

KZN MODERATE FUND

APRIL 2026

The KZN Moderate Fund is a 50% / 50% combination of the KZN Managed Fund and KZN Defensive Fund. It is a fund with moderate risk that aims to deliver real growth but with less volatility.

The portfolio is well diversified and invests across all local and foreign asset classes and makes use of good quality balanced asset managers and specialist asset managers within certain asset classes.

Over the longer term returns are expected to be less volatile but at the same time lower than for a typical balanced fund, because of the 50% exposure to the KZN Defensive Fund.

Due to its moderate allocation to growth assets, the fund has a moderate chance of capital loss in the short term, but is expected to achieve real growth of capital over the long-term, albeit lower than that of a typical balanced fund. As a result, the fund is best suited to members who have medium term (3-5 years) investment horizon.

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

MONTHLY COMMENTARY

Markets broke to new highs last week, driven by two reinforcing forces: geopolitical de-escalation and strong momentum in artificial intelligence (AI). The key catalysts both occurred on 7 April, when the US announced a ceasefire in the Middle East and Anthropic unveiled its latest model, Mythos, reigniting investor appetite for AI-related themes. The strength within the theme has been striking - 74% of AI-related stocks have subsequently outperformed the broader market. Overall S&P 500 breadth has narrowed to just 26%, however - a dangerously low level. The divergence is telling: this is not a broad-based bull market but a theme-driven rally resting on a narrow and concentrated leadership base.

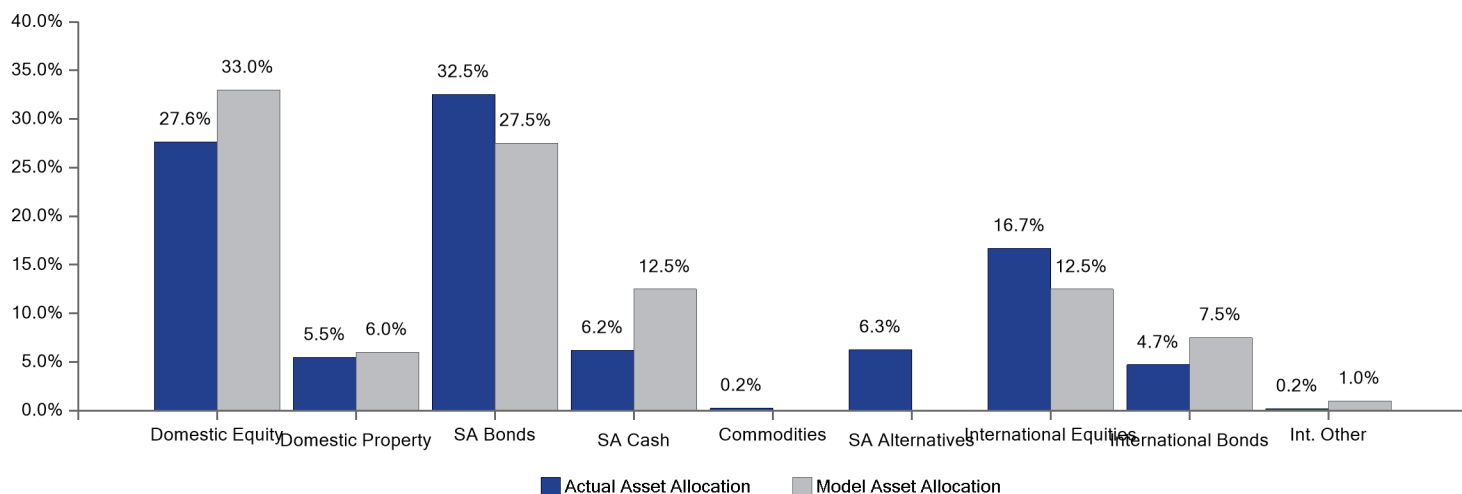
Oil touched \$126 per barrel, its highest level since 2022, amid reports that the US is considering military action against Iran to break a deadlock in peace talks. Despite Trump extending the 7 April two-week US-Iran ceasefire indefinitely, the US military has maintained its blockade of the Strait of Hormuz, which Iran regards as a contravention of the ceasefire terms. Iran has presented a revised peace proposal in which nuclear negotiations are deferred to a later stage, but Trump insists that any deal must address Iran's nuclear programme.

Oil continues to flow, through longer, rerouted passages at materially higher insurance premiums - and it will take weeks for ships to arrive at their destinations even after the strait is open again. The International Energy Agency (IEA) has warned that prices do not yet fully reflect the true severity of the supply disruption. Thirteen million barrels per day have been taken offline, with more than 80 energy facilities damaged - more than 10% of global capacity. IEA Executive Director Fatih Birol cautioned that a full recovery could take up to two years.

The economic scars of the conflicts are likely to outlast the fighting itself. A notable regional divergence is expected depending on how the commodity price surge affects countries' terms of trade. Energy exporters - the US, Canada, Norway - stand to fare relatively better; energy importers - Japan, Europe and most emerging markets - face a more difficult adjustment. We increased global equities on the ceasefire announcement, as a recession remains unlikely; this has worked well thanks to the AI rally, but we remain cautious on the outlook.

