

CORONATION GLOBAL STRATEGIC USD INCOME PRESCIENT FEEDER AMETF

Fund Information as at 31 March 2025

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

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



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.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Strategic USD Income Fund. The only other assets that will be held at feeder fund level are local and foreign cash holdings for liquidity purposes.

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.

The full annual fee is collected in the master fund. 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

Investment Manager	Coronation Asset Management (Pty) Ltd
Management Company	Prescient Management Company (RF) (Pty) Ltd
Liquidity provider	Prescient Securities (Pty) Ltd
Launch Date	8 August 2024
Benchmark	Secured Overnight Financing Rate (SOFR)
ASISA Fund Category	Global – Multi-asset – Income
Income Distribution	Annually (March)
Bloomberg Code	COUSDI SJ
ISIN Code	ZAE000337168
JSE Code	COUSDI
Base currency	ZAR
Exchange	JSE

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As at 31 March 2025

ASISA Fund Category	Global - Multi-Asset - Income
Launch date	8 August 2024
Fund size	R9.57 Million
NAV	1039.27 cents
Benchmark	SOFR
Portfolio manager/s	Nishan Maharaj & Seamus Vasey
Number of units	921 420 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

ASSET ALLOCATION BY INSTRUMENT TYPE

	% of Fund
Developed Market (Investment Grade)	81.7%
Fixed Rate Bonds	33.8%
Floating Rate Bonds	41.2%
Inflation Rate Bonds	6.7%
Emerging Market (Investment Grade)	3.3%
Fixed Rate Bonds	2.1%
Floating Rate Bonds	1.2%
Developed Market (High Yield)	0.5%
Emerging Market (High Yield)	4.3%
Convertibles and Hybrids	3.3%
Listed Property	1.6%
ETF	0.5%
Cash & Money Market	4.8%
Total	100.0%

ASSET ALLOCATION BY ISSUER TYPE

	% of Fund
Corporations	55.3%
Sovereigns	36.8%
Cash	4.3%
Multi-National	1.9%
REITS	1.7%
Total	100.0%

ASSET ALLOCATION BY RATINGS BAND

	% of Fund
Investment Grade	88.1%
Sub-Investment Grade	5.3%
Other instruments	6.6%
Total	100.0%

TOP 5 ISSUER EXPOSURE

	% of Fund
US Treasury	27.4%
German govt	3.9%
JP Morgan	2.8%
Wells Fargo	2.7%
Barclays	2.6%

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 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 start of 2025 was the natural successor to the final months of 2024. Additional financial market volatility and increases in selective risk premia that had ensued following the US election in November were augmented and elevated as the new administration settled in. Indeed, the sheer volume and force of policy adjustments in the US – almost entirely by Executive Order – became the singular dynamic shaping market expectations in the US. And with a meaningful downstream impact across global markets more generally, given the breadth and reach of some of the prospective internal and foreign policy, course changes enacted.

Against this backdrop, the Fund returned 1.37% for the quarter against the benchmark return of 1.20%. Since inception, the Fund has outperformed the benchmark by 0.74% p.a.

Asset class performances

Arguably, cyclical macroeconomic developments played second fiddle to the unfolding political drama unleashed by the new US administration. Indeed, the most far-reaching threat posed by policy adjustments in the US came from tariffs – a new reality crystallised by the US government with trade reviews announced as one of the very first acts of the new President. And thereafter, practically every week, new developments arose informing the new paradigm of the US approach to foreign trade, all as an ominous preamble to the much-anticipated self-styled ‘Liberation Day’ at the start of Q2, which detailed a momentous reconfiguration of US/global foreign trade relations. But foreign trade adjustments were just one of the many policy vectors that experienced significant structural ructions over Q1.

There were two significant consequences of this elevated uncertainty and disruption. The first was a progressive and increasingly trepidatious hit to sentiment, especially in the US. Evidence of an erosion in confidence – whether across consumers, businesses, or investors – built up throughout the first couple of months of 2025, before sentiment plummeted around the start of the second quarter. Secondly, this turn in confidence alongside higher uncertainty influenced the conduct of monetary policy – not just at the Fed – but across the globe. Central bankers became a lot more focused on the deterioration of visibility, resulting in a greater emphasis on data dependency and serving mainly to stall many monetary easing cycles. Complicating the outlook were mixed signals from incoming data flow. Inflation showed evidence of stickiness across several key economies (especially in services), or the end of deflation/strong disinflation (mainly in core goods). But evidence of a pick-up in trade and manufacturing activity – globally – wasn’t easy to interpret. This step-up in growth could well be a precautionary shifting of activity prior to potential trade restrictions in the future. And hence, signs of reasonable life across a wide swathe of sectors could instead prove to have been a displacement of future activity before a policy-induced slump.

US rates were initially anchored by the Fed’s swing to caution – the Federal Open Market Committee left rates unchanged over the quarter (4.25-4.50%), interrupting what would have been a continuation of the pre-existing easing path. Longer-term interest rates initially experienced further weakness at the start of the year as fiscal concerns weighed. But with disintegrating soft data in the US and progressively increasing fears about the growth impact of the new administration’s policies, a turn to defensive assets such as treasuries became the heftier influence. US Treasury yields ended lower across the curve over the quarter (e.g., US 10yr from c.4.55% to 4.20%), although curve steepness remained very much intact. Among the world’s major bond markets, US Treasuries were the only yields to see net declines over the quarter.

