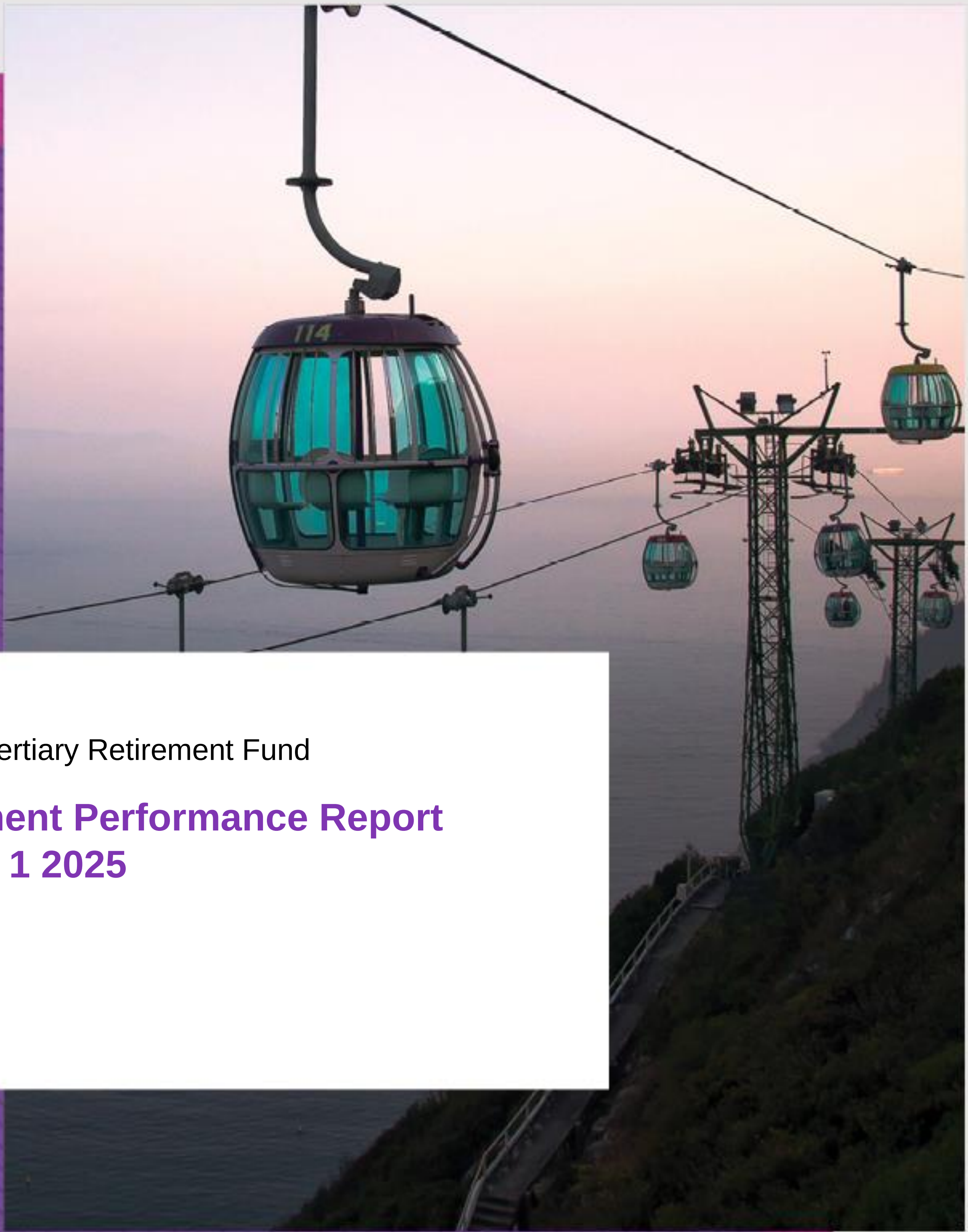


National Tertiary Retirement Fund

Investment Performance Report Quarter 1 2025

May 2025

Table of Contents

This page is intentionally blank

Section 1: Introduction

This report sets out the investment performance of the National Tertiary Retirement Fund for periods ended 31 March 2025 and has been prepared for the Fund's Investment Committee.

The performance report compares the investment channel performance to both the so-called Reference Portfolio and the Strategic Asset Allocation. The Reference Portfolio is the asset mix the Fund would hold if it restricted its investment strategy to the main (and listed) asset classes. The Reference Portfolio represents the lowest governance budget solution as the Fund is assumed to invest only in listed asset classes and the return of each asset class is taken as the relevant index return.

The Strategic Asset Allocation on the other hand provides for the inclusion of "alternative asset classes" (such as credit) which are expected to improve the overall risk and return payoff of the investment channel compared to the low governance Reference Portfolio strategy.

Please note that the return of the Reference Portfolio and Strategic Asset Allocation are calculated assuming the portfolios can rebalance to the specific asset mix at nil cost and that index replication is possible at no fee and no tracking error. In practice the performance-drag caused by rebalance, index fees and tracking error are estimated at around 0.3% p.a. Accordingly, the returns reported for these two portfolios are overstated, but we prefer to use a tougher benchmark.

Also see the separate factsheet dealing with the performance of the Fund's Emerging Market equity managers.

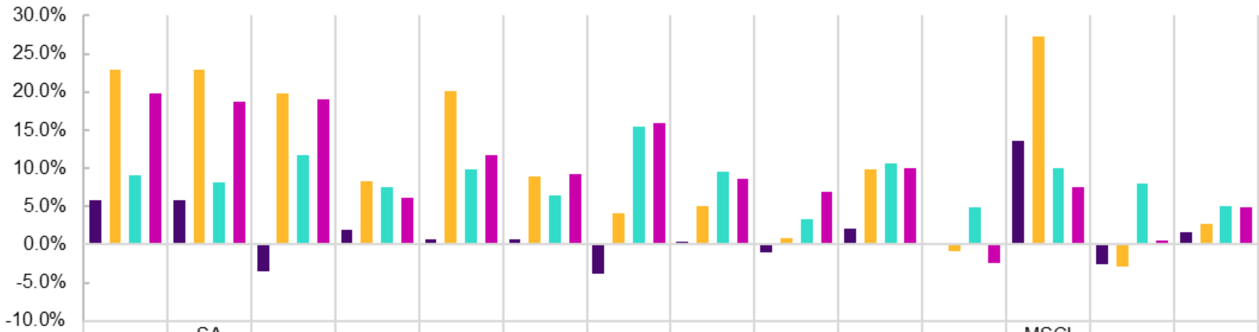
Disclaimer

Section 2: Market overview

Major market indices performance over periods up to five years

The chart below shows the investment returns delivered by the main market indices for measurement periods of up to five years to 31 March 2025 – note that global and Africa ex-SA performance numbers are in ZAR.

Major index returns periods up to 5 years



	SA equity (CAPI)	SA equity (Capped SWIX)	SA property	SA cash	SA bonds	SA ILB	Global equity ACWI	Global equity EM	Global property	Global infra	Global bonds	MSCI FM Africa ex ZAF	USD / ZAR	Inflation
3 months	5.8%	5.8%	-3.5%	1.9%	0.7%	0.6%	-3.8%	0.3%	-1.0%	2.2%	0.0%	13.6%	-2.5%	1.6%
1 year	22.9%	22.9%	19.8%	8.3%	20.2%	8.9%	4.1%	5.0%	0.9%	9.8%	-0.8%	27.3%	-2.9%	2.8%
3 years	9.1%	8.2%	11.7%	7.5%	9.8%	6.5%	15.4%	9.5%	3.4%	10.6%	4.8%	10.1%	8.0%	5.0%
5 years	19.8%	18.7%	19.0%	6.2%	11.7%	9.3%	15.9%	8.6%	6.8%	10.0%	-2.4%	7.6%	0.6%	4.9%

- SA equities as measured by the FTSE/JSE Capped SWIX Index were up 5.8% over the quarter, outperforming both global (MSCI ACWI) and emerging market equities which delivered ZAR returns of -3.8% and +0.3% respectively. In US$ terms, the global equity return over the quarter was -1.3%, while emerging market equities gained 2.9% with Brazil and China performing strongly.
- The strong overall local equity market return over the first quarter of 2025 was driven mainly by the very strong performance from precious metals and mining counters. Gold companies excelled as the gold price achieved a new historical high. A few other big names including Prosus (+12.4%), MTN (+34%), British American Tobacco (+13.6%) and Richemont (+14.2%) also supported the market. Companies with a high proportion of local earnings (SA Inc.) lagged as the market became concerned about the stability of the GNU.
- The SA Reserve Bank cut local short-term interest rates by 2 5bps in January 2025, bringing the repo lending rate to 7.5% p.a. The Federal Reserve also decided to keep the United States (US) interest rate fixed (federal funds rate at 4.5%) over the quarter, with the view of trade policy changes brought on by the Trump administration may cause inflation to increase.
- The so-called "Trump tariffs" was a major market disrupter in March, negatively impacting market sentiment and increasing market volatility. In an about-turn from the long term trend, Information Technology (IT) stocks were hit the hardest over the quarter, with a return of -11.6% in US$ over the quarter. The IT sector contributed -2.7% out of the -3.8% US$ return on the MSCI All Country World Index for the first quarter of 2025. Notably the dominance of the so-called "Magnificent Seven" appears to be on hold and the NASDAQ ended the quarter down 8.3% in US$.
- The FTSE/JSE Capped SWIX Index returned a very strong 22.9% over the one-year period relative to both global and emerging markets (4.1% and 5.0% respectively in ZAR). This performance, combined with low annual inflation of 2.7% provided a compelling real return above of 20% over the one-year period. The main driver of this outcome was a reduction in the country risk following the establishment of the GNU.

- The five-year FTSE/JSE Capped SWIX Index return of 18.7% p.a. represents a real return above inflation of 13.8% p.a. This exceptional outcome is partly the result of the first quarter of 2020 falling out of the measurement period (COVID) and the sharp uplift following the establishment of the GNU. Across all asset classes, the five-year returns skew performance as the pandemic market bottom happened at the end of March 2020. When reflecting on returns over this five-year period, one should take this lower base starting point into consideration.
- The SA listed property sector (SAPY) was down over the quarter following on the significant gains made in the first nine months of 2024. The market had probably run ahead of itself and a technical correction weas needed. The sector was impacted by the rise in SA long bond yields and by a reduction in confidence in local economic growth as the South African Government of National Unity (GNU) faced significant political pressures in March over the national budget.
- SA nominal bonds delivered a muted return of 0.7% over the quarter, weighed down by uncertainty around the outcome of the local budget and political tensions with the US. Local bond yields rose over the quarter in line with global bonds following a continued hawkish tone from the Federal Reserve Bank. The SA bond market still had a strong one-year return of 20.2%, delivering one of the best returns over a one-year period for this asset class in decades. Inflation Linked Bonds performed well behind nominal bonds over the year (8.9% versus 20.2%) as local investors remained optimistic that SA inflation would remain low.
- Africa ex-SA equities was the best performing asset class over the quarter and the year with a return of 13.6% and 27.3% respectively in ZAR. This highlights that market prices embed expectations and if things turn out slightly better than expected, equity markets can deliver a strong return. Morocco was the top performing country with a return of 26.5% in US$ driven by improved GDP growth expectations for 2025. The longer-term returns of this asset class remain poor relative to alternatives with a return of 7.6% p.a. (in ZAR) over the past five years – only global bonds and local cash have delivered a lower return over this period.
- Global listed property and global listed infrastructure both had a positive quarter in US$, gaining 1.6% and 4.8% respectively and outperforming the broader global equity market. Investors regard global listed infrastructure as solid hedge against higher than expected inflation.

Major market indices performance over periods longer than five years

The chart below shows the returns of the main asset classes for measurement periods of more than five years.

	SA equity (CAPI)	SA equity (Capped SWIX)	SA property	SA cash	SA bonds	SA ILB	Global equity ACWI	Global equity EM	Global property	Global infra	Global bonds	Africa ex-SA equity	USD / ZAR	Inflation
7 years	10.7%	8.2%	2.3%	6.5%	8.3%	5.2%	16.2%	8.2%	8.8%	13.3%	4.9%	5.8%	6.5%	4.7%
10 years	9.0%	6.8%	1.4%	6.7%	8.4%	5.3%	13.5%	8.1%	6.3%	10.6%	4.2%	3.9%	4.3%	4.9%
15 years	11.4%	10.5%	7.9%	6.4%	8.8%	7.1%	15.8%	9.6%	11.6%	14.6%	6.8%	6.7%	6.3%	5.0%
20 years	13.6%	12.7%	11.4%	7.0%	8.6%	8.1%	13.6%	12.0%	10.4%		7.2%	9.4%	5.6%	5.5%

The blank return shown for global listed infrastructure over 20 years simply reflects that the data series does not go back that far.

- Over the 10-year period the ZAR has depreciated against the US$ by 4.3% p.a. On a purchasing power parity basis, the ZAR should have depreciated by some 2.0% p.a. over the past 10 years.[1] Historically, the real exchange rate has weakened by an additional 1% to 1.5% p.a. reflecting the variable demand and supply dynamics for a small country's currency (i.e. an illiquidity premium). Thus, investors could have reasonably expected the ZAR to depreciate by some 3.0% to 3.5% p.a. against the US$; the fact that it has depreciated by 4.3% p.a. over the past 10-years suggests an increase in global investor risk aversion to South Africa.

- SA equities as measured by the widely used Capped SWIX Index delivered a real return of only 1.9% p.a. over the past decade, reflecting the challenges of the local economy. The Capped All Share Index (CAPI), which had a much higher weighting to foreign earners (Anglo American, Richemont and Naspers), performed better than the Capped SWIX with a real return of 4.1% p.a. over the 10-year period.

- The observed 20-year real return of SA equities (as measured by the CAPI) is 8.1% p.a., which is slightly above its long-term average (7.7% p.a.). The 20-year real return for SA bonds (3.2% p.a.) is well above the long-term average (1.8% p.a.). The local equity risk premium ("ERP") over the past twenty years has been 4.9% p.a., which is below the long-term average.

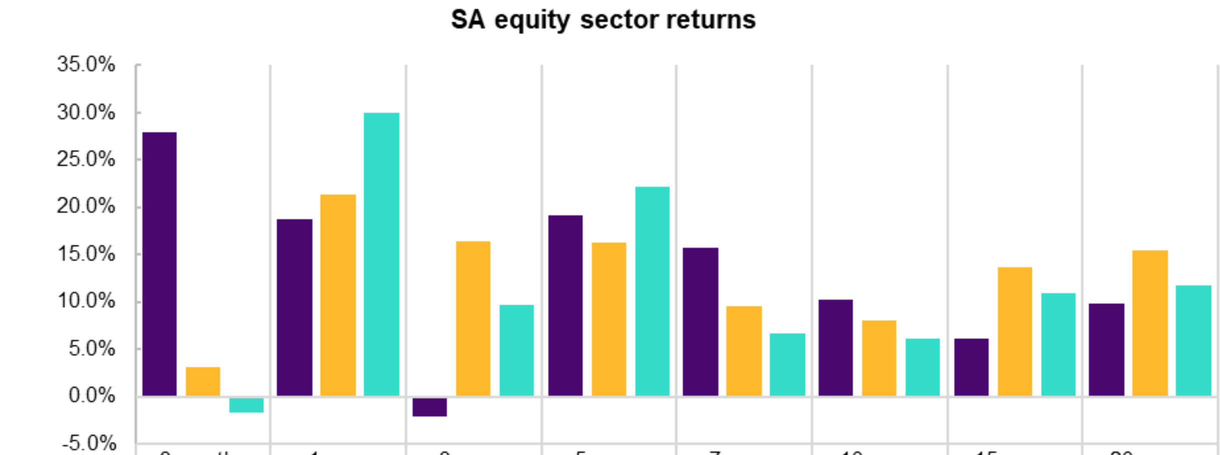
- The stronger 20-year returns are back-end loaded and relate to the period 2004 to mid-2008 when there was a commodity boom and SA's national finances were in a much stronger position.

- Global equities (13.6% p.a. in ZAR) outperformed local equities Capped SWIX (12.7% p.a.) over the past 20 years. In theory SA equities should out-perform global equities as investors need to be compensated for the narrower opportunity set and SA country risk. The exceptional performance of the Magnificent Seven over the past 10 years is a salutary reminder that the narrow opportunity set provided by the local market can be a strong headwind to returns.

[1] USA inflation has averaged close to 3% p.a. over the past 10 years, a statistic that may surprise many readers.

Returns from the main sectors of the SA equity market

The chart below shows the return of the resources, industrial and financial equity sectors over different measurement periods up to the reporting date:

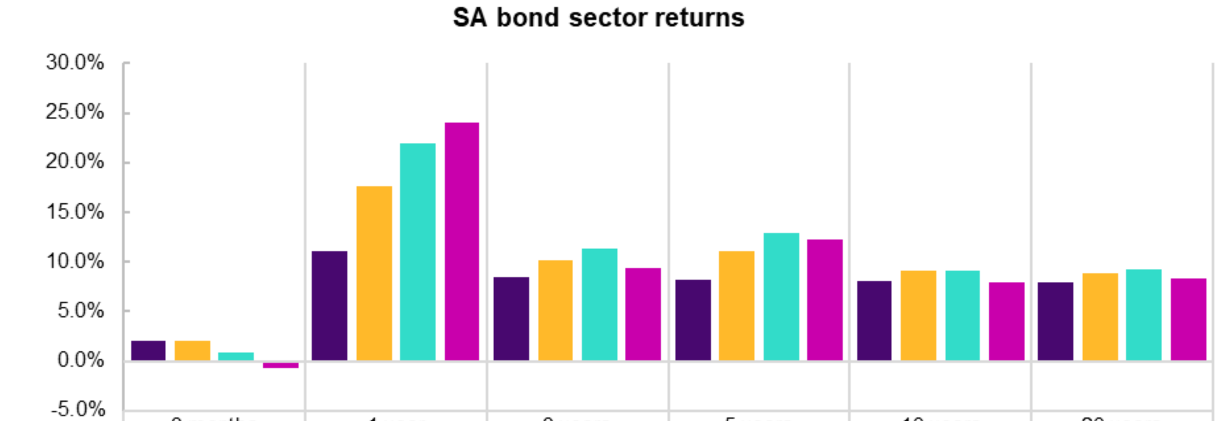


	3 months	1 year	3 years	5 years	7 years	10 years	15 years	20 years
Resources	27.9%	18.8%	-2.0%	19.1%	15.7%	10.3%	6.1%	9.9%
Industrials	3.1%	21.4%	16.4%	16.2%	9.6%	8.1%	13.6%	15.4%
Financials	-1.8%	30.0%	9.7%	22.2%	6.7%	6.1%	11.0%	11.8%

- Whilst posting a negative return over the past 3-month period, the Financials sector continued to deliver a strong return of 30.0% over the one-year period, boosted by exceptional performances of Capitec (+51.4%) and Standard Bank (+38.7%).
- The Resources sector delivered the best broad market sector return over the quarter by a huge margin, posting a return of 27.9%, a significant bounce-back from a weak 2024. This result was driven by the more positive sentiment around local mining stocks as well as the increase in commodity prices, specifically gold.
- The surge in the gold price was a consequence of global investors moving to more defensive assets as markets fluctuated over the quarter due to the implementation and confusion of the new US global tariff policy and the trade tensions and constraints that would result from them.
- Although many commodity stocks rebounded over the three-month period due to commodity prices increasing, some companies continued to underperform. The main negative contributors were Glencore Xstrata (-19.4%) and Sasol (-8.1%). This was offset by the strong positive performance from the gold mining companies over the quarter, which include Harmony Gold (77%), DRD Gold (74%) and Gold Fields (67%).
- Resources remain the best performing sector over the seven- and ten-year period, following on a challenging period from 2010 to early 2016. Stock selection plays a crucial role in this sector as the upside of having the right commodity mix is significant and risk of having stranded assets increases if the mix is wrong.
- We also point out that the 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 bond market sector returns

The chart below sets out the performance of the main bond "buckets" over different measurement periods:



	3 months	1 year	3 years	5 years	10 years	20 years
ALBI 0-3	2.1%	11.0%	8.5%	8.2%	8.1%	8.0%
ALBI 3-7	2.0%	17.7%	10.1%	11.1%	9.1%	8.8%
ALBI 7-12	0.9%	21.9%	11.3%	12.8%	9.1%	9.2%
ALBI 12+	-0.7%	24.0%	9.3%	12.2%	7.9%	8.3%

- As highlighted earlier, the SARB lowered the repo lending rate over the quarter, decreasing the rate from 7.75% to 7.50% at its Monetary Policy Committee (MPC) meeting in January. However, the vote was to keep the rate unchanged at the March MPC meeting on the back of inflation fears against the backdrop of a potential global tariff war.

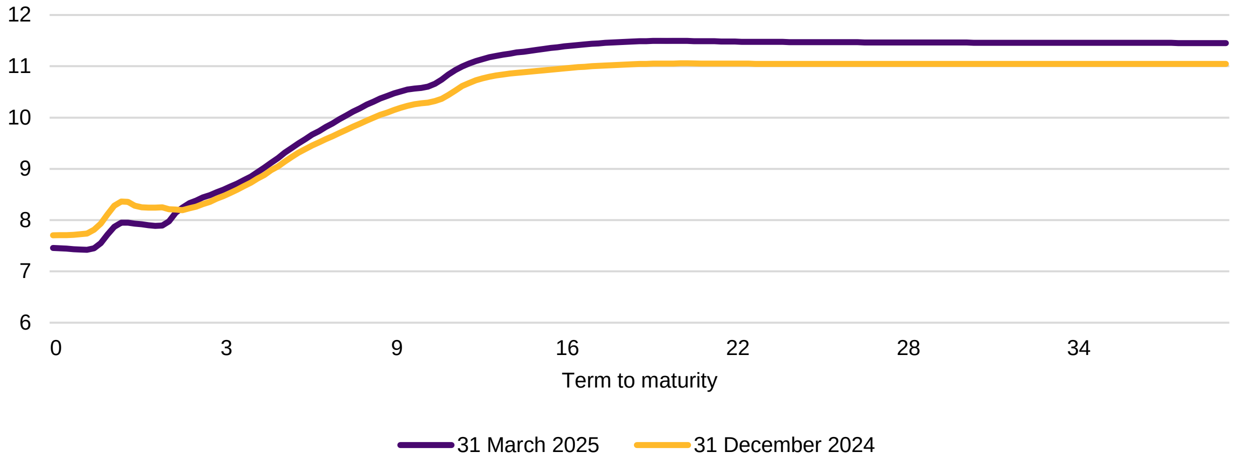
- Local bond yields decreased in the short end but rose elsewhere across the yield curve (see chart below) with the 12+ year part of the curve delivering a -0.7% return over the quarter.

- The 10-year SA government bond ended the quarter at a 10.5% p.a. yield, compared to the 5.0% p.a. real return offered by the 10-year inflation linked bond – thus implying a break-even inflation rate of 5.5% p.a. Naturally, holders of nominal bonds demand a premium for the risk that inflation could be higher than expected; the so-called inflation risk premium is generally between 0.75% and 1.25% p.a. This premium is likely to be closer to its lower limit currently and so the market seems to be pricing long- term inflation of around 4.75% p.a.

- The 20-year return difference in the 12+ and 7-12 year areas of the bond curve (8.3% p.a. and 9.2% p.a. respectively) is -0.9% p.a. Our sense is that the main reason for this outcome is that very long dated bond yields reflect investor concerns about the long term inflation and country risk.

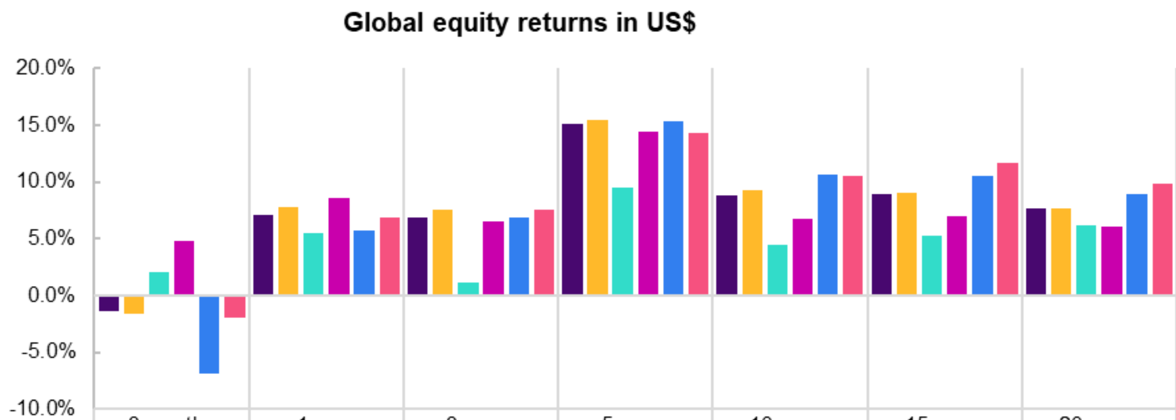
- Furthermore, the historic 20-year observed term premium for 12+ year bonds compared to the 0 to 3-year term is 0.3% p.a. and so investors have received scant compensation for taking on duration risk. Prospectively we would expect this premium to be higher (and closer to 2.5% p.a. to 3% p.a.) to reflect country risk. This view is consistent with the steep slope of the current yield curve shown in the chart below which also shows the yield curve 3 months ago.

SA nominal bond par curve (%)



Global equities in US$

The chart below shows the return of the MSCI ACWI ND in US$ together with the so-called style indices.



	3 months	1 year	3 years	5 years	10 years	15 years	20 years
ACWI	-1.3%	7.2%	6.9%	15.2%	8.8%	8.9%	7.6%
ACWI Large Cap	-1.6%	7.8%	7.6%	15.5%	9.3%	9.1%	7.7%
ACWI Equal Weight	2.1%	5.5%	1.1%	9.5%	4.5%	5.3%	6.2%
ACWI Value	4.8%	8.6%	6.6%	14.4%	6.7%	7.0%	6.1%
ACWI Growth	-6.8%	5.7%	6.8%	15.4%	10.6%	10.5%	9.0%
ACWI Momentum	-1.9%	6.9%	7.5%	14.3%	10.6%	11.7%	9.9%

- The commonly held view is that "long term compounders" (i.e. companies with more stable but higher earnings growth than the market) are "quality" counters. However, the MSCI uses shorter term measures and the top five counters in the ACWI Quality Index at the end of the quarter (in order) are Meta, Apple, Microsoft, Nvidia and Visa, much like the growth index. Historically, using this classification and methodology, Growth, Quality and Momentum have been the best performers over every period longer than 12 months.

- Over the past quarter however, there was a significant drawdown in the US global large cap technology companies, triggered in part by the release of the latest Artificial Intelligence model of China's Deep Seek. These technology companies were also negatively affected by the uncertainty brought on by the US tariff increases and the potential impact thereof on the supply and assembly chain.

- For the past 10 years global equity markets have been the story of large cap US technology companies. Less than 10% of active managers have outperformed the MSCI ACWI over this period. Active managers are heavily conditioned to the belief that high prices are a precursor to subsequent lower returns and the long term history of market shows this to be a good bet. However, markets can shift, and most active managers way underestimated the extent to which the large cap US technology firms could grow their earnings to support their seemingly lofty valuations.

