MARCH 2026

Dear CRF Member,

Resources shares continued to rally in February 2026, driving local equity market returns to 7.2% while local listed property delivered 6.6%. Local assets continued to outperform global assets with local bonds delivering 1.7%, which was higher than global equity (0%) and global bonds (0.5%) in Rand terms. The local equity market has delivered a massive 55% return over the past year ended February 2026. The returns for the major asset classes to the end of February 2026 are shown below:

	1 month	3 months	6 months	1 year
SA Equity (Capped SWIX)	7.2%	16.4%	29.1%	55.3%
SA Bonds (ALBI)	1.7%	6.5%	16.8%	28.2%
SA Property (ALPI)	6.6%	7.9%	24.6%	44.7%
SA Cash (STeFI)	0.5%	1.7%	3.5%	7.4%
SA Inflation Linked Bonds (CILI)	3.5%	7.7%	16.7%	20.2%
Global Equity (MSCI World ($))	0.7%	3.8%	9.6%	21.3%
Global Equity (MSCI World (R))	0.0%	-3.5%	-1.4%	4.0%
Global Bonds (WGBI ($))	1.3%	2.3%	2.9%	7.9%
Global Bonds (WGBI (R))	0.5%	-4.9%	-7.4%	-7.5%

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

Portfolio	1 month	3 months	6 months	1 year
CRF Aggressive Portfolio	3.1%	7.2%	13.6%	28.5%
CRF Growth Portfolio	3.8%	8.2%	15.0%	29.0%
CRF Moderate Portfolio	1.8%	5.5%	9.1%	18.3%
CRF In-Fund Pension Portfolio	2.4%	7.3%	15.2%	19.9%
CRF Money Market Portfolio	0.6%	2.2%	4.1%	9.0%
CRF Shari'ah Portfolio	3.4%	8.7%	15.3%	26.6%
CRF Children's Benefit Portfolio	1.6%	4.0%	7.5%	15.8%

The CRF Portfolios continued to perform well. The CRF Aggressive, CRF Growth and CRF Shari'ah portfolios delivered more than 3% in February 2026 and greater than 26% over the past year. The CRF Moderate and CRF In Fund Pension portfolios continued to outperform their respective inflation targets significantly.

The 2026 National Budget tabled by the Minister of Finance, brought good news for taxpayers, pension fund members and small businesses. The budgeted numbers reflect a credible commitment to prevent Government debt from spiralling out of control, paving the way for leaving a greater proportion of every tax Rand we pay, to be allocated to addressing citizens' needs, rather than servicing debt. That includes more money to be spent on infrastructure and other reforms to enhance economic growth and ultimately, job creation. Plans are being put in place to prevent money from being wasted and to direct spending to areas that will make a difference to the public.

The good news for taxpayers is that the R20 billion in tax increases provisionally announced in last year's budget to be implemented this year, have been withdrawn. In addition, after two years of no adjustment, personal income tax brackets and medical tax credits will be fully adjusted for inflation. That prevents so-called "bracket creep", which happens when taxpayers' annual increases in salary lead them to being pushed into a higher tax bracket if the Government doesn't adjust the tax bracket by inflation. Medical tax credits will increase from R364 to R375 for the first two members, and from R246 to R254 for additional members.

Moreover, several tax thresholds and limits have been adjusted for the impact of inflation, to assist small business and to encourage savings. In this regard, the annual limit for tax free savings for individuals will for instance, increase from R36 000 to R46 000. The annual retirement fund contribution deduction limit is also increased to R430 000 from R350 000, allowing individuals to better provide for retirement. In the case of retirement interest, the limit is raised to R360 000 from R247 500 and the living annuity commutation is raised to R150 000 from R100 000. The good news doesn't stop there, though. The limits for Capital Gains Tax (CGT) that have been raised include the amount excluded at death. It will now be R440 000 (R300 000 before), the exclusion in respect of the disposal of your primary residence will be R3 000 000 (previously R2 000 000) and the annual amount of capital gain that is allowed without being taxed will be R50 000 compared to R40 000 before. One can now also be more generous without the fear of being taxed, since the annual exemption limits for donations have been raised to R20 000 (from R10 000) for entities and to R150 000 (from R100 000) for individuals. Besides increased limits pertaining to Value Added Tax (VAT) in favour of small businesses, the list of adjustments also includes several tax-exempt limit adjustments pertaining to education and bursary-related employment benefits. It is not a good-news-only story for taxpayers though. The usual inflation-related increases in so-called sin taxes like on alcoholic beverages and tobacco products could not be averted, while the fuel levy will also increase to inter alia, bolster the Road Accident Fund.

Besides alleviated pressure on taxpayers, Government's intended spending plans appear to be more aligned with the needs of the public. A high proportion, no less than 60.2% of spending, will be on social matters like health and education. In fact, no less than 23.2% of Government' spending over the next three years will be on education, the largest share of expenditure. By directing an increasing proportion on infrastructure projects, Government seeks to address the infrastructure backlogs and facilitate capacity for future economic growth. Consequently, capital payments are the fastest-growing expenditure item by economic classification, increasing by 9.7 per cent over the next three years, to culminate in more than R1 trillion public spending on infrastructure over this period. The plight of the vulnerable will also be alleviated somewhat by increased social grants from April 2026. That entails an increase to the old age grant, disability grant, and care dependency grant which increases by R80 to R2400, the war veterans grant increases by R80 to R2 420, the foster care grant goes up by R40 to R1 290 in April, and increase by a further R10 in October to R1 300, while the child support grant and grant-in-aid grant increases by R20 to R580.

This year's budget is indeed a "breath of fresh air" as key concerns regarding spiralling debt and the concomitant erosion of tax income in the interest of servicing debt appear to have been addressed, while tangible inflationary alleviation have been granted and some redirection of spending towards priority areas is evident. While actions speak louder than words, we believe the budget will be positive for the country based on its solid intentions.

Kind regards,

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