

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 any five-year period. 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.

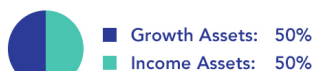
The fund is allowed to make use of exchange traded funds and financial instruments to implement its investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



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. Global currency movements may intensify investment gains or declines.

A conservative multi-asset fund which aims to preserve capital, it is classified as having a conservative to moderate risk profile. However, the fund has significant foreign asset exposure and is therefore subject to currency volatility. For the rand investor the risk profile of the fund should be considered as moderate to high.

This feeder fund aims to remain fully invested in units in the Global Capital Plus Fund, which is domiciled offshore. The only other assets that will be held at feeder fund level is local and foreign cash for liquidity purposes.

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.

Of the annual fee 0.40% is collected at feeder fund level, while the balance of the fee is collected in the master fund.

All fees exclude VAT. Fund expenses incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



NEIL PADOA
BEconSci (AcSci),
FFA, CFA

GENERAL FUND INFORMATION

Launch Date	1 November 2008
Fund Class	A
Benchmark	Secured Overnight Financing Rate (SOFR) + 1.5%
ASISA Fund Category	Global – Multi-asset – Low Equity
Regulation 28	Does not comply
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGCPFA
ISIN Code	ZAE000126652
JSE Code	COLA

CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

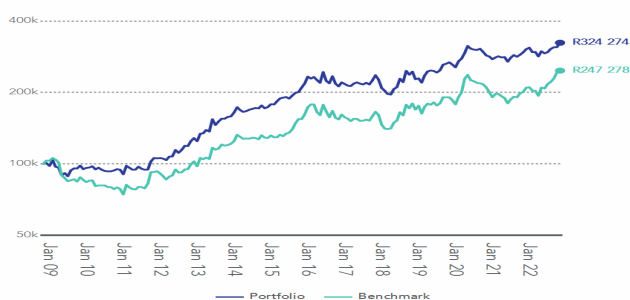
CLASS A as at 31 October 2022

ASISA Fund Category	Global - Multi Asset - Low Equity
Launch date	01 November 2008
Fund size	R 3.49 billion
NAV	336.58 cents
Benchmark	SOFR + 1.5%
Portfolio manager/s	Neil Padoa

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.41%	1.41%
Fund expenses	1.25%	1.25%
VAT	0.10%	0.10%
Transaction costs (inc. VAT)	0.06%	0.06%
Total Investment Charge	0.06%	0.07%
	1.47%	1.48%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (ZAR)

	Fund	Benchmark
Since Launch (unannualised)	224.3%	147.3%
Since Launch (annualised)	8.8%	6.7%
Latest 10 years (annualised)	10.0%	9.5%
Latest 5 years (annualised)	6.5%	8.3%
Latest 3 years (annualised)	6.6%	9.0%
Latest 1 year	9.8%	23.1%
Year to date	4.9%	17.5%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	Benchmark
Since Launch (unannualised)	72.4%	32.8%
Since Launch (annualised)	4.0%	2.0%
Latest 10 years (annualised)	2.1%	1.7%
Latest 5 years (annualised)	1.1%	2.9%
Latest 3 years (annualised)	(0.1)%	2.2%
Latest 1 year (annualised)	(9.1)%	2.5%
Year to date	(8.8)%	2.3%
2021	2.9%	1.7%
2020	3.6%	2.2%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	12.6%	14.3%
Sharpe Ratio	0.28	N/A
Maximum Gain	23.7%	N/A
Maximum Drawdown	(19.6)%	N/A
Positive Months	58.3%	N/A
	Fund	Date Range
Highest annual return	34.8%	Jun 2012 - May 2013
Lowest annual return	(11.9)%	Jun 2020 - May 2021

MONTHLY PERFORMANCE RETURNS (AFTER FEES) (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	(4.3)%	0.3%	(4.2)%	5.0%	(2.0)%	1.2%	3.2%	1.6%	0.1%	4.4%			4.9%
Fund 2021	1.7%	1.1%	(1.1)%	0.3%	(4.3)%	3.9%	2.6%	(1.6)%	1.9%	2.4%	3.1%	1.5%	11.8%
Fund 2020	6.0%	2.6%	5.6%	7.1%	(2.6)%	(0.9)%	(0.3)%	1.1%	(3.0)%	(3.4)%	(1.0)%	(2.6)%	8.2%
Fund 2019	(4.0)%	7.0%	4.2%	0.9%	(0.5)%	(1.5)%	2.1%	5.6%	1.0%	1.3%	(2.1)%	(2.7)%	11.3%
Fund 2018	(2.8)%	(2.9)%	(0.5)%	5.4%	1.9%	8.5%	(3.3)%	11.6%	(3.6)%	2.9%	(7.0)%	0.8%	9.8%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Oct 2022
Equities	31.8%
Infrastructure	1.8%
Property	2.4%
Convertible Bonds	2.5%
High Yield Bonds	6.0%
Commodities	4.9%
Merger Arbitrage	1.1%
Fixed Income	47.8%
T-Bills	13.9%
Inflation break-evens	5.3%
Investment Grade	28.6%
Cash	1.7%

TOP 10 HOLDINGS

As at 30 Sep 2022	% of Fund
Vinci Sa	1.3%
World Quantum Growth Acquisi	1.1%
Visa Inc	0.9%
Alphabet Inc	0.9%
Heineken Holdings Nv	0.9%
British American Tobacco	0.9%
Amazon Com Inc	0.8%
Canadian National Railway Co	0.8%
Microsoft Corp	0.8%
Canadian Pacific Railway Ltd	0.8%

CURRENCY ALLOCATION

Currency as at 31 Oct 2022	% of Fund
US Dollar	82.9%
Other	17.1%

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.

