



Welcome

INVESTMENT PERFORMANCE AND RELATED ISSUES

28 AUGUST 2025

Presented by the Principal
Officer's Office





Agenda

- > ASSET CLASSES
- > HISTORIC PERFORMANCE PER ASSET CLASS
- > NTRF PORTFOLIOS



Agenda

- > THINGS TO CONSIDER
- > ACCESS TO INFORMATION
- > QUESTIONS



ASSET CLASSES

- SA Equities
- SA Properties
- SA Bonds
- SA Cash
- International equities (ZAR)
- Emerging markets
- International bonds (ZAR)



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OTHER INDEXES

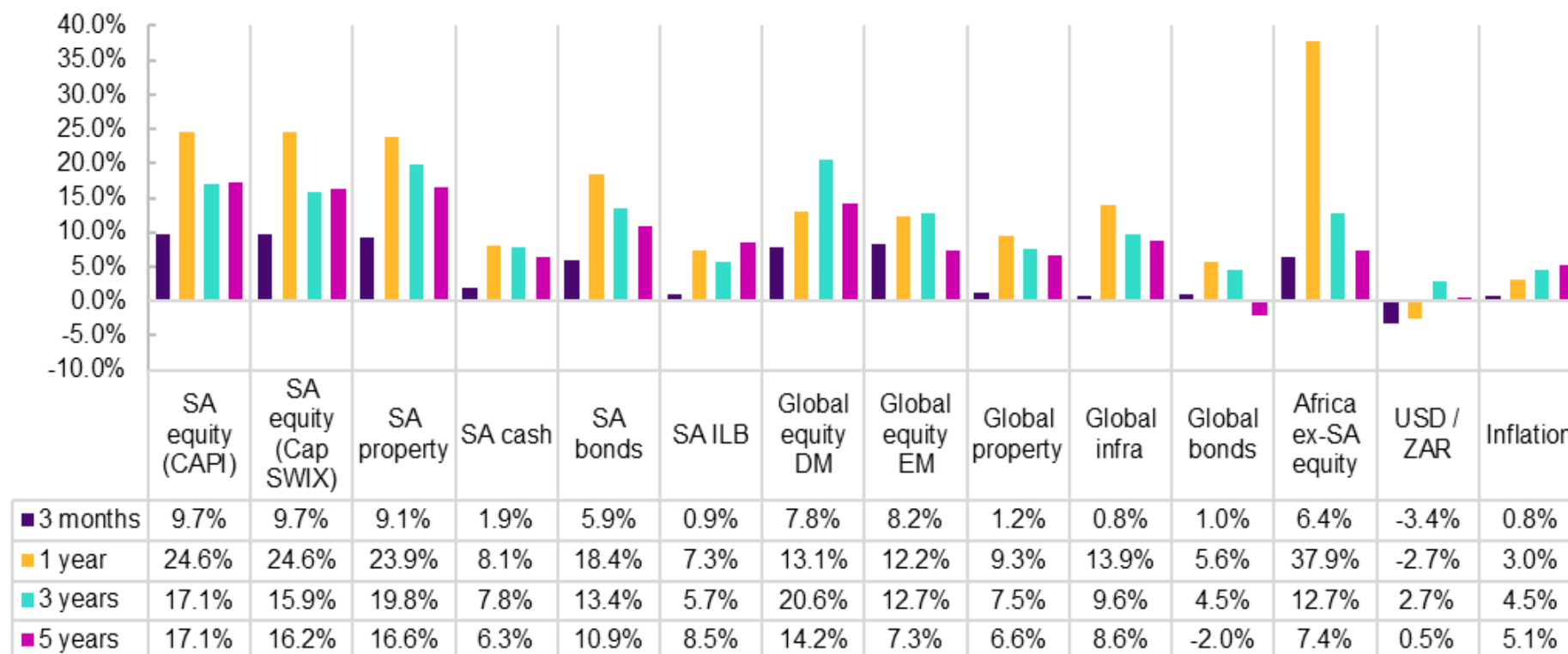
- ZAR vs USD
- Inflation



- Returns to 30 June 2025

INDEX RETURNS

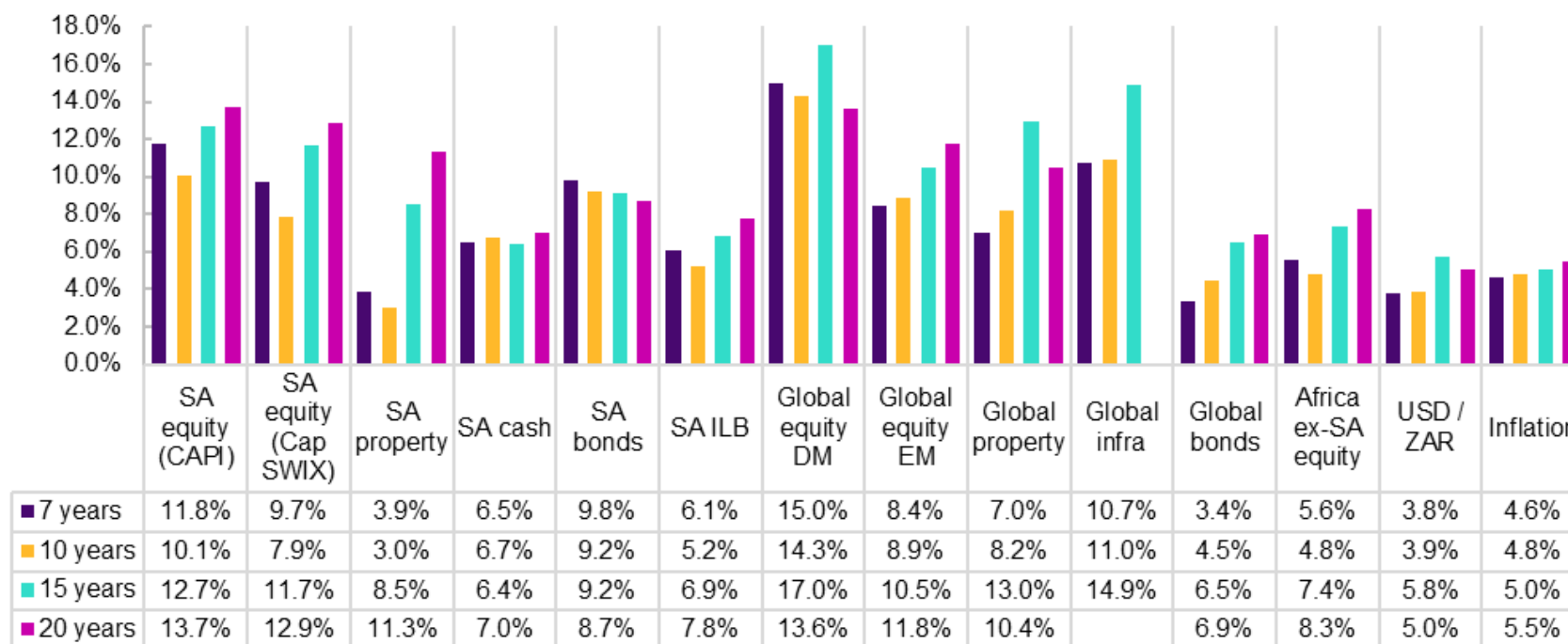
Major index returns periods up to 5 years





INDEX RETURNS TO 30 JUNE 2025

Major index returns periods longer than 5 years





Second Quarter commentary

- Markets had a remarkably strong second quarter of 2025 considering the escalation in tension in global conflict zones, disappointing economic growth as well as the domestic challenges between the two largest parties in the Government of National Unity. The local equity market continued its strong performance year to date, while developed world equity markets recovered from a poor first quarter.



