

# KZN GLOBAL BALANCED PORTFOLIO

APRIL 2025

The KZN Global Balanced Fund is a moderately aggressive fund that aims to achieve above average returns over the longer term.

The fund makes use of a blend of three good quality asset managers who are mandated to invest across all local and foreign asset classes, via fully discretionary global balanced mandates. The selected asset managers have the freedom to select the allocation to each of these asset classes and the most attractive securities to invest in within each asset class.

Due to its relatively high allocation to growth assets (such as local and foreign shares and private equity), the fund has a high chance of capital loss in the short term, but is expected to achieve real growth of capital over the long-term. As a result, the fund is best suited to members who have a longer term (5 years or more) investment horizon.

The portfolio complies with the prudential investment guidelines set out in Regulation 28 of the Pensions Funds Act.

## MONTHLY COMMENTARY

President Trump's sweeping 2 April Liberation Day reciprocal tariffs triggered a global market rollercoaster and unprecedented backlash. The tariffs - ranging from 10% to 50% on most US trading partners, with some rates on China reaching as high as 125% - sparked immediate turmoil in global markets.

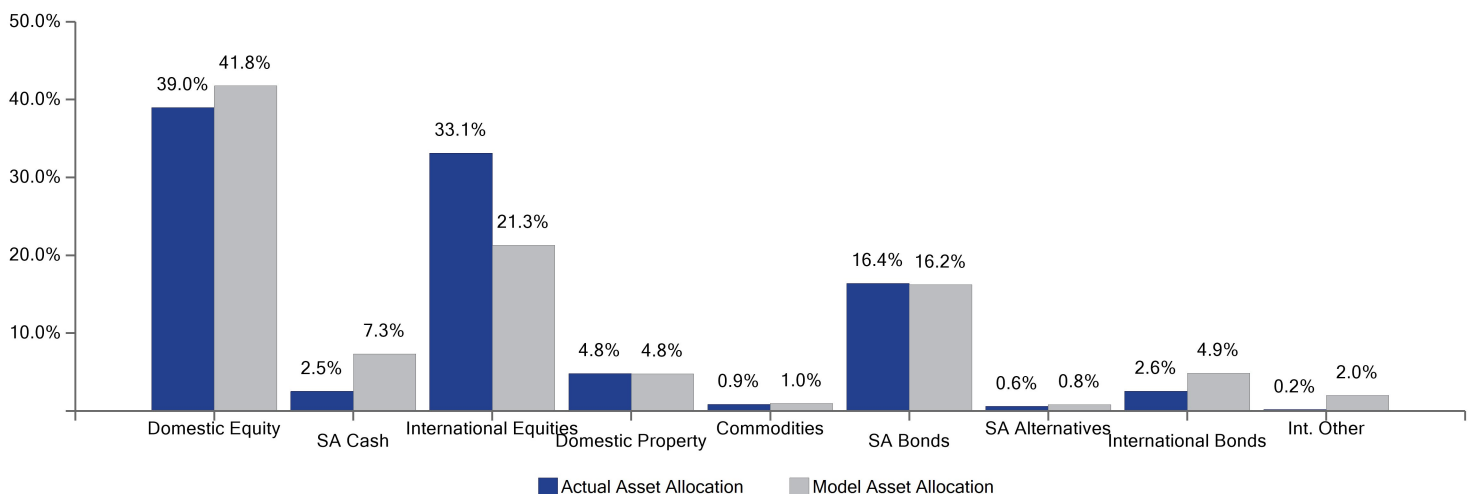
Trump subsequently suspended tariffs on nearly all countries but China. This "blink" announcement came after US stock markets suffered historic losses, US technology stocks fell more than 20% and \$6.6 trillion was wiped out in two days. Trump's reversal appears most influenced by turmoil in the US bond market, and his blink triggered a sharp rebound. More than 50 countries are now in trade talks with the US, but even a retreat to 60% tariffs on China and the current 10% universal tariff is estimated to slow global GDP by 0.7%.

The International Monetary Fund cut its projection for global growth this year by 0.5% to 2.8%. The latest economic data remain strong and show no signs of a global recession. In the short term, several factors support ongoing economic momentum: companies are accelerating shipments to get ahead of potential tariff hikes, fiscal policy is set to become more supportive in the US, Germany and China, and falling energy prices are helping offset some of the inflationary impact from tariffs. This is all backward-looking, however, and the future hinges almost entirely on the outcome of tariff negotiations.

There should be little political appetite for draconian new tariffs, as Trump's disapproval rating among independents has soared to 56%, and he cannot afford to trigger a recession or a market crash ahead of the 2026 midterms. That said, forecasting Trump's actions is near impossible, and the risk of damaging protectionism remains elevated. If a swift resolution to the tariff war is not reached, the current economic momentum will dissipate rapidly. Even if a resolution is found, Q2 growth will slow as the global trade front-running tariffs comes to an end. Bookings for shipping containers from China to the US were down 45% in April year-on-year, and the effects of a slowdown in investment and hiring due to the current uncertainty will soon be evident. While the year may end higher, we expect a soft patch in the middle. We have further reduced exposure to equities and remain cautious.

The FTSE/JSE Capped SWIX Index improved by 4.2%, while Industrials and Financials rose by 5.3% and 4.7%. The JSE All Bond Index increased by 0.8% and the Rand weakened 1.2% against the Dollar.

