

## 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 may represent up to 45% 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 annual management fee is 1.25%.

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](http://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

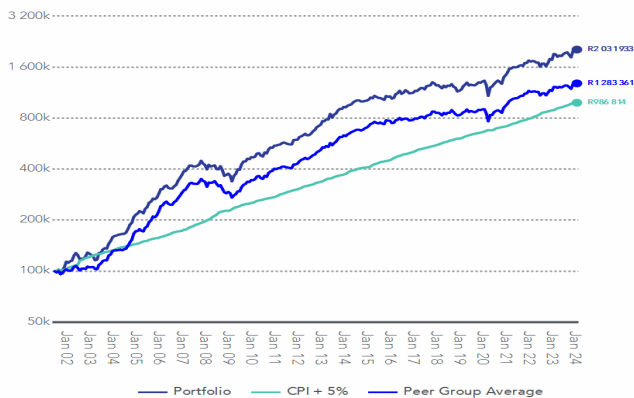
<b>Launch Date</b>	2 July 2001
<b>Fund Class</b>	A
<b>Benchmark</b>	CPI + 5%
<b>ASISA Fund Category</b>	Worldwide – Multi-asset – Flexible
<b>Income Distribution</b>	Semi-annually (March & September)
<b>Investment minimum</b>	R5 000 or R500/m debit order
<b>Bloomberg Code</b>	CORMKPL
<b>ISIN Code</b>	ZAE000031506
<b>JSE Code</b>	CMPP

CLASS A as at 31 January 2024

ASISA Fund Category	Worldwide - Multi Asset - Flexible
Launch date	02 July 2001
Fund size	R 4.76 billion
NAV	10863.86 cents
Benchmark	CPI + 5%
Portfolio manager/s	Neville Chester, Nicholas Stein and Nicholas Hops

## PERFORMANCE AND RISK STATISTICS

## GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	CPI +5%	Peer Group Average
Since Launch (unannualised)	1931.9%	886.8%	1183.4%
Since Launch (annualised)	14.3%	10.7%	12.0%
Latest 20 years (annualised)	13.5%	10.5%	12.0%
Latest 15 years (annualised)	12.1%	10.2%	10.5%
Latest 10 years (annualised)	8.2%	10.1%	7.4%
Latest 5 years (annualised)	11.5%	10.2%	8.7%
Latest 3 years (annualised)	10.8%	11.1%	9.6%
Latest 1 year	6.2%	10.6%	5.0%
Year to date	(0.2)%	0.7%	(0.9)%

## RISK STATISTICS SINCE LAUNCH

	Fund	Peer Group Average
Annualised Deviation	11.2%	9.0%
Sharpe Ratio	0.59	0.48
Maximum Gain	36.7%	34.9%
Maximum Drawdown	(24.4)%	(22.4)%
Positive Months	64.6%	65.7%

	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 2024	(0.2)%												(0.2)%
Fund 2023	8.4%	(0.5)%	(3.2)%	1.8%	(0.9)%	2.7%	1.6%	0.9%	(3.3)%	(3.4)%	8.9%	2.3%	15.3%
Fund 2022	(1.4)%	0.9%	(0.5)%	(1.7)%	(0.1)%	(5.4)%	4.4%	(0.1)%	(3.5)%	4.4%	5.7%	(1.3)%	0.9%
Fund 2021	4.1%	4.8%	0.7%	1.7%	(0.2)%	0.2%	1.9%	0.8%	(0.8)%	4.0%	0.0%	3.3%	22.1%
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%

	1 Year	3 Year
Total Expense Ratio	1.63%	1.36%
Fund Management Fee	1.24%	1.24%
Adjusted for out/(under)-performance	0.00%	(0.21)%
Fund expenses	0.21%	0.17%
VAT	0.19%	0.15%
Transaction costs (inc. VAT)	0.27%	0.25%
Total Investment Charge	1.90%	1.61%

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2024
<b>Domestic Assets</b>	<b>53.5%</b>
■ Equities	40.3%
Basic Materials	7.1%
Industrials	1.2%
Consumer Goods	4.5%
Health Care	0.2%
Consumer Services	8.6%
Telecommunications	1.4%
Financials	10.3%
Technology	6.6%
Derivatives	0.4%
■ Real Estate	5.7%
■ Bonds	8.0%
■ Commodities	1.0%
■ Cash	(1.6)%
<b>International Assets</b>	<b>46.5%</b>
■ Equities	28.3%
■ Preference Shares & Other Securities	0.0%
■ Real Estate	0.4%
■ Bonds	13.5%
■ Cash	4.3%

