



TRANSPORT
Sector Retirement Fund

Moving Towards A Better Future

2024

INTEGRATED

Annual Report



TSRF **CIRCLE OF**
LIFE AND PROSPERITY

www.rflipFund.co.za

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01

Letter From the Principal Executive Officer



Dear Members and Stakeholders,

I am pleased to present the Principal Executive Officer's Report for the Transport Sector Retirement Fund (TSRF) Integrated Annual Report for the year ending 29 February 2024. This report highlights our commitment to increasing our members' retirement savings and benefits, economic transformation, effective risk management, robust governance practices, impactful investments and ensuring fair treatment of all our valued members and customers.

Market overview

The global markets experienced significant volatility throughout the year influenced by geopolitical tensions, inflationary pressures, and high interest rates. Our investment strategy focused on maintaining a balanced portfolio, mitigating risks, and capitalising on market opportunities. We have continued to diversify our investments across various asset classes including equities, fixed income real estate and alternative investments.

Financial performance

For the year under review, the TSRF achieved robust financial results. Our total assets under management (AUM) increased by 7.1% to R10,017,774,132, driven by solid investment returns and member contributions. The Fund's net investment income was R767,370,500, reflecting our disciplined investment approach and diversified portfolio.

- **Total AUM:** R10,017,774,132
- **Return on investments:** 7.1%
- **Member contributions:** R1,710,743,745
- **Net Investment Income:** R767,370,500
- **Benefits payouts:** -R1,358,504,721

Importance of transformation

The 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 and remain transformed.

Risk management

In the dynamic landscape of the retirement fund sector, effective risk management remains paramount. The 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.

Governance

Good governance is the cornerstone of the TSRF's operations. Our Board of Trustees maintains a strong governance structure that adheres to best practices and regulatory requirements. This includes regular board meetings, comprehensive oversight of Fund activities and diligent monitoring of compliance with industry standards. We are committed to transparency and accountability in all our decisions, ensuring that members' interests are always at the forefront of our governance practices.

Impact investment projects

The TSRF is dedicated to making a positive difference through our investment decisions. We continue to prioritise impact investment projects that generate sustainable social and environmental benefits while delivering competitive financial returns. During the past year, we expanded our portfolio to include affordable housing, truck stops, and community development initiatives. These investments not only contribute to our financial goals but also align with our commitment to creating long-term value for our members and society at large.

Environmental stewardship

The TSRF is dedicated to minimising its environmental footprint and promoting sustainability across all facets of its operations and investments. Key initiatives include prioritising investments in companies with strong environmental practices, managing climate risks within its portfolio and advocating for resource efficiency and waste reduction.

Social responsibility

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

Fair treatment of members

At the 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 personalised 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.

Strategic initiatives

We made significant progress with our strategic initiatives aimed at enhancing member value and operational efficiency.

Key highlights include:

- **Digital transformation:** implemented advanced digital tools to improve member experience and operational workflows.
- **Sustainable investing:** increased our commitment to environmental, social and governance (ESG) principles, integrating sustainable practices into our investment decisions.
- **Member engagement:** enhanced programmes and resources to better educate and engage our members, ensuring they are well-informed about their retirement options.

Future outlook

Looking ahead, we remain committed to delivering long-term value for our members. Our focus will be on:

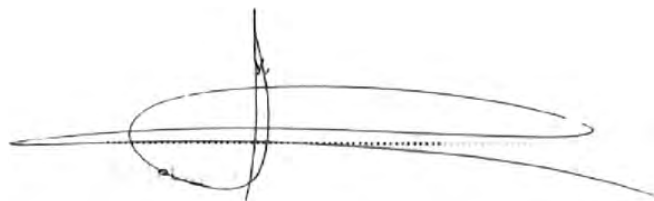
- **Investment performance:** continuing to optimise our portfolio to achieve competitive returns while managing risks.
- **Innovation:** leveraging technology to enhance our services and operational capabilities.
- **Sustainability:** deepening our ESG integration to contribute positively to society and the environment.
- **Member focus:** enhancing members' education and support to help them make informed retirement decisions.

Conclusion

In conclusion, the year under review has been marked by significant progress and achievements for the TSRF. The Fund was once again recognised by receiving the overall (Gold) trophy of the Institute of Retirement Funds Africa (IRFA) award for "Making It Happen", for investing in infrastructure development and ESG projects that benefit South Africa and our members.

Our commitment to empowerment, excellence in risk management, governance, impact investment projects and fair treatment of members remains unwavering. As we look ahead, we are confident in our ability to adapt to evolving challenges and seize opportunities that enhance the long-term sustainability and prosperity of our Fund.

I extend my sincere gratitude to our members, trustees, management team and staff for their continued dedication and support. Together, we will continue to build a resilient and prosperous circle of life for the TSRF, creating lasting value and a better world for all.



Joe Letswalo

Principal Executive Officer



02

About this Report

Life is a circle.
The End of One journey
is the beginning of the next
- Joseph M. Marshall

The Board of the TSRF is pleased to present its Integrated Annual Report for the financial year ended 29 February 2024.

This Integrated Annual Report provides a comprehensive overview of the Fund's performance and achievements for the year under review. It aims to provide stakeholders and specifically members with an overview of the Fund's activities, management, administration and financial status during the year.

It illustrates how the Fund creates and sustains value for all stakeholders in the short, medium and long term to ensure longevity. This year, we have sought to shorten and clarify the report to improve its accessibility to all our stakeholders.

03

Chairman's
Overview

Dear Members and Stakeholders,

I am delighted to present the Integrated Annual Report for TSRF for the fiscal year of 2024. This year has been a testament to our resilience and dedication to our members and stakeholders against a backdrop of challenges and opportunities in the transport sector and beyond.

Navigating a dynamic landscape

The transport sector continues to evolve rapidly, influenced by global trends, technological advancements, and regulatory changes. The TSRF remains steadfast in its commitment to safeguarding the financial futures of our members within this dynamic environment.

Our strategic focus on sustainable impact investments and prudent financial management has enabled us to weather market volatility and achieve commendable returns for our members.

Regulation 28 amendments

One of the most significant developments this year has been the amendment to Regulation 28 of the Pension Funds Act, which now permits up to 45% of retirement fund assets to be invested outside South Africa. This amendment reflects a strategic shift in how we can diversify our investment portfolio to mitigate risks and seek higher returns in international markets.

While we acknowledge the potential benefits of increased diversification and the opportunity to tap into global growth, we are also acutely aware of the accompanying risks.

Our investment committee has taken a cautious and calculated approach to ensure that our international investments are sound, well-researched, and aligned with the best interests of our members.

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.

Delivering value to members

At the TSRF, our members are at the heart of everything we do. We are pleased to report that the Fund is ready to implement the Two-Pot System, effective 1 September 2024, and to assist members who need to make emergency withdrawals from the Fund. Our member portal uses state-of-the-art facial recognition and is linked with home affairs to instantly verify members' details to ensure the smooth payment of benefits.

Our walk-in centres are geared to assist members with this process when needed. These initiatives underscore our unwavering dedication to enhancing member outcomes and ensuring the long-term sustainability of their retirement savings. We continue to prioritise our members' needs through improved services and engagement initiatives. Our communication channels have been expanded to provide timely updates and support, ensuring that our members are well-informed about their investments and the Fund's performance.



Embracing sustainability

As responsible stewards of capital, the TSRF is committed to integrating environmental, social, and governance (ESG) factors into our investment decision-making processes. Our sustainable investment approach not only aims to deliver superior risk-adjusted returns but also contributes positively to our local communities and the environment. We believe that responsible investing is essential for long-term value creation and aligns with the expectations of our stakeholders.

