CORONATION GLOBAL EQUITY SELECT FUND

CORONATION
TRUST IS EARNED™

Fund Information as at 31 March 2021

WHAT IS THE FUND'S OBJECTIVE?

Global Equity Select aims to give investors access to the best opportunities in global equity markets. The fund is biased to developed markets and actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the global equity benchmark over all periods of five years and longer.

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Equity Select will only invest in shares we view as being attractively valued relative to other shares which may offer superior long-term investment growth.

The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While we have a disciplined approach to reducing risk, 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.

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

- are comfortable with full exposure to shares listed in global markets outside South Africa;
- accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- hold other investments and are looking to add exposure to global equity markets;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% is payable.

The current provision for a fee discount of 0.35% p.a., applicable if the fund underperforms its benchmark over any rolling 60-month period, will continue to apply to the new fixed fee until 31 March 2021.

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

WHO ARE THE FUND MANAGERS?

NEIL PADOA
BEconSci (AcSci), FFA

HUMAIRA SURVE
BScEng, MBA, CFA

GENERAL FUND INFORMATION

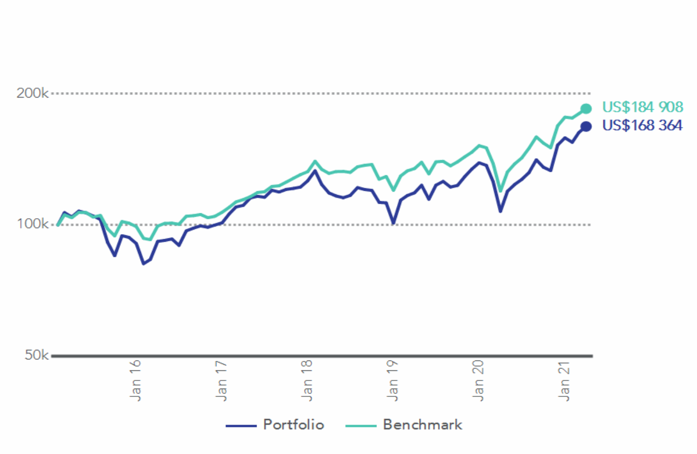
Launch Date	30 January 2015
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US$15 000
Bloomberg	CORGEAU
ISIN	IE00BV8WVD49
SEDOL	BV8WVD4

Launch date	30 January 2015
Fund size	US$ 254.82 million
NAV	16.84
Benchmark/Performance Fee Hurdle	MSCI All Country World Index
Portfolio manager/s	Neil Padoa and Humaira Surve

	1 Year	3 Year
Total Expense Ratio	0.76%	1.16%
Fee for performance in line with benchmark	1.02%	1.14%
Adjusted for out/(under)-performance	(0.23)%	(0.06)%
Fund expenses	(0.03)%	0.07%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.34%	0.16%
Total Investment Charge	1.10%	1.32%

PERFORMANCE AND RISK STATISTICS

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



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2021
Equities	**98.2%**
North America	48.5%
Europe	28.7%
Asia	16.7%
South Africa	4.0%
Latin American	0.3%
Cash	**1.8%**

RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	68.4%	84.9%	(16.5%)
Since Launch (annualised)	8.8%	10.5%	(1.7%)
Latest 5 years (annualised)	12.9%	13.2%	(0.3%)
Latest 3 years (annualised)	12.4%	12.1%	0.4%
Latest 1 year	56.6%	54.6%	2.0%
Year to date	6.2%	4.6%	1.6%

TOP 10 HOLDINGS

As at 31 Mar 2021	% of Fund
Alphabet Inc	4.4%
Charter Communication A	4.3%
Facebook Inc.	4.1%
Naspers Ltd	3.8%
Airbus Group Se	3.4%
Visa Inc	3.3%
Philip Morris Int Inc	3.3%
British American Tobacco	3.1%
Anthem Inc	2.9%
Alibaba Group Holding	2.9%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	18.6%	14.7%
Sharpe Ratio	0.42	0.65
Maximum Gain	31.3%	34.8%
Maximum Drawdown	(24.3%)	(21.4%)
Positive Months	59.5%	67.6%
	Fund	**Date Range**
Highest annual return	56.6%	Apr 2020 - Mar 2021
Lowest annual return	(21.9%)	Mar 2015 - Feb 2016

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	(2.4)%	5.3%	3.3%										**6.2%**
Fund 2020	(1.4)%	(8.3)%	(14.5)%	11.2%	3.7%	2.7%	3.7%	6.9%	(3.9)%	(1.8)%	14.5%	3.9%	**14.1%**
Fund 2019	12.9%	2.4%	1.5%	4.1%	(7.1)%	7.7%	2.0%	(3.0)%	0.9%	4.8%	4.1%	3.4%	**37.5%**

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

Equity markets posted solid gains in the first quarter, returning 4.6%, and now sit well above pre-Covid levels. While we don't spend any time trying to predict short-term market moves, recent volatility (both up and down) and violent "factor rotations" have whipsawed many investors and provided a real-life stress test of equity portfolios. For a team that strives for continual learning and acknowledges that there is always room for improvement, portfolio results both recently and over more meaningful periods show a strategy that is forging ahead and making solid progress. For the quarter, the Fund gained 6.2% (1.6% ahead of the benchmark); over the last year the Fund gained 56.63% (2.0% ahead); over three years the Fund is 0.4% p.a. ahead and over five years the Fund return of 12.9% p.a., is 1.2% in line with the benchmark.

