



Global Emerging Markets Strategy

11 May 2023

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Global Emerging Markets Portfolio Manager

BBusSc, CFA



- ❖ Joined Coronation in 2007 and has 21 years' investment experience
- ❖ Portfolio manager on strategy since inception
- ❖ Joint-head of GEM research

CORONATION

TRUST IS EARNED™

What makes Coronation unique?



CULTURE

Client centric,
performance driven and
owner-managed



CONSISTENT

Long-term valuation
driven philosophy
applied for 30 years



FOUNDED

On unique proprietary
research; driven by
bottom-up stock
selection



IMPLEMENTED

Through stable, fully
integrated, meritocratic
investment teams



DELIVERING

a consistent track
record of out
performance



GIVING BACK

Positive social impact by
continuous support to
community upliftment
programmes

Our purpose: deliver superior long term investment outcomes to our clients as responsible stewards of their capital

A unique business: Coronation Fund Managers

Independent, owner managed, passionate about investing



Coronation Fund Managers
Est. 1993



\$35bn AUM*

- Institutional discipline
- Client centricity and aligned
- Meritocracy, performance-driven culture



Long term philosophy

- Investments
- Clients
- Staff & remuneration



Based in an Emerging Market

- Large independent manager with emerging market DNA



27% employee ownership

- Act and think like an owner
- Investment-led
- Run by senior partnership team



30 years of building a diverse and inclusive business

- significant ethnic diversity
- 50% female staff



>700 Institutional Clients

- Represents largest part of AUM
- 50% more than 10 years

Coronation global investment team



Highly experienced, stable & integrated team - Global focus



15.0 Average
years experience



44 CFA
Charterholders



3 Former CIOs
still in the team



65% >10 years
investment experience

54 investment
professionals





Singular
firmwide
philosophy
since
Coronation's
inception in
1993

LONG-TERM horizon in valuing companies (5+ years)

