

WHAT IS THE FUND'S OBJECTIVE?

Global Managed aims to maximise long-term investment growth by investing in a range of opportunities available in public asset markets from around the world. Our intent is to outperform an equity biased benchmark over all five year periods.

WHAT DOES THE FUND INVEST IN?

Global Managed will have a bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund primarily invests in developed economies (including the US, Europe and Japan) but is also mandated to invest in emerging markets.

The intent is to keep the fund fully invested in foreign assets at all times. Its exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen.

The fund may use exchange traded funds and other financial instruments (eg. derivatives) to implement specific investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



Global Managed aims to achieve the best possible long-term growth for investors. Consequently, it will have a sizeable exposure to shares, which typically offer the best returns over the long run.

Global Managed will only invest in assets we view as being attractively valued and that could offer strong long-term investment growth. The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While shares typically offer superior long-term returns, this comes with higher levels of risk and volatility. We have a disciplined approach to reducing risk, but shares can be volatile investments and may suffer capital losses over the short term. Global currency movements may intensify investment gains or declines.

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

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than five 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;
- require investment growth over the long term and accept the possibility of volatility and the risk of short-term losses;
- 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 that are incurred in the fund include administrative, 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?

LOUIS STASSEN

BCom (Hons), BSc, CFA

NEIL PADOA

BEconSci (AcSci), FFA

HUMAIRA SURVE

BScEng, MBA, CFA

GENERAL FUND INFORMATION

Launch Date	29 October 2009
Fund Class	A
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
Fund Category	Global – Multi-asset – High Equity
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGLMAZ
ISIN Code	ZAE000139721
JSE Code	COGM

CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

CLASS A as at 31 August 2020

Fund category	Global - Multi Asset - High Equity
Launch date	29 October 2009
Fund size	R 8.16 billion
NAV	421.10 cents
Benchmark/Performance	Composite: 60% MSCI All Country World Index & 40% Barclays Global Bond Aggregate
Fee Hurdle	
Portfolio manager/s	Louis Stassen, Neil Padoa and Humaira Surve

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.40%	1.46%
Fund expenses	1.25%	1.31%
VAT	0.09%	0.09%
Transaction costs (inc. VAT)	0.06%	0.06%
Total Investment Charge	0.08%	0.14%
	1.48%	1.60%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



RISK AND RETURNS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	327.5%	357.1%	(29.5%)
Since Launch (annualised)	14.4%	15.1%	(0.7%)
Latest 10 years (annualised)	16.1%	16.9%	(0.8%)
Latest 5 years (annualised)	11.3%	13.5%	(2.2%)
Latest 3 years (annualised)	13.4%	17.3%	(3.9%)
Latest 1 year	24.4%	26.0%	(1.7%)
Year to date	22.7%	28.5%	(5.8%)

RETURNS VS BENCHMARK (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	97.0%	110.7%	(13.7%)
Since Launch (annualised)	6.5%	7.1%	(0.7%)
Latest 3 years (annualised)	3.8%	7.4%	(3.6%)
Latest 1 year (annualised)	11.5%	13.0%	(1.5%)
Year to date	1.9%	6.2%	(4.3%)

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	5.8%	(0.3)%	0.9%	10.7%	(1.7)%	0.1%	1.7%	4.1%					22.7%
Fund 2019	(1.3)%	8.6%	3.9%	2.5%	(2.9)%	0.2%	3.0%	3.8%	1.0%	3.2%	(0.8)%	(2.0)%	20.2%
Fund 2018	(0.9)%	(4.9)%	(2.5)%	4.7%	1.1%	8.6%	(2.0)%	11.2%	(3.7)%	(0.8)%	(6.1)%	(2.8)%	0.3%

PORTFOLIO DETAIL

ASSET ALLOCATION EXPOSURE

Sector	31 Aug 2020
Equities	56.7%
Property	2.9%
Infrastructure	1.9%
Commodities	6.5%
Bonds	10.9%
Cash	21.1%

TOP 10 HOLDINGS

As at 30 Jun 2020	% of Fund
Alphabet Inc	2.9%
Charter Communication A	2.7%
British American Tobacco	2.6%
Naspers Ltd	2.3%
Alibaba Group Holding	1.9%
Philip Morris Int Inc	1.9%
Heineken NV	1.9%
Vinci Sa	1.8%
Unitedhealth Group Inc	1.8%
Airbus Group Se	1.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.5%	12.4%
Sharpe Ratio	0.47	0.57
Maximum Gain	22.7%	24.8%
Maximum Drawdown	(17.7)%	(14.0)%
Positive Months	62.3%	61.5%

	Fund	Date Range
Highest annual return	48.9%	Jan 2013 - Dec 2013
Lowest annual return	(7.7)%	Apr 2017 - Mar 2018

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.

Following a rapid sell-off earlier this year, markets rebounded strongly in the second quarter of 2020 (Q2-20). The stock market recovery has been very much V-shaped, with a gain of 19.2% this quarter following the first quarter's (Q1-20) -21.4%, despite continued economic uncertainty and an unclear path to recovery. Nevertheless, this leaves global markets, as measured by the MSCI All Country World Index (ACWI), still down 6% for the year to date.

