



**INTEGRATED  
ANNUAL REPORT**

2019





*“Without transport the South African economy would grind to a halt. Transport is the cornerstone of the country’s economy contributing 17% to the country’s GDP and creating almost 30% of formal employment opportunities.”*

**MDUMISENI MABASO**

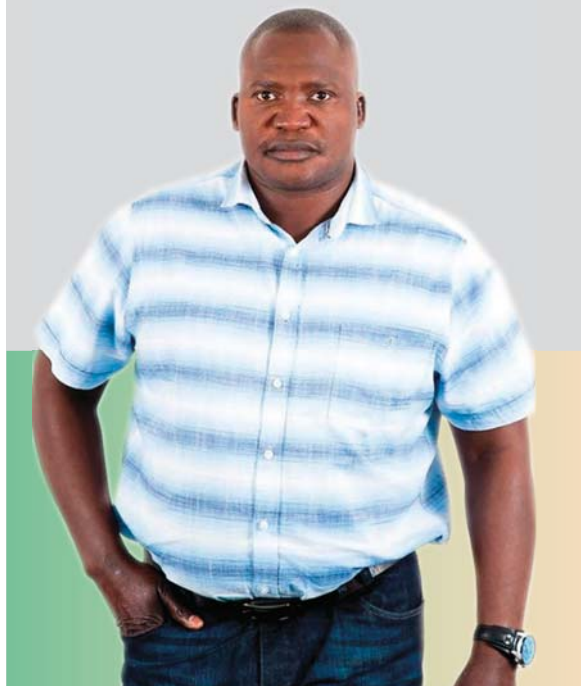
**CHAIRMAN**







10

**CHAIRMAN'S REPORT**A YEAR OF  
TRANSITION

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**PRINCIPAL OFFICER'S REPORT**SINGLE-MINDED  
DRIVE TO BENEFIT  
MEMBERS

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# OUR KEY PERFORMANCE HIGHLIGHTS

## 2019



**WON  
IRFA  
Best Practice  
Certificate for  
Transformation**

### ASSETS GROW

from  
R3 billion  
in 2013 to  
R7.5 billion  
in 2019

**BEE MANAGERS**  
handle **75%**  
of the funds under  
management

**R916 MILLION  
PAID IN BENEFITS**



**IN CLASS**

THIS CERTIFICATE IS PROUDLY PRESENTED  
TO THE TRANSPORT SECTOR RETIREMENT FUND

**65% OF  
ASSET MANAGERS  
are  
LEVEL 1  
BEE COMPLIANT**



**WON  
IRFA  
Investment Practice  
Gold Standard  
Award**

**62% GROWTH  
IN ASSETS  
over 6 years**



**WON  
IRFA  
Overall  
Gold Standard  
Award**

**75 000  
ACTIVE MEMBERS**  
contributing  
**R1,27 billion**  
during the year





**OUR KEY PERFORMANCE  
HIGHLIGHTS**

2019

*"It's been a challenging year, but we remain confident about the future. The marketplace we are in is a growing and exciting one."*







## INTRODUCTION

*The Trustees of the Transport Sector Retirement Fund ("TSRF" / "the Fund") have the pleasure of presenting their report for the financial year ended 28 February 2019.*

This report aims to provide Fund stakeholders and members with an overview of the activities, management, administration and financial status of the Fund during the past financial year and to illustrate how the Fund creates and sustains value for all its stakeholders in the short, medium and long term.

## FEEDBACK ON REPORT

We welcome your feedback on this report. Please email your comments to [info@transportsectorfund.co.za](mailto:info@transportsectorfund.co.za)

## REPORTING PRINCIPLES AND APPROACH

The information provided in this integrated report has been guided by best practice requirements. These include the:

- Pension Funds Act (No 24 of 1956)
- King III Code of Governance reporting principles 2009 (the King III Code)
- International Integrated Reporting Council's (IIRC) framework
- Regulatory Reporting Requirements for Retirement Funds in South Africa
- Circular PF130 issued by the Registrar of Pension Funds

Through its responsible investment strategy, that incorporates economic, social and governance (ESG) factors, and the provision of excellent retirement funding benefits, the Fund makes a meaningful contribution to the communities and markets it operates in.

**Mdumiseni Mabaso**, Chairman

*“In a fluid and fast changing transport environment the TSRF aims to be the constant factor within members’ lives”*

## CHAIRMAN’S REPORT

***Without transport the South African economy would grind to a halt. Transport is the cornerstone of the country’s economy contributing 17% to the country’s GDP and creating almost 30% of formal employment opportunities.*** These figures underline the direct value the transport industry contributes to the sustainable development of the nation.

In a fluid and fast changing transport environment the TSRF aims to be the constant factor within members’ lives, on which they can both rely and depend, whether they are still gainfully employed or retired.

The strength of the TSRF is underpinned by the quality of our governance structures and the capability of our Board of Trustees to identify areas in which the Fund is able to directly benefit members. Over the last few years the Fund has worked tirelessly to enhance member benefits and improve its service delivery to members.

***This journey started in 2017 when the Fund expanded its sphere of operations to encompass the broader transport sector.*** This expansion resulted in the Fund changing its rules to become an industry umbrella fund offering improved death-, disability- and funeral cover to its members without increasing their costs. ***At this time, the Fund (originally named the Road Freight and Logistics Industry Provident Fund) changed its name to the Transport Sector Retirement Fund to reflect its broader scope of practice.***

The original Collective Bargaining Council Agreement was cancelled in 2014. Initially, the Fund only covered the road freight and logistics sector, which was limited to transporters (truck drivers) carrying goods for gain. However, within the freight and logistics industry employees tend to regularly move amongst the various sectors and role players (employers).



Often, the active movement of employee-members between job opportunities impacted negatively on their retirement savings as the scope of some transport companies may have fallen outside of the original jurisdiction of the Fund. The result was that members had to withdraw their retirement savings every time they moved jobs. As an umbrella fund, the TSRF, now offers greater stability and security to its members no matter by whom they are employed within the broader industry.

On 01 March 2017, the TSRF improved its **funeral benefit offering** to cover both the member and member spouse for **R50 000** each. Benefits for immediate children were also improved; and from 01 March 2019, the Repatriation of Mortal Remains benefit was extended to include the spouse and immediate children of the member.

As of 01 January 2019, **3Sixty Life** provides funeral cover to members of the TSRF whilst Repatriation Services are provided by **Doves** (a subsidiary of 3Sixty Life). The cover was previously provided by Bophelo Life.

**Salt Employee Benefits** now administers the payment of funeral claims. Once all required documentation is received in lieu of a particular claim, claims are paid out to members within 48 hours.

With effect from 03 August 2017, the death and disability benefits for all members were increased from twice the annual pensionable salary to three times of the annual pensionable salary. Furthermore, on 01 December 2018 the risk premiums for group life and disability benefits were reduced from 3.5% to 2.9% of salary translating into an additional 0.6% of contributions allocated to the members' savings. Besides our goal of ensuring that once members retire their living standards are maintained, the TSRF continually looks for ways to improve members' livelihoods while they are still actively employed.

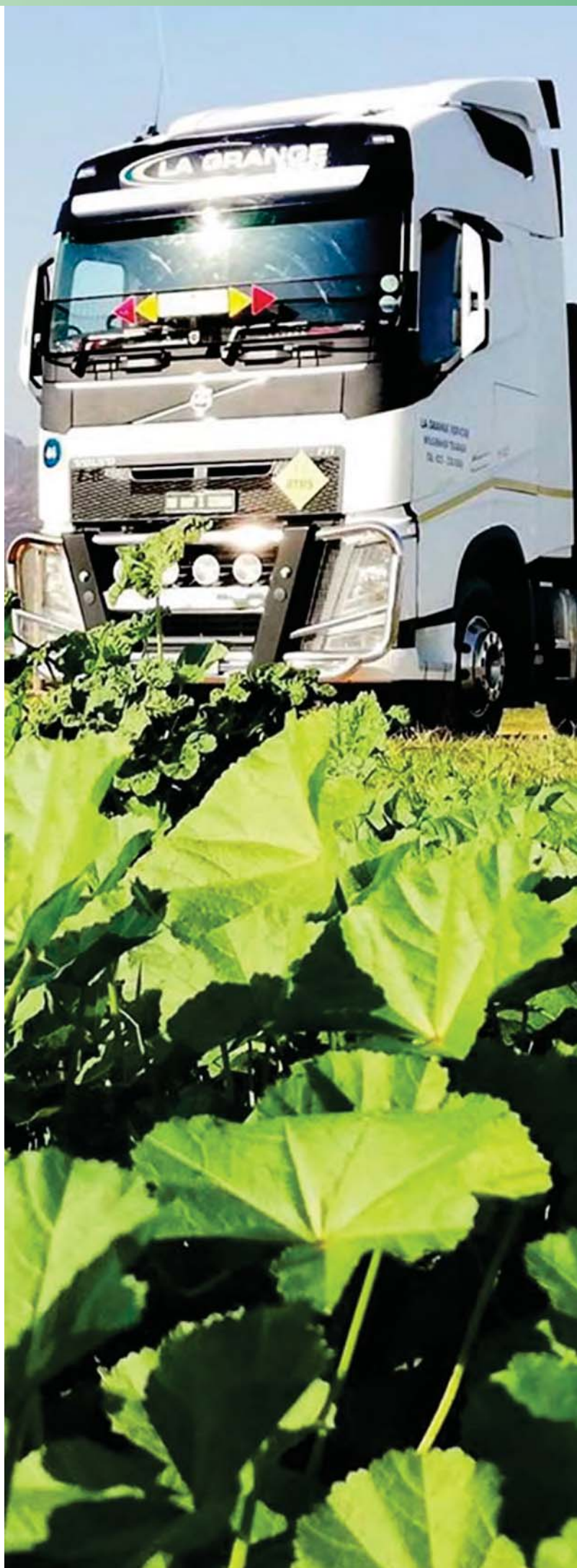
*“As an umbrella fund, the TSRF, now offers greater stability and security to its members no matter by whom they are employed within the broader industry.”*



