

## 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 primarily invests in the shares of companies listed on the Johannesburg Stock Exchange but can also invest in international equities.

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 a portfolio that is fully invested in shares;
- 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 and would typically also include exposure to international equities, 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](http://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 |
| ASISA Fund Category | South African – Equity – General                       |
| Income Distribution | Semi-annually (March & September)                      |
| Investment minimum  | R5 000 or R500/m debit order                           |
| Bloomberg Code      | COREQYA  |
| ISIN Code           | ZAE000058566   |
| JSE Code            | CORA   |

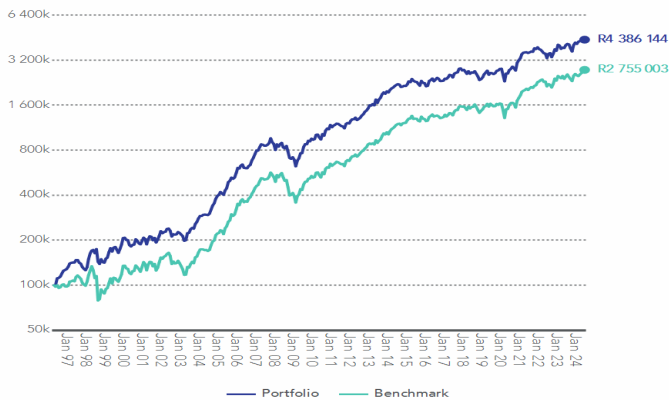
CLASS A as at 30 June 2024

|                       |   |
|-----------------------|---|
| ASISA Fund Category   | South African - Equity - General                        |
| Launch date           | 15 April 1996   |
| Fund size             | R 9.98 billion  |
| NAV                   | 24736.35 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 | 1.10%   | 1.10%   |
| Adjusted for out/(under)-performance       | 0.17%   | (0.03)% |
| Fund expenses                              | 0.02%   | 0.02%   |
| VAT  | 0.19%   | 0.16%   |
| Transaction costs (inc. VAT)               | 0.26%   | 0.25%   |
| Total Investment Charge                    | 1.74%   | 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)  | 4286.1% | 2655.0%   | 2956.1%            |
| Since Launch (annualised)    | 14.4%   | 12.5%     | 12.9%              |
| Latest 20 years (annualised) | 14.5%   | 15.0%     | 12.9%              |
| Latest 15 years (annualised) | 12.4%   | 13.1%     | 10.6%              |
| Latest 10 years (annualised) | 7.2%    | 8.8%      | 6.3%               |
| Latest 5 years (annualised)  | 10.8%   | 11.0%     | 9.0%               |
| Latest 3 years (annualised)  | 7.1%    | 10.9%     | 9.5%               |
| Latest 2 years (annualised)  | 15.3%   | 13.6%     | 11.0%              |
| Latest 1 year                | 9.0%    | 10.9%     | 9.5%               |
| Year to date                 | 4.7%    | 6.4%      | 5.4%               |

## RISK STATISTICS SINCE LAUNCH

|                      | Fund    | Benchmark |
|----------------------|---------|-----------|
| Annualised Deviation | 15.2%   | 17.0%     |
| Sharpe Ratio         | 0.35    | 0.21      |
| Maximum Gain         | 47.6%   | 43.5%     |
| Maximum Drawdown     | (35.1)% | (41.0)%   |
| Positive Months      | 61.5%   | 62.7%     |

|                       | 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 2024 | (2.0)% | 3.3%   | 1.3%   | 0.5%   | 1.9%   | (0.4)% | 2.1% | (0.9)% | (5.7)% | (4.9)% | 10.5%  | 3.9%   | 4.7%   |
| Fund 2023 | 9.6%   | (1.2)% | (5.0)% | 2.0%   | (0.7)% | 4.5%   | 2.1% | (0.9)% | (5.7)% | (4.9)% | 10.5%  | 3.9%   | 13.3%  |
| Fund 2022 | (2.9)% | (0.8)% | (2.6)% | (2.8)% | (0.6)% | (6.7)% | 6.8% | 1.2%   | (6.1)% | 5.6%   | 7.0%   | (2.2)% | (5.2)% |
| Fund 2021 | 3.2%   | 6.4%   | 2.4%   | 0.5%   | 0.1%   | (1.1)% | 1.0% | 1.2%   | (0.4)% | 5.5%   | (1.1)% | 2.7%   | 22.1%  |
| 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%  |

\*This column shows the most recently available figures for the 12 months ending May 2024.

