CORONATION GLOBAL CAPITAL PLUS FUND [USD HEDGED CLASS]

Fund Information as at 30 June 2021

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 time. 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. While the underlying exposure in this class is to diversified assets across international markets, all returns are fully hedged back into US Dollar.

The fund is allowed to make use of exchange traded funds and financial instruments to implement its investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

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.

Its exposure to shares, which offer the best long-term investment growth, could help maximise returns. However, with this long-term growth comes short-term volatility, which may affect the fund's returns. This risk is mitigated to some extent as growth asset exposure will not exceed 50%.

Global currency movements may intensify investment gains or declines.

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.

Fund expenses that are incurred in the fund include administrative, trading, custody and audit charges. Performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund. All fees exclude VAT.

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.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

NEIL PADOA
BEconSc (AcSci), FFA

LOUIS STASSEN
BSc, BCom (Hons), CFA

GENERAL FUND INFORMATION

Fund Launch Date	1 September 2009
Class	USD Hedged (Previously Class F)
Class Type	Accumulation
Class Launch Date	1 December 2011
Fund Domicile	Ireland
Listing	Irish Stock Exchange
Currency	US Dollar
Benchmark	3-month USD LIBOR +1.5%
Investment Minimum	US$15 000
Bloomberg	CORGLTF
ISIN	IE00B430YJ17

CORONATION GLOBAL CAPITAL PLUS FUND [USD HEDGED CLASS]

CLASS F as at 30 June 2021

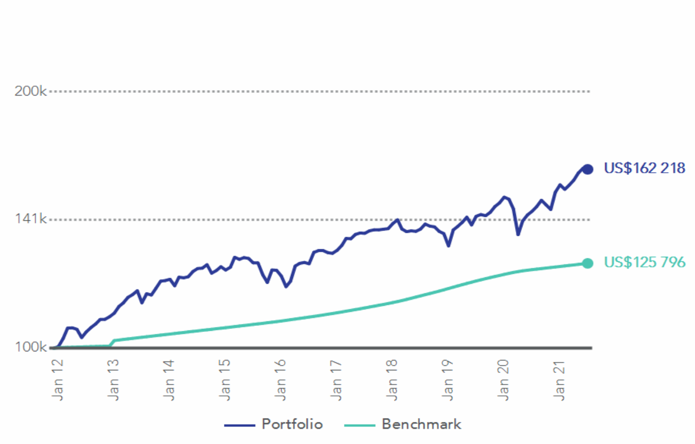
CORONATION
TRUST IS EARNED™

Launch date	01 December 2011
Fund size	US$ 803.49 million
NAV	16.22
Benchmark/Performance Fee Hurdle	3-month USD LIBOR + 1.5%
Portfolio manager/s	Louis Stassen and Neil Padoa

	1 Year	3 Year
Total Expense Ratio	1.36%	1.35%
Fund management fee	1.25%	1.25%
Fund expenses	0.11%	0.10%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.09%	0.06%
Total Investment Charge	1.45%	1.41%

PERFORMANCE AND RISK STATISTICS

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



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	62.2%	25.8%	36.4%
Since Launch (annualised)	5.2%	2.4%	2.8%
Latest 5 years (annualised)	5.2%	2.9%	2.3%
Latest 3 years (annualised)	5.5%	3.0%	2.6%
Latest 1 year	12.0%	1.7%	10.3%
Year to date	4.3%	0.8%	3.4%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	5.8%	0.2%
Sharpe Ratio	0.78	N/A
Maximum Gain	13.5%	N/A
Maximum Drawdown	(9.7)%	N/A
Positive Months	64.3%	N/A

	Fund	Date Range
Highest annual return	15.9%	Apr 2020 - Mar 2021
Lowest annual return	(6.3%)	Mar 2015 - Feb 2016

