CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

Fund Information as at 31 August 2024

CORONATION
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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 any five-year period. 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. It will have exposure to a variety of currencies, with a general bias towards developed markets, specifically to the US dollar and euro.

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

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

5/10
Moderate

Maximum growth/ minimum income exposures

Growth Assets: 50%
Income Assets: 50%

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. Global currency movements may intensify investment gains or declines.

A conservative multi-asset fund which aims to preserve capital, it is classified as having a conservative to moderate risk profile. However, the fund has significant foreign asset exposure and is therefore subject to currency volatility. For the rand investor the risk profile of the fund should be considered as moderate to high.

This feeder fund aims to remain fully invested in units in the Global Capital Plus Fund, which is domiciled offshore. The only other assets that will be held at feeder fund level is local and foreign cash for liquidity purposes.

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 0.85% 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 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.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

NEIL PADOA
BEconSc (AcSci), FFA, CFA

GENERAL FUND INFORMATION

Fund Launch Date	1 November 2008
Fund Class	P (previously class B4)
Class Launch Date	1 October 2012
Benchmark	Secured Overnight Financing Rate (SOFR) + 1.5%
ASISA Fund Category	Global – Multi-asset – Low Equity
Income Distribution	Semi-annually (March & September)
Bloomberg Code	COGCPB4
ISIN Code	ZAE000170429
JSE Code	CGCB4

CORONATION GLOBAL CAPITAL PLUS [ZAR] FEEDER FUND

CLASS P as at 31 August 2024

CORONATION
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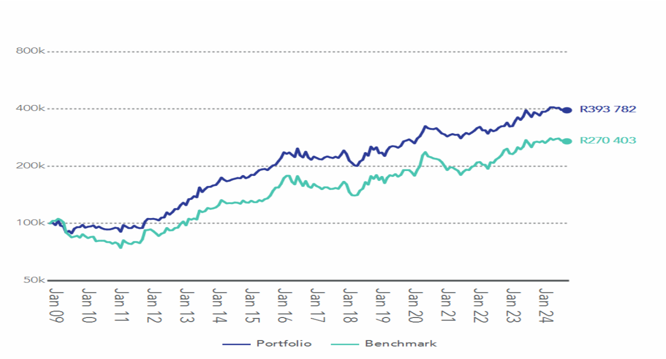
ASISA Fund Category	Global - Multi Asset - Low Equity
Launch date	01 October 2012
Fund size	R 3.89 billion
NAV	407.14 cents
Benchmark	SOFR + 1.5%
Portfolio manager/s	Neil Padoa

	1 Year	3 Year
Total Expense Ratio	0.92%	0.94%
Fund management fee	0.85%	0.85%
Fund expenses	0.07%	0.09%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.05%	0.05%
Total Investment Charge	0.98%	0.98%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (ZAR)

	Fund	Benchmark
Since Launch (unannualised)	293.8%	170.4%
Since Launch (annualised)	9.0%	6.5%
Latest 15 years (annualised)	9.9%	7.8%
Latest 10 years (annualised)	8.6%	7.8%
Latest 5 years (annualised)	7.8%	7.2%
Latest 3 years (annualised)	10.1%	12.3%
Latest 1 year	2.4%	1.2%
Year to date	1.8%	2.0%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	Benchmark
Since Launch (unannualised)	116.8%	49.5%
Since Launch (annualised)	5.0%	2.6%
Latest 15 years (annualised)	4.0%	2.1%
Latest 10 years (annualised)	3.2%	2.5%
Latest 5 years (annualised)	4.5%	3.9%
Latest 3 years (annualised)	2.9%	5.0%
Latest 1 year (annualised)	9.2%	7.0%
Year to date	5.7%	4.7%
2023	9.5%	6.6%
2022	(5.1)%	3.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
28 Mar 2024	02 Apr 2024	0.06	0.00	0.06
29 Sep 2023	02 Oct 2023	0.11	0.00	0.11

