

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 May 2025



Fund Information

| | |
|--------------------|--|
| Investment Manager | Terebinth Capital (Pty) Ltd |
| Fund Manager | Erik Nel & Nomathibana Okello |
| Inception Date | 01/04/2013 |
| CISCA Transition | 01/08/2017 |
| Benchmark | STeFI Composite Index |
| ASISA Category | Retail Hedge Fund – South African – Fixed Income |
| Currency | Rand |
| Fund Size | 2,123,941,897.53 |
| Unit Price | 3128.59 |
| Units in Issue | 1,139,597.85 |
| Ticker | DRR900 |

Risk Profile

Medium

Portfolio Objective

Provide returns in excess of 5% over benchmark on an average annual basis over rolling 36-month periods with a low degree of volatility. The strategy is primarily focused in the most liquid areas of the broader income spectrum, with a strong focus on risk management.

Investment Strategy

The fund is a South African domiciled, rand-denominated fixed income hedge fund, focusing on macro strategies. Through the use of qualitative and quantitative methodologies opportunities are exploited across three disciplines: Structural/Strategic; Technical; Tactical. The fund is actively managed, with a focus on risk management and to provide investors with a high degree of confidence regarding liquidity.

Fees (%) - Including VAT

| | |
|-------------------------|-------|
| Service Fee | 1.34 |
| Performance Fee | 17.25 |
| Total Expense Ratio | 2.81* |
| Transaction Costs | 0.07 |
| Total Investment Charge | 2.88 |

*Includes a performance fee of 1.45%

Annual Distributions

Dec 2024: 5,323.12 cents

Additional Information

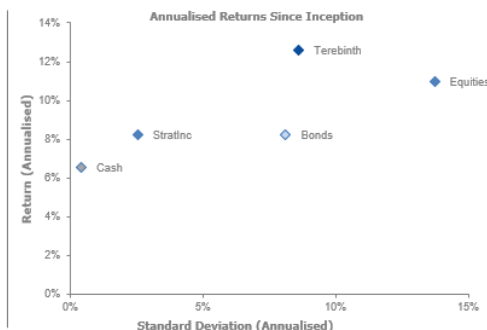
Minimum Investment: R1 000 000
Notice Period: One calendar month
Portfolio Valuation Frequency: Monthly
Transaction Cut-Off: 10:00 of last business day of month
Annual distribution declaration date: December
Performance Fee: Uncapped
Participation Rate: 15%

Investment Growth & Risk-Reward - Since Inception

Investment Growth Since Inception



Risk/Return Plot



The investment performance is for illustrative purposes only and is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

Period Returns (%)

| | YTD | 1 Year ¹ | 3 Years ¹ | 5 Years ¹ | Since Inception ¹ |
|--------------------------------------|-------|---------------------|----------------------|----------------------|------------------------------|
| Terebinth FI Macro FR Retail Hedge 1 | 3.01 | 12.41 | 12.73 | 13.16 | 12.62 |
| STeFI Composite | 3.15 | 8.14 | 7.72 | 6.26 | 6.56 |
| FTSE/JSE All Bond TR | 4.24 | 21.78 | 11.36 | 10.13 | 8.25 |
| FTSE/JSE All Share TR | 14.02 | 27.30 | 13.66 | 17.62 | 10.99 |

Monthly Performance*

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | STeFI |
|------|--------|-------|---------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|-------|
| 2017 | 0.81% | 0.02% | 4.15% | -0.50% | 0.57% | 1.03% | 4.37% | 0.30% | 1.83% | 3.14% | 1.61% | 1.58% | 20.46% | 7.52% |
| 2018 | 2.99% | 3.96% | 2.43% | 0.39% | 0.89% | -0.38% | 1.33% | 0.16% | -0.20% | 0.54% | 1.36% | 0.59% | 14.91% | 7.29% |
| 2019 | 1.15% | 0.60% | 2.03% | 0.64% | 1.76% | 3.16% | -1.61% | 3.33% | -1.75% | 3.34% | 0.13% | -0.38% | 12.95% | 7.29% |
| 2020 | 8.51% | 2.15% | -10.34% | 16.26% | -6.91% | 2.22% | 2.01% | 1.49% | 2.09% | 1.45% | 6.09% | -0.48% | 24.47% | 5.39% |
| 2021 | 3.86% | 5.56% | -1.05% | -0.09% | 0.70% | 0.71% | -3.96% | -1.04% | -0.17% | -4.05% | 1.05% | 0.70% | 1.83% | 3.81% |
| 2022 | -0.03% | 5.45% | -0.92% | 0.87% | 4.31% | 3.84% | 2.27% | 1.39% | -1.83% | -0.22% | 0.53% | 0.72% | 17.36% | 5.19% |
| 2023 | 3.28% | 1.73% | 1.10% | -0.02% | -4.24% | 3.00% | -0.10% | 1.98% | -1.15% | 2.01% | 3.17% | 0.86% | 11.99% | 8.03% |
| 2024 | 0.98% | 0.42% | 0.62% | 0.52% | 3.89% | 2.95% | 0.92% | 1.26% | 0.22% | 1.41% | 1.45% | 0.60% | 16.28% | 8.51% |
| 2025 | 0.03% | 0.69% | 0.79% | -0.87% | 2.36% | | | | | | | | 3.01% | 3.15% |

*Performance is quoted net of all fees. The performance figures until the end of July 2017 (shaded) reflect performance achieved prior to CISCA regulation.

