

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)	347.3%	267.1%	80.2%
Since Inception p.a.	7.8%	6.8%	1.0%
Latest 15 years p.a.	7.3%	6.1%	1.2%
Latest 10 years p.a.	7.7%	6.4%	1.3%
Latest 5 years p.a.	7.3%	6.1%	1.2%
Latest 3 years p.a.	8.8%	7.7%	1.1%
Latest 1 year	8.5%	7.6%	0.9%
Year to date	6.2%	5.5%	0.7%
Month	0.6%	0.6%	0.0%

ASSET ALLOCATION

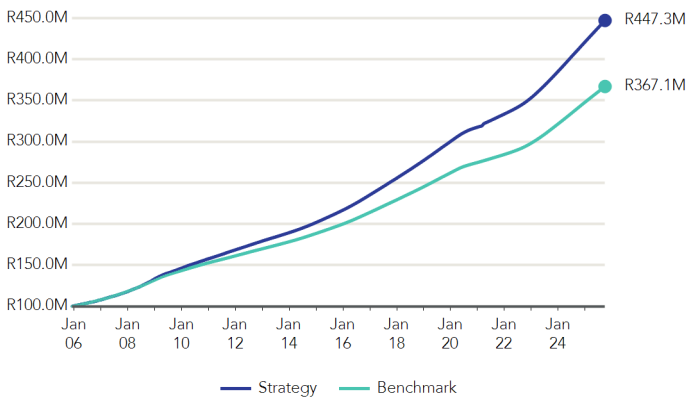
Asset Type	% Strategy
Floating Rate NCDs	72.5%
Cash	16.1%
Floating Rate Corporate Bonds	4.7%
Fixed Rate NCDs	3.4%
Fixed Rate Corporate Bonds	2.0%
Floating Rate Government Bonds	1.3%

GENERAL INFORMATION

Inception Date	01 December 2005
Strategy Size *	R339.7 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	4.3%
0 to 2 months	6.6%
2 to 4 months	7.3%
4 to 6 months	5.8%
6 to 9 months	22.7%
9 to 12 months	11.0%
1 to 3 years	42.4%

STRATEGY STATISTICS

Modified Duration	0.2
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PORTFOLIO MANAGERS

**Nishan Maharaj - BSc (Hons), MBA**

Nishan is Head of Fixed Interest at Coronation and a portfolio manager across all fixed interest strategies. He joined Coronation in 2012 has 23 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 15 years' investment industry experience.

**Sinovuyo Ndeleni - BBUSc**

Sinovuyo is an analyst and portfolio manager in the Fixed Interest team at Coronation. She co-manages our Medical Aid Cash and Strategic Cash Strategies, as well as our Defensive Income and Money Market unit trust funds. Sinovuyo joined Coronation in 2016 and has 10 years' investment experience.

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REVIEW FOR THE QUARTER

The Strategy generated a return of 2% for the third quarter of 2025 (Q3-25) and 8.5% over a rolling 12-month period. This return is ahead of the three-month Short-Term Fixed Interest (SteFI) benchmark return of 7.56% over the one year.

The South African Reserve Bank (SARB) cut the repo rate by 25 basis points (bps) during Q3, moving the rate to 7.0%. Furthermore, Governor Lesetja Kganyago announced that the MPC was shifting to a 3% preferred inflation target from the current 4.5%. The official target range remains 3%-6% and will only change once an agreement is reached with the National Treasury, as announced by the Minister of Finance, likely during the Medium-Term Budget Policy Speech in November. The Q2-25 GDP print at 0.8% quarter on quarter (q/q) was a positive surprise, prompting upward revisions to growth forecasts. At the same time, inflation numbers were also revised up from July's very low base to reflect higher food and fuel inflation and higher administrative prices.

During Q3-25, the 3-month Johannesburg Interbank Average Rate (Jibar) declined by 29bps, decreasing from 7.29% to 7.00%. The decrease was on the back of the implemented July repo rate cut. The forward rate agreement curve is pricing in one more cut with 55% probability before the end of the year on the back of easing inflation pressures and easing global monetary policy settings. Over Q3-25, the Strategy increased its exposure to a one-year money market floating rate note and 9-months Treasury Bill as valuation was attractive relative to other asset classes. The Strategy's yield will reduce in the coming months as benchmark rates decline due to expected additional rate cuts and compressing NCD offer yields.

Companies continue to see demand for their corporate bonds in the primary market, with most auctions pricing at the higher end of the market. Because new issues remain expensive, the Strategy has focused on buying selected credit opportunities in the secondary market instead. While we have found a few attractive options, overall credit exposure is expected to decrease gradually from here.

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.