

LONG TERM OBJECTIVE

The Coronation Global Equity Fund of Funds aims to deliver capital growth through a focused portfolio of the best equity managers globally. The Strategy invests in top-quality long-only equity funds (typically 10) and is broadly diversified across geographic regions including emerging markets. The underlying fund managers have well-established track records with a similar investment approach to ours, and have been thoroughly evaluated by Coronation's due diligence team. The objective is to outperform the MSCI All Country World Index over a 5-year period.

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house, focused on bottom-up stock picking. Our aim is to identify mispriced assets trading at discounts to their long-term business value (fair value) through extensive proprietary research. In calculating fair values, through our fundamental research, we focus on through-the-cycle normalised earnings and/or free cash flows using a long-term time horizon. We select managers who share a similar investment philosophy to ours. We do not equate risk with tracking error, or divergence from a benchmark, but rather with a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	375.7%	244.1%	131.6%
Since Inception p.a.	7.6%	6.0%	1.6%
Latest 20 years p.a.	10.2%	8.4%	1.8%
Latest 15 years p.a.	9.1%	7.7%	1.4%
Latest 10 years p.a.	13.1%	12.7%	0.4%
Latest 5 years p.a.	13.0%	13.2%	(0.2)%
Latest 1 year	34.8%	27.4%	7.4%
Year to date	10.3%	11.1%	(0.8)%
Month	(4.2)%	(4.1)%	(0.1)%

SECTOR EXPOSURE

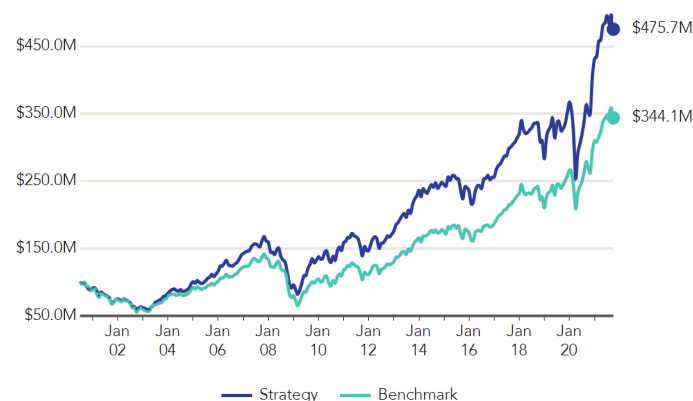
Sector	% Strategy
Consumer Discretionary	24.4%
Information Technology	19.2%
Communication Services	16.4%
Industrials	9.0%
Financials	7.3%
Materials	6.7%
Healthcare	5.9%
Consumer Staples	5.1%
Energy	3.3%
Real Estate	0.6%
Utilities	0.2%
Interest Bearing	1.9%

GENERAL INFORMATION

Inception Date	01 July 2000 *
Strategy Size †	\$871.1 million
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net All Country World USD (NDUEACWF Index)
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

†Strategy assets under management as at the most recent quarter end.

GROWTH OF US\$100M INVESTMENT



Benchmark: MSCI Daily TR Net All Country World USD (NDUEACWF Index)

TOP 5 HOLDINGS

Holding	% Strategy
EMINENCE LONG FUND	20.9%
EGERTON CAPITAL EQ F-I USD	16.5%
CORONATION GEM EQUITY FUND	15.3%
LON MONTEREY	15.3%
CONTRARIUS GLOBAL EQUITY FUND LTD OPEN-END FUND	10.8%

GEOGRAPHIC EXPOSURE

Region	% Strategy
North America	63.1%
Europe	15.0%
Asia	13.9%
CEEMEA	3.4%
LATAM	2.2%
Japan	0.5%
Interest Bearing	1.9%

CURRENCY EXPOSURE

Currency	% Strategy
USD	60.2%
EUR	7.5%
CNY	7.5%
GBP	7.2%
CAD	4.6%
INR	2.4%

Currency	% Strategy
RUB	2.1%
BRL	1.6%
KRW	1.4%
TWD	1.4%
Other	4.1%

PORTFOLIO MANAGERS



Tony Gibson - BCom

Tony is a founding member and a former chief investment officer of Coronation. He was responsible for establishing Coronation's international fund of funds business in the mid-1990s and has managed the Coronation Global Equity Fund of Funds product since inception. Tony has 40 years' investment experience.



Karl Leinberger - BBusSc, CA (SA), CFA

Karl is Chief Investment Officer (CIO) and manager of Coronation's Houseview strategies. He joined Coronation in 2000 as an equity analyst, was made head of research in 2005 and became CIO in 2008. Karl has 20 years' investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

The Prospectus and a Summary of Investor Rights can be sourced on the following link: <https://www.coronation.com/en/institutional/strategy-information/literature/>.

The information contained herein is not approved for use by the public and must be read together with our [Disclaimer](#) that contains important information. If you are in possession of a physical copy of this document and you are unable to access our [Disclaimer](#) online, kindly contact us at cib@coronation.com and a copy will be sent to you via email.