In recognition of the fact that 80% of the TSRF's members are truck drivers and as a proactive intervention to address the impact of driver fatigue and general road safety along South Africa's major transport networks, ***the Fund developed a responsible-investment strategy to invest and construct safe and convenient truck stops.*** Strategically located and well-managed truck stops will help to ensure that our members and the broader transport sector community are able to park and sleep safely, and also have access to accommodation, refuelling, primary healthcare facilities, a restaurant and other essential lifestyle services.

The first truck stop to have been revamped and expanded as part of this investment strategy is the **Harrismith Highway Junction Truck Stop** on the N3 Corridor. This world-class facility is one of the biggest in Africa and offers three forecourts (Total, BP and Engen). It has provided a 25% return on investment during the past 12 months. The Harrismith Highway Junction is one of four truck stops that are currently in the development pipeline. Three additional truck stops will be rolled out over the next 18 months.

Together with our administrator, Salt Employee Benefits, ***we implemented a national Human Trafficking Awareness Initiative during 2018/2019 to help combat this heinous crime.*** The campaign **"Truckers UNiTE Against Human Trafficking"** is aimed at creating awareness, and empowering truckers, our members and the broader transport community with the knowledge and information to be able to assist in curbing the incidence of human trafficking. Members of TSRF, many of whom are on the road, play a crucial role in fighting this crime as they are "our eyes on the highways". Calls to action such as "if you see something, say something" helps to encourage members to take pro-active steps to report suspicious activities to the Human Trafficking hotline.







Our journey to enhance benefits and positively contribute to our members' lives has culminated in a successful year with **the Fund achieving the IRFA Best Practice Gold Standard Award** in January 2019. ***This prestigious accolade essentially recognises the TSRF as one of the top Funds in the country.*** This is in no small means directly attributable to my fellow Board members and our visionary principal officer, Mr Joe Letswalo. I thank my fellow trustees, our principal officer and our various service providers for their diligence, hard work and ongoing commitment to improving our members' livelihoods.

**MDUMISENI MABASO**  
**CHAIRMAN**

*“Our journey to enhance benefits and positively contribute to our members' lives has culminated in a successful year”*

## PRINCIPAL OFFICER'S REPORT

***The Fund differentiates itself from many other funds by its single-minded drive to benefit members. The Fund's shareholders are its members. The TSRF is a non-aligned and standalone Fund, which assists efforts to maximise members' returns.***

The **benefits** that the Fund affords members are **highly competitive**.

The Fund's proactive self-insurance approach allows it to plough back surpluses and enhance members' benefits. All the proceeds of the Fund's activities are reinvested, ultimately benefiting members' retirement savings.

***Corporate governance, business integrity and ethical practices are of high importance to the Fund and its various service providers.*** The Fund has secured clean audits during a consecutive seven-year period and has submitted and maintained all regulated statutory returns.

The TSRF is one of a few funds managing its investments according to a risk log allowing it to timeously put risk mitigation processes in place. The Fund has diversified its investment strategy in order to carefully navigate both good and bad economic and investment environments.

***The Fund has experienced excellent growth with its asset base increasing from R2-billion in 2012 to R7.5 billion in 2019.***

The Board of Trustees ("the Board") has a fiduciary duty to act in good faith, with due diligence and care, to avoid conflicts of interests and act with impartiality in respect of all its members, being ultimately accountable and responsible for the performance and affairs of the Fund.

**Joe Letswalo**, Chartered Principal Executive Officer



*"The Fund has experienced excellent growth with its asset base increasing from R2-billion in 2012 to R7.5 billion in 2019."*





***We believe that the strong governance of the Fund is a result of the board of trustees, who themselves are members of the Fund, understanding, meeting and exceeding member expectations.***

The TSRF places an emphasis on the integration of environmental, social and governance [ESG] factors in measuring the sustainability and ethical impact of any investment, which approach assists to better determine the future financial performance of an investment.

***The integration of ESG factors into our investment strategy*** is one of the main reasons we have invested in the ***Harrismith Highway Junction Truck Stop***, which is supporting and improving the well-being of Fund members by providing safe and secure overnight parking, a fully equipped and staffed medical clinic, overnight accommodation for drivers, ablution facilities and a laundromat, truck service facilities and a 24-hour restaurant. These facilities are specifically geared to improve operating conditions for members and their employers.

***Member communication*** remains a top priority of the Fund. The Fund encourages all members to visit the Fund's website, Facebook and Twitter pages. Newsletters, flyers and videos are sent directly to members via their mobile devices to keep them informed.

The Board of Trustees of the Transport Sector Retirement Fund remains committed to always act in the best interests of their members and their next of kin.

**JOE LETSWALO**

**CHARTERED PRINCIPAL EXECUTIVE OFFICER**

## MANAGEMENT AND CONTROL OF THE FUND



*Members of the Board of Trustees shown above*

*Back row left to right: **Mr Mdumiseni Mabaso; Mr Joe Letswalo; Adv Tebalo Maloka; Mr Dumo Lovemore Masango.***

*Front row left to right: **Mr Mandla Nkosi; Mr Johnson Gamede; Mrs Ntokoza Mabusela (Fund Secretary); Mr Mbuso Nzama.***

*Trustees not featured in the above photo include: **Mr Tabudi Ramakgolo; Mr Solomon Mothibedi; Mrs Pontso Mokoena.***

**The Fund is managed by a Board of Trustees represented by the following Trustees:**

TITLE	NAME	SURNAME	ROLE	COMMENCEMENT DATE	EMAIL
Mr	Mdumiseni	Mabaso	Chairman	01/10/2017	mabasomtwu@gmail.com
Mr	Johnson	Gamede	Deputy Chairman	01/10/2017	johnson@satawu.org.za
Mr	Solomon	Mothibedi	Member Elected	01/10/2017	sollymtwu@gmail.com
Mr	Tabudi	Ramakgolo	Member Elected	01/02/2018	tabudi@satawu.org.za
Mr	Dumo Lovemore	Masango	Member Elected	01/10/2017	lovemore699@gmail.com
Adv	Tebalo	Maloka	Independent Trustee	01/10/2017	stmaloka@gmail.com
Mr	Mandla	Nkosi	Independent Trustee	01/10/2017	mandla.nkosi1@vodamail.co.za
Mr	Mbuso	Nzama	Member Elected	09/07/2018	nzama@mtwu.co.za
Mrs	Pontso	Mokoena	Independent Trustee	01/10/2017	pontsobmokoena@gmail.com
Mr	Jack	Mazibuko	Member Elected	01/10/2017	jackm@cinet.co.za
Mr	Joe	Letswalo	Principal Officer	01/01/2009	joe@tsrf.co.za



**MR JOE LETSWALO**

PRINCIPAL OFFICER

Joe Letswalo holds B Proc, LLB and MBA degrees, and international executive post graduate certificate from the London School of Economics . He is a qualified Professional Principal Executive Officer and Chartered Principal Executive Officer.

**The Principal Officer** is the **executive representative** of the Fund and official contact person for the **Financial Services Board**. The Principal Officer is required to authorise all Fund documentation and carries the same fiduciary responsibilities to the Fund as those pertaining to the Trustees. **The Fund is managed through a sub-committee structure reporting to the full board.**



To assist the Trustees with the management and control of the Fund, the following appointments were in place for the year under review:

**ADMINISTRATORS****Front Office -**

Sanlam Employee Benefits

**Back Office -**

SALT Employee Benefits

**AUDITORS**

Deloitte &amp; Touche

**ACTUARY**

Garth M Barnard

(Moruba Consultants and Actuaries)

**INVESTMENT ADVISOR**

Novare Actuaries and Consultants

Rand Merchant Bank

**RISK INSURER**

Guardrisk Life Limited

**MR MDUMISENI MABASO**

CHAIRMAN

Mdumiseni Mabaso has served on the RFLIPF Board of Trustees since 2004. He serves on the National Bargaining Council for the Road Freight Industry as well as the General Secretary of the Motor Transport Workers Union (MTWU).

