



March 8th, 2017

Re-opening of Coronation institutional strategies

Coronation is pleased to announce that, after five years, we are re-opening our institutional strategies to new clients. This will be effective from March 8th, 2017.

Coronation's South African specialist Equity, Balanced and Absolute Return products were closed in 2012 as a pre-emptive measure to protect our ability to deliver on long-term performance objectives for existing clients. It was an important step at the time, reflecting Coronation's commitment to delivering outperformance. The lengthy closure shows we are prepared to make difficult decisions to protect our clients' interests.

Coronation always intended to re-open the strategies in due course given the shrinking institutional savings pool in South Africa and anticipated outflows. In recent years, we have seen these expected outflows materialise. Careful consideration of the capacity this has created, together with our assessment of market conditions and our five-year forecast of industry trends, has allowed us to re-open the strategies. Coronation remains committed to deliver on the long-term performance objectives of our clients, both existing and new.

A deeply ingrained long-term investment approach

Coronation follows a long-term, valuation-driven investment approach. We have used the same investment philosophy and approach successfully over the past 24 years across all our strategies. This single and consistent investment approach - the Coronation DNA - is deeply ingrained in our culture.

As an active manager, Coronation has the skill and experience to make bold and resolute decisions that have delivered excellent long-term outcomes for our clients. We have achieved this by avoiding silos in our investment team. Our global investment team comprises well-rounded generalist investment professionals with the expertise to price profit across sectors, asset classes and geographies, and assess the merits of each investment. This integrated approach to portfolio management sets us apart in terms of skill, experience and process.

We have enjoyed remarkable stability over the past decade, with most of our key portfolio managers remaining in place and our investment team seeing one of the lowest turnover rates in the industry.

We know that all clients are different, each with differing risk budgets and return targets. This is why we offer a complete fund range that includes both building blocks (single asset class) and multi-asset funds - which are once again accessible to all institutional investors in South Africa. This empowers our clients to select the strategy that best meets their needs at a specific point in time.

We are fortunate that, in our pursuit of generating long-term outperformance, the majority of our clients understand that, from time to time, this may necessitate underperformance in the short term. While these periods may be uncomfortable and testing, we have endured them many times throughout our almost 24-year history, and know they are an important part of our compelling and proven long-term investment track record.

The long-term success of our investment approach is borne out by the fact that more than 95% of our institutional assets have outperformed their respective benchmarks over 10 years and 100% have outperformed their benchmarks over 20 years.



Strategies now open to new investors

We have highlighted some of these strategies, which are now once again available for investment by new clients. Our specialist fixed income portfolios continue to be open for investment as well.

Houseview Equity Strategy

Coronation's flagship specialist South African equity portfolio boasts a compelling track record of almost 24 years of outperformance of the local equity market. Since inception, the Houseview Equity Strategy has generated a return of 17.6% per year, delivering an active return (alpha) of 2.8% p.a. over the market. The strategy has been managed by our CIO Karl Leinberger since 2005. Sarah-Jane Alexander and Adrian Zetler are co-managers of the strategy.

Global Balanced Strategies

Coronation Global Houseview has been managed by Karl since 2005 (Sarah-Jane and Adrian are co-managers), while Neville Chester is manager of Coronation Managed, also since 2005 (Pallavi Ambekar is co-manager). The strategies reflect our best investment views for a global balanced portfolio and are managed in accordance with Regulation 28.

Since inception, both strategies have achieved outperformance of their benchmarks, as shown in the following table:

	Inception date	Return since inception (p.a)	Benchmark	Active return
Coronation Global Houseview	Oct 1993	16.5%	14.3%	2.2%
Coronation Managed	May 1996	17.0%	13.1%	3.9%

Returns gross of fees, as at 28 February 2017

Absolute Return Strategies

Coronation was the first manager in South Africa to introduce absolute return strategies in 1999.

These risk-managed funds have maintained a strong track record for almost two decades. The real returns generated by these funds, managed by Charles de Kock (31 years' investment experience) and Duane Cable (Head of SA Equity), are demonstrated below:

	Inception date	Absolute return since inception (p.a)	Real return achieved since inception (p.a.)
Coronation Global Absolute	Aug 1999	16.1%	9.9%
Coronation Domestic Absolute	Apr 2002	15.4%	9.4%
Coronation Inflation Plus	Oct 2009	11.1%	5.7%

Returns gross of fees, as at 28 February 2017



Committed to investment excellence

We know that without clients we do not have a business, and are committed to ensuring that clients come first in every decision we make. This is one of the founding cultural values at Coronation and continues to anchor our business today. We believe the decision to close our strategies in 2012 was in our clients' best long-term interest. Similarly, we have been preparing for some time to ensure that the re-opening of our funds will benefit all clients, existing and new.

Coronation is a significant manager of retirement savings in South Africa. We continue to work hard at building and maintaining our clients' trust, which is why more than half the institutional assets under our management are from clients who have been with Coronation for more than a decade.

We remain steadfast in our commitment to deliver investment excellence to all our clients.

For more information, please contact our client services managers on cib@coronation.com or +27 21 680 2217 or +27 21 680 2825.