

Coronation Top20 wears the crown

5 YEARS: 180% in cumulative returns

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THE top performing equity fund over five years is the Coronation Top20 fund, raking in over 180% in cumulative returns versus just over 100% for Satrix 40.

So how is the top performer placing its bets for 2010?

The fund holds only 20 shares and some cash (less than 1% of the

fund), and was a net buyer of shares in the quarter ended December 2009, spending a few million rand adding to most of its positions.

The fund's only totally new position was Vodacom, which is now 2,9% of the fund at an average price of R56,49 per share. This is around 3% higher than where the share is trading now.

The latest top three holdings (MTN, British American Tobacco and Sasol) have been held by the fund for the last three quarters at least, and their proportion of the

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funds' assets has increased steadily over that period.

Says fund manager Neville Chester: "Starting off in 2010, the economy, both locally and globally, still faces significant challenges and as thoughts shift towards how the

unprecedented monetary and fiscal response to the crisis is removed, more challenges will become evident...

"In our opinion, the cyclical sectors have rallied very strongly in anticipation of a strong economic recovery, which is by no means confirmed. Should the recovery come through, this is already reflected in the valuations, and should there be disappointments, there could be a sharp retracement in cyclical share prices."

The danger with simply following

the professionals, however, is that you may not understand why they bought the share in the first place, which could affect your view on the company. Fund managers' moves are announced long after they have happened, so if you want to follow them out of a position you may only be able to do so a few months after they have made their move.

This may mean you could mis-time your moves.

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