MANAGED STRATEGY

INISTITUTIONAL STRATEGY EACT SHEET AS AT 31 MARCH 2025



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)	5,867.6%	3,144.2%	2,723.4%	
Since Inception p.a.	15.2%	12.8%	2.4%	
Latest 20 years p.a.	14.1%	12.1%	2.0%	
Latest 15 years p.a.	12.5%	11.0%	1.5%	
Latest 10 years p.a.	9.9%	8.2%	1.7%	
Latest 5 years p.a.	18.7%	14.1%	4.6%	
Latest 1 year	15.8%	13.2%	2.6%	
Year to date	0.5%	1.3%	(0.8)%	
Month	(0.9)%	(0.3)%	(0.6)%	

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	40.1%
Foreign Equities	29.0%
Local Bonds	14.0%
Local Real Estate	7.0%
Foreign Bonds	5.4%
Local Hedge	1.8%
Cash	1.1%
Local Commodities	0.8%
Foreign Real Estate	0.8%

GENERAL INFORMATION

Inception Date01 May 1996Strategy Size †R24.33 billion

Strategy Status Open

Mandate Benchmark Median of Peer Group

Dealing FrequencyDailyBase CurrencyZARRegulation 28Yes

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

GROWTH OF R100M INVESTMENT



Benchmark: Median of Peer Group

ANGLOGOLD ASHANTI PLC

TOP 10 HOLDINGS Holding % Strategy CORONATION GLOBAL EQUITY FUND OF FUNDS CLASS Z 11.6% RSA FIX 6.500% 280241 8.4% CORONATION GLOBAL EMERGING MARKETS EQUITY FUND 6.8% CORONATION GLOBAL EQUITY SELECT FUND CLASS Z 5.0% **PROSUS** 4.0% **NASPERS LTD** 3.0% STANDARD BANK GROUP LTD 2.5% ANHEUSER-BUSCH INBEV SA/NV 2.2% ATTACQ LTD 1.9%

1.8%

MANAGED STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2025



EFFECTIVE MATURITY PROFILE* % Strategy Term % Strategy (incl. Cash) (excl. Cash) 2.0% 0 to 1 year (1.0)%1.1% 1.1% 1 to 3 years 3 to 7 years 3.3% 3.2% 7 to 12 years 0.2% 0.2% Over 12 years 8.5% 8.2%

MODIFIED DURATION*	
Portfolio	0.9
Fixed Income Assets	7.2

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.

REGULATORY DISCLOSURE AND DISCLAIMER

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* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.

MANAGED STRATEGY

INSTITUTIONAL STRATEGY COMMENTARY AS AT 31 MARCH 2025



REVIEW FOR THE QUARTER

The first quarter of 2025 was characterised by heightened geopolitical risks and volatility, as well as divergent outcomes for the equity markets of various countries. The Strategy delivered a positive return for the quarter and continues to deliver pleasing performance over all meaningful long term time periods. Contribution to performance was driven by our holdings in local equities, with foreign equities offsetting this.

The quarter was defined by several very big trends or themes. The optimism that existed around a pro-business and pro-growth US presidential term faded swiftly, being replaced by huge tariff uncertainty and policy flip-flops. The likely outcome of all of this is reduced investment, reduced consumer confidence, higher inflation, and generally lower growth. To this end, the quarter saw the worst US underperformance (using the S&P 500 Index as reference) versus the rest of the world (using MSCI World ex US) since 2009, with the S&P 500 down 4%. (We discuss what happened post quarter-end later in the commentary.) With this as a backdrop, gold proved its safe-haven status, with the metal climbing from \$2 600/oz to over \$3 000/oz by quarter-end.

Europe, used to acting at a more measured pace, moved quickly to boost military spend, as the US moves to remove its own "backstop". This saw the Eurostoxx 600 end the quarter 12% higher, driven by defence stocks. China, which a few years ago had left business high and dry, has taken steps to bring the private sector back in the fold. Coupled with its increasing dominance in areas like EV production, robotics, and AI (think DeepSeek), sentiment towards China has turned decidedly more positive. The Hang Seng Index closed c.16% higher.

On the domestic front, GNU optimism has faded (indeed, at the time of writing, its survival remains up in the air). The growth high road feels off the table for now. The local economy certainly isn't helped by US tariffs, higher inflation, and increased uncertainty. A lower oil price provides some small respite. While the JSE ended the quarter 6% higher (as measured by the FTSE/JSE Capped SWIX), the market was extremely narrow, and this return was dominated by gold and PGM counters.

We remain constructive on both local and foreign equities, with a mild overweight position at quarter end. Minimal top-level changes took place over the quarter. Within local equities, key changes were adding to Glencore, Shoprite and Bidcorp, with Naspers/Prosus and Anheuser-Busch InBev used as funding sources.

While we normally confine our comments to what happened up to quarter end, it would be remiss to ignore the US tariffs, their continued escalation and the subsequent stock market rout that occurred subsequent to quarter end. The three-day fall in the S&P 500 was within a whisker of being worse than the 1987 crash. While painful, we are excited by the opportunities being presented by indiscriminate selling. The temptation is to seek out safer asset classes as the status quo feels like it will last forever. However, as Covid and most other crises have shown, they will come to an end. Typically, the stock market recovers before the crisis ends and, sadly, no one taps you on the shoulder at the market bottom! We have used the opportunity to buy up equities. We could, of course, be early here, but timing of these things is hard, and we believe it is the correct action to maximise long-term portfolio returns.

Our view on bonds remains unchanged. We are wary of government debt levels and the ability to get these under control, both domestically and abroad. SA government bond yields, at 11%, arguably compensate for the risks; however, we remain underweight. We continue to hold a basket of global credits. While the absolute yields remain reasonable, credit spreads are tight. We would look to use any spread widening post recent events to add here.

We retain our overweight position in SA property stocks. Our holdings are focused on higher quality names like Nepi Rockcastle and Attacq.

Post the recent equity market sell-off, we think valuation levels are very attractive and will serve investors with a long-term time horizon and patience well in the fullness of time. We remain confident the Strategy will continue to deliver attractive risk-adjusted returns over the long term, despite the tough economic climate we find ourselves in today.