

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

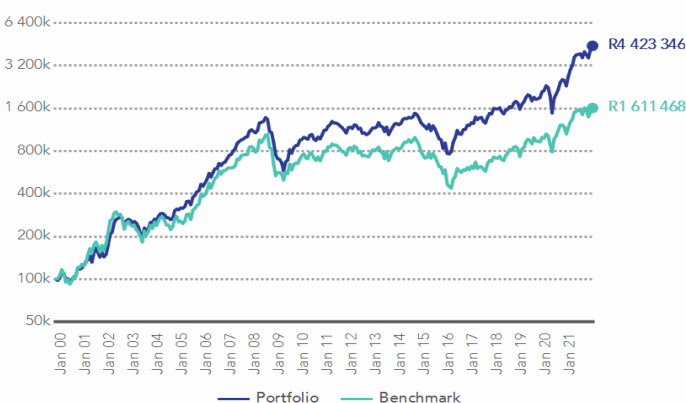
Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
Fund Category	South African – Equity – Resources
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU
ISIN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

CLASS P as at 30 November 2021

Fund category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 1.65 billion
NAV	25232.09 cents
Benchmark/Performance	FTSE/JSE Africa Resources Index (TR)
Fee Hurdle	
Portfolio manager/s	Nicholas Stein 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)	4323.4%	1511.5%	2811.9%
Since Launch (annualised)	18.6%	13.4%	5.3%
Latest 20 years (annualised)	17.6%	10.7%	6.9%
Latest 15 years (annualised)	12.6%	6.7%	5.9%
Latest 10 years (annualised)	14.1%	6.6%	7.5%
Latest 5 years (annualised)	28.4%	20.8%	7.6%
Latest 3 years (annualised)	40.9%	30.0%	10.9%
Latest 1 year	64.8%	37.5%	27.3%
Year to date	46.8%	25.6%	21.2%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	24.2%	26.3%
Sharpe Ratio	0.44	0.20
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	59.4%	55.6%

	Fund	Date Range
Highest annual return	157.7%	Apr 2020 - Mar 2021
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 2021	7.0%	13.9%	4.2%	0.4%	1.1%	(6.1)%	10.1%	(5.0)%	(4.6)%	14.7%	5.9%		46.8%
Fund 2020	(2.8)%	(12.2)%	(24.7)%	26.9%	7.3%	7.2%	12.3%	4.9%	(1.0)%	(8.7)%	16.4%	12.3%	30.3%
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%
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%

	1 Year	3 Year
Total Expense Ratio	1.15%	1.17%
Fund management fee	0.98%	0.99%
Fund expenses	0.02%	0.03%
VAT	0.15%	0.15%
Transaction costs (inc. VAT)	0.49%	0.37%
Total Investment Charge	1.64%	1.54%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Nov 2021
Domestic Assets	97.6%
■ Equities	94.3%
Basic Materials	78.3%
Industrials	5.7%
Energy	9.1%
Other	1.2%
■ Cash	3.3%
International Assets	2.4%
■ Equities	2.4%
■ Cash	0.0%

TOP 10 HOLDINGS

As at 30 Sep 2021	% of Fund
Anglo American Plc	25.8%
Glencore Xstrata Plc	12.2%
Northam Platinum Ltd	10.2%
Royal Bafokeng Platinum Ltd	9.6%
Textainer Group Holdings Ltd	7.8%
Goldfields Ltd	7.8%
Exxaro Resources Ltd	6.3%
Anglogold Ashanti Limited	6.1%
Montauk Energy Holdings Llc	2.9%
Impala Platinum Holdings Ltd	2.6%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2021	01 Oct 2021	974.14	972.15	1.99
31 Mar 2021	01 Apr 2021	1,469.40	1,466.84	2.56
30 Sep 2020	01 Oct 2020	196.87	184.16	12.72
31 Mar 2020	01 Apr 2020	250.55	244.05	6.50

The Fund pulled back by 4.6% in the quarter, resulting in a 20.8% return year to date. All the absolute return was delivered in the first quarter, and there has been a general softening in the commodity sector since that peak, as a sell-off in platinum group metals (PGMs) and iron ore has weighed on the commodity equities. Our largest contributors to relative performance in the quarter were Glencore, Montauk and Textainer, where we benefited from large overweight positions. After several years of great returns, the PGM sector came off the boil, and our relative overweight in the sector detracted from quarterly returns. The Fund has performed well against its peer group and quantitative benchmarks over all meaningful time periods.

