

KZN ISLAMIC FUND

DECEMBER 2025

The KZN Islamic Fund is a moderately aggressive fund that aims to provide steady long term returns and capital growth.

The fund is invested in a wide variety of domestic and international asset classes such as equity, sukuks and listed property. 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.

The underlying investments will comply with Sharia requirements as prescribed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as well as the prudential investment guidelines set out in Regulation 28 of the Pensions Funds Act.

Due to its relatively high allocation to growth assets, 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.

This fund is suitable for Muslim investors requiring a Sharia-compliant portfolio appropriate for retirement schemes.

MONTHLY COMMENTARY

Global markets closed out 2025 against a backdrop of diverging growth dynamics and a notably weaker US dollar. President Trump's punitive tariff regime disrupted global trade flows, while the resulting 10% decline in the US dollar - its weakest annual performance since 2017 - emerged as a key driver of market performance across asset classes.

Monetary policy and reciprocal tariffs dominated investor focus in the US. Following three interest rate cuts in 2024, the Federal Reserve delivered a further 75 basis points of easing in 2025, supporting equity markets and contributing to ongoing dollar weakness. This accommodative stance appears set to continue, with current Fed Chair Jerome Powell expected to be replaced by Kevin Hassett, a perceived Trump loyalist, who has indicated that he sees no tariff-related threat to the Federal Reserve's 2% inflation target.

Over the year, strong US equity market returns were underpinned by resilient corporate earnings and continued enthusiasm around artificial intelligence-related investment. While market leadership broadened modestly beyond mega-cap technology stocks, performance continued to largely be driven by companies at the forefront of the AI revolution. For South African investors, however, the strong 16% US dollar return from the S&P 500 was significantly diluted by the 14% appreciation of the rand, reducing returns to 2.2% in local currency terms.

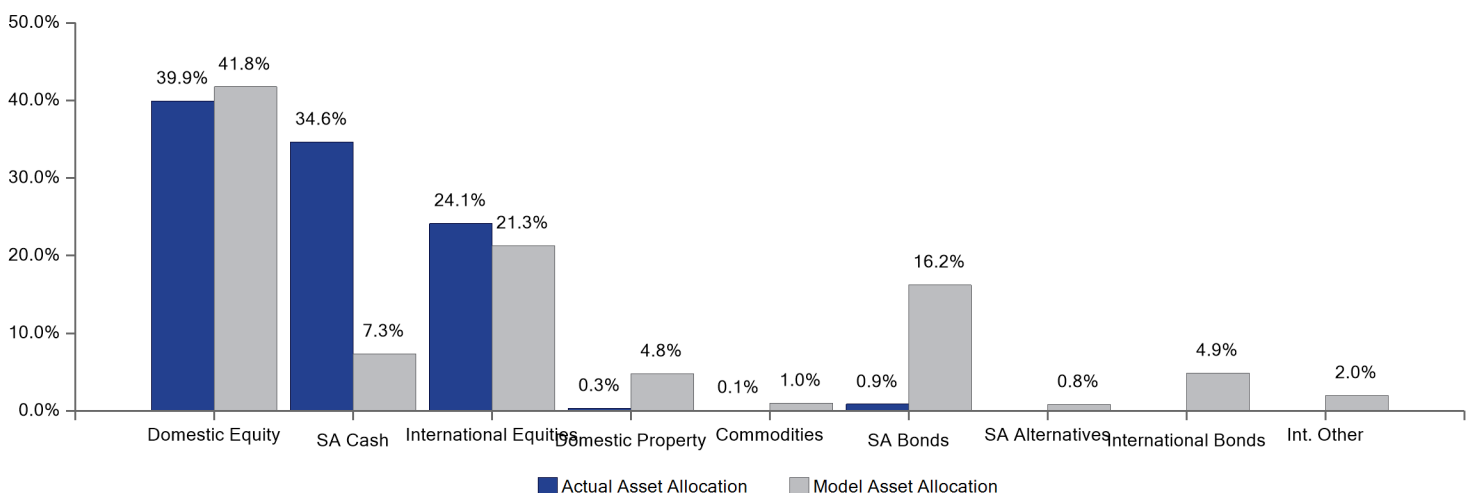
The strengthening rand coincided with a powerful rally in commodity markets. Gold and silver recorded their strongest annual gains since 1979, while copper rose by the most in a decade. This commodity-led momentum propelled the FTSE/JSE Capped All Share Index to a 43% return for the year, delivering another period in which domestic assets outperformed their global counterparts. The JSE All Bond Index gained 24.2% - the second consecutive year of strong double-digit returns for the domestic bond market.

Emerging markets also benefited from the weaker US dollar, with the MSCI Emerging Markets Index returning 17.3% in rand terms, outperforming the MSCI World Index by 11% for the year.

