CORONATION JIBAR PLUS FUND

Fund Information as at 31 May 2018

CORONATION
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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 typically 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
BBusSc

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 May 2018

CORONATION
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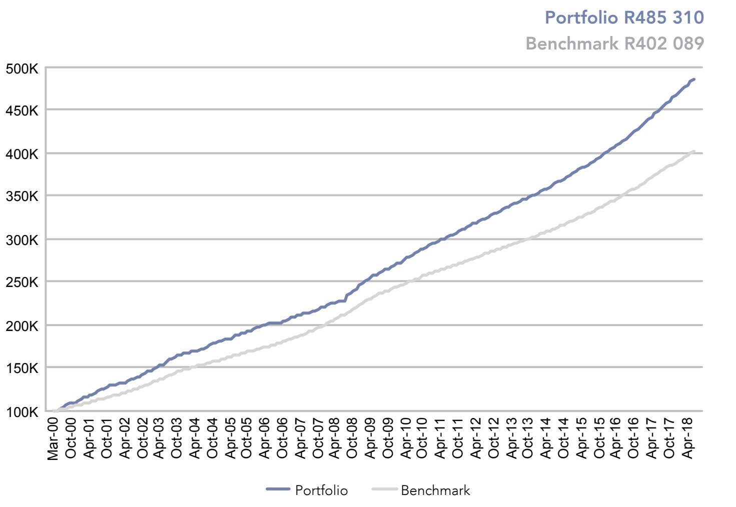
Fund category	South African - Interest Bearing - Short Term
Launch date	03 April 2000
Fund size	R 2.18 billion
NAV	1107.45 cents
Benchmark/Performance Fee Hurdle	Alexander Forbes 3-month (SteFI) Index
Portfolio manager/s	Nishan Maharaj, Mauro Longano and Sinovuyo Ndaleni

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

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	385.3%	302.1%	83.2%
Since Launch (annualised)	9.1%	8.0%	1.1%
Latest 15 years (annualised)	7.8%	7.3%	0.5%
Latest 10 years (annualised)	7.9%	6.7%	1.2%
Latest 5 years (annualised)	7.2%	6.3%	0.9%
Latest 3 years (annualised)	7.9%	6.9%	1.0%
Latest 1 year	8.3%	7.0%	1.2%
Year to date	3.3%	2.8%	0.5%

	Fund
Yield	8.4%

RISK STATISTICS SINCE LAUNCH

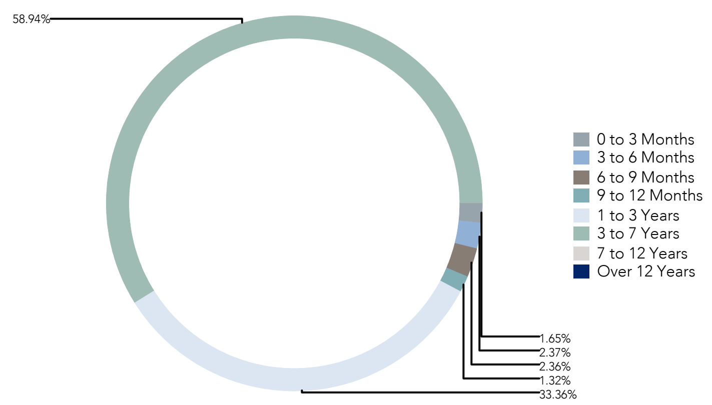
	Fund	Benchmark
Annualised Deviation	1.5%	0.6%
Sharpe Ratio	0.50	N/A
Maximum Gain	120.2%	N/A
Maximum Drawdown	(0.3)%	N/A
Positive Months	98.2%	N/A

	Fund	Date Range
Highest annual return	18.6%	May 2000 - Apr 2001
Lowest annual return	5.8%	Feb 2013 - Jan 2014

