

WHAT IS THE FUND'S OBJECTIVE?

Active Income Plus aims to provide investors with a higher total return than traditional short duration income funds over the medium term.

WHAT DOES THE FUND INVEST IN?

Active Income Plus Fund can invest in a wide variety of yielding assets, such as cash, government and corporate bonds, inflation-linked bonds and listed property, both in South Africa and internationally.

The fund's effective exposure to property and equities is typically limited to a maximum of 10%. Total exposure to international assets will typically be limited to 25% (on both an effective exposure and SARB offshore asset capacity basis).

The fund has a flexible mandate with no prescribed maturity or duration limits for its investments or for the portfolio as a whole. The fund is mandated to use derivative instruments for efficient portfolio management purposes and can invest in other collective investment schemes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

Maximum growth/
minimum income exposures

Active Income Plus is tactically managed to secure an attractive return, while protecting capital over the medium term.

Its investments are carefully researched by a large and experienced investment team and subjected to a strict risk management process. The fund is actively positioned to balance long-term strategic positions with shorter-term tactical opportunities to achieve the best possible income.

While the fund is managed in a conservative and defensive manner, it will not always outperform short-duration income funds over short periods of time. Capital losses are possible, especially in the case of negative credit events affecting underlying holdings.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is 24-months and longer. The fund's exposure to growth assets like listed property and preference shares will cause price fluctuations from day to day, making it unsuitable as an alternative to a money market fund over very short investment horizons (12-months and shorter).

Given its limited exposure to growth assets, the fund is not suited as the sole holding for investment terms of longer than five years.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who

- are looking for a liquid alternative to medium-term fixed deposits (3-5 years);
- seek managed exposure to income generating investments;
- believe in the benefits of active management within the fixed interest universe;
- are looking for a conservatively managed fixed income building block for use as a component of a low to moderate risk multi-asset portfolio appropriate for funding income drawdown commitments

WHAT COSTS CAN I EXPECT TO PAY?

The annual management fee is 0.75%.

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 fund costs.

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

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

<p>NISHAN MAHARAJ BSc (Hons), MBA</p>	<p>MAURO LONGANO BScEng (Hons), CA (SA)</p>
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GENERAL FUND INFORMATION

Launch Date	29 November 2023
Fund Class	A
Benchmark	Alexander Forbes STeFI Composite Index
ASISA Fund Category	South African – Multi-asset – Income
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
ISIN Code	ZAE000327516
JSE Code	CAIPA



CLASS A as at 31 December 2025

TRUST IS EARNED™

ASISA Fund Category	South African – Multi-asset – Income
Launch date	29 November 2023
Fund size	R 2.88 billion
NAV	110.82 cents
Benchmark	AF STeFI Composite Index
Portfolio manager/s	Nishan Maharaj and Mauro Longano

Total Expense Ratio	1 Year 0.89%	3 Year * 0.88%
Fund management fee	0.75%	0.75%
Fund expenses	0.03%	0.03%
VAT	0.11%	0.11%
Transaction costs (inc. VAT)	0.01%	0.01%
Total Investment Charge	0.90%	0.89%

PERFORMANCE AND RISK STATISTICS

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	26.7%	17.4%	7.9%
Since Launch (annualised)	12.0%	8.0%	4.0%
Latest 1 year	11.8%	7.5%	4.3%
Year to date	11.8%	7.5%	4.3%

Yield (Net of Fees) 7.1%

RISK STATISTICS

Current	Fund
Weighted average time to maturity (credit)	6.3 years
Modified Duration	2.0 years
Modified Duration (ex Inflation Linked Bonds)	1.6 years
Since Inception	Fund
Annualised Deviation	1.5%
Sharpe Ratio	2.55
Maximum Gain	26.7%
Positive Months	100.0%
Fund	Date Range
Highest annual return	12.8% May 2024 - Apr 2025
Lowest annual return	10.4% Oct 2024 - Sep 2025

