

November 2024

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:



Portfolio Manager:	Taquanta Asset Managers
Currency:	ZAR
Fund Size:	R2.8 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:	99%
Avg Term to Maturity	2.99 years
Modified Duration:	<0.15 Years
No. of Counterparties:	≥13

Fund Performance

Period (naca)	Fund Return	Benchmark	Active Returns
1 Month	0,83%	0,65%	0,18%
3 Months	2,50%	2,01%	0,49%
1 year	10,47%	8,50%	1,97%
2 years p.a.	10,12%	8,22%	1,91%
3 years p.a.	8,84%	7,13%	1,71%
Volatility (inception)	8,20%	7,03%	1,18%

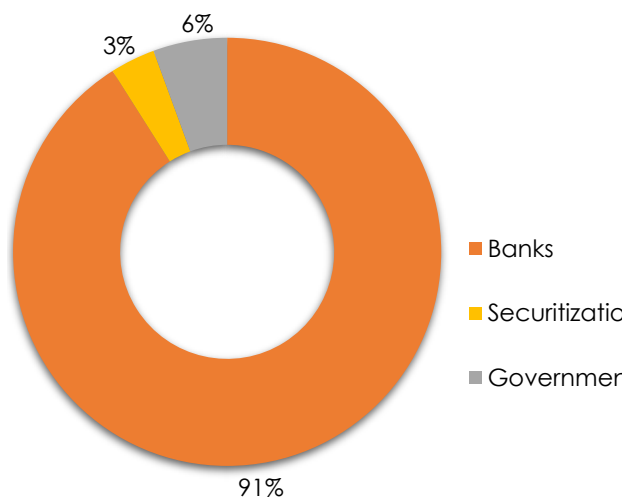
Source: Taquanta Asset Managers (Pty) Ltd

Top 5 Credit Exposures (excluding unit trusts)

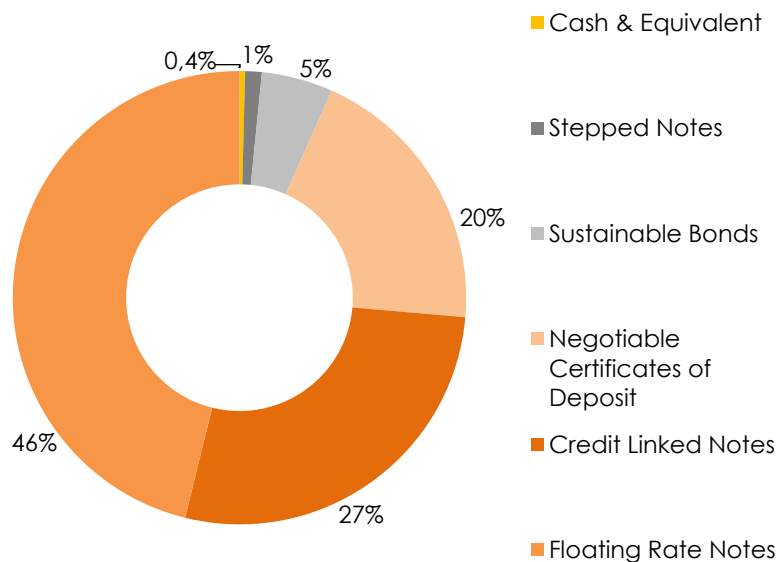
Issuer Name	% Exposure
Standard Bank	18,86%
ABSA Bank	16,90%
Firstrand Bank	15,92%
Nedbank Limited	12,76%
BNP Paribas	9,94%

Source: Taquanta Asset Managers (Pty) Ltd

Issuer Type



Instrument Type



Source: Taquanta Asset Managers (Pty) Ltd

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Fund Outlook

Given the recent rate cuts, we are progressively increasing our allocation to fixed-rate assets while adhering to our established duration constraints. Simultaneously, we are strategically enhancing fund yields by capitalizing on factors such as scale, liquidity, term structure, and credit risk premiums. This approach enables us to provide issuers with access to competitive wholesale lending rates.

Market Commentary

In early November 2024, the Federal Open Market Committee (FOMC) reduced the federal funds rate by 25 basis points, setting the target range to 4.50%-4.75%. This decision followed a 50 basis point cut in September, marking a continued effort to support economic growth amid easing inflation and a softening labor market. The FOMC emphasized that future rate adjustments would be data-driven, with a potential for a more gradual pace of cuts in 2025 due to persistent inflation concerns.

Looking forward we believe that the recent election of President Donald Trump has introduced potential inflationary pressures, stemming from proposed policies such as massive deportation drive, increased tariffs and tax cuts. These policies could lead to higher consumer prices, prompting the Federal Reserve to adopt a cautious approach in its monetary policy. Market expectations have adjusted accordingly, with projections now indicating only 75 basis points of cuts by the end of 2025.

In South Africa the Reserve Bank (SARB) lowered the repo rate in November by 25 basis points to 7.75%, the lowest level since April 2023. This move was influenced by a significant decline in the consumer price index (CPI), which rose by 2.8% year-on-year in October, down from 3.8% in September—the lowest inflation rate since June 2020. Despite this rate cut the SARB Governor Lesetja Kganyago signaled a cautious approach to future cuts, citing global economic uncertainties and domestic price pressures.

Following the SARB's decision, the South African rand strengthened, trading at 18.04 against the U.S. dollar, a 0.4% improvement. However, the rand had previously depreciated sharply against the dollar after President Trump's election victory, reflecting market concerns over potential shifts in U.S. economic policy.

From a sovereign rating outlook point of view, Fitch Ratings has recently indicated that South Africa's credit outlook could improve if the government successfully stabilizes its debt in line with its three-year fiscal plan. As such, a positive debt trajectory may lead to an upgrade in the SA sovereign rating, enhancing investor confidence and potentially strengthening the rand further.

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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