# CORONATION EQUITY FUND

Fund Information as at 30 April 2025

CORONATION
TRUST IS EARNED™

## 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

8/10
Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%
Income Assets: 0%

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.

## 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 |

# CORONATION EQUITY FUND

CORONATION
TRUST IS EARNED™

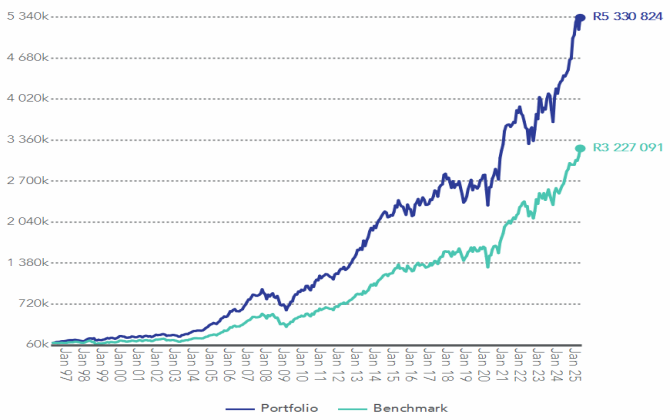
CLASS A as at 30 April 2025

| | |
|---|---|
| ASISA Fund Category | South African - Equity - General |
| Launch date | 15 April 1996 |
| Fund size | R11.41 billion |
| NAV | 29931.33 cents |
| Benchmark/Performance Fee Hurdle | Composite (87.5% SA equity,12.5% International equity) |
| Portfolio manager/s | Karl Leinberger and Sarah-Jane Alexander |

| | 1 Year* | 3 Year |
|---|---|---|
| Total Expense Ratio | 1.65% | 1.31% |
| Fee for performance in line with benchmark | 1.11% | 1.10% |
| Adjusted for out/(under)-performance | 0.31% | 0.03% |
| Fund expenses | 0.02% | 0.02% |
| VAT | 0.21% | 0.17% |
| Transaction costs (inc. VAT) | 0.26% | 0.25% |
| Total Investment Charge | 1.92% | 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) | 5230.8% | 3127.1% | 2640.5% |
| Since Launch (annualised) | 14.7% | 12.7% | 12.1% |
| Latest 20 years (annualised) | 13.8% | 14.4% | 11.1% |
| Latest 15 years (annualised) | 11.7% | 12.3% | 8.8% |
| Latest 10 years (annualised) | 8.3% | 9.0% | 6.0% |
| Latest 5 years (annualised) | 15.4% | 16.6% | 14.0% |
| Latest 3 years (annualised) | 14.4% | 12.1% | 8.7% |
| Latest 2 years (annualised) | 17.2% | 13.4% | 9.8% |
| Latest 1 year | 23.3% | 22.9% | 16.5% |
| Year to date | 5.4% | 8.9% | 3.9% |

### RISK STATISTICS SINCE LAUNCH

| | Fund | Benchmark |
|---|---|---|
| Annualised Deviation | 15.1% | 16.8% |
| Sharpe Ratio | 0.38 | 0.22 |
| Maximum Gain | 47.6% | 43.5% |
| Maximum Drawdown | (35.1)% | (41.0)% |
| Positive Months | 62.4% | 62.6% |

| | Fund | Date Range |
|---|---|---|
| Highest annual return | 62.5% | Aug 2004 - Jul 2005 |
| Lowest annual return | (28.7%) | Mar 2008 - Feb 2009 |

## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector | 30 Apr 2025 |
|---|---|
| **Domestic Assets** | **51.3%** |
| **Equities** | **50.5%** |
| Basic Materials | 9.2% |
| Industrials | 0.5% |
| Consumer Goods | 5.1% |
| Health Care | 0.9% |
| Consumer Services | 8.6% |
| Telecommunications | 1.8% |
| Financials | 13.0% |
| Technology | 10.1% |
| Derivatives | 1.4% |
| **Real Estate** | **0.3%** |
| **Cash** | **0.4%** |
| **International Assets** | **48.7%** |
| **Equities** | **48.6%** |
| **Cash** | **0.2%** |

