

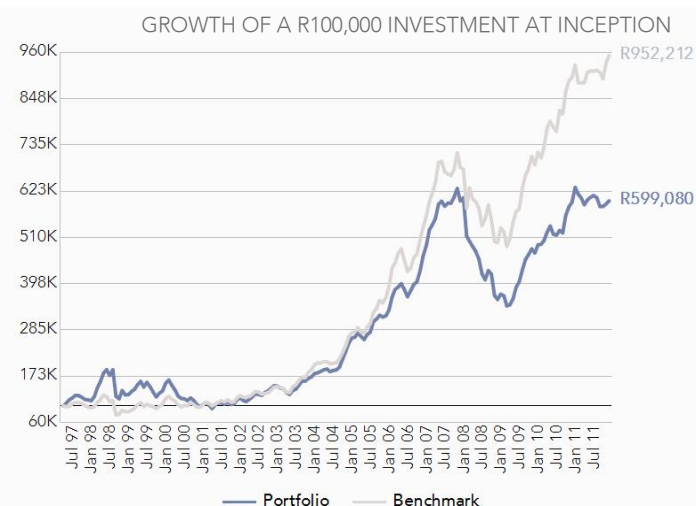


CORONATION SMALLER COMPANIES FUND
31 DECEMBER 2011



Fund purpose	Category-specific exposure to mid and small cap companies
Fund category	Domestic – Equity – Smaller Companies
Benchmark	Composite benchmark (FTSE/JSE Mid and Small Cap Indices)
Risk profile	

LONG-TERM TRACK RECORD



HIGHLIGHTS

- Specialised investment vehicle providing access to Coronation’s best mid and small cap stock picks
- Best performing fund in category since launch

INVESTMENT OBJECTIVE

The fund is a category-specific equity fund that aims to achieve long-term capital growth by investing in mid and small capitalisation companies as well as developing industries. Its return objective is to outperform the market cap weighted index of the FTSE/JSE Mid and Small Cap Indices.

GENERAL INFORMATION

Launch date	1 April 1997
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

The fund will remain fully invested in mid and small sized companies as well as developing industries. Investment returns will be significantly different to those of the FTSE/JSE Top 40 Index due to its investment universe. A minimum of 75% of the fund’s assets will be invested in domestic equities at all times.

INVESTOR PROFILE

The fund is suitable for investors:

- seeking to broaden their equity exposure by including a smaller companies fund
- who wish to benefit from the growth inherent in quality mid and small companies that have the potential to be large caps in the future
- who are not utilising the fund as a single investment but as part of a diversified portfolio

RISK OF MONETARY LOSS

The recommended use of the fund is as a diversifier of an existing portfolio. The fund should be used with the objective of maximising returns over periods of five years or longer.

CORONATION FEES (excl. VAT)

Initial	0.00%
Annual management	1.00%

Fee Methodology

The fund charges an annual fee of 1.00%. Fees are accrued daily and collected monthly.

TOTAL EXPENSE RATIO (TER)¹

1.07%

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

- **ALISTAIR LEA, CA (SA), CFA**
An experienced small caps and financials analyst, Alistair has managed the Coronation Smaller Companies Fund since joining the team in 2005. He completed his articles with PricewaterhouseCoopers and spent two years with JP Morgan in London before joining Brait Private Equity in 1999. In 2001, Alistair joined FTNIB Asset Management where he managed their Intellectual Capital Fund. Upon the closure of FTNIB, Alistair joined Quaystone Asset Management.
- **SIPHAMANDLA SHOZI, BSc (Actuarial)**
Siphamandla joined Coronation in 2005 as a trainee equity analyst. Prior to this he worked as an actuarial assistant at both Momentum and Sanlam Life. His current responsibilities include analysing a range of small cap shares and co-managing the Coronation Smaller Companies Fund.