

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

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.

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.

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?



NEIL PADOA

BEconSc (AcSci),

FFA, CFA

GENERAL FUND INFORMATION

Launch Date	1 March 2010
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Morningstar Fund Category	USD – Aggressive Allocation
Currency	US Dollar
Benchmark	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
Investment Minimum	US\$500
Bloomberg	CORGMFA
ISIN	IE00B3PR9321
SEDOL	B3PR932

CLASS A as at 29 February 2024

Launch date	01 March 2010
Fund size	US\$ 844.64 million
NAV	20.35
Benchmark	Composite: 60% MSCI All Country World Index & 40% Barclays Global Bond Aggregate
Portfolio manager/s	Neil Padoa

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.31%	1.32%
Fund expenses	1.25%	1.25%
VAT	0.07%	0.07%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.13%	0.11%
	1.44%	1.43%

PERFORMANCE AND RISK STATISTICS

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



RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark
Since Launch (unannualised)	103.5%	137.5%
Since Launch (annualised)	5.2%	6.4%
Latest 10 years (annualised)	3.3%	5.2%
Latest 5 years (annualised)	4.2%	6.1%
Latest 3 years (annualised)	(0.4%)	1.9%
Latest 1 year	10.8%	14.9%
Year to date	2.1%	1.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	13.3%	10.2%
Sharpe Ratio	0.31	0.52
Maximum Gain	21.7%	23.0%
Maximum Drawdown	(27.7)%	(23.2)%
Positive Months	60.7%	60.7%
	Fund	Date Range
Highest annual return	34.6%	Apr 2020 - Mar 2021
Lowest annual return	(23.2)%	Oct 2021 - Sep 2022

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	(0.2)%	2.3%											2.1%
Fund 2023	9.2%	(3.7)%	1.1%	1.0%	(2.6)%	4.4%	4.7%	(3.5)%	(4.9)%	(3.1)%	7.6%	4.4%	14.2%
Fund 2022	(2.0)%	(1.5)%	(0.7)%	(8.0)%	0.4%	(7.8)%	5.5%	(1.6)%	(9.8)%	4.2%	8.4%	(2.9)%	(16.1)%
Fund 2021	(1.7)%	2.8%	1.8%	3.7%	1.2%	(0.7)%	(1.0)%	0.4%	(4.6)%	2.5%	(4.2)%	2.4%	2.1%
Fund 2020	(1.4)%	(5.3)%	(10.5)%	7.1%	2.6%	2.2%	3.0%	4.5%	(2.7)%	(1.3)%	9.2%	3.3%	9.5%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	29 Feb 2024
Equities	62.4%
Infrastructure	5.0%
Property	2.2%
Convertible Bonds	1.3%
High Yield Bonds	6.0%
Merger Arbitrage	0.6%
Fixed Income	18.4%
Inflation-linked bonds	6.0%
Investment Grade	12.4%
Cash	4.1%

TOP 10 HOLDINGS

As at 31 Dec 2023	% of Fund
Entain Plc	2.9%
Canadian Pacific Railway Ltd	2.6%
Amazon Com Inc	2.5%
Airbus Group Se	2.4%
Heineken Holdings Nv	2.4%
Canadian National Railway Co	2.3%
Flutter Entertainment Inc	2.3%
Ryanair Holdings Plc ADR Usd	2.3%
Charles Schwab Corp	2.3%
British American Tobacco	2.3%

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

Performance and fund positioning

In a welcome reversal to a torrid 2022, the past year offered healthy returns for most asset classes, with global equities leading the charge. A very strong fourth quarter rounded off an excellent year for equities, with the MSCI All Country World Index gaining 11% over the three-month period and returning 22% for the full year. The Bloomberg Barclays Global Aggregate Bond Index also rallied, returning 6% for the year. Against this favourable backdrop, the Fund returned 8.8% for the quarter (1.0% behind the benchmark) and 14.2% for the year (1.3% behind the benchmark).

