UNISARF
University of South Africa Retirement Fund

Annual Overview

2025

Contents

You can view the Fund's Rules at
www.unisarf.co.za/unisarf/policies-and-rules

Visit

Message from the Chairperson

Dear Members

It is my pleasure to present the Fund's annual report for the period 1 January 2025 to 31 December 2025. I encourage you to take the time to read this report as it contains valuable information about the Fund operations, as well as the latest updates in terms of regulation and the retirement fund industry.

Personal contact details

The Board of Trustees *(the Board)* has a fiduciary duty to ensure that the Fund has your most updated personal contact details on record, for all members and pensioners. The Fund prefers electronic communication with both its members and pensioners, as opposed to postal communication. You are encouraged to contact the Fund to ensure that the Fund has your latest contact details – see the contact information on page 23.

Operations of the Fund

The Board remains satisfied with the general service delivered by all relevant service providers to the Fund. In conjunction with the Office of the Principal Officer, the Board strives to identify aspects of service delivery that can be improved, to ensure that all stakeholders are treated fairly and derive the maximum benefit at the most competitive rates.

During the year, the following appointments were made:

- Tracing Agent *(for suspended pensioners)*: Vunani Tracing Services (Pty) Ltd *(1 October 2025)*
- Unclaimed Benefits Fund: Momentum Unclaimed Benefit Provident Preservation Fund

After 31 December 2025, the following appointments were made:

- Communication Specialist: InSite Connect *(Pty)* Ltd *(1 January 2026)*

Acknowledgements

Serving as a Board Member is a significant responsibility, particularly in a large and complex fund such as the University of South Africa Retirement Fund. I would therefore like to extend my sincere appreciation to my fellow Board Members for the insight, commitment, and enthusiasm they have shown in carrying out this important role.

I would also like to recognise the valuable contributions of our various committees, which oversee many aspects of the Fund's governance, operations, investments, and communications. Their dedication and hard work have helped ensure that the Fund remains well governed and that the retirement savings of our members and pensioners are managed with the care and attention they deserve.

Prof. Muthundine Sigwadi
Chairperson
University of South Africa Retirement Fund

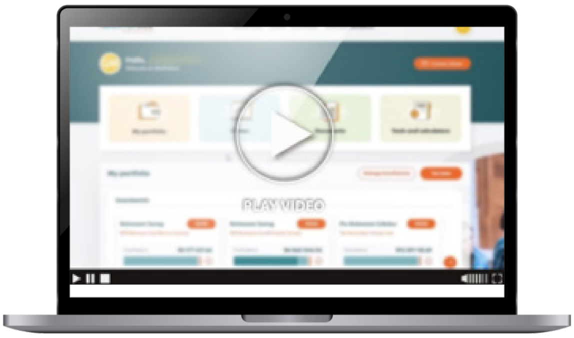
Foreword by the Principal Executive Officer

Dear Members

It is once again my privilege to introduce the latest annual report for the University of South Africa Retirement Fund *(the Fund)*. This document provides a comprehensive overview of the Fund's activities during the 2025 financial year, and we encourage you to read this report for important updates and reminders relevant to your retirement journey.

Our core objective as Fund representatives is to guide you towards a financially secure retirement. With our support, we hope that you will navigate this journey with confidence. As a practical starting point, please take 3 minutes to watch the video below to help you make the most of the AF Connect member portal:

- View your investments
- Submit and track claims
- Find your statements and other documents
- Access helpful calculators



On the investment front, recent global tensions have contributed to market volatility, rising oil prices, and cautious investor sentiment. While such developments may feel unsettling, they are part of normal market cycles. These conditions affect retirement funds worldwide, though the impact varies across asset classes and strategies. Your Fund remains focused on long-term growth. Our diversified investment approach is specifically designed to withstand periods of uncertainty and to protect your retirement savings. The most important principle is to avoid reacting to short-term market noise. Staying invested and disciplined is key to achieving your retirement goals.

I would like to extend my sincere gratitude to the Board of Management *(the Board)* for their ongoing support and dedication. We look forward to continued collaboration and progress, and we remain optimistic about the future.

Regards
Lavinia Khangala
Principal Officer of the Fund

Fund Matters

Key Fund Updates During 2025

Update

Daily unitisation	The Fund moved from monthly to daily unitisation, improving the timeliness of investment pricing and member account value processing.
Interim investment administrator	The Fund appointed an interim investment administrator to support investment administration requirements while the longer-term operating model is managed.
Cyber strategy and evaluation	The Fund developed a cybersecurity and cyber resilience strategy, obtained an evaluation of the strategy and commenced ongoing work to align with regulatory expectations.
Asset consultant procurement	The Fund procured the services of an asset consultant to support investment oversight, strategy review and reporting.
Board strategy day	The Board held a strategy day, on 1 October 2025, to consider the Fund's strategic priorities, governance roadmap and operational focus areas.
Term of office of Board Members	The term of office of all Board Members was extended from three to five years.
Management appointments	The Fund appointed or recognised new managers and office bearers as part of ongoing operational support.
Public Interest Entity status	The Fund was previously treated as a Public Interest Entity and is expected no longer to be treated as a Public Interest Entity. The Board will monitor the impact on audit, reporting and governance requirements.

Fund governance

The Fund is managed by the Board. Half of the Board is elected by the Fund's members and pensioners, while the remaining half is appointed by the principal employers; the University of South Africa (UNISA), Universities South Africa (UNISAF) and Purchasing Consortium Southern Africa (PURCO SA). Alternate Board Members support continuity and participate in Board discussions, with voting rights determined by the attendance of the relevant principal Board Member and the Rules of the Fund.

The Board is responsible for directing, controlling and overseeing the operations of the Fund in accordance with applicable law and the Rules.

The Fund follows the requirements of Pension Fund Circular 130 *(PF130)*, issued by the Financial Sector Conduct Authority *(FSCA)*, which provides guidance on governance, fiduciary duties, and policies *(amongst other things)*. The Fund also applies the principles of the King V Report on Corporate Governance, which promote ethical leadership, good governance, and best practices.

