2025

INVESTING FOR LONG-TERM GROWTH

COROLAB

Your guide to investment ideas

CORONATION

TRUST IS EARNED™

The Coronation client charter

- We strive to always put clients first
- We have an unwavering commitment to the long term
- We focus on producing top performance over all meaningful periods
- We are uncompromising about ethics

Overview

When you invest for the long term, you're usually working with one of two pools of money:

- **Retirement savings:** money intended to fund your life after you stop working. You generally cannot, or should not, access it before retirement. This typically sits in your employer's pension or provident fund, or in a retirement annuity (RA) you contribute to yourself.
- **Discretionary savings:** additional long-term money you choose to invest beyond your retirement contributions. This money pool is flexible and can support goals like a child's education, early retirement, or building generational wealth.

In this *Corolab*, we explore how to invest both pools of long-term money for growth, using two of Coronation's multi-asset funds. For your retirement savings, we focus on using **Coronation Balanced Plus** inside a retirement investment account such as an RA. For your discretionary savings, we look at **Coronation Market Plus** held in a tax-efficient investment account such as a Tax-Free Investment (TFI).

Two types of long-term money

Both of these pools of money (retirement savings and discretionary savings) need the same basic ingredients to succeed: they must grow faster than inflation over time, and they should be invested as tax-efficiently as possible so that more of the return stays in your hands. But the rules, investment accounts and trade-offs are different.

- **Retirement savings** are governed by specific legislation and asset class limits, and come with attractive tax benefits in exchange for locking money away until retirement.
- **Discretionary savings** are not subject to those same limits and are generally easier to access, but you have to pay more attention to the impact of tax on interest, dividends, and capital gains along the way.

Two pools of long-term money

Retirement savings

+ Type of tax-efficient investment account:
- Retirement Annuity
- Pension Fund
- Provident Fund
- Preservation Fund

+ Popular fund choice:
Coronation Balanced Plus

Discretionary savings

+ Type of tax-efficient investment account:
- Tax-Free Investment

+ Popular fund choice:
Coronation Market Plus
Coronation Top 20 (*for investors with a very long time horizon who can tolerate taking risk*)

The principles of long-term investing

Whether you're investing retirement money or discretionary money for the long term, the investment principles are the same: **you need growth assets, time, and a skilled asset allocator**.

Equities as the growth engine

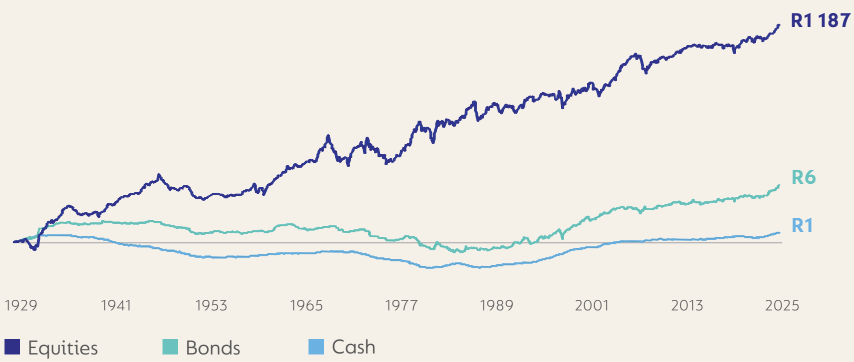
If your investments only keep up with inflation (rising prices), you will not be building real wealth – you will simply be breaking even. Over decades, inflation quietly but relentlessly erodes the purchasing power of your savings.

But history is clear on one point: over long periods, equities (shares in companies) have done the heavy lifting in growing investors' wealth. In South Africa, shares have delivered significantly higher returns than bonds or cash after inflation over many decades. Bonds have tended to offer only modest real returns (returns ahead/in excess of inflation), and cash even less.

This outperformance does not come for free. Equities are volatile. They will give you strong years and weak years, sometimes back-to-back. That can be unsettling if you only look at your investments in one- or two-year intervals. But if your goal is still many years or decades away, the volatility is the short-term price you pay for the higher expected long-term return that equities can offer.

