

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

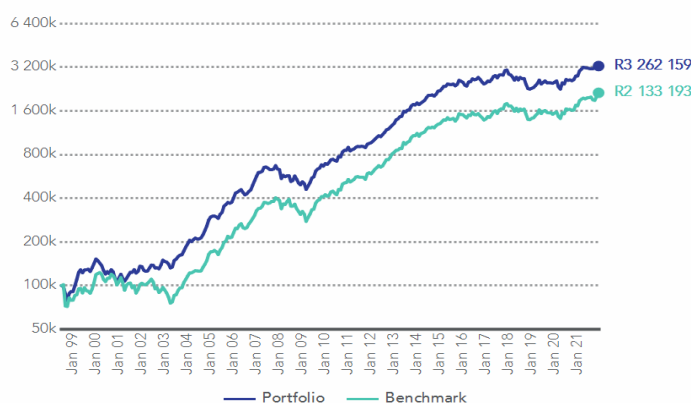
Launch Date	1 July 1998
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Industrial Index
Fund Category	South African – Equity – Industrial
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORCGRO
ISIN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

CLASS P as at 30 November 2021

Fund category	South African - Equity - Industrial
Launch date	01 July 1998
Fund size	R745.74 million
NAV	21420.70 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)	3162.2%	2033.2%	1129.0%
Since Launch (annualised)	16.0%	14.0%	2.1%
Latest 20 years (annualised)	17.2%	16.4%	0.8%
Latest 15 years (annualised)	12.9%	13.9%	(0.9)%
Latest 10 years (annualised)	13.1%	13.5%	(0.5)%
Latest 5 years (annualised)	5.9%	9.0%	(3.2)%
Latest 3 years (annualised)	13.0%	15.3%	(2.3)%
Latest 1 year	17.3%	21.7%	(4.4)%
Year to date	17.1%	22.9%	(5.8)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.2%	17.4%
Sharpe Ratio	0.50	0.31
Maximum Gain	55.8%	61.7%
Maximum Drawdown	(31.6)%	(38.5)%
Positive Months	63.7%	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%	(0.7)%	(0.6)%	(0.5)%	(0.8)%	0.3%	1.5%	3.9%	(1.2)%		17.1%
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	30 Nov 2021
Domestic Assets	100.0%
■ Equities	99.3%
Basic Materials	2.0%
Industrials	4.8%
Consumer Goods	17.0%
Health Care	4.9%
Consumer Services	38.0%
Telecommunications	8.8%
Financials	3.3%
Technology	16.9%
Consumer Staples	3.7%
■ Cash	0.7%

TOP 10 HOLDINGS

As at 30 Sep 2021	% of Fund
Naspers Ltd	17.1%
Prosus Nv	11.7%
Mtn Group Ltd	7.8%
British American Tobacco Plc	6.7%
Aspen Phamacare Holdings Ltd	5.4%
Compagnie Financiere Richemont Sa	4.8%
Spar Group Ltd	4.3%
Bid Corp Ltd	3.8%
Anheuser-busch Inbev Sa/nv	3.4%
Metair Investments Ltd	2.8%

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 performed well during the three months, returning 1.0% in the third quarter (Q3-21), which came in 5.3% ahead of the benchmark (down 4.3%). Over meaningful times periods, and since inception, the Fund has performed well.

The continued spread of the delta variant of Covid-19 and its negative impact on global growth expectations was a key feature during the quarter. Another key development was further announcements from the Chinese authorities around new regulatory interventions in the technology (and other) sectors, which weighed on share prices there and fed through to the bellwether stocks, Naspers and Prosus, in our market.

Fortunately, the Fund's overweight positioning to attractively priced shares facing the domestic economy continued to work well, as a number of the key holdings came out with good results, to which the market reacted very positively. More good news on the local front came right at the end of the quarter, as the South African President announced a relaxation of lockdown restrictions to level 1 (adjusted) – this bodes well for a continued return to normal activity in the economy and eases how business gets done for our companies.

The biggest contributor during the period was the pharmaceutical business, Aspen. The share price was up 69% in the quarter (and has more than doubled year to date), adding 1.4% to outperformance. This is a business that we have written about on a number of occasions over the years and has been one of our high conviction holdings, so it is pleasing to see it finally come through. A year ago, the company released a reasonable set of results that we felt weren't properly appreciated by the market, which was still worrying about insufficient progress being made on the debt reduction front, despite improvements in its operations. Fast forward 12 months and the good work done then has only entrenched itself further. Debt is significantly reduced, earnings growth is ahead of expectations, cash flow generation was materially stronger, and the European Thrombotics business, which has been a drag on the business, has been sold. This leaves a stronger business with better growth prospects. While the share price has had a good run, the valuation is reasonably well-supported, trading on a PE multiple of 12.1 times three years out. The potential sale of its API (active pharmaceutical ingredient) manufacturing business, where two offers have been received, along with the possibility of vaccine manufacture for the African continent, offers balance sheet and earnings upside, which we have not factored into our assessment of fair value.

Having been the largest detractor in the second quarter (Q2-21), luxury goods maker Richemont was the second biggest contributor in Q3-21, adding 0.9% to outperformance. Although we admire the qualities of the business, our underweight position was premised on a stretched valuation in absolute terms, which looked even more so when compared to the cheaper alternatives in our universe. While Chinese technology shares largely bore the brunt of the regulatory crackdown in Q2-21, other businesses heavily exposed to China, including the luxury sector, were subsequently impacted, as the ramifications for the wider-reaching announcements began to be priced in.

Rounding out the top five contributors were: auto components manufacturer and battery maker, Metair (+0.9%); local ICT player, Altron (+0.8%); and private education firm, Advtech (+0.6%).

Given the strong run in many domestic stocks, most of the detractors happen to be stocks where we are underweight. However, the one detractor worth noting, in which we have a sizeable overweight position, is Anheuser Busch Inbev (ABI), which took 0.24% off performance. Despite being the biggest brewer in the world, Covid-19 has rendered several of the benefits that come from scale much less valuable and turned what would be virtues in a normal environment into constraints. The extended duration of lockdowns across the globe (severe in many countries) has meaningfully hurt on-premise consumption and held back volume growth; the weak economy has dented pricing; raw material prices have increased sharply, raising input costs; and elevated uncertainty has weakened emerging market currencies (where ABI does a lot of its business). This brutal cocktail has hampered ABI's ability to address (possibly) the market's biggest concern: its debt load. Some estimates put the delay in progress as a result at 12 to 24 months. The positive here is that the business remains robust, and the worst of these issues are likely behind it. As global progress is made towards some sort of immunity, economies continue to open up, and supply chains and trade routes normalise, ABI should be able to return to a position of strength. With more than 50% upside to our assessment of the share's fair value, we see a significant margin of safety in the stock.

Buys during the quarter were focused on attractive global shares like Naspers/Prosus, ABI and Textainer in the dips. Among the domestic businesses, vehicle dealer Motus was the big buy in the period, alongside pharmaceutical retailer Dis-Chem.

Sells were mainly in stocks that had done well in the quarter or year to date, including Aspen, British American Tobacco, Richemont and Advtech.

With the fourth quarter (Q4-21) just beginning, we are encouraged by the prospects of the key Fund holdings. We think their valuations are attractive and hope to see good performance out of them.

Portfolio managers**Tumisho Motlanthe and Nicholas Hops**

as at 30 September 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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.