CORONATION MARKET PLUS FUND

Fund Information as at 31 August 2018

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WHAT IS THE FUND'S OBJECTIVE?

Market Plus aims to maximise long-term investment growth, at lower levels of risk than a fund that is only invested in shares.

WHAT DOES THE FUND INVEST IN?

Market Plus can invest in a wide range of assets such as shares, bonds, listed property and cash, both in South Africa and internationally.

It will typically have a strong bias towards shares, which offer the highest expected long-term returns. But unlike an equity fund, it does not have to remain fully invested in shares when we believe the stock market is too expensive.

Foreign investments (excluding Africa) may represent up to 35% of its assets. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

7/10

Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%

Income Assets: 0%

Market Plus represents Coronation's view on the best combination of different assets that could maximise long-term returns at a reasonable level of risk.

The fund is primarily invested in shares, and will actively seek out only those investments we believe are attractively valued and may offer superior long-term growth.

Market Plus will typically have more exposure to shares than a traditional balanced fund. Shares can be volatile investments and there is a risk of capital loss, especially over the short term. However, the fund is managed with a strong emphasis on instrument valuation and it is therefore unlikely to lose money over the longer term. It may still produce negative returns in extreme years, but at a lower level than a pure equity fund.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term for this fund is five years and longer.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Long-term investors who are building wealth and

- can stay invested for at least five years (preferably longer);
- seek to preserve the purchasing power of their savings over the long term by investing in a diversified portfolio;
- are not dependent on an income from their investment;
- who do not need to accept the investment constraints applicable to retirement savers.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.75% and a maximum of 2.40% is payable, depending on the fund's performance.

If the fund's return (after fees and costs) is equal to that of its benchmark plus 2%, an annual fee of 1.25% will be charged. We share in 20% of performance above the benchmark plus 2%, up to a maximum annual total fee of 2.40%. Performance is measured over a rolling 24-month period.

When the fund underperforms the benchmark over any 60-month period, the fee is reduced by 0.50%.

TFI Class A - An annual fee of 1.60% is payable. This class in only available for Tax Free Investments.

All fees exclude VAT. Fund expenses that are incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

NEVILLE CHESTER
BCom, CA (SA), CFA

PALLAVI AMBEKAR
CA (SA), CFA

NICHOLAS STEIN
CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	2 July 2001
Fund Class	A
Benchmark	Composite: 52.5% equity, 22.5% bonds, 5% cash, 20% international
Fund Category	Worldwide – Multi-asset – Flexible
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORMKPL
ISIN Code	ZAE000031506
JSE Code	CMPF

CORONATION MARKET PLUS FUND

CLASS A as at 31 August 2018

CORONATION
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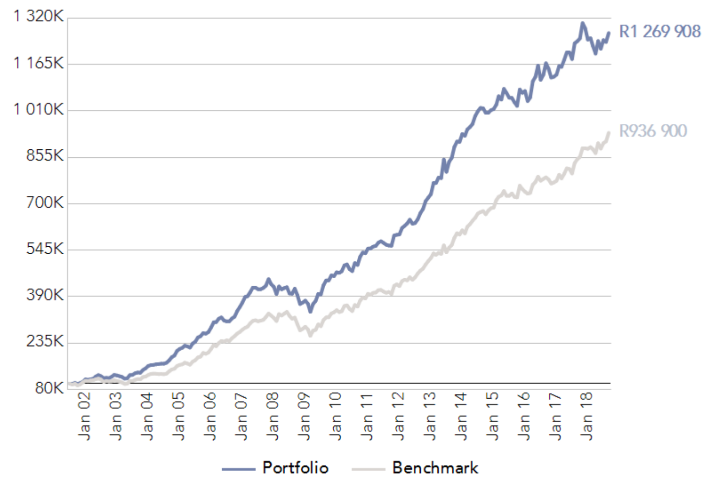
Fund category	Worldwide - Multi Asset - Flexible
Launch date	02 July 2001
Fund size	R 4.89 billion
NAV	8251.35 cents
Benchmark/Performance Fee Hurdle	Composite (52.5% equity, 22.5% bonds, 20% international, 5% cash)
Portfolio manager/s	Neville Chester, Pallavi Ambekar and Nicholas Stein

