



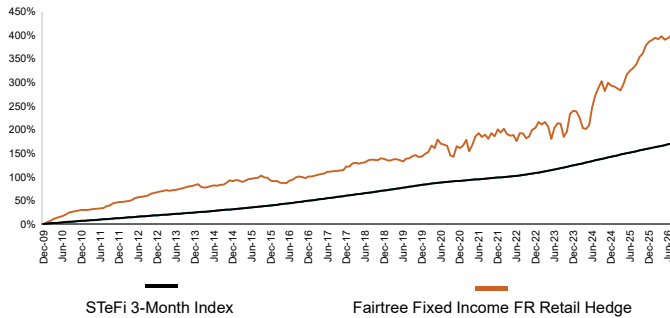
Investment Objective

The objective of the fund is to create medium to long-term wealth for investors by taking advantage of valuation discrepancies that emerge in the credit market.

Fund Profile

The portfolio is a long/short focused fixed income portfolio. The portfolio will predominately invest in South African markets but is permitted to include investments in offshore jurisdictions subject to the investment conditions determined by regulations from time to time. The portfolios returns are accessed through fundamental knowledge of financial instruments vis-à-vis economic growth and broad economic themes as well as medium and long-term relative valuation opportunities.

Cumulative Performance Since Inception



The investment performance is for illustrative purposes only; the investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown; assuming income is reinvested on the reinvestment date.

The above benchmark(s) are for comparison purposes with the fund's performance. The fund does not follow the benchmark(s).

Return Analysis (Annualised)

	Fund	SteFi 3-Month Index
1 Year	16.13%	6.80%
3 Years	16.76%	7.61%
5 Years	11.93%	6.70%
10 Years	9.92%	6.43%
Since Inception	10.18%	6.18%

All performance figures are net of fees.

Risk Analysis

	Fund	SteFi 3-Month Index
Sharpe Ratio	0.42	n/a
Sortino Ratio	0.73	n/a
Standard Deviation	9.95	0.37
Best Month	12.85	0.72
Worst Month	-9.06%	0.26%
Highest Rolling 12 Months	41.40%	8.30%
Lowest Rolling 12 Months	-5.84%	3.48%
Largest Cumulative Drawdown	-13.09%	n/a
% Positive Months (SI.)	68.84%	n/a
Correlation (Monthly)	0.21	
Value at Risk (VaR) 95%	4.17%	

Fund Details

Risk Profile:	Medium - High
Portfolio Manager:	Ian Milard and Jacobus Lacock
Fund size:	R 140,96 m
NAV Price (as at month end):	4,206.73
Number of Units:	27,883.61
JSE Code:	FFISNR
ISIN Number:	ZAE000273892
Inception Date:	January 2010
CISCA Inception Date:	1 December 2016
ASISA Classification:	Retail Hedge Fund - South African - Fixed Income
Hurdle/Benchmark:	3 month STEFI
Minimum Investment:	R 50 000 Lump sum or R 1000 monthly
Additional Lump sum:	R 10 000
Service Fee:	1.59% (incl. VAT)

*Includes Base fee/Investment Management Fee of 1.00% (excl. VAT)

Performance fee (uncapped): 20% of the total performance above the high water mark, subject to a hurdle rate of 3 months STEFI (excl.VAT).

Cost Ratios (incl. VAT)

Total Expense Ratio (TER%):	7.61%
Performance Fee (PF) Included in TER:	5.98%
Transactions Costs Ratio (TC%):	0.06%
** Total Investment Charges (TIC%):	7.67%

* Total Investment Charges (TIC%) = TER (%) + TC (%)

