

# CORONATION GLOBAL OPPORTUNITIES EQUITY FUND

Fund Information as at 31 March 2019

## 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

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.

## 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

- 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 0.85% is payable.

All fees exclude VAT. Fund expenses incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as 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 IS THE FUND MANAGER?



**TONY GIBSON**  
BCom



**KARL LEINBERGER**  
BBusSc, CA (SA), CFA

## GENERAL FUND INFORMATION

Launch Date	12 May 2008
Class	A
Class Type	Accumulation
Fund Domicile	Ireland
Morningstar Fund Category	Global – Large Cap Blend – Equity
Currency	US Dollar
Benchmark	MSCI All Country World Index
Investment Minimum	US\$15 000
Bloomberg	CORWDEA
ISIN	IE00B2RGGV79
SEDOL	B2RGGV7

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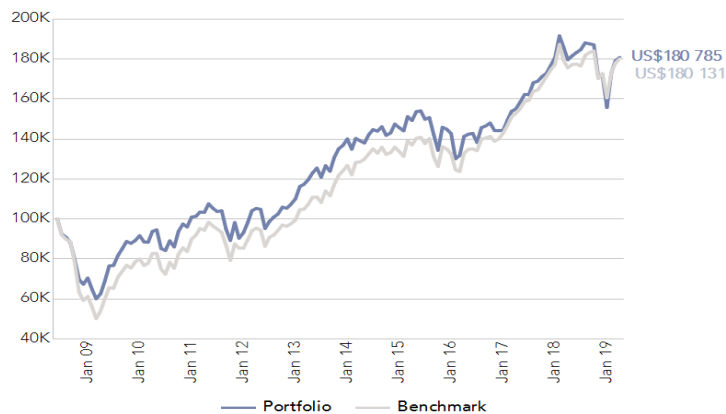
CLASS A as at 31 March 2019

Launch date	12 May 2008
Fund size	US\$ 2.37 billion
NAV	17.95
Benchmark/Performance	MSCI All Country World Index
Fee Hurdle	
Portfolio manager/s	Tony Gibson and Karl Leinberger

Total Expense Ratio	1 Year	3 Year
Fund management fee	2.05%	2.16%
Fund expenses	1.02%	1.20%
VAT	1.03%	0.96%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.16%	0.14%
	2.21%	2.30%

## PERFORMANCE AND RISK STATISTICS

### GROWTH OF A \$100,000 INVESTMENT (AFTER FEES)



## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Mar 2019
<b>Equities</b>	<b>88.4%</b>
Global (7 Funds)	88.4%
<b>Equity futures</b>	<b>11.4%</b>
<b>Cash</b>	<b>0.2%</b>

## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	80.8%	80.1%	0.6%
Since Launch (annualised)	5.6%	5.6%	0%
Latest 10 years (annualised)	11.2%	12.8%	(1.6)%
Latest 5 years (annualised)	5.4%	7.0%	(1.6)%
Latest 3 years (annualised)	8.6%	10.7%	(2.1)%
Latest 1 year	0.6%	2.6%	(2.0)%
Year to date	16.1%	12.2%	3.9%

## TOP 5 HOLDINGS

As at 31 March 2019

Egerton Capital Equity Fund
Contrarius Global Equity Fund
Coronation Global Emerging Markets Fund
Maverick Capital
Lansdowne Capital

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.4%	16.2%
Sharpe Ratio	0.33	0.32
Maximum Gain	47.6%	34.8%
Maximum Drawdown	(39.9)%	(49.8)%
Positive Months	61.5%	63.1%

	Fund	Date Range
Highest annual return	50.0%	Apr 2009 - Mar 2010
Lowest annual return	(23.5)%	Jun 2008 - May 2009

## MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	11.1%	3.5%	1.0%										16.1%
Fund 2018	6.0%	(2.9)%	(3.5)%	1.1%	0.9%	0.8%	1.8%	(0.3)%	(0.3)%	(8.4)%	0.2%	(9.2)%	(13.8)%
Fund 2017	3.6%	2.8%	0.8%	2.2%	2.4%	(0.1)%	3.7%	0.5%	1.4%	0.9%	2.2%	2.3%	25.2%
Fund 2016	(8.8)%	1.3%	7.2%	0.8%	0.3%	(3.2)%	5.3%	0.6%	1.0%	(2.5)%	(0.1)%	0.2%	1.2%
Fund 2015	(1.1)%	4.9%	(1.3)%	3.0%	0.2%	(2.7)%	0.5%	(5.7)%	(5.5)%	8.6%	(0.7)%	(1.5)%	(2.0)%

***Please note that the commentary is for the retail class of the fund.***

The fund rose 16.1% against the benchmark decline of 12.2%, bringing the rolling 12-month performance to 0.6% against the 2.6% returned by the MSCI All Country World Index.

