MEMBER NEWSLETTER

MAY 2025

Dear Member,

We hope this newsletter finds you well! As we celebrated Workers' Day on 1 May, we honour the vital role you play as part of South Africa's workforce. Your commitment and daily efforts power not only your organization but this Fund and the broader economy. In this edition, we would like to update you on some key Fund matters of interest. These include the importance cybersecurity in protecting your benefits, how death benefits are distributed in the Fund, a snapshot of the Fund's 2024 B-BBEE scorecard, and why Workers' Day and retirement saving go hand in hand. We have also included an investment update on the Fund's portfolios and cited a change in the benefit consulting servicing team to the Fund. We trust you will find this information useful.

From the Office of the Principal Officer.

Protect Your Money: Cybersecurity & Your Retirement Fund

As more financial and retirement services go digital, your personal and financial data become a target for cybercriminals. Identity theft and fraud are rising risks—especially when members unknowingly share sensitive information. As a Fund we have various cybersecurity interventions in place to ensure that your personal and financial data is protected at all times. This however does not deter cybercriminals from attempting to access your information illegally.

⚠ *Watch Out For These Red Flags:*

- Emails or SMSs asking for your ID number, banking details or OTPs
- Messages that pressure you to act quickly or threaten account suspension
- Links to unfamiliar websites perporting to be your Fund or Administrator

🔒 *Keep Yourself Safe:*

- Never share your Fund membership number, ID or login credentials with anyone over phone, email or social media.
- Always access the Fund’s portal or communication from trusted, official sources.
- Contact us or the Administrator, Alexforbes, directly if you’re unsure about any communication.

🛡 *Remember:*

Just as you protect your wallet in the real world, protect your digital wallet online. If you suspect suspicious activity or want to update your contact details, reach out to us immediately.

The Distribution of Death Benefits

In the unfortunate event of a member's passing, Section 37C of the Pension Funds Act regulates how the benefits from your retirement fund is distributed. The Board is responsible for ensuring that the benefits are distributed to your dependants, taking into account your wishes and their financial needs. The following elements are important to consider regarding the distribution of your retirement fund death benefits:

- **Dependants Considered by Trustees**: This includes not just spouses and children, but also any other individuals who were (or are going to be) financially or legally dependent on you, such as parents, extended family, or unborn children.
- **Discretion of Trustees**: In the presence or absence of a beneficiary nomination form, the Trustees have the discretion to distribute the benefits according to Section 37C. While they aim to be fair, it can be a lengthy and complicated process without clear information from you regarding your beneficiary nomination and dependants. The UNISARF Beneficiary Nomination Form makes provision to list both your nominated beneficiaries and disclose your dependants.
- **Provisions for Minor Beneficiaries**: If minor children or dependants are listed as beneficiaries, the funds may be paid to a beneficiary fund to ensure their financial security until they reach adulthood. This is considered by the Trustees based on the needs of the guardian and protection of the minor child's benefit.

It's essential to keep your beneficiary nomination form(s) up-to-date to ensure your wishes are taken into consideration when the Trustees distribute your benefit. Without an updated form, the Trustees will not have a clear indication of your wishes. Life events such as marriage, divorce, or the birth of a child are important triggers to review and update your form. Please take a moment to ensure your details are current. There are three nomination forms to consider whenever you are updating your beneficiaries:

- **UNISARF Beneficiary Nomination Form** – this form expresses your wishes for the distribution of the benefit in the Fund. Should you still be employed on death, there is an additional amount of 2 times your pensionable salary that forms part of this benefit.
- **Old Mutual Group Life Cover Nomination Form** – this form expresses your wishes for the lump sum life cover amount that you enjoy as an employee.
- **Momentum Corporate Funeral Cover Nomination Form** – this form expresses your wishes for the distribution of your funeral cover amount as an employee.

Over and above the mentioned benefits, your spouse or life partner qualifies to receive 35% of your pensionable salary per annum, payable on a monthly basis until he/she passes on. If there is no spouse or life partner at date of death, your children will receive 35% of your annual pensionable salary in qualifying shares until they reach age 18 or age 24 in the case of full-time students. These benefits do not need any nomination.

The above-listed Nomination Forms are available on the Fund's website by clicking here: ***https://unisarf.co.za/unisarf/forms*****.**

The Fund’s 2024 B-BBEEE Scorecard

The Fund voluntarily submits an annual B-BBEE Report to the Financial Sector Transformation Council (FSTC). This report assesses the Fund’s progress towards transformation, equity, and empowerment within the financial sector. The report is used by the FSTC to monitor and assess the financial industry's overall compliance with the B-BBEE Act and helps track progress towards economic inclusivity. The Fund’s B-BBEE Scorecard below, measures the Fund’s management control and preferential procurement against a target. The Board is proud to report that the Fund scored 91/100 in the 2024 reporting period. The Fund remains committed to playing a meaningful role in transformation within the industry.

