

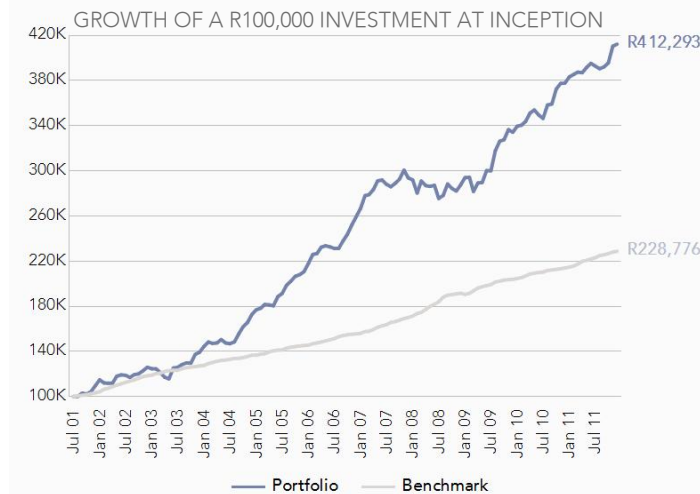


CORONATION CAPITAL PLUS FUND
31 DECEMBER 2011



Fund purpose	Maximising long-term returns while minimising short-term risk
Fund category	Domestic – Asset Allocation – Targeted Absolute and Real Return
Benchmark	Returns in excess of inflation + 4% per annum
Risk profile	

LONG-TERM TRACK RECORD



HIGHLIGHTS

- Managed by the team that pioneered Absolute Return investing in South Africa
- 1st Quartile performer over 3 years, 5 years and 1st in category over 10 years and since launch
- Outperformed inflation by more than 8% per annum since launch

† Benchmark methodology – From January 2009 CPIX was replaced with a newly reweighted and rebased CPI. The rate of inflation used for comparison is calculated using a combination of the official month-to-month CPIX numbers pre-January 2009 and the new CPI from January 2009.

INVESTMENT OBJECTIVE

The fund is specifically managed to be a suitable investment portfolio for investors intending to draw an income over an extended period of time. The fund deploys the maximum risk budget that we believe to be consistent with this investor goal. To improve the probability of achieving its dual objectives of short-term capital preservation and long-term growth, our focus is on constructing a portfolio that can produce higher real returns in the long term while reducing the variability of returns year to year. Our intent is to preserve capital over any 12-month period, while maintaining the ability to produce a long-term return in excess of inflation + 4% per annum.

GENERAL INFORMATION

Launch date	2 July 2001
Income distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 lump sum or R500 monthly debit order
Regulation 28	Complies (managed in line with Reg. 28 limits although not required by investment policy as per supplemental deed)

The fund may be closed to new investors at Coronation's discretion

INVESTMENT MANDATE

The fund is managed with an absolute return orientation, meaning that we emphasise the management and diversification of risk and construct the portfolio on a clean slate basis. It is broadly diversified across asset classes including shares, listed property, conventional bonds, inflation-linked bonds, cash and other appropriate instruments. Active asset allocation and security selection strategies appropriate to the needs of conservative investors with medium to longer time horizons are followed. Exposure to growth assets, defined as shares and property listed in both South African and foreign markets, will not exceed 60%. Exposure to foreign assets is limited to 25%. The fund's broad diversification and exposure constraints make it suitable as a single solution for retirement and discretionary savers and for all pensioners requiring an income after retirement.

INVESTOR PROFILE

The fund is suitable for investors:

- seeking a risk-conscious investment solution enabling an annual income drawdown over an extended period of time
- seeking a conservative investment solution with a strong focus on capital preservation
- requiring a reasonable rate of return over investment horizons of between 3 and 5 years
- with a low tolerance for the volatility of returns associated with equity investing

When your objective is to accumulate capital over the long term, the fund is only suitable if you are a very conservative investor.

RISK OF MONETARY LOSS

The recommended investment term for this fund is 3 years and longer. The fund may hold up to 60% exposure to carefully selected growth assets in order to optimise the medium-term outcome. This may cause short-term price fluctuations which make the fund unsuitable for investors with near-term investment horizons. However, while return expectations should be set over 3 – 5 year periods, the fund is specifically managed to not lose money over any 12-month period. Note that while capital preservation is our intent, this is not a guaranteed fund.

CORONATION FEES (excl. VAT)

Initial	0.00%
Annual management	0.75% - 2.25%

The maximum fee reduced from 2.75% to 2.25%, effective October 2011

Fee Methodology

The fund charges a performance-related fee, designed to reflect its dual return optimisation and capital preservation intent. A base fee of 1.25% per annum is charged that will increase or decrease depending on whether the fund has achieved its return and capital preservation objectives.

When the fund produces a return above inflation + 4%, 10% of the outperformance up to a maximum of 1% per annum is payable as a performance fee. When the fund does not preserve capital, the base fee is discounted to 0.75%. Performance is measured over a 12-month period, to reflect its short-term capital preservation intent. Fees are accrued daily and collected monthly, with 1/12th of the annual fee cap applied every month-end.

TOTAL EXPENSE RATIO (TER)¹

1.83% which includes a performance-related fee of 0.39%

INVESTMENT PHILOSOPHY

The absolute fund range is actively managed through an integrated process of top down asset allocation and bottom-up stock selection. Overall portfolio risk is managed through the inclusion of non-correlated asset classes and stocks are selected on their equal measure of upside return and downside risk. We make no reference to a benchmark and employ a common-sense valuation-driven process that identifies mispriced assets trading at discounts or premiums to their long-term business values. Those stocks that display a substantial 'margin of safety' to Coronation's fair value qualify for inclusion in our absolute portfolios. Dependent upon the portfolio mandate, derivative instruments may be used for the purposes of managing asset allocation, enhancing income yield or hedging during periods of market volatility.



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
- 26 members with a decade or more in the industry (9 team members have more than 15 years experience)

PORTFOLIO MANAGERS

- **LOUIS STASSEN, BSc, BCom (Hons), CFA**
Louis is a founder member and former CIO of Coronation. He is a senior portfolio manager within the investment team responsible for the Absolute Investments unit which he established in 1999. He has more than 20 years' industry experience and has worked in the investment teams of Allan Gray, Syfrets Managed Assets and Standard Bank in London.
- **HENK GROENEWALD, BEng (E&E), CFA**
Henk joined Coronation as an equity analyst in January 2005. Prior to this, he spent two years as a trainee equity analyst with Allan Gray and three years as an electrical engineer at Sasol. Henk co-manages the Coronation Resources Fund and the Absolute range of funds.