GLOBAL ABSOLUTE STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 30 JUNE 2022

CORONATION
TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Global Absolute Strategy targets positive real returns with an overriding focus on limiting downside returns or portfolio losses. Therefore, capital preservation in real terms is equally important to return optimisation. The Strategy is managed in accordance with the limits of Regulation 28 of the Pension Funds Act.

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house. 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 cleanslate 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 (cumulative)	1,866.9%	265.3%	1,601.6%
Since Inception p.a.	13.9%	5.8%	8.1%
Latest 20 years p.a.	13.0%	5.5%	7.5%
Latest 15 years p.a.	9.6%	5.6%	4.0%
Latest 10 years p.a.	9.3%	5.1%	4.2%
Latest 5 years p.a.	7.1%	4.5%	2.6%
Latest 3 years p.a.	7.3%	4.5%	2.8%
Latest 1 year	1.5%	6.6%	(5.1)%
Year to date	(6.3)%	3.4%	(9.7)%
Month	(4.0)%	0.3%	(4.3)%

ASSET ALLOCATION

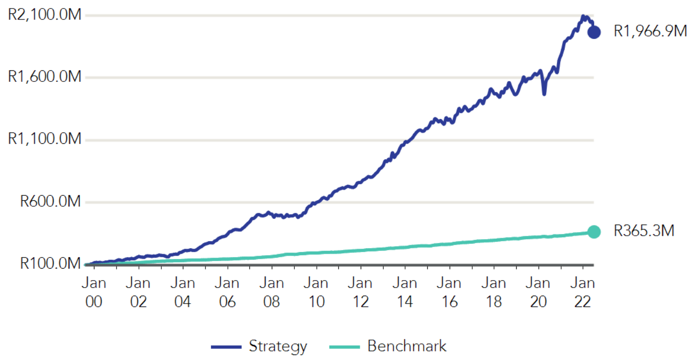
Asset Type	% Strategy
Local Equities	38.4%
Local Bonds	29.2%
Foreign Equities	19.1%
Cash	3.7%
Foreign Fixed Income	2.7%
Local Property	2.4%
Local Hedge Funds	2.3%
Local Commodities	2.1%
Foreign Property	0.1%

GENERAL INFORMATION

Inception Date	01 August 1999
Strategy Size †	R6.68 billion
Strategy Status	Open
Mandate Benchmark	Consumer Price Index (CPI)
Performance Target	CPI + 5% (gross of fees and taxes) over a rolling 3 year period
Dealing Frequency	Daily
Base Currency	ZAR
Regulation 28	Yes

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

GROWTH OF R100M INVESTMENT



Benchmark: Consumer Price Index (CPI)

TOP 10 HOLDINGS

Holding	% Strategy
CORO GBL EQUITY FOF-Z	17.0%
RSA FIX 6.250% 310336	5.1%
CORO GBL CAPITAL PLUS-Z	3.8%
RSA FIX 8.875% 280235	3.6%
PROSUS	3.4%
BRITISH AMERICAN TOBACCO PLC	3.0%
RSA FIX 8.250% 310332	2.5%
CORONATION GEM EQUITY FUND	2.4%
FIRSTRAND LIMITED	2.4%
ANGLO AMERICAN PLC	2.2%

MODIFIED DURATION*

Portfolio	1.5
Fixed Income Assets	4.9

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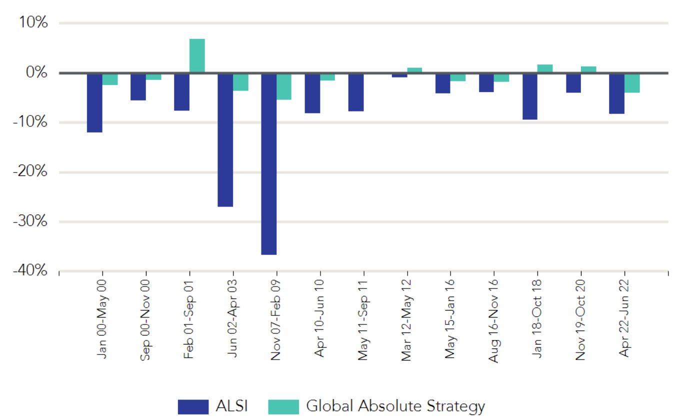
PERFORMANCE & RISK STATISTICS (Since inception)

