

LONG TERM OBJECTIVE

The Coronation Global Equity Strategy provides access to the best investment opportunities across global markets through capital growth of underlying stocks selected. It is a flexible portfolio invested predominantly in equities listed on developed market exchanges, but will have exposure to emerging market listed companies as well. The Strategy may hold cash and interest bearing assets where appropriate. The objective is to outperform the MSCI All Country World Index over a 5-year period.

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. 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)	166.1%	195.0%	(28.9)%
Since Inception p.a.	9.2%	10.2%	(1.0)%
Latest 10 years p.a.	11.4%	11.7%	(0.3)%
Latest 5 years p.a.	9.6%	11.2%	(1.6)%
Latest 3 years p.a.	25.1%	20.7%	4.4%
Latest 1 year	31.2%	22.3%	8.9%
Year to date	31.2%	22.3%	8.9%
Latest 6 months	6.4%	11.2%	(4.8)%
Latest 3 months	(0.9)%	3.3%	(4.2)%
Month	0.8%	1.0%	(0.2)%

For a side-by-side comparison of gross and net performance, please refer to

<http://www.coronation.com/us/strategy-performance>.

Active return calculated as strategy return less benchmark return. Figures may differ due to rounding.

GEOGRAPHIC EXPOSURE

Region	% Strategy
North America	38.0%
Europe	34.8%
Asia	18.7%
LATAM	5.7%
CEEMEA	2.6%
Cash	0.2%

Market	% Strategy
Developed	78.0%
Emerging	21.0%
Frontier	1.0%

GENERAL INFORMATION

Inception Date	01 November 2014
Strategy Size *	\$2.15 billion
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net All Country World USD (NDUEACWF 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 All Country World USD (NDUEACWF Index)

TOP 10 HOLDINGS

Holding	% Strategy
AUTO1 GROUP SE (DEU)	5.6%
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	4.3%
AMAZON.COM INC (USA)	4.1%
LPL FINANCIAL HOLDINGS INC (USA)	3.9%
JULIUS BAER GROUP LTD (CHE)	3.5%
NU HOLDINGS LTD (BRA)	3.0%
AIRBUS SE (FRA)	2.9%
SEA LTD-ADR (SGP)	2.8%
MERCADOLIBRE INC (BRA)	2.8%
SCHWAB (CHARLES) CORP (USA)	2.6%

SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Technology	31.9%	Health Care	8.4%
Consumer Services	24.5%	Consumer Goods	6.6%
Financials	19.5%	Interest Bearing	0.2%
Industrials	8.9%		

PORTFOLIO MANAGERS



Neil Padoa - BEconSc, FFA, CFA

Neil is a portfolio manager and head of Global Developed Markets. He joined Coronation in May 2012 and has 17 years' investment experience.



Chris Cheetham - BBusSci, CA (SA), CFA

Chris is Coronation's head of Global Developed Markets Research and co-manager of the Global Equity and Global Managed strategies. He joined Coronation in 2018 and has 14 years of investment experience.

FUND MANAGER

Please contact Coronation for further information

Sean Morris

Lead Client Service Fund Manager
tel: +27 21 680 2021
email: smorris@coronation.com

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

Equity After a tumultuous first 100 days of 2025 during which global equity markets suffered double-digit declines, stocks rallied strongly to end the year at all-time highs. Market breadth improved significantly after a multi-year period of increasing concentration in returns. The US equity market (S&P 500) returned 18%, well behind other developed markets, 32% (MSCI All Country World ex-US), and Emerging Markets 34% (MSCI EM). The Strategy had a very good year, returning 31.2%, 8.9% ahead of the benchmark.

Performance was notably broad-based. We have highlighted the opportunity set outside of tech mega-caps over the last few years, and it is pleasing to see the results coming through strongly. The top 15 contributors each added more than 1% to returns. These businesses span the market cap spectrum: from the relative minnow Auto1 at \$8bn, to the top 10 global mega-cap TSMC at \$1.7 trillion. They also span the globe, representing a truly global Strategy with strong regional contributions from Europe, the US, and Emerging Markets. Finally, these stocks reflect a range of sectors, indicative of a well-diversified Strategy.

A natural question following a period of strong performance is how we position the Strategy from here? We think owning winning businesses – when priced attractively – stacks the odds of outperforming over the long-term in your favour.

