

CORONATION GLOBAL EQUITY SELECT [ZAR] FEEDER FUND

Fund Information as at 30 June 2023

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.

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

WHO ARE THE FUND MANAGERS?



NEIL PADOA
BEconSci (AcSci),
FFA, CFA



HUMAIRA SURVE
BScEng, MBA, CFA

GENERAL FUND INFORMATION

Launch Date	30 April 2015
Fund Class	P
Benchmark	MSCI All Country World Index
ASISA Fund Category	Global – Equity – General
Income Distribution	Semi-annually (March & September)
Bloomberg Code	CORGES
ISIN Code	ZAE000202131
JSE Code	CGEFP

CORONATION GLOBAL EQUITY SELECT [ZAR] FEEDER FUND

CLASS P as at 30 June 2023

ASISA Fund Category	Global – Equity – General
Launch date	30 April 2015
Fund size	R972.84 million
NAV	209.40 cents
Benchmark	MSCI All Country World Index
Portfolio manager/s	Neil Padoa and Humaira Surve

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



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

	Fund	Benchmark
Since Launch (unannualised)	109.8%	191.3%
Since Launch (annualised)	9.5%	14.0%
Latest 5 years (annualised)	11.1%	15.2%
Latest 3 years (annualised)	7.1%	14.1%
Latest 1 year	36.5%	34.8%
Year to date	27.1%	26.1%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	18.6%	15.6%
Sharpe Ratio	0.12	0.43
Maximum Gain	24.6%	18.0%
Maximum Drawdown	(25.6%)	(18.5%)
Positive Months	57.1%	56.1%

	Fund	Date Range
Highest annual return	39.6%	Feb 2019 - Jan 2020
Lowest annual return	(22.1%)	Jul 2021 - Jun 2022

MONTHLY PERFORMANCE (AFTER FEES) - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	13.7%	2.6%	(2.8)%	2.8%	7.8%	1.1%							27.1%
Fund 2022	(8.3)%	(4.2)%	(5.0)%	(5.4)%	(2.1)%	(3.8)%	10.0%	1.0%	(6.8)%	6.5%	(1.1)%	(1.6)%	(20.0)%
Fund 2021	1.2%	5.1%	1.4%	3.2%	(5.7)%	4.6%	0.2%	(1.0)%	(1.3)%	5.9%	0.4%	0.6%	14.8%
Fund 2020	5.8%	(3.5)%	(3.8)%	15.3%	(1.1)%	0.2%	2.9%	6.4%	(7.1)%	(3.1)%	8.5%	(1.5)%	18.2%
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)%	34.5%

	1 Year	3 Year
Total Expense Ratio	0.92%	0.84%
Fund management fee	0.85%	0.85%
Fund expenses	0.07%	(0.01)%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.14%	0.14%
Total Investment Charge	1.06%	0.98%

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2023
Equities	100.0%
North America	74.5%
Europe	17.4%
Asia	8.1%
South Africa	0.0%

TOP 10 HOLDINGS

As at 30 Jun 2023	% of Fund
Heineken Holdings Nv	3.4%
Airbus Group Se	3.1%
Ryanair Holdings Plc Adr Usd	3.0%
Prosus Na	3.0%
Entain Plc	3.0%
Doordash Inc	2.9%
Canadian National Railway Co	2.9%
Canadian Pacific Railway Ltd	2.9%
Interactive Brokers Group	2.8%
Delivery Hero Se	2.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Jun 2023	03 Jul 2023	0.00	0.00	0.00
31 Mar 2023	03 Apr 2023	0.09	0.00	0.09

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.

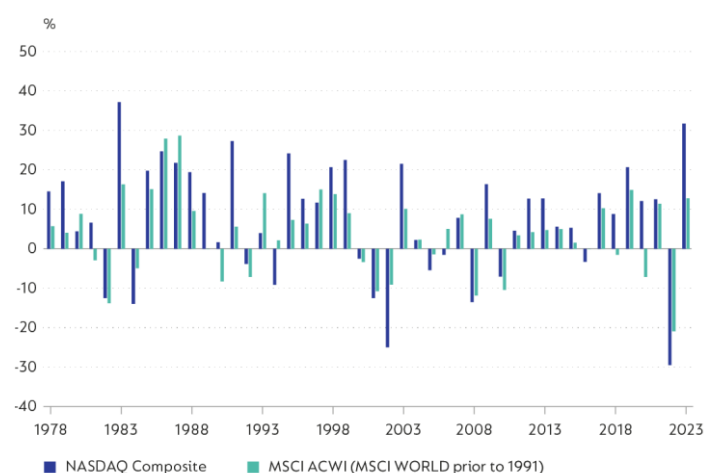
Please note that the commentary is for the retail class of the Fund.

