

CORONATION JIBAR PLUS FUND

Fund Information as at 31 December 2017

WHAT IS THE FUND'S OBJECTIVE?

The fund aims to deliver a higher return than bank deposits and traditional money market funds.

WHAT DOES THE FUND INVEST IN?

The fund will only invest in South African money market instruments. These include a wide range of instruments issued by banks, corporations and other institutions. The fund will primarily invest in floating-rate instruments, and has a maximum duration of two years.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



1/10

Conservative

Maximum growth/ minimum income exposures



■ Growth Assets: 0%

□ Income Assets: 100%

The fund is designed to protect capital, while providing a steady stream of income over time. This is achieved by holding floating rate notes that provide a higher yield than the prevailing money market rate. Floating rate notes will also protect the investment against interest rate volatility or unexpected interest rate changes.

Our fixed income investment team researches the full spectrum of money market instruments.

The fund's investments are subjected to a strict risk management process. All factors that could affect these investments are carefully monitored, including inflation as well as currency and interest rates.

While the risk of losing money over all investment periods is low, the fact that the fund can take somewhat more risk than a traditional money market fund is reflected in its fluctuating rather than constant daily price.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended term for this investment is one month and longer. Given its lack of exposure to growth assets, the fund is not suited for lengthy investment terms.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Risk averse investors who seek

- protection against possible interest rate volatility;
- an alternative to bank deposits or money market funds that may deliver better returns;
- fast access to their money, and who don't want to commit their cash for a specific period;
- capital protection, but not long-term capital growth.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.45% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



NISHAN MAHARAJ

BSc (Hons), MBA



MAURO LONGANO

BScEng (Hons), CA (SA)



SINOVUYO

NDALENI

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GENERAL FUND INFORMATION

Launch Date	3 April 2000
Fund Class	A
Benchmark	Alexander Forbes STeFI 3-month Index
Fund Category	South African – Interest Bearing – Short Term
Regulation 28	Does not comply
Income Distribution	Quarterly (March, June, September, December)
Investment Minimum	R5 000 or R500/m debit order
Bloomberg Code	CORINBR
ISIN Code	ZAE000023867
JSE Code	CIMF

CORONATION JIBAR PLUS FUND

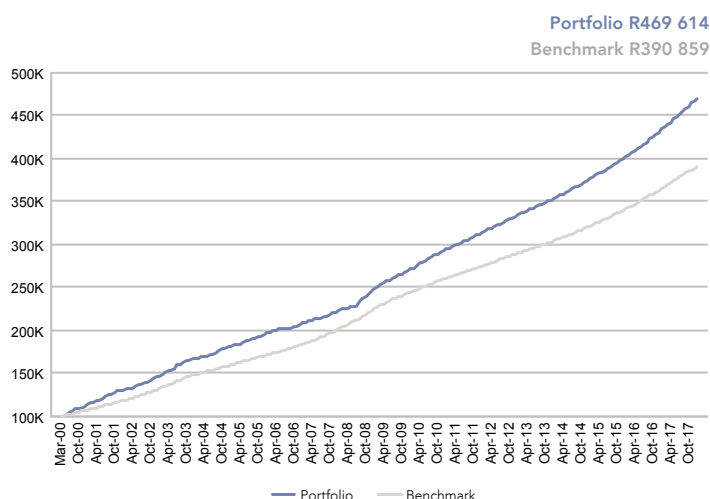
CLASS A as at 31 December 2017

Fund category	South African - Interest Bearing - Short Term
Launch date	03 April 2000
Fund size	R 2.52 billion
NAV	1114.15 cents
Benchmark/Performance	Alexander Forbes 3-month (SteFI) Index
Fee Hurdle	
Portfolio manager/s	Nishan Maharaj, Mauro Longano and Sinovuyo Ndleni

Total Expense Ratio	1 Year	3 Year
Fund management fee	0.53%	0.53%
Fund expenses	0.45%	0.45%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.06%	0.06%
Total Investment Charge	0.00%	0.00%
	0.53%	0.53%

PERFORMANCE AND RISK STATISTICS

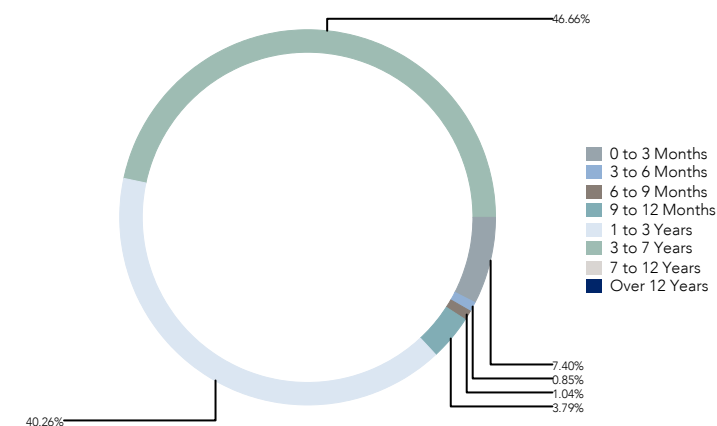
GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PORTFOLIO DETAIL

