

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
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU
ISIN Code	ZAE000022877
JSE Code	CCGF

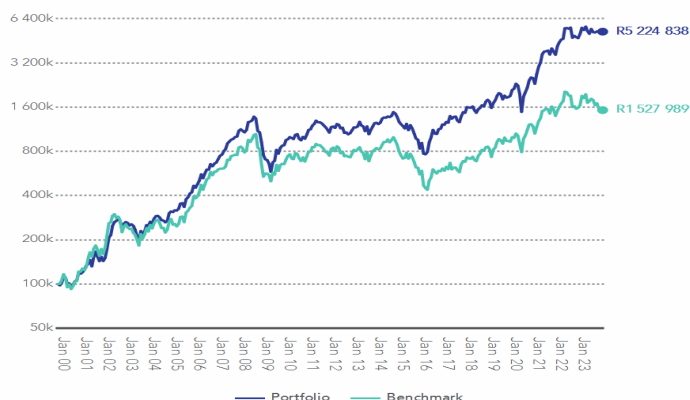
CLASS P as at 31 October 2023

ASISA Fund Category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 1.87 billion
NAV	27841.44 cents
Benchmark	FTSE/JSE Africa Resources Index (TR)
Portfolio manager/s	Nicholas Stein and Nicholas Hops

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.17%	1.16%
Fund expenses	0.99%	0.99%
VAT	0.03%	0.02%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.42%	0.50%
	1.59%	1.66%

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)	5124.8%	1428.0%	3696.9%
Since Launch (annualised)	17.9%	12.0%	5.9%
Latest 20 years (annualised)	16.1%	9.4%	6.6%
Latest 15 years (annualised)	13.8%	7.2%	6.6%
Latest 10 years (annualised)	15.3%	6.1%	9.2%
Latest 5 years (annualised)	24.5%	13.0%	11.5%
Latest 3 years (annualised)	31.3%	13.1%	18.3%
Latest 1 year	3.7%	(7.2)%	10.9%
Year to date	(2.5)%	(17.1)%	14.6%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	24.1%	26.3%
Sharpe Ratio	0.41	0.16
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	59.2%	55.4%

	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 2023	5.6%	(6.7)%	(4.2)%	7.9%	(5.0)%	(0.4)%	1.6%	0.8%	1.7%	(2.9)%			(2.5)%
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%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Oct 2023
Domestic Assets	82.7%
Equities	71.5%
Basic Materials	66.3%
Industrials	2.6%
Financials	2.6%
Commodities	8.5%
Cash	2.7%
International Assets	17.3%
Equities	17.3%
Cash	0.1%

TOP 10 HOLDINGS

As at 30 Sep 2023	% of Fund
Anglo American Plc	21.1%
Exxaro Resources Ltd	9.5%
Bhp Group Ltd	6.6%
Glencore Plc	6.5%
Teck Resources Ltd	6.1%
Sasol Ltd	6.0%
Eog Resources Inc	5.5%
Textainer Group Holdings Ltd	5.2%
Mondi Limited	5.0%
Northam Platinum Ltd	2.6%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Sep 2023	02 Oct 2023	545.93	530.29	15.65
31 Mar 2023	03 Apr 2023	283.06	277.17	5.89
30 Sep 2022	03 Oct 2022	893.88	891.59	2.30
31 Mar 2022	01 Apr 2022	174.26	172.20	2.07

Performance

The Fund returned 4.2% for the quarter and 13.9% for the last 12 months against a flat resources sector. The Fund's long-term performance remains pleasing against both the peer group and the benchmark. For the quarter, the sell-off in gold and PGM shares drove outperformance, given near-zero exposure to either of the sectors. Continued strength in the oil price drove our offshore listed names higher, which was offset very slightly by our relative underweight in Sasol. Not owning Sappi or Thungela detracted from performance in the period.

Fund positioning

In the quarter, we purchased Mondi and shifted our exposure into the offshore energy stocks where relative valuation moves provided the opportunity. Our ownership of the offshore energy business in the last 18 months has added significant value to the Fund. These companies are covered internally by our international investment team and represent an attractive alternative to Sasol, where idiosyncratic risk and poor capital allocation over time have meaningfully impacted shareholder returns. We sold down our AECI position after a 26% rally year to date left a diminished margin of safety.

The last 12 months have seen a large amount of volatility in the commodity sector as the mood towards China swung from pessimism to optimism and then back to pessimism again. A key commodity theme from the Fund's perspective has been long energy and short precious metals. The PGM short leg has, as has the long energy, worked very well. Being short the gold sector has hurt as central bank purchases have driven the gold price higher than anticipated, and the South African listed gold equities experienced their own rally separate from the rest of the sector. AngloGold has since given a lot of this outperformance back and is down 44% from the 2023 peak, while Gold Fields has been more resilient and is down 33% from the peak. Gold Fields has been the leading global gold major from a cost perspective in the last five years and strikingly still trades on a similar multiple to AngloGold despite the latter being one of the worst cost performers in the sector over that same period. The recent sell-off has made valuations more palatable, but we don't think the margin of safety is significant enough yet to own the shares.

We remain negative on the outlook for the PGM sector, and after having owned no direct equity exposure for the last few months, we remain very underweight. We believe that the range of outcomes for metal prices in the next five years is extensive but with a strongly negative skew as battery electric vehicles continue to take a massive share from internal combustion engines worldwide. South African PGM producers with high-cost mines face hard decisions requiring them to rationalise their asset bases at a significant social cost. Ultimately, the industry needs to be smaller and more cost effective to earn an economic return for shareholders. Unfortunately, capital allocation from much of the sector during the boom years does not give one confidence in the sector's ability to navigate the coming environment. There is potential for a short-term metal price rally given how far prices have fallen and the potential for an inventory rebuild at the vehicle manufacturers. Based on our negative long-term view we believe that any rally will be short-term in nature and

would expect short-term underperformance from the Fund if it does come to pass given our absolute and relative weighting.

We added Mondi to the Fund in the last quarter as it continued to languish in the wake of the "loss" of its Russian business and a downturn in the markets for its end products. Mondi is a low-cost integrated producer of paper and packing with predominantly European and American exposure. When Russia invaded Ukraine last year, the group effectively lost its key Syktyvkar asset, which comprised approximately 20% of group earnings. It has taken 18 months for them to dispose of it, and surprisingly they have managed to salvage €775mn in cash for the asset, where many Russian subsidiaries of other companies have gone for minimal values. After the invasion, the market effectively marked the Russian asset to zero, as evidenced by a >20% decline in the share price in the following weeks. In buying Mondi, we felt we were paying a reasonable multiple for a high-quality business at the bottom of its commodity cycle and any Russian proceeds represented an upside to our valuation. Mondi has a long-term track record of consistently investing through downcycles, which they have continued to apply in the last 18 months with brownfield expansions across their operations as well as an acquisition in the USA.

Outlook

We remain most optimistic about the energy sector as well as the outlook for base metals in the years to come. The Fund is heavily exposed to these commodities through high-quality mining companies trading at attractive valuations.

Portfolio managers

Nicholas Stein and Nicholas Hops
as at 30 September 2023

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) Ltd (FSP 548), 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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