PetroSA Retirement Fund

www.petrosaretirementfund.co.za

N E W S L E T T E R

ISSUE NUMBER: 2/2026
June 2026

ALL ABOUT YOUR FUND AND WHAT IT DOES FOR YOU

Dear members

Welcome to the second edition of our pension fund newsletter for the year. We would like to thank you for your continued trust and participation in the Fund. This newsletter provides an opportunity to reflect on the progress made, review the financial landscape, and focus on the goals ahead. Our commitment remains centred on safeguarding and growing your retirement savings through responsible governance, sound investment management, and clear communication.

In this edition, we share important updates on Fund performance, industry developments, regulatory changes, and practical retirement planning insights to help you stay informed about your benefits and long-term financial wellbeing.

We encourage all members to take an active interest in their retirement journey and to keep their personal and beneficiary information up to date. Small steps taken today can make a meaningful difference in the future.

We look forward to keeping you informed throughout the year and thank you for being part of the Fund.

Board of Trustees

June 2026

INSIDE THIS ISSUE

Disclaimer: The information contained in this newsletter does not constitute advice by either the Board of Trustees or its advisors. If you need advice, you should seek the assistance of an independent professional financial advisor.

INVESTMENT NEWS

Below are the annualized investment returns for all the portfolios over different measurement periods, until 31 March 2026. Please note that the returns are shown after deducting investment manager fees and related costs and charges:

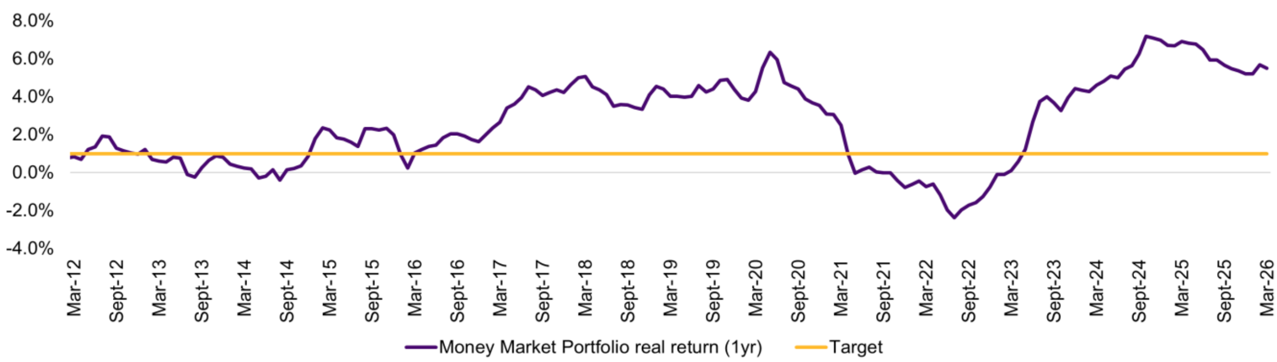
Portfolio	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
Market-linked Portfolio	-0.8%	16.4%	13.5%	11.8%	11.2%	10.0%	11.9%	11.7%
Stable Portfolio	-0.6%	11.6%	11.4%	10.3%	9.3%	8.5%	8.4%	9.0%
Money Market Portfolio	1.9%	8.6%	9.4%	8.1%	7.8%	8.1%	7.6%	8.1%
Shari'ah Portfolio	2.9%	21.4%	12.1%	10.4%	10.1%	8.0%	n/a	n/a
CPI (Inflation)	1.2%	3.1%	3.7%	4.8%	4.5%	4.6%	4.9%	5.5%

MONITORING OF LONGER-TERM PERFORMANCE OF THE PORTFOLIOS

To give you an indication of how the Market-linked, Stable and Money Market portfolios compare to each other at 31 March 2026, the charts below show the returns above inflation of each portfolio relative to its investment objective over their respective rolling periods in years to the end of March 2026.

