CORONATION

ALL AFRICA STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 DECEMBER 2017

CORONATION
TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation All Africa Strategy aims to maximise the long-term risk-adjusted returns available from investments on the continent through capital growth of the underlying stocks selected. It is a flexible portfolio primarily invested in listed African equities or stocks listed on developed and emerging market exchanges where a substantial part of their earnings are derived from the African continent. The exposure to South Africa is limited to 50%. The Strategy may hold cash and interest bearing assets where appropriate.

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. 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	LIBOR	Active Return
Since inception cum.	131.2%	6.1%	125.1%
Since Inception p.a.	9.3%	0.6%	8.7%
Latest 5 years p.a.	5.3%	0.6%	4.7%
Latest 1 year	37.7%	1.3%	36.4%
Year to date	37.7%	1.3%	36.4%
Month	5.5%	0.1%	5.4%

**For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance*

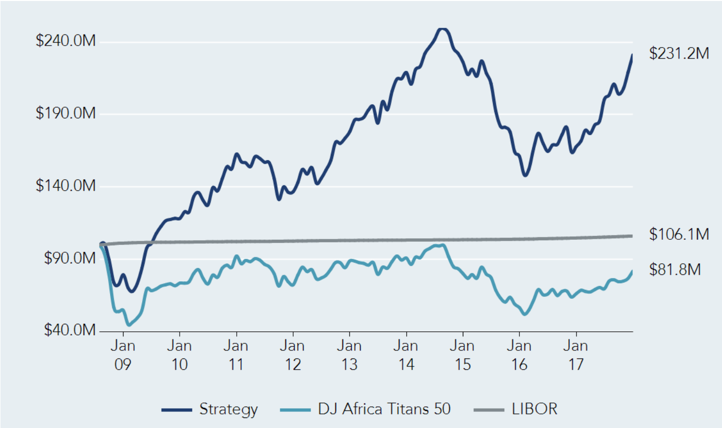
SECTOR EXPOSURE

Sector	% Strategy
Consumer Goods	25.3%
Financials	19.4%
Basic Materials	15.0%
Telecommunications	13.0%
Consumer Services	7.3%
Health Care	5.4%
Industrials	4.1%
Oil & Gas	2.8%
Utilities	0.8%
Interest Bearing	6.9%

GENERAL INFORMATION

Inception Date	01 August 2008
Strategy Size	$79.1 million
Strategy Status	Open
Target	Outperform ICE LIBOR USD 3 Month (US0003M Index)
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

GROWTH OF US$100M INVESTMENT



Target: Outperform ICE LIBOR USD 3 Month (US0003M Index)

The performance shown is gross of fees.

GEOGRAPHIC EXPOSURE

Country	% Strategy
South Africa	26.2%
Egypt	22.9%
Zimbabwe	14.3%
Nigeria	14.2%
Kenya	10.8%
Tanzania	2.5%
Zambia	1.1%
Uganda	0.8%
Ghana	0.3%
Interest Bearing	6.9%

PORTFOLIO MANAGER

Peter Leger - BScEng, BCom (Hons), CFA

Peter is head of Global Frontier Markets and manager across all strategies within the investment unit. He joined Coronation in 2005 and has 19 years' experience in African financial markets as both a portfolio manager and research analyst.

FUND MANAGER

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DISCLAIMER

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The volatility of the ICE LIBOR USD 3 Month Index ("Benchmark") represented above may be materially different from that of the Strategy. In addition, the holdings in the accounts comprising the Strategy may differ significantly from the securities that comprise Benchmark. The Benchmark has not been selected to represent an appropriate benchmark to compare the Strategy's performance, but rather is disclosed to allow for comparison of the Strategy's performance to that of a well-known and widely recognized benchmark. Material facts in relation to the Benchmark are available here: https://www.theice.com/iba/libor. In addition, for further information, we have also included the DJ Africa Titans 50 Index above. Material facts in relation to this benchmark are available here: http://www.djindexes.com/titans.

