



# PetroSA Retirement Fund

[www.petrosareirementfund.co.za](http://www.petrosareirementfund.co.za)

## NEWSLETTER

ISSUE NUMBER: 2/2025

June 2025

### ALL ABOUT YOUR FUND AND WHAT IT DOES FOR YOU

Dear members

Welcome to the second issue of your newsletter for 2025.

In this newsletter, the aim is to update you with what has happened since the Two Pots System came into operation on 1 September 2024. We will take a look at the general claims statistics in South Africa, as well as the claims statistics for our Fund. Cybersecurity and how to protect yourself online, is especially pertinent in the context of the Two Pot system and so we provide some tips in this regard.

We continue 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.

Board of Trustees

June 2025

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**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 2025. Please note that the returns are shown after deducting investment manager fees and related costs and charges:

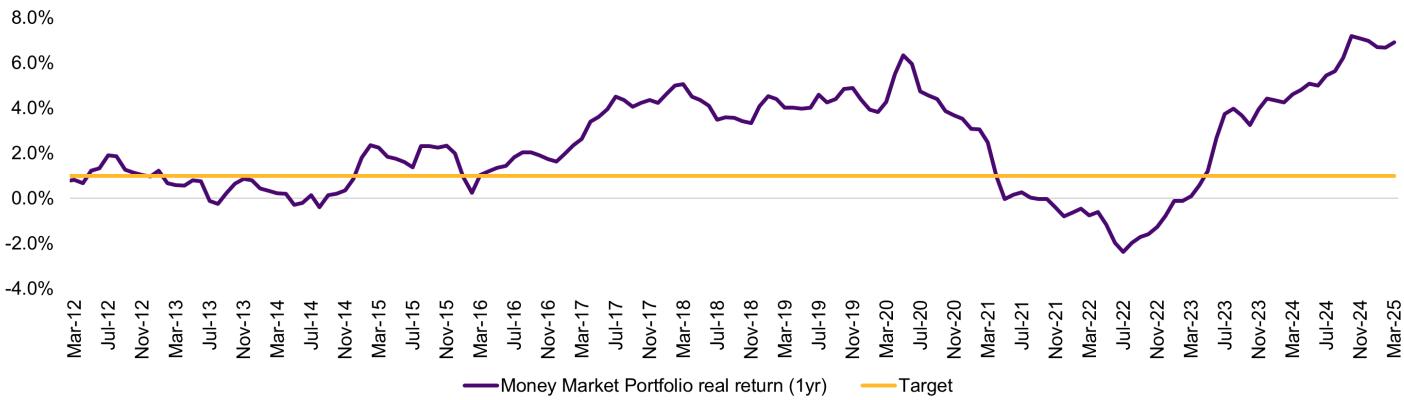
Portfolio	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
Market-linked Portfolio	13.3%	10.2%	15.0%	9.8%	9.2%	11.5%	12.8%
Stable Portfolio	11.2%	10.3%	11.6%	9.0%	8.3%	8.1%	9.7%
Money Market Portfolio	9.7%	8.9%	7.5%	7.8%	7.9%	7.5%	8.0%
Shari'ah Portfolio	7.2%	6.4%	11.1%	8.4%	6.8%	n/a	n/a
CPI (Inflation)	2.8%	5.0%	4.9%	4.7%	4.9%	5.0%	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 2025, 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 2025.

