

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

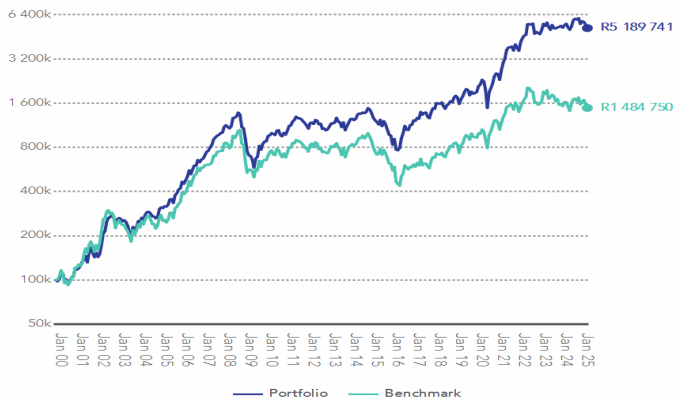
Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
ASISA Fund Category	South African – Equity – Resources
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU
ISIN Code	ZAE000022877
JSE Code	CCGF

CLASS P as at 31 December 2024

ASISA Fund Category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 1.46 billion
NAV	26908.33 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)	5089.7%	1384.7%	3705.0%
Since Launch (annualised)	16.9%	11.3%	5.7%
Latest 20 years (annualised)	15.0%	9.4%	5.6%
Latest 15 years (annualised)	11.6%	4.5%	7.1%
Latest 10 years (annualised)	15.9%	7.6%	8.3%
Latest 5 years (annualised)	17.6%	7.0%	10.6%
Latest 3 years (annualised)	4.0%	(4.4)%	8.4%
Latest 1 year	(6.7)%	(8.6)%	1.9%
Year to date	(6.7)%	(8.6)%	1.9%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	23.8%	26.1%
Sharpe Ratio	0.38	0.13
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	58.7%	55.1%

	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 2024	(5.6)%	(3.7)%	5.4%	10.0%	2.4%	(1.3)%	2.3%	(8.7)%	4.5%	(1.2)%	(4.0)%	(5.4)%	(6.7)%
Fund 2023	5.6%	(6.7)%	(4.2)%	7.9%	(5.0)%	(0.4)%	1.6%	0.8%	1.7%	(2.9)%	3.9%	2.5%	3.8%
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%

Total Expense Ratio	1 Year	3 Year
Fund management fee	1.18%	1.17%
Fund expenses	1.00%	1.00%
VAT	0.03%	0.03%
Transaction costs (inc. VAT)	0.15%	0.15%
Total Investment Charge	0.48%	0.49%
	1.66%	1.67%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2024
Domestic Assets	84.5%
■ Equities	83.7%
Basic Materials	69.1%
Industrials	9.7%
Financials	4.9%
■ Cash	0.8%
International Assets	15.5%
■ Equities	15.5%
■ Cash	0.0%

TOP 10 HOLDINGS

As at 31 Dec 2024	% of Fund
Anglo American Plc	14.5%
Mondi Limited	11.0%
Northam Platinum Ltd	10.6%
Impala Platinum Holdings Ltd	7.8%
Exxaro Resources Ltd	7.6%
African Rainbow Minerals Ltd	5.3%
Afrimat Ltd	5.2%
Hosken Consolidated Investments	4.9%
Whitehaven Coal Limited	4.8%
Grindrod Ltd	4.5%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2024	01 Oct 2024	505.39	498.22	7.17
28 Mar 2024	02 Apr 2024	311.29	302.93	8.36
29 Sep 2023	02 Oct 2023	545.93	530.29	15.65
31 Mar 2023	03 Apr 2023	283.06	277.17	5.89

Performance and fund positioning

The Fund declined by 10.32% in the fourth quarter, which brought the full year return to -6.71% versus a decline of 8.65% for the benchmark. Over the last five years, the Fund has outperformed the benchmark by 10.55% per annum and has meaningfully beaten it since inception.

