CORONATION BALANCED PLUS FUND

Fund Information as at 30 June 2025

CORONATION

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WHAT IS THE FUND'S OBJECTIVE?

Balanced Plus aims to achieve the best possible investment growth for retirement savers (within the constraints of Regulation 28 of the Pension Funds Act) over the long term.

WHAT DOES THE FUND INVEST IN?

Balanced Plus can invest in a wide variety of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally.

The fund complies with Regulation 28, which limits the exposure of retirement investors to certain asset classes. For example, shares may never comprise more than 75% of the fund's portfolio, while exposure to property is limited to 25% and foreign assets is limited to 45% each.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

6/10
Moderate

Maximum growth/
minimum income exposures

Growth Assets: 85%
Income Assets: 15%

As Balanced Plus aims to maximise long-term returns, it will typically have a strong bias towards shares, which offer the highest expected growth over the long run. The fund's managers actively seek out attractively valued shares that may achieve strong returns over periods of five years and longer.

While shares usually offer the best investment return, this comes with the greatest risk of short-term losses. The fund's investment in shares is therefore carefully balanced with other assets (including cash, bonds and property) to ensure that risk is moderated. Returns from these assets are not as volatile as shares, and will not always move in the same direction (up or down) at the same time, making the fund less risky than a pure equity fund.

Given the care taken to manage risk and to ensure that the best possible returns can be achieved from a range of diverse investments, it is unlikely that the Balanced Plus fund will lose money over the longer term. However, the fund may produce negative returns in extreme years, albeit at a lower level than a fund that is only invested in shares.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is five years and longer.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are saving for retirement, and:

- can stay invested for at least five years (preferably longer);
- have to choose a fund for their retirement annuity, provident fund, preservation fund or pension fund, and are looking for an investment that balances long-term growth with moderate levels of risk.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as 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

WHO ARE THE FUND MANAGERS?

KARL LEINBERGER
BBusSci, 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	2 April 2012
ASISA Fund Category	South African – Multi-asset – High Equity
Benchmark	ASISA fund category average (excluding Coronation funds)
Regulation 28	Complies
Income Distribution	Semi-annually (March & September)
Bloomberg Code	CBALDB4
ISIN Code	ZAE000165205
JSE Code	CBFB4

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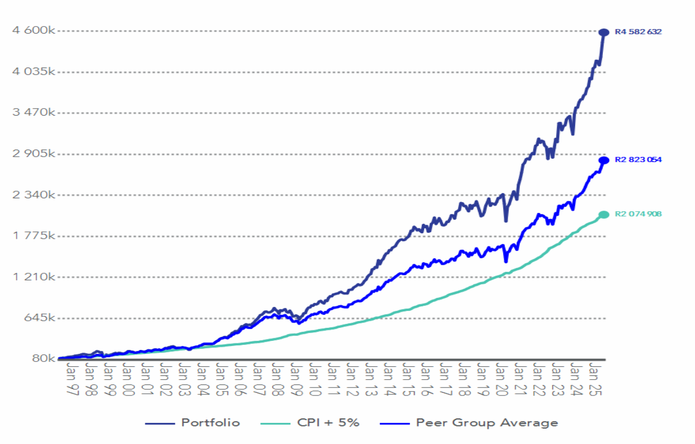
CLASS P as at 30 June 2025

ASISA Fund Category	South African – Multi-asset – High Equity
Launch date	02 April 2012
Fund size	R136.20 billion
NAV	17989.58 cents
Benchmark	ASISA fund category average (excluding Coronation funds)
Portfolio manager/s	Karl Leinberger and Sarah-Jane Alexander

