

## WHAT IS THE FUND'S OBJECTIVE?

The Property Equity Fund seeks to maximise long-term growth from investing in South African listed property companies. The fund aims to outperform the JSE All Property Index.

## WHAT DOES THE FUND INVEST IN?

The fund primarily invests in companies that earn the main part of their revenue from owning, managing or developing properties.

It only invests in companies listed on the Johannesburg Stock Exchange, which may include foreign property companies that are listed locally.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

### Risk Profile



Maximum growth/  
minimum income exposures



■ Growth Assets: 100%  
■ Income Assets: 0%

The fund's investment returns come from both growth in the share prices of property companies, and income (primarily earned from rentals) paid out by these companies.

Property shares are carefully selected to offer sustainable income and superior capital growth over the long term.

Shares can be volatile investments and there is a risk of capital loss over the short term. The fund's income distributions may also fluctuate due to a number of factors, including changes in the property market and interest rates.

It should typically be viewed as a component of an overall investment portfolio, and not as an investor's only investment.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- require exposure to property as part of a diversified investment portfolio;
- are comfortable with being fully invested in property companies listed in SA;
- accept the volatility and possible short-term losses associated with an investment in shares;
- seek a regular income.

## 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](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?



**ANTON DE GOEDE**  
CFA, FRM



**MAURO LONGANO**  
BScEng (Hons), CA(SA)

## GENERAL FUND INFORMATION

Launch Date	20 November 2000
Fund Class	A
Benchmark	FTSE/JSE All Property Index
ASISA Fund Category	South African – Real Estate – General
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORPEQ
ISIN Code	ZAE000026993
JSE Code	CPEF

CLASS A as at 31 March 2025

ASISA Fund Category	South African - Real Estate - General
Launch date	20 November 2000
Fund size	R887.47 million
NAV	3871.73 cents
Benchmark	FTSE/JSE All Property Index
Portfolio manager/s	Anton de Goede and Mauro Longano

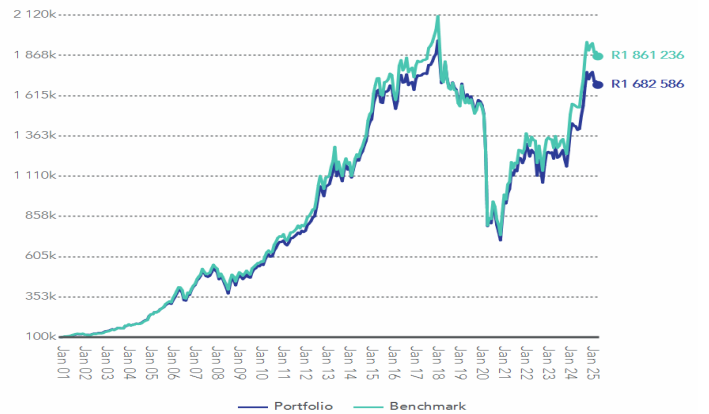
Total Expense Ratio	1 Year	3 Year
Fund management fee	1.46%	1.46%
Fund expenses	1.24%	1.24%
VAT	0.03%	0.03%
Transaction costs (inc. VAT)	0.19%	0.19%
Total Investment Charge	0.05%	0.05%
	1.51%	1.51%

PERFORMANCE AND RISK STATISTICS

PORTFOLIO DETAIL

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)

EFFECTIVE ASSET ALLOCATION EXPOSURE



Sector	31 Mar 2025
Domestic Assets	100.0%
Real Estate	100.2%
Cash	(0.2)%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

TOP 10 HOLDINGS

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1582.6%	1761.2%	(9.6)%
Since Launch (annualised)	12.3%	12.8%	(0.5)%
Latest 20 years (annualised)	9.8%	10.4%	(0.6)%
Latest 15 years (annualised)	7.0%	7.5%	(0.5)%
Latest 10 years (annualised)	0.2%	0.8%	(0.5)%
Latest 5 years (annualised)	16.1%	18.4%	(2.3)%
Latest 3 years (annualised)	9.7%	11.1%	(1.4)%
Latest 1 year	18.3%	20.1%	(1.9)%
Year to date	(4.6)%	(4.2)%	(0.3)%

As at 31 Mar 2025	% of Fund
Nepi Rockcastle Plc	16.6%
Growthpoint Properties Ltd	14.0%
Fortress Income Fund Ltd B	9.7%
Redefine Income Fund	9.6%
Resilient Property Income	6.3%
Atterbury Investment Holdings	6.1%
Vukile Property Ltd	5.2%
Hyprop Investments Ltd	5.1%
Equites Property Fund Ltd	4.8%
Fairvestprophldgsltd	4.2%

