

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 may represent up to 45% of its assets. 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



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 long-term 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?

The fund fees recently changed to a fixed fee from the performance related fee previously used.

The annual management fee is 0.85%.

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



**NICHOLAS
STEIN**
CA (SA), CFA



**NICHOLAS
HOPS**
BBusSc, CFA

GENERAL FUND INFORMATION

Fund Launch Date	2 July 2001
Fund Class	P (previously class B4)
Class Launch Date	1 April 2013
Benchmark	CPI + 5%
ASISA Fund Category	Worldwide – Multi-asset – Flexible
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORMPB4
ISIN Code	ZAE000175840
JSE Code	CMPL4

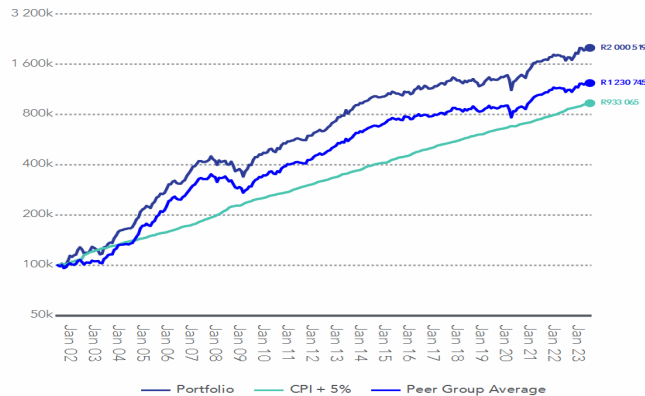


CLASS P as at 30 June 2023

ASISA Fund Category	Worldwide - Multi Asset - Flexible
Launch date	01 April 2013
Fund size	R 4.58 billion
NAV	10375.91 cents
Benchmark	CPI + 5%
Portfolio manager/s	Neville Chester, Nicholas Stein and Nicholas Hops

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	CPI +5%	Peer Group Average
Since Launch (unannualised)	1900.5%	833.1%	1130.7%
Since Launch (annualised)	14.6%	10.7%	12.1%
Latest 20 years (annualised)	14.7%	10.5%	12.8%
Latest 15 years (annualised)	11.3%	10.3%	9.2%
Latest 10 years (annualised)	9.5%	10.2%	8.3%
Latest 5 years (annualised)	9.4%	9.9%	7.4%
Latest 3 years (annualised)	15.1%	10.9%	12.4%
Latest 1 year	19.2%	10.4%	13.0%
Year to date	8.4%	5.0%	6.2%

RISK STATISTICS SINCE LAUNCH

	Fund	Peer Group Average
Annualised Deviation	11.1%	9.0%
Sharpe Ratio	0.63	0.50
Maximum Gain	36.7%	34.9%
Maximum Drawdown	(24.4)%	(22.4)%
Positive Months	65.5%	66.3%

	Fund	Date Range
Highest annual return	50.0%	Aug 2004 - Jul 2005
Lowest annual return	(20.1)%	Mar 2008 - Feb 2009

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2023	8.4%	(0.4)%	(3.2)%	1.8%	(0.8)%	2.8%							8.4%
Fund 2022	(1.4)%	0.9%	(0.5)%	(1.7)%	0.0%	(5.4)%	4.5%	(0.1)%	(3.4)%	4.5%	5.7%	(1.3)%	1.3%
Fund 2021	4.1%	4.8%	0.7%	1.7%	(0.2)%	0.2%	1.9%	0.8%	(0.8)%	4.1%	0.1%	3.3%	22.6%
Fund 2020	1.1%	(5.7)%	(13.7)%	11.8%	1.7%	3.2%	2.8%	2.2%	(1.9)%	(2.4)%	9.1%	3.1%	9.4%
Fund 2019	1.6%	4.3%	2.7%	2.8%	(3.7)%	1.1%	(0.7)%	(0.2)%	1.8%	2.3%	(0.4)%	1.7%	13.8%

	1 Year	3 Year
Total Expense Ratio	0.82%	0.75%
Fund Management Fee	0.84%	0.84%
Adjusted for out/(under)-performance	(0.25)%	(0.33)%
Fund expenses	0.14%	0.17%
VAT	0.09%	0.08%
Transaction costs (inc. VAT)	0.24%	0.24%
Total Investment Charge	1.07%	0.99%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2023
Domestic Assets	55.3%
■ Equities	40.0%
Basic Materials	9.0%
Industrials	1.5%
Consumer Goods	4.2%
Consumer Services	5.6%
Telecommunications	2.0%
Financials	12.0%
Technology	6.9%
Derivatives	(1.1)%
■ Real Estate	4.6%
■ Bonds	11.2%
■ Commodities	0.8%
■ Cash	(1.1)%
■ Other (Currency Futures)	(0.1)%
International Assets	44.7%
■ Equities	33.0%
■ Preference Shares & Other Securities	0.1%
■ Real Estate	0.7%
■ Bonds	8.2%
■ Cash	2.6%

