

# CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

Fund Information as at 29 February 2020

## 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 ten 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 a minimum of 0.45% is payable.

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 ARE THE FUND MANAGERS?



TONY GIBSON  
BCom



KARL LEINBERGER  
BBusSc, CA (SA), CFA

## GENERAL FUND INFORMATION

Fund Launch Date	1 August 1997
Fund Class	P (previously class B4)
Class Launch Date	1 October 2013
Benchmark	MSCI All Country World Index
Fund Category	Global – Equity – General
Regulation 28	Does not comply
Bloomberg Code	CORINB4
ISIN Code	ZAE000182184
JSE Code	CWEB4

# CORONATION GLOBAL OPPORTUNITIES EQUITY [ZAR] FEEDER FUND

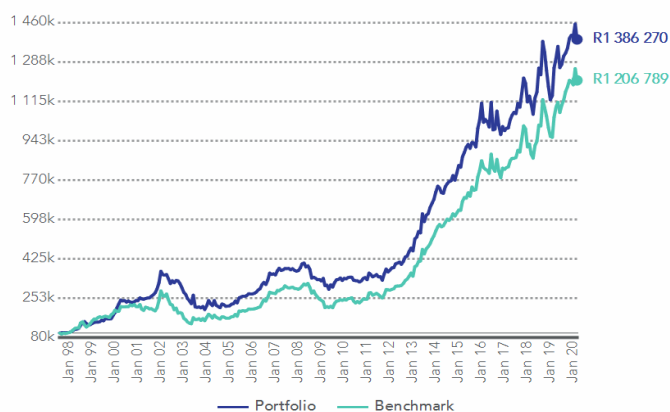
CLASS P as at 29 February 2020

<b>Fund category</b>	Global - Equity - General
<b>Launch date</b>	01 October 2013
<b>Fund size</b>	R 7.41 billion
<b>NAV</b>	13155.56 cents
<b>Benchmark/Performance</b>	MSCI All Country World Index
<b>Fee Hurdle</b>	
<b>Portfolio manager/s</b>	Tony Gibson and Karl Leinberger

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.38%	1.63%
Fund expenses	0.45%	0.64%
VAT	0.93%	0.98%
Transaction costs (inc. VAT)	0.00%	0.01%
Total Investment Charge	0.17%	0.15%
	1.55%	1.78%

## PERFORMANCE AND RISK STATISTICS

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



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

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1286.3%	1106.8%	179.5%
Since Launch (annualised)	12.3%	11.7%	0.7%
Latest 20 years (annualised)	9.4%	9.5%	(0.1)%
Latest 15 years (annualised)	12.8%	13.9%	(1.1)%
Latest 10 years (annualised)	15.0%	17.1%	(2.1)%
Latest 5 years (annualised)	9.7%	12.3%	(2.6)%
Latest 3 years (annualised)	11.6%	13.4%	(1.9)%
Latest 1 year	9.9%	15.5%	(5.6)%
Year to date	(1.0)%	1.7%	(2.6)%

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

	Fund	Benchmark	Active Return
Since Launch (unannualised)	306.3%	255.1%	51.1%
Since Launch (annualised)	6.4%	5.8%	0.6%
Latest 15 years (annualised)	5.6%	6.6%	(1.0)%
Latest 10 years (annualised)	7.1%	9.0%	(1.9)%
Latest 5 years (annualised)	3.5%	5.8%	(2.4)%
Latest 3 years (annualised)	5.0%	7.0%	(1.9)%
Latest 1 year (annualised)	(1.6)%	3.9%	(5.5)%
Year to date	(11.0)%	(9.1)%	(1.9)%
2019	27.8%	26.6%	1.2%
2018	(13.7)%	(9.4)%	(4.3)%

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	3.8%	(4.6)%											(1.0)%
Fund 2019	1.6%	10.7%	3.4%	4.0%	(6.9)%	1.1%	2.8%	1.0%	1.6%	3.2%	1.0%	(0.3)%	24.8%
Fund 2018	2.3%	(3.0)%	(4.2)%	6.8%	2.3%	9.1%	(2.3)%	11.9%	(3.5)%	(6.0)%	(5.6)%	(4.9)%	0.9%

## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	29 Feb 2020
<b>Equities</b>	<b>93.2%</b>
Global (7 Funds)	93.2%
<b>Equity futures</b>	<b>6.7%</b>
<b>Cash</b>	<b>0.1%</b>

### TOP 5 HOLDINGS

As at 31 Dec 2019

Egerton Capital Equity Fund
Contrarius Global Equity Fund
Maverick Capital
Lansdowne Capital
Tremblant Capital

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.1%	16.7%
Sharpe Ratio	0.29	0.24
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	61.6%	57.9%

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

*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.*

The fund advanced 12.2% against a benchmark return of 9.0%, bringing the rolling 12-month performance to 27.2% against the 26.6% returned by the MSCI All Country World Index (ACWI).

