

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)	12,376.4%	6,878.3%	5,498.1%
Since Inception p.a.	16.2%	14.1%	2.1%
Latest 20 years p.a.	14.4%	12.8%	1.6%
Latest 15 years p.a.	13.1%	11.9%	1.2%
Latest 10 years p.a.	11.5%	9.7%	1.8%
Latest 5 years p.a.	18.8%	18.5%	0.3%
Latest 1 year	25.7%	36.0%	(10.3)%
Year to date	26.0%	36.4%	(10.4)%
Month	0.1%	2.3%	(2.2)%

TOP 10 HOLDINGS

Holding	% Strategy
NASPERS LTD	9.9%
CAPITEC BANK HOLDINGS LTD	6.5%
STANDARD BANK GROUP LTD	6.4%
QUILTER PLC	5.5%
NORTHAM PLATINUM HOLDINGS LTD	5.5%
ANGLOGOLD ASHANTI PLC	5.3%
PROSUS	5.2%
CIE FINANCIERE RICHEMO-A REG	4.6%
ADVTECH LTD	3.5%
DIS-CHEM PHARMACIES LTD	3.5%

GENERAL INFORMATION

Inception Date	01 October 1993
Strategy Size †	R47.78 billion
Strategy Status	Open
Mandate Benchmark	JSE Capped Shareholder Weighted Index (Capped SWIX*)
Dealing Frequency	Daily
Base Currency	ZAR

†Strategy assets under management as at the most recent quarter end.

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 & RISK STATISTICS (Since inception)

	Strategy	Benchmark
Average Annual Return	17.8%	15.7%
Tracking Error	4.5%	
Information Ratio	0.5	
Annualised Standard Deviation	16.8%	16.8%
Maximum Drawdown	(40.8)%	(41.0)%

TRACKING ERROR



SECTOR EXPOSURE

Sector	% Strategy	Sector	% Strategy
Financials	27.4%	Telecommunications	2.9%
Basic Materials	21.3%	Health Care	2.3%
Technology	17.9%	Industrials	0.7%
Consumer Services	16.7%	Derivatives	0.6%
Consumer Goods	9.8%	Interest Bearing	0.4%

PORTFOLIO MANAGERS



Karl Leinberger - BBusSc, CFA

Karl is Chief Investment Officer (CIO) and manages Coronation's Houseview Strategies. He joined Coronation in 2000 and became Head of Research in 2005. In 2008, he was appointed as CIO. Karl has 25 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 financial services and hospital stocks, among others. Sarah-Jane joined Coronation in 2008 as an equity analyst and has 21 years' investment experience.

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