



# Navigating AI's Winners & *Losers*

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# Market *environment*

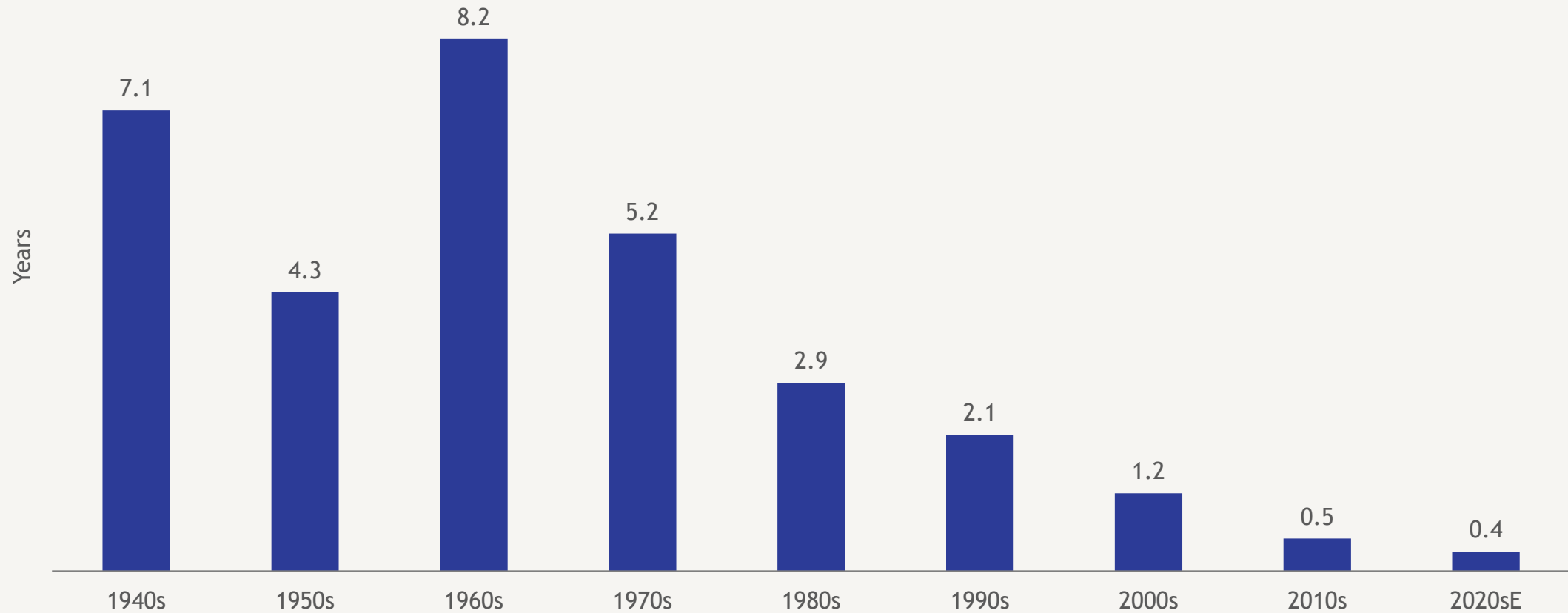
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# Shrinking *time horizons*



Average holding period for US stocks



# The rise of the *non-fundamental investor*



Historical fund assets: Active vs **Passive** (\$ trillion)

