

WHAT IS THE FUND'S OBJECTIVE?

The fund seeks to maximise long-term capital appreciation by investing primarily in a broad spectrum of listed equities.

WHAT DOES THE FUND INVEST IN?

The Equity Fund invests in the shares of companies listed on the Johannesburg Stock Exchange. The fund can also invest 25% in international equities, plus a further 5% in Africa (outside of South Africa).

There are no restrictions on how much exposure the fund can have to different sectors (for example, to mining, financial or industrial companies).

The fund will be fully invested in shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

Maximum growth/
minimum income exposures

The fund's managers actively seek out attractively valued shares that could achieve strong investment growth over the long run. Rigorous research is conducted into the long-term potential of a company and whether it is attractively valued relative to other companies, before its shares are selected for the fund.

Shares can be volatile investments and there is a meaningful risk of capital loss over the short term. However, given its focus on attractively valued shares that could offer long-term growth, the Equity Fund may preserve capital better than its benchmark over the long run.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of 10 years or more is therefore ideal. It is not suitable as a single investment for investors who need to preserve their capital over five years or less.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- are comfortable with full exposure to shares listed in South Africa;
- accept that the fund may underperform the market in the short term in pursuit of superior long-term gains.
- do not require an income in the short term.
- The fund is less concentrated than the Coronation Top 20 Fund, making it more suitable for investors holding only one equity fund.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.75% and a maximum of 2.60%, depending on the fund's performance, is payable.

If the fund's return (after fees and costs) is equal to that of the benchmark, a fee of 1.10% will be charged. We share in 20% of the performance above the benchmark, up to a total annual fee of 2.60%. Performance is measured over a rolling 24-month period.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.35%.

All fees exclude VAT. 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?



KARL LEINBERGER
BBusSc, CA (SA), CFA



SARAH-JANE ALEXANDER
BBusSc, CFA

GENERAL FUND INFORMATION

Launch Date	15 April 1996
Fund Class	A
Benchmark	Composite: 87.5% SA equity, 12.5% International equity
Fund Category	South African – Equity – General
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	COREQYA
ISIN Code	ZAE000058566
JSE Code	CORA

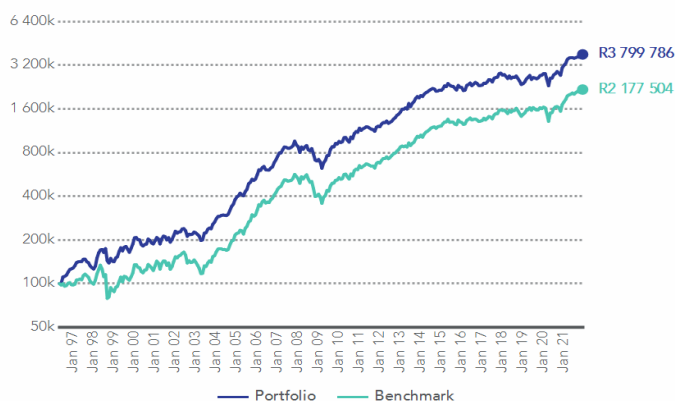
CLASS A as at 30 November 2021

Fund category	South African - Equity - General
Launch date	15 April 1996
Fund size	R 8.76 billion
NAV	22204.35 cents
Benchmark/Performance	Composite (87.5% SA equity, 12.5% International equity)
Fee Hurdle	International equity)
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	1.96%	1.27%
Adjusted for out/(under)-performance	1.09%	1.10%
Fund expenses	0.59%	(0.01)%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.25%	0.16%
Total Investment Charge	2.21%	1.50%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Peer Group Average
Since Launch (unannualised)	3699.8%	2077.5%	1674.3%
Since Launch (annualised)	15.3%	12.8%	11.7%
Latest 20 years (annualised)	15.5%	14.6%	13.3%
Latest 15 years (annualised)	11.8%	11.5%	9.0%
Latest 10 years (annualised)	12.1%	12.2%	9.3%
Latest 5 years (annualised)	10.4%	10.6%	7.2%
Latest 3 years (annualised)	17.3%	15.3%	11.3%
Latest 1 year	23.6%	27.0%	27.2%
Year to date	18.9%	21.8%	22.2%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.2%	17.3%
Sharpe Ratio	0.40	0.21
Maximum Gain	47.6%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	62.9%	63.2%

	Fund	Date Range
Highest annual return	62.5%	Aug 2004 - Jul 2005
Lowest annual return	(28.7%)	Mar 2008 - Feb 2009