Risk Statistics (%) - Since Inception

| | Std Dev | Sharpe Ratio | Sortino Ratio | Kurtosis | Skewness | Highest Rolling 12 Month Return | Lowest Rolling 12 Month Return |
|--------------------------------------|---------|--------------|---------------|----------|----------|---------------------------------|--------------------------------|
| Terebinth FI Macro FR Retail Hedge 1 | 8.60 | 0.70 | 0.77 | 12.45 | 0.88 | 37.31 | -7.15 |
| STeFI Composite | 0.39 | — | — | -0.61 | -0.62 | | |
| FTSE/JSE All Bond TR | 8.09 | 0.20 | 0.28 | 2.73 | -0.56 | | |
| FTSE/JSE All Share TR | 13.77 | 0.38 | 0.61 | 0.95 | 0.12 | | |

Value at Risk (VaR) (%)

| | |
|-------------|-------|
| Current VaR | 4.13 |
| Maximum VaR | 4.91 |
| Mandate VaR | 20.00 |

Total exposure and leverage is calculated using the VaR approach. VaR represents the statistical loss that the Fund can experience given its current holding over a one month period with a 1% probability. Portfolio stress testing is performed by subjecting a portfolio through extreme market situations, and noting the portfolio profit and loss, value at risk and exposure movements. Risk Monitoring Specialist: Risk Café.

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 May 2025



Contact Details

Investment Manager
Terebinth Capital (Pty) Ltd
Willowbridge Place, Carl Cronje Drive, Tygervalle, Bellville, 7530
Tel: +27 21 943 4819
E-mail: operations@terebinthcapital.com
Website: www.terebinthcapital.com

Manager Information
Fundrock - An Apex Group Company
Tel: +27 21 202 9282
Website: www.fundrock.com

Trustee Information
FirstRand Bank Limited
RMB Custody and Trustee Services Division
3 Merchant Place, Ground Floor, Friedman Drive, Sandton, 2146
Tel: +27 87 736 1732

Disclaimer

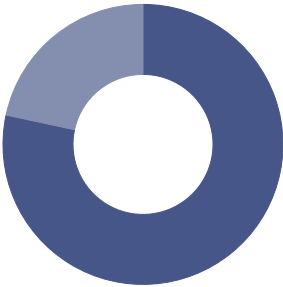
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges, minimum fees and maximum commissions, as well as a detailed description of how performance fees are calculated and applied, is available on request from the Manager. The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. The Manager may close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where foreign investments are included in the portfolio, performance is further affected by uncertainties such as changes in government policy, political risks, tax risks, settlement risks, foreign exchange risks, and other legal or regulatory developments. Prices are published monthly on the manager's website. The Manager is registered and approved by the Financial Sector Conduct Authority under CISCA. The Manager retains full legal responsibility for the portfolio. FirstRand Bank Limited is the appointed trustee. Terebinth Capital (Pty) Ltd, FSP No. 47909, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. A higher Total Expense Ratio (TER) does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should not be considered in isolation as returns may be impacted by many factors over time including market return, the type of financial product, the investment decisions of the investment manager and the TER. The highest and lowest 1-year returns represent the highest and lowest actual returns achieved during a 12-month rolling period year since the original launch date of the portfolio. The annualised total return earned by an investment each year over a given time period, since date of the launch of the fund. Actual annual figures are available from the manager on request. The performance figures given show the yield on a Net Asset Value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed, and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. Performance is calculated for a lump sum investment on a Net Asset Value basis. The performance figures are reported net of fees with income reinvested. The Financial Services Board in South Africa published Hedge Fund regulations that seek to regulate investment products in this category of investment. All information provided is historic. We believe that Hedge Funds may carry additional risks for investors. They can provide enhanced investment returns on a risk-adjusted basis, and therefore have a role to play in a diversified investment portfolio. **FUND RISK** **Leverage Risk:** The Fund borrows additional funds, trades on margin or performs short sale trades to amplify investment decisions. This means that the volatility of a hedge fund portfolio can be many times that of the underlying investments due to leverage on a fund. **Derivative Risk:** Derivative positions are financial instruments that derive their value from an underlying asset. Derivatives are exposed to implicit leverage which could result in magnified gains and/or losses on the portfolio. **Counterparty Credit Risk:** Counterparty risk is a type of credit risk and is the risk of default by the counterparty associated with trading derivative contracts. An example of counterparty credit risk is margin or collateral held with a prime broker. **Volatility Risk:** Volatility refers to uncertainty and risk related to size of change of an instrument or portfolio. It is a statistical measure of the dispersion of returns for a given security or market index. Volatility is proportional to the directional exposure of a portfolio and is measured by Value at risk (VaR) which is a statistical technique used to measure and quantify the level of volatility. **Concentration and Maturity Segment Risk:** A large proportion of total assets invested in specific assets and/or maturity segments on the yield curve. Concentrated positions in a portfolio will materially impact the returns of the portfolio more so than diversified portfolios. **Correlation Risk:** Correlation risk determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes change. Correlation risk also arises when the correlation within an asset-class changes. Examples of correlation within asset classes include equity pairs trading, fixed income curve trading and commodities pairs trading. **Interest Rate Risk:** The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates. **Credit Default Risk:** The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting. **Value at Risk (VaR):** Value at risk is the minimum loss percentage that can be expected over a specified time period at a predetermined confidence level. Data sources: Morningstar Direct, INET BFA and Bloomberg.

