

A: WHICH CORONATION FUNDS CHARGE PERFORMANCE FEES?

Domestic:

- Coronation Equity
- Coronation SA Equity
- Coronation Top 20

International:

- Coronation Optimum Growth Fund
- Coronation Global Emerging Markets Flexible [ZAR]

B: WHAT ARE THE MINIMUM AND MAXIMUM FEES, THE FEE HURDLES AND THE SHARING RATES?

- What are the minimum² fees for the relevant funds and classes?
- What are the maximum fees for the relevant funds and classes?
- At which performance levels (also called the fee hurdles³) will Coronation charge more than the minimum fees?
- What portion of the funds' performances will Coronation be entitled to share should the funds perform above their fee hurdles (also called sharing rate)?

DOMESTIC			Class Type 1		
			Retail	Discounted	Platform
Equity	Minimum Fees ²	Standard	1.10%	0.85%	0.70%
		Discounted	0.75%	0.50%	0.35%
	Maximum Fees		2.60%	2.35%	2.20%
	Fee Hurdle ³		Composite*	Composite*	Composite*
	Sharing Rate ⁴		20%	20%	20%
SA Equity	Minimum Fees ²	Standard	1.10%	0.85%	0.70%
		Discounted	0.75%	0.50%	0.35%
	Maximum Fees		2.60%	2.35%	2.20%
	Fee Hurdle ³		FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*	FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*	FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*
	Sharing Rate ⁴		20%	20%	20%
Top 20	Minimum Fees ²	Standard	1.00%	0.75%	0.60%
		Discounted	0.50%	0.25%	0.10%
	Maximum Fees		3.00%	2.75%	2.60%
	Fee Hurdle ³		FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*	FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*	FTSE/JSE Capped Shareholders Weighted Index (C-SWIX)*
	Sharing Rate ⁴		20%	20%	20%

Refer to end of document for explanatory notes 1 - 4 raised in any of the above-mentioned questions



INTERNATIONAL			Class Type 1		
			Retail	Discounted	Platform
Optimum Growth	Minimum Fees ²	Standard	1.00%	0.75%	0.60%
		Discounted	0.85%	0.60%	0.45%
	Maximum Fees		2.40%	2.15%	2.00%
	Fee Hurdle ³		Composite*	Composite*%	Composite*
	Sharing Rate ⁴		20%	20%	20%
GEM Flexible (ZAR)	Minimum Fees ²	Standard	1.15%	0.90%	0.75%
		Discounted	1.00%	0.75%	0.60%
	Maximum Fees		2.40%	2.15%	2.00%
	Fee Hurdle ³		MSCI EM Index	MSCI EM Index	MSCI EM Index
	Sharing Rate ⁴		20%	20%	20%

* Composite benchmarks:

- **Equity Fund:** Composite index : 87.5% Domestic Equity (C-SWIX), 12.5% International Equity (ACWI). From 1/4/2021 to 31/3/2022 lower of performance fees calculated using hurdle with 1) CAPI & 2) C-SWIX will be charged. From 1/4/2022 only performance fee using hurdle with C-SWIX will be used.
- **SA Equity Fund:** From 1/4/2021 to 31/3/2022 lower of performance fees calculated using 1) CAPI & 2) C-SWIX as hurdle will be charged. From 1/4/2022 only performance fee using C-SWIX will be used.
- **Top 20 Fund:** From 1/4/2021 to 31/3/2022 lower of performance fees calculated using 1) CAPI & 2) C-SWIX as hurdle will be charged. From 1/4/2022 only performance fee using C-SWIX will be used.
- **Optimum Growth Fund:** Composite index : 35% FTSE/JSE Capped All Share Index, 35% MSCI All Country World Index (ACWI), 15% All Bond Index (ALBI) and 15% Barclays Global Bond Aggregate (BGBA)



The fees as disclosed in this table are exclusive of VAT.

C: UNDER WHICH CIRCUMSTANCES WILL THE DISCOUNTED MINIMUM FEES BE CHARGED?

For all the funds the discounted minimum fee will be charged when the fund class* underperforms the benchmark over rolling 60 months.

D: ARE THE FEE HURDLES THE SAME AS THE RELEVANT FUND BENCHMARKS?

Yes, the fee hurdles are the same as the relevant fund benchmarks.

