

CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

Fund Information as at 30 April 2023

WHAT IS THE FUND'S OBJECTIVE?

Global Managed seeks to balance long term real returns and the risk of loss by investing in a range of listed asset classes around the world. Our intent is to outperform an equity-biased benchmark over all five year periods

WHAT DOES THE FUND INVEST IN?

Global Managed will have a bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund primarily invests in developed economies (including the US, Europe and Japan) but is also mandated to invest in emerging markets.

The intent is to keep the fund fully invested in foreign assets at all times. Its exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen.

The fund may use exchange traded funds and other financial instruments (eg. derivatives) to implement specific investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



Global Managed aims to balance long-term real returns and the risk of loss. The fund will have a sizeable exposure to shares, which typically offer the best returns over the long run.

Global Managed will only invest in assets we view as being attractively valued and that could offer strong long-term investment growth. The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While shares typically offer superior long-term returns, this comes with higher levels of risk and volatility. We have a disciplined approach to reducing risk, but shares can be volatile investments and may suffer capital losses over the short term. Global currency movements may intensify investment gains or declines.

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

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than five 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;
- require a fund which balances long-term real returns and the risk of loss;
- 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 that are incurred in the fund include administrative, 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



HUMAIRA SURVE
BScEng, MBA, CFA

GENERAL FUND INFORMATION

Launch Date	29 October 2009
Fund Class	A
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
ASISA Fund Category	Global – Multi-asset – High Equity
Income Distribution	Semi-annually (March & September)
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COGLMAZ
ISIN Code	ZAE000139721
JSE Code	COGM

CORONATION GLOBAL MANAGED [ZAR] FEEDER FUND

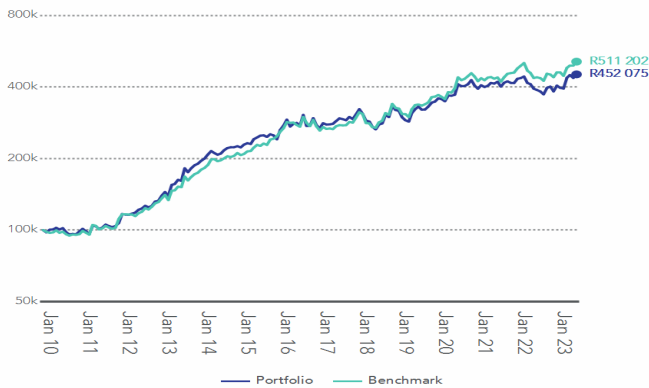
CLASS A as at 30 April 2023

ASISA Fund Category	Global - Multi Asset - High Equity
Launch date	29 October 2009
Fund size	R 7.97 billion
NAV	445.27 cents
Benchmark	Composite: 60% MSCI All Country World Index & 40% Barclays Global Bond Aggregate
Portfolio manager/s	Neil Padoa and Humaira Surve

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.25%	1.25%
Fund expenses	0.07%	0.07%
VAT	0.06%	0.06%
Transaction costs (inc. VAT)	0.09%	0.10%
Total Investment Charge	1.47%	1.48%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



RISK AND RETURNS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark
Since Launch (unannualised)	352.1%	411.2%
Since Launch (annualised)	11.8%	12.8%
Latest 10 years (annualised)	10.9%	12.9%
Latest 5 years (annualised)	10.2%	12.5%
Latest 3 years (annualised)	3.3%	5.2%
Latest 1 year	16.4%	16.3%
Year to date	14.7%	14.6%

RETURNS VS BENCHMARK (AFTER FEES) (USD)

	Fund	Benchmark
Since Launch (unannualised)	92.9%	118.3%
Since Launch (annualised)	5.0%	6.0%
Latest 3 years (annualised)	3.4%	5.6%
Year to date	6.4%	6.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.4%	12.4%
Sharpe Ratio	0.34	0.45
Maximum Gain	22.7%	24.8%
Maximum Drawdown	(17.7)%	(15.8)%
Positive Months	59.3%	59.9%

	Fund	Date Range
Highest annual return	48.9%	Jan 2013 - Dec 2013
Lowest annual return	(11.0)%	Jan 2022 - Dec 2022

