CORONATION GLOBAL EQUITY SELECT FUND

Fund Information as at 30 April 2020

CORONATION
TRUST IS EARNED™

WHAT IS THE FUND'S OBJECTIVE?

Global Equity Select aims to give investors access to the best opportunities in global equity markets. The fund is biased to developed markets and actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the global equity benchmark over all periods of five years and longer.

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Equity Select will only invest in shares we view as being attractively valued relative to other shares 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. 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 listed in global markets outside South Africa;
- 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 to add exposure to global equity markets;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% is payable.

The current provision for a fee discount of 0.35% p.a., applicable if the fund underperforms its benchmark over any rolling 60-month period, will continue to apply to the new fixed fee until 31 March 2021.

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?

LOUIS STASSEN
BSc, BCom (Hons), CFA

NEIL PADOA
BEconSc (AcSci), FFA

HUMAIRA SURVE
BScEng, MBA, CFA

GENERAL FUND INFORMATION

Launch Date	30 January 2015
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US$15 000
Bloomberg	CORGEAU
ISIN	IE00BV8WVD49
SEDOL	BV8WVD4

CORONATION GLOBAL EQUITY SELECT FUND

CORONATION
TRUST IS EARNED™

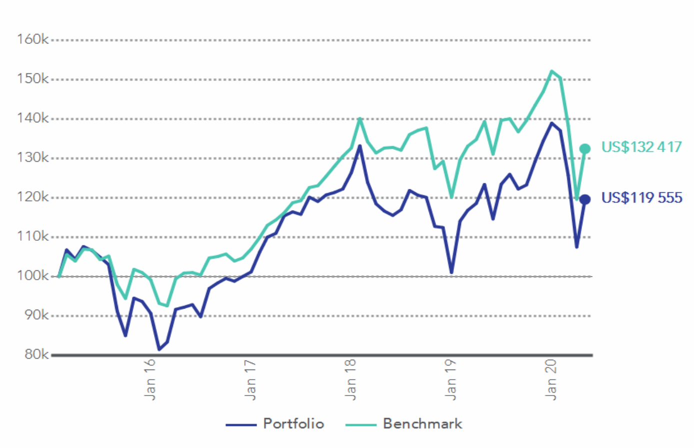
CLASS A as at 30 April 2020

Launch date	30 January 2015
Fund size	US$ 247.17 million
NAV	11.96
Benchmark/Performance Fee Hurdle	MSCI All Country World Index
Portfolio manager/s	Louis Stassen, Neil Padoa and Humaira Surve

	1 Year	3 Year
Total Expense Ratio	1.13%	1.30%
Fee for performance in line with benchmark	1.06%	1.14%
Adjusted for out/(under)-performance	-	0.07%
Fund expenses	0.07%	0.09%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.12%	0.16%
Total Investment Charge	1.25%	1.46%

PERFORMANCE AND RISK STATISTICS

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



RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	19.6%	32.4%	(12.9%)
Since Launch (annualised)	3.5%	5.5%	(2.0%)
Latest 5 years (annualised)	2.1%	4.4%	(2.2%)
Latest 3 years (annualised)	1.2%	4.5%	(3.3%)
Latest 1 year	(3.1%)	(5.0%)	1.9%
Year to date	(14.0%)	(12.9%)	(1.0%)

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	18.5%	14.3%
Sharpe Ratio	0.13	0.31
Maximum Gain	22.1%	34.8%
Maximum Drawdown	(24.3%)	(21.4%)
Positive Months	57.1%	66.7%

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Apr 2020
Equities	99.1%
North America	52.1%
Europe	33.1%
Asia	9.9%
South Africa	3.5%
Latin American	0.5%
Cash	0.9%

TOP 10 HOLDINGS

As at 31 Mar 2020	% of Fund
Alphabet Inc	5.2%
British American Tobacco	5.1%
Charter Communication A	4.8%
Philip Morris Int Inc	3.6%
Naspers Ltd	3.5%
Heineken NV	3.0%
Unitedhealth Group Inc	2.8%
Alibaba Group Holding	2.7%
Anthem Inc	2.7%
Airbus Group Se	2.5%

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	(1.4)%	(8.3)%	(14.5)%	11.2%									**(14.0)%**
Fund 2019	12.9%	2.4%	1.5%	4.1%	(7.1)%	7.7%	2.0%	(3.0)%	0.9%	4.8%	4.1%	3.4%	**37.5%**
Fund 2018	5.4%	(7.0)%	(4.4)%	(1.6)%	(0.9)%	1.2%	4.2%	(1.0)%	(0.4)%	(6.1)%	(0.2)%	(10.2)%	**(20.1)%**

Issue date: 2020/05/12

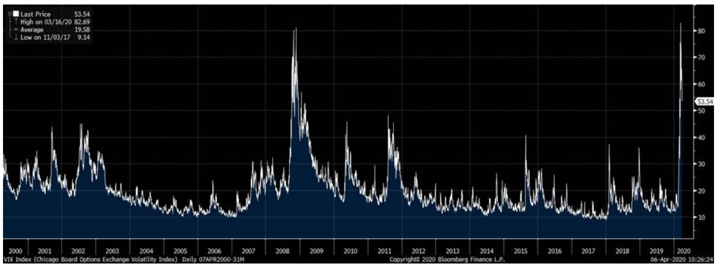
Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Please note that the commentary is for the retail class of the fund.

