



Welcome

INVESTMENT PERFORMANCE AND RELATED ISSUES

25 FEBRUARY 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)



OTHER INDEXES

- ZAR vs USD
- ZAR vs UK Sterling
- Inflation

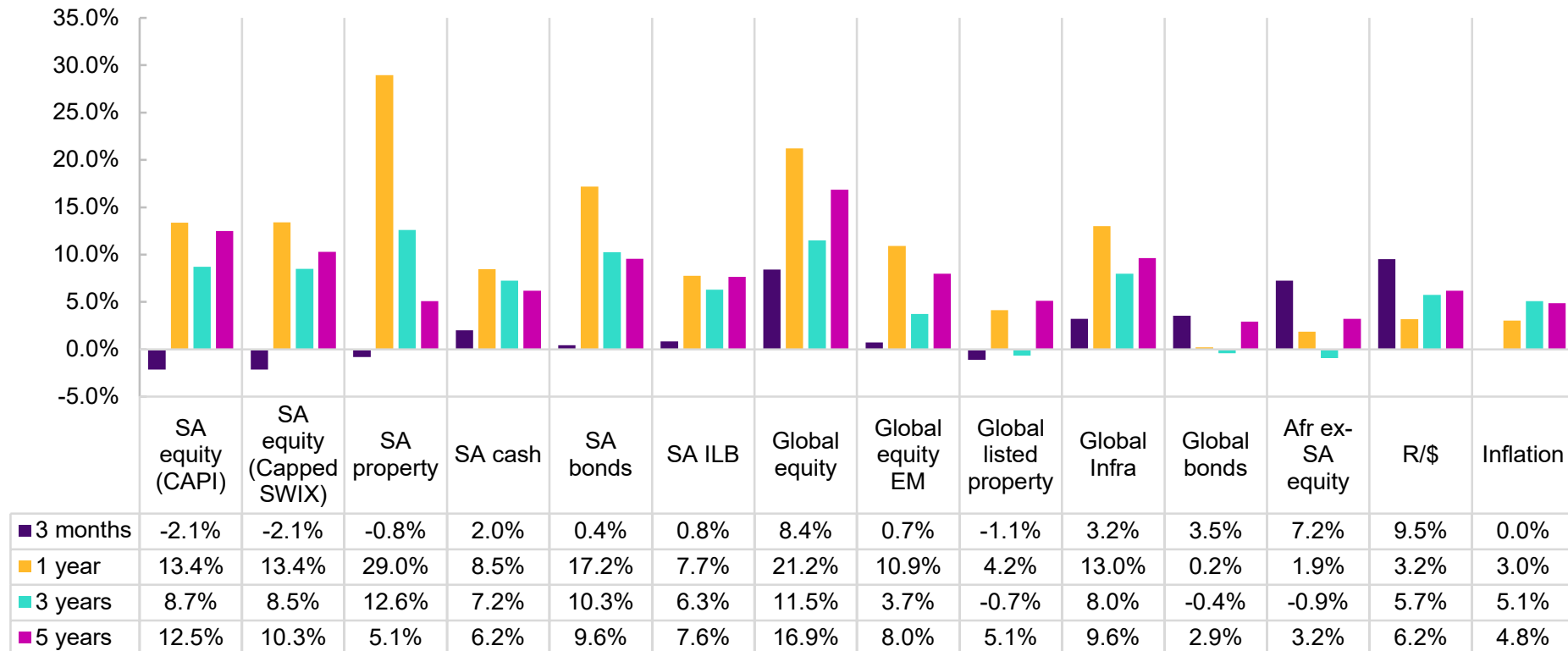




• Returns to 31 December 2024

INDEX RETURNS

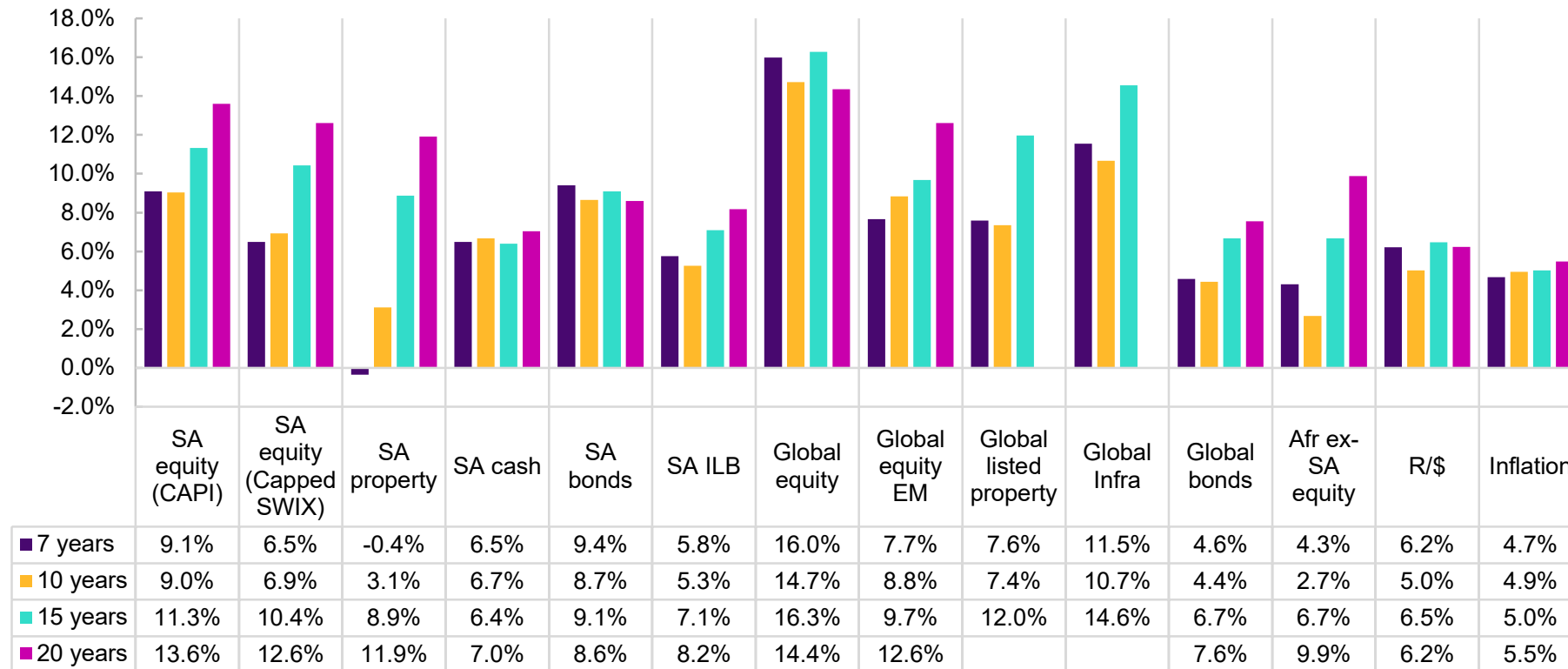
Major index return periods up to 5 years





