

January 2026

### 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

<b>Portfolio Manager:</b>	Taquanta Asset Managers
<b>Currency:</b>	ZAR
<b>Fund Size:</b>	R3,2 bn
<b>Inception date:</b>	March 2005
<b>Benchmark:</b>	STeFl Composite
<b>Compliance:</b>	Regulation 28 & 30
<b>ASISA Fund Classification:</b>	Similar to Varied Specialist
<b>Valuation Method:</b>	Mark to Market
<b>Floating Rate Asset:</b>	97%
<b>Avg Term to Maturity</b>	2.75 years
<b>Modified Duration:</b>	<0.15 Years
<b>No. of Counterparties:</b>	≥13

### Fund Performance

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

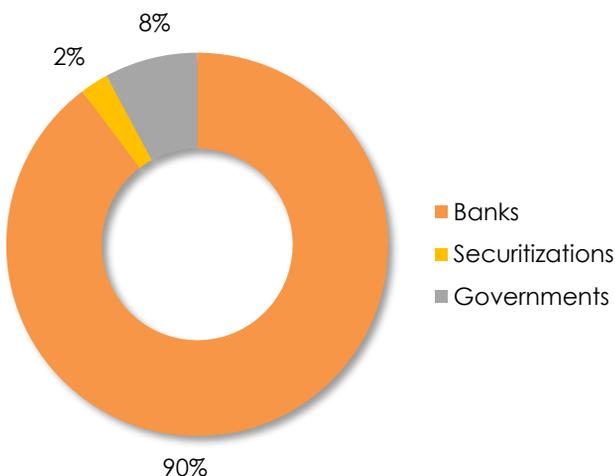
Source: Taquanta Asset Managers (Pty) Ltd

### Top 5 Credit Exposures (excluding unit trusts)

Issuer Name	% Exposure
Nedbank Limited	<b>22%</b>
Standard Bank/RSA	<b>18%</b>
ABSA Bank Limited	<b>12%</b>
Firststrand Bank Limited	<b>11%</b>
BNP Paribas	<b>9%</b>

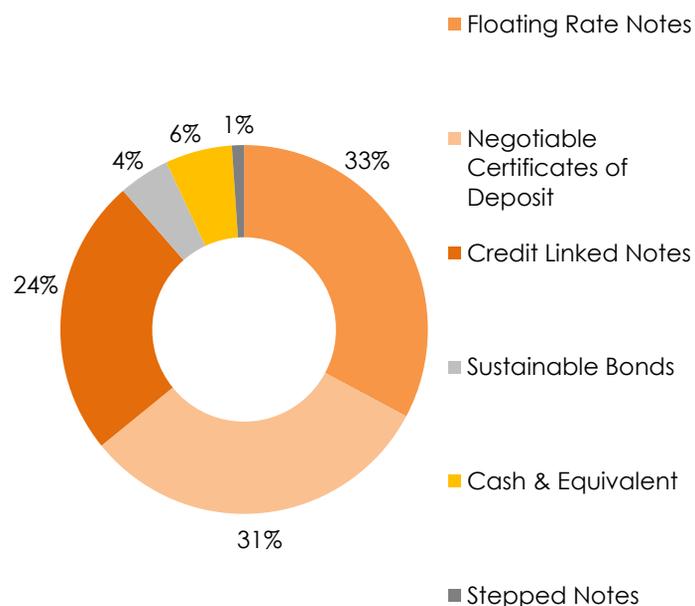
Source: Taquanta Asset Managers (Pty) Ltd

### Issuer Type



Source: Taquanta Asset Managers (Pty) Ltd

### Instrument Type



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## Fund Outlook

Against this backdrop, our fixed-income strategy remains disciplined and risk-conscious. We continue to emphasize high-quality credit, robust liquidity, and selective yield-curve positioning. As inflation trends moderate and interest rate expectations evolve, our focus remains on generating attractive risk-adjusted returns while prioritising capital preservation for investors.

## Market Commentary

South Africa's rand strengthened beyond the R16 to the Dollar level for the first time in nearly four years, extending a rally supported by renewed global appetite for risk assets amid a broad retreat in the US dollar.

Domestic inflation edged slightly higher, with headline CPI rising to 3.6% year-on-year in December 2025 from 3.5% in November, in line with market expectations. Inflation remains comfortably within the South African Reserve Bank's (SARB) revised 3% target range, allowing for a 1 percentage point tolerance band. The uptick was primarily driven by housing and utilities, food and non-alcoholic beverages, as well as insurance and financial services. Core inflation, which excludes food, non-alcoholic beverages, fuel, and energy, increased to 3.3% from 3.2%, reaching its highest level in ten months. On a month-on-month basis, CPI rose by 0.2% following a 0.1% decline in November.

The SARB maintained the repo rate at 6.75% at its January meeting, as widely anticipated, following a 25-basis point cut in November. The decision was split, with two members voting for an additional cut. While policymakers acknowledged an improving inflation outlook, they reiterated the need for a further decline in inflation expectations and highlighted upside risks, particularly from electricity tariffs and heightened global political uncertainty.

In the United States, headline inflation remained unchanged at 2.7% year-on-year in December, concluding a year marked by gradual disinflation but persistent cost-of-living pressures. Monthly inflation accelerated to 0.3% from 0.1% in November, driven by ongoing housing-related price pressures, rising food costs, and higher energy prices. At its January 2026 meeting, the Federal Reserve held the federal funds rate steady at 3.5%–3.75%, following three consecutive rate cuts in 2025 that lowered borrowing costs to their lowest levels since 2022. Market focus was further drawn to political developments after the Trump administration announced a criminal investigation into Fed Chair Jerome Powell, prompting widespread criticism from former central bank leaders and senior Republican figures.

In the euro area, consumer price inflation eased to 2.0% in December from 2.1% in November, reaching its lowest level since August and returning to the European Central Bank's target midpoint. This reinforced expectations that policy rates are likely to remain on hold in the near term.

Geopolitical risk escalated sharply at the start of January, when US forces carried out air strikes on Caracas and detained Venezuelan President Nicolás Maduro and First Lady Cilia Flores. While the events were dramatic, they followed months of mounting tensions, including an increased US military presence and repeated strikes on alleged drug-smuggling operations linked to Venezuela.

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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 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](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