The 12-month TER for the financial year ending September 2023 was 1.09% which included a -0.16% adjustment for out/(under) performance and a total investment charge of 1.33%.

Issue date: 2024/07/11

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector                      | 30 Jun 2024  |
|-----------------------------|--------------|
| <b>Domestic Assets</b>      | <b>56.4%</b> |
| <b>Equities</b>             | <b>55.9%</b> |
| Basic Materials             | 7.9%         |
| Industrials                 | 0.7%         |
| Consumer Goods              | 4.1%         |
| Health Care                 | 1.8%         |
| Consumer Services           | 11.5%        |
| Telecommunications          | 1.3%         |
| Financials                  | 15.5%        |
| Technology                  | 9.6%         |
| Derivatives                 | 3.6%         |
| <b>Real Estate</b>          | <b>0.1%</b>  |
| <b>Cash</b>                 | <b>0.4%</b>  |
| <b>International Assets</b> | <b>43.6%</b> |
| <b>Equities</b>             | <b>43.6%</b> |
| <b>Cash</b>                 | <b>0.0%</b>  |

## TOP 10 HOLDINGS

| As at 30 Jun 2024           | % of Fund |
|-----------------------------|-----------|
| Naspers Ltd                 | 5.7%      |
| Capitec Bank Ltd            | 3.5%      |
| Cie Financiere Richemont Ag | 3.3%      |
| FirstRand Limited           | 3.2%      |
| Prosus                      | 3.1%      |
| Dis-chem Pharmacies Ltd     | 2.3%      |
| Bid Corp Ltd                | 2.2%      |
| Charles Schwab Corp         | 2.1%      |
| Taiwan Semiconductor Man    | 2.1%      |
| LPL Financial               | 2.0%      |

## INCOME DISTRIBUTIONS

| Declaration | Payment     | Amount | Dividend | Interest |
|-------------|-------------|--------|----------|----------|
| 28 Mar 2024 | 02 Apr 2024 | 59.43  | 55.66    | 3.77     |
| 29 Sep 2023 | 02 Oct 2023 | 243.68 | 225.81   | 17.88    |
| 31 Mar 2023 | 03 Apr 2023 | 70.61  | 67.01    | 3.60     |
| 30 Sep 2022 | 03 Oct 2022 | 259.35 | 251.23   | 8.12     |

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

## Performance

The Fund returned 2.0% for the quarter, resulting in a return of 9.0% over the last 12 months. The large offshore allocation detracted in the second quarter as domestic assets (including the ZAR) rallied on the back of the South African election outcome. The Fund has performed well against its peer group over all meaningful time periods.

## Fund positioning

Market strength continued into Q2-24, with the MSCI All Country World Index returning 3% for the quarter (USD), bringing year-to-date (YTD) returns to 11%. Global economic growth remained reasonably resilient despite the higher-for-longer rate environment. Returns from the S&P 500 (+4% in USD for the quarter) were extremely narrow as three shares (Nvidia, Microsoft and Apple) accounted for more than 90% of the gain. The equal-weighted S&P underperformed the S&P by a whopping 29% over the last 18 months. The narrow performance delivered by markets has frustrated the job of stock pickers (who are measured on benchmark relative performance) but creates an exciting opportunity going forward. We believe the portfolio holds many individual stocks that trade on attractive valuations and should deliver good returns in the years ahead. We are finding these compelling opportunities across multiple geographies, sectors and in all of the three categories (being compounders, long duration growth and value). For this reason, we have retained a large allocation to offshore holdings.

Chinese growth remains below previous levels as high debt levels, a weak property market, and subdued confidence weigh on the economy. Notwithstanding the risks of investing in China, we believe a holding in the portfolio is warranted, given the low prices at which many high-quality consumer businesses trade. All of our holdings are delivering strongly, and many are allocating capital in an increasingly shareholder-friendly manner.

Geopolitical tensions persist, with the ongoing conflict in the Middle East and Ukraine-Russia. The uncertainty is compounded by half the world having gone or still going to the polls this year. Democracy prevailed, as peaceful elections passed in emerging markets, including India, Mexico, Indonesia, and South Africa during Q2-24 and France and the UK in early Q3-24. All eyes are on the US election in Q4-24, with the odds of a Republican victory increasing. A Trump presidency could have major ramifications for decarbonisation, the fiscal outlook (more tax cuts) and global geopolitics. Traditional safe havens like gold have remained strong in the face of this uncertainty.

