

# CORONATION GLOBAL EQUITY SELECT FUND

Fund Information as at 30 November 2023

## WHAT IS THE FUND'S OBJECTIVE?

Global Equity Select aims to give investors access to the best opportunities in global equity markets. The fund is biased to developed markets and actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the global equity benchmark over all periods of five years and longer.

## WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Equity Select will only invest in shares we view as being attractively valued relative to other shares 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. 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 listed in global markets outside South Africa;
- 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 to add exposure to global equity markets;
- do not require an income from their investment.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% is payable.

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](http://www.coronation.com)

## WHO ARE THE FUND MANAGERS?



**NEIL PADOA**  
BEconSc (AcSci),  
FFA, CFA

## GENERAL FUND INFORMATION

Launch Date	30 January 2015
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US\$500
Bloomberg	CORGEAU
ISIN	IE00BV8WVD49
SEDOL	BV8WVD4

CLASS A as at 30 November 2023

Launch date	30 January 2015
Fund size	US\$ 240.60 million
NAV	14.12
Benchmark	MSCI All Country World Index
Portfolio manager/s	Neil Padoa

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	1.30%	1.27%
Adjusted for out/(under)-performance	1.25%	1.25%
Fund expenses	-	(0.04)%
VAT	0.05%	0.07%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.20%	0.14%
	1.50%	1.41%

## PERFORMANCE AND RISK STATISTICS

## GROWTH OF A \$100,000 INVESTMENT (AFTER FEES)



## RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark
Latest 5 years (annualised)	4.7%	9.1%
Latest 3 years (annualised)	(2.6%)	5.7%
Latest 1 year	8.0%	12.0%
Year to date	13.0%	16.6%
Since Launch (unannualised)	41.2%	99.5%
Since Launch (annualised)	4.0%	8.1%

## PORTFOLIO DETAIL

## GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2023
<b>Equities</b>	<b>100.0%</b>
North America	73.9%
Europe	18.9%
Asia	7.2%
South Africa	0.0%

## TOP 10 HOLDINGS

As at 30 Sep 2023	% of Fund
Heineken Holdings Nv	4.7%
Canadian National Railway Co	4.1%
Airbus Group Se	3.9%
Interactive Brokers Group	3.5%
Prosus Nv	3.5%
Canadian Pacific Railway Ltd	3.4%
Ryanair Holdings Plc ADR	3.2%
Amazon Com Inc	3.1%
Valaris Ltd	3.0%
Anthem Inc	3.0%

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	19.7%	15.4%
Sharpe Ratio	0.13	0.43
Maximum Gain	31.3%	34.8%
Maximum Drawdown	(37.0%)	(25.6%)
Positive Months	55.7%	64.2%

  

	Fund	Date Range
Highest annual return	56.6%	Apr 2020 - Mar 2021
Lowest annual return	(32.6%)	Jul 2021 - Jun 2022

## MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	12.6%	(4.3)%	1.2%	0.7%	(2.4)%	6.7%	6.6%	(5.0)%	(6.9)%	(4.1)%	9.2%		13.0%
Fund 2022	(4.0)%	(4.9)%	(2.2)%	(12.0)%	0.5%	(8.8)%	8.9%	(2.0)%	(12.5)%	6.1%	10.2%	(4.4)%	(24.8)%
Fund 2021	(2.4)%	5.3%	3.3%	5.5%	0.0%	0.0%	(2.1)%	0.9%	(6.2)%	4.8%	(5.5)%	2.0%	4.9%
Fund 2020	(1.4)%	(8.3)%	(14.5)%	11.2%	3.7%	2.7%	3.7%	6.9%	(3.9)%	(1.8)%	14.5%	3.9%	14.1%
Fund 2019	12.9%	2.4%	1.5%	4.1%	(7.1)%	7.7%	2.0%	(3.0)%	0.9%	4.8%	4.1%	3.4%	37.5%

***Please note that the commentary is for the retail class of the Fund.***

### **Performance and fund positioning**

After two quarters of gains, equity markets were weaker in the third quarter, declining by 3.4%. The Fund lagged the benchmark by c.2.2%. Over the last 12 months, both the market (20.8%) and Fund (20.5%) returns are healthy.

