

Kohinoor Core Fund

FROM 36 SOUTH CAPITAL ADVISORS LLP

JAN23



Background

36 South is a leading volatility and tail risk manager established in 2001. We specialise in investing in great value options that provide cheap convexity and positive asymmetry to protect investors against tail risk. With this protection, the terminal value of a portfolio is maximised through the compounding effects of:

- Reducing drawdowns
- Providing liquidity in a crisis

Kohinoor Core Fund Strategy

The Kohinoor Core Fund is 36 South's long volatility, tail risk protection strategy which invests up to 95% in options across equities, commodities, interest rates and currencies.

The Fund maintains a mix of both bullish and bearish positions and seeks a U-Shaped payoff that is designed to generate its best performance in a financial crisis, with the ability to make directional and idiosyncratic returns in a variety of environments.

Key benefits

As part of a portfolio of traditional assets the Fund seeks to offer:

- Consistent long volatility and long liquidity exposure
- Reduced portfolio risk and improved compound returns over the market cycle
- True diversification with embedded tail risk protection: negative correlation in a systemic crisis where exponential returns can be achieved

EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-4.74%												-4.74%
2022	3.47%	-0.16%	19.58%	29.58%	-4.40%	14.85%	-3.21%	-0.45%	5.79%	-4.86%	-5.76%	-2.06%	57.33%
2021	-3.67%	-4.55%	-4.34%	-2.77%	4.04%	-6.19%	-0.64%	-6.51%	1.52%	3.20%	-0.17%	-7.59%	-25.05%
2020	3.08%	30.88%	71.27%	-6.87%	-0.46%	1.59%	6.00%	1.30%	-12.79%	-1.38%	-14.14%	10.88%	91.32%
2019	-14.38%	-4.82%	-3.50%	-4.84%	4.85%	-5.08%	-1.78%	7.25%	-3.33%	-5.68%	-5.44%	0.02%	-32.34%
2018	-3.16%	0.54%	3.55%	-8.51%	-2.39%	-4.87%	-5.13%	-4.40%	-2.41%	12.97%	-4.68%	13.37%	-7.44%
2017	-3.69%	-0.28%	-3.86%	-1.82%	-0.08%	-2.56%	-1.43%	1.69%	-8.20%	-3.47%	-5.70%	0.00%	-26.06%
2016	7.80%	-1.08%	-12.66%	-2.41%	-2.51%	2.16%	-5.98%	-0.46%	-4.77%	-3.64%	1.06%	2.74%	-19.29%
2015	2.46%	-5.51%	3.92%	-5.79%	-0.73%	-1.09%	-7.23%	13.46%	-1.52%	-10.74%	3.51%	-4.20%	-14.61%
2014	1.62%	-1.39%	-0.73%	-1.32%	-1.81%	-0.15%	-1.74%	-1.81%	-2.03%	2.84%	8.87%	3.02%	4.91%
2013	-5.07%	2.21%	0.86%	6.78%	2.76%	-2.19%	-8.84%	-0.31%	-1.93%	-0.08%	1.00%	-4.89%	-10.14%
2012	-6.30%	-7.50%	-1.82%	1.65%	16.85%	-4.98%	1.05%	-2.56%	-5.27%	-5.46%	-4.85%	-3.33%	-22.12%
2011			4.69%	-0.23%	-4.20%	-2.87%	3.46%	12.93%	8.77%	-7.73%	7.60%	3.22%	26.58%
Annualised returns since inception -3.71%													