E: WILL MORE THAN THE MINIMUM FEE BE CHARGED REGARDLESS OF WHETHER A FUND IS EXPERIENCING POSITIVE OR NEGATIVE RETURNS?

As the funds share in a portion of the funds' performance should the funds perform above their fee hurdles, more than the minimum fee may be charged regardless of whether a fund is experiencing positive or negative returns - as long as the fund's performance is above the relevant hurdle rate. However, a discount will apply to the fee should a fund underperform its benchmark over rolling 60 months period (see below tables for the effect of this discount on each fund/class under different levels of performance).

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F: WHEN FUND PERFORMANCE IS CONSIDERED, ARE FEES INCLUDED OR EXCLUDED (NET OF FEES OR GROSS OF FEES)?

Performance fees are paid on the class³ outperformance net of all fees. In other words, a fund class³ must generate outperformance in excess of all fees (including performance fees) already accrued before starting to earn any additional performance fee.

G: WHAT FEE RATE WILL BE CHARGED IF:

- the funds perform 10% pa less than the fee hurdle?
- the funds perform in line with the fee hurdle?
- the funds perform 10% pa more than the fee hurdle?
- the funds perform 5% pa less than the fee hurdle?
- the funds perform 5% pa more than the fee hurdle?

Retail Classes	-10%	-5%	Fee Hurdle	5%	10%
Equity Fund (A): when return equal or better than benchmark over 60 months	1.10	1.10	1.10	2.10	2.60
Equity Fund (A): when return below benchmark over 60 months	0.75	0.75	0.75	1.75	2.25
SA Equity Fund (A): when return equal or better than benchmark over 60 months	1.10	1.10	1.10	2.10	2.60
SA Equity Fund (A): when return below benchmark over 60 months	0.75	0.75	0.75	1.75	2.25
Top 20 (A): when return equal or better than benchmark over 60 months	1.00	1.00	1.00	2.00	3.00
Top 20 (A): when return below benchmark over 60 months	0.50	0.50	0.50	1.50	2.50
Optimum Growth (A): when return equal or better than benchmark over 60 months	1.00	1.00	1.00	2.00	2.40
Optimum Growth (A): when return below benchmark over 60 months	0.85	0.85	0.85	1.85	2.25
GEM Flexible [ZAR] (A): when return equal or better than benchmark over 60 months	1.15	1.15	1.15	2.15	2.30
GEM Flexible [ZAR] (A): when return below benchmark over 60 months	1.00	1.00	1.00	2.00	2.15

Discounted Classes	-10%	-5%	Fee Hurdle	5%	10%
Equity Fund (D): when return equal or better than benchmark over 60 months	0.85	0.85	0.85	1.85	2.35
Equity Fund (D): when return below benchmark over 60 months	0.50	0.50	0.50	1.50	2.00
SA Equity Fund (D): when return equal or better than benchmark over 60 months	0.85	0.85	0.85	1.85	2.35
SA Equity Fund (D): when return below benchmark over 60 months	0.50	0.50	0.50	1.50	2.00
Top 20 (D): when return equal or better than benchmark over 60 months	0.75	0.75	0.75	1.75	2.75
Top 20 (D): when return below benchmark over 60 months	0.25	0.25	0.25	1.25	2.25
Optimum Growth (D): when return equal or better than benchmark over 60 months	0.75	10.75	0.75	1.75	2.15
Optimum Growth (D): when return below benchmark over 60 months	0.60	0.60	0.60	1.60	2.00
GEM Flexible [ZAR] (D): when return equal or better than benchmark over 60 months	0.90	0.90	0.90	1.90	2.05
GEM Flexible [ZAR] (D): when return below benchmark over 60 months	0.75	0.75	0.75	1.75	1.90

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Platform Classes	-10%	-5%	Fee Hurdle	5%	10%
Equity Fund (P): when return equal or better than benchmark over 60 months	0.70	0.70	0.70	1.70	2.20
Equity Fund (P): when return below benchmark over 60 months	0.35	0.35	0.35	1.35	1.85
SA Equity Fund (P): when return equal or better than benchmark over 60 months	0.70	0.70	0.70	1.70	2.20
SA Equity Fund (P): when return below benchmark over 60 months	0.35	0.35	0.35	1.35	1.85
Top 20 (P): when return equal or better than benchmark over 60 months	0.60	0.60	0.60	1.60	2.60
Top 20 (P): when return below benchmark over 60 months	0.10	0.10	0.10	1.10	2.10
Optimum Growth (P): when return equal or better than benchmark over 60 months	0.60	0.60	0.60	1.60	2.00
Optimum Growth (P): when return below benchmark over 60 months	0.45	0.45	0.45	1.45	1.85
GEM Flexible [ZAR] (P): when return equal or better than benchmark over 60 months	0.75	0.75	0.75	1.75	1.90
GEM Flexible [ZAR] (P): when return below benchmark over 60 months	0.60	0.60	0.60	1.60	1.75

H: DO ANY OTHER CLASSES OF THE FUNDS CHARGE FIXED FEES INSTEAD OF PERFORMANCE FEES?

