

KZN GLOBAL BALANCED PORTFOLIO

JULY 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

As we enter the third quarter of 2025, markets have continued to hit new highs despite rising geopolitical risks. Investors are confident that strong fiscal and monetary policy support will prevail, but market challenges remain significant.

Global tailwinds

- The Fed put: Markets expect the next Fed chair to cut rates aggressively under Trump's influence - even amid tariff inflation. This has supercharged the Fed put and forced investors to switch into real assets protected from inflation.
- Massive fiscal stimulus: The US has joined China and Japan in deploying coordinated fiscal stimulus equal to 8-10% of GDP, supporting consumer and business confidence. The EU is increasing its fiscal stimulus via increased defence spend.
- US dollar weakness: The weaker dollar supports global growth by easing financial conditions, boosting commodity prices and lowering funding costs abroad.

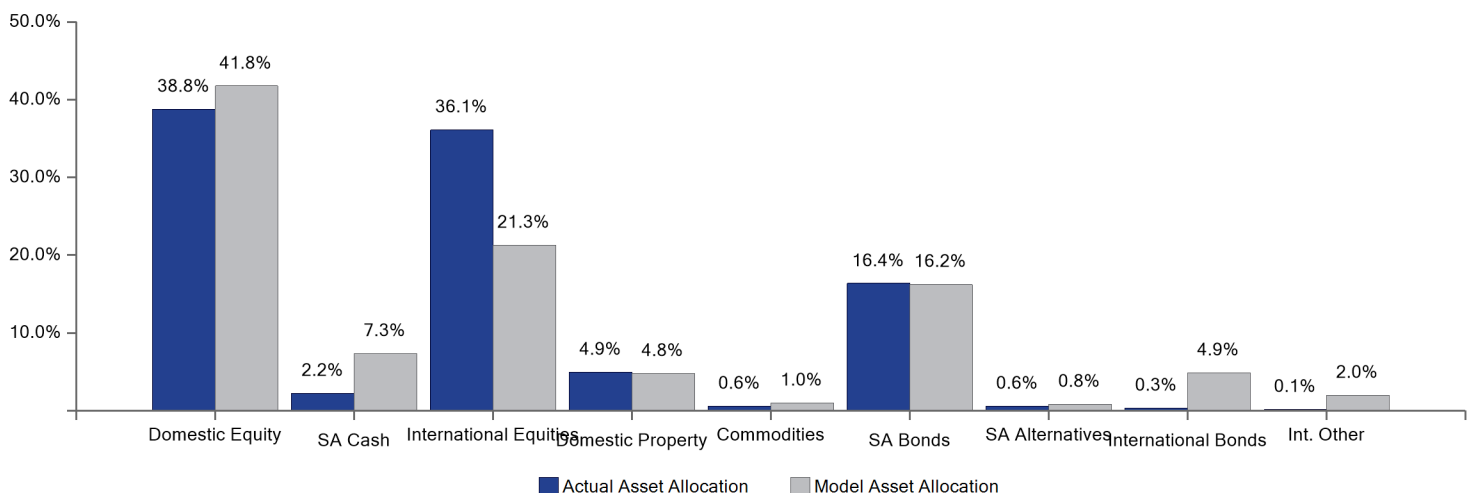
Global headwinds

- Tariffs higher than expected, with greater impact: Completed deals are at higher than the current 10% level, and some tariffs are not easily solved by trade - such as 50% tariffs on copper and Brazilian goods, a 100% secondary tariff on Russian goods and penalties on Chinese transshipments and BRICS-aligned countries. The effective tariff rate in June was only 9.5% - compared to the statutory level of 14% - due to delayed enforcement, stockpiling and shifting trade routes. The statutory level is expected to rise to 20% on 1 August.

- Immigration reversal: The rollback of Biden-era immigration policies has removed legal-worker rights from 1.1 million jobs.
- Tariff frontloading: The early surge in exports to the US ahead of tariff implementations boosted H1 growth but will likely slow in the second half of 2025 as inventories normalise and trade volumes fall.

