

KZN MONEY MARKET FUND

OCTOBER 2025

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

Markets faced a series of challenges in October but still surged to new highs. The US government was shut down for the month, with the Congressional Budget Office estimating the cost at \$18 billion. Markets whipsawed on developments in the US-China trade conflict, where Beijing tightened rare earth export restrictions and President Trump subsequently threatened an additional 100% tariff on Chinese imports. Following Trump's statement to this effect on 10 October, the crypto market experienced the largest liquidation event in its history, wiping out over \$19 billion across 1.6 million traders. Bitcoin fell sharply from \$125 000 to a low of \$102 000, most likely magnified by holders of perpetual futures being forced to liquidate. US equities fell 3.5%, but traditional safe havens rallied, including gold, US bonds, the US dollar and the Japanese yen.

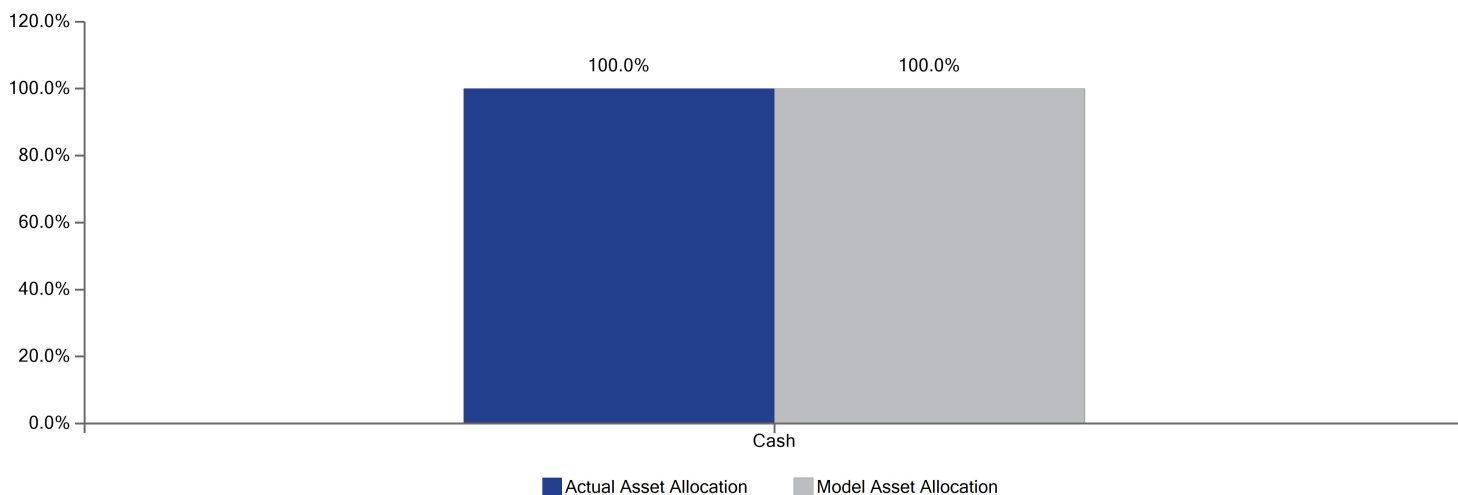
Oil jumped 5% after the US announced sanctions on Russia for the first time since Trump's return to the White House. On the same day, the European Union agreed on a 19th sanctions package against Moscow that will ban imports of Russian liquified natural gas (LNG) from 2027 - its first-ever ban on Russian LNG imports.

In addition to oil price and tariff risks to inflation, a recent Department of Labour report suggests that 42% of agricultural workers may be unable to enter the US because they would be subject to removal by Immigration and Customs Enforcement (ICE) or would leave the workforce. Food prices could thus rise much faster than their current elevated rate of 3.2%. As expected, the Fed cut interest rates by 25 bps to the 3.75-4% range, but Fed Chair Jerome Powell stated that a December cut was not guaranteed. "A further reduction in the policy rate at the December meeting is not a foregone conclusion," Powell said. "Far from it."

According to the International Monetary Fund, the global economy is expected to grow by 3.2% this year, up from the 3% predicted in July. The upgraded forecast is largely due to a burst in activity as companies and households rushed to get goods in anticipation of high tariffs. However, growth for next year was downgraded to 3.1% as the impact of high levies began to be felt.

