

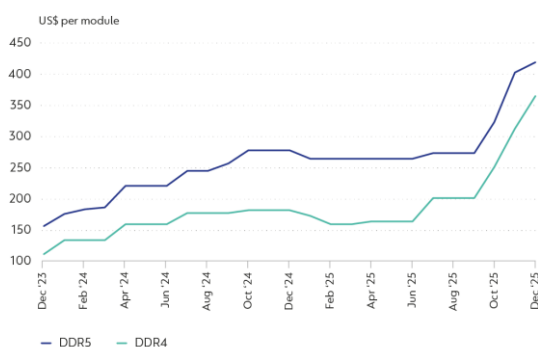
Please note that the commentary is for the retail class of the Fund.

The Fund had a tough final quarter of 2025, with the Fund returning -2.4% for the period, underperforming the benchmark MSCI Emerging Markets (Net) Total Return Index by 7.1%. Whilst the absolute returns for 2025 as a whole across both the emerging markets index (+34% in USD) and the Fund (+29% in USD) were strong, the underperformance in Q4 erased the prior positive relative outperformance for the year, leaving the Fund 4.6% behind the benchmark for the year as a whole after being as much as 5% ahead in October. There were stock-specific factors that drove this negative performance, which we believe will reverse in time. This view is informed by the exceptional value the Fund offers at the time of writing: the holdings imply a weighted average upside of 70% and a 20% p.a. internal rate of return (both figures based on our long-term valuation metrics).

The biggest positive contributor to outperformance for the quarter was Alibaba. Alibaba declined about 15% during the period, and given its large weight in the index, contributed +0.8% to relative return. The decline in the share price, together with an ongoing reassessment of the investment case for Alibaba (which is showing improved performance in its core ecommerce division, an accelerating cloud business, and generally a renewed focus), resulted in the Fund buying a small position (0.7% at quarter-end).

SK Hynix (Hynix) was the next largest relative contributor, with the share returning 82% for the period and providing +0.8% outperformance. For the year as a whole, Hynix returned an astounding 280% and was the biggest source of positive relative return (alpha) for the Fund for the year. Hynix has arguably been one of the biggest beneficiaries of the boom in AI-related investment within the emerging market universe. Its investment in High Bandwidth Memory (HBM) has paid off handsomely; Hynix is the primary supplier of these chips to Nvidia for use in data centres, with its traditional rival Samsung being the laggard. The third generation of these chips (HBM3) will still predominate in 2026; however, the fourth generation (HBM4) has been approved by Nvidia and will start being shipped later this year. The lack of spare capacity means the market is in short supply, which supports pricing (Figure 1). The overall lack of capacity in the memory market has also fed through into the traditional memory market, which is positive for profits from that part of its business too. Despite the strong share price performance, Hynix trades at an undemanding 6x earnings for 2026. The Fund sold part of its holding in Hynix in response to the sharp share price appreciation, to leave it at a 2.3% position at quarter-end after being over a 4% position at one point.

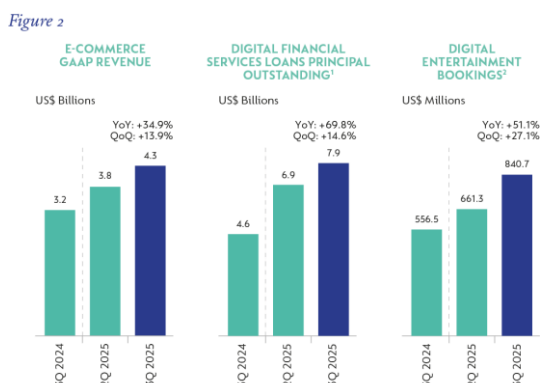
Figure 1
SERVER DRAM* CONTRACT PRICE



*Dynamic Random Access Memory
Sources: Bloomberg and Coronation Research

Other material positive contributors to relative performance were Xiaomi (not owned, +0.4% impact), Wiywyn (+31% return, +0.4% impact), and ASML (+11% return, +0.2% impact).

There were a handful of significant detractors, the largest being SEA Limited (SEA). Whilst SEA's share price almost doubled during the first nine months of the year, from just over \$106 in January to \$196 in September, it then promptly retraced by 35% from its highs, costing the Fund 1.7% in relative performance in Q4. Much of this decline occurred after the release of third quarter results. Revenue growth was very strong across all divisions (ecommerce, fintech, and gaming) on both a year-on-year (YoY) and quarter-on-quarter (QoQ) basis.



¹ Company definition of total on-book and off-book loans.
² Company-defined approximation of total cash spent by users.
Source: SEA investor relations, 3Q results

Although both operating profit and net income more than doubled YoY, profitability was behind expectations, particularly in Shopee (ecommerce). This was largely due to SEA investing in fulfillment capabilities (which is their differentiated moat) in order to strengthen its position, as opposed to investment from a defensive perspective. SEA has a dominant position in ecommerce in Southeast (SE) Asia (with an estimated 50% market share in ecommerce in the six core SE Asian markets of Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Singapore) and it is gaining market share in its other core market, Brazil, as well as making inroads in Taiwan.

