INTEGRATED ANNUAL REPORT

2025

Navigating Uncharted Waters: Resilience and Growth Amidst Economic Challenges

https://tsrf.co.za/

TRANSPORT
Sector Retirement Fund
Moving Towards A Better Future

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Letter from **the Principal Executive Officer**

It gives me great pride to present the Transport Sector Retirement Fund (TSRF) 's Integrated Annual Report for the period ending February 2025—a year marked not only by global turbulence but also by TSRF's unwavering commitment to resilience, growth and long-term member security.

Over the past year, the Fund has continued to navigate a volatile economic landscape shaped by lingering effects of the global pandemic, persistent supply chain disruptions, and geopolitical tensions. These headwinds have challenged many sectors, but particularly the transport industry and its workforce. In these uncharted waters, TSRF has remained a steady and strategic partner to our members providing financial stability, protection, and future needs.

Guided by our commitment to protecting members' retirement savings, we have built our strategy on a disciplined approach to risk management and diversification. By maintaining a well-balanced and adaptive investment strategy, the Fund has continued to meet its fiduciary obligations, delivering stable returns while safeguarding members' retirement savings.

We have deepened our focus on impact investments that not only yield financial returns, but also support national priorities such as infrastructure development, economic recovery, and job creation within the transport sector and beyond.

It gives me great pride and joy to share that one of the Fund's investment projects, Lethabong Lifestyle Estate, located in Sebokeng, Gauteng, received distinguished recognition at the 2025 Reside Awards, winning:

1. Platinum Award for Affordable Housing Development of the Year 2025
2. Silver Award for Community Scheme of the Year 2025

The Lethabong Lifestyle Estate stands as a shining example of how responsible investment can drive social and economic transformation. This MegaCity Integrated Township development comprises over 6,000 residential units, along with schools, a shopping mall, a multi-purpose sports field, healthcare facilities and safe play areas for children, all within a secure, gated community.

This initiative also opens the door for our members to participate directly by purchasing homes at remarkably affordable prices, whether as a family home or as part of their personal investment journey. In this way, members not only witness but also benefit personally from the Fund's impact-driven investments.

TSRF's resilience is underpinned by a comprehensive Enterprise Risk Management Framework (ERMF), which systematically identifies, assesses, and manages risks across strategic, operational, compliance, financial, and reputational domains. The ERMF is aligned with global best practices and is reviewed annually to ensure its relevance in a dynamic environment. Key components include risk identification, evaluation and response, control activities, risk financing, information and communication, and ongoing monitoring and evaluation.

Recognising the importance of long-term sustainability, TSRF has championed innovation in its service delivery. From digital platforms to improve member access and communication, to tailored financial education programmes that empower members to take charge of their retirement journey, our efforts continue to place members at the centre of all we do.

In an era of escalating cyber threats and rapid technological change, TSRF has prioritised cybersecurity and Artificial Intelligence (AI) awareness as critical components of organisational resilience. The Fund has implemented advanced security protocols to protect member data and fund assets, leveraging AI-driven solutions for real-time threat detection and response. We have consistently rolled out regular communication campaigns to educate members and our staff on cybersecurity best practices, including fraud prevention, secure online behaviour, and the responsible use of AI tools. These efforts not only safeguard the Fund's operations but also build a culture of vigilance and adaptability in the face of emerging risks.

Good governance has been a cornerstone of our resilience. Our governance structures ensure transparency, accountability, and ethical leadership at every level. In these uncertain times, we have doubled down on strengthening our institutional integrity guided by our mission to protect and grow members' assets with prudence and purpose.

As we look ahead, TSRF remains committed to its dual mandate which is to deliver financial security for our members and to support the broader transformation and sustainability of the transport industry. We are more than a retirement fund—we are a partner in national development, a steward of long-term savings, and a pillar of support for our members' futures.

My report would not be complete without reflecting on the successful implementation of the Two-Pot system, which stretched and tested us as a Fund. We are proud to report that this major change was executed successfully. Our systems and rules were carefully adjusted to accommodate the Two-Pot changes, while ensuring that fees for our members remained low through negotiated arrangements with our administrator, Salt Employee Benefits, keeping costs to a minimum.

To safeguard our members' contributions and curb fraud, we ensured that all Two-Pot claims are processed online through the member portal by members themselves. Cutting-edge technology enabled the efficient processing of over 22919 claims within just four weeks after the system was opened for submissions, a testament to both our preparation and the dedication of our Administrator.

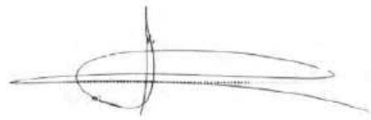
I want to commend Salt Employee Benefits for their tireless efforts in making this implementation seamless. To our members who adapted to this new system, your cooperation made this success possible, thank you. The Two-Pot journey has not only strengthened our systems but also reinforced our commitment to member empowerment.

In closing, I wish to express my gratitude to our Board of Trustees, management team, service providers, and stakeholders for their continued dedication and foresight. Most importantly, I thank our members for the trust they place in us.

Together, we will continue to chart a path of resilience, relevance, and responsible growth. The Fund's performance over the past year reflects this commitment from strong investment growth and rising membership to improvements in administration and service delivery.

The following section provides a snapshot of these key achievements.

Our total assets under management increased by 12.7%	R10.33 Billion
Member Contributions	R1,75 Billion
Net Investment Income	R1,29 Billion
Benefits Paid	R1,70 Billion



Joe Letswalo,
Chartered Principal Executive Officer

Chairman's **Overview**

It is with great pride and a deep sense of purpose that I present the Chairperson's overview to the 2025 Integrated Annual Report of the Transport Sector Retirement Fund (TSRF).

This past year has again tested the endurance of the transport industry and the members we serve. Amid economic headwinds and global uncertainty, TSRF has not only remained resilient but has also strengthened its commitment to what matters most: our members.

At the heart of our resilience lies effective, transparent, and timely communication. We recognise that in times of uncertainty, members need more than just financial performance they need clear information, reliable service, and genuine support. This is why TSRF has placed member communication at the forefront of its strategy in 2025.

We have expanded our multichannel communication platforms, ensuring that every member—regardless of location or language has access to the information they need. From SMS alerts and interactive real time WhatsApp services, to regional engagement sessions and improved digital tools, our focus has been on making information accessible, relevant, and personal.

In parallel, we have invested in strengthening service delivery across all touchpoints. The Fund has made significant strides in reducing turnaround times, simplifying claims processes, and resolving queries more efficiently. This has been supported by ongoing training of our frontline teams, enhanced call centre systems, and data-driven member insights that enable more tailored support.

One of the most powerful developments this year has been our drive to improve financial literacy among members. We launched targeted education campaigns aimed at helping members understand their benefits, plan for retirement, and make informed decisions. As part of this effort, we implemented dedicated and robust communications around the Two-Pot system, including webinars and multimedia resources to guide members through the changes.

We believe that financial education is not just a service but a right, and a critical tool for empowerment.

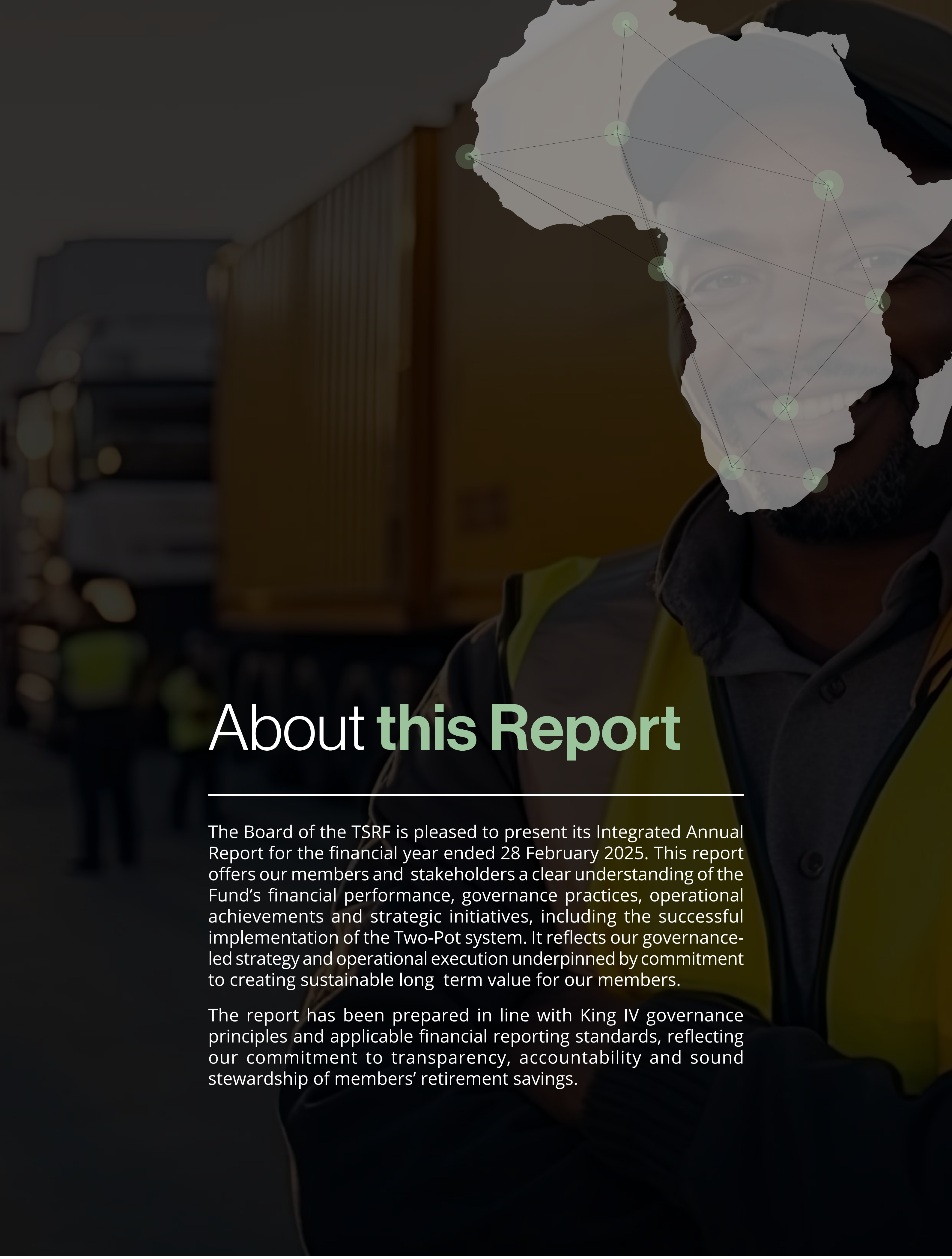
These efforts are not without challenges, but they are underpinned by a clear commitment to putting members first. The continued growth in member confidence, engagement levels, and positive feedback gives us assurance that we are on the right path. Please read our member survey report on page 46 of this report for the astounding positive results of our dedicated member communication strategy.

As Chairperson, I am proud of the strides we have made—not only in maintaining financial strength but also in building trust and deepening our connection with the people we serve. I extend my appreciation to the Board of Trustees, the Principal Officer, Fund staff, and all our service providers for their unwavering dedication.

Most importantly, I thank our members. Your hard work powers the nation's transport system, and your trust drives us forward.

Together, we continue to navigate the future—with confidence, care, and commitment.

Mdumisani Mabaso, Chairperson



About **this Report**

The Board of the TSRF is pleased to present its Integrated Annual Report for the financial year ended 28 February 2025. This report offers our members and stakeholders a clear understanding of the Fund’s financial performance, governance practices, operational achievements and strategic initiatives, including the successful implementation of the Two-Pot system. It reflects our governance-led strategy and operational execution underpinned by commitment to creating sustainable long term value for our members.

The report has been prepared in line with King IV governance principles and applicable financial reporting standards, reflecting our commitment to transparency, accountability and sound stewardship of members’ retirement savings.

02

The TSRF is committed to transforming the financial sector and actively supports the vision and mission of the Financial Sector Transformation Council (FSTC), which is a non-profit company under the Financial Sector Code and section 9(1) of the B-BBEE Act, Act No 46 of 2013.

STRATEGIC FOCUS & SUSTAINABILITY

TRANSFORMATION

TSRF operates with a profound understanding of its pivotal role within the broader retirement fund industry ecosystem. Far from being a mere 'cog,' TSRF embodies agility and focused impact, consistently innovating to shape a future where financial security is accessible and robust for all its members. At the core of our operations is the TSRF Circle of Life, our bespoke Life Cycle model, which ensures every strategic decision and operational action profoundly impacts and benefits our 70,000 members.

TSRF proudly stands at the forefront of transformation within the retirement fund industry, leveraging innovative strategies and robust governance to drive unparalleled change, enhance organisational resilience, and deliver truly purpose-driven leadership. It is proud of its continued Level 1 B-BBEE status and the fact that 75% of the Fund's asset managers are also Level 1 contributors. Black-owned asset managers currently manage 85% of the assets of the Fund. The TSRF does not believe in the incubation of black-owned asset managers but rather in black talent management.