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	3.2%	6.4%	2.4%	0.5%	0.1%	(1.1)%	1.0%	1.2%	(0.4)%	5.5%	(1.1)%		18.9%
Fund 2020	0.2%	(8.5)%	(9.9)%	12.7%	0.0%	5.4%	1.9%	3.6%	(2.4)%	(3.6)%	12.7%	4.0%	14.2%
Fund 2019	2.9%	4.7%	2.8%	3.1%	(6.2)%	2.9%	(0.5)%	(1.4)%	1.5%	3.7%	0.5%	2.5%	17.2%
Fund 2018	0.9%	(2.6)%	(3.4)%	4.2%	(4.0)%	2.2%	(0.5)%	2.4%	(3.9)%	(4.0)%	(5.3)%	1.3%	(12.6)%
Fund 2017	3.2%	(0.4)%	2.4%	4.0%	(0.6)%	(3.4)%	6.1%	1.4%	0.5%	5.8%	0.6%	(3.1)%	17.1%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2021
Domestic Assets	74.1%
■ Equities	73.3%
Basic Materials	17.8%
Industrials	1.6%
Consumer Goods	4.7%
Health Care	2.3%
Consumer Staples	1.4%
Consumer Services	14.3%
Energy	0.4%
Telecommunications	0.7%
Energy	1.1%
Financials	18.2%
Technology	10.2%
Derivatives	0.4%
■ Real Estate	0.1%
■ Cash	0.7%
International Assets	25.9%
■ Equities	25.9%
■ Cash	0.0%

TOP 10 HOLDINGS

As at 30 Sep 2021	% of Fund
Prosus	9.3%
Anglo American Plc	7.2%
FirstRand Limited	6.0%
Glencore Xstrata Plc	5.2%
Aspen Phamacare Holdings Ltd	3.1%
Quilter plc	2.9%
British American Tobacco Plc	2.7%
Bid Corp Ltd	2.6%
JD.com Inc Adr	2.4%
Momentum Metropolitan Holdings	2.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2021	01 Oct 2021	165.18	162.96	2.21
31 Mar 2021	01 Apr 2021	300.50	298.39	2.12
30 Sep 2020	01 Oct 2020	171.35	169.38	1.96
31 Mar 2020	01 Apr 2020	177.30	168.68	8.62

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

The Fund returned 1.8% for the quarter, resulting in a return of 28.7% over the last year. The Fund has performed well against its peer group over all meaningful time periods.

The global recovery continued, supported by high vaccination rates in developed markets and easing economic restrictions. Markets were weaker, reflecting fears that growth would not live up to the high expectations priced in. The MSCI All Country World Index declined -1% in US dollars for the quarter (27% over 12 months).

Developed markets (MSCI World index 0%) were broadly flat, although they fell in September (-4%) as concerns about growth increased. Emerging markets underperformed their developed market counterparts (MSCI Emerging Markets [EM] -8%). Brazil (Bovespa -20%) and China (MSCI China -18%) both had a particularly weak quarter.

Investor confidence in China was shaken by a raft of new regulations across multiple sectors that were invoked swiftly and largely without consultation. While China's authoritarian political system has always posed a risk, recent actions have heightened this. The remit of government interventions widened to include a drive for common prosperity and wealth redistribution, as well as social engineering. These policies are in direct conflict with the economic opening that has taken place over the past few decades. The role that foreign capital will be permitted to play is less certain. Evidence of slower Chinese growth also emerged after a very rapid recovery earlier in the pandemic.

While the Fund's allocation to global equities has bolstered long-term returns and risk management, it detracted during the quarter, given a slower than anticipated recovery in some markets and exposure to China. The Fund continues to hold several global names where we believe recovery prospects are mispriced. Covid-19 shutdowns have created near-term headwinds but are expected to recede as global vaccination levels increase. Travel has already picked up markedly in many markets and should support investments in Airbus, Trip.com, MakeMyTrip, Ryanair and Samsonite.

Wide-ranging Chinese regulatory interventions weighed heavily on China stocks. Portfolio risk has been managed both through careful consideration of the overall China exposure and stock picks. The largest Chinese investment among the global holdings is JD.com, which we believe to be relatively well-positioned. JD.com has responsible social practices, treating their staff well and employing their drivers directly. They have consistently invested in distribution infrastructure to widen services into Tier 2 and 3 cities rather than harvest profits. JD.com may benefit from the additional scrutiny being placed on some of Alibaba's less competitive practices, such as retailer exclusivity, as merchants can move to JD.com's platform. We continue to expect strong growth from this business.

South African (SA) investor confidence was dealt a blow early in the quarter with the rioting and looting in KwaZulu-Natal. Social inequality and high unemployment (worsened by the pandemic and associated economic restrictions) remain a major concern. An additional Basic Income Grant has been extended to those most in need. The additional grant, ongoing SOE support and a higher-than-anticipated public sector wage agreement further strained the fiscus. SA needs sustained economic growth to heal its fiscal woes. The decline in prices of some of SA's key export commodities (iron ore -28% in Q3-21 in US dollars and PGMs) is a threat to the current account surpluses that have supported the rand. The local currency declined -5% against the US dollar for the quarter. While the quarter heralded a disappointing number of setbacks to the fiscal outlook, the government remains committed to fiscal discipline. The new Minister of Finance is not expected to make any major changes.

SA's vaccine rollout has been slow to ramp up, with 20% of the adult population now fully vaccinated. Easing Covid-19 infection numbers have supported a lowering of restrictions, with the country moving to level 1 at the end of the quarter. The risk of further waves remains given low levels of vaccination.

