



# PetroSA Retirement Fund

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

## NEWSLETTER

**ISSUE NUMBER: 1/2026**  
**February 2026**

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

Welcome to the first newsletter for the year. We are sure that 2026 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 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

February 2026

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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

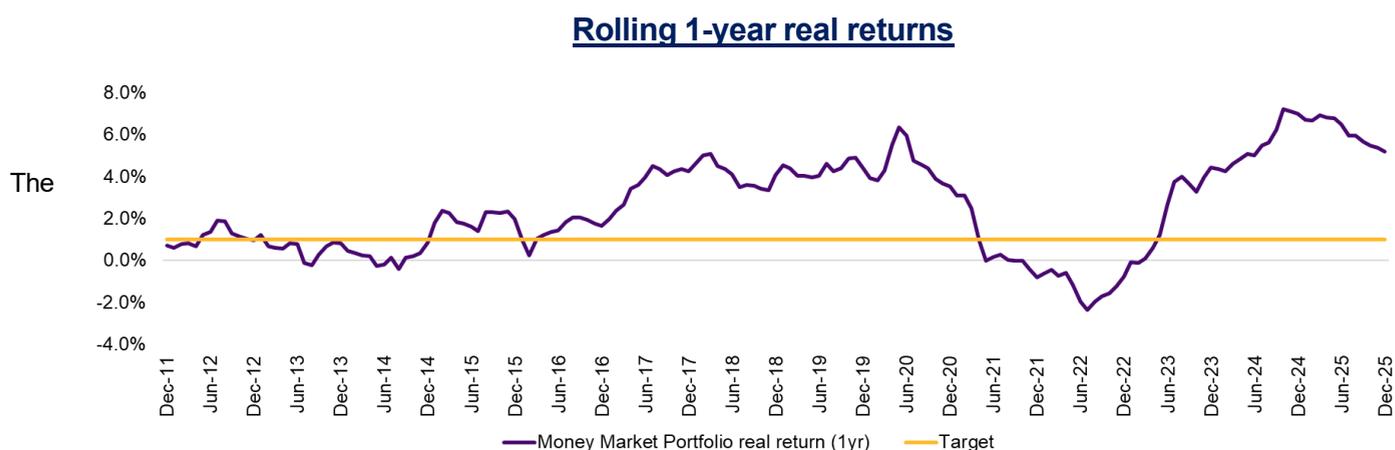
Below are the annualized investment returns for all the portfolios over different measurement periods, until 31 December 2025. Please note that the returns are shown after deducting investment manager fees and related costs and charges:

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	19.2%	15.6%	13.5%	12.3%	10.5%	12.1%	12.2%
Stable Portfolio	14.4%	13.3%	11.2%	10.2%	8.8%	8.5%	9.4%
Money Market Portfolio	8.8%	9.4%	8.0%	7.8%	8.1%	7.6%	8.1%
Shari'ah Portfolio	18.5%	12.3%	11.4%	10.4%	7.7%	n/a	n/a
CPI (Inflation)	3.6%	3.9%	5.0%	4.6%	4.8%	5.0%	5.5%