TSRF's journey over the past year has been nothing short of transformative, defined by audacious strategic innovation, deep member-centric communication, and an unwavering pursuit of resilience amidst profound regulatory, economic, and technological shifts. The Fund has not merely adapted; it has led, by implementing a formidable Enterprise Risk Management Framework, championing widespread financial literacy and inclusion, and continuing to enhance the existing cutting-edge digital engagement tools such as the acclaimed member portal. Our agile and exemplary response to the complexities of the Two-Pot retirement system, alongside our unwavering commitment to high-impact investing, advanced cybersecurity, and proactive AI awareness, unequivocally positions TSRF as an undisputed industry leader.

Together the Board and management team of the TSRF have implemented processes and systems to Lead Change, Enhance Resilience, and demonstrate Purposeful Leadership, in order to navigate continuous change in the industry.

TSRF's success is a testament to the powerful synergy forged with our key partners, who are instrumental in enabling the Fund to lead legislative change and cultivate resilience:

Our 70,000 Fund Members
The very heart of our mission and the ultimate beneficiaries of our efforts.

Dedicated Board of Trustees
Providing strategic oversight and unwavering governance.

Management Team
TSRF Management Team which ensures that the day to day operations of the Fund are executed

Influential Trade Unions
Ensuring member voices are heard and rights are protected.

The Broader Retirement Fund Industry
Collaborating to elevate sector standards and practices.

2,434 Participating Employers
Critical allies in ensuring seamless contributions and member engagement.

Expert Fund Administrator
Delivering efficient and reliable operational support.

Strategic Fund Investment Consultants
Guiding our robust investment philosophy.

Essential Fund Truck Stop Partners

Offering health services, rest facilities and direct support for drivers at key points along their routes. TSRF is committed to driving transformation within the financial service sector and beyond. This includes promoting economic inclusion, empowerment initiatives for historically disadvantaged groups, and capacity building through training and development opportunities. We continue to collaborate with our various service providers across the value chain to ensure they are transformed and remain committed to ongoing transformation.

The Fund's commitment to transparency, governance, and impact investing sets a standard for responsible stewardship of members' savings and community development. By sharing best practices and lessons learned, TSRF contributes to the ongoing transformation and resilience of the retirement fund sector, ultimately benefiting all stakeholders—members, employers, and the industry as a whole.

RECOGNISED FOR EXCELLENCE: IRFA AWARD FOR TRANSFORMATION

Winner of Special Gold Award At The 2025 IRFA Conference

Recognition for Industry Leadership and Transformation Excellence

TSRF was honoured with the 2025 IRFA Special Gold Award for its exceptional transformation and industry leadership, based on six outstanding submissions to the IRFA Best Practice Luka Awards. The Fund's approach to transformation is recognised sector-wide as a beacon of transparency, partnership, and gold-standard stewardship of members' savings and broader community development.

Commitment to Governance, Transformation, and Sustainable Impact

TSRF's deep-seated commitment to proactive transformation, robust governance, and high-impact investing continues to set the Fund apart. Through continual engagement with stakeholders, pioneering digital solutions, and dedicated reporting to the FSTC, TSRF actively shapes South Africa's financial services sector for an inclusive and prosperous future.

Knowledge Sharing and Continuous Industry Advancement

By sharing best practices and lessons learned, TSRF fosters resilience and continuous improvement for all members, employers, service providers, and the retirement fund industry as a whole.

03

ESG

ESG Principles

OVERVIEW OF ESG INITIATIVES AND THEIR IMPACT

Our commitment to Environmental Social and Governance (ESG) principles is foundational to our mission of delivering sustainable, long-term value to our members and beneficiaries. We believe that responsible investment is not only about achieving financial returns, but also about contributing positively to the environment and society, while maintaining strong governance practices. We are committed to minimising our environmental impact and promoting sustainability in all aspects of our operations and investments. Our commitment to social responsibility is reflected in our efforts to support and enhance the well-being of our members, employees, and the communities in which we operate.

We focus on:

01 Member-centric services

Ensuring our services meet the needs and expectations of our members, providing them with transparent information, fair treatment, and high-quality support.

02 Diversity and inclusion

Promoting diversity and inclusion within our organisation and across our investment portfolio, recognising that diverse perspectives drive better decision making and innovation.

03 Community engagement

Investing in projects and initiatives that contribute to social development, such as education, healthcare and affordable housing, to improve the quality of life in our communities.

Key Projects And Partnerships Infrastructure Development – Impact Investing

The principal objective of the Fund's investments is to provide retirement savings for its members that meets sufficient retirement financial needs while improving their living conditions pre and post-retirement. This is done through diversifying listed investment asset classes with alternative asset classes that provide direct benefits to members and help drive economic development and job creation.

The TSRF continues to invest in the following projects in various sectors of the economy:

Mix Use Housing:
Lethabong Housing Scheme

Unlisted Retail:
Cubisol Holdings

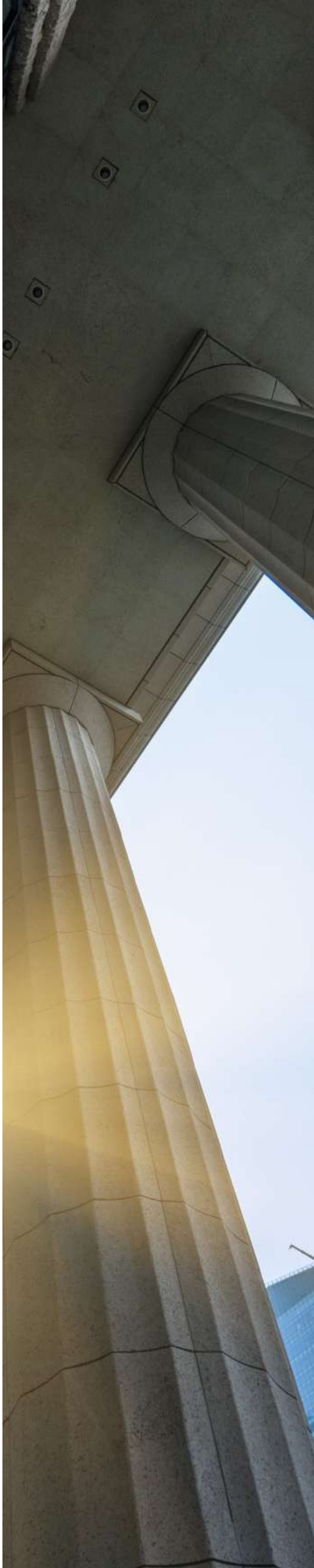
Agriculture:
Sampada/Tats Greenery

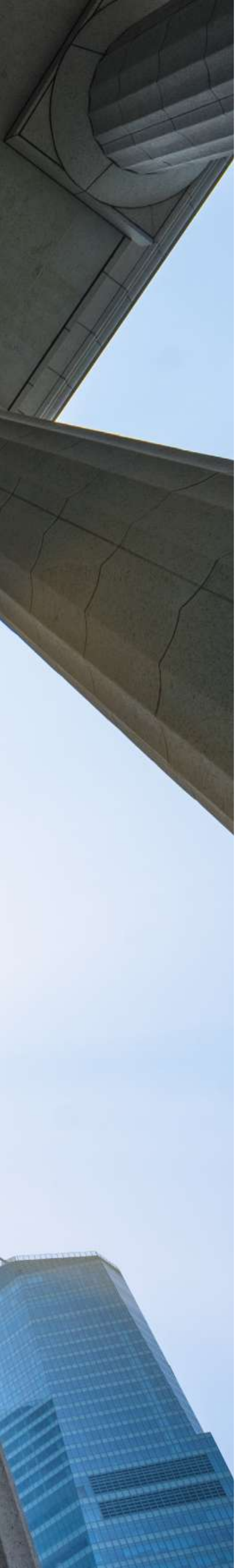
Truck Stops:
Truck Stop Fund

Manufacturing:
Heritage Capital Fund

Manufacturing, Technology:
PAPE Fund Managers

The mixed-use developments create urban villages that speed up housing delivery and key lifestyle services such as clinics, schools, offices, shopping centres, parks and gyms. These spatial development projects play a major role in poverty alleviation, ensuring access to property for all, as a wealth creation and empowerment asset.





Lethabong Lifestyle Estate

The Lethabong Lifestyle Estate is a MegaCity Integrated Township development consisting of 6,000 residential opportunities, a shopping centre, three schools, a hospital, ECD centres, and public transportation nodes. The development integrates social upliftment with a market-related return in the sense of providing fully subsidised housing, in collaboration with the Gauteng Department of Human Settlements, to qualifying beneficiaries and affordable housing solutions to the bonded market, with both integrated to achieve a truly socially integrated lifestyle estate.

Construction progress to date

Phase 1
- Phase 1 to commence after the completion of Phase 4;
- Informal settlement to be relocated.

Phase 2
- 739 fully serviced erven completed;
- 588 fully subsidised BnG houses completed.

Phase 3
- 377 fully serviced erven (70% complete);
- 250 fully subsidised BnG houses (under construction).

Phase 4
- 268 fully serviced erven completed;
- 268 bonded houses (under construction).

Training, Education & Work Opportunities

With mega housing estate development significant emphasis is placed on socially and economically upliftment of the immediate community surrounding the development, focussing on the following core principles:

- Creating job opportunities (both during and post-construction)
- Creation, education and transfer of skills during construction
- Social integration on all fronts
- Providing quality affordable housing to address the housing shortage

From inception of the project to date – Set Square has spent 64% of its contract value on local labour and SMMEs, exceeding its 30% local labour commitment. To place that into perspective:

Total spend on labour and SMME's: R118 Million

That is on average a spend of > R2million per month on local labour and SMME's which significantly contributes to the local community.

SETA

Set Square has a contractual relationship with Sector Education Training Authority of South Africa (SETA) for training, learnership and internship ensuring the creation and transfer of valuable skills to uplift learners and SMME's towards long-term sustainability.

At present Set Square actively has more than 1900 learners spread over 31 learnership, internship and candidacy programs that are being educated and deployed at host employers to gain practical experience.

As a collective Set Square is passionate and committed to education and skills upliftment to thereby socially uplift those in the areas of our involvement and through a combination of local participation in Sebekong on labour and SMME, together with robust and expansive learnership programs of more than 1900 active learners, we aim to achieve those measurable goals and beyond – in creating a better South Africa for all, and leaving the communities in which we operate in a stronger position as what we found them.

Awards

Lethabong Lifestyle Estate was awarded at the annual Reside Summit awards the following awards for 2025:

- **Winner: Best Affordable Housing Development for 2025 in South Africa**
- **Runner-up: Community Scheme of the Year for 2025 in South Africa**

Although reward do not define us, it remains a testimony of the achievements of this prestigious development to date in positively shaping the affordable housing industry in South Africa.

Truck Stop Fund

Following extensive market research and analysis by Truck Stop Fund the need for a national footprint of safe and secure truck stops across South Africa became evident. These truck stops would have to provide decent driver amenities and on road services complimentary to the transport industry.

The location for the second Truck Stop Fund project was decided as East London in the Eastern Cape.

Existing truck stops in East London offer very poor driver facilities, and no services to the transport sector. Overnight security and safety are a major concern for truck drivers travelling through the Eastern Cape and a safe and secure truck stop in East London would make a huge difference to the daily lives of truck drivers travelling through the Eastern Cape.

The construction of Buffalo Truck Stop was completed in July 2024 and the facility started trading during August 2024. The project was completed within program and budget.

Buffalo Truck Stop has safe and secure overnight parking for more than one hundred (100) trucks and driver amenities that include overnight rooms, a canteen, a shop, a relaxation area, ablutions with hot showers, a laundromat, and a medical clinic.

Services to the transport industry include a commercial fuel canopy, a truck wash and four workshops offering mechanical, truck and tyre fitment and repairs, thereby ensuring the road worthiness and safety of the trucks.

Google review received from a truck driver:

"Hi, I am a long-distance truck driver. I always sleep at Buffalo Truck Stop. It's clean and parking are safe. Just want to say thank to the owner thinking of the truck drivers if you sleep at Buffalo truck stop.

The parking you pay includes a free meal I appreciate it so much. the meal helps allot in the dark days if you don't have money. This is the best truck stop so far I have been in south Africa and clean and the staff are friendly."

Apart from the truck stop the facility also has a retail forecourt, which sells fuel to the general public. The retail forecourt also has a PnP Go store, a water store, a Steers drive-through restaurant and a car wash.

With Buffalo Truck Stop successfully completed it is time to move on to the next project.

Heritage Capital Fund I

Heritage Capital is a 100% black female owned and controlled private equity fund management company focused on investing in the industrial, consumer goods and services sectors in South Africa.

