CORONATION CAPITAL PLUS FUND

Fund Information as at 30 November 2020

CORONATION
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WHAT IS THE FUND'S OBJECTIVE?

Capital Plus is in the first instance managed to achieve reasonable investment growth over the medium to long term. Our intent is that the fund should produce an annualised return of at least inflation plus 4% over time. In addition, we aim to preserve capital over any 18-month period. It is specifically managed to suit investors who want to draw an income over an extended period of time.

WHAT DOES THE FUND INVEST IN?

Capital Plus can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally. As the fund actively seeks to curb risk and volatility, only a maximum of 70% of its investments may be held in growth assets like shares and listed property. Shares usually offer the best growth, but this comes with the greatest risk of short-term losses. The fund's exposure to shares is therefore carefully balanced with more stable investments like bonds. Maximum exposure to foreign assets is 30% (excluding Africa). The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

5/10
Moderate

Maximum growth/
minimum income exposures

Growth Assets: 70%
Income Assets: 30%

The fund is tactically managed to protect and grow capital, as well as secure an attractive income. A large and experienced investment team actively seeks out the best potential opportunities for income and growth, while carefully considering the different risks within the fund.

Capital Plus is specifically managed to reduce the probability of losing money over any 18-month period, although it cannot guarantee protection against losses.

The fund is diversified across a range of assets reflecting its dual objectives of reasonable growth and capital stability. This includes a selection of shares we believe are attractively valued and may offer strong long-term returns, as well as strategic positions in quality income assets.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer. The fund's exposure to shares may result in short-term price fluctuations, making it unsuitable to investors who can only invest for short periods.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

- Pensioners and other investors requiring an income, especially those in the first half of retirement.
- Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- Investors requiring a low-risk fund, which offers a reasonable rate of return, for their retirement annuity, provident fund, preservation fund or pension fund.
- Conservative investors who want to protect their savings.
- Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.25% (excl. VAT) is payable.

The annual management fee is accrued daily and paid monthly. Fund expenses 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 fund costs.

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

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

CHARLES
DE KOCK
BCom (Hons), MCom
(Economics)

PALLAVI
AMBEKAR
CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	2 July 2001
Fund Class	A
Benchmark	CPI + 4%
Fund Category	South African – Multi-asset – Medium Equity
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCAPP
ISIN Code	ZAE000031514
JSE Code	CCPF

CORONATION CAPITAL PLUS FUND

CORONATION
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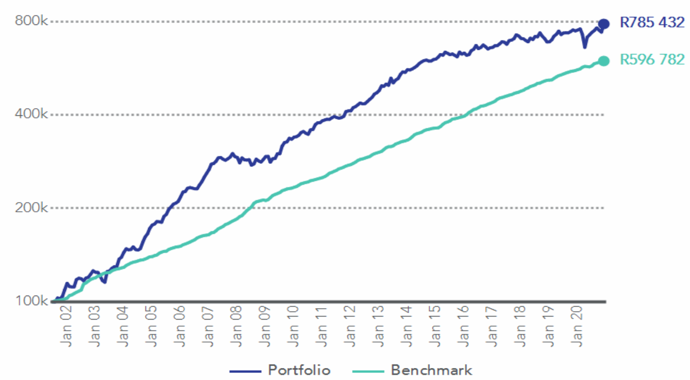
CLASS A as at 30 November 2020

Fund category	South African - Multi Asset - Medium Equity
Launch date	02 July 2001
Fund size	R12.27 billion
NAV	4224.82 cents
Benchmark/Performance Fee Hurdle	CPI + 4% p.a.
Portfolio manager/s	Charles de Kock and Pallavi Ambekar

