

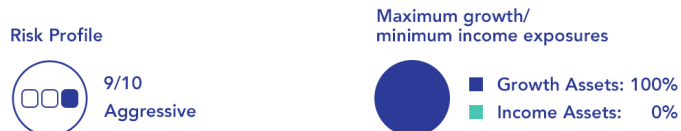
WHAT IS THE FUND'S OBJECTIVE?

The Global Emerging Markets Flexible [ZAR] Fund aims to give investors access to the best opportunities in emerging equity markets. The fund actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the emerging equity benchmark over all periods of five years and longer.

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies which are either based in emerging countries, or earn a significant part of their revenue from emerging economies. It can also invest in cash and bonds, but will remain biased towards shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS



The fund will only invest in shares we view as being attractively valued and 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. Emerging markets are generally viewed as more risky than developed markets. 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 in emerging markets;
- ▶ 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 for exposure to emerging markets;
- ▶ do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 1.00% and a maximum of 2.40%, depending on the fund's performance, is payable.

If fund performance equals that of the benchmark (after fees and costs), a fee of 1.15% will be charged. We share in 20% of performance above the benchmark, up to a total annual fee of 2.40%. Performance is measured over a rolling 24-month period.

If the fund underperforms the benchmark over any 60-month period, the fee is reduced by 0.15%.

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 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?

GAVIN JOUBERT BBusSc, CA (SA), CFA	SUHAIL SULEMAN BBusSc, CFA	IAKOVOS MEKIOS Ptychion (BSc), MIA, IMC, CFA
LISA HAAKMAN CA (SA), CFA	PAUL NEETHLING CA (SA), CFA	

GENERAL FUND INFORMATION

Launch Date	28 December 2007
Fund Class	A
Benchmark	MSCI Emerging Markets Index
Fund Category	Global – Multi-asset – Flexible
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORGLOB
ISIN Code	ZAE000109211
JSE Code	CGEM

CORONATION GLOBAL EMERGING MARKETS FLEXIBLE [ZAR] FUND

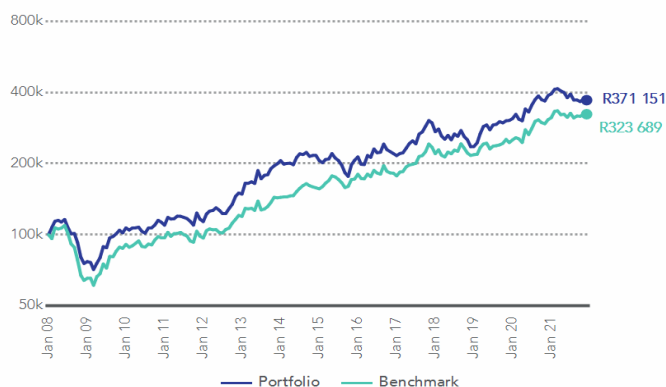
CLASS A as at 30 November 2021

Fund category	Global - Multi Asset - Flexible
Launch date	28 December 2007
Fund size	R 6.09 billion
NAV	359.15 cents
Benchmark/Performance	MSCI Emerging Markets Index
Fee Hurdle	
Portfolio manager/s	Gavin Joubert, Suhail Suleman, Lisa Haakman, Iakovos Mekios and Paul Neethling

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	2.08%	1.75%
Adjusted for out/(under)-performance	1.15%	1.15%
Fund expenses	0.59%	0.28%
VAT	0.08%	0.10%
Transaction costs (inc. VAT)	0.26%	0.22%
Total Investment Charge	0.16%	0.16%
	2.24%	1.91%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark
Since Launch (unannualised)	271.2%	223.7%
Since Launch (annualised)	9.9%	8.8%
Latest 10 years (annualised)	12.3%	12.6%
Latest 5 years (annualised)	11.0%	12.2%
Latest 3 years (annualised)	16.3%	14.3%
Latest 1 year	(4.4)%	5.5%
Year to date	(6.0)%	3.4%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Return	9.9%	8.8%
Annualised Deviation	16.6%	15.1%
Sharpe Ratio	0.18	0.13
Maximum Gain	25.5%	36.4%
Maximum Drawdown	(38.6)%	(44.2)%
Positive Months	56.9%	57.5%
	Fund	Date Range
Highest annual return	49.7%	Mar 2009 - Feb 2010
Lowest annual return	(37.5)%	Mar 2008 - Feb 2009

