



PetroSA Retirement Fund

www.petrosaretirementfund.co.za

NEWSLETTER

**ISSUE NUMBER: 4/2025
November 2025**

ALL ABOUT YOUR FUND AND WHAT IT DOES FOR YOU

Welcome to the final newsletter for 2025. This has been a very busy and productive year for the Fund. 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.

We hope you will enjoy the articles in this newsletter. We understand the importance of keeping you informed and ensuring your experience aligns with our commitment to excellence. A good and proper understanding of your Fund is fundamental to making sure it works well for you.

As this is our last newsletter for the year, we wish you well over the upcoming holidays.

Board of Trustees

December 2025

INSIDE THIS ISSUE

- **Investment News**
- **Member education workshops**
- **Flexible member contribution rates**
- **Investment Portfolios offered by the fund**

➤ **Annexure 1: GENERAL INFORMATION**

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

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

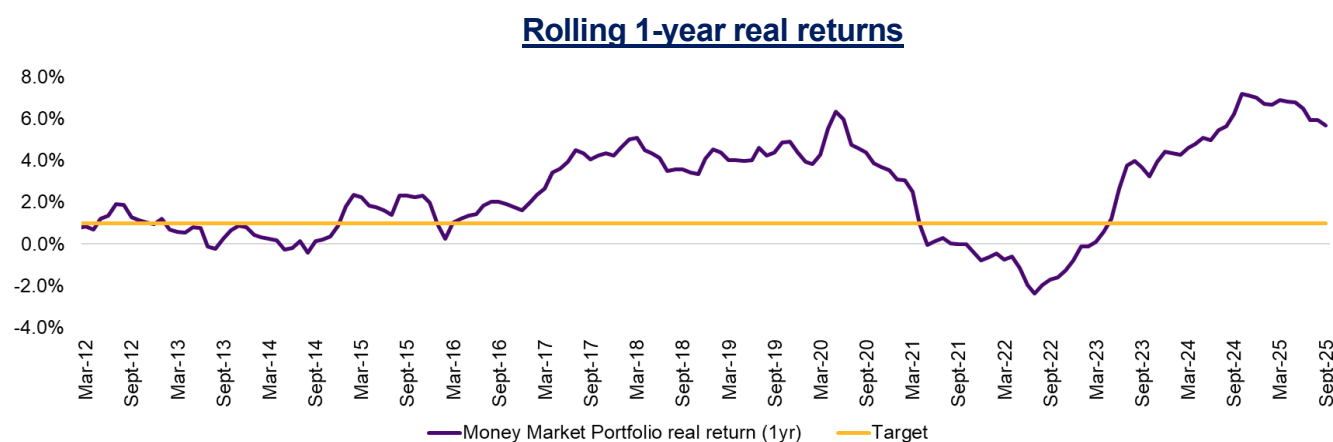
Below are the annualized investment returns for all the portfolios over different measurement periods, until 30 September 2025. Please note that the returns are shown after deducting investment manager fees and related costs and charges:

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	15.8%	17.1%	14.2%	11.0%	10.6%	12.1%	12.4%
Stable Portfolio	14.2%	13.8%	11.4%	9.2%	8.9%	8.5%	9.6%
Money Market Portfolio	9.1%	9.4%	7.8%	7.8%	8.0%	7.6%	8.1%
Shari'ah Portfolio	15.1%	12.1%	11.3%	9.2%	7.9%	n/a	n/a
CPI (Inflation)	3.5%	4.2%	5.0%	4.6%	4.8%	5.1%	5.5%

