# Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 28 November 2025

TEREBINTH CAPITAL

## 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 | 2,170,849,165.84 |
| Unit Price | 3102.63 |
| Units in Issue | 1,191,626.28 |
| 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 | 1.77* |
| Transaction Costs | 0.11 |
| Total Investment Charge | 1.88 |

*Includes a performance fee of 0.40%

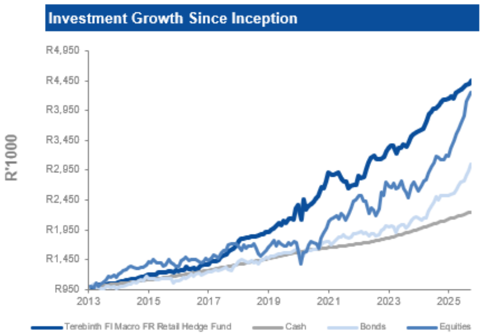
## Annual Distributions

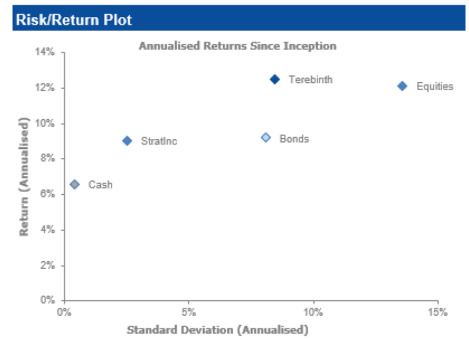
Dec 2024: 5,323.12 cents

## 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 | 7.73 | 8.38 | 12.21 | 10.58 | 13.45 | 12.49 |
| STeFI Composite | 6.90 | 7.62 | 8.01 | 6.54 | 6.78 | 6.59 |
| FTSE/JSE All Bond TR | 20.97 | 20.54 | 16.09 | 12.48 | 10.42 | 9.19 |
| FTSE/JSE All Share TR | 36.18 | 35.79 | 18.16 | 18.68 | 11.70 | 12.10 |

## Monthly Perfomance*

| | 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% | 0.98% | 0.91% | 0.31% | 1.15% | | **7.73%** | 6.90% |

*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 | 8.43 | 0.70 | — | 13.04 | 0.90 | 37.31 | -7.15 |
| STeFI Composite | 0.39 | — | — | -0.51 | -0.68 | | |
| FTSE/JSE All Bond TR | 8.05 | 0.31 | 0.44 | 2.71 | -0.61 | | |
| FTSE/JSE All Share TR | 13.62 | 0.46 | 0.73 | 0.98 | 0.08 | | |

## Value at Risk (VaR) (%)

| | |
|---|---|
| Current VaR | 10.32 |
| Maximum VaR | 14.32 |
| 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 | 28 November 2025

## Contact Details


**Investment Manager**
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## Disclaimer

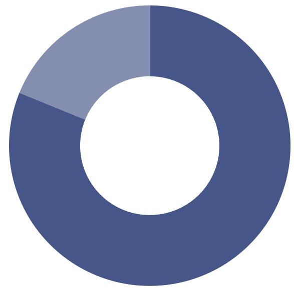


## Grossary Terms

■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.

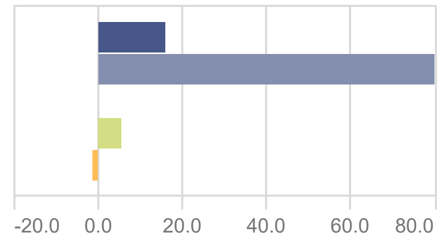
Issue date: 12 December 2025

## Asset Allocation



| | % |
|---|---|
| FIXED INCOME: BONDS AND DERIVATIVES | 81.2 |
| CASH / MONEY MARKET | 18.8 |
| **Total** | **100.0** |

## Counterparty Exposure




| | % |
|---|---|
| ABSA BANK LIMITED | 16.0 |
| JSE DEBT MARKET | 79.7 |
| JSE CLEAR PTY LIMITED | 0.0 |
| FIRSTRAND BANK LIMITED | 5.6 |
| OTHER | -1.2 |
| **Total** | **100.0** |

## Market and Fund Commentary

**Global**

The longest US federal government shutdown in history proved unfavourable for markets, marked by a scarcity of official data. Releases since the reopening on 13 November have largely been viewed as outdated. Certain figures, like the October CPI and employment reports, will remain unreleased due to missed surveys. Consequently, markets have relied on proxy indicators and Fed commentary, which grew less dovish following the October FOMC meeting and its minutes. The postponed September employment data revealed strong job growth, despite a slight rise in unemployment, swiftly diminishing expectations for December easing. Subsequent official statements, particularly Williams' speech, reinstated the possibility of a cut, sparking a notable rally in US yields.