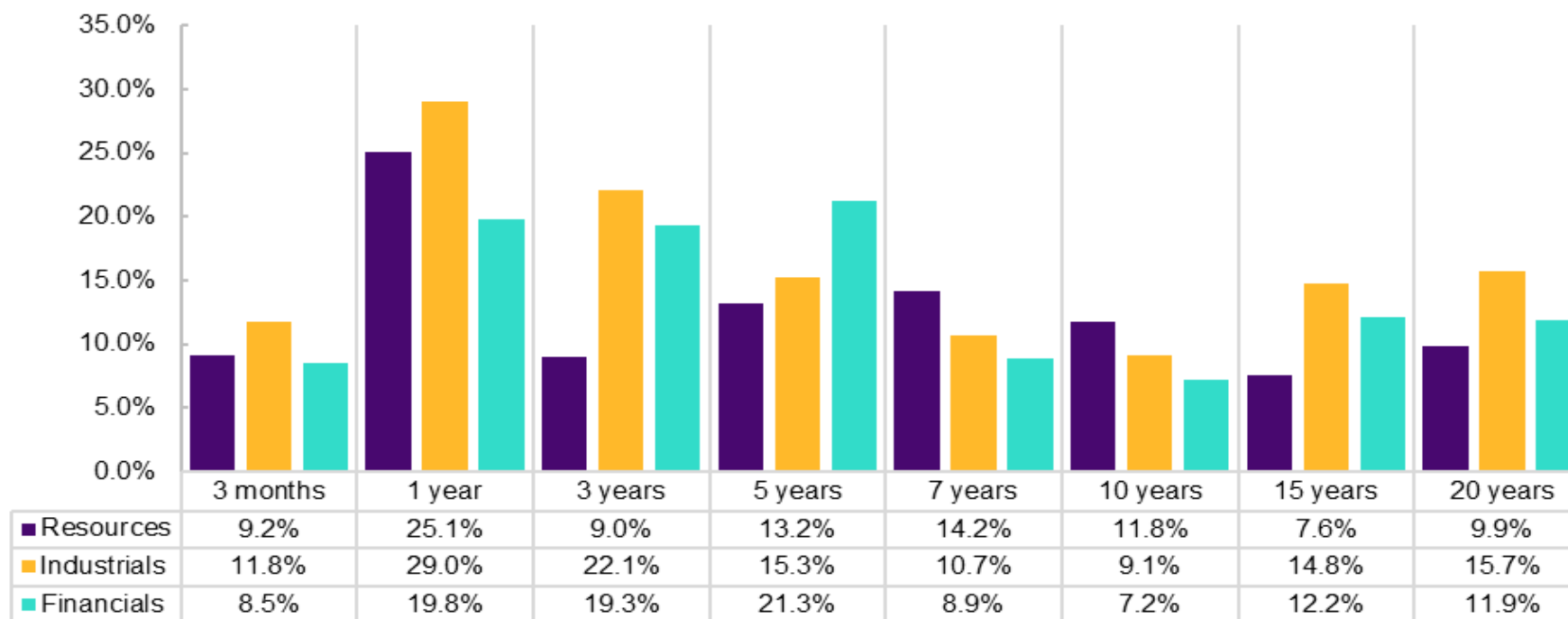
SA EQUITIES

- Sector specific
 - Different sectors, include financials, resources, industrials, listed property etc
 - Different issues impact the sectors differently and as a result the return on investment



SA EQUITIES BY SECTOR

SA equity sector returns





SA EQUITIES BY SECTOR : INDUSTRIALS

Industrials delivered the best broad market sector return over the quarter (up 11.8%). This was driven largely by index heavy-weights Naspers and Prosus, both of whom delivered solid earnings growth and the benefitted from improved sentiment toward Chinese internet stocks notably Tencent. Other strong performing industrial counters over the quarter included WeBuyCars (+42.9%), Reinet (+29.4%) and MTN (+17.5%).



SA EQUITIES BY SECTOR : FINANCIALS

Financials had a solid quarter on the back of an expectation that inflation would remain low and that economic growth, although very low, would not weaken significantly.



SA EQUITIES BY SECTOR : COMMODITIES

Gold and other precious metal prices continued to increase over the quarter, with platinum counters benefiting from a higher platinum price (notably Northam +46.6%). The Resources sector ended the quarter up a robust 9.2%, but companies like the BHP Group which had the “wrong mix” of commodities lagged (BHP was down 2.7% over the quarter).

Resources remain the best performing sector over the last decade, following on a challenging period from 2010 to early 2016, as can be seen from the 15-year returns. The sector is likely to see significant improvements in efficiency as robotics take over in resource extraction, particularly in new mines. However, ESG concerns are likely to result in significant changes in the mix of commodities the market demands.



