



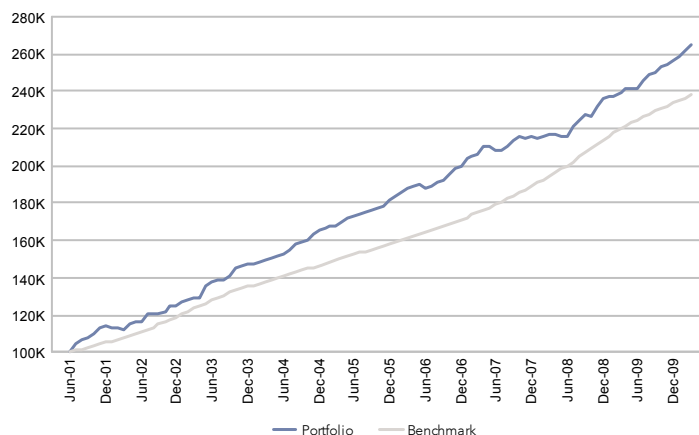
**CORONATION STRATEGIC INCOME FUND**  
31 MARCH 2010

**CORONATION**  
FUND MANAGERS

<b>Fund purpose</b>	Asset allocation across the yielding asset classes
<b>Fund sector</b>	Domestic – Fixed Interest – Varied Specialist
<b>Benchmark</b>	110% of the 3-month STeFI Index
<b>Risk profile</b>	<span style="border: 1px solid black; padding: 2px;">Cons</span> <span style="border: 1px solid black; padding: 2px;">Mod</span> <span style="border: 1px solid black; padding: 2px;">Aggr</span>

**LONG-TERM TRACK RECORD**

GROWTH OF A R100,000 INVESTMENT AT INCEPTION  
Portfolio – R265,140  
Benchmark – R238,083



**HIGHLIGHTS**

- Outperformed cash by, on average, 2.3% per annum since launch in 2001
- The fund has a flexible mandate and no prescribed maturity limits, but is managed to preserve capital over periods of 6 months or longer
- Managed by a large, experienced and multi-skilled investment team

**INVESTMENT OBJECTIVE**

The fund aims to provide a higher total return than a traditional money market or pure income fund. The fund's objective is to produce a return of at least 110% of the 3-month STeFI index.

**GENERAL INFORMATION**

<b>Launch date</b>	2 July 2001
<b>Income distribution</b>	Quarterly (March, June, September and December)
<b>Investment minimum</b>	R5 000 lump sum or R500 monthly debit order
<b>Regulation 28</b>	Complies

**INVESTMENT MANDATE**

The fund has a flexible mandate with no prescribed maturity limits for the securities in which it invests. It also has a flexible duration policy and seeks to protect capital in times of bond market weakness.

The fund can invest in a wide variety of yielding instruments, including, but not limited to cash, government bonds, corporate bonds, listed property, preference shares and inflation-linked bonds. It can also hold international yielding instruments.

The fund will always follow defensive asset allocation guidelines. No exposure to ordinary shares is allowed and exposure to listed property (max. 10%), preference shares (max. 10%), international assets (max. 10%) and hybrid instruments (max. 5%) do not exceed 25% of portfolio value in aggregate.

**INVESTOR PROFILE**

The fund is suitable for investors who are:

- risk averse and have a time horizon of between 6 months and 3 years, requiring a regular income stream from their capital base
- seeking managed exposure to income generating investments
- believers in the benefits of active management within the fixed interest universe

**RISK OF MONETARY LOSS**

The recommended investment term is six months and longer. The fund has limited exposure to non-equity growth assets that will cause price fluctuations from day to day, making it unsuitable as an alternative to a money market fund over very short investment horizons (6 months and shorter). Note that the fund is less likely to outperform money market funds in a rising interest rate environment.

**CORONATION FEES (excl. VAT)**

Initial	0.00%
Annual management	0.85%

**Fee Methodology**

To reflect its conservative nature, the fund charges a flat management fee. Because we expect that the yielding asset classes will produce lower prospective returns than experienced over the past decade, Coronation recently reduced the annual management fee by 0.15%. Fees are accrued daily and collected monthly.

**TOTAL EXPENSE RATIO (TER)<sup>1</sup>**

1.04% per annum

**ADVICE FEES**

Coronation does not provide financial advice and therefore does not charge advice fees. However, investments are often placed on your behalf by a financial advisor, in which case fees are negotiated directly between you and your advisor, within the following ranges:

Initial	0.00% - 3.00%
Ongoing	0.00% - 1.00% when the initial fee is less than 1.50%
	0.00% - 0.50% when the initial fee is more than 1.50%

**Sharing of annual management fees**

A portion of Coronation's annual management fee may be paid to administration platforms as a subsidy for administrative and advice costs incurred when investing through these channels. Where commission and incentives are paid, these are included in the overall costs.

**INVESTMENT PHILOSOPHY**

Coronation takes an active approach to fixed interest portfolio management with investment decisions that are driven by proprietary research across the full spectrum of potential return enhancers. Our fixed interest portfolio management approach involves interest rate management through duration and yield curve positioning. The portfolio is constructed with a long-term strategic view which is balanced by taking shorter term tactical opportunities when the market lags or runs ahead of the strategic view.

Coronation invests in instruments rated by reputable rating agencies and while the fund does invest in corporate bonds it will do so only when the yield compensates for the risk or when there is a general rise in credit spreads. All credit decisions are subject to oversight by an independently chaired Credit Committee.

**INVESTMENT TEAM**

We have one of the most experienced and talented investment teams in the country operating in a culture of excellence and led by Chief Investment Officer Karl Leinberger

Our Fixed Income Team is multi skilled and complemented by extensive industry experience. Each member of the six-person team provides key specialist input under the leadership of Mark le Roux.



**PORTFOLIO MANAGERS**

- **MARK LE ROUX, BCom**  
As head of fixed interest investments Mark is responsible for the fixed interest investment process and portfolio management functions for both institutional and retail portfolios. Mark has 18 years' experience in managing traditional fixed interest portfolios (both institutional and unit trust assets) as well as hedge funds.
- **TANIA MIGLIETTA, BBusSc (Finance), CFA**  
Tania joined Coronation in 2002 as a member of the fixed interest team with specific responsibility for the management of all money market and income funds. She is co-manager of the Coronation Strategic Income Fund and the Coronation Preference Share Fund, and is a member of the Coronation Credit Committee.

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