

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

Fund Information as at 31 May 2020

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.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Opportunities Equity Fund. 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?

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.

Of the annual fee, 0.40% is collected at feeder fund level, while the balance of the fee is collected in the master fund.

The component of the fund fee charged at feeder fund level is subject to VAT. Fund expenses that are incurred in the fund include annual fees paid to unconnected underlying fund managers, 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 IS THE FUND MANAGER?



TONY GIBSON
BCom



KARL LEINBERGER
BBusSc, CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	1 August 1997
Fund Class	A
Benchmark	MSCI All Country World Index
Fund Category	Global – Equity – General
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORINFF
ISIN Code	ZAE000019774
JSE Code	CNIG

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

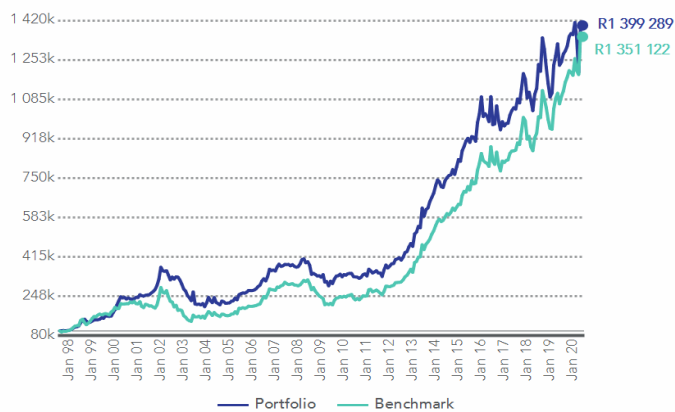
CLASS A as at 31 May 2020

Fund category	Global - Equity - General
Launch date	01 August 1997
Fund size	R 7.40 billion
NAV	12970.84 cents
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Tony Gibson and Karl Leinberger

	1 Year	3 Year
Total Expense Ratio	1.85%	2.07%
Fund management fee	0.85%	1.00%
Fund expenses	0.93%	1.01%
VAT	0.06%	0.06%
Transaction costs (inc. VAT)	0.17%	0.16%
Total Investment Charge	2.02%	2.23%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1299.3%	1251.1%	48.2%
Since Launch (annualised)	12.2%	12.1%	0.2%
Latest 20 years (annualised)	9.2%	9.6%	(0.5)%
Latest 15 years (annualised)	12.1%	13.7%	(1.7)%
Latest 10 years (annualised)	15.5%	18.9%	(3.4)%
Latest 5 years (annualised)	8.8%	13.6%	(4.8)%
Latest 3 years (annualised)	10.1%	16.0%	(5.9)%
Latest 1 year	13.8%	26.8%	(13.0)%
Year to date	2.9%	13.8%	(10.9)%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	264.1%	254.9%	9.2%
Since Launch (annualised)	5.8%	5.7%	0.1%
Latest 15 years (annualised)	5.1%	6.7%	(1.6)%
Latest 10 years (annualised)	6.3%	9.4%	(3.2)%
Latest 5 years (annualised)	1.0%	5.6%	(4.6)%
Latest 3 years (annualised)	(0.1)%	5.2%	(5.3)%
Latest 1 year (annualised)	(6.0)%	5.4%	(11.4)%
Year to date	(17.9)%	(9.2)%	(8.7)%
2019	27.2%	26.6%	0.6%
2018	(14.1)%	(9.4)%	(4.7)%

MONTHLY PERFORMANCE (AFTER FEES) - (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	3.8%	(4.7)%	(10.9)%	16.4%	0.3%								2.9%
Fund 2019	1.6%	10.6%	3.3%	4.0%	(6.9)%	1.1%	2.8%	1.0%	1.6%	3.2%	0.9%	(0.4)%	24.3%
Fund 2018	2.3%	(3.0)%	(4.2)%	6.7%	2.2%	9.0%	(2.4)%	11.9%	(3.5)%	(6.0)%	(5.7)%	(5.0)%	0.4%

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 May 2020
Equities	91.0%
Global (7 Funds)	91.0%
Equity futures	8.9%
Cash	0.1%

TOP 5 HOLDINGS

As at 31 Mar 2020

Egerton Capital Equity Fund
Coronation Global Emerging Markets Fund
Maverick Capital
Coronation Global Equity Select Fund
Landsdowne Capital

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.5%	16.9%
Sharpe Ratio	0.25	0.24
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	61.7%	57.7%

	Fund	Date Range
Highest annual return	66.2%	Apr 1999 - Mar 2000
Lowest annual return	(36.1)%	Oct 2002 - Sep 2003

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.

The Fund declined 30.6% in the first quarter of 2020 (Q1-20) against a benchmark decline of 21.4%, bringing the rolling 12-month performance to -24.0% against the -11.3% returned by the MSCI All Country World Index.

