

Fund Objective

The objective of the High Yield Credit fund is to generate returns in excess of a typical income fund. This fund is best suited for investors looking for enhanced income returns with very low liquidity requirements.

Investment Strategy

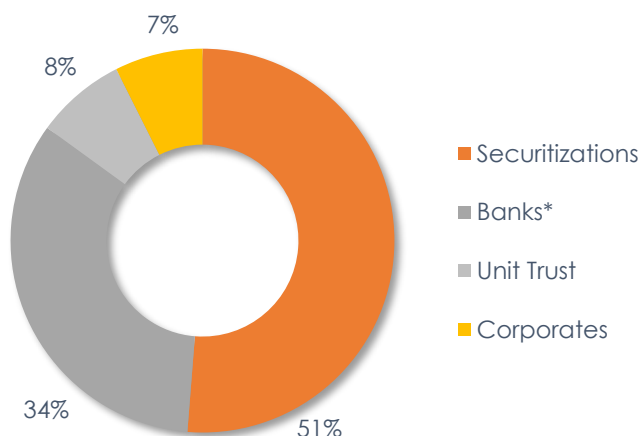
Employs a conservative approach to enhance yields through extracting the liquidity risk premium in longer dated and less liquid debt instruments, as well as an increased exposure to credit assets. Our fundamental credit review process is robust, combining qualitative and quantitative analysis, overlaid with institutional memory to question convention, operating within a strong risk and compliance framework. Our portfolio construction process builds a well-diversified fund targeting up to 30+ counterparties to further diversify risks.

Fund Performance

Period (naca)	Fund Return	Fund Target	CPI +5%
1 month	0,8%	0,9%	1,0%
3 months	2,6%	2,7%	2,4%
6 months	5,4%	5,5%	3,9%
1 year	11,3%	11,5%	8,1%
2 years p.a.	9,5%	12,0%	7,9%
3 years p.a.	10,7%	12,2%	8,7%
5 years p.a.	10,4%	11,0%	9,8%
3yr volatility	1,2%	0,2%	1,1%

Source: Taquanta Asset Managers

Issuer Type



*Includes 29% in Credit-linked Notes, which are bank issued notes referencing other entities.

Source: Taquanta Asset Managers

Fund Details

Risk Profile:

Low **Mid** High

Portfolio Manager:

Taquanta Asset Managers

Currency:

ZAR

Fund Size:

R476,7 m

Inception date:

August 2015

Target Return:

STeFl Composite (Cash) +4%

Minimum Rating:

BB- (at time of purchase)

Max offshore exposure:

40% (Hedged)

Lock in Period:

5 years

Maturity Limit:

7 years

Modified Duration:

<0.25 Years

No. of Counterparties:

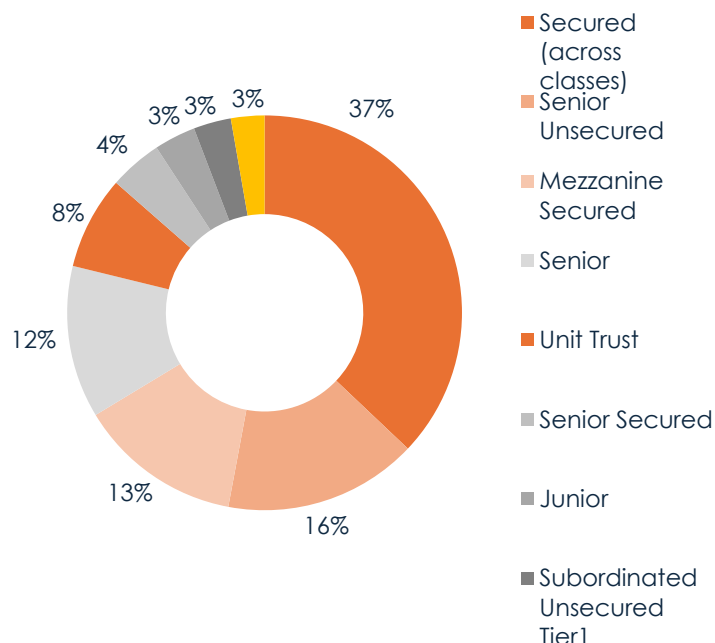
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Top 5 Credit Exposures (excluding unit trust exposure)

Issuer Name	% Exposure
The Republic of South Africa	34%
Standard Bank of South Africa	15%
Nedbank Limited	7%
Constantia Issuer Trust	5%
Obaro Agrifin SPV (RF)	5%

Source: Taquanta Asset Managers

Capital Ranking



Fund Outlook

The start of the second quarter has seen credit spreads continue to compress across the curve. The fund's diversified investment approach across listed, unlisted, and structured debt instruments provides the flexibility to source assets at attractive risk-adjusted levels in this environment. Although asset supply has increased, demand remains strong with no signs of moderation. Looking into the second quarter of 2026, primary market issuance spreads are expected to remain under pressure as demand continues to exceed supply. In this context, we remain focused on disciplined credit selection and pricing amid ongoing macroeconomic and geopolitical uncertainty. The fund continues to maintain a low-duration strategy, supported by a well-balanced maturity and liquidity profile.