INDEX RETURNS TO 31 DECEMBER 2024

Major index return periods longer than 5 years





Fourth Quarter commentary

- The local equity market had a disappointing final quarter on the back of lower than expected local GDP growth, wider investor concerns around potential US trade tariffs and the possibility that US interest rates would reduce at a slower pace. The latter was one of the main reasons for the strength of the US\$ which appreciated by 9.5% to the ZAR over the quarter.
- The FTSE/JSE Capped SWIX Index was down 2.1%, underperforming both global (MSCI ACWI) and emerging market equities which delivered ZAR returns of 8.4% and 0.7% respectively. In US\$ terms, global and emerging market equity returns over the quarter were -1.0% and -8.0% respectively.
- The best performing local stocks over the reporting quarter were mainly mid cap companies with significant local earnings including We Buy Cars (+46.7%), Datatec (+33.3%) and Telkom (+32.7%). The poorest performing large cap counters were Sasol (-28.2%) and AB InBev (-17.8%).



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 being up a modest 0.2%. This result was driven by the performance of index heavyweights Richemont (+1.5%) and British American Tobacco (+9.6%) over the quarter. These companies generate almost all their earnings outside South Africa, so in part their strong returns in ZAR reflect a currency tailwind.



SA EQUITIES BY SECTOR : FINANCIALS

Financials delivered a solid return of 22.4% over the year, boosted by very strong performances of Capitec (+58.1%) and Nedcor (+40.5%) and the broader listed property sector.



SA EQUITIES BY SECTOR : COMMODITIES

- Commodity stocks detracted this year as investors weigh up environmental concerns, an underwhelming economic stimulus package from China and muted automobile catalyst demand. The main negative contributors were the platinum sector and Sasol (-54.4%). This was partially offset by positive performance from diversified miner Anglo American (+20.3%) where the unsolicited takeover bid from BHP resulted in a corporate restructuring. In addition, some of the gold miners delivered very strong returns led by Harmony Gold (+27.8%) and AngloGold (+21.0%) as the gold price increased.
- Diversified miners such as Anglo American, BHP and Glencore have relatively little exposure to South African mining operations and are arguably more appropriately considered as global equities.



