NATIONAL TERTIARY RETIREMENT FUND

NTRF UPDATE

Long Term Capital Portfolio — 31 March 2023

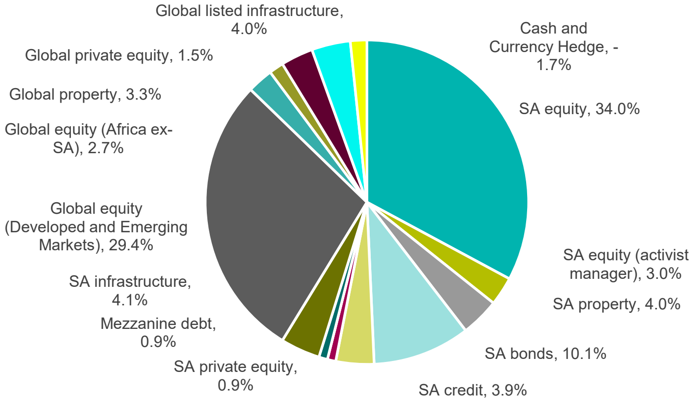
Investment objective

The Long Term Capital Portfolio is a market related portfolio that aims to provide a return that exceeds headline inflation by 5% per annum net of investment manager fees over measurement periods of at least 7 years.

The portfolio is most suitable for members that have a long investment horizon (7 years or more) and who are concerned about managing inflation risk. As reflected below in the asset allocation, the portfolio has a significant exposure to South African and global growth assets (equity and property) and thus large negative (and positive) returns are possible, particularly over short periods as you have recently experienced.

Actual asset allocation 31 March 2023

(Total asset value: R 9 233 million)



Manager Configuration 31 March 2023

Asset Class	Manager	% Allocation
SA equity	Allan Gray	6.3%
	Coronation	7.3%
	Fairtree	5.8%
	Camissa	5.5%
	Sanlam Index Tracker	4.5%
	Steyn Capital	4.5%
SA equity (activist manager)	VCP	3.0%
SA property	Meago	1.4%
	Sesfikile	2.6%
SA bonds	Coronation	4.9%
	Ninety One	5.2%
SA credit	Ninety One	3.9%
SA private equity	Futuregrowth	0.9%
Mezzanine debt	Vantage Capital	0.9%
SA infrastructure	Old Mutual	1.3%
	Stanlib	2.8%
Global equity (Developed and Emerging Markets)	Ardevora	4.9%
	GQG	4.4%
	Hosking	1.8%
	Lindsell Train	4.6%
	Sands Capital	3.2%
	Veritas	4.1%
	Select Equity	1.7%
	Blend of emerging market managers	4.7%
Global equity (Africa ex-SA)	Steyn Capital	2.7%
Global private equity	Oxford Sciences Enterprises via Sygnia	1.5%
Global property	Clearbell	0.3%
	Resolution Capital	3.1%
Global listed infrastructure	Maple Brown Abbott	4.0%
SA/Global cash and currency Hedge	Futuregrowth / Investec Bank / Coronation	-1.7%

Investment approach

The Fund has invested a portion of the SA equity assets class in a passive (or index) strategy managed by Sanlam. The balance of this asset class is invested in a blend consisting of a manager that adopts the “intrinsic value” thesis (Allan Gray and Camissa) in relation to mid-cap and small cap shares, complemented by active trading in large cap shares (Steyn Capital), a manager with a quality growth bias (Fairtree) and Coronation that follows a relative value approach controlling risk back to the benchmark. The Fund also has a small allocation to Value Capital Partners, a manager who follows a shareholder activist approach focusing on the mid and small cap opportunity set.

The Fund used a blend of global equity managers that adopt an intrinsic value (Hosking & Ardevora), quality (Lindsell Train and Veritas) and quality value (Select Equity) approach. The Fund also invests in other global growth assets notably global listed property (Resolution Capital), a blend of emerging markets equity managers, global unlisted property (Clearbell), global private equity (Sygnia Oxford Science Enterprises), global listed infrastructure (Maple Brown Abbott) and Africa excluding South Africa equities via Steyn Capital.

