

WHAT IS THE FUND'S OBJECTIVE?

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

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Equity Select will only invest in shares we view as being attractively valued relative to other shares 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. 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 listed in global markets outside South Africa;
- 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 to add exposure to global equity markets;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.70% and a maximum of 2.30%, depending on the fund's performance, is payable.

If fund performance equals that of the benchmark (after fees and costs), a fee of 1.05% will be charged. We share in 20% of performance above the benchmark, up to a total annual fee of 2.30%. Performance is measured over a rolling 24-month period.

The above fee structure took effect on 01 February 2018.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.35%.

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?



LOUIS STASSEN
BSc, BCom (Hons), CFA



NEIL PADOA
BEconSc (AcSci), FFA

GENERAL FUND INFORMATION

Launch Date	30 January 2015
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US\$15 000
Bloomberg	CORGEAU
ISIN	IE00BV8WVD49
SEDOL	BV8WVD4

CORONATION GLOBAL EQUITY SELECT FUND

CLASS A as at 31 January 2018

Launch date	30 January 2015
Fund size	US\$ 158.66 million
NAV	13.32
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Louis Stassen and Neil Padoa

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	1.51%	1.50%
Adjusted for out/(under)-performance	1.25%	1.25%
Fund expenses	0.06%	0.05%
VAT	0.20%	0.20%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.20%	0.29%
	1.71%	1.79%

PERFORMANCE AND RISK STATISTICS

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



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2018
Equities	98.2%
Asia	4.9%
Europe	24.4%
Latin American	1.6%
North America	65.0%
South Africa	2.3%
Cash	1.8%

RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	33.2%	40.1%	(6.9%)
Since Launch (annualised)	10.0%	11.9%	(1.9%)
Latest 3 years (annualised)	10.0%	11.9%	(1.9%)
Latest 1 year	25.4%	27.5%	(2.1%)
Year to date	5.4%	5.6%	(0.3%)

TOP 10 HOLDINGS

As at 31 Dec 2017	% of Fund
Alphabet Inc	4.3%
Charter Communication A	4.1%
Comcast Corp Class A	3.7%
L Brands Inc	3.3%
Pershing Square Holdings	3.3%
Amazon Com Inc	3.2%
Altice SA	3.1%
Blackstone Group	3.0%
Facebook Inc.	3.0%
INTU Properties	2.9%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.1%	10.8%
Sharpe Ratio	0.59	1.06
Maximum Gain	17.8%	34.8%
Maximum Drawdown	(24.3%)	(13.4%)
Positive Months	63.9%	69.4%

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	5.4%												5.4%
Fund 2017	5.0%	3.6%	0.9%	4.0%	0.9%	(0.6)%	3.8%	(0.9)%	1.4%	0.5%	0.7%	3.4%	24.9%
Fund 2016	(10.1)%	2.3%	10.0%	0.6%	0.7%	(3.3)%	8.0%	1.5%	1.2%	(0.7)%	1.2%	1.2%	11.6%

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

The last quarter of 2017 continued to bring good news and strong returns to equity investors around the world. A combination of surprisingly strong economic data points (especially in regions like Europe and China), and a relatively benign outlook on interest rate normalisation in the US fueled equity markets to new highs. Investor euphoria built even stronger when the US legislative forums agreed to a radical reform of the US tax system, one of the cornerstones of the Trump administration's efforts to kick start growth in the US economy. The headline corporate federal tax rate is proposed to drop from 35% to 21%, in return for introducing a territorially based tax system. This will result in multinational US companies paying a bit more tax on their non-US earnings in return for the drastic reduction in domestic tax rates. At the time of writing this report, much of the detail remains unclear, but it does not take away from the fact that this is a significant event that in the short term will lead to a jump in the earnings of the S&P 500 of around 7-10%, and in the longer term could propel the US economy onto a higher growth path.