Looking ahead

We are optimistic about the opportunities that lie ahead for the TSRF in the near future. As we move forward, we remain focused on our mission to provide secure and prosperous retirements for our members. The global and domestic economic landscapes are continually evolving, and we are prepared to navigate these changes with agility and prudence. Our strategic priorities will continue to centre on risk management, member engagement, and sustainable growth.

We remain focused on innovation, collaboration, and continuous improvement to better serve our members and stakeholders. Our strategic priorities for the coming year include the finalisation of some of our impact investment projects, including the launch of our second Truck Stop, Buffalo, in East London.

Our member education programmes remain a priority for the Fund as we investigate ways to segment our membership to ensure targeted communication with the various groups. Conducting annual research to gauge member demographics, financial habits, and satisfaction with the Fund's communication efforts ensures that strategies are data-driven and responsive to members' needs. This practice of continuous feedback

and improvement is beneficial to our Fund, aiming for excellence in member service.

Appreciation

I would like to extend my sincere gratitude to our members for their trust and support, and to the trustees, management team, and staff for their dedication and hard work throughout the year. Together, we have reached remarkable milestones, including recognition for excellence and best practices over the past two years. These accomplishments have paved the way for the TSRF's ongoing success.

In conclusion, I am confident that the TSRF is well-positioned to navigate the evolving economic landscape and deliver sustainable value to our members and stakeholders. We remain committed to transparency, accountability, and excellence in all that we do, as evident in the symbolic TSRF Circle of Life. Together, we will continue to build a strong and resilient retirement fund for the future.

Thank you for your continued trust and support.

Yours sincerely

Mdumisani Mabaso
Chairman



04

Transformation

Transformation

Report on TSRF's key objectives

BEE: Empowerment agenda

The TSRF sees the ongoing transformation of South Africa's economy as non-negotiable. The Fund promotes inclusivity by supporting service providers in the investment value chain and thus contributes significantly to the targeted economic empowerment of black South Africans.

The Fund's policy is to have no less than 60% of its domestic assets managed by black-owned and controlled investment management companies as defined in the Financial Sector Charter and the B-BBEE Codes of Good Practice. 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 in black talent management.

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.

TSRF, in alignment with the Financial Sector Transformation Council (FSTC), plays a pivotal role in promoting transformation, diversity, and inclusion in the financial sector, as mandated by the B-BBEE Act and the Financial Sector Code (FSC). The Fund actively drives transformation, reduces inequality, and fosters inclusive economic growth, contributing meaningfully to South Africa's socio-economic development.

During the period under review, the TSRF submitted its annual report to the FSTC and reviewed its B-BBEE status, achieving a Level 1 contributor certificate. The Fund's transformation agenda includes responsible and impact investing, reinforcing its leadership role in the retirement fund industry and championing compliance with the FSTC's objectives.

The TSRF is committed to driving transformation within the financial sector and beyond, recognising that meaningful change is essential for long-term sustainability and equity.

Our transformation initiatives include:

- **Economic inclusion:** supporting financial inclusion and access to retirement savings for underserved populations, thereby promoting broader economic participation.
- **Empowerment initiatives:** investing in businesses and projects that empower historically disadvantaged groups, fostering economic growth and social cohesion.
- **Capacity building:** providing training and development opportunities to enhance the skills and capabilities of our workforce and the broader community.

A transformative approach to investment

The TSRF is putting its capital to work through responsible investment initiatives. It is changing the transport landscape for the better and its members no longer need to wait for retirement before they start reaping the benefits of their contributions.

The TSRF considers broad-based economic empowerment as a key driver to help transform our society and our members' daily lives. Our Board of Trustees is committed to carefully considering prevailing socio-economic issues and finding the right balance in our responsible investment approach to help move our country forward.

To ensure our success, the Board is committed to upholding best business practices and good governance principles, to be resourceful and innovative and to take carefully calculated risks.

Currently, 85% of the Fund's assets are invested with black-owned managers with a 75% Level 1 B-BBEE compliance rating.

The Fund believes in black talent management and encourages the appointment of asset managers from previously disadvantaged population and to keep this position transformed, while promoting and developing black females in the financial services industry.

Sustainable investing

As a Level 1 broad-based black economic empowerment (B-BBEE) contributor and a responsible corporate citizen, the TSRF believes that infrastructure development through impact investment drives socially inclusive growth supports transformation and environment-friendly initiatives.

We support job creation and alleviate poverty by incorporating environmental, social, and governance (ESG) principles in our investment processes. The TSRF emphasises the integration of ESG factors when measuring an investment's sustainability and ethical impact, which helps to determine the investment's future financial performance.

In the year under review, the Fund invested in among others, developing a township economy, agricultural projects, and truck stops. Our investments improve lives and ensure members' money is used to develop marginalised communities, thus generating better returns for the same members. We refer to this as the TSRF circle of life and prosperity.

At the TSRF, our ESG commitment is a cornerstone of our investment philosophy and operational approach. We are dedicated to making a positive impact on the environment, society, and governance standards, ensuring that our members benefit from a secure and sustainable future. Through our focus on transformation, impact investment, and sustainable investments, we aim to create lasting value for our stakeholders and contribute to a better world.



05

ESG

ESG

ESG Principles





At TSRF, we recognise the critical importance of integrating Environmental, Social, and Governance (ESG) factors into our investment strategies and operations.

Overview of ESG initiatives and their impact

Our commitment to 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:

- **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.
- **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.
- **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 provides direct benefits to members and helps drive economic development and job creation.

The TSRF invests 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
- Africa Retail: Novare Africa Property Fund 2

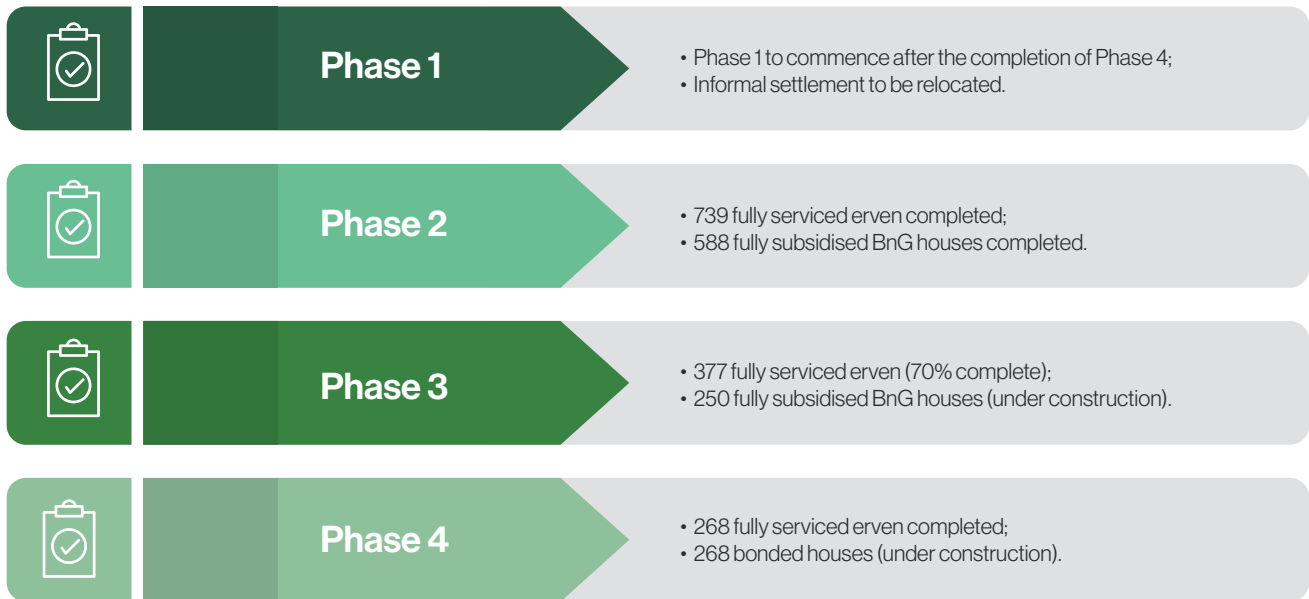
The mixed-use developments create urban villages that speed up housing delivery and key lifestyle services such as clinics, schools, offices, shopping centres, parks and gyms. These spatial development projects play a major role in poverty alleviation, ensuring access to property for all, as a wealth-creation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

