CORONATION
TRUST IS EARNED™

CORONATION MARKET PLUS FUND

FUND INFORMATION AS AT 30 SEPTEMBER 2018

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 35% of its assets. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

0%
Minimum Income Assets

100%
Maximum Growth Assets

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 longterm 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?

An annual fee of a minimum of 0.75% and a maximum of 2.40% is payable, depending on the fund's performance.

If the fund's return (after fees and costs) is equal to that of its benchmark plus 2%, an annual fee of 1.25% will be charged. We share in 20% of performance above the benchmark plus 2%, up to a maximum annual total fee of 2.40%. Performance is measured over a rolling 24-month period.

When the fund underperforms the benchmark over any 60-month period, the fee is reduced by 0.50%.

TFI Class A - An annual fee of 1.60% is payable. This class in 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

Pallavi Ambekar
CA (SA), CFA

Nicholas Stein
CA (SA), 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	CMPF

CORONATION MARKET PLUS FUND

FUND INFORMATION AS AT 30 SEPTEMBER 2018

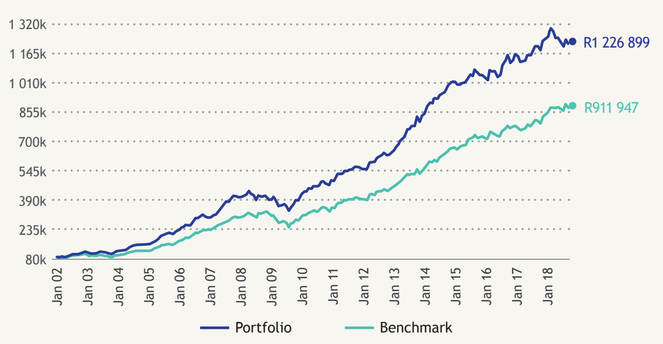
CORONATION
TRUST IS EARNED™

Fund category	Worldwide - Multi Asset - Flexible
Launch date	02 July 2001
Fund size	R 4.69 billion
NAV	7971.90 cents
Benchmark Performance	Composite (52.5% equity, 22.5% bonds,
Fee Hurdle	20% international, 5% cash)
Portfolio manager/s	Neville Chester, Pallavi Ambekar and Nicholas Stein

	CLASS A		CLASS TFI A	
	1 Year	3 Year	1 Year	3 Year
Total Expense Ratio	1.65%	1.52%	1.84%	1.78%
Fund Management Fee	1.24%	1.16%	1.42%	1.40%
Fund expenses	0.23%	0.20%	0.23%	0.18%
VAT	0.17%	0.16%	0.20%	0.20%
Transaction costs (inc. VAT)	0.14%	0.16%	0.14%	0.15%
Total Investment Charge	1.79%	1.68%	1.98%	1.93%

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)	1126.9%	811.9%	315.0%
Since Launch (annualised)	15.6%	13.7%	2.0%
Latest 15 years (annualised)	15.8%	14.9%	0.9%
Latest 10 years (annualised)	12.0%	11.8%	0.2%
Latest 5 years (annualised)	6.6%	9.2%	(2.6)%
Latest 3 years (annualised)	6.1%	8.1%	(2.0)%
Latest 1 year	(2.0)%	6.5%	(8.5)%
Year to date	(1.7)%	3.2%	(4.9)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	10.5%	10.0%
Sharpe Ratio	0.71	0.55
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	66.2%	67.1%
	Fund	Date Range
Highest annual return	50.0%	Aug 2004 - Jul 2005
Lowest annual return	(20.1%)	Mar 2008 - Feb 2009

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
28 Sep 2018	01 Oct 2018	177.41	84.31	93.10
29 Mar 2018	03 Apr 2018	127.63	38.32	89.31
29 Sep 2017	02 Oct 2017	128.57	46.49	82.08
31 Mar 2017	03 Apr 2017	106.51	29.12	77.39

