

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 July 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	2,075,026,703.40
Unit Price	3164.944
Units in Issue	1,117,766.94
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	1.79*
Transaction Costs	0.03
Total Investment Charge	1.82

*Includes a performance fee of 0.42%

Annual Distributions

Dec 2024: 5,323.12 cents

Additional Information

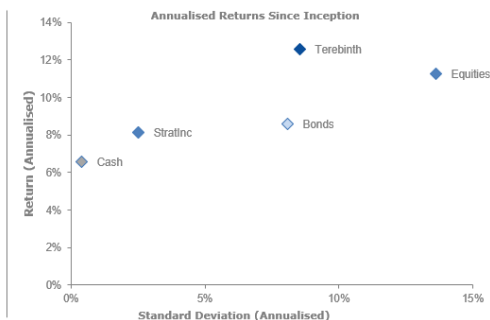
Minimum Investment: R1 000 000
Notice Period: One calendar month
Portfolio Valuation Frequency: Monthly
Transaction Cut-Off: 10:00 of last business day of month
Annual distribution declaration date: December
Performance Fee: Uncapped
Participation Rate: 15%

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	10 Years ¹	Since Inception ¹
Terebinth FI Macro FR Retail Hedge 1	4.20	9.44	10.92	12.47	13.26	12.55
STeFI Composite	4.43	7.98	7.86	6.34	6.76	6.58
FTSE/JSE All Bond TR	9.53	16.97	13.47	11.36	9.36	8.57
FTSE/JSE All Share TR	19.35	23.20	17.04	16.36	10.31	11.25

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%	0.21%						4.20%	4.43%

*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	8.54	0.70	0.77	12.64	0.89	37.31	-7.15
STeFI Composite	0.39	—	—	-0.58	-0.64		
FTSE/JSE All Bond TR	8.07	0.24	0.34	2.74	-0.58		
FTSE/JSE All Share TR	13.69	0.40	0.63	0.99	0.10		

Value at Risk (VaR) (%)

Current VaR	2.41
Maximum VaR	2.64
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.

Terebint FI Macro FR Retail Hedge Fund

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Contact Details

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Disclaimer

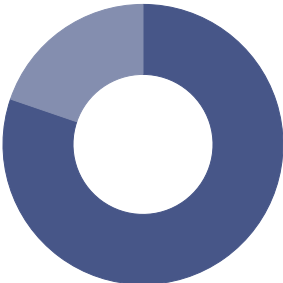
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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 and 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. Terebint 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 of 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 be more suitable for investors who are able to 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:** A measure that determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes changes. 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. ■ **NAV Yield:** 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 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.

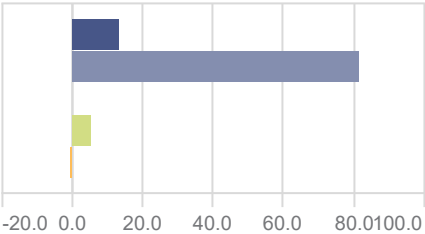
Issue date: 27 August 2025

Asset Allocation



•FIXED INCOME: BONDS AND DERIVATIVES	80.3	%
•CASH / MONEY MARKET	19.8	
Total	100.0	

Counterparty Exposure



•ABSA BANK LIMITED	13.4	%
•JSE DEBT MARKET	81.4	
•JSE CLEAR PTY LIMITED	0.0	
•FIRSTSTRAND BANK LIMITED	5.5	
•OTHER	-0.3	
Total	100.0	

Market and Fund Commentary

The global economy continues to show resilience in the face of ongoing uncertainties, but the march below long-term trends continues. While many worry about rising trade tensions, the core economic picture hasn't changed much since the beginning of the year. US tariffs, in particular, are more of a predictable challenge—or "known unknowns"—for companies planning ahead. They mainly act as a simple way for the US government to raise revenue, rather than a deep geopolitical strategy. In the US, economic growth bounced back in Q2 – surprising consensus, expanding at an annualised rate of 3.0%. This followed a 0.5% contraction in Q1, fuelled by businesses rushing to import goods before tariffs hit, which helped shrink trade deficits, along with companies clearing out inventories.

The first half of the year averaged about 2% growth, but the Q2 surge sets a tough hurdle for Q3. As a result, full-year growth forecasts have been adjusted to 1.5%. Looking forward, American consumers are expected to keep spending in check, the housing market may weaken more, and investments could falter outside of AI sectors. Still, fierce competition in tech is driving continued spending on AI infrastructure. Tariffs are eating into household budgets, and experts warn of risks. The Atlanta Federal Reserve estimates up to 1.2 million job losses, Yale researchers see a 0.5 percentage point yearly hit to GDP, and Wharton studies suggest up to 6% long-term damage in worst-case scenarios.

