CORONATION GLOBAL CAPITAL PLUS FUND [HOUSEVIEW CURRENCY CLASS]

Fund Information as at 30 November 2021

CORONATION
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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. It will have exposure to a variety of currencies, with a general bias towards developed markets, specifically to the US dollar and euro.

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?

LOUIS STASSEN
BSc, BCom (Hons), CFA

NEIL PADOA
BEconSc (AcSci), FFA, CFA

GENERAL FUND INFORMATION

Fund Launch Date	1 September 2009
Class	Houseview Currency Class (Previously Class D)
Class Type	Accumulation
Class Launch Date	5 May 2011
Fund Domicile	Ireland
Morningstar Fund Category	USD – Moderate Allocation
Listing	Irish Stock Exchange
Currency	US Dollar
Benchmark	USD 3-month LIBOR + 1.5%
Investment Minimum	US$15 000
Bloomberg	CORGLTD
ISIN	IE00B3LSMH47

CORONATION GLOBAL CAPITAL PLUS FUND [HOUSEVIEW CURRENCY CLASS]

CLASS D as at 30 November 2021

CORONATION
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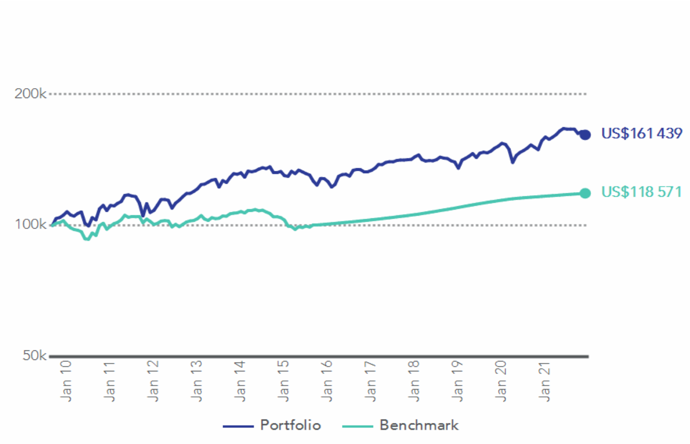
Launch date	01 September 2009
Fund size	US$ 759.19 million
NAV	13.77
Benchmark/Performance Fee Hurdle	100% USD 3-month LIBOR+1.5%
Portfolio manager/s	Louis Stassen and Neil Padoa

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

PERFORMANCE AND RISK STATISTICS

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



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark
Since Launch (unannualised)	61.4%	18.6%
Since Launch (annualised)	4.0%	1.4%
Latest 10 years (annualised)	4.2%	1.5%
Latest 5 years (annualised)	4.0%	2.9%
Latest 3 years (annualised)	4.9%	2.6%
Latest 1 year	3.2%	1.7%
Year to date	1.1%	1.5%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	7.5%	3.6%
Sharpe Ratio	0.47	N/A
Maximum Gain	16.4%	N/A
Maximum Drawdown	(10.5)%	N/A
Positive Months	59.9%	N/A

	Fund	Date Range
Highest annual return	17.1%	Jul 2010 - Jun 2011
Lowest annual return	(7.4%)	Sep 2014 - Aug 2015

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2021
Equities	26.3%
Infrastructure	4.6%
Property	2.0%
Convertible Bonds	2.1%
High Yield Bonds	8.7%
Commodities	8.2%
Merger Arbitrage	2.7%
Hedged Equity	0.3%
Fixed Income	41.7%
T-Bills	20.0%
Inflation break-evens	2.0%
Investment Grade	19.7%
Cash	3.3%

TOP 10 HOLDINGS

As at 30 Sep 2021	% of Fund
51job Inc Adr	1.5 %
Getlink Se	1.5 %
Vinci Sa	1.5 %
National Grid Plc Common Stock Gbp 12.43129	1.0 %
World Quantum Growth Acquisi	1.0 %
Alphabet Inc	1.0 %
British American Tobacco	1.0 %
Philip Morris Int Inc	0.9 %
Charter Communication A	0.9 %
Heineken Holdings Nv	0.9 %

CURRENCY ALLOCATION

Currency as at 30 Nov 2021	% of Fund
US Dollar	83.8%
Other	16.2%

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 Houseview currency D 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)%	0.0%	0.0%	(2.3)%	1.1%	(1.8)%		**1.1%**
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%**
Fund 2018	1.0%	(2.5)%	(0.8)%	0.2%	(0.1)%	0.6%	1.4%	(0.5)%	(0.2)%	(1.2)%	(0.6)%	(3.3)%	**(5.9)%**
Fund 2017	1.3%	1.9%	(0.1)%	1.2%	0.4%	(0.1)%	0.7%	0.3%	0.0%	0.2%	0.2%	1.4%	**7.4%**

Issue date: 2021/12/09

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

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

Equity markets declined by 1% over the third quarter, with a weak September (down approximately 4%) ending a strong run of consecutive positive monthly gains since February this year. The global bond market was down by a similar amount for the quarter (0.9%), bringing the year-to-date decline to -4%. Despite these price declines, the US 10-year Treasury bond yield is still low, at around 1.5%.

The Fund declined 2.3% for the quarter. It is worth keeping in mind that fixed income markets broadly offer little in the way of return at present, so to deliver gains that beat both cash and inflation, we have said quite often that investors need to take some risk. This, inevitably, comes with short-term volatility. Importantly, this trade-off has been justified over longer time periods, and the Strategy has returned 7.5% over the last year, 3.9% p.a. over the last five years, and 4.5% p.a. over the last decade – all well ahead of cash alternatives and representing real growth too.