	1 Year	3 Year
Total Expense Ratio	1.61%	1.58%
Fund management fee	1.25%	1.25%
Fund expenses	0.18%	0.15%
VAT	0.19%	0.18%
Transaction costs (inc. VAT)	0.08%	0.07%
Total Investment Charge	1.69%	1.65%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Peer Group Average
Since Launch (unannualised)	685.4%	496.8%	595.8%
Since Launch (annualised)	11.2%	9.6%	10.5%
Latest 15 years (annualised)	9.2%	9.6%	8.2%
Latest 10 years (annualised)	7.6%	9.1%	7.4%
Latest 5 years (annualised)	4.6%	8.6%	4.2%
Latest 3 years (annualised)	3.0%	8.0%	3.0%
Latest 1 year	5.3%	7.3%	4.0%
Year to date	4.6%	6.7%	3.1%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	7.4%	1.5%
Downside Deviation	4.8%	N/A
Sharpe Ratio	0.44	1.12
Maximum Gain	29.5%	26.9%
Maximum Drawdown	(12.8)%	(1.1)%
Positive Months	67.4%	91.4%
	Fund	**Date Range**
Highest annual return	33.8%	Aug 2004 - Jul 2005
Lowest annual return	(9.3%)	Apr 2019 - Mar 2020

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2020
Domestic Assets	70.9%
Equities	34.7%
Basic Materials	7.2%
Industrials	0.4%
Consumer Goods	5.1%
Health Care	0.7%
Consumer Services	9.4%
Telecommunications	0.6%
Financials	6.6%
Technology	1.8%
Derivatives	2.9%
Other	0.0%
Real Estate	2.0%
Bonds	32.4%
Commodities	2.7%
Cash	(0.9)%
International Assets	29.1%
Equities	22.4%
Real Estate	0.1%
Bonds	3.8%
Commodities	0.3%
Cash	2.4%
Others	0.0%

TOP 10 HOLDINGS

As at 30 Sep 2020	% of Fund
Naspers Ltd	3.8%
Egerton Capital Equity Fund	3.7%
Maverick Capital	2.7%
British American Tobacco Plc	2.7%
Anglo American Plc	2.6%
Tremblant Capital	2.0%
Contrarius Global Equity Fund	1.9%
Lansdowne Capital	1.8%
Prosus Nv	1.5%
Cimi Global Opp Equity Strategy	1.5%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2020	01 Oct 2020	32.97	12.28	20.69
30 Jun 2020	01 Jul 2020	36.74	13.03	23.71
31 Mar 2020	01 Apr 2020	30.31	4.02	26.29
31 Dec 2019	02 Jan 2020	45.26	14.04	31.21

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	0.8%	(4.0)%	(9.2)%	7.8%	1.8%	1.8%	1.3%	2.1%	(1.7)%	(1.5)%	6.3%		**4.6%**
Fund 2019	1.6%	2.7%	1.4%	2.5%	(2.6)%	1.2%	0.2%	(0.1)%	1.0%	1.3%	(0.8)%	0.7%	**9.2%**
Fund 2018	(0.3)%	(1.2)%	(1.1)%	2.8%	(1.1)%	2.4%	(0.3)%	3.0%	(2.4)%	(1.8)%	(2.4)%	0.1%	**(2.5)%**
Fund 2017	1.3%	0.0%	1.4%	1.6%	(0.3)%	(1.6)%	2.8%	0.4%	1.0%	3.0%	(0.9)%	(1.8)%	**6.9%**
Fund 2016	(1.7)%	0.5%	3.0%	0.9%	3.0%	(2.4)%	0.9%	1.9%	(1.3)%	(1.7)%	0.9%	0.3%	**4.3%**
Fund 2015	1.5%	1.9%	(0.5)%	2.3%	(0.9)%	(1.0)%	0.6%	(1.1)%	(1.1)%	3.6%	(1.6)%	0.9%	**4.6%**
Fund 2014	(0.3)%	0.8%	1.0%	1.3%	1.8%	1.2%	1.0%	0.4%	(0.7)%	0.0%	1.1%	0.4%	**8.1%**

Issue date: 2020/12/09

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 reasonable quarter, delivering a positive return of 1.7% net of fees, with all asset classes, bar South African (SA) property, contributing positively to the quarter's return. The Fund has managed to beat inflation over the very long term, but, over periods shorter than ten years, it has been tougher to meet inflation, much less beat our inflation-plus-four benchmark return hurdle.