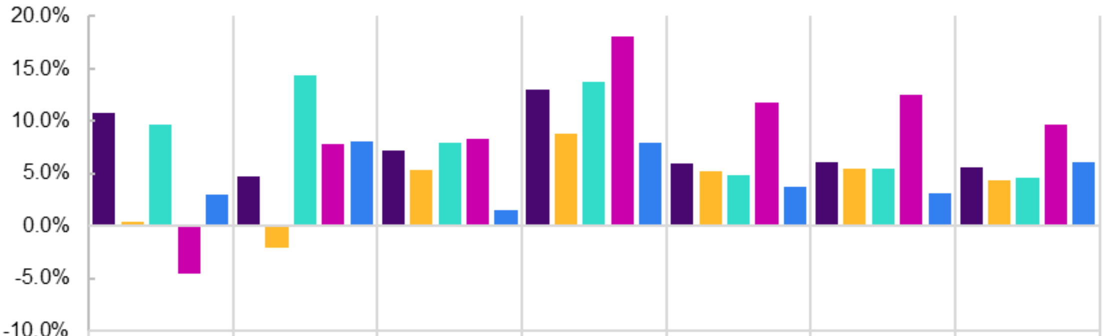
- Value investing has struggled over all the longer measurement periods and over the past 15 years it has under-performed the quality and growth investment theses by 4.5% p.a. and 3.5% p.a. respectively. Naturally, a significant percentage of this under-performance arises because this index does not include any of the Magnificent Seven companies. Value investing has, however, provided strong performance over the last quarter and has significantly outperformed Growth and Momentum mainly due to the significant drawdown in technology companies within those indices.

- It has also been a challenging 10-year period for mid-cap companies as evidenced by the material out-performance of the ACWI Index to its Equal Weighted counterpart. The historic data suggests that the return on capital of the average mid-cap company has reduced over time. This may be a temporary feature of markets, but we take the view that it is more structural as the cost of regulatory compliance increases and the capital investment required to stay in the game has increased.

Global equity country returns in US$

The chart below shows the return of the MSCI country indices in US$ for measurement periods up to the reporting date:

Global equity country returns in US$



	3 months	1 year	3 years	5 years	10 years	15 years	20 years
Europe ex-UK	10.7%	4.7%	7.1%	13.0%	6.0%	6.0%	5.6%
Japan	0.3%	-2.1%	5.3%	8.8%	5.3%	5.5%	4.4%
UK	9.7%	14.4%	7.9%	13.8%	4.9%	5.5%	4.6%
USA	-4.6%	7.8%	8.4%	18.1%	11.8%	12.5%	9.7%
Emerging markets	2.9%	8.1%	1.4%	7.9%	3.7%	3.0%	6.1%

- The chart talks to the narrative of American Exceptionalism over the long term. Over the 15-year period the United States has out-performed Europe (excluding UK) (the 2nd best performing market) by 6.5% p.a. $100 invested in the US equity market 15 years ago would be worth $585 today whereas that same $100 if allocated to the Japan market would have grown to a much lesser $240.

- However, over the past quarter we have seen a significant shift in the global trade policies of the US, with an expectation that the large tariffs to be implemented by the new administration will fundamentally change the manufacturing sector within the USA and improve its fiscal position. These changes are both significant in quantum and have subsequently caused significant disruption throughout global investment markets.

- The US market was hard hit over the quarter, posting negative returns. European markets and the UK fared best over this period, with Germany being a key driver of performance in the Eurozone and Financials delivering strong performance.

- Emerging market equity performance has struggled against advanced economies over the last fifteen years. The valuations have seemingly been attractive, but the earnings growth has disappointed. Important emerging markets like China, Russia, Brazil and South Africa have been beset by political challenges. The strong US$ has also been a material headwind as the returns are reported in US$.

Global equity sector returns in US$

The next table shows the returns of the MSCI ACWI sectors for periods up to the reporting date.

Sector	3 months	1 year	3 years	5 years	10 years	15 years
Communication services	-2.5%	15.2%	8.4%	13.2%	6.5%	7.2%
Consumer discretionary	-7.6%	5.0%	3.4%	13.2%	8.0%	10.4%
Consumer staples	5.6%	7.1%	3.1%	8.0%	5.4%	7.5%
Energy	9.2%	1.5%	8.6%	21.9%	4.9%	3.7%
Financials	6.0%	20.6%	11.3%	19.2%	8.4%	7.6%
Health	4.9%	-0.9%	2.3%	9.5%	6.7%	10.2%
Industrials	2.2%	5.2%	9.0%	16.3%	8.5%	8.8%
Information Technology	-11.6%	3.8%	10.5%	21.1%	17.4%	15.6%
Materials	4.7%	-5.5%	-2.4%	12.7%	5.9%	3.6%
Utilities	6.5%	17.4%	4.1%	8.9%	6.4%	5.5%

Noteworthy points include:

- While the overall equity market was negative over the quarter mainly due to the significant draw-down in large-cap information technology stocks, many sectors remained positive. Energy was the best performing sector over the quarter gaining 9.2%, a significant rebound from the weak 2024 calendar year. As Artificial Intelligence (“AI”) development ramps up, the expectation of energy demand continues to increase, along with a generally held more positive view on useful lifetime fossil fuels.

- As previously stated, Information Technology (IT) was the worst performing sector over the quarter and the market sell-off impacted the largest technology stocks the hardest. While the use-cases and integration of AI continues to increase in everyday life, the outlook on these IT companies were significantly impacted by the outset of the US tariffs, as significant portions of the supply and assembly chain are provided from East Asia.

- The most recent quarterly return has had a significant impact on the one- and three-year return values for this sector, which has now fallen behind the Financials sector over these periods. However, the IT sector remains the best performing sector over the measurement periods longer than 3 years.

- Historically, one has observed a transfer of technology innovation to other sectors. Almost every sector of the economy is likely to benefit from increased computing power and AI, but one could expect to see a wide divergence within sector company returns as winners transform their businesses better and the losers fall behind. Such an environment is generally more productive for skilled stock pickers.

Section 3: Market value of assets

The market value of the Fund's assets (R million) per investment channel is shown in the table below.

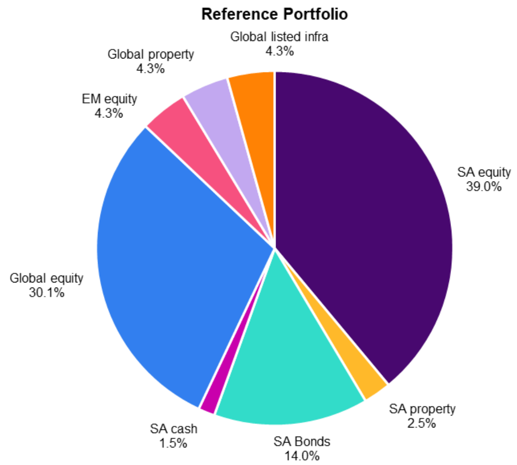
Asset Class	Manager	Long Term Portfolio	Stable Portfolio	Money Market Portfolio	Pensioner Portfolio	Shariah Portfolio	Reserves	Total	Total %
SA equity	Allan Gray	549.3	80.0	-	-	-	5.0	**634.3**	**3.0%**
	Coro equity	647.1	94.3	-	-	-	5.9	**747.2**	**3.5%**
	Fairtree	314.3	45.8	-	-	-	2.9	**363.0**	**1.7%**
	Camissa	498.6	72.6	-	-	-	4.6	**575.8**	**2.7%**
	Sanlam CAPI	958.4	139.6	-	-	-	8.8	**1 106.8**	**5.3%**
	Steyn equity	232.5	33.9	-	-	-	2.1	**268.5**	**1.3%**
SA Mid Cap	VCP	328.0	94.7	-	74.6	-	6.0	**503.3**	**2.4%**
SA property	Meago	107.2	31.0	-	-	-	1.9	**140.1**	**0.7%**
	Sesfikile	196.3	56.7	-	-	-	3.6	**256.6**	**1.2%**
SA bonds	91 bonds	572.4	-	-	-	-	-	**572.4**	**2.7%**
	Futuregrowth IDBF	565.7	-	-	-	-	-	**565.7**	**2.7%**
Matched	91 Cr Opp CR5	4.3	1.4	-	-	-	0.1	**5.8**	**0.0%**
	91 Cr Opp CP6	4.2	1.3	-	-	-	0.1	**5.6**	**0.0%**
	91 Cr Opp CR6	0.8	0.3	-	-	-	0.0	**1.1**	**0.0%**
	91 Cr Opp CO12	-	-	-	81.8	-	-	**81.8**	**0.4%**
	FG MM	-	-	-	93.1	-	-	**93.1**	**0.4%**
	ABSA 2011	-	-	-	0.0	-	-	**0.0**	**0.0%**
	FG Power Debt	-	-	-	304.3	-	-	**304.3**	**1.4%**
	Old Mutual	-	-	-	3 169.8	-	-	**3 169.8**	**15.1%**
	VGX Note II	-	-	-	132.7	-	-	**132.7**	**0.6%**
HYC	91 Cr Opp CR12	335.7	106.1	-	-	-	6.7	**448.5**	**2.1%**
SA PE	FG Dev equity	131.3	-	-	-	-	-	**131.3**	**0.6%**
SA Infra	Old Mutual RE	100.5	32.3	-	43.3	-	2.0	**178.1**	**0.8%**
	OM Ideas	103.8	33.3	-	44.7	-	2.1	**183.9**	**0.9%**
	Stanlib	295.8	94.9	-	127.4	-	6.0	**524.0**	**2.5%**
Mezz	Vantage Mezz	37.4	9.0	-	-	-	0.6	**47.0**	**0.2%**
Africa ex-SA	Steyn Africa	297.3	80.5	-	36.0	-	5.1	**418.9**	**2.0%**
SA cash	FG MM	157.8	391.1	282.0	-	0.3	240.2	**1 071.4**	**5.1%**
	Coro Hedge	0.7	0.2	-	0.3	-	0.0	**1.3**	**0.0%**
SA cash+	91 Cr Inc	-	662.6	98.8	-	-	41.7	**803.1**	**3.8%**
	91 NAT29A	-	710.6	106.0	-	-	44.7	**861.3**	**4.1%**
Shariah	27 Four	-	-	-	-	13.8	-	**13.8**	**0.1%**
ACWI equity	GQG	609.9	158.7	-	144.2	-	10.0	**922.8**	**4.4%**
	Hosking	0.0	0.0	-	0.0	-	0.0	**0.0**	**0.0%**
	Lindsell Train	540.2	140.6	-	127.7	-	8.8	**817.3**	**3.9%**
	Sands Capital	393.6	102.4	-	93.1	-	6.4	**595.5**	**2.8%**
	Veritas	472.0	122.8	-	111.6	-	7.7	**714.1**	**3.4%**
	Teewinot	225.8	58.8	-	53.4	-	3.7	**341.7**	**1.6%**
	Select Equity	409.7	106.6	-	96.9	-	6.7	**619.9**	**2.9%**
	State Street	325.5	84.7	-	77.0	-	5.3	**492.5**	**2.3%**
	Stanlib US$ note	82.0	21.3	-	19.4	-	1.3	**124.1**	**0.6%**
EM equity	Sygnia GEM	505.3	131.5	-	119.5	-	8.3	**764.5**	**3.6%**
Global PE	OSI	137.2	35.7	-	32.4	-	2.2	**207.6**	**1.0%**
GL Infra	Maple Brown	448.2	116.7	-	106.0	-	7.3	**678.2**	**3.2%**
GL property	Clearbell	14.9	3.9	-	3.5	-	0.2	**22.5**	**0.1%**
	Resolution	383.4	99.8	-	90.7	-	6.3	**580.1**	**2.8%**
Global cash	Investec	0.9	0.3	-	0.3	-	0.0	**1.6**	**0.0%**
Admin cash	Admin cash	(30.2)	-	-	-	-	(7.6)	**(37.8)**	**-0.2%**
Total		**10 957.8**	**3 956.0**	**486.9**	**5 183.8**	**14.1**	**456.9**	**21 055.5**	**100.0%**

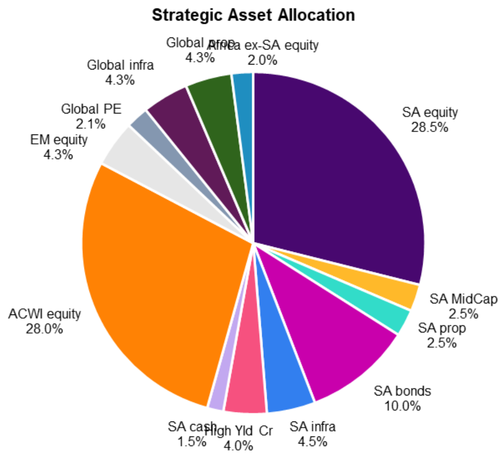
Note as at the time of preparing this report the member liabilities per investment channel was still to be provided by MRA. The reported value thus includes March 2025 investment returns but not contributions or benefit payments.

Section 4: Asset allocation

Long Term Capital Portfolio

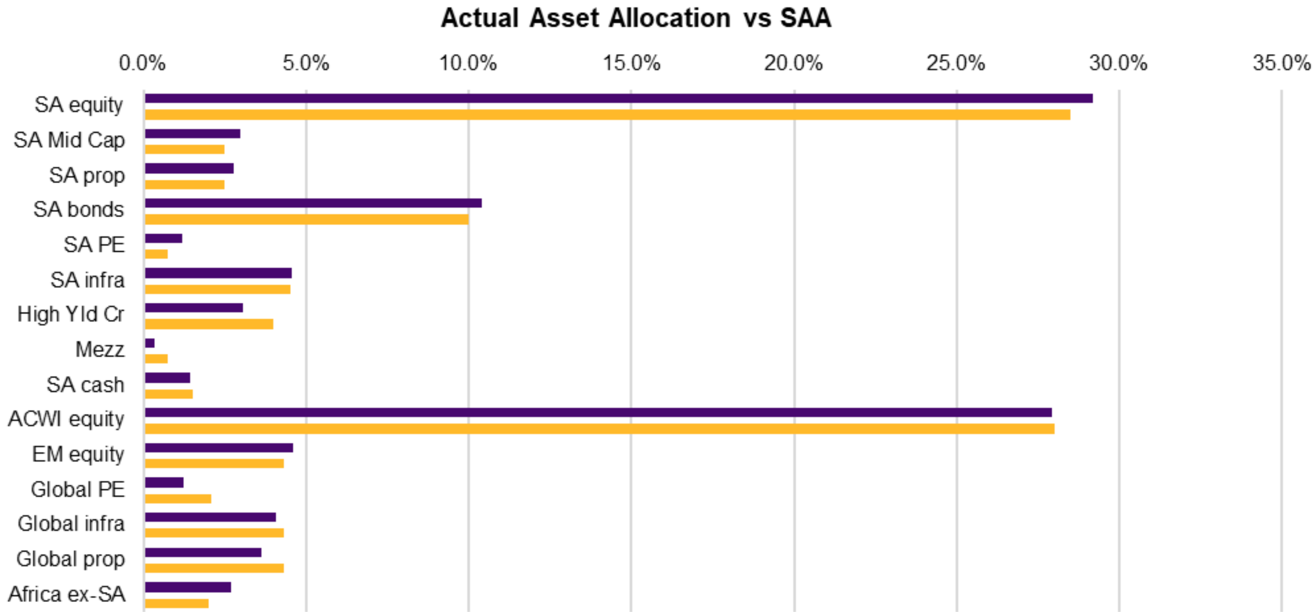
The charts below show the current Reference Portfolio Allocation and Strategic Asset Allocation for the Long-Term Portfolio – note for the strategic asset allocation we have excluded asset classes below 1.5%, which are mezzanine debt, SA private equity, UK listed property and global private equity.





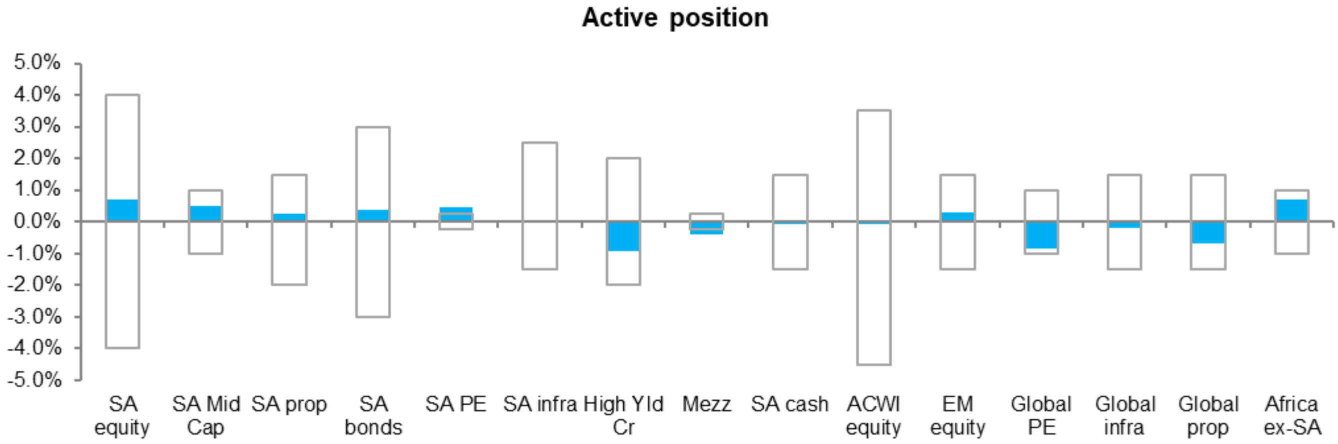
The Fund seeks to generate an additional return and improve the diversification benefits of the Reference Portfolio by investing in the alternative asset classes of infrastructure equity and debt, development private equity, unlisted UK property, global private equity, high yielding debt, emerging markets, and Africa ex-SA equities.

The chart below compares the actual asset allocation of the Long Term Capital Portfolio to that of the Strategic Asset Allocation.



	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	2.7%	3.6%	4.1%	1.3%	4.6%	27.9%	1.4%	0.3%	3.1%	4.6%	1.2%	10.4%	2.8%	3.0%	29.2%
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%

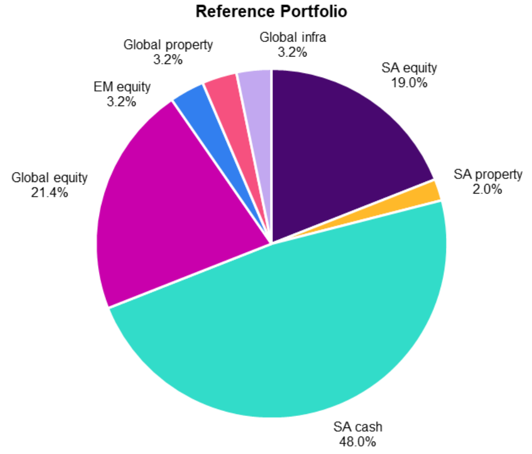
The next chart shows the over and under-weights of the actual asset allocation versus the strategic asset allocation (shaded area) as well as the allowable ranges for each asset class.

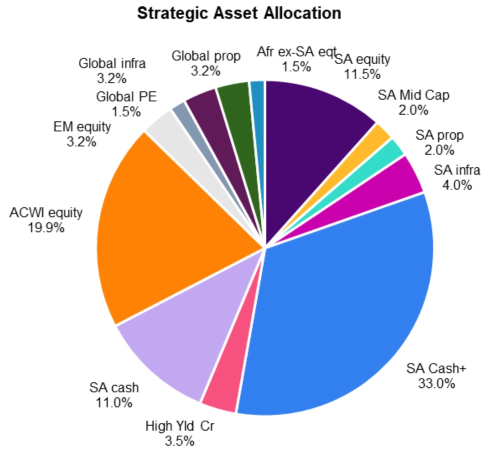


The portfolio is within range for all its asset classes but slightly overweight the SA asset classes and underweight global private equity. As of 31 March 2025, the total aggregate global exposure, including Africa ex-SA equities, amounted to 44.2%.

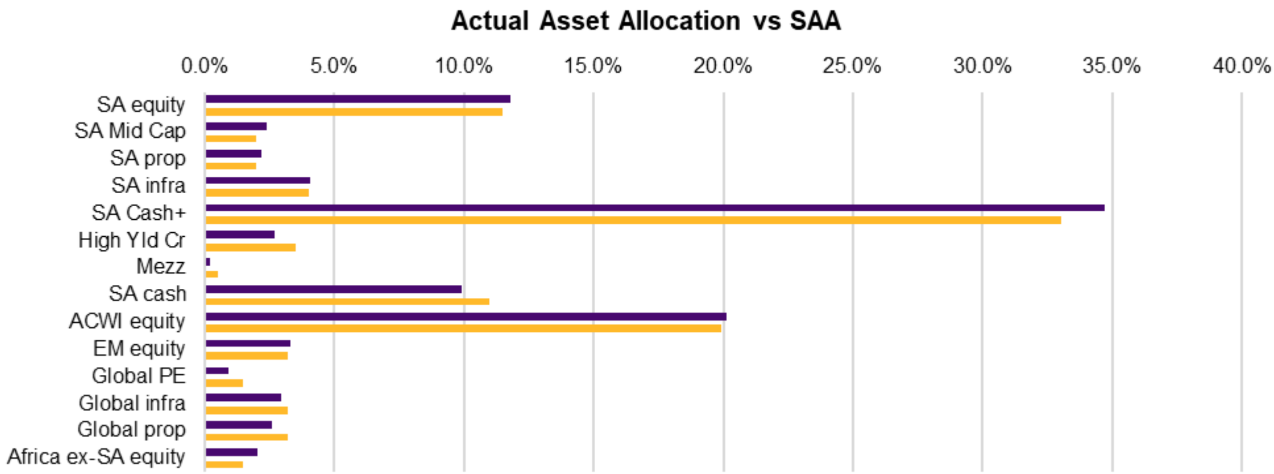
Stable Portfolio

The charts below show the current Reference Portfolio Allocation and Strategic Asset Allocation for the Stable Portfolio. Note the allocation to UK unlisted property and mezzanine debt (0.25% and 0.5%) has been excluded from the SAA chart.



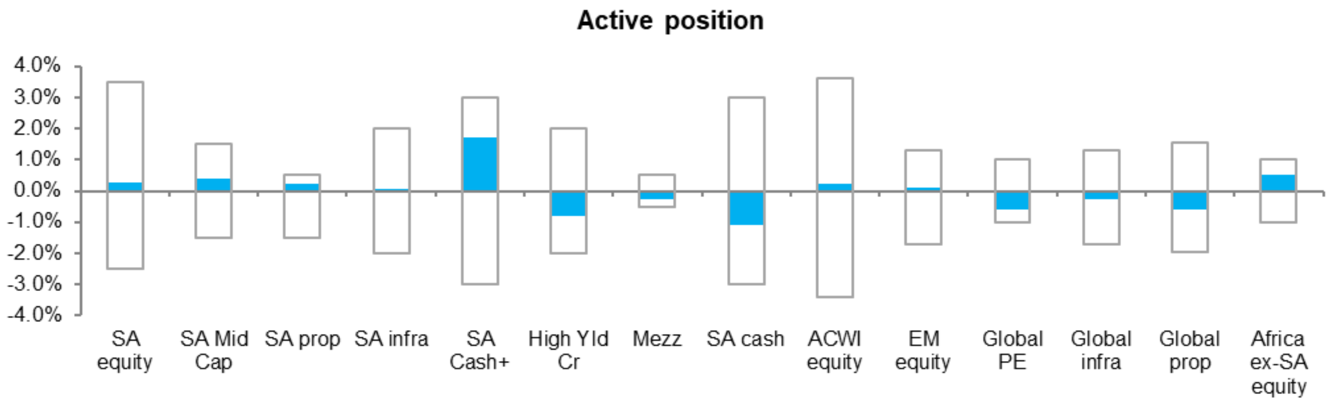


The Fund aims to improve the return and risk payoff by investing in enhanced cash strategies, high yield debt, SA unlisted infrastructure assets, emerging market equities, global private equity, and Africa ex-SA equity. The chart below compares the actual asset allocation of the Stable Portfolio (showing all asset classes) to that of the Strategic Asset Allocation.



	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	2.0%	2.6%	2.9%	0.9%	3.3%	20.1%	9.9%	0.2%	2.7%	34.7%	4.1%	2.2%	2.4%	11.8%
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%

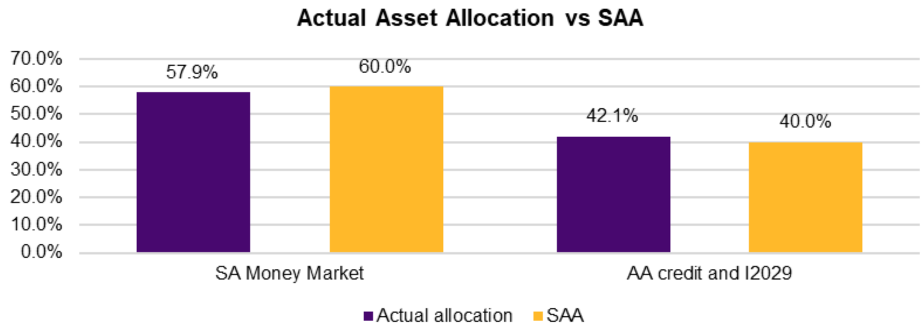
The chart overleaf shows the over and under-weights of the actual asset allocation versus the strategic asset allocation (shaded area) as well as the allowable ranges for each asset class.



The portfolio is overweight cash enhanced strategies and underweight SA cash and most of the global asset classes. The aggregate offshore exposure including Africa ex-SA equities is 32.0%.

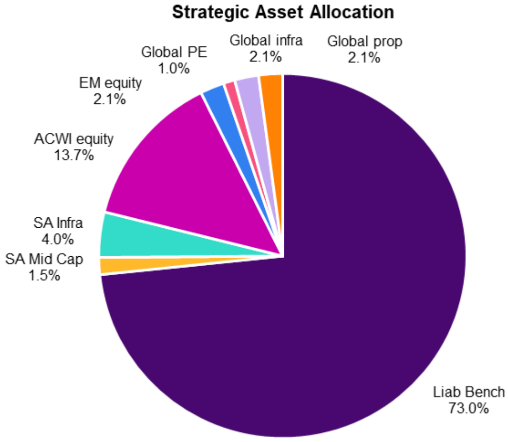
Money Market Portfolio

The strategic asset allocation for the Money Market Portfolio includes a 40% allocation to higher quality credit strategies with a weighted average credit rating of at least A+ and the I2029 bond which is valued on an amortised basis. The chart below compares the actual allocation to the strategic allocation; the portfolio is slightly overweight high quality credit and the I2029 bond.

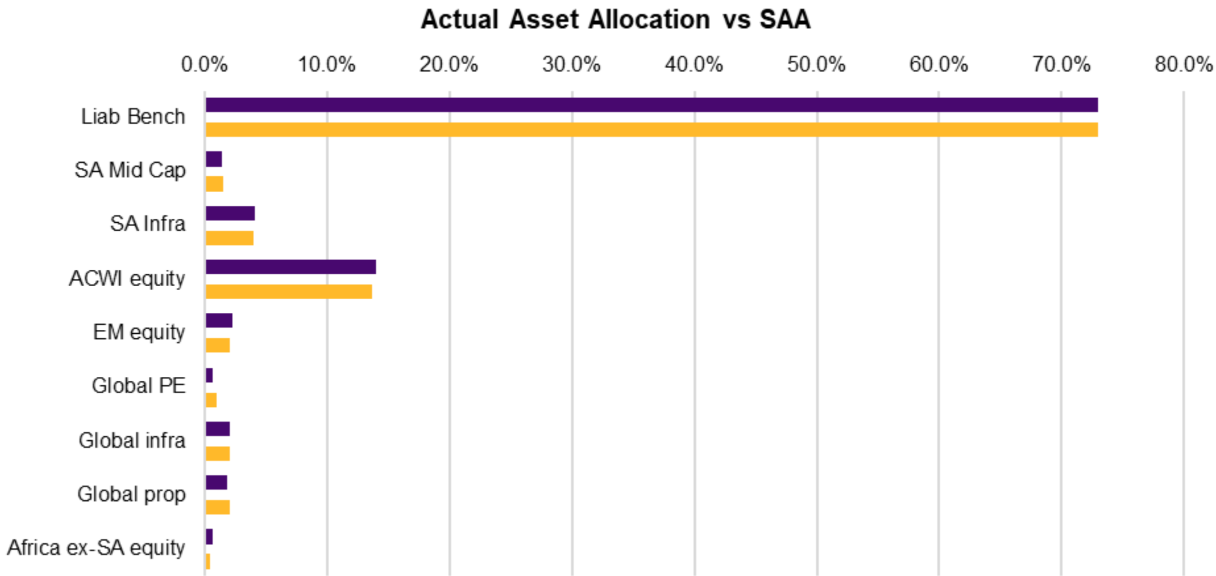


Pensioner Portfolio:

The chart below shows the Strategic Asset Allocation for the Pensioner Portfolio which also includes a 0.5% allocation to Africa ex-SA equities.

