GLOBAL EMERGING MARKETS EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2024

CORONATION
TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Global Emerging Markets Equity Strategy provides access to what we consider to be the best investment opportunities in Global Emerging Markets. It aims to deliver capital growth through a focused equity portfolio of securities of companies based in emerging markets or that derive a significant portion of their business from emerging economies. The objective is to outperform the MSCI Emerging Markets Index over 5 years and longer periods.

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 and their expected Internal Rate of Return (IRR). 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

Period	Gross Return	Net Return*	Benchmark	Active Return†
Since Inception cum.	110.2%	70.7%	49.6%	60.6%
Since Inception p.a.	4.8%	3.5%	2.6%	2.2%
Latest 15 years p.a.	8.6%	7.2%	6.8%	1.8%
Latest 10 years p.a.	1.6%	0.6%	3.0%	(1.4)%
Latest 5 years p.a.	0.8%	(0.1)%	2.2%	(1.4)%
Latest 3 years p.a.	(10.5)%	(11.2)%	(5.1)%	(5.4)%
Latest 2 years p.a.	4.1%	3.3%	(1.7)%	5.8%
Latest 1 year	10.8%	10.1%	8.2%	2.7%
Latest 6 months	14.8%	14.4%	10.4%	4.4%
Year to date	5.7%	5.5%	2.4%	3.3%
Latest 3 months	5.7%	5.5%	2.4%	3.3%
Month	3.7%	3.7%	2.5%	1.2%

Active return is calculated as the Gross return less the Benchmark return. Figures may differ due to rounding.

** The "net" return series consists of a composite weighted average of actual net returns for USD denominated portfolios (both pooled and segregated). The highest fee paying class is used where the performance of pooled vehicles are included in the composite.*

† The active return shown is gross of fees.

SECTOR EXPOSURE

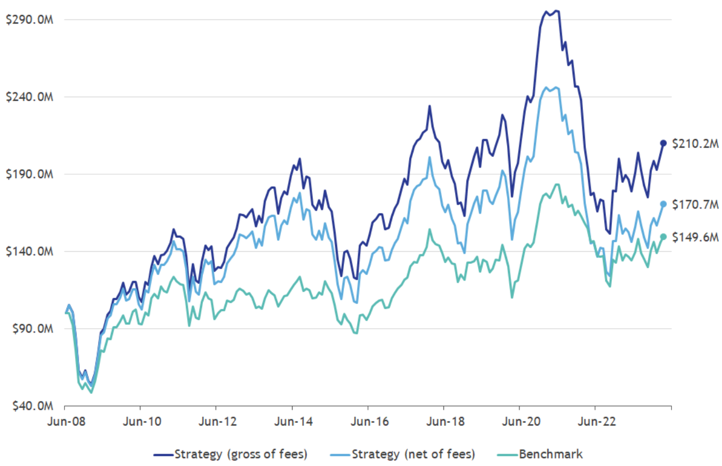
Sector	% Strategy
Consumer Discretionary	34.5%
Financials	20.9%
Information Technology	16.0%
Consumer Staples	9.4%
Energy	6.9%
Industrials	6.9%
Communication Services	3.0%
Materials	1.4%
Cash	1.0%

GENERAL INFORMATION

Inception Date	14 July 2008
Strategy Size *	$3.00 billion
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net Emerging Markets USD (NDUEEGF 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



Benchmark: MSCI Daily TR Net Emerging Markets USD (NDUEEGF Index)

TOP 10 HOLDINGS

Holding	% Strategy
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	5.6%
HDFC BANK LTD (IND)	4.3%
AIRBUS SE (FRA)	3.7%
BANK MANDIRI PERSERO TBK PT (IDN)	3.3%
JD.COM INC - CL A (CHN)	3.3%
PROSUS NA (CHN)	3.2%
SENDAS DISTRIBUIDORA SA-W/I (BRA)	2.7%
PDD HOLDINGS INC (CHN)	2.5%
NU HOLDINGS LTD (BRA)	2.5%
LI NING CO LTD COMMON STOCK HKD 0.1 (CHN)	2.4%

