

# Are you invested with South Africa's Best Unit Trust Fund Manager?

**C**oronation Fund Managers was recently named Best Large Fund House at the 2011 FM/Morningstar South Africa awards in recognition of consistent performance delivery across its fund range between 2008 and 2010. According to Pieter Koekemoer, head of Personal Investments at Coronation, the most pleasing aspect of this award is that it confirms Coronation's success in delivering on its key objective of consistently adding value to investors across different mandates and risk budgets.

According to Koekemoer, Coronation believes in providing a fund range that relies on a shared process and philosophy of investing for the long term. "As such, we consistently implement similar investment views across our entire fund range." He says this common Coronation DNA can be found in all funds, with only specific portfolio constraints and risk budgets differentiating the respective fund positions.

"When clients choose us they know what it is they are investing in. For the past 18 years we have worked hard at earning our clients trust, supported by the strength of our long-term investment track record across our entire fund range," says Koekemoer.

Coronation's focused flagship fund range consists of five domestic and four international funds, all of which have produced top quartile performance since their respective launch dates, says

Koekemoer. He adds that the range is quite unique in the sense that both the domestic and international funds are grouped according to the key investor needs of immediate income, a combination of income and growth and maximising long-term capital growth, thereby simplifying the process of choosing a fund. According to Koekemoer choosing a fund that is right for your clients is a lot simpler than most investors think.

"Advisers should start by looking at their investors' personal circumstances and then decide what it is they want to achieve (in other words what is the investor need?)," he says.

Koekemoer believes it is imperative for investors and their advisers to conduct a thorough due diligence when selecting a fund manager and deciding on which mandate best meets their individual needs. When deciding on a manager for your capital, Koekemoer believes investors and advisers need to assess the potential manager's performance over the long term as only a handful of managers consistently deliver over meaningful periods (5 or 10 years); have realistic expectations about what the markets and your manager can deliver; and stick with your chosen manager.

He however warns that investors who are overexposed to a single manager will be under tremendous pressure to switch to a different manager during such periods of underperformance. "Thus we believe an investor's



**Pieter Koekemoer: Choosing the right fund simpler than you think**

portfolio should never have more than 30% - 35% of the capital allocated to a single manager. When you decide to invest, you need to stick to your guns and remain invested for meaningful periods."

Once you've decided on a manager/s for your capital, Koekemoer believes there are two key considerations an investor or advisor should take into account when deciding on the appropriate

fund. These include:

- ensuring that the fund's investment objective, risk budget and recommended minimum investment period are aligned with the investor's objectives/needs;
- ensuring that the fund has a clearly defined investment philosophy that is consistently applied, well proven and sensible.