

KZN MONEY MARKET FUND

DECEMBER 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

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.

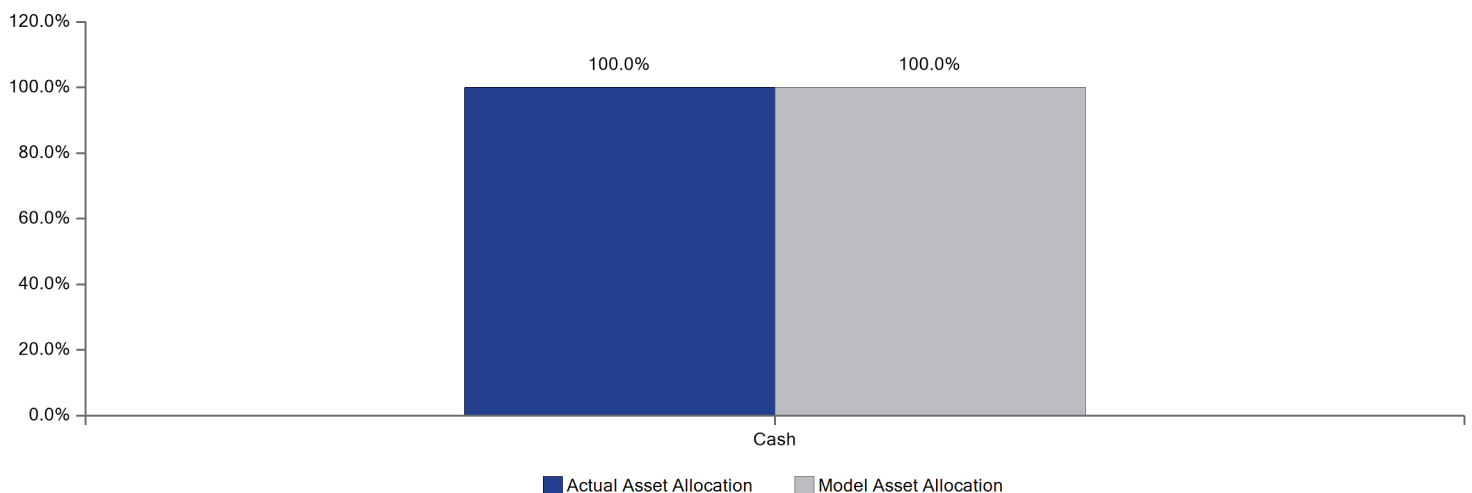
The strengthening rand coincided with a powerful rally in commodity markets. Gold and silver recorded their strongest annual gains since 1979, while copper rose by the most in a decade. This commodity-led momentum propelled the FTSE/JSE Capped All Share Index to a 43% return for the year, delivering 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



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KZN
MUNICIPAL PENSION FUND
Together We Grow Your Wealth

FUND SUMMARY AS AT 31 DECEMBER 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 DECEMBER 2025

PERIOD	FUND	BENCHMARK
1 Month	0.7%	0.6%
3 Months	2.0%	1.7%
6 Months	4.2%	3.5%
Year to Date	8.8%	7.4%
1 Year	8.8%	7.4%
3 Years	9.3%	8.0%
5 Years	7.7%	6.6%
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% (Sept 2025)
Transaction Costs (TC)	0.00% (Sept 2025)
Total Investment Charge (TIC)	0.21% (Sept 2025)

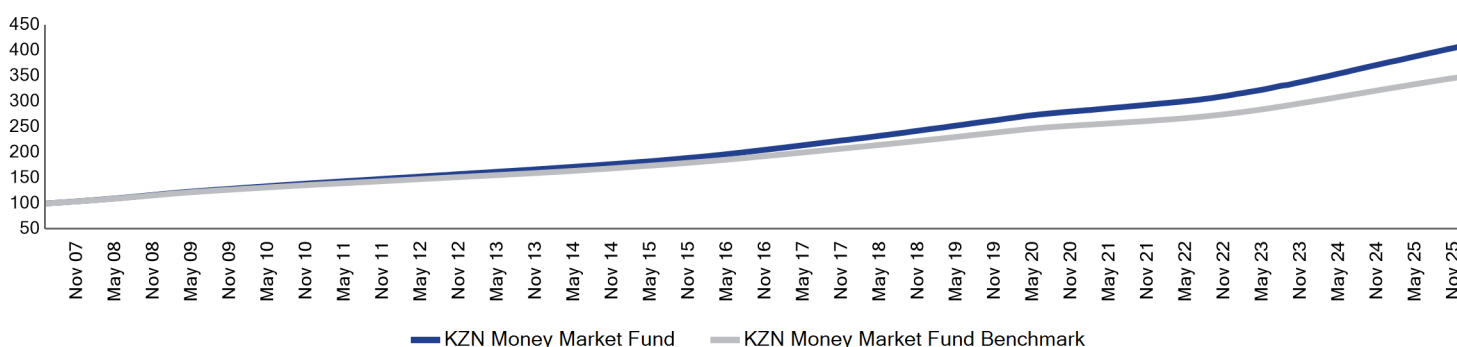
BENCHMARK COMPOSITION

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%	0.6%	0.7%	8.8%

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%
2025	8.8%	7.4%

MANAGER ALLOCATION 30 SEPTEMBER 2025

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