GEOGRAPHIC EXPOSURE

Country	% Strategy
China	21.8%
South Korea	13.7%
Brazil	13.4%
India	10.7%
Taiwan	6.6%
France	6.0%
Mexico	4.5%
Singapore	3.5%
South Africa	3.5%
Indonesia	3.3%
Switzerland	2.5%

Country	% Strategy
Netherlands	2.4%
Hong Kong	1.7%
Kazakhstan	1.6%
United Kingdom	1.6%
Turkey	1.1%
Saudi Arabia	1.0%
Germany	0.1%
Cash	1.0%

PORTFOLIO MANAGERS

Gavin Joubert - BBusSc, CA (SA), CFA

Head of Global Emerging Markets, Gavin has 25 years' experience as an investment analyst and portfolio manager. He joined Coronation in 1999 and manages assets within the Global Emerging Markets Equity Strategy.

Suhail Suleman - BBusSc, CFA

Suhail is a portfolio manager and joint-Head of Global Emerging Markets research. He manages the Coronation Emerging Markets Diversified Equity Fund and is co-manager of the Global Emerging Markets Equity Strategy and the Global Emerging Markets Flexible unit trust fund. Suhail joined Coronation in 2007 and has 22 years' investment experience.

Iakovos Mekios - Ptychion (BSc), MIA, IMC, CFA

Iakovos is a portfolio manager and joint-Head of Global Emerging Markets Research. He co-manages the Global Emerging Markets strategy, the Emerging Markets Diversified Equity strategy as well as the Global Emerging Markets Flexible unit trust fund. He joined Coronation in 2013 and has ten years of asset management experience.

FUND MANAGERS

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REGULATORY DISCLOSURE AND DISCLAIMER

The Prospectus of Coronation Global Opportunities Fund and Fund KIID can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/ucits-fund-library/umbrella-fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/.

The Prospectus of the Coronation Universal Fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/.

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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.

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REVIEW FOR THE QUARTER

The Coronation Global Emerging Markets Strategy returned 5.7% in the first quarter of 2024, 3.3% ahead of the 2.4% return for the index (MSCI Emerging Markets (Net) Total Return Index). Over 1 year the Strategy outperformed the index by 2.7%, returning 10.8% vs the 8.2% index return. Over the past 2 years, the Strategy has now outperformed the index by 5.8% p.a. (4.1% p.a. return for the Strategy vs -1.7% p.a. for the index). We are encouraged by this significant improvement in relative performance, but there is still more to be done in getting the longer-term numbers up, and we are working hard to achieve this. In this regard and given how cheap so many emerging markets stocks are in our view, we continue to find numerous attractive new ideas. Since inception close to 16 years ago, the Strategy has generated outperformance of 2.2% p.a. Our objective is and always has been, to generate 3%+ p.a. outperformance over all meaningful periods, and we continue to believe that this is very achievable. At the time of writing, despite the recent outperformance, the shares within the Strategy still offer an aggregate weighted average upside of 65% in the currency of listing, which is well above the long-term average of around 40%.

The biggest contributor to outperformance (alpha) in the period was Latin American digital bank Nu Holdings (Nu), which returned 43% in the quarter and provided 1.1% alpha. We have held Nu in the Strategy for almost 2 years, having purchased it during the big sell-off in its share price that occurred in Q2 of 2022 (at an average price of around $5 a share), about 6 months after its much-hyped initial public offering (IPO) when it peaked at $12 a share.

