

KZN ISLAMIC FUND

JANUARY 2026

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

Metal and energy prices surged in January as investors navigated multiple global crises. Gold, silver, platinum, copper and tin reached new highs, while oil rebounded sharply. The rally stems from attacks on Federal Reserve (Fed) independence, tariff threats and escalating geopolitical tensions.

Fed under pressure: The Trump administration challenged the Federal Reserve's independence, prompting a weaker dollar and a flight to commodities. Fed Chair Jerome Powell faces potential criminal charges about a headquarters renovation project. Separately, media reports indicate that the Supreme Court justices are sceptical of Trump's arguments against Lisa Cook, suggesting she may remain on the Federal Open Market Committee and easing concerns about Fed independence.

Oil rallies on Iranian crisis: Brent crude climbed above \$70 per barrel amid Middle East supply fears. Mass protests have erupted across Iran. Trump suggested "very strong options", including military action, and he announced a 25% tariff on any nation trading with Iran. Risks of a US strike on Iran are likely to sustain risk premia on oil prices after the arrival of the US aircraft carrier USS Abraham Lincoln and three warships in the Middle East.

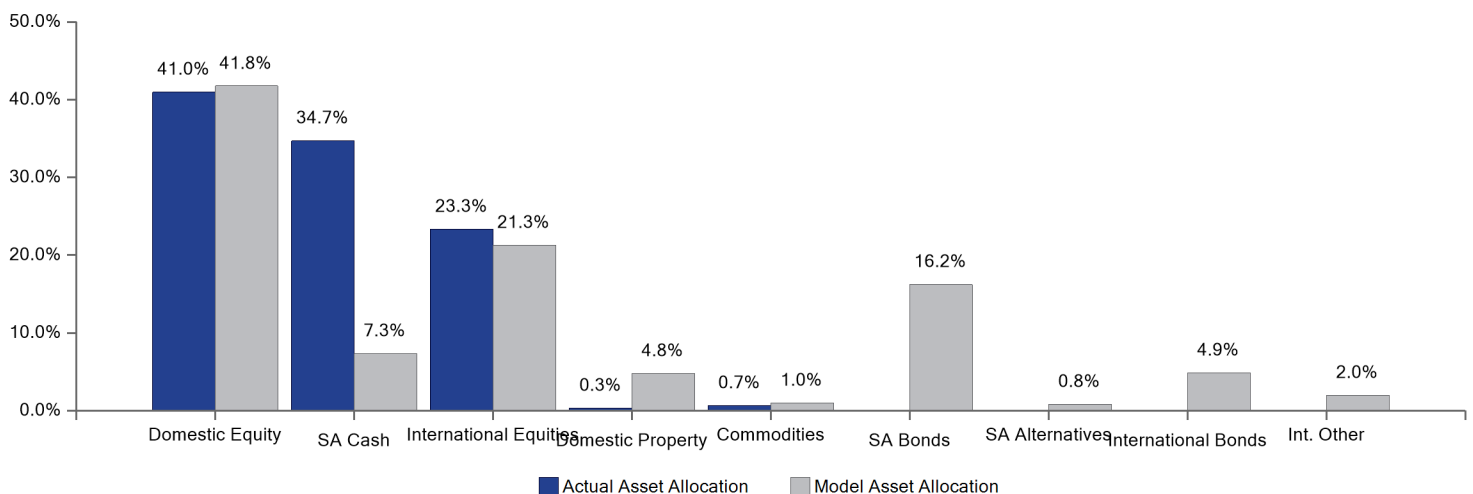
Resource control disputes: Two separate conflicts have highlighted the growing importance of resource control.

- **Greenland:** Greenland holds strategic rare-earth deposits and military base locations. After threats to buy, annex or invade Greenland, Trump backed down on using force and retreated on proposed tariffs against European nations who opposed him. Trump still wants Greenland and claimed a "framework of a future deal".

- **Venezuela:** Following the US's capture of Nicolás Maduro, Venezuelan leader María Corina Rodríguez agreed to provide the US with exclusive access to their oil. Challenges remain, however, as Maduro loyalists retain influence and reviving output to pre-2019 levels of about 2 million barrels/day would require major Western investment.

The International Monetary Fund lifted its global growth forecast for 2026 to 3.3% (from 3.1% in its October World Economic Outlook (WEO) update) due to stronger-than-expected AI tech investments. Above-trend global GDP growth should persist in the first half of 2026 as recovering business sentiment boosts job gains and non-tech business spending. With improving global growth, the equity bull market is continuing, but it is no longer in its early stages. Increased volatility and sharp corrections are likely in the first half of 2026. The FTSE/JSE CAPI Index improved by 3.9%, while Industrials lost 3.8% and Financials rose 2.9%. The JSE All Bond Index increased by 2.0% and the Rand strengthened 3.2% against the Dollar.

ACTUAL ASSET ALLOCATION AS AT 31 DECEMBER 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 JANUARY 2026

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 JANUARY 2026

PERIOD	FUND	BENCHMARK
1 Month	3.2%	2.1%
3 Months	6.3%	4.6%
6 Months	13.6%	10.8%
Year to Date	3.2%	2.1%
1 Year	20.3%	20.0%
3 Years	12.2%	13.3%
5 Years	12.4%	11.4%
Since Inception	8.5%	8.3%

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)

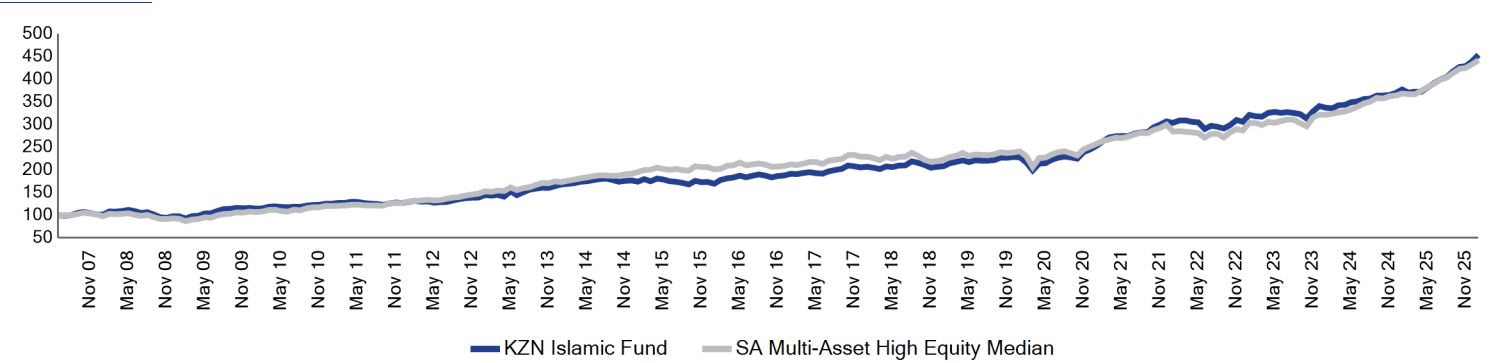
BENCHMARK COMPOSITION

SA Multi-Asset High Equity Median

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%
2026	3.2%												3.2%

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
2021	25.3%	19.3%
2022	-0.3%	-4.3%
2023	11.2%	12.2%
2024	8.5%	13.1%
2025	19.0%	18.9%

MANAGER ALLOCATION 31 DECEMBER 2025

MANAGER	PERCENTAGE
Camissa - Islamic Balanced	51.2%
Old Mutual Albaraka Balanced Fund	48.8%
Cash	0.1%