CORONATION GLOBAL CAPITAL PLUS FUND [USD HEDGED CLASS]

Fund Information as at 31 January 2021

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WHAT IS THE FUND'S OBJECTIVE?

Global Capital Plus is in the first instance managed to achieve reasonable investment growth over time. Our intent is that the fund should meaningfully outperform an investment in developed market cash over time. In addition, we aim to preserve capital over any 12-month period.

WHAT DOES THE FUND INVEST IN?

Global Capital Plus can invest in all listed asset classes including shares, listed property, bonds and cash. The fund will primarily have exposure to developed economies (including the US, Europe and Japan) but can also invest in emerging markets.

The fund is managed to suit the needs of more conservative investors who want to invest for longer than three years. Exposure to growth assets (shares and listed property), which pose more risk than income assets, will typically not exceed 50%.

The intent is to keep the fund fully invested in foreign assets at all times. While the underlying exposure in this class is to diversified assets across international markets, all returns are fully hedged back into US Dollar.

The fund is allowed to make use of exchange traded funds and financial instruments to implement its investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Global Capital Plus aims to protect capital over any 12-month period in all market conditions, while offering real investment growth over the long term. However, capital is not guaranteed.

The fund invests in a broad range of different assets and many countries.

Its exposure to shares, which offer the best long-term investment growth, could help maximise returns. However, with this long-term growth comes short-term volatility, which may affect the fund's returns. This risk is mitigated to some extent as growth asset exposure will not exceed 50%.

Global currency movements may intensify investment gains or declines.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than three 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, while aiming to protect their capital;
- require conservative exposure to offshore 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. Performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund. All fees exclude VAT.

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.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

LOUIS STASSEN
BSc, BCom (Hons), CFA

NEIL PADOA
BEconSc (AcSci), FFA

GENERAL FUND INFORMATION

Fund Launch Date	1 September 2009
Class	USD Hedged (Previously Class F)
Class Type	Accumulation
Class Launch Date	1 December 2011
Fund Domicile	Ireland
Listing	Irish Stock Exchange
Currency	US Dollar
Benchmark	3-month USD LIBOR +1.5%
Investment Minimum	US$15 000
Bloomberg	CORGLTF
ISIN	IE00B430YJ17

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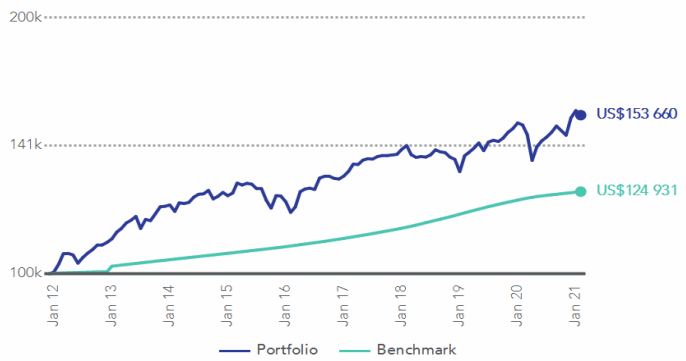
CLASS F as at 31 January 2021

Launch date	01 December 2011
Fund size	US$ 755.75 million
NAV	15.48
Benchmark/Performance Fee Hurdle	3-month USD LIBOR + 1.5%
Portfolio manager/s	Louis Stassen and Neil Padoa

	1 Year	3 Year
Total Expense Ratio	1.36%	1.36%
Fund management fee	1.25%	1.26%
Fund expenses	0.11%	0.10%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.09%	0.06%
Total Investment Charge	1.45%	1.42%

PERFORMANCE AND RISK STATISTICS

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



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2021
Equities	27.1%
Property	5.2%
Infrastructure	3.8%
Commodities	8.3%
Bonds	30.2%
Cash	25.5%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	53.7%	24.9%	28.7%
Since Launch (annualised)	4.8%	2.5%	2.3%
Latest 5 years (annualised)	5.4%	3.0%	2.4%
Latest 3 years (annualised)	2.8%	3.3%	(0.5)%
Latest 1 year	2.7%	2.0%	0.7%
Year to date	(1.2)%	0.1%	(1.4)%

TOP 10 HOLDINGS

As at 31 Dec 2020	% of Fund
British American Tobacco	1.3 %
Vinci Sa	1.3 %
Philip Morris Int Inc	1.3 %
Charter Communication A	1.2 %
Alphabet Inc	1.2 %
Vonovia Se	1.1 %
Heineken Holdings Nv	1.0 %
Facebook Inc.	1.0 %
Naspers Ltd	1.0 %
Visa Inc	0.9 %

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	5.9%	0.2%
Sharpe Ratio	0.70	N/A
Maximum Gain	13.5%	N/A
Maximum Drawdown	(9.7)%	N/A
Positive Months	63.6%	N/A

	Fund	Date Range
Highest annual return	14.1%	Jan 2019 - Dec 2019
Lowest annual return	(6.3%)	Mar 2015 - Feb 2016

CURRENCY ALLOCATION

Currency as at 31 Jan 2021	
US Dollar	100%

This fund is available in 3 hedged currency classes (Euro, Pound Sterling & US Dollars) as well as a Houseview currency class. This is the fact sheet for the US Dollar hedged currency class.

