

Fund category
Benchmark†

Domestic Asset Allocation Targeted Absolute and Real Return
Consumer Price Index (CPI) + 6% per annum

PORTFOLIO DETAIL

INVESTMENT OBJECTIVE

The fund aims to provide increasing participation in market returns, consisting of both income and capital growth, while aiming to provide some capital protection in declining market conditions.

INVESTMENT MANDATE

The portfolio will use active security selection and asset allocation processes combined with derivative and quantitative risk management techniques to limit the risk of losses in declining market conditions.

The levels at which capital is protected are increased in set bands as returns are generated within the portfolio. The initial amount of capital that will be protected will be set at 90% of the portfolio value. This capital protection level will be shifted up in 5% bands as positive performance is achieved, i.e. once the portfolio has generated an additional 5% return the protection level will be shifted to 90% of the new unit price (the protection level will be adjusted lower when distributions are made). It is important to note that the capital protection techniques employed does not imply a capital guarantee.

The fund complies with Regulation 28 of the South African Pension Funds Act. Exposure to equities may not exceed 75%, with a maximum exposure to international assets of 20%.

INVESTOR PROFILE

The fund is suitable for:

- Investors building up or protecting long-term retirement capital within a retirement investment vehicle, these include retirement annuity funds, provident and preservation funds.
- Investors seeking upside market participation through actively managed equity, bonds and derivative-enhanced asset allocation, but with some level of capital preservation.

RISK OF MONETARY LOSS

The recommended term for this investment is three years and longer. The fund will be managed to achieve the following outcome with regards to the risk of capital loss:

- Slight in periods greater than two years.
- Moderate in periods between 6 and 24 months.
- Higher in periods less than 6 months.

GENERAL INFORMATION

- Launch date: 1 February 2007
- Regulation 28: Complies
- Income distribution: Quarterly (March, June, September, December)
- Investment minimum: R5 000 lump sum and/or R500 monthly debit order

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

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	1.50%
*A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.	
Total Expense Ratio (TER) ¹	2.16%

Annual management fee discount:

Coronation will forego the annual management fee on all days where the fund trades below the applicable protection level.

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- An Initial advice fee may be negotiated to a maximum of 3% and is applied to each contribution and deducted before investment is made.
- Ongoing advice fees may be negotiated to a maximum of 1% per annum (if initial advice fee greater than 1.5% is selected, then the maximum annual advice fee is 0.5%), charged by way of unit reduction and paid to the Financial Advisor monthly in arrears. This annual advice fee is not part of the normal annual management fee as disclosed above.
- Where commission and incentives are paid, these are included in the overall costs.



PORTFOLIO MANAGER

Greg van Til
BBusSc, Honours
(Finance), CFA

Greg joined Coronation in 1998 and is head of the Quants team. He is responsible for all derivative positioning used within client portfolios both to enhance returns and provide levels of portfolio protection and is the manager of the Coronation Capital Preserver Fund (institutional investors only).