Disciplined, VALUATION-DRIVEN process

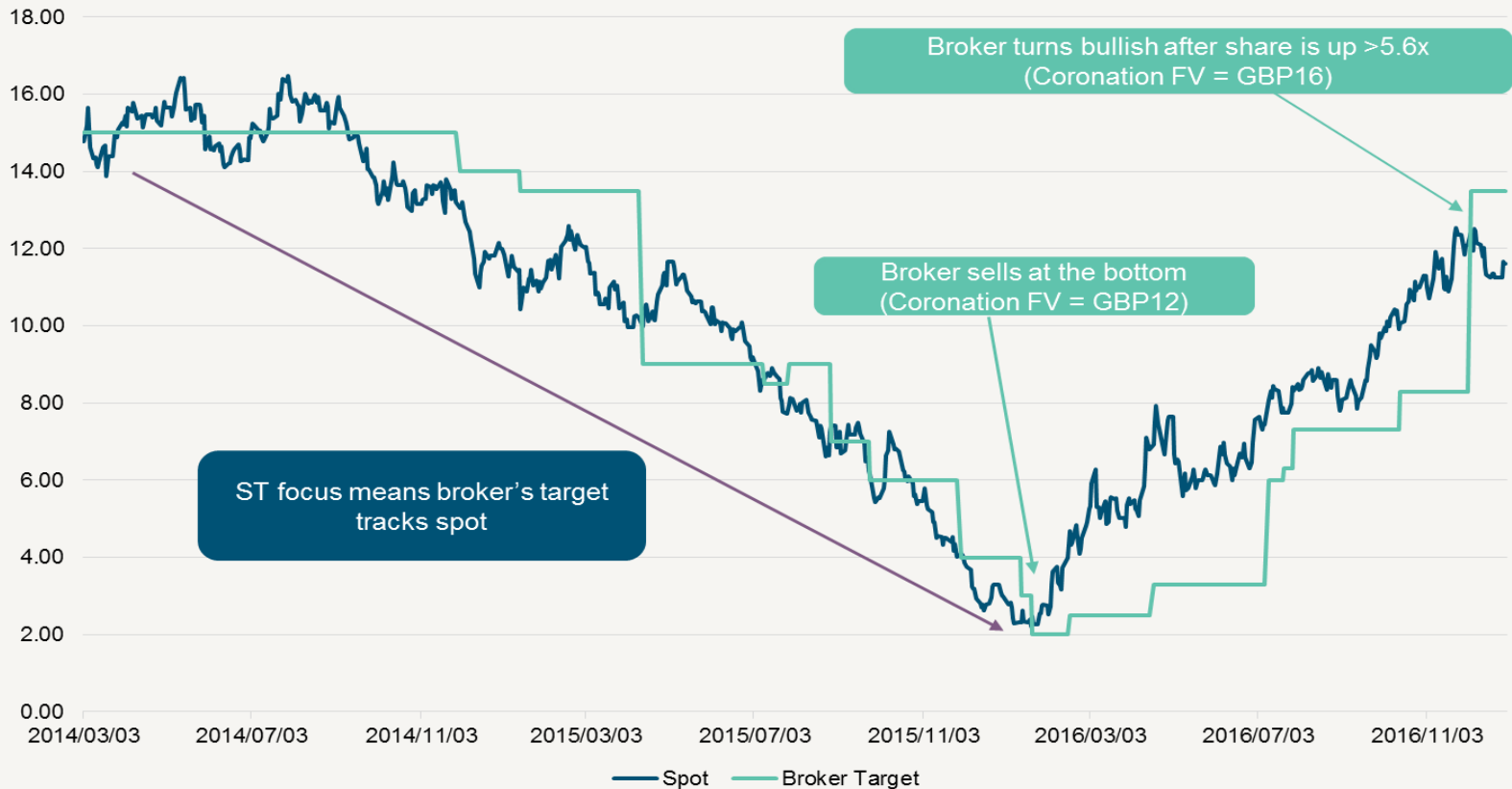
Active, bottom-up stock picking

Philosophy founded on strength of proprietary research

Stewardship deeply embedded in investment process

Market shortism provides us with opportunities...

Anglo American PLC in GBP



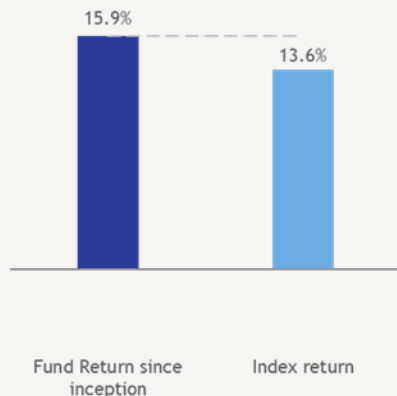
A history of outperformance

Meaningful alpha over multi decades evidences a repeatable investment process



South Africa Equity 29-year track record

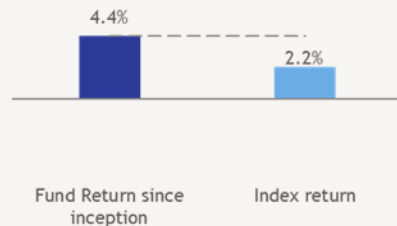
Annualised alpha of **2.3%** p.a. since inception



- Active since September 1993
- AUM as at 28 February 2023: \$1.8bn
- Index: FTSE/JSE SWIX; FTSE/JSE Capped SWIX from 1 May 2017

Global Emerging Markets 14-year track record

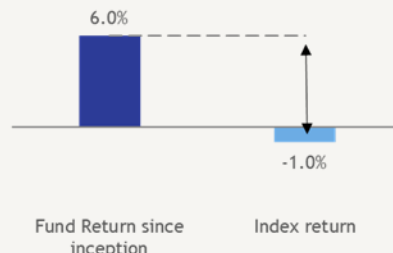
Annualised alpha of **2.2%** p.a. since inception



- Active since July 2008
- AUM as at 31 March 2023: \$3.4bn
- Index: MSCI GEM

Africa Frontiers 14-year track record

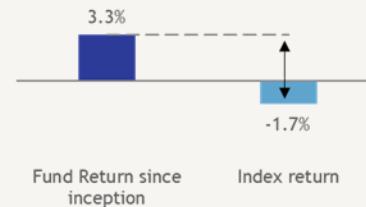
Annualised alpha of **7.1%** p.a. since inception