Real returns from equities far outpace those of other asset classes

R1 invested per asset class since December 1929



Source: Coronation, IRESS as at 30 November 2025

For both your retirement and discretionary pools, this means including a meaningful allocation to shares. Without that growth exposure, it becomes very difficult to outpace inflation in a way that materially improves your future outcomes.

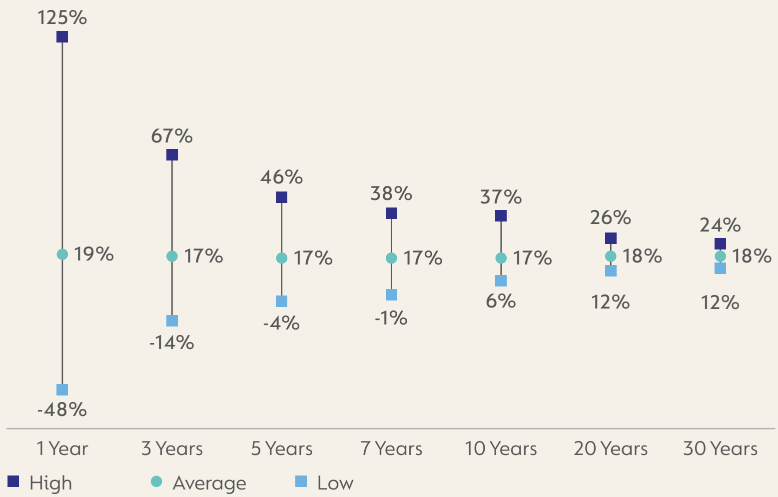
Think in decades, not years

In the short term, markets move around for all kinds of reasons: economic data, politics, interest rates, sentiment. Over a single year, equity returns can be extremely wide – strongly positive, or sharply negative. As you lengthen your time horizon, however, the picture changes. The range of possible outcomes narrows, and the risk of a negative real return falls substantially.

Thinking in decades rather than years is one of the biggest mindset shifts a long-term investor can make. If you know that your goal is 20 or 30 years away, you can treat short-term market swings as noise rather than as a signal to change course. That makes it easier to stay invested through the inevitable ups and downs, and that discipline is often where much of the ultimate reward comes from.

Equity volatility smooths out over time

Range of annualised returns (% p.a.) over rolling periods (1960 – 2025)



Source: IRESS. FTSE/JSE All Share Index up to 30 June 2011; FTSE/JSE Capped SWIX from 1 July 2011 to 30 November 2025

Staying invested with multi-asset growth funds

For most investors, sitting in a fully invested equity portfolio is emotionally challenging, even if the long-term picture looks attractive. At the same time, locking everything away in cash or low-risk income assets almost guarantees that you will struggle to meaningfully outperform inflation.

Multi-asset growth funds offer a compelling middle ground. Funds like **Coronation Balanced Plus** and **Coronation Market Plus** invest across shares, bonds, listed property, and cash, both locally and offshore. They aim to deliver inflation-beating returns over time, while smoothing out some of the extremes of pure equity investing. Our global investment team can tilt between different asset classes worldwide as valuations and opportunities change, rather than being forced to stay fully invested in one jurisdiction regardless of conditions.

Over the long term, this combination of growth assets, diversification, and active asset allocation has added meaningful value for investors. The specifics will differ by fund and period, but the principle remains constant: a carefully managed multi-asset portfolio can help you stay invested and capture long-term growth in a more balanced way. This outcome is highlighted in the table below.

Attractive real returns, ahead of equities, since inception

Annualised fund return vs Peer Group, SA Equities and Inflation

	Fund return (p.a.)	Peer Group return (p.a.)	Value uplift vs Peer Group	SA Equities* (p.a.)	Value uplift vs SA Equities	Inflation (p.a.)	Fund real returns (p.a.)
Coronation Balanced Plus	13.8%	12.3%	**R15m**	11.2%	**R22.9m**	5.9%	**7.9%**
Coronation Market Plus	14.6%	11.4%	**R11m**	13.7%	**R5.2m**	5.5%	**9.1%**

Source: Coronation and IRESS as at 30 November 2025

* SA Equity performance is measured by the FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX) which replaced the FTSE/JSE Capped All Share Index (CAPI). The return is spliced between the performance of the CAPI and that of the C-SWIX from 1 April 2021.