Within our equity holdings, detractors were spread across various sectors, including consumer staples, railroads, food delivery businesses, and companies exposed to China. In all instances, we continue to hold these names and, in some cases, have increased exposure.

Capri Holdings was a top contributor for the quarter after the announced acquisition by peer Tapestry, owner of the Coach brand, in an all-cash deal valuing Capri at an enterprise value of \$8.5bn or \$57 per share. In previous commentaries, we have written about Capri, which owns three founder-led luxury brands: Versace, Jimmy Choo and Michael Kors. We were attracted by the significant growth runway of the Versace brand alongside the stable cash flows from Michael Kors. In our view, the market largely ignored Capri, and its share price was trading on a trough multiple of around 6x earnings. Tapestry clearly recognised this deep value. The proposed deal was announced on the 9th of August, sending the Capri share up 55% in a single day. We subsequently exited our position.

Uber and Doordash have been positive contributors this year, up over 80% and 60%, respectively, year to date. We built positions in these two companies at very attractive levels after a bruising 2022, which saw both companies and many other longer-duration names sell off as rate hikes commenced in developed markets worldwide.

Doordash is the leading on-demand delivery platform in the US, with a share of around 60% of the growing online food delivery market. It also has an increasing presence in Canada, Europe and Australia. The business exploded during the pandemic but has continued to grow rapidly off this base (organic orders +20% year-on-year in the second quarter) while showing significant improvements in profitability. Earnings in the core US food delivery business are now positive and growing. We continue to like Doordash for its best-in-class management team, exceptional execution, fortress balance sheet (net cash of \$3.8bn), continued strong growth, and ongoing profitability gains in an industry that is becoming more rational post a “growth at all cost” approach taken by many businesses during the pandemic.

Uber’s fundamentals continue to improve, with robust revenue and earnings growth in its rides and eats segments. The company recently reached the critical milestone of GAAP profitability on the back of 70% adjusted EBITDA growth in the second quarter. We continue to believe there is a long runway for growth in both segments. Similar to Doordash, we see the potential for significant ongoing margin improvements on the back of internal cost efficiencies, more rational end markets and growth in high-margin advertising. In a world of higher rates, leading operators with strong balance sheets become harder to displace.

### **Outlook**

Notwithstanding a plethora of macro risks, the current portfolio represents a diversified collection of stocks that we feel are very attractively valued.

Thank you for your support and interest in the Fund.

### **Portfolio managers**

**Neil Padoa and Humaira Survé**  
as at 30 September 2023

### IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EQUITY SELECT FUND

The Global Equity Select 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 top 10 holdings are reflected on a look-through basis. 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. Coronation 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. Coronation Global Fund Managers (Ireland) Limited is authorised in Ireland and regulated by the Central Bank of Ireland. The fund is approved under Section 65 of the Collective Investment Schemes Control Act by the Financial Services Board of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

JP Morgan Bank (Ireland) has been appointed as the fund's trustees ([www.jpmorgan.com](http://www.jpmorgan.com); t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited ([www.jpmorgan.com](http://www.jpmorgan.com); t: +353-1-612-4000). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

### HOW ARE UNITS PRICED AND AT WHAT PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every business day. Fund valuations take place at approximately 17h00 each business day (Irish Time) and forward pricing is used. Instructions must reach Coronation before 12h00 (SA Time) one day prior to the dealing date. You can expect to receive withdrawal payouts three business days after the dealing day. Large investments or redemptions (exceeding 5% of fund value) may be subject to an anti-dilution levy to defray dealing costs and expenses. This levy, where applicable, is applied fully for the benefit 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 [www.coronation.com](http://www.coronation.com). You will also find additional information on the considerations pertinent to investing in a fund denominated in a foreign currency and domiciled in an offshore jurisdiction.

The Prospectus of Coronation Global Opportunities Fund and Fund KIID can be sourced on the following link: <https://www.coronation.com/en/institutional/strategy-information/literature/ucits-fund-library/umbrella-fund>.

A summary of Investor Rights can be sourced on the following link: <https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/>.

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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