- Active since October 2008
- AUM as at 31 March 2023: \$279.8mn
- Index: FTSE/JSE Africa ex-SA (TJA30U)

Global Frontiers 8-year track record

Annualised alpha of **4.9%** p.a. since inception

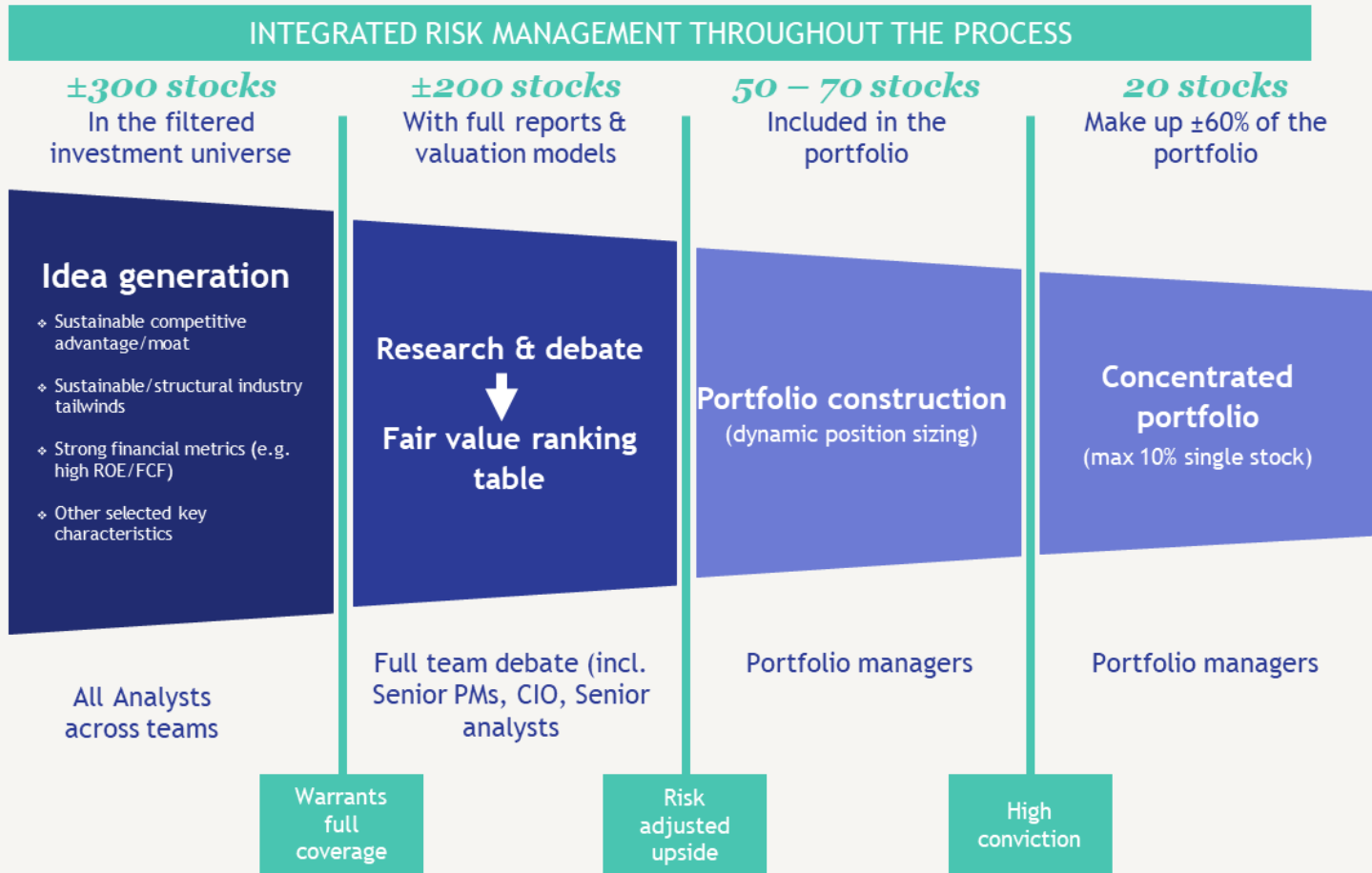


- Active since December 2014
- AUM as at 31 March 2023: \$44.3mn
- Index: MSCI Frontier EM Index

