

HEDGE FUND PRESENTERS

Click on logo to go to the partner presentation.





CORION
CAPITAL

HEDGE **FUNDS**

THE SOUTH AFRICAN LANDSCAPE



Important Information

CORION CAPITAL

Corion Capital (Pty) Ltd (Corion), incorporated under the laws of South Africa, is an authorized financial service provider (FSP 44523) approved by the Financial Sector Conduct Authority ('FSCA') as a hedge fund investment manager (Category IIA license). Corion has a conflict of interest policy which is available on request.

PERFORMANCE CALCULATIONS

- Performance numbers are sourced from Morningstar
- Income distributions are included but taxes are excluded
- Performance is calculated after fees using NAV to NAV
- The applicable taxes are not included in the calculation
- Auditor's fees, bank charges and trustee fees are included
- Individual returns will differ based on investment dates
- Past performance is not a guide to future performance
- Returns are annualised for periods longer than one year. Annualised return is the weighted average compound growth rate over the period measured.

COLLECTIVE INVESTMENT SCHEMES (CIS'S)

- CIS's are generally medium to long-term investments
- The value of participatory interests may go down or up
- CIS's have different classes of units and fees and charge
- A Fund may borrow up to 10% of the funds NAV
- If applicable, commissions will be included in overall costs
- A schedule of fees and charges are always available on request
- Actual annual performance figures are available to existing investors on request

This is a private document, should not be considered as financial advice and may not be distributed.

MANCO

BCI Collective Investments (RF) (Pty) Ltd ("the Manager") (Registration No. 2003/024082/07), a registered Collective Investment Schemes Management Company in terms of the Collective Investment Schemes Control Act 45 of 2002, supervised by the Financial Sector Conduct Authority (FSCA). The Corion BCI co-named funds (as defined BN 778 of 2011) are registered under Boutique Collective Investments. The Manager takes full responsibility for the co-named portfolio, regardless of any co-naming arrangements.

FundRock Management Company (RF) (Pty) Ltd ("FundRock") (Registration No. 2013/096377/07), registered and approved by the Financial Sector Conduct Authority ("the Authority") under the Collective Investment Scheme Control Act no. 45 of 2002 ("CISCA"). FundRock retains full legal responsibility for the portfolios.

GENERAL

The returns shown are only signed off after the 5th business day post month end. Consequently distributions for some funds might not be reflected in the return data and some fund returns are subject to change. The investment performance is for illustrative purposes only. The investment performance is calculated after taking the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

Investors should take cognisance of the fact that there are risks involved buying or selling financial products, that the past performance of the financial product is not necessarily indicative of the future performance and that the value of the financial products can increase as well as decrease over time, depending on the value of the underlying securities and market conditions. Portfolios which contains offshore exposure can result in additional material and other risks, potential constraints on liquidity and the repatriation of funds.

- (a) Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending;
- (b) A schedule of fees and charges and maximum commissions is available on request from the manager; and
- (c) The manager does not provide any guarantee either with respect to the capital or the return of a portfolio.

Neither BCI, FundRock nor Corion provide any guarantee either in respect of capital or the return of a portfolio. Forecasts contained are not guaranteed.



Diverse Diversification



Diversification
is the only free lunch

Not all Hedge Funds
are alike

The free lunch can
be a buffet





How is this achievable?



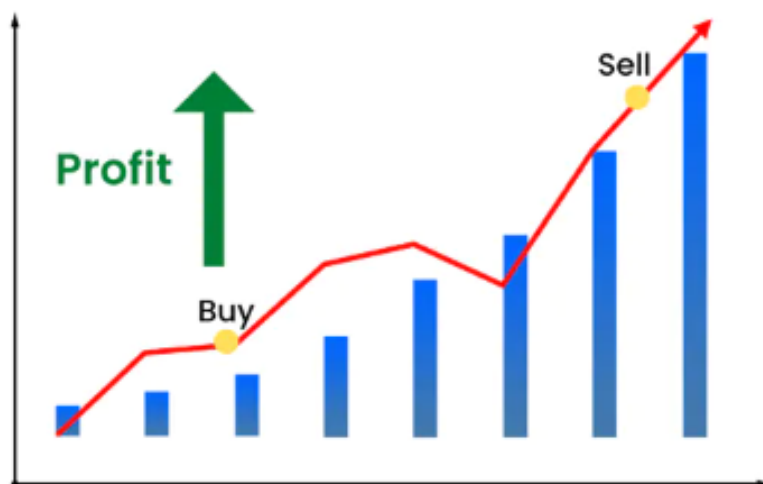
Shorting

Two Key Differentiators to Long Only

Shorting:

Ability to profit from falling asset prices

Long



Short





Leverage

Two Key Differentiators to Long Only

Leverage:

Potential for Return Enhancement

Relative Value Trades





Two Regulated Hedge Fund Structures

Not All Hedges Are Cut The Same

Qualified Hedge Funds

- Limited to professionals
- Fewer disclosures?
- May have lock ups?
- Higher risk?





Diverse Hedge funds and Strategies



Long / Short Equity



Market Neutral



Fixed Income Hedge



Multi Strategy



Comparing to Long Only (If one can?)





Why Invest in Hedge Funds in SA?

- All returns as shown are net of fees
- Purest form of active management
- Different solutions to cater for different risk appetite
- World leading regulatory oversight

Undeniable
risk and return
characteristics

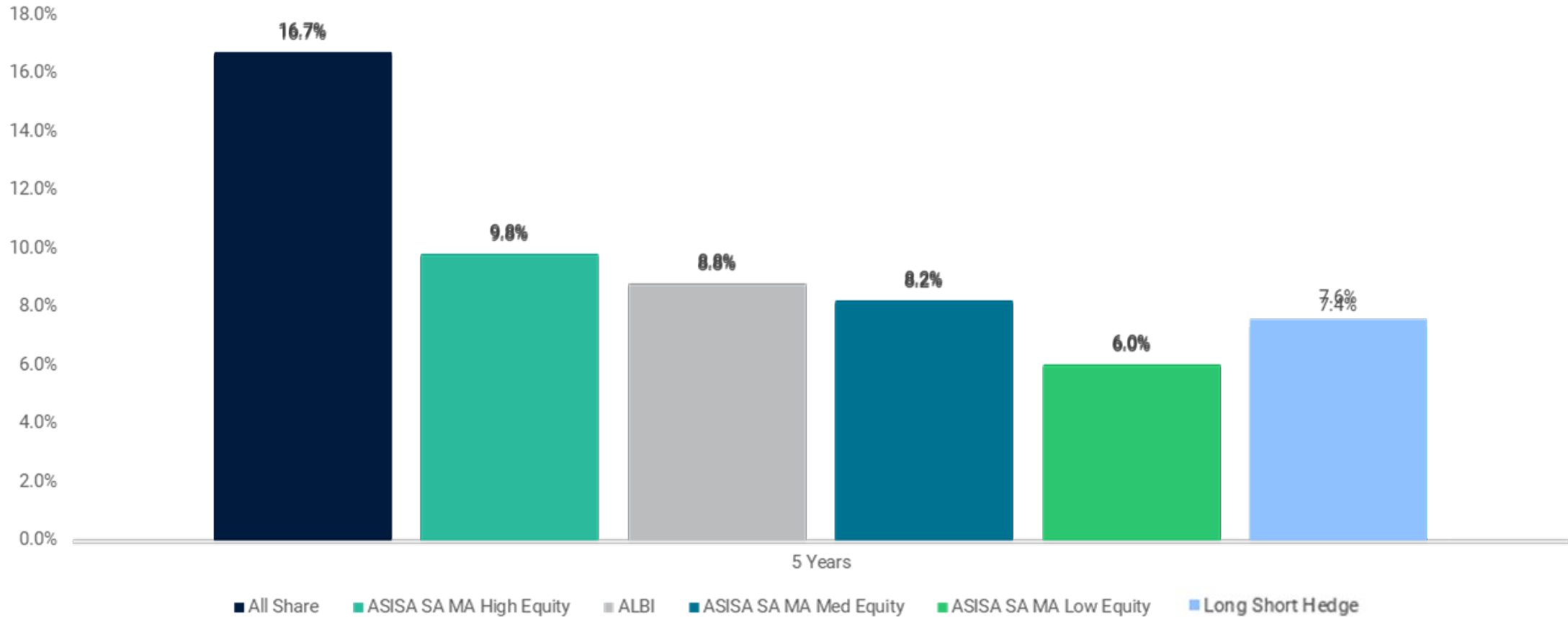


The Numbers Speak For Themselves



Periodic Volatility over a 5-year period

Long Short Hedge

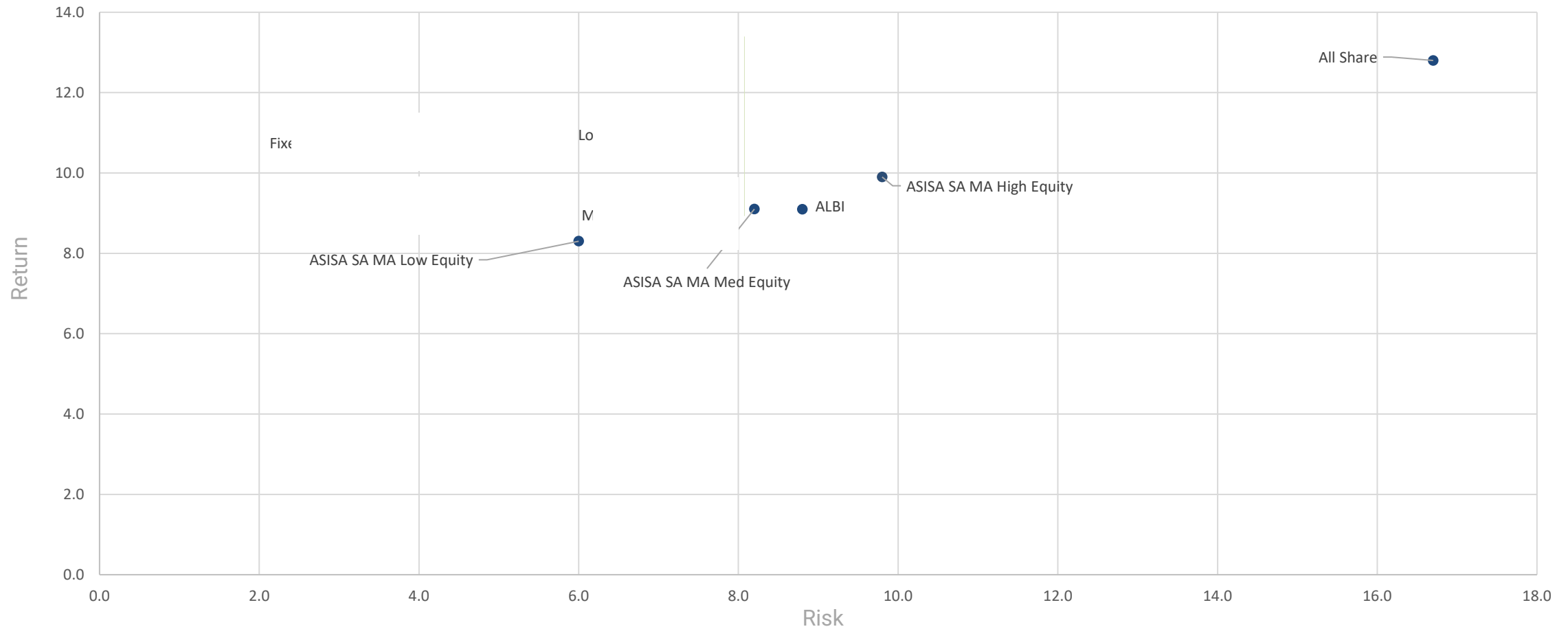


Data source: Morningstar & HedgeNews Africa Fixed Income Hedge Index – median; Multi-Strategy Index – median; Long/Short Equity Index – median. As at end Aug 2024.



5 Year risk-return

Long Short Hedge

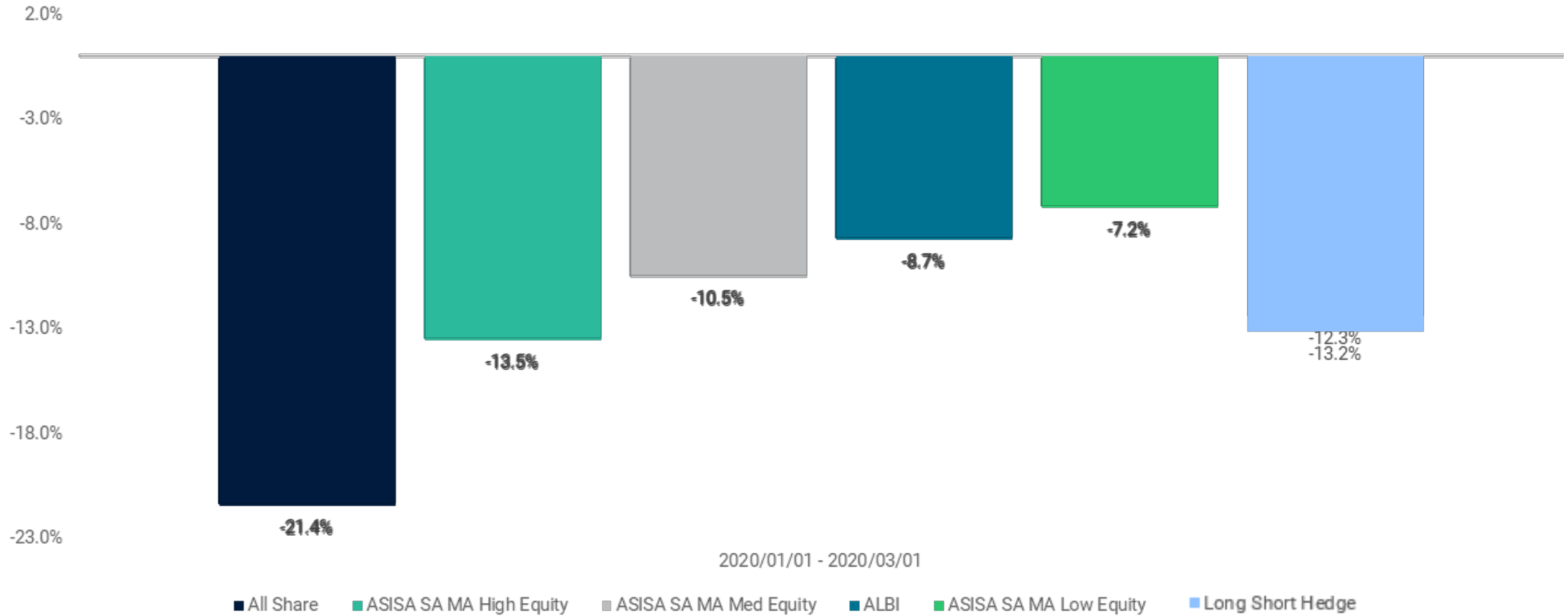


Data source: Morningstar & HedgeNews Africa Fixed Income Hedge Index – median; Multi-Strategy Index – median; Long/Short Equity Index – median. As at end Aug 2024.



Hedge Industry vs. Market Performance During COVID-19 Crash

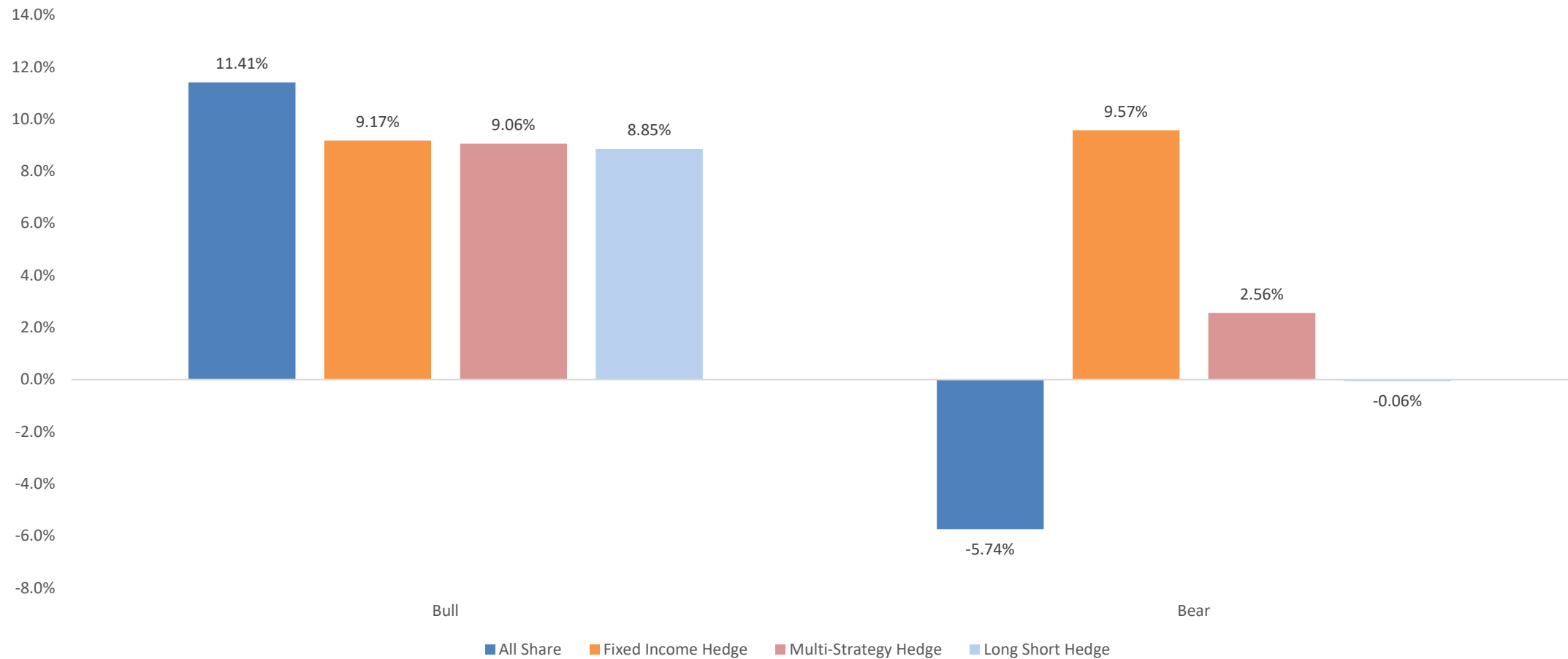
Long Short Hedge



Data source: Morningstar & HedgeNews Africa Fixed Income
Hedge Index – median; Multi-Strategy Index – median;
Long/Short Equity Index – median. As at end Aug 2024. Period
between 2020/01/01-2020/03/01.