The Fund has five investments in its portfolio and these investments have created and sustained approximately 1,200 jobs. The Fund is currently invested in the following companies:

- Fairview Cheese Company (Pty) Ltd ("Fairview Cheese")
- SSEM Mthembu Medical (Pty) Ltd ("SSEM")
- General Profiling (Pty) Ltd ("General Profiling")
- Lift SA (Pty) Ltd ("LSA")
- Aria Technologies Africa (Pty) Ltd ("ATA")

Heritage Capital Fund II Fundraising

Fund II fundraising is well underway and the target fund size is at least R800 million and up to R1 billion, with a minimum cheque size of R100 million. The Fund provides Investors with access to a portfolio of investment opportunities in the industrial, consumer branded goods and services sectors.
Fund II will primarily invest in South Africa, with 20% allocated to companies operating in the rest of Africa. The objective of Fund II is to efficiently deploy institutional capital into owner managed companies that have high growth prospects, are cash generative, scalable and in line with the Fund II's Investment Philosophy. The companies that are selected for investment will contribute to the national priorities of job creation, transformation and economic growth. The intention is to deploy sufficient growth capital into these companies and ultimately exit through a trade sale, secondary buy-out or IPO. Where possible, in instances where Fund II holds a significant minority position, Fund II will endeavour to secure its exit position through put options negotiated with the majority shareholder of reference.
Fund II is targeting a gross IRR of between 25%-30%, which equates to a gross Times Money of approximately 3.0x, and net IRR of between 20%-25%.

Portfolio Companies of Heritage Capital Fund I

Heritage Capital Fund I has achieved a net IRR of 15,6% and Times Money of 2,11x, well above its industry peers (RisCura- SAVCA South African Private Equity Performance Report for Q3, 2024). Two of the five investments have returned all the capital invested, from distributions, with the total DPI ratio of the fund at 0,42x as at 30 June 2025.

Fairview Cheese Company (Pty) Ltd

Fairview Cheese is based in Paarl (Western Cape) and produces a range of over 50 cow's and goat's milk artisanal cheese, including white mould, blue mould, feta and cream cheese. The products are sold in the catering market and major retailers across the country as well as through the Fairview Deli in Paarl.

At the 2024 South African Dairy Championships, Fairview achieved an extraordinary milestone by securing 11 SA Champion titles and six coveted Qualité Awards — the highest recognition for dairy excellence in the country.

Fairview's reputation has also extended beyond local borders. At the 2023 World Cheese Awards in Trondheim, Norway which featured over 4,500 entries from 43 countries, Fairview's Brie de Roche and Goat Crottin received bronze medals, signalling the brand's ability to stand shoulder to shoulder with global leaders in dairy craftsmanship.

SSEM Mthembu Medical (Pty) Ltd

The Fund holds a significant minority share in SSEM, a leading distributor of electro-medical devices and medical consumables across Southern Africa. SSEM supplies advanced medical equipment to specialist physicians, private clinics, and hospitals — including operating theatres, critical care, high care, trauma, and emergency units. The company also serves the occupational health, blood transfusion, and home care sectors.

In July 2024, the Wholesale and Retail SETA hosted an awards ceremony to honour stakeholders who made notable contributions to skills development in the Gauteng region. SSEM received recognition for its impactful efforts in developing the skills of unemployed youth with disabilities.

General Profiling (Pty) Ltd

The Fund has invested in General Profiling, a specialist provider of cut-to-size steel components to various industries including mining, power, agriculture and defence. The company is located in Gauteng but indirectly supplies steel to various projects in the rest of Africa and the Middle East.

Lift SA (Pty) Ltd

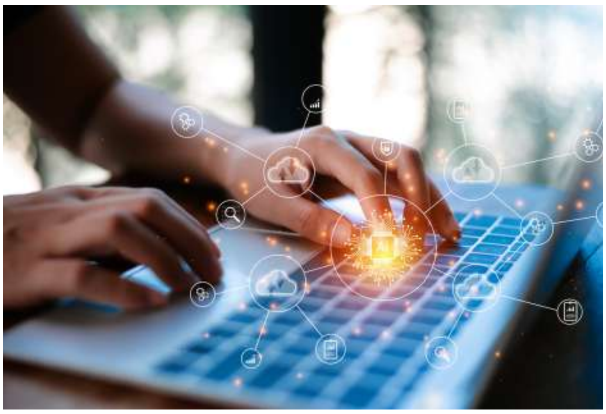
LSA is the holding company for Tailifts SA Pty Ltd ("Tailifts") and Avis Forklift Centre Pty Ltd ("Avis"). Avis rents out forklift trucks to over 1 000 customers in various sectors, nationally. The Fund I recently exited Tailifts, a manufacturer of tailifts, which are fitted onto the back of truck bodies and used to lift goods, to a trade player.

Aria Technologies Africa (Pty) Ltd

Aria Technologies Africa (Pty) Ltd is one of the first investment that was concluded in August 2018. ATA is a supplier of various telephony products and services to the Telkom Group and Lesotho, Zimbabwe and Swazi Telcos. ATA is also an exclusive distributor of Ericsson- LG products for Southern Africa.

ATA has won the Cloud Partner of the Year award for 2025 at the iPECS Global Partner Conference that was held in Phnom Penh, Cambodia in February 2025.

They also won the Telkom Dealer of the Year award at The Telkom Dealers' Conference 2025 in Mauritius in August 2025.



GOVERNANCE

Governance

Strengthening Governance and Compliance

Our commitment to strong governance and compliance remains a cornerstone of our operations. This year, we have further strengthened our governance structures to ensure enhanced oversight and accountability. Regular audits and reviews have been conducted to uphold the highest standards of integrity and transparency.

Advancing Transformation and Economic Inclusion

TSRF is committed to driving transformation within the financial services sector and beyond. This includes promoting economic inclusion, empowerment initiatives for historically disadvantaged groups, and capacity building through training and development opportunities. We continue to collaborate with our various service providers across the value chain to ensure they are transformed and remain committed to ongoing transformation.

Strengthening Risk Management Frameworks

In the dynamic landscape of the retirement fund sector, effective risk management remains paramount. TSRF has continued to strengthen its risk management framework to anticipate and mitigate potential risks that could impact our members' retirement savings. Throughout the year, we have rigorously assessed and monitored various risks including investment, operational, and regulatory risks. This proactive approach has enabled us to navigate uncertainties effectively and safeguard the interests of our members.

Upholding Ethical Governance and Member-Centric Oversight

TSRF's governance framework is anchored in its mission to serve the best interests of its members and beneficiaries. The Fund's Code of Conduct, Board of Trustees, and Legal and Risk Sub-Committee provide oversight and strategic direction, ensuring that decisions are guided by ethical principles, fiduciary duty, and a commitment to fairness and transparency. The Fund's Treating Customers Fairly (TCF) policy is embedded in its culture and operations, with regular self-assessments and external audits confirming adherence to regulatory standards and member expectations. This values-driven approach fosters trust, accountability, and long-term sustainability.

Fund **Structure**

Board composition and governance

- Board of Trustees: the Fund is managed by a Board of Trustees. All reporting to the Board of Trustees is conducted through four sub-committees:
  - Administration
  - Legal and risk
  - Investment
  - Death benefit disposal
- Principal officer and deputy principal officer: serve as the executive representatives of the Fund. The Principal Officer is pivotal in ensuring the Fund's smooth operation and in safeguarding the interests of its members while ensuring compliance with all legal and regulatory requirements.

Governance standards and compliance

- King IV compliance: TSRF complies with the King IV Report on Corporate Governance™ for South Africa, 2016, confirming alignment with the principles for the year under review.
- Governance emphasis: the Board upholds a commitment to transparency, regulatory adherence, and high governance standards, supported by its sub-committees in managing and overseeing Fund operations.

Fiduciary responsibilities

- Board role: provides strategic direction, formulates policy, sets performance criteria, and delegates implementation to management.
- Conflict of interest: trustees are mandated to act impartially, maintaining objectivity and avoiding conflicts of interest.
- Stakeholder engagement: proactive engagement with members, regulators, and other stakeholders to ensure inclusive governance.

Meetings and performance evaluations

- Meeting schedule: the Board meets quarterly, with additional meetings convened as required. Four meetings were held during the period under review.
- Performance evaluation: annual evaluations assess the performance of the Board, committees, chairperson, and principal officer.

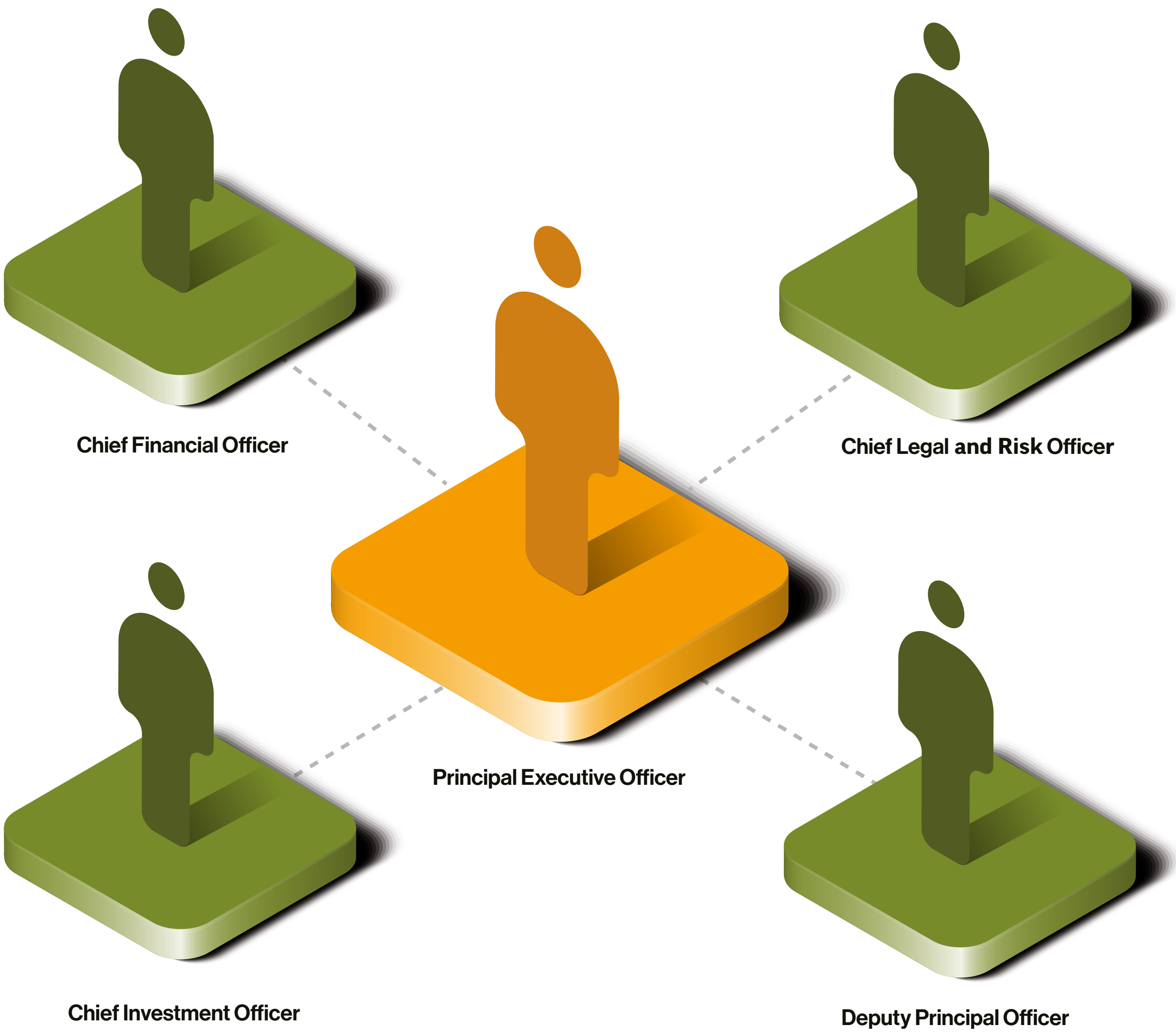
Policies and compliance

- Policy review: regularly reviewed policies align with best practices and regulatory requirements, overseen by the legal and risk officer.
- Legislative updates: continuous monitoring of legislative changes ensures compliance and supports informed governance practices.

Management Team

The Management team is led by Joe Letswalo who is the Fund's Principal Executive Officer. During the period under review, the Fund 's Management Team was expanded to include key strategic expertise required to take the TSRF into the future and ensure long term sustainability.

Executive Organogram



Deputy Principal Officer

Mongezi Ngcobo was appointed on 1 May 2025 as the new Deputy Principal Officer.

He is a seasoned retirement fund professional with over a decade of experience in accounting, fund administration, and governance.

He served as the Regional Office Manager and Principal Officer at the National Bargaining Council Clothing Manufacturing Industry and KwaZulu-Natal Clothing Industry Provident Fund, where he oversaw fund operations, compliance, and governance for large member bases.

Mongezi holds a BCom in Accounting and a Post Graduate Diploma in Leadership and is pursuing a Master of Commerce in Leadership to deepen his leadership capabilities.

He is passionate about transformation in fund administration and governance, committed to ethical leadership, and believes in empowering staff and fostering innovation to meet modern retirement needs.

A regular participant in industry forums like Pension Lawyers Association and Batseta, Council of Retirement Funds for South Africa, Mongezi brings practical insights and a forward-looking vision to discussions on best practices and regulatory developments in the retirement fund sector.

