CORONATION TOP 20 FUND

Fund Information as at 31 March 2021

CORONATION
TRUST IS EARNED™

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

8/10
Aggressive

Maximum growth/
minimum income exposures

Growth Assets: 100%
Income Assets: 0%

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 Shareholders Weighted All Share Index (C-SWIX)
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

CORONATION TOP 20 FUND

CORONATION

TRUST IS EARNED™

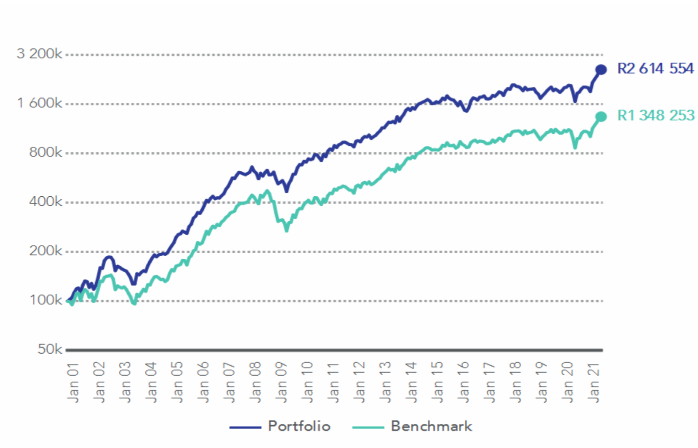
CLASS A as at 31 March 2021

Fund category	South African - Equity - General
Launch date	02 October 2000
Fund size	R22.12 billion
NAV	16730.29 cents
Benchmark/Performance Fee Hurdle	FTSE/JSE Capped Shareholders Weighted All Share Index
Portfolio manager/s	Neville Chester and Nicholas Stein

	1 Year	3 Year
Total Expense Ratio	0.84%	0.90%
Fee for performance in line with benchmark	0.99%	1.00%
Adjusted for out/(under)-performance	(0.27)%	(0.23)%
Fund expenses	0.01%	0.01%
VAT	0.11%	0.11%
Transaction costs (inc. VAT)	0.30%	0.26%
Total Investment Charge	1.14%	1.16%

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)	2514.5%	1248.3%	1266.3%
Since Launch (annualised)	17.3%	13.5%	3.7%
Latest 20 years (annualised)	17.0%	13.8%	3.2%
Latest 15 years (annualised)	12.8%	11.2%	1.7%
Latest 10 years (annualised)	11.0%	10.5%	0.6%
Latest 5 years (annualised)	9.2%	7.5%	1.7%
Latest 3 years (annualised)	10.4%	8.7%	1.7%
Latest 1 year	56.7%	55.6%	1.1%
Year to date	14.3%	12.8%	1.6%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.5%	17.5%
Sharpe Ratio	0.56	0.32
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	61.0%	59.3%

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

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2021
Domestic Assets	100.0%
Equities	100.2%
Basic Materials	31.3%
Industrials	2.1%
Consumer Goods	6.2%
Health Care	3.0%
Consumer Services	23.3%
Financials	28.2%
Technology	0.3%
Energy	5.8%
Cash	(0.2)%

TOP 10 HOLDINGS

As at 31 Mar 2021	% of Fund
Naspers Ltd	15.3%
Anglo American Plc	11.1%
Impala Platinum Holdings Ltd	6.9%
Glencore Xstrata Plc	6.9%
Nedbank Ltd	6.6%
British American Tobacco Plc	6.2%
Quilter Plc	6.2%
Standard Bank Of SA Ltd	6.1%
Momentum Metropolitan Holdings	6.0%
Exxaro Resources Ltd	5.8%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2021	01 Apr 2021	14.42	14.41	0.01
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

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	4.5%	5.8%	3.5%										**14.3%**
Fund 2020	(0.4)%	(8.8)%	(12.4)%	12.4%	1.8%	4.8%	2.4%	(0.3)%	(0.7)%	(5.3)%	13.5%	5.0%	**9.0%**
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%**

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

The Fund had a good start to the year, returning 14.3% for the quarter to end-March against the benchmark return of 12.8%. We always strive to manage the Fund with a long-term horizon in mind and ask to be judged over meaningful periods of time. Alpha since inception is 3.7% per annum, net of fees. The Fund's 12-month return is 56.7% - a very pleasing recovery off the low base that followed the impact of the calamitous lockdown in South Africa.

For the quarter, the Fund benefited from overweight positions in the diversified miners and platinum group metal (PGM) stocks, while domestic shares detracted.

Globally, markets have benefited from loose monetary policy, fiscal stimulus, and improved sentiment as Covid-19 vaccine rollouts gather pace.

Commodity prices (with the exception of gold) had a strong quarter. Iron ore was well supported as Chinese infrastructure spend remains strong, the rest of world steel demand rebounds and Vale's production continues to ramp up slowly. Increasing awareness is being brought to battery metals (primarily copper, nickel, lithium and cobalt) and their role in assisting the world in decarbonising. This theme has been enhanced by a Joe Biden presidency in the US. President Biden is likely to recommit the US as a global leader in transitioning economies away from fossil fuels. We expect persistent deficits in the latter half of the decade, particularly in copper and cobalt. Anglo American and Glencore are well-positioned for this scenario. We exited BHP Billiton after a strong run in its share price and concerns around the longer-term sustainability of iron ore prices.

