Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 October 2026

TEREBINTH CAPITAL

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	2,711,462,601.11
Unit Price	3,295.701
Units in Issue	1,355,879.4962
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	1.49*
Transaction Costs	0.67
Total Investment Charge	2.16

*Includes a performance fee of 0.12%

Annual Distributions

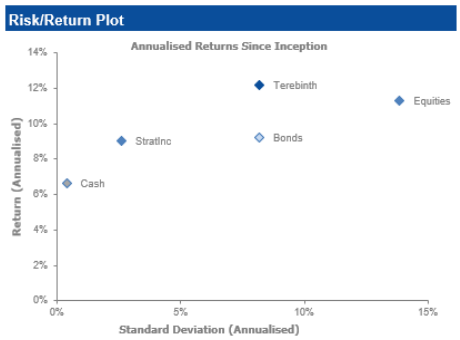
Dec 2025: 3,860.78 cents

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 Year¹	3 Years¹	5 Years¹	10 Years¹	Since Inception¹
Terebinth FI Macro FR Retail Hedge 1	7.01	8.80	11.93	12.50	13.84	12.20
STeFI Composite	5.74	6.96	7.73	7.13	6.75	6.62
FTSE/JSE All Bond TR	5.74	12.34	17.84	12.72	10.47	9.21
FTSE/JSE All Share TR	-3.60	2.53	19.91	14.05	11.73	11.30

Monthly Perfomance*

	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%	0.00%	2.62%	0.18%	0.82%	0.14%			**7.01%**	5.74%

*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 Ann Return (Calendar Year)	Lowest Ann Return (Calendar Year)
Terebinth FI Macro FR Retail Hedge 1	8.18	0.68	0.79	13.92	0.95	24.47	1.83
STeFI Composite	0.37	—	—	-0.31	-0.74	8.46	3.81
FTSE/JSE All Bond TR	8.16	0.31	0.43	2.75	-0.75	24.24	4.26
FTSE/JSE All Share TR	13.90	0.40	0.61	0.95	-0.05	42.40	-8.53

Value at Risk (VaR) (%)

Current VaR	7.39
Maximum VaR	9.91
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. The VaR disclosed represents the maximum VaR recorded by the Fund during the quarter. 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. ¹Annualised Return: An annualised rate of return is the average rate of return per year, measured over a period either longer or shorter than one year, such as a month, or two years, annualised for comparison with a one-year return.

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | 31 October 2026

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Disclaimer

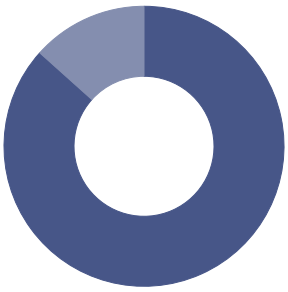
Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and 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, as well as other 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 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 in South Africa published 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 annual returns are based on calendar year performance over 10 years or since inception, if shorter. ■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.

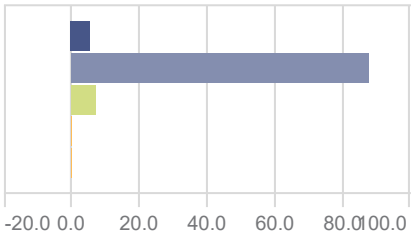
Issue date: 16 November 2026

Asset Allocation



	%
FIXED INCOME: BONDS AND DERIVATIVES	86.6
CASH / MONEY MARKET	13.4
Total	**100.0**

Counterparty Exposure



	%
ABSA BANK LIMITED	5.4
JSE DEBT MARKET	87.9
FIRSTRAND BANK LIMITED	7.0
JSE CLEAR PTY LIMITED	0.0
OTHER	-0.3
Total	**100.0**

Market and Fund Commentary

Global

The main themes are still the US/Iran war, a higher cost of capital, and confidence in the AI trade. We can now add the US midterms to the list of potential volatility triggers, with odds of a Blue Wave – where the Democrats take the House and the Senate – at 72% at the time of writing, followed by a Split Government at 24% and a Red Sweep at only 5%.

While a Blue Wave seems like a done deal, in the event, the margin of victory will be important in determining whether a Democratic government will have outright power, or whether there is likely to be gridlock with ongoing policy volatility continuing to come from the White House. We expect the latter. Budget negotiations and the debt ceiling are likely to take centre stage, while AI regulation is set to increase, having received more attention from both sides of the aisle in the run up to the midterms.