Notes: All performance numbers since fund inception, gross, annualised as at 31 March 2023 | Performance for SA Equity in ZAR, other funds in USD

For performance net of fees/expenses please visit our website <https://www.coronation.com/global/strategies>. Past performance is not necessarily a guide to future performance. Investors may not receive back the full amount invested and may suffer capital loss.

Our investment process



Coronation Global Emerging markets Strategy

what are we trying to do...



Actively managed & targets 3%+ p.a. out-performance over long time periods

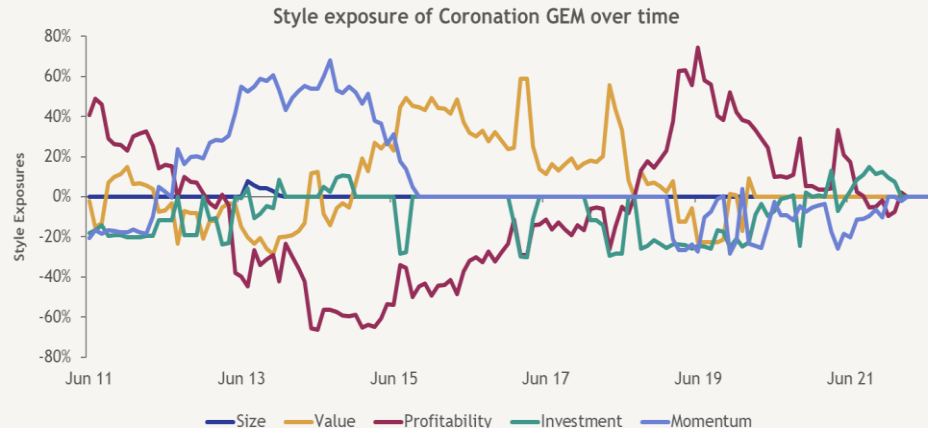
- ❖ Achieved +2.2% annualised alpha since inception
- ❖ Strategy has generated 51% cumulative alpha over 15 years

Unique coverage list; detailed proprietary research

- ❖ Includes off-benchmark opportunities & qualifying DM companies (max 15% of portfolio)
- ❖ Strong valuation discipline

Concentrated, clean-slate portfolio with high active share (>80%)

- ❖ Expect short term volatility relative to benchmark
- ❖ Tracking error can be as high as 10%
- ❖ Dynamic portfolio and risk management
- ❖ Strategy is style agnostic/flexible