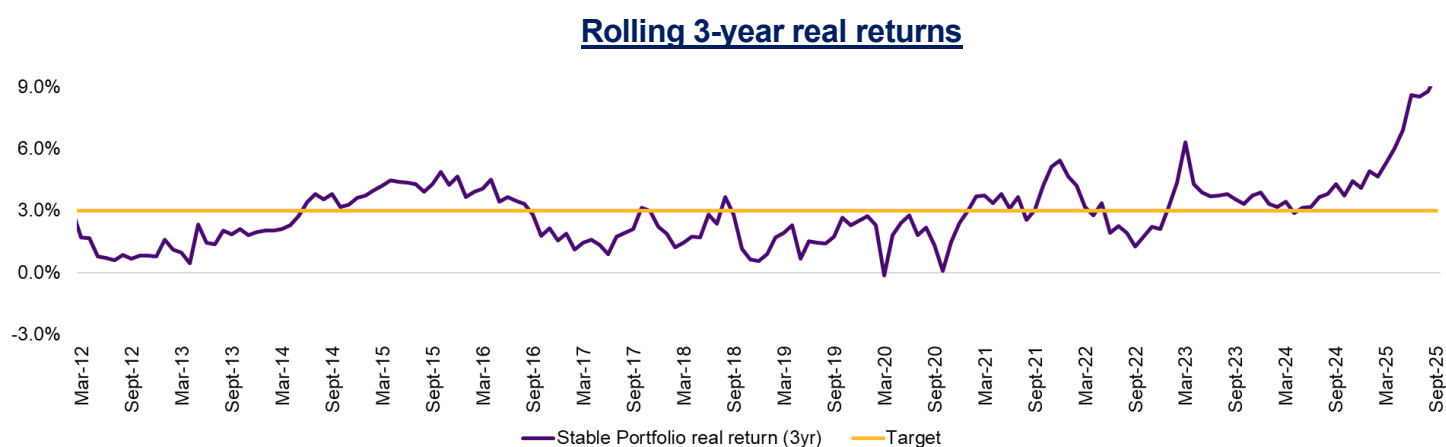
MONITORING OF LONGER-TERM PERFORMANCE OF THE PORTFOLIOS

To give you an indication of how the Market-linked, Stable and Money Market portfolios compare to each other at 30 September 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 September 2025.

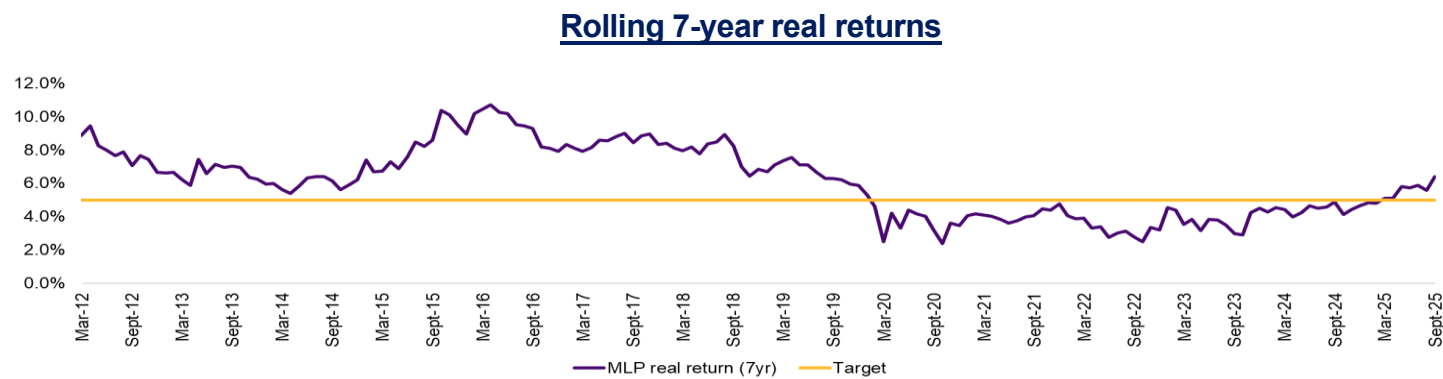
The **Money Market portfolio** has delivered some 5.7% per annum above inflation for the last year, which is significantly above its investment objective of 1% per annum above inflation over a rolling 1-year period. This is illustrated below:



