

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

Fund Information as at 31 March 2021

WHAT IS THE FUND'S OBJECTIVE?

Global Opportunities Equity seeks to give investors access to some of the best fund managers across the globe. Our intent is to outperform its benchmark over any five year period.

WHAT DOES THE FUND INVEST IN?

Global Opportunities Equity is a multi-manager fund which invests in a limited number of strategies (funds and segregated mandates) managed by top-quality managers that mainly have exposure to shares in developed markets. It is also mandated to include some exposure to emerging markets.

Typically, six to ten strategies are included. Each strategy is selected based on its long-term track record of outperforming the market, its investment philosophy and the quality of its fund managers.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



Global Opportunities Equity invests in equity funds that mostly cover developed markets, including the US, Europe and Japan.

The fund is well-diversified; it has exposure to a range of different countries, industries and fund manager styles. The fund managers included in the fund are well-established and have been rigorously researched and vetted.

While we have a disciplined approach to carefully balance the risks across the different funds, 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.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Opportunities Equity Fund. 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?

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

- ▶ want exposure to some of the world's top equity funds as part of a diversified investment portfolio;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ are overexposed to South Africa and require an international investment;
- ▶ do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% 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.

The component of the fund fee charged at feeder fund level is subject to VAT. Fund expenses that are incurred in the fund include annual fees paid to unconnected underlying fund managers, 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 IS THE FUND MANAGER?



TONY GIBSON
BCom



KARL LEINBERGER
BBusSc, CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	1 August 1997
Fund Class	A
Benchmark	MSCI All Country World Index
Fund Category	Global – Equity – General
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORINFF
ISIN Code	ZAE000019774
JSE Code	CNIG

CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

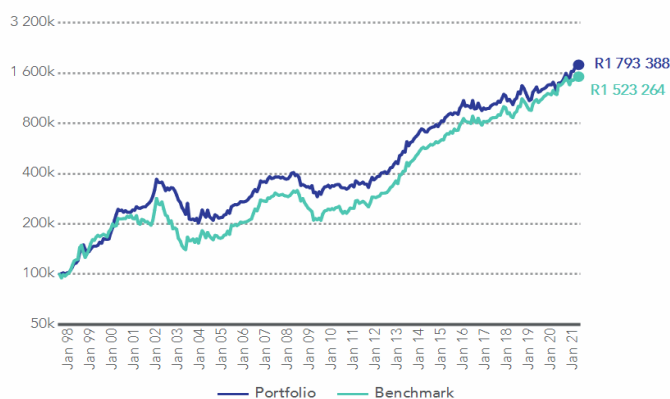
CLASS A as at 31 March 2021

Fund category	Global - Equity - General
Launch date	01 August 1997
Fund size	R 8.23 billion
NAV	16623.98 cents
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Tony Gibson and Karl Leinberger

Total Expense Ratio	1 Year	3 Year
	1.90%	1.96%
Fund management fee	0.85%	0.87%
Fund expenses	0.99%	1.03%
VAT	0.06%	0.06%
Transaction costs (inc. VAT)	0.26%	0.19%
Total Investment Charge	2.16%	2.15%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1693.4%	1423.3%	270.1%
Since Launch (annualised)	13.0%	12.2%	0.8%
Latest 20 years (annualised)	10.4%	10.7%	(0.3)%
Latest 15 years (annualised)	13.0%	14.1%	(1.1)%
Latest 10 years (annualised)	17.9%	19.1%	(1.2)%
Latest 5 years (annualised)	12.1%	13.4%	(1.3)%
Latest 3 years (annualised)	20.1%	20.7%	(0.7)%
Latest 1 year	49.6%	28.0%	21.7%
Year to date	9.4%	5.2%	4.3%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	456.8%	374.9%	81.9%
Since Launch (annualised)	7.5%	6.8%	0.7%
Latest 15 years (annualised)	6.5%	7.6%	(1.1)%
Latest 10 years (annualised)	9.0%	10.1%	(1.1)%
Latest 5 years (annualised)	12.0%	13.2%	(1.2)%
Latest 3 years (annualised)	11.5%	12.1%	(0.5)%
Latest 1 year (annualised)	80.9%	54.6%	26.3%
Year to date	8.8%	4.6%	4.3%
2020	15.4%	16.3%	(0.9)%
2019	27.2%	26.6%	0.6%

MONTHLY PERFORMANCE (AFTER FEES) - (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	5.6%	4.7%	(1.1)%										9.4%
Fund 2020	3.8%	(4.7)%	(10.9)%	16.4%	0.3%	1.7%	5.0%	6.8%	(5.7)%	(1.1)%	9.9%	0.2%	20.5%
Fund 2019	1.6%	10.6%	3.3%	4.0%	(6.9)%	1.1%	2.8%	1.0%	1.6%	3.2%	0.9%	(0.4)%	24.3%

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Mar 2021
Equities	88.7%
Global (7 Funds)	88.7%
Equity futures	11.0%
Cash	0.3%

TOP 5 HOLDINGS

As at 31 Mar 2021

Egerton Capital Equity Fund
Coronation Global Emerging Markets Fund
Coronation Global Equity Select Fund
Lansdowne Capital
Tremblant Capital

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.5%	16.8%
Sharpe Ratio	0.36	0.31
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	62.0%	58.1%

	Fund	Date Range
Highest annual return	66.2%	Apr 1999 - Mar 2000
Lowest annual return	(36.1)%	Oct 2002 - Sep 2003

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.

