

March 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:

Low **Mid** High

#### 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        | 0,7%        | 0,7%        | 0,6%    |
| 3 months       | 2,2%        | 2,2%        | 1,5%    |
| 6 months       | 4,6%        | 4,4%        | 2,5%    |
| 1 year         | 9,9%        | 9,3%        | 6,0%    |
| 2 years p.a.   | 9,4%        | 9,8%        | 6,1%    |
| 3 years p.a.   | 10,1%       | 10,0%       | 6,9%    |
| 5 years p.a.   | 9,5%        | 8,8%        | 7,9%    |
| 3yr volatility | 0,6%        | 0,2%        | 1,2%    |

Source: Taquanta Asset Managers

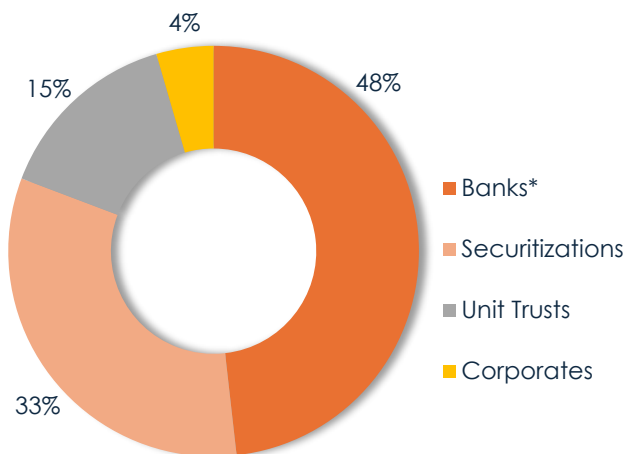
### Top 5 Credit Exposures

| Issuer Name                   | % Exposure |
|-------------------------------|------------|
| The Republic of South Africa  | 41%        |
| Standard Bank of South Africa | 17%        |
| Nedbank Limited               | 10%        |
| ABSA Bank Limited             | 9%         |
| Urban Ubom 1 RF Limited       | 8%         |

Source: Taquanta Asset Managers

excluding unit trust exposure

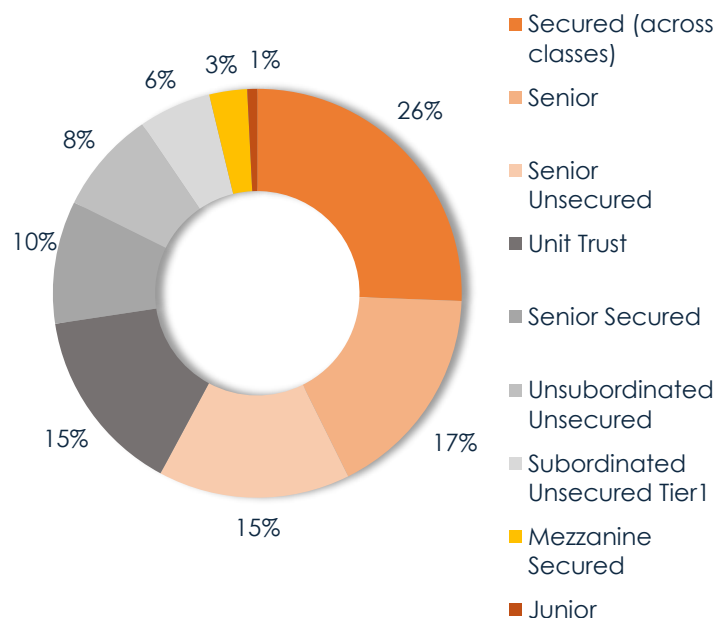
### Issuer Type



\*Includes 40% in Credit-linked Notes, which are bank issued notes referencing other entities.

Source: Taquanta Asset Managers (Pty) Ltd

### Capital Ranking



March 2026

### Fund Outlook

---

The first quarter of 2026 year has seen credit spreads continue to compress across the curve, and the fund's diversified approach of investing across listed, unlisted, and structured debt instruments, provides flexibility to continue to source assets at attractive risk adjusted levels. While the supply of assets has increased, the significant demand for assets shows no signs of abating. Looking ahead into the second quarter of 2026, primary market issuance spreads are expected to remain suppressed, as demand continues to exceed supply. We remain focused on credit selection and pricing given the macro and geopolitical environment. The fund continues to maintain a low-duration strategy, supported by a balanced maturity profile and liquidity positioning.

### Market Commentary

---

As of early April 2026, U.S. Federal Reserve funds futures suggest that interest rates are expected to remain steady within the 3.50%–3.75% range, with limited anticipation of near-term rate cuts. This cautious stance reflects concerns over a cooling labour market and persistent upside risks to inflation, exacerbated by the geopolitical turmoil arising from the ongoing war in the Middle East. In contrast, South Africa's Forward Rate Agreements (FRAs) point to potential rate hikes of 50 to 75 basis points over the next 12 to 18 months. These expectations are driven by the depreciation of the rand and concerns over possible second-round effects on the broader consumer basket should the conflict and its impact on global energy prices persist.

The South African rand weakened sharply in March due to rising risk-off trades and concerns over prolonged disruptions to oil shipments through the Strait of Hormuz, which pushed crude oil prices higher. In this risk-off global environment, the South African Reserve Bank (SARB) kept its repo rate unchanged at 6.75% during its March 26 meeting. This decision was in line with expectations, reflecting concern over upside inflation risks caused by surging energy costs linked to geopolitical concerns.

Domestic inflation in South Africa provided a glimmer of relief in February, as the headline rate declined to 3.0% year-on-year, its lowest since June 2025, driven by slower price increases in food, non-alcoholic beverages, and healthcare. However, inflationary pressures in areas such as alcoholic beverages, housing, and utilities persisted. Core inflation also eased to 3.0%, its lowest in seven months, though monthly CPI rose slightly by 0.4%, up from January's 0.2% increase.

Globally, inflation in the U.S. held at 2.4% year-on-year in February, supported by rebounding energy prices but mitigated by falling used vehicle prices. Geopolitical uncertainties remain a major market driver, with the U.S. escalating military actions against Iran. The closure of the Strait of Hormuz, through which 20% of global oil shipments pass, has heightened supply concerns and financial market volatility. For South Africa, these oil price shocks further reinforce expectations of restrictive monetary policy amid broader macroeconomic uncertainties.

March 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](mailto: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](mailto: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](http://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](http://www.faisombud.co.za) | E-mail address: [info@faisombud.co.za](mailto:info@faisombud.co.za)