** TIC Fees are calculated in respect of the 12 months up to and including June 2026

Income Distribution

31 December 2025 12,206 cents per unit (cpu)

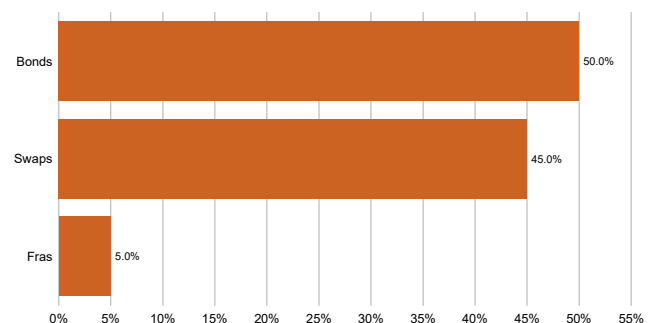
Investment Manager contact details

+27 86 176 0760

Sector Allocation

The Fairtree Fixed Income FR Retail Hedge Fund is 100% Government Bonds

Asset Allocation





	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2010	3.62%	2.18%	3.96%	2.70%	1.38%	2.04%	2.75%	3.23%	1.40%	1.19%	0.95%	0.81%	29.52%
2011	0.05%	0.13%	1.14%	0.38%	0.61%	0.46%	0.72%	2.56%	1.14%	3.30%	1.02%	0.96%	13.14%
2012	-0.09%	1.04%	0.47%	1.54%	2.32%	1.47%	0.57%	0.64%	0.79%	2.73%	0.90%	1.25%	14.48%
2013	0.82%	0.59%	0.88%	-0.60%	0.44%	0.42%	1.45%	0.80%	1.06%	1.13%	0.28%	1.13%	8.72%
2014	1.17%	-3.28%	-0.82%	0.82%	1.03%	0.83%	-0.43%	1.17%	-0.06%	2.41%	2.63%	-1.08%	4.33%
2015	1.42%	-0.53%	-1.30%	1.34%	1.61%	0.53%	0.53%	0.54%	2.38%	-2.03%	-0.27%	-3.28%	0.77%
2016	-0.57%	0.14%	-1.81%	-0.01%	-0.61%	3.12%	0.96%	2.26%	1.05%	-0.44%	-1.06%	1.50%	4.52%
2017	0.01%	1.15%	0.66%	1.02%	0.27%	1.91%	0.16%	0.66%	-0.17%	0.77%	0.23%	3.50%	10.58%
2018	0.07%	2.88%	0.76%	-0.86%	0.92%	0.52%	1.73%	0.45%	-0.25%	-0.32%	1.89%	-0.70%	7.26%
2019	-1.10%	-0.12%	1.06%	-0.05%	-0.93%	-0.99%	2.43%	0.44%	1.83%	1.00%	-1.80%	0.57%	2.27%
2020	2.30%	1.53%	5.38%	-2.08%	7.13%	-3.21%	-0.73%	-0.98%	-7.75%	-0.97%	9.29%	-1.52%	7.40%
2021	1.86%	4.64%	-8.63%	5.29%	6.76%	2.43%	-2.90%	1.62%	-2.82%	4.20%	-2.39%	5.23%	15.08%
2022	-2.23%	2.88%	-3.97%	-0.98%	0.39%	-4.44%	6.09%	-0.24%	-3.38%	1.16%	5.25%	0.97%	0.88%
2023	4.26%	-1.66%	1.71%	-2.88%	-8.69%	8.52%	3.15%	-0.18%	-9.06%	3.90%	12.85%	1.87%	12.23%
2024	-0.43%	-4.08%	-6.62%	-0.71%	2.81%	11.94%	7.30%	4.45%	3.63%	-5.16%	4.48%	-1.42%	15.64%
2025	-0.62%	-0.89%	-1.13%	3.70%	4.86%	2.09%	1.13%	1.96%	3.60%	1.61%	3.64%	1.62%	23.60%
2026	0.69%	1.00%	-0.46%	1.24%	-1.53%	0.68%	1.11%						2.73%

The portfolio converted its valuation frequency from monthly to daily valuation effective 10 May 2019. The performance shown above includes historical performance of the fund prior to its conversion to daily valuation

*The inception date for the portfolio is 1 January 2010. The historical performance figures until the end of 30 November 2016 reflect performance achieved prior to CISCA regulation. The portfolio has been transitioned under CISCA regulations on 1 December 2016 and has since been managed as a regulated product. The annualized total return is the average 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 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 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. The performance figures are reported net of fees with income reinvested.

Risk Profile

Risk Level	Low	Low-Medium	Medium	Medium-High	High
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The risk category shown is not guaranteed and may change over time. The lowest category does not mean the investment is risk free. There may be other special areas of risk relating to the investment including liquidity risk, credit risk, market risk, and settlement risk. FundRock Management Company (RF) (Pty) Ltd, ("the manager"), and the investment manager do not render financial advice. Our risk indicator does not imply that the portfolio is suitable for all types of investors. You are advised to consult your financial adviser.