The Fund advanced 8.9% against a benchmark return of 4.6% over the quarter (Q1-21), bringing the rolling 12-month performance to 81.5% compared to the 54.6% returned by the MSCI All Country World Index.

The early days of 2021 saw further restrictions being implemented around the world as the Covid-19 virus re-emerged post the lockdowns in 2020, this time with more contagious mutations. Successful vaccination rollout strategies tempered the spread in the US, UK and Israel, where the various vaccines demonstrated their effectiveness in combatting the pandemic. However, production difficulties and the sheer number of doses required have meant that many countries are far behind in their fight against the virus. Despite this backdrop, markets remained buoyant as investors considered the favourable monetary and fiscal tailwinds and looked out to the “coiled spring” recovery when the worst of the pandemic eventually passes. Another \$1.9 trillion stimulus package in the US has underpinned the country’s recovery, with some even fearing it will stoke inflation. The result was an increase in market yields and a rotation out of some of the “pandemic winners” (growth stocks) into more value-oriented positions.

North America was the best performing region in Q1-21, advancing 5.7% (in US dollar terms). The weakest return was from Japan, which advanced 1.7% (in US dollar terms). Europe rose 4.2%, and Asia ex-Japan advanced 4.6% (both in US dollar terms). Emerging markets returned 2.0% compared to developed markets, which rose 5.0% (both in US Dollar terms).

Among the global sectors, energy (+20.6%), financials (+12.6%) and industrials (+7.4%) were the best-performing sectors for the quarter. The worst-performing sectors were consumer staples (-0.1%), utilities (-0.1%) and healthcare (0.3%). On a look-through basis, the Fund’s largest exposures are to consumer discretionary, information technology (IT) and consumer staples.

The strong quarterly outperformance is mainly attributable to two funds, Contrarius Global Equity and Lansdowne Developed Markets. Others beating the benchmark over the quarter included Coronation Global Equity Select and Maverick Capital. Tremblant, SEG Crosby Street and Coronation Global Emerging Markets detracted from performance over the quarter.

Contrarius had a very strong quarter, continuing its recovery from a very poor Q1-20 performance. The Fund was up 34.0% in Q1-21 and significantly outperformed the Index. Performance came from its many positions in consumer discretionary companies, with Bed Bath & Beyond (+64.1%), The Michaels Companies (+68.6%), Signet Jewelers (+112.6%), Fossil (+43.0%) and Macy’s (+43.9%) making significant contributions within this sector. The Fund’s communications portfolio holding was the second-largest contributor to performance, with positive returns from many of its positions, but most notably AMC Networks (+48.6%), Viacom CBS (+21.4%) and Fox (+24.7%).

Lansdowne Developed Markets benefited from its exposure to IT, materials and financials. Applied Materials (+55.1%) was key within its IT exposure, while ArcelorMittal (+30.5%) and Freeport-McMoRan (+26.6%) were the big contributors in materials. Within financials, the UK banks Barclays (+27.5%), Lloyds (+16.7%) and Natwest (+18.8%) delivered strong returns. The Fund retains its exposure to airlines, which are expected to continue a steady recovery as the pandemic passes.

Coronation Global Equity Select’s returns were largely spread across all sectors, with communication services, financials and consumer discretionary on the higher side. Alphabet (+18.1%), BT Group (+17.1%), Porsche (+60.6%), Naspers (+17.0%), Prudential (+14.9%) and Capital One Group (+29.2%) were the biggest contributors among these three sectors.

Maverick Capital’s best contributors included its IT and financials exposure. Applied Materials (+55.1%) was a big winner for the Fund in IT, but Mediatek (+29.7%), Perspecta (+20.9%) and LAM Research (+26.3%) also made sizeable contributions. However, during the quarter, Maverick made a change to its senior portfolio management team, and we decided to redeem our investment in full. This was in effect by the end of March 2021.

The Funds detracting from relative performance included Tremblant, which rose a modest 1.4% over the quarter. Unfortunately, Tremblant’s holdings in IT held back overall performance, with a number of positions falling by double digits. Examples include Nexi (-8.9%), Pros Holdings (-16.3%) and Q2 Holdings. Spotify (-14.8%) offset a large gain from Twitter (+17.5%), and a decline in Charter Communications (-6.7%) meant that, overall, communication services was a net detractor. SEG Crosby Street, a new investment with effect from March, underperformed for the month but has outperformed strongly over the prior 12 months, and we look forward to future strong performance from them. Finally, Coronation Global Emerging Markets Fund outperformed its benchmark over the quarter, but as emerging markets lagged developed markets for the three-month period, the Fund detracted from relative performance.

Outlook

The global vaccination programme will continue to ramp up as supplies increase, and as long as restraint remains in place to prevent further vaccine-beating mutations, we can reasonably expect the second half of the year to be very positive. The US expects to vaccinate its adult population by May, followed by the UK in mid-July. Europe is making progress after a poor start, and hopefully, increased production will rapidly increase supply to the rest of the world. Central banks have made it clear that they are in no rush to remove monetary stimulus, and governments are still providing fiscal support. President Joe Biden has started his \$2.5 trillion infrastructure push and, if successful, will mean further tailwinds for the next few years. Although there will be some hard choices in the medium term, conditions remain favourable for equities in the short term.

Portfolio managers
Tony Gibson and Karl Leinberger
as at 31 March 2021

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

The Global Opportunities Equity [ZAR] Feeder 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 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. The holdings are not reflected on a look-through basis. 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. 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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