

## 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

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.

## 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.

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 portfolio costs.

We do not charge any fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://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	1 March 2010
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Morningstar Fund Category	USD – Aggressive Allocation
Currency	US Dollar
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
Investment Minimum	US\$15 000
Bloomberg	CORGMFA
ISIN	IE00B3PR9321
SEDOL	B3PR932

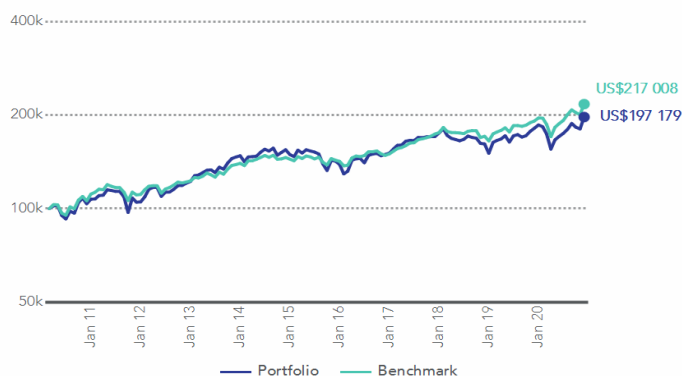
CLASS A as at 30 November 2020

Launch date	01 March 2010
Fund size	US\$ 951.05 million
NAV	19.72
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	1.33%	1.35%
Fund expenses	1.25%	1.28%
VAT	0.08%	0.07%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.14%	0.12%
	1.47%	1.47%

## PERFORMANCE AND RISK STATISTICS

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



## RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	97.2%	117.0%	(19.8%)
Since Launch (annualised)	6.5%	7.5%	(1.0%)
Latest 10 years (annualised)	6.6%	7.4%	(0.8%)
Latest 5 years (annualised)	6.7%	8.7%	(1.9%)
Latest 3 years (annualised)	4.9%	7.7%	(2.7%)
Latest 1 year	8.7%	13.4%	(4.7%)
Year to date	6.0%	10.8%	(4.8%)

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	12.8%	9.5%
Sharpe Ratio	0.47	0.73
Maximum Gain	21.7%	23.0%
Maximum Drawdown	(17.4%)	(13.0%)
Positive Months	63.6%	61.2%

	Fund	Date Range
Highest annual return	23.4%	Jan 2019 - Dec 2019
Lowest annual return	(14.4%)	Mar 2015 - Feb 2016

## MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	(1.4)%	(5.3)%	(10.5)%	7.1%	2.6%	2.2%	3.0%	4.5%	(2.7)%	(1.3)%	9.2%		6.0%
Fund 2019	8.4%	1.4%	1.1%	2.4%	(4.6)%	4.8%	0.9%	(1.9)%	1.0%	3.3%	2.3%	2.5%	23.4%
Fund 2018	3.1%	(4.8)%	(2.2)%	(0.8)%	(1.0)%	1.0%	2.5%	(1.0)%	(0.5)%	(3.8)%	(0.4)%	(6.8)%	(14.0)%

## PORTFOLIO DETAIL

## ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2020
Equities	54.8%
Property	3.4%
Infrastructure	3.0%
Commodities	6.5%
Bonds	9.8%
Cash	22.4%

## TOP 10 HOLDINGS

As at 30 Sep 2020	% of Fund
Charter Communication A	2.9%
Alphabet Inc	2.9%
Alibaba Group Holding	2.6%
British American Tobacco	2.2%
Naspers Ltd	2.0%
Philip Morris Int Inc	1.9%
Heineken NV	1.8%
Unitedhealth Group Inc	1.8%
Vinci Sa	1.8%
Airbus Group Se	1.7%

**Please note that the commentary is for the retail class of the Fund.**

After a strong rebound in the second quarter of the year (Q2-20), equity markets continued their gains, returning 8.1% in the third quarter (Q3-20). Returns were broad-based, with developed markets as a whole returning just under 8% and emerging markets continuing a recent run of outperformance, returning 9.6%. The US continues to outperform other developed regions, with a return of 9.4% handily ahead of Europe's 4.5%. Most other asset classes also delivered a positive result.

The Fund returned 4.7% for the quarter, approximately more than 100 basis points (bps) behind the benchmark return of 6.0%.

Once again, contributions to return were broad-based:

- The Fund's equity holdings delivered 7.9% (marginally behind the ACWI of 8.1%);
- Property returns continue to be strong, at 10%;
- Fixed interest continued a solid rebound, returning 3.7% compared to the bond benchmark of 2.7%;
- Gold and other commodity holdings returned 6.4% and 6.9% respectively.

Portfolio hedges were the most significant detractor, which is not surprising, as these positions will clearly be a headwind in strong markets. However, it is not unusual for some form of protection to be in place in our multi-asset funds. If purchased when the cost is low, and scaled appropriately, we feel this can be an important tool to manage risk and volatility.

Salesforce was a strong contributor to the Fund's performance, with the share price climbing 26% in one day following the release of better-than-expected results. Organic revenue growth of 19% on a year-over-year basis in a quarter heavily impacted by Covid-19 is an excellent result and highlights the strong positioning of the company and demand for its software solutions.

Salesforce is the global leader in customer relationship management software and has moved into adjacent areas, including the broader digitisation of customer-facing activities such as marketing, ecommerce, data management and business intelligence.

While these trends were strong before Covid-19, the virus consequences have reinforced the need for businesses to invest behind revenue-generating activities, to better know their customers and to be able to reach them online, and Salesforce offers the tools to do this.

The company sees a large opportunity ahead and continues to invest aggressively in adding staff during a time where many companies are laying people off. Salesforce is a well-managed, high quality and fast-growing compounder with strong ESG credentials and we remain bullish on its outlook.

Bayer was a detractor over the quarter. We think the stock is materially undervalued at a 7x price-to-earnings ratio. This is due to continued uncertainty regarding the resolution of the RoundUp litigation and regulatory uncertainty for its Xtend platform at a time when end-markets (principally corn due to lower bioethanol demand) are temporarily depressed. Longer-term, Bayer remains the leading crop science franchise, with significant opportunity to improve profitability from merger synergies, new products in the

pipeline (e.g. short-stature corn) and scaling its digital agriculture initiative. While recent results have been disappointing, the range of potential outcomes remain tilted to the upside.

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

- 54% effective equity;
- 3% property;
- 3% infrastructure;
- 4% in convertible bonds;
- 4% in high-yield bonds.

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

- 6% inflation-linked bonds;
- 7% in commodities;
- 6% in hedged equity;
- 13% in fixed income (with 8% in Treasury bills, and 3% in investment-grade corporate bonds).

We continue to feel the fundamental diversification evident in this portfolio construction, with an intentional tilt towards inflation protection at the expense of nominal government bonds, is both more appropriate and more robust than that of the Fund's benchmark, which includes a 40% weighting to global government bonds. As a reminder, the bond index as a whole offers an expected return (if held to maturity) of less than 1% and a duration of approximately seven years. Setting this meagre return against the risks, which we feel are significant, including huge budget deficits and elevated debt levels, suggests to us that this part of the Fund's benchmark offers a poor risk-reward trade-off and that investors will be better served over the long-term in diversifying assets, as outlined above.

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

**Portfolio managers**

**Louis Stassen, Neil Padoa and Humaira Surve**  
as at 30 September 2020

## IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL MANAGED FUND

The Global Managed 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 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 Sector Conduct Authority of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

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 2020 (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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