

LONG TERM OBJECTIVE

The Coronation Africa Frontiers 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 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	Benchmark	Active Return
Since inception cum.	182.5%	11.5%	171.0%
Since Inception p.a.	8.2%	0.8%	7.4%
Latest 10 years p.a.	7.2%	0.9%	6.3%
Latest 5 years p.a.	9.6%	1.4%	8.2%
Latest 1 year	30.7%	0.2%	30.5%
Year to date	30.7%	0.2%	30.5%
Month	3.3%	0.0%	3.3%

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

SECTOR EXPOSURE

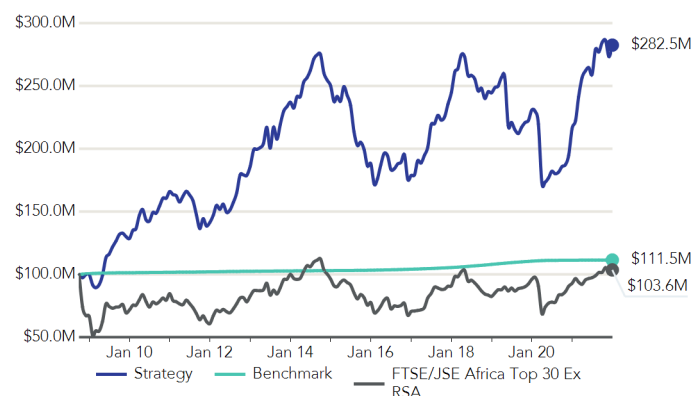
Sector	% Strategy
Financials	23.4%
Consumer Goods	23.4%
Telecommunications	15.2%
Basic Materials	14.5%
Industrials	8.0%
Health Care	5.2%
Consumer Services	3.6%
Oil & Gas	2.8%
Utilities	1.5%
Consumer Staples	0.6%
Interest Bearing	1.8%

GENERAL INFORMATION

Inception Date	01 October 2008
Strategy Size *	\$397.7 million
Strategy Status	Open
Target	Secured Overnight Financing Rate (SOFRINDX Index) + 3% per annum
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

*Strategy assets under management as at the most recent quarter end.

GROWTH OF US\$100M INVESTMENT



Benchmark: Secured Overnight Financing Rate (SOFRINDX Index) from 01 December 2021. Previously ICE LIBOR USD 3 Month (US0003M Index).

The performance shown is gross of fees.

GEOGRAPHIC EXPOSURE

Country	% Strategy
Egypt	33.0%
Zimbabwe	28.5%
Kenya	11.6%
Nigeria	11.1%
South Africa	3.6%
Ghana	2.8%
Senegal	1.7%
Uganda	1.5%
Tanzania	1.5%
Botswana	1.4%
United Kingdom	0.7%
Morocco	0.5%
Zambia	0.2%
Namibia	0.1%
Interest Bearing	1.8%

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 23 years' experience in African financial markets as both a portfolio manager and research analyst.

FUND MANAGERS

Please contact Coronation for further information

Gus Robertson

International Client Service Fund Manager
tel: +27 21 680 2443
email: groberson@coronation.com

Liesl Abrahams

International Client Service Fund Manager
tel: +27 21 680 2849
email: lbrahams@coronation.com

REGULATORY DISCLOSURE AND DISCLAIMER

The Prospectus and a Summary of Investor Rights can be sourced on the following link: <https://www.coronation.com/en/institutional/strategy-information/literature/>.

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The volatility of the Benchmark represented in the growth chart 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 the 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.

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REVIEW FOR THE QUARTER

2021 was a good year for the Strategy, outperforming the FTSE/JSE All Africa (ex-South Africa) 30 Index (JA30) by 19.2% over the year. The Strategy returned +30.7% over the past 12 months, while the JA30 Index was up +11.5%. Index returns for 2021 were driven by Morocco (+14.4%), Egypt (+10.4%) and Kenya (+5.6%), while Nigeria was largely flat, returning only +0.1%.

During the final quarter of the year, the Egyptian market was strong (+13.7%), and Nigeria (+3.5%) also performed well, while Kenya (-8.8%) and Morocco (-0.6%) declined. Against this backdrop, the Strategy's return was -0.8% during the fourth quarter of 2021 (Q4-21), while the JA30 Index returned +1.9%. Since its inception more than a decade ago, the Strategy returned +8.2% p.a., while the JA30 Index return over this period was only marginally positive: +0.3% p.a.