The Fund has held a position in Porsche for many years, during which time it has performed broadly in line with the market. In January, we re-visited the investment case for Porsche, whose primary asset is a 53% holding in VW common stock. The key conclusions were:

a) VW is not as bad a business as the market would have you think. It was trading on 7 times earnings, which is one-third of the market multiple despite growing its market cap four times in 20 years, earnings by 8% p.a. for over 10 years, and delivering an expected ROCE (return on capital employed) of 10-13%.
b) Porsche did not deserve to be trading at a further 35% discount to the value of its stake in VW.
c) Earnings are reasonable quality, with the business converting 70-90% of earnings into free cash flow (FCF), implying that Porsche, was trading north of a 20% FCF yield on a look-through basis.
d) The transition to EVs (electric vehicles) is more an opportunity than a threat to VW. (It ended 2020 with a BEV (battery electric vehicles) market share of 11% already, which is rapidly growing and on track to exceed its 13-14% share of traditional ICE [internal combustion engine] vehicles.)
e) Any form of sum of the parts analysis, which more accurately valued VW's luxury brands (which include Lamborghini, Bugatti, Bentley and Porsche itself), showed that VW (and therefore Porsche) were massively undervalued.
f) The balance sheet is again solid with year-end net cash coming in at €28 billion.

Our financial forecasts implied the stock was worth double where it was trading and could generate an IRR (internal rate of return) above 20% p.a. Very unusually, we didn't have long to wait for some of this discount to narrow, as Porsche appreciated by circa 60% over the rest of the quarter. It was a top contributor to Fund returns.

Another top contributor for the quarter and last twelve months was Schwab, the largest e-broker in the US with $6.9 trillion in client assets ($4 trillion before the TD Ameritrade Ameritrade acquisition discussed below) in a market of $45 trillion retail assets. It provides brokerage, custodian, advice and asset management services. In 2019, Schwab earned about 60% of revenue from interest on client cash held on its balance sheet in high-quality assets, just under a third from fees on client assets invested in various asset classes and the remainder from commissions.

In late 2019, Schwab cut its trading commissions to zero, and the US e-brokers subsequently sold off given the near-term impact on industry revenues. Soon after, Schwab made an offer to buy its largest competitor, TD Ameritrade.

In the first quarter of 2020, interest rates declined and markets plummeted, causing Schwab to drop over 35%. Our view was that the market was not discounting the propensity for clients to increase their cash balances during a market selloff (which would provide a buffer to the interest rate impact as net interest income is dependent on both the cash balances and the rate), the likelihood of an increase in yields, nor was sufficient value being ascribed to the synergies of the Ameritrade deal ($1.9 billion cost synergies on a base of $5.9 billion in revenue for Ameritrade in 2019, the ability to bring more of Ameritrade's cash onto its balance sheet and the ability to cross-sell more of Schwab's more comprehensive services to Ameritrade clients).

In hindsight, the commission fee cut was a masterstroke from Schwab, allowing it to acquire a competitor, TD Ameritrade at a discounted price.

More recently, interest rates have started to increase and conviction around Schwab's synergy delivery has increased. The stock has doubled from levels seen in April to September last year.

We have written about our cable holdings, Charter Communications (Charter) and Altice USA, in previous commentaries. Both were detractors in the first quarter. However, both are top contributors over more meaningful time periods (three to five years). This is often how it goes for long-term investors: we believe it is highly unusual for stocks to go up in a straight line, periods of underperformance are almost inevitable in the hunt for long-term outperformance, and an investment thesis is likely to be tested many times over a multi-year holding period.

Cable's primary product, the provision of high-speed broadband internet in the United States, took centre stage in 2020 as large parts of the population were forced to work, learn and entertain themselves at home and online virtually overnight. Both companies performed strongly, with Charter growing its internet subscriber base by 9% and Altice by 4% on a year-over-year basis.

Both stocks have since taken a breather due to several factors, none of which we are particularly concerned about. Firstly, we acknowledge that there was likely some pull forward of subscriber growth into 2020 and that these results are unlikely to be repeated in 2021. Secondly, there has been increased noise from mobile operators launching 5G home broadband plans. And lastly, the Biden administration has made announcements relevant to cable. Addressing the first point, we have strong conviction that demand for high-speed internet will continue to increase as data consumption grows rapidly each year. This structural tailwind is supplemented in the nearer term by various stimulus measures that will directly assist lower income households with their monthly broadband bills. And cable continues to be the internet provider of choice. Charter's average broadband subscriber now consumes 700GB of data per month (on a per home basis) and this continues to grow. Capacity-constrained mobile networks, where the average unlimited user consumes 10-15GB per month, are unable to compete in our view. Lastly, Biden's infrastructure plan should provide growth opportunities for cable in previously unserved rural areas, while we view the risk of price regulation as low. Higher corporate US tax rates are factored into our forecasts.

We find the valuations of both our cable holdings extremely attractive in both relative and absolute terms and we continue to expect strong growth in FCF over the coming years based on healthy revenue growth, steadily expanding margins and capex declining to normalised levels. Both also have excellent, shareholder-friendly management teams as evidenced by Altice repurchasing a massive 25% of shares outstanding over the course of 2020.

As we wrote last quarter, we still see ample opportunities for stock pickers and we continue to hold a balanced portfolio of competitively advantaged businesses.

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

Portfolio managers
Neil Padoa and Humaira Survé
as at 31 March 2021

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EQUITY SELECT FUND

The Global Equity Select 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 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 Services Board of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

JP Morgan Bank (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 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. 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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