

WHAT IS THE FUND'S OBJECTIVE?

Global Optimum Growth [ZAR] Feeder Fund aims to maximise long-term investment growth by investing in a globally diversified portfolio with exposure to both developed and emerging markets across multiple asset classes. Our intent is to provide competitive after inflation returns over all five-year periods.

WHAT DOES THE FUND INVEST IN?

Global Optimum Growth [ZAR] Feeder Fund will normally have a significant bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund has a flexible mandate and can invest in any combination of developed economies (including the US, Europe and Japan), South African assets and other emerging market assets.

The fund will vary exposure to South African, developed and emerging market assets based on where the most attractive valuations are available. We expect the fund to have the majority of its assets invested in global equities over time. Its exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen.

The fund may use exchange traded funds and other financial instruments (eg. derivatives) to implement specific investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



Global Optimum Growth [ZAR] Feeder Fund aims to achieve the best possible long-term growth for investors.

Consequently, it will have a sizeable exposure to shares, which typically offer the best returns over the long run.

Global Optimum Growth [ZAR] Feeder Fund will only invest in assets we view as being attractively valued and that could offer strong long-term investment growth. The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While shares typically offer superior long-term returns, this comes with higher levels of risk and volatility. We have a disciplined approach to reducing risk, but shares can be volatile investments and may suffer capital losses 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 Global Optimum Growth 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 ten years is recommended.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- ▶ are looking for the best growth opportunities available in both developed and emerging markets and accept the possibility of volatility and the risk of short-term losses;
- ▶ are comfortable with allowing Coronation a wide degree of discretion, in allowing us to make both the asset and geographical allocation decisions;
- ▶ require investment growth over the long term and accept the possibility of volatility and the risk of short-term losses;
- ▶ do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.85% and a maximum of 2.40%, depending on the fund's performance, is payable.

If the fund's return (after fees and costs) is equal to that of its benchmark, a fee of 1.00% will be charged.

We share in 20% of the outperformance above the benchmark, up to a maximum total annual fee of 2.40%. Performance is measured over a rolling 24-month period.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.15%.

All fees exclude VAT. Fund expenses that are incurred in the fund include 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.

WHO ARE THE FUND MANAGERS?



GAVIN JOUBERT
BBusSc, CA (SA), CFA



MARC TALPERT
BAccSc, HDipAcc,
CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	15 March 1999
Fund Class	A
Benchmark	Composite: 35% MSCI World, 35% MSCI EM, 30% BGBA
ASISA Fund Category	Worldwide – Multi-asset – Flexible
Income Distribution	Semi-annually (March & September)
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	COROPTG
ISIN Code	ZAE000019782
JSE Code	CNOG

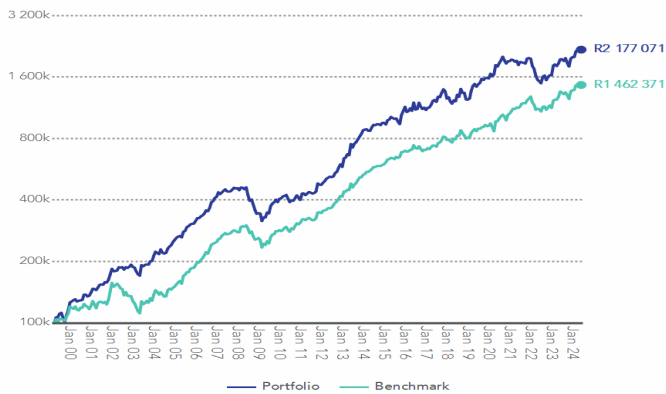
CORONATION GLOBAL OPTIMUM GROWTH [ZAR] FEEDER FUND

CLASS A as at 31 May 2024

ASISA Fund Category	Worldwide - Multi Asset - Flexible
Launch date	15 March 1999
Fund size	R12.20 billion
NAV	17131.52 cents
Benchmark/Performance	Composite: 35% MSCI World, 35% MSCI EM, 30% BGBA
Fee Hurdle	MSCI EM, 30% BGBA
Portfolio manager/s	Gavin Joubert and Marc Talpert

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE OVER VARIOUS PERIODS (AFTER FEES) (ZAR)

	Fund	Inflation	Benchmark
Since Launch (unannualised)	2077.1%	319.6%	1362.4%
Since Launch (annualised)	13.0%	5.9%	11.2%
Latest 20 years (annualised)	12.1%	5.5%	12.5%
Latest 15 years (annualised)	13.0%	5.2%	12.4%
Latest 10 years (annualised)	9.1%	5.0%	9.9%
Latest 5 years (annualised)	8.7%	5.1%	11.0%
Latest 3 years (annualised)	5.9%	6.1%	9.0%
Latest 2 year (annualised)	19.5%	5.8%	14.7%
Latest 1 year (annualised)	11.5%	5.3%	7.7%
Year to date	8.7%	2.4%	6.2%
Annualised Deviation	12.8%		11.0%
Sharpe Ratio	0.39		0.29
Downside Deviation	7.2%		5.7%
Positive Months	63.2%		62.6%