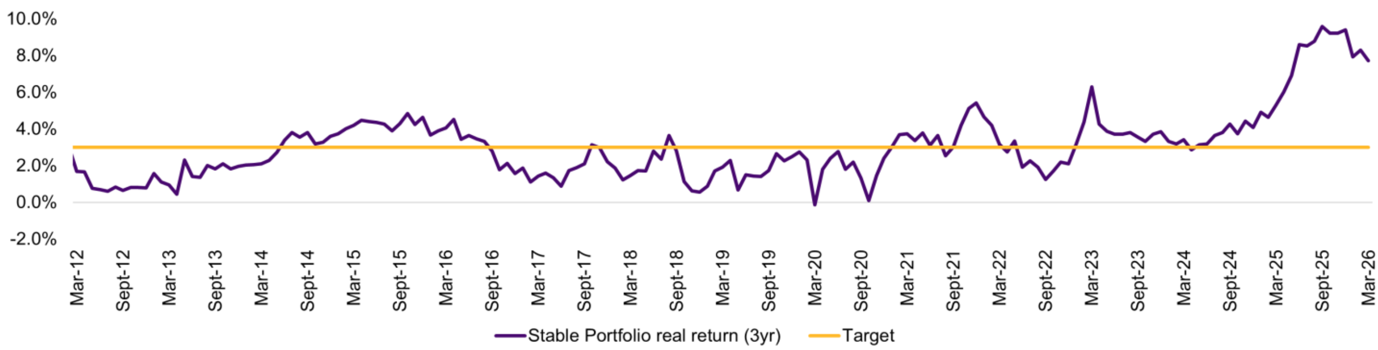
The **Money Market portfolio** has delivered some 5.5% per annum above inflation for the last year, which is significantly above its investment objective of 1% per annum above inflation over a rolling 1-year period. This is illustrated below:

Rolling 1-year real returns



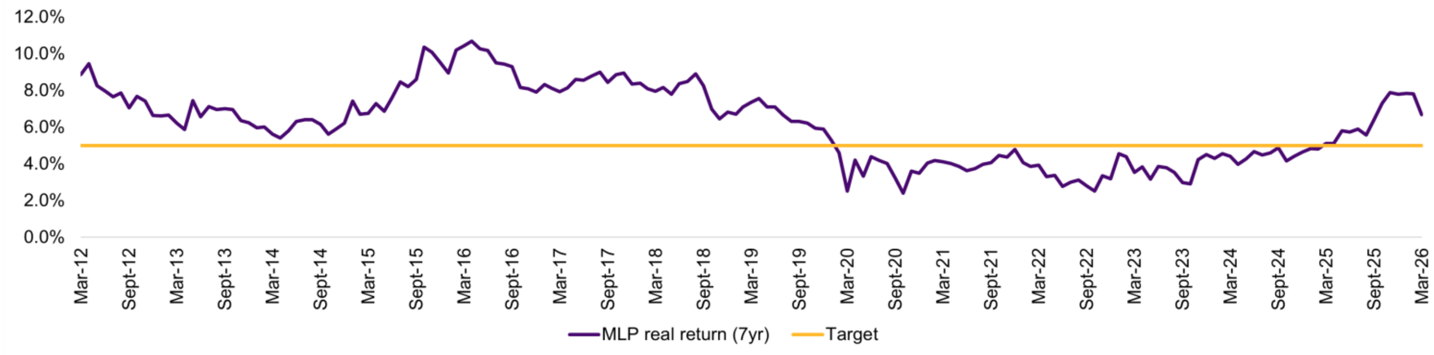
The **Stable portfolio** has delivered some 7.7% per annum above inflation for the last three years, which is well above its investment objective of 3% per annum above inflation over a rolling 3-year period. This is illustrated below:

