

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	LIBOR	Active Return
Since inception cum.	184.8%	11.5%	173.3%
Since Inception p.a.	8.4%	0.8%	7.6%
Latest 10 years p.a.	7.6%	0.9%	6.7%
Latest 5 years p.a.	8.5%	1.4%	7.1%
Latest 1 year	53.2%	0.2%	53.0%
Year to date	31.8%	0.1%	31.7%
Month	2.8%	0.0%	2.8%

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

SECTOR EXPOSURE

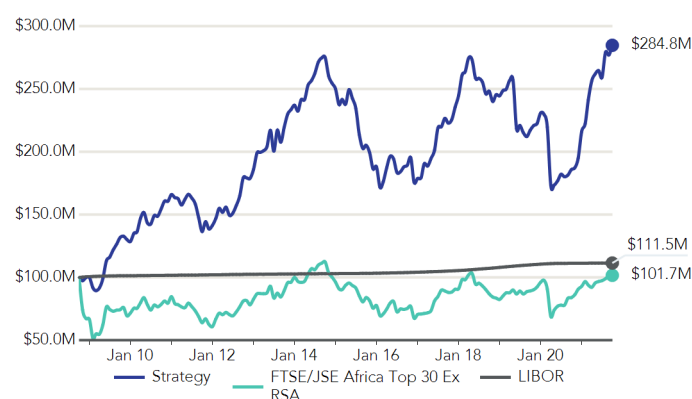
Sector	% Strategy
Consumer Goods	23.8%
Financials	22.9%
Telecommunications	15.2%
Basic Materials	10.9%
Industrials	9.8%
Oil & Gas	4.8%
Health Care	4.2%
Consumer Services	3.7%
Utilities	1.0%
Consumer Staples	0.2%
Interest Bearing	3.5%

GENERAL INFORMATION

Inception Date	01 October 2008
Strategy Size *	\$406.1 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

*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.

GEOGRAPHIC EXPOSURE

Country	% Strategy
Zimbabwe	30.4%
Egypt	28.3%
Kenya	12.8%
Nigeria	11.3%
South Africa	3.3%
Ghana	3.1%
United Kingdom	1.7%
Senegal	1.6%
Botswana	1.4%
Tanzania	1.3%
Uganda	1.0%
Zambia	0.2%
Namibia	0.1%
Interest Bearing	3.5%

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/>.

Coronation Investment Management International (Pty) Limited is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). An investment adviser's registration with the SEC does not imply a certain level of skill or training. Additional information about Coronation Investment Management International (Pty) Limited is also available on the SEC's website at <https://www.adviserinfo.sec.gov>. The information in this document has not been approved or verified by the SEC or by any state securities authority. Coronation Asset Management (Pty) Limited, Coronation Investment Management International (Pty) Limited and Coronation Alternative Investment Managers (Pty) Limited are also regulated by the Financial Sector Conduct Authority of South Africa.

This material is for information 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 an investment in the Strategy, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with, any contract for investment in the Strategy. Any such offer shall only be made pursuant to the provision of further information/prospectus in relation to the Strategy. The Strategy is subject to management, administration and performance fees. Past performance is not necessarily a guide to future performance. Investors may not receive back the full amount invested and may suffer capital loss. Investments in the Strategy may not be readily realisable. Opinions expressed in this document may be changed without notice at any time after publication. Nothing in this document shall constitute advice on the merits of buying and selling an investment. All income, capital gains and other tax liabilities that may arise as a result of investing in the Strategy, remain that of the investor.

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.

The information contained herein is not approved for use by the public and must be read together with our [Disclaimer](#) that contains important information. If you are in possession of a physical copy of this document and you are unable to access our [Disclaimer](#) online, kindly contact us at cib@coronation.com and a copy will be sent to you via email.

