



# EVERYTHING YOU NEED TO KNOW

*Your guide to investing  
with Coronation*

**CORONATION**

TRUST IS EARNED™

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. As a result thereof, there may be limitations as to the appropriateness of any information given. It is therefore recommended that the reader first obtain the appropriate legal, tax, investment or other professional advice and formulate an appropriate investment strategy that would suit the risk profile of the reader prior to acting upon information. Neither Coronation Fund Managers Limited, Coronation Management Company (RF) (Pty) Ltd nor any other subsidiary of Coronation Fund Managers Limited (collectively "Coronation") is acting, purporting to act and nor is it authorised to act in any way as an adviser. Coronation endeavours to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. Coronation does not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only. Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up, and is therefore not guaranteed. Past performance is not necessarily an indication of future performance. Unit trusts are allowed to engage in scrip lending and borrowing. Performance is calculated by Coronation for a lump sum investment 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 management 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. Where foreign securities are included in a fund it may 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. The Coronation Money Market fund is not a bank deposit account. The fund has a constant price, and the total return is made up of interest received and any gain or loss made on any particular instrument, in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals could place the fund under liquidity pressures, in such circumstances a process of ring fencing of redemption instructions and managed pay-outs over time may be followed. A fund of funds invests in collective investment schemes that levy their own fees and charges, which could result in a higher fee structure for this fund. A feeder fund invests in a single fund of a collective investment scheme, which levies its own charges and could result in a higher fee structure for the feeder fund. 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. Unit trusts are traded at ruling prices set on every day trading. Forward pricing is used. For Domestic Unit Trust Funds and Tax Free Investments, including rand-denominated Offshore Unit Trust Funds, 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). For these Funds, instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. For Offshore Unit Trust Funds that are denominated in a foreign currency, fund valuations take place at approximately 17h00 each business day (Irish Time) and instructions must reach the Management Company before 12h00 (SA Time) to ensure the value of the same business day. For Retirement Products, fund valuations take place at approximately 15h00 each business day, except at month end when valuation is performed at approximately 17h00 (JSE market close). For these Products, instructions must reach the Management Company before 14h00 to ensure the value of the next business day. Additional information such as 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). Coronation Fund Managers Limited is a Full member of the Association for Savings & Investment SA (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017.



# THE CORONATION CLIENT CHARTER

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We strive to always put clients first

We have an unwavering  
commitment to the long term

We focus on producing  
top performance over all  
meaningful periods

We are uncompromising  
about ethics



## OUR MAIN GOAL

*delivering the  
best results possible*

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Coronation is an independent investment business that focuses solely on fund management. Over three decades, we have consistently produced strong investment returns.

It is important, however, to point out that a successful track record ultimately comes with many testing years.

Often during periods of underperformance, we are sowing the seeds for the harvest (long-term outperformance) to come. We strongly encourage you to stay the course.

This guide will provide you with the information you need to make the most of your relationship with Coronation.

*Treating  
Customers  
fairly*

Coronation subscribes to the Treating Customers Fairly (TCF) initiative, as introduced by the Financial Sector Conduct Authority. We trust that through your interactions with us, you will recognise Coronation as a company that cares about the fair treatment of its clients. If at any stage you feel that we are not living up to the TCF standards, please do let us know.

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# Investment philosophy



# CORONATION IS COMMITTED TO LONG-TERM INVESTING

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While many investment companies are forced to take short-term action because they are under massive pressure to do well this month, this quarter, this year – we take the long-term view.

We believe that being able to make decisions over the next five to ten years gives us a substantial advantage. We only invest in assets that are trading at a discount to our assessment of their real long-term value.

Key to identifying these rewarding opportunities is our independent and proprietary research. We spend immense energy and time investigating which companies and assets are mostly likely to provide the best long-term returns for our clients.

We have a very simple, common-sense approach to how we value assets. We ignore short-term movements and sentiment, and look at the most realistic prospects for a business over the longer term.

All our funds are managed according to this long-term, valuation-based investment philosophy, which we call the Coronation DNA.

There is no crystal ball involved in investing; it requires strong analytical skills, perspective and patience. We cannot predict the future.

However, we take great care in investing only in assets that match the risk profile of your Coronation fund. This means that if you are invested in a low-risk fund, the fund's investments will be low risk in nature and aim to yield stable returns, while a highest-risk fund will typically be fully exposed to the share market.

For each fund, we are very clear on the risk budget you are granting us and will always strive to make the appropriate decisions within that framework/context.

# Your guide to finding the best fund for you





Coronation has a range of funds (unit trusts) that can match most investor needs. We encourage you to ensure that you are invested in the fund or combination of funds that best meet your requirements – and to review your fund choice regularly. Your goals and how long you can remain invested are some of the considerations you need to take into account when deciding on the best fund for you.



To find the right fund, start with what your needs are.

<https://youtu.be/tvM6gblAkoc>

## WHAT ARE YOUR NEEDS?

### DOMESTIC FLAGSHIP FUNDS

You have a long-term objective to achieve the best possible return. You understand the volatility inherent in financial markets.

While you need an income to cover your everyday living expenses, you also need your capital to continue to grow.

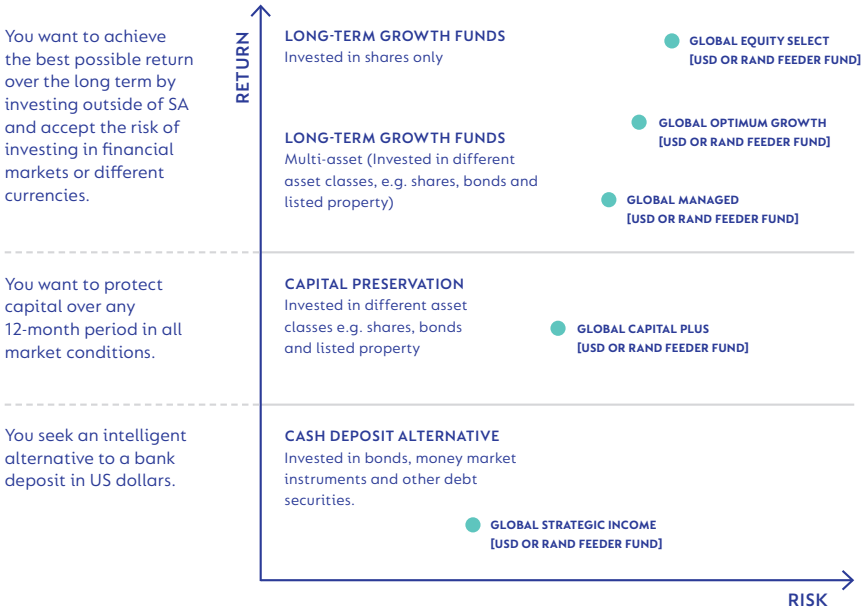
You're not willing to take on much risk but you do want a better return than what is available from bank deposits.



Your guide to different types of unit trusts on p. 38

More on the trade-off between risk and return on p. 43

## OFFSHORE FUNDS



## SHOULD YOU INVEST OFFSHORE?

Coronation's flagship domestic unit trusts that comply with Regulation 28 of the Pension Funds Act may hold up to 45% in offshore assets and will implement this when valuations support it.

Investors seeking additional offshore exposure can opt for two types of funds:

- a fund based in South Africa that invests in offshore assets and converts the investment back into rands.
- or a fund that is situated overseas and keeps your investment in a foreign currency.