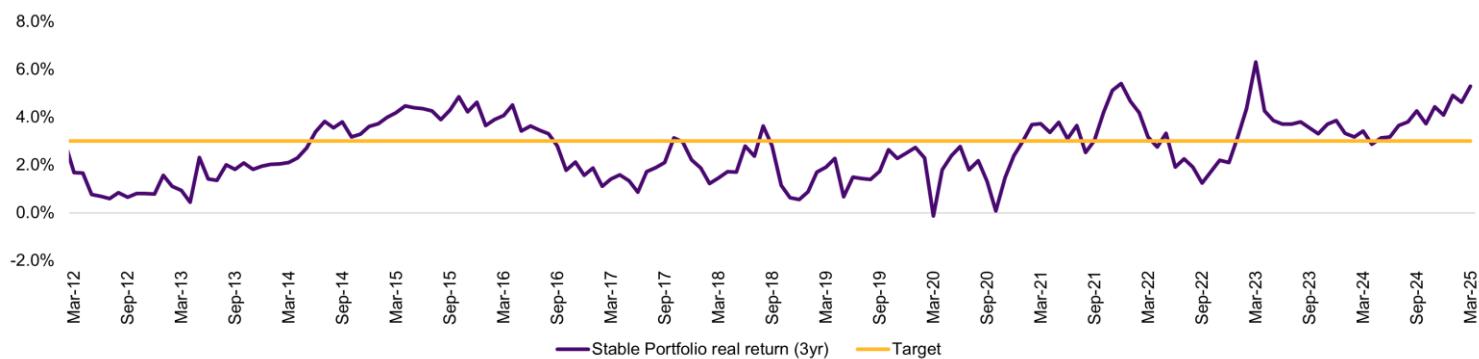
The **Money Market portfolio** has delivered some 6.9% per annum above inflation for the last year, which is significantly above its investment objective of 1% per annum above inflation over a rolling 1-year period. This is illustrated below:

**Rolling 1-year real returns**



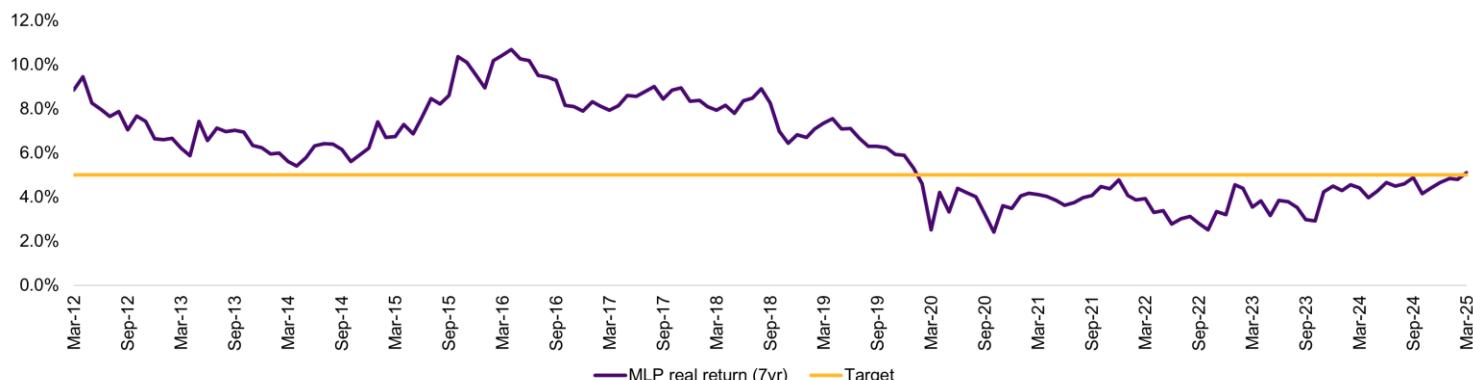
The **Stable portfolio** has delivered some 5.3% per annum above inflation for the last three years, which is well above its investment objective of 3% per annum above inflation over a rolling 3-year period. This is illustrated below:

**Rolling 3-year real returns**



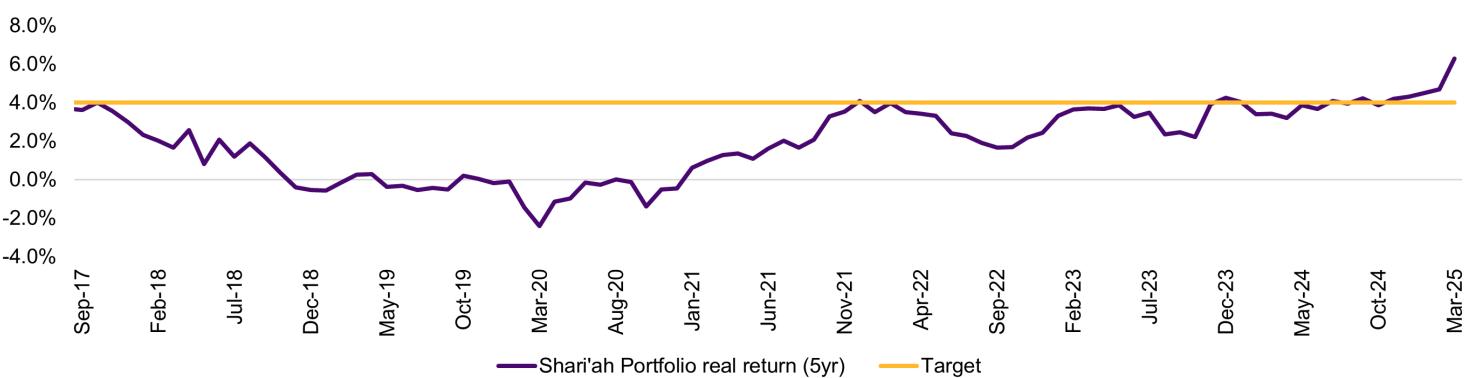
The **Market-linked portfolio** (which is the portfolio for the wealth-building stage of the life stage model) has delivered some 5.1% per annum above inflation over the last seven years, which is marginally above its long-term investment objective of 5% per annum above inflation over a rolling 7-year period. This is illustrated below.

### Rolling 7-year real returns



The **Shari'ah portfolio** has delivered some 6.3% 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



### **MARKET COMMENTARY**

SA equities as measured by the FTSE/JSE Capped SWIX Index were up 5.8% over the quarter, outperforming both global (MSCI ACWI) and emerging market equities which delivered ZAR returns of -3.8% and +0.3% respectively. In US\$ terms, the global equity return over the quarter was -1.3%, while emerging market equities gained 2.9% with Brazil and China performing strongly.

The strong overall local equity market return over the first quarter of 2025 was driven mainly by the very strong performance from precious metals and mining counters. Gold companies excelled as the gold price achieved a new historical high. A few other big names including Prosus (+12.4%), MTN (+34%), British American Tobacco (+13.6%) and Richemont (+14.2%) also supported the market. Companies with a high proportion of local earnings (SA Inc.) lagged as the market became concerned about the stability of the GNU.

The SA Reserve Bank cut local short-term interest rates by 2 5bps in January 2025, bringing the repo lending rate to 7.5% p.a. The Federal Reserve also decided to keep the United States (US) interest rate fixed (federal funds rate at 4.5%) over the quarter, with the view of trade policy changes brought on by the Trump administration may cause inflation to increase.

The so-called “Trump tariffs” was a major market disrupter in March, negatively impacting market sentiment and increasing market volatility. In an about-turn from the long-term trend, Information Technology (IT) stocks were hit the hardest over the quarter, with a return of -11.6% in US\$ over the quarter. The IT sector contributed -2.7% out of the -3.8% US\$ return on the MSCI All Country World Index for the first quarter of 2025. Notably the dominance of