In addition, the Board is committed to treating members fairly by applying the six Treating Customers Fairly *(TCF)* outcomes in all its decisions and oversight activities. This helps ensure that members receive clear communication, are treated fairly, and that the Fund acts in their best interests at all times.

The Fund's Board of Management, assisted by professional advisors, meets regularly to discuss investments, benefits and administration matters *(amongst others)*. The Board aims to ensure that the Fund complies with applicable laws and regulations.

Board members

Prof. Muthundine Sigwadi
- Associate Professor: Mercantile Law
- Appointed/Re-appointed: 01/01/2025
- Chairperson of the Board and Principal Employer Trustee
- Committees: SACC

Mr Siboleke Timakwe
- ICT Change and Configuration Manager
- Elected/Re-elected: 01/07/2023
- Principal Member Trustee
- Committees: ARC – Vice Chairperson / IC

Mr Bongani Bhekathina Ndaba

Executive Director: Human Resources
- Appointed: 06/2026
- Principal Employer Trustee
- Committees: SACC

Mr BA Stanfliet resigned on 31/03/2026

Dr Rendani Sipho Netanda
- Senior Lecturer: Communication Science
- Elected/Re-elected: 01/07/2023
- Principal Member Trustee
- Committees: ARC / IC

Dr Tshatshara Lucas Mabusela
- Senior Lecturer: Criminal And Procedural Law
- Appointed/Re-appointed: 01/01/2025
- Principal Employer Trustee
- Committees: SACC

Ms Nomusa Lilian Mbethe
- HR Practitioner: Human Resources
- Elected/Re-elected: 01/07/2023
- Principal Member Trustee
- Committees: SACC – Vice Chairperson

Adv. Mpakwana Annastacia Mthembu
- Chairperson: Mercantile Law Department
- Appointed/Re-appointed: 01/01/2025
- Principal Employer Trustee
- Committees: ARC

Dr Petrus Jacobus Nicolaas van Staden
- Manager: HR Administration
- Appointed/Re-appointed: 01/01/2025
- Vice Chairperson of the Board and Principal Employer Trustee
- Committees: SACC - Chairperson

Mr Madisei Phineas Mojapelo
- Director: Unisa Foundation and Alumni Relations
- Appointed/Re-appointed: 14/03/2022
- Alternate Principal Employer Trustee
- Committees: SACC

Prof. Tshepo Lephakga
- COD: Department of Philosophy, Practical & Systematic Theology, College of Human Sciences
- Appointed/Re-appointed: 01/01/2025
- Alternate Principal Employer Trustee
- Committees: SACC

Mr Mark Lindhiem
- Independent Investment Committee member
- Appointed: 08/2022
- Independent Investment Committee Member
- Committees: IC – Chairperson

Mr Levi Orometswe Moleme
- Lecturer: Business Management
- Elected/Re-elected: 01/07/2023
- Principal Member Trustee
- Committees: IC

Mr Zibuze Lemmy Kunene
- Payroll User Support Specialist
- Elected/Re-elected: 01/07/2023
- Alternate Member Trustee
- Committees: IC / ARC

Mr Neo Phaswane Thipe
- Administrative Officer: Student Administration & Systems Integration
- Elected/Re-elected: 01/07/2023
- Alternate Member Trustee
- Committees: IC – Vice Chairperson

Mr Johannes Petrus Muller
- Pensioner
- Elected/Re-elected: 01/09/2025
- Principal Pensioner Trustee
- Committees: ARC – Chairperson

Dr Richard Harding
- Pensioner
- Elected/Re-elected: 01/09/2025
- Alternate Pensioner Trustee
- Committees: ARC

The Board Members also serve on various committees with specific roles:

Audit & Risk Committee (ARC)
Manages financial and audit-related matters; oversees internal controls, risk management and governance effectiveness.

Investment Committee (IC)
Monitors investment strategy and performance; supported by an independent investment specialist and the Fund's investment consultant.

Section 37C, Administration & Communication Committee (SACC)
Monitors the operations and administrative requirements of the Fund. Recommends the distribution of lump sum death benefits to eligible beneficiaries in terms of Section 37C of the Pension Funds Act ("the Act"). Reviews any claims that have been withheld by the Fund in line with the requirements of the Pension Funds Act and the Rules of the Fund.Assists the Board in discharging its duties relating to communication to Fund members and pensioners in line with the objective and duties of the Board, and in terms of Sections 7C and 7D of the Act, as well Treating Customers Fairly outcomes, as set out by the FSCA.

Office of the Principal Officer

The Principal Officer is responsible for ensuring compliance with regulatory requirements, implementing the Board's decisions, and overseeing the Fund's administration and operations.

The Principal Officer's office comprises the following members:

Lavinia Musiwa Khangala
Principal Officer

Mabetha Cedrick Pila
Deputy Principal Officer

Lutho Dondashe
Principal Officer Assistant

Meetings, training and assessment

- Attendance at Board and Committee meetings during 2025 was good and all meetings where decisions were required formed a quorum. The Board met eight times, consisting of four ordinary meetings, three special meetings and a strategy day. The Audit and Risk Committee met three times, the Section 37C, Administration and Communication Committee met four times, and the Investment Committee met five times, including one special meeting.

