CORONATION

GLOBAL FRONTIERS STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2021

CORONATION TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Global Frontiers Strategy aims to maximise the long-term risk-adjusted returns from investments across global frontier markets through capital growth of the underlying stocks selected. It is a flexible portfolio primarily invested in listed equities. 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.	30.5%	8.1%	22.3%
Since Inception p.a.	4.3%	1.2%	3.0%
Latest 5 years p.a.	8.4%	1.5%	6.9%
Latest 1 year	40.1%	0.3%	39.8%
Year to date	5.7%	0.1%	5.6%
Month	(0.9)%	0.0%	(0.9)%

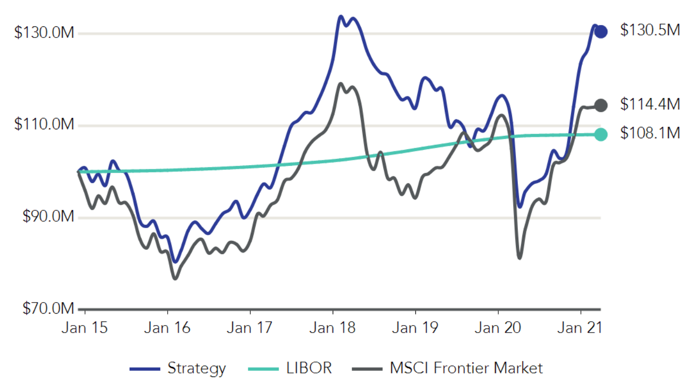
For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance

GENERAL INFORMATION

Inception Date	01 December 2014
Strategy Size *	$21.7 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

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

GROWTH OF US$100M INVESTMENT



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

The performance shown is gross of fees.

SECTOR EXPOSURE

Sector	% Strategy
Financials	30.8%
Consumer Goods	22.5%
Basic Materials	11.1%
Industrials	6.5%
Health Care	6.3%
Technology	5.5%
Telecommunications	4.7%
Consumer Services	3.3%
Oil & Gas	1.1%
Interest Bearing	8.2%

GEOGRAPHIC EXPOSURE

Country	% Strategy
Vietnam	26.9%
Egypt	17.7%
Zimbabwe	7.2%
Kenya	7.2%
South Africa	4.6%
Bangladesh	4.3%
Kazakhstan	4.3%
Turkey	4.3%
Pakistan	3.9%
Nigeria	3.0%
Georgia	2.0%
Other	6.4%
Interest Bearing	8.2%

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.

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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. 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 MSCI Frontier Market Index above. Material facts in relation to this benchmark are available here: https://www.msci.com/msci-emerging-and-frontiermarkets-indexes.

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REVIEW FOR THE QUARTER

Despite the Covid-19-induced global economic turmoil over the past 12 months, the Strategy performance over the period has been very strong. The Strategy has returned +40.1% over the past 12 months and +8.4% per annum (p.a.) over the past five years, respectively. Long-term performance (periods of five years and longer) remains our main focus. Over the last five years, alpha against the MSCI Frontier Emerging Markets Index (FEM) is 5.6% p.a. and against the MSCI Frontier Markets Index (FM), it is 1.8% p.a. The MSCI FEM Index is +34.0% over one year and +2.8% p.a. over the past five years. The MSCI FM Index is +39.3% and +6.6% p.a. over the same periods.

Despite the strong performance over the past five years, the underlying company valuations continue to look compelling. The Strategy continues to offer excellent value with a PE(f) of 10.3x and more than 50% upside. With global markets touching record highs, many frontier markets remain below pre-Covid levels. This has meant that despite many of our underlying holdings coming through 2020 largely unscathed, and with strong prospects for 2021, share prices reflect a far worse outcome. This is providing us with numerous opportunities to deploy capital across the Portfolio.

Over the past quarter, Kazakhstan (+15.1%), Romania (+8.0%) and Vietnam (+8.0%) were the strongest, while Colombia (-14.7%), Argentina (-14.3%) and the Philippines (-9.1%) were laggards.

Major contributors over the quarter were Zimplats (+3.2%), a Vietnamese fund (+1.7%) and BAT Kenya (+1.2%). Zimplats benefited from very strong commodity prices and a measure of re-rating. From a 2x PE in Q4-20, the share now trades on a 3x PE, which remains astonishingly cheap. In Vietnam, the Strategy's large holdings performed very well, driving strong NAV growth. BAT Kenya reported very strong FY20 results, with earnings +42% year-on-year (yoy). Detractors included Eastern Company (-1.2%), QNBA (-0.5%) and Ulker (-0.3%). We discuss Eastern in the paragraph below. QNBA reported solid results with pre-provisioning earnings +5.7% despite the reduced economic activity in 2020. However, a proactive increase in provisioning saw net profit fall 12.4%. Ulker saw corporate governance concerns weigh on its share price. After airing our concerns with management, we were left feeling that a positive resolution was unlikely, and we subsequently exited our position.

The Strategy's largest detractor over the quarter was Eastern Company. The share price sold off 25% following the announcement that a manufacturing licence would be auctioned in April. This will see Eastern's 100-year production monopoly broken. While this sounds incredibly negative, going through the details reveals that the announcement is far less adverse than initially feared.

While Eastern has a monopoly over production, all the major multinational companies are already present in the market. Eastern's own brand market share is only 75%. This 75% market share will not be impacted, as the agreement sees a 50% price premium applied to any non-Eastern products. Own brands sales account for circa 75% of revenues and circa 65% of profits. The balance of the business is toll manufacturing for the international players, of which Phillip Morris (PMI) is largest. We have always valued this earnings stream on a low multiple, given the regulatory risk involved.

If PMI win the auction, they will likely move from using Eastern for toll manufacturing to their own production facility. The move is at least two years away, as the production facility will need to be constructed. This will give Eastern sufficient time to plan for the change. The licence conditions include a 24% free carry in this new entity for Eastern, i.e. Eastern will share in 24% of the profits of this new entity. The licence allows next-generation products like Iqos to enter the market. This will provide a new, previously-untapped revenue stream.

In summary, 35% of Eastern's profits are facing disruption in the medium term. This disruption will be offset by:

- a 24% ownership stake in the new entity;
- the potential benefits of being a partner of a global multinational tobacco company; and
- the entry of next-generation products into the market.

Eastern trades on 4.0x PE(f) ex-cash and comes with a 13.3% DY. Even in the most punitive of outcomes for the toll manufacturing business, the valuation looks incredibly attractive.

During the quarter, the largest buys were Anglogold, Mobileworld and BIM, while we reduced our exposure to Dragon Capital's Vietnam Enterprise Investment Fund, Ulker and Econet.

Thank you for your continued support. It has certainly been a rollercoaster 12 months across the globe. After being down 20% in Q1-20, the Portfolio has ended March 2021 12.4% higher than the pre-Covid January 2020 NAV. We remain excited about the portfolio of companies held in the Strategy, their prospects and remain convinced that in time valuations will adjust to reflect these strong prospects.