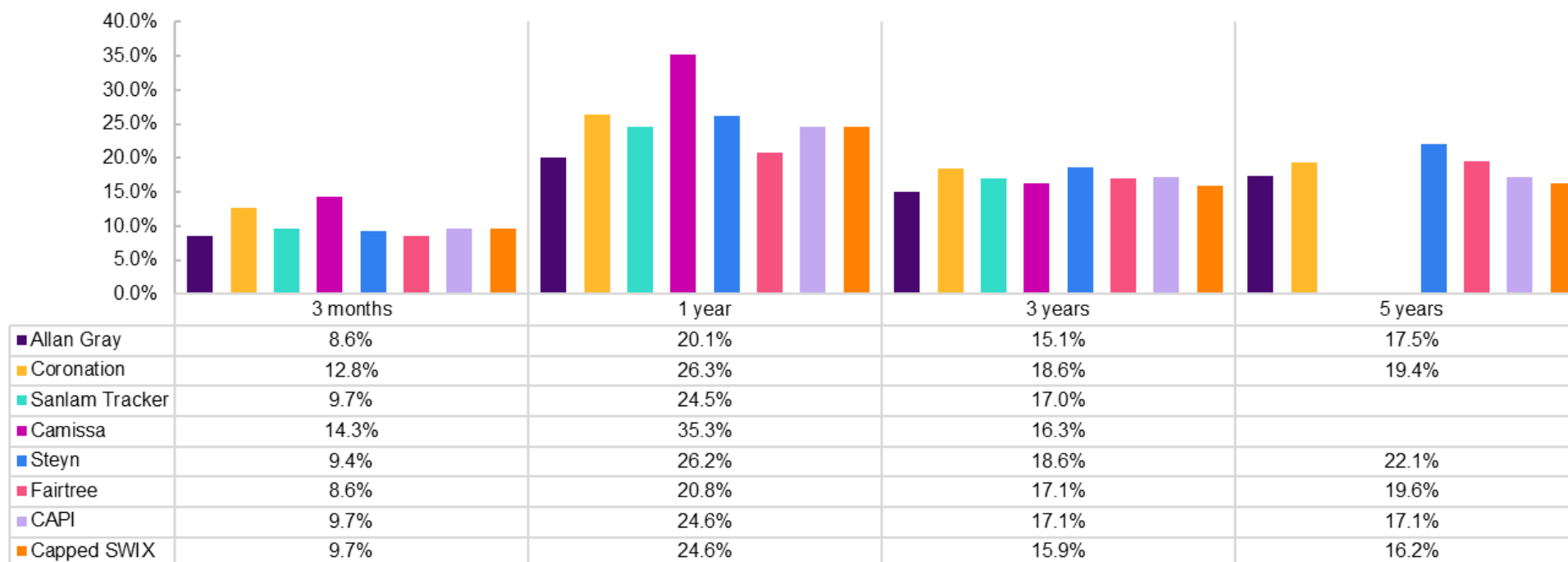
SA EQUITIES

- Value style vs growth style
 - Managers may favour one style over the other
 - Styles will mean different relative performance cycles
- Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value. Value investors actively ferret out stocks they think the stock market is underestimating.
- **Growth investing** is a type of investment strategy focused on capital appreciation. Those who follow this style, known as *growth investors*, invest in companies that exhibit signs of above-average growth, even if the share price appears expensive in terms of metrics such as price-to-earnings or price-to-book ratios.





SA EQUITIES BY MANAGER

SA equity returns (gross) versus benchmark





GLOBAL EQUITIES

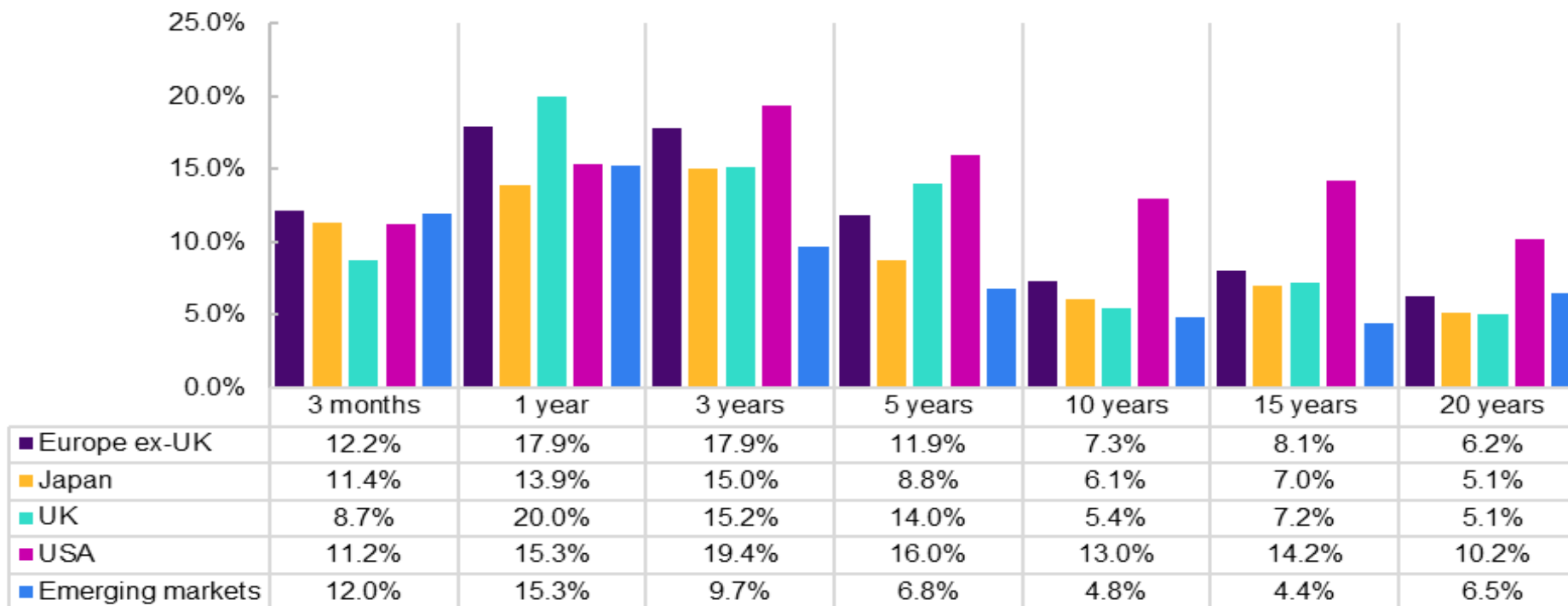


The global equity market recovery over the reporting quarter was led by US stocks and technology shares. Similarly, Asian markets (e.g. Nikkei, Hang Seng) had double digit local returns, and emerging market equities performed particularly well as the US dollar weakened. The biggest contributor to the Emerging Markets Index over the quarter was the index heavy-weight Taiwan Semiconductor Manufacturing Company (TSMC) followed by SK Hynix, South Korea's powerhouse in memory chip manufacturing.



Global equity country and sector returns in US\$

Global equity country returns in US\$





GLOBAL MARKETS

- The start of the quarter delivered a volatile ride for global investors as trade tensions escalated, and President Trump's "Liberation Day" tariff announcements resulted in a steep market selloff. The United States S&P 500 fell 12% (in US\$) in the immediate aftermath. However, markets rebounded strongly after a 90-day pause on most tariffs was announced, and by April month-end the S&P 500 had pared back losses to -0.7%. The US market continued to march ahead in May and in fact reached an all-time high during June, despite elevated geopolitical risks. Investors seem to believe that equity markets are less correlated with global economic growth than in the past.
- European equity markets delivered mixed results over the quarter with the German DAX performing best at 17.2% in US\$ while the UK delivered the lowest return over the quarter but still a decent 8.7%.



