

Minimum Disclosure Document - 28 February 2025

FUND DETAILS

The Taquanta Stable Income FR Fund aims to generate higher levels of interest income than a Money Market portfolio, with little capital volatility over the short term. The portfolio is able to invest in a select combination of securities including assets in liquid form and securities, such as money market instruments and other interest-bearing securities.

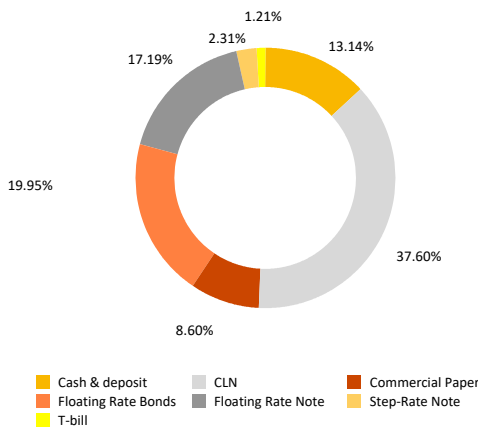
FUND OBJECTIVE

The Taquanta Stable Income FR Fund is an Interest Bearing - Short Term portfolio. The objective of the portfolio is to generate higher levels of interest income than a money market portfolio, with little capital volatility over the short term. Notwithstanding anything to the contrary in this investment policy, the investments of the portfolio will be subject to the manner in which the limits and conditions subject to which securities or classes of securities may be included in a portfolio of a collective investment scheme in securities determined in legislation as amended from time to time.

INVESTMENT STRATEGY

The portfolio will actively buy and sell securities to achieve the best possible return from short maturity assets, with as little capital volatility as possible. The portfolio will adhere to the exposure limits of the Interest Bearing - Short Term category and will be managed in such a manner as to comply with prudential requirements as per regulations to the Pension Funds Acts, 24 (Act 24 of 1956).

ASSET ALLOCATION



INFORMATION & DISCLOSURES

Income Distribution Frequency: Monthly
 Income Distribution Cents per Unit (CPU): February 2025 (8.06)
 Portfolio Valuation Time: 17H00 daily
 Transaction Cut-Off Time: 14H00 daily

PORTFOLIO INCOME DISTRIBUTION HISTORY (CPU)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019										0.28	0.56	0.61
2020	0.62	0.59	0.60	0.37	0.35	0.29	0.28	0.29	0.32	1.84	3.45	4.59
2021	4.81	4.17	5.23	5.10	5.31	5.28	5.41	5.60	5.46	5.62	5.68	6.37
2022	6.35	5.49	6.11	6.07	6.26	5.75	5.75	7.00	7.20	8.24	8.70	8.81
2023	9.00	6.52	7.62	6.75	8.13	7.04	7.31	9.12	7.37	8.07	7.58	7.00
2024	7.93	9.77	5.05	8.45	7.29	6.72	7.85	7.19	8.60	8.27	6.54	7.07
2025	6.77	8.06										

March 2024 distribution CPU is a proportionate combined figure for the R4 Class (effective to 21 March 2024), & R1 Class (effective from 22 March 2024)

FUND INFORMATION

Risk Profile



Portfolio Manager: Taquanta Asset Managers(Pty) Ltd
 Fund Size (in Millions): R 3,374.89
 Fund Benchmark/Hurdle: Alexander Forbes STeFI Call Index
 ASISA Classification: South African - Interest Bearing - Short Term
 Currency: ZAR
 Units in Issue: 336,768,926.50
 Unit Price (NAV per Unit)³: R 10.01
 Minimum Investment: R10 000 once off lump sum
 R500 per month contribution
 Inception Date: 15 October 2019
 Regulation 28 Compliant: Yes

