

# CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

Fund Information as at 31 January 2024

## WHAT IS THE FUND'S OBJECTIVE?

Global Opportunities Equity seeks to give investors access to some of the best fund managers across the globe. Our intent is to outperform its benchmark over any five year period.

## WHAT DOES THE FUND INVEST IN?

Global Opportunities Equity is a multi-manager fund which invests in a limited number of strategies (funds and segregated mandates) managed by top-quality managers that mainly have exposure to shares in developed markets. It is also mandated to include some exposure to emerging markets.

Typically, six to ten strategies are included. Each strategy is selected based on its long-term track record of outperforming the market, its investment philosophy and the quality of its fund managers.

The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

### Risk Profile



### Maximum growth/ minimum income exposures



Global Opportunities Equity invests in equity funds that mostly cover developed markets, including the US, Europe and Japan.

The fund is well-diversified; it has exposure to a range of different countries, industries and fund manager styles. The fund managers included in the fund are well-established and have been rigorously researched and vetted.

While we have a disciplined approach to carefully balance the risks across the different funds, 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.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Opportunities Equity Fund. 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?

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

- ▶ want exposure to some of the world's top equity funds as part of a diversified investment portfolio;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ are overexposed to South Africa and require an international investment;
- ▶ do not require an income from their investment.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% 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.

The component of the fund fee charged at feeder fund level is subject to VAT. Fund expenses that are incurred in the fund include annual fees paid to unconnected underlying fund managers, 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 IS THE FUND MANAGER?



TONY GIBSON

BCom



KARL LEINBERGER

BBusSc, CA (SA), CFA

## GENERAL FUND INFORMATION

Launch Date	1 August 1997
Fund Class	A
Benchmark	MSCI All Country World Index
ASISA Fund Category	Global – Equity – General
Income Distribution	Semi-annually (March & September)
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORINFF
ISIN Code	ZAE000019774
JSE Code	CNIG

# CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

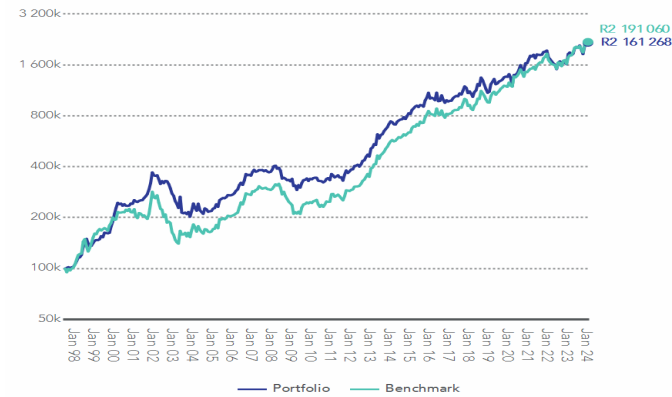
CLASS A as at 31 January 2024

<b>ASISA Fund Category</b>	Global - Equity - General
<b>Launch date</b>	01 August 1997
<b>Fund size</b>	R 7.88 billion
<b>NAV</b>	20034.08 cents
<b>Benchmark</b>	MSCI All Country World Index
<b>Portfolio manager/s</b>	Tony Gibson and Karl Leinberger

Total Expense Ratio	1 Year	3 Year
	1.89%	1.82%
Fund management fee	0.85%	0.85%
Fund expenses	0.98%	0.91%
VAT	0.06%	0.06%
Transaction costs (inc. VAT)	0.21%	0.20%
Total Investment Charge	2.10%	2.02%

## PERFORMANCE AND RISK STATISTICS

### GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

	31 Jan 2024
<b>Equities</b>	<b>90.0%</b>
Global (7 funds)	90.0%
<b>Equity futures</b>	<b>9.7%</b>
<b>Cash</b>	<b>0.3%</b>

### PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	2061.3%	2091.1%	(29.8)%
Since Launch (annualised)	12.3%	12.4%	(0.1)%
Latest 20 years (annualised)	11.6%	13.2%	(1.7)%
Latest 15 years (annualised)	13.1%	16.0%	(2.8)%
Latest 10 years (annualised)	11.3%	14.5%	(3.2)%
Latest 5 years (annualised)	14.2%	18.0%	(3.8)%
Latest 3 years (annualised)	7.7%	13.8%	(6.1)%
Latest 1 year	16.3%	23.1%	(6.8)%
Year to date	0.3%	2.7%	(2.4)%

### TOP 5 HOLDINGS

As at 31 Dec 2023

Eminence Capital
Egerton Capital Equity Fund
Contrarius Global Equity Fund
Tremblant Capital
S&P500

### PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) - (USD)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	431.3%	440.2%	(8.8)%
Since Launch (annualised)	6.5%	6.6%	(0.1)%
Latest 15 years (annualised)	8.7%	11.4%	(2.7)%
Latest 10 years (annualised)	5.8%	8.7%	(2.9)%
Latest 5 years (annualised)	6.7%	10.2%	(3.4)%
Latest 3 years (annualised)	0.2%	6.1%	(5.9)%
Latest 1 year (annualised)	8.6%	14.7%	(6.1)%
Year to date	(0.9)%	0.6%	(1.5)%
2023	22.7%	22.2%	0.5%
2022	(21.9)%	(18.4)%	(3.5)%

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.7%	16.6%
Sharpe Ratio	0.29	0.29
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	61.0%	57.9%

	Fund	Date Range
Highest annual return	66.2%	Apr 1999 - Mar 2000
Lowest annual return	(36.1)%	Oct 2002 - Sep 2003

### INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Sep 2023	02 Oct 2023	0.00	0.00	0.00
30 Mar 2023	03 Apr 2023	0.00	0.00	0.00

### MONTHLY PERFORMANCE (AFTER FEES) - (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	0.3%												0.3%
Fund 2023	15.0%	2.0%	(3.5)%	1.8%	7.8%	2.0%	(0.8)%	2.8%	(5.6)%	(5.9)%	11.2%	4.6%	33.4%
Fund 2022	(9.0)%	(2.4)%	(2.9)%	(2.8)%	(1.5)%	(6.1)%	9.3%	1.8%	(5.3)%	6.0%	(2.1)%	(2.1)%	(17.0)%
Fund 2021	5.6%	4.7%	(1.1)%	2.5%	(4.7)%	5.5%	(0.6)%	(0.1)%	0.2%	3.8%	0.5%	1.5%	18.8%
Fund 2020	3.8%	(4.7)%	(10.9)%	16.4%	0.3%	1.7%	5.0%	6.8%	(5.7)%	(1.1)%	9.9%	0.2%	20.5%

***Our full range of rand-denominated offshore funds is temporarily closed to new investments via the South African Unit Trust product. Read more [here](#).***

***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

The Fund returned 11.8% for the quarter (Q4-23), ahead of the benchmark return of 11.0%, bringing the rolling 12-month performance to 21.4% against the 22.2% returned by the MSCI All Country World Index (ACWI).

## Fund positioning

Global equity markets ended the year on a high note, with the ACWI advancing 11.0% over 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 start to cut rates in 2024, sooner than previously expected. This may be true in Europe, where economic growth is very low (including in the UK), but the US economy remains resilient, and the US Federal Reserve Board, despite signalling rate cuts, will continue 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, to a spike in inflation again.

North America was the best-performing region in Q4-23, 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 period was driven by very strong returns from Eminence Capital, Lone Pine Monterey, and Tremblant.

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.

Select Equity Group’s Crosby Street advanced 11.5%, as did Coronation Global Equity Select, both slightly ahead of the benchmark. Crosby Street’s financial and IT exposure delivered the bulk of the returns, while its real estate, consumer staples and healthcare stocks detracted slightly.

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 is expected to 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.

## Portfolio managers

**Tony Gibson and Karl Leinberger**  
as at 31 December 2023

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

The Global Opportunities Equity [ZAR] Feeder 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 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. The top 10 holdings are reflected on a look-through basis. 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. 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 Asset Management (Pty) Ltd (FSP 548), 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](http://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](http://www.coronation.com)

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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