Although the Fund's equity holdings kept pace with global markets, its relatively conservative fixed income positioning, with a duration meaningfully shorter than that of the index, resulted in underperformance against the benchmark as a sharp dive in yields across the board drove the bond index up over 8% in the fourth quarter.

Looking at these headline returns suggests that 2023 was an easy year to navigate, but this could not be further from the truth. The year started amidst significant concern regarding the level and trajectory of global inflation and interest rates ("higher for longer"), with many market participants referring to the start of a new equity regime and calling for a complete shift away from so-called growth stocks into traditional value sectors trading on low multiples (but at the expense of lower or no growth, or earnings cyclicality). But the complete opposite happened, with market returns driven by large-cap US technology and software growth stocks, as evidenced by the Nasdaq Composite's 45% advance. US market returns also narrowed significantly with outsized gains from the Magnificent Seven (consisting of Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla), which returned (simple) average gains of over 100% for the year!

A mix of factors drove this outcome. Inflation started to moderate and then subside around the globe, with key policy rates in many markets now expected to decrease after what has been an extremely sharp tightening cycle. This led to a Goldilocks-type scenario, especially in the US, with growth holding up better than expected ("soft landing") alongside declining inflation, a dovish pivot from the US Federal Reserve Board and meaningful declines in market interest rates. Calendar year 2023 also saw Generative AI burst into the spotlight with the launch of ChatGPT, which created a lot of hype (40% of S&P 500 Index companies mentioning AI in their second-quarter earnings call) and contributed strongly to returns for the Magnificent Seven and many other software names.

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

- 61% effective equity
- 7% in real assets (listed infrastructure and property)
- 8% in high yield fixed income
- 7% in inflation-linked assets (primarily US Treasury index-linked bonds)
- 8% in investment-grade fixed income instruments
- 4% in short-dated US T-bills

The remaining 5% was invested in various other assets.

The Fund's fixed income positioning is diversified by issuer, type of instrument (including both government, corporate and inflation-linked bonds) and duration, although aggregate positioning is conservative with a relatively short duration. We feel this is appropriate following the strong rally in both risk-free yields and credit spreads in the fourth quarter. Contribution from fixed income holdings was strong for the year (+9% versus 5.7% for the benchmark) though as mentioned above the return of 5.4% in Q4-23 lagged the benchmark's 8.1%.

We added to both property and infrastructure holdings over the year (with exposure increasing from c.3% at the start of the year to 7% by the end) and were pleased with >20% contributions from each of these asset classes in aggregate.

In terms of equities, Spotify was a top contributor to fund returns in 2023, with the stock gaining 142% over the year. Spotify is the world's leading audio platform, offering users access to music, podcasts and now audiobooks. Spotify has long been able to generate impressive revenue growth of over 20% per annum driven by subscriber gains. Still, its earnings profile has been lacklustre, with the company moving back into a loss-making position in 2023. While we believe this investment will result in strong future returns – with the company solidifying its place as the leading music platform and dethroning Apple as the leader in podcasting – this lack of operating leverage has been a source of concern for the market.

It was thus very pleasing to see a strong focus on profitability from Spotify and its founder, Daniel Ek, over the course of the year, culminating in a workforce reduction plan in which over 20% of its global staff base will be made redundant. Ek emphasised the need to be more efficient and again reiterated Spotify's medium-term target of an operating margin north of 10%, with the company on its way to sustained profitability after years of investment. The market rightly took this very positively, with Spotify falling into a small group of companies able to show accelerating revenue growth whilst taking out costs. We continue to believe that Spotify offers a multi-year growth opportunity, driven by significant pricing power, strong subscriber growth and new vertical launches, coupled with rapid margin expansion off an artificially low base towards its 10% plus medium-term targets. As such, we remain happy holders although we have reduced our position size following the strong share price move.

