University of South Africa Retirement Fund

# MEMBER NEWSLETTER

# AUGUST 2025

Dear Member,

August is Women's Month — a time to honour the vital role women play in shaping families, communities, and our nation's future. It's also a chance to reflect on the lessons we can all learn from the way women create, nurture, and transform wealth over time. One of the most important of these lessons is the power of consistent saving. This month, we invite you to ask yourself: "Am I truly on track to secure my retirement?"

At the University of South Africa Retirement Fund ("the Fund"), we believe that saving for retirement is more than just preparing for tomorrow — it's about building financial confidence today! In this edition, we guide you on how to use your annual projection statement to assess your progress, the tax benefits of saving towards retirement, we share the Fund's latest investment performance, provide an important reminder for members aged 55 and older who wish to opt into the Two-Pot Retirement System before the September 2025 deadline, the appointment of the Fund's new Investment Consultant, and remind you to update your beneficiary nominations and register for online access to your benefits.

From the Office of the Principal Officer

***"A woman is the full circle. Within her is the power to create, nurture and transform."_ Diane Mariechild***

# *YOUR PERSONAL RETIREMENT PROJECTION – HAVE YOU LOOKED AT IT?*

According to data published by the consulting firm Genesis Analytics and the Financial Sector Conduct Authority (FSCA), more than 90% of retirees in South Africa are unable to maintain their standard of living prior to retirement, and two-thirds of members have less than R50,000 in their retirement funds. Our aim as the University of South Africa Retirement Fund ("the Fund"), is to help you avoid such a situation.

The Fund sent Annual Benefit Statements to members in May 2025! Included in your latest Annual Benefit Statement is a Projection Statement tailored just for you. This projection statement estimates what your retirement income will be at your normal retirement date based on your current balance, contributions , and retirement age. Essentially, the Projection Statement shows you what your benefit at retirement might be, in today's money terms. It's a useful tool for your retirement planning because it shows if you're saving enough. You can use this information to plan, if you feel you don't have enough retirement savings for the pension you want. The Projection Statement may also be useful to discuss with your financial advisor, who can advise you on options to change your projected outcome positively.

Here's what to look for in your statement:

- Your estimated income replacement ratio, which is how much of your current salary you will be able to replace when you start earning a pension income at retirement;
- Your current savings path (and how it's trending); and
- A gap analysis, showing how close or far you are from your retirement goal.

You can search for your annual benefit statement in your mailbox by searching for "info slips", in both your main and spam folders. If you still cannot locate your annual benefit statement you can log in to your online profile and retrieve it from there. Please see the section of this newsletter that deals with online access.

**Take action:** If your projected replacement ratio is below 75%, it may be time to reassess your savings strategy. Additional Voluntary Contributions (AVCs) can help close that gap. AVCs are contributions that you can make in addition to your normal contributions to the Fund to increase your retirement benefits. AVCs are voluntary, and any additional contributions made by a member will not be matched by the employer. You can download the AVC form by clicking **here.**

# *TAX BENEFITS OF RETIREMENT SAVING*

Saving for retirement through your retirement fund offers more than just long-term financial security—it also comes with valuable tax advantages. Contributions you make to your retirement fund (up to certain limits) are tax-deductible, which means you can reduce your taxable income and potentially pay less tax each year. In addition, the investment growth within your retirement fund is not taxed until benefits are paid out, allowing your savings to grow faster over time. By taking full advantage of these tax incentives, you can boost your retirement nest egg while enjoying immediate tax relief.

Saving through the Fund comes with the following significant tax advantages:

1. Tax-Deductible Contributions
    - You will receive a tax deduct of up to 27.5% of your taxable income or remuneration (whichever is higher),
    - The tax deduction is capped at R350,000 per year, for contributions to pension, provident, or retirement annuity funds.
2. Tax-free Growth
    - Investment returns (interest, dividends, and capital gains) within retirement funds are not taxed while your money remains invested.
3. Tax-free Lump Sum at Retirement
    - When you retire, you can take up to R550,000 of your retirement savings as a tax-free lump sum. This amount may be reduced if you've previously received tax-free severance or withdrawal benefits from a registered retirement fund.
4. Tax Rebates for Seniors
    - If you're 65 or older, you qualify for additional tax rebates:
        i. Ages 65 – 74: R26,629 rebate
        ii. Ages 75+: R29,824 rebate
    - These rebates reduce the tax you pay on your retirement income.

❖ Q: I'm 45 and only just started saving. Is it too late?
❖ A: Not at all. You still have time to make meaningful progress. Focus on increasing contributions, delaying retirement if possible, and making smart investment choices.

**Final Thought**
Whether you are just starting or nearing retirement, take full advantage of the tax benefits available to you. These benefits are designed to assist you to grow your savings faster and retire more comfortably.