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-4.23%												-4.23%
2022	3.48%	-0.13%	19.07%	28.46%	-4.44%	14.73%	-3.06%	-0.41%	5.80%	-4.80%	-5.66%	-2.12%	55.57%
2021	-3.56%	-4.52%	-4.11%	-2.71%	4.15%	-6.04%	-0.57%	-6.43%	1.50%	3.24%	-0.16%	-7.47%	-24.29%
2020	3.24%	30.49%	72.49%	-6.60%	-0.44%	1.69%	6.52%	1.39%	-12.54%	-1.32%	-14.32%	11.29%	95.28%
2019	-14.16%	-4.58%	-3.25%	-4.57%	5.07%	-4.88%	-1.50%	7.52%	-3.10%	-5.54%	-5.18%	0.29%	-30.33%
2018	-3.03%	0.79%	3.95%	-8.28%	-2.17%	-4.64%	-4.82%	-4.17%	-2.20%	13.09%	-4.48%	13.80%	-4.68%
2017	-3.62%	-0.15%	-3.70%	-1.69%	0.05%	-2.43%	-1.29%	1.85%	-8.01%	-3.18%	-5.64%	0.25%	-24.66%
2016	7.87%	-1.00%	-13.03%	-2.36%	-2.35%	2.24%	-5.92%	-0.31%	-4.67%	-3.40%	1.16%	2.90%	-18.61%
2015	2.19%	-5.44%	3.71%	-5.87%	-0.65%	-1.09%	-7.14%	13.72%	-1.41%	-10.63%	3.41%	-4.17%	-14.54%
2014	1.52%	-1.41%	-0.75%	-1.33%	-1.79%	-0.16%	-1.70%	-1.80%	-1.95%	2.83%	8.81%	2.92%	4.77%
2013	-5.10%	2.08%	0.81%	7.00%	2.72%	-2.22%	-8.99%	-0.25%	-1.94%	-0.07%	1.00%	-4.98%	-10.39%
2012	-6.25%	-7.48%	-1.81%	1.63%	15.73%	-5.31%	1.02%	-2.55%	-5.32%	-5.41%	-4.83%	-3.28%	-23.02%
2011					-8.09%	-2.06%	2.58%	14.68%	7.92%	-8.06%	7.02%	3.10%	15.94%
Annualised returns since inception -3.70%													

All performance is reported net of fees. Past performance is not a reliable indicator of future results.

Investment process

The Fund incorporates the best ideas emanating from 36 South's bottom up, proprietary market scanning methodology "the Quadrivium approach" along with the top down GIVIX allocation formula.

Long volatility

Volatility is a proven diversifier. During a financial crisis, many previously diversified assets tend to become correlated and fall together, whereas volatility remains negatively correlated with an unlimited upside.

Investment instruments

The Fund mainly invests in options. We prefer these to be:

Long dated - for greatest exposure to volatility.

Out of the money - as they have the potential for a greater payoff.

Pan asset class - to take advantage of a large universe of opportunities and invest in proxies.

Bullish and bearish - to create a U shape pay off profile and cheapen the cost of protection.

Fund facts

Inception	1 March 2011
Denomination	EUR
Domicile	Ireland
Subscriptions/Redemptions	Monthly
Notice period	1 month
Kohinoor Strategy AUM	\$1.19 billion
Firm AUM	\$1.71 billion
Class A (EUR)	ISIN IE00B3X5S750
NAV	€637.39
Class B (USD)	ISIN IE00B4Y8B378
NAV	\$642.38
Class D (GBP)	ISIN
NAV	\$1425.52

Performance of closed trades	% of trades*
Outstanding (400% or more)	6.05%
Significant (300% to 400%)	2.86%
Notable (200% to 300%)	3.70%
Double (100% to 200%)	9.92%
Partial Gain (0% to 100%)	21.68%
Partial Loss (-99% to 0%)	24.54%
Total Loss (-100%)	31.26%

595 trades in total. Please note that rolling short-dated trades are counted as a single trade. Please refer to the closed trades' performance data disclaimer for further information. *Percentages may not total 100 due to rounding.

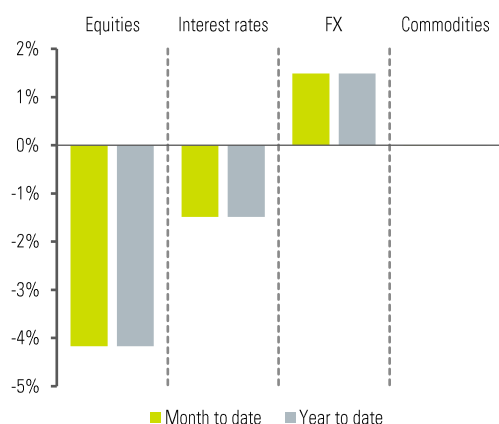
*Class E: Please note this class was not priced due to having no investors over that period. The class is still open for subscriptions.

