Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 August 2026

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	2,694,313,799.15
Unit Price	3,264.43
Units in Issue	1,358,757.5887
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	1.49*
Transaction Costs	0.67
Total Investment Charge	2.16

*Includes a performance fee of 0.12%

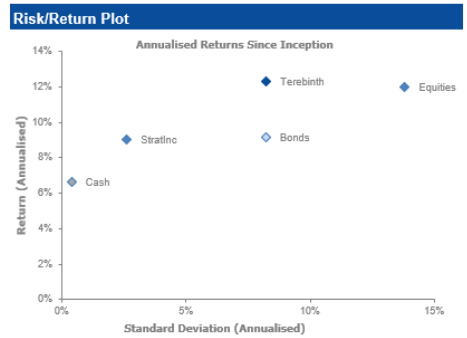
Annual Distributions

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 Year¹	3 Years¹	5 Years¹	10 Years¹	Since Inception¹
Terebinth FI Macro FR Retail Hedge 1	6.00	9.08	11.88	11.32	13.73	12.28
STeFI Composite	4.54	6.99	7.81	7.02	6.76	6.61
FTSE/JSE All Bond TR	3.52	16.55	16.74	11.66	10.63	9.15
FTSE/JSE All Share TR	2.76	18.42	20.04	15.94	12.06	11.98

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%	1.11%	-0.37%	1.07%	0.39%	0.00%	2.62%	0.18%					**6.00%**	4.54%

*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	8.23	0.69	0.79	13.73	0.94	37.31	-7.15
STeFI Composite	0.38	—	—	-0.35	-0.73		
FTSE/JSE All Bond TR	8.20	0.30	0.42	2.71	-0.74		
FTSE/JSE All Share TR	13.85	0.44	0.69	1.00	-0.06		

Value at Risk (VaR) (%)

Current VaR	5.22
Maximum VaR	7.81
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. The VaR disclosed represents the maximum VaR recorded by the Fund during the quarter. 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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Contact Details

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Disclaimer

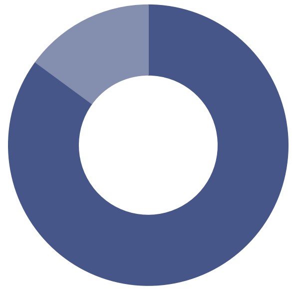
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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, 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. Performance fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. 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: 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 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.

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.

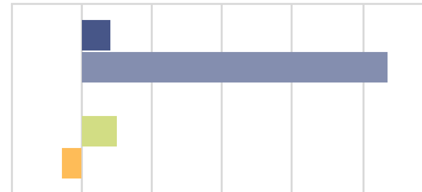
Issue date: 14 September 2026

Asset Allocation



	%
FIXED INCOME: BONDS AND DERIVATIVES	85.1
CASH / MONEY MARKET	14.9
Total	**100.0**

Counterparty Exposure



	%
ABSA BANK LIMITED	8.3
JSE DEBT MARKET	87.1
JSE CLEAR PTY LIMITED	0.1
FIRSTRAND BANK LIMITED	10.1
OTHER	-5.5
Total	**100.0**

Market and Fund Commentary

Global

We continue to live in interesting times, with ongoing geopolitical tensions now supplemented with central bank obfuscation.
There were renewed strikes in Iran during August, with the official statistics showing a marked decline in traffic through the Strait of Hormuz. As a result, the oil price was quite volatile, falling to just below US$80/bbl only to climb to above US$90/bbl by month end. Refining margins for diesel remained elevated, leading to retail price pressures despite promises of an end to hostilities as the Memorandum of Understanding expired on 17 August. What has been flying under the radar is the increased tensions between Russia and Ukraine with significant threats by the Russian leadership evading media headlines. The bombings of grain supply lines have garnered more attention as food prices are front of mind in light of the risk of a "Monster El Nino" heading into 2027.
Inflation remains sticky, driven by energy prices and AI capex, while food price risks are simmering in the background.
Where there might be emerging consensus is that trade tariff passthrough is maturing, removing one of the pressure points for prices.
Headline growth resilience is seemingly absorbing (or causing) inflation persistence, even if the expansion is narrowly driven (AI capex) and uneven across the world.
Consumer confidence measures paint a less rosy picture with survey respondents fretting about jobs and prices – a miserable lot according to Arthur Okun.

Warsh's lack of clarity in the July FOMC press conference was only partly addressed in his Jackson Hole remarks. The key takeaways were:
1) the 2% inflation target is here to stay but we are still some way off from achieving it;
2) financial conditions are not tight, and
3) the market will be doing more of the work.
The issue with financial conditions is similar to the stock-flow argument underlying the effectiveness of QE – do financial conditions ease because they move from point A to point B, or are they easy because they are at point B (i.e. a relative or absolute argument).

