



CORONATION MEDICAL ABSOLUTE PORTFOLIO
30 APRIL 2012

CORONATION 
FUND MANAGERS

KEY BENEFITS

- Proven track record of consistent outperformance
- Superior active asset allocation and security selection
- Access to a highly-rated investment team

INVESTOR PROFILE

The fund is suitable for:

- Medical aid schemes seeking a moderate risk absolute return portfolio offering capital protection
- Medical aid schemes that require their assets to grow in real terms



MEDICAL ABSOLUTE PORTFOLIO

The Coronation Medical Absolute Portfolio complies with Regulation 30 of the Medical Schemes Act.

The Portfolio takes cognisance of:

- Higher liquidity requirements of medical scheme funds
- The need for the fund's asset returns to keep pace (as much as possible) with medical aid inflation

The Portfolio targets positive real returns consistently over all time periods and with an overriding focus on limiting downside returns or portfolio losses. Capital preservation in real terms is equally important to return optimisation.

FUND OBJECTIVE

- Benchmark: Consumer Price Index (CPI)
- Performance target: CPI plus 3% p.a. (gross of fees and taxes) over a rolling 3-year period.

The Portfolio targets no negative returns over a rolling 12 months.

INVESTMENT APPROACH

The absolute portfolio range is actively managed through an integrated process of top down asset allocation and bottom-up stock selection. Overall portfolio risk is managed through the inclusion of non-correlated asset classes and stocks are selected on their equal measure of upside return and downside risk. We make no reference to a benchmark and employ a common-sense valuation-driven process that identifies mispriced assets trading at discounts or premiums to their long-term business values. Those stocks that display a substantial 'margin of safety' to Coronation's fair value qualify for inclusion in our absolute portfolios. Derivative instruments are used for the purposes of managing asset allocation, enhancing income yield and portfolio hedging during periods when the price of portfolio insurance becomes attractive.

PORTFOLIO STRUCTURE

The strategic asset allocation limits for the Portfolio are guided using a proprietary asset allocation optimizer model, which incorporates our own risk, return and correlation expectations for the different asset classes. The final asset allocation is however driven by the bottom-up results of our research process i.e. our security selection and the ability to find suitable investment opportunities will determine the ultimate asset allocation.

The Portfolio invests in the following asset classes:

- South African equities
- Fixed interest instruments: cash and bonds, including inflation-linked bonds; both domestic and international
- Derivative instruments: used solely for the purposes of managing asset allocation and for hedging during periods of market volatility

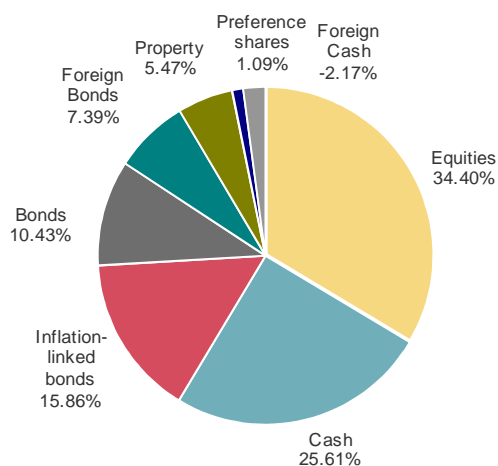
GENERAL INFORMATION

- Inception date 1 May 2004
- 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

TOP 10 EQUITY HOLDINGS (% of fund)

| | |
|----------------------------------|-------|
| Remgro Ltd | 2.58% |
| Standard Bank Group Limited | 2.39% |
| Anglo American Plc | 2.36% |
| MTN Group Limited | 2.15% |
| Aveng Limited | 1.59% |
| MMI Holdings Limited | 1.27% |
| BHP Billiton Plc | 1.26% |
| Naspers Limited | 1.24% |
| Sasol Limited | 1.17% |
| Mediclinic International Limited | 1.09% |