Lethabong Lifestyle Estate

The Lethabong Lifestyle Estate is a Mega-City 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



Truck Stop Fund

Truck drivers can only function well when they are treated with respect, eat healthy food, and are provided with clean ablutions and secure resting facilities," says Mdumisani Mabaso, General Secretary of the Motor Transport Workers Union.

Economic and market research by the Truck Stop Fund has indicated a dire need for well planned, safe, and secure overnight facilities for truck drivers in South Africa. South Africa has an excellent logistics and transportation industry but is lacking on-road facilities for the transportation and logistics sectors.

Truck accidents cost the industry more than R20 billion annually, impacting the competitiveness of the South African economy on the international markets. The main cause of truck accidents is driver fatigue.

A market opportunity exists to create a trusted national brand of truck stops, focusing on driver safety and security and providing multiple amenities to meet the needs of the transport and logistics sector. The Truck Stop Fund is well positioned to take advantage of this opportunity.

The first project of the Truck Stop Fund (and second truck stop for the TSRF) is based in East London and is set to open in August 2024. The truck stop will have safe and secure overnight parking for over 100 trucks. The facility has a canteen offering balanced meals, a relaxation area, hot showers, laundry, a truck wash, service and repair centres (workshops), overnight rooms, and a medical clinic.

Training, education and work opportunities

With mega housing estate development, significant emphasis is placed on creating an integrated "live-work-play" environment to socially and economically uplift the immediate community surrounding the development, focusing on the following core principles:

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

Setsquare has a current contractual relationship with the 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 SMMEs towards long-term sustainability.

Setsquare has also partnered with the NHBRC on providing training to local SMME companies in the building trade and industry and has achieved significant success with these training initiatives.

Setsquare has a contractual commitment to the local community to procure 30% of the development (being labour and materials) from the relevant host and local community surrounding the development site – thereby creating much-needed employment opportunities for labour, as well as SMMEs in the building trade – and to date has exceeded this commitment significantly.

Housing loans

The rules of the Fund provide for the granting of housing loans or guarantees to members in terms of the Fund rules. The credit of each respective member secures each guarantee. The Fund limits the loan to 60% of the respective member's Fund credit, after considering the effects of taxation (PAYE).

Impact Investment

We believe in the power of impact investment to generate positive, measurable social and environmental outcomes alongside financial returns. Our impact investment strategy focuses on:

- **Targeted investments:** identifying and investing in opportunities that address pressing social and environmental issues, such as clean energy, affordable housing, promotion of previously disadvantaged persons, and healthcare access.
- **Measurable impact:** setting clear impact goals and using robust metrics to track and report on the social and environmental outcomes of our investments.
- **Collaborative partnerships:** working with like-minded investors, organisations, and communities to amplify our impact and drive systemic change.

Sustainable investments

Sustainable investments are integral to our strategy, as we seek to build a resilient portfolio that delivers long-term value. Our approach includes:

- **ESG integration:** incorporating ESG factors into our investment analysis and decision-making processes to identify risks and opportunities that may affect long-term performance.
- **Active ownership:** engaging with investee companies to promote sustainable business practices and encouraging them to improve their ESG performance.
- **Long-term focus:** prioritising investments that contribute to sustainable development and offer the potential for stable, long-term returns.

We are committed to minimising our environmental impact and promoting sustainability in all aspects of our operations and investments. Our approach includes:

- **Sustainable investments:** prioritising investments in companies and projects that demonstrate strong environmental practices, such as reducing carbon emissions, conserving natural resources, and adopting renewable energy solutions.
- **Climate risk management:** assessing and managing climate-related risks within our investment portfolio to ensure resilience against environmental challenges and regulatory changes.
- **Resource efficiency:** encouraging resource efficiency and waste reduction in our operations and promoting similar practices among our investee companies.

Looking forward

At the TSRF, our ESG commitment is a cornerstone of our investment philosophy and operational approach. We are dedicated to making a positive impact on the environment, society, and governance standards, ensuring that our members benefit from the creation of a secure and sustainable future. Through our focus on transformation, impact investment, and sustainable investments, we aim to create lasting value for our stakeholders and contribute to a better world.

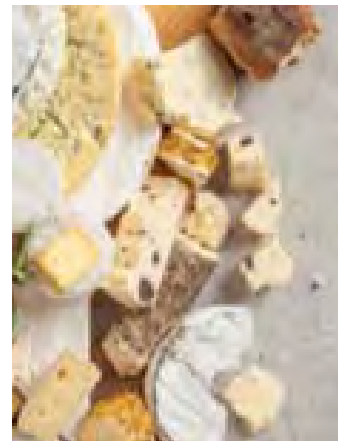
Heritage Capital Fund I

Heritage Capital is a 100% black-female-owned and controlled private equity fund management company focused on investing in the industrial, and 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").

New Investment: Fairview Cheese Company (Pty) Ltd



Heritage Capital Fund I is proud to announce its most recent investment in Fairview Cheese. Fairview Cheese is based in Paarl in the Western Cape and produces a range of over 50 cow and goat milk artisanal cheeses, including white mould, blue mould, feta and cream cheeses. The products are sold in the catering market and in major retailers across the country as well as through the Fairview Deli in Paarl.

SSEM Mthembu Medical (Pty) Ltd

The Fund owns a significant minority interest in SSEM, a distributor of electro-medical devices and medical consumables throughout Southern Africa. SSEM provides specialised equipment to specialist physicians, private clinics and hospitals – including operating theatres, critical care units, high care units, trauma care, and emergency care. It also caters for the occupational health, blood transfusion, and home care sectors.

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 defense. 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. Tailifts manufacture tail lifts, which are fitted onto the back of truck bodies and used to lift goods.

Aria Technologies Africa (Pty) Ltd

This is the first investment made and 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.

USAID Mobilizing Investment Grant



Heritage Capital I has been fortunate to be awarded a working capital grant by USAID Southern Africa Mobilizing Investment (“USAID”).

This grant will be utilised to grow the investment team as we set up to raise and deploy the Heritage Capital Fund II.

Investor site visit

Heritage Capital I recently arranged site visits for its investors, which included members of the Transport Sector Retirement Fund’s investment committee. The site visit took place on 16 May 2024, where trustees spent the morning at General Profiling and the afternoon at SSEM. The purpose was to give investors more insight into portfolio companies and to introduce the management teams that are in charge of overseeing the companies.



Above: Fund trustees on a site visit to General Profiling.



06

Governance

Governance



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.