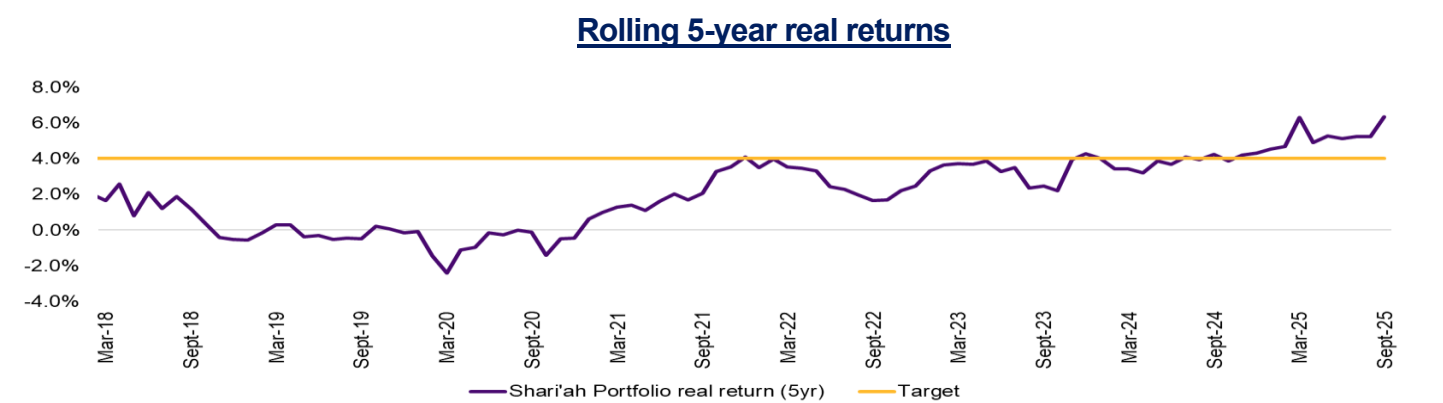
The **Stable portfolio** has delivered some 9.5% per annum above inflation for the last three years, which is well above its investment objective of 3% per annum above inflation over a rolling 3-year period. This is illustrated below:



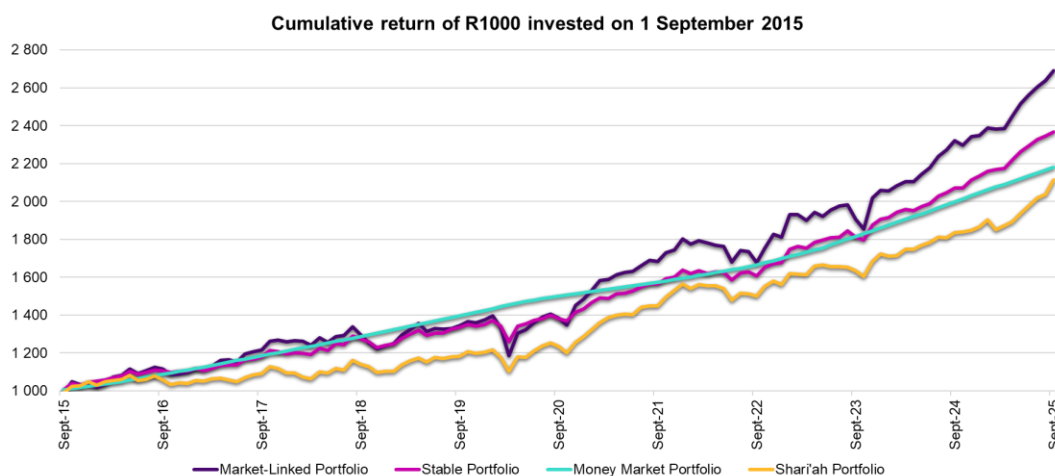
The **Market-linked portfolio** (which is the portfolio for the wealth-building stage of the life stage model) has delivered some 6.4% per annum above inflation over the last seven years, which is marginally above its long-term investment objective of 5% per annum above inflation over a rolling 7-year period. This is illustrated below.



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:



CUMULATIVE COMPARISON OVER 10 YEARS TO 30 SEPTEMBER 2025



MARKET COMMENTARY

The SA equity index was up by 12.8% over the quarter, driven almost entirely by the strong performance of the gold and platinum miners. Index heavyweights Naspers and Prosus, together with the gold and platinum counters, account for almost all the three-month return, which means the rest of the market delivered an aggregate return of

close to 0%.

SA nominal bonds posted a strong return over the quarter, mainly because the market started pricing in a much lower future inflation rate in the range of 3.5% to 4% p.a.