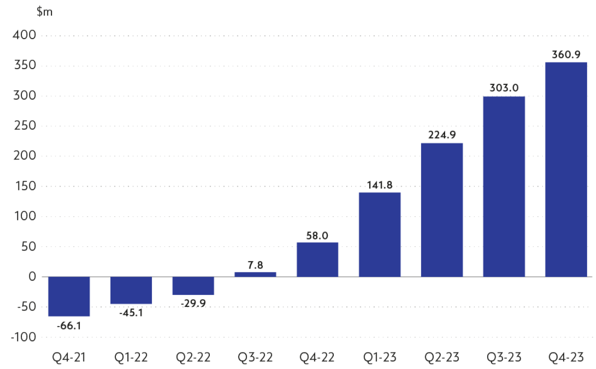
NU HOLDINGS SHARE PRICE PERFORMANCE SINCE IPO IN DECEMBER 2021

Source: Bloomberg

There were multiple reasons behind the sell-off that created the buying opportunity at the time. Interest rates were rising around the world in response to inflation spiking, Brazil was hiking rates aggressively, and, most significantly, Nu was still losing money, having yet to turn a quarterly profit. When the company expressed doubts about their ability to manage credit losses in a higher rate environment, it was unsurprising that the share sold off so heavily. We were (and still are) big believers in the long-term opportunity for Nu while also holding other names in the digital banking/payments industry in the country (we featured Stone, another performance contributor, in our prior quarterly commentary). We bought a modest position (1.5%) into the Strategy in the initial weeks, and as our conviction increased in subsequent months we bought more.

Having managed the worst of the cycle fairly well, Nu now seems to be firing on all cylinders and, as a result, the share price is back to testing the highs that it reached in the immediate aftermath of its IPO. The simplest explanation for this turnaround is the sustained profitability of Nu. The graph below shows its profit evolution since going public, with the company making a profit of $360m in the last quarter of 2023 and over $1bn for the year as a whole. This was scarcely conceivable at the time of our initial investment.

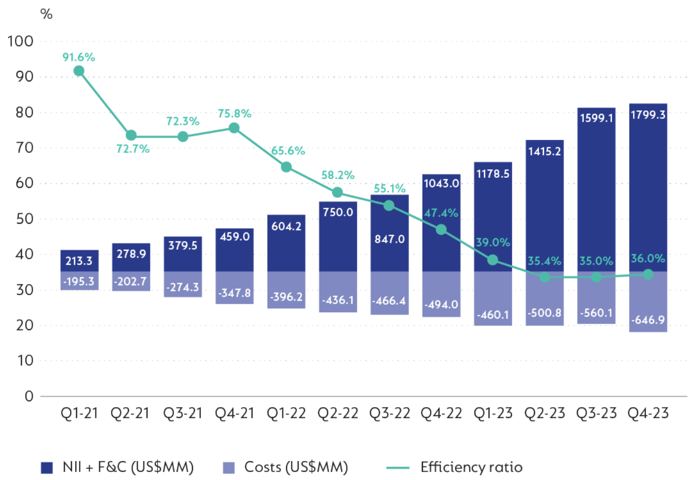
NU HOLDINGS: PROFIT EVOLUTION SINCE IPO



Source: Nu Holdings Investor Relations Presentation

The key drivers of this evolution in profitability are quite simple – Nu have kept costs per customer flat while revenues per customer have steadily increased. With Nu having doubled the number of customers it serves since it went public (to close to 100m customers at the end of 2023), absolute profits have come through strongly. The graph below shows how revenues have evolved at a far quicker rate than costs and, hence, how efficiencies (the cost-to-income ratio) have improved to best-in-class levels.

