

CORONATION GLOBAL OPPORTUNITIES EQUITY FUND

Fund Information as at 31 August 2018

WHAT IS THE FUND'S OBJECTIVE?

Global Opportunities Equity seeks to give investors access to some of the best fund managers across the globe. Our intent is to outperform its benchmark over any five year period.

WHAT DOES THE FUND INVEST IN?

Global Opportunities Equity is a multi-manager fund which invests in a limited number of strategies (funds and segregated mandates) managed by top-quality managers that mainly have exposure to shares in developed markets. It is also mandated to include some exposure to emerging markets.

Typically, six to ten strategies are included. Each strategy is selected based on its long-term track record of outperforming the market, its investment philosophy and the quality of its fund managers.

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

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Opportunities Equity invests in equity funds that mostly cover developed markets, including the US, Europe and Japan.

The fund is well-diversified; it has exposure to a range of different countries, industries and fund manager styles. The fund managers included in the fund are well-established and have been rigorously researched and vetted.

While we have a disciplined approach to carefully balance the risks across the different funds, shares can be volatile investments and there is a meaningful risk of capital loss over the short term. 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

- want exposure to some of the world's top equity funds as part of a diversified investment portfolio;
- accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- are overexposed to South Africa and require an international investment;
- do not require an income from their investment

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable.

All fees exclude VAT. Fund expenses 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 fund costs.

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

More detail is available on www.coronation.com.

WHO IS THE FUND MANAGER?



TONY GIBSON

BCom

GENERAL FUND INFORMATION

Launch Date	12 May 2008
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Morningstar Fund Category	Global – Large Cap Blend – Equity
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US\$15 000
Bloomberg	CORWDEA
ISIN	IE00B2RGGV79
SEDOL	B2RGGV7

CORONATION GLOBAL OPPORTUNITIES EQUITY FUND

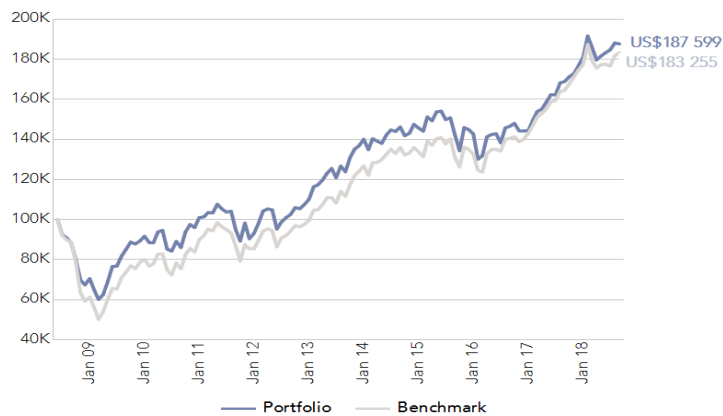
CLASS A as at 31 August 2018

Launch date	12 May 2008
Fund size	US\$ 2.34 billion
NAV	18.63
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Tony Gibson

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	2.20%	2.20%
Adjusted for out/(under)-performance	1.35%	1.28%
Fund expenses	-	0.01%
VAT	0.85%	0.91%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.13%	0.12%
	2.33%	2.32%

PERFORMANCE AND RISK STATISTICS

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



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Aug 2018
Equities	89.8%
Global (7 Funds)	89.8%
Equity futures	10.1%
Cash	0.1%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	87.6%	83.3%	4.3%
Since Launch (annualised)	6.3%	6.1%	0.2%
Latest 10 years (annualised)	7.8%	7.5%	0.3%
Latest 5 years (annualised)	8.7%	10.4%	(1.8)%
Latest 3 years (annualised)	9.7%	11.8%	(2.1)%
Latest 1 year	11.1%	11.4%	(0.3)%
Year to date	3.8%	3.4%	0.4%

TOP 5 HOLDINGS

As at 30 Jun 2018

Contrarius Global Equity Fund
Egerton Capital Equity Fund
Maverick Capital
Lansdowne Capital
Tremblant Capital

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	14.9%	16.1%
Sharpe Ratio	0.40	0.36
Maximum Gain	47.6%	34.8%
Maximum Drawdown	(39.9)%	(49.8)%
Positive Months	61.8%	62.6%

	Fund	Date Range
Highest annual return	50.0%	Apr 2009 - Mar 2010
Lowest annual return	(23.5)%	Jun 2008 - May 2009