Rolling 3-year real returns



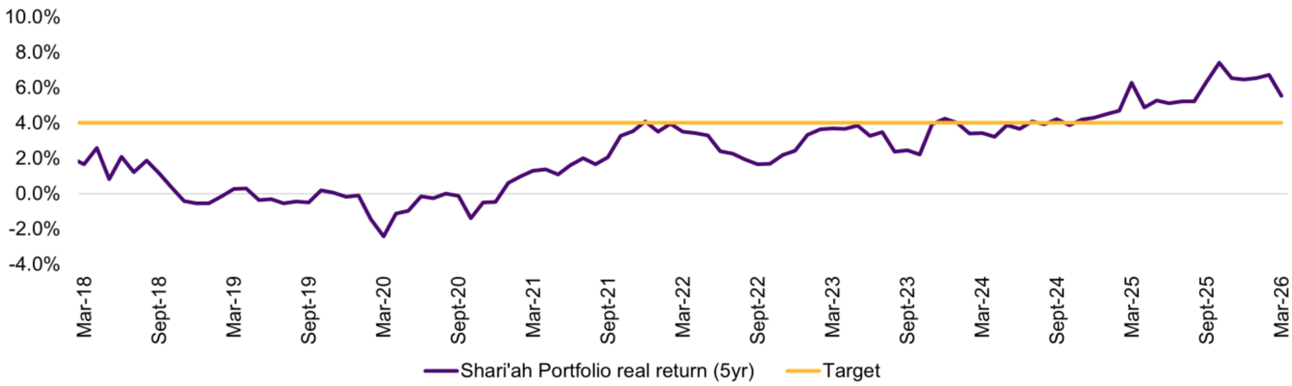
The **Market-linked portfolio** (which is the portfolio for the wealth-building stage of the life stage model) has delivered some 6.7% per annum above inflation over the last seven years, which is marginally above its long-term investment objective of 5% per annum above inflation over a rolling 7-year period. This is illustrated below.

Rolling 7-year real returns

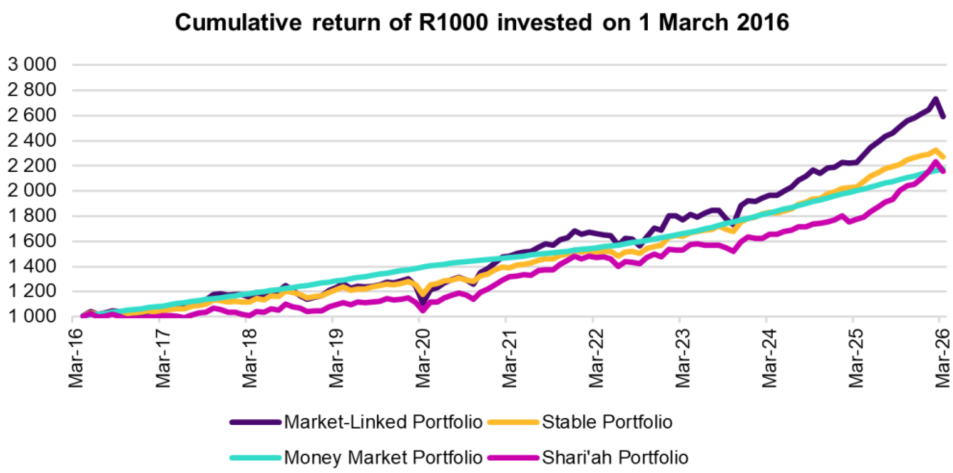


The **Shari'ah portfolio** has delivered some 5.5% per annum above inflation for the last five years, which is well above its investment objective of 4% per annum above inflation over a rolling 5-year period. This is illustrated below:

Rolling 5-year real returns



CUMULATIVE COMPARISON OVER 10 YEARS TO 31 MARCH 2026



MARKET COMMENTARY

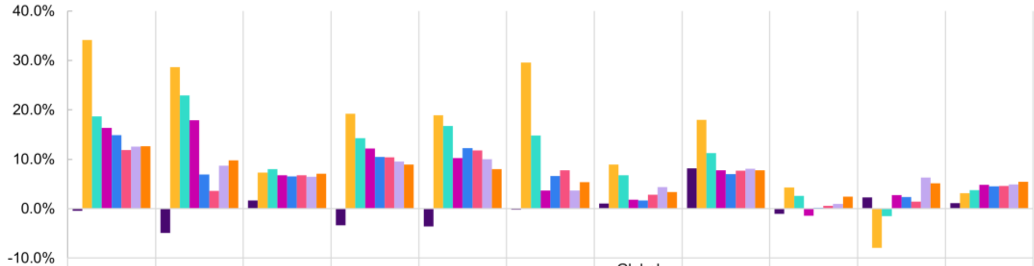
The first quarter of 2026 was dominated by the impact of the Israel/U.S.–Iran war, which resulted in significant volatility throughout March. the JSE CAPI Index declined -10.6% in March, more than reversing earlier gains and leaving the broader SA equity market marginally negative (-0.5%) for the quarter.