No

I: ARE THE PERFORMANCE FEES ACCRUED DAILY (ALSO CALLED THE FEE ACCRUAL FREQUENCY)?

Yes

J: DO PERFORMANCE FEE ACCRUALS PERTAIN TO PERFORMANCE PERIODS MORE THAN A MONTH PRIOR TO ACCRUAL?

No. Performance fees are accrued based on the most recent fund performance versus that of the relevant benchmark.

K: IS A ROLLING MEASUREMENT PERIOD USED?

Yes, a rolling 24 month measurement period is used. Where rolling measurement periods are used, certain unit holders may carry a lower proportion of the performance fee relative to performance enjoyed, whilst other investors may carry a higher proportion of the performance fee relative to performance enjoyed. This effect is restricted to the initial 24 months of a unit holder’s investment only.

L: HOW OFTEN IS THE PERFORMANCE FEE PAYABLE (ALSO CALLED THE ‘FEE PAYMENT FREQUENCY’)?

The performance fee is paid monthly.

M: SHOULD THE FUND EXPERIENCE UNDERPERFORMANCE OF THE FEE HURDLE, HOW LONG IS THAT UNDERPERFORMANCE HELD AGAINST CORONATION?

Underperformance is held against Coronation for as long as the rolling 24 month performance of the fund is under the hurdle.

N: DOES PERFORMANCE IN EXCESS OF THE HURDLE RATE NEED TO OVERCOME PRIOR UNDERPERFORMANCE (ALSO CALLED A HIGH-WATER MARK SYSTEM)? IF SO, EXPLAIN WHETHER FEE ACCRUALS ARE SIMPLY SUSPENDED OR WHETHER PAST FEE ACCRUALS ARE REFUNDED. ALSO, DISCLOSE THE CIRCUMSTANCES UNDER WHICH THE HIGH-WATER MARK EXPIRES, IF AT ALL.

No, a high-water mark system is not in place. Instead the total fees (base fee and performance fees combined) are “capped” or restricted to a maximum as per the maximum fees indicated in the tables at the beginning of this document. In addition, a discount will apply to the fee should a fund underperform its benchmark over rolling 60 months period (see above tables for the effect of this discount on each fund/class under different levels of performance).

O: DO ANY UNDERLYING FUNDS CHARGE IMPLICIT PERFORMANCE FEES?

The funds are all “hybrid funds” which means part of the funds’ market value may be invested in one or more other funds. Some of the Coronation funds may at times make use of this provision and the underlying funds used may charge implicit performance fees. Where underlying funds are used and such underlying funds charge implicit performance fees (i.e. implicit in their unit prices), unit holders may carry these performance fees regardless of whether the top-tier fund or mandate has outperformed its own benchmark. Such implicit performance fees are however included in the disclosed total expense ratio (TER) of the relevant fund when applicable.



Coronation does not charge an additional layer of fees where one Coronation fund invests in another Coronation fund.

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EXPLANATORY NOTES:

1. The different fee class types are available to different investors or via different investment channels. The 'Retail' class of each fund is available to retail investors investing directly. The 'Discounted' and "Platform" classes of each fund is available only to institutional investors or to retail investors through certain LISP platforms.

The relevant class names/designations are:

Retail: Class A

Discounted: Class D

Platform: Class P

2. The funds have a standard minimum fee and a discounted minimum fee. The discounted minimum fee will be charged when the fund class underperforms the benchmark over rolling 60 months.
3. The level at which Coronation starts sharing in the funds' performance is determined by applying the fee hurdle to the performance of the relevant fund class
4. A rolling 24-month period is used as the measurement period for the purposes of determining fund performance relative to the fee hurdle. The fund and benchmark performance is annualised before applying the sharing rate.