

## 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



### Maximum growth/ minimum income exposures



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](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?

**LOUIS  
STASSEN**

BSc, BCom (Hons), CFA

**NEIL  
PADOA**

BEconSci (AcSci), FFA

## GENERAL FUND INFORMATION

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

# CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

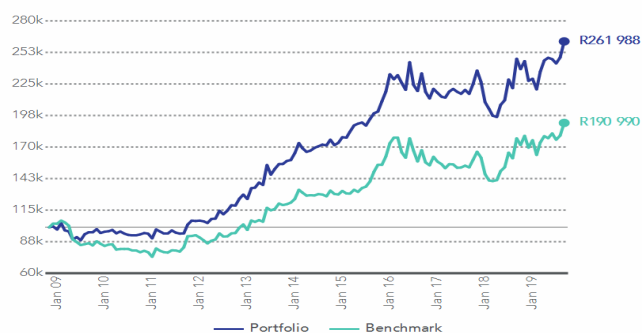
CLASS A as at 31 August 2019

<b>Fund category</b>	Global - Multi Asset - Low Equity
<b>Launch date</b>	01 November 2008
<b>Fund size</b>	R 2.37 billion
<b>NAV</b>	271.93 cents
<b>Benchmark/Performance</b>	100% USD 3-month LIBOR+1.5%
<b>Fee Hurdle</b>	
<b>Portfolio manager/s</b>	Tony Gibson, Louis Stassen and Neil Padoa

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.36%	1.40%
Fund expenses	1.35%	1.36%
VAT	(0.05)%	(0.02)%
Transaction costs (inc. VAT)	0.09%	0.07%
Total Investment Charge	0.09%	0.08%
	1.45%	1.48%

## 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)	162.0%	91.0%	71.0%
Since Launch (annualised)	9.3%	6.2%	3.1%
Latest 10 years (annualised)	10.6%	8.1%	2.5%
Latest 5 years (annualised)	8.9%	8.5%	0.4%
Latest 3 years (annualised)	3.8%	4.5%	(0.7)%
Latest 1 year	6.1%	7.6%	(1.5)%
Year to date	14.2%	8.6%	5.6%

### PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	68.5%	23.6%	44.9%
Since Launch (annualised)	4.9%	2.0%	3.0%
Latest 10 years (annualised)	3.4%	1.2%	2.2%
Latest 5 years (annualised)	1.4%	1.2%	0.2%
Latest 3 years (annualised)	2.8%	3.4%	(0.6)%
Latest 1 year (annualised)	2.5%	4.1%	(1.6)%
Year to date	8.3%	2.7%	5.6%
2018	(6.1)%	3.9%	(10.0)%
2017	7.6%	2.8%	4.8%

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.2%	14.2%
Sharpe Ratio	0.35	N/A
Maximum Gain	23.7%	N/A
Maximum Drawdown	(19.6)%	N/A
Positive Months	57.7%	N/A

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

### 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%	(0.5)%	(1.5)%	2.1%	5.6%					14.2%
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)%

## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Aug 2019
Equities	30.3%
Merger Arbitrage	0.0%
Property	6.4%
Commodities	4.1%
Bonds	12.4%
Cash	46.8%

### TOP 10 HOLDINGS

As at 30 Jun 2019	% of Fund
British American Tobacco	1.5 %
Charter Communication A	1.4 %
Alphabet Inc	1.3 %
Philip Morris Int Inc	1.1 %
Heineken NV	1.1 %
Blackstone Group	1.1 %
Anheuser-busch Inbev	0.9 %
Unibail Group Stapled	0.9 %
Facebook Inc.	0.9 %
Airbus Group Se	0.9 %

### CURRENCY ALLOCATION

Currency as at 31 Aug 2019	% of Fund
US Dollar	91.1%
Other	8.9%

During the second quarter of 2019 (Q2-19), global financial markets continued to be dominated by a shift in investors' interest rate expectations and the unfolding trade war saga, primarily between the US and China. Markets are now discounting almost three cuts of 25 basis points (bps) each in the US before the end of the year, a stark contrast to only six months ago when the expectation was for at least one rate increase during the calendar year. This shift occurred against the backdrop of a more benign inflationary outlook, including the outlook for wage pressures in the US where the economy is operating at an historically low unemployment rate, and a weakening global growth outlook that has spooked central banks around the globe into a more dovish viewpoint.