### TOP 10 HOLDINGS

| As at 31 Mar 2025 | % of Fund |
|---|---|
| Naspers Ltd | 6.4% |
| Auto1 Group | 3.4% |
| St James's Place | 3.0% |
| Capitec Bank Ltd | 2.7% |
| Prosus | 2.6% |
| Standard Bank Group Ltd | 2.5% |
| FirstRand Limited | 2.0% |
| Northam Platinum Ltd | 2.0% |
| Charles Schwab | 2.0% |
| Grab Holdings | 1.9% |

### INCOME DISTRIBUTIONS

| Declaration | Payment | Amount | Dividend | Interest |
|---|---|---|---|---|
| 30 Sep 2024 | 01 Oct 2024 | 116.70 | 105.80 | 10.91 |
| 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 |

### MONTHLY PERFORMANCE RETURNS (AFTER FEES)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund 2025 | 4.0% | 1.3% | (3.6)% | 3.8% | | | | | | | | | **5.4%** |
| Fund 2024 | (2.0)% | 3.3% | 1.3% | 0.5% | 1.9% | (0.4)% | 1.2% | 1.2% | 3.6% | 0.3% | 7.1% | 1.1% | **20.6%** |
| 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%** |

**This column shows the most recently available figures for the 12 months ending March 2025.*
*The 12-month TER for the financial year ending September 2024 was 1.49% which included a 0.17% adjustment for out/(under) performance and a total investment charge of 1.73%.*

*Issue date: 2025/05/13*

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

**Performance**

The Fund returned 1.6% for the quarter and 19.5% over 12 months, supported by strong equity markets (both global and local). The Fund has performed well against its peer group over all meaningful time periods.

**Fund positioning**

What a start to the year it has been. Trump ascended to the White House and began rapidly implementing a series of radical policy reforms. US markets responded to the threat of higher tariffs, with the S&P 500 (-4% in USD) and MSCI World (-2%) ending the quarter in negative territory. In the early days of April, a punitive tariff regime was indeed implemented, threatening to disrupt and undermine free trade. This policy poses a risk to confidence levels, consumption, investment inflation and, ultimately, to growth. Markets corrected dramatically in the early days of April, with the S&P 500 falling -15% in the first week (Nasdaq -21%). Promises of tax cuts and more efficient delivery of government services (via the Department of Government Efficiency) have been insufficient to soften the blow.

During the quarter, regional markets outperformed the US, as the flow of funds was rediverted (EMEA +8% in USD, Europe +11% in USD). A weaker US dollar provided further support to these returns. The MSCI China continued to rise during Q1 (+15%), adding to the c. 20% gain in the prior year. In addition to the stabilisation of the Chinese economy, markets were reminded of China's growing role as a technological powerhouse with the release of DeepSeek's extremely cost-effective and efficient AI model. China continues to battle for technological leadership and re-embraced the role of the private sector in achieving this outcome.

Market performance broadened during the quarter, with both regional market outperformance (vs the US) and the decline of the Magnificent Seven within the S&P 500 (Magnificent Seven, -16% for Q1). Whilst US equities were under pressure, regional and sector diversification did provide support to the Fund's holdings. Dramatic market movements post quarter-end have provided an opportunity to again reassess our exposure. Early market declines were fairly indiscriminate, creating attractive buying opportunities. As long-term investors, we continue to buy assets where we feel impaired short-term prospects create an opportunity to buy winning businesses at undemanding valuations. We hope that the current uncertainty and volatility will provide further compelling opportunities. Given the opportunities in global equity, we continue to make full use of the Fund's offshore capacity.

