



CORONATION RESOURCES FUND
31 DECEMBER 2011



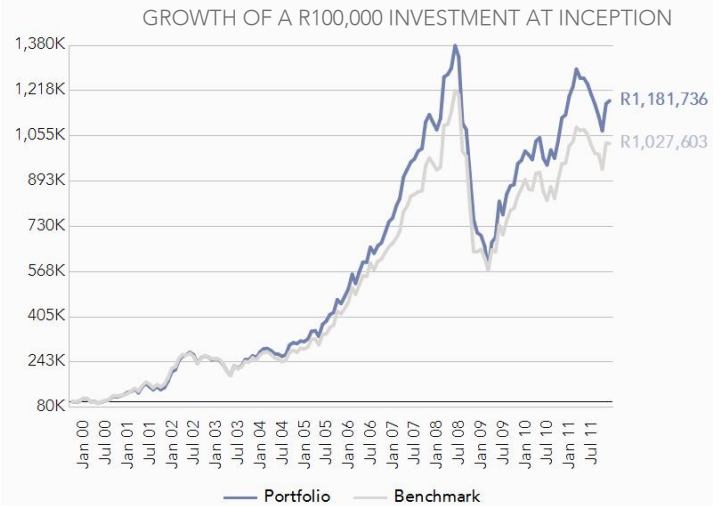
Fund purpose	Category-specific exposure to resources equities
Fund category	Domestic – Equity – Resources and Basic Industries
Benchmark	FTSE/JSE Africa Resources Index*
Risk profile	

*The benchmark changed from the Resources and Basic Industries Category mean to the FTSE/JSE Resources Index, effective September 2011.

HIGHLIGHTS

- Specialised investment vehicle providing access to Coronation’s best resources stock picks
- 1st Quartile performer over 10 years and since launch

LONG-TERM TRACK RECORD



INVESTMENT OBJECTIVE

The fund is a category-specific equity fund that aims to achieve long-term capital growth by investing in a broad range of basic industry shares. Its return objective is to outperform the Resources and Basic Industries Category mean.

GENERAL INFORMATION

Launch date	1 October 1999
Income distribution	Bi-annually (March and September)
Investment minimum	R5 000 lump sum or R500 monthly debit order
Regulation 28	Does not comply

INVESTMENT MANDATE

The fund invests in a broad range of resource and basic industry shares that are affected by changes in the commodity cycle. This includes companies involved in mining, minerals, energy, natural resources and other commodities. The aim is to add value through active stock selection within the category. A minimum of 75% of the fund’s assets will be invested locally with maximum offshore exposure not exceeding 25%.

INVESTOR PROFILE

The fund is suitable for investors:

- seeking to broaden their equity exposure by including a resources fund
- who believe that the resources category offers compelling value
- who understand the cyclical nature of the category and seek long-term growth
- that are not utilising the fund as a single investment but as part of a diversified portfolio

RISK OF MONETARY LOSS

The recommended use of the fund is as a diversifier of an existing portfolio. The fund should be used with the objective of maximising returns over periods of five years or longer. Due to the cyclical nature of the category in which the fund invests in, short-term losses may occur from time to time.

CORONATION FEES (excl. VAT)

Initial	0.00%
Annual management	1.00%

Fee Methodology

The fund charges an annual fee of 1.00%. Fees are accrued daily and collected monthly.

TOTAL EXPENSE RATIO (TER)¹

1.21%

INVESTMENT PHILOSOPHY

Coronation is a research-driven investment house. All members of the investment team have research responsibilities, where our focus is on establishing a fair value for each of the companies that we follow. Our approach is based on forming firm views on the long-term valuations of businesses. We buy companies that are temporarily underpriced by the market, and avoid those that are trading above our fair value. We believe that mispricings occur regularly, often due to the short-term focus of most investors. This approach enables us to construct a concentrated, differentiated portfolio with a high degree of conviction. It also supports the discipline required to remain committed to positions that are often materially different to what conventional wisdom will dictate. In the long run, this approach has led to exceptional returns for our investors.



ADVICE FEES

Coronation does not provide financial advice and therefore does not charge advice fees. However, investments are often placed on your behalf by a financial advisor, in which case fees are negotiated directly between you and your advisor, within the following ranges:

Initial	0.00% - 3.00%
Ongoing	0.00% - 1.00% when the initial fee is less than 1.50%
	0.00% - 0.50% when the initial fee is more than 1.50%

Sharing of annual management fees

A portion of Coronation's annual management fee may be paid to administration platforms as a subsidy for administrative and advice costs incurred when investing through these channels. Where commission and incentives are paid, these are included in the overall costs.

INVESTMENT TEAM

We have one of the most experienced and talented investment teams in the country operating in a culture of excellence. Led by Chief Investment Officer Karl Leinberger, the team is made up of 50 investment professionals. Key focus areas include equity research, with dedicated teams based in Cape Town covering South African, Pan-African and emerging markets. Our team also comprises experienced fixed income and quantitative research teams and a London-based international multi-management team. Our team of ten senior portfolio managers is supported by dedicated dealing and implementation teams.

Investment team facts:

- Includes three former chief investment officers
- 23 members with a decade or more in the industry (13 team members have more than 15 years experience)

PORTFOLIO MANAGERS

- **HENK GROENEWALD, BEng (E&E), CFA**
Henk joined Coronation as an equity analyst in 2005. Prior to this, he spent two years as a trainee equity analyst with Allan Gray and three years as an electrical engineer at Sasol. Henk co-manages the Coronation Resources Fund and Coronation's absolute return range of funds.
- **DUANE CABLE, BCom (Hons); CA (SA), CFA**
Duane joined Coronation in 2006 as an investment analyst focusing on the resources sector. His current research responsibilities include paper & packaging, gold, steel and various companies within the industrial sector. Duane is co-manager across the absolute return range of funds and the Coronation Resources Fund.

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