For the quarter, cash and commodity holdings were the primary contributors to return, while the Fund's equity holdings were the primary detractors.

Netflix was a top contributor to performance in the third quarter. Netflix is the world's largest paid streaming video platform with over 200m subscribers worldwide. The company, led by visionary founder Reed Hastings, is extremely innovative and has shown the ability to disrupt itself to stay ahead of a dynamic market on numerous occasions – pivoting from rented DVDs to streaming in 2007, launching its first Netflix Original in 2013, and, more recently, its move into gaming, which we believe will bring significant benefits to already strong engagement metrics.

Netflix offers an unrivalled combination of global content production capabilities and distribution reach, giving it the ability to make and break great shows and movies around the world. The company has proven that good stories resonate globally, as evidenced by hit shows such as Narcos, Lupin or recent phenomenon Squid Game. Netflix Originals now dominate its Top 10 viewing lists.

Netflix has long been considered the disruptor of the traditional pay-tv bundle. However, we still see a significant growth runway, driven by latent pricing power and strong subscriber growth in international markets. The United States home market is often labelled mature, but we believe Netflix's pricing power is under-appreciated. Over 70m US households are still paying around $100 per month for a traditional pay-tv bundle. Against this backdrop, Netflix is an absolute steal, with an ARPU (average revenue per user) of $14.50 per month, and it will continue to be a beneficiary of accelerating pay-tv declines in its core market for years to come.

Netflix is no longer without streaming competition, but we consider it well-placed to be the streaming anchor in households around the world. With continued strong tailwinds from the global disintermediation of the pay-tv bundle, its subscriber base could double over the medium term, with above-inflation price increases. We expect earnings growth of over 25% per year over the medium term, with the company set to generate significant free cash flow going forward, as content costs begin to moderate off a massive $17bn base after years of accelerated investment.

The Fund's aggregate exposure to North American railroads detracted from returns in the quarter. While we haven't discussed these investments in detail previously, our initial research work into the stocks dates back to 2012, where the first internal research note on Union Pacific began: "*UNP has a strong, defendable moat, an ongoing pricing opportunity, and an inherent cost advantage relative to its substitute, trucking. At the current share price, the risk/reward is in one's favour*".

It's quite remarkable how enduring the core of this investment thesis has proved. In many ways, today, nine years later, the investment case is largely unchanged.

The North American rail industry comprises three duopoly rail networks and one network traversing from Kansas City to Mexico. These assets cannot be replicated, form an essential part of the North American supply chain backbone, and have a measure of pricing power that has allowed them to price in excess of their cost inflation over time. Management teams are shareholder-oriented. Over the past few years, there have been several developments in the industry that we think create an opportunity for these to be good investments over the next five years.

Firstly, CSX and Union Pacific, two of the US railroads, embarked on a new system of managing the railroads called Precision Scheduled Railroading (PSR), which emphasises moving cars through the network in a scheduled, point-to-point manner as opposed to the old hub-and-spoke model. This improved network throughput, lowered operating costs, increased the network's physical capacity, and improved the responsiveness of the rails, as demonstrated by limited margin compression during the volume downturn in the second quarter of last year. The improved service-levels enabled by PSR will help the rails take market share from trucking over time. Historically, trucks have achieved over 90% of deliveries on-time compared to 50-60% for rail. The gap has reduced significantly, with CSX claiming to have been on par with trucking in 2019.

Secondly, Covid-19 decimated the economy last year and, as mobility improves, we expect economic growth to pick up. However, as we stand today, inventory levels in the economy are below normal and global supply chains are stuttering. The railroads will be critical to getting inventory levels back to a normal level so that the economy can begin operating more smoothly. This should drive solid volume growth for the rails.

Thirdly, the rails compete with trucks over shorter haul lengths and for certain commodities. Currently, the truck market is facing driver and truck shortages, resulting in high truck prices. This has created an environment for the rails to achieve healthy pricing.

Given the above points, we think the US rails are well-positioned to generate low-double-digit free cash flow per share growth, with an attractive starting valuation. Union Pacific is trading at a free cash flow yield close to that of the market, and we think it is an above-average business with better growth prospects over the next five years and above-average prospects in the case of surprise inflation. Canadian Pacific has, arguably, the best management team in the North American rail industry and is in the process of merging with Kansas City Southern, the Mexican railroad. The combined railroad can offer more efficient single-line service instead of having to interchange, the reliability of which we believe will be highly valued by shippers. Both seemingly have been impacted by concerns related to supply chain issues. In time, the supply chain will untangle, and the rails will be important in supporting this.

At quarter-end, the Fund was positioned with 44.4% in growth or risk assets comprised of the following:

- 24.3% effective equity
- 2.3% in property
- 5.1% in infrastructure
- 12.7% in high yield credit

The balance (55.6%) of the Fund is invested in either more stable assets or diversifying assets, which we think have a lower correlation to equities:

- 43.1% in investment-grade fixed-income instruments (including 19.1% in corporate credit and 14.5% in short-dated Treasury bills)
- 7.8% in commodities
- 1.9% in inflation-linked bonds
- 2.8% in absolute return instruments

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 cash benchmark.

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

Portfolio managers
Neil Padoa and Louis Stassen
as at 30 September 2021

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 D NAV prices. Class A NAV prices were used for the period prior to the launch of Class D. 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 the current financial year (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.

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.

A summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/.

IMPORTANT INFORMATION REGARDING TERMS OF USE

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