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	4.4%	0.6%	(2.2)%	(1.4)%	(5.0)%	3.5%	(5.6)%	0.1%	(1.6)%	2.7%	(1.2)%		(6.0)%
Fund 2020	4.2%	(4.7)%	(1.5)%	12.2%	(2.9)%	7.0%	5.5%	3.7%	(3.6)%	(1.3)%	5.4%	1.8%	27.3%
Fund 2019	3.8%	9.1%	7.3%	1.5%	(4.6)%	4.8%	0.6%	2.7%	(1.3)%	2.1%	0.3%	1.9%	31.3%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	30 Nov 2021
Equities	96.76%
China	31.22%
Russian Federation	10.99%
South Korea	8.40%
India	7.04%
Brazil	6.49%
Taiwan	5.45%
Germany	4.96%
France	4.66%
South Africa	4.46%
United Kingdom	1.95%
Other	11.14%
Cash	3.14%
USD	3.25%
ZAR	0.05%
EUR	0.00%
HKD	0.00%
Other	(0.17)%
Real Estate	0.10%
Brazil	0.10%

TOP 10 HOLDINGS

As at 30 Sep 2021	% of Fund
Prosus Na (China)	8.1%
Jd.com Inc ADR (China)	6.9%
Housing Dev Finance Corp (India)	3.6%
Samsung (South Korea)	3.2%
Magnit Pjsc (Russian Federation)	3.0%
Sberbank (Russian Federation)	3.0%
Airbus Group Se (France)	2.7%
Taiwan Semiconductor Man (Taiwan)	2.7%
Naver Corp (South Korea)	2.6%
Yandex Nv - A (Russian Federation)	2.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2019	01 Oct 2019	1.65	1.63	0.01
29 Mar 2019	01 Apr 2019	0.64	0.63	0.01

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

The Fund returned -7.0% during the third quarter of 2021 compared with the -2.9% return of the benchmark (fund and stock returns are in Rands throughout). Together with the negative relative performance of the second quarter and the small outperformance in the first quarter, the Fund is 8.7% behind the benchmark year to date and by a slightly less (-8.2%) over the last year. This has been a challenging period, driven almost exclusively by China. The top 5 negative contributors over both the quarter and year to date were Chinese holdings. The longer-term performance of the Fund has added value, outperforming the market by 1.1% p.a. since inception close to 14 years ago.

The largest positive contributor was Russian food retailer Magnit, returning 22% in the quarter and contributing 87bps to performance. Aside from continued solid operational performance, best evidenced by 5% like-for-like sales growth in the latest reporting quarter, Magnit also announced the purchase of a smaller food retailer (Dixy) and an e-commerce co-operation agreement with Wildberries (the current leading e-commerce operator in Russia). The latter will assist in improving Magnit's e-commerce offering, which is essential in the larger cities in Russia and an area where they have lagged peers, in particular X5. The Dixy acquisition adds 10% to group selling space, and besides the obvious cost synergies also gives them lots of attractive sites in Moscow and St. Petersburg, the two most important metros where they need scale. This acquisition doubles their market share in both cities overnight, with Moscow market share increasing from 4% to over 8% and St. Petersburg market share from 9% to 17%. Magnit is very attractive from a valuation standpoint in our view, with the share trading on around 13x forward earnings and offering a 9% dividend yield. Magnit now represents a 4.6% position in the Fund and is the 3rd largest holding. In terms of positive contributions to relative performance, the Russian stocks generally featured prominently, with both Yandex (5th largest) and Sberbank (6th largest) also being in the top ten quarterly positive contributors, together adding 80bps of performance.

