CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

Fund Information as at 30 November 2018

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WHAT IS THE FUND'S OBJECTIVE?

Global Managed aims to maximise long-term investment growth by investing in a range of opportunities available in public asset markets from around the world. Our intent is to outperform an equity biased benchmark over all five year periods.

WHAT DOES THE FUND INVEST IN?

Global Managed will have a bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund primarily invests in developed economies (including the US, Europe and Japan) but is also mandated to invest in emerging markets.

The intent is to keep the fund fully invested in foreign assets at all times. Its exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen.

The fund may use exchange traded funds and other financial instruments (eg. derivatives) to implement specific investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

7/10
Aggressive

Maximum growth/ minimum income exposures

Growth Assets: 100%
Income Assets: 0%

Global Managed aims to achieve the best possible long-term growth for investors. Consequently, it will be have a sizeable exposure to shares, which typically offer the best returns over the long run.

Global Managed will only invest in assets we view as being attractively valued and that could offer strong long-term investment growth. The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While shares typically offer superior long-term returns, this comes with higher levels of risk and volatility. We have a disciplined approach to reducing risk, but shares can be volatile investments and may suffer capital losses 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 Global Managed Fund, which is domiciled offshore. 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?

An investment term of more than five years is recommended.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- seek a single international investment that will give them access to some of the best opportunities around the globe;
- require investment growth over the long term and accept the possibility of volatility and the risk of short-term losses;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% 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.

All fees exclude VAT. 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 fund costs.

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

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

LOUIS STASSEN
BCom (Hons), BSc, CFA

NEIL PADOA
BEconSci (AcSci), FFA

GENERAL FUND INFORMATION

Launch Date	29 October 2009
Fund Class	A
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
Fund Category	Global – Multi-asset – High Equity
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGLMAZ
ISIN Code	ZAE000139721
JSE Code	COGM

CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

CLASS A as at 30 November 2018

CORONATION
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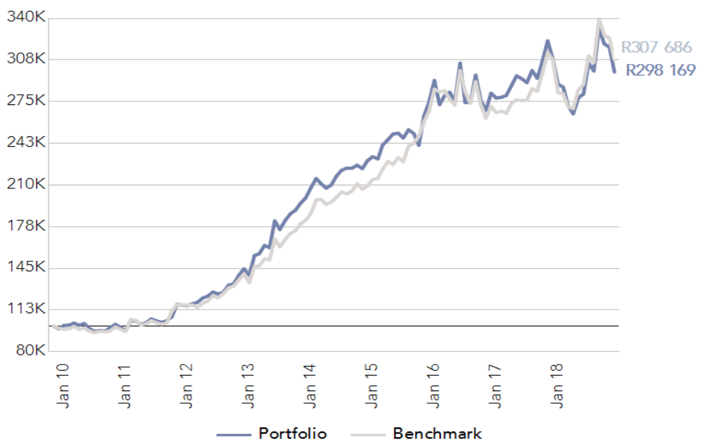
Fund category	Global - Multi Asset - High Equity
Launch date	29 October 2009
Fund size	R 6.15 billion
NAV	293.68 cents
Benchmark/Performance Fee Hurdle	Composite: 60% MSCI All Country World Index & 40% Barclays Global Bond Aggregate
Portfolio manager/s	Louis Stassen and Neil Padoa

	1 Year	3 Year
Total Expense Ratio	1.60%	1.59%
Fee for performance in line with benchmark	1.51%	1.48%
Adjusted for out/(under)-performance	-	(0.06)%
Fund expenses	0.02%	0.09%
VAT	0.07%	0.07%
Transaction costs (inc. VAT)	0.19%	0.16%
Total Investment Charge	1.79%	1.75%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



RISK AND RETURNS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	198.2%	207.7%	(9.5%)
Since Launch (annualised)	12.8%	13.2%	(0.4%)
Latest 5 years (annualised)	8.3%	11.0%	(2.7%)
Latest 3 years (annualised)	2.7%	4.7%	(2.0%)
Latest 1 year	(3.4%)	(0.1%)	(3.3%)
Year to date	3.2%	9.1%	(5.8%)

RETURNS VS BENCHMARK (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	68.8%	73.3%	(4.4%)
Since Launch (annualised)	5.9%	6.2%	(0.3%)
Latest 3 years (annualised)	4.2%	6.1%	(1.8%)
Latest 1 year (annualised)	(4.8%)	(1.6%)	(3.2%)
Year to date	(7.7%)	(2.7%)	(5.1%)

PORTFOLIO DETAIL

ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2018
Equities	56.6%
Merger Arbitrage	0.0%
Property	12.1%
Commodities	1.8%
Bonds	16.4%
Cash	13.0%

