CORONATION EQUITY FUND

Fund Information as at 31 July 2021

CORONATION
TRUST IS EARNED™

WHAT IS THE FUND'S OBJECTIVE?

The fund seeks to maximise long-term capital appreciation by investing primarily in a broad spectrum of listed equities.

WHAT DOES THE FUND INVEST IN?

The Equity Fund invests in the shares of companies listed on the Johannesburg Stock Exchange. The fund can also invest 25% in international equities, plus a further 5% in Africa (outside of South Africa).

There are no restrictions on how much exposure the fund can have to different sectors (for example, to mining, financial or industrial companies).

The fund will be fully invested in shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

8/10
Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%
Income Assets: 0%

The fund's managers actively seek out attractively valued shares that could achieve strong investment growth over the long run. Rigorous research is conducted into the long-term potential of a company and whether it is attractively valued relative to other companies, before its shares are selected for the fund.

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

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of 10 years or more is therefore ideal. It is not suitable as a single investment for investors who need to preserve their capital over five years or less.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- are comfortable with full exposure to shares listed in South Africa;
- accept that the fund may underperform the market in the short term in pursuit of superior long-term gains.
- do not require an income in the short term.
- The fund is less concentrated than the Coronation Top 20 Fund, making it more suitable for investors holding only one equity fund.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.35% and a maximum of 2.20%, depending on the fund's performance, is payable.

If the fund's return (after fees and costs) is equal to that of the benchmark, a fee of 0.70% will be charged. We share in 20% of the performance above the benchmark, up to a total annual fee of 2.20%. Performance is measured over a rolling 24-month period.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.35%.

All fees exclude VAT. 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 fund 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?

KARL
LEINBERGER
BBusSc, CA (SA), CFA

SARAH-JANE
ALEXANDER
BBusSc, CFA

GENERAL FUND INFORMATION

Fund Launch Date	15 April 1996
Fund Class	P (previously class B4)
Class Launch Date	1 October 2013
Benchmark	Composite: 87.5% SA equity, 12.5% International equity
Fund Category	South African – Equity – General
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Bloomberg Code	COREQB4
ISIN Code	ZAE000182176
JSE Code	CECB4

CORONATION EQUITY FUND

CORONATION

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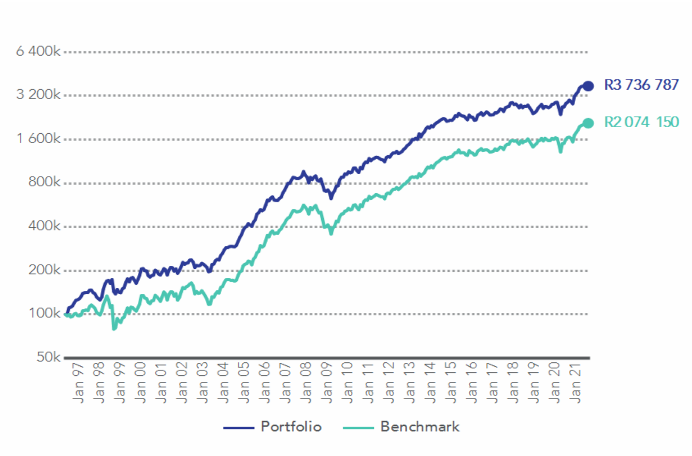
CLASS P as at 31 July 2021

Fund category	South African - Equity - General
Launch date	01 October 2013
Fund size	R 8.36 billion
NAV	21254.95 cents
Benchmark/Performance Fee Hurdle	Composite (87.5% SA equity,12.5% International equity)
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

	1 Year	3 Year
Total Expense Ratio	0.58%	0.71%
Fee for performance in line with benchmark	0.70%	0.70%
Adjusted for out/(under)-performance	(0.21)%	(0.10)%
Fund expenses	0.02%	0.02%
VAT	0.07%	0.09%
Transaction costs (inc. VAT)	0.26%	0.22%
Total Investment Charge	0.84%	0.93%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Peer Group Average
Since Launch (unannualised)	3636.8%	1974.1%	1601.3%
Since Launch (annualised)	15.4%	12.8%	11.7%
Latest 20 years (annualised)	15.8%	14.7%	13.4%
Latest 15 years (annualised)	12.9%	12.4%	9.5%
Latest 10 years (annualised)	12.4%	12.4%	9.0%
Latest 5 years (annualised)	9.2%	8.9%	5.1%
Latest 3 years (annualised)	11.5%	9.9%	6.4%
Latest 1 year	29.4%	25.5%	24.9%
Year to date	13.2%	16.0%	15.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.3%	17.4%
Sharpe Ratio	0.40	0.20
Maximum Gain	47.4%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	62.4%	63.0%
	Fund	**Date Range**
Highest annual return	64.7%	Aug 2004 - Jul 2005
Lowest annual return	(28.7%)	Mar 2008 - Feb 2009

