CORONATION SA INCOME FUND

Fund Information as at 31 December 2025

CORONATION
TRUST IS EARNED™

WHAT IS THE FUND'S OBJECTIVE?

SA Income Fund aims to achieve a higher return than a traditional money market or ultra-short duration income fund.

WHAT DOES THE FUND INVEST IN?

SA Income can invest in South African bonds, fixed deposits, and other interest- bearing securities which have a fixed maturity date and either have a predetermined cash flow profile or are linked to benchmark yields.

The fund does not invest in any equity securities, real estate securities or cumulative preference shares. The fund will not invest in any assets deemed offshore for SARB reporting purposes.

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

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

2/10
Conservative

Maximum growth/
minimum income exposures

Growth Assets: 0%
Income Assets: 100%

SA Income is tactically managed to secure an attractive return, while protecting capital. The fund's weighted average modified duration is limited to a maximum of two.

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, there are no guarantees it will always outperform cash 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 six months and longer. Given its lack of exposure to growth assets, the fund is not suited for investment terms of longer than five years.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who

- are looking for an intelligent alternative to cash or bank deposits over periods from 6 to 36 months;
- seek managed exposure to South African income generating investments;
- believe in the benefits of active management within the fixed interest universe;
- do not have appetite for exposure to offshore assets;
- the fund is particularly suited to those who require exposure to South African interest bearing securities as part of a diversified portfolio.

WHAT COSTS CAN I EXPECT TO PAY?

The annual management fee is 0.65%.

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?

NISHAN MAHARAJ
BSc (Hons), MBA

MAURO LONGANO
BScEng (Hons), CA (SA)

GENERAL FUND INFORMATION

Launch Date	29 November 2023
Fund Class	A
Benchmark	Alexander Forbes STeFI Composite Index
ASISA Fund Category	South African – Interest Bearing – Short Term
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
ISIN Code	ZAE000327565
JSE Code	CSSIA

CORONATION SA INCOME FUND

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CLASS A as at 31 December 2025

ASISA Fund Category	South African – Interest Bearing – Short Term
Launch date	29 November 2023
Fund size	R310.26 million
NAV	105.50 cents
Benchmark	AF STeFI Composite Index
Portfolio manager/s	Nishan Maharaj and Mauro Longano

	1 Year	3 Year *
Total Expense Ratio	0.80%	0.80%
Fund management fee	0.65%	0.65%
Fund expenses	0.06%	0.05%
VAT	0.10%	0.10%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.80%	0.80%

PERFORMANCE AND RISK STATISTICS

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	20.9%	17.4%	2.9%
Since Launch (annualised)	9.5%	8.0%	1.5%
Latest 1 year	9.6%	7.5%	2.1%
Year to date	9.6%	7.5%	2.1%

Yield (Net of Fees)	7.0%

RISK STATISTICS

Current	Fund
Weighted average time to maturity (credit)	4.9 years
Modified Duration	1.6 years
Modified Duration (ex Inflation Linked Bonds)	0.9 years

Since Inception	Fund	STFIND
Annualised Deviation	0.8%	0.2%
Sharpe Ratio	1.80	(0.52)
Maximum Gain	20.9%	17.4%
Positive Months	100.0%	100.0%

	Fund	Date Range
Highest annual return	9.9%	May 2024 - Apr 2025
Lowest annual return	8.8%	Oct 2024 - Sep 2025

CREDIT RATINGS

	% of Fund
AAA+ to A-	79.4%
BBB+ to B-	0.5%
CCC+ to C-	0.0%
CLNs	4.3%
No Rating	15.8%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Dec 2025	02 Jan 2026	1.70	0.00	1.70
30 Sep 2025	01 Oct 2025	1.76	0.00	1.76
30 Jun 2025	01 Jul 2025	1.80	0.00	1.80
31 Mar 2025	01 Apr 2025	1.79	0.00	1.79

PORTFOLIO DETAIL

ASSET ALLOCATION BY INSTRUMENT TYPE

	% of Fund
Cash and Money Market NCDs	20.2%
Fixed Rate bonds	34.7%
Inflation-Linked bonds	22.3%
Floating Rate bonds	18.5%
Credit Linked Notes (CLNs)	4.3%
Total	**100.0%**

ASSET ALLOCATION BY ISSUER TYPE

	% of Fund
Banks and Insurers: NCDs & Deposits	20.3%
Government	38.4%
Banks: Senior Debt	28.3%
Other Corporates	5.9%
Banks: Subordinated debt (>12m)	3.3%
Insurers	1.9%
State Owned Enterprises	1.5%
Banks: Subordinated debt (<12m)	0.4%
Total	**100.0%**

TOP 5 CREDIT EXPOSURE

	% of Fund
Republic Of South Africa	46.2%
Firstrand Bank Ltd	17.5%
Standard Bank Group Ltd	10.3%
Nedbank Ltd	7.4%
Absa Bank Ltd	5.6%

TOP 5 REFERENCE ENTITY EXPOSURE

	% of Fund
Republic of South Africa	3.4%
MTN	0.8%

100% of CLN exposure is issuer valued with a daily or at worst weekly price frequency

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	0.6%	0.6%	0.7%	0.8%	0.7%	0.9%	0.9%	0.7%	0.9%	0.8%	0.8%	0.8%	**9.6%**
Fund 2024	0.8%	0.4%	0.3%	0.7%	0.8%	1.2%	1.1%	0.9%	1.1%	0.3%	0.8%	0.6%	**9.3%**
Fund 2023												1.0%	**1.0%**

Issue date: 2026/01/15

*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 infomation, including change in cost disclosures.

