

INFORMATION SHEET

FEBRUARY 2019



IDWALA
CAPITAL

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

The yield curve bear steepened during February, after the Finance Minister Tito Mboweni upwardly revised Treasury's borrowing requirement estimates at this year's budget speech. A deterioration of this magnitude in SA's fiscal metrics, when combined with a renewed bout of electricity outages, heightened the risks of further sovereign rating downgrades, has resulted in SA bond yields lifting higher on the back of widening credit default swap spreads.

Yields at the short end of the curve climbed to a lesser degree, partly because investors opted to reduce the duration of their portfolios in order to minimise losses. The market still remains doubtful that the SARB will hike policy rates this year, given SA's persistently sluggish GDP growth. Consequently, nominal bonds lost 0.5% on the month, which reduced this year's total returns to 2.4%. February's inflation-linked bonds losses were slightly less severe (-0.4%), but both nominal and linker bonds underperformed equities, which returned 3.6% in February and are now up 6.4% year-to-date.

HEDGE FUND - INVESTMENT PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	-	-	-	-	-	-	0.17%	0.78%	4.68%	0.47%	-0.54%	-1.36%	4.22%
2018	2.16%	2.45%	0.92%	-0.4%	-0.68%	-0.13%	-1.03%	1.97%	2.63%	2.47%	1.05%	3.49%	14.90%
2019	0.31%	-0.68%											-0.37%

GENERAL INFORMATION

Portfolio Managers

Nandi Rodolo | Bruce Thistlewhite

COO

Nandi Rodolo

AUM

R142 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

ICS

Contact

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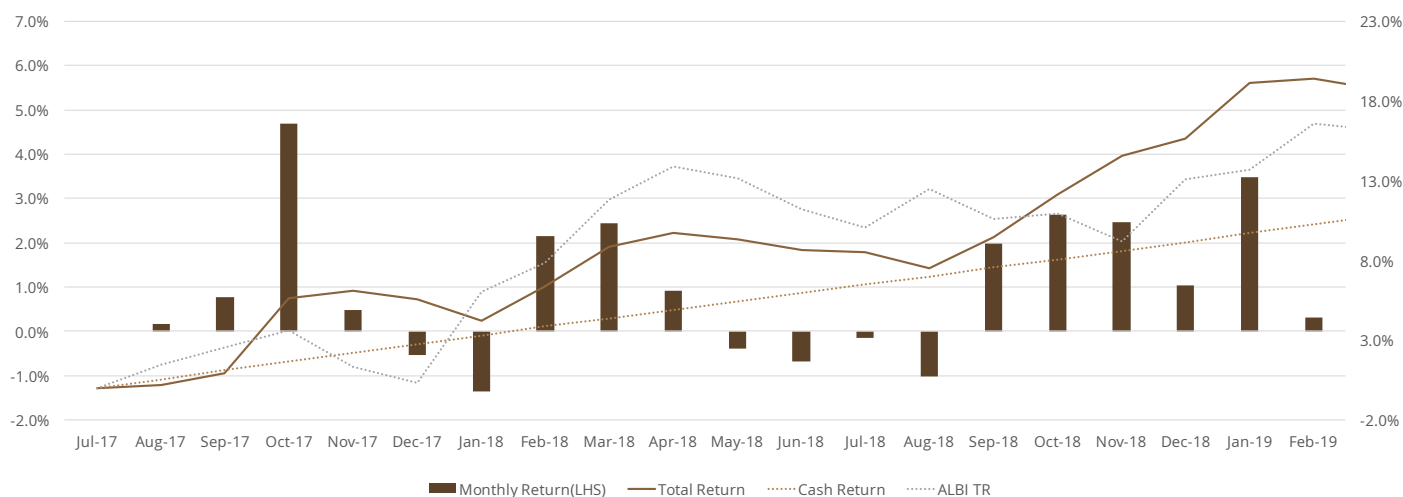
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HEDGE FUND - INVESTMENT PERFORMANCE



	Fund	ALBI	STeFI
Return analysis			
Current month	-0.68%	-0.44%	0.55%
Total return (since inception)	20.05%	17.09%	12.49%
Average annualised return	11.17%	9.78%	7.08%
Current 12m rolling return	9.86%	4.16%	7.26%
Best 12m rolling return	15.68%	13.33%	7.33%
Worst 12m rolling return	6.53%	4.16%	7.25%
Consistency analysis			
% Up months (since inception)	65.00%	60.00%	100.00%
% Up months (last 12m)	58.33%	50.00%	100.00%
Standard Deviation (since inception - annualised)	2.61%	2.30%	n/a
Risk analysis (net of risk free rate)			
Downside deviation (since inception - annualised)	n/a	n/a	n/a
Largest monthly drawdown	-1.36%	-2.30%	n/a
Average monthly drawdown	-0.69%	-1.39%	n/a
Largest cumulative drawdown	-1.16%	-3.27%	n/a
Risk/return analysis			
Total gain/total loss	4.9%	2.5%	n/a
Average gain/largest loss	1.3%	1.0%	n/a
Average gain/average loss	2.6%	1.6%	n/a
Sharpe ration (since inception - annualised)	1.0	0.7	n/a
Sortino ration (since inception - annualised)	n/a	n/a	n/a

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DIRECTORS: Kennedy G. Bungane, Nandi Rodolo, Byron Green, Bruce Thistlewhite | Idwala Capital (Pty) Ltd | Reg No. 2017/101129/07

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