

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

Risk Profile



Maximum growth/ minimum income exposures



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

LISA HAAKMAN
CA (SA), CFA

IAKOVOS MEKIOS
Ptychion (BSc), MIA, IMC, CFA

GENERAL FUND INFORMATION

Launch Date	28 December 2007
Fund Class	A
Benchmark	MSCI Emerging Markets Index
ASISA 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

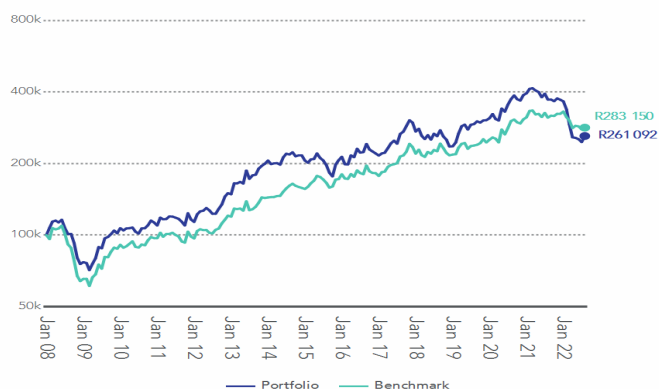
CLASS A as at 31 July 2022

ASISA Fund Category	Global - Multi Asset - Flexible
Launch date	28 December 2007
Fund size	R 4.98 billion
NAV	252.65 cents
Benchmark/Performance Fee	MSCI Emerging Markets Index
Hurdle	
Portfolio manager/s	Gavin Joubert, Suhail Suleman, Lisa Haakman and Iakovos Mekios

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%	0.18%
	2.24%	1.93%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark
Since Launch (unannualised)	161.1%	183.1%
Since Launch (annualised)	6.8%	7.4%
Latest 10 years (annualised)	7.8%	10.4%
Latest 5 years (annualised)	(0.4)%	5.7%
Latest 3 years (annualised)	(3.8)%	5.9%
Latest 2 years (annualised)	(16.4)%	(3.1)%
Latest 1 year	(29.7)%	(9.2)%
Year to date	(28.5)%	(14.4)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Return	6.8%	7.4%
Annualised Deviation	17.2%	15.1%
Sharpe Ratio	(0.01)	0.03
Maximum Gain	25.5%	36.4%
Maximum Drawdown	(40.6)%	(44.2)%
Positive Months	54.9%	56.6%

	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 2022	(7.5)%	(13.4)%	(11.8)%	(0.5)%	(1.3)%	(2.7)%	6.0%						(28.5)%
Fund 2021	4.4%	0.6%	(2.2)%	(1.4)%	(5.0)%	3.5%	(5.6)%	0.1%	(1.6)%	2.7%	(1.2)%	(1.6)%	(7.5)%
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%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	31 Jul 2022
Equities	96.22%
China	23.21%
Brazil	11.90%
India	9.45%
South Korea	8.57%
South Africa	7.67%
Taiwan	5.80%
France	5.74%
Germany	3.79%
Argentina	3.72%
United Kingdom	3.67%
Other	12.71%
Cash	3.72%
USD	2.84%
Other	0.83%
ZAR	0.18%
HKD	0.00%
EUR	(0.12)%
Real Estate	0.05%
Brazil	0.05%

TOP 10 HOLDINGS

As at 30 Jun 2022	% of Fund
Jd.com Inc (China)	7.8%
Prosus Na (China)	5.9%
Taiwan Semiconductor Man (Taiwan)	3.3%
Housing Dev Finance Corp (India)	3.3%
Naspers Ltd (South Africa)	3.2%
Naver Corp (South Korea)	3.1%
Samsung (South Korea)	2.8%
Petroleo Brasileiro Sa (Brazil)	2.7%
Anglogold Ashanti Limited (South Africa)	2.7%
Mercado Libre Inc (Argentina)	2.6%

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 -4.5% in the quarter ended 30 June 2022 (Q2-22), 3.2% behind the benchmark MSCI Emerging Markets Index (both returns in ZAR). This continuation of recent underperformance leaves the Fund 22.7% behind its benchmark over the last year, and 0.9% p.a. behind since inception in December 2007. This is well below what we believe the Fund should be returning, and we are mindful that it is materially below investor expectations too. It is important to note, however, that this underperformance has all been concentrated in the last 15 months (since March 2021) and that before this 15-month period of underperformance, the Fund had materially outperformed the benchmark by more than 1.9% p.a. over the almost 15 years since inception up until that point. We believe the drivers of this underperformance are largely short term in nature, and many of the stocks owned in the Fund are materially undervalued. In this regard, the weighted average upside to fair value in the Fund is currently over 100% (i.e. on average the shares in the Fund are worth double their current share price) and the five-year IRR (five-year earnings growth + annual dividend yield + derating/rerating) is 23% p.a..

