



PetroSA Retirement Fund

www.petrosaretirementfund.co.za

NEWSLETTER

ISSUE NUMBER: 2/2023

May 2023

ALL ABOUT YOUR FUND AND WHAT IT DOES FOR YOU

Dear members

Welcome to the second newsletter for the year. We are sure that 2023 is going to be an even better year than before and we would like to assure you that we remain committed to our vision of providing the best possible retirement outcome for all our members, retirees, and pensioners. As a member, you are assured that your Fund remains to be in a good financial position.

We hope that you find the information meaningful and interesting. If there is any item you want to see in future issues, please write to us to let us know.

INSIDE THIS ISSUE

Investment News

Summary of valuation results

Changes to lump sum tax free amounts

Retirement Planning Sessions

Member Information Sessions

Annexure 1: GENERAL INFORMATION

- ✓ **About the Fund (including Fund costs)**
- ✓ **Contributions & Benefits**
- ✓ **General information on investments**
- ✓ **Other General information**

Board of Trustees
June 2023

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 2023. Please note that the returns are shown after deducting investment manager fees and related costs and charges:

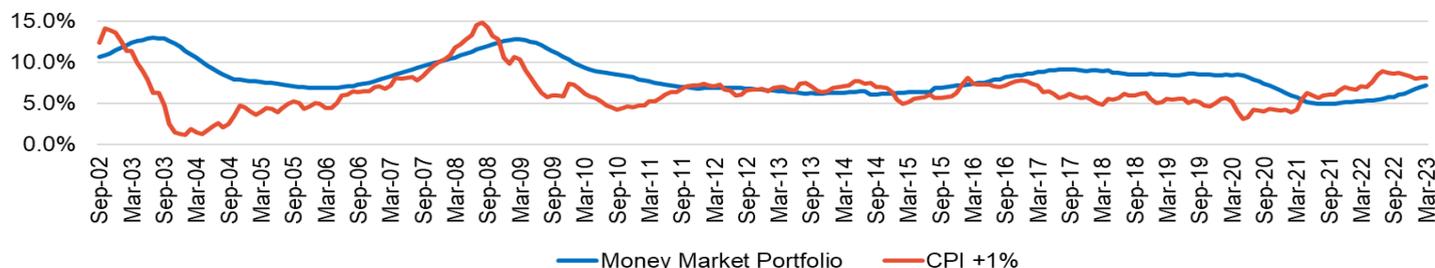
Portfolio	Investment Objective	Measurement period	Actual Return p.a.	Inflation (CPI) p.a.	Target Return p.a.
Market-Linked Portfolio	CPI + 5% p.a. net over a rolling 7-year period	7 years	8.5%	5.0%	10.0%
Stable Portfolio	CPI + 3% p.a. net over a rolling 3-year period	3 years	11.7%	5.4%	8.4%
Money Market Portfolio	CPI + 1% p.a. net over a rolling 1-year period	1 year	7.2%	7.1%	8.1%
Shari'ah Portfolio	CPI + 4% p.a. net over a rolling 5-year period	5 years	8.7%	5.0%	9.0%

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 2023, the chart below shows the performance of each portfolio relative to their investment objective over their respective rolling periods in years to the end of March 2023.

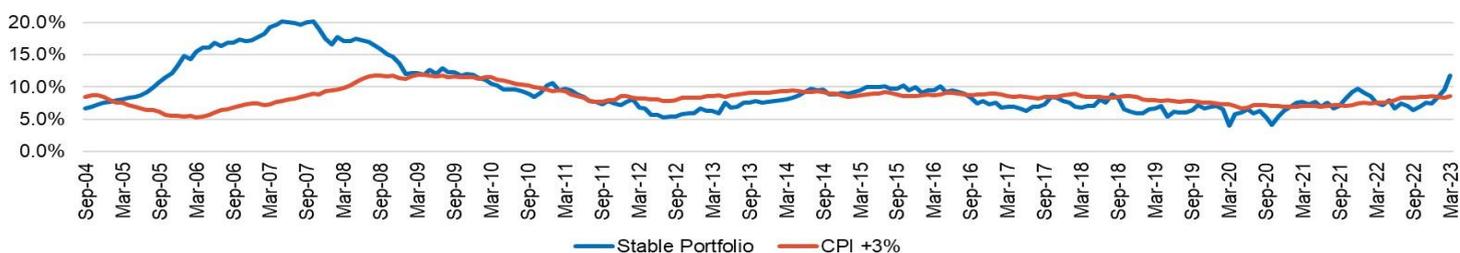
The **Money Market portfolio** has delivered some 0.1% per annum above inflation for the last year, which is below its investment objective of 1% per annum above inflation. This is illustrated below:

