CORONATION FINANCIAL FUND

Fund Information as at 31 July 2025

CORONATION
TRUST IS EARNED™

WHAT IS THE FUND'S OBJECTIVE?

The fund aims to maximise long-term growth from investing in the financial services industry. It seeks to outperform an index of financial companies listed on the Johannesburg Stock Exchange (the JSE Financial Index) over the longer term.

WHAT DOES THE FUND INVEST IN?

The Financial Fund primarily invests in the shares of companies listed on the Johannesburg Stock Exchange but can also invest in international equities.

The fund will remain fully invested in listed companies that earn a significant portion of their earnings from financial services. These include banks, insurance companies and related businesses.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

10/10
Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%
Income Assets: 0%

The fund's managers actively seek out attractively valued financial companies that could offer strong long-term investment growth.

Shares are selected following rigorous research into the long-term potential of a company, and whether it is currently attractively valued relative to its sector.

Shares can be volatile investments and there is a meaningful risk of capital loss over the short term. However, given its focus on investing only in attractively valued shares that could offer long-term growth, the fund may preserve capital better than its benchmark over the long run.

The fund is concentrated and only invests in one sector of the market, making it riskier than a general equity fund.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of five years or more is therefore ideal.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- want to diversify their investments to include specific exposure to banks, insurers and related businesses;
- believe that the financial sector offers compelling value;
- accept that the fund may underperform the broader market significantly in the short term as a result of its sector focus;
- seek to hold the Financial Fund as one of multiple funds in their investment portfolio.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

NEILL YOUNG
BBusSc (Hons Fin), CA (SA), CFA

GODWILL CHAHWAHWA
BCompt, CA (SA) CFA

GENERAL FUND INFORMATION

Launch Date	1 July 1998
Fund Class	A
Benchmark	FTSE/JSE Financials ex Real estate Index
ASISA Fund Category	South African – Equity – Financial
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORFING
ISIN Code	ZAE000019766
JSE Code	CNFG

CORONATION FINANCIAL FUND

CORONATION
TRUST IS EARNED™

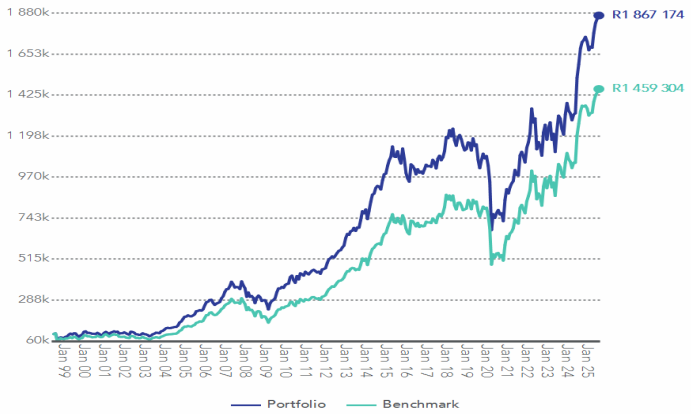
CLASS A as at 31 July 2025

ASISA Fund Category	South African - Equity - Financial
Launch date	01 July 1998
Fund size	R398.78 million
NAV	7872.68 cents
Benchmark	FTSE/JSE Financials (ex Real estate) Index
Portfolio manager/s	Neill Young and Godwill Chahwahwa

	1 Year	3 Year
Total Expense Ratio	1.47%	1.47%
Fund management fee	1.24%	1.23%
Fund expenses	0.05%	0.05%
VAT	0.19%	0.18%
Transaction costs (inc. VAT)	0.12%	0.16%
Total Investment Charge	1.60%	1.63%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1767.2%	1359.3%	27.9%
Since Launch (annualised)	11.4%	10.4%	1.0%
Latest 20 years (annualised)	11.1%	11.6%	(0.5)%
Latest 15 years (annualised)	10.4%	11.6%	(1.2)%
Latest 10 years (annualised)	5.3%	7.0%	(1.7)%
Latest 5 years (annualised)	18.8%	21.6%	(2.8)%
Latest 3 years (annualised)	17.0%	18.3%	(1.3)%
Latest 1 year	16.9%	15.2%	1.8%
Year to date	8.5%	8.0%	0.5%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	19.6%	20.8%
Sharpe Ratio	0.16	0.10
Maximum Gain	53.6%	80.4%
Maximum Drawdown	(45.4)%	(45.3)%
Positive Months	59.7%	60.0%

	Fund	Date Range
Highest annual return	63.0%	Aug 2004 - Jul 2005
Lowest annual return	(39.5%)	Apr 2019 - Mar 2020

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jul 2025
Domestic Assets	97.8%
Equities	97.8%
Consumer Goods	2.4%
Financials	95.4%
Cash	0.0%
International Assets	2.2%
Equities	2.1%
Cash	0.0%

TOP 10 HOLDINGS

As at 30 Jun 2025	% of Fund
FirstRand Limited	21.1%
Capitec Bank Holdings Ltd	16.3%
Standard Bank Of SA Ltd	16.3%
Sanlam Life Assurance Limited	8.2%
Discovery Holdings Ltd	6.3%
Nedbank Ltd	6.3%
Outsurance Group Ltd	5.0%
Investec Limited	4.8%
Quilter	3.3%
Psg Group	3.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2025	01 Apr 2025	30.94	30.42	0.52
30 Sep 2024	01 Oct 2024	161.68	160.13	1.54
28 Mar 2024	02 Apr 2024	83.65	82.94	0.71
29 Sep 2023	02 Oct 2023	180.39	179.14	1.24

