CORONATION GLOBAL EMERGING MARKETS FUND

Fund Information as at 31 December 2017

CORONATION
TRUST IS EARNED™

WHAT IS THE FUND'S OBJECTIVE?

The Global Emerging Markets Fund aims to give investors access to the best opportunities in emerging equity markets. The fund actively seeks out undervalued 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 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

Global Emerging Markets 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 ten 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 a minimum of 1.10% and a maximum of 2.50%, depending on the fund's performance, is payable.

If fund performance equals that of the benchmark (after fees and costs), a fee of 1.25% will be charged. We share in 20% of performance above the benchmark, up to a total annual fee of 2.50%. Performance is measured over a rolling 24-month period.

If the fund underperforms the benchmark over any 60-month period, the fee is reduced by 0.15%.

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.

WHO ARE THE FUND MANAGERS?

GAVIN JOUBERT
BBusSc, CA (SA), CFA

SUHAIL SULEMAN
BBusSc, CFA

GENERAL FUND INFORMATION

Fund Launch Date	14 July 2008
Class	B
Class Type	Accumulation
Class Launch Date	5 May 2011
Fund Domicile	Ireland
Morningstar Fund Category	Global Emerging Markets – Equity
Currency	US Dollar
Benchmark	MSCI Emerging Markets Index
Investment Minimum	US$15 000
Bloomberg	CORGEMB
ISIN	IE00B553TV27
SEDOL	B553TV2

CORONATION GLOBAL EMERGING MARKETS FUND

CLASS B as at 31 December 2017

CORONATION
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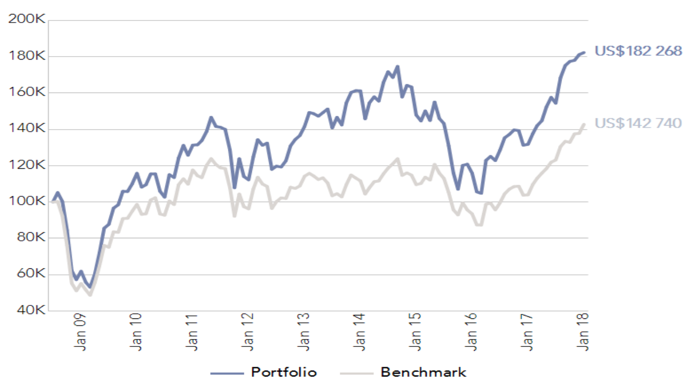
Launch date	14 July 2008
Fund size	US$ 1.83 billion
NAV	12.97
Benchmark/Performance Fee Hurdle	MSCI Emerging Markets Index
Portfolio manager/s	Gavin Joubert and Suhail Suleman

	1 Year	3 Year
Total Expense Ratio	1.53%	1.46%
Fee for performance in line with benchmark	1.25%	1.28%
Adjusted for out/(under)-performance	0.18%	0.06%
Fund expenses	0.10%	0.12%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.20%	0.25%
Total Investment Charge	1.73%	1.71%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A US$100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	82.27%	42.74%	39.53%
Since Launch (annualised)	6.52%	3.82%	2.71%
Latest 5 years (annualised)	5.18%	4.56%	0.61%
Latest 3 years (annualised)	7.22%	9.21%	(1.99)%
Latest 1 year	38.29%	37.28%	1.01%
Year to date	38.29%	37.28%	1.01%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	24.4%	22.4%
Sharpe Ratio	0.26	0.16
Maximum Gain	99.4%	56.3%
Maximum Drawdown	(49.5)%	(51.4)%
Positive Months	58.8%	55.3%

	Fund	Date Range
Highest annual return	106.2%	Mar 2009 - Feb 2010
Lowest annual return	(33.6%)	Sep 2014 - Aug 2015

PORTFOLIO DETAIL

EFFECTIVE GEOGRAPHIC EXPOSURE

Country	31 Dec 2017
Equities	**97.30%**
China	19.31%
South Africa	15.91%
Brazil	11.98%
India	11.48%
Russian Federation	10.32%
Netherlands	6.16%
United States	4.65%
Korea, Republic Of	4.22%
France	3.57%
Hong Kong	3.43%
Other	6.27%
Cash	**2.70%**
USD	2.63%
ZAR	0.16%
Other	(0.09)%

