

## 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 NET OF FEES

	Fund	Capped SWIX*	ALBI	Cash
Since inception (cumulative)	665.3%	1247.7%	363.1%	228.0%
Since inception p.a.	11.3%	14.7%	8.4%	6.5%
Latest 10 year p.a.	9.0%	9.1%	7.2%	5.4%
Latest 5 year p.a.	6.7%	5.9%	7.8%	5.1%
Latest 1 year	16.7%	6.9%	1.3%	3.7%
Year to date	5.1%	(4.6)%	(1.9)%	2.0%
Month	(2.1)%	(7.5)%	(3.1)%	0.4%

## PERFORMANCE &amp; RISK STATISTICS

	Fund	Capped SWIX*	ALBI	Cash
Average Annual Return	11.6%	16.1%	8.8%	6.5%
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	7.1%	10.2%	5.2%	
Maximum Drawdown	(19.9)%	(38.3)%	(9.8)%	
Sharpe Ratio	0.73	0.55	0.27	
Sortino Ratio	0.68	0.81	0.37	
% Positive Months	80.3%	65.8%	68.9%	
Correlation (Capped SWIX*)	0.32			
Correlation (ALBI)	0.23			
99% Value at Risk (P&L %)	(1.0)%			

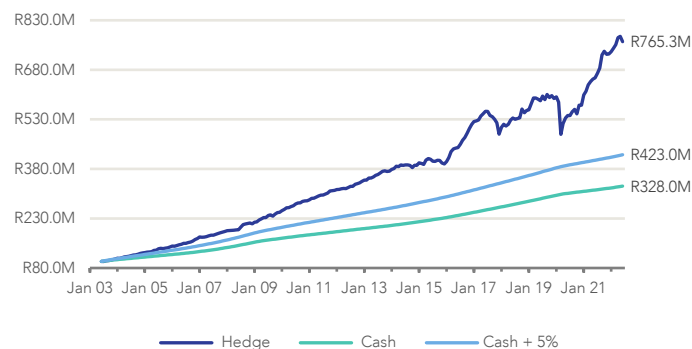
\*JSE Capped Shareholder Weighted Index from 01 July 2011, with JSE Capped All Share Index applicable from inception to 30 June 2011.

## GENERAL INFORMATION

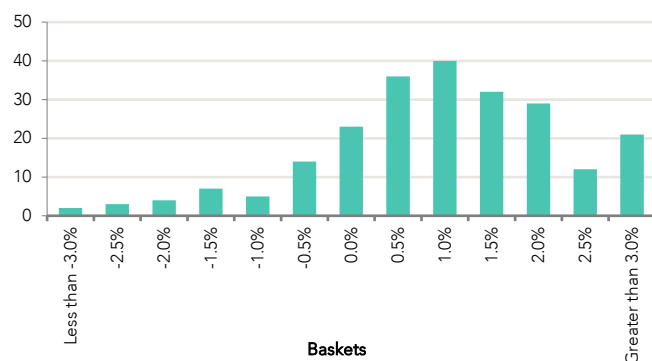
<b>Investment Structure</b>	Limited liability en commandite partnership
<b>Disclosed Partner</b>	Coronation Management Company (RF) (Pty) Ltd
<b>Inception Date</b>	01 July 2003
<b>Hedge Fund CIS launch date</b>	01 October 2017
<b>Year End</b>	30 September
<b>Fund Category</b>	South African Multi-Strategy Hedge Fund
<b>Target Return</b>	Cash + 5%
<b>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)†</b>	2.93%
<b>Transaction Costs (TC)†</b>	1.62%
<b>Fund Size (R'Millions)‡</b>	R377.26
<b>Fund Status</b>	Open
<b>NAV (per unit)</b>	562.84 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>	Sanne Fund Services SA (Pty) Ltd
<b>Portfolio Managers</b>	Neville Chester & Nic Stein

†TER and TC data is provided for the 1 year ending 31 May 2022. 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 2022.