* The Global Equity Fund of Funds was launched in January 2008 under the Coronation Universal Fund, a non-UCITS open-ended umbrella unit trust, at \$10 per unit. Performance figures prior to this date refer to the Global Equity Fund of Funds, a sub-fund of the Coronation Retail Fund 2, which has been liquidated. The majority of investors in the latter transferred their holdings into the new Coronation Universal Fund in January 2008. The funds have similar investment objectives and strategies but different fee structures.

REVIEW FOR THE QUARTER

The Fund fell 4% for the quarter, against a benchmark return of -1%, bringing the rolling 12-month performance to 35% against the 27% returned by the MSCI All Country World Index (ACWI).

The third quarter (Q3-21) was one of uncertainty, as markets struggled with inflation numbers that are looking less transitory, the potential bankruptcy of Evergrande (a large developer in China), the continued corporate crackdown in China and the looming debt ceiling in the US. The global economy is rebounding strongly, causing significant supply chain disruptions in many industries and rising energy prices, which, in turn, may hamper a full recovery in the short term. All eyes were also on the US Federal Reserve (Fed), which recently indicated that it would start tapering its bond purchase programme by the end of the year and sees rates rising three times in 2023.

Japan was the best performing region in Q3-21, advancing 5% (in US dollar terms). The weakest return was from the Pacific ex-Japan, which declined 4% (in US dollar terms). Europe fell almost 2%, and North America advanced marginally (both in US dollar terms). Emerging markets returned -9% compared to developed markets, which rose minimally (both in US dollar terms).

Amongst the global sectors, IT (+1%), financials (+2%) and healthcare (+1%) were the best performing sectors for the quarter. The worst performing sectors were materials (-6%), consumer staples (-2%) and industrials (-2%). The Fund's largest exposures are to consumer discretionary, IT, and communication services on a look-through basis.

The underperformance for the quarter was largely driven by the Fund's exposure to emerging markets, with the Coronation Global Emerging Markets Equity Strategy underperforming its benchmark, while emerging markets as a whole lagged developed markets rather significantly. Although this fund's underperformance had the biggest impact, most underlying funds underperformed the ACWI for the quarter.

Coronation Global Emerging Markets Equity's strong performance run saw a setback in Q3-21. The Strategy's exposure to Chinese companies detracted strongly as the country continued to crack down on education and social media stocks. New Oriental Education (-74%) was greatly affected by the new policy that prevents private companies from providing tutoring on the national curriculum, while Tencent Music Entertainment (-53%) was forced to give up exclusivity on certain music. Naspers (-21%) and Prosus (-18%) were both down because of the crackdown on online gaming and the consequent impact on Tencent.

Coronation Global Equity Select was also affected by the Chinese government's actions on Naspers, Prosus and Tencent Music, as well as Alibaba (-35%) and Melco Resorts (-38%). Alphabet (+10%), Salesforce (+11%) and Microsoft (+4%) mitigated some of these declines.

Contrarius Global Equity retreated after a very strong year. Bed Bath & Beyond (-48%) was a significant driver of the underperformance. The company is undergoing a transformation and has performed well over the last year, but earnings missed expectations because of the Covid-19 surge in its key markets and supply chain issues. AMC Networks (-30%) and Lions Gate Entertainment (-29%) were significant contributors to quarterly underperformance. Positive contributions came from the fund's energy exposure, such as Valaris (+21%) and Arch Resources (+42%) and Macy's (+20%), which continues to recover from the pandemic lows.

Tremblant Capital was another fund that lagged quite a bit in Q3-21. Farfetch (-26%), Nordstrom (-28%) and Spotify (-18%) were amongst the biggest detractors. Spotify trended down over Q3-21 but recovered somewhat after it announced a stock buy-back, and it benefited from the Apple app sharing ruling. Nordstrom is recovering from the pandemic lock-down, but its recent earnings announcement ultimately disappointed the market, and the share price subsequently sold off strongly.

Lansdowne and Egerton were slightly behind the index for the quarter. Lansdowne was held back by BT Group (-20%), Illumina (-14%) and Freeport-McMoRan (-12%) but benefited from Vivendi (+29%), Natwest (+10%) and Bank of Ireland (+11%). Egerton's laggards included Canadian Pacific Railway (-15%), Meituan (-33%) and Tencent (-18%), while its winners were Alphabet (+6%), Microsoft (+4%) and Netflix (+16%).

Eminence and Lone Pine Cascade were the only two funds to outperform the market over the quarter, both by a slim margin. Lone Pine Cascade held large positions in Dexcom (+4%), Match (+14%) and DoorDash (+8%), while Eminence benefited from Pure Storage (+29%), Entain (+19%) and Palo Alto Networks (+29%).

Outlook

The start of the Fed's tapering this quarter means that maximum monetary accommodation has passed, but conditions should remain relatively supportive of risk assets for some time still. There will undoubtedly be more short-term volatility through this long transition period, which should create investment opportunities.