

WHAT IS THE FUND'S OBJECTIVE?

The fund aims to maximise long-term growth from investing in a select group of resource companies. It seeks to outperform an index of resource companies listed on the Johannesburg Stock Exchange (the JSE Resources Index) over the longer term.

WHAT DOES THE FUND INVEST IN?

The fund will remain fully invested in a broad range of resource and basic materials 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 fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS



The fund's managers actively seek out attractively valued companies that could offer strong long-term growth. The fund reflects Coronation's best investment views in the resource sector.

Shares are selected following rigorous research into the long-term potential of a company. Shares can be volatile investments, and the cyclical demand for commodities can add to the risk of capital loss.

The fund is concentrated and only invests in one sector of the market, making it riskier than a general equity fund.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of five years or more is therefore ideal.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth and

- want to diversify their investments to include specific exposure to the resource sector;
- believe that resource shares offer compelling value;
- accept the cyclical nature of commodity demand and the resulting increased risk of short-term losses;
- want to hold the Resources Fund as one of multiple funds in their investment portfolio.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 1.00% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other portfolio costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO IS THE FUND MANAGER?



NICHOLAS STEIN
CA (SA), CFA

GENERAL FUND INFORMATION

Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
Fund Category	South African – Equity – Resources
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU
ISIN Code	ZAE000022877
JSE Code	CCGF

CORONATION RESOURCES FUND

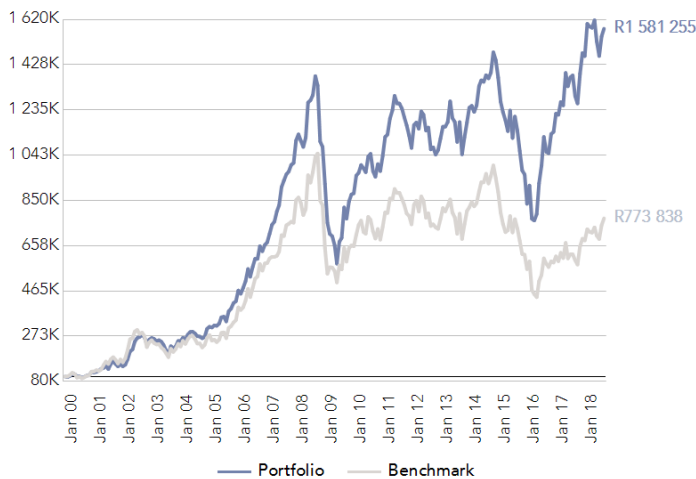
CLASS P as at 31 May 2018

Fund category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R550.89 million
NAV	10850.60 cents
Benchmark/Performance	FTSE/JSE Africa Resources Index (TR)†
Fee Hurdle	
Portfolio manager/s	Nicholas Stein

	1 Year	3 Year
Total Expense Ratio	1.27%	1.33%
Fund management fee	1.00%	1.00%
Fund expenses	0.13%	0.20%
VAT	0.14%	0.14%
Transaction costs (inc. VAT)	0.49%	0.42%
Total Investment Charge	1.76%	1.75%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	1481.3%	673.8%	807.4%
Since Launch (annualised)	15.9%	11.6%	4.4%
Latest 15 years (annualised)	13.7%	8.8%	4.9%
Latest 10 years (annualised)	1.4%	(2.9)%	4.2%
Latest 5 years (annualised)	6.0%	(0.5)%	6.5%
Latest 3 years (annualised)	11.3%	1.9%	9.3%
Latest 1 year	22.2%	30.0%	(7.8)%
Year to date	(0.2)%	8.6%	(8.8)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	22.8%	26.2%
Sharpe Ratio	0.33	0.12
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	58.0%	55.4%

	Fund	Date Range
Highest annual return	100.5%	Apr 2001 - Mar 2002
Lowest annual return	(54.2)%	Mar 2008 - Feb 2009