Rolling One Year (Bull/Bear)

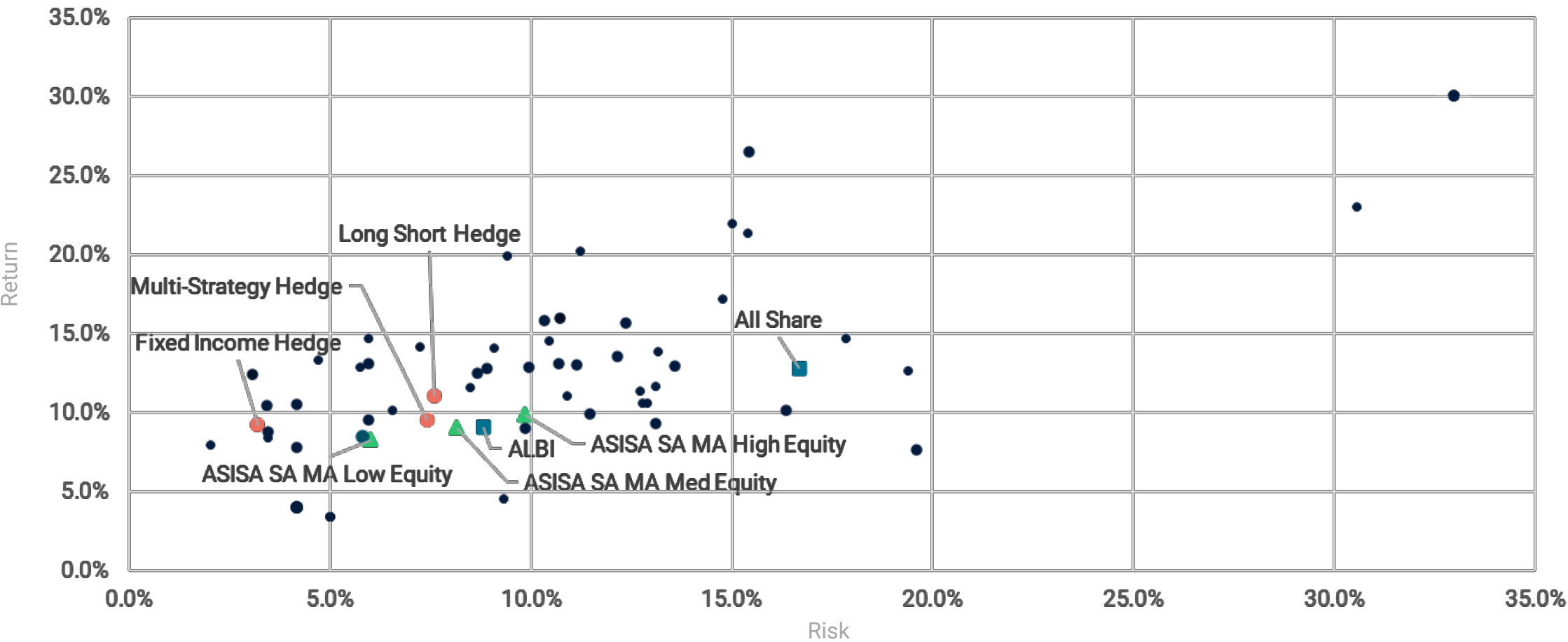


Data source: Morningstar & HedgeNews Africa Fixed Income Hedge Index – median; Multi-Strategy Index – median; Long/Short Equity Index – median. As at end Aug 2024 for a period over 10 years.



5 Year risk-return

Summary



Data source: Morningstar & HedgeNews Africa Fixed Income Hedge Index – median; Multi-Strategy Index – median; Long/Short Equity Index – median. As at end Aug 2024.



36ONE

Asset Management

If you would like a copy of the 36ONE presentation, please email them directly at businessdevelopment@36one.co.za.

The **DEGREE** of Difference



TEREBINTH
CAPITAL

Rooted in knowledge. We grow.

Erik Nel – Chief Investment Officer

October 2024





Macro-Economic Environment

Geopolitics and event risks take centre stage



Potential challenges to recent resilience

Amidst continuing geopolitical conflict and the upcoming US election, risks to global growth remain ever present. US resilience endures in the near term but the Eurozone trends sideways at a pedestrian pace. In China, the stimulus stabilises growth with positive spillovers to the rest of EM.



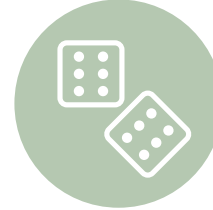
Disinflation continues, undershoot less likely

The disinflation trend continues at a varied pace but loses momentum. Pre-emptive policy easing reduces the risk of a target undershoot. Productivity gains could help keep inflation contained but supply disruptions could present upside risks.



Broadening easing, pace unclear

Central banks attempt to engineer a perfect landing as they recalibrate rates towards neutral. The pace of labour market cooling to influence extent of accommodation. Getting the timing right will be crucial in establishing whether there is timely support for growth or whether overheating is the consequence.



US elections still too close to call

Two-sided risks to the result, with a divided Congress likely. Trade, fiscal and immigration policies to depend on the outcome, with the subsequent direction in fiscal policy aiding or curtailing further monetary policy accommodation. Supply stability subject to headwinds from geopolitical escalation.



Supportive liquidity, moderate USD weakness

Liquidity conditions to turn supportive into the remainder of the year, in part due to China stimulus. This backdrop should help offset US election uncertainty and heightened geopolitical tension. Modest USD weakness on lower US rates, but US exceptionalism remains a risk.



Potential return of EM outperformance

Subject to the success of the Chinese stimulus and its effect on commodity prices, EM growth stands a good chance of lifting relative to DM growth. This narrowing growth differential, together with US dollar weakness as the Fed eases, stands to be a tailwind to EM currencies.

Source: Terebint Capital for 4Q24

Can the upcoming cyclical upswing endure?



Reform progress despite fragile GNU

Fissures between the major parties remain visible through public disagreement on key policy positions, while arrangements at the metro level stay volatile. Despite this, Operation Vulindlela Phase 2 is set to take off, alongside a friendlier regulatory framework for broader private sector participation. Expect incremental improvement in confidence.



Continued Commitment to Consolidation

Evolving fiscal picture in line with expectations, with funding pressure reduced by GFECRA drawdown. MTBPS expected to contain high-level disclosure on the fiscal anchor before further colour at the February 2025 Budget, where there is also a reasonable probability of issuance cuts.



Conditions ripe for a cyclical upswing

No loadshedding, rapid disinflation, rate cuts, improved confidence and two-pot withdrawals are contributing to a supportive domestic macro backdrop. Despite a disappointing 1H24, a recovery from 2H24 into 2025 should see growth pick up above the trend of the past decade, with some support to external demand from the EM growth recovery.



SARB to ease only to neutral

A shallow cutting cycle remains likely to be implemented following the first cut in September, with another 100bps likely into May 2025. The SARB will continue to advocate for a lower inflation target. While a long-term positive, this risks potentially attracting political attention.



Inflation contained below target mid-point

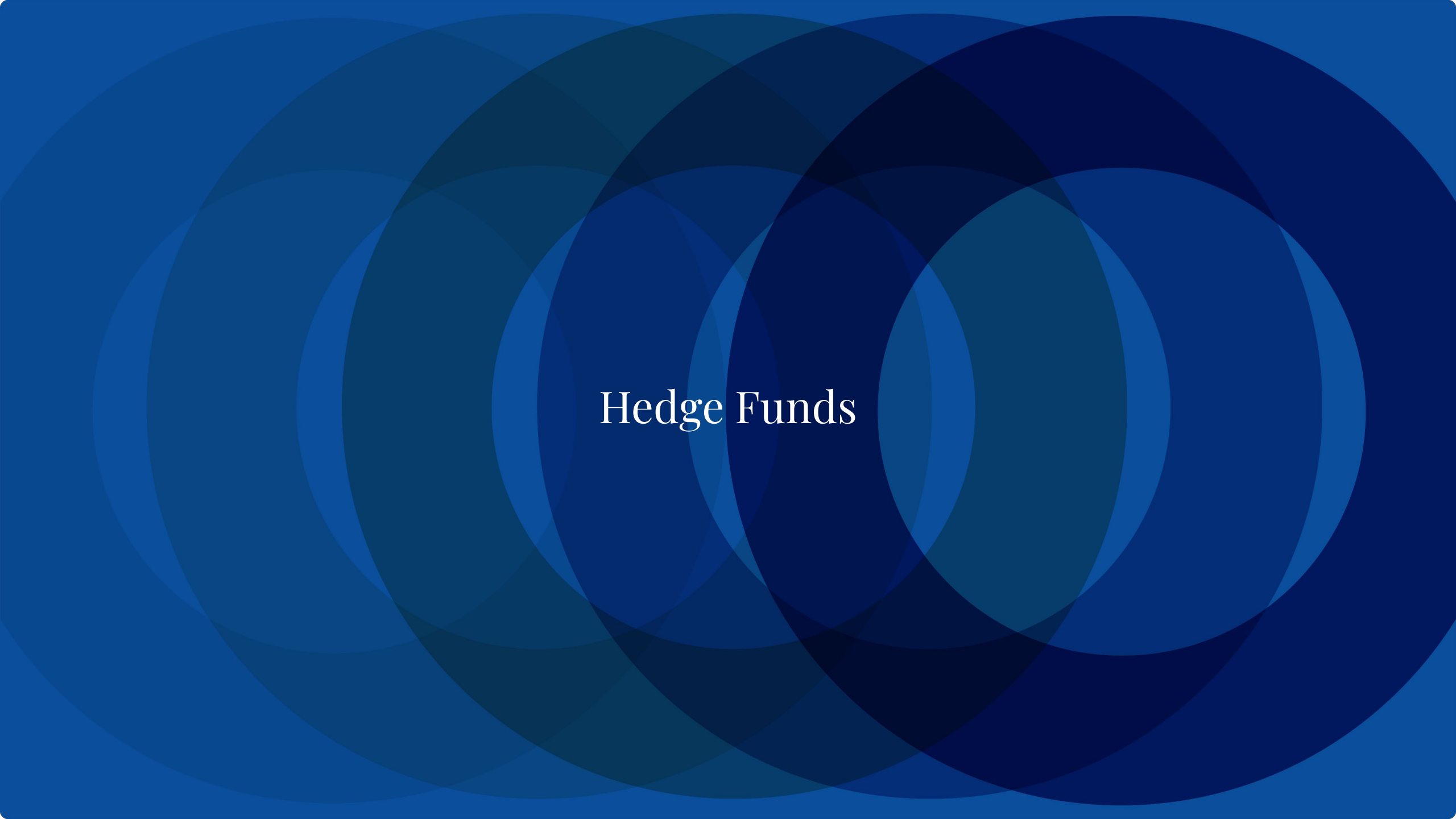
Lower fuel and food inflation supportive of quicker disinflation momentum in the near term. Successive 3-handle prints into 4Q24 and 1H25 likely, which bodes well for the anchoring of inflation expectations. Some upside risks from electricity tariffs in 2025, the turn in global food prices, as well as demand-led inflation from a stronger consumer, including OER.



At the mercy of global currents

Ongoing geopolitical conflict as well as the US presidential election will be key drivers of global sentiment. The Rand will be subject to depreciation risk depending on the news flow into US election day. A constructive Chinese stimulus effect could provide the necessary underpin for the growth outlook.

Source: Terebint Capital for 4Q24

The image features a solid blue background with a series of overlapping circles in various shades of blue, ranging from light to dark. The circles are arranged in a horizontal sequence, creating a sense of depth and movement. The text "Hedge Funds" is centered in the middle of the image, written in a white, serif font.

Hedge Funds

What should a good hedge fund do?

1. Protect (“hedge”) the downside whilst leveraging the upside

Why?

Incremental alpha, while protecting downside risks, separate good funds from great funds.

How?

To achieve this managers need to focus on strong communication amongst team members on views, market risks, and focus on high-quality strategies, while finding a good balance between harvesting returns while aggressively limiting losers.

2. Use as little units of risk for a unit of return as possible

Why?

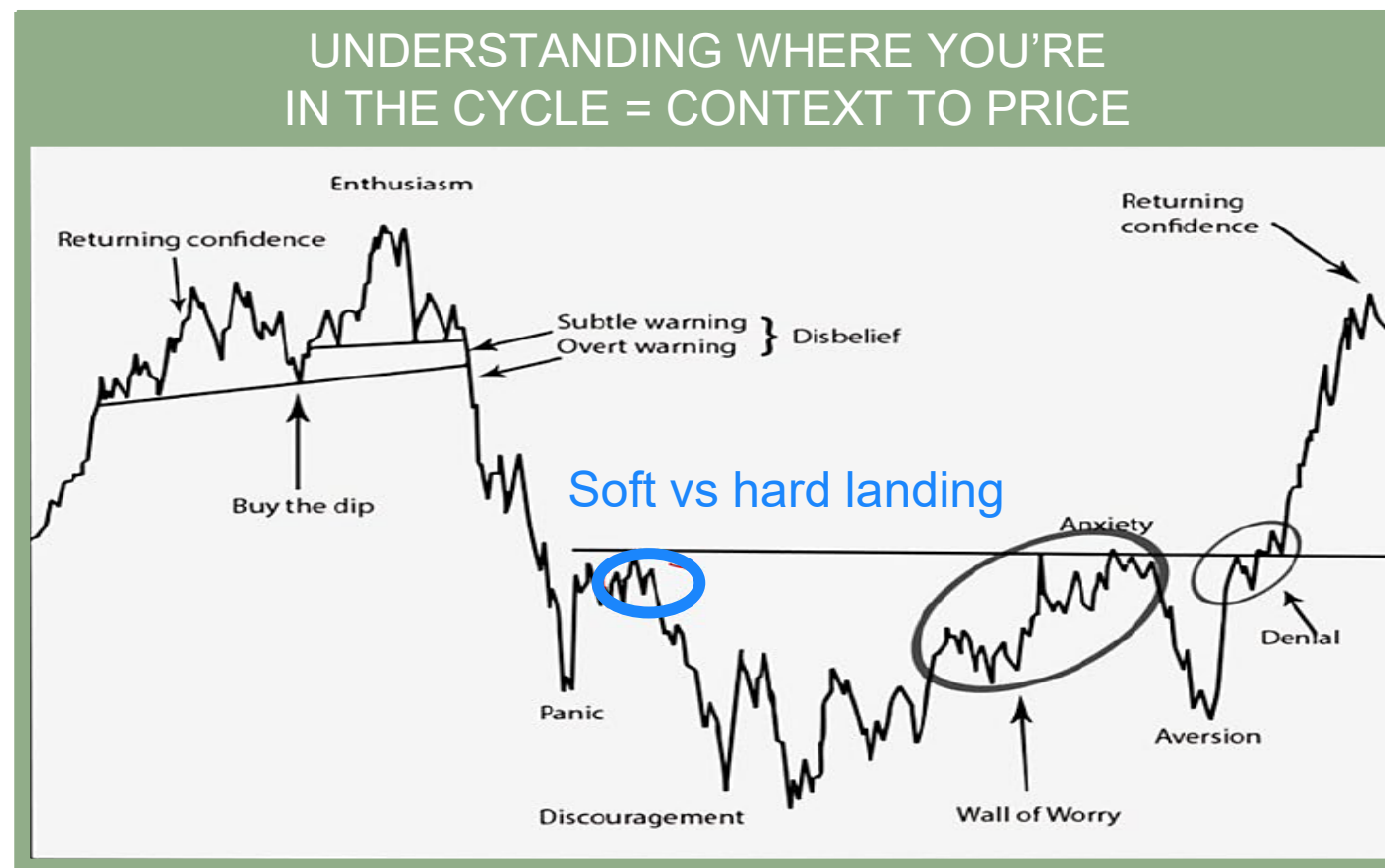
Managers need to understand how to manage the downside using a sound risk management framework which ensures how to allocate risk capital appropriately.

How?

Strict stop loss rules (protect downside).