The Fund’s investment approach requires members to have the courage and patience for long term investing and not to be unsettled by short term volatility and underperformance compared to the peer group.

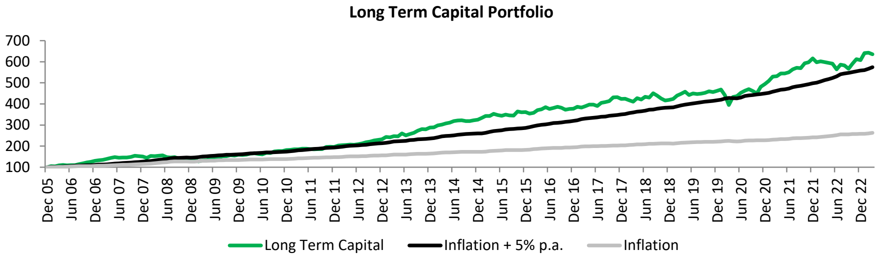
Disclosure Statement

There are no capital guarantees for this investment channel and members are reminded that the value of their investments can go down or up. Past performance is not an indication of future performance.

The security and protection of your personal information is important to the Fund. For more detail, please visit https://mra.momentum.co.za, sign in to the portal for your Fund (NTRF) and navigate to ‘Static Documents and Protection of Personal Information Act’.

Long Term Investment Performance (net of all investment costs and net of retirement fund tax that applied up to 31 August 2007)

The graph below shows the cumulative value on 31 March 2023 of R100 invested in the Long Term Capital Portfolio on 1 August 2006 (the inception date), compared to how the same R100 would have increased on account of headline inflation and the long term target of inflation plus 5%.



Actual portfolio over 17 yrs, 3 mths = R635.88
Inflation plus 5% p.a. over 17 yrs, 3 mths = R574.77
Inflation over 17 yrs, 3 mths = R263.09

The portfolio has delivered a return of 11.3% p.a. since inception (17 years and 3 months) compared to an inflation rate of 5.8% p.a. over the same period. The real return continues to exceed the performance target comfortably over the since inception period. The portfolio delivered a return of 8.0% p.a. over the recent 7-year period resulting in the real investment performance (after inflation) being 3.0% p.a., which is below the target in what has been tough market conditions (both locally and globally). If you are eight or more years from retirement and you are invested in the life stage model based on retirement age 60 or 65, then your retirement savings will be fully invested in the Long Term Portfolio.

Total Investment Charges (TIC): Manager fees, including an estimate in respect of trading and administration costs amounts to 0.7% per annum. Please note that this does not include any performance fee payable to some managers should they outperform their performance target. This fee is about 40% of that which the member would pay in the retail savings market.

Disclosure Statement

There are no capital guarantees for this investment channel and members are reminded that the value of their investments can go down or up. Past performance is not an indication of future performance.

The security and protection of your personal information is important to the Fund. For more detail, please visit https://mra.momentum.co.za, sign in to the portal for your Fund (NTRF) and navigate to 'Static Documents and Protection of Personal Information Act'.

NATIONAL TERTIARY RETIREMENT FUND

NTRF UPDATE

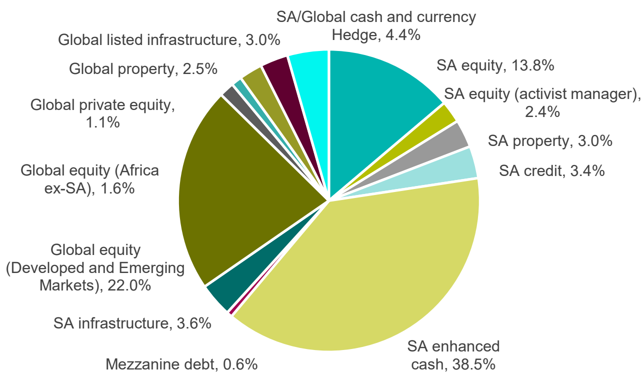
Stable Portfolio — 31 March 2023

Investment objective

The primary objective of this Portfolio is to deliver a return that exceeds headline inflation by 3% per annum net of investment manager fees over measurement periods of 3 years. The Stable Portfolio maintains a much lower exposure to growth assets (equities and property) compared to the Long Term Capital Portfolio. It also maintains a high exposure to cash and enhanced cash type investments including SA investment grade credit (with effect from December 2009). The portfolio is suitable for members that want to balance a reasonable return compared to inflation with the desire to limit the risk of losing capital over shorter periods and have an investment horizon of some two to four years.