NU HOLDINGS: REVENUE EVOLUTION

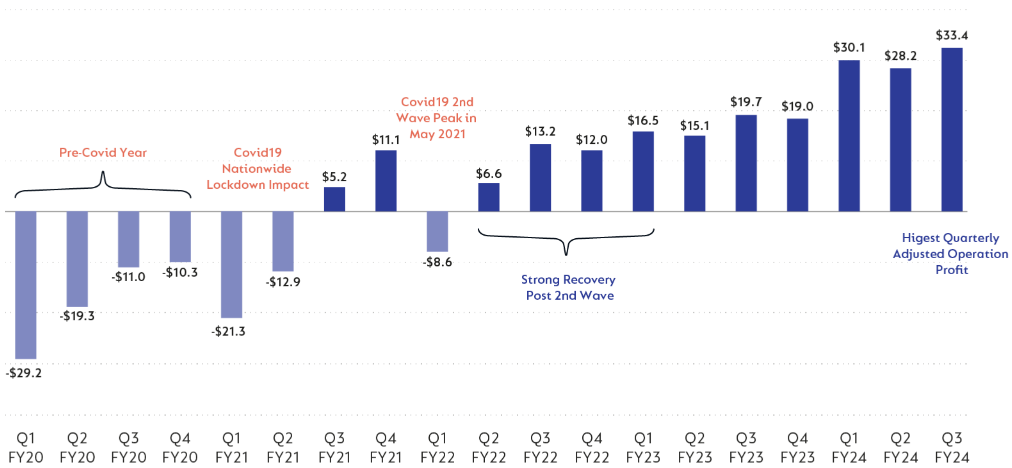


Sources: Nu Holdings Investor Relations Presentation

These are still the early days of Nu's journey. They believe they can increase their average revenue per customer from around $11 currently to $15 within the next few years. They are also very early in their journey in Mexico and Colombia, the former offering a similar market opportunity to Brazil, where they already bank half the adult population.

The next largest contributor to relative performance was Make My Trip (MMYT), an Indian Online Travel Agency (OTA). MMYT returned 51% in the quarter, contributing 0.7% to alpha. Over the last year, MMYT has returned almost 190%. Having lagged the broader Indian market, the share has finally taken flight. MMYT has benefited from the quick normalisation of travel within India post-pandemic. Furthermore, as the middle class grows, the proportion of the population that can afford to travel increases significantly. Their first-mover advantage and detailed local knowledge mean the international OTAs (Expedia, Booking.com) are largely irrelevant in India. MMYT has multiple brands to cover all potential travel situations, from air ticketing and hotels (the traditional travel case) to foreign exchange services and rail travel. During the pandemic, the company was forced to take a knife to costs and, as a result, has become sustainably profitable ahead of schedule.

MAKE MY TRIP: THE ROAD TO PROFITABILITY



Source: MMYT Investor Relations Presentation

We have been reducing the share price methodically over this period as it approaches our fair value. Besides valuation, we are also mindful that customers are very focused on price, and therefore, the first-mover advantage may not be as enduring as that of other internet businesses. The steady downward pressure on "take rates" (commission) for flights is a good indicator that pricing power is hard to maintain and may eventually feed through into hotel bookings.

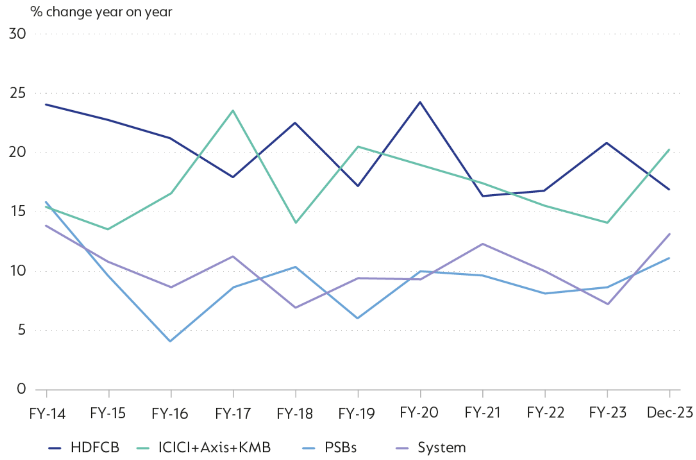
Other material contributors to alpha were Airbus (0.6%), Bank Mandiri (0.5%) and ASML Holdings (0.5%). In the case of Airbus, the company now has a close to 60% share of new orders for narrowbody planes, well ahead of its only real competitor, Boeing. Airbus also benefited from the safety scares that engulfed Boeing since a maintenance-related issue in January.