	1 Year	3 Year
Total Expense Ratio	1.16%	1.17%
Fund management fee	0.85%	0.84%
Fund expenses	0.19%	0.20%
VAT	0.13%	0.13%
Transaction costs (inc. VAT)	0.18%	0.18%
Total Investment Charge	1.34%	1.36%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	CPI +5%	Peer Group Average
Since Launch (unannualised)	4482.6%	1974.9%	2723.1%
Since Launch (annualised)	14.0%	11.0%	12.1%
Latest 20 years (annualised)	12.7%	10.5%	10.2%
Latest 15 years (annualised)	11.9%	10.0%	9.6%
Latest 10 years (annualised)	9.4%	9.8%	7.7%
Latest 5 years (annualised)	15.0%	10.1%	11.8%
Latest 3 years (annualised)	17.3%	9.5%	13.3%
Latest 1 year	22.8%	7.9%	15.0%
Year to date	11.6%	4.8%	7.1%

RISK STATISTICS SINCE LAUNCH

	Fund	Peer Group Average
Annualised Deviation	12.8%	10.0%
Sharpe Ratio	0.40	0.32
Maximum Gain	57.9%	29.5%
Maximum Drawdown	(34.3)%	(18.8)%
Positive Months	67.4%	65.4%

	Fund	Date Range
Highest annual return	49.3%	Aug 2004 - Jul 2005
Lowest annual return	(17.4%)	Sep 1997 - Aug 1998

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2025
Domestic Assets	56.5%
Equities	37.8%
Basic Materials	6.1%
Industrials	0.3%
Consumer Goods	4.1%
Health Care	0.8%
Consumer Services	6.5%
Telecommunications	1.2%
Financials	9.2%
Technology	6.5%
Derivatives	3.1%
Unlisted	0.0%
Real Estate	5.5%
Bonds	11.0%
Cash	2.1%
International Assets	43.5%
Equities	35.8%
Real Estate	0.0%
Bonds	6.5%
Cash	1.3%

TOP 10 HOLDINGS

As at 30 Jun 2025	% of Fund
Naspers Ltd	4.4%
Capitec Bank Holdings Ltd	2.3%
Standard Bank Of SA Ltd	2.0%
We Buy Cars	1.7%
Northam Platinum Ltd	1.6%
Richemont	1.4%
Prosus Nv	1.4%
FirstRand Limited	1.4%
Nepi Rockcastle Plc	1.4%
Dis-chem Pharmacies Ltd	1.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2025	01 Apr 2025	123.86	46.03	77.83
30 Sep 2024	01 Oct 2024	143.81	76.14	67.66
28 Mar 2024	02 Apr 2024	135.44	55.14	80.30
29 Sep 2023	02 Oct 2023	190.59	87.12	103.47

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	2.2%	(0.1)%	(1.4)%	2.7%	4.8%	3.1%							**11.6%**
Fund 2024	0.0%	2.0%	1.0%	0.1%	1.4%	0.4%	2.1%	0.8%	3.0%	(0.4)%	3.8%	0.4%	**15.6%**
Fund 2023	8.5%	0.1%	(3.0)%	1.7%	0.3%	2.5%	0.8%	0.5%	(4.2)%	(3.4)%	8.8%	2.7%	**15.5%**
Fund 2022	(1.8)%	0.9%	(0.3)%	(1.9)%	(0.6)%	(5.5)%	4.9%	0.2%	(4.2)%	4.5%	4.3%	(1.4)%	**(1.5)%**
Fund 2021	3.8%	4.1%	0.9%	1.8%	0.4%	(0.5)%	2.1%	1.0%	(0.6)%	4.0%	0.3%	2.9%	**22.0%**

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

Performance

The Fund returned 10.9% for the quarter (Q2) and 11.7% year-to-date (YTD). Both asset allocation and security selection contributed to performance, with decisive asset allocation decisions made early in the quarter having a significant impact. The Fund has performed well over meaningful periods, both in absolute terms and relative to its peer group.

Fund positioning

It was a tumultuous second quarter. Global equity markets fell early in April on President Trump's threat of dramatically higher tariffs. The S&P 500 Index declined by 15% in the first week (Nasdaq -21% over the same 7-day period) but ended the quarter +11%. The MSCI World Index also fell ~10% during that first week of April before rising to end the quarter up 11%. Whilst tariff negotiations continue, the magnitude of the increases appears to be less severe than initially feared. Heightened uncertainty and volatility provided an(other) attractive opportunity to buy into global equities at lower prices. Early market declines were fairly indiscriminate. The window period during which to take advantage of this lower pricing was brief and required a rapid response from the Fund. The office was a hive of activity in April, with the investment team running scenarios to identify the most mispriced of the global and local opportunities being presented. We were able to selectively add to our basket of winning businesses across global and emerging markets at very attractive levels.

