

LONG TERM OBJECTIVE

The Coronation Core Equity Strategy is our benchmark cognisant offering within our equity product range. The Strategy is constructed with 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 with reference to a benchmark based on the relative risk-adjusted upside to fair value of each underlying security.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	2,244.8%	1,738.7%	506.1%
Since Inception p.a.	15.7%	14.4%	1.3%
Latest 20 years p.a.	13.7%	12.6%	1.1%
Latest 15 years p.a.	12.2%	11.7%	0.5%
Latest 10 years p.a.	10.0%	9.7%	0.3%
Latest 5 years p.a.	16.7%	18.8%	(2.1)%
Latest 1 year	23.7%	28.1%	(4.4)%
Year to date	26.9%	30.9%	(4.0)%
Month	5.5%	6.5%	(1.0)%

TOP 10 HOLDINGS

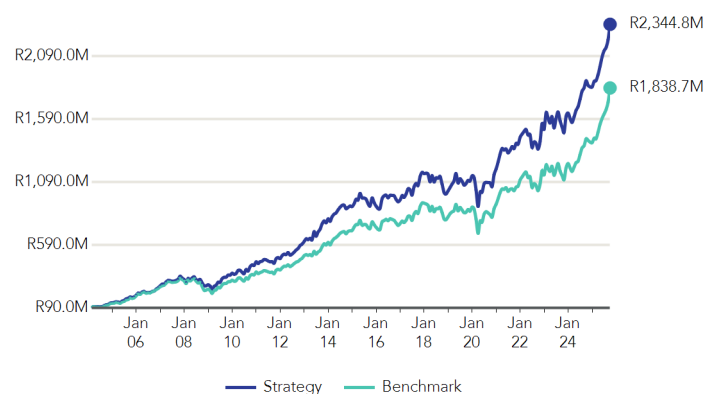
Holding	% Strategy
NASPERS LTD	7.8%
PROSUS	7.6%
ANGLOGOLD ASHANTI PLC	6.5%
STANDARD BANK GROUP LTD	6.1%
GOLD FIELDS LTD	4.9%
FIRSTSTRAND LTD	4.2%
CIE FINANCIERE RICHEMO-A REG	4.0%
NORTHAM PLATINUM HOLDINGS LTD	3.9%
MTN GROUP LTD	3.0%
SHOPRITE HOLDINGS LTD	3.0%

GENERAL INFORMATION

Inception Date	01 March 2004
Strategy Size *	R6.34 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



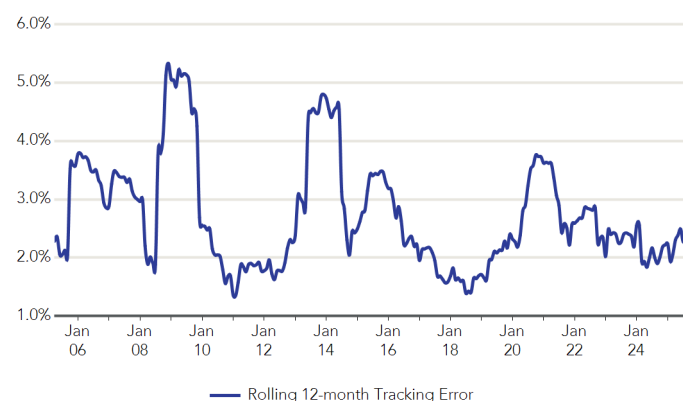
Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX*)

*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	16.8%	15.6%
Tracking Error	2.9%	
Information Ratio	0.5	
Annualised Standard Deviation	14.0%	14.3%
Maximum Drawdown	(30.1)%	(37.0)%

TRACKING ERROR



SECTOR EXPOSURE

Sector		% Strategy	Sector		% Strategy
Basic Materials		28.0%	Telecommunications		4.1%
Financials		26.1%	Health Care		1.3%
Technology		16.6%	Industrials		1.2%
Consumer Services		12.4%	Interest Bearing		0.4%
Consumer Goods		9.9%			

PORTFOLIO MANAGERS



Quinton Ivan - BBusSc, Bcom (Hons), CA (SA), CFA

Quinton is Head of Coronation's Core Equity Strategy. He also co-manages the Presidio Hedge Fund. Quinton has 20 years of investment experience.



Alistair Lea - BCom, CA (SA), CFA

Alistair is a portfolio manager and analyst in the South African Equity team at Coronation. His research responsibilities include mid- and small cap as well as property companies, and he manages the Smaller Companies unit trust fund. Alistair joined the team in 2005 and has 27 years' investment experience.



Sarah-Jane Alexander - BBusSc, CFA

Sarah-Jane manages assets within the Coronation Houseview Equity Strategy. She also co-manages Coronation's Houseview balanced strategies and has research responsibilities across a range of financial services and hospital stocks, among others. Sarah-Jane joined Coronation in 2008 as an equity analyst and has 21 years' investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

The content of this document and any information provided may be of a general nature and is not based on any analysis of the investment objectives, financial situation or particular needs of any potential investor. As a result, there may be limitations as to the appropriateness of any information given. It is therefore recommended that any potential investor first obtain the appropriate legal, tax, investment or other professional advice and formulate an appropriate investment strategy that would suit the risk profile of the potential investor prior to acting upon such information and to consider whether any recommendation is appropriate considering the potential investor's own objectives and particular needs. Neither Coronation Fund Managers Limited nor any subsidiary of Coronation Fund Managers Limited (collectively "Coronation") is acting, purporting to act and nor is it authorised to act in any way as an adviser. Any opinions, statements or information contained herein may change and are expressed in good faith. Coronation does not undertake to advise any person if such opinions, statements or information should change or become inaccurate. This document is for information purposes only and does not constitute or form part of any offer to the public to issue or sell, or any solicitation of any offer to subscribe for or purchase an investment, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with any contract for investment. The value of the investments may go down as well as up and past performance is not necessarily a guide to future performance. Coronation Fund Managers Limited is a full member of the Association for Savings and Investment SA (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017.

