

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)	664.5%	551.5%	113.0%
Since Inception p.a.	11.6%	10.6%	1.0%
Latest 15 years p.a.	9.9%	8.9%	1.0%
Latest 10 years p.a.	9.5%	8.3%	1.2%
Latest 5 years p.a.	10.1%	9.0%	1.1%
Latest 3 years p.a.	11.7%	10.5%	1.2%
Latest 1 year	9.8%	8.8%	1.0%
Year to date	3.0%	2.9%	0.1%
Month	3.0%	2.9%	0.1%

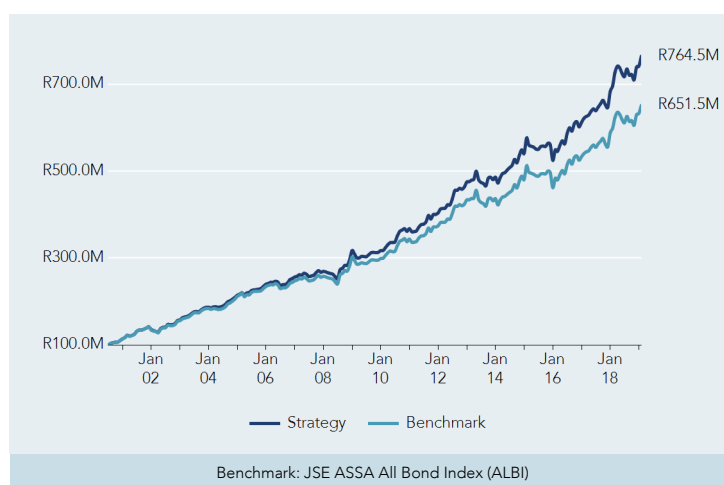
ASSET ALLOCATION

Asset Type	% Strategy
Fixed Rate Government Bonds	68.0%
Fixed Rate Corporate Bonds	15.5%
Floating Rate NCDs	8.1%
Corporate ILBs	4.0%
Fixed Rate Other	3.8%
Floating Rate Corporate Bonds	0.8%
Cash	0.2%
Government ILBs	(0.4)%

GENERAL INFORMATION

Inception Date	01 July 2000
Strategy Size	R6.51 billion
Strategy Status	Open
Mandate Benchmark	JSE ASSA All Bond Index (ALBI)
Dealing Frequency	Daily
Base Currency	ZAR

GROWTH OF R100M INVESTMENT



EFFECTIVE MATURITY PROFILE

Term	% Strategy	% Benchmark
0 to 1 year	4.9%	17.1%
1 to 3 years	1.4%	5.6%
3 to 7 years	9.7%	6.0%
7 to 12 years	10.8%	25.8%
Over 12 years	73.1%	50.6%

STRATEGY STATISTICS

	Strategy	Benchmark
Modified Duration (incl. inflation-linked bonds)	7.6	7.3
Modified Duration (excl. inflation-linked bonds)	7.4	7.3

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.

**Mark le Roux - BCom**

Mark is a senior member within the Fixed Interest investment unit, which he headed over a period of 10 years. With 27 years' experience in managing both traditional and alternative fixed interest portfolios, Mark is responsible for managing a significant portion of Coronation's fixed interest assets.

**Steve Janson - BBusSc**

Steve is 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 co-manages the Coronation Global Bond Strategy and has 15 years' experience in financial markets. 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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