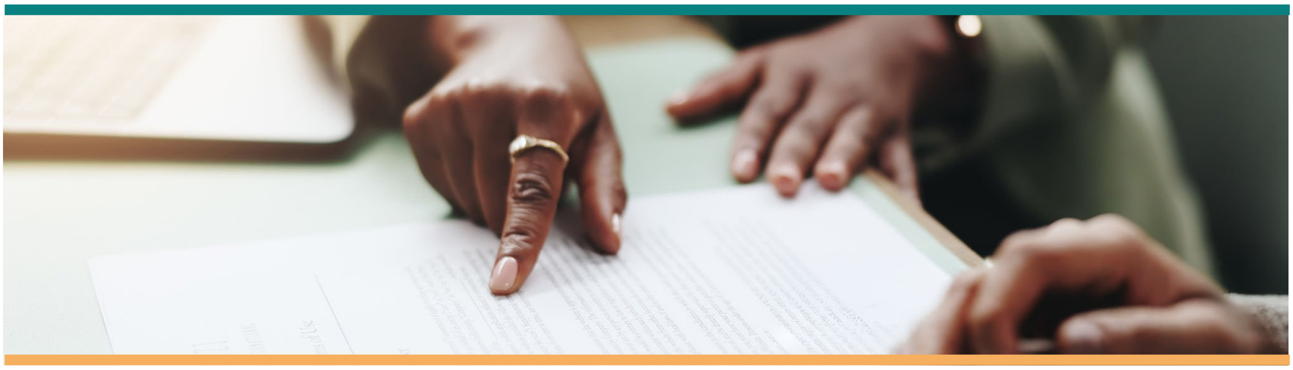
- The Board complies with the Financial Sector Conduct Authority *(FSCA)* requirement that all Board Members complete the FSCA Trustee Toolkit, which provides the essential knowledge and skills required to carry out their duties effectively. All Board Members successfully completed the training within the required timeframe.

  The Fund keeps a Trustee Training Register, which is updated regularly and reviewed at each Board meeting. In addition to the Trustee Toolkit, Board Members attend relevant industry training events throughout the year, and these are also recorded in the register.

  This ongoing training supports good governance, ethical leadership, and the continued development of Board Members.

- In line with King V principles and governance best practice, the Board conducts an annual performance review of the Board, and the Office of the Principal Officer. The purpose of the review is to assess how effectively they are performing their roles and to identify any areas for improvement. The evaluation covers key areas such as leadership, teamwork, decision-making, conflict management, meeting attendance, training, ethics, compliance, and stakeholder engagement.

  The 2025 evaluation did not identify areas of concern and the Board was satisfied with the outcome and that the process helps to strengthen its effectiveness and support continuous improvement.



The Code of Conduct, conflicts of interest and remuneration

The Code of Conduct and the Terms of Reference of the Committees underpin the Board's responsibility for good and ethical Fund governance.

The Fund is committed to maintaining high standards of governance and ethical conduct. All Board Members must comply with the Fund's Code of Conduct, confirm their commitment in writing when they join the Board, and sign annual confidentiality agreements.

The Code of Conduct sets out the ethical standards, responsibilities, and expected behaviour of Board Members. It covers the management of conflicts of interest, confidentiality, compliance with Fund rules and legislation, and the fair treatment of members and beneficiaries. No breaches of the Code of Conduct occurred during 2025, and no regulatory penalties, sanctions, or fines were imposed on the Board or its members.

Board Members declare conflicts of interest at each Board and Committee meeting. No conflicts of concern were raised during the 2025 financial year. Board Members also comply with the FSCA's Directive 8 on gifts, gratification and benefits. No breaches were reported during 2025.

Board Members must also comply with the FSCA's Directive 8, which prohibits the acceptance of inappropriate gifts, gratification or benefits. Compliance is monitored through the declaration of gift and gratification or benefits at every Board meeting. No breaches of Directive 8 occurred during 20252025 financial year.

Pensioner Board Members are remunerated for meeting attendance and the Independent Investment Committee Member is remunerated for services rendered. Board Members are reimbursed for reasonable travel, accommodation and related expenses incurred in exercising their duties. These fees are included in Board Member expenses of the Fund.

Rule amendments

The Board regularly reviews the Rules to ensure alignment with legislation, Fund practice and administration. During the reporting period, Rule Amendment 3 was effective from 1 July 2025 and was registered on 3 September 2025. The Fund also progressed rule consolidation and related implementation work. Members may view the Rules on the Fund website at

Policies and Rules
www.unisarf.co.za/unisarf/policies-and-rules

Visit

Amendment	**Status**	**Effective / registration date**	**Summary for members**
Rule Amendment 3	Registered	Effective 1 July 2025; registered 3 September 2025	This rule amendment makes provision for daily unitisation, instead of monthly unitisation.

Risk management and cyber resilience

The Board is responsible for the Fund's risk management framework. The Fund identifies, assesses, mitigates and monitors risks through a risk register and supporting policies. The Audit and Risk Committee assists the Board by overseeing risk management, internal controls and assurance activities.

Cybersecurity and information technology

The Fund maintains data protection, information governance and data destruction arrangements designed to protect the confidentiality, integrity and availability of Fund information. The Board obtains assurance from service providers regarding information security, privacy and business continuity controls.

During 2025, the Fund developed a cyber strategy and commenced structured work to align with the Cybersecurity and Cyber Resilience Joint Standard 2 of 2024. Service providers were requested to confirm their alignment with the Joint Standard or to provide remediation plans where gaps exist. The Board will continue to monitor implementation, incident response readiness, service provider risk and regulatory reporting obligations.

Service providers

While the Board remains ultimately responsible for the Fund, it appoints specialist service providers to manage the Fund's day-to-day operations. These include the Actuary, Administrator, Benefit Consultant, and Investment Consultant, each responsible for specific areas of the Fund's activities.

The Board expects all service providers to maintain high ethical standards and to manage matters such as confidentiality, risk, and regulatory compliance appropriately.

The Board is satisfied that the Fund's service providers continue to perform their duties effectively and to a high standard.

Name of Company	Service	Summary of services
Simeka Consultants and Actuaries (Pty) Ltd	Benefit Consultants	Provides benefit consulting, governance support, communication input and regulatory guidance. Also provides the Board with secretarial services.
Alexander Forbes Financial Services (Pty) Ltd	Fund Administrator	Administers member records, contributions, benefit payments, claims processes and member support services.
Alexander Forbes Investments Administration (Pty) Ltd	Investment Administrators	Supports investment administration, unitisation, portfolio allocation and related reporting.
INfund Solutions (Pty) Ltd	Retirement Benefit Counsellors	Provides retirement benefit counselling and information about Fund options, defaults and processes. This does not constitute financial advice.
PriceWaterhouseCoopers Inc.	Auditors	Performs the statutory audit of the Fund's annual financial statements.
Nedbank Ltd	Custodian	Provides custody services for Fund assets and related investment administration support.
Standard Bank Group Limited	Bankers	Provides banking services to the Fund.
Selekane Asset Consultants (Pty) Ltd	Investment Consultants	Advises the Board and Investment Committee on investment strategy, manager monitoring and performance reporting.