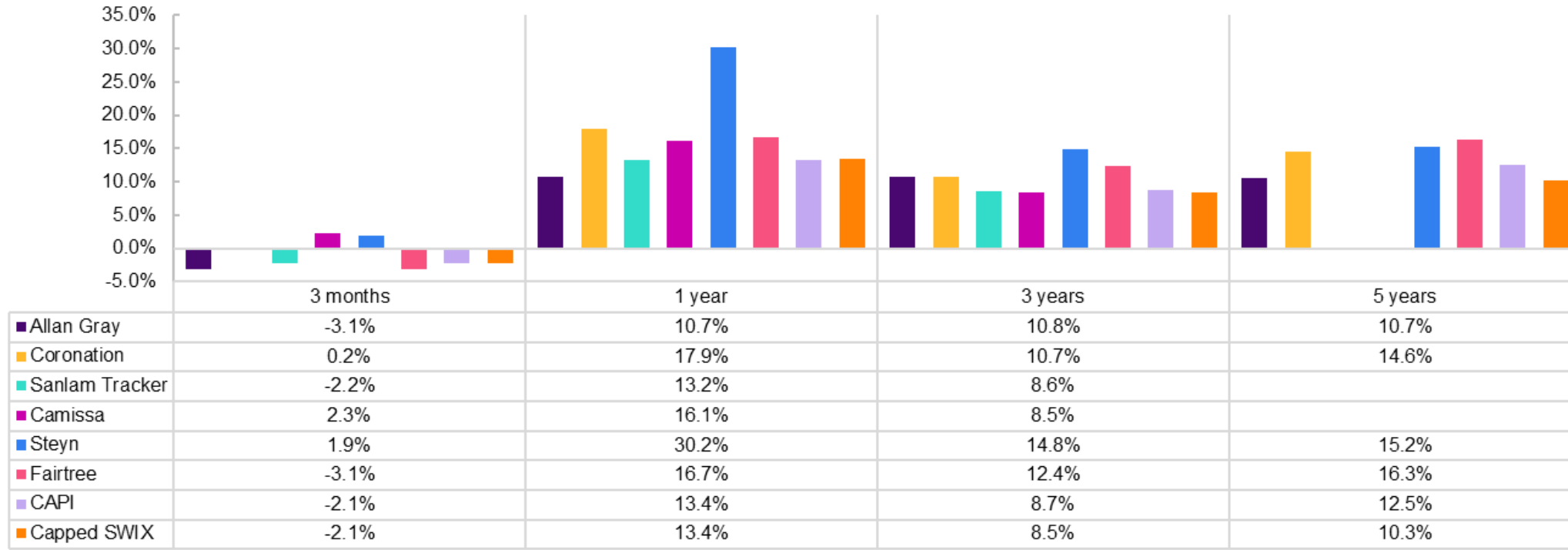
SA EQUITIES

- 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





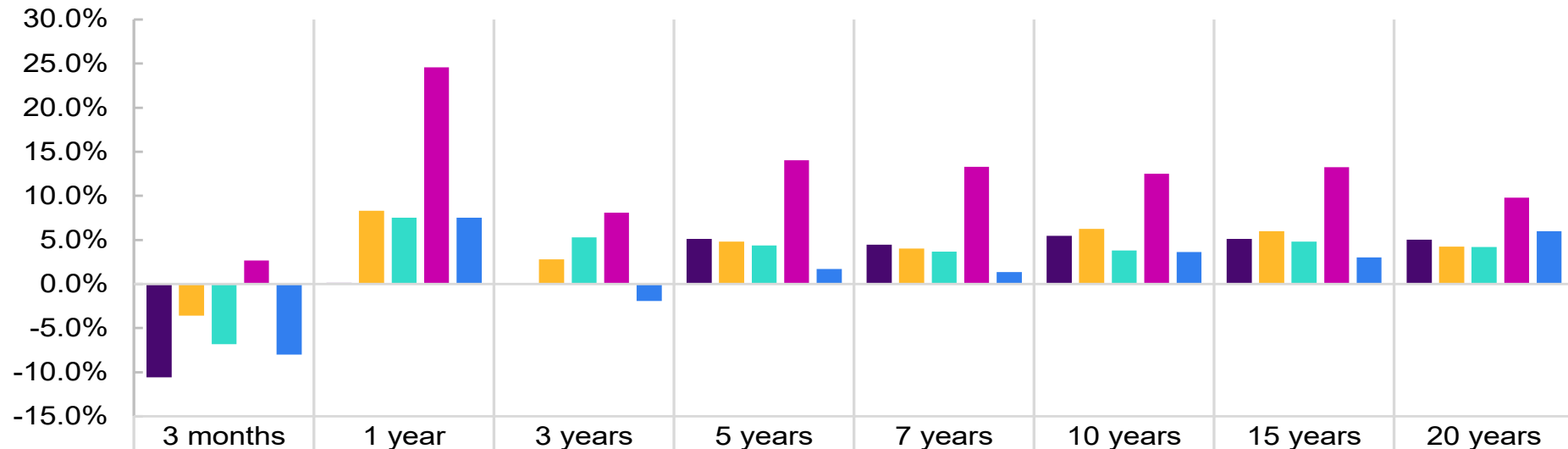
GLOBAL EQUITIES

Global equities were up 17.5% in US\$ over the year, once again driven by the stellar performance of the Magnificent Seven and specifically the World leader in artificial intelligence computing Nvidia, which was up over 171% in US\$ over the year. On its own this counter contributed 3.1% out of the 17.5% index return for the 2024 calendar year



Global equity country and sector returns in US\$

Global equity country returns in US\$



■ Europe ex UK	-10.6%	0.1%	0.0%	5.1%	4.5%	5.5%	5.1%	5.0%
■ Japan	-3.6%	8.3%	2.8%	4.8%	4.0%	6.2%	6.0%	4.3%
■ UK	-6.8%	7.5%	5.3%	4.4%	3.7%	3.8%	4.8%	4.2%
■ USA	2.7%	24.6%	8.1%	14.0%	13.3%	12.5%	13.2%	9.8%
■ Emerging Markets	-8.0%	7.5%	-1.9%	1.7%	1.4%	3.6%	3.0%	6.0%



GLOBAL MARKETS : MOMENTUM COMMENTARY JANUARY 2025

- USA : On his first day back in office, President Donald Trump wasted no time in reshaping America's global and domestic priorities, issuing a wave of executive orders. The 2026 midterm elections loom large, posing a critical test for Republican control of Congress. With the possibility of losing influence over all three branches of government, the Trump administration appears intent on speedily pushing through its agenda.



GLOBAL MARKETS : MOMENTUM COMMENTARY JANUARY 2025

- UK : The Labour Party's popularity has plummeted under Prime Minister Keir Starmer's leadership. This dramatic downturn stems from a series of high-profile blunders, including a damaging donations scandal and divisive policy choices, such as slashing winter fuel payments and raising national insurance contributions—moves that have sparked fears of stifling economic growth.



GLOBAL MARKETS : MOMENTUM COMMENTARY JANUARY 2025

- **EURO ZONE** : European Commission President Ursula von der Leyen highlighted the deep interdependence between the European and American economies, where European companies support millions of American jobs. With a clear call for cooperation, von der Leyen signalled her readiness to negotiate with the US, urging both sides to avoid a "global race to the bottom" in economic policies, against a backdrop of economic stagnation, demographic changes and declining competitiveness



GLOBAL MARKETS : MOMENTUM COMMENTARY JANUARY 2025

- CHINA : Despite China officially achieving its 5% growth target in 2024, growth remains hindered by deep structural issues, including low consumer spending, high debt among property developers and local governments and an ageing population. President Trump's response to China is likely to be multi-faceted driven by concerns over China's influence in regions like Taiwan, the South China Sea and the Panama Canal. Trump's tactics may include leveraging tariffs and diplomatic pressure to negotiate a favourable trade deal with China while also focusing on strategic alliances.



OTHER CLASSES

- The SA listed property sector (SAPY) was down over the quarter but is the best performing local asset class over the year as share prices benefitted from a decline in long term interest rates this year and a more positive sentiment to expected SA GDP growth.
- SA nominal bonds delivered a return of 0.4% over the quarter. Local bond yields rose over the quarter in line with global bonds following the more hawkish tone from the Federal Reserve Bank. However, the SA bond market still ended the year a stellar 17.2% higher, delivering one of the best calendar year returns for this asset class in decades.
- Africa ex-SA equities were the best performance asset class over the quarter with a return 7.2% in ZAR. Important investment destination countries like Nigeria and Egypt seemed to have put the worst behind with their currencies stabilising against the US\$ in an environment where the US\$ was very strong



INDEX RETURNS FOR THE YEAR TO 21 FEBRUARY 2025

• SA Equities (all Share)	5.7%
• Industrials	6.9%
• Resources	15.8%
• Financials	-1.0%
• MSCI Developed(in dollars)	3.6% (in base currency)
• JSE All Bond Index	0.2%
• JSE Listed Property	-1.0%



