

WHAT IS THE FUND'S OBJECTIVE?

The SA Equity Fund aims to achieve the best possible long-term growth from investing in South African shares.

WHAT DOES THE FUND INVEST IN?

The SA Equity Fund invests in the shares of companies listed on the Johannesburg Stock Exchange. While investments in foreign markets are specifically excluded, the fund can invest in international companies that are listed in 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 SA 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 (after fees) 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	30 September 2015
Fund Class	A
Benchmark	FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX)
ASISA 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	CORSAEA
ISIN Code	ZAE000209441
JSE Code	CSEFA

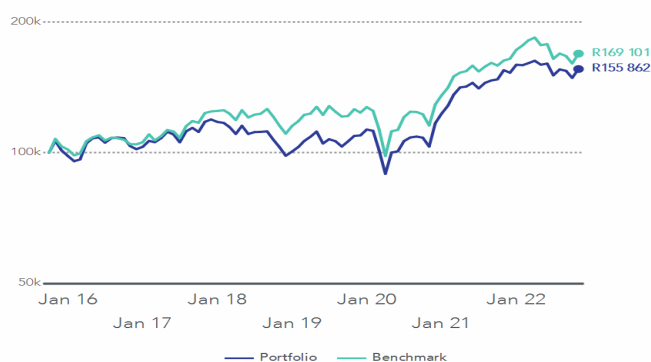
CLASS A as at 31 October 2022

ASISA Fund Category	South African - Equity - General
Launch date	30 September 2015
Fund size	R 2.27 billion
NAV	133.82 cents
Benchmark/Performance	FTSE/JSE Capped Shareholders
Fee Hurdle	Weighted All Share Index
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

Total Expense Ratio	1 Year*	3 Year
Fee for performance in line with benchmark	1.45%	1.39%
Adjusted for out/(under)-performance	1.10%	1.09%
Fund expenses	0.14%	0.09%
VAT	0.03%	0.03%
Transaction costs (inc. VAT)	0.19%	0.18%
Total Investment Charge	0.31%	0.30%
	1.76%	1.69%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	55.9%	69.1%	(13.2)%
Since Launch (annualised)	6.5%	7.7%	(1.2)%
Latest 5 years (annualised)	5.8%	6.5%	(0.8)%
Latest 3 years (annualised)	12.5%	10.3%	2.2%
Latest 2 years (annualised)	22.8%	21.0%	1.9%
Latest 1 year	0.6%	3.7%	(3.1)%
Year to date	(2.2)%	(2.0)%	(0.2)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	14.1%	14.5%
Sharpe Ratio	0.02	0.10
Maximum Gain	40.2%	37.3%
Maximum Drawdown	(25.1%)	(23.3%)
Positive Months	60.0%	60.0%

	Fund	Date Range
Highest annual return	58.1%	Apr 2020 - Mar 2021
Lowest annual return	(17.9%)	Apr 2019 - Mar 2020

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	(0.2)%	1.1%	1.3%	(2.1)%	0.6%	(6.1)%	3.2%	(0.7)%	(3.7)%	4.8%			(2.2)%
Fund 2021	4.3%	6.0%	3.9%	0.5%	2.0%	(2.9)%	3.0%	1.3%	0.6%	5.0%	(1.4)%	4.3%	29.5%
Fund 2020	(0.7)%	(9.7)%	(11.8)%	11.9%	0.7%	5.6%	2.0%	0.5%	(0.6)%	(4.6)%	13.2%	5.2%	8.8%
Fund 2019	2.5%	3.2%	2.3%	2.8%	(6.1)%	2.3%	(1.0)%	(2.8)%	2.7%	3.0%	0.3%	3.2%	12.4%
Fund 2018	(0.5)%	(2.1)%	(3.6)%	4.4%	(4.2)%	1.0%	0.1%	0.2%	(4.3)%	(4.0)%	(4.4)%	2.3%	(14.5)%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Oct 2022
Domestic Assets	100.0%
■ Equities	99.3%
Basic Materials	24.9%
Industrials	2.3%
Consumer Goods	11.9%
Health Care	1.5%
Consumer Services	14.7%
Telecommunications	3.8%
Financials	29.7%
Technology	10.8%
Derivatives	(0.4)%
■ Real Estate	0.2%
■ Cash	0.5%

