




CORONATION TOP 20 FUND
31 DECEMBER 2011

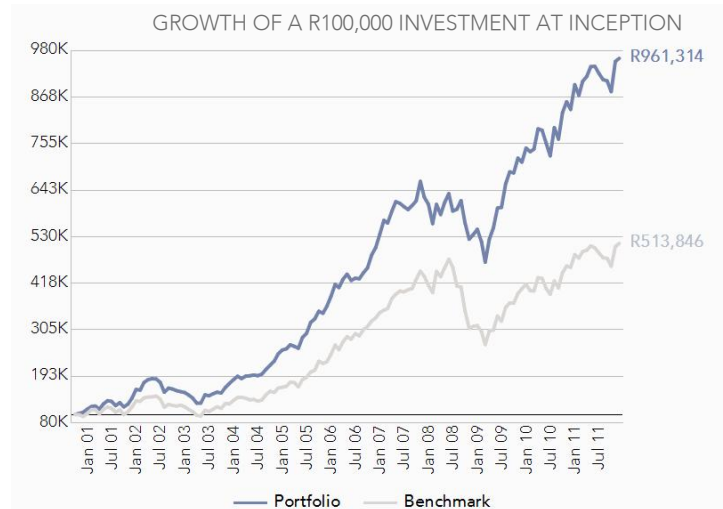
Fund purpose Concentrated exposure to shares listed in South Africa

Fund category Domestic Equity Large Cap

Benchmark FTSE/JSE Top 40 Index

Risk profile  **8/10**
Aggressive

LONG-TERM TRACK RECORD



HIGHLIGHTS

- Consistent top decile performer when compared to broad-based equity funds
- Produced 1.4 times the market's return at only 0.9 times the market's risk since launch in 2000

INVESTMENT OBJECTIVE

Top 20 is a general equity fund aiming to significantly outperform the FTSE/JSE Top 40 Index over a 3 to 5 year period, by investing in a concentrated portfolio constructed from the 50 largest shares listed on the JSE Securities Exchange.

GENERAL INFORMATION

Launch date 1 October 2000

Income distribution Bi-annually
(March and September)

Investment minimum R5 000 lump sum or
R500 monthly debit order

Regulation 28 Does not comply

INVESTOR PROFILE

The fund is suitable for:

- Investors who are in pursuit of maximum long-term returns and are able to withstand short-term market turbulence
- Investors who are in their wealth build-up phase and require little income in the short term
- Investors who aim to blend the best equity views of different fund managers in a managed portfolio
- Investors looking for an alternative to a stockbroker-managed direct share portfolio

The fund is not appropriate for investors who are concerned by short-term capital losses or who want to generate consistent income, nor is it suitable for those who seek an equity investment that tracks the returns of the market.

INVESTMENT MANDATE

The fund will typically hold no more than 20 large cap stocks at any point in time. This results in a valuation-driven, concentrated portfolio which reflects Coronation's best investment view on the opportunities available in the local share market. The emphasis is on active stock selection and the portfolio is constructed on a clean slate basis, often resulting in performance that is very different to that produced by the overall market. Top 20 will not invest in foreign markets or other asset classes, but may hold foreign shares listed on the JSE. The holdings in the portfolio are selected from all of the economic sectors, including resources, financials and industrials.

RISK OF MONETARY LOSS

The recommended term for this investment is five years and longer. Because Top 20 only invests 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 | 0.50% - 3.00% |

Fee Methodology

The fund charges a performance related fee, designed to reflect its aggressive investment objective. A base fee of 1.00% per annum is charged, that will increase or decrease depending on whether the fund performed better or worse than its benchmark.

When the fund performs better than its benchmark, 20% of the outperformance up to a maximum of 2.00% per annum is payable as a performance fee. When the fund produces worse than benchmark performance, the fee will be discounted to 0.50%. 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 1/12th of the annual fee cap applied every month-end.

TOTAL EXPENSE RATIO (TER)¹

1.84% which includes a performance-related fee of 0.58%

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 Ongoing | 0.00% - 3.00% |
| | 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

- **NEVILLE CHESTER, Bcom, CA (SA), CFA**
Neville has 14 years' experience in the investment industry, having started as a research analyst in the financial sector and then progressing to a fund management role. He started managing institutional segregated portfolios as well as the Coronation Market Plus Fund in 2001. Neville is currently responsible for the management of the aggressive portfolios at Coronation and co-manages the Coronation Top 20 Fund.
- **PALLAVI AMBEKAR, CA (SA), CFA**
Pallavi joined Coronation in January 2003 as a trainee research analyst after completing her articles with KPMG. She was appointed co-manager of the Coronation Top 20 Fund in 2009 and is also responsible for analysing the telecommunications companies, British American Tobacco, Richemont, Massmart as well as the hotel and leisure sector.