Meaningful additions to the Fund in the fourth quarter were Sasol, Impala and Mondi. These were funded by selling BHP Billiton and Anglo American. Over the quarter, top contributors were our underweight in Sasol as well as overweights in Oventiv and Afrimat. Top detractors were our overweight positions in Copper 360, Mondi and Grindrod. For the full year, the top contributors were not owning Sasol, Sibanye-Stillwater or Anglo American Platinum, which all saw large share price declines. Top detractors were Harmony Gold, which we did not own, and Mondi.

A key feature of 2024 has been the continued weakness in the Chinese economy. Whilst its effects have been felt globally there are few sectors that have been impacted more than the commodity sector, given that China consumes roughly half of all the commodities produced worldwide annually. Most of the key commodities had average prices in 2024 that were lower than those in 2023. Key exceptions were gold, silver and copper. Bulk prices suffered due to their above-average exposure to China.

The Chinese real estate sector has been the key driver within the region and its slow-motion crash has shaken consumer confidence and spending economy-wide. Excess leverage at many developers has left a complicated mess for the authorities to untangle. It is important to remember that the Chinese Communist Party (CCP) identified these issues several years ago and has been trying to de-lever and stabilise the sector. Taking the pain in the medium term to deliver a more sustainable outcome in the long term. This goes a long way to explaining why there has been no “big bang” style stimulus which had historically been a key lever for the CCP to pull in times of economic malaise. China’s aim is to reduce its reliance on the heavy commodity-consuming sectors like infrastructure and real estate, while developing more sophisticated growth vectors and boosting household consumption. Again, whilst good for the Chinese economy, this readjustment will be a headwind for most commodity consumption. On a go-forward basis, we expect a stabilisation in aggregate Chinese commodity demand, with above trend growth in “green” commodities.

Continuing the Chinese theme and moving to the supply side it has been fascinating to watch how the insatiable Chinese appetite for commodities has upended traditional supply chains and production bases. China dominates demand for commodities, and, in many instances, it dominates their processing as well, particularly in the green commodities linked to electric vehicles and renewable energy. Due to their relative lack of geological endowment, they have been unable to dominate the mined supply side. Where commodities can be mined was decided millions if not billions of years ago. In order to overcome this geological hurdle, we have seen an outpouring of Chinese capital over time to set up mines where they are able to do so.

Chinese investors have dramatically amped up Indonesian nickel supply over the last few years, causing an oversupply in the market. A similar event has occurred in cobalt, albeit to a lesser extent. Where it gets interesting at present is the extent of the copper supply growth that has come out of the DRC, with a heavy Chinese influence. In addition to bringing on new supply, there is an additional element in that a lot of this supply is less price-sensitive when compared to incumbent producers. There is a heavy State-owned element and many of the mines are part of a vertical integration strategy for those who are consuming the commodities. DRC copper production in 2024 was 650kt (29%) higher than it was estimated to be just three years prior. There is a risk that continued supply growth from these players does enough to satisfy the copper market in the years to come, with a negative impact on prices. With Chinese-controlled iron ore production coming online in the short term through the Simandou project in Guinea, there is also the potential for the market structure of iron ore to change materially over time.

After not having owned Sasol for some time, we bought a starter position in the fourth quarter as the share price approached R90. Whilst there are a lot of uncertainties in Sasol’s investment case about its ability to consistently produce product and about its long-term future in a world that is attempting to decarbonise, we believe these risks are being more than sufficiently discounted in the spot price. Sasol is trading on 11x its free cash flow in one year’s time on a very depressed earnings base. As earnings and cash flows normalise in the years to come, we believe it is trading on 2.2x cash flows in four years’ time and has well over 100% upside.

Outlook

The Fund remains underweight the diversified miners, especially those with bulk commodity exposure. Where we believe we are finding value, is in the platinum group metal sector, Sasol, Mondi, Grindrod and some junior miners.

Portfolio managers

Nicholas Hops and Nicholas Stein

as at 31 December 2024

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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