## TOP 10 HOLDINGS

As at 31 Dec 2023	% of Fund
Prosus	4.7%
Standard Bank Group Ltd	3.2%
Cie Financiere Richemont Ag	2.5%
British American Tobacco Plc	2.1%
Anheuser-Busch Inbev SA/NV	2.1%
Atterbury Investment Holdings	1.8%
Nedbank Group Ltd	1.8%
Anglo American Plc	1.7%
Mondi Limited	1.6%
NEPI Rockcastle PLC	1.6%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Sep 2023	02 Oct 2023	151.74	83.47	68.27
31 Mar 2023	03 Apr 2023	128.81	52.61	76.20
30 Sep 2022	03 Oct 2022	182.47	97.46	85.01
31 Mar 2022	01 Apr 2022	137.74	42.26	95.48

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

### Performance

As the 2023 calendar year drew to a close, the extreme volatility we have become used to in markets remained in place. October saw a sharp sell-off, followed by a strong recovery in November, and then mixed fortunes across markets in December. Pleasingly, 2023 was a good year for the Fund, delivering a return of 15.3% for the period, ahead of the quantitative benchmark and well ahead of inflation, creating real growth for clients invested in the Fund.

### Fund positioning

The last quarter started with a sharp sell-off across most asset classes over fears of interest rates remaining higher for longer, which then made a full 180-degree turn on a slightly better inflation print from the US, which triggered an 'everything' rally as all asset classes appreciated on a view that the US interest rate cycle had not only peaked but would soon be entering a cutting cycle.

We will only find out how true this is as 2024 rolls through, but the change in sentiment was particularly bullish for yielding asset classes (such as property and bonds) and the longer duration growth stocks. Fortunately, the Fund had good exposure to risk and yielding assets and captured much of this bullish turn of events. Our global equity exposure, both to developed and emerging markets, contributed positively over the period. As markets start to think about lower interest rates in the US, there will potentially be a resurgence in interest in assets outside of the US, a welcome change after years of US dollar dominance over all other markets. Given that the S&P 500 Index was at, or close to, peak levels once again, we took the opportunity to reduce some of the global developed market exposure through a combination of physical selling and put protection.

Funds released from the selling of global equity positions have been deployed mainly into the corporate bond sector, where we still see opportunities to make attractive investments, even though there has been some tightening of credit spreads through this period. We remain favourably disposed to the global corporate bond sector over sovereign exposure, given that many sovereigns are over-indebted, and we still think sovereign yields are not particularly attractive at current levels.

Our exposure to the local equity market remained constant; while there was a strong rally towards the end of the year in domestic names, a couple of shares were hit by some idiosyncratic events. Anglo American, the diversified global miner, released a disappointing capital market update, indicating a significant decline in its medium-term production of copper. The market took this news very negatively given that copper is the commodity with the most bullish medium-term outlook (it is cold comfort that the Anglo announcement will add to upward pressure on the copper price!). Naspers was impacted just before Christmas by the release (in China) of onerous draft regulations on the gaming industry, which were hastily retracted, and the relevant official removed, resulting in some

recovery in the share price, but it still impacted the portfolio performance.

Despite these specific shares, the SA equity portfolio still delivered a decent positive contribution, as other key stock picks such as the banks, telcos and other diversified miners recovered strongly in the 'risk on' environment engendered by the positive sentiment towards US interest rates.

Our property holdings had another good quarter as their high yields started to attract interest and investors started to contemplate the cost of debt funding declining as we move into a rate-cutting cycle, which will be positive for these leveraged businesses. The global property names that we own had a particularly strong run, notably NEPI Rockcastle (listed on the JSE) and some of our European property exposure (held offshore). The L2D buyout closed out successfully, reducing our exposure to the sector.

On the local bond front, we have been adding to our inflation-linked bonds (ILBs). With real yields close to 5%, we think this is a very good hedge against inflation to have in a portfolio of this nature. While global inflation appears to be coming under control, we remain concerned about above-inflation wage increases locally and the potential risk of further rand weakness (which is always inflationary). The ILBs give investors solid protection against these risks.

### Outlook

In a multi-asset fund it is always pleasing to see many potential asset classes offering the prospect of decent returns, and this remains the case. Despite a better 2023, most markets still have the potential to offer SA-based investors attractive returns. As we have seen recently, short-term volatility will remain high, but the solid double-digit returns delivered by the Fund (13.6% annualised over 20 years) are a testament to the benefits of a flexible actively-managed multi-asset fund.

### Portfolio managers

**Neville Chester, Nicholas Stein and Nicholas Hops**  
as at 31 December 2023

**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 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. 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) Ltd (FSP 548), 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](http://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 ASISA South African - Multi Asset - Flexible category (excluding Coronation Funds in that category).

**BENCHMARK DETAILS**

The benchmark used for performance purposes is the Consumer Price Index (CPI) + 5%.

**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. 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](http://www.coronation.com)

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