TOP 10 HOLDINGS

As at 31 Dec 2017	% of Fund
Naspers Ltd (South Africa)	7.30%
JD.com Inc Adr (China)	5.59%
Kroton Educacional SA (Brazil)	4.85%
Magnit Ojsc-Spon (Russian Federation)	4.40%
Heineken NV (Netherlands)	3.88%
Porsche Automobil Hldg-Prf ()	3.76%
British American Tobacco Plc (South Africa)	3.73%
Sberbank (Russian Federation)	3.71%
Airbus Group SE (France)	3.57%
58 Com Inc-Adr (China)	3.42%

SECTORAL EXPOSURE

As at 31 Dec 2017	Fund
Consumer Discretionary	33.95%
Financials	21.97%
Consumer Staples	18.66%
Information Technology	16.57%
Industrials	3.57%
Health Care	2.58%
Cash	2.70%

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	4.4%	3.2%	1.9%	5.2%	3.5%	(2.0)%	9.1%	4.0%	1.3%	0.3%	1.8%	0.6%	38.3%
Fund 2016	(8.9)%	(0.8)%	17.3%	1.8%	(1.8)%	4.5%	5.4%	1.4%	1.8%	(0.2)%	(5.8)%	0.4%	13.7%
Fund 2015	(2.2)%	3.8%	(3.5)%	7.0%	(5.9)%	(1.9)%	(8.5)%	(11.4)%	(7.7)%	12.3%	0.5%	(4.1)%	(21.6)%

Issue date: 2018/01/18

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

CORONATION GLOBAL EMERGING MARKETS FUND

Quarterly Portfolio Manager Commentary

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

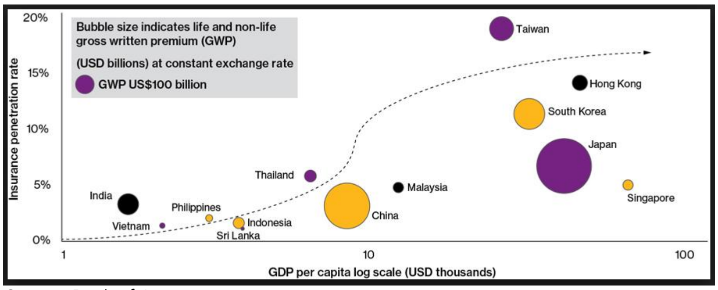
The Coronation Global Emerging Markets Strategy returned 38.3% in 2017, which was 1.0% in excess of the benchmark's return of 37.3%. In our view, longer time periods are a far more meaningful indicator of performance, and in this regard since inception 9.5 years ago the strategy has outperformed the market by 2.7% per annum. Over 7 years and 5 years, the strategy has outperformed the market by 2.0% per annum and by 0.6% per annum respectively.

The largest positive contributors to alpha for 2017 as a whole were Naspers (+89.3%, 2.6% contribution), 58.com (+155.2%, 2.6% contribution), Estácio (+99.0%, 1.6% contribution), JD.com (+63.2%, 1.2% contribution) and Porsche (+55.8%, 0.96% contribution). Other notable (>0.5% contribution) positive contributors were Hering, Melco Resorts, Sberbank and Brilliance China. In terms of detractors, Magnit was the single largest detractor (-3.6% contribution), followed by Steinhoff (-3.4% contribution) and not owning Tencent (-2.7% contribution, although this was largely offset by the Naspers positive contribution). Smaller negative detractors included Samsung (-1.3% impact from not owning for most of the year), Tata Motors (-1.2% contribution) and Alibaba (-1.1% contribution, although this was partly offset by a 0.4% positive contribution from Altaba). By country, the 3 largest positive contributors were China (+3.1% contribution, largely coming from the Chinese internet stocks but also Brilliance China Automotive and Melco Resorts), Brazil (+3.0% contribution, mainly the Brazilian education companies and also the clothing retailer Hering) and Taiwan (+1.4% contribution). The 3 largest negative contributors by country were Russia (-2.4% contribution, largely Magnit), Korea (-1.8% contribution) and India (-1.5% contribution).

In terms of strategy activity over the past quarter there were 4 new buys – Ping An Insurance Group (2.3% of strategy), Samsung Electronics Preference shares (2.1% of strategy) and smaller new positions in Femsa (0.6%) and Reckitt Benckiser (0.5%). We also added to existing positions in Magnit, X5 Retail, C-Trip (all 3 of these as a result of weak share prices with little change in their long-term prospects in our view, and resultant increased upside to fair value), Yes Bank and Indiabulls Housing Finance (following a financials research trip to India in November).