The Fund returned 12.3% for the quarter, in line with the benchmark return of 12.8%.

Contributions to performance were broad-based as most risk assets rallied:

- The Fund's equity holdings returned 19.2% (in line with the ACWI index)
- Property returns were also strong, at 19.4%
- Fixed interest rebounded, returning 4.5% (more than 1% ahead of the benchmark)
- Gold delivered a 10.6% return, bringing the gain over the last year to over 26%

Spotify, which more than doubled over the quarter, was the largest single contributor to returns. We have previously written that the global recorded music industry returned to growth in 2015 after almost two decades of decline. This growth was driven by streaming, which today accounts for the majority of industry revenue. In our view, music remains extremely undermonetised and we are still in the very early stages of streaming industry growth. There are now over 300 million paying music streamers globally, but this is a small portion of the 3.5 billion smartphones in the world today, while headline subscription prices have not changed in years and average revenues per user have in fact declined due to family and student discount plans. In the US, Spotify's headline price of \$9.99 per month is unchanged since its 2011 launch, while music spending per capita has halved in real terms since 1999. As the largest audio platform outside of China, with 130 million paying subscribers and an additional 163 million ad-supported users, we believe Spotify is well placed for long-term growth. Spotify is significantly larger than their primary competitor (Apple Music has between 60 million and 70 million subscribers, with no free, ad-supported tier), and continues to add more subscribers each year due a better product and ongoing innovation.

We are also bullish on Spotify's podcast strategy. Terrestrial radio remains a large advertising revenue pool globally and Spotify is trying to disrupt this, acting decisively and investing in leading podcast creation tools, studios and exclusive content from top podcasters such as Joe Rogan. We believe this strategy is a win-win for all involved, as it increases utility for users, allows podcasters to connect to the largest global audience and monetise their content, and brings significant benefits to Spotify itself, including higher user engagement and additional revenue streams.

Since 2015, Spotify has grown its revenue by 37% per annum (p.a.) and we expect strong growth to continue, forecasting growth of over 20% p.a. and steadily expanding margins going forward. In the words of co-founder and CEO Daniel Ek, "Everything linear dies". As the leading player and innovator in the fast-growing audio streaming market, led by an exceptional management team, we believe Spotify is well positioned to capitalise on this trend.

Philip Morris was the largest detractor from performance, although with a return of -2.6% the effect was only marginally negative. Philip Morris International (PMI) is a global tobacco company and the global leader in potentially reduced-risk next generation products (NGPs) through its IQOS heated tobacco franchise. IQOS is already contributing about 20% to company revenues. PMI has invested significantly into the IQOS franchise over a sustained period of time and has built a significant first-mover advantage in the heated tobacco category. IQOS has been a phenomenal success in our view, ranging from truly extraordinary results in Japan to solid steady progress across many European markets. To date, some 11 million smokers have completely quit smoking combustible cigarettes and moved to IQOS. At the time of writing, the US Food and Drug Administration (FDA), probably the preeminent tobacco regulator globally and renowned for its science-led approach to regulation, has just authorised IQOS to be sold in the US with a reduced exposure claim to the effect that completely switching to IQOS significantly reduces a smokers exposure to harmful chemicals. Importantly, as IQOS grows it is accretive to PMI's revenues and profits. We believe there is still a long runway of growth for IQOS globally. Despite the resilience of tobacco as a consumer category, PMI has not been immune to Covid-19 lockdowns. PMI has been severely impacted by lost duty-free sales, the impact of lockdowns in emerging markets such as the Philippines and Indonesia and temporarily slower IQOS user conversion. Second-quarter results will be significantly negatively impacted by these factors, but we expect that, over the medium term, these lost sales should be recovered and that IQOS should fairly quickly resume its growth trajectory. PMI remains a top 10 holding.

At quarter-end, the Fund was positioned with 68% in growth, or risk assets, comprised of the following:

- 53% effective equity
- 3% property
- 6% in convertible bonds
- 3% in high-yield corporate bonds
- 2% in infrastructure

The remaining 32% of the Fund is invested in more stable, diversifying assets with limited correlation to equities:

- 7% in hedged equity
- 5% in commodities
- 20% in fixed income, the bulk of which is invested in Treasury Bills (9%), inflation-protected securities (6%) and investment-grade corporate bonds (3%)

Last quarter, we felt there were attractive opportunities for those investors with a long time horizon and the ability to filter companies whose prices had been dislocated with little impact to their sustainable earnings power. After a sharp rally, these opportunities are now harder to find. In addition, the need to reassess the prospects of many businesses continues as investors parse fundamental virus-induced behavioural changes from short-term noise. Fundamental changes, however, play to the strengths of fundamental investors, and we continue to find a select number of stocks with attractive long-term prospects that are reasonably priced, while appropriately managing exposures across a range of asset classes.

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

Portfolio managers

Louis Stassen, Neil Padoa and Humaira Survé
as at 30 June 2020

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

The Global Managed [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. Growth charts are shown in logarithmic scale (base 2).

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 our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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