

WHAT IS THE FUND'S OBJECTIVE?

Top 20 aims to outperform the equity market over the long term.

WHAT DOES THE FUND INVEST IN?

The fund's managers actively seek out attractively valued shares that could offer strong long-term growth.

The fund would typically hold shares in a maximum of 20 companies selected from all equities listed on the JSE. Its investments will therefore always be concentrated and limited to shares in large companies listed in South Africa.

While investments in foreign markets are specifically excluded, the fund can invest in foreign companies that are listed locally. There are no restrictions on how much exposure the fund can have to different sectors (for example, to mining, financial or industrial companies). The fund will remain fully invested in shares at all times. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

Maximum growth/
minimum income exposures

The fund can only invest in shares that are listed in South Africa. As a result, it cannot provide diversification into other asset classes or geographies. While the fund can invest in smaller companies, it is expected to always have an allocation biased towards larger companies.

Shares can be volatile investments and the risk of capital loss over the short term is high. However, given its focus on investing only in attractively valued shares that could offer long-term growth, the fund may preserve capital better than its benchmark over the long run.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of 10 years or more is therefore ideal. It is not suitable as a single investment for investors who need to preserve their capital over five years or less.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- are comfortable with full exposure to shares in large companies listed in SA;
- accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- are holding Top 20 as one of multiple equity funds in their investment portfolio.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of a minimum of 0.50% and a maximum of 3.00%, 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 performance above the benchmark, up to a maximum total annual fee of 3.00%. 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 0.50%.

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 fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



**NEVILLE
CHESTER**
BCom, CA (SA), CFA



**NICHOLAS
STEIN**
CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	2 October 2000
Fund Class	A
Benchmark	FTSE/JSE Capped All Share Index (CAPI)
Fund Category	South African – Equity – General
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORTP20
ISIN Code	ZAE000026431
JSE Code	CNTF

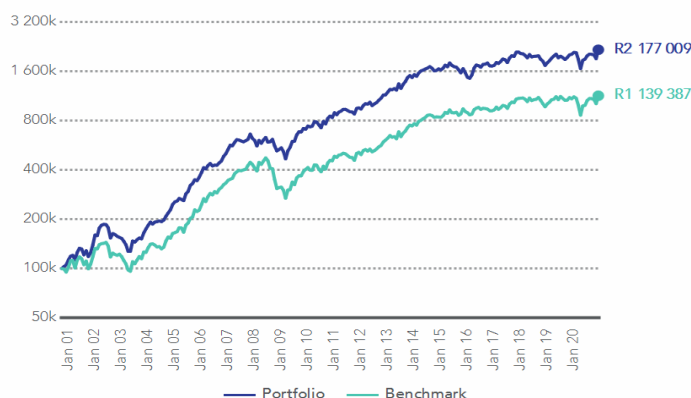
CLASS A as at 30 November 2020

Fund category	South African - Equity - General
Launch date	02 October 2000
Fund size	R18.87 billion
NAV	13930.48 cents
Benchmark/Performance	FTSE/JSE Capped All Share Index
Fee Hurdle	
Portfolio manager/s	Neville Chester and Nicholas Stein

	1 Year	3 Year
Total Expense Ratio	0.84%	0.91%
Fee for performance in line with benchmark	0.99%	1.00%
Adjusted for out/(under)-performance	(0.27)%	(0.21)%
Fund expenses	0.01%	0.01%
VAT	0.11%	0.12%
Transaction costs (inc. VAT)	0.30%	0.27%
Total Investment Charge	1.14%	1.18%

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)	2077.0%	1039.4%	1037.6%
Since Launch (annualised)	16.5%	12.8%	3.7%
Latest 20 years (annualised)	16.3%	13.2%	3.1%
Latest 15 years (annualised)	12.7%	11.3%	1.4%
Latest 10 years (annualised)	10.0%	9.6%	0.4%
Latest 5 years (annualised)	6.7%	4.6%	2.1%
Latest 3 years (annualised)	1.1%	1.3%	(0.2)%
Latest 1 year	6.6%	4.4%	2.2%
Year to date	3.8%	1.4%	2.3%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.6%	17.6%
Sharpe Ratio	0.51	0.27
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	60.3%	58.7%

	Fund	Date Range
Highest annual return	68.9%	May 2005 - Apr 2006
Lowest annual return	(31.7)%	May 2002 - Apr 2003

