

## WHAT IS THE FUND'S OBJECTIVE?

The fund aims to give investors access to the best opportunities in emerging equity markets. The fund actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the emerging equity benchmark over all periods of five years and longer.

## WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies which are either based in emerging countries, or earn a significant part of their revenue from emerging economies. It can also invest in cash and bonds, but will remain biased towards shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

### Risk Profile



### Maximum growth/ minimum income exposures



The fund will only invest in shares we view as being attractively valued and which may offer superior long-term investment growth.

The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While we have a disciplined approach to reducing risk, shares can be volatile investments and there is a meaningful risk of capital loss over the short term. Emerging markets are generally viewed as more risky than developed markets. Global currency movements may intensify investment gains or declines.

## 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 in emerging markets;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ hold other investments and are looking for exposure to emerging markets;
- ▶ do not require an income from their investment.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.95% is payable.

The full annual fee is collected in the master fund. Fund expenses that are incurred in the fund include administrative, trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge any fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?

### GAVIN JOUBERT

BBusSc, CA (SA), CFA

### SUHAIL SULEMAN

BBusSc, CFA

### IAKOVOS MEKIOS


Ptychion (BSc), MIA, IMC, CFA

## GENERAL FUND INFORMATION

Investment Manager	Coronation Asset Management (Pty) Ltd
Management Company	Prescient Management Company (RF) (Pty) Ltd
Liquidity provider	Prescient Securities (Pty) Ltd
Launch Date	22 August 2024
Benchmark	MSCI Emerging Markets Index
ASISA Fund Category	Global – Equity – General
Income Distribution	Annually (March)
Bloomberg Code	COGEM SJ
ISIN Code	ZAE000337176
JSE Code	COGEM
Base Currency	ZAR
Exchange	JSE

As at 31 December 2024

ASISA Fund Category	Global - Equity - General
Launch date	22 August 2024
Fund size	R190.12 Million
NAV	1024.15 cents
Benchmark	MSCI Emerging Markets Index
Portfolio manager/s	Gavin Joubert, Suhail Suleman and Iakovos Mekios
Number of units	18 575 846 units

Total Expense Ratio	1 Year*	3 Year*
Fund management fee		
Fund expenses		
VAT		
Transaction costs (inc. VAT)		
Total Investment Charge		

## PERFORMANCE AND RISK STATISTICS

Performance and Risk Statistics will be  
available 12 months after launch.

## PORTFOLIO DETAIL

### EFFECTIVE GEOGRAPHIC EXPOSURE

Country	31 Dec 2024
<b>Equities</b>	<b>99.7%</b>
China	24.1%
South Korea	15.0%
Brazil	11.9%
India	8.3%
Taiwan	8.1%
Singapore	6.9%
France	3.6%
Turkey	3.4%
Indonesia	3.4%
Hong Kong	2.8%
Other	12.4%
<b>Cash</b>	<b>0.3%</b>
USD	0.2%
Other	0.1%

### TOP 10 HOLDINGS

As at 31 Dec 2024	% of Fund
Tsmc (Taiwan)	5.3%
Coupang Inc (South Korea)	4.5%
Delivery Hero (South Korea)	4.1%
Mercado Libre (Brazil)	4.0%
Hdfc Bank Limited (India)	4.0%
Jd.com (China)	3.7%
Sea (Singapore)	3.5%
Grab Holdings (Singapore)	3.4%
Bim Birlesik Magazalar (Turkey)	3.4%
Bank Mandiri Tbk Pt (Indonesia)	3.4%

### SECTORAL EXPOSURE

As at 31 Dec 2024	Fund
Consumer Discretionary	40.5%
Financials	19.8%
Information Technology	13.2%
Industrials	8.7%
Communication Services	7.2%
Consumer Staples	6.4%
Energy	3.8%
Cash	0.4%

### INCOME DISTRIBUTIONS

Not available - New fund

\*TER's not yet available. Please refer to page 4 for more information.

Please refer to page 4 of the Comprehensive Fact Sheet for important additional information, including change in cost disclosures.

**Please note that the commentary is for the US dollar retail class of the Fund. The feeder fund is 100% invested in the underlying US dollar fund. However, given small valuation, trading and translation differences for the two funds, investors should expect differences in returns in the short term. Over the long term, we aim to achieve the same outcome in US dollar terms for both funds.**

The Fund returned -0.5% during the fourth quarter of 2024, 0.8% behind the return of the benchmark MSCI Emerging Markets (Net) Total Return Index. As a result, the Fund was 4.1% behind the benchmark for the year. Over two years, the Fund has returned 12.7% p.a., 1.6% behind the benchmark's 14.3% p.a. return. Over 10 years, the Fund has returned 5.5% p.a., which is 3.5% behind the benchmark return. Since inception in 2007, the Fund has returned 7.7% p.a., which is marginally behind the benchmark.

