Steyn Capital FR QI Hedge Fund

Q4 2025

General Investor Report

Steyn Capital

Portfolio Profile

The Steyn Capital FR QI Hedge Fund is a value orientated long/short portfolio investing predominantly in South African equities and includes an allocation to global emerging markets. The portfolio follows a bottom-up stock selection approach. The portfolio is currently open to new investment.

The following investment restrictions are applied in the portfolio:

- Gross exposure is limited to 200% of net assets
- Net exposure is limited to between 25% and 100% of net assets
- Individual long positions are limited to 20% of net assets
- Individual short positions are limited to 7.5% of net assets
- Net industry concentration (as measured by sub-sector) is limited to 25% of net assets

Objectives & Strategy

The fund's primary objective is achieving high absolute rates of return over the long term, while minimizing the risk of capital impairment. The investment strategy is to maximize investor capital by buying securities with trading values materially lower than their intrinsic values, and by selling short securities with trading values materially higher than their intrinsic values.

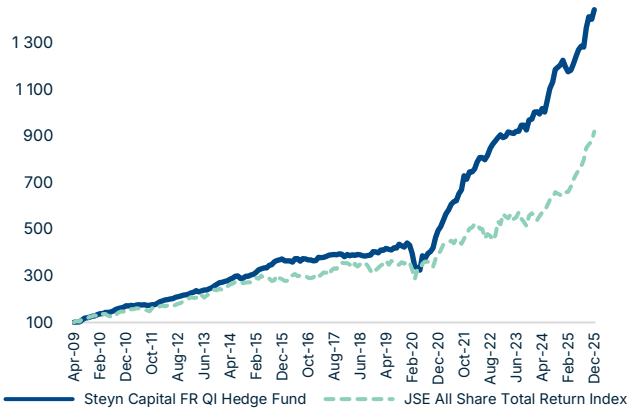
Portfolio Details

Investment Manager	Steyn Capital Management (Pty) Ltd	
Portfolio Manager	André Steyn	
Portfolio Classification	Qualified Investor Hedge Fund - South African - Long/Short Equity - Long Bias	
ISIN / JSE Code	ZAE000240438 / SCQCD	
Risk profile	Medium	
Launch Date	1 June 2016 (transitioned to new regulations under CISCA) 7 May 2009 (original launch date)	
Portfolio Valuation	Monthly	
Subscriptions and redemptions	Monthly, subject to 2 calendar months' notice for redemptions	
Transaction cut-off time	10am on the last business day of the previous calendar month	
Minimum initial investment	R1 million	
Distributions	Annually on 31 December	
Last distribution per unit	Dec 25: R0.00	
Portfolio size	R1 447 million (Strategy: R4.8bn)	
Participatory interests	1 020 765 units	
NAV unit price	R1 151.00	
Service Fee (incl. VAT)	Service Fee	
	Investment Manager Fee	0.00%
	Other Service Fees	0.17%
	Total Service Fee	0.17%
Performance Fees (excl. VAT)	15% subject to a since inception HWM	
High water mark	Yes (perpetual)	
Performance fee crystallisation	Calendar quarterly	
Cost Ratios (incl. VAT)	Service Fee* (incl. base fee of 0.0%)	0.29%
	Performance Fee	2.87%
	Total Expense Ratio	3.16%
	Transaction Costs	0.77%
	Total Investment Charge	3.93%

*Service fees have been reduced to 0.17% p.a. (incl. VAT) effective 1 July 2025. The above Cost Ratios reflect the historic fees for the 12 months ended 30 September 2025.

Portfolio Performance

Investment growth of R100 since inception of the portfolio



Source: Portfolio performance obtained from monthly valuation reports prepared by independent administrator

Annualised returns net of fees (%)	
1 year	17.69%
3 years	16.81%
5 years	23.89%
10 years	14.50%
15 years	15.26%
Since original launch date	17.37%
Lowest 12 month rolling return	-21.63%
Highest 12 month rolling return	87.04%

Please note that performance figures above and on the next page include returns earned during the relevant periods prior to the portfolio being regulated under CISCA (regulated since 1 June 2016).
The investment performance is for illustrative purposes only and is calculated by taking all ongoing fees into account and income is reinvested on the reinvestment date.

