

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

Risk Profile



Maximum growth/ minimum income exposures



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.

This feeder fund aims to remain fully invested in units in the Global Managed Fund, which is domiciled offshore. 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?

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.

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 that are incurred in the fund include administrative, 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



HUMAIRA SURVE

BScEng, MBA,
CFA

GENERAL FUND INFORMATION

Launch Date	29 October 2009
Fund Class	A
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
Fund Category	Global – Multi-asset – High Equity
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGLMAZ
ISIN Code	ZAE000139721
JSE Code	COGM

CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

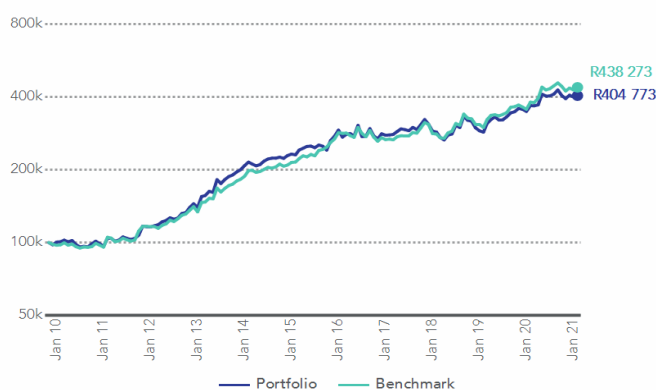
CLASS A as at 31 January 2021

Fund category	Global - Multi Asset - High Equity
Launch date	29 October 2009
Fund size	R 8.14 billion
NAV	398.68 cents
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	1.40%	1.43%
Fund expenses	1.25%	1.27%
VAT	0.09%	0.10%
Transaction costs (inc. VAT)	0.06%	0.06%
Total Investment Charge	0.15%	0.12%
	1.55%	1.55%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



RISK AND RETURNS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	304.8%	338.3%	(33.5%)
Since Launch (annualised)	13.2%	14.0%	(0.8%)
Latest 10 years (annualised)	14.5%	15.3%	(0.8%)
Latest 5 years (annualised)	8.2%	9.2%	(1.0%)
Latest 3 years (annualised)	12.2%	16.0%	(3.7%)
Latest 1 year	9.9%	15.1%	(5.3%)
Year to date	1.2%	2.6%	(1.4%)

RETURNS VS BENCHMARK (AFTER FEES) (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	110.1%	125.7%	(15.6%)
Since Launch (annualised)	6.8%	7.5%	(0.7%)
Latest 3 years (annualised)	3.7%	6.9%	(3.2%)
Latest 1 year (annualised)	9.2%	13.9%	(4.8%)
Year to date	(1.1%)	(0.6%)	(0.5%)

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	1.2%												1.2%
Fund 2020	5.8%	(0.3)%	0.9%	10.7%	(1.7)%	0.1%	1.7%	4.1%	(5.1)%	(3.0)%	3.4%	(1.7)%	14.8%
Fund 2019	(1.3)%	8.6%	3.9%	2.5%	(2.9)%	0.2%	3.0%	3.8%	1.0%	3.2%	(0.8)%	(2.0)%	20.2%

PORTFOLIO DETAIL

ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2021
Equities	55.2%
Property	4.2%
Infrastructure	3.8%
Commodities	7.2%
Bonds	9.9%
Cash	19.7%

TOP 10 HOLDINGS

As at 31 Dec 2020	% of Fund
Alphabet Inc	2.9%
Charter Communication A	2.7%
Airbus Group Se	2.1%
Naspers Ltd	2.1%
Facebook Inc.	2.0%
Alibaba Group Holding	2.0%
Vinci Sa	1.9%
Philip Morris Int Inc	1.9%
Safran	1.9%
Prudential Plc	1.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.5%	12.4%
Sharpe Ratio	0.49	0.60
Maximum Gain	22.7%	24.8%
Maximum Drawdown	(17.7)%	(14.0)%
Positive Months	61.5%	60.7%

	Fund	Date Range
Highest annual return	48.9%	Jan 2013 - Dec 2013
Lowest annual return	(7.7)%	Apr 2017 - Mar 2018

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.

Equity markets continued their recovery from the March lows and delivered a strong 14.7% return in the fourth quarter (Q4-20). Global bonds followed suit and returned 3.3%. There were some notable macro events, including the US Presidential election and second and third waves of the Covid-19 pandemic, but the quarter was perhaps dominated by the news of successful vaccine developments from a host of pharmaceutical companies with seemingly high efficacy. This triggered a violent rotation in markets, out of the recent 'Covid-19 winners' into perceived 'opening up' beneficiaries.

