

CORONATION GLOBAL CAPITAL PLUS PRESCIENT FEEDER AMETF

Fund Information as at 31 January 2025

WHAT IS THE FUND'S OBJECTIVE?

The fund is in the first instance managed to achieve reasonable investment growth over time. Our intent is that the fund should meaningfully outperform an investment in developed market cash over any five-year period. In addition, we aim to preserve capital over any 12-month period.

WHAT DOES THE FUND INVEST IN?

The fund can invest in all listed asset classes including shares, listed property, bonds and cash. The fund will primarily have exposure to developed economies (including the US, Europe and Japan) but can also invest in emerging markets.

The fund is managed to suit the needs of more conservative investors who want to invest for longer than three years. Exposure to growth assets (shares and listed property), which pose more risk than income assets, will typically not exceed 50%.

The intent is to keep the fund fully invested in foreign assets at all times. It will have exposure to a variety of currencies, with a general bias towards developed markets, specifically to the US dollar and euro.

The fund is allowed to make use of exchange traded funds and financial instruments to implement its investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



The fund aims to protect capital over any 12-month period in all market conditions, while offering real investment growth over the long term. However, capital is not guaranteed.

The fund invests in a broad range of different assets and many countries. Global currency movements may intensify investment gains or declines.

A conservative multi-asset fund which aims to preserve capital, it is classified as having a conservative to moderate risk profile. However, the fund has significant foreign asset exposure and is therefore subject to currency volatility. For the rand investor the risk profile of the fund should be considered as moderate to high.

This feeder fund aims to remain fully invested in units in the Global Capital Plus 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 three 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, while aiming to protect their capital;
- require conservative exposure to offshore markets;
- do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable.

The full annual fee is collected in the master fund. 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.

WHO ARE THE FUND MANAGERS?



NEIL PADOA

BEconSc (AcSci), FFA, CFA

GENERAL FUND INFORMATION

Investment Manager	Coronation Asset Management (Pty) Ltd
Management Company	Prescient Management Company (RF) (Pty) Ltd
Liquidity provider	Prescient Securities (Pty) Ltd
Launch Date	16 August 2024
Benchmark	Secured Overnight Financing Rate (SOFR) + 1.5%
ASISA Fund Category	Global – Multi-asset – Low Equity
Income Distribution	Annually (March)
Bloomberg Code	COGCAP SJ
ISIN Code	ZAE000337150
JSE Code	COGCAP
Base Currency	ZAR
Exchange	JSE

ASISA Fund Category	Global - Multi Asset - Low Equity
Launch date	16 August 2024
Fund size	R 51.71 Million
NAV	1102.07 cents
Benchmark	SOFR + 1.5%
Portfolio manager/s	Neil Padoa
Number of units	4 691 835 units

Total Expense Ratio	1 Year	3 Year*
Fund management fee		
Fund expenses		
VAT		
Transaction costs (inc. VAT)		
Total Investment Charge		

PERFORMANCE AND RISK STATISTICS

Performance and Risk Statistics will be
available 12 months after launch.

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2025
Equities	22.2%
Infrastructure	2.8%
Property	1.8%
Convertible Bonds	1.2%
High Yield Bonds	3.2%
Fixed Income	68.4%
T-Bills	26.6%
Inflation-linked bonds	12.8%
Investment Grade	29.0%
Cash	0.4%

TOP 10 HOLDINGS

As at 31 Dec 2024	% of Fund
Amazon.com	0.9 %
Flutter Entertainment	0.9 %
Meta Platforms	0.9 %
Airbus Group Se	0.9 %
Interactive Brokers	0.9 %
Rolls-royce	0.8 %
Warner Bros Discovery	0.8 %
Lpl Financial	0.8 %
Alphabet	0.8 %
Cellnex Telecom	0.7 %

CURRENCY ALLOCATION

Currency as at 31 Jan 2025	% of Fund
US Dollar	84.9%
Other	15.1%

INCOME DISTRIBUTIONS

Not available - New fund

*TER's not yet available, it will be available 12 months after launch date. Please refer to page 4 for more information.
Please refer to page 4 of the Comprehensive Fact Sheet for important additional information, including change in cost disclosures.

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.