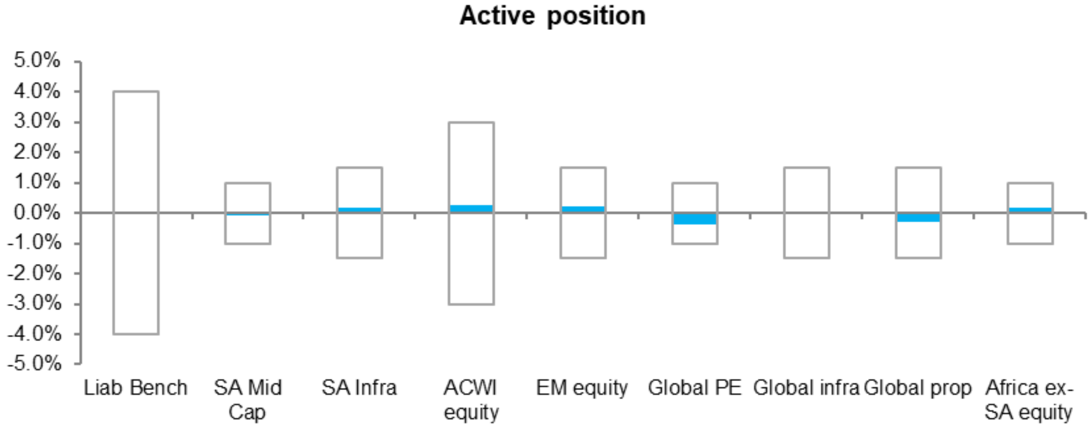


The chart below compares the actual allocation to the strategic asset allocation.



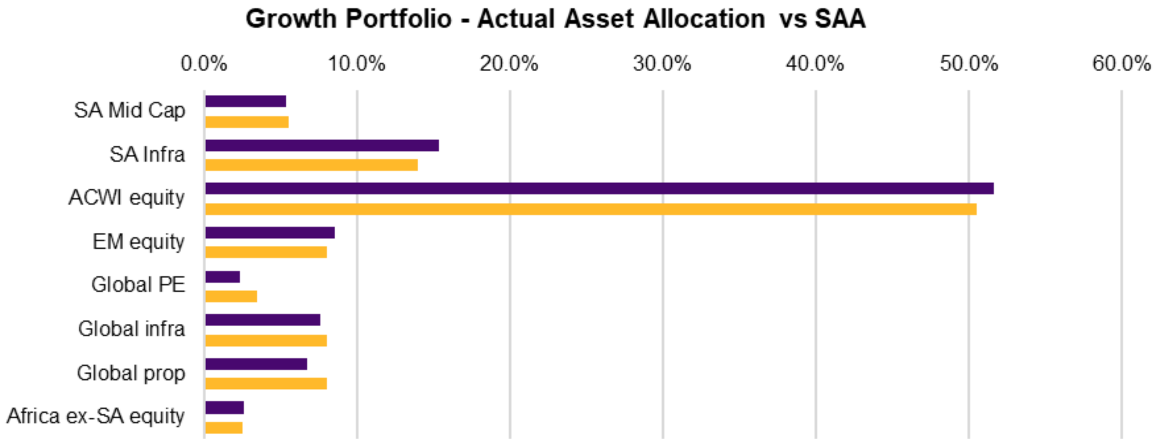
	Africa ex-SA equity	Global prop	Global infra	Global PE	EM equity	ACWI equity	SA Infra	SA Mid Cap	Liab Bench
Actual allocation	0.7%	1.8%	2.0%	0.6%	2.3%	14.0%	4.2%	1.4%	73.0%
SAA	0.5%	2.1%	2.1%	1.0%	2.1%	13.7%	4.0%	1.5%	73.0%

More helpfully the next chart sets out the “active” position relative to the SAA – the portfolio is close to its target allocation. The global allocation including Africa ex-SA is 21.4%.



Growth Portfolio

The chart below compares the actual allocation of the Growth Portfolio component of the Pensioner Portfolio to very close its SAA.

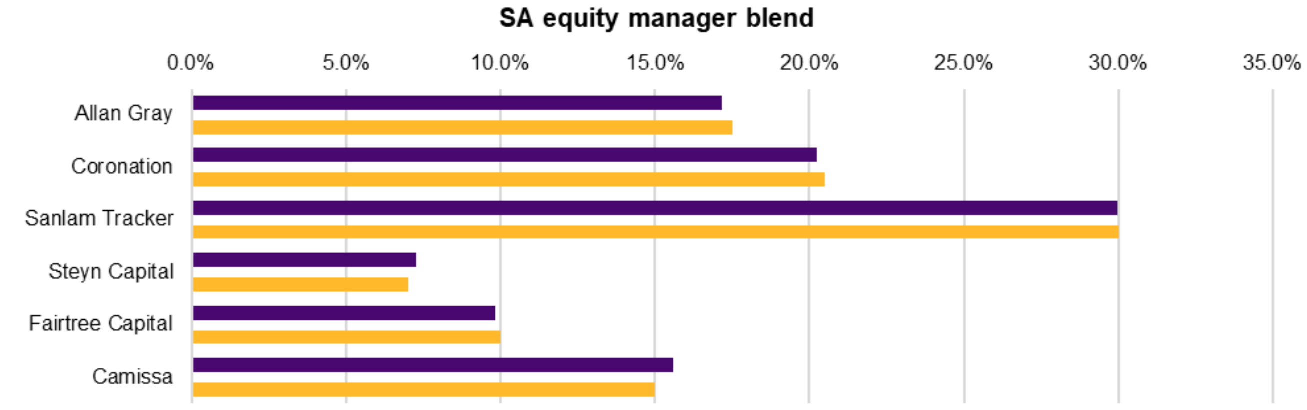


	Africa ex-SA equity	Global prop	Global infra	Global PE	EM equity	ACWI equity	SA Infra	SA Mid Cap
Actual Asset Allocation	2.6%	6.7%	7.6%	2.3%	8.5%	51.6%	15.4%	5.3%
SAA	2.5%	8.0%	8.0%	3.5%	8.0%	50.5%	14.0%	5.5%

Manager blends

SA equity

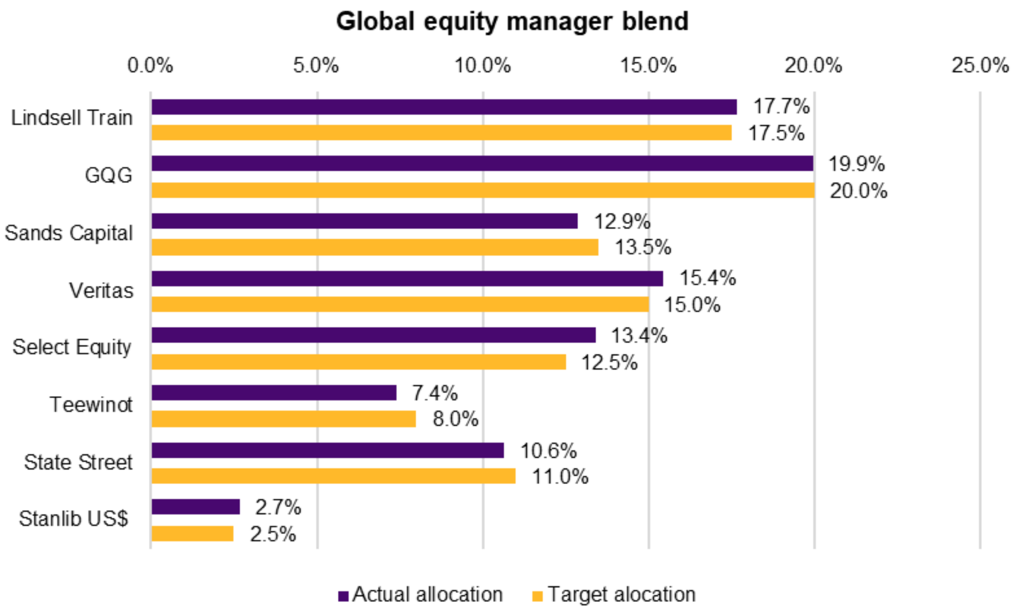
The chart below shows the current manager blend compared to that targeted. The actual allocation is close to that targeted,



	Camissa	Fairtree Capital	Steyn Capital	Sanlam Tracker	Coronation	Allan Gray
Actual allocation	15.6%	9.8%	7.3%	29.9%	20.2%	17.2%
Target	15.0%	10.0%	7.0%	30.0%	20.5%	17.5%

Global equity

The chart below shows the current global equity manager blend very close to that targeted.



Section 5: Investment channel returns

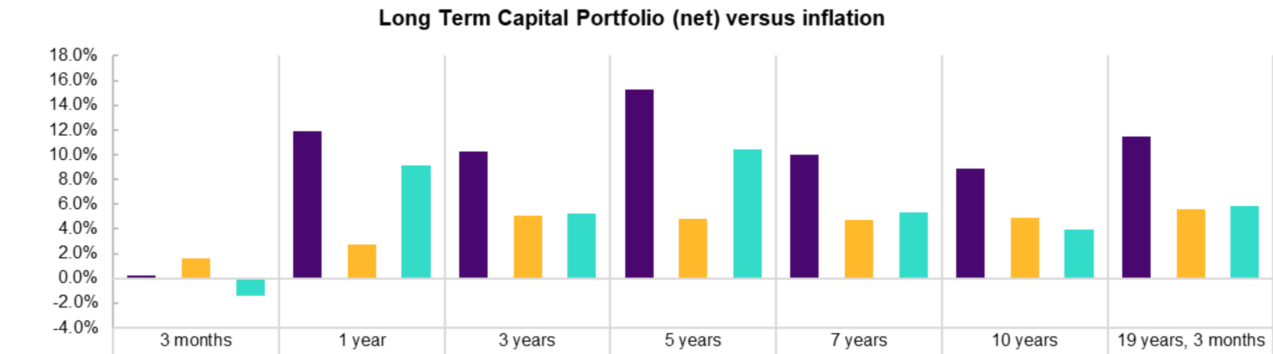
Long Term Capital Portfolio

Investment objective

• Real return objective	5.0% p.a.
• Measurement period:	7 years
• Absolute risk (standard deviation)	14% p.a.
• Downside risk versus Reference Portfolio	90%
• Target out-performance of Reference Portfolio	0.75% p.a.
• Tracking error to Reference Portfolio:	3.0%

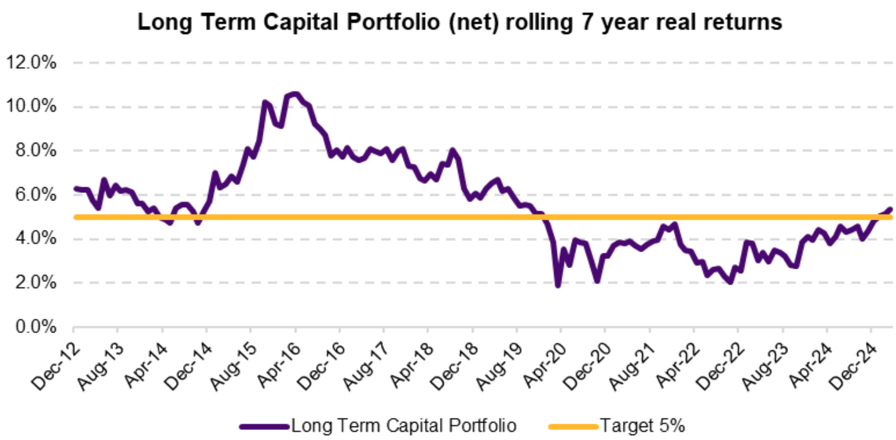
Performance relative inflation

The chart below shows the performance of the LTCP compared to inflation for measurement periods to the report date. The portfolio has delivered a return above inflation for all measurement periods. However, it is 5.3% p.a. ahead of inflation over the most recent 7-year period for the first time in many periods. The real return since inception (5.8% p.a.) us well ahead of its performance objective of 5.0% p.a.



	3 months	1 year	3 years	5 years	7 years	10 years	19 years, 3 months
Long Term	0.2%	11.9%	10.3%	15.3%	10.0%	8.9%	11.4%
Inflation	1.6%	2.8%	5.0%	4.9%	4.7%	4.9%	5.6%
Real return	-1.4%	9.2%	5.3%	10.4%	5.3%	4.0%	5.8%

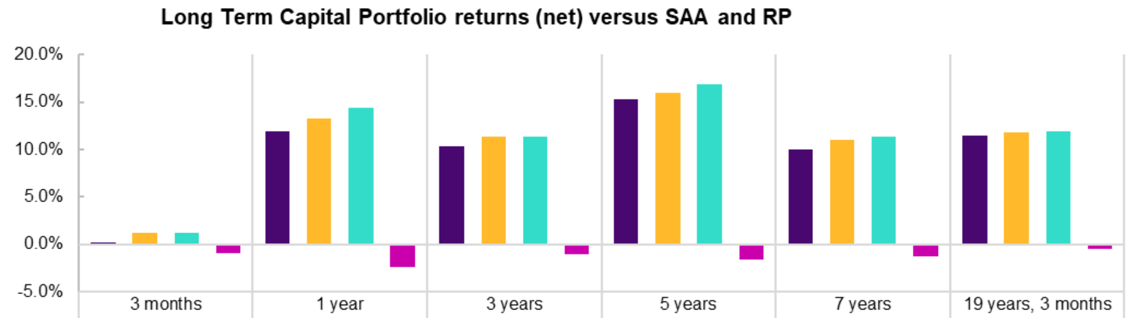
The next chart sets out the performance of the Portfolio compared to inflation over rolling seven-year periods.



The portfolio has outperformed the inflation plus 5% p.a. target up to September 2019 and for the first in many years exceeded the target this quarter.

Performance compared to the Reference Portfolio and Strategic Asset Allocation

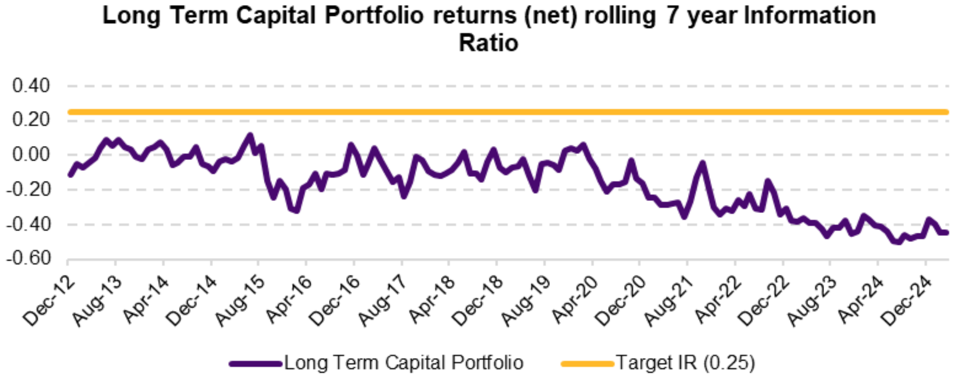
The chart below compares the performance of the LTCP to its Reference Portfolio and Strategic Asset Allocation for measurement periods up the report date:



	3 months	1 year	3 years	5 years	7 years	19 years, 3 months
Long Term Capital Portfolio	0.2%	11.9%	10.3%	15.3%	10.0%	11.4%
SAA	1.2%	13.3%	11.4%	16.0%	11.0%	11.8%
Reference Portfolio	1.2%	14.4%	11.4%	16.9%	11.3%	11.9%
Value add vs RP	-1.0%	-2.5%	-1.1%	-1.6%	-1.3%	-0.5%

The LTCP has under-performed its Reference Portfolio (RP) by 2.5% over the year. This outcome can be attributed mainly to its holding in global private equity and the large write down of Kgoro in the Vantage Mezz Fund II

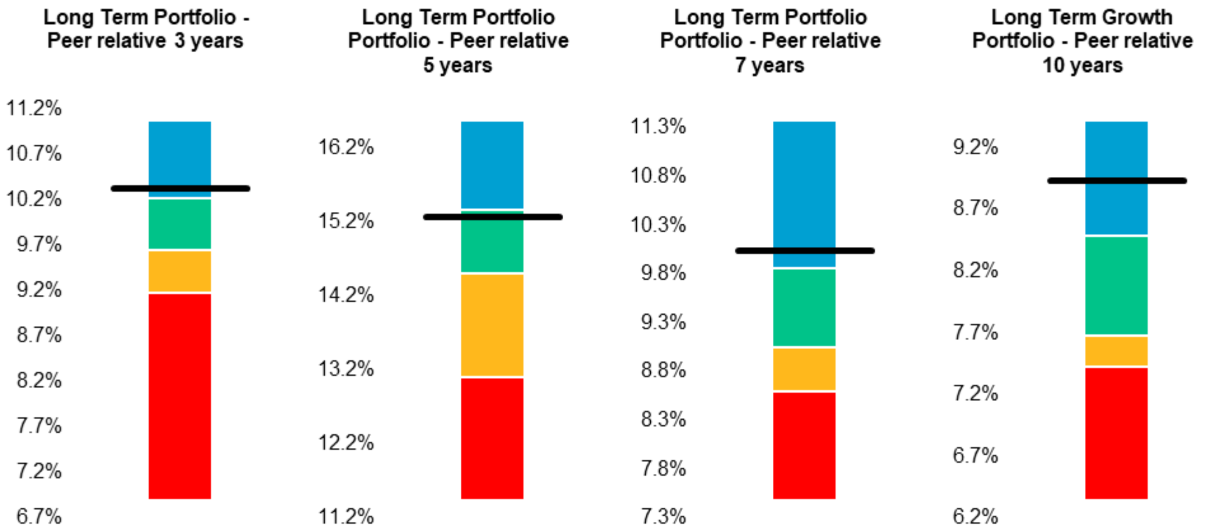
The chart below shows the so-called “Information Ratio” (IR) (i.e., return relative to the Reference Portfolio for each unit of risk taken on relative the Reference Portfolio) compared to the target IR of 0.25. The Portfolio has struggled to achieve its targeted IR (0.25) because of the under-performance of the SA equity component from five plus years ago and more recently the global equity (including private equity) component of the strategy. The Vantage Mezzanine Fund was also a material detractor.



Performance relative to the peer group

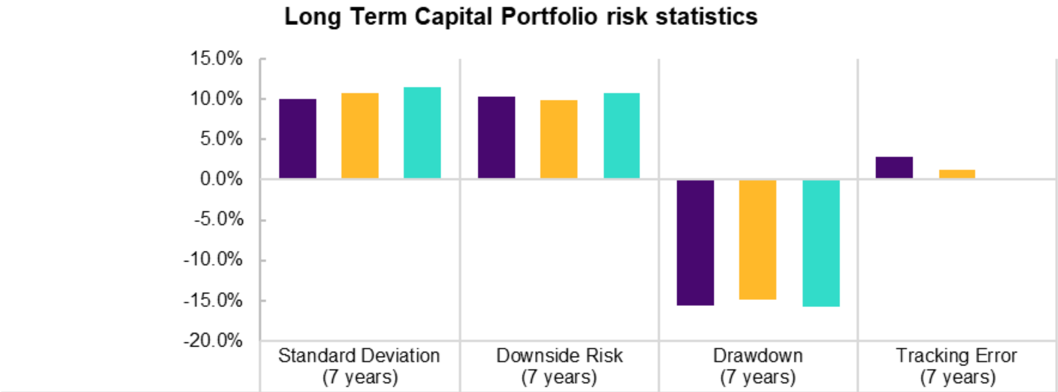
The charts overleaf show the performance of the LTCP relative to the investment manager peer group as represented by the WTW “Industry Median” Survey, together the global balanced products of local managers. The survey performance (which is shown gross of fees) has been reduced to reflect the manager estimated fees.

The LTCP has performed close to the 75th percentile over measurement periods and is the third best performer over 10 years, which is very good outcome.



Risk statistics

The following chart shows the key risk statistics over the most recent seven-year period – the observed downside risk is 95% that of the Reference Portfolio whereas the Fund targets a downside risk which is 90% of that the Reference Portfolio. The largest drawdown is also in line with that of the Reference Portfolio. The observed tracking error of the portfolio over the last seven years is 2.9% p.a., which is well below the 4% p.a. constraint specified.

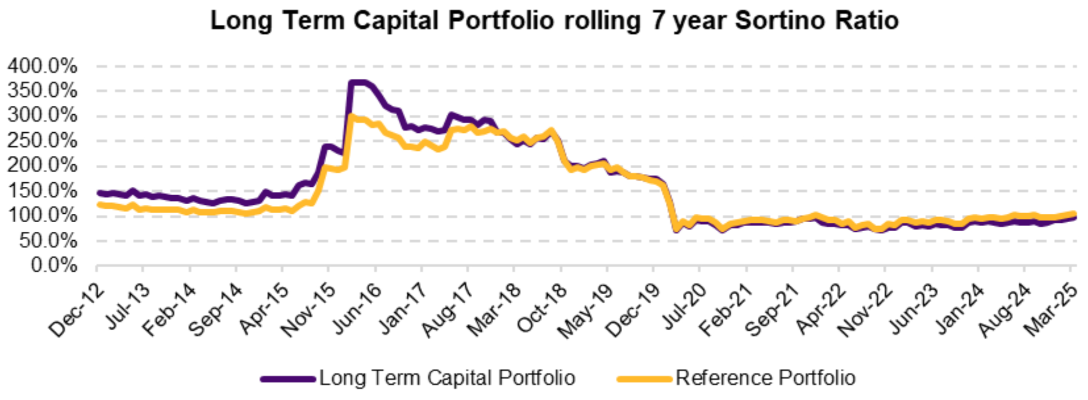


	Standard Deviation (7 years)	Downside Risk (7 years)	Drawdown (7 years)	Tracking Error (7 years)
Long Term Capital Portfolio	10.0%	10.3%	-15.7%	2.9%
SAA	10.7%	9.9%	-14.9%	1.3%
Reference Portfolio	11.5%	10.8%	-15.8%	

The risk statistics of the Strategic Asset Allocation are very similar to that the Reference Portfolio (and the observed tracking error is very low). This result arises because the expected return and risk for the alternative asset classes is set relative to the return of the SA cash.

Probably the most important statistic is the so-called Sortino Ratio which measures the return of the portfolio for each unit of risk taken on of losing capital compared to the same measure for the Reference Portfolio. Even if the portfolio has under-performed the Reference Portfolio it may still deliver superior risk adjusted returns if the main driver of this performance has been that the portfolio has taken on less risk that Reference Portfolio.

The chart overleaf shows the rolling seven-year Sortino Ratio (SR) of the Portfolio compared to that of the Reference Portfolio



The LTCP Sortino Ratio is marginally behind that of the RP on account of SA equity under-performance from five plus year ago and more recently global manager (including private equity) under-performance and the large Vantage Mezzanine Debt drawdown.

Stable Portfolio

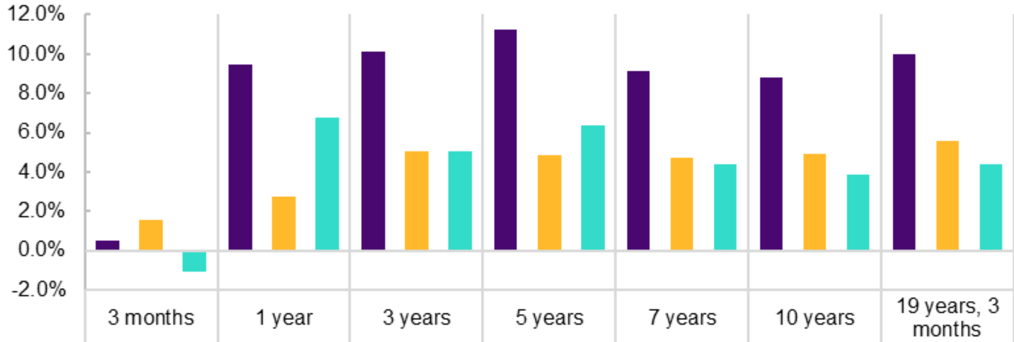
Investment objective

- Real return objective: 3.0% p.a.
- Measurement period: 3 years
- Absolute risk (standard deviation): 8.0% p.a.
- Target out-performance of Reference Portfolio: 0.75% p.a.
- Tracking error to Reference Portfolio: 3.5%

Performance relative to inflation

The chart below shows the performance of the Stable Portfolio compared to inflation for measurement periods to the report date - the portfolio has delivered a return above inflation for all measurement periods. It is 5.1% p.a. ahead of inflation over the most recent 3-year period, thus performing above its real return target.

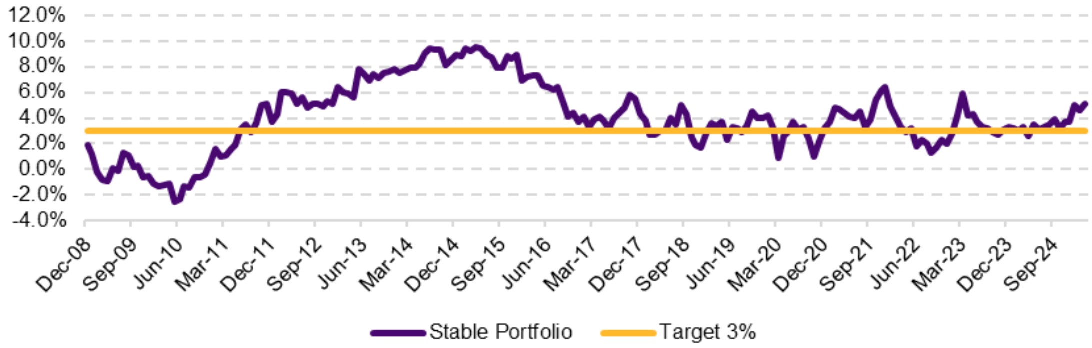
Stable Portfolio net returns versus Inflation



	3 months	1 year	3 years	5 years	7 years	10 years	19 years, 3 months
Stable Portfolio	0.5%	9.5%	10.1%	11.3%	9.1%	8.8%	10.0%
Inflation	1.6%	2.8%	5.0%	4.9%	4.7%	4.9%	5.6%
Real return	-1.1%	6.7%	5.1%	6.4%	4.4%	3.9%	4.4%

The next chart sets out the performance of the portfolio compared to inflation over rolling three-year periods:

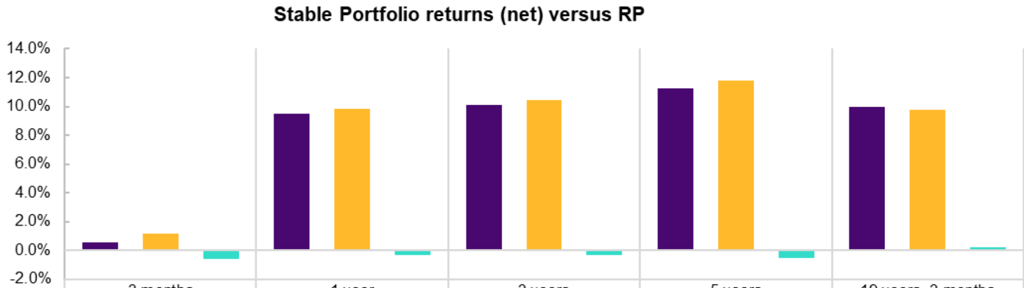
Stable Portfolio (net) rolling 3-year real return



As per the above, the portfolio is now above its target real return.

