

LONG TERM OBJECTIVE

The Coronation Managed Strategy is an aggressive, clean slate fully discretionary balanced portfolio. The Strategy's objective is to outperform its peer group or a composite benchmark over meaningful periods (defined as at least 5 years). The Strategy is managed in accordance with the limits of Regulation 28 of the Pension Funds Act.

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 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 cleanslate 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)	6,512.8%	3,403.7%	3,109.1%
Since Inception p.a.	15.5%	13.0%	2.5%
Latest 20 years p.a.	14.3%	12.2%	2.1%
Latest 15 years p.a.	13.6%	11.8%	1.8%
Latest 10 years p.a.	10.9%	9.0%	1.9%
Latest 5 years p.a.	17.3%	12.9%	4.4%
Latest 1 year	23.7%	17.5%	6.2%
Year to date	11.3%	8.6%	2.7%
Month	2.4%	2.1%	0.3%

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Annualised Standard Deviation	11.6%	11.1%
Maximum Drawdown	(23.5)%	(27.7)%

ASSET ALLOCATION

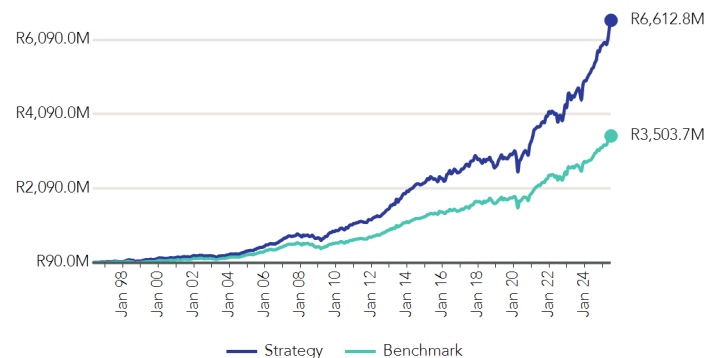
Asset Type	% Strategy
Local Equities	39.8%
Foreign Equities	31.0%
Local Bonds	12.1%
Local Real Estate	7.8%
Foreign Bonds	5.1%
Local Hedge	1.8%
Cash	1.7%
Foreign Real Estate	0.7%

GENERAL INFORMATION

Inception Date	01 May 1996
Strategy Size †	R26.83 billion
Strategy Status	Open
Mandate Benchmark	Median of Peer Group
Dealing Frequency	Daily
Base Currency	ZAR
Regulation 28	Yes

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

GROWTH OF R100M INVESTMENT



Benchmark: Median of Peer Group

TOP 10 HOLDINGS

Holding	% Strategy
CORONATION GLOBAL EQUITY FUND OF FUNDS CLASS Z	11.7%
CORONATION GLOBAL EMERGING MARKETS EQUITY FUND	7.1%
RSA FIX 6.500% 280241	6.2%
CORONATION GLOBAL EQUITY SELECT FUND CLASS Z	5.1%
PROSUS	3.7%
NASPERS LTD	3.3%
STANDARD BANK GROUP LTD	2.7%
QUILTER PLC	1.9%
ATTACQ LTD	1.7%
ANHEUSER-BUSCH INBEV SA/NV	1.5%

EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	(1.3)%	2.1%
1 to 3 years	0.8%	0.8%
3 to 7 years	2.6%	2.5%
7 to 12 years	1.4%	1.3%
Over 12 years	7.1%	6.8%

MODIFIED DURATION*

Portfolio	0.8
Fixed Income Assets	7.6

PORTFOLIO MANAGERS



Neville Chester - BCom, CA (SA), CFA

Neville is a senior member of the investment team with 27 years' investment experience. He manages Coronation's Aggressive Equity Strategy and is co-manager of the Coronation Top 20 and Market Plus unit trust funds.



Nic Stein - BBusSc, CA (SA), CFA

Nic is a portfolio manager and analyst within the Coronation investment team with 15 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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* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.

REVIEW FOR THE QUARTER

The second quarter of 2025 (Q2) was particularly volatile, as it opened with President Trump's "Liberation Day" tariff announcement, which saw global equity markets experiencing double-digit declines in just two days. As the US stance on tariffs softened, markets had more than recovered by quarter-end, and the Strategy delivered double digit returns for the quarter. The Strategy's long-term track record remains compelling, with significant alpha generated since inception.

