CORONATION GLOBAL EMERGING MARKETS FUND

Fund Information as at 30 June 2019

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WHAT IS THE FUND'S OBJECTIVE?

The Global Emerging Markets Fund aims to give investors access to the best opportunities in emerging equity markets. The fund actively seeks out undervalued 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 will be fully invested in shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Emerging Markets 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 ten 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%.

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

GENERAL FUND INFORMATION

Fund Launch Date	14 July 2008
Class	B
Class Type	Accumulation
Class Launch Date	5 May 2011
Fund Domicile	Ireland
Morningstar Fund Category	Global Emerging Markets – Equity
Currency	US Dollar
Benchmark	MSCI Emerging Markets Index
Investment Minimum	US$15 000
Bloomberg	CORGEMB
ISIN	IE00B553TV27
SEDOL	B553TV2

CORONATION GLOBAL EMERGING MARKETS FUND

CLASS B as at 30 June 2019

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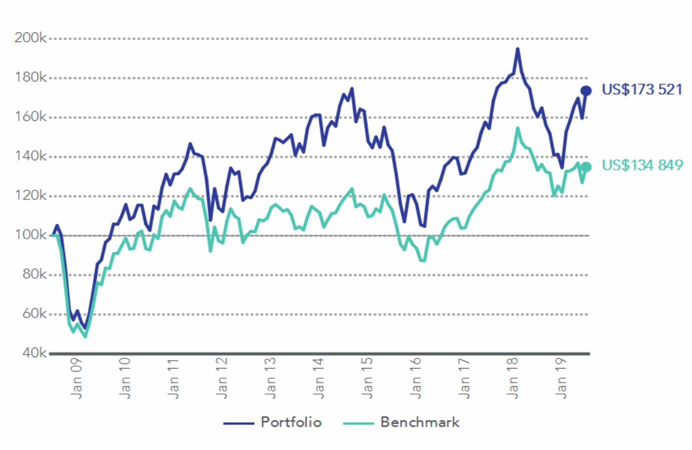
Launch date	14 July 2008
Fund size	US$ 1.44 billion
NAV	12.35
Benchmark/Performance Fee Hurdle	MSCI Emerging Markets Index
Portfolio manager/s	Gavin Joubert and Suhail Suleman

	1 Year	3 Year
Total Expense Ratio	1.48%	1.40%
Fee for performance in line with benchmark	1.18%	1.21%
Adjusted for out/(under)-performance	0.19%	0.10%
Fund expenses	0.11%	0.09%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.21%	0.20%
Total Investment Charge	1.69%	1.60%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A US$100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

EFFECTIVE GEOGRAPHIC EXPOSURE

Country	30 Jun 2019
Equities	98.31%
China	32.55%
Russian Federation	9.86%
India	8.74%
Brazil	8.45%
France	6.99%
South Africa	6.12%
United Kingdom	4.68%
Hong Kong	3.75%
Germany	3.55%
Netherlands	3.12%
Other	10.51%
Cash	1.69%
USD	1.72%
ZAR	0.02%
Other	(0.05)%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	73.52%	34.85%	38.67%
Since Launch (annualised)	5.15%	2.76%	2.40%
Latest 10 years (annualised)	7.06%	6.03%	1.03%
Latest 5 years (annualised)	0.21%	2.59%	(2.38)%
Latest 3 years (annualised)	10.56%	10.66%	(0.10)%
Latest 1 year	8.17%	1.21%	6.96%
Year to date	29.04%	10.58%	18.46%

TOP 10 HOLDINGS

As at 30 Jun 2019	% of Fund
Naspers Ltd (South Africa)	4.55%
58 Com Inc-adr (China)	4.37%
Housing Dev Finance Corp (India)	4.33%
Ping An Insurance Group Co (China)	4.20%
Wuliangye Yibin Co Ltd (China)	3.85%
Aia Group Ltd (Hong Kong)	3.75%
Alibaba Group Holding (China)	3.72%
Magnit Ojsc-spon (Russian Federation)	3.65%
British American Tobacco Plc (United Kingdom)	3.59%
Jd.com Inc Adr (China)	3.26%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	23.9%	21.7%
Sharpe Ratio	0.19	0.10
Maximum Gain	99.4%	56.3%
Maximum Drawdown	(49.5)%	(51.4)%
Positive Months	56.8%	53.8%
	Fund	**Date Range**
Highest annual return	106.2%	Mar 2009 - Feb 2010
Lowest annual return	(33.6%)	Sep 2014 - Aug 2015

SECTORAL EXPOSURE

As at 30 Jun 2019	Fund
Consumer Discretionary	31.36%
Consumer Staples	27.24%
Financials	22.42%
Communication Services	8.95%
Information Technology	3.56%
Industrials	3.17%
Health Care	1.59%
Cash	1.72%

