# Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 30 January 2026

TEREBINTH CAPITAL

## Fund Information

| | |
|---|---|
| Investment Manager | Terebinth Capital (Pty) Ltd |
| Fund Manager | Erik Nel, Nomathibana Okello, & Johan Kurtz |
| 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 | 2,230,436,290.76 |
| Unit Price | 3,106.492 |
| Units in Issue | 1,226,252.0354 |
| 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 | 1.52* |
| Transaction Costs | 0.25 |
| Total Investment Charge | 1.76 |

*Includes a performance fee of 0.14%

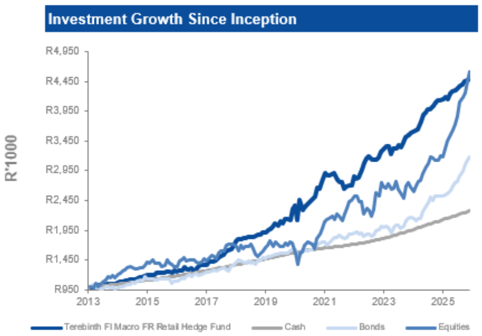
## Annual Distributions

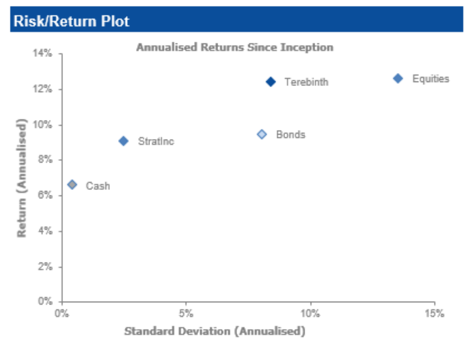
Dec 2025: 3,860.78 cents

## Additional Information

Minimum Investment: R1 000 000
Portfolio Valuation Frequency: Daily
Portfolio Valuation Time: 15:00
Transaction Cut-Off: 14:00pm SA time on a business day
Annual distribution declaration date: December
Performance Fee: Uncapped
Participation Rate: 15%

## Investment Growth & Risk-Reward - Since Inception




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 | 0.87 | 9.19 | 11.26 | 10.36 | 13.52 | 12.44 |
| STeFI Composite | 0.57 | 7.44 | 8.01 | 6.65 | 6.79 | 6.60 |
| FTSE/JSE All Bond TR | 1.95 | 26.11 | 16.52 | 12.80 | 11.20 | 9.46 |
| FTSE/JSE All Share TR | 3.72 | 44.35 | 18.90 | 18.42 | 13.14 | 12.64 |

## Monthly Performance*

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | STEFI |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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% | 0.98% | 0.91% | 0.31% | 1.15% | 0.51% | **8.28%** | 7.52% |
| **2026** | 0.87% | | | | | | | | | | | | **0.87%** | 0.57% |

*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 | 8.38 | 0.70 | 0.78 | 13.24 | 0.92 | 37.31 | -7.15 |
| STeFI Composite | 0.38 | — | — | -0.47 | -0.69 | | |
| FTSE/JSE All Bond TR | 8.02 | 0.34 | 0.49 | 2.74 | -0.63 | | |
| FTSE/JSE All Share TR | 13.58 | 0.49 | 0.79 | 0.97 | 0.05 | | |

## Value at Risk (VaR) (%)

| | |
|---|---|
| Current VaR | 5.35 |
| Maximum VaR | 11.91 |
| 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.

## Contact Details

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## Disclaimer

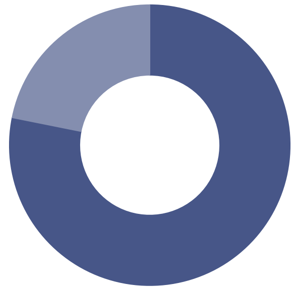


## Grossary Terms

■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 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.

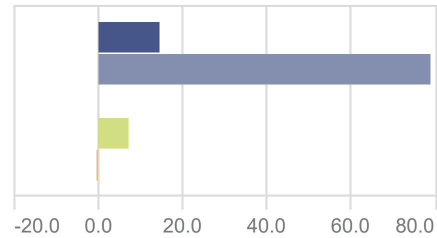
Issue date: 13 February 2026

## Asset Allocation



| | % |
|---|---|
| FIXED INCOME: BONDS AND DERIVATIVES | 78.2 |
| CASH / MONEY MARKET | 21.9 |
| **Total** | **100.0** |

## Counterparty Exposure




| | % |
|---|---|
| ABSA BANK LIMITED | 14.5 |
| JSE DEBT MARKET | 78.7 |
| JSE CLEAR PTY LIMITED | 0.0 |
| FIRSTRAND BANK LIMITED | 7.2 |
| OTHER | -0.4 |
| **Total** | **100.0** |

## Market and Fund Commentary

**Global**

We entered 2026 with the Goldilocks narrative trumping geopolitical gyrations. Risk assets displayed a pro-growth bias based on hopes of AI productivity delivery and resilient demand. Above-trend US growth off an elevated headline base is expected to be underpinned by easing fiscal policy, a lighter regulatory burden, further monetary policy loosening, and ongoing capex expansion. AI productivity gains and a contained oil price are the main ingredients to keep inflation in check, amid the risk of fiscal dominance. This Goldilocks scenario would allow the Fed to normalise its policy stance in the absence of a recession.