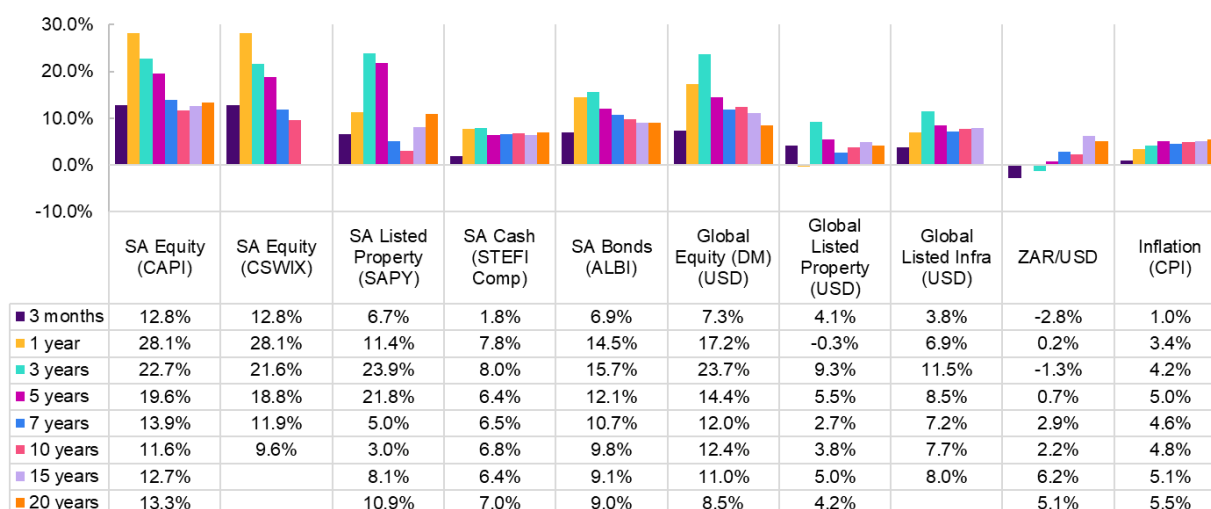
As of quarter end the 10-year SA government bond was pricing in a breakeven inflation rate of 4.25% p.a. Naturally, holders of nominal bonds demand a premium for the risk that inflation could be higher than expected; the so-called inflation risk premium is generally around 0.75% p.a., which suggests that investors are expecting inflation to average around 3.5% p.a. for the next 10 years.

Global equities have also delivered exceptional returns over the period, but in this instance, returns have been driven largely by the so-called Magnificent Six U.S. technology firms; Nvidia, Alphabet, Apple, Amazon, Meta and Microsoft (with Tesla now removed from the original Magnificent Seven).

The pattern of a highly concentrated market repeats in emerging market equities which were up 10.6% in US\$ over the quarter. The three largest counters in the index, TSMC, Tencent and Alibaba were up 23.3%, 32.0% and 57.4% respectively in US\$. Combined, these three counters contributed just over half the index return. The same three counters were also the dominant contributors to the 12-month return of the MSCI EM index with US\$ returns of 54.2% (TSMC), 40.1% (Tencent) and 56.1% (Alibaba). The Chinese equity market was up 30.8% over the year, led by its technology and battery companies whereas the Indian market lagged, being down 13.2%.

The SA Reserve Bank cut local short-term interest rates again by 25bps in July 2025, bringing the repo lending rate to 7.00% p.a. The US Federal Reserve made a notable change in September by lowering the federal funds rate after a period of holding rates steady. This move was implemented in response to signs of slowing economic growth and easing 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.

MEMBER EDUCATION WORKSHOPS - LEARN, GROW AND FLOURISH!

PRE-RETIREMENT WORKSHOPS

ARE YOU READY TO RETIRE SUCCESSFULLY?

The Fund held three virtual pre-retirement workshops at the end of July 2025. At the workshops, the different pension options available at retirement and the pros and cons of each option were discussed in detail. We are happy to report that a total of over 200 members attended the sessions.

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.

If anyone is interested in watching these sessions, video recordings were made and are available from Dorathy Cedras – see her contact details on the last page.

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.

MEMBER FEEDBACK SESSIONS

Three sessions were held virtually at the end of July 2025. At these sessions we revisited many important Fund issues e.g. the flexible contributions and how your contribution rate can affect your final benefit. Included below we take a look at some statistics regarding the contributions payable by members.

We also covered the investment portfolios the fund offers members as well as details on the Life Stage model. Below is also a short recap on the different portfolios offered by the fund.

