

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

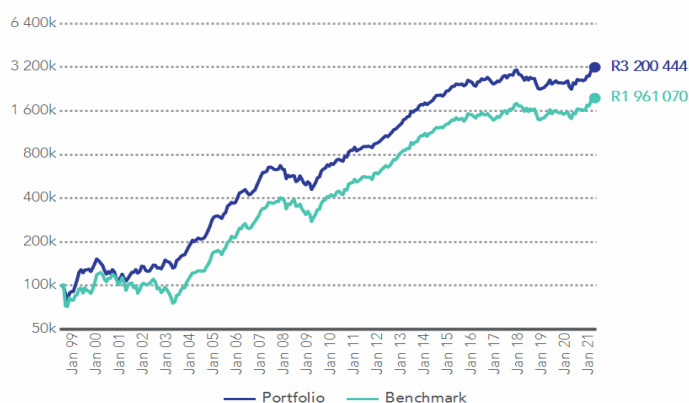
Launch Date	1 July 1998
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Industrial Index
Fund Category	South African – Equity – Industrial
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCGRO
ISIN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

CLASS P as at 31 March 2021

Fund category	South African - Equity - Industrial
Launch date	01 July 1998
Fund size	R786.82 million
NAV	21798.96 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)	3100.4%	1861.1%	1239.4%
Since Launch (annualised)	16.5%	14.0%	2.5%
Latest 20 years (annualised)	18.5%	16.5%	2.0%
Latest 15 years (annualised)	14.0%	14.4%	(0.4)%
Latest 10 years (annualised)	13.8%	13.8%	0.1%
Latest 5 years (annualised)	4.8%	5.5%	(0.7)%
Latest 3 years (annualised)	7.1%	7.3%	(0.1)%
Latest 1 year	41.6%	38.2%	3.5%
Year to date	14.9%	13.0%	1.9%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.3%	17.5%
Sharpe Ratio	0.51	0.30
Maximum Gain	55.8%	61.7%
Maximum Drawdown	(31.6)%	(38.5)%
Positive Months	64.5%	63.7%

	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%										14.9%
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%

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.16%	1.16%
Fund expenses	0.99%	1.00%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.13%	0.13%
	1.29%	1.29%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2021
Domestic Assets	100.0%
■ Equities	99.6%
Basic Materials	1.5%
Industrials	2.7%
Consumer Goods	16.8%
Health Care	3.6%
Consumer Services	53.4%
Telecommunications	4.3%
Financials	2.5%
Technology	12.0%
Consumer Staples	2.6%
■ Cash	0.4%

TOP 10 HOLDINGS

As at 31 Mar 2021	% of Fund
Naspers Ltd	36.1%
Prosus Nv	8.3%
British American Tobacco Plc	7.6%
Mtn Group Ltd	4.3%
Compagnie Financiere Richemont Sa	4.0%
Spar Group Ltd	3.9%
Aspen Phamacare Holdings Ltd	3.6%
Bid Corp Ltd	3.3%
Advtech Ltd	2.7%
Anheuser-busch Inbev Sa/nv	2.6%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
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
30 Sep 2019	01 Oct 2019	63.50	62.86	0.64

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

The Fund had a good start to the year, returning 14.9% in the first quarter (Q1-21), which was a pleasing 1.9% ahead of the benchmark. The Fund has outperformed the benchmark by 2.5% per annum (p.a.) since inception. While the Fund remains behind the benchmark over five years, it is encouraging to see the 10-year number turn positive.

A key theme this quarter was the continuation of strong earnings results coming out of domestic businesses in what has been a very difficult trading period. Despite the battling economy, disruptive lockdowns and mishaps surrounding South Africa's (SA) vaccine procurement and rollout, companies have still managed to serve customers rather efficiently. This has benefited the Fund's overweight position in local shares, of which the share prices have moved upwards from low starting valuations that were anchored in low expectations.

Positive developments recently around government securing vaccine doses (with both J&J and Pfizer), along with some policy clarity coming out of the ANC's NEC meeting regarding members charged with corruption, will be good for business and investor confidence and could see domestic shares attract further investment.

The top contributor to outperformance within the Fund was education business ADvTech. With its share price up 39% in the quarter, adding 0.6% to outperformance, our decision to concentrate our education exposure in the company was vindicated. This was on the back of an excellent set of results, meaningfully ahead of our expectations, and a 2021 year that has started brightly too. Our thesis of good quality private education being well-placed to take share from a deteriorating public school system and under-resourced former model C schools seems to be playing out. Following a number of inconsistent years, ADvTECH has done good work restructuring its schools division, thereby strengthening the operation and improving affordability. The company's tertiary division (also restructured a couple of years back) performed strongly and is poised to benefit from similar dynamics experienced by the schools division. We continue to like the prospects for ADvTECH, supporting its position as a top-five overweight in the Fund.

Global container leasing company Textainer saw its share price rise 42% and add 0.4% to outperformance – the second-biggest contribution. The company is currently enjoying very favourable operating conditions, where international supply chain disruptions have resulted in a shortage of boxes, leading to very high box prices that drive lease revenues for Textainer. Coinciding with this is the presence of a more commercially astute management team at the helm over the last few years, making better strategic decisions and allocating capital in a more return-enhancing manner while also funding the operations more appropriately and at better rates. Even though the share is up significantly, our assessment of fair value has gone up as well, and we still see upside in the share. It remains a key overweight position in the Fund.

The main detractor from performance was our overweight position in brewer Anheuser-Busch Inbev (ABI) that took 0.5% from performance. As a supply chain-driven business and whose product has a large portion of volumes consumed on-premise, the Covid-19-related restrictions (in their various forms) across the world had a meaningful negative impact on the business. 2020 results were pressured as expected, which had a knock-on effect on the

business's ability to reduce debt – still a concern for investors. Adding further to the negative sentiment is input cost pressures (soft commodities, aluminium) in the current year, which again delays earnings growth. For us, these are short-term developments that we expect will blow over in the next 12 to 24 months. Trading on 13.8x our assessment of normal earnings, we think this is attractive for the biggest beer company in the world, and we remain overweight the share.

Buys in the quarter were focused on cheap domestic stocks, geared to a reasonable recovery in the local economy and included AECI (chemicals player in the mining and industrial spaces), Wilson-Bayly (the best construction company in SA in our view) and ADvTECH. The Fund also made sizeable purchases in well-priced rand hedges, such as British American Tobacco and Bidcorp.

Sells were mainly in stocks that had done well in the last quarter or two, including Bytes Technology, Textainer, Shoprite and Cartrack.

As we look towards the second quarter of the year, we remain excited by the Fund's positioning. While equity markets have had a strong bounce off the lows of March last year, we still see good value in the stocks held in the Fund and are hopeful that they will deliver on their potential.

Portfolio manager changes

Joining Tumisho Motlanthe as co-manager of the Fund is Nicholas Hops. Nicholas has been a member of the Coronation equity team for the past seven years and has made a valuable contribution to the Resources Fund through both his analysis of the precious metal counters and as co-manager. We look forward to his contribution to this Fund too.

**Portfolio managers
Tumisho Motlanthe and Nicholas Hops
as at 31 March 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 September 2020 (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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