The Fund welcomes Mongezi and looks forward to his valuable contribution to foster a culture of trust and collaboration, ensuring that every member feels valued and empowered on their journey to retirement.

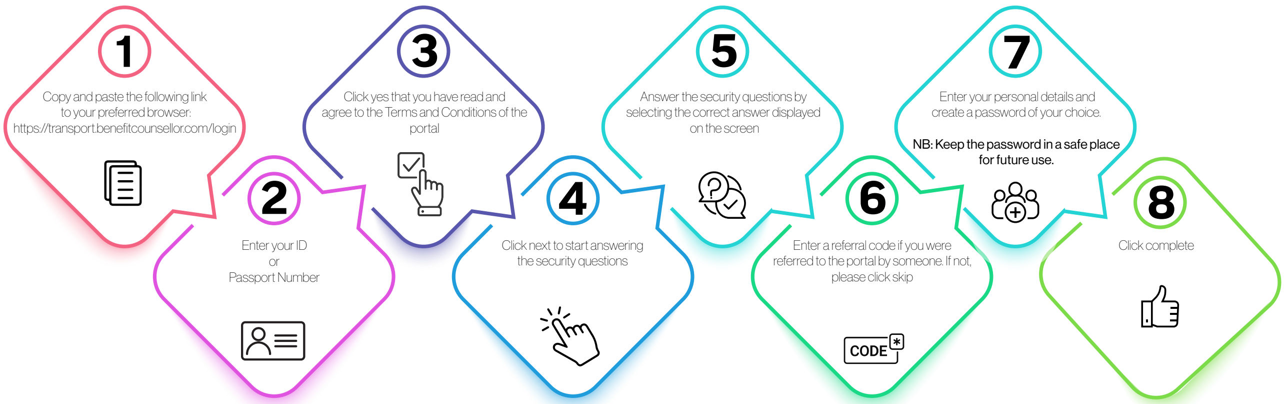
Enhanced Member Communication

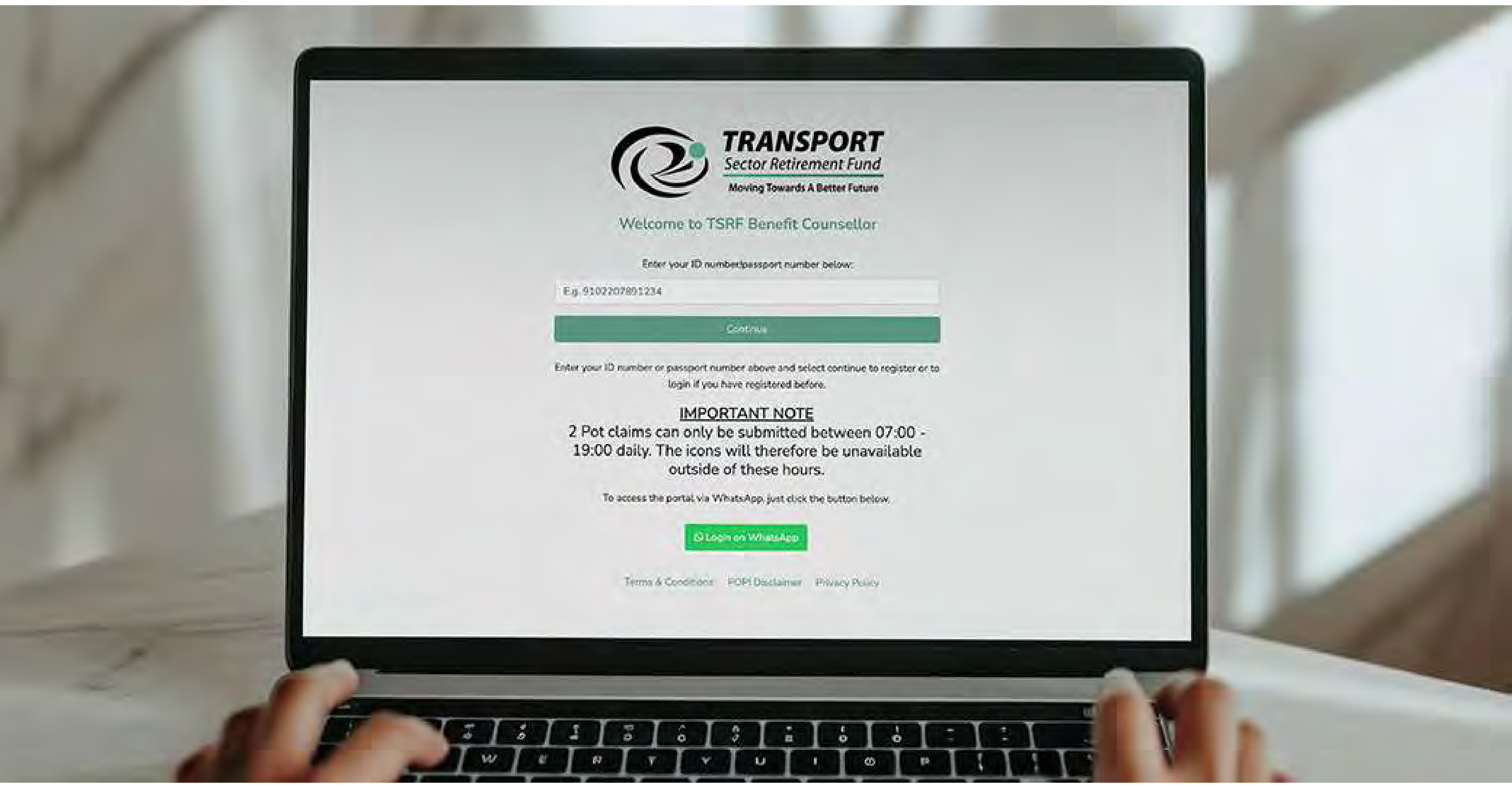
In response to the increasing digitisation of financial services, TSRF invested in enhancing its digital infrastructure, most notably through the Benefit Counsellor platform. This mobile-first, user-friendly tool enables members to access their fund balances, benefit statements educational resources, as well as to initiate claims and update beneficiary information.

The platform's integration with WhatsApp and chatbots ensures that members receive timely support and guidance, regardless of their location or digital literacy level.

All members are encouraged to register on the member portal by following the instructions below.

Step by step on ow to access the TSRF member portal – First Time User






SCANIA

Navigating the Portal

The below is a guideline for what you can access through each icon.

Icon	Section Name	Description / Function
	Contributions	Click here to view your monthly contributions breakdown.
	Benefits	Under this icon you will see all your benefits.
	Education	Access all educational information relating to the retirement fund and other financial topics.
	Rewards	View all the rewards due to you and redeem them.
	Two-Pot Opt-in	For members over 55 (in 2021) to opt into the two-pot system.
	Two-Pot Savings Withdrawal	Click here when you want to claim from your savings pot.
	Benefit Statements	View your benefit statement.
	Referrals	Share your referral code with colleagues to register on the portal.
	Forms	Access all relevant forms here.
	Fund Info	Find information about TSRF here.
	Fund Balance	View a comprehensive total of your retirement savings.
?	FAQ	View the frequently asked questions.
	Exit Fund	Click here when you are withdrawing from the provident fund.
	Retire	Access educational information required when you are about to retire.
	Concerns	Log all your queries and concerns here.
	Claim Status	Track the progress of your submitted claims.
	Calculator	Use the online calculator to predict your future payout.

The Fund's use of social media reels, online workshops, and gamified financial literacy modules (Benefit Counsellor) further exemplifies its commitment to engaging members across diverse channels and learning preferences. These initiatives have resulted in a significant increase in member registrations and engagement metrics, underscoring the effectiveness of TSRF's digital transformation strategy.

The Fund also created an Instagram Page (April 2025) to augment the Facebook page that has existed for the last 8 years. This new page allows us to reach members, especially younger audiences, in a more visual and interactive way. Through Instagram, we share important updates like the ones shared on the Facebook platform. By extending to other platforms, we are broadening our digital presence to ensure members can connect with us in ways that suit their preferences.

Risk & Compliance

The Transport Sector Retirement Fund remains unwavering in its commitment to robust risk management and regulatory compliance, underpinning the resilience and long-term sustainability of the Fund in a dynamic financial landscape.

Enterprise Risk Management Framework

TSRF's Enterprise Risk Management Framework (ERMF) is continually enhanced to identify, assess, and mitigate risks across all strategic, operational, regulatory, financial, and reputational domains. In 2025, the ERMF was reviewed and updated to ensure relevance in the wake of rising global turbulence, technological change, and increased cyber threats. The framework aligns with global best practices and integrates lessons learned from recent sector disruptions—including the implementation of the Two-Pot retirement system and evolving compliance standards.

Key components of the ERMF include:
Risk identification with systematic review of internal and external factors impacting TSRF's objectives, including market volatility, legislative amendments, cybersecurity threats, and demographic shifts.

Risk evaluation and response entailing quantitative and qualitative assessment of risk likelihood and impact, guiding the prioritisation of mitigation strategies. Particular emphasis in 2025 has been placed on scenario analysis and stress testing, with regular board-level oversight.

In respect of control activities, the Fund continues to implement and improve comprehensive controls across administration, investment, and sub-committees ensure all risks are managed within approved tolerance levels. Cybersecurity protocols and ESG integration have been further strengthened in response to new regulatory directives.

In order to finance risk, various strategies for insurable and non-insurable risks have been evaluated, with adequate funding and insurance in place to protect member assets and fund integrity.

Ongoing risk reporting channels keep trustees, management, and members informed. Independent audits, self-assessment, and peer review processes are conducted annually to ensure effectiveness.

Regulatory Compliance

TSRF's compliance programme proactively tracks, assesses, and implements legislative and regulatory changes. The Fund actively engages with the Financial Sector Conduct Authority (FSCA) and other sector regulators to ensure timely alignment and implementation of new regulations.

In 2025, TSRF responded early and comprehensively to the FSCA's Joint Standard 2 of 2024, placing cybersecurity and resilience at the core of Fund governance. Mandatory protocols now include documented risk-based controls, response plans, third-party assurance, ongoing staff training, and enhanced regulatory reporting. The Fund's digital transformation efforts—such as the Benefit Counsellor platform—are fully supported by advanced security features and regular penetration testing.

Section 13A Compliance

Rigorous Section 13A monitoring continues, with strict enforcement against non-compliant employers and robust reporting systems to the FSCA, NPA and SAPS when required. Automated compliance alerts and enhanced verification processes have reduced penalties and increased employer compliance rates.

Treating Customers Fairly (TCF)

The Fund's TCF policy is embedded throughout its activities, with ongoing member communication, transparent reporting, and timely complaint resolution serving as pillars of fairness and accountability.

Statutory Updates

Amendments to Fund rules such as those facilitating the Two-Pot system were promptly registered and communicated, with comprehensive member education resources available across multiple platforms.

Compliance Achievements and Continuous Improvement

Annual audits and board reviews confirm TSRF's alignment with the King IV Report on Corporate Governance™ for South Africa, 2016 and adherence to all FSCA directives.

The Trustee toolkit certification for all Board members was targeted for completion by September 2024, supporting enhanced fiduciary capability in a rapidly changing environment.

The Board continues to review and update compliance and governance policies, guided by the Chief Legal and Risk Officer, to uphold best practice and keep pace with sector innovations.

Looking Forward

TSRF's proactive risk and compliance culture ensures the Fund can confidently navigate regulatory, economic, and technological shifts, protecting the interests and savings of its members. Ongoing investment in digital infrastructure, continuous training, and agile adaptation to new risks and requirements will remain at the forefront of TSRF strategies in the years ahead .

Meet the **Board**

Mr Mdumisani Mabaso
Chairperson

Mdumisani Mabaso has served on the Road Freight and Logistics Industry Provident Fund Board of Trustees since 2004 and has 19 years' experience as a trustee. He serves on the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) and as General Secretary of the Motor Transport Workers Union (MTWU).

Ms Zola Tshefu
Independent Trustee

Zola Tshefu is a seasoned Director with 17 years' experience as a Non-Executive Director in diverse public and private industries. She has more than five years' retirement fund industry experience as Chairperson of a fund. She holds a BCom and an MA in Administration.

Mr Solomon Mothibedi
Trustee
(Resigned in August 2024)

Solomon Mothibedi is National Coordinator for the MTWU. He has completed several accredited trustee training courses and has extensive experience as a trustee, having served on the Board of the Private Security Industry Fund.

Advocate Tebalo Maloka
Independent Trustee

Tebalo Maloka is an admitted but non-practising advocate with wide-ranging experience as a trade unionist and labour relations expert. He is also an experienced public administrator with a proven track record in conciliations, arbitrations and disciplinary hearings in municipalities, the South African Local Government Bargaining Council and the Commission for Conciliation, Mediation and Arbitration.

Mr Mandla Nkosi
Independent Trustee

Mandla Nkosi is a lawyer with over 20 years' experience in pension fund law. He serves on many retirement fund boards as a Principal Officer, Chairperson and independent trustee in legal and advisory capacities. His affinity with ethics and good governance secured him the position of Director and Trustee on the Board of the IRFA.