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2021
Equities	27.9%
Infrastructure	4.5%
Property	4.7%
Convertible Bonds	1.9%
High Yield Bonds	8.7%
Commodities	8.1%
Merger Arbitrage	1.8%
Hedged Equity	5.5%
Fixed Income	34.6%
T-Bills	13.9%
Inflation break-evens	1.8%
Investment Grade	18.9%
Cash	2.4%

TOP 10 HOLDINGS

As at 30 Jun 2021	% of Fund
Vinci Sa	1.5 %
51job Inc Adr	1.4 %
Charter Communication A	1.3 %
British American Tobacco	1.3 %
Philip Morris Int Inc	1.3 %
Facebook Inc.	1.2 %
Alphabet Inc	1.2 %
Getlink Se	1.2 %
Heineken Holdings Nv	1.0 %
Vonovia Se	1.0 %

CURRENCY ALLOCATION

Currency as at 30 Jun 2021	
US Dollar	100%

This fund is available in 3 hedged currency classes (Euro, Pound Sterling & US Dollars) as well as a Houseview currency class. This is the fact sheet for the US Dollar hedged currency class.

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	(1.2)%	1.1%	1.4%	2.0%	1.3%	(0.3)%							**4.3%**
Fund 2020	(0.6)%	(2.6)%	(6.7)%	3.8%	1.6%	1.0%	1.3%	1.7%	(1.2)%	(1.3)%	4.8%	2.0%	**3.4%**
Fund 2019	4.4%	0.9%	1.1%	1.4%	(2.1)%	2.4%	0.5%	(0.3)%	0.9%	1.6%	1.0%	1.6%	**14.1%**

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Equity markets continued to march higher in the second quarter, returning 7.4%. This brings the recovery from the Covid-19-lows in March last year to approximately 90%. The bond market recovered some of the first quarter sell-off, gaining 1.3%.

Against this backdrop, the Fund continued to make progress, returning 3.0% for the quarter compared to 0% for the benchmark. Over one year (benefiting from the strong market recovery), the Fund has returned 12.0%, and over 3 and 5 years it has returned 5.5% and 5.2% respectively, which is well ahead of both inflation and the cash plus benchmark.

For the quarter, the primary contributors to return were:

- Equity holdings, which returned 8%
- Fixed interest, which returned 1.4%
- Property, which returned 9.7%
- Infrastructure, which returned 7.8%

Equifax, one of the three largest US credit bureaus, is a more recent addition to the portfolio but has contributed to performance from the get-go. Credit bureaus collect information on effectively all credit-active individuals and sell this data and associated analytics to banks and other credit providers who use it to gauge the riskiness of a loan. These are advantaged businesses – high barriers to entry, pricing power and operating leverage translate into highly recurring, highly profitable revenue streams. At the time of our purchase, we did not think the market fully appreciated an inflection in Equifax's growth.

Equifax had lagged the rest of the sector since it fell victim to a large-scale data breach in 2017, where personal information on 148 million individuals was compromised. This event spurred significant change in their business – under a new management team, Equifax has spent $1.25bn on a new IT platform, moving all its data and applications into the public cloud. While this has been a painful process, it has allowed the company to reduce costs and materially accelerate the pace of new product development. We saw concrete evidence of this towards the end of 2020 and further momentum early in 2021.

Equifax’s biggest differentiator, though, in our view, is its Workforce Solutions business (EWS). Painstakingly built over a number of years through building relationships with employers and payroll service providers, Equifax has the largest national employment and income verification database. During the past year, Equifax surpassed a key level of having more than half the non-farm US payroll in its database. In our view, this business has reached a tipping point where the penetration is sufficiently high for clients to embed EWS in their workflow, resulting in more frequent usage and sticky relationships. Despite its dominance (no competitor comes close), there is still a long runway for growth for EWS, as they expand the dataset and launch new product applications.