Resources delivered 8.0% for the quarter, driven by the higher gold, platinum and energy commodity prices. Industrials were the weakest sector over the quarter (-8.4%), reflecting the significant de-rating of index heavyweights Naspers and Prosus amid deteriorating global growth expectations and a reversal in global technology sentiment. Financials were broadly flat (-0.2%).

SA nominal bonds also delivered a strong real return of approximately 7% p.a. above inflation over five years, reflecting the South African Reserve Bank's ("SARB") credible stewardship of monetary policy and a meaningful compression in the country risk premium.

The Rand depreciated materially in March 2026 (-6.3% vs. the U.S. dollar), as global risk aversion increased and investors sought safe-haven currencies. However, over the full quarter the Rand depreciated modestly against the U.S. dollar (-2.3%), reflecting the supportive commodity price environment and relative SA macro stability through January and February. The 12-month Rand appreciation of 7.9% continues to reflect improved domestic investor confidence underpinned by the stable functioning of the GNU, the SARB's credibility, and SA's improved current account position.

A description of the different indices appears below:



	SA Equity (CAPI)	SA Listed Property (SAPY)	SA Cash (STEFI Comp)	SA Bonds (ALBI)	Global Equity (DM) (USD)	Global Equity (EM) (USD)	Global Listed Property (USD)	Global Listed Infra (USD)	Global Bonds (USD)	ZAR/USD	Inflation (CPI)
3 months	-0.5%	-4.9%	1.7%	-3.4%	-3.6%	-0.2%	1.0%	8.1%	-1.1%	2.3%	1.2%
1 year	34.1%	28.6%	7.3%	19.2%	18.9%	29.6%	9.0%	18.0%	4.3%	-7.9%	3.1%
3 years	18.7%	22.9%	8.0%	14.3%	16.8%	14.8%	6.7%	11.2%	2.6%	-1.5%	3.7%
5 years	16.3%	17.9%	6.8%	12.2%	10.3%	3.7%	1.8%	7.8%	-1.5%	2.8%	4.8%
7 years	14.9%	6.9%	6.5%	10.5%	12.3%	6.6%	1.6%	7.0%	0.2%	2.3%	4.5%
10 years	11.9%	3.6%	6.8%	10.4%	11.8%	7.8%	2.8%	7.7%	0.6%	1.4%	4.6%
15 years	12.5%	8.7%	6.5%	9.5%	10.0%	3.7%	4.4%	8.1%	1.0%	6.3%	4.9%
20 years	12.7%	9.8%	7.0%	8.9%	8.0%	5.4%	3.3%	7.8%	2.4%	5.2%	5.5%

CAPI:	SA equities as measured by the All Share Index (each share capped at 10%)
SAPY:	SA listed properties as measured by the SA Property Index
SteFI:	SA short-term fixed interest investments (Cash)
ALBI:	SA All Bond Index (Nominal Bonds)
Global Equity (DM):	MSCI ACWI ND USD (Developed Markets)
Global Equity (EM):	MSCI EM ND USD (Emerging Markets)
Global Listed Property:	FTSE NAREIT Dev Net USD
Global Listed Infrastructure:	FTSE GLI (50/50) Net USD
Global Bonds:	Barclays Global Bond Aggregate USD
ZAR/USD:	Rand investment in US Dollars (positive numbers show a "Weakening" rand)
CPI:	South African inflation rate

CURRENT INVESTMENT VOLATILITY AND WHAT THIS MEANS TO MEMBERS

Market uncertainty and your retirement savings

The conflict involving the US, Israel and Iran, has increased uncertainty in global financial markets. A key concern is that if the conflict continues for longer than expected, it could disrupt the supply of oil, gas and fertilizer, placing upward pressure on energy, transport and food prices around the world.