	Fund	Date Range
Highest annual return	51.1%	Jan 2013 - Dec 2013
Lowest annual return	(31.5%)	Mar 2008 - Feb 2009

PERFORMANCE OVER VARIOUS PERIODS (AFTER FEES) (USD)

	Fund	US CPI	Benchmark
Since Launch (unannualised)	613.8%	91.3%	381.9%
Since Launch (annualised)	8.1%	2.6%	6.4%
Latest 20 years (annualised)	6.3%	2.6%	6.7%
Latest 15 years (annualised)	6.7%	2.6%	6.2%
Latest 10 years (annualised)	3.0%	2.9%	3.8%
Latest 5 years (annualised)	3.3%	4.2%	5.5%
Latest 3 years (annualised)	(4.7)%	5.3%	(1.8)%
Year to date	6.5%	1.4%	3.5%

MONTHLY PERFORMANCE RETURNS (AFTER FEES) (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	0.0%	6.7%	1.4%	(1.4)%	1.9%								8.7%
Fund 2023	11.7%	1.3%	(1.9)%	3.0%	4.8%	0.1%	(2.0)%	3.3%	(5.1)%	(4.1)%	9.1%	1.9%	22.8%
Fund 2022	(8.1)%	(2.9)%	(7.5)%	(4.5)%	(1.7)%	(2.2)%	7.8%	1.3%	(5.1)%	3.7%	2.0%	(0.1)%	(17.2)%

	1 Year*	3 Year
Total Expense Ratio	1.06%	1.03%
Fee for performance in line with benchmark	1.00%	1.00%
Adjusted for out/(under)-performance	(0.09)%	(0.12)%
Fund expenses	0.08%	0.08%
VAT	0.07%	0.07%
Transaction costs (inc. VAT)	0.20%	0.17%
Total Investment Charge	1.26%	1.20%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2024
Equities	81.4%
Europe	34.3%
North America	23.4%
Asia	16.4%
Latin American	6.8%
South Africa	0.5%
Real Estate	0.5%
Europe	0.2%
Latin American	0.2%
South Africa	0.1%
Bonds	10.4%
North America	5.5%
Europe	4.9%
Cash	7.7%
ZAR	6.6%
Other	0.7%
USD	0.4%

TOP 10 HOLDINGS

As at 31 Mar 2024	% of Fund
Airbus Group Se	3.3%
Prosus Na	3.0%
Canadian Pacific Railway Ltd	2.8%
Taiwan Semiconductor Man	2.4%
Anthem Inc	2.2%
Jd.com Inc	2.2%
Lpl Financ Hld	2.0%
Hdfc Bank Limited	2.0%
Philip Morris Int Inc	2.0%
Alphabet Inc	2.0%

INCOME DISTRIBUTIONS

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

*This column shows the most recently available figures for the 12 months ending April 2024.

The 12-month TER for the financial year ending September 2023 was 0.97% which included a -0.15% adjustment for out/(under)

performance and a total investment charge of 1.15%.

Issue date: 2024/06/10

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

Performance

The Fund increased by 8.3% in the first quarter of 2024 (Q1-24). The quarter continued to provide strong market returns, building on those from Q4-23. However, a key difference was a wider breadth of return. These strong returns were delivered notwithstanding rate-cutting expectations being tempered somewhat as robust economic data continues to come out of the US. The Fund continues to claw back performance, and over the last 12 months, it has delivered 19.9%. Notwithstanding this performance, we remain incredibly excited about the prospective returns for the Fund thanks to a diversified collection of attractive assets held in the portfolio. Aggregate index levels appear fully valued, and thus, we are not very optimistic about future aggregate market returns, especially in the US, but we continue to find compelling individual assets that should deliver robust absolute returns.

During the quarter, we saw a high level of market exuberance, especially when it came to what market participants deem AI beneficiaries. The SOX Index, which is a representation of semiconductor-related companies, delivered a 22% USD return for the quarter as there was a frenzied rush toward semiconductor-related stocks. This was an interesting trend as there didn't seem to be much differentiation between stocks in this bucket despite a substantial difference in underlying AI-related exposure. We think this is a function of factor-related investing, which puts a collection of stocks in a similar bucket that might appear reasonable at a high level, but when more detailed fundamental analysis is performed, the bucket might not actually represent what is written on the tin, thereby exposing investors to risks they might not fully appreciate. Market sentiment remains positive, but material geopolitical risks persist on the horizon due to the upcoming US election, ongoing wars in both the Middle East and Ukraine and a continued strained relationship between the US and China. While we don't have a strong view of how these risks might manifest and are always cautious about making definitive macro calls, it does not seem like the market is expecting many negative outcomes from these risks. The Fund, however, owns a collection of assets that are well diversified with distinct drivers that should allow it to generate good returns, notwithstanding any of these risks coming to fruition. This comes back to a key principle in how we manage risk, which is that the price you pay for an asset and the margin of safety embedded is our most effective risk mitigation tool. Considering this, the weighted average equity upside of the Fund is currently 53%, which remains compelling. Beyond this, the weighted equity five-year expected IRR is 19%, and the weighted equity FCF yield for stocks owned is ~6.5%. Over the past five years, the Fund has generated a positive return of 8.4% per annum (p.a.), over 10 years a return of 9.5% p.a. and, since inception 24 years ago, 13.1% p.a.