Global markets enjoyed a strong end to the year, with the ACWI rising 9.0%. Trade uncertainty faded with the US-China "phase one" deal announcement and the Federal Reserve Board (Fed) cut interest rates by a further 0.25%, and forward-looking indicators continue to show that the US economy is expanding moderately. In Europe, Germany had better economic data and the result of the UK election will bring certainty to the Brexit process and enable negotiation as to the future relationship. Emerging markets were very strong given the trade deal announcement with China, with Korea and Taiwan benefiting, while a rising oil price benefited Russia.

North America was the best-performing region in the fourth quarter of 2019 (Q4-19), advancing 8.9% (in US dollars). The weakest return was from Asia ex-Japan which advanced 5.8% (in US dollar terms). Europe advanced 8.8% and Japan rose 7.7% (in US dollars). Emerging markets had a strong quarter, advancing 11.4% compared to developed markets which advanced 8.7% both (in US dollars).

Among the global sectors, healthcare (+13.4%) and information technology (+13.7%) were the most significant drivers of the index's return for the quarter. The worst-performing sectors were real estate (0.6%), utilities (1.5%) and consumer staples (2.1%).

The fund benefited from good returns from all its managers over the quarter.

Maverick returned 15% over the quarter which capped an excellent annual return of 37%. The investments driving the quarterly performance were also the main contributors to the annual return. Medicines rose 344% over the year after its anti-cholesterol drug tested well and led to a purchase offer from Novartis. Alnylam Pharmaceuticals rose 58% after one of its drugs received FDA approval and Alibaba advanced 55% as its core business continued to expand in China and it obtained a second listing in Hong Kong.

Coronation Global Equity Select performed well, with alpha of 3.2% over the quarter and returning 27.2% over the year, a strong comeback after a weak 2018. The best performers over the quarter included United Healthcare (+36%), which benefited from a decreased threat from Medicare-for-All, Charter Communications (+18%) due to a strong increase their customer base, and Alibaba (+27%).

Contrarius had a good quarter with a return of 12%, but has a long way to go to recover after returning negative alpha of 23% over 2019. As discussed in previous quarterlies, this is largely as a result of its investment in oil drilling companies, which fell precipitously during the year. This quarter's returns were also mainly due to a bounce from the oil drillers, with Transocean (+54%), Valaris (+36%) and Diamond Offshore (+29%) all rebounding off very low bases.

Bed, Bath & Beyond also contributed with a return of 64% during the quarter.

Lansdowne also struggled in 2019, but as with Contrarius, they also enjoyed a strong end to the year, returning 13.1% in Q4-19. Lansdowne has a large exposure to the UK, which has been under pressure from the protracted Brexit saga over the last two years. The UK election produced a significant (and somewhat unexpected) majority for Boris Johnson and the Conservatives, putting an end to any uncertainty of actually leaving the EU by 31 January 2020. Beneficiaries of this included IAG (+35%) and Lloyds Bank (+36%). Arcelor Mittal rose 21% on better-than-expected profitability and the phase one China-USA trade agreement. Egerton, Tremblant and Maverick all produced strong quarter and annual performance.

### Outlook

While a phase one deal with China is a positive, the next phase may prove more difficult to negotiate. In addition, Europe is facing threats of increased tariffs, with France in particular attracting the ire of the US President due to its internet tax that would impact a number of large American technology companies. Tension in the Middle East and the consequent potential for higher energy prices, coupled with the ongoing trade issues, could prove detrimental to growth in the medium term. On the positive side, monetary easing during 2019 by a number of central banks should continue to be supportive of the global economy. Although the Fed has recently indicated that it is done easing for now, others may ease further. If trade tensions subside, it will reinforce the monetary easing and should have a positive impact on emerging markets. In summary, markets have performed well recently, and the conditions remain supportive, but there remain a number of risks that could impact this.

### Portfolio managers

**Tony Gibson and Karl Leinberger**  
as at 31 December 2019

### 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 Investment Management International (Pty) Ltd (FSP45646), 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 P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. 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. 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 2019 (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 our website, [www.coronation.com](http://www.coronation.com)

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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