

KZN MANAGED FUND

APRIL 2023

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

The fund can invest across all local and foreign asset classes. The fund makes use of a blend of three good quality asset managers who have been given fully discretionary global balanced mandates. These 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. A portion of the fund is managed on a strategic asset allocation basis, where the long term allocation between the various asset classes have been set, taking into account the fund's long term aim. Specialist asset managers have been appointed to manage each of the asset classes and have the freedom to select 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

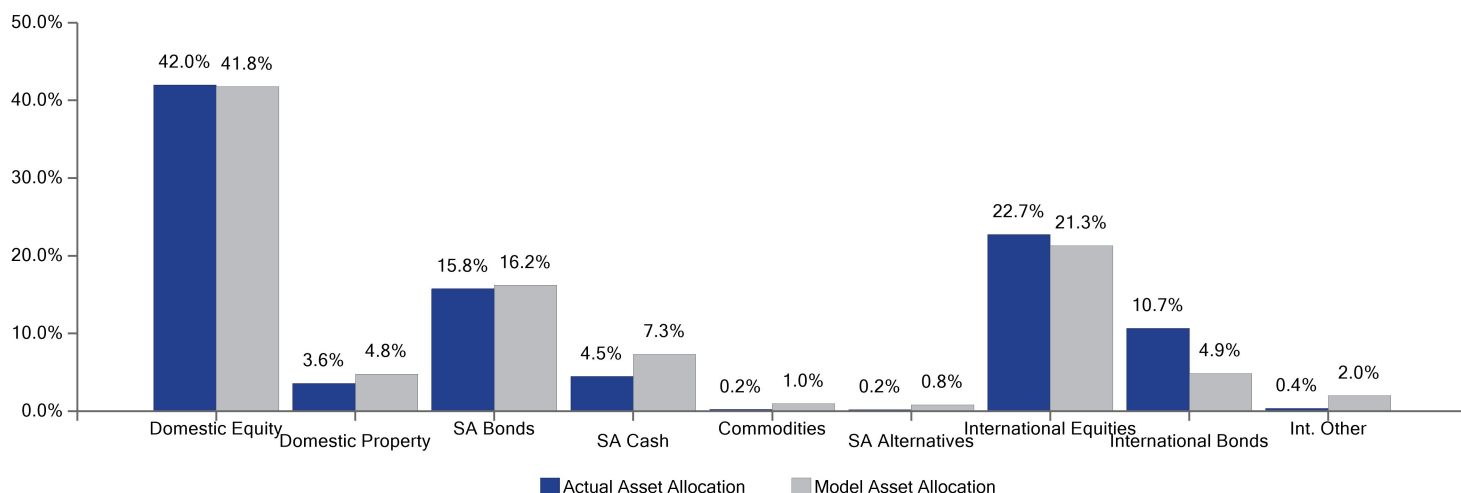
April offered a quiet reprieve from the black swan events of March. Falling US inflation, China's reopening and the abating European energy crisis have led to a pick-up in economic activity, as confirmed by the JP Morgan Global Composite PMI, which has been on the uptrend year to date. However, the World Economic Outlook of the International Monetary Fund lowered its global growth fall to 2.8% in 2023, with advanced economies growing at a paltry 1.3%.

China has urged the US to assess the spill over effects of its economic policies, with the Chinese Ministry of Foreign Affairs describing them as the "biggest challenge to global financial stability". Weaker-than-expected tax collections in the US have brought forward the debt ceiling's so-called X-date to somewhere in July. Japan, the ultra-accommodative policy game's forgotten player, is still sitting on a \$3 trillion pile of cheap money; Governor Ueda has little choice but to unwind Kuroda's experiment and potentially set off a flow-reversal shockwave. South Africans are reeling, with the last nine rate hikes seeing consumers paying 35% more on their home loans since the rate hike cycle started in late 2021. Finally, in global energy markets OPEC cut its output target again, by 1 million barrels per day. While this led to a temporary bounce in the oil price, production is far above quota. This demonstrates that targeting a cut and enforcing a cut are two different things.

The long-term effects of Covid, aggressive monetary intervention and geo-fragmentation are expected to push global GDP potential to a three-decade low by 2030. The IMF has warned that the global five-year growth outlook is at its weakest since 1990 - not surprisingly, given that world debt is close to record highs. The IMF estimates that trade fragmentation in the wake of events like Brexit, the US-China trade war and the Russian invasion of Ukraine could make the global economy 7% smaller than it would otherwise have been. Geopolitical risk remains high and we continue to expect heightened volatility. In the short term, market focus will be on when the Fed is expected to stop hiking rates. On average, markets have rallied from this point in the past.

The FTSE/JSE CAPPED SWIX Index increased by 3.4%, Industrials were up 3.2% and Financials improved by 3.3%. The JSE All Bond Index declined by 1.1%, while the rand depreciated by 3.1% relative to the US dollar.