MortLaw Inc.	Legal Advisor	Provides legal advice to the Fund on regulatory, governance, claims and other legal matters.
Vunani Tracing Services (Pty) Ltd	Tracing Agent	Assists with tracing suspended pensioners, unclaimed benefit members and beneficiaries where required.
inSite Connect (Pty) Ltd	Communication Specialist / Web Hosting	Supports member communications, report design and Fund website hosting or communication channels.
Investment Consulting and Trustee Services (ICTS) and Otshepi Investment (Pty) Ltd	Death Claims Investigators	Assists the Fund with investigations needed for section 37C death benefit allocation decisions.
Sanlam Trust Beneficiary Fund and ABSA Beneficiary Fund	Beneficiary Funds	Receives and administers death benefits allocated to minor or legally incapacitated beneficiaries where appropriate.
Sanlam Life Insurance Ltd	Risk Insurer – Disability	Insures disability income benefits for active members under the applicable policy.
Momentum Life Insurance Ltd	Risk Insurer – Death & Funeral	Insures approved death and funeral benefits for active members. Entity name confirmed for consistency.
Mr Greg Hatzkilson (Willis Towers Watson (Pty) Ltd)	Valuator	Performs statutory actuarial valuations and funding assessments.
Camargue Underwriting Managers (Pty) Ltd	Fidelity Cover Insurer	Provides fidelity and related cover protecting the Fund against specified insured losses.

Investments and the Economy

The year that was

South Africa's economy showed strong positive momentum in Q4 2025, driven by easing monetary policy, stable prices, and renewed trust from global investors. With 2026 GDP growth projected between 1.3% and 1.7%, the nation is on track for modest expansion, fuelled by agriculture and fixed investments.

The South African Reserve Bank (SARB) delivered a key boost by cutting the repo rate by 25 basis points to 6.75% in November 2025: the third cut for the year. This decision eased borrowing costs for households and businesses, supporting spending and investment amid a favourable inflation outlook.

What is GDP?
Gross Domestic Product (GDP) is like a country's report card. It measures the size and growth of the economy. A growing economy generally supports businesses and investment markets, helping retirement savings grow over time.

What is the Repo Rate?
The repo rate is the interest rate set by the South African Reserve Bank. It influences how much banks charge to borrow money, affecting the interest rates consumers and businesses pay on loans. Lower interest rates can support economic growth and company profits, which may benefit investments such as shares.

Inflation remained well-contained, averaging between 3.3% and 3.6% for 2025 and settling near the new 3% target. October's rate ticked up slightly to 3.6% from 3.4%, but core inflation dipped to 3.1%, and food prices slowed to 3.9%. Lower petrol costs (down 47 cents/litre between August and November) and food inflation slowing to 3.9% in October from 5.5% in July gave household budgets a much-needed boost.

South Africa hosted the very first G20 economic summit on African soil, which went smoothly despite the US boycotting it and the Chinese and Russian presidents choosing not to attend. Markets responded well, because some of the agreements could address the risk of sudden trade disruptions, among other concerns.

A major milestone came with S&P Global's upgrade of South Africa's investment rating to BB (positive outlook) on November 15 – the first in 16 years. This reflects stronger fiscal revenues, reforms, and the exit from the Financial Action Task Force grey list.

What is Greylisting?
Greylisting means that a country is under increased monitoring due to insufficient anti-money laundering and combating the financing of terrorism policies. Leaving the Greylist can boost investor confidence and attract more investment into South Africa and support economic growth. A stronger economy generally creates a better environment for long-term retirement fund returns.

2026 and beyond

The first half of 2026 was defined by resilient but uneven global growth, elevated geopolitical risk, sticky inflation risks and a continued re-rating of AI-linked investment themes. The main sources of market volatility were oil prices, shipping risk, inflation expectations and safe-haven flows. Middle East tensions and uncertainty around the Strait of Hormuz created repeated episodes of volatility; markets rallied when de-escalation looked credible and sold off when supply risk returned. Trade frictions, technology restrictions and political uncertainty in developed markets also contributed to dispersion across sectors and countries.

Equity markets generally absorbed the shock from Middle East tensions and higher energy prices better than fixed income markets, because earnings resilience and the capital-expenditure cycle around AI remained powerful supports. From an investment-consulting perspective, this reinforced the importance of diversified growth exposure, disciplined rebalancing and explicit scenario analysis around energy, inflation and currency shocks.

South Africa entered the period with improving cyclical momentum but with persistent structural constraints. Real GDP expanded by 0.5% quarter on quarter in Q1 2026, extending the recovery, while inflation moved higher into the middle of the year and the SARB raised the repo rate to 7.0% in May. The rand was volatile but firmer over the year-to-date period, helped by attractive carry, commodity-linked support and periods of softer US-dollar momentum, while local assets remained sensitive to global risk appetite, domestic fiscal credibility and reform delivery.

Looking ahead, the global outlook, in the short to medium term, is constructive but fragile. Growth is likely to remain positive, supported by AI investment, fiscal infrastructure spending and corporate earnings resilience, but the range of outcomes is wide because inflation is more supply-constrained than in a normal cycle. The durability of the US/Iran ceasefire, the path of US monetary policy under Chair Warsh, and the sustainability of AI-themed investing remain the dormant themes in the short term.

South Africa's economic outlook remains cautiously constructive: Moody's and S&P Global's positive outlook revisions, a primary budget surplus, a stabilising debt-to-GDP ratio near 79%, and continued progress on energy, logistics and water reforms provide a credible path back toward investment grade over the medium term, even as growth is likely to remain modest at around 1.2%–1.4% for 2026 and inflation risk stays skewed to the upside while the Middle East situation remains unresolved.