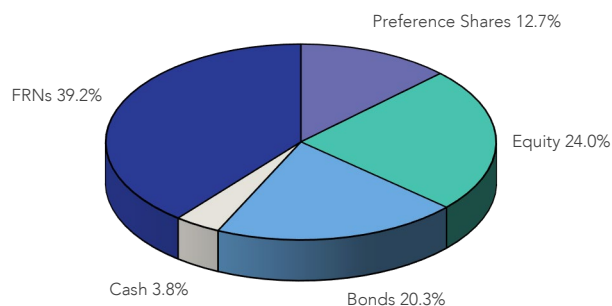
## GROWTH OF R100m INVESTMENT



## MONTHLY RETURN REDISTRIBUTION



## ASSET ALLOCATION



## EXPOSURE BY UNDERLYING STRATEGY

	Long	Short	Net	Gross
Alpha	14.5%	0.0%	14.5%	14.5%
Market Neutral	58.4%	(57.6)%	0.8%	116.1%
Merger Arbitrage	10.7%	(1.9)%	8.8%	12.6%
NAV Arbitrage	8.7%	(8.9)%	(0.2)%	17.7%
Residual Hedge	72.2%	0.0%	72.2%	72.2%
Short	0.0%	0.0%	0.0%	0.0%
Total (excl. cash)	164.6%	(68.4)%	96.2%	233.0%
Cash	3.8%	0.0%	3.8%	3.8%
Total (incl. cash)	168.4%	(68.4)%	100.0%	236.9%

## INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-21	54.53	41.93	12.60

## PORTFOLIO LIQUIDITY

	Days to Trade
Long	14.9
Short	3.0

## MONTHLY COMMENTARY

It was a disappointing month for the fund, delivering a decline of 2.1%, even though this was significantly less than the equity markets decline of 7.5%. While there was fair mix of performance between the different strategies, the big negative was the decline in the market neutral pairs portfolio. The NAV Arb was also a big detractor, which should come back relatively quickly given the low risk nature of this strategy. The M&A arb and short only portfolio made small positive contributions.

## REGULATORY DISCLOSURE AND DISCLAIMER

The content of this document and any information provided may be of a general nature and is not based on any analysis of the investment objectives, financial situation or particular needs of any potential investor. As a result, there may be limitations as to the appropriateness of any information given. It is therefore recommended that any potential investor first obtain the appropriate legal, tax, investment or other professional advice and formulate an appropriate investment strategy that would suit the risk profile of the potential investor prior to acting upon such information and to consider whether any recommendation is appropriate considering the potential investor's own objectives and particular needs. Neither Coronation Fund Managers Limited nor any subsidiary of Coronation Fund Managers Limited (collectively "Coronation") is acting, purporting to act and nor is it authorised to act in any way as an adviser. Any opinions, statements or information contained herein may change and are expressed in good faith. Coronation does not undertake to advise any person if such opinions, statements or information should change or become inaccurate. Coronation Management Company (RF) (Pty) Ltd is an approved manager of Collective Investments Schemes. Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future performance of the fund. Hedge Fund strategies can result in losses greater than the market value of the fund, however investor's losses are limited to capital invested or contractual commitments. Hedge Funds may invest into illiquid instruments which may result in longer periods for investors to redeem units in a portfolio. The ability of a portfolio to repurchase is dependent upon the liquidity of the portfolio and cash of the portfolio. All income, capital gains and other tax liabilities that may arise as a result of participating in this investment structure remain that of the investor. Coronation reserves the right to close the Fund to new investors in order to ensure the Fund is more efficiently managed in line with our clients' mandates. The investor acknowledges the inherent risk associated with an investment in the Fund and agrees that Coronation will not be liable for the consequences of the market influences and consequent changes in unit prices. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager provides no guarantee either in respect of capital preservation or investment return. The Fund's net asset value and price per participatory interest is available at any time on request as well as published monthly in the Fund Fact Sheet, available on [www.coronation.com](http://www.coronation.com). Investors and potential investors may contact the Manager for the latest version of the application form, annual report, and any additional information required on the Fund, free of charge. Coronation Fund Managers Limited is a full member of the Association for Savings and Investment SA (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Limited is a licenced insurer under the Insurance Act, No.18 of 2017.