

## 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

Maximum growth/  
minimum income exposures

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](http://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 – SA General
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORTP20
ISIN Code	ZAE000026431
JSE Code	CNTF

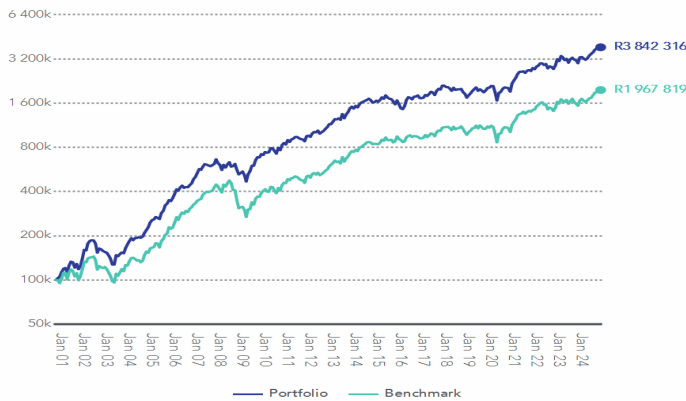
CLASS A as at 31 October 2024

ASISA Fund Category	South African - Equity - SA General
Launch date	02 October 2000
Fund size	R28.53 billion
NAV	21980.39 cents
Benchmark/Performance	FTSE/JSE Capped Shareholders
Fee Hurdle	Weighted All Share Index
Portfolio manager/s	Neville Chester and Nicholas Stein

Total Expense Ratio	1 Year*	3 Year
	1.63%	1.34%
Fee for performance in line with benchmark	1.00%	1.00%
Adjusted for out/(under)-performance	0.41%	0.16%
Fund expenses	0.01%	0.01%
VAT	0.21%	0.17%
Transaction costs (inc. VAT)	0.26%	0.28%
Total Investment Charge	1.89%	1.61%

## 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)	3742.3%	1867.8%	1874.5%
Since Launch (annualised)	16.4%	13.2%	3.2%
Latest 20 years (annualised)	15.1%	13.6%	1.5%
Latest 15 years (annualised)	11.8%	11.3%	0.5%
Latest 10 years (annualised)	9.0%	8.8%	0.2%
Latest 5 years (annualised)	13.7%	12.1%	1.5%
Latest 3 years (annualised)	11.5%	11.0%	0.4%
Latest 2 years (annualised)	15.3%	14.9%	0.4%
Latest 1 year	28.3%	28.0%	0.3%
Year to date	16.4%	14.8%	1.6%

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.1%	16.9%
Sharpe Ratio	0.54	0.32
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	60.6%	59.9%

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

## MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2024	(2.5)%	(1.8)%	2.3%	4.2%	2.9%	2.4%	4.3%	1.1%	4.1%	(1.5)%			16.4%
Fund 2023	8.3%	(2.2)%	(4.2)%	2.0%	(5.7)%	5.6%	2.3%	(2.7)%	(1.2)%	(4.4)%	9.6%	0.6%	6.7%
Fund 2022	1.8%	3.4%	(0.1)%	(2.3)%	1.4%	(6.6)%	3.2%	(0.9)%	(3.0)%	5.6%	10.4%	(3.0)%	9.0%
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)%

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Oct 2024
<b>Domestic Assets</b>	<b>100.0%</b>
■ Equities	99.6%
Basic Materials	25.6%
Consumer Goods	12.0%
Consumer Services	11.8%
Financials	32.3%
Technology	18.0%
■ Cash	0.4%

## TOP 10 HOLDINGS

As at 30 Sep 2024	% of Fund
Prosus Nv	10.6%
Standard Bank Of SA Ltd	9.2%
Naspers Ltd	8.2%
Anheuser-busch Inbev Sa/nv	7.8%
Nedbank Ltd	7.5%
Quilter	5.1%
Investec Limited	5.1%
Anglogold Ashanti Ltd	4.6%
African Rainbow Minerals Ltd	4.1%
Sanlam Life Assurance Limited	3.9%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2024	01 Oct 2024	390.96	389.65	1.31
28 Mar 2024	02 Apr 2024	55.44	55.08	0.35
29 Sep 2023	02 Oct 2023	559.04	558.12	0.92
31 Mar 2023	03 Apr 2023	76.91	76.51	0.40

\*This column shows the most recently available figures for the 12 months ending September 2024, which is also the end of the fund financial year.

