

LONG TERM OBJECTIVE

The Coronation Medical Aid Cash Strategy complies with Regulation 30 of the Medical Schemes Act. The Strategy has a low-risk approach suitable for medical aid schemes seeking returns that are superior to those of overnight cash rates, while taking into consideration capital protection and liquidity requirements. The portfolio duration is limited to 180 days and the maximum term to maturity of an individual instrument does not exceed 3 years.

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) | 216.7% | 174.0% | 42.8% |
| Since Inception p.a. | 8.0% | 6.9% | 1.0% |
| Latest 15 years p.a. | 8.0% | 6.9% | 1.0% |
| Latest 10 years p.a. | 7.3% | 6.1% | 1.2% |
| Latest 5 years p.a. | 8.0% | 6.6% | 1.4% |
| Latest 3 years p.a. | 7.6% | 6.3% | 1.3% |
| Latest 1 year | 6.2% | 5.1% | 1.1% |
| Year to date | 5.5% | 4.5% | 1.0% |
| Month | 0.3% | 0.3% | 0.0% |

ASSET ALLOCATION

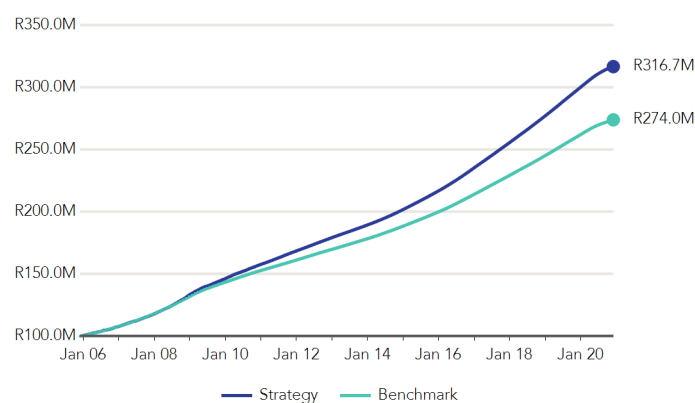
| Asset Type | % Strategy |
|-------------------------------|------------|
| Floating Rate NCDs | 60.2% |
| Floating Rate Corporate Bonds | 23.0% |
| Cash | 9.2% |
| Fixed Rate Corporate Bonds | 4.3% |
| Government ILBs | 3.3% |

GENERAL INFORMATION

| | |
|-------------------|--|
| Inception Date | 01 December 2005 |
| Strategy Size * | R267.7 million |
| Strategy Status | Open |
| Mandate Benchmark | Short Term Fixed Interest 3-month Index (STeFI 3m) |
| Dealing Frequency | Daily |
| Base Currency | ZAR |
| Regulation 30 | Yes |

*Strategy assets under management as at the most recent quarter end.

GROWTH OF R100M INVESTMENT



Benchmark: Short Term Fixed Interest 3-month Index (STeFI 3m)

EFFECTIVE MATURITY PROFILE

| Term | % Strategy |
|----------------|------------|
| Call | 5.4% |
| 0 to 2 months | 30.9% |
| 2 to 4 months | 24.1% |
| 4 to 6 months | 3.6% |
| 6 to 9 months | 13.5% |
| 9 to 12 months | 2.2% |
| 1 to 3 years | 20.3% |

STRATEGY STATISTICS

| | |
|-------------------|-----|
| Modified Duration | 0.2 |
|-------------------|-----|

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 17 years' investment experience.

**Mauro Longano - BScEng (Hons), CA (SA)**

Mauro is head of Fixed Interest research and a portfolio manager within the team. He co-manages the Strategic Cash Strategy along with the Strategic Income and Money Market unit trust funds. Mauro is also involved in credit research and pricing. He has nine years' investment experience.

**Sinovuyo Ndaleni - BBusSc**

Sinovuyo is a portfolio manager within the Coronation Fixed Interest investment unit, where she co-manages the Coronation Strategic Cash and Medical Aid Cash strategies. She also co-manages the Coronation Jibar Plus and Money Market unit trust funds and has various analytical responsibilities. Sinovuyo joined Coronation in January 2016.

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