



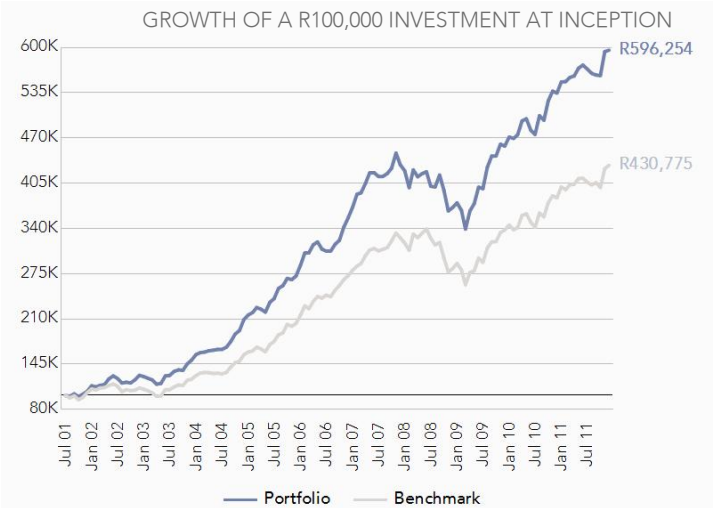
**CORONATION MARKET PLUS FUND**  
31 DECEMBER 2011



**Fund purpose** Maximising long-term returns for discretionary savers  
**Fund category** Domestic – Asset Allocation – Flexible  
**Benchmark** Composite of 63% equity, 22% bonds, 10% international and 5% cash  
**Performance fee hurdle** Benchmark + 2%  
**Risk profile**



**LONG-TERM TRACK RECORD**



**HIGHLIGHTS**

- Our best investment view across asset classes for long-term investors not subject to retirement fund restrictions
- 1<sup>st</sup> Quartile performer over 3 years, 5 years and number 1 in category over 10 years and since launch

**INVESTMENT OBJECTIVE**

The fund aims to maximise returns at a lower level of risk than that of a pure equity investment from a portfolio managed for investors without specific asset allocation constraints. It will invest primarily in equities through the cycle, but unlike an equity fund, does not have to remain fully invested when we believe that valuation levels are unattractive. It is managed as a suitable single investment option for long-term investors including individuals, trusts, foundations and endowments.

**GENERAL INFORMATION**

**Launch date** 2 July 2001  
**Income distribution** Bi-annually (March and September)  
**Investment minimum** R5 000 lump sum or R500 monthly debit order  
**Regulation 28** Does not comply

**INVESTMENT MANDATE**

In managing the fund we express our best investment view on the optimal combination of different assets that in our opinion will maximise long-term returns at a reasonable level of risk. The fund can invest in a wide variety of asset classes such as shares, conventional bonds, inflation-linked bonds, listed property and cash, both domestically and internationally. Because it is managed to achieve good long-term results, it will typically have a strong bias towards equities, as this is normally the asset class with the highest expected long-term returns. While there is no specific limit on the level of exposure to shares, foreign assets (excluding Africa) may not make up more than 25% of the portfolio.

**INVESTOR PROFILE**

The fund is suitable for investors:

- building up long-term capital outside of a retirement fund
- requiring a somewhat aggressive capital growth portfolio
- looking to preserve the purchasing power of their capital over the long term, but looking for some protection of the short term turbulence of the equity market
- with a time horizon of five years or longer

*The fund is not suitable to highly risk averse investors.*

**RISK OF MONETARY LOSS**

The recommended term for this fund is five years and longer. It has a moderate to high risk profile, because while it will at all times hold a variety of different types of assets, it will on average have a stronger equity bias than a traditional balanced fund managed within retirement fund investment constraints. While it is highly unlikely that a multi asset fund will lose money over the longer term, it is still possible to produce negative returns in extreme years, albeit at a lower level than a pure equity fund. As example, the Coronation Market Plus Fund declined by 10.9% in 2008, while the FTSE/JSE All Share Index declined by 23%.

## CORONATION FEES (excl. VAT)

Initial	0.00%
Annual management	0.75% - 3.00%

### Fee Methodology

The fund charges a performance related fee, designed to reflect its objective of maximising returns at a lower risk level than that applicable to a pure equity investment. A base fee of 1.25% per annum is charged, that will increase when the fund outperformed its benchmark and decrease if the fund produce a negative long-term return.

When the fund performs better than its benchmark, 20% of the outperformance up to a maximum of 1.75% per annum is payable as a performance fee. Performance is measured over a rolling 12 month period, to reflect the flexible nature of the fund. When the fund declines in value over any 60 month period, the fee will be discounted to 0.75%. Fees are accrued daily and collected monthly, with 1/12th of the annual fee cap applied every month-end.

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

1.39%

## INVESTMENT PHILOSOPHY

We combine active asset allocation with bottom-up stock selection. In determining the optimal blend of assets we look at the expected return, risk premium and correlations between the asset classes in which the fund is mandated to invest. We employ a common-sense, valuation-driven process to investing in the equity market. This identifies mispriced assets trading at discounts or premiums to their long-term business values. These business values are determined using a longer-term outlook (5 years) and assumptions which ignore "noise" and other influences that we consider temporary in nature. Within the fixed interest arena we actively combine a top-down and bottom-up approach.



## 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 MANAGER

- **NEVILLE CHESTER, BCom, CA (SA), CFA**  
Neville has 14 years' investment experience and is a member of the executive committee. He spent four years as a research analyst within the financial services team at Old Mutual Asset Managers analysing banks and co-managing the financial fund. He joined Coronation in 2000 and in 2001 started managing segregated portfolios. Neville currently manages institutional portfolios within Coronation's aggressive equity portfolio range and the Coronation Market Plus fund. He also co-manages the Coronation Top 20 Fund.