CORONATION GLOBAL EMERGING MARKETS FLEXIBLE [ZAR] FUND

Fund Information as at 30 April 2019

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WHAT IS THE FUND'S OBJECTIVE?

The Global Emerging Markets Flexible [ZAR] Fund aims to give investors access to the best opportunities in emerging equity markets. The fund actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the emerging equity benchmark over all periods of five years and longer.

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies which are either based in emerging countries, or earn a significant part of their revenue from emerging economies. It can also invest in cash and bonds, but will remain biased towards shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

9/10

Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%

Income Assets: 0%

The fund will only invest in shares we view as being attractively valued and 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. Emerging markets are generally viewed as more risky than developed markets. 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 in emerging markets;
- 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 for exposure to emerging markets;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 1.00% and a maximum of 2.40%, depending on the fund's performance, is payable.

If fund performance equals that of the benchmark (after fees and costs), a fee of 1.15% will be charged. We share in 20% of performance above the benchmark, up to a total annual fee of 2.40%. Performance is measured over a rolling 24-month period.

If the fund underperforms the benchmark over any 60-month period, the fee is reduced by 0.15%.

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 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?

GAVIN JOUBERT
BBusSc, CA (SA), CFA

SUHAIL SULEMAN
BBusSc, CFA

LISA HAAKMAN
CA (SA), CFA

IAKOVOS MEKIOS
Ptychion (BSc), MIA, IMC, CFA

GENERAL FUND INFORMATION

Launch Date	28 December 2007
Fund Class	A
Benchmark	MSCI Emerging Markets Index
Fund Category	Global – Multi-asset – Flexible
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORGLOB
ISIN Code	ZAE000109211
JSE Code	CGEM

CORONATION GLOBAL EMERGING MARKETS FLEXIBLE [ZAR] FUND

CLASS A as at 30 April 2019

CORONATION
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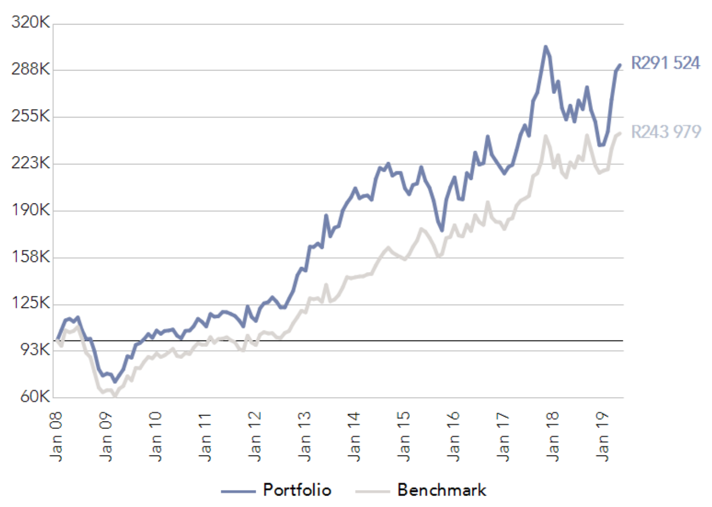
Fund category	Global - Multi Asset - Flexible
Launch date	28 December 2007
Fund size	R 4.17 billion
NAV	283.70 cents
Benchmark/Performance Fee Hurdle	MSCI Emerging Markets Index
Portfolio manager/s	Gavin Joubert, Suhail Suleman, Lisa Haakman and Iakovos Mekios

	1 Year	3 Year
Total Expense Ratio	1.37%	1.58%
Fee for performance in line with benchmark	1.18%	1.22%
Adjusted for out/(under)-performance	(0.10)%	0.00%
Fund expenses	0.14%	0.19%
VAT	0.15%	0.17%
Transaction costs (inc. VAT)	0.20%	0.20%
Total Investment Charge	1.57%	1.78%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	30 Apr 2019
Equities	**95.61%**
China	28.07%
India	11.36%
Russian Federation	10.11%
Brazil	9.06%
South Africa	6.08%
France	5.88%
United Kingdom	5.05%
Germany	3.78%
Netherlands	3.59%
Hong Kong	2.90%
Other	9.71%
Cash	**4.34%**
USD	2.76%
ZAR	1.22%
Other	0.32%
HKD	0.04%
Commodities	**0.05%**
Jersey	0.05%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	191.5%	144.0%	47.5%
Since Launch (annualised)	9.9%	8.2%	1.7%
Latest 10 years (annualised)	13.8%	13.6%	0.3%
Latest 5 years (annualised)	8.1%	10.8%	(2.7)%
Latest 3 years (annualised)	11.1%	11.5%	(0.4)%
Latest 1 year	10.7%	9.0%	1.7%
Year to date	23.4%	11.8%	11.6%

