KZN MONEY MARKET FUND

SEPTEMBER 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

Markets fell in September as energy prices soared 20%, forcing central banks around the world to hike interest rates - including the Federal Reserve, European Central Bank, Bank of Japan and the South African Reserve Bank. Oil above $100/barrel will drive global growth down and inflation higher, a toxic mix for markets. This is also the third consecutive year in which central banks have projected an "immaculate disinflation" (a reduction in inflation while maintaining growth) that has failed to materialise. While tariff-driven inflation has passed its peak and energy inflation is expected to peak in Q3, a new concern is AI-capex-driven inflation, which is only expected to peak in Q4 or early 2027.

The Middle East outlook continues to vacillate between a deal and annihilation, most likely until the US midterms at least. The status quo since end February has continued, with high, volatile oil prices and record-high refining margins. The global backdrop remains one of resilient growth colliding with an energy and inflation shock.

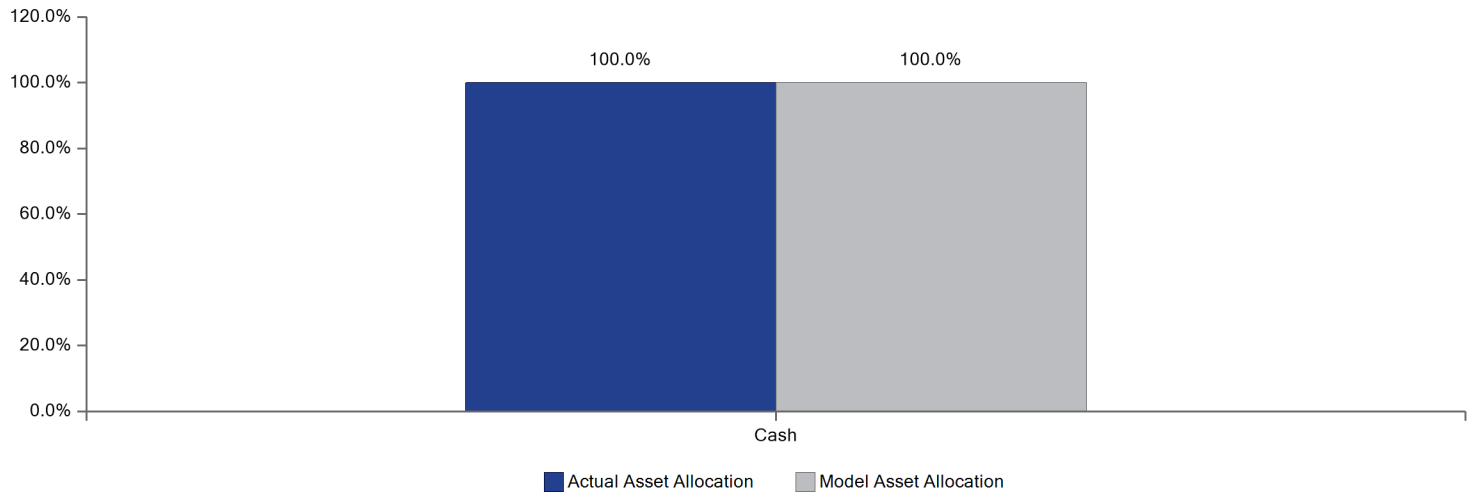
Developed market central banks are still playing catch-up against inflation that has proven far stickier than expected. The US rate hike restored Fed credibility and, with little evidence of a fiscal risk premium in global yields, we have trimmed our bond underweight to slight.

On commodities, we prefer a broad basket over gold specifically. Central bank de-dollarisation remains a genuine structural tailwind for gold, but valuations are stretched near 1980 peaks, and a broader basket offers commodities benefitting from the AI capex theme. This has kept us neutral SA bonds and overweight SA equities despite the risks of rising energy prices to emerging market energy importers. South Africa illustrates the risk: contracting growth, a blown-out current account and a fragmenting political landscape.

In global equities, we remain overweight. Growth remains strong partly due to AI capex spend and partly due to excessive government support, which helps offset the higher interest rates. While volatility is likely to remain high as we go into the US midterm elections, an AI-led productivity boom will support earnings growth and eventually push down inflation in the medium term.

The FTSE/JSE CAPI Index declined by 5.8%, with Industrials and Financials falling by 5.4% and 3.5%, respectively. The JSE All Bond was unchanged, while the Rand weakened by 1.6% against the Dollar.

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2026



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KZN MUNICIPAL PENSION FUND
Together We Grow Your Wealth

FUND SUMMARY AS AT 30 SEPTEMBER 2026

STATISTIC	FUND	BENCHMARK
% Positive Months	100.0%	100.0%
% Negative Months	0.0%	0.0%
Worst Month	0.4%	0.3%
Best Month	0.9%	0.7%
Average Return	0.7%	0.6%
Median Return	0.7%	0.6%
Maximum Drawdown	0.0%	0.0%

PERFORMANCE ANALYSIS TO 30 SEPTEMBER 2026

PERIOD	FUND	BENCHMARK
1 Month	0.6%	0.6%
3 Months	2.0%	1.7%
6 Months	3.8%	3.4%
Year to Date	5.8%	5.1%
1 Year	8.0%	6.9%
3 Years	9.1%	7.7%
5 Years	8.2%	7.0%
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)	0.22% (Jun 2026)
Transaction Costs (TC)	0.00% (Jun 2026)
Total Investment Charge (TIC)	0.22% (Jun 2026)

BENCHMARK COMPOSITION

KZN Money Market Fund Benchmark

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%

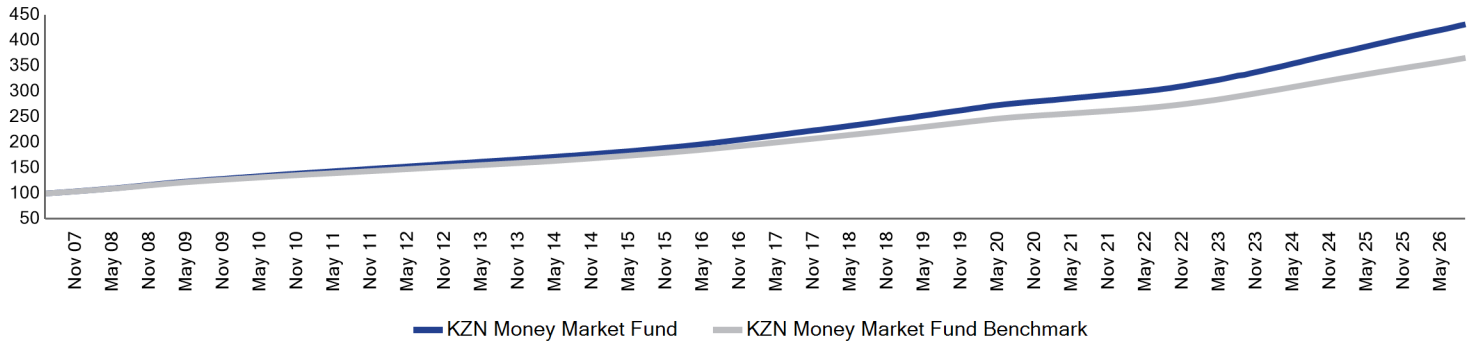
MANAGER ALLOCATION 30 JUNE 2026

MANAGER	PERCENTAGE
Taquanta Core Cash - KZN Municipal Pension Fund	50.0%
Coronation - SA Cash	50.0%

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%	0.6%	0.6%	0.6%	0.7%	0.7%	0.6%				5.8%

CUMULATIVE INVESTMENT PERFORMANCE



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