

## INVESTMENT OBJECTIVE

The Coronation Multi-Strategy Arbitrage Hedge Fund makes use of arbitrage strategies in the pursuit of attractive risk-adjusted returns, independent of general market direction. The fund is expected to have low volatility with a very low correlation to equity markets. Stock-picking is based on fundamental in-house research. Factor-based and statistical arbitrage models are used solely for screening purposes. Active use of derivatives is applied to reduce risk and implement views efficiently. The risk profile of the fund is expected to be low due to its low net equity exposure and focus on arbitrage-related strategies. The portfolio is well positioned to take advantage of low probability/high payout events and will thus generally be long volatility through the options market. The fund's target return is cash plus 5%. The objective is to achieve this return with low risk, providing attractive risk-adjusted returns through a low fund standard deviation.

## INVESTMENT PARAMETERS

Net exposure is capped at 30%, of which 15% represents true directional exposure in the alpha strategy. Gross exposure is limited to 300%, allowing the fund to benefit from arbitrage-related strategies that do not require significant capital. The gross exposure is calculated by total value of longs plus total absolute value of the shorts as percentage of the market value of the fund. If derivatives are used in the portfolio, then its true effective exposure should be incorporated when calculating net and gross exposure. The Portfolio is precluded from raising any debt funding over and above that achieved in terms of the long/short process. There are mandated limits per strategy. The fund may invest in unlisted vehicles, in particular money market investment and exposure to small capitalisation shares may be achieved in this way. Investment in derivatives is permitted for efficient investment management of the fund.

## FUND RETURNS\*

|                              | Fund   | Capped SWIX* | ALBI   | Cash   |
|------------------------------|--------|--------------|--------|--------|
| Since inception (cumulative) | 867.7% | 1455.2%      | 430.3% | 270.6% |
| Since inception p.a.         | 11.6%  | 14.1%        | 8.4%   | 6.5%   |
| Latest 10 year p.a.          | 9.6%   | 6.4%         | 7.7%   | 5.8%   |
| Latest 5 year p.a.           | 10.2%  | 7.6%         | 7.0%   | 5.4%   |
| Latest 1 year                | 12.8%  | 2.9%         | 4.2%   | 8.0%   |
| Year to date                 | (0.1)% | (2.3)%       | (1.8)% | 1.9%   |
| Month                        | (1.2)% | 2.9%         | (1.9)% | 0.7%   |

\*Fund Returns since inception to 30 September 2023 are for the A class (the most expensive fee class prior to the A class being closed on 30 September 2023) and was calculated net of fees and net of fund expenses. Fund Returns from 1 October 2023 to date are for the Z class. Fund Returns for the Z class are calculated net of fund expenses and gross of investment management and performance fees. Investment management and performance fees are individually agreed with each Qualified Investor prior to investment and are levied outside of the fund. Each Qualified Investor receives a monthly report indicating performance net of their individual fees and expenses.

## PERFORMANCE &amp; RISK STATISTICS\*

|                               | Fund    | Capped SWIX* | ALBI   | Cash  |
|-------------------------------|---------|--------------|--------|-------|
| Average Annual Return         | 11.8%   | 15.2%        | 8.6%   | 6.4%  |
| Highest Annual Return         | 34.6%   | 72.7%        | 21.2%  | 11.3% |
| Lowest Annual Return          | (18.5)% | (35.6)%      | (5.6)% | 3.3%  |
| Annualised Standard Deviation | 6.6%    | 14.9%        | 7.3%   | 0.5%  |
| Downside Deviation            | 6.7%    | 9.7%         | 5.2%   |       |
| Maximum Drawdown              | (19.9)% | (38.3)%      | (9.8)% |       |
| Sharpe Ratio                  | 0.76    | 0.51         | 0.25   |       |
| Sortino Ratio                 | 0.75    | 0.79         | 0.35   |       |
| % Positive Months             | 79.1%   | 64.3%        | 68.3%  |       |
| Correlation (Capped SWIX*)    | 0.31    |              |        |       |
| Correlation (ALBI)            | 0.22    |              |        |       |
| 99% Value at Risk (P&L %)     | (1.1)%  |              |        |       |

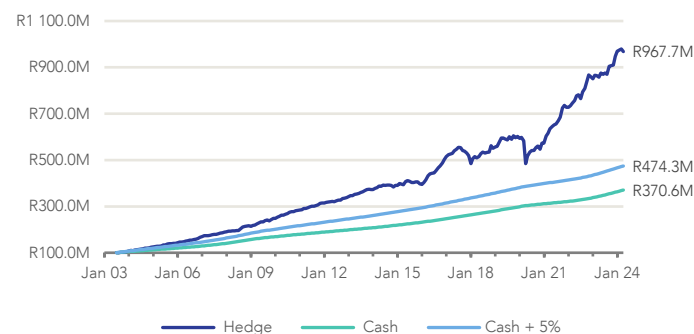
\*JSE Capped Shareholder Weighted Index from 01 July 2011, with JSE Capped All Share Index applicable from inception to 30 June 2011.