## ASSET MANAGERS

The Transport Sector Retirement Fund remains steadfast in its commitment to the ongoing transformation of the South African society. It aims to help build an inclusive economy by supporting service providers through the investment process; thereby making a significant contribution to the economic empowerment of targeted black South Africans. The Fund actively encourages and supports black talent to manage and invest money. For the Fund, BEE is not simply a tick box compliance matter, but rather a key business imperative to facilitate growth and to redress existing inequalities in our society.

In its policy, the TSRF clearly states its intention to have no less than 60% of the Fund's domestic assets managed by black owned and controlled investment management companies as defined in the Financial Services Charter and the Broad Based Black Economic Empowerment Codes of Good Practice.

Asset managers are appointed by the Fund to exercise their discretion in investing the assets of the Fund. It is, however, expected of appointed asset managers to invest the Fund's assets with the same care, skill, prudence and due diligence under prevailing circumstances as would be incumbent upon an experienced, professional asset manager acting in a similar capacity, fully familiar with such matters, who are investing like assets with like aims.

## OTHER EVENTS

The Fund finalised a new investment policy whereby investments were unitised and monthly pricing was uploaded to reflect members' values. As such, unit price tracking allows for accurate determination of the asset value of the Fund as well as an accurate determination of the Fund's growth in asset value.

### MONTHLY UNITISATION

The administrator (SALT EB) uses the member's net monthly contributions (after costs are deducted) to buy units (at the latest available unit price) in the particular Fund portfolio into which the particular member is invested. Unitisation does not only ensure better Fund management and governance, but it also effectively supports greater transparency.



**MR JOHNSON GAMEDE - DEPUTY CHAIRMAN**

Johnson Gamede worked as *Principal Officer* for the *South African Transport and Allied Workers Union's Provident Fund*. He has completed a number of accredited trustee training courses. His experience as Trustee started during 2006.



**MR SOLOMON MOTHIBEDI - MEMBER ELECTED**

Solomon Mothibedi is the National Coordinator for the Motor Transport and Workers Union. He has completed a number of accredited trustee training courses. He has extensive experience as a trustee having served on the Board of the Private Security Industry Fund.



**MR TABUDI RAMAKGOLO - MEMBER ELECTED  
IN MEMORIAM**

Tabudi Ramakgolo started his trustee career as *National Sector Coordinator* for the South African Transport and Allied Workers Union (SATAWU). He gained valuable experience working in the Unclaimed Benefit Preservation Provident Fund of the RFLIPF. His expertise ranges from arbitration, Section 37C, Regulation 28 and advanced Labour Law. Mr Ramakgolo made a valuable contribution to the Fund over the years and he will be dearly missed.





**MR DUMO MASANGO - MEMBER ELECTED**

After completing his Senior Certificate, Dumo Masango pursued a National Diploma in Industrial and Labour Relations and has since gained vast knowledge in the operations of collective bargaining in different Trade Unions. Currently he is applying his collective leadership skills whilst serving as General Secretary for the PTAWU.



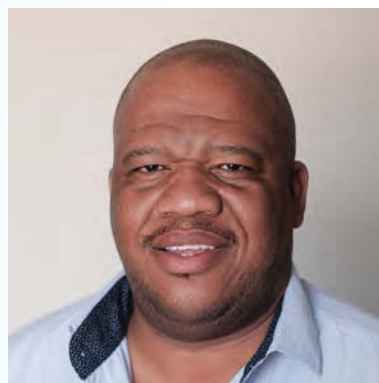
**ADV TEBALO MALOKA - MEMBER ELECTED**

Tebalo Maloka is an admitted but non-practicing Advocate with a vast range of experience as a Trade Unionist and Labour Relations expert. He is also an experienced Public Administrator with a proven track record of appearances in conciliations, arbitrations and disciplinary hearings in Municipalities, the South African Local Government (SALGBC) and CCMA.



**MR MANDLA NKOSI - INDEPENDENT TRUSTEE**

Mandla is a lawyer with more than twenty years' experience in pension fund law. He serves on numerous retirement fund boards as a Principal Officer, Chairperson as well as Independent Trustee, in legal and advisory capacities. His strong affinity to Ethics and Corporate Governance has secured him the position of Director and Trustee on the board of the IRFA – *Institute of Retirement Funds Africa*.



**MR MBUSO NZAMA - MEMBER ELECTED**

Mbuso is the Deputy President of the Motor Transport and Workers Union and also serves as a Board member of the Bargaining Council (NBCRFLI).



**MR JACK MAZIBUKO - MEMBER ELECTED**

Jack is the General Secretary of the South African Transport and Allied Workers Union (SATAWU). He has completed a number of accredited trustee training courses.



**MRS PONTSHO MOKOENA - INDEPENDENT TRUSTEE**

Pontsho joined the board in 2017. She holds a Bachelor's Degree in Insurance & Risk Management and Business Finance from the University of the Witwatersrand, a Masters Degree in Actuarial Science from the University of Leicester and is also an Associate of the Insurance Institute.







## REVIEW OF THE YEAR'S ACTIVITIES

### MEMBERSHIP

	Active Members
<b>Numbers at the beginning of period</b>	<b>240 719</b>
New Members	25 635
Capital Disability	(154)
Deaths	(309)
Retirements	(515)
Divorce – non- member spouse	(32)
Resignations	(14 266)
Retrenchments	(2 423)
Transfers out	(923)
Adjustments*	22 921
<b>Numbers at end of period</b>	<b>270 653</b>
Active Membership	75 000
Number at end of period (Local)	264 208
Number at end of period (Foreign)	6 445

\* The adjustment relates to members who exited in prior years but have since received additional contribution due to the continuous backdated contribution allocation of the Fund.

*“The Fund has diversified its investment strategy in order to carefully navigate both good and bad economic and investment environments.”*

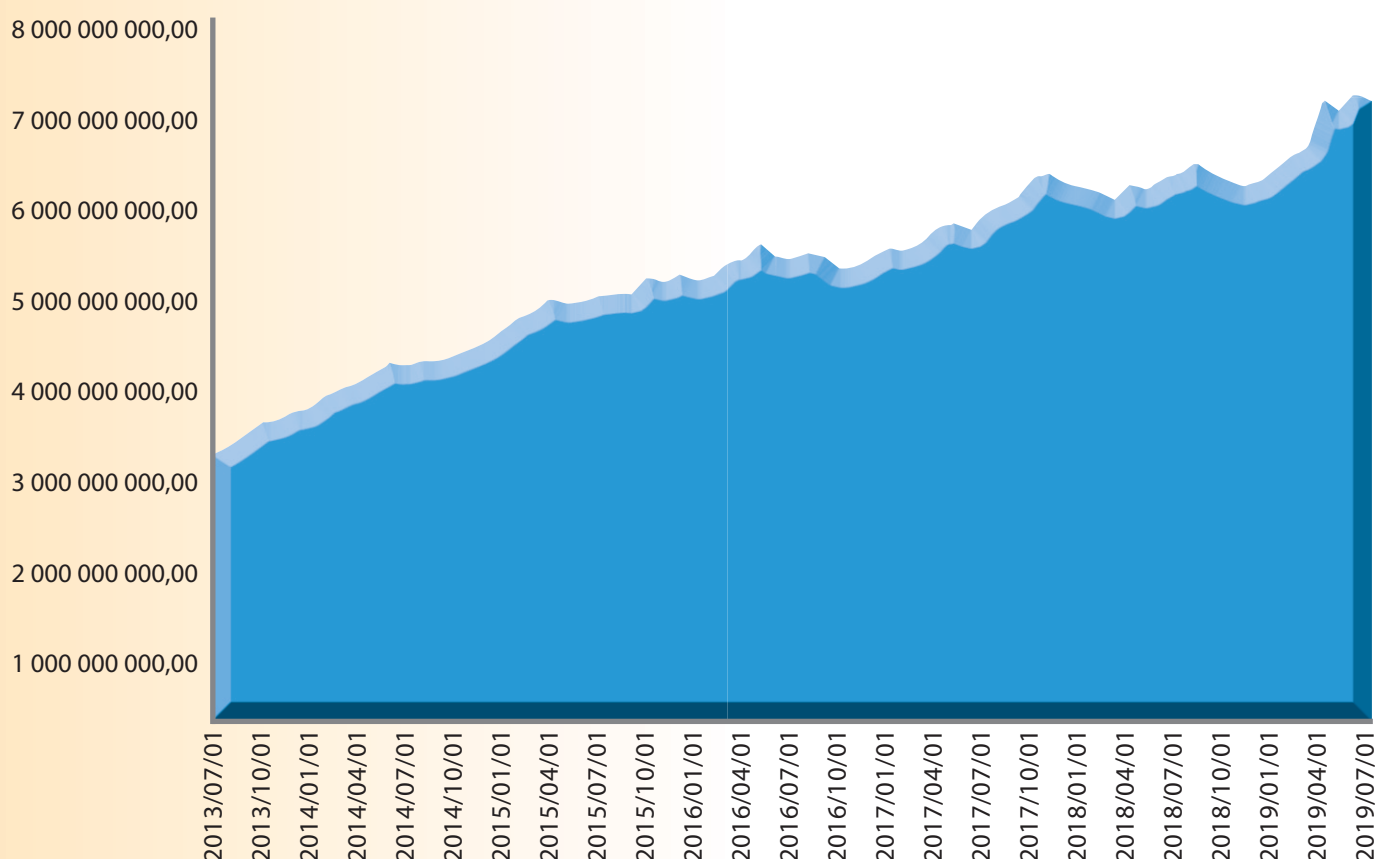
**MR JOE LETSWALO**, Chartered Principal Executive Officer

