CORONATION GLOBAL STRATEGIC USD INCOME FUND

Fund Information as at 30 June 2025

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WHAT IS THE FUND'S OBJECTIVE?

The fund aims to achieve a higher return than a US dollar term bank deposit. It is mainly focused on delivering short-term income.

WHAT DOES THE FUND INVEST IN?

The fund invests between 75% and 100% of its assets in a wide variety of fixed income assets. This may include bonds, money market instruments and other debt securities issued by international governments, banks and other companies or institutions.

Up to 25% of the fund may be invested in listed property, preference shares and other forms of hybrid debt or equity instruments.

While the fund may invest in instruments in any currency, its effective exposure to the US dollar will at least be 75% at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

The average duration in the fund will typically not exceed three years.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

The fund is tactically managed to secure an attractive income, while protecting capital.

Its investments are carefully researched by a large and experienced investment team and subjected to a strict risk management process. The fund is actively positioned to balance long-term strategic positions with shorter-term tactical opportunities to achieve the best possible income.

While the fund is managed in a conservative and defensive manner, it is not guaranteed to always outperform cash over short periods of time, and may suffer capital losses primarily as a result of interest rate movements or negative credit events.

Capital growth, if any, will generally come from capital market changes such as falling interest rates or movements in foreign currencies.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is 12-months and longer. Given its limited exposure to growth assets, the fund is not suited for long investment terms.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Conservative investors who are looking for an intelligent alternative to US Dollar bank deposits.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.50% 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.

WHO ARE THE FUND MANAGERS?

NISHAN MAHARAJ
BSc (Hons), MBA

SEAMUS VASEY
BCom (Hons), MSc

GENERAL FUND INFORMATION

Fund Launch Date	30 December 2011
Class	P
Class Type	Accumulation
Class Launch Date	30 August 2013
Fund Domicile	Ireland
Morningstar Fund Category	Global Bond – USD Hedged
Currency	US Dollar
Benchmark	110% of Secured Overnight Financing Rate (SOFR)
Bloomberg	CORGSUP
ISIN	IE00BBPV5092
SEDOL	BBPV509

CORONATION GLOBAL STRATEGIC USD INCOME FUND

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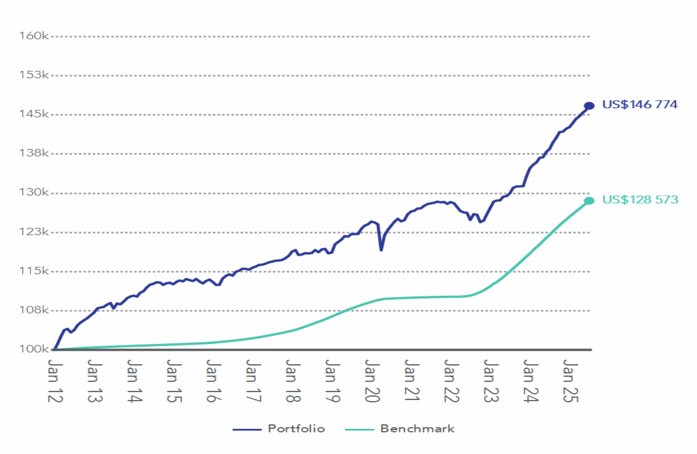
CLASS P as at 30 June 2025

Launch date	30 August 2013
Fund size	US$ 649.46 million
NAV	1349.70 cents
Benchmark	110% of SOFR
Portfolio manager/s	Nishan Maharaj & Seamus Vasey

	1 Year	3 Year
Total Expense Ratio	0.58%	0.58%
Fund management fee	0.50%	0.50%
Fund expenses	0.08%	0.08%
VAT	0.00%	0.00%
Transaction costs (inc. VAT)	0.01%	0.01%
Total Investment Charge	0.59%	0.58%

PERFORMANCE AND RISK STATISTICS

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



PERFORMANCE (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	46.8%	28.6%	14.2%
Since Launch (annualised)	2.9%	1.9%	1.0%
Latest 10 years (annualised)	2.6%	2.4%	0.2%
Latest 5 years (annualised)	3.5%	3.2%	0.3%
Latest 3 years (annualised)	5.5%	5.2%	0.3%
Latest 1 year	6.0%	5.4%	0.6%
Year to date	2.9%	2.4%	0.4%