## GENERAL INFORMATION

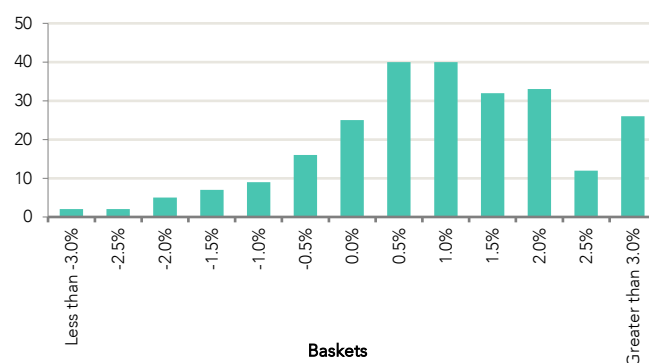
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|---|---|
| <b>Investment Structure</b>                     | Limited liability en commandite partnership                                       |
| <b>Disclosed Partner</b>                        | Coronation Management Company (RF) (Pty) Ltd                                      |
| <b>Inception Date</b>                           | 01 July 2003  |
| <b>Hedge Fund CIS launch date</b>               | 01 October 2017   |
| <b>Year End</b>                                 | 30 September  |
| <b>Fund Category</b>                            | South African Multi-Strategy Hedge Fund   |
| <b>Target Return</b>                            | Cash + 5%   |
| <b>Annual Management &amp; Performance Fees</b> | Annual Management and Performance Fees are agreed and levied outside of the Fund. |
| <b>Total Expense Ratio (TER)†</b>               | 0.16% (excluding management and performance fees)                                 |
| <b>Transaction Costs (TC)†</b>                  | 1.43%   |
| <b>Fund Size (R'Millions)‡</b>                  | R431.14   |
| <b>Fund Status</b>                              | Open  |
| <b>NAV (per unit)</b>                           | 140.30 cents  |
| <b>Base Currency</b>                            | ZAR   |
| <b>Dealing Frequency</b>                        | Monthly   |
| <b>Income Distribution</b>                      | Annual (with all distributions reinvested)  |
| <b>Minimum Investment</b>                       | R5 million  |
| <b>Notice Period</b>                            | 1 month   |
| <b>Investment Manager</b>                       | Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893)                  |
| <b>Auditor</b>                                  | KPMG Inc.   |
| <b>Prime Broker</b>                             | N/A   |
| <b>Custodian</b>                                | Nedbank Ltd   |
| <b>Administrator</b>                            | JP Morgan Chase Bank, N.A., London Branch   |
| <b>Portfolio Managers</b>                       | Neville Chester & Nic Stein   |

†TER and TC data is provided for the 1 year ending 29 February 2024. TER excludes manufactured dividend expenses and scrip borrowing costs, in line with the revised ASISA TER Hedge Fund Disclosure Standard. ‡Fund Size is as at 31 March 2024.

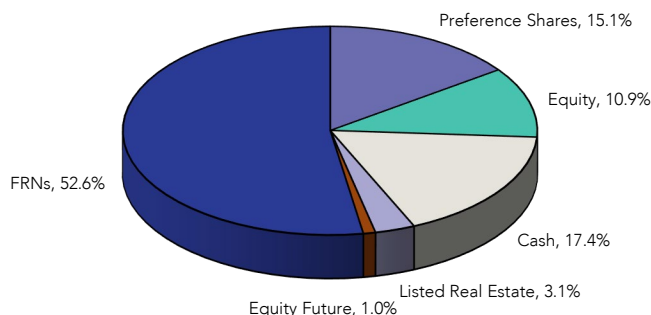
## GROWTH OF R100m INVESTMENT\*



## MONTHLY RETURN DISTRIBUTION



## ASSET ALLOCATION



## EXPOSURE BY UNDERLYING STRATEGY

|                    | Long   | Short   | Net    | Gross  |
|--------------------|--------|---------|--------|--------|
| Alpha              | 14.9%  | 0.0%    | 14.9%  | 14.9%  |
| Market Neutral     | 49.8%  | (54.6)% | (4.8)% | 104.4% |
| Merger Arbitrage   | 7.6%   | 0.0%    | 7.6%   | 7.6%   |
| NAV Arbitrage      | 1.9%   | (1.9)%  | 0.0%   | 3.8%   |
| Residual Hedge     | 67.7%  | 0.0%    | 67.7%  | 67.7%  |
| Short              | 0.0%   | (2.7)%  | (2.7)% | 2.7%   |
| Total (excl. cash) | 141.8% | (59.2)% | 82.6%  | 201.0% |
| Cash               | 17.8%  | (0.4)%  | 17.4%  | 18.2%  |
| Total (incl. cash) | 159.6% | (59.6)% | 100.0% | 219.2% |

## INCOME DISTRIBUTIONS (cents per unit)

| Declaration Date | Amount | Dividend | Interest |
|------------------|--------|----------|----------|
| 30-Sep-23        | 57.68  | 33.13    | 24.55    |

## PORTFOLIO LIQUIDITY

|       | Days to Trade |
|-------|---------------|
| Long  | 10.4          |
| Short | 0.1           |

## MONTHLY COMMENTARY

The Fund\* had a disappointing month with a return of -1.2%. The main driver was the Pairs portfolio, where across the board our chosen matched pairs came under pressure. The M&A Arbitrage portfolio also detracted although this should recover as deals close. Against this we had decent return from the Long Only and Residual portfolio which reduced the overall negative impact of the other strategies.

\*The Fund return is net of expenses and gross of fees.

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