Average Annual Return	14.2%
Annualised Standard Deviation	7.9%
Highest Monthly Return	8.8%
Lowest Monthly Return	(8.1)%
% Positive Months	70.5%
Downside Deviation	3.4%
Maximum Drawdown	(11.5)%
Sortino Ratio	1.7

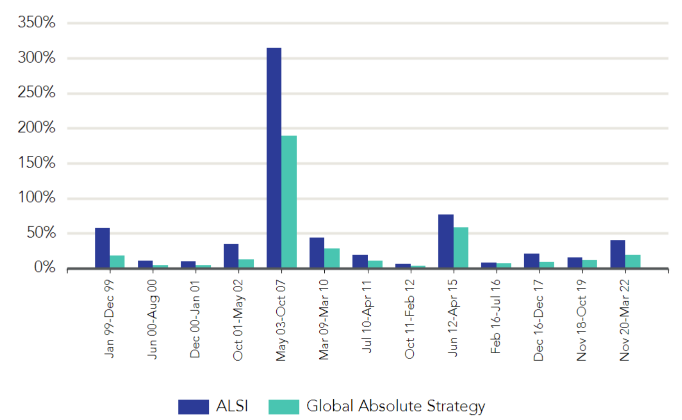
EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	0.7%	0.8%
1 to 3 years	7.5%	7.5%
3 to 7 years	5.3%	5.3%
7 to 12 years	6.0%	6.0%
Over 12 years	10.7%	10.7%

BEAR MARKETS



BULL MARKETS



In the bar graphs above, we have divided the period since inception of our Strategy into bull and bear markets. The Strategy's returns are measured against the FTSE/JSE All Share index. The bear market graph clearly demonstrates how the Strategy has protected capital; its losses were much more shallow than the market during downswings. As evident from the second graph, the Strategy also enjoyed healthy upside participation in bull markets.

PORTFOLIO MANAGERS

Pallavi Ambekar - BBusSc, CA (SA), CFA

Pallavi is Head of the Absolute Return investment unit and a portfolio manager across all strategies in the unit. With 19 years' investment experience, she also has research responsibility for certain large capitalisation shares listed on the JSE.

Charles de Kock - BCom (Hons), MCom

Charles joined Coronation in 2005 and is a co-portfolio manager across all strategies within the Absolute Return investment unit. He also co-manages the Coronation Balanced Defensive and Capital Plus unit trust funds. Charles has more than 30 years' investment experience.

Neill Young - BBusSc, CA (SA), CFA

Neill joined Coronation in 1998 and co-manages Coronation's Absolute Return Strategies as well as the Coronation Financial, Balanced Defensive and Capital Plus unit trust funds. Neill has more than 23 years' investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.

REVIEW FOR THE QUARTER

The reality of 2022 is in stark contrast to the high expectations for the global economy at the start of the year. The outlook was for a promising recovery in global growth as the world exited pandemic restrictions. Expectations were for a more normalised supply chain environment and a recovery in the service sector that would help build on the strong post-Covid GDP rebound we saw in 2021. However, these prospects were rapidly re-set as we moved into the second quarter of 2022 (Q2-22), driven by a polycrisis marked by the spread of the Omicron variant in China, which triggered lockdowns and disruptions across the country; Russia's invasion of Ukraine and the ensuing sanctions; the war-induced surge in commodity prices, which impacted inflation expectations; and the resultant faster trajectory for normalising interest rates and policy tightening from central banks.

