CORONATION EQUITY FUND

Fund Information as at 31 March 2023

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

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
ASISA 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

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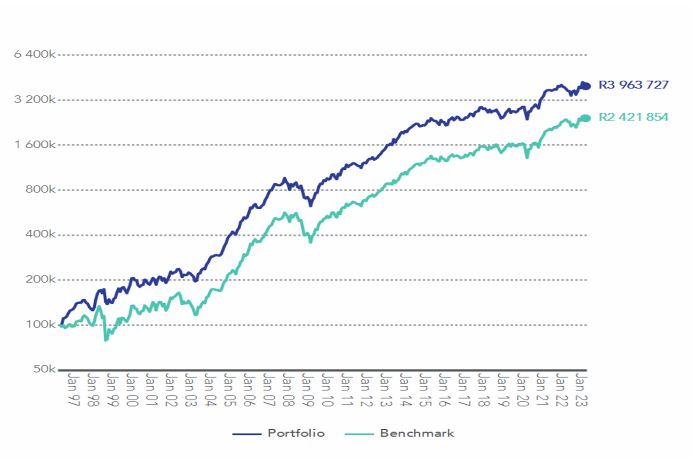
CLASS P as at 31 March 2023

ASISA Fund Category	South African - Equity - General
Launch date	01 October 2013
Fund size	R 8.65 billion
NAV	21839.11 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	0.61%	0.98%
Fee for performance in line with benchmark	0.70%	0.69%
Adjusted for out/(under)-performance	(0.19)%	0.14%
Fund expenses	0.03%	0.02%
VAT	0.08%	0.12%
Transaction costs (inc. VAT)	0.29%	0.27%
Total Investment Charge	0.90%	1.25%

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)	3863.7%	2321.9%	2665.7%
Since Launch (annualised)	14.6%	12.6%	13.1%
Latest 20 years (annualised)	16.2%	16.3%	14.5%
Latest 15 years (annualised)	10.8%	10.7%	8.7%
Latest 10 years (annualised)	9.3%	10.5%	8.0%
Latest 5 years (annualised)	8.4%	10.2%	7.5%
Latest 3 years (annualised)	18.5%	22.6%	21.4%
Latest 2 years (annualised)	3.3%	10.1%	9.3%
Latest 1 year	4.3%	2.0%	1.3%
Year to date	3.0%	3.7%	2.4%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.3%	17.2%
Sharpe Ratio	0.37	0.21
Maximum Gain	47.4%	43.5%
Maximum Drawdown	(35.1)%	(41.0)%
Positive Months	61.0%	62.8%
	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 Mar 2023
Domestic Assets	55.5%
Equities	54.7%
Basic Materials	8.3%
Industrials	1.4%
Consumer Goods	8.2%
Health Care	1.5%
Consumer Services	9.0%
Telecommunications	1.9%
Financials	16.2%
Technology	7.9%
Derivatives	0.4%
Real Estate	0.2%
Cash	0.5%
International Assets	44.5%
Equities	44.5%
Cash	0.0%

TOP 10 HOLDINGS

As at 31 Mar 2023	% of Fund
Prosus	5.3%
JD.com Inc	5.1%
Standard Bank Group Ltd	4.5%
FirstRand Limited	3.7%
ST.JAMES'S PLACE	3.7%
Auto1 Group Se	3.2%
Anheuser-Busch Inbev SA/NV	3.2%
Glencore Xstrata Plc	3.2%
Anglo American Plc	3.1%
Capri Holdings Ltd	2.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2023	03 Apr 2023	105.11	99.77	5.34
30 Sep 2022	03 Oct 2022	298.31	289.04	9.27
31 Mar 2022	01 Apr 2022	152.20	147.71	4.49
30 Sep 2021	01 Oct 2021	195.90	193.26	2.64

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	9.6%	(1.1)%	(5.0)%										**3.0%**
Fund 2022	(2.9)%	(0.8)%	(2.6)%	(2.7)%	(0.6)%	(6.7)%	6.9%	1.2%	(6.1)%	5.6%	7.0%	(2.2)%	**(4.9)%**
Fund 2021	3.2%	6.4%	2.4%	0.5%	0.2%	(1.0)%	1.0%	1.3%	(0.4)%	5.5%	(1.1)%	2.7%	**22.5%**
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%**

**This column shows the most recently available figures for the 12 months ending February 2023.*
The 12-month TER for the financial year ending September 2022 was 0.66% which included a -0.15% adjustment for out/(under) performance and a total investment charge of 0.94%.

Issue date: 2023/04/18

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

Performance

The Fund returned 2.9% for the quarter (Q1-23), resulting in a return of 4.0% over the last year. The Fund has performed well against its peer group over all meaningful time periods.

Fund positioning

The first quarter of 2023, in keeping with the last few years, was full of surprises. Global markets responded to fluctuating sentiment; rising strongly through January before pulling back and then regaining much of what they had lost in the final days of the quarter. The MSCI All Country World Index (ACWI) ended the quarter up +7%. The Fund has been active throughout this volatility. We started the year with a healthy exposure to global equities built up during market weakness in 2022.

Central banks continued to raise rates, bringing some high-profile casualties. Rapid rate rises triggered an asset-liability mismatch at Silicon Valley Bank (SVB), America's 16th largest bank, which resulted in its failure. Mark-to-market losses on longer-dated Treasuries were realised as investors withdrew deposits. Regulatory rescues in the US seem to have subsequently calmed markets, but not before the contagion wrought by the failure of SVB (and Signature Bank) contributed to the demise of Credit Suisse (CS), which has been wracked by scandals over the last few years. In an attempt to stem financial market panic, the Swiss government engineered CS's takeout by Swiss investment bank, UBS. Banking turmoil has increased the risk of recession, although the US consumer (and the economy) have remained resilient thus far.

