

WHAT IS THE FUND'S OBJECTIVE?

Optimum Growth aims to maximise long-term investment growth by investing in a range of opportunities available in public asset markets from both South Africa and around the world. Our intent is to provide competitive after inflation returns measured in rand over all five year periods.

WHAT DOES THE FUND INVEST IN?

Optimum Growth will normally have a significant bias towards shares, but can invest in a variety of assets including listed property, bonds and cash. The fund has a flexible mandate and can invest in any combination of developed economies (including the US, Europe and Japan), South African assets and other emerging market assets.

The fund will vary exposure to South African, developed and emerging market assets based on where the most attractive valuations are available. We expect the fund to have the majority of its assets invested in global equities over time. Its exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen.

The fund may use exchange traded funds and other financial instruments (eg. derivatives) to implement specific investment views.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



Optimum Growth aims to achieve the best possible long-term growth for investors.

Consequently, it will have a sizeable exposure to shares, which typically offer the best returns over the long run.

Optimum Growth will only invest in assets we view as being attractively valued and that could offer strong long-term investment growth. The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While shares typically offer superior long-term returns, this comes with higher levels of risk and volatility. We have a disciplined approach to reducing risk, but shares can be volatile investments and may suffer capital losses over the short term. Global currency movements may intensify investment gains or declines.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

An investment term of more than five years is recommended.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- ▶ are looking for the best growth opportunities available in both South African and international markets;
- ▶ are comfortable with allowing Coronation a wide degree of discretion, in allowing us to make both the equity and international allocation decisions;
- ▶ require investment growth over the long term and accept the possibility of volatility and the risk of short-term losses;
- ▶ do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.85% and a maximum of 2.40%, depending on the fund's performance, is payable.

If the fund's return (after fees and costs) is equal to that of its benchmark, a fee of 1.00% will be charged.

We share in 20% of the outperformance above the benchmark, up to a maximum total annual fee of 2.40%. Performance is measured over a rolling 24-month period.

When the fund return is below the benchmark over a rolling 60-month period the fee is discounted by 0.15%.

All fees exclude VAT. Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge any fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



**GAVIN
JOUBERT**
BBusSc, CA (SA), CFA



**MARC
TALPERT**
BAccSc, HDipAcc, CA (SA)

GENERAL FUND INFORMATION

Launch Date	15 March 1999
Fund Class	A
Benchmark	Composite: 35% JSE CAPI, 15% ALBI, 35% MSCI ACWI, 15% BGBA
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	COROPTG
ISIN Code	ZAE000019782
JSE Code	CNOG

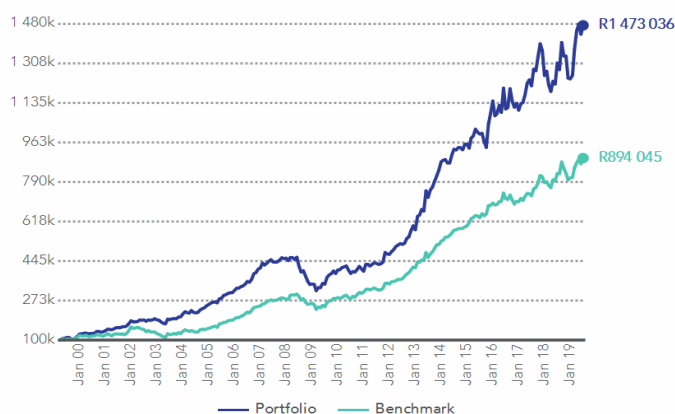
CORONATION OPTIMUM GROWTH FUND

CLASS A as at 30 June 2019

Fund category	Worldwide - Multi Asset - Flexible
Launch date	15 March 1999
Fund size	R 7.37 billion
NAV	11645.57 cents
Benchmark/Performance	Composite (35% JSE CAPI, 15% ALBI,
Fee Hurdle	35% MSCI ACWI, 15% BGBA)
Portfolio manager/s	Gavin Joubert and Marc Talpert

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS VS BENCHMARK (AFTER FEES) (ZAR)

	Fund	Benchmark	Inflation
Since Launch (unannualised)	1373.0%	794.0%	228.7%
Since Launch (annualised)	14.2%	11.4%	6.1%
Latest 15 years (annualised)	13.6%	13.4%	5.7%
Latest 10 years (annualised)	15.7%	13.8%	5.2%
Latest 5 years (annualised)	9.6%	9.1%	5.0%
Latest 3 years (annualised)	10.0%	7.6%	4.7%
Latest 1 year (annualised)	12.5%	8.2%	4.4%
Year to date	18.8%	10.7%	2.7%
Annualised Deviation	12.5%	10.8%	1.5%
Sharpe Ratio	0.45	0.27	(1.68)
Downside Deviation	7.2%	5.5%	0.7%
Positive Months	65.0%	63.0%	91.8%

	Fund	Date Range
Highest annual return	51.1%	Jan 2013 - Dec 2013
Lowest annual return	(31.5%)	Mar 2008 - Feb 2009

PERFORMANCE FOR VARIOUS PERIODS VS MSCI ACWI (AFTER FEES) (USD)