Investing your retirement savings

Your retirement savings is usually the single most important asset you will ever build. It is the money that must one day pay for your rent or bond, groceries, healthcare, and whatever gives your life joy and meaning in retirement. Because of that, getting both the investment choice and tax efficiency right can make an enormous difference.

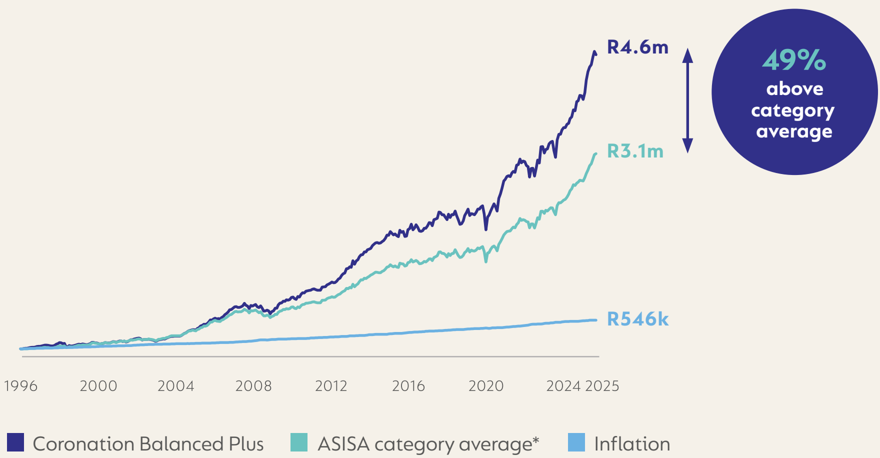
Balanced Plus as the core retirement engine

For investors saving for retirement, **Coronation Balanced Plus** is designed to serve as a core long-term holding. It is a growth-oriented multi-asset fund that complies with Regulation 28, which governs how retirement savings may be invested. Within these limits, the fund aims to maximise long-term returns by investing in a blend of local and global shares, bonds, listed property, and cash.

The fund can hold up to 75% in equities, while still maintaining meaningful diversification and risk management. It also has the flexibility to invest offshore up to the prevailing Regulation 28 limits (up to 45%), which not only gives your investment access to a much broader opportunity set but also improves the overall risk profile.

The power of compounding ahead of peers and inflation

Growth of R100 000 invested in Coronation Balanced Plus since 15 April 1996



* SA – Multi-Asset – High Equity ASISA Fund Category Average (excluding Coronation funds)

Source: Coronation as at 30 November 2025

Over almost three decades, **Coronation Balanced Plus** has delivered real returns ahead of inflation and ahead of the average fund in its high-equity category (see table on page 5). Beating the peer group by just over 1% per year may not sound significant, but compounded over nearly 30 years, it is the difference between your money growing 31-fold vs 46-fold before inflation – a powerful illustration of what consistent added value can do over time.

In short, **Coronation Balanced Plus** is intended to be a well-diversified, actively managed growth portfolio suitable for the long-term needs of retirement savers.

Using a retirement annuity to boost tax efficiency

Choosing the right fund is only part of the story. The investment account you use to hold that fund also matters. This is where Retirement Annuities (RAs) come in.

An RA is a personal retirement savings account that allows you to invest for retirement in a tax-efficient way. If you are self-employed or do not belong to an employer retirement fund, an RA may be the main vehicle you use to save for retirement. Even if you already contribute to a pension or provident fund through your employer, an RA can be used to top up your retirement savings and take further advantage of the tax benefits.