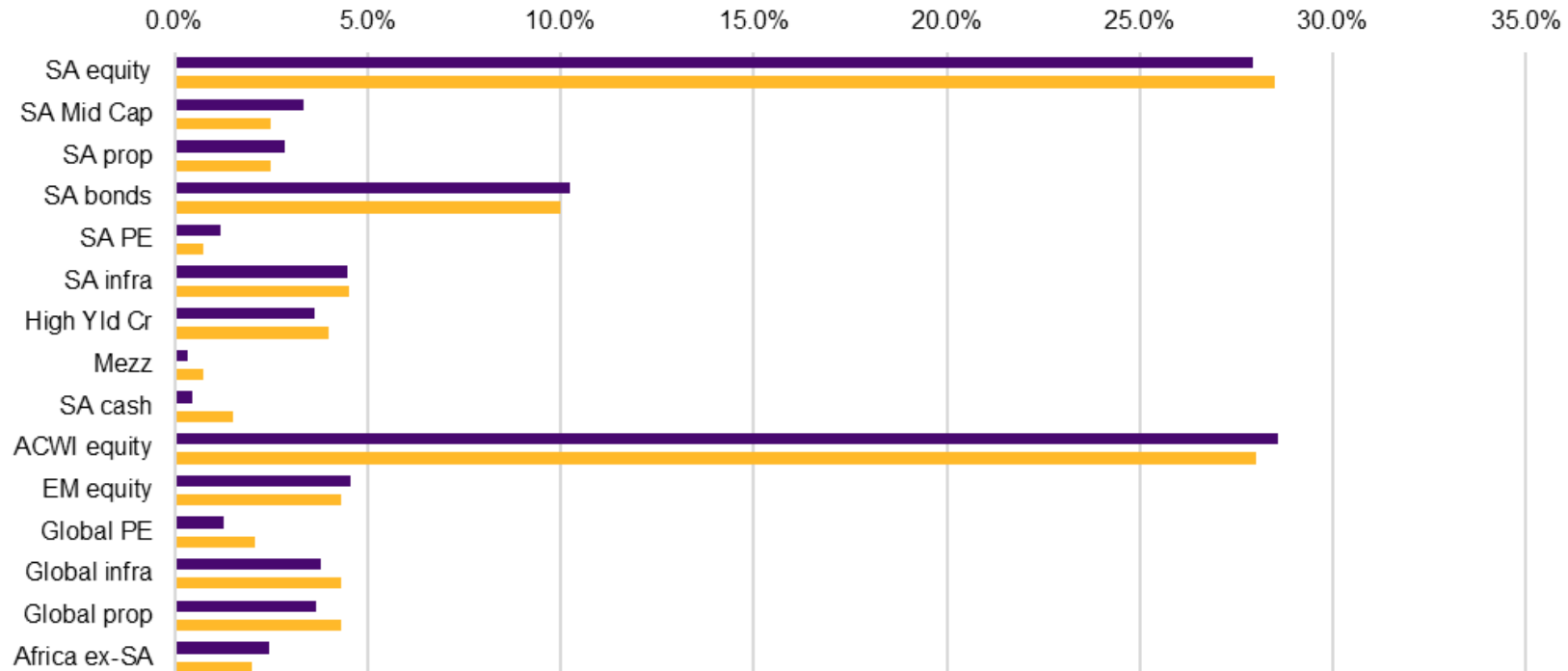
LONG TERM CAPITAL PORTFOLIO

- The absolute real returns delivered for the Long Term Capital Portfolio delivered a return that is only 0.1% p.a. behind its inflation related benchmark in what has been more challenging local market conditions. The only asset classes to deliver a real return in excess of 5% p.a. over the past seven years are global equities and listed infrastructure.
- In the case of South African equities most of the long term under-performance can be ascribed to the managers being under-weight the FTSE CAPI index heavyweight Richemont and to a lesser extent Anglo American and BHP
- The global equity manager performance struggled over the past three years as most of the managers were underweight large cap USA technology stocks and energy stocks



LONG TERM CAPITAL PORTFOLIO

Actual Asset Allocation vs SAA

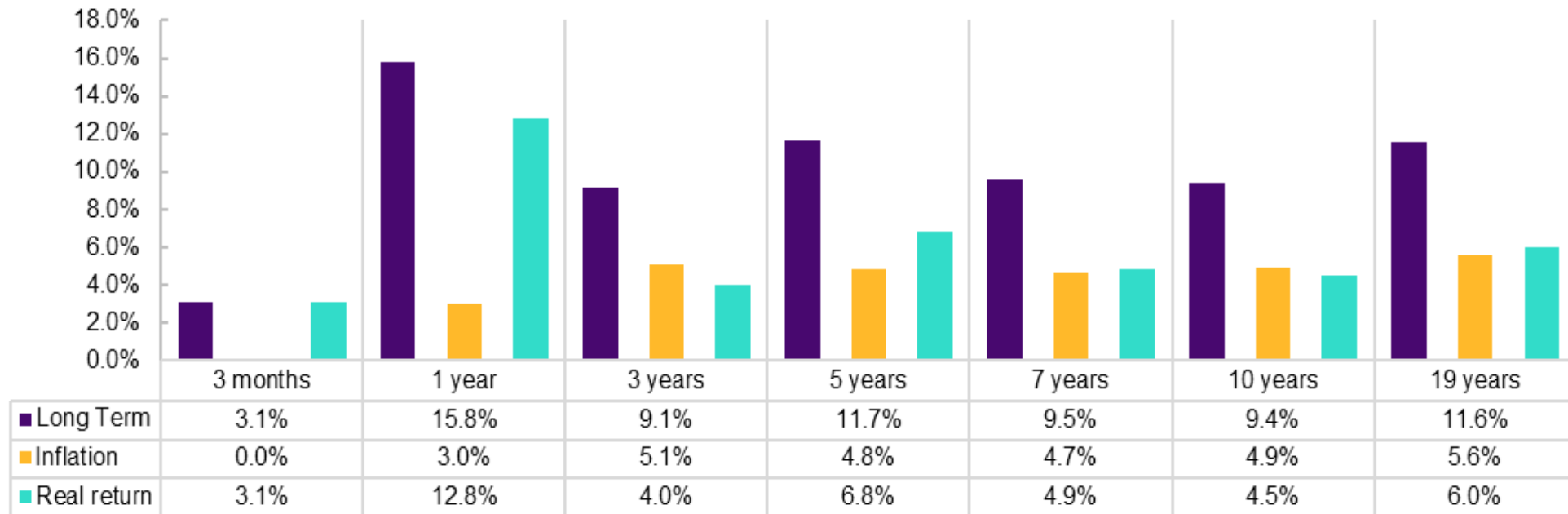


	Africa ex-SA	Global prop	Global infra	Global PE	EM equity	ACWI equity	SA cash	Mezz	High Yld Cr	SA infra	SA PE	SA bonds	SA prop	SA Mid Cap	SA equity
Actual allocation	2.5%	3.7%	3.8%	1.3%	4.5%	28.6%	0.5%	0.3%	3.6%	4.5%	1.2%	10.3%	2.9%	3.3%	27.9%
SAA	2.0%	4.3%	4.3%	2.1%	4.3%	28.0%	1.5%	0.8%	4.0%	4.5%	0.8%	10.0%	2.5%	2.5%	28.5%