Market Commentary

Global markets were unsettled in April 2026 as risk sentiment deteriorated and safe-haven demand lifted the US dollar. A renewed flare-up in Middle East tensions – particularly the fragility of the US-Iran ceasefire and competing maritime actions near the Strait of Hormuz – reignited concerns about oil supply disruptions. Higher energy prices followed, reinforcing dollar strength and weighing on emerging market assets.

Against this backdrop, the South African rand traded with pronounced volatility, moving broadly between R16.50 and R16.90 to the US dollar during the month. The rand's swings largely reflected shifts in global risk appetite rather than domestic news flow, with the stronger dollar and elevated oil prices amplifying pressure on emerging market currencies.

Inflation developments added another layer to the global narrative. In the US, headline CPI accelerated to 3.3% year-on-year in March 2026, its highest reading since May 2024, driven mainly by energy prices. By contrast, core inflation was firmer yet still relatively contained at 2.6%, pointing to muted demand-driven price pressure amid a softening labour market. The Federal Reserve kept rates unchanged at 3.50%–3.75%, yet the meeting highlighted a divided committee, with some policymakers reluctant to lean toward rate cuts given renewed headline inflation risks.

For South Africa, the combination of subdued growth and sensitivity to oil prices keeps the local policy outlook finely balanced. Headline inflation edged up to 3.1% year-on-year in March (from 3.0%), with price pressures visible across housing and utilities, food, and insurance-related components, while core inflation ticked up to 3.2%, also suggesting modest demand-driven price pressures.

If elevated oil prices persist and filter through to food and broader transport sensitive items, the inflation trajectory could shift higher, limiting room for domestic policy rate relief, while simultaneously increasing the probability of a more cautious SARB in the coming months.

April 2026

Disclosures: FAIS

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Accordingly, Taquanta is authorised to provide advisory and/or render discretionary intermediary services relating to the following financial products:

Category Description	Taquanta			
	Cat I Advice	Cat I Intermediary	Cat II discretionary Intermediary	Cat IIA Hedge Fund FSP
Long-Term Insurance subcategory B1				
Long-term insurance subcategory B2				
Long-term Insurance subcategory B2-A				
Long-term Insurance subcategory B1-A				
Long-Term Insurance subcategory C	X	X	X	
Retail Pension Benefits				
Pension Funds Benefits				
Shares	X	X	X	
Money market instruments	X	X	X	
Debentures and securitised debt	X	X	X	
Warrants, certificates and other instruments	X	X	X	
Bonds	X	X	X	
Derivative instruments	X	X	X	
Participatory interests in CIS's	X	X	X	
Participatory interest in a Hedge Fund			X	X
Long-term Deposits	X	X	X	
Short-term Deposits	X	X	X	
Structured Deposits			X	X
Securities and instruments				
General Category IIA experience				X

There are certain risks associated with investments in financial products, including market, credit & currency risks. Past performance is not necessarily an indication of future performance. All returns are rand returns, unless otherwise stated.

Information disclosed to the FSP's will be treated as confidential unless written consent is obtained to disclose such information, or the disclosure of such information is required under a particular law

The appointed Compliance Officer is Mr Nick Howse and his contact details are as follows: Phone: (021) 681 5000 or | (021) 671 8162 | e-mail: nickh@taquanta.com

The appointed Information Officer is Mr Justin Kretzschmar and his contact details are as follows: Phone: (021) 681 5000 | e-mail: justink@taquanta.com

The FSP's have Implemented a Data Privacy Policy in accordance with the Protection of Personal Information Act, 2013. Our Information Access & Privacy Statement and PAIA Manual is available at www.taquanta.co.za

The authorized FSP's have implemented a Conflicts of Interest Management Policy in accordance with the General Code of Conduct issued in terms of the Financial Advisory and Intermediary Services Act 37, 2002. The Policy will be made available on written request to the Compliance Officer.

Complaints should be submitted to the compliance officer. 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: Central, 125 Dallas Avenue Menlyn, 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