REVIEW FOR THE QUARTER

The Strategy returned almost 10% for the quarter and over 23% for the past twelve months however this return was below the benchmark.

Having risen steadily over the last two years, the gold price rose 17% in the third quarter to an all-time high. The gold price has now gained a material 47% YTD as investors question the US dollar's status as global reserve currency and seek a viable alternative. Concerns include growing geopolitical tensions, the weaponisation of the dollar-based global payments system, increasingly unpredictable government policy, a highly indebted sovereign, and challenges to the Federal Reserve's independence. Growing gold purchases by both central banks and retail investors drove rapid appreciation in the gold price.

Markets rose despite concerns of tariff disruption and slower growth. The MSCI World returned 7% in USD for the quarter (+17% YTD). Liberation Day tariffs, whilst disruptive to supply chains, have yet to cause the feared inflation or growth slowdown. The S&P 500 Index rose 8% in the quarter (+15% YTD) on the back of a thus-far resilient US economy and surging investment in artificial intelligence (AI).

AI leadership sits at the heart of US-China rivalry, with the US's chip ban on exports to China designed to frustrate Chinese efforts. China is delivering impressive innovation across a range of industries and is leading in areas such as clean energy, battery storage and electric vehicles.

Emerging markets performed strongly (up 11% for the quarter and now up 28% YTD). A weaker US dollar provided further support to these returns (with the US Dollar Index down ~9% YTD).

South African economic growth remains poor. Despite low inflation and some interest rate cuts, consumer demand has disappointed. The SA Reserve Bank has signalled a desire to permanently lower the inflation target to 3% (from a 3-6% range). The rand rose 9% YTD relative to a generally weaker dollar. The rand's strength and the low oil price should support further interest rate cuts. An exception to generally weak consumer demand has been the explosion in online gambling, facilitated by increased ease of access. This unproductive spending is concerning, given that it has little lasting benefit to either the consumer or the local economy.

Our base case is a sustained low-growth environment, given SA's structural impediments to growth. Poor service delivery and challenged infrastructure weigh on the cost of doing business. Deteriorating educational outcomes undermine productivity. Factors such as these are eroding competitiveness. Attempts to intervene are yielding some results in rail and electricity, where performance has improved from recent lows. However, the muted economic growth outlook means debt-to-GDP is likely to continue deteriorating over the longer term.

The FTSE/JSE Capped Shareholder Weighted Index (CSWIX) rose 13% during the quarter, bringing YTD performance to 31%. Precious metal miners yet again contributed the bulk of these returns with the Resources Index rising 47% (now up a staggering 105% YTD). More subdued returns were on offer elsewhere this quarter, with the Industrials Index up 4% (+20% YTD) and Financials (with higher domestic exposure) flat for the quarter (+0.3% Q3-25, +7% YTD).

The Strategy has sizeable exposure to the global stocks listed locally. These holdings are both independently attractive and provide diversification away from a challenged domestic economy. The largest amongst these include Naspers, Quilter, and Richemont. In Naspers, we have high conviction in the prospects of its core Tencent investment. Tencent's gaming and advertising businesses are growing strongly, whilst fintech is picking up. This topline growth is driving widening margins. At a Naspers/Prosus level, investors benefit from an additional pick up from the accretive share buyback programme. Quilter benefits from structural growth in the UK retail wealth management market. Its investment in its platform is generating good returns as it steadily gains market share. Management is astute and well poised to continue compounding these gains.

We have previously discussed the focus within the domestic stock universe on picking winning franchises that can thrive despite a tough economy. We remain committed to this strategy as the low-growth economy drives a widening gap between local winners and losers. Our list of winners remains unchanged and includes businesses such as WeBuyCars, PSG Konsult, ADvTECH, Shoprite, and Capitec. All came through the results season demonstrating volume share gains in a tough economy. Growing scale is reducing the cost of customer acquisition and the cost to serve. High levels of reinvestment should enable these businesses to compound earnings ahead of the market in the years ahead.

The Strategy has held an underweight position in the resources sector for some time. A meaningful part of this is in the gold shares, which have benefited from a rapid rise in the metal price over the past 12 months. This underweight has detracted from performance. In these uncertain times, there is a wide range of possible outcomes, making it easy to construct compelling bear and bull cases. Whilst the current gold price trades at record highs, we could see meaningfully higher gold allocations across global Strategy's in the years ahead. Our holdings in gold shares recognise the possibility of such an outcome. However, our base case remains a decline in the gold price over the long term. Further considerations include the fact that gold miners have historically been poor at returning capital to shareholders over time, and that costs have compounded at high levels in periods in which the gold price was strong. We remain concerned about the capital losses that shareholders in gold shares would incur if some of the froth in the sector dissipates. Hence, we remain cautious.

The Strategy built a position in the platinum group miners in the second half of 2024. The investment was premised on tighter supply-demand fundamentals. This has delivered good returns over the period. We have taken some profit in the sector.

As long-term investors, we continue to buy assets where the long-term prospects are being undervalued. We see opportunities across the global businesses listed locally, as well as in our basket of domestic equities. We believe the valuations on offer serve the Strategy well to deliver on its long-term return expectations.