

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
ASISA 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	ZAE00019741
JSE Code	CNCG

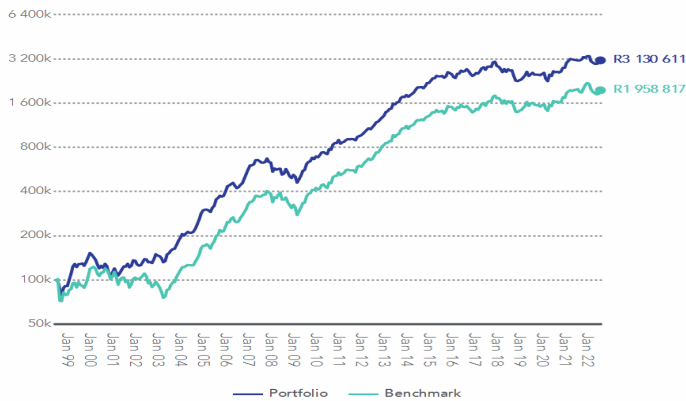
CLASS P as at 31 July 2022

ASISA Fund Category	South African - Equity - Industrial
Launch date	01 July 1998
Fund size	R695.62 million
NAV	20471.34 cents
Benchmark	FTSE/JSE Industrial Index
Portfolio manager/s	Tumisho Motlanthe and Nicholas Hops

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%	0.18%
	1.38%	1.34%

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)	3030.6%	1858.8%	1171.8%
Since Launch (annualised)	15.4%	13.1%	2.2%
Latest 20 years (annualised)	17.1%	16.3%	0.8%
Latest 15 years (annualised)	11.3%	11.7%	(0.5)%
Latest 10 years (annualised)	10.7%	10.8%	(0.1)%
Latest 5 years (annualised)	2.1%	3.8%	(1.8)%
Latest 3 years (annualised)	6.7%	6.8%	(0.1)%
Latest 1 year	0.4%	(1.8)%	2.2%
Year to date	(6.5)%	(10.8)%	4.3%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	15.1%	17.4%
Sharpe Ratio	0.46	0.27
Maximum Gain	55.8%	61.7%
Maximum Drawdown	(31.6)%	(38.5)%
Positive Months	63.0%	63.0%

	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 2022	(0.1)%	(7.7)%	(2.2)%	(1.7)%	(0.3)%	1.2%	4.4%						(6.5)%
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)%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jul 2022
Domestic Assets	100.0%
■ Equities	99.8%
Basic Materials	3.3%
Industrials	3.2%
Consumer Goods	31.4%
Health Care	3.2%
Consumer Services	17.2%
Telecommunications	8.8%
Financials	1.8%
Technology	30.9%
■ Cash	0.2%

TOP 10 HOLDINGS

As at 30 Jun 2022	% of Fund
Naspers Ltd	17.7%
Compagnie Financiere Richemont Sa	17.2%
Prosus Nv	9.8%
Mtn Group Ltd	8.6%
British American Tobacco Plc	6.7%
Anheuser-busch Inbev Sa/nv	3.7%
Aspen Phamacare Holdings Ltd	3.2%
Spar Group Ltd	3.1%
Allied Electronics Corp	2.5%
Motus Holdings Ltd	2.4%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2022	01 Apr 2022	82.87	82.57	0.30
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

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

The Fund had a good quarter from a relative return perspective in the context of continued weakness across the industrials complex. Over the quarter, the absolute return of the Fund was -0.7% and over 12 months, the return has been -4.6%. The Fund has outperformed its benchmark year to date and performance since inception remains pleasing.

The largest contributor to outperformance over the quarter was our position in the Naspers/Prosus pair, as positive action from the company to address the large discount it trades on has been implemented. Despite having increased our Richemont position meaningfully, we remain underweight given its 27% weight in the benchmark, which means that this contributed to relative performance as well. Detractors from performance in the quarter were Aspen and MTN.

Naspers/Prosus has been a long-term core position for the Fund. From its peak (on 19 February 2021), the Prosus share price declined by more than 63% to its lows in May of this year. We have added to the position over the last 12 months as the valuation reached extreme levels. Since bottoming out below R700 in May, the Prosus share price rose 51.4% to the end of the quarter.

Tencent, which makes up 79% of Prosus' fair value, saw its share price peak in February 2021 before making a peak-to-trough decline of over 55%, driven primarily by regulatory action and economic uncertainty in China. From December 2020 to the end of 2021, there was a drip feed of regulation across several tech-related sectors which increased market uncertainty materially. We have taken a haircut to our Tencent valuation to account for regulatory and economic risks, but still see it as being meaningfully undervalued.

Naspers and Prosus sold off aggressively in recent months and the discount to their spot shareholding in Tencent alone blew out to ~50%. In recent weeks, we have seen a shift in consideration from the Prosus management team, such that focus on reducing the discount is paramount for the business. The company's March results, which were released late June, noted the desire to focus on profitability in the rump assets and the crystallisation of value here, on top of growing net asset value per share on a go forward basis. The kicker was the announcement of their intention to implement an open-ended buyback programme of the Prosus and Naspers share lines, funded by orderly selling down of their Tencent stake. Coronation had previously urged the board and management to consider these actions given the very beneficial impact on net asset value per share. Considering the material discounts Prosus and Naspers trade at, shareholders will end up increasing their Tencent shareholding on a per Prosus/Naspers share basis. This is a very positive step and has been the primary driver of subsequent share price performance. We continue to believe that Prosus and Naspers are attractively valued versus their underlying assets and look forward to further developments in realising this value.

In the quarter, we added meaningfully to our position in Richemont and it now represents the second largest position in the Fund on an absolute basis. The investment case has not changed but with the stock having sold off from close to R245 at the beginning of the year to lows of R150 during the second quarter, we used the increased margin of safety to increase the Fund's exposure. Richemont trades on 17.4 times next year's earnings, which we believe is incredibly attractive for a business of this quality.

A new position to the Fund was Mondi, where we initiated a position after the Russia-Ukraine induced sell off. One of the key assets within Mondi's portfolio is in Russia and the market has written the value of Mondi down by more than the value of this asset, even if one assumes it is irrecoverable and worth nothing. Mondi is a high-quality paper and packaging company that is very favourably positioned from a cost perspective compared to peers. The management team are measured and invest for incremental expansions at high returns. Trading on 9 times next year's earnings and with nearly 50% upside (valuing Russia at zero), we believe current levels represent an excellent starting point to build a position. Our buying of Richemont and Mondi was primarily funded by Bidcorp, British American Tobacco and Hosken Consolidated Investments, all stocks where relative outperformance allowed us the opportunity to rotate the capital into better ideas.

Portfolio managers

Tumisho Motlanthe and Nicholas Hops
 as at 30 June 2022

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 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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