Rolling 1-year returns



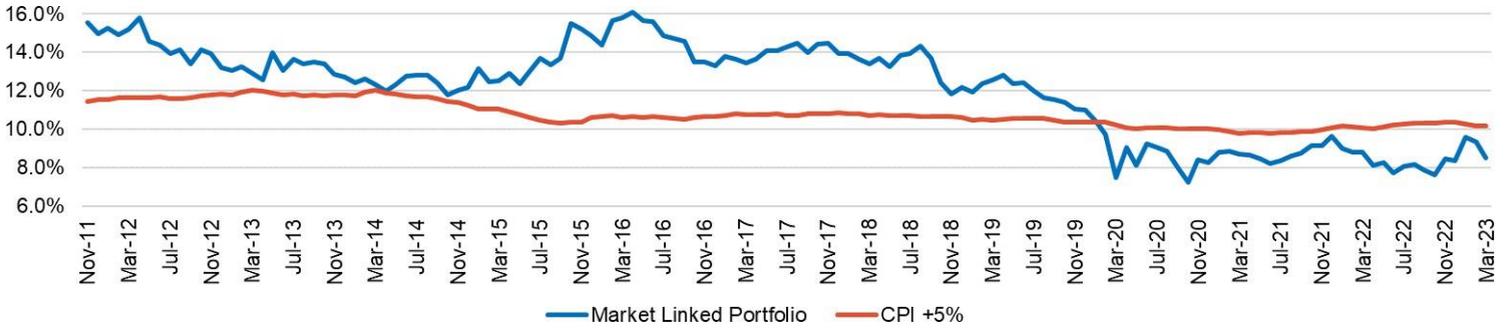
The **Stable portfolio** has delivered some 6.3% per annum above inflation for the last three years, which is well above its investment objective of 3% per annum above inflation. This is illustrated below:

Rolling 3-year returns



The **Market-linked portfolio** (which is the portfolio for the wealth-building stage of the life stage model) has delivered some 3.5% per annum above inflation over the last seven years, which is below its long-term investment objective of 5% per annum above inflation. This is illustrated below.

Rolling 7-year returns



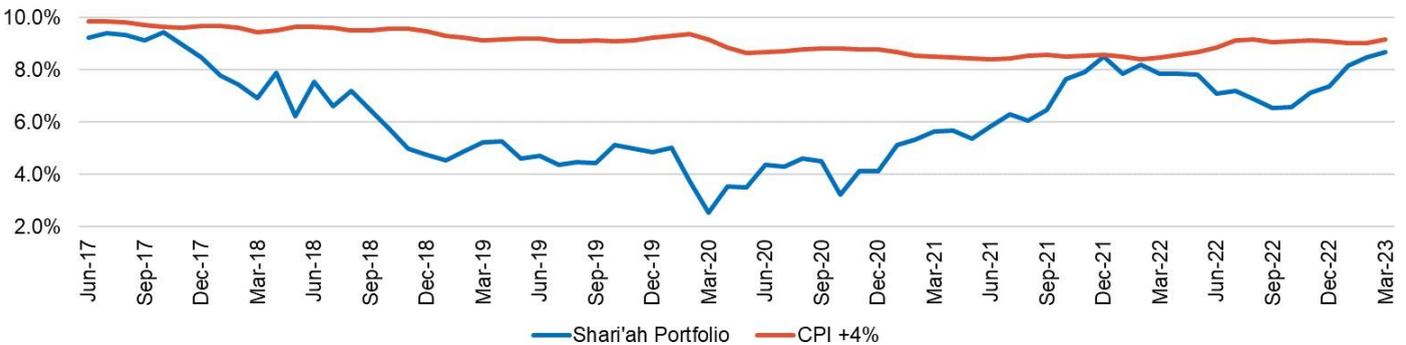
Equity markets offer the highest potential return compared to other asset classes such as bonds and cash; but the higher potential returns are associated with higher levels of risk (capital loss) and greater chances of negative returns over short periods. Based on the investment objective, the Market-linked Portfolio is primarily invested in equities (shares), both locally and offshore.

