CORONATION STRATEGIC INCOME FUND

Fund Information as at 31 August 2026

CORONATION
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WHAT IS THE FUND'S OBJECTIVE?

Strategic Income aims to achieve a higher return than a traditional money market or pure income fund.

WHAT DOES THE FUND INVEST IN?

Strategic Income can invest in a wide variety of assets, such as cash, government and corporate bonds, inflation-linked bonds and listed property, both in South Africa and internationally, in a manner similar to that usually employed by retirement funds.

As great care is taken to protect the fund against loss, Strategic Income does not invest in ordinary shares and its combined exposure to locally listed property (typically max. 10%), local preference shares (typically max. 10%), local hybrid instruments (typically max. 5%) and international assets (typically max. 10% on an effective exposure basis*) would generally not exceed 25% of the fund.

The fund has a flexible mandate with no prescribed maturity or duration limits for its investments. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

* Prudential (SARB) international exposure is typically limited to a maximum of 15%

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

2/10
Conservative

Maximum growth/
minimum income exposures

Growth Assets: 10%
Income Assets: 90%

Strategic Income is tactically managed to secure an attractive return, while protecting capital.

Its investments are carefully researched by a large and experienced investment team and subjected to a strict risk management process. The fund is actively positioned to balance long-term strategic positions with shorter-term tactical opportunities to achieve the best possible income.

While the fund is managed in a conservative and defensive manner, there are no guarantees it will always outperform cash over short periods of time. Capital losses are possible, especially in the case of negative credit events affecting underlying holdings.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is 12-months and longer. The fund's exposure to growth assets like listed property and preference shares will cause price fluctuations from day to day, making it unsuitable as an alternative to a money market fund over very short investment horizons (12-months and shorter). Note that the fund is also less likely to outperform money market funds in a rising interest rate environment.

Given its limited exposure to growth assets, the fund is not suited for investment terms of longer than five years.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who

- are looking for an intelligent alternative to cash or bank deposits over periods from 12 to 36 months;
- seek managed exposure to income generating investments;
- are believers in the benefits of active management within the fixed interest universe.

WHAT COSTS CAN I EXPECT TO PAY?

The annual management fee is 0.45%.

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 fund costs.

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

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?

NISHAN MAHARAJ
BSc (Hons), MBA

MAURO LONGANO
BScEng (Hons), CA (SA)

GENERAL FUND INFORMATION

Fund Launch Date	2 July 2001
Fund Class	P (previously class B4)
Class Launch Date	1 October 2012
Benchmark	110% of STeFI 3-month index
ASISA Fund Category	South African – Multi-asset – Income
Income Distribution	Quarterly (March, June, September, December)
Bloomberg Code	CORSTB4
ISIN Code	ZAE000170403
JSE Code	CSIB4

CORONATION STRATEGIC INCOME FUND

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CLASS P as at 31 August 2026

ASISA Fund Category	South African - Multi Asset - Income
Launch date	02 July 2001
Fund size	R41.37 billion
NAV	1648.44 cents
Benchmark	110% of the STeFI 3-month Index
Portfolio manager/s	Nishan Maharaj and Mauro Longano

	1 Year *	3 Year *
Total Expense Ratio	0.52%	0.52%
Fund management fee	0.45%	0.44%
Fund expenses	0.01%	0.01%
VAT	0.07%	0.07%
Transaction costs (inc. VAT)	0.00%	0.01%
Total Investment Charge	0.53%	0.53%

PERFORMANCE AND RISK STATISTICS

PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	962.7%	601.3%	51.5%
Since Launch (annualised)	9.8%	8.0%	1.8%
Latest 20 years (annualised)	9.0%	7.5%	1.5%
Latest 15 years (annualised)	8.7%	6.8%	1.9%
Latest 10 years (annualised)	8.4%	7.1%	1.4%
Latest 5 years (annualised)	9.2%	7.4%	1.7%
Latest 3 years (annualised)	10.7%	8.4%	2.4%
Latest 1 year	9.0%	7.5%	1.6%
Year to date	4.7%	4.9%	(0.1)%
Yield (Net of Fees)	7.7%		

RISK STATISTICS

Current	Fund
Weighted average time to maturity (credit)	3.4 years
Modified Duration	1.9 years
Modified Duration (ex Inflation Linked Bonds)	1.4 years

