

# KZN MONEY MARKET FUND

JANUARY 2026

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

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.

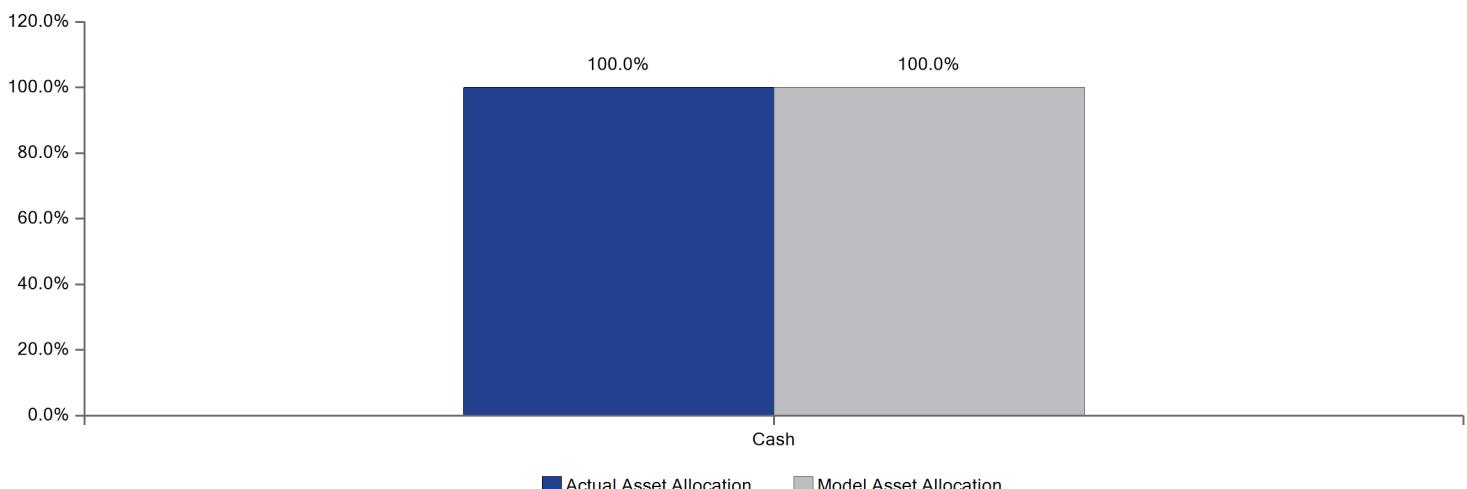
**Oil rallies on Iranian crisis:** Brent crude climbed above \$70 per barrel amid Middle East supply fears. Mass protests have erupted across Iran. Trump suggested "very strong options", including military action, and he announced a 25% tariff on any nation trading with Iran. Risks of a US strike on 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

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## FUND SUMMARY AS AT 31 JANUARY 2026

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 JANUARY 2026

PERIOD	FUND	BENCHMARK
1 Month	0.7%	0.6%
3 Months	2.0%	1.7%
6 Months	4.1%	3.5%
Year to Date	0.7%	0.6%
1 Year	8.7%	7.3%
3 Years	9.2%	8.0%
5 Years	7.8%	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)

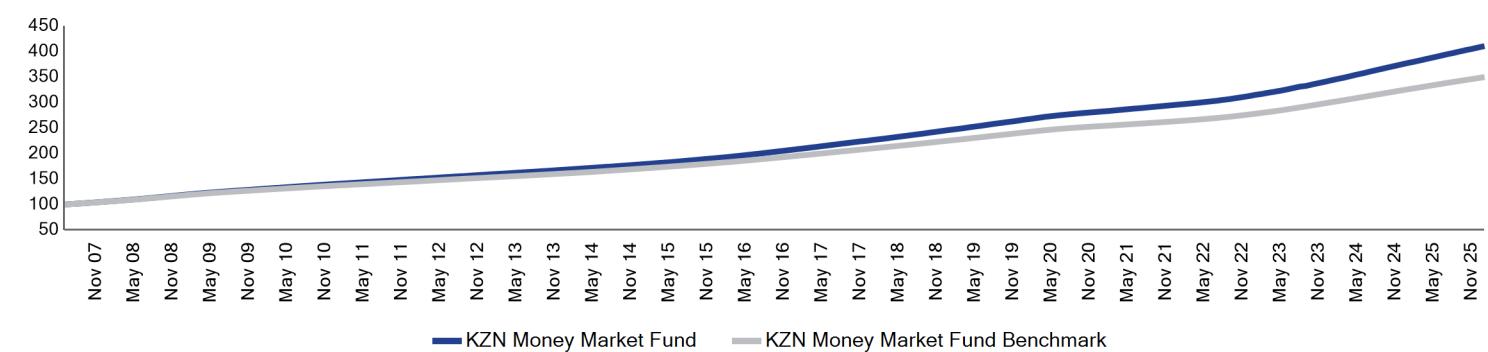
## BENCHMARK COMPOSITION

KZN Money Market Fund Benchmark

## HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%
2026	0.7%												0.7%

## CUMULATIVE INVESTMENT PERFORMANCE



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