Taquanta Enhanced Cash Fund
Factsheet

September 2025

Fund Objective

The primary objective of the Taquanta Enhanced Cash Fund is to achieve consistent returns in excess of a generic money market fund with an emphasis on capital preservation and low performance volatility.

Investment Strategy

Employs a conservative approach to enhance yields through extracting the liquidity risk premium primarily in longer-dated bank paper with a maximum maturity up to 7 years. 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. The fund is primarily invested in bank issued instruments that can be liquidated easily

Fund Details

Risk Profile: **Low** | Mid | High

Portfolio Manager:	Taquanta Asset Managers
Currency:	ZAR
Fund Size:	R2.9 bn
Inception date:	March 2005
Benchmark:	STeFI Composite
Compliance:	Regulation 28 & 30
ASISA Fund Classification:	Similar to Varied Specialist
Valuation Method:	Mark to Market
Floating Rate Asset:	95%
Avg Term to Maturity	2.75 years
Modified Duration:	<0.15 Years
No. of Counterparties:	≥13

Fund Performance

Period (naca)	Fund Return	Benchmark	Active Returns
1 Month	**0,8%**	0,7%	0,2%
3 Months	**2,5%**	2,3%	1,8%
1 year	**5,1%**	4,7%	3,5%
2 years p.a.	**10,1%**	9,8%	6,3%
3 years p.a.	**9,9%**	10,2%	6,8%
5 years p.a.	**10,3%**	10,0%	7,2%
Volatility (3yrs p.a.)	**0,6%**	0,2%	1,2%

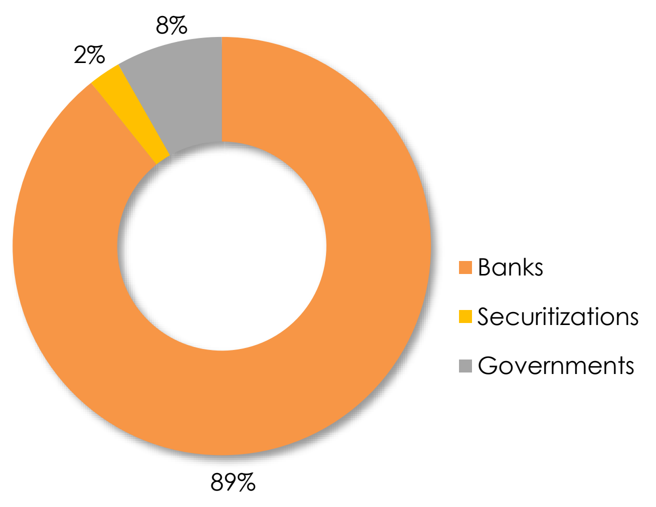
Source: Taquanta Asset Managers (Pty) Ltd

Top 5 Credit Exposures (excluding unit trusts)

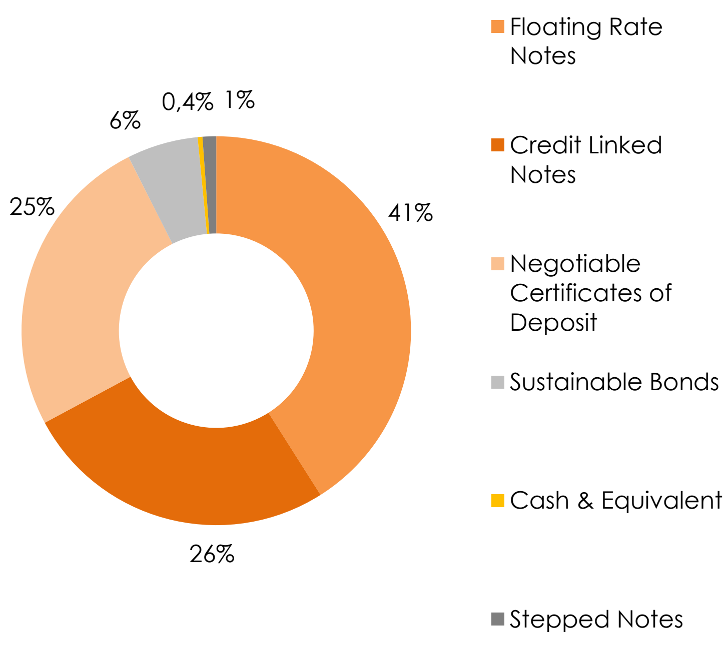
Issuer Name	% Exposure
ABSA Bank Limited	16,4%
Standard Bank/RSA	18,9%
Nedbank Limited	13,9%
Firstrand Bank Limited	13,7%
BNP Paribas	9,6%