Mr Mbuso Nzama
Trustee
(Appointed as Trustee September 2024)

Mbuso Nzama is Deputy President of the MTWU and also serves as a Board member of the NBCRFLI.

Mr Tawana Mopeli
Union Trustee

Tawana Mopeli began his studies at the London School of Business and Management and completed his BA (Hons) in Business Studies at the University of Greenwich. He completed a BA (Hons) in Social Science and a BA (Masters) in Social Science at Wits University in 2020. He started his career with the South African Transport and Allied Workers Union (SATAWU) as Head of Research and was appointed Head of Operations in the General Secretary's office. He is a Commissioner in the Department of Employment and Labour's Employment Conditions Commission.

Mr Jack Mazibuko
Alternate Union Trustee
(Resigned April 2025)

Jack Mazibuko has a long history of trade union activism following his rise as a shop steward and worker office bearer in various structures of SATAWU. He was elected Trustee and Chairperson of the Cleaning Bargaining Council in 2003, worked as a union official/organiser for SATAWU in 2007 and was elected as Free State Provincial Secretary in 2008. In 2018, he became SATAWU's General Secretary. He is Chairperson of the NBCRFLI and Executive Member of the International Transport Workers' Federation. Jack holds human resources and labour qualifications from the University of the Free State.

Mr Willy Lekgoathi
Union Trustee

Willy Lekgoathi has 18 years' experience in transport and freight with certificates in labour relations, skills development and legal practice. He started his career with SATAWU. He was Acting National Road Freight Sector Coordinator and later became Provincial Coordinator. He is affiliated with the Motor Ferry Industry Bargaining Council of South Africa and the NBCRFLI.

Mr Itumeleng Serithi
Independent Trustee

Itumeleng Serithi is an experienced professional independent trustee. He has a BCom (Hons) degree in Accounting from the University of KwaZulu-Natal. He joined PwC Forensics after university and qualified as a chartered accountant. He has 15 years' experience in audit, governance and forensic investigations. He is an independent trustee of numerous large industry funds, including the Private Security Sector Provident Fund and the Motor Industry Provident Fund.

Mr Musa Tshabalala
Alternative Union Trustee
(Appointed as alternate trustee in September 2024)

Musa Tshabalala is the National Coordinator of the Motor Transport Workers Union (MTWU) and a respected leader in the labour and governance space. He has completed various professional development programmes, including trustee training, communication, leadership, industrial relations, and workplace incident investigation. He previously served as a Trustee of the Robson Salvage Provident Fund and currently serves as a councillor at the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). He is also a member of both the Executive Committee and the Investment Committee at the NBCRFLI, where he contributes to strategic governance and oversight.

Fund Management

Joe Letswalo
Principal Officer

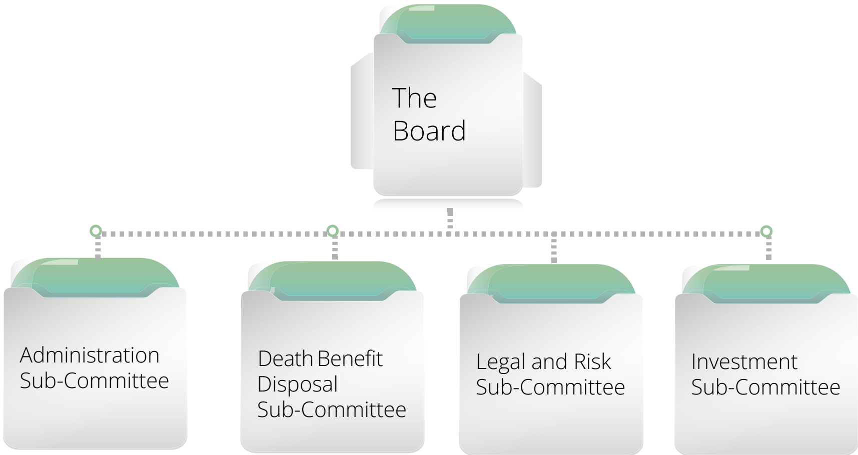
Mongezi Ngcobo
Deputy Principal Officer

Grace Chauke
Chief Investment Officer

Alick Kapeza
Chief Financial Officer

Penny Spentzouris
Chief Legal & Risk Officer

Fund Structure

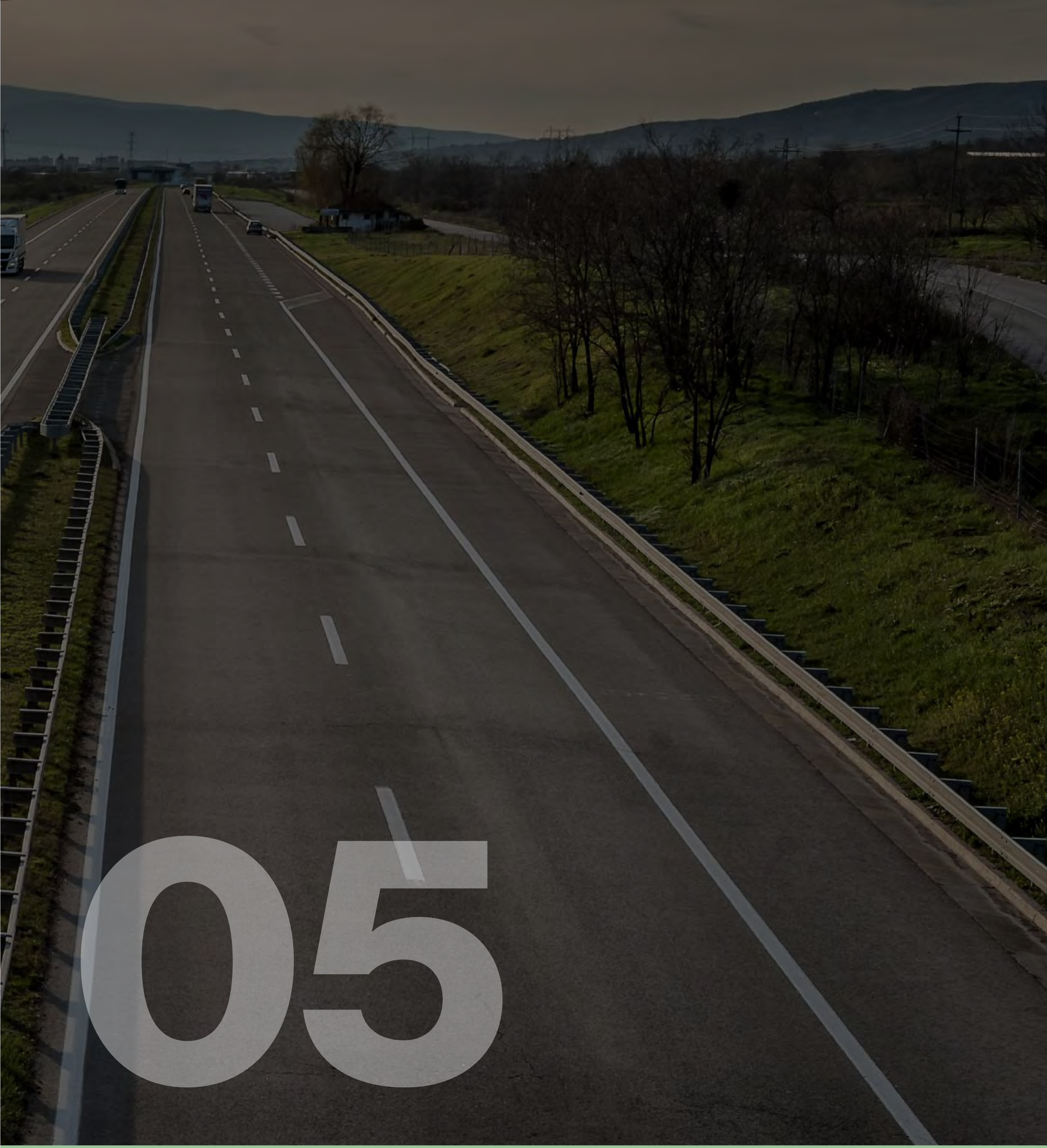


The Fund operates through various sub-committees that report directly to the Board.
Each sub-cimmittee is required to hold four meetings within each financial year.

Sub-Committee roles and performance

Each sub-committee plays a distinct role, with oversight by the assigned trustees and invited officers. The sub-committees confirmed full mandate fulfillment for the period 1 March 2024 to 28 February 2025.

Sub-committee	Mandate	Number of Meetings Attended by Trustees			
Administration	Manage administration risks, monitor SLA, oversee benefits, and ensure timely claim payments.	M. Mabaso	I. Serithi	M. Nkosi	W. Lekgoathi
		4	4	4	4
Investment	Develop and monitor investment policy, asset strategies and recommended managers.	M Mabaso	T. Maloka	Z. Tshefu	T. Mopeli
		4	4	4	4
Legal and Risk	Oversee governance, trustee appointments, risk management, compliance, and legal agreements.	W. Lekgoathi	M Mabaso	T. Maloka	T. Mopeli
		4	4	4	4
Death benefit disposal	Verify documentation, manage death benefits distributions, and ensure timely benefit payment.	S. Mothibedi	T. Mopeli	M. Nkosi	M. Nzama
		1	4	4	2



VALUE CREATION

Investment **Performance**

Global market themes

Global equity markets maintained a positive tone in July 2025 , with global equities advancing amid improving risk sentiment and easing trade tensions. The MSCI World index gained 1.3% for the month, pushing year-to-date (YTD) returns into double digits at 10.9%.

This performance was supported by strong US corporate earnings, particularly from technology companies, and the announcement of new trade deals that provided more certainty to some economies.

The US reached agreements with Japan and the European Union (EU), setting a 15% tariff rate on imports, which, while higher than pre-Trump rates, reduced fears of an escalating trade war. The IMF raised its 2025 global economic growth forecast to 2.7%-3.0%, with stronger projections for major economies.

Market volatility remained relatively contained, with the VIX index closing the month at 16.72, reflecting investor confidence despite ongoing geopolitical uncertainties.

In the US, Q2 GDP rebounded with 3.0% annualised growth following a 0.5% contraction in Q1. June headline inflation accelerated to 2.7% Year over Year (YoY) (from May's 2.4%), while core CPI edged up slightly to 2.9% from May's 2.8% YoY print.

Core Personal Consumption Expenditures (PCE), the Fed's preferred inflation gauge, remained steady at 2.8% YoY. The labour market showed resilience with unemployment at 4.2%, although July nonfarm payrolls added just 73 000 jobs, with significant downward revisions to previous months.

The Federal Reserve maintained its target rate range at 4.25-4.50% during its July meeting, with Chair Powell signalling that policy is appropriately positioned, tempering expectations for a September rate cut.

US equity markets reached record highs, with the S&P 500 gaining 2.2%, the Nasdaq Composite advancing 3.7%, while the Dow Jones lagged with a modest 0.2% gain for the month of July.

Technology stocks led gains, fuelled by strong semiconductor and AI-related earnings.

Emerging market equities outperformed developed markets in July, with the MSCI Emerging Markets index gaining 2.0% for the month. Chinese stocks led the gains, while Taiwan benefited from continued optimism around AI applications and semiconductor demand. Brazil's Bovespa index declined 4.2%, while India's Sensex fell 2.8% for the month of July.

The MSCI EFM Africa ex-SA index rose 5.7%, supported by commodity price gains and improved risk sentiment. However, concerns remain over monetary policy divergence and continued US dollar strength.

Oil markets rallied in July, with Brent crude gaining 7.4% to end at US$71.70 per barrel, supported by OPEC+ production cuts and renewed geopolitical tensions. Gold eased 0.4% lower but remained up 25.4% YTD.

Copper prices initially spiked due to concerns over supply shortages and potential tariffs but reversed sharply after the US announced that key inputs, such as ores and cathodes, would be excluded from the tariffs.

This surprise policy shift triggered a market correction, leaving copper down 4.9% for the month. Platinum also declined, falling 5.0%. In contrast, palladium gained 8.3%, silver rose 1.7%, and iron ore prices climbed 5.8% during the month on optimism around Chinese housing support.

The South African rand weakened against the US dollar, with the ZAR/USD rate at 18.08, representing a 1.8% depreciation for the month of July.

South African market themes

The South African equity market maintained its upward trend in July, with the FTSE/JSE All Share Index (ALSI) gaining 2.3% month-on-month (MoM), bringing its year-to-date (YTD) return to 19.4%. The FTSE/JSE Capped SWIX followed a similar trajectory, advancing 2.2% MoM and 18.7% YTD. July marked a historic milestone as the ALSI crossed 100 000 points for the first time before retreating slightly to close the month at 98 519.51.

Resources (+5.1%) outperformed, led by precious metal miners, with platinum miners contributing significantly to the month's returns. Industrials gained 1.2%, while Financials rose 1.3% for the month. From a market cap perspective, Mid-Caps led the gains (+3.3%), followed by Small Caps (3.1%), whilst Large Caps advanced 2.3% for the month of July.

