

Frequently Asked Questions Coronation Fixed Income Fund



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What is the Coronation Fixed Income Fund?

The Coronation Fixed Income Fund is an open-ended mutual fund that invests primarily in fixed Income instruments (FGN Bonds and Corporate Bonds) for a short to mid-term duration. It is safe, reliable and designed to provide capital preservation and a steady flow of income for investors.

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Who should invest in the Coronation Fixed Income Fund?

The Fund is ideal for investors who:

- Have low appetite for risk
- Seek capital preservation and long-term capital appreciation with steady interest income payments.

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How does the Coronation Fixed Income Fund work?

The Fund pools capital from multiple investors and is managed by a team of experienced professionals who allocate investments across diverse bond instruments. Investment decisions are guided by strong research, risk management frameworks, and sound portfolio allocation strategies.

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What are the key risks associated with the Fund?

As with any investment, the Coronation Fixed Income Fund carries certain risks, including:

- **Reinvestment risk** – Fluctuations in returns upon reinvestment of matured investments.
- **Liquidity risk** – Challenges in selling assets quickly at favorable prices.
- **Interest rate risk** – The impact of changing interest rates on bond prices.
- **Credit risk** – The potential default of Bond issuers.
- We recommend consulting our Investment Advisors to align the Fund with your risk tolerance and financial goals.

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What factors drive the Fund's performance?

The Coronation Fixed Income Fund's performance is influenced by:

- Liquidity Management upon subscription and redemption from the fund.
- Portfolio duration profile of the underlying investments.
- Changes in Monetary policies.
- Strategic and Tactical Asset Allocation strategy applied.
- Reinvestment rates

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What does the Fund invest in?

The Coronation Fixed Income Fund invests in:

- Short term Bonds (FGN & Corporate).
- Treasury Bills
- Investment Grade Commercial Papers.
- Fixed placements with highly rated counterparties.

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What is the minimum investment amount?

The minimum initial investment is ₦10,000, with additional investments allowed in multiples of ₦5,000.

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How long should I invest in the Fund?

The minimum holding period is 180 days but our recommended investment tenor is 2 years to see the best realizable gain. Early redemptions before the holding period elapses will attract a 1.5% processing fee on redemption amount.

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Can I choose specific securities to invest in?

No, as a collective investment scheme, the Fund pools all investors' contributions and is managed as a single portfolio. Investors share in the overall returns of the portfolio rather than selecting individual securities.

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Are investment returns guaranteed?

No, returns are market-driven and reflect the performance of underlying assets. However, the Fund Manager actively seeks to maximise gains while managing risks through a diversified portfolio strategy.

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How are the returns interpreted?

The returns in the Fixed Income Fund are calculated on a year-to-date return basis. For example, if you invest ₦1,000,000.00 at the start of the year and the fund returns 20% by the end of March, this means that your investment is worth ₦1,200,000.00 at the end of March.

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How is the Fund's performance benchmarked?

The Fund aims to outperform the average return of the 3-year and 10-year FGN Bond

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How often does the Fund pay interest?

The Fixed Income Fund pays out interest every six months, and this interest is either withdrawn as cash or recapitalized at the discretion of the subscriber.

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What are the costs associated with investing in the Fund?

Operating expenses, including management fees, trustee fees, auditor fees, and custodian fees, will not exceed 3.5% of the Fund's Net Asset Value (NAV). Performance reports are published net of fees.

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How can I invest in the Coronation Fixed Income Fund?

You can invest via:

- **Coronation Wealth App** – The Coronation Wealth App can be downloaded from IOS and Android through the Apple Store and Google Play Store, respectively.
- **Access More App:** Access Bank clients can subscribe through the App.
- **Online portal** – Subscriptions can be completed digitally via the Coronation Investment Portal.
- **Subscription form** – Investors can fill out a physical form to subscribe.
- **Custodian Account:** Onboarded clients can make direct payments to the CORONATION FIXED INCOME FUND/UTD CAP.TRUSTEES Account with Citi Bank (0012596060).

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Can I transfer units of my investment to another person?

No, units in the Fund are non-transferable.

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Can I use my investment as collateral for a loan?

Yes, units of the Fund can be pledged as collateral, subject to the lending policies of the financial institution providing the loan.

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Is the Coronation Fixed Income Fund listed on the Nigerian Exchange Group (NGX)?

No, the Fund is not listed on the NGX, but it is regulated and supervised by the SEC.