CORONATION

GRANITE HEDGE FUND

QUALIFIED INVESTOR HEDGE FUND FACT SHEET AS AT 30 APRIL 2025

CORONATION
TRUST IS EARNED™

INVESTMENT OBJECTIVE

The Coronation Granite 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 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 3%. 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 Hedge Fund may invest in international investments. The fund may use leverage but such leverage shall be limited to 5 (five) 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 maximum modified duration of the fund may not exceed that of the ALBI. 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, 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

	Fund*	ALBI	Cash**
Since inception (cumulative)	688.3%	672.4%	339.4%
Since inception p.a.	9.6%	9.5%	6.8%
Latest 10 year p.a.	8.6%	8.5%	6.1%
Latest 5 year p.a.	8.8%	11.0%	5.7%
Latest 3 year p.a.	10.3%	10.7%	7.3%
Latest 1 year p.a.	14.0%	19.4%	7.7%
Year to date	3.4%	1.5%	2.4%
Month	1.0%	0.8%	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.

**South Africa Rand Overnight Deposit Rate.

PERFORMANCE & RISK STATISTICS (Since inception)

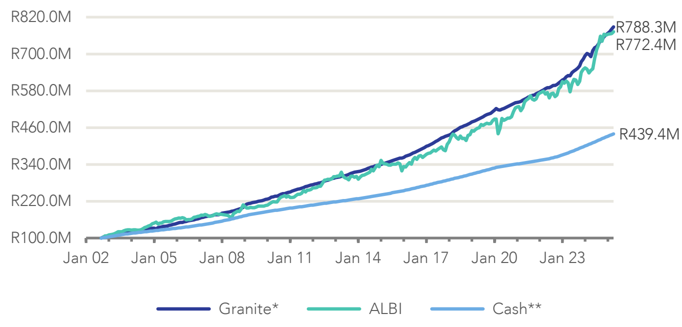
	Fund*	ALBI	Cash**
Average Annual Return	9.4%	9.2%	6.7%
Highest Annual Return	17.3%	26.1%	12.3%
Lowest Annual Return	4.1%	(5.6)%	3.3%
Annualised Standard Deviation	1.8%	7.3%	0.6%
Downside Deviation	1.3%	5.2%	
Maximum Drawdown	(1.5)%	(9.8)%	
Sharpe Ratio	1.54	0.37	
Sortino Ratio	2.07	0.52	
% Positive Months	97.4%	70.1%	100.0%
Correlation (ALBI)	0.17		
99% Value at Risk (P&L %)	(0.3)%		

GENERAL INFORMATION

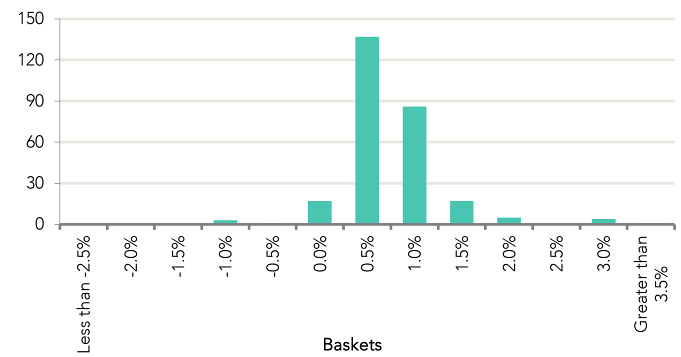
Investment Structure	Limited liability en commandite partnership
Disclosed Partner	Coronation Management Company (RF) (Pty) Ltd
Inception Date	01 October 2002
Hedge Fund CIS launch date	01 October 2017
Year End	30 September
Fund Category	South African Fixed Income Hedge Fund
Benchmark ±	Cash
Target Return	Cash + 3%
Annual Management & Performance Fees	Annual Management and Performance Fees are agreed and levied outside of the Fund.
Total Expense Ratio (TER)†	0.08% (excluding management and performance fees)
Transaction Costs (TC)†	0.02%
Fund Size (R'Millions) ‡	R226.01
Fund Status	Open
NAV (per unit)	106.85 cents
Base Currency	ZAR
Dealing Frequency	Monthly
Income Distribution	Annual (with all distributions reinvested)
Minimum Investment	R1 million
Notice Period	1 month
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
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 31 March 2025. 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 30 April 2025.

GROWTH OF R100m INVESTMENT



HISTOGRAM OF MONTHLY NET RETURNS



PORTFOLIO LIQUIDITY

	Days to Trade
Long	6.9
Short	1.7

INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-24	9.56	0.00	9.56

STRATEGY STATISTICS

Number of long positions	48
Number of short positions	6

MONTHLY COMMENTARY

The Fund returned 1.0%* in April, taking its one-year return to 14.0%. This places the Fund 6.3% ahead of cash over 12 months.

In South Africa, headline inflation slowed to 2.7% y/y in March from 3.2% y/y in February, while core inflation fell to 3.1% y/y from 3.4% y/y. Falling retail fuel prices and only modest gains in food inflation helped the headline measure lower, whilst weak rentals and a significant slowing in education costs helped anchor core inflation. We expect these trends to continue, but for base effects to see inflation accelerate modestly later in 2025. However, while domestic conditions seem particularly conducive to additional monetary easing, SARB (South African Reserve Bank) communication has continued to emphasise a risk-weighted approach, suggesting a continued reluctance of the central bank to provide further rate cuts - at least in the immediate future. Market pricing lies in opposition to this view, hence creating significant potential for friction across segments of the domestic fixed income markets.

The changes in the global landscape have become less favourable for risk and emerging market assets. The effects of a global trade war will leave global growth floundering, and export-driven economies will struggle in such an environment. The slowdown in global growth, once the immediate inflationary shock retreats, should compel global monetary policy to turn supportive, thus supporting global developed market fixed income. SA's recent political turbulence makes it ill-placed in an unfriendly world. Local inflation should remain relatively well behaved, but a growth slowdown will have negative consequences for the country's finances, suggesting a further risk premium needs to be priced into long-term SA interest rates. This would be further solidified if the GNU is reconfigured in a less growth-oriented and business-supportive manner. SA bonds are at risk of a wider repricing in yields. ILBs don't offer especially compelling value over medium-term horizons relative to their nominal equivalents, but continue to provide a useful counter-weight within fixed income portfolios to particular risk scenarios that may arise.

The Fund faced an uphill battle during April, particularly with the active overlay. The significant market disruption brought about by the Trump administration's 'Liberation Day' and subsequent slew of policy announcements instigated significant market adjustments across global markets with little relief from the elevated level of uncertainty on the horizon. Indeed, in recent days, the relative lull across risk markets likely reflects the tapering of the avalanche of risk modification seen across asset markets that was sparked at the start of April. But most of the bigger questions posed by these events remain very much unanswered, and so the relative calm that emerged towards the tail of April can't be thought of as the final cessation of the trade war turmoil. However, the Fund found other opportunities within the volatility that emerged and extremely selectively increased exposure to short-dated, money-centre bank bonds in the hysteria following Liberation Day. The partial recovery of the Fund's offshore exposure and the upweighting to this market by the Fund, provided a solid performance uplift that more than offset the drawdowns produced within the tactical overlay.

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

REGULATORY DISCLOSURE AND DISCLAIMER