MANAGED STRATEGY

INSTITUTIONAL STRATEGY FACT SHEET AS AT 31 MARCH 2019

CORONATION
TRUST IS EARNED™

LONG TERM OBJECTIVE

The Coronation Managed Strategy is an aggressive, clean slate fully discretionary balanced portfolio. The Strategy's objective is to outperform its peer group or a composite benchmark over meaningful periods (defined as at least 5 years). The Strategy is managed in accordance with the limits of Regulation 28 of the Pension Funds Act.

INVESTMENT APPROACH

Coronation is a long-term, valuation-driven investment house. Our aim is to identify mispriced assets trading at discounts to their long-term business value (fair value) through extensive proprietary research. In calculating fair values, through our fundamental research, we focus on through-the-cycle normalised earnings and/or free cash flows using a long-term time horizon. The Portfolio is constructed on a cleanslate basis based on the relative risk-adjusted upside to fair value of each underlying security. The Portfolio is constructed with no reference to a benchmark. We do not equate risk with tracking error, or divergence from a benchmark, but rather with a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	2,812.1%	1,701.5%	1,110.6%
Since Inception p.a.	15.8%	13.4%	2.4%
Latest 20 years p.a.	15.4%	14.1%	1.3%
Latest 15 years p.a.	15.8%	13.9%	1.9%
Latest 10 years p.a.	14.8%	12.9%	1.9%
Latest 5 years p.a.	6.9%	7.3%	(0.4)%
Latest 1 year	5.1%	7.0%	(1.9)%
Year to date	8.7%	6.2%	2.5%
Month	2.4%	1.2%	1.2%

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Annualised Standard Deviation	11.6%	11.4%
Maximum Drawdown	(23.5)%	(27.7)%

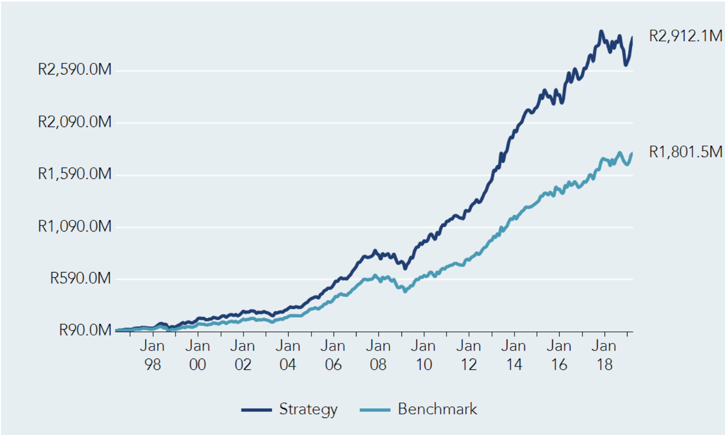
ASSET ALLOCATION

Asset Type	% Strategy
Local Equities	48.3%
Foreign Equities	20.6%
Local Bonds	14.1%
Local Real Estate	8.7%
Cash	2.1%
Local Commodities	1.8%
Foreign Real Estate	1.4%
Local Hedge	1.3%
Foreign Bonds	1.0%
Local Preference Shares	0.7%

GENERAL INFORMATION

Inception Date	01 May 1996
Strategy Size	R16.60 billion
Strategy Status	Open
Mandate Benchmark	Median of Peer Group
Dealing Frequency	Daily
Base Currency	ZAR
Regulation 28	Yes

GROWTH OF R100M INVESTMENT



Benchmark: Median of Peer Group

TOP 10 HOLDINGS

Holding	% Strategy
CORO GBL EQUITY FOF-Z	14.8%
CORONATION GEM EQUITY FUND	6.0%
NASPERS LIMITED	4.7%
ANGLO AMERICAN PLC	4.4%
BRITISH AMERICAN TOBACCO PLC	3.7%
MTN GROUP LIMITED	3.2%
INTU PROPERTIES PLC	2.8%
STANDARD BANK GROUP LTD	2.6%
CORO AFRICA FRONTIERS - CL Z	2.1%
CORO WORLD OPP FUND CI Z	2.0%

EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	(7.6)%	(0.3)%
1 to 3 years	6.2%	5.8%
3 to 7 years	5.1%	4.7%
7 to 12 years	4.9%	4.6%
Over 12 years	0.1%	0.1%

MODIFIED DURATION*

Portfolio	0.4
Fixed Income Assets	4.8

PORTFOLIO MANAGERS

Neville Chester - BCom, CA (SA), CFA

Neville is a senior member of the investment team with 22 years' investment experience. He joined Coronation in 2000 and manages Coronation's Aggressive Equity Strategy.

Nic Stein - BBusSc, CA (SA), CFA

Nic joined the Coronation investment team in 2009 as an equity analyst and has 10 years' investment experience. He currently co-manages Coronation's Aggressive Equity Strategy and is the manager of the Coronation Resources unit trust fund. Nic also analyses a number of shares spanning the retail, mining and financial services sectors.

DISCLAIMER

* For SA Fixed Income investments only. Excludes international investments, equities, property and preference shares.

REVIEW FOR THE QUARTER

After a torrid 2018, in which global and local capital markets collapsed, we saw a complete reversal in the first quarter of 2019 (Q1-19), with very strong returns from all capital markets. The strategy had a pleasing quarter which was well ahead of the benchmark. The strategy had been well positioned for this bounce back in equity markets, having added significantly to equities in the late 2018 sell-off.

Global equity markets, for no discernible reason, rallied very strongly through Q1-19, recovering most of the fall in the last quarter of 2018 (which was also for no discernible reason). Global markets (as measured by the MSCI World Index) delivered 12.5% in US dollars, but our global equity and global emerging markets funds delivered returns well ahead of benchmark, adding significant alpha in the quarter. The volatility in markets has been unsettling, but once again makes a strong argument for taking a measured long-term approach to investing. We have retained our position in emerging markets. As the US has surprisingly changed its view on the direction of future rate hikes to a more dovish stance, this should continue to bode well for emerging market equity performance and currencies. While the start to the year has been strong, these markets remain very cheap with good underlying growth prospects.

South African equity markets also delivered a pleasing recovery in Q1-19, though not to the same extent as global markets. The impacts of Eskom's rolling blackouts and a poor consumer environment have continued to weigh on local businesses, resulting in a swathe of profit warnings in the quarter, reducing some of the potential market returns. Fortunately, we have avoided owning the majority of those companies that are struggling, and our portfolios, which are overweight resources companies and global businesses, performed well ahead of the market.

While valuations for local businesses have come down significantly over the past few years as growth has severely disappointed, we are cautious about adding too much exposure here. The growth outlook remains anaemic and the prospects of a pick-up in consumer spending is poor given a lack of job creation, renewed fiscal discipline at Government level, and above-inflationary increases in administered prices and fuel.

We have not made significant changes to our fixed-income positioning. While the strategy's increased position in local government bonds has remained unchanged this quarter, our overall bond exposure did decline as we sold out of our Impala Platinum convertible debt position. As the price of the platinum group metals basket has soared this year, Impala's share price also increased, resulting in the convertible bond becoming equity-like in nature, and we sold out at a significant profit. Our domestic property exposure has declined at the margin as we have reduced some of our positions. While yields are still attractive, the environment for property remains challenged, especially in light of the Edcon restructure announcement this quarter, which saw landlords having to forego half their rent for two years. We have focused on improving the overall quality of the property portfolio and have added some Liberty Two Degrees, which operates the pre-eminent shopping centre in South Africa, has very little debt and no offshore property exposure.

On the international front, we have continued to avoid the fixed-income space, given no prospect of real returns, but kept up a reasonable exposure to European property that trades on attractive yields relative to bonds.

All in, the strategy has made a pleasing recovery this quarter and is well positioned and exposed to a great portfolio of assets that will drive future returns.