If anyone is interested in watching these sessions, video recordings were made and are available from Dorathy Cedras – see her contact details on the last page.

FLEXIBLE CONTRIBUTIONS PAYABLE BY MEMBERS OF THE FUND

This particular important area was discussed in detail at this year's member feedback session.

The table below demonstrates the number of members of this Fund that are contributing to each category. Every year members have an opportunity to change their contribution rates. Below we have shown the July 2025 numbers as well as the numbers after the members had a chance to change their contribution rate. As can be seen, the majority of members are still contributing at the lower contribution rates and there was very little change from 1 year to the next.

PetroSA Main		
Member Group	No of Members	
	July-25	August-25
7.5%	199	193
10.0%	93	89
12.5%	125	115
15.0%	71	75
17.5%	58	62
20.0%	32	30
22.5%	21	26
25.0%	9	8
27.5%	18	25

Disability		
Member Group	No of Members	
	July-25	August-25
Disability 10.0%	8	8
Disability 12.50%	32	32

SANPC: Ex PetroSA Members		
Member Group	No of Members	
	July-25	August-25
7.5%	73	72
10.0%	21	21
12.5%	27	26
15.0%	23	25
17.5%	23	20
20.0%	6	7
22.5%	5	6
25.0%	5	5
27.5%	5	6
SANPC: Ex SFF Members		
Member Group	No of Members	
	July25	August25
7.5%	1	1
12.5%	2	2
5.0%	1	1
17.5%	9	9
20.0%	1	1
25.0%	1	1
27.5%	5	5

In order to provide a reasonable retirement benefit you should ideally structure your package so that PetroSA contributes at least 15.0% of your pensionable salary for your retirement savings. Possibly the main reason why you **might** have structured your package on a lower retirement savings contribution rate is to pay off debt (for example your housing bond) quickly. If you have elected a lower contribution rate for the period that you might be paying off a debt, then it is very important that you increase your retirement contribution as soon as the debt is paid.

Note: There is a huge risk of inadequate retirement benefits if you make too low an allocation for retirement savings.

INVESTMENT PORTFOLIOS OFFERED BY THE FUND

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). Members can choose from the following portfolios:

- Market-Linked Portfolio,
- Stable Portfolio,
- Money Market Portfolio,
- Shari'ah Portfolio

These portfolios are discussed in more detail below.

For members not wishing to make an own choice, they can opt for the Fund's default investment strategy which is the life stage model. The life stage model consists of three portfolios, namely the Market-Linked Portfolio, the Stable Portfolio and the Money-Market Portfolio.

Member's money will automatically be invested according to the Life Stage model unless they make a positive choice to invest their money in another way (i.e. one or more of the "own choice" portfolios).

The Market-Linked Portfolio

The Market-Linked Portfolio has been designed to deal mainly with **inflation risk**. According to the life stage model your money will be invested exclusively in the Market-linked Portfolio until 10 years before your assumed retirement age. This means that members money will be invested 100% in the Market-linked Portfolio up to age 55.

The Market-Linked Portfolio has an investment objective to deliver an investment return that is 5% p.a. (net of tax and investment management fees) higher than the consumer price inflation rate over any 7- year period, *although this return is not guaranteed*.

The assets of this portfolio are invested mainly in a mix of shares and bonds (local and offshore). As such, it is exposed to the performance of these markets, and the return you earn from this portfolio over a period may be positive or negative depending on market conditions.

The Stable Portfolio

The Stable Portfolio has been designed to deal mainly with capital risk a member faces. According to the life stage model their money will be invested fully in the Stable Portfolio from age 60 onwards. Then from age 63 part of your money will be invested in the Money Market Portfolio and at age 64 their money will be invested fully in the Money Market Portfolio.

The investment objective of the Stable Portfolio is to earn a real return (after deducting retirement fund tax and management expenses) relative to price inflation of 3% p.a. over any rolling 3-year period, with a focus on short-term protection of capital. **However, this level of return and protection of capital is not guaranteed.**

This portfolio aims to achieve sustainable positive returns, with protection against capital loss. It is suitable for members of the Fund who are within five years of retirement, and who want to protect their capital. It is also suitable for any younger members who might prefer "smoother" returns.

