

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

Fund Information as at 31 January 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.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Opportunities Equity Fund. The only other assets that will be held at feeder fund level are local and foreign cash holdings for liquidity purposes.

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.

Of the annual fee, 0.40% is collected at feeder fund level, while the balance of the fee is collected in the master fund.

The above fee structure took effect on 01 February 2018.

The component of the fund fee charged at feeder fund level is subject to VAT. Fund expenses that are incurred in the fund include annual fees paid to unconnected underlying fund managers, 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 IS THE FUND MANAGER?



TONY GIBSON
BCom

GENERAL FUND INFORMATION

Launch Date	1 August 1997
Fund Class	A
Benchmark	MSCI All Country World Index
Fund Category	Global – Equity – General
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORINFF
ISIN Code	ZAE000019774
JSE Code	CNIG

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

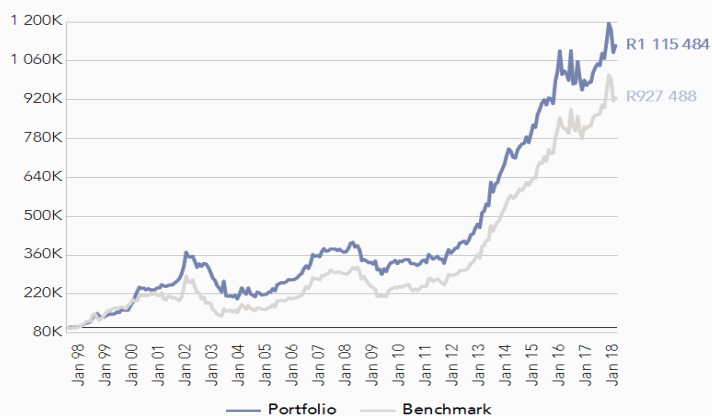
CLASS A as at 31 January 2018

Fund category	Global - Equity - General
Launch date	01 August 1997
Fund size	R 6.94 billion
NAV	10340.08 cents
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	2.67%	2.69%
Adjusted for out/(under)-performance	1.37%	1.36%
Fund expenses	-	0.03%
VAT	1.23%	1.22%
Transaction costs (inc. VAT)	0.07%	0.07%
Total Investment Charge	2.74%	2.76%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Jan 2018
Equities	88.7%
Global (8 Funds)	88.7%
Equity futures	11.1%
Cash	0.2%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - ZAR RETURNS

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1015.5%	827.5%	188.0%
Since Launch (annualised)	12.5%	11.5%	1.0%
Latest 20 years (annualised)	12.5%	11.5%	1.0%
Latest 15 years (annualised)	9.9%	12.5%	(2.6)%
Latest 10 years (annualised)	11.2%	12.1%	(0.9)%
Latest 5 years (annualised)	16.8%	18.9%	(2.0)%
Latest 3 years (annualised)	10.8%	13.3%	(2.6)%
Latest 1 year	13.5%	12.4%	1.1%
Year to date	2.3%	1.3%	1.0%

TOP 5 HOLDINGS

As at 31 Dec 2017
Egerton Capital
Contrarius Global Equity Fund
Coronation Global Emerging Markets Fund
Maverick Capital Fund
Tremblant Capital

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - USD RETURNS

	Fund	Benchmark	Active Return
Since Launch (unannualised)	331.1%	259.9%	71.3%
Since Launch (annualised)	7.4%	6.4%	0.9%
Latest 15 years (annualised)	7.6%	10.1%	(2.5)%
Latest 10 years (annualised)	6.2%	7.1%	(0.8)%
Latest 5 years (annualised)	10.4%	12.3%	(1.9)%
Latest 3 years (annualised)	9.9%	12.5%	(2.6)%
Latest 1 year (annualised)	27.9%	27.5%	0.4%
Year to date	6.2%	5.6%	0.6%
2017	25.5%	24.0%	1.5%
2016	0.6%	7.9%	(7.3)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.9%	16.8%
Sharpe Ratio	0.36	0.28
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	61.8%	58.5%

	Fund	Date Range
Highest annual return	66.2%	Apr 1999 - Mar 2000
Lowest annual return	(36.1)%	Oct 2002 - Sep 2003