LONG TERM CAPITAL PORTFOLIO to 31 DECEMBER 2024

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%)



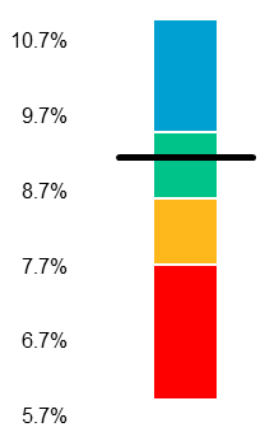
LONG TERM CAPITAL PORTFOLIO

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

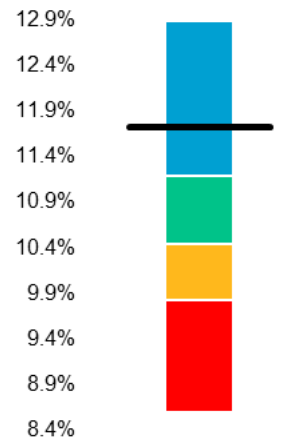


LONG TERM CAPITAL PORTFOLIO

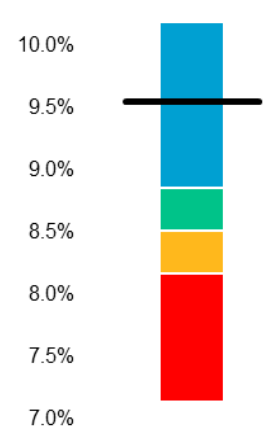
Long Term Portfolio - Peer relative 3 years



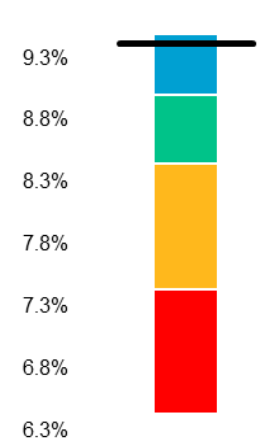
Long Term Portfolio Portfolio - Peer relative 5 years



Long Term Portfolio Portfolio - Peer relative 7 years



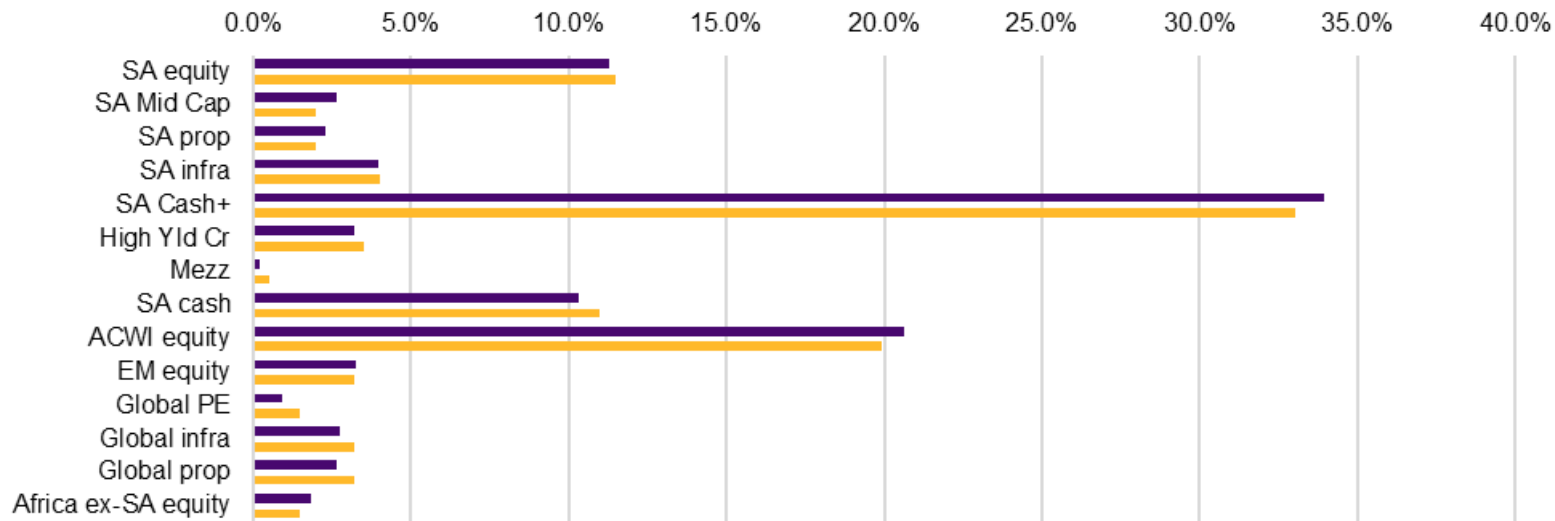
Long Term Growth Portfolio - Peer relative 10 years