MATURITY PROFILE

As at 31 Dec 2017



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	369.6%	290.9%	78.8%
Since Launch (annualised)	9.1%	8.0%	1.1%
Latest 15 years (annualised)	8.0%	7.5%	0.6%
Latest 10 years (annualised)	7.8%	6.8%	0.9%
Latest 5 years (annualised)	7.1%	6.2%	0.9%
Latest 3 years (annualised)	7.7%	6.7%	1.0%
Latest 1 year	8.4%	7.1%	1.3%
Year to date	8.4%	7.1%	1.3%
	Fund		
Yield	8.6%		

MATURITY PROFILE DETAIL

As at 31 Dec 2017

0 to 3 Months	7.4%
3 to 6 Months	0.8%
6 to 9 Months	1.0%
9 to 12 Months	3.8%
1 to 3 Years	40.3%
3 to 7 Years	46.7%
7 to 12 Years	0.0%
Over 12 Years	0.0%

Average Duration in days 56

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	1.5%	0.7%
Sharpe Ratio	0.49	N/A
Maximum Gain	113.0%	N/A
Maximum Drawdown	(0.3)%	N/A
Positive Months	98.1%	N/A
	Fund	Date Range
Highest annual return	18.6%	May 2000 - Apr 2001
Lowest annual return	5.8%	Feb 2013 - Jan 2014

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Interest
29 Dec 2017	02 Jan 2018	21.59	21.59
29 Sep 2017	02 Oct 2017	21.94	21.94
30 Jun 2017	03 Jul 2017	23.37	23.37
31 Mar 2017	03 Apr 2017	22.48	22.48

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	0.71%	0.59%	0.69%	0.66%	0.74%	0.68%	0.70%	0.71%	0.63%	0.69%	0.64%	0.63%	8.40%
Fund 2016	0.55%	0.62%	0.55%	0.58%	0.67%	0.64%	0.63%	0.69%	0.68%	0.67%	0.67%	0.71%	7.90%
Fund 2015	0.55%	0.50%	0.59%	0.54%	0.52%	0.56%	0.72%	0.57%	0.45%	0.60%	0.52%	0.46%	6.80%

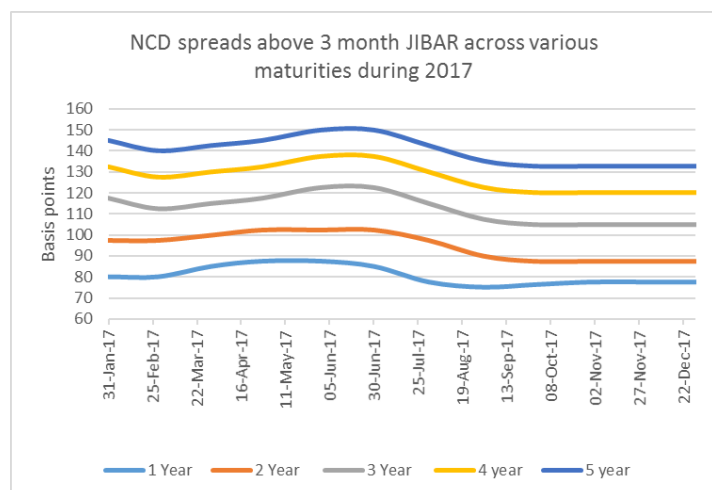
Please note that the commentary is for the retail class of the fund.

The fund returned 1.98% for the quarter and 8.37% for the 12-month period, which is ahead of the 3-month STeFI benchmark return of 7.09%. As at 31 December 2017, the fund's one-year forward yield was 8.56% (nominal annual compounded annually) with a duration of 56 days.