In last quarter's commentary, we discussed how "2019 was a strong year for equity markets, with the MSCI All Country World up 26.6%". However, we also cautioned that "after a sustained period of strong equity returns, declining interest rates, reduced tax rates, expanding profit margins, and rising valuation multiples, investors should recalibrate return expectations lower. The conditions in place today are quite different to those in place a decade ago. We have no insight into short-term market moves, but feel that absolute returns could very well be lower over the next ten years compared to the last ten."

Well, we didn't have to wait long. Risk assets plunged over the quarter as the economic consequences of the Covid-19 pandemic started to become apparent. (For a full discussion, please see Coronation's commentary available on our website.) Economic activity in many countries and sectors around the world has come to a halt. This unprecedented 'full stop' caused stress and market dislocations across the spectrum. Volatility was back with a vengeance, and, in both credit and equity markets, indicators spiked to levels above those seen in the Global Financial Crisis.

The Volatility Index (which measures expected volatility of the S&P 500 Index)



Sources: Bloomberg

With this as a backdrop, the fund returned -22.6% for the quarter, slightly behind the benchmark's -21.4.%. Quarterly returns will inevitably be noisy, but we were cognisant of the high relative base of performance coming into the year following a strong 2019, which delivered 11% outperformance, and are reasonably satisfied to have at least protected these relative gains. Markets have now delivered negative returns over the last 12 and 24 months, with the fund outperforming by approximately 2% over the 12-month period and in line with the benchmark over 24 months

Key portfolio actions

Most of our large holdings going into the quarter were well-positioned for the coming economic stress. In the top 10, Chinese internet businesses Tencent (via Naspers) and Alibaba are arguably net beneficiaries, being leaders in gaming and ecommerce, with strong balance sheets. Charter Communications, a broadband provider in the US, is seeing much higher demand for their essential internet service, although the business is not immune and cord cutting will accelerate and subscriber growth slow as the unemployment wave hits. Tobacco businesses Philip Morris and British American Tobacco have seen stable demand. All of these businesses were in the top 15 contributors for the quarter.

Airbus is an obvious exception and a good example of the extreme market reactions that have taken place. In the short term, the airline industry – Airbus's customer base - is facing financial ruin, as airline travel has collapsed to a fraction of normal levels for this time of year. Airlines are cyclical, and in some instances highly leveraged and thinly-capitalised businesses, and will need to be recapitalised en masse in order for air travel to return to some semblance of normal. The impact on Airbus in the short term will therefore be quite negative, as airlines delay receipt of orders for new planes they made in the last few years and, in some cases, cancel them entirely. In the medium-term, however, this crisis will pass, and air travel will recover, in our view. The short-term financial impact will be manageable - airlines make regular payments during the build stage of a plane and pay penalties for cancelled or massively delayed orders. They also outsource a large chunk of production to suppliers, so the pain of delayed orders is not solely theirs to deal with. Overall, about 75% of costs are variable in nature, so the cash burn during this downturn can be managed and Airbus starts with a significant net cash position of €12.5 billion (as at December 2019, the most recent results period reported). This is 28% of current market cap and equivalent to 2 times last year's (adjusted) operating profit. We estimate that, due to their positive credit rating, they have straightforward access to an additional €12 billion of funding, if required, so, even in a dire scenario where their working capital moves highly negative with no corresponding setoffs from clients and suppliers, they have ample liquidity to see them through a very depressed 2020 and 2021. There is also €3.3 billion of annual research and development expenses that could be scaled back if required. The duopoly nature of the industry means that customers only really have two choices of supplier and, however tough things may be for Airbus, they pale in comparison to its only competitor, Boeing, which is highly leveraged and still dealing with the aftermath of the grounding of the 737 Max last year.

Although it is not without risk, we are positive on Airbus long-term and continue to hold it in the fund. By our estimates, even with a 50% decline in total deliveries over the 2020-2022 period, by 2022, Airbus will already be generating €4 billion in free cash flow, compared to a current market cap of €45 billion at the time of writing, close to a 10% free cash flow yield two years out. The company guided to a more benign outcome, with a projected reduction in output of a third starting from this second quarter of 2020.

The fund took advantage of a few anomalies: good businesses that initially sold off in line with the market, but whose prospects had only changed marginally. Unilever is a case in point. The stock traded close to 14 times earnings, and with a dividend yield nearly 4.5% at the lows, which we thought provided good value - in particular when the potential range of outcomes for the average business had widened so considerably. Unilever ended the quarter a top 10 holding.

Earlier in the quarter, we exited holdings that had performed strongly and approached our estimates of fair value. Adidas and Apollo (a leading alternative asset manager) were both sold. We also meaningfully reduced Blackstone prior to the market decline, but it remains a fund holding. Travel sensitive names, Booking Holdings and American Airlines, were sold due to a re-assessment of their risk profile given widespread covid-19 travel disruption.

Outlook

Markets could very well remain volatile as the nature of the pandemic evolves and progresses. As a team we are focused, as always, on researching individual businesses, assessing their long-term earnings power, understanding the potential impact this black swan event may have on the investment case, managing risk, and adjusting the portfolio accordingly. While the backdrop has changed dramatically, our process hasn't.

Thank you for your continued support and interest in the fund.

Portfolio managers
Louis Stassen, Neil Padoa and Humaira Survé
as at 31 March 2020

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EQUITY SELECT FUND

The Global Equity Select 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 top 10 holdings are reflected on a look-through basis. 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 Services Board of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

JP Morgan Bank (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 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 2019 (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

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.