Your decision would depend largely on financial and tax-planning considerations, with which a professional financial adviser could assist you.



Your guide to investing offshore on p. 22

## ARE YOU INVESTING FOR RETIREMENT?

Consider whether you should invest directly in a unit trust, and/or in a retirement annuity, which may offer tax benefits in exchange for not being able to access your savings before the age of 55.



[Your guide to investing for – and after – retirement on p. 28](#)

## DO YOU WANT TO INVEST TAX FREE?

South African citizens can invest up to R36 000 a year (up to R500 000 over your lifetime) tax free. No tax will be levied on income earned, investment growth, or on capital gains when you sell.



[Your guide to tax-free investing on p. 32](#)

## WHERE CAN YOU GET INVESTMENT ADVICE?

Coronation is not licensed to provide financial advice, and while we think it's relatively simple to navigate around our fund range, we do believe that most investors would benefit from good financial advice.

Case studies show that investors who receive professional advice are more likely to have appropriate investments, and they also tend to stay the course in times of volatility. In short, they reap the rewards of investing over the long term.

Your adviser will assess your financial goals, and your tolerance for risk, and monitor these over time.

Given that your investment is such an important decision, it is essential that the person giving you advice is appropriately qualified and licensed by the authorities.

The Financial Planning Institute offers a searchable internet directory of qualified financial advisers.

# Getting started online



As a Coronation client, you can manage your investments in a **secure environment** and at a **time that suits you**.



Watch this video to see some of the features of our online service:  
<https://www.coronation.com/investment-platform/>

Register at [coronation.com/register](https://www.coronation.com/register/) to:

- ▶ Invest, switch unit trusts, or withdraw from your investment.
- ▶ View your entire portfolio on one page.
- ▶ Manage your retirement savings.
- ▶ Keep track of your tax-free investment.
- ▶ Get transaction statements, tax certificates and historical reports of your investments.
- ▶ Manage investments on behalf of a third party where you have authority.
- ▶ Change your password, personal and banking details.

Your investment number – which is included in all our correspondence with you – is needed to complete the investment linking process.



To ensure your security, we will send you a one-time personal identification number (OTP) via SMS whenever you sign in.



No internet access? Simply call us toll-free on 0800 22 11 77, and we'll gladly assist with your transactions and queries.

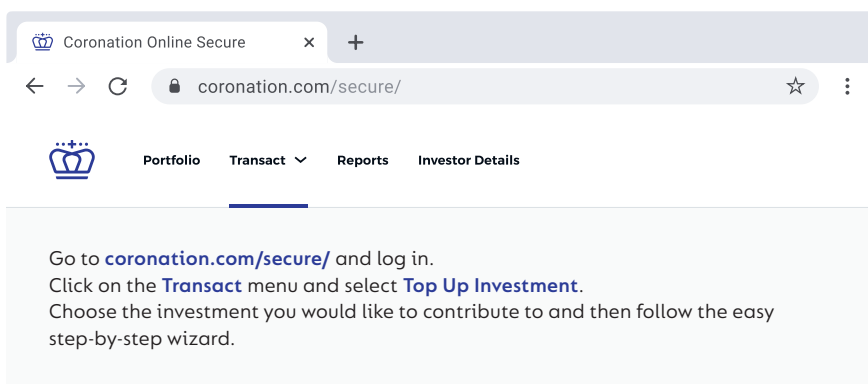
# Invest, withdraw, switch



# INVEST

Even small additional investments can make a considerable difference in creating wealth over the long term.

## ADD TO YOUR INVESTMENT:



Go to [coronation.com/secure/](https://coronation.com/secure/) and log in.  
Click on the **Transact** menu and select **Top Up Investment**.  
Choose the investment you would like to contribute to and then follow the easy step-by-step wizard.



Pdf forms for transactions are available in the **Forms** section of our website [www.coronation.com](https://www.coronation.com)



*Please  
note*

Transactions will only be processed after receipt of proof of payment.  
Send proof of payment to [transact@coronation.co.za](mailto:transact@coronation.co.za).

## OUR BANK ACCOUNT DETAILS:

**For All Funds and Coronation Tax-Free Investments (except the Coronation Money Market Fund):**

Account holder:	Coronation Management Company (RF) (Pty) Ltd
Bank:	Nedbank
Branch:	Cape Town
Branch code:	100909
Account type:	Cheque
Account number:	1009 590 596

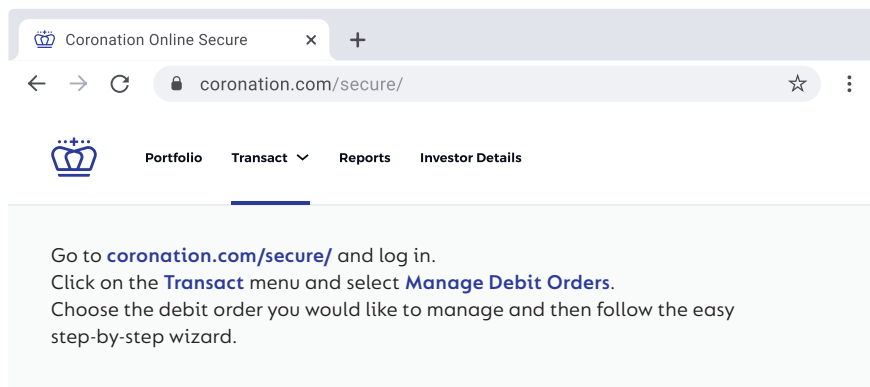
**For the Coronation Money Market Fund:**

Account holder:	Coronation Management Company (RF) (Pty) Ltd
Bank:	Nedbank
Branch:	Cape Town
Branch code:	100909
Account type:	Cheque
Account number:	1009 646 532

Please find bank account details for other Coronation products on our website.



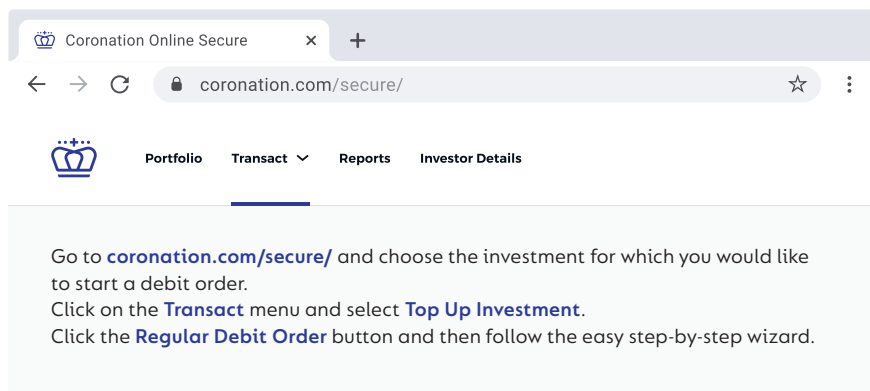
## INCREASE YOUR EXISTING DEBIT ORDER:



The screenshot shows a web browser with the address bar displaying "coronation.com/secure/". The website header includes the Coronation logo and navigation links: "Portfolio", "Transact" (with a dropdown arrow), "Reports", and "Investor Details". The "Transact" menu is highlighted with a blue underline.

Go to [coronation.com/secure/](https://coronation.com/secure/) and log in.  
Click on the **Transact** menu and select **Manage Debit Orders**.  
Choose the debit order you would like to manage and then follow the easy step-by-step wizard.