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

Performance

The Fund delivered a return of 2.45% for the quarter ended 31 December 2025, compared to the STeFI Composite benchmark return of 1.75%, resulting in relative outperformance of 0.70%. Over the past year, the Fund returned 9.61%, well ahead of its benchmark and target return hurdles. Throughout the quarter, the portfolio maintained its conservative positioning, focusing on high-quality money market instruments and selectively on nominal government bonds and inflation-linked bonds (ILBs), where valuations remained attractive relative to cash.

Recent data points to a constructive macro backdrop for South Africa, with both growth and inflation evolving favourably. On the activity side, GDP momentum strengthened in Q3-25, with a broad-based uplift across sectors, reinforcing the view that the recovery is becoming more entrenched and providing a solid platform heading into Q4-25. This improvement is echoed in the latest Bureau for Economic Research survey results, which signal firmer confidence and improving forward-looking indicators, suggesting that growth should remain supported into year-end.

On the price front, CPI surprised on the downside again in October, printing at a subdued 3.6% year-on-year (y/y), underscoring easing inflationary pressures and a benign near-term outlook. Together, firmer growth dynamics alongside contained inflation point to a more balanced macro environment, with increasing scope for supportive monetary policy as the recovery continues.

The Medium-Term Budget Policy Statement (MTBPS) showed continued progress in fiscal consolidation. National Treasury reaffirmed its commitment to stabilising debt and delivering rising primary surpluses, aided by a lower inflation target and an additional R31 billion GFECRA allocation in 2026/27. Debt is expected to peak at 77.9% of GDP this year before improving modestly. The MTBPS reinforced reforms focused on spending efficiency, procurement transparency, municipal finances, Eskom-related risks, and infrastructure delivery. However, the improved baseline remains constrained, with consolidation relying heavily on lower inflation assumptions, leaving limited room for adverse shocks.

On the global front, inflation broadly cooled in 2025. Major central banks took divergent policy actions as inflation eased: the US Federal Reserve pivoted toward cautious rate cuts late in 2025 to support a softening economy while monitoring persistent price pressures, emphasising data-dependent decisions. Meanwhile, the European Central Bank primarily held rates steady near target as euro-area inflation softened close to 2%. Persistent geopolitical and trade uncertainties remain a risk.

Against this backdrop, the South African Reserve Bank cut the repo rate by 25 basis points (bps) in November 2025, responding to lower-than-expected inflation and subdued demand. Our current expectation is for another 25bps of rate cuts.

Fund positioning

Domestic bond markets delivered strong returns over the quarter. Performance across the Fund's core nominal bond holdings reflected these dynamics. The shorter-dated R2030 delivered a three-month total return of 3.93%, while the R213 returned 4.99%. Longer-dated bonds delivered significantly stronger performance, with the R2037 returning 10.29% and the R2039 returning 9.95%, mainly driven by their higher duration exposure and strong carry. During the quarter, the R186 bond was split into three separate bonds (which we continue to hold in the Fund), each maturing at a different point over the next three years.

ILBs underperformed their nominal counterparts but still generated positive absolute returns. The I2029 delivered a three-month return of 2.50%, while the I2033 returned 5.75%. Longer-dated ILBs materially outperformed shorter maturities, with the I2038 delivering a return of 9.15% over the quarter. Despite subdued near-term inflation dynamics, real yields across the linker curve remain attractive and continue to provide diversification benefits within the portfolio.

Portfolio positioning remained focused on balancing attractive carry (income) with prudent risk management. Nominal bond exposure remained concentrated in the sub-10-year segment of the curve, which we continue to view as offering the most attractive risk-reward profile for a cash-cognisant mandate. ILBs remained an essential component of the portfolio, providing protection against inflation surprises while still expected to deliver cash-beating returns over the medium term. Money market opportunities remained limited, with bank credit spreads staying compressed amid ample system liquidity and limited issuance. Credit opportunities remained scarce, with spreads offering limited compensation for risk, and the Fund's overall credit exposure therefore remained constrained.

Outlook

Looking ahead, we remain cautiously constructive. Inflation is well controlled, and domestic fundamentals show tentative signs of stabilisation. However, global risks, including policy uncertainty, geopolitical developments, and potential trade disruptions, are likely to keep volatility elevated. That said, the absolute level of nominal and real yields continues to warrant exposure in a cash-benchmarked mandate, given our current repo rate trajectory. We focus on valuation and liquidity, investing only in instruments offering appropriate risk-adjusted returns. Given the Fund's current yield and modest duration positioning, we believe it is well positioned to outperform cash over the medium term.

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

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION SA INCOME 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. 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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.