CORONATION

GRANITE PLUS HEDGE FUND

QUALIFIED INVESTOR HEDGE FUND FACT SHEET AS AT 31 OCTOBER 2026

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INVESTMENT OBJECTIVE

The Coronation Granite Plus Hedge Fund is managed as a long/short fixed income fund, investing in a diversified portfolio of securities, including derivative instruments, bonds and cash. The Coronation Granite Plus Hedge Fund makes use of six core and distinct fixed income strategies, namely: Directional View Taking, Yield Curve Positioning, Corporate Credit Opportunities, Arbitrage Strategies, Quantitative and Relative Value Trades in the pursuit of producing consistent absolute returns independent of general market direction.

The fund is expected to have low volatility with a very low correlation to the All Bond Index (ALBI). Investment decisions are driven by fundamental proprietary in-house research. The fund's target return is cash plus 4%. The objective is to achieve this return with low risk, providing attractive risk-adjusted returns through a low fund standard deviation.

The fund may make use of derivative instruments for efficient portfolio management purposes.

INVESTMENT PARAMETERS

The Coronation Granite Plus Hedge Fund may invest in international investments. The fund may use leverage but such leverage shall be limited to 10 (ten) times. The fund is precluded from raising any debt funding over and above that achieved in terms of the long/short process. Value at risk is monitored on a daily basis and is subject to an internal limit of 6% at a 95% confidence level, and 10% at a 99% level. The portfolio will have maximum credit exposure limits with reference to credit classification bands, determined in accordance with the fund's Credit Exposure Guidelines. Limits per issuer within each credit classification band exist and are monitored on a daily basis. No writing of uncovered options will be permitted. The fund employs stop-loss strategies to facilitate capital preservation. The intention is to invest the majority of the fund in liquid tradable securities that are listed on BESA or the JSE. The fund may invest in unitised vehicles where appropriate. Investment in derivatives is permitted for efficient investment management of the fund.

FUND RETURNS

	Fund*	ALBI	Cash**
Since inception (cumulative)	126.4%	135.1%	60.6%
Since inception p.a.	10.6%	11.2%	6.0%
Latest 5 year p.a.	11.9%	12.7%	6.8%
Latest 3 year p.a.	11.9%	17.8%	7.3%
Latest 1 year p.a.	9.2%	12.3%	6.7%
Year to date	6.9%	5.7%	5.6%
Month	1.0%	2.1%	0.6%

*Fund Returns 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 investment management fees, performance fees and expenses.

**South Africa Rand Overnight Deposit Rate.

PERFORMANCE & RISK STATISTICS (Since inception)

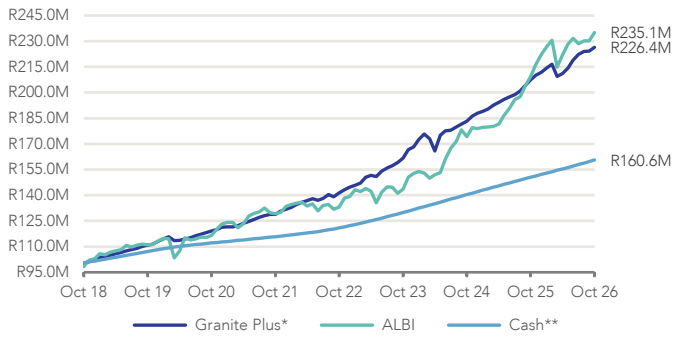
	Fund*	ALBI	Cash**
Average Annual Return	10.8%	11.4%	6.0%
Highest Annual Return	19.4%	28.2%	8.1%
Lowest Annual Return	4.9%	(3.0)%	3.3%
Annualised Standard Deviation	3.7%	8.2%	0.5%
Downside Deviation	5.0%	7.5%	
Maximum Drawdown	(5.7)%	(9.8)%	
Sharpe Ratio	1.23	0.62	
Sortino Ratio	0.93	0.68	
% Positive Months	90.7%	74.2%	100.0%
Correlation (ALBI)	0.46		
99% Value at Risk (P&L %)	(0.6)%		