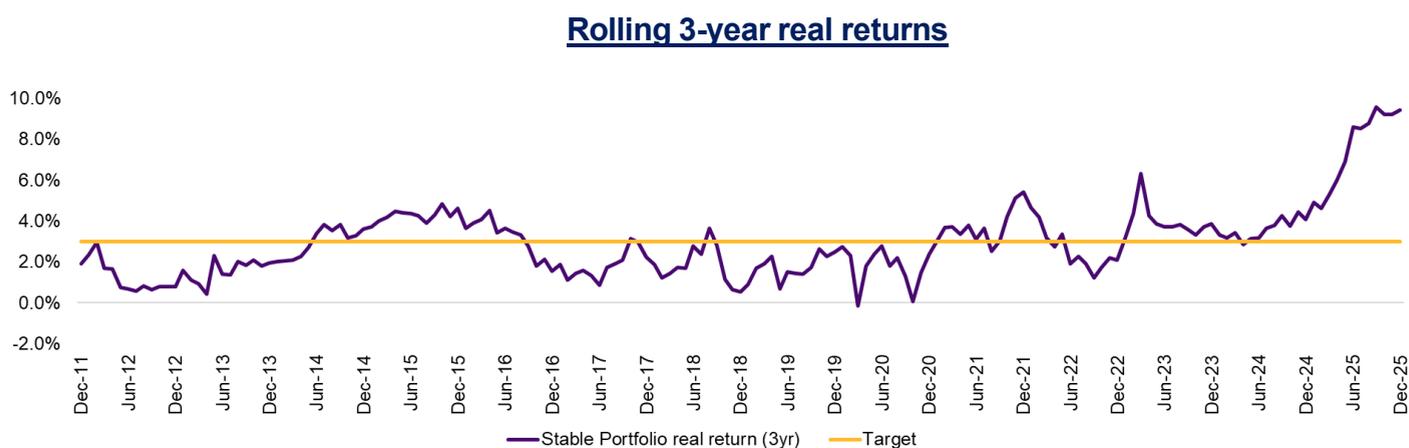
## MONITORING OF LONGER-TERM PERFORMANCE OF THE PORTFOLIOS

To give you an indication of how the Market-linked, Stable and Money Market portfolios compare to each other at 31 December 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 December 2025.

The **Money Market portfolio** has delivered some 5.2% 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:

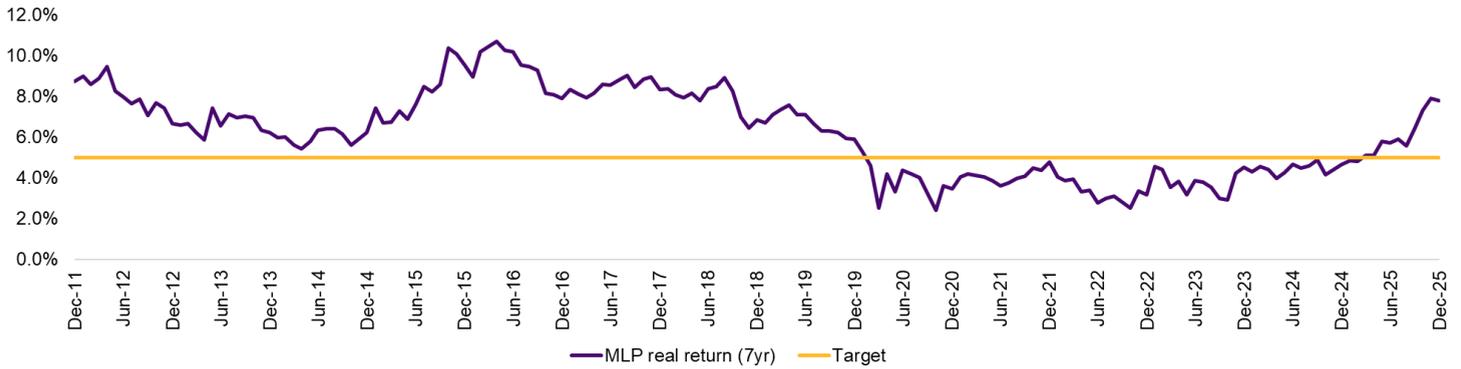


**Stable portfolio** has delivered some 9.4% per annum above inflation for the last three years, which is well above its investment objective of 3% per annum above inflation over a rolling 3-year period. This is illustrated below:



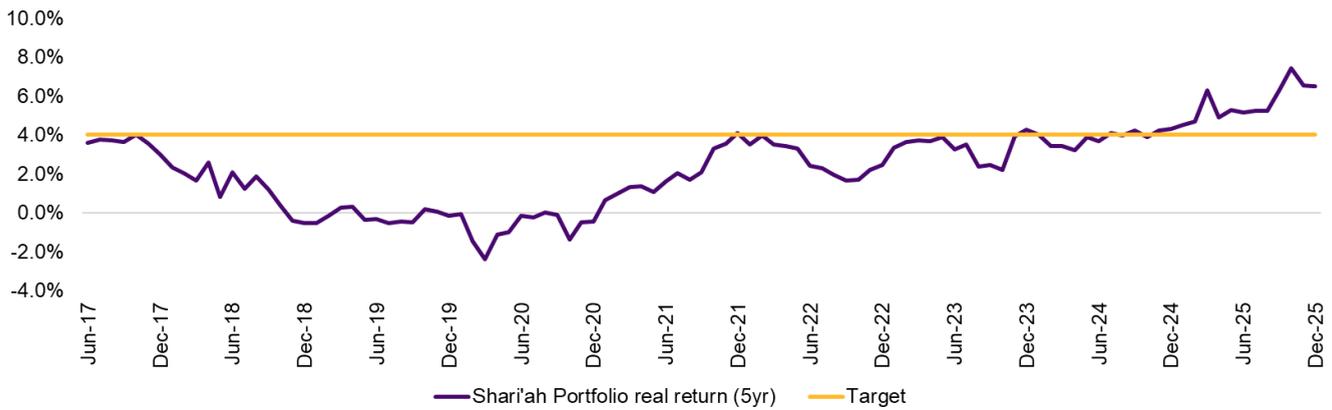
The **Market-linked portfolio** (which is the portfolio for the wealth-building stage of the life stage model) has delivered some 7.8% per annum above inflation over the last seven years, which is marginally above its long-term investment objective of 5% per annum above inflation over a rolling 7-year period. This is illustrated below.

