KZN MONEY MARKET FUND

JULY 2023

The KZN Money Market Fund is a low risk fund that aims to achieve above average money market returns that perform in line with or slightly better than inflation over time.

The fund invests only in money market instruments and cash. Specialist asset managers are appointed to select the best money market instruments to investment in and the fund maintains a high degree of liquidity and capital preservation.

The fund has little or no chance of capital loss and is not expected to achieve any significant real growth of capital over the long-term. As a result, the fund is best suited to members who have a very short term (1 year or less) investment horizon. This fund is not appropriate for long term investing.

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

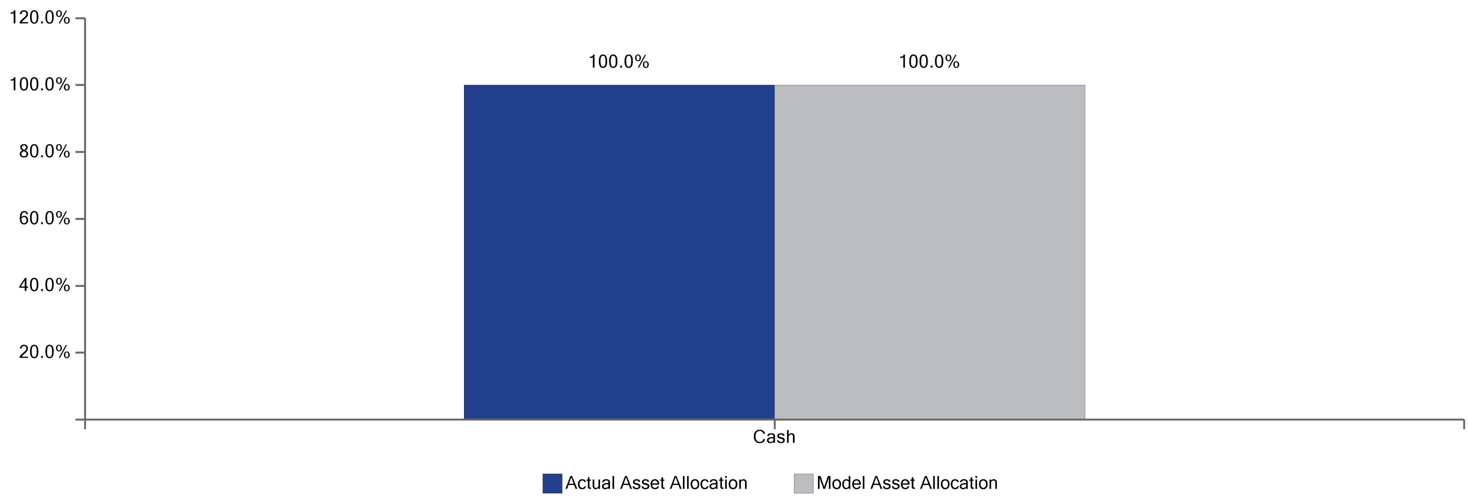
MONTHLY COMMENTARY

Global markets rallied on more good news about inflation and the prospects of a soft landing. The International Monetary Fund's July World Economic Outlook was slightly more upbeat than April, with global growth revised up to 3% for 2023 and 2024. Inflation is coming down and should continue to do so (though not in a straight line). This is positive for markets, as it suggests that central banks may not need to raise interest rates as aggressively as expected. Copper confirmed the stronger economic growth prospects by rising to a two-month high, and the US dollar index weakened to below the key 100 level as investors priced in faster rate cuts next year. The United Nations warned of soaring global public debt, which reached a record $92 trillion - the consequence of vicious public debt growth through Covid is that 3.3 billion people now live in countries where interest payments exceed spending on healthcare or education. The rate hikes over the last year will take effect eventually, and investor outlook on the market is at its most divided in twenty years.

The outlook for markets is uncertain. China's reduced demand for capital investment relative to available domestic savings has pushed domestic interest rates to low levels and reduced pricing power, making China a source of global deflationary pressure. This has been good for global inflation, as the price of imported Chinese goods has fallen. The good news on inflation is a positive sign, and markets may rally further in the coming months before the lagged impacts of tightening take effect. However, the short-term resilience we anticipated in the US is likely coming to an end. The stock of excess household savings built up during the pandemic should be exhausted in the next few months, and consumer credit growth peaked eight months ago. Thirty-day delinquency rates for credit cards and home equity lines of credit are also rising. The outlook has never been so divided, but inflation appears to be under control and growth remains resilient. The developed world economy will slow towards the end of the year. The biggest risk is that as inflation and growth slow enough for rate cuts to begin, renewed geopolitical risks will push up energy and food prices and force rate hikes, crushing the globe into a deep recession.

The FTSE/JSE CAPPED SWIX Index increased by 4.1%, Industrials were up 2.8% and Financials rose by 7.9%. The JSE All Bond Index climbed by 2.3%, while the rand appreciated by 5.9% relative to the US dollar.

ACTUAL ASSET ALLOCATION



FRONT OFFICE CONTACT DETAILS

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KZN MUNICIPAL PENSION FUND

FUND SUMMARY AS AT 31 JULY 2023

STATISTIC	FUND	BENCHMARK
% Positive Months	100.0%	100.0%
% Negative Months	0.0%	0.0%
Worst Month	0.3%	0.3%
Best Month	0.8%	0.7%
Average Return	0.6%	0.5%
Median Return	0.6%	0.5%
Maximum Drawdown	0.0%	0.0%

PERFORMANCE ANALYSIS TO 31 JULY 2023

PERIOD	FUND	BENCHMARK
1 Month	0.8%	0.7%
3 Months	2.3%	2.0%
6 Months	4.3%	3.8%
Year to Date	5.1%	4.4%
1 Year	8.2%	7.0%
3 Years	6.0%	5.0%
5 Years	6.8%	5.8%
Since Inception	7.7%	6.8%

Inception Date: 01 July 2007. Returns prior to inception are backtested.
Returns are net of the TIC.

FEES

	PERCENTAGE
Total Expense Ratio (TER)	0.16% (Mar 2023)
Transaction Costs (TC)	0.00% (Mar 2023)
Total Investment Charge (TIC)	0.16% (Mar 2023)

BENCHMARK COMPOSITION

KZN Money Market Fund Benchmark

CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2018	8.7%	7.3%
2019	8.3%	7.3%
2020	6.2%	5.4%
2021	4.8%	3.8%
2022	6.0%	5.2%

MANAGER ALLOCATION 31 JULY 2023

MANAGER	PERCENTAGE
Coronation - SA Cash	99.9%
Cash	0.1%

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2018	0.8%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.7%	8.7%
2019	0.7%	0.6%	0.6%	0.7%	0.7%	0.6%	0.7%	0.7%	0.6%	0.7%	0.6%	0.7%	8.3%
2020	0.7%	0.6%	0.7%	0.7%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	6.2%
2021	0.4%	0.3%	0.5%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	4.8%
2022	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%	0.5%	0.6%	0.6%	0.7%	6.0%
2023	0.7%	0.6%	0.7%	0.6%	0.7%	0.8%	0.8%						5.1%

CUMULATIVE INVESTMENT PERFORMANCE