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	2.3%												2.3%
Fund 2017	1.1%	0.0%	3.6%	1.9%	1.2%	(0.6)%	4.2%	(1.6)%	5.4%	6.0%	(1.9)%	(6.9)%	12.3%
Fund 2016	(7.7)%	1.2%	(1.0)%	(2.3)%	10.8%	(10.9)%	0.3%	7.9%	(5.9)%	(4.0)%	3.7%	(1.9)%	(11.3)%

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Quarterly Portfolio Manager Commentary

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 advanced 5.6% for the quarter against the benchmark return of 5.7%. This brings the fund's one-year performance to 25.2% compared to the 24.0% returned by the MSCI All Country World Index.

Global equity markets finished 2017 on a strong note, with the MSCI World Index delivering a return of 5.7% for the quarter. Strong economic growth underpinned the market with estimates that the global economy expanded at a rate of 3.3% over the past six quarters, which is the best period of sustained growth recorded since the 2008 credit crisis. The US economy is strong and the gradual tightening in monetary policy will now be offset by tax cuts which are expected to boost investment and growth in the medium term. Europe and Japan have both accelerated recently and all signs are that the global economy is carrying strong momentum into 2018.

Japan was the best performing region this quarter, rising 8.5% (in US dollar terms). The weakest return came from Europe, which rose 2.3% (in US dollar terms). The Pacific ex-Japan region returned 7.1% (in US dollar terms) and North America rose 6.4%. Emerging markets advanced 7.1% (in US dollar terms). The fund continues to be overweight North America, underweight Europe and Japan and overweight emerging markets

Amongst the global sectors, information technology (+8.1%), materials (+7.6%) and energy (+5.9%) generated the best returns. The worst performing sectors were utilities (-1.0%), healthcare (+0.6%) and telecommunications (+0.9%). On a look-through basis, the fund benefited from its overweight position in information technology and consumer discretionary and its underweight position in utilities and telecommunications. Its underweight positions in energy and materials detracted from performance.

In general, the underlying managers had a weak quarter although two of our holdings (Lansdowne Developed Market Strategy and Contrarius Global Equity) delivered very strong returns over the period.

Egerton lagged the index this past quarter, but has otherwise had a very good year. Detractors include Ryanair, which declined 8% due to issues relating to cancellations and pilot strikes, and Charter Communications, which also declined 8% after losing more customers than expected. Low exposure to resources also held the fund back.

Coronation Global Emerging Markets Fund also had a difficult quarter. Magnit, the Russian retailer, declined 33% after an equity raise, while X5, a competitor to Magnit, declined 16%. Ctrip (Priceline/Expedia) fell 16%. The fund did have some good performers including Porsche, which rose 29% after the dismissal of long outstanding lawsuits against the company, and Chinese insurers PingAn (+36%) and AIA Group (+16%) which benefited from a relaxation in regulations. These were not sufficient to offset the detractors though.

Maverick Capital and Tremblant Capital also closed the quarter behind the index. Maverick was again held back by its healthcare exposure after the industry recorded another poor earnings quarter. Tremblant held Unicredit (-14%), Tile Shop (-24%) and Telefonica Deutschland (-11%).

Contrarius and Lansdowne both generated strong alpha for the quarter. Contrarius benefited from its large weighting to energy and materials companies, while Lansdowne benefited from exposure to airlines and banking stocks.

Outlook

Global growth is strong and a key consideration for 2018 will be whether inflationary pressures that could arise from such growth will curb the pace of expansion. A recent Bloomberg survey indicated that consensus was for little or no acceleration in global inflation. Monetary policy is expected to remain benign with markets anticipating two to three rate hikes by the US Federal Reserve in the medium term. The ECB has already guided that its quantitative easing programme will last until at least September 2019 and that rates will be on hold until well past this date. The Bank of Japan, in turn, is not looking to change its relaxed monetary policy any time soon. It would be prudent to watch closely for any surprises on the upside that may modify these positions.

Portfolio manager

Tony Gibson

as at 31 December 2017

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL OPPORTUNITIES [ZAR] FEEDER FUND

The Global Opportunities Equity [ZAR] Feeder 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. 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. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Services Board in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider. 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. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

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

Unit trusts 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?

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 our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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