The biggest detractor in the quarter was HDFC Bank, India's largest private sector lender and the second largest position in the Strategy at the beginning of the year. The share returned -16% in the period, costing the Strategy 0.9% alpha. HDFC Bank is currently suffering from "post-merger blues": in July last year, HDFC Bank merged with HDFC, its sister firm specialising in home loans. There were a variety of reasons for the merger, the most compelling of which was that for 60% of HDFC's home loan customers, HDFC Bank was not their primary bank. There is/was still a significant share of customer value still to be captured from these clients (transaction accounts, fees, credit cards, personal loans, and others). It also made sense since HDFC already owned 20% of HDFC Bank. Putting everything under one roof was expected to deliver synergies and economies of scale on the cost side too.

Mergers are rarely expected to be smooth sailing, but the teething issues after the merger were worse than we expected. Unlike a merger between two banks, HDFC was a "Non-Bank Finance Company (NBFC)" to use the Indian nomenclature for companies without a banking license that operate in the lending business in India. With different regulatory approaches, different accounting standards, and different sources of liability funding, the regulatory approval process took over a year, reflecting this complexity.

HDFC Bank has almost always grown its deposits faster than the system and peers (see figure), largely because it is arguably the most valuable banking brand in the country and has invested heavily in its branch infrastructure, which is critical for gathering deposits. This faster-than-market growth generally allowed the bank to fund its loan growth quite cheaply (relative to wholesale funding, which is more expensive). The old standalone HDFC had significant wholesale funding prior to the merger, which was then taken on by HDFC Bank, raising its share of (higher cost) borrowings within its funding mix from under 10% to almost 30%. The change in funding mix also meant that HDFC Bank's "Loan to Deposit Ratio (LDR)" went from under 90% to 110%. This was not a surprise, nor is it a cause for alarm, but investors were expecting consistently high deposit growth after the merger to bring the ratio back down below 100%.

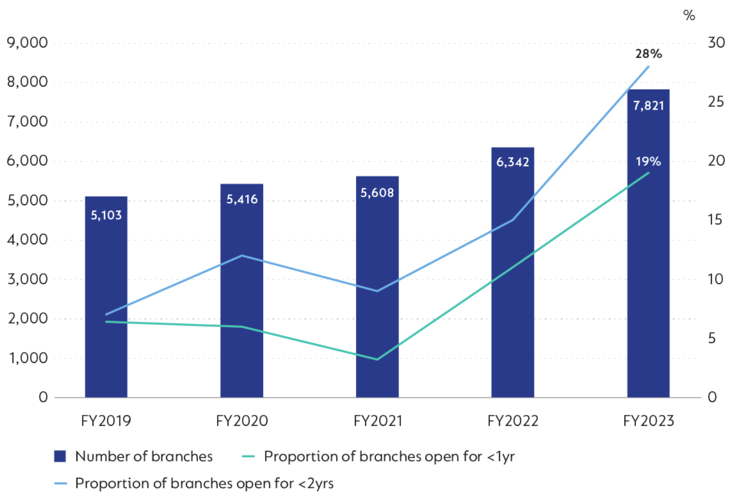
HDFC BANK DEPOSIT GROWTH VS PEERS



Source: BofA Global Research estimates, Company report

In January, the bank reported results for the December quarter, which is the third quarter in the fiscal year for Indian companies (almost all have a March year-end). The share price reacted poorly to the financial results because deposit growth failed to meet expectations and management guided to not being willing to pay up for deposits in the market. The system as a whole is also experiencing a liquidity shortage – it is far more attractive for Indian savers to put their money into the "exciting" equity market and only pay capital gains taxes when they eventually sell versus putting their money in "boring" deposit accounts and pay tax on the interest. With deposit growth slowing, the only way to bring the LDR down is to have lower loan growth. Investors have, therefore, extrapolated the current trend and sold the share off heavily. Our research suggests that earnings growth will remain compelling (around 15% p.a.) in the years ahead. While loan growth may slow somewhat, the bank's Net Interest Margin (NIM) is depressed right now due to the expensive wholesale funding being 30% of total funding. As this expensive funding is replaced, NIMs will rise again. Just as importantly, the bank's heavy investment in branch infrastructure means that costs are currently elevated – they carry the full cost of running new branches, but it takes several quarters for branches to bring in customers and deposits. As a result, the bank's cost-to-income ratio has room to decline by 5-6% over the next 5 years. These two earnings kickers (higher NIMs and lower costs) are enough to deliver our expected earnings growth.