With the anchor of low, steady interest rates on asset class pricing removed, almost all major asset classes posted substantial losses in Q2-22. South African (SA) asset classes, although cheap to begin with, fared better than global asset classes, but did not manage to escape the carnage completely. The FTSE/JSE All Share Index delivered -11.7% for the quarter (its worst quarterly return in 20 years) and the All Bond Index delivered -3.7%. These sharp, negative moves in global and domestic asset classes, together with a rising inflation benchmark, has meant that the Strategy's quarterly return was down over -5% but remained positive over the past 12 months. Importantly, the Strategy has achieved real returns over longer time periods.

The Strategy's global exposure has been the largest detractor from performance over the year. We have been sitting below the maximum offshore allocation allowed in the portfolio (currently approximately 27% of Strategy) for some time now as we felt that domestic assets were relatively more attractive. Despite this low offshore allocation, the performance of the Coronation Global Equity Strategy (17% of Strategy) and the Coronation Global Emerging Markets Strategy (2.5% of Strategy) has contributed negatively to the Strategy performance over the last year. This was partly offset by our exposure to the more defensive Coronation Global Capital Plus Strategy (approximately 4% of Strategy) and our global equity put protection. With global equity markets now offering better value, we have raised our offshore exposure. We have not tilted too aggressively as we still think SA assets are cheap and offer the highest potential of delivering the targeted inflation plus returns for investors in the Strategy.

Domestic assets have contributed positively to the Strategy's performance thanks to good equity and bond selection over the last year. Within SA equity, positive contributions have come from British American Tobacco, Anglo American, FirstRand, RMI and Shoprite. The last three shares in particular highlight the opportunity for quality, domestic businesses to deliver good returns for investors despite a tough domestic macro-economic outlook.

In the quarter, the largest contributor to performance was our large position in Naspers/Prosus combined, as positive action from Naspers to address the large discount it trades at has been implemented. The share ended the quarter up 36%. At their March results (which were released mid-June), Naspers noted the desire to focus on profitability in the rump assets and the crystallization of value here, on top of growing net asset value per share on a go forward basis. The kicker was the announcement of their intention to implement an open-ended buyback programme, funded by orderly selling down their Tencent stake. This is a course of action we actively pushed at both the executive and board level. Given the vast discounts Naspers/Prosus trade at, the outcome of the above is that shareholders will increase their Tencent shareholding on a per Naspers/Prosus share basis. This is a very positive step and has been the primary driver of subsequent share price performance. We continue to believe that Naspers/Prosus are attractively valued versus their underlying assets and look forward to further developments in realising this value.

From a fixed income perspective, SA government bonds still trade at historically high yields and are elevated compared to their emerging market counterparts. SA has benefited from a significant terms of trade boost that provides more breathing room for the fiscus. The SARB will be under pressure to normalise rates at a pace similar to that of major global central banks, but the current premium in bond yields remains excessive and yields have a significant risk buffer to absorb higher local inflation and higher US bond yields. Our local bond weighting has remained steady, with our selection providing healthy real yields for the Strategy.

The events in the first half of the year proved that the future is difficult to predict, and we expect that the uncertainty and volatility we have seen so far in 2022 will continue to be a feature for the rest of the year. The vicious de-rating of global equities and bonds are providing us with additional choice and opportunities to diversify at much more attractive valuations than we had a year ago. At the same time, we continue to see good value local investment prospects that can deliver the inflation plus returns the Strategy is mandated to provide. With the recent changes in the Regulation 28 rules, the Strategy will have the ability to make significantly higher offshore allocations than before (45% vs 35%). These regulatory changes will not be the primary driver of the Strategy's asset allocation decisions. As always, we will have a considered mix of domestic and offshore exposure with the suitable selection of income and growth assets to deliver the Strategy's return objectives at the appropriate level of risk. Based on our return expectations for the various asset classes at our disposal, we continue to believe that the Strategy remains well positioned to deliver on its investment target in the medium term.