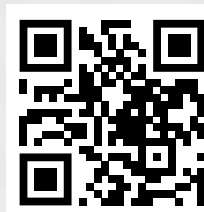




NATIONAL TERTIARY RETIREMENT FUND



An update on investment markets



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The table below provides market context for the Fund's portfolio returns shown later in this newsletter. It shows the returns delivered by the main market indices, together with inflation and the US\$/ZAR exchange rate, over periods of up to ten years to 30 June 2026.

For each period, the asset classes are ranked from the highest to the lowest return. The same colour is used for each asset class throughout the table, making it easier to compare its performance across periods. For example, global developed market equities delivered the highest return over three months. Following its colour across the table shows that it ranked lower over one, three and five years, but ranked first again over seven and ten years. This illustrates that the performance of any asset class can vary depending on the period considered.

These are market index returns, not the returns earned by any individual Fund portfolio. The Fund's portfolios invest in different combinations of these asset classes. The table therefore helps explain the market conditions that influenced each portfolio, but it cannot be used to calculate a portfolio's return directly. A portfolio's actual return also depends on how much it invested in each asset class and how its underlying investments and managers performed.

3 months	1 year	3 years	5 years	7 years	10 years
Global equity DM 11.2%	SA property 29.7%	SA property 26.6%	SA property 17.5%	Global equity DM 15.7%	Global equity DM 14.1%
SA property 10.0%	SA bonds 21.5%	SA bonds 17.8%	SA equity (CAPI) 15.4%	SA equity (CAPI) 13.9%	SA equity (CAPI) 11.5%
SA bonds 7.9%	SA equity (CAPI) 19.4%	SA equity (CAPI) 17.5%	Global equity DM 14.1%	SA bonds 11.1%	SA bonds 10.8%
Global property 5.3%	Global equity DM 14.1%	Global equity DM 14.2%	SA bonds 12.4%	SA property 7.7%	SA cash 6.8%
Inflation 2.6%	SA cash 7.1%	SA cash 7.9%	SA cash 6.9%	SA cash 6.5%	Global property 5.5%
SA cash 1.7%	Global property 5.5%	Global property 5.6%	Global property 5.6%	Global property 6.1%	Inflation 4.7%
SA equity (CAPI) -2.4%	Inflation 5.0%	Inflation 4.4%	Inflation 5.2%	Inflation 4.7%	SA property 4.6%
Global bonds -2.6%	USD / ZAR -7.8%	Global bonds -2.2%	USD / ZAR 2.8%	USD / ZAR 2.2%	USD / ZAR 1.1%
USD / ZAR -3.2%	Global bonds -7.9%	USD / ZAR -4.6%	Global bonds 0.1%	Global bonds 1.0%	Global bonds 0.6%

When writing about investment markets, it is much easier to look out of the rear-view mirror to explain what happened. However, it is impossible to accurately predict what will happen in future – investment markets are simply too complex and change too quickly to be able to do this.

Most things that happen have little long-term impact on investment markets, although at the time they seem very important. The closure of the Strait of Hormuz because of the conflict between the USA/Israel and Iran is an important event today, but the chances are that it will end up being a footnote to history. Because one cannot predict the future accurately, the most useful guidance the Fund can give to members is to invest in a portfolio that is consistent with their level of comfort with experiencing large negative investment returns. Surprises will always happen and so large negative returns (like those experienced at the outset of the conflict in the Middle East) are inevitable.



Looking back, over the past year, emerging market shares (particularly companies producing semi-conductor and memory chips) and South African listed property delivered the strongest returns, while global bonds were weak, as investors remained concerned about high inflation for longer. Over longer periods, global shares, South African shares and bonds have generally produced solid returns above inflation.

South African share returns are mainly influenced by commodity prices, interest rates and the strength of local banks and insurers. South Africa remains highly dependent on its natural resources, and over the past year and ten-year periods, commodity companies made the largest contribution to market returns. Banks and insurers have also performed well, supported by prudent management and the South African Reserve Bank's focus on controlling inflation. However, Naspers and Prosus (which make up close to 10% of the local equity market) have faced headwinds over more recent periods because of concerns about artificial intelligence, China's economic slowdown, and geopolitical risks. Within the South African bond market, longer-dated government bonds performed best over periods of up to seven years. These bonds benefited from improved confidence in the country's fiscal outlook and expectations that inflation would remain under control.