The biggest positive contributor for the quarter was Grab Holdings. Until now, this Southeast Asian ride-hailing, food delivery, and financial services platform operator had been a somewhat frustrating investment as the share price had declined since our initial investment in 2023 despite its operating performance improving materially. Almost uniquely among peers, Grab sits with substantial net cash on its balance sheet, and we had been advocating that the company buy back shares when the share price was trading below \$3.50. In this last quarter, Grab appreciated 35% and contributed positive relative performance (alpha) of 1.2%. The share price had already been increasing off its lows, but after Q3 results were released in mid-November, it appreciated rapidly to over \$5.00 on the back of a significant improvement in revenue and (especially) profitability in both food delivery and mobility/ride-hailing. Most pleasingly, the financial services arm reached a milestone of \$1bn in deposits and saw losses narrow despite the division still being very much in ramp-up phase.

The second largest contributor to relative performance also came from Southeast Asia, namely SEA Limited (SEA), which offers gaming, ecommerce and financial services throughout the region and in other geographies, the most material of which is Brazil. SEA returned 26% in the quarter, but by virtue of being a 3.1% position in the Fund at the start of the period, the alpha contribution was 0.8%. Like Grab, Q3 results were strong, with group revenue up 31% (despite currency headwinds) and operating profit swinging from a \$128m loss to a \$202m profit. Over the years, the business has invested heavily in developing an in-house logistics provider (as opposed to outsourcing delivery to third-party couriers); it is now generating returns from these investments. This means SEA now delivers 70% of its orders in Brazil and 50% of its orders in Asia through its in-house logistics provider. The result is an improvement in the customer experience with a reduction in wait times, and—crucially—self-fulfilment brings down the costs per package as scale benefits on the fixed historical investment costs kick in with growing volumes.

Other material contributors in the quarter were Airbus (+20% return, 0.6% alpha), BIM in Turkey (+16% return, 0.5% alpha) and not owning Alibaba in the Fund (it was down 21%) contributed +0.5% alpha as the late September rally in Chinese stocks, which was quite positive for the Fund in the prior quarter, somewhat fizzled out.

The biggest detractor in the quarter was Delivery Hero (DHER), which declined 24% in the period and contributed -1.0% to the Fund's relative return.

From a share price low in the middle of July to its peak in late October, DHER returned 120%, largely as the balance sheet concerns dissipated due to management action to unlock value from some of the company's operating countries. Two main events drove the share price surge. Firstly, in May 2024 DHER announced the sale of its Taiwanese operation to Uber for \$950m (€900m), subject to local competition authority approval. Secondly, as discussed in our previous commentary, the company announced the IPO of Talabat, its pan-Middle Eastern operation, which went ahead in December at a €9.5bn valuation, in line with the mid-point of the range of estimates touted for this business. The IPO brought €2bn in cash into DHER to deal with its debt burden of €4.5bn. The Taiwanese divestment would have further bolstered the cash inflows from these value-unlock developments. Unfortunately, in late December, the Taiwanese Fair Trade Commission, which has regulatory oversight for competition matters, blocked the sale from going ahead on concerns that with a combined 90% share of the food delivery market in the country, competition would be frozen out. Further negative news emerged in Spain, where DHER's local operation, Globo, has been in dispute with labour authorities on the treatment of riders as employees. To prevent further contingencies from accruing, Globo reclassified riders as employees, with the associated increased costs of doing so, while the historic treatment (and associated fines) are being contested.

Despite these two setbacks, we believe that DHER is significantly undervalued. Their 80% stake in Talabat alone is larger than the group's market capitalisation and makes up almost 70% of

DHER's Enterprise Value (market capitalisation plus net debt). We added to the position as the share price declined, and at year-end, DHER was a 4.1% position in the Fund.

Although TSMC is the largest individual position in the Fund at 5.3%, at quarter end, the stock's continued outperformance (it returned +19% in in Q4 compared to the flat return for the benchmark) meant that the underweight (it is almost 11% in the benchmark now) cost the Fund 0.6% in alpha. We reiterate that we are very positive on the long-term prospects and valuation for TSMC; however, given our clean-slate approach to portfolio construction, the roughly 5% position is more appropriate in our view, given the business's relative valuation and competition for space within the Fund.

Bank Mandiri in Indonesia returned -15%, costing the Fund 0.5% in relative performance. Mandiri's operational performance was mixed. On the positive side, loan growth and deposit growth are double the respective industry levels, and non-performing loans are at half the industry levels. Unfortunately, loan yields have declined marginally, and the cost of funding has increased to leave Net Interest Margins down by 40-50 basis points compared to last year. As a result, overall Net Interest Income was only up by 4% in the nine months to the end of September compared to the same period in 2023. We do expect the funding cost pressure to abate going forward, and with an easier base, profits are likely to return to the double-digit growth level that we believe Mandiri can deliver long-term, which makes it very attractive at less than 9x forward earnings and paying a 6.5% dividend yield.