Grossary Terms

■ **Net Asset Value (NAV):** means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees. ■ **Annualised Return:** is the weighted average compound growth rate over the performance period measured. ■ **Highest & Lowest Return:** The highest and lowest rolling 12-month returns performance of the portfolio since inception. ■ **Total Expense Ratio (TER)** reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. ■ **Transaction Costs (TC)** is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Funds underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. ■ **Total Investment Charge (TIC)** should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager. ■ **Total Investment Charges (TIC%) = TER (%) + TC (%)**: The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC). ■ **Sharpe Ratio:** The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio. ■ **Sortino Ratio:** The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio. ■ **Standard Deviation/Volatility:** The deviation of the return of the portfolio relative to its average. ■ **Frequency Distribution:** How often returns occur within a specified band. ■ **Skew:** A measure of the distribution of values around the mean. ■ **Kurtosis:** is a measure of the combined weight of a distribution's tails relative to the center of the distribution with 3 being a measure of normality.

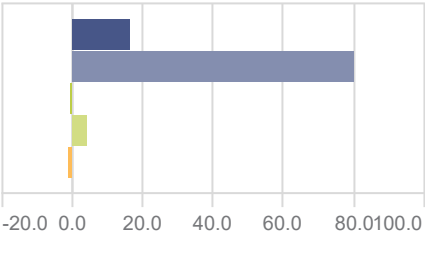
Issue date: 13 June 2025

Asset Allocation



| | | |
|--------------------------------------|--------------|----------|
| •FIXED INCOME: BONDS AND DERIVATIVES | 78.4 | % |
| •CASH / MONEY MARKET | 21.6 | % |
| Total | 100.0 | % |

Counterparty Exposure



| | | |
|-------------------------|--------------|----------|
| •ABSA BANK LIMITED | 16.6 | % |
| •JSE DEBT MARKET | 80.3 | % |
| •JSE CLEAR PTY LIMITED | -0.3 | % |
| •FIRSTRAND BANK LIMITED | 4.2 | % |
| •OTHER | -0.8 | % |
| Total | 100.0 | % |

Market and Fund Commentary

The global economy recorded a 2.3% annualised growth rate in 1Q25, with global manufacturing surging nearly 5%, driven by front-loading in anticipation of US tariffs. However, this boost is expected to unwind by midyear, stalling manufacturing output as trade war headwinds intensify. Prolonged unresolved trade conflicts threaten economic stability, with forward-looking surveys indicating a rapid deterioration in sentiment. US household purchasing power is set to weaken as tariff hikes pass through to consumer prices, while declining business confidence may curb capital expenditure and hiring. May surveys present mixed signals. Euro area services weakened, and US all-industry output prices hit a two-and-a-half-year high, though sentiment shows signs of rebounding. The IMF downgraded its 2025 growth forecasts for 86% of global GDP, cutting the US outlook by 1%, reflecting tariff-related uncertainty. Risks of a US recession remains relatively elevated due to policy disruptions, despite a resilient economy underpinned by strong private sector balance sheets (\$2.9T in corporate cash) and dovish Fed policies.

The 90-day US-China tariff pause, reducing rates from 145% to 30% and China's from 125% to 10%, triggered a 6.3% S&P 500 rally in May, the largest surge in 18 months, and tightened credit spreads (investment-grade by 11bps, high-yield by over 50bps). Treasury markets faced pressure, with 30-year yields peaking at 5.15% amid fiscal concerns following a Moody's downgrade (US rating from Aaa to Aa1) and the One Big Beautiful Bill Act's passage through the House. The bill, extending Trump's first-term tax cuts, could expand deficits beyond the current 6% of GDP, raising market sensitivity to rising long-end Treasury yields. A potential "bond vigilante revolt" looms if 10-year yields exceed 5%, threatening risk-parity and 60-40 portfolios, as back-end yields above 5% historically weigh on equities and fixed income.