The FTSE/JSE Capped SWIX Index improved by 1.8%, while Industrials and Financials rose by 1.7% and 8.4%. The JSE All Bond Index increased by 2.6% and the Rand weakened 0.5% against the Dollar.

ACTUAL ASSET ALLOCATION AS AT 30 SEPTEMBER 2025



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KZN
MUNICIPAL PENSION FUND
Together We Grow Your Wealth

FUND SUMMARY AS AT 31 OCTOBER 2025

STATISTIC	FUND	BENCHMARK
% Positive Months	100.0%	100.0%
% Negative Months	0.0%	0.0%
Worst Month	0.3%	0.3%
Best Month	0.9%	0.7%
Average Return	0.6%	0.5%
Median Return	0.7%	0.6%
Maximum Drawdown	0.0%	0.0%

PERFORMANCE ANALYSIS TO 31 OCTOBER 2025

PERIOD	FUND	BENCHMARK
1 Month	0.7%	0.6%
3 Months	2.1%	1.8%
6 Months	4.3%	3.6%
Year to Date	7.4%	6.3%
1 Year	9.0%	7.7%
3 Years	9.2%	8.0%
5 Years	7.6%	6.5%
Since Inception	7.9%	7.0%

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

FEES

	PERCENTAGE
Total Expense Ratio (TER)	0.21% (Jun 2025)
Transaction Costs (TC)	0.00% (Jun 2025)
Total Investment Charge (TIC)	0.21% (Jun 2025)

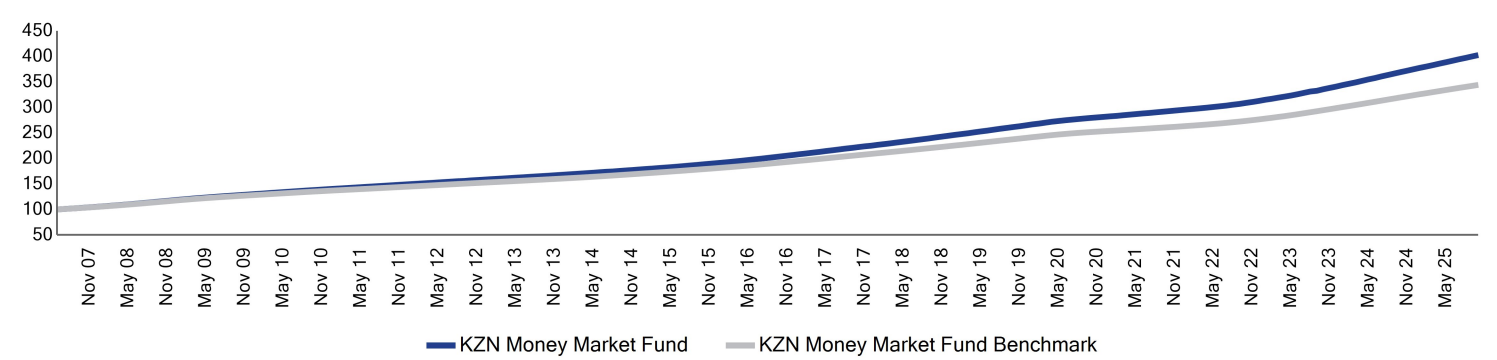
BENCHMARK COMPOSITION

KZN Money Market Fund Benchmark

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%	0.8%	0.4%	0.9%	0.8%	0.8%	9.0%
2024	0.9%	0.8%	0.8%	0.9%	0.8%	0.7%	0.9%	0.8%	0.8%	0.8%	0.7%	0.8%	10.0%
2025	0.8%	0.7%	0.7%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%			7.4%

CUMULATIVE INVESTMENT PERFORMANCE



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CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2020	6.2%	5.4%
2021	4.8%	3.8%
2022	6.0%	5.2%
2023	9.0%	8.0%
2024	10.0%	8.5%

MANAGER ALLOCATION 30 SEPTEMBER 2025

MANAGER	PERCENTAGE
Taquantia Core Cash - KZN Municipal Pension Fund	49.9%
Coronation - SA Cash	49.9%
Cash	0.1%