Global equity markets returned 5.7% over the quarter, and a very strong 24.0% over calendar 2017. The S&P 500 ended the year with a positive return in every month - a historic first. In addition to the factors mentioned above, inflationary pressures around the world continued to surprise on the downside and global central bank liquidity remained at close to peak levels throughout the year. This Goldilocks scenario culminated in very low volatility levels, with the cost of protection on equity markets continuing to make new lows as we speak.

Emerging markets had a blowout year, producing 37.3%, with China registering the strongest performance of 54.3%. Within developed markets, performances were closely bunched together, with Europe and Japan marginally outperforming the US. This was primarily as a result of the weaker US dollar as the US performed better than most other markets in local currency terms. The US dollar weakened by 14% against the euro over 2017. Over the longer term, the US equity market has however performed significantly better than any of the other developed equity markets.

While the performances of the various sectors over the quarter didn't divert much, healthcare continued to lag, as did utilities and telecommunication services. Energy stocks benefited surprisingly little from a strong rebound in the oil price, resulting the energy sector (+6.9%) being the worst performing subsector on the MSCI All Country World Index over 2017. Energy is probably the one sector (outside of real estate) that stand to benefit the least from the tax reform. Information technology was the standout winning sector, with an annual return of 41.8%. Other notable laggards were telecommunication (+8.1%) and utilities (+14.1%).

The fund performed well against this backdrop. It returned 24.9% for 2017, which should be viewed against a strong performance in 2016, meaning that alpha for the two-year period now amounts to 2.4% p.a. Over three years and since inception, the fund performed more or less in line with our benchmark given the very challenging first year of the fund's existence.

The biggest positive stock contributor this quarter was L Brands, a position that we have previously discussed in detail. It bounced back spectacularly from highly oversold levels, but subsequent to quarter-end sold off in response to poorer than expected Christmas trading numbers. Other strong contributors over the quarter included Fox (on the back of a proposed takeover by Disney), Amazon, Spirit Airlines (a low-cost US airline introduced into the portfolio a few quarters ago), Naspers, and Intu (after announcing a merger with Hammerson).

By far the biggest detractor was Altice NV, a new position in the fund that was severely punished by the market for producing poor trading numbers (especially in its French operation), leading to concerns about Altice's ability to service its reasonably high debt levels. Other disappointments included Allergan (loss of patents and an adverse court outcome), Newell Brands (poor trading update), and CVS Caremark and Walgreens (both punished due to fears that Amazon will enter the retail pharmacy market).

Over the last year Fortress remained our biggest positive contributor following its takeover by Softbank. Estácio and JD.com added significantly to performance, as did most of our other alternative asset managers (Apollo, KKR and Carlyle). Our internet positions including Amazon, Naspers and Facebook benefited from the strong uplift in the sector. The biggest detractors over 2017 were Altice NV (discussed above), Allergan and the retail pharmacy stocks Walgreens, CVS Caremark and Rite Aid (also on the back of Amazon-related concerns discussed above). Put options to protect the fund from a significant drawdown cost the fund 28 basis points over the 12-month period.

The US tax reform is a game-changing event, and investors should expect the portfolio to change once the details of the programme have been fleshed out. During the last quarter our decision to increase the fund's exposure to US cable stocks Comcast, Charter and even Altice NV was partially influenced by the fact that this sector will be a prime beneficiary of the proposed changes. The sector is almost exclusively focused on the US domestic market, provides for tax at the maximum rate, and is a significant investor in capital equipment, which will receive preferential tax deductions in terms of the current proposals. While the outcome of the tax reform initiative remained uncertain until just before Christmas, some of these stocks have reacted strongly before and after the bill has been passed. We will continue to assess investment opportunities with an open mind, but are also conscious of the fact that in a competitive environment like the US, there is a chance that at least some of the benefits of the tax reform will be competed away.

Portfolio managers
Louis Stassen and Neil Padoa
as at 31 December 2017

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EQUITY SELECT FUND

The Global Equity Select 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 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 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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