

LONG TERM OBJECTIVE

The Coronation Active Bond Strategy represents our best investment view for a specialist bond portfolio. The Strategy is managed in line with Coronation's long-term investment philosophy with asset allocation and bottom-up security selection being actively managed to generate targeted outperformance. 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)	697.2%	583.1%	114.1%
Since Inception p.a.	11.4%	10.5%	0.9%
Latest 15 years p.a.	9.7%	8.7%	1.0%
Latest 10 years p.a.	9.8%	8.7%	1.1%
Latest 5 years p.a.	8.6%	7.8%	0.8%
Latest 3 years p.a.	10.4%	9.8%	0.6%
Latest 1 year	10.6%	11.2%	(0.6)%
Year to date	7.4%	7.9%	(0.5)%
Month	0.8%	1.0%	(0.2)%

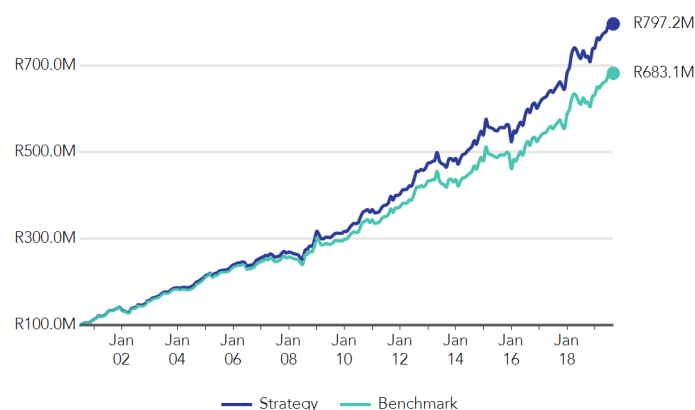
ASSET ALLOCATION

Asset Type	% Strategy
Fixed Rate Government Bonds	76.0%
Fixed Rate NCDs	6.3%
Fixed Rate Corporate Bonds	6.2%
Corporate ILBs	5.3%
Cash	2.4%
Government ILBs	1.5%
Fixed Rate Other	1.4%
Floating Rate Corporate Bonds	0.5%
Floating Rate NCDs	0.4%

GENERAL INFORMATION

Inception Date	01 July 2000
Strategy Size	R7.15 billion
Strategy Status	Open
Mandate Benchmark	JSE ASSA All Bond Index (ALBI)
Dealing Frequency	Daily
Base Currency	ZAR

GROWTH OF R100M INVESTMENT



Benchmark: JSE ASSA All Bond Index (ALBI)

EFFECTIVE MATURITY PROFILE

Term	% Strategy	% Benchmark
0 to 1 year	7.1%	17.1%
1 to 3 years	1.2%	5.6%
3 to 7 years	8.3%	7.5%
7 to 12 years	15.4%	30.9%
Over 12 years	68.0%	49.0%

STRATEGY STATISTICS

	Strategy	Benchmark
Modified Duration (incl. inflation-linked bonds)	7.4	7.1
Modified Duration (excl. inflation-linked bonds)	7.1	7.1

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.

**Steve Janson - BBusSc**

Steve is a portfolio manager and an analyst within the Fixed Interest investment unit with 12 years' investment experience. Steve's current responsibilities include trading as well as co-managing the Coronation Active Bond Strategy.

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

Seamus is a portfolio manager and analyst within the Fixed Interest investment unit with 15 years' investment experience. He manages assets within Coronation's specialist bond strategies. He also co-manages the Coronation Global Bond and Granite Hedge funds as well as the Global Strategic USD and Bond unit trust funds. Seamus joined Coronation's Fixed Interest investment unit in August 2015 and is a graduate of the London School of Economics.

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