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	11.0%	2.7%	(2.7)%	3.5%									14.7%
Fund 2022	(6.0)%	(1.1)%	(4.3)%	(1.3)%	(1.4)%	(2.7)%	6.4%	1.2%	(4.5)%	5.8%	(2.1)%	(0.7)%	(11.0)%
Fund 2021	1.2%	2.8%	(0.6)%	1.7%	(4.6)%	3.8%	1.4%	(1.5)%	(0.1)%	4.2%	0.7%	1.5%	10.7%
Fund 2020	5.8%	(0.3)%	0.9%	10.7%	(1.7)%	0.1%	1.7%	4.1%	(5.1)%	(3.0)%	3.4%	(1.7)%	14.8%
Fund 2019	(1.3)%	8.6%	3.9%	2.5%	(2.9)%	0.2%	3.0%	3.8%	1.0%	3.2%	(0.8)%	(2.0)%	20.2%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Apr 2023
Equities	62.4%
Infrastructure	2.1%
Property	1.0%
Convertible Bonds	1.4%
High Yield Bonds	5.0%
Gold	2.0%
Merger Arbitrage	0.0%
Fixed Income	18.7%
T-Bills	6.0%
Inflation-linked Bonds	7.3%
Investment Grade	5.4%
Cash	7.4%

TOP 10 HOLDINGS

As at 31 Mar 2023	% of Fund
British American Tobacco	2.8%
Prosus Na	2.1%
Alphabet Inc	2.1%
Heineken Holdings Nv	2.0%
Spotify Technology Sa	1.8%
Amazon Com Inc	1.8%
Uber Technologies Inc	1.7%
Facebook Inc.	1.7%
Entain Plc	1.6%
Airbus Group Se	1.5%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2023	03 Apr 2023	0.00	0.00	0.00
30 Sep 2022	03 Oct 2022	0.00	0.00	0.00

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 and fund positioning

Although markets were volatile, the news headlines frequently grim, and the general economic mood quite wary, the first quarter of 2023 was a good one for most asset classes. The global equity index (MSCI All Country World Index) advanced 7.3% while the global bond index increased by 3.0%, both building on last quarter's gains. The Fund outpaced its benchmark, increasing by 6.4%.

At quarter-end, the portfolio was positioned as follows:

- 63% in effective equity
- 3% in real assets (listed infrastructure and property)
- 7% in high yield fixed income
- 10% in inflation-linked assets (including 2.5% in gold)
- 9% in investment-grade fixed income instruments

The remaining 8% was invested across a range of other assets.

We outlined the meaningful change in fixed income markets, and how the Fund responded, in the prior quarter's commentary (Q4-22). This quarter, the most notable changes in positioning have been a reduction in effective equity exposure, a reduction in gold ETF holdings, and an increase in fixed income holdings.

Over the last year, real asset exposure has also more than halved from over 7.5% to 3% of Fund with one of the biggest sales being VINCI, the French concessionaire and construction company. VINCI operates toll roads and airports on behalf of various governments and has benefited from the post-pandemic recovery in travel. We have owned VINCI since 2020 and it has been a contributor to our performance over the period. While we still like VINCI for its highly visible, inflation-linked cash flows, the expected return has reduced as the stock has appreciated. We have therefore reduced the position size in favour of more attractive relative opportunities.

Given the sharp rally in risk assets since the October 2022 trough, the range of macroeconomic risks facing investors, and the fact that implied volatility (a key input in pricing options) was low, we took the opportunity to purchase put protection for the Fund in February 2023. These options provide full downside protection on 6% of the Fund until March 2024 if the S&P 500 level drops below 3 950. While we are highly cognisant that insurance comes at a cost, we consider the all-in expense of 0.4% (or 40 basis points [bps], equivalent to c.3bps per month until expiry) to be a fair trade-off.

In terms of specific stocks, Meta was a top contributor for the quarter, gaining 76%. This performance was driven by two important factors. Firstly, the Family of Apps, which include Facebook and Instagram, reported strong engagement metrics which are important indicators of Meta's ability to surface ads and generate revenue. Instagram continued to narrow the gap with TikTok, and the core Facebook Blue app proved similarly resilient.

Secondly, management's focus has pivoted towards efficiency across the business, culminating in a near 25% reduction in the workforce. Like many of its peers, Meta recruited heavily during the pandemic years in response to a buoyant external environment for digitally enabled technology businesses, resulting in a bloated cost base and creeping inefficiencies. The reduction in cost and layers of bureaucracy should lead to improved profitability and faster decision making.

One remaining source of debate is the heavy ongoing investment in Reality Labs. With much of the investment targeted at foundational technology innovation in, as yet, commercially unproven AR/VR (augmented reality/virtual reality), the payoff profile remains uncertain.

