

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



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 All Share Index (CAPI)
Fund Category	South African – Equity – General
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Bloomberg Code	CORTPB4
ISIN Code	ZAE000165213
JSE Code	CTTB4

CORONATION TOP 20 FUND

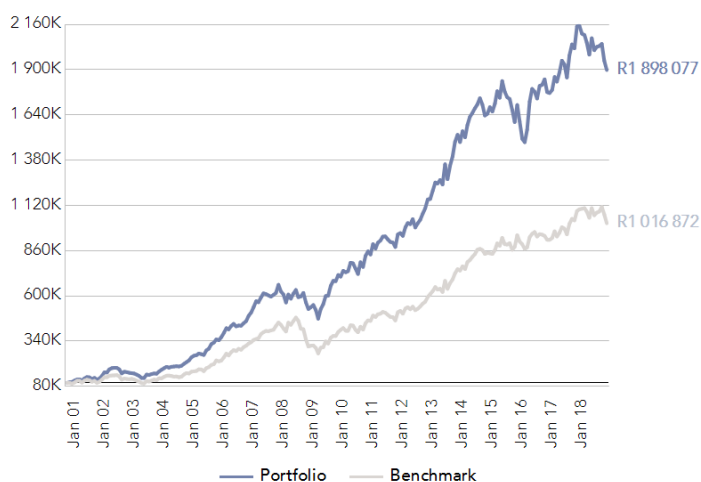
CLASS P as at 31 October 2018

Fund category	South African - Equity - General
Launch date	02 April 2012
Fund size	R18.04 billion
NAV	12631.54 cents
Benchmark/Performance	FTSE/JSE Capped All Share Index
Fee Hurdle	
Portfolio manager/s	Neville Chester and Nicholas Stein

Total Expense Ratio	1 Year	3 Year
Fee for performance in line with benchmark	0.70%	0.64%
Adjusted for out/(under)-performance	0.60%	0.60%
Fund expenses	0.01%	(0.06)%
VAT	0.01%	0.02%
Transaction costs (inc. VAT)	0.08%	0.08%
Total Investment Charge	0.26%	0.27%
	0.96%	0.91%

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)	1798.1%	916.9%	881.2%
Since Launch (annualised)	17.7%	13.7%	4.0%
Latest 15 years (annualised)	17.7%	14.9%	2.8%
Latest 10 years (annualised)	13.7%	12.7%	1.1%
Latest 5 years (annualised)	4.5%	6.2%	(1.7)%
Latest 3 years (annualised)	3.8%	2.3%	1.4%
Latest 1 year	(11.7)%	(6.5)%	(5.2)%
Year to date	(9.9)%	(7.6)%	(2.3)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.2%	17.3%
Sharpe Ratio	0.58	0.31
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	60.4%	59.0%

	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 2018	(0.3)%	(2.1)%	(3.4)%	4.8%	(3.3)%	1.0%	0.2%	0.6%	(4.7)%	(2.8)%			(9.9)%
Fund 2017	4.2%	(1.5)%	3.0%	3.6%	(1.1)%	(3.9)%	6.9%	3.2%	(1.1)%	6.3%	0.1%	(2.1)%	18.1%
Fund 2016	(1.3)%	4.9%	10.3%	4.3%	(0.9)%	(2.2)%	4.2%	0.3%	1.8%	(4.0)%	(0.3)%	1.0%	18.7%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Oct 2018
Domestic Assets	100.0%
Equities	92.9%
Basic Materials	28.0%
Consumer Goods	12.5%
Health Care	7.1%
Consumer Services	17.0%
Telecommunications	7.9%
Financials	20.4%
Real Estate	7.4%
Cash	2.2%
Other (Currency Futures)	(2.5)%

TOP 10 HOLDINGS

As at 30 Sep 2018	% of Fund
Naspers Ltd	12.6%
Anglo American Plc	10.3%
British American Tobacco Plc	9.6%
Standard Bank of SA Ltd	8.8%
MTN Group Ltd	8.2%
INTU Properties	5.4%
Investec Limited	4.6%
Nedbank Ltd	4.5%
Northam Platinum Ltd	4.4%
Exxaro Resources Ltd	4.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
28 Sep 2018	01 Oct 2018	395.30	394.60	0.70
29 Mar 2018	03 Apr 2018	163.32	162.74	0.58
29 Sep 2017	02 Oct 2017	222.22	221.66	0.56
31 Mar 2017	03 Apr 2017	125.21	124.86	0.35

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

The fund delivered a -4.0% return for the quarter, which was behind the benchmark return of -1%. While the short-term performance is disappointing, our aim is to deliver outperformance over longer-term time periods. To this end, the fund's returns since inception are compelling, with alpha of 3.7% per annum, net of fees.

