CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

Fund Information as at 30 June 2020

CORONATION
TRUST IS EARNED™

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

6/10
Moderate

Maximum growth/ minimum income exposures

Growth Assets: 50%
Income Assets: 50%

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.

WHO ARE THE FUND MANAGERS?

LOUIS STASSEN
BSc, BCom (Hons), CFA

NEIL PADOA
BEconSc (AcSci), FFA

GENERAL FUND INFORMATION

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

CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

CLASS A as at 30 June 2020

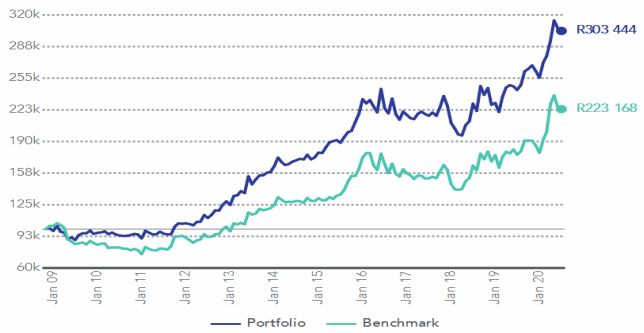
CORONATION
TRUST IS EARNED™

Fund category	Global - Multi Asset - Low Equity
Launch date	01 November 2008
Fund size	R 3.06 billion
NAV	314.96 cents
Benchmark/Performance Fee Hurdle	100% USD 3-month LIBOR+1.5%
Portfolio manager/s	Louis Stassen and Neil Padoa

	1 Year	3 Year
Total Expense Ratio	1.42%	1.41%
Fund management fee	1.25%	1.33%
Fund expenses	0.11%	0.02%
VAT	0.06%	0.06%
Transaction costs (inc. VAT)	0.04%	0.08%
Total Investment Charge	1.46%	1.49%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2020
Equities	22.4%
Property	3.6%
Infrastructure	1.3%
Commodities	6.7%
Bonds	35.8%
Cash	30.3%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	203.4%	123.2%	80.3%
Since Launch (annualised)	10.0%	7.1%	2.9%
Latest 10 years (annualised)	12.5%	10.6%	1.9%
Latest 5 years (annualised)	10.0%	10.5%	(0.5)%
Latest 3 years (annualised)	11.9%	13.6%	(1.7)%
Latest 1 year	25.0%	26.6%	(1.6)%
Year to date	18.8%	25.4%	(6.6)%

TOP 10 HOLDINGS

As at 30 Jun 2020	% of Fund
British American Tobacco	1.2 %
Alphabet Inc	1.2 %
Charter Communication A	1.2 %
Philip Morris Int Inc	1.2 %
Unilever	1.1 %
Vonovia Se	1.0 %
Heineken Holdings Nv	0.9 %
Anheuser-busch Inbev	0.9 %
Anthem Inc	0.9 %
Amazon Com Inc	0.8 %

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	70.6%	26.7%	43.9%
Since Launch (annualised)	4.7%	2.0%	2.6%
Latest 10 years (annualised)	3.7%	2.1%	1.6%
Latest 5 years (annualised)	2.4%	3.0%	(0.7)%
Latest 3 years (annualised)	1.9%	3.5%	(1.6)%
Latest 1 year (annualised)	1.5%	3.1%	(1.6)%
Year to date	(3.8)%	1.3%	(5.1)%
2019	14.0%	3.9%	10.1%
2018	(6.1)%	3.9%	(10.0)%

CURRENCY ALLOCATION

Currency as at 30 Jun 2020	% of Fund
US Dollar	89.5%
Other	10.5%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.1%	14.7%
Sharpe Ratio	0.33	N/A
Maximum Gain	23.7%	N/A
Maximum Drawdown	(19.6)%	N/A
Positive Months	57.9%	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 2020	6.0%	2.6%	5.6%	7.1%	(2.6)%	(0.9)%							**18.8%**
Fund 2019	(4.0)%	7.0%	4.2%	0.9%	(0.5)%	(1.5)%	2.1%	5.6%	1.0%	1.3%	(2.1)%	(2.7)%	**11.3%**
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%**

Issue date: 2020/07/14

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 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 the year (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 -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) still down 6.3% for the year.

The Fund returned 6.5% for the quarter, well ahead of 3-month USD Libor 0.2% return.

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

- The Fund's equity holdings returned 16%
- Property returns were also strong, at 19.5%
- Fixed interest rebounded, returning 4.8% (approximately 1.5% ahead of the benchmark)
- Gold delivered a 10.5% return, bringing the gain over the last year to over 26%

Individual contributors to returns were also broad-based, with most of our long held equity positions in Alphabet, Charter Communications, Naspers, UnitedHealth, Bayer and Spotify being in the top 10. The diversity of these contributors should highlight the approach to risk management, where we aim to own as many uncorrelated assets as is feasible (both within and across asset classes) subject to the constraint that each individual security should offer an attractive expected return.

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 c.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 c.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 renowned for its science-led approach to regulation, had 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 (Q2-20) 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 40% in growth, or risk assets, comprised of the following:

- 22% effective equity
- 4% property
- 1% in infrastructure
- 6% in convertible bonds
- 7% in high yield corporate bonds

The remaining 60% of the fund is invested in more stable, diversifying assets with limited correlation to equities:

- 11% in hedged equity
- 7% in commodities
- 42% in fixed income, the bulk of which is invested in Treasury Bills (13%), inflation protected securities (7%) and investment grade corporate bonds (20%)

Last quarter, we felt that 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 and Neil Padoa
as at 30 June 2020

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; 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 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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