FUND ROCK

SCM

Steyn Capital FR QI Hedge Fund

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Monthly returns net of fees (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-	-	-	-	1.87	-0.57	8.54	8.20	0.56	2.14	3.63	1.26	28.21
2010	3.63	3.12	0.68	3.26	0.76	0.69	2.37	5.18	2.41	1.45	2.33	3.57	33.63
2011	-0.55	1.68	-1.70	2.17	0.87	-0.27	0.35	-1.11	-0.49	1.77	0.12	2.79	5.65
2012	3.69	2.84	1.66	0.86	1.25	1.12	2.79	1.04	1.23	1.66	0.67	1.31	22.02
2013	2.43	1.45	3.12	-2.52	1.88	1.77	-0.08	2.26	1.54	3.66	2.58	2.56	22.56
2014	0.37	1.94	0.58	2.79	1.24	3.12	0.44	-3.70	0.23	3.08	-0.10	1.84	12.28
2015	0.92	2.78	3.26	1.40	1.30	-0.23	3.26	1.01	3.46	1.52	0.62	1.27	22.53
2016	-2.04	-0.32	0.23	-1.50	4.04	0.08	-2.97	3.09	-0.21	-1.19	-0.10	-1.23	-2.31
2017	0.67	3.59	-0.55	0.69	0.87	1.41	0.46	0.23	-0.30	1.17	-0.32	-2.78	5.14
2018	2.45	-1.47	0.95	-0.44	0.82	-0.15	-1.24	-0.19	0.72	0.28	3.76	-0.23	5.26
2019	-0.96	3.07	-0.50	2.14	-0.85	-0.72	2.27	-0.27	3.85	-1.56	-1.25	4.39	9.74
2020	-2.29	-8.31	-14.26	-0.98	-3.43	18.90	-3.28	6.01	2.12	3.84	10.70	6.41	11.85
2021	3.33	5.13	5.34	3.34	3.87	1.82	0.78	4.84	2.49	9.12	-2.22	4.53	51.04
2022	-0.03	1.63	4.09	2.34	0.02	-1.21	2.29	3.94	2.07	1.49	1.67	1.27	21.25
2023	-1.31	0.62	2.19	-0.53	-0.33	1.12	-0.08	2.97	-0.05	-2.14	4.57	0.43	7.52
2024	3.04	0.19	-1.04	2.38	-1.42	4.90	4.86	2.53	4.78	0.77	0.88	1.67	25.95
2025	-2.33	-1.78	0.67	2.28	2.55	2.43	1.15	-0.29	6.37	3.54	-0.79	2.94	17.69

Changes Portfolio Asset Allocation

Equity Exposure	Q4 2025	Q3 2025	Change
Long equity exposure	119%	128%	-9%
Short equity exposure	-33%	-37%	+4%
Gross equity exposure	152%	165%	-13%
Net equity exposure	86%	91%	-5%
Beta adjusted net exposure	60%	58%	+2%

Net Sector Allocation	Q4 2025	Q3 2025	Change
Financials	20%	25%	-5%
Resources	18%	20%	-2%
Industrials	30%	47%	-17%
Global EM (look-through equity exposure)	18%	27%	-9%
Total	86%	119%	-33%

Performance contributors and detractors for 2025

Top 5 contributors	% contribution
Anglogold	+3.63%
Valterra Platinum	+2.60%
Global Emerging Markets exposure	+2.53%
Northam Platinum	+1.70%
Prosus	+1.63%

Top 5 detractors	% detraction
Aveng	-0.93%
Telco Short I	-0.85%
Telco Short II	-0.82%
Telco Short III	-0.75%
Consumer Staples Short I	-0.72%

Long/short performance attribution – contribution to performance

	Q1	Q2	Q3	Q4	2025 YTD
SA Long book contribution	-5.18%	+9.20%	+9.00%	8.86%	+21.87%
SA Short book contribution	+1.19%	-3.31%	+0.53%	-2.48%	-4.07%
Global Emerging Markets contribution	+0.51%	+2.30%	-0.75%	0.48%	+2.53%

Commentary by Investment Manager

The Steyn Capital FR QI Hedge Fund returned 5.74% net for the final quarter of 2025. Over the last twelve months, the strategy has returned 17.69% net, while carrying a modest average beta-adjusted net exposure of 50%.

