
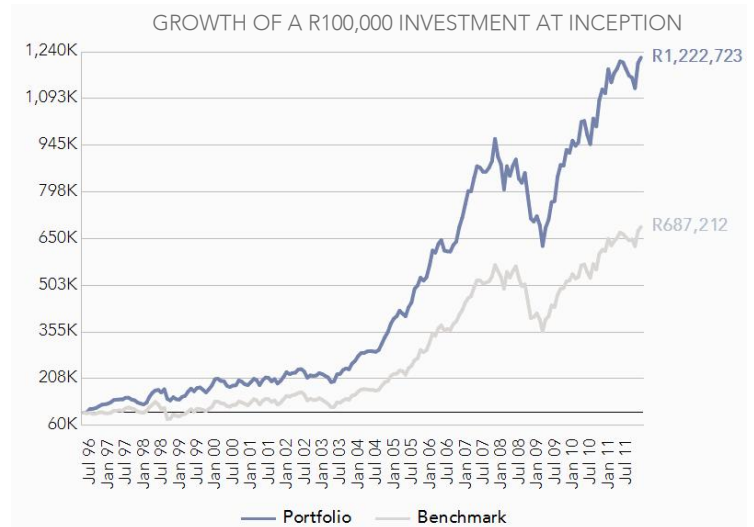




**CORONATION EQUITY FUND**  
31 DECEMBER 2011

<b>Fund purpose</b>	Maximising long term returns through exposure listed equities
<b>Fund category</b>	Domestic – Equity – General
<b>Benchmark</b>	FTSE/JSE Shareholders Weighted All Share Index
<b>Risk profile</b>	

**LONG-TERM TRACK RECORD**



**HIGHLIGHTS**

- 1<sup>st</sup> in category since launch in 1996
- Produced 1.2 times the market’s return at only 0.8 times the market’s risk since launch
- Single solution to Coronation’s best domestic views on equities

**INVESTMENT OBJECTIVE**

The fund seeks to maximise long-term returns by investing in listed domestic equities. It aims to produce first quartile relative risk adjusted investment returns.

**INVESTOR PROFILE**

The fund is suitable for investors:

- who are in their wealth build-up phase and require little income yield in the short term
- seeking exposure to the domestic equity market
- who are able to withstand short-term market fluctuations in pursuit of maximum total returns over the long term

**GENERAL INFORMATION**

<b>Launch date</b>	15 April 1996
<b>Income distribution</b>	Bi-annually (March and September)
<b>Investment minimum</b>	R5 000 lump sum or R500 monthly debit order
<b>Regulation 28</b>	Does not comply

**INVESTMENT MANDATE**

The fund is focused on stock selection and will aim to be invested in South African listed equities at all times. A minimum of 75% of the fund’s assets will be invested in equities at all times.

**RISK OF MONETARY LOSS**

The recommended term for this investment is five years and longer. Because the equity fund invests mostly in domestic shares, an asset class with high expected and historical volatility, the risk of financial loss over the short term is high. The risk of capital loss over the medium to longer term is mitigated by the strong emphasis placed on valuation in the investment philosophy applied in managing the fund.

**CORONATION FEES (excl. VAT)**

Initial	0.00%
Annual management	1.10% - 3.00%

**Fee Methodology**

The fund charges a performance-related fee, designed to reflect its aggressive investment objective. A base fee of 1.10% is charged that will increase when the fund performs better than its benchmark. When the fund performs better than its benchmark, 15.00% of the outperformance up to a maximum of 1.90% is payable as a performance fee. Performance is measured over a rolling 24-month period to reflect the longer-term horizon of the fund. Fees are accrued daily and collected monthly with 1/12<sup>th</sup> of the annual fee cap applied every month-end.

**TOTAL EXPENSE RATIO (TER)<sup>1</sup>**

1.48% which includes a performance-related fee of 0.23%

**INVESTMENT PHILOSOPHY**

Coronation is a research-driven investment house. All members of the investment team have research responsibilities, where our focus is on establishing a fair value for each of the companies that we follow. Our approach is based on forming firm views on the long-term valuations of businesses. We buy companies that are temporarily underpriced by the market, and avoid those that are trading above our fair value. We believe that mispricings occur regularly, often due to the short-term focus of most investors. This approach enables us to construct a concentrated, differentiated portfolio with a high degree of conviction. It also supports the discipline required to remain committed to positions that are often materially different to what conventional wisdom will dictate. In the long run, this approach has led to exceptional returns for our investors.



**ADVICE FEES**

Coronation does not provide financial advice and therefore does not charge advice fees. However, investments are often placed on your behalf by a financial advisor, in which case fees are negotiated directly between you and your advisor, within the following ranges:

Initial	0.00% - 3.00%
Ongoing	0.00% - 1.00% when the initial fee is less than 1.50%
	0.00% - 0.50% when the initial fee is more than 1.50%

**Sharing of annual management fees**

A portion of Coronation's annual management fee may be paid to administration platforms as a subsidy for administrative and advice costs incurred when investing through these channels. Where commission and incentives are paid, these are included in the overall costs.

**INVESTMENT TEAM**

We have one of the most experienced and talented investment teams in the country operating in a culture of excellence. Led by Chief Investment Officer Karl Leinberger, the team is made up of 50 investment professionals. Key focus areas include equity research, with dedicated teams based in Cape Town covering South African, Pan-African and emerging markets. Our team also comprises experienced fixed income and quantitative research teams and a London-based international multi-management team. Our team of ten senior portfolio managers is supported by dedicated dealing and implementation teams.

Investment team facts:

- Includes three former chief investment officers
- 23 members with a decade or more in the industry (13 team members have more than 15 years experience)

**PORTFOLIO MANAGERS**

- **KARL LEINBERGER, BBusSc, CA (SA), CFA**  
Karl is CIO and a member of the executive committee. He joined Coronation in 2000 as an equity analyst, was made head of research in 2005 and appointed CIO in May 2008. Karl co-manages the Coronation Houseview Portfolios as well as the Coronation Equity and Balanced Plus funds.
- **QUINTON IVAN, BBusSc, BCom (Hons), CA(SA), CFA**  
Quinton joined the Coronation investment team as an equity analyst in 2005 and was appointed Head of Equity Research in 2012. He currently analyses retail, construction and pharmaceutical stocks and co-manages the Coronation Equity and Balanced Plus funds as well as Houseview Portfolios. Prior to joining Coronation, Quinton was a senior manager with KPMG in the financial services division.

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