FEBRUARY 2026

Dear CRF Member,

January 2026 started on a strong note as all major asset classes delivered positive returns. Emerging markets continued to outperform developed markets, and local equity was the best performer with a 3.9% return, followed by local bonds with a 2% return. Global equity delivered 2.2% in US dollar terms but -1% as the Rand strengthened on the back of improving sentiment towards South Africa and higher commodity prices. The returns for the major asset classes to the end of January 2026 are shown below:

	1 month	**3 months**	**6 months**	**1 year**
SA Equity (Capped SWIX)	3.9%	11.1%	24.8%	44.4%
SA Bonds (ALBI)	2.0%	8.3%	15.6%	26.1%
SA Property (ALPI)	1.1%	9.1%	19.2%	36.1%
SA Cash (STeFI)	0.6%	1.7%	3.6%	7.4%
SA Inflation Linked Bonds (CILI)	1.3%	7.9%	14.4%	17.3%
Global Equity (MSCI World ($))	2.2%	3.4%	11.7%	19.6%
Global Equity (MSCI World (R))	-1.0%	-4.4%	-1.0%	2.7%
Global Bonds (WGBI ($))	0.9%	1.3%	3.0%	8.0%
Global Bonds (WGBI (R))	-2.3%	-6.3%	-8.6%	-7.2%

The returns of the CRF portfolios (net of all fees) up to the end of January 2026 were as follows:

Portfolio	**1 month**	**3 months**	**6 months**	**1 year**
CRF Aggressive Portfolio	2.2%	4.7%	12.2%	24.1%
CRF Growth Portfolio	2.3%	5.5%	12.7%	24.1%
CRF Moderate Portfolio	1.8%	4.2%	8.5%	16.8%
CRF In-Fund Pension Portfolio	1.9%	7.4%	13.1%	18.0%
CRF Money Market Portfolio	0.4%	2.0%	4.3%	9.0%
CRF Shari'ah Portfolio	3.0%	5.7%	12.5%	19.2%
CRF Children's Benefit Portfolio	1.1%	3.2%	6.9%	14.6%

The CRF Portfolios continued to perform well in January 2026 as local resources shares continued to rally on the back of higher commodity prices. The Aggressive and Growth portfolios have returned 24.1% while the CRF Moderate portfolio has also delivered strong returns of 16.8%.

Despite major market events in January 2026, financial markets continued to do well albeit with high volatility. On 3 January 2026, U.S. forces under President Donald Trump captured Venezuelan President Nicolás Maduro and his wife, during a military operation. President Trump also triggered renewed geopolitical tensions with European allies when he described Greenland as “part of North America” and threatened to impose additional tariffs on 8 European countries if they did not strike a deal with him. He cited potential threats from Russia and China if the US did not control Greenland and claimed that Denmark couldn't protect the island. The Trump administration also escalated attacks on Federal Reserve Chair Jerome Powell, after the Justice Department started a criminal investigation on him related to a renovation project. Powell issued a statement acknowledging the mounting political pressure, which he framed as part of broader attempts by the Trump administration to influence monetary policy and lower interest rates. Former Fed chairs condemned the move as unprecedented, while global central bank leaders expressed solidarity with Powell. Meanwhile, President Trump announced plans to nominate Kevin Warsh, a former Fed governor aligned with his preference for rate cuts, when Powell’s term ends in May 2026. Safe-haven demand briefly pushed gold to nearly $5,600/oz amid reports of possible US military action against Iran, though prices eased afterward.

The World Economic Forum focused on supply chain volatility and AI’s transformative impact, while Trump launched the “Board of Peace” initiative and Zelensky criticized Europe’s lack of support for Ukraine. The IMF raised its 2026 global growth forecast to 3.3%, with stronger projections for advanced and emerging economies, though risks from AI productivity reassessment and trade disputes remained. China’s Q4 2025 economic growth slowdown to 4.5% highlighted domestic demand weakness, while South Africa’s GDP outlook improved modestly to 1.4% in 2026. President Cyril Ramaphosa’s January 2026 newsletter highlighted South Africa’s progress in 2025. He emphasized improved investor confidence, a strong stock market, inflation at a 20-year low and a sovereign credit rating upgrade. He outlined Phase 3 of the national compact to focus on youth employment, crime reduction, and further reforms. S&P Global Ratings signalled the possibility of another upgrade, citing improved revenue and sustained structural reforms, reinforcing South Africa’s appeal to international investors.

Kind regards,

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