The FTSE/JSE CAPI Index advanced by 1.6%, while Industrials gained 3.0% and Financials rose 4.3%. The JSE All Bond Index increased by 3.3% and the Rand strengthened 2.4% against the Dollar.

ACTUAL ASSET ALLOCATION AS AT 31 MARCH 2026



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 30 APRIL 2026

STATISTIC	FUND	BENCHMARK
% Positive Months	73.3%	70.0%
% Negative Months	26.7%	30.0%
Worst Month	-4.1%	-5.5%
Best Month	6.2%	6.5%
Average Return	1.0%	1.0%
Median Return	1.3%	1.3%
Maximum Drawdown	-4.7%	-6.0%

PERFORMANCE ANALYSIS TO 30 APRIL 2026

PERIOD	FUND	BENCHMARK
1 Month	2.5%	2.6%
3 Months	1.0%	0.1%
6 Months	5.6%	5.2%
Year to Date	2.3%	1.6%
1 Year	18.2%	19.2%
3 Years	14.3%	14.7%
5 Years	12.2%	12.1%
Since Inception	9.5%	9.5%

Inception Date: 29 May 2015. Returns prior to inception are backtested. Returns are net of the TIC.

FEES

	PERCENTAGE
Total Expense Ratio (TER)	0.54% (Dec 2025)
Transaction Costs (TC)	0.07% (Dec 2025)
Total Investment Charge (TIC)	0.61% (Dec 2025)

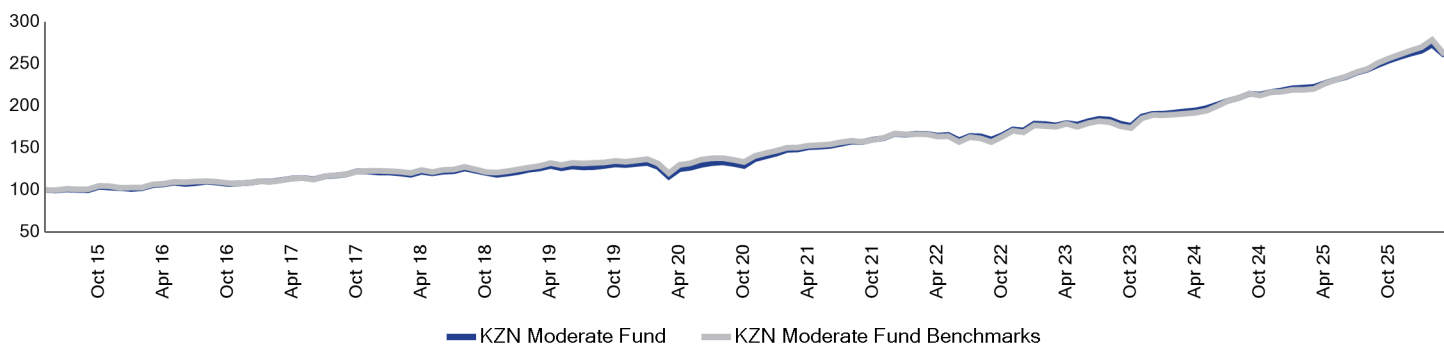
BENCHMARK COMPOSITION

The fund benchmark is a composite benchmark consisting of: 33% All Share, 27.5% ALBI, 6% SAPY, 12.5% STeFI, 12.5% MSCI World Index, 7.5% Barclays Global Bond Index, 1% Global Cash

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2022	-0.6%	0.7%	-0.2%	-1.2%	0.5%	-3.8%	3.2%	-0.2%	-2.3%	3.1%	4.2%	-0.7%	2.4%
2023	4.8%	-0.3%	-0.9%	1.5%	-1.0%	2.2%	1.6%	-0.4%	-2.6%	-1.4%	6.2%	1.7%	11.5%
2024	0.1%	0.7%	0.8%	0.6%	1.4%	2.1%	2.2%	1.6%	2.4%	-0.4%	1.3%	0.9%	14.6%
2025	1.2%	0.3%	0.4%	1.9%	1.8%	1.5%	2.3%	1.5%	2.3%	2.0%	1.7%	1.5%	20.1%
2026	1.3%	2.8%	-4.1%	2.5%									2.3%

CUMULATIVE INVESTMENT PERFORMANCE



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CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2021	19.1%	16.2%
2022	2.4%	1.0%
2023	11.5%	12.1%
2024	14.6%	14.7%
2025	20.1%	22.5%

TOP 10 MANAGER ALLOCATION 31 MARCH 2026

MANAGER	PERCENTAGE
Vunani	9.7%
iShares Developed World Index Fund	8.7%
Argon SA Equity Fund	7.7%
Coronation Absolute Bond - SA Bonds	5.9%
Mianzo Capped Swix Active Equity Fund	5.8%
M&G Investments Global Balanced Fund	5.0%
Ninety One Global Balanced Fund	5.0%
Coronation Managed Portfolio	5.0%
Stanlib Bond Fund	3.9%
KZN Satrix SmartCore Portfolio	3.7%
Other	39.7%