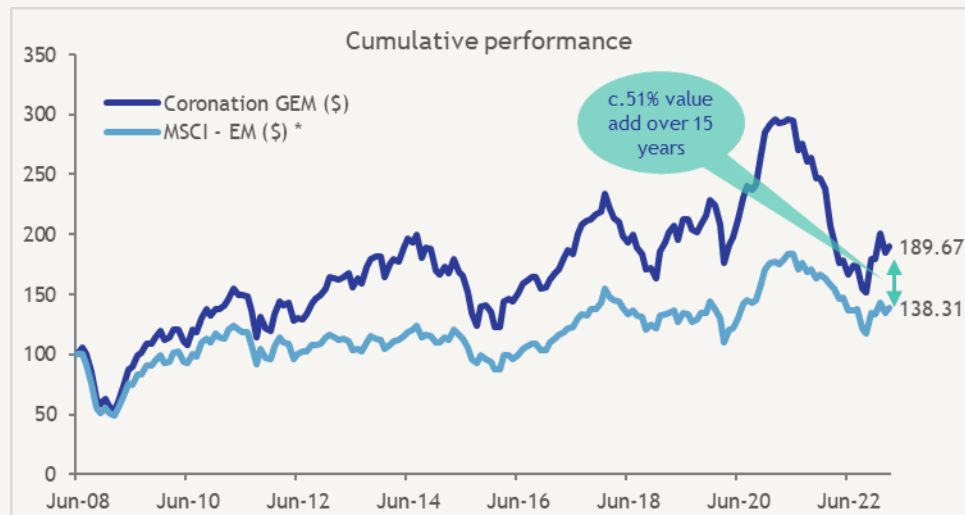


Coronation Global Emerging Markets Strategy

Performance in USD for periods ending 31 March 2023



Long-term alpha objective: 3%+ p.a.	Coronation GEM (\$)	MSCI - EM (\$) **	Out performance
SI (cumulative) *	89.7%	38.3%	51.4%
SI (annualised) *	4.4%	2.2%	2.2%
5 years (p.a.)	-2.3%	-0.9%	-1.4%
3 years (p.a.)	2.6%	7.8%	-5.3%
1 year	-2.2%	-10.7%	8.5%
6 months	22.6%	14.0%	8.6%



* Since inception: 14 July 2008

** MSCI Emerging Markets TR net USD index (NDUEEGF)

Note: Composite returns - gross of fees in USD

The investment advisory fees are described in part 2a of the investment adviser's form ADV; and a representative example (in the form of a table, chart, graph, or narrative) which shows the effect that the investment advisory fee, compounded over a period of years, could have on the total value of a client's portfolio. Performance is reflected gross of an annual management fee and an annual performance allocation of the fund's profits (an annual performance allocation will not be applicable to all accounts). Performance is reflected net of actual operating expenses of the fund during the periods presented. The returns presented assume the reinvestment of dividends and other earnings. Differences in the timing of transactions and market conditions prevailing at the time of investment may lead to different results. Differences in the methodology used to calculate performance may also lead to different performance results than those shown.

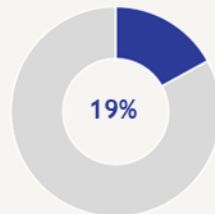
Current portfolio composition



Portfolio holdings and exposures differ materially to the index

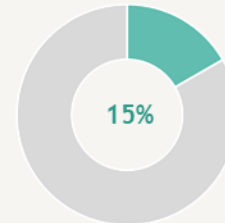
- ❖ No single overarching theme - diversified exposures
- ❖ Exposures a function of where we see most compelling risk-adjusted valuation
- ❖ Slowly increasing exposure to long duration assets that have oversold
- ❖ Manage overall exposures to different risks at a total portfolio level

Compelling weighted average upside of 73% and 18% 5-year IRR



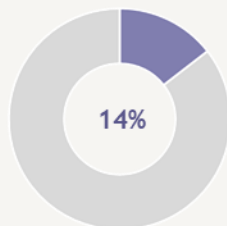
China internet

- Prosus/Naspers: 8.2%
- JD.com: 5.2%
- Tencent Music: 1.9%
- Netease: 1.9%
- Pinduodo: 1.8%



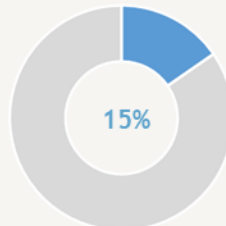
GEM internet (other)

- Mercado Libre (LatAm)
- Naver/Coupang (S-Korea)
- Delivery Hero (Multi)
- SEA (Asia)
- Momo.com (Taiwan)
- MakeMyTrip, Zomato (India)



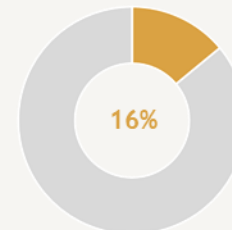
Financials & Payment Services

- Brazil: XP, Nubank
- India: HDFC, HDFC Bank, ICICI
- Other: Banorte, BCA, AIA, dLocal



Commodities

- AngloGold Ashanti, Anglo American, 3R Petroleum, Glencore, ENI, Total Energies



Domestic Consumer

- China: Li Ning, Anta, Wuliangye, Melco, Bosideng
- Asia other: BGF retail, Apollo Hospitals
- LatAm: Sendas, Ambev, FEMSA, Petz
- EMEA: Pepco, Pep