The Fund performed well against this backdrop, returning 11.3% in Q4-20 (1.3% ahead of the benchmark). For the year as a whole, the benchmark 60/40 index returned 14.5% (global equities 16.3% and global bonds 9.2%), which many will think remarkable considering the economic disruption wreaked by the pandemic. A reminder, if needed, that investors should be spending their time (as we do) on business fundamentals and not market forecasting. The Fund delivered 9.5% for the year, lagging the benchmark (although respectable in absolute terms). Over five years, the Fund has returned 8.0% per annum (p.a), just behind the benchmark, and over ten years the Fund has returned 6.6% p.a.

The primary contributors to return were:

- Equity holdings, which returned 17% for the year (ahead of the ACWI's 16.3%). It is pleasing to note that after passing the Fund's 10-year mark, the core equity building block has added value over this meaningful time period, delivering 11.9% p.a (1.8% p.a ahead of the benchmark over this period);
- Gold, which increased 24.5% for the year;
- Fixed interest returned 6.2%, which is healthy in absolute terms, compared to inflation and considering the very low duration of the portfolio, although clearly lagging the global bond index's 9.2%.

Spotify was a top contributor for the year, and a meaningful contributor for the quarter with the shares up over 100% in 2020 as the market started to appreciate its multi-year growth potential as outlined in previous commentaries. Spotify is the leading player (ex-China) in the fast-growing audio streaming market and will benefit from two powerful tailwinds, both of which are in the very early stages. Firstly, music remains extremely undermonetised compared to other forms of media and in absolute terms with US spending per capita halving in real terms since 1999. Secondly, traditional radio is a large global (\$30 billion-plus) revenue pool that is in the very early stages of the inevitable shift online and Spotify is aggressively trying to accelerate this move by investing in leading podcast content and creation tools.

Since 2015, Spotify has grown its revenue by 37% p.a and we expect this strong growth to continue, forecasting growth of over 20% p.a and steadily expanding margins going forward. With its excellent and innovative management team led by visionary founder Daniel Ek, we believe that Spotify is well positioned for future growth. The stock has tripled from the lows, and, with less upside to our estimated fair value, the Fund's holding has been reduced.

Airbus, reflecting the rotation within markets, was both a top-two contributor for the quarter, and a top-two detractor for the year. After a precipitous decline in the first quarter of the year, Airbus's share price basically flatlined until early November and the announcement of Pfizer/BioNTech's strong Covid-19 vaccine results. Despite returning 50% (in US dollars for the quarter), Airbus is still trading more than a third lower than pre-Covid-19 levels. This compares to the market which, as we know, is c.15% higher (at all-time highs). We recognise the high levels of uncertainty in the near-term outlook but believe that Airbus shares are offering a high margin of safety on a long-term horizon, as they are pricing in air travel

growth remaining at levels c.20% below its 50-year growth trend, in perpetuity. Thanks to its robust initial balance sheet, and to moves that further increased the company's liquidity during the year, we are comfortable that Airbus can withstand a challenging environment for several months or even years ahead. In fact, we think it is possible that Airbus could end the year in a net cash position, unthinkable a few months ago. We are also encouraged by the potential for a much-improved competitive position against its US peer Boeing, which is hamstrung by an over-leveraged balance sheet and has suffered a meaningful hit to brand equity through the 737MAX crisis. Finally, a number of vaccines have been approved and immunisation programmes are being rapidly rolled out: it would seem that the path to some form of economic normalisation is growing clearer and closer. We remain cautiously optimistic.

At quarter-end, the Fund was positioned with just under 70% in growth, or risk, assets comprised of the following:

- 56% effective equity;
- 4% in property;
- 3.5% in infrastructure;
- 1.5% in convertible instruments;
- 4.5% in high yield credit.

The remaining 30% of the Fund is invested in either more stable assets, or diversifying assets, which we think have lower correlation to equities:

- 7% in commodities;
- 5% in inflation-linked bonds;
- 5% in hedged equity;
- 13% in investment-grade fixed income (with 5% in short-dated treasury bills, and 4% in corporate credit).

As highlighted in prior commentaries, 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 Fund's benchmark offers a poor risk-reward trade-off and that investors will do well to avoid these instruments entirely. In our view, they 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 31 December 2020

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

The Global Managed [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 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 our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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