

## 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).

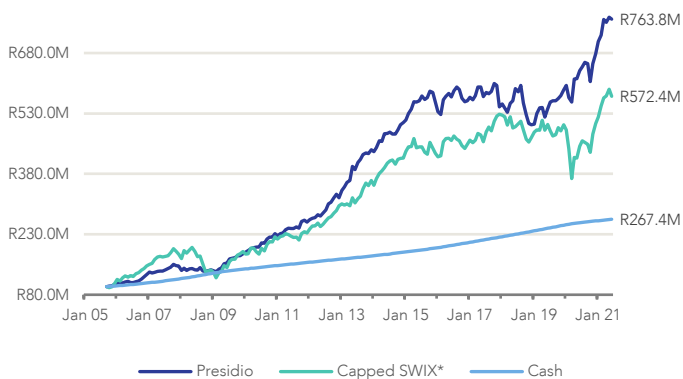
## FUND RETURNS NET OF FEES

Period	Fund	Capped SWIX*	Cash
Since Inception (cumulative)	663.8%	472.4%	167.4%
Since Inception p.a.	13.8%	11.7%	6.4%
Latest 10 year p.a.	12.1%	9.8%	5.5%
Latest 7 year p.a.	6.9%	5.0%	5.8%
Latest 5 year p.a.	6.0%	4.3%	5.8%
Latest 3 year p.a.	8.9%	4.8%	5.2%
Latest 2 year p.a.	18.8%	6.7%	4.5%
Latest 1 year	20.0%	27.6%	3.3%
Year to Date	12.6%	13.3%	1.6%
Month	(0.7)%	(3.0)%	0.3%

## PERFORMANCE &amp; RISK STATISTICS (Since inception)

	Fund	Capped SWIX*	Cash
Average Annual Return	14.1%	11.9%	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%	15.0%	0.5%
Downside Deviation	7.3%	10.1%	
Maximum Drawdown	(17.0)%	(38.3)%	
Sharpe Ratio	0.73	0.35	
Sortino Ratio	1.01	0.52	
% Positive Months	69.3%	63.5%	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

<b>Investment Structure</b>	Limited liability en commandite partnership
<b>Disclosed Partner</b>	Coronation Management Company (RF) (Pty) Ltd
<b>Inception Date</b>	01 October 2005
<b>Hedge Fund CIS launch date</b>	01 October 2017
<b>Year End</b>	30 September
<b>Fund Category</b>	South African Long Short Equity Hedge Fund
<b>Target Return</b>	Cash + 7%
<b>Performance Fee Hurdle Rate</b>	Cash + high-water mark
<b>Annual Management Fee</b>	1% (excl. VAT)
<b>Annual Outperformance Fee</b>	15% (excl. VAT) of returns above cash, capped at 3%
<b>Total Expense Ratio (TER)<sup>†</sup></b>	1.29%
<b>Transaction Costs (TC)<sup>†</sup></b>	0.51%
<b>Fund Size (R'Billions)<sup>‡</sup></b>	R2.14
<b>Fund Status</b>	Open
<b>NAV (per unit)</b>	727.74 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 Brokers</b>	N/A
<b>Custodian</b>	Nedbank Ltd
<b>Administrator</b>	Sanne Fund Services SA (Pty) Ltd
<b>Portfolio Managers</b>	Karl Leinberger & Quinton Ivan

<sup>†</sup>TER and TC data is provided for the 1 year ending 31 May 2021. TER excludes manufactured dividend expenses and scrip borrowing costs, in line with the revised ASISA TER Hedge Fund Disclosure Standard. <sup>‡</sup>Fund Size is as at 30 June 2021.

## SECTOR EXPOSURE

	Long	Short	Net
Financials	24.5%	(15.7)%	8.8%
Consumer Services	36.7%	(7.1)%	29.6%
Technology	5.9%	0.0%	5.9%
Basic Materials	32.5%	(8.1)%	24.3%
Consumer Staples	2.0%	0.0%	2.0%
Health Care	4.9%	(1.9)%	3.0%
Consumer Goods	6.8%	(5.8)%	1.0%
Option	0.0%	(3.8)%	(3.8)%
Future	0.0%	(6.3)%	(6.3)%
Industrials	6.1%	(1.4)%	4.7%
Telecommunications	0.0%	(4.7)%	(4.7)%
<b>Total<sup>‡</sup></b>	<b>119.3%</b>	<b>(54.7)%</b>	<b>64.6%</b>

<sup>‡</sup>Excluding Cash and Commodities

## TOP 10 LONG HOLDINGS

ANGLO AMERICAN PLC
NASPERS LTD
FIRSTRAND LTD
EXXARO RESOURCES LTD
BRITISH AMERICAN TOBACCO PLC
PROSUS NA
GLENCORE XSTRATA PLC
ASPEN PHARMACARE HOLDINGS LTD
QUILTER PLC
MOMENTUM METROPOLITAN HOLDINGS LTD

## STRATEGY STATISTICS

Long exposure	119.3%
Short exposure	(54.7)%
Net exposure	64.6%
Beta adjusted net exposure	61.9%
Gross exposure	174.1%
Number of long positions	36
Number of short positions	20
Top 10 longs % NAV	65.8%
Average net exposure since inception	62.0%
Average gross exposure since inception	167.6%

## PORTFOLIO LIQUIDITY

	Days to Trade
Long	2.0
Short	0.7

## 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 good month, declining -0.7% (net of fees) for the month of June, outperforming the JSE Capped Shareholder Weighted Index (Capped SWIX) that decreased by -3.0%. This was achieved with a net exposure that averaged 65.6% for the month. The main positive contributors (on a relative basis) on the long side were Exxaro Resources (+9.5%), British American Tobacco (+5.2%) and The Foschini Group (+20.0%). On the short side, declines in an African entertainment company, an international private healthcare services group and a grocery, clothing and general merchandise retailer, contributed to relative outperformance. In terms of detractors, longs in Gold Fields (-26.0%), AngloGold Ashanti (-22.0%) and FirstRand (-4.4%) as well as short positions in an iron ore producer, a luxury goods holding company and a mobile telecommunications company, cost performance.

The annualised return of the fund (net of fees) since inception is 13.8% versus 11.7% for the Capped SWIX and cash of 6.4%. This has been achieved with an average net equity exposure of 62.0% and volatility of 10.1%. At the end of June, the net exposure of the fund was 64.6% 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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