

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

Risk Profile

Maximum growth/
minimum income exposures

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



NICHOLAS HOPS
BbusSc, 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 |

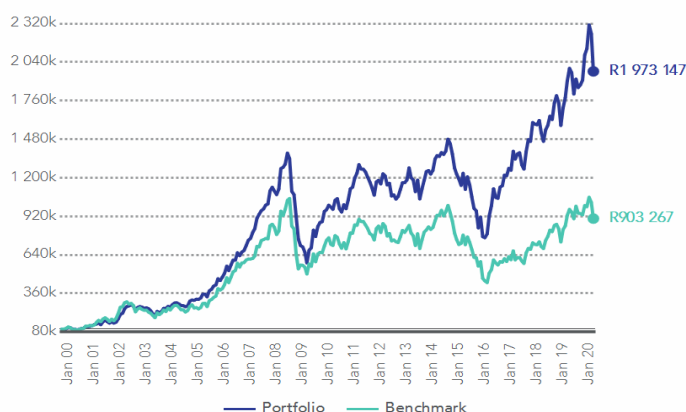
CLASS P as at 29 February 2020

| | |
|------------------------------|---------------------------------------|
| Fund category | South African - Equity - Resources |
| Launch date | 01 October 1999 |
| Fund size | R587.36 million |
| NAV | 13036.47 cents |
| Benchmark/Performance | FTSE/JSE Africa Resources Index (TR)† |
| Fee Hurdle | |
| Portfolio manager/s | Nicholas Stein and Nicholas Hops |

| | | |
|------------------------------|--------|--------|
| Total Expense Ratio | 1 Year | 3 Year |
| Fund management fee | 1.20% | 1.23% |
| Fund expenses | 1.00% | 1.00% |
| VAT | 0.04% | 0.08% |
| | 0.15% | 0.14% |
| Transaction costs (inc. VAT) | 0.19% | 0.32% |
| Total Investment Charge | 1.39% | 1.55% |

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) | 1873.2% | 803.3% | 1069.9% |
| Since Launch (annualised) | 15.7% | 11.4% | 4.3% |
| Latest 20 years (annualised) | 16.1% | 11.9% | 4.2% |
| Latest 15 years (annualised) | 12.2% | 8.0% | 4.2% |
| Latest 10 years (annualised) | 7.4% | 2.5% | 4.9% |
| Latest 5 years (annualised) | 9.9% | 2.9% | 7.0% |
| Latest 3 years (annualised) | 13.9% | 14.4% | (0.5)% |
| Latest 1 year | 3.6% | (2.6)% | 6.2% |
| Year to date | (14.7)% | (14.7)% | 0.0% |

RISK STATISTICS SINCE LAUNCH

| | Fund | Benchmark |
|----------------------|---------|-----------|
| Annualised Deviation | 22.6% | 25.9% |
| Sharpe Ratio | 0.33 | 0.12 |
| Maximum Gain | 93.4% | 86.3% |
| Maximum Drawdown | (57.9)% | (58.3)% |
| Positive Months | 58.4% | 54.7% |

| | 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 2020 | (2.8)% | (12.2)% | | | | | | | | | | | (14.7)% |
| Fund 2019 | 4.4% | 6.9% | 4.8% | (1.6)% | (7.9)% | 6.1% | (3.2)% | 1.0% | 1.8% | 9.7% | 2.1% | 8.2% | 35.4% |
| Fund 2018 | 2.0% | (5.6)% | (4.0)% | 5.7% | 2.2% | 4.2% | (1.5)% | 7.4% | 3.0% | (3.0)% | (9.4)% | 8.1% | 7.7% |

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector | 29 Feb 2020 |
|------------------------|---------------|
| Domestic Assets | 100.0% |
| ■ Equities | 99.9% |
| Basic Materials | 99.9% |
| ■ Cash | 0.1% |

TOP 10 HOLDINGS

| As at 31 Dec 2019 | % of Fund |
|------------------------------|-----------|
| Anglo American Plc | 18.9% |
| Northam Platinum Ltd | 16.7% |
| Impala Platinum Holdings Ltd | 12.5% |
| Sasol Ltd | 9.7% |
| Glencore Xstrata Plc | 7.5% |
| Exxaro Resources Ltd | 6.8% |
| Mondi Limited | 6.4% |
| Pan African Resources Plc | 5.5% |
| Sibanye Gold Ltd | 5.0% |
| Bhp Billiton Plc | 4.5% |