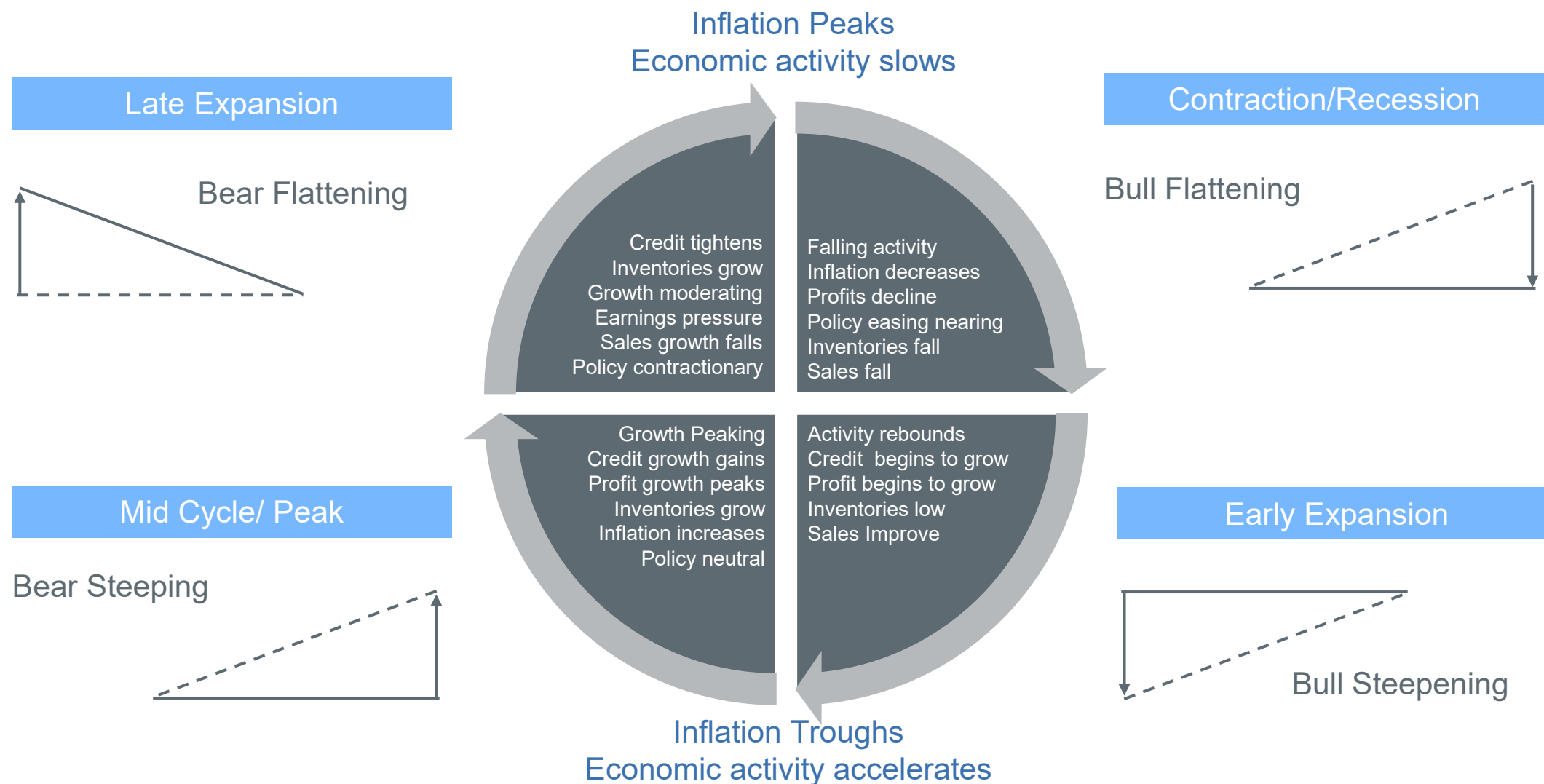
To understand hedge funds...

...become familiar with market & economic cycles and the madness of crowds



Source: Terebith Capital

Financial markets always move in cycles



Strategies across various time frames

Strategic

- Macro driven
- Medium-term horizon
- Cycle analysis and regime shifts

Structural

- Supply versus demand/flow changes
- Market dislocations/inefficiencies
- Regulatory changes

Tactical

- Data/event driven
- Short-term horizon
- Relative value/arbitrage

Opportunities delivering alpha

Primary Market

Systematically profit from market (beta) mispricing and technicalities, investing in high quality liquid instruments

Government Bonds

Underexplored excess return source by generalist/front-end market players in certain areas of the bond sector

FRA

Pure country specific monetary policy expression – asymmetric risk reward.

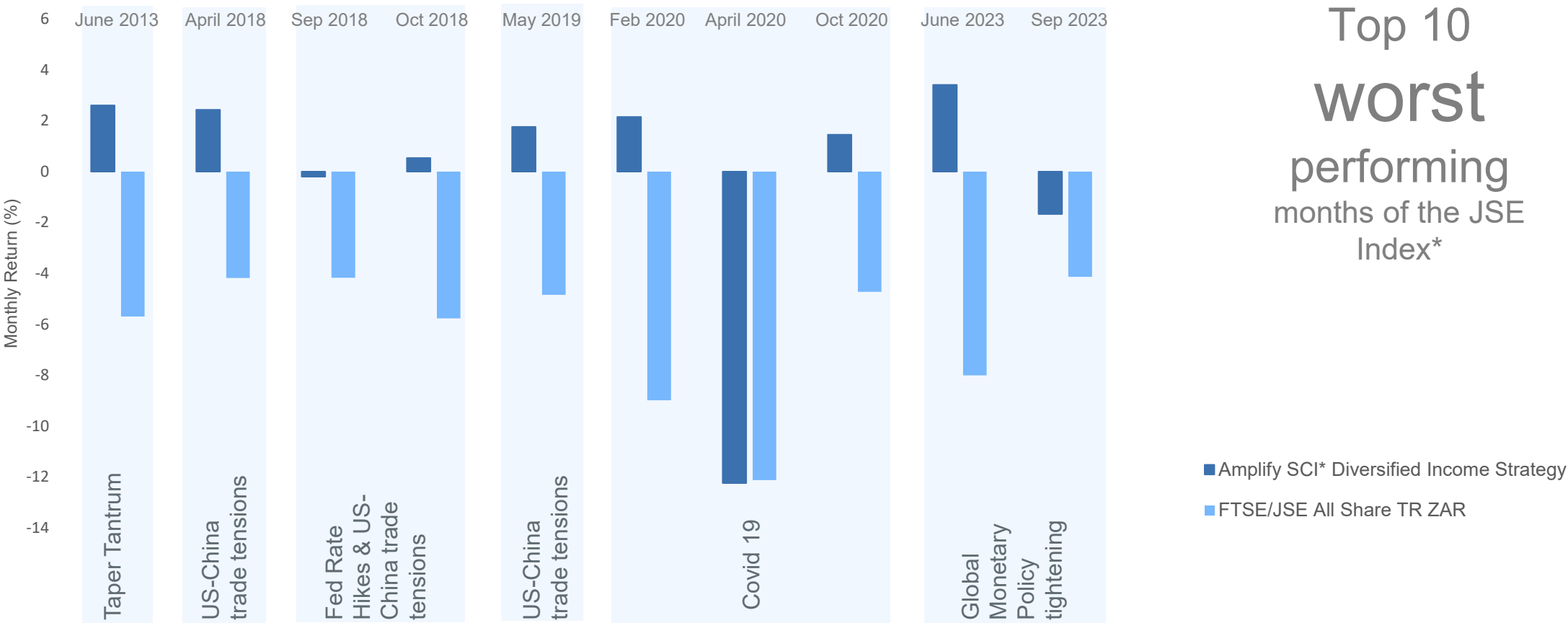
Curve RV

Extract alpha from yield curve distortion due to market segmentation and technicalities using swaps

High conviction macro

Position for under-priced tail events with bottom-up macro monitor covering CPI and currency opportunity

Downside Protection



Source: Morningstar September 2023 *Since the inception date of the strategy, April 2013

Decorrelator to Traditional Asset Classes

	Terebinth FI RHF Strategy	FTSE/JSE All Bond TR ZAR	FTSE/JSE All Share TR ZAR	ASISA SA EQ General	ASISA SA MA High Equity	ASISA SA MA Low Equity	ASISA SA MA Income	ASISA WWide MA Flexible
Terebinth FI RHF Strategy	1.00							
FTSE/JSE All Bond TR ZAR	0.28	1.00						
FTSE/JSE All Share TR ZAR	0.35	0.34	1.00					
ASISA SA EQ General	0.40	0.39	0.97	1.00				
ASISA SA MA High Equity	0.42	0.30	0.92	0.95	1.00			
ASISA SA MA Low Equity	0.44	0.40	0.87	0.90	0.98	1.00		
ASISA SA MA Income	0.38	0.81	0.52	0.58	0.58	0.69	1.00	
ASISA WWide MA Flexible	0.31	-0.10	0.65	0.64	0.83	0.83	0.26	1.00

Source: Morningstar | Since Inception | Updated: 31 August 2024

Thank You

Terebinth Capital (Pty) Ltd

An Authorised Financial Services Provider

Number: 47909 Registration Number: 2011/010633/07



TEREBINTH
CAPITAL

Why invest with Terebinth Capital?



Philosophy

Centered on risk management and downside protection. Maximising returns across liquidity and high-quality fixed interest assets.



Process

Two-fold approach of combining macro analysis and quantitative precision for optimal instrument allocation.



Consensus-styled approach

Flat structure, avoiding risk allocation and siloed approaches. Guarantees skills transfer in organic and sustainable fashion mitigating key person risk.



Culture

Inclusivity and development (diluting key-person risk). Team members are respectful, hard-working, well-read, humble, strong on communication and sharing of ideas, treating colleagues and the market with respect, and above all is client-centric.



Transformation

Deliberately foster an environment where female and black talent can thrive. Majority female-owned and led, 50% female board. Level 1 B-BBEE contributor.



Investment focused

We are an absolute-return focused money manager, utilising the outsourced business model in a global best-practice, best-of-breed approach.

Disclaimer

This information is not intended to be a recommendation in respect of financial products.

Please note that certain of the products of the nature referred to in this document in South Africa are currently not regulated by the Financial Sector Conduct Authority.

This document has been prepared by Terebinth Capital Proprietary Limited, a licensed Financial Services Provider (License Number 47909). It was prepared exclusively for the recipient named on Slide 1 at their request.

The investment described in this presentation is generally regarded as a medium to long-term investment. Past performance is not necessarily indicative of future performance. The value of investments may rise as well as fall and you may not get back the full amount you invested. The funds or portfolios mentioned are market-linked and there are risks associated with investments in market-linked financial products. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. All information provided is historic.

CONTACT DETAILS

Portfolio Managers: Erik Nel: +27 21 943 4820, Nomathibana Okello: +27 21 943 4823, Ann Sebastian: +27 21 943 4811, Carmen Nel: +27 21 943 4829, Kanyane Matlou: +27 21 943 4812

Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium to long term investments. Past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Collective investments are calculated on a net asset value basis, which 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Income funds derive their income primarily from interest-bearing instruments. The yield is a current and is calculated on a daily basis.

*Sanlam Collective Investments

FAIS Information Sheet

INFORMATION SUPPLIED IN ACCORDANCE WITH THE GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES

Terebinth Capital (Proprietary) Limited ("Terebinth") (Company Registration No. 2011/010633/07)

- Physical address: Willowbridge Place, Cnr Carl Cronje Drive and Old Oak Road, Tygervally, Bellville, South Africa
- Postal address: Postnet Suite 226, Private Bag X22, Tyger Valley, 7536, South Africa
- Telephone number: 021 943 4820

- Terebinth is authorised as a **Financial Services Provider ("FSP")** under the **Financial Advisory and Intermediary Services Act, No 37 of 2002 (FSP No: 47909)**.
- Terebinth's Compliance Officers are Tim Howse and Nick Howse at eComply.
- Terebinth will respond to written complaints addressed to the Compliance Officer at info@ecomply.co.za.
 - Should your complaint not be resolved satisfactorily, you have the right to submit any complaints to the **Ombud for Financial Services Providers** who can be contacted at:
 - Physical Address: 125 Dallas Avenue, Menlyn Central, Waterkloof Glen, Pretoria, 0010
 - Postal Address: P.O. Box 74571, Lynnwood Ridge, 0040
 - Customer Contact Division: Telephone: +27 12 762 5000, Website: www.faisombud.co.za, E-mail address: info@faisombud.co.za
- Terebinth is authorized to provide advisory and intermediary services in regards to the following financial products in Category I, II and IIA of the FAIS Act:

- Shares
- Money market instruments
- Debentures and securitised debt
- Warrants, certificates and other instruments
- Bonds
- Derivative instruments

- Participatory interests in Collective Investment Schemes;
- Participatory Interests in a hedge fund
- Long-term Deposits
- Short-term Deposits
- Structured Deposits;

- Terebinth holds professional indemnity and fidelity insurance.
- Information disclosed to Terebinth or any of its authorised representatives in their professional capacity will be treated as confidential unless written consent is obtained to disclose such information, or the disclosure of such information is required in the public interest or under a particular law.
- Terebinth shall take all reasonable measures to protect your personal information as defined as detailed in the Promotion of Access to Information Act, Act 2 of 2000 ("PAIA") and the Protection of Personal Information Act, Act 4 of 2013 ("POPIA"). Terebinth's PAIA Manual or Data Privacy Statement will be made available on written request to the firm's Information Officer.
- Terebinth has implemented a Conflicts of Interest Management Policy in accordance with the General Code of Conduct Regulations issued in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002. The Policy will be made available on written request to the firm's Compliance Officer.
- You are hereby advised that no representative of Terebinth or any other person may ask you or offer any inducement to you to waive any right or benefit conferred on you by or in terms of any provision of the General Codes of Conduct
- Unless indicated otherwise, the following are all employees of Terebinth and are either **Key Individuals or Authorised Representatives**:

N. Okello E. Nel A. Sebastian M. Pick O. Mtuzula D. Ngwenza K. Matlou A. Ntabeni C. Nel	Managing Director Chief Investment Officer Head of Equities Head of Operations Head of Credit and ESG Analyst Junior Portfolio Manager and Quantitative Analyst Senior Investment Manager Head of Institutional Business Head of Multi-Asset	Authorised Representative & Key Individual Authorised Representative & Key Individual Authorised Representative (under supervision for Cat IIA only) Authorised Representative Authorised Representative Authorised Representative Authorised Representative (under supervision) Authorised Representative Authorised Representative
• Terebinth takes responsibility for all the Key Individuals and Representatives' actions. The abovementioned individuals receive remuneration in the form of salary and may from time-to-time receive incentives in terms of their participation in their firm's incentive scheme.		

ANCHOR

NAVIGATING
CHANGE

BCI CONFERENCE OCT24



ANGLO AMERICAN RUMP TRADE



The asset in play

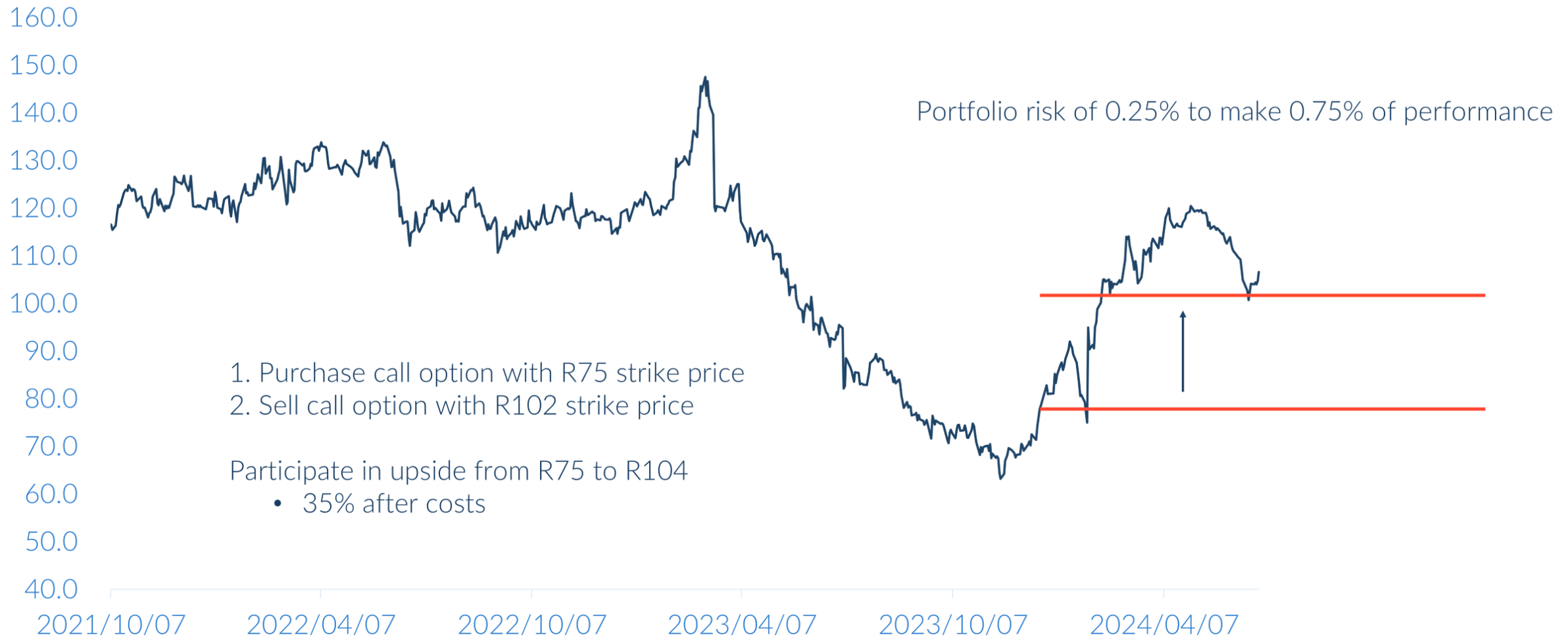
“BHP chief sparks fresh Anglo bid speculation after South Africa trip”