Historically, over long-term periods (10 years and longer), the local equity market has delivered returns well in excess of CPI. The year 2022 was a tough year for equities impacted by high inflation and rising interest rates, China’s zero-Covid policy, extreme weather events and the Russian/Ukraine conflict. The first quarter of 2023 brought some unexpected outcomes, both positive and negative, amidst a challenging economic and political backdrop. Some of the key themes driving short term market volatility were central banks continued to raise interest rates, the Russian/Ukraine conflict continued with no clear solution, turmoil in the banking sector following the failure of Silicon Valley Bank and Signature Bank and the takeover of Credit Suisse by UBS, China abandoned its zero-Covid policy and load shedding worsened in South Africa. Uncertainty remains over central bank tightening (interest rate hikes), and the possibility of a recession in developed markets.

The Trustees expect, over the longer term, that the Market-linked Portfolio to achieve its investment objective of 5% per annum above inflation, however this level of return is not guaranteed and will depend critically on investment market conditions.

The **Shari’ah portfolio** has delivered some 3.7% per annum above inflation for the last five years, which is below its investment objective of 4% per annum above inflation. This is illustrated below:

Rolling 5-year returns



MARKET COMMENTARY

The SA equity market (as measured by the FTSE / JSE Capped Index) was up 4.3% over the quarter thus underperforming both global and emerging market equities which delivered 11.9% and 8.4% respectively. In US\$ terms global and emerging market equities returns are 7.3% and 4.0% respectively as the ZAR weakened by 4.3% against the US\$.

Global equity markets seemed to shrug-off the demise of Silicon Valley Bank and other mid-sized regional US banks, as well as the rescue of Credit Suisse. Investors remain optimistic that the US Federal Reserve Bank would succeed in curbing inflation without the USA economy going into recession. At the same time China wrongfooted the market with Xi

Jinping's government reversing its efforts to control Covid-19, Big Tech companies and the property market.

The five-year FTSE JSE Capped Index return is 10.4% p.a. out-performing inflation by 5.5% p.a. The return was boosted by the strong performance of Richemont (25.3% p.a.), Anglo American (23.0% p.a.) and gold miners Gold Fields (41.2%) and AngloGold (32.7%). On the other hand, domestic stocks struggled as investors became increasingly concerned about South Africa's long term economic prospects. Naspers, the highest weighted stock in the index delivered a decent return of 12.8% p.a. over the five-year period. The Capped Index outperformed the Capped Shareholder Weighted Index by a material 3.9% p.a. over this period because of its much higher weighting to Richemont, Anglo American and BHP.

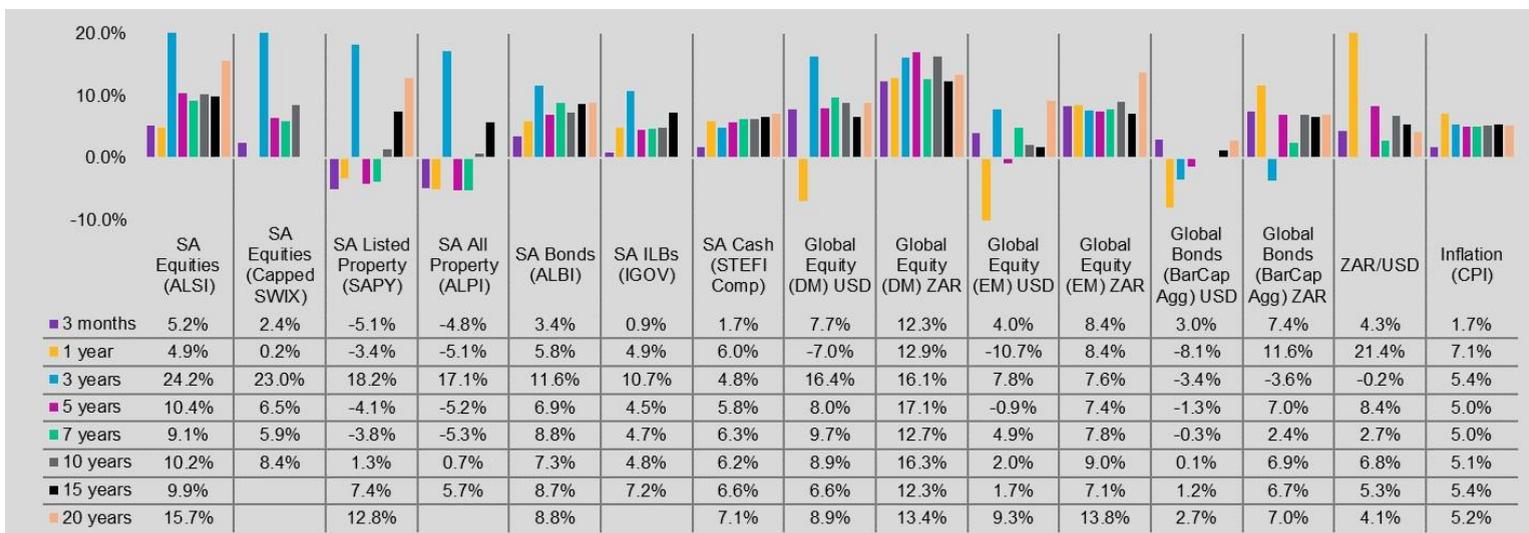
The SA listed property sector (SAPY) was down 5.1% over the quarter as investors remained concerned about the long-term outlook for the country. Over the one year and five-year periods, SA listed property has been the worst performing local asset class. This asset class is directly exposed to weak local GDP growth and the long-term impact of Covid-19 is reshaping the sector. One may have expected the offshore earnings of this sector to provide some offset, but this has not been the case as global investors too have turned negative on this asset class.

