CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

Fund Information as at 30 April 2019

CORONATION
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WHAT IS THE FUND'S OBJECTIVE?

Global Capital Plus is in the first instance managed to achieve reasonable investment growth over time. Our intent is that the fund should meaningfully outperform an investment in developed market cash over any five-year period. In addition, we aim to preserve capital over any 12-month period.

WHAT DOES THE FUND INVEST IN?

Global Capital Plus can invest in all listed asset classes including shares, listed property, bonds and cash. The fund will primarily have exposure to developed economies (including the US, Europe and Japan) but can also invest in emerging markets.

The fund is managed to suit the needs of more conservative investors who want to invest for longer than three years. Exposure to growth assets (shares and listed property), which pose more risk than income assets, will typically not exceed 50%.

The intent is to keep the fund fully invested in foreign assets at all times. It will have exposure to a variety of currencies, with a general bias towards developed markets, specifically to the US dollar and euro.

The fund is allowed to make use of exchange traded funds and financial instruments to implement its investment views.

This feeder fund aims to remain fully invested in units in the Global Capital Plus Fund, which is domiciled offshore. The only other assets that will be held at feeder fund level is local and foreign cash for liquidity purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

6/10
Moderate

Maximum growth/ minimum income exposures

Growth Assets: 50%
Income Assets: 50%

Global Capital Plus aims to protect capital over any 12-month period in all market conditions, while offering real investment growth over the long term. However, capital is not guaranteed.

The fund invests in a broad range of different assets and many countries. Global currency movements may intensify investment gains or declines.

A conservative multi-asset fund which aims to preserve capital, it is classified as having a conservative to moderate risk profile. However, the fund has significant foreign asset exposure and is therefore subject to currency volatility. For the rand investor the risk profile of the fund should be considered as moderate to high.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than three 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, while aiming to protect their capital;
- require conservative exposure to offshore markets;
- 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 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 ARE THE FUND MANAGERS?

TONY GIBSON	LOUIS STASSEN	NEIL PADOA
BCom	BSc, BCom (Hons), CFA	BEconSci (AcSci), FFA

GENERAL FUND INFORMATION

Launch Date	1 November 2008
Fund Class	A
Benchmark	100% USD 3-month LIBOR + 1.5%
Fund Category	Global – Multi-asset – Low Equity
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGCPFA
ISIN Code	ZAE000126652
JSE Code	COLA

CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

CLASS A as at 30 April 2019

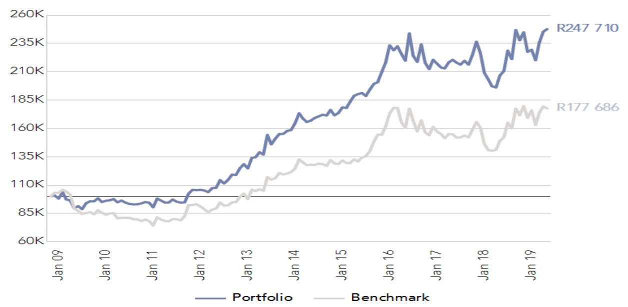
CORONATION
TRUST IS EARNED™

Fund category	Global - Multi Asset - Low Equity
Launch date	01 November 2008
Fund size	R 2.23 billion
NAV	257.11 cents
Benchmark/Performance Fee Hurdle	100% USD 3-month LIBOR+1.5%
Portfolio manager/s	Tony Gibson, Louis Stassen and Neil Padoa