Trump's tariff policy follows a pattern dubbed the "Taco" (Trump Always Chickens Out) trade, with retreats under market and political pressure, as seen in the tariff reduction. However, his erratic approach - proposing, signing, and sometimes implementing tariffs before backtracking - seeks impactful yet painless protectionism, which analysts deem unattainable. Current tariffs could cut US corporate profits by 4-5%, and potential sectoral tariffs on pharmaceuticals, semiconductors, and copper remain under review. The US Court of International Trade's (USCIT) ruling overturning IEEPA-based tariffs may not halt the administration's agenda, as alternative authorities (e.g., Section 301, Section 232) could reinstate tariffs, potentially delaying economic impacts to 2026. If upheld, the ruling could halve tariff rates, slow trade negotiations, and heighten fiscal sustainability concerns.

US inflation is unlikely to return to the Fed's 2% target without a recession, driven by tariffs, immigration restrictions, and fiscal policies not fully priced into markets. The Fed's dovish stance, aiming for a soft landing, anticipates no rate changes in 2025, with 100bp cuts by 2026. Fiscal dominance may eventually require Yield Curve Control to manage deficits and Treasury demand.

Trump's tariff backtrack and defense of Fed independence mitigate risks of capital outflows and a "Sell America" trade, but policy sequencing - negative supply shocks from tariffs and immigration restrictions before positive shocks from tax cuts and deregulation - could disrupt 2025 growth. Markets are pricing in fiscal largesse, tax cuts, and deregulation, sustaining a K-shaped economy. Strong Q1 earnings (8.5% beat rate) and \$234bn in April buybacks signal corporate confidence, but persistent trade tensions and Fed autonomy concerns risk volatility. Clarity in policy communication is critical to sustaining the rally in a complex macro landscape, with USD weakness favouring EM and safe-haven currencies.

SA assets performed strongly in May, with mid-caps outperforming large caps for the first time in months, bolstered by the budget finalisation, a cordial SA-US presidential meeting, and the SARB's plan to lower the inflation target from 4.5% to 3.0%. Inflation edged up slightly to 2.8% y/y in April, but 10-year yields rallied 50bp due to these positive developments and an unexpectedly dovish SARB rate cut. Trade delivered a R14.1bn surplus in April, and air passenger arrivals rose 7.5% YTD, though consumer activity (retail sales, tax receipts, car registrations) shows minimal growth over three years, reflecting soft bases from 2024 election uncertainty.

However, structural weaknesses persist. SA's growth remains consumption-driven rather than investment-led, resulting in low structural growth and productivity. It continues to rank poorly globally for both private and public investment rates, despite Ramaphosa's investment pledges and a pending court ruling on a Durban port management bid. Fiscal consolidation continues to progress too slowly, with debt-to-GDP exceeding expectations by 2%, challenging the target for debt to peak in 2025/26. Downward growth forecasts persist, creeping ever closer to crossing the 1% on the downside, from the earlier elevated 1.9% presented by NT at Budget 1.0, impacted by domestic political strife, a budget impasse costing 0.5% of growth, and weakening global demand, particularly from Europe and China.

On the monetary front, the SARB's shift to a 3% inflation target could lower policy rates by 50bp initially and 150bp eventually, benefiting rate-sensitive sectors like banks, insurers, and real estate. Inflation forecasts for 2025 continues to zone in on the 3% handle, reflecting a wider output gap and global disinflationary pressures, prompting the MPC to cut interest rates by 25bp in May, with a larger 50bp move discussed, and voted for by one Committee member. Despite this, real yields and the yield curve remain elevated, and the Rand is vulnerable to sell-offs amid global uncertainties, including potential US tariff hikes and AGOA trade risks.

Political risks, including tensions within the GNU and US-SA relations, have eased recently but remain concerns. Business and consumer confidence is deteriorating, with job growth expectations scaled back. The budget maintains fiscal consolidation through a rising primary surplus, though market consensus anticipates slippage, keeping risk premia high. Debt stabilisation strategies, including bond switches and FRNs, aim to manage borrowing costs, but success hinges on credibility.

To restore confidence and achieve sustainable growth, South Africa needs structural reforms in energy, logistics, and regulation, alongside credible fiscal and monetary communication. While the lower inflation target offers long-term benefits - lower debt costs, improved competitiveness - short-term growth sacrifices (estimated at 10-20bp of GDP annually over two years) and global headwinds pose risks.