



Personal finance

Investing directly in the world's largest markets with Coronation

Broaden your investment horizons with a true global manager

February 2024

THE QUICK TAKE

- South African investors need to invest beyond their home market
- Including global asset classes to your overall portfolio helps to diversify your risk and return opportunities
- Investing in offshore funds has become more accessible
- Coronation has proven and established global capabilities

South African investors don't need much convincing on the merits of including global assets in their investment portfolios. Simply put, it's about not putting all your eggs into a single (and notably small) basket. The same diversification principle that applies to asset classes (equities, bonds, etc.) also applies to spreading your investment risk and return opportunities across geographies and, importantly, jurisdictions.

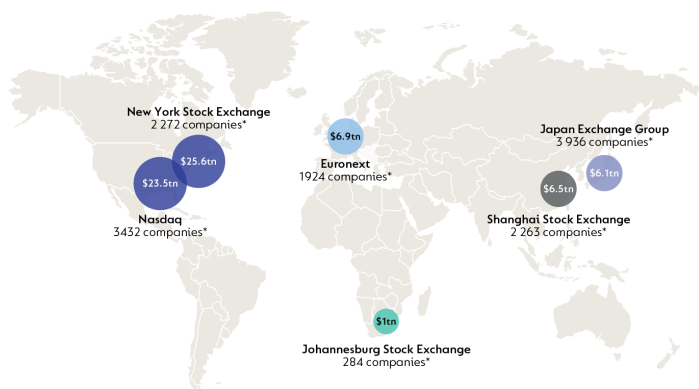
ACCESS INVESTMENT OPPORTUNITIES ACROSS THE GLOBE

The sheer magnitude of investment opportunities outside our home market is evident in the combined market capitalisation of the world's top five exchanges (see Figure 1), which exceeded **\$68 trillion (and comprising close to 14 000 listed companies) compared to the JSE's ~\$1 trillion as at the end of 2023**. When you widen your investment universe, you gain access to engines of innovation and growth that may not be present in our home market, with the likely outcome of improving your overall investment outcomes.

Figure 1

BROADEN YOUR INVESTMENT RETURN OPPORTUNITIES

The world's largest exchanges by market cap



*number of domestic and foreign companies listed
Source: World Federation of Exchanges, 31 December 2023

DIVERSIFY ACROSS ASSET CLASSES, SECTORS AND GEOGRAPHIES

Another benefit of broadening your investment horizon is that of diversification across sectors and asset classes. When you add another asset class or sector to your overall portfolio that behaves differently to your local asset class mix, you reduce your portfolio's overall investment risk.

(Read more about the value that can be created through diversification [here](#).)

INVESTING IN HARD CURRENCY FROM ONLY \$500

Over and above the benefits of access to more opportunities and diversification across asset classes and geographies, investing in hard currency (i.e. in an offshore fund that requires you to convert your rands into another currency) offers your investment portfolio a hedge against sovereign risk (for example the imposition of tougher exchange control regulations) and may be more tax efficient (currency gains and losses are not subject to capital gains tax in offshore funds).

And to help investors achieve these benefits, we have made our offshore funds more accessible by reducing the minimum initial investment required to only \$500 (or €500/£500).

WE'VE GOT YOU COVERED

We've spent the last 25 years steadily rolling out a considered global fund range to meet every offshore investment need. Today, this range has a demonstrable track record and we are proud to be one of the few local investment firms with:

Proven and established global capabilities across both emerging and developed markets;

A single, valuation-driven investment philosophy and approach that has been tested through many market crises; and

having successfully replicated our skills in building multi-asset class portfolios offshore.

When investing offshore with us, you gain access to a global team of skilled investment professionals (our large global investment team includes 15 members with more than 10 years' experience) who consistently collaborate to identify the most attractive opportunities (regardless of asset class or geography) for inclusion in each of our global funds.

ALL ROADS LEAD TO MULTI-ASSET FUNDS, EVEN OFFSHORE

To help simplify your offshore investment fund choice, it makes sense to consider a multi-asset fund. These funds allow you as the investor to leave the difficult decision-making, such as asset allocation and instrument selection, to us.

Choosing the fund that best matches your needs will depend on the level of risk that you are willing and able to take. Below are three global funds that have been designed to meet the majority of investor needs:

What offshore need are you trying to meet?	What Coronation fund may be suitable?	What level of risk exposure can you expect?
I want to preserve my capital, but ideally, I want to do better than a US-dollar bank account.	Coronation Global Strategic USD Income	Up to 25% of the Fund may be invested in listed property, preference shares, and other forms of hybrid debt or equity instruments.
I want to preserve my capital and achieve a real return in US dollars.	Coronation Global Capital Plus	Exposure to growth assets (shares and listed property), which pose more risk than income assets, will typically not exceed 50%.
I want long-term real returns and am comfortable with moderate risk exposure.	Coronation Global Managed	The Fund will have a sizeable exposure to equities, which typically offer the best returns over the long run but balances long-term real returns with the risk of loss.

If you'd like to learn more about investing Offshore with Coronation, visit our offshore [Offshore page](#) or speak to your financial adviser.

Disclaimer

SA retail readers

Factsheets

[Coronation Global Managed](#)

[Coronation Global Capital Plus](#)

[Coronation Global Strategic USD Income](#)

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