## START A NEW DEBIT ORDER:



The screenshot shows the same website as above, but with the "Transact" menu highlighted. The navigation links are "Portfolio", "Transact" (with a dropdown arrow), "Reports", and "Investor Details".

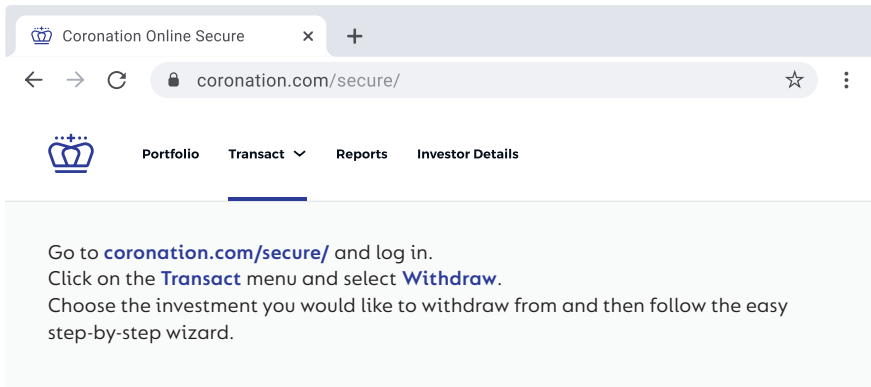
Go to [coronation.com/secure/](https://coronation.com/secure/) and choose the investment for which you would like to start a debit order.  
Click on the **Transact** menu and select **Top Up Investment**.  
Click the **Regular Debit Order** button and then follow the easy step-by-step wizard.

*Please  
note*

The new amount will be debited at the next debit order date, provided the instruction was received more than two business days before that date.

# WITHDRAW

You can sell a **percentage** or a **rand amount** of your investment and receive the proceeds **within two to three business days**.



The screenshot shows a web browser window with the address bar displaying "coronation.com/secure/". The website header includes a crown icon and navigation links for "Portfolio", "Transact" (with a dropdown arrow), "Reports", and "Investor Details". Below the header, a text box provides instructions: "Go to [coronation.com/secure/](https://coronation.com/secure/) and log in. Click on the **Transact** menu and select **Withdraw**. Choose the investment you would like to withdraw from and then follow the easy step-by-step wizard."



For your security, a member of our client service team may contact you to confirm that you authorised a withdrawal. Please note that the proceeds will only be paid into a bank account in your name.



If you want to withdraw your entire investment, it is better to specify the percentage (100%) instead of the amount. The closing price at which the transaction will be executed may be different than your requested withdrawal amount.

## TAX IMPLICATIONS OF WITHDRAWING OR SWITCHING:

If you sell or switch within three years of investing: should the SA Revenue Service (SARS) deem that you held the investment for speculative or trading purposes, the full gain will be taxable at the marginal tax rate for individuals and at 27% for companies. Otherwise, the gain or loss will be included in your capital gains tax calculation.

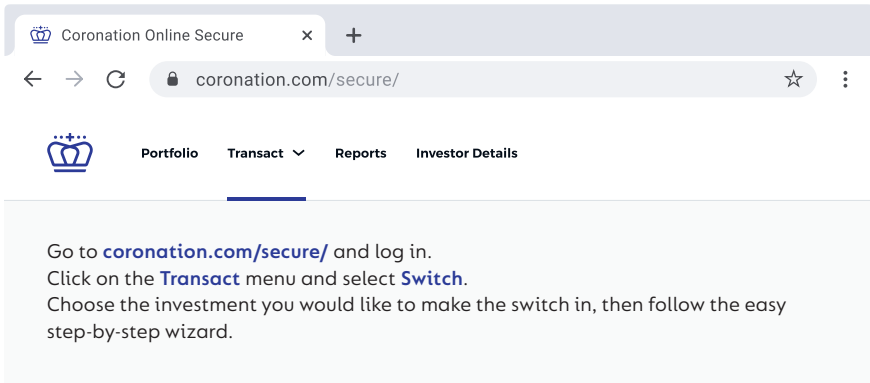
If you held the investment for a continuous period of three years or longer, the gain or loss will be included in your capital gains tax calculation.

- Regardless of how long the investment was held, an IT3(c) certificate is issued by Coronation at the end of the tax year, indicating the gain or loss realised from the disposal or switching of any investment during the tax year. This amount should be included in your annual tax return submitted to SARS.
- Provisional tax certificates can be run for your chosen period online. Log in to Coronation.com and run an ad hoc tax statement.
- Savings invested in the Coronation Tax-Free Investment are exempt from capital gains tax, or any other tax on interest, dividends or other income, provided that you stay within the allowed investment limits, which is R36 000 a year (R500 000 over your lifetime). A penalty tax of 40% will be levied on investments above these limits.

It's a good idea to consult a tax professional or your financial adviser for guidance on the tax efficiency of your investments.

# SWITCH

You can easily switch your investment to another fund.



The screenshot shows a web browser window with the address bar displaying "coronation.com/secure/". The website header includes a logo and navigation links: "Portfolio", "Transact" (with a dropdown arrow), "Reports", and "Investor Details". Below the navigation, a text box provides instructions: "Go to [coronation.com/secure/](https://coronation.com/secure/) and log in. Click on the **Transact** menu and select **Switch**. Choose the investment you would like to make the switch in, then follow the easy step-by-step wizard."

*Please  
note*

You may incur a tax liability as a result of the switch.  
Please see p.19 for more details.



## TRANSACTION CUT-OFF TIMES:

Your investment, withdrawal or switching transaction will be executed using the unit trust's closing price on a specific day. If you send your instruction before our daily cut-off times, the transaction will be finalised using these transaction prices:

	Cut-off time on business days	Transaction price	Transaction confirmation
<b>Money Market Fund</b>	12h00	That day's closing price	The following day
<b>All other local Coronation funds, including rand-denominated offshore funds</b>	14h00	That day's closing price	The following day
<b>Tax-Free Investment</b>	14h00	That day's closing price	The following day
<b>Offshore funds that are denominated in a foreign currency</b>	12h00	That day's closing price	The following day
<b>Retirement Annuity, Preservation Funds, Living Annuity and Endowment</b>	14h00	Next day's closing price	Four to seven business days

If you transact after the cut-off time, the transaction price and confirmation will follow a day later.

*Please note*

If you invest, your proof of payment needs to be submitted before the above cut-off times.

# Investing offshore



## WHY SHOULD I CONSIDER AN OFFSHORE INVESTMENT?


In a fundamentally unforecastable world, one of the best ways to structure your overall investment portfolio is to diversify your exposure across multiple economic-, jurisdictional-, currency-, industry-, and company-specific risks.

For South African investors, the ability to diversify into international markets means that you can reduce your overall risk, but also increase the potential for overall return.

The amount of international exposure that you should have as part of your long-term investment portfolio depends on how much you have to invest. If you only have the budget to save for retirement, the following guidelines apply:

### PRE-RETIREMENT

For retirement savers, who want to fund a retirement income in South Africa, quantitative research shows that the optimal level of offshore exposure is around 35% - 45% through the cycle.



40%

### POST-RETIREMENT

For investors already in retirement, who need to carefully match their annual income to their rand expenses, studies recommend average offshore exposure that ranges between 25% - 35%.



30%

## WHAT IF I WANT MORE THAN 45% OFFSHORE?

Investors who can justify a larger international allocation include those who:

- spend regularly in foreign currency;
- are considered high net worth in a global context;
- need to consider offshore bequests because multiple generations live on different continents; and/or
- do not need to draw a significant domestic income from their savings.