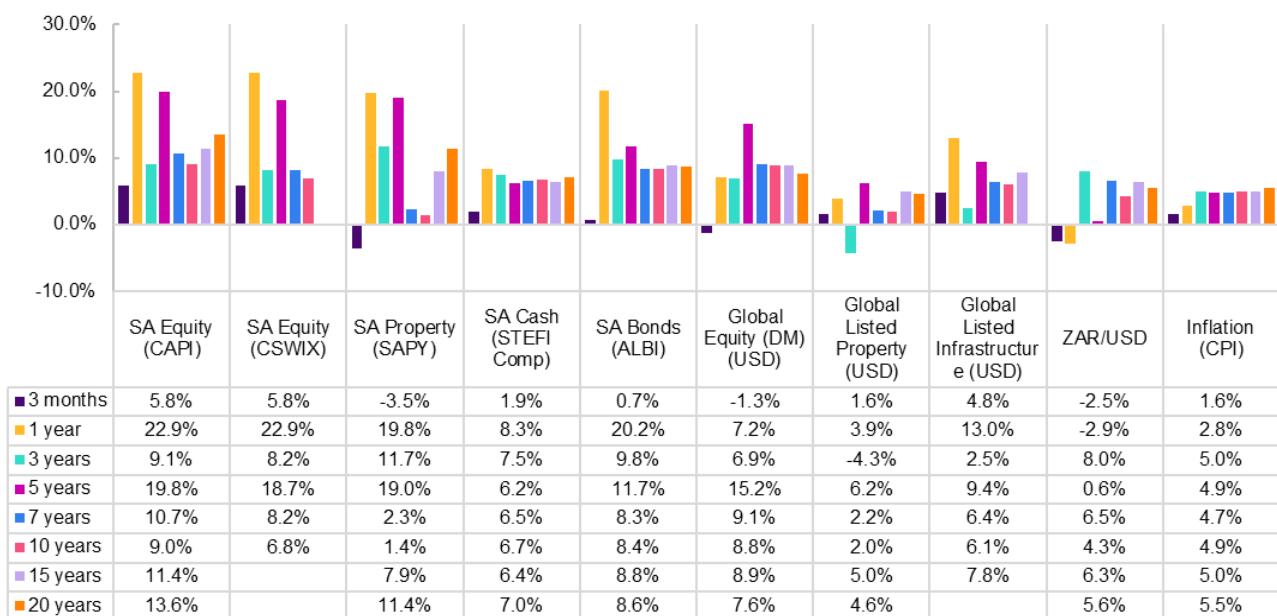
the so-called “Magnificent Seven” appears to be on hold and the NASDAQ ended the quarter down 8.3% in US\$.

The FTSE/JSE Capped SWIX Index returned a very strong 22.9% over the one-year period relative to both global and emerging markets (4.1% and 5.0% respectively in ZAR). This performance, combined with low annual inflation of 2.7% provided a compelling real return above of 20% over the one-year period. The main driver of this outcome was a reduction in the country risk following the establishment of the GNU.

The SA listed property sector (SAPY) was down over the quarter following on the significant gains made in the first nine months of 2024. The market had probably run ahead of itself and a technical correction was needed. The sector was impacted by the rise in SA long bond yields and by a reduction in confidence in local economic growth as the South African Government of National Unity (GNU) faced significant political pressures in March over the national budget.

Global listed property and global listed infrastructure both had a positive quarter in US\$, gaining 1.6% and 4.8% respectively and outperforming the broader global equity market. Investors regard global listed infrastructure as solid hedge against higher-than-expected inflation.

A description of the different indices appears below:



CAPI:

SA equities as measured by the All Share Index (each share capped at 10%)

Capped SWIX:

SA equities as measured by the Shareholder Weighted 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 Listed Property:

FTSE NAREIT Dev Net USD

Global Listed Infrastructure:

FTSE GLI (50/50) Net USD

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. Do not 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.**

## MARKET UPDATE FOR APRIL 2025 AND MAY 2025

Evolving global trade dynamics have been a key driver of market volatility over the last two months. Stock markets dropped sharply in early April after President Trump announced a comprehensive “reciprocal” tariff policy on imports to the US from all countries on 2 April 2025. However, stock markets subsequently rebounded after the announcement of a 90 day pause of these “reciprocal” tariffs (excluding China) by President Trump on 9 April 2025. While near-term investor risk aversion and market risk has subsided for now, investors should be prepared for the possibility of renewed financial market volatility as uncertainty remains on where tariffs will settle.

Below are the monthly investment returns for the months of April and May 2025, as well as annualized investment returns for all the portfolios over different measurement periods until 31 May 2025.

