

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 0.10% and a maximum of 2.60%, 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 0.60% will be charged. We share in 20% of performance above the benchmark, up to a maximum total annual fee of 2.60%. 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.

WHO ARE THE FUND MANAGERS?



**NEVILLE
CHESTER**
BCom, CA (SA), CFA



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

GENERAL FUND INFORMATION

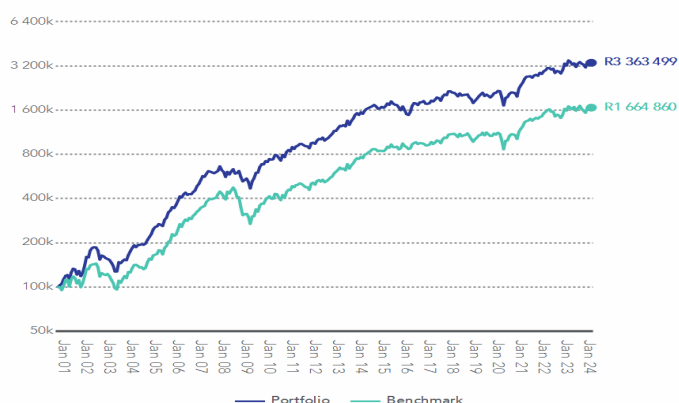
Fund Launch Date	2 October 2000
Fund Class	P (previously class B4)
Class Launch Date	2 April 2012
Benchmark	FTSE/JSE Capped Shareholders Weighted All Share Index (C-SWIX)
ASISA Fund Category	South African – Equity – General
Income Distribution	Semi-annually (March & September)
Bloomberg Code	CORTPB4
ISIN Code	ZAE000165213
JSE Code	CTTB4

CLASS P as at 31 January 2024

ASISA Fund Category	South African - Equity - General
Launch date	02 April 2012
Fund size	R25.27 billion
NAV	18811.99 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)	3263.5%	1564.9%	1698.6%
Since Launch (annualised)	16.3%	12.8%	3.5%
Latest 20 years (annualised)	15.4%	13.1%	2.2%
Latest 15 years (annualised)	13.3%	12.1%	1.2%
Latest 10 years (annualised)	8.3%	8.2%	0.1%
Latest 5 years (annualised)	11.9%	9.8%	2.1%
Latest 3 years (annualised)	10.9%	10.2%	0.7%
Latest 2 years (annualised)	6.0%	3.4%	2.6%
Latest 1 year	(3.6)%	(2.0)%	(1.6)%
Year to date	(2.5)%	(2.8)%	0.4%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.3%	17.1%
Sharpe Ratio	0.52	0.30
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	60.0%	59.3%

	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)%												(2.5)%
Fund 2023	8.4%	(2.1)%	(4.2)%	2.0%	(5.7)%	5.6%	2.4%	(2.7)%	(1.2)%	(4.4)%	9.6%	0.7%	7.1%
Fund 2022	1.8%	3.4%	(0.1)%	(2.3)%	1.5%	(6.6)%	3.2%	(0.9)%	(3.0)%	5.7%	10.4%	(3.0)%	9.5%
Fund 2021	4.5%	5.8%	3.5%	0.3%	0.4%	(2.3)%	3.5%	1.1%	(1.5)%	4.8%	(1.8)%	4.2%	24.5%
Fund 2020	(0.3)%	(8.8)%	(12.4)%	12.4%	1.8%	4.8%	2.4%	(0.3)%	(0.7)%	(5.3)%	13.5%	5.1%	9.3%

Total Expense Ratio	1 Year*	3 Year
	0.98%	1.00%
Fee for performance in line with benchmark	0.59%	0.60%
Adjusted for out/(under)-performance	0.25%	0.27%
Fund expenses	0.01%	0.01%
VAT	0.13%	0.13%
Transaction costs (inc. VAT)	0.25%	0.28%
Total Investment Charge	1.22%	1.28%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2024
Domestic Assets	100.0%
■ Equities	100.0%
Basic Materials	22.2%
Consumer Goods	12.6%
Consumer Services	18.4%
Telecommunications	5.6%
Financials	25.1%
Technology	16.2%
■ Cash	0.0%

TOP 10 HOLDINGS

As at 31 Dec 2023	% of Fund
Prosus Nv	10.4%
Standard Bank Of SA Ltd	10.2%
Nedbank Ltd	9.7%
Anheuser-busch Inbev Sa/nv	7.0%
Mtn Group Ltd	6.7%
Anglo American Plc	6.6%
Cie Financiere Richemont Ag	6.4%
British American Tobacco Plc	5.5%
Naspers Ltd	5.4%
Quilter Plc	5.4%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Sep 2023	02 Oct 2023	596.79	595.81	0.98
31 Mar 2023	03 Apr 2023	112.01	111.42	0.58
30 Sep 2022	03 Oct 2022	513.99	513.53	0.47
31 Mar 2022	01 Apr 2022	138.60	138.16	0.44

*This column shows the most recently available figures for the 12 months ending December 2023.

