

LONG TERM OBJECTIVE

The Coronation Medical 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 Annexure B of Regulation 30 of the Medical Schemes 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)	717.2%	189.4%	527.8%
Since Inception p.a.	11.2%	5.5%	5.7%
Latest 15 years p.a.	9.5%	5.2%	4.3%
Latest 10 years p.a.	7.2%	5.1%	2.1%
Latest 5 years p.a.	8.5%	5.1%	3.4%
Latest 3 years p.a.	8.9%	6.1%	2.8%
Latest 1 year	6.5%	5.6%	0.9%
Year to date	(0.3)%	1.1%	(1.4)%
Month	(0.2)%	1.0%	(1.2)%

ASSET ALLOCATION

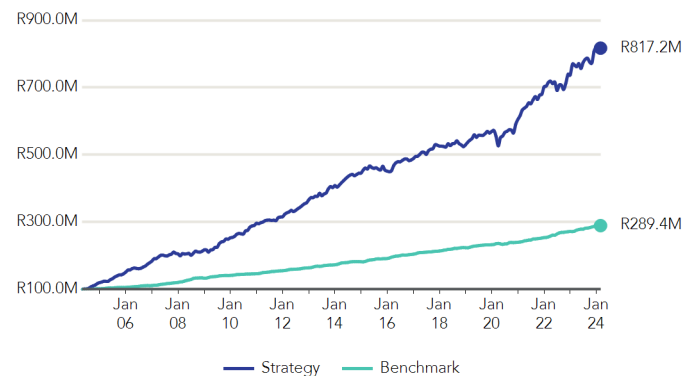
Asset Type	% Strategy
Local Equities	30.6%
Cash	28.6%
Local Bonds	27.6%
Foreign Bonds	10.5%
Local Commodities	1.9%
Local Property	0.8%

GENERAL INFORMATION

Inception Date	01 May 2004
Strategy Size †	R1.67 billion
Strategy Status	Open
Mandate Benchmark	Consumer Price Index (CPI)
Performance Target	CPI + 3% (gross of fees and taxes) over a rolling 3 year period
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: Consumer Price Index (CPI)

TOP 10 HOLDINGS

Holding	% Strategy
NEDBANK LTD FIX 9.150% 121224	11.9%
RSA FIX 8.875% 280235	4.7%
RSA FIX 6.250% 310336	4.3%
ABSA BANK LTD FIX 9.050% 170125	3.6%
PROSUS	3.1%
RSA FIX 8.250% 310332	2.9%
RSA FIX 8.000% 310130	2.7%
CIE FINANCIERE RICHEMO-A REG	2.3%
BRITISH AMERICAN TOBACCO PLC	2.1%
RSA ILB 1.875% 280233	2.0%

MODIFIED DURATION*

Portfolio	1.5
Fixed Income Assets	2.7

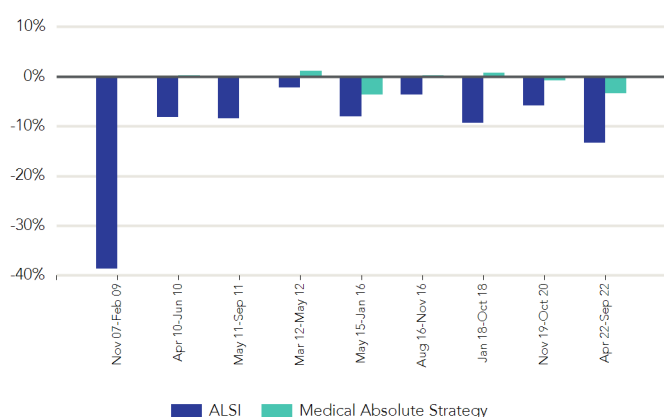
PERFORMANCE & RISK STATISTICS (Since inception)

Average Annual Return	11.3%
Annualised Standard Deviation	5.5%
Highest Monthly Return	4.9%
Lowest Monthly Return	(5.1)%
% Positive Months	70.6%
Downside Deviation	2.3%
Maximum Drawdown	(7.9)%
Sortino Ratio	2.0

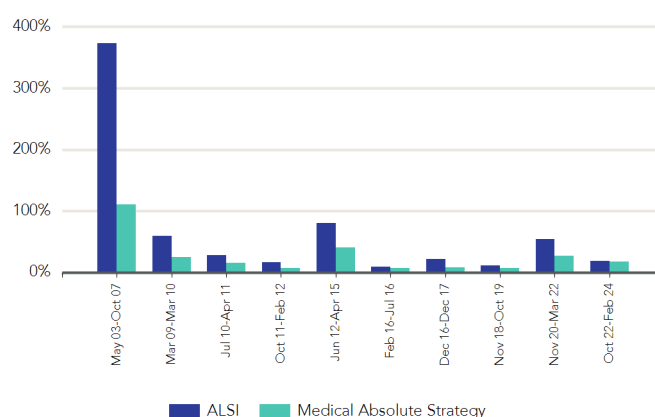
EFFECTIVE MATURITY PROFILE*

Term	% Strategy (incl. Cash)	% Strategy (excl. Cash)
0 to 1 year	28.4%	30.6%
1 to 3 years	4.8%	4.6%
3 to 7 years	8.1%	7.8%
7 to 12 years	9.9%	9.6%
Over 12 years	5.0%	4.8%

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



Pallavi Ambekar - BBusSc, CA (SA), CFA

Pallavi is Head of Absolute Return at Coronation and a portfolio manager across all strategies in this unit. She also has research responsibility for certain large capitalization shares listed on the JSE. She has 21 years' investment experience.



Charles de Kock - BCom (Hons), MCom

Charles joined Coronation in 2005 and is a co-portfolio manager across all strategies within the Absolute Return investment unit. He also co-manages the Coronation Balanced Defensive and Capital Plus unit trust funds. Charles has 38 years' investment experience.



Neill Young - BBusSc, CA (SA), CFA

Neill joined Coronation in 1998 and co-manages Coronation's Absolute Return Strategies as well as the Coronation Financial, Balanced Defensive and Capital Plus unit trust funds. Neill has 26 years' investment experience.

REGULATORY DISCLOSURE AND DISCLAIMER

The content of this document and any information provided may be of a general nature and is not based on any analysis of the investment objectives, financial situation or particular needs of any potential investor. As a result, there may be limitations as to the appropriateness of any information given. It is therefore recommended that any potential investor first obtain the appropriate legal, tax, investment or other professional advice and formulate an appropriate investment strategy that would suit the risk profile of the potential investor prior to acting upon such information and to consider whether any recommendation is appropriate considering the potential investor's own objectives and particular needs. Neither Coronation Fund Managers Limited nor any subsidiary of Coronation Fund Managers Limited (collectively "Coronation") is acting, purporting to act and nor is it authorised to act in any way as an adviser. Any opinions, statements or information contained herein may change and are expressed in good faith. Coronation does not undertake to advise any person if such opinions, statements or information should change or become inaccurate. This document is for information purposes only and does not constitute or form part of any offer to the public to issue or sell, or any solicitation of any offer to subscribe for or purchase an investment, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with any contract for investment. The value of the investments may go down as well as up and past performance is not necessarily a guide to future performance. Coronation Fund Managers Limited is a full member of the Association for Savings and Investment SA (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017.

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