

# KZN MANAGED FUND

MARCH 2026

The KZN Managed Fund is a moderately aggressive fund that aims to achieve above average returns over the longer term.

The fund can invest across all local and foreign asset classes. The fund makes use of a blend of three good quality asset managers who have been given fully discretionary global balanced mandates. These 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. A portion of the fund is managed on a strategic asset allocation basis, where the long term allocation between the various asset classes have been set, taking into account the fund's long term aim. Specialist asset managers have been appointed to manage each of the asset classes and have the freedom to select the most attractive securities to invest in within each asset class.

Due to its relatively high allocation to growth assets (such as local and foreign shares and private equity), 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.

The portfolio complies with the prudential investment guidelines set out in Regulation 28 of the Pensions Funds Act.

## MONTHLY COMMENTARY

Escalation between the US/Israel and Iran has driven crude oil to \$120 per barrel (/bbl). Equity, currency and bond markets across Europe and emerging economies have sold off sharply. The dollar has strengthened and gold has softened, reaffirming the dollar's safe-haven status in a high-geopolitical-risk environment.

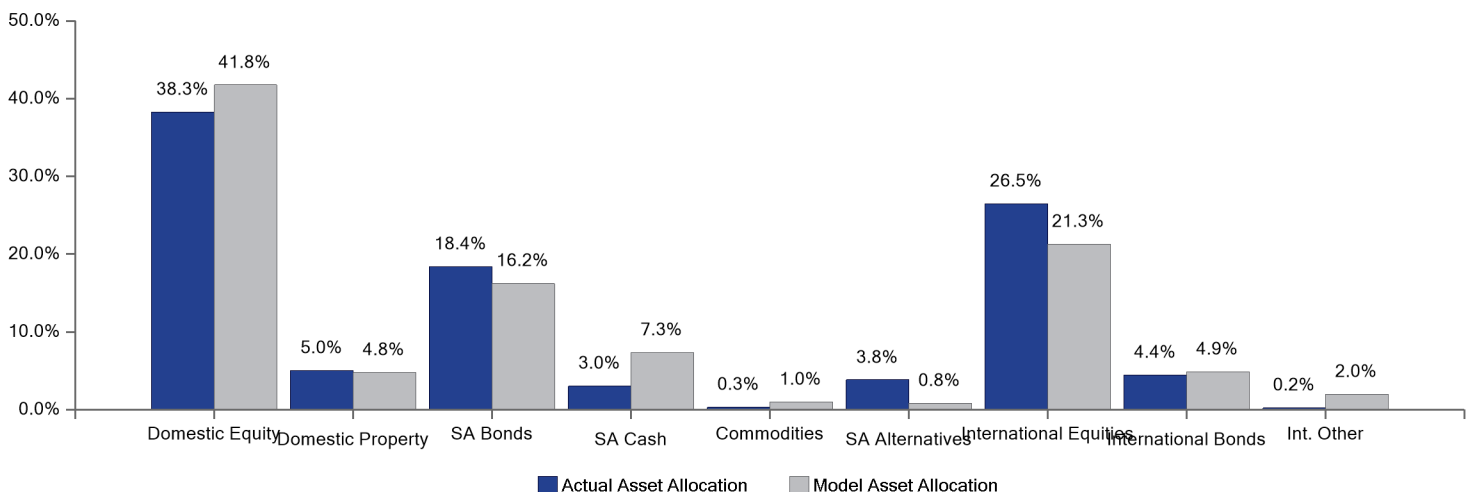
US forces have bombed Iran's Kharg Island, the country's principal crude export hub. Iran has struck its Gulf neighbours hard, removing 12 million barrels per day (mb/d) of supply and effectively closing the Strait and impeding the 20 mb/d that ordinarily transits it. In response, the International Energy Agency released 400 million barrels - larger than any prior drawdown. The US has also permitted purchases of sanctioned Russian oil, estimated at 124 million barrels. However, these measures combined amount to only 26 days of Hormuz-replacement supply. Yemen's Houthi militia have also officially entered the war, which threatens to close the key Bab al-Mandab Strait. Israel struck the Iranian portion of the South Pars/North Dome gas field, the largest gas field in the world, which it shares with Qatar. Iran retaliated with widespread attacks on oil and gas infrastructure, impairing 17% of Qatar's liquid natural gas capacity for three to five years.

Natural gas prices have almost doubled year-to-date. JPM research shows energy prices close to \$100/bbl through midyear (moderating towards \$80/bbl thereafter), which would raise consumer prices by 1.0% and reduce growth by 0.8%. The Strait of Hormuz also carries critical flows of chemical and petrochemical products whose supply impairment has global implications for food, agriculture and semiconductor manufacturing.

From a cyclical perspective, the key question is whether the oil shock will trigger a major global downturn. The answer will ultimately depend on the magnitude and duration of the energy shock. Historically, a sustained doubling of oil prices to around \$130 for two months has been the threshold for a recession. The US has strong incentives to seek a relatively swift resolution to the conflict in the Middle East, but it will take time for supply to return to the Strait even if a ceasefire happens immediately. Given the uncertainty of the outlook, we have reduced our overweight in emerging markets back to neutral, including South African equities.