SA nominal bonds delivered a solid return of 3.4% over the quarter. Local bond yields remain high in real terms as investors seek compensation for the high country risk associated with being invested in this asset class. Local nominal bonds delivered a real return of 2.0% p.a. over the past five years, comfortably out-performing inflation linkers that only delivered a negative real return of 0.4% p.a. over the same period. Clearly, investors remain sanguine about inflation being in the 4.5% to 6% p.a. range.

Africa ex-SA equities remain in the doldrums delivering a very poor return of 2.5% p.a. over the past five years. Investors continue to be concerned about the vulnerability of Africa ex-SA countries to external shocks. These worries are reflected in the market pricing, and we estimate that high quality Africa ex-SA stocks trade at about a 70% discount to their global counterparts. Thus, it would appear as if many investors have lost interest in Africa ex-SA and regard it as uninvestable at almost any price.

Global listed property had a poor year and delivered a return of -4.5%. The main driver of this outcome is concerns about higher interest rates as the property sector has high debt levels. The concerns are not only related to a higher interest cost burden, but always about access to debt funding as the banks are likely to provide less capital. The sector is also going through material transformation as part of the aftermath of Covid-19.

An explanation of the different sectors appears below:



- ALSI: South African equities as measured by the All-Share Index
- Capped SWIX: South African equities Shareholder Weighted Index (each share capped at 10%)
- ALPI: South African listed properties as measured by the All-Property Index
- IGOV: South African Inflation-linked Bond Index
- SteFI: South African short-term fixed interest investments (cash)
- ALBI: South African All Bond Index
- MSCI: Morgan Stanley Capital Index – equities in developed overseas markets
- BarCap: Barclays Capital Global Aggregate Bond Index
- ZAR/USD: Rand investment in US Dollars (positive numbers show a “Weakening” rand).
- CPI: South African inflation rate

Note: Members who are a long way from retirement are encouraged to adopt a long-term investment strategy. Don't be deflected from your overall objective, which is to build retirement capital, by short-term market changes. To get out of the market when things get tough is not the way to build wealth.

SUMMARY OF THE VALUATION RESULTS

The result of the statutory valuation of the fund as at 31 January 2022 is summarised below. The last statutory valuation was prepared as at 31 January 2019 and as such this report is required in terms of Section 16 of the Pension Funds Act and Rule 24.3 of the Fund Rules, both of which require that a valuation report be prepared every three years.

Financial position of the Fund as at 31 January 2022

In order to determine the financial position of the Fund, it is necessary to compare the assets of the Fund to the liabilities of the Fund. The Fund is considered to be financially sound when the value of the assets is equal to, or in excess of, the value of the liabilities, i.e. a funding level of 100% or greater, on the Funding Basis. The Regulator also requires that the results be shown prior to any contingency reserves.

The financial position of the Fund at 31 January 2022 is set out in the table below, together with the financial position of the Fund from the previous statutory valuation.