STABLE PORTFOLIO

Actual Asset Allocation vs SAA

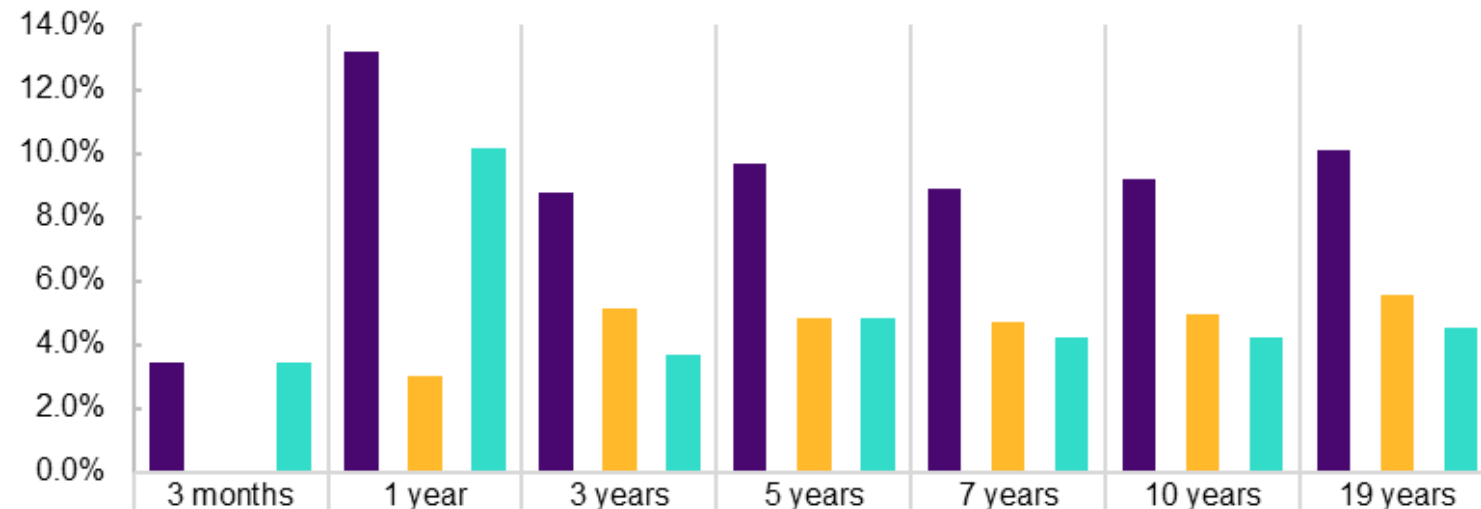


	Africa ex-SA equity	Global prop	Global infra	Global PE	EM equity	ACWI equity	SA cash	Mezz	High Yld Cr	SA Cash+	SA infra	SA prop	SA Mid Cap	SA equity
Actual	1.8%	2.6%	2.7%	0.9%	3.3%	20.6%	10.3%	0.2%	3.2%	33.9%	4.0%	2.3%	2.7%	11.3%
SAA	1.5%	3.2%	3.2%	1.5%	3.2%	19.9%	11.0%	0.5%	3.5%	33.0%	4.0%	2.0%	2.0%	11.5%



STABLE PORTFOLIO

Stable Portfolio net returns versus Inflation

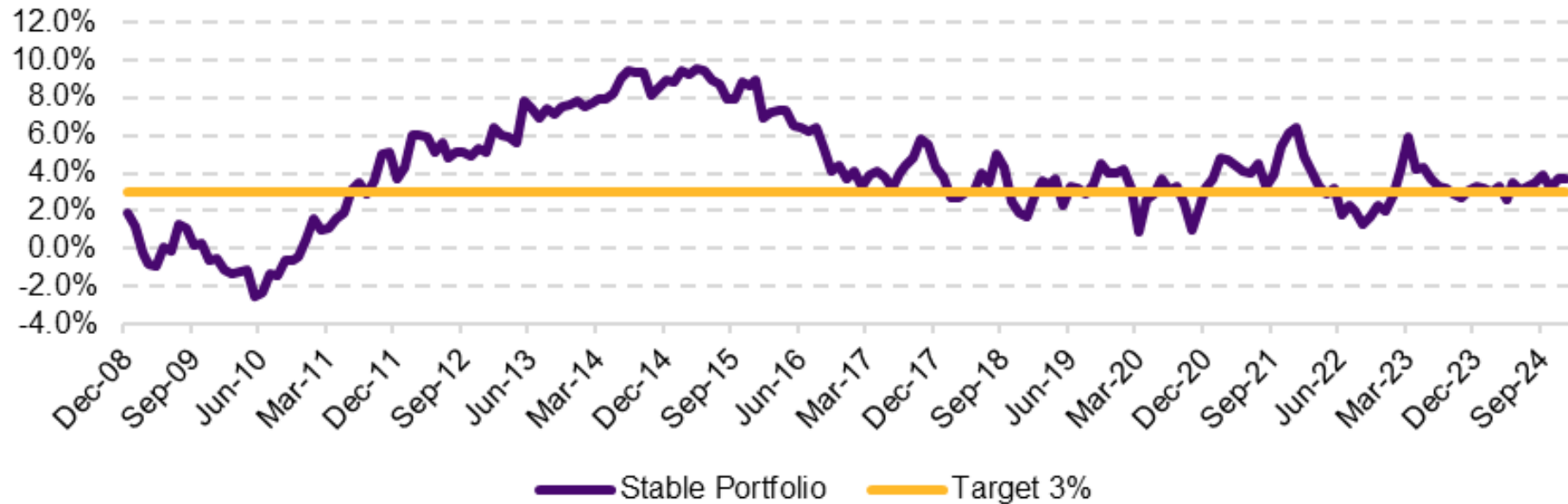


■ Stable Portfolio	3.4%	13.2%	8.8%	9.6%	8.9%	9.2%	10.1%
■ Inflation	0.0%	3.0%	5.1%	4.8%	4.7%	4.9%	5.6%
■ Real return	3.4%	10.2%	3.7%	4.8%	4.2%	4.2%	4.5%



STABLE PORTFOLIO

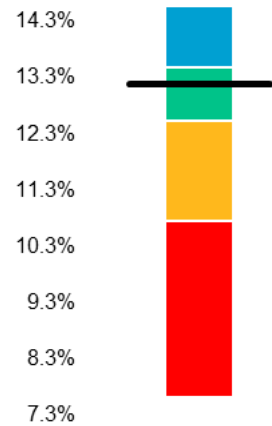
Stable Portfolio (net) rolling 3-year real return



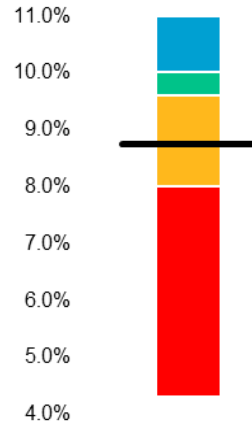


STABLE PORTFOLIO

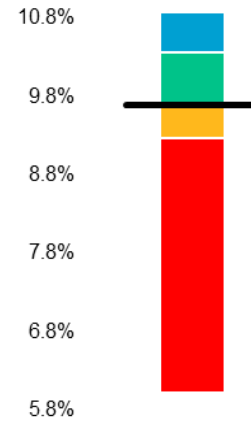
Stable Portfolio - Peer relative 1 year



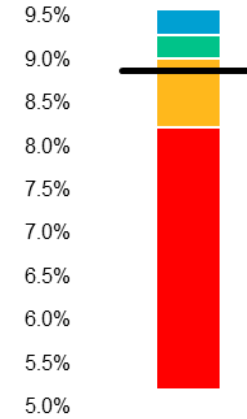
Stable Portfolio - Peer relative 3 years



