

## LONG TERM OBJECTIVE

The Coronation Global Equity Strategy provides access to the best investment opportunities across global markets through capital growth of underlying stocks selected. It is a flexible portfolio invested predominantly in equities listed on developed market exchanges, but will have exposure to emerging market listed companies as well. The Strategy may hold cash and interest bearing assets where appropriate. The objective is to outperform the MSCI All Country World Index over a 5-year period.

## INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house, focused on bottom-up stock picking. Our aim is to identify mispriced assets trading at discounts to their long-term business value (fair value) through extensive proprietary research. In calculating fair values, through our fundamental research, we focus on through-the-cycle normalised earnings and/or free cash flows using a long-term time horizon. The Portfolio is constructed on a clean-slate basis based on the relative risk-adjusted upside to fair value of each underlying security. The Portfolio is constructed with no reference to a benchmark. We do not equate risk with tracking error, or divergence from a benchmark, but rather with a permanent loss of capital.

## STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	88.9%	143.5%	(54.6)%
Since Inception p.a.	6.6%	9.4%	(2.8)%
Latest 5 years p.a.	7.9%	12.2%	(4.3)%
Latest 3 years p.a.	2.3%	8.1%	(5.8)%
Latest 1 year	27.3%	31.8%	(4.5)%
Year to date	14.2%	18.7%	(4.5)%
Latest 6 months	7.3%	9.7%	(2.4)%
Latest 3 months	10.5%	6.6%	3.9%
Month	7.0%	2.3%	4.7%

For a side-by-side comparison of gross and net performance, please refer to <http://www.coronation.com/us/strategy-performance>  
Active return calculated as strategy return less benchmark return. Figures may differ due to rounding.

## GEOGRAPHIC EXPOSURE

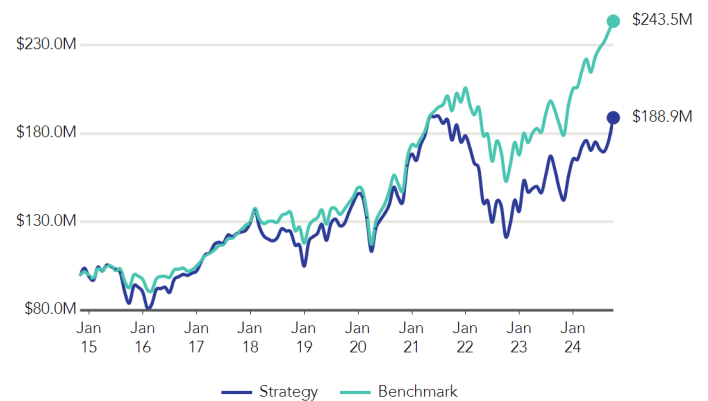
Region	% Strategy
North America	51.2%
Europe	35.6%
Asia	11.4%
CEEMEA	1.3%
Cash	0.5%
Market	% Strategy
Developed	90.7%
Emerging	9.3%

## GENERAL INFORMATION

Inception Date	01 November 2014
Strategy Size *	\$1.49 billion
Strategy Status	Open
Mandate Benchmark	MSCI Daily TR Net All Country World USD (NDUEACWF Index)
Redemption Terms	An anti-dilution levy will be charged
Base Currency	USD

\*Strategy assets under management as at the most recent quarter end.

## GROWTH OF US\$100M INVESTMENT



Benchmark: MSCI Daily TR Net All Country World USD (NDUEACWF Index)

## TOP 10 HOLDINGS

Holding	% Strategy
AUTO1 GROUP SE (DEU)	4.1%
FLUTTER ENTERTAINMENT PLC-DI (IRL)	3.9%
ENTAIN PLC (GBR)	3.7%
AMAZON.COM INC (USA)	3.5%
INTERACTIVE BROKERS GRO-CL A (USA)	3.5%
AIRBUS SE (FRA)	3.4%
LPL FINANCIAL HOLDINGS INC (USA)	3.1%
META PLATFORMS INC (USA)	3.0%
SCHWAB (CHARLES) CORP (USA)	2.9%
ELEVANCE HEALTH INC (USA)	2.8%

## SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Consumer Services	34.0%	Health Care	6.2%
Technology	22.4%	Consumer Goods	4.1%
Financials	17.7%	Derivatives	1.0%
Industrials	14.1%	Interest Bearing	0.5%

## PORTFOLIO MANAGER



Neil Padoa - BEconSc, FFA, CFA

Neil is a portfolio manager and head of Global Developed Markets. He joined Coronation in May 2012 and has 16 years' investment experience.