Performance

After an initial rally, the rest of the third quarter (Q3-22) continued in a similar vein to the prior quarter with both equities (MSCI All Country World Index -6.8%) and bonds producing negative returns (Bloomberg Barclays Global Aggregate Bond Index down 6.9%). Again, there were precious few places to hide, with listed property down 12% and gold down 8%. Even oil prices, which had been strong so far this year, declined by 23% in Q3-22. The US dollar outperformed most currencies, with the dollar index strengthening a further 7% – ensuring that even cash held in other currencies delivered a poor return when measured against our reporting currency.

This year has certainly been brutal to investors. To put it into historical context, the following grim facts are worth noting:

- To the end of September, the S&P 500 Index had experienced only three worse first three quarters of a year – in 1974 (recession); 2002 (9/11); and 1931 (the Great Depression)
- The rolling 10-year return for global government bonds is now 0% – a decade of returns has been wiped out. This is the worst return since the 1950s.
- If the year were to end at current levels, with both US stocks and bonds in negative territory, it would be only the fourth year ever for this to have occurred simultaneously.

Diversification amongst the traditional asset classes of equity and bonds hasn't shielded investors, neither has other forms of diversification. Amongst equity sectors, the only positive sector year-to-date is energy. Geographically, not a single developed market has remained positive for the year.

The Fund was not spared, producing a quarterly return of -3.6%.

Fund positioning

While the severity and somewhat indiscriminate nature of the sell-off has been painful to endure, it has also resulted in widespread price dislocation. In equity markets, for instance, good businesses have been jettisoned alongside weak business, with little regard for differences between their long-term prospects. Across multiple industries and investment themes, our analysts are finding a range of opportunities that we consider to be very attractive today. Unsurprisingly, market and consumer sentiment are extremely negative. Historically, this has often been followed by a period of strong returns.

Long-time readers will know that we follow a valuation-driven investment research process. By assessing multiple factors (including the underlying earnings power of a business, the quality of management and key risks), we aim to determine a fair value (FV) – our estimate of what the business is worth. When the market price of a stock is well below our FV estimate, it often signals opportunity. Historically we have found that the more upside our analysts find, the stronger prospective returns are. Today, the upside in the equity portfolio is over 60%, which is well above historical levels and is one of the reasons supporting our optimism about the portfolio's prospects.

To highlight the broad range of opportunities our analysts see today, an unabridged version of this commentary highlights a few examples from different corners of the market – spanning different industries and style factors – where we believe the long-term fundamentals of the businesses are not reflected in the valuation. You can access the full commentary [here](#).

In summary, the Fund was positioned as follows at quarter-end:

- 30.5% in equities (which includes 5% in commodity and energy-related equities)
- 4.6% in real assets (which includes property and infrastructure investments)
- 1.1% in merger arbitrage situations
- 8.6% in high yield fixed income
- 10.4% in inflation-linked investments (which includes gold and inflation-linked bonds)
- 44.9% in investment-grade fixed income (including 13% in short-dated Treasury Bills and 30% other investment grade instruments)

Just as we said in the June 2022 commentary, you can have good news and you can have good prices, just usually not at the same time. Many headlines continue to be grim, but it is worth remembering the wise words of arguably the most experienced (and successful) investor - Warren Buffett - who in his 2008 Berkshire Hathaway letter said "the market value of the bonds and stocks that we continue to hold suffered a significant decline along with the general market. This does not bother Charlie and me. Indeed, we enjoy such price declines if we have funds available to increase our positions. Long ago, Ben Graham taught me that 'Price is what you pay; value is what you get.' Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down."

As mentioned above, we are finding business values that are much higher than stock market prices, as well as far more attractive fixed income yields, resulting in a portfolio that we think offers more upside than normal. This leaves us optimistic about the Fund's positioning and the potential for more attractive returns in the future.

Portfolio managers

Neil Padoa

as at 30 September 2022

Portfolio managers

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

The Global Capital Plus [ZAR] Feeder 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 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. 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. The 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 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.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is the Secured Overnight Financing Rate (SOFR) + 1.5%. From 1 December 2021 the benchmark changed from the USD 3-month LIBOR + 1.5% to the Secured Overnight Financing Rate (SOFR) + 1.5%. The benchmark returns shown in this MDD will be spliced between the previously applicable index values and the new benchmark from 1 December 2021.

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 over the period referenced. 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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