Stable Portfolio - Peer relative 5 years



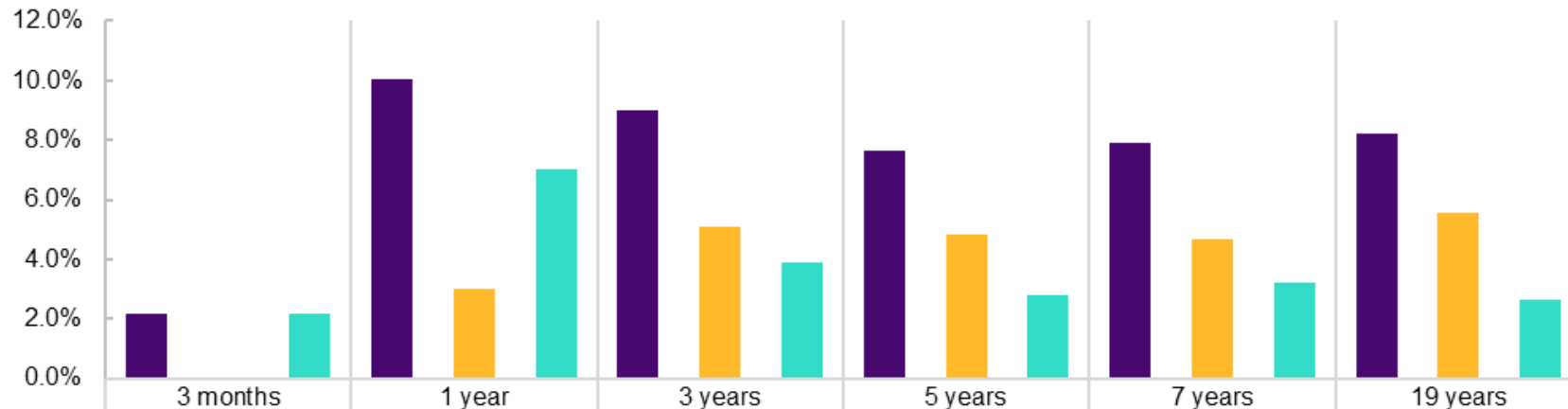
Stable Portfolio - Peer relative 7 years





Money Market portfolio returns to 31 December 2024

Money Market Portfolio net returns versus Inflation

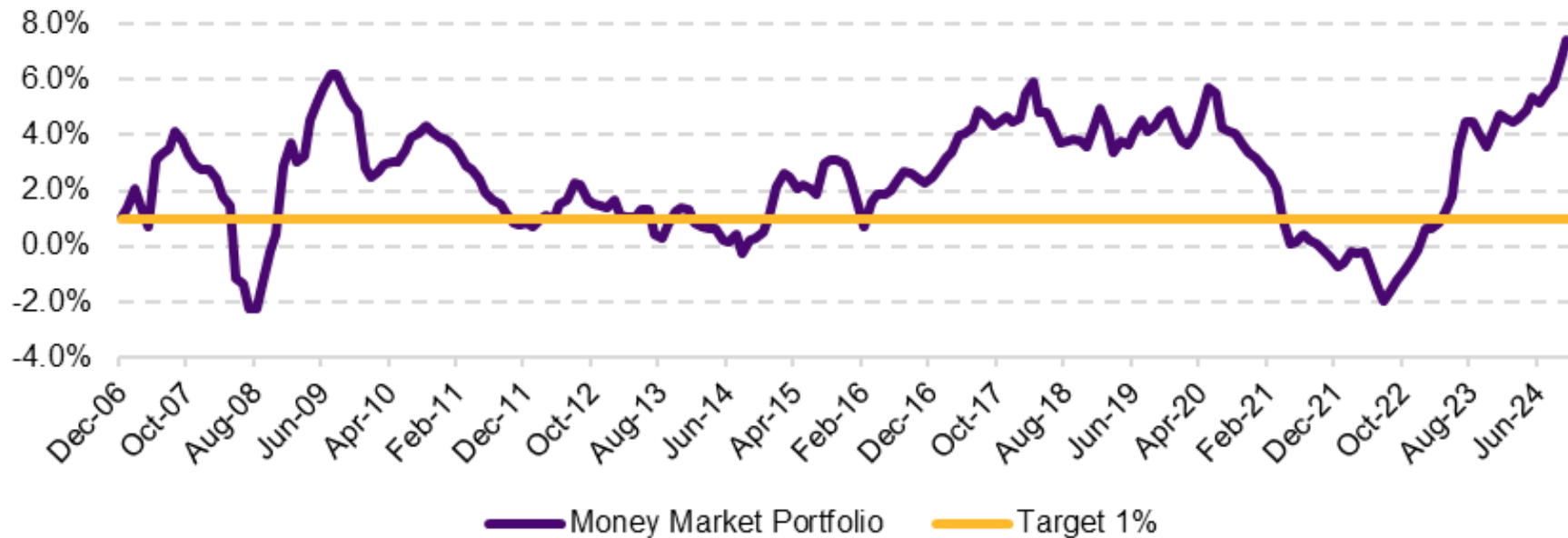


■ Money Market Portfolio	2.2%	10.1%	9.0%	7.7%	7.9%	8.2%
■ Inflation	0.0%	3.0%	5.1%	4.8%	4.7%	5.6%
■ Real return: Money Market Portfolio	2.2%	7.0%	3.9%	2.8%	3.2%	2.6%