### Rolling 7-year real returns



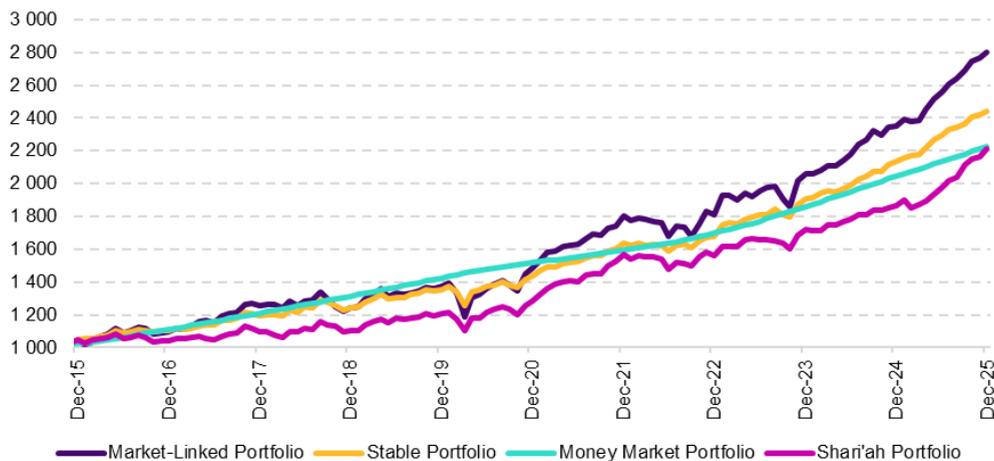
The **Shari'ah portfolio** has delivered some 6.5% per annum above inflation for the last five years, which is well above its investment objective of 4% per annum above inflation over a rolling 5-year period. This is illustrated below:

### Rolling 5-year real returns



### **CUMULATIVE COMPARISON OVER 10 YEARS TO 31 DECEMBER 2025**

**Cumulative return of R1 invested on 1 December 2015**



## MARKET COMMENTARY

Over the final quarter of the year, the JSE CAPI Index +8.9%, with performance again uneven by sector. Financials rose +18.9% and Resources gained +10.3%, while Industrials declined -1.2% over the quarter. South African listed property was a notable standout over the quarter (+16.3%), consistent with improved sentiment toward rate-sensitive assets.

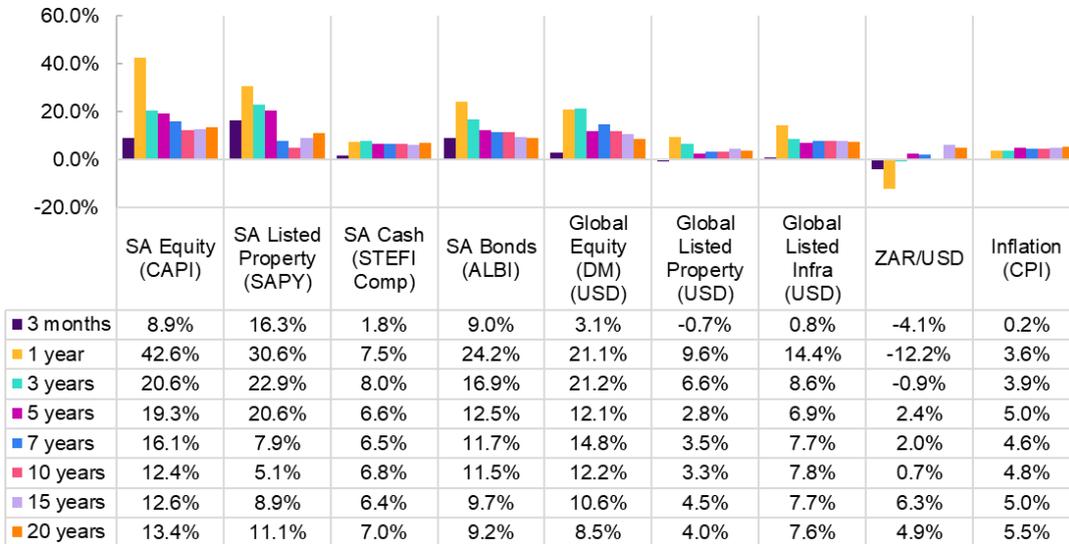
The stellar performance of SA equities was driven by the platinum and gold sector shares that were up 218.6% and 200.4% respectively over the year. In addition, index top 10 shares MTN and British American Tobacco delivered a 12-month return of 89.4% and 48.6%. The only four sectors outperformed the index. The poorest performing sector was general retailers reflecting the anaemic economic growth in SA and a heavily indebted consumer.

