Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | As of 31/01/2025

TEREBINTH CAPITAL

Fund Information

Investment Manager	Terebinth Capital (Pty) Ltd
Portfolio 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	2,098,764,044.00
Unit Price	3039.294835
Units in Issue	1149085.284035
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	1.41
Performance Fee	17.25
Total Expense Ratio	2.82*
Transaction Costs	0.09
Total Investment Charge	2.91

*Includes a performance fee of 1.45%

Annual Distributions

Dec 2024: 5,323.12 cents

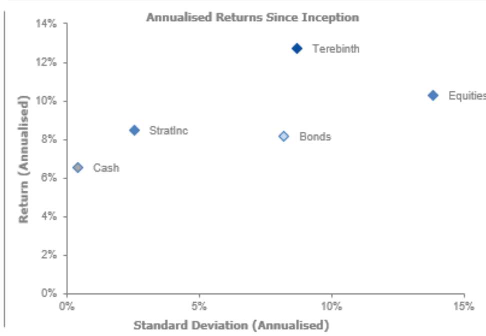
Additional Information

Minimum Investment: R1 000 000
Notice Period: One calendar month
Portfolio Valuation Frequency: Monthly
Transaction Cut-Off: 10:00 of last business day of month
Annual distribution declaration date: December
Performance Fee: Uncapped
Participation Rate: 15%

Investment Growth & Risk-Reward - Since Inception

Investment Growth Since Inception

Risk/Return Plot



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[1]	3 Years[1]	5 Years[1]	Since Inception[1]
Terebinth FI Macro FR Retail Hedge 1	0.03	15.19	15.21	12.30	12.71
STeFI Composite	0.66	8.42	7.35	6.19	6.53
FTSE/JSE All Bond TR	0.44	16.86	10.10	9.40	8.16
FTSE/JSE All Share TR	2.32	19.58	9.20	13.06	10.30

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%												**0.03%**	0.66%

*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	8.69	0.71	0.77	12.21	0.86	37.31	-7.15
STeFI Composite	0.39	—	—	-0.66	-0.57		
FTSE/JSE All Bond TR	8.18	0.19	0.27	2.63	-0.55		
FTSE/JSE All Share TR	13.89	0.34	0.53	0.92	0.15		

Value at Risk (VaR) (%)

Current VaR	3.49
Maximum VaR	3.54
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.

Terebinth FI Macro FR Retail Hedge Fund

Minimum Disclosure Document | Fee Class: 1 | As of 31/01/2025

TEREBINTH CAPITAL

Contact Details

Investment Manager
Terebinth Capital (Pty) Ltd
Willowbridge Place, Carl Cronje Drive, Tygervalley, Bellville, 7530
Tel: +27 21 943 4819
E-mail: operations@terebinthcapital.com
Website: www.terebinthcapital.com

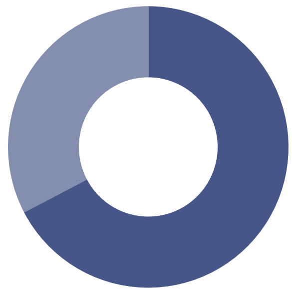
Manager Information
Fundrock - An Apex Group Company
Tel: +27 21 202 8282
Website: www.fundrock.com

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

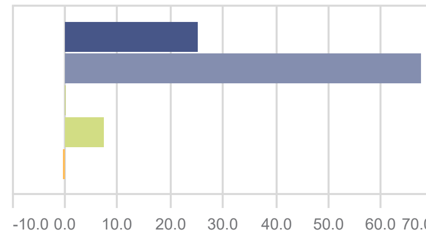
Issue date: 17 February 2025

Asset Allocation



	%
FIXED INCOME: BONDS AND DERIVATIVES	67.3
CASH / MONEY MARKET	32.7
Total	**100.0**

Counterparty Exposure



	%
ABSA BANK LIMITED	25.2
JSE DEBT MARKET	67.5
JSE CLEAR PTY LIMITED	0.1
FIRSTRAND BANK LIMITED	7.4
OTHER	-0.2
Total	**100.0**