## ACTUAL ASSET ALLOCATION



### FRONT OFFICE CONTACT DETAILS

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FUND SUMMARY AS AT 30 APRIL 2025

| STATISTIC         | FUND  | BENCHMARK |
|-------------------|-------|-----------|
| % Positive Months | 66.7% | 70.0%     |
| % Negative Months | 33.3% | 30.0%     |
| Worst Month       | -4.6% | -4.4%     |
| Best Month        | 8.0%  | 7.3%      |
| Average Return    | 1.2%  | 1.1%      |
| Median Return     | 1.2%  | 1.0%      |
| Maximum Drawdown  | -6.2% | -5.8%     |

PERFORMANCE ANALYSIS TO 30 APRIL 2025

| PERIOD          | FUND  | BENCHMARK |
|-----------------|-------|-----------|
| 1 Month         | 3.1%  | 2.0%      |
| 3 Months        | 2.6%  | 2.1%      |
| 6 Months        | 7.5%  | 6.0%      |
| Year to Date    | 4.1%  | 3.5%      |
| 1 Year          | 17.9% | 16.1%     |
| 3 Years         | 12.5% | 11.4%     |
| 5 Years         | 14.7% | 13.2%     |
| Since Inception | 9.5%  | 9.0%      |

Inception Date: 01 February 2019. Returns prior to inception are backtested.  
Returns are net of the TIC.

FEES

|                               | PERCENTAGE       |
|-------------------------------|------------------|
| Total Expense Ratio (TER)     | 0.63% (Dec 2024) |
| Transaction Costs (TC)        | 0.16% (Dec 2024) |
| Total Investment Charge (TIC) | 0.78% (Dec 2024) |

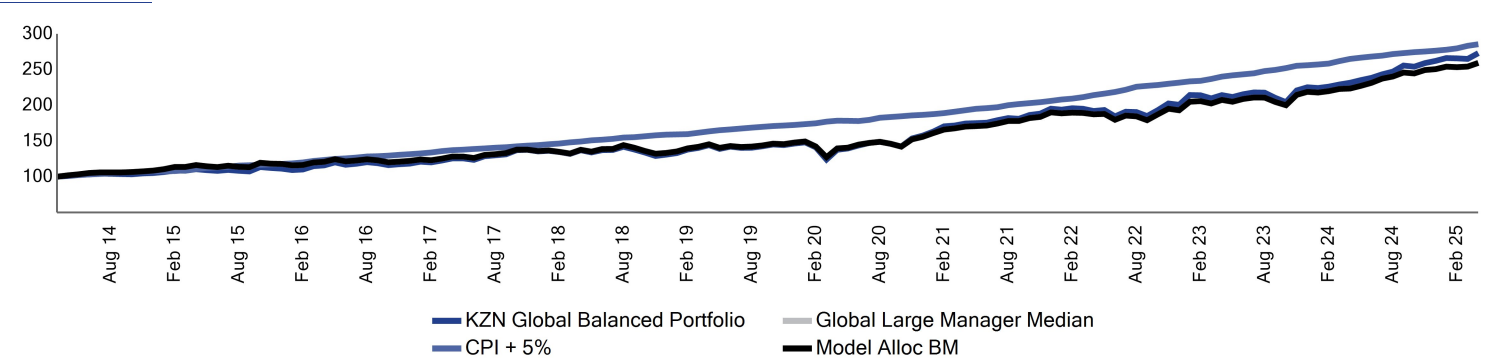
BENCHMARK COMPOSITION

Global Large Manager Median

HISTORICAL PERFORMANCE

| YEAR | JAN   | FEB   | MAR    | APR   | MAY   | JUN   | JUL  | AUG   | SEP   | OCT   | NOV  | DEC   | YEAR  |
|------|-------|-------|--------|-------|-------|-------|------|-------|-------|-------|------|-------|-------|
| 2020 | 1.1%  | -4.7% | -12.1% | 11.1% | 1.3%  | 3.0%  | 2.5% | 1.1%  | -1.9% | -2.5% | 7.9% | 2.6%  | 7.5%  |
| 2021 | 3.6%  | 4.5%  | 0.7%   | 1.6%  | 0.3%  | 0.4%  | 2.0% | 1.7%  | -0.6% | 2.9%  | 1.0% | 3.7%  | 23.9% |
| 2022 | -0.7% | 1.0%  | -0.4%  | -1.6% | 0.7%  | -4.6% | 3.5% | -0.2% | -3.0% | 4.5%  | 4.9% | -0.9% | 2.8%  |
| 2023 | 6.8%  | -0.2% | -2.1%  | 2.2%  | -1.2% | 1.8%  | 1.2% | -0.1% | -3.4% | -2.9% | 8.0% | 2.0%  | 12.2% |
| 2024 | -0.5% | 0.9%  | 1.3%   | 1.1%  | 1.6%  | 1.3%  | 2.1% | 1.5%  | 3.4%  | -0.6% | 2.0% | 1.2%  | 16.4% |
| 2025 | 1.5%  | -0.2% | -0.3%  | 3.1%  |       |       |      |       |       |       |      |       | 4.1%  |

CUMULATIVE INVESTMENT PERFORMANCE



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CALENDAR YEAR RETURNS

| PERFORMANCE | FUND  | BENCHMARK |
|-------------|-------|-----------|
| 2021        | 23.9% | 22.0%     |
| 2022        | 2.8%  | 1.5%      |
| 2023        | 12.2% | 13.4%     |
| 2024        | 16.4% | 14.5%     |

MANAGER ALLOCATION 30 APRIL 2025

| MANAGER                              | PERCENTAGE |
|--------------------------------------|------------|
| M&G Investments Global Balanced Fund | 33.4%      |
| Ninety One Global Balanced Fund      | 33.3%      |
| Coronation Managed Portfolio         | 33.3%      |