

## 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)	4,897.6%	2,954.1%	1,943.5%
Since Inception p.a.	16.0%	13.9%	2.1%
Latest 20 years p.a.	14.8%	13.0%	1.8%
Latest 15 years p.a.	14.9%	13.2%	1.7%
Latest 10 years p.a.	11.7%	10.6%	1.1%
Latest 5 years p.a.	3.6%	2.6%	1.0%
Latest 1 year	10.4%	1.2%	9.2%
Year to date	(0.6)%	(2.6)%	2.0%
Month	(0.6)%	(2.6)%	2.0%

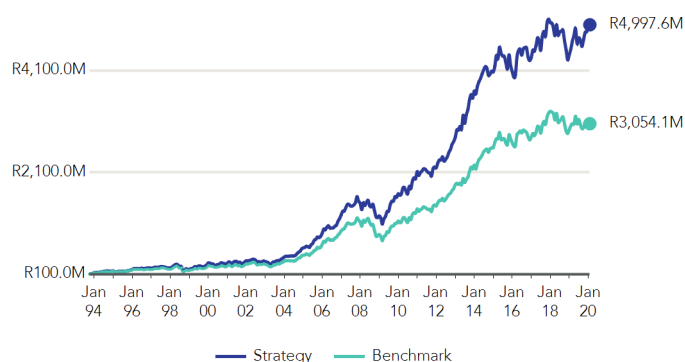
## TOP 10 HOLDINGS

Holding	% Strategy
NASPERS LIMITED	12.3%
BRITISH AMERICAN TOBACCO PLC	9.7%
ANGLO AMERICAN PLC	6.3%
PROSUS	5.8%
QUILTER PLC	5.0%
FIRSTRAND LIMITED	4.5%
SHOPRITE HOLDINGS LIMITED	3.8%
NEDBANK GROUP LIMITED	3.5%
NORTHAM PLATINUM LIMITED	3.1%
IMPALA PLATINUM HOLDINGS LTD	2.7%

## GENERAL INFORMATION

Inception Date	01 October 1993
Strategy Size	R41.08 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

## GROWTH OF R100M INVESTMENT



Benchmark: JSE Capped Shareholder Weighted Index (Capped SWIX\*)

\*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 &amp; RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	17.7%	15.5%
Tracking Error	4.3%	
Information Ratio	0.5	
Annualised Standard Deviation	17.2%	17.0%
Maximum Drawdown	(40.8)%	(41.0)%

## TRACKING ERROR



## SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Consumer Services	27.0%	Telecommunications	1.9%
Financials	21.0%	Industrials	1.8%
Basic Materials	20.2%	Derivatives	0.5%
Consumer Goods	14.8%	Metals	0.1%
Technology	7.2%	Interest Bearing	0.4%
Health Care	5.1%		

## 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 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 16 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, paper and luxury goods companies. Adrian joined Coronation in 2009 and has 10 years' investment experience.

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