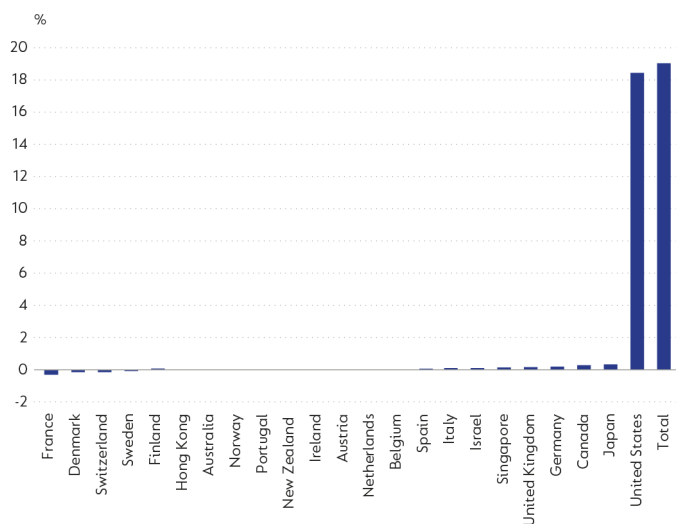
The final quarter of 2024 (Q4) finished on a weaker note, with equity and fixed income markets declining. The -1% decline for the MSCI All Country World Index (ACWI) is perhaps surprising considering the ebullience after the US election. Once again, this can be explained by a meaningful divergence in regional performance, with the S&P 500 Index increasing 2% in Q4, compared to the MSCI World ex-US declining 7% and MSCI Emerging Markets declining 8%. The bond market (as measured by the Bloomberg Barclays Global Aggregate Bond [BBGAB] Index) fared worse, declining 5% for the quarter. Short-term US dollar cash returns continue to make steady progress, and advanced 1% in the quarter, bringing the full year return on the SOFR index (Secured Overnight Financing Rate) to 5.4%. Despite the market volatility, the Fund fared well in the quarter and delivered a healthy 8.3% return for the full year.

The Fund's equity holdings performed strongly for the year and contributed approximately half of the portfolio's total return. Much has already been written about the narrowness of equity market returns in 2024. In our March 2024 commentary, we wrote: "On the equity side, we think the opportunity to add value from differentiated stock picking remains elevated. The market's appreciation and inflated trading multiple (relative to history) obscures opportunities at the single stock level, which our analysts believe to be compelling."

Yet equity returns for the year continued to be dominated by the US, and, specifically, by a narrow cohort of large technology stocks within the US. In the final quarter, four of the Fund's largest detractors were stocks we did not own: Tesla, Apple, Nvidia and Broadcom, which collectively account for c. 12% of the ACWI and are four of the eight largest companies in the world with an average market capitalisation of \$2.3 trillion. With contributions this skewed, consensus is now firmly that the US is the only game in town.

Figure 1

COUNTRY CONTRIBUTION TO MSCI WORLD 2024 PRICE PERFORMANCE (%)



Source: SG Cross Asset Research/Quant, FactSet, MSCI

This obsession with a small number of large technology stocks within a single country continues to create compelling opportunities for stock pickers like us. And in contrast to the index, the Fund's outperformance was driven by a number of businesses that operate across a diverse range of sectors in many different geographies. The median market capitalisation of our top 15 contributors for Q4 was \$25bn, with the biggest stock having an index weighting of only 0.2%. While we admire the business models of many of the largest stocks, follow them closely, and own a select few, we continue to see more value outside of the mega-caps. A few examples follow:

Airbus shares appreciated strongly in Q4 as management reiterated full-year guidance against an industry-wide backdrop of supply chain bottlenecks and delays. We don't believe this to be a defining milestone for the long-term investment thesis but are encouraged by the steady progress being made in addressing the supply chain bottlenecks affecting Airbus' production ramp-up, and we remain confident that Airbus will generate materially improved free cash flows (FCF) in the second half of the decade.

Accor, the European-centric asset-light hotel franchisor, continues to trade at a significant discount to US-focused peers despite a growing track record of consistent execution of management's strategic plan. Hotel demand globally, specifically within Accor's European heartland, remained resilient through the end of the year, and net unit growth should continue to accelerate in 2025 as post-Covid portfolio churn moderates. The restructuring of AccorInvest's balance sheet is progressing, and Accor management continues to reiterate its intention to dispose of the business' residual stake in AccorInvest and return the proceeds to shareholders within the next 18 to 24 months.

Booking Holdings is executing at a very high level, cementing its reputation as a consistent long-term outperformer in the online travel market. Booking.com continues to show good progress with two of its key strategic priorities: alternative accommodations and their connected trip strategy. Booking.com has been taking market share in the alternative accommodation market and growing faster than Airbnb over the last few years. Whilst still nascent, Booking.com is increasingly using its flights business to cross-sell more lucrative hotel accommodation. The company continues to return all its FCF to shareholders via buybacks and a recently instituted dividend.