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Aug 2024
Equities	21.8%
Infrastructure	3.3%
Property	2.9%
Convertible Bonds	2.0%
High Yield Bonds	4.1%
Fixed Income	65.3%
T-Bills	14.4%
Inflation-linked bonds	11.2%
Investment Grade	39.7%
Cash	0.6%

TOP 10 HOLDINGS

As at 30 Jun 2024	% of Fund
Canadian Pacific Kansas City	0.9 %
Interactive Brokers	0.9 %
Amazon.com	0.8 %
Canadian National Railway	0.8 %
Heineken	0.8 %
Airbus Group Se	0.7 %
Kinder Morgan	0.7 %
Philip Morris	0.7 %
Cellnex Telecom Sa	0.7 %
Equity Residential	0.7 %

CURRENCY ALLOCATION

Currency as at 31 Aug 2024	% of Fund
US Dollar	86.3%
Other	13.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	12.6%	14.1%
Sharpe Ratio	0.32	N/A
Maximum Gain	24.0%	N/A
Maximum Drawdown	(18.9)%	N/A
Positive Months	57.9%	N/A

	Fund	Date Range
Highest annual return	35.2%	Jun 2012 - May 2013
Lowest annual return	(11.5%)	Jun 2020 - May 2021

MONTHLY PERFORMANCE RETURNS (AFTER FEES) (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	1.8%	3.6%	0.2%	(1.1)%	0.4%	(2.7)%	0.5%	(0.8)%					**1.8%**
Fund 2023	6.5%	4.4%	(3.1)%	4.1%	8.0%	(4.0)%	(4.0)%	6.0%	(1.6)%	(2.3)%	4.8%	0.0%	**19.0%**
Fund 2022	(4.2)%	0.3%	(4.1)%	5.1%	(1.9)%	1.2%	3.2%	1.7%	0.2%	4.4%	(4.7)%	0.5%	**0.9%**
Fund 2021	1.8%	1.1%	(1.0)%	0.3%	(4.3)%	4.0%	2.6%	(1.5)%	1.9%	2.4%	3.2%	1.5%	**12.3%**
Fund 2020	6.1%	2.6%	5.6%	7.2%	(2.5)%	(0.8)%	(0.3)%	1.2%	(3.0)%	(3.3)%	(1.0)%	(2.5)%	**8.7%**

Issue date: 2024/09/09

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

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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

Markets continued their advance in the second quarter of 2024 (Q2-24), rising 3% over the period and rounding off a very strong first half of the year with gains of just over 11% (as measured by the MSCI All Country World Index). Returns continue to be led by an increasingly narrow US market, with the S&P 500, Nasdaq and Magnificent 7 up 15%, 17% and 37%, respectively, year to date. Looking more closely at the US, around 60% of YTD gains have been driven by just five stocks – Apple, Nvidia, Microsoft, Amazon, and Meta – with Nvidia alone accounting for almost a third of market returns at the half-year mark. In fact, in Q2-24, an equally weighted S&P 500 Index returned a negative 2.6%, marking the second-worst underperformance on record when compared to the headline index's 4% gain and the worst market breadth in well over 20 years. In contrast, the global bond market declined by 1% over the quarter, bringing its YTD decline to -3% (as measured by the Bloomberg Barclays Global Aggregate Bond Index). The Fund recorded a small positive gain for the quarter, although behind the benchmark return.

While our fixed income holdings again contributed over the quarter, delivering a positive return compared to the index's decline, our equity holdings detracted from returns.