Regional markets performed well for a second consecutive quarter (MSCI EMEA +8% and MSCI Europe +12%, both in USD). A weaker US dollar provided further support to these returns (with the US Dollar Index down ~-7%). The MSCI China Index returned 2% in USD for Q2. Activity levels in China remain subdued, with insufficient Chinese consumer demand to offset weakness in key areas, such as property. China continues its battle for technological leadership, delivering impressive innovation across a range of industries. This is compounded by the country's ability to manufacture effectively at scale. The brutally competitive domestic market tempers these businesses to succeed abroad. Chinese companies trade at attractive valuations. The Fund has bought selective exposure to leading businesses, with a new addition to our largely consumer holdings being a battery manufacturer.

The US dollar's status as global reserve currency is under debate, given less predictable US policy, a highly indebted US sovereign, and the weaponisation of the US dollar (in response to Russia's invasion of Ukraine). These factors threaten the US dollar's role as a store of value and medium of exchange, contributing to a search for viable alternatives. This, and ongoing geopolitical uncertainty, supported a strong gold price. Gold rose a further ~4% in the quarter (compounding a 19% rise in Q1 and 27% in 2024), supported by central bank buying. The Fund has very little exposure to gold shares, which are trading above our assessment of long-term fair value. We remain concerned about the capital losses that shareholders in gold shares would incur if some of the froth in the sector dissipates.

Geopolitical upheaval persists as the Russian-Ukrainian war drags on. Ukraine's vast, coordinated drone strike on Russian airbases in June resulted in another wave of retaliation. The Middle East remains fragile, with Israel (and the US) moving against Iranian nuclear targets in June. The oil price (which has been weak given OPEC's guidance for increased supply) spiked briefly on the back of the regional unrest.

We continue to debate the profound impact AI will have on the way we work and on the companies we invest in. Use cases and adoption continue to grow daily. Winning businesses are investing in AI at scale, and this is expected to deliver an outsized reward in the years to come, further widening the gap between winners and losers.

The Bloomberg Barclays Global Aggregate Bond Index (USD) posted a gain of 5% during the quarter, though concerns about high levels of sovereign indebtedness and a lack of imminent resolution persisted in global debt markets. Tax cuts from Trump's One Big Beautiful Bill (OBBB) will further undermine the US fiscal outlook. The Department of Government Efficiency savings appear to be a pipe dream. The Fund continues to have no exposure to developed market sovereign bonds, which we believe offer insufficient return given the risks. In Europe and the UK, fiscal pressures are compounded by rising defence spending as reliance on the US reduces. The Fund has maintained a sizeable holding in offshore credit bonds, which offer attractive, high single-digit US dollar yields. These bonds offer exposure to a range of geographies and sectors. This is a compelling alternative to the concentrated sovereign and economic risks inherent in South African (SA) government bonds, as well as the narrower credit spreads in our domestic market. Given the opportunities in global equity and global credit, we continue to make full use of the Fund's offshore capacity.

In SA, economic growth remains lacklustre with Q1 GDP growing <1%. Ten-year GDP growth has compounded at a similarly weak sub-1% level. Low growth, combined with a benign inflation outlook, supported the SA Reserve Bank's decision to cut interest rates by 25 basis points (bps) in May (bringing YTD cuts to 50bps). Whilst the consumer environment is by no means buoyant, a combination of interest rate cuts, lower inflation, and the release of pension savings via the two-pot retirement system means real disposable income is growing (for now).