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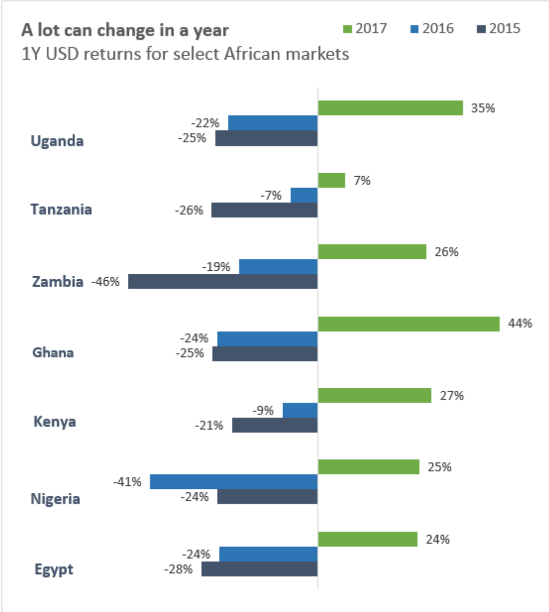
REVIEW FOR THE QUARTER

Over the past three months, the performance of markets across Africa continued to be strong. The strategy's gross return was 13.2% during the quarter, compared to its benchmark (3-month USD LIBOR + 4%), which was up 1.4%, and the Dow Jones Africa Index, which was up 9.9%.

For 2017, the strategy returned 37.7% compared to the Dow Jones Africa Index, which returned 23.5%. Many African markets rebounded strongly after two very painful years in 2015 and 2016 (figure 1).

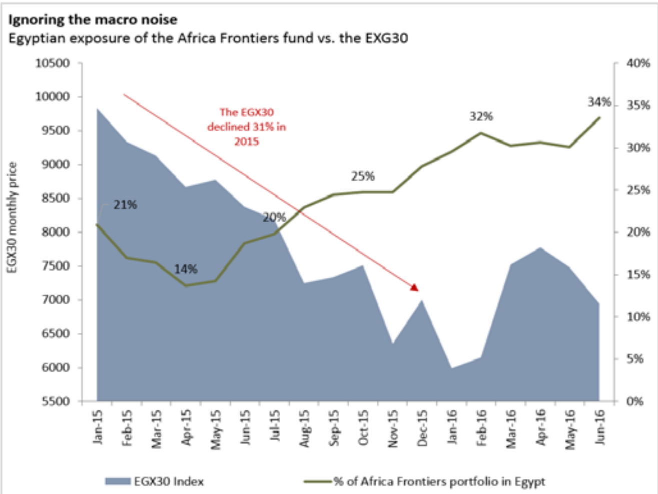


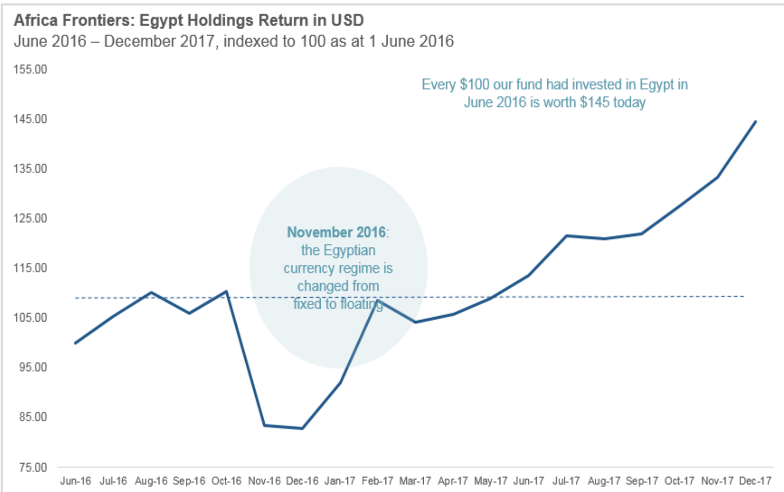
In 2017, Nigeria was up 24.5% on the back of a number of positives which included the introduction of the NAFEX exchange rate window; the easing of forex liquidity pressure and the normalisation of the parallel rate in response; increased oil production and the opening of the Forcados terminal after its 16-month closure, combined with a more sustainable agreement with rebel forces. Similarly, Kenya (+27.5%), Egypt (+24.1%), Ghana (+44.0%), Uganda (+35.0%) and South Africa (+15.9%) all gained.

If there had to be one theme across African markets in 2017, it would probably be that "a lot can change in a year". While Zimbabwe, Nigeria and to a lesser extent Kenya all can bear testament to this, the real poster child must surely be Egypt.