## HOW CAN I INVEST OUTSIDE OF SA?

Coronation offers a range of funds that are invested in global markets. Please go to the **Funds & Products** section on **Coronation.com** and choose **Offshore Flagship Funds** for more details.

Our global funds are available as rand-denominated unit trusts (see note below) and dollar-denominated unit trusts, domiciled abroad.

### Rand-denominated

While your money is invested in offshore markets, the fund is priced in rands. South Africans won't need to use their foreign currency allowance to invest.

*Please  
note*

Our full range of rand-denominated offshore funds is temporarily closed to new investments via the South African Unit Trust product. Read more [here](#).

You can, however, still invest in our foreign currency denominated funds (see below) from as little as \$500/£500/€500

### Denominated in US dollars and foreign-domiciled

South African taxpayers can invest up to R11 million per calendar year (R10 million foreign capital allowance and a R1 million single discretionary allowance) in funds denominated in foreign currency. Your investment will remain in an offshore account.

If your investment is larger than R1 million per year, please apply for tax clearance (now referred to as Approval for International Transfer [AIT]) from the SA Revenue Service. Only natural persons older than 18 years (not legal entities, trusts or companies) are entitled to the foreign currency allowance.

- ▶ Note that all investment income earned in the Coronation foreign-domiciled funds is re-invested in the fund and **no income is distributed**.
- ▶ For more on investing offshore, including information on transferring money and taxation, go to Forms on **Coronation.com**. Select **Existing Investor**, then **Offshore Funds** and click on **Offshore FAQ**.



## HOW DO I CHOOSE BETWEEN A RAND-DENOMINATED OR FOREIGN-DOMICILED FUND?

Our rand-denominated and foreign-domiciled funds are invested in exactly the same assets. Your decision would thus depend largely on financial and tax-planning considerations. Factors such as the status of the investor (natural person or trust); family needs (for example, children on other continents); and the purpose of your investment should influence your decision.

Consult your financial adviser for guidance on which investment would be best for your needs.

## HOW DO I INVEST IN A FOREIGN-DOMICILED FUND?

By investing in a foreign-domiciled fund, you are converting your rands into a foreign currency and keeping the investment in an overseas investment account.

### Are you planning to invest less than R1 million offshore?

The good news is that it's a relatively easy process that comes down to three simple steps.

#### Step 1: Decide who is going to help you convert your rands into dollars/euros/pounds

- ▶ This could either be through your bank, or your private banker;
- ▶ You could do it yourself via a digital platform such as **Shyft**, or
- ▶ Use one of the independent foreign exchange providers as listed below:

##### **Currency Partners**

Eike Feltz  
086 002 2007 / 079 276 4503  
eike@currencypartners.co.za  
www.currencypartners.co.za  
or click **here** to register online

##### **Exchange 4 Free**

Matthew Lawson  
011 453 7818 / 082 391 5494  
matthew.lawson@exchange4free.co.za  
www.exchange4free.co.za

If you already have the amount you would like to invest in foreign currency, you can move on to step 2.

## **Step 2: Complete your application and transfer your foreign currency into our bank account**

Complete your **investment application form** (if you are a new investor) or **additional contribution form** (for existing investors in our offshore funds), and transfer your total foreign currency into the relevant Coronation offshore bank account. Our bank account details are included on the forms (listed above) or available from our **Client Service team**.

Existing Coronation offshore investors can use their Name and Surname as reference.

## **Step 3: Submit your completed application and proof of payment to us**

We will complete your transaction once we receive your supporting documentation (completed application form and proof of payment) and as soon as your foreign currency payment reflects in our bank account. If this occurs before 12h00 (noon) on a business day, we will complete the transaction using that business day's closing price and send you confirmation of the transaction the next day.

### Are you planning to invest more than R1 million offshore?

You would need to follow the same steps as above, but before transferring your foreign currency you will need to obtain tax clearance (now referred to as Approval for International Transfer [AIT]) from the SA Revenue Service (SARS) for amounts greater than R1 million.

To apply for AIT, please contact a specialist currency provider (we have listed two independent providers above), speak to a tax practitioner, or visit the SARS website for further details.

You will be required to submit the following documents to SARS:

- ▶ Relevant material that demonstrates the source of the capital to be invested. For more information regarding the supporting documents required in relation to the source of capital that you have specified on your application, read more **here**.
- ▶ Statement of assets and liabilities for the previous three tax years (this should include disclosure of all investments, loan accounts and distributions from local and foreign companies, trusts, etc.)
- ▶ Applicable Power of Attorney where the TCS application is submitted by a person other than the taxpayer.

You must ensure that all overdue returns and tax payments are fully up to date prior to applying.

**Once you've obtained AIT, you can purchase your foreign currency (if you still need to), transfer it to the relevant Coronation bank account, then submit your complete application form and proof of payment to us.**

# Retirement investing

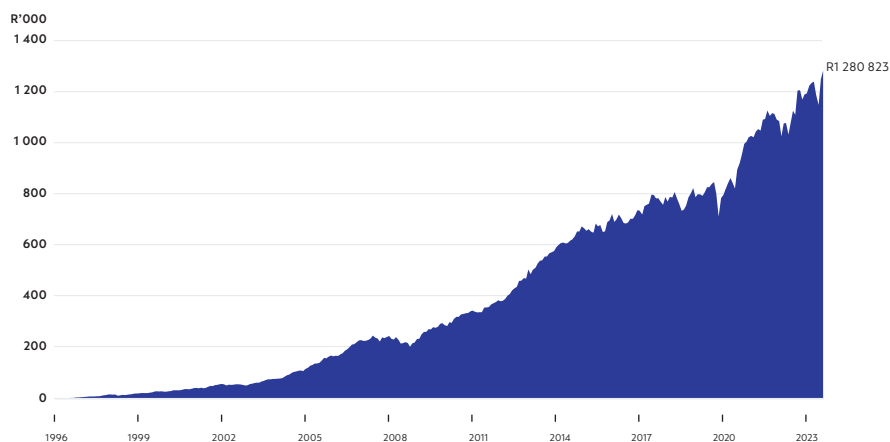


## INVESTING FOR RETIREMENT

Our long-term growth funds aim to invest in assets that will make your money grow over the long run.

### Example:

An investment of R500 a month in the **Coronation Balanced Plus Fund** since its inception in 1996 would have grown to R1 280 823 by the end of December 2023. You would have earned an average return of 13.6% a year.



Performance is measured with income distributions re-invested and quoted after the deduction of all costs incurred within the fund. Past performance is not necessarily an indication of future performance. Monthly contributions are assumed to be made at the beginning of the month.

Coronation also has a range of retirement investment products that are tax efficient and easy to understand:

### The Coronation Retirement Annuity

A **retirement annuity** offers a tax-efficient way to save. Your contributions are tax deductible (up to certain limits) and your investment returns are not taxed while you remain invested. You can access your investment once you turn 55.

The Coronation Retirement Annuity has no initial fees, exit penalties<sup>1</sup> or administration fees. You can reduce, stop or resume contributions. Your retirement annuity will be invested in your choice of Coronation unit trust funds.

<sup>1</sup> While this is the ordinary course of business, Coronation retains the right to apply switching fees or exit penalties under limited circumstances.