During the quarter, the largest positive contributors were Interactive Brokers (+35%, 0.66% positive impact), ASML (+28%, 0.65% positive impact), Airbus (+19%, 0.64% positive impact) and Meta (+38%, 0.62% positive impact). The largest negative contributors were Pepco (-32%, 0.60% negative impact), Pinduoduo (-20%, 0.44% negative impact) and HDFC Bank (-16%, 0.44% negative impact).

Fund positioning

The Fund ended the quarter with 78% net equity exposure, slightly lower than the prior quarter. The Fund also has put option protection, equating to 4% of Fund effective exposure (approximately 30% nominal exposure) spread across a range of indexes (US, Europe, and EM).

As equity markets rallied in the quarter, bond markets lagged due to interest rate cut expectations being tempered. The Fund still has ~10% exposure to sovereign and corporate bonds, a higher level versus the past due to the attractive yields on offer. The current weighted yield for the collection of bonds held is ~6%, or 8% when excluding the short-term (two-year) US Treasuries, which are seen as an alternative to cash. This level of yield in hard currency is far more attractive than what we have observed in the past decade.

We have limited exposure to real estate, with the balance of the Fund invested in cash, largely offshore.

Notable increases in position sizes (or new buys) during the quarter were Alight (US software), London Stock Exchange (UK online exchange), and Nippon Sanso Holdings (Japanese industrial gas).

Alight is a US software business that focuses on payroll, benefits administration, HR software, and pension plan administration. It services 50% of Fortune 500 companies, and its contracts are recurring in nature and have high revenue visibility. The business has been on a three-year transformation journey with a focus on cost-saving and transitioning to a simple platform, thereby improving the customer experience and enabling additional cross-selling. As the last leg of this transformation journey, the company also recently sold their professional service business that was involved in software implementation projects which is less profitable with worse economics when compared to the core software business. The remaining business now has a high margin and is more cash-generative, with growth going forward being driven by increased cross-selling enabled by a simple, standardised platform and continued contract wins due to their superior offering compared to peers. The business trades on 11 times 2025 earnings, which should continue to grow in the double digits – this is compelling.

The London Stock Exchange is a business we have followed for quite some time and which completed a transformative acquisition of Refinitiv in 2021, increasing their overall exposure to data analytics, a structurally growing market with excellent economics due to its high margin revenue and sticky customer base. Post-acquisition, both revenue and cost synergy targets have been raised, which points to good management execution. The business is very cash-generative, and this largely comes back to shareholders, along with spending on bolt-on acquisitions to augment their service offerings and grow their product suite. The business does not screen cheap on near-term multiples and is trading on 22 times 2025 earnings, but it has high visibility in both revenue and earnings and should continue to grow earnings at a mid-teens rate, and thus, the near-term multiple unwinds fairly quickly.

Nippon Sanso Holdings is an industrial gas company that exhibits many of the same positive characteristics as its global peers (Linde and Air Liquid), such as pricing power and customer stickiness, which drive revenue and earnings visibility. The opportunity for Nippon lies in that, for years, it has achieved lower margins compared to its peers, but a few factors are now driving change. The most notable is that numerous price increases are now being made in Japan, a market responsible for 35% of Nippon's business, where persistent low inflation (or, at times, deflation) kept prices stagnant. The other key change was at the management level, where a new CEO and CFO are employing industry best practices. There is also potential optionality should the Japanese industrial sector start growing faster than history, which is a plausible scenario considering the weak yen and the reshoring from China and Taiwan due to geopolitical concerns. Overall, you have a business that is going through a structural positive change, also supported by external tailwinds. Nippon trades on 18 times 2025 earnings, which should grow in the high single digits as it continues to close the margin gap versus its global peers.

Outlook

2024 started well with equity market exuberance, but it was encouraging to see return breadth widen, which has benefited the Fund thus far. We remain excited about the Fund's prospects as we continue to uncover attractive opportunities, notwithstanding certain pockets of the market appearing expensive. We, therefore, believe our philosophy of bottom-up stock picking should drive robust absolute returns. Having said that, there remains a large amount of uncertainty in the world, but we continue to feel the best way to mitigate against that risk is by holding a collection of attractively-priced assets that provide diversification to achieve the best risk-adjusted returns going forward in a variety of future macro scenarios.

Portfolio managers

Gavin Joubert and Marc Talpert
as at 31 March 2024

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

The Global Optimum Growth [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. Asset allocation and 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 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 A 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.

BENCHMARK DETAILS

The benchmark used for performance purposes is a composite benchmark consisting of 35% MSCI World Daily Total Net Return Index (MSCI World), 35% MSCI Global Emerging Markets Daily Total Net Return Index (MSCI EM), and 30% Barclays Global Aggregate Bond Total Return Index Unhedged USD (BGBA).

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 a rolling 12-month period to the last available month end (updated monthly). The financial year TER displayed at the bottom of page 2, is the latest available 12-month TER to the end of the previous financial year ending 30 September (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.