Performance compared to the Reference Portfolio

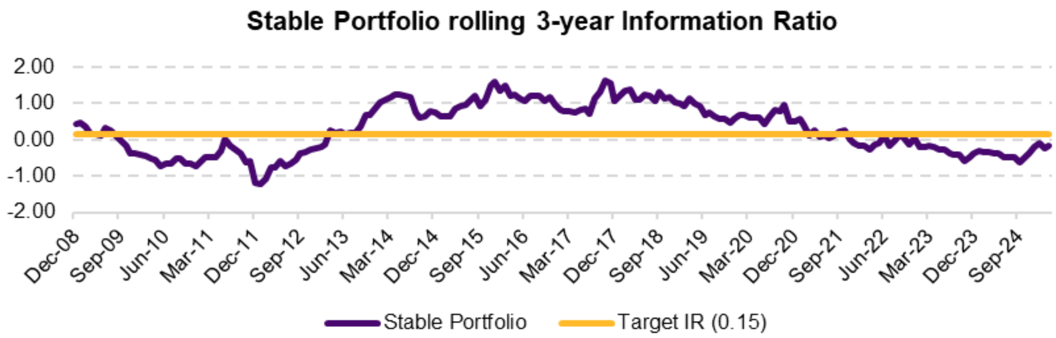
The chart below compares the performance of the Stable Portfolio to its Reference Portfolio for measurement periods up the report date:



	3 months	1 year	3 years	5 years	19 years, 3 months
Stable Portfolio	0.5%	9.5%	10.1%	11.3%	10.0%
Reference Portfolio	1.2%	9.8%	10.4%	11.8%	9.8%
Value add vs RP	-0.6%	-0.3%	-0.4%	-0.5%	0.2%

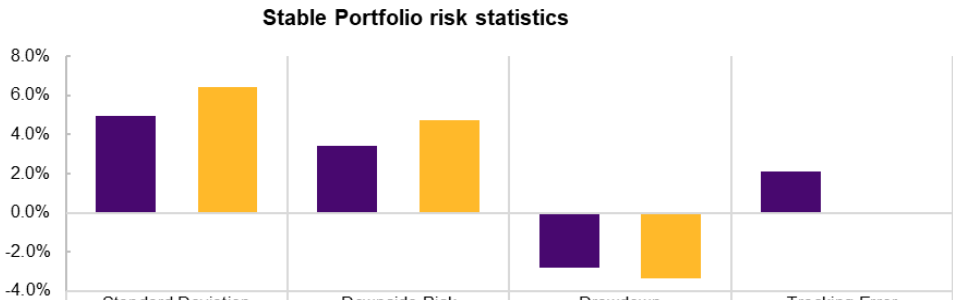
The Stable Portfolio has performed slightly behind its Reference Portfolio over all measurement periods other than 3 years. Global equity manager performance (including global venture capital) is the main contributor to this under-performance.

The next chart shows the so-called “Information Ratio” (IR) for the portfolio (i.e., return relative to the Reference Portfolio for each unit of risk taken on relative the Reference Portfolio); the IR is slightly below that targeted over more recent periods.



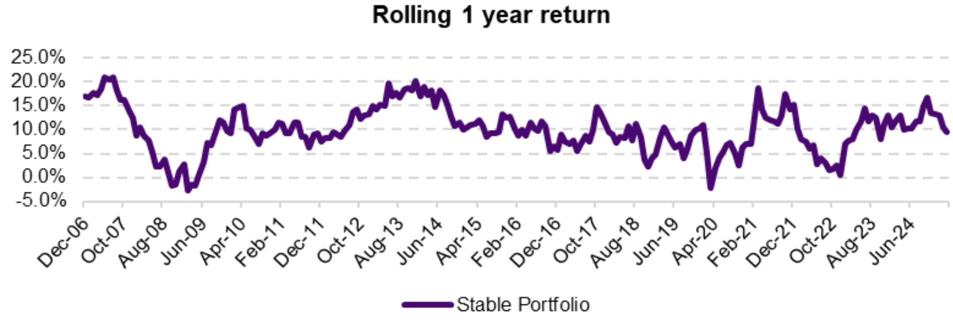
Risk statistics

The chart below shows the key risk statistics over the most recent 3-year period. The Stable Portfolio has taken on 72.3% of the downside risk of the Reference Portfolio and has experienced a much lower drawdown (3.4%) compared to the RP (4.7%). The tracking error of the portfolio to the Reference Portfolio is 2.1% p.a. over the most recent 3-year measurement period, which is well below the 3.5% p.a. constraint specified.



	Standard Deviation (3 years)	Downside Risk (3 years)	Drawdown (3 years)	Tracking Error (3 years)
Stable Portfolio	4.9%	3.4%	-2.8%	2.1%
Reference Portfolio	6.4%	4.7%	-3.4%	

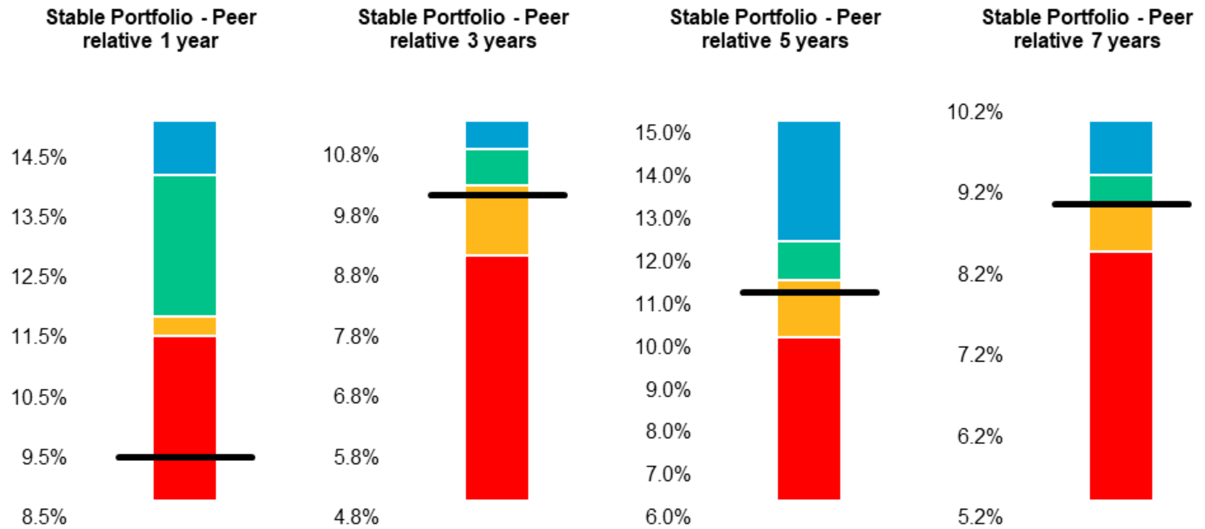
The chart shows the rolling one year returns of the Stable Portfolio – the absolute level of return over the past 12-months remains positive.



Peer group relative performance

The chart below shows the performance of the SP compared to its peer group which we have taken as investment manager products absolute return products targeting a real return of 3% to 4% p.a. with a global remit. We have deducted a fee 0.6% p.a. from the manager returns which are reflected as gross is the survey.

The portfolio has performed above the median over the three and five year periods and only slightly below the median over seven years. The one year peer group relative performance (with the knock-on effect to other years) is impacted because it does not hold any longer duration SA bonds, has more global exposure (the impact of this alone is 1.5% under-performance to the peer group this year) and a risk profile is lower.



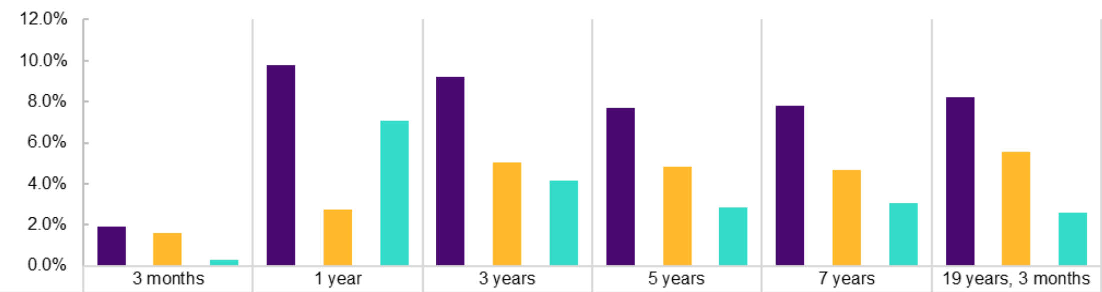
Money Market Portfolio

Primary investment objective

The primary investment objective of the Money Market Portfolio is to deliver a real return of 1.0% p.a. over rolling one-year periods. The risk constraint aims to avoid a capital loss over any twelve-month period although this outcome cannot be guaranteed. A very good outcome from a manager skill perspective would be if manager skill (as measured relative to the Reference Portfolio) were to add some 0.5% p.a. over rolling one-year periods.

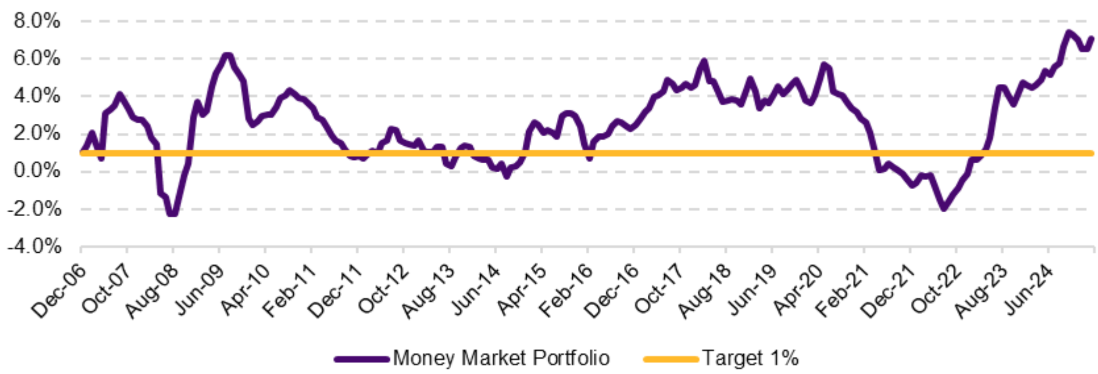
Performance relative inflation

The chart below shows the performance of the Money Market Portfolio compared to inflation for measurement periods to the report date - the portfolio has delivered a return above inflation for all measurement periods. The positive real return over one year of 7.1% represents an excellent outcome.



	3 months	1 year	3 years	5 years	7 years	19 years, 3 months
Money Market Portfolio	1.9%	9.8%	9.2%	7.7%	7.8%	8.2%
Inflation	1.6%	2.8%	5.0%	4.9%	4.7%	5.6%
Real return: Money Market Portfolio	0.3%	7.1%	4.2%	2.8%	3.1%	2.6%

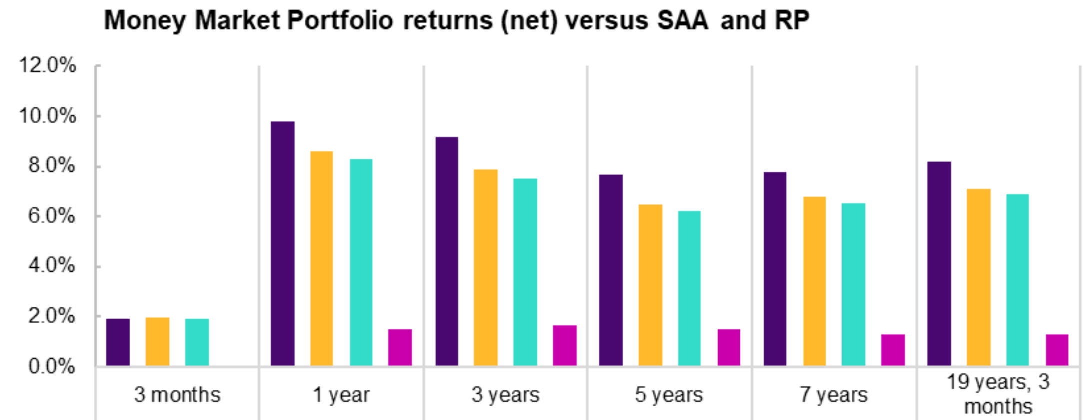
The next chart sets out the performance of the portfolio compared to inflation plus 1% p.a. target over rolling one-year periods:



Following a period of not achieving the target because of the negative real return policy followed by the SARB, the portfolio is now well ahead of its targeted real return as short term interest rates have remained high and inflation has reduced significantly. There is also a positive contribution from manager skill.

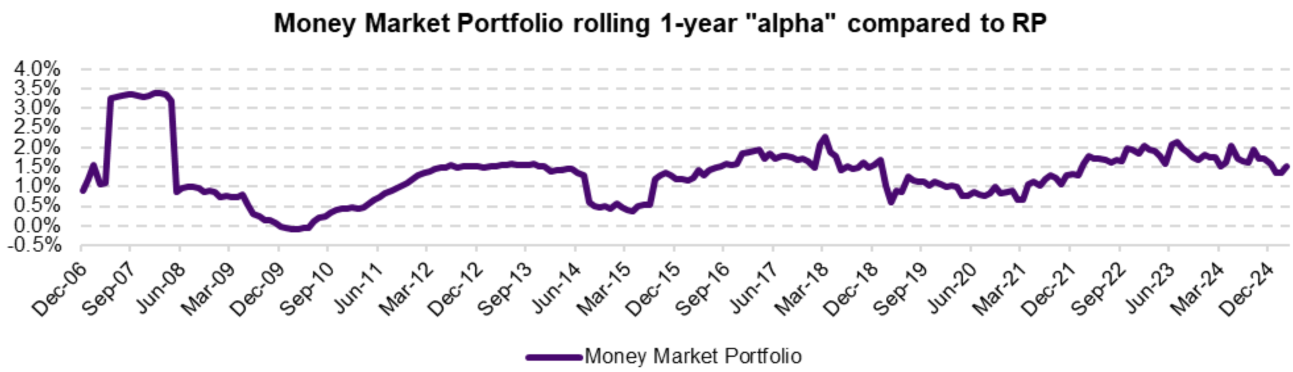
Performance compared to the Reference Portfolio and Strategic Asset Allocation

The chart below compares the performance of the Money Market Portfolio to its Reference Portfolio and Strategic Asset Allocation for measurement periods up the report date. The portfolio has outperformed both the Reference and Strategic Asset Allocation portfolios by a good margin over all measurement periods and is 1.5% ahead of the RP over the most recent year mainly due to the exposure to high quality credit and the I2029 amortised bond in the portfolio.



	3 months	1 year	3 years	5 years	7 years	19 years, 3 months
Money Market Portfolio	1.9%	9.8%	9.2%	7.7%	7.8%	8.2%
SAA	2.0%	8.6%	7.9%	6.5%	6.8%	7.1%
Reference Portfolio	1.9%	8.3%	7.5%	6.2%	6.5%	6.9%
Value add vs RP	0.0%	1.5%	1.7%	1.5%	1.3%	1.3%

The final chart shows the rolling one-year value added over time. In August 2014 the ABIL subordinated debt was written off, but part recovered in 2015, and this effect can be seen in the chart.



Pensioner Portfolio

Overview of approach

The Fund changed the investment strategy of the Pensioner Portfolio to a liability driven investment ("LDI") approach during the second half of 2020. With the LDI approach the measurement is to consider how the funding level (or financial soundness) of the Portfolio changes over time. The strategy is designed that if, say the market value of the assets fall because of an increase in interest rates, the liabilities will fall by approximately the same extent.

Over the long term, the Pensioner Portfolio will allocate some 75% of its assets to the Matched Portfolio which is invested in fixed interest assets with three objectives:

- The assets must provide for 65% of inflation increases in March each year (i.e. when the strategy is fully implemented some 75% of the assets have this level of pension increase impounded).
- The same 75% of the assets must hedge 100% of the interest rate risk. This means that change in the market value of these assets caused by interest rate changes must more or less equal the change in the value of the liabilities following from the same movement in interest rates.
- Finally, the Matched Portfolio must deliver pension payments according to a schedule of payment which represents the best estimate of the future cash flows for the current pensioners.

At the end of March 2025, the Pensioner Portfolio was invested some 73.8% in the Matched Portfolio. The Portfolio still has a small holding in Value Capital Partners and Africa ex-SA equities. These assets will be held for a longer period as there is the possibility that these assets may deliver strong performance going forward.

Tracking the funding position

The table below sets out the position as of the respective quarter ends – please note that the market value of the assets reported differs from that report under the Market Value section. This because we have adjusted the market value to be consistent with the pensioner payroll has provided to us by the administrator.

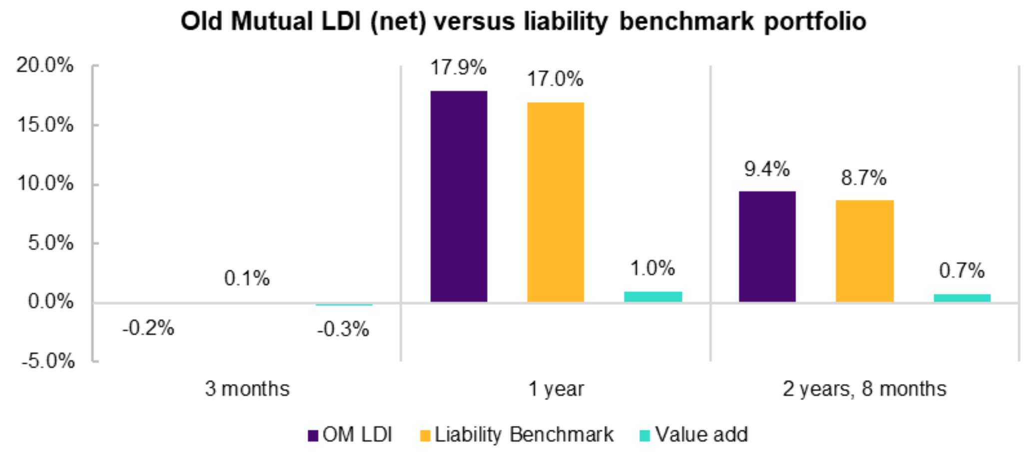
Item	30 June 2024 R'm	30 Sept 2024 R'm	31 Dec 2024 R'm	31 March 2025 R'm
Present value liability	4 679.2	4 953.4	4 891.7	5 011.0
Market value of assets	4 850.3	5 167.4	5 198.8	5 163.8
Surplus / (Shortfall)	171.1	214.1	307.1	152.8
Funding level	103.7%	104.3%	106.3%	103.0%

The funding level reduced over the quarter because the global component of strategy under-performed the liability benchmark, and the Board granted a higher pension increase than the 65% of inflation provided for in the LDI strategy.

Performance of the LDI component

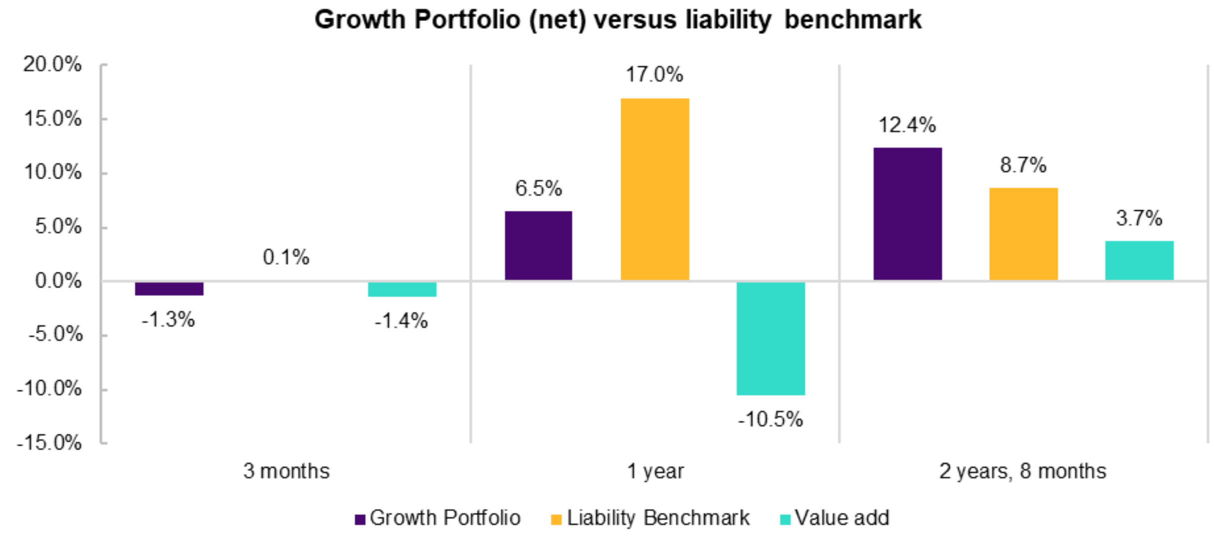
The chart overleaf shows the performance of Old Mutual LDI including the yield pick-up from the external assets relative to an implementable portfolio of SA government bonds which provides for annual increases of 65% of inflation and hedges the interest rate risk.

Old Mutual finally implemented the strategy 32 months ago and the strategy has outperformed the liability benchmark by 0.7% p.a. since inception (and by a very good 1.0% over the last year) because of the credit overlay strategies and yield curve movements.



Performance of Growth Portfolio component of the Pensioner Portfolio

The next chart compares the performance of the Growth Portfolio component to the same liability benchmark portfolio. The Growth Portfolio under-performed the liability benchmark by 10.5% over year as global markets delivered lower returns. However, the portfolio has outperformed it benchmark by a very good 3.7% p.a. over the full measurement period. The outcome, together with the solid performance from Old Mutual. is the main driver of the healthy financial position of the Pensioner Portfolio.



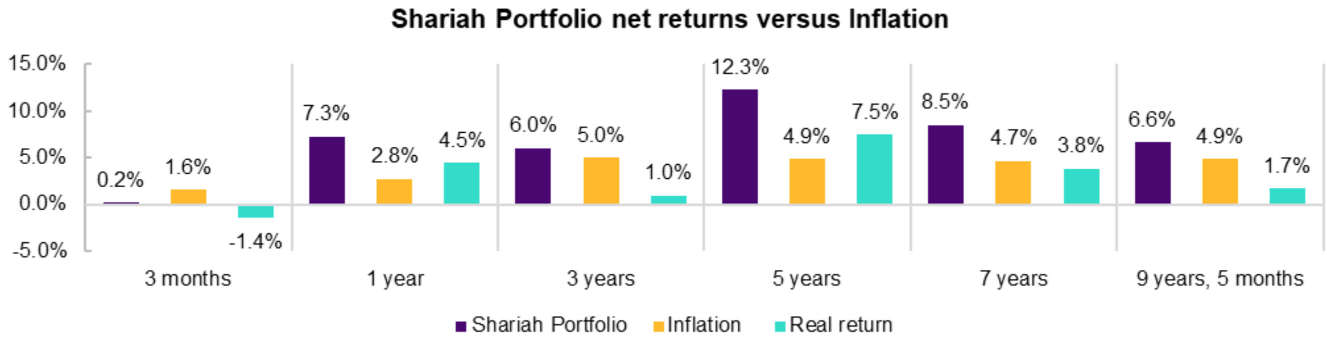
Shari'ah Portfolio

Investment objective

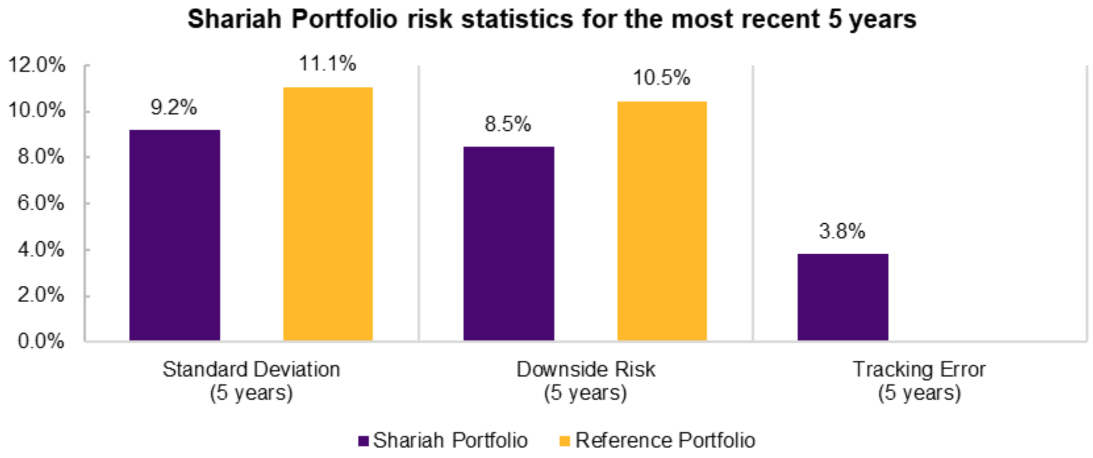
The investment objective of the Fund's Shari'ah Portfolio is to deliver a real return net of fees of 3% p.a. over rolling 5-year periods with an observed standard deviation of around 12% p.a. The Portfolio is the balanced multi-manager offering of 27Four.

Performance relative to inflation

The chart below the performance relative to inflation over various measurement periods to the report date. The real returns achieved over the five year measurement period is 7.5% p.a., thus outperforming the target return by 4.5% p.a. This is unusually favourable measurement period since the Q1 2020 Covid-19 impact rolls out of the return series. The muted return over the since inception period is attributable to both challenging capital markets and manager under-performance.



The chart below shows the key risk statistics over five years. The Portfolio has been managed with a much lower risk profile than the Reference Portfolio as it has been under-weight to the more volatile commodity sector.



Section 6: Manager performance

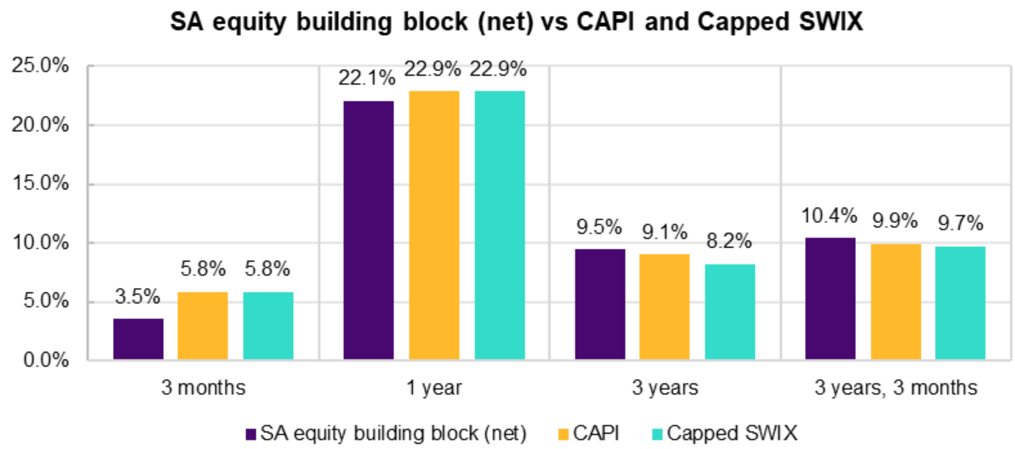
SA equities

Performance objective

The investment performance objective of the SA equity managers is to out-perform the benchmark (the FTSE / JSE Capped Index) by 1.0% p.a. net of fees over rolling 5-year periods.

Blend performance

The chart below shows the net of fee performance of the blend of the SA equity managers versus the FTSE / JSE Capped and Shareholder Weighted Capped Index for measurement periods to the reporting date. We have included the return of the FTSE / JSE Capped Shareholder Index which is the most widely adopted index for SA equities. The relevance is that other than Sanlam (indexed to the CAPI) the managers adopt a benchmark agnostic approach.