	At IPO	Current	Factor
Price	\$19	\$42	2.2x
Revenue	\$18bn	\$152bn (FY22)	8.4x
Free Cash Flow	-\$93m	\$5 160m	



JD.COM

±20%
market share
in China

3.7%
margin can
grow to 6%

7% free
cash flow yield

&

70% of
market cap in
net cash and
listed
investments

Core retail
business trade
on current
4x multiple

150%
upside

Prosus

The power of their repurchase programme

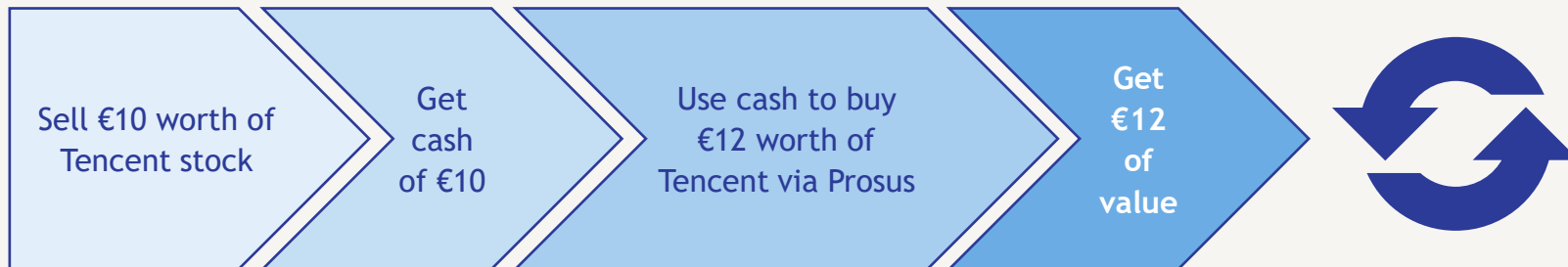


PRX stake in
Tencent has
decreased from
29% to
27%

Bought back
12%
of PRX shares

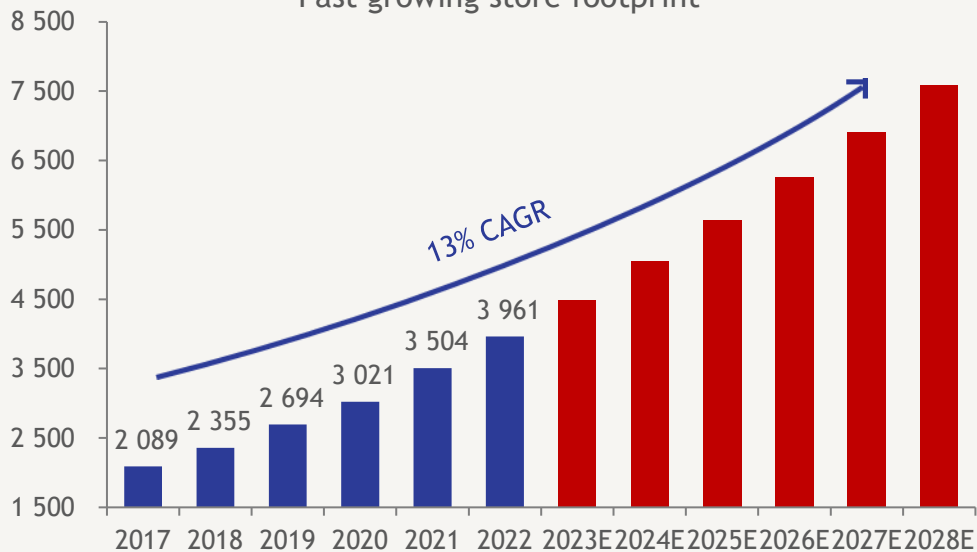
Spending
\$11bn,
but all raised by
selling Tencent