TOP 10 HOLDINGS

As at 31 Mar 2019	% of Fund
Naspers Ltd (South Africa)	4.6%
58 Com Inc-Adr (China)	4.4%
British American Tobacco Plc (United Kingdom)	4.2%
Housing Dev Finance Corp (India)	4.0%
Ping An Insurance Group Co (China)	3.9%
Magnit Ojsc-Spon (Russian Federation)	3.4%
JD.com Inc Adr (China)	3.4%
Wuliangye Yibin Co Ltd (China)	3.3%
Sberbank (Russian Federation)	3.0%
AIA Group Ltd (Hong Kong)	2.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Return	9.9%	8.2%
Annualised Deviation	17.1%	15.4%
Sharpe Ratio	0.15	0.06
Maximum Gain	25.5%	36.4%
Maximum Drawdown	(38.6)%	(44.2)%
Positive Months	56.6%	56.6%

	Fund	Date Range
Highest annual return	49.7%	Mar 2009 - Feb 2010
Lowest annual return	(37.5%)	Mar 2008 - Feb 2009

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	0.17	0.17	0.00
30 Sep 2009	01 Oct 2009	0.12	0.11	0.01
30 Sep 2008	01 Oct 2008	0.93	0.91	0.02

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	3.8%	9.1%	7.3%	1.5%									23.4%
Fund 2018	2.7%	(6.6)%	(3.1)%	3.8%	(4.2)%	5.8%	(2.3)%	5.9%	(5.8)%	(3.1)%	(6.4)%	0.1%	(13.4)%
Fund 2017	2.1%	0.6%	4.6%	4.7%	2.7%	(2.9)%	10.0%	2.2%	5.6%	5.8%	(2.3)%	(8.3)%	26.2%

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 retail class of the fund.

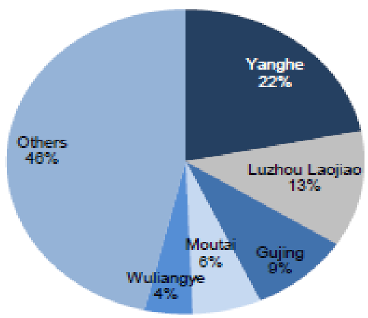
The fund had a very good quarter, returning 21.6% compared to the MSCI Emerging Markets Index return of 11% (both in rands) and in doing so outperformed the market by 10.6%. This made it the fund's best quarter of outperformance since inception over 11 years ago. Its previous best quarter was the one to end September 2008 (9.4% outperformance) in the midst of the 2008 GFC.

During the quarter to end March 2019 there were a number of stocks that contributed positively, with all of the 15 largest positive stock contributors appreciating by more than c. 20% in USD. At the top of the list was Wuliangye Yibin (+92%, 1.8% contribution), New Oriental Education (+62%, 1.2% contribution) and Yes Bank (+53%, 0.9% contribution) followed by British American Tobacco (+29%, 0.8% contribution), Ctrip (+60%, 0.7% contribution), JD.com (+36%, 0.7% contribution) and Philip Morris (+34%, 0.6% contribution). A number of these stocks were poor performers in 2018 (specifically in the last few months of the year) and so the fund's strong performance to date in 2019 is partly a reversal of a poor 2018. JD.com, Yes Bank, British American Tobacco, Philip Morris and Ctrip would all fall into this category. In addition, a few of the new buys in late 2018 were strong performers, most notably Wuliangye Yibin and New Oriental Education. Lastly, a number of long-held positions contributed positively, including Airbus (+38%, 0.6% contribution), Ping An Insurance (+28%, 0.4% contribution) and 58.com (+16%, 0.2% contribution). At the same time there were few large negative contributors with only one detractor of more than 0.5% (Alibaba's -0.6% detraction). Since inception over 11 years ago the fund has outperformed the market by 1.7% p.a.

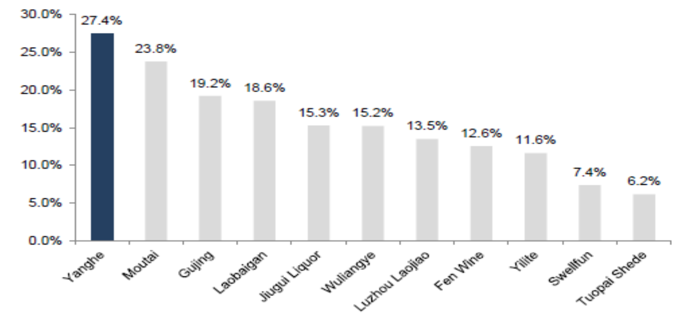
There were 5 new buys during the quarter. The 2 largest new buys were that of Jiangsu Yanghe Brewery (1.6% position) and LVMH (1.7% position). The 3 other buys were small: a 0.9% position in NetEase (#2 online gaming company in China after Tencent), a 0.5% position in BM&F Bovespa (Brazil's dominant vertically integrated multi-asset [equity, bonds, derivatives] exchange) and a 0.4% position in Eastern Tobacco (Egypt's monopoly cigarette manufacturer). In total, the 5 new buys represent 5.1% of the fund. During the quarter, we sold China's #1 search engine, Baidu (a 1.5% position at the start of the year) due to increasing concerns about the core search business as well as the uncertain future return from the numerous other areas where the group is investing significant capital. In terms of other portfolio activity, we reduced the positions in New Oriental Education, Ctrip, Noah, Li-Ning and Adidas (all on strong share price performance and resultant less upside to our estimate of fair value) as well as Indiabulls (largely due to a reduction in our fair value and a less attractive risk/return profile). From a buying point of view, most of the activity was in the 5 aforementioned new buys but we also added to the existing positions in HDFC Bank and Pão de Açúcar.