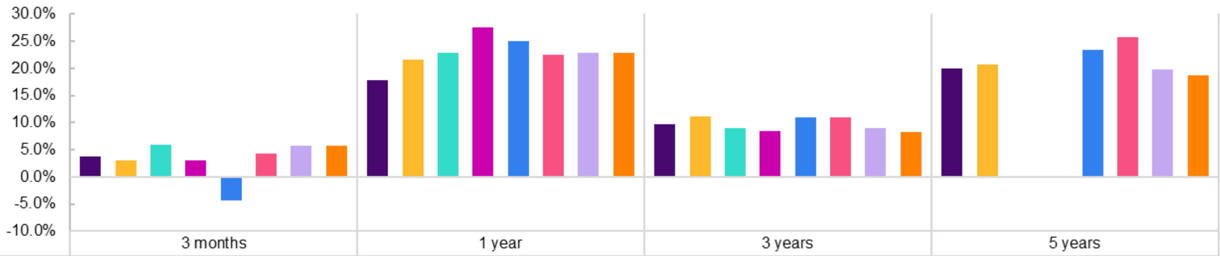


The portfolio has outperformed the two indices by 0.5% p.a. and 0.7% p.a. respectively over the full measurement period, which is a very good outcome. The three month and one year performance lags as the managers were underweight to resource counters. The next section deals with the individual manager performance.

Performance relative to the CAPI benchmark

The chart below shows the performance of the Fund's SA equity managers for periods of up to 5 years.

SA equity returns (gross) versus benchmark



	3 months	1 year	3 years	5 years
Allan Gray	3.9%	17.9%	9.7%	19.9%
Coronation	3.1%	21.6%	11.1%	20.8%
Sanlam Tracker	5.9%	22.8%	9.0%	
Camissa	3.1%	27.6%	8.4%	
Steyn	-4.3%	25.0%	10.9%	23.5%
Fairtree	4.3%	22.6%	11.0%	25.8%
CAPI	5.8%	22.9%	9.1%	19.8%
Capped SWIX	5.8%	22.9%	8.2%	18.7%

Steyn Capital and Camissa were the only two managers, outperformed the CAPI over a one year period. Camissa is the only manager to under-perform over three years and all the managers out-perform over five years.

The tables below provide the detailed attribution of this performance relative to the CAPI.

Allan Gray

Period	Alpha	Positive contributors		Negative contributors	
		Overweight	Underweight	Overweight	Underweight
3 months	-2.0%	AB InBev Prosus British American Tobacco		Glencore Xstrata Woolworths Sappi	Harmony Gold Gold Fields MTN Naspers
12 months	-5.0%	British American Tobacco Prosus Momentum Metropolitan Pan African Resources		Glencore Xstrata Sasol	Naspers Harmony Gold Capitec Bank MTN
36 months	0.6%	Prosus British American Tobacco AB InBev Tiger Brands	Anglo American MTN Anglo American Platinum	Sasol Sibanye Stillwater Sappi	Richemont Naspers Harmony Gold Gold Fields
60 months	0.1%	Glencore Xstrata British American Tobacco Nedcor Woolworths			Richemont BHP Anglo American Naspers

Coronation

Period	Alpha	Positive contributors		Negative contributors	
		Overweight	Underweight	Overweight	Underweight
3 months	-2.7%	Northam Platinum Prosus		Dischem Pharmacies	Gold Fields Harmony Gold AngloGold
12 months	-1.3%	We Buy Cars Quilter Outsurance Prosus			Gold Fields Standard Bank Harmony Gold Absa
36 months	2.1%	Prosus Quilter Capitec Bank We Buy Cars	Anglo American Sibanye Stillwater Anglo American Platinum	Spar, Sasol	Richemont Gold Fields Harmony Gold Naspers
60 months	0.9%	Glencore Xstrata Quilter Textainer FirstRand	Anglo American Impala Platinum Naspers	Sasol Standard Bank	Richemont BHP Gold Fields MTN

Steyn Capital

Period	Alpha	Positive contributors		Negative contributors	
		Overweight	Underweight	Overweight	Underweight
3 months	-10.1%	Prosus		Curro Southern Sun Intl Thungela Resources Tsogo Sun Intl Gaming	Gold Fields Harmony Gold MTN
12 months	2.2%	Southern Sun Intl Outsurance Sun Intl Premier	Sasol	Glencore Xstrata	Naspers Gold Fields Impala Platinum MTN
36 months	1.9%	Fortress Outsurance Sun Intl Southern Sun Intl	Sasol Anglo American	Murray And Roberts Thungela Resources KAP	Naspers Richemont Gold Fields Harmony Gold
60 months	3.7%	Sun Intl Fortress Tsogo Sun Intl Gaming Motus		Astral Foods	Richemont BHP Naspers Gold Fields

Fairtree

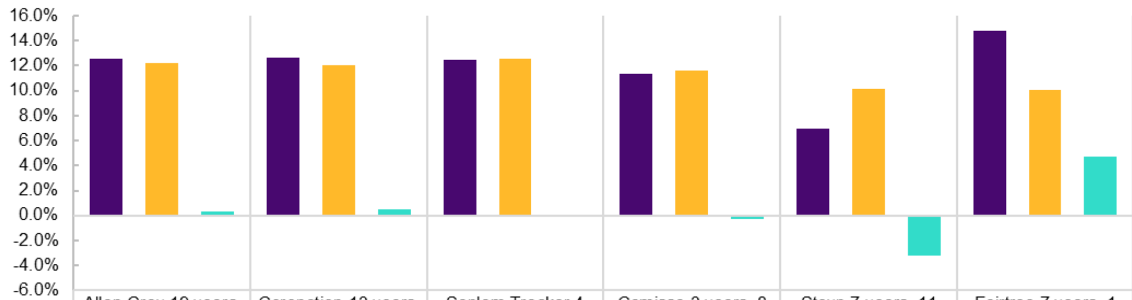
Period	Alpha	Positive contributors		Negative contributors	
		Overweight	Underweight	Overweight	Underweight
3 months	-1.5%	Gold Fields Prosus AngloGold		Mr Price Glencore Xstrata	MTN Harmony Gold
12 months	-0.3%	Prosus Gold Fields AngloGold Anglo American		Sasol Glencore Xstrata	MTN Discovery Harmony Gold Capitec Bank
36 months	1.9%	Prosus Gold Fields AngloGold Naspers	Anglo American FirstRand MTN	Sasol Northam Platinum Impala Platinum African Rainbow Minerals	Richemont Standard Bank Nepi Rockcastle Tiger Brands
60 months	5.9%	Impala Platinum Northam Platinum African Rainbow Minerals Gold Fields		Sasol	Richemont BHP Anglo American FirstRand

Camissa

Period	Alpha	Positive contributors		Negative contributors	
		Overweight	Underweight	Overweight	Underweight
3 months	-2.8%	Northam Platinum MTN Prosus Anglo American Platinum		Famous Brands Curro Omnia Glencore Xstrata	Gold Fields AngloGold Harmony Gold Naspers
12 months	4.7%	Prosus MTN Datatec Northam Platinum	Anglo American	Glencore Xstrata Sasol	Naspers Gold Fields Capitec Bank AngloGold
36 months	-0.7%	Prosus Datatec MTN Omnia	Anglo American Sibanye Stillwater Impala Platinum Sasol	Anglo American Platinum Northam Platinum Metair Investments	Naspers Richemont Gold Fields AngloGold

The next chart shows the since inception performance of the SA equity managers.

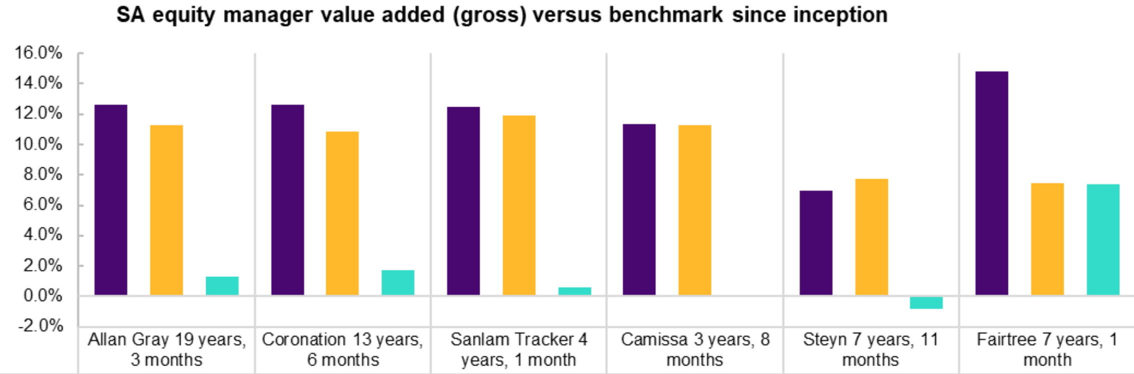
SA equity manager value added (gross) versus benchmark since inception



	Allan Gray 19 years, 3 months	Coronation 13 years, 6 months	Sanlam Tracker 4 years, 1 month	Camissa 3 years, 8 months	Steyn 7 years, 11 months	Fairtree 7 years, 1 month
Manager Performance	12.6%	12.6%	12.5%	11.4%	6.9%	14.8%
Benchmark	12.2%	12.1%	12.6%	11.6%	10.2%	10.1%
Value Added	0.4%	0.5%	-0.1%	-0.2%	-3.2%	4.7%

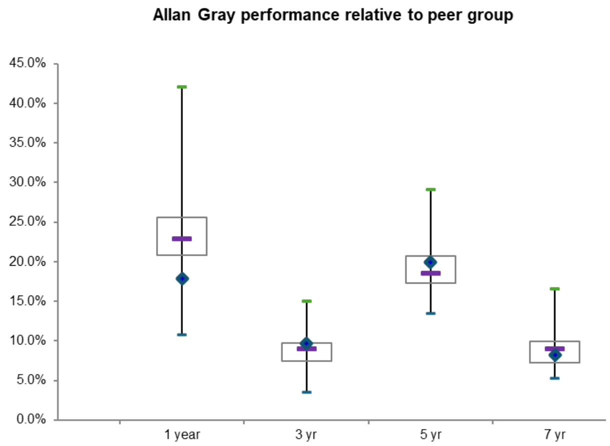
Allan Gray, Fairtree and Coronation have outperformed the benchmark gross of fees over the since inception measurement period. Although still behind the benchmark, the Steyn Capital's performance has improved materially over the past five years. The stand-out performer is, of course, Fairtree.

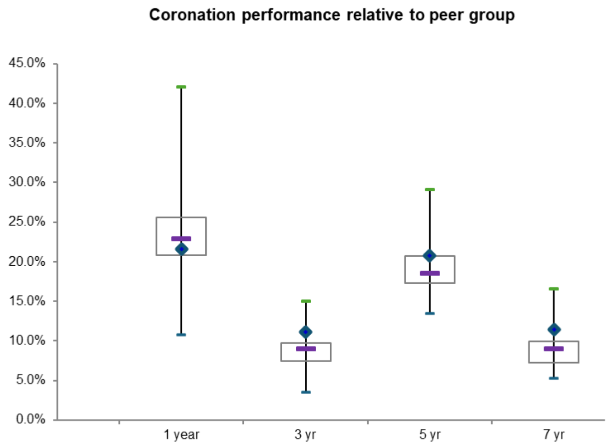
For completeness, we show the performance the five benchmark agnostic managers relative to the Capped SWIX. This shows a more favourable picture with all the managers other than Steyn Capital outperforming.

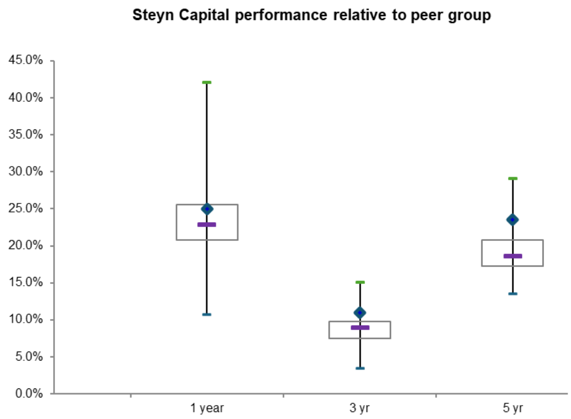


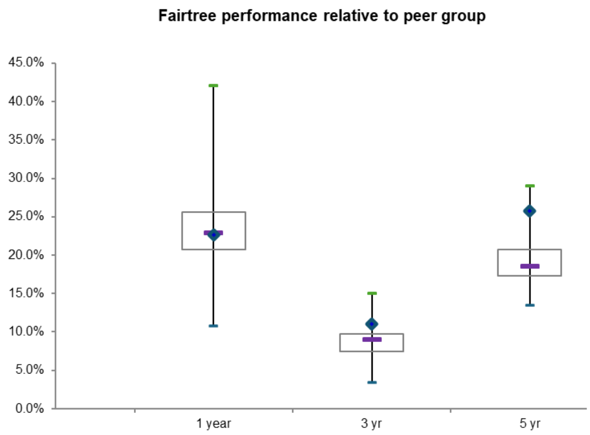
	Allan Gray 19 years, 3 months	Coronation 13 years, 6 months	Sanlam Tracker 4 years, 1 month	Camissa 3 years, 8 months	Steyn 7 years, 11 months	Fairtree 7 years, 1 month
Manager Performance	12.6%	12.6%	12.5%	11.4%	6.9%	14.8%
Benchmark	11.3%	10.9%	11.9%	11.2%	7.8%	7.4%
Value Added	1.3%	1.7%	0.6%	0.1%	-0.8%	7.4%

It is instructive to consider the actual performance of the managers relative to the peer group; clearly the peer group has also under-performed the CAPI over all the measurement periods. Coronation, Fairtree and Steyn Capital have delivered above 75th percentile performance over all periods of three years and longer. Allan Gray has performed in line with the 75th percentile over the three year period but lags the median over one year.



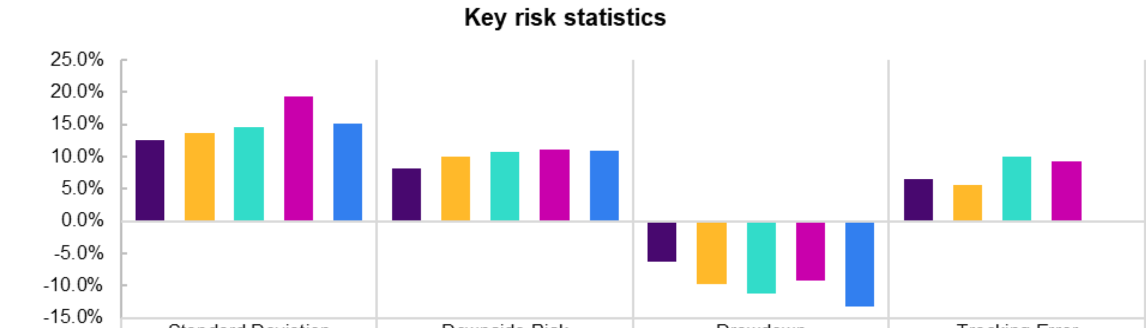






Risk statistics

The chart below shows the key risk statistics for the four managers with at least a five year track record:

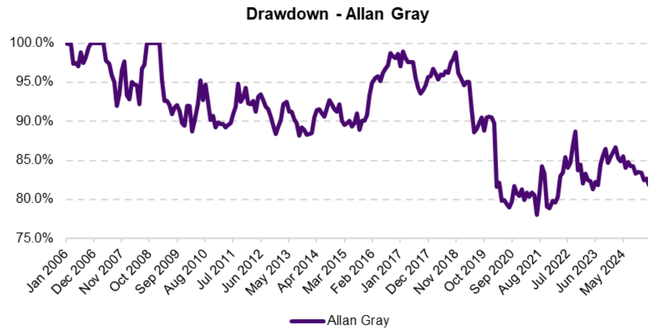


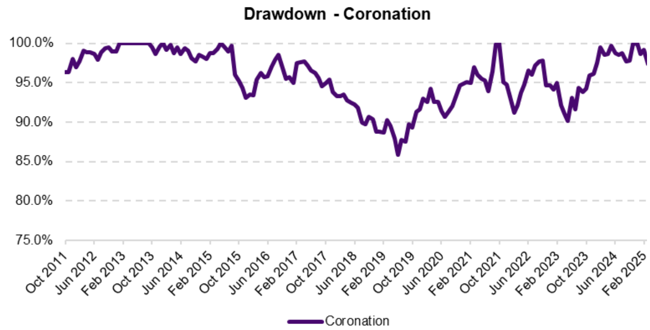
	Standard Deviation (5 years)	Downside Risk (5 years)	Drawdown (5 years)	Tracking Error (5 years)
Allan Gray	12.6%	8.1%	-6.2%	6.6%
Coronation	13.7%	10.0%	-9.7%	5.6%
Steyn	14.5%	10.8%	-11.2%	10.1%
Fairtree	19.2%	11.1%	-9.2%	9.2%
CAPI	15.1%	10.9%	-13.2%	

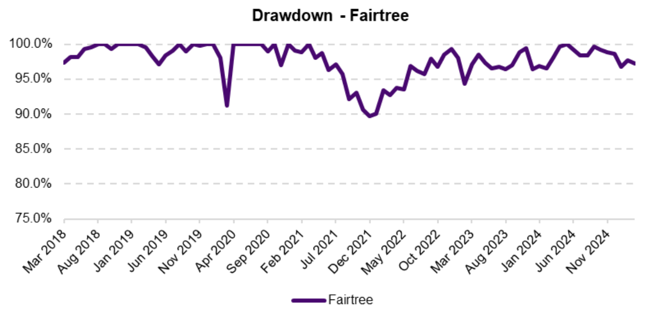
Other than Fairtree all the managers have better downside risk statistics than the benchmark. This outcome arises because the Q1 2020 Covid-19 poor returns roll out of the series. Coronation has the lower tracking error which is the expected outcome. The Fairtree and Steyn Capital tracking errors are high which is why the Fund has limited its exposure to these two managers.

Drawdown

It is also instructive to determine the extent to which the manager has under-performed the benchmark (if the statistics falls below 1 there is under-performance). Steyn Capital had weak quarter as they were under-weight resource shares and large cap counters with significant offshore earnings.







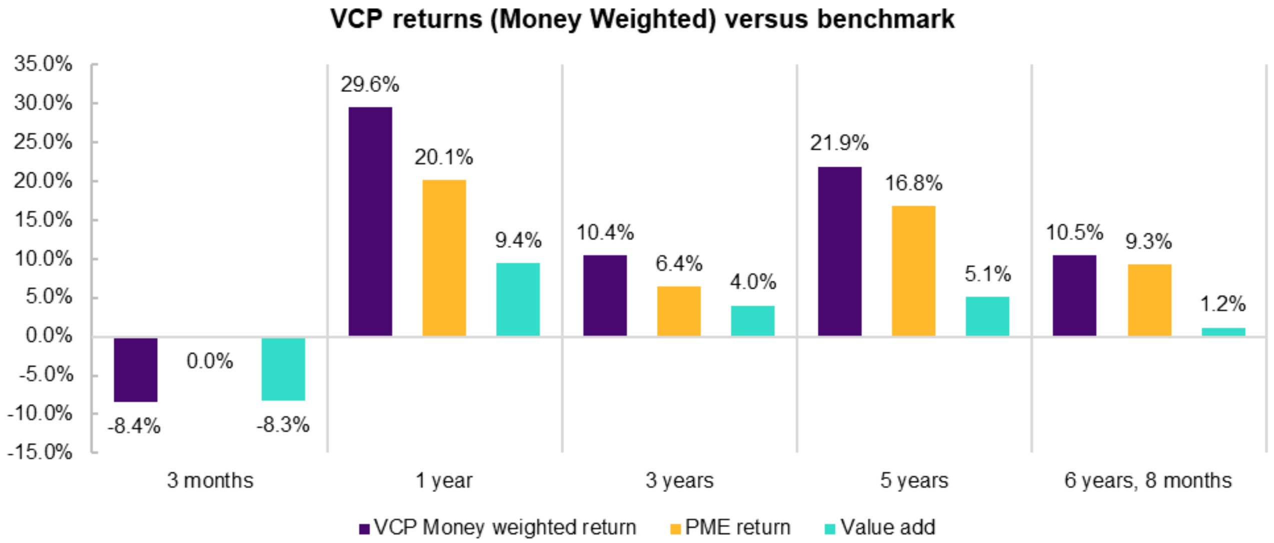
SA equities (activist approach)

Performance objective

The return of this strategy needs to be calculated on a money weight basis which allows for the timing of the cash flows rather than the commonly used time weighted measure. The benchmark against which the performance can be assessed is the so-called Public Market Equivalent (PME). The PME is calculated assuming that a notional portfolio receives the same cash flows as the portfolio, but that the return on these flows is the FTSE / JSE Mid Cap index, this being the benchmark for global equities. The performance objective is to out-perform the PME by 3% p.a. net of fees over rolling 5-year periods.

Performance relative to the PME

Value Capital Partners was funded on 1 July 2018. The chart below shows the performance for measurement periods to the reporting date.



VCP had a weak quarter as SA Inc companies lagged the index materially. Nevertheless, the 12 month and longer period performance is pleasing. The contributors to the out-performance over the year were Altron (+123.5%), Tiger Brands (+58.5%) and Advtech (+54.6%) but this was partially offset by the poor performance of Metair. The manager is 1.2% p.a. ahead of the benchmark over the since inception performance.

The three largest counters in the portfolio are Sun International (21%), Pepkor (13%) and Advtech, Altron and Tiger Brands (11% each). Metair is a relatively small position at 3%.

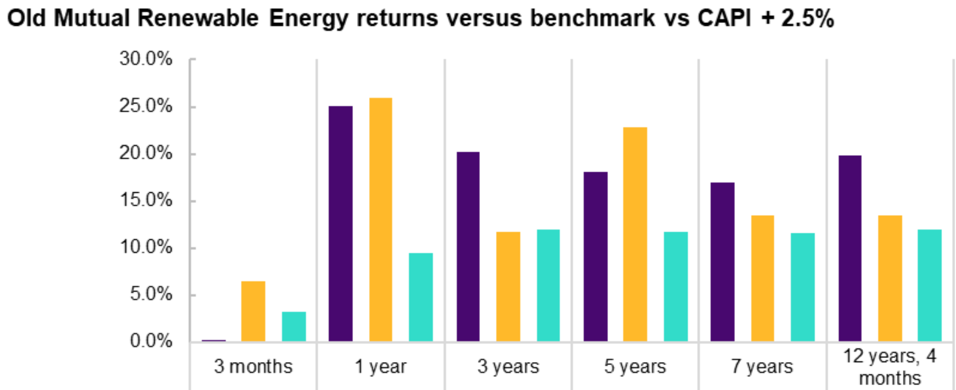
SA private equity

<u>Old Mutual Renewable Energy and Futuregrowth Developed Equity</u>

The investment performance objective of the Fund's private equity managers is to outperform the benchmark of the FTSE/JSE All Share Index + 2.50% p.a. which is expected to translate into a real return of 10.0% p.a. over the long term. For the Old Mutual investment, we also show the performance against CPI +7% p.a.

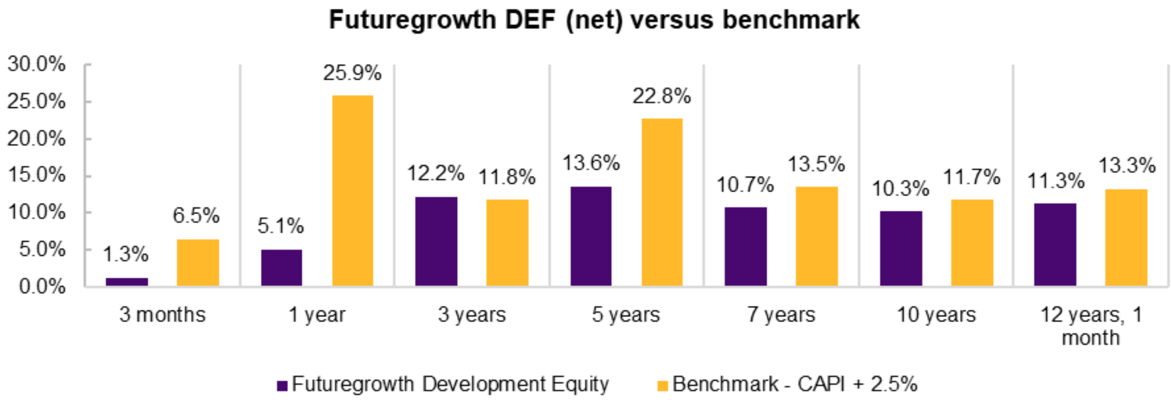
Performance relative to the CAPI + 2.5% benchmark

The chart below shows the performance of the Old Mutual Renewable Energy Fund since its date of appointment. The performance has been stellar compared to inflation and the strategy has delivered a real return of 15.1% p.a. over the full measurement period. It had an excellent quarter (up 15.0%) as the portfolio benefitted from revaluation of long dated cash flows as interest reduced and the successful completion of projects. The strategy has outperformed the CAPI + 2.5% p.a. benchmark over all periods (and by 6.5% p.a. since inception) which is an exceptional outcome.

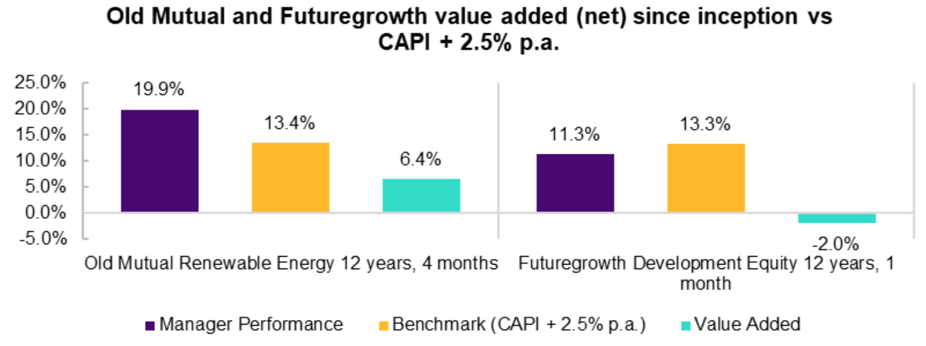


	3 months	1 year	3 years	5 years	7 years	12 years, 4 months
Old Mutual Renewable Energy	0.2%	25.1%	20.2%	18.0%	16.9%	19.9%
Benchmark - CAPI + 2.5%	6.5%	25.9%	11.8%	22.8%	13.5%	13.4%
Inflation plus 7% p.a.	3.2%	9.5%	11.9%	11.7%	11.6%	11.9%

The next chart shows the performance of the Futuregrowth Development Equity Fund. The strategy has under-performed the CAPI + 2.5% p.a. hurdle by 2.0% p.a. since inception which is still a very good outcome in absolute terms.



The chart below shows the since inception performance of the two managers relative the CAPI + 2.5% p.a. benchmark. The Old Mutual Renewable Energy strategy has delivered exceptional performance since its date of appointment being 6.4% p.a. ahead of the CAPI+2.5% p.a. benchmark.