The relaxation of Covid restrictions in China buoyed consumer demand with strong sales reported by luxury goods companies and the like. While the risks of investing in China remain heightened, we continue to find outstanding businesses with solid growth prospects and healthy balance sheets. A business like JD.com is trading on an undemanding multiple yet is a strong beneficiary of recovering consumer confidence.

Rebounding Chinese demand was insufficient to support oil prices (Brent -7% Q1-23), which languished on the back of a mild Northern hemisphere winter. A surprise cut by Opec announced in early April has lifted oil closer to its January levels (Brent $85).

Although the allocation to global equities has detracted from Fund performance over the last three years, we believe that global equities currently offer many outstanding stock picking opportunities. We cut exposure in 2021, as global equities rallied and then took advantage of the 2022 sell-off to increase the allocation again. In this regard, the relaxation of exchange controls in 2022 (which enabled an increase in the Fund's maximum offshore allocation to 45%) came at a good time, allowing the Fund to build a much bigger position than it has been able to own in the past. The largely indiscriminate nature of the sell-off created many exciting stock picking opportunities. In addition to the China names as mentioned above, we added some long-duration growth stocks to our basket of global equities. Although the category includes many overhyped businesses with weak balance sheets and promotional management teams, it does include some exciting businesses with strong balance sheets and excellent long-term growth prospects. In a world where growth is increasingly scarce, we think this will be rewarded by the market in time. The higher cost of capital globally should also drive more rational competitive behaviour, which will benefit stronger businesses that enjoy legitimate competitive advantage over weaker businesses that previously benefited from cheap funding. We own a basket of these stocks which include, amongst others, Auto 1, Entain, Uber, Zalando, MercadoLibre, and Spotify.

The South African (SA) economy continues to struggle, hampered by heightened levels of loadshedding and failing infrastructure. These factors, combined with falling prices of key metals (coal and PGMs), will weigh on export revenues in 2023. Fiscal sustainability is further undermined by the recent, high public sector wage settlement. A 50 basis points (bps) rate hike in the last few days of the quarter surprised the market as domestic inflationary pressures are not demand driven.

The FTSE/JSE Capped Shareholder Weighted Index (SWIX) returned 2% for the quarter. The pricing of SA equities remains attractive with broad value across resources, global stocks listed on the JSE, and domestics.

The Financials Index (ex-property) was flat for the quarter. The banks (Absa Group, FirstRand, Nedbank, Standard Bank) reported another set of strong earnings. Despite the headwinds facing the domestic economy, banks remain surprisingly constructive on their outlook. Credit losses are expected to remain within range and investment in self-generation projects should drive strong corporate advances growth. The Fund has a reasonable holding in the banks given their attractive dividend yields and ability to sustain and grow earnings. No contagion from global events is expected for the local banking sector.

We remain concerned about the earnings outlook for life insurers. Their mass businesses compete against cost-effective bank distribution, while the underwritten life franchises face stiff competition for market share as insurers try to find enough volume to feed their fixed cost bases in a market that is not growing. The Fund does not own the life insurers, preferring positions in the banks and other financials. Transaction Capital disappointed with the announcement that ongoing economic headwinds had forced a significant restructuring in SA Taxi. Whilst we attributed limited value to SA Taxi even prior to this announcement, the market reacted brutally; writing down not just SA Taxi but also taking a significant haircut to the overall value of the company. We believe that WeBuyCars and Nutun are worth significantly more than the current Transaction Capital share price and justify a holding in the company. The ongoing support of funders will be critical in achieving our assessment of fair value.

The resource sector was down -5% for the quarter. China's reopening was insufficient to meaningfully lift demand. Prices were generally weaker, with the energy basket coming off the invasion-highs of a year ago. Despite meaningfully cutting exposure to diversified miners in 2022, the Fund has retained a holding in Glencore and Anglo American. Both offer attractive free cash flow streams, even at more normal commodity prices. We expect energy markets to be tight over the medium term as demand remains robust during the transition to lower carbon energy sources and the lack of investment in new capacity over the last few years constrains supply. We have diversified our energy holdings across a basket of names to reduce company-specific risk. Resource holdings are the lowest in many years given the underweight positions in both PGMs and gold.

The Industrials Index performance (+14%) was buoyed by strong performances from many of the global stocks listed in SA. Aspen, Richemont, Bidcorp, Anheuser-Busch InBev and Naspers/Prosus are all meaningful holdings that contributed to performance. For various stock-specific reasons, we believe these businesses will continue to grow earnings and we have retained our holdings. Domestic stocks offer good stock picking opportunities but avoiding value traps is critical. We favour businesses with strong business models that can grow and pass on inflationary pressures to customers. ADvTECH is one such business where careful cost management is enabling management to contain fee increases at inflationary levels, and as a consequence grow enrolments strongly.

Outlook

While headwinds exist in both global and domestic markets, we believe equities are well priced for the risks and offer attractive returns to stock pickers.

Portfolio managers
Karl Leinberger and Sarah-Jane Alexander
as at 31 March 2023

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. 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) (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.

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 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 a rolling 12-month period to the last available month end (updated monthly). The financial year TER displayed at the bottom of page 2, is the latest available 12-month TER to the end of the previous financial year ending 30 September (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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