The 12-month TER for the financial year ending September 2023 was 0.94% which included a 0.22% adjustment for out/(under) performance and a total investment charge of 1.20%.

Issue date: 2024/02/09

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

Performance

The Fund returned 5.5% for the quarter and 7.1% for the full year. The Fund's long-term performance remains pleasing against the peer group and benchmark.

Fund positioning

The top contributors to relative performance in the final quarter of the year were Quilter and Dis-Chem as both stocks rose strongly. Detractors were Sasol, which we own, and Gold Fields, which we do not own. Over the full year, Standard Bank was the top contributor to the Fund.

After a few soft months when markets were pricing in "higher for longer" interest rates, global equity markets had a strong end to the year in November and December because of a sharp reversal in interest rate expectations, which fuelled equity market returns for the quarter. US 10-year borrowing costs peaked at just north of 5% and dropped by ~120 basis points to end the quarter below 4%.

We meaningfully altered our resources exposure within the Fund this quarter, with BHP Billiton (BHP) and Glencore being sold to zero. African Rainbow Minerals (ARM) is a new entry to the Fund as we took advantage of a ~50% drawdown in the stock price since earlier in the 2023 calendar year. In addition, we added to several of the core industrial holdings with the balance of the BHP and Glencore proceeds. BHP and Glencore were sold after strong rallies in both names and a diminished margin of safety. When it comes to commodity companies held in the portfolio, we demand a higher margin of safety compared to other companies.

The Fund has not owned ARM since 2014, and its share price at present is very close to its 2014 levels. ARM is a South African miner with just over half of its fair value represented by its iron ore exposure. Platinum Group Metals (PGMs) make up just under one quarter of fair value, and manganese, coal and gold make up the remainder. From an earnings perspective, the rally in the iron ore price has been offset by the decline in PGM prices and we expect ARM earnings to be stable in 2024 and grow from that base as volume growth contributes across the business.

From a sentiment perspective, ARM is currently suffering due to its investment in the Bokoni PGM asset and its exposure to PGMs overall. Having bought it at the top of the PGM cycle, ARM is now facing an inflated capital bill and likely higher operating costs when it ramps up compared to its initial estimates. We carry Bokoni at *minus* R4 billion in our valuation and still find ARM attractive. ARM is trading on ~4 times earnings, and with 35% of its market cap in cash, it is defensively positioned. Having been a consistent dividend payer historically we are more confident that shareholders will receive their share of cash profits from ARM than most of its mining peers. In conclusion, we believe that ARM owns several reasonable quality assets, trades with a large margin of safety and an attractive dividend yield on a growing earnings profile.

Quilter enjoyed a strong run in the quarter and finished the year 28% higher than where it started. While Quilter has been a strong contributor over the last year, it has detracted from performance over longer time horizons. We have not reduced our position size in this rally as we believe the business remains one of the cheapest in the market. In buying Quilter one gets exposure to an industry with multi-decade tailwinds as the UK shifts from defined benefit savings to defined contribution savings and pushes more of the onus onto the consumer. Quilter's new CEO is driving strong operational change. With UK assets not being in favour (Brexit, tough macro), one can buy Quilter on a PE ratio of 12 times and dividend yield of >5%, which we see as attractive for a hard currency earnings stream with strong growth prospects.

Standard Bank was the top contributor to relative performance in the year and was complemented by Nedbank as interest rates drove banking sector earnings back to pre-Covid levels. Due to business mix and hedging policies, Standard Bank and Nedbank are the most sensitive of the Big Four banks to the interest rate cycle, and this came through well in the period. Standard Bank produced excellent interim results in August, coming in ahead of expectations. Their long-term investment into building a business in the rest of Africa has added significant value for shareholders as the region contributed 44% of earnings in the six-months reporting period. Having built a broad-based African business, we expect this franchise to continue growing ahead of the South African business, a unique differentiator compared to its peers. Despite Standard Bank's strong rally, it still trades on a 7% dividend yield, amongst the highest in the market, and should be able to grow real earnings off this base. It remains a key position in the Fund.

Lastly, we increased our Spar weighting in the quarter as the share price remained soft, and our fair value assessment remained more than 100% above spot levels. With a new CEO emboldened by a strong Chairman, we have seen decisive action from the business in 2023, which should deliver value for shareholders in the long term. A decision was made to exit the loss-making Polish business, the cost base is being addressed in South Africa and their online delivery division is gaining traction. Spar is trading on nine times what we believe is a very depressed earnings base, with the potential for earnings to grow at a compounded growth rate of 15% over the next five years.

Outlook

We believe the Fund offers attractive upside in absolute and relative terms, with a high hurdle being set by expected domestic equity returns.

Portfolio managers

Neville Chester and Nicholas Stein
as at 31 December 2023

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; 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.

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

IMPORTANT INFORMATION REGARDING TERMS OF USE

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