



## INTRODUCTION

Idwala Capital was founded in 2017 on the back of the need for a niche, credible fixed income solution within South Africa.

Idwala Capital was formed as a result of a joint venture with Oakhaven Capital. The fixed income hedge fund was launched on 1 July 2017. We currently also manage a core income fund.

The Idwala Capital team is made up of Nandi Rodolo, Bruce Thistlewhite and Byron Green.

The JV structure has been specifically designed to meet the requirements demanded by the institutional investor; i.e. the need for a credible empowerment solution, coupled with the experience and operational security provided by an established fixed income house.

## STRATEGY

Idwala Capital strives to preserve investors' capital and generate competitive returns through our hedge and long-only solutions.

We seek to leverage off the teams' significant experience in the local markets in order to generate alpha through both short-term low risk trading opportunities, and long-term strategic holdings.

Robust risk management is core to our philosophy, backed by a solid operational infrastructure.

## MONTHLY COMMENTARY

Although the SARB's November 25bps rate hike was not fully discounted prior to the MPC meeting, the SA bond yield curve shifted lower in parallel fashion on the month, after yields compressed by circa 40bp across the maturity spectrum. An extended decline in global oil prices, broad-based strength in the local currency and tighter US Treasury yields collectively led to nominal bonds delivering a 3.9% return in November.

Meanwhile, inflation-linked bonds lost 1.1% on the month, as break-even yields tightened in response to the lower rand price of oil and the SARB's hawkish MPC policy statement. Foreigners were net buyers of SAGB in November, having bought R3bn worth. This is the first monthly net purchase since July. In line global equities trend, SA equities lost 3.1% on the month, which ensured that stocks have now lost 12.5% year-to-date. As of the end of November, nominal and linker bond total returns for the year stood at 6.2% and -0.6% respectively.

## HEDGE FUND - INVESTMENT PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2017</b>	-	-	-	-	-	-	0.17%	0.78%	4.68%	0.47%	-0.54%	-1.36%	<b>4.22%</b>
<b>2018</b>	2.16%	2.45%	0.92%	-0.4%	-0.68%	-0.13%	-1.03%	1.97%	2.63%	2.47%	1.05%		<b>11.41%</b>

## GENERAL INFORMATION

### Portfolio Managers

Nandi Rodolo | Bruce Thistlewhite

### COO

Nandi Rodolo

### AUM

R129 million (RIHF and Segs)

### Prime Broker

ABSA Prime Services

### Fee Structure

1% annual management fee

20% performance fee

Domicile - South Africa

### Fund Administrator

Sanne Fund Services SA (Pty) Ltd

### Compliance

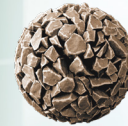
Independent Compliance Services

### Contact

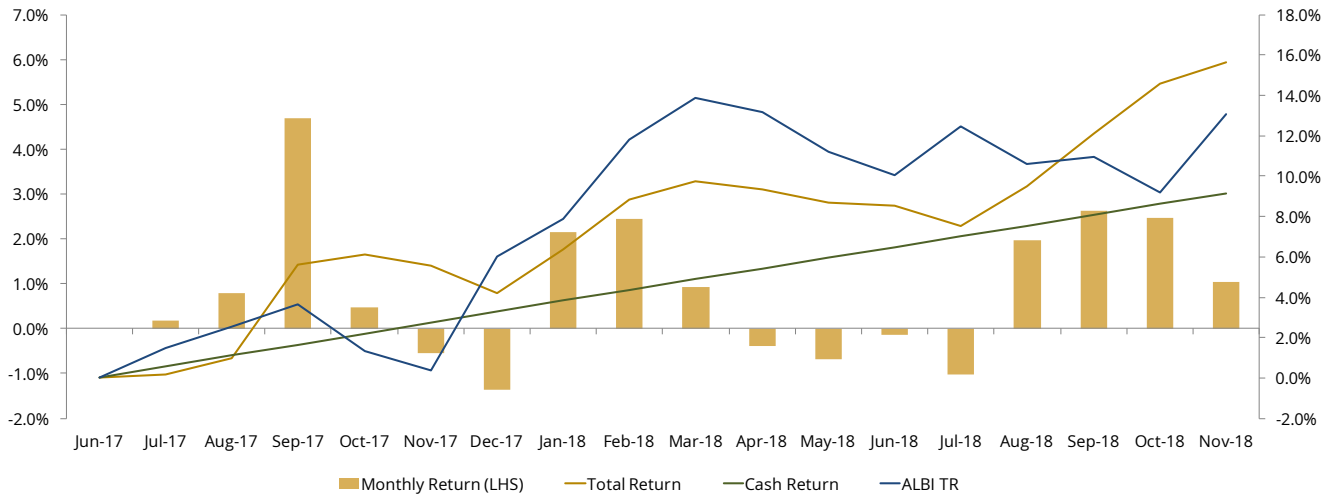
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**HEDGE FUND - INVESTMENT PERFORMANCE**



	Fund	ALBI	STeFI
<b>Return analysis</b>			
Current month	1.05%	3.87%	0.58%
Total return (si)	16.58%	13.68%	10.51%
Average annualised return	11.03%	9.40%	7.07%
Current 12m rolling return	10.36%	13.33%	7.25%
Best 12m rolling return	10.36%	13.33%	7.33%
Worst 12m rolling return	6.53%	7.34%	7.25%
<b>Consistency analysis</b>			
% Up months (si)	64.71%	58.82%	100.00%
% Up months (last 12m)	58.33%	58.33%	100.00%
Standard Deviation (si - annualised)	1.12%	1.98%	n/a
<b>Risk analysis (net of risk free rate)</b>			
Downside deviation (si - annualised)	n/a	n/a	n/a
Largest monthly drawdown	-1.36%	-2.30%	n/a
Average monthly drawdown	-0.69%	-1.52%	n/a
Largest cumulative drawdown	-1.16%	-3.27%	n/a
<b>Risk/return analysis</b>			
Total gain/total loss	4.7	2.2	n/a
Average gain/largest loss	1.3	1.0	n/a
Average gain/average loss	2.6	1.6	n/a
Sharpe ration (si - annualised)	0.9	1.2	n/a
Sortino ration (si - annualised)	n/a	n/a	n/a

**NOTICE DISCLAIMER**

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