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jul 2021
Domestic Assets	73.8%
Equities	73.2%
Basic Materials	19.6%
Industrials	1.9%
Consumer Goods	4.4%
Health Care	2.1%
Consumer Staples	0.7%
Consumer Services	15.3%
Energy	2.0%
Financials	19.2%
Technology	7.7%
Derivatives	0.4%
Real Estate	0.2%
Cash	0.4%
International Assets	26.2%
Equities	25.9%
Cash	0.3%

TOP 10 HOLDINGS

As at 30 Jun 2021	% of Fund
Anglo American Plc	7.7%
FirstRand Limited	5.6%
Naspers Ltd	5.2%
Glencore Xstrata Plc	5.0%
Prosus	4.3%
Quilter plc	3.6%
British American Tobacco Plc	3.4%
Bid Corp Ltd	2.6%
Momentum Metropolitan Holdings	2.3%
Northam Platinum Ltd	2.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2021	01 Apr 2021	329.63	327.31	2.31
30 Sep 2020	01 Oct 2020	198.61	196.25	2.36
31 Mar 2020	01 Apr 2020	212.64	202.31	10.33
30 Sep 2019	01 Oct 2019	253.70	244.96	8.74

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	3.2%	6.4%	2.4%	0.5%	0.2%	(1.0)%	1.0%						**13.2%**
Fund 2020	0.2%	(8.5)%	(9.9)%	12.7%	0.0%	5.5%	2.0%	3.6%	(2.4)%	(3.5)%	12.7%	4.0%	**14.5%**
Fund 2019	2.9%	4.7%	2.8%	3.1%	(6.1)%	3.0%	(0.4)%	(1.3)%	1.5%	3.7%	0.6%	2.6%	**17.8%**

Issue date: 2021/08/11

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.

The Fund returned -0.4% for the quarter, resulting in a return of 30.2% over the last year. The Fund has performed well against its peer group over all meaningful time periods.

Good returns from global markets continued, with the MSCI All Country World Index returning 7.4% in US dollars for the quarter, resulting in a return of 39.3% over 12 months.

Developed market equities (MSCI World Index +7.7%) continued their rise during the quarter as the benefits of rapid vaccine rollouts allowed for a re-opening of economic activity. Emerging markets (MSCI Emerging Markets [EM] +5.0%) underperformed their developed market counterparts. Notable EM underperformers included Chile and Peru, where markets reacted to an expected shift to the left in economic policy. The JSE All Share returned 3.6% in US dollars. Vaccine rollout in EMs has generally lagged developed market peers. The emergence of the Delta variant in India highlighted the vaccine gap. Widespread vaccination is critical in slowing the spread of the virus and reducing the threat of further mutations. In South Africa (SA) too, vaccinations has been off to a slow start. To date, c.4 million South Africans have been vaccinated, insufficient to avoid the current third wave and another round of restrictions being placed on the economy.

The Fund's allocation to global equities has benefited the portfolio over time; bolstering returns and improving risk management. The Fund has built a position in Auto 1 Group, which owns the largest C2B car buying platform in Europe (the equivalent of SA's We Buy Cars). The European used car markets are ripe for disruption given the vast but fragmented market and generally poor customer experiences. Auto1's competitive advantage lies in its cost-efficient sourcing of vehicles direct from the consumer, superior transactional data and pricing, as well as growing retail business. The business has a long growth runway ahead. The Fund's exposure to Chinese technology businesses including Tencent Music Entertainment and JD.com detracted from performance during the quarter as these businesses sold off on fears of increasing regulation. Actions by the regulators have focused on anticompetitive practices and data security. As covered under the discussion on Naspers, we believe these actions are consistent with regulators in many parts of the world, where technology companies are having an increased social and economic impact on everyday life, and in many parts are largely unregulated. Having run through a range of regulatory outcomes, we believe share prices are discounting extreme outcomes and believe there is upside at these valuation levels.

In SA, a more resilient domestic economy continued to exceed expectations. Reported Q1-21 GDP was up 4.6% (p/p). Constrained power and the poor state of SOEs are major headwinds to growth and fiscal sustainability. We note the positive announcements in this regard made during the quarter, enabling greater private power generation and the sale of the government's majority stake in SAA. These factors are driving increased confidence in the domestic outlook. Local interest rates are expected to remain lower for longer as inflation remains relatively contained.

Having increased exposure to SA equities during 2020, we remain overweight in the asset class, given the breadth of value on offer in resources, global stocks, domestically listed and domestic shares. For the quarter, the JSE All Share Index was flat (0.0%) in rands. The domestic-focused financial sector delivered strong returns (8.2%) relative to a flat return from industrials (0.8%) and a weaker performance from resources (-5.0%). Within SA equities, selective buying of domestic shares further narrowed the domestic underweight. Domestic companies continued to report results ahead of our expectations, due to more resilient economic activity and stringent cost cutting. This has resulted in strong free cash flow generation.

The portfolio remains overweight resource shares given their attractive valuations. Our investment case is not premised on higher commodity prices (we expect most to trend downwards) but rather on the undemanding multiples and generous free cash flow yields even after adjusting commodity prices lower. In addition, decarbonisation should support sustained demand for metals. Major diversified holdings continue to include Anglo American, Glencore and Exxaro.