## REVIEW OF THE YEAR'S ACTIVITIES

### FUND PERFORMANCE

Since the refining of its Strategic Asset Allocation, the Fund has grown its assets from 3 billion in 2013 to 7.5 billion as at August 2019.

#### GROWTH OF ASSETS UNDER MANAGEMENT (AUM)



Source: Novare Actuaries & Consultants

The Board of Trustees is confident that the Fund has managed to successfully generate good returns on behalf of its members. In doing so, the Fund has aligned itself to asset managers who share its vision for the creation of sustainable futures through investment strategies which are carefully responsive to current and future operating environments.

*"SALT Employee Benefits was appointed to administer the Fund's self-insurance arrangement with effect 01 March 2018."*



## ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund, but do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the Rules of the Fund (which do not take such liabilities into account), the TSRF's finances are examined and reported by the actuary at intervals not exceeding three years. An actuarial valuation was performed on 28 February 2017 and the valuator reported that the Fund was in a sound financial position.

In terms of the Pension Fund Act no 24, 1956, the next statutory valuation will be performed 28 February 2020 and will be due for submission by 28 February 2021.

## HOUSING LOAN FACILITIES

The Rules of the Fund make provision for granting of housing loans or guarantees to its members.

The Fund has granted housing loans in terms of the Rules of the Fund and Section 19(5) of the Pension Funds Act. Each guarantee is secured by the fund credit of the respective member. The loan is limited to 60% of the respective member's fund credit after taking into account the effects of taxation (i.e. PAYE).

## LIFE STAGE MODEL

The Fund signed a new Investment Policy Statement in May 2017, thereby adopting a Life Stage investment model. This affected the realignment of all underlying assets affected after the financial year end. The bulk life stage switch was performed on 01 March 2018.

The life stage model is composed of three stages, i.e. Growth life stage for up to 54 years of age; Conservative life stage from 55 to 63 years of age,

and; Cash life stage from 64+ years of age. This model aims to aggressively grow the capital of younger members while protecting the capital of members approaching normal or early retirement. It does so by having the younger members invested in more aggressive growth-oriented investment portfolios, while older members nearing retirement, invest in more defensive capital-protecting portfolios.

## SELF-INSURED

The Fund had its new Rules approved by FSCA effective 03 August 2017. In line with this approval the Fund is now self-insured. Initially, Bophelo Life Insurance was appointed to administer all risk benefits on behalf of for the Fund. Their risk administration services were, however, terminated effective 28 February 2018. Subsequently, SALT Employee Benefits was appointed to administer the Fund's self-insurance arrangement with effect 01 March 2018.







## REVIEW OF THE YEAR'S ACTIVITIES

### CHANGES TO THE RULES OF THE FUND

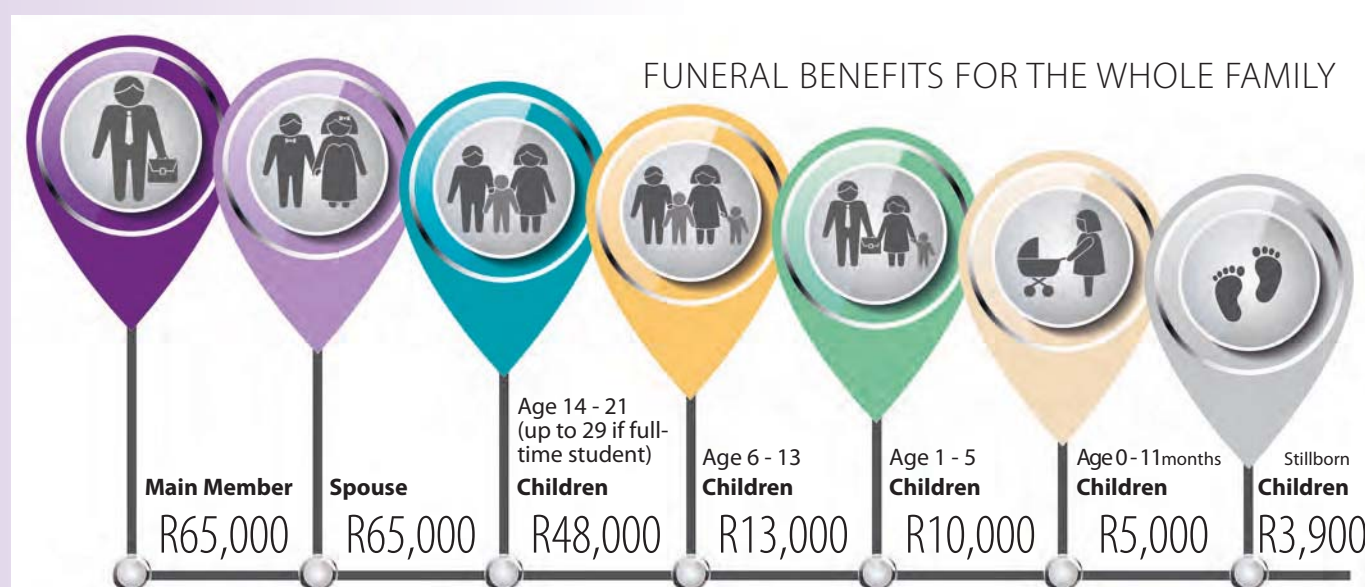
Rule Amendment no.	Motivation and description of rule amendment	Date of Board of Fund's resolution	Effective date	Date registered by FSCA
2	Amendment to various sections of the Revised Rules	20/03/2018	03/08/2017	15/05/2018
3	Amendment to include the Default Regulations of the Revised Rules	10/10/2018	24/01/2019	24/01/2019
4	Amendment to make provision for early retirement and grant the Fund authority to appoint Board members where NBC fails to submit details of appointed Board members	18/03/2019	01/02/2019	Not yet

## ENHANCED BENEFITS

**The Disability Benefit:** Increased from 2x to 3x Annual Wages / Salary (effective 03 August 2017)

**The Death Benefit:** Increased from 2x to 3x Annual Wages / Salary (effective 03 August 2017)

**Funeral Benefit:** *Funeral benefits for members and their immediate family members with effect from 01 October 2019 are as follows:*



**Repatriation of mortal remains:** Where a member, spouse or child passes away in a location that is more than 50 kilometres away from the deceased's primary residence, the costs of the repatriation of the deceased body to the primary residence, will be covered. Repatriation cover is also extended to other SADC Countries. This benefit is offered as a value-added service to members and therefore self-incurred costs are not reimbursed.

### Repatriation Benefits



The benefit is free to members of the Fund; all costs are covered by the insurer



Telephonic assistance is provided in terms of the arrangement a funeral or cremation, should the event occur outside the normal place of residence



Transfer of ashes to the normal place of residence after cremation is included



Assistance is provided with obtaining the death certificate should the death have occurred in unnatural or unusual circumstances

## STAKEHOLDER ENGAGEMENT, EDUCATION AND COMMUNICATION



*“Taking our  
members  
with us  
as we journey  
into a better  
future”*

***The TSRF undertakes annual research to review and determine members’ preferences and knowledge with regards to the Fund and its operation. Both internal and external communication strategies are developed and adjusted based on the findings of the latest research. An integrated communication approach is followed utilising a variety of platforms, including print media, newsletters, digital and mobile technologies (sms’s and scribble videos), web-based and social media platforms, as well mainstream media organisations.***

One of our major challenges for the Fund in respect of stakeholder engagement is that by far the majority of the Fund’s members are truck drivers, who by the nature of their jobs, are very mobile within the industry.