Market Commentary

Global equity markets diverged in July as investors rotated out of the artificial-intelligence trade and the Middle East ceasefire collapsed. US semiconductors suffered their worst month since the Global Financial Crisis on doubts over AI valuations and capex funding, dragging the Nasdaq 100 down 5.1% while the S&P 500 was flat at 0.2% and the Dow added 0.4%. Value- and energy-heavy markets outperformed, with the UK and Europe advancing and energy the strongest sector as Brent rose roughly 23%. The unwind hit Asian technology hardest, with South Korea down around 23%, leaving the MSCI Emerging Markets Index off 6.6% (USD). Central banks held rates almost everywhere, but dissent grew, and long-dated yields rose.

US equities were mixed as Middle East tensions and higher oil prices offset resilient earnings. The S&P 500 ended flat, and the Dow gained 0.4%, but the Nasdaq 100 fell 5.1% on the semiconductor rout. Earnings reinforced a selective AI trade: Microsoft and Amazon rallied on strong cloud growth, while Meta, Alphabet and Apple lagged on rising AI costs and capex. June CPI eased to 3.5% y/y from 4.2% with core at 2.6%, but predated July's oil surge, which lifted inflation expectations. The FOMC held at 3.50%-3.75%, with three of twelve members dissenting for a 25bp hike, and Chair Warsh provided little forward guidance. The curve steepened, with the 30-year yield reaching a post-2007 high of 5.28%, and markets ended the month pricing a meaningful chance of a September increase.

European equities were among the few to advance, the Euro STOXX 50 up 1.3%, supported by energy and defence shares after Houthi threats disrupted Red Sea shipping. Second-quarter GDP expanded 0.4% q/q, double consensus, while inflation accelerated to 2.9% in July. The ECB held its deposit rate at 2.25% on 23 July but signalled further tightening remained likely, with markets ending the month pricing two more hikes by early 2027. Sovereign yields hit fresh multi-year highs on the oil-driven inflation scare, the 10-year Bund reaching a post-2011 high of 3.21% and the French 10-year ending near 4.0%.

South African equities outperformed a falling global benchmark, with the All-Share Index up 1.2% and the Top 40 up 1.4% as the market's commodity weighting worked in its favour; resources led (Resource 10 up 2.2%) and property climbed 2.3%, while domestic retailers lagged. June inflation accelerated to a two-year high of 5.0% y/y, driven by a 34.3% jump in fuel prices, with core at 4.1%. The SARB surprised by holding the repo rate at 7.0% on 23 July (four to hold, two for a hike), warning inflation would stay above 4% into early next year. The rand weakened towards R17.0/USD intramonth before ending near R16.5 (down 0.9%), and the curve bear-steepened, with the 10-year rising to about 8.7% and the ALBI returning -1.4%.

China equities were resilient but bifurcated, with Hong Kong outperforming the mainland and the MSCI China All Shares Index returning 1.5% (USD). Mainland shares bore the brunt of the global AI unwind, while the official manufacturing and non-manufacturing PMIs both slipped back into contraction and the property sector stayed constrained. Hong Kong outperformed on China-specific catalysts, chief among them the regulatory approval of Apple Intelligence, to run on Alibaba's Qwen and Baidu's technology, which lifted Alibaba, Tencent and Meituan.

Commodity markets were dominated by the return of the energy shock. Brent rose roughly 23% to end July near \$90/bbl, its strongest month since March, after briefly trading above \$100 mid-month as the US-Iran pause collapsed and a blockade threatened the Strait of Hormuz. Gold rose about 1% to roughly \$4,050/oz, its first monthly gain in five, holding above \$4,000 despite a firmer dollar. Platinum extended its recovery, up 3.7% to about \$1,659/oz and supporting SA producers, while copper gained roughly 5% to \$6.4/lb on falling inventories and electrification demand.

Please Note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.



Glossary

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 Charges (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).
Standard Deviation :	The deviation of the return of the portfolio relative to its average.
Drawdown :	The greatest peak to trough loss until a new peak is reached.
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.
Correlation :	A number between -1 and 1 indicating the similarity of the dispersion of returns between the portfolio and another asset or index with 1 being highly correlated, -1 highly negatively correlated and 0 uncorrelated.
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.
Leverage/Gearing :	The use of securities, including derivative instruments, short positions or borrowed capital to increase the exposure beyond the capital employed to an investment.

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 Sector Risk :	A large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors in a portfolio will material 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.
Equity Risk :	Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector.

Portfolio Valuation & Transaction Cut - Off

Portfolios are valued daily. The cut off time for processing investment subscriptions is 14:00pm on a business day.

Total Expense Ratio

A higher 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 other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

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