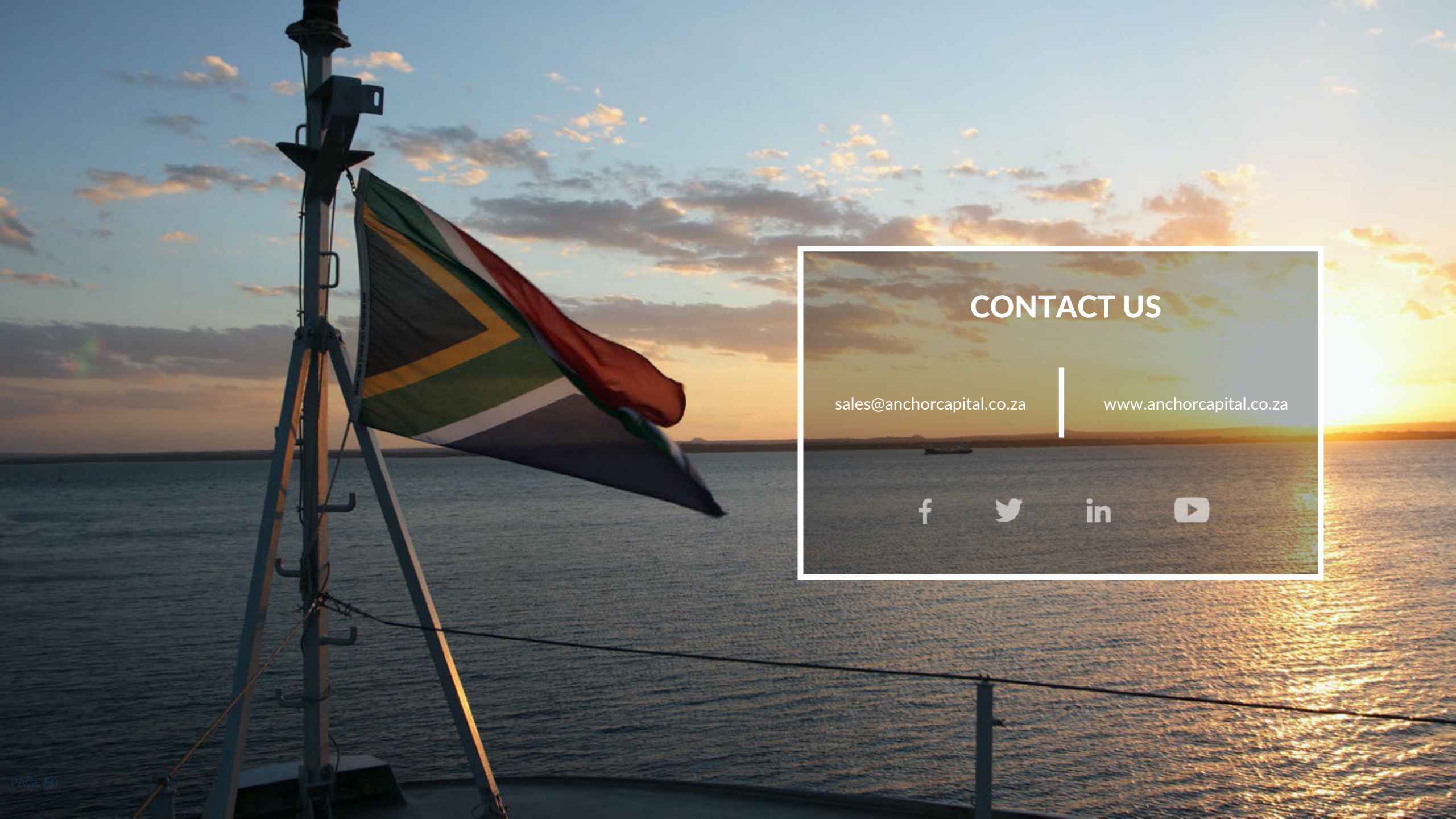
“Anglo American plans break-up to thwart £34bn BHP bid”

The asset for sale



MULTICHOICE CALL OPTION





CONTACT US

sales@anchorcapital.co.za

www.anchorcapital.co.za





Established in 2009

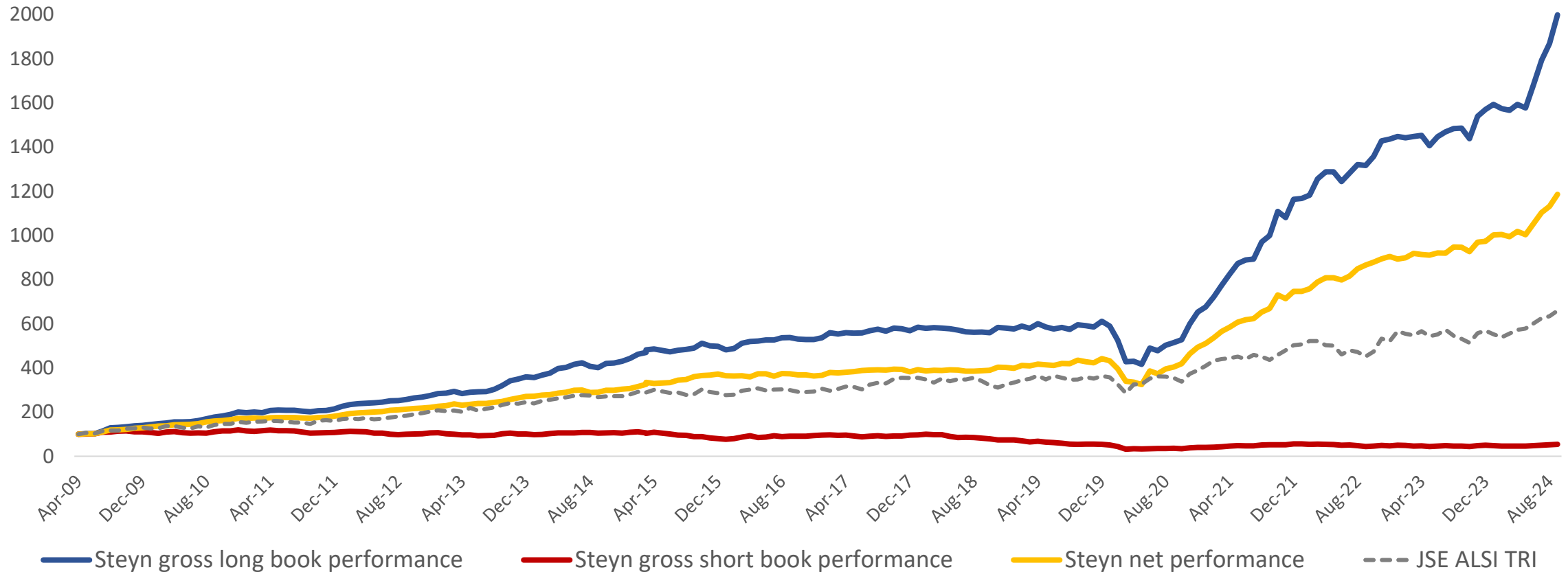
SCM

Steyn Capital Management

BCI/FundRock Hedge Webinar

South African equity long/short strategy performance since inception

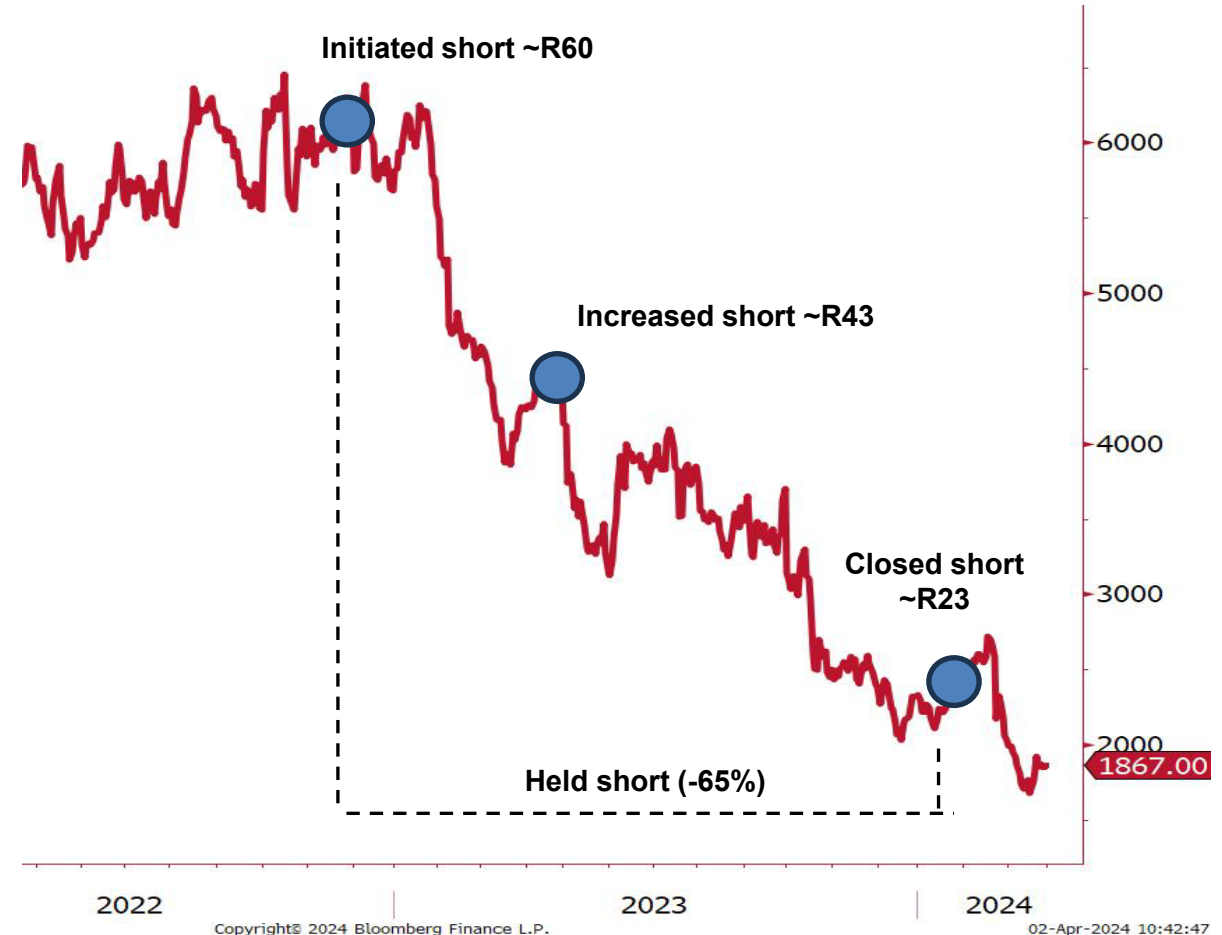
Steyn Capital FR QI Hedge Fund net returns vs the JSE All Share Total Return Index



	May to Dec 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Jan-Sep 2024	Total since Inception	Annualised since Inception
Steyn gross long book	39.13%	43.93%	7.21%	27.89%	30.96%	19.01%	15.68%	6.23%	7.44%	1.81%	4.65%	6.86%	78.14%	23.43%	9.36%	27.29%	1899%	21.44%
Steyn gross short book	-10.62%	-8.36%	10.06%	1.27%	3.10%	-4.35%	29.91%	-17.75%	-3.38%	30.78%	35.48%	19.80%	-29.53%	15.00%	-7.68%	-9.68%	28%	1.60%
Steyn net performance	28.21%	33.63%	5.67%	22.03%	22.55%	12.28%	22.53%	-2.31%	5.14%	5.26%	9.74%	11.85%	51.04%	21.25%	7.52%	21.86%	1086%	17.40%
JSE All Share TRI	30.57%	18.98%	2.57%	26.68%	21.43%	10.88%	5.13%	2.63%	20.95%	-8.53%	12.05%	7.00%	29.23%	3.58%	9.25%	15.91%	559%	13.01%

A large deterioration in earnings quality indicated that more pain was to come

- Payables swelled to 157% of inventories (vs. 99% at Shoprite) boosting cash from operations by 40%
- Days payables outstanding grew from 52 to 60
- Lease remeasurements reduced liabilities by R732m
- Increased forfeiture assumptions on Smart Shopper boosted earnings by R63m
- Overdue receivables swelled 16% to R1bn, while allowances decreased to only 18%



Fortress A and B : special situation

- **Previous property-sector darling, now unloved and misunderstood with no natural shareholder base**

- Inability to pay 'A' distribution = lost REIT status
- Capital structure restricts dividends and has created a shareholder impasse between A's and B's
- Income funds, property funds and dividend sensitive shareholders have left or are leaving
- "Uninvestable due to capital structure" according to sell-side and various institutions

Can self-neutralize the capital structure by buying both A's and B's

- **Large liquid stake in Nepi Rockcastle worth ~80% of market cap**

- Fortress owns 23.8% of Nepi, which can be shorted out
- Remaining Rump assets are high quality, and significantly undervalued

- **High quality direct property portfolio, with clean financial structure**

- Low leverage (38% LTV), no cross currency-swaps, no non-cash backed distributions
- **51%** P-Grade logistics in SA and CEE; **33%** Convenience/Commuter retail; **16%** Tail of disposal properties
- Trading at an implied 66% discount to NAV

- **Retained cash/NEPI to be used to fund buybacks and resolve the capital structure**

- **Significant upside to fair NAV discount on Rump, with large margin of safety and low market risk**

Buy A and B together to neutralise capital structure			
		Shares out	Mkt Cap
A share	12.76	1 164.7	14 862
B Share	5.01	1 005.7	5 038
Combined Market Cap			19 900
Short out NEPI			
Nepi	107.5	144.0	- 15 481
Net capital invested			4 419 A
Direct exposure to deeply discounted direct property			
Directly Held Property			31 400
Less Group Net Debt			- 17 920
Direct Property NAV			13 480 B
Discount to directly held property			67% 1- A/B
Upside to NAV			205%
Upside to 30% discount of NAV			114%
Upside to 50% discount of NAV			53%

Disclaimer

Steyn Capital Management (Pty) Ltd is an authorised Category I, II and IIA financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (“FAIS Act”) with FSP number 37550. The information contained herein, should not be construed as advice as defined in the FAIS Act, neither does it constitute a solicitation, invitation or investment recommendation. Investors should take cognisance of the fact that Hedge Funds are collective investment schemes (“CIS”) to which the prescribed provisions of the Collective Investment Schemes Control Act (No. 45 of 2002) apply. The FundRock Management Company (RF)(Pty) Ltd (the “Manager”) retains full legal responsibility for the portfolio and is registered and approved by the Financial Sector Conduct Authority (“FSCA”) under CISC. CIS’s should be considered as medium to long-term investments. There are risks involved when buying, selling or investing in any financial product. The value of financial products can increase as well as decrease over time, depending on the value of the underlying securities and market conditions. There is no guarantee in respect of capital or returns in a portfolio. Past returns may not be indicative of future returns and an investor should seek independent professional financial, legal and tax advice relevant to their individual circumstances before making any investment decision. CIS’s are traded at the ruling price and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the Manager. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. Performance has been calculated using net NAV to NAV numbers with income reinvested. The validity and accuracy of any illustrations, forecasts or hypothetical data are not guaranteed and are only provided for illustrative purposes by Steyn Capital Management as at September 30, 2024. Full details and the basis of awards are available from the Manager.