***Therefore, traditional channels of communication are not always as effective in the highly mobile transport industry, and an “out of the box” approach is required to be adopted in order to keep our members informed.***

This challenge was mainly overcome by obtaining the cell phone contact details of all Fund members via the Section 13A process. This now allows the Fund to communicate with members wherever they are by uploading all the Fund’s communication and/or notifications to TSRF’s website and certain social media platforms; and then disseminating the information (via embedded links) to members on their mobile devices.



**TSRF's annual communication for 2018-19 indicated the following:**

- ✓ 66% of members have access to smartphones.
- ✓ The top 3 "most read messages" to members included the following topics:
  1. member rights in respect of Section 14 transfers
  2. preservation of benefits
  3. retirement savings maximisation
- ✓ As a result of pro-active member education and engagement, the Fund can report that:
  - 99% of employers are Section 13A compliant (up from 95% compliance in 2017)
- ✓ 84% members are satisfied that communication from the Fund is easy to read and understand
- ✓ 83% consider the information useful and interesting
- ✓ 81% said the information helps to enhance their understanding of the Fund

## TRUSTEE DEVELOPMENT

The knowledge-base of the Board of Trustees is regularly refreshed and expanded through formalised programmes focusing on a myriad of relevant topics from investment to governance (King IV), Twin Peaks, Default Regulations and more.

The Board is keenly aware that the Fund does not operate in a vacuum and in order to maintain and even improve its success record, all its role players need have an in-depth understanding of regulatory frameworks, as well as the socio-economic and political frameworks within which it operates and which impacts on the business of the TSRF, the decisions of the Board and the futures of members.





## GOVERNANCE

The Transport Sector Retirement Fund conforms to the governance principles contained in the Code of Corporate Practices as reflected in the King III Report on Corporate Governance for South Africa and confirms that in all material respects the Fund has complied with the Code's principles for the period under review.

The Fund is committed to the highest levels of governance, compliance and transparency and has four sub-committees to support its role in managing and monitoring the affairs of the Fund. These include: Administration; Legal and Risk; Audit and Investment; and Death Benefit Disposal committees.

The Chairperson is responsible for leading the Board of Trustees and its effectiveness. The Principal Officer is responsible for the execution of strategy and the day-to-day business of the Fund.

The Board of Trustees has a fiduciary duty to act in good faith, with due diligence and care, to avoid conflicts of interests and act with impartiality in respect of all its members, being ultimately accountable and responsible for the performance and affairs of the Fund. The Board provides strategic guidance, direction and leadership, ensures good corporate governance and ethics, determines policy, agrees on performance criteria and delegates the detailed planning and implementation of policy and decisions to management.

The Board of Trustees is also responsible for managing a successful and productive relationship with the various trade union stakeholders.



The Board of Trustees operates in accordance with a Charter which sets out its mission, role, duties and responsibilities, and in particular the following:



***Trustees' fiduciary responsibilities***



***Leadership of the Board***



***Induction of new Trustees***



***Evaluation of Trustees***



***Matters reserved for the Board***



***Unrestricted access to the Fund's records***

The Board and management continually review and enhance the systems of control and governance to ensure that the business of the Fund is managed ethically, within prudent risk parameters, and in line with internationally accepted standards of best practice.

The Board of Trustees from time to time, monitors and deliberates on changes to the legislative and statutory environment, new business policies and matters of compliance. This ensures that the Board is kept appraised of new developments, and monitors and supports governance and sound business practices on behalf of the Fund.

A number of governance policies are enforced within the Fund. These comprise, but are not confined to, the declaration of business interests, the declaration of gifts, gratuities and hospitality, confidentiality, anti-competitive behaviour, and authority limits.

The Board of Trustees convenes at least once a quarter and monitors management's compliance with policy and its achievements against predetermined objectives. Additional meetings may be called when issues arise that need to be resolved between scheduled meetings.

Seven meetings of the Board of Trustees (including three special meetings) were held during the period under review.

A structured approach is followed for delegation, reporting and accountability, which includes reliance on various Board of Trustees Committees. The Chairman guides and monitors the input and contribution of the Trustees. The trustees have unrestricted access to Fund information. Performance evaluations of the Board of Trustees and its committees are done on an annual basis.

The Principal Officer is appraised by the Chairman of the Board of Trustees in consultation with the Trustees, whilst the Board of Trustees assess the performance of the Chairman.




Trustee and committee member training are considered vital to enable excellence in the execution of the Board's fiduciary duties and responsibilities. TSRF Trustees and Committee members attended a number of training sessions, conferences and seminars during the year under review.

*"The Fund is committed to the highest levels of governance, compliance and transparency"*





## FOLLOWING A TRANSFORMATIVE APPROACH

*In recent months the Transport Sector Retirement Fund has been lauded amongst industry peers for following a transformative approach – as pension fund industry mavericks who are changing the retirement industry landscape in South Africa for the better.*





The Fund's transformative approach is based on three key principles:

-  **Broad-based economic empowerment**
-  **Transforming society, and**
-  **Transforming members' daily lives**

In this regard, the Board of Trustees is committed to:

-  **Socio-economic consciousness**
-  **Finding the right balance in terms of its investment approach**
-  **Moving it members, and indeed the country, forward**
-  **Creating better future for all**

In order for its transformation approach to be successful and sustainable, the Board is committed to:

-  **Uphold best business practices and good governance principles**
-  **Be cooperative**
-  **Be resourceful and innovative**
-  **Take carefully calculated risks**

To give effect to the commitments of the Board, the Fund has placed a target that 70% of the Fund's assets should be managed by black-owned investment



*"To date 75% of the fund's assets are invested with black owned managers."*





firms. To date 75% of the fund's assets are invested with black owned managers.

This approach extends across the board to acquiring other services as well, from stock brokers, to auditing and catering services.

Various initiatives had to be adopted to ensure the sustainability of the Fund's transformation approach. For example, the playing fields for appointed asset managers were not necessarily conducive to maintaining success levels, especially with regards to competition with more well-resourced and established "traditional" asset managers. Furthermore, it was important that asset managers understood that the Fund's success is also their success.

Following a meeting with all asset managers at the end of 2018, the Fund's appointed asset managers unanimously pledged to uphold best governance procedures and to cooperate to advance the Fund's transformation agenda.

The TSRF's transformation objectives are clearly noticeable in its approach to responsible (impact) investment, where the Fund's investments assist in infrastructure development whilst it also directly serves the occupational needs of the majority of its workforce-members e.g. the Truck Stop Fund.

As much as the Fund's investment approach encapsulates all the usual listed asset classes, the Board of Trustees also focuses its attention on various alternative – and social impact investment options.

The TSRF's approach to investment is considered to be progressive and dynamic, consciously addressing environmental-, social and governance (ESG) matters and actively pursuing to address these.

In this approach, it is important that the Fund's asset managers are reputable and consistent in providing the probability of returns. The Board of

Trustees expects of its asset managers to at all times be conscious of the environment in which they (and thus, the Fund) operates, and to give their committed consideration to transformation, including diversity and inclusivity, ESG principles and good governance.

***This investment strategy which grows and protects the assets of its members throughout their life stages affords the Fund's members not only with monetary benefits, but also gives them dignity.***

As a case in point, the Truck Stop Fund, and particularly the development of the Highway Junction Truck Stop at Harrismith, does not only provide members good returns (of more than 25% over past 12 months), but it also plays a key role in job creation in the region. The Highway Junction Truck Stop is now one of the largest work providers in Harrismith (employing 200 local residents). TSRF's members are also benefitting daily by having access to a safe space where they can rest and recover; where they can access healthcare facilities; do banking, obtain good quality meals; and more.

***The TSRF has proven its approach and the impact that flows from it, successfully unlocking different income revenue streams, and offering viable and competitive returns.***

In the experience of the Board of Trustees, its impact investment strategy extends to encompass broader returns such as the revival of economies, job creation and improved gross domestic products (GDP), whilst also assisting to address social ills from service delivery, to healthcare and education.

***It is the experience of the Fund that investments with a social impact and job creation objectives, currently outperform investments on the JSE. Therefore, this asset class is certainly the right fit for the Transport Sector Retirement Fund.***



## CORPORATE SOCIAL RESPONSIBILITY PROJECTS





## CORPORATE SOCIAL RESPONSIBILITY PROJECTS

### TRUCK STOPS

The TSRF with its 70 000 members from 3000 employers is keenly aware that the majority of its members (70%) earn their bread and butter whilst transporting goods and people on our country's roads. As much as our aim is to preserve the livelihoods of our members and their families (through their retirement funds and death- and disability cover), **we are also committed to help ensure their comfort and safety while they are still actively employed.**

Truck crashes cost the transport industry up to R18-billion annually and have a devastating effect on individuals, their families, transport operators, aligned industries and indeed the whole country.