While these developments can be unsettling, it is important to remember that uncertainty is a normal part of investing. Markets regularly experience periods of volatility in response to geopolitical events; inflation concerns and changes in economic conditions. These periods often feel severe at the time, but they do not change the importance of maintaining a long-term investment approach.

What this means for members

Your retirement savings are invested with a long-term objective in mind. For this reason, it is generally best to avoid making emotional decisions in response to short-term market movements or news headlines. Trying to predict exactly how geopolitical events will unfold is extremely difficult, which is why diversified and resilient portfolios remain so important.

A well-structured retirement portfolio is designed to manage risk across a range of possible outcomes. This helps investors stay focused on their goals, even when markets are unsettled.

History shows that markets have experienced many periods of uncertainty and decline, yet long-term disciplined investors have generally benefited from staying invested.

The key message is to remain patient, stay focused on your long-term retirement objective.

MINOR CHANGES TO TAXATION OF BENEFITS EFFECTIVE 1 MARCH 2026

Retirement fund contributions

The overall tax deductible retirement fund contribution limit will be increased from R350 000 to R430 000 per annum subject to max 27.5% contribution rate (remained unchanged).

Threshold on annuitization

A retirement fund member whose interest in a retirement fund falls below the *de minimis* limit can have the entire interest commuted and paid as a lump sum instead of annuitizing at least two-thirds of the interest. The prescribed limit will increase from R247 500 to R360 000 from 1 March 2026.

Living annuity commutation limit

A living annuity can be commuted and paid as a lump sum when the value of the assets falls below the *de minimis* limit. The prescribed limit increased from R125 000 to R150 000 from 1 March 2026.

MEMBER EDUCATION WORKSHOPS - LEARN, GROW AND FLOURISH!

PRE-RETIREMENT WORKSHOPS

ARE YOU READY TO RETIRE SUCCESSFULLY?

Planning for retirement is one of the most important financial journeys any member can take. Yet many people delay preparing because retirement can feel complex, distant, or overwhelming. That's why our Retirement Fund regularly hosts retirement workshops — to help members make informed decisions and feel confident about their future.

Why Retirement Planning Matters

Retirement is not just about stopping work. It is about ensuring you have enough income to maintain your lifestyle, support your loved ones, and enjoy financial peace of mind in later years.

What Our Retirement Workshops Offer

Our workshops cover a comprehensive range of topics, including the Fund's options, pre-retirement planning, This is an opportunity for you to be guided by us through the process of creating a comprehensive retirement arrangement that considers all aspects of your life. This workshop is designed for individuals aged 50 and above, but it is also suitable for anyone who wants to learn more about retirement planning.

Members also have the opportunity to ask questions directly to the presenter in a supportive environment.

The Benefits of Attending

Members who attend retirement workshops are often better prepared to make sound financial decisions. The workshops help turn complicated concepts into practical steps that members can apply immediately. These benefits include:

- Greater confidence in retirement planning
- Improved understanding of fund benefits
- Increased financial awareness
- Better long-term decision-making
- Personalised guidance and support

Most importantly, the workshops encourage members to take active ownership of their financial future.

Our Workshops

During the course of the year, we run two sets of retirement planning workshops. The Fund held 3 virtual pre-retirement workshops during May 2026. We experienced a particularly good turnout of members. We will be holding 3 further workshops towards the end of this year. We will communicate closer to the time once the dates and times of these sessions have been finalised.

Choosing the right pension is not an easy decision to make. So, it is for the reasons mentioned above that we encourage you to attend these retirement planning sessions in future – even if you have previously attended - you will receive in-depth education on all the options available to you. This in turn will pave the way for an easier decision-making process.