Since Inception	Fund	Benchmark
Annualised Deviation	2.6%	0.7%
Sharpe Ratio	0.84	
Maximum Gain	60.8%	
Maximum Drawdown	(4.2)%	
Positive Months	92.1%	

	Fund	Date Range
Highest annual return	18.7%	Nov 2002 - Oct 2003
Lowest annual return	2.5%	Apr 2019 - Mar 2020

CREDIT RATINGS

	% of Fund
AAA+ to A-	78.1%
BBB+ to B-	2.1%
CCC+ to C-	0.0%
F1+	19.7%
No Rating	0.1%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Jun 2026	01 Jul 2026	29.47	0.21	29.26
31 Mar 2026	01 Apr 2026	29.72	0.41	29.31
31 Dec 2025	02 Jan 2026	29.71	0.09	29.62
30 Sept 2025	01 Oct 2025	29.33	0.12	29.21

PORTFOLIO DETAIL

ASSET ALLOCATION BY INSTRUMENT TYPE

	Domestic Assets	International Assets
Cash and Money Market NCDs	20.2%	0.1%
Fixed Rate bonds	29.0%	5.8%
Floating Rate bonds	11.3%	(1.1%)
Inflation-Linked bonds	16.5%	0.3%
Credit Linked Notes (CLNs)	7.4%	7.0%
Listed Property	4.5%	0.2%
Preference shares	0.1%	0.0%
Other (Currency Futures)	(1.3%)	0.0%
Total	**87.7%**	**12.3%**
Net offshore exposure after currency hedge		**4.0%**

ASSET ALLOCATION BY ISSUER TYPE

	% of Fund
Banks and Insurers: NCDs & Deposits	20.2%
Government	34.8%
Banks: Senior Debt	26.6%
Other Corporates	5.9%
Banks: Subordinated debt (>12m)	4.5%
State Owned Enterprises	1.4%
REITs: Equity and Debt	4.7%
Banks: Subordinated debt (<12m)	0.0%
Insurers	1.3%
Coronation Global Bond Fund	1.1%
Coronation Global Strategic Income	0.8%
Currency Futures	(1.3%)
Total	**100.0%**

TOP 5 CREDIT EXPOSURE

	% of Fund
Republic Of South Africa	35.2%
Standard Bank of SA	21.2%
Nedbank Ltd	7.9%
Absa Bank Ltd	7.1%
FirstRand Bank Ltd	7.1%

TOP 5 REFERENCE ENTITY EXPOSURE

	% of Fund
Republic of South Africa	9.9%
Itraxx Main	2.0%
MTN	1.3%
Prosus	0.5%
CDX IG	0.5%

100% of CLN exposure is issuer valued with a daily or at worst weekly price frequency

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2026	0.8%	0.9%	(1.1)%	1.1%	0.8%	1.2%	0.5%	0.3%					**4.7%**
Fund 2025	0.5%	0.7%	0.7%	1.4%	0.9%	1.0%	1.1%	0.8%	1.0%	1.2%	1.1%	0.8%	**11.6%**
Fund 2024	1.0%	0.3%	0.3%	0.6%	1.0%	1.8%	1.5%	1.2%	1.4%	0.2%	1.1%	0.7%	**11.6%**
Fund 2023	1.6%	0.1%	0.7%	0.4%	(1.1)%	2.1%	1.6%	0.9%	(0.3)%	0.8%	2.1%	1.4%	**10.9%**
Fund 2022	0.1%	0.1%	0.2%	0.5%	0.6%	(0.9)%	1.1%	0.6%	(0.7)%	1.2%	1.6%	0.7%	**5.3%**

As this is a newly launched fund, the TER and TC's are based on an estimated calculation.

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Please note that the commentary is for the discounted class of the Fund.

Performance and fund positioning

The Fund returned 0.28% in August, bringing its 12-month total return to 9.04%, which is ahead of cash (12m: 6.77%) and its benchmark (12m: 7.47%) over the same period. We believe the Fund's current positioning offers the best probability of achieving its cash +2% objective over the medium to longer term.