HDFC BANK: HEAVY INVESTMENT IN BRANCH INFRASTRUCTURE



Source: Company data, Jefferies

HDFC now trades on around 15x 1 year forward earnings, representing a slight discount to the number 2 private sector lender ICICI Bank, despite having a far superior franchise and execution track record. We are therefore confident in the long-term upside of the investment case from current levels.

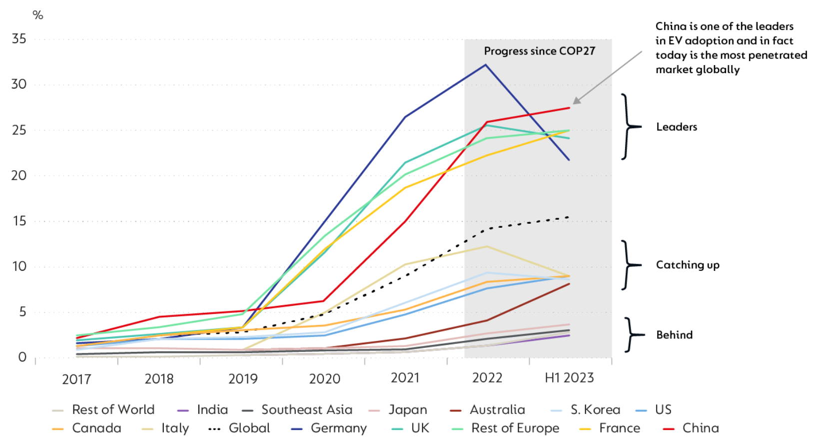
Other material detractors for the quarter were PEPCO, which returned -32% for -0.8% alpha impact, and AIA, the pan-Asian insurer (-0.6% alpha). Also notable was Pinduoduo, which returned -20% and cost 0.5% alpha. PEPCO is particularly disappointing as it has given back all the gains it made in the fourth quarter. We continue to engage with management and undertake independent analysis with a view to establishing whether the operational issues are temporary in nature or more indicative of long-term underlying problems with the business model. PEPCO now trades on 11x our 2025 earnings forecasts.

AIA has been dragged down by negative sentiment towards China, and we have been adding to it as the valuation has become even more attractive in our view (only 40% of the business is China-dependent). In Pinduoduo's case, the main cause of the decline seems to be concerns about a huge increase in tariffs and other barriers to entry for its international ecommerce operation Temu, with US presidential hopeful Donald Trump proposing 60% tariffs on all Chinese goods. Temu's current exports into the US don't attract any taxes as they are below the parcel threshold at which customs duties kick in (average order value is $40 vs the $800 at which tariffs kick in). At the margin, this is negative for Pinduoduo, but Temu is only a part (20%) of the overall investment case, which is premised more on Pinduoduo's incredible execution in its home market. Finally, although it was the second largest position in the Strategy, the underweight in TSMC cost the Strategy 0.5%.

There were a number of new buys in the quarter. In China, we bought China Resources Beer and Anta Sports (2% combined weight, both having declined substantially over the past year and both bought on around 15x 2024 earnings), as well as local Chinese car brand BYD.