Equity market valuations are high, but equities have been moving broadly sideways, while real bond yields and energy prices are higher, with only a partial offset from a weaker, but still overvalued US dollar. The other concern is that even though there should not be a circular reference between the Fed and the market about what the next policy move will be, there is still a link between the market and the Fed as to whether higher bond yields signal inflation risk and in the absence of rate hikes, long end yields could become unanchored.

With breakeven inflation relatively contained, the market might not be sending the Fed a message, but rather setting its sights on the US Treasury. A higher real yield and rising term premium reflects growing uncertainty and credit risk in relation to the unsustainable fiscal position in the US. In addition, the US bond market must contend with global spillovers, including surging Japanese and German yields. In aggregate, this reflects an increase in safe asset supply, which is repricing core rates. Add in larger demand for loanable funds form the AI capex spend and stronger nominal growth (reflective of better opportunities in the broader economy), it is clear that the US Treasury market must now compete for investors.

Even if higher yields reflect "good news", they tighten financial conditions for the broader economy and emerging markets. Long-duration assets (read hyperscalers and tech) will be vulnerable to a higher discount rate, particularly as free cashflow wanes.
If US yields get high enough, they will entice capital back. But this will depend on restoring trust in US policymakers.

Local

South African markets have done a reasonably good job of absorbing higher bond yields, thanks in part to global factors, but mostly due to ongoing optimism of fiscal improvement, a prudent SARB, and reform. SA has been a relative outperformer among EM peers across FX, bonds, and equities.
The rand rallied to below 16.00 versus the US dollar, while the trade-weighted index gained 1.7% in August – this suggests that it was not only US dollar weakness, but SA-specific dynamics. While the broader terms-of-trade was muted, the bounce in the gold price benefited the rand, but increased hedging given near-limit offshore exposure could also have been a factor.

Bonds have decoupled from the currency over the past month, as higher core rates have been only partially absorbed via a lower credit risk premium. The spread between SA yields and US yields is at a post-GFC low (400p), discounting the relative improvement in the ratings outlook. As such, one would have to become even more optimistic on SA's prospects to have further compression in credit spreads - a continued march higher in core yields will start to weigh more heavily on the local market.

Fiscal trackers have shown some weakness in the latest set of government financial statistics, but the trends remain positive. A growing primary surplus thanks to the combination of contained expenditure growth and resilient tax revenues point to budget targets being met. What has been of particular interest is the persistent upside surprise in personal income tax receipts. Whether this is due to SARS efficiency gains or better underlying employment dynamics is unclear. What we can say is that a better resourced SARS versus an underfunded Stats SA could mean real-time nominal data from the former are more reliable.

Yet incoming growth estimates for 2Q26 have steadily deteriorated, with a building consensus for a slight contraction. If realised, this will trigger another round of downward revisions to full-year growth forecasts. While the JSE is not a mirror of the SA economy, SA Inc sectors, notably general retailers, continue to paint a more dire picture. Part of the reassessment has been due to the hawkish SARB, but this has shifted in more recent public rhetoric following the surprise decision to keep rates on hold in July. Some acknowledgement of the growth deterioration was forthcoming, even if alongside the usual caveats regarding the unseen and uncertain output gap. While the market is pricing in almost two hikes, the SARB assessment is that it has twice bought insurance – by not cutting in January and by hiking in May. Whether this is enough to weather a tightening cycle by the Fed is yet to be seen.
Inflation has been playing ball, with a downside surprise in the July data (released in August) vindicating the MPC's decision not to hike. That said, the spike in diesel refining margins should result in a renewed acceleration in inflation in the coming months. The bigger debate is around what a record El Nino event could mean for the trajectory in food price inflation – food and non-alcoholic beverages make up c.18% of the CPI basket. Here the views differ markedly, as reflected in wide-ranging inflation forecasts for 2027.

Reform momentum has been moderating based on Business Leadership SA's useful reform tracker. It was also interesting to note that Eskom has engaged with BLSA following direct remarks that Eskom is in effect backtracking on its commitment to reform, particularly the unbundling, which is long overdue. While Eskom the issuer and bondholders are fretting about where the debt will end up, from the country's perspective unbundling is still the primary focus. What has been one step forward is the publication of the draft Electricity Pricing Policy, which aims to make the composition of tariffs transparent.

Campaigning for the Local Government Election to be held on 4 November is in full swing, even if the ANC is yet to confirm their mayoral candidates. The latest Social Research Foundation poll (Q2 2026) shows a further decline in support for the ANC in favour of the MKP and other parties rather than the DA. In Johannesburg, the DA is polling more favourably compared to the Q1 poll and remain the favourite in Tshwane, even if its share has fallen somewhat. The MKP was the leader in the poll for eThekwini, but was still well short of a majority. Effective pro-reform coalitions at local government level will be crucial for the next leg up in the structural growth story

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