TSRF Member Portal (Benefit Counsellor)

The TSRF developed a member portal to empower members with easy, real-time access to their retirement fund information. This platform allows members to view their balances, track contributions, and review benefit statements conveniently, ensuring they stay informed and in control of their financial future. All members are encouraged to register on the member portal by following the instructions below.

How to access the TSRF member portal – First Time User

- **Step 1:** Copy and paste the following link to your preferred browser: <https://transport.benefitcounsellor.com/login>
- **Step 2:** Enter your ID or Passport Number
- **Step 3:** Click yes that you have read and agree to the Terms and Conditions of the portal
- **Step 4:** Click next to start answering the security questions
- **Step 5:** Answer the security questions by selecting the correct answer displayed on the screen

- **Step 6:** Enter a referral code if you were referred to the portal by someone. If not please click skip
- **Step 7:** Enter your personal details and create a password of your choice.

NB: Keep the password in a safe place for future use.

- **Step 8:** Click complete

You will be redirected to the landing page of profile.

How to access the TSRF member portal – Returning User

- **Step 1:** Copy and paste the following link to your preferred browser: <https://transport.benefitcounsellor.com/login>
- **Step 2:** Enter your ID or Passport Number
- **Step 3:** Enter your password and click on login

You will be redirected to the landing page of profile

Navigating the portal

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

- **Contributions icon:** Click here to view your monthly contributions breakdown
- **Benefits icon:** Under this icon you will see all your benefits entitled to you.
- **Education icon :** Under this icon, you will have access to all the educational information relating to retirement fund and any other financial information.
- **Rewards icon:** You will see all the rewards due to you. You can redeem what is available for you.
- **Two-Pot Opt-in icon:** This is where all members who were over the age of 55 in 2021 click to opt in to be part of the two-pot system.
- **Two-Pot Savings Withdrawal icon:** This is where you click when you want to claim from your savings pot.
- **Benefit Statements icon:** You can view your benefit statement by clicking on this icon
- **Referrals icon:** If you have a colleague you would like to refer to register to the portal, you can give them the referral code found on top of the referral page.
- **Forms icon:** All relevant forms can be found under this icon
- **Fund info icon:** Information about TSRF can be found here
- **Fund balance icon:** A comprehensive total of your retirement savings can be found here.
- **FAQ icon:** you can view the frequently asked questions here
- **Exit Fund icon:** this is where you click when you are withdrawing from the provident fund.
- **Retire icon:** You will have access to educational information required when you are about to require
- **Concerns icon:** Log all your queries and concerns by clicking on this icon
- **Claim status icon:** If you have submitted a claim, you will be able to see its progress under this icon
- **Calculator icon:** You can use this online calculator to predict your future payout.



Beneficiary Nomination

Updating your beneficiary nomination form is essential to ensure that your benefits are distributed according to your wishes, avoiding potential disputes and legal complications. Life changes such as marriage, divorce, or the birth of children can impact your priorities, making it important to regularly review and update your nominations.

You can download the nomination form by clicking this link: <https://www.rfliipfund.co.za/images/documents/claim-forms/claims-beneficiary-nomination.pdf>



Getting hold of us:

Calling: 087 405 6377

Two-pot related queries: 087 405 6376

WhatsApp: 087 240 7004

Meet our Trustees

Mdumisani Mabaso has been a dedicated member of the Road Freight and Logistics Industry Provident Fund Board of Trustees since 2004, bringing 19 years of experience to the role. In addition to his work as a trustee, he actively serves on the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) and holds the position of General Secretary for the Motor Transport Workers Union (MTWU). His leadership extends across several key committees, including:

- Main Board
- Administration Sub-Committee
- Investment Sub-Committee

Commencement date on the Board as of 1 November 2022.



Mr Mdumisani Mabaso
Chairperson (Union-Appointment)

Solomon Mothibedi serves as the National Coordinator for the Motor Transport Workers Union (MTWU). He has completed numerous accredited trustee training courses and brings a wealth of experience to his role as a trustee, having previously served on the Board of the Private Security Industry Fund. His current responsibilities include active participation in the following committees:

- Main Board
- Death Benefit Disposal Sub-Committee

Commencement date on the Board as of 1 November 2022.



Mr Solomon Mothibedi
Trustee (Union-Appointment)

Tebalo Maloka is an admitted but non-practicing advocate with extensive experience as a trade unionist and labor relations expert. He has a strong background in public administration and is well-versed in conciliations, arbitrations, and disciplinary hearings. His experience spans municipalities, the South African Local Government Bargaining Council, and the Commission for Conciliation, Mediation and Arbitration (CCMA). Maloka's current roles include serving on the following committees:

- Main Board
- Legal and Risk Sub-Committee
- Investment Sub-Committee

Commencement date on the Board as of 1 November 2022.



Advocate Tebalo Maloka
Independent Trustee

Mandla Nkosi is a seasoned lawyer with over 20 years of experience in pension fund law. He serves in various capacities on numerous retirement fund boards, including roles as Principal Officer, Chairperson, and independent trustee, offering legal and advisory expertise. His strong commitment to ethics and good governance earned him a position as Director and Trustee on the Board of the Institute of Retirement Funds Africa (IRFA). He is actively involved in the following committees:

- Main Board
- Administration Sub-Committee
- Death Benefit Disposal Sub-Committee

Commencement date on the Board as of 1 November 2022.



Mr Mandla Nkosi
Independent Trustee

Mbuso Nzama is the Deputy President of the Motor Transport Workers Union (TWU) and also serves as a Board member of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). His roles include participation in the following committees:

- Main Board
- Alternate

Commencement date on the Board as of 1 November 2022.



Mr Mbuso Nzama

Trustee (Union Appointment)

Tawana Mopeli began his academic journey at the London School of Business and Management, where he laid the foundation for his business acumen. He later earned a BA (Hons) in Business Studies from the University of Greenwich. In 2020, he completed a BA (Hons) in Social Science and a BA (Masters) in Social Science at Wits University. Tawana commenced his career at the South African Transport and Allied Workers Union (SATAWU), where he served as Head of Research before advancing to the role of Head of Operations in the General Secretary's office. He currently holds the position of Commissioner in the Department of Employment and Labour's Employment Conditions Commission. His contributions extend to the following committees:

- Main Board
- Legal and Risk Sub-Committee
- Investment Sub-Committee
- Death Benefit Disposal Sub-Committee

Commencement date on the Board as of 1 November 2022.



Mr Tawana Mopeli

Trustee (Union Appointed)

Jack Mazibuko has a distinguished history of trade union activism, beginning his journey as a shop steward and worker office bearer in various structures of the South African Transport and Allied Workers Union (SATAWU). In 2003, he was elected as Trustee and Chairperson of the Cleaning Bargaining Council. He later served as a union official/organiser for SATAWU in 2007 and was elected as Free State Provincial Secretary in 2008. In 2018, he ascended to the role of General Secretary of SATAWU.

Currently, Jack serves as the Chairperson of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) and is an Executive Member of the International Transport Workers' Federation. He holds human resources and labor qualifications from the University of the Free State. His contributions also include participation in the following committee:

- Alternate

Commencement date on the Board as of 1 November 2022.