CREDIT RATINGS

	% of Fund
AAA+ to A-	74.0%
BBB+ to B-	3.0%
CCC+ to C-	0.0%
CLNs	12.3%
No Rating	10.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Dec 2025	02 Jan 2026	1.72	0.00	1.72
30 Sep 2025	01 Oct 2025	1.71	0.01	1.70
30 Jun 2025	01 Jul 2025	1.86	0.01	1.85
31 Mar 2025	01 Apr 2025	1.81	0.00	1.81

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	0.5%	0.6%	0.6%	1.4%	1.0%	1.0%	1.1%	0.8%	1.0%	1.2%	1.1%	0.8%	11.8%
Fund 2024	1.0%	0.2%	0.2%	0.6%	1.0%	1.9%	1.5%	1.2%	1.5%	0.1%	1.1%	0.7%	11.6%
Fund 2023												1.5%	1.5%

*As this is a newly launched fund, the TER and TC's are based on an estimated calculation.

Please refer to page 4 of the Comprehensive Fact Sheet for important additional information, including change in cost disclosures.

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

Performance and fund positioning

The Fund returned 0.85% in December, bringing its 12-month total return to 11.82%, which is ahead of cash (7.28%) and its benchmark (7.52%) over the same period. We believe the Fund's current positioning offers the best probability of achieving its objective of at least cash +2% over the medium to longer term.

The final quarter of 2025 set the stage with cautious momentum. Globally, easing inflation pressures and a broadening shift toward monetary policy normalisation supported fixed income markets. In contrast, prevailing geopolitical tensions, elevated sovereign issuance, and lingering trade frictions underscored a more complex risk environment. US policy easing gathered traction as growth moderated, while emerging markets continued to benefit from improving external balances and targeted interest rate-cutting cycles. Against this global backdrop, South African (SA) bonds were supported by improving domestic sentiment, greater policy coherence under the Government of National Unity (GNU), and contained inflation outcomes, despite ongoing concerns about fiscal consolidation and the execution of structural reforms. Entering 2026, the active and intense Chinese Year of the Fire Horse, markets appear positioned to reward discerning investors who can move decisively with conviction; balancing agility with discipline as global and domestic policy signals evolve.

The SA bond market had a remarkable year with yields compressing significantly across the curve. The 10-year SA government bond (SAGB) yield ended the year at 8.20%, while the 30-year SAGB compressed by more than 200 basis points to 8.95%. This propelled the performance of the 12-year-plus area of the yield curve to 31.21% for the 2025 calendar year, which is well ahead of the FTSE/JSE All Bond Index's (ALBI) return of 24.24%. Nominal bond returns far outstripped the returns from other fixed income assets, with cash returning 7.28% over the year and inflation-linked bonds (ILBs) returning 15.42%.

Despite the recovery in ILB performance in the fourth quarter of 2025, their returns still remain well below nominal bonds over a longer horizon. Over three years, ALBI returned 16.89% while CILI delivered 10.04%. Over five years, ALBI returned 12.54% and CILI 9.91%, and over 10 years, ALBI returned 11.48% and CILI 6.50%. The rand was not undone, with a pronounced appreciation against the dollar, closing the year at R16.56/US\$ (versus R18.84/US\$ at the end of 2024), generating a 12.06% return, which is in line with its emerging market (EM) peers. This, combined with local bond performance, outshone global bond returns, with the FTSE World Government Bond Index (WGBI) only returning 7.55% in US dollars, compared to the 41.28% from the ALBI dollar equivalent.

Over the last five years, nominal bonds (the ALBI) have generated a return in excess of 6% of cash (12.54% versus 6.32%). This was on the back of the increased embedded risk premium in SA assets, and specifically SA bond yields due to the Covid fiscal hangover. When compared to the pre-pandemic decade (2010-2020), nominal bonds produced a return of 8.85% versus cash at 6.52%, putting the excess return closer to 3%, the impact of this outlier event is clear. Currently, the ALBI's yield of c. 8.5% versus the c. 6.5% expected from one-year cash sits more in line with the latter and is a needed step change in investor return expectations, given the moderation in SA bond yields.