The biggest positive contributor to performance in the period was the Fund's largest holding, Naspers and Prosus (which we treat largely as a single exposure from a risk perspective). The position returned 37.5% in the quarter, contributing 2.4% positive outperformance. In previous quarters, Naspers/Prosus had detracted materially as they underperformed relative to Tencent, the asset that makes up three quarters of our NAV for Naspers/Prosus. At one point, the discount at which Naspers and Prosus traded just to the value of the 29% stake in Tencent had reached over 50% on an aggregate basis. This discount became the source of much frustration (both amongst management and shareholders), and our engagement with management and the board was accelerated in order to elicit some form of value unlock for investors. Previous attempts (such as the unbundling of MultiChoice in South Africa and the creation of Prosus in the Netherlands), whilst being steps in the right direction in our view, had largely been unsuccessful in stemming the tide of the widening discount.

In late June, Prosus announced measures to deal with the discount. Most significantly, they announced an "open-ended multi-year share repurchase programme of Prosus and Naspers shares". This is expected to enhance the NAV over time given the huge discount at which the two shares trade to their intrinsic value. Furthermore, the lockups on holding Tencent shares have been removed, with the consent of Tencent. This allows them to sell Tencent shares over time and use the proceeds to do Naspers and Prosus share repurchases. They have committed to do so in a rational and responsible manner such that sales are a small percentage of the daily Tencent trade volume. The immediate reaction of the market to these announcements was very positive and we expect that we are still in the early stages of value unlock, with more to come. For this reason, the position size has seen only small sales to offset the share price move and is now the largest position in the Fund.

The Fund's second largest holding JD.com returned 26.4%, contributing 1.7% of positive relative performance. JD.com remains materially undervalued and, in our view, is a long-term winner in the Chinese ecommerce space with the leading business model (complete fulfilment through their own warehouses and drivers, thus controlling the customer experience) and with margins well below normal and significant market share gain opportunities from Alibaba and other players. Wuliangye Yibin, China's second largest baijiu (spirits) producer, returned 40.2% and contributed 0.6% of positive relative performance. The Fund's (relative) underweight position in TSMC, the largest stock in the benchmark, added 0.3% after it returned -14% in the quarter, while NetEase's 15% return added 0.2% relative return.

Offsetting the above were a number of detractors, mainly within commodities and technology. The largest of these was Mercado Libre (2.6% of Fund), Latin America's largest ecommerce operator, which almost halved and cost the Fund just over 1% of relative performance. AngloGold (a 2.7% position), which returned -29.8% in the period, cost just shy of 1% of relative performance. South Korea's Naver returned -26.1% and cost 0.8%, while Brazilian fintech group PagSeguro and Anglo American each cost the Fund 0.7% of relative performance. We have retained the positions in all of the aforementioned stocks with upside to fair value being around 100% in most cases.

The sell-off presented us with the opportunity to increase the Fund's exposure to those businesses that we believe will likely be long-term winners and whose share prices could potentially be multiples of current levels if they are successful. These loss-making long duration stocks now make up approximately 10% of the Fund and the larger holdings include Mercado Libre (Latin American ecommerce & fintech), Delivery Hero (largely Asia and Middle East food delivery), Coupang (Korean ecommerce) and SEA (SE Asia ecommerce and gaming). One year ago (at substantially higher prices and valuations), the Fund had only 3.5% collectively invested in these stocks (compared with 10% of the Fund today) and didn't own Coupang or SEA at all due to valuation.

We remain committed to our investment philosophy and resolute in the application of our investment process during this time of opportunity, to restore the long-term alpha of the Fund for our valued investors.

Portfolio managers

Gavin Joubert, Suhail Suleman, Lisa Haakman and Iakovos Mekios
as at 30 June 2022

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 underlying 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 previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available 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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