Mr Jack Mazibuko

Trustee Union (Appointed Alternate)

Willy Lekgoathi brings 18 years of experience in the transport and freight sector, complemented by certificates in labor relations, skills development, and legal practice. He began his career with the South African Transport and Allied Workers Union (SATAWU), where he served as the Acting National Road Freight Sector Coordinator before advancing to the role of Provincial Coordinator. Willy is affiliated with the Motor Ferry Industry Bargaining Council of South Africa and the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). His current contributions include participation in the following committees:

- Main Board
- Administration Sub-Committee
- Legal & Risk Sub-Committee

Commencement date on the Board as of 1 November 2022



Mr Willy Lekgoathi

Deputy Chairperson (Union Appointed)

Zola Tshefu is an accomplished Director with 17 years of experience serving as a Non-Executive Director across various public and private sectors. She brings over five years of expertise in the retirement fund industry, having held the position of Chairperson of a fund. Zola holds a Bachelor of Commerce (BCom) and a Master of Arts (MA) in Administration. Her current roles include active participation in the following committees:

- Main Board
- Investment Sub-Committee

Commencement date on the Board as of 1 September 2023.



Ms Zola Tshefu
Independent Trustee

Itumeleng Serithi is an experienced professional independent trustee with a Bachelor of Commerce (Hons) degree in Accounting from the University of KwaZulu-Natal.

After completing his studies, he joined PwC Forensics, where he qualified as a chartered accountant. With 15 years of experience in audit, governance, and forensic investigations, Itumeleng serves as an independent trustee for several large industry funds, including the Private Security Sector Provident Fund and the Motor Industry Provident Fund. His current role includes active participation in the following committee:

- Main Board

Commencement date on the Board as of 1 September 2023.

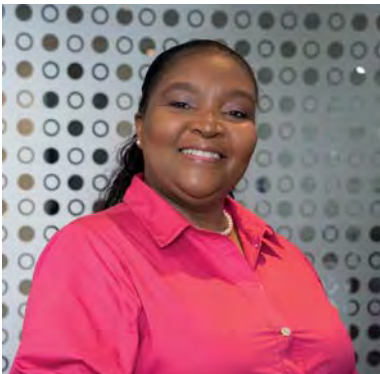


Mr Itumeleng Serithi
Independent Trustee

Fund Management



Mr Joe Letswalo
Principal Executive Officer



Ms Lerato Mogupudi
Deputy Principal Officer

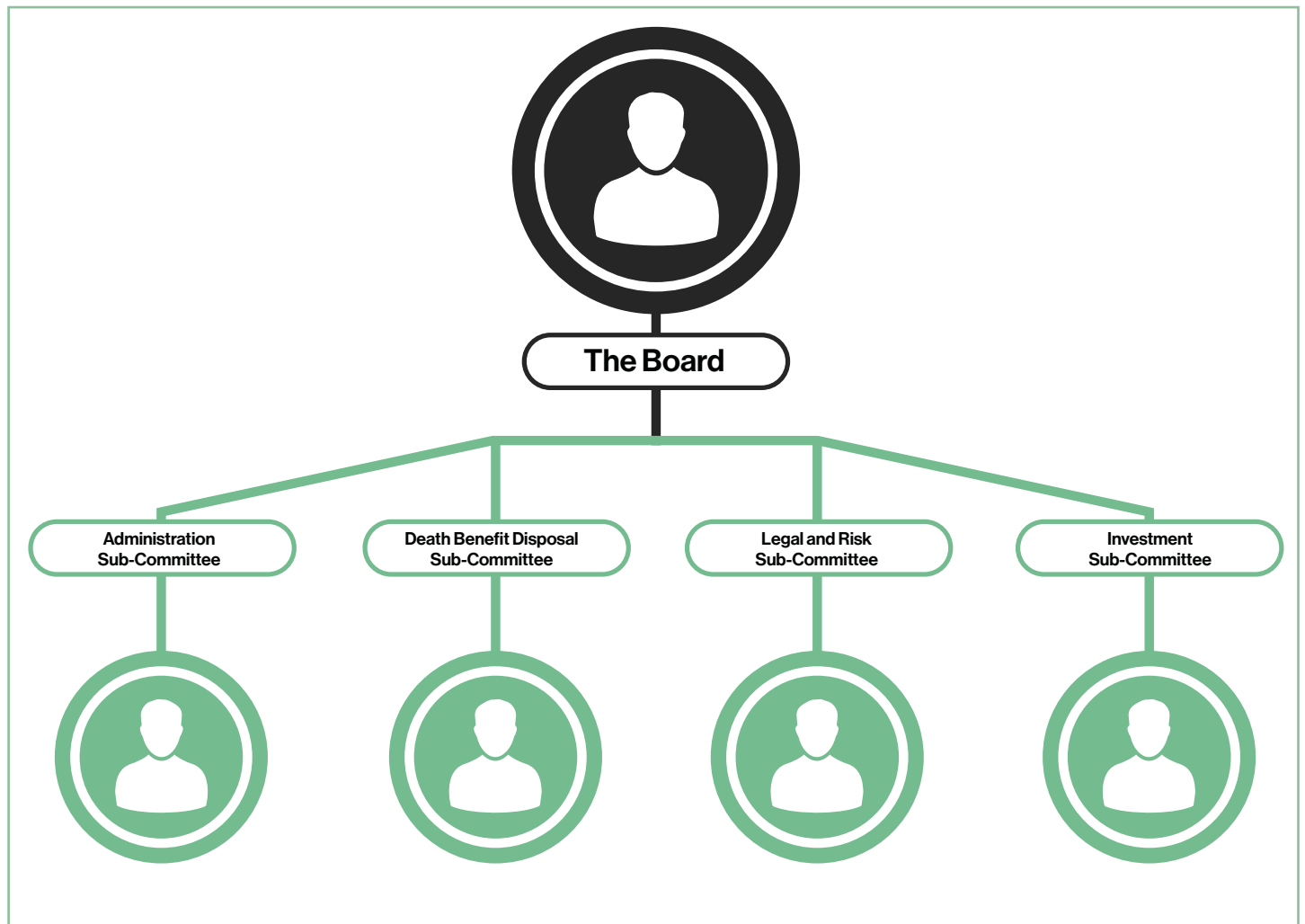


Ms Grace Chauke
Investment Officer



Ms Penny Spentzouris
Legal and Risk Officer

Fund structure



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

Governance Framework

- **Board Structure:** outlines the Board's mission, fiduciary responsibilities, leadership roles, and access protocols to Fund records.
- **Delegation and accountability:** a structured framework supports delegation, reporting, and accountability, with open access to Fund information for trustees.

Governance excellence

- **Standards of governance:** stringent policies and procedures manage risks, enforce compliance, and safeguard member interests.
- **Stakeholder engagement:** engaging stakeholders, including members, regulators, and investee companies, facilitates informed decision-making.

Sub-Committee roles and performance

Each sub-committee plays a distinct role, with oversight by assigned trustees and invited officers. The sub-committees confirmed full mandate fulfillment for the period 1 March 2023 - 29 February 2024.

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. Nzama	M. Nkosi	W. Lekgoathi
		2	1	3	3	2
Investment	Develop and monitor investment policy, asset strategies, and recommend managers.	M. Mabaso	T. Maloka	Z. Tshefu	T. Mopeli	
		4	4	1	3	
Legal and risk	Oversee governance, trustee appointments, risk management reporting, compliance, and legal agreements.	W. Lekgoathi	M. Mabaso	T. Maloka	M. Nkosi	T. Mopeli
		4	2	4	1	4
Death benefit disposal	Verify documentation, manage death benefit, distributions, and ensure timely benefit payments.	S. Mothibedi	T. Mopedi	M. Nkosi		
		3	3	4		

Trustee toolkit

Continuous learning and industry engagement: trustees enhance their knowledge through structured learning on topics like investment strategies, King IV governance principles, Twin Peaks regulation, and default regulations. In 2024, they actively participated in industry conferences and events such as those hosted by the Pension Lawyers Association, IRFA, and Batseta.