Accretion from
buyback
provides
additional
±10% IRR





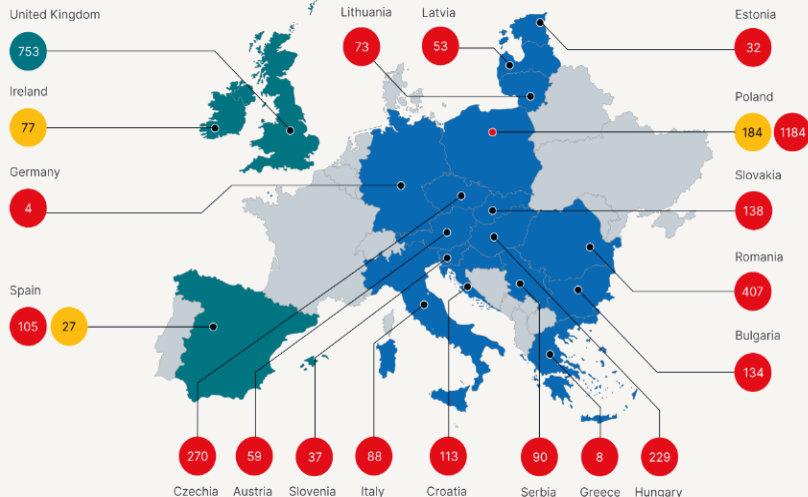
Fast growing store footprint



Sourcing advantage

Differentiated offer

Standardised store model



New store IRR > 35%

Payback period 24 months

20% EBITDA growth

18x PE multiple

100% upside

Why should you invest in our GEM strategy?



Fundamental, active long-term investors targeting meaningful out-performance

Unique perspective that comes from being based in a true Emerging Market

- ❖ We have experienced and learnt through multiple crises in a constantly evolving environment

Variable and resilient portfolio exposures

- ❖ Creates the ability to out-perform in all market environments
- ❖ Varies exposure to factors, styles, market caps based on valuation opportunities

Truly integrated EM, Global, South African, Frontiers investment team

- ❖ Provides far greater breadth and depth of coverage

Stable and diverse team with proven track record of success over numerous cycles

- ❖ Consistency of portfolio managers since inception of fund
- ❖ Staff have significant investment alongside clients



Winner

*2021 Emerging
Markets Manager of
the Year at
European Pensions
Awards*



Winner

*2022 Emerging
Markets Manager of
the Year at Pensions
Age Awards*



Thank you

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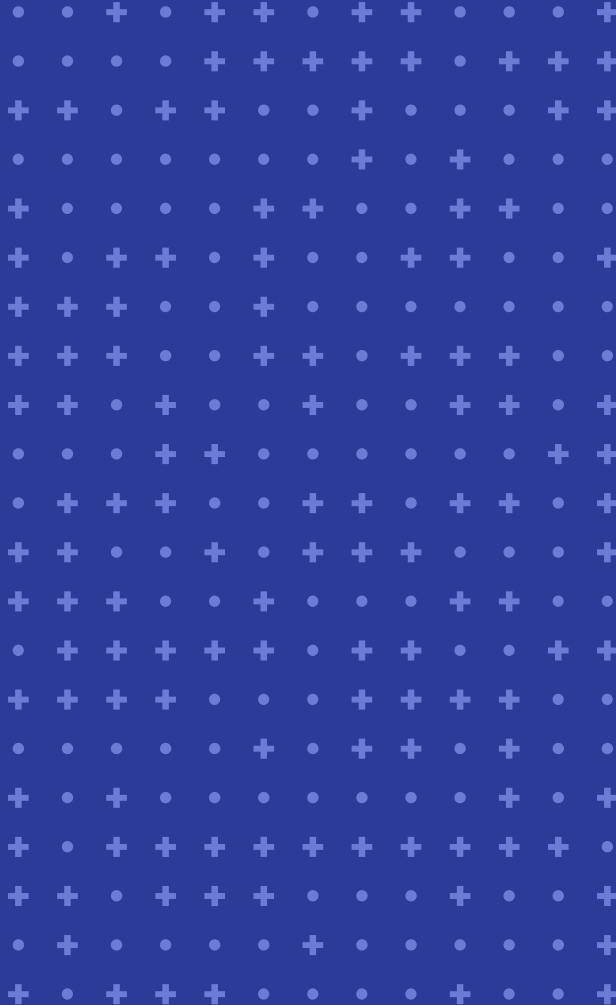
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