	CLASS A		CLASS TFI A	
	1 Year	3 Year	1 Year	3 Year
Total Expense Ratio	1.65%	1.52%	1.84%	1.78%
Fund Management Fee	1.24%	1.16%	1.42%	1.40%
Fund expenses	0.23%	0.20%	0.23%	0.18%
VAT	0.17%	0.16%	0.20%	0.20%
Transaction costs (inc. VAT)	0.14%	0.16%	0.14%	0.15%
Total Investment Charge	1.79%	1.68%	1.98%	1.93%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1169.9%	836.9%	333.0%
Since Launch (annualised)	16.0%	13.9%	2.0%
Latest 15 years (annualised)	16.0%	15.0%	1.0%
Latest 10 years (annualised)	11.8%	11.3%	0.4%
Latest 5 years (annualised)	8.3%	10.8%	(2.5)%
Latest 3 years (annualised)	6.9%	9.0%	(2.1)%
Latest 1 year	2.2%	10.4%	(8.2)%
Year to date	1.8%	6.1%	(4.3)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	10.5%	10.0%
Sharpe Ratio	0.75	0.58
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	66.5%	67.5%

	Fund	Date Range
Highest annual return	50.0%	Aug 2004 - Jul 2005
Lowest annual return	(20.1%)	Mar 2008 - Feb 2009

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Aug 2018
Domestic Assets	**66.5%**
Equities	42.4%
Basic Materials	7.7%
Industrials	0.9%
Consumer Goods	6.0%
Health Care	2.4%
Consumer Services	7.6%
Telecommunications	2.7%
Financials	9.5%
Technology	0.6%
Derivatives	5.0%
Preference Shares & Other Securities	3.2%
Real Estate	11.5%
Bonds	9.8%
Commodities	1.1%
Cash	(2.8)%
Other (Currency Futures)	1.3%
International Assets	**33.5%**
Equities	21.6%
Real Estate	1.3%
Bonds	8.6%
Cash	1.9%

TOP 10 HOLDINGS

As at 30 Jun 2018	% of Fund
Naspers Ltd	5.0%
British American Tobacco Plc	4.1%
INTU Properties	3.8%
MTN Group Ltd	3.1%
Contrarius Global Equity Fund	2.8%
Egerton Capital Equity Fund	2.6%
Standard Bank Group Ltd	2.5%
Anglo American Plc	2.2%
Maverick Capital	1.9%
Old Mutual LTD	1.8%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Mar 2018	03 Apr 2018	127.63	38.32	89.31
29 Sep 2017	02 Oct 2017	128.57	46.49	82.08
31 Mar 2017	03 Apr 2017	106.51	29.12	77.39
30 Sep 2016	03 Oct 2016	118.47	41.35	77.12

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	0.4%	(2.1)%	(2.1)%	3.5%	(2.1)%	2.4%	(0.5)%	2.4%					1.8%
Fund 2017	2.5%	(0.2)%	2.0%	2.1%	0.0%	(1.8)%	4.5%	0.6%	0.7%	4.1%	(1.3)%	(2.9)%	10.4%
Fund 2016	(3.1)%	1.1%	5.2%	1.3%	3.4%	(4.1)%	1.5%	3.4%	(1.6)%	(2.6)%	0.2%	0.6%	5.0%

Issue date: 2018/09/07

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Please note that the commentary is for the retail class of the fund.

The fund had a good quarter, delivering a return of 3.8% for the period, as a number of its strategies paid off. Global capital markets remain volatile as the looming trade war with the US, potential 'hot' war in the Middle East and the ramifications of Brexit remain significant risks that are not quantifiable yet. The fund continues to take advantage of this volatility to invest where meaningful return opportunities exist.

