



CORONATION FLEXIBLE FIXED INCOME PORTFOLIO  
30 APRIL 2012

**CORONATION**   
FUND MANAGERS

**KEY BENEFITS**

- Proven track record of consistent out performance of bond markets
- Access to a highly rated investment team
- Dynamic, appropriate bond portfolios for different investor needs

**INVESTOR PROFILE**

The Portfolio is suitable for:

- Investors seeking a managed exposure to income generating investments
- Investors who believe in the benefits of active management within the entire fixed interest universe
- Investors seeking exposure to and active management of other asset classes such as preference shares, listed property stocks and hybrid instruments.



**FLEXIBLE FIXED INCOME PORTFOLIO**

The Coronation Flexible Fixed Income Portfolio is a flexible fixed interest solution representing Coronation's best investment view for a fixed interest portfolio. The Portfolio has a flexible mandate with no duration or term restrictions. The Portfolio invests in the traditional fixed interest assets, but can also invest in listed property, preference shares and inflation-linked bonds which are typically excluded in most specialist mandates. This flexibility allows the portfolio to maximize every opportunity in the domestic fixed interest space and produce superior returns for clients.

**FUND OBJECTIVE**

Benchmark: The best of cash (STeFI 3 month) or bonds (ALBI) over a rolling 3 year period.

The Portfolio also aims to have no negative returns over any rolling 12 month period.

**INVESTMENT APPROACH**

Coronation takes a long-term and active investment approach to fixed interest portfolio management, with investment decisions based on proprietary research across the full spectrum of potential return enhancers. These include duration and yield curve positions, off-benchmark positions through inflation-linked assets as well as yield enhancement through credit enhanced assets. Bond portfolios are positioned on a long term strategic market view but this is balanced by taking shorter term tactical opportunities when the market lags or runs ahead of that strategic view.

**PORTFOLIO STRUCTURE**

The Coronation Flexible Fixed Income Portfolio has a flexible mandate and therefore does not have any term or duration limits.

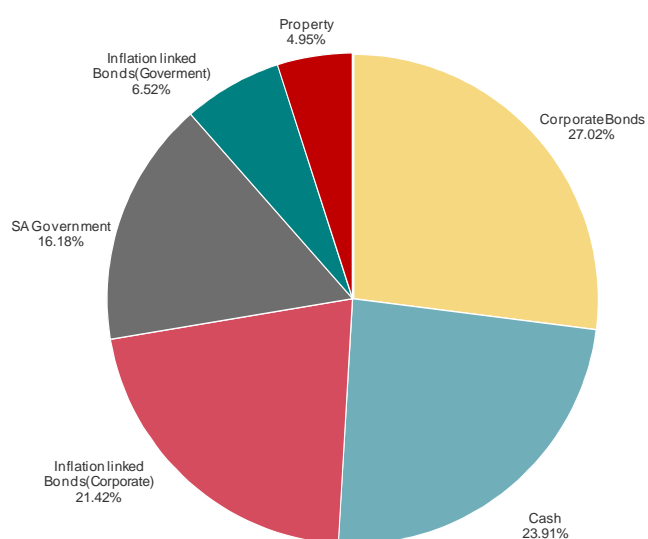
The investments are limited to:

- Government and parastatal bonds
- Corporate bonds (investment grade only)
- Inflation-linked bonds
- Money market instruments
- Fixed interest derivatives
- Listed property stocks
- Preference shares

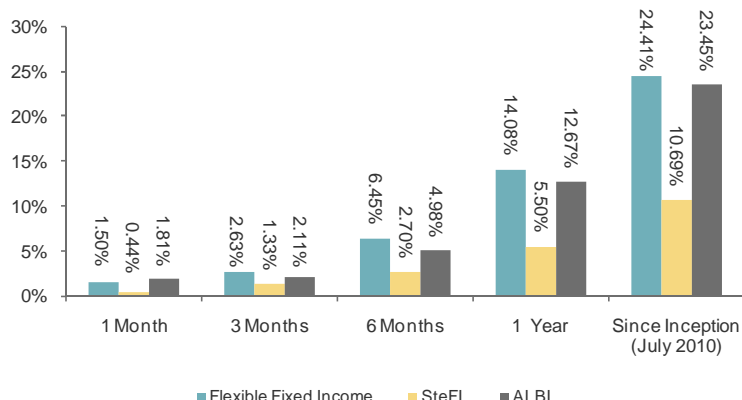
**GENERAL INFORMATION**

- Inception date 1 July 2010
- Product options Segregated portfolio  
Pooled portfolio offered by Coronation Life
- Minimum investment Segregated: R200 million  
Pooled: None
- New clients A one-month re-alignment period may be applied for new clients so as not to prejudice the performance of existing clients in the fund
- Termination conditions A 30-day notice period is required upon termination. No charges apply on either full or partial termination. Coronation reserves the right to pay the termination value in the form of scrip or cash.
- Reporting The following reports are available to clients:  
Monthly reports: within 5 business days  
Quarterly reports: within 15 business days

**PORTFOLIO STRUCTURE**



**PERFORMANCE (gross of fees)**



**RISK STATISTICS**

	Flexible Fixed Income	ALBI	STEFI
Annualised average return	12.70%	12.36%	5.70%
Annualised risk	3.21%	5.85%	0.12%
Average monthly return	1.00%	0.98%	0.46%
Sharpe ratio	2.17	1.11	
Information ratio	-0.08		

**MODIFIED DURATION**

	Flexible Fixed Income	ALBI
Modified duration	5.50	5.77



**PORTFOLIO MANAGER**

■ **MARK LE ROUX, BCom**  
As head of Coronation's fixed interest unit Mark is responsible for the fixed interest investment process and portfolio management functions for both institutional and retail portfolios. Before joining Coronation in 2005 he was with Decillion where he played an integral role in the development of South Africa's first fixed interest hedge fund, the Granite Fixed Income Hedge Fund, which he also managed. Mark has more than 20 years' industry experience.