THE IMPORTANCE OF BENEFICIARY NOMINATIONS FORMS AND INCAPACITY PLANNING

Beneficiary nomination forms

When a member passes away, Section 37C of the Pension Funds Act places a heavy legal duty on the Fund Trustees. Their job is to identify all "legal" and "factual" dependants to ensure they are not left destitute.

For the reasons listed below it is important to complete this form and keep it updated:

- **It's a Guide:** It is the first document Trustees look at to understand your wishes.
- **Speed:** It reduces the time spent investigating your family circle, leading to faster payouts.
- **Accuracy:** It helps identify hidden dependants (like children from previous relationships) that the Fund might not know about.

If you've recently married, divorced, or had a child, your old form is likely outdated. Request a new form from the fund and complete it as soon as possible.

Incapacity planning

In circumstances where a member is diagnosed with dementia or becomes medically unable to provide the necessary instructions regarding their benefits, families are encouraged to seek independent legal guidance as early as possible. Where appropriate, the family may, in their private capacity and through the correct legal processes, arrange for an assignee or authorised representative to be appointed.

Once all supporting and legal documents have been submitted, the Fund may approve the appointed individual (s) to provide instructions and receive payment into an authorised personal account on behalf of the member.

Early planning can significantly reduce delays and assist families during what is often a difficult time.

ANNEXURE 1: GENERAL INFORMATION

The information contained below are standard items that will appear in every newsletter going forward.

- About the PetroSA
- Retirement Fund
- Contributions and Fund Benefits Investments
- Other general Information

ABOUT THE PETROSA RETIREMENT FUND

- Established on 1 February 1996.
- Membership of the Fund is compulsory for all employees

MISSION AND VALUES

- Honesty – the Fund will always act towards its members in a transparent and honest manner
- Empowerment – the Fund has a focus on providing members with education which aims to empower members to understand their benefits and make the right decisions
- Innovation – the Fund aims to be at the forefront of developments in the retirement fund industry

GOVERNANCE

The Fund is separate from the Employer and is managed by the Board of Trustees. The Board of Trustees = 4 individuals elected by members of the Fund + 4 individuals appointed by the Employer

- Term of 3 years
- Meets at least 4 times a year
- Responsibilities are to run the Fund in the best interest of the members and manage the Fund in terms of the Rules and applicable laws
- The Rules of the Fund can be obtained from the Principal Officer on request – details below

Your Board of Trustees

Member Elected Trustees	**Member Elected Alternates**	**Employer Appointed Trustees**	**Employer Appointed Alternates**
Mr LE Moser (Chairperson)	Mr R Constance	Ms S Ngoetjana	-
Mr JP Rhode	Vacant	Mr J Lichaba	Mr PW Marriday
Dr W Kruger	Mr L Tofu	Ms A de Lange	Mr E Mabaso
Mr H Rauch	Mr I Loff	Ms GN Gumede	Ms T Mandleleni
Ms D Cedras	Vacant		

Principal Officer: Ms Belinda Burger.

COMMUNICATION

More information is provided via the following:

- Fund Website for all Fund information: www.petrosaretirementfund.co.za
- Newsletters will be issued quarterly
- Presentations and workshops are held regularly. Please attend these to learn more! Benefit statements showing your benefits will be issued annually towards the end of March
- Projection statements showing the expected pension that your retirement savings is likely to provide will be issued

annually with your benefit statements towards the end of March

- Alexander Forbes Online facility where you can check your own information on a real time basis and access various tools and calculators: www.alexanderforbes.co.za
- Fund Rules can be obtained from the Principal Officer (details below) or from the Fund website.

