# Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 30 June 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 | 2,514,772,282.56 |
| Unit Price | 3,175.188 |
| Units in Issue | 1,321,509.98 |
| 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 | 1.53* |
| Transaction Costs | 0.52 |
| Total Investment Charge | 2.05 |

*Includes a performance fee of 0.15%

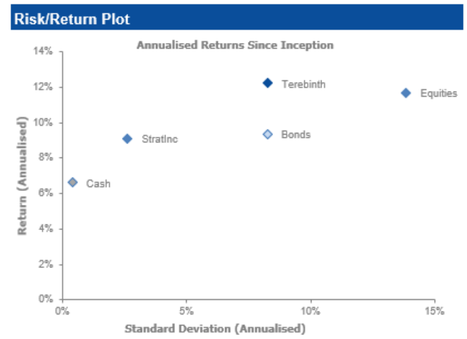
## Annual Distributions

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 | 3.10 | 7.36 | 11.54 | 9.59 | 13.56 | 12.21 |
| STeFI Composite | 3.35 | 7.07 | 7.89 | 6.91 | 6.77 | 6.61 |
| FTSE/JSE All Bond TR | 4.25 | 21.48 | 17.81 | 12.38 | 10.76 | 9.33 |
| FTSE/JSE All Share TR | -2.96 | 18.42 | 17.39 | 15.16 | 11.58 | 11.66 |

## 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% | | | | | | | **3.10%** | 3.35% |

*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 | 8.26 | 0.68 | 0.78 | 13.66 | 0.85 | 37.31 | -7.15 |
| STeFI Composite | 0.38 | — | — | -0.39 | -0.71 | | |
| FTSE/JSE All Bond TR | 8.23 | 0.32 | 0.45 | 2.71 | -0.75 | | |
| FTSE/JSE All Share TR | 13.91 | 0.42 | 0.65 | 0.98 | -0.04 | | |

## Value at Risk (VaR) (%)

| | |
|---|---|
| Current VaR | 2.43 |
| Maximum VaR | 7.19 |
| 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 | 30 June 2026

## Contact Details

**Investment Manager**
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## Disclaimer

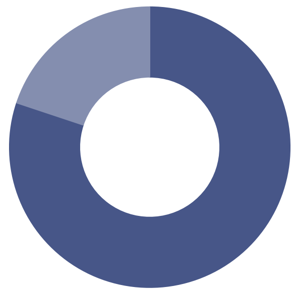


## Glossary Terms

■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.

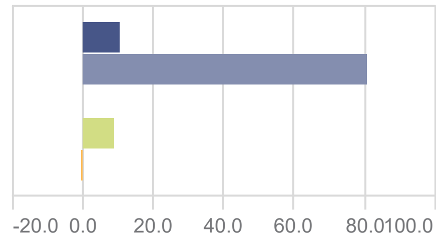
Issue date: 14 July 2026

## Asset Allocation



| | % |
|---|---|
| FIXED INCOME: BONDS AND DERIVATIVES | 80.1 |
| CASH / MONEY MARKET | 19.9 |
| **Total** | **100.0** |

## Counterparty Exposure




| | % |
|---|---|
| ABSA BANK LIMITED | 10.6 |
| JSE DEBT MARKET | 80.7 |
| JSE CLEAR PTY LIMITED | 0.0 |
| FIRSTRAND BANK LIMITED | 9.0 |
| OTHER | -0.3 |
| **Total** | **100.0** |

## Market and Fund Commentary

### Global

As the US, Mexico and Canada thrash out the details in the 6-year review of the United States-Mexico-Canada Agreement (USMCA) that governs trade between the three countries, they are at least pretending to get along as they co-host the 2026 FIFA World Cup, which kicked off on 11 June. The tournament has already delivered some surprises – Bafana Bafana made the Round of 32, while Germany and the Netherlands are heading home ahead of the Round of 16 with penalty shoot-outs proving to be their downfall.

The lesson for markets is that one should not underestimate the opportunity, or threat, from heading into extra time, which is where we find ourselves in the US/Iran conflict. The Memorandum of Understanding (MOU) may seem like a draw, but renewed strikes and patchy recovery in maritime traffic through the Strait of Hormuz suggest a high risk of more own goals. Iran's permanent control of the Strait of Hormuz and its nuclear weapons programme are two of the flashpoints that could yet deliver red cards. Notwithstanding the addition of assistant referees in the form of Qatar and Pakistan, there is still a lot of playing time ahead of a conclusive peace deal with sign-off required from the UN Security Council.