As the US-inspired global trade war looms we have seen a significant retreat in the currencies and bond markets of emerging markets around the world. The strength of the dollar added to the fund's returns for the period given our overweight position. We have used this period of dollar strength to reduce this overweight position in favour of high yielding government bonds from some emerging markets, including South Africa. We have also reduced the global equity position as developed equity markets have remained resilient in the face of what can be a very detrimental trade war.

Our allocation to global equity has performed extremely well this quarter adding additional return from this alpha. As we have started reducing global equity we have added to our position in global property via the listed Real Estate investment Trust (REIT) sector buying high quality European and US retail focused REITs trading on very attractive yields, between 7% and 9%. These are some of the few assets we think are correctly priced for rising interest rates and world instability, and hence offer value.

On the domestic equity front we have increased our exposure to domestic equity as 'Ramaphoria' fades and the realism of what our local economy faces starts to set in. We have seen domestic shares retrace significantly, many of them to levels below those prior to the outcome of the ANC's elective conference in December. This has provided an opportunity to add to better quality domestic shares that are no longer priced for an optimistic outcome. While the local economy will no doubt improve under new president Cyril Ramaphosa, this recovery will be longer and slower than most people expected, and further put under strain by the general 'risk off' sentiment referred to above.

Within our equity exposure we have added to more domestic names and reduced some of the global companies that have performed extremely well. Mondi, which has been a stalwart of our portfolios, has performed exceptionally, and while we still like the business and it remains in our portfolios, it now holds a much smaller position. In its place, we have added to our banking exposure, especially Investec which remains on a single digit multiple, and our life insurance exposure where MMI continues to languish at a massive discount to its embedded value. Pleasingly, the board of MMI approved a share buyback as opposed to a dividend, so far enabling the company to buy back R1bn of its shares at a significant discount to its underlying value, creating permanent value per share for its remaining shareholders.

With the weakening of the rand and the selloff in the bond market, precipitated by a flood of foreign-based selling, we once again see value in the local bond market. We have taken advantage of the selloff to reduce our underweight position significantly, moving from virtually no fixed rate exposure to over 10% of the fund now exposed to fixed rates. With inflation remaining comfortably below the 6% upper range off the inflation target, real yields of 3% to 4% look attractive.

We have retained our high weighting in locally listed property, but took advantage, earlier in the period, of some strength in some of the mid-tier names to take some profits. Our UK exposed property names have continued to languish as the British pound has weakened and concerns remain around what Brexit will mean for these operations. These stocks continue to trade on vast discounts to their underlying value and on attractive dividend yields and remain a high conviction position in our funds.

In the foreseeable future, we are likely to see the continued rise in US interest rates to more normalised levels, continued friction between the two economic giants of the US and China and the ultimate realisation of a Brexit voted on over two years ago by a gullible British public. They will all undoubtedly have a very real economic impact. In the short term, they will also impact equity, currency and bond markets. Key to delivering successful long-term returns will be to consider carefully how short-term news flows and price movements will play out in the long term and then act accordingly. On the local front, an increasingly bad tempered debate about land policy and a frustratingly slow change of industrial policy by a parliament of compromised individuals is likely to keep uncertainty high and business and consumer confidence under pressure. In this environment, remaining exposed to high quality businesses with well capitalised balance sheets will be key.

Looking forward we remain confident with how the fund is structured for delivering on its mandate.

Portfolio managers
Neville Chester and Pallavi Ambekar
as at 30 June 2018

CORONATION MARKET PLUS FUND

Important Information

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IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION MARKET PLUS FUND

The Market Plus Fund should be considered a medium- to long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest up to 35% (excluding Africa) of its portfolio into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation and top 10 holdings are reflected on a look-through basis. Any African exposure (ex SA) is reflected under international assets. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The TFI Class TER and Transaction Costs cannot be determined accurately because of the short life span of the class. Calculations are based on actual data where possible and best estimates where actual data is not available.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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