

# CORONATION GLOBAL EQUITY SELECT [ZAR] FEEDER FUND

Fund Information as at 30 November 2020

## WHAT IS THE FUND'S OBJECTIVE?

Global Equity Select aims to give investors access to the best opportunities in global equity markets. The fund is biased to developed markets and actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the global equity benchmark over all periods of five years and longer.

## WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

### Risk Profile



### Maximum growth/ minimum income exposures



Global Equity Select will only invest in shares we view as being attractively valued relative to other shares which may offer superior long-term investment growth.

The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While we have a disciplined approach to reducing risk, 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 Equity Select 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

- ▶ are comfortable with full exposure to shares listed in global markets outside South Africa;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ hold other investments and are looking to add exposure to global equity markets;
- ▶ do not require an income from their investment.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable. This full fee is collected in the underlying master fund with no fee charged in the feeder fund.

Only components of the fund fee charged at feeder fund level (if relevant) is subject to VAT.

The current provision for a fee discount of 0.35% p.a., if the fund underperforms its benchmark over any rolling 60-month period, will continue to apply to the new fixed fee until 31 March 2021

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 fund costs. We do not charge 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?



**NEIL PADOA**  
BEconSci (AcSci), FFA



**HUMAIRA SURVE**  
BScEng, MBA, CFA

## GENERAL FUND INFORMATION

Launch Date	30 April 2015
Fund Class	P
Benchmark	MSCI All Country World Index
Fund Category	Global – Equity – General
Regulation 28	Does not comply
Bloomberg Code	CORGESP
ISIN Code	ZAE000202131
JSE Code	CGEFP

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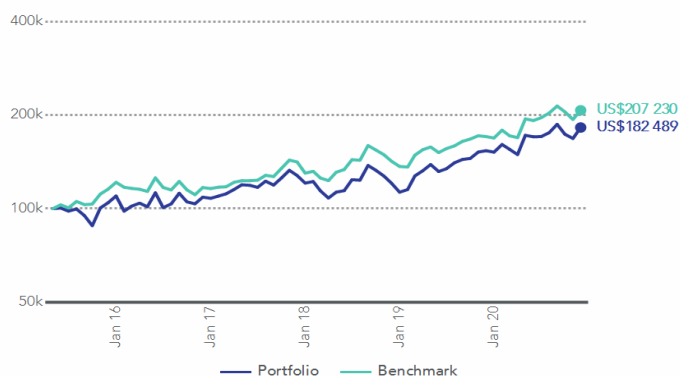
CLASS P as at 30 November 2020

Fund category	Global – Equity – General
Launch date	30 April 2015
Fund size	R884.96 million
NAV	182.42 cents
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Neil Padoa and Humaira Surve

Total Expense Ratio	1 Year	3 Year
Fund management fee	0.74%	0.90%
Fund expenses	0.66%	0.68%
VAT	0.08%	0.21%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.24%	0.20%
	0.98%	1.10%

## PERFORMANCE AND RISK STATISTICS

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



### RISK AND RETURNS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	82.5%	107.2%	(24.7%)
Since Launch (annualised)	11.4%	13.9%	(2.6%)
Latest 5 years (annualised)	11.8%	12.4%	(0.6%)
Latest 3 years (annualised)	12.6%	13.6%	(1.0%)
Latest 1 year	18.8%	21.5%	(2.7%)
Year to date	20.0%	22.7%	(2.7%)

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	19.2%	16.1%
Sharpe Ratio	0.28	0.49
Maximum Gain	24.6%	18.0%
Maximum Drawdown	(18.6%)	(14.7%)
Positive Months	58.2%	55.2%

	Fund	Date Range
Highest annual return	39.6%	Feb 2019 - Jan 2020
Lowest annual return	(6.5%)	Jan 2018 - Dec 2018