TOP 10 HOLDINGS

As at 30 Sep 2022	% of Fund
Prosus	9.3%
Glencore Xstrata Plc	7.5%
Anglo American Plc	6.1%
Standard Bank Group Ltd	5.7%
FirstRand Limited	4.4%
MTN Group Ltd	4.2%
Naspers Ltd	4.2%
Compagnie Financiere Richemont SA	4.0%
Sasol Ltd	3.8%
ABSA Group Limited	3.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2022	03 Oct 2022	1.98	1.94	0.04
31 Mar 2022	01 Apr 2022	1.06	1.04	0.03
30 Sep 2021	01 Oct 2021	1.68	1.65	0.03
31 Mar 2021	01 Apr 2021	3.30	3.27	0.03

* This column shows the most recently available figures for the 12 months ending September 2022.

The audited 12-month TER ending Sept 2021 was 1.43% which included a 0.13% adjustment for out/(under) performance and a total investment charge of 1.72%.

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

Performance

The Fund returned -1.3% for the quarter, resulting in a return of 0.8% over the last year. The Fund recently gained a five-year track record and has performed pleasingly since its inception.

After a tough first half of the year, markets showed brief respite in the first weeks of the third quarter. However, the latter part of the quarter saw broad weakness across asset classes as worries that plagued markets during the first half of the year (high inflation, rising rates and slowing growth) resurfaced. The MSCI World Index declined -6% for the quarter (dragging year-to-date returns to -25%). The commitment of central banks to contain inflation (even at the cost of rising unemployment and potential recession) surprised markets during the quarter.

The ongoing Russian invasion of Ukraine has kept energy prices as well as geopolitical tensions high, with increasing polarisation between NATO and the rest of the world. US Speaker Nancy Pelosi's third-quarter visit to Taiwan created further unease given China's commitment to Taiwan "reunification". China continues to stick to its zero-Covid policy despite the economic cost. This weighed on the MSCI Emerging Markets Index which underperformed MSCI World Index with a -12% decline for the quarter (bringing YTD declines to -27%). The commodity basket experienced broad price declines given the ramifications of slower Chinese economic growth. Energy commodities were a notable exception and remain elevated. A recession in Europe looks increasingly likely against this backdrop. The United Kingdom, under its new prime minister, announced an aggressive fiscal response (including energy subsidies and tax cuts) to these challenges. A negative reaction to these unfunded tax cuts saw the pound weakening, the gilt market collapse and further weakness in UK equities.

South Africa's (SA) economy has benefited from a strong commodity cycle over the last few years, but a slowing China poses a meaningful headwind. Underinvested infrastructure and poorly-run state entities continue to hamstring the economy. Transnet's incompetence is undermining export volumes, while record levels of loadshedding at Eskom inhibit growth and undermine confidence. Years of insufficient maintenance at Eskom mean the grid remains fragile and power supply constrained.

Despite the structural challenges facing SA, we believe South African assets are cheap, pricing in very modest expectations. This creates a sufficient margin of safety to make these attractive investments. SA corporates are resilient, accustomed to operating in a stagflationary environment. We are seeing this play out in recent earnings releases, which are generally in line with our expectations.

Fund positioning

The FTSE/JSE Capped Swix Index declined -2% during the quarter (-7% YTD), performing ahead of the MSCI World Index in USD YTD (-18% for the Capped Swix vs -21% for the MSCI World). SA equities offer broad value across resources, global stocks listed on the JSE, and domestics.