We expect a Blue Wave to lead to lower bond yields and lower equity markets in the short term. Historically, midterm results have not had a lasting impact on the equity market, while policy gridlock is unlikely to outright improve the fiscal trajectory. AI regulation could slow the pace of the capex rollout, as could a higher cost of capital and reduced confidence in the return on investment.

Inflation is again the tipping point in US elections, but its drivers extend beyond oil prices, and include AI capex demand and resilient growth. The global purchasing managers' index has steadily recovered, despite high energy prices and elevated borrowing costs. Economic surprise indices are positive for the most part, with the IMF's aggregate macro forecasts little changed in its October 2026 update. We think this resilience will be tested should energy prices and bond yields remain elevated.

Brent crude is close to US$120 a barrel, despite normalised flows through the Strait of Hormuz. In addition to a war premium, restocking is probably putting upward pressure on physical demand, while refined product supply remains constrained. Alternative routes have been more costly, while insurance and shipping rates are higher than they were before the start of the US/Iran war. Hence, even if there were to be a more durable peace deal, the end-user price of fuel will take some time to normalise.

This combined supply and demand shock has kept central banks on a tightening path. Although the Fed opted to pause in October, there were two dissenting votes for a hike and the tone was seen as hawkish. The market is assigning a 73% probability to a December rate hike, with the peak seen at 4.5% by 3Q27. Canada and the Philippines hiked rates, with the latter moving by a larger-than-expected 50bp.

Brazil's elections showed how fragile margins are. Bolsonaro led after the first round with 47.03% of the vote versus Lula's 45.16%, only to be pipped at the post in the runoff, receiving 48.21% versus Lula's 51.79%. The re-rating in Brazilian assets in early October has more than unwound, with the pendulum swinging from a right-wing win to a Lula-victory, leading to growing concern of fiscal laxity and the attendant need for tighter monetary policy.

Local

South Africa's structural re-rating story continued to run out of steam, with not even the announcement of bond buybacks able to trigger a substantial rally. Alongside election-related headlines, the fiscus was firmly in focus with high expectations for the Medium-Term Budget Policy Statement (MTBPS). While we do not believe the budget fully delivered, there was enough in the headline numbers and the funding detail to retain a cautiously optimistic view of state finances and the potential implications for ratings.

The key numbers in the MTBPS were broadly in line with the February budget estimates, as the revenue overrun was allocated to spending, while the quinquennial GDP rebasing had not yet been incorporated. The upside is that Treasury continues to take a prudent approach to revenue projections, leaving scope for another revenue overrun heading into the 2027 budget. However, there may be signs of political pressure in opting not to allocate part of the excess collections to reducing the debt ratio. While the money is going to capex through the Budget Facility for Infrastructure, efficiency of spending remains a risk. Despite a marginally higher debt ratio than in the February budget, funding dynamics remain market positive: lower weekly nominal and ILB issuance, plus bond buybacks alongside switches to manage significant redemptions over the next five years.

Treasury has proposed a principles-based procedural framework to address fiscal sustainability. While this falls short of a numerical hard target under a traditional fiscal rule, it reflects political realism alongside flexibility. Success will depend on political will, the legislated details, and the strength of parliament and the Financial and Fiscal Commission. In a bid to address the systemic weakness on failing municipalities, the Draft Local Government: Municipal Finance Management Amendment Bill, 2026, aims to address financial and operational weaknesses at local government level. This aligns with the main focus of Operation Vulindlela Phase 2 and is arguably the most difficult part of the much-needed deep-seated reforms.

Considering the hawkish Monetary Policy Review, the Fed pause and fuel levy relief, we think a January hike is more likely than a November move. Treasury has granted another round of fuel levy relief amid renewed fuel price pressures and relative fiscal improvement. For the November reference period, the levy will fall by R1.50/litre for petrol and R3.00/litre for diesel, costing an estimated R10 billion. This implies petrol and diesel price reductions of c.2.0% and c.5.0%, respectively, from 4 November. The relief eases near-term price pressure, but the SARB will most likely look through it, while consumers will probably use the notional savings for seasonal year-end spending.

Time and space are too short to prognosticate on the outcome of the Local Government Elections. Suffice to say that we should not rely too heavily on any single survey, but the trends are clear. The ANC will most likely lose further support, but the key question for markets is who fills that gap. If turnout improves sharply relative to prior elections, then all bets are off. For now, it is reasonable to assume that we will have the coalitions in hand around 20 November, which means the headlines will have an outsized market impact as we head into the seasonal liquidity lull.