MEMBER NEWSLETTER

OCTOBER 2025

Dear Member,

As we find ourselves in the last quarter of the year, it is a time when many take stock, and reflect on the goals set at the beginning of the year. For retirement fund members this is the perfect time to reflect on what we can practically do to build a secure legacy for ourselves and our families.

In this month's newsletter, we explore ways to strengthen your financial wellbeing through:

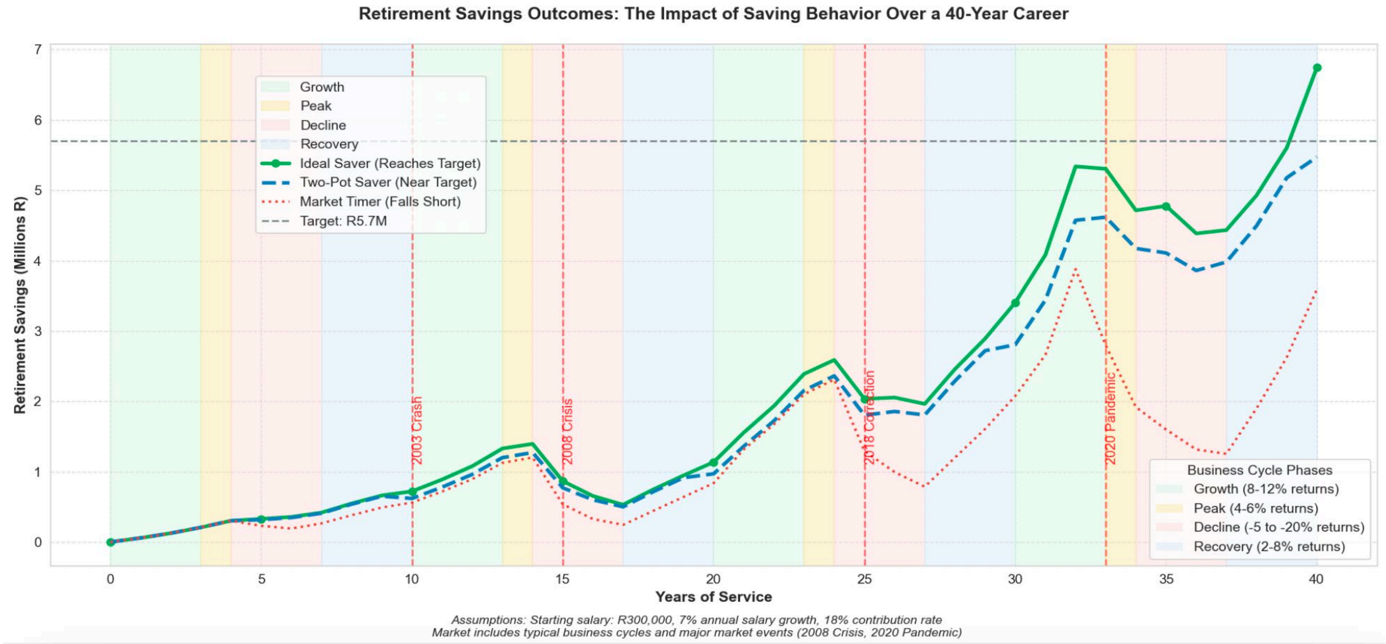
- The power of staying the course using a real-life example to show how staying invested and avoiding withdrawals can dramatically improve your long-term outcome.
- The power of Additional Voluntary Contributions (AVCs) — and how small, consistent contributions can grow into something meaningful.
- The importance of keeping your nomination forms up to date, ensuring your loved ones are protected according to your wishes.
- The different withdrawal options available when you leave employment — and how each choice affects your future savings.

We wish you a productive quarter 4 of 2025.

From the Office of the Principal Officer

THE POWER OF STAYING THE COURSE: WHY CONSISTENCY WINS OVER TIME

The graph below shows how three different members' decisions can shape their retirement journey. Even though they all start at the same point with the same contribution rate and salary growth, their final outcomes differ dramatically.



Source: Selekane Asset Consultants

1. **The Ideal Saver (Green Line)**

   This member saves consistently for 40 years, never withdraws from their savings pot, and resists the temptation to switch in and out of markets during tough times.

   - Despite ups and downs — including the 2008 financial crisis and 2020 pandemic — they stay invested.
   - By the end of their career, they reach and even exceed the target retirement value of R5.7 million.
   - Their secret? Patience, discipline, and the power of compounding returns.

2. **The Two-Pot Saver (Blue Dashed Line)**

   This member follows the same contribution pattern but makes occasional withdrawals from the accessible portion of the two-pot system.

   - Each withdrawal chips away at the compounding effect.
   - By retirement, they end near the target, but still short of what they could have achieved by staying fully invested.