PORTFOLIO DETAIL

MATURITY PROFILE

As at 31 May 2018



MATURITY PROFILE DETAIL

As at 31 May 2018

0 to 3 Months	1.6%
3 to 6 Months	2.4%
6 to 9 Months	2.4%
9 to 12 Months	1.3%
1 to 3 Years	33.4%
3 to 7 Years	58.9%
7 to 12 Years	0.0%
Over 12 Years	0.0%
Average Duration in days	58

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Interest
29 Mar 2018	03 Apr 2018	21.38	21.38
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

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	0.72%	0.63%	0.61%	0.67%	0.66%								3.30%
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%

Issue date: 2018/06/07

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

CORONATION JIBAR PLUS FUND

Quarterly Portfolio Manager Commentary

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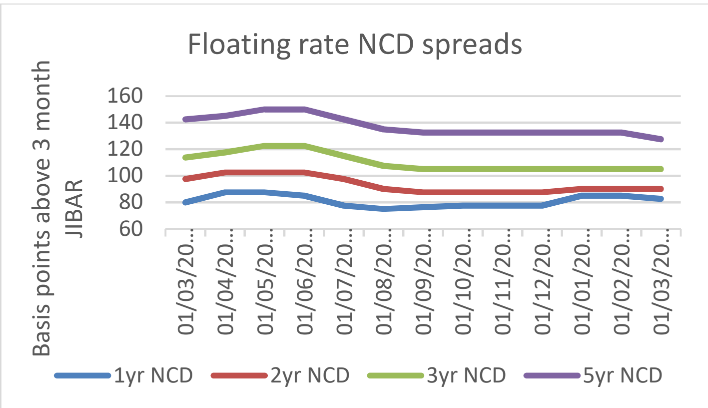
Please note that the commentary is for the retail class of the fund.

The fund generated a return (net of management fees) of 2.0% for the quarter and 8.3% over a rolling 12-month period, which is ahead of the 3-month STeFI benchmark return of 7.1%.

In March, the South African Reserve Bank's Monetary Policy Committee cut the repurchase rate by 25 basis points (bps), in line with our own expectations. While the improvement in the inflation outlook and 'constrained' growth facilitated this decision, it is important to note that it was not unanimous, with four members voting for a cut, and three members voting for no change. Our current CPI forecasts reflect an average of 4.8% for 2018 and 5.1% in 2019, with food disinflation still being a key driver of the muted outlook. On this basis, our expectation is for a further 25 bps cut at the next MPC meeting in May. It is worth mentioning, however, that the market is a little less sanguine, with only a 60% chance of an additional interest rate cut being priced over the next 12 months (as expressed through forward-rate agreements).

The cut in the repo rate has, as expected, lowered the yield of the 3-month JIBAR index off which most of the floating rate instruments in the fund are priced (the index moved from 7.1% to 6.9%). It is important to remember that the 3-month Jibar rate for floating rate instruments resets every three months after the initial investment date. As such, the yield impact on the fund will not be felt immediately, and should gradually reduce over the next quarter (assuming no change in credit spreads).

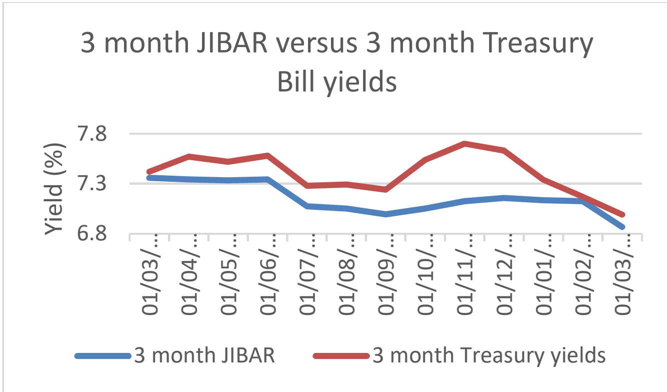
More generally, we have seen a slight contraction in NCD (Negotiable Certificates of Deposit) credit spreads over the past quarter. This has been a function of several factors, including the falling interest rate environment; subdued longer term issuance contrasted by a reasonably healthy demand for credit; and the two key risk events for the quarter (Budget Speech and the Moody's rating announcement) having passed with no notable surprises. Enough seems to have been done in the Budget speech to maintain fiscal credibility and a downgrade was avoided with the additional pleasant surprise of the sovereign outlook being changed to 'Stable' from 'Negative'. The contraction in credit spreads is positive for the fund although the benefit is only received when an NCD is sold back to the issuing bank. As such, there is no immediate yield uplift, but the benefit should materialise over time as the fund routinely creates liquidity by trading in these instruments. Going forward, we continue to see the risks to NCD spreads as being broadly balanced, with the fund being well placed to handle adverse market moves.