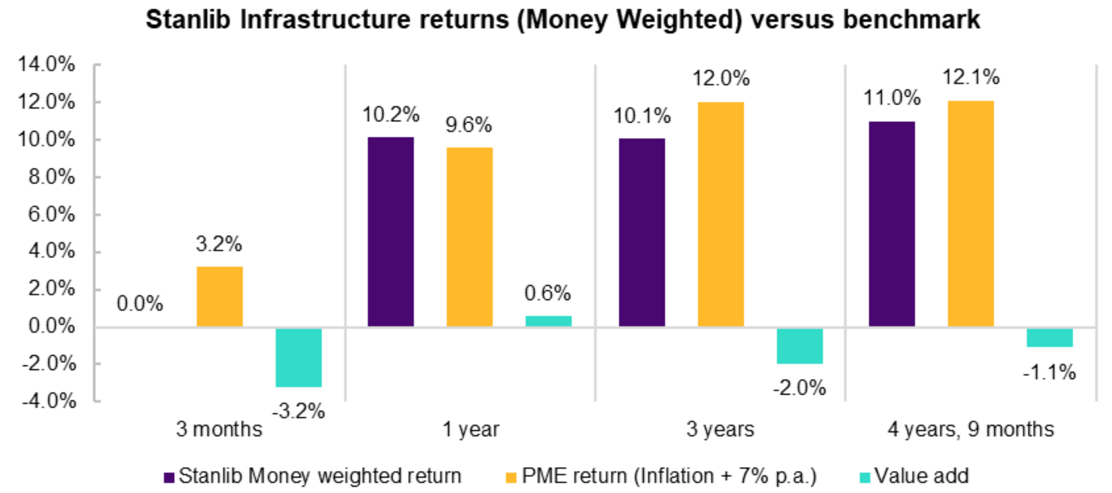
Stanlib Infrastructure Fund of Funds

Performance objective

The return of this strategy needs to be calculated on a money weight basis which allows for the timing of the cash flows rather than the commonly used time weighted measure. The benchmark against which the performance can be assessed is the so-called Public Market Equivalent (PME). The PME is calculated assuming that a notional portfolio receives the same cash flows as the portfolio, but that the return on these flows is inflation plus 7% p.a.

Performance relative to the PME

Stanlib was first funded on 27 July 2020 so only 4 years, 6 months of return are available. The returns reported over this period relative to the benchmark are shown in the chart below:



The return for the last quarter is reflected as 0% as Stanlib have not updated the 31 March 2025 value. If one allows for some write-up, the performance will exceed CPI+7% by a higher margin.

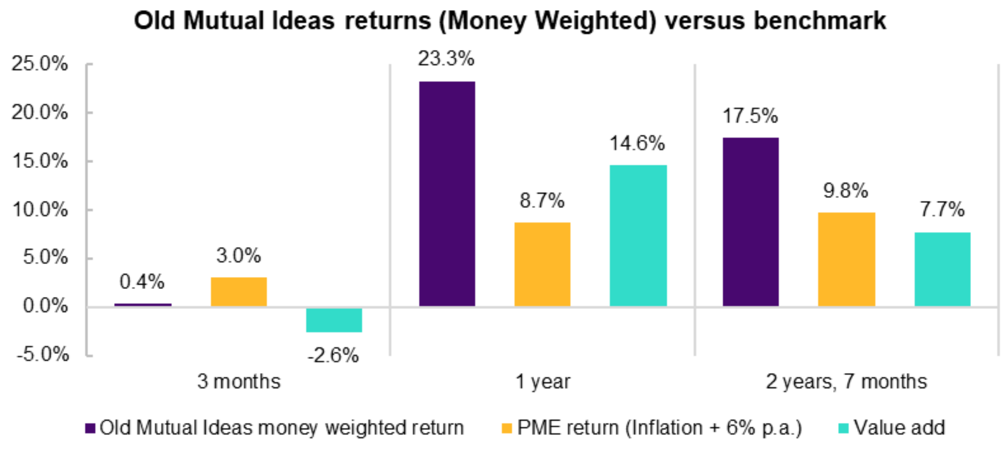
Overall, the strategy lags the CPI + 7% p.a. benchmark by 1.1% p.a. over the period since inception because of a weak 2023 during which the portfolio's digital assets under-performed.

Old Mutual Ideas Managed Fund

The return of this strategy needs to be calculated on a money weight basis which allows for the timing of the cash flows rather than the commonly used time weighted measure i.e., a PME basis. The PME is calculated assuming that a notional portfolio receives the same cash flows as the portfolio, but that the return on these flows is inflation plus 6% p.a.

Performance relative to the PME

Old Mutual was first funded on 31 August 2022 so only 2 years, 7 month's return are available. The returns reported over this short period relative to the benchmark are shown in the chart below. The portfolio had an excellent year (up 23.2%) as the portfolio benefitted from revaluation of long dated cash flows as interest reduced and the successful completion of projects.



The strategy is an outstanding 7.7% p.a. ahead of its inflation plus 6% p.a. benchmark over the short period since inception.

SA listed property

Performance objective

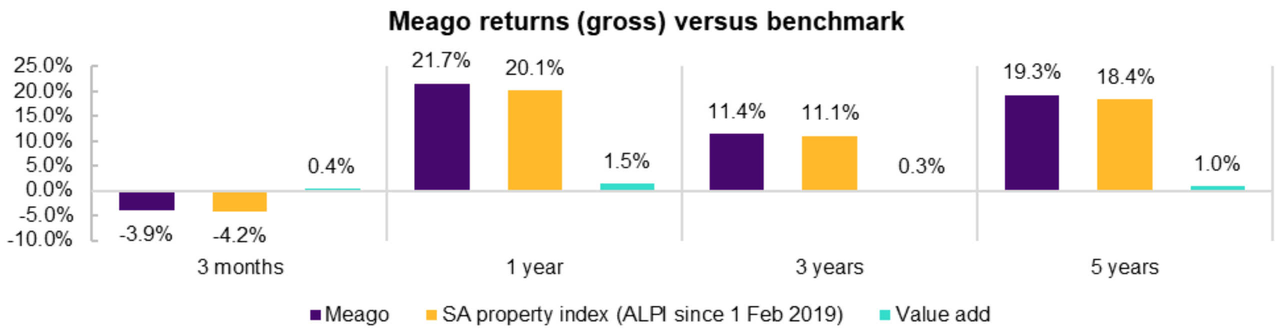
The investment performance objective of the Fund's SA listed property mandate is to out-perform the benchmark (the SA Property Index) by 1.0% p.a. net of fees over rolling 5-year periods.

The benchmark was changed from the SA Property Index (SAPY) to the All Property Index (ALPI) with effect from 1 July 2018. Meago, however, requested a delay to 1 February 2019 as they wanted some of their existing positions to play out. Accordingly, we show the performance of these two managers separately.

Performance relative to the index

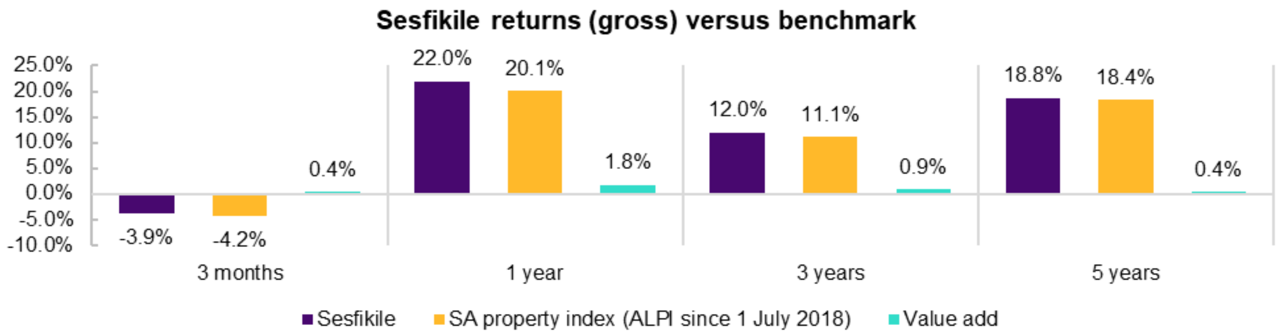
<u>Meago</u>

The chart below shows the performance of Meago for measurement periods up the report date. The manager has outperformed the index over all periods and is 1% p.a. ahead of the index over the 5-year measurement period.

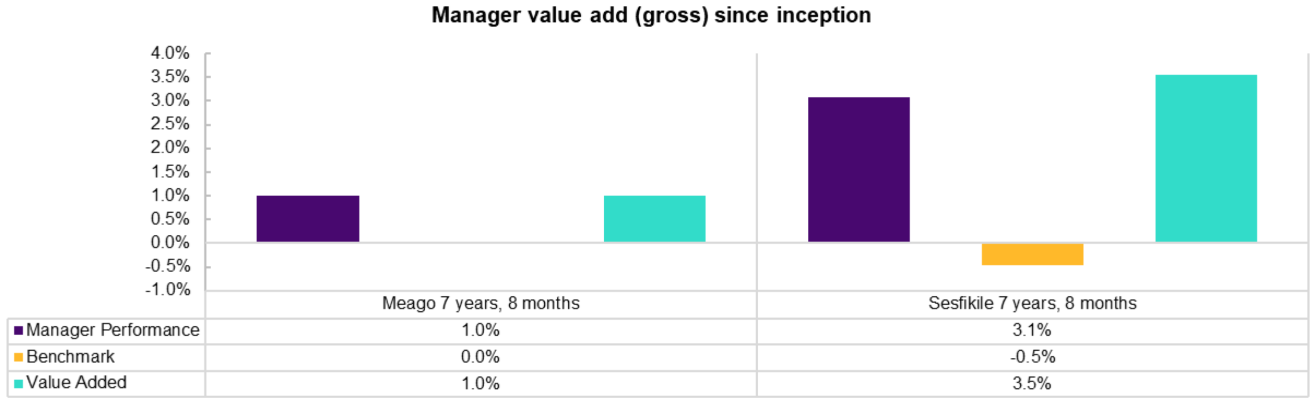


<u>Sesfikile</u>

The next chart shows the Sesfikile performance for measurement periods up the report date. The manager has outperformed the benchmark over all periods is 0.4% p.a. over the last five years with most of the excess coming from protecting the downside well.

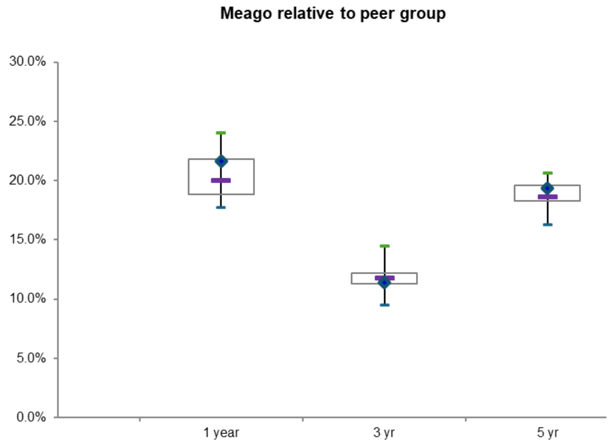


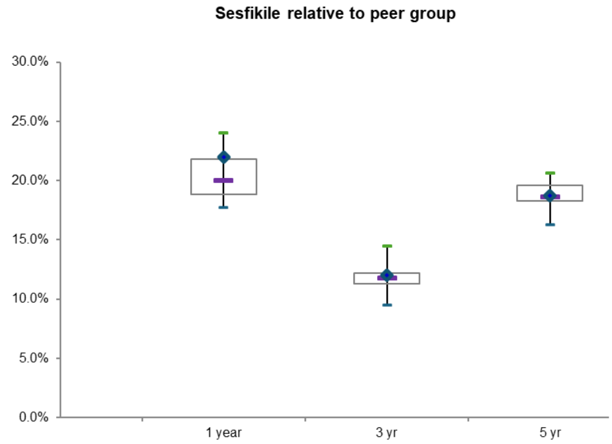
The chart below shows the since inception performance of the two managers compared to their benchmark (i.e. value added). The Sesfikile performance has been excellent over this period.



Peer Group relative performance

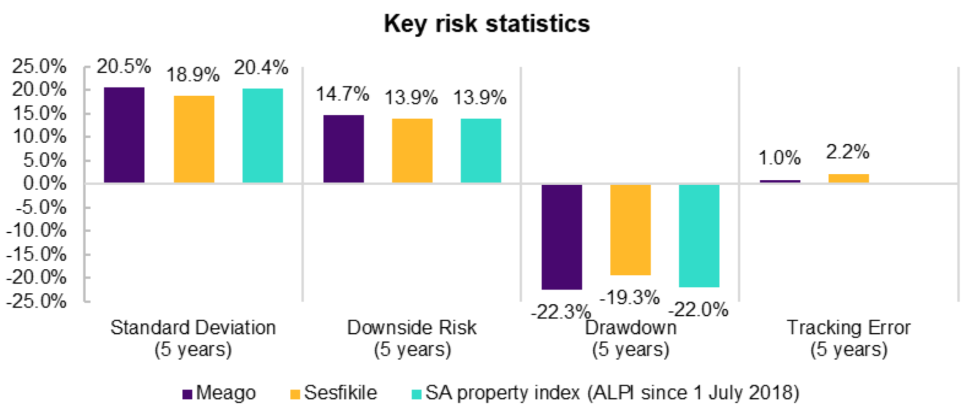
The charts below show the peer group relative performance of the two managers. Meago has delivered above median performance over 5 years and past year is at the 75th percentile. Sesfikile is at or above the 75th percentile one and three periods and at median over 5 years.





Risk Statistics

The chart below shows the key risk statistics over the period since inception. The downside risk protection by Sesfikile has been very good, whilst the Meago tracking error has been very low.



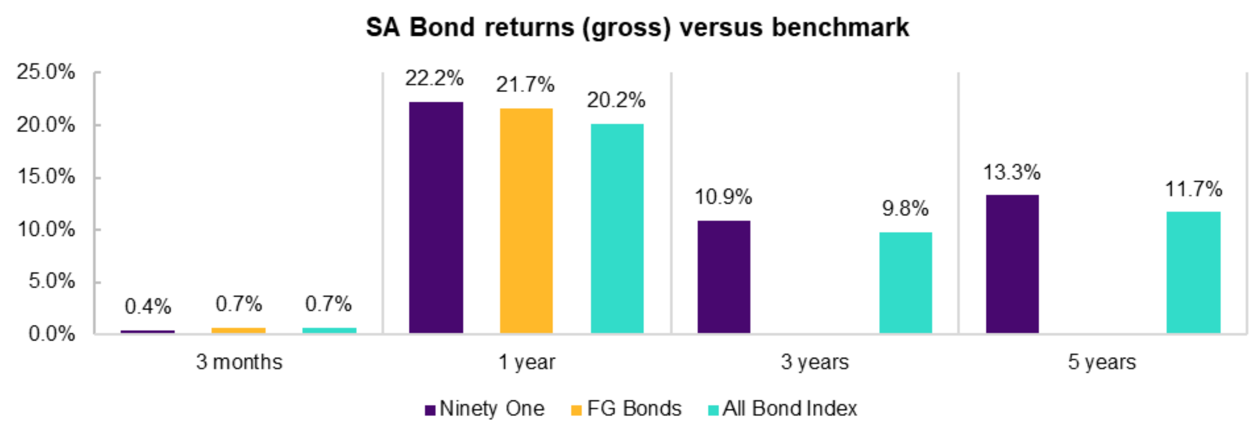
SA bonds

Performance objective

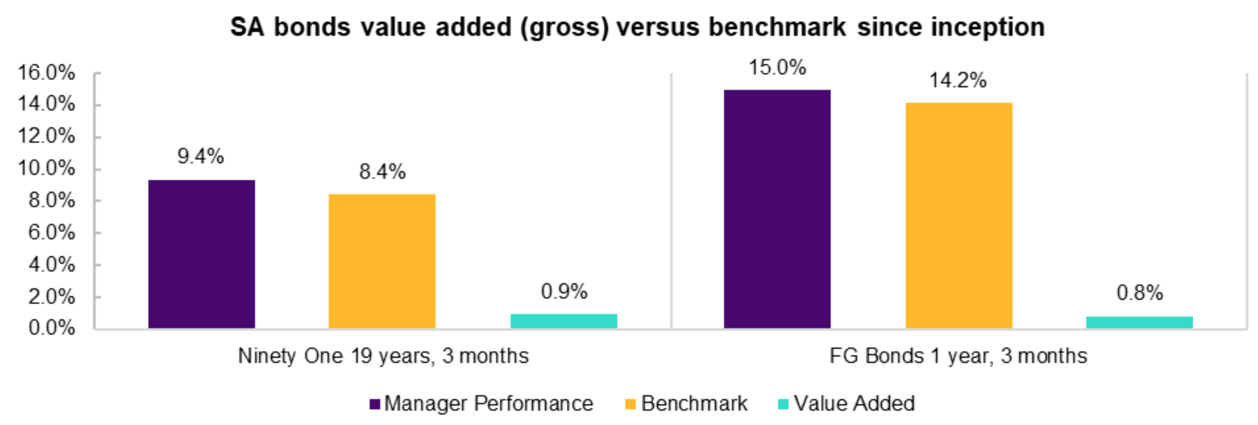
The investment performance objective of the SA bond managers is to out-perform the benchmark (BESA All Bond index) by 1.0% p.a. net of fees over rolling 3-year periods. Note Futuregrowth as added to the manager line-up in December 2023.

Performance relative to the BESA All Bond Index

The chart below shows the performance for measurement periods of up to 5 years. Ninety One is ahead of the benchmark over all measurement periods (and 2.0% ahead over the last year part of which is attributable to the portfolio's exposure to SA listed property), which is a pleasing outcome. Futuregrowth outperformed by 1.5% over the year.

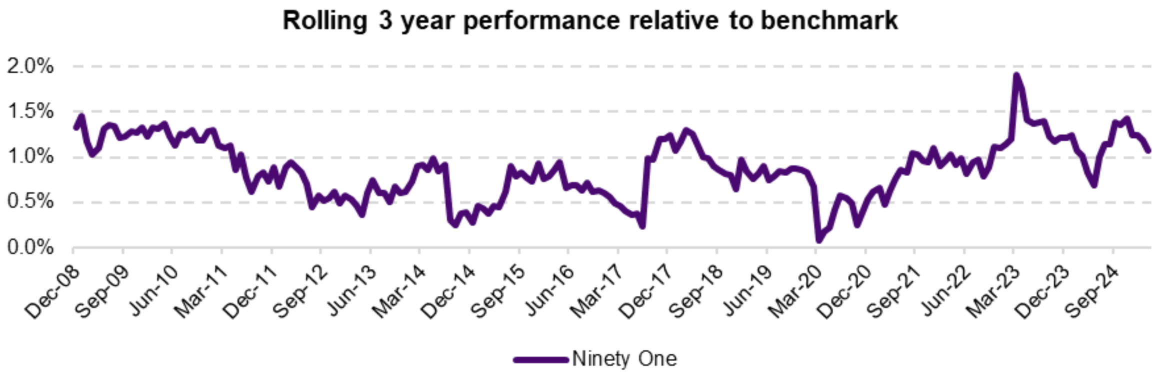


As per the chart below, Ninety One has outperformed the benchmark by 0.9% p.a. since date of appointment, in line with the targeted outperformed. The Futuregrowth measurement period is too short, but the performance has been good.



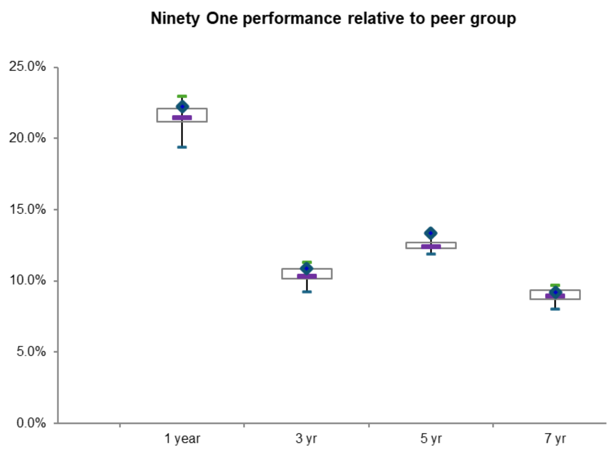
Three year rolling returns compared to the benchmark

The chart overleaf shows the rolling three-year performance of Ninety One relative to the index. The out-performance improved once the ABIL factor fell out of the rolling 3-year number and recent performance has been good.



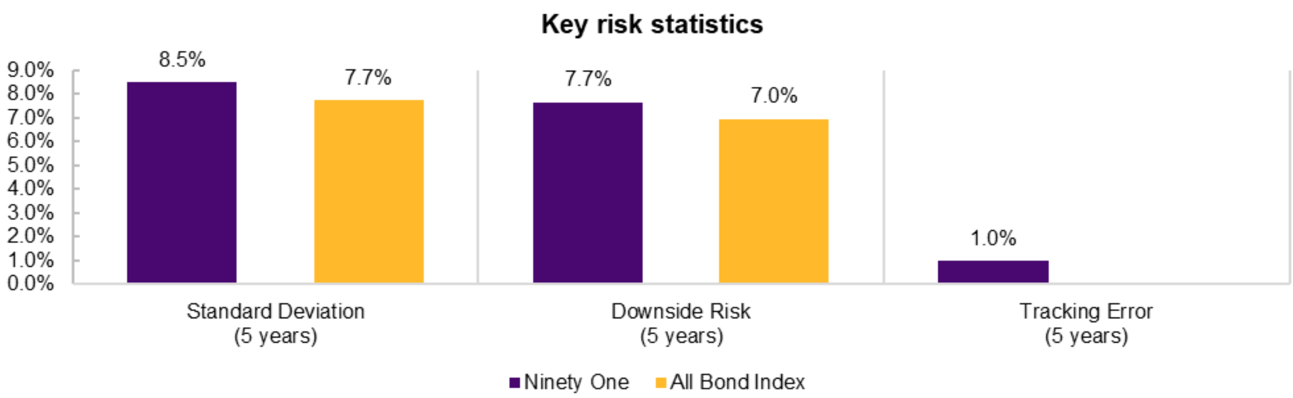
Peer group relative performance

The charts below show the peer group relative performance of Ninety One for measurement periods of up to seven years. The Ninety One performance is at or above the 75th percentile over all measurement up to 5 years.



Risk statistics

The chart below shows the key risk statistics for Ninety One over a 5 year measurement period – the manager downside risk is higher than that of the index because the manager has some exposure to SA listed property. The tracking error is low.



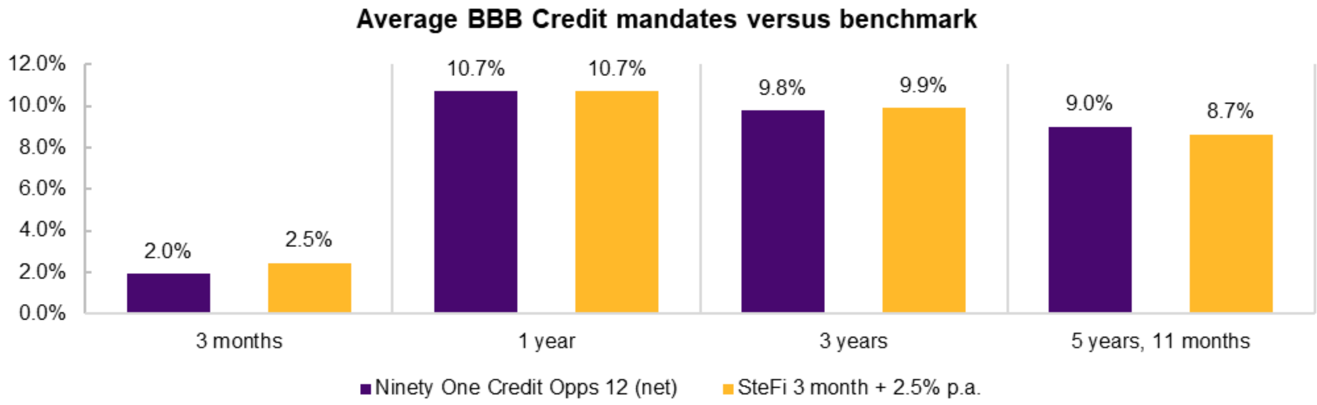
SA high yield debt

Performance objective

The investment performance objective of the Fund's high yield debt manager, Ninety One, using their Credit Opportunities product is to out-perform the benchmark of the STEFI Composite Index by 2.5% p.a. by 1% p.a. over rolling 3-year periods. Note we no longer report on the Ninety One Credit Opportunities Fund 5 and 6 as most of the capital has been repaid.

Performance relative to the STEFI + 2.5% p.a. benchmark net of fees

The chart below shows the performance of the Ninety One Credit Opportunities Fund 12 proposition relative to the benchmark of cash plus 2.5% p.a. for measurement periods since inception. The performance is materially in line with the benchmark and is 0.3% p.a. ahead of the target over the since inception period of 5-years and 11-months.



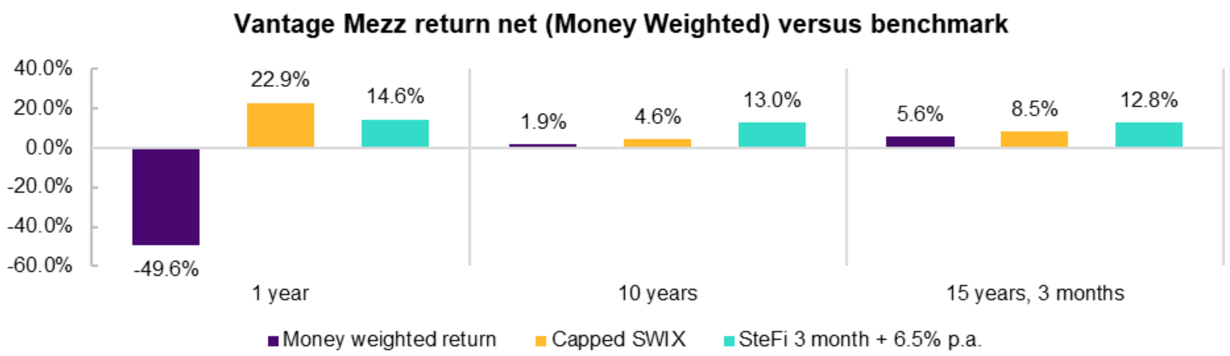
Mezzanine debt

Performance objective

The Vantage Capital Mezzanine Debt Fund II targets a return that is 2% p.a. above the benchmark of 3-month STEFI index plus 6.5% p.a. over the term of the product. The product initially had some 35% invested in Africa ex-SA debt.

Performance relative to the benchmark

The chart below shows the performance of this product net of fees relative to the benchmark (3-month STEFI + 6.5% p.a.) as well as the SA equity asset class as represented by the Capped SWIX index. The money-weighted performance (net of fees) since inception is 7.2% p.a. behind the cash + 6.5% p.a. target return. It is also instructive to note that the since inception performance is 2.9% p.a. behind that of the SA equity asset class over the 15 year 3 month measurement period.



In last quarter of 2024, the market value of the Vantage Capital ("VC") Mezzanine Fund II was written down by close to 50%. The write-down was made to two portfolio holdings namely Kgoro and Servest.

<u>Kgoro – vacant land at the Gautrain Station</u>

The Mezz Fund II received a written offer for R540 million subject to due diligence by the potential buyer. VC marked this asset at R470 million in their accounts to allow for costs and other liabilities (e.g. rates claims by the City of Johannesburg).

In their due diligence, the buyer picked up that the Gauteng province had announced in late 2024 that they plan to extend the Gautrain network which includes additional tunnels under the Sandton station. As per the buyer, this was going to reduce the amount of bulk he could construct on the podium above the station, and he therefore decided not to proceed with the purchase. We understand that this buyer may now come back with the reduced offer.

VC via the liquidator has asked Broll (the broker) to go back to the other buyers and bring a replacement deal but in the interim VC decided to mark the investment down to the next best offer we had previously received of R200 million. After deducting various costs and liabilities they ended up with a valuation of R143 million. We are more comfortable with this valuation as appears to be somewhat conservative.

One will have to wait to see what offers come in on the next round of putting the property on the market. A large element of the challenges of this property relates to the fact that was owned by Regiments Capital. This has delayed the exit process considerably. We cautioned VC against dealing with Regiments at the time, but they felt differently and went ahead as the manager.