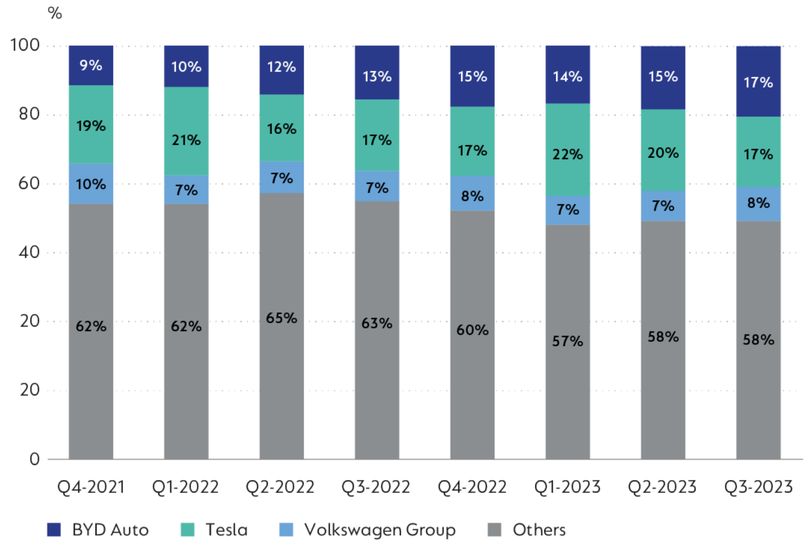
BYD is the world's leading Electric Vehicle (EV) manufacturer. BYD closed its legacy internal combustion engine business 2 years ago and now produces solely EVs and hybrids. The company's key competitive advantage is its vertical integration – producing its own batteries, which are the most expensive component in an electric vehicle. By doing so, the company insources the battery margin and becomes less exposed to the price volatility of batteries. BYD has close to 40% market share in China, which is the largest EV market in the world. This gives it substantial scale, producing more than 3 million cars a year (just over half are pure EVs, and the balance are hybrids), which is more than Tesla's 1.8 million cars. In a rarity for the industry, BYD makes profits already, and trades on 14x this year's earnings (as one reference point, Tesla trades on 60x 2024 earnings), allowing it to reinvest in the business, particularly the research and development required in the battery and auto business to keep ahead of the competition.

EV SHARE OF PASSENGER VEHICLE SALES



Source: BloombergNEF, Marklines, Jato.
Includes BEVs and PHEVs

GLOBAL PASSENGER ELECTRIC VEHICLE MARKET SHARE, Q4 2021 - Q3 2023



Source: Counterpoint Research

The Strategy also bought a 2% position in SK Hynix, a strong number 2 in the semiconductor memory industry (DRAM and NAND). After a cyclically weak period for memory prices, the cycle seems to have turned strongly in their favour, with capacity shortages and rising selling prices. There is also potential for significant capacity shortages as manufacturers scramble to meet demand from NVIDIA and other AI players for High Bandwidth Memory, which uses much more of their scarce manufacturing capacity and therefore supports higher prices into the future. In spite of the very positive medium outlook for SK Hynix and the memory industry in general, it trades on only 11x forward earnings.

Finally, the last notable buy was Kazakhstan's Kaspi (1.7%). We are very familiar with the company as other Coronation strategies have owned it since it went public in late 2020, but the secondary listing in New York greatly improved investability for us, with low liquidity previously being a hurdle. Kaspi has established itself firmly as the leading in-store and ecommerce payment provider in the country, with a hard-to-fathom 90% share of the adult population as customers. Fully 60% of retail payments (by volume) go through its system. It offers everything for both consumers and merchants, including inter-party payments, bill payments, "Buy Now Pay Later (BNPL)", ecommerce, and regular online consumer banking. Despite offering reasonably predictable earnings growth of above 20% p.a. over the next 5 years (the market is very under-penetrated), it trades at only 10x earnings and offers a 7% dividend yield.

We sold out of 2 of the Strategy's Indian holdings (Apollo Hospitals and TVS Motors), both on valuation grounds in what appears to us to be a very expensive Indian market. We also sold out of Adidas, bearing in mind that we did buy a new position in Anta and, from an overall portfolio risk point of view, wanted to keep a limit on the Strategy's overall Chinese sportswear exposure – China is a key driver for Adidas. After the controversy surrounding the aborted arrangement with Kanye West and a change in CEO, Adidas performed very strongly in 2023 with a 40% return. This provided us with a funding source for other more attractive risk-adjusted expected return ideas.