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

	30 September 2018
Domestic Assets	**66.4%**
Equities	**42.1%**
Basic Materials	8.2%
Industrials	1.2%
Consumer Goods	5.7%
Health Care	1.9%
Consumer Services	7.7%
Telecommunications	3.0%
Financials	9.0%
Technology	0.7%
Derivatives	4.5%
Preference Shares & Other Securities	**3.4%**
Real Estate	**11.3%**
Bonds	**10.6%**
Commodities	**1.1%**
Cash	**(2.7)%**
Other (Currency Futures)	**0.6%**
International Assets	**33.6%**
Equities	**21.6%**
Real Estate	**1.3%**
Bonds	**8.9%**
Cash	**1.9%**

TOP 10 HOLDINGS

As at 30 September 2018	% Of Fund
Naspers Ltd	5.1%
INTU Properties	4.1%
British American Tobacco Plc	3.9%
Anglo American Plc	3.3%
MTN Group Ltd	3.0%
Egerton Capital Equity Fund	2.9%
Contrarius Global Equity Fund	2.9%
Standard Bank Group Ltd	2.6%
Maverick Capital	2.1%
Lansdowne Capital	2.0%

MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	0.4%	(2.1)%	(2.1)%	3.5%	(2.1)%	2.4 %	(0.5)%	2.4%	(3.4)%				(1.7)%
Fund 2017	2.5%	(0.2)%	2.0%	2.1%	0.0%	(1.8)%	4.5%	0.6%	0.7%	4.1%	(1.3)%	(2.9)%	10.4%
Fund 2016	(3.1)%	1.1%	5.2%	1.3%	3.4%	(4.1)%	1.5%	3.4%	(1.6)%	(2.6)%	0.2%	0.6%	5.0%

Issue date: 2018/07/16

Please refer to page 4 for important additional information, including change in cost disclosures.

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

The past quarter has been another tough period, with most capital markets around the world under pressure. The US equity market has remained the exception with returns having continued to be elevated by earnings growth supported by tax cuts and the short-term strength of the US economy. The fund returned -1.5% for the quarter. While this was a disappointing outcome, the long-term since inception return of 15.6% per annum remains 2% ahead of benchmark.

The level of risk in global markets remains elevated as US President Trump ratchets up the rhetoric with major trading partners, especially China, and as Brexit and weakness in specific EU economies raise concerns around the levels of global growth going forward. Despite these evident risks, the US equity market continues to be well supported and has hit new highs, raising concerns around market participants having far too benign an outlook. The steady rise of the 10-year US Treasury rate has seen a poor return for the US bond market and raises further concerns over what the hike in this benchmark rate will mean for equity valuations as well as the repricing of debt in markets where, for the past 10 years, debt funding has been exceptionally cheap. Brexit has weighed heavily on UK markets, with a combination of a weak currency and lack of confidence dragging down local stocks. With the end date for Brexit looming in six months' time, there is precious little scope for last minute negotiations and the risks of the UK falling out of Europe without a proper plan are elevated. Europe is also suffering from the latter as well as new concerns around the rise of populist governments to the left and right of the political spectrum. Italy's new government roiled local debt markets by taking an aggressive positioning on fiscal spending to spur growth, although most of this has since been reversed. In the east, the Chinese yuan has been under pressure, given concerns around a trade war and its impact on the local economy.

Emerging markets have not fared any better, with Turkey and Argentina punished heavily for adopting diametrically opposing policies. Turkey refused to hike rates aggressively and appointed potentially compromised individuals to key finance roles. In turn, Argentina appointed market-friendly individuals into their finance roles, aggressively hiked rates and received a bailout from the International Monetary Fund. Both markets sold off heavily with currency and bond markets being punished. In addition, Russia was impacted by further sanctions and generally raised political rhetoric around the country's actions in western countries.

