

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 Resources Fund primarily invests in the shares of companies listed on the Johannesburg Stock Exchange but can also invest in international equities.

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

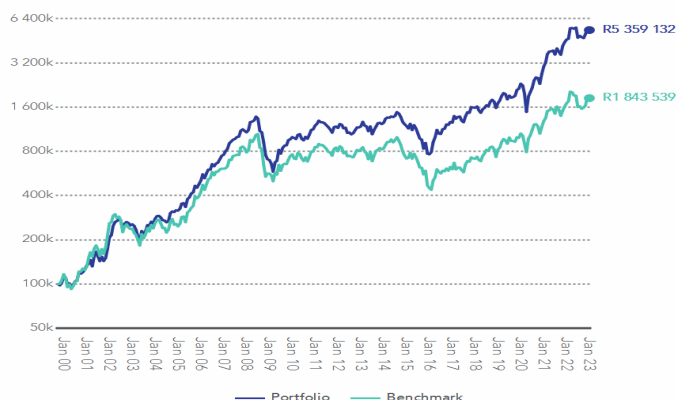
Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
ASISA Fund Category	South African – Equity – Resources
Regulation 28	Does not comply
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU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

CLASS P as at 31 December 2022

ASISA Fund Category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 2.07 billion
NAV	29395.53 cents
Benchmark	FTSE/JSE Africa Resources Index (TR)
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)	5259.1%	1743.5%	3515.6%
Since Launch (annualised)	18.7%	13.4%	5.3%
Latest 20 years (annualised)	16.4%	10.8%	5.7%
Latest 15 years (annualised)	11.3%	5.8%	5.5%
Latest 10 years (annualised)	16.3%	8.3%	8.0%
Latest 5 years (annualised)	27.6%	20.9%	6.7%
Latest 3 years (annualised)	32.3%	20.3%	12.0%
Latest 1 year	16.2%	8.6%	7.6%
Year to date	16.2%	8.6%	7.6%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	24.3%	26.4%
Sharpe Ratio	0.45	0.21
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	59.5%	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 2022	1.3%	18.1%	0.3%	(1.0)%	1.8%	(14.8)%	3.0%	(2.0)%	(1.5)%	6.7%	10.2%	(3.5)%	16.2%
Fund 2021	7.0%	13.9%	4.2%	0.4%	1.1%	(6.1)%	10.1%	(5.0)%	(4.6)%	14.7%	5.9%	4.3%	53.1%
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%

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.16%	1.16%
Fund expenses	1.00%	0.99%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.58%	0.50%
	1.74%	1.66%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2022
Domestic Assets	82.2%
■ Equities	80.6%
Oil & Gas	1.1%
Basic Materials	71.8%
Industrials	6.7%
Other	1.0%
■ Cash	1.6%
International Assets	17.8%
■ Equities	17.8%
■ Cash	0.1%

TOP 10 HOLDINGS

As at 31 Dec 2022	% of Fund
Anglo American Plc	29.1%
Impala Platinum Holdings Ltd	9.8%
Northam Platinum Ltd	7.9%
Glencore Xstrata Plc	7.3%
Exxaro Resources Ltd	6.9%
Eog Resources Inc	6.6%
Sasol Ltd	4.8%
Textainer Group Holdings Ltd	3.3%
South32 Limited	3.3%
Woodside Energy Group Ltd	3.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2022	03 Oct 2022	893.88	891.59	2.30
31 Mar 2022	01 Apr 2022	174.26	172.20	2.07
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

Performance

The Fund returned 13.5% for the quarter and 16.2% for the last 12 months. The long-term performance of the Fund remains pleasing against both the peer group and its benchmark.

2022 marked a wild year for geopolitics and markets. This was driven by Russia's invasion of Ukraine, which sent prices of energy-related commodities far higher. On the other hand, China's continued enforcement of their zero-Covid policy for most of the year kept a lid on demand for the majority of industrial commodities. On the local front, the shambolic state of our SOEs, notably Eskom and Transnet Freight Rail, held SA back from participating in the boom in commodity prices, notably thermal coal.

The fourth quarter saw a pleasing rebound in industrial commodities. This was driven by signs that US inflation may be nearing a peak, and China indicating they will shift away from their zero-Covid policy.

Fund positioning

The key positioning of the Fund is an overweight holding in energy stocks and an underweight holding in gold stocks. Within our portfolio of energy stocks, the positions are concentrated towards oil producers. During the quarter, we reduced our holdings in Glencore and Thungela, applying the proceeds to a number of international oil names. The oil price is currently around \$80/barrel. It is worth noting that it is at this level when 1) consumer demand is under pressure owing to high electricity/gas bills; 2) the US has been releasing strategic oil stockpiles to help lower the price; 3) China demand is subdued to its zero-Covid policy; and 4) Russian oil production has been surprisingly resilient since the start of the invasion. Over the medium term, we see a good chance that all or some of these factors reverse, which would likely see the oil price move materially higher. While many people say that they are bullish energy (suggesting that this is a crowded trade), low multiples and high free cashflow yields suggest the opposite.

The gold price has a number of drivers, but the one with the strongest correlation is real interest rates (typically expressed via US 10-year TIPS). The logic here is that gold offers investors no yield. So when real rates are low or negative, the opportunity cost for holding gold is low and gold prices are typically buoyant. Conversely, when real rates are high, the opportunity cost of holding gold is high. We have been surprised by global central banks' response to high inflation and the aggressiveness with which they have hiked rates to combat it. As a result, we have gone from a decade of accommodative monetary policy (with low/negative real rates), to a situation today where real rates are positive. As a result, we have a fairly muted outlook on the gold price. This feeds into our cautious stance on the gold equities. We have reduced our gold holdings during the quarter. Proceeds have been applied to energy stocks discussed above.

Outlook

The 'setup' for 2023 looks reasonable. Industry margins are around mid-cycle, if one excludes thermal coal. Chinese economic recovery should offset any European economic weakness, given that China represents a bigger share of commodity demand than Europe. Continued supply chain disruptions and miner supply discipline means that most supply-demand balances are on the tight side, while inventories remain low. That said, industrial commodity prices and equity prices have moved to price in some of the Chinese reopening news.

Portfolio managers

Nicholas Stein and Nicholas Hops
as at 31 December 2022

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 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 over the period referenced. 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 underlying 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 previous financial year (updated annually). The 3 year TER is for a rolling 36-month period to the last available 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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