

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

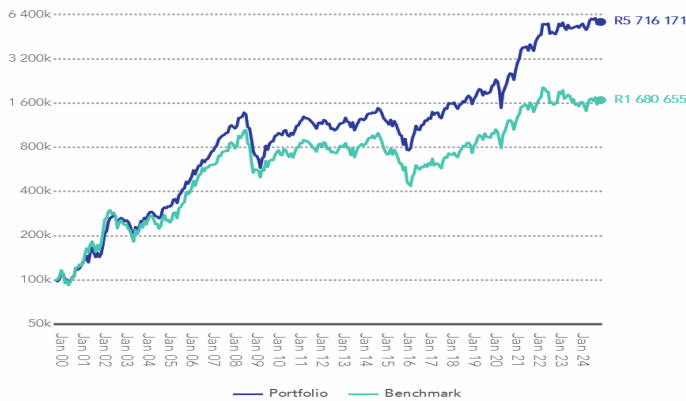
Launch Date	1 October 1999
Fund Class	P (previously class A)
Benchmark	FTSE/JSE Resources Index
ASISA Fund Category	South African – Equity – Resources
Income Distribution	Semi-annually (March & September)
Investment minimum	R5 000 or R500/m debit order
Bloomberg Code	CORVALU
ISIN Code	ZAE000022877
JSE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

CLASS P as at 31 October 2024

ASISA Fund Category	South African - Equity - Resources
Launch date	01 October 1999
Fund size	R 1.62 billion
NAV	29637.82 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)	5616.2%	1580.7%	4035.5%
Since Launch (annualised)	17.5%	11.9%	5.6%
Latest 20 years (annualised)	15.7%	9.9%	5.8%
Latest 15 years (annualised)	12.7%	6.0%	6.7%
Latest 10 years (annualised)	16.2%	7.7%	8.5%
Latest 5 years (annualised)	22.2%	11.0%	11.3%
Latest 3 years (annualised)	11.0%	3.6%	7.5%
Latest 1 year	9.4%	10.0%	(0.6)%
Year to date	2.8%	3.4%	(0.6)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	23.8%	26.1%
Sharpe Ratio	0.40	0.15
Maximum Gain	93.4%	86.3%
Maximum Drawdown	(57.9)%	(58.3)%
Positive Months	59.1%	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 2024	(5.6)%	(3.7)%	5.4%	10.0%	2.4%	(1.3)%	2.3%	(8.7)%	4.5%	(1.2)%			2.8%
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 Oct 2024
Domestic Assets	86.3%
Equities	84.7%
Basic Materials	70.9%
Industrials	8.8%
Financials	5.0%
Cash	1.6%
International Assets	13.7%
Equities	13.7%
Cash	0.0%

TOP 10 HOLDINGS

As at 30 Sep 2024	% of Fund
Anglo American Plc	19.4%
Northam Platinum Ltd	10.6%
Bhp Group Ltd	9.4%
Mondi Limited	8.4%
Exxaro Resources Ltd	7.3%
African Rainbow Minerals Ltd	7.0%
Hosken Consolidated Investments	5.5%
Whitehaven Coal Limited	5.0%
Afrimat Ltd	4.4%
Grindrod Ltd	4.1%

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 returned -2.4% for the quarter and 7.6% for the last 12 months. The long-term performance of the Fund remains strong against both the peer group and the benchmark.

In the quarter the Fund benefited from being underweight Sasol, AngloGold and Anglo American, whilst being overweight African Rainbow Minerals (ARM) and Northam detracted. For the year to date, being underweight the Platinum Group Metals (PGM) sector has contributed strongly to performance.

Key trades in the quarter were adding meaningfully to our Anglo American position after it sold off nearly 30% following the failed takeover bid by BHP. We also added to Impala and Northam. On the back of continued gold price and equity strength, we sold down AngloGold and Pan African Resources. Encouragingly, the Fund has been able to outperform the benchmark in the last few years despite being on the wrong side of the large gold rally.

A key change in the last three to six months has been the Fund's exposure to PGMs. By the end of the quarter, we had moved to an overweight position in pure-play platinum stocks, which is amplified by look-through PGM exposure in ARM and Anglo American. Whilst we do not run the Fund with a focus on benchmark weightings, which is clear from historical positioning, it is helpful in this instance to understand our change in view. Commodities are the epitome of a cyclical industry and changing ones mind from an investment positioning perspective happens on a regular basis!

The last few years have been challenging for the PGM sector and disappointing for equity investors as an inventory-driven oversupply has brought down metal prices materially. Combined with cost pressures and shareholder unfriendly capital allocation, the experience for equity holders has been very poor. Equity prices are down dramatically from their 2021 peaks. From their highs in 2021 to the lows of 2024, when we started buying, the PGM share prices declined by 67%-81%. We felt the market moved from extreme optimism to extreme pessimism and have been taking advantage of low prices at present. Within this portfolio, we had been massively underweight the PGM equities since December 2022.

Pro-cyclical behaviour by the majority of PGM producers has amplified value destruction in the last few years. High prices brought about new projects as well as poorly timed M&A. Tens of billions of rands worth of shareholder capital was invested in these ventures instead of being paid out to the shareholders who supported the industry in the downcycle. Large impairments have followed these investments, confirming the capital destruction we have seen. We think it is unlikely that this kind of behaviour is going to change in the long term, at the sector level. Any individual PGM producer that is able to invest and behave countercyclically will create a lot of value on an absolute basis and certainly relative to its peers.

Reduced profitability is starting to have an impact on supply as high cost shafts and companies come under pressure. We have seen projects

shelved as well as the announcement of mine closures, particularly those that are palladium heavy. While this tends to hurt at the individual company level, it signals an improving outlook at the sector level from a supply and demand perspective. We have also seen a slow recovery in PGM supply from recycled catalytic converters and we believe it could continue to be constrained in the medium term; which improves the outlook further.

Finally, from a market perspective, we have seen BEV growth falter while plug-in hybrids (which are neutral from a PGM point of view) have grown strongly. A lack of affordable low cost models has meant that, outside of China, BEVs have not been able to successfully penetrate the mass market. In the long term, these models will come to the market but with a moderating of political pressure it looks likely that car manufacturers will focus more on hybrids in the next few years. On a long term basis, we think that BEVs will continue to grow and thus there is a lot of uncertainty surrounding market balances, with risk to the downside for the PGM sector.

While the fundamentals over the medium term have been improving, we have seen the metal and equity prices continue to deteriorate. For us, this represents a compelling opportunity given our ability to look through the current market noise. Our concerns over the very long term remain and we have taken this risk into account through position sizing. The long-term risk of BEVs is compounded by the shareholder unfriendly capital allocation we have seen in recent years and also expect in the future. Whilst mining companies on the whole have not covered themselves in glory in this regard, the PGM sector has been particularly disappointing.

Within the portfolio, we have bought Northam and Impala, where we think the risk to reward is most in our favour. The downcycle may extend for some time still, given the inherently uncertain nature of calling the bottom in any commodity cycle. Outside of PGMs, we are more optimistic about the Fund's exposure to the companies outside of the diversified sector. We see a lot of value in businesses like Grindrod, HCL, Mondi and Whitehaven Coal in contrast to the diversified miners and the gold sector.

Portfolio managers

Nicholas Hops and Nicholas Stein

as at 30 September 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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