After Magnit, the next biggest positive contributor to performance in the quarter was the zero direct weight in Tencent as it returned -17% during the period, contributing +71bps to relative performance. This was, however, fully offset by the holdings in Prosus and Naspers, which combined are the largest effective exposure in the Fund. There was material corporate action in Prosus and Naspers that was completed during August, whereby Naspers shareholders were invited to tender part of their shares for Prosus shares as part of various ongoing measures to reduce the discount at which Naspers trades to Prosus and at which Prosus trades to the value of its Tencent stake. The Fund's exposure to these three entities is now almost fully held via Prosus, as we accepted the offer from Prosus, receiving Prosus shares in return for Naspers shares. Prosus itself had a busy quarter in terms of investments, having increased its stake in Delivery Hero (food delivery) by 2% to 27%, and acquiring BillDesk (payments) in India. The BillDesk acquisition adds to their existing PayU business and moves the combined entity into the top 10 payment providers in the world by Transaction Processing Value (TPV), the standard metric by which these providers are compared. The "rump" of Prosus, comprising all assets except its 29% stake in Tencent, is in our view worth almost a third of the current market capitalization of Prosus. In contrast, Prosus trades at a discount to the value of its Tencent stake alone. This completely ignores all other assets in Prosus (a range of emerging market internet assets with a focus on food delivery, online classes, e-commerce, payments, and online education, none of which are in China). Although there is still much that management must do to narrow this discount over time, we believe the recent moves to unlock value are a good step in the right direction, not least of which is a \$5bn share buyback scheme.

A few other notable positive contributors are worth mentioning. HDFC, the Indian mortgage loan provider and financial services holding company, returned 18% and contributed 45bps. The Fund also has a relatively smaller exposure to Alibaba (preferring to own more in JD.com) and, with Alibaba falling 31%, this positioning helped to provide 60bps of positive performance.

The Fund was, on the whole, very negatively affected by the Chinese regulatory developments that unfolded during the quarter.

The largest detractor was Tencent Music Entertainment (TME), which returned -52% and cost the Fund 1.4%. While the bulk of TME's revenue and profits today come from Social Entertainment, it is the music streaming part of the business (Spotify equivalent) that attracts us and makes up 80% of our valuation for TME. The large decline in TME's share price during the quarter was also primarily driven by regulatory moves in music streaming, as well as the significant selling of all Chinese internet stocks in general. In early August, the government announced that exclusivity on music would be banned in most circumstances. Our investment case was not primarily based on exclusivity remaining in place forever as China was an outlier in this regard: the likes of Spotify, Apple Music, Amazon don't have exclusivity in their various markets around the world: factors other than exclusivity (the overall attractiveness of the ecosystem and user experience, the strength of curation, the range of music (and increasingly long audio, live concerts), etc.) play a significant role in success, and TME (with 75% market share in music streaming in China today) is the clear leader in this regard. In addition to this, the music streaming industry is still in its early stages in China, in particular from a paying ratio point of view and from a pricing/ARPU point of view (both still very low but increasing). Whilst we believe that TME will lose some market share over time, in our view they will remain the clear leader in what is a growing market. In addition to this, for independent (without a record label) artists three years of exclusivity is still permitted and for new tracks on all non-independent artists there is a permitted 30-day exclusivity, which act as a counter to the negative impact from an exclusivity point of view. Lastly, the market structure of music streaming in China is far more attractive than in other global markets due to the much smaller presence in China of the 3 dominant global labels (Universal Music Group, Warner Music and Sony Music) and at the same time the higher representation of (fragmented) local Chinese labels increases the bargaining power of the music streaming companies leading to far higher long-term profitability. Besides the very attractive long-term fundamentals of the company, the market value of TME's listed investments (small stakes in Spotify, Universal Music Group and Warner Music) and net cash amount to approximately 45% of TME's market

capitalization today. The music streaming segment is still marginally loss making so earnings are depressed but using our estimate of normal margins and applying them to estimated revenue would put TME on 9x free cash flow and closer to 5x free cash flow if excluding the investments and net cash. TME is a 1.5% position in the Fund.