## The Coronation Preservation Funds

When you leave your job, you can opt to transfer your retirement contributions to a **preservation fund**. These funds will preserve the tax benefits of your contributions and continue to grow the value of your savings until retirement. The **Coronation Preservation Pension Fund** and **Coronation Preservation Provident Fund** are aimed at individuals who would like to preserve the tax benefits of contributions made to a previous employer's pension or provident fund. Flexible and cost-effective, the products have no initial fees, or administration fees. You choose the underlying investments from our range of unit trust funds.

## The Coronation Endowment Plan

The endowment plan benefits investors with a marginal tax rate greater than 30% and a minimum investment time horizon of five years. While access to capital is limited in the first five-year period or the extended restriction period, taxable growth (interest, income from Real Estate Investment Trusts and foreign dividends) is taxed at 30% within the plan and is tax-free in your hands when you withdraw the proceeds. A lower rate of capital gains tax may also be levied. The plan removes all tax-reporting responsibility from you, as well as the hassle of the tax administration associated with investments through other vehicles.

# INVESTING AFTER RETIREMENT

Our income and growth fund range aims to provide you with an income to cover your everyday living expenses in retirement, while also growing your capital. We also offer a living annuity that pays out a regular income in retirement:

## The Coronation Living Annuity

A living annuity has tax advantages; no tax is levied on interest or dividends, and it is exempt from capital gains tax. You can use your pension, provident, retirement annuity or preservation fund savings to buy a living annuity, which will pay out a regular amount. The living annuity is invested in your choice of unit trusts, and you can switch between investments. You can also adjust your level of income every year. Currently, the legal limits for annual withdrawals are between 2.5% and 17.5% of the investment value.

## WHICH FUNDS SHOULD I CHOOSE FOR MY RETIREMENT SAVINGS?

The best fund for you will depend on your personal circumstances, and we recommend that you get expert advice before making a decision.

If you invest in a retirement or a preservation fund, your investment choice also needs to comply with Regulation 28 of the Pension Funds Act. Regulation 28 limits the exposure of retirement investors to certain asset classes. For example, only 45% of your investments may be in offshore assets.

Coronation has a number of funds that will not breach the asset class limits of Regulation 28. If you invest in these funds, you don't have to monitor your investments to ensure you stay within the regulatory limits. These funds include:

<b>BALANCED PLUS</b>	The Fund has a strong bias towards shares and aims to achieve the best possible investment growth for retirement savers, at moderate levels of risk.
<b>CAPITAL PLUS</b>	The Fund's exposure to shares is carefully balanced with more stable investments like bonds. It aims to achieve reasonable investment growth over the medium to long term at less volatility than the average balanced fund.
<b>BALANCED DEFENSIVE</b>	The Fund aims to protect capital over any 12-month period. It is specifically managed to suit very cautious investors who want to draw an income over an extended period of time, for example pensioners in the second half of retirement.
<b>STRATEGIC INCOME</b>	The Fund aims to achieve a higher return than a traditional money market or pure income fund.

Alternatively, you can select any of our other funds, and use our simple online calculator (at <https://quotes.coronation.com/>) when you apply to ensure your investment is compliant with Regulation 28.



Go to the **Funds & Products** section on [Coronation.com](https://coronation.com) for more details on our retirement offering.

# Tax-free investing





The Coronation Tax-Free Investment allows you to invest in a range of funds without incurring any tax. Your savings won't be taxed for the duration of your investment, or when you sell.

This means:

- No local tax on interest or other income
- No local tax on dividends
- No local capital gains tax

## YOUR TAX-FREE ALLOWANCE:

You can invest up to R36 000 every tax year (from March 1st to end-February of the next year). Over your lifetime, you can invest up to R500 000 tax free. A penalty tax of 40% will be levied on any amounts above these limits.

In terms of your tax-free allowance, once you withdraw money, you cannot replace it with a new investment. For example, if you invested R36 000 this tax year, and then withdrew some or all of your savings – any further investment this tax year will be taxable.

## SAVING FOR YOUR CHILDREN:

Each child has a personal tax-free allowance of their own. Please note that a bank account in your child's name will be required for all withdrawal payments from his or her Coronation Tax-Free Investment. Your investment on behalf of your children may be subject to donations tax, if it exceeds the annual allowance.

*Please  
note*

Only South African citizens and individual investors qualify for tax-free investing. All dividends and interest earned from your investment will automatically be reinvested; you won't be able to earn a regular income from this investment.

# Frequently asked questions



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# UNIT TRUST

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## WHAT ARE UNIT TRUSTS?

A unit trust (also known as a 'fund') pools money from many investors to invest in assets like shares, bonds and listed property.

Instead of having to pick individual investments yourself, a unit trust offers you exposure to a range of assets, which are selected and managed by investment professionals.

Each fund is divided into equal units. The price of each of these units is based on the value of all the investments in the fund.

As an investor, you own a number of units in a fund. The price of these units will track the value of the underlying investments.

Some funds invest in the shares of companies, which may pay out a part of their profits in the form of dividends. Other investments – like government or corporate bonds – make periodic interest payments. You can choose to receive these distributions or use the money to buy more units and grow your investment.

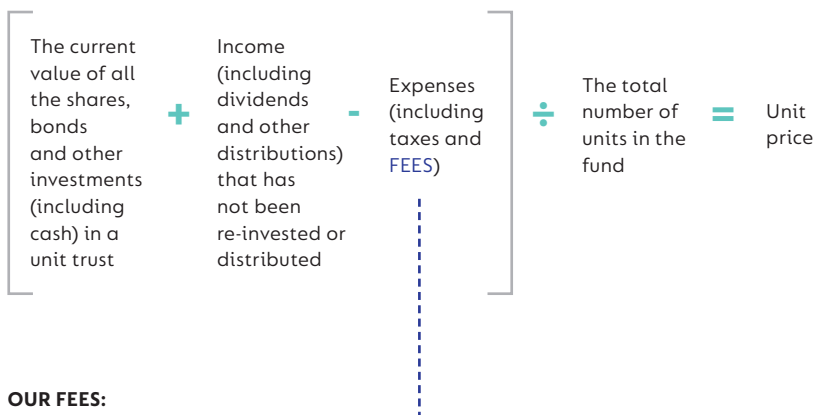
### How it works:

You invest R10 000 in a unit trust. In return, you receive a number of units, which will be determined by the daily price of the fund on the date of investment. If a unit in the fund is priced at R10 on that day, you will receive 1 000 units for your R10 000. The unit price can go up and down, driven by the price of investments held by the fund.

For example, the unit price may increase to R12, resulting in the value of the 1 000 units growing by R2 000, to R12 000. If the assets fall in value, the unit price will also reduce. Thus, if the unit price decreases to R9, the value of 1 000 units will be R9 000.

## HOW ARE UNIT TRUSTS PRICED?

All the investments in a unit trust are valued at a set time every business day (typically 15h00, Monday to Friday), at which point the daily unit price is fixed. All transactions are based on this daily price.



### OUR FEES:

Coronation does not charge any initial or upfront fees to invest in our unit trust funds. Your full investment amount is invested to purchase units. Our unit trusts charge an annual management fee that is calculated daily. Certain funds may charge a performance fee that is accrued daily and paid monthly. For more information, please view our Fees guide in the Forms section on Coronation.com.

If you have authorised us to deduct advice fees payable to your financial adviser, your investment amount will be reduced by the agreed initial and/or ongoing fee.

*Please note*

Our investment returns are quoted net of fees, meaning that fees have already been subtracted. All returns also assume that income has been re-invested.