SEA has been through periods of investment before and typically emerges in a much stronger position. The market, in our view, is extrapolating a temporary period of investment into an expectation of permanently reduced profitability. Late in the year, we also spent time with the head of their fintech business at SEA's head office in Singapore and came away more excited about the significant opportunity here where they are way ahead of all competitors. With our long-term earnings estimates and fair value largely unchanged (and with close to 100% upside), we used the share price decline as an opportunity to increase the position size to 6.1% of the Fund.

The next largest negative detractor in Q4 was Coupang, a Korean ecommerce business with secondary operations in Taiwan (-27% return, -1.3% impact). Coupang had already retreated from its earlier highs, but in late November, a negative development emerged in Korea where the personal data on 34m accounts leaked in a data breach. The urgency of the company's response to this initially seemed to be lacking, with the founder declining to appear before the Korean parliament to offer an explanation and mea culpa. As time passed, however, the scale of the impact of this breach became clearer, and suggested the market reaction was overdone. Firstly, it appeared to be the result of deliberate action by a rogue employee, who was identified in a joint operation with the local authorities and who confessed to his actions. The company further revealed that data from only a small number of accounts was actually stored (relative to the 34m total accounts accessed) and that no information was leaked to outside third parties.

There will likely be a fine to pay – the maximum cited is 3% of Korean revenue (or roughly \$900m, relative to a \$42bn market cap), and there has been reputational damage, but in the absence of a strong competitor within Korea, the operational impact of this episode for Coupang is likely to be limited. Given that this was the result of malicious behaviour from an employee rather than negligence by the company, the fine is likely to be much smaller than the potential maximum. However, the company will have to invest internally to improve data protection and ensure this does not happen again.

Other notable detractors were Samsung Electronics (-1% impact), MercadoLibre (-0.9% impact), and JD.com (-0.7% impact). As we reduced the Hynix position, we bought a 1.3% position in Samsung during the period, informed largely by our positive view on HBM, where it is catching up with Hynix, but this was still a substantial underweight in a stock that went up 50% in the quarter. MercadoLibre's negative share price move (-14%) was primarily driven by concerns over short-term competitive intensity in Brazil as well as general fears over the sustainability of Argentina's economic stabilisation programme and potential currency devaluation. We added significantly to the position as it declined, taking it to a 6.1% position at quarter-end. JD.com's negative share price move (-20%) was a continuation of the food delivery investment wars in China, with Meituan, Alibaba, and JD.com all taking each other on and burning through cash in the process. This irrational competition is noticeably reducing, and JD.com has been sold down to bargain levels – it trades at around 5x forward earnings adjusted for cash. There has been a sea change in management's attitude towards capital allocation – during 2025 they bought back about 6.3% of the company, more than half of this was during the fourth quarter alone.

There were two other new purchases in the quarter – Kiwoom Securities (Kiwoom), a Korean stockbroker, and Ixigo, an Indian online travel agency (OTA). Each was under 1% of Fund at quarter end. Kiwoom has the largest market share in Korea in stockbroking for both domestic and international equities and derivatives. It also offers other related services like investment banking and project financing. Kiwoom trades on less than 7x forward earnings and pays a 5.5% dividend yield. The newly-elected Korean government has announced a raft of measures aimed at unlocking the discount at which Korean stocks trade to their emerging as well as developed market equivalents. Greater minority investor protections and favourable tax treatment for equities are among the many changes announced in recent months. Korea is a rapidly ageing society, and the vast majority of households have real estate exposure as their main asset. Korea's largest companies are geared towards serving international customers, so the equity market provides a way for Koreans to diversify away from the domestic economy, which is at risk of falling property prices as the population declines.

In the case of Ixigo, we know the Indian travel market very well, with long-standing coverage of Fund holding MakeMyTrip. Ixigo is the number one player in train tickets (60% market share) and has been diversifying into flights (10% market share, no.3 player), buses (approaching 20% market share, no.2 player), and, most recently, hotels. Travel is very much in its infancy in India, and we have seen how this market plays out as wealth levels rise through our experience with Trip.com in China, which we have covered since 2009. The sheer size of the opportunity is such that it can be highly profitable for two to three players, each with a different area of strength. Management (who are also the founders of the business) are very impressive in our view and come from a technology background, so they think carefully about pain points in the booking process and the use of AI in enhancing the product experience for customers.

In order to fund the additional investment in some of the high-conviction names that came under pressure in the quarter (SEA and MercadoLibre, in particular), as well as the new buys discussed above, we sold a few stocks out of the Fund. In some cases, the shares reached our assessment of fair value (Netease.com and Asia Vital Components). In others (Li Ning, Brava Energia, Bosideng), better risk-adjusted returns elsewhere in similar holdings (Adidas, PRIO, Tencent Music, respectively, and all of which we added to), were the primary reason. In the case of BYD, a price war in the Chinese EV market with an uncertain endpoint was a significant factor.

There was extensive travel during the period, mostly focused on Asia, with China, Korea, Taiwan, Hong Kong, Singapore, and Indonesia visited. More than 200 meetings with management teams, industry participants, and policymakers were held.

Portfolio managers
Gavin Joubert, Suhail Suleman and Iakovos Mekios
as at 31 December 2025