CORONATION CAPITAL PLUS FUND

Fund Information as at 31 May 2023

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WHAT IS THE FUND'S OBJECTIVE?

The fund is in the first instance managed to achieve reasonable investment growth over the medium to long term. Our intent is that the fund should produce an annualised return of at least inflation plus 4% over time. In addition, we aim to achieve less volatility than the average balanced fund. It is specifically managed to suit investors who want to draw an income over an extended period of time.

WHAT DOES THE FUND INVEST IN?

Capital Plus can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally, in a manner similar to that usually employed by retirement funds. As the fund actively seeks to curb risk and volatility, only a maximum of 70% of its investments may be held in growth assets like shares and listed property. Shares usually offer the best growth, but this comes with the greatest risk of short-term losses. The fund's exposure to shares is therefore carefully balanced with more stable investments like bonds. Maximum exposure to foreign assets is 45%. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

5/10
Moderate

Maximum growth/ minimum income exposures

- Growth Assets: 70%
- Income Assets: 30%

The fund is tactically managed to protect and grow capital, as well as secure an attractive income. A large and experienced investment team actively seeks out the best potential opportunities for income and growth, while carefully considering the different risks within the fund.

The fund is diversified across a range of assets reflecting its dual objectives of reasonable growth and capital stability. This includes a selection of shares we believe are attractively valued and may offer strong long-term returns, as well as strategic positions in quality income assets.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer. The fund's exposure to shares may result in short-term price fluctuations, making it unsuitable to investors who can only invest for short periods.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

- Pensioners and other investors requiring an income, especially those in the first half of retirement.
- Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- Investors requiring a low-risk fund, which offers a reasonable rate of return, for their retirement annuity, provident fund, preservation fund or pension fund.
- Conservative investors who want to protect their savings.
- Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.

WHAT COSTS CAN I EXPECT TO PAY?

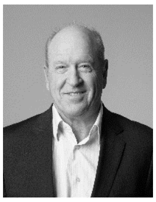
An annual fee of 1.15% (excl. VAT) is payable.

The annual management fee is accrued daily and paid monthly. Fund expenses 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 fund 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?



CHARLES DE KOCK
BCom (Hons), MCom (Economics)

PALLAVI AMBEKAR
CA (SA), CFA

NEILL YOUNG
BBusSc (Hons Fin), CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	2 July 2001
Fund Class	A
Benchmark	CPI + 4%
ASISA Fund Category	South African – Multi-asset – High Equity
Income Distribution	Quarterly (March, June, September, December)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCAPP
ISIN Code	ZAE000031514
JSE Code	CCPF

CORONATION CAPITAL PLUS FUND

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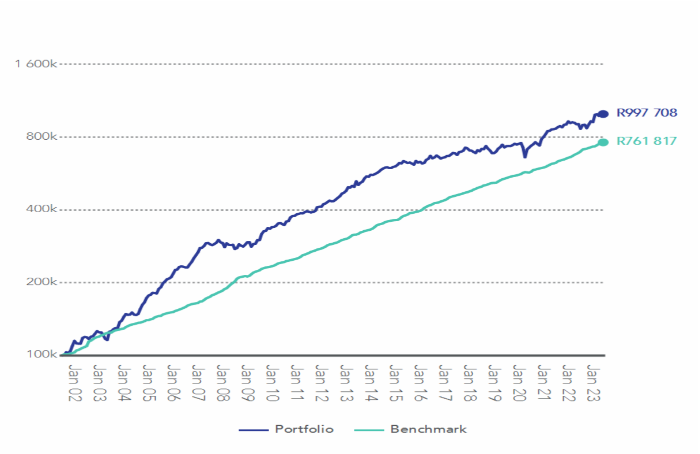
CLASS A as at 31 May 2023