Portfolio	30 April 2025	31 May 2025
Market-linked Portfolio	2.8%	2.5%
Stable Portfolio	2.1%	1.9%
Money Market Portfolio	0.8%	0.7%
Shari'ah Portfolio	1.0%	2.4%
CPI (Inflation)	0.3%	0.2%*

\*CPI has been estimated.

Portfolio	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	17.3%	12.6%	13.7%	10.4%	9.5%	12.0%	12.9%
Stable Portfolio	14.8%	11.7%	10.8%	9.3%	8.6%	8.3%	9.8%
Money Market Portfolio	9.6%	9.1%	7.6%	7.8%	8.0%	7.5%	8.1%
Shari'ah Portfolio	9.6%	8.0%	10.5%	8.5%	6.9%	n/a	n/a
CPI (Inflation)	2.8%	4.8%	5.2%	4.6%	4.8%	5.0%	5.5%

# TWO POT SYSTEM IMPLEMENTATION PROGRESS AND INSIGHTS

When the Two Pot System came into effect on 1 September 2024 (and was implemented on 4 November 2024), millions of people in South Africa submitted requests for withdrawals. Statistics have sadly proven that very few people actually used their monies to settle their debts or for real emergencies.

## Key Statistics for all retirement funds in South Africa to date:

- ✓ **Total withdrawals processed:** Approximately R35 billion have been processed since the system's inception.
- ✓ **Number of claims processed:** Over 2.1 million applications with more than 1.9 million directives issued.
- ✓ **Average claim size:** This amounted to some R19 000, before tax was deducted.
- ✓ **Tax revenue:** The South African Revenue Service (SARS) has collected R11,6 billion in tax revenue from these withdrawals – these surpassed initial projections. SARS is concerned about the rising number of South Africans withdrawing from their retirement savings.

Interestingly, the demographics of withdrawals in South Africa indicate that the majority of member claims came from individuals aged 31 to 50, with the highest percentage in the 26-40 age group. In our Fund, the demographics followed a similar pattern. The demographics also showed that the majority of these withdrawals came from individuals earning between R5000 and R 30 000 per month. Again, our Fund showed a similar trend.

## Key Statistics for the PetroSA Retirement Fund:

A summary of the claims since inception of the Two Pots system, as well as the latest claims in the new tax year are shown below.

A total of **477 members** of the Fund claimed from their Savings Pot since the implementation of the Two Pot System to May 2025. This makes up about almost half the membership of the Fund.

Since the new tax year effective 1 March 2025, 128 members have claimed from their savings pot.

01 September 2024 to 28 February 2025	
Number of claims paid	349
Gross amount	R9,446,161.88
Tax paid to SARS	R3,329,254.64
Nett amount paid to members	R6,175,164.36

01 March 2025 to 13 May 2025*	
Number of claims paid	128
Gross amount	R1, 885,553.11
Tax paid to SARS	R708,904.14
Nett amount paid to members	R1,176,648.97

\*Interesting to note, this is the second Two Pot claims for 109 of the 128 members.

## Illustration of withdrawing from your savings pot over the long term

To illustrate the long-term impact of early withdrawals, a comparison was made between two hypothetical retirement fund members.

Assuming each member contributed R 50 000 annually to their retirement fund over 20 years, with a portfolio return of CPI plus 5%.

**Investor A**, who withdrew all available funds from their savings pot every year, accumulated R1.1 million after 20 years.

**Investor B**, who left their savings untouched, saw their retirement savings grow to R1.7 million. This is over R 600 000 more than the investor who chose to access their savings pot.

Note: While these figures are for illustrative purposes and do not account for market volatility or investment costs, the difference is still big.

In a nutshell, withdrawing all the funds from your Savings Pot every year can reduce your total retirement portfolio by almost a third, compared to leaving it untouched. However, there are members who genuinely need money from their savings for emergencies etc. For those individuals it's a savings grace!

