

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 40% of its assets. 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



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?

The fund fees recently changed to a fixed fee from the performance related fee previously used.

The new fixed fee is 1.25%.

From 1 April 2021 to 31 March 2022, the lowest of the previously used performance-related fee and the new fixed fee will be accrued daily. From 1 April 2022, only the new fixed fee will apply.

TFI Class A - An annual fee of 1.25% is payable. This class is 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



NICHOLAS STEIN
CA (SA), CFA



NICHOLAS HOPS
BbusSc, 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	CMPP

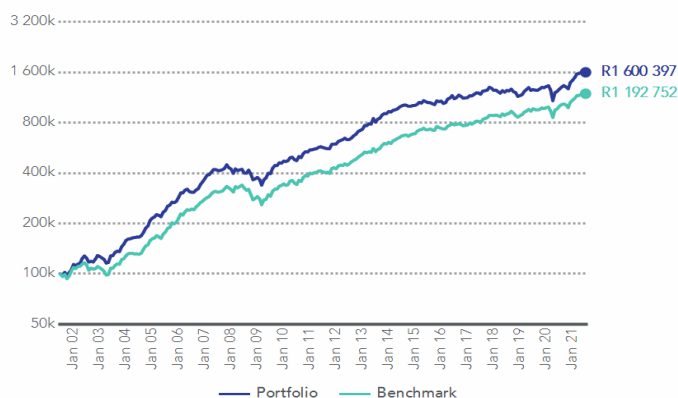
CLASS A as at 30 June 2021

Fund category	Worldwide - Multi Asset - Flexible
Launch date	02 July 2001
Fund size	R 4.25 billion
NAV	9291.71 cents
Benchmark/Performance	Composite (52.5% equity, 22.5% bonds, 20% international, 5% cash)
Fee Hurdle	
Portfolio manager/s	Neville Chester, Nicholas Stein and Nicholas Hops

	CLASS A		CLASS TFI A	
	1 Year	3 Year	1 Year	3 Year
Total Expense Ratio	1.05%	1.04%	1.62%	1.65%
Fund Management Fee	1.24%	1.25%	1.24%	1.28%
Adjusted for out/(under)-performance	(0.50)%	(0.51)%	0.00%	0.00%
Fund expenses	0.19%	0.18%	0.19%	0.18%
VAT	0.11%	0.11%	0.19%	0.19%
Transaction costs (inc. VAT)	0.23%	0.19%	0.23%	0.19%
Total Investment Charge	1.28%	1.23%	1.85%	1.84%

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)	1500.4%	1092.8%	407.6%
Since Launch (annualised)	14.9%	13.2%	1.7%
Latest 20 years (annualised)	14.9%	13.2%	1.7%
Latest 15 years (annualised)	11.6%	11.2%	0.5%
Latest 10 years (annualised)	10.9%	11.4%	(0.5)%
Latest 5 years (annualised)	7.5%	9.0%	(1.4)%
Latest 3 years (annualised)	8.7%	9.7%	(1.0)%
Latest 1 year	26.0%	18.8%	7.2%
Year to date	11.6%	9.4%	2.1%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	11.2%	10.3%
Sharpe Ratio	0.63	0.52
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	66.3%	67.1%
	Fund	Date Range
Highest annual return	50.0%	Aug 2004 - Jul 2005
Lowest annual return	(20.1)%	Mar 2008 - Feb 2009

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	4.1%	4.8%	0.7%	1.7%	(0.2)%	0.2%							11.6%
Fund 2020	1.1%	(5.7)%	(13.7)%	11.8%	1.7%	3.2%	2.8%	2.2%	(2.0)%	(2.4)%	9.0%	3.0%	8.9%
Fund 2019	1.5%	4.2%	2.7%	2.7%	(3.8)%	1.1%	(0.7)%	(0.2)%	1.8%	2.3%	(0.4)%	1.6%	13.3%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2021
Domestic Assets	72.1%
■ Equities	47.9%
Basic Materials	14.8%
Industrials	0.5%
Consumer Goods	3.1%
Health Care	0.8%
Consumer Services	11.7%
Telecommunications	0.0%
Financials	14.4%
Technology	0.2%
Derivatives	0.3%
Consumer Staples	0.2%
Energy	1.9%
Other	0.0%
■ Preference Shares & Other Securities	0.4%
■ Real Estate	4.0%
■ Bonds	20.2%
■ Commodities	2.2%
■ Cash	(3.1)%
■ Other (Currency Futures)	0.5%
International Assets	27.9%
■ Equities	20.9%
■ Real Estate	0.7%
■ Bonds	2.9%
■ Cash	3.4%

