

LONG TERM OBJECTIVE

The Coronation Strategic Cash Strategy has a low-risk approach aimed at delivering enhanced cash returns that are superior to those of overnight cash rates while maintaining full capital preservation. The portfolio duration is limited to 180 days and the maximum term to maturity of an individual instrument does not exceed 3 years.

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) | 270.7% | 216.0% | 54.7% |
| Since Inception p.a. | 8.4% | 7.4% | 1.0% |
| Latest 15 years p.a. | 8.2% | 7.1% | 1.1% |
| Latest 10 years p.a. | 7.8% | 6.3% | 1.5% |
| Latest 5 years p.a. | 8.2% | 6.7% | 1.5% |
| Latest 3 years p.a. | 8.7% | 7.1% | 1.6% |
| Latest 1 year | 8.6% | 6.9% | 1.7% |
| Year to date | 2.7% | 2.3% | 0.4% |
| Month | 0.7% | 0.6% | 0.1% |

ASSET ALLOCATION

| Asset Type | % Strategy |
|-------------------------------|------------|
| Floating Rate NCDs | 61.1% |
| Floating Rate Corporate Bonds | 22.7% |
| Fixed Rate NCDs | 10.1% |
| Fixed Rate Corporate Bonds | 3.9% |
| Cash | 2.2% |

GENERAL INFORMATION

| | |
|-------------------|--|
| Inception Date | 01 March 2003 |
| Strategy Size | R3.90 billion |
| Strategy Status | Open |
| Mandate Benchmark | Short Term Fixed Interest 3-month Index (STeFI 3m) |
| Dealing Frequency | Daily |
| Base Currency | ZAR |

GROWTH OF R100M INVESTMENT



EFFECTIVE MATURITY PROFILE

| Term | % Strategy |
|----------------|------------|
| Call | 2.2% |
| 2 to 4 months | 3.3% |
| 4 to 6 months | 10.0% |
| 6 to 9 months | 7.6% |
| 9 to 12 months | 2.6% |
| 1 to 3 years | 74.3% |

STRATEGY STATISTICS

| | |
|-------------------|-----|
| Modified Duration | 0.2 |
|-------------------|-----|

PORTFOLIO MANAGERS



Nishan Maharaj - BSc (Hons), MBA

Nishan is head of Fixed Interest and responsible for the investment unit's process and performance across all strategies. He also manages the majority of fixed interest assets. Nishan has 16 years' investment experience.



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

Mauro joined Coronation's Fixed Interest investment unit in 2014 and is responsible for co-managing the Strategic Cash and Medical Aid Cash strategies. In addition to this, he is involved in credit research and pricing. Mauro has 8 years' investment experience.



Sinovuyo Ndaleni - BBusSc

Sinovuyo is a portfolio manager within the Coronation Fixed Interest investment unit, where she co-manages the Coronation Strategic Cash and Medical Aid Cash strategies. She also has various analytical responsibilities. Sinovuyo joined Coronation in January 2016.

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