ASISA Fund Category	South African - Multi Asset - High Equity
Launch date	02 July 2001
Fund size	R13.38 billion
NAV	4905.71 cents
Benchmark	CPI + 4% p.a.
Portfolio manager/s	Charles de Kock, Pallavi Ambekar and Neill Young

	1 Year	3 Year
Total Expense Ratio	1.49%	1.54%
Fund management fee	1.15%	1.18%
Fund expenses	0.18%	0.19%
VAT	0.17%	0.18%
Transaction costs (inc. VAT)	0.10%	0.10%
Total Investment Charge	1.59%	1.64%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Peer Group Average
Since Launch (unannualised)	897.7%	661.8%	908.5%
Since Launch (annualised)	11.1%	9.7%	11.1%
Latest 20 years (annualised)	10.9%	9.5%	11.6%
Latest 15 years (annualised)	8.7%	9.3%	8.0%
Latest 10 years (annualised)	6.6%	9.2%	7.3%
Latest 5 years (annualised)	7.4%	8.9%	7.7%
Latest 3 years (annualised)	11.2%	10.1%	11.9%
Latest 1 year	10.0%	10.5%	8.1%
Year to date	8.0%	4.1%	6.0%

RISK STATISTICS SINCE LAUNCH

	Fund	Peer Group Average
Annualised Deviation	7.5%	8.8%
Downside Deviation	4.8%	5.5%
Sharpe Ratio	0.46	0.40
Maximum Gain	29.5%	29.5%
Maximum Drawdown	(12.8)%	(18.0)%
Positive Months	68.1%	65.8%
	Fund	**Date Range**
Highest annual return	33.8%	Aug 2004 - Jul 2005
Lowest annual return	(9.3%)	Apr 2019 - Mar 2020

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2023
Domestic Assets	**61.9%**
Equities	24.8%
Basic Materials	4.7%
Industrials	0.5%
Consumer Goods	2.5%
Health Care	0.3%
Consumer Services	5.1%
Telecommunications	1.0%
Financials	7.0%
Technology	3.9%
Derivatives	(0.3)%
Real Estate	1.5%
Bonds	24.9%
Commodities	2.8%
Cash	7.8%
International Assets	**38.1%**
Equities	33.7%
Real Estate	0.0%
Bonds	8.5%
Cash	(4.1)%

TOP 10 HOLDINGS

As at 31 Mar 2023	% of Fund
Prosus Nv	3.7%
FirstRand Limited	2.0%
Compagnie Financiere Richemont Sa	1.5%
British American Tobacco Plc	1.5%
Standard Bank Of SA Ltd	1.5%
Nedbank Ltd	1.5%
Anglo American Plc	1.4%
Anheuser-busch Inbev Sa/nv	1.3%
Glencore Xstrata Plc	1.2%
Mtn Group Ltd	1.0%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2023	03 Apr 2023	35.90	6.59	29.31
30 Dec 2022	03 Jan 2023	35.45	8.02	27.43
30 Sep 2022	03 Oct 2022	49.15	21.19	27.96
30 Jun 2022	01 Jul 2022	43.47	13.57	29.90

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	7.4%	0.3%	(1.7)%	1.6%	0.4%								**8.0%**
Fund 2022	(1.6)%	0.7%	(0.4)%	(1.4)%	0.1%	(4.5)%	3.8%	0.2%	(3.3)%	3.6%	3.1%	(0.8)%	**(0.7)%**
Fund 2021	2.7%	2.8%	0.3%	1.4%	0.1%	0.6%	1.5%	1.0%	(1.2)%	2.5%	0.2%	3.1%	**16.0%**
Fund 2020	0.8%	(4.0)%	(9.2)%	7.8%	1.8%	1.8%	1.3%	2.1%	(1.7)%	(1.5)%	6.3%	2.2%	**6.8%**
Fund 2019	1.6%	2.7%	1.4%	2.5%	(2.6)%	1.2%	0.2%	(0.1)%	1.0%	1.3%	(0.8)%	0.7%	**9.2%**
Fund 2018	(0.3)%	(1.2)%	(1.1)%	2.8%	(1.1)%	2.4%	(0.3)%	3.0%	(2.4)%	(1.8)%	(2.4)%	0.1%	**(2.5)%**
Fund 2017	1.3%	0.0%	1.4%	1.6%	(0.3)%	(1.6)%	2.8%	0.4%	1.0%	3.0%	(0.9)%	(1.8)%	**6.9%**

