

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)	355.4%	266.2%	89.2%
Since Inception p.a.	6.7%	5.7%	1.0%
Latest 20 years p.a.	8.8%	7.9%	0.9%
Latest 15 years p.a.	10.9%	10.7%	0.2%
Latest 10 years p.a.	6.8%	8.2%	(1.4)%
Latest 5 years p.a.	9.9%	11.7%	(1.8)%
Latest 1 year	25.9%	22.2%	3.7%
Year to date	25.9%	22.2%	3.7%
Month	7.0%	4.8%	2.2%

SECTOR EXPOSURE

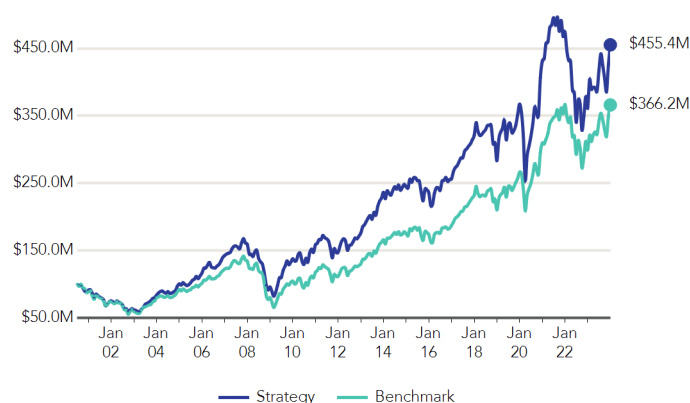
Sector	% Strategy
Consumer Discretionary	22.0%
Information Technology	16.5%
Communication Services	15.3%
Financials	15.2%
Industrials	11.5%
Materials	5.7%
Healthcare	5.1%
Consumer Staples	2.5%
Energy	2.0%
Real Estate	1.7%
Utilities	0.2%
Interest Bearing	2.3%

GENERAL INFORMATION

Inception Date	01 July 2000 *
Strategy Size †	\$626.0 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
EGERTON CAPITAL EQ F-I USD	25.0%
EMINENCE LONG FUND	25.0%
CONTRARIUS GLOBAL EQUITY FUND LTD OPEN-END FUND	14.7%
LONE MONTEREY	14.5%
TREMBLANT LONG FUND	12.9%

GEOGRAPHIC EXPOSURE

Region	% Strategy
North America	73.5%
Europe	17.3%
Asia	6.2%
Japan	0.5%
CEEMEA	0.2%
Interest Bearing	2.3%

CURRENCY EXPOSURE

Currency		% Strategy	Currency		% Strategy
USD		76.5%	CNY		2.3%
EUR		7.8%	INR		1.8%
GBP		4.3%	NOK		1.0%
CAD		3.3%	Other		3.0%

PORTFOLIO MANAGERS



Tony Gibson - BCom

Tony is a founding member and a former Chief Investment Officer of Coronation. He has 42 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 23 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 returned 12.3% for the quarter (Q4-23), ahead of the benchmark return of 11.0%, bringing the rolling 12-month performance to 25.9% against the 22.2% returned by the MSCI All Country World Index (ACWI).

Global equity markets ended the year on a high note, with the ACWI advancing 11.0% for the quarter and returning a very strong 22% for the full year. This year-end rally was primarily driven by anticipation of an end to the “higher for longer” rates environment and the expectation that central banks will begin to cut rates in 2024 – sooner than previously expected. This may be true in Europe, where economic growth in both Europe and the UK is meagre, but the US economy remains resilient, and the US Federal Reserve Board continues to proceed with caution on lowering rates. China’s much anticipated post-Covid boom has failed to materialise, and it continues to grapple with turmoil in its real estate sector and the potential for deflation. Inflation has continued to moderate, even faster than forecast in some regions but escalating tensions in the Middle East and attacks on ships in the Red Sea may lead to pressure on energy prices and supply chains, and consequently a spike in inflation again.

North America was the best-performing region in Q4, advancing 11.9% (in US dollar terms). The weakest return was from Japan, with 8.2% (in US dollar terms). Europe rose 11.1%, and the Pacific ex-Japan advanced 11.4% (both in US dollar terms). Developed markets outperformed emerging markets, advancing 11.4% compared to 7.9% (both in US dollar terms).

Amongst the global sectors, IT (17.4%), industrials (13.5%) and financials (12.7%) were the best-performing sectors for the quarter. The worst-performing sectors were energy (-4.8%), real estate (-3.6%) and consumer staples (4.7%).

In general, the underlying funds enjoyed a good quarter, but the positive alpha over the quarter was driven by very strong returns from Eminence Capital, Lone Pine Monterey and Tremblant.

Lone Pine returned 17.6% for the period and 33.6% for the year. Its IT/communications and financials exposure drove returns over the quarter. Top contributors include KKR (+50.0%), Salesforce (+31.0%), Booking Holdings (+27.2%), Wise plc (+38.0%) and TSMC (+21.1%).

Eminence Long Fund delivered 15.3% for the quarter and 29.5% for the year, benefiting from consumer discretionary and IT stocks. Examples of quarterly contributors are SentinelOne (+62.8%), GoDaddy (+42.5%), Uber Technologies (+33.9%), Dave & Buster’s Entertainment (+45.3%) and Pinterest (+37.0%).

Consumer discretionary and IT also drove Tremblant’s performance, helping it deliver 3.1% alpha over the quarter and a total return of 35.2% for the year. Varonis Systems (+48.3%), Five Below (+32.5%), Uber Technologies (+33.9%), Spotify (+21.5%) and Palo Alto Networks (+25.8%) all made a large impact on performance.

Contrarius detracted slightly for the quarter, lagging the benchmark with a return of 10.5%. Although the Fund also benefited from consumer discretionary and IT/communications exposure, it was held back by its energy exposure, which had a significant negative impact on overall performance. Examples are Diamond Offshore Drilling (-11.5%), Sea Drill (+5.6%) and Transocean (-22.7%).

Egerton Capital had a slow quarter, returning 9.4%. Unlike the previous funds, Egerton did very well from its industrial exposure with solid contributions from Canadian Pacific Railway (+16.7%), Airbus (+14.9%), General Electric (+15.5%) and Rolls Royce (+41.7%). However, as with Contrarius, exposure to energy stocks caused it to lag the index over the period, specifically Cenovus Energy (-19.4%), Schlumberger (-10.3%) and Shell (+3.3%).

Although it outperformed the MSCI Global Emerging Markets Index, Coronation Global Emerging Markets Equity also detracted from relative performance over the quarter as emerging markets underperformed developed markets over the period.

Outlook

A further moderation of inflation and the beginning of a rate-cutting cycle should be the theme for 2024. Although the US economy should moderate, an uptick in activity in Asia and Europe will be positive which, together with an easing of rates, should be generally positive for equities. The high returns in 2023 were largely led by high-growth tech stocks that overshadowed other sectors, which now show favourable valuations. The calendar year 2023 was a good year for stock selection, and we expect this to continue in 2024.