

## WHAT IS THE FUND'S OBJECTIVE?

Global Opportunities Equity seeks to give investors access to some of the best fund managers across the globe. Our intent is to outperform its benchmark over any five year period.

## WHAT DOES THE FUND INVEST IN?

Global Opportunities Equity is a multi-manager fund which invests in a limited number of strategies (funds and segregated mandates) managed by top-quality managers that mainly have exposure to shares in developed markets. It is also mandated to include some exposure to emerging markets.

Typically, six to ten strategies are included. Each strategy is selected based on its long-term track record of outperforming the market, its investment philosophy and the quality of its fund managers.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Opportunities Equity invests in equity funds that mostly cover developed markets, including the US, Europe and Japan.

The fund is well-diversified; it has exposure to a range of different countries, industries and fund manager styles. The fund managers included in the fund are well-established and have been rigorously researched and vetted.

While we have a disciplined approach to carefully balance the risks across the different funds, 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

- want exposure to some of the world's top equity funds as part of a diversified investment portfolio;
- accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- are overexposed to South Africa and require an international investment;
- do not require an income from their investment

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable.

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 IS THE FUND MANAGER?



**TONY GIBSON**  
BCom



**KARL LEINBERGER**  
BBusSc, CA (SA), CFA

## GENERAL FUND INFORMATION

Launch Date	12 May 2008
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Morningstar Fund Category	Global – Large Cap Blend – Equity
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US\$15 000
Bloomberg	CORWDEA
ISIN	IE00B2RGGV79
SEDOL	B2RGGV7

# CORONATION GLOBAL OPPORTUNITIES EQUITY FUND

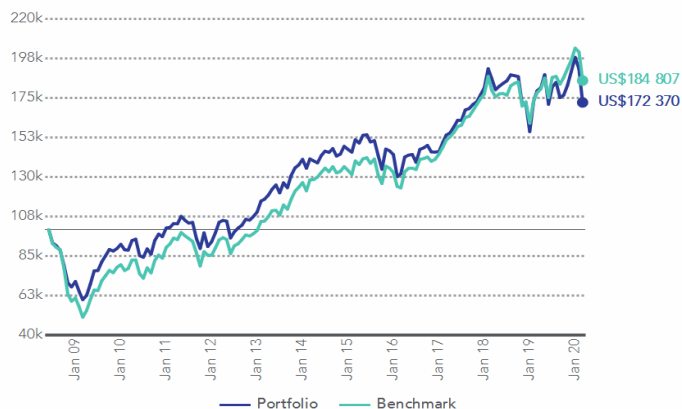
CLASS A as at 29 February 2020

Launch date	12 May 2008
Fund size	US\$ 2.08 billion
NAV	17.11
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Tony Gibson and Karl Leinberger

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.79%	2.04%
Fund expenses	0.85%	1.03%
VAT	0.93%	1.00%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.17%	0.17%
	1.96%	2.21%

## PERFORMANCE AND RISK STATISTICS

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



### PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	72.4%	84.8%	(12.4)%
Since Launch (annualised)	4.7%	5.4%	(0.6)%
Latest 10 years (annualised)	6.9%	9.0%	(2.1)%
Latest 5 years (annualised)	2.7%	5.8%	(3.2)%
Latest 3 years (annualised)	3.9%	7.0%	(3.1)%
Latest 1 year	(3.7)%	3.9%	(7.6)%
Year to date	(13.0)%	(9.1)%	(3.9)%

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.7%	16.0%
Sharpe Ratio	0.27	0.30
Maximum Gain	47.6%	34.8%
Maximum Drawdown	(39.9)%	(49.8)%
Positive Months	61.7%	63.1%

	Fund	Date Range
Highest annual return	50.0%	Apr 2009 - Mar 2010
Lowest annual return	(23.5)%	Jun 2008 - May 2009

### MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	(3.4)%	(9.9)%											(13.0)%
Fund 2019	11.1%	3.5%	1.0%	4.1%	(9.0)%	5.8%	1.4%	(4.7)%	0.8%	3.2%	4.3%	4.3%	27.2%
Fund 2018	6.0%	(2.9)%	(3.5)%	1.1%	0.9%	0.8%	1.8%	(0.3)%	(0.3)%	(8.4)%	0.2%	(9.2)%	(13.8)%
Fund 2017	3.6%	2.8%	0.8%	2.2%	2.4%	(0.1)%	3.7%	0.5%	1.4%	0.9%	2.2%	2.3%	25.2%
Fund 2016	(8.8)%	1.3%	7.2%	0.8%	0.3%	(3.2)%	5.3%	0.6%	1.0%	(2.5)%	(0.1)%	0.2%	1.2%

## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

29 Feb 2020

Equities	93.2%
Global (7 Funds)	93.2%
Equity futures	6.7%
Cash	0.1%

### TOP 5 HOLDINGS

As at 31 Dec 2019

Egerton Capital Equity Fund
Contrarius Global Equity Fund
Maverick Capital
Lansdowne Capital
Tremblant Capital

The fund advanced 12.2% against a benchmark return of 9.0%, bringing the rolling 12-month performance to 27.2% against the 26.6% returned by the MSCI All Country World Index (ACWI).