TOP 10 HOLDINGS

As at 30 Jun 2021	% of Fund
Naspers Ltd	6.9%
Anglo American Plc	5.3%
Glencore Xstrata Plc	3.1%
Nedbank Group Ltd	3.0%
Egerton Capital Equity Fund	2.7%
British American Tobacco Plc	2.6%
Quilter plc	2.3%
Momentum Metropolitan Holdings	2.2%
Exxaro Resources Ltd	1.9%
FirstRand Limited	1.9%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2021	01 Apr 2021	175.22	114.85	60.37
30 Sep 2020	01 Oct 2020	91.31	45.12	46.19
31 Mar 2020	01 Apr 2020	135.90	59.22	76.68
30 Sep 2019	01 Oct 2019	154.02	65.70	88.32

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

The end of June 2021 marks the 20th anniversary of the launch of the Fund. The Fund was conceived as a balanced fund constructed unconstrained by Regulation 28, allowing it greater freedom around equity holdings and more flexibility on offshore allocation. The idea being that this would allow the Fund to outperform a traditional balanced fund and achieve meaningful real growth over time.

It is therefore pleasing to report that over the past 20 years, the Fund did achieve these objectives through what has been a tumultuous time. Over the past 20 years, the Fund has returned an annualised return of 14.9% compared to the quantitative benchmark return of 13.2% and the median balanced fund return of 11.3%. What is particularly pleasing is that over this period, despite never being fully invested in equities, the Fund has also managed to outperform the JSE All Share Index performance of 13.8%. It is important to recognise this quoted return number is net of Coronations fees. The objective was also for the Fund to grow real capital over time, and it also achieved this, having delivered an annualised real return of 9.4% per annum.

Through the past 20 years, investors have suffered some tumultuous moves. Shortly after launching the Fund, South Africa experienced a massive selloff post the 9/11 attacks, where the rand and local markets were punished. It's unbelievable to think of it now, but the rand moved from just over R8 to the dollar to peak at R13.50 (which is where it was recently trading 20 years later), only to retrace all those losses and more over the following years.

Shortly thereafter, the Dot.com bubble burst, with the S&P 500 Index collapsing 37% from its highs (the losses for South African investors were much higher given the rand strengthened significantly over this period, with peak to trough losses of 58% for those that rushed offshore at the height of the 2001 panic).

Then after a few years of relative stability and a strong upward trend in resource prices, the local market and the world was impacted by the near-collapse of the US banking system, which quickly became called the Global Financial Crisis as the linkages from the US housing market permeated into global developed financial institutions. The S&P 500 fell by 57% peak to trough, the rand-dollar once again blew out from levels around R6.50 to R11.40, and the resource-dominant JSE All Share Index fell 47% from peak to trough.

The recovery that followed was quick and fast as global central banks introduced a term we would all come to know called QE (Quantitative easing). And equity and bond markets around the world responded well to this. But in SA, it wasn't plain sailing as the Zuma decade started, and we experienced bouts of volatility, none more so than the firing of the finance minister in 2015, where the rand moved from R13 levels to R17, exacerbating a market already struggling under the weight of a commodity bear market. Global markets also had periods of volatility with the first 'taper tantrum', various forecasts of the European Union collapsing, Brexit and Donald Trump.

And then finally, the recent Covid disaster, where once again, volatility records were broken, with the S&P 500 Index falling 37% and recovering it all within six months! The rand, again a casualty of global risk appetite, moving from R14 to over R19 to the dollar, and the JSE All Share Index falling by over 23%. As global central banks worldwide printed money and cut interest rates on a scale not seen outside of world wars, markets have recovered strongly, and the rand is back at around the R14 level.

What can one learn from this journey? It has certainly highlighted that investing should always be done with a long-term time horizon! Short-term reactions to market moves can often end up damaging the long-term returns. That as much as we bemoan the fluctuations of the rand, the fact that it floats freely often protects us from the extremes of market moves and changes in risk appetite, and typically, over time, we never see the extreme moves continue but generally retrace as terms of trade adjust to the changed rand levels. And that despite all the volatility and complete left-field events, black swans, 100-year events (which happen every seven years), a well-managed multi-asset fund can deliver solid consistent market and inflation-beating returns.

