



**CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS**  
31 DECEMBER 2011

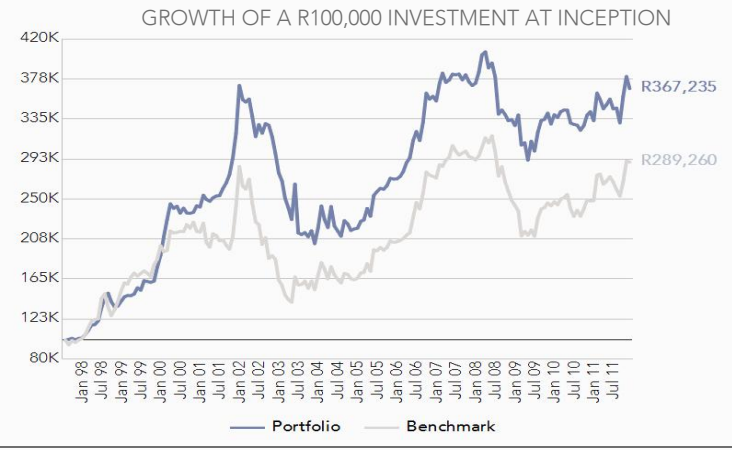


**Fund purpose** Exposure to global equities with a developed market bias  
**Fund category** Foreign – Equity – General  
**Benchmark** Returns in excess of the MSCI World Index (ZAR)  
**Risk profile**  8/10 Aggressive

**HIGHLIGHTS**

- Top performing fund in category since launch
- Provides access to the best investment minds around the world, selected and blended by one of the most experienced money managers in South Africa
- Outperformed the MSCI World Index by 2% per annum since launch in 1997

**LONG-TERM TRACK RECORD**



**INVESTMENT OBJECTIVE**

The fund aims to achieve long-term capital growth that exceeds the MSCI World Index with lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios. The intent of the portfolio is to remain fully invested in foreign assets and, while the fund is rand-denominated, capital growth should be evaluated in US dollars if used as a single investment. The fund will hold its exposure to foreign assets in a variety of currencies, primarily the US dollar, British pound, euro and Japanese yen.

**GENERAL INFORMATION**

**Launch date** 1 August 1997  
**Income distribution** Bi-annually (March and September)  
*In practice, it is unlikely that the fund will deliver significant distributions.*  
**Investment minimum** R5 000 lump sum or R500 monthly debit order  
**Regulation 28** Does not comply  
*The fund may be closed to new investors at Coronation's discretion*

**INVESTMENT MANDATE**

The fund provides exposure to shares listed on a variety of global markets, with a bias towards the developed economies of the US, Europe and Japan. Its portfolio is constructed by selecting a number (typically 10 - 12) of highly skilled international fund managers with different specialised skills. No more than 20% of the fund may be invested with any one fund manager. A minimum of 85% of the fund's assets must be invested offshore, with a minimum of 75% in equities at all times.

**INVESTOR PROFILE**

- The fund is suitable for investors:
- who are over-exposed to South African investments and require to diversify their portfolios into foreign equity markets
  - seeking exposure to foreign equity markets to access a broader opportunity set,
  - aiming to better match their existing investment portfolios to their expected future liabilities that are priced in foreign currency terms (examples include healthcare and energy costs)
  - who have utilised their full individual offshore allowance and require additional exposure to global markets
  - who are able to withstand short-term market fluctuations in pursuit of maximum total returns over the long term

*The fund is not suitable as a single investment holding for long-term investors evaluating the performance of their portfolio in rands.*

**RISK OF MONETARY LOSS**

The recommended use of the fund is as a diversifier of an existing portfolio of primarily domestic assets. If used as a single investment, it should be with the specific objective of maximising returns in US dollar terms over periods of five years and longer. The fund will primarily be invested in shares, the asset class with the highest expected returns, but also the highest level of variability from year to year. In addition, as the intent is to obtain exposure to foreign assets, the portfolio will not hedge its foreign currency exposure. As the rand is a volatile currency, this could lead to significant fluctuations in the rand value of the fund over short periods.

## CORONATION FEES (excl. VAT)<sup>1</sup>

Initial	0.00%
Annual management	1.35% - 3.00%

### Fee Methodology

The fund charges a performance related fee, designed to reflect its objective of outperforming global share markets. A base fee of 1.35% per annum is charged, and a performance fee will be earned only in periods where the fund has outperformed the MSCI World Index.

When the fund performs better than its benchmark, 10% of the outperformance up to a maximum of 1.65% per annum is payable as a performance fee. Performance is measured over a rolling 12-month period, to reflect the longer-term horizon of the fund. Fees are accrued daily and collected monthly.

## TOTAL EXPENSE RATIO (TER)<sup>2</sup>

3.05% which includes a performance-related fee of 0.02%

## INVESTMENT PHILOSOPHY

We construct portfolios from the bottom up, seeking out managers with demonstrable skill. We overlay this with our own top down macro-economic view to construct the mandated investment portfolio. Our objective is to outperform the relevant fund benchmark at a lower volatility than the market. We believe that this is best achieved by constructing a focused portfolio with high conviction positions in underlying managers.

## 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

Our London-based fund of funds team forms part of our team of 50 investment professionals led by chief investment officer, Karl Leinberger.

Tony Gibson is responsible for the fund of funds business, Gavin Joubert leads the Emerging Markets unit and Mark le Roux heads up the Fixed Income team.

### Investment team facts:

- We have three former chief investment officers
- 23 members with a decade or more in the industry (13 team members have more than 15 years' experience)
- Dedicated quantitative research, dealing and implementation



## PORTFOLIO MANAGER

- **TONY GIBSON, BCom**  
Tony is a founder member of Coronation and is one of the most experienced investment managers in our team. Recognised as one of the leading portfolio managers in South Africa, Tony was Coronation's Chief Investment Officer from 1993 to 2004 and was instrumental in setting up the international operation in 1996. Since 2004 Tony has focused exclusively on managing a number of international funds, including the Coronation World Equity [ZAR] Fund of Funds.