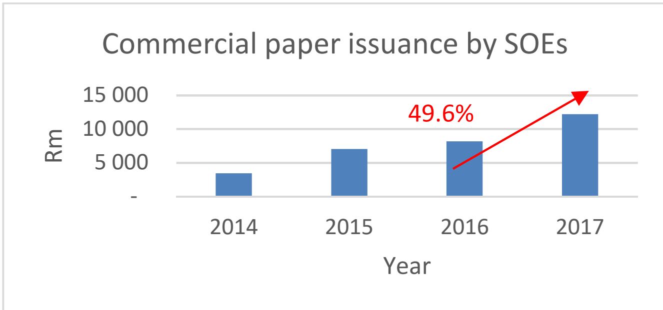
The fund continues to benefit from its holdings in 12-month fixed rate instruments which experienced a further downward shift in yield on the back of the repo rate cut. Since the beginning of the year, we have seen 1-year fixed rate yields move from 7.9% to 7.7%, which is still above the yield of the fund's benchmark. This fund does not take substantial interest rate views and the duration is limited to 90 days (currently 58 days). As such, these holdings are only maintained to the extent that they do not breach the fund's interest rate risk mandate. They also come with added liquidity benefits, in that they can be exited at very little cost.

We have previously remarked on the dislocation between 3-month JIBAR and the repo rate (currently 6.9% vs 6.5%). This is peculiar given that 3-month JIBAR is forward looking in nature and as such, we would expect it to trade at a lower yield than the repo rate in an interest rate cutting environment (as has happened during similar periods in the past). While the full picture is still not clear, we have noticed certain market dynamics which may be creating pressure on short term funding rates.

- The yields on 3-month Treasury bills have been trading above the level of the index for some time, creating a natural alternative for short-term investment.



- The dynamics of the foreign exchange market may also have played a role. Three month US dollar deposits, invested at 3-month LIBOR, are able to provide South African rand investors with and equivalent yield of 3-month JIBAR + 25bps (after currency effects are taken into consideration). This premium to interbank funding is attractive.
- While likely not a significant contributor, we have also seen some increase in commercial paper issuance, specifically from State-Owned Enterprises (SOEs). This is short-term funding, typically one to 12 months, which is issued into the market by various entities. In 2017, we saw commercial paper issuance from SOEs rise around 49%.



As previously mentioned, the fund benefits from this dislocation which ultimately translates to a higher absolute yield for the floating rate instruments which it holds. We will continue to monitor this going forward.

The fund uses corporate credit to enhance returns where we believe the spread adequately compensates us for the underlying risk of the entity. The fund did increase its exposure to corporate credit slightly during the period and this now sits at 21.6%. This was predominantly done by purchasing the corporate bonds of Growthpoint, Hyprop and Standard Bank. The pricing of all these issues met our stringent fair-value criteria.

We still remain cautious for the rest of 2018, and will continue to only invest in instruments which are attractively priced relative to their underlying risk profile. As always, capital preservation and liquidity remain our key focus areas.

Portfolio managers
Nishan Maharaj, Mauro Longano and Sinovuyo Ndaleni
as at 31 March 2018

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 Sector Conduct Authority 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 adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

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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