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	(2.8)%	1.2%	(0.4)%	4.9%	3.1%	1.3%	1.0%						8.5%
Fund 2024	(3.2)%	(1.0)%	(2.9)%	2.5%	0.5%	14.9%	4.9%	5.5%	2.1%	0.7%	1.0%	(1.6)%	24.6%
Fund 2023	5.6%	2.5%	(7.6)%	2.9%	(8.4)%	10.8%	6.7%	(1.2)%	(4.5)%	(2.5)%	9.2%	5.0%	17.3%
Fund 2022	2.7%	4.1%	11.4%	(5.8)%	1.9%	(13.2)%	3.6%	(2.0)%	(4.6)%	11.8%	3.5%	(6.6)%	3.9%
Fund 2021	(2.6)%	3.7%	2.5%	1.5%	6.5%	(2.7)%	(0.5)%	11.5%	1.8%	(2.4)%	(3.0)%	7.8%	25.5%

Issue date: 2025/08/08

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Please note that the commentary is for the retail class of the Fund.

Performance

Following a negative first quarter, Q2 was strongly positive for financials with the Fund delivering 9.5%, ahead of the benchmark return at 8.5%. Since inception, the Fund has compounded returns at 11.4% p.a., outperforming the benchmark by approximately 1% p.a.

The quarter started off with a sharp global market sell-off in April due to escalating trade tensions following President Trump's "Liberation Day" tariffs. However, by the end of the quarter, the losses had been recouped and the S&P 500 delivered 11%, marking its strongest quarterly return since late 2023. The market's recovery was driven by renewed investor optimism, easing economic uncertainty and reduced trade tensions following negotiations between the US and its trade partners, particularly with China, to moderate the proposed tariffs. Tension between Israel and Iran escalated, causing a temporary spike in oil prices. Geopolitical risks continue to be a key uncertainty for global markets going forward.

In the domestic market, the FTSE/JSE All Share delivered 10% for the quarter, driven by strong returns from industrials (+12%) followed by resources (9%) and financials (8%). Within financials, banks (7%) underperformed the life insurance sector (10%) while we saw strong returns out of the short-term insurance sector (14%).

Contributors to Fund performance relative to benchmark included overweight positions in We Buy Cars, St James' Place, PSG Konsult, and Capitec as well an underweight in Remgro. Detractors included underweight positions in Reinet Investments, Ninety One, and Momentum Metropolitan Holdings as well as overweight holdings in Standard Bank and Nedbank.

Portfolio actions and fund positioning

During the quarter, we sold out of the Fund's position in Santam and reduced the holdings in We Buy Cars and Absa. We applied these proceeds to increase the Fund's holding in Capitec, Brait, Standard Bank and FirstRand. We continue to see value in the banks, which are trading at mid to high single-digit forward PE multiples and high single-digit dividend yields.

Santam is a great business which has been a long-term holding in the Fund. Over the last year, the short-term insurance industry delivered record-high underwriting margins in their personal lines businesses. This came on the back of strong premium increases coinciding with a period of lower-than-anticipated claims, a function of benign weather, lower car accident frequency, reduced car theft and less load shedding. While we continue to see a strong premium growth cycle, some of the factors supporting the claims environment (e.g., benign weather) will normalise and put some pressure on industry margins. If the current high underwriting margins persist, new capital will be attracted to the sector, ultimately diluting returns. After delivering very strong returns, the current valuation now offers a small margin of safety, and we took the opportunity to reduce the fund holding in Santam. We remain invested in OUTsurance, where we see multi-year growth potential beyond this near-term underwriting margin normalisation as the business takes share in South Africa and grows in markets outside of our borders.

Capitec is a company we admire for its simplicity, innovation, and ability to deliver long-term superior growth by leveraging its large and growing customer base to pivot into new profit pools. The retail bank continues to grow customers and take share from the incumbents with products like credit cards, which are helping to drive these gains. Capitec continues to launch new Value-Added Services (VAS) into its retail base to drive non-interest revenue. Examples include Capitec Connect, their mobile offering, currently used by 1.6m of their customers but with ambitions to get to 10m customers. Capitec has moved into business banking and insurance markets, significant profit pools where they are well positioned to take meaningful share over the long term on the back of its lower cost offering and scale. While the share trades on high near-term multiples, the strong earnings growth we expect to materialise from these initiatives means that the multiples quickly moderate and are attractive for a business of this quality. During the sharp sell-off early in the quarter, we took the opportunity to increase the Fund's holding in this long-term earnings compounder.

Outlook

The Fund remains focused on generating compelling long-term risk-adjusted returns. As such, when markets provide an opportunity to add to assets at attractive prices, the Fund will take advantage of this, as was the case with Capitec in this quarter. While the economic outlook in SA remains uncertain, opportunities to invest in great businesses at reasonable valuations are available, and we continue to pursue them for the Fund.

Portfolio managers
Neill Young and Godwill Chahwahwa
as at 30 June 2025

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION FINANCIAL FUND

The Financial Fund should be considered a long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation and top 10 holdings are reflected on a look-through basis. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) Ltd (FSP 548) , an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio over the period referenced. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the underlying fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of the previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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