It was an eventful second quarter for SA, with the election outcome driving a rally in domestic assets. The country's governing party, the ANC, lost its outright majority but the spirit of democracy prevailed as the ANC oversaw a peaceful transition to a centrist coalition government (whilst retaining the presidency). This coalition government has broad representation from across the political spectrum and some encouraging new appointments. A coalition government brings the prospect of better accountability but also risks policy paralysis as decision-making is more onerous. We think the outcome is marginally positive, albeit the challenges of decades of underinvestment in infrastructure, failing municipal service delivery, poor educational outcomes, a fiscally constrained government, and restrictive policy remain. Whilst there is upside risk from better management, a return of confidence and lower loadshedding, our base case remains a low-growth environment with ongoing infrastructure challenges. At the time of writing, the country has been free of loadshedding for more than 100 days. Given material underinvestment over many decades, we expect intermittent loadshedding to remain a part of life in SA, but at levels below the crisis levels of 2023. The currency strengthened 3% against the USD during the quarter and is now broadly flat YTD.

The FTSE/JSE Capped Shareholder Weighted Index (CSWIX) returned 8% for the quarter bringing YTD returns to 6% (given the negative first quarter). The Fund's preferred domestic asset remains SA equities. Holdings include global stocks listed on the JSE and selected resources and domestic stocks. Domestic stocks continue to offer good opportunities for stock picking as the gap between winning and losing businesses has widened in the tough economic environment. We retain a strong

preference for the winners who can flourish even in a low-growth environment by gaining market share.

The Financials Index (with its predominantly domestic exposure) drove Q2-24 market returns with a buoyant 18% return. Trading updates from the banks continued to indicate a weak economic environment with elevated credit losses. We were pleased with good earnings delivery from the Fund's core holdings in winning banks FirstRand and Capitec. Banks are leveraged to economic outcomes, and any uptick in growth would both reduce credit losses from high current levels and support advances growth.

The Industrials Index rose 5% for the quarter (+6% for the YTD). The Fund's core holdings include many of the global stocks listed in SA (Naspers, Richemont, Aspen, Bidcorp, British American Tobacco, and Anheuser-Busch InBev) for whom the rand strength was a headwind. Whilst larger holdings such as Richemont and Bidcorp detracted during the quarter, we believe both operate in growing markets with strong franchises that will take market share over time. Bidcorp is a food services business offering a one-stop supply solution for restaurants, food and hotel chains across 35 countries on five continents. The business benefits from scale and continues to grow organically by capturing the secular shift to out-of-home consumption as well as by consolidating a fragmented industry. We believe the current valuation does not adequately capture the long-term strong growth that Bidcorp is able to deliver. Key domestic holdings include Dis-Chem, ADVTECH and WeBuyCars (WBC), all of whom are expected to continue gaining market share. During the quarter, WBC was unbundled from Transaction Capital (TCP) and listed directly on the JSE. We believe this is a fantastic business that was being undervalued in the TCP structure. Coronation was able to increase the Fund's direct exposure by coming in as an early shareholder of reference. WBC is a strong, growing business with a long-term market share opportunity. Customers value its convenient service, fair prices, range of product, and trusted brand. We expect WBC to continue taking market share from independent dealerships.

The resource sector returned 4% for the quarter (+2% for the YTD) boosted by a take-out offer for Anglo American. Miners face increasing difficulty in bringing on new supply in an environment with increased regulatory scrutiny, community engagement requirements and ESG pressures. In addition, ore bodies are more complex, more remote, and deeper. This strengthens the position of owners of existing tier-one assets whilst supporting management decisions to buy assets rather than build. Considering this, BHP Billiton announced a takeover bid for Anglo American hoping to secure their enviable portfolio of copper assets. The Fund benefited from its overweight holding in Anglo American which it reduced during the bid process. With the bid gone (for now), focus has shifted to Anglo American's own value creation plan; to exit less desirable commodities and refocus its portfolio on copper. This comes with high execution risk. The Fund holds an underweight position in the sector, given reasonably full valuations. The Fund's underweight position in gold shares contributed this quarter on the back of a more stable gold price and Gold Field's production disappointment. It remains a detractor over the year given the spike in the gold price. We do not believe current gold equity valuations offer sufficient margin of safety to increase our holding.

## Outlook

We are optimistic about future returns given the many attractive stock picking opportunities available in both global and local equity markets.

## Portfolio managers

**Karl Leinberger and Sarah-Jane Alexander**  
as at 30 June 2024

**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. The fund is mandated to invest into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. 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) Ltd (FSP 548), 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](http://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.

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 (C-API). 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 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 financial year TER displayed at the bottom of page 2, is the latest available 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](http://www.coronation.com)

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