	Fund
Modified Duration	1.2
Yield (Net of Fees)	4.8%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	2.0%	0.6%
Sharpe Ratio	0.67	N/A
Maximum Gain	17.9%	N/A
Maximum Drawdown	(4.4)%	N/A
Positive Months	77.8%	N/A

	Fund	Date Range
Highest annual return	7.9%	Nov 2023 - Oct 2024
Lowest annual return	(3.0)%	Oct 2021 - Sep 2022

PORTFOLIO DETAIL

ASSET ALLOCATION BY INSTRUMENT TYPE

	% of Fund
Developed Market (Investment Grade)	77.0%
Fixed Rate Bonds	34.9%
Floating Rate Bonds	33.0%
Inflation Rate Bonds	9.1%
Emerging Market (Investment Grade)	3.7%
Fixed Rate Bonds	2.5%
Floating Rate Bonds	1.2%
Developed Market (High Yield)	0.8%
Emerging Market (High Yield)	4.9%
Convertibles and Hybrids	2.9%
Listed Property	1.6%
ETF	0.3%
Cash & Money Market	8.8%
Total	100.0%

ASSET ALLOCATION BY ISSUER TYPE

	% of Fund
Corporations	54.1%
Sovereigns	33.7%
Cash	8.8%
Multi-National	1.8%
REITS	1.6%
	100.0%

ASSET ALLOCATION BY RATINGS BAND

	% of Fund
Investment Grade	83.4%
Sub-Investment Grade	6.0%
Other instruments	10.6%
	100.0%

TOP 5 ISSUER EXPOSURE

	% of Fund
US Treasury	23.0%
JP Morgan	4.2%
Federal Government of Germany	3.2%
Government of the United Kingdom	2.9%
HSBC	2.6%

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	0.6%	0.5%	0.3%	0.5%	0.4%	0.6%							**2.9%**
Fund 2024	0.5%	0.3%	0.7%	0.1%	0.7%	0.4%	0.9%	0.7%	0.8%	0.1%	0.4%	0.2%	**5.9%**
Fund 2023	0.9%	0.2%	0.0 %	0.5%	0.1%	0.4%	0.8%	0.2%	0.0 %	0.0 %	1.4%	1.1%	**6.0%**
Fund 2022	(0.2)%	(0.6)%	(0.6)%	(0.2)%	(0.1)%	(1.1)%	0.9%	(0.1)%	(1.1)%	0.2%	1.0%	0.9%	**(0.9)%**
Fund 2021	0.1%	0.3%	0.0 %	0.4%	0.3%	0.1%	0.1%	0.2%	(0.1)%	0.1%	(0.3)%	0.3%	**1.4%**

Issue date: 2025/07/16

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

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

Asset class performances

The second quarter of 2025 (Q2) may well prove a crossed line in the sand whereby the US became a lasting source of global financial market instability, rather than the customary refuge from such flare-ups. But it's far too early to tell; history will be the judge of that. The increased regularity with which the current US administration curtails initial policy forays has become a notable feature of its own. This is helpful, in that the sway of financial markets is not lost on these policymakers, but it still remains problematic as a modality for introducing changes. The erratic and experimental nature of such interventions is creating a requirement for previously unrequired risk premia across wide swathes of assets with sensitivity to US economic activity and regulation.

Against this backdrop, the Fund returned 1.4% for the quarter against the benchmark return of 1.2%.

The US Federal Reserve (the Fed)'s job became especially complicated during April. The retaliatory tariffs announced on "Liberation Day" ushered in a new form of engagement between the US and its external trading partners. Even as most of the initial tariff levels imposed were reduced or postponed by mid-April, it was the erratic nature of these policy injunctions that complicated monetary policy. The Fed wisely adopted a precautionary stance. The net result was the Federal Open Market Committee (FOMC) on hold, with the policy rate unchanged at 4.25-4.50%. Economic data varied over Q2, although the labour market in particular held up well. Inflation remained well behaved, although still at slightly higher than comfortable levels for the Fed (with core Personal Consumption Expenditures 2.7% y/y in May). Surveyed inflation expectations rose substantially as consumers feared the impact of tariffs. Pass-through pricing evidence remained patchy during the quarter, with it being too early to see the aggregate effects of tariffs. FOMC members continued to signal two additional rate cuts were likely over the remainder of 2025.