Globally, December continued to show sticky inflation readings, hovering just above central banks' target ranges. Activity data remain more resilient than forecasters anticipated – prompting some caution from policymakers, who are increasingly shifting to data-dependent guidance. Developed market central banks continued to ease policy rates but were reluctant to signal more cuts in the coming months.

The Federal Reserve Board (the Fed) cut the Federal Funds target rate range by 25 basis points (bps), moving the range to 3.50%-3.75% at the December Federal Open Market Committee meeting. Cumulatively, the Fed reduced policy rates by 75bps in 2025. It noted that the US economy has been growing at a moderate pace and that the labour market has become more vulnerable, despite unemployment remaining low relative to history. Inflation risks were still assessed to the upside, and the 2% target is only expected to be reached in 2028. The Fed reiterated that it would proceed with caution and future rate decisions will be data-driven, which has led to a repricing of market expectations for near-term rate cuts. The market is only pricing in two 25bps rate cuts in 2026.

US headline inflation slowed to 2.7% year on year (y/y) in November from 3.0% y/y in September, while core inflation eased to 2.6% y/y from 3.0% y/y (October inflation data was not published due to the government shutdown). The main inflation drivers were upticks in energy and medical care costs, offset by a moderation in the food, housing, and transportation services categories.

The rand ended the month at R16.56/US\$, better than its close in the previous month but in line with its EM peer group. Offshore credit assets and certain developed market bonds continue to flag as relatively attractive. The Fund has utilised a significant part of its offshore allowance to invest in these assets. When offshore assets become expensive (or relatively cheap), the Fund may adjust its foreign currency exposure by buying or selling currency futures on the JSE (typically in US dollars, UK pounds, or euros). This helps the Fund fine-tune its exposure to global markets without having to sell its offshore investments.

The South African (SA) economy grew by 0.5% quarter on quarter (q/q) in the third quarter of 2025, following an upwardly revised growth of 0.9% q/q in the second quarter. On the production side, the recovery was relatively broad based, with a strong recovery in mining and modest improvements in construction and transport, offset by weak utilities. On the demand side, positive contributions came from household spending supported by real wage gains, lower inflation, and easing monetary policy settings. Gross fixed capital formation also improved following weakness in preceding quarters, but net trade detracted from growth. The data suggests an ongoing improvement in the sectoral mix and a signal that structural reforms are beginning to take hold, with private investment set to gain momentum in subsequent quarters.

SA headline inflation slowed at the margin to 3.5% y/y in November from 3.6% y/y in October, while core inflation ticked up slightly to 3.2% y/y from 3.1% y/y. Increases were observed in the food and non-alcoholic beverages category following an outbreak of foot-and-mouth disease, which drove meat prices up. Restaurants and accommodation prices rose on the back of increasing travel activity. There were price moderations in the transport, energy, and recreation categories.

At the end of November, shorter-dated fixed-rate negotiable certificates of deposit (NCDs) traded at 7.11% (three-year) and 7.48% (five-year), both lower than at the end of the previous month. Our inflation expectations suggest that the current pricing of these instruments remains attractive given their lower modified duration and, hence, high breakeven relative to cash. In addition, NCDs offer the added benefit of being liquid, thereby aligning the Fund's liquidity with the needs of its investors. The Fund continues to hold decent exposure to these instruments (fewer floating than fixed), but we will remain cautious and selective when increasing exposure.

Notwithstanding the South African Reserve Bank's (SARB) commitment to keep inflation anchored at the ratified target of 3%, external developments, specifically regarding EM currencies, have benefited the rand/dollar cross, and lower oil prices have further helped in keeping SA inflation in check. Our forecasts currently have inflation averaging closer to 3% if the rand strength is sustained and oil prices stay the course (recent developments in South America might further help to moderate long-term oil expectations). This could provide further room for the SARB to ease interest rates quicker and lower (c. 50bps) than our current expectation of a 6.25% repo rate by year-end. To a large extent, this seems to have been factored into bond and interest markets; however, shorter-dated ILBs still have real yields in excess of where the real policy rate could settle by year-end. If inflation does average 3% this year, there should be no reason why the SARB should not revert to a neutral real policy rate of 2.5%, which still leaves room for three- to seven-year ILBs to compress from the current levels in excess of 4%. Assuming ILB yields compress 1%, inflation materialises at 3% over the next year, and nominal bonds compress by 1% (although in a scenario where the repo settles at 5.75% versus our current expectations of 6.25%, the move would not be so large), the total return of ILBs outstrips the return of the nominal bonds. Thus, making front-end exposure out to seven years in ILBs, is the superior value proposition.

