

Taquanta Enhanced Income Fund

Factsheet



June 2026

Fund Objective

The objective of the Enhanced Income Fund is to generate returns well in excess of a typical core cash fund. This fund is best suited for investors looking for enhanced cash returns with low capital risk and 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 a marginal 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 30+ counterparties to further diversify risks

Fund Details

Risk Profile:



Portfolio Manager:

Taquanta Asset Managers

Currency:

ZAR

Fund Size:

R8,5 bn

Inception date:

October 2013

Target Return:

STeFI Composite (Cash) +2%

Minimum Rating:

BBB- (at time of purchase)

Max offshore exposure:

30% (Hedged to Rands)

Notice Period:

90 Days

Maturity Limit:

7 years

Modified Duration:

<0.25 Years

No. of Counterparties:

>30

Fund Performance

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

Source: Taquanta Asset Managers

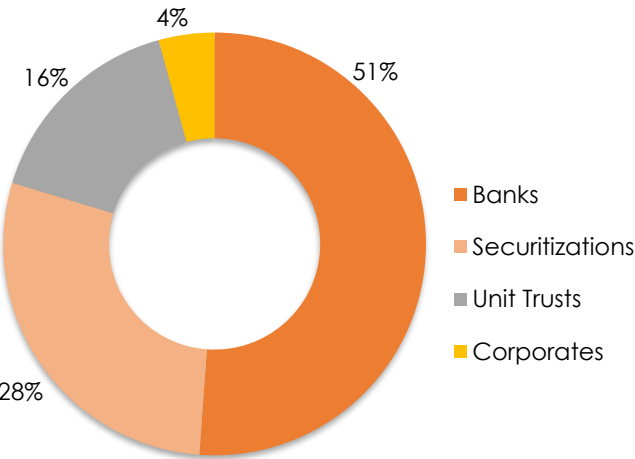
Top 5 Credit Exposures

Issuer Name	% Exposure
The Republic of South Africa	41%
Standard Bank of South Africa	16%
Nedbank Limited	13%
ABSA Bank Limited	8%
BNP Paribas	5%

Source: Taquanta Asset Managers

excluding unit trust exposure

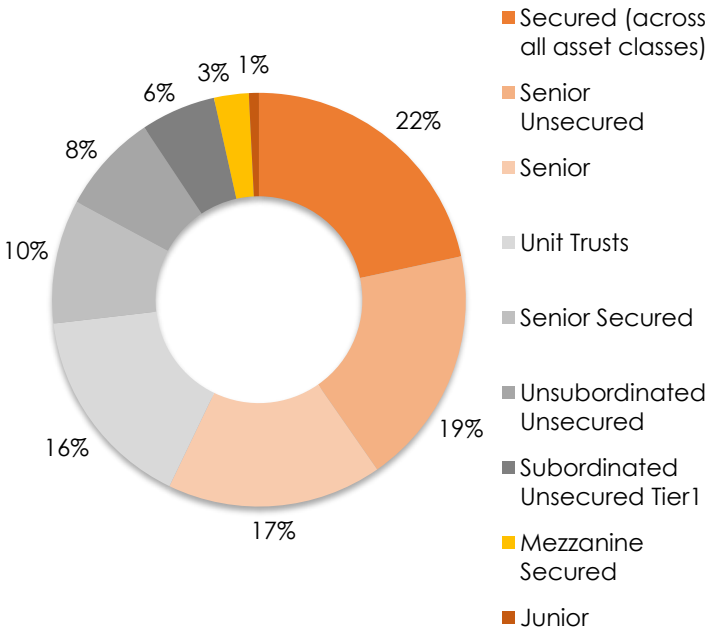
Issuer Type



*Includes 39% in Credit-linked Notes, which are bank issued notes referencing other entities.

Source: Taquanta Asset Managers (Pty) Ltd

Capital Ranking



Fund Outlook

The second quarter has seen continued compression in credit spreads, supported by strong investor demand and favourable market liquidity conditions. The fund's diversified investment approach across listed, unlisted and structured credit continues to provide access to attractive risk-adjusted opportunities, although primary market spreads are expected to remain under pressure as demand for quality credit continues to exceed available supply. In this environment, characterised by strong auction participation, elevated issuance activity and ongoing spread tightening across financial credit, we remain focused on maintaining pricing discipline and selectively allocating capital to opportunities offering appropriate compensation for risk. The fund continues to maintain a low-duration bias, supported by a balanced maturity profile and strong liquidity positioning.

Market Commentary

Global energy markets reversed sharply in June, with crude oil prices falling back to levels last seen before tensions in Iran intensified. The decline was supported by improving prospects for regional stability after the United States and Iran signed a Memorandum of Understanding on 17 June, creating a framework for talks on Iran's nuclear programme and wider security concerns. Follow-up diplomatic discussions in Switzerland, along with a partial easing of US sanctions on Iranian oil exports, strengthened expectations of higher global supply and reduced fears of disruption to shipping through the Strait of Hormuz.

Despite softer terms of trade, driven by weaker prices for key export commodities such as gold, this shift supported a stronger rand. The currency gained about 1% in June, rising from R17.19/USD at the height of the conflict to R16.39/USD at month-end. The rand was aided by easing inflation expectations, renewed demand for emerging market assets, and broad US dollar weakness as expectations of further US rate hikes diminished.

Ahead of the ceasefire and wider market pullback at the start of the second half of the year, South Africa's annual headline inflation rate rose to 4.5% in May, the highest reading since July 2024, though still below the 4.7% forecast. The increase was mainly driven by higher transport costs, reflecting the earlier spike in oil prices, as well as higher housing and utility charges following Eskom tariff adjustments. Additional pressure came from insurance, financial services, and hospitality, while food inflation continued to ease. Core inflation edged up to 3.8%, indicating that underlying price pressures remain contained, mainly driven by muted labour force participation.

In the US, annual consumer inflation rose to 4.2% in May 2026 from 3.8% in April, reaching its highest level since April 2023 and marking a third straight monthly increase. The uptick was largely driven by higher energy prices following disruptions to global oil markets linked to the conflict involving Iran. Gasoline prices increased by more than 40% year-on-year, while fuel oil prices climbed by nearly 59%, adding to transport and production costs. The data reinforced the Federal Reserve's cautious policy stance, with markets still expecting interest rates to remain elevated at current levels, despite some supporting effects being offset by weaker non-farm payrolls data.

Disclosures: FAIS

Taquanta Asset Managers (Pty) Ltd is a licensed Category I, II & IIA Financial Services Provider (FSP No: 618).

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