	1 Year	3 Year
Total Expense Ratio	1.36%	1.41%
Fund management fee	1.35%	1.38%
Fund expenses	(0.05)%	(0.03)%
VAT	0.09%	0.07%
Transaction costs (inc. VAT)	0.09%	0.09%
Total Investment Charge	1.45%	1.50%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	147.7%	77.7%	70.0%
Since Launch (annualised)	9.0%	5.6%	3.4%
Latest 10 years (annualised)	10.7%	7.0%	3.7%
Latest 5 years (annualised)	8.2%	6.8%	1.4%
Latest 3 years (annualised)	4.1%	3.4%	0.6%
Latest 1 year	19.8%	19.2%	0.6%
Year to date	8.0%	1.0%	6.9%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	68.7%	22.0%	46.6%
Since Launch (annualised)	5.1%	1.9%	3.2%
Latest 10 years (annualised)	5.0%	1.6%	3.4%
Latest 5 years (annualised)	1.8%	0.5%	1.3%
Latest 3 years (annualised)	3.7%	3.2%	0.5%
Latest 1 year (annualised)	3.8%	4.1%	(0.3)%
Year to date	8.4%	1.4%	7.0%
2018	(6.1)%	3.9%	(10.0)%
2017	7.6%	2.8%	4.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.3%	14.3%
Sharpe Ratio	0.37	N/A
Maximum Gain	23.7%	N/A
Maximum Drawdown	(19.6)%	N/A
Positive Months	57.9%	N/A

	Fund	Date Range
Highest annual return	34.8%	Jun 2012 - May 2013
Lowest annual return	(10.6%)	Jun 2016 - May 2017

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Apr 2019
Equities	30.1%
Merger Arbitrage	0.4%
Property	9.4%
Commodities	3.3%
Bonds	13.9%
Cash	42.9%

TOP 10 HOLDINGS

As at 31 Mar 2019	% of Fund
Alphabet Inc	3.6 %
British American Tobacco	3.6 %
Charter Communications	3.5 %
Blackstone Group	2.2 %
Altice USA	2.0 %
Airbus	1.9 %
Philip Morris International	1.8 %
Anheuser-Busch Inbev	1.8 %
Facebook	1.8 %
Naspers	1.5 %

CURRENCY ALLOCATION

Currency as at 30 Apr 2019	% of Fund
US Dollar	89.2%
Other	10.8%

MONTHLY PERFORMANCE RETURNS (AFTER FEES) (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	(4.0)%	7.0%	4.2%	0.9%									8.0%
Fund 2018	(2.8)%	(2.9)%	(0.5)%	5.4%	1.9%	8.5%	(3.3)%	11.6%	(3.6)%	2.9%	(7.0)%	0.8%	9.8%
Fund 2017	(1.5)%	(0.4)%	2.5%	1.1%	(1.1)%	(0.8)%	1.5%	(1.5)%	3.9%	5.2%	(4.2)%	(7.8)%	(3.7)%

Issue date: 2019/05/10

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.

No sooner had the dust settled on 2018 than global investors changed their focus from recessionary fears to the more dovish commentary from both the US and European central banks in response to the weaker global economic outlook amidst heightened trade war fears. Expectations around future interest rate moves repriced significantly, with investors now expecting the next move to be a decline in short rates in the US. While this outlook continues to discount a significantly more dovish scenario than suggested by the US Federal Reserve's dot plot, this divergent interest rate view has been a feature of the market for quite some time. We continue to hold a slightly more hawkish view with regards to interest rates, and believe the market has become too complacent about inflationary pressures as well as interest rates. Long bonds also repriced, with 10-year Treasuries now trading at around 2.5%after touching 3.2% in the fourth quarter of 2018 (Q4-18).

Global equities performed well, almost fully erasing the declines of Q4-18, with the MSCI All Country World Index returning 12.2% over the quarter

(Q1-19) on a net basis. As a result, the lagging 12-month performance has turned positive again, achieving 2.6% (net). The US outperformed Europe by about 3% over Q1-19 and by 12.5% over the last year. Japan was a notable laggard over these periods, returning 6.6% over Q1-19, and negative 7.6% over the last year. Emerging markets (as measured by the MSCI Emerging Markets Index) also underperformed their developed market peers by generating 9.9% (net) over the quarter and negative 7.4% (net) over the year. China bounced back strongly, as would have been expected given the slightly improved macroeconomic backdrop, but still performed poorly over the last 12 months. Information technology was the best performing sector given the reduced long-term discount rate, while interest rate sensitive sectors such as real estate and consumer discretionary also did well. Energy rebounded on the back of the stronger oil price. Healthcare and financials were the laggards, the latter suffering from the flattening of, and drop in, the yield curve.