GLOBAL MARKETS

- A weaker US Dollar provided support to many Emerging Markets over the quarter. The MSCI China Index returned only 2% in US\$ over the quarter because of concerns about the high debt levels and the ability of the economy to transition to one that is consumer led rather than investment driven. South Korean and Taiwanese markets led the emerging markets pack boosted by tech sector gains and semi-conductor demand, while index heavy-weight India contributed significantly to the Emerging Markets Index overall 12% gain over the quarter.



GLOBAL MARKETS : MOMENTUM COMMENTARY

- The unpredictability of Trump's policy pronouncements since his inauguration on 20 January this year has taken global financial markets on a rollercoaster ride ever since. While the main policy cause for equity and bond market volatility during this time has been the continual advances and retreats on US tariff policy ,periodic contradictory statements about the independence of the US Federal Reserve (Fed) and the longevity of its current chair, Jay Powell, have also impacted markets.



GLOBAL MARKETS : MOMENTUM COMMENTARY

- The erratic nature of policy making and disregard for previous alliances and agreements under the current Trump administration have led investors to start questioning the historically perceived security and reliability of the US as an investment destination, particularly considering the large exposures investors already have to US assets. Foreign investors own 33% of US Treasuries, 29% of US corporate bonds, 23% of US listed equities and 35% of non-listed US businesses



OTHER CLASSES : BONDS

- South African bonds had a solid quarter on the back of the well-contained inflation, expectations of a lower inflation target and the SARB interest rate cut, with the All Bond Index (ALBI) gaining almost 6%. Notably the 10-year government bond yield reduced from about 10.5% at the end of the previous quarter to some 9.9% by late June. In addition, improved fiscal metrics (a small primary surplus forecast) lent support to the bond market.
- Local nominal bonds (ALBI) delivered a real return of 5.8% p.a. over the past five years, comfortably outperforming a broad basket of government inflation linkers (IGOV), which delivered a real return of 3.4% p.a. over the same period. Clearly investors assign a low chance to a much higher than expected inflation outcome.



OTHER CLASSES : PROPERTY

- SA listed property experienced a re-rating post the initial US tariff announcement and benefitted from the interest rate cut as well as from the improvement in many companies' operating and financial metrics over the quarter to deliver a return of 9.1% in the second quarter.



OTHER CLASSES : INTEREST BEARING INVESTMENTS

- The SA Reserve Bank cut local short-term interest rates for the second time this year by 25 bps in May 2025, bringing the repo lending rate to 7.25% p.a. The Federal Reserve however kept the United States (US) interest rate fixed over the quarter, with the view that tariff policy changes brought on by the current Trump administration may be unfavourable for future inflation.



JULY 2025

- The United States (US) dollar rebounded in July as it became clearer that the US Federal Reserve (Fed) would not be cutting its policy rate at its 30 July meeting and as previously crowded short dollar positions were unwound. As a result, most currencies (including the rand) weakened against the dollar in July. This rand weakness provided support for the returns of rand-denominated global asset classes in the month.
- Global equities had a strong return month as markets were relieved that the US started settling tariff negotiations with some of its main trading partners (particularly Japan and then Europe) and made positive progress with China. Emerging equity markets (EM) slightly outperformed developed equity markets (DM) in this more risk-on environment, with US equity returns sharply outpacing those of Europe and Japan (which were both down in dollar terms) within DM.
- As the first signs of tariff-induced inflation became evident in US inflation releases in the month, US bonds came under some pressure, contributing to the underperformance of global bonds (down in dollar terms) against global equities in July. Lowered expectations of future Fed rate cuts on the back of strong US economic growth numbers (in addition to the inflation worries) also undermined the US bond market.



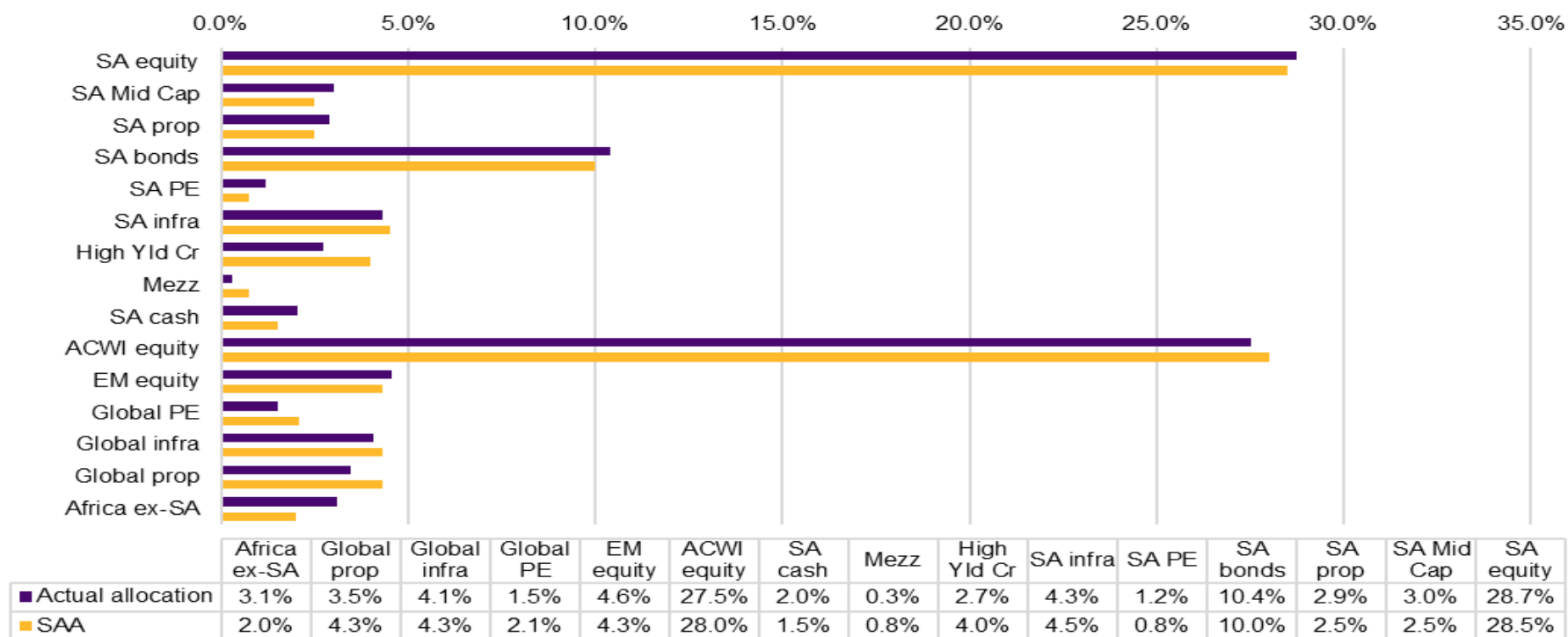
JULY 2025

- The strong dollar had a negative impact on the dollar price of commodities in July, with the platinum price under pressure after an almost exponential rise in recent months. After being the strongest performer among all local and global asset classes for consecutive months in May and June, the rand platinum price took a breather in July and was the only asset class with negative returns for the month.
- The best-performing overall asset class in July was the South African (SA) listed property sector. As a geared play on the SA bond market, continued low SA inflation and a sharp rally in nominal bond yields on the last afternoon of the month – when the SA Reserve Bank (SARB) cut rates and indicated that they will in future target the low point of the official inflation target range (viz. 3%) – supported both nominal bonds and listed property. In contrast, the prevailing low local inflation and the unofficial lowering of the inflation target was less helpful for inflation-linked bonds (ILBs).
- SA equities continued to produce solid returns in July, underpinned by a strong performance from the Resource sector (particularly by stocks in the Chemicals, Energy and Precious Metals & Mining sub-sectors).