Actual asset allocation 31 March 2023

(Total asset value: R 2 861 million)



Manager Configuration 31 March 2023

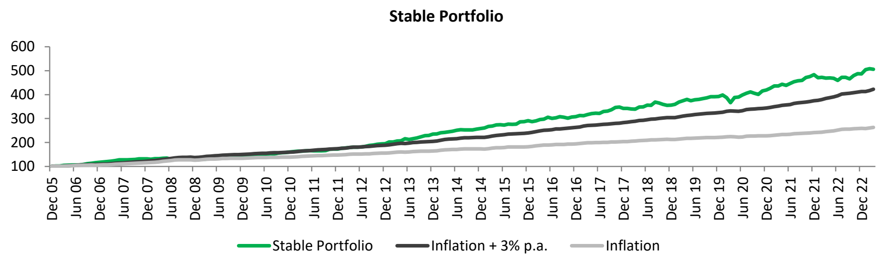
Asset Class	Manager	% Allocation
SA equity	Allan Gray	2.6%
	Coronation	3.0%
	Fairtree	2.4%
	Camissa	2.2%
	Sanlam Index Tracker	1.8%
	Steyn Capital	1.8%
SA equity (activist manager)	VCP	2.4%
SA property	Meago	1.0%
	Sesfikile	1.9%
SA credit	Ninety One	3.4%
SA enhanced cash	Ninety One	38.5%
Mezzanine debt	Vantage Capital	0.6%
SA infrastructure	Old Mutual	1.2%
	Stanlib	2.4%
Global equity (Developed and Emerging Markets)	Ardevora	3.7%
	GQG	3.3%
	Hosking	1.4%
	Lindsell Train	3.4%
	Sands Capital	2.4%
	Veritas	3.0%
	Select Equity	1.3%
	Blend of emerging market managers	3.5%
Global equity (Africa ex-SA)	Steyn Capital	1.6%
Global private equity	Oxford Sciences Enterprises via Sygnia	1.1%
Global property	Clearbell	0.2%
	Resolution Capital	2.3%
Global listed infrastructure	Maple Brown Abbott	3.0%
SA/Global cash and currency Hedge	Futuregrowth / Investec Bank / Coronation	4.4%

Investment approach

The investment approach adopted for the management of the SA and global equity component is the same as for the Long Term portfolio, except that the equity asset class represents a smaller portion of the overall portfolio. A portion of the assets are invested in SA investment grade credit with an average credit rating of AA with effect from December 2009. This decision was made in view of the expected higher than "normal" returns compared to the additional risk offered by high quality credit at that time (included in enhanced cash above).

Stable Investment Performance (net of all investment costs and net of retirement fund tax that applied up to 31 August 2007)

The graph below shows the cumulative value on 31 March 2023 of R100 invested in the Stable Portfolio on 1 August 2006 (the inception date of the portfolio), compared to the extent to which the same R100 would have increased on account of headline inflation and the long term target of inflation plus 3%.



Actual portfolio over 17 yrs, 3 mths = R505.97
Inflation plus 3% p.a. over 17 yrs, 3 mths = R422.36
Inflation over 17 yrs, 3 mths = R263.09

The portfolio has delivered a return of 9.9% p.a. since inception (17 years and 3 months) compared to an inflation rate of 5.8% p.a. over the same period (i.e., a real return of 4.1% p.a.) which is comfortably ahead of the performance target of inflation plus 3%. The 3-year real return comfortably outperformed the performance objective with 5.9% p.a.