RISK STATISTICS SINCE LAUNCH

INCOME DISTRIBUTIONS

	Fund	Benchmark
Annualised Deviation	17.1%	17.6%
Sharpe Ratio	0.27	0.28
Maximum Gain	54.8%	41.0%
Maximum Drawdown	(63.9)%	(64.9)%
Positive Months	62.7%	61.6%

Declaration	Payment	Amount	Dividend	Taxable Income
31 Mar 2025	01 Apr 2025	3.44	3.36	0.08
31 Dec 2024	02 Jan 2025	105.57	15.33	90.25
30 Sep 2024	01 Oct 2024	3.91	0.82	3.09
28 Jun 2024	01 Jul 2024	86.79	19.05	67.74

	Fund	Date Range
Highest annual return	68.5%	Nov 2020 - Oct 2021
Lowest annual return	(55.4)%	Nov 2019 - Oct 2020

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	(3.4)%	0.1%	(1.3)%										(4.6)%
Fund 2024	3.8%	(1.0)%	(0.3)%	(1.5)%	0.4%	5.7%	4.3%	7.9%	5.4%	(2.5)%	2.0%	0.7%	27.0%
Fund 2023	(0.6)%	0.4%	(3.1)%	5.7%	(4.9)%	0.6%	1.6%	1.7%	(4.6)%	(3.6)%	8.5%	9.2%	10.0%
Fund 2022	(3.0)%	(3.2)%	3.3%	(1.3)%	(0.5)%	(11.0)%	8.9%	(5.9)%	(6.3)%	10.2%	6.3%	0.7%	(3.9)%
Fund 2021	(3.1)%	6.6%	2.7%	10.2%	(1.8)%	3.3%	(0.8)%	7.4%	(0.5)%	(2.3)%	2.4%	7.6%	35.5%

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

### Performance and fund positioning

Against the backdrop of a good results season, with most companies outperforming earnings growth expectations, the sector struggled to maintain the positive return momentum of 2024, delivering a return of -4% for Q1. Despite attempting some recovery mid-quarter, the overriding drivers of return were political and macroeconomic in nature, with an element of a risk-off trade linked to the potential fallout of the impasse surrounding the approval of the Budget probably the most influential. In addition, negative investor sentiment following the talk and eventually, just after quarter-end, the implementation of broad-scale trade tariffs by the US, will likely remain a recurring theme in the next few months, resulting in an undercurrent of continued market volatility.

Unit trust-linked capital flows into sector-specific funds remain volatile, with little evidence of potential support with longevity. It continues to be negative on a quarterly basis, with the last positive quarter being Q1-22. It also seems that the support which the sector received from larger institutional capital is waning, with the relative rating of the sector, as pointed out last quarter, already tight and offering limited upside. From a relative performance viewpoint, the sector lost substantial ground against the FTSE/JSE All Share Index (ALSI) and FTSE/JSE All Bond Index (ALBI) over 12 months and is now much more in lock step with equities and bonds. However, the sector still outperformed over three years. Over five years, the Covid-linked underperformance will gradually move out of the base, but the asset class's longer-term relative underperformance compared to equities and bonds – which goes back 10 years and more – will take longer to reverse. The FTSE/JSE All Property Index's (ALPI) one-year forward dividend yield is 8.6%, and that of the Fund is 8.4%.

Delivering a return of -4.6% for Q1, the Fund marginally underperformed the ALPI benchmark, but it continues to gradually close the underperformance gap over 12 months. Positions that added to the relative performance for the quarter include the overweight positions in NEPI Rockcastle, Fairvest B and Fortress, as well as underweight positions in larger, more liquid names like Redefine, Hyprop and SA Corporate. Value destruction over the quarter did come from our relative positioning in names like Attacq, Stor-age, Burstone, Hammerson, and Shaftesbury Capital. During the quarter, the largest increase in exposure occurred in Fortress and Vukile. The largest decrease in exposure occurred in Equites, Growthpoint and Burstone.

UK-linked companies, in particular, suffered this past quarter due to the uncertainty of how a higher tax burden, which came into effect on 1 April, will impact the occupier market, and the continued pressure on the UK bond market and overall borrowing costs. More recently, added relevance from a UK perspective is the inward listings of smaller sector specialists onto the JSE, as referenced in last quarter's commentary, which have now been included in some relevant sector indices. Directly exposed UK companies now comprise just under 10% of the benchmark ALPI index. Being smaller and less liquid, these names have attracted the attention of private capital looking to utilise the current disconnect between private and public capital requirements, gaining exposure at discounted levels to direct assets which are likely at a cyclical turning point.