However, events such as these typically result in short-term market volatility rather than lasting changes to long-term investment fundamentals. Members are therefore encouraged not to make significant investment decisions based on short-term market movements.

The Fund's investment strategy is designed to withstand periods of market uncertainty and is aligned with members' long-term investment objectives. Remaining invested through market cycles, in line with your investment horizon and risk tolerance, has historically been one of the most effective ways of achieving long-term investment outcomes.

As always, you are reminded that your Fund offers a default Life Stage investment strategy. This means that your portfolio is structured according to how far or how close you are to retirement. Your money is moved automatically as you approach your retirement date. In other words, when you reach a certain age, the Fund will start moving your money into safer portfolios incrementally, thus protecting you from market fluctuations.

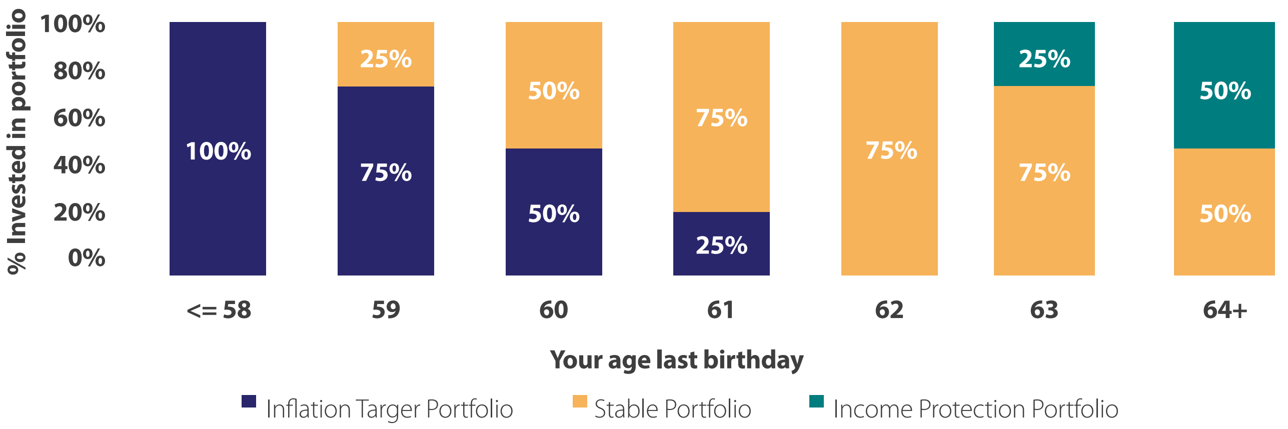
The Fund offers a mix of investments that have the potential to provide excellent returns over the long term. **You are strongly discouraged from attempting to time the market, or from switching investments based on short-term market ups and downs.**

Investment strategy: Members

The Board, together with the Investment Consultant, regularly reviews the Fund's investment strategy to ensure that members have the best opportunity to achieve good retirement outcomes while managing investment risk appropriately.

For active members, the Fund uses a Lifestage investment strategy. This means that members' retirement savings are automatically invested according to their age relative to their retirement chosen date. Younger members are invested in growth-focused portfolios with higher potential returns, while members nearing retirement are gradually moved into more conservative portfolios to help protect their savings.

These investment changes happen automatically at certain ages, unless a member chooses to opt out of the Lifestage investment strategy. Members may also select their own investment portfolios, choosing from the Shari'ah, Inflation Target, Stable, and Income Protection portfolios, or a combination of these. The diagram below reflects the Lifestage investment strategy.



All active members who are entitled to the minimum retirement benefit (or minimum guaranteed benefit/MGB) lose the right to this benefit if they opt out of the Lifestage investment strategy. By default, the Lifestage investment strategy assumes a normal retirement age of 65, however a member has the option to elect that the Lifestage investment strategy be applied to a retirement age of 55, 60 or 65. Members entitled to the minimum retirement benefit do not lose this benefit if they exercise a different retirement age.

Investment strategy: Pensioners

The Fund's pensioner investment strategy for life annuitants is designed to provide stable pension increases while protecting the long-term financial health of the Pensioner portfolio.

About **80%** of pensioner assets in the Pensioner portfolio are invested according to a liability driven investment strategy, which aim to support future pension increases of around **60%** of inflation. The remaining **20%** of pensioner assets in the Pensioner portfolio is invested in offshore investments to provide opportunities for additional growth.

This approach helps provide greater certainty that annual pension increases will generally be between **50%** and **60%** of inflation *(or up to 90% to 100% for pensioners who choose a higher increase option at retirement)*. If the growth investments perform poorly, pension increases may have to be reduced or even suspended to maintain the financial stability of the pensioner account. However, if these investments perform well, the Fund may be able to grant higher pension increases.

Investment performance

The tables below show the performance of the various life stage and individual investment member choice portfolios over various measurement periods ending 31 December 2025.

Inflation Target Portfolio

Inflation Target Portfolio	Month	YTD	1 Year	3 Years	5 Years	7 Years	Inception*
Investment Return	1.8%	22.5%	22.5%	17.7%	14.9%	12.9%	13.6%
Headline Inflation	0.2%	3.6%	3.6%	3.9%	5.0%	4.5%	5.1%
Net Real Return	1.6%	18.9%	18.9%	13.8%	9.9%	8.3%	8.6%

**Since inception: 22 yrs, 11 months. Inflation is lagged by one month.*

The portfolio has delivered a return of **13.6%** p.a. since inception *(22 years and 11 months)* compared to an inflation rate of **5.1%** p.a. over the same period. The real return since inception *(8.3% 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 **8.3%** p.a. ahead of inflation over the most recent seven-year period which is close to its long-term real investment performance objective.

The Total Investment Charge *(TIC)* for this portfolio is **0.62%** - this fee is about **40%** of what the member would pay in the retail savings market.

