

## Coronation Equity Fund Frequently Asked Questions (FAQs)

---

### 1. What is the Coronation Equity Fund?

The Coronation Equity Fund is an open-ended equity mutual fund that invests primarily in equities of listed Nigerian companies to achieve long-term capital growth for investors.

### 2. Who should invest in the Coronation Equity Fund?

The Fund is ideal for investors who:

- Have a long-term investment horizon
- Have high risk appetites and are comfortable with market fluctuations.

### 3. How does the Coronation Equity Fund work?

The Fund pools capital from multiple investors and is managed by a team of experienced professionals who allocate investments primarily across quoted equities. Investment decisions are guided by strong research, risk management frameworks, and sound portfolio allocation strategies.

### 4. What are the key risks associated with the Fund?

As with any investment, the Coronation Equity Fund carries certain risks, including:

- **Market risk** – The value of your investment will rise and fall with movements in the Nigerian stock market, driven by factors such as macroeconomic conditions, corporate earnings, and investor sentiment. Unlike fixed-income products, there is no guaranteed return of principal. This risk is best managed by maintaining a long-term investment horizon.
- **Concentration risk** – The Fund invests primarily in Nigerian equities, meaning returns are concentrated in a single market. Economic, political, or regulatory developments in Nigeria may have an amplified effect on the Fund's performance.

The Fund may also hold fixed-income instruments for liquidity purposes, which carry the following additional risks:

- **Liquidity risk** – Challenges in selling securities quickly at favourable prices
- **Interest rate risk** – The impact of changing interest rates on bond prices.
- **Credit risk** – The potential default of bond issuers.

We recommend consulting our Investment Advisors to align the Fund with your risk tolerance and financial goals.

### 5. What factors drive the Fund's performance?

The Coronation Equity Fund's performance is influenced by:

- Price movements of stocks and other instruments within the portfolio.
- Dividends earned from equities and interest income from other securities.
- Capital gains or losses from buying and selling securities.

### 6. What does the Fund invest in?

The Coronation Equity Fund Primarily invests in equities of companies listed on the Nigerian Exchange (NGX). The Fund may invest in the underlisted from time to time depending on Market conditions and effect on the Fund:

- Fixed-income instruments such as FGN Bonds, State Bonds, Sub-national Bonds, and Corporate Bonds.
- Money market securities provide liquidity and risk mitigation.

The Fund may also allocate a portion of its assets to equities of companies not listed on a formal exchange. These unquoted securities offer the potential for higher returns but carry additional risks, including limited price transparency and reduced liquidity compared to exchange-listed stocks. The Fund Manager applies rigorous due diligence before investing in any unquoted security, and such allocations remain secondary to the Fund's primary focus on quoted Nigerian equities.

### 7. What is the minimum investment amount?

The minimum initial investment is ₦50,000, with additional investments allowed in multiples of ₦5,000.

### 8. How long should I invest in the Fund?

The recommended minimum holding period is 180 days. Early redemptions before this period will attract a 1.5% penalty fee on the redemption amount.

### 9. Can I choose specific securities to invest in?

No, as a collective investment scheme, the Fund pools all investors' contributions and is managed as a single portfolio. Investors share in the portfolio's overall returns rather than selecting individual securities.

### 10. Are investment returns guaranteed?

No, returns are market-driven and reflect the performance of underlying securities from time to time. As the Fund Manager does not influence changes in the market, it is therefore impossible to guarantee returns.

### 11. How are the returns interpreted?

Returns are calculated on a year-to-date basis. For example, if you invest ₦1,000,000.00 at the start of the year and the Fund returns 20% by year end, your investment would be worth ₦1,200,000.00.

### 12. How is the Fund's performance benchmarked?

The Fund aims to outperform the returns on the NGX 30 Index, as approved by the Securities and Exchange Commission (SEC).

### 13. What are the costs associated with investing in the Fund?

Operating expenses, including management fees, trustee fees, auditor fees, and custodian fees, will not exceed 3.5% of the Fund's Net Asset Value (NAV). Performance reports are published net of fees. Please refer to the Fund's prospectus for a full breakdown of individual fee components, including the management fee.

### 14. What is Net Asset Value (NAV)?

Net Asset Value is the market value of the assets of the Fund minus its liabilities. The per-unit NAV is calculated by summing the current market values of all securities held by the Fund, adding cash and any accrued income, then subtracting liabilities, and dividing the result by the number of units outstanding. The NAV is influenced by the daily changes in prices of the underlying securities.

### 15. How can I invest in the Coronation Equity Fund?

You can invest via:

- **Coronation Wealth App** – Available to download on iOS and Android through the Apple App Store and Google Play Store, respectively.
- **Online portal** – Subscriptions can be completed digitally at [wealth.coronation.ng](http://wealth.coronation.ng).
- **Subscription form** – Complete a physical form and submit at Coronation Plaza, 10 Amodu Ojikutu Street, Victoria Island, Lagos, or through your dedicated Relationship Manager.

Payment: Payments must be made in full for the number of units applied for, in favour of:

**Account Number:** 1963140376, Account Name: AISNL/PAXHILL MINERVA/CORONATION EQUITY FUND-COLLECTION ACCOUNT.

### 16. Can I transfer units of my investment to another person?

No, units in the Fund are non-transferable. However, units may be pledged as collateral for a loan, subject to the lending policies of the financial institution providing the loan. See Q17.

### 17. Can I use my investment as collateral for a loan?

Yes, units of the Fund can be pledged as collateral, subject to the lending policies of the financial institution providing the loan.

### 18. Is the Coronation Equity Fund listed on the Nigerian Exchange Group (NGX)?

No, the Fund is not listed on the NGX, but it is regulated and supervised by the SEC.

---