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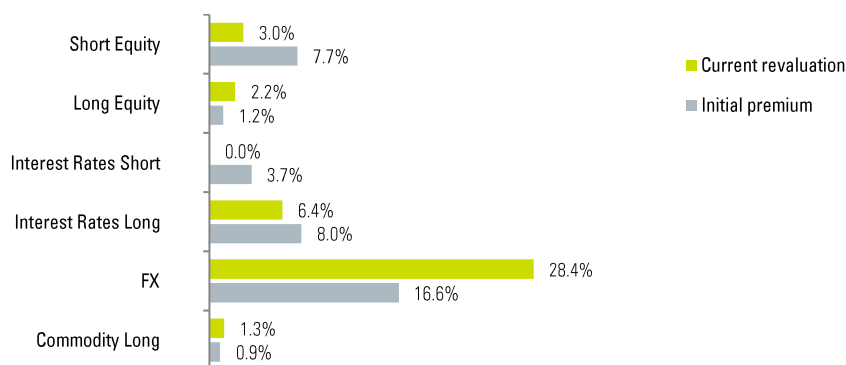
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Performance attribution



The attribution above shows only the P/L attributable to the 4 asset classes above and does not show other profits and losses including expenses, fees and P&L on cash balances. Differences in final performance between share classes result from fluctuations in currencies. Source: 36 South Capital Advisors LLP as at 31 January 2023.

Portfolio allocation



Interest Rates Short will benefit from interest rates falling and Interest Rates Long from them rising. Please note the above allocations are calculated as a percentage of the current AUM of the Fund and cash and government bonds account for the remaining 58.74% of current valuation. This illustrates the directional exposures of the invested portfolio only. Portfolio is always net long volatility. Source: 36 South Capital Advisors LLP as at 31 January 2023.

Strategy commentary

The fund was down 4.74% for the month, as equity indies continued to show strength, while the interest rate curves were encouraged by a mix of economic data points and central bank comments suggesting a soft landing is possible.

Commodity long positions eased lower by 0.01% on declines in oil positions and precious metals.

FX sector performance added 1.49% as short JPY delta performed well against long duration JPY forwards, also offsetting lower FX volatility marks.

Interest rates declined 1.49% on a continued downturn in EUR and USD payers, as curves adjusted for sentiment that inflationary hurdles have been overcome.

Equities net performance was down 4.17% with negative performance in left tail SPX positions partially offset by gains in Euro Stoxx call options, as global equity indices gained ground.

[36 South views](#) are available separately.

Risk analysis

Asset Class	Theta Monthly % Fund NAV	Vega % Fund NAV (Base + 10%)	VaR 95% One Day Horizon
Equity	-0.86%	0.89%	0.78%
Interest Rates	-0.01%	0.73%	0.36%
FX	-0.64%	4.09%	1.45%
Commodity	0.00%	0.01%	0.13%
Total	-1.50%	5.71%	1.36%

Volatility and ratios

Annualised volatility	31.18%
Downside volatility	14.12%
Four-year rolling average monthly theta	-2.94%

Administrator

SEI Investments – Global Fund Services Ltd
Styne House, Upper Hatch Street
Dublin 2, Ireland

AIFM

36 South Capital Advisors LLP

Management Company

36 South Investment Managers (Ireland) Limited

Fees

Please see the Kohinoor presentation for details.

Contact

If you would like to know more about the Fund, please contact the AIFM:

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GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*
2021	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*
2020	3.17%	31.21%	61.16%	-5.81%	_*	_*	_*	_*	_*	_*	_*	_*	105.48%
2019	-14.09%	-4.74%	-3.44%	-4.71%	5.15%	-5.01%	-1.67%	7.40%	-3.20%	-5.41%	-5.29%	0.10%	-31.06%
2018							-5.15%	-4.31%	-2.35%	12.88%	-4.58%	11.98%	6.90%

All performance is reported net of fees. Past performance is not a reliable indicator of future results.