"HEDGE FUND PERFORMANCE DRIVERS"

VISIO FUND MANAGEMENT | OCTOBER 2024

VISIO

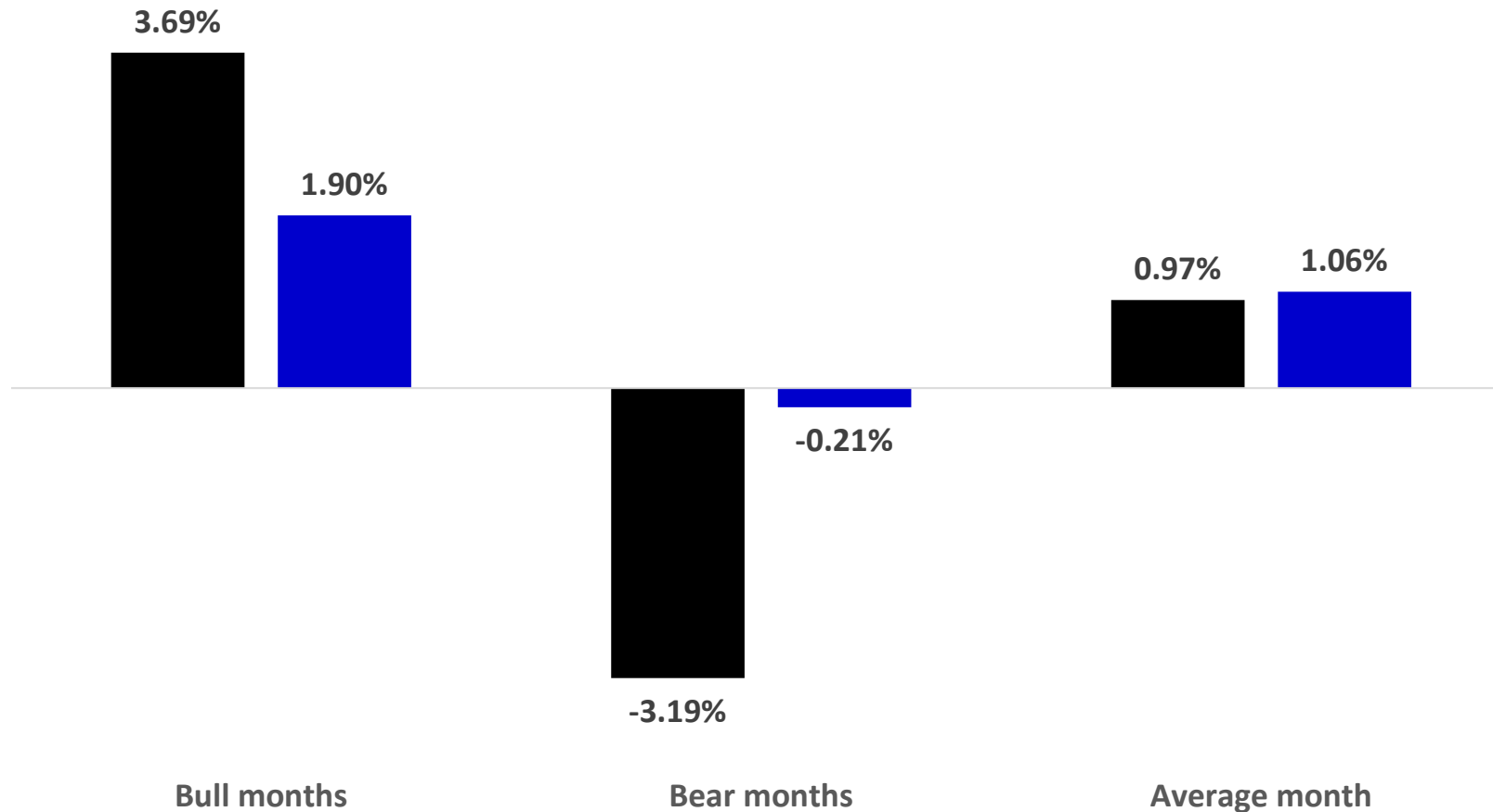
Private and strictly confidential



HEDGE FUND GOAL #1: ABSOLUTE RETURNS

■ ALSI ■ Visio FR Retail Hedge Fund

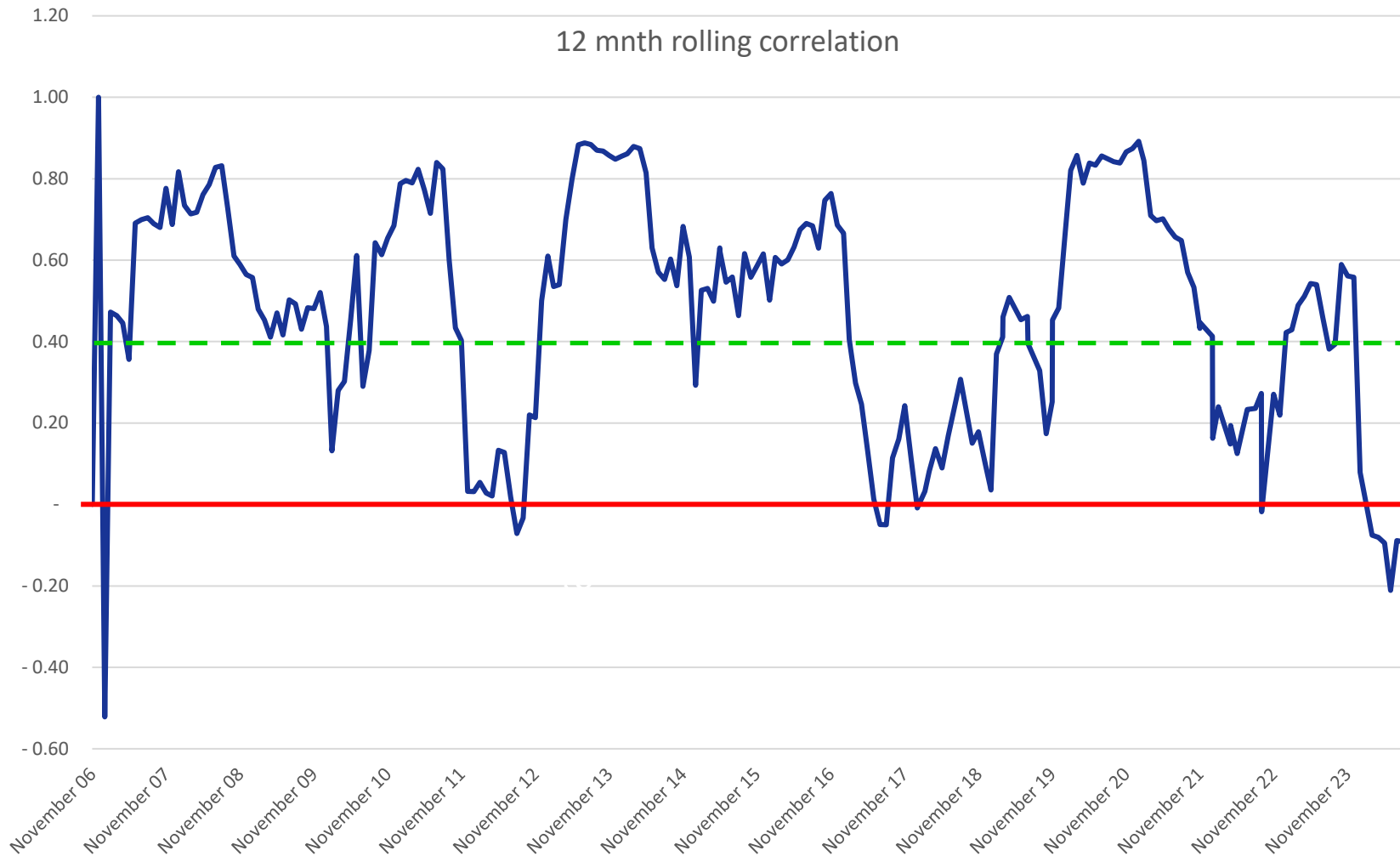
Since Nov-06



MARKET PARTICIPATION:

- Not all the upside, especially in a low net equity strategy
 - < 25% of the downside
- Positive compounding!!!

HEDGE FUND GOAL #2: UNCORRELATED RETURN SOURCE



ALSI CORRELATION:

- 17-year Average: 0.47
- Source of return with low correlation to equity markets
- Achieved by managing fund equity exposures- both the mix and net equity

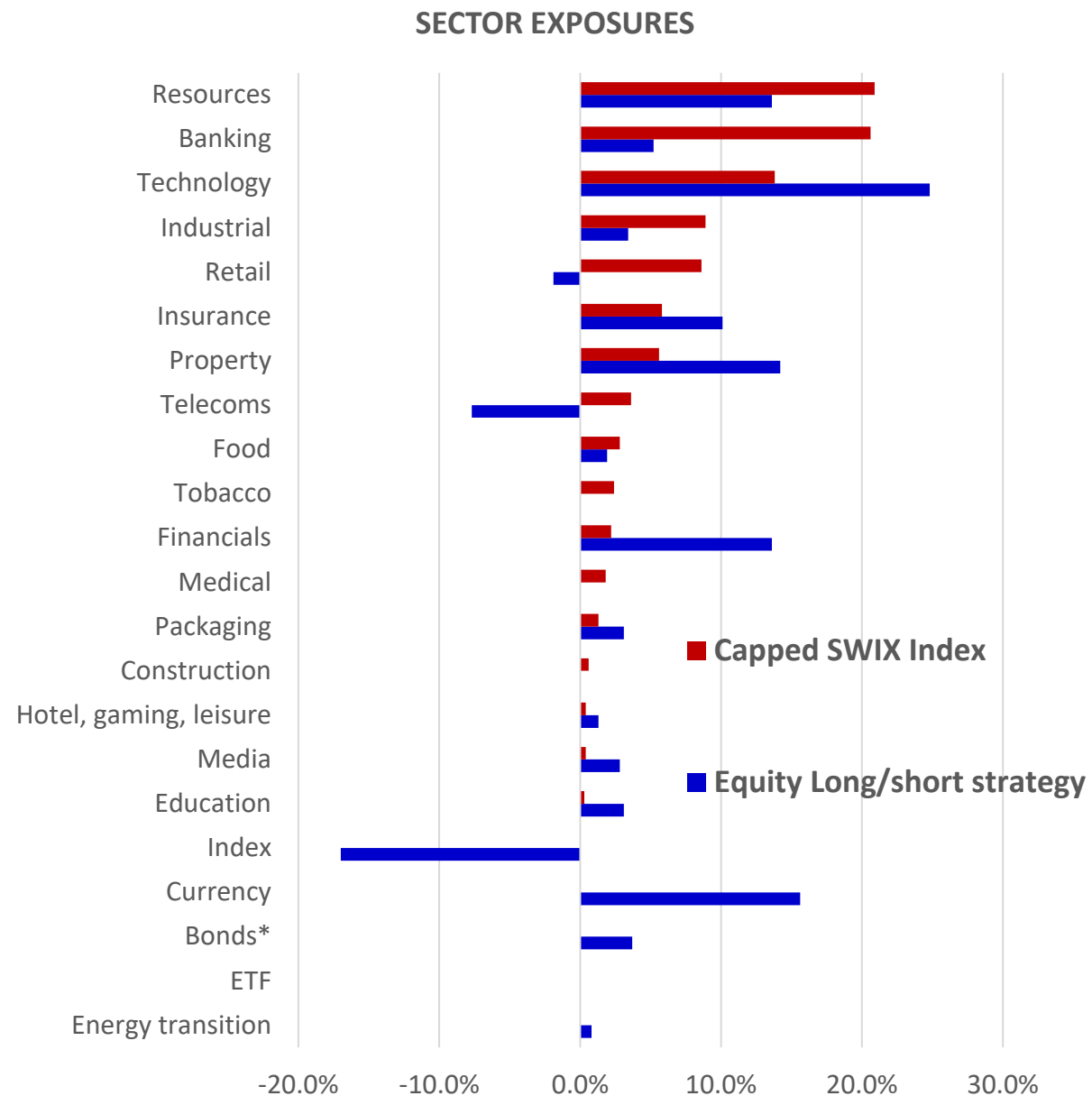
LOWERING CORRELATION

Unique distressed debt opportunities:

- 2009 GFC “once in a lifetime” trade
- 20% in hard currency HY SA Corp Bonds
- Purchased at 35% of face value
- Cumulative yields
- Equity like returns from bonds:
- Old Mutual, Consol, Peermont
- 2020 Sasol \$ Bonds, trading at 55% of face value

MANAGE:

- Sector calls
- Asset class diversification
- “Off benchmark” positions
- Net exposure
- Gross exposure
- Hedging
- Derivatives
- FX composition



MTN/ EXPRESS YOURSELF!

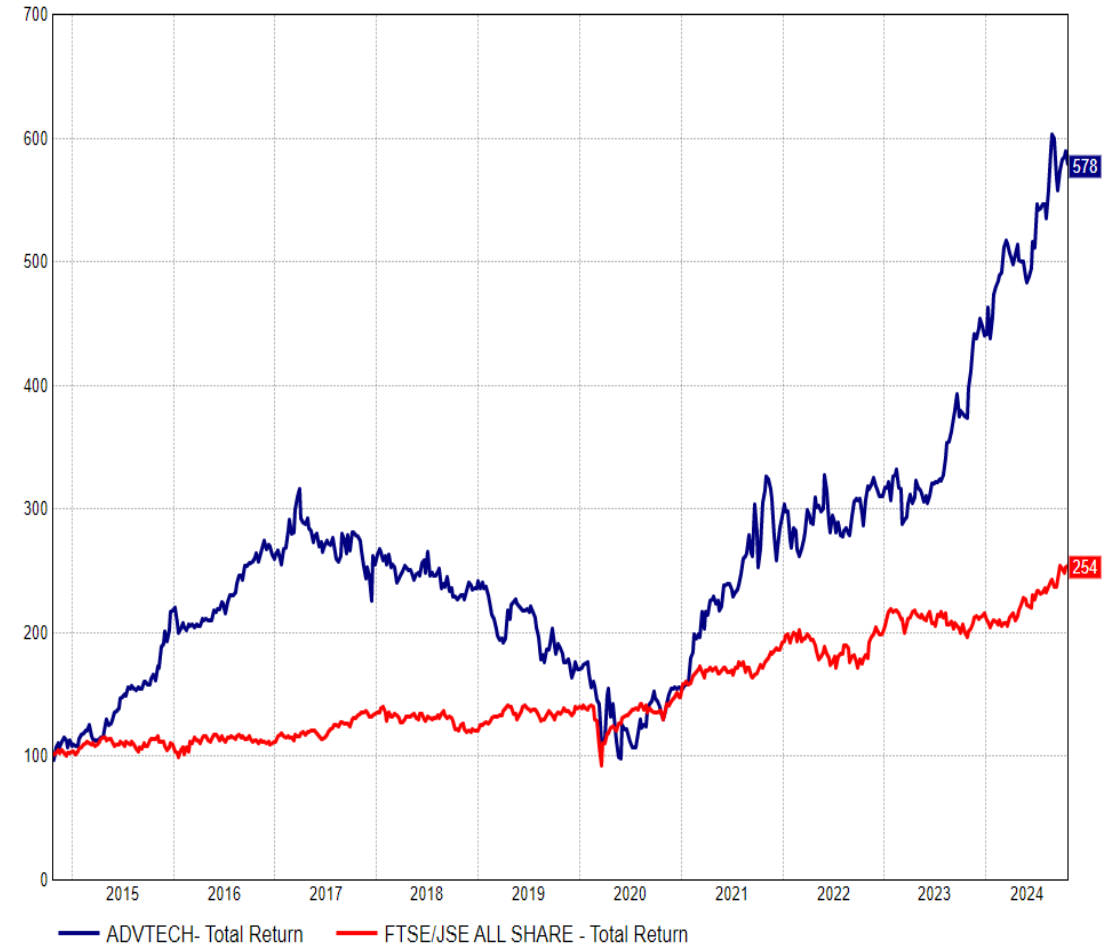


ADVTECH – RETURN ON EDUCATION

- > Visio has been long-term shareholders in Advtech
- > Private education is an investable theme in a country in need of good education
- > Over the years, Visio has engaged the board to improve both operational performance and board composition and was instrumental in facilitating the investment by activist investor VCP
- > Over the past decade the share has given an **annual return of 19%** while earnings per share increased by 16% per year (vs ALSI 10%)

VISIO

Advtech long-term performance



Source: LSEG Datastream

Source: VFM, Bloomberg

ADVTECH



ACTIVISM / THE VISIO DIFFERENTIATOR

COMPANY	ISSUES	DATE	OUTCOME
ABSA	Operational Performance and Poor Guidance	2024	Ongoing Interaction
MOMENTUM	Consideration in selling Metropolitan Life Business	2024	Ongoing interaction
AFROCENTRIC	Capital Allocation & returns to shareholders	2024	Ongoing Interaction
NORTHAM PLATINUM	Capital allocation decision regarding RB Platinum	2023	Management terminated RB Platinum offer
LIFE HEALTHCARE	Corporate action & discount to NAV	2023	Sale of AMG business & special dividend paid
FORTRESS REIT	Dysfunctional capital structure; Deep discount to NAV	2022	Structure simplified into single share class
	Align management interests to both body of shareholders. A's and B's		Received Nepi Rockcastle shares for our FFB shares
EPP / REDEFINE	Inadequate disclosure prior to delisting/takeover	2022	Company delisting, continued interaction with JSE
INVESTECH	Value realisation for UK Specialist Bank	2021	Sold our position
ADVTECH	Company disclosure & Board skills	2018 / 2020	New CEO, revitalised board, strategy improvements
SIBANYE STILLWATER LTD	Capital allocation & strategy	2020	Concluded, did not go ahead with the acquisition. Share rerated considerably. Now net cash.
SASOL	Project execution, debt positioning	2019/2020	Joint CEO departure, better remuneration policy. Insufficient changes, weak management and board.
	Market communication		
PEPKOR	Board composition; Disclosure	2017/18	New chairman, board changes.
TIGER BRANDS	ESG Policies - Listeriosis Outbreak	2018	No longer a position in the funds; TBS facing litigation
ABSA	Executive & board under-performance	2018	CEO resigns in Q1 2019
SHOPRITE	Board composition – Chairmanship	2018	New board, new chairperson
ADVTECH	Company disclosure	2018	Ongoing interaction – improving slowly
NETCARE	Allocation of capital & strategy re UK ops	2017	Positive outcome
ALEXANDER FORBES	Allocation of capital & strategy	2017	New CEO & Chairperson. Ongoing interaction
MONDI	Capital Allocation & returns to shareholders	2017	Company declared spec dividend in 2018.
STEINHOFF INTERNATIONAL	Board composition & independence	2017	Investigation complete. Claims settled.
PPC	Board composition	2015	New CEO
	Rights issue size and costs		Significant board changes

Source: VFM

WHERE TO INVEST: KEY '5 YEAR +' THEMES

1. THE CLOUD AND ARTIFICIAL INTELLIGENCE
2. ENERGY GENERATION
3. HEALTHCARE
4. COMMODITY DEMAND
5. POCKETS OF VALUE IN ASIA – JAPAN & CHINA
6. SHAREHOLDER CONSTRUCTIVE ENGAGEMENT – DEMAND CHANGE!
7. EMERGING INDIA
8. ATTRACTIVE USD/GBP/EURO CORPORATE BOND CREDIT
9. THE 'MOM & POP'S'

Contact details



JOHANNESBURG

5th Floor, 92 Rivonia Road, Wierda Valley, Sandton, 2196

> + 27 11 245 8900 (Tel)

> +27 11 245 8915 (Fax)

> info@visiofund.co.za

FSP Licence number 49566

Company registration number: 2014/055541/07

CAPE TOWN

> First Floor Constantia Emporium, c/o Ladies Mile & Spaanschemat River Road, Constantia, 7806

> +27 10 020 6263 (Tel)

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd (“BCI”) is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager’s charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager’s products.

