


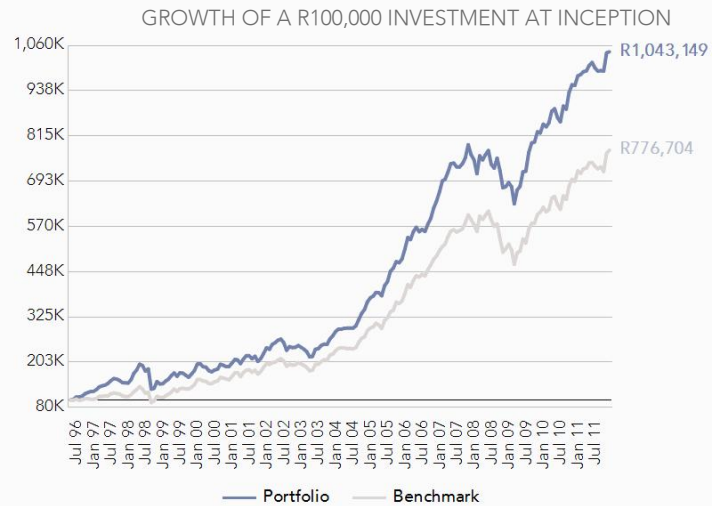


**CORONATION BALANCED PLUS FUND**  
31 DECEMBER 2011

**CORONATION**  
FUND MANAGERS

|                      |   |
|----------------------|---|
| <b>Fund purpose</b>  | Maximising long-term returns for retirement savers                                |
| <b>Fund category</b> | Domestic – Asset Allocation – Prudential – Variable Equity                        |
| <b>Benchmark</b>     | Composite of 63% equity, 22% bonds, 10% international and 5% cash                 |
| <b>Risk profile</b>  |  |

**LONG-TERM TRACK RECORD**



**HIGHLIGHTS**

- Best performing balanced fund over 5 years and since launch
- Produced a total return 23% greater than its average competitor since launch
- Represents Coronation’s best view on asset allocation for long-term investors subject to retirement fund restrictions

**INVESTMENT OBJECTIVE**

The fund aims to achieve the highest possible long-term return achievable within the constraints of the statutory investment restrictions for retirement savings. As it complies with the Pension Funds Act Regulation 28, it is suitable as the complete investment portfolio for investors in retirement annuities, preservation funds, pension funds and provident funds. Balanced Plus has a moderate risk profile.

**GENERAL INFORMATION**

|                            |  |
|----------------------------|--|
| <b>Launch date</b>         | 15 April 1996                                  |
| <b>Income distribution</b> | Bi-annually<br>(March and September)           |
| <b>Investment minimum</b>  | R5 000 lump sum or<br>R500 monthly debit order |
| <b>Regulation 28</b>       | Complies                                       |

**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 – typically the asset class with the highest expected long-term returns. Shares may never comprise more than 75% of the fund’s portfolio, while exposure to foreign assets (excluding Africa) is currently limited to 25%.

**INVESTOR PROFILE**

The fund is suitable for investors:

- building up long-term retirement capital
- requiring a moderate capital growth portfolio
- looking to preserve the purchasing power of their capital over the long term, but not prepared to accept the short-term turbulence of the equity market
- with a time horizon of five years or longer

**RISK OF MONETARY LOSS**

The recommended term for this investment is five years and longer. The fund has a moderate risk profile as it will at all times hold a variety of different types of assets. These assets will not always move in the same direction (up or down) at the same time, making the fund less risky than a pure equity fund. Some of the assets, such as cash and bonds, produce returns that are not as turbulent as shares can be. It is highly unlikely that a balanced fund will lose money over the longer term, however 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 Balanced Plus Fund declined by 8% in 2008, while the FTSE/JSE All Share Index declined by 23%.

**CORONATION FEES (excl. VAT)**

|                   |       |
|-------------------|-------|
| Initial           | 0.00% |
| Annual management | 1.25% |

**Fee Methodology**

The fund charges a fixed annual management fee, to ensure a simple and understandable fee structure. The annual management fee is accrued daily and paid monthly.

**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.

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

1.45%

**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.

**INVESTMENT TEAM**

We have one of the most 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 capacity includes experienced fixed income and quantitative research teams and a London-based international multi-management team. Our team of ten senior portfolio managers are also 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 chief investment officer (CIO) and a member of the Executive Committee. He joined Coronation in 2000 as an equity analyst, was made head of research in January 2005 and appointed CIO in May 2008. Karl currently co-manages the Coronation Houseview portfolios.
- **QUINTON IVAN, BBusSc, BCom (Hons), CA(SA), CFA**  
Quinton joined the Coronation investment team as an equity analyst in April 2005. He currently analyses retail, construction and pharmaceutical stocks and co-manages the Coronation Equity, Balanced Plus and Industrial Funds as well as the Houseview portfolios. Prior to joining, he spent two years at KPMG as a senior manager in the financial services division after completing his articles at the company.

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