We took some profits on our Anglo American position during the quarter, which we used to further bulk up Textainer after reintroducing it to the Fund in the second quarter. We continued to increase exposure to the gold sector as weakness persisted. Towards the end of the period, we actively reduced our Exxaro Resources position after the capital markets day.

Of relevance to the Fund has been the continued global semiconductor shortage, which has dramatically impacted automotive production. As an aside, it is clear that global supply chains across the board are under stress, and the delicate balance on which they have operated historically has been upset by lockdown-related interruptions and a resurgence in global goods demand that has outpaced capacity growth. The semiconductor industry has suffered severe outages at several points in the supply chain in the last nine months, and these reached a peak in the most recent quarter. Semiconductors are pervasive in modern-day life and, for the sake of this discussion, increasingly important for automobiles, given the rising technological functionality of the average car. The final product cannot be produced without the necessary semiconductors, and original equipment manufacturers (OEMs) have been forced to turn off production lines in response. An estimated 11 million cars have not been produced this year because of these shutdowns, 13% of production estimates at the beginning of the year.

Spot PGM demand has declined materially, and, combined with Amplats releasing their refined inventory, we have seen the industry revenue basket decline by 38% since the peak in April. Given the current surplus markets, we are encouraged that PGM remains above the cost curve, leaving respectable cash margins for the producers. We expect PGM markets to go back into deficits next year as the chip shortage is resolved and automotive production ramps back up. Encouragingly, it is clear that end-user vehicle demand remains strong. Over the first six months of the year, there was a large de-stocking in key regions as cars on the dealership floors were sold and not replaced by the OEMs. This inventory has reduced to abnormally low levels and will need to be replaced, boosting car production and PGM demand when it does so. With tightening markets, there is a scenario that could see PGM prices rise strongly in the years to come. In our modelling and assessment of fair values for the PGM stocks, we are taking a more conservative stance and assume a declining real price profile.

Still, in this price environment, we see material upside in the stocks and the potential for very healthy cash returns in the form of dividends. We have added to the PGM sector in recent weeks, and it remains a key component of the Fund.

Another topical development in the last quarter has been the coal markets and energy complex in general. A confluence of factors has resulted in the world finding itself incredibly short of energy, and commodity prices have reacted accordingly. In thermal coal, we have long flagged that global underinvestment in supply, which, while interacting with resilient demand, has the potential for strong prices. Given the strong increase in thermal power demand this year, we are currently experiencing a period of incredibly high prices, with thermal coal finishing the quarter at \$195/t, after having been \$82/t at the beginning of the year. Warm summers in the Northern Hemisphere, an underinvested thermal coal supply base, Chinese bans on Australian coal imports, lower Russian gas supply into Europe, lower EU renewable power production and SA coal export issues have all contributed to the current environment. Given the links between gas and thermal coal, prices tend to move in tandem. In 2021, the European LNG price was up 372% in the first nine months, and thermal coal was up 138%. China is actively trying to increase domestic coal production, but this is likely to be offset by Indian coal restocking and disruptions in Indonesian supply. We think the conditions exist for continued high prices in the short term but would expect moderation from current levels. The Fund has solid exposure to these prices through our positions in Glencore, Exxaro and Thungela.

As previously mentioned, we did take some profits recently in Exxaro after their capital markets day. We believe the stock is incredibly cheap, and the cash returns are very attractive, with Exxaro trading on a 13.7% forward dividend yield. We are very discouraged by the company's stated desire to diversify into copper, manganese, and bauxite, commodities where arguably Exxaro has very little experience. This introduces capital allocation risk and does reduce the potential dividend flow from the asset. It remains a 5.6% position in the Fund given the risk-reward trade-off, which we believe still merits its inclusion.

Portfolio managers

Nicholas Stein and Nicholas Hops

as at 30 September 2021

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.

BENCHMARK DETAILS

The benchmark used for performance purposes is the FTSE/JSE Resources Index.

Note that we use the FTSE/JSE Africa Resource 10 Index for compliance monitoring purposes.

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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