FUND ROCK

Commentary by Investment Manager (continued)

Contributors

Our Precious Metals longs were the largest contributors to portfolio returns in the year, amid a blistering rally in gold and platinum prices, which drove the majority of local index returns in the year. While we continue to have a positive view on both gold and platinum and continue to hold exposure, we are also cognisant that single commodity miners can be volatile investments, and actively manage the positions to size them accordingly within the portfolio. The largest contributor was Precious Metals producer AngloGold, which traded up alongside the gold price. Valterra Platinum, which in addition to strong PGM prices, traded up following an accelerated bookbuild by its former parent Anglo American, which improved the free float and removed the overhang on the stock. Prosus and Naspers also performed strongly during the year, gaining alongside their holding in Tencent, which in addition to reporting robust results has benefitted from improved sentiment towards Chinese stocks, as well as an improving outlook for its eCommerce portfolio, which continues to perform strongly. The company continues to execute on its value-accretive open-ended buyback program at both Prosus and Naspers.

Our Emerging Markets exposure, both long and short, also contributed to annual returns, driven by a high-conviction hotel long which was acquired by its controlling shareholder at a 90% premium to our acquisition price, and a South Korean aerospace company (since exited) which traded up strongly as it benefitted from a resurgence in defence spending following three decades of declining defence budgets. On the short side, an Indian spam caller short and Chinese fad stock were the largest contributors to performance.

Detractors

Our short book detracted 4.1% from returns for the year, driven by broad-based strength in domestic equities. A word on the short book: the fact that our house didn't burn down doesn't mean that we regret having bought insurance. Shorting helps us reduce market risk. Importantly, our track record demonstrates that we can generate positive performance on the short side over time.

Global outlook

The 2025 calendar year was characterised by a number of global macro themes which drove market sentiment. These included trade tariffs and Middle East conflict escalation early in the year, as well as continued exuberance surrounding artificial intelligence, weakening of the US dollar, and rallies in precious metals. While tariffs and trade tensions introduced periods of volatility during the year, optimism around AI continued to underpin US equity markets. Precious metals prices and the corresponding rally in mining stocks drove South African equity performance, and US dollar weakness provided a supportive backdrop for broader emerging markets, which posted their strongest calendar return since 2017.

As we enter 2026, it is less clear whether these same themes will continue to drive markets.

While trade tensions may ease as further agreements are reached, US equities remain a key source of risk for global equity markets. High public debt, limited fiscal consolidation, seemingly inexhaustible AI-related capital spending, and elevated valuations raise questions about the longevity of US equity market strength – especially considering rising concentration risk and already high global investor allocations. As investors begin to reassess the risks of portfolios heavily concentrated in US equities after a long period of US outperformance, we expect continued diversification toward international and especially emerging markets including South Africa, which remain attractive and supported by structural drivers, historically low valuations and light investor positioning. At the same time, ongoing risks to global equity markets reinforce the need for disciplined and prudent portfolio positioning.

South African Market outlook

In South Africa, political developments and reform momentum are likely to come into sharper focus as the country approaches local government elections taking place in late 2026 or early 2027. While the election date has yet to be confirmed, political activity is expected to build as the year progresses. While local elections are generally not focussed on national issues and recent polling data remains supportive of the GNU arrangement, we could see some testing of the GNU arrangement by partners.