	Fund	Benchmark	MSCI ACWI
Since Launch (unannualised)	545.9%	292.5%	188.5%
Since Launch (annualised)	9.6%	7.0%	5.4%
Latest 10 years (annualised)	8.9%	7.1%	11.1%
Latest 5 years (annualised)	3.5%	3.1%	6.7%
Latest 3 years (annualised)	11.4%	9.1%	11.6%
Latest 1 year (annualised)	9.7%	5.4%	5.7%
Year to date	21.0%	12.7%	16.2%

MONTHLY PERFORMANCE RETURNS (AFTER FEES) (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	1.3%	9.0%	6.0%	2.0%	(3.0)%	2.7%							18.8%
Fund 2018	1.5%	(4.6)%	(2.4)%	3.8%	(1.0)%	7.6%	(2.2)%	9.2%	(4.2)%	0.0%	(7.2)%	(0.2)%	(1.2)%
Fund 2017	2.5%	0.4%	3.0%	4.3%	1.3%	(2.1)%	6.0%	(0.6)%	4.8%	4.3%	(2.1)%	(8.0)%	13.7%

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	1.44%	1.41%
Adjusted for out/(under)-performance	1.00%	1.00%
Fund expenses	0.20%	0.17%
VAT	0.06%	0.08%
Transaction costs (inc. VAT)	0.17%	0.17%
Total Investment Charge	1.61%	1.58%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2019
Equities	74.3%
North America	24.3%
Europe	23.7%
Asia	12.6%
United Kingdom	5.8%
South Africa	5.2%
Latin American	2.7%
Bonds	4.5%
North America	4.3%
Asia	0.1%
Cash	12.8%
USD	6.4%
Other	5.0%
ZAR	1.5%
Commodities	2.8%
Gold	2.6%
Global	0.2%
Real Estate	5.6%
Europe	5.4%
South Africa	0.2%

TOP 10 HOLDINGS

As at 30 Jun 2019	% of Fund
UNIBAIL Group Stapled	3.3%
British American Tobacco Plc	3.1%
58 Com Inc-Adr	3.0%
Naspers Ltd	3.0%
LVMH	3.0%
Airbus Group SE	3.0%
Blackstone Group	2.7%
Alphabet Inc	2.7%
Charter Communication A	2.7%
Diageo plc	2.5%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Mar 2019	01 Apr 2019	30.81	26.96	3.85
28 Sep 2018	01 Oct 2018	69.10	67.56	1.54
29 Sep 2017	02 Oct 2017	15.67	13.67	2.00
31 Mar 2017	03 Apr 2017	23.05	23.05	0.00

The fund appreciated by 1.6% in the second quarter of 2019 (Q2-19), taking its year-to-date return to +18.8%, compared with the +10.7% return of the benchmark. From a stock-specific point of view, Blackstone was the largest contributor (+27% in US dollar terms, 0.6% positive impact), followed by Adidas (+25%, 0.5% contribution) and Walt Disney (+22%, 0.4% contribution). The largest detractors were Yes Bank (-0.6% contribution) and British American Tobacco (-0.6% contribution). We sold the Yes Bank position during the quarter as a result of concerns over their book, but have maintained the British American Tobacco (BAT) position at 3.0% of fund as we continue to hold the view that on less than 10 times earnings and a 7% dividend, BAT is very attractive. Over the past five years, the fund has generated a return of 9.6% p.a., over 10 years a return of 15.7% p.a. and since inception over 20 years ago, it has generated a return of 14.2% p.a.

The fund ended the quarter with 75% net equity exposure, largely in line with where it was at the end of March. Of this, approximately 57% of the equity exposure was invested in developed market equities, 37% in emerging market equities and 5% in South African equities.

Our negative view on global bonds remains largely unchanged and only 4.5% of the fund is invested in bonds, largely made up of a 1.7% position in L Brands (owner of Victoria's Secret) corporate bonds and some exposure to short-dated US Treasuries (largely as an alternative to cash). The fund also has c. 5% invested in global property: largely in Unibail (European and US retail property) and Vonovia (German residential). Lastly, the fund has a physical gold position of 2.6%. The balance of the fund is invested in cash, largely offshore. As has been the case for a number of years, the bulk of the fund (over 90%) is invested offshore, with very little being invested in South Africa.

While global markets have done very well over the past decade, we continue to find interesting opportunities in both developed markets and emerging markets. In this regard, within developed markets, Unibail is one such opportunity, in our view, and we increased the position over the quarter (from 1.8% of fund to 3.2% of fund) as the share price declined. Unibail owns a number of the best retail properties in Europe and has been very good at managing these assets through, for example, changing the tenant mix regularly. The operational performance of Unibail's tenants is materially superior to that of average retail performance. Given the (indiscriminate) concerns over physical retail assets in markets today, one is able to buy Unibail at 40% below NAV and with an 8% EUR dividend yield, which, in our view, is extremely attractive. Within emerging markets, Ping An Insurance Group is a 2% position and top 20 holding. Ping An is the largest privately controlled (as opposed to State owned) life insurer in China (which makes up c. 75% of its business, by value) and who also has short-term insurance, banking and asset management businesses. The insurance market in China is very underpenetrated and Ping An has 1.4m agents tapping into this market, as well as cross-selling various Ping An products. Today Ping An trades on just 11x this year's earnings, with a 2.5% dividend yield – which we believe is very attractive for a company with such a large market opportunity.

Portfolio managers
Gavin Joubert and Marc Talpert
 as at 30 June 2019

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION OPTIMUM GROWTH FUND

The Optimum Growth 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 100% 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. 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 2018 (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 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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