We have built a position in the gold equities, which offer upside and reasonably priced protection. Given the increased risk from stretched sovereign balance sheets and high global market levels, the local gold counters offer a well-priced, diversified investment opportunity. Coronation has not owned gold equities for nearly two decades as they traded at extended valuations, suffered from rapidly rising costs and declining production profiles, and offered poor returns to shareholders. For the two former "SA" gold producers, AngloGold and Goldfields, the risks have meaningfully changed. Today these businesses have more geographical diversification, reduced exposure to SA's deep complex gold mines, better cost control, healthier production profiles and restored balance sheets. At spot gold prices, we see a margin of safety in their valuations and expect better returns to shareholders going forward. You can read our latest *Corospondent* for a more detailed analysis. These positions were funded from selling down platinum group metals (PGM) shares (currently underweight), which have performed strongly.

The portfolio continues to have considerable exposure to several of the global businesses listed domestically. These are attractive for a variety of stock-specific reasons. Major holdings include Naspers (-15.1%), British American Tobacco (-1.3%), Quilter (-7.0%), Bidcorp (+8.3%), Textainer (+14.8%) and Aspen (+12.3%). The Naspers share price decline reflected underlying price pressure on Tencent as the regulatory environment for technology companies in China intensified. This is consistent with global trends where regulators have increased their scrutiny of technology businesses. Current areas of Chinese regulatory focus include anti-competitive practices and data security. The Tencent ecosystem is extensive, but we believe this powerful platform is leveraged to the economic benefit of both Tencent and its partners. As a Chinese company, Tencent's data is retained within China. While we acknowledge the increased regulatory scrutiny, Naspers and Prosus continue to offer exposure to an exciting growth asset in Tencent, which is meaningfully underpriced. Naspers/Prosus management is focused on this discount and aligned with shareholders through their remuneration. The announced share swap deal between Prosus and Naspers is unlikely to be sufficient to unwind the discount but is the first step.

Distell rose strongly during the quarter (+43.1%) on the news of a potential offer from Heineken. We have long been admirers of Distell's quality portfolio of branded beverages and its long runway for growth as it expands on the African continent. As such, we believe a sizeable premium for the business can be justified.

Within the financial sector, banks (9.6%) and property (12.1%) outperformed the life sector (5.8%). The banks raised significant provisions related to Covid-19 during 2020. Actual defaults are proving to be lower than expected, supporting a faster recovery in earnings for the sector. Further, a resumption in dividend payments by the banks improves returns to shareholders. We increased the domestic banks' exposure during the quarter. Life companies continue to face headwinds, both from lower new business volumes and higher mortality risks related to Covid-19 infections. The Fund's major exposure is through Momentum Metropolitan where the balance sheet is sufficiently strong to withstand these shorter-term headwinds and the company has highlighted the potential for additional shareholder returns.

Transaction Capital is a new holding in the Fund. This entrepreneurially run business recently acquired a controlling stake in We Buy Cars at what we believe to be a very attractive price. Transaction Capital has demonstrated a strong track record of delivery in its traditional businesses. The addition of We Buy Cars adds an exciting growth vector going forward. We Buy Cars brings convenience, trust, competitive vehicle pricing (backed by proprietary market transactional data) and scale to a fragmented second-hand car market. This superior offer has enabled We Buy Cars to grow its share of the second-hand vehicle market to 10%. We are excited about the prospects of the business over the long term and expect it to make a meaningful contribution to Transaction Capital.

The domestic property sector remains challenged as reduced demand for space in both retail and office threatens future rental tension. This, combined with escalating costs (rates, electricity and water), provides ongoing headwinds. However, a more resilient domestic economy should aid faster deleveraging than our initial expectations, reducing the size of the capital raises required. Exposure in the Fund remains small and is predominantly through the more defensive 'A' shares.

While the past 18 months have seen a huge amount of volatility and fluctuating outlooks, our focus remains on seeking out opportunities where the longer-term prospects of assets are being mispriced by the market. We continue to believe that this patience will be rewarded.

Portfolio managers
Karl Leinberger and Sarah-Jane Alexander
as at 30 June 2021

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

The Equity 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. 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) (FSP 548) Ltd, 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 P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. 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.

From 1 April 2021 to 31 March 2022, the lowest of the performance- adjusted fee calculated using CAPI or C-SWIX as the SA Equity component of the benchmark will be accrued daily. From 1 April 2022, only the performance-adjusted fee calculated using C-SWIX as the SA Equity component of the benchmark will apply.

The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category)

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is a composite benchmark consisting of 87.5% Domestic Equity (CSWIX), 12.5% International Equity (ACWI).

From 1 April 2021 the SA equity component of the composite benchmark is the FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX) which replaces the FTSE/JSE Capped All Share Index (CAPI). The benchmark returns shown in this MDD will be spliced between the performance of the previously applicable index values and that of the new composite benchmark using C-SWIX from 1 April 2021.

Note that we use the formal SA – Equity – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FSTE/JSE All Share 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. 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 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 September 2019 (updated annually). The 3 year TER is for a rolling 36-month period to the last 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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