In terms of sells the strategy sold out of Melco Resorts & Entertainment, Norilsk Nickel, Discovery (all 3 had performed strongly and reached our estimation of their fair value) and Anheuser Busch (better value in other consumer staples like Heineken and British American Tobacco which we added to, as well as the new Reckitt Benckiser buy). We also reduced the positions in Hering, Taiwan Semiconductor, YUM Brands (all 3 getting closer to fair value due to share price appreciation) and Axis Bank (better value in other selected Indian financials).

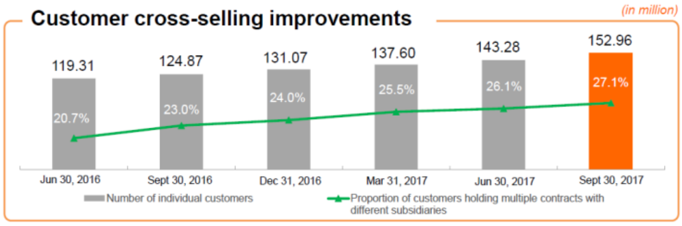
Ping An Insurance Group (Ping An) was the largest new purchase in the strategy over the quarter. Ping An is the largest private insurance company in China. The company has 153m customers in China and besides insurance products (life and non-life) also offers asset management and banking services. The company is very entrepreneurial with a founder chairman who is still very involved in the business and who owns a significant stake. Ping An's VNB (value of new business) has grown by 33.7% per annum over the past 5 years, net profit by 32.8% per annum and dividends per share by 35.1% per annum over this same period. The insurance market in China is one of the lowest penetrated insurance markets globally and Ping An have a number of competitive advantages – a high quality brand, large and productive salesforce (1.4m agents with industry leading productivity), significant investment in technology and resultant leadership in fintech, privately run compared to most competitors who are state owned - that makes them well placed to take a high share of the growing Chinese insurance market over time.



Source: Bank of America

Whilst we have not owned Ping An before, we have followed it for many years and have owned AIA (the pan-Asian insurer and a key Ping An competitor in China) for the past few years, as well as owning Discovery (a JV partner to Ping An in China) until recently. Over time, these holdings have given us additional (positive) insight into Ping An. We have always held the view that the insurance assets of Ping An are very good assets and that the company is entrepreneurial and well run. In contrast, Ping An Bank (part of the Ping An Group) has historically been a concern of ours but over time, as the insurance business has grown at a high rate, the contribution from the bank has declined and is now only 17% of profits (from 35% of profits a few years ago) and a far smaller part of our fair value.

Besides an underpenetrated insurance market, Ping An has the opportunity to continue to drive cross-selling through their large customer base of 153m customers in our view. As per the graph below, over the past 5 years the cross selling ratio (% of customers who have more than 1 contract with the Ping An Group) has increased from 20.7% to 27.1%. The use of technology together with a productive, well paid and incentivised agency force should lead to further gains in this regard.



Source: Ping An

Ping An generates a return on embedded value north of 20% and today trades on around 14x earnings (9x embedded value earnings) with a 2% dividend yield. Given the long-term prospects for Ping An, we believe this is a very attractive valuation.

The strategy has not owned Samsung for a few years but in the last quarter bought a new 2% position in the Samsung Electronics Preference shares, which trade at a 20% discount to the ordinary shares. Over time we have become more positive on the long-term prospects for the semiconductor industry (today c. 65% of Samsung's profits) as the industry has continued to consolidate and as additional revenue streams (Big Data, AI, etc.) have emerged. In recent months, 2 of the analysts in the Coronation Emerging Markets and Global Developed Markets teams have been researching 2 semiconductor companies (ASML in Europe and Applied Materials in the US) and this work has further contributed to a more positive long-term view of the industry. It is however not even debateable that this industry is cyclical and will continue to be so. It is this cyclicality and concern over the industry's profitability in 2018/2019 that has resulted in Samsung's share price declining over recent months. In our view, semiconductor profitability is indeed above normal and this is very likely to result in earnings pressure in the year or two ahead. However, the valuation of the Samsung Preference shares in particular are very attractive (c. 5.5x 2018 earnings with a 3.5% dividend yield) and given the more favourable long-term prospects for the industry we believe that this is an attractive entry point. Our 2 main concerns with Samsung over the past few years have been a) the sustainability of the high profitability of the semiconductor division and b) poor corporate governance, as indeed is the case with most South Korean companies. In this regard, besides the improvement in the long-term prospects for the semiconductor industry, there have in recent times also been corporate governance improvements at Samsung Electronics including the effective separation of the Chairman and CEO roles and a change in the capital return policy with a doubling of the dividend and a commitment to pay out 50% of free cash flow to shareholders between 2018 and 2020.