Emerging market equities and bonds have borne the brunt of the sell-off and look incredibly attractive at these levels. This is not a rerun of the 1998 emerging markets crisis when most of these markets were heavily indebted, and usually in hard currencies. The weakness in local currencies has already had a stark impact on terms of trade and we are seeing these improvements feed through into the fiscal numbers. From current levels, most emerging market equity and bond markets offer very compelling returns and we remain overweight emerging markets within our offshore component.

Globally, we continue to reduce exposure to what looks like a very expensive US market in favour of the rest of the world, where valuations are more reasonable. We have not yet made the move to buy into developed market debt markets, although with US yields as things stand at 3.2%, they are close to the point at which we would start adding.

Local equity markets have had a torrid period, with several of the rand hedge shares, which should have benefited from the recent rand sell-off, not doing very well for stock-specific reasons. Naspers has performed poorly on the back a bad run from Tencent, despite the welcome announcement of the unbundling of their Multichoice business. British American Tobacco has also performed poorly in hard currency over fears of a rapid shift to reduced risk nicotine products. This has impacted the ratings of tobacco stocks globally.

Domestic stocks have also performed poorly, as many sectors have been exposed by the very poor macroeconomic backdrop and weak consumer and have seen significant earnings declines. Those sectors whose earnings have held up, such as the banks, have still sold off as the rand has weakened and fears of rising interest rates and potential further downgrades of sovereign debt have weighed on sentiment.

Within our equity component, we continue to have a bias towards highquality, more defensive South African businesses, the banks, and those duallisted multinational companies which we think are offering exceptional value. Within our domestic stocks we held a large position in MTN, which was severely impacted by new allegations made by the Central Bank of Nigeria and the Nigerian Attorney General. Upon review, these allegations appear baseless and purely designed to extract money from a profitable Nigerian mobile operator. The company has chosen to defend itself fully against these claims and the share price has since made some recovery, but remains exceptionally cheap and likely to remain so until these outstanding issues are resolved.

The equity market has taken an uncompromising and brutal stance on any disappointment and we have seen a number of shares fall anywhere between 10% and 30% on results announcements. While this is an uncomfortable and unpleasant period in the markets, the size of such movements is often what gives the patient investor the opportunity to make great long-term investments. Our large holding in Anglo American was made in such times during the resource sector sell-off in late 2015 and early 2016 and has proven again the benefits associated with patient, well researched investing. With local equity markets down over 9% since the start of the year, we are adding to our overall South African equity exposure now as we think this offers compelling value on a medium-term horizon.

Our holdings in listed property have continued to languish as the sector remains tainted by the collapse in share prices of the Resilient group. In addition, we have seen a number of property companies reduce their guidance amid tough trading conditions in the office and retail sectors. Given that we have avoided most of the overvalued companies, we have not seen any large losses, but there has been no marked capital gains either. With our basket of domestic property names trading on an average yield of 12.6%, they remain compelling investment ideas in this low-growth market. The UK-listed property companies have also been a drag on performance, with Intu, in particular, holding back performance, despite an improving rental income outlook. On an 8% yield in pounds and trading at a 50% discount to our estimate of fair value, it offers compelling value. At the time of writing this commentary, this has been recognised as a potential offer has emerged from an investment consortium.

Domestic inflation has remained firmly below 6% despite the weaker rand and higher oil price as the state of the consumer has prevented manufacturers and retailers from passing price pressures on. In this environment, buying government bonds on yields in excess of 9% looks compelling, locking in 3% to 4% real yields. We have added to our fixed rate exposures so that more than 10% of the portfolio is now at fixed rates. Despite the sell-off in global bonds, we have not yet added any holdings to the portfolio.

2018 has been a tough year for South Africa, the consumer and this portfolio. Despite the challenges of a stalled economy and difficult stock market, we now find ourselves being more positive given the very low valuations of most assets, outside of US equities. We expect the portfolio to deliver strong growth in the medium to long term from this base.

Portfolio managers
Neville Chester and Pallavi Ambekar

as at 30 September 2018

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.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COST (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 2017 (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.