NAV ATTRIBUTABLE TO INVESTORS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019										0.28%	0.56%	0.61%	1.46%
2020	0.62%	0.59%	0.60%	0.37%	0.35%	0.29%	0.28%	0.29%	0.32%	0.32%	0.38%	0.52%	5.04%
2021	0.30%	0.38%	0.50%	0.48%	0.51%	0.48%	0.49%	0.53%	0.48%	0.52%	0.50%	0.57%	5.90%
2022	0.57%	0.49%	0.54%	0.55%	0.54%	0.55%	0.52%	0.62%	0.55%	0.77%	0.72%	0.73%	7.40%
2023	0.85%	0.64%	0.77%	0.68%	0.84%	0.85%	0.83%	0.88%	0.84%	0.86%	0.87%	0.80%	10.15%
2024	0.94%	0.76%	0.68%	0.86%	0.83%	0.79%	1.06%	0.55%	0.87%	0.87%	0.78%	0.80%	10.25%
2025	0.80%	0.69%											1.49%

The performance prior to 22 March 2024 is for class R1, with subsequent performance being for class R4.

STATISTICS AT February 2025

	* FUND	** BMK
1 Year	10.02%	8.05%
Highest 12 month rolling return	10.66%	8.25%
Lowest 12 month rolling return	4.38%	3.49%
Since Inception (Annualised)	7.69%	5.80%

* Taquanta Stable Income FR Fund - Class R1 (up to 22 March 2024) & Class R4 (post 22 March 2024)
 Fund Source: Apex Fund and Corporate Services SA of February 2025

** Alexander Forbes STeFI Call Index Benchmark(s) Source: Bloomberg as at the last calendar day of February 2025

FEES

Service Fee (excl. VAT p.a.): 0.75%
 Cost Ratios (incl. VAT):
 * Total Expense Ratio (TER%)²: 0.82%
 * Transactions Costs Ratio (TC%)¹: 0.00%
 * Total Investment Charges (TIC%)¹: 0.82%
 * Performance Fee (PF) Included in TER: 0.00%

¹ Total Investment Charges (TIC%) = TER (%) + TC (%). ² The Total Expense Ratio (TER%) of a portfolio, expressed as a percentage of the daily average value of the portfolio, is calculated over a period of usually a financial year and represents a measure of the portfolio's assets that were relinquished to meet portfolio operating costs, including charges, levies and fees. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees. ³ Unit prices are published daily on the Manager's website. Investor instructions received after 14:00pm shall be processed the following business day.

MARKET COMMENTARY

US Economic Growth and Monetary Policy Uncertainty

The US economy continues to navigate a complex landscape in February 2025, characterized by moderating growth and persistent inflationary pressures. Real GDP growth is expected to slow to around 1.5-2.0% for the year, down from 2.5% in 2024, as the effects of tighter monetary policy and fiscal consolidation weigh on consumer spending and business investment. However, the labour market remains resilient, with unemployment hovering near 4.0%, supporting household incomes and consumption.

While the labour market remains strong, fiscal and debt concerns, along with global trade uncertainties, pose significant risks. The Federal Reserve's cautious approach to monetary policy and the resilience of corporate earnings provide some support, but investors remain vigilant for signs of a potential downturn. As the year progresses, the interplay between inflation, policy decisions, and global macroeconomic developments will be critical in determining the trajectory of the US economy.

US headline CPI inflation has stabilized at around 3.0% year-on-year (YoY), down from peak levels but still above the Federal Reserve's 2% target. Core inflation, excluding volatile food and energy prices, remains elevated at 3.5% YoY, driven by sticky services inflation, particularly in housing and healthcare. While goods inflation has eased due to improved supply chains and lower commodity prices, services inflation continues to pose challenges.

The Federal Reserve maintained its cautious stance in February, holding the federal funds rate steady at 4.50-4.75%. With inflation still above target and the labour market tight, the Fed has signalled that rate cuts are unlikely in the near term. Having said that we note that markets are currently pricing in a potential 25-basis-point cut in the second half of 2024, contingent on further disinflationary progress and softer economic data.

SA Fiscal Policy Uncertainty

In South Africa, the postponement of the 2025 budget speech, originally scheduled for February, introduced significant uncertainty. The delay stemmed from disagreements within the GNU over a proposed 2% VAT hike. The DA opposes the increase, arguing for structural reforms to de-risk the fiscal position. The final budget, now expected on March 12, will be closely watched for consensus on fiscal policy. A VAT increase of this magnitude could raise CPI inflation by 20-50 basis points, depending on passthrough effects. This, combined with rising global inflation risks, suggests that the SARB may have reached the trough of its ratecutting cycle. While a final 25bps cut in March remains possible, further easing this year appears unlikely.