TOP 10 HOLDINGS

As at 30 Sep 2018	% of Fund
British American Tobacco	3.5%
Charter Communication A	3.4%
Alphabet Inc	3.3%
Philip Morris Int Inc	2.3%
Altice Financing SA	2.3%
Blackstone Group	2.0%
INTU Properties	1.8%
Airbus Group SE	1.7%
Pershing Square Holdings	1.7%
Facebook Inc.	1.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.7%	12.3%
Sharpe Ratio	0.43	0.51
Maximum Gain	22.7%	24.8%
Maximum Drawdown	(17.7)%	(14.0)%
Positive Months	61.5%	60.6%

	Fund	Date Range
Highest annual return	48.9%	Jan 2013 - Dec 2013
Lowest annual return	(7.7%)	Apr 2017 - Mar 2018

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	(0.9)%	(4.9)%	(2.5)%	4.7%	1.1%	8.6%	(2.0)%	11.2%	(3.7)%	(0.8)%	(6.1)%		3.2%
Fund 2017	0.2%	0.5%	2.8%	2.6%	(0.7)%	(1.0)%	3.2%	(2.0)%	4.6%	5.2%	(4.3)%	(6.4)%	3.9%
Fund 2016	(6.5)%	2.6%	1.0%	(2.6)%	10.9%	(10.1)%	0.0%	7.8%	(6.6)%	(2.9)%	5.0%	(1.3)%	(4.7)%

Issue date: 2018/12/11

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

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.

Despite more clouds gathering on the horizon of global growth prospects during the third quarter of 2018, global equity market participants preferred to focus on continued strong profit growth numbers - especially out of the US - to register very strong returns over the period. The MSCI All Country World Index returned 4.3% over the quarter, almost matching the year-to-date number of 3.8%. At the same time, investors have had to adjust their interest rate expectations for the US upwards, as was discussed in a few of our earlier quarterly reports. This was in response to US economy continuing to surprise on the upside in terms of growth and the sustainability of this growth.

Going forward, we will continue to monitor escalations in the trade war dialogue, primarily between the US and China. Up to now, the market has chosen when it becomes concerned about developments, and hence one should exercise judgement when headline-grabbing pronouncements are made. As we argued in the prior quarter, we think the bigger issue that investors need to focus on is the process of interest rate normalisation playing out in the US. Ten-year yields in the US have moved from 2.9% at the end of June 2018 to 3.1% at the end of September 2018 and have subsequently moved to over 3.2%. The global bond index, in fact, generated negative returns over the last three months, resulting in a negative 1.3% returns over the last year. We continue to exercise caution with regards to the bond market, despite the weakness over the last few years. Investors should be reminded that in Europe the process of interest rate normalisation has barely started, hence we continue to advise exercising caution when calibrating expectations for equity market returns over the next few years.

Another notable development over the last three months has been the increased cost of capital in emerging market equities. This subset underperformed their developed market complex by 6% over the quarter, on top of an underperformance of almost 10% in the prior three month-period. This has meant that, over most periods, emerging markets have now underperformed developed markets, with the US equity market continuing to be the stand-out performer over the last decade. Emerging market currencies shared in this adjustment, with the Russian ruble, South African rand and Indian rupee all depreciating by around 12% during 2018. The Turkish lira is down almost 37%, but we view this as mostly self-inflicted as the political regime continued to alienate foreign investors with illogical and, at times, contradictory actions. Developed economies' currencies generally depreciated only slightly against the US dollar over the quarter (around 2%).

Healthcare was the best performing sector this past quarter, with information technology (IT) again registering a strong performance. Laggards were energy (after a very strong second quarter), utilities and real estate. Since the start of the year, consumer staples (in line with higher long bond rates), financials (slightly more perplexing given the higher interest rate expectations), materials (concerns over emerging market growth prospects) and telecommunications (also higher interest rates) have been laggards, with IT by far the best performer and healthcare a clear second.

Listed property had a tough quarter, with essentially a flat performance. UK property continued to suffer from a weaker fundamental outlook, with further uncertainty regarding the Brexit outcome muddying the waters. Our property holdings, which have a disproportionate exposure to the UK, suffered as a result, although the potential bid for UK Real Estate Investment Trust Intu after quarter-end, has lifted the prices of some of these counters. We are awaiting further news on that front.

Portfolio managers
Louis Stassen and Neil Padoa
as at 30 September 2018

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

The Global Managed [ZAR] Feeder Fund should be considered a medium- to 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. The top 10 holdings are reflected on a look-through basis. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority 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 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 our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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