Looking ahead to 2026, investors face an environment of uncertain global growth and divergent inflation dynamics. With the US cutting rates while more hawkish sentiment prevails elsewhere, conditions appear supportive of a delay in any meaningful US dollar recovery.

The FTSE/JSE Capped SWIX Index improved by 4.6%, while Industrials gained 1.8% and Financials rose 7.3%. The JSE All Bond Index increased by 2.7% and the Rand strengthened 3.3% against the Dollar.

ACTUAL ASSET ALLOCATION AS AT 30 SEPTEMBER 2025



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 DECEMBER 2025

STATISTIC	FUND	BENCHMARK
% Positive Months	70.0%	68.3%
% Negative Months	30.0%	31.7%
Worst Month	-4.8%	-5.0%
Best Month	5.0%	6.5%
Average Return	1.0%	0.9%
Median Return	0.8%	1.1%
Maximum Drawdown	-6.1%	-9.5%

PERFORMANCE ANALYSIS TO 31 DECEMBER 2025

PERIOD	FUND	BENCHMARK
1 Month	2.6%	1.8%
3 Months	5.4%	4.6%
6 Months	12.4%	10.9%
Year to Date	19.0%	18.8%
1 Year	19.0%	18.8%
3 Years	12.8%	14.7%
5 Years	12.4%	11.5%
Since Inception	8.3%	8.2%

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

FEES

	PERCENTAGE
Total Expense Ratio (TER)	1.13% (Sept 2025)
Transaction Costs (TC)	0.10% (Sept 2025)
Total Investment Charge (TIC)	1.23% (Sept 2025)

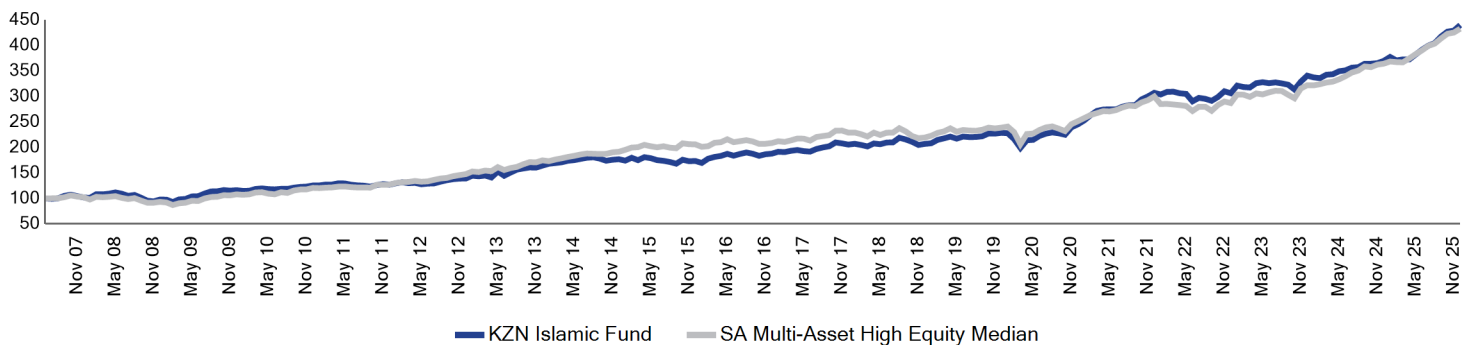
BENCHMARK COMPOSITION

SA Multi-Asset High Equity Median

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2020	-0.4%	-5.0%	-8.1%	7.6%	0.4%	3.6%	2.0%	1.1%	-0.8%	-1.2%	6.4%	2.4%	7.2%
2021	3.2%	4.1%	3.2%	1.0%	0.2%	-0.1%	2.0%	1.0%	0.1%	4.0%	2.0%	2.4%	25.3%
2022	-1.1%	1.6%	0.1%	-1.0%	-0.4%	-4.8%	2.3%	-0.6%	-1.3%	2.6%	3.7%	-1.2%	-0.3%
2023	4.9%	-0.9%	-0.3%	2.7%	0.6%	-0.6%	0.5%	-0.6%	-0.8%	-2.9%	5.0%	3.5%	11.2%
2024	-1.0%	-0.4%	2.0%	0.3%	1.7%	0.5%	1.5%	0.3%	1.8%	0.1%	0.3%	1.2%	8.5%
2025	2.1%	-1.8%	0.6%	-0.1%	2.6%	2.5%	2.1%	1.3%	3.2%	2.3%	0.5%	2.6%	19.0%

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
2020	7.2%	5.3%
2021	25.3%	19.3%
2022	-0.3%	-4.3%
2023	11.2%	12.2%
2024	8.5%	13.1%
2025	19.0%	18.8%

MANAGER ALLOCATION 30 SEPTEMBER 2025

MANAGER	PERCENTAGE
Camissa - Islamic Balanced	50.8%
Old Mutual Albaraka Balanced Fund	49.0%
Cash	0.2%