

## WHAT IS THE FUND'S OBJECTIVE?

Balanced Defensive is in the first instance managed to protect capital over any 12-month period. In addition, we aim to achieve reasonable investment growth over the long run.

It is specifically managed to suit very cautious investors who want to draw an income over an extended period of time.

## WHAT DOES THE FUND INVEST IN?

Balanced Defensive can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally.

The fund will typically hold a maximum of 50% of its investments in growth assets (shares and property). Shares usually offer the best growth, but this comes with the greatest risk of short-term losses. The fund's exposure to shares is therefore carefully balanced with more stable investments like bonds.

Exposure to foreign assets is limited to 45%. 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 is tactically managed to protect and grow capital, as well as secure an attractive income.

A large and experienced investment team actively seeks out the best potential opportunities for income and growth, while taking great care to consider the different risks within the fund.

Balanced Defensive is specifically managed to not lose money over any 12-month period, although it cannot guarantee protection against losses.

Our intent is that the fund should produce a return of at least CPI + 3% p.a. over the medium term.

The fund is diversified across a range of assets reflecting its cautious risk budget. This includes a selection of shares that we believe are attractively valued, as well as quality income assets.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer.

The fund's exposure to shares may result in short-term price fluctuations that make it unsuitable for investors who can only invest for short periods.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

- ▶ Pensioners and other investors requiring an income, especially those in the second half of retirement.
- ▶ Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- ▶ Cautious pre-retirement investors seeking a low-risk fund for their retirement annuity, provident fund, preservation fund or pension fund.
- ▶ Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.
- ▶ The fund is not appropriate for investors who want to build wealth over more than five years.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.15% (excl. VAT) is payable.

The annual management fee is accrued daily and paid monthly. Fund expenses incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund 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?



**CHARLES DE KOCK**  
BCom (Hons), MCom  
(Economics)



**PALLAVI AMBEKAR**  
CA (SA), CFA



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

## GENERAL FUND INFORMATION

Launch Date	1 February 2007
Fund Class	A
Benchmark	CPI + 3% p.a.
ASISA Fund Category	South African – Multi Asset – Low Equity
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CBALDFA
ISIN Code	ZAE000090627
JSE Code	COBA

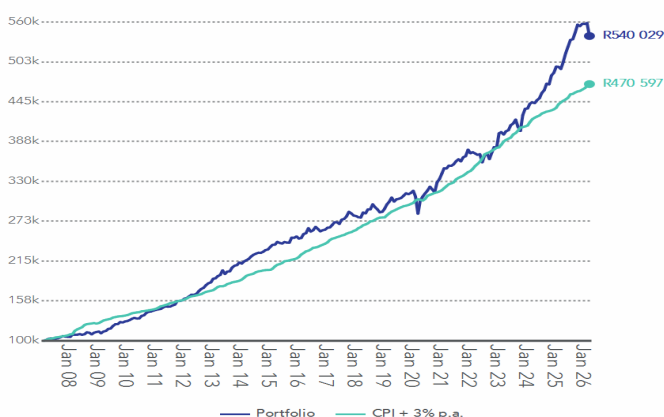
CLASS A as at 31 March 2026

ASISA Fund Category	South African - Multi Asset - Low Equity
Launch date	01 February 2007
Fund size	R34.30 billion
NAV	259.43 cents
Benchmark	CPI + 3% p.a.
Portfolio manager/s	Charles de Kock, Pallavi Ambekar and Neill Young

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.49%	1.50%
Fund expenses	0.18%	0.19%
VAT	0.17%	0.17%
Transaction costs (inc. VAT)	0.08%	0.08%
Total Investment Charge	1.57%	1.58%

## PERFORMANCE AND RISK STATISTICS

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



## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	CPI	Real Return
Since Launch (unannualised)	440.0%	175.5%	96.0%
Since Launch (annualised)	9.2%	5.5%	3.8%
Latest 15 years (annualised)	9.1%	4.9%	4.2%
Latest 10 years (annualised)	7.8%	4.6%	3.3%
Latest 5 years (annualised)	9.1%	4.8%	4.3%
Latest 3 years (annualised)	10.7%	3.7%	7.0%
Latest 1 year	9.7%	3.0%	6.7%
Year to date	(3.2)%	1.0%	(4.2)%

