CORONATION

MANAGED STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2024

CORONATION TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Managed Strategy is an aggressive, clean slate fully discretionary balanced portfolio. The Strategy's objective is to outperform its peer group or a composite benchmark over meaningful periods (defined as at least 5 years). 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)	5,051.5%	2,739.2%	2,312.3%
Since Inception p.a.	15.2%	12.7%	2.5%
Latest 20 years p.a.	14.8%	12.8%	2.0%
Latest 15 years p.a.	13.9%	12.0%	1.9%
Latest 10 years p.a.	9.5%	8.4%	1.1%
Latest 5 years p.a.	12.1%	9.1%	3.0%
Latest 1 year	15.1%	9.0%	6.1%
Year to date	3.4%	1.3%	2.1%
Month	1.6%	0.8%	0.8%

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Annualised Standard Deviation	11.8%	11.3%
Maximum Drawdown	(23.5)%	(27.7)%

ASSET ALLOCATION

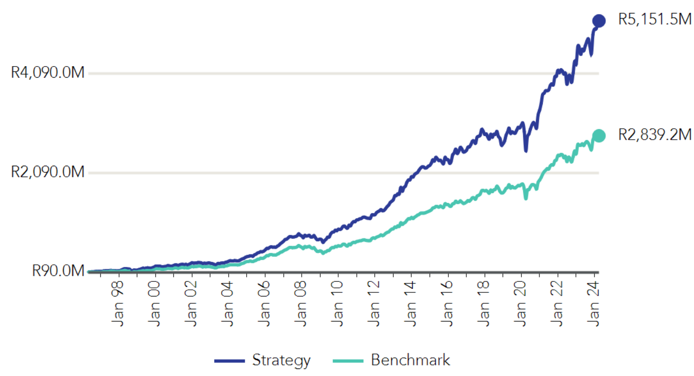
Asset Type	% Strategy
Local Equities	39.6%
Foreign Equities	29.0%
Foreign Bonds	13.5%
Local Bonds	7.7%
Local Real Estate	5.4%
Cash	2.1%
Local Hedge	1.4%
Local Commodities	0.8%
Foreign Real Estate	0.5%

GENERAL INFORMATION

Inception Date	01 May 1996
Strategy Size †	R21.35 billion
Strategy Status	Open
Mandate Benchmark	Median of Peer Group
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: Median of Peer Group

TOP 10 HOLDINGS

Holding	% Strategy
CORO GBL EQUITY FOF-Z	11.8%
CORONATION GEM EQUITY FUND	6.2%
PROSUS	5.0%
CORONATION GLOBAL EQUITY SELECT FUND CLASS Z	3.1%
STANDARD BANK GROUP LTD	2.2%
RSA ILB 2.250% 310138	2.2%
BRITISH AMERICAN TOBACCO PLC	2.0%
ANHEUSER-BUSCH INBEV SA/NV	1.9%
CIE FINANCIERE RICHEMO-A REG	1.9%
ATTACQ LIMITED	1.7%

EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	(1.3)%	2.2%
1 to 3 years	0.7%	0.7%
3 to 7 years	3.6%	3.5%
7 to 12 years	1.0%	1.0%
Over 12 years	2.4%	2.3%

MODIFIED DURATION*

Portfolio	0.5
Fixed Income Assets	7.1

PORTFOLIO MANAGERS

Neville Chester - BCom, CA (SA), CFA

Neville is a senior member of the investment team with 27 years' investment experience. He manages Coronation's Aggressive Equity Strategy and is co-manager of the Coronation Top 20 and Market Plus unit trust funds.

Nic Stein - BBusSc, CA (SA), CFA

Nic is a portfolio manager and analyst within the Coronation investment team with 15 years' investment experience. He co-manages the Coronation Aggressive Equity and Managed strategies as well as the Coronation Resources, Top 20 and Market Plus unit trust funds.

REGULATORY DISCLOSURE AND DISCLAIMER

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

REVIEW FOR THE QUARTER

The first quarter of 2024 was characterised by heightened geopolitical risks alongside a strong performance from risk assets, as the market increasingly expects a soft economic landing in developed markets (moderate growth and inflation brought under control). The Strategy had a pleasing start to the year, while returns over more meaningful long-term periods remain ahead of the benchmark as well as inflation.