Covid-19, a new coronavirus originating in Wuhan, China dominated the first quarter of 2020 as it swept around the globe, becoming a pandemic, the response to which has caused economic hardship and damage not seen since the Great Depression. Social distancing measures to flatten the infection curve and enable healthcare systems to cope with the peak have devastated many industries and created unemployment overnight. Global equity markets plummeted, and stress in the credit markets necessitated unprecedented monetary and fiscal responses from governments around the world. This market turmoil was further exacerbated by a dispute between Russia and Saudi Arabia, when Russia refused to cut its oil production. In response, Saudi Arabia flooded the market with oil, causing a sharp drop in the oil price to levels that are unsustainable for many oil-producing countries. This only added to the general market volatility.

Japan was the best-performing region in Q1-20, declining 16.6% (in US dollar terms). The weakest return was from Asia ex-Japan, which declined 27.6% (in US dollar terms). Europe fell 24.2% and North America fell 20.0% (both in US dollar terms). Emerging markets declined 23.8% compared to developed markets, which fell 20.9% (in US dollar terms).

Among the global sectors, healthcare (-11.9%), information technology (-13.3%) and consumer staples (-13.7%) were the lowest detractors for the quarter. The worst-performing sectors were energy (-45.4%), financials (-32.3%) and materials (-27.0%).

While the Fund's underlying managers all underperformed over the quarter, Contrarius and Lansdowne were largely responsible for the majority of the underperformance during this time.

Contrarius has struggled in recent quarters, primarily as a result of its large exposure to oil drillers. The large decline in the oil price over this last quarter was catastrophic for the share prices of these stocks. The drillers operate on long-term contracts and the breakeven for offshore oil is lower than that of the shale oil producers, which are at far greater risk at present. The industry was going through a period of consolidation and capacity reduction and, while it could still make a good recovery, the current oil price does represent an unwelcome setback. In addition, the Fund also had significant exposure to the US 'bricks-and-mortar' retailers (Macys and Bed, Bath & Beyond), which have been greatly affected by the social distancing measures and accelerated use of online retailers. At this time, Contrarius remains invested in these positions and expects some recovery from these levels. For now, both themes represent much smaller exposures in the portfolio.

Lansdowne has also had a difficult period of underperformance, primarily due to a large exposure to the UK, which was suffering from the uncertainty over Brexit. However, just as the Brexit debate was settled, a large exposure to the airline industry in the face of a virtual overnight shutdown of the industry has significantly impacted short-term returns. IAG (British Airways/Iberia), Delta and United have declined by over 50%. Other investments in materials (Arcelor Mittal) and banks (Lloyds and RBS) also added to the underperformance for the quarter.

Maverick's performance was hurt by Indian Banks (IndusInd Bank and Axis Bank) after Yes Bank had to be bailed out by the government and gave rise to fears about the rest of the industry. Rolls Royce also contributed to the decline, given that it is a major engine supplier to the airline industry. Some positives came from Netflix, Amazon and Microsoft, which are all benefiting from the stay-home social distancing measures.

Tremblant-held Royal Caribbean, a large player in the cruise industry, is another industry completely decimated overnight by the Covid-19 virus. Negative news headlines and ships confined to port are not good for servicing debt repayments. A position in Restaurant Brands (Burger King) declined for similar reasons. Holdings in Amazon and Five9, a call centre software developer, helped offset some of the losses, meaning that Tremblant only marginally underperformed for the quarter.

Egerton was also only slightly behind the index, despite heavy losses in Airbus and Safran, an aircraft engine manufacturer. As with Tremblant, Egerton also held some of the beneficiaries of this current situation, namely Netflix and Amazon. An increase in cash also benefited during the market falls.

The Coronation Global Equity Select and Coronation Global Emerging Markets (GEM) funds performed well over the quarter, both slightly underperforming the MSCI All Country World Index. The GEM Fund did outperform the MSCI Emerging Market Index. Names such as JD.com and Netflix contributed to the performance.

It is a time of huge uncertainty and stress, and markets have sold off indiscriminately. The world is largely under lockdown and everyone is waiting to hear the way forward. A vaccine is not expected within the next 12 months, but huge resources are being directed not only to develop one as quickly as possible but also to increase hospital capacity and testing of existing therapeutics to see if any can work to alleviate the effect of this virus. China is slowly exiting its lockdown and some European countries are looking to exit in mid- to late-April. Lower levels of social distancing will most likely remain in place for some time but at least more economically active people will be able to carry on with their activities and allow for some recovery. Once the virus is under control, a recovery is likely to be strong, benefiting from low oil prices, mostly zero interest rates and massive fiscal and monetary stimulus. It is at these times that it is possible to identify value and those with a long-term outlook can benefit.

Portfolio managers
Tony Gibson and Karl Leinberger
as at 31 March 2020

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

The Global Opportunities Equity [ZAR] Feeder 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. The holdings are not reflected on a look-through basis. 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. 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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