Our key mining holdings (Anglo American, Exxaro, Northam) were positive contributors to performance this quarter. We have added to our holdings in Anglo American and BHP Billiton. BHP Billiton owns large, low-cost assets in iron-ore, copper, oil and coal. As a result of healthy commodity prices, combined with restrained capital expenditure (miners still bear the scars from the last down cycle), we expect BHP Billiton to generate meaningful free cash flow in the coming years. We expect a material portion of this will be returned to shareholders, along with the proceeds of their shale gas asset disposal.

For our non-mining rand hedges, Mondi continued its strong share price performance. We used the opportunity to reduce our position size, given the reduced margin of safety. We used the proceeds to buy other rand hedges whose share prices came under pressure, including Naspers and MTN.

Naspers' share price declined on the back of a pullback in the Tencent share price. Tencent's recent quarterly earnings were disappointing, and short-term earnings expectations have been revised downwards due to the restructuring of certain Chinese government departments and the subsequent delays in the licensing of new online games. Chinese authorities have also proposed new regulations around protecting minors from the adverse effects of online games, which has created uncertainty in the Chinese gaming sector. We believe the licensing delays to be a temporary disruption to the business. Furthermore, our interpretation of the new proposed gaming regulations for minors is that they will favour strong, responsible incumbents like Tencent. As such, we remain optimistic of the longer-term prospects for their online gaming business and are still very encouraged by the opportunities they have in growing their advertising, financial services and cloud businesses. In addition, Tencent has an outstanding investment portfolio, the value of which we believe is still very underappreciated by the market. In the case of Naspers itself, we are very encouraged by Naspers' management's actions around portfolio optimisation and the steps taken to reduce the discount to its underlying intrinsic value. In this regard, Naspers management announced that they would proceed with the unbundling of Multichoice.

The MTN share price declined after the surprise announcements from the Central Bank of Nigeria (CBN) and the Nigerian attorney general that MTN were in violation of certain foreign exchange control regulations and that they were demanding MTN to repatriate \$8bn back to the country and pay an additional \$2bn in back-taxes. These actions have created widespread uncertainty and is undermining the investment case for foreign investment in Nigeria. As the pressure of market forces has come to bear, the tone of more recent public announcements has been less aggressive and more constructive. It is our view that their claim has little merit. That said, even in a worst-case scenario with MTN Nigeria carried at zero value, we still see upside from current share price levels.

Domestically, things remain very tough. The South African economy dipped into recession with Q2 GDP of -0.7%, well below the consensus expectations of growth of +0.6%. Recent reporting by consumer-facing businesses reflects this, with numerous companies reporting results below expectations. In September, President Ramaphosa announced a new economic stimulus package which included a number of supply and demand

side reforms aimed at both raising productivity and public sector-driven investment projects. These include infrastructure spend projects, easing of work and travel visa requirements, employment tax incentives and market friendly revisions to the Mining Charter 3. Despite these initiatives being a step in the right direction, the SA economy has many structural challenges and improvements are likely to take a long time to gain traction.

SA Inc shares have been under pressure, with the sell-off seeming indiscriminate between high-quality and low-quality businesses. As a result, we continue to own defensive, cash-generative businesses like Spar, Distell and Netcare. Local financial shares have fared much better. Our financials exposure is primarily via Standard Bank, Nedbank and Old Mutual. The latter two performed well over the quarter. We materially reduced our Old Mutual holding – placing the proceeds into Nedbank, Quilter and the rand hedge stocks discussed earlier.

The external environment is very challenging. The amplitude of daily stock price moves we have been seeing is unnervingly large, with the potential for the euphoria or pain that accompanies them. We strive to ignore this and remain committed to our disciplined, valuation-driven approach to stock-picking and portfolio construction. The volatility we see provides opportunities to the patient, long-term investor. Given current valuations of the stocks we own, we are excited about prospective returns for the fund going forward.

Portfolio managers

Neville Chester and Pallavi Ambekar

as at 30 September 2018

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) (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 fund's performance and fee benchmark is the FTSE/JSE Capped All Share Index (CAPI). The CAPI replaced the FTSE/JSE Top 40 Index from 1 October 2016. The fund benchmark shown in this MDD is therefore a splice of the current and historical benchmarks. Note that we use the formal SA – Equity – General category benchmark as specified in the ASISA Standard on Fund Classification, which is currently the FTSE/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. 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 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 September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last 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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