## RISK STATISTICS SINCE LAUNCH

	Fund	Peer Group Average
Annualised Deviation	5.3%	4.4%
Downside Deviation	4.3%	3.7%
Sharpe Ratio	0.41	0.25
Maximum Gain	21.2%	20.9%
Maximum Drawdown	(10.4)%	(8.1)%
Positive Months	73.8%	76.0%
	Fund	Date Range
Highest annual return	23.1%	Apr 2020 - Mar 2021
Lowest annual return	(5.8)%	Apr 2019 - Mar 2020

## MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2026	(0.1)%	0.2%	(3.3)%										(3.2)%
Fund 2025	1.8%	0.0%	(0.7)%	2.0%	2.5%	1.8%	1.9%	0.2%	1.8%	2.1%	(0.4)%	0.6%	14.5%
Fund 2024	0.1%	1.6%	0.5%	(0.3)%	1.0%	0.6%	1.7%	0.9%	2.0%	(0.2)%	2.7%	0.8%	12.0%
Fund 2023	5.5%	0.4%	(0.9)%	1.2%	0.4%	1.8%	0.6%	1.3%	(2.5)%	(1.4)%	5.7%	2.1%	14.9%
Fund 2022	(1.3)%	0.4%	(0.5)%	(0.5)%	0.2%	(3.2)%	2.9%	0.7%	(2.2)%	2.6%	2.1%	(0.3)%	0.8%
Fund 2021	2.4%	2.2%	0.0%	1.1%	(0.1)%	0.6%	1.3%	0.8%	(0.8)%	1.7%	0.4%	2.5%	12.7%
Fund 2020	1.0%	(2.7)%	(8.0)%	6.8%	1.8%	1.5%	1.3%	1.7%	(1.2)%	(1.3)%	4.5%	1.5%	6.4%
Fund 2019	1.6%	2.1%	1.3%	2.0%	(1.9)%	1.1%	0.2%	0.5%	1.0%	1.1%	(0.4)%	0.6%	9.5%

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2026
<b>Domestic Assets</b>	<b>64.8%</b>
■ Equities	16.6%
Basic Materials	2.8%
Industrials	0.0%
Consumer Goods	1.5%
Health Care	0.2%
Consumer Services	2.8%
Telecommunications	0.7%
Financials	5.9%
Technology	2.3%
Derivatives	0.4%
■ Real Estate	4.5%
■ Bonds	41.7%
■ Commodities	2.0%
■ Cash	0.1%
<b>International Assets</b>	<b>35.2%</b>
■ Equities	24.0%
■ Real Estate	1.3%
■ Bonds	6.5%
■ Cash	3.4%

## TOP 10 HOLDINGS

As at 31 Mar 2026	% of Fund
Prosus	1.2%
Naspers Limited	1.1%
Standard Bank Group Ltd	1.1%
Glencore Plc	1.0%
Hammerson Plc	1.0%
Richemont	1.0%
Tsmc	1.0%
Fortress Reit Ltd	1.0%
Firstrand Bank Ltd	0.8%
Equites Property Fund	0.8%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2026	01 Apr 2026	1.77	0.27	1.51
31 Dec 2025	02 Jan 2026	1.95	0.22	1.73
30 Sep 2025	01 Oct 2025	1.87	0.29	1.59
30 Jun 2025	01 Jul 2025	2.35	0.55	1.80

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

## Performance

The first quarter of 2026 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 for the quarter, with strength in Latin America (supported by higher energy prices) offsetting weakness in Asia and EMEA (Europe, Middle East and Africa).

The US dollar strengthened materially during the quarter as a preferred safe-haven asset, creating a headwind for gold. Gold, which reached an all-time high above \$5 400 per ounce in late January, subsequently pulled back sharply amid higher yields and a firmer dollar. By quarter-end, gold prices had fallen approximately 15% from their January peak, a somewhat counterintuitive outcome in a period of elevated geopolitical risk but consistent with the repricing of interest rate expectations and central bank selling by Russia and Turkey in particular.

Global bonds sold off as yields rose in response to higher oil prices and the changed inflation outlook. The FTSE World Government Bond Index declined 1% for the quarter.

Domestically, the South African equity market followed the global trajectory. After reaching a record high in February, the Capped All Share Index 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 (platinum group metals) prices retreated. Sasol surged, but Naspers/Prosus declined alongside the broader technology sell-off. Richemont was another notable decliner.

South African bonds weakened during the quarter, with the yield on the R2037 government bond rising to 9.5% by the end of March. The sell-off reflected a combination of global risk aversion and domestic concerns about the inflationary impact of higher oil prices on a net energy-importing economy. The SARB held the repo rate unchanged at 6.75% at both the January and March MPC meetings. Headline CPI declined to 3.0% in February – matching the new inflation target – but the central bank raised its 2026 inflation forecast to 3.7%, which dampens the case for further rate cuts.