University of South Africa Retirement Fund			**Year:**	**2024**
Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 AMENDED FINANCIAL SECTOR CODE 2017 as it applies to retirement funds Revised in terms of Code 000, Statement 003 of the Amended Codes of Good Practice				
Summary scorecard	**Points**			**Score**
Management control	20			20.0
Preferential procurement	80			71
Total	100			91
1. Management control	**Points**	**Target**	**Actual**	**Score**
Description	**20**			**20.0**
Board and executive management participation				
Exercisable voting rights of black board members as a percentage of all board members	8	50%	80%	8.0
Exercisable voting rights of black female board members as a percentage of all board members	4	25%	30%	4.0
Principal officer and executive and senior management if applicable	8	50%	100%	8.0
2. Preferential procurement scorecard	**Points**	**Target: years 1 to 3**	**Actual**	**Score**
Percentages based on the applicable BBBEE procurement recognition levels as a percentage of *total measured procurement spend*	**80**			**71**
BBBEE procurement spend				
all empowering suppliers	35	75%	134%	35.0
empowering suppliers who are QSEs or EMEs	10	15%	26%	10.0
empowering suppliers who are at least 51% black owned	25	15%	39%	25.0
empowering suppliers who are at least 30% black women owned	10	7.5%	1%	0.7

Source: UNISARF 2024 FSTC B-BBEE Report Submission

Fund Investment Performance - Quarter 1 2025

- The absolute real returns delivered for the **Inflation Target Portfolio** lags its inflation related benchmark in what has been challenging local market conditions with the best performing local asset class over the seven year period being SA bonds.
- The **Stable Portfolio** outperformed its inflation-related benchmark by a very good 2.3% p.a. over three years mainly because of the strong performance of its enhanced cash strategies.
- The **Income Protection Portfolio** delivered an excellent real return of 7.4% over the year as short term interest rates remained high and inflation declined materially. The use of judicious credit strategies contributed to the observed positive outcome.
- The **Shari'ah portfolio** out-performed its inflation related benchmark with 0.2% p.a. over the 7-year period; the manager performance has detracted 3.2% p.a. over the seven year period arising from an underweight to commodity shares early on and under-utilization of the portfolio's risk budget as evidenced by the very good Sortino Ratio.

Portfolio	Real return	Value added	Inform Ratio	Sortino Portfolio	Sortino SAA	Fees
Inflation Target Portfolio (7 years) CPI+6%	5.2%	-0.9%	-56.8%	99.1%	104.6%	0.57%
Stable Portfolio (3 years) CPI+3.5%	5.8%	0.7%	91.1%	269.4%	208.4%	0.51%
Income Protection Portfolio (1 year) CPI + 1.5%	7.4%	1.7%	n/a	n/a	n/a	0.17%
Shari'ah Portfolio (7 years) CPI + 3.5%	3.7%	-3.2%	-49.6%	130.3%	107.8%	0.97%

Fees, exclude an allowance for performance fees, but includes expected trading costs

Honouring Workers' Day: Invest in Your Future Self

As we celebrated Workers' Day on 1 May, we honour the vital role you play as part of South Africa's workforce. Your commitment and daily efforts power not only your organization but the broader economy. But while you work hard today, it's just as important to ensure that your future self is protected. That's where your retirement savings come in.

Why Workers' Day and Retirement Saving Go Hand in Hand:

- Your work earns you an income, and your retirement fund turns part of that income into long-term security.
- Just like every day you go to work builds your career, every contribution builds your future stability.
- Workers' Day is not only a reminder of workers' rights—but also the right to retire with dignity.

💡 Quick Tips for Retirement Success:

- Don't cash out your retirement savings if you change jobs—preserve it in the Fund or transfer it. If you are uncertain please contact the Fund's Retirement Benefit Counsellor, Ms Kea Riet.
- Review your beneficiary nomination form regularly.
- Learn about the two-pot retirement system, the tax and long-term implications before you consider accessing your savings pot.

👉 Speak to us to understand how your retirement fund works for you!

Contact Us

If you require any further information regarding this communication or general Fund information, please contact the Fund's office of the Principal Officer, the Fund's Retirement Benefits Counsellor or the Benefit Consultants on the details below. Please take note of the changes to the servicing team from Simeka, the Fund's benefit consultants. We welcomed Michael and Zama to the Fund as of 1 April 2025.

Principal Officer's Assistant	Ms Lutho Dondashe	tdondals@unisa.ac.za	012 433 9474
Deputy Principal Officer	Mr Cedrick Pila	tpilamc@unisa.ac.za	012 433 9441
Principal Officer	Ms Lavinia Khangala	tkhangl@unisa.ac.za	012 429 9423
Retirement Benefits Counsellor	Ms Keabetswe Riet	kea@infund.co.za	012 880 5982
Associate Benefit Consultant	Ms Hlobisile Thango	Hlobisile@simekaconsult.co.za	012 369 8811
Benefit Consultant	Ms Zama Nkwanyana	zama@simekaconsult.co.za	011 286 1268
Principal Benefit Consultant	Mr Michael Eybers	michael@simekaconsult.co.za	011 286 1192