

## WHAT IS THE FUND'S OBJECTIVE?

Global Managed aims to maximise long-term investment growth by investing in a range of opportunities available in public asset markets from around the world. Our intent is to outperform an equity-biased benchmark over all five year periods.

## WHAT DOES THE FUND INVEST IN?

Global Managed will have a bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund primarily invests in developed economies (including the US, Europe and Japan) but is also mandated to invest in emerging markets.

The intent is to keep the fund fully invested in foreign assets at all times. 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

Global Managed 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 Managed 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.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than five years is recommended.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- seek a single international investment that will give them access to some of the best opportunities around the globe;
- 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 0.85% is payable.

All fees exclude 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 portfolio costs.

We do not charge any 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?



**LOUIS STASSEN**  
BSc, BCom (Hons), CFA



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

## GENERAL FUND INFORMATION

<b>Fund Launch Date</b>	1 March 2010
<b>Class</b>	P
<b>Class Type</b>	Accumulation
<b>Class Launch Date</b>	28 August 2013
<b>Fund Domicile</b>	Ireland
<b>Morningstar Fund Category</b>	USD – Aggressive Allocation
<b>Currency</b>	US Dollar
<b>Benchmark</b>	60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate
<b>Bloomberg</b>	CORGMFP
<b>ISIN</b>	IE00BBPRBG56
<b>SEDOL</b>	BBPRBG5

# CORONATION GLOBAL MANAGED FUND

CLASS P as at 30 November 2018

Launch date	28 August 2013
Fund size	US\$ 879.61 million
NAV	12.27
Benchmark/Performance	Composite: 60% MSCI All Country World Index & 40% Barclays Global Bond Aggregate
Fee Hurdle	
Portfolio manager/s	Louis Stassen and Neil Padoa

Total Expense Ratio	1.07%	1 Year	1.00%	3 Year	1.00%
Fee for performance in line with benchmark	1.00%		0.99%		0.99%
Adjusted for out/(under)-performance	-		(0.07)%		(0.07)%
Fund expenses	0.07%		0.08%		0.08%
VAT	0.00%		0.00%		0.00%
Transaction costs (inc. VAT)	0.13%		0.16%		0.16%
Total Investment Charge	1.20%		1.16%		1.16%

## PERFORMANCE AND RISK STATISTICS

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



## PORTFOLIO DETAIL

### ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2018
Equities	56.6%
Merger Arbitrage	0.0%
Property	12.1%
Commodities	1.8%
Bonds	16.4%
Cash	13.0%

## RETURNS VS BENCHMARK (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	65.3%	71.1%	(5.7%)
Since Launch (annualised)	5.9%	6.3%	(0.4%)
Latest 5 years (annualised)	2.4%	4.3%	(1.9%)
Latest 3 years (annualised)	4.8%	6.1%	(1.3%)
Latest 1 year	(4.9%)	(1.6%)	(3.3%)
Year to date	(7.5%)	(2.7%)	(4.8%)

## TOP 10 HOLDINGS

As at 30 Sep 2018	% of Fund
British American Tobacco Plc	3.5%
Charter Communication A	3.4%
Alphabet Inc	3.3%
Philip Morris Int Inc	2.3%
Altice Financing SA	2.3%
Blackstone Group	2.0%
INTU Properties	1.8%
Airbus Group SE	1.7%
Pershing Square Holdings	1.7%
Facebook Inc.	1.7%

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	11.9%	8.5%
Sharpe Ratio	0.46	0.70
Maximum Gain	21.7%	23.0%
Maximum Drawdown	(16.8%)	(11.1%)
Positive Months	62.9%	60.0%

## MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	3.2%	(4.8)%	(2.2)%	(0.8)%	(0.9)%	1.1%	2.5%	(1.0)%	(0.5)%	(3.8)%	(0.3)%		(7.5)%
Fund 2017	3.3%	2.7%	0.3%	2.9%	0.7%	(0.2)%	2.5%	(0.1)%	0.7%	0.1%	0.1%	2.7%	16.7%
Fund 2016	(6.8)%	2.1%	8.5%	1.0%	0.3%	(3.1)%	5.7%	1.0%	0.5%	(1.7)%	1.0%	1.0%	9.2%

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

Despite more clouds gathering on the horizon of global growth prospects during the third quarter of 2018, global equity market participants preferred to focus on continued strong profit growth numbers - especially out of the US - to register very strong returns over the period. The MSCI All Country World Index returned 4.3% over the quarter, almost matching the year-to-date number of 3.8%. At the same time, investors have had to adjust their interest rate expectations for the US upwards, as was discussed in a few of our earlier quarterly reports. This was in response to US economy continuing to surprise on the upside in terms of growth and the sustainability of this growth.

Going forward, we will continue to monitor escalations in the trade war dialogue, primarily between the US and China. Up to now, the market has chosen when it becomes concerned about developments, and hence one should exercise judgement when headline-grabbing pronouncements are made. As we argued in the prior quarter, we think the bigger issue that investors need to focus on is the process of interest rate normalisation playing out in the US. Ten-year yields in the US have moved from 2.9% at the end of June 2018 to 3.1% at the end of September 2018 and have subsequently moved to over 3.2%. The global bond index, in fact, generated negative returns over the last three months, resulting in a negative 1.3% returns over the last year. We continue to exercise caution with regards to the bond market, despite the weakness over the last few years. Investors should be reminded that in Europe the process of interest rate normalisation has barely started, hence we continue to advise exercising caution when calibrating expectations for equity market returns over the next few years.

Another notable development over the last three months has been the increased cost of capital in emerging market equities. This subset underperformed their developed market complex by 6% over the quarter, on top of an underperformance of almost 10% in the prior three month-period. This has meant that, over most periods, emerging markets have now underperformed developed markets, with the US equity market continuing to be the stand-out performer over the last decade. Emerging market currencies shared in this adjustment, with the Russian ruble, South African rand and Indian rupee all depreciating by around 12% during 2018.

The Turkish lira is down almost 37%, but we view this as mostly self-inflicted as the political regime continued to alienate foreign investors with illogical and, at times, contradictory actions. Developed economies' currencies generally depreciated only slightly against the US dollar over the quarter (around 2%).

Healthcare was the best performing sector this past quarter, with information technology (IT) again registering a strong performance. Laggards were energy (after a very strong second quarter), utilities and real estate. Since the start of the year, consumer staples (in line with higher long bond rates), financials (slightly more perplexing given the higher interest rate expectations), materials (concerns over emerging market growth prospects) and telecommunications (also higher interest rates) have been laggards, with IT by far the best performer and healthcare a clear second.

Listed property had a tough quarter, with essentially a flat performance. UK property continued to suffer from a weaker fundamental outlook, with further uncertainty regarding the Brexit outcome muddying the waters. Our property holdings, which have a disproportionate exposure to the UK, suffered as a result, although the potential bid for UK Real Estate Investment Trust Intu after quarter-end, has lifted the prices of some of these counters. We are awaiting further news on that front.

**Portfolio managers**  
**Louis Stassen and Neil Padoa**  
as at 30 September 2018

## IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL MANAGED FUND

The Global Managed 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. The top 10 holdings are reflected on a look-through basis. 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 Investment Management International (Pty) Ltd (FSP45646), an authorised financial services provider.

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 P NAV prices. Class A NAV prices were used for the period prior to the launch of Class P. All underlying price and distribution data are 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 2017 (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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