

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.

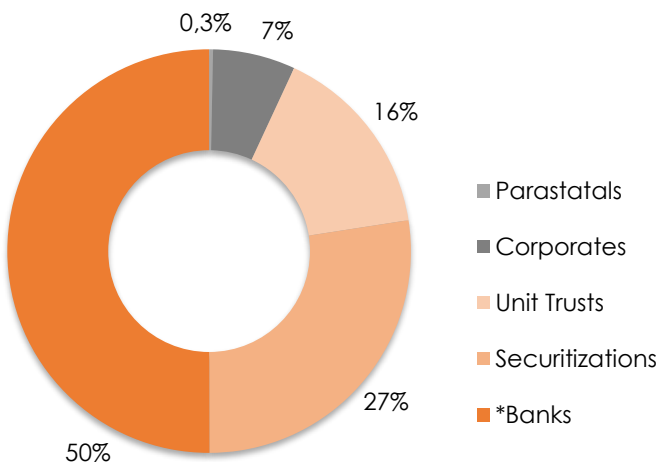
Investment Strategy

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%
3 months	2.2%	2.6%	2.8%
6 months	5.0%	5.2%	3.5%
1 year	10.9%	10.5%	8.2%
2 years p.a.	10.5%	9.5%	9.0%
3 years p.a.	9.5%	8.4%	9.0%
5 years p.a.	9.4%	8.0%	8.1%
3yr volatility	0.5%	0.5%	1.4%

Issuer Type



*Includes 17% in Credit-linked Notes, which are bank issued notes referencing other entities.

Fund Details

Risk Profile:

Low **Mid** High

Portfolio Manager:

Taquanta Asset Managers

Currency:

ZAR

Fund Size:

R7.9 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:

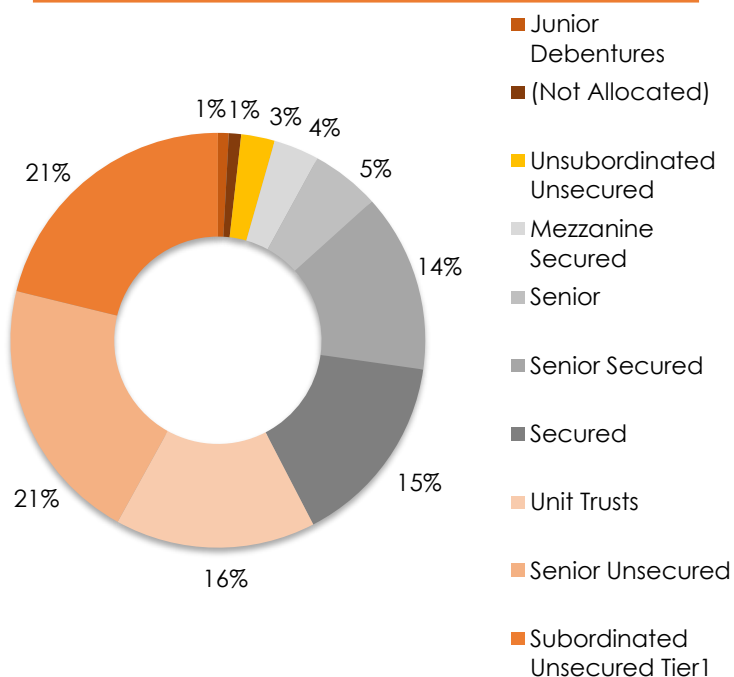
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Top 5 Credit Exposures

Issuer Name	% Exposure
The Republic of South Africa	14.7%
Standard Bank Ltd	9.7%
Nedbank Ltd	8.2%
Standard Bank Group Ltd	6.2%
BNP Paribas	5.4%

excluding unit trust exposure

Capital Ranking



Fund Outlook

The fund continues to maintain a low duration, and a moderate maturity and liquidity position. Issue spreads in the domestic listed debt capital markets overall remain contained due to the demand for assets despite the pace of issuance. We continue to look for opportunities in both the public and private debt space. The fund is well positioned for the current interest rate outlook. We remain cautious in these times with regards to credit and liquidity risk.

Market Commentary

On the 6th of June, The European Central Bank (ECB) reduced key policy rates by 25 basis-points. The interest rate on the marginal lending facility, the main refinancing operations, and the deposit account were lowered to 4.50 percent, 4.25 percent, and 3.75 percent, respectively. The ECB has surpassed the Fed in implementing rate cuts, as the Fed remains hesitant to do so ahead of its June policy meeting. Despite the inception of a cutting cycle, we anticipate that real rates are unlikely to fall at an accelerated pace while inflation continues to linger above target.

South Africa's gross domestic product (GDP) decreased by 0.1 percent in the first quarter of 2024, down from a marginal growth rate of 0.3 percent in the previous quarter. The decline in real GDP was primarily driven by reduced activity across the mining, manufacturing, and construction sector. The agricultural sector maintained its resiliency, while bolstering prospects of continued declines in food price inflation. Spending by households and government also saw declines, anchoring lower inflation expectations over the foreseeable future.

At their last meeting, the South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) decided to leave the repo rate unchanged at 8.25 percent. The decision to pause was unanimous and in line with surveyed expectations. The May MPC announcement was slightly overshadowed by a period of general elections. The results of the former saw the previous regime lose its outright majority in the national assembly. The rand momentarily appeared to have priced in this outcome while the markets wait in great anticipation for the shape of a coalition led government.

In the SA money market, forward rates also showed limited volatility, pricing in the probability of a 25-bps cut in the repo rate over the next 12 months. In May 2024, both the 3-month and 12-month JIBAR rates fell by 0.08 bps to 8.342 and 9.192, respectively, compared to the previous month.

May 2024

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

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