# WHAT ARE THE DIFFERENT TYPES OF UNIT TRUSTS?

## LONG-TERM GROWTH FUNDS

### EQUITY FUNDS

Full exposure to shares, which offer the highest expected returns – but with the greatest level of risk (returns may vary widely from year to year).

#### SA

**Coronation Top 20** is a concentrated portfolio of the best opportunities in the local share market.



**%** 16.2% return per year since launch

Launch date  
October 2000

**Coronation Equity** invests in selected SA and some global equities and offers more diversification than the Top 20 fund.



**%** 14.5% return per year since launch

Launch date  
April 1996

## ANOTHER FUND TO CONSIDER:

**Coronation SA Equity** invests only in selected SA listed equities.

Illustrations indicate the funds' average exposure to growth assets through the cycle (5 years). Exposure levels will fluctuate as valuations change. Returns calculated as at end-December 2023.

#### Benchmark

Coronation Top 20: FTSE/JSE Capped Shareholders Weighted Index (C-SWIX); Coronation Equity: Composite: 87.5% SA Equity, 12.5% International Equity.

#### Benchmarks' performance since inception

Coronation Top 20: 13.0%; Coronation Equity: 12.5%

#### Highest Annual Return

Coronation Top 20: 68.9% (May 2005 – April 2006); Coronation Equity: 62.5% (Aug 2004 – Jul 2005)

#### Lowest Annual Return

Coronation Top 20: -31.7% (May 2002 – April 2003); Coronation Equity: -28.7% (Mar 2008 – Feb 2009)

*Growth assets*

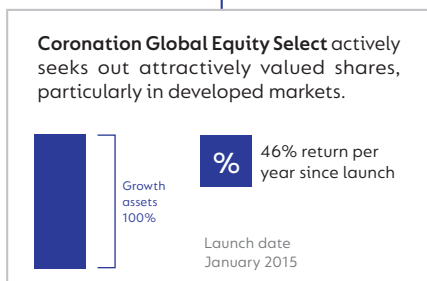
These assets are primarily equities (shares), which represent a stake in a company. Equity investors become part-owners of a company and may receive a portion of the profit, in the form of dividends. As the company grows and becomes more profitable, the share price should increase.

## LONG-TERM GROWTH FUNDS

### EQUITY FUNDS

Full exposure to shares, which offer the highest expected returns – but with the greatest level of risk (returns may vary widely from year to year).

#### GLOBAL



### ANOTHER FUND TO CONSIDER:

**Coronation Global Emerging Markets** actively seeks out attractively valued shares, particularly in emerging markets.

Illustrations indicate the funds' average exposure to growth assets through the cycle (5 years). Exposure levels will fluctuate as valuations change. Returns calculated as at end-December 2023.

Global fund returns are in US dollars.

#### Benchmark

Coronation Global Equity Select: MSCI All Country World Index

#### Benchmarks' Performance since inception

MSCI All Country World Index: 8.6%

#### Highest Annual Return

Coronation Global Equity Select: 56.6% (April 2020 – March 2021)

#### Lowest Annual Return

Coronation Global Equity Select: -32.6% (July 2021 – June 2022)

*Income  
assets*

Income assets include cash and bonds, which are essentially low-risk IOUs or loan contracts. Large entities (like the government or banks) will agree to pay back a loan amount on a fixed date and make regular interest payments at a fixed rate. These contracts are traded in the market. Income assets also include money market instruments, which are loan contracts over shorter periods (usually less than one year).

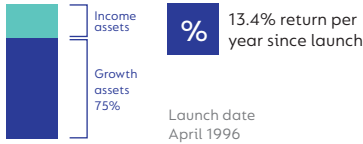
# LONG-TERM GROWTH FUNDS

## MULTI-ASSET FUNDS

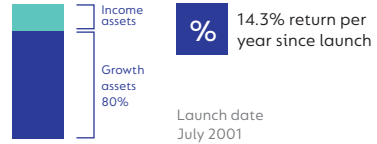
A bias towards shares but also invests in other assets like bonds, which will help diversify your investment and reduce risk. With multi-asset funds, complex decisions about investing your savings across a range of assets are taken on your behalf.

### SA (with global exposure)

**Coronation Balanced Plus** represents our best investment views across all asset classes for pre-retirement savers. It has exposure to both income and growth assets. The fund can invest up to 45% (excl Africa) of its assets abroad.



**Coronation Market Plus** aims to maximise long-term investment growth, at lower levels of risk than a fund that is only invested in shares. It has a maximum offshore allocation of 45% (excl Africa).

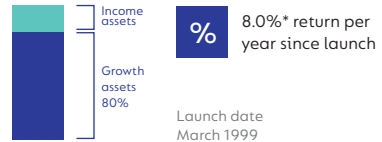


### GLOBAL

**Coronation Global Managed** has a bias towards shares, but can invest in a variety of assets including listed property, bonds and cash outside of South Africa.



**Coronation Global Optimum Growth** gives investors exposure to a range of opportunities from around the world and in South Africa.



Illustrations indicate the funds' average exposure to growth assets through the cycle (5 years). Exposure levels will fluctuate as valuations change. Returns calculated as at end-December 2023.

\* The USD fund does not yet have a meaningful track record. The return quoted here is in USD for the rand-denominated fund. Global fund returns are in USD.

#### Benchmarks

Coronation Balanced Plus: ASISA fund category average (South African – Multi-asset – High Equity) excluding Coronation funds; Coronation Market Plus: CPI + 5%; Coronation Global Managed: 60% MSCI All Country World Index and 40% Barclays Global Bond Aggregate; Coronation Global Optimum Growth Fund: Composite: 35% MSCI World Index, 35% MSCI Global Emerging Markets Index and 30% Barclays Global Aggregate Bond

#### Benchmarks' Performance since inception

Coronation Balanced Plus: 11.1%; Coronation Market Plus: 10.7%; Coronation Global Managed: 6.3%; Coronation Global Optimum Growth: 6.4%

#### Highest Annual Return

Coronation Balanced Plus: 49.3% (Aug 2004 – Jul 2005); Coronation Market Plus: 50.0% (Aug 2004 – Jul 2005); Coronation Global Managed: 34.6% (Apr 2020 – Mar 2021); Coronation Global Optimum Growth: 72.8% (March 2009 – Feb 2010)

#### Lowest Annual Return

Coronation Balanced Plus: -17.4% (Sep 1997 – Aug 1998); Coronation Market Plus: -20.1% (Mar 2008 – Feb 2009); Coronation Global Managed: -23.2% (Oct 2021 – Sep 2022); Coronation Global Optimum Growth: -49.2% (Dec 2007 – Nov 2008)



## INCOME AND GROWTH FUNDS

Income and growth funds aim to provide reasonable growth after inflation (over the longer term), while preserving your capital (over the short term).

### SA (with global exposure)

**Coronation Capital Plus** aims to achieve reasonable investment growth over the medium to long term. It has a bias towards growth assets and therefore more suitable for longer time horizons.



**Coronation Balanced Defensive** is a lower-risk option for investors who require a growing regular income. It can invest in different asset classes including shares, bonds, listed property and cash.



### GLOBAL

**Coronation Global Capital Plus** is a low-risk global balanced fund reflecting our best long-term global investment views, moderated for more conservative investors.



Illustrations indicate the funds' average exposure to growth assets through the cycle (5 years). Exposure levels will fluctuate as valuations change. Returns calculated as at end-December 2023. Global fund returns are in USD.

