

## 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

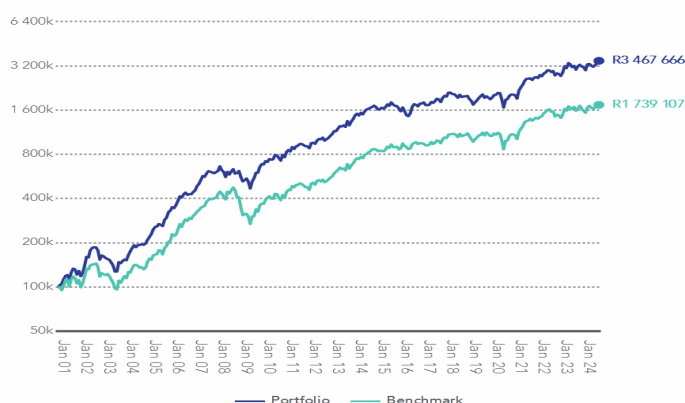
|                     |  |
|---------------------|--|
| Launch Date         | 2 October 2000   |
| Fund Class          | A  |
| Benchmark           | FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX) |
| ASISA Fund Category | South African – Equity – General                               |
| 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 May 2024

|                       |                                    |
|-----------------------|------------------------------------|
| ASISA Fund Category   | South African - Equity - General   |
| Launch date           | 02 October 2000                    |
| Fund size             | R26.03 billion                     |
| NAV                   | 20181.14 cents                     |
| Benchmark/Performance | FTSE/JSE Capped Shareholders       |
| Fee Hurdle            | Weighted All Share Index           |
| Portfolio manager/s   | Neville Chester and Nicholas Stein |

## 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)  | 3367.7% | 1639.1%   | 1728.6%       |
| Since Launch (annualised)    | 16.2%   | 12.8%     | 3.3%          |
| Latest 20 years (annualised) | 15.5%   | 13.6%     | 1.9%          |
| Latest 15 years (annualised) | 12.4%   | 11.5%     | 0.9%          |
| Latest 10 years (annualised) | 7.6%    | 7.5%      | 0.1%          |
| Latest 5 years (annualised)  | 12.3%   | 10.0%     | 2.2%          |
| Latest 3 years (annualised)  | 9.6%    | 7.5%      | 2.1%          |
| Latest 2 years (annualised)  | 8.3%    | 5.3%      | 3.0%          |
| Latest 1 year                | 14.9%   | 9.7%      | 5.2%          |
| Year to date                 | 5.0%    | 1.5%      | 3.6%          |

## RISK STATISTICS SINCE LAUNCH

|                      | Fund    | Benchmark |
|----------------------|---------|-----------|
| Annualised Deviation | 16.2%   | 17.0%     |
| Sharpe Ratio         | 0.52    | 0.30      |
| Maximum Gain         | 46.6%   | 37.4%     |
| Maximum Drawdown     | (31.7)% | (43.4)%   |
| Positive Months      | 60.2%   | 59.5%     |

|                       | 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%   |        |        |        |        |        |        |        | 5.0%    |
| 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)%  |

\*This column shows the most recently available figures for the 12 months ending April 2024.

The 12-month TER for the financial year ending September 2023 was 1.32% which included a 0.15% adjustment for out/(under) performance and a total investment charge of 1.58%.

Issue date: 2024/06/10

|  |         |        |
|--|---------|--------|
| Total Expense Ratio                        | 1 Year* | 3 Year |
|  | 1.49%   | 1.35%  |
| Fee for performance in line with benchmark | 1.00%   | 0.99%  |
| Adjusted for out/(under)-performance       | 0.29%   | 0.17%  |
| Fund expenses                              | 0.01%   | 0.01%  |
| VAT  | 0.19%   | 0.17%  |
| Transaction costs (inc. VAT)               | 0.24%   | 0.27%  |
| Total Investment Charge                    | 1.73%   | 1.61%  |

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector                 | 31 May 2024   |
|------------------------|---------------|
| <b>Domestic Assets</b> | <b>100.0%</b> |
| ■ Equities             | 99.8%         |
| Basic Materials        | 24.5%         |
| Consumer Goods         | 12.4%         |
| Consumer Services      | 17.6%         |
| Financials             | 27.3%         |
| Technology             | 18.0%         |
| ■ Cash                 | 0.2%          |