REVIEW FOR THE QUARTER

The Strategy has had another strong quarter, returning 10%, which brings the performance over the last 12 months to +53%. This compares to +4% and +21% for the FTSE/JSE All Africa ex-South Africa 30 Index. As a reminder, the Strategy performance numbers include the write-down of the in-country Zimbabwe (currently 21.7% of Strategy) and Nigerian (4.6% of Strategy) assets, as currency challenges persist in both markets. The Index continues to use the official exchange rates.

Over five years, the Strategy has returned close to 9% per annum (p.a.). This is about in line with our long term through-the-cycle expectations for the Strategy. Over the same period, the Index returned +6% p.a. Since its inception 13 years ago, the Strategy has returned +8% p.a. against a flat return delivered by the Index. Despite these healthy returns, we continue to see exceptional value across the portfolio.

For the quarter, performance across the largest African markets was generally positive: Mauritius (+8%), Nigeria (+5%), Morocco (+5%) and Egypt (+2%). Kenya was largely flat. Over the year, most markets have recovered strongly from the Covid-19-impacted base, with Nigeria the best performer (+39% using the unrealisable spot exchange rates), Morocco (+35%), Kenya (+26%) and Mauritius (+24%). Only Egypt was negative, returning -4%. Egypt is heavily impacted by the decline in Commercial International Bank, the largest constituent in the Index, which has derated significantly despite solid operating results.

In looking at country performance, Zimbabwe has been excluded from the above paragraph as it warrants a fuller discussion. In June last year, the Reserve Bank of Zimbabwe implemented weekly forex auctions. Each institution could bid for a maximum of \$500 000 per auction. The first auction saw \$10.4m of liquidity trade at a weighted average rate of ZWL57/\$. Within six weeks, the rate was above ZWL80/\$ and liquidity steadily improved to above \$30m per auction. Since then, the country has seen the highest maize harvest in close to two decades, strong remittances growth, elevated platinum group metals and gold prices and a \$1bn special drawing rights allocation from the IMF. These are big positive events. Despite this, there have been several recent developments that leave us concerned about the country. These are:

- The time between being allocated funds in the auction to receiving the funds has increased from 7 days in the first auction to over 100 days.
- The maximum amount that institutions can bid per auction has been reduced from \$500k to \$100k per auction.
- Our liquidity in the interbank market reduced dramatically in the third quarter.
- A further 1% "auction fee" levied by the Reserve Bank has been added to the already high fees in place within the country.
- The gap between the parallel rate (ZWL170/\$) and the auction exchange rate (ZWL89/\$) has widened significantly.
- The stock market has seen a huge increase. While part of this is warranted (things operationally have improved), whenever we see broad-based increases of this magnitude amidst a fixed or illiquid currency market, it often signals a large devaluation or correction is on its way. Over the past 12 months, the three most relevant in-country Zimbabwe shares (Delta, Econet and Cassava) are up 544%, 963% and 667% in ZWL, respectively.

We continue to follow these developments closely.

The largest contributors to the Strategy's performance for the period were unsurprisingly the Zimbabwe stocks, Econet (+7%), Delta (+2%), and Australia listed Zimplats (+80bps). Zimplats recently released excellent results. The largest detractors were all in Nigeria. Guaranty Trust Holdings (-40bps), Stanbic IBTC (-40bps) and Nigerian Breweries (-30bps) all weighed on performance.

Similarly, over the past year, Econet (+15%), Zimplats (+13%) and Delta (+6%) were the largest contributors. The gold miners Centamin (-4%) and AngloGold Ashanti (-60bps) both detracted on the back of a weak gold price and some once-off operational challenges.

Over the past year, the most significant buys were Commercial International Bank, Eastern Company and gold (metal and miners). The sells were Zimplats, Centamin and QNB Al Ahly, which we switched into Commercial International Bank due to moves in the relative valuations.

Thank you for your continued support. We remain exceptionally excited about the portfolio's prospects. The upside to fair value remains elevated, and we continue to have more buy ideas than cash. In the fullness of time, this should prove rewarding to our investors.