#### Benchmarks

Coronation Capital Plus: (CPI + 4% p.a.); Coronation Balanced Defensive: (CPI + 3% p.a.); Coronation Global Capital Plus: (SOFR + 1.5%)

#### Benchmarks' Performance since inception

Coronation Capital Plus: 9.7%; Coronation Balanced Defensive: 8.7%; Coronation Global Capital Plus: 1.9%

#### Highest annual return

Coronation Capital Plus: 33.8% (Aug 2004 – Jul 2005); Coronation Balanced Defensive: 23.1% (Apr 2020 – Mar 2021); Coronation Global Capital Plus: 17.1% (Jul 2010 – Jun 2011)

#### Lowest Annual Return

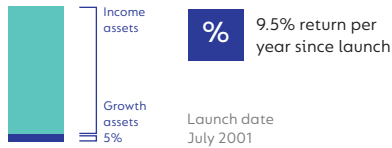
Coronation Capital Plus: -9.3% (Apr 2019 – Mar 2020); Coronation Balanced Defensive: -5.8% (Apr 2019 – Mar 2020); Coronation Global Capital Plus: -9.6% (Oct 2021 - Sep 2022)

## INCOME FUNDS

The focus is on preserving your capital. An income fund is an intelligent alternative to cash or bank deposits over periods of 12 to 36 months.

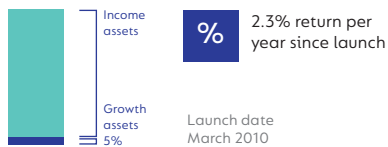
### SA (with global exposure)

**Coronation Strategic Income** focuses on providing income and invests in a wide variety of yielding instruments (e.g. cash, bonds and listed property). It aims to achieve a higher return than a traditional money market or pure income fund.



### GLOBAL

**Coronation Global Strategic USD Income**, an alternative to cash deposits, invests in a number of global fixed income assets with a US dollar bias.



Illustrations indicate the funds' average exposure to growth assets through the cycle (5 years). Exposure levels will fluctuate as valuations change. Returns calculated as at end-December 2023.

Global fund returns are in US dollars.

#### Benchmark

Coronation Strategic Income: 110% of STeFI 3-month index; Coronation Global Strategic USD Income Fund: 110% of SOFR

#### Benchmarks' Performance since inception

Coronation Strategic Income Fund: 8.0%

Coronation Global Strategic USD Income Fund: 1.4%

#### Highest Annual Return

Coronation Strategic Income: 18.7% (Nov 2002 – Oct 2003)

Coronation Global Strategic USD Income: 7.1% (Jan 2012 – Dec 2012)

#### Lowest Annual Return

Coronation Strategic Income: 2.0% (Apr 2019 – Mar 2020)

Coronation Global Strategic USD Income: -3.2% (Oct 2021 – Sep 2022)

# GROWTH AND RISK

## HOW CAN I GET THE BEST GROWTH FROM MY INVESTMENT?

Compounding is the most powerful ally you have in building wealth, and the only free lunch in investments.

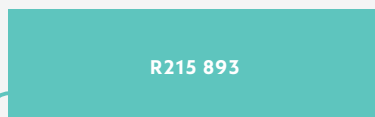
The principle is simple: The returns you earn on your investment also start earning returns, resulting in your money growing at an ever-increasing rate. Say you invest R100; it grows by 8% a year and you also earn R2 in income (interest and dividends) from your investment. At the end of the first year, you have R110. The extra R10 will also now grow in value and earn income. Over time, this can make an enormous difference.

Benefit from compounding growth by **re-investing your income distributions**:

**Take this example:** You invest R100 000, which grows by 8% a year. Every year, you earn 3% of your investment in income distributions (interest and dividends). If you decide not to re-invest the distributions, your investment will be worth R215 893 after ten years. If you re-invest the income in the fund, you will have R283 942.

### DISTRIBUTIONS *NOT* RE-INVESTED

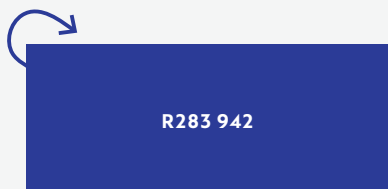
R100 000 invested for 10 years,  
with income paid out



→ You receive a total of R43 460 in income over the 10-year period.

### DISTRIBUTIONS RE-INVESTED

R100 000 invested for 10 years,  
with income re-invested



By re-investing your income, you earned R68 049.

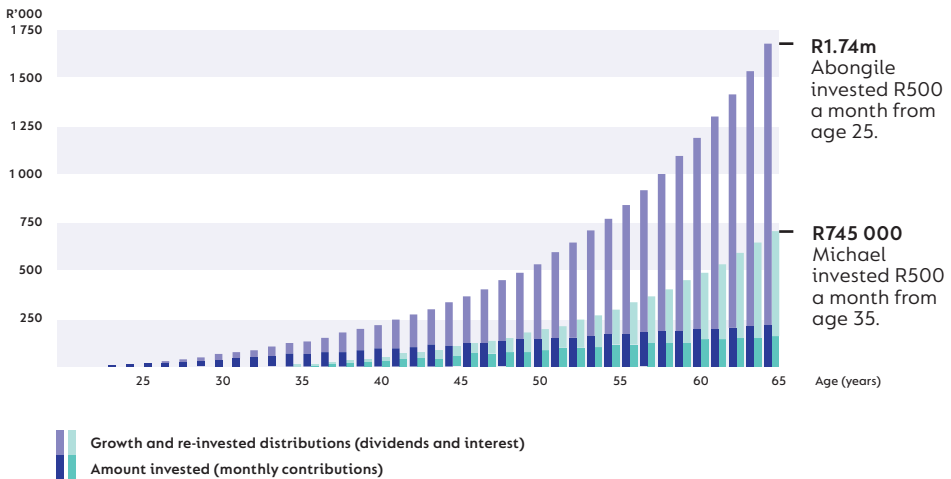
Compounding is a particularly remarkable tool the earlier you start to invest.

**Consider this example:**

Abongile started investing R500 a month at age 25. Her investment grows by 8% a year. On retirement at age 65, she has an investment of more than R1.74 million. Michael also invested R500 a month, but started ten years later. He ended up with R745 000 at age 65.

What made the big difference? Abongile's investments in the first few years grew and earned an income (dividends and interest). The income was re-invested to buy more investments, which then also started earning income. This snowball effect makes a huge contribution over time.

**THE POWER OF COMPOUNDING**



The value of investments (and any income earned from the investments) can fall as well as rise, and past performance is not a reliable indicator of future performance. Tax implications depend on your personal circumstances.

## HOW CAN I REDUCE RISK, WHILE GROWING MY INVESTMENT?

Investing is not risk-free. However, it is completely up to you how much risk you are willing to take. Each unit trust has a different risk rating, defined by a fund's exposure to different types and levels of risk. Roughly speaking, the guide is as follows:

- If you are seeking higher returns, then you have to be willing to accept more risk.
- If you are seeking lower risk, then you have to be willing to accept lower returns.

Growth assets (shares and listed property) are considered to be more risky than income assets (cash and fixed interest).

In all our funds we actively manage risk and reward. In our multi-asset funds, growth and income assets are blended to provide the optimal combination. Where funds are invested in only one asset class (like shares), risk is mitigated through diversification across different investments (industry and geography).

Deciding on which fund suits your needs and circumstances is best achieved in consultation with your financial adviser.