As SA enters 2026, the bond market reflects a transition from recovery-driven returns to a more mature phase of the cycle, where valuation discipline and curve selection will be paramount. While the global backdrop of easing inflation and policy normalisation remains broadly supportive, much of the easy compression in local yields has already occurred, leaving limited margin for error should growth or reform momentum disappoint. In this environment, consistent with the symbolism of the Chinese Year of the Fire Horse, successful bond investing will require measured decisiveness across the yield curve: favouring the belly (medium-term bonds) where you can earn solid returns and benefit as bonds 'roll' towards maturity; selective exposure to real yields at the front end (shorter term bonds); and a disciplined approach to risk premia. SA bonds continue to offer value relative to cash and global peers, but future returns are likely to be earned through careful positioning rather than broad-based yield compression.

The local listed property sector was up 0.12% over the month, bringing its 12-month return to 30.56%. The cost savings due to the implementation of solar and increased payout ratios helped bolster the sector's performance. Despite dividend yields being quite low (7-8%), the improved dividend growth puts the total return prospects well above bonds, which could support the sector. Valuations remain quite tight, and the risks posed from a slower economic recovery could erode optimism in the sector's prospects. We believe that one must remain cautious given the high levels of uncertainty around the strength and durability of the local recovery.

Local credit spreads are at historically tight levels due to low issuance volumes and a large amount of capital seeking a home with reduced volatility. The use of structured products, such as credit-linked notes (CLNs), has become ubiquitous within the local market. This sector has experienced exponential growth over the last five years, reaching a market size of over R100 billion. However, only a third of this market reprises, creating an inaccurate representation of asset volatility and pricing. CLNs mask the underlying/see-through credit risk as the issuing entity (predominantly local banks) is seen as the primary credit risk.

The increased usage of CLNs has not expanded the pool of borrowers; rather, it has only served to concentrate it. This is due to the ability to limit the volatility of these instruments by not marking them to market based on the underlying asset price movements. The combination of attractive yields and absence of volatility is an opportunity that not many would pass up, unless, of course, transparency of pricing is important to the underlying investor. As a result, there can be significant unseen risks within fixed income funds. Investors need to remain prudently focused on finding assets whose valuations are correctly aligned with fundamentals and efficient market pricing. Except for a few opportunities, we view the local credit market as unattractive relative to other asset classes.

Outlook

We remain vigilant about the risks posed by dislocations between stretched valuations and the local economy's underlying fundamentals. However, we believe the Fund's current positioning accurately reflects the appropriate level of caution, while its yield of 8.04% (gross of fees) remains attractive relative to its duration risk. We continue to believe that this yield is an adequate proxy for expected portfolio performance over the next 12 months. As is evident, we remain cautious in our management of the Fund. We continue to invest only in assets and instruments that we believe have the correct risk and term premium to limit investor downside and enhance yield.

Portfolio managers
Nishan Maharaj and Mauro Longano
 as at 31 December 2025

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION ACTIVE INCOME PLUS FUND

Unit trusts should be considered medium- to long-term investments. 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 a portion of its portfolio (typically up to a maximum of 25%) 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. The asset allocation by instrument type are reflected on a look-through basis. The asset allocation by issuer type and top issuer exposures are not reflected on a look-through basis. The yield shown is an estimate in part based on market assumptions and forecasts. The yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. It is provided to give an approximate indication of the achievable yield for an investment made at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period. The yield disclosed on the MDD is current and calculated as at the MDD reporting date.

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) (FSP 548) Ltd, 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; 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)?

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

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

IMPORTANT INFORMATION REGARDING TERMS OF USE

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