Our holdings in foreign assets, both equities and credit, as well as SA property, contributed to performance over the period. Relative performance was principally driven by security selection in global credits and SA equity.

Risk assets continued the strong run carried into the end of 2023. The key driver appears to be relatively buoyant GDP and unemployment figures in the US, both of which remain resilient despite the sharp rise in interest rates in 2023. The market appears comfortable that the US Federal Reserve Board will successfully navigate lowering interest rates while not letting the inflation genie back out of the bottle. The general rise in risk assets was boosted by specific moves in stocks exposed to the AI (artificial intelligence) theme. Nvidia, for example, nearly doubled and added $1 trillion in market capitalisation over the quarter!

China is struggling to restore growth to its prior pace in the face of high debt levels, a weak property market, and a demographic headwind.

Geopolitical tensions remain front and centre, with two wars and a fragmentation of the global economy into competing blocs. With many elections taking place this year, we expect continued volatility on the news flow front. These issues, coupled with central banks in emerging markets attempting to diversify their US dollar holdings, drove gold to all-time highs around the $2 300/oz mark (at the time of writing).

The strong run-in speculative assets such as Bitcoin (up 69% in Q1-24) and the volatility index at the lowest level in years suggest that the market may be a bit complacent about the abovementioned risks.

Foreign equities were the largest contribution to the portfolio's performance over the quarter, although stock selection detracted. This was due to high concentration (AI-themed names performed exceptionally well) and more muted performance from the broader market. The MSCI World Index was up 9% for the quarter. US, Japan, and EU markets were the strongest large markets, while UK equity returns were moribund. While we believe that some developed markets appear full at an index level, we are still finding many attractive individual investment opportunities.

Our overweight position in global credit performed very well this quarter, both from an absolute and relative perspective. We are finding very attractive global credit spreads at a time when we have concerns around government debt levels (in SA and globally), rendering the yield on sovereign debt insufficient. The portfolio benefited from the higher absolute yields and credit spread contraction.

When we look across both foreign equities and credits, the Strategy's overall foreign component is seen as "full". The Strategy is thus susceptible to any rand strength in the short term. However, we are concerned by the long-term fate of the local economy and believe a full offshore allocation is the correct one in the long term.

The South African economy remains challenged by mismanagement and infrastructure decay. Lower loadshedding, aided by private sector generation, is pleasing but is overshadowed by emerging issues elsewhere – the most prominent being rail, ports and water.

SA equities had a poor quarter (-2% for the FTSE/JSE Capped SWIX Index), although the portfolio benefited from stock selection alpha. In general, shares with international exposure (Prosus, Richemont, British American Tobacco) performed well. Performance from "SA Inc." shares as a basket was muted; however, there were a few bright spots. Dis-Chem and ADvTECH performed strongly and contributed positively to performance. Both of these names neatly fit the theme of "the strong getting stronger" and align with our portfolio construction, namely to own winning SA businesses that are able to grow earnings despite the tough economy. We added to our gold holdings and reduced our bank holdings early in the quarter.

Our view on domestic bonds remains cautious and unchanged. Our fixed income holdings are focused on ILBs. This stance benefited the portfolio, with it delivering ahead of the -2% for the FTSE/JSE All Bond Index. We are concerned about fiscal debt levels (this comment applies to both SA and most developed markets), which informs our cautious stance on government bonds. Credit spreads on SA corporate bonds remain tight, informing our stance on that subsector. We continued rotating our bond holdings from fixed-rate bonds to ILBs. We bought a small position in Transnet bonds. With a government guarantee in place, our view is that the yield pickup over government bonds is attractive.

The Strategy remains modestly overweight SA property. Our holdings performed strongly during the quarter. This was driven by NEPI and Attacq, with both companies reporting strong results. After the GEPF deal, Attacq's gearing levels are greatly reduced, freeing up capital for value-accretive spending. The key Waterfall node is also in high demand, leading to positive rental tension. We were small net sellers over the quarter as the property sector ran reducing margins of safety.

We see good value in our security selection across all the major building blocks. This gives us confidence that the Strategy will continue to deliver attractive risk-adjusted returns over the long term.