On the domestic front, the SA economy contracted severely in the second and third quarter of the year as the brunt of Covid-19 lockdowns impacted activity. We expect a tepid recovery as the year progresses and only expect the country to return to 2019 levels of GDP growth by early 2023 in nominal terms. Globally, the virus seems to be staging a second wave and there are many large uncertainties, including the outcome of US elections, the Brexit negotiations and geopolitical tensions between China and various countries. In general, however, these economies seem better positioned to recover from Covid-19 due to quicker access to vaccine treatments, better support from government programmes, and more coordinated economic policies.

The Fund has steadily increased its global effective exposure[i] from the beginning of the year from 25% to 28% currently. We have mainly increased our holding of global equities as the other asset classes look expensive (global bonds) or face structural headwinds (global property). While certain equity indices, such as the US S&P 500, look expensive and have rallied hard from the bottom, it has been a narrow market, with a few shares delivering the bulk of the performance. There remain many compelling valuation opportunities in the broader market.

We have also increased our equity allocation on the local side. The majority of our exposure is to attractively valued rand hedge shares, such as British American Tobacco and Anheuser Busch InBev. Despite SA's ban on the sale of alcohol and tobacco during the hard lockdown period, these businesses have generally managed to trade their products in many other countries. We think these businesses are defensive and can show real revenue and earnings growth in hard currencies over the medium term. Most importantly, they are strong free cash flow converters and will use their cash to delever their balance sheet and return cash to shareholders. This combination of decent earnings growth and dividend returns is attractive for our portfolios. We have also been adding to domestic businesses that we think have resilient franchises, healthy balance sheets and can deliver earnings growth in a constrained economy.

Low expectations are baked into market prices and if we see a better-than-anticipated recovery in earnings bases, we think there will be a robust real performance from our selected basket of equities.

The increase in global and local equities has been funded from our SA fixed income allocation. SA bonds still offer very attractive real yields, especially in the long end of the curve, and the Fund still has a healthy 36% allocation to a mix of government bonds, inflation-linked bonds and corporate credit. We also recognise, however, that a rising government debt burden and widening fiscal deficit will require some serious intervention by the finance ministry. While government acknowledges the seriousness of the economic situation, we think that there is a non-negligible risk that we do not see the decisive policy changes and expenditure reform plans the economy needs to avoid a debt trap.

We remain very cautious on SA property and have not increased our exposure here. Most real estate companies entered the Covid-19 crisis with stretched balance sheets. Pressure on net rental income is likely to intensify and we think a capital restructuring will be necessary for many counters. We had a small allocation to SA property, and we have seen a significant derating of this sector. Despite this, we don't think valuations are compelling enough to increase our allocation.

The Fund has found it difficult to beat its inflation-plus-four benchmark, as very few asset classes have delivered these returns in the last five years. Risk assets, in particular domestic equity and domestic property, have shown sub-inflation to negative returns over this period. Safer assets such as SA cash and SA fixed income have outperformed domestic risk assets on a relative basis. However, rising risks for domestic bonds and cash returning less than 4% mean that these assets have become less appealing. As we sit now, the outlook for risk assets is certainly not rosy, but valuations have more than reflected this and we have thus increased our risk asset exposure. We remain mindful of the Fund's dual mandate and use asset class diversification as well as appropriate put protection to preserve capital. While the outlook remains uncertain, we believe this creates attractive investment opportunities and a considered increase in risk exposure is justified at this point to enable the Fund to deliver on its mandated inflation-plus-four return hurdle in the future.

Portfolio managers
Charles de Kock and Pallavi Ambekar
as at 30 September 2020

[i] *Due to currency futures, effective international exposure might differ to asset domicile exposure as used in the formal asset allocation on the fact sheet.*

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

The Capital 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 30% (including a maximum exposure of 5% to Africa, excluding South 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. The fund is managed in line with Regulation 28 limits, although it is not required as per the fund's supplemental deed. 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. The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category).

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 2020 (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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.