

WHAT IS THE FUND'S OBJECTIVE?

The fund aims to maximise long-term investment growth from investing in a select group of South African listed industrial and consumer companies.

It seeks to outperform an index of industrial companies listed on the Johannesburg Stock Exchange (the JSE Industrial Index) over the longer term.

WHAT DOES THE FUND INVEST IN?

The fund will remain fully invested in companies listed on the JSE, most excluding those involved in mining and financial services. It can invest in a wide range of industries, including technology, telecommunication, healthcare and consumer goods.

While the fund may not invest in foreign markets, it can have exposure to international companies that are listed in South Africa. 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.

Shares are selected following rigorous and independent research into the long-term potential of a company, and whether it is currently attractively valued relative to its sector.

Shares can be volatile investments and there is a meaningful risk of capital loss over the short term. However, given its focus on investing only in attractively valued shares that could offer long-term growth, the fund may preserve capital better than its benchmark over the long run.

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 exposure to a wide range of industrial companies;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ want to hold the Industrial 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 ARE THE FUND MANAGERS?



**TUMISHO
MOTLANTHE**
BBusSc, CFA



**NICHOLAS
HOPS**
BBusSc, CFA

GENERAL FUND INFORMATION

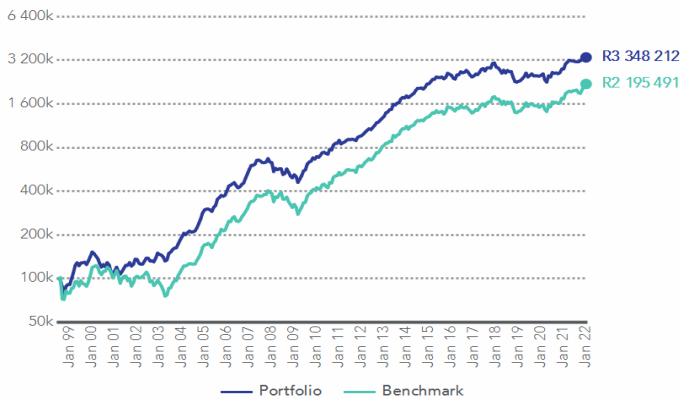
Launch Date	1 July 1998
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Industrial Index
Fund Category	South African – Equity – Industrial
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCGRO
ISIN Code	ZAE000019741
JSE Code	CNCG

CLASS P as at 31 December 2021

Fund category	South African - Equity - Industrial
Launch date	01 July 1998
Fund size	R759.55 million
NAV	21985.76 cents
Benchmark/Performance	FTSE/JSE Industrial Index
Fee Hurdle	
Portfolio manager/s	Tumiso Motlanthe and Nicholas Hops

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)	3248.2%	2095.5%	1152.7%
Since Launch (annualised)	16.1%	14.0%	2.1%
Latest 20 years (annualised)	17.4%	16.5%	0.9%
Latest 15 years (annualised)	12.6%	13.5%	(0.9)%
Latest 10 years (annualised)	13.2%	14.0%	(0.8)%
Latest 5 years (annualised)	6.1%	9.3%	(3.2)%
Latest 3 years (annualised)	13.5%	15.5%	(2.1)%
Latest 1 year	20.2%	26.5%	(6.3)%
Year to date	20.2%	26.5%	(6.3)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.1%	17.4%
Sharpe Ratio	0.50	0.32
Maximum Gain	55.8%	61.7%
Maximum Drawdown	(31.6)%	(38.5)%
Positive Months	63.8%	63.8%

	Fund	Date Range
Highest annual return	68.0%	Jan 1999 - Dec 1999
Lowest annual return	(26.2)%	Dec 2017 - Nov 2018

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	8.4%	2.6%	3.2%	(0.7)%	(0.6)%	(0.5)%	(0.8)%	0.3%	1.5%	3.9%	(1.2)%	2.6%	20.2%
Fund 2020	2.0%	(9.1)%	(3.6)%	10.6%	(2.0)%	7.6%	(1.4)%	0.7%	(1.3)%	1.7%	5.8%	0.2%	10.3%
Fund 2019	1.3%	2.9%	3.5%	5.7%	(6.3)%	2.6%	2.6%	(3.1)%	0.2%	(0.2)%	(0.8)%	1.9%	10.2%
Fund 2018	(1.2)%	(3.2)%	(5.0)%	5.0%	(4.3)%	4.1%	(1.9)%	0.3%	(8.7)%	(6.8)%	(0.8)%	1.4%	(20.0)%
Fund 2017	3.2%	(1.2)%	3.6%	5.0%	1.6%	(3.9)%	4.8%	0.6%	(0.8)%	7.6%	0.9%	(6.5)%	15.0%

