

WHAT IS THE FUND'S OBJECTIVE?

The 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?

The 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



The 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.

The 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 0.95% is payable.

The full annual fee is collected in the master fund. 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

Investment Manager	Coronation Asset Management (Pty) Ltd
Management Company	Prescient Management Company (RF) (Pty) Ltd
Liquidity provider	Prescient Securities (Pty) Ltd
Launch Date	22 August 2024
Benchmark	Composite: 35% MSCI World, 35% MSCI EM, 30% BGBA
ASISA Fund Category	Global – Multi-asset – Flexible
Income Distribution	Annually (March)
Bloomberg Code	COOPTI SJ
ISIN Code	ZAE000337119
JSE Code	COOPTI
Base Currency	ZAR
Exchange	JSE

ASISA Fund category	Global - Multi Asset - Flexible
Launch date	22 August 2024
Fund size	R81.39 Million
NAV	1138.20 cents
Benchmark	Composite: 35% MSCI World, 35% MSCI EM, 30% BGBA
Portfolio manager/s	Gavin Joubert and Marc Talpert
Number of units	7 155 742 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	80.0%
Asia	28.2%
Europe	20.9%
North America	20.1%
Latin American	7.9%
South Africa	2.9%
Real Estate	0.5%
Europe	0.2%
Latin American	0.1%
South Africa	0.1%
Bonds	11.9%
Europe	4.9%
South Africa	4.2%
Latin American	2.5%
North America	0.3%
Cash	7.7%
ZAR	6.5%
USD	0.7%
Other	0.6%

TOP 10 HOLDINGS

As at 31 Dec 2024	% of Fund
Prosus	3.1%
Airbus Group Se	3.1%
Delivery Hero	2.5%
Meta Platforms	2.4%
Jd.com	2.4%
Coupang Inc	2.4%
Lpl Financial	2.3%
Tapestry	2.3%
Mercado Libre	2.2%
Tsmc	2.2%

INCOME DISTRIBUTIONS

Not available - New fund

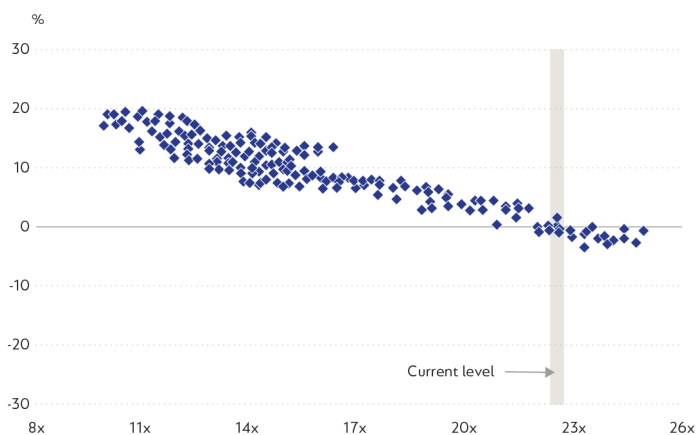
*TER's not yet available. Please refer to page 4 for more information.

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

Performance and fund positioning

The Fund gained 5.5% in the fourth quarter of 2024 (Q4-24). Global markets finished the year strong, in particular the S&P 500 Index, which gained 25% (in USD) in 2024 after being up 26% in 2023 – this is only the fifth time in history that the S&P 500 has delivered two consecutive years of returns in excess of 20%. It does appear that animal spirits are back, with aggregate valuation levels being high compared to history and risk appetite being elevated – this will most likely have an impact on future returns from here, which is supported by long-term market data as illustrated by this graphic:

Figure 1
S&P 500 FORWARD P/E RATIOS AND SUBSEQUENT 10-YEAR RETURNS



Source: JP Morgan Asset Management – data from 1988

Against this strong market return backdrop, it is pleasing that the Fund delivered an 18.4% annualised return (in ZAR) over the past two years. This improved performance has started to filter into the longer-term numbers of the Fund, but we remain unsatisfied with the medium-term performance. Whilst aggregate market levels appear expensive, we continue to uncover attractive individual investments resulting in the weighted average equity upside of the Fund being 64%, with the weighted equity five-year expected IRR being 20% supported by attractive valuations as the weighted equity free cash flow (FCF) yield for stocks owned is just over 6%. The Fund has generated a positive return of 7.8% per annum (p.a.) over five years, over 10 years a return of 9.1% p.a. and, since inception nearly 26 years ago, 12.9% p.a.

