



UNIVERSITY OF SOUTH AFRICA RETIREMENT FUND: Pensioner Portfolio

30 June 2026

1. Investment Objective

For almost all pensioners, the objective of the Pensioner Portfolio is to target pension increases of at least 50% of inflation over the long term (and ideally closer to 60% of inflation). A few retirees elected a lower initial pension in return for targeting 100% of inflation increases over the long term. Pension increases are granted on 1 April each year and are based on the annual inflation rate to the preceding 31 December. Pension increases are not guaranteed and depend on the financial position of the Pensioner Portfolio.

2. Investment Approach

The Pensioner Portfolio consists of underlying Matched and Growth Portfolios. About 80% of the assets are invested in the Matched Portfolio, which is invested according to the liability-driven investment approach.

Its assets are invested in local bonds and cash, and the portfolio is structured to deliver annual pension increases of 60% (or 100%) of inflation with a high degree of certainty, depending on the option the retiree selected at retirement.



Matched Portfolio - Pay your pension

- 80% of your money
- Invested in local cash and bonds

The Growth Portfolio is invested in shares and property offshore. This portfolio is expected to deliver higher returns than the Matched Portfolio over the long term. If it performs very well, the Fund will be able to afford pension increases higher than the 60% (or 100%) of the inflation target. On the other hand, if it performs poorly, pension increases may be lower than 60% or 100% of inflation but never negative increase. This portfolio also provides you with some protection against poor outcomes in South Africa, as the money is invested offshore.



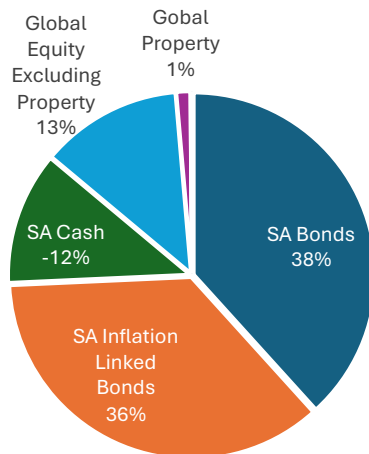
Growth Portfolio - Grow your pension

- 20% of your money
- Invested in offshore shares and property



3. Asset Allocation and Manager Allocation

Asset Allocation

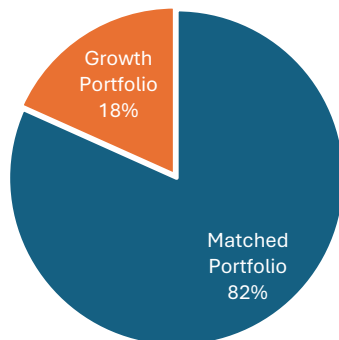


Market Value R 3 041 763 435

Manager Configuration

Asset Class	Asset Manager	% Fund
Matched portfolio (LDI)	Old Mutual Active LDI	75.12%
Renewable energy debt	Vantage GreenX Note I	2.10%
	Vantage GreenX Note II	1.59%
SA Money Market	NinetyOne Cash	1.18%
	Investec ZAR Bank Account -	0.05%
Global Listed Equity	Hoskings Global Equity	1.57%
	Hoskings Global Sub-Fund No 1 S Shares	0.00%
	SSGA MSCI World Index	6.36%
	Sygnia WTWX Lindsell Train Global Equity	2.17%
	Sygnia WTWX Veritas Global Focus	2.47%
	AllanGray ORBIS International Equity	1.65%
Emerging Market Equity	SSGA MSCI Emerging Markets Index	2.63%
Global Listed Property	Resolution Capital Global Property	1.56%
Global Listed Infrastructure	Blackrock ETF Sanlam	1.54%
Total		100%

Strategy allocation 30 June 2026



Investment expenses (% of assets)

Total Investment Charges 0.24% p.a.

- Management fees: 0.18% p.a.
- Performance Fees: 0.02% p.a.
- Estimated Trading costs 0.04% p.a.

Administration fees (Rand fee per Month)

- R 158.24 per month VAT included.



4. Financial Position

The annual pension increase depends on the financial position of the Portfolio, which is shown below:

Target pension increase of around 60% or 100% of inflation on 1 April 2026 depending on the pension option selected at retirement	Item	R-million
	Value of liabilities	2 898.58
	Market value of assets	3 041.76
	Funding level = Assets / liabilities	104.94%

The key figure is the funding level (109.10%) and it should ideally be at least 100% to allow for pension increases on 1 April in line with the targeted 60% (or 100%) of inflation depending on the pension option you selected at retirement. A funding level in excess of say 102.5% may allow the Board to grant a slightly higher pension increase than 60% of inflation (or 100%) as was the case in April 2025.

Disclosure Statement

There are no capital guarantees for this investment channel, and members are reminded that the value of their investment can go down and up. Past performance is not an indication of future performance. The security and protection of your personal information is important to the Fund. For more details, visit <https://unisarf.co.za/unisarf/policies-and-rules>