QUESTIONS OR QUERIES- PLEASE CONTACT:

AlexForbes: **zzPetroSA.Admin@alexforbes.com**

The Principal Officer: Belinda Burger*
Telephone: 0832673963
E-Mail: belindaburger1406@outlook.com

*Ms Burger is an independent Principal Officer

PENSION FUNDS ADJUDICATOR:

Call Centre: 086 066 2837
Telephone: (012) 748 4000; (012) 346 1738 E-Mail: enquiries@pfa.org.za

CHANGE IN ADDRESS OR PERSONAL DETAILS

Please notify the Human Capital department in writing:
Dorathy Cedras (044) 601 2540 dorathy.cedras@petrosa.co.za

COSTS

Administration and Fund costs (applicable from 1 June 2025

- Active members – Costs are funded from a deduction from the contribution rate – 0.60% of pensionable salary. (This includes an allowance for administration costs of R 76,81 pmpm (per member per month) plus VAT)
- Deferred members – Administration costs of R 57.91 pmpm plus VAT deducted from deferred pension account
- Deferred pensioners – Administration costs of R 57.91 pmpm plus VAT deducted from member individual account
- Living annuitants – Initial fee = R 1 331.72 plus VAT. Administration costs of R131.17 pmpm plus VAT deducted from living annuity balance.

Switching costs (cost of changing investment decision) – first switch in the year is free. Thereafter R 527.55 plus VAT is deducted from your account per switch.

Portfolio fees and charges

The table below shows the estimated portfolio fees and charges (inclusive of VAT) for the 12-months ended 31 March 2025. The 2024 figures are shown in brackets and italics for comparison. Note that the portfolio investment returns quoted in member communication are net of the fees and charges estimated below.

Portfolio	Investment manager fees (Base Fee)	Investment manager fees (Performance Fee)	Other investment-related fees and charges[1]	Transaction costs	Total Fees and Charges
Market-linked	**0.36%** *(0.41%)*	**0.04%** *(0.05%)*	**0.07%** *(0.19%)*	**0.11%** *(0.11%)*	**0.57%**[2] *(0.77%)*
Stable	**0.54%** *(0.54%)*	**0.19%** *(0.08%)*	**0.13%** *(0.13%)*	**0.05%** *(0.04%)*	**0.90%**[3] *(0.79%)*
Money Market	**0.09%** *(0.09%)*	**0.00%** *(0.00%)*	**0.02%** *(0.02%)*	**0.00%** *(0.00%)*	**0.11%** *(0.11%)*
Shari'ah	**0.71%** *(0.73%)*	**0.00%** *(0.00%)*	**0.11%** *(0.07%)*	**0.09%** *(0.12%)*	**0.91%** *(0.92%)*

[1] Includes Sygnia investment administration fee of 0.06% for multi-manager portfolios (Market-linked and Stable portfolios) and 0.02% for single-manager portfolios (Money Market and Shari'ah portfolios).

[2] The Fund incurred transition-related costs in 2024 when Satrix was appointed to transition and manage an equity mandate, resulting in a higher

'*Other investment-related charges'* for that year. A performance fee was also paid for the Coronation Houseview Equity and Coronation Active Bond portfolios during September 2024.

The Fund transitioned from Allan Gray's Domestic Equity Portfolio standard performance fee to a trust performance fee structure in October 2023, offering refunds to clients during underperformance. Due to underperformance for the 12-month period to 31 March 2025, there was an automatic refund issued to the Fund resulting in a *negative* performance fee which contributed to a decrease in the total fee charge. [3] Performance fees were paid for the Allan Gray Global Stable portfolio for the Orbis Fund.

The Fund has performance fee arrangements in place with Allan Gray Domestic Equity, Coronation Houseview Equity, Coronation Active Bonds and Ninety One Flexible Bond on the Sygnia Life platform (Market-linked Portfolio) and Allan Gray Global Stable (Stable Portfolio), and collectively these managers make up 36% of the Market-linked Portfolio and 33% of the Stable Portfolio based on asset values as at 31 March 2025. The total fees and charges for the Market-linked Portfolio and Stable Portfolio will vary from time to time, depending on how these managers perform compared to their performance fee benchmarks.

GENERAL INFORMATION ON INVESTMENTS

INVESTMENTS The Fund offers you **MEMBER INVESTMENT CHOICE.** You need to decide which portfolios you want the contributions to be invested in from a range of portfolios (combinations are also permitted) as highlighted in the table below. You can change the investment choice at any time (costs of changing are shown on page 10).