South Africa's debt was upgraded from BB- to BB over the quarter, the first such upgrade in 21 years.

Global share-market growth over the past decade was driven mainly by a small group of large technology companies, including Nvidia, Alphabet, Microsoft, Amazon, Apple and Meta. Their growing influence means that global index returns have become more concentrated, which can increase risk if these companies underperform.

The key message remains that no single asset class performs best all the time. *A well-diversified portfolio – spread across South African and global shares, bonds, property and cash – helps manage short term market movements while supporting long-term growth above inflation.*

NTRF Portfolio Returns

The results below show the Fund's portfolio returns, net of fees, for measurement periods to 30 June 2026. Each portfolio's outcome reflects its investment approach and mix of asset classes. Further information is available in the Fund's Fact Sheets published on <https://ntrf.co.za/ntrf/how-did-they-perform>. The portfolio names also provide an indication of their investment approach.

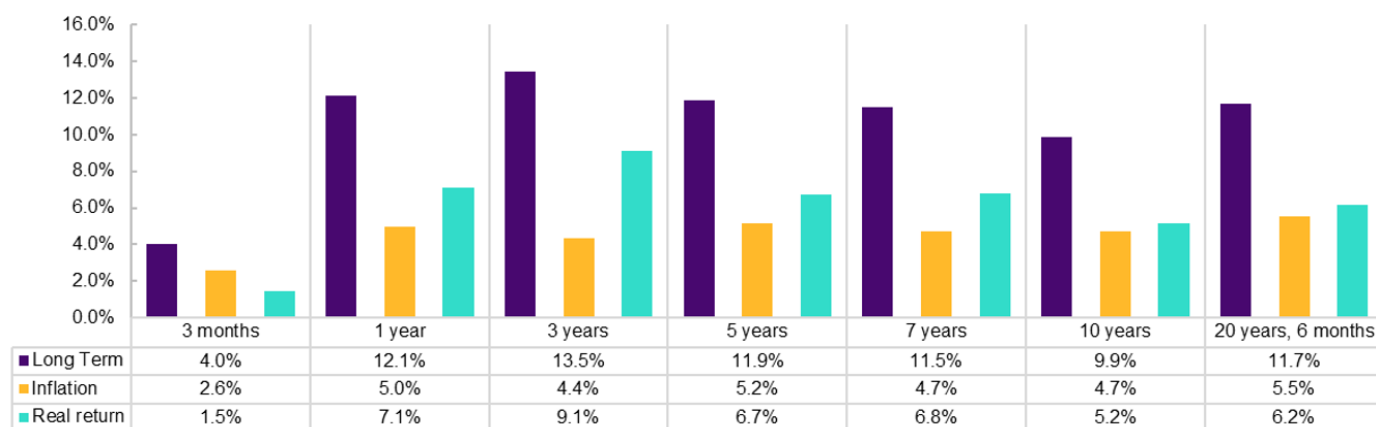
Long-Term Capital Portfolio

Real return objective	5.0% p.a.
Measurement period:	7 years

The Long-Term Capital Portfolio (LTCP) adopts a long-term investment horizon. The portfolio will always have a 70% to 85% exposure to the share (or equity) market. This means that the portfolio's return will be volatile and there will be periods when the return is significantly negative. However, over long measurement periods investors should be rewarded for taking on more risk, provided that the underlying system is able to bounce back.