Stable Portfolio

Stable Portfolio	Month	YTD	1 Year	3 Years	5 Years	7 Years	Inception*
Investment Return	1.0%	15.9%	15.9%	14.8%	12.1%	11.0%	10.3%
Headline Inflation	0.2%	3.6%	3.6%	3.9%	5.0%	4.5%	5.4%
Net Real Return	0.8%	12.3%	12.3%	10.9%	7.1%	6.5%	4.9%

**Since inception: 20 yrs, 5 months.*

The portfolio has delivered a return of **10.3%** p.a. since inception *(20 years and 5 months)* compared to inflation of **4.9%** p.a. over the same period. The portfolio has delivered a return above inflation over all measurement periods and is **10.9%** p.a. ahead of inflation over the most recent three-year period thus well above its investment objective.

The Total Investment Charge *(TIC)* for this portfolio is **0.55%** - this fee is about **40%** of what the member would pay in the retail savings market.

Income Protection Portfolio

Income Protection	Month	YTD	1 Year	3 Years	5 Years	7 Years	Inception*
Investment Return	0.8%	9.0%	9.0%	9.8%	8.3%	8.1%	8.2%
Headline Inflation	0.2%	3.6%	3.6%	3.9%	5.0%	4.5%	5.4%
Net Real Return	0.6%	5.4%	5.4%	5.9%	3.3%	3.5%	2.8%

**Since inception: 20 yrs, 5 months.*

The portfolio delivered a return of **8.2%** p.a. since inception *(20 years and 5 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 **5.4%** over 1 year period represents an excellent outcome.

The Total Investment Charge *(TIC)* for this portfolio is **0.17%** - this fee is about **40%** of what the member would pay in the retail savings market.

Shari'ah Portfolio

Shari'ah Portfolio	Month	YTD	1 Year	3 Years	5 Years	7 Years	Inception*
Investment Return	3.0%	19.2%	19.2%	12.4%	11.5%	10.5%	9.3%
Headline Inflation	0.2%	3.6%	3.6%	3.9%	5.0%	4.5%	5.0%
Net Real Return	2.8%	15.6%	15.6%	8.5%	6.6%	6.0%	4.3%

**Since inception: 13 yrs, 11 months.*

The portfolio has delivered a return of **9.0%** p.a. since inception *(13 years and 11 months)* compared to an inflation rate of **5%** p.a. over the same period. The real return since inception *(4% p.a.)* has met its performance objective of **3.5%** p.a. The portfolio has delivered a return above inflation for all measurement periods; it is **6.0%** p.a. ahead of inflation over the most recent seven-year period, which is above its long-term real investment performance objective.

The Total Investment Charge *(TIC)* for this portfolio is **0.69%** - this fee is about **40%** of what the member would pay in the retail savings market.

For updated monthly and cumulative investment portfolio returns, you may visit:

Investment Returns
www.unisarf.co.za/unisarf/investment-returns

Visit

Asset Managers

The Fund's selected asset managers are listed below:

Asset Managers – South Africa	Asset Managers - Offshore
27Four Investment Managers Pty) Ltd	Hosking Partners LLP
Allan Gray Trust	Lindsell Train Limited
Coronation Asset Management (Pty) Ltd	Orbis Investment Management Limited
Futuregrowth Asset Management	State Street Global Advisors Limited
H4 Collective Investments (RF) (Pty) Ltd	Veritas Asset Management LLP
M&G Investment Managers (Pty) Ltd	Steyn Capital Management (Pty) Ltd
Mazi Asset Management (Pty) Ltd	Resolution Capital Limited
Meago trading (Pty) Ltd	BlackRock investment Management (UK) Limited
Ninety One South Africa (Pty) Ltd	
Old Mutual Investment Group (Pty) Ltd	
Prescient Investment Management (Pty) Ltd	
Sanlam Investment Management (Pty) Ltd	
Sygnia Life Limited	
Truffle Asset Management Pty Ltd	
Value Capital Partners (Pty) Ltd	
Vantage GreenX Fund Advisors (Pty) Ltd	

Pension Increases

In terms of the Pension Funds Second Amendment Act of 2001, pension increases for current pensioners be given first priority when applying any surplus in the retirement fund. In line with this requirement, the Board established and implemented a formal policy governing pensioner increases.

Increases granted to pensioners over the past two years, compared with inflation (measured as the consumer Price Index or CPI), are depicted in the table below. Increases are not guaranteed and depend on the Fund's affordability and the financial position of the relevant pensioner account.

	Life Annuity 50% of CPI	Increase as % of CPI	Life Annuity 100% of CPI	Increase as % of CPI
04/2024	3.6%	70.2%	5.6%	109.1%
04/2025	2.4%	80%	3.6%	120%

Changes in Membership over 2025

Active members	
At beginning of period	5 301
Additions	112
Adjustments	29
Less:	
Withdrawals	39
Retrenchments	1
Deaths	16
Retirements	36
Transfers to deferred members	45
Transfers to other funds	1
At end of period	**5 304**
Number at end of period (South African citizen)	5 298
Number at end of period (non-South African citizen)	6

Adjustments

The positive adjustment of 29 members relate to default regulation paid-up members who have exited post 31 December 2024 and who retained their retirement component in the Fund.

Fund Finances in Brief

Actuarial Valuation

The most recent valuation report as at 31 December 2024 showed that the Fund was 100.5% funded and therefore in a sound financial position as at the valuation date.

The following tables provide a summary of the Fund membership and the Valuation Balance Sheet:

Valuation Balance Sheet (31 December 2024)	**R million**
Defined Contribution Liabilities	R 9 533.6
Best Estimate Defined Benefit Liabilities	R 2 339.4
Reserve Accounts	R 532.6
Overall membership liabilities & reserves	**R 12 405.6**
Assets: Net Fund assets at Market Value	**R 12 466.3**
Funding level	100.5%

The market value of the Fund's assets managed by the asset managers as at 31 December 2024 was approximately R12 466.3 billion. The valuation report was submitted to the FSCA on 15 December 2025.