Servest

VC decided to reduce the valuation from R97 million to R43 million because of further reduction in the reported EBITDA and the “cleaning up” being done by the new CEO and CFO. VC indicated that they are hoping that earnings have bottoming out and that the new team have largely cleaned out the legacy issues now.

There is an element of bad luck, as this business is one of those most adversely affected by Covid-19.

Pretoria Towers

VC are confident that they will get a reasonable settlement from the Road Accident Fund and directors of the company. For us, it has become an issue of “seeing is believing”. VC, correctly in our view, has attributed a nil value to this recovery and so any such amount would be a windfall.

Summary and conclusion

We have been concerned about the VC valuations for a long time and have raised the same with them. Their response is that they have followed proper process and that the valuations have been signed off by the auditors (Deloitte). The point out that the accounting standard requires them to value the assets at market value and when an offer for R550 million is received the valuation of the Kgoro property needs to reflect this.

We must accept the values provided by the manager, but we remain concerned that they may be portraying a more positive picture than will turn out.

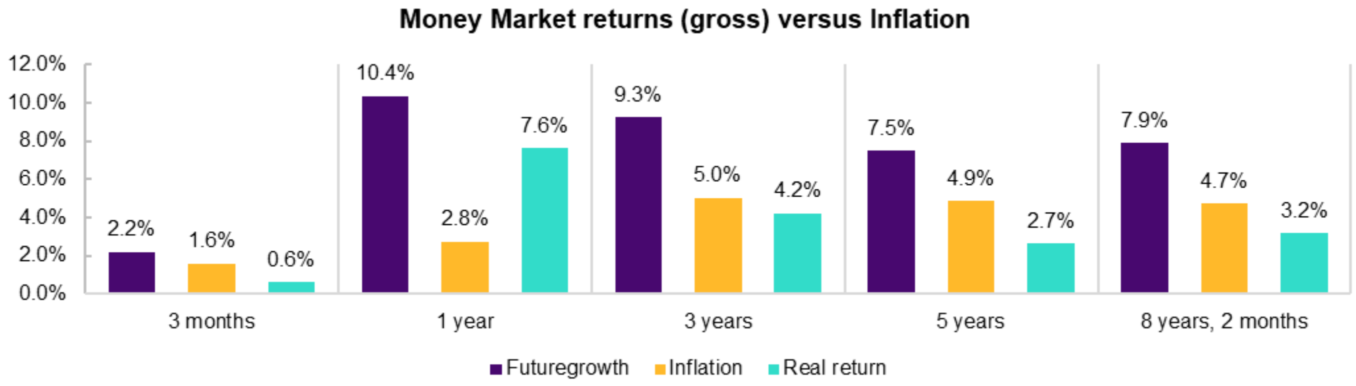
SA Money Market

Performance objective

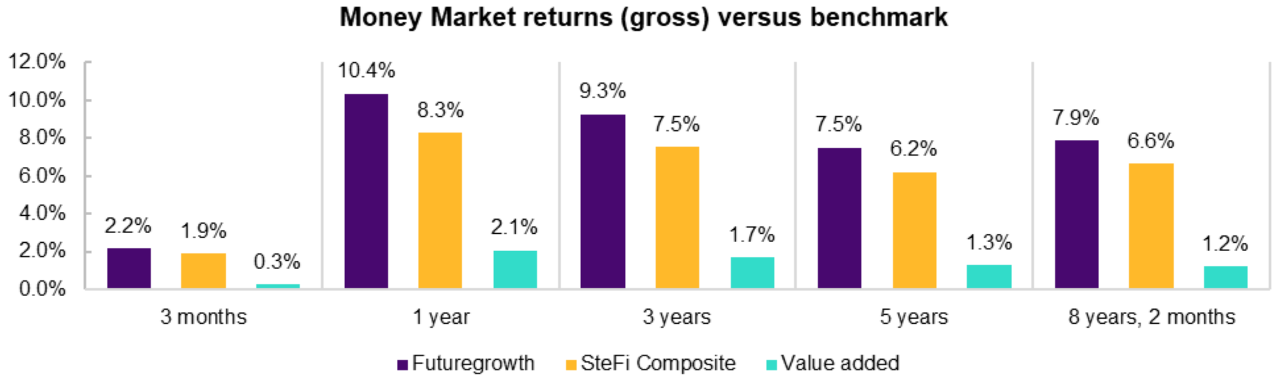
The Fund has two SA money market managers, namely Futuregrowth which manages a core mandate targeting 0.75% out-performance of the SteFi Composite Index and Ninety One that has two mandates, one that targets a higher return (3-month plus 1% p.a.) because their portfolio seeks to harvest a higher credit premium and a second that is expected to deliver a real return of some 4% p.a. provided that the I2029 bond is held to maturity.

Core mandate (Futuregrowth)

The chart below shows the performance of Futuregrowth compared to inflation for its core money market strategy. The returns have been well above inflation over all periods.

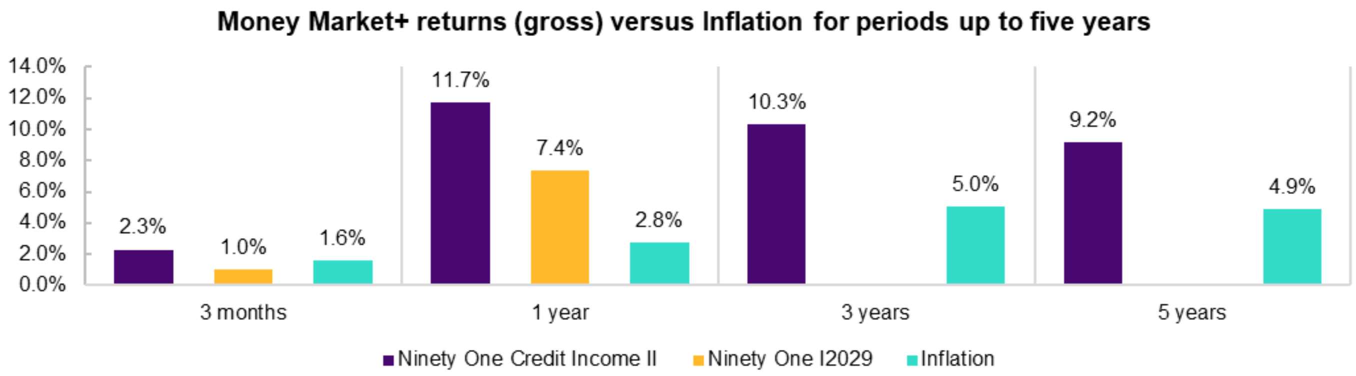


The chart below shows the performance of the same strategy compared to the SteFi benchmark for measurement periods since inception. The performance is well ahead of the benchmark over all periods (and particularly the last year where the out-performance is 2.1%) which represents a pleasing outcome.

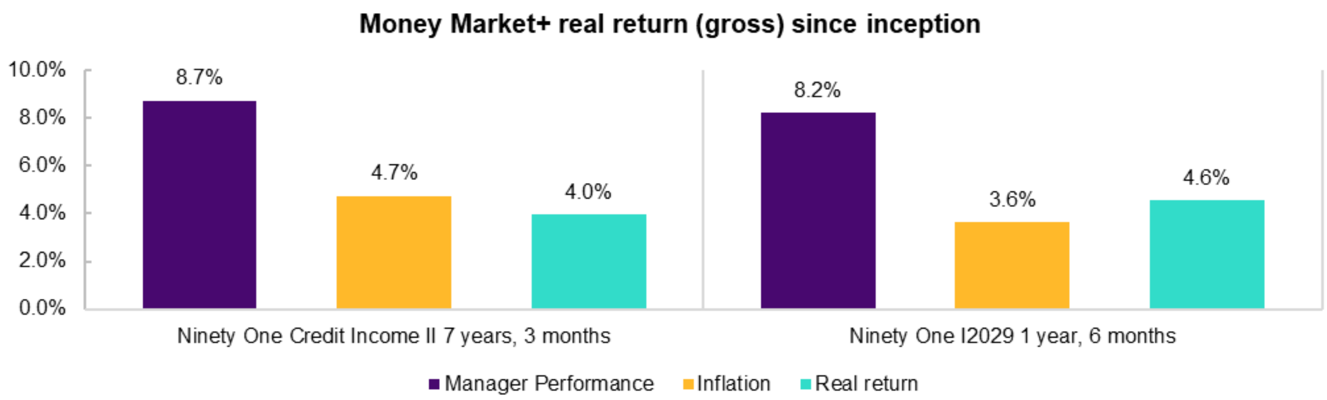


Ninety One Credit Income and I2029 mandate versus inflation

The chart below shows the performance of the Ninety One enhanced cash strategy (high quality credit) compared to inflation for measurement since date of appointment. As would be expected, the real returns are high as the strategy also benefits from the credit risk premium. The other portfolio is the I2029 bond which is held on an amortised basis; the expectation is that this product will deliver a real return above 4% p.a. over the long term.

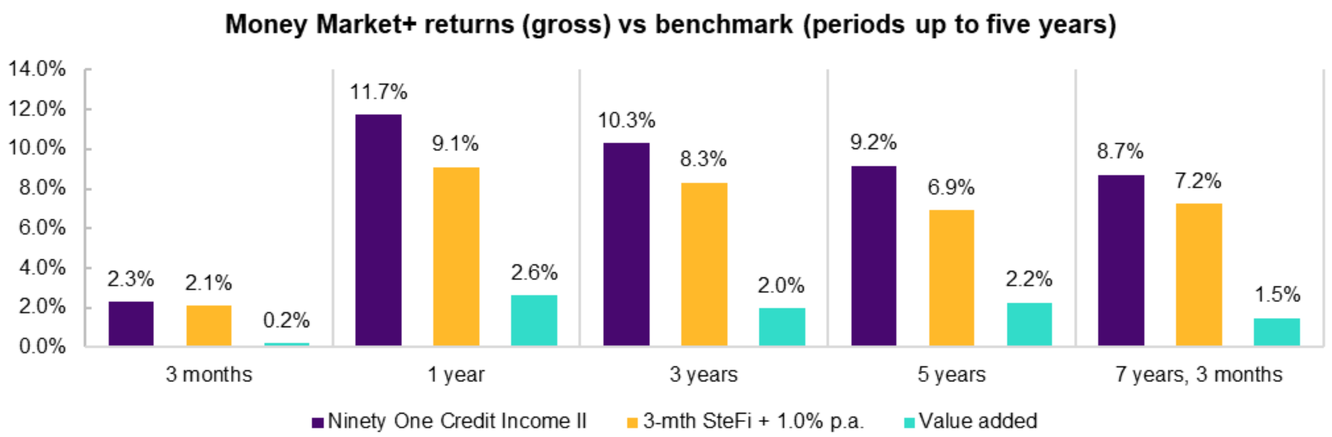


The next chart shows the performance of the two products compared to inflation since inception. The real return delivered by both products is very good, albeit over different measurement periods.



Ninety One Credit Income mandates versus benchmark

The chart below shows the performance of the Ninety One Credit Income II compared to the benchmark (SteFi 3-month + 1% p.a.) for the overlapping period. The product has delivered very good out-performance of the benchmark over all measurement periods (especially the last year) and is 1.5% p.a. ahead of the benchmark since inception (i.e., it has delivered a return of 3-month SteFi plus 2.5% p.a.)



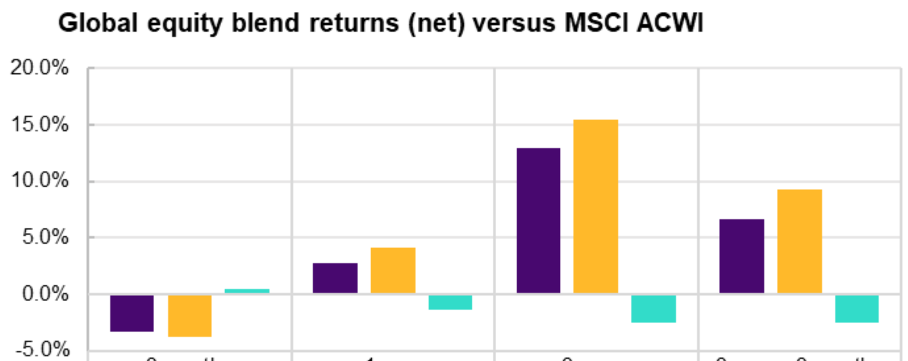
Global and emerging market equities

Performance objective

The investment performance objective of the global and emerging market equity managers is to out-perform the MSCI All Country ND Index and MSCI EM ND Index respectively by 1.5% p.a. net of fees over rolling 5-year periods.

Performance of global equity manager blend

The chart below shows the net of fee performance of the global equity managers blend versus the MSCI ACWI ND for measurement periods to the reporting date. We will extend the data series with time.



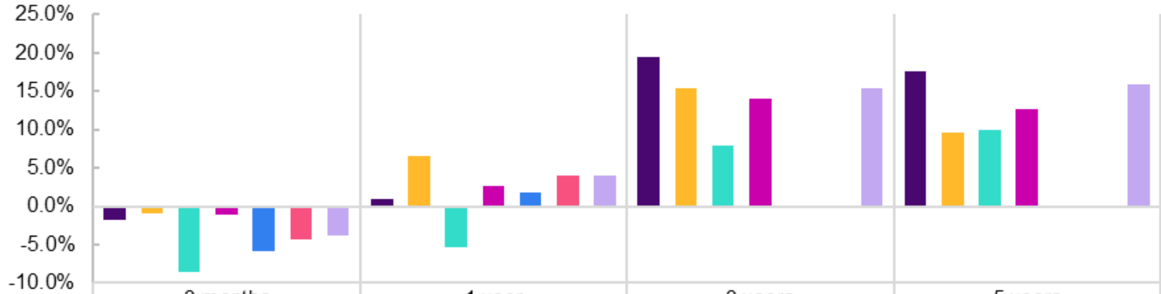
	3 months	1 year	3 years	3 years, 3 months
Global equity blend	-3.4%	2.7%	13.0%	6.7%
MSCI ACWI	-3.8%	4.1%	15.4%	9.2%
Value add	0.4%	-1.4%	-2.5%	-2.6%

The blend has marginally under-performed the MSCI ACWI by 1.4% over the year, because of an underweight to large cap USA technology companies notably Nvidia. The 3 month performance is ahead of the index as the share prices of the same USA technology counters came under pressure. Over the 3 year 3 month period it lags by 2.6% p.a. following on significant under-performance from Lindsell Train, Sands Capital and Ardevora (since terminated).

Performance relative to the MSCI ACWI ND benchmark (reported manager performance is net of fees)

The chart below shows the performance of the developed market managers for measurement periods up to five years.

Global equity returns (net) versus benchmark (ZAR)



	3 months	1 year	3 years	5 years
GQG Global	-1.7%	1.0%	19.5%	17.7%
Lindsell Train	-0.9%	6.5%	15.3%	9.6%
Sands Global	-8.5%	-5.3%	7.8%	9.9%
Veritas	-1.1%	2.7%	14.0%	12.7%
Select Equity	-5.9%	1.9%		
State Street	-4.3%	4.0%		
MSCI ACWI	-3.8%	4.1%	15.4%	15.9%

Lindsell Train is the only manager to outperform the index over the year. Veritas, Sands Capital and Ardevora (prior to their termination) under-performed over the 3-year period year. GQG is the only manager to out-perform over the 5 year period, Ovee the same period just over 10% of all global equity managers delivered out-performance of the MSCU ACWI ND net of fees.

The last 10 years have been unusual in that a very small number of large cap USA technology companies have delivered close to 40% of the index return. Such a narrow is seldom encountered and when this happens very few active managers outperform. In addition, many of those that do, have an investment thesis that fits the prevailing market conditions and so their performance is more attributable to luck than skill. Investors have seen some reversal of this trend in the Q1 2025, but it is too early to draw any helpful conclusion.

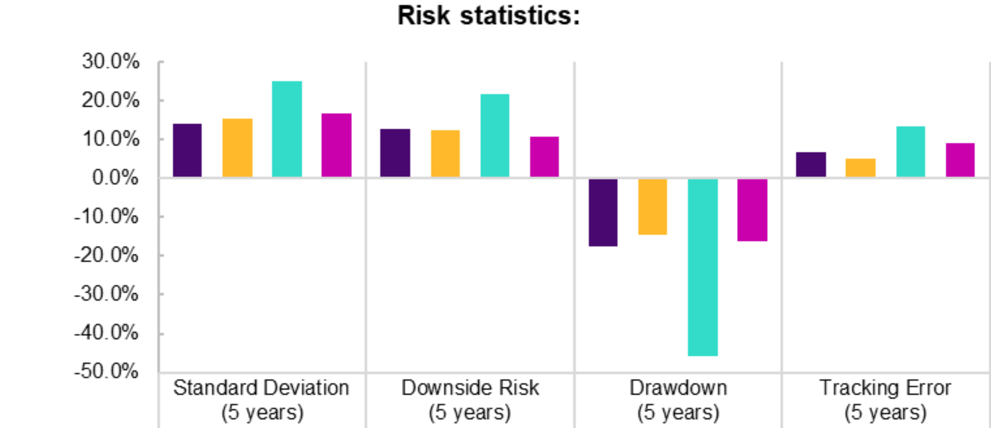
The chart below shows the since inception performance of the Fund's managers – GQG and Lindsell Train have outperformed the benchmark net of fees over the since inception period, with 0.2% under-performance from Veritas. State Street tracks the MSCI World Index (as opposed to the ACWI) and this passive strategy will out-perform if developed market outperform emerging markets (as has happened over the period) and vice versa.

Global equity returns (net) versus benchmark since inception (ZAR)

	GQG Global 5 years, 5 months	Lindsell Train 10 years, 8 months	Sands Global 5 years, 4 months	Veritas 12 years, 5 months	Select Equity 2 years, 8 months	State Street 1 year, 4 months
Manager Performance	18.0%	15.4%	10.7%	16.3%	11.9%	13.8%
Benchmark (MSCI ACWI)	14.3%	14.1%	14.6%	16.5%	16.3%	13.2%
Value Added	3.7%	1.3%	-3.9%	-0.2%	-4.3%	0.6%

Risk statistics

The chart below shows the 5 year risk statistics for the managers excluding Select Equity whose track record are too short.



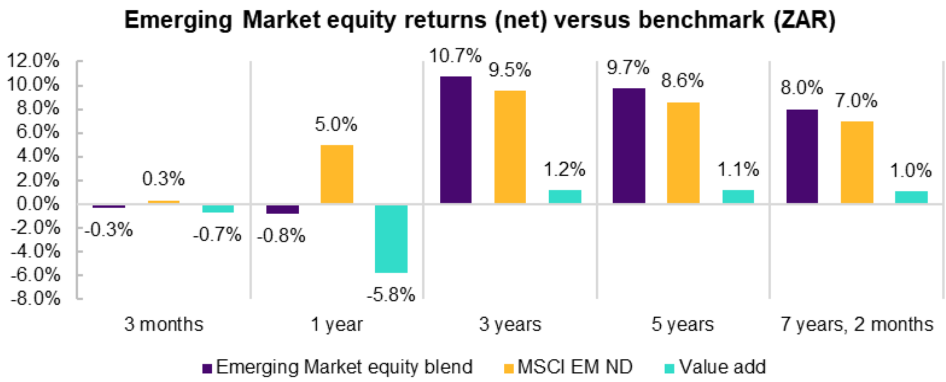
	Standard Deviation (5 years)	Downside Risk (5 years)	Drawdown (5 years)	Tracking Error (5 years)
Lindsell Train	14.1%	12.6%	-17.7%	6.6%
Veritas	15.5%	12.3%	-14.6%	5.1%
Sands Global	25.1%	21.7%	-45.6%	13.3%
GQG Global	16.6%	10.7%	-16.4%	9.2%

Over this period the managers have taken on more downside risk than the MSCA ACWI ND benchmark, notably Sands Capital. However, Veritas has a lower absolute drawdown than the index over the same five year period. The Sands Capital drawdown from October 2021 through to end the of 2022 was particular severe.

Emerging market equity performance relative to the MSCI EM ND benchmark

The Portfolio is invested in a blend of emerging market managers, with a target allocation of 15% to Coronation and Aikya, 20% to Pzena and 25% to each of GQG and Sands Capital. Aikya was added to the blend at the end of September 2022.

The chart below shows the net of fee performance of the emerging market managers on the Sygnia Life platform for measurement periods up to the report date. The blend has delivered a very good 1.0% p.a. out-performance of the benchmark over the since inception period, with GQG and Pzena, being the stand-out performers. The one year performance lags mainly because of the under-performance of GQG who was significantly underweight to China and to a lesser extent Aikya and Sands Capital.



We included the fact sheet with detail on the underlying manager performance.

Africa ex-SA equities

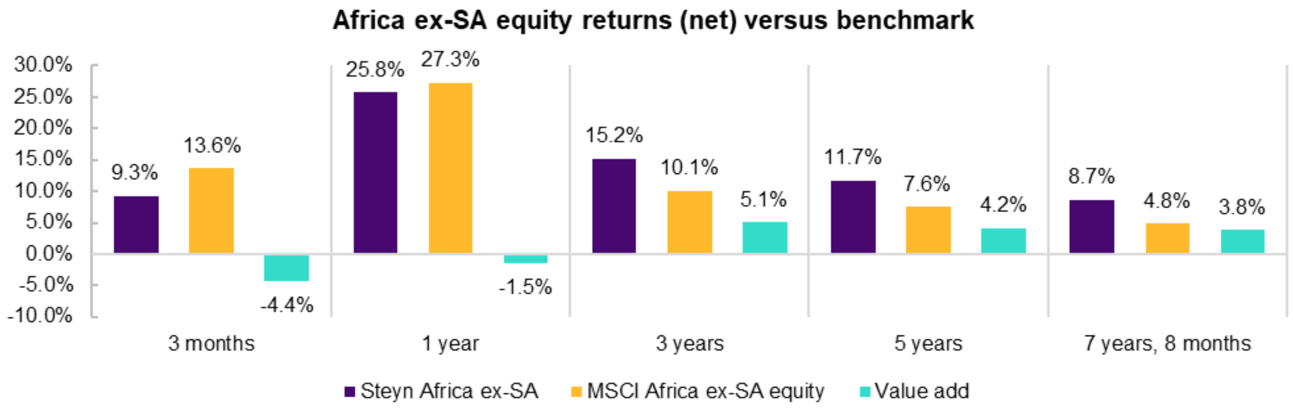
Performance objective

The investment performance objective of the Africa ex-SA equity manager (Steyn Capital) is to out-perform the benchmark (the MSCI EFM Africa ex-SA Index) by 3% p.a. net of fees over rolling 5 year periods. The manager follows an absolute approach with a focus on buying high quality companies. The tracking error is expected to be in the range of 10% to 12% p.a.

Performance relative to the MSCI EFM ex-Africa Index (note the reported manager performance is net of fees) and in ZAR

The chart below shows the performance of the Steyn Capital Best Ideas Fund for measurement periods since its appointment. The since inception performance is an excellent good 3.8% p.a. ahead of the index. The manager has delivered very strong relative performance over all periods other that the past three months and year.

The manager has no exposure to Morocco which makes up 52.7% of the index as Steyn Capital regards this market as very expensive. However, the Moroccan equity market continued to power ahead and was up 26.5% in USD over the quarter. The manager did well to limit the extent of its under-performance given its nil weight position.



The portfolio has a free cash flow yield of over 9.0% (with almost 2/3rds thereof being returned to shareholders) and an EV/EBIT ratio being 4.8 times. The weighted average earnings growth of the portfolio over the year was 30% and the investee companies, on average, have market share of just under 60%.

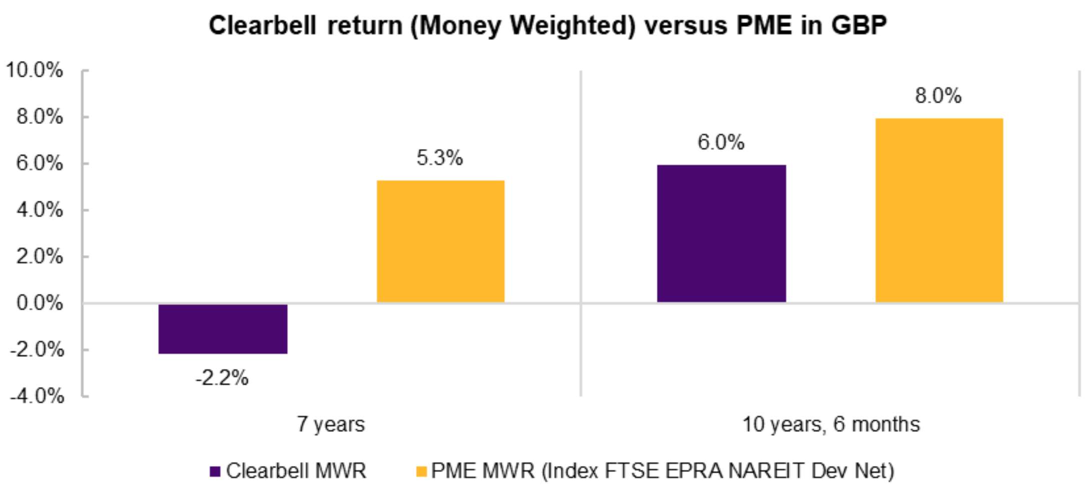
Global unlisted real estate

The Clearbell Fund II is benchmarked against the FTSE/EPRA NAREIT Developed Index + 2.0% p.a. over the term of the product. This benchmark was chosen as the alternative strategy of the Fund would have been to invest in developed world REITS and allows for an illiquidity premium.

Performance

The chart below shows the internal rate of return (IRR) of the product relative to the benchmark also calculated on an IRR basis over seven years and the since inception period (10 years, 6 months) in GBP. Over the past seven year period the portfolio has underperformed the FTSE/EPRA Developed Index by 7.5% p.a. in GBP and lags this benchmark by a lesser 2.0% p.a. over the since inception period.

The manager did not update any valuations over the quarter.



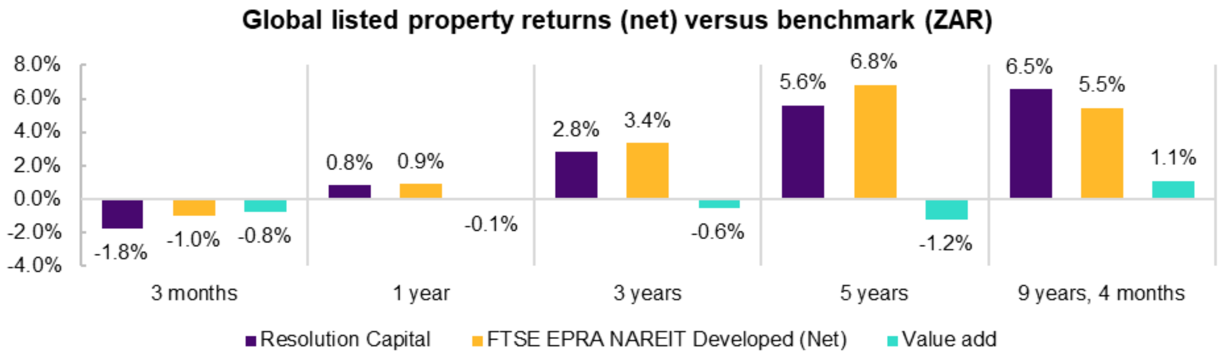
The absolute level of return (6% p.a.) is well below the 10 to 12% p.a. in GBP forecast at the outset of the strategy. The portfolio has faced material headwinds in the form of Brexit, Covid-19, sharply rising UK interest rates and moribund UK economic growth over the past 10 years. The manager expects to earn a net internal rate of return of 6.5% p.a. over the life of the Fund. This is still a decent real return in GBP as UK inflation averaged 3% p.a. over the past 10 years.

Global listed real estate

Performance objective

The manager targets a return that is 1.5% p.a. above of the benchmark of the FTSE/EPRA NAREIT Developed Index net of fees.