Global markets enjoyed a strong end to the year, with the ACWI rising 9.0%. Trade uncertainty faded with the US-China "phase one" deal announcement and the Federal Reserve Board (Fed) cut interest rates by a further 0.25%, and forward-looking indicators continue to show that the US economy is expanding moderately. In Europe, Germany had better economic data and the result of the UK election will bring certainty to the Brexit process and enable negotiation as to the future relationship. Emerging markets were very strong given the trade deal announcement with China, with Korea and Taiwan benefiting, while a rising oil price benefited Russia.

North America was the best-performing region in the fourth quarter of 2019 (Q4-19), advancing 8.9% (in US dollars). The weakest return was from Asia ex-Japan which advanced 5.8% (in US dollar terms). Europe advanced 8.8% and Japan rose 7.7% (in US dollars). Emerging markets had a strong quarter, advancing 11.4% compared to developed markets which advanced 8.7% both (in US dollars).

Among the global sectors, healthcare (+13.4%) and information technology (+13.7%) were the most significant drivers of the index's return for the quarter. The worst-performing sectors were real estate (0.6%), utilities (1.5%) and consumer staples (2.1%).

The fund benefited from good returns from all its managers over the quarter.

Maverick returned 15% over the quarter which capped an excellent annual return of 37%. The investments driving the quarterly performance were also the main contributors to the annual return. Medicines rose 344% over the year after its anti-cholesterol drug tested well and led to a purchase offer from Novartis. Alnylam Pharmaceuticals rose 58% after one of its drugs received FDA approval and Alibaba advanced 55% as its core business continued to expand in China and it obtained a second listing in Hong Kong.

Coronation Global Equity Select performed well, with alpha of 3.2% over the quarter and returning 27.2% over the year, a strong comeback after a weak 2018. The best performers over the quarter included United Healthcare (+36%), which benefited from a decreased threat from Medicare-for-All, Charter Communications (+18%) due to a strong increase their customer base, and Alibaba (+27%).

Contrarius had a good quarter with a return of 12%, but has a long way to go to recover after returning negative alpha of 23% over 2019. As discussed in previous quarterlies, this is largely as a result of its investment in oil drilling companies, which fell precipitously during the year. This quarter's returns were also mainly due to a bounce from the oil drillers, with Transocean (+54%), Valaris (+36%) and Diamond Offshore (+29%) all rebounding off very low bases. Bed, Bath & Beyond also contributed with a return of 64% during the quarter.

Lansdowne also struggled in 2019, but as with Contrarius, they also enjoyed a strong end to the year, returning 13.1% in Q4-19. Lansdowne has a large exposure to the UK, which has been under pressure from the protracted Brexit saga over the last two years. The UK election produced a significant (and somewhat unexpected)

majority for Boris Johnson and the Conservatives, putting an end to any uncertainty of actually leaving the EU by 31 January 2020. Beneficiaries of this included IAG (+35%) and Lloyds Bank (+36%). Arcelor Mittal rose 21% on better-than-expected profitability and the phase one China-USA trade agreement. Egerton, Tremblant and Maverick all produced strong quarter and annual performance.

### Outlook

While a phase one deal with China is a positive, the next phase may prove more difficult to negotiate. In addition, Europe is facing threats of increased tariffs, with France in particular attracting the ire of the US President due to its internet tax that would impact a number of large American technology companies. Tension in the Middle East and the consequent potential for higher energy prices, coupled with the ongoing trade issues, could prove detrimental to growth in the medium term. On the positive side, monetary easing during 2019 by a number of central banks should continue to be supportive of the global economy. Although the Fed has recently indicated that it is done easing for now, others may ease further. If trade tensions subside, it will reinforce the monetary easing and should have a positive impact on emerging markets. In summary, markets have performed well recently, and the conditions remain supportive, but there remain a number of risks that could impact this.

### **Portfolio managers**

**Tony Gibson and Karl Leinberger**  
as at 31 December 2019

### IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL OPPORTUNITIES EQUITY FUND OF FUNDS

The Global Opportunities Equity Fund of Funds 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. A fund of funds invests in collective investment schemes that levy their own fees and charges, which could result in a higher fee structure for this fund. 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 International Limited, a firm authorised and regulated by the Financial Conduct Authority.

JP Morgan (Ireland) has been appointed as the fund's trustees ([www.jpmorgan.com](http://www.jpmorgan.com); t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited ([www.jpmorgan.com](http://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](http://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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