

CORONATION FUND MANAGERS – CORE FLEXIBLE FUND RANGE

Our Core Flexible Fund Range aims to provide the optimal product solution to both financial advisors and clients. Coronation takes full responsibility for asset allocation and security in order to provide investors with real returns over specified time periods. The range includes low risk, medium risk and high risk funds.

	Strategic Income†	Balanced Defensive†	Capital Plus	Balanced Plus	Market Plus	Top 20‡
Investment objective	Provide a higher level of income than a traditional money market or pure income fund with moderate capital growth	Provide a reasonable level of current income and seeks to preserve capital in real terms, with lower volatility over the medium to long-term	Maintain a real growth of assets in excess of 4% p.a. and to preserve capital over rolling 12 month periods	Achieve long-term capital growth and moderate income generation	Achieve long-term capital growth by investing primarily in equities	Aims to outperform the FTSE/JSE Top 40 Index and invests only in the top 50 domestic shares as measured by market cap
Fund mandate	Flexible mandate with no prescribed maturity limits and a flexible duration policy Seeks to protect capital in times of bond market weakness	Broadly diversified across all asset classes and sectors Follows an active asset allocation strategy, combined with an appropriate security selection process This is not a guaranteed fund	Broadly diversified, fully managed with an absolute return orientation This is not a guaranteed fund May be closed to new investments at Coronation's discretion	Prudential based investment vehicle with an equity bias over the investment cycle Represents our "best investment view" on asset allocation and instrument selection	Flexible mandate with an inherent large cap equity bias The fund invests in local and international assets	Typically holds no more than 20 large and/or mid cap stocks at any point in time resulting in a valuation-driven, concentrated portfolio Emphasis is on active stock selection and the portfolio will be constructed on a clean slate basis
Asset allocation	Defensive Bonds, cash, listed property and preference share exposure	Defensive Max total equity exp: 40% Max international equity exp: 20%	Defensive Max domestic equity exp: 50% Max international equity exp: 20%	Moderate Max total equity exp: 75% Max international exp: 20%	Aggressive Max total equity exp: 100% Max international exp: 20%	Aggressive Max equity exp: 100% (75% min)
Regulation 28	Complies	Complies	Complies	Complies	Does not comply	Does not comply
Benchmark	BEASSA ALBI (1 – 3 year)TR Index	Alexander Forbes 3-month (STeFI) Index + 3% p.a.	CPI + 4% p.a.*	Composite benchmark (63% equity, 22% bonds, 10% international, 5% cash)	Composite benchmark (63% equity, 22% bonds, 10% international, 5% cash) +2% p.a.	FTSE/JSE Top 40 Index
Return objective	Outperform the benchmark	Outperform the benchmark	Achieve a return in excess of CPI + 4% per annum*	Outperform the benchmark	Achieve a return in excess of composite benchmark + 2% per annum	Outperform the index tracker funds
Risk of monetary loss	Slight in periods greater than 6 months Moderate in periods less than 6 months	Slight in periods greater than 6 months Moderate in periods between 3 and 6 months Higher in periods less than 3 months	Slight in periods greater than 12 months Moderate in periods between 3 and 12 months Higher in periods less than 3 months	Slight in periods greater than 5 years Moderate in periods between 12 and 60 months Higher in periods less than 1 year	Slight in periods greater than 5 years Higher in periods less than 1 year	Slight in periods greater than 5 years High in periods shorter than 1 year
Recommended term	6 months and longer	2 years and longer	3 years and longer	5 years and longer	5 years and longer	5 years and longer
Target market	Risk averse investors requiring a regular stream of income from their capital base Investors seeking a managed exposure to income generating investments Investors who believe in the benefits of active management within the fixed interest universe	Investors wanting to protect long-term retirement capital in real terms within a retirement investment vehicle Investors seeking a defensive investment solution that would allow them to draw a reasonable level of income coupled with a strong focus on capital preservation in real terms Investors with a low tolerance for the volatility of returns associated with equity investing Not suitable for investors seeking a vehicle that aims to aggressively accumulate capital	Investors seeking a conservative investment solution with a strong focus on capital preservation Investors with a low tolerance for the volatility of returns associated with equity investing Investors building up or protecting long-term retirement capital within a retirement investment vehicle Not suitable for investors seeking a vehicle that aims to aggressively accumulate capital	Investors requiring a moderate capital growth portfolio Investors seeking medium-term capital protection Investors building up long-term retirement capital	Investors seeking an aggressive fund that operates within a flexible framework This fund is not suitable for highly risk-averse investors	Investors looking for an alternative to a stockbroker-managed direct share portfolio Investors who are in their wealth build-up phase and require little income yield in the short term Investors who are able to withstand short-term market fluctuations in pursuit of maximum total returns over the long term The fund is not appropriate for investors who are concerned by short-term capital losses or who want to generate consistent income The fund is actively managed and is therefore not appropriate for investors who seek an equity investment that tracks the returns of the market