## So, are there any advantages from withdrawing from your Savings Pot?

Yes, we must not forget the advantages that some members may benefit from by withdrawing some of their monies and these are shown below:

### Advantages

- 1. Better access to funds:** Allows early access to a portion of retirement savings in times of financial need, helping prevent loans or over indebtedness.
- 2. Encourages saving discipline:** By limiting access to only a portion of savings, it encourages long-term financial planning and prevents full cash-outs on resignation.
- 3. Reduces pressure on social grants:** Helps individuals support themselves during emergencies without relying on state support.
- 4. Greater transparency:** Clear division of funds helps savers understand how much is accessible and how much is preserved for retirement. This way, you can always track and understand your expected post-retirement income.

With advantages come **disadvantages** as well. Some of these we have highlighted earlier. Below is a recap:

### Disadvantages

- 1. Risk of a reduced retirement income:** Frequent withdrawals from the Savings Pot may lead to insufficient funds at retirement.
- 2. Misunderstanding the concept:** There is potential confusion about when and how funds can be accessed, potentially leading to poor financial decisions.
- 3. Potential for Abuse:** Individuals might misuse early withdrawals for non-essential spending, undermining the system's goals. The impact of this will only be evident as time passes.

## Looking Ahead

As we move forward, we will:

- ✓ Continue to monitor the impact of withdrawals on long-term savings.
- ✓ Continue to provide you with benefit statements showing the growth in each pot.
- ✓ Continue to offer education and personalised support.

We remain committed to ensuring that this new system supports both your immediate needs and your long-term financial wellbeing.

In conclusion, the Two Pot Retirement System aims to balance immediate financial relief with long-term savings discipline. While it offers valuable flexibility, it also comes with possible negative outcomes over the long term.

One of the most important things we must all not forget is “the purpose” of the Two Pot retirement system which is:

**To make sure that the BULK of your savings remains invested so that you will have a reasonable income when you do retire!**

Should you have any questions or need assistance, please contact the Fund and one of our consultants will assist you. The slides, as well as all communication material are available on the PetroSA Retirement Fund website (<https://www.petrosareirementfund.co.za/>; link on top left of homepage.)

## **CYBER SECURITY**

Personal information held by any organisation can be a prime target for cyber criminals. Rest assured that the Fund and its service providers take every measure to ensure that your information is safe. We all have a role to play in this regard.

A security breach could provide access to information that could lead to identity theft, fraud, or unauthorized access to your personal information. By being vigilant i.e. using strong passwords and changing these frequently, using two-factor authentication (as you do when accessing AFConnect) and being cautious with emails and links, you can help protect your sensitive information.

When using AFConnect specifically to apply for Savings Pot withdrawals, or if simply just to access your fund value, be sure that you and you alone have access. Do not use emails or cell numbers belonging to others. Always protect your login details and never share your passwords. If you are ever unsure of any email received, document provided or request from the Fund or its administrator, always check with the Fund, who will be able to verify its authenticity.

## **THINKING ABOUT YOUR MONEY**

On April 2, 2025, Donald Trump announced new tariffs, causing stock markets around the world to drop. The American stock market has fallen more than 20% since February, which is considered a crash. This of course affected all retirement funds and members of such funds are concerned about their monies.

When thinking about your money, remember that markets can be volatile. The S&P 500 has had many 10% drops over the years, but it has still delivered a return of close to 12% per year over the past 50 years. Consequently, it's important to stay patient and stick to a long-term investment strategy.

We are aware that every time the market falls sharply, the media will publish many stories explaining why this has happened and include little about long term returns. The reality is that nobody actually understands fully how markets work, and you should avoid getting caught up in the inevitable short-term noise.

One final word of guidance - choose an investment strategy that matches your comfort level with market declines. If you are an “Own-Choice” member i.e. not in the Life Stage Model and you pick a strategy that causes you anxiety, you might sell at the wrong time and lose lots of money. If you're a younger member, you have time to recover from any short-term market losses. However, if you're approaching retirement—within about five years of your Normal Retirement Age (NRA)—or if you are a living annuitant, you may be concerned about how current market volatility could affect your savings. It's better to stick with a strategy you're comfortable with, even if it means lower returns. If you're in the Life Stage Model and within one year of your NRA, your portfolio would already have been “de-risked” and fully invested in the Money Market portfolio.