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	(0.4)%	(8.8)%	(12.4)%	12.4%	1.8%	4.8%	2.4%	(0.3)%	(0.7)%	(5.3)%	13.5%		3.8%
Fund 2019	3.2%	3.5%	3.1%	2.6%	(5.1)%	2.3%	(2.0)%	(2.6)%	2.8%	3.9%	0.8%	2.8%	15.8%
Fund 2018	(0.3)%	(2.1)%	(3.4)%	4.8%	(3.4)%	0.9%	0.2%	0.6%	(4.8)%	(2.8)%	(5.7)%	3.8%	(12.2)%
Fund 2017	4.2%	(1.5)%	3.0%	3.6%	(1.1)%	(3.9)%	6.8%	3.2%	(1.1)%	6.3%	0.1%	(2.1)%	18.1%
Fund 2016	(1.4)%	4.8%	10.3%	4.3%	(1.0)%	(2.3)%	4.2%	0.3%	1.8%	(4.0)%	(0.3)%	1.0%	18.3%
Fund 2015	2.7%	4.2%	(2.2)%	5.5%	(3.4)%	(1.8)%	(0.6)%	(3.7)%	(4.2)%	6.1%	(5.6)%	(6.2)%	(9.8)%
Fund 2014	(2.4)%	4.6%	3.0%	1.3%	1.6%	1.3%	2.1%	(2.2)%	(3.7)%	0.6%	2.3%	(1.6)%	6.8%
Fund 2013	3.9%	(0.6)%	1.6%	(2.1)%	9.4%	(6.4)%	6.1%	4.0%	6.0%	2.7%	(2.8)%	4.2%	27.9%
Fund 2012	5.3%	2.5%	(0.6)%	2.8%	(4.7)%	2.4%	2.0%	3.4%	2.7%	4.6%	0.1%	4.1%	26.9%
Fund 2011	(2.9)%	3.9%	1.3%	2.6%	0.1%	(1.8)%	(1.6)%	(0.4)%	(2.9)%	8.3%	0.8%	(1.8)%	5.2%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2020
Domestic Assets	100.0%
■ Equities	100.0%
Basic Materials	33.4%
Industrials	2.2%
Consumer Goods	6.4%
Health Care	3.3%
Consumer Services	24.0%
Telecommunications	3.7%
Financials	27.0%
■ Cash	0.0%

TOP 10 HOLDINGS

As at 30 Sep 2020	% of Fund
Naspers Ltd	18.5%
Anglo American Plc	10.5%
British American Tobacco Plc	7.4%
Impala Platinum Holdings Ltd	7.2%
Standard Bank Of SA Ltd	5.8%
Spar Group Ltd	5.1%
Nedbank Ltd	4.9%
Quilter Plc	4.9%
Shoprite Holdings Ltd	4.8%
Momentum Metropolitan Holdings	4.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2020	01 Oct 2020	192.26	191.91	0.35
31 Mar 2020	01 Apr 2020	165.16	164.91	0.25
30 Sep 2019	01 Oct 2019	248.39	247.74	0.65
29 Mar 2019	01 Apr 2019	193.09	192.30	0.78

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

The Fund returned 1.3% for the quarter, in line with the benchmark. Year to date, the Fund has returned -3.4%, which is ahead of the benchmark return of -3.7%. We always strive to manage the Fund with a long-term time horizon and ask to be judged over meaningful periods of time. To this end, September 2020 is the month in which the Fund celebrates its 20-year anniversary. We are proud of the Fund's long-term track record and the contribution it has made for unitholders over this period and wish to thank unitholders for their support. The Fund is in the top quartile over most meaningful periods, and alpha since inception has been 3.6% per annum, net of fees. We hope to be able to deliver the same level of outperformance for the next 20 years.

Against our rebased view of the world, we have been pleasantly surprised by a number of the company results reported in the last month. When the magnitude and global reach of Covid-19 became apparent, we moved fast to rebase our earnings expectations lower based on the harsh economic conditions we expected. While the results have been better than these lower expectations, they are still obviously significantly weaker than the pre-Covid-19 outlook. Whether we were too conservative on our adjusted forecasts, or there is still worse to come as the economy fully reflects the damage from lockdown, only time will tell.

We think the full extent of the economic pain has yet to be revealed. This is premised on a number of specific factors:

- 1) Many consumers avoided transport costs during lockdown;
- 2) Consumers have been receiving Temporary Employer-Employee Relief Scheme payments;
- 3) Retrenched individuals still have retrenchment sums to tap into in the shorter-term;
- 4) We expect more companies to proactively rightsize their expense base for a tougher climate.