Local bond returns were flat in August. The FTSE/JSE All Bond Index (ALBI) was up 0.69%, with the long end (bonds maturing in 12+ years' time) delivering 0.68%. The belly of the curve (7–12 years' maturity) closed 0.84% higher, while medium-term bonds (3–7 years' maturity) were up 0.55%, and short-term bonds (1–3 years' maturity) returned 0.74%. Cash returns came in at 0.57%, and inflation-linked bonds (ILBs) were up 0.99%.

August economic activity was muted as global markets tried to find an equilibrium amid geopolitical tensions. Inflation readings were uneven, and underlying measures remained sufficiently sticky to keep central banks cautious.

US headline inflation eased to 3.4% year on year (y/y) from 3.5% y/y in June, while core inflation slowed to 2.5% y/y from 2.6% y/y. A fall in energy prices contributed the most, while housing costs rose. Elsewhere, prices for apparel, vehicles, and medical services remained unchanged. The Federal Reserve Board's preferred gauge was less encouraging: the July Personal Consumption Expenditures (PCE) price deflator held at 3.7% y/y while core PCE held at 3.3% y/y. Both were marginally above expectations and showed no net progress from the previous months.

The UK economy expanded 0.4% quarter on quarter (q/q) in the second quarter of 2026 (Q2-26), in line with expectations and down from 0.6% q/q in the first quarter of the year (Q1-26). From the expenditure side, expansion was driven mainly by fixed investment and household consumption, while lower inventories and weaker government consumption offset part of the growth. From the production side, service sectors were the main driver, particularly the information and communications sector. The construction, manufacturing, and mining sectors also contributed positively to growth.

UK headline inflation increased to 2.9% y/y in July from 2.6% y/y in June, while core inflation held steady at 2.6% y/y. Housing and household services, together with furniture prices, made the largest upward contributions, while transport was the main offset as petrol and diesel prices retreated. Elsewhere, services and food inflation eased. The mix suggests the July increase was energy-driven rather than a broadening of domestic price pressure, although a further price cap increase by the Office of Gas and Electricity Markets (Ofgem) is expected in October.

Euro area headline inflation ticked up to 2.9% y/y in July from to 2.8% y/y in June, while core inflation firmed up to 2.5% y/y from 2.4% y/y. Energy inflation accelerated as Middle East tensions resumed and services inflation edged up. Non-industrial goods inflation also rose, while food, alcohol, and tobacco inflation slowed.

The People's Bank of China left the one- and five-year loan prime rates unchanged at 3.00% and 3.50% respectively, a fifteenth consecutive hold. It reiterated that it would maintain an appropriately loose stance while signalling a preference for fiscal rather than monetary support.

China's headline inflation eased to 0.5% y/y in July from 1.0% y/y in June, while core inflation ticked down to 0.9% y/y from 1.0% y/y. Lower food prices were a key drag, led by a sharp fall in pork prices, while services inflation remained contained, reflecting persistently weak domestic demand. Producer-price inflation moderated to 3.5% y/y in July from 4.1% y/y, as the pressure on energy costs faded.

The rand ended the month at R16.12/US$1, stronger than its close in the previous month and its Emerging Market (EM) peer group. Offshore credit assets and certain developed market bonds continue to flag as relatively attractive. The Fund has utilised a significant part of its offshore allowance to invest in these assets. When offshore assets become expensive (or relatively cheap), the Fund may adjust its foreign currency exposure by buying or selling currency futures on the JSE (typically in US dollars, UK pounds, or euros). This helps the Fund to fine-tune its exposure to global markets without having to sell its offshore investments.

South Africa (SA)'s headline inflation slowed to 4.3% y/y in July from 5.0% y/y in June, while core inflation edged up to 4.2% y/y from 4.1% y/y. The moderation was due to fuel inflation easing and food and non-alcoholic beverages inflation surprising on the downside. Elsewhere, housing utilities costs increased following an increase in municipal tariffs in July. However, some municipalities reported delayed implementation, and the effect is expected to feed through into August figures. The firmer core reading and services inflation of around 5% suggest that underlying pressure has not yet turned.

Current five- and 10-year breakeven inflation figures are around the 4% level, which is in line with our expected inflation average over the next three years. In addition, real yields have seen significant compression: ILBs with a maturity of less than five years now yield of c. 3.5%, closer to our longer-term real policy yield of 2.5%-3%. The case for holding significant amounts of ILBs has weakened on the back of inflation expectations and the total return of ILBs relative to nominal bonds under these new conditions. However, given the inherent protection that ILBs offer, they still warrant some allocation, which should be focused in the sub-five-year area.