Source: Taquanta Asset Managers (Pty) Ltd

Issuer Type



Instrument Type



Source: Taquanta Asset Managers (Pty) Ltd

Fund Outlook

In a landscape shaped by global uncertainty and shifting monetary policies, our fixed-income strategy remains disciplined and resilient. We continue to focus on rigorous credit analysis, proactive liquidity management, and scale-driven opportunities across the yield curve. By closely monitoring inflation dynamics and interest rate paths, both domestic and international, we aim to optimize risk-adjusted returns while safeguarding capital in line with our investment objectives.

Market Commentary

The South African Reserve Bank (SARB) kept the repo rate steady at 7% on 18 September 2025, as widely anticipated. The decision underscored the Bank's cautious stance amid persistent global uncertainty, even as it prepares to transition to a 3% inflation target. The vote was divided, with four members supporting a hold and two favoring a 25-basis-point cut. Since September 2024, the repo rate has been lowered by a cumulative 125bps. Policymakers signaled a pause to evaluate the effects of earlier cuts on economic conditions, evolving expectations, and inflation risks.

Headline inflation has risen as expected and is projected to peak in the near term, averaging 3.4% in 2025 and 3.6% in 2026, slightly above previous estimates, before easing back to target at 3% in 2027. Meanwhile, growth prospects have improved: the 2025 GDP forecast was revised upward to 1.2% (from 0.9%) following stronger-than-expected second-quarter output. Gains are expected to continue in the medium term, supported by structural reforms, though export performance remains constrained by higher tariffs.

After expanding just 0.1% in Q1 2025, real GDP rose by 0.8% in Q2 (April–June). Growth on the supply side was driven by manufacturing, mining, and trade, while stronger household consumption and softer imports lifted demand. Within production, manufacturing, mining & quarrying, and trade, catering & accommodation each added 0.2 percentage points to quarterly GDP growth.

Foreign appetite for South African debt has strengthened, with non-residents net buyers of R24.8 billion ($1.4 billion) in government bonds on a single day in September, the largest one-day inflow since 2019, according to JSE data compiled by Bloomberg.

On the inflation front, consumer prices eased modestly. Annual CPI fell to 3.3% in August from 3.5% in July, supported by softer food and fuel costs. Month-on-month, CPI declined by 0.1%, with four of thirteen categories recording decreases: food & non-alcoholic beverages (-0.1%), furnishings & household equipment (-0.1%), transport (-0.2%), and information & communication (-0.2%).

Geopolitically, South Africa is close to appointing a new ambassador to the United States after months of vacancy—a period marked by heightened trade tensions and criticism from President Donald Trump over Pretoria's empowerment and foreign policy stances, alongside the imposition of additional tariffs on South African exports.

In the US, inflationary pressures intensified. The annual CPI accelerated to 2.9% in August, the highest since January, after holding steady at 2.7% in June and July. Price increases were broad-based, led by food (3.2%), used vehicles (6%), and new vehicles (0.7%). Energy costs also turned positive for the first time in seven months (0.2%), as gasoline and fuel oil declines moderated, while natural gas remained elevated (13.8%). On a monthly basis, CPI rose 0.4%, the strongest reading since January driven largely by shelter costs. Core inflation was steady at 3.1% year-on-year, with core CPI advancing 0.3% month-on-month.

Against this backdrop, the Federal Reserve delivered its first rate cut since December, lowering the federal funds rate by 25bps to a range of 4.00%–4.25%. The decision was largely expected, though Governor Stephen Miran dissented, favoring a larger 50bps cut. Updated projections signaled a further 50bps in easing by year-end and a quarter-point cut in 2026. Growth forecasts were revised higher: 1.6% for 2025 (vs. 1.4% in June), 1.8% in 2026 (vs. 1.6%), and 1.9% in 2027 (vs. 1.8%). Inflation projections also edged higher for 2026, with PCE expected at 2.6% and core PCE at 2.6%. The unemployment rate is forecast at 4.5% for 2025 and 4.4% for 2026.

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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:

	Taquanta			
Category Description	**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