R'000	31 Jan 2019 Statutory Before adjustment	31 Jan 2020 Interim Per financial statements	31 Jan 2021 Interim Per financial statements	31 Jan 2022 Interim Per financial statements
Market value of assets	2 075 752	2 303 091	2 474 844	2 420 099
Accrued liabilities				
Members' individual accounts – active and deferred retirees	2 010 724	2 214 541	2 364 457	2 280 793
Deferred pensioner account	26 419	30 474	24 638	31 460
Pension account	37 011	59 119	85 127	107 340
Amounts to be allocated	683	(1 675)	270	222
Contingency reserves				
Processing error reserve account	-	-	-	-
Expense reserve account	915	632	352	284
Surplus / (Deficit)	-	-	-	-
Funding level (Funding basis)	100.00%	100.00%	100.00%	100.00%
Funding level prior to reserves	100.04%	100.03%	100.01%	100.01%

As can be seen from the above, the Fund's financial condition has not changed from the previous statutory valuation, with the surplus remaining at Nil.

The assets of the Fund are sufficient to cover the liabilities and contingency reserves of the Fund and thus the Fund is in a sound financial condition with a funding level of 100.0%. The funding level prior to the establishment of any reserve accounts is 100.01%.

PLANNING FOR RETIREMENT WORKSHOPS

Retirement workshops took place in October and November 2022 and were well attended. We will have another set of workshops around June/July 2023. We will inform you closer to the time on the specific dates and times.

Choosing the right pension is not an easy decision to make. We encourage you to attend these retirement planning sessions– even if you have previously attended; where 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.

MEMBER INFORMATION PRESENTATIONS

These sessions will be held in July 2023 and will include an explanation of all the different portfolios available to you.

At these sessions we will also revisit other important Fund issues e.g., the flexible contributions and how your contribution rate can affect your final retirement benefit. This will be a good opportunity for members to ask any other Fund related questions. We urge **everyone** to make an effort and attend these sessions. We will inform you of the final dates closer to the time.

CHANGES TO LUMP SUM TAXFREE AMOUNTS EFFECTIVE 1 MARCH 2023

TAX TREATMENT OF LUMP SUMS ON RETIREMENT, RETRENCHMENT AND DEATH

Lump sum death or retirement benefit	Tax liability
R0 to R 550 000	0%
From R550 001 to R770 000	18% of taxable income exceeding R550 000
From R770 001 to R1 150 000	R 39 600 plus 27% of taxable income exceeding R770 000
Exceeding R1 150 001	R143 550 plus 36% of taxable income exceeding R1 155 000

TAX TREATMENT OF LUMP SUMS ON WITHDRAWAL

Lump sum resignation benefit	Tax liability
R0 to R 27 500	0%
From R27 501 to R726 000	18% of amount above R 27 500
From R726 001 to R1 089 000	R 125 730 plus 27% of amount above R 726 000
R1 089 001 and above	R223 740 plus 36% of amount above R1 089 000
The tax-threshold of R27 500 is cumulative and applies to the aggregate amount of a member's resignation benefits over the member's lifetime.	
The R 27 500 tax-free amount plus the resignation lump sum(s) taken will reduce the R550 000 tax-free amount at retirement.	

The tax treatment applicable to lump sum benefits on **withdrawal** (other than on retirement, retrenchment or death) is as follows:

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 are:

Member Elected Trustees	Member Elected Alternates	Employer Appointed Trustees	Employer Appointed Alternates
Mr LE Moser (Chairperson)	Mr P Manikivana	Ms GN Tyandela	Vacant
Mr JP Rhode	Mr R Constance	Mr J Lichaba	Ms N Cairncross-Chinnapyele
Dr W Kruger	Ms NM Jwaai	Ms A de Lange	Ms SL Wessels
Mr H Rauch	Mr I Loff	Ms GN Gumede	Mr PW Murrday

Principal Officer: Ms Rochelle Swart.

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 are 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:

The Principal Officer: Rochelle Swart*
Telephone: 0849412329.
E-Mail: rochelleswart20@gmail.com

*Ms Swart is an independent Principal Officer

PENSION FUND 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 2023)

- Active members – Costs are funded from a deduction from the contribution rate – 0.70% of pensionable salary. (This includes an allowance for administration cost of R 66.27 pmpm (per member per month) plus VAT)
- Deferred members – Administration costs of R49.86 pmpm plus VAT deducted from deferred pension account
- Deferred pensioners – Administration costs of R49.96 pmpm plus VAT deducted from member individual account
- Living annuitants – Initial fee = R1 192.68 plus VAT. Administration costs of R121.18 pmpm plus VAT deducted from living annuity balance.