Prospects for US monetary policy beyond December appear highly uncertain. Reduced and delayed tariff passthrough might be offset by positive fiscal stimuli and diminishing tariff ambiguity, resulting in fewer rate reductions. Nevertheless, despite the impending conclusion of QT, liquidity remains unsupportive, as indicated by fluctuations in the SOFR/Fed funds spread, potentially necessitating additional easing. Disparities across and within regions are pronounced. In Latin America, policy outlooks have generally become more dovish, supported by high real rates, ongoing disinflation, and subsiding fiscal anxieties. In CEEMEA, trends are varied: Israel, Poland, and South Africa lean dovish, whereas others seem to have concluded their easing cycles. Asia has tilted hawkish, with markets eyeing medium-term hikes in Australia, New Zealand, South Korea, and Taiwan. The Bank of Japan is anticipated to raise rates by January. The ECB stays on pause, but the favourable response to the UK budget may afford the Bank of England greater leeway for easing.

While Fed expectations exert less influence on global rates, the US cycle's trajectory remains pivotal. Attention thus centres on the forthcoming Fed Chair announcement, possibly before year-end. Although President Trump's nominees will constitute a minority, the Chairperson's sway is considerable. Betting markets position Kevin Hassett as the frontrunner, while financial expert Rick Rieder—arguably the sole candidate fully grasping the Fed's contribution to exacerbating the K-shaped economy—has seen his odds decline sharply.

A prospective Fed pivot towards explicit liquidity backing—for government and markets (notably Big Tech)—might engender financial repression, inflated valuations, and elevated inflation. This bodes ill for the dollar long-term, despite its recent appreciation. Crucially, the AI capital expenditure surge has yielded scant proof of productivity or employment spillovers. Markets are increasingly scrutinising capital access and cost over returns.

As 2026 forecasts emerge, sentiment is broadly optimistic, skewing risks downward. Overextended valuations and mounting debt could precipitate an AI bubble burst, while expanding budget deficits might propel government bond yields markedly higher.

**Local**

South Africa has transitioned from broad to selective outperformance against emerging markets, with listed property and local government bonds excelling. Markets had pre-emptively priced in positive developments ahead of a packed fourth-quarter agenda, and outcomes mostly met or surpassed expectations, invigorating not only SAGBs but also ILBs.

The MTBPS, presented on 12 November without GNU discord or interruptions, saw Finance Minister Godongwana address key priorities: robust revenue overruns with prudent assumptions; an in-year debt ratio peak; increasing primary surpluses; reduced debt service expenses; curtailed fixed-rate bond issuance; and formal endorsement of the 3% inflation target (with a symmetric 1% tolerance band). Drawbacks included a worsened debt-to-GDP ratio compared to May (stemming from sluggish nominal GDP growth amid low inflation and tepid real expansion); absence of a formal fiscal anchor announcement; and continued expenditure of revenue windfalls. Positively, the budget signals a shift towards favouring capital expenditure over current outlays, introducing new infrastructure bonds for the Budget Facility for Infrastructure.

Furthermore, deeper reforms loom for the public sector wage bill, targeting phantom employees and automatic pay progression—though implementation poses challenges. Overall, the MTBPS sufficed to prompt S&P to elevate the sovereign's long-term foreign currency rating from BB- to BB, retaining a positive outlook. While views on the upgrade varied among investors and analysts, its likelihood was deemed minimal, especially with the positive outlook intact. Based on S&P's action, expectations lean towards Moody's adjusting South Africa's outlook from stable to positive on 5 December, while holding the Ba2 rating (BB equivalent).

Persistent low inflation (October headline and core CPI undershooting forecasts), fiscal and ratings advancements, and the 3% target adoption enabled the SARB to trim the policy rate by 25bp to 6.75% in November. Though anticipated (with ~80% market and consensus probability), the unanimous decision underscored dovishness. Markets price two further cuts—not overly ambitious given a 5.5%-6.0% neutral range, yet a global policy reversal could complicate matters.
This does not position us as SARB hawks. Growth indicators suggest additional easing would aid recovery, absent external (contained current account) or internal (zero credit gap) imbalances.

Third-quarter GDP likely accelerated, but fourth-quarter high-frequency data are inconsistent. Vehicle sales thrive (via replacement cycles and affordable Chinese imports), yet credit expansion stems from corporates rather than household spending. Structural reforms' growth boost will materialise gradually, keeping real growth aligned with population increases.

Portfolio and direct investment flows indicate foreigners' hesitation to embrace a structurally upbeat South Africa narrative. Inflows derive from cyclical appeal—strong carry and relative stability—but sustained growth uplift is essential for enduring capital. Such caution partly reflects persistent policy risks: expropriation without compensation, NHI financing, tax hikes, employment equity rules, and GNU durability. The ANC's December policy conference and fourth-quarter 2026 local elections will serve as critical benchmarks.