University of South Africa
Retirement Fund

7th floor, O.R. Tambo Building,
Preller Street, Muckleneuk,
Pretoria
Reg No 12/8/31320

UNIVERSITY OF SOUTH AFRICA RETIREMENT FUND:
Pensioner Portfolio

28 February 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 of the over 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 manager is Ninety One, and the assets are invested in money market instruments and enhanced cash strategies. The portfolio will be invested in high quality money market and bond instruments. The portfolio will be invested in more illiquid credit instruments that have an average credit rating of AA.

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

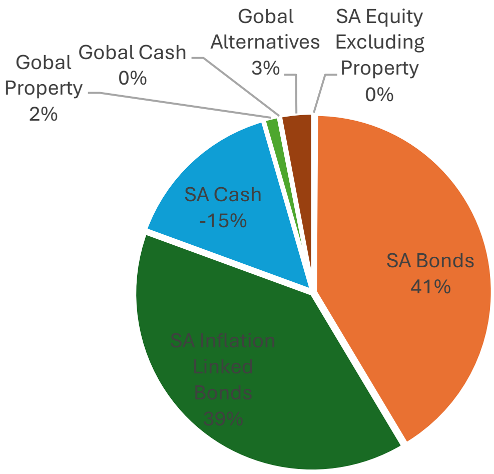
The Growth Portfolio is invested in shares and property offshore. This portfolio is expected to deliver higher returns than the Matched Portfolio over the long term. If it performs very well, the Fund will be able to afford pension increases higher than the 60% (or 100%) of the inflation target. On the other hand, if it performs poorly, pension increases may be lower than 60% or 100% of inflation. 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

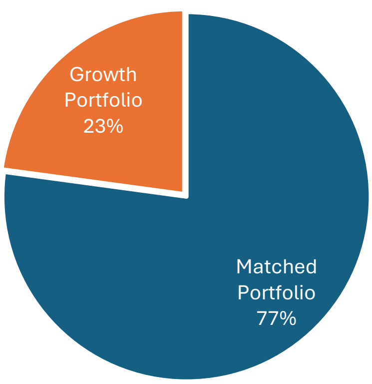


Market Value R 2 935 748 280

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 28 February 2026



Investment expenses (% of assets)

Total Investment Charges 0.24% p.a.

- Management fees: 018% 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.

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4. Financial Position

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

	Item	R-million
Target pension increase of around 60% or 100% of inflation on 1 April 2026 depending on the pension option selected at retirement	Value of liabilities	2 767.02
	Market value of assets	2 935.75
	Funding level = Assets / liabilities	**106.10%**

The key figure is the funding level (106.10%) 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.