Jiangsu Yanghe Brewery is the largest *premium* brand baijiu (the dominant white spirit in China) company, in contrast to the main *ultra-premium* (very high end) baijiu companies Kweichow Moutai (not owned in the fund) and Wuliangye Yibin (a 3.3% position in the fund). We bought a position in Wuliangye Yibin late last year and subsequently continued to do additional work on the industry, including a week's trip to China solely focused on the Baijiu industry which led us to Jiangsu Yanghe.

Market share of premium baijiu



Sales growth rates of baijiu companies 2007-2017

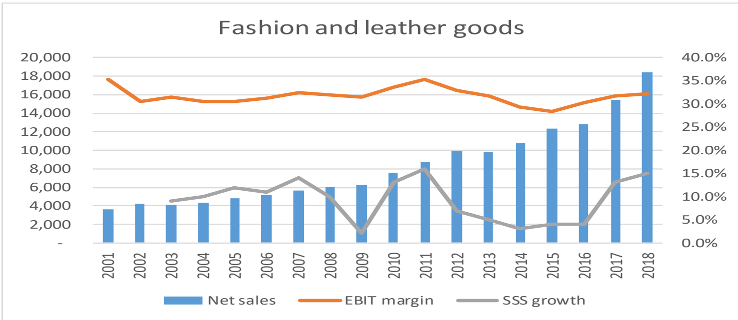


Source: Euromonitor, Deutsche Bank

Over the past decade, Jiangsu Yanghe have grown sales by 27% p.a., making them the fastest growing baijiu company over this period. Both net profit and free cash flow have grown by 35% p.a. over the past 10 years and today the company generates over $ 1b of free cash flow. The company is a beneficiary of the premiumisation of baijiu (their main premium brand 'Dream Blue' series has gone from being 2% of sales a decade ago to contributing over 20% of sales today) and we expect this to continue, together with further expansion to regions outside of their home base, Jiangsu (which today still contributes 53% of sales). A unique feature of Jiangsu Yanghe that also attracts us is the fact that management own c. 21% of the company. Just like Kweichow Moutai and Wuliangye Yibin, the financial metrics of Jiangsu Yanghe are impressive with operating margins of c. 45%, return on capital of c. 20% and high free cash flow conversion (over 100% of net profit in the past 3 years has been converted into free cash flow). The share trades on c. 18.5x forward earnings with a 3% dividend yield, which we believe is attractive given its long-term prospects.

The other new buy of note was a 1.7% position in LVMH, which we have covered for several years and have owned in the Strategy in the past. LVMH (Louis Vuitton Moet Hennessy) is the largest global luxury goods company and the owner of the Louis Vuitton brand (c. 50% of group profits) and many other global brands including Moët & Chandon, Hennessy, Christian Dior, Fendi, Bulgari and Tag Heuer. Over 40% of sales come from emerging markets and the Chinese consumer alone (purchasing at home as well as while travelling) is responsible for well over 50% of incremental growth.

Historic sales, same-store sales growth and EBIT margin of LMVH Fashion & Leather Goods division



Source: Coronation, LVMH annual reports

LVMH has an enviable track record (over the past 20 years EPS has compounded at c. 12% p.a.) and today is well placed to be a key beneficiary of the growing emerging market middle and upper class and the wealth effect. The barriers to entry possessed by the true global luxury brands (Hermes, Louis Vuitton and Gucci) are amongst the highest in any industry in our view: in the case of Louis Vuitton, a 150-year history and investment in the brand for a start. The resilience (of both the topline and profitability) of the Louis Vuitton brand in particular in tough economic periods is also unparalleled: in 2009 (post the GFC) sales of the Fashion & Leather division (with Louis Vuitton making up the lion's share of this division) of LVMH grew by 2% and EBIT grew by 3%. In 2002 (post September 11th) the Fashion & Leather goods division experienced 16% sales growth (and this after double-digit sales growth in 2001 as well) and 5% EBIT growth. The fund bought LVMH on c. 20x forward earnings and a 2% dividend yield, which we think is attractive for what we would consider to be one of the best businesses in the world.

Members of the Global Emerging Markets team continue to travel extensively to enhance our understanding of the businesses we own in the fund, their competitors and the countries in which they operate, as well as to find potential new ideas. In the first quarter, there were 2 trips to China and 2 to India. The coming months will see a further trip to China as well as one to Brazil. The fund's weighted average upside to fair value at the end of March was c. 40%, which we feel is compelling. We would also consider the overall quality of the stocks held in fund currently to be above average when compared with other points in the fund's 11-year history.

Portfolio managers
Gavin Joubert and Suhail Suleman
as at 31 March 2019

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IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EMERGING MARKETS FLEXIBLE [ZAR] FUND

The Global Emerging Markets Flexible [ZAR] 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. Asset allocation and 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 Asset Management (Pty) (FSP 548) Ltd, 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

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