The rand weakened approximately 6% against the US dollar during March, further compounding the inflationary pass-through from higher oil prices.

The Fund experienced a challenging quarter against this backdrop. However, over the past 12 months, the Fund has returned 9.7%, comfortably ahead of the target of CPI +3%. Returns are ahead of target over all time periods as well as since inception.

## Portfolio actions and fund positioning

Global equity exposure was the largest detractor from Fund returns for the quarter, with negative returns from the underlying building blocks more than offsetting any benefit from a weakening rand. The events of March boosted the share prices of materials, energy, and staples businesses, to which we have little to no global exposure. Much of the negative performance was a function of a broad sell-off across several industries to which we do have exposure that have been rather indiscriminately categorised as “AI losers”. This includes digital platforms, ecommerce companies, data owners, software businesses, and online travel agents. Advancements in AI have accelerated into 2026, and the technology has the potential to disrupt many business models. This requires us, more than ever, to remain humble in our views and to continually retest the investment thesis behind each of the businesses we own. However, we believe that the market has adopted a shoot-first-and-ask-questions-later

approach, and that there are compelling arguments that many companies in these segments are either resilient to AI disruption or will prove to be significant beneficiaries of the technology in time. As a result, we have taken advantage of the sell-off to add to some of what we consider to be winning businesses. This is done in the context of a well-diversified portfolio. At the same time, we have increased exposure to global equities, which now make up 24% of the Fund at quarter-end.

The put protection we hold over global equities provided some offset during the drawdown, and in March we added some short-dated protection at a price we considered reasonable given the highly unpredictable outlook for the months ahead. Currently, c. 30% of our developed market global equity exposure is covered by put options.

In addition, during the quarter, we sold short-dated global credit exposure and added to global property. At the end of March, global assets make up 35% of the portfolio.

Domestic assets also detracted from performance over the quarter, although the impact was far less significant. Equities, bonds, and property all delivered small negative contributions, somewhat offset by a positive contribution from the Fund’s holding in precious metals ETFs. During the quarter we added significantly to domestic government bonds, principally the R2037 as yields sold off from c. 8.1% at the lows to well above 9%. Despite signs of some stabilisation in SA macro conditions and a somewhat improved fiscal outlook, the situation remains finely balanced, and the effects of the intensifying conflict in the Middle East could derail much of this if it were to drag on. We continue to actively manage duration risk. Total domestic bond exposure sits at 42% at end-March, consisting of a combination of nominal and inflation-linked bonds.

We took advantage of price strength to reduce exposure to gold and platinum equities as well as ETFs during the quarter, in favour of other more attractively valued existing positions in the portfolio. We also made additions to domestic property in the sell-off.

## Outlook

The prospect of three more years of a Trump presidency strongly suggests three more years of heightened geopolitical unpredictability and market volatility. At the time of writing, a fragile ceasefire has been agreed, resulting in a broad risk-on market rally. But it is already showing signs of strain. We face uncertain months ahead and anticipate more volatility in response to short-term news flow. Times like these are undoubtedly uncomfortable, but present opportunities for long-term investors and asset allocators. In the previous sell-offs (Covid in 2020, rate hikes in 2022, and Liberation Day tariffs in 2025) we were particularly active in the portfolio, capitalising to good effect on opportunities where valuation was compelling and our conviction high. We have been similarly active in the current period and would expect our actions to benefit investors in the fullness of time. We are at the same time mindful of the importance of achieving target returns while protecting capital which we seek to achieve through portfolio diversification across asset classes and instruments as well as the use of additional tools at our disposal, such as put protection.

The Fund has generated returns over recent periods well in excess of its target of CPI +3%, benefiting from strong asset markets generally. We would caution investors not to anticipate the same extent of outperformance in future periods. However, we remain confident in the prospects of the Fund and its ability to achieve targeted returns over the medium to long term.

## Portfolio managers

**Pallavi Ambekar, Charles de Kock and Neill Young**  
as at 31 March 2026

**IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION BALANCED DEFENSIVE FUND**

The Balanced Defensive Fund should be considered a medium- to 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 up to 45% of its portfolio 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. Any African exposure (ex SA) is reflected under international assets. 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. The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category).

**BENCHMARK DETAILS**

The benchmark used for performance purposes is CPI + 3%.

**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)

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