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	(1.2)%												(1.2)%
Fund 2020	(0.6)%	(2.6)%	(6.7)%	3.8%	1.6%	1.0%	1.3%	1.7%	(1.2)%	(1.3)%	4.8%	2.0%	3.4%
Fund 2019	4.4%	0.9%	1.1%	1.4%	(2.1)%	2.4%	0.5%	(0.3)%	0.9%	1.6%	1.0%	1.6%	14.1%

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

Equity markets continued their recovery from the March lows and delivered a strong 14.7% return in the fourth quarter (Q4-20). Global bonds followed suit and returned 3.3%. There were some notable macro events, including the US Presidential election and second and third waves of the Covid-19 pandemic, but the quarter was perhaps dominated by the news of successful vaccine developments from a host of pharmaceutical companies with seemingly high efficacy. This triggered a violent rotation in markets, out of the recent 'Covid-19 winners' into perceived 'opening up' beneficiaries.

The Fund performed well against this backdrop, returning 5.6% in the quarter (well ahead of the benchmark which was virtually flat). For the year as a whole, the Fund delivered 3.4%, again meaningfully ahead of the benchmark (and inflation). Over five years, the Fund has returned 5.1% per annum (p.a).

The primary contributors to return were:

- Equity holdings, which returned 11.4% for the year. Over ten years, the Fund's equity holdings have compounded at 10.7% p.a (which is ahead of the ACWI index);
- Gold, which increased 24% for the year;
- Fixed interest returned 5.2%, which is healthy in absolute terms, compared to inflation and considering the very low duration of the portfolio; although clearly lagging the global bond index's 9. 2%.

Individual contributors spanned a wide range of sectors and geographies and reflect the fundamental diversification both across and within asset classes, which we strive for when building the portfolio. Charter Communications (driven by the demand for US broadband), Alphabet (a business we have owned since 2011), Adidas (a leading global sportswear brand, second only to Nike) and NetEase (the second-largest gaming company in China, with a number of smaller, more nascent businesses) were all meaningful contributors.

Airbus, reflecting the rotation within markets, was both a top-two contributor for the quarter, and a top-two detractor for the year. After a precipitous decline in the first quarter of the year, Airbus's share price basically flatlined until early November and the announcement of Pfizer/BioNTech's strong Covid-19 vaccine results.

Despite returning 50% (in US dollars for the quarter), Airbus is still trading more than a third lower than pre-Covid-19 levels. This compares to the market which, as we know, is c.15% higher (at all-time highs). We recognise the high levels of uncertainty in the near-term outlook but believe that Airbus shares are offering a high margin of safety on a long-term horizon, as they are pricing in air travel growth remaining at levels c.20% below its 50-year growth trend, in perpetuity. Thanks to its robust initial balance sheet, and to moves that further increased the company's liquidity during the year, we are comfortable that Airbus can withstand a challenging environment for several months or even years ahead. In fact, we think it is possible that Airbus could end the year in a net cash position, unthinkable a few months ago. We are also encouraged by the potential for a much-improved competitive position against its US peer Boeing, which is hamstrung by an over-leveraged balance sheet and has suffered a meaningful hit to brand equity through the 737MAX crisis. Finally, a number of vaccines have been approved and immunisation programmes are being rapidly rolled out: it would seem that the path to some form of economic normalisation is growing clearer and closer. We remain cautiously optimistic.

At quarter-end, the Fund was positioned with c.47% in growth, or risk, assets comprised of the following:

- 28% effective equity;
- 5% in property;
- 4% in infrastructure;
- 2% in convertible instruments;
- 8% in high-yield credit.

The remaining c.53% of the Fund is invested in either more stable assets, or diversifying assets, which we think have lower correlation to equities:

- 8% in commodities;
- 5% in inflation-linked bonds;
- 6% in hedged equity;
- 33.5% in investment-grade fixed income (with 9% in short dated treasury bills, and 29% in corporate credit).

As highlighted in prior commentaries, we continue to feel the fundamental diversification evident in this portfolio construction, with an intentional tilt towards inflation protection at the expense of nominal government bonds, is both more appropriate and more robust than the cash benchmark or a large holding in government bonds. As a reminder, the bond index as a whole offers an expected return (if held to maturity) of less than 1% and a duration of approximately seven years. Setting this meagre return against the risks, which we feel are significant, including huge budget deficits and elevated debt levels, suggests to us that these assets, which have historically been core holdings for low risk funds, offer a poor risk-reward trade-off and that investors will do well to avoid these instruments entirely. In our view, they will be better served over the long term in diversifying assets, as outlined above.

Thank you for your continued support and interest in the Fund.

Portfolio managers
Louis Stassen and Neil Padoa
as at 31 December 2020

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

The Global Capital Plus 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 F NAV prices. All underlying price and distribution data are 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. 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 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 September 2020 (updated annually). The 3 year TER is for a rolling 36-month period to the last 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.

IMPORTANT INFORMATION REGARDING TERMS OF USE

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