The resource sector declined -1% in the third quarter, leaving the sector down -6% for the year. These numbers belie the divergence in performance we have seen. The scramble by European countries to replace Russian energy supply with alternatives has kept energy prices elevated. The spike in demand for ex-Russia product comes on the back of several years of limited investment in supply given decarbonisation targets. Near term, these targets have had to be compromised to secure Europe's energy needs for the winter, with heating restrictions already in place across several countries. For the year to date (YTD), the prices of oil (+13.1% YTD), gas (+116.6% YTD) and coal (+155.7% YTD) have all risen meaningfully.

Energy producers including Sasol and Exxaro offer attractive free cash flows, given the tightness in near-term markets and are expected to return a significant portion of their market capitalisation in the form of dividends in the coming years. The portfolio continues to hold large positions in diversified miners – Glencore and Anglo American. Both offer attractive free cash flow streams, even at more normal commodity prices. Despite looming threats of recession, we expect commodity markets to remain tight. A lack of investment in prior years will limit supply while a transition to a lower carbon future supports robust commodity demand.

The financials index returned -4% for the quarter (YTD -5%) as bank earnings delivered an ongoing recovery. Drivers of recent results included advances growth, contained credit losses, growing African operations and the endowment benefit from higher rates. The portfolio has reasonable exposure to the banks via FirstRand (+2% YTD), Standard Bank (+10% YTD), Nedbank (+22% YTD), and more recently Absa (+23% YTD). Absa has been reinvigorated post their separation from Barclays. The retail business has stabilised its market share and is writing new business at good returns. The recently appointed group CEO comes from the retail division, and we look forward to further gains as the group benefits from his leadership. Life insurers (-7% Q3-22/-16% YTD) have seen more challenging trading as the businesses face low growth and competitive pricing in risk while Covid-related mortalities have inflated claims. Weak markets are a further headwind. The Fund does not own the life insurers, preferring positions in the banks and other financials.

Industrials returned -1% for the quarter (YTD -17%), with major constituents, Naspers and Prosus down (-4%/-10% for the quarter and -8%/-27% YTD). Whilst headwinds in China continue, the open-ended buyback programme announced by Naspers and Prosus during the second quarter is well underway and should deliver considerable value. The portfolio continues to hold several global businesses listed in SA that we believe offer sizeable value. Examples include British American Tobacco, Bidcorp, and Richemont.

Domestic stocks offer attractive stock picking opportunities, with low expectations and undemanding valuations. Many trade on very high dividend yields. The JSE has seen several buyouts by international bidders in the last few years, underlining the value on offer. During the current year, both Mediclinic and Massmart have received buy-out offers. Given the low valuations, buybacks are another effective way of creating value for shareholders. We have seen sizeable purchases of shares by management teams at Lewis and Motus (both held in the Fund).

Our emphasis within the portfolio has been on finding businesses that can prosper even in a low growth economy. Examples of these include RMI and Transaction Capital (TCP). RMI's core holding is OUTsurance, which offers strong growth prospects, particularly in Australia, and can pay out the bulk of its earnings while growing. With regards to TCP, we expect the WeBuyCars business to continue to gain market share given its convenient and trusted consumer offer. Management is working hard to build a new technology-led platform in the TCRS business to service global clients. We added to TCP during the quarter.

Outlook

As always, our commitment to long-term investing and a disciplined valuation-based approach remains the bedrock of our investment process. While headwinds exist in both global markets and the domestic economy, we believe that as an asset class, equities are well priced for the risks and offer attractive returns off these low starting prices.

Portfolio managers

Karl Leinberger and Sarah-Jane Alexander
as at 30 September 2022

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

The SA 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. 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.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

From 1 April 2021 the fund's 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 previously applicable index values (CAPI up to 31 March 2021) and the new index returns 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 over the period referenced. 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 underlying 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 a rolling 12-month period to the last available month end (updated monthly). The audited 12-month, displayed at the bottom of page 2, is the latest available audited 12-month TER to the end of the previous financial year ending 30 September (updated annually). The 3 Year TER is for a rolling 36-month period to the last available 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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