***As a retirement fund, we continually look for ways to improve members' lives. In this endeavour, the TSRF has developed a responsible investment strategy to build more truck stops to enhance the safety and standard of overnight parking facilities for truck drivers; and to create transport hubs along major routes where transporters can easily access quality restaurants-, primary healthcare-, refuelling and auxiliary services.***

There are an insufficient number of truck stops, and no established truck stop brand in South Africa; and often the existing truck stops do not provide adequate rest and security facilities. TSRF's truck stop investment strategy aligns with the CSIR's research findings and recommendations, including more and better rest areas; facilities for regular safety checks; improved integration of road safety and fleet management systems; and improved regulation. We, at TSRF, consider truck stops to be this missing link in the country's road transport and safety strategy.

The Transport Sector Retirement Fund aims to develop a national truck stop brand which will create a strong, recognisable identity as an endorsement of standards and regulations that support the transport and logistics industry. ***The first truck stop upgraded and further developed by the TSRF is the Harrismith Highway Junction Truck Stop on the N3 corridor.*** This expansion was done in a joint venture with the Highway Group. ***The Highway Junction is now the first multi-brand facility of its kind in South Africa and undoubtedly one of the biggest and busiest truck stops on the continent, with more than a 1000 trucks parking at this facility every night.*** The Highway Junction Truck Stop is not only Africa's largest truck stop, but also its busiest with almost 70% of truck drivers passing through the N3 corridor making it their preferred stopover, in excess of 1 500 vehicles pass through this facility daily.

We have the advantage of being the first mover and believe truck stops will support the creation of efficient transport hubs. ***The TSRF, through its Truck Stop Fund, has already earmarked sites in Cape Town, East London, Colesberg and Musina for development.*** The new truck stop sites are expected to be completed during 2020/2021.

*"The Highway Junction is now the first multi-brand facility of its kind in South Africa."*

## FUND PARTNERS WITH ARRIVE ALIVE TO PROMOTE ROAD SAFETY



Our current partnership with the Arrive Alive Media Platforms assists us to cross share knowledge and information in the transport sector, and to create a greater awareness of the challenges faced by transporters, and the steps taken to address these challenges to ultimately limit the risks and exposure our members face on a daily basis.

***The close cooperation between Arrive Alive and the TSRF enhances road safety for all the valued members of the Fund. We believe that an informed road user is a safer road user and information portals can contribute to the safer sharing of roads by all road users, irrespective of their modes of transport.***

Relevant news updates and more information are made available on [www.arrivealive.co.za](http://www.arrivealive.co.za); as well as on the following blogs:

[www.roadsafety.co.za](http://www.roadsafety.co.za);

[www.accidents.co.za](http://www.accidents.co.za);

[www.truckandfreight.co.za](http://www.truckandfreight.co.za);

[www.insurancechat.co.za](http://www.insurancechat.co.za); and on

**Facebook:** @ArriveAlive.co.za and

**Twitter:** @\_ArriveAlive.

*“To create a greater awareness of the challenges faced by transporters”*





## CORPORATE SOCIAL RESPONSIBILITY PROJECTS HIGHWAY HEROES

The Transport Sector Retirement Fund supports the 2019 Hollard Highway Heroes competition to search for South Africa's best truck driver.

*The TSRF is proud to be associated with this initiative to recognise South Africa's best truck driver and honour the determination, professionalism and commitment with which our truckers tackle their jobs.*

We believe this initiative assists to elevate the good standing of the trucking industry, whilst building capacity, promoting road safety and recognising individual excellence.

*The winning driver will be announced in November 2019 and will win a cash prize of R100 000.*

*"To elevate the good standing of the trucking industry, whilst promoting road safety and recognising individual excellence."*



**HIGHWAY HEROES**  
Hollard.

Rewarding the extraordinary!

**Calling all Highway Heroes – entries are open!**

**We are looking for the top truck drivers in South Africa.**

Does the best of the best drive for your fleet? Prove it by entering the **2019 Hollard Highway Heroes** competition!

For the first time ever, entries are open to all drivers, regardless of insurance provider. Entries are also free, with no cap as to the total number of drivers entered per fleet.

Why are we opening up **Hollard Highway Heroes** to everyone? Simple: we really mean it when we say we're looking for the best...

Qualifying drivers will be monitored for eight weeks, using a points-based system to rate them according to parameters such as speed, harsh braking and fatigue driving. The better the driver, the more points will be accumulated.

The driver with the most points at the end of the 2019 competition will walk away with the coveted **Hollard Highway Heroes** title, personalised branding on his or her truck and a cool **R100 000 in cash and prizes.**

**Entries open on 1 April 2019.**  
**Don't delay – enter as soon as possible!**

Visit [hollard.co.za/highway-heroes](http://hollard.co.za/highway-heroes) or email us at [highwayheroes@hollard.co.za](mailto:highwayheroes@hollard.co.za)

**Hollard.**  
insure

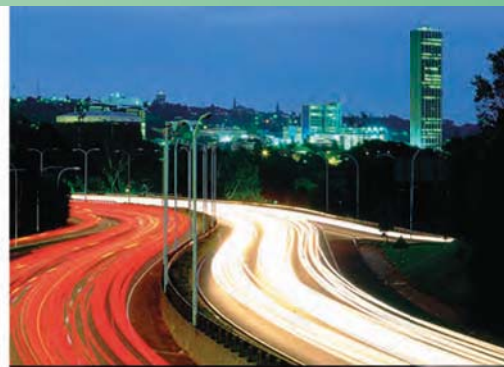
TRANSPORT  
SECURITY  
INSURANCE @track  
"inseego" FIDELITY  
SecureDrive

T's and C's apply for more information visit [hollard.co.za/highway-heroes](http://hollard.co.za/highway-heroes)

Hollard Insure is a division of the Hollard Insurance Company Limited (Reg. No. 1992/003004/06), an authorised Financial Services Provider







**STOP HUMAN TRAFFICKING**



**TRANSPORT**  
Sector Retirement Fund  
Moving Towards A Better Future



EMPLOYEE BENEFITS

**TRUCKERS UNITE**

TRUCKERS UNITE AGAINST HUMAN TRAFFICKING

Please report any suspicious behaviour to the  
Human Trafficking Resource Line on

**0800 222 777**

**Be the eyes and the ears on our highways**

Help those who are vulnerable and  
cannot protect themselves.

You can play a vital role to  
combat human trafficking  
in South Africa.

If so see something,  
say something!  
**EVERY LIFE MATTERS.**



*"Money may be able to buy a lot of things, but it should never,  
ever be able to buy another human being"*

- John F Kerry Trafficking in persons report, July 2015.





## CORPORATE SOCIAL RESPONSIBILITY PROJECTS

### HUMAN TRAFFICKING AWARENESS CAMPAIGN

According to the Global Slavery Index 2018, South Africa consists of a total population of 55 291 225 and the number of enslaved people in South Africa amounts to 155 000. The vulnerability of countries is of great importance when it comes to assessing the prevalence of slavery within jurisdictions.

South Africa fell victim to international organised crime due to insufficient control over its borders; corruption; the “placement” of children where children are sent to stay with extended families in order to create better opportunities for a child; the demand for body parts used in traditional healing; a lack of efficient anti-trafficking laws and training; children left vulnerable in child-headed households; unregistered births of children and the recruitment of boys and men for forced labour; and the enslavement of girls or young women for the sex industry, etc.

