CORONATION

GLOBAL EQUITY STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 DECEMBER 2021

CORONATION
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LONG TERM OBJECTIVE

The Coronation Global Equity Strategy provides access to the best investment opportunities across global markets through capital growth of underlying stocks selected. It is a flexible portfolio invested predominantly in equities listed on developed market exchanges, but will have exposure to emerging market listed companies as well. The Strategy may hold cash and interest bearing assets where appropriate. The objective is to outperform the MSCI All Country World Index over a 5-year period.

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house, focused on bottom-up stock picking. Our aim is to identify mispriced assets trading at discounts to their long-term business value (fair value) through extensive proprietary research. In calculating fair values, through our fundamental research, we focus on through-the-cycle normalised earnings and/or free cash flows using a long-term time horizon. The Portfolio is constructed on a clean-slate basis based on the relative risk-adjusted upside to fair value of each underlying security. The Portfolio is constructed with no reference to a benchmark. We do not equate risk with tracking error, or divergence from a benchmark, but rather with a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	78.7%	105.7%	(27.0)%
Since Inception p.a.	8.4%	10.6%	(2.2)%
Latest 7 years p.a.	8.8%	10.9%	(2.1)%
Latest 5 years p.a.	11.8%	14.4%	(2.6)%
Latest 3 years p.a.	19.4%	20.4%	(1.0)%
Latest 1 year	6.2%	18.5%	(12.3)%
Year to date	6.2%	18.5%	(12.3)%
Month	2.0%	4.0%	(2.0)%

For a side-by-side comparison of gross and net performance, please refer to http://www.coronation.com/us/strategy-performance
Active return calculated as strategy return less benchmark return. Figures may differ due to rounding.

GEOGRAPHIC EXPOSURE

Region	% Strategy
North America	59.0%
Europe	19.0%
Asia	17.8%
Japan	3.3%
Other	0.5%
Interest Bearing	0.4%

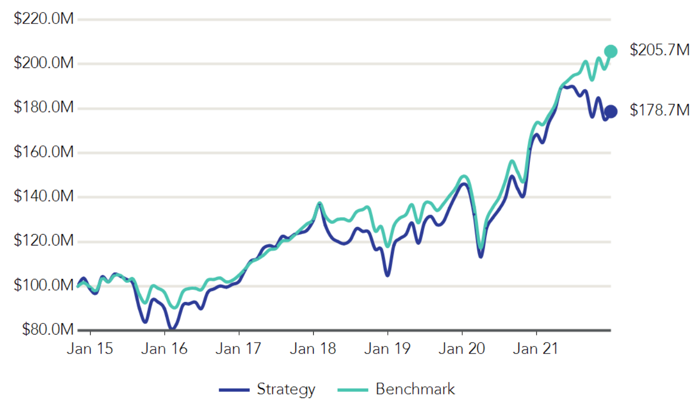
Market	% Strategy
Developed	81.7%
Emerging	17.8%
Other	0.5%

GENERAL INFORMATION

Inception Date	01 November 2014
Strategy Size *	$612.2 million
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net All Country World USD (NDUEACWF Index)
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

*Strategy assets under management as at the most recent quarter end.

GROWTH OF US$100M INVESTMENT



Benchmark: MSCI Daily TR Net All Country World USD (NDUEACWF Index)

TOP 10 HOLDINGS

Holding	% Strategy
ALPHABET INC-CL A (USA)	5.3%
CHARTER COMMUNICATIONS INC-A (USA)	5.3%
PROSUS NA (CHN)	5.1%
CANADIAN PACIFIC RAILWAY LTD (CAN)	4.7%
JD.COM INC ADR (CHN)	4.5%
VISA INC-CLASS A SHARES (USA)	3.8%
META PLATFORMS INC (USA)	3.6%
AIRBUS SE (FRA)	3.5%
ANTHEM INC (USA)	3.4%
AMAZON.COM INC (USA)	3.3%

SECTOR EXPOSURE

Sector	% Strategy
Technology	42.7%
Industrials	20.3%
Consumer Services	13.0%
Financials	11.3%
Health Care	6.7%

Sector	% Strategy
Consumer Goods	3.9%
Derivatives	1.3%
Telecommunications	0.4%
Interest Bearing	0.4%

PORTFOLIO MANAGERS

Neil Padoa - BEconSc, FFA

Neil is a portfolio manager and head of Global Developed Markets. He joined Coronation in May 2012 and has 13 years' investment experience.

Humaira Surve - BScEng, MBA, CFA

Humaira is a portfolio manager within the Global Developed Markets team, responsible for co-managing the Coronation Global Equity Select, Active Global Equity and Global Managed strategies. She joined Coronation in 2012 as a global developed markets analyst. Humaira has nine years investment experience.

FUND MANAGERS

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REGULATORY DISCLOSURE AND DISCLAIMER

The Prospectus of Coronation Global Opportunities Fund and Fund KIID can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/ucits-fund-library/umbrella-fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/.

The Prospectus of the Coronation Universal Fund and a Summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/strategy-information/literature/.

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The volatility of the Benchmark represented in the growth chart above may be materially different from that of the Strategy. In addition, the holdings in the accounts comprising the Strategy may differ significantly from the securities that comprise the Benchmark. The Benchmark has not been selected to represent an appropriate benchmark to compare the Strategy's performance, but rather is disclosed to allow for comparison of the Strategy's performance to that of a well-known and widely recognized Benchmark.

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REVIEW FOR THE QUARTER

Equity markets declined 1% over the third quarter, with a weak September (down approximately 4%) ending a strong run of consecutive positive monthly gains since February.

