

## WHAT IS THE FUND'S OBJECTIVE?

The Money Market Fund aims to outperform one to three year fixed deposit and call accounts over time, while taking the lowest level of capital risk consistent with this objective.

## WHAT DOES THE FUND INVEST IN?

The fund will only invest in South African money market instruments with a maturity of less than a year. These include a wide range of instruments issued by banks and other institutions. The fund has a limit of 120 days on the average maturity of its investments. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

## IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

## Risk Profile

Maximum growth/  
minimum income exposures

The fund is tactically managed to achieve the best possible return achievable from short maturity money market instruments, while aiming to protect capital at all times.

Our fixed income investment team researches the full spectrum of money market instruments to capture the best possible returns. The fund's investments are subjected to a strict risk management process.

While the low risk of losing money over all investment periods is reflected in the fund's constant daily price, an investment in the fund is not equivalent to a bank deposit account and losses are possible.

The return to the investor is made up of interest received plus or minus any gains or losses made on the underlying instruments held in the fund. In most cases, these gains or losses will merely increase or decrease the daily yield, but in the case of abnormal credit events impacting underlying holdings, the capital value of the portfolio may reduce.

## HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is one month and longer.

Given its lack of exposure to growth assets, the fund is not suited for lengthy investment terms.

## WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who require:

- an alternative to bank deposits;
- a place to 'park' their savings for a short time;
- quick access to their money,
- a low-risk investment to diversify their portfolio;
- capital protection, but not capital growth.

## WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.25% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on [www.coronation.com](http://www.coronation.com).

## WHO ARE THE FUND MANAGERS?



**NISHAN  
MAHARAJ**  
BSc (Hons), MBA



**MAURO  
LONGANO**  
BScEng (Hons), CA (SA)



**SINOVUYO  
NDALENI**  
BBusSc

## GENERAL FUND INFORMATION

Launch Date	1 October 1999
Fund Class	A
Benchmark	Alexander Forbes STeFI 3-month Index
Fund Category	South African – Interest Bearing – Money Market
Regulation 28	Does not comply
Income Distribution	Monthly
Investment Minimum	R10 000 (lump sum only)
Bloomberg Code	CORIBMM
ISIN Code	ZAE000022885
JSE Code	CMMF

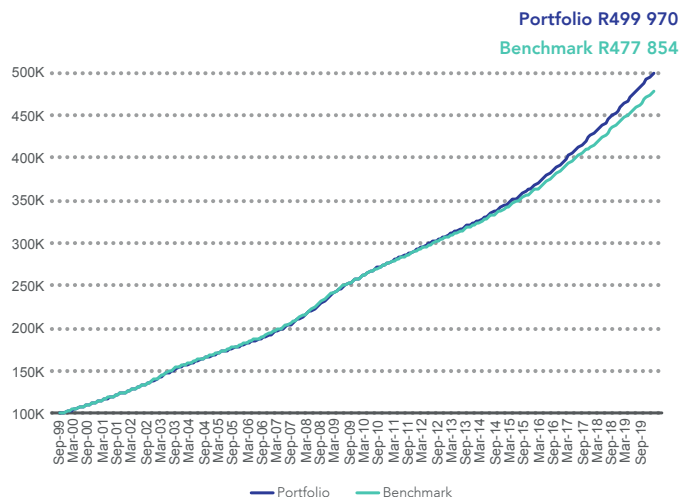
CLASS A as at 29 February 2020

<b>Fund category</b>	South African - Interest Bearing - Money Market
<b>Launch date</b>	01 October 1999
<b>Fund size</b>	R 6.52 billion
<b>NAV</b>	100.00 cents
<b>Benchmark/Performance</b>	Alexander Forbes 3-month (SteFl) Index
<b>Fee Hurdle</b>	
<b>Portfolio manager/s</b>	Nishan Maharaj, Mauro Longano and Sinovuyo Ndaleni