Visio Fund Management (Pty) Ltd is an authorised Financial Service Provider FSP 49566.



HEDGE FUNDS

overlooked and underutilised...

Henry Biddlecombe

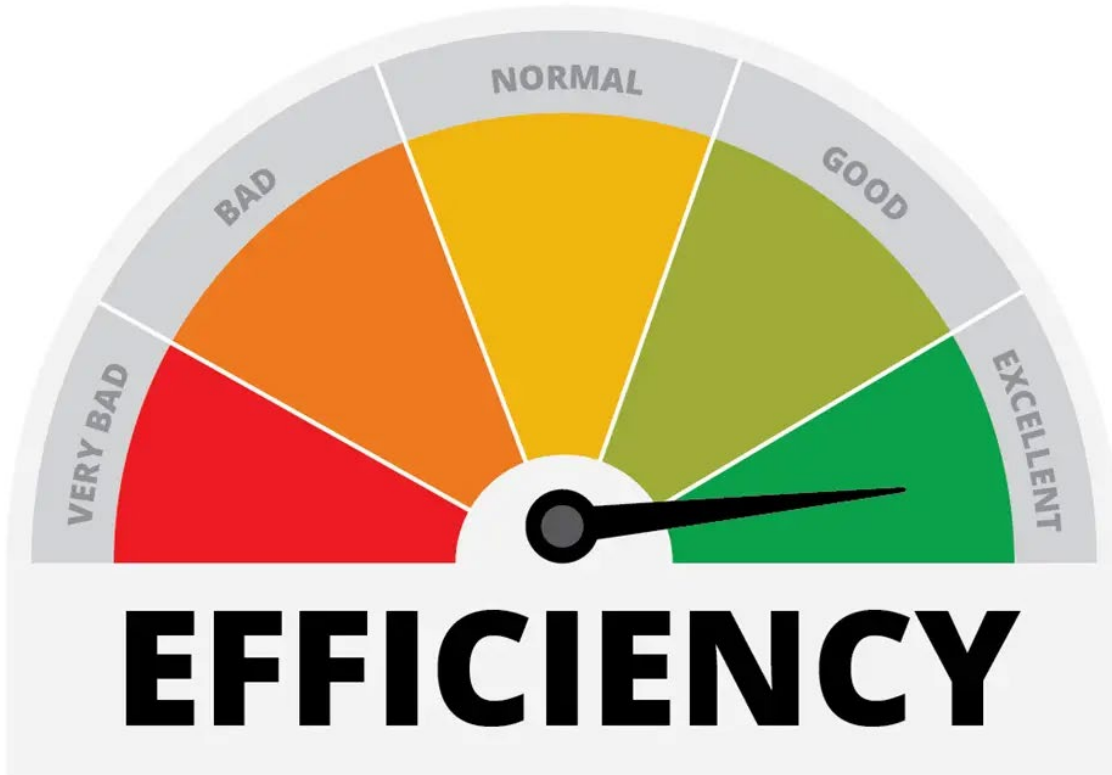
HEDGE FUNDS

Why should I care?

What can they do for me?



HEDGE FUNDS



Improve returns AND reduce risk



HEDGE FUNDS

Why are they underutilised?



Misunderstood



**Difficult
to access**

HEDGE FUNDS

Why you SHOULD consider them...



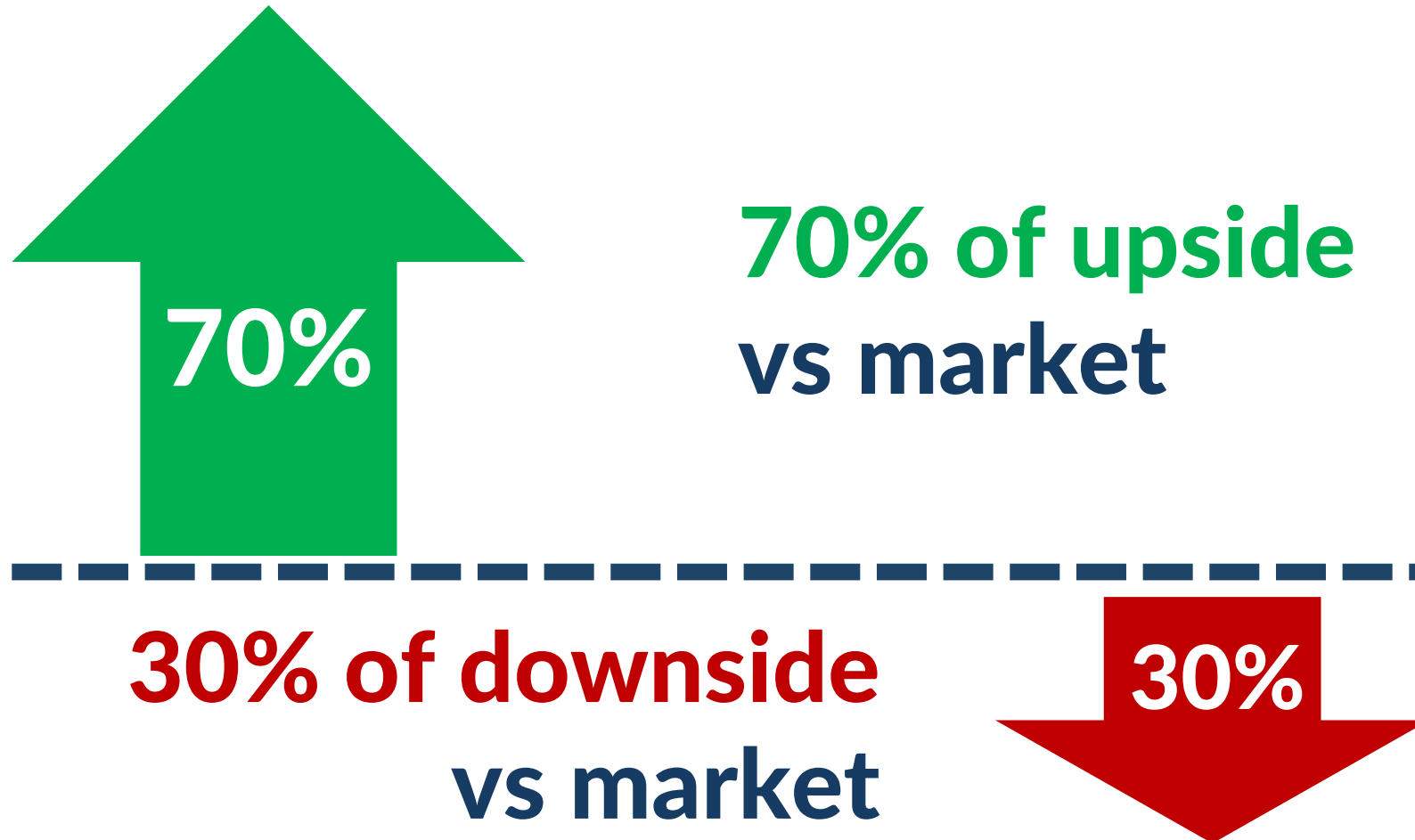
**Reduce
Risk**



**Easy to access,
daily liquidity**

HEDGE FUNDS

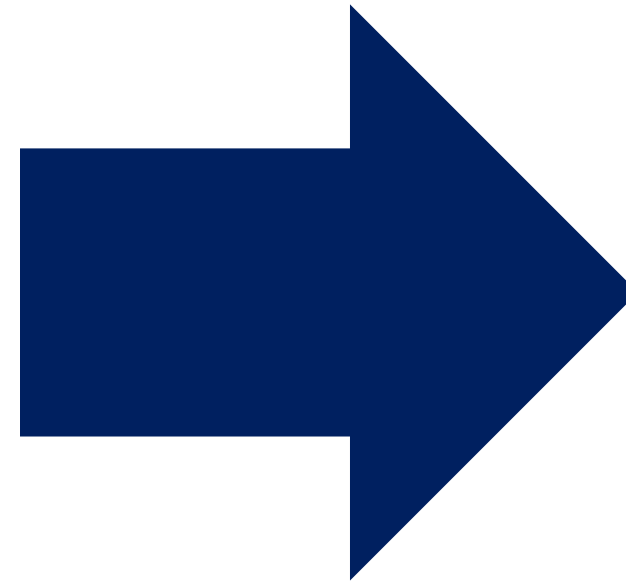
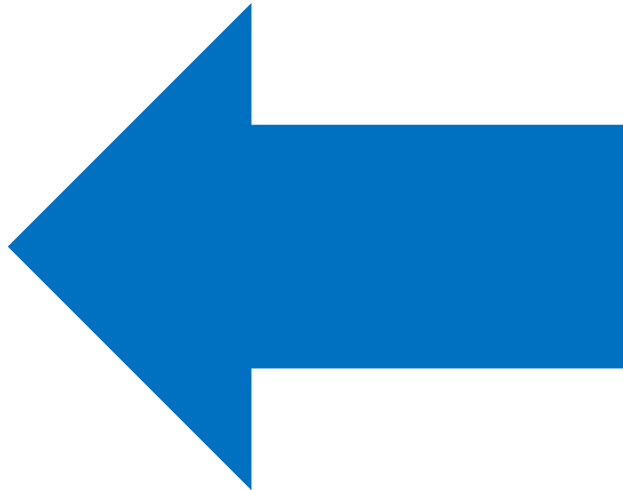
The core purpose...



HEDGE FUNDS

Can also serve as effective portfolio diversifiers

**Uncorrelated
with markets**



**To smooth out
portfolio performance**

Reducing volatility *without hindering performance*

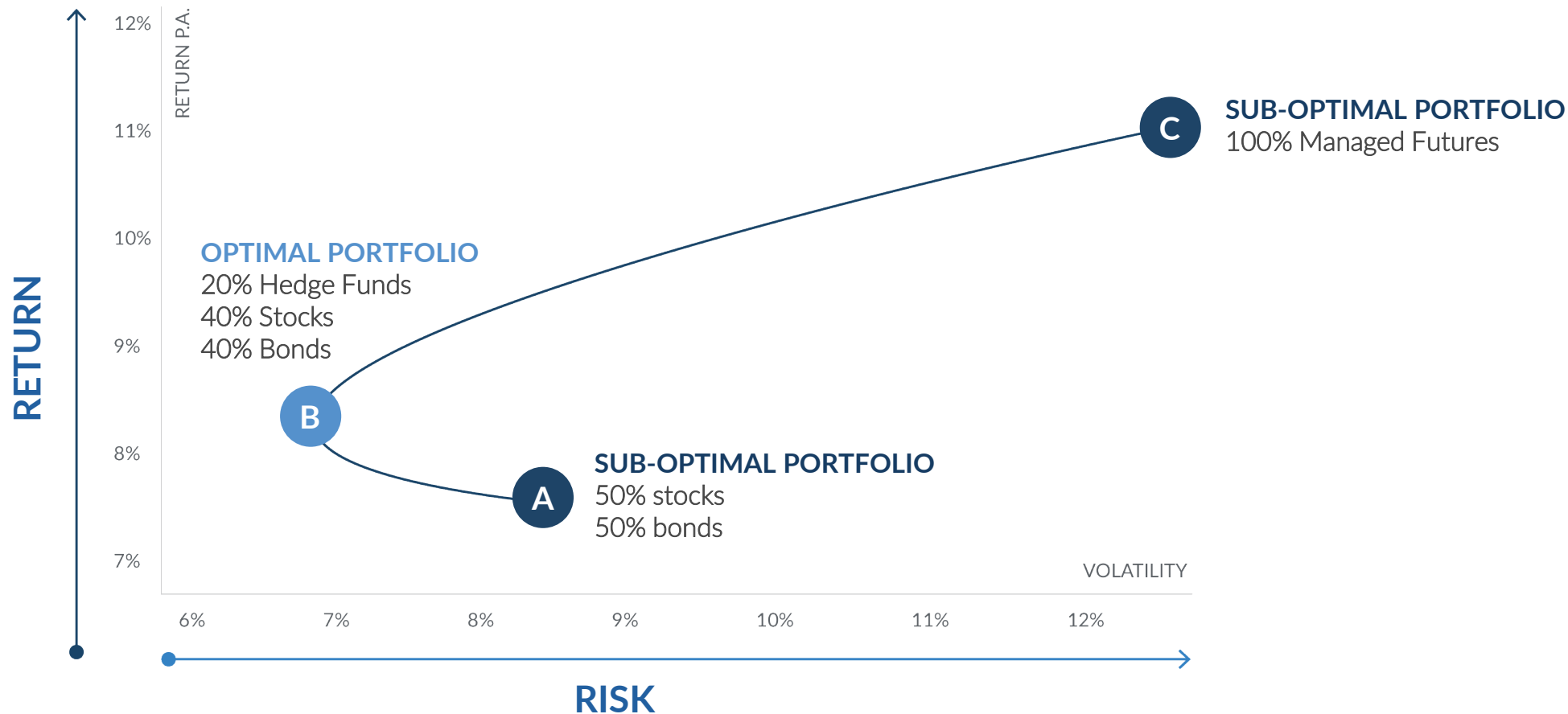


- ❑ Traditional approach REDUCES equity exposure
- ❑ BUT, this dilutes returns
- ❑ AND, introduces market timing risk...
- ❑ **SOLUTION:** a truly uncorrelated hedge fund

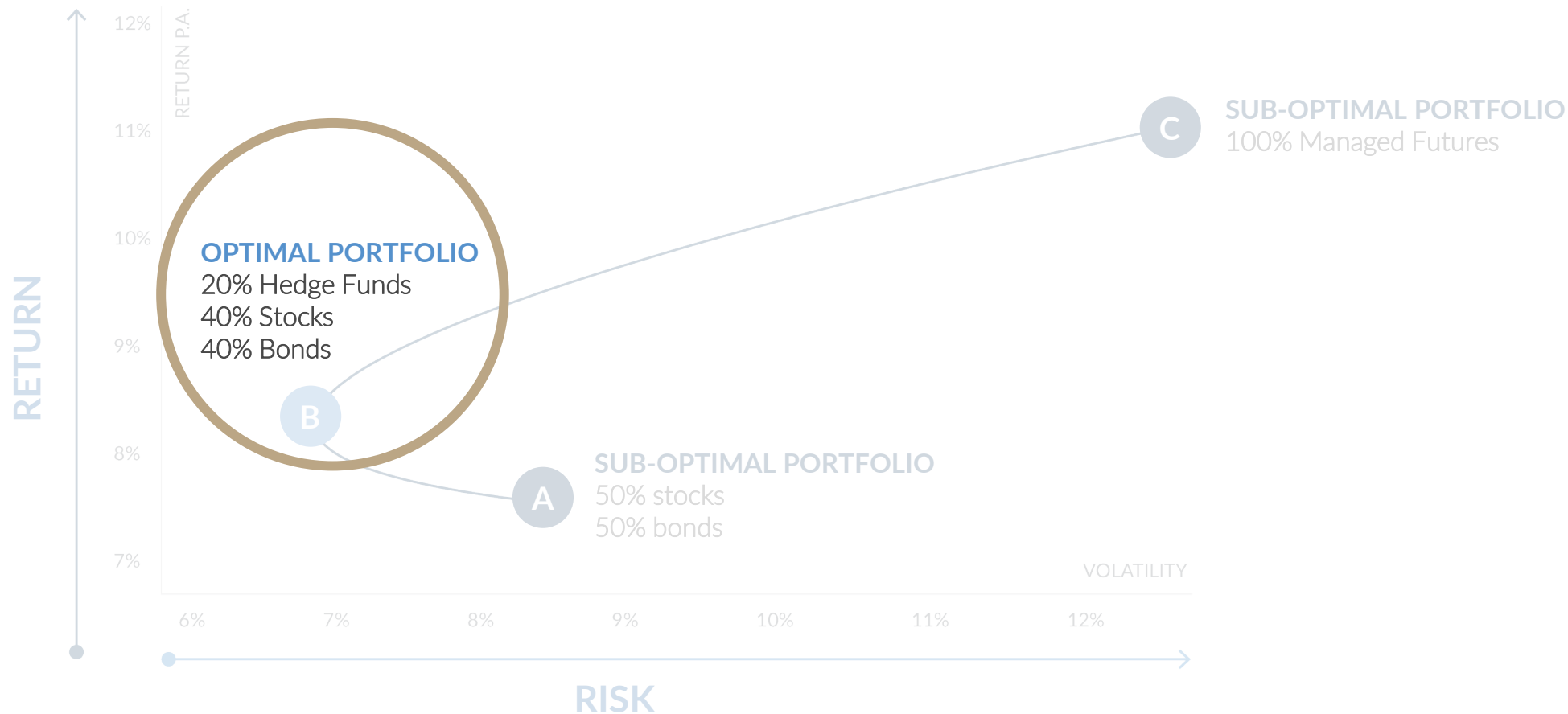
INTUITIVE RELATIONSHIP BETWEEN RISK AND RETURN



ACTUAL RELATIONSHIP BETWEEN RISK AND RETURN



ACTUAL RELATIONSHIP BETWEEN RISK AND RETURN



WHY ARE HEDGE FUNDS SO RISK EFFICIENT?



