

## 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

The Coronation Presidio Hedge Fund may invest in International Assets. 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\*

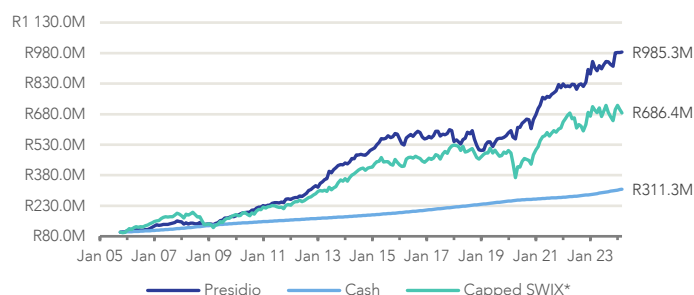
Period	Fund	Capped SWIX*	Cash
Since Inception (cumulative)	885.3%	586.4%	211.3%
Since Inception p.a.	13.2%	11.0%	6.4%
Latest 10 year p.a.	8.3%	6.4%	5.8%
Latest 5 year p.a.	13.2%	7.0%	5.4%
Latest 3 year p.a.	10.8%	7.8%	5.6%
Latest 1 year	8.5%	(2.0)%	7.9%
Year to Date	0.2%	(5.0)%	1.3%
Month	0.3%	(2.3)%	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 &amp; RISK STATISTICS (Since inception)\*

	Fund	Capped SWIX*	Cash
Average Annual Return	13.8%	12.0%	6.3%
Highest Annual Return	44.6%	54.2%	11.3%
Lowest Annual Return	(15.7)%	(35.6)%	3.3%
Annualised Standard Deviation	10.0%	14.9%	0.5%
Downside Deviation	6.7%	9.5%	
Maximum Drawdown	(17.0)%	(38.3)%	
Sharpe Ratio	0.69	0.31	
Sortino Ratio	1.02	0.49	
% Positive Months	67.4%	62.4%	100.0%
Correlation (Capped SWIX*)	69.8%		
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%
Annual Management & Performance Fees	Annual Management and Performance Fees are agreed and levied outside of the Fund.
Total Expense Ratio (TER) <sup>†</sup>	0.11% (excluding management and performance fees)
Transaction Costs (TC) <sup>†</sup>	0.41%
Fund Size (R'Billions) <sup>‡</sup>	R2.10
Fund Status	Open
NAV (per unit)	1077.88 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	JP Morgan Chase Bank, N.A., London Branch
Portfolio Managers	Karl Leinberger & Quinton Ivan

<sup>†</sup>TER and TC data is provided for the 1 year ending 31 January 2024. 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 29 February 2024.

## SECTOR EXPOSURE

	Long	Short	Net
Basic Materials	15.0%	(5.1)%	9.8%
Consumer Goods	10.2%	0.0%	10.2%
Consumer Services	34.4%	(7.1)%	27.3%
Derivatives	0.0%	(2.1)%	(2.1)%
Financials	28.4%	(8.4)%	20.0%
Health Care	4.3%	(5.0)%	(0.7)%
Industrials	1.1%	(3.4)%	(2.3)%
Technology	14.1%	0.0%	14.1%
Telecommunications	1.8%	(4.4)%	(2.6)%
Total <sup>§</sup>	109.2%	(35.6)%	73.7%

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

## TOP 10 LONG HOLDINGS

COMPAGNIE FINANCIERE RICHEMONT SA
PROSUS NV
NASPERS LTD
ANHEUSER-BUSCH INBEV SA/NV
FIRSTRAND LTD
STANDARD BANK GROUP LTD
QUILTER PLC
EXXARO RESOURCES LTD
MONDI PLC
BID CORPORATION LTD

## STRATEGY STATISTICS

Long exposure	109.2%
Short exposure	(35.6)%
Net exposure	73.7%
Beta adjusted net exposure	61.3%
Gross exposure	118.4%
Number of long positions	36
Number of short positions	19
Top 10 longs % NAV	57.4%
Average net exposure since inception	63.5%
Average gross exposure since inception	166.8%

## PORTFOLIO LIQUIDITY

	Days to Trade
Long	2.2
Short	0.8

## INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-23	22.05	16.34	5.71

## MONTHLY COMMENTARY

The Fund\* had an excellent month, increasing by +0.3% for the month of February, outperforming the JSE Capped Shareholder Weighted Index ("Capped SWIX") that declined by -2.3%. The Fund delivered this performance with a net exposure that averaged 72.7% for the month. The main positive contributors (on a relative basis) on the long side were Compagnie Financière Richemont SA (+8.9%), AngloGold Ashanti (+6.8%) and British American Tobacco (+2.9%). On the short side, positions in a South African retailer, an apparel retailer, and a private hospital operator contributed to relative outperformance. In terms of detractors, longs in The Spar Group (-13.0%), MTN Group (-12.6%) and Sasol (-11.9%) as well as a short position in a leading entertainment company cost performance.

The annualised return of the Fund\* since inception is 13.2% versus 11.0% for the Capped SWIX and cash of 6.4%. This has been achieved with an average net equity exposure of 63.5% and volatility of 10.0%. At the end of February, the net exposure of the Fund was 73.7% above the Fund's long-term average. We remain of the view that the return from equities is more attractive than cash.

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

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