CORONATION CAPITAL PLUS FUND

Fund Information as at 31 December 2022

CORONATION
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WHAT IS THE FUND'S OBJECTIVE?

The fund 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 achieve less volatility than the average balanced fund. 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 45%. 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.

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?

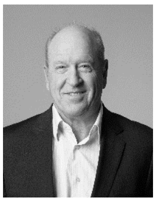
An annual fee of 1.15% (excl. VAT) is payable.

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

NEILL YOUNG
BBusSc (Hons Fin), CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	2 July 2001
Fund Class	A
Benchmark	CPI + 4%
ASISA Fund Category	South African – Multi-asset – High Equity
Regulation 28	Managed in accordance with Reg 28 limits
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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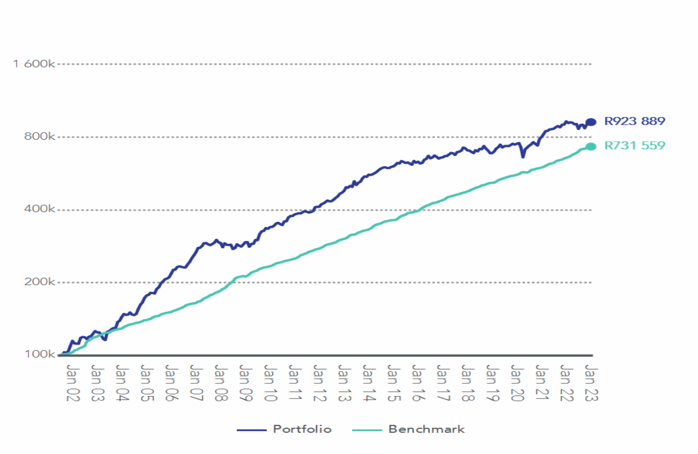
CLASS A as at 31 December 2022

ASISA Fund Category	South African - Multi Asset - High Equity
Launch date	02 July 2001
Fund size	R12.78 billion
NAV	4611.57 cents
Benchmark	CPI + 4% p.a.
Portfolio manager/s	Charles de Kock, Pallavi Ambekar and Neill Young

	1 Year	3 Year
Total Expense Ratio	1.49%	1.55%
Fund management fee	1.15%	1.19%
Fund expenses	0.18%	0.18%
VAT	0.17%	0.18%
Transaction costs (inc. VAT)	0.10%	0.09%
Total Investment Charge	1.59%	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)	823.9%	631.6%	851.4%
Since Launch (annualised)	10.9%	9.7%	11.0%
Latest 20 years (annualised)	10.5%	9.5%	11.2%
Latest 15 years (annualised)	8.0%	9.6%	7.7%
Latest 10 years (annualised)	6.8%	9.2%	7.7%
Latest 5 years (annualised)	5.5%	8.9%	5.9%
Latest 3 years (annualised)	7.1%	9.3%	8.0%
Latest 1 year	(0.7)%	11.1%	(0.5)%
Year to date	(0.7)%	11.1%	(0.5)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	7.4%	N/A
Downside Deviation	4.8%	N/A
Sharpe Ratio	0.44	N/A
Maximum Gain	29.5%	N/A
Maximum Drawdown	(12.8)%	N/A
Positive Months	67.8%	N/A
	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	31 Dec 2022
Domestic Assets	66.1%
Equities	32.2%
Basic Materials	6.5%
Industrials	0.4%
Consumer Goods	5.0%
Health Care	0.4%
Consumer Services	4.6%
Telecommunications	1.1%
Financials	8.3%
Technology	4.7%
Derivatives	1.2%
Real Estate	2.3%
Bonds	28.2%
Commodities	2.4%
Cash	1.1%
International Assets	33.9%
Equities	26.8%
Real Estate	0.0%
Bonds	4.3%
Cash	2.7%

TOP 10 HOLDINGS

As at 31 Dec 2022	% of Fund
Prosus Nv	2.9%
Anglo American Plc	2.5%
Compagnie Financiere Richemont Sa	2.3%
British American Tobacco Plc	1.9%
FirstRand Limited	1.9%
Standard Bank Of SA Ltd	1.5%
Nedbank Ltd	1.5%
Glencore Xstrata Plc	1.4%
Naspers Ltd	1.2%
Mtn Group Ltd	1.1%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Dec 2022	03 Jan 2023	35.45	8.02	27.43
30 Sep 2022	03 Oct 2022	49.15	21.19	27.96
30 Jun 2022	01 Jul 2022	43.47	13.57	29.90
31 Mar 2022	01 Apr 2022	33.03	10.86	22.18

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	(1.6)%	0.7%	(0.4)%	(1.4)%	0.1%	(4.5)%	3.8%	0.2%	(3.3)%	3.6%	3.1%	(0.8)%	**(0.7)%**
Fund 2021	2.7%	2.8%	0.3%	1.4%	0.1%	0.6%	1.5%	1.0%	(1.2)%	2.5%	0.2%	3.1%	**16.0%**
Fund 2020	0.8%	(4.0)%	(9.2)%	7.8%	1.8%	1.8%	1.3%	2.1%	(1.7)%	(1.5)%	6.3%	2.2%	**6.8%**
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%**

Issue date: 2023/01/16

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.

Performance

2022 was a relentless year. Global markets had to navigate a land war, an inflation shock, unexpectedly steep monetary tightening, and heightened geopolitical tensions all the while economies were still emerging from or dealing with the Covid crisis. These events resulted in poor US dollar returns from most asset classes, with many struggling to beat inflation or to deliver a positive performance. The MSCI All Country World Index came in with a negative 18.4% return for the year, the MSCI Emerging Markets Index was down 20.1% and the World Government Bond Index down 18.3%.