The second quarter of 2023 built on the gains of the first three months of the year, with global equity markets advancing 6.2%. This brings the year-to-date (YTD) gain to 13.9% (as measured by the MSCI All Country World Index). However, global bond markets lagged, returning -1.5% for the quarter. This was largely driven by developed market risk-free yield curves shifting upwards. The Fund has delivered a solid six months, advancing 14.3%.

As is sometimes the case, index level data can obscure what is happening under the surface. And this year investors needn't scratch too deep to understand what is driving returns. A small group of US mega caps (aka "The Magnificent Seven" of Nvidia, Meta, Tesla, Microsoft, Apple, Amazon, and Alphabet) have driven a narrow market and accounted for a large portion of total returns. Indeed, the Nasdaq Composite Index is on pace for its best first half in 40 years, up c.32%, more than twice the return of the global equity index as is clear from the graph below.

NASDAQ COMPOSITE FIRST-HALF PERFORMANCE MORE THAN DOUBLE THE GLOBAL EQUITY INDEX

Nasdaq Composite vs MSCI ACWI (first-half price return from 1978 to 2023)



Source: Bloomberg

The Nasdaq 100 Index (which comprises the 100 largest stocks in the Nasdaq) performed even better, up nearly 40% YTD. All this pales, however, when compared to the 91% average return of "The Magnificent Seven" – a staggering 6x higher return than the market. The outperformance of the largest stocks has left the Nasdaq looking distinctly concentrated, with over 25% in two stocks, and a third of the index in three, and "The Magnificent Seven" accounting for 55% of the index.

NASDAQ 100 INDEX TOP 10 COMPONENTS BY WEIGHT AND TOTAL RETURNS YEAR TO DATE

	Weight	Total return (YTD)
Microsoft	12.92%	42.7%
Apple Inc.	12.57%	49.7%
Alphabet*	7.35%	35.7%
Nvidia	6.94%	189.5%
Amazon.com	6.85%	55.2%
Tesla	4.25%	112.5%
Meta Platforms	4.22%	138.5%
Broadcom Inc.	2.40%	57.1%
Pepsico	1.70%	3.9%

*Alphabet's two listed share classes (A and C) combined

Source: Nasdaq Global Indexes Research, Bloomberg and FactSet, as at 30 June 2023.

In terms of the opportunity set, we believe the narrowness of the equity market has amplified stock-picking opportunities. From high quality consumer companies like Heineken, to quality compounders (that may not be household names), such as Interactive Brokers, our portfolio is comprised of a range of diverse and undervalued businesses. Two lesser-known companies – Applied Materials (+50% YTD) and LAM Research (+56% YTD) – were top contributors for the quarter.

Applied Materials and LAM Research are two of the largest producers of wafer fabrication equipment (WFE) in the world. These producers supply the equipment and services that are used by semiconductor manufacturers (such as TSMC, Intel, and Texas Instruments) to produce the microchips that power the modern economy. WFEs are incredibly complex, specialised (and expensive) machines; once a tool is adopted for a process, it is very hard to switch suppliers as it would affect the entire production line. As a result, the industry has very high barriers to entry, and is highly consolidated - the top five players have not changed over the last two decades, with combined market share increasing from 50% to 70%. Within specific process steps (such as lithography, deposition, and etching), market concentration is even higher.

The WFE industry is closely linked to global semiconductor demand. Over the last decade, semiconductor demand has grown at a mid-single-digit compound annual growth rate, largely due to rising smartphone penetration. The WFE market has grown even faster (at low double digits) due to rising capital intensity. In order to continue shrinking the size of, and increasing the number of transistors on, a microchip, significantly more complex manufacturing techniques are required with each subsequent generation (or node). These have included the introduction of vertical stacking of transistors (increasing the need for deposition and etching tools) and extreme ultraviolet lithography.

We remain constructive on long-term demand growth for WFEs, driven by new applications with much higher semiconductor content such as AI, electric vehicles, and renewable energy. Additionally, greater diversity in end demand should also help to reduce industry cyclicality. However, after the strong rally in the share prices, we have trimmed these positions, and rotated capital into ideas that we think offer better risk-adjusted returns.

Thank you for your support and interest in the Fund.

Portfolio managers
Neil Padoa and Humaira Survé
as at 30 June 2023

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; 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. 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

IMPORTANT INFORMATION REGARDING TERMS OF USE

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.