## *HOW DID THE FUND PERFORM? HIGHLIGHTS FROM THE LATEST INVESTMENT RETURNS – UP TO 30 JUNE 2025*

We are pleased to report that despite global economic uncertainty, the Fund remains financially sound and well-managed. Here are some highlights from the investment portfolios as at 30 June 2025. The fund factsheets of the investment portfolios are also available on the Fund's website. The tables below show the returns of the Inflation Target, Stable and Income Protection Portfolios compared to inflation over various measurement periods ended 30 June 2025.

### Inflation Target Portfolio

| | Month | Year to date | One year | Three years | Five years | Seven Years | Since inception* |
|---|---|---|---|---|---|---|---|
| **Period ended 30 June 2025** | | | | | | | |
| Return | 2.0% | 8.7% | 19.2% | 16.3% | 13.9% | 10.4% | 13.2% |
| Less inflation | 0.3% | 2.4% | 3.0% | 4.5% | 5.1% | 4.6% | 5.1% |
| Net real return | 1.7% | 6.3% | 16.2% | 11.8% | 8.8% | 5.7% | 8.1% |

*Since inception: 22 yrs, 6 mths

The Inflation Target Portfolio has delivered a return of 13.2% p.a. since inception (22 years and 6 months) compared to an inflation rate of 5.1% p.a. over the same period. The real return since inception (8.1% p.a.) has comfortably met its performance objective of 6.0% p.a. The portfolio has delivered a return above inflation for all measurement periods; it is 5.7% p.a. ahead of inflation over the most recent 7-year period which is close to its long term real investment performance objective.

### Stable Portfolio

| | Month | Year to date | One year | Three years | Five years | Seven Years | Since inception* |
|---|---|---|---|---|---|---|---|
| **Period ended 30 June 2025** | | | | | | | |
| Return | 1.4% | 7.1% | 15.5% | 14.0% | 11.6% | 9.6% | 10.1% |
| Less inflation | 0.3% | 2.4% | 3.0% | 4.5% | 5.1% | 4.6% | 5.5% |
| Net real return | 1.1% | 4.7% | 12.5% | 9.5% | 6.5% | 5.0% | 4.6% |

*Since inception: 19 yrs, 11 mths

The Stable Portfolio has delivered a return of 10.1% p.a. since inception (19 years and 11 months) compared to inflation of 5.5% p.a. over the same period. The portfolio has delivered a return above inflation over all measurement periods and is 9.5% p.a. ahead of inflation over the most recent three year period thus well above its investment objective.

### Income Protection Portfolio

| | Month | Year to date | One year | Three years | Five years | Seven Years | Since inception* |
|---|---|---|---|---|---|---|---|
| **Period ended 30 June 2025** | | | | | | | |
| Return | 0.8% | 4.5% | 9.9% | 9.6% | 7.9% | 8.1% | 8.2% |
| Less inflation | 0.3% | 2.4% | 3.0% | 4.5% | 5.1% | 4.6% | 5.5% |
| Net real return | 0.5% | 2.1% | 6.9% | 5.1% | 2.8% | 3.4% | 2.7% |

*Since inception: 19 yrs, 11 mths

The Income Protection Portfolio delivered a return of 8.2% p.a. since inception (19 years and 11 months) compared to an inflation rate of 5.5% p.a. over the same period. The portfolio has delivered a return above inflation for all measurement periods. The positive real return over one year of 6.9% represents an excellent outcome.

# *AN IMPORTANT NOTICE FOR MEMBERS OLDER THAN 55 YEARS*

If you were 55 years or older on 1 March 2021, it's essential to understand the rules around the new Two-Pot Retirement System. If you were 55 years or older on 1 March 2021 you were not automatically included in the Two-Pot Retirement System. If you wish to participate in the Two-Pot Retirement System, you must make an explicit choice to opt in before 1 September 2025. Failing to opt in by this date means your retirement savings will remain under the old rules, and you will not have access to the savings pot introduced by the Two-Pot Retirement System. We encourage you to seek financial advice and make an informed decision well before the deadline. You are not compelled to enrol into the Two-Pot Retirement System, and no action is required from you should you wish to remain under the old regime.

As a reminder, the Two-Pot Retirement System legislation aims to:

1. Provide retirement fund members limited access to a portion of retirement savings in times of financial hardship; and

2. Ensure that a portion of members' future retirement savings is preserved until retirement to provide them an income.

What happens to members who do not opt in to the Two-Pot Retirement System?

- If you have not opted in to the Two-Pot Retirement System, you will not be able to access any of your retirement savings before you retire unless you leave your employer, for example if you resign.

- If you stay in the Fund and retire, you will still be able to access your full benefit in cash (subject to rules applicable to your benefit post 1 March 2021 and tax).

An illustration of the various components of Two-Pot Retirement System is below.

# *UPDATING YOUR BENEFICIARY NOMINATIONS*

Life changes — marriage, divorce, the birth of children, or the loss of loved ones — can affect who you would want to receive your benefits when you pass away. That's why it's important to regularly review and update your beneficiary nominations across all your retirement funds and risk benefits (such as group life cover). Outdated or incomplete information can delay payouts or result in benefits being distributed in a way you didn't intend. By keeping your nominations current, you help ensure that your benefits are paid quickly and according to your wishes.