Among individual stocks, Adcock Ingram was July's standout performer (+36.9%) following a takeover bid announcement from India-listed Natco Pharma at R75/share, representing a significant premium to its previous closing price. Sasol rallied strongly (+19.0%), benefiting from higher oil prices and a positive trading update indicating a 20%-plus year-on-year (YoY) rise in earnings. Sibanye Stillwater (+18.9%) gained on the back of surging precious metal prices.

On the downside, Bytes Technology Group was the worst performer (-30.5%) after issuing a profit warning citing a challenging macro environment and deferred customer buying decisions. Mondi Plc (-14.8%) and Anheuser-Busch InBev (-12.4%) also declined following disappointing earnings reports.

The fixed income market showed resilience in July, with the All Bond Index (ALBI) gaining 2.73%, while inflation-linked bonds (CILI) posted a modest 0.59% gain. The cash benchmark SteFI returned 0.62% for the month of July.

The property sector outperformed broader equities with the All Property Index (ALPI) advancing 4.4%. The rand weakened against the US dollar, with the ZAR/USD rate increasing by 1.8%, although the currency remains 4.2% stronger YTD.

The IMF raised its 2025 global economic growth forecast to **2.7%-3.0%**

The Federal Reserve maintained its target rate range at **4.25-4.50%**

Brent crude gaining 7.4% to end at US$71.70 **Per Barrel**

Platinum also declined, falling **5.0%**

FTSE/JSE All Share Index (ALSI) gaining **2.3% MoM**

South Africa's headline inflation rate increased to **3.0% YoY**

South Africa's headline inflation rate increased to 3.0% YoY in June from 2.8% in May, reaching the lower bound of the South African Reserve Bank's (SARB's) target range. Monthly CPI rose 0.3%, up from 0.2% in May. Food and non-alcoholic beverages inflation accelerated to 5.1% YoY, contributing 0.9 percentage points to the headline figure, while housing and utilities inflation moderated slightly to 4.4% from 4.5%.

Transport prices continued to decline, though at a slower pace of -3.3% YoY compared to -4.8% in May. Core inflation, which excludes volatile items like food and fuel, edged down to 2.9% YoY from 3.0%, reflecting subdued underlying demand conditions.

On 31 July, the SARB unanimously cut the repo rate by 25 bps to 7.0%, lowering the prime lending rate to 10.5%. This marks the third reduction this year, totalling 75 basis points for 2025, and represents the lowest rate since end-2022. The decision reflects the SARB's response to persistent subdued inflation and stagnant domestic growth.

The central bank revised its 2025 GDP growth forecast downward from 1.2% to 0.9%, citing persistent supply-side challenges and deteriorating business and consumer confidence.

Significantly, the SARB signalled a structural shift in its inflation targeting regime, explicitly stating a preference for inflation to settle at 3% rather than the midpoint of its 3-6% target range. This change could pave the way for deeper interest rate cuts in the future, with the SARB's models indicating the repo rate could fall below 6% over the medium term.

Key financial and operational highlights

For the year under review, TSRF achieved significant growth with total assets under management (AUM) increasing to R10,33 billion reflecting a 12.7% growth driven by solid investment returns.

Total AUM:
R10,33 billion

Return on Investments:
12.7%

Net Investment Income:
R1,29 billion

Member Contributions:
R1,75 billion

Benefits Payout:
-R1,70 billion

Financial Overview

- **funding ratio stands at approximately 111%,** indicating the Fund's assets exceed its liabilities by around 11%, showing a healthy surplus position.
- **solvency ratio is reported at 108%,** the Fund comfortably exceeds the minimum regulatory requirement of 100% set by the Financial Sector Conduct Authority (FSCA).
- **liquidity ratio is approximately 1.9:1,** meaning the fund holds nearly double the liquid assets required to cover its short-term liabilities.
- **benefit coverage ratio of 113%,** Fund's assets are sufficient to cover all member benefits, with a comfortable margin which indicates excellent financial health and sustainability

Investment Asset Allocation and Performance per Asset Class

Investment asset allocation 2025

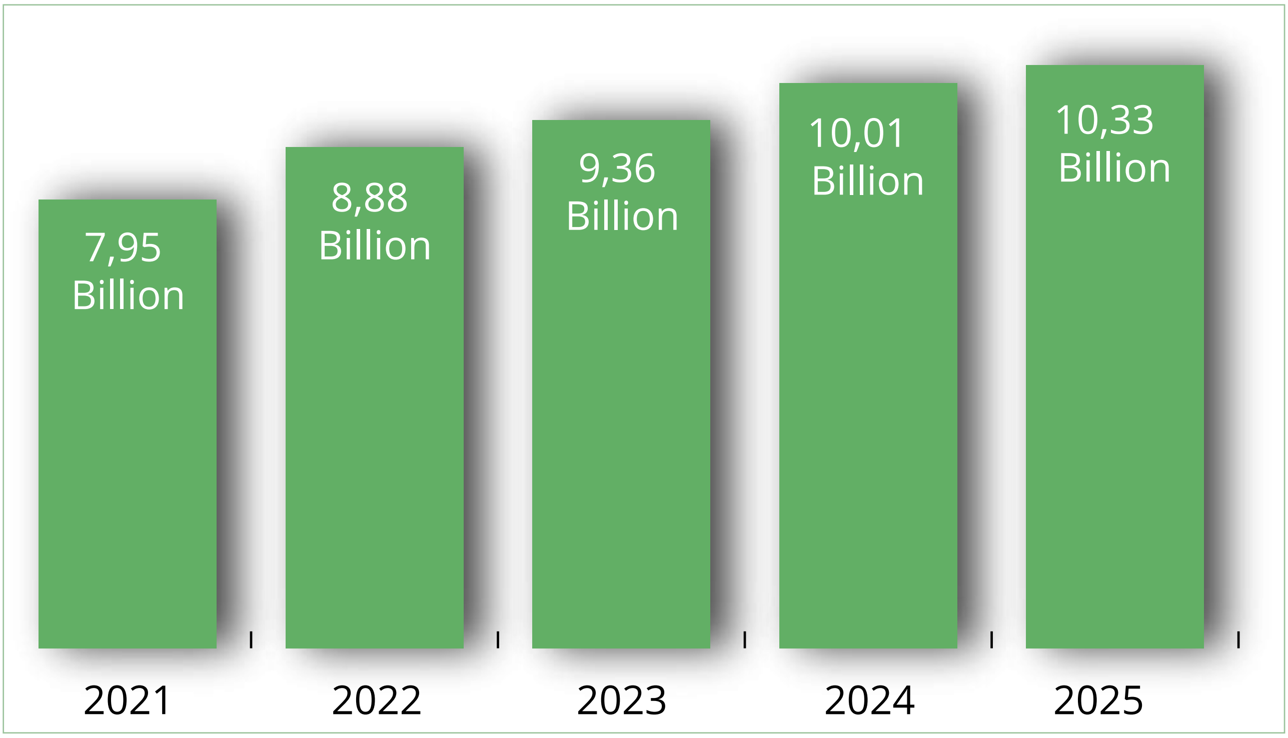
Asset Class	Allocation	Commentary
Local Equities	**38%**	Strongest local performer; driven by financial and resources sectors.
Global Equities	**22%**	Benefited from global tech rally and weaker rand.
Fixed Income (Bonds)	**18%**	Stable returns; defensive positioning amid interest rate shifts.
Property (Listed & Direct)	**8%**	Continued recovery and high distribution yields.
Cash & Money Market	**7%**	Used for liquidity; yields moderated as rates stabilised.
Alternatives (Private Equity, Infrastructure, Hedge)	**7%**	Delivered strong risk-adjusted returns above inflation.

Investment asset allocation 2025

Asset Class	Return %	Key Performance Drivers
Local Equities	**13,4%**	Industrial and resource stocks outperformed expectations.
Global Equities	**14,8%**	Boosted by US and European market gains.
Fixed Income	**7,1%**	Stable income; limited capital gains.
Property	**10,2%**	Benefited from inflation-linked rental growth.
Cash / Money Market	**5,3%**	Consistent yield; conservative component.
Alternatives	**12,1%**	Infrastructure and private equity returns exceeded benchmarks.

5 Year Assets Under Management Trend

5 Year Assets Under Management Growth



Steady growth despite the introduction of the two pot system in 2024 which resulted in member withdrawals amounting to R0,36 billion in 2025 financial period.

"Tomorrow belongs to people
who prepare for it today."
- African Proverb

STAKEHOLDER EXPERIENCE

Section 13A
Compliance

Employers are responsible for providing detailed contribution schedules to the TSRF and paying contributions regularly and on time. A non-compliant employer faces serious consequences.

The Pension Funds Act places two obligations on participating employers:

- Pay contributions in terms of the Fund rules into the Fund's bank account, no later than 20 days after the end of the month in which contributions are payable.
- Provide contribution schedules to the Fund no later than 20 days after the end of the month in which the payment was made, to ensure contributions are allocated to the correct members.

Types of non-compliance by employers include:

- Not deducting contributions from employees
- Deducting contributions from employees but not paying them into the Fund
- Not submitting schedules with payment so the Fund cannot allocate contributions to members

Members and the Fund will be entitled to apply for a warrant of execution from a court having jurisdiction on a Determination given by the PFA for complaints against employers who are non-compliant with the provisions of S13A of the Pension Funds Act. In terms of PF Circular 110 and Conduct Standard 1 of 2022 (RF), the Fund must report non-compliance to the FSCA, NPA and SAPS.

A criminal docket is opened against the non-compliant employer who, if found guilty, will be sentenced to pay a fine not exceeding R10 million, imprisonment for a period not exceeding 10 years or both. The Fund extends its sincere appreciation to employers who consistently pay their contributions to the Fund on time, under challenging circumstances.

Membership

Membership	**Active Members**	**Deferred**	
Unclaimed			
Number at the beginning of year	187,987	102,997	-
Adjustments	2,079	(5,784)	-
- Adjustments*	2,536	-	-
- Adjustment - Withdrawals not on prior closing	945	-	-
- Adjustment - Paid in prior period	-	(5,784)	-
- Adjustment - Not counted in prior period	7	-	-
- Adjustment - Prior closing duplicates	(1,409)	-	-
Additions	17,865	-	-
Capital Disability	(146)	-	113
Transfers out	(710)	-	-
Withdrawals	(13,427)	(81)	6,094
Retirements	(508)	(1)	114
Retrenchments	(1,311)	(2)	382
Deaths	(553)	(20)	1,557
Transferred to Deferred	(379)	379	-
Number at the end of the year	**190,897**	**97,488**	**8,260**

Stakeholder Experience and **Member Communication**

The Fund's digital transformation—via the Benefit Counsellor, WhatsApp integration, and multilingual communication—is exemplary. Survey data (improved understanding of benefits from 82% to 92%) reflects genuine improvement in financial literacy. Enhancements to consider:

- Incorporate a stakeholder materiality matrix, aligning member concerns (costs, access, financial education) with Fund responses.
- Report on complaints or turnaround metrics beyond satisfaction percentages for balanced transparency.

TSRF actively supports the well-being of its members, employees, and communities through member-centric services, diversity and inclusion efforts, as well as community engagement projects focusing on education, healthcare, and affordable housing.

At TSRF, fair treatment of members is non-negotiable. We uphold principles of equity, inclusivity, and respect in all interactions with our diverse membership base. Our member services team remains dedicated to providing clear and accessible information, responsive support, and personalized advice to meet the unique needs of each member. We strive to foster a culture of trust and collaboration, ensuring that every member feels valued and empowered in planning for their retirement future.

The environmental analysis of TSRF reveals a dynamic landscape shaped by regulatory changes, economic pressures, technological advancements, and evolving member needs. The introduction of the two-pot system last year (2024) redefined retirement planning, emphasising compliance and the need of financial literacy of members.

Constant economic challenges, including inflation and stagnant wages, impact members' saving behaviors, necessitating innovative strategies to promote financial resilience to be implemented by the Fund to ensure members keep their savings for long term use. Below are some of the primary challenges faced by members:ted Financial Knowledge:

01 High Living Expenses
Members may face high costs associated with transportation, housing, and other necessities.

02 Variable Income
Income fluctuations due to contract and seasonal work (for truck drivers) can make it challenging for members to budget and save consistently.

03 Debt and Credit Card Use
Members may struggle with high-interest debt and credit card balances, garnishee orders and maintenance orders.

04 Limited Financial Knowledge
Some members may not have the necessary financial literacy to make informed financial decisions.