Updated trustee toolkit requirement: the FSCA mandated a newly updated trustee toolkit, requiring all trustees to complete it by September 2024. This ensures they are fully equipped to meet their fiduciary duties.

Performance and peer review process: trustees perform annual evaluations, including self-assessment and peer review, to continuously improve their effectiveness and uphold governance standards.



Risk management

Risk management framework overview

The TSRF’s comprehensive risk management framework is designed to support sustainable governance, promote transparency, and protect members’ assets.

Enterprise Risk Management (ERM) process:

- 1. **Risk identification:** assesses internal and external factors impacting Fund objectives.
- 2. **Risk evaluation and response:** evaluates risks by likelihood and impact, guiding response strategies.
- 3. **Risk control:** establishes activities to ensure effective risk management.
- 4. **Risk financing:** determines appropriate strategies for funding insurable and financial risks.
- 5. **Risk communication:** develops channels for risk reporting and mitigation communication.
- 6. **Risk monitoring:** conducts regular reviews and audits to keep risks within acceptable parameters.

Key risks and mitigation strategies

Risk no.	Risk description	Mitigation strategy
1	Cybersecurity threats	Establish cybersecurity frameworks, conduct assessments, train staff, and audit security measures regularly.
2	Regulatory changes	Implement a proactive compliance programme with legislative monitoring and regulator engagement.
3	Market volatility	Diversify investments across asset classes and regions, employ stress testing and scenario analysis for proactive management.
4	Environmental, Social, and Governance (ESG) compliance	Integrate ESG criteria into the Investment Policy Statement (IPS) and decision-making processes to align with responsible investing.
5	Demographic shifts	Periodically review benefits and contributions, offer educational programs to improve members’ financial literacy.
6	Technological disruptions	Invest in digital innovation, establish partnerships with tech companies to safely incorporate emerging technology.
7	Social and economic uncertainty	Maintain a stability-focused investment approach, adjust strategies based on political and economic trends

Emerging risks management

The TSRF’s risk management framework includes proactive monitoring of emerging risks to ensure Fund resilience, transparency, and continued protection of member benefits.

07

Value Creation

Value Creation

Investments performance

Global market themes

The World Bank expects global markets to stabilise during 2024 for the first time since COVID-19. It is estimated that global growth will reach 2.6% in 2024, rising slightly to 2.7% in 2025. This is still below pre-pandemic levels of 3%, although improvement may be on the horizon.

US equity indices showed resilience, with the Nasdaq Composite gaining 6%, S&P 500 ticking up by 3.6%, and Dow Jones Industrial gaining 1.2%. The Dow Jones Industrial Average touched 40 000 index points intra-month. The MSCI World Index saw an increase of 2.1%, while the MSCI All Country World Index increased by 2.2%. The MSCI EM Index saw an increase of 3.9% for the month and the Nikkei 225 was up healthily by 3.0%.

The looming uncertainty of the upcoming presidential election also played a role in US market volatility. Technology and AI advancements continued to drive US market performance, supporting utilities for technology electrification. NVidia's market capitalization has grown by \$1.477 trillion since the beginning of the year, continuing its positive run.

The UK banking system has worked hard to be well-capitalised, and has maintained strong liquidity positions. The energy price cap saw a reduction to £1 568, which is the lowest level in two years. Market optimism was displayed through UK small caps, which performed better than UK large caps for the year-to-date.

The European manufacturing sector experienced some volatility in energy prices along with some disruptions to supply chain activities due to the ongoing Ukraine conflict. The Eurozone saw strong performance from the technology sector, followed by financials, which is double the size of technology. Inflation across the Eurozone remained at 2.6%.

China's tech sector faced various regulatory evaluations, which has dampened investor enthusiasm. This regulatory crackdown, along with slow economic recovery, resulted in the MSCI China index down -1.9%.

From an emerging market perspective, Brazil has continued to grapple with challenges stemming from its double-digit interest rates and political dynamics. In contrast, India has shown robust economic growth backed by a flourishing technology sector and resilient local demand. Both India and Mexico have recently completed their election processes. Prime Minister Modi in India is expected to implement similar policies to previous ones, which boosts business confidence. Conversely, concerns have arisen about potential radical policy changes under Mexico's new President, Claudia Sheinbaum.

South African market themes

The rand, bonds, listed property, and equity markets surged following the formation of the new Government of Unity (GNU) and its cabinet. South Africa's 2024 National and Provincial election results marked a historic shift in the country's political landscape. Before the elections, markets were hopeful that the ANC would secure sufficient votes to form coalitions with smaller parties, ensuring continuity in government and

policy stability. However, the election results led the ANC to seek larger coalition partners to form the seventh administration. The re-election of the new president by parliament was crucial in shaping South Africa's political and economic trajectory.

Economists cautioned investors against rash financial decisions, highlighting South Africa's strengths such as a robust constitution, independent judiciary, free media, and strong financial institutions, which are expected to mitigate political risks. From a listings perspective, the Johannesburg Stock Exchange (JSE) saw a significant decline, hitting a 30-year low with listings dropping by 56% since 1998.

Challenges such as mergers, acquisitions, and relocations contributed to this decline, with insufficient new listings to offset losses. Despite these challenges JSE CEO Leila Fourie introduced initiatives to reverse this trend, including new requirements for listed companies and facilitating secondary listings for those on the Hong Kong Exchanges and Clearing.

South Africa's prospects of achieving over 1% GDP growth in 2024 appeared to be diminishing after a poor start to the year. Stats SA reported a quarterly decline of 0.1% in Q1 2024 GDP, lower than market expectations of 0.1% growth. The first half of 2024 saw continued strain on household finances due to high interest rates, weighing on consumer confidence and demand. These pressures are expected to ease slightly in the second half as inflation is likely to soften and the prospect of monetary policy easing begins.

Key financial and operational highlights

For the year under review, TSRF achieved significant growth with total assets under management (AUM) increasing from R9,357,515,188 to R10,017,774,132, reflecting a 7.1% growth driven by solid investment returns.

Financial overview

- **Total AUM:** R10,017,774,132
- **Return on investments:** 7.1%
- **Member contributions:** R1,710,743,745
- **Net Investment Income:** R767,370,500
- **Benefits payout:** -R1,358,504,721

Impact of market conditions on the Fund

The 2024 election results introduced political uncertainty, influencing financial markets and investor sentiment. The establishment of a new Government of National Unity will play a crucial role in determining the country's economic trajectory. Notably, the appointment of Justice Mandisa Maya as Chief Justice on 1 September 2024 marks a significant advancement in gender empowerment, as she is the first black female to hold this position.

This growth in AUM underscores the Fund's effective investment strategy and its commitment to delivering value to its members despite prevailing economic challenges.



08

Stakeholder Experience

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
- Under-declaring

Regulatory changes: new regulations, including stricter environmental standards, have impacted operational dynamics, resulting in increased compliance costs.