Other material detractors (0.4% alpha or more) were Melco Resorts & Entertainment and JD.com, as the run-up in Chinese stocks following the stimulus measures announced in September partially reversed (as mentioned earlier). Although market sentiment remains weak towards China, the stocks are priced for a very dire outcome, and the weighted average upside in the Chinese stocks in the portfolio—our guideline for their intrinsic worth—is close to 100%.

With the sell-off in Brazil-exposed stocks reaching feverish levels in the quarter, the largest buying activity was centred on our two biggest holdings there. Mercado Libre (MELI, an ecommerce and fintech player across Latin America), whose share price reached levels over \$2,100 in September, started the quarter as a 2% position, and a subsequent 30% decline allowed the Fund to buy back shares at under \$1,800 to leave MELI as a 3.9% position in the Fund at the end of December. In a similar vein, Nubank reached a peak of close to \$16 in November but then fell to a trough of just over \$10 in December, and we bought more on the back of the share price weakness to leave it as a 3.0% position at year-end. There were material trims of Trip.com (Chinese online travel agency), TSMC and BYD (Chinese electric vehicles) on very big positive share price moves.

A few new stocks entered the Fund in the period, the largest of which was Gold Circuit Electronics of Taiwan (a specialist producer of printed circuit boards for servers, network infrastructure and consumer electronics), TBC Bank Group (international banking group with businesses in Georgia and Uzbekistan), Wiyynn Corporation (a manufacturer of traditional servers that is diversifying its business into servers for Artificial Intelligence), banking group BBVA, whose primary business is in Mexico and Kri-Kri Milk Industry SA in Greece (a producer of ice cream and yogurt from 100% Greek milk).

The Fund sold out of its remaining position in Tata Consultancy Services (0.7% at end-September) as it reached our fair value, as well as out of KB Financial (0.8%) and Standard Bank (0.4%), which were identified as suitable funding sources for the buys covered already. The Fund also exited Tencent Holdings (0.6% position), which rallied strongly in October, leaving us preferring to retain our exposure via Prosus and Naspers only.

Despite the positive absolute performance of both the Fund and asset class, emerging markets underperformed global stocks and the US market in particular during 2024. The valuation discount at which emerging markets now trade has become even more attractive, and for the Fund in particular, the weighted average upside is now back at 75% with a 23% IRR. We remain confident that this represents a compelling opportunity for investors.

#### Portfolio managers

Gavin Joubert, Suhail Suleman and Iakovos Mekios  
as at 31 December 2024

### IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EMERGING MARKETS PRESCIENT FEEDER AMETF

Collective investment schemes (CISs) should be considered as medium to long-term investments. The value of units may go down as well as up, and therefore Prescient 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 100% 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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. 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. The asset allocation by instrument type are reflected on a look-through basis. The asset allocation by issuer type and top issuer exposures are not reflected on a look-through basis. The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments South Africa. 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. The Manager retains full legal responsibility for any third party-named portfolio. CISs are allowed to engage in scrip lending and borrowing. Standard Bank has been appointed as trustees for the fund. Prescient is a full member of the Association for Savings & Investment SA (ASISA). Exchange Traded Funds vs Unit Trusts: Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Schemes Control Act, ETFs trade on stock exchanges just like any other listed, tradable security. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours. Exchange traded funds are listed on an exchange and may incur additional costs. This portfolio operates as a white label fund under the Prescient ETF Scheme, which is governed by the Collective Investment Schemes Control Act.

**Management Company:** Prescient Management Company (RF) (Pty) Ltd **Registration number:** 2002/022560/07 **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 **Postal address:** PO Box 31142, Tokai, 7966. **Telephone number:** 0800 111 899 **E-mail address:** info@prescient.co.za **Website:** www.prescient.co.za.

**Trustee:** Standard Bank of South Africa Ltd **Registration number:** 1962/000738/06 **Physical address:** Standard Bank Centre, 5 Simmonds Street, Johannesburg, South Africa 2001 **Telephone number:** 0860 222 050 **Website:** www.standardbank.co.za

### HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

CISs 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?

As this is a new fund the fact sheet does not include performance information yet. Once performance information is available the following will apply: Performance is calculated by using net NAV to NAV numbers 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 and are available to investors on request. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

### HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is the MSCI Emerging Markets Index.

### WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. 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 the manager's website: [www.prescient.co.za](http://www.prescient.co.za).

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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The fund has adhered to its policy objective.