Both DoorDash and Uber were strong contributors to returns last year, with the shares up 102% and 147%, respectively. We discussed both companies in our Q3-23 commentary, having built positions in both at very attractive levels after a bruising 2022 sell-off in which longer-duration names were indiscriminately sold off. DoorDash is the leading on-demand delivery platform in the US with a portfolio of fast-growing international markets, while Uber comprises both its ride-hailing division, in which it is the clear global market leader, as well as its earlier stage on-demand delivery business. As discussed last quarter, both businesses continue to perform strongly on the back of superb execution with sustained revenue growth alongside impressive margin gains. Both generate positive and growing free cash flow and boast fortress balance sheets. We continue to hold both names but have reduced position sizing after an extremely strong year in which both stocks moved closer to our estimate of fair value. We continue to see a favourable growth outlook and significant potential for ongoing margin improvements due to internal cost efficiencies, new revenue streams (including advertising) and more rational end markets.

Expedia (+73%) is an online travel agency (OTA) with a comprehensive offering, including flights, hotels, alternative accommodation, and car rentals. The structural growth characteristics of the industry are well understood; leisure travel demand is resilient and growing, and bookings continue to shift online. But Expedia has suffered from idiosyncratic issues historically, allowing its brands to compete with one another for web traffic, having multiple tech stacks leading to duplicate costs, and the lack of a clear loyalty programme. This led to revenue growth and margins below that of its larger European-focused peer, Booking.com.

Our work indicated that these issues have now been resolved, with the company de-emphasising certain smaller long-tail brands, migrating to a new uniform tech stack, and launching its One Key loyalty programme. Revenue growth has started to accelerate towards management's double-digit target, and margins have expanded to 21-22% on an adjusted EBITDA basis, well above pre-Covid levels in the high teens but still far below Booking.com's margins in the mid-thirties. We believe that Expedia has turned the corner. While this has been partly recognised by the market with the share up strongly in 2023, Expedia still trades on a very attractive free cash flow yield of 10%, with its shareholder-friendly management team applying most of this towards share repurchases.

Interactive Brokers (IB) lagged the strong fourth-quarter market rally and thus detracted slightly from returns. IB is a US-listed multinational online broker, offering its professional and non-professional clients a platform to trade various asset classes, including stocks, bonds, and derivatives. IB's moat is its highly automated, low-cost structure enabling it to offer the lowest prices while earning a highly attractive EBIT margin of around 60%. This has proved popular with clients, as evidenced by historic account growth of around 20% per year. IB generates around 40% of its revenue from interest earned on client cash, and this contributed to its underperformance, with the market questioning this earnings base in a declining interest rate environment. In our view, the market has been overly focused on this data point; we believe that IB can conservatively grow both revenue and earnings in the low double digits, which is attractive considering its starting valuation of only 14 times earnings, excellent management team and strong balance sheet.

Equity exposure has reduced over the year given a wider opportunity set across asset classes, a strong market rally and less (though still attractive) upside in the specific stocks we hold.

Outlook

Market performance in 2023 was US-led and narrow, with the Magnificent Seven reaching 30% of the S&P 500 Index market capitalisation. Geopolitical risk is pronounced. We thus expect 2024 to be another eventful year. As always, we can't predict the direction of markets or interest rates in the near term and aim to focus on what we can control, which is finding and researching good investment ideas across the capital structure. On that note, our team continues to find attractive opportunities below the index surface level in areas of the market that remain discounted. We believe it is a productive environment for investors with a long-term time horizon, and we remain excited about the portfolio that we are invested in.

Thank you for your support and interest in the Fund.

Portfolio managers

Neil Padoa

as at 31 December 2023

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL MANAGED FUND

The Global Managed 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 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 Sector Conduct Authority of South Africa. Portfolio managed by Coronation Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

JP Morgan (Ireland) has been appointed as the fund's trustees (www.jpmorgan.com; t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited (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. 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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