SA Inflation and Monetary Policy

Headline CPI inflation edged up to 3.2% year-on-year (YoY) in January, slightly below consensus expectations of 3.3%. The increase was driven by base effects in fuel prices, while food inflation surprised to the downside at 2.3% YoY. Core CPI inflation softened to 3.5%, with notable declines in vehicle, alcoholic beverages, and textiles inflation. The reweighted CPI basket had a limited impact on the inflation trajectory, and our forecasts remain unchanged at 4.0% for 2025 and 4.6% for 2026. PPI inflation for January rose to 1.1% YoY, in line with expectations, driven by higher fuel and electrical machinery prices. Food products PPI increased for the third consecutive month to 4.8% YoY, reflecting persistent price pressures in the category.

The South African Reserve Bank (SARB) faces increasing risks of pausing its rate-cutting cycle for the remainder of 2025. The final version of the March budget, particularly any tax increases, will play a critical role in shaping the SARB's decisions. The SARB's hawkish bias was already evident in its last MPC meeting, where a 4-2 vote split, and recent comments emphasized caution. It is our view that the uncertainty surrounding the passthrough effects of tax increases on CPI inflation will provide the SARB with a rationale to halt rate cuts in 2025, potentially revisiting cuts only in 2026 when tax increases fall out of the base. Even without VAT hikes, the "tax more to spend more" structure of the preliminary budget versions poses inflationary risks, which the SARB will likely factor into its March decision.

Interest Rate Outlook

February 2025 was a month of heightened uncertainty for South Africa's macroeconomic environment, shaped by debates over fiscal policy, evolving inflation trends, and external global influences. The South African Reserve Bank's (SARB) March meeting is poised to be a critical event, with the possibility of a final rate cut hinging on inflation risks and fiscal developments. We anticipate no rate cuts at the March meeting and only project another 25bps cut by the SARB to complete the rating cut cycle. In the month of February, the 3-month JIBAR rate remained flat at 7.558% while the 12-month JIBAR rates increased by 0.034% versus the previous month to 8.15% in South Africa.

Please Note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.

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GLOSSARY

Net Asset Value (NAV): Means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.

Annualised Return: Is the weighted average compound growth rate over the performance period measured.

Highest & Lowest Return: The highest and lowest rolling twelve-month performance of the portfolio since inception.

Total Expense Ratio (TER): Reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

Transaction Costs (TC): Is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.

Total Investment Charge (TIC): Should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.

Total Investment Charges (TIC%): = TER (%) + TC (%): The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

FUND RISK

Interest Rate Risk: The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates.

Credit Default Risk: The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting.

MANDATORY DISCLOSURE:

Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges, minimum fees, and maximum commissions, as well as detailed description of how performance fees are calculated and applied, is available on request from FundRock Management Company (RF) (Pty) Ltd ("the Manager"). The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commissions and incentives may be paid, and if so, are included in the overall costs. The Manager may close the portfolio to new investors in order to manage it efficiently according to its mandate. Prices are published daily on the Manager's website. Additional information, including Key Investor Information Document ("KIID"), Minimum Disclosure Document ("MDD"), as well as other information relating to the basis on which the Manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The Manager is registered and approved by the Financial Sector Conduct Authority ("the Authority") under the Collective Investment Schemes Control Act No. 45 of 2002 ("CISCA"). The Manager retains full legal responsibility for the portfolio.

The Financial Services Provider ("FSP"), Taquanta Asset Managers (Pty) Ltd, FSP No. 618, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. The annualized total return is the average return earned by an investment each year over a given time period, since the launch date of the portfolio. Actual annual figures are available from the Manager on request. The highest and lowest one (1) year returns represent the highest and lowest actual returns achieved during a 12-month rolling period year since the first launch date of the portfolio. The performance figures are the yields on a Net Asset Value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed, and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. Performance is calculated for a lump sum investment on a NAV. The performance figures are reported net of fees with income reinvested. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

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