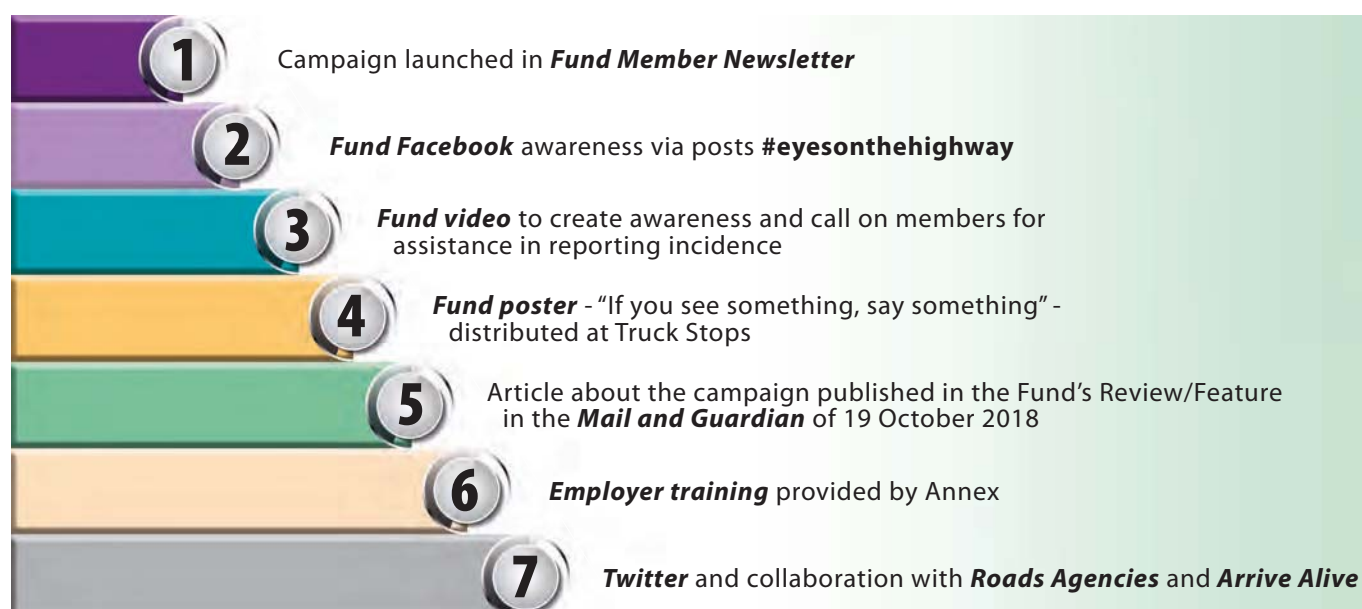
South Africa is a source, transit and destination country for human trafficking. Human trafficking also occurs within the borders of the country e.g. from one province or city to another.

The Fund and its administrator, Salt Employee Benefits joined forces in March 2018 to implement a national Human Trafficking Awareness Initiative to help combat this rapidly growing crime.

The campaign “Truckers UNiTE Against Human Trafficking” creates awareness and provides useful information to truckers, members of the transport sector, and South Africans in general to help combat this crime. The Truckers against trafficking initiative originated in the United States (with its 8 million truckers) and has grown into a far-reaching awareness campaign impacting greatly on the trucking industry.

The Fund collaborated with Truckers Against Trafficking in the US in order to learn from their best practices and to make a material difference in the global fight against trafficking in persons. Members of TSRF, many of whom spend most of their time on the road, play a crucial role to help fight human trafficking. The slogan of the campaign is “Our eyes on the highways”.

### THE AWARENESS CAMPAIGN FOLLOWED SEVEN STEPS:









## APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements of The Transport Sector Retirement Fund are the responsibility of the Board of Trustees of the Fund. The Board of the Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund and/or its benefit administrators, provide reasonable assurance that:



***The Fund's assets are safeguarded***



***Transactions are properly authorised and executed***



***Financial records are reliable***

The annual financial statements, set out on page 40, have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the Fund and the Pension Fund Act.

*“The Board of Trustees considers all representations to the independent auditors to be valid and appropriate.”*

These financial statements have been reported on by the independent auditors, Deloitte and Touche, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Trustees considers all representations to the independent auditors (in the management representation letter during the audit) to be valid and appropriate. The report of the independent auditors is presented on pages 42 to 45. These financial statements:



***Were approved by the Board of Trustees of the Fund on 22 July 2019***



***Are to the best of the Board member's knowledge and belief confirmed to be complete and correct***



***Fairly represent the net assets of the Fund as at 28 February 2019, as well as the results of its activities for the period under review***



***Are signed on behalf of the Board of Trustees of the Fund***



## STATEMENT OF NET ASSETS AND FUNDS

**For the period ended 28 February 2019**

	<b>2019</b>	<b>2018</b>
	<b>R</b>	<b>R</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	7 035 100 951	6 504 322 408
Property Plant and Equipment	377 992	0
Investments	7 034 722 959	6 504 322 408
<b>Current assets</b>	506 286 914	497 273 584
Accounts receivable	183 082 648	230 823 224
Contributions receivable	150 337 889	107 244 209
Transfers receivable	42 025	42 025
Cash at bank	172 824 352	159 164 126
<b>Total assets</b>	<b>7 541 387 865</b>	<b>7 001 595 992</b>
<b>FUNDS AND LIABILITIES</b>		
Members' individual accounts	5 841 476 827	5 484 428 646
Reserve accounts	1 392 145 061	1 085 023 172
Amounts to be allocated	40 281 447	130 985 183
<b>Total funds and reserves</b>	<b>7 273 903 335</b>	<b>5 408 989 180</b>
<b>Current liabilities</b>	267 484 530	301 158 991
Benefits payable	246 088 720	274 731 323
Transfers payable	13 005 776	7 096 865
Accounts payable	8 390 034	19 330 803
<b>Total funds and liabilities</b>	<b>7 541 387 865</b>	<b>7 001 595 992</b>









*“The Board of the Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.”*

## REPORT OF THE INDEPENDENT AUDITORS

**Report on the Audit of the Financial Statements presented by: Deloitte Touche**

### OPINION

We have audited the annual financial statements of The Transport Sector Retirement Fund set out on page 40, which comprise the statement of net assets and funds as at 28 February 2019 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Financial Sector Conduct Authority (“FSCA”).

In our opinion, the financial statements of The Transport Sector Retirement Fund for the year ended 28 February 2019 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in South Africa.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of the report. We are independent of the Fund in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board of Auditors’ Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe



that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **EMPHASIS OF MATTER – FINANCIAL REPORTING FRAMEWORK AND RESTRICTION ON USE**

We draw attention to note 1 which describes the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Registrar. Consequently, the financial statements and related auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **OTHER INFORMATION**

The Board of the Fund is responsible for the other information. The other information comprises the annual financial statements in terms of section 15 of the Pension Fund Act no 24, 1956, but does not include the financial statements (schedule F, G and H) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

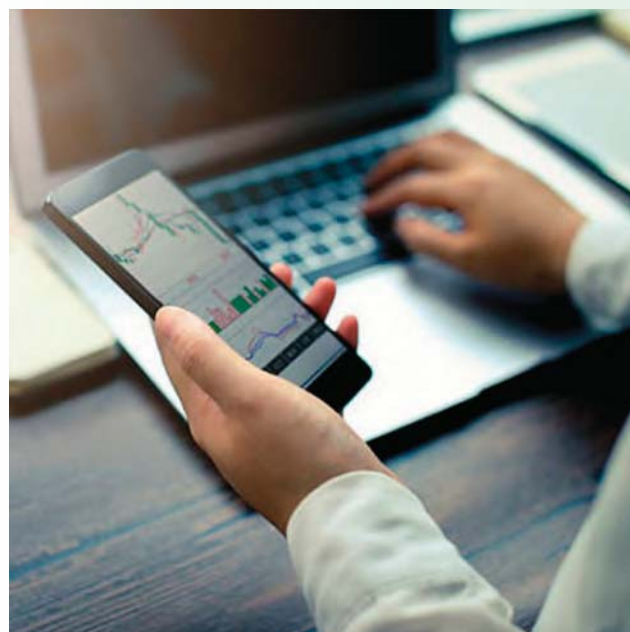
In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF THE BOARD OF THE FUND FOR THE FINANCIAL STATEMENTS**

The Board of the Fund 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 control as the Board of the Fund determines is necessary

*“As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.”*



to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of the Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the







circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.



Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of the Fund.

We communicate with the Board of the Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Statement of Responsibility by the Board of the Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of the Fund and the corrective action taken by the Board of the Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.

### **Deloitte & Touche**

*Registered Auditor*

*Per: R van Graan - Partner*

*Johannesburg*

*2019*

## IMPORTANT INFORMATION



### NOMINATION OF BENEFICIARIES

One of the most challenging tasks facing the Board of Trustees is to ensure that lump sum benefits paid on the death of a member are equitably allocated to all known dependants of that member. Although the nomination form is not binding on the Trustees, it does serve as an important guide in the event of the death of a member.



The Trustees therefore urge all members of the Fund to ensure that their Nomination of Beneficiary forms are completed, and thereafter updated on a regular basis, to reflect an accurate record of the status of each member's dependants and/or nominees.



This form is distributed along with the annual benefit statements or can be obtained from the members' nearest **Sanlam Walk-in Centre** or from the Fund's website: [www.transportsectorfund.co.za](http://www.transportsectorfund.co.za). Completed forms will be kept on file by the member's employer and copies can be submitted to the Fund's administrator.

### PRESERVATION OF BENEFITS

When a member withdraws from the Fund and considers what to do with his/her benefit, the TSRF encourages members to always make the preservation of their retirement savings their first consideration.



Preservation occurs when money saved for retirement through provident funds remain in those funds until the person retires, or is rolled over into another similar retirement savings vehicle without incurring taxes or penalties when a person changes job.



Retirement savings, for the average worker, are the single largest source of income post retirement. However, rates of preservation are very low. Cashing out accumulated retirement savings prematurely erodes financial security in old age, undermines the alleviation of poverty and increases reliance on others.