LONG TERM CAPITAL PORTFOLIO

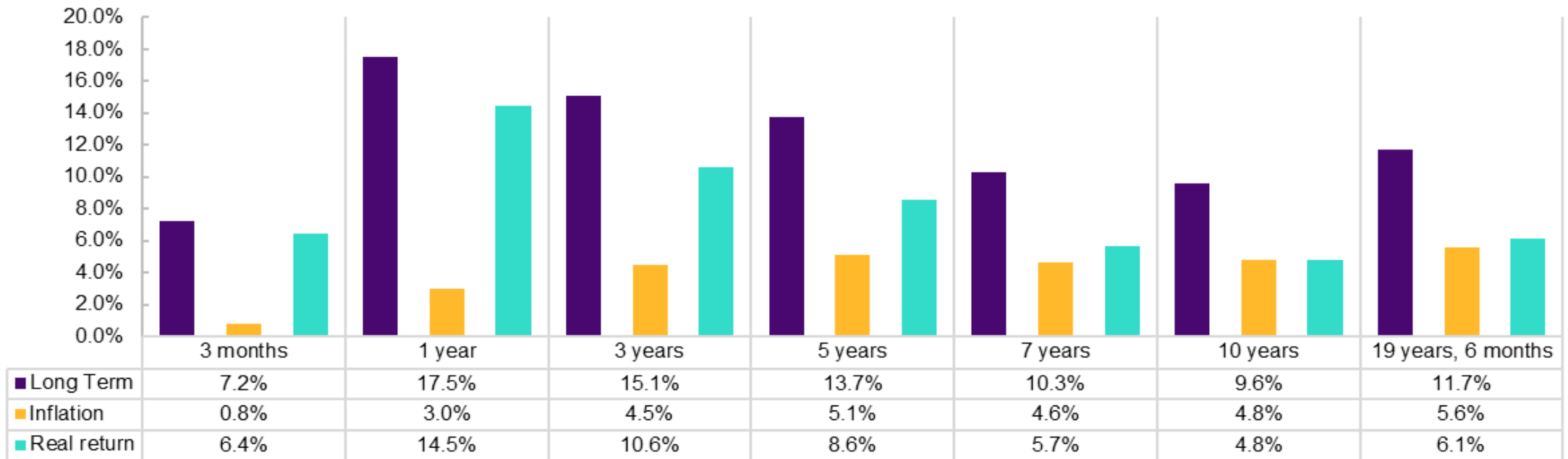
Actual Asset Allocation vs SAA





LONG TERM CAPITAL PORTFOLIO to 30 JUNE 2025

Long Term Capital Portfolio (net) versus inflation





LONG TERM CAPITAL PORTFOLIO

- There have been negative years:
 - 2008 (-7.5%)
 - 2018 (-1.1%)
 - 2022 (-1.4%)
- There have been high return years:
 - 2006 (29.8%)
 - 2013 (24.0%)
 - 2021 (24.6%)

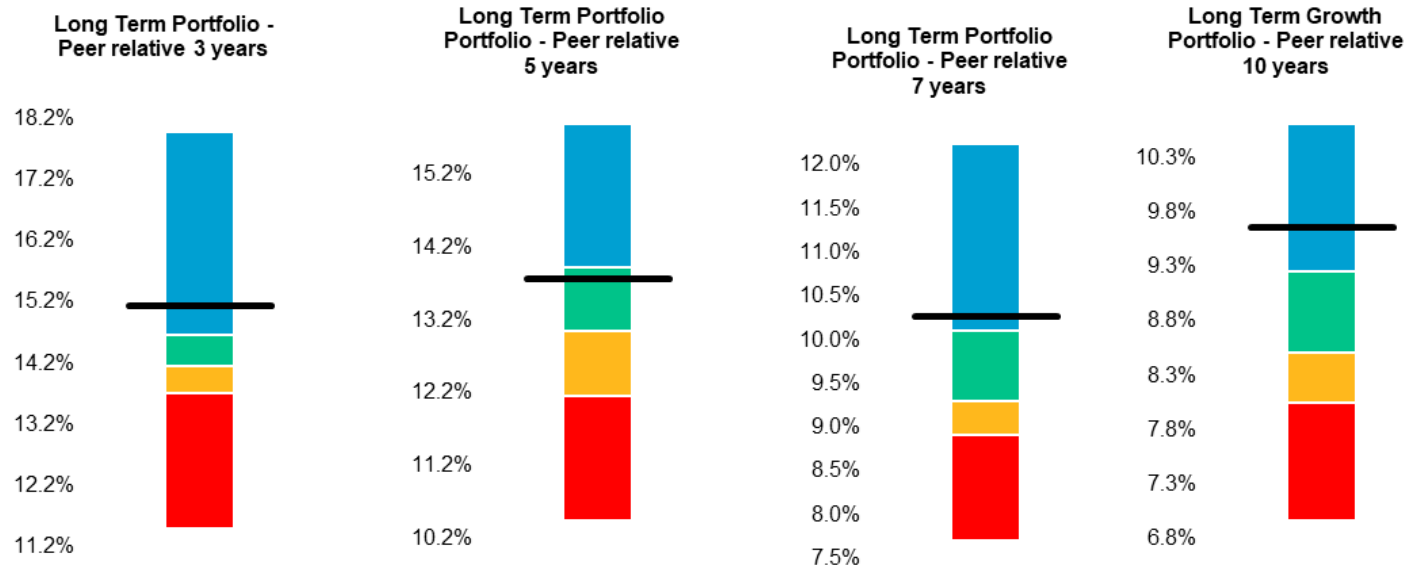


LONG TERM CAPITAL PORTFOLIO

- There are also short term “swings”:
- September 2023 : -3.3%
- October 2023 : - 2.5%
- November 2023 : +7.9%