This weaker growth outlook was exacerbated, if not caused, by the uncertainty created by the increasingly hostile trade war rhetoric between the US and many of its major trading partners. The slightly more conciliatory tone from the US towards the end of the quarter also helped to settle investors' fears. Unrelated issues such as the continued uncertainty around Brexit, political turmoil in France and some self-inflicted headwinds in emerging economies, such as Turkey, also helped lower growth estimates. To contextualise this shift in sentiment, it is worth noting that the US 10-year Treasury now trades around 2.00%, down from a high of around 3.35% in the fourth quarter of 2018. Central banks have responded to these changes in the macroeconomic outlook by signalling their willingness to come to the rescue with a more accommodative monetary policy, either through the lowering of interest rates or (in the case of the European Union) a resumption of quantitative easing.

Markets continued to take comfort from these dovish developments by bidding up risky assets, with the MSCI All Country World Index returning 3.6% in Q2-19 on a net basis, bringing the year-to-date return to an unimaginable 16.2%. The rolling 12-month number is now positive again, with a return of 5.7%, and the three-year number is 11.6% p.a., a very respectable number given the uncertainties that faced investors over this period. Developed markets, once again, outperformed over the quarter, with the emerging market universe negatively impacted by the trade war developments and some of the country-specific issues referred to above. The US was the star performer, with some help from stronger earnings growth than seen in the rest of the world and a further re-rating in the market.

As mentioned above, fixed-interest assets performed well, benefiting from a downward shift in the yield curve since the beginning of the year. Credit spreads also tightened, supporting performance in the asset class even more. Listed property had a muted Q2-19, following a very strong first quarter of the year. Logistics assets continued to outperform other property classes. Gold had a strong quarter, which did not come as a surprise given the lower opportunity cost on the shift in forward interest rates and the continued political uncertainty. Most industrial metals had a poor quarter on the back of a weaker growth outlook, except for iron ore where supply disappointments supported the price. The oil price was down slightly this quarter after a strong first quarter.

The fund remained defensively positioned over the quarter, but still managed to return 1.6%, which is ahead of the cash benchmark. Since the beginning of the year, the fund has returned 8.3%. Since inception, the fund has returned 4.0% p.a.

Over the quarter, long-held equity positions such as Blackstone, Charter Communications, Adidas, and Carlyle contributed the most to fund performance, with British American Tobacco (after a strong first quarter) and Intu Properties (and other property holdings) detracting the most. Some of the other notable contributors over the longer term include Altice

US, Facebook, Airbus and Pershing Square. Other detractors were L Brands and AB InBev.

Our fixed interest positioning was also too conservative, but the gold position contributed strongly. Stock selection in the property bucket was poor, as we still favour those portfolios with higher retail exposure, given our view that they offer compelling value.

We previously shared in detail our enthusiasm about the prospects for the alternative asset managers. Our thesis that these best-in-class operators will continue to raise assets for their new fund offerings has played out, probably stronger than we anticipated. That was despite more volatile markets and scepticism about their abilities to continue generating superior returns for the investors in their funds. As their share prices recovered over the last few years, we have reduced our overall exposure by selling out of KKR and Fortress and reduced the Apollo position.

Over the last few months, all our remaining holdings announced plans to convert from limited partnerships (that benefited the main principals or original founders from a tax perspective) to public corporations that will pay slightly more tax, but make the shares more investable to all investors (inclusion in indices, no tax uncertainty). The share prices reacted very positively to this news and post quarter end, Carlyle was the last to make their decision known. The reason for highlighting these developments to our investors is again to point out the advantages of taking a longer-term view when considering investment positions. We remind each other of these learnings all the time when patience starts wearing thin with regard to a position that doesn't perform according to expectations! However, there will be cases where we have to admit that we were wrong, in which case the best action is to cut that position despite crystallising a loss. Active investment management remains an art as much as it is a science.

We continue to be reasonably conservatively positioned in terms of asset allocation. We are concerned that the benign interest rate outlook may not materialise and could be very disappointing to investors who are expecting central banks to come to their rescue. We have reduced the gold exposure somewhat after the recent rally, but are disappointed that the precious metal did not perform more strongly, given the favourable backdrop.

**Portfolio managers**  
**Louis Stassen and Neil Padoa**  
as at 30 June 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](http://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](http://www.coronation.com)

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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