b>Domestic Assets</b>	<b>97.9%</b>
Equities	97.7%
Consumer Goods	1.1%
Financials	95.9%
Technology	0.6%
Cash	0.3%
<b>International Assets</b>	<b>2.1%</b>
Equities	2.1%
Cash	0.0%

## TOP 10 HOLDINGS

As at 31 Mar 2026	% of Fund
Firstrand Bank Ltd	20.3%
Standard Bank Group Ltd	18.4%
Capitec Bank Holdings Ltd	15.4%
Absa Group Ltd	8.6%
Sanlam Life	8.0%
Discovery Ltd	7.2%
Reinet Investments Sca	3.7%
Outsurance Group Ltd	3.6%
Psg Group Ltd	3.1%
Quilter	2.7%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2026	01 Apr 2026	77.94	77.10	0.84
30 Sept 2025	01 Oct 2025	224.99	224.23	0.76
31 Mar 2025	01 Apr 2025	30.94	30.42	0.52
30 Sept 2024	01 Oct 2024	161.68	160.13	1.54

**Please note that the commentary is for the retail class of the Fund.**

## Performance

The Fund returned -1.1% for the quarter against a benchmark return of -0.2%. Returns over the past 12 months are up strongly at 25.5%, although this has lagged the benchmark. Since inception, the Fund has generated an 11.6% annualised return, roughly 85bps p.a. ahead of the benchmark.

The first quarter of 2026 (Q1-26) was marked by a dramatic shift in global market sentiment, driven by an escalation in conflict in the Middle East, and the subsequent closure of the Strait of Hormuz in early March. What had been a constructive start to the year – with equity markets broadly positive in January and February – gave way to a sharp risk-off move as the geopolitical and economic consequences of the conflict became apparent.

The closure of the Strait of Hormuz, through which roughly 20% of global oil supply flows, pushed Brent crude past \$100 per barrel for the first time since 2022. The oil shock revived fears of persistent inflation, forcing central banks across the developed world to temper expectations for rate cuts.

The MSCI All Country World Index ended the quarter down 3.2%, with the sell-off concentrated in March. The S&P 500 fell 4.3%, its worst start to a year since 2022, dragged lower by large-cap technology stocks, which bore the brunt of a rotation away from momentum and growth. International developed markets outperformed the US for a second consecutive quarter, although March proved challenging for all regions. The MSCI Emerging Markets Index was marginally negative (-0.2%) for the quarter, with strength in Latin America (supported by higher energy prices) offsetting weakness in Asia and EMEA.

Domestically, the South African equity market followed the global trajectory. After reaching a record high in February, the Capped ALSI fell sharply in March, ending the quarter marginally down. The breadth of domestic returns narrowed considerably, with precious metals miners – which had been strong contributors in 2025 – giving back gains as gold and PGM prices retreated. The financial sector ended the quarter roughly flat after experiencing a strong rerating in the first two months. Banks (+0.7%) once again led both life insurers (-3.1%) and non-life insurers (-3.5%), while other financials were marginally positive.

Contributors to performance relative to benchmark include overweight positions in Discovery and Standard Bank, as well as underweight positions in Old Mutual and Momentum Metropolitan Holdings (the Fund has no exposure to either of these stocks). Detractors from performance were overweight positions in WeBuyCars, St. James's Place Plc and Sanlam, as well as an underweight position in Remgro (where the Fund also has no exposure).

## Portfolio actions and fund positioning

Four of the big five banks and all the insurers reported December results during the quarter. All the banks except for Nedbank reported headline earnings per share growth in the low double digits. Advances growth continues to be driven by corporate lending, with a retail cycle still elusive. Lower interest rates placed pressure on net interest income, but non-interest revenue grew faster, aided by strong performances from the global markets businesses. Operating expenses were reasonably well controlled, and credit losses improved. The banks' return on equity numbers (ROE) continue to improve and capital positions remain strong, supporting dividend payouts towards the top end of guided ranges.

Insurers delivered solid operational results, aided by improved mortality profits and the continuation of a strong short-term underwriting cycle, but the impact of lower interest rates is evident in lower sales of high-margin guaranteed annuities,

negatively impacting on the value of new business. In addition, movement in the long end of the yield curve has had a negative impact on capital positions and solvency ratios. Discovery is the exception to this, although it is increasingly misleading to categorise this business as a life insurer. The company delivered strong earnings growth from both its South African and international businesses. Particularly encouraging is the continued evidence of strong execution at Discovery Bank. Cash generation and ROE continued to improve, and capital positions remain robust across the group.

During the quarter, we increased the Fund's exposure to Absa, Sanlam, FirstRand and OUTsurance, while we reduced exposure to Investec and Nedbank.

Standard Bank is the Fund's second largest holding. In 2021, the group set out detailed financial targets for 2025 that were comfortably met or surpassed in its recently published results. The 2020 financial year was heavily distorted by Covid, so it is preferable to work off a "clean" 2019 base. In the last six years, the group has grown earnings per share at a respectable 9% compound annual growth rate, while the group's ROE has risen from 16.8% to 19.3%. A large contributor to this performance is its Africa Regions footprint – i.e., its presence in 20 countries outside of South Africa. This franchise has been built up steadily over many years and today accounts for c. 40% of group earnings. Over the same six-year period, the Africa Regions business has more than doubled earnings (in rands), with no single country contributing more than 11% to the total. This footprint is particularly beneficial to its Global Markets business in the group's CIB division, which now generates revenues twice those of its South African peers. Standard Bank's significant presence on the rest of the continent exposes it to higher expected rates of economic growth and the ability to participate in significant infrastructure spend as well as growth in trade and capital flows that are expected to shift as African countries forge closer ties with Asia and the Middle East. The group's relationship with China's ICBC bank should provide additional support for this theme. While traditional banks face increasing competition from new entrants, particularly in retail and SME banking, we believe that Standard Bank's formidable Africa Regions franchise sets it apart from its peers. The group recently updated its targets to 2028. It set out in some detail how it aims to compound earnings at 8-12% p.a. and generate ROEs of 18-22%. These targets look eminently achievable to us – assuming the conflict in the Middle East is not a long and protracted one, we would expect the top end of the targets to be the more likely outcome. The share has re-rated thanks to its strong operational execution, but we remain owners of the business given its structurally differentiated growth outlook.

## Outlook

The conflict in the Middle East has the potential to derail what was starting to look like a more stable macro picture in South Africa. As a net importer of oil, the economy is directly exposed to higher energy costs, which will feed through to a consumer that has shown little response thus far to rate cuts, and to a corporate sector where business confidence remains low and capital investment constrained. If the conflict is resolved relatively swiftly, the inflationary impact is likely to be short-lived, but if it is drawn out, the consequences will be more severe.

The second scenario will impact on the growth that many of our banks and insurers are able to achieve, given that they are heavily exposed to the South African economy. We continue to focus the Fund's exposure towards higher quality businesses that should be better able to navigate volatile and unpredictable economic circumstances. Where possible, we also look to achieve diversification across geographies to gain exposure to stronger growth economies and mitigate single-country risk.

## Portfolio managers

**Neill Young and Godwill Chahwahwa**  
 as at 31 March 2026

#### IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION FINANCIAL FUND

The Financial Fund should be considered a long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation and top 10 holdings are reflected on a look-through basis. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) Ltd (FSP 548), an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund ([www.sc.com/za](http://www.sc.com/za); 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

#### HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

#### HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

#### WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio over the period referenced. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the underlying fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of the previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

#### ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

#### WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, [www.coronation.com](http://www.coronation.com)

#### IMPORTANT INFORMATION REGARDING TERMS OF USE

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