Alongside ongoing reform momentum, particularly those driven by Operation Vulindlela, South African equities continue to trade at attractive valuations. Commodity markets remain supportive, the US dollar has softened, and there is potential for a modest improvement in global growth. Increased allocations to emerging markets by global investors could further support the local equity market and may bolster "SA Inc" exposures in narrowing the performance gap relative to PGM and gold producers, which delivered most of the market return during 2025.

Commentary by Investment Manager (continued)

Positioning

Within the Fund, we continue to see a wide range of opportunities to deploy capital. Many high-quality South African equities remain meaningfully undervalued, creating a favourable environment for bottom-up stock selection. This valuation backdrop has also contributed to increased corporate activity, including a rise in take-private and delisting transactions. At the same time, it has created attractive conditions for event-driven strategies. Stub trades and merger arbitrage opportunities can offer appealing return potential with relatively limited market-directional exposure, which we view as particularly valuable given the current macro environment.

We also retain a sizeable short book across both local and international names. In our view, this provides an important source of downside protection while also offering additional avenues for return in an environment where risks remain elevated.

At quarter end we held 119% of capital in 44 long positions and -33% in 25 short positions, for a net equity exposure of 86%. The beta-adjusted net exposure of the portfolio is 60%.

As always, if anything is unclear, or if you wish to discuss our operations further, we welcome your questions.

Sincerely,

André Steyn, CFA
James Corkin, CA(SA)
Wallace Barnes, CA(SA)
Jason Horn

Risk report

Leverage and exposure limit	The fund chose the commitment approach of 2 times NAV as its exposure limit. The fund utilizes Investec as the prime broker and achieves leverage through short selling of physical stock.	Highest exposure over quarter	Exposure at quarter end
		The fund's highest exposure using the commitment approach was 1.58 times the NAV.	The fund's quarter end exposure using the commitment approach was 1.52 times the NAV
Hypothecation of Assets	The prime broker is restricted from re-hypothecating or any form of re-pledging of securities forming any part of collateral.		
Stress Testing Methodology	Market stress-testing is applied across various stressed historical periods by simulating the current portfolio's holdings over that particular stressed period. Liquidity stress-testing is applied by stressing the portfolio for increased investor redemptions as well as reducing the market liquidity of securities in specified increments. Collateral stress-testing identifies whether there is sufficient non-collateralized cash to service a loss event of a portfolio. This is stressed by increasing margin requirements in specified increments. Conclusion: all stress-testing methodologies have been applied for the quarter end period and the results are deemed to be satisfactory.		
Changes to the liquidity risk profile of the fund	The liquidity risk profile and redemption period of the fund is unchanged. The fund's liquidity at quarter end calculated on the average weighted days basis is 4.70 days.		

Counterparty Exposure

Counterparty	Description of Exposure	Exposure (% NAV)
Investec Bank Limited	Net Cash and Securities Pledged as Collateral for Short Positions	14.60%
JSE Trustees	Non-collateralized Cash and Securities	59.06%
Morgan Stanley & Co. International plc	Global EM Exposure	26.70%
FirstRand Bank Limited	Section 105 Cash Account	0.09%
Other	Income and Expense Accruals	-0.45%
TOTAL		100.0%

Definitions

Leverage Risk: Applies when a 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 can be many times that of the underlying investments. Our portfolio is exposed to leverage risk through short sale trades.
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. Our portfolio is exposed to counter party credit risk through net cash and securities pledged as collateral for short positions. Our prime broker is restricted from re-hypothecating or any form of re-pledging of securities forming any part of our collateral.
Commitment approach (exposure): A methodology for calculating exposure that considers the effective exposure of derivatives to, and takes an aggregate view of, securities with the same or similar underlying exposure, where the total commitment is considered to be the sum of the absolute value of the commitment of each individual position, including derivatives after taking into account netting and hedging.
Re-hypothecation: The practice by which prime brokers re-use the collateral posted by the investment manager.
Counterparty exposure: a value that best reflects the hedge fund's exposure to a relevant counterparty and accurately reflects the economic loss that the hedge fund is exposed to if the counterparty defaults on its obligations.