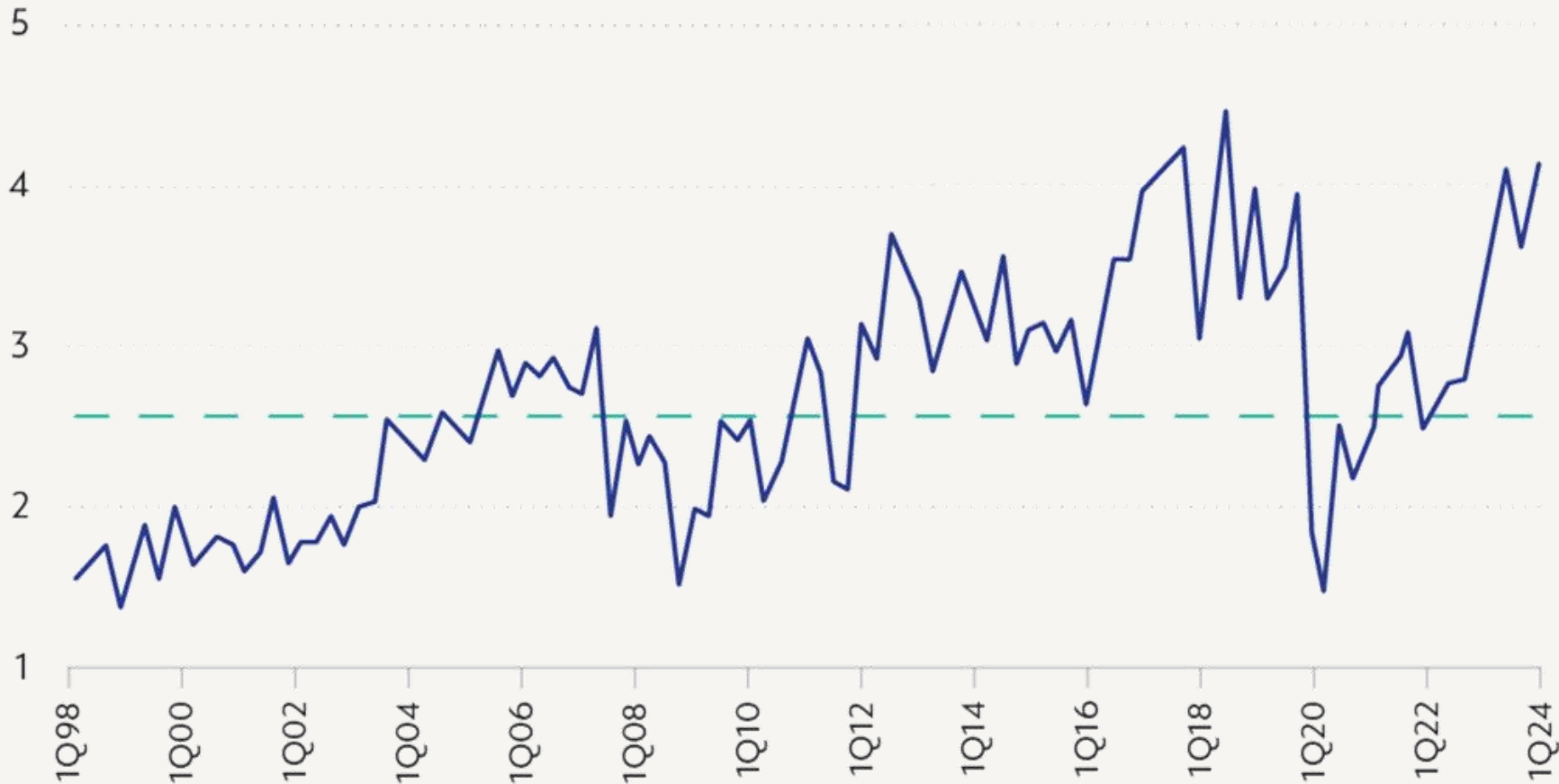


Up to **80%** of daily value traded is driven by **non-fundamental investors**

# These factors have driven an increase in *stock volatility*



### Earnings-day move/average daily move



Single stock volatility has **tripled**



Exact same investment philosophy as since inception in 1993



## LONG-TERM

5+ year horizon in valuing companies



## VALUATION-DRIVEN

Margin of safety, normalised earnings and 5-year expected returns



## BOTTOM-UP

Active stock picking focused on quality businesses



## RESEARCH

Proprietary, in-house research is the foundation of our process



## STEWARDSHIP

Deeply embedded in our investment process

Since 1993 | One consistent philosophy | Long-term value creation



This philosophy is  
in our DNA

It is entrenched in  
how we approach  
markets

It is durable in a time  
of constant, even  
accelerating change

In an inefficient  
market it is not old-  
fashioned...