The FTSE/JSE CAPI Index declined 10.6%, while Industrials lost 5.0% and Financials dropped 9.8%. The JSE All Bond Index retreated 6.8% and the Rand weakened 7.5% against the Dollar.

## ACTUAL ASSET ALLOCATION AS AT 31 DECEMBER 2025



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**KZN**  
MUNICIPAL PENSION FUND  
Together We Grow Your Wealth

## FUND SUMMARY AS AT 31 MARCH 2026

STATISTIC	FUND	BENCHMARK
% Positive Months	68.3%	71.7%
% Negative Months	31.7%	28.3%
Worst Month	-4.9%	-5.7%
Best Month	7.4%	7.3%
Average Return	1.0%	1.0%
Median Return	1.4%	1.3%
Maximum Drawdown	-6.2%	-5.8%

## PERFORMANCE ANALYSIS TO 31 MARCH 2026

PERIOD	FUND	BENCHMARK
1 Month	-4.9%	-5.7%
3 Months	-0.7%	-0.3%
6 Months	4.2%	4.5%
Year to Date	-0.7%	-0.3%
1 Year	19.1%	20.7%
3 Years	14.7%	15.1%
5 Years	12.7%	12.9%
Since Inception	11.4%	11.1%

Inception Date: 31 August 2012. Returns prior to inception are backtested. Returns are net of the TIC.

## FEES

	PERCENTAGE
Total Expense Ratio (TER)	0.59% (Dec 2025)
Transaction Costs (TC)	0.10% (Dec 2025)
Total Investment Charge (TIC)	0.69% (Dec 2025)

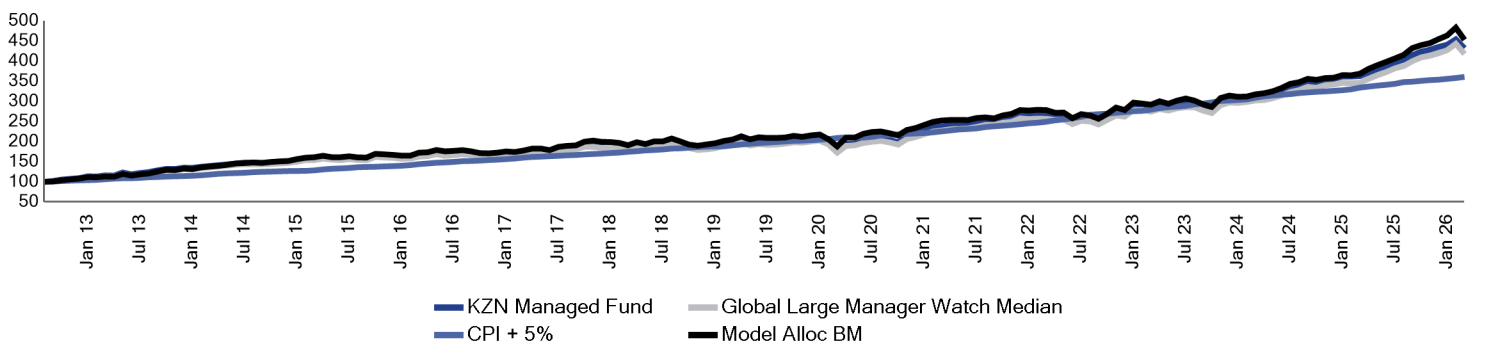
## BENCHMARK COMPOSITION

Global Large Manager Watch

## HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2021	3.4%	4.2%	0.8%	1.6%	0.0%	0.4%	2.0%	1.6%	-0.3%	2.8%	1.2%	3.6%	23.3%
2022	-0.8%	1.1%	-0.4%	-1.6%	0.6%	-4.5%	3.5%	-0.3%	-2.9%	4.1%	4.9%	-1.2%	2.0%
2023	6.3%	-0.4%	-1.6%	2.1%	-0.9%	2.1%	1.6%	-0.7%	-3.1%	-2.5%	7.4%	1.9%	12.3%
2024	-0.3%	0.8%	1.5%	0.7%	1.6%	1.8%	2.2%	1.4%	2.6%	-0.3%	1.3%	1.1%	15.2%
2025	1.6%	0.0%	0.3%	2.5%	2.3%	1.8%	2.5%	1.7%	2.7%	2.1%	1.2%	1.6%	22.2%
2026	1.3%	3.1%	-4.9%										-0.7%

## CUMULATIVE INVESTMENT PERFORMANCE



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## CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2021	23.3%	22.0%
2022	2.0%	1.7%
2023	12.3%	13.4%
2024	15.2%	15.0%
2025	22.2%	22.7%

## TOP 10 MANAGER ALLOCATION 31 DECEMBER 2025

MANAGER	PERCENTAGE
iShares Developed World Index Fund	12.5%
Coronation Managed Portfolio	10.4%
M&G Investments Global Balanced Fund	10.4%
Ninety One Global Balanced Fund	10.3%
Argon SA Equity Fund	9.8%
Mianzo Capped Swix Active Equity Fund	7.7%
KZN Satrix SmartCore Portfolio	5.0%
Vunani	3.7%
Lima Mbeu Equity Portfolio	2.2%
Coronation Absolute Bond - SA Bonds	2.2%
Other	25.8%