Despite the sharp rerating, we believe the valuation remains compelling. With little in the Meta share price for Reality Labs, the division provides an element of optionality to the investment case. Excluding the losses from Reality Labs, the core business trades on roughly 12 times 2024 earnings, which should grow at a double-digit rate for the next few years, while cash generation should improve due to a normalising capex cycle (after heavy investment in data centres).

Our position in Charles Schwab was a detractor over the quarter, with US banking stocks declining 20% during the three-month period as a flight of deposits culminated in the failure of Silicon Valley Bank (SVB), prompting fears of a systemic crisis.

While not a traditional bank, Schwab has grown from its roots as a low-cost brokerage into a broad financial platform, offering a wide range of investment and related financial services. However, nearly half of Schwab's revenue is derived from the net interest spread it earns on customers' uninvested cash balances. Ordinarily these cash balances are relatively stable, as customers typically keep some cash on deposit as a function of their broader investment activities. We believed that as interest rates rose, Schwab would be able to realise higher net interest margins, which in turn would drive revenue and earnings growth. For a while this was true.

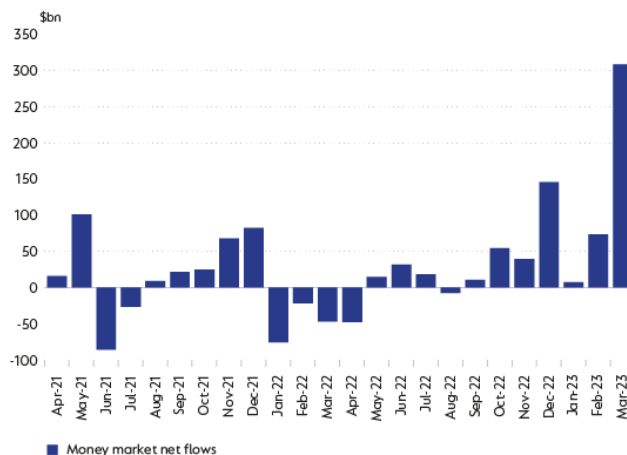
However, given the unprecedented speed at which the US Federal Reserve has raised rates, customers have increasingly shifted these lazy cash balances to money market accounts (and elsewhere) offering higher returns. This trend accelerated in the wake of the very public failures of SVB and Signature Bank in March.

Consequently, where Schwab was initially a beneficiary of rising rates, it is now a victim. The asset base on which to earn a spread has shrunk and may continue to do so. Similarly, Schwab's cost of

funding is likely to rise faster than its assets reprice, as rates paid on deposits will need to be higher to remain competitive, and more expensive longer-term funding may be required to better match the duration of its investment portfolio.

We have therefore re-assessed our estimate of Schwab's normalised earnings power, and no longer believe the stock to be sufficiently undervalued given the heightened degree of uncertainty; we exited the position during the quarter.

FLOWS INTO MONEY MARKETS HAVE ACCELERATED SIGNIFICANTLY DURING THE PAST FEW MONTHS



Sources: ICI; Bloomberg

At the same time, global credit markets were impacted by the stress in the banking sector. However, the subsequent strain seen across many other regional US banks contrasted markedly with the banking crisis that preceded the Global Financial Crisis in 2008/09, which was characterised by poor asset quality and the uncertainty around who was exposed to credit losses.

Indeed, despite lingering fears of contagion, there is a growing consensus that the failures of SVB and Credit Suisse (two most prominent events) are outliers, rather than representative of systemic fractures within the US and European banking sectors. In this light, the re-pricing of financials across both markets appears excessive, and presents an opportunity to accumulate exposure to high-quality issuers that have been maligned because of turmoil within the broader sector. Consequently, we have added both subordinated and senior bank debt, in both G-SIPs (Global Systemically Important Banks) and regional leaders.

FINANCIALS' CREDIT SPREADS SPIKED IN MARCH



Source: Bloomberg; ICE BofAML

Outlook

We remain disciplined in our approach, conducting deep fundamental bottom-up research across the capital structure, and responding to opportunities as and when they arise. In the fixed income space, the stress in the US regional banking sector and Credit Suisse's failure have created opportunities as credit spreads have widened further. In equity markets, despite aggregate market levels not looking particularly attractive, we are still finding certain stocks that offer attractive returns for investors with a long-term time horizon.

Thank you for your support and interest in the Fund.

Portfolio managers
Neil Padoa and Humaira Survé
as at 31 March 2023

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

The Global Managed [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.

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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.