At the end of August, shorter-dated fixed-rate negotiable certificates of deposit (NCDs) traded at 8.03% (three-year) and 8.34% (five-year), slightly lower than at the end of the previous month. Our inflation expectations suggest that the current pricing of these instruments remains attractive given their lower modified duration and, hence, high breakeven relative to cash. In addition, NCDs offer the added benefit of liquidity, thereby aligning the Fund's liquidity with its investors' needs. The Fund continues to hold decent exposure to these instruments (fewer floating than fixed), but we will remain cautious and selective when increasing exposure.

While geopolitical risks and inflation uncertainty remain elevated relative to the benign conditions that prevailed prior to the Middle East conflict, the balance of risks has improved materially since the first quarter. SA bond valuations have adjusted to reflect this improved backdrop, leaving outright value less compelling than earlier in the year, but still attractive on a medium-term horizon given elevated real yields and the prospect of lower policy rates from 2027. We favour duration (interest rate risk) in the belly to the longer end of the nominal bond curve, where the steepness of the yield curve provides the greatest compensation for risk, while maintaining a more selective allocation to shorter-dated ILBs as portfolio insurance against renewed inflation shocks.

Overall, we believe bonds remain well positioned to deliver attractive real returns over the coming three years. High starting yields, an improving near-term funding backdrop, a more credible, but still-vulnerable debt-stabilisation path, and a gradually easing monetary policy cycle should provide a supportive backdrop for fixed income investors. However, we acknowledge that the recovery leaves less margin for error, and that the primary threats to the outlook remain a breakdown in the ceasefire agreement in the Middle East and a renewed supply-side inflation impulse.

The local listed property sector was down 4.1% over the month, bringing its 12-month return to 18.5%. The cost savings due to the implementation of solar and increased payout ratios helped bolster the sector's performance. Dividend yields have repriced to fairer levels, and together with the improved dividend growth outlook, the total return prospects are above bonds, which could support the sector. Rate hikes and/or a weaker growth outlook due to the Middle East conflict could erode optimism about the sector's prospects. We believe that one must remain selective and cautious, given the high levels of uncertainty around the strength and durability of the local recovery.

Local credit spreads are at historically tight levels due to low issuance volumes and a large amount of capital seeking a home with reduced volatility. The use of structured products, such as credit-linked notes (CLNs), has become ubiquitous within the local market. CLNs have not expanded the pool of borrowers; rather, it has only concentrated it. These instruments can limit volatility by not marking them to market based on the underlying asset price movements. As a result, there can be significant unseen risks within fixed income funds. Investors need to remain prudently focused on finding assets whose valuations are correctly aligned with fundamentals and efficient market pricing. Except for a few opportunities, we view the local credit market as unattractive relative to other asset classes.

Outlook

We remain vigilant about the risks posed by dislocations between stretched valuations and the local economy's underlying fundamentals. However, we believe the Fund's current positioning accurately reflects the appropriate level of caution, while its yield of 8.26% (gross of fees) remains attractive relative to its duration risk. We continue to believe that this yield is an adequate proxy for expected portfolio performance over the next 12 months. As is evident, we remain cautious in our management of the Fund. We continue to invest only in assets and instruments that we believe have the correct risk and term premium to limit investor downside and enhance yield.

Portfolio managers
Nishan Maharaj and Mauro Longano
as at 31 August 2026

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION STRATEGIC INCOME 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. Past performance is not necessarily an indication of future performance. The fund is mandated to invest a portion of its portfolio (typically up to a maximum of 10%) into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The asset allocation by instrument type are reflected on a look-through basis. The asset allocation by issuer type and top issuer exposures are not reflected on a look-through basis. The yield shown is an estimate in part based on market assumptions and forecasts. 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. The yield disclosed on the MDD is current and calculated as at the MDD reporting date.

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) Ltd (FSP 548) , 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; 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 P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. 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 over the period referenced. 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 underlying 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 the previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available 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

IMPORTANT INFORMATION REGARDING TERMS OF USE

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