

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

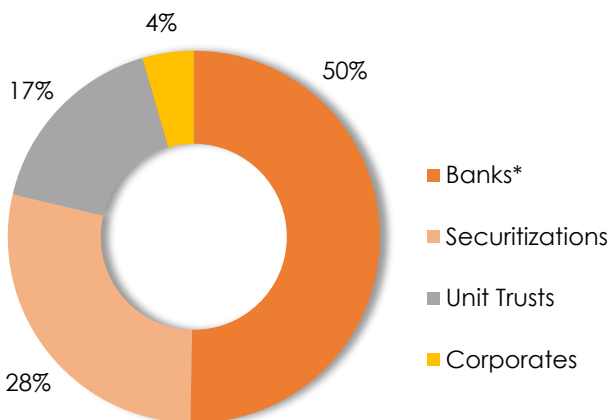
Employs a conservative approach to enhance yields through extracting the liquidity risk premium in longer dated and less liquid debt instruments, as well as a marginal increased exposure to credit assets. Our fundamental credit review process is robust, combining qualitative and quantitative analysis, 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 Performance

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

Source: Taquanta Asset Managers

Issuer Type



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

Source: Taquanta Asset Managers (Pty) Ltd

Fund Details

Risk Profile:



Portfolio Manager:

Taquanta Asset Managers

Currency:

ZAR

Fund Size:

R8,6 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

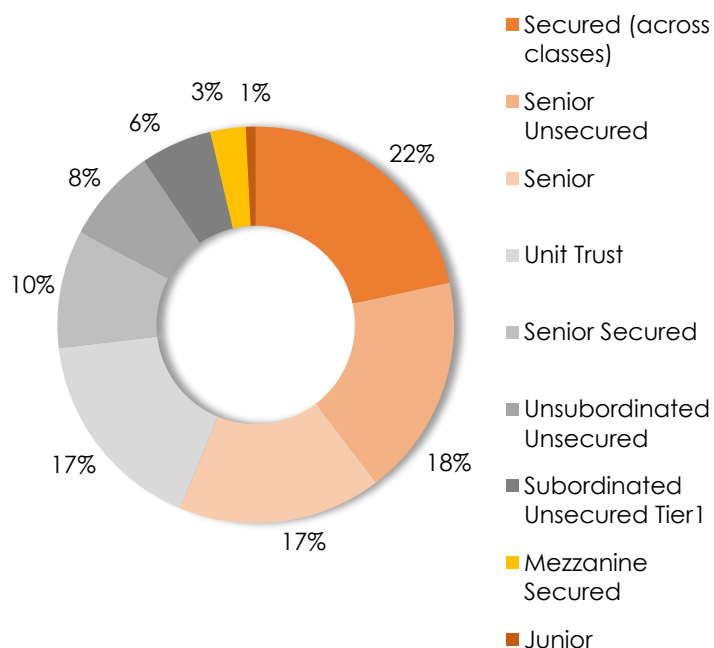
Top 5 Credit Exposures

Issuer Name	% Exposure
The Republic of South Africa	40%
Standard Bank of South Africa	16%
Nedbank Limited	13%
ABSA Bank Limited	8%
BNP Paribas	5%

Source: Taquanta Asset Managers

excluding unit trust exposure

Capital Ranking



May 2026

Fund Outlook

The second quarter has seen continued compression in credit spreads, underpinned by strong demand dynamics. The fund's diversified investment approach across listed, unlisted and structured credit continues to support deployment into attractive risk-adjusted opportunities, although primary market spreads are expected to remain under pressure as demand persists above supply. In this context and together with the improved sovereign sentiment following Moody's revision of South Africa's credit rating outlook to positive, we remain focused on selective credit positioning and pricing discipline. The fund continues to maintain a low-duration bias, supported by a balanced maturity profile and strong liquidity positioning.

Market Commentary

Geopolitical tensions remained a key driver of market sentiment during the month, with further military action involving the United States and Iran adding to uncertainty in the Middle East. Ongoing negotiations around a possible ceasefire and nuclear agreement did little to reassure markets, as the conflict continued to drive volatility in energy prices, cloud the global growth outlook, and support demand for traditional safe-haven assets such as gold.

Against this backdrop, the South African rand strengthened over May, appreciating from around R16.67/USD at the start of the month to approximately R16.22/USD by month-end. The currency was supported by firmer commodity prices, particularly gold, as well as a more hawkish stance from the South African Reserve Bank (SARB), which helped bolster investor confidence despite a more uncertain global environment.

The SARB raised the repo rate by 25 basis points to 7.00% at its May Monetary Policy Committee meeting, marking its first rate hike since 2023. The decision reflected increasing concern about the inflation outlook, particularly the risk that higher energy prices could feed more broadly into the domestic price environment. In line with this, South African headline inflation rose to 4.0% year on year in April from 3.1% in March, driven mainly by higher electricity tariffs, rising fuel costs, and the pass-through from elevated global oil prices. Core inflation also edged higher to 3.6%, suggesting that underlying price pressures are becoming more broad-based.

Globally, inflation pressures remained firm, especially in the United States, where annual CPI rose to 3.8% in April, reinforcing expectations that interest rate cuts may be delayed. Meanwhile, South Africa's external position weakened somewhat, with the trade surplus narrowing to R15.2 billion in April from R30.2 billion previously, as stronger import growth outpaced exports. Although precious metals exports continued to benefit from supportive commodity prices, weaker performance across other categories limited overall trade momentum.

May 2026

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 Kretschmar 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