



# Taquanta

## Fund Objective

The objective of the Taquanta Absolute Return Fund is to target 3% per annum above CPI over rolling 3 year periods. Constructed on a sound investment philosophy and process, an optimal combination of capital preservation and alpha seeking strategies, the fund aims to minimize the probability of receiving negative returns over a 12 month period.

## Outlook

US and China make up a third of the global economic activity, their trade wars have now impacted the growth forecast of the World Bank. The World Bank reduced its growth forecasts in June down to 2.6% for 2019 from 2.9% previously. The Fed turned dovish as a result of low inflation, which resulted from weaker global trade and geopolitical tension from trade wars. Fed forecast is now pricing in a decrease in interest rates by year end, and a further reduction in 2020.

Domestically, during the month of June we had the State of the Nation address (SONA) which was mainly a continuation of the February budget speech. President Ramaphosa announced the affirmation of SARB's independence as mentioned in the constitution. He also mentioned that Eskom will run out of funds to finance obligations by October 2019, which leads to a fast-tracking of bailout funds amounting to R230 billion. Total bailout funds for SOE's are likely to be higher than R23 billion per annum.

The market is projecting a cut at the next MPC as the South African Forward Rate Agreement (FRA's) are discounting a rate reduction of 25bp within 3 months and a further 25bp cut before year end. In addition to this we have seen a softening in the 3 Month JIBAR rate of 15 basis points over the past few weeks. The fund is well positioned to take advantage of the current uncertain economic climate.

# Absolute Return Fund

## Fund Information

**Portfolio Manager:**

Taquanta Asset Managers (Pty) Ltd

**Compliance:**

Medical Aid and Regulation 28

**Fund Size:**

R278 million

**Benchmark:**

CPI + 3%

**Inception Date:**

01 June 2001

**Valuation Method:**

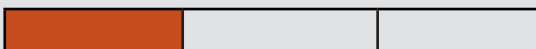
Mark to Market

**Fund Type:**

Segregated / Pooled

## Risk Profile

**Conservative      Moderate      Aggressive**





# Taquanta

## Fund Performance

Returns	Fund Return	CPI	CPI +3%	STeFI Cash	All Share	All bond
1 year	<b>13.6%</b>	4.5%	7.5%	6.6%	4.4%	11.5%
3years	<b>11.9%</b>	4.8%	7.8%	6.8%	6.9%	9.9%
5 years	<b>9.3%</b>	5.0%	8.0%	6.4%	5.8%	8.6%
7 years	<b>8.2%</b>	5.3%	8.3%	6.0%	11.4%	7.8%
Inception (16.3yrs)	<b>10.0%</b>	5.6%	8.9%	7.5%	14.1%	9.9%
Volatility (Inception)	<b>1.9%</b>	1.5%	1.5%	0.6%	15.9%	7.1%

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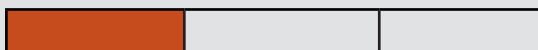
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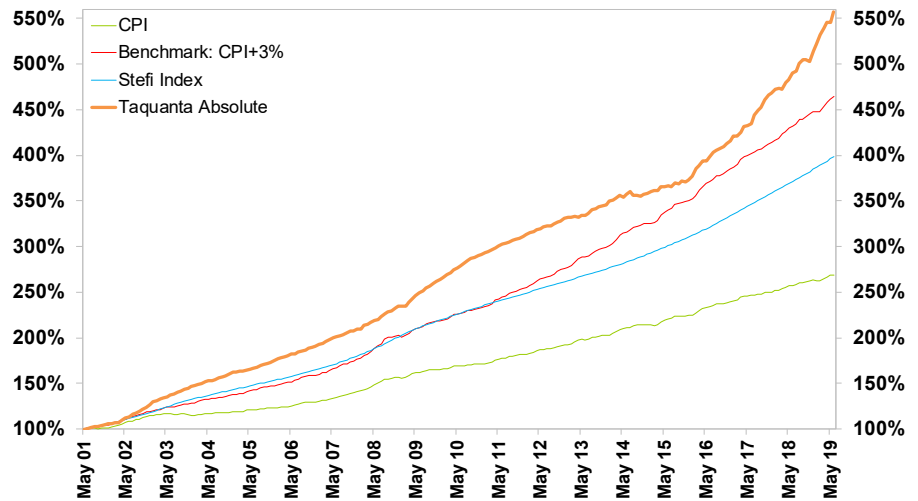
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Fund Performance



### Effective Asset Allocation