Our South Africa (SA) exposure remains largely tilted towards defensive businesses with strong economics. A tough economic climate will see strong companies getting stronger and industries with strong economics and pricing power outperforming weaker ones. This was well highlighted by the results reported by Shoprite. Shoprite grew earnings strongly, increasing its market share from an already impressive position. They also took action on underperforming regions (they have announced their intention to exit loss-making Nigerian operations). Cash flow improved meaningfully as inventory levels were optimised post their SAP implementation. We trimmed our holding, given the strong share price performance and reduced margin of safety.

We have been increasing our exposure to the life insurance sector. Life companies have a number of appealing attributes:

- 1) A 'sticky'/desirable product set in retirement savings and life insurance. Covid-19 has heightened consumer awareness for life cover;
- 2) Extensive distribution networks, which are costly and time consuming to replicate;
- 3) c30-40% earnings exposure to equity markets, which we think offer good value;
- 4) Large back books continued to generate fees during lockdown;
- 5) Diversified earnings streams (life insurance, short-term insurance, annuities);
- 6) Strong capital positions.

Embedded value is often used as a reasonable proxy for life insurance valuations. Life company share prices have derated meaningfully relative to embedded value over the last few years and in the third quarter of 2020 in particular. Momentum Metropolitan has gone from a premium to embedded value in 2015 to a 40% discount today. New management has impressed us through their implementation of a turnaround plan and has placed the business on a firmer footing, improving underlying operational performance and exiting underperforming operations. This was well demonstrated in Metropolitan Life's recent results, which outperformed

peers as adviser productivity and digital initiatives bore fruit. We don't think the market gives sufficient credit to the turnaround that is underway. Meaningful earnings pain was taken now in the form of Covid-19 provisions. We believe these will support robust earnings in future periods.

Sanlam is a new position in the Fund. We have long admired the business for its strong growth profile, high-calibre management team and high levels of accounting prudence (a rand of Sanlam earnings is worth more than a rand of earnings at its peers, given the extent to which they raise provisions in downturns). Historically, we haven't owned Sanlam given the lack of margin of safety (for the better part of a decade, we have had little to no upside to our assessment of fair value). The recent sell off has allowed us to pick up a quality compounder at an attractive valuation.

We continue to exhibit a preference for the global businesses that happen to be listed in SA – both industrial and mining. Emerging market economies such as SA are worse-placed than developed market counterparts to withstand the tough economic outlook we expect – both from a financial resources and an institutional capacity perspective. Most of these global shares have attractive growth outlooks, hard currency backing and trade on compelling valuations. Our two largest holdings here are Naspers and British American Tobacco (BTI).

We wrote about Naspers/Prosus last quarter. We have used Prosus as a funding source during the quarter, including switching some of our Prosus shares into Naspers. The Naspers discount to Prosus continued to widen, reaching 30%. While we expect some discount to persist, we think the quantum is too wide and that management will take actions to deal with the discount in due course.

In a world starved of yield, we find BTI's 8% dividend yield to be very compelling. In addition, unlike a government bond, we do not believe BTI is ex-growth and would expect this yield to grow. The market remains concerned around a possible menthol ban in the US (US menthol is c25% of BTI group profits). However, tobacco legislation tends to play itself out over periods of many years in the US. A menthol ban in Canada saw a limited reduction in smoker numbers and 99% remain with their current cigarette brand. BTI is also well placed to be one of the winning companies in next-generation products such as e-vapour and heated tobacco.

We remain constructive on the miners. We believe that the commodity sector has several elements to it that are unprecedented in comparison to historical cycles which, when combined, present a unique investment opportunity. The sector is displaying remarkable supply restraint in the face of healthy margins and incentive prices in several commodities. The decarbonisation of the world over the next few decades is incredibly positive for metal demand (notably copper, nickel, cobalt and PGMs) and stands to produce strong price outcomes when combined with supply, which is yet to respond. On top of this supportive earnings environment, management teams have committed to material capital returns to shareholders, made more attractive by historically cheap starting valuations. We discuss this topic in more detail in our quarterly Correspondent newsletter. We continued adding to our Glencore position during the quarter.

The world remains an uncertain and volatile place. This does unearth good opportunities for stock pickers with long time horizons. We track the upside of the portfolio over time. The current upside remains high relative to history and suggests that future returns from the portfolio should be good.

Portfolio managers
Neville Chester and Nicholas Stein
 as at 30 September 2020

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION TOP 20 FUND

The Top 20 Fund should be considered a 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. 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. The fund's performance and fee benchmark is the FTSE/JSE Capped All Share Index (CAPI). The CAPI replaced the FTSE/JSE Top 40 Index from 1 Oct 2016. The fund benchmark shown in this MDD is therefore a splice of the current and historical benchmarks. Note that we use the formal SA – Equity – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FSTE/JSE All Share Index, for compliance monitoring purposes.

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.