

# Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 29 May 2026



## 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	2,508,915,826.23
Unit Price	3,175.095
Units in Issue	1,319,972.3495
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%

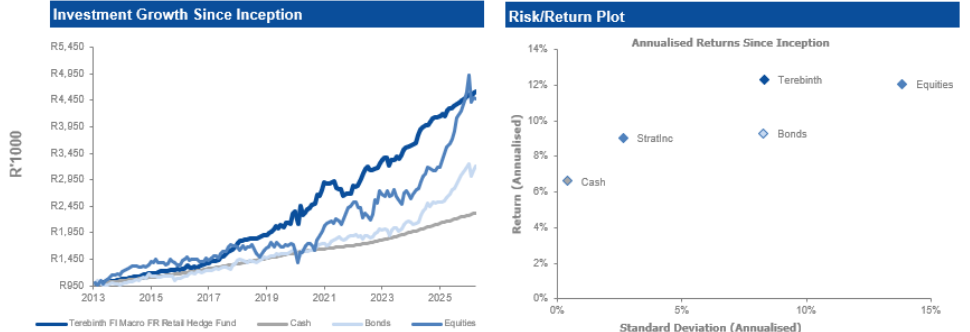
## Annual Distributions

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 <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	3.10	8.37	12.65	9.74	13.19	12.30
STeFI Composite	2.79	7.13	7.93	6.86	6.77	6.60
FTSE/JSE All Bond TR	2.71	22.41	19.00	12.29	11.03	9.27
FTSE/JSE All Share TR	0.76	25.84	19.41	15.46	11.66	12.05

## 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%								3.10%	2.79%

\*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	8.28	0.69	0.78	13.58	0.94	37.31	-7.15
STeFI Composite	0.38	—	—	-0.41	-0.71		
FTSE/JSE All Bond TR	8.25	0.31	0.44	2.68	-0.75		
FTSE/JSE All Share TR	13.89	0.45	0.70	1.02	-0.06		

## Value at Risk (VaR) (%)

Current VaR	2.91
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.

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## Contact Details

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## Disclaimer

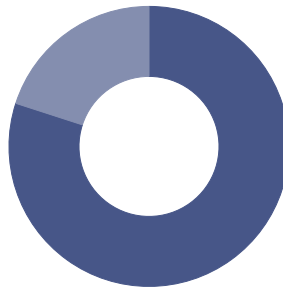
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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. Terebinth 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 TERs. 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 issued Hedge Fund 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 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 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 curve 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 the 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.

## 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 TERs. ■ **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.

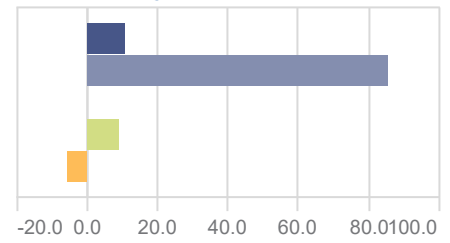
Issue date: 12 June 2026

## Asset Allocation



	%
FIXED INCOME: BONDS AND DERIVATIVES	80.0
CASH / MONEY MARKET	20.0
<b>Total</b>	<b>100.0</b>

## Counterparty Exposure



	%
ABSA BANK LIMITED	10.7
JSE DEBT MARKET	85.6
JSE CLEAR PTY LIMITED	-0.1
FIRSTRAND BANK LIMITED	9.0
OTHER	-5.3
<b>Total</b>	<b>100.0</b>

## Market and Fund Commentary

### Global

As the war in Iran enters its fourth month, the ongoing (even if fragile) ceasefire has allowed the risk-on backdrop to continue. Market levels are, for the most part, aligned with the relatively benign scenario of a deal being reached. Global equities have surged, oil prices have declined, breakeven inflation is contained and EM exchange rates have recovered. The only market that is showing a shift from pre-war levels is the rates market, where more hawkish monetary policy expectations have lifted both nominal and real yields as a higher neutral policy rate is being discounted.

Despite upward revisions to inflation and downward revisions to growth forecasts (in typical stagflation fashion) earnings revisions for global equities have remained positive, admittedly driven largely by the US. The prospect of higher policy rates and risk of unruly bond yields – as witnessed by the round-trip in core yields during May – have not dented optimism of further equity gains.