The front end of the US yield curve remained anchored, although yields were periodically dragged even lower as additional rate cuts over the next two years were accumulated by the market. Longer maturity yields in the US increasingly came under the sway of rising fiscal concerns. Policy signals provided by the new administration leaned heavily towards sustained higher government deficits on a multi-year basis. Spending cut efforts – like that of the short-lived DOGE (Department of Government Efficiency) – were quickly viewed as smoke screens by the market and not serious attempts at fiscal curtailment. These concerns were further deepened as information surrounding the extremely substantial spending and tax bill ("One Big Beautiful Bill") dribbled into the light over the quarter. The result has been a bear steepening of the US Treasury curve, alongside the loss of the last triple-A credit rating held by the US from one of the major rating agencies.

Global bond markets were influenced by developments in the US, but the extent of this was diluted. The German yield curve saw modest bull pivoting over the quarter, as very long-dated yields remained pregnant with an elevated fiscal/borrowing risk premium and were unchanged for the quarter. In contrast, shorter-dated euro interest rates declined, reflecting the 25 basis points (bps) cut in the European Central Bank (ECB)'s refi rate from 2.65% to 2.4% and expectations for additional cuts in the ensuing months. In the UK, a similar dynamic unfolded: the sterling yield curve reflected ongoing concerns around the potential lack of fiscal temperance in the long end; the 30-year bond yield ended at 5.16%, exactly where it started Q2. And short-end yields declined, reflecting the cut in the Bank of England (BoE) base rate from 4.5% to 4.25% in May and expectations for further meaningful easing in the quarters ahead. As is mostly the case, the Japanese bond market danced to its own tune, with the yield curve pivoting around the 10-year point as shorter-dated yields moved fractionally lower on the quarter and very long-dated bonds sold off considerably. Political pressures surrounding tax cuts, stimulus measures, and currency undercurrents influencing repatriation flows, as well as uncertainty around the Bank of Japan (BoJ)'s influence on supply/demand dynamics in the ultra-long-dated funding market, saw meaningful bond market volatility and unusually wide trading ranges for Japanese government bonds (JGBs) over the quarter. The BoJ chose discretion as the better part of valour over Q2 and kept the effective policy rate on hold at 0.5%, adding another extended pause to an already prolonged normalisation cycle.

A fair degree of variation was visible across global inflation-linked markets in Q2, although it was a positive quarter overall. The US was the outlier with a very sub-standard total return of 0.5% for Q2. Short-dated US real yields corrected sharply higher as excessive monetary easing was priced out, while longer-dated real yields adjusted higher, reflecting the same fiscal risk premium concerns shared with their nominal counterparts. The best-performing Developed Market (DM) linker market over the quarter was Italy (+12.2%) – real yields here compressed across most of the curve, bar the very short end.

A reasonable aggregate outcome for Emerging Market (EM) hard currency bonds was notched up in Q2: +3.3% in total returns. But this papers over an especially tumultuous month in April, as the aggregate market spread widened from c. 330bps towards the end of March to a daily close peak of just under 400bps – all in the wake of "Liberation Day". In this sense, a particularly opportunity-rich quarter for the asset class, albeit an opportunity that hinged entirely on the policymaking impulses of an individual. So arguably, this was not a high-quality risk-taking environment. The very weakest sovereign credits performed the best (C-rated countries returned +8.9%), with an outlandish performance from Ecuador (+48%). This sovereign has been under pressure for some time and experienced a near-complete collapse of confidence with the imposition of a state of emergency in the run-up to the second round of national elections. The re-election of the incumbent and positive overtures made towards the IMF helped euro-bond pricing rebound from gutter levels.

The local currency EM sovereign debt asset class saw a lovely bounce in Q2 (+7.6% from +4.3% in Q1). The index yield at quarter end was 6.01%, down slightly from 6.3% at the end of March and 6.39% at the start of the year. Here, broad-based currency gains really came to the fore, as the US dollar suffered against practically all other counters (except for those of India and Turkey) following "Liberation Day" and the meteoric rise of widespread doubts surrounding "US exceptionalism". Overall, there were six (out of 19) of the primary local EM sovereign debt countries that notched up double-digit returns in Q2. An impressive run, and more so, as this market showed unusual resilience in the face of the unleashed trade war and ensuing volatility. Only three sovereigns had negative capital returns in local terms: the Dominican Republic, Serbia, and Romania.