Long Term Capital Portfolio (net) versus inflation



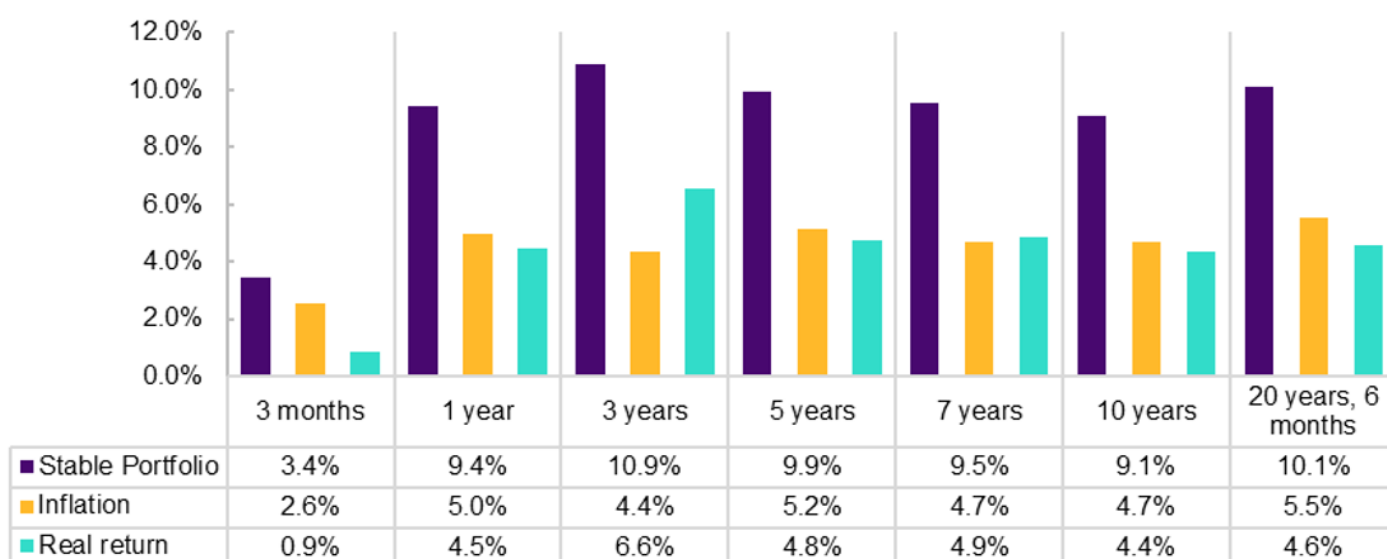
The chart above shows the performance of the LTCP compared with inflation for measurement periods to the report date. Because 70% to 85% of the portfolio is invested in shares, its return is strongly influenced by the South African and global share-market returns shown in the first table. However, the LTCP return will not be the same as any one market index because the portfolio is diversified and its return also depends on its asset allocation and underlying investments. The portfolio delivered a return above inflation for all measurement periods. Despite challenging market conditions, it is 6.8% p.a. ahead of inflation over the most recent seven-year period. The real return is above its performance objective of 5.0% p.a. over all measurement periods of 12 months and longer.

Stable Portfolio

Real return objective **3.0% p.a.**
Measurement period: **3 years**

The Stable Portfolio (SP) is suitable for members who have a shorter investment horizon. Typically, the portfolio will only have a 35% to 45% exposure to the share market. It also aims to deliver a positive return over rolling 12-month periods, although inevitably there may be periods when the 12-month return is indeed negative.

Stable Portfolio net returns versus Inflation



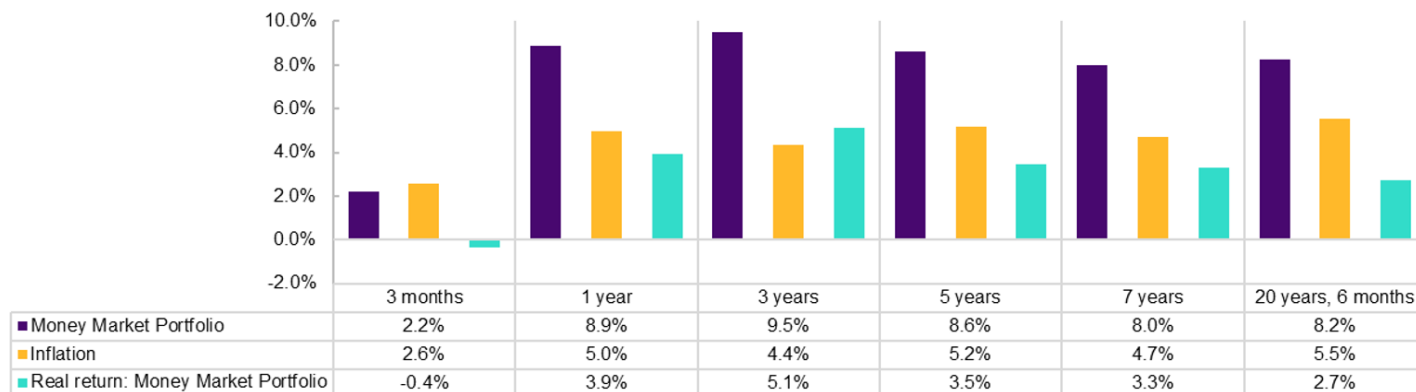
The chart above shows the performance of the SP compared with inflation for measurement periods to the report date. With 35% to 45% invested in shares, the portfolio benefited from the share-market returns shown in the first table, but to a lesser extent than the LTCP. Its larger allocation to more stable assets helps reduce short-term fluctuations, although it also limits the extent to which the portfolio participates in strong share-market gains. The portfolio delivered a return well above inflation for all measurement periods and was 6.6% p.a. ahead of inflation over the most recent three-year period.

