

## 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)	150.1%	165.4%	(15.3)%
Since Inception p.a.	9.0%	9.6%	(0.6)%
Latest 10 years p.a.	9.3%	10.0%	(0.7)%
Latest 5 years p.a.	13.2%	13.7%	(0.5)%
Latest 3 years p.a.	24.4%	17.3%	7.1%
Latest 1 year	46.3%	16.2%	30.1%
Year to date	23.3%	10.0%	13.3%
Latest 6 months	23.3%	10.0%	13.3%
Latest 3 months	21.5%	11.5%	10.0%
Month	7.0%	4.5%	2.5%

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	42.4%
Europe	35.3%
Asia	14.6%
LATAM	4.2%
CEEMEA	3.2%
Cash	0.3%
Market	% Strategy
Developed	83.3%
Emerging	14.5%
Frontier	0.7%
Other	1.5%

## GENERAL INFORMATION

Inception Date	01 November 2014
Strategy Size *	\$1.93 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)	6.4%
AMAZON.COM INC (USA)	4.1%
TAIWAN SEMICONDUCTOR MANUFACTURING CO (TWN)	3.5%
WARNER BROS DISCOVERY (USA)	3.5%
ENTAIN PLC (GBR)	3.4%
AIRBUS SE (FRA)	3.2%
ELEVANCE HEALTH INC (USA)	3.1%
ST JAMES'S PLACE PLC (GBR)	3.0%
FLUTTER ENTERTAINMENT PLC-DI (GBR)	2.8%
NU HOLDINGS LTD (BRA)	2.8%

## SECTOR EXPOSURE

Sector		% Strategy	Sector		% Strategy
Technology		32.6%	Health Care		7.7%
Consumer Services		30.3%	Consumer Goods		4.2%
Financials		14.2%	Derivatives		0.8%
Industrials		9.9%	Interest Bearing		0.3%

## PORTFOLIO MANAGER



Neil Padoa - BEconSc, FFA, CFA

Neil is a portfolio manager and head of Global Developed Markets. He joined Coronation in May 2012 and has 16 years' investment experience.

## FUND MANAGER

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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 second quarter of 2025 (Q2) began with a tariff tantrum and was characterised by policy uncertainty, elevated volatility, and dollar weakness. Yet markets finished the period at all-time highs. There was little to distinguish performance across the main geographical regions, with the S&P 500 Index slightly underperforming (by ~50 basis points [bps]) the MSCI All Country World Index's 11.5% return, and both the Emerging and MSCI ex-US indices slightly outperforming (by ~50bps). The Strategy's outperformance continued, with a gain of 21.5% in the quarter, which was well ahead of the benchmark's 11.5%. For the last twelve months, the Strategy has returned 46.3% compared to 16.2% for the benchmark.

The Emerging Market (EM) quartet of MercadoLibre, Coupang, NU Holdings (Nubank), and Sea Ltd (Sea) were amongst the top contributors for the quarter. As we have discussed previously, we consider these to be four of the most competitively advantaged businesses within the EM universe. These companies all possess the key attributes of a winning business, with leading and improving market positions, exceptional management teams alongside a culture of innovation, as well as being digital businesses on the right side of technological change. Each business has a strong multi-year growth outlook, supported by structural tailwinds, and will generate very attractive returns on invested capital at scale.

MercadoLibre, the leading ecommerce and fintech player in Latin America, reported excellent quarterly results in May with revenue up 37% and operating profit up 45% on a year-on-year (YoY) basis – a continuation of the strong profitable growth that we have come to expect from this company. MercadoLibre has an extremely strong competitive position due to its synergistic ecosystem that includes ecommerce, payments, and credit. We continue to be attracted to its long growth runway, with ecommerce and credit penetration remaining low in its geographies.

Coupang is the leading ecommerce platform in South Korea. Ecommerce penetration in its home market is already high, but Coupang has been a consistent share gainer, being the only company to invest in end-to-end logistics capabilities. In fact, its market share has tripled from 10% in 2019 to almost 30% today. In addition to profitable growth in its home market, the company also offers optionality post its Taiwan launch.

Nubank is the largest digital bank in Latin America with operations in Brazil, Mexico, and Colombia. In a region where customer service from traditional banks is notoriously exclusionary, inefficient, and expensive, Nubank has grown rapidly to serve well north of 100m customers today. But Nubank's market share in its key credit products remains very low, providing a strong structural growth opportunity as it upsells additional product into its existing large captive user base.

Sea is a leading Southeast Asian internet platform, with strong positions across ecommerce (Shopee), financial services (Monee) and gaming (Garena). Shopee, its ecommerce arm, continues to solidify its leadership position with over 50% market share in Southeast Asia, and is a strong challenger in Brazil. This fast growth in ecommerce has been complemented by meaningful margin improvements. Monee also delivered exceptional growth with revenue up 58% and EBIT margins reaching 29%, as Sea continues to scale its loan book. Sea is serving an extremely underbanked population with a unique ecosystem advantage, given the data and distribution reach provided by its ecommerce arm.

Our healthcare holdings, which span the life sciences, health insurance and healthcare equipment sectors, underperformed this quarter, largely due to growing uncertainty around potential regulatory changes in the US. The Trump administration has proposed cuts to healthcare programmes, including reductions to government and academic funding, as well as the FDA and Medicaid. They have also implemented tariffs that affect the cost of drugs and medical equipment manufactured abroad. More recently, President Trump signed an executive order aimed at reducing US drug prices, which are currently about three times higher than in other developed markets. Most pharmaceutical companies earn the bulk of their profits in the US, and therefore, this change is raising concerns about how future innovation will be funded. These regulatory developments are adding a cloud of uncertainty over R&D spending and capital investment across the healthcare sector.

We believe market reactions have overshot the likely impact of these potential changes. We remain confident in our selected healthcare holdings and believe they are well-positioned across global supply chains, customer bases, and/or product Strategies to not only navigate these changes but also gain market share in the process.

In the Q1 commentary, we wrote: "In early April, markets sold off heavily following the announcement of the Trump administration's tariff plan. A negative reaction is understandable, considering the opening gambit is far worse than initial expectations. The sell-off has, in our view, been indiscriminate, reflecting widespread fear and de-risking, as opposed to a rational reassessment of specific company fundamentals."

For investors who allocate capital with a long-term horizon and who have a robust assessment of what a stock is worth, this volatility is an opportunity to be exploited.

We have followed our valuation discipline and responded to the changed opportunity set. This has caused Strategy turnover to be higher than usual, but the end result is a Strategy with a higher concentration of what we consider to be long-term winners, at more attractive valuations (and therefore higher expected future returns)."

Markets have fully recovered from April's sell-off, and the upside of our equity holdings is now lower. While price volatility has seemed relentless, it creates opportunities for valuation-disciplined investors, and our team continues to find attractive ideas, many of which have found their way into the Strategy this quarter. Notably, the composition of the equity Strategy remains high quality, with c.90% comprised of winning businesses.