Zimplats (a Zimbabwean platinum mine listed in Australia) was one of the largest contributors to performance for the second year in a row, adding +7.9% to performance over the past year. The share's total return in US dollars was 78% over the past 12 months on the back of higher platinum group metals (PGM) prices, but also the announcements of several large projects. These projects include expanding production capacity and a solar power plant and sulphur dioxide emissions abatement plant, which will have significant environmental benefits. Zimplats will be one of the leading PGM companies globally from an environmental, social and governance (ESG) perspective once these projects are completed. Despite the strong share price performance, the valuation of Zimplats remains attractive on a forward PE multiple of just 4x.

Over the past year, the stocks listed within Zimbabwe were also large contributors to the Strategy's performance, with the share prices of Econet, Delta and Cassava up sharply in 2021. Together, these three stocks contributed +15.3% to the Strategy's performance during the year. The Zimbabwean economy is in a much better position than it was two years ago. Exports increased on the back of higher precious metal prices and better tobacco harvests. The record maize harvest means that Zimbabwe will not have to import maize this year. The improved forex liquidity continues to benefit the economy after forex auctions were introduced in 2020.

While the forex situation is better than two years ago, we continue to value the Zimbabwean in-country assets by applying a large liquidity discount to the official exchange rate. During October, we increased this liquidity discount, and as a result, the Zimbabwean stocks were the largest detractors in the last quarter of the year (detracting -3.4% during Q4-21). The liquidity discount was increased when we saw signs of a deterioration in forex liquidity. The amount that investors can bid for in the forex auctions reduced from \$500,000 to \$100,000 per week, there were bigger delays in receiving the proceeds from the auctions, and we saw a deterioration in the parallel market rate. Positively, there was an improvement during December, with the Reserve Bank paying all the outstanding money allocated in previous auctions.

Despite the strong share price moves, we still believe that the stocks listed in Zimbabwe offer compelling value. Econet is a case in point. The company has a very strong balance sheet, with a large cash position, and the company has investments in Liquid Telecom (held outside Zimbabwe) and in EcoCash (the dominant mobile money business). An investor in the Strategy effectively owns Econet on a PE multiple of less than 7x, and when excluding the value of the cash and investments, we estimate that the PE multiple of the mobile business is less than 4x. These multiples are very attractive given that earnings for the business are well below what we would consider normal, with the Zimbabwean economy still not operating close to its true potential.

In Nigeria, the official currency market remains frozen for foreign portfolio investors. Dual-listed, fungible shares remain the only way to repatriate money out of the country. In our view, the exchange rate implied by these shares remains the most appropriate way to value the Nigerian in-country assets in the Strategy. We currently use the Seplat implied rate, which resulted in a rate of NGN 574/\$ at the end of December. This is broadly in line with the parallel market rate (around NGN 570/\$ at the end of the year), but is a significant haircut compared to the official exchange rate (ending the year at NGN 425/\$).

We remain concerned about Nigeria, but the country should be in a slightly better position, with oil prices rising from around \$50/barrel at the start of 2021 to around \$80/barrel at the end of the year. During the past quarter, we added to our in-country exposure (something we have not done in years), although the Strategy's exposure to Nigeria remains around the lowest levels it has been over the Strategy's 13-year history. At the end of the year, the Strategy had 7.2% Nigerian in-country exposure, well below the JA30 Index at 22.2% Nigerian exposure.

We initiated a position in MTN Nigeria. The company's application for a Payment Service Bank (PSB) licence was approved in principle, and this license will allow MTN to offer mobile money in Nigeria. It is clear from other markets how mobile money can change the fundamentals of a mobile operator. Although mobile financial services in Nigeria will likely be more competitive and more regulated than in a market like Kenya, we believe MTN Nigeria remains best-positioned to emerge as the winner in this space.

During the quarter, we also added to Eastern Tobacco. This is another example of the value we currently see in markets across Africa, with the company trading on a forward PE multiple of less than 3x (ex-cash) and a 17% dividend yield. The underlying business

continues to perform well, with volumes growing and margins expanding. The second manufacturing licence in Egypt is a risk for the business, but we believe investors are more than compensated for this risk at current valuations.

The Strategy is filled with businesses with attractive valuations, with the largest positions all trading on mid-single-digit PE multiples and dividend yields around 10%. We believe our long-term valuation-driven approach is as relevant as it has ever been, and by owning these businesses, we believe investors will be rewarded. We wish you a prosperous 2022.