Actual Asset allocation (as at 31 March 2026):

Portfolio	SA Equities	SA Bonds	Money Market	SA Property	SA Infra Debt	Offshore	Other
Market-linked Portfolio	37.4%	16.8%			3.0%	42.8%	
Stable Portfolio	16.1%	36.0%	12.3%	1.4%		31.8%	2.3%
Money Market Portfolio			100.0%				
Shari'ah Portfolio	34.4%		31.8%			28.3%	5.4%

The “Other” asset class includes commodities.

Target return and comment:

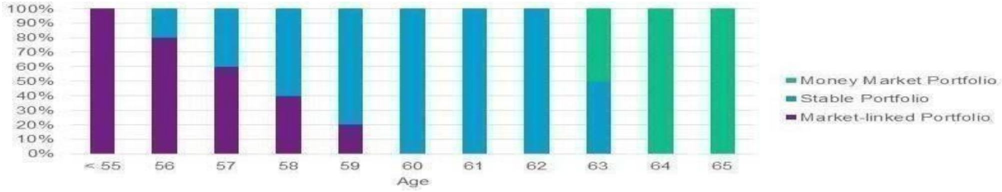
Market Linked Portfolio: Target return CPI + 5% per annum over a rolling 7-year period. Highest potential return; highest volatility; highest chance of negative returns over short periods. Most appropriate for long-term investing (>10 years). Strategic asset allocation determined by the Board.

Stable Portfolio: Target return of CPI + 3% per annum over a rolling 3-year period. Lower volatility than the Market Linked portfolio. Strategic asset allocation determined by the managers.

Money Market Portfolio: Target Return of CPI + 1% per annum over a rolling 1-year period. Least appropriate for long-term investing Most chance of capital preservation.

Shari’ah Portfolio: Target returns of CPI + 4% per annum over a rolling 5-year period
Adheres to Shari’ah principles of the ban of interest and the ban on investment in certain sectors – e.g., conventional financial, alcohol and tobacco; non- halaal food production; some entertainment (e.g., casinos) and arms manufacturing. Strategic asset allocation determined by the manager.

If you do not make this choice or want the Trustees to choose the investment portfolio for you, your contributions will be invested according to the **LIFE STAGE MODEL** (which is the default for in-service members). The Life Stage Model transitions you from the most aggressive portfolio (the Market Linked) to the least aggressive portfolio (the Money Market) in the 10 years prior to retirement as follows:



If you like this model, you can also choose to be invested in it by selecting this option on the option form. If you make no investment choice when you become a deferred member, you will remain invested in the portfolio in which you were invested in prior to becoming deferred – if this is the Life Stage model you will continue to be transitioned as usual. If you make no investment choice on becoming a living annuitant, you will be invested in the Stable portfolio.

OTHER GENERAL INFORMATION

COMPLETION OF CLAIM FORMS ON LEAVING THE FUND

Claim forms that are not completed correctly will result in unnecessary delays. It is therefore important that you read the claim form thoroughly, fill in all relevant information and then submit the claim to your Human Capital department who in turn will submit this to Alexander Forbes by no later than the 3rd working day of the month following your termination of employment. If this is not adhered to, the benefit will remain in the Fund and will be invested in the underlying portfolio for another month. We ask you to please insert your contact details on these forms e.g., cell number and e-mail address, so that Alexander Forbes can contact you if necessary.

EXITS FROM THE FUND

A. DEATH

The importance of completing beneficiary nomination forms

By completing the forms (and keeping them updated), you will be advising the Fund to act according to your wishes in the event of your death (subject to Section 37C above). This information will also help to speed up the pay-out process in the event of your death. Forms are available from the PetroSA Human Capital department and the Principal Officer. Members may also complete the beneficiary nomination forms on AFConnect.

B. RESIGNATION

How to speed up the benefit payment when leaving the Fund

When you leave the Fund, an income tax number is required in order to pay out or transfer your benefit. All members of the Fund who are not registered as taxpayers and thus do not have a personal income tax number must register and obtain a personal income tax number. It is important to do so in order to avoid unnecessary delays when a benefit needs to be paid out.