	1 Year	3 Year
Total Expense Ratio	0.30%	0.29%
Fund management fee	0.25%	0.25%
Fund expenses	0.01%	0.01%
VAT	0.04%	0.04%
Transaction costs (inc. VAT)	0.00%	0.00%
Total Investment Charge	0.30%	0.29%

## PERFORMANCE AND RISK STATISTICS

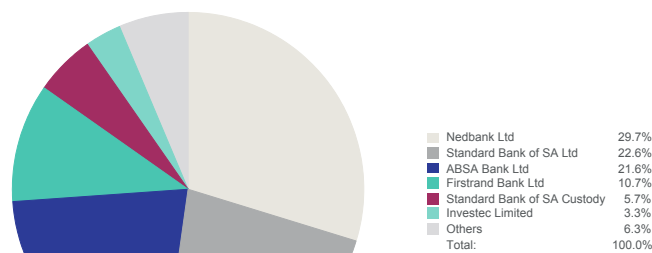
### GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



## PORTFOLIO DETAIL

### CREDIT EXPOSURE

As at 31 Dec 2019



## PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	400.0%	377.9%	22.1%
Since Launch (annualised)	8.2%	8.0%	0.2%
Latest 20 years (annualised)	8.1%	7.9%	0.3%
Latest 15 years (annualised)	7.4%	7.1%	0.4%
Latest 10 years (annualised)	6.7%	6.2%	0.5%
Latest 5 years (annualised)	7.6%	6.8%	0.7%
Latest 3 years (annualised)	7.8%	7.0%	0.8%
Latest 1 year	7.7%	6.9%	0.8%
Year to date	1.2%	1.1%	0.1%

## MATURITY PROFILE DETAIL

	29 Feb 2020
Average Duration in days	67

## RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	0.6%	0.6%
Sharpe Ratio	(0.23)	N/A
Maximum Gain	400.0%	N/A
Maximum Drawdown	N/A	N/A
Positive Months	100.0%	N/A

The price of each unit is aimed at a constant price of 100 cents per unit. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the Fund.

	Fund	Date Range
Highest annual return	12.9%	Aug 2002 - Jul 2003
Lowest annual return	5.1%	Nov 2012 - Oct 2013

## INCOME DISTRIBUTIONS

Declaration	Payment	Yield
29 Feb 2020	02 Mar 2020	7.56
31 Jan 2020	03 Feb 2020	7.70
31 Dec 2019	02 Jan 2020	7.84
30 Nov 2019	02 Dec 2019	7.68

## MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	0.62%	0.57%											1.20%
Fund 2019	0.63%	0.59%	0.65%	0.63%	0.66%	0.63%	0.64%	0.63%	0.60%	0.62%	0.59%	0.62%	7.80%
Fund 2018	0.64%	0.58%	0.64%	0.61%	0.63%	0.61%	0.62%	0.63%	0.61%	0.62%	0.61%	0.63%	7.70%

**Please note that the commentary is for the retail class of the fund.**

The fund generated a return (net of management fees) of 1.8% for the quarter and 7.7% over a rolling 12-month period, which is ahead of the 3-month Short-Term Fixed Interest (SteFI) benchmark return of 6.9%.

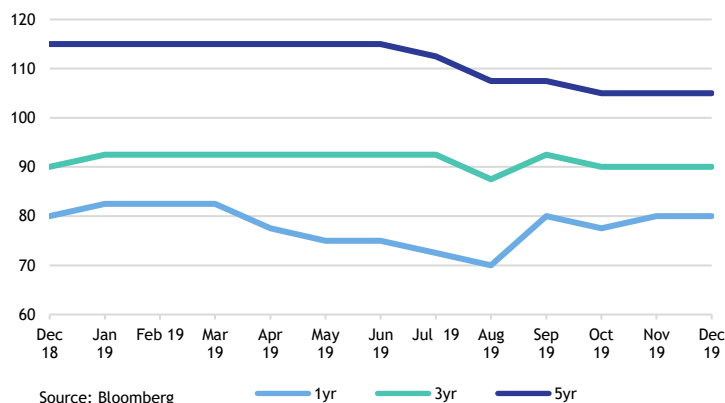
GDP data continues to reflect constrained domestic growth momentum. Third-quarter GDP contracted 0.6% quarter-on-quarter seasonally adjusted and annualised and reflected just 0.3% growth in annual terms. Growth was positive but weak across most of the GDP expenditure categories, with negative inventory movements proving to be the largest detractor. This continues to be symptomatic of production weakness in the manufacturing, mining and agriculture sectors. Our expectations are for growth to have improved slightly in the fourth quarter of 2019, although severe load shedding may land up tempering our expectations. Currently, we expect GDP growth to register a mere 0.4% in 2019.