Following the steep declines of December 2018, global equity markets rebounded strongly in the first quarter of 2019 (Q1-19) as the US Federal Reserve (Fed) pivoted from forecasting further rate hikes in 2019 to no further hikes until 2020 - an announcement that was well received by investors. Coupled with a reasonably good reporting season and oversold stocks, this led to the strong gains seen in most asset classes. However, it was not all positive news as the US-China trade talks continued with no sign of a resolution and Europe remains consumed by Brexit which, at the time of writing, is set to be delayed again - potentially until the end 2019.

North America was the best performing region in Q1-19, advancing 14.0%. The weakest return was from Japan, which rose only 6.9% (in US dollar terms). The Pacific ex-Japan rose 12.3% and Europe advanced 11.0% (both in US dollar terms). Emerging markets enjoyed a strong quarter, rising 9.9% but still lagged developed markets, which advanced 12.5% (both in US dollar terms). On a look-through basis, the fund is overweight North America, equal weight to Europe and underweight Japan. It is also marginally overweight emerging markets.

Amongst the global sectors, information technology (+19.2%), real estate (+15.3%) and industrials (+13.9%) rose the most. The worst-performing sectors were healthcare (+7.6%), financials (+7.7%) and utilities (+9.3%).

After a very-weak fourth quarter in 2018, all the underlying managers, bar one, rebounded strongly in Q1-19. The standout example is Coronation Global Emerging Markets which rose 23.0% over the period. The fund benefited from gains in New Oriental Education, which delivered better-than-expected revenue gains. Chinese beer company, Wuliangye Yibin, delivered strong gains after guiding that net income will rise 40% due to strong liquor sales volumes and prices. Additionally, Airbus rose 40.4% after scrapping its unprofitable A380 aircraft and forecasting 15% growth in earnings per share in 2019.

Contrarius Global Equity delivered alpha of 4.7% quarter in Q1-19, benefiting from its exposure to the materials and communication services sectors; Fortescue Metals Group (+78.0%) benefited from a tightening in the iron ore market following the tragic collapse of a Vale mine dam in Brazil; Freeport McMoRan also rose strongly on takeover speculation; and Facebook (+27.1%) rebounded after releasing strong earnings and surmounting its regulatory issues, for now.

Tremblant Capital returned 19.0% over the period buoyed by strong gains from PagSeguro Digital (+59.4%), a Brazilian payments solutions company and Skechers (+46.8%). Coronation Global Equity Select generated a return of 17.7%, with Facebook (+27.1%), Charter Communications (+21.7%) and British American Tobacco (+29.8%) all contributing.

Lansdowne Developed Markets was slightly disappointing over the period, with a return of only 8.0% - somewhat behind the benchmark. This was most likely due to its exposure to airlines both in the US and Europe, which declined after the Boeing 737 Max 8, operated by Ethiopian Airlines, crashed in March. In addition to this, airfares are under pressure and fuel prices increased on the back of a higher oil price.

Outlook

Low interest rates and some growth can be said to be positive for stocks, but the recent swings in response to relatively-minor changes in interest rates and the outlook for growth would point towards market vulnerability. Consequently, risk remains elevated. Further, the US-China trade talks remain ongoing and, despite positive soundbites in March, could end with no agreement, which would clearly be disruptive.

**Portfolio manager**

**Tony Gibson and Karl Leinberger**

as at 31 March 2019

### IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL OPPORTUNITIES EQUITY FUND OF FUNDS

The Global Opportunities Equity Fund of Funds 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 top 10 holdings are reflected on a look-through basis. 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 fund of funds invests in collective investment schemes that levy their own fees and charges, which could result in a higher fee structure for this fund. Coronation 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. Coronation Global Fund Managers (Ireland) Limited is authorised in Ireland and regulated by the Central Bank of Ireland. The fund is approved under Section 65 of the Collective Investment Schemes Control Act by the Financial Sector Conduct Authority of South Africa. Portfolio managed by Coronation International Limited, a firm authorised and regulated by the Financial Conduct Authority. .

Northern Trust Fiduciary Services has been appointed as the fund's trustees ([www.northerntrust.com](http://www.northerntrust.com); t: +353-1-542-2000), and its custodian is JP Morgan Administration Services (Ireland) Limited ([www.jpmorgan.com](http://www.jpmorgan.com); t: +353-1-612-4000). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

### HOW ARE UNITS PRICED AND AT WHAT PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every business day. Fund valuations take place at approximately 17h00 each business day (Irish Time) and forward pricing is used. Instructions must reach Coronation before 12h00 (SA Time) one day prior to the dealing date. You can expect to receive withdrawal payouts three business days after the dealing day. Large investments or redemptions (exceeding 5% of fund value) may be subject to an anti-dilution levy to defray dealing costs and expenses. This levy, where applicable, is applied fully for the benefit 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.

### 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 2018 (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 [www.coronation.com](http://www.coronation.com). You will also find additional information on the considerations pertinent to investing in a fund denominated in a foreign currency and domiciled in an offshore jurisdiction.

### IMPORTANT INFORMATION REGARDING TERMS OF USE

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