- This shows that *even small withdrawals today can cost big growth tomorrow.*

3. **The Market Timer (Red Dotted Line)**

   This member tries to "beat the market" — selling when things look bad and buying back when conditions improve.

   - Unfortunately, timing the market often means missing the rebound.
   - As shown in the dips after the 2008 crisis and 2020 pandemic, they fall far behind and never fully recover.
   - By retirement, they end up well below the target, despite investing for the same number of years.

Consistent, patient investing beats short-term reactions every time. Staying invested through market ups and downs — and avoiding unnecessary withdrawals — gives your money the time it needs to grow. If you're ever tempted to withdraw from your two-pot savings or switch investment strategies, take a step back and consider the long-term impact.

THE POWER OF ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Your retirement fund savings are one of your most powerful financial tools - but did you know that you can supercharge them through Additional Voluntary Contributions (AVCs)? AVCs allow you to contribute extra money (over and above your normal monthly deduction) directly into your retirement fund. These extra contributions grow with your main savings and can significantly improve your retirement income - especially when started early.

Why consider AVCs?

- You benefit from tax savings - AVCs within allowable deductions reduce your taxable income.
- Your money grows in a cost-effective, professionally managed environment.
- Small, consistent additions compound over time - giving your future-self more financial freedom.

Example:
Let's say you decide to contribute an extra R500 per month starting at age 35. Assuming an average annual growth of 8%, by age 60 your AVCs alone could grow to over R470,000 - from just a small monthly amount!

Your future lifestyle depends on the choices you make today - even small ones! AVCs are voluntary, and any additional contributions made by yourself, as a member of the University of South Africa Retirement Fund (the Fund), will not be matched by the employer. You can download the AVC form by clicking **here.**

KEEP YOUR NOMINATION FORMS UP TO DATE

Your beneficiary nomination forms make your wishes known to the Fund as to how you would like to distribute your fund benefits when you pass away. In the event of your death, the insurers pay your funeral and group life cover benefit to your beneficiaries as nominated, and the Board of Management (the Trustees) of the Fund distribute your retirement fund benefit according to Section 37C of the Pension Funds Act. This legislation states that the Trustees must consider your dependants when distributing your benefit. This process can take a long time as investigations must happen and various supporting documents inform the distribution by the Trustees. Without up-to-date nominations, it makes it difficult for the investigations to be conducted timeously. It is important to note that your retirement fund benefit is handled differently and separately from your risk (insurance) benefits, and this is why you must complete three separate nomination forms. Your risk benefits nomination forms help ensure your group life cover and funeral benefit is paid out to the correct people.

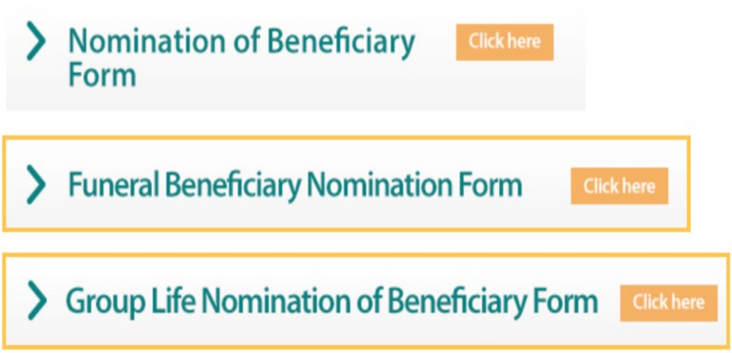
The following forms can be accessed on the Fund's website, completed, signed and handed to your HR:

1. UNISARF Beneficiary Nomination Form (instruction for your Fund benefit);
2. Momentum Funeral Benefit Nomination Form; and
3. Old Mutual Group Life Benefit Nomination Form.

If your personal circumstances have changed — marriage, divorce, children, or new dependants — your previous nominations may no longer reflect your wishes; you are therefore encouraged to update your form and submit the updated form to your HR Department.

Example:
Sipho completed his nomination form in 2015, naming his parents as beneficiaries. Since then, he got married and had two children — but never updated his form. If he passes away, the Trustees must investigate his dependants and may not distribute the benefits according to his original intention. Keeping your forms current avoids confusion and delays for your loved ones.

Take five minutes to update your nomination forms today by visiting www.unisarf.co.za/forms.



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.

WHAT HAPPENS TO YOUR FUND SAVINGS WHEN YOU LEAVE EMPLOYMENT?