Switching costs (cost of changing investment decision) – first switch in the year is free. Thereafter R455.18 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 2022. Note that the portfolio investment returns quoted are net of the fees and charges estimated below.

Portfolio	Manager fees		Other investment-related fees and charges		Transaction costs		Total fees & charges	
	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022
Market-linked	0.40%	0.53%	0.06%	0.06%	0.13%	0.11%	0.59%	0.71%
Stable	0.56%	0.55%	0.06%	0.07%	0.05%	0.05%	0.68%	0.67%
Money Market	0.09%	0.09%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%
Shari'ah	0.81%	0.75%	0.06%	0.04%	0.19%	0.11%	1.06%	0.90%

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. The increase in the manager fees in the Market-linked Portfolio is mainly due to a performance fee paid to Coronation in October 2021 in respect of the SA Equity mandate for the period ending 30 June 2021 (the performance fee was 0.12% of the Market-linked Portfolio).

YOUR CONTRIBUTIONS AND FUND BENEFITS

CONTRIBUTIONS

You need to decide how much you want to contribute to the Fund (as a percentage of your pensionable salary which is typically 80% of your total guaranteed package) from the following categories:

7.5%; 10%; 12.5%	WARNING: Consistent choice of these three categories will result in inadequate retirement savings. If you are contributing at this level, you will need to catch up and contribute more later to be able to save enough for a comfortable retirement.
15%	Automatic - if you do not make a choice
17.5%; 20%; 22.5%; 25%; 27.5%	As a general rule of thumb, a 15% contribution over 35 years of service will provide a reasonable retirement benefit.

- You can change the contribution every year on the salary review date (August)
- The contributions are tax deductible (subject to certain limits)

Go to the retirement fund calculator on the **Alexander Forbes online facility** (www.alexanderforbes.co.za) to check the impact that your contribution rate choice has on your expected retirement benefit.

RESIGNATION, RETRENCHMENT and DISMISSAL BENEFITS

When?	When you leave employment, are retrenched, or dismissed
What?	Your member individual account
How?	You can leave the full benefit in the Fund (become a deferred member) and transfer it, or take cash or retire from the fund later (Once you reach normal retirement age as a deferred member, there are restrictions on transfers and the ability to take cash falls away) OR You can transfer the full benefit to another Fund OR You can take the full benefit in cash as a lump sum (though this will be subject to tax, will materially affect the ability for you to reach a financially comfortable retirement and is in general not advised) OR You can choose a combination of cash and transfer

** Please note that though the benefit paid from the fund on resignation and retrenchment is the same, this benefit is taxed differently*

TAX TREATMENT OF LUMP SUMS ON WITHDRAWAL

The table on page 6 summarises the tax treatment of lump sums payable in terms of the rules of a retirement fund on withdrawal (other than retirement, retrenchment, or death). It is based on our understanding of the tax scales in the Income Tax Act. The application of the tax laws is complex, and **if you want to properly understand your potential tax liability you should not rely on this table, but you should consult an expert financial planner.**

Further and more detailed information will be provided to you on exit.

DEATH BENEFITS

When?	When you die while being a member of the Fund (active member or deferred member or pensioner)
What?	Your member individual account
How?	The Trustees will allocate your death benefits in line with Section 37 C of the Pension Funds Act (but may be guided by your beneficiary nomination form)

RETIREMENT BENEFITS

When you retire from service, you can choose to remain a deferred pensioner in the Fund i.e., stay invested in the Fund **until you choose** to retire from the Fund or transfer the benefit to a retirement annuity or preservation fund.

OR

You can choose to immediately retire from the Fund.

(Should you die prior to leaving the Fund, your benefit will be allocated in terms of Section 37 C of the Pension Funds Act).

The retirement benefit payable when you choose to retire from the Fund is as follows:

- When?** When you choose to retire from the Fund (which can be after retirement from employment)
Normal retirement age is 65 years (unless you have different conditions of service)
Early retirement is permitted from the age of 55.
- What?** Your member individual account
- How?** You can take a maximum of the **full vested benefit plus one third of the non-vested benefit in cash** as a lump sum (though this will be subject to tax) and use the remainder to purchase a pension from an insurer or the Fund (the pension payments will be subject to tax)
- OR
- You can use the **full benefit to buy a pension** from an insurer or from the Fund (the pension payments will be subject to tax)

Vested benefit: Any amount in your provident fund of which you were a member on 1 March 2021 (even if this is subsequently transferred) plus returns thereon. This amount may be taken in cash on retirement.

