

LONG TERM OBJECTIVE

The Coronation Global Absolute Strategy targets positive real returns with an overriding focus on limiting downside returns or portfolio losses. Therefore, capital preservation in real terms is equally important to return optimisation. 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)	1,535.4%	223.2%	1,312.2%
Since Inception p.a.	14.8%	6.0%	8.8%
Latest 20 years p.a.	14.6%	6.0%	8.6%
Latest 15 years p.a.	13.4%	5.7%	7.7%
Latest 10 years p.a.	10.6%	5.1%	5.5%
Latest 5 years p.a.	6.8%	5.0%	1.8%
Latest 3 years p.a.	7.0%	4.6%	2.4%
Latest 1 year	9.2%	3.9%	5.3%
Year to date	11.2%	3.9%	7.3%
Month	1.1%	0.2%	0.9%

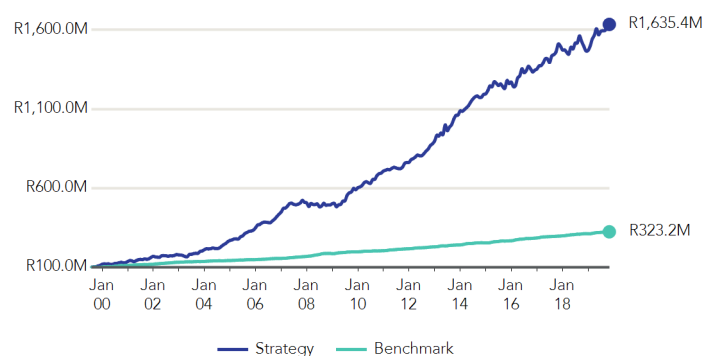
ASSET ALLOCATION

Asset Type	% Strategy
Local Bonds	37.1%
Local Equities	31.3%
Foreign Equities	16.6%
Local Property	4.9%
Cash	3.9%
Local Commodities	2.2%
Local Hedge Funds	1.8%
Foreign Fixed Income	1.6%
Foreign Property	0.3%
Local Preference Shares	0.3%

GENERAL INFORMATION

Inception Date	01 August 1999
Strategy Size	R8.09 billion
Strategy Status	Open
Mandate Benchmark	Consumer Price Index (CPI)
Performance Target	CPI + 5% (gross of fees and taxes) over a rolling 3 year period
Dealing Frequency	Daily
Base Currency	ZAR
Regulation 28	Yes

GROWTH OF R100M INVESTMENT



Benchmark: Consumer Price Index (CPI)

TOP 10 HOLDINGS

Holding	% Strategy
CORO GBL EQUITY FOF-Z	14.1%
RSA FIX 8.875% 280235	5.2%
CORO GBL CAPITAL PLUS-Z	4.2%
STANDARD BANK OF SA ILB 5.500% 071223	2.5%
RSA FIX 8.750% 310144	2.4%
BRITISH AMERICAN TOBACCO PLC	2.4%
NASPERS LIMITED	2.2%
ANGLO AMERICAN PLC	2.1%
FIRSTRAND BANK LTD ILB 5.500% 071223	2.0%
NEDBANK LTD FIX 9.440% 120225	1.9%

MODIFIED DURATION*

Portfolio	1.8
Fixed Income Assets	4.9

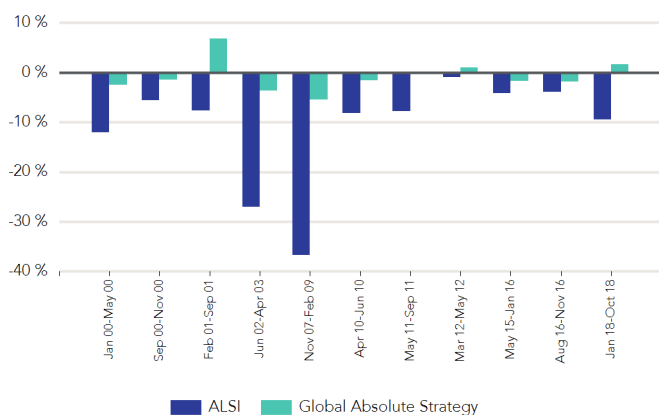
PERFORMANCE & RISK STATISTICS (Since inception)

Average Annual Return	15.1%
Annualised Standard Deviation	7.6%
Highest Monthly Return	8.8%
Lowest Monthly Return	(4.5)%
% Positive Months	70.8%
Downside Deviation	2.9%
Maximum Drawdown	(7.9)%
Sortino Ratio	2.0

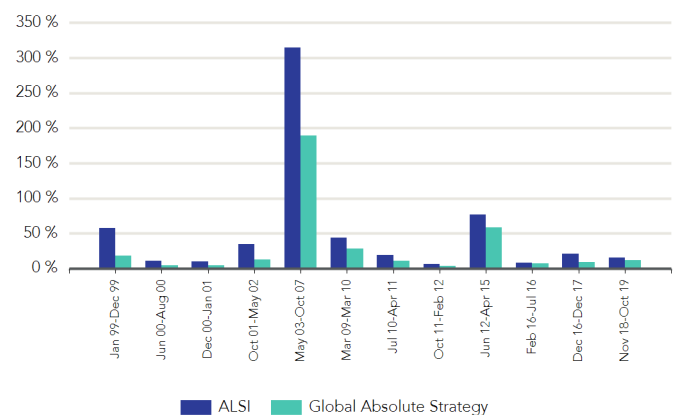
EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	0.2%	2.2%
1 to 3 years	5.7%	5.6%
3 to 7 years	14.8%	14.5%
7 to 12 years	6.0%	5.9%
Over 12 years	9.4%	9.2%

BEAR MARKETS



BULL MARKETS



In the bar graphs above, we have divided the period since inception of our Strategy into bull and bear markets. The Strategy's returns are measured against the FTSE/JSE All Share index. The bear market graph clearly demonstrates how the Strategy has protected capital; its losses were much more shallow than the market during downswings. As evident from the second graph, the Strategy also enjoyed healthy upside participation in bull markets.

PORTFOLIO MANAGERS



Charles de Kock - BCom (Hons), MCom

Charles heads up the Absolute Return investment unit and is a portfolio manager across all strategies within the unit. He also co-manages the Coronation Balanced Defensive and Capital Plus unit trust funds. Charles has more than 30 years' investment experience, plays a leadership role in the asset allocation process and is involved in all investment discussions.



Pallavi Ambekar - BBusSc, CA (SA), CFA

Pallavi is a portfolio manager responsible for the co-management of institutional portfolios within the Absolute Return strategy as well as the Coronation Balanced Defensive and Capital Plus unit trust funds. She has 16 years' investment experience. She also has research responsibility, which include shares in the telecommunications, consumer goods, retail and hotel and leisure sectors.

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