Market and Fund Commentary

Global

While all eyes were on the US and Trump to kick off the year, it was Asia that occupied most of the headlines. The Bank of Japan raised interest rates to a 17-year high, while China managed 5% growth in 2024. The most striking event, however, was the dramatic 16% one-day sell-off of Nvidia (largest single-day stock drop in financial market history as measured by market cap loss), triggered by the launch of DeepSeek. The ECB warned of inflation risks falling below target, while the Fed's Waller suggested more rate cuts could follow if disinflationary trends persist. Meanwhile, political noise continued globally, with Trump making numerous headlines and the South African DA expressing growing dissatisfaction with the ANC. As widely promised, and therefore mostly expected, Trump followed through on his threats by announcing large tariffs on Canada and Mexico, while also implementing slightly lower tariffs on China. Early indications suggest retaliation will be the first response for now. Furthermore, Trump also commented on issues in other countries that required his attention, one of which includes South Africa.

The latest IMF global economic forecast signals subdued global growth, remaining below the pre-pandemic average of 3.7%. Although global growth is stable, risks remain tilted to the downside, with diverging prospects across regions. The US is expected to grow by 2.7% in 2025, well above current market expectations of 2.2%, driven by strong consumer demand, favourable financial conditions, and a robust labour market. In contrast, growth in the Eurozone is projected at just 1.0%, impacted by political instability, trade tensions, and geopolitical risks. EM is expected to deliver mixed performance; China's growth forecast is slightly revised upwards to 4.6% (but below 2024's 5.0%), while India maintains strong growth at 6.5% for 2025-2026.

Global inflation is expected to decline to 4.2% in 2025, gradually converging towards target levels in DM before EM. However, inflationary pressures persist in some regions, particularly in services, where central banks must balance tightening policies to curb inflation with supporting economic activity. Notably, while services are moderating somewhat, manufacturing inflation is once again rising. In the US, inflation is expected to remain above target, whereas the euro area's inflation remains more subdued.

Financial conditions are expected to remain accommodative but with significant disparities between DM and EM. In the US, equity markets have surged, supported by pro-business policies, while EM markets struggle with tighter financial conditions, exacerbated by a stronger dollar and trade uncertainties – with the 1 February announcements, little relief in the short-term should be expected in this regard.

Despite growth stability, global economic risks remain, including the potential intensification of protectionist trade policies, geopolitical tensions, and fiscal and monetary policy adjustments. In particular, disruptions in global trade, combined with fiscal expansion in the US, could destabilise global markets. Fiscal consolidation will be essential in advanced economies to ensure public debt sustainability and rebuilding of financial buffers. Multilateral cooperation and adherence to a rules-based international system are critical to addressing challenges like climate change and geopolitical instability.

Market dynamics remain volatile. Growing concerns about tighter financial conditions with tariff impositions now in play could dampen US policy optimism. Fiscal imbalances and a potential slowdown in disinflation due to trade tariffs and rising commodity prices may lead to increased volatility. As such, the outlook for the US dollar remains uncertain, influenced by fiscal policy shifts and potential changes in global trade dynamics.

Local

In South Africa, all attention this month is on the National Budget, where the government will be scrutinised on its efforts to improve the fiscal position, particularly in sustainably achieving a primary surplus and bringing in the debt ceiling. Significant spending pressures - especially related to debt servicing and supporting SOEs - remain challenges. A widening gap between senior partners in the governing coalition, especially over matters like NHI and land reform, further complicates fiscal policy.

A recent sell-side report accurately described South Africa's outlook, noting that countries with strong political stability, positive idiosyncrasies, and less exposure to US economic policies are likely to fare better. While South Africa is not directly exposed to US risks, it faces indirect challenges as a price taker. As Trump's antics over the first weekend in February shows, social media posts may be enough to bring much harm to local markets. A risk-off sentiment could weaken the rand and raise bond yields, particularly if global risk premiums adjust. Additionally, political instability, including tensions within the coalition government, creates further uncertainty.

South Africa's authorities must prioritise domestic challenges. Load shedding, exacerbated by Eskom's financial difficulties, continues to be a major hindrance, with municipal debt to Eskom now clearly out of control at R109bn, and growing fast. Furthermore, reforms in sectors such as rail and ports could present opportunities to offset some of the global headwinds. Other ongoing challenges - especially crime and general lawlessness - must be addressed for a more meaningful economic recovery. Holding local governments accountable for service delivery and recovering revenue owed is a necessary first step in restoring public confidence.

Markets will be nervous with the onset of tariffs, and the State of the Nation presents an opportunity for government to allay any local fears.

FUNDROCK