

LONG TERM OBJECTIVE

The Coronation Strategic Cash Strategy has a low-risk approach aimed at delivering enhanced cash returns that are superior to those of overnight cash rates while maintaining full capital preservation. 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)	402.4%	305.2%	97.2%
Since Inception p.a.	8.1%	6.9%	1.2%
Latest 20 years p.a.	7.9%	6.7%	1.2%
Latest 15 years p.a.	7.5%	6.1%	1.4%
Latest 10 years p.a.	7.4%	6.1%	1.3%
Latest 5 years p.a.	6.8%	5.6%	1.2%
Latest 3 years p.a.	6.6%	5.4%	1.2%
Latest 1 year	9.1%	7.8%	1.3%
Year to date	9.1%	7.8%	1.3%
Month	0.7%	0.7%	0.0%

ASSET ALLOCATION

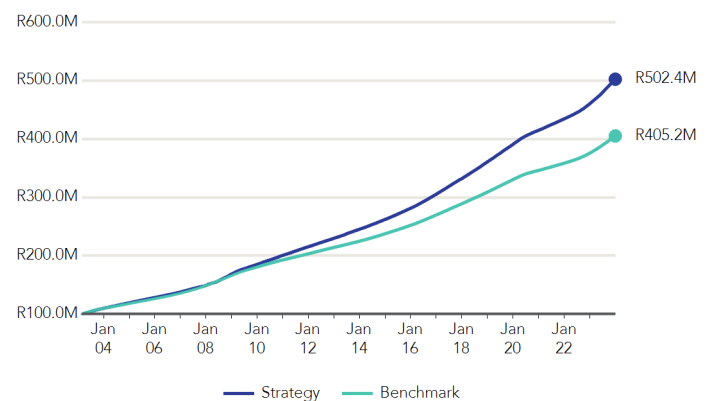
Asset Type	% Strategy
Floating Rate NCDs	40.1%
Cash	21.8%
Fixed Rate NCDs	18.1%
Floating Rate Corporate Bonds	17.2%
Government ILBs	1.4%
Floating Rate Other	0.9%
Fixed Rate Corporate Bonds	0.5%

GENERAL INFORMATION

Inception Date	01 March 2003
Strategy Size *	R4.15 billion
Strategy Status	Open
Mandate Benchmark	Short Term Fixed Interest 3-month Index (STeFI 3m)
Dealing Frequency	Daily
Base Currency	ZAR

*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	10.6%
0 to 2 months	17.6%
2 to 4 months	9.8%
4 to 6 months	18.3%
6 to 9 months	14.9%
9 to 12 months	5.5%
1 to 3 years	23.3%

STRATEGY STATISTICS

Modified Duration	0.1
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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 all fixed interest assets. Nishan has 20 years' investment experience.

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

Mauro is a portfolio manager and head of Fixed Interest research. He co-manages various fixed income strategies for institutional and retail clients. Mauro joined Coronation in 2014 and has 13 years' investment industry experience.

**Sinovuyo Ndahleni - 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 Defensive Income and Money Market unit trust funds and has various analytical responsibilities. Sinovuyo joined Coronation in January 2016.

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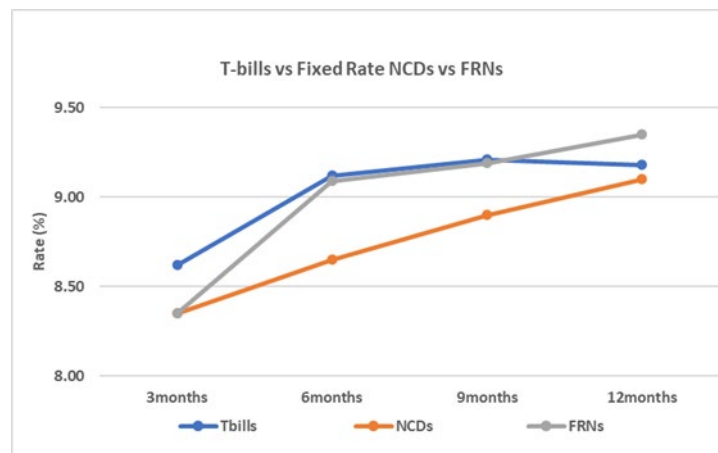
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REVIEW FOR THE QUARTER

The Strategy generated a return of 2.30% for the fourth quarter of 2023 (Q4-23) and 9.13% over a rolling 12-month period. This return is ahead of the 3-month Short-Term Fixed Interest (SteFI) benchmark return of 7.83%.

The South African Reserve Bank (SARB), in a unanimous decision, left the repo rate unchanged at 8.25% at the November Monetary Policy Committee meeting. The post-meeting statement retained a cautious tone, but the aligned votes suggested a de-escalation in concerns about the immediate risks to the outlook of inflation, as well as an improved confidence in the longer-term trajectory. The SARB also made minor upward revisions to its growth forecast, reflecting stronger near-term outcomes, with the economy now expected to grow by 0.8% in 2023 and by 1.2% in 2024 compared to previous forecasts of 0.7% and 1%, respectively.

During the last quarter, the 3-month Johannesburg Interbank Average Rate (Jibar) decreased a marginal 0.07% to 8.40%, reflecting the market's view of higher policy rates for longer rhetoric. The Strategy continued to increase its position in T-bills but also added new exposure to one-year money market floating rate notes (FRNs). In addition, we increased the Strategy's short-dated inflation-linked government bond position.



Several corporates and banks accessed the debt capital markets in Q4-23, with R53 billion gross issuance placed in the market. Corporate issuers still enjoyed tighter clearing spreads, while there was a shift in senior bank paper auctions, with most auctions clearing closer to upper end of price guidance. We remain cautious by investing only in instruments that are attractively priced relative to their underlying risk profiles. Capital preservation and liquidity remain a key focus for this Strategy.