

# KZN MONEY MARKET FUND

MARCH 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

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.

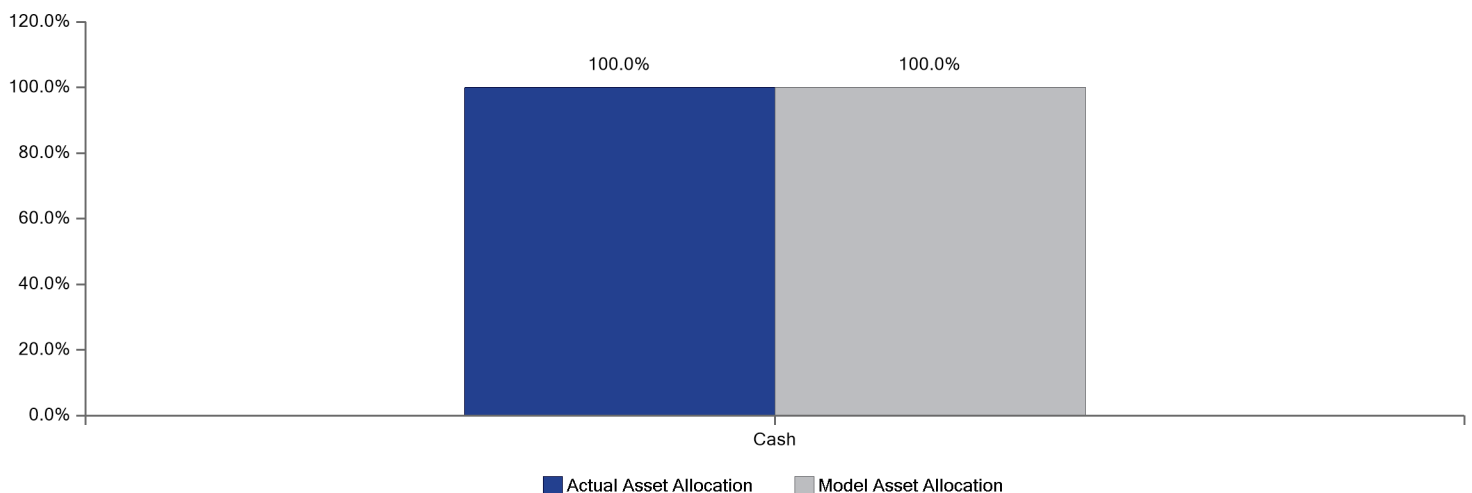
US forces have bombed Iran's Kharg Island, the country's principal crude export hub. Iran has struck its Gulf neighbours hard, removing 12 million barrels per day (mb/d) of supply and effectively closing the Strait and impeding the 20 mb/d that ordinarily transits it. In response, the International Energy 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



### FRONT OFFICE CONTACT DETAILS

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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	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 MARCH 2026

PERIOD	FUND	BENCHMARK
1 Month	0.6%	0.6%
3 Months	1.9%	1.6%
6 Months	4.0%	3.4%
Year to Date	1.9%	1.6%
1 Year	8.6%	7.2%
3 Years	9.2%	7.9%
5 Years	7.9%	6.7%
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% (Dec 2025)
Transaction Costs (TC)	0.00% (Dec 2025)
Total Investment Charge (TIC)	0.21% (Dec 2025)

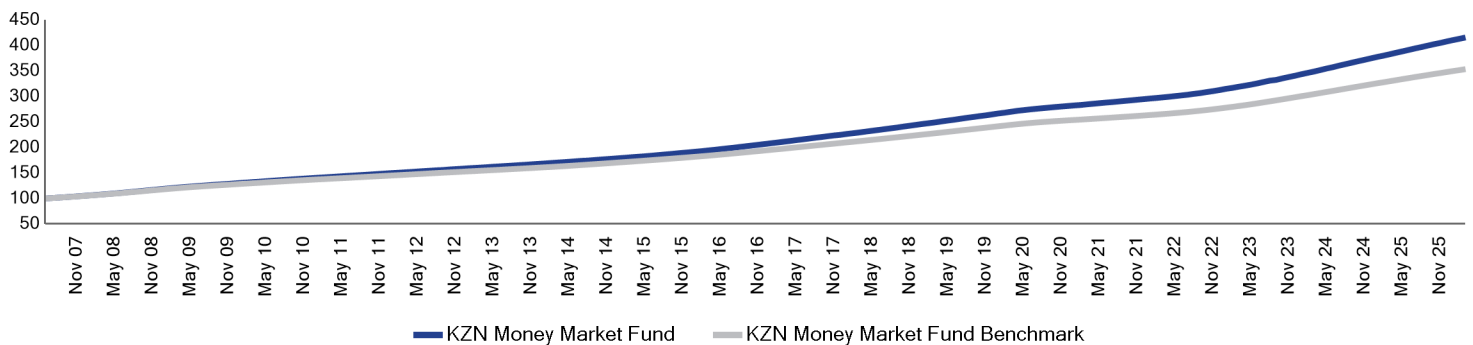
## BENCHMARK COMPOSITION

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%	0.6%	0.6%										1.9%

## CUMULATIVE INVESTMENT PERFORMANCE



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## CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
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 31 DECEMBER 2025

MANAGER	PERCENTAGE
Taquanta Core Cash - KZN Municipal Pension Fund	49.9%
Coronation - SA Cash	49.9%
Cash	0.2%