

## LONG TERM OBJECTIVE

The Coronation Absolute Bond Strategy aims to protect capital regardless of the interest rate cycle. This Strategy therefore offers lower volatility and greater focus on capital preservation when compared to traditional bond portfolios.

## 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)	389.2%	137.9%	251.3%
Since Inception p.a.	10.5%	5.6%	4.9%
Latest 15 years p.a.	10.2%	5.7%	4.5%
Latest 10 years p.a.	10.4%	5.4%	5.0%
Latest 5 years p.a.	9.3%	5.3%	4.0%
Latest 3 years p.a.	10.1%	5.2%	4.9%
Latest 1 year	9.8%	4.7%	5.1%
Year to date	1.6%	0.5%	1.1%
Month	1.6%	0.5%	1.1%

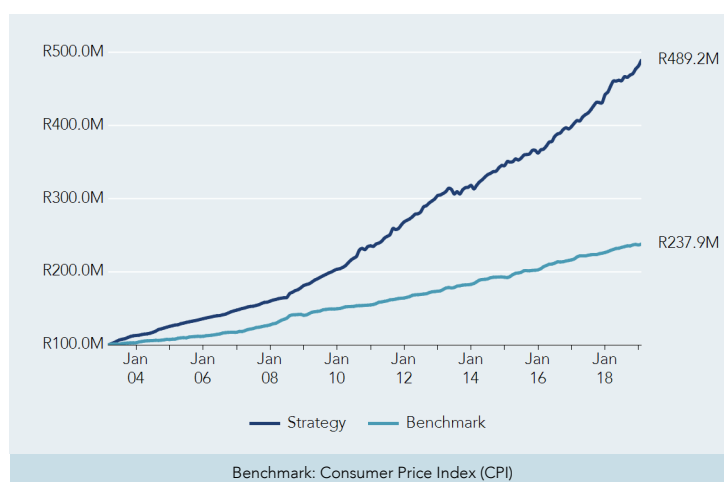
## ASSET ALLOCATION

Asset Type	% Strategy
Corporate ILBs	39.5%
Floating Rate Corporate Bonds	26.8%
Fixed Rate Corporate Bonds	18.0%
Fixed Rate Government Bonds	6.7%
Cash	3.3%
Fixed Rate NCDs	2.4%
Floating Rate NCDs	1.9%
Other ILBs	0.7%
Convertible Bonds	0.4%
Fixed Rate Other	0.2%
Government ILBs	0.1%

## GENERAL INFORMATION

Inception Date	01 March 2003
Strategy Size	R6.39 billion
Strategy Status	Open
Mandate Benchmark	Consumer Price Index (CPI)
Performance Target	CPI + 2% (gross of fees and taxes) over a rolling 12 month period
Dealing Frequency	Daily
Base Currency	ZAR

## GROWTH OF R100M INVESTMENT



## EFFECTIVE MATURITY PROFILE

Term	% Strategy
0 to 1 year	2.1%
1 to 3 years	17.0%
3 to 7 years	39.0%
7 to 12 years	27.5%
Over 12 years	14.4%

## STRATEGY STATISTICS

Modified Duration (incl. inflation-linked bonds)	3.9
Modified Duration (excl. inflation-linked bonds)	1.7

**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.

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