MORE DIVERSE TOOLKIT

- Ability to go short
- Ability to hedge out explicit risks
- Options structures to limit losses



LESS DEPENDENT ON MARKET DIRECTION

- Thrive in volatility (JSE a great example)
- Power of compounding returns



MANAGER INCENTIVISATION

- Performance fees – a good thing!
- Focus on consistent absolute returns

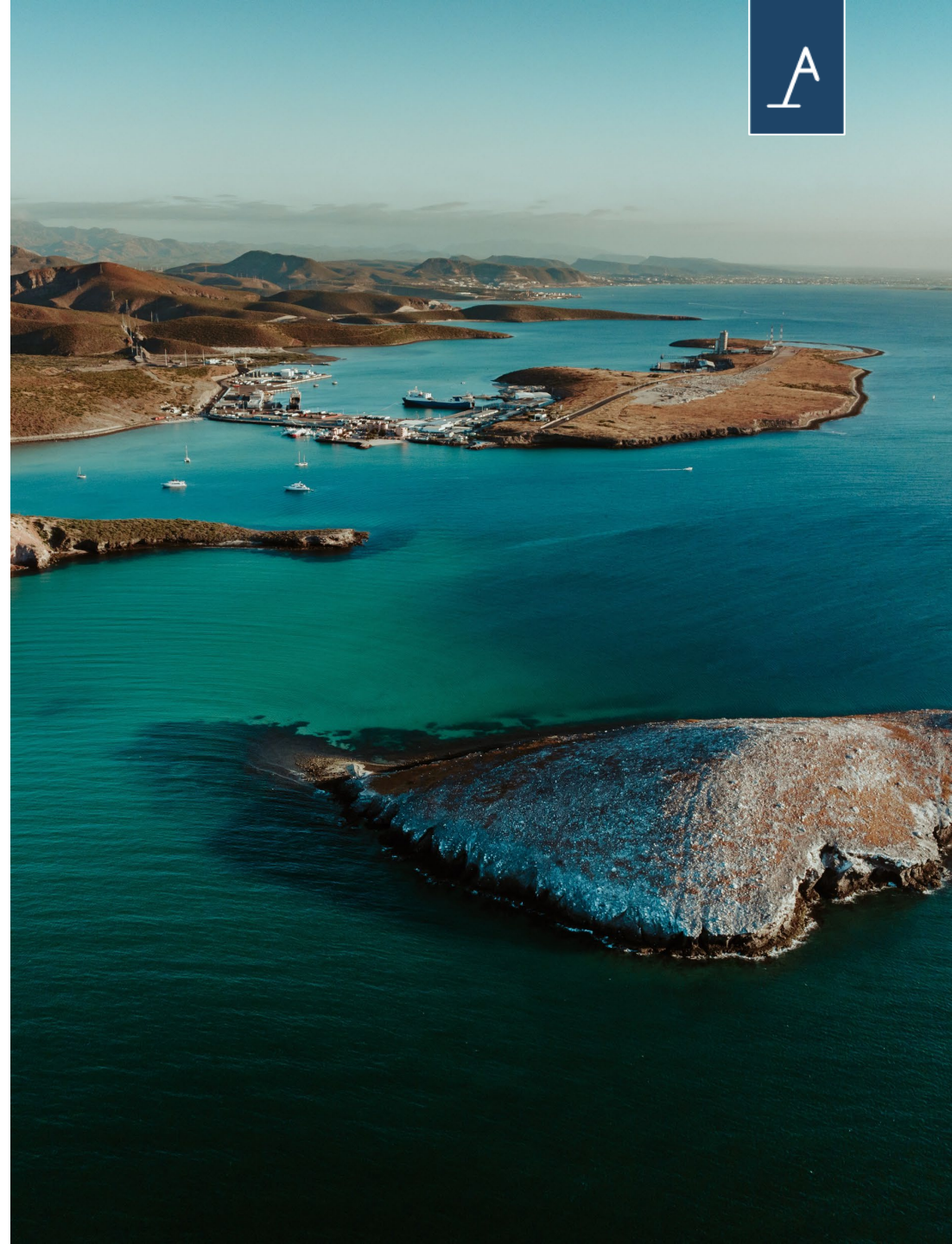
HEDGE FUNDS

How to choose the right one!?

1. Be clear on what you want to achieve
 - ✓ *Take less risk, or aiming to beat the market?*
2. Look for managers that have performed over time
 - ✓ *Track records more important than for conventional funds*
3. Don't let fees deter you
 - ✓ *Focus on net returns after fees*

CONSIDER A FUND OF HEDGE FUNDS

- > Don't need to predict who will perform best!
- > Correlation of underlying managers is optimised
- > Consistent and tax-efficient rebalancing
- > *Almost always a superior risk-adjusted outcome over time!*



TALK TO US



BROAD SPECTRUM OF HEDGE FUNDS AVAILABLE

- Conservative to aggressive
- SA, European and US-centric strategies
- Very competitive multi-strategy solutions



BROAD PLATFORM AVAILABILITY

- Funds are available on most major LISPs
- Very applicable to living annuities!



REGULATION 28 ALLOCATION

- Up to 10% across hedge funds
- Up to 5% in single hedge fund of funds
- Up to 2.5% per individual hedge fund

DISCLAIMER

“Collective investment schemes(CIS) are generally medium to long-term investments. The investment may go down as well as up. Past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request from the manager. The manager does not provide any guarantee in respect to the capital or return of the portfolio. FundRock Management Company RF (Pty) Ltd(“Manager”) is registered and approved by the FSCA under CISCA”



Multi Strategy Hedge Funds

A Balanced Approach To Hedge Fund Investing

30 October 2024





Agenda



Jacques Du Plessis
Multi Strategy Team

Introduction

Absolute vs Relative Returns

Multi-Tool To Manage Markets

Closing



Fairtree is a **leading global investment manager** that manages alternative and long-only investment portfolios across all global asset classes.

Firm AUM

R160 Bn



102

Team members



50

Investment Professionals



24

Hedge News Africa Fund Awards



RAGING BULL AWARDS

2017-2020, 2022-2024

Raging Bull Winner

Fairtree Hedge Fund Track Record

Multiple award-winning performance

2003 Launched first Fairtree Fund

Fairtree Market Neutral Fund launched in 2003, the **first equity market neutral fund in South Africa**. The fund is still active today and has generated 18 out of 20 positive calendar performance years.

2005 Symmetry Hedge Fund Awards

SA Hedge Fund of the Year: Fairtree Equity Market Neutral FR QIHF

SA Market Neutral Fund of the Year: Fairtree Equity Market Neutral FR QIHF

2008 South Africa Hedge Awards

SA Long Short Equity Fund of the Year: Fairtree Long Short Equity FR QIHF

2010 Launched first Multi Strategy capability

Fairtree Wild Fig Multi Strategy FR QIHF launched in 2010. The fund is still active today and has never generated a negative calendar performance year.

2010 Hedge News Africa Awards

SA Fixed Income Fund of the Year: Fairtree Fixed Income FR QIHF

2011 Hedge News Africa Awards

SA Fixed Income Fund of the Year: Fairtree Fixed Income FR QIHF

SA Multi Strategy Fund of the Year: Fairtree Wild Fig Multi Strategy FR QIHF

New Fund of the Year: Fairtree Wild Fig Multi Strategy FR QIHF

SA Fund of the Year: Fairtree Fixed Income FR QIHF

2012 Hedge News Africa Awards

SA Fixed Income Fund of the Year: Fairtree Proton RCIS RIHF

2013 Hedge News Africa Awards

SA Fixed Income Fund of the Year: Fairtree Proton RCIS RIHF

2017 Hedge News Africa Awards

SA Fund of the Year: Fairtree Assegai Equity Long Short FR QIHF

2018 Hedge News Africa Awards

Best Single Manager Hedge Fund (5YR Performance): Fairtree Assegai Equity Long Short FR QIHF

2019 Hedge News Africa Awards

Best Single Manager Hedge Fund (5YR Performance): Fairtree Assegai Equity Long Short FR QIHF

SA Multi Strategy Fund of the Year: Fairtree Wild Fig Multi Strategy FR QIHF

SA Fund of the Year: Fairtree Assegai Equity Long Short FR QIHF

2020 Hedge News Africa Awards

Best Single Manager Hedge Fund (5YR Performance): Fairtree Assegai Equity Long Short FR QIHF

SA Multi Strategy Fund of the Year: Fairtree Woodland Multi Strategy FR QIHF

2021 Hedge News Africa Awards

Best Single Manager Hedge Fund (5YR Performance): Fairtree Assegai Equity Long Short FR QIHF

2022 Hedge News Africa Awards

SA Multi Strategy Fund of the Year: Fairtree Wild Fig Multi Strategy FR QIHF

Best Single Manager Hedge Fund (10YR Performance): Fairtree Assegai Equity Long Short FR QIHF

2023 Hedge News Africa Awards

SA Multi Strategy Fund of the Year: Fairtree Wild Fig Multi Strategy FR QIHF

SA Market Neutral Fund of the Year: Fairtree Equity Market Neutral FR QIHF

Best Single Manager Hedge Fund (5YR Performance): Fairtree Wild Fig Multi Strategy FR QIHF

Best Single Manager Hedge Fund (10YR Performance): Fairtree Assegai Equity Long Short FR QIHF





Agenda

Introduction

Absolute vs Relative Returns

Multi-Tool To Manage Markets

Closing

Building A Case For Absolute Return Funds

Absolute vs Relative Return mandate

Relative Return Funds

Targets relative return

Benchmark cognisant

Correlated to the
market direction

Success can be
achieved with positive
or negative calendar
returns

Absolute Return Funds

Targets positive return

Benchmark agnostic

Uncorrelated to market
direction

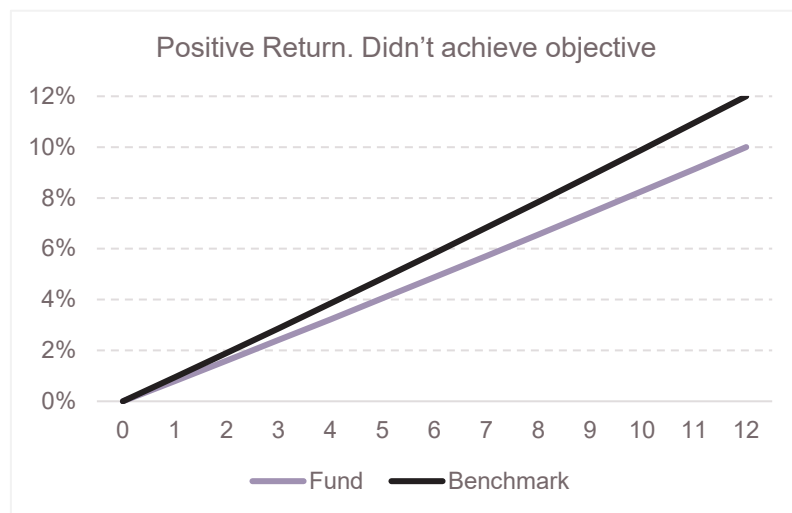
Success is positive
calendar returns



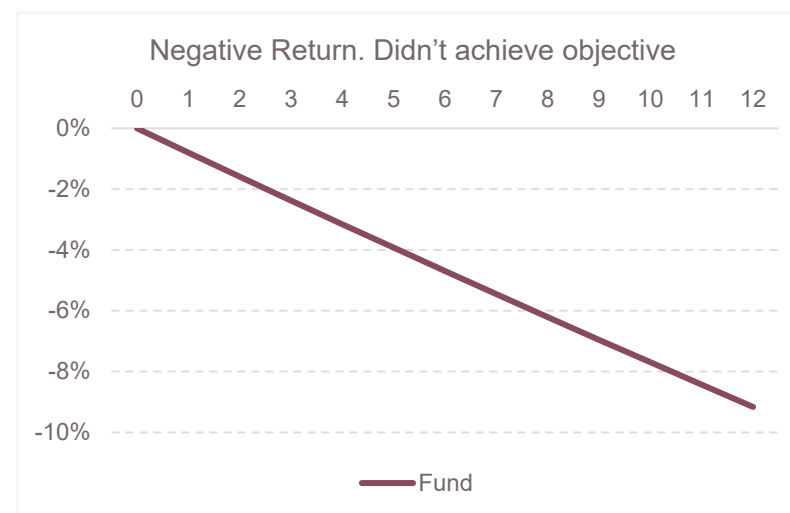
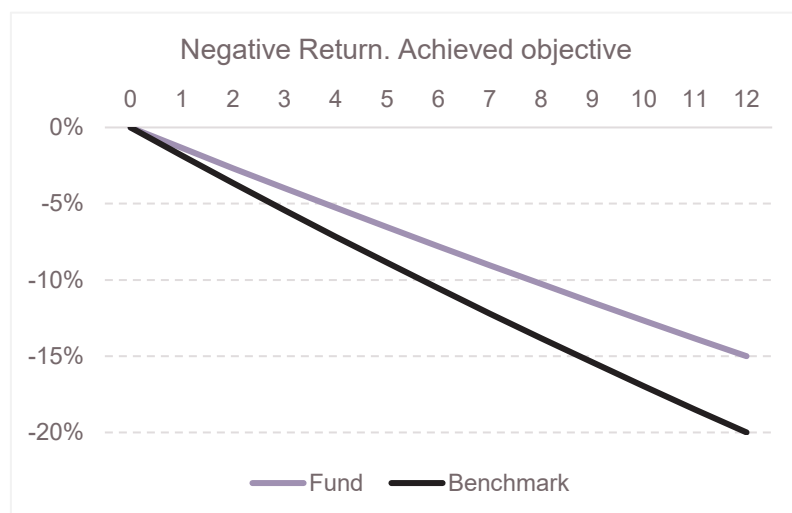
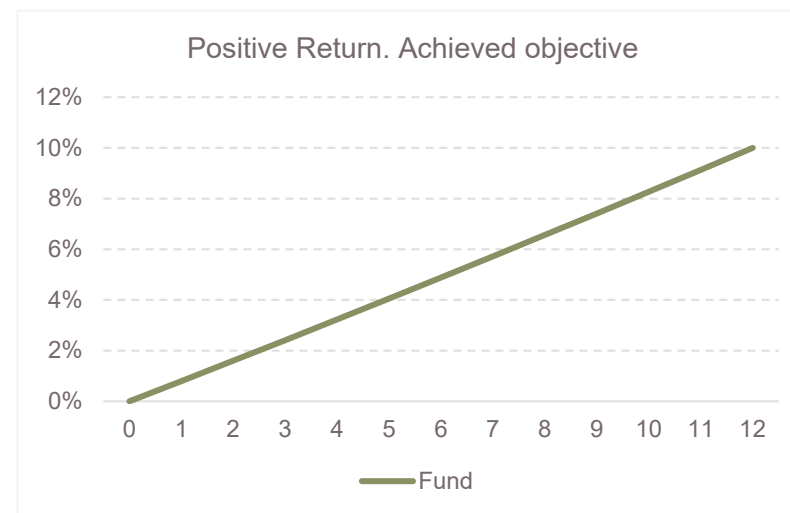
Building A Case For Absolute Return Funds