### WHAT ARE THE KEY RISKS?

<p><b>SHARES AND LISTED PROPERTY</b></p>	<p>A poor performance by a company may result in a falling share or unit price. Shareholders take on the highest level of risk and have the highest potential for returns. However, in the case of corporate insolvency, shareholders are last in line, running the risk of total capital loss.</p>
<p><b>CASH AND FIXED INTEREST</b></p>	<p>There is a risk that the issuer won't be able to pay interest or repay capital. And in the case of fixed interest (and some cash assets), the value of the investment will fall if interest rates increase or the issuer's creditworthiness decline.</p>



Each unit trust has a different risk rating. You can find these ratings, and detailed information about the risk and return objectives for every fund, in the **Funds & Products** section on [Coronation.com](https://www.coronation.com).

# INCOME

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## HOW CAN I RECEIVE A REGULAR PAYMENT FROM MY INVESTMENT?

Coronation has a range of funds specifically aimed at providing investors with a regular income.

You can choose to have a set amount of your investment paid out on a regular basis. This will involve the sale of units in your fund to deliver a stable income. Please note that Capital Gains Tax may be charged if units are sold at a higher price than the purchase price.

Alternatively, you can opt not to re-invest the monthly or quarterly distributions from our income funds and receive the distributions as an income. Remember that these payments will fluctuate.

These flagship funds distribute income as follows:

CORONATION MONEY MARKET	Monthly	
CORONATION STRATEGIC INCOME	Quarterly	Mar/Jun/Sept/Dec
CORONATION BALANCED DEFENSIVE	Quarterly	Mar/Jun/Sept/Dec
CORONATION CAPITAL PLUS	Quarterly	Mar/Jun/Sept/Dec



For more information on all fund distributions, go to [Coronation.com](https://www.coronation.com) and click on **Fund Prices**.

## HOW WILL INCOME FROM MY UNIT TRUST BE TAXED?

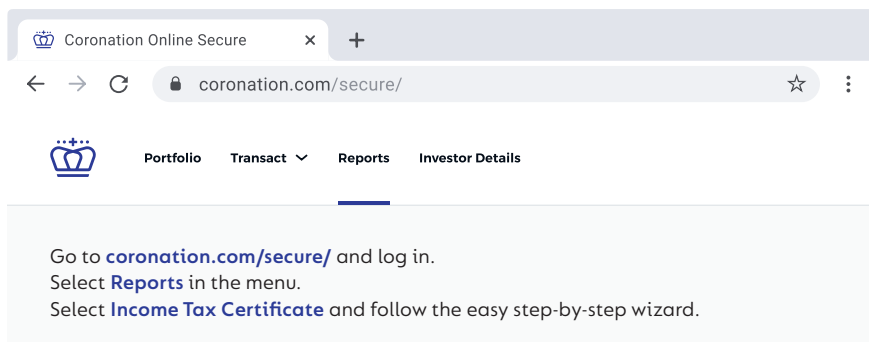
The taxation of income distributions from unit trusts will depend on the type of income distributed:

- ▶ Dividend income earned from investments in shares is usually liable for dividend withholding tax, which is paid over to the SA Revenue Service by Coronation on your behalf.
- ▶ Local and foreign interest income is taxed at the marginal tax rates for individuals. Foreign taxes may be levied in respect of foreign interest income.

An IT3(b) certificate, reflecting the distributions made to you, is issued by Coronation at the end of each tax year. These amounts should be included in your annual tax return submitted to SARS. Provisional tax certificates are issued in August and February every year and are available online.

- ▶ No capital gains tax, or any other tax on interest, dividends or other income will be levied on your Coronation Tax-Free Investment provided you stay within the allowed investment limits, which is R36 000 a year (R500 000 over your lifetime).

## ACCESS YOUR TAX CERTIFICATES:



The screenshot shows a web browser window with the address bar displaying "coronation.com/secure/". The website header includes a logo and navigation links: "Portfolio", "Transact", "Reports", and "Investor Details". Below the navigation, a text box provides instructions: "Go to [coronation.com/secure/](https://coronation.com/secure/) and log in. Select **Reports** in the menu. Select **Income Tax Certificate** and follow the easy step-by-step wizard."

*Please  
note*

Whether you re-invest your distributions or have them paid out to you, the tax treatment of that income remains exactly the same.

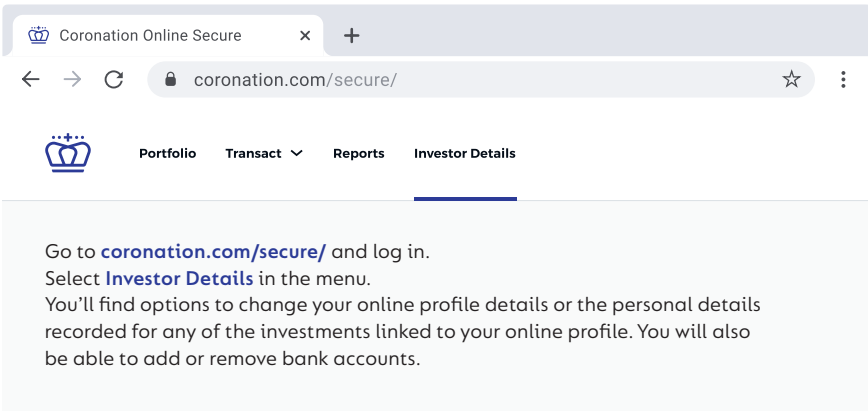
# MANAGING YOUR INVESTMENTS

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## VIEW ALL YOUR INVESTMENTS IN ONE PLACE

For a consolidated view of all your accounts – including investments in offshore unit trusts, endowment or retirement products – log in to [coronation.com/secure/](https://coronation.com/secure/), and link the investments you would like to view.

## CHANGE YOUR PERSONAL OR BANKING DETAILS



The screenshot shows a web browser window with the address bar displaying "coronation.com/secure/". The page header includes a crown icon and a navigation menu with the following items: "Portfolio", "Transact" (with a dropdown arrow), "Reports", and "Investor Details" (which is underlined). Below the navigation menu, a text box contains the following instructions:

Go to [coronation.com/secure/](https://coronation.com/secure/) and log in.  
Select **Investor Details** in the menu.  
You'll find options to change your online profile details or the personal details recorded for any of the investments linked to your online profile. You will also be able to add or remove bank accounts.





## OUR SINGULAR FOCUS

*building and maintaining  
our clients' trust*

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Coronation Fund Managers is one of southern Africa's most successful third-party fund management companies. We focus solely on fund management and earning our clients' trust through strong investment performance and appropriate products. At the heart of the organisation is a single global investment team, process and philosophy of long-term investing.

Our unit trust company is an industry leader, managing long-term assets on behalf of individual investors in South Africa. We are an investment-led business that is 29% staff-owned and listed on the Johannesburg Stock Exchange.

Coronation is one of South Africa's largest managers of institutional assets. Our clients include retirement funds, medical schemes and financial institutions. We also manage assets for several leading international retirement funds, endowments and family offices.



For **enquiries**, you can call us on **0800 22 11 77**  
or email us at **[clientservice@coronation.com](mailto:clientservice@coronation.com)**.

For **new applications or transactions**, you can email your forms directly to  
**[transact@coronation.co.za](mailto:transact@coronation.co.za)** or fax us on **086 677 0007**.

For **more information or to invest online**, visit us on **[www.coronation.com](http://www.coronation.com)**.