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	13.6%	3.6%	4.5%	2.6%	(6.0)%	8.7%							**29.0%**
Fund 2018	6.9%	(5.9)%	(3.3)%	(1.5)%	(5.9)%	(2.4)%	2.8%	(5.3)%	(2.8)%	(7.2)%	0.3%	(4.9)%	**(26.2)%**
Fund 2017	4.4%	3.2%	1.9%	5.2%	3.5%	(2.0)%	9.1%	4.0%	1.3%	0.3%	1.8%	0.6%	**38.3%**

Issue date: 2019/07/12

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 Coronation Global Emerging Markets Fund had a good quarter, returning +4.9% compared to the MSCI Emerging Markets Index's return of +0.6% and in doing so outperformed the market by 4.3%. Year to date the Fund has now generated a return of +29.0%, leaving it 18.5% ahead of the market's return of +10.5%. We would note that this is an extremely short time period and, in our view, performance is better assessed over very long time periods. In this regard, since inception 11 years ago, the Fund has outperformed the market by 1.0%p.a. and by 1.1% p.a. over both the last 10- and 7-year periods.

During the quarter to end June 2019 the 5 largest positive contributors were Wuliangye Yibin (+23.0% return, +0.8% contribution), Adidas (+28.5%, +0.7% contribution), Sberbank (+22.7%, +0.5% contribution), X5 Retail (+42.7%, +0.5% contribution) and LVMH (+17.2%, +0.4% contribution). There were only 2 negative detractors of note (greater than 0.5%): Yes Bank (-0.9% contribution) and British American Tobacco (-0.6% contribution). We sold totally out of the Yes Bank position during the quarter due to a combination of factors. Top of these were our concerns over additional bad debts after March year-end results were published. This worsened their capital situation and accelerated the need for a capital raise, which would be very dilutive to existing shareholders after the share price decline. The last straw was the forced appointment of a director to the Board by the Reserve Bank of India, which we interpreted in a negative light. In stark contrast to this, we continue to hold the view that British American Tobacco, on less than 10x earnings and a 7% dividend yield, is very attractive and at the time of writing it was a 3.8% position in the Strategy, making it a top 10 holding.

There were 4 new small buys (c. 0.5% positions each) during the quarter: 51job (China), Tata Consultancy Services (India), Hero Motor Corp (India) and Bank Central Asia (Indonesia), together totalling 2.0% of the Strategy. In terms of sells, in addition to Yes Bank we also sold out of Indiabulls Housing Finance (Indiabulls) due to concerns over the sustainability of their wholesale funding model going forward. In terms of other activity, we added to the Alibaba and AIA positions on share price declines and reduced the Brazilian education exposure (Kroton and Estacio). We continue to like both Kroton and Estacio (1.7% positions each at end June, so 3.4% total Brazil education exposure) with both trading on 10-12x earnings, but elevated competitive intensity in the industry, together with increasing student loan books and an ongoing weak economic environment, led us to conclude that smaller positions were more appropriate from a risk-adjusted expected return point of view. Both shares have also done well this year with Kroton having appreciated by 40% year to date in USD at the time of writing and Estacio by 35%. We also reduced the Cognizant position (on concerns over excessive cost cutting), with the bulk of this going into Tata Consultancy Services.

In terms of country exposure, the largest upward change was an increase in China from 29.0% at end March to 32.6% at end June, largely as a result of the new 51job purchase and the additional Alibaba buying. In contrast, exposure to India declined from 12.6% at end March to 9.6% at end June due to the sales of Yes Bank and Indiabulls, and the Brazilian exposure reduced from 9.6% to 8.5% due to the trimming of the Brazilian education stocks.

All of the 4 new buys were small positions, which simply reflect the risk-adjusted expected return of each of these new buys - in summary all 4 are reasonably attractive, as opposed to very attractive. We have, however, continued to add to 2 of the positions post quarter-end as their respective share prices declined, and at the right price will also add to the other 2 positions.

The first new buy was 51job, which the Strategy has owned in the past. 51job is China's leading online recruitment operator in the white-collar space. This provides 2/3rdsof their revenue, with the balance coming from Human Resource Services; clients outsourcing (BPO) HR functions like payroll management to them. The company was founded 21 years ago and management owns 25% of the business. In the 15 years since the company listed on Nasdaq, profits have grown by 21% p.a. Today there is still a large opportunity in both areas of their business in our view: 51job has 500 000 corporate users of their online recruitment services and 10 000 corporate users of their BPO services. This is out of a market size of 85m registered businesses in China and growing.

In addition to this, the company is very free cash flow generative (having converted 128% of accounting net profit into free cash flow over the past 10 years) and has a rock-solid balance sheet with net cash of over $1b (or 25% of its market capitalisation). 51job today trades on c. 20 forward earnings (15x ex the net cash position), which is attractive for a company of this quality and with this market opportunity, in our view.