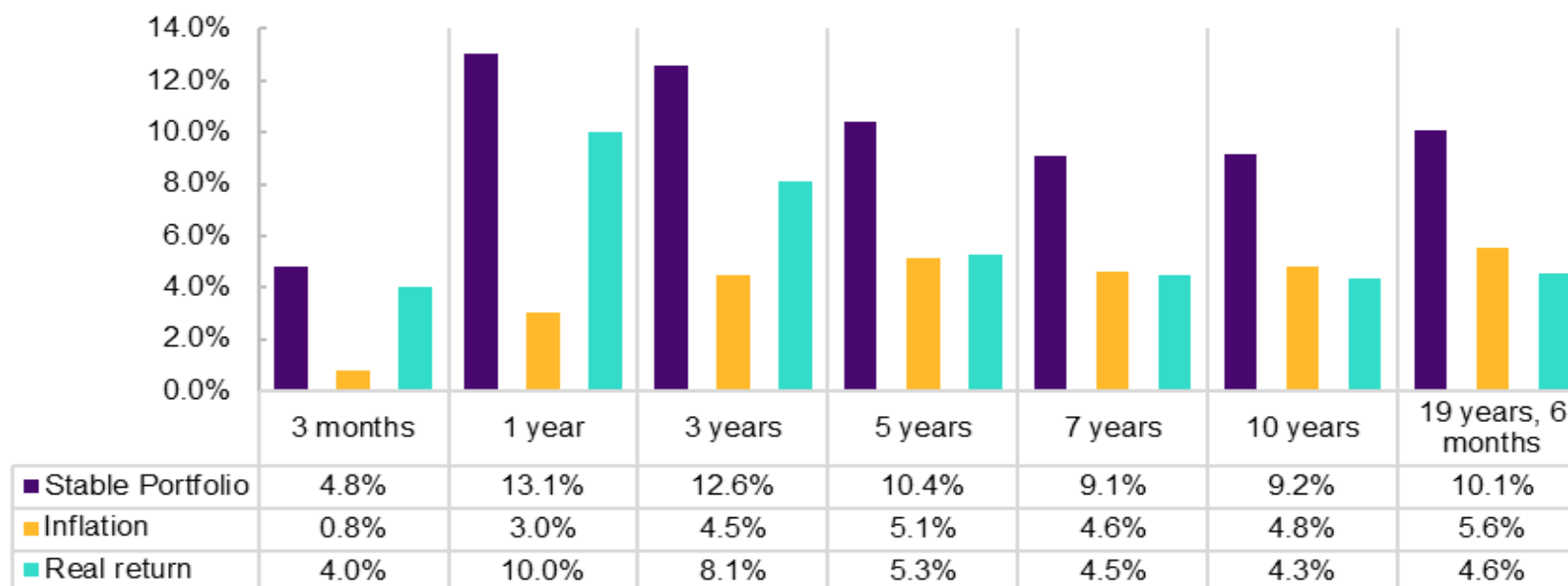
LONG TERM CAPITAL PORTFOLIO





STABLE PORTFOLIO

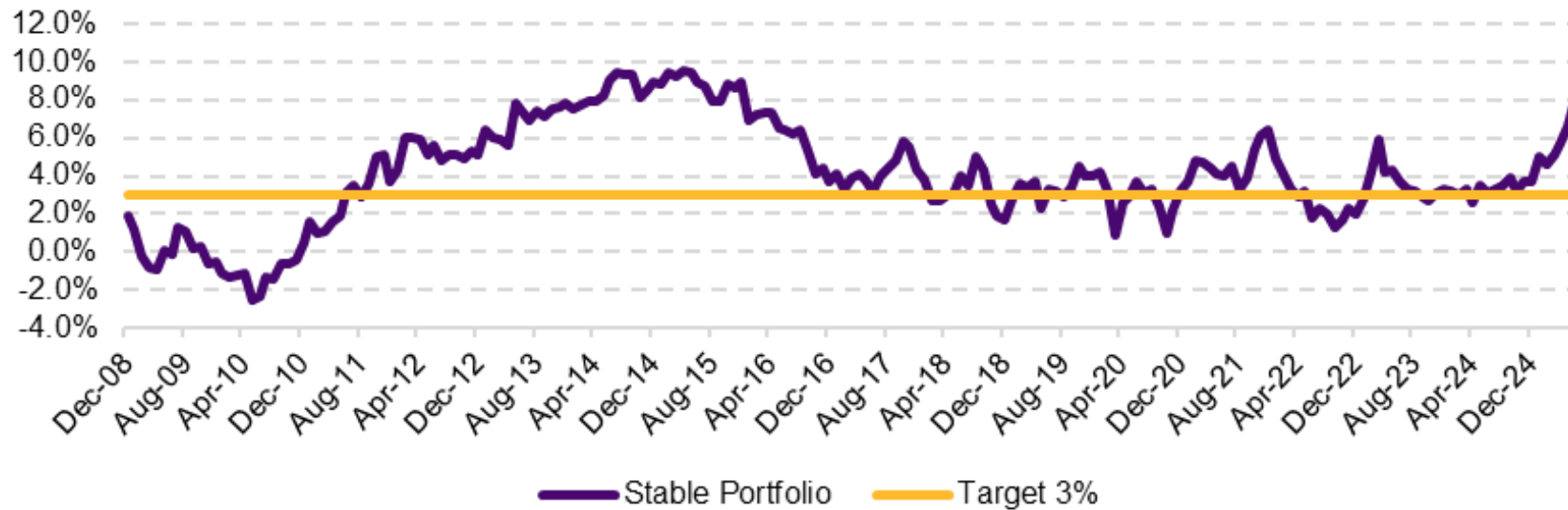
Stable Portfolio net returns versus Inflation





STABLE PORTFOLIO

Stable Portfolio (net) rolling 3-year real return

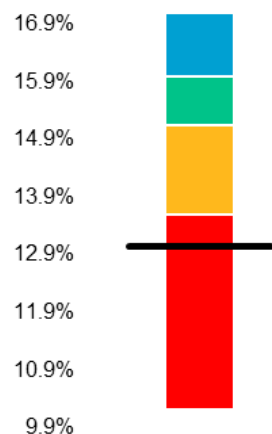




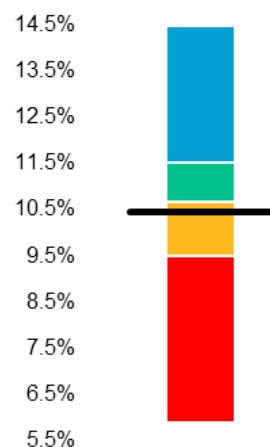
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STABLE PORTFOLIO