In South Africa (SA), investors fared slightly better, assisted by a 6.4% weakening of the rand against the US dollar. In rand terms, the domestic FTSE/JSE Capped Shareholder Weighted Index was up 4.4% for the year, followed closely by the FTSE/JSE All Bond Index (ALBI), up 4.3%. Listed property came in with marginally positive returns. Overall, no asset class delivered returns in excess of SA inflation, which is itself elevated at 7.1%, but below levels currently being experienced in most developed markets.

Against this backdrop, the Fund delivered a return of -0.7% for the year. The Fund did not manage to beat inflation or its inflation + 4% target for the past year. However, the Fund has delivered positive real returns over three, five and 10 years, and over the very long term. Since inception, the Fund has exceeded its target return.

The Fund's allocation to global assets was the largest detractor from performance over the past year. Given expensive starting valuations for global equities and bonds, the Fund entered the year with a deliberately limited offshore exposure of 25%. The Fund also held put protection over a portion of its global equity allocation as a further risk mitigation tool. These actions could, however, only partly offset the negative performance of the Fund's developed and emerging market equity selection.

Domestic assets have contributed positively to Fund performance over the past 12 months, with the exposure taken primarily through equities and bonds. Good equity and bond selection delivered returns ahead of their respective indices. Within domestic equities, defensive holdings in British American Tobacco; commodity holdings in Glencore, Exxaro and Anglo American; and domestic bank holdings (Nedbank, Standard Bank, FirstRand) were the largest contributors to returns, while holdings in Quilter, Anglo Gold, MTN and Spar detracted.

Within domestic fixed income, the biggest contribution came from holdings in inflation-linked bonds. We continue to see real yields on offer from SA government bonds as attractive, notwithstanding the structural challenges faced by the domestic economy. Risk is managed by keeping the duration of the Fund's bond carve-out lower than that of the ALBI but at a real yield that remains compelling.

Fund positioning

We responded to the volatility we saw last year with the following key portfolio actions:

1. We increased our exposure to global equities where we saw more reasonable valuations. The more generous Regulation 28 offshore allowance also allowed us to broaden our selection away from SA-listed global businesses into offshore-listed direct global peers. To this end, the Fund initiated the buying of Heineken, St James Place and a basket of US oil and gas counters as alternatives to (and at times in addition to) ABI, Quilter, and Sasol.

   Heineken entered the Fund in the last quarter of the year as it had underperformed ABI. Like ABI, Heineken is a defensive beer company, but it has a more premium product mix and less exposure to the US market. We think the business will continue with its track record of respectable revenue growth, which together with an increased focus on cost control and productivity measures will deliver decent organic profit growth. Earnings are expected to compound strongly over the next five years as the business benefits from the aforementioned organic growth and synergies from its acquisition of Distell.

2. The Fund also bought select global corporate bonds where spreads expanded to very attractive levels. These exposures were mainly taken in corporates we know well and where we felt the balance sheet risk was very manageable. The combination of de-rating global bond markets and widening spreads allowed us to take advantage of a good yielding investment opportunity in this space.

The above actions have meant that our offshore allocation has increased to just under 34% by end of the year.

Looking forward, we expect the influence of some of the key drivers of markets in 2022 to continue into 2023.

- Although inflation remains elevated, a combination of loosening supply chains, lower energy prices and moderating household rents means that it is likely that inflation has peaked and will start rolling over. This implies that the interest rate response from central banks is nearing completion, although the timing of when a potential "pause" will happen and when that will turn to "pivot" remains uncertain.
- The key concern for the year ahead remains the growth outlook of key economies. Europe and the US will face a recession because of the adoption of more restrictive monetary policies. Emerging markets, however, are well placed to show relatively faster growth as they start to come out from a rate hiking cycle sooner than developed markets. China's surprise emergence from stringent Covid lockdowns towards the end of the year means that their growth prospects have also brightened.
- Geopolitical risks will remain elevated as the war in Ukraine continues. This will impact investor positioning and sentiment, but the de-rating in global asset prices seen last year has resulted in more palatable starting valuations.
- An immediate impact of the war was felt last year through a spike in energy prices. Towards the end of the year, we saw these prices moderate due to warmer weather and the impact of demand destruction. We expect medium-term energy prices to be supported at relatively elevated levels as years of under-investment in oil and coal constrain growth in supply.
- Domestically, we continue to see muted economic growth as rapid deterioration in rail and power infrastructure present real headwinds to our industrial, retail and export businesses. Lack of adequate fixed investment spend and proper policy reform means that these problems will be difficult to address quickly. Low economic growth will impact the earnings power of domestic-facing businesses but also has implications for government's ability to manage its debt burden.

The above list is not comprehensive and shows that many of the issues faced last year remain unresolved as we enter the new year. The Fund will continue to stick to its process of making asset allocation and instrument selection decisions based off valuations while being mindful of managing downside risks through diversification and purchasing protection. We continue to think a full equity allocation is appropriate, as we see significant value in our selection. A portion of our global and local equity remains under put protection. We have also balanced the risk asset exposure with a healthy fixed income allocation where we can still achieve attractive real yields.

Outlook

While the past year was challenging to navigate, we have seen before that crisis periods throw out compelling investment opportunities. We have a proven investment philosophy and process that allows us to take advantage of these opportunities to generate long-term wealth for clients. We think the portfolio remains resilient despite a highly uncertain outlook and that the Fund is also well set up to deliver on its targeted returns for clients.

Portfolio managers
Charles de Kock, Pallavi Ambekar and Neill Young
as at 31 December 2022

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 45% 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).

BENCHMARK DETAILS

The benchmark used for performance purposes is CPI + 4%.

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 over the period referenced. 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 underlying 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 the previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available 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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