You are encouraged to review you beneficiary nominations at least annually, or upon experiencing a life-changing event. There are three different nomination forms that must be completed when making changes:

1. UNISARF beneficiary nomination form (available by clicking here)
2. Momentum funeral benefit nomination form (available by clicking here)
3. Old Mutual life insurance nomination form (available by clicking here)

Once completed and signed, these forms must be submitted to your HR Representative to store in your file. **Please note** that your nominations are not updated on the Alexforbes Connect online system, so do not be alarmed if the information online is either blank or incorrect. The Fund relies solely on the forms that are with your HR department. If you are a paid-up member please submit your UNISARF beneficiary nomination form only to unisaret.admin@alexforbes.com.

# *APPOINTMENT OF NEW INVESTMENT CONSULTANT TO THE FUND*

The Board of Management is pleased to announce the appointment of Selekane Asset Consultants as the Fund's new investment consultant, effective 1 August 2025. An investment consultant plays a critical role in helping the Fund achieve its investment objectives by providing independent, expert advice on our investment strategy, selecting and monitoring asset managers, assessing market trends, and ensuring our portfolio remains aligned with the Fund's risk and return goals. Selekane brings a wealth of experience in investment consulting and will work closely with the Board to ensure that members' savings are invested prudently, with a long-term focus on growth and sustainability.

The new team from Selekane consists of the individuals listed below. We look forward to working with the team and wish them well on their new appointment.

Lindi Moabi
Director, Lead Consultant

Qualifications

B Com, PDBM, MBA Final Year Candidate. FAIS RE1, RE5

Phumla Radebe
Back up Consultant

Qualifications

Mphil Finance & Development, MBA
FAIS RE5

Lelethu Ngwena
Consultant

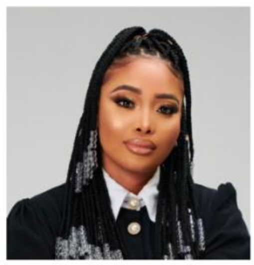
Qualifications

Mphil Finance & Development, MBA
FAIS RE5

MandleNkosi Ngcobo
LDI specialist

Qualifications

M Finance and Investments
Certified Fin Risk Manager,
Bsc (Hons) Advanced Maths, Bsc Actuarial Science and Statistics
FAIS RE5



Gcina Gatya
Reporting

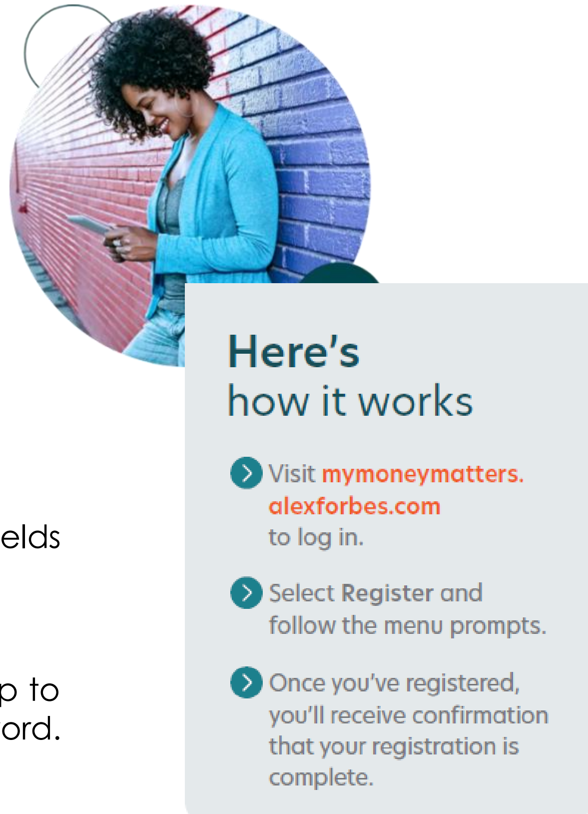
Qualifications

BSc Mathematical Statistics, CFA Level 1 Candidate. FAIS Rep under supervision

# HOW TO REGISTER ON ALEXFORBES (AF) CONNECT

AF Connect is useful for instant access to retirement fund values or to submit a two-pot claim. AF Connect is a secure portal to accessing your retirement fund information at any time, and from anywhere. The portal is also full of financial planning tools to meet your needs with convenience and security in mind. The AF Connect platform provides you with the following information pertaining to your benefit in the Fund:

a) Personal details
b) Benefit statements
c) Investment portfolios and balances
d) Investment product details
e) Personalised product and portfolio management
f) Claims submission, summary and status




**Step 1**
Visit mymoneymatters.alexforbes.com.
Select Register

**Step 2**
If you haven't registered, complete the relevant fields to link your profile and create a password.

**Step 3**
Once your profile has been linked (this can take up to 48hours) then login using your username and password.

# 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.

| | | | |
|---|---|---|---|
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| **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 |