Dollar weakness has been a key feature of 2025 thus far as the US's trade actions and seemingly unsustainable national debt trajectory continue to raise concern within the global US dollar-based system. Emerging market currencies have been strong, and the rand is no exception, having strengthened 3.49% in the quarter and 6.40% year-to-date (YTD). Strong precious metal prices and low oil prices are contributing positively to South Africa's (SA) terms of trade, further supporting the currency. Emerging markets have delivered standout returns YTD, with SA equities delivering 16% to end-June (as measured by the FTSE/JSE Capped SWIX). SA equities remain the Strategy's largest asset class holding and together with global equities make up 72.1% of the total Strategy. We continue to maintain a negligible cash position.

We added to select equity names during the quarter as opportunities presented themselves during the "Liberation Day" market panic, as well as a result of some idiosyncratic events such as Aspen Pharmaceuticals (Aspen) losing a key customer in its manufacturing business. The diversified mining stocks were hit particularly hard in the April sell-off, which allowed us to increase exposure at very attractive levels. Subsequent performance has been strong with Anglo American, for example, finishing the quarter up 36% from its April lows.

Aspen was among the largest buys in the period after it fell more than 30% in a single day. In April, Aspen announced a dispute with a customer, which ultimately resulted in a loss of revenue in their key manufacturing division. Whilst the short-term impact on the business is material, the probability that Aspen can replace the customer in the medium term is high, and we do not anticipate there being any changes to the long-term earnings power of the business unit. Feeling that the market had punished Aspen unduly, we increased our holding from a low weighting to a more substantial one.

Within SA equity, the Strategy remains weighted towards the quality global shares that are listed on our market. Exposure to the SA economy is largely limited to the banking sector, as well as select SA winners. This stance has been consistent for some time and continues to deliver. We have been monitoring the local political and economic situation for signs of a sustainable economic recovery, which has thus far been absent. We remain light in commodities driven by the large gold underweight, and we have recently been reducing PGM exposure after an incredible rally. Gold prices and equities have continued to exceed expectations in 2025 as uncertainty has reigned supreme and central bank buying continues strongly. We have been selling AngloGold into this strength and believe that on long-term valuation metrics, both the metal and equities now exceed sensible levels by a large margin.

Contributors to performance were Northam Platinum, We Buy Cars, and Naspers/Prosus, all of which performed very strongly in the quarter and remain well-represented in the Strategy. Detractors were Sibanye Stillwater, which we do not own, and Aspen.

Local bonds performed relatively poorly for the quarter and YTD versus risk assets, with the FTSE/JSE All Bond Index up 6% for the quarter compared to double-digit returns elsewhere. Returns were favourable compared to global bonds (Bloomberg Barclays Global Aggregate Bond Index), which delivered a 1% return in ZAR for the quarter. With national debt levels rising globally and interest rates that are unattractive on a relative basis, we remain wary of government debt in general. Within SA, the double-digit nominal yields do offer some compensation for this risk; however, we remain underweight due to the attractive opportunities in other assets.

The Strategy maintains a healthy weighting in select property stocks, where, despite strong returns over the past few years, we still see potential for double-digit returns going forward. Nepi Rockcastle (Nepi) was the largest individual net buy in the quarter within the Strategy, as it declined more than 10% from already attractive levels in Q1. Nepi has a high-quality Eastern European asset base, which trades at a very attractive 9% yield. With our expectations for mid-single-digit dividend growth going forward, we find it very attractively priced.

Global equity markets remained strong in the quarter, despite the turbulence surrounding "Liberation Day," with the MSCI World Index delivering a 11% return in USD over the three months. We maintain a high exposure to global equities, and encouragingly, our underlying Coronation building blocks continue to deliver meaningful alpha above their respective benchmarks. This capacity has contributed materially to the relative performance of the Strategy over the last few years, and we remain optimistic about the quality of the businesses within it at attractive valuations. Given the strong rally, which has dovetailed with rising trade and global uncertainty, we have purchased some protection against a short-term equity pullback.

The Strategy maintains a reasonable allocation to a diversified basket of global credit instruments. In USD, this basket delivered a 6.54% return QTD, which is compelling given their low risk profile. Within the quarter, we purchased some Julius Baer debt at a nearly 8% yield. Julius Baer is a Swiss private banking firm that is owned in our global equity strategy's as well and is covered internally. Integration across our internal teams is key for identifying opportunities across a particular company's capital structure. Our credit basket currently yields 7.4%, and we believe this is compelling, given the basket's low risk profile and its attractiveness as an alternative to government debt.

Whilst the future is always uncertain and recent years have delivered strong absolute and relative performance, we remain optimistic about the return environment looking ahead. The Strategy has exposure to attractive assets across geographies and asset classes, offering a robust investment proposition. In these turbulent times, our long-term, valuation-driven approach remains the foundation of our investment process, delivering the desired outcomes for our clients.