Extract from the Annual Financial Statements

Statement of Net Assets and Funds
At 31 December 2025

	Current period R	Previous period R
ASSETS		
Non-current assets		
Investments	15 663 556 641	12 983 090 781
	15 663 556 641	12 983 090 781
Current assets		
Transfers receivable	0	1 977 275
Accounts receivable	2 494 517	2 553 343
Contributions receivable	58 140 486	359 960
Cash at bank	17 070 812	218 466 613
	77 705 815	218 466 613
Total assets	**15 741 262 456**	**13 201 557 394**
FUNDS AND LIABILITIES		
Members' individual accounts	11 427 024 904	9 291 490 052
	11 427 024 904	9 291 490 052
Reserve accounts		
Reserve accounts	3 214 891 036	2 819 384 762
	3 214 891 036	2 819 384 762
Total funds and reserves	**14 641 915 940**	**12 110 874 814**
Non-current liabilities		
Employer surplus account	418 358 383	355 715 499
Financial liabilities	30 367 745	30 367 745
Unclaimed benefits	11 145 847	17 194 743
	459 871 975	**403 277 987**
Current liabilities		
Benefits payable	119 761 946	204 713 953
Accounts payable	519 712 595	482 690 640
	639 474 541	687 404 593
Total funds and liabilities	**15 741 262 456**	**13 201 557 394**

Member Assistance

Retirement Benefit Counselling
www.unisarf.co.za/unisarf/investment-returns.

Visit

To help you make the most of your retirement benefits, the Board has appointed INfund Solutions (Pty) Ltd to provide Retirement Benefit Counselling. This service offers guidance, education, and support throughout your retirement journey, including:

- Understanding your options when leaving employment; whether through resignation, retrenchment, or retirement.
- Information on the Fund's investment strategies, including the default investment portfolio and any available member investment choices.
- Guidance on preserving your retirement savings if you leave employment before retirement, including paid-up membership and other preservation options.

This counselling service is designed to empower you with the knowledge and confidence to make informed decisions about your financial future. INfund Solutions' Retirement Benefit Counselling team members can be contacted by sending an email to info@infund.co.za or by calling **012 880 5982.**

The power of AF Connect to stay financially fit

Visit mymoneymatters.alexforbes.com or scan the QR code to register. Once you have registered, you can find the Retirement Projection tool under the Tools and Calculators menu.

Use this powerful tool to:

- **Estimate** how much you could have saved by retirement
- **Track Your Progress** toward your retirement goals
- **Test Different Scenorios** by adjusting your contributions
- **Visualise** how your investments could grow over time
- **Make confident, informed decisions** for a more secure retirement

IMPORTANT NOTE:

AF Connect is only for active, paid-up and deferred members (i.e. not for pensioners).

Industry Updates

Development	Fund relevance
Conduct Standard 2 of 2025 (RF): pension fund benefit administrators	The Conduct Standard updates the conditions applicable to pension fund benefit administrators. It strengthens expectations around governance, service-level agreements, key persons, outsourcing, conflicts of interest, communication, disclosures and complaints management. The Fund should review its administrator agreements and oversight framework against the new requirements.
Cybersecurity and Cyber Resilience Joint Standard 2 of 2024	The Joint Standard requires financial institutions to maintain sound cybersecurity governance, strategy, frameworks, hygiene practices, incident response and reporting arrangements. The Fund has commenced cyber strategy and assurance work and will continue monitoring implementation.
King V governance framework	King V replaces King IV for financial years beginning on or after 1 January 2026. Although its application to retirement funds is not the same as listed-company compliance, it is an important governance benchmark. The Fund should perform a King V gap assessment and update disclosures and governance documents where appropriate.
Ombud Council Rules for the Pension Funds Adjudicator, 2026	New rules for the Pension Funds Adjudicator introduce clearer and more formal complaint-handling processes, including conciliation, dismissal grounds, default determinations, costs and interest powers, and phased commencement dates. The Fund's complaints procedure should align with these rules.
Tax and two-pot clarifications	The Fund will continue to monitor tax and two-pot retirement system changes, including treatment of savings component benefits, death benefits, divorce-related payments and withdrawals on exit, and will communicate member-impacting changes where relevant.
Taxation Laws Amendment Bill (TLAB) 2025	1. Tax on death benefits Lump sums paid when a member dies will be taxed using retirement lump sum tax tables, not normal income tax. This applies to all retirement fund components. 2. Savings withdrawals when you leave a fund Members can withdraw their savings pot when they leave a fund. 3. Divorce orders under religious law The tax law will be aligned with pension law to recognise religious divorces (for example, Muslim marriages). 4. Child maintenance payments • Child maintenance paid from the after-tax income of the payee will once again be tax-free for the recipient. • This does not apply to payments made directly by retirement funds.

Complaints Procedure and External Dispute Resolution

Members and beneficiaries should first submit complaints to the Fund in writing through the Office of the Principal Officer or the administrator. The complaint should include all relevant facts, documentation and contact details. The Fund will acknowledge receipt and aim to respond within 30 days.

Complaints are recorded in the Fund's Complaints Register. The relevant service provider may be asked to provide input, and progress is monitored and reported to the Board. Most queries are resolved through normal administration channels and do not become formal complaints.

If a complaint is not resolved to the complainant's satisfaction, or if the Fund does not respond within the required period, the complainant may refer the matter to the Office of the Pension Funds Adjudicator. The Adjudicator's determinations have the effect of a civil judgment, subject to applicable rights of reconsideration or court processes.

Pension Funds Adjudicator

Tel: 012 748 4000 or 012 346 1738

Email: enquiries@pfa.org.za

Website: https://www.pfa.org.za

National Financial Ombud Scheme

Risk-benefit complaints relating to insurers may fall within the jurisdiction of the National Financial Ombud Scheme, depending on the nature of the complaint and the product involved. Members should first follow the Fund's process so that the Fund can help identify the correct escalation route.

Tel: 0860 800 900

WhatsApp: +2776 574 8055

Email: info@nfosa.co.za

Website: https://nfosa.co.za/

Information Regulator

Complaints regarding access to information, privacy or the processing of personal information may be referred to the Information Regulator where applicable, after the Fund's internal process has been followed.