In November 2016, Egypt decided to float its currency after a year of foreign exchange shortages and economic pain. The value of the pound plummeted, inflation skyrocketed and equity investors held their breath.

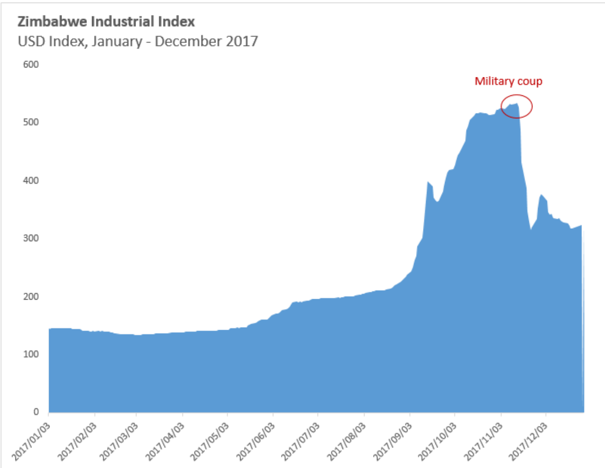
One year on, the country has seen US$19bn of inflows into government debt (as at October 2017) and c.US$1bn of net foreign purchases in the equity market. For the year, the dollar value of the equity market is up 24.1%, compared to a decline of 24.0% in 2016 (figure 1). Local dollar migration into formal channels has been astounding, totalling an estimated US$35bn since the float and another US$15bn was remitted from outside of Egypt in the first three quarters of 2017. In the corporate sector, Egyptian companies finally got access to US dollars again - although at the cost of higher interest rates and inflation, which also resulted in consumers' disposable income being squeezed. Encouragingly, businesses have adjusted well, with third-quarter results showing some green shoots of recovery as volumes strengthened. While inflation (26% in November) and interest rates (c.20% in December) remain elevated, we believe company earnings are on the path towards normalisation. Valuations continue to look attractive.





Our holdings in Egypt have performed very well for clients, in part due to the fact that we built large positions in high-conviction ideas that were trading at what we believed to be very attractive valuations and below-normal earnings when many other investors had written off the market. This required us to ignore the macroeconomic noise. In 2015 for example, the Egyptian market was down 30.9% while our strategy's exposure to Egyptian equities went from 16% to 24% and increased further to 27% by June 2016 (figure 2). As at the end of December 2017, every $100 we had invested in Egypt in July 2016 was worth $148 (figure 3).

Our holdings of Egyptian equities and bonds remain the largest geographic exposure in the strategy as we continue to believe that companies are trading below their intrinsic value. In 2017, roughly half of the strategy's performance was contributed by our Egyptian holdings. In particular Eastern Tobacco (Egypt's monopoly tobacco manufacturer) and EIPICO (an Egyptian pharmaceutical manufacturer that is a market leader in the export sector).



In light of our experience in Egypt and seeing first hand just how much can change in a year when the business environment improves for companies, we are particularly excited about our holdings in Zimbabwe. In the previous quarterly commentary, we wrote about the dire currency situation. Zimbabwe's economic and political issues are well-known. However, in the fourth quarter we saw the end of 37 years of dictatorial rule by Robert Mugabe. The rapid unwind of the stock market (figure 4) since the military coup is proof of the return of confidence in some level of currency normalisation. Those who had been using equities as safe havens appear to be building up cash again in the hope of a return to currency liquidity.

We share our views on the Zimbabwean landscape in a Corospondent article in this quarter's issue, but in short, we don't believe the economic damage done under Mugabe is irreversible. Zimbabwe is blessed with unrivalled mineral and human resources. Allowing its people to get on with life unfettered and providing capital a degree of security will be transformational. Yes - forecasting the outcome and intention of the new role players is tricky. We do know, however, that those vacating the throne had long outlived their usefulness. Being a long-serving dictator is increasingly a lonely and endangered pastime. This is a good thing for citizens and investors alike.

At Coronation, we have been patient investors in what we believe are very high-quality companies in Zimbabwe. A little over a year ago, our funds were heavily invested in three markets with delinquent currency exchanges: Egypt, Nigeria and Zimbabwe. The first two have since normalised and proved very profitable for our clients. For the patient investor, we believe that Zimbabwe will ultimately prove so too.