What do the next 20 years hold? After experiencing these past 20 years, it would be foolish to hazard a guess, given the surprises and shocks that we have experienced. But undoubtedly, the defining factor for the period

ahead is the vast amount of debt issued by (mainly) the developed world and the record level of monetary easing implemented by central banks to deal with the impacts of the Covid-19 lockdowns. It is impossible to believe that there will not be serious repercussions; from inflation, already very evident in asset prices, higher taxes, and ultimately higher interest rates. The Covid-19 crisis has also given massive impetus to the push towards a more sustainable world, and this has very big meaningful effects on the demand for 'green' commodities that will be required for this transition.

The Fund is positioned to deal with these two megatrends. Firstly, regarding inflation, the best asset class remains equity, in particular those equities with pricing power. The Fund is still sitting with a relatively high weighting to equities despite the market moves because they should still deliver real growth in an era of rising inflation. We have avoided owning global bonds. The interest rates are all still trading at artificially low levels, impacted by global central bank buying. And with inflation spiking, in most regions above the top end of their inflation ranges, these bonds are all yielding negative real returns. The only exception to this is South Africa (SA).

In SA, our yields are still stubbornly high, with real yields of over 6% in the longer-dated bonds. This is because the SARB is one of the few independent central banks left and has refused to manipulate the yield curve. While concerns around our debt position remain relevant, this is more than reflected in the price. Renewed fiscal discipline from the National Treasury, as evidenced through their approach to wage negotiations, as well as some unexpected windfall tax gains from the commodity sector, should be able to move us back to a sustainable debt reduction path. It remains relevant to consider South Africa's total outstanding debt is lower than most developed nations; it is the cost of funding that debt that is the biggest problem. Should that cost come down, the recovery path becomes much more obvious, and the bonds will continue to re-rate. Buying the R214, which matures in 2041, you are locking in a return of 10.5% per annum for the next 20 years. A compelling investment opportunity

On the trend towards a greener future, the Fund has a significant exposure to global miners with meaningful copper production. Anglo American is the only diversified to have initiated the development of a new copper mine in the past few years. This production should be coming to the market in 2023, well-timed for a huge increase in demand for this metal. Glencore is the diversified miner with the largest percentage of its revenue coming from copper; it also has exposure to battery metals such as Cobalt and nickel. To drive renewable electricity production, as well as roll out electric vehicles, copper demand will increase dramatically. With a combined allocation of 20% of our equity to these two companies, the Fund is well-positioned to benefit from this trend.

An asset class with a very uncertain future is property. The slow shift from physical retail to online was given a huge boost during the lockdowns, resulting in certain retail properties no longer generating rentals. Over and above this, working from home became a reality through lockdown as technologies enabled this. Certain industries are now contemplating this being the future, even in a more normal environment. This has impacted rental tension on these two major property segments, making it difficult to forecast what yields and values these assets will trade at in future. It's too soon to tell. As society reverts to normal, we see a desire to socialise is as strong as ever, meaning certain venues will continue to attract footfall. The challenges of maintaining corporate culture and teamwork in a distributed environment will also become more evident as time goes on. As a result, the Fund has not invested heavily into the property sector, locally or globally, but maintained a small exposure to high-quality, low geared names

One of Coronation's core tenets is that without clients, we have no business. Indeed, without the loyal support of the investors in our Fund, none of our achievements would have been possible. We never take our responsibility to grow our clients capital lightly. It is a privilege we are conscious of and strive to maintain and improve our performance every day.

Portfolio managers
Neville Chester, Nicholas Stein and Nicholas Hops
as at 30 June 2021

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.

The current performance fee methodology results in a fee of 1.25% when the portfolio's performance equals that of the benchmark (net of fees), with a minimum fee of 0.75% and a maximum fee of 2.40%.

From 1 April 2021 to 31 March 2022, the lower of the 2 possible fees stated below will be accrued daily;

- The current performance-related fee with CAPI as the SA equity component of the benchmark
- The new fixed fee of 1.25%

From 1 April 2022, only the new fixed fee will apply.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is a composite benchmark consisting of 52.5% Domestic Equity (CSWIX), 22.5% Domestic Bonds (ALBI), 5% Domestic Cash (STF3M), 14.5% International Equity (ACWI), 3.5% International Bonds (BGBA) and 2% International Cash (USD3MLIBOR).

From 1 April 2021 the SA equity component of the composite benchmark is the FTSE/JSE Capped Shareholders Weighted Index which replaces the FTSE/JSE Capped All Share Index (CAPI). The benchmark returns shown in this MDD will be spliced between the previously applicable benchmark (CAPI) up to 31 March 2021 and the new index returns from 1 April 2021

Note that for compliance monitoring purposes, we use the same index as the SA equity component of the composite benchmark, which is the FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX).

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 2019 (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

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.