During the quarter, the largest positive contributors were LPL Financial (+40%, 0.82% positive impact), Tapestry (+40%, 0.73% positive impact) and Wise (+48%, 0.58% positive impact). The largest negative contributors were Delivery Hero (-31%, 0.83% negative impact), SA government bonds (-8%, 0.55% negative impact) and JD.com (-19%, 0.53% negative impact).

Calendar year 2025 is bound to be an eventful year with a new US administration touting seemingly positive business policies along with the appointment of numerous private sector individuals to key positions. A major risk factor, however, remains how far President Trump will push his tariff agenda which could have disruptive implications for numerous companies due to the globalised nature of the world today. It also seems likely that the aggressive US stance towards China will continue as these two superpowers struggle to find common ground, which is being exasperated by the race for AI dominance. Beyond the US, the war in Ukraine and the Middle East continues, and there remains political instability across both the EU and the UK. Geopolitical risks thus remain an important consideration when allocating capital. The flexibility of a multi-asset fund provides a useful toolkit to navigate these risks and helps to ensure that we maximise risk-adjusted return.

Against an expensive market, we continue to uncover attractive and diverse equities, and thus the Fund ended the quarter with 78% net equity exposure – only slightly lower compared to the prior quarter. The Fund also has put option protection, equating to 5%

of Fund effective exposure spread across a range of indexes (US, Europe, and EM) which is a key feature of our flexible toolkit to manage risk.

Bond markets came under pressure in the quarter as US rate-cutting expectations receded due to the continued strength of the US economy. The Fund continues to hold a sizeable bond exposure which now sits at just under 12% at the time of writing, split between sovereign and corporate bonds. The latest bond purchase, which happened post quarter end, was Brazilian sovereign bonds that now represent 1.5% of Fund. Brazil’s fiscal situation is troubled, and this is compounded by a lack of real reform by President Lula’s government. Notwithstanding these risks, we believe that investors are being compensated as the bonds we purchased have a 16% yield to maturity in local currency, and whilst we are acutely aware of the foreign exchange risk associated to Brazilian assets, we purchased this bond after the currency had weakened more than 20% versus the US dollar, resulting in the Brazilian real being one of the worst performing emerging market currencies in 2024. Another major risk factor of owning bonds is inflation, which for now appears well controlled in Brazil and is sitting at just under 5%. The South African 10-year government bonds purchased in May 2024 now represent ~5% of Fund at the time of writing as we reduced exposure into the bond rally. South African 10-year government bonds still yield just under 11%. What is encouraging, though, is a continued commitment to structural reforms post the election, and what seems like a fairly well-functioning GNU government. Outside of the South African sovereign bonds held, we continue to hold a collection of foreign corporate credit, which, in aggregate, is providing us with a weighted yield in hard currencies of just under 6%, which remains attractive. We have limited exposure to real estate, with the balance of the Fund invested in cash, largely offshore.

The most notable increase in position sizes during the quarter was Warner Bros. Discovery.

Warner Bros. Discovery is a media business in the US with a strained balance sheet due to historic M&A and pressure on some of its legacy business segments, most notably linear TV. The business, however, is undergoing an active transition as they rapidly grow their streaming business whilst curtailing losses in this segment and working on a turnaround of their TV and movie production business. They have also recently announced the restructuring of their business, which should allow for value creation and the sale or spinoff of their legacy assets, which was further supported by a notable distribution deal with Comcast, supporting the linear TV business. We believe management is driving the business in the correct direction with an acute focus on managing the debt load, which is supported by robust FCF generation whilst positioning the business favourably in an evolving media landscape. We thus believe a lot of equity value is still to be created as debt is paid down and the enterprise value transitions from debt to equity. The business currently trades on ~5x 2025 FCF which we deem very compelling.

Outlook

Calendar year 2024 was a general exuberant period for global markets, with certain pockets exhibiting bubble-like behaviour but in aggregate business performance has been robust and share prices have been supported by earnings growth. We do think caution is warranted, and that the returns experienced by US markets in the recent past should not be extrapolated. Against this backdrop, we remain excited about the prospects of the Fund as we continue to uncover and own attractive stocks and bonds, and whilst at times asset prices and their underlying fundamentals detach, they generally align long term. Things can change quickly and, thus, our focus remains on uncovering attractively priced assets versus trying to time markets – a core principle of Coronation and how this strategy has been run since its inception nearly 26 years ago.

Portfolio managers

Gavin Joubert and Marc Talpert
as at 31 December 2024

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL OPTIMUM GROWTH 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 a composite: 35% MSCI World Index, 35% MSCI Emerging Markets Index, 30% Bloomberg Global Bond Aggregate Index Unhedged.

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 objectives.