Fomento Económico Mexicano ('Femsa', 0.6% of strategy) is a company that the strategy has owned before but hasn't owned for some time due to valuation. A recent decline in the share price as well as the sharp depreciation of the Mexican peso brought the share into buying range for a brief period. Femsa own 2 great assets which together make up over 70% of the value of the company: the Oxxo convenience stores and pharmacies in Mexico/rest of Latin America (c. 50% of our valuation) and a stake in Heineken (c. 22% of our valuation). Their 3rd major asset is a majority stake in Coca-Cola Femsa (c. 20% of our valuation) which is the largest Coke bottler in Latin American and 2nd largest Coke bottler in the world: in our view this is a decent asset that generates a lot of cash but which faces some long-term challenges. Overall, given these mix of assets, Femsa is in our view a high quality asset, that owns very cash generative assets and that has shown strong capital allocation skills over long periods of time.

Reckitt Benckiser (0.5% of strategy) was the last small buy during the quarter. Reckitt is in our view one of the best run global consumer companies and owner of some of the best consumer health brands out there (Durex, Nurofen, Strepsils, Clearasil, Gaviscon, etc.). Emerging markets contribute 41% of group earnings and are growing at a far higher rate than developed markets. In recent times Reckitt have produced disappointing sales and earnings growth which in turn resulted in a large decline in its share price. Whilst Reckitt undoubtedly faces some challenges, in our view the below average performance is more temporary in nature than permanent and the share price decline enabled us to buy a stake in this high-quality business at an attractive price.

We continue to travel widely to meet companies we own, or are interested in purchasing for the strategy, and trips to both Brazil and India are planned for the first few months of 2018. Whilst emerging markets have appreciated strongly over the past year, we continue to find good selected value and the overall upside of the portfolio – our assessment of fair value versus current share prices – today is around 40% on a weighted average basis.

Portfolio managers
Gavin Joubert and Suhail Suleman
as at 31 December 2017

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EMERGING MARKETS FUND

The Global Emerging Markets 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 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. Coronation 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. Coronation Global Fund Managers (Ireland) Limited is authorised in Ireland and regulated by the Central Bank of Ireland. The fund is approved under Section 65 of the Collective Investment Schemes Control Act by the Financial Services Board of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

Northern Trust Fiduciary Services has been appointed as the fund's trustees (www.northerntrust.com; t: +353-1-542-2000), and its custodian is JP Morgan Administration Services (Ireland) Limited (www.jpmorgan.com; t: +353-1-612-4000). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

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

Unit trusts are traded at ruling prices set on every business day. Fund valuations take place at approximately 17h00 each business day (Irish Time) and forward pricing is used. Instructions must reach Coronation before 12h00 (SA Time) one day prior to the dealing date. You can expect to receive withdrawal payouts three business days after the dealing day. Large investments or redemptions (exceeding 5% of fund value) may be subject to an anti-dilution levy to defray dealing costs and expenses. This levy, where applicable, is applied fully for the benefit 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 B NAV prices. Class A NAV prices were used for the period prior to the launch of Class B. All underlying price and distribution data are 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.

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. 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 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 September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last 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 advisor, advice fees are contracted directly between you and the advisor. We will facilitate the collection of advice fees only upon receiving your instruction, up to a maximum of an initial fee of 3.00% and an ongoing fee of 1.00% per annum (where an initial advice fee of more than 1.50% is selected, the maximum annual advice fee that we will collect is 0.50%). Advice fees are usually collected through the redemption of units. You may cancel the instruction to facilitate the payment of advice fees at any time. Advisors will only share in Coronation fees subject to prior approval by and/or disclosure to the investor. A portion of Coronation's annual management fee may be paid to administration platforms such as Linked Investment Service Providers (LISPs) as a payment for administration and distribution services.

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 www.coronation.com. You will also find additional information on the considerations pertinent to investing in a fund denominated in a foreign currency and domiciled in an offshore jurisdiction.

IMPORTANT INFORMATION REGARDING TERMS OF USE

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