Issue date: 2023/06/09

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

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

Performance

Global markets started the year strongly, buoyed by the reopening of China, high levels of inflation starting to roll off and an expectation of a peak in policy rates. This optimism was subsequently somewhat dimmed as inflation remained stubbornly high, growth strong and unemployment low, with central bankers reiterating their commitment to continue with restrictive monetary policy until the job is done.

The extent of rapid rate hikes that developed markets have experienced over the past 12 months always ran the risk of resulting in something breaking. It turned out to be a run on a mid-size bank on the West Coast of the US that ultimately brought down Credit Suisse, a 166-year-old institution that (despite suffering a damaged reputation and low investor confidence) was in fact quite comfortable from both a capital and a liquidity point of view. The events in the global banking sector are expected to lead to tighter credit conditions, which has the positive spin-off of lower inflation resulting in less pressure on central banks to increase rates further. As a result, the quarter ended with markets rallying once again, reversing the declines of February. The MSCI All Country World Index returned 7.3% in USD for the quarter, although over 12 months is still negative at -7.4%. Similarly, the FTSE World Government Bond Index returned 3.5% for the quarter but remains negative over 12 months at -9.6% total return.

South African markets followed the upward trend in global markets initially, but the impact of ongoing elevated levels of loadshedding on domestic economic growth is becoming increasingly apparent with cuts to GDP forecasts. In addition, softer commodity prices and an unbudgeted above-inflation increase in the public sector wage bill are once again focusing attention on sovereign debt sustainability. The FTSE/JSE Capped SWIX returned 2.4% for the quarter, the FTSE/JSE All Bond Index (ALBI) 3.4% and listed property (as measured by the FTSE/JSE Africa All Property Index) -4.8%. Over the past 12 months, total returns from the three asset classes are 0.2%, 5.8% and -5.1% respectively.

Against this backdrop, the Fund returned 5.9% for the quarter. Over the past 12 months, the Fund returned 6.5%, slightly lower than elevated levels of inflation and behind the CPI+4% target. The Fund has delivered returns in excess of inflation over all meaningful periods, and ahead of target since inception.

Global assets provided the largest contribution to Fund returns over the past year, in stark contrast to the position just three months ago when they were the largest detractor. While global equity and bond markets remain negative in US dollar terms over 12 months, both asset classes have performed strongly in the first quarter, significantly reducing rolling negative returns. In particular, performance has benefited from exposure to the Coronation Global Opportunities Equity Fund. At the same time, the rand has weakened by almost 18% since March 2022, resulting in strong positive returns in rand terms.

Domestic assets also contributed strongly to returns and good instrument selection in both equities and bonds with equities meaningfully outperforming the FTSE/JSE Capped SWIX Index. Within domestic equities, holdings in the global stocks of Naspers/Prosus, Richemont, Anheuser-Busch InBev, British American Tobacco and Glencore provided the largest contribution, while Anglo American, MTN, FirstRand, AngloGold Ashanti and Dis-Chem were the largest detractors.

In domestic fixed income, nominal bonds outperformed inflation linkers and cash over the 12 months. We continue to see the yields on SA government bonds as attractive but are mindful of the increased pressure that domestic structural challenges place on fiscal sustainability. As a result, we maintain duration of the bond carve-out at a level lower than the ALBI, while at the same time achieving an attractive real yield.

