



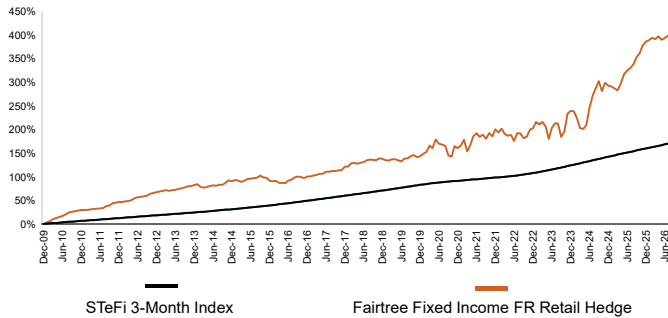
Investment Objective

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	14.28%	6.81%
3 Years	16.96%	7.57%
5 Years	11.65%	6.75%
10 Years	9.71%	6.43%
Since Inception	10.15%	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	9.93	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.)	69.00%	n/a
Correlation (Monthly)	0.21	
Value at Risk (VaR) 95%	3.97%	

Fund Details

Risk Profile:	Medium - High
Portfolio Manager:	Ian Milard and Jacobus Lacock
Fund size:	R 143,00 m
NAV Price (as at month end):	4,220.51
Number of Units:	28,230.95
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)

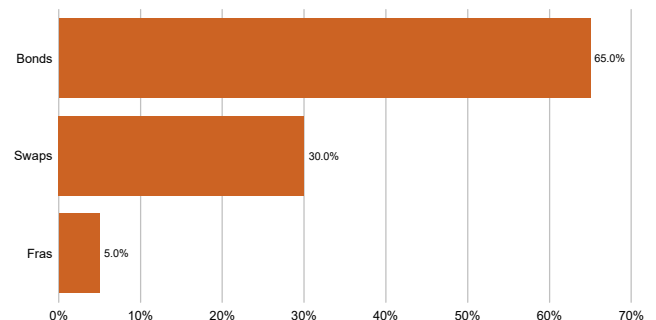
Investment Manager contact details

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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%	0.33%					3.07%

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 Collective Investments (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 recovered in August as investors rotated back into the artificial-intelligence trade, with a strong earnings season, capped by another blowout Nvidia result, outweighing renewed hostilities in the Middle East. The MSCI World Index did 2.5% (USD), while the MSCI Emerging Markets Index added 3.2%. The S&P 500 gained 2.7% to fresh records, and the Nasdaq Composite outperformed at 4.0%, while Europe lagged with the STOXX Europe 600 up 0.3%. The Nikkei 225 added 3.1%, and the Shanghai Composite 4.0%, but the Hang Seng fell 1.0%. Sharp moves in long-dated yields kept fixed income volatile, and gold rose almost 10% as investors sought protection against inflation and the growing risk of financial repression.

US equities rebounded from July's malaise on resilient data and robust earnings, with Nvidia's results underscoring the scale of enterprise AI demand and Microsoft, another key contributor to technology's strength. Long-dated yields rose through the first half of the month on deficit and issuance concerns, the 30-year touching above 5.33%, its highest in almost two decades, before Treasury Secretary Bessent's 19 August announcement of larger buybacks of off-the-run debt pulled it down 9bps on the day, a move that reversed within days. The sharpest repricing came at the front end after Fed Chair Warsh's hawkish Jackson Hole address, which recommitted the Fed to the 2% PCE target and left markets pricing better-than-even odds of a September hike. The curve flattened, with the 2-year up 5bps to 4.34% and the 10-year up 2bps to 4.75%. Energy was the strongest sector and utilities the weakest, while trade talks with Canada collapsed on 21 August, prompting 50% US tariffs on around \$20bn of goods and a similar Canadian reply.

European equities notched a fifth consecutive monthly gain, though performance beneath the index was sharply divergent. Germany's DAX reached a fresh record on its best factory expansion in more than four years, while French equities lagged as Prime Minister Lecornu's minority government prepared to negotiate the 2027 budget. Sovereign yields rose to fresh multi-year highs on surging natural gas prices and renewed inflation fears, the 10-year Bund reaching a post-2011 high near 3.32% and French OATs their highest since 2008. ECB board member Schnabel argued that further tightening will be necessary, and markets ended the month pricing in a September hike, with the composite euro-area PMI at a nine-month high offering little pushback.

South African equities delivered a strong month, with the All-Share Index up 4.6%, a gain carried almost entirely by resources. The Resources Index rose 23.5%, led by precious metals (up 32.2%), while industrials fell 5.1% and financials fell 1.6%. MSCI South Africa rallied 11.0% (USD), well ahead of both emerging and developed markets. Headline inflation moderated to 4.3% y/y in July from 5.0%, below the 4.5% consensus, on softer fuel increases and food disinflation, with food inflation falling to a decade low of 0.6% and core edging up to 4.2%. The 10-year yield ended near 8.74%, with the ALBI returning 0.7% and cash 0.6%, while the rand strengthened into the 15.90s, its strongest since late February, before Jackson Hole introduced late-month volatility.

Chinese equities delivered a modest positive return, the MSCI China All Shares Index gaining around 1% (USD), with a renewed divergence between onshore and offshore markets. Mainland shares continued to benefit from support for technology and the structural push for self-sufficiency, while Hong Kong consolidated after July's Qwen-driven rally. The official manufacturing PMI rose to 49.8 from 49.2 but remained in contraction, and soft domestic demand and prolonged property weakness still weigh on growth. Exports remain one of the few pillars of support, rising 23.9% y/y in July on AI-related demand.

Commodity markets reflected the month's underlying anxiety. Gold posted its strongest month since January, rising 9.7% to \$4,437/oz on the Treasury's buyback announcement, Middle East tensions and persistent inflation. Silver rose 15% to \$66/oz, platinum 9.0% and palladium 6.3%, while copper reached a record high before ending around 4% higher at \$14,294/tonne. Brent traded from below \$80 to above \$94 as hopes of a US-Iran de-escalation waxed and waned, ending little changed near \$90 after negotiations broke down and the US struck Iranian missile launchers on 30-31 August, prompting Iranian retaliation against US bases in Jordan. US natural gas rose 7%, while corn and wheat saw double-digit increases on Black Sea port damage and low water levels on the Danube.

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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