Tata Consultancy Services (TCS) was the second new buy (0.65% position) and is also one that the Fund has owned before. TCS are arguably the gold standard of the Indian IT services/outsourcing companies. These firms (TCS, Infosys, Wipro, HCL, Cognizant, etc.) all generate 80%+ of their revenue from the US and Europe, but all have c. 60% to 70% of their employee base in India: a source of abundant engineering skills. TCS is a high-quality business, in our view, with returns on equity of 35%, stable earnings growth, EBIT margins consistently in the mid 20s and a high level of conversion of accounting earnings into free cash of 90%+. We have held 4 meetings with the company over the past several months and these interactions were a clear reminder of these intrinsic qualities. At the same time, we became somewhat less enthusiastic on Cognizant as a result of clear signs that cost cutting (arguably driven by an activist investor) had gone too far. As a result, we reduced the Cognizant position (from c. 2% of the Strategy to 1%) and bought an initial position in TCS.

The third new buy was a 0.5% position in Bank Central Asia (BCA), the leading privately-owned bank in Indonesia, in a market where the big competitors are mainly State owned. The Indonesian financial services market is one of the lowest penetrated markets in emerging markets and BCA is clearly the highest quality bank in the country. Over the past 10 years BCA has grown loans by 17% p.a., earnings per share by 16% p.a. and NAV by 21% p.a. The Bank is conservatively managed and has significant excess capital with a Common Equity Tier 1 ratio of 23%. It has the highest current and savings account ratio (c. 78%) in the market, which in turn gives it a lower cost of funding versus competitors. It also has among the highest provision ratios (c. 180%) and the best bad debts experience historically out of the major banks. Again, here a number of meetings over the past year or so led us to want to own this asset. Neither TCS nor BCA look particularly cheap on short-term valuation metrics (c. low 20s forward P/Es) but both are very high-quality assets in our view, which should be able to compound earnings in the double digits for several years ahead.

The last new purchase was that of Hero MotoCorp (Hero, 0.4% position). The company is lower down the quality spectrum than TCS or BCA for example, but has a number of qualities that we like, and after a 35% decline since its peak price in mid 2017, it trades on c. 15x forward earnings, with a 4% dividend yield and a strong balance sheet (net cash position). Hero is the largest manufacturer of two-wheeler (motorbike) vehicles in India, a market which has historically grown at a high rate and is still underpenetrated, but which is going through a tough period currently after industry volumes were hit by the tightening of requirements to purchase third-party insurance along with the bike purchase. Hero is the clear market leader in the entry-level market (75cc to 110cc, where they have c. 50% market share) and in the 'executive' market (110cc to 125cc, where they have close to 70% market share). Overall, of the 20m motorbikes sold in India annually, 7.5m are sold by Hero. Besides being dominant in the entry level market, Hero has recently put more effort into making inroads into the scooter and premium markets, and the export market also holds large potential. It is unclear yet as to the level of success they will have in these areas, and we will continue to evaluate this over time, but the entry-level and executive markets alone will provide many years of growth in the years ahead in our view.

Members of the Global Emerging Markets team continue to travel extensively to enhance our understanding of the businesses we own in the Strategy, their competitors and the countries in which they operate, as well as to find potential new ideas. In the second quarter, there were trips to India, Thailand, Hong Kong and Singapore. The coming months will see trips to China and Russia. The Strategy's weighted-average upside to fair value at the end of June was c. 35%, which we feel is compelling. We would also consider the overall quality of the stocks held in the Strategy currently to be above average when compared with other points in the Strategy's history.

Portfolio managers
Gavin Joubert and Suhail Suleman
as at 30 June 2019

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IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EMERGING MARKETS FUND

The Global Emerging Markets 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. Coronation 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. Coronation Global Fund Managers (Ireland) Limited is authorised in Ireland and regulated by the Central Bank of Ireland. The fund is approved under Section 65 of the Collective Investment Schemes Control Act by the Financial Sector Conduct Authority of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

JP Morgan (Ireland) has been appointed as the fund's trustees (www.jpmorgan.com; t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited (www.jpmorgan.com; t: +353-1-612-4000). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

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

Unit trusts are traded at ruling prices set on every business day. Fund valuations take place at approximately 17h00 each business day (Irish Time) and forward pricing is used. Instructions must reach Coronation before 12h00 (SA Time) one day prior to the dealing date. You can expect to receive withdrawal payouts three business days after the dealing day. Large investments or redemptions (exceeding 5% of fund value) may be subject to an anti-dilution levy to defray dealing costs and expenses. This levy, where applicable, is applied fully for the benefit 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 B NAV prices. Class A NAV prices were used for the period prior to the launch of Class B. All underlying price and distribution data are 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 www.coronation.com. You will also find additional information on the considerations pertinent to investing in a fund denominated in a foreign currency and domiciled in an offshore jurisdiction.

IMPORTANT INFORMATION REGARDING TERMS OF USE

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