

# Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 28 November 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	2,170,849,165.84
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%

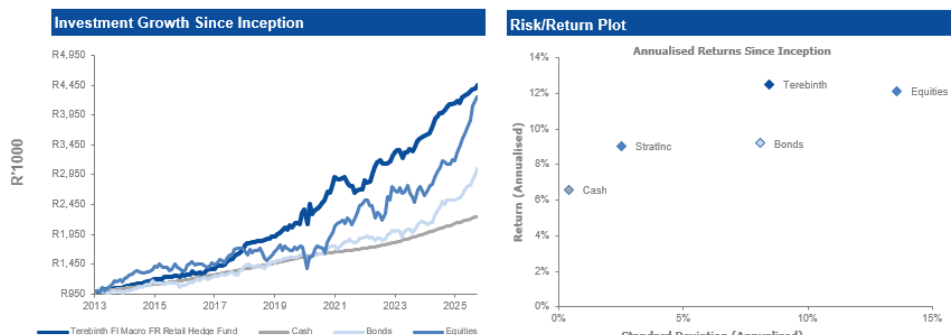
## Annual Distributions

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 <sup>1</sup>	3 Years <sup>1</sup>	5 Years <sup>1</sup>	10 Years <sup>1</sup>	Since Inception <sup>1</sup>
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 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%	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.

# Terebith FI Macro FR Retail Hedge Fund

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## Contact Details

**Investment Manager**  
Terebith Capital (Pty) Ltd  
Willowbridge Place, Carl Cronje Drive, Tygervalley, Bellville, 7530  
Tel: +27 21 943 4819 E-mail: [operations@terebithcapital.com](mailto:operations@terebithcapital.com)  
Website: [www.terebithcapital.com](http://www.terebithcapital.com)

**Manager Information**  
Fundrock Management Company (RF) (Pty) Ltd. Reg.no2013/096377/07  
4th Floor, Catnia Building, Bella Rosa Village, Bella Rosa Sreet, Bellville, Cape Town, 7530  
Tel: +27 21 879 9837 / +27 21 879 9839  
Email: [frclient@fundrock.com](mailto:frclient@fundrock.com), Website: [www.fundrock.com](http://www.fundrock.com)

**Trustee Information**  
FirstRand Bank Limited  
RMB Custody and Trustee Services Division  
3 Merchant Place, Ground Floor, Friedman Drive, Sandton, 2146  
Tel: +27 87 736 1732

## Disclaimer

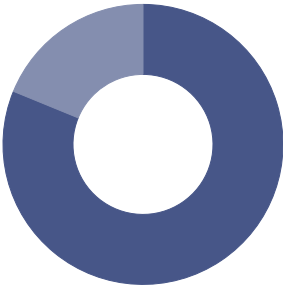
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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. Terebith 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 has published Higher Fiduciary 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 can result in "amplified" gains and/or losses.■ **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 equity 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 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 deductible expenses such as audit fees, brokerage and service fees.■ **Annualised Return:** is the weighted average of the annual returns 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.

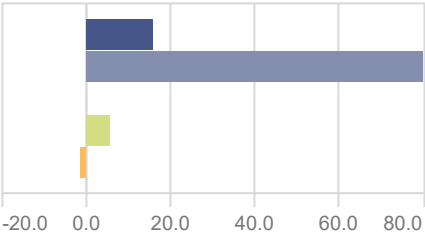
Issue date: 12 December 2025

## Asset Allocation



•FIXED INCOME: BONDS AND DERIVATIVES	81.2	%
•CASH / MONEY MARKET	18.8	%
<b>Total</b>	<b>100.0</b>	

## 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	%
<b>Total</b>	<b>100.0</b>	

## 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.