## TOP 10 HOLDINGS

| As at 31 Mar 2024            | % of Fund |
|------------------------------|-----------|
| Prosus Nv                    | 11.2%     |
| Standard Bank Of SA Ltd      | 8.8%      |
| Nedbank Ltd                  | 8.2%      |
| Anheuser-busch Inbev Sa/nv   | 7.3%      |
| Anglo American Plc           | 6.9%      |
| Naspers Ltd                  | 6.0%      |
| Cie Financiere Richemont Ag  | 5.7%      |
| British American Tobacco Plc | 5.7%      |
| Quilter Plc                  | 5.2%      |
| Mtn Group Ltd                | 4.8%      |

## INCOME DISTRIBUTIONS

| Declaration | Payment     | Amount | Dividend | Interest |
|-------------|-------------|--------|----------|----------|
| 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     |
| 30 Sep 2022 | 03 Oct 2022 | 478.30 | 477.86   | 0.44     |

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

### Performance

Globally, equity markets carried on with their strong run from 2023, with most markets showing positive returns. Unfortunately, for various reasons, South African (SA) equity markets continued to decline. Incessant selling by locals and foreigners, lack of appetite given low growth due to poor policy and failing infrastructure, and the looming election of which the potential outcomes have never been as uncertain all contributed to a weak period for SA equities, despite global risk appetite and very compelling valuations. In this weak market, the Fund marginally outperformed the benchmark, and over five years, it remained very comfortably ahead of its benchmark.

### Fund positioning

The big positive contributors for the period were our bank holdings, where, unusually for the sector, our overweight position in Nedbank contributed at the same time as our underweight in FirstRand did. Nedbank performed well, delivering strong earnings on the back of good interest margin growth and better-than-expected credit losses. FirstRand underperformed as the market was concerned about its potential exposure to reparations in its UK vehicle finance business, where the regulator is examining the industry lending practices.

After these two contributors, the performance came from our offshore-listed shares, Naspers, Richemont, Quilter, and British American Tobacco, aided by company-specific results and a slightly weaker currency.

The key detractor for the period was our underweight position in gold shares. While we do own AngloGold, the other listed gold shares outperformed on the back of a much higher gold price. We remain of the view that AngloGold is a better exposure, offering a more attractive valuation and a good operational turnaround story. MTN was the next detractor, with the blowout in the Nigerian currency adversely affecting its Nigerian business. While the move in the naira to free-floating is ultimately going to be good for the country and its economic growth in the long term, in the short term, these extreme moves will hurt certain businesses. MTN, as the leading mobile player in the country, will stand to benefit from the improving economic outlook in the long term but faces a period of volatility in the interim.

During the quarter, the key moves within the portfolio were reducing some of its overweight positions in the bank sector into the strong results. We also took some profits from our Richemont position, which provided a strong trading update, counter to some of the other luxury goods stocks. We invested the majority of these funds into SPAR. SPAR experienced a tough 2023 as poor implementation of SAP at its key KwaZulu-Natal warehouse resulted in significant lost sales. This is slowly turning around, and recent trading updates indicate that SPAR is maintaining its market share in a tough retail environment. We also expect a resolution to their Polish operation sale in the next few months, which will give investors further certainty. The share price declined significantly in the quarter, allowing us to build our position at very attractive levels.

We also added to our holding in Dis-Chem through a large placement of shares in the market. Dis-Chem remains one of the few South African businesses with a compelling growth story regardless of the economic outlook. Dis-Chem has a long runway of store openings and format expansions, which should enable it to keep growing in the foreseeable future.

We have also added to our holding in African Rainbow Minerals. ARM is a diversified miner with exposure to iron ore, PGMs, manganese, and gold. Despite the very strong run-up in Harmony, which now makes up in excess of 33% of ARM's market cap, the share has underperformed the market. The company has been a strong dividend payer and trades at a significant discount to the intrinsic value of its underlying operations.

### Outlook

The SA equity market remains cheap on almost any metric that one uses to value them. This is also reflected in the very high dividend yields on which many of the shares are trading. No one can call when sentiment will change, but in the interim, if one can get exposure to good quality businesses which will grow their earnings and return cash to shareholders, one can still make a case for compelling investment returns to be had without any re-rating.

### Portfolio managers

**Neville Chester and Nicholas Stein**

as at 31 March 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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