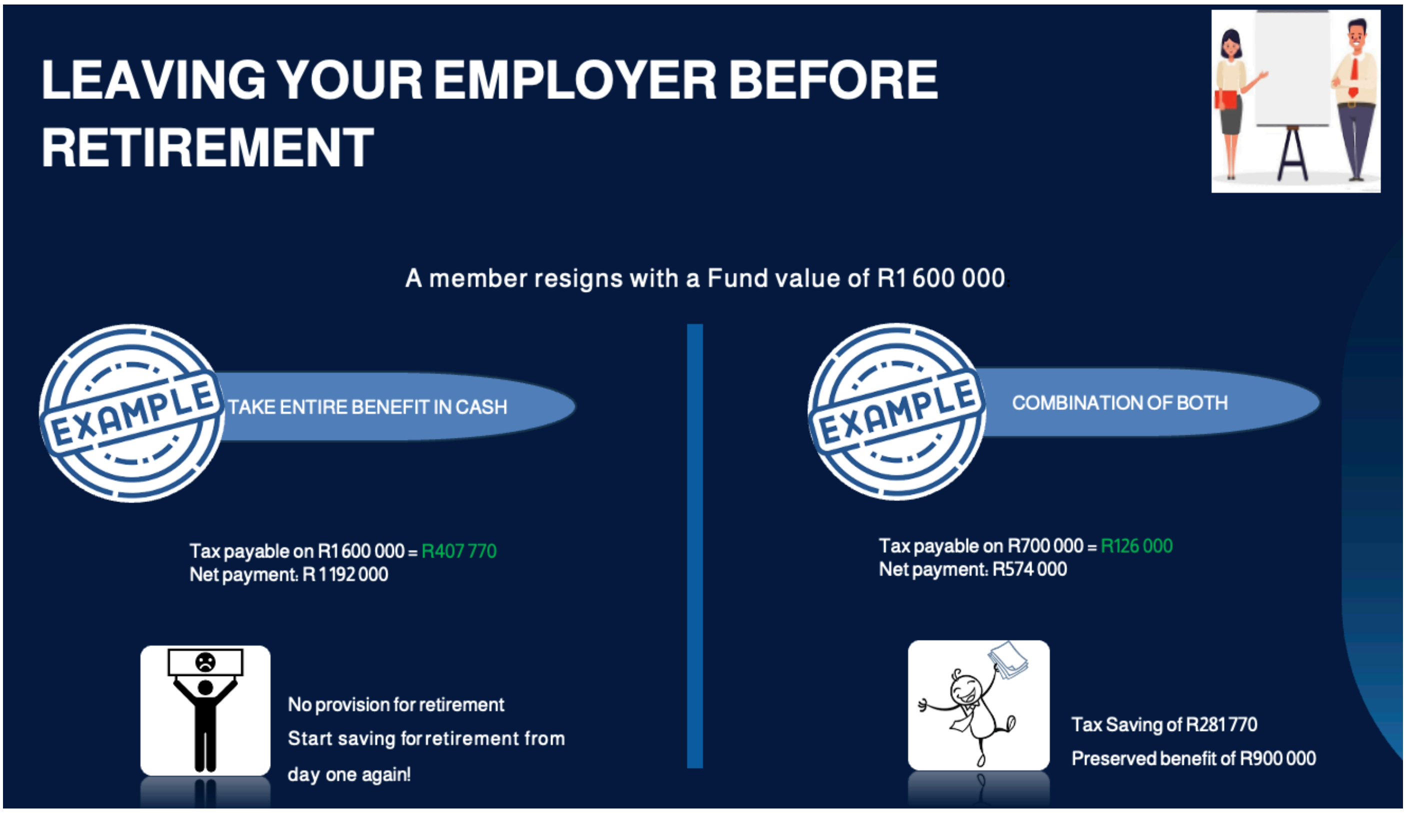
When you resign, are retrenched, or dismissed, you have important decisions to make about your accumulated retirement savings. Here are your main options:

1. Take the cash
   - You can withdraw your full benefit in cash (subject to 1 March 2021 harmonisation, two-pot retirement system, and de-minimus limits).
   - Downside: You'll pay tax, and your retirement savings take a major hit.
   - Good only if you have urgent financial needs and no other options.

2. Preserve your savings
   - You can leave your funds invested in the Fund or transfer your benefit to your new employer's fund, a preservation fund or retirement annuity fund.
   - Your money stays invested and continues to grow tax-free until retirement.
   - This is the best way to keep your long-term goals on track.

3. Take part cash, preserve the rest
   - You may take a portion in cash (subject to 1 March 2021 harmonisation, two-pot retirement system, and de-minimus limits). and transfer the balance to your next employer fund, a preservation fund or retirement annuity fund.
   - This can help you manage short-term financial needs while protecting your future retirement income.

Tip: Always get financial advice before making this decision — the long-term impact can be huge! Take a look at the example below for a comparison.



HOW TO REGISTER ON ALEXFORBES (AF) CONNECT

AF Connect is useful for instant access to your 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.

Here's how it works

- Visit **mymoneymatters.alexforbes.com** to log in.
- Select **Register** and follow the menu prompts.
- Once you've registered, you'll receive confirmation that your registration is complete.

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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