More broadly, financial markets had to contend with a surging US dollar in Q4. The currency's rally began following Donald Trump's victory in the US presidential election and his threats of high tariffs on imported goods. Then, in December, although the Federal Reserve Board cut interest rates by another 25 basis points, the accompanying statement dampened expectations for further rate cuts. Chairman Jerome Powell indicated that in light of the resilient US economy, the pace of interest rate reductions could be slower and the trough in rates could be higher than the markets had anticipated.

From a macroeconomic perspective, most economists expected US growth to slow during 2024. The pessimists warned of a "hard" landing, the optimists predicted a "soft" landing, but the real outcome is more akin to a "no" landing, with growth remaining quite strong. In Europe, the economic slowdown has been more pronounced, which may prompt the European Central Bank to pursue deeper interest rate cuts than the US. The interest rate differential is expected to be in favour of the US and, therefore, contributing to a stronger US dollar.

The most concerning aspect of the global economy is the high levels of government debt in many of the developed world economies (and this affects the rest of the world too). After the global financial crisis of 2008/2009 and the Covid pandemic, most governments experienced soaring debt levels as they implemented expansionary fiscal policies to mitigate the shocks of these events. Debt servicing costs have become a burden to many governments, and tackling it by raising taxes and spending less is obviously an unpopular choice. Bond investors are rightly demanding higher yields.

The US 10-year bond yield, currently hovering around the 4.5% level, is a far cry from the lows of around 1.5% seen in the lockdown period. Although somewhat more attractive, it reflects the state of debt markets, and we do not find it sufficiently compelling to warrant building meaningful positions in sovereign bonds. The unsustainable sovereign debt levels are a long-term concern that will, at some point, have to be addressed by politicians. We continue to maintain our conservative positioning in the fixed income markets. The duration of the Fund's fixed income holdings remains very short, at only one year, with a yield to maturity of 5.3%. This served the Fund well in 2024, helping deliver a return of over 6% for the fixed income holdings, compared to -2% for the BBGAB.

At quarter-end, the portfolio was positioned as follows:

- 20% in US T-bills
- 34% in investment-grade fixed income instruments
- 13% in inflation-linked assets
- 4% in high yield fixed income
- 5% in real assets (listed infrastructure and property)
- 22% effective equity

The remaining 2% was invested in various other assets.

After two consecutive years of strong returns, there is little doubt that the S&P 500 Index is highly valued. We therefore caution against extrapolating the strong returns of the past two years into the future. Although we still find good value in select stocks, we do not anticipate another year of returns in excess of 20% from global equities. Our conservative fixed income positioning leaves us well placed to take advantage of any stresses, and higher yields, in global credit markets.

Thank you for your support and interest in the Fund.

Portfolio manager

Neil Padoa

as at 31 December 2024

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL CAPITAL PLUS PRESCIENT FEEDER AMETF

Collective investment schemes (CISs) should be considered as medium to long-term investments. The value of units may go down as well as up, and therefore Prescient 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 investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. 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. The asset allocation by instrument type are reflected on a look-through basis. The asset allocation by issuer type and top issuer exposures are not reflected on a look-through basis. The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments South Africa. 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. The Manager retains full legal responsibility for any third party-named portfolio. CISs are allowed to engage in scrip lending and borrowing. Standard Bank has been appointed as trustees for the fund. Prescient is a full member of the Association for Savings & Investment SA (ASISA). Exchange Traded Funds vs Unit Trusts: Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Schemes Control Act, ETFs trade on stock exchanges just like any other listed, tradable security. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours. Exchange traded funds are listed on an exchange and may incur additional costs. This portfolio operates as a white label fund under the Prescient ETF Scheme, which is governed by the Collective Investment Schemes Control Act.

Management Company: Prescient Management Company (RF) (Pty) Ltd **Registration number:** 2002/022560/07 **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 **Postal address:** PO Box 31142, Tokai, 7966. **Telephone number:** 0800 111 899 **E-mail address:** info@prescient.co.za **Website:** www.prescient.co.za.

Trustee: Standard Bank of South Africa Ltd **Registration number:** 1962/000738/06 **Physical address:** Standard Bank Centre, 5 Simmonds Street, Johannesburg, South Africa 2001 **Telephone number:** 0860 222 050 **Website:** www.standardbank.co.za

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

CISs 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?

As this is a new fund the fact sheet does not include performance information yet. Once performance information is available the following will apply: Performance is calculated by using net NAV to NAV numbers 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 and are available to investors on request. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is the Secured Overnight Financing Rate (SOFR).

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. 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 the manager's website: www.prescient.co.za.

IMPORTANT INFORMATION REGARDING TERMS OF USE

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The fund has adhered to its policy objective.