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	Strategic Income†	Balanced Defensive†	Capital Plus	Balanced Plus	Market Plus	Top 20‡
Initial fee (excl. VAT)	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%
Annual management fee** (excl. VAT)	1.00%	1.50% If the fund delivers a negative return over a rolling 12-month period, Coronation will forego the total annual management fee	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 2.75% Sharing rate: 10% 10% of the fund's outperformance when the fund delivers a positive return in excess of benchmark, over a rolling 12 month period If the fund produces a positive return in line with or below the benchmark, a standard minimum fee will be levied. If the fund produces a negative return over a rolling 36-month period, the discounted minimum fee applies.	1.25%	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 3.75% Sharing rate: 20% 20% of the fund's outperformance when the fund delivers a positive return in excess of the benchmark, over a rolling 12 month period If the fund produces a positive return in line with or below the benchmark, a standard minimum fee will be levied. If the fund produces a negative return over a rolling 60-month period, the discounted minimum fee applies.	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.50% Sharing rate: 20% 20% of the fund's outperformance when the fund delivers a positive return in excess of the benchmark, over a rolling 12 month period If the fund produces a return in line with the benchmark, a standard minimum fee will be levied. If the fund produces a return below the benchmark over a rolling 12-month period, the discounted minimum fee applies
Total expense ratio (incl. VAT)	1.13% p.a.	1.73% p.a.	1.02% p.a., which includes a performance-related fee of 0.02%	1.71% p.a.	1.69% p.a., which includes a performance-related fee of 0.36%	1.37% p.a., which includes a performance-related fee discount of 0.13%
Income distribution	Quarterly	Quarterly	Quarterly	Bi-annually (March, September)	Bi-annually (March, September)	Bi-annually (March, September)
Investment minimum	R5 000 lump sum and/or R500 monthly debit order	R5 000 lump sum and/or R500 monthly debit order	R5 000 lump sum and/or R500 monthly debit order	R5 000 lump sum and/or R500 monthly debit order	R5 000 lump sum and/or R500 monthly debit order	R5 000 lump sum and/or R500 monthly debit order
Fund category	Domestic Fixed Interest Varied Specialist	Domestic Asset Allocation Prudential Low Equity	Domestic Asset Allocation Targeted Absolute and Real Return	Domestic Asset Allocation Prudential Variable Equity	Domestic Asset Allocation Flexible	Domestic Equity Large Cap
Launch date	2 July 2001	1 February 2007	2 July 2001	15 April 1996	2 July 2001	1 October 2000
Portfolio managers	Mark le Roux Tania Miglietta	Charles de Kock Mark le Roux	Edwin Schultz Gavin Joubert Louis Stassen	Karl Leinberger	Neville Chester	Neville Chester

*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.

**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.

†The ongoing fee structure of these funds will be changed with effect from 1 November 2009.

For further information on these and/or other Coronation products, please feel free to contact:

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