Portfolio actions and fund positioning

During the quarter, we reduced domestic equity exposure, particularly in some of the companies mentioned previously that have delivered strong outperformance. These are businesses that we continue to find attractive, and they remain significant positions in the domestic equity carve-out, but with a reduced margin of safety they warrant a smaller holding. Given a more fragile domestic fiscal outlook and higher cash yields, we also reduced exposure to domestic government bonds slightly.

The proceeds of these sales were applied to building the domestic cash position as well as increasing exposure to offshore assets where we find more attractive risk-adjusted return opportunities, including the following:

- We continued to buy a basket of offshore oil and gas companies, replacing the poorer quality Sasol in the portfolio.
- While we continue to avoid longer-dated developed market government bonds, a spike in the yields on shorter-dated US Treasury Bills provided an opportunity to buy these instruments above 4.5%, which we consider attractive as a cash alternative.
- We continued to purchase attractively yielding corporate credit of businesses we know well, such as Quilter and Sasol.
- We have bought small positions in US and UK bank additional tier-1 (AT1) and tier-2 corporate paper.

The last action was motivated by the events surrounding the buy-out of Credit Suisse by UBS, in particular the inversion of the typical bank capital structure hierarchy. To engineer the transaction, the Swiss National Bank intervened to write the high risk AT1 capital to zero, thereby preserving (very little) value for equity holders. This had the knock-on effect of a repricing of bank contingent convertible paper across markets. Regulators in the US, Europe and UK were quick to confirm that AT1 capital would continue to rank senior to equity capital should a similar situation occur in their jurisdictions, but market participants remained sceptical. This provided the opportunity to buy the paper of some high-quality banks, where we consider the risk of a similar situation arising as extremely low, at attractive yields ranging between 9% and 11% in USD.

Global exposure sits at 36.4% effective at quarter end, compared to 33.9% in December 2022 and 25.2% 12 months ago (currency moves play a part here too). We are mindful of the impact that a volatile rand can have on the sequencing of returns for investors, so have hedged a portion of exposure back to rands using currency derivatives.

Outlook

The global economy faces several countervailing forces. Inflation continues to roll over as base effects start to wash through and energy prices soften, yet levels remain stubbornly above central bank targets and labour markets remain tight. Strong economic growth indicators in the US and Europe had prompted concerns of higher interest rates for longer. However, the events of March may well lead to tighter credit conditions resulting in a dampening effect on growth on the one hand but a quicker end to monetary policy tightening on the other. The Chinese economy has reopened and appears to be promoting a friendlier approach to capital markets, yet geopolitical tensions remain exceptionally high and there appears to be no end in sight to the war in Ukraine.

Domestically we continue to face our own set of challenges. Loadshedding has worsened and although significant investment by both corporates and individuals is going into self-generation, it will be some time before this starts to bear fruit. Transnet's woes continue to strangle our ability to export the commodities that we produce. And while it's not expected to have a significant impact on our ability to trade, grey listing is another cross in the box for those considering investment in the country. Despite some policy reforms that attempt to deal with these constraints, political leadership is absent and ongoing overtures to Russia threaten relationships with our established trading partners.

Valuations (of South African domestic assets in particular) appear compelling at face value but the environment in which we currently find ourselves has caused us to be more cautious in our outlook. Consequently, we have used the rally in the first quarter to dial down risk in the Fund slightly by reducing total equity exposure, raising liquid assets and increasing the put protection we hold over both the global and domestic equity carve-outs. We believe the Fund is appropriately positioned to deliver on mandate beating capital growth from risk assets supplemented with a healthy yield from income assets.

Portfolio managers
Charles de Kock, Pallavi Ambekar and Neill Young
as at 31 March 2023

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION CAPITAL PLUS FUND

The Capital 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) (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. The peer group average is calculated as the average return of all the funds in the respective ASISA category (excluding Coronation Funds in that category).

BENCHMARK DETAILS

The benchmark used for performance purposes is CPI + 4%.

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.

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.