Tel: 010 023 5200 or 0800 017 160

Email: enquiries@inforegulator.org.za

Website: https://eservices.inforegulator.org.za/default.aspx

Protection of Personal Information (POPI) and Promotion of Access to Information (PAIA)

The Fund is committed to protecting the personal information of its members and officers and ensuring that it is handled responsibly, securely, and in accordance with all applicable data protection laws.

The Board regularly monitors how service providers manage key risks, including data security, and addresses any concerns with them when necessary.

Board Members are required to keep Fund information confidential and may only share it when legally permitted to do so. Service providers must also ensure that their employees, contractors, and agents comply with confidentiality requirements and data protection laws.

As most of the Fund's data is stored by the Administrator, the Administrator maintains insurance cover against cybercrime-related data breaches, helping to protect the Fund against potential losses arising from such incidents.
Promotion of Access to Information (PAIA)

The Promotion of Access to Information Act, 2 of 2000, was enacted on 3 February 2000. The purpose of the legislation is to give effect to the constitutional right of access to information held by any private or public body that is required for the exercise or protection of the requester's rights. Retirement funds qualify as private bodies under PAIA. This means that every fund must:

- Compile, submit and make a manual as prescribed by PAIA available; and
- Have a process in place for members and third parties to request information from the Fund.

Members of the Fund are entitled to request information pertaining to their benefits in the fund, as well as the documents that are available in terms of the Pension Funds Act (the fund rules, valuation report, annual financial statements and risk benefit policies). This information may be requested without a formal PAIA request form.

However, should a person need any information outside of this scope, or should a third- party request information regarding a member of the fund, the PAIA request form must be completed for consideration by the Information Officer of the fund.

Fees for providing persons with information may be charged and are set out in the PAIA manual. For more information and to download the request form, please click on the link below.

Policies and Rules
www.unisarf.co.za/unisarf/policies-and-rules

Visit

Contact Details

Administrator Help Desk	unisaret.admin@alexforbes.com
Office of the Principal Officer	Lutho Dondashe: tdondals@unisa.ac.za | 012 433 9474 Cedrick Pila: tpilamc@unisa.ac.za | 012 433 9441 Lavinia Khangala: tkhangl@unisa.ac.za
Benefit Consultants	Hlobisile Thango: Hlobisile@simekaconsult.co.za | 063 826 5676 Zama Nkwanyana: Zama@simekaconsult.co.za | 011 286 1268 Michael Eybers: Michael@simekaconsult.co.za | 011 286 1192
Retirement Benefit Counselling	Keabetswe Riet: kea@infund.co.za | 012 880 5982 Siya Maki: siya@infund.co.za | 078 454 9676 General: info@infund.co.za | 012 880 5982
Registered address	7th Floor, O.R. Tambo Building, Preller Street, Muckleneuk, Pretoria
Postal address	PO Box 392, Unisa, 0003

ANNEXURE A: Summary of Fund Costs

With effect from 1 January 2026, the following per member/annuitant monthly administration fees (including VAT) apply to the Fund. Active members do not pay this fee from their contributions; the employer pays these fees on behalf of the active members.

Monthly administration fees:	
Active Members*	R105.10
Preserved (Paid-up) members	R82.72
Deferred Pensioners	R82.72
Deferred Retirements	R82.72
Life Annuitant Pensioners	R178.72
Living Annuitant Pensioners	
• Payment of monthly pension, actuarial and related consulting services, auditing fees, FSCA levies and Board of Fund costs	R193.38
• Once-off servicing fee to review monthly draw-down amount and make changes to the investment strategy (payable only if a review is performed)	R153.16
Pre-Retirement Medical Aid Members	R45.20
Ad-hoc fees:	
Investment switching Fee – Rand fee per switch (excluding automatic lifestage switches)	R 654.15
Divorce order instructions – Rand fee per divorce order	R2 044.61

ANNEXURE B: Summary of Insured Risk Benefits

The table below summarises the insurance benefits, insured by Momentum Corporate and Sanlam Life Insurance (Ltd), the appointed insurers. These risk benefits only apply to active members of the Fund.

Insured Benefit	January 2025 Premium	January 2026 Premium
Death in service benefit The total death benefit is: The balance in the **Member Credit Account, PLUS** Twice the member's annual pensionable salary, **PLUS** A pension of 35% of members pensionable salary paid to the member's life partner or spouse. If the member does not have a life partner or spouse, but has qualifying children, a pension calculated as 35% of pensionable salary will be shared between the qualifying children and will be paid until each qualifying child reaches age 18 or age 24 in the case of full-time students. If the member has a lifetime dependent child(ren), the pension will be payable for the lifetime of this child(ren). It is necessary that you, as a member of the Fund, inform the Fund via the HR department of any such requirements.	2.006% Momentum	1.930% Momentum
Disability benefit *(this is an external policy and is not provided via the Fund)* If the insurer regards the member as being unable to continue to work, the member will receive a monthly income of 62% of their pensionable salary, after a 6-month waiting period. This payment will continue until the earliest of the member returning to work, the member's death, or reaching normal retirement age. The monthly income benefit is paid without the deduction of income tax. Members in receipt of a Disability Income benefit remain members of the Fund whilst they are on disability, and retirement contributions continue until normal retirement age. These members are still entitled to the Fund's death benefits. Once a member is considered disabled, the Insurer may require the member to go for a medical assessment on a regular basis to evaluate whether they still qualify to receive the disability benefit.	0.572% Sanlam	0.614% Sanlam

Funeral benefit *(this is an external policy and is not provided via the Fund)*	R17.33	R11.87
	Momentum	Momentum
The funeral benefit is a lump sum payable upon the death of a member or the death of an immediate family member, to assist with the costs associated with a funeral. The value of the benefit payable is: Member, spouse or life partner = R25 000 Child age 12 to 21; or up to age 24 in the case of full-time student = R12 500 Child under age 12, including stillborn* = R 6 250 **A stillbirth child means a child who has had at least 26 weeks of intra- uterine existence but showed no sign of life after complete birth.*	R25 000 sliding scale benefit	R25 000 sliding scale benefit

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