Solutions

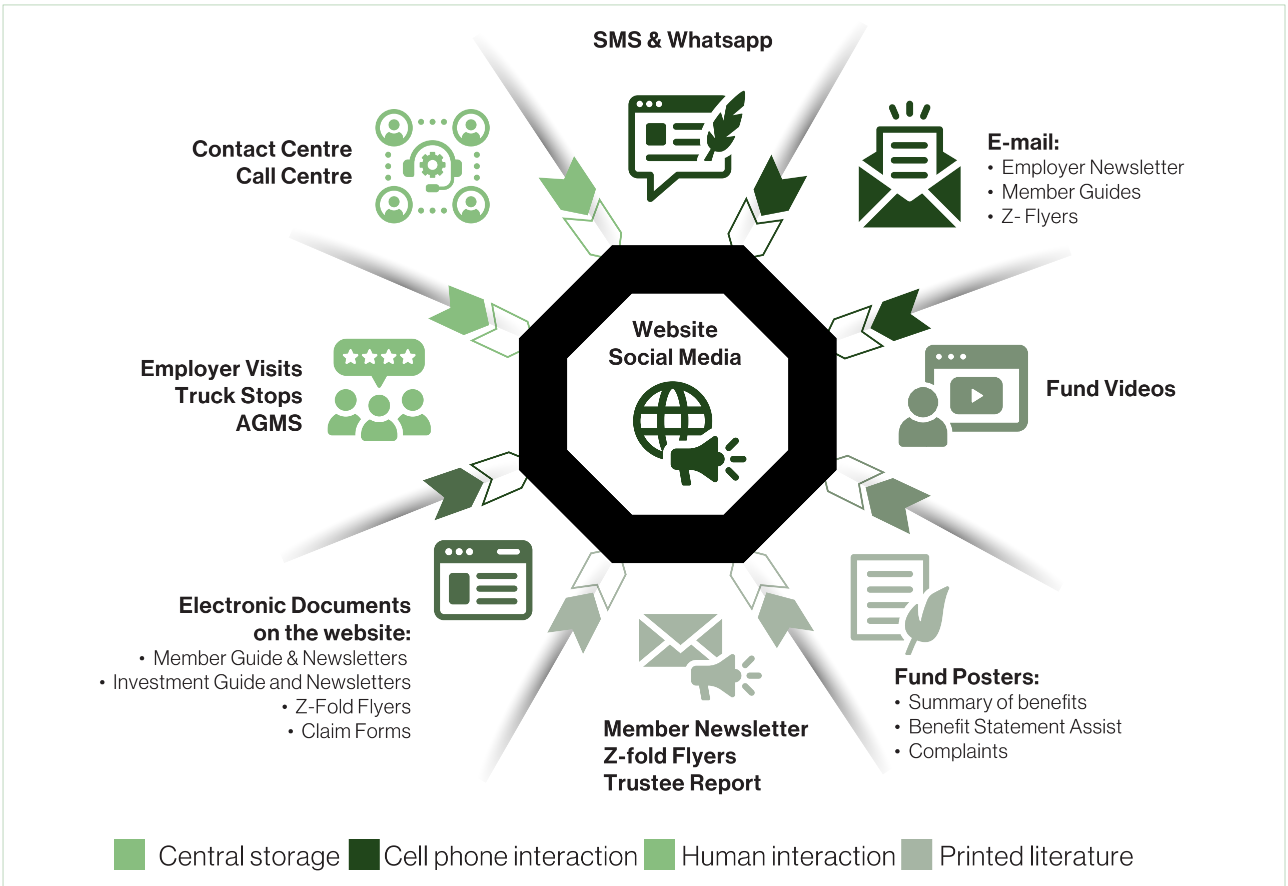
- √ Accelerate member education on the importance of preserving retirement savings for future in case of two-pot withdrawals.
- √ Prioritise member education and benefits by encouraging members to use the member portal. The aim is to have all members register on this portal so they may have access to their retirement fund information, at their fingertips.
- √ Develop comprehensive financial education messages aimed at the various segments of members, including online workshops and online resources supported by social media Reels on the various topical issues.
- √ Provide continued access to financial counseling services to help members address money management issues.
- √ Create Retirement Planning material to present Retirement Planning sessions at various employers (face to face) for members 10 years from retirement.
- √ Regularly assess the effectiveness of the fund's financial communication programs through an annual survey, distributed to all members via SMS with a link to the website.

By prioritising healthy money management, the Transport Sector Retirement Fund can help its members build a more secure financial future and achieve their retirement goals.

The Fund does annual member research, and the results of February 2025 were extremely positive:

	More than half of the members (51%) are older than 40 years (employers are recruiting older members as insurance on trucks is very expensive for drivers younger than 25.
	42% of members are drivers or driver assistants
	30% are in warehousing and administrative positions and the rest are divided into other groups like mechanics, office staff, etc
	Members are dispersed across all 9 provinces with the main hubs Gauteng, Western Cape and KZN
	Understanding of Fund benefits has increased from 82% in 2024 to 92% in 2025
	Benefits meet the members needs increased from 88% to 95%
	Understanding benefit statements increased from 82% to 92%
	Fund Walk-in Centres received a 99% satisfaction rating and the Call Centre 91%
	93% of respondents stated that they understand the contents of the Fund newsletter
	91% understand the benefits of preserving their benefit when they leave the Fund
	59% have a household budget and this is up from 45% as recorded in 2024
	Having a monthly financial shortfall decreased from 71% of respondents in 2024 down to 64% in 2025
	Members having to borrow money to get by reduced from 76% in 2024 to 42% in 2025

The Fund's stakeholder engagement strategy centers on the TSRF Channel Model and explains the various mediums used to effectively reach members. Messages are duplicated across the various mediums to ensure maximum access to the information by members. See the channel model below.



Effective member communication has always been a strength of the Fund. Direct communication with members via cell phones is preferred by the majority, as they are highly mobile and generally have access to smartphones and internet connectivity. In many cases, the cost of connectivity is covered by the employer, particularly for truck drivers, whose mobile devices keep them directly connected to their employer.. In 2025 members' preferences shifted towards communication via WhatsApp and Emails from the Fund.

The Fund currently holds a database of 59 126 cell phone numbers by mandating employers to provide the data on contribution schedules of the 76 000 members. It utilises SMS- communication to engage, inform and educate members through online newsletters, newsflashes, scribble videos, competitions etc. An email database is being built in 2025 so that the Fund can also start to send bulk email messages to members. The WhatsApp facility is available through the online Benefit Counsellor Tool and the Fund leverages and augments its communication through this channel.

Apart from the variety of electronic communication methods used, the Fund also provides access to information through its Walk-in Centers (Braamfontein, Johannesburg, Bellville, Cape Town and Durban). Furthermore, the Fund deploys teams of consultants to visit employers to conduct face-to-face engagement swith members, at truck stops and participating employers.

From July 2024 to the Two-Pots sytem implementation date, the TSRF Walk-in Centres handled:

1807
General enquiries

1807
Members were assisted to log their claims on the Benefit Counsellor

2142
Members were assisted with follow-up enquiries of their claims

Guiding Principles for Engaging Members

The media selected for member engagement need to comply with following six important criteria:

1. It should be easy to understand.
2. It should be easy to access.
3. It should be repeatable over the different media used.
4. It should incorporate a "Call to Action".
5. It should address the needs and concerns of the various segments of membership of the Fund.
6. It should be underpinned by the healthy money management principle.

Fund Compliance with New Cybersecurity and **Cyber Resilience Requirements**

The Financial Sector Conduct Authority (the FSCA) is the authority responsible for overseeing financial institutions in South Africa, including retirement funds.

The FSCA has recognised the increase in cyber risks in the financial services sector and has set requirements for all financial institutions to improve their cybersecurity awareness. This includes implementing, and maintaining, processes and procedures to prevent, limit and/or manage the impact of potential cyber incidents within its business.

Why it Matters for the Fund

The Fund handles members' sensitive personal and financial data. These new requirements shift cybersecurity from a purely technical concern to a strategic, governance-level priority, making it a regulatory and fiduciary obligation, not optional.

Why Compliance is Crucial

- Protect members' savings—strong controls help prevent data breaches, fraud, or disruptions.
- Maintain trust—demonstrating proactive cybersecurity builds confidence.
- Avoid liability—trustees may be held personally or civilly liable for negligence
- Demonstrate regulatory alignment—early compliance shows good governance and prepares the Fund for future regulatory developments.

In Summary

Joint Standard 2 of 2024 places cybersecurity and resilience at the heart of Fund governance. It demands a structured, documented, risk-based approach that encompasses technical controls, governance, response plans, third-party assurance, training, and timely regulatory reporting. The TSRF, led by its Board of Trustees, has taken steps to comply with the requirements.

How Members can Protect Themselves Against Cybercrime and Fraud

In today's digital world, cybercrime and fraud are becoming increasingly common threats and it's crucial to stay vigilant and protect your personal and financial information. Here are some simple, yet effective, steps you can take to safeguard yourself:

1. Use Strong, Unique Passwords
Ensure your passwords are complex and unique for each account. Avoid using easily guessable information like names or birth dates. Consider using a password manager to keep track of your login details securely.

2. Enable Two-Factor Authentication (2FA)
Where possible, activate two-factor authentication on your online accounts. This adds an extra layer of protection by requiring you to verify your identity with a second method, like a code sent to your phone.

3. Beware of Phishing Scams
Be cautious of emails, texts, or phone calls asking for personal or financial information. Fraudsters often pose as trusted entities like banks or retirement funds. Always verify requests through official contact channels before responding.

4. Monitor Your Accounts Regularly
Check your bank and retirement fund statements regularly for any unauthorised transactions. If something looks suspicious, report it immediately to the relevant institution.

5. Keep Your Software Updated
Regularly update your computer, phone, and security software. Updates often contain patches for known vulnerabilities, reducing your risk of being hacked.

6. Secure Your Devices
Ensure that all your devices are protected with passwords or biometric security features (like fingerprints or facial recognition). If you lose a device, make sure you can remotely lock or wipe it to prevent unauthorised access.

Important To Know

The Fund and the Fund's administrator, Salt EB, will NEVER phone you to ask for your bank account PIN or password. When money is due to you from the Fund your bank details are provided on the Fund claim form and there is NO reason for you to provide your PIN or password to anyone.

Follow these five steps if you find that money was fraudulently taken from your account.

1. Contact your Bank and inform them immediately
2. Dispute the transaction with your Bank
3. File a Fraud or Police Report
4. Monitor your Account closely
5. If necessary, close the account and open a new account

Never give your secret PIN number or password to anyone!

The Good News

By taking these simple precautions, members can greatly reduce their risk of falling victim to cybercrime and fraud. Stay alert, stay informed, and always prioritise your digital security!

Two-Pot
System Update

The two-pot retirement system, which officially came into effect on 1 September 2024, has been a defining development within South Africa's retirement fund landscape. The system was introduced to strike a balance between meeting members' immediate financial needs and ensuring the long-term security of their retirement savings.

At its core, the reform seeks to preserve the bulk of members' retirement savings for use upon retirement, while allowing limited access to a portion of savings in times of financial difficulty or emergency. This approach is expected to enhance savings preservation, as fewer members will feel compelled to withdraw their full retirement benefits when changing jobs.

Like all retirement funds in South Africa, TSRF proudly embraced the implementation of the two-pot retirement system and worked closely with its Administrator, Salt Employee Benefits, to ensure a seamless experience for members. One of the most notable achievements was the development of an enhanced feature on the existing member portal which enabled members to submit their two-pot claims conveniently from any device, at any time and from anywhere.

This innovation was particularly designed with our members in mind, many of whom spend long hours on the road and have limited time to visit the Fund's walk-in centres located across the country. The new facility empowers members to initiate and complete their claims independently, without relying on their employers, giving them greater control and accessibility.

The Fund was pleased to note that members found the claims portal user-friendly and efficient, with the majority able to complete their submissions without difficulty. Importantly, the system was also built with enhanced fraud-prevention measures, incorporating biometric verification features linked to both the Department of Home Affairs and SARS, including facial recognition technology to verify member identities.

Although the two-pot system came into effect on 1 September 2024, the Fund's Administrator, in line with regulatory requirements, could only begin the seeding process of the savings pot from that date. This meant that members were not immediately able to access their savings on implementation day. The seeding process was successfully completed on 16 September 2024 and the first batch of claims was received on the same day.

While the Fund continues to discourage unnecessary withdrawals, recognising the long-term importance of preserving retirement savings, we can report that between 15 September 2024 and 28 February 2025, a total of 29973 claims were received.