GENERAL INFORMATION

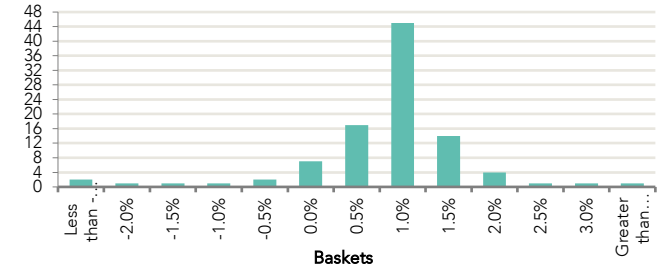
Investment Structure	Limited liability en commandite partnership
Disclosed Partner	Coronation Management Company (RF) (Pty) Ltd
Inception Date	01 October 2018
Hedge Fund CIS launch date	01 October 2018
Year End	30 September
Fund Category	South African Fixed Income Hedge Fund
Benchmark ±	Cash
Target Return	Cash + 4%
Annual Management & Performance Fees	Annual Management and Performance Fees are agreed and levied outside of the Fund.
Total Expense Ratio (TER)†	0.11% (excluding management and performance fees).
Transaction Costs (TC)†	0.03%
Fund Size (R'Millions) ‡	R119.45
Fund Status	Open
NAV (per unit)	117.86 cents
Base Currency	ZAR
Dealing Frequency	Monthly
Income Distribution	Annual (with all distributions reinvested)
Minimum Investment	R1 million
Notice Period	5 business days
Investment Manager	Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893)
Auditor	KPMG Inc.
Prime Brokers	Absa Bank Ltd and FirstRand Bank Ltd
Custodian	Standard Chartered Bank
Administrator	JP Morgan Chase Bank, N.A., London Branch
Transfer Agency	Intembeko Investment Administrators
Portfolio Managers	Nishan Maharaj, Adrian van Pallander, and Seamus Vasey

The benchmark of the hedge fund has been included to align with industry standards.TER and TC data is provided for the 1 year ending 30 September 2026. TER excludes manufactured dividend expenses and scrip borrowing costs, in line with the revised ASISA TER Hedge Fund Disclosure Standard. Fund assets under management as at 31 October 2026.

GROWTH OF R100m INVESTMENT



HISTOGRAM OF MONTHLY NET RETURNS



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PORTFOLIO LIQUIDITY

	Days to Trade
Long	5.9
Short	-

INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-26	8.59	0.00	8.59

STRATEGY STATISTICS

Number of long positions	41
Number of short positions	6

MONTHLY COMMENTARY

The Fund returned 1.0%* in October taking the one-year return to 9.2%. This places the Fund 2.5% ahead of cash over 12 months.

October was defined by a pause in the global policy rate tightening cycle, as the Federal Reserve Board (the Fed) and the European Central Bank (ECB) held rates steady following their September hikes, opting to assess the transmission of earlier tightening and the recent rise in long-term borrowing costs. The pause is unlikely to mark the end of the cycle as September inflation readings accelerated across most major economies on the back of persistently high energy costs and markets continue to price further hikes in December. Third quarter of 2026 (Q3-26) growth data proved broadly resilient, with the US economy accelerating and China's growing ahead of market expectations. The risks of a short-term re-acceleration in major economy tightening of monetary conditions has definitely stepped up a notch.

In SA, Finance Minister Enoch Godongwana tabled the MTBPS in October against a challenging backdrop of an oil price shock, slowing growth and higher interest rates. The headline message was one of entrenching fiscal credibility: gross debt has stabilised at 78.4% of GDP in 2025/26, and is projected to decline to 76.6% by 2029/30, albeit on a slightly higher path than in February 2026 due to weaker nominal GDP (but with estimates made prior to the major GDP revisions). Strong corporate income tax, dividends tax and VAT collections lifted 2026/27 gross tax revenue by R17.1bn to R2.14trn, allowing spending to rise by R45.5bn while the consolidated deficit narrows to 3.9% of GDP (4.0% in February) and 2.5% by 2029/30, with the primary surplus rising from 1.7% to 2.9% of GDP. Importantly for bonds, National Treasury cut weekly nominal and ILB auction sizes to R1.95bn and R900m respectively and introduced short-dated buybacks. The market reaction was positive, with the 10-year yield falling by 18bps on the day, and with Moody's and S&P both on a positive outlook ahead of their 27 November reviews (yes - the same day). The MTBPS provides positive momentum behind how the major agencies view the sovereign and SA remains on track for at least one upgrade in the near-term.

The last few months have served as a reminder (as if one were needed...) that SA fixed income does not operate in a vacuum. The renewed oil shock, a US 10-year yield above 5%, and a repricing of SARB expectations were enough to erase part of the recovery earlier in the year, despite improving domestic fundamentals. Yet the starting point remains somewhat attractive. At a 10-year yield of c. 8.5%, nominal bonds offer a real yield of close to 4.0% against our medium-term inflation forecast and a carry of c. 150 bps over cash. This provides a favourable valuation backdrop for longer-dated SA interest rates more broadly, even as short-term global and domestic factors - especially inflation data & associated central bank's responses - remain tilted towards higher risk premia being massaged into SA rates before year-end.

The Fund had a much better month in October. A selection of favourable carry trades benefited from range-bound domestic rates within certain buckets over the month, alongside an overall welcoming response to the MTBPS (which the Fund was duly positioned for) and a decent pull back in certain of the Fund's hedged exposures related to SA's offshore sovereign pricing, which had a tough time in September in accordance with global rate moves at the time.

Looking ahead, the Fund's underlying holdings remain rock-solid; liquidity is ready-and-waiting and the risk budget has decent capacity - a good set-up to continue the progressive and consistent recovery in the Fund's performance over the past few months from the shake-out experienced with the advent of the Middle East crisis earlier in the year.

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

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