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	2.0%	(5.6)%	(4.0)%	5.7%	2.2%								(0.2)%
Fund 2017	11.0%	(4.1)%	2.8%	0.6%	(6.4)%	(2.4)%	10.0%	6.4%	(0.9)%	9.4%	(0.7)%	(0.3)%	26.3%
Fund 2016	3.6%	16.5%	8.1%	12.4%	(5.7)%	(0.6)%	7.8%	0.8%	6.8%	(0.4)%	4.5%	(1.1)%	64.1%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2018
Domestic Assets	97.7%
Equities	94.2%
Basic Materials	92.1%
Industrials	2.1%
Preference Shares & Other Securities	2.6%
Commodities	0.7%
Cash	0.1%
International Assets	2.3%
Equities	1.7%
Commodities	1.4%
Cash	(0.8)%

TOP 10 HOLDINGS

As at 31 Mar 2018	% of Fund
Anglo American Plc	19.2%
Mondi Limited	13.4%
Sasol Ltd	13.4%
Exxaro Resources Ltd	8.5%
Northam Platinum Ltd	7.0%
BHP Billiton Plc	5.6%
Omnia Holdings Ltd	4.5%
Pan African Resources Plc	4.5%
Sappi Southern Africa Pty Ltd	3.3%
Zambezi Platinum RF Ltd	3.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Mar 2018	03 Apr 2018	138.35	136.08	2.27
29 Sep 2017	02 Oct 2017	130.27	130.19	0.08
31 Mar 2017	03 Apr 2017	45.99	42.47	3.52
30 Sep 2016	03 Oct 2016	40.50	36.40	4.10

The first quarter of 2018 was quite soft for both the resources sector and the fund, returning -3.8% and -7.6% respectively. The long-term track record of the fund remains compelling, with it performing well against both its peer group and benchmark over most meaningful periods.

For the quarter, the fund benefited from overweight holdings in Merafe and Omnia. Overweight positions in Pan African Resources and Northam detracted.

Over the last quarter, we have added to our holdings in Pan African Resources, Northam, Sappi and Exxaro. We reduced holdings in Glencore and Merafe.

All mining companies have now reported their annual or interim results. In general, results were in line with or better than market expectations. The theme of strong cash flow, deleveraging and capital returns to shareholders continues. High prices, limited capital expenditure, benign mining inflation and low freight rates have led to the mining companies generating above normal free cash flow. We are starting to see mining inflation and capital expenditure levels pick up. In addition, growth is starting to make its way back into mining executives' vocabulary (examples include greenfields copper at Anglo American and coal acquisitions by Glencore). Our hope is that it remains measured and that mining executives aren't lured into chasing growth at the expense of returns.

The news on the South African front has been decidedly more positive. The election of Cyril Ramaphosa as South Africa's new president has brought much hope and optimism for our country. With the new president's long history of involvement in the mining industry, the hope is that the sector's prospects improve. Indeed, one of president Ramaphosa's first actions was to replace the mining minister, Mosebenzi Zwane, with Gwede Mantashe. In addition, new leadership has been injected into Eskom. Our expectation is that the likelihood of increased policy certainty, a reduction in patronage and politically induced safety stoppages should go a long way to improve the operating environment for our local miners.

We have materially increased our position in local miner Pan African Resources (PAN). PAN has seen its share price halve over the last quarter. While some of this was warranted, we feel the extent of the share price move was overdone. The share price decline was caused by a lower rand gold price and a particularly weak operating result for their last six months. These six months saw lower grades and mining flexibility at Barberton, a lack of grinding capacity at their BTRP tailing operation and an insufficient recovery and continuation of losses at Evander. We are encouraged by management actions in this regard. Increased access points are being added at Barberton, grinding facilities are being added at BTRP and Evander is in the process of being placed on care and maintenance – a tough but brave decision. We have long been critical of PAN's decision to buy Evander. Old Wits orebodies time and again prove that they are tough to operate, are labour intensive and high cost. Looking forward, however, an investor in PAN today is effectively buying a stake in Barberton – a high grade, low cost ore body. In addition, they are buying a number of tailings plants. These plants are far more predictable, are low cost, and have low capital and labour intensity.

We still think the resources sector remains attractive, with reasonable upside in most of the stocks within the portfolio.

Portfolio manager

Nicholas Stein

as at 31 March 2018

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION RESOURCES FUND

The Resources Fund should be considered a long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest up to 25% (excluding Africa) of its portfolio into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation is reflected on a look-through basis. Any African exposure (ex SA) is reflected under international assets. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class P NAV prices with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

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