Money Market Portfolio

Real return objective **1.0% p.a.**
Measurement period: **1 year**

The Money Market Portfolio (MMP) is invested entirely in money market type instruments and is appropriate for members with a very short investment horizon. Given the short-term nature of the portfolio, performance over periods of up to five years is most relevant, although returns over its longer track record are also shown.

Money Market Portfolio net returns versus Inflation



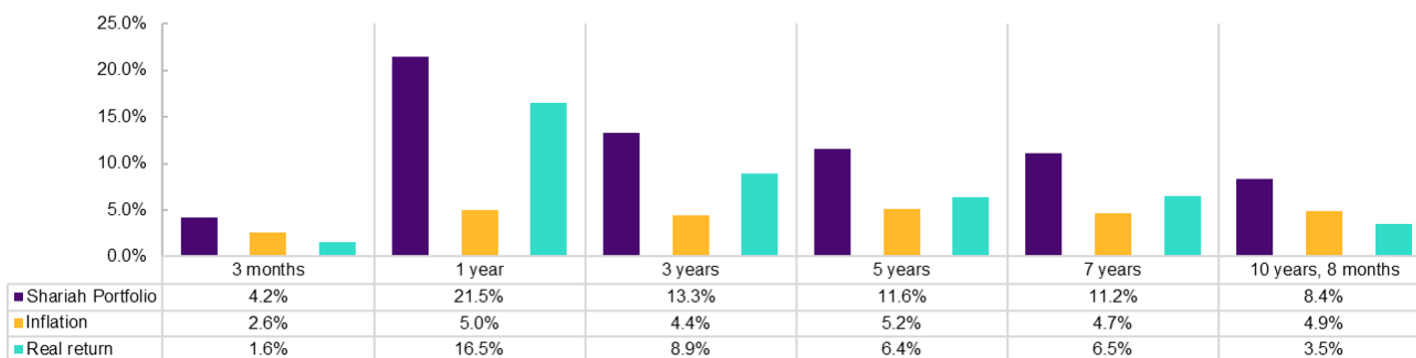
The chart above shows the performance of the MMP compared with inflation for measurement periods to the report date. Because the portfolio invests entirely in money market instruments, its return is most closely related to the cash returns shown in the first table and is not directly affected by movements in share markets. Its actual return may nevertheless differ from the cash index because of the specific instruments held and fees. The portfolio delivered a return above inflation for all measurement periods. The positive real return of 3.9% over one year represents a strong outcome.

Shari'ah Portfolio

Real return objective **6.0% p.a.**
Measurement period: **5 years**

The Shari'ah Portfolio has a 60% to 70% exposure to share markets and is managed in accordance with Shari'ah law.

Shariah Portfolio net returns versus Inflation



The chart above shows the performance relative to inflation over various measurement periods to the report date. The one year performance is very strong as the portfolio had a high weighting to South African assets. The real return achieved over the five year measurement period is 6.4% p.a., thus marginally outperforming the target real return of 6% p.a. by 0.4% p.a.

Overall, the Fund's portfolios delivered positive returns above inflation across the measurement periods shown. Members should remain invested in the portfolio that is appropriate for their investment horizon and their tolerance for fluctuations in returns.