It is structurally  
advantaged



# The AI *Reckoning*

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## The AI *Reckoning*

### WHAT THE MARKET IS DOING

#### Long AI winners

Concentrated bets on obvious AI beneficiaries

#### Short perceived losers

Indiscriminate selling of anything not labelled “AI” – regardless of fundamentals

#### Compounded by geopolitical selling

Middle East/tariff fears driving pods, quants, and momentum traders to de-risk

### OUR HOLDINGS: THE REALITY

#### AI neutral or AI winners

Despite being sold off alongside genuine losers

#### Dominant market positions

Operational complexity, proprietary data, physical infrastructure moats

#### Early AI adopters themselves

Best-in-class management teams already integrating AI

*We have been through a similar process before — selling great businesses into a panic is not how you create long-term wealth.*

Our holdings have never been in the “AI losers” category. They have been caught up in indiscriminate selling — a totally different risk profile.

# The Biggest Opportunities Come From the Biggest *Changes*



*Paradigm shifts always create immense wealth – and destroy it. The internet created Amazon and Netflix; it destroyed Blockbuster and Kodak. AI will be no different.*

## How previous disruptions played out

### ❖ The Internet (1990s)



### ❖ Mobile Revolution (2000s)



### ❖ AI (Now)



## Where we see opportunity

### ❖ Deep infrastructure



### ❖ AI-first cultures



### ❖ Unexpected beneficiaries



### ❖ Misunderstood disruptees



But you have to do the deep proprietary research to tell them apart

# Coronation Global Optimum Growth Fund *Top Holdings*



Holding	Weight	Upside	IRR	PE (3y)	Theme	AI Classification
Auto1	4.4%			13x	Long Duration Growth	Crosshairs
MercadoLibre	3.9%			14x	EM Winners	Medium Risk
TSMC	3.7%			17x	Semiconductors	Winner
Nu Holdings	3.7%			9x	EM Winners	Winner
Sea	3.7%			11x	EM Winners	Medium Risk
Prosus	3.5%			8x	China internet	Winner
Meta	3.2%			14x	Megacaps	Winner
Amazon.com	3.1%			18x	Megacaps	Medium Risk
LPL Financial	3.0%			10x	Market / interest rate sensitive	Resilient
Coupang	2.8%			16x	EM Winners	Medium Risk
Microsoft	2.8%			17x	Megacaps	Crosshairs
CATL	2.5%			15x	EVs / Battery technology	Resilient
Airbus	2.5%			14x	Aerospace	Resilient
Petro Rio	2.3%			3x	Energy	Resilient
JD.com	2.3%			5x	China internet	Medium Risk
Adyen	2.2%			15x	Long Duration Growth	Resilient
AIA Group	2.0%			13x	EM consumer	Resilient
Spotify	1.8%			16x	Long Duration Growth	Winner
Julius Baer	1.7%			9x	Market / interest rate sensitive	Resilient
Grab	1.6%			12x	EM Winners	Medium Risk
Booking Holdings	1.6%			12x	Travel related	Crosshairs
Alphabet	1.5%			24x	Megacaps	Winner
Trip.com	1.5%			8x	China internet	Crosshairs
Broadcom	1.5%			14x	Technology	Winner
ASML	1.5%			26x	Semiconductors	Winner
<b>64%</b>		<b>±100%</b>	<b>22%</b>	<b>13x</b>		



# Coronation Global Optimum Growth Fund *Positioning*

## Current Asset Allocation



### Put Option Protection

**8%**

Effective exposure in US, Europe and EM indices. At high end of history vs ~5% historically.