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	5.8%	(3.5)%	(3.8)%	15.3%	(1.1)%	0.2%	2.9%	6.4%	(7.1)%	(3.1)%	8.5%		<b>20.0%</b>
Fund 2019	2.0%	10.6%	4.0%	4.7%	(5.0)%	2.1%	4.5%	2.5%	0.7%	4.9%	1.0%	(1.1)%	<b>34.5%</b>
Fund 2018	1.2%	(6.7)%	(5.2)%	4.5%	1.1%	8.5%	(0.4)%	11.5%	(3.5)%	(4.1)%	(5.3)%	(6.4)%	<b>(6.5)%</b>

## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2020
<b>Equities</b>	<b>99.4%</b>
North America	51.3%
Europe	30.6%
Asia	13.8%
South Africa	3.4%
Latin American	0.3%
<b>Cash</b>	<b>0.6%</b>

### TOP 10 HOLDINGS

As at 30 Sep 2020	% of Fund
Charter Communication A	4.8%
Alphabet Inc	4.8%
Alibaba Group Holding	4.3%
British American Tobacco	3.6%
Philip Morris Int Inc	3.3%
Naspers Ltd	3.2%
Heineken NV	3.0%
Unitedhealth Group Inc	2.9%
Airbus Group Se	2.8%
Facebook Inc.	2.8%

*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.*

After a strong rebound in the second quarter of the year (Q2-20), equity markets continued their gains, returning 8.1% in the third quarter of 2020 (Q3-20). Returns were broad-based, with developed markets as a whole returning just under 8% and emerging markets continuing a recent run of outperformance, returning 9.6%. The US continues to outperform other developed regions, with a return of 9.4%, handily ahead of Europe's 4.5%. Most other asset classes also delivered a positive result.

The Fund returned 6.6% for Q3-20, approximately 1.5% behind the benchmark return of 8.1%. Over one year, the Fund has underperformed by 0.3%, and by 0.5% over five years.

Salesforce was a top-three contributor to Fund returns over the quarter, with the share price climbing 26% in one day following the release of better-than-expected results. Organic revenue growth of 19% on a year-over-year basis in a quarter heavily impacted by Covid-19 is an excellent result and highlights the strong positioning of the company and demand for its software solutions.

Salesforce is the global leader in customer relationship management software and has moved into adjacent areas, including the broader digitisation of customer-facing activities such as marketing, ecommerce, data management and business intelligence. While these trends were strong before Covid-19, the virus consequences have reinforced the need for businesses to invest behind revenue-generating activities, to better know their customers and to be able to reach them online, and Salesforce offers the tools to do this. The company sees a large opportunity ahead and continues to invest aggressively in adding staff at a time when many companies are laying people off. Salesforce is a well-managed, high-quality and fast-growing compounder with strong ESG credentials and we remain bullish on its outlook.

Bayer was a detractor over the quarter. We think the stock is materially undervalued at a 7x price-to-earnings ratio. This is due to continued uncertainty regarding the resolution of the RoundUp litigation and regulatory uncertainty for its Xtend platform at a time when end-markets (principally corn, due to lower bioethanol demand) are temporarily depressed. Longer-term, Bayer remains the leading crop science franchise, with significant opportunity to improve profitability from merger synergies, new products in the pipeline (e.g. short-stature corn) and scaling its digital agriculture initiative. While recent results have been disappointing, the range of potential outcomes remain tilted to the upside.

Earlier this year, we felt that there were attractive opportunities for those investors with a long time horizon and the ability to filter companies whose prices had been dislocated with little impact to their sustainable earnings power. After a sharp rally, these opportunities are now harder to find. In addition, the need to reassess the prospects of many businesses continues as investors parse fundamental virus-induced behavioural changes from short-term noise. Fundamental changes, however, play to the strengths of fundamental investors, and we continue to find a select number of stocks with solid long-term prospects that are reasonably priced.

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

**Portfolio managers**  
**Neil Padoa and Humaira Surve**  
as at 30 September 2020

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

The Global Equity Select [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 is 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. Growth charts are shown in logarithmic scale (base 2).

### 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. 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 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 our website, [www.coronation.com](http://www.coronation.com)

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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