Finally, Equifax is heavily exposed to the mortgage market. With interest rates remaining low, a wave of mortgage refinancing over the past year has increased demand for credit reports and employment verification. Equifax has benefited disproportionately from this growth in the mortgage market, and there is some justified concern that revenue growth could stall when the mortgage market cools. We claim no special insight in guessing when that may be but believe the long-term penetration growth in EWS and a cyclical recovery in non-mortgage related lending should provide sufficient offset. With the price up over 40% since March, we think many of these favourable characteristics are now closer to being priced in.

In contrast, JD.com is a long-standing position. JD is the second-largest e-commerce retailer in China, with 500m customers reported at the end of March compared to 387m in the comparable period a year ago, with management aiming to gain a further 100m in the year ahead. Customer growth has been driven by greater assortment and improvements in fulfilment. Their incredible logistics arm employs 200 000 people and has more than 1 000 warehouses, giving them almost complete geographical coverage of this massive country - all within their own control. More than 90% of orders are delivered either the same day or the next day. Customer loyalty is most evident when looking at purchase frequency and spend, which have increased four-fold and five-fold respectively since 2015.

JD has been effective in incubating new business units, with the most notable being JD Logistics (described above) and JD Health (an online health platform). Both have been separately listed successfully, with the holding company retaining 64% ownership in JD Logistics and 69% ownership in JD Health. This dynamic is important to consider when thinking about the implied valuation for the core retail business. The entire group has a market value of $118bn but the market value of their listed stakes ($50bn), together with the most recently reported net cash ($19bn), means the market values the retail arm at only around $50bn. The core retail business should generate $135bn in revenue this year at a 4% EBIT (earnings before interest and taxes) margin. We believe this margin is well below normal, which could potentially be high single digits. If you apply a conservative 6% EBIT margin and the statutory 25% tax rate, the core retail business trades on less than 9x earnings for this year. Even at the current 4% margins, the multiple is only 12x earnings for a company growing topline at 20% p.a. This analysis ignores other balance sheet investments that they have, namely, JD Technology (fintech and cloud) and JD Property, which is increasingly housing their physical logistics assets off balance sheet by bringing in capital partners.

A final point worth considering is that the increased scrutiny of the technology sector in China could potentially benefit JD’s retail business. They have historically been hurt by “pick one” tactics, whereby a brand that sells on multiple platforms is penalised on Alibaba’s platforms. These tactics have resulted in JD having an inferior assortment for some key categories, such as fashion and beauty products. With the banning of these tactics by the regulators, merchants have been free to sell all products on all platforms, which should further improve the customer value proposition. The share is down around 25% from its peak in mid-February this year and offers around 100% upside to fair value, in our view. This is extremely attractive in both absolute and relative terms, and JD is thus a 0.8% position in the Fund.

At quarter-end, the Fund was positioned with 48% in growth, or risk, assets comprised of the following:

- 28% effective equity
- 5% in property
- 4.5% in infrastructure
- 2% in convertible instruments
- 8.7% in high yield credit

The remaining 52% of the Fund is invested in either more stable assets or diversifying assets, which we think have a lower correlation to equities:

- 8% in commodities
- 2% in inflation-linked bonds
- 7% in absolute return / hedged equity positions
- 35% in investment-grade fixed income (primarily 14% in short-dated Treasury bills, and 19% in investment-grade corporate credit)

As highlighted in prior commentaries, we continue to feel the fundamental diversification evident in this portfolio construction, with the duration of the fixed income holdings kept very short, is both more appropriate and more robust than the cash benchmark or a significant position in developed market bonds. As a reminder, the bond index as a whole offers a low nominal expected return and a negative real return. 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 offers a poor risk-reward trade-off and that investors will do well to avoid these instruments. 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
Neil Padoa and Louis Stassen
as at 30 June 2021

CORONATION
TRUST IS EARNED™

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL CAPITAL PLUS FUND

The Global Capital Plus 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; t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited (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 F NAV prices. All underlying price and distribution data are 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. 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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.