We continue to witness elevated single-stock volatility, and this allowed us to improve both the return potential and percentage of the Strategy invested in winning businesses over the year. At the start of 2025, winning businesses comprised less than 80% of the Strategy; by year-end, this had increased to over 95%. We group these holdings into two categories:

- **Advantaged compounders:** established industry leaders with favourable growth outlooks and a track record of strong execution (e.g., Airbus and TSMC); and
- **Long-duration growth:** earlier stage, often founder-led, digital-native businesses with leading market shares in structural growth segments (e.g., Auto1 and Spotify).

We have written about how changes in market structure have resulted in much higher single-stock volatility, and how this is a significant long-term advantage for active, valuation-focused stock pickers like Coronation. A few examples illustrate this below.

- From peak to trough, **ASML** declined more than a quarter, and at times was underperforming the market by c.40% on a trailing one-year basis – a record over the last two decades. We doubled our position in ASML in the first four months of the year, and from the April tariff tantrum lows, the stock is up over 90%.
- **Thermo Fisher** (Thermo) presents a similar stock price story, although it is a completely different business. Thermo declined 36% peak to trough this year, before rallying over 50%.
- **Nu Holdings** declined over 30% over just two months earlier this year, despite not being directly impacted by US tariffs. Like ASML, it appreciated c. 80% from these April lows.

We also used price strength to reduce or exit positions when valuations re-rated meaningfully toward our assessment of fair value. Examples include:

- **Interactive Brokers**, which compounded at 38% p.a. over our four-year holding period;
- **Tapestry**, which re-rated from 9x to 18x over our holding period of 15 months, appreciating by 175%; and
- **Warner Bros. Discovery**, which doubled in two months this year (between September and October) as multiple bidders emerged for the company.

When buying a stock, our intention is to own it for the long-term, to give our investment thesis time to play out, and to benefit from the economics inherent in that business. However, if prices appreciate rapidly, closing the gap to what we think a stock is worth, we will intentionally seek more attractive opportunities. We believe these actions have improved both the quality and embedded upside of the Strategy. Some recent additions are:

- **Adidas** (the second largest branded sportswear company), bought in August after the stock had declined 35% from its peak;
- **Visa** (the world's largest card network), bought in November at a 14-year relative multiple low; and
- **MakeMyTrip** (India's leading online travel platform), bought in December after it had declined 40% from peak.

We recognise that following our valuation-driven discipline in volatile markets can result in higher-than-expected Strategy turnover. However, we believe this is entirely consistent with our investment philosophy. Higher volatility can create opportunity, and it is incumbent upon us to exploit that opportunity. Elevated Strategy turnover does not in any way mean we have shortened our time horizon. On the contrary, we have higher conviction than ever that our focus on the key long-term drivers and earnings power of a business is a large and likely enduring competitive advantage. Our top 10 holdings highlight a mix of long-tenured positions and more recent buys, which reflects this in practice:

- Amazon, Airbus, TSMC, and Auto1 have been continuously held for 5-10+ years
- The other six holdings in the top 10 have been held, on average, for one year

Key macro risks we continue to monitor include: (1) geopolitical rivalry and the unpredictability of escalation paths; and (2) unsustainable fiscal trajectories, where debt and spending dynamics appear inconsistent with long-term sustainability. We manage these risks through what we own (e.g., avoiding long-duration nominal government bonds), diversification across and within asset classes, and sticking to our valuation discipline.

A third risk is aggregate equity market valuation. Multiples are elevated versus history, and market returns have been well above long-run averages. Expectations are also demanding: S&P 500 earnings growth has been ~10–11% over the past two years, yet consensus forecasts imply an acceleration to ~15%, in both 2026 and 2027. This is an astonishing growth rate for a market that has grown to represent 64% of the global market cap, and outside of the recovery post-GFC (2010) and Covid (2021), would be the third-highest earnings growth rate in the last 25 years. Disappointment could result in a dual headwind of lower earnings and multiple compression.

The good news is we don't own the market. In fact, the Strategy has rarely looked as different from the market as it does today. However, it would be unrealistic to expect it to be insulated in a broad sell-off, as correlations typically rise materially during drawdowns. This is a useful reminder that we do not—and cannot—manage the Strategy to avoid short-term volatility; rather, we manage it to compound long-term returns. On that basis, we remain constructive on the long-term return potential of the businesses we own.

Thank you for your support and interest in the Strategy.

Portfolio manager update

We are pleased to welcome Chris Cheetham as a co-manager on this Strategy. Chris is Coronation's Head of Global Developed Markets Research and is also a co-manager of the Coronation Global Managed Strategy. He joined Coronation in 2017 and has 15 years' investment experience. We look forward to the insight and perspective that he will bring to the Strategy.