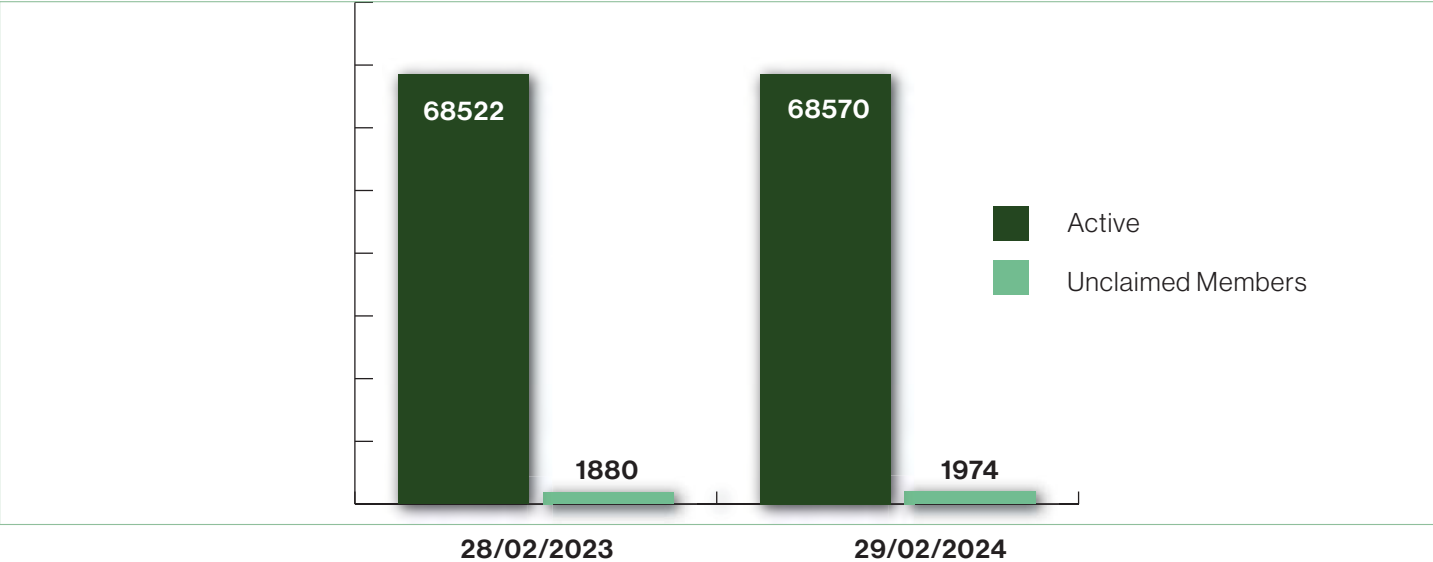
Members and the Fund will be entitled to apply for a warrant of execution from a court having jurisdiction on a Determination given by the PFA for complaints against employers who are non-compliant with the provisions of S13A of the Pension Funds Act.

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.

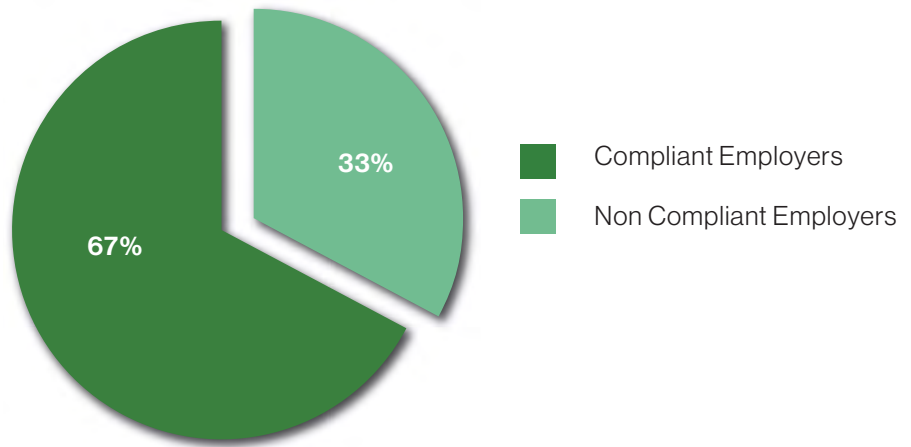
The Fund thanks employers who diligently pay their contributions to the Fund on time, under challenging circumstances.

Membership

Membership Comparison 2023 and 2024



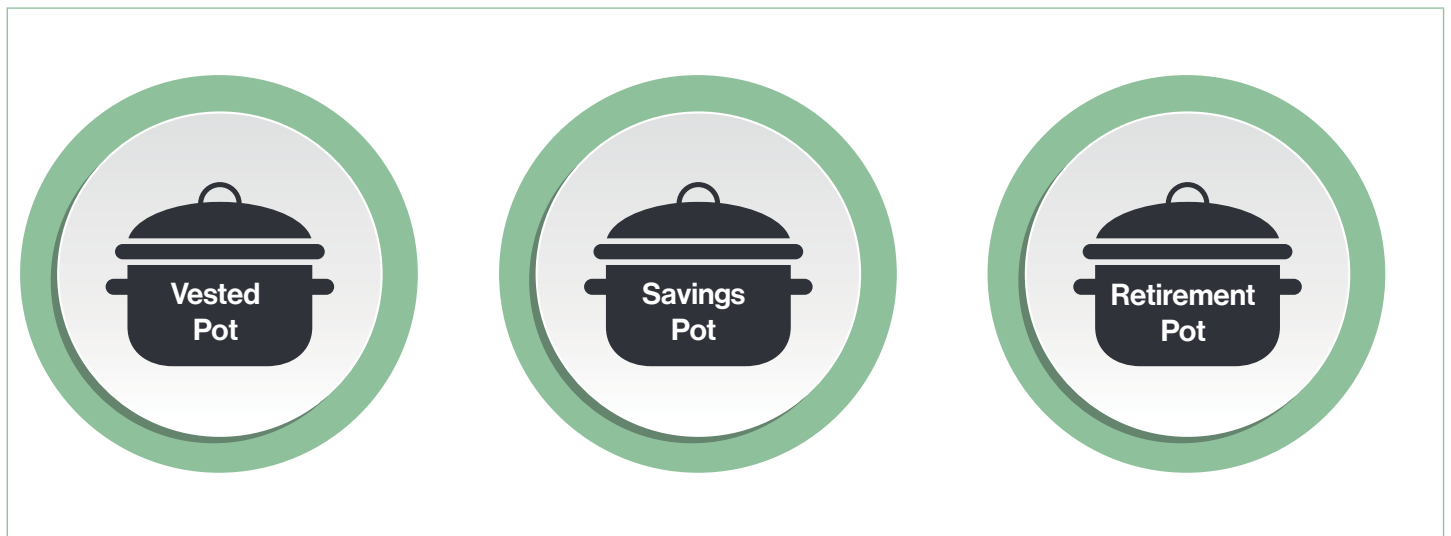
Employer Compliance Levels



Two-pot system implementation summary

Legislation and rule amendment

The Fund amended the Rules of the Fund during the reporting period in anticipation of the Two-Pot system implementation, which amendment was timeously approved.



Communication strategy

The communication rollout was comprehensive to prepare the members for the implementation of the two-pot system. Various platforms were utilised including webinars, social media, instructional videos and podcasts aimed at both employers and members. A national roadshow and media engagements further enhanced our goal to educate and inform the members about the legislation and its impact.

System and technology

The system was developed over several months, focusing on creating a robust, user-friendly, and intuitive platform. The system's development involved significant preparation, particularly with the member portal and Everest processing system to ensure integration. Despite a brief 3-4-hour downtime on launch day due to high demand, subsequent operations were smooth handling.

With an increase in member contributions, more members are becoming eligible for withdrawals. Future technological improvements will promote two-way member interaction through surveys, polls, and focus groups. Enhanced Home Affairs verification processes are boosting data accuracy, and outstanding tax issues are actively being addressed. Additionally, behavioural data insights will guide improved planning and engagement efforts going forward.