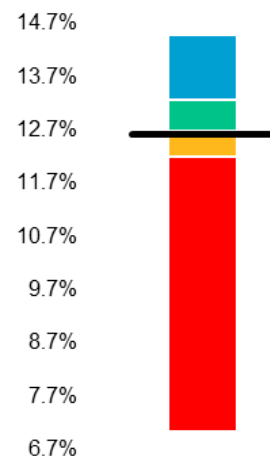
Stable Portfolio - Peer
relative 1 year



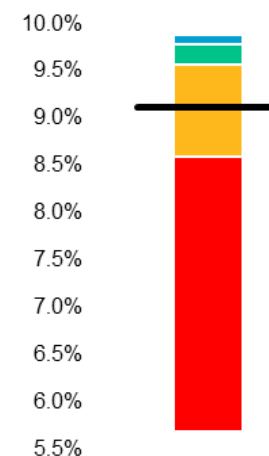
Stable Portfolio - Peer
relative 5 years



Stable Portfolio - Peer
relative 3 years



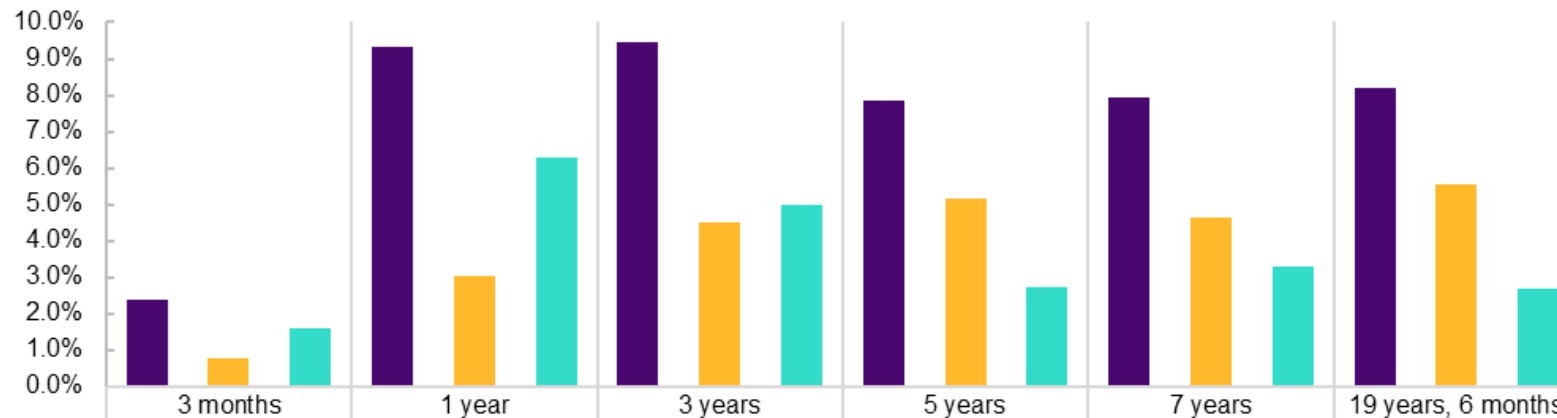
Stable Portfolio - Peer
relative 7 years





Money Market portfolio returns to 30 JUNE 2025

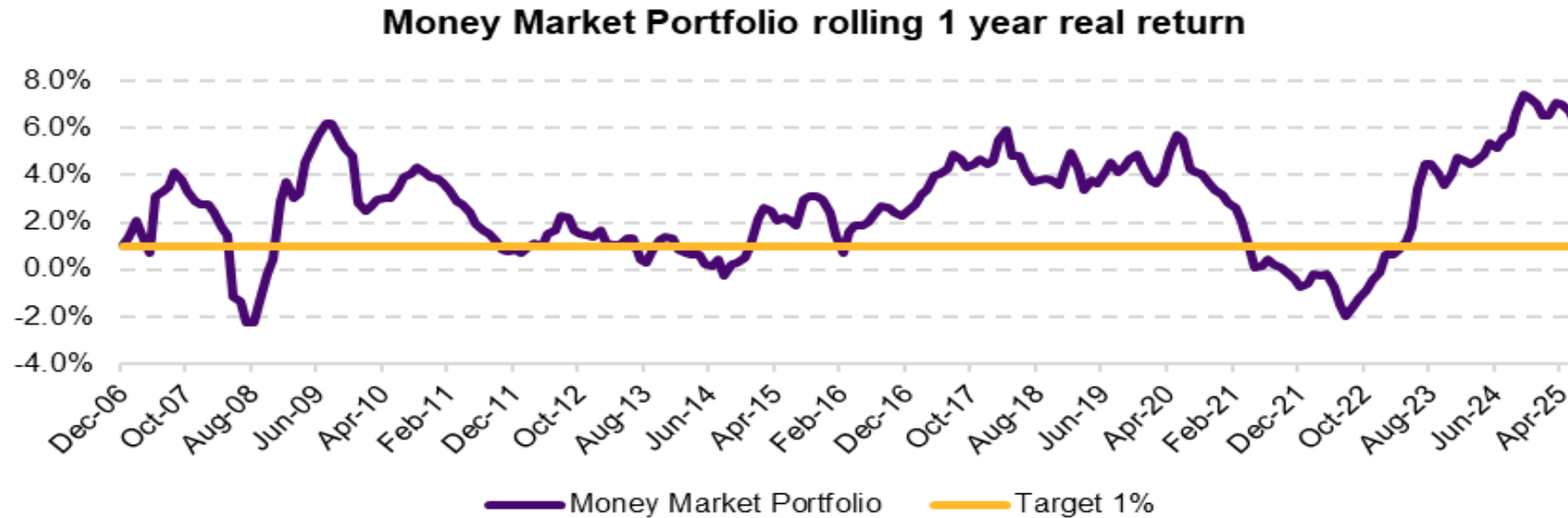
Money Market Portfolio net returns versus Inflation



■ Money Market Portfolio	2.4%	9.3%	9.5%	7.9%	7.9%	8.2%
■ Inflation	0.8%	3.0%	4.5%	5.1%	4.6%	5.6%
■ Real return: Money Market Portfolio	1.6%	6.3%	5.0%	2.7%	3.3%	2.7%