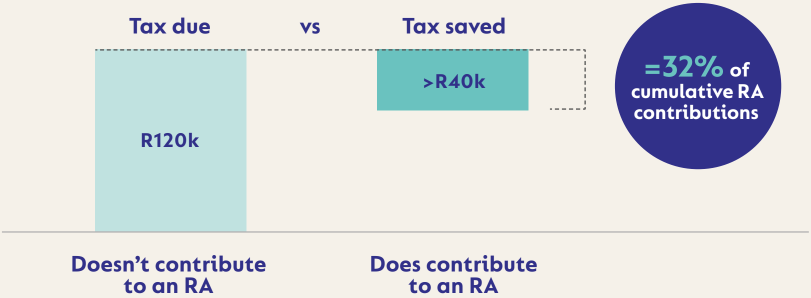
The key advantage of an RA is that contributions are generally tax-deductible up to certain limits. This means that by contributing to an RA, you can reduce your taxable income and, in turn, your tax bill. In practical terms, SARS is effectively funding part of your retirement contribution. Inside the RA, your investment grows tax-free on interest, dividends, and capital gains, allowing compounding to work on the full gross return rather than the after-tax remainder.

There are trade-offs. Money in an RA is meant for retirement, and access before then is very limited, subject to the two-pot rules and guidelines. The investments underlying an RA must also comply with Regulation 28, which sets maximum exposure levels to different asset classes, including equities and offshore assets. **Coronation Balanced Plus** is managed within those limits, which makes it a natural fit for an RA.

A simple example can be powerful here. Consider an investor who makes a sizeable RA contribution and compare the tax payable with and without that contribution. Showing the difference in rand terms – the amount of tax saved – helps bring home the point that the tax system is effectively contributing to your retirement savings when you use an RA wisely.

The tax saving on your RA contributions can be meaningful

An investor earning R500 000 in non-retirement funding income* who doesn't contribute to an RA pays about R120 000 in tax. If they instead contribute R137 500 (27.5% of income) to an RA, they save over R40 000 in tax – enough to fund 32% of their cumulative RA contributions.



* Non-retirement funding income for a self-employed individual refers to all of your income. For employed individuals, non-retirement funding income refers to irregular and variable income that is not used to calculate individual contributions to your company pension or provident fund (i.e. commission, performance bonuses and other windfalls).

Source: Coronation

Putting it together

When you invest your retirement savings, you want two things working for you simultaneously: a proven growth engine and a tax-efficient investment account. **Coronation Balanced Plus** provides a diversified, actively managed portfolio designed to deliver long-term real returns within the rules that govern retirement money. An RA offers tax advantages on the way in and on the growth accumulated while you are invested. Together, they can materially improve your chances of reaching a comfortable retirement, provided you contribute enough and stay invested through cycles.

Investing your discretionary long-term money

Your discretionary savings is the money you invest over and above your retirement capital/pool. It may be earmarked for specific long-term goals like education, supporting family members in the future, buying a second property, or simply ensuring that you have more options available later in life. You might also use this money pool to build wealth that can be passed to future generations.

Because this money sits outside formal retirement products, it is not constrained by Regulation 28. That gives you more flexibility – but it also means you need to pay attention to the tax implications of where and how you invest.

Market Plus as a high-conviction long-term solution

For discretionary long-term investors who prefer a single, diversified, actively managed portfolio, **Coronation Market Plus** is designed to fill that role.

Like Coronation Balanced Plus, **Coronation Market Plus** is a multi-asset growth fund investing across South African and global shares, bonds, property, and cash. The key difference is that **Coronation Market Plus** is not bound by Regulation 28 limits. This means it can allocate more to growth assets, such as equities, and increase offshore exposure when our global investment team believes the opportunities justify it. The aim is to generate strong, inflation-beating returns over the long term for investors who are comfortable with some volatility along the way.

Coronation Market Plus is intended to be a complete discretionary portfolio – not just a building block. For many investors, it can serve as the main home for their long-term discretionary savings.

Enhanced compounding with a tax-free investment (TFI)

Even in your discretionary pool of money, investment account choice matters. One of the most powerful tools available to South Africans is the Tax-Free Investment (TFI).