Diversified miners were only up 9.1% over the 12-month period, highlighting that it was only the platinum and gold prices that moved up strongly over the year.

The ZAR appreciated by 12.2% against the US\$ which naturally had the effect of reducing the ZAR return of the global asset classes. Global equities were up 22.3% in US\$, once again driven by the strong performance of large cap U.S. technology companies. As one would expect, Africa ex-SA and emerging market equities benefitted from the weaker US\$.

2025 was another period in which market returns were narrow. Local investment managers that were materially underweight platinum and gold shares would have under-performed the index significantly, whereas global managers that were under-weight AI technology shares generally struggled against the index.

A description of the different indices appears below:



- CAPI: SA equities as measured by the All Share Index (each share capped at 10%)
- SAPY: SA listed properties as measured by the SA Property Index
- SteFI: SA short-term fixed interest investments (Cash)
- ALBI: SA All Bond Index (Nominal Bonds)
- Global Equity (DM): MSCI ACWI ND USD (Developed Markets)
- Global 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.**

# INTRODUCTION OF HYBRID ANNUITIES – COMBINATION OF LIFE ANNUITY AND LIVING ANNUITY

We are pleased to announce that the PetroSA Retirement Fund have amended the rules to allow for a hybrid pension arrangement.

## What is the current status?

At the moment, members who retire have an option to choose either a life annuity or a living annuity. The life annuity must be purchased with an outside service provider, whereas the living annuity can be purchased from the Fund (in-house) or from an outside service provider.

## What changes with this new rule amendment and what does a hybrid pension mean?

With this new change, future retirees can now choose to purchase both a life and living annuity e.g. 50% life annuity and 50% living Annuity (it is, however, not restricted to a 50%/50% ratio.) Members can choose any ratio they wish. As mentioned earlier, the life annuity can only be purchased with an outside service provider and the living annuity can be either an in-house living annuity or an outside living annuity with a service provider of your choice.

## What happens to existing in-house living annuitants?

This change will also apply to **all existing living annuitants** of the fund. Existing living annuitants who decide to purchase a life annuity with a portion of their living annuity capital, can do so. However, there is a slightly longer process involved in doing so. Living annuitants wishing to do this will need to inform the Principal Office of the Fund who will in-turn apply for a Section 14 transfer. A Section 14 transfer is the transfer of a retirement fund benefit (part of your living annuity capital from your PetroSA Retirement Fund) to another (outside service provider's life annuity product). This process can take several months.

It is also important to note that this hybrid arrangement is an additional option offered to members of the PetroSA Retirement Fund. The existing options remain as is.

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

### ARE YOU READY TO RETIRE SUCCESSFULLY?

The Fund will be holding virtual pre-retirement workshops during March or April 2026. We will communicate closer to the time once the dates and times of these sessions have been finalised. At the workshops, the different pension options available at retirement and the pros and cons of each option were 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.

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.

## SUMMARY OF THE INTERIM VALUATION RESULTS

The interim valuation of the Fund was performed as at 31 January 2025. This has been sent to the FSCA, and we are currently awaiting their final approval.

The financial position of the Fund at 31 January 2025 is set out in the table below.