Risk Warnings

Options and futures trading involves a substantial risk of loss. The value of the Fund's investments (which may trade in limited markets) may go up or down, and investors should be aware that an investment in the Fund carries the risk of losing the full amount invested. Past performance is not a reliable indicator of future results. 36 South Capital Advisors LLP does not guarantee or warrant that the Fund will achieve any particular level of performance. The Fund will invest in different individual securities, in different economic conditions with different volatility than those incorporated in any past, hypothetical and other performance data used in this document. Such data is used for information purposes only and is not a reliable indicator of future performance. The Fund is exposed to foreign currencies, and may be affected by exchange rate movements. We remind you that the levels, bases of, and reliefs from taxation can change.

Important Information for Investors

Kohinoor Core Fund ("the Fund") is classified an Alternative Investment Fund ("AIF"). It is classified as a non-mainstream pooled investment under UK regulations and as a Qualifying Investor AIF under Irish regulations. From a US regulatory perspective, it is a private fund. Shares in the Fund will not be registered under the Securities Act of 1933 and the Fund will not be registered under the Investment Company Act of 1940. As of 1st January 2013 the Management Company is registered with the National Futures Association ("NFA") as a Commodity Pool Operator ("CPO") and the Fund will be an exempt pool under CFTC exemption 4.7. In view of these conditions, 36 South Capital Advisors LLP has issued this document for access only by certain types of professional, qualifying and accredited investors, in accordance with the requirements of the applicable jurisdiction(s). Broadly, this means the fund will only be available to certain institutional and professional investors, and only to those individuals who can be classified as Professional Clients and/or who meet certain minimum threshold conditions. **An investment in the Fund is neither suitable for nor available to retail investors.** Offering documentation and fund literature will only be available upon request. On application, prospective investors will be required to certify they are 'qualifying investors'. Prospective investors from the US will also be required to certify that they are accredited investors and qualified purchasers. The fund administrator will check investors' eligibility as part of the subscription process. All investors must certify their awareness of the risks; in particular, the risk of losing sums invested. This material is communicated in accordance with Chapter 4.12 of the Conduct of Business Sourcebook in the FCA Handbook. Unless otherwise stated, all commentary and views expressed in this document are solely the opinions of 36 South Capital Advisors LLP. This document has been provided to you, the recipient, on a private and confidential basis and should not be reproduced, shared with, or disseminated to any third party without our prior written consent.

Closed Trades Performance Data

This factsheet contains a table summarising the performance of all closed trades since inception in Kohinoor Core Fund, as well as all closed trades in Kohinoor Series One and Two Funds (both of which are now closed). Kohinoor Core Fund follows the same investment strategy as Kohinoor Series One and Two. Kohinoor Core Fund therefore represents a continuation of the Firm's investment strategy, which it has followed since its inception. A performance summary of all closed trades across Kohinoor Series One, Series Two and Core has been included here to provide the reader with a historical summary of trade performance over the longest period for which data is available. This data gives no indication of future performance and has been provided for information only. Further information about the calculation of this data and any limitations can be provided on request.

Information for Swiss Investors

The funds managed by 36 South Capital Advisors ("we", "the AIFM", "the investment manager") are only available in Switzerland to institutional and professional clients, as defined in Article 4, paragraphs (3), (4) and (5) of the Federal Act on Financial Services ("FinSA"). Our Funds are neither suitable for, not available to, retail clients. Our Funds are also not available to retail clients who wish to be treated as professional clients under Article 5, paragraph 1. Subscription documents will only be provided to a prospective investor once we are satisfied that they meet the necessary criteria to be classified as an institutional or professional client, and once we are satisfied that they possess the necessary experience and understanding. If you do not meet the necessary criteria, you will not be permitted to invest in our funds.

This document is an advertisement under Article 68 of FinSA and Article 95 of the Ordinance on Financial Services ("FinSO").

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Information for Singaporean Investors

The Funds managed by 36 South Capital Advisors LLP are only available in Singapore to Institutional Investors as defined under Section 4A of the Singapore Securities and Futures Act (Cap. 289) ("SFA"). The Fund is neither a Recognised Scheme nor a Restricted Scheme under the SFA. The Fund is not registered with the Monetary Authority of Singapore (MAS) and an offer of interests in the Fund will not be accompanied by a Prospectus or an Information Memorandum. Interests in the Fund may not be subsequently sold to any person, unless that person is also an Institutional Investor as defined above, and the sale is therefore made in compliance with the restrictions described above.

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