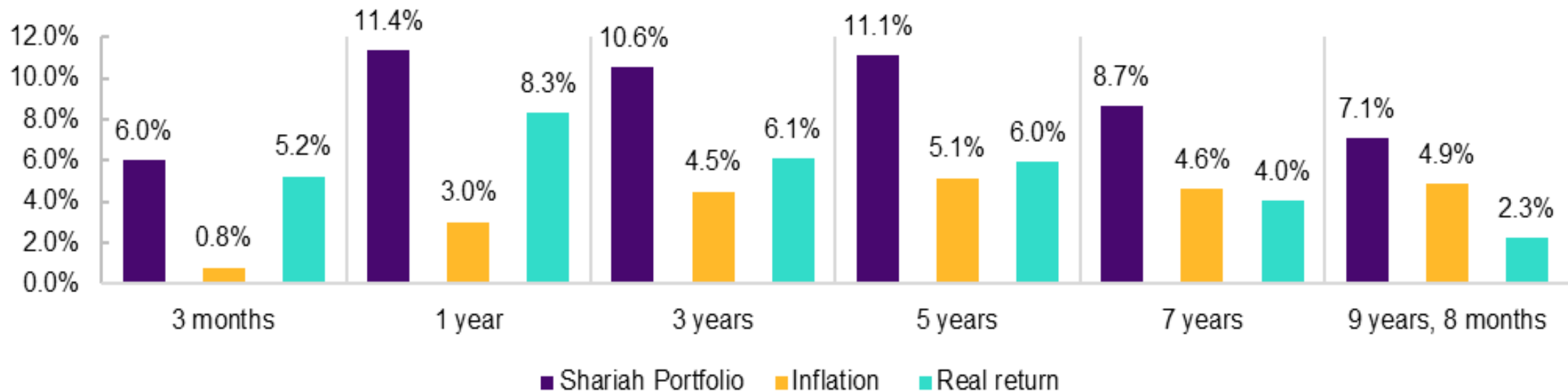
Money Market portfolio





Shar'iah portfolio returns to 30 June 2025

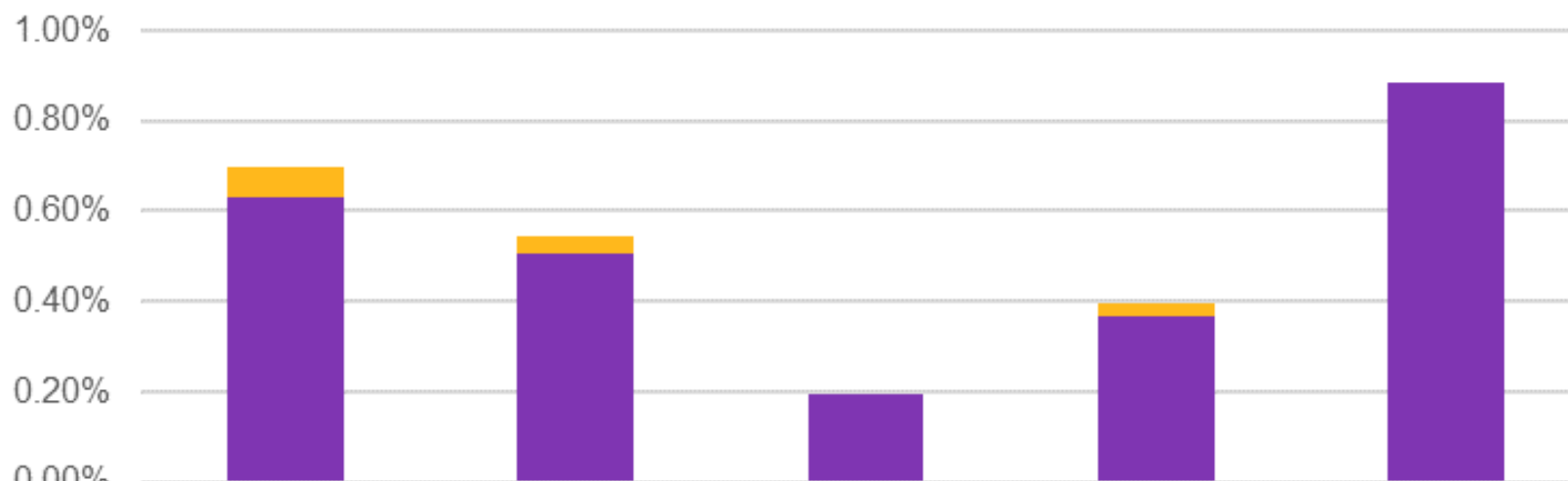
Shariah Portfolio net returns versus Inflation





Investment portfolio fees

Total Investment Charge + Expected Performance Fees

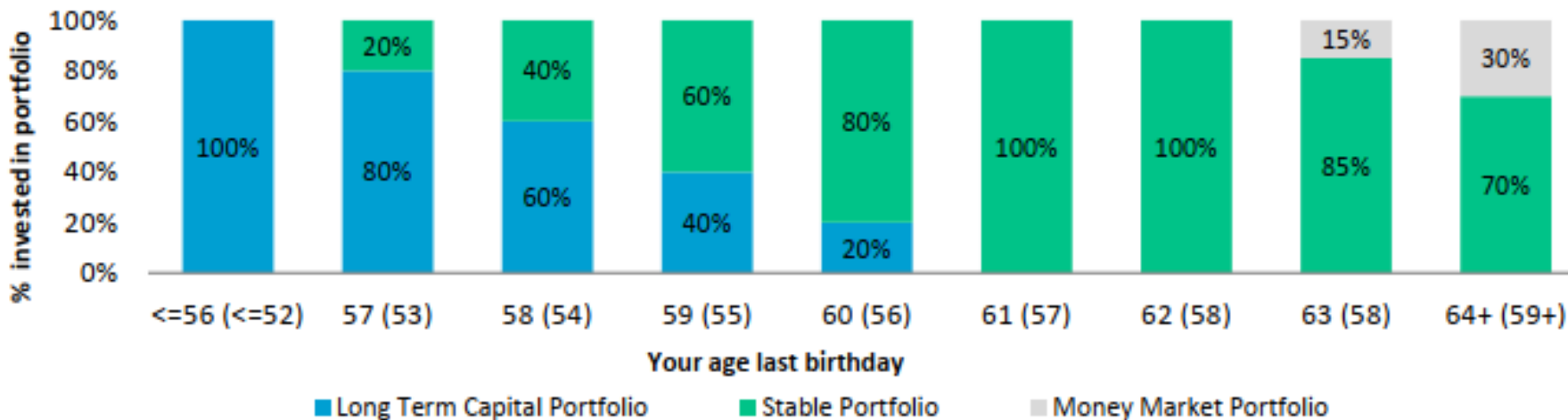


Expect PF	0.07%	0.04%	0.00%	0.03%	0.00%
TIC	0.63%	0.51%	0.19%	0.37%	0.89%
TIC + Expected PF	0.70%	0.55%	0.19%	0.39%	0.89%



Things to consider

- Does the lifestage model fit your needs?





Access to information

- Fund website: www.ntrf.co.za
- Monthly Investment Fund Fact sheets – published on Fund website
- Online Member Portal (secure website): <https://mra.momentum.co.za/>
- Newsletters and articles – published on Fund website
- Online Member Retirement Planning Tool – coming soon
- Annual Member Benefit Statements & monthly member values (available on Member Portal)
- Online Retirement Seminars



Fund Contact Information

Member Website: www.ntrf.co.za

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Questions