

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 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 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	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

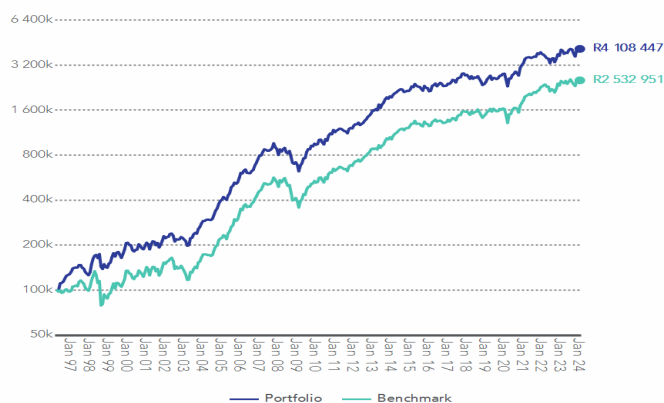
CLASS A as at 31 January 2024

ASISA Fund Category	South African - Equity - General
Launch date	15 April 1996
Fund size	R 9.42 billion
NAV	23227.34 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	1.18%	1.30%
Adjusted for out/(under)-performance	1.09%	1.09%
Fund expenses	(0.09)%	0.02%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.15%	0.17%
Total Investment Charge	0.23%	0.26%
	1.41%	1.56%

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)	4008.5%	2433.0%	2730.7%
Since Launch (annualised)	14.3%	12.4%	12.8%
Latest 20 years (annualised)	14.2%	14.4%	12.5%
Latest 15 years (annualised)	12.6%	13.2%	10.7%
Latest 10 years (annualised)	7.8%	9.5%	6.8%
Latest 5 years (annualised)	10.8%	11.0%	8.4%
Latest 3 years (annualised)	7.6%	10.9%	9.9%
Latest 2 years (annualised)	4.1%	4.8%	3.4%
Latest 1 year	1.4%	1.0%	(1.8)%
Year to date	(2.0)%	(2.1)%	(2.3)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.3%	17.1%
Sharpe Ratio	0.35	0.20
Maximum Gain	47.6%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	61.3%	62.5%

	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)%												(2.0)%
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 December 2023.

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: 2024/02/08

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2024
Domestic Assets	52.9%
■ Equities	52.1%
Basic Materials	5.7%
Industrials	0.6%
Consumer Goods	3.6%
Health Care	1.2%
Consumer Services	15.6%
Telecommunications	1.6%
Financials	14.5%
Technology	8.2%
Derivatives	1.1%
■ Real Estate	0.1%
■ Cash	0.7%
International Assets	47.1%
■ Equities	47.0%
■ Cash	0.1%

TOP 10 HOLDINGS

As at 31 Dec 2023	% of Fund
Naspers Ltd	5.0%
Cie Financiere Richemont Ag	4.1%
FirstRand Limited	4.0%
Standard Bank Group Ltd	3.6%
Auto1 Group Se	2.7%
ST.JAMES'S PLACE	2.7%
Capitec Bank Ltd	2.6%
Uber Technologies Inc	2.6%
Prosus	2.5%
Mondi Limited	2.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
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
31 Mar 2022	01 Apr 2022	112.50	109.22	3.28

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

Performance

The Fund returned 9.1% for the quarter (Q4-23), resulting in a return of 13.3% over the last year. Over the year, the Fund benefited from its meaningful exposure to global equities built up during 2022. The Fund has performed well against its peer group over all meaningful time periods.

Fund positioning

After rapid rate rises throughout 2022 and the first half of 2023, inflation in developed markets receded swiftly in Q4-23. Prospects of rate cuts into 2024 fuelled global markets in the last quarter, with the MSCI All Country World Index returning 11% in Q4-23 (to end the year up 22% in USD). Fears of a US recession were allayed by resilient labour markets and a robust consumer. Several high-profile bank failures were well-contained, and they did not lead to any broader systemic issues.

After steadily building exposure to global equities during the market sell-off of 2022, the Fund entered the 2023 calendar year overweight global equities. This position has contributed meaningfully to performance. While markets have delivered a strong recovery during 2023 (and a particularly robust fourth quarter), the lack of breadth means we continue to see good stock picking opportunities. The basket of offshore stocks offers attractive upside to our estimates of fair value.

