

Taquanta High Yield Credit Fund

Factsheet

September 2026

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

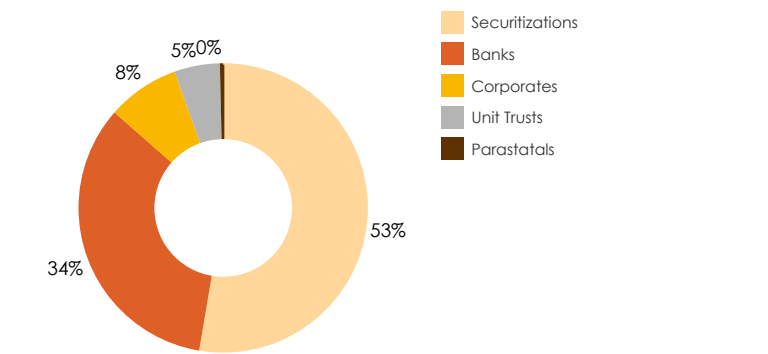
Employs a conservative approach to enhance yields through extracting the liquidity risk premium in longer dated and less liquid debt instruments, as well as an increased exposure to credit assets. Our fundamental credit review process is robust, combining qualitative and quantitative analysis, overlaid 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	0,9%	0,8%	0,4%
3 months	2,7%	2,4%	2,2%
6 months	5,2%	4,8%	5,9%
1 Year	10,9%	11,3%	9,4%
2 years p.a.	10,7%	11,7%	8,8%
3 years p.a.	10,3%	12,0%	9,0%
5 years p.a.	10,6%	11,3%	9,9%

Source: Taquanta Asset Managers

Issuer Type



*Banks include 33% in Credit-linked Notes, which are bank issued notes referencing other entities.

Source: Taquanta Asset Managers

Fund Details

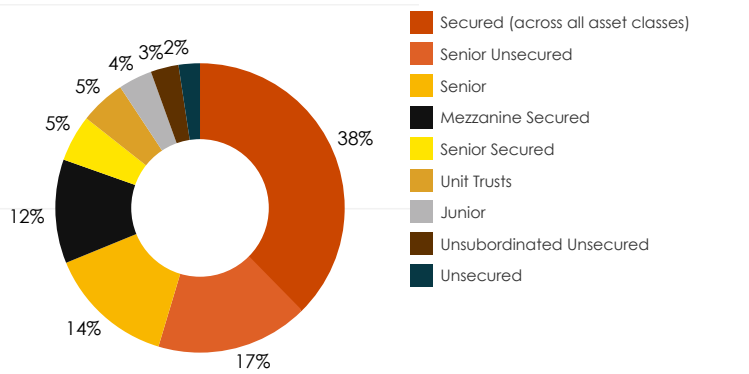
Risk Profile:	Low	Mid	High
Portfolio Manager	Taquanta Asset Managers		
Currency	ZAR		
Fund size	R423,3M		
Inception Date	August 2013		
Targeted Return	STeFI Composite (Cash) +4%		
Minimum Rating	BB- (at time of purchase)		
Maximum Offshore Exposure	40% (Hedged to Rands)		
Lock-in Period	5 Years		
Maturity Limit	7 Years		
Modified Duration	< 0.25 years		
No. of Counterparties	> 30		

Top 5 Credit Exposures

Issuer Name	% Exposure
The Republic of South Africa	35%
Standard Bank of South Africa Limited	17%
Nedbank Limited	9%
Obaro SPV (RF) Proprietary Limited	5%
Urban Ubomi 2 (RF) Limited	5%

Source: Taquanta Asset Managers

Capital Ranking



Source: Taquanta Asset Managers

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Fund Outlook

The third quarter continued to reflect strong investor demand and ample liquidity driving further spread compression, particularly across financial sector and bank capital instruments. While tighter spreads have reduced primary market risk premia, the fund's diversified allocation across listed credit, private debt and structured credit continues to provide a broad opportunity set and enhance portfolio diversification. We remain disciplined in deploying capital and continue to focus on investments that offer attractive risk-adjusted returns relative to underlying credit fundamentals. The fund maintains a low-duration bias, supported by a well-balanced maturity profile and strong liquidity in a market..

Market Commentary

September was marked by persistent inflationary pressures, tighter monetary conditions and heightened geopolitical uncertainty. In South Africa, higher fuel prices, global interest rate pressures and weak domestic growth created a challenging policy backdrop. As a result, the interest rate outlook is expected to remain closely tied to incoming economic data, with inflation, global monetary policy conditions and rand volatility continuing to influence the South African Reserve Bank's (SARB) policy direction.

On 23 September, the SARB's Monetary Policy Committee (MPC) unanimously increased the repo rate by 25 basis points to 7.25%. The decision reflected growing upside risks to inflation, particularly from rising fuel prices and higher global interest rates. The SARB reaffirmed its commitment to returning inflation to its 3% target and revised its 2026 economic growth forecast down to 1.2% from 1.4%, following a contraction in economic activity during the second quarter.

South Africa's annual headline inflation edged up to 4.4% in August 2026 from 4.3% in July, slightly below the market expectation of 4.5%. Inflation was unchanged on a month-on-month basis, with housing and utilities (5.2%) and transport (8.8%) remaining the main contributors. In contrast, core inflation slowed by 10 basis points to 4.1% year-on-year, reflecting weak consumer demand and limited second-round inflationary pressures.

In the United States, the Federal Open Market Committee (FOMC) raised interest rates by 25 basis points, marking its first increase since 2023. The move was followed by softer economic data, reducing expectations of a further rate hike at the next meeting. The Federal Reserve's preferred inflation measure, the Core Personal Consumption Expenditure (PCE) Index, declined by 30 basis points year-on-year to 3.0% in August. Meanwhile, non-farm payrolls increased by only 29,000 jobs, well below the market expectation of a 90,000 increase.

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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