CORONATION TOP 20 FUND

Fund Information as at 31 July 2022

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 Top 20 Fund focuses on a limited number of shares we believe are attractively valued and offer superior long-term growth, and avoid those shares that we view as least attractive. Consequently, its investment performance will often look very different from that produced by the overall market.

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)
ASISA 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™

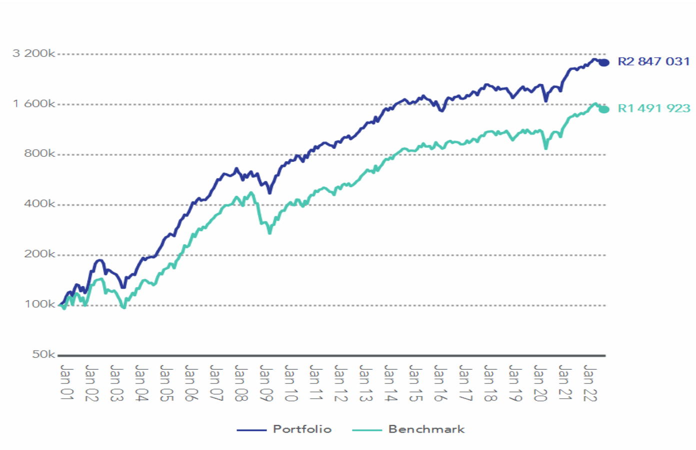
CLASS A as at 31 July 2022

ASISA Fund Category	South African - Equity - General
Launch date	02 October 2000
Fund size	R24.04 billion
NAV	17692.68 cents
Benchmark/Performance Fee	FTSE/JSE Capped Shareholders
Hurdle	Weighted All Share Index
Portfolio manager/s	Neville Chester and Nicholas Stein

	1 Year	3 Year
Total Expense Ratio	1.81%	1.17%
Fee for performance in line with benchmark	1.00%	1.00%
Adjusted for out/(under)-performance	0.57%	0.01%
Fund expenses	0.01%	0.01%
VAT	0.24%	0.15%
Transaction costs (inc. VAT)	0.29%	0.30%
Total Investment Charge	2.10%	1.46%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jul 2022
Domestic Assets	100.0%
Equities	99.8%
Basic Materials	30.9%
Consumer Goods	11.5%
Health Care	2.2%
Consumer Services	7.3%
Telecommunications	5.6%
Financials	26.5%
Technology	15.8%
Cash	0.2%

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	2747.0%	1391.9%	1355.1%
Since Launch (annualised)	16.6%	13.2%	3.4%
Latest 20 years (annualised)	15.7%	13.5%	2.2%
Latest 15 years (annualised)	11.0%	9.1%	1.8%
Latest 10 years (annualised)	10.6%	10.7%	(0.1)%
Latest 5 years (annualised)	8.0%	8.0%	0.0%
Latest 3 years (annualised)	13.5%	10.8%	2.7%
Latest 2 years (annualised)	17.9%	16.7%	1.3%
Latest 1 year	7.0%	7.2%	(0.2)%
Year to date	0.3%	(1.9)%	2.3%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.2%	17.2%
Sharpe Ratio	0.55	0.32
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	61.1%	60.3%

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

TOP 10 HOLDINGS

As at 30 Jun 2022	% of Fund
Prosus Nv	11.3%
Standard Bank Of SA Ltd	8.4%
Nedbank Ltd	7.9%
Impala Platinum Holdings Ltd	6.8%
Naspers Ltd	6.5%
Glencore Xstrata Plc	6.3%
Anglo American Plc	5.8%
Mtn Group Ltd	5.4%
Sasol Ltd	5.2%
Momentum Metropolitan Holdings	4.9%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2022	01 Apr 2022	99.77	99.46	0.31
30 Sep 2021	01 Oct 2021	383.71	383.15	0.57
31 Mar 2021	01 Apr 2021	14.42	14.41	0.01
30 Sep 2020	01 Oct 2020	192.26	191.91	0.35

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	1.8%	3.4%	(0.1)%	(2.3)%	1.4%	(6.6)%	3.2%						**0.3%**
Fund 2021	4.5%	5.8%	3.5%	0.3%	0.4%	(2.3)%	3.5%	1.1%	(1.5)%	4.7%	(1.8)%	4.2%	**24.1%**
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%**

Issue date: 2022/08/11

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 returned -7.5% for the quarter and 7.3% for the last 12 months. The long-term performance of the Fund remains pleasing against both the peer group and the benchmark.

Our overweight position in Naspers/Prosus and underweight position in SA Inc contributed to relative quarterly performance, while overweight positions in Aspen and Quilter detracted.