The offshore basket includes a meaningful allocation to long-duration growth stocks. Holdings include those we believe to have an attractive customer proposition, an enduring moat, good management, and a sound balance sheet. We were pleased by results coming out of Uber and Spotify, both of which are delivering meaningful improvements in profitability. Auto 1 has struggled to balance topline growth with profitability as it invested in the business during the year. Inhouse vehicle refurbishment capability comes with lower costs but proved a distraction from growth. The business proposition remains sound and we are optimistic that the restoration of topline in the year ahead will support further profitability. The Fund has a sizeable allocation to high-quality businesses which can compound profits ahead of their respective markets over the medium term. Holdings include Schwab Corp, Airbus and Interactive Brokers. All are priced at compelling valuations given the growth we expect these businesses to deliver.

The much-touted post-Covid Chinese recovery has disappointed with weaker-than-expected growth (MSCI China -4% in Q4-23 and -11% for the year in USD). Lower growth prospects and a weak real estate sector do, however, open the door to further stimulus in the year ahead. Notwithstanding the risks of investing in China, we believe a holding in the portfolio is warranted, given the very low prices at which many high-quality businesses trade.

Oil prices softened during 2023 (-10%) given weaker-than-expected demand, resilient supply out of Russia and stronger non-OPEC supply. The market is sceptical that OPEC can defend higher oil prices. To our surprise, the oil market comfortably absorbed a dramatic increase in tensions across the Middle East. Geopolitical uncertainty does, however, remain heightened, given the Middle East conflict, the ongoing Russia-Ukraine war and tensions between China and the US.

In SA, the economic outlook remains constrained by failing infrastructure, a thinning talent pool and the rising costs of doing business. We, therefore, expect domestic inflation to be stickier than many expect it to be. Although lower levels of loadshedding should bring some relief for businesses, we don't believe that it will be sufficient to materially change the muted growth prospects for the domestic economy. We remain concerned about the sustainability of SA's high sovereign debt level, given the poor fiscal outlook and the inability of the government to reign in expenditure. Rising debt service costs, wage increases, ongoing bailouts of failing municipalities and state-owned enterprises, as well as social support in the form of grants all place a heavy burden on the fiscus. The currency weakened by -7% against the USD for the year, undermining local returns.

The FTSE/JSE Capped Shareholder Weighted Index (ZAR) returned 8% for the quarter to also end the year +8%. Amongst the domestic asset classes, the Fund

favours SA equities. SA equities offer attractive return prospects and diversification away from a tough domestic economy given the high offshore exposure of many JSE-listed companies. Fund holdings include global stocks listed on the JSE and selected resources and domestic stocks. Domestic stocks offer good stock picking opportunities. But avoiding value traps is critical. A slew of weak domestic results throughout 2023 illustrated the pain that comes when costs grow faster than the top line. We favour strong businesses that can grow faster than the underlying economy and can pass cost pressures on to customers.

The financial sector returned 12% for the quarter (+21% over 12 months). The Fund held a sizeable position in the SA banks during 2023 given their low ratings, high dividend yields, and the prospect of strong revenue growth supported by interest rate rises. This enabled our holdings to deliver earnings growth despite higher credit losses. Credit losses are expected to subside as the rate cycle turns. Given the attractive valuation of banks, we believe they continue to merit a place in the portfolio.

The resource sector returned 3% for the quarter to end the year down 12%. The Fund holds an underweight position in resources, given early profit-taking across most of the sector (diversified miners, PGM miners and gold shares). The long-term PGM outlook is bleak as electric vehicle adoption accelerates and local producers battle rising production costs. The underweight position in PGMs has benefited the Fund, which continues to have no exposure to pure-play PGM producers. Gold prices rose (+13%) during the year, supported by central bank buying and heightened geopolitical uncertainty. The gold equities are discounting gold prices close to spot. Consequently, we do not believe they offer a sufficient margin of safety.

The Industrials Index rose +6% for the quarter (+17% for the year). 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. The Fund has been a long-term shareholder of Textainer, indirectly through a holding in Tencor (of which Textainer was the major asset) and directly (post the 2020 unbundling). Coronation actively engaged with Tencor management over many years to achieve the Textainer unbundling. It was pleasing to see recognition of the value that had been trapped in the Tencor structure with the private equity offer for Textainer at a meaningful premium during Q4-23. The Fund exited its position on the back of this.

Outlook

We are optimistic about future returns for the Fund, 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 31 December 2023

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; 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

IMPORTANT INFORMATION REGARDING TERMS OF USE

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