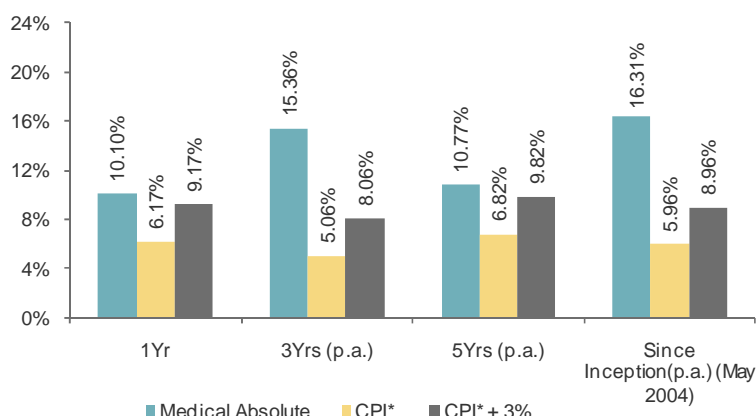
ASSET ALLOCATION



RISK STATISTICS

| | Medical Absolute | CPI |
|---------------------------|------------------|--------|
| Annualised average return | 16.48% | 5.97% |
| Annualised risk | 5.63% | 1.65% |
| Sortino Ratio | 2.62 | |
| Sharpe Ratio | 1.49 | |
| Downside Deviation | 3.95% | |
| Maximum Drawdown | -5.26% | |
| Best month | 4.91% | 2.12% |
| Worst month | -2.98% | -1.15% |

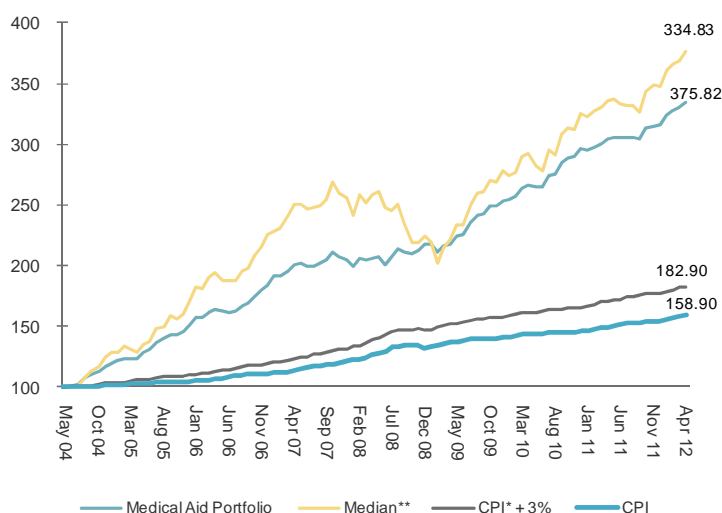
PERFORMANCE (gross of fees)



*Benchmark Methodology - Official month to month CPI numbers are based on the old basket prior to January 2009 and new basket post January 2009.

CUMULATIVE PERFORMANCE (since inception)

R100 invested on 1 May 2004



*Benchmark Methodology - Official month to month CPI numbers are based on the old basket prior to January 2009 and new basket post January 2009.

PORTFOLIO MANAGERS

- LOUIS STASSEN; BSc, BCom (Hons), CFA**
Louis is a founder member and former CIO of Coronation. He is a senior portfolio manager within the investment team responsible for the Absolute Investments unit which he established in 1999. He has more than 20 years' industry experience and has worked in the investment teams of Allan Gray, Syfrets Managed Assets and Standard Bank in London.
- HENK GROENEWALD; B.ENG(E&E)**
Henk joined the Coronation investment team as an equity analyst in January 2005. Prior to this, he spent two years as a trainee equity analyst with Allan Gray and three years as an electrical engineer at Sasol. Henk is the manager of the Coronation Resources Fund and has recently been appointed co-manager of the Coronation Absolute Portfolios.
- DUANE CABLE; BCom (Hons), CA (SA), CFA**
Duane Cable joined Coronation in July 2006 as an investment analyst focusing on the resources sector. After completing his articles with KPMG in 2002, he spent time in audit and business advisory in the Cayman Islands, as well as mergers and acquisition consulting in New York. His research responsibilities include paper & packaging, gold, steel and various companies within the industrial sector. Duane is the co-manager of the Coronation Resources Fund and was appointed co-manager of the Absolute range of funds in January 2012.