### Bond Allocation

**~9%**

4.3% in 10yr Brazilian govt bonds (yielding 14%).  
3% in US inflation linkers

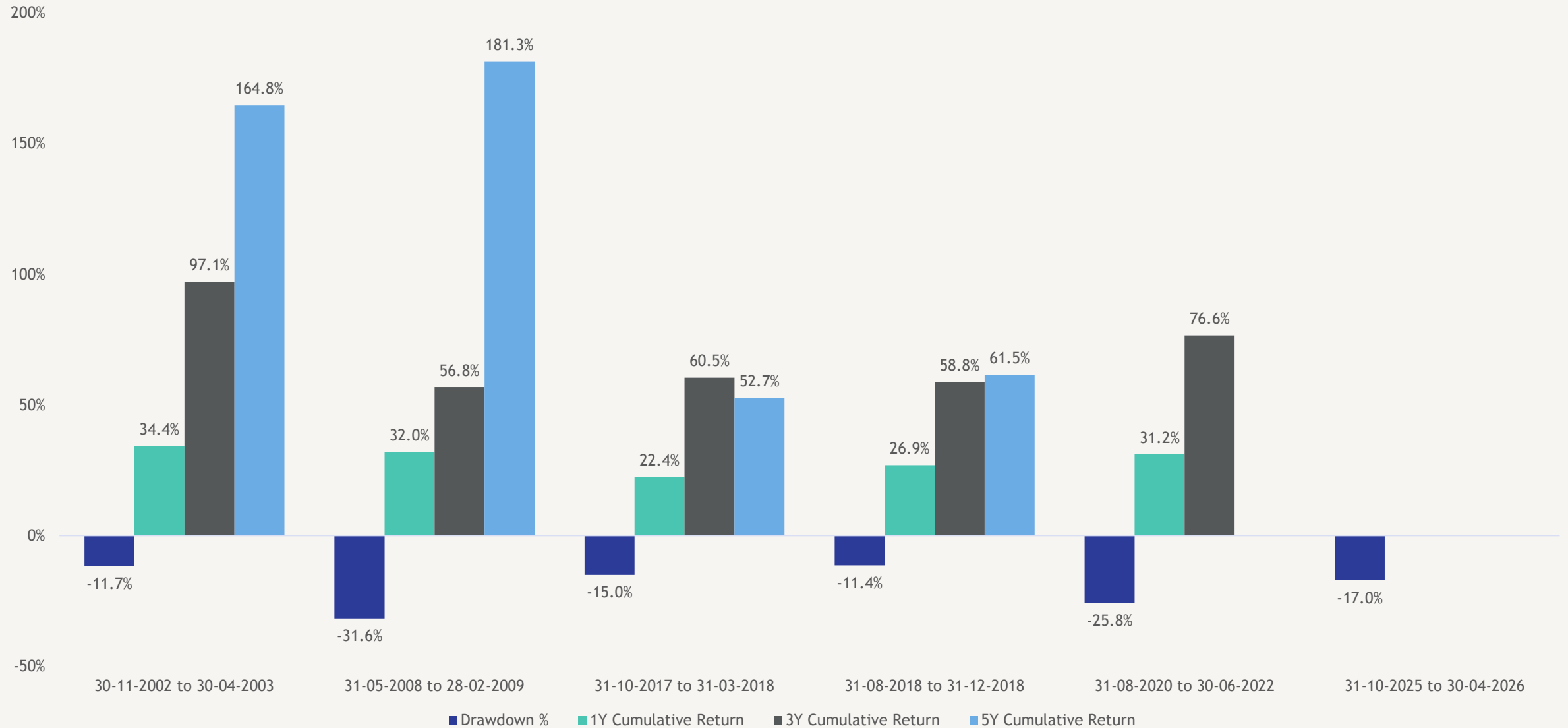
### Equity Positioning

**82%**

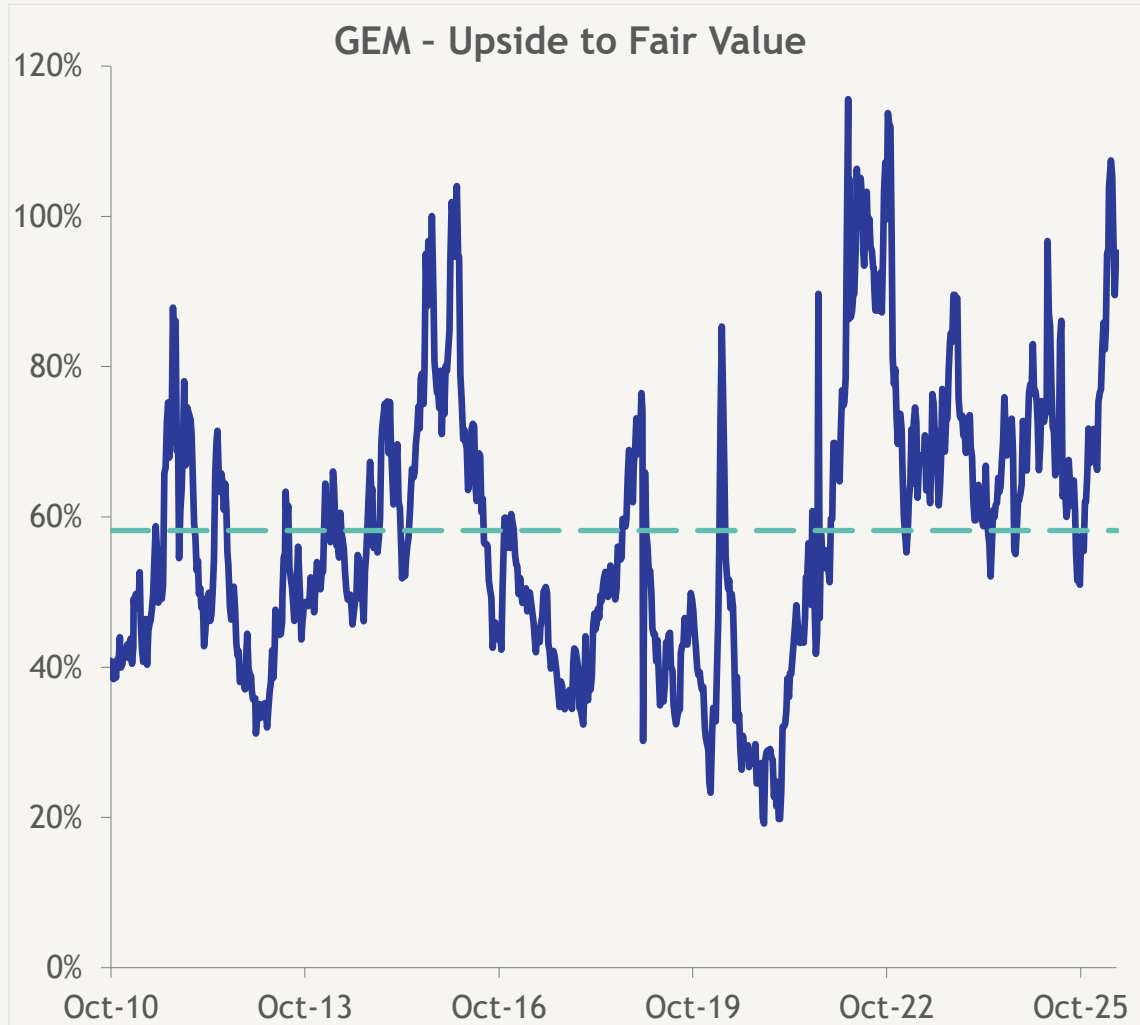
Could be higher, but the fragile world is keeping us cautious.

# Coronation Global Optimum Growth (ZAR) Fund

## DRAWDOWN AND SUBSEQUENT RECOVERY



# Our basket of equities offers attractive medium-term returns





Thank you

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Kirshni Totaram; Karl Leinberger; Neil Padoa, Suhail Suleman

#### Authorised representatives

Gavin Joubert; Karl Leinberger; Kirshni Totaram; Peter Leger; Suhail Suleman; Greg Longe; Neil Padoa; Steven Barber; Humaira Surve; Danie Pretorius; Lisa Haakman; Marc Talpert; Iakovos Mekios; Paul Neethling; Floris Steenkamp; Chris Cheetham; Hendrik Groenewald; Nishan Maharaj; Seamus Vasey; Ori Sachs (supervised)

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Neville Chester; Nishan Maharaj

#### Authorised representatives

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