Within a TFI, you do not pay tax on interest, dividends, or capital gains. That means every rand of return can stay invested and keep compounding, rather than being reduced by annual tax. Over long horizons, the difference between compounding on a pre-tax versus after-tax basis can be very large. You also don't pay any tax on withdrawals.

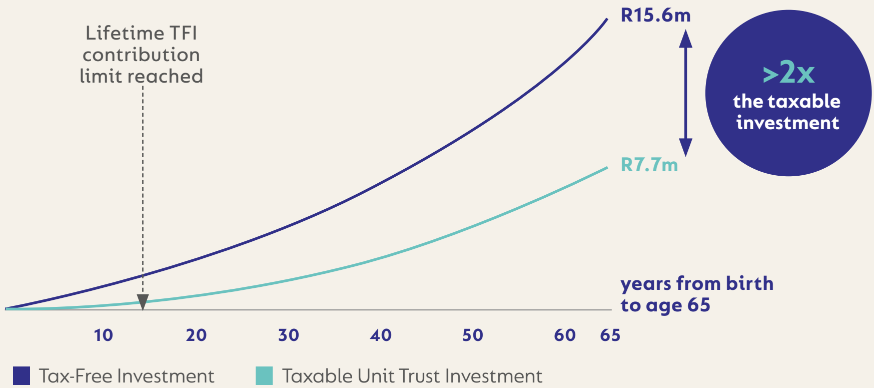
There are, however, contribution limits. National Treasury sets the maximum you can invest each year (R36 000) and over a lifetime (R500 000). Withdrawals do not reset these limits: once you have used your annual or lifetime allowance, you cannot contribute more. That is why a TFI is best used for money you can genuinely leave invested for the long term.

A practical way to use a TFI is to house a growth-oriented fund like **Coronation Market Plus** inside it. You then get the benefit of the fund's multi-asset growth strategy plus the tax advantages of the TFI wrapper.

An illustrative example shows how powerful this can be. Imagine a parent or grandparent investing the maximum annual TFI allowance for a child from birth until the lifetime limit is reached, and then leaving that investment untouched until the child reaches retirement age. Under reasonable assumptions about investment returns, inflation and the tax drag in a regular taxed investment, the TFI investment could end up worth roughly twice as much in real (inflation-adjusted) terms as the same portfolio held in a fully taxable unit trust. The exact numbers depend on market returns and tax rules over time, but the principle is clear: removing tax on growth and when you withdraw significantly boosts long-term outcomes.

The power of compounding tax-free

Real (after inflation) investment values (R million)



Assumptions:

- R36 000 invested per year from birth into a taxable unit trust and a tax-free investment, respectively, until R500 000 has been invested.
- Investment then grows without any withdrawals until age 65.
- End values assume the entire amount is invested in the same underlying portfolio, Coronation Market Plus, for the duration of the investment, returning 6% per annum in real terms (historically Coronation Market Plus provided 9.1% real p.a. since inception, as at 30 November 2025), with 5% inflation and a marginal tax split between income, dividends and capital growth based on the historic average for Coronation Market Plus.
- This example is for illustrative purposes only. Future returns are uncertain and actual outcomes may differ.

Source: Coronation

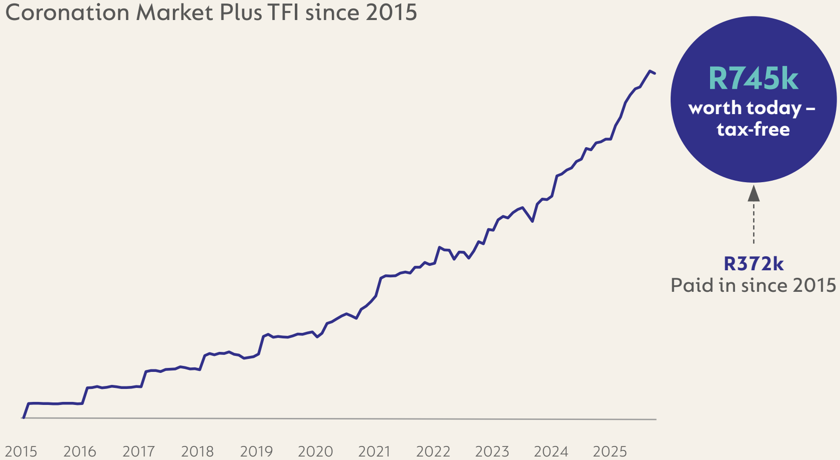
It is important to stress that this is a patient and disciplined scenario designed to illustrate the power of tax-free compounding. Most people will not be able to invest from birth or leave money untouched for that long, and that is perfectly fine. The point is that even if you start later and contribute for fewer years, a TFI can still materially improve the outcome of your discretionary long-term savings.