The single biggest event was the action taken against the After School Tuition (AST) industry in late July. Although there is still some uncertainty over the final regulations and the companies themselves are still unable to clarify the impact to investors, the general principle is that there will be severe curbs on AST in K1 to 9 (pre-school, primary and middle school). This segment will be closed to foreign capital and become "not for profit". There is some ambiguity regarding AST in high school (years 10 to 12 inclusive) and the industry may be able to continue to operate here, although the scale of the industry will shrink significantly regardless. During the month of July, final regulations came out with a very punitive outcome for the industry. We had sold a portion of the Fund's EDU holding before the final regulatory announcement but were still impacted by the material fall in the share price on the day of the regulatory announcements. Despite the substantial decline in EDU's share price, we decided to sell the remaining position to zero as the company's long-term prospects had clearly been materially impaired. EDU cost the Fund 1.3% of performance during the quarter, whilst Youdao cost the Fund 0.4%. Youdao has been retained in the Fund (a 0.5% position) as its business model is very different, being exclusively online (as opposed to having a large physical learning centre presence as is the case with EDU), and skewed more toward adult education and education hardware tools (almost 60% of the business), which is outside the purview of the regulations as it is less politically sensitive than education of minors.

The next two largest detractors in the Fund were also Chinese stocks, meaning that all of the six largest detractors were Chinese stocks. Melco Resorts (gambling, Macau) cost 72bps and Baijiu spirits producer Wuliangye Yibin cost the Fund 41bps. Having for some time been the most attractive investment destination in emerging markets in recent years, the Chinese market has now attracted commentary akin to being uninvestable. We continue to talk to as many China experts/insiders/locals as we can on an ongoing basis, and our view at this stage is more nuanced: clearly the relationship between capital and the state has changed in a negative direction (and the risks and discount rate for China have increased), but as a counter the authorities have taken great pains to explain that these are targeted decisions with specific objectives and the country is still very much "open for business". The extent to which this affects individual industries and names within these industries is where tough decisions need to be made. First movers in the tech industry that abused their dominant market position are likely to be the most negatively affected, whilst companies that were hurt by anticompetitive action will likely benefit going forward. Regulatory clarity (as one has seen in music streaming, and arguably e-commerce as well) also assists one in getting to grips with what future earnings streams may look like, as opposed to 'not knowing' in other sectors where regulatory actions are still taking place.

The most material change in the Fund as a result of regulatory changes in China (AST aside) was the reduction in the Alibaba position from around 3.9% to 1.5%. Alibaba, whilst still cheap from a valuation perspective in our view, is no longer attractive enough to be a top 10 position. JD.com remains our preferred e-commerce operator and is the 2nd largest position (6.9%) in the Fund after Prosus/Naspers. Aside from a very attractive valuation - it trades on 11x forward (below normal) earnings when listed subsidiaries, associates and net cash are stripped out - the company ticks all the regulatory boxes by investing in infrastructure, employing full-time workers, paying them well and providing all the benefits typically denied to workers in the gig economy. In our view, JD will be the biggest beneficiary of the end of the 'choose 1 of 2' rule historically employed by Alibaba and ended by regulation, and we also believe its predominantly 1P business model will be the long-term winner in the eyes of the consumer.

There were a few new buys in the quarter, all 1% or smaller positions, some of which are worth highlighting. The first of these was the leading South Korean e-commerce retailer Coupang. After jumping to over \$50 in the days after its IPO, Coupang has now steadily retraced down to below \$30 to come into buying range. We also bought Eastern European retailer Pepco Group (0.9% of Fund), a multi-format discount retailer with over 3,200 stores spread across the continent. The last new buy to highlight was Prudential which has now sold/spun out its UK and US businesses, leaving it as a pure Asian/EM life insurer (much like AIA). Adjusting for differences in accounting practices and assumptions to compare the two insurers like for like, Prudential trades at a 1/3rd discount to AIA, despite delivering higher renewal premium growth over the last 10 years. We think both insurers are attractive and 1.5% of the Fund is collectively invested in AIA (1.0% position) and Prudential (0.5% position). The new buy was fully funded by the sale of Ping An, which has responded poorly to increased online competition. There were a few other sales of smaller positions during the quarter including the position in Momo.com (Taiwanese e-commerce) due to elevated valuation and B3, the Brazilian stock and derivatives exchange on a change in the investment case in the form of new potentially material legal liabilities.

Portfolio managers
Gavin Joubert, Lisa Haakman, Iakovos Mekios, Henk Groenewald & Paul Neethling
as at 30 September 2021

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EMERGING MARKETS FLEXIBLE [ZAR] FUND

The Global Emerging Markets Flexible [ZAR] 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. Asset allocation and 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 Asset Management (Pty) (FSP 548) Ltd, 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 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 our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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