Definitions (continued)

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: Applies when a fund has a large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors in a fund will impact the returns of the fund more so than diversified funds.
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. Our portfolio does not make use of any of the aforementioned trading strategies.
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.
Liquidity risk: Liquidity risk consists of trading liquidity risk and funding liquidity risk. Trading liquidity risk is the risk that you cannot sell an asset within a reasonable amount of time at a fair price. Funding liquidity risk refers to the inability to service redemption requests according to the redemption terms of a fund.
Net Asset Value (NAV): is the total market value of all assets in the portfolio including any income accruals and less any 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 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. The TER is reported inclusive of performance fees, if applicable.
Transaction Costs (TC): is the percentage of the average NAV of the portfolio incurred as costs relating to the buying and selling of the portfolio's underlying assets. Transaction costs are a necessary cost in administering the portfolio and impacts portfolio returns.
Total Investment Charges (TIC): is the percentage of the average NAV of the portfolio incurred as costs relating to the investment in the portfolio. It should be noted that TIC is the sum of two calculated ratios (TER+TC). 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 and investment decisions of the investment manager. TIC ratios are calculated on a quarterly basis and the ratios included in this document represent those as at 30 September 2025.
Risk-reward profile: is based on historical data and may not be a reliable indication of the future risk profile of the portfolio. 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: market risk, liquidity risk and risks associated with the short selling of securities. Equity investments are volatile by nature and subject to potential capital loss. 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 to determine the appropriateness of the product for your portfolio.
Performance contributors and detractors: are expressed as the return per security as a percentage of the opening market value of the fund. Opening market value for the period is calculated as the closing market value less the returns for the period, adjusted for investor subscriptions and/or redemptions if necessary.

Information and mandatory disclosures

Collective Investment Schemes are generally medium to long term investments. The value of participatory interests (units) may go up as well as down. 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 is available on request from FundRock Management Company (RF) (Pty) Ltd ("the manager"). The manager does not provide any guarantee in respect of the capital or the return of the portfolio. Excessive withdrawals from the fund may place the fund 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. Portfolios may be closed to new investors in order to manage it more efficiently. Prices are published monthly on the manager's website. Additional information, including Key Investor Information Documents ("KIIDs") (as per Board Notice ('BN") 52 (27) 2) read together with the Minimum Disclosure Documents (as per BN 92), as well as other information relating to the portfolio is available, free of charge, on request from the manager. The manager retains full legal responsibility for any third-party-named portfolio. Portfolio performance is calculated on a NAV-to-NAV basis with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. The reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. Actual annual figures are available to the investor on request. Performance fees will be calculated and accrued on a monthly basis based upon the quarter-to-date outperformance, in excess of the high water mark, multiplied by the share rate and paid over to the manager quarterly. Investors should note that the value of an investment is dependent on numerous factors which may include, but are not limited to, share price fluctuations, interest and exchange rates and other economic factors. Past performance is not indicative of future performance. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. The Investment Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The portfolio adhered to its investment policy objective as stated in the Supplemental Deed.

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Contact Details

Management Company

FundRock Management Company (RF) (Pty) Ltd

Registered and approved by the Financial Sector Conduct Authority under the Collective Investment Schemes Control Act 45 of 2002

Catnia Building, Bella Rosa Office Park, Bella Rosa Street,
Bellville, South Africa, 7530

Tel: +27 21 879 9937 / +27 21 879 9939
Email: frclientservices@fundrock.com

Website: www.fundrock.com

Investment Manager

Steyn Capital Management (Pty) Ltd

Authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services, FSP No. 37550

Verdi House, Klein D'Aria Estate, 97 Jip de Jager Drive,
Bellville, South Africa, 7530

Tel. +27 21 001 4682
Email: info@steyncapitalmanagement.com

Website: www.steyncapitalmanagement.com

Trustee

FirstRand Bank Limited (acting through its RMB Custody and Trustee Services Division)
3 Merchant Place, Ground Floor, Corner Fredman and Gwen Streets, Sandton, 2146; Tel: +27 87 736 1732