A real-world case study

While the very long-term TFI example is simply illustrative, we can also look at a real-world case using actual fund performance since TFIs were introduced. If an investor had used the available TFI limits each year from 2015, investing in **Coronation Market Plus** from the launch of our first TFI, they would have made cumulative contributions of about R372 000. Based on the fund's actual returns over this period, that investment would be worth roughly R745 000 today – almost double the money contributed, with no tax paid on the growth along the way. This is, of course, a backward-looking example, and future returns and TFI rules may differ, but it gives a concrete sense of how powerful a growth-oriented fund inside a tax-free wrapper has already been over a single decade.

What a decade of tax-free investing can do

Investment value of actual annual tax-free limits invested in Coronation Market Plus TFI since 2015



Source: Coronation research and Morningstar as at 30 November 2025

Based on Coronation Market Plus TFI, actual annual TFI limits, and no withdrawals.
Past performance is not a reliable indicator of future results.

When an endowment may make sense

There are further tax-efficient options beyond an RA and TFI. Investors may be maxing out retirement contributions and fully utilising the annual TFI allowance yet still have additional long-term discretionary money to invest. In those circumstances, an endowment can be worth considering.

Endowments are investment policies that pay tax inside the product at flat rates. For investors in the top marginal tax brackets, those internal rates on interest and capital gains may be lower than what they would pay in their own names. This can make the endowment a more tax-efficient place to hold a long-term discretionary investment.

An endowment, however, is not as flexible as a TFI or a straightforward unit trust. There is typically a minimum five-year term before you can access the full value without restriction, and there can be limitations on early withdrawals. For that reason, endowments are best suited to genuinely long-term money that you are confident you will not need in the near future.

Investors' underlying fund options are not restricted by any regulation. As such, you can invest in any of our long-term growth-oriented funds.

Putting it together

For your discretionary pool of money, the sequence usually looks like this: make sure your retirement funding is on track, then use a Tax-Free Investment as your first port of call for long-term discretionary savings. Using a robust multi-asset growth fund like **Coronation Market Plus** can keep your investment decision aligned with your long-term goals.

	Retirement pool	**Discretionary pool**
Typical goal	Income in retirement	Extra freedom, education, legacy
Suitable investment account	RA / Pension / Provident/ Preservation	TFI
Popular fund choice	Coronation Balanced Plus	Coronation Market Plus
Regulation	Must comply with Reg 28	No Reg 28 limit
Tax treatment	Contributions deductible, growth untaxed	No tax on growth in TFI; flat rates in endowment

Conclusion

Long-term investing gets complicated quickly if you try to juggle every detail at once. It becomes easier when you break it down into a few clear decisions.

First, identify which pool you are working with. If the money is earmarked for retirement and is subject to pension rules, you are working with your retirement savings. If it is extra money you are investing by choice outside your retirement products, it belongs to your discretionary savings pool.

Second, make sure each savings pool has an appropriate growth engine. For retirement, that might be **Coronation Balanced Plus** inside an RA or other retirement fund. For discretionary long-term savings, it might be **Coronation Market Plus** in a TFI, or a basic unit trust, depending on your needs and tax position.

Third, use the available tax advantages sensibly. Take advantage of the tax deductions and tax-free growth available in retirement funds. Use your TFI allowance for long-term discretionary investments whenever possible. If you are a high earner who has already maximised these options, consider investment accounts like endowments with the help of a financial adviser.

