

INVESTMENT OBJECTIVE

The investment objective of the Coronation Presidio Hedge Fund is to generate long-term, superior risk-adjusted returns from investing primarily in South African listed equities. The fund utilises a traditional long/short equity hedge fund structure with net exposure typically between 40% and 70% and moderate use of leverage with gross exposure in the 120% - 180% range. The fund invests in equities, both long and short, based on a bottom-up fundamental valuation-orientated analysis.

INVESTMENT PARAMETERS

In addition to investing in equities, the fund may hold cash and interest-bearing assets where appropriate and make use of derivative instruments for efficient portfolio management purposes. Exposure to underlying funds is permitted. The Fund currently invests only in the Coronation Money Market Fund (as a cash component). Net exposure is capped at 100% and gross exposure is limited to 300%. Unlisted South African equities (up to 10% of portfolio value at cost / 15% of portfolio market value).

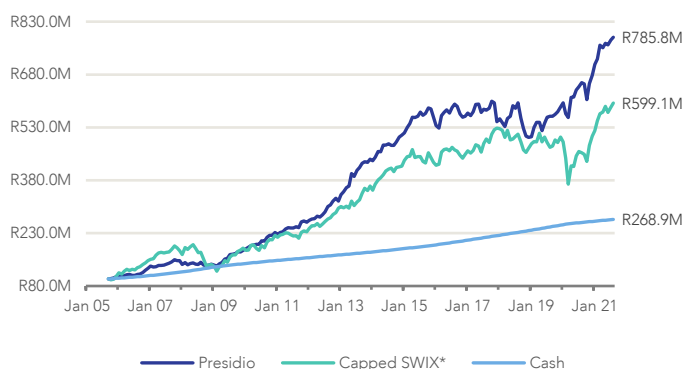
FUND RETURNS NET OF FEES

Period	Fund	Capped SWIX*	Cash
Since Inception (cumulative)	685.8%	499.1%	168.9%
Since Inception p.a.	13.8%	11.9%	6.4%
Latest 10 year p.a.	12.2%	10.4%	5.5%
Latest 7 year p.a.	7.3%	5.4%	5.7%
Latest 5 year p.a.	5.7%	5.1%	5.6%
Latest 3 year p.a.	9.4%	5.5%	5.0%
Latest 2 year p.a.	18.3%	12.4%	4.2%
Latest 1 year	19.6%	30.8%	3.3%
Year to Date	15.9%	18.6%	2.2%
Month	1.1%	2.0%	0.3%

PERFORMANCE & RISK STATISTICS (Since inception)

	Fund	Capped SWIX*	Cash
Average Annual Return	14.2%	12.1%	6.5%
Highest Annual Return	44.6%	54.2%	11.3%
Lowest Annual Return	(15.7)%	(35.6)%	3.3%
Annualised Standard Deviation	10.1%	14.9%	0.5%
Downside Deviation	7.3%	10.1%	
Maximum Drawdown	(17.0)%	(38.3)%	
Sharpe Ratio	0.74	0.37	
Sortino Ratio	1.02	0.54	
% Positive Months	69.6%	63.9%	100.0%
Correlation (Capped SWIX*)	68.1%		
99% Value at Risk (P&L %)	(2.1)%		

GROWTH OF R100m INVESTMENT



*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 October 2005
Hedge Fund CIS launch date	01 October 2017
Year End	30 September
Fund Category	South African Long Short Equity Hedge Fund
Target Return	Cash + 7%
Performance Fee Hurdle Rate	Cash + high-water mark
Annual Management Fee	1% (excl. VAT)
Annual Outperformance Fee	15% (excl. VAT) of returns above cash, capped at 3%
Total Expense Ratio (TER)[†]	1.28%
Transaction Costs (TC)[†]	0.49%
Fund Size (R'Billions)[‡]	R2.22
Fund Status	Open
NAV (per unit)	748.68 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 Brokers	N/A
Custodian	Nedbank Ltd
Administrator	Sanne Fund Services SA (Pty) Ltd
Portfolio Managers	Karl Leinberger & Quinton Ivan

[†]TER and TC data is provided for the 1 year ending 31 July 2021. 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 August 2021.

SECTOR EXPOSURE

	Long	Short	Net
Financials	30.6%	(18.8)%	11.8%
Consumer Services	28.1%	(7.9)%	20.2%
Technology	14.4%	0.0%	14.4%
Basic Materials	30.9%	(9.1)%	21.8%
Consumer Staples	2.7%	0.0%	2.7%
Health Care	5.2%	(1.9)%	3.3%
Consumer Goods	5.8%	(6.5)%	(0.7)%
Option	0.0%	(2.5)%	(2.5)%
Future	0.0%	(6.3)%	(6.3)%
Telecommunications	0.0%	(3.2)%	(3.2)%
Industrials	5.3%	(0.2)%	5.1%
Total [‡]	122.9%	(56.3)%	66.6%

[‡]Excluding Cash and Commodities

TOP 10 LONG HOLDINGS

PROSUS NV
ANGLO AMERICAN PLC
FIRSTSTRAND LTD
EXXARO RESOURCES LTD
WOOLWORTHS HOLDINGS LTD
ASPEN PHARMACARE HOLDINGS LTD
GLENCORE XSTRATA PLC
BRITISH AMERICAN TOBACCO PLC
QUILTER PLC
SPAR GROUP LTD

STRATEGY STATISTICS

Long exposure	122.9%
Short exposure	(56.3)%
Net exposure	66.6%
Beta adjusted net exposure	60.9%
Gross exposure	179.3%
Number of long positions	36
Number of short positions	19
Top 10 longs % NAV	69.4%
Average net exposure since inception	62.1%
Average gross exposure since inception	167.7%

PORTFOLIO LIQUIDITY

	Days to Trade
Long	1.9
Short	0.8

INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-20	8.78	6.61	2.18

MONTHLY COMMENTARY

The Fund had a disappointing month, increasing 1.1% (net of fees) for the month of August, underperforming the JSE Capped Shareholder Weighted Index (Capped SWIX) that increased by 2.0%. This was achieved with a net exposure that averaged 67.9% for the month. The main positive contributors (on a relative basis) on the long side were Shoprite Holdings (+14.6%), Woolworths Holdings (+14.1%) and Firstrand (+13.9%). On the short side, declines in an iron ore producer, a Switzerland-based luxury goods holding company and an African entertainment company, contributed to relative outperformance. In terms of detractors, longs in Angolgold Ashanti (-16.5%), Northam Platinum (-13.5%) and The Foschini Group (-3.7%) as well as short positions in a pan-African investment, savings insurance and banking group, a South African retail bank and a retail-led healthcare group, cost performance.

The annualised return of the fund (net of fees) since inception is 13.8% versus 11.9% for the Capped SWIX and cash of 6.4%. This has been achieved with an average net equity exposure of 62.1% and volatility of 10.1%. At the end of August, the net exposure of the fund was 66.6% above the fund's long-term average. We remain of the view that the return from equities is more attractive than cash.

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