The chart below shows the performance of Resolution Capital for measurement periods up to the reporting date, with the performance being behind the index over all measurement periods up to 5 years. The performance is still a reasonable 1.1% p.a. ahead over the period since inception. The performance over the past 12 months is 0.1% behind the benchmark.



There is a level of investor anxiety around this asset class given the sharp rise in interest rates and longer term impact of work from home and online shopping. Up until the mid-2010s institutional investors had been almost exclusively focused on the four traditional property types – apartment, industrial, office and retail. Each of these property types has historically exhibited a moderate to high correlation with the business cycle (e.g. GDP, labour market) and thus provided less diversification benefits to a portfolio.

More recently, particularly in the post-COVID era amid the remote work trend plaguing the traditional office sector, institutional investors have turned their attention to the so-called “alternative” property types such as single-family rental, student housing, seniors housing, medical office, life science, self-storage and data centres. The attractiveness of these alternative property types is due to the less correlated demand drivers, enhanced diversification benefits and defensive profiles as fundamentals are broadly driven by non-cyclical growth trends (e.g. demographics, technology, healthcare, education)

The alternative sectors can generally be described as having fragmented ownership, less scalability, more operational intensity and offering higher yields versus the traditional property types. However, each of the alternative sectors possess differing investable universe sizes, tenant types, lease structures and capital expenditure requirements. This makes them useful tools in building out a real estate portfolio that is focused on income and diversification. Although the US remains the market leader in terms of alternative property types, these sectors have also started to get more attention in other regions such as Europe, Canada and Australia.

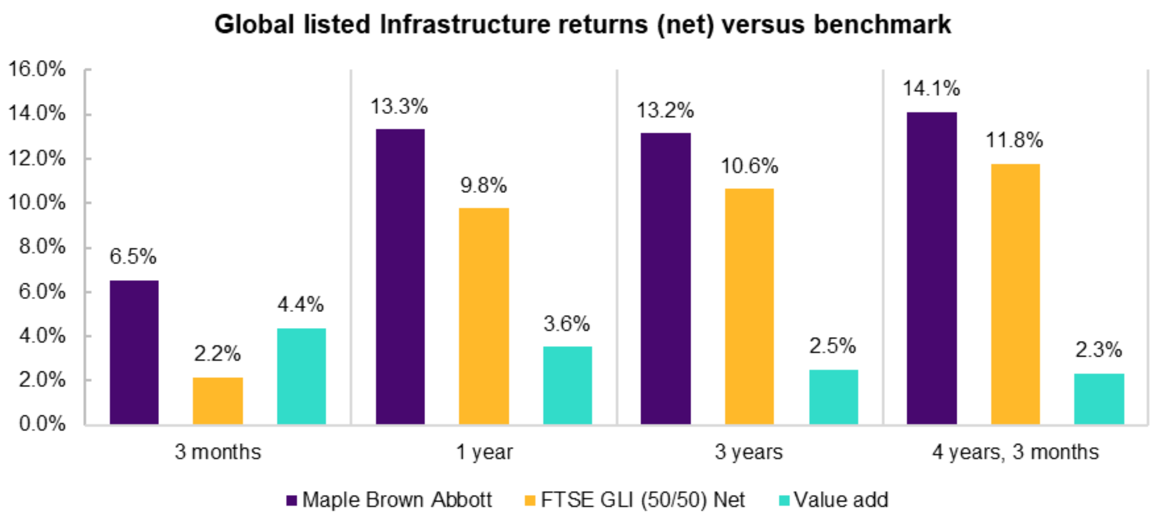
The Resolution Capital portfolio has meaningful exposure to these alternative sectors and so is more diversified than in the past.

Global listed infrastructure

Performance objective

Maple Brown Abbott was funded in December 2020, and we measure performance from 1 January 2021. The manager targets a return that is 5.5% p.a. above the OECD inflation. The manager is also benchmarked against the FTSE Global Core Infrastructure (50/50) Index Net and the targeted outperformance is 1.5% p.a. net of fees over a rolling 5 year period. The budgeted tracking error is 6% p.a.

The below chart sets out the manager's performance in ZAR for periods up to the reporting date. The asset class has lagged global equities by a large margin over the past year mainly because of higher real interest rates and of course, the sector has no exposure to the high flying technology counters. The manager is 2.3% p.a. ahead of the index return over the period since inception, with the one year performance ahead by a very good 3.6%.



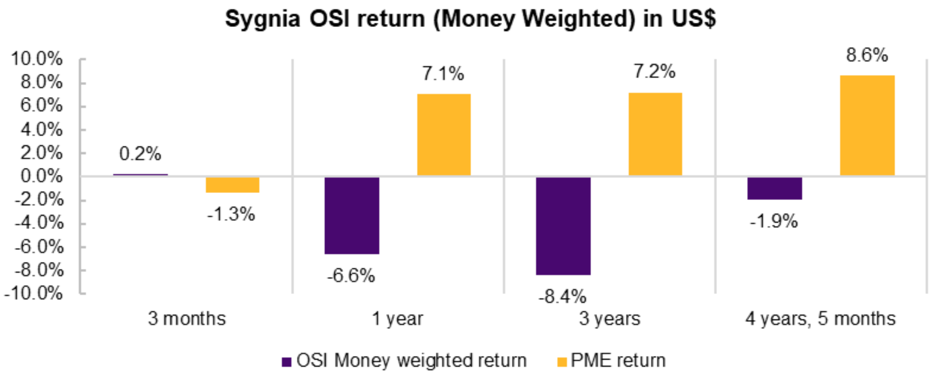
Global private equity

Private equity returns need to be calculated on a money weight basis which allows for the timing of the cash flows rather than the commonly used time weighted measure. The benchmark against which the performance can be assessed is the so-called Public Market Equivalent (PME), noting that this statistic can be problematic once the private fund starts returning large amounts of capital. The PME is calculated assuming that a notional portfolio receives the same cash flows as the private equity fund, but that the return on these flows is the MSCI ACWI ND (Net) index, this being the benchmark for global equities.

This is USD denominated investment, but the underlying investment is in GBP. This means that return as well as the PME will include the effect of the USD / GBP exchange rate. The GBP appreciated by some 2.1% to the US$ over the year and by 3.1% in the last quarter.

The chart below shows the money weighted return of the Braavos Funds I ("BC1), and II Fund ("BC2") compared to the PME for measurement periods up to the report date, with returns expressed in USD. The portfolio lags its PME with most of the under-performance arising from October 2022 onwards. The reasons for this outcome are:

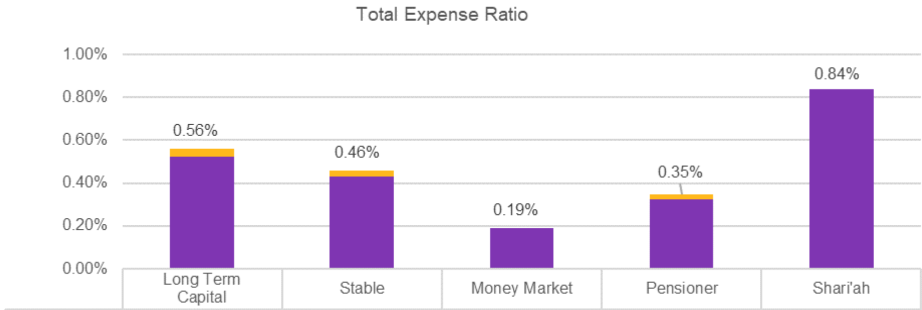
- The BC1 portfolio includes two Nasdaq listed companies PepGen and Barinthus Biotherapeutics (previously Vaccitech) were caught up in the broader sell-off of biotech companies in 2023. PepGen is down some 90% for year and the Barinthus Biotherapeutics declined by 56% over the same period.
- The hike in interest rates delayed capital raising by companies reluctant to issue equity at a discount, which meant the valuation of most of the investee companies was unchanged. This is the most significant contributor to the performance drag. OSE needs to evidence that it able to exit (or raise significant capital at higher valuations from third parties) from some of its leading investees companies to validate its investment thesis.
- Finally, the OSE Plc share has cash of £325 million on its balance sheet which obviously was a cash drag in 2023 and the whole of 2024.



The positive return in US$ over the last quarter is underpinned by GBP strength to the US$.

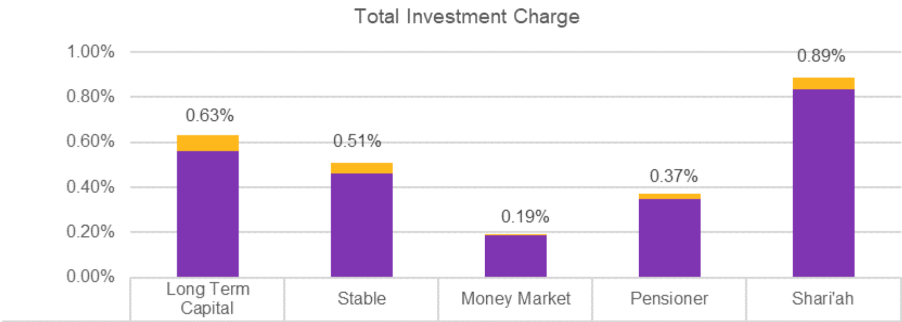
Section 7: Total Investment Charge

The chart below sets out an estimate of the Total Expense Ratio (TER) of the three main investment channels and the Pensioner Portfolio. The TER quoted does not include the administration, audit, actuarial costs, and the like as these costs are raised per member per month and not related to asset size.



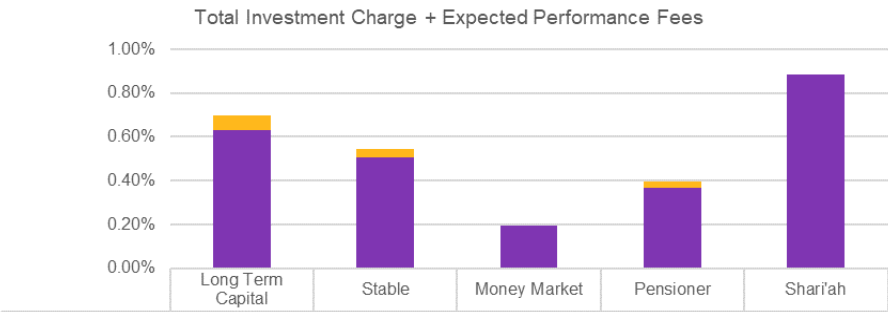
	Long Term Capital	Stable	Money Market	Pensioner	Shari'ah
Platform fees	0.04%	0.03%	0.00%	0.02%	0.00%
Manager fee	0.52%	0.43%	0.19%	0.32%	0.84%
TER	0.56%	0.46%	0.19%	0.35%	0.84%

The TER is about 35% to 45% of the charge the members would typically pay as a retail investor. The next chart shows the breakdown of the estimate Total Investment Charge which takes account of the expected trading costs.



	Long Term Capital	Stable	Money Market	Pensioner	Shari'ah
Trading costs	0.07%	0.05%	0.00%	0.02%	0.05%
TER	0.56%	0.46%	0.19%	0.35%	0.84%
TIC	0.63%	0.51%	0.19%	0.37%	0.89%

The final chart shows the TIC plus an allowance for expected performance fees where such fees are estimated assuming that the manager delivers performance in line with its performance target. In the past few managers have achieved the out-performance target and so the estimate of the performance fee component is probably overstated.



	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%

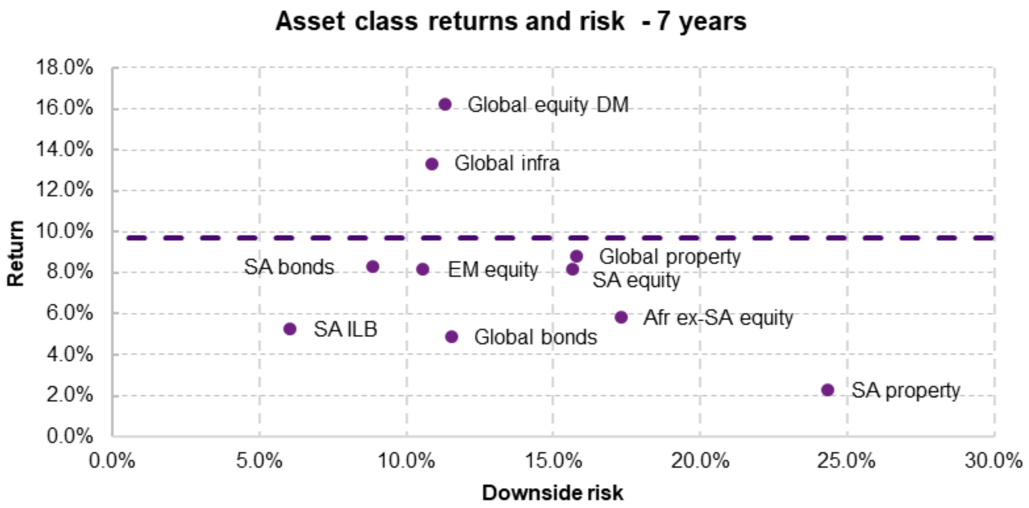
Section 8: Summary and conclusion

Channel performance

The table below summarises the investment performance of the investment channels that are used as part of the Fund's default investment strategy the over the relevant measurement period.

Portfolio	Real return	Value added	Inform Ratio	Sortino Portfolio	Sortino RP	TER
Long Term Capital Portfolio (7 years)	5.3%	-1.3%	-44.2%	97.1%	104.6%	0.56%
Stable Portfolio (3 years)	5.1%	-0.4%	-16.9%	294.7%	222.2%	0.45%
Money Market (1 year)	7.1%	1.5%	n/a	n/a	n/a	0.19%
Shariah (5 years)	7.5%	-3.8%	-97.3%	195.7%	150.0%	0.84%

- The absolute real returns delivered for the Long Term Capital Portfolio delivered a real return of 5.3% p.a. ahead of its inflation related benchmark for the first time in many years. This outcome was delivered despite the fact that, as per the chart below, 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. The horizontal line at 9.7% p.a. represents the 5% p.a. real return threshold.



Manager under-performance performance has detracted 1.3% p.a. over the same seven year period. This outcome arises from the under-performance of the Fund's local equity managers five plus years ago and more recently its global equity managers including its OSE venture capital holding and the large write-down on the Vantage Mezzanine Debt Fund. On a risk adjusted basis the Long Term Portfolio under-performs its Reference Portfolio with a Sortino Ratio of 97.1% versus 104.6%.

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 extent of under-performance would be reduced if the Fund's SA equity benchmark were the Capped SWIX Index. The global equity manager performance struggled over the past five years as most of the managers were underweight large cap USA technology stocks and energy stocks. In addition, the portfolio is weighted to managers that hold "long duration" equities whose valuation was adversely affected by the sharp rise in interest rates.

- The Stable Portfolio comfortably outperformed its inflation-related benchmark over three years delivering a real return of 5.1% p.a. The portfolio has under-performed its Reference Portfolio 0.4% p.a. over the same period. Global equity manager performance (including global venture capital) is the main contributor to this under-performance.

- The Money Market Portfolio delivered an excellent real return of 7.1% over the year as short term interest rates remained high and inflation fell significantly. The use of judicious credit strategies and the inflation linked strategy drove the observed positive outcome with the manager value add being 1.5%.

- The Shariah Portfolio outperformed is real return target of 3% p.a. by a healthy 4.5% p.a. This outcome arises large because the poor returns of Q1 2020 fall out of the return series. However, the Portfolio lags its Reference Portfolio by 3.8% p.a. in part because of its conservative positioning.

Pensioner Portfolio

The table below sets out the position as of the respective quarter ends.

Item	30 June 2024 R'm	30 Sept 2024 R'm	31 Dec 2024 R'm	31 March 2025 R'm
Present value liability	4 679.2	4 953.4	4 891.7	5 011.0
Market value of assets	4 850.3	5 167.4	5 198.8	5 163.8
Surplus / (Shortfall)	171.1	214.1	307.1	152.8
Funding level	103.7%	104.3%	106.3%	103.0%

The funding level reduced over the quarter because the global component of strategy under-performed the liability benchmark, and the Board granted a higher pension increase than the 65% of inflation provided for in the LDI strategy. The Portfolio remains in a sound financial position.

.

Annexure A: Asset class benchmarks

Asset class	Benchmark
SA equities	FTSE / JSE Free Float Capped All Share Index (CAPI) (J303T)
SA listed property	SA listed property index ALPI) (J803T)*
SA nominal bonds	Bond Exchange South Africa: JSE ASSA All Bond Index (ALBI)
SA inflation linked bonds	Bond Exchange South Africa: JSE ASSA Total Return Government Bond Index (IGOV)
SA cash (in Money Market Portfolio)	STEFI Composite Index
Global equities	MSCI All Country World Index (MSCI ACWI ND) from 1 January 2013 onwards**
Emerging Market Equities	MSCI Emerging Market Index (MSCI EM ND)
Global listed property	FTSE EPRA/NAREIT Developed Index net
Global listed infrastructure	FTSE Developed Core Infrastructure (50/50) Net
Global private equity	Global equity index (MSCI ACWI ND) + 3% p.a. illiquidity premium
SA private equity	FTSE / JSE CAPI plus 2.5% p.a.
Global unlisted property	FTSE EPRA/NAREIT Developed Index +2.0% p.a.
SA credit (average credit A^{+})	STEFI 3-month index plus 1.0% p.a.
High yield credit (average credit BBB)	STEFI 3-month index plus 2.50% p.a.
Mezzanine debt	STEFI 3-month index plus 6.5% p.a.
African ex-SA equity	MSCI EFM Africa ex-SA index

* SA listed property index (SAPY) (J253T) applied prior to this date. The effective date of change for Sesfikile is 1 July 2018 and for Meago it is 1 February 2019

** MSCI World Index (MSCI WI) applied prior to this date

Annexure B: Fee schedule

Summary of investment expenses): Three months ended 31 March 2025

Mandate	Manager	Management fee	Performance Fee	Total
SA equity	Allan Gray*	423 416	-2 473 693	-2 050 277
	Fairtree Capital	551 128		551 128
	Steyn Capital	155 400		155 400
	Sanlam Tracker	109 528		109 528
	Camissa	832 904		832 904
	Coronation	1 318 069		1 318 069
SA property	Meago	164 593		164 593
	Sesfikile	350 996		350 996
SA Bonds & credit	Futuregrowth Infrastructure Bonds	1 039 012		1 039 012
	Ninety One Flexible Bonds **	343 165	-	343 165
	Ninety One Credit Opportunities	3 996		3 996
Matched portfolio	Futuregrowth Power debt	662 720		662 720
	Green X Note II Fund	192 269		192 269
	ABSA 2011	319		319
	Old Mutual LDI	-488 794		-488 794
SA cash & enhanced cash	Futuregrowth Money Market	500 234		500 234
	Ninety One	583 271		583 271
Private equity	Old Mutual	1 038 617	-	1 038 617
	Future Growth Development equity	980 559		980 559
SA cash	Coronation USD Hedge account	3 385		3 385
Global	Stanlib US$	56 036		56 036
Shari'ah	27 Four	9 708		9707.89
		8 830 531	**-2 473 693**	**6 356 838**

* Q1, 2025 fee accrual for refund included

Annexure C: Derivative conduct standard

FSCA Conduct Standard on Conditions for Investment in Derivative Instruments for Pension Funds

Process

The FSCA Conduct Standard 1 of 2023 on Conditions for Investment in Derivative Instruments for Pension Funds was released on 11 May 2023, and came into effect twelve months later, i.e. in May 2024.

The Conduct Standard imposes a number of requirements in relation to the use of derivatives within the investment strategy of a retirement fund, and it is therefore necessary for retirement fund trustees to take steps to ensure that the fund's appointed investment managers comply with the Conduct Standard, to the extent that they use derivative strategies in the portfolios that they manage on behalf of the fund.

To facilitate this, WTW has set up a questionnaire to be completed by the investment managers used by our South African clients, and submitted to the Invest Connect online platform, which allows us then to access this information in a consolidated fashion.

The questions in the questionnaire have been designed as such that if the manager replies positively in all instances, then we believe that this should provide the necessary comfort to the Fund's Board that the manager is acting in accordance with the Conduct Standard. The managers have indeed, generally, responded positively, but the Board will naturally want to focus on the few answers that are negative in time.

We believe that the process being followed is a reasonable approach to ensure that the managers provide sufficient information in this regard, and that there are processes in place to follow up if this has not been done. It would of course be hoped that at some stage the engagement of the managers with the FSCA to resolve the uncertainties that remain, particularly around cost reporting, will yield a positive outcome.

Pending matters

At this stage the biggest issue appears to be in relation to the reporting of costs. Our understanding is that the concern here relates primarily to the use of derivative instruments where there may be an implicit cost, but where there is no clear methodology to determine what this is. This is one of the key points that the investment manager community has attempted to get feedback on from the FSCA, but to our understanding the FSCA has not to date provided clarity in this regard. It appears from the responses received to date that some managers see this as a "non-issue" and are nevertheless prepared to confirm that all costs will be reported on, whereas other managers have highlighted the uncertainty with a negative response.

Quarter ended 31 March 2025

The report overleaf summarises the responses from the respective managers as at the quarter end.

Asset class	Investment Manager	Mandate permits	Derivatives in portfolio	Submitted report	Issues flagged
SA equity	Allan Gray	Yes	None	Yes	Cost disclosure
SA equity	Camissa	Yes	None	Yes	Cost disclosure; Use of derivatives defined in the mandate rather by a company wide policy
SA equity	Coronation	Yes	Yes	Yes	Cost disclosure
SA equity	Fairtree	Yes	None	Yes	
SA equity	Steyn Capital	Yes	None	Yes	
SA equity	Sanlam Index Tracker	Yes	Yes	Yes	Nil
SA activist equity	Value Capital Partners	No	NA	NA	
SA property	Meago	Yes	None		No usage
SA property	Sesfikile	Yes	None	Yes	
SA bonds	Futuregrowth Infrastructure & Development Bond	Yes	Yes	Yes	Nil
SA bonds	Ninety One Bonds	Yes	Yes	Yes	Cost disclosure
SA cash	Coronation	Yes	None	Yes	Cost disclosure
SA cash	Futuregrowth Money Market	Yes	None	Yes	
SA enhanced cash	Ninety One Credit Income	Yes	Yes	Yes	Cost disclosure
SA enhanced cash	Ninety One Inflation Linked I2029 Bonds	Yes	None	Yes	Cost disclosure
SA HYC	Ninety One Credit Opportunities*	Yes	Yes	Yes	Cost disclosure
Matched	ABSA 2011	No	NA	NA	
Matched	Futuregrowth Power Debt	Yes	Yes	Yes	Nil
Matched	Old Mutual LDI	Yes	None	Yes	Cost disclosure; Use of derivatives defined in the mandate rather by a company wide policy
Matched	Vantage GreenX Note 2	No	NA	Yes	Not applicable
SA infrastructure	Old Mutual Ideas	Yes	None	Yes	
SA infrastructure	Old Mutual Renewable Energy	No	NA	Yes	Not applicable
SA infrastructure	Stanlib US$ note	No	NA	NA	
SA Mezz Debt	Vantage Capital	No	NA	NA	
SA Private equity	Futuregrowth Development Equity	Yes	Yes	Yes	Nil
Shari'ah	27Four		None, not permitted in terms of Shari'ah law	Yes	No usage
Global DE	Hosking	No	None	Yes	Use of derivatives defined in the prospectus and not currently allowed
Global DE	Sands Capital	Yes	None	Yes	
Global DE	State Street	Yes	Yes	No	Awaiting report
Global DE	Sygnia AMX GQG	Yes	None	Yes	No usage
Global DE	Sygnia AMX Lindsell Train	Yes	None	Yes	
Global DE	Sygnia AMX Select Equity	Yes	Yes	Yes	Nil
Global DE	Sygnia AMX Veritas	Yes	None	Yes	
Global DE	Sygnia AMX CCF Teewinot	Yes	None		No usage
Global DE	Stanlib US$ note	Yes	None	Yes	
Global EM	Sygnia Global Emerging Markets	No	NA	NA	
Global listed infrastructure	Sygnia AMX Maple Brown Abbott	Yes	None	Yes	
Global Private Equity	Sygnia OSI	No	NA	NA	
Africa ex-SA Equities	Steyn Africa	Yes	None	Yes	
Global listed property	Resolution Capital	Yes	None, clients invested in the currency unhedged strategy	Yes	
Global unlisted property	Clearbell	No	NA	NA	

*Ninety One Credit Opportunities include the CR5, CR6, CP6, CR12, CO12 and MC12 portfolios

The managers who had derivative exposure at quarter end are shaded.

Disclaimer

WTW has prepared this report to assist the Fund assess the use of derivative instruments by the Fund's appointed investment managers. Although beyond the scope of the services WTW is required to deliver to the Fund, this report is provided subject to the terms of WTW's agreement with the Fund. The reporting the Fund is required to receive in terms of the Conduct Standard in order to ensure proper monitoring of the Fund's derivative positions is from the relevant investment managers, so any failure to provide the required information, and/or any errors or omissions in the reporting, is and should remain the manager's responsibility. This report is therefore provided for information purposes only and is limited to the information provided to WTW by the Fund's investment managers and WTW has not verified the information provided. In addition, WTW expresses no view as to the efficacy of any derivative strategy as the discretionary power to invest and implement derivative trades (where applicable) resides solely with the Fund's appointed managers.

This report is based on information available to WTW at the date of this report or other date indicated and takes no account of developments after that date. As this information has been provided to WTW by the Fund's investment managers without verification, WTW provides no guarantee as to the accuracy or completeness of this information and WTW and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors, omissions or misrepresentations by any manager in respect of such information. Furthermore, this report should not be construed as investment, legal or regulatory advice, and it and the questionnaire should not be relied upon as a definitive record of all matters relevant to an assessment of the Fund's or its appointed investment managers' compliance with the Conduct Standard, as other information or circumstances may exist that are not known to WTW. Rather, this report and the questionnaire are intended to provide the Fund with reasonable assurance that its appointed investment managers have been subjected to a formal information request with the objective of identifying any material issues relating to the Fund's use of derivatives.

The Conduct Standard imposes various obligations on the Fund in relation to the use of derivatives in the Fund's investment portfolio. If the Fund has any concerns regarding the information provided by any of its appointed investment managers in relation to derivative positions, these concerns should be raised with the relevant manager and WTW would be happy to assist the Fund in this regard. Some of the information included in this report and the questionnaire is based on WTW's interpretation of the requirements of the Conduct Standard. WTW is not a law firm and, accordingly, we recommend that the Fund consults with its legal advisors as appropriate to ensure that the Fund is properly advised concerning such matters.

Proposed wording for Statement of Investment Principles

Annexure 10: Compliance reporting

We propose to amend the wording included in the Statement of Investment Principles under Annexure 10 to the following:

The Fund will require its investment managers to provide quarterly ~~regular~~ reporting to the Board ~~in order~~ to monitor the risks to the Fund of using derivative instruments as set out in the FSCA Conduct Standard 1 2023(RF1). ~~, and to ensure that such risks are appropriate in terms of the solvency and liquidity position of the mandate~~. Such reporting is not required if the manager's mandate precludes the use of derivative instruments.

The manager reporting will be made via an on-line portal, and the manager is required to complete or update quarterly. The reporting consists of a set of questions designed to assess compliance with the Conduct Standard. Managers that have used derivatives should confirm compliance on each question and if they are unable to do so, the reason for non-compliance must be stated. The Board will consider the validity of otherwise of any non-compliance reported.

The relevant manager reports will be included in the quarterly reporting to the Investment Committee. The Board will terminate the mandate of any manager that uses derivatives but is unable to comply with the Conduct Standard without good reason. ~~In addition, the Committee via its Investment Consultant will receive information annually from the managers such that the Committee can reasonably assess whether the manager has the necessary processes and systems in place to deal in derivatives in accordance with the Standard.~~