<b>R'000</b>	<b>31 Jan 2025 Interim After recommendations</b>
<b>Market value of net assets</b>	<b>2 486 241</b>
<b>Accrued liabilities</b>	
<b>Members' individual     accounts – active and     deferred members     (before     recommendations)</b>	<b>2 096 576</b>
<b>Deferred pensioner account</b>	<b>185 414</b>
<b>Pension account</b>	<b>201 419</b>
<b>Amounts to be allocated</b>	<b>-</b>
<b>Contingency reserves</b>	
<b>Processing error reserve account</b>	<b>-</b>
<b>Expense reserve account</b>	<b>2 832</b>
<b>Surplus / (Deficit)</b>	<b>-</b>
<b>Funding level (Funding basis)</b>	<b>100.00%</b>
<b>Funding level prior to reserves</b>	<b>100.12%</b>

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 100.12%.

# 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](http://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](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: Belinda Burger\*

Telephone: 0832673963

E-Mail: [belindaburger1406@outlook.com](mailto: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](mailto: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](mailto: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 <sup>1</sup>	Transaction costs	Total Fees and Charges
Market-linked	<b>0.36%</b> <i>(0.41%)</i>	<b>0.04%</b> <i>(0.05%)</i>	<b>0.07%</b> <i>(0.19%)</i>	<b>0.11%</b> <i>(0.11%)</i>	<b>0.57%</b> <sup>2</sup> <i>(0.77%)</i>
Stable	<b>0.54%</b> <i>(0.54%)</i>	<b>0.19%</b> <i>(0.08%)</i>	<b>0.13%</b> <i>(0.13%)</i>	<b>0.05%</b> <i>(0.04%)</i>	<b>0.90%</b> <sup>3</sup> <i>(0.79%)</i>
Money Market	<b>0.09%</b> <i>(0.09%)</i>	<b>0.00%</b> <i>(0.00%)</i>	<b>0.02%</b> <i>(0.02%)</i>	<b>0.00%</b> <i>(0.00%)</i>	<b>0.11%</b> <i>(0.11%)</i>
Shari'ah	<b>0.71%</b> <i>(0.73%)</i>	<b>0.00%</b> <i>(0.00%)</i>	<b>0.11%</b> <i>(0.07%)</i>	<b>0.09%</b> <i>(0.12%)</i>	<b>0.91%</b> <i>(0.92%)</i>

<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 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.<sup>3</sup> Performance fees were paid for the Allan Gray Global Stable portfolio for the Orbis Fund.

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

# GENERAL INFORMATION ON INVESTMENTS

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

**Actual Asset allocation (as at 31 December 2025):**

Portfolio	SA Equities	SA Bonds	Money Market	SA Property	SA Infra Debt	Offshore	Other
Market-linked Portfolio	38.0%	17.4%			3.1%	41.6%	
Stable Portfolio	14.4%	35.8%	14.4%	1.2%		31.7%	2.6%
Money Market Portfolio			100.0%				
Shari'ah Portfolio	38.1%		32.7%			23.8%	5.4%

The "Other" asset class includes commodities.

**Target return and comment:**

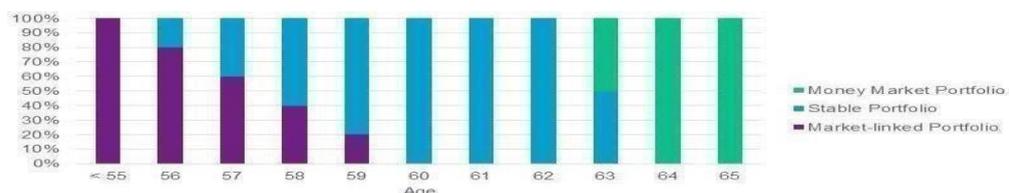
**Market Linked Portfolio:** Target return **CPI + 5%** per annum over a rolling 7-year period. Highest potential return; highest volatility; highest chance of negative returns over short periods. Most appropriate for long-term investing (>10 years). Strategic asset allocation determined by the Board.

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

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

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

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



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

## OTHER GENERAL INFORMATION

### COMPLETION OF CLAIM FORMS ON LEAVING THE FUND

Claim forms that are not completed correctly will result in unnecessary delays. It is therefore important that you read the claim form thoroughly, fill in all relevant information and then submit the claim to your Human Capital department who in turn will submit this to Alexander Forbes by no later than the 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.