

CORONATION FUND MANAGERS – INCOME AND HIGH-YIELDING FUND RANGE

Our Income and High-Yielding Fund Range aims to provide the most competitive level of income (or interest) with the lowest possible level of risk to capital invested. Investors need to be cognisant of the fact that each fund has its own unique risk profile and mandate.

	Income	Bond	Strategic Income†	Preference Share	Property Equity
Investment objective	Provide a higher level of income than a traditional money market fund with moderate capital growth	Seeks to provide investors with well-diversified exposure to the South African bond market	Provide a higher level of income than a traditional money market or pure income fund with moderate capital growth	Invests in a range of quality listed preference shares with the aim of maximising yield in the form of dividend income	A sector-specific equity fund that invests in quality listed property assets with the aim of producing high income yields and sustained long-term capital growth
Fund mandate	Seeks to protect capital while enhancing the total return available from interest-bearing securities The weighted average maturity should not exceed two years	Aims to offer a balance between income and capital growth in order to maximise returns The duration range around the All Bond Index is ± 2	Flexible mandate with no prescribed maturity limits and a flexible duration policy Seeks to protect capital in times of bond market weakness	Invests in listed preference shares, cash, government bonds, listed corporate bonds, other high yielding securities and derivatives May not invest more than 20% of the portfolio in preference shares that are convertible into ordinary shares Exposure to securities, other than listed preference shares may not be more than 30% of the portfolio	Managed with an absolute bias, striving to protect capital throughout the cycle The portfolio manager has the discretion to reduce property exposure to 50% of the fund's value May be closed to new investments at Coronation's discretion
Asset allocation	Defensive Fixed interest and cash exposure only	Defensive Fixed interest and cash exposure only	Defensive Bonds, cash, listed property and preference share exposure	Moderate	Moderate Max listed property exp: 100% Min listed property exp: 50%
Regulation 28	Does not comply	Does not comply	Complies	Does not comply	Does not comply
Benchmark	BEASSA ALBI (1 – 3 years) TR Index	BEASSA All Bond TR Index	BEASSA ALBI (1 – 3 year) TR Index	3-month STeFI, adjusted for maximum individual tax rate	FTSE/JSE SA Listed Property Index
Return objective	Outperform the benchmark	Outperform the benchmark	Outperform the benchmark	Outperform the benchmark	Outperform the benchmark
Risk of monetary loss	Slight in periods greater than 3 months Moderate in periods less than 3 months	Slight in periods greater than 12 months Moderate in periods less than 12 months	Slight in periods greater than 6 months Moderate in periods less than 6 months	Slight in periods greater than 12 months Moderate in periods less than 12 months	Slight in periods greater than 24 months Moderate in periods between 12 and 24 months Higher in periods less than 1 year
Recommended term	3 months and longer	12 months and longer	6 months and longer	6 months and longer	3 years and longer
Target market	Risk averse investors requiring a regular stream of income from their capital base Investors seeking a managed investment with a target duration that is within fund constraints and actively adjusted to benefit from interest rate movements over time Investors that require a higher level of income with some potential for capital growth	Risk averse investors requiring a regular stream of income from their capital base Suitable for use as a satellite fund if the investor intends following a core/satellite approach	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 seeking a competitive after-tax return, without taking on undue traditional equity market risk Not suitable for investors seeking an income-producing fund with a risk profile comparable to that of a money market fund	Investors requiring a regular stream of income from their capital base Investors seeking exposure to the listed property sector with a strong focus on capital preservation Investors seeking an asset class with a lower volatility and lower return correlation to a pure equity fund Suitable for use as a satellite fund if the investor intends following a core/satellite approach

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	Income	Bond	Strategic Income†	Preference Share	Property Equity
Initial fee (excl. VAT)	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%	Coronation: 0.00%
Annual management fee* (excl. VAT)	0.75%	0.86%	1.00%	Class A: 0.60% Class B2: 0.85% (includes IFA advice fee) Up to 2% may apply if redemptions are made within the first 6 months. This is not applicable in the case of regular withdrawals	1.25%
Total expense ratio (incl. VAT)	0.91% p.a.	0.86% p.a.	1.13% p.a.	Class A: 0.70% p.a. Class B2: 0.98% p.a.	1.44% p.a.
Income distribution	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
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	R20 000 lump sum No monthly debit orders allowed	R5 000 lump sum and/or R500 monthly debit order
Fund category	Domestic Fixed Interest Income	Domestic Fixed Interest Bond	Domestic Fixed Interest Varied Specialist	Domestic Fixed Interest Varied Specialist	Domestic Real Estate General
Launch date	3 April 2000	1 October 1997	2 July 2001	2 October 2006	20 November 2000
Portfolio managers	Tania Miglietta	Mark le Roux	Mark le Roux Tania Miglietta	Tania Miglietta Godwill Chahwahwa	Edwin Schultz Anton de Goede

*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 this fund 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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