Even so, the oil market is discounting a sustained restoration in the supply-demand balance, having retreated from close to US$100/bbl to US$73/bbl over the past month. While there may still be near-term price volatility given the need to rebuild inventories, part of the demand destruction may prove to be permanent, while a weakening OPEC+ and improved crude supplies from Venezuela and Iran could again lead to an oil glut and lower prices on a 12-month view.

This should be encouraging news for inflation dynamics, with recent price acceleration giving way to disinflation and the potential for renewed monetary policy easing. However, Fed Chair Warsh's debut put the hawk amongst the doves with his strong commitment to bring inflation back to target. Underlying inflation in the US has been sticky for some time, with the AI capex surge leading to inflationary pressures even at the consumer level, notably for chip-dependent products.

In addition to the surprisingly hawkish tone at the June FOMC meeting, reduced forward guidance has added risk premium to the market's monetary policy expectations. Bond market volatility during the second quarter was driven by higher real yields and not break-even inflation. This has dampened risk appetite, as long-duration growth assets are more sensitive to shifts in interest rates.

SpaceX's IPO, AI-related public and private borrowing and booming M&A activity are increasing demand for funds, which may keep the cost of borrowing elevated or trigger a reallocation of capital. The net effect would be rising demand for the US dollar and dollar assets, which in turn would be a tightening on financial conditions for emerging markets. A key question for investors is whether this marks renewed US exceptionalism or whether the benefits of AI will broaden beyond semiconductor share prices. We await the final whistle.

### Local

The recovery in South Africa's financial markets has not been even. Bonds have regained all of the lost ground since the end-March lows, alongside appreciation in the rand versus the US dollar. While listed property has been the outperforming asset class, general equities have been weighed down by the resources and technology sectors, reflecting a less robust terms of trade and the global rotation out of tech and software stocks. Positive SA momentum is waning, partly due to the reassessment of the macro outlook.

Notwithstanding the notable decline in the oil price and confirmation of sizeable and welcome fuel price cuts for July, services inflation remains sticky, while lagged second-round effects and fears of a strong El Nino have ensured a hawkish bias on the SARB's Monetary Policy Committee (MPC). The BER's inflation expectations survey showed a sizeable jump across most horizons to above 4.0% - outside the target tolerance band. Average 5-year inflation expectations from analysts, labour unions and businesses rose from 3.6% to 4.1%, while households expect inflation to run at a whopping 9.1% over the next five years. The former does not signify a de-anchoring of inflation expectations, but there is still work to be done to convince the market, and the populace, that the SARB can get inflation back to 3%.

Although the MPC's forecasting model showed a one-and-done hike in May, the reversal in inflation expectations is probably enough to cement another 25bp hike at the July meeting. Hikes beyond this level seems only partly priced by the rates market, as risk premium has unwound alongside the fall in the oil price, as well as moderating growth expectations. The market will have taken note of further hawkish comments by the governor in the aftermath of the BER release.

On this score, the 1Q26 GDP release was a positive surprise and lifts the starting point for full-year growth, limiting the downside to forecast revisions. The detail was not quite as robust, with a sharp slowdown in household consumption growth and a contraction in fixed investment. The headline number was boosted by lower imports, which in turn was partly offset by a sizeable inventory drawdown. The disruption from the US/Iran conflict in March partly explains the Q1 weakness, but incoming data for Q2 has started to show the impact of slower real income growth and the pivot from rate cuts to rate hikes. Souring sentiment is most evident in weaker business and consumer confidence readings, but this could improve on sharply lower transport costs in the months ahead.

The fiscal data has been tracking well, but here too potential risks are mounting. The likely upside from the stronger commodity-driven tax revenue could be countered by slower domestic spending and VAT receipts. While this should not weaken the fiscal metrics relative to the budget projections, outright positive surprises are becoming less likely. This could limit scope for further credit rating upgrades.

With June being Youth Month, there should be underlying optimism of the demographic dividend that young dynamism could bring to the economy. However, in SA the xenophobia that culminated in the March and March deadline of 30 June is a stark reminder that underlying growth dynamics remain too weak to address the country's unemployment problem. Despite a positive GDP surprise in Q1, the unemployment rate rose from 31.4% to 32.7%, while the youth unemployment rate (ages 15 to 24) jumped from 57.0% to 60.9% (not a typo). The message to politicians is clear. The hard yards for structural reforms are just beginning.