TOP 10 HOLDINGS

As at 30 Jun 2023	% of Fund
Prosus	6.0%
Standard Bank Group Ltd	4.2%
Nedbank Group Ltd	2.6%
British American Tobacco Plc	2.4%
Anglo American Plc	2.2%
Glencore Plc	2.0%
MTN Group Ltd	2.0%
Anheuser-Busch Inbev SA/NV	1.8%
Sasol Ltd	1.5%
LIBERTY TWO DEGREES	1.4%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2023	03 Apr 2023	151.64	61.82	89.82
30 Sep 2022	03 Oct 2022	204.21	108.46	95.75
31 Mar 2022	01 Apr 2022	160.12	48.81	111.31
30 Sep 2021	01 Oct 2021	214.76	125.67	89.10

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

Performance

The Fund had a decent quarter with a return of 3.7% in what remains a very difficult and volatile economic and geopolitical environment. This quarter was also marked by spectacular own goals within South Africa (SA), where our increasingly scrutinised ties with Russia, our lack of dispatchable power, and worsening Transnet performance resulted in a significant sell-off in the rand. The weaker currency boosted the performance of the Fund due to its offshore investments and the offshore bias within our domestic equity positions.

Fund positioning

Global equities continued their recovery, delivering strong returns, although these were remarkably narrow, with only a few shares driving the returns, mainly linked to the nascent artificial intelligence technology. Emerging markets were generally soft, especially China, where the strong post-Covid recovery has petered out, and the government appears loathe to provide more stimulus. The banking crisis that was feared after the collapse of Silicon Valley Bank and other mid-size banks has also failed to materialise, resulting in some improved sentiment towards the banking sector, although fears remain as interest rates continue to rise.

With rates expected to be higher for longer, it is concerning that market valuations have recovered to these levels so quickly, and we have started to put some protection around our international equity in place, reducing our overweight position somewhat. However, we still remain overweight international equity, given that our stock selection sees us invested in shares that still offer significant upside relative to the overall market.

In our domestic equity component, we have maintained a large exposure to global businesses and to those domestic businesses that benefit from a weaker rand. Despite the compelling value offered by some of the purely domestic businesses, we remain concerned about the impact of loadshedding, and the very weak domestic economy, particularly the impact of high inflation and interest rates on the domestic consumer.

Within our resource exposure, we did not buy up any gold shares despite their increased weighting in the index. This has proved favourable, as the initial price run-up has retraced. We have also significantly cut our exposure to the platinum sector. The very rapid development of China's battery electric vehicle sector has seen the market once again turn sceptical on the outlook for the internal combustion engine and the long-term demand for platinum group metals (PGMs). While we think the market is too negative, given the continued demand we see for the medium term, certain parts of the basket of metals, like rhodium, were too high. Their significant drop has resulted in a major reset downwards of the overall basket price, reducing the PGM miners' profitability.

Until we see supply destruction, which is likely in the next 12 to 18 months, we remain cautious on the sector. We have continued to own the diversified miners and have added to Mondi, which is likely to deliver

weaker results in the short term. However, we believe the company is well-placed to continue to grow earnings in the long term.

The majority of our domestic exposure remains towards the banks that have all provided strong trading updates going into the half year. However, the higher-than-expected interest rates are starting to cause higher levels of bad debts. The banks we have exposure to still expect the benefit of higher rates to outweigh the cost of higher bad debts.

In a surprising turn of events, both our Standard Bank and MTN exposures stand to benefit from the enormous changes underway in Nigeria. The change in the President of Nigeria has seen many previously untouchable political decisions being made, with the expensive fuel subsidy and fixed exchange rate dropped. In the short term, this will have severe economic consequences, but in the long term, it ensures the potential for growth. It is pleasing to see the right economic changes being made in Nigeria, but at the same time, it is disappointing that we continue to see a lack of urgency in addressing SA's economic challenges.

This lack of addressing our local economic challenges is now seriously reflected in our borrowing costs. The yields on SA long bonds have widened further as the market remains sceptical about our ability to avoid a debt trap, given the continued high expenditure and lack of growth in the underlying economy. The trajectory of our debt-to-GDP ratio is clear; unless we can get much stronger GDP growth, we will end up in a position where our debt service cost will no longer be sustainable. Economic growth is difficult enough to achieve, but it will be impossible without a functioning power utility and a failing logistics network. While the yields on SA government bonds look attractive, the risks of owning them have increased.

Against this backdrop, we have seen bond yields rise globally, and global credit spreads have widened significantly, resulting in very attractive yields on offer at significantly lower risk. As a result, we have added to offshore credit in the portfolio at the expense of local fixed income assets.

In the property sector, we have added selectively to some of the SA property names where yields are at mid-teen levels. The position, while not large, has become more meaningful and also, to some extent, provides additional SA-domiciled income.

Outlook

While there are many obvious value opportunities in the market, one has to be wary of how markets have changed globally. With high inflation still prevalent, and interest rates significantly higher, the market opportunities have changed, and so have the challenges. One has to be cautious of value traps and consider the available returns on a risk-adjusted basis. The Fund is uniquely positioned to take advantage of this fluid situation.

Portfolio managers

Neville Chester, Nicholas Stein, and Nicholas Hops
as at 30 June 2023

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 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 P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. 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 ASISA South African - Multi Asset - Flexible category (excluding Coronation Funds in that category).

BENCHMARK DETAILS

The benchmark used for performance purposes is the Consumer Price Index (CPI) + 5%.

WHAT IS THE TOTAL EXPENSE RATIO (TER)?

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

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