As we have stated before, it is important to remind yourself of your original investment objectives and time horizon and decide whether current events really change those.

You are assured that the Board, along with the Fund's expert advisors, are constantly monitoring investments closely.

## FLEXIBLE CONTRIBUTIONS

In the previous newsletter, we showed you the average contribution rates payable by members of the Fund over the past 2 years. As indicated, in both cases, the majority of members are contributing at the lower contribution rates, and the numbers have hardly improved over the years.

At the end of July 2025, members will have a choice, once again, to change their contribution rates. The necessary forms and communication will be sent out to you closer to the time. We will also be discussing this at the next MEMBER INFORMATION SESSIONS which will be held in July 2025.

**Note: There is a huge risk of inadequate retirement benefits if you make too low allocation for retirement savings. The majority of members in the PetroSA Retirement Fund are in fact contributing way too little and unless this changes, may not be able to retire with a reasonable benefit. We encourage all our members to re-visit their retirement strategy!**

## MEMBER EDUCATION WORKSHOPS - LEARN, GROW AND FLOURISH!

### PRE-RETIREMENT WORKSHOPS

#### ARE YOU READY TO RETIRE SUCCESSFULLY?

During 2024 we conducted a number of Retirement Planning Workshops dedicating over 3 hours per workshop to our members who are close to retirement! The Fund will be holding another round of pre-retirement workshop sessions on the 17<sup>th</sup>; 19<sup>th</sup> and 23<sup>rd</sup> June 2025. A notice will be sent out closer to the time. At the workshops, the different pension options available at retirement and the pros and cons of each option are discussed in detail.

If you are over the age of 50, we urge you to attend these upcoming workshops - even if you have previously attended - you will receive an in-depth education on all the options available to you.

It would be wonderful if you can please come and join us at these sessions – which we hold twice a year (with a few sessions held each time). 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.

At our workshops, we cover a comprehensive range of topics, including the Fund's options, pre-retirement planning, managing the transition, expected income under different scenarios, associated costs, potential pitfalls of resigning early, taxation considerations, and much more.

Our aim is to empower you with all the necessary information and knowledge so that you are able to make an informed decision when you reach retirement! We encourage members to attend multiple sessions, as part of our dedication to assisting you in crafting a well-informed retirement strategy.

### MEMBER FEEDBACK SESSIONS

These sessions are held annually. Our next sessions will be held during July 2025. Dates and times will be sent out to you closer to the time. At these workshops we revisit other important Fund issues e.g., the flexible contributions and how your contribution rate can affect your final retirement benefit. Also included in the presentation is a detailed section on Investments and benefits provided by the Fund. This will be a good opportunity for members to ask any other Fund related questions. We urge **everyone** to try and attend these sessions.

# 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 **Trustees** are:

Member Elected Trustees	Member Elected Alternates	Employer Appointed Trustees	Employer Appointed Alternates
Mr LE Moser (Chairperson)	Mr R Constance	Ms S Ngoetjana	Mr O Mohapanele
Mr JP Rhode	Ms NM Jwaai	Mr J Lichaba	Mr PW Marriday
Dr W Kruger	Mr L Tofu	Ms A de Lange	-
Mr H Rauch	Mr I Loff	Ms GN Gumede	-

**Principal Officer:** Ms Rochelle Swart.

### COMMUNICATION

More information is provided via the following:

- **Fund Website** for all Fund information: [www.petrosareirementfund.co.za](http://www.petrosareirementfund.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](http://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](mailto:zzPetroSA.Admin@alexforbes.com)

The Principal Officer: Rochelle Swart\*

Telephone: 0849412329.