Understanding performance

Relative Return

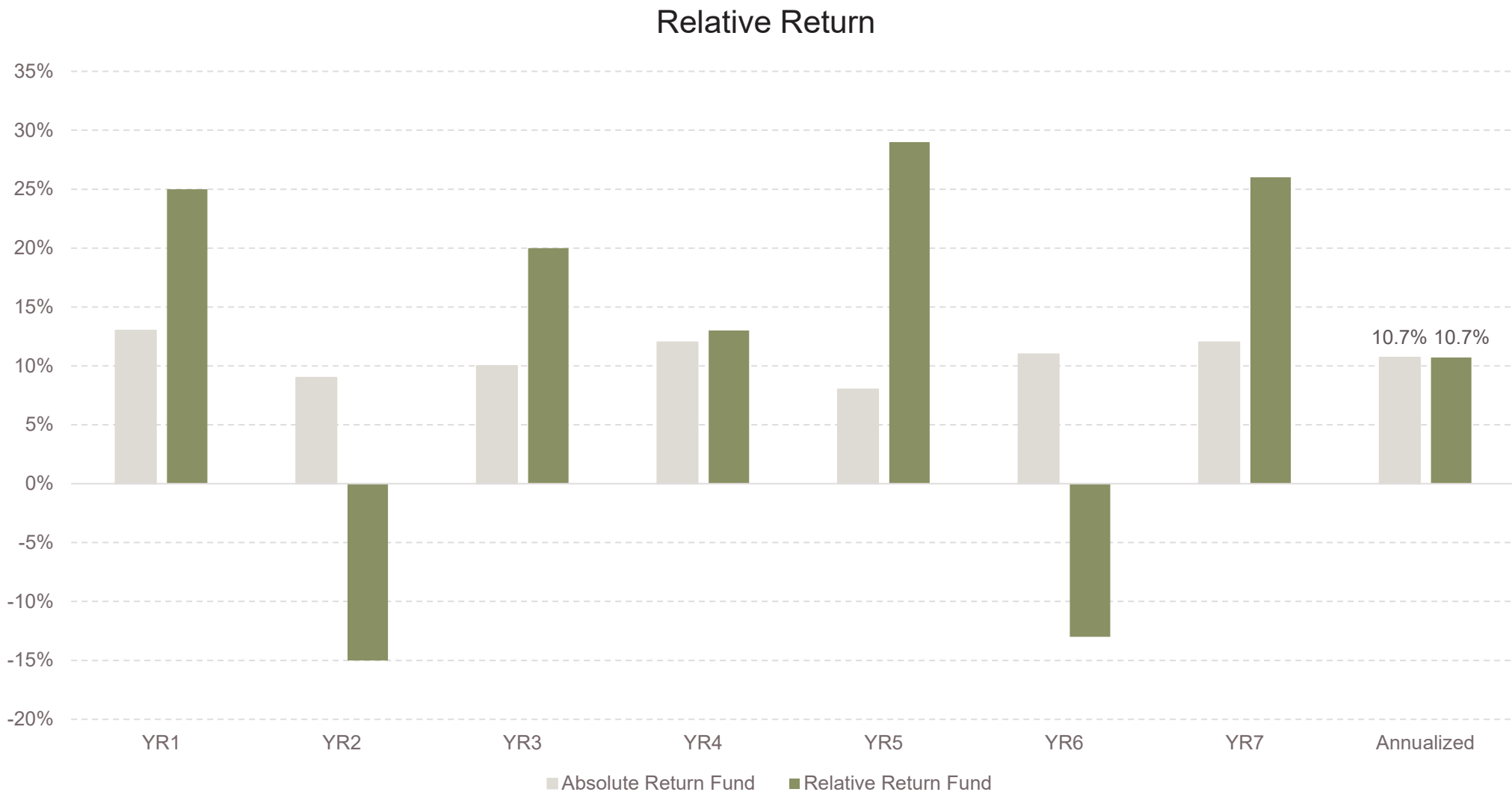


Absolute Return



Building A Case For Absolute Return Funds

Consistent returns create a stable foundation for long-term wealth creation





Agenda

Introduction

Absolute vs Relative Returns

Multi-Tool To Manage Markets

Closing

Building A Case For Hedge Funds

Long only funds have a clearly defined, but limited toolkit

**Benchmark
Driven**

**Market
Dependent**



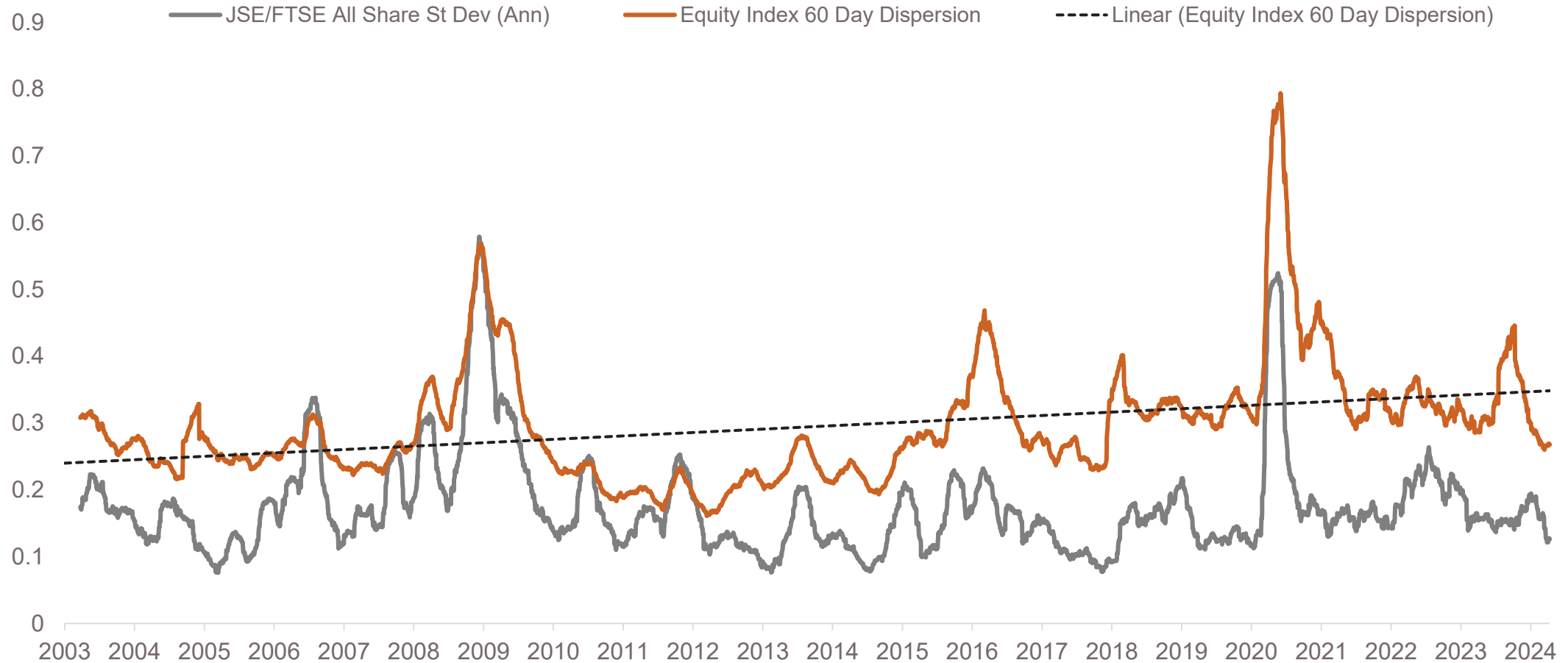
Building A Case For Hedge Funds

Hedge funds have multiple tools to adapt to a different market environments



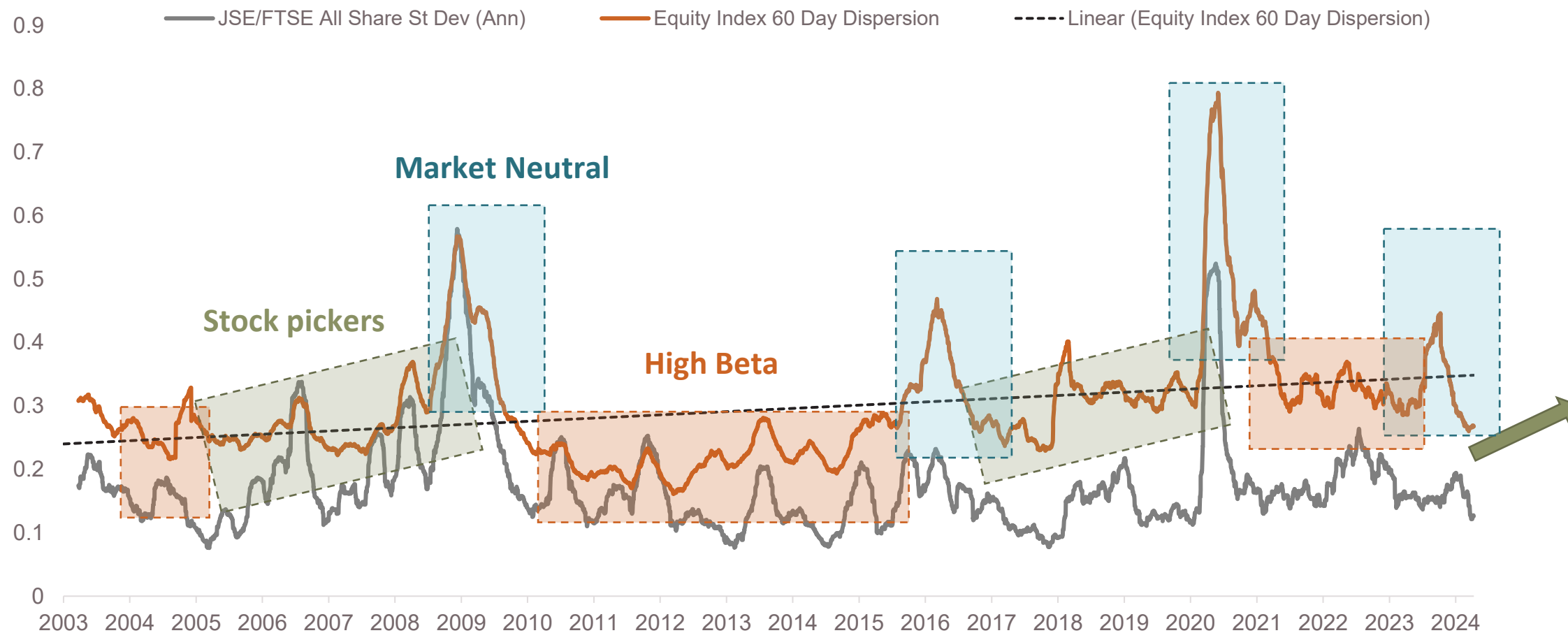
Building A Case For Hedge Funds

Dispersion trending higher over time



Building A Case For Hedge Funds

But during periods, certain strategies tend to out-perform on a relative basis



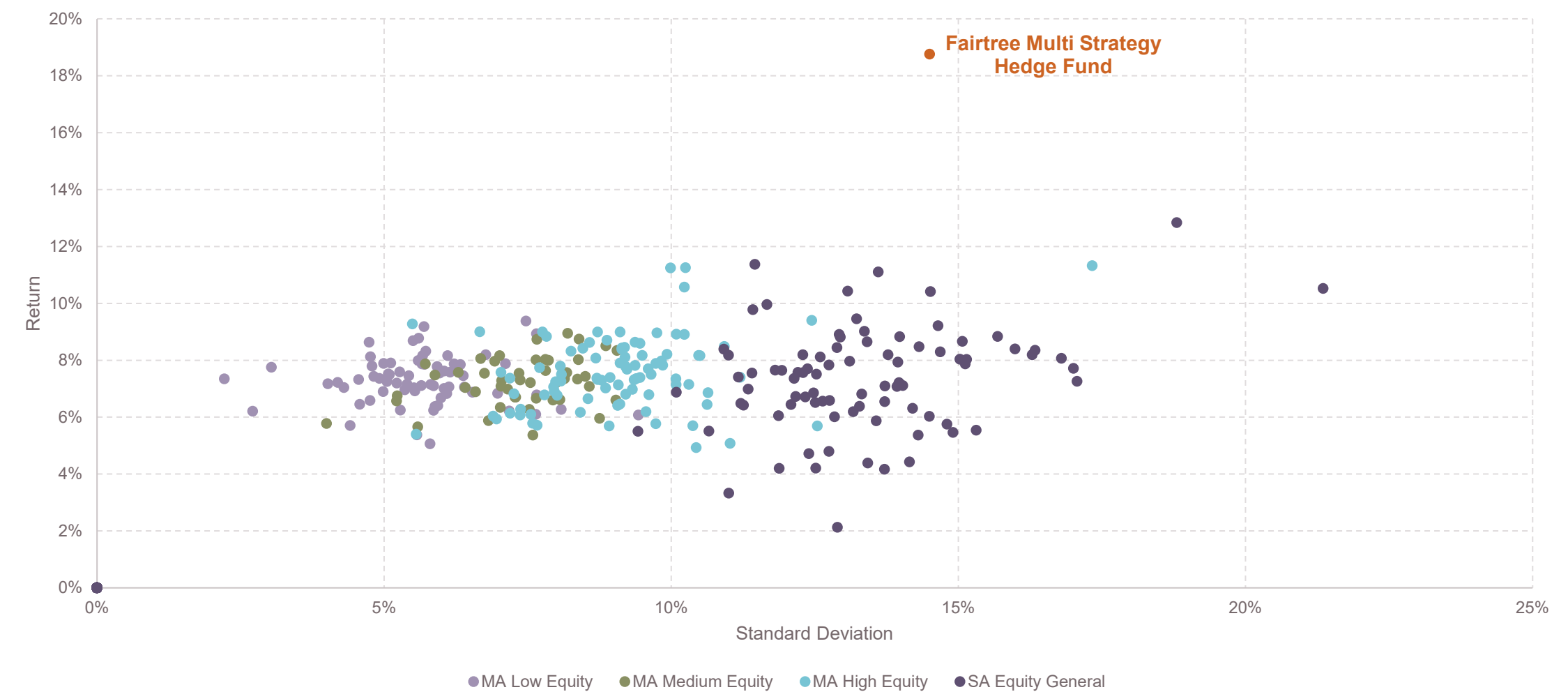
Multi Strategy Hedge Funds – Your Multi-tool to manage markets

Multi-asset has multiple layers of tools for different markets conditions



Risk and Return

10-year scatter plot



Note: performance of the Fairtree Wild Fig Multi Strategy FR QIHF net of fees, info as of 30 September 2024



Fairtree Wild Fig Multi Strategy FR QI Hedge Fund: The fund was launched in August 2010. Highest rolling one-year return 67.31% since inception and lowest rolling one-year return -10.38%. The highest and lowest rolling one-year returns of the FTSE JSE ALSI TR Index since fund inception are 53.98% and -18.42%, respectively. The fund has returned an annualised 22.22% net of fees since inception vs the aforementioned index return of 11.83% (also annualised figures). Annualised return is the weighted average compound growth rate over the performance period measured. Fund returns disclosed are net of investment management fees and performance fees. The information in this presentation is provided as a general summary only. Past performance is not necessarily a guide for future performance. Fund investment risk indicator level: conservative risk. Actual annual figures are available to the investor on request. 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. Information to 30 September 2024. Source: Fairtree Research



Agenda

Introduction

Absolute vs Relative Returns

Multi-Tool To Manage Markets

Closing

Long Only Or Hedge?

The answer can and probably should be a blend of both

Step 1: Risk Profile



Step 2: Blend





Building a case for **absolute return** **multi-strategy** **hedge funds** in a **diversified portfolio**

1. Hedge fund toolkit allows for downside protection and reduced volatility.
2. Target consistent returns regardless of market direction.
3. Reduced dependence on single asset classes (multiple sources of alpha).
4. Usually has a low correlation to traditional long only core portfolio holdings.
5. Diversification remains the only free lunch in investing if correlation risk is actively managed.

Disclaimer

Fairtree Asset Management (Pty) Ltd (registration no. 2004/033269/07) is a South African financial services provider (license no. 25917), registered as such with the Financial Sector Conduct Authority.

Fairtree Asset Management LLP (registration no. OC420877) is a United Kingdom MiFID investment firm (license no. 826211), registered as such with the Financial Conduct Authority.

Fairtree Capital International IC Ltd (registration no. 64220) is authorised to carry out investment activities under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (license no. 2293281) and registered with the Guernsey Financial Services Commission.

Collectively, “Fairtree”

The information provided in this document does not constitute advice and is intended to be educational in nature and/or to provide a general description of the product. This document does not constitute a solicitation, invitation or investment recommendation. Investors are urged to seek specialised financial, legal and tax advice prior to making any investments. Fairtree accepts no liability of any kind resulting from reliance being placed on the information contained in this document.

Although we believe the information displayed in this document is accurate and reliable, no warranty of accuracy or reliability is given and no responsibility arising in any way for errors and omissions (including by way of negligence) is accepted by Fairtree.

This document, in whole or in part, may not be copied, distributed, revised or amended, reproduced, derivative work created or stored, in any way, manner or form, without the prior written permission of Fairtree.

This document contains information owned by third-party providers, which Fairtree has been licensed to use under strict usage conditions. Redistribution or reproduction, in whole or in part, without the consent of the third-party provider is not permitted. Third-party license providers shall not have any liability for any errors or omissions contained in the information.

A schedule of fees, charges and maximum commissions, as well as a detailed description on how performance fees are calculated and applied, is available on request from the manager of each portfolio (“the Manager”), being either Apex Group Ltd, Realfin Collective Investment Schemes (RF) (Pty) Ltd, Prescient Management Company (RF) (Pty) Ltd, Boutique Collective Investments (RF) (Pty) Ltd or Prescient Fund Services (Ireland) Ltd all being registered and approved under relevant legislation.

Additional information, including key investor information documents, minimum disclosure documents 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 the portfolios.

The approved manager of the portfolios registered in Ireland under Prescient Global Funds PLC is Prescient Fund Services (Ireland) Limited. Prescient Fund Services (Ireland) Limited is authorised and regulated by the Central Bank of Ireland. These portfolios have been approved as a foreign collective investment schemes under section 65 of CISC.

Collective Investment Schemes are generally medium to long-term investments. Past performance is no guarantee of future performance, and the value of participatory interests may go down as well as up. Collective Investment Schemes are traded at ruling prices and may engage in scrip lending and borrowing.

Performance figures quoted for the portfolio is from Bloomberg, Prescient, and Fairtree Asset Management as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Collective Investment Schemes may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. The Manager does not provide any guarantee with 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. 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. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments.

The performance of a portfolio is dependent on making correct assessments of the price movements of securities and other investment instruments. Financial markets have historically exhibited high levels of volatility and negative movements that have affected the price of all assets within a specific class and accordingly, a portfolio's investments will be subject to market risk. Through financial gearing via the long/short process, the portfolio may be leveraged. This will mean enhanced positive gains but conversely may mean magnified losses. No taxation has been deducted in the computation of returns. The taxation treatment of returns is the investor's responsibility. All returns are disclosed net of performance fees.

Management Company: FundRock Management Company (RF) (Pty) Ltd (the “Manager”), Registration Number: 2013/096377/07, is authorised in terms of the Collective Investment Schemes Control Act (CISC) to administer Collective Investment Schemes (CIS).

Physical Address: Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa. Telephone Number: +27 21 202 8282. Website: www.fundrock.com



Boutiques on Wednesdays

Thank you for being part
of this session.