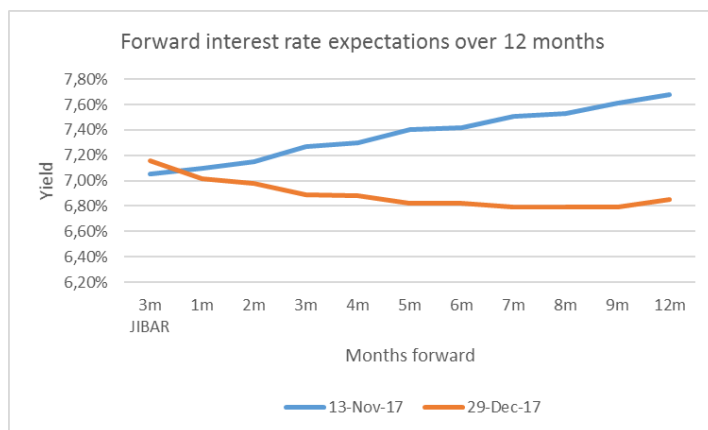
In line with the risk profile of the fund, returns are largely achieved by investing in Negotiable Certificates of Deposits (NCDs) issued by the major banks. The benefit of these instruments is twofold:

- they generate an attractive yield relative to the fund's benchmark; and
- can be easily sold back to the banks at actively quoted rates.

Despite the economic and political events of the last quarter, NCD spreads remained relatively stable across all maturities, demonstrating that banks' wholesale funding needs were relatively well balanced against investment demand. While this has been broadly positive for the fund, the status quo may be impacted by some notable risk events in the first quarter of 2018 including rating agency action and the Budget Speech. The fund remains well placed to handle any adverse market moves with capital preservation and liquidity being key focus areas.



The fund does not take long-term interest rate views and interest rate risk is typically hedged to ensure compliance with the mandated duration limit of 90 days. While operating within this limit, there is still opportunity to exploit dislocations in the market's short-term interest rate expectations relative to our house view. Over the last quarter, forward interest rate expectations as represented by the FRA curve moved from reflecting three interest rate hikes over a 12-month period to reflecting one interest rate cut. By purchasing one-year fixed rate NCDs when the opportunity arose (at a market yield of 8% versus the current 7.8%), the fund was able to benefit from the capital appreciation that resulted from this change in market expectations. Even if the fund were to hold these instruments to maturity, it would still benefit from an initial purchase yield, which is well above its benchmark, together with the associated liquidity advantages.



While the outcome of the ANC elective conference did help temper interest rate expectations, we initiated the trade based on fundamental economic research. Our view was that three interest rate hikes over a 12-month period was too aggressive given our muted outlook on inflation, largely driven by strong food disinflation.

Another interesting event this past quarter includes the move in 3-month JIBAR from 6.99% to 7.15%. A large portion of our floating rate investments is benchmarked against the 3-month JIBAR. While this move is peculiar given that the current repo rate is 6.75% and the forward interest rate curve is expecting a cut over the coming year, the rate is not driven by forward expectations alone and interbank liquidity does play a balancing role. Given that the benchmark on floating rate instruments only resets to market levels on a quarterly basis, this distortion provides for potential uplift in the fund, where the weighted average 3-month JIBAR benchmark is 7.09% as opposed to the current market rate of 7.15%.

The fund uses corporate credit to enhance returns where we believe the spread adequately compensates us for the underlying risk of the entity. While corporates did issue in the primary market during the last quarter, we did not find any attractive investment opportunities. As such, the portion of the fund exposed to corporate credit reduced from 22.3% to 18.5%. We do not chase credit investments and are happy to dilute our holdings when spreads do not meet our stringent fair value requirements. Very topical in the last month were the events surrounding Steinhoff. While the fund did not have any exposure, it has again highlighted the importance of credit risk assessment and portfolio exposure limits.

We tread carefully into 2018, remaining disciplined and only investing in instruments that are attractively priced relative to their underlying risk profile.

Portfolio managers
Mark le Roux and Mauro Longano
 as at 31 December 2017

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION JIBAR PLUS FUND

Unit trusts should be considered medium- to long-term investments. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The yield shown is an estimate (gross of fees) in part based on market assumptions and forecasts. The yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. It is provided to give an approximate indication of the achievable yield for an investment made at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Services Board in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an advisor, advice fees are contracted directly between you and the advisor. We will facilitate the collection of advice fees only upon receiving your instruction, up to a maximum of an initial fee of 3.00% and an ongoing fee of 1.00% per annum (where an initial advice fee of more than 1.50% is selected, the maximum annual advice fee that we will collect is 0.50%). Advice fees are usually collected through the redemption of units. You may cancel the instruction to facilitate the payment of advice fees at any time. Advisors will only share in Coronation fees subject to prior approval by and/or disclosure to the investor. A portion of Coronation's annual management fee may be paid to administration platforms such as Linked Investment Service Providers (LISPs) as a payment for administration and distribution services.

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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