Money Market portfolio

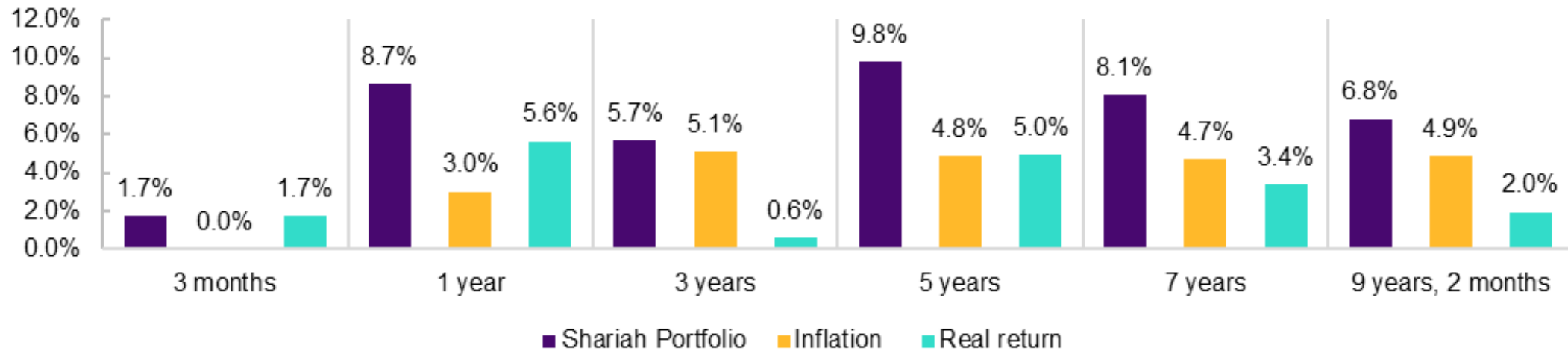
Money Market Portfolio rolling 1 year real return





Shar'iah portfolio returns to 31 December 2024

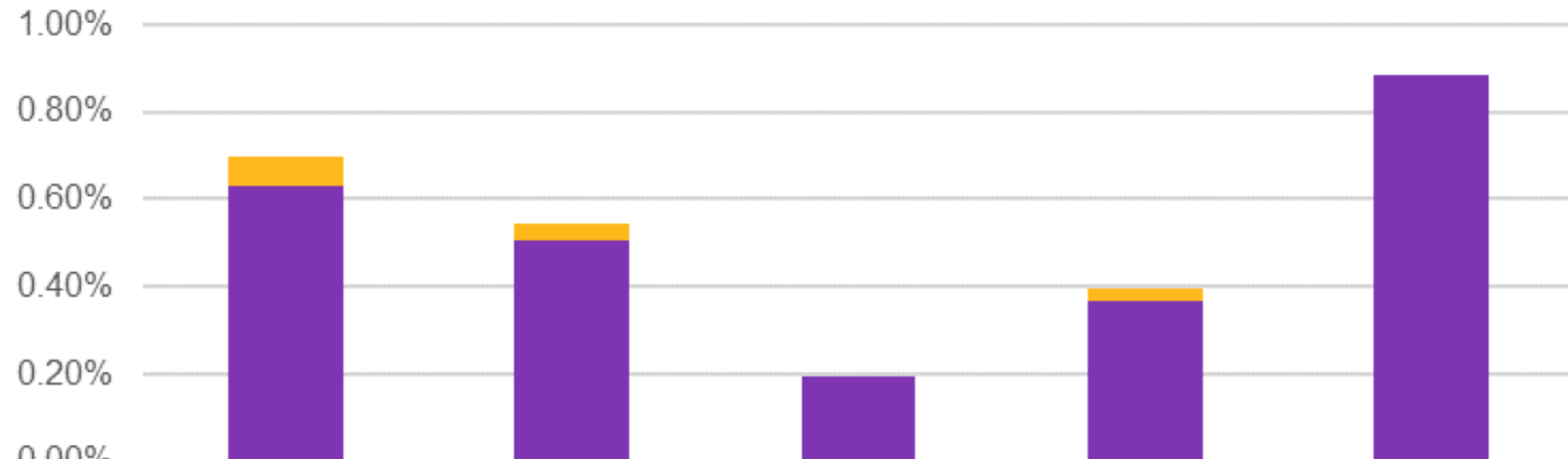
Shariah Portfolio net returns versus Inflation





Investment portfolio fees

Total Investment Charge + Expected Performance Fees

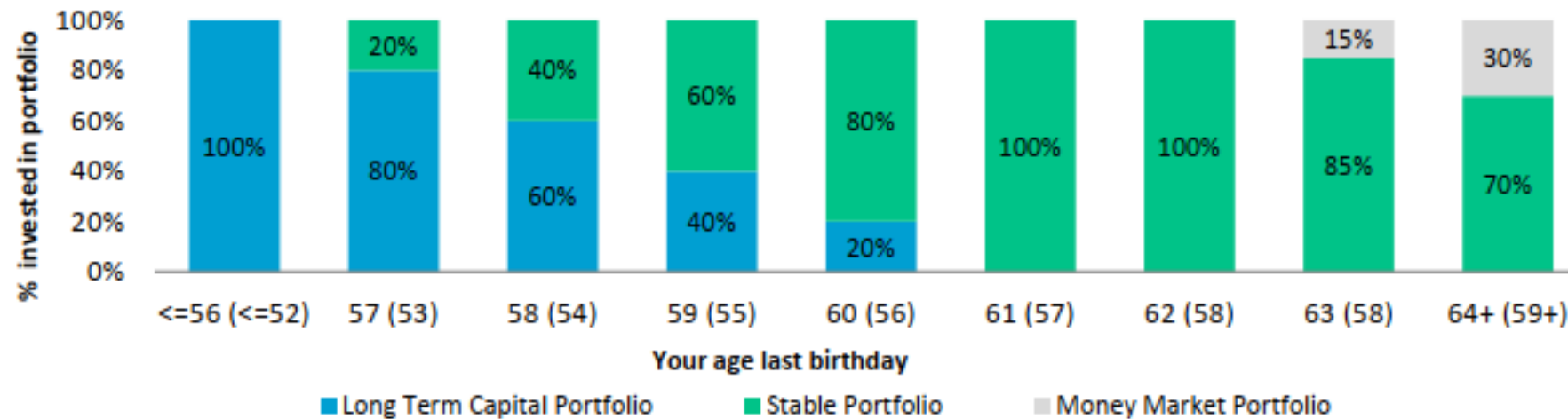


	Long Term Capital	Stable	Money Market	Pensioner	Shari'ah
Expect PF	0.07%	0.04%	0.00%	0.03%	0.00%
TIC	0.63%	0.51%	0.19%	0.37%	0.89%
TIC + Expected PF	0.70%	0.55%	0.19%	0.39%	0.89%



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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Visit the Fund
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Questions