The key question is whether economies can remain resilient in the face of mounting consumer strain. Confidence measures have deteriorated as respondents cite cost of living as a major concern, alongside the threat to job security from broadening AI adoption. So far, economic surprises have been mixed across regions, with US data positively surprising, while in the Eurozone outcomes are falling short. Where markets are more sensitive to inflation pressure, breakeven inflation rates – the market's implied long-term average inflation rate – have remained elevated. This may reflect reduced monetary policy credibility, or still accommodative monetary policy with further tightening to come.

The Federal Reserve's FOMC held rates steady in May, but with a more hawkish tilt emerging. This shifted market pricing from peaking at a cut to discounting a higher probability for a hike – although, this is better described as risk premium than a high-conviction market view, particularly with incoming Fed Chair Walsh unlikely to rock the boat off the bat (much to the President's dismay). Faced with an energy price shock, Walsh is unlikely to gamble on cuts and will probably not have enough sway within the committee. Even so, his focus has been on reforming the Fed and its balance sheet, which will require deregulation for the banking sector to ensure alternative bond buyers step in to fund the government.

Global PMIs have painted a rosy picture of cyclical growth, even as underlying metrics show some fragility. While US growth surprised to the downside in 1Q26, growth was in line with trend. The Atlanta Fed GDPNow forecast for 2Q26 points to a sharp reacceleration, from 2.0% to almost 4.0%, but it is unclear how much of this momentum is driven by precautionary inventory accumulation and large tax refunds. The latter has been a buffer against higher energy costs, in part diluting the demand destruction that should have come from higher fuel prices.

The key questions for fixed income investors are whether global central banks move towards outright broad-based hikes or whether the supply-driven inflation impulse leads to weaker demand and subsequent disinflation. From a cyclical perspective, the latter would be positive for the market, even in the context of the structural headwind of unsustainable fiscal policies.

### Local

South Africa has not escaped the fall-out of the ongoing war in Iran, even if markets tell a story of new-found resilience. May was dominated by hawkish SARB rhetoric in the face of mounting pressure on households. This has in part been borne out in rising social tensions and escalating xenophobic conflicts.

Following a clear shift in tone by MPC members since the March meeting, the SARB delivered a well-telegraphed 25bp hike at the May meeting, taking the repo rate to 7.00%. While the statement was interpreted as dovish, reinforced by the 4:2 vote split in favour of a hike, the post-meeting Q&A seemed to suggest that we are now in a hiking cycle and that expectations of a quick unwind of this hike (and those that may yet come) may be misplaced.

There is much debate about how benign the SARB's inflation and growth forecasts are, but criticism may be misplaced as most analysts have been reluctant to make sweeping changes to projections given many known unknowns. While the first-round oil-price impact has been clearly communicated, second-round effects are unclear. A further complicating factor is the timing of a likely El Nino and its strength, with the threat of drought adding to inflation fears.

The April inflation release was the first to capture the initial oil price shock from the war. It was surprisingly contained, even if there may be nascent signs of broadening price pressures (if you dig deep enough). With the oil price remaining sticky and the timeline for the reversal of the fuel levy subsidy, a sticky inflation profile outside of the target's tolerance bands may pose a risk to inflation expectations. As such, the MPC may want to take out further insurance against second-round effects at the July meeting.

We remain unconvinced that growth can accelerate meaningfully in the face of higher inflation, monetary policy tightening and renewed consumer pressures. Even if the reform agenda continues at the current pace, which seems likely, business are likely to turn more circumspect on expansionary capex given the cyclical softening. This will likely delay the growth uplift that was expected for this year.

Yet it is not all doom and gloom. Moody's surprised the market by lifting South Africa's sovereign credit rating from stable to positive in its May review. The emphasis was on the significant improvement in the fiscal position and commitment to ongoing prudence and reform. While the political calendar is a potential challenge to sustained consolidation, the ratings agency has cited little reason to factor in adverse developments on the election front.

Even so, political risks are set to rise anew as we head towards the Local Government Elections, which have been scheduled for 4 November 2026. The GNU remains fragile and with the revival of the Phala Phala impeachment process, tensions will run high.