Global equity markets ended the year on a high note, advancing 6.7%, bringing the gain for 2021 to 18.5%. Within equity markets, the S&P500 Index bested the rest of the world by the largest margin in two decades. A specific sub-set highlights the gap: the S&P500 Index returned 28.7% in 2021 compared to the MSCI Emerging Markets Index, which declined 2.5%. As a result of sustained outperformance, the US now represents over 60% of the MSCI All Country World Index, up from 45% in the early 2010s.

For the Strategy, 2021 was a story of two halves: a solid first six months followed by a weak second half. The Strategy returned 1.4% for the quarter and 6.2% for the year. This is the worst relative performance versus the benchmark since the Strategy's inception. We're disappointed with these returns and would like to apologise to investors for the underperformance but are encouraged by the future upside from the businesses that we own in the Strategy.

With regards to stock selection, four areas are worth highlighting:

- Chinese equities;
- US cable stocks;
- Businesses impacted by Covid-19, which should benefit from economies normalising (so-called re-opening stocks);
- Not owning certain mega-caps like Apple (current market cap $2.8 trillion) and Nvidia (current market cap $675 billion), which returned 35% and 125%, respectively for the year.

So how have we responded? To jump to the answer first, all three of the main detracting "themes" remain meaningful holdings for the Strategy today. However, the weights, and in some cases the composition, of each theme has changed as specific stocks were either bought or sold based on a reassessment of their relative risk-reward. For example, in Chinese equities, we added to JD.com while reducing Alibaba. We discussed China in depth in an *August 2021 Corospondent article* and in the *third quarter of 2021's Strategy commentary*, and US cable stocks were covered in *Q1-21's Strategy commentary*. This quarter we will focus on Airbus – the comments below are specific to Airbus, but the market seems to be focused on near-term disruptions as opposed to long-term earnings power, which is a common theme across many businesses currently impacted by Covid-19. We think this dynamic is creating an interesting opportunity in select businesses.

Q4-21 was an eventful quarter for Airbus, as tends to be the case seasonally. The stock underperformed this quarter due to the emergence of the Omicron variant and the ensuing increased travel restrictions across different regions. Some airlines revised near-term plans in an already weak late autumn flying schedule although the pace of new customer bookings was relatively resilient.

The market was also somewhat captivated by whether Airbus would make its annual delivery target of 600 aircraft in 2021. At the time of writing, the company has not yet released official figures but it has reached the desired number for the year, according to the press. The late drive to achieve delivery targets is an annual fascination for some market participants but we view it as noise and observe it with indifference, other than for the potential buying opportunities it could present. The company has aimed to make its delivery plan less seasonal, but Covid-19 disruptions has set back that intention. Either way, demand for new aircraft is determined by long-term fundamentals while supply is affected by minor production issues which frequently occur due to the aerospace supply chain's complexity but tend to be resolved in a matter of weeks or a few months. The lumpiness of monthly deliveries is, therefore, largely irrelevant to the intrinsic value of Airbus, despite the occasional severity of share price moves.

The most important long-term debate among investors and industry participants is about whether Airbus can or should increase its very successful narrow-body aircraft (A320neo family) production rate from the current level of mid-40 units per month to a record of more than 70 by around mid-decade. A320s are the company's most important models, contributing almost the entirety of the Commercial division's EBIT and even when other programmes' profitability ramps up, will be making up at least three-quarters of the total. Unnerved by naturally pessimistic views on the production ramp-up issue by lessors and aircraft engine OEMs, the market seems to be pricing a figure in the mid-50s. However, our analysis on demand and market share trends suggests that a rate close to 70 is feasible and there is further upside towards the end of the 2020s. Various pieces of anecdotal evidence support this (e.g. Allegiant Air's CEO in the US recently noted there are no free A320 production slots until 2026-28).

We continue to be bullish on Airbus's bolstered strategic position in the global duopoly coming out of the Covid-19 crisis, which combined with a strong balance sheet sets it up well for the next decade. We expect this to translate into strong earnings and free cash flow growth over several years and believe the shares remain attractively valued.

Liberty Media Corporation, which owns Formula 1, was a positive contributor. F1 is the third or fourth most-watched event on earth. So, no doubt many readers will have witnessed the dramatic season finale where the two leading drivers (Lewis Hamilton and Max Verstappen) began the final race of the year tied on points. It was a high stakes race of winner takes all, and in a turn of events resembling a Hollywood-scripted drama, it all came down to the final lap. Excitement, drama, emotion, history, and fierce rivalry such as this draws the crowds both track-side and on TV (increasingly direct to consumer on any device too) and is exactly what makes live sports valuable. We think F1 is a unique asset, and in the hands of Liberty (with John Malone as Chairman), the company has been undergoing a transformation over the last few years. While Covid-19 heavily impacted the last two seasons, if economies and societies start to normalise (as we expect), combined with the changes

Liberty has been making, the value of this unique franchise should become evident. F1 has high barriers to entry, is currently under-monetised yet still exhibits fantastic economics with high margins and limited capex requirements resulting in strong cash conversion, has a dynamic new CEO Stefano Domenicali (with a background as CEO of Lamborghini and at F1 with Ferrari) and optionality from M&A and higher broadcast fees.

Our assessment of what most businesses in the Strategy are worth is largely unchanged, and, with many prices lower, the Strategy's price to value gap has widened and expected returns are now higher. In contrast, the market has increased at a rate in excess of the underlying earnings growth, and such a re-rating would usually be a headwind to future returns. We are, therefore, cautiously optimistic about the returns embedded within the Strategy.

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