

LONG TERM OBJECTIVE

The Coronation Houseview Equity Strategy represents our best investment view for an equity mandate. The portfolio is constructed on a clean-slate basis with no reference to a benchmark. It seeks to identify the best risk adjusted returns in the market and aims to outperform the equity market over meaningful periods (defined as at least 5 years).

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 underlying 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 clean-slate 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 the probability of a permanent loss of capital.

STRATEGY RETURNS GROSS OF FEES

Period	Strategy	Benchmark	Active Return
Since Inception (cumulative)	4,824.6%	3,102.0%	1,722.6%
Since Inception p.a.	16.5%	14.5%	2.0%
Latest 20 years p.a.	16.1%	14.3%	1.8%
Latest 15 years p.a.	17.2%	15.7%	1.5%
Latest 10 years p.a.	14.9%	14.1%	0.8%
Latest 5 years p.a.	4.6%	6.1%	(1.5)%
Latest 1 year	(1.5)%	(1.7)%	0.2%
Year to date	11.6%	9.0%	2.6%
Month	2.9%	5.0%	(2.1)%

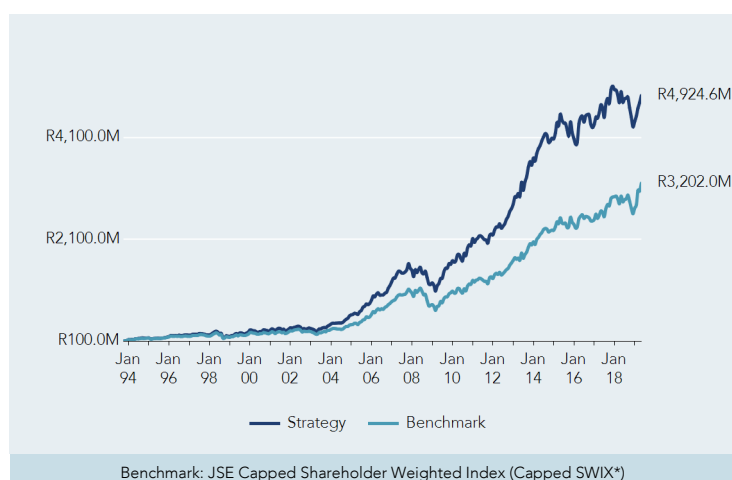
TOP 10 HOLDINGS

Holding	% Strategy
NASPERS LIMITED	10.2%
BRITISH AMERICAN TOBACCO PLC	8.9%
ANGLO AMERICAN PLC	6.8%
MTN GROUP LIMITED	5.4%
NORTHAM PLATINUM LIMITED	4.9%
NEDBANK GROUP LIMITED	4.1%
FIRSTRAND LIMITED	3.6%
ANHEUSER-BUSCH INBEV SA/NV	3.6%
STANDARD BANK GROUP LTD	3.5%
QUILTER PLC	3.3%

GENERAL INFORMATION

Inception Date	01 October 1993
Strategy Size	R41.94 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

GROWTH OF R100M INVESTMENT



*FTSE/JSE Capped Shareholder Weighted Index from 01 May 2017. Previously 50 Low Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (01 February 2002 to 30 April 2017).

PERFORMANCE & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	18.2%	15.9%
Tracking Error	5.0%	
Information Ratio	0.5	
Annualised Standard Deviation	17.3%	17.5%
Maximum Drawdown	(40.8)%	(41.0)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy
Consumer Services	23.6%
Basic Materials	23.5%
Financials	21.9%
Consumer Goods	15.4%
Telecommunications	5.4%
Health Care	5.2%
Derivatives	2.2%

Sector	% Strategy
Industrials	1.2%
Metals	1.0%
Technology	0.9%
Interest Bearing	(0.3)%

PORTFOLIO MANAGERS



Karl Leinberger - BBusSc, CA (SA), CFA

Karl is chief investment officer (CIO) and manager of Coronation's Houseview strategies. He joined Coronation in 2000 as an equity analyst, was made head of research in 2005 and became CIO in 2008. Karl has 19 years' investment experience.



Sarah-Jane Alexander - BBusSc, CFA

Sarah-Jane manages assets within the Coronation Houseview Equity Strategy. She also co-manages Coronation's Houseview balanced strategies as well as the Industrial unit trust fund, and has research responsibilities across a range of food producers and hospital stocks, among others. Sarah-Jane joined Coronation in 2008 as an equity analyst and has 15 years' investment experience.



Adrian Zetler - BAcc, BCom (Hons), CA (SA), CFA

Adrian is co-manager across all Coronation's Houseview strategies as well as the Coronation Industrial unit trust fund. His research responsibilities span a number of industrial stocks, including media and luxury goods companies. Adrian joined Coronation in 2009 and has 9 years' investment experience.

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