Global bond yields were naturally influenced by the ground-shifting policy shifts that emanated from the US over the quarter, practically on a daily basis. However, internal dynamics within many of the major bond markets were also especially noteworthy in the first few months of the year. In Europe, the schism on security matters between the US and the continent and subsequent shift in potential defence (and infrastructure) spending prompted a revaluation of long-term interest rates in the Eurozone. Germany 10-year yields started the quarter at their lows (c.2.4%) before peaking in March close to 3.0%. In Japan, a continuation of the central bank’s monetary policy normalisation drive (the BoJ hiked rates in January) and elevated inflation kept long-term rates on a steady upward climb for the entire quarter. In local terms, the best performing major bond market in Q1 was the US (+2.9%), followed by Canada (+2.1%) and Australia (+1.2%). The worst performers were Denmark (-2.7%), Japan (-2.4%) and the Netherlands (-2.1%).

For global inflation-linked bond markets over Q1, the impetus was broadly the same as that seen in their nominal counterparts. The US experienced a decline in real yields; the 10-year real yield started the year around 2.25% before closing the quarter around 1.85%. Conversely, most other Developed Market (DM) linker markets saw an upward drift in real yields over the first three months of the year. Most break-even levels were broadly within their ranges over the course of Q1; more of an upward bias was seen across Continental European markets.

The aggregate Emerging Market (EM) hard currency bond market had a somewhat pedestrian quarter overall in total return terms (+2.2%). And for once, this was actually achieved through

relatively sparse dispersion. The performance of Investment Grade (IG) bonds in this universe was +2.8%, while lower for sub-IG sovereigns at +1.7%. There was no real sustained theme across the curve in the index, with the best performing maturity bucket being the belly (5-7 year cohort) at +3.1%. On aggregate, the index spread rose 24bps in the quarter, while the outright yield closed at 7.8%, down 9bps. For local currency EM bonds, Q1 had a reasonable outcome (+4.3% in USD terms, unhedged), although this wasn’t sufficient to undo the sharp drawdown (-7%) of Q4-24. In local currency terms, the best performing markets were Mexico (+7.1%), Brazil (+5.4%) and Uruguay (+3.2%), while the worst were Turkey (-2%), China (-0.7%) and Hungary (-0.5%). Taking currency movements into account – in a quarter that found the US dollar almost universally on the back-foot – improves country returns across the board, with only a couple of outliers (like Turkey). Here, the returns from Brazil (+13.7%) and Mexico (+8.8%) were especially impressive. In the case of Brazil, the central bank’s intervention in the currency, a higher policy rate (+100 bps), and some movement from the government towards an improved fiscal stance, all helped produce the stand-out performance.

Global spread markets were a somewhat mixed bag over the bulk of the quarter. In the US, IG bonds very modestly lost ground in total return terms (-0.3%), but even more so in excess return terms (-0.9%), as spreads slipped higher. The best place to be in this market was in the shorter-dated buckets, which saw modest total performance gains in the quarter even as spreads widened here, as the market started pricing in the need for sharp and substantial monetary easing in the face of growth-destructive policy developments. What turned out to be a much more challenging period for High Yield (HY) bonds actually started firmly on the front foot. The US HY market started the year with spreads around 300 bps (already highly suppressed from a historical perspective), but this crunched in even lower to a tight of c.260bps during January. Incidentally, the prior low for the same market measure was c.240bps – mere months before the onset of the Global Financial Crisis in 2007. However, from mid-February into the close of the quarter and beyond, HY spreads began widening precipitously. The net result was an excess return of -1.3% – the first negative quarter since Q2-22 – although total returns were still positive at +0.9%; a decent outcome despite everything. European HY experienced a similar pattern over the quarter, albeit more muted (excess return: +0.3%; total return: +0.6%).

Global real estate markets had largely held it together over the course of Q1, despite growing uncertainty surrounding the growth outlooks in major economies and less support potentially from lower interest rates. The FTSE/EPRA NAREIT Global Index put together a net total return of +1.9% for Q1 (in USD), although it certainly helped that the base to start the year had been particularly beaten up – recall that this market had seen a decline of 9% in Q4-24. The relative buoyancy of REITs – across many markets – had been fairly encouraging, given the slippage seen across other equity sectors and risk markets. As we know now, of course, this relative stability proved illusory as the first few days of Q2 demonstrated.

Fund activity

With respect to Fund activity over the quarter, as is mostly the case, the bulk of transactions related to recycling existing exposures that had drifted into modestly expensive territory and 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.

The Fund’s interest rate exposure increased from the end of 2024 to the end of Q1. With the re-pricing of US interest rate cuts over the course of the first quarter, duration exposure was reduced modestly in this market, reflecting the severity of the shift in market pricing. However, we added to opportunities in non-USD markets over the quarter, across both EM and DM interest rate markets; these were completely hedged back to US dollars. Elsewhere, the Fund incrementally added credit risk over the course of the quarter – although much more so in the closing weeks of Q1. Positioning here at the start of the year was particularly defensive and cautious, which created the latitude to selectively seize upon opportunities as they arose over the course of an uncertain and increasingly (rightly) nervous period for spread markets. As such, the Fund’s aggregate credit duration rose modestly over the quarter but remains well shy of utilising the full risk budget available. Finally, the Fund remained opportunistically disposed towards accumulating additional property exposure over the quarter, although the take-up here was substantially reduced relative to the final quarter of 2024. The aggregate property exposure in the Fund provides further scope for accumulation into weakness, as and when valuations justify this.

Portfolio managers

Nishan Maharaj and Seamus Vasey
as at 31 March 2025

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL STRATEGIC USD INCOME 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. Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest-bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change. 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. 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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

The fund has adhered to its policy objectives.