If you are within one to six years from retirement and are invested according to the life stage model based on retirement age 60 or 65 a portion of your retirement savings will be invested in the Stable Portfolio. This Portfolio has some exposure to share markets, but to a lesser extent than for the Long Term Portfolio, and as such the impact of market volatility is not as severe as for the Long Term Portfolio.

Total Investment Charges (TIC): Manager fees, including an estimate in respect of trading and administration costs amounts to 0.58% per annum. Please note that this does not include any performance fee payable to some managers should they outperform their performance target. This fee is about 40% of that which the member would pay in the retail savings market.

Disclosure Statement

There are no capital guarantees for this investment channel and members are reminded that the value of their investments can go down or up. Past performance is not an indication of future performance.

The security and protection of your personal information is important to the Fund. For more detail, please visit https://mra.momentum.co.za, sign in to the portal for your Fund (NTRF) and navigate to 'Static Documents and Protection of Personal Information Act'.

NATIONAL TERTIARY RETIREMENT FUND

NTRF UPDATE

Money Market Portfolio — 31 March 2023

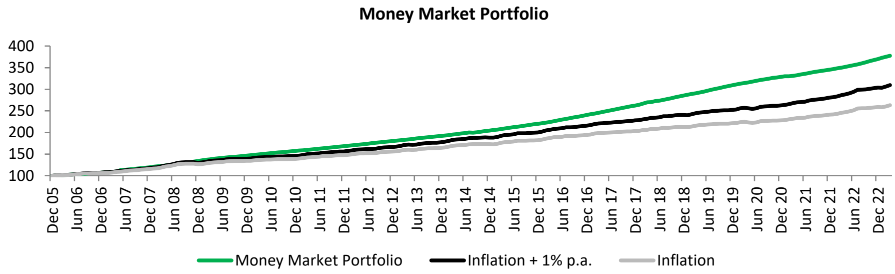
Investment objective

The Money Market Portfolio aims to provide a return of 1% per annum in excess of headline inflation net of investment manager fees over measurement periods of at least one year.

This portfolio (which amounts to R 884 million) is invested entirely in cash (60%) and enhanced cash (40%) strategies and is expected to provide a return broadly similar to that of the money market (i.e., the portfolio targets positive returns and very low risk of losing money over any 12 month period which is suitable for members close to retirement). The assets are managed by Ninety One and Futuregrowth respectively.

Long Term Investment Performance (net of all investment costs and net of retirement fund tax that applied up to 31 August 2007)

The graph below shows the cumulative value on 31 March 2023 of R100 invested in the Money Market Portfolio on 1 August 2006 (the inception date of the portfolio), compared to the extent to which the same R100 would have increased on account of headline inflation and the long term target of inflation plus 1%.



Actual portfolio over 17 yrs, 3 mths = R377.70
Inflation plus 1% p.a. over 17 yrs, 3 mths = R309.58
Inflation over 17 yrs, 3 mths = R263.09

The portfolio has delivered a return of 8.0% p.a. since inception (17 years and 3 months) compared to an inflation rate of 5.8% p.a. over the same period (i.e., a real return of 2.2% p.a.) which is a very good outcome. The portfolio has comfortably outperformed the investment performance target of 1% p.a. over longer measurement periods due to short-term interest rates being well above inflation as well as the manager adding value via the judicious use of credit. As is evident from the recent performance, delivering a 1% to 1.5% p.a. real return was a lot more challenging while the SARB followed a negative real interest rate regime. As noted from the year to date numbers, the outlook is more favourable as the SARB has increased the repo rate to 7.75% and inflation is expected to fall back into the 5% to 6% p.a. range.

Total Investment Charges (TIC): Manager fees, including an estimate in respect of trading and administration costs amounts to 0.23% per annum. This fee is about 50% of that which the member would pay in the retail savings market.

Disclosure Statement
There are no capital guarantees for this investment channel and members are reminded that the value of their investments can go down or up. Past performance is not an indication of future performance.
The security and protection of your personal information is important to the Fund. For more detail, please visit https://mra.momentum.co.za, sign in to the portal for your Fund (NTRF) and navigate to 'Static Documents and Protection of Personal Information Act'.