INCOME DISTRIBUTIONS

| Declaration | Payment | Amount | Dividend | Interest |
|-------------|-------------|--------|----------|----------|
| 30 Sep 2019 | 01 Oct 2019 | 94.53 | 94.21 | 0.32 |
| 29 Mar 2019 | 01 Apr 2019 | 112.42 | 110.10 | 2.31 |
| 28 Sep 2018 | 01 Oct 2018 | 268.16 | 259.42 | 8.73 |
| 29 Mar 2018 | 03 Apr 2018 | 138.35 | 136.08 | 2.27 |

The final quarter of 2019 (Q4-19) saw a particularly strong performance from the resources sector after the pullback experienced in the third quarter of the year (Q3-19). The fund performed very well and returned 21.1% for the quarter against the benchmark return of 13.8%. For the full year, the fund returned 35.4% against a benchmark return of 28.5%. Its long-term track record remains compelling, with the fund performing well against both its peer group and the benchmark over most meaningful periods.

For the full year, the fund benefited from its large overweight positions in Northam and Impala Platinum (Implats), with our overweights in Glencore & Merafe detracting from performance. We have been trimming our holdings in the platinum group metals (PGM) miners, as these shares have continued to outperform, and deployed this capital into the diversified miners, as well as Pan African Resources, in the recent quarter.

2019 saw highly divergent returns within the commodity suite to which the fund is exposed. Rhodium's 146% year-on-year rise saw it lead the way over second-placed palladium, which only rose 54% in comparison. Palladium and rhodium now make up the vast majority of the average PGM miners' revenue basket, despite being considered minor metals to their sister metal platinum in years gone by. Cobalt and the two coals were the lowest-performing commodities during the year as the exuberant bubble continued to pop in the cobalt market and coal prices came back on demand weakness. Cobalt was down 41% for 2019 and thermal and metallurgical coal were down 36% and 37% respectively. Gold had its best year in some time on the back of geopolitical concerns and declining interest rates, to post an 18% gain for the year. Iron ore rose 26% in 2019 due to continued strength in Chinese steel demand, coupled with the Brumadinho tailings dam failure in January, taking a material portion of supply out of the market.

Contrasting the best- and worst-performing commodities of 2019 is useful analysis and lends credibility to taking a long-term view and not getting caught up in the hype that so often surrounds commodity markets. Both cobalt and rhodium are tough commodities to value, given they are mined nearly exclusively as by-products of other commodities. Cobalt comes largely from copper and nickel mines and rhodium from orebodies that are platinum dominant. This fact weakens traditional cost curve analysis because the cost of extracting the by-product is then impacted materially by the price in the market for the primary product.

Over the last few years, the rhetoric surrounding the cobalt and rhodium markets (and, by extension, the PGM complex) has been remarkably divergent. Cobalt is used in batteries and, as a result of the electric vehicle (EV) revolution, is forecasted to see a dramatic long-term increase in demand, as EV's begin their way to mass adoption. In 2016, when market participants got overly zealous about the opportunity EV's represented for the cobalt market, the price was pushed up over four times in under two years and cobalt miners were making supernormal returns on their invested capital. Since then, expectations for EV adoption have moderated and the cobalt price is down 67% from its 2018 peak, with market weakness deteriorating further throughout 2019. As a result of the precipitous price declines, Glencore has scheduled to put the world's largest cobalt mine, Mutanda, on care & maintenance in an attempt to boost prices. Quite an about turn from the high-flying days of 2016-2018.

On the flip side of the EV equation is the internal combustion engine. While the EV was being forecast to take over the world in a matter of years, the implication was that combustion engines, and thus a large portion of PGM demand, would soon be rendered obsolete. While cobalt was hitting its peaks in 2018, the PGM basket remained at trough levels. What we believe was underappreciated by the market, both then and still now, was the long road to mass EV adoption as well as the tightening of global emissions standards, which are independently driving PGM demand.

Rhodium has a crucial role to play in emissions reduction from light duty vehicles over the coming years. National regulators have placed an increasing focus on reducing the nitrogen oxide emissions from the vehicle tailpipe, and rhodium is second to none in its ability to do so. Since April 2018, at the peak of the cobalt mania, we have seen the price of rhodium increase three times to the end of 2019 versus the 67% decline in cobalt prices. While PGM miners are now cashflow positive, they are barely making mid-cycle returns on capital. The commodity behind the technology that was written off just two years ago has outperformed the 'sure thing' by multiples and, thankfully, the fund has maintained a healthy exposure to rhodium and the rest of the PGM basket over this timeframe.

Portfolio managers

Nicholas Stein and Nicholas Hops

as at 31 December 2019

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 and top 10 holdings are 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 2019 (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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