# **ABSOLUTE BOND STRATEGY**

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 OCTOBER 2025



## LONG TERM OBJECTIVE

The Coronation Absolute Bond Strategy aims to protect capital regardless of the interest rate cycle. This Strategy therefore offers lower volatility and greater focus on capital preservation when compared to traditional bond portfolios.

### **INVESTMENT APPROACH**

Coronation is a long-term, valuation-driven investment house. Our aim is to identify mispriced assets trading at discounts to their fair value through extensive proprietary research. The fixed income portfolios are positioned on a long term strategic market view, but this is balanced by taking advantage of shorter-term tactical opportunities when the market lags or runs ahead of that strategic view. As active managers, we consider investment decisions across the full spectrum of potential return enhancers. These include duration and yield curve positions, inflation-linked assets as well as yield enhancement through credit enhanced assets. We aim to maximise returns by actively combining both a top-down and a bottom-up approach to portfolio construction.

STRATEGY RETURNS GROSS OF FEES				
Period	Strategy	Benchmark	Active Return	
Since Inception (cumulative)	821.4%	223.3%	598.1%	
Since Inception p.a.	10.3%	5.3%	5.0%	
Latest 20 years p.a.	10.1%	5.4%	4.7%	
Latest 15 years p.a.	9.7%	5.1%	4.6%	
Latest 10 years p.a.	9.7%	4.8%	4.9%	
Latest 5 years p.a.	10.2%	5.0%	5.2%	
Latest 3 years p.a.	11.9%	4.1%	7.8%	
Latest 1 year	12.9%	3.7%	9.2%	
Year to date	10.9%	3.6%	7.3%	
Month	1.2%	0.2%	1.0%	

ASSET ALLOCATION	
Asset Type	% Strategy
Fixed Rate Government Bonds	28.7%
Corporate ILBs	27.2%
Fixed Rate Corporate Bonds	12.1%
Government ILBs	10.7%
Floating Rate Corporate Bonds	9.6%
Floating Rate NCDs	3.5%
Fixed Rate NCDs	2.2%
Fixed Rate Other	2.1%
Other	2.1%
Cash	1.6%
Floating Rate Other	0.2%

### **GENERAL INFORMATION**

Inception Date 01 March 2003
Strategy Size \* R4.42 billion

Strategy Status Open

Mandate Benchmark Consumer Price Index (CPI)

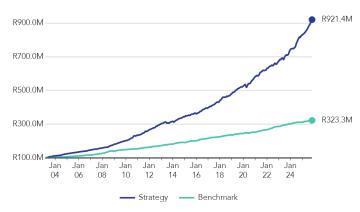
CPI + 2% (gross of fees and taxes) over a

rolling 12 month period

Dealing Frequency Daily
Base Currency ZAR

Performance Target

### **GROWTH OF R100M INVESTMENT**



Benchmark: Consumer Price Index (CPI)

# EFFECTIVE MATURITY PROFILE Term % Strategy 0 to 1 year 11.6% 1 to 3 years 22.7% 3 to 7 years 36.4% 7 to 12 years 24.2% Over 12 years 5.2%

STRATEGY STATISTICS	
Modified Duration (incl. inflation-linked bonds)	3.5
Modified Duration (excl. inflation-linked bonds)	1.8

<sup>\*</sup>Strategy assets under management as at the most recent quarter end.

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### **PORTFOLIO MANAGERS**



Nishan Maharaj - BSc (Hons), MBA

Nishan is Head of Fixed Interest at Coronation and a portfolio manager across all fixed interest strategies. He joined Coronation in 2012 has 23 years' investment experience.



Mauro Longano - BScEng (Hons), CA (SA)

Mauro is a portfolio manager and Head of Fixed Interest research. He co-manages various fixed income strategies for institutional and retail clients. Mauro joined Coronation in 2014 and has 15 years' investment industry experience.

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