The Fund's exposure to SA equities is sitting at a decade high given the breadth of value across many sectors, including resources, locally-listed global stocks and domestic shares. For the quarter, the JSE Capped SWIX Index delivered 3% in rands. The financials index returned 12% as the improvement in banking earnings continued, fuelled by a faster-than-expected recovery in bad debts. Industrials declined -4% as major constituent Naspers (-17%) dragged down index return. The resource index declined too (-4%) as global growth concerns and commodity price pressures weighed on several stocks.

The Fund has long had considerable exposure to a number of global businesses listed in SA. Major holdings include Naspers (-17%)/Prosus (-15%), Aspen (69%), Bidcorp (4%), British American Tobacco (-1%), Quilter (-0%) and Textainer (13%). All are attractive for stock-specific reasons.

Naspers came under considerable pressure during the quarter as regulatory intervention in China intensified. Within the technology sector, much of the regulation is consistent with what is seen elsewhere, including governance of fintech, antitrust, competition law, data security, protection of personal information and gig employee

labour protection. More specifically for Tencent, government attempts to protect minors means increasing restrictions on time spent gaming. Thus far, none of the restrictions are expected to change Tencent's prospects meaningfully. However, the breadth and depth of Chinese regulatory intervention and the amplified threat to foreign capital have increased the risk of any Chinese investment. Valuations now look extremely attractive, with Chinese technology businesses trading at considerable discounts to their developed market peers. Tencent is a formidable company that generates good free cash flows, has a very engaged user base and is growing businesses across multiple verticals. At the Naspers/Prosus level, investors benefit from an undervalued rump where management has been achieving good returns on recent portfolio actions.

Aspen delivered strong returns for the quarter (+69%), bringing 12-month returns to 130%. While organic delivery has been pleasing, the more recent share price performance stems from two specific opportunities. Aspen is under cautionary related to the potential disposal of its API business, which is expected to be accretive. More materially, Aspen could potentially benefit from a vaccine licensing deal from J&J, which would materially increase its revenues.

Domestic companies continued to report results ahead of our expectations due to more resilient economic activity and stringent cost-cutting. We are concerned about the secondary effects of this cost-cutting and the ongoing weak employment numbers.

Like many holding companies, RMI (+20%) has seen the discount (at which it trades to the value of its underlying parts) widen over the last few years. We believe this undervalues some of the attractive assets it owns, including OUTsurace, an unlisted short-term insurer with a strong history of delivering earnings growth while achieving high levels of cash flow conversion. We have had many engagements with RMI management over the years about how this value could be unlocked and were pleased to note the restructuring announced in September. RMI intends to unbundle its holdings in Metropolitan Momentum and Discovery to shareholders leaving a smaller, more focused company with its major holdings in short-term insurance (OUTsurace and Hastings). RMI has also committed to paying out 50% free cash flow to shareholders. Although a capital raise in the form of a rights issue will be required to achieve this, the restructuring and higher pay-out are undoubtedly positive. We hope that these are the first steps on a journey to further improve shareholder returns by passing through more of the underlying dividends.

The portfolio has a small overweight in resource shares, which comes from the holdings in the diversified miners. Holdings in Glencore and Anglo American have contributed strongly to performance over the past few years, but we believe they continue to offer good value. They trade on low multiples, with solid free cash flow generation and attractive upside. We are not bullish on all commodities but expect an accelerating global drive to decarbonise to create increasing demand and tight markets in commodities like copper, cobalt and nickel. Glencore is particularly well exposed.

The portfolio has continued to increase its holding in gold equities, which offer upside and reasonably priced protection against stretched sovereign balance sheets and high global market levels. Both AngloGold and Goldfields have improved their production profiles and geographic diversification. We anticipate a period of increased returns to shareholders under their new leadership teams. These positions have been funded by taking profits in the PGM shares.

Markets are ever-changing. The significant disturbance wrought on the world by Covid-19 has accelerated disruption in many industries while placing significant pressure on sovereign balance sheets. The sweeping changes effected by the pandemic has created opportunities where longer-term consequences are being mispriced. We constantly challenge our beliefs to enable us to take advantage of these opportunities.

Portfolio managers

Karl Leinberger and Sarah-Jane Alexander
as at 30 September 2021

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION EQUITY FUND

The Equity Fund should be considered a long-term investment. 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. Asset allocation and top 10 holdings are reflected on a look-through basis. 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. Class R NAV prices were used for the period prior to the launch of Class A. 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.

From 1 April 2021 to 31 March 2022, the lowest of the performance-adjusted fee calculated using CAPI or C-SWIX as the SA Equity component of the benchmark will be accrued daily. From 1 April 2022, only the performance-adjusted fee calculated using C-SWIX as the SA Equity component of the benchmark will apply.

The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category)

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is a composite benchmark consisting of 87.5% Domestic Equity (CSWIX), 12.5% International Equity (ACWI).

From 1 April 2021 the SA equity component of the composite benchmark is the FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX) which replaces the FTSE/JSE Capped All Share Index (CAPI). The benchmark returns shown in this MDD will be spliced between the performance of the previously applicable index values and that of the new composite benchmark using C-SWIX from 1 April 2021.

Note that we use the formal SA – Equity – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FSTE/JSE All Share Index, for compliance monitoring purposes

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

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. 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 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 current financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last 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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