

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



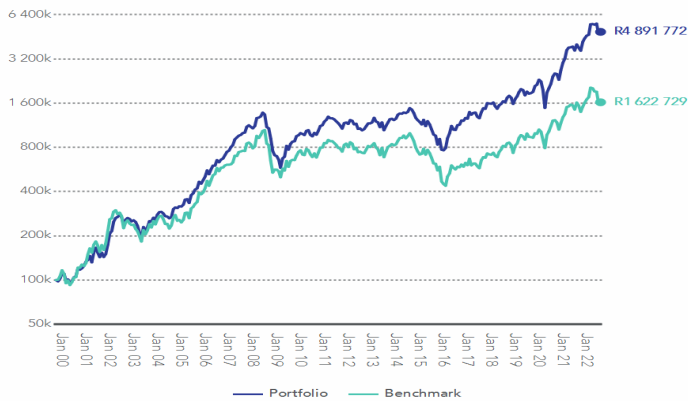
NICHOLAS HOPS
BBusSc, CFA

GENERAL FUND INFORMATION

Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
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 July 2022

ASISA Fund Category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 1.98 billion
NAV	27750.16 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)	4791.8%	1522.7%	3269.0%
Since Launch (annualised)	18.6%	13.0%	5.6%
Latest 20 years (annualised)	16.3%	10.4%	5.9%
Latest 15 years (annualised)	11.2%	5.2%	6.0%
Latest 10 years (annualised)	16.7%	8.2%	8.5%
Latest 5 years (annualised)	28.6%	19.9%	8.7%
Latest 3 years (annualised)	38.1%	19.9%	18.3%
Latest 1 year	21.8%	0.4%	21.4%
Year to date	6.0%	(4.4)%	10.4%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	24.4%	26.4%
Sharpe Ratio	0.44	0.19
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	59.9%	55.5%

	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%						6.0%
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	1.15%	1.16%
Fund expenses	0.98%	0.99%
VAT	0.02%	0.02%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.49%	0.49%
	1.64%	1.66%

PORTFOLIO DETAIL**EFFECTIVE ASSET ALLOCATION EXPOSURE**

Sector	31 Jul 2022
Domestic Assets	94.5%
■ Equities	92.7%
Oil & Gas	1.0%
Basic Materials	86.5%
Industrials	4.1%
Other	1.0%
■ Cash	1.9%
International Assets	5.5%
■ Equities	6.0%
■ Cash	(0.5)%

TOP 10 HOLDINGS

As at 30 Jun 2022	% of Fund
Anglo American Plc	27.6%
Sasol Ltd	12.4%
Glencore Xstrata Plc	10.4%
Impala Platinum Holdings Ltd	10.1%
Northam Platinum Ltd	9.8%
Exxaro Resources Ltd	6.5%
Pan African Resources Plc	5.1%
Woodside Energy Group Ltd	3.4%
Mondi Limited	3.0%
Textainer Group Holdings Ltd	2.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
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
30 Sep 2020	01 Oct 2020	196.87	184.16	12.72

The Fund returned -14.1% for the quarter and 30.1% for the last 12 months. Its long-term performance remains pleasing against both the peer group and benchmark.

Gold shares contributed to performance (the Fund is underweight Goldfields and overweight Pan African Resources), as did stocks with large energy exposure (the Fund has overweight exposures in Thungela, Glencore and Exxaro). The underweight position in BHP Billiton detracted.

The key themes playing out over the quarter were 1) the continued resilience of energy prices and energy shares; 2) the impact this is having on consumer inflation and the broader economy; and 3) the US Fed starting a series of aggressive interest rate hikes to quell said inflation.

Energy prices remain very strong. Thermal coal prices are holding around the \$400/t level, while oil is holding above \$100/bbl. This is a function of years of underinvestment in new supply. Environmental, Social and Governance challenges have throttled financing and appetite for new projects (trying to cancel supply), while the challenges of transitioning off hydrocarbons have been underestimated (struggling to cancel demand). Added to this, Russian supply looms large in all energy markets. Russia supplies c15% of seaborne coal and 11% of world oil production. As countries attempt to buy non-Russian energy, the impact on trade flows is having a marked impact on prices. We saw this with metallurgical coal when China banned the imports of it in 2020. We remain constructive on the outlook for energy prices over the medium term. We are not seeing material new investment in supply. Demand is also more inelastic than industrial commodities. As a result, any demand destruction from high prices should have a more muted impact on demand. Despite the positive outlook, we don't believe share prices suggest this is a crowded trade, with shares pricing in fairly conservative energy prices. The Fund has large exposures in Glencore (thermal coal 25% of fair value), Sasol, Exxaro and Woodside Petroleum (a new position). We sold Thungela, given its reduced margin of safety.

Rising consumer prices, deglobalisation and rate increases have resulted in a marked slowdown in GDP growth expectations. This is playing out in softening demand for industrial metals. This has been exacerbated by weak Chinese economic data (with China being the engine room for global commodity demand) as they doggedly stick to their zero-Covid policy, which has seen rolling lockdowns impact supply chains and demand. In response, the prices of industrial metals come under pressure. Copper, nickel and iron ore were all down some 20% to 30% over the quarter. We added to our Anglo American position. Textainer and Mondi, which held up relatively well, were used as funding sources.

For the better part of the last year, we have been of the view that global inflation was not transitory, as was posited by the Fed. While Covid supply chain issues played a role, strong demand and years of easy money were bigger factors. This has now led to inflation expectations becoming more entrenched. Under this scenario, the risk/return trade-off for gold was to the upside. During the quarter, the Fed appeared to have grasped the magnitude of the issue. They have responded with aggressive interest rates hikes, and very strong language around their expectations around future rate rises until inflation is brought back under control. This saw real rates move from negative territory to positive territory in rapid time. This has dimmed our enthusiasm for the yellow metal, given the inverse correlation between the price of gold and real rates (higher real rates increase the opportunity cost of holding gold, a metal with no yield). We sold down our gold holdings fairly aggressively during the quarter, with the Fund now being underweight gold.

Platinum Group Metals (PGM) shares came under pressure on the back of soft PGM prices (down between 9% and 28% depending on the metal). Vehicle sales remain subdued. While production slowly recovers from global chip shortages, this has been offset by soft Chinese sales given their ongoing lockdowns. We see production and sales recovering in time, and added to PGM shares over the quarter.

We are happy with current valuation levels and portfolio positioning. We believe prospective returns from this base will prove attractive.

Portfolio managers

Nicholas Stein and Nicholas Hops

as at 30 June 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 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 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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