As from 01 March 2019, members who resign become paid-up members of the Fund. Their money remains invested in the Fund unless they inform the Fund that they choose to withdraw their retirement investment.

Members also have the option to preserve Fund benefits in the retirement funding system by placing the benefit in a retirement annuity; transferring it to a new employer's fund; or to a preservation fund.

## COMPLAINTS AND DISPUTES

Members who are dissatisfied with the way in which their retirement fund benefits are managed are able to lodge a formal complaint to the Fund by writing to the Principal Officer of the TSRF. The Principal Officer may address the complaint immediately or may need to institute an investigation to ascertain the causes that led to the complaint. Where necessary, the Principal Officer will refer the complaint to the Board of Trustees for consideration.

If the Fund's response deems to be unsatisfactory, or the Fund fails to address the complaint, the member has the right to refer the case to the Pension Funds Adjudicator. There is no charge to lodge a complaint with the Adjudicator's Office.



**P O Box 651826, Menlyn, 0063**



**enquiries@pfa.org.za**



**012 346 1738/ 012 748 4000**



**086 693 7472**

## FINANCIAL ADVICE

For the majority of people their retirement fund money is their largest, and sometimes their only, form of savings. Being a member of the retirement fund does not necessarily guarantee sufficient income during retirement. To achieve this, members are encouraged to start planning towards financial security as early as possible during their working lives.

Financial planners are able to provide sound retirement planning advice. It is important that the financial advisor takes into account individual requirements and circumstances, and that all facts are disclosed regarding the options available to a member exiting a retirement fund.

TSRF encourages its members to ensure that they only enlist the services of financial advisors that are accredited in terms of the Financial Advisory and Intermediary Services Act (FAIS), and that the advisor concerned provides written confirmation to this effect. A list of accredited financial advisors can be obtained from: [www.fpi.co.za](http://www.fpi.co.za)

*"Retirement savings, for the average worker, are the single largest source of income post retirement"*

## GENERAL FUND INFORMATION

TRANSPORT SECTOR RETIREMENT FUND BENEFITS FACT SHEET			
FSB Registration No: 12/8/37811			
BENEFIT	DESCRIPTION		COST
Employee Contribution Rate	10%		None
Employee Contribution Rate	10% (inclusive of costs)		The full risk premiums and admin fees are deducted from the 10%
Normal Retirement Age Late Retirement	65 years. Employer approves continued employment past age of 65 years. Lump sum disability benefits cease at age 65. Lump sum death and funeral benefits continue to age 70.		None
Death Benefit	3 x annual salary plus 100% fund credit		2.9% of salary per member per month (for both death and disability) deducted from the 10% employer contribution
Capital Disability Benefit	3 x annual salary plus 100% fund credit		
Funeral Benefit	Main Member	R65,000	R26.50 per member per month (deducted from the 10% employer contribution)
	Spouse	R65,000	
	Children:	R48,000	
	14 to 21 years	R13,000	
	6 to 13 years	R10,000	
	1 to 5 years	R5,000	
	0 to 11 months	R3,900	
	Stillborn w.e.f 1 October 2019		
Repatriation of Mortal Remains	Repatriation of Mortal Remains Funeral/Cremation Arrangements		
Administration Fees	Front Office (Sanlam)		R18.90 per member per month (exclusive of VAT) w.e.f. 1 May 2019
	Back Office (SALT EB)		R33.39 per member per month (exclusive of VAT) w.e.f. 1 March 2019
Pension-backed Home Loan (provided employer signs agreement)	Loan parameters 60% of Fund Credit Minimum loan term: Minimum loan amount: loan repayment: Interest rate:	12 months R5,000 minimum R200 pm Prime less 0.75%	R11.50 per month (inclusive of VAT) w.e.f. 1 November 2018
Investments	The Fund provides a Life Stage investment strategy - investing members' fund credit based on their age and remaining term to retirement as follows: Member 54 and younger - Growth Portfolio Members 55 to 63 - Conservative Portfolio Members 64 and older - Cash Portfolio		
No commission or broker fees are payable. Extensive member communication is done with member presentations & newsletters			

*No commission or broker fees are payable. Extensive member communication is done with member presentations & newsletters*

**National Members Call Centre:**

011 544 8300

**Claim submissions:**

[members@rflipf-sanlam.co.za](mailto:members@rflipf-sanlam.co.za)

**Unclaimed benefit enquiries:**

[rflipubfclaims@salteb.co.za](mailto:rflipubfclaims@salteb.co.za)

**Sect 14 enquiries:**

[TSRF.Section14@salteb.co.za](mailto:TSRF.Section14@salteb.co.za)

**Fund website:**

[www.transportsectorfund.co.za](http://www.transportsectorfund.co.za)



## QUESTIONS, COMMENTS AND SUGGESTIONS

The Transport Sector Retirement Fund's Rules, Annual Financial Statements and the Actuarial Valuation are available for inspection at the registered address of the Fund.

Any queries, comments or suggestions relating to the information contained in this report, or with regard to member benefits, investments or general Fund activities should be addressed to:



**Telephone:**

**011 544 8300**



**Email:**

[members@rflipf-sanlam.co.za](mailto:members@rflipf-sanlam.co.za)



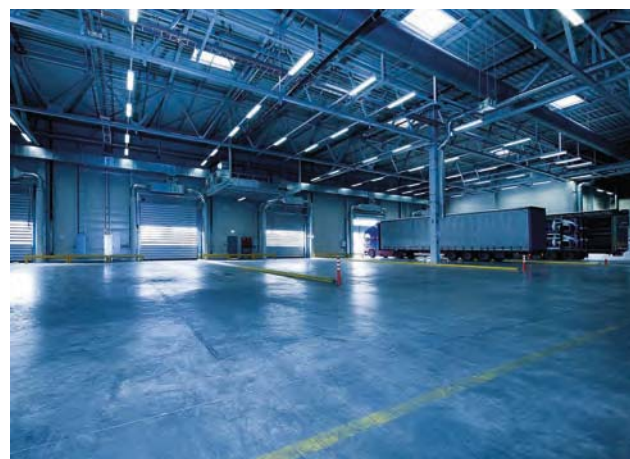
**Website:**

[www.transportsectorfund.co.za](http://www.transportsectorfund.co.za)



*"The TSRF places an emphasis on the integration of environmental, social and governance [ESG] factors in measuring the sustainability, ethical impact and future financial performance of an investment."*

**MR JOE LETSWALO**, Chartered Principal Executive Officer



## ADDENDUM

### RISK MANAGEMENT AND COMPLIANCE

The Transport Sector Retirement Fund implements and executes strict controls to:

-  Manage its business processes
-  Develop and implement strategies, structures and processes to mitigate risks
-  Adhere to the legislative environment
-  Meet corporate governance requirements
-  Accept accountability and responsibility for effective management
-  Demonstrate good stewardship
-  Increase stakeholder confidence

In managing its risks and meeting compliance requirements, the TSRF regularly reviews its systems, procedures and operations through internal and external audits and risk management assessments.

The scope of its compliance registry and reviews includes, amongst others, legislative, financial, operational, performance, human capital, information systems, communication and reputational assessments.



It focuses on critical functional areas and processes, strategies and control measurements.

The Fund's compliance and risk management processes signals the Board of Trustees commitment to good performance, enhanced accountability and management excellence.

In meeting compliance and risk management objectives, the TSRF takes business and legislative environments into account, and upholding its regulatory, legal, operational, moral and ethical obligations. Compliance and risk management enable business resilience.

The Fund's systemic approach to risk management and compliance enables it to execute continuous and proactive processes which underpins the TSRF's operations and contribute to the achievement of its overall corporate objectives.

In terms of compliance, the Fund sets out to meet and manage an extensive set of controls, as listed (but not limited to) below:

-  Rules and guidelines of the Fund, including Board of Trustees resolutions and directives
-  Regulatory and legislative framework, including prescripts of relevant laws, regulations and policies
-  Pension Fund Act regulations, policies and directives
-  Income Tax Act and SARS regulations, policies and directives
-  Financial Services Conduct Authority regulations, policies and directives
-  Investment controls and asset management procedures
-  Governance protocols, controls and processes
-  Contractual obligations and service level agreements
-  Actuarial and auditing requirements, financial recording and reporting standards
-  Administration and processing obligations and controls
-  Data management, information systems and information technology controls, including record keeping and protection of personal information
-  Human capital management processes and standards
-  Conflict management procedures
-  Communication and reputational management processes
-  Claims and benefits distribution controls and standards



## FUND COMMUNICATION OVERVIEW



Thank you to **Hollard Highway Heroes** for the beautiful trucking photos, used in this Report, taken by real truckers (many of whom are members of the Fund).

