

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 30 June 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	2,078,092,912.62
Unit Price	3158.456
Units in Issue	1,119,863.92
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	2.91

*Includes a performance fee of 1.45%

Annual Distributions

Dec 2024: 5,323.12 cents

Additional Information

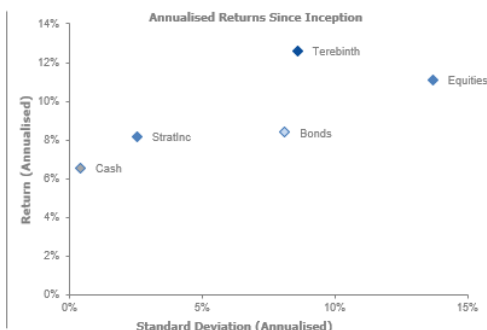
Minimum Investment: R1 000 000
Notice Period: One calendar month
Portfolio Valuation Frequency: Monthly
Transaction Cut-Off: 10:00 of last business day of month
Annual distribution declaration date: December
Performance Fee: Uncapped
Participation Rate: 15%

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	3.99	10.22	11.67	12.87	12.62
STeFI Composite	3.79	8.07	7.79	6.30	6.57
FTSE/JSE All Bond TR	6.62	18.36	13.37	10.89	8.39
FTSE/JSE All Share TR	16.70	25.18	17.78	16.42	11.12

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%	0.95%							3.99%	3.79%

*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	8.57	0.71	0.78	12.55	0.88	37.31	-7.15
STeFI Composite	0.39	—	—	-0.60	-0.63		
FTSE/JSE All Bond TR	8.08	0.22	0.31	2.74	-0.57		
FTSE/JSE All Share TR	13.73	0.39	0.62	0.97	0.11		

Value at Risk (VaR) (%)

Current VaR	2.54
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.

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Disclaimer

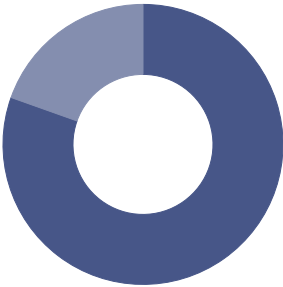
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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 authorized 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 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:** A measure that 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 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.

Glossary 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 twelve-month 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 Fund's 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.

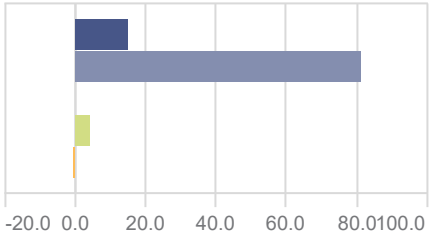
Issue date: 14 July 2025

Asset Allocation



• FIXED INCOME: BONDS AND DERIVATIVES	80.4	%
• CASH / MONEY MARKET	19.6	
Total	100.0	

Counterparty Exposure



• ABSA BANK LIMITED	15.0	%
• JSE DEBT MARKET	81.2	
• JSE CLEAR PTY LIMITED	0.0	
• FIRSTRAND BANK LIMITED	4.2	
• OTHER	-0.4	
Total	100.0	

Market and Fund Commentary

Global

The global economy in 2H25 is navigating a turbulent landscape marked by uncertainty, driven by volatile US tariff policies and geopolitical tensions. Tariff rates, which peaked at 25% post-Liberation Day before settling at 13% by May, have imposed a structural tax on the economy—the highest in decades. Expectations suggest stabilisation between 10-15%, but ongoing negotiations and potential new tariffs on pharmaceuticals and semiconductors perpetuate uncertainty. This volatility is slowing global growth, with GDP projected to decelerate to 1.3% annualised in 2H25, down from 2.4% earlier in the year, as businesses pass costs to consumers, fuelling inflation and curbing demand.

In the US, economic activity is faltering, with real GDP expected to dip towards 1% following a slight Q1 contraction due to trade disruptions and a widened trade deficit from pre-tariff import surges. Unemployment may rise above 4.5% by year-end, reflecting a cooling labour market, while inflation could climb toward 4% (from 2.4% CPI) due to tariff effects. The One Big Beautiful Bill promises a modest fiscal boost for 2026, but it's insufficient to counter the tariff drag, leaving fiscal sustainability in question. Households, facing reduced spending power, are prioritising savings, and business investment is waning, though AI-driven spending and 2026 tax cuts could offer some relief.

Geopolitical tensions, notably the Iran-Israel conflict, add complexity but have not yet disrupted oil supplies. The outlook for oil prices remain bearish long-term, while gold prices stay elevated amid stagflation fears and declining foreign interest in US assets. China's economy is testing 4.5% real GDP growth, grappling with deflationary pressures (CPI at 0%, PPI at -2.4%) and housing weakness, impacting global commodity demand. US policies are stoking friction, potentially unifying Europe and accelerating diversification from US assets, though Europe's own growth lags at 0.5% annually due to demographic and energy challenges.

Inflation is set to exceed 3% globally by 4Q25, driven by tariffs, though underlying disinflationary trends persist. The Fed is poised to ease rates in 2H25, targeting a policy rate below 3.50% by 2026 – especially in the instance a more pliable Chair is introduced, creating opportunities for fixed income amid elevated volatility. Trade policy uncertainty will linger, but the administration's aversion to severe economic pain moderates recession risks, now sub 40% (down from 60%) following a US-China tariff détente.

Local

South Africa's economy is stumbling in 2025, hit by global trade tensions, policy uncertainty, and domestic political instability. Q1 GDP shrank by 0.3% q/q excluding agriculture (0.1% including it), with y/y growth at a mere 0.4%. Q2 data signal ongoing weakness, and business confidence has slumped to 40 from 45 in Q1. Growth forecasts have been slashed to 1.1% for 2025 (from 1.6%), with 1.7% projected for 2026. Consumer spending may rise, buoyed by low inflation and interest rates, but stalled reforms and a weakening global backdrop threaten progress.

Political instability is a critical drag. The coalition government's fragility—marked by disagreements, walkout threats, and a boycott of the national dialogue—undermines policy continuity and investor confidence. This dysfunction delays urgent reforms needed to build a capable state and lift growth toward the 3%+ target set earlier in the year. The partnership between business and government shows collaboration's potential, but it hinges on a stable administration willing to make bold decisions. The next twelve months will determine if this coalition becomes a foundation for recovery or a historical footnote.

Fiscal challenges compound the outlook. Net debt-to-GDP is projected to rise towards 76% in FY26, easing slightly in FY27, with budget deficits at 4.6% (FY26) and 3.7% (FY27). A strong cash buffer and potential GFECRA drawdowns may mitigate revenue shortfalls, but debt stabilisation remains elusive. The SARB cut rates by 25bp in May amid subdued demand, though further cuts in 2025 depend on rand stability and inflation trends, which have surprised to the upside. Rating agencies are expected to hold sovereign ratings steady in 2025, with upgrades delayed to 2027 due to fiscal missteps and political risks.

SOEs like Transnet and Eskom continue to falter. Transnet's R51bn in guarantees averts immediate pressure, but future equity needs loom. Eskom's energy availability fell to 57%, reviving loadshedding and dimming FY26 prospects. These SOE struggles, alongside political uncertainty, narrow South Africa's recovery window, with growth hinging on restored stability and reform momentum.