The global monetary policy cycle will be increasingly disparate, with easing expected from select EMs, the UK, and potentially China, while markets have priced in tightening from Australia, New Zealand, Japan, Korea, Taiwan, and Colombia. Despite this selective hawkishness, high-yielding emerging markets still stand to benefit from attractive carry in a world where funding currencies (outside of the Yen) remain on an easing bias.

Fiscal fears have been a key feature of FX dynamics, where increasing risk premia are required to entice investors. The dollar has been the main focus as mid-month weakness renewed concerns about fiat currency debasement alongside central bank diversification. This boosted precious metals further even as concerns mounted of a speculative bubble.

The equity market narrative is still overwhelmingly dominated by AI. Enthusiasm might be spilling over into other sectors, leaving technology valuations at more palatable levels, but it is challenging to differentiate typical cyclical support from the anticipated structural uplift. Monetisation for consumer-facing businesses has seemingly not yet delivered on the hype, while the immediate concern is about the impact on profitability of the capex surge by the hyperscalers.

Speculation of a commodity super-cycle is again gaining ground, but price performance so far points to ongoing selection rather than a broad-based buy. Support for precious metals from de-dollarisation and geopolitical fragmentation lost steam at the end of the month, allowing some speculative froth to exit the market. Amid excess global supplies, oil has been the surprise with prices rallying due to a rising geopolitical premium amid US/Iran tensions.

China remains a pivotal force, where potential for stimulus and a still-undervalued currency support its export-led growth model, at least from a short-term perspective. From a structural perspective, the challenges continue to mount – an ageing population, excess capacity, slowing urbanisation and weak consumer demand, in part due to the ongoing real estate rebalancing.

While geopolitical risks cloud the otherwise supportive macro backdrop, the biggest threat is a resurgent US dollar. This would stem from a return of US exceptionalism or a hawkish pivot by the Fed. On this score the markets are viewing Kevin Warsh's nomination as broadly credible, but we are yet to see what feather he will don.

**Local**

For South Africa, structural improvement continues to drive expectations and markets, with the consensus narrative increasingly bullish. Our base case sees GDP growth rising to 1.5% – 2.0% as sentiment improves, monetary easing supports consumption, and a firmer rand plus low oil price anchor inflation close to the 3% target. Amid contained inflation and a tight monetary policy stance, we think the SARB will cut rates by 50bp – 75bp this year to take the repo rate to a neutral level. The January pause by the MPC was a close call, but reflected the Committee's innate conservatism and singular focus on achieving the 3% target. As such, this remains a protracted easing cycle with the potential risk of being cut short should the global policy shift to a hawkish bias become a stronger headwind.

Fiscal risks have receded as upside revenue surprises and positive terms-of-trade have more than offset the drag from disinflation. So far, the lower inflation target has aided a falling cost of borrowing, which in turn has improved fiscal metrics. While the debt ratio is elevated (and may not be peaking) the rate of increase has slowed dramatically. This has been a key factor in the rating agencies assessment. As such, the ratings trajectory has improved, but whether this will be sustained beyond cyclical support will depend on politics, policy, and higher trend growth.

South African assets had an exceptional year in 2025: strong commodities, a weaker dollar, EM inflows, and credible fiscal and monetary policy delivered outsized returns across equities, bonds, and the currency. Yet, despite the relief, deep structural constraints on growth persist — state capacity failures, weak service delivery, stalled mining investment, and criminal justice dysfunction. 2026 is positioned as a pivotal year. Political dynamics, including the SONA, GNU stability, local government elections, and global realignments, shape the backdrop. The economy is set to benefit from ongoing reform in network industries, notably electricity, ports, and rail, but the hard work starts now with a shift in focus to reconstruction at a municipal level, alongside rehabilitating safety and security sectors.

While these structural headwinds persist, the economy is set to benefit from cyclical tailwinds, including higher commodity prices, improved electricity stability, lower interest rates, fiscal windfalls, and a firmer rand. A key debate is whether the positive terms-of-trade shock will benefit the broader economy as it did in the 2000s. We think the optimism may be overdone on this front, amid reduced interconnectedness within the SA economy, as well as between SA and the rest of the world. Even so, we should be making hay while the sun shines.

With South African asset prices having partially re-rated, investor expectations of future returns will need to adjust, particularly in the context of a lower inflation target and attendant lower level of interest rates in the medium term.