The results season of companies with a December reporting period concluded in March. Distributable earnings per share growth for this reporting season came in at 6.9%, while dividend per share growth came in at 3.4%, with an average pay-out ratio of 83.8%. As with those companies reporting towards the tail end of 2024, offshore-focused companies were once again the laggards. When the offshore names are excluded from these numbers, the SA-centric names delivered distributable earnings per share growth of 8.0%, while dividend per share growth came in at 7.0%, with an average pay-out ratio of 85.4%. With this reporting season, the reporting of the 2024 financial year ends has concluded with a few names having a December year-end (rather than the more prevalent June or August/ September year ends in the sector). It is clear how earnings momentum has shifted as 2024 progressed, with the average distributable earnings per share growth for 2024 coming in at 1.1%, while dividend per share growth came in at -3.0%, thus much weaker than what companies have most recently reported.

The most noticeable characteristic of this past results season was how the benefit of alternative energy sources, mostly solar, has finally shone through. With most solar PV systems still tied to the electricity grid, the true benefit is only exhibited in times of limited loadshedding, which was the case in the latter part of 2024, which was part of this past reporting cycle. Depending on each company's own solar penetration, operating cost growth was kept to low single-digit numbers in many cases, supporting net operating income growth to outperform escalation rates. The sustainability of this benefit is dependent on how much more alternative energy sources can be rolled out in a portfolio, with cost-effective battery storage solutions, the next Rubicon to cross for most.

Key sector news beyond the reporting season during this past quarter related mostly to the continued expansion of SA-linked names into Iberia. Through its subsidiary Castellana, Vukile concluded the acquisition of Bonaire Shopping Centre in Valencia, a previously mooted deal with one of the world's largest public shopping centre owners, Unibail-Rodamco-Westfield, for just over R6bn. This takes Vukile's Iberian exposure to 65% of its total portfolio value. Lighthouse, where Resilient is a 30% shareholder, announced its fifth Iberian asset since the start of 2024, this time a centre located on the outskirts of Madrid. Spain continues to be one of the few shining lights in Europe with a robust economy underpinned by tourist number and consumer spending growth.

The SA Council of Shopping Centres (SACSC) published retail trading data related to Q4-24. Although the weighted average year-on-year (y-o-y) growth in trading densities remained similar between Q3-24 and Q4-24 in a broad 2% - 4%, it masks a strong move towards Community Centres (GLA of 12 000m<sup>2</sup> - 25 000m<sup>2</sup>), where y-o-y growth of 8.0% was achieved, up from 5.9% as at Q3-24. This came at the expense of two extremes – larger super regional and smaller neighbourhood centres – where y-o-y growth momentum continues to decline to low single digit. In our landlord interaction post Q4-24, feedback has, however, been that early 2025 trading data has been improving.

### Outlook

Tumultuous is probably the best word to describe current investor sentiment against a backdrop of both local and international political and economic turmoil. The implications of both the disbandment of the GNU in its current form, locally, and globally, the macroeconomic fallout related to tariffs, interest rate policy and renewed inflation pressure, will be far-reaching. Operationally, albeit still in a positive state, the sector has already started to experience a decline in the strong momentum in rental and vacancy improvements, which have been a trend post the troughs of Covid-19.

Going forward, there is likely to be a natural tension between what interest rate policies around the globe will do amid potential inflation pressure and as a counterbalance, economic growth, with which direct property returns are usually closely correlated. The sector should deliver a return of high-single digit to low double digit through the cycle, but as a growth asset could be at risk for this not being achieved in the short to medium term, even if interest rates remain stable or are even cut globally. Within a heightened volatile trading environment, stock picking and nimble portfolio positioning will be key to counter all the potential headwinds.

### Portfolio managers

**Anton de Goede and Mauro Longano**  
as at 31 March 2025

## IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION PROPERTY EQUITY FUND

The Property Equity Fund should be considered a medium- to 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. 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](http://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. Taxable income includes interest income and income earned from REITs. 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.

## BENCHMARK DETAILS

The benchmark used for performance purposes is FTSE/JSE All Property Index.

Note that we use the formal SA – Real Estate – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FTSE/JSE SA Listed Property Index, for compliance monitoring purposes.

## 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](http://www.coronation.com)

## IMPORTANT INFORMATION REGARDING TERMS OF USE

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