

LONG TERM OBJECTIVE

The Coronation Aggressive Equity Strategy is our aggressive offering within our equity product range. The Strategy is constructed on a clean-slate basis with no reference to a benchmark, and seeks to outperform the equity market over meaningful periods (defined as at least 5 years).

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 underlying 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. 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 the probability of a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	2,762.9%	1,974.4%	788.5%
Since Inception p.a.	16.5%	14.8%	1.7%
Latest 20 years p.a.	14.3%	12.6%	1.7%
Latest 15 years p.a.	12.7%	11.7%	1.0%
Latest 10 years p.a.	13.5%	10.5%	3.0%
Latest 5 years p.a.	18.7%	18.3%	0.4%
Latest 1 year	32.5%	42.6%	(10.1)%
Year to date	32.5%	42.6%	(10.1)%
Month	4.3%	4.6%	(0.3)%

TOP 10 HOLDINGS

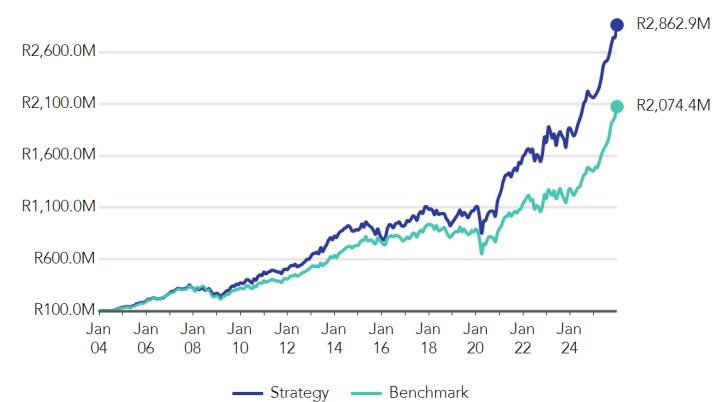
Holding	% Strategy
NASPERS LTD	8.2%
STANDARD BANK GROUP LTD	7.7%
PROSUS	5.8%
ANGLOGOLD ASHANTI PLC	5.7%
MTN GROUP LTD	4.8%
GLENCORE PLC	4.4%
QUILTER PLC	4.2%
NORTHAM PLATINUM HOLDINGS LTD	3.9%
ANHEUSER-BUSCH INBEV SA/NV	3.1%
NEDBANK GROUP LTD	2.9%

GENERAL INFORMATION

Inception Date	01 January 2004
Strategy Size †	R23.11 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

†Strategy assets under management as at the most recent quarter end.

GROWTH OF R100M INVESTMENT



Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*FTSE/JSE Capped Shareholder Weighted Index from 01 May 2017. Previously 50 Low Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (01 February 2002 to 30 April 2017).

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	17.6%	15.9%
Tracking Error	4.7%	
Information Ratio	0.4	
Annualised Standard Deviation	14.2%	14.3%
Maximum Drawdown	(33.2)%	(37.0)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Financials	30.4%	Telecommunications	5.0%
Basic Materials	21.8%	Health Care	2.3%
Technology	17.6%	Industrials	2.3%
Consumer Services	13.3%	Derivatives	0.9%
Consumer Goods	6.3%	Interest Bearing	0.1%

PORTFOLIO MANAGERS



Neville Chester - BCom, CA (SA), CFA

Neville is a senior portfolio manager in the investment team at Coronation. He manages Coronation's Aggressive Equity and Managed Strategies along with the Top 20 and Market Plus unit trusts. He joined Coronation in 2000 and has 28 years investment experience.



Nic Stein - BBusSc, CA (SA), CFA

Nic is a portfolio manager and analyst within the Coronation investment team with 16 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.



Nicholas Hops - BBusSc, CFA

Nicholas is Head of South African Equity Research and a portfolio manager at Coronation. He co-manages the Market Plus, Industrial and Resources unit trust funds. Nicholas joined Coronation in 2014 and has 11 years' investment experience.

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REVIEW FOR THE QUARTER

2025 was a significant year for the South African equity market. Delivering stellar returns of 43% in rands which was then compounded by rand strength to produce a phenomenal US dollar return of 62%. Considering that the SA market was down in the order of 10% at the beginning of April following the introduction of the US tariff bill makes this turnaround in performance even more remarkable.

The Strategy delivered its best absolute performance in more than a decade. With a return of over 30% being a fantastic absolute return number, it was unfortunately well behind the benchmark, given that the key driver of the South African market returns for this period was precious metals. The Strategy was underweight gold and has moved underweight platinum group metals (PGMs) too through 2025. Gold and PGMs have now become a very significant part of the benchmark ($\pm 26\%$) and given the extreme performance of the underlying commodities, the shares have performed exceptionally well.

Forecasting commodity prices is tricky for industrial commodities, and even more difficult for speculative commodities which have little industrial uses (i.e. gold). After many decades of investing in commodity-driven markets, we are however very certain of the cyclicity of all commodity industries and are very wary of investing heavily at the top of the cycle. Calling when exactly the cycle will peak is an inexact science, but given the extreme price rises we have seen in commodity prices we are undoubtedly in the top part of the cycle. Further evidence of a toppish cycle is a rise in corporate M&A and at the time of writing we have the announcement of a potential mega merger of Rio Tinto and Glencore, hot on the heels of the Anglo-Teck merger.

To invest over a quarter of the strategy today into speculative commodity-driven companies we deem to be a significant risk. We are particularly concerned by the fact that gold mining companies have typically returned very little of the super profit years to shareholders, instead using the windfall to develop further mine expansions or buy up other assets and companies. Despite all the excess profits that the major precious metal companies have been generating and the optically low multiples that they are trading on we have seen no share buybacks, which speaks volumes as to what the management of these companies think of the current market valuations.

We do hold a significant stake in Glencore, whose share price had underperformed the sector in 2025. Glencore presented a very compelling capital markets day at the beginning of December, showcasing the growth potential of its copper assets, one of the industrial commodities where we know there is significant demand in the years ahead. We think its asset base is attractive and undervalued, something which the market is now appreciating with the announced Rio merger talks.

During 2025 we also took advantage of the weak domestic macro-economic conditions to buy up lowly-rated South African-focused companies. We increased our exposure to Shoprite, Spar, Pepkor, and Woolworths through this period. While trading remains tough and low inflation has seen anaemic topline growth, we believe the very low levels of inflation driven by the declining oil price and strong rand will result in further interest rate cuts in 2026 which should be supportive for domestic demand. We have maintained our exposure to the SA banks with particular high exposure to Standard Bank given its strong African growth profile.

We have also added to our position in Sanlam given its relatively attractive valuation and exposure to growth markets in Africa and India. The Africa theme is getting strong support from the high commodity prices. While lower oil means weakness for some markets, improved reforms in key markets like Nigeria, and strong metal prices for an economy like Ghana, has seen significantly higher growth coming through in these regions. In addition, Sanlam has undertaken several restructuring and investment initiatives in its Indian operations to focus on its life and insurance operations in a fast growing and under penetrated market.

In the last quarter we also added Bidcorp, the global (ex US) food services business. The company has de-rated significantly over the last few years, despite still growing its profits in hard currency. While the stronger rand will be a short-term headwind for rand denominated profit growth, we think the business model remains robust with plenty of growth in its widespread markets for many years to come.

Given the increasing levels of uncertainty in the world as we head into 2026, we have strived to improve the robustness and quality of the Strategy and believe that it is in a very robust position to not just grow but also defend the gains made in the last few years.