E-Mail: [rochelleswart20@gmail.com](mailto:rochelleswart20@gmail.com)

\*Ms Swart 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](mailto:enquiries@pfa.org.za)

## CHANGE IN ADDRESS OR PERSONAL DETAILS

Please notify the Human Capital department in writing:

Dorothy Cedras (044) 601 2540 [dorothy.cedras@petrosa.co.za](mailto:dorothy.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 cost of R 74.46 pppm (per member per month) plus VAT)
- Deferred members – Administration costs of R 56.14 pppm plus VAT deducted from deferred pension account
- Deferred pensioners – Administration costs of R 56.14 pppm plus VAT deducted from member individual account
- Living annuitants – Initial fee = R1291.05 plus VAT. Administration costs of R131.17 pppm plus VAT deducted from living annuity balance.

**Switching costs** (cost of changing investment decision) – first switch in the year is free. Thereafter R 497.51 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 2024. The 2023 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 <sup>1</sup>	Transaction costs	Total Fees and Charges
<b>Market-linked</b>	<b>0.41%</b> (0.43%)	<b>0.05%</b> (0.06%)	<b>0.19%</b> (0.12%)	<b>0.11%</b> (0.10%)	<b>0.77%<sup>2</sup></b> (0.70%)
<b>Stable</b>	<b>0.54%</b> (0.53%)	<b>0.08%</b> (0.14%)	<b>0.13%</b> (0.12%)	<b>0.04%</b> (0.04%)	<b>0.79%<sup>3</sup></b> (0.83%)
<b>Money Market</b>	<b>0.09%</b> (0.09%)	<b>0.00%</b> (0.00%)	<b>0.02%</b> (0.02%)	<b>0.00%</b> (0.02%)	<b>0.11%</b> (0.13%)
<b>Shari'ah</b>	<b>0.73%</b> (0.71%)	<b>0.00%</b> (0.00%)	<b>0.07%</b> (0.05%)	<b>0.12%</b> (0.09%)	<b>0.92%<sup>4</sup></b> (0.85%)

<sup>1</sup>. 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).

<sup>2</sup> The introduction of Satrix in the Market-linked Portfolio resulted in additional costs incurred in 2023 as a result of the transition and alignment of assets. A performance fee was paid for the Coronation Houseview Equity portfolio during October 2023.

<sup>3</sup> Reduction due to lower performance fees payable under the Allan Gray Global Stable portfolio based on the performance of the Orbis Fund.

<sup>4</sup> The increase in manager fees is as a result of changes to the underlying manager weights within the portfolio. Transaction costs increased due to trading activity in the portfolio as a result of volatility in the markets during the last year.

## 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	Actual Asset allocation (as at 31 March 2025)
<b>Market Linked Portfolio</b>	Target return <b>CPI + 5%</b> 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.	<b>32.7% SA equities</b> (managed by Allan Gray (27.5%), Coronation (27.5%), Truffle (20%) and Satrix (25%)) <b>19.9% SA bonds</b> (managed by Ninety One (37.5%), Coronation (37.5%) and Futuregrowth (25%)) <b>42.9% offshore</b> (various managers across bonds (15.0%); equity (67.5%), listed infrastructure (7.5%) and listed property (10.0%))
<b>Stable Portfolio</b>	Target return of <b>CPI + 3%</b> per annum over a rolling 3-year period Lower volatility than the Market Linked portfolio Strategic asset allocation determined by the managers.	<b>12.5% SA equity + 0.5% SA property + 34.0% SA bonds + 14.5% SA cash + 35.7% offshore + 2.8% other (commodities and hedge funds)</b> (managed by Allan Gray (33.3%), Coronation (33.3%) and Ninety One (33.3%))
<b>Money Market Portfolio</b>	Target Return of <b>CPI + 1%</b> per annum over a rolling 1-year period Least appropriate for long-term investing Most chance of capital preservation	<b>100% SA cash and money market instruments</b> (managed by Ninety One)
<b>Shari'ah Portfolio</b>	Target returns of <b>CPI + 4%</b> 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.	<b>36.6% SA equities + 5.5% commodities + 26.3% SA cash &amp; Islamic fixed term deposits + 5.0% SA Sukuk + 21.9% offshore equities + 4.8% offshore sukuk</b> (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 3<sup>rd</sup> 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.