Non-vested benefit: Any amount contributed post 1 March 2021 plus returns thereon (unless you were 55 on 1 March 2021 and the contributions are going to the same provident Fund of which you were a member on 1 March 2021, in which case this is also vested). If this amount is lower than R247,500 at retirement, it may be taken in cash. If not, a maximum of one-third may be taken in cash and the remainder must be used to purchase a pension.

The Fund will provide you with quotations for a **life annuity**, which is purchased from an insurer and guaranteed until your death. The Fund also offers a **living annuity**, which functions like a bank account where you decide where the money is invested (within certain limits); and how much pension you take (within certain limits).

Further and more detailed information will be provided to you on retirement.

TAX TREATMENT OF LUMP SUMS ON RETIREMENT, RETRENCHMENT AND DEATH

The table on page 6 summarises the tax treatment of lump sums payable in terms of the rules of a retirement fund on retirement, retrenchment, or death. It is based on our current understanding of the tax scales in the Income Tax Act. The application of the tax laws is complex, and **if you want to properly understand your potential tax liability you should not rely on this table, but you should consult an expert financial planner.**

This tax free amount is a once in a life-time amount so, if you have previously taken a tax free amount, this will be deducted from your R550 000 tax free amount at the time when you retire.

NOTE: The following benefits are not paid by the Fund but are provided for by a separate insurance policy. For the sake of completeness, we have listed them in this guide. For more details on these benefits please go to the website at www.petrosaretirementfund.co.za

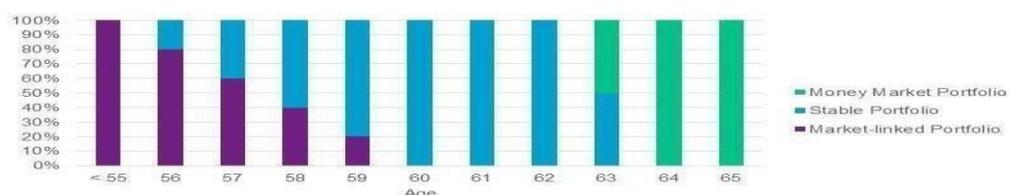
- Funeral benefits
- Benefits should you be regarded as disabled
- Spouse's cover
- Personal accident benefits

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).

Portfolio name	Target return and comment	Asset allocation (as at 31 March 2023)
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. 42.2% SA equities (managed equally by Allan Gray, Coronation and Abax) 22.6% SA bonds (managed by Ninety One (37.5%), Coronation (37.5%) and Futuregrowth (25%)) 35.2% offshore (various managers across bonds (15%); equity (67.5%), listed infrastructure (7.5%) and listed property (10%))
Stable Portfolio	Target return of CPI + 3% per annum over a rolling 3 year period Lower volatility than the Market Linked portfolio	Actual asset allocation determined by the managers. 13.1% SA equity + 0.8% SA property + 38.0% SA bonds + 14.5% SA cash + 32.1% offshore + 1.5% other (commodities and hedge funds) (managed by Allan Gray (33.3%), Coronation (33.3%) and Ninety One (33.3%))
Money Market Portfolio	Target Return of CPI + 1% per annum Least appropriate for long term investing Most chance of capital preservation	100% SA cash and money market instruments (managed by Ninety One)
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 38.2% SA equities + 4.9% commodities + 28.9% SA cash & Islamic fixed term deposits + 0.9% SA Sukuk + 22.6% offshore equities + 4.6% offshore sukuk (managed by 27four Investment Managers)

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

If you have already submitted a beneficiary nomination form in the past and your personal situation has altered, it is necessary for you to submit a new form to replace the old one.

In the event of your death, the benefit paid by the PetroSA Retirement Fund is allocated as follows:

The Trustees will have complete discretion as to how the benefit payable by the PetroSA Retirement Fund (i.e., your Member Individual Account) will be allocated to your dependents. This Trustee power is derived from Section 37C of the Pension Funds Act, which requires the Trustees to allocate any Retirement Fund benefit to those persons that were most financially dependent on you (usually your spouse and children).

However, in the event of there being no spouse or financially dependent children, your benefits will be paid to your financially independent children, or your nominated beneficiaries. A nomination in your will is not sufficient to indicate how you wish your retirement savings to be allocated in the event of your death.

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 Retirement Fund Website.

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.