Financial Bulletin

CRF
FOR LOCAL GOVERNMENT

APRIL 2026

Dear CRF Member,

March 2026 was a “risk-off” month for major asset classes due to the outbreak of war in the Middle East between the US, Israel and Iran. Local listed property and local equity were the worst performing asset classes delivering -12.2% and -10.6% respectively during the month. The Rand weakened significantly resulting in offshore bonds delivering 4.1% in Rand terms, the best performing for the month, even though it delivered -3.2% in US dollar terms. The returns for the major asset classes to the end of March 2026 are shown below:

	1 month	**3 months**	**6 months**	**1 year**
SA Equity (Capped SWIX)	-10.6%	-0.5%	8.4%	34.1%
SA Bonds (ALBI)	-6.8%	-3.4%	5.3%	19.2%
SA Property (ALPI)	-12.2%	-5.3%	10.5%	29.1%
SA Cash (STeFI)	0.6%	1.7%	3.4%	7.3%
SA Inflation Linked Bonds (CILI)	-5.7%	-1.1%	6.9%	13.3%
Global Equity (MSCI World ($))	-6.4%	-3.6%	-0.6%	18.9%
Global Equity (MSCI World (R))	0.7%	-0.4%	-1.3%	10.7%
Global Bonds (WGBI ($))	-3.2%	-1.1%	-0.9%	3.7%
Global Bonds (WGBI (R))	4.1%	2.2%	-1.7%	-3.4%

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

Portfolio	**1 month**	**3 months**	**6 months**	**1 year**
CRF Aggressive Portfolio	-5.9%	-0.9%	3.9%	20.1%
CRF Growth Portfolio	-5.5%	0.4%	5.6%	21.1%
CRF Moderate Portfolio	-2.6%	1.0%	4.7%	14.5%
CRF In-Fund Pension Portfolio	-4.9%	-0.8%	6.4%	14.2%
CRF Money Market Portfolio	0.3%	1.3%	3.7%	8.5%
CRF Shari'ah Portfolio	-3.4%	2.8%	7.5%	20.9%
CRF Children’s Benefit Portfolio	-2.2%	0.5%	3.8%	12.6%

The risky CRF portfolios were not spared in March 2026 with the CRF Aggressive being the worst performing at -5.9%. The CRF Moderate and Children’s Benefit portfolios also delivered negative returns in excess of -2%. The outbreak of war in March 2026 wiped out the strong returns achieved in January and February 2026, resulting in low return over the first quarter of 2026. However, over the past year, the CRF Portfolios continued to perform well, with most portfolios still delivering double-digit returns.

In March 2026, global markets were shaken by the Middle East conflict between the US, Israel and Iran and surging oil prices, which led to a sharp decline in equity markets worldwide. The fall in global equities was one of the largest since 2022. The oil price jumped to over $100 per barrel, which led to fears that global inflation would increase and that Central Banks would in general move from an interest rate cutting cycle to an interest rate hiking cycle. The subsequent attacks by Iran on its neighbours and the closing of the Strait of Hormuz, which is responsible for more than 25% of global seaborne crude oil trade, led to heightened uncertainty and risk aversion. This led to a material repricing of bonds, equities and property. Asian countries such as India and Japan are large importers of oil and are likely to be disproportionately affected by the higher oil price although China is utilising their strategic oil reserves over the short term. As a result of the higher oil price, inflation risks have increased and global growth forecasts have been revised downwards, particularly for countries heavily dependent on oil imports. Trade in fertiliser, helium and other products will also be disrupted while the Strait of Hormuz remains "closed", so food prices are also expected to rise. South Africa has already experienced higher fuel prices despite the Government temporarily reducing the April general fuel levy. Economists revised South Africa's 2026 GDP growth down to 1.5% (from 1.6%), while inflation expectations edged up to 3.5%.

The US dollar is likely to remain strong during this period of risk aversion. While capital over the short term may "fly to safety" by investing in asset classes and currencies that are perceived to be "safer", members investing for the long term should be careful to follow the same approach. Investing for retirement requires a diversified portfolio and a patient and long-term approach. Reacting to short-term market movements can lead to members "locking in" losses and even worse, losing out on the subsequent recovery once it commences. Trying to time markets is very difficult and dangerous for one's long-term savings and this should be avoided. If CRF members are in doubt, they should speak to the CRF endorsed financial advisers who can guide members during difficult market periods.

Kind regards,

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