Finally, accept that markets will move up and down and that there will be years when things feel uncomfortable. The goal of long-term investing is not to avoid every bump in the road; it is to stay on the road long enough, in an appropriate portfolio, that the combination of time, growth assets and tax-efficiency can do its work.

If you are unsure where to start or how these choices fit into your overall plan, speaking to a qualified financial adviser can be extremely helpful. They can help you decide how much to allocate to your retirement and discretionary pools, which investment account options and funds suit your situation, and how to adjust your strategy as your life evolves.

Long-term investing is not about predicting the next year. It is about setting yourself up well for the next decade, and beyond.

Disclaimer:
All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. As a result thereof, there may be limitations as to the appropriateness of any information given. It is therefore recommended that the reader 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 reader prior to acting upon information. Neither Coronation Fund Managers Limited, Coronation Management Company (RF) (Pty) Ltd nor any other 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. Coronation endeavours to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. Coronation does not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only. Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up, and is therefore not guaranteed. Past performance is not necessarily an indication of future performance. Unit trusts are allowed to engage in scrip lending and borrowing. Performance is calculated by Coronation for a lump sum investment 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. Where foreign securities are included in a fund it may 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. The Coronation Money Market and Coronation Corporate Money Market Funds ("Money Market Funds") are not bank deposit accounts. The fund has a constant price, and the total return is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals could place the Money Market Funds under liquidity pressures. In such circumstances a process of ring-fencing of redemption instructions and managed pay-outs over time may be followed. A fund of funds invests in collective investment schemes that levy their own fees and charges, which could result in a higher fee structure for this type of fund. A feeder fund invests in a single fund of a collective investment scheme, which levies its own charges and could result in a higher fee structure for the feeder fund. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager (the "Management Company") approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Unit trusts are traded at ruling prices set on everyday trading. Forward pricing is used. For Domestic Unit Trust Funds and Tax-Free Investments, including rand-denominated Offshore Unit Trust Funds, 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). For these Funds, instructions must reach the Management Company before 14h00 (12h00 for the Money Market Funds) to ensure same day value. Withdrawal instructions from the Coronation Corporate Money Market Fund will be paid by 14h00 on the day of instruction if they are received before the 12h00 (noon) cut-off time. Withdrawal instructions from the Coronation Corporate Money Market Fund received after 12h00 but before 17h00 will be paid by 09h00 on the following business day. For Offshore Unit Trust Funds that are denominated in a foreign currency, fund valuations take place at approximately 17h00 each business day (Irish Time) and instructions must reach the Management Company before 12h00 (SA Time) to ensure the value of the next business day. For Retirement Products, fund valuations take place at approximately 15h00 each business day, except at month end when valuation is performed at approximately 17h00 (JSE market close). For these Products, instructions must reach the Management Company before 14h00 to ensure the value of the next business day. For full fund details, please refer to their minimum disclosure documents available on www.coronation.com. Additional information such as fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com. This publication is for informational purposes and should not be taken as a recommendation to purchase any individual securities. The companies mentioned herein are currently held in Coronation managed strategies, however, Coronation closely monitors its positions and may make changes to investment strategies at any time. If a company's underlying fundamentals or valuation measures change, Coronation will re-evaluate its position and may sell part or all of its position. There is no guarantee that, should market conditions repeat, the abovementioned companies will perform in the same way in the future. There is no guarantee that the opinions expressed herein will be valid beyond the date of this presentation. There can be no assurance that a strategy will continue to hold the same position in companies described herein. Coronation Fund Managers Limited is a Full member of the Association for Savings & 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. Coronation International Limited is an investment manager authorised and regulated by the Financial Conduct Authority.

Date of issue: December 2025

For **enquiries** you can call us on **0800 22 11 77**
or email us at **clientservice@coronation.com**.

For **new applications or transactions** you can email your forms directly to **transact@coronation.com** or fax us on **+27 21 680 2100**.

For **more information or to invest online**, visit us on **www.coronation.com**.