

LONG TERM OBJECTIVE

The Coronation Strategic Bond Strategy is an actively managed fixed interest solution that allocates across all the different fixed income instruments. The Strategy has a flexible mandate with no duration or term restrictions. The Strategy 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 Strategy to maximise every opportunity in the domestic fixed interest space and produce superior returns for clients. The Strategy aims to consistently outperform the JSE ASSA All Bond Index over the medium to long term.

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)	523.8%	445.0%	78.8%
Since Inception p.a.	10.5%	9.6%	0.9%
Latest 15 years p.a.	10.3%	9.7%	0.6%
Latest 10 years p.a.	11.1%	11.0%	0.1%
Latest 5 years p.a.	13.1%	12.3%	0.8%
Latest 3 years p.a.	20.4%	19.0%	1.4%
Latest 1 year	23.5%	22.4%	1.1%
Year to date	3.1%	2.7%	0.4%
Month	3.0%	2.9%	0.1%

ASSET ALLOCATION

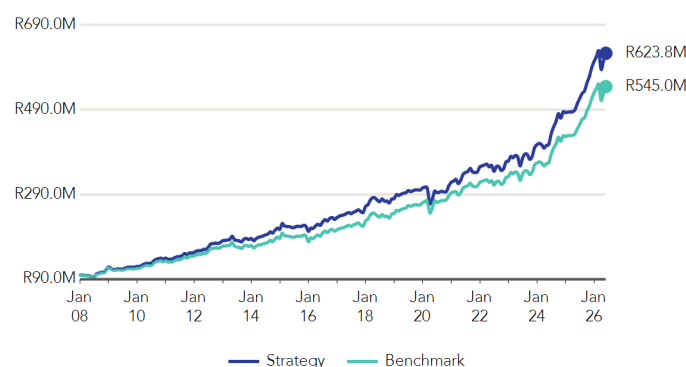
Asset Type	% Strategy
Fixed Rate Government Bonds	81.5%
Government ILBs	6.0%
Property	3.9%
Fixed Rate Other	2.5%
Fixed Rate Corporate Bonds	2.4%
Floating Rate Corporate Bonds	1.1%
Cash	0.8%
Corporate ILBs	0.7%
Other	0.5%
Floating Rate NCDs	0.4%
Fixed Rate NCDs	0.2%

GENERAL INFORMATION

Inception Date	01 January 2008
Strategy Size †	R4.34 billion
Strategy Status	Open
Mandate Benchmark	JSE ASSA All Bond Index (ALBI)
Dealing Frequency	Daily
Base Currency	ZAR

†Strategy assets under management as at the most recent quarter end.

GROWTH OF R100M INVESTMENT



Benchmark: JSE ASSA All Bond Index (ALBI)

EFFECTIVE MATURITY PROFILE*

Term	% Strategy	% Benchmark
0 to 1 year	1.5%	0.0%
1 to 3 years	4.0%	3.3%
3 to 7 years	19.8%	28.3%
7 to 12 years	34.6%	27.7%
Over 12 years	36.3%	40.7%

STRATEGY STATISTICS*

	Strategy	Benchmark
Modified Duration (incl. inflation-linked bonds)	6.3	6.4
Modified Duration (excl. inflation-linked bonds)	6.0	6.4

PORTFOLIO MANAGERS**Nishan Maharaj** - BSc (Hons), MBA

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

**Adrian van Pallander** - BScEng, HTSdip, CFA, FRM

Adrian is an analyst and portfolio manager in the Fixed Income team at Coronation. He co-manages the Flexible Fixed Income, Strategic Bond, Strategic Cash and Medical Aid Cash strategies. He joined Coronation in 2002 and has 24 years' investment experience.

**Seamus Vasey** - BCom (Hons), MSc, CFA

Seamus is a fixed income and property analyst and portfolio manager in the Fixed Income team at Coronation. He co-manages our Active Bond, Flexible Fixed Income, Strategic Bond and Global Bond Strategies, as well as our Granite Hedge Funds. He joined Coronation in 2015 and has 22 years' investment experience.

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

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

**Steve Janson** - BBusSc

Steve is an analyst and portfolio manager in the Fixed Income team at Coronation. He co-manages the Active Bond, Global Bond, and Strategic Bond strategies as well as the Bond and Property Equity unit trust funds. He joined Coronation in 2013 and has 19 years' investment experience.

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* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.