The combination of expansive fiscal stimulus and expectations of looser monetary policy supports risk assets, and investors appear more focused on inflation risks than slowing growth. As a result, investors are fleeing the dollar, cash and bonds and switching into real assets such as equities, commodities, precious metals and bitcoin. We are not fighting the Fed put for now, but we are watching for two key risks: tight immigration policies that could slow US growth and an inflation spike that could shake up asset prices later this year. The FTSE/JSE Capped SWIX Index improved by 2.2%, while Industrials and Financials rose by 1.3% and 1.4%. The JSE All Bond Index increased by 2.7% and the Rand weakened 1.8% against the Dollar.

ACTUAL ASSET ALLOCATION



FRONT OFFICE CONTACT DETAILS

vusi@kznmfp.org
16th Floor, 22 Dorothy Nyembe Street
The Marine Building
Durban Central
DURBAN, 4001
Tel. (031) 322 9002



KZN
MUNICIPAL PENSION FUND
Together We Grow Your Wealth

FUND SUMMARY AS AT 31 JULY 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 31 JULY 2025

PERIOD	FUND	BENCHMARK
1 Month	2.4%	2.4%
3 Months	8.6%	7.3%
6 Months	11.4%	10.2%
Year to Date	13.1%	11.7%
1 Year	21.8%	18.0%
3 Years	15.8%	14.7%
5 Years	15.0%	13.7%
Since Inception	10.1%	9.5%

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% (Mar 2025)
Transaction Costs (TC)	0.16% (Mar 2025)
Total Investment Charge (TIC)	0.79% (Mar 2025)

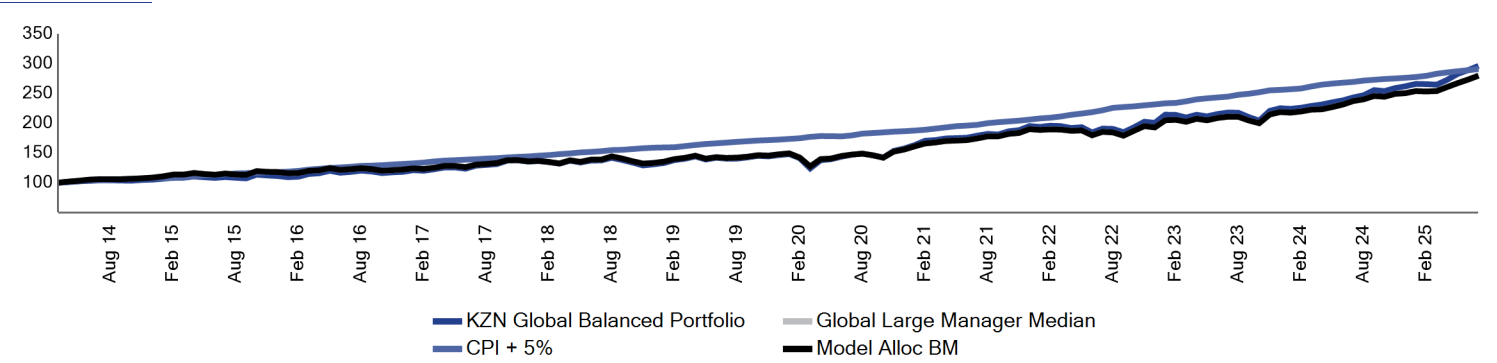
BENCHMARK COMPOSITION

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%	3.6%	2.3%	2.4%						13.1%

CUMULATIVE INVESTMENT PERFORMANCE



DISCLAIMER
The information and commentary contained in this document is of a general nature and is not intended to address the circumstances of a particular individual or entity. It does not in any way constitute a solicitation, recommendation, guidance or proposal, nor does it constitute financial, investment, tax, legal or other advice. Whilst reasonable care was taken in ensuring that the information is accurate, Sygnia Asset Management does not warrant its accuracy, correctness or completeness and accepts no liability in respect of any damages and/or loss suffered as a result of reliance on the information in this document. No one should act upon the information contained in this document without having obtained appropriate and professional financial, investment, legal, tax and such other relevant advice as may be required in each instance. Sygnia Asset Management is a licensed financial services provider (FSP 873): 7th Floor, the Foundry, Cardiff Street, Green Point, 8001 Tel: (021) 446 4940/Fax: (021) 446 4950

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 31 JULY 2025

MANAGER	PERCENTAGE
Ninety One Global Balanced Fund	33.4%
M&G Investments Global Balanced Fund	33.4%
Coronation Managed Portfolio	33.2%