We think Exxaro's capital allocation track record exceeds its reputation. This was further demonstrated by a well-timed sale of non-core Tronox, with most of the proceeds being returned to shareholders via buybacks and a special dividend. We expect further capital returns should the sale processes at ECC and Leeuwpan conclude successfully. Including ordinary dividends, Exxaro would then have returned circa 25% of its market cap to shareholders in a 12-month window.

PGMs performed well this quarter on the back of a strong PGM basket price, led by rhodium. A decade of underinvestment cannot be remedied quickly. Companies have started to announce expansion projects, but these will take time to land. Demand for the metals remains robust on increasing PGM loadings in the autocatalyst industry. The supply issues at Norilsk Nickel, the world's largest palladium producer, while temporary, will further tighten the market.

We think gold shares look increasingly attractive. Government balance sheets around the world are becoming more stressed as debt is piled on to support the global recovery from Covid-19-induced economic stress. The global printing presses are running hot. For example, 25% of dollars in circulation were issued in the last year. As a centuries-old store of value, gold should thrive in these conditions where fiat money is being debased. However, it seems all the action is taking place in new (untested) stores of value, such as cryptocurrencies. We see upside risk to the gold price, while most of the equities are pricing in a gold price well below spot. We initiated a new position in AngloGold.

Our domestic stance is little changed. After strong share price performance, we sold out of Woolworths as the market accepted the company would no longer put additional funding into their Australian operations. Our domestic holdings are centred around the food retailers (Shoprite and Spar), banks (Standard Bank and Nedbank) and the life insurers (Sanlam and Momentum Metropolitan). While we are encouraged by recent ANC NEC announcements that suggest continued progress by the President, our defensive stance is informed by the slow pace of delivery, poor electricity availability, lagging pace of vaccine rollout and worries that consumer stress will pick up rather than decrease this year. More importantly, we feel valuations of the Rand hedges that happen to be listed here are very compelling.

Both Aspen and Bidcorp (a new position) should be beneficiaries of global vaccine rollouts. Johnson & Johnson's likely approval for Aspen to fill and finish its Covid-19 vaccine at its Port Elizabeth facility highlights the quality of Aspen manufacturing facilities. It should aid Aspen's ambition to boost manufacturing EBITDA by R1.5 billion. Regarding Bidcorp, after each Covid-19 wave, we see how people are desperate to resume their normal lives by dining and socialising in public venues. With the vaccine rollout in developed markets going at a reasonable pace, we think Bidcorp's earnings will bounce back nicely. It is a very well managed business and should have M&A opportunities through which to pick up players hurt by the crisis. We expect it will be a strong compounder in hard currency.

We sold out of our MTN position. Management are doing a good job executing the business's operational turnaround and asset disposal programme to drive up ROEs. Unfortunately, it cannot escape the fact that 40% of its EBITDA comes from Nigeria. Covid-19 has exacerbated a tough macroeconomic backdrop going into the pandemic. A low oil price, difficulty repatriating foreign exchange and a regulator hellbent on shaking MTN down on a regular basis saw us conclude that there is better risk-adjusted opportunity in the new positions we have initiated.

We see good value in the asset management space. The UK wealth market should benefit from a secular shift away from defined benefit retirement solutions to defined contribution retirement solutions (which increases the need for financial advice). Quilter remains extremely well placed to capitalise on this shift. We ascribe three things to Quilter's low current rating:

1) a fairly recent spin-off that wasn't well covered by the market;
2) Brexit fears; and
3) Quilter replatforming their retail advised platform to a new technology provider.

All three of these factors are largely in the rear-view mirror, and we expect strong net flows to drive a rerating in its share price. We also initiated a position in Ninety One. Ninety One has built strong investment franchises in a number of territories over time. Despite good fund performance, which should aid future flows, the share trades on a compelling rating (10 times our assessment of normal earnings and a 7% dividend yield).

We remain encouraged by the risk-adjusted opportunities we see and the potential upside within the Fund. The current upside remains high relative to history and suggests compelling future returns from the Portfolio.

Portfolio managers
Neville Chester and Nicholas Stein
as at 31 March 2021

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.

From 1 April 2021 to 31 March 2022, the lowest of the performance-related fee calculated using CAPI or C-SWIX as the benchmark will be accrued daily. From 1 April 2022, only the performance fee calculated using C-SWIX as the benchmark will apply.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

From 1 April 2021 the fund's benchmark is the FTSE/JSE Capped Shareholders Weighted All Share Index which replaces the FTSE/JSE Capped All Share Index. The benchmark returns shown in this MDD will be spliced between the previously applicable index values (includes the Top 40 Index up to 30 September 2015 and CAPI up to 31 March 2021) and the new index returns from 1 April 2021.

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 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 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.