Issue date: 2024/11/13

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

### Performance and fund positioning

The Fund returned 9.9% for the quarter and 24.6% for the last 12 months. The long-term performance of the Fund remains pleasing against both the peer group and the benchmark.

Our overweight bank holdings contributed to relative quarterly performance, while overweight positions in the mid cap miners detracted.

The quarter was characterised by strong performances from risk assets as central banks around the world kicked off their respective rate cutting cycles. This, despite heightened geopolitical tensions in the Middle East and elsewhere. A package of Chinese economic stimulus measures lit a fire under Chinese-focused equities and commodity prices towards the end of the quarter.

On the domestic front, optimism around the GNU and prospects for improved governance and growth rates sent prices for domestic assets meaningfully higher. Consumer-focused names were particular beneficiaries as they also benefited from expectations around the new “two pot” retirement system flows (giving a short-term boost to consumers), an extended period without any loadshedding and expectations around an interest rate cutting cycle.

Of course, key questions are around how enduring the GNU will prove to be, as well as how much additional growth is expected. This needs to be weighed against the share price moves we have seen.

Our overall exposure to the South African economy remained broadly flat over the quarter in absolute terms, which implies net selling and relative down weighting given the strength of the share price moves. We reduced our big four bank holdings and Motus in favour of Investec and Shoprite. Shoprite is a “new” holding in the Fund, although it has been owned before in the Fund’s history. We think the Shoprite Checkers group is exceptionally well placed to grow earnings strongly for an extended period. Shorter-term tailwinds, such as “two pot” money and reduced spending on diesel for generators combine with longer-term tailwinds from superb management and execution that have seen the group take market share from peers like Pick n Pay, a trend we expect to continue.

On the commodity front, the diversified miners were weak for most of the quarter as Chinese demand data remained extremely soft. Policy measures to support the Chinese housing market were announced towards the end of the quarter, which provided a source for optimism that demand in that key subsector will likely bottom.

After having been bearish on the PGM sector for more than a year, we are turning constructive again. Governments and vehicle manufacturers around the world are toning down their EV incentives and production targets, respectively. Hybrids (which contain PGMs) are the fastest growing EV subset. Moribund PGM prices, which trade deep into the cost curve, will curtail medium-term PGM production. This setup sows the seeds for the next upcycle. As a result, we have been buyers of PGM shares.

Chinese internet shares have been trading at extremely depressed levels, as many investors have been spooked by soft Chinese economic data of late. This, despite years of strong earnings growth, strong cash generation

and greatly increased returns to shareholders via share buybacks and special dividends. Many of these shares also sit with cash levels at a very high proportion of their market capitalisations. Despite these attributes, shares prices and PEs remained depressed. In another example of the perils of trying to time markets, the announcement of a package of economic support for the Chinese economy by the Chinese government sent all of these share prices higher in almost a straight line. At the time of writing, Tencent was up almost 30% in a month, while JD.com was up almost 80%. This saw the Naspers/Prosus complex rise c. 17% for the quarter. We still regard its growth prospects as materially undervalued and it represents the Fund’s largest holding.

### Outlook

As always, earnings growth and starting valuations drive returns. The Fund’s upside remains attractive, albeit reduced from the extremely attractive levels seen a year ago.

### Portfolio managers

**Neville Chester and Nicholas Stein**

as at 30 September 2024

**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) 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.

**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 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 a rolling 12-month period to the last available month end (updated monthly). The financial year TER displayed at the bottom of page 2, is the latest available 12-month TER to the end of the previous financial year ending 30 September (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](http://www.coronation.com)

**IMPORTANT INFORMATION REGARDING TERMS OF USE**

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