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	6.0%	(2.9)%	(3.5)%	1.1%	0.9%	0.8%	1.8%	(0.3)%					3.8%
Fund 2017	3.6%	2.8%	0.8%	2.2%	2.4%	(0.1)%	3.7%	0.5%	1.4%	0.9%	2.2%	2.3%	25.2%
Fund 2016	(8.8)%	1.3%	7.2%	0.8%	0.3%	(3.2)%	5.3%	0.6%	1.0%	(2.5)%	(0.1)%	0.2%	1.2%
Fund 2015	(1.1)%	4.9%	(1.3)%	3.0%	0.2%	(2.7)%	0.5%	(5.7)%	(5.5)%	8.6%	(0.7)%	(1.5)%	(2.0)%
Fund 2014	(3.6)%	4.0%	(0.9)%	(0.8)%	3.1%	1.7%	(0.5)%	1.5%	(2.9)%	0.8%	3.1%	(1.2)%	4.0%

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

The fund rose 2.8% against the benchmark advance of 0.5%, bringing the rolling 12-month performance to 13.9% against the 10.7% returned by the MSCI All Country World Index.

The slight advance in the index somewhat masks the significant decline in emerging markets which fell 8.0% (in US dollar terms), significantly underperforming developed markets by 9.7%. The decline was most likely due to a combination of fears of a global trade war and US dollar strength as the Federal Reserve raised interest rates by a further 0.25% in June. The US President is stoking the flames of a trade war, not only with China but also with his allies in Europe and Japan, all of which have vowed to retaliate. This unsettled the market at times.

North America was the best performing region this quarter, rising 3.6%. The weakest return was from Japan which declined 2.8% (in US dollar terms). Europe also declined 0.9% (in US dollar terms) and the Pacific ex-Japan rose 1.8% (in US dollar terms). On a look through basis, the fund is overweight North America, equal weight to Europe and underweight Japan.

Among the global sectors, the best returns were generated by energy (+11.9%), information technology (+5.6%) and consumer discretionary (+3.5%). The worst performing sectors were telecommunications (-4.2%), financials (-5.2%) and industrials (-2.8%). On a look-through basis, the fund benefited from its overweight positions in information technology and consumer discretionary and underweight position in financials. Its underweight position in energy and overweight position in consumer staples would have detracted from performance.

The strong returns this quarter were dominated by three of the underlying funds, Contrarius Global Equity, Maverick Capital and Egerton Capital.

Contrarius Global generated alpha of 13.5% over the quarter, benefitting from its exposures to energy and consumer discretionary stocks. An example of the latter was Fossil which more than doubled over the quarter after strong sales in smart watches and a 5% y/y increase in sales. Twitter, a long-held position, also performed strongly, rising more than 50% over the period.

Maverick Capital benefitted from its positions in technology and healthcare. Shire, a pharmaceutical company that had been a drag on performance in quarters past, finally came through and rose 19% after a takeover by Takeda Pharmaceutical. Facebook, up 29% over the quarter also added alpha as it recovered from its recent Cambridge Analytica woes.

Egerton Capital also benefitted from holding Facebook but 21st Century Fox and Safran also contributed strongly to the positive performance. 21st Century Fox was subject to a bidding war by Disney and Comcast which drove the price higher, while aircraft engine manufacturer, Safran, rose 24% after Airbus announced a strong order book and delivery schedule.

During the quarter, the fund redeemed from Vulcan Value Partners. We have been long-term investors with Vulcan and have enjoyed a successful investment with them over the years. However, we are increasingly looking to invest in global funds and Vulcan is more US-orientated and we decided to allocate the funds to our global managers.

Outlook

The US economy is strong but there are concerns about overheating in developed economies and the impact of consequent inflation. In addition, the potential for a global trade war and other geopolitical issues will continue to weigh on global markets and investors' minds. However, we believe the key risk is the normalising of the interest rate cycle which is now underway in the US and will be followed in due course by the UK, Europe and Japan. After a decade of near zero interest rates, the potential for missteps is great and the fall out could be severe. But, perhaps in recognition of this, central banks are proceeding cautiously and gradually. As such, although we are cognisant of stretched valuations, we believe the US and global economy will be resilient for the remainder of the year and remain supportive of the markets. But the risks will only increase into next year.

Portfolio manager
Tony Gibson
as at 30 June 2018

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL OPPORTUNITIES EQUITY FUND OF FUNDS

The Global Opportunities Equity Fund of Funds 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 top 10 holdings are reflected on a look-through basis. 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. A fund of funds invests in collective investment schemes that levy their own fees and charges, which could result in a higher fee structure for this fund. 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 Sector Conduct Authority of South Africa. Portfolio managed by Coronation International Limited, a firm authorised and regulated by the Financial Conduct Authority.

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 A NAV prices 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. 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 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 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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