

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)	940.5%	1582.9%	470.1%	277.8%
Since inception p.a.	11.8%	14.4%	8.6%	6.5%
Latest 10 year p.a.	10.3%	6.5%	8.2%	5.9%
Latest 5 year p.a.	12.2%	8.7%	7.8%	5.5%
Latest 1 year	18.8%	10.0%	13.7%	8.1%
Year to date	7.4%	5.7%	5.6%	3.9%
Month	0.1%	4.2%	5.2%	0.6%

*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 & RISK STATISTICS*

	Fund	Capped SWIX*	ALBI	Cash
Average Annual Return	11.9%	15.1%	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%	7.4%	0.5%
Downside Deviation	6.7%	9.7%	5.2%	
Maximum Drawdown	(19.9)%	(38.3)%	(9.8)%	
Sharpe Ratio	0.80	0.53	0.29	
Sortino Ratio	0.79	0.81	0.40	
% Positive Months	79.4%	64.7%	68.7%	
Correlation (Capped SWIX*)	0.31			
Correlation (ALBI)	0.22			
99% Value at Risk (P&L %)	(1.1)%			

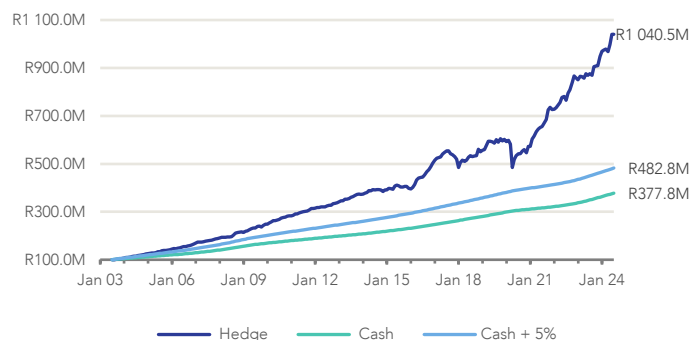
*JSE Capped Shareholder Weighted Index from 01 July 2011, with JSE Capped All Share Index applicable from inception to 30 June 2011.

GENERAL INFORMATION

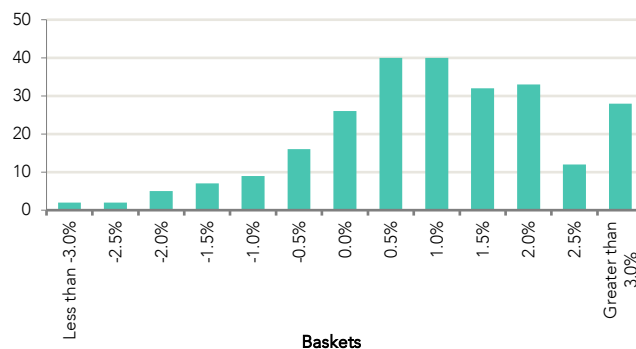
Investment Structure	Limited liability en commandite partnership
Disclosed Partner	Coronation Management Company (RF) (Pty) Ltd
Inception Date	01 July 2003
Hedge Fund CIS launch date	01 October 2017
Year End	30 September
Fund Category	South African Multi-Strategy Hedge Fund
Target Return	Cash + 5%
Annual Management & Performance Fees	Annual Management and Performance Fees are agreed and levied outside of the Fund.
Total Expense Ratio (TER)†	0.12% (excluding management and performance fees)
Transaction Costs (TC)†	1.47%
Fund Size (R'Millions)‡	R703.68
Fund Status	Open
NAV (per unit)	150.86 cents
Base Currency	ZAR
Dealing Frequency	Monthly
Income Distribution	Annual (with all distributions reinvested)
Minimum Investment	R5 million
Notice Period	1 month
Investment Manager	Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893)
Auditor	KPMG Inc.
Prime Broker	N/A
Custodian	Nedbank Ltd
Administrator	JP Morgan Chase Bank, N.A., London Branch
Portfolio Managers	Neville Chester & Nic Stein

†TER and TC data is provided for the 1 year ending 31 May 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 30 June 2024.

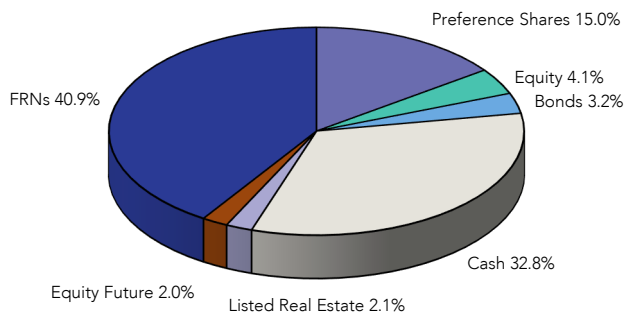
GROWTH OF R100m INVESTMENT*



MONTHLY RETURN DISTRIBUTION



ASSET ALLOCATION



EXPOSURE BY UNDERLYING STRATEGY

	Long	Short	Net	Gross
Alpha	12.8%	0.0%	12.8%	12.8%
Market Neutral	52.1%	(56.9)%	(4.8)%	109.0%
Merger Arbitrage	2.7%	0.0%	2.7%	2.7%
NAV Arbitrage	2.3%	(2.2)%	0.1%	4.5%
Residual Hedge	59.1%	0.0%	59.1%	59.1%
Short	0.0%	(2.7)%	(2.7)%	2.7%
Total (excl. cash)	129.0%	(61.8)%	67.2%	190.8%
Cash	35.7%	(2.9)%	32.8%	38.5%
Total (incl. cash)	164.6%	(64.6)%	100.0%	229.3%

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	11.1
Short	0.2

MONTHLY COMMENTARY

After a couple of exceptional months, the Fund* had a muted return, basically flat for the month. Given the wild swings that occurred in the local market this was actually a pleasing result as there was plenty of scope for negative returns with such volatility as sentiment swung pre and post the SA elections. The Market Neutral Pairs were the biggest detractor, but these were more than offset by positive returns from the other strategies, with the Long Only and Residual portfolios being the major contributors. The Fund's market neutral characteristics were evident in the nature of the returns in what was a strong month for SA equities.

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

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