CPI slowed to 3.6% year-on-year in November 2019 from 3.7% in the prior month, which was in line with our expectations. The fall in monthly fuel prices proved to be the biggest contributor. Overall, inflation remains benign, with little demand-side pressure coming from a constrained consumer. We expect inflation to normalise higher to 4.6% in 2020, partly driven by a normalisation in food prices.

The South African Reserve Bank (SARB) Monetary Policy Committee (MPC) kept the repo rate unchanged at 6.5% in November 2019. Their statement was, however, notably more dovish, with some acknowledgement of the broad-based growth and inflation weakness in the economy. We expect that the latest CPI and GDP prints will force the SARB to revise both its growth and inflation forecasts lower, which should provide more support for interest rate cuts in 2020. The SARB does, however, continue to express concerns around fiscal risk and the impact this may have on the currency, and we believe that this remains the last impediment to an interest rate cut in the eyes of the committee members. Any progress made towards limiting expenditure ahead of the 2020 budget could see the MPC cut in its January 2020 meeting. We currently expect two 25 basis points interest rate cuts in 2020, which is slightly more dovish than current market expectations. Should this outcome materialise, one can expect the absolute yield on the fund to decrease, given that the majority of the investments are held in floating rate instruments.

Over the last quarter, the 3-month Johannesburg Interbank Average Rate (Jibar) index ticked up slightly from 6.78% to 6.80%, which is a largely neutral outcome for the fund. Negotiable Certificates of Deposit (NCD) spreads remained relatively constant. The fund should, however, continue to benefit from the contraction in spreads seen over the last 12 months, as this only materialises when an NCD is sold back to the issuing bank - something the fund does routinely to create liquidity. Going forward, we continue to see the risks to NCD spreads as broadly balanced, with the fund well placed to handle adverse market moves.

#### FLOATING RATE NCD SPREADS ABOVE JIBAR (BPS)



Net corporate issuance for 2019 has been robust; however, support for primary market auctions remains strong despite the tight spreads on offer. Issuance spreads remain tight relative to our fair value expectations and, as such, our participation in primary market issuance remains muted. We have seen some improved issuance from State-owned enterprises; however, this has been longer dated in nature and therefore beyond the investment limitations of the fund. In light of the continued supply/demand mismatch in the credit market, we continue to believe that the demand for credit will continue into 2020. We remain cautious and continue to invest only in instruments which are attractively priced relative to their underlying risk profile. Capital preservation and liquidity remain our key focus areas for the fund.

#### Portfolio managers

**Nishan Maharaj, Mauro Longano and Sinovuyo Ndeleni**  
as at 31 December 2019

## IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION MONEY MARKET FUND

Unit trusts should be considered medium- to long-term investments. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. The Coronation Money Market fund is not a bank deposit account. The fund has a constant price (of 100 cents). The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. It is provided to give an approximate indication of the achievable yield for an investment made at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund ([www.sc.com/za](http://www.sc.com/za); 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

## HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

## HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class A NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

## WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of September 2019 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

## ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

## WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, [www.coronation.com](http://www.coronation.com)

## IMPORTANT INFORMATION REGARDING TERMS OF USE

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