The Money Market Portfolio

The Money Market Portfolio is invested 100% in SA money-market instruments. The prime objective of the Money Market portfolio is to preserve the Rand value of members' retirement savings at all times and to increase it with the interest earned on the underlying money-market instruments. Importantly this portfolio does not provide such a guarantee.

It is expected that over the long-term this portfolio will achieve an after tax return of some 1% per annum above inflation over 12-month periods.

This portfolio is designed for those members wanting complete protection against "final payment risk". However, it gives limited protection against "inflation risk".

Transitioning between the Market-Linked; Stable and Money-Market Portfolios

According to the life stage model, the money you have invested in the Market-Linked Portfolio will be transitioned in 5 more or less equal instalments starting at the end of the month following the member's 56th birthday. This means that by the end of the month in which they turn 60 their accumulated savings will be fully invested in the Stable Portfolio until they reach age 63.

From age 63 onwards, 50% of their accumulated savings contributions will be transferred to the Money Market Portfolio. At age 64, 100% of their money will be invested in the Money Market Portfolio until their retirement.

Their future monthly retirement saving contributions will be allocated in the same way as their accumulated savings.

The following table explains this transition in more detail.

Month-end birthday following	Allocation of existing savings as well as future contributions		
	Market- linked	Stable	Money Market
55 and younger	100%	0%	0%
56	80%	20%	0%
57	60%	40%	0%
58	40%	60%	0%
59	20%	80%	0%
60	0%	100%	0%
61	0%	100%	0%
62	0%	100%	0%
63	0%	50%	50%
64	0%	0%	100%

The only portfolio that does not form part of the life stage model is the Shari'ah Portfolio which is explained below.

The Shari'ah Portfolio

The investment objective of the Shari'ah Portfolio to deliver a real return of 4% (after deducting management expenses) in excess of SA price inflation over any rolling 5- year period. This investment return *is not guaranteed* and will depend on market returns and investment manager skill.

The assets of this portfolio are invested in a mix of Shari'ah compliant shares (local and offshore) and local "Islamic bonds". The Fund has a lower weighting to equities and a higher weighting to fixed income assets than the PetroSA Retirement Fund's Market- linked Portfolio. This means that the Shari'ah Portfolio should provide a somewhat greater cushion against negative returns in the equity markets in the short term than the Market-linked Portfolio.

This portfolio is exposed to the performance of markets, and the return you earn from this option over shorter periods may be positive or negative depending on market conditions.

This portfolio does not form part of the Life Stage Portfolios.

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	Ms NM Jwaai	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

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 cost of R 74.46 pmpm (per member per month) plus VAT)
- Deferred members – Administration costs of R 56.14 pmpm plus VAT deducted from deferred pension account
- Deferred pensioners – Administration costs of R 56.14 pmpm plus VAT deducted from member individual account
- Living annuitants – Initial fee = R1291.05 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 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 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 30 September 2025):

Portfolio	SA Equities AA	SA Bonds AA	Money Market AA	SA Property AA	Offshore AA	Other AA
Market-linked Portfolio	37.8%	20.3%			41.9%	
Stable Portfolio	13.6%	35.5%	13.4%	1.1%	33.5%	3.0%
Money Market Portfolio			100.0%			
Shari'ah Portfolio	36.0%		30.9%		27.0%	6.1%

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.

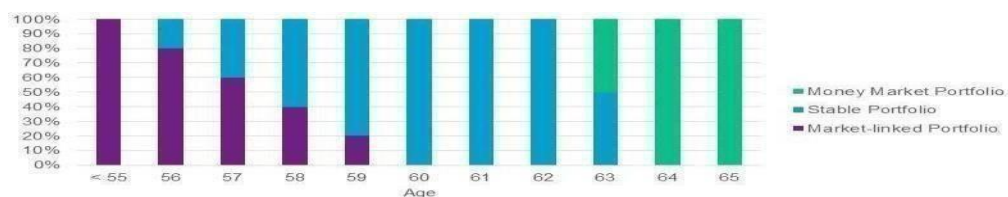
Stable Portfolio: Target return of **CPI + 3%** per annum over a rolling 3-year period. Lower volatility than the Market Linked portfolio. Strategic asset allocation determined by the managers.

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-halal 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.