Global spread products generally followed the same pattern over Q2: an initial cascade of sharp weakness during the first two weeks of April, followed by a recovery for the remainder of the quarter. Indeed, most credit markets actually ended up modestly tighter in spread terms by the end of June relative to the end of March. US Investment Grade corporates returned +1.1% in excess returns over Q2 – the strongest quarter in six – and +1.8% in total returns. The US High Yield market had a strong period, returning +3.6% overall and +2.2% with interest rate risk hedged. European Investment Grade provided +1.7% total return (TR) and +0.5% excess return (ER), while European High Yield managed +2.1% TR and +1.1% ER. From a historical perspective, many credit markets once again see their spreads around the levels reached in the post-Covid extremes of monetary stimulus, although not quite at the lows seen in the first couple of months of this year.

Like most other risk assets, listed real estate counters experienced a dramatic drawdown at the start of April, before a quick recovery to prior levels by the first part of May. The FTSE/EPRA NAREIT Global Real Estate index saw a drawdown of c. 11.2% but ended up +3% over the quarter as a whole. This placed the YTD total return outcome (in USD) at +4.7% and the 12-month gain at a reasonable +12.4%.

Fund activity

With respect to Fund activity over the quarter, as is mostly the case, the bulk of transactions related to the recycling of existing exposures that had drifted into modestly expensive territory and were replaced by new issues perceived to be relatively cheaply priced. This tends to occur within the higher-rated credit buckets involving short-dated issues (usually one to three years). There is also the natural recycling of maturing issues, given that the Fund tends to have a meaningful and continuous liquidity ladder spanning from one quarter to the next.

Fortunately, the Fund was defensively positioned at the advent of "Liberation Day" and was well placed to weather the panicked collapse of many risk assets that occurred immediately. This provided a good platform for the Fund to accumulate better-priced, high-quality credits. This was initiated alongside an accumulation of additional US dollar base rate exposure, especially that sensitive to monetary policy easing. For while the sharp spike in credit spreads provided a longer-term opportunity for the Fund to harness value, the uncertainty provoked by the tariff war shock created economic risks in the short term. Hence, adding additional emphasis on defensive exposures positively oriented towards monetary policy easing was prudent. With the sharp reversal and postponement of most of "Liberation Day's" impositions, monetary policy pricing of emergency relief was quickly tapered, which squeezed the value of these insurance buffers accumulated by the Fund. However, the unexpectedly sharp gains from the additional credits accumulated more than made up for the negative duration impact. The net result was that the Fund posted a positive return during April, despite the scale of the financial markets shock experienced.

Indeed, the recovery was so rapid over the quarter that pricing has – once again – widely veered into over-stretched territory for exposures across most spread asset classes and other risk-oriented fixed income assets. Hence, by the end of the quarter, the Fund was more inclined to trim such exposures, rather than add.

Portfolio managers
Nishan Maharaj and Seamus Vasey
as at 30 June 2025

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL STRATEGIC USD INCOME FUND

Unit trusts 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 yield shown is an estimate (gross of fees) in part based on market assumptions and forecasts. The yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. It is provided to give an approximate indication of the achievable yield for an investment made at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period. The yield disclosed on the MDD is current and calculated as at the MDD reporting date. 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. 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. JP Morgan (Ireland) has been appointed as the fund's trustees (www.jpmorgan.com; t: +353-1-612-4000), and its custodian is JP Morgan Administration Services (Ireland) Limited (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) to ensure the value of the same business day. You can expect to receive withdrawal payouts three to four 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.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is 110% of Secured Overnight Financing Rate (SOFR). From 1 December 2021 the benchmark changed from the 110% of USD 3-month LIBOR to 110% of the Secured Overnight Financing Rate (SOFR). The benchmark returns shown in this MDD will be spliced between the previously applicable index values and the new benchmark from 1 December 2021.

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 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 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. 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. A summary of Investor Rights can be sourced on the following link: https://www.coronation.com/en/institutional/about-us/ucits-v-disclosure/.

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