It certainly was a wild quarter, both in terms of the geopolitical landscape as well as market returns. The combination of over 10 years of central bank loose monetary policy, supply side bottlenecks and the impact of Russia's invasion of Ukraine on energy prices saw developed world inflation print at levels not seen in decades.

Despite being behind the curve initially, central banks no longer regard inflation as transitory and have moved aggressively to bring it back under control. This saw sharp increases in global bond yields.

High energy prices (and inflation generally) as well as higher borrowing costs have led to meaningful downgrades to global growth expectations. Higher borrowing costs also mean that higher discount rates are being used to value businesses. This combination sent asset prices tumbling. For the second quarter, the S&P 500 Index was down 16.1%, the Nasdaq down 22.3% (so-called long duration assets fared worse than other stocks) and the JSE (FTSE/JSE Capped Shareholder Weighted Index) was down 10.6%. Reflecting the lack of hiding places, a 60/40 US stock/bond portfolio was down 11.7% for the quarter.

We sold out of AngloGold during the three-month period. With the US Federal Reserve's aggressive interest rates hikes (and very strong language regarding their expectations around future rate rises until inflation is brought back under control), real rates moved from negative territory to positive territory in rapid time. This has dimmed our enthusiasm for the yellow metal, given the inverse correlation between the price of gold and real rates (higher real rates increase the opportunity cost of holding gold, a metal with no yield).

Energy prices remain very strong. Thermal coal prices are holding around $400/t, while oil is holding above $100/bbl. This is a function of years of underinvestment in new supply. Environmental, Social and Governance challenges have throttled financing and appetite for new projects (trying to cancel supply), while the challenges of transitioning off hydrocarbons have been underestimated (struggling to cancel demand). Added to this, Russian supply looms large in all energy markets. Russia supplies c15% of seaborne coal and 11% of world oil production. As countries attempt to buy non-Russian energy, the impact on trade flows is having a marked effect on prices. We remain constructive on the outlook for energy prices over the medium term. We are not seeing material new investment in supply. Demand is also more inelastic than industrial commodities. As a result, any demand destruction from high prices should have a more muted impact on demand. Despite the positive outlook, we do not believe share prices suggest this is a crowded trade, with shares pricing in fairly conservative energy prices. We rotated some of our Anglo American position into Glencore and added to our Sasol holding.

In the quarter, the largest contributor to outperformance was our large position in Naspers/Prosus combined, as positive action from Naspers to address the large discount it trades at has been implemented. The share ended the quarter up 36%. At their March results (which were released mid-June), Naspers noted the desire to focus on profitability in the rump assets and the crystallization of value here, on top of growing net asset value per share on a go forward basis. The kicker was the announcement of their intention to implement an open-ended buyback programme, funded by orderly selling down of their Tencent stake. This is a course of action we actively pushed at both the executive and board level. Given the vast discounts Naspers/Prosus trade at, the outcome of the above is that shareholders will increase their Tencent shareholding on a per Naspers/Prosus share basis. This is a very positive step and has been the primary driver of subsequent share price performance. We continue to believe that Naspers/Prosus are attractively valued versus their underlying assets and look forward to further developments in realising this value.

We added to our Richemont and MTN holdings during the quarter. In both cases, the investment case remains unchanged, but the margin of safety has increased as their respective share prices came under pressure. British American Tobacco, which has held up very well during this market turmoil, was used as a funding source.

While SA was relatively well placed within the emerging markets universe post Russia's invasion of Ukraine (largely given the commodity basket we produce), the rate of change has been negative: Non-energy prices are down meaningfully (second-quarter price changes saw platinum group metals down over 10%, iron ore down 19% and gold down 7%); Transnet's operational performance continues to deteriorate off an already low base, particularly on the coal line; loadshedding has kicked up materially, with sustained periods of stage 4-6. We remain concerned by the lack of urgency in tackling these issues. We were net sellers of SA Inc assets over the quarter.

An SA Inc asset we did add to the fund was Pepkor. A large, discounted share placement by an investor presented a good opportunity to acquire a stake in the business. Pepkor is a well-run, cash generative business. They have an almost unassailable position in the low-end fashion space, with price points other retailers struggle to achieve. In a tough economy, they stand to continue their market share gains as consumers trade down.

The weighted average upside for the Fund now sits at levels last seen during the 2008/2009 crisis. We track this upside over time and note that it correlates very well with prospective returns. As such, we remain very excited by the prospective returns we believe the Fund will generate.

Portfolio managers
Neville Chester and Nicholas Stein
as at 30 June 2022

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 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

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.