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.16%	1.16%
Fund expenses	0.99%	0.99%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.22%	0.16%
	1.38%	1.32%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2021
Domestic Assets	100.0%
■ Equities	99.7%
Basic Materials	1.9%
Industrials	5.2%
Consumer Goods	16.8%
Health Care	5.1%
Consumer Services	38.9%
Telecommunications	9.2%
Financials	3.2%
Technology	15.2%
Consumer Staples	4.2%
■ Cash	0.3%

TOP 10 HOLDINGS

As at 31 Dec 2021	% of Fund
Naspers Ltd	16.1%
Prosus Nv	11.2%
Mtn Group Ltd	9.2%
British American Tobacco Plc	7.2%
Compagnie Financiere Richemont Sa	6.6%
Aspen Phamacare Holdings Ltd	5.1%
Anheuser-busch Inbev Sa/nv	4.2%
Spar Group Ltd	4.0%
Textainer Group Holdings Ltd	3.3%
Bid Corp Ltd	3.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2021	01 Oct 2021	125.64	125.58	0.06
31 Mar 2021	01 Apr 2021	671.21	669.91	1.30
30 Sep 2020	01 Oct 2020	216.87	216.87	0.00
31 Mar 2020	01 Apr 2020	198.89	193.52	5.37

Please note that the commentary is for the retail class of the Fund.

The Fund returned 5.4% during the fourth quarter of 2021 (Q4-21), bringing the full-year return to 20.2%. Since its inception, the Fund has delivered an annualised return of 16.1%, 2% ahead of the benchmark.

The Fund's three biggest contributors to relative performance in Q4-21 were our underweight positions in Mondi, Vodacom and Bidvest, while our largest detractor was our underweight position in Richemont.

Again, the quarter was characterised by volatility due to the ongoing pandemic. The Omicron variant was detected in South Africa (SA), causing knee jerk travel bans to SA combined with the grounding of international flights. Luckily, a limited response was announced in SA as hospitalisations and deaths remained far below previous waves. Most SA sectors will have had a 'normal' holiday trading period, with only those relying on international tourists seeing an outsized negative impact. Many local travellers who had planned on going overseas were forced to stay at home, which would have offset some of this pain for the local economy. The Fund has exposure to the hospitality sector through Famous Brands (FBR), HCI and Tsogo Hotels, and we are confident in the longer-term outlook of all these businesses, despite the short-term trading volatility.

FBR is a stock that contributed well to performance during Q4-21 as the share price rose 35% on the back of solid operating results. Home to several of SA's top food brands such as Wimpy, Debonairs and Steers, until 2016, FBR had a nearly unblemished operating record and delivered consistent growth in headline earnings per share from 35c a share in 2004 to R5.41 a share in 2016. An ill-timed and debt-funded expansion into the United Kingdom saw the group spend ~R2.1bn to acquire Gourmet Burger Kitchen (GBK). This purchase coincided with a downturn in British restaurant sales and gourmet burger sales, particularly on the back of several strong years of growth in the category. Saddled with nearly 100 high-overhead corporate stores, the downturn in sales, combined with an increased interest charge, pushed group earnings down more than 40% between 2016 and 2019.

With the onset of Covid-19, the restaurant category came under immense pressure globally as stores were shuttered during the various phases. SA, the group's primary profit engine, saw revenues go down to zero as the bulk of the business was forced to close its doors temporarily. Due to the high debt load at the group level and limited revenues across the group, FBR decided to walk away from GBK and place it into insolvency, thus divorcing its losses from the group balance sheet. FBR has been through a near-death experience in the last two years, but we believe the group is now well positioned going forward. GBK is out of the group, the SA business is seeing earnings recover strongly, and material de-gearing over the next few years will contribute to earnings growth. In nominal terms, we expect FBR to reach its 2016 earnings level in 2023 and for earnings to continue growing thereafter.

Richemont was again the largest detractor in the quarter as it rose 55% on the back of very good operating results. Goods consumption has outperformed services in the post-pandemic recovery, which has been felt particularly acutely in the luxury sector. Hard luxury goods have been resilient in the recovery from the pandemic as wealthy buyers, unable to spend on international holidays, have repurposed their spending towards the category. While the runway for Richemont to keep growing the jewellery business is clear, as branded jewellery grows from low levels, we believe this is more than discounted in the current share price and that there is no room for error in the Richemont valuation.

We increased our positions in attractive domestic shares in the quarter, such as Altron, Dis-Chem and Motus. We sold Distell down to zero upon finalisation of the Heineken takeout offer, and similarly sold Long4Life after an offer from private equity was announced. We view the takeout of listed companies in this manner as a clear sign of the value in SA equities.

Portfolio managers
Tumisho Motlanthe and Nicholas Hops
 as at 31 December 2021

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

The Industrial 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. Asset allocation and top 10 holdings are reflected on a look-through basis. 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 the current financial year (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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