

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 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

	Fund*	ALBI	Cash**
Since inception (cumulative)	748.8%	820.8%	357.1%
Since inception p.a.	9.7%	10.1%	6.8%
Latest 10 year p.a.	9.0%	10.4%	6.1%
Latest 5 year p.a.	9.6%	12.5%	6.1%
Latest 3 year p.a.	11.9%	16.1%	7.6%
Latest 1 year p.a.	12.3%	20.5%	7.1%
Year to date	11.3%	21.0%	6.5%
Month	1.2%	3.4%	0.5%

*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 were 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%	9.5%	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	1.61	0.45	
Sortino Ratio	2.14	0.63	
% Positive Months	97.5%	70.9%	100.0%
Correlation (ALBI)	0.18		
99% Value at Risk (P&L %)	(0.3)%		

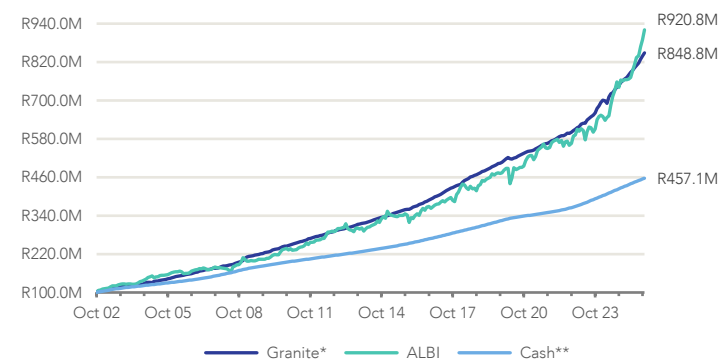
GENERAL INFORMATION

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) ‡	R242.55
Fund Status	Open
NAV (per unit)	105.25 cents
Base Currency	ZAR
Dealing Frequency	Monthly
Income Distribution	Annual (with all distributions reinvested)
Minimum Investment	R1 million
Notice Period	5 business days
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
Transfer Agency	Intembeko Investment Administrators
Portfolio Managers	Nishan Maharaj, Adrian van Pallander, and Seamus Vasey

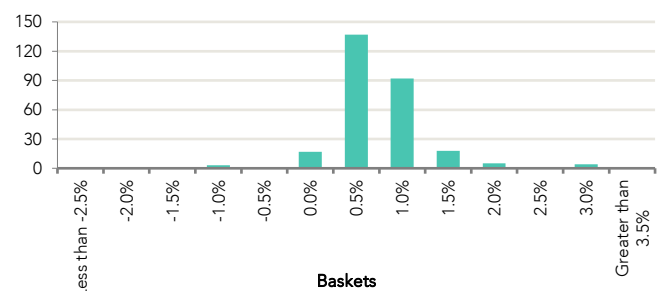
±The benchmark of the hedge fund has been included to align with industry standards.

†TER and TC data is provided for the 1 year ending 31 October 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 November 2025.

GROWTH OF R100m INVESTMENT



HISTOGRAM OF MONTHLY NET RETURNS



PORTFOLIO LIQUIDITY

	Days to Trade
Long	8.6
Short	3.7

INCOME DISTRIBUTIONS (cents per unit)

Declaration Date	Amount	Dividend	Interest
30-Sep-25	9.57	0.00	9.57

STRATEGY STATISTICS

Number of long positions	57
Number of short positions	8

MONTHLY COMMENTARY

The Fund returned 1.2%* in November, taking the one-year return to 12.3%. This places the Fund 5.1% ahead of cash over 12 months.

Globally, November continued to show sticky inflation readings, but activity data remains more resilient than forecasters have anticipated – prompting some caution from policymakers, who are increasingly shifting to data-dependent guidance. Several key US data releases were postponed due to the government shutdown in the preceding months and should be released in December, adding uncertainty to the policy outlook.

In South Africa, the Minister of Finance, Mr Enoch Godongwana, tabled the MTBPS early in November. The focus of the MTBPS was debt stabilisation coupled with rising primary surpluses and an emphasis on improving the efficiency and effectiveness of government spending to bolster economic growth outcomes. The formal adoption of a lower inflation target reduced all inflation-linked assumptions in the baseline forecasts, largely benefiting debt service cost estimates as well as non-interest expenditure allocations. The main budget deficit is expected to narrow marginally to -4.5% of GDP for FY2025/2026, driven by a larger primary surplus. In addition, another GFECRA disbursement will help offset funding needs in 2026/27, facilitating a peak in the debt ratio to 77.9% in 2025. Subsequently, weekly nominal bond issuance was reduced by R750 million to R3 billion, reflecting the reduced financing needs. Revenue outperformance of R19.3 billion overshoot in FY2025/2026 was partially offset by R15.8 billion in additional non-interest spending, diluting fiscal gains.

The South African Reserve Bank (SARB) voted unanimously to cut the repo rate by 25 basis points, moving the rate to 6.75% from 7.0%, at the November MPC meeting. The cut was a response to an improved inflation outlook, with the latest data points printing below the MPC's forecasts. The SARB marginally revised 2025 growth to 1.3% from 1.2% citing resilient household spending and expectation of an improvement in capital expenditure from a weak base. Incoming data remains paramount, and the MPC is clearly sensitive to exogenous risks that could disrupt the forecast trajectory or negatively impact expectations. SA headline inflation accelerated to 3.6% y/y in October from 3.4% y/y in September – less than expected – while core inflation ticked down to 3.1% from 3.2% y/y. The main driver of headline inflation was an increase in transport costs and unfavourable base effects. There was an unexpected moderation in food prices, which was prompted mostly by a decline in vegetable, cereals and weak dairy prices. Price slowdowns were also observed in the durable goods, restaurant and accommodation categories.

The global landscape remains uncertain. However, emerging markets have continued to outperform developed markets. SA government bonds (SAGBs) have flourished, as local anxiety has eased and expectations for a lower inflation target have bolstered prospects for a lower repo rate. They are now trading slightly below fair value. Global bond flows have turned more supportive of emerging markets, given their relatively cleaner balance sheets, and could support further compression in bond yields if that trend sustains its momentum.

A good month for the Fund. In a continuation of the pattern seen in October in the active overlay, there was a relatively contained number of tactical trades deployed over the month. However, the success rate was particularly high, hence a decent uplift provided by bread-and-butter short-term trading activity – typically relative value and non-directional exposures. This enabled a solid performance addition through contained risk extension. Towards the end of the month, the Fund started preparing for the year-end liquidity evaporation and concentrated on rebalancing core portfolio holdings.

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

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