Fund positioning

Airbus was the largest detractor in the quarter, declining by 25%. Its share price fell after a poor update from management in which 2024 delivery and earnings guidance was cut. Whilst we acknowledge this temporary setback, the future remains incredibly bright for the company. Airbus manufactures narrowbody and widebody airframes in a duopoly with Boeing. The industry structure has been remarkably stable for decades, a testament to the almost insurmountable barriers to entry that new competitors face. Coming out of Covid, Airbus has emerged even stronger as competitor Boeing entered the downturn with a weak balance sheet (versus Airbus' net cash position) and then suffered a series of well-publicised technical and quality issues. Airbus now stands with a backlog of over 8 500 planes on order. Considering that annual production is currently 770 planes (and growing), this equates to a multi-year backlog that underpins our very healthy growth forecasts, with Airbus continuing to gain share in a growing industry. So, what contributed to the recent earnings downgrade? The company – and, in fact, the whole aerospace industry – is still suffering from post-Covid supply chain bottlenecks that have caused delays in the production ramp-up of Airbus' most popular aircraft family (and biggest EBIT contributor by far), the A320neo narrowbody. Despite these delays, we believe it's only a matter of time before deliveries and, therefore, profits and sustainable free cash flow ramp up to management's ambitious long-term targets, which will see a production run-rate for the key A320 family that is almost 50% higher than that achieved today. In addition, Airbus has a fortress balance sheet with a €10bn net cash position, and we expect returns to shareholders to continue to increase.

The Taiwan Semiconductor Manufacturing Company, or TSMC, was the second largest contributor, climbing 28% during the quarter. TSMC is the world's leading semiconductor foundry. With an over 50% share of global semiconductor production, including a market share north of 90% in the most advanced, leading-edge semiconductors, TSMC is quite simply one of the most important companies globally. As the world's leading foundry, TSMC manufactures and supplies its chips to the world's largest companies, including all of Nvidia's GPUs. The largest hyper scalers like Microsoft Azure and Amazon AWS rely on Nvidia for their AI chips, but Nvidia relies on TSMC to make them. It is thus a direct beneficiary of the rapid growth in high-performance computing and the buildout of "AI factories", supporting a very healthy mid to high teens revenue growth outlook whilst earning very attractive ROEs of around 25%. Unlike Nvidia, TSMC has not benefited from significant price hikes (yet), which provides positive optionality going forward for its all-important products. Considering the above, we do find it surprising that TSMC trades on 22x forward earnings, roughly half the rating of Nvidia, and this with far less optimism baked into its earnings outlook.

Outside of equities, we have slowly increased the Fund's exposure to residential real estate, which now sits at nearly 3%, including holdings in the US, Germany and Australia. US Apartment REITs surged in a 2021 post-Covid rally, only to slump from 2022 onwards as demand slowed, occupancies decreased, and inflation pressured cost bases. In addition, certain markets suffered excess supply from a mini-construction boom. Higher interest rates, of course, increased borrowing costs (on variable notes and new issuance of debt). The outlook is, however, more favourable in certain supply-constrained sub-markets. Single-family home costs are expected to remain high, and for many, renting is now more affordable than owning a home. In addition, both wage growth and employment have been strong. We added two REITs this year, acquired at approximately 4.5% starting dividend yields with earnings streams that we expect to grow 5%-6% per year, which should deliver shareholder returns of c.10% before any closing of the NAV discount.

In fixed income, we continue to favour the short end of the curve and have kept the Fund's duration low. Credit spreads have reduced, and high-yield bonds have rallied, leading us to have relatively low credit exposure and to reduce high-yield exposure (one instrument was sold, and one matured). Finally, we added c.3% to short-dated inflation-linked bond exposure at real yields over 2%.

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

- 16% in short-dated US T-bills
- 39% in investment-grade fixed income instruments
- 11% in inflation-linked assets (primarily US Treasury index-linked bonds)
- 6% in high yield fixed income
- 6% in real assets (listed infrastructure and property)
- 20% effective equity

The remaining 2% was invested in various other assets.

Thank you for your support and interest in the Fund.

Portfolio manager
Neil Padoa
as at 30 June 2024

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

The Global Capital Plus [ZAR] Feeder 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 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. 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. The top 10 holdings are reflected on a look-through basis. 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; 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.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is the Secured Overnight Financing Rate (SOFR) + 1.5%. From 1 December 2021 the benchmark changed from the USD 3-month LIBOR + 1.5% to the Secured Overnight Financing Rate (SOFR) + 1.5%. The benchmark returns shown in this MDD will be spliced between the previously applicable index values and the new benchmark from 1 December 2021.

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

IMPORTANT INFORMATION REGARDING TERMS OF USE