Despite these concerns, the odds of a recession is currently estimated between 15-35%, below recent worst levels.

Worldwide, these tariffs are deepening divisions in global trade without causing a full break from interconnected economies. Europe is finding stability through interest rate cuts by the ECB and increased defence outlays, such as Germany's massive €1 trillion package. Japan appears under pressure – as seen in a soft yen, due to unclear policies from the Bank of Japan. China is battling deflation with government spending boosts and more money in the system, while eyeing a stronger yuan to gain leverage in talks with the US. Emerging markets are holding up well despite high debt levels; countries like Brazil and Mexico are even benefiting from avoiding heavy counter-tariffs. Fresh partnerships are emerging, like the EU-Mercosur trade deal, and nations such as Canada and Brazil are responding cautiously to prevent further conflict.

Many argue that price increases from tariffs are likely short-lived. In the US, inflation could rise to around mid-4% quarterly by year's end, lifting annual CPI figures to 2.5-3%, but falling costs in services and energy should balance this out. Globally, inflation is easing, while China's deflationary trends and excess energy supplies add downward pressure. The Fed kept its key interest rate steady at 4.25-4.5% in July, stressing the need for caution. It sees tariffs as a kind of tax on consumers that raises prices but slows growth and could hurt jobs. Politics is seeping into the discussion, with candidates backed by President Trump pushing back on Fed decisions. Weaker labour data is strengthening the argument for rate cuts, with experts expecting 25bp reductions in September, and possibly October or December. This would total 75bp by March 2026, bringing rates to a neutral 3.5-3.75%. Some Fed officials, like Michelle Bowman and Christopher Waller, argue for ignoring temporary shocks. Friction between the White House and the Fed is testing the bank's independence.

Worries about long-term debt are causing ups and downs in bond markets for weaker economies, leading to steep yield curves. The US needs to borrow \$1.6 trillion, mostly through short-term bills, which is currently still being met by healthy demand, as total liquidity tops \$21 trillion and still rising. Also, China's cash injections and attractive returns in EM help, even as high real interest rates and policy differences linger.

However, financial markets are shifting away from US investments towards countries with trade surpluses. The dollar is expected to hold steady or dip a bit as this shift continues. Stocks have been supported due to demand in AI areas, with the S&P 500 seeing over 80% of companies beat earnings forecasts, thanks to leaders like Microsoft and Meta.

With July's US jobs report disappointing, adding just 73,000 jobs (below expectations), with 258,000 cuts to earlier figures, demand is expected to shift towards a slightly more conservative asset allocation.

Turning to South Africa, a pending 30% reciprocal tariff on exports to the US is expected to hit the transportation and agri sectors hard. Some exemptions for precious metals, chemicals, and key minerals will lessen the blow, and talks remain ongoing, but recent White House rhetoric indicates that the success of these talks are in the balance. This could worsen weak demand from abroad, leading to lower growth outlooks, which has already dropped steadily towards 0.8% for 2025 and 1.7% in 2026. Early second-quarter signs hint at a rebound, but homegrown uncertainties remain.

Inflation has settled at 3%, letting the SARB trim its repo rate by 25bp to 7%—its second cut in succession. The SARB also confirmed that it will now target the bottom of its 3-6% range, effectively 3%, to lock in stability. Meanwhile, National Treasury is pushing fiscal rules through talks, including debt limits, spending caps, and a new council to keep debt from ballooning from R6 trillion to R10 trillion by 2030. Debt payments could eat 30% of the budget, squeezing vital areas. Yet the SARB's 3% inflation goal clashes with Treasury's 4.5% planning, risking budget slips without better coordination, with the Finance Minister explicitly reacting negatively to the SARB's shift.

Reforms are moving forward, like Transnet letting private firms into rail lines to boost mining and exports. The FTSE/JSE All Share Index topped 100,000 in July, pushing gains towards 20% year-to-date. Bond gains gathered momentum post SARB's shift towards 3%, seeing YTD gains also approaching double-digits. With the next SARB meeting in September, potential removal from the FATF greylist in October, and improving trade terms, South Africa is handling tariff pressures through flexible policies. Growth however is expected to stay sub-trend, but careful budgeting, broader policy certainty, and political stability could offset losses and promote broader prosperity. However, currently deep domestic divisions remains, execution of shared goals such as economic growth—exacerbated by fragmented information environments, remains unaddressed, making true consensus elusive and foreign policy a reflection of internal politics.