Surprisingly, the US dollar also strengthened by 2.2% against the euro and by 1.1% against the yen, contributing to the underperformance of the other regions. Gold was marginally positive over Q1-19.

As alluded to above, global bonds (as measured by the Bloomberg Barclays Global Aggregated Bond Index) had a good quarter with a positive return of 2.2% despite the stronger US dollar suppressing non-US asset returns. Over the last 12 months, the total return for global bonds was still marginally negative though. Global listed property performed well against the more benign outlook for interest rates, returning almost 15% over Q1-19. All regions were strong, led by the US, although Japan again lagged the rest of the world. Retail property stocks rebounded from their oversold levels.

The fund had a strong quarter, generating a return of 6.6% –one of its best quarters in a long time. Over the three years to end-March 2019, the fund returned 3.6% p.a., while its annualised return since inception was 3.9%.

While we increased the fund's equity exposure over Q1-19, we continued to position it relatively conservatively, by buying put options from time to time and by reducing the risk asset exposure following the period of strong equity market performance. Currently the fund has 29.1% effective equity exposure and 10% exposure to listed property. Our property exposure, while lagging the overall property index return, still contributed strongly to the fund's good performance. Our fixed interest component was very conservatively positioned, thus not participating much in the downward move in long bonds. Over the last 12 months, the major detractors were our UK property holdings.

Within equities, we are pleased some of our detractors in previous quarters turned around strongly in Q1-19 to contribute to our good performance. British American Tobacco was the biggest contributor (arguably from a very oversold position), followed by Altice USA which has rerated on slightly better than expected results and rumours of an asset sale that will help the company delever quicker than expected. Airbus continued to perform well, aided of late by the misfortunes of its biggest competitor Boeing. Philip Morris, Charter Communications and Pershing Square Holdings (Pershing) also materially added to the fund's outperformance.

As indicated earlier, we have reduced both our equity and listed property exposure somewhat into the rally. While equity valuations are not high, we remain circumspect regarding the future direction and absolute level of US interest rates while also keeping an eye on geopolitical developments.

Pershing is a stock we have held in the portfolio for a long time. We received some questions about this holding, as it represents an investment into a fund actively managed by Bill Ackman, an activist investment manager with a great track record until a few years ago. The fund is a permanent capital vehicle with a relatively high fee structure. This means that unless Ackman performs very well, the fund will tend to perform worse than the market after fees. At the time of investing, Ackman's fortunes have turned for the worse, following some high-profile disasters such as investing in Valeant Pharmaceuticals and shorting Herbalife. We bought into the fund at a discount to net asset value (NAV) of about 15% - 20%, which consists of only listed equities.

Interventions by Ackman since we established our holding included buying back 10% of the fund at a 15% discount to NAV and investing another 10% into the fund in his personal capacity. Over the last 12 - 18 months, his fortunes started changing materially, to the extent that the fund has outperformed the S&P 500 Index by more than 20% over this time. Investors have continued to remain on the sidelines though, as is evidenced by the current discount to NAV of 27%. We believe that this level of discount is unsustainable, and that a number of alternative actions could help realise some or all of this value. In all of these outcomes investors will benefit substantially. At the same time though, we have reduced exposure to the stock somewhat, as we are worried that the asset values are now at challengingly high levels. This experience has again highlighted the benefit of taking a longer-term investment view. While these high-conviction ideas do not always work out as well as Pershing, we will continue to look for ideas across the investment spectrum, in both conventional and unconventional sectors and circumstances.

We thank our investors for their continued support We remain focused on balancing the dual objectives of delivering both a reasonable return while being cognisant of our investors' low risk tolerance by investing in a range of asset classes.

Portfolio managers
Louis Stassen, Tony Gibson and Neil Padoa
as at 31 March 2019

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

The Global Capital Plus [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 2018 (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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.