A combination of global and local factors rattled SA consumer and business confidence. Critical US trade talks are ongoing and remain unresolved. Locally, the precarious state of the GNU became clear as part of the budget impasse in April. The unpopular VAT hike was avoided, but the consumer still faces a higher tax burden (through fuel levy hikes and bracket creep). The pace of reform remains glacial. Prospects of a step change in SA's economic growth are dimming. Without growth, it is difficult to change the trajectory of a deteriorating debt-to-GDP ratio. This is despite a rising tax burden and some austerity. Given these longer-term concerns, the Fund remains underweight SA government bonds. The FTSE/JSE All Bond Index was up 6% for the quarter.

The Fund's preferred domestic asset remains SA equities, which offer decent medium-return prospects as well as good risk protection. After a brief dip in April, the FTSE/JSE Capped Shareholder Weighted Index (CSWIX) continued its strong Q1 performance (+6%), rising 10% in Q2 (in ZAR). Market returns broadened from the narrow precious metal-driven performance in Q1. The Resources Index rose 9% for the quarter (and is now up a meaningful 40% for the YTD). The Industrials Index rose 12% for the quarter (+15% YTD). Indices with higher domestic exposure have lagged YTD, with the Financials Index up 8% for the quarter (+7% YTD) and the FTSE/JSE All Property Index up 11% for the quarter (+6% YTD).

Within SA equities, the Fund has sizeable exposure to the global stocks listed locally. These holdings are both independently attractive and provide diversification away from a challenged domestic economy. Large holdings include Quilter, Naspers, Richemont, Mondi, and Bidcorp.

The Fund's domestic stock selection is focused on picking winning franchises that can thrive despite a tough economy. We remain committed to this strategy as the low-growth economy drives a widening gap between local winners and losers. As anaemic revenue growth and rising costs have eroded profitability, weaker businesses have thrifted on investment spending. Businesses that consistently invest in their operations should gain market share, leading to faster revenue growth. This enhances the virtuous flywheel (and their ability to invest further). Examples include businesses such as WeBuyCars, PSG Konsult, ADvTECH, Shoprite, and Capitec. We expect these businesses to improve as they grow larger, as scale reduces the cost of customer acquisition and the cost to serve. If these businesses continue to reinvest in pricing, their competitive moat should widen.

The Fund has held an underweight position in the resources sector for some time. A meaningful part of this is in the gold shares, which have benefited from a rapid rise in the metal price over the past 12 months. The gold price trades above our assessment of its long-term value. The locally listed gold miners have been poor at returning capital to shareholders over time; reinvesting to extend short-life assets often at poor points in the cycle. Already, deal-making activity (at these high prices) has picked up. We have retained a material underweight position. The Fund built a position in the PGM miners in the second half of 2024. The investment was premised on tighter supply-demand fundamentals. It was pleasing to see metal prices rising during the first and second quarters of the year. We have made a minor adjustment to the Fund's PGM miner holding, selling the shares in Valterra Platinum that were bundled out of Anglo American. The significant weakness in diversified miners over the past year has provided an opportunity to buy into these names, with a preference for Glencore.

The Fund has retained its holding in certain SA property stock picks despite their decent returns. At these levels, the counters still offer attractive total return prospects (aided by the high dividend yields) and diversification (away from domestic sovereign bonds).

Outlook

The Fund remains focused on generating compelling long-term risk-adjusted returns. The heightened uncertainty and volatility in the current quarter created the opportunity to add global and local equities at attractive prices. The Fund continues to have a meaningful allocation offshore, which provides good protection against a weak domestic economy and fractious political situation. We believe that the high offshore exposure, combined with a high equity allocation, will serve the Fund well in delivering on its long-term return expectations.

Portfolio managers
Karl Leinberger and Sarah-Jane Alexander
as at 30 June 2025

CORONATION BALANCED PLUS FUND

Important Information

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

The Balanced Plus 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. The fund is mandated to invest up to 45% of its portfolio 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. Any African exposure (ex SA) is reflected under international assets. 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; 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).

BENCHMARK DETAILS

The benchmark used for performance purposes is the South African – Multi-asset - High Equity ASISA fund category average (excluding Coronation funds).

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

IMPORTANT INFORMATION REGARDING TERMS OF USE