## FUND MANAGERS

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## REGULATORY DISCLOSURE AND DISCLAIMER

The Prospectus of Coronation Global Opportunities Fund and Fund KIID can be sourced on the following link: <https://www.coronation.com/en/institutional/strategy-information/literature/ucits-fund-library/umbrella-fund> and a Summary of Investor Rights can be sourced on the following link: <https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/>.

The Prospectus of the Coronation Universal Fund and a Summary of Investor Rights can be sourced on the following link: <https://www.coronation.com/en/institutional/strategy-information/literature/>.

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The volatility of the Benchmark represented in the growth chart above may be materially different from that of the Strategy. In addition, the holdings in the accounts comprising the Strategy may differ significantly from the securities that comprise the Benchmark. The Benchmark has not been selected to represent an appropriate benchmark to compare the Strategy's performance, but rather is disclosed to allow for comparison of the Strategy's performance to that of a well-known and widely recognized Benchmark.

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**REVIEW FOR THE QUARTER**

Global equity markets had a strong third quarter, with the MSCI All Country World Index returning 7%. Key factors in the quarter included a 50 basis points (bps) rate cut by the US Federal Reserve in September, Chinese stimulus, and a broadening of equity performance beyond the largest stocks. While the seven largest US stocks accounted for almost all the S&P 500 Index returns in the first half of 2024, Morgan Stanley reported that they only accounted for 3% of the index return in Q3 (meaning the other 493 stocks drove 97% of the quarterly return). The Strategy had a good quarter, increasing by 10.5%.

Performance was broad-based with notable contributions from many stocks which were previously discussed such as Auto1, Entain, Rolls Royce and our food delivery holdings Delivery Hero and Just Eat Takeaway.

We discussed our position in Smartsheet in our March 2024 quarterly commentary. After an indiscriminate sell-off pertaining to Smartsheet's conservative FY25 guidance, we took the opportunity to add to our position when the stock fell to \$38 in March. Smartsheet's subsequent June and September results were strong while peers delivered lacklustre growth, validating our belief in its undervalued status relative to the software peer group. Historically we've observed that mid-cap software companies, with an enterprise-grade product, high revenue growth, and strong free cash flow conversion, often become attractive targets for private equity players. We benefited from this in previous holdings Coupa and New Relic, which were both taken private. While not a primary driver of our investment in Smartsheet, the possibility of being acquired was always considered potential upside optionality. On 24 September, Vista and Blackstone partnered to acquire Smartsheet at \$56.40, a 41% premium to the three-month average closing price, and we subsequently exited our position.

A detractor during the quarter was Ryanair, Europe's largest airline for short haul travel. In July, the share price came under pressure when the company released Q1 results which showed that airfares were down approximately 15%. However, this does not change our view on the long-term earnings power of the business and gave us an opportunity to add to our position. We believe industry dynamics are favourable: The industry has consolidated meaningfully over the years and continues to do so. Secondly, demand remains strong while industry supply is under pressure due to delays in the deliveries of new planes, as well as engine issues at some of Ryanair's competitors, resulting in many aircraft being grounded – both of these issues will take years to resolve. Ryanair is well positioned with extremely low operating costs and aircraft orders that locked in favourable prices, giving them lower aircraft ownership costs than peers. In addition, Ryanair has a very strong balance sheet. The company has about 8% of its market cap in net cash and owns essentially all their aircraft – vastly different to many peers that have large lease liabilities. This not only puts the company in a very strong competitive position, but it also allows Ryanair to return a meaningful amount of cash to shareholders – the combination of dividends and buybacks puts Ryanair on a yield of approximately 10% this year.

The team continues to find many compelling bottom-up stock ideas, often in lesser-known names, some of which are mentioned above and others. We thus remain very optimistic about the outlook for our Strategy of companies and the positioning of the Strategy.

Thank you for your support and interest in the Strategy.