The gold price increased by a spectacular 19% in the quarter (after rising 27% in 2024). Demand for gold remains strong. The metal was supported by heightened uncertainty, high sovereign indebtedness, and the potential of a diminished role for the USD in the global payment system. The Fund has very little exposure to gold shares, which are trading above our assessment of long-term fair value. This has detracted meaningfully from recent Fund performance, which has actually been quite strong outside of the gold call. We remain concerned about the capital losses that shareholders in gold shares would incur should some of the froth come out of the gold sector.

The FTSE/JSE Capped Shareholder Weighted Index (CSWIX) continued its strong performance in Q1, rising 6% (in ZAR). Whilst the 'GNUphoria' of the post-election 2024 period faded, the index was buoyed by the rampant performance of precious metal stocks on the back of higher gold and PGM prices. The Resources Index rose a meaningful 28% for the quarter. Indices with higher domestic exposure fared considerably worse with the Financials Index (-2%) and the SA Listed Property Index (SAPY, -4%) both declining. The Industrials Index rose 3%.

Trading reported by South African retailers during the first quarter was mixed. This is despite growth in real disposable income as a result of lower inflation, interest rate cuts (during 2024), massively reduced loadshedding and the release of pension savings via the "two-pot" retirement system. The economy remains lacklustre. The South African Reserve Bank remained conservative, despite low inflation, thus offering no further support for economic growth.

Global headwinds to a domestic economic recovery have been building (tariffs, risks of weaker economic growth). This, combined with a floundering coalition-led government, is rattling consumer and business confidence. Prospects of a pickup in domestic growth are diminished. The pace of reform remains slow (with pockets of progress, Transnet being a good example). The budget impasse reflects the differing opinions between the major coalition partners on the importance of stimulating economic growth to resolve the country's fiscal challenges. Without a meaningful step change in economic growth, we believe the fiscal outlook is poor.

Given the large number of global stocks listed on our market, South African equities do provide diversification away from a challenged domestic economy and good protection in a low road scenario (which could include higher inflation and a weaker currency). The Fund has meaningful exposure to locally listed global stocks.

Domestic stock selection is focused on picking winning franchises that can thrive despite a tough economy. In the previous quarter, we spoke of the significant expansion in market multiples for many domestic shares and the need to demonstrate faster earnings growth to justify this expansion. The diminished growth prospects for South Africa have seen a rapid contraction in market multiples. The basket of domestic stocks held by the Fund has broadly performed pleasingly – delivering good results despite these headwinds. The strength of their franchises has been evident in market updates from businesses including Shoprite, OUTsurance, Capitec and ADvTECH.

The Fund has held an underweight position in the resources sector for some time. The underweight in the gold miners came at a high opportunity cost during the quarter given their share price moves. The gold price has risen rapidly to a level above our assessment of its long-term value. Margins for the gold miners have spiked. We believe these margins will be difficult to sustain as input cost pressures rise accordingly. The locally listed gold miners have been poor at returning capital to shareholders over time. Even in periods of excellent free cash flow, their short mine lives require constant reinvestment. We have retained a material underweight position. During the second half of 2024, the Fund built a position in the PGM miners premised on tighter supply-demand fundamentals, rising prices and growing free cash flows. Slower electric vehicle adoption is sustaining PGM demand for longer, whilst underinvestment in mines will contribute to rising production costs and declining supply. It was pleasing to see metal prices rise during the first quarter. The significant weakness in diversified miners over the past year has provided an opportunity to buy into these names, with a preference for Glencore.

**Outlook**

The Fund remains focused on generating compelling long-term risk-adjusted returns. As such, when markets provide an opportunity to add to assets at attractive pricing, the Fund will take advantage of this. We believe current markets provide such an opportunity and have selectively bought equities that are oversold. The Fund continues to have a meaningful allocation offshore, which provides good protection against a weak domestic economy and fractious political situation. We believe the high offshore exposure, as well as attractive valuations, serve the Fund well to deliver its long-term return expectations.

**Portfolio managers**
**Karl Leinberger and Sarah-Jane Alexander**
as at 31 March 2025

## 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 (CAPI). 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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