ACTUAL ASSET ALLOCATION



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KZN

MUNICIPAL PENSION FUND

FUND SUMMARY AS AT 30 APRIL 2023

STATISTIC	FUND	BENCHMARK
% Positive Months	63.3%	66.7%
% Negative Months	36.7%	33.3%
Worst Month	-11.0%	-10.5%
Best Month	10.4%	9.7%
Average Return	0.8%	0.7%
Median Return	1.1%	1.0%
Maximum Drawdown	-15.1%	-14.8%

PERFORMANCE ANALYSIS TO 30 APRIL 2023

PERIOD	FUND	BENCHMARK
1 Month	2.1%	2.5%
3 Months	0.0%	1.2%
6 Months	10.2%	10.7%
Year to Date	6.3%	7.3%
1 Year	10.4%	10.7%
3 Years	14.7%	14.1%
5 Years	8.8%	8.5%
Since Inception	10.6%	10.2%

Inception Date: 31 August 2012. Returns prior to inception are backtested.
Returns are net of the TIC.

FEES

	PERCENTAGE
Total Expense Ratio (TER)	0.63% (Dec 2022)
Transaction Costs (TC)	0.12% (Dec 2022)
Total Investment Charge (TIC)	0.75% (Dec 2022)

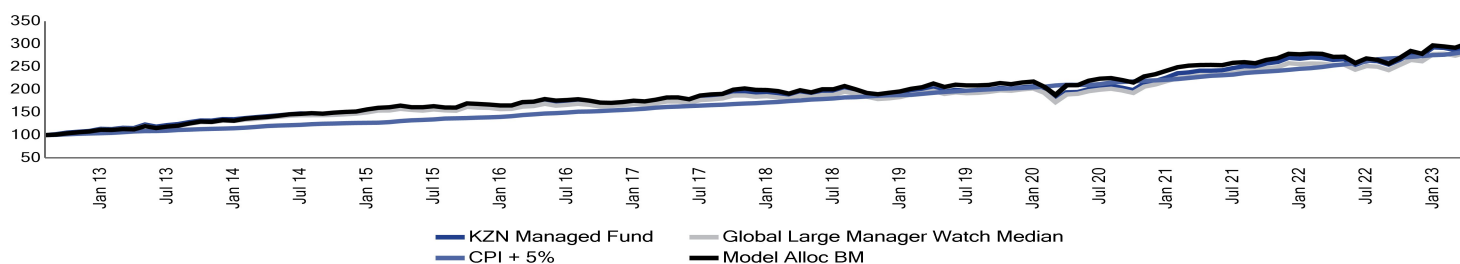
BENCHMARK COMPOSITION

The fund benchmark is a composite benchmark consisting of: 95% Global Large Manager Watch Median, 1.4% Capped SWIX, 1.6% ALBI, 2% SAPY

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2021	3.4%	4.2%	0.8%	1.6%	0.0%	0.4%	2.0%	1.6%	-0.3%	2.8%	1.2%	3.6%	23.3%
2022	-0.8%	1.1%	-0.4%	-1.6%	0.6%	-4.5%	3.5%	-0.3%	-2.9%	4.1%	4.9%	-1.2%	2.0%
2023	6.3%	-0.4%	-1.6%	2.1%									6.3%

CUMULATIVE INVESTMENT PERFORMANCE



DISCLAIMER

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CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2020	6.8%	5.4%
2021	23.3%	22.0%
2022	2.0%	1.7%

MANAGER ALLOCATION 30 APRIL 2023

MANAGER	PERCENTAGE
Coronation - Global Balanced	19.6%
Ninety One Global Balanced Fund	19.6%
M&G - Global Balanced	19.6%
BlackRock - International Equity	7.2%
Argon SA Equity Fund	4.9%
Mergence Equity (Swix) Fund	3.9%
MAZI Capital SA Equity (Swix) Fund	3.8%
KZN Satrix SWIX Portfolio	3.0%
Coronation - SA Cash	2.0%
Coronation Absolute Bond - SA Bonds	1.9%
Lima Mbeu Equity Portfolio	1.9%
Mianzo Capped Swix Active Equity Fund	1.9%
M&G Global Bond Fund	1.7%
BlackRock MSCI Emerging Market Equity	1.2%
Vunani	1.2%
MSM Property Fund (Pty) LTD	1.1%
P1 Finance PLC (listed bond)	0.9%
Stanlib Bond Fund	0.8%
AFI Private Markets Fund	0.8%
Prescient Clean energy & Infrastructure Debt I	0.5%
ATA Fund 3	0.4%
SPDR S&P Kensho New Economies Composite ETF	0.4%
SMMI Positive Return Fund Three B11	0.4%
STANLIB Property Income Fund Class B3	0.4%
Prescient Clean energy & Infrastructure Debt II	0.2%
Old Mutual - SA Private Equity	0.2%
Vuna	0.2%
Mahlako Energy Fund I Partnership	0.2%
Transition Portfolio	0.1%
Avior Currency Hedge	-0.1%