Number of 2 Pots claims received and paid out from 15 September 2024 to the 28 February 2025:

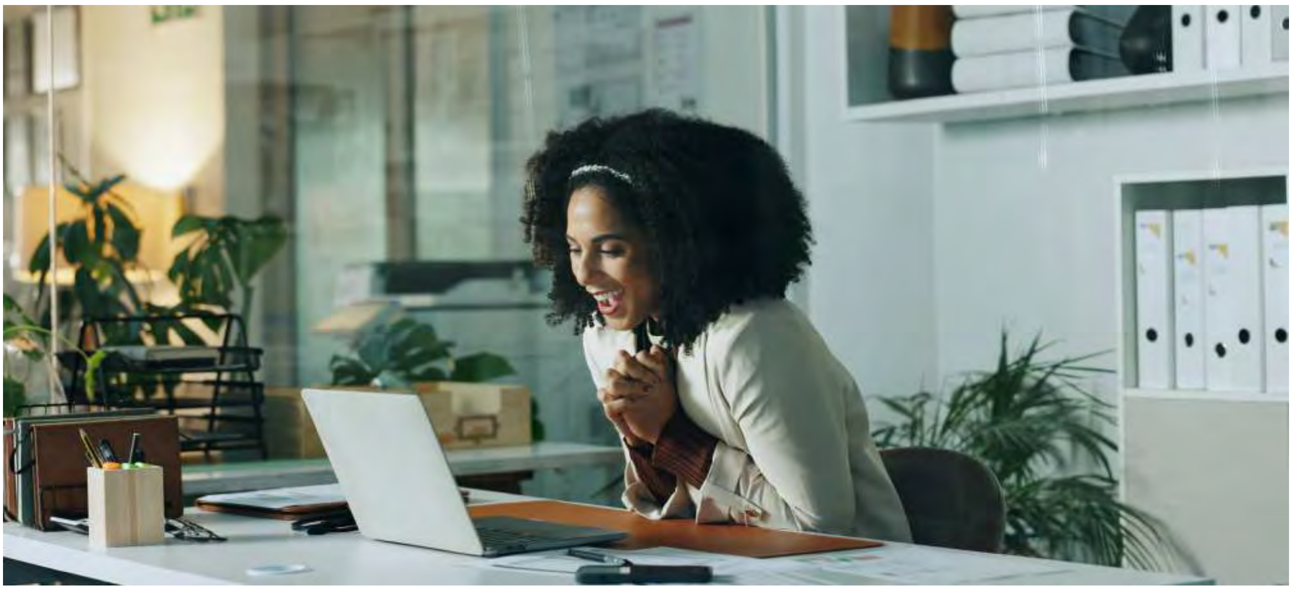
29973

Number of claims received from 15/09/2024 to 28/02/2025

2142

Number of claims successfully paid out

The Fund remains steadfast in its commitment to ensuring that members retire comfortably and financially secure. To this end, we continue to roll out extensive educational initiatives to inform members about the long-term implications of withdrawing from their retirement savings. Members are strongly encouraged to access their savings pot only in cases of genuine emergency and to consider establishing separate short-term savings accounts to cater for unforeseen expenses. The two-pot savings should always be viewed as a last resort, reserved for critical situations.



Small Amounts that Remain in the Fund **After You Exit the Fund**

One of the areas that need attention when members resign and exit the Fund is when small amounts (i.e. higher than R2 000 as per below) remain in the Fund after you have exited. These small amounts will dwindle away over time due to administration fees charged and may be completely depleted. Members need to be aware of this.

After the implementation of the Two-Pot system, withdrawing the total amount available in members' new Savings component will depend on whether or not a savings withdrawal was made in the same year. If a member has made a savings pot withdrawal and they then resign in the same year, they will ONLY be able to cash out the balance of their Savings Component if it is lower than R2000 in cash.

If they have a value higher than R2 000 in their savings component they will NOT be able to withdraw it until the following tax year. In addition, they will not be able to withdraw any amount that has built up in their Retirement component.

Small amounts being left behind in retirement funds and being subsequently depleted is unfortunately an unintended consequence of the implementation of the Two-Pot system in the short term (as retirement pots have not had sufficient time to grow). Standalone retirement funds like the TSRF are not designed to effectively administer such small amounts being left behind.

Of course, the retail savings industry has many different forms of Preservation Funds that are ideally equipped to manage the retirement fund assets, big and small, of employees who leave employment and wish to keep their retirement savings invested.

It is up to members to consider whether it is better for them to leave their retirement savings behind in the TSRF or transfer it to another fund, including a new employer fund or a preservation fund. To this end, the Trustees recommend that members seek professional advice to make an informed decision.

Fund **Offices**

Client Contact Centres/Walk-in-Centres

In order to service members, the Fund Client Contact Centres are at the following sites:

Johannesburg

Samro Place
8th Floor
20 De Korte St
Braamfontein
Gauteng

Cape Town/Bellville

Suite 2
Edward Building 1
116 Edward St
Oakdale Bellville
Western Cape

Durban

Ground Floor
The Marine
1 Dorothy Nyembe St
Durban Central
KwaZulu-Natal

FUTURE OUTLOOK

Future **Outlook**

Looking ahead, the Fund remains confident in its ability to safeguard and grow members' investments, even within a landscape that continues to experience economic uncertainty and regulatory evolution. The transport sector, which serves as the backbone of South Africa's economy, is itself navigating significant transformation driven by infrastructure modernisation, public–private collaboration and the national drive towards efficiency, sustainability and digital integration.

The Fund's outlook is closely tied to progress in addressing the structural challenges that affect both economic performance and member livelihoods particularly the reliability of transport network and broader logistics systems. Continued investment in these areas, together with effective partnerships between government and the private sector, remains critical to strengthening the sector's ability to stimulate job creation and support small businesses to enhance national productivity.

In this context, the Fund will continue to prioritise sound investment governance and responsible stewardship of members' assets. In line with evolving regulatory requirements, the Fund has also fully prepared for the implementation of Joint Standard 2 of 2024 on Cybersecurity and Cyber Resilience, which takes effect on 1 June 2025.

This standard introduces enhanced measures to strengthen the protection of member information, digital infrastructure and financial data across the retirement fund industry. For the Fund, compliance with this framework not only reinforces operational integrity but also safeguards members from potential cyber threats that could compromise their personal or financial information.

Ultimately, this proactive approach to cybersecurity demonstrates the Fund's ongoing commitment to technological resilience and regulatory excellence to ensure that members' investments remain secure and well-managed in an increasingly digital environment.

"The best way to predict the **future is to create it",**
- Peter Drucker

Furthermore, the Fund continues to closely monitor developments surrounding the Conduct of Financial Institutions (COFI) Bill, which aims to establish a single, consistent regulatory framework governing the conduct of financial institutions across South Africa. Once enacted, the Bill is expected to promote greater transparency, accountability and fair treatment of customers, ensuring that all financial entities operate with integrity and in the best interests of their clients. For the Fund, the COFI Bill represents an opportunity to enhance member protection and embed ethical conduct even more deeply into our operations. The Fund is already aligning its policies and practices with the Bill's intended outcomes, particularly around clear communication, responsible administration and treating members fairly to ensure full readiness when the legislation comes into effect.

Operationally, the Fund is well-prepared for the challenges and opportunities ahead, as demonstrated by its recent strategic leadership appointments. A Chief Financial Officer has been appointed to strengthen financial oversight and ensure the prudent management of members' assets. In addition, a new Deputy Principal Officer has joined the team, while the Legal and Risk Officer has been promoted to Chief Legal and Risk Officer and the Investment Officer has been elevated to Chief Investment Officer position. To further enhance the Fund's analytical capabilities, a Data Scientist has also been appointed.

These appointments are significant for the Fund's stability and growth. They reinforce a robust governance framework, ensuring that key functions ranging from finance, legal and risk management to investments and data analytics are led by experienced and capable professionals. With this strengthened leadership team, the Fund is better positioned to navigate market volatility and regulatory changes while safeguarding member interests.

By investing in high-calibre talent across critical areas, the Fund demonstrates its commitment to sound governance which ensures that members' retirement savings are managed responsibly and strategically for years to come.
To remain resilient and relevant in the years ahead, the Fund has adopted a forward-looking mindset that embraces sustainability. Globalisation, evolving geopolitical landscapes, demographic shifts, rapid technological progress, climate change and changing generational values are all redefining the environment in which funds operate. Despite the uncertainty, the Fund still aims to uphold its fiduciary duty and ensure the enduring security and growth of member savings, thereby fulfilling its core mandate of delivering long-term retirement security to members.

STATUTORY COMPLIANCE

Statutory Compliance
Financial Statements

The Board of TSRF is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and for such internal controls as the Board of TSRF determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of TSRF is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa. The Board fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices that are adequately supported by internal controls.

These controls which are implemented and executed by TSRF and/or its benefits administrators, provide reasonable assurance that:

- The Fund's assets are safeguarded.
- Transactions are properly authorised and executed.
- Financial records are dependable. The annual financial statements of TSRF have been audited by the independent auditors, BDO, who had unrestricted access to all financial records and related data including minutes of all relevant meetings.

The board of TSRF considers all representations made to the independent auditors (in the management representation letter during the audit) to be valid and appropriate.

The financial statements:

- Were approved by the Board of TSRF on the 25 August 2025.
- Are to the best of the board members' knowledge and belief, complete and correct.
- Fairly represent the net assets of TSRF as at 28 February 2025, as well as the results of its activities for the period under review.
- Are signed on behalf of the Board of TSRF.

Schedule F
Statement of Net Assets and Funds as at 28 February 2025

	Note(s)	Current Year R	Previous Year R
ASSETS			
Non-current assets		**10,330,709,679**	**10,018,441,473**
Plant and equipment	2	584,541	667,341
Investments	3	10,330,125,138	10,017,774,132
Current Assets		**1,587,503,031**	**583,055,353**
Transfers receivable	6	203,814	203,814
Accounts receivable	5	47,256,268	54,631,138
Arrear contributions	11	365,933,220	345,364,093
Cash at bank		1,174,109,729	182,856,308
Total assets		**11,918,212,710**	**10,601,496,826**
FUNDS AND LIABILITIES			
Members' funds and surplus account		**9,873,884,462**	**8,786,842,560**
Members' individual accounts		9,783,392,157	8,861,711,863
Amounts to be allocated	17	90,492,305	(74,869,303)
Reserves		**1,329,239,163**	**1,376,921,456**
Reserve accounts	16	1,329,239,163	1,376,921,456
Total funds and reserves		**11,203,123,625**	**10,163,764,016**
Non-current liabilities		**180,173,881**	**178,363,791**
Unclaimed benefits	9	180,173,881	178,363,791
Current liabilities		**534,915,204**	**259,369,019**
Transfers payable	7	13,035,389	5,803,602
Benefits payable	8	455,185,460	230,499,483
Accounts payable	10	66,694,355	23,065,834
Total funds and liabilities		**11,918,212,710**	**10,601,496,826**

Schedule G
Statement of Changes in Net Assets and Funds for the Year Ended 28 February 2025

	Note(s)	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 16 R	Current Year R	Previous Year R
Contributions received and accrued	11	1,483,081,370	267,637,793	1,750,719,163	1,710,743,745
Net investment income	12	1,145,122,447	148,813,857	1,293,936,304	767,370,500
Less		(120,529,559)	(69,882,051)	(190,411,610)	(107,922,173)
Funeral Risk Premiums		-	(58,562,904)	(58,562,904)	-
Administration expenses	13	(120,529,559)	(11,319,147)	(131,848,706)	(107,922,173)
Net income before transfers and benefits		**2,507,674,258**	**346,569,599**	**2,854,243,857**	**2,370,192,072**
Transfers and benefits		(1,422,114,003)	(392,770,245)	(1,814,884,248)	(1,358,504,721)
Transfer from other funds	6	49,257,258	-	49,257,258	14,378,221
Transfer to other funds	7	(81,832,034)	-	(81,832,034)	(7,771,578)
Benefits	8	1,389,539,227	(392,770,245)	(1,782,309,472)	(1,365,111,364)
Net income after transfers and benefits		**1,085,560,255**	**(46,200,646)**	**1,039,359,609**	**1,011,687,351**
Funds and reserves					
Balance at the beginning of the year		8,786,842,560	1,376,921,456	10,163,764,016	9,222,975,862
Prior period adjustment		-	-	-	(70,899,197)
Transfers between reserve accounts	16	1,481,647	1,481,647	-	-
Balance at the end of the year		**9,873,884,462**	**1,329,239,163**	**11,203,123,625**	**10,163,764,016**

Actuarial Valuation

The financial statements summarise the transactions and net assets of the Fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the Rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported on by the actuary at intervals not exceeding three years. An actuarial valuation was performed as at 29 February 2020 and the valuator reported that the Fund was in a sound financial position.

The statutory valuation was performed as at 28 February 2023, and submitted to the Authority. The actuarial valuation was submitted by 28 February 2024 as required by the Pension Fund Act, and currently pending approval by the Authority.

Rule Amendments

Rule amendment No.	Description and motivation	Date of Board of Fund resolution	Effective date	Date Registered by the FSCA
10	This amendment aims to align the rules of the Fund with the new two-pot system as amended by the Pension Funds Amendment Bill, effective 1 September 2024	26 June 2024	1 September 2024	22 August 2024

Subsequent events

Appointment of Deputy Principal Officer:

The Deputy Principal Officer, Mongezi Ngcobo, was appointed with effect on 1 May 2025.

Rule Amendments/Consolidations:

On 20 May 2025, the Board of Fund resolved to consolidate the rules of the Fund. The consolidated rules were submitted to FSCA and approved in August 2025.

Temporary Office Address Change:

On 1 July 2025, the Fund temporarily relocated to 26 Girton Road, Parktown 2192, while renovations are being carried out at its registered office.

No other subsequent events have occurred since the financial year end that may materially affect the financial statements.

Notes

TRANSPORT
Sector Retirement Fund
Moving Towards A Better Future

24 Wellington Road, Parktown, Johannesburg,
South Africa
+27 87 405 6377

TSRF.info@salteb.co.za
https://tsrf.co.za/