Digital transformation

Our member portal uses state-of-the-art facial recognition and is linked with home affairs to instantly verify members' details to ensure smooth payment of benefits. Our walk-in centres are geared to assist members with this process when needed. These initiatives underscore our unwavering dedication to

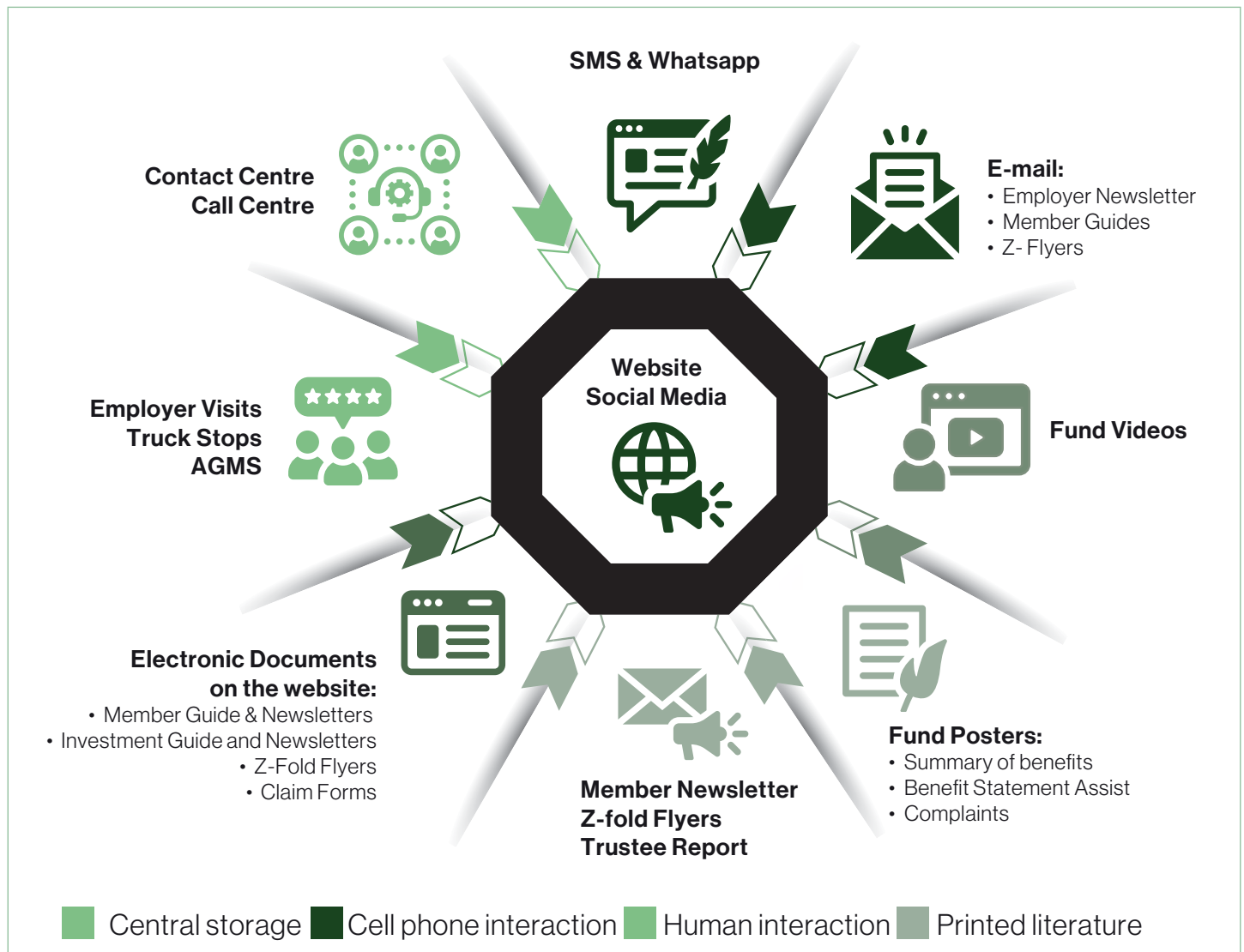
enhancing member outcomes and ensuring the long-term sustainability of their retirement savings. We continue to prioritise our members' needs through improved services and engagement initiatives. Our communication channels have been expanded to provide timely updates and support, ensuring that our members are well-informed about their investments and the Fund's performance.

The Fund uses an electronic Benefit Counselling Online Tool to provide retirement benefit counselling to members. Once registered on the system, members can obtain their Fund balances and statements, and, from September 2024, make savings withdrawals seamlessly. The Benefit Counsellor also takes the member, in a step-by-step process, through their options at withdrawal and retirement, and issues a certificate of completion once done. A significant number of members are registered on the Benefit Counsellor and are able to view their Fund balances and complete the withdrawal and retirement counselling process when they retire.

The management board of the TSRF are continuously looking at ways to improve services to members. To enhance members' service experience regarding enquiries and claim payments, the Board took a decision to consolidate the administration of the Fund.

Effective 1 October 2023, Salt Employee Benefits took over the front office duties from Sanlam. This means that both the front office and back office functions now reside with Salt Employee Benefits. This streamlines the process flow of claims and results in faster payment of benefits.

The Fund implements a combination of the following communication channels to reach members:



Treating Clients Fairly

The TSRF is dedicated to ensuring that its members are treated fairly in all aspects of their interactions with the Fund. This commitment is guided by the Treating Clients Fairly (TCF) policy, which aligns with the Financial Sector Conduct Authority's (FSCA) principles. Here is how the TSRF achieves each of the six TCF outcomes to promote fairness and transparency for its members:

1. Central culture of fair treatment

Fair treatment of members is embedded in the TSRF's culture.

- The Fund ensures that the fair treatment of members and beneficiaries is at the core of its operations.

- Member satisfaction is prioritised without confusing it with fairness.
- **Products designed for member needs**

The TSRF designs and markets products such that they meet the specific needs of its members.

- Fund benefits are tailored to meet the expectations and needs of all members.
- Trustees are vigilant to avoid being influenced by service providers in ways that might lead to inappropriate or low-value products.
- Regular assessments ensure that products and services remain suitable for the members' needs and risk profiles.

2. Clear and transparent communication

Members receive clear, appropriate information at all stages.

- Members are provided with comprehensive information about Fund benefits and operations upon joining and throughout their membership.
- Important events or changes are communicated promptly and effectively.
- Members and participating employers receive Newsflashes and Newsletters on at least a quarterly basis to ensure that they have all the required information on their retirement benefits.
- Annual benefit statements and detailed disclosures on fees, costs, and investment risks are provided to members.

3. Suitable and individualised advice

Advice provided to members is tailored to their individual circumstances.

- Trustees ensure that intermediaries and service providers are properly licensed and knowledgeable.
- Members are informed about potential incentives advisors might receive, ensuring transparency.
- The suitability of benefits is regularly assessed to match the needs of the members.

4. Product performance and standards

Products and services perform as expected and meet acceptable standards.

- Regular reviews are conducted to ensure the suitability of products, benefits and services.
- Members are informed about the costs and impact of the Fund's products on their benefits.
- The Fund's offerings are consistently aligned with its objectives to meet members' retirement needs.

5. Minimising post-sale barriers

- The aim is to ensure that members continue to feel valued and respected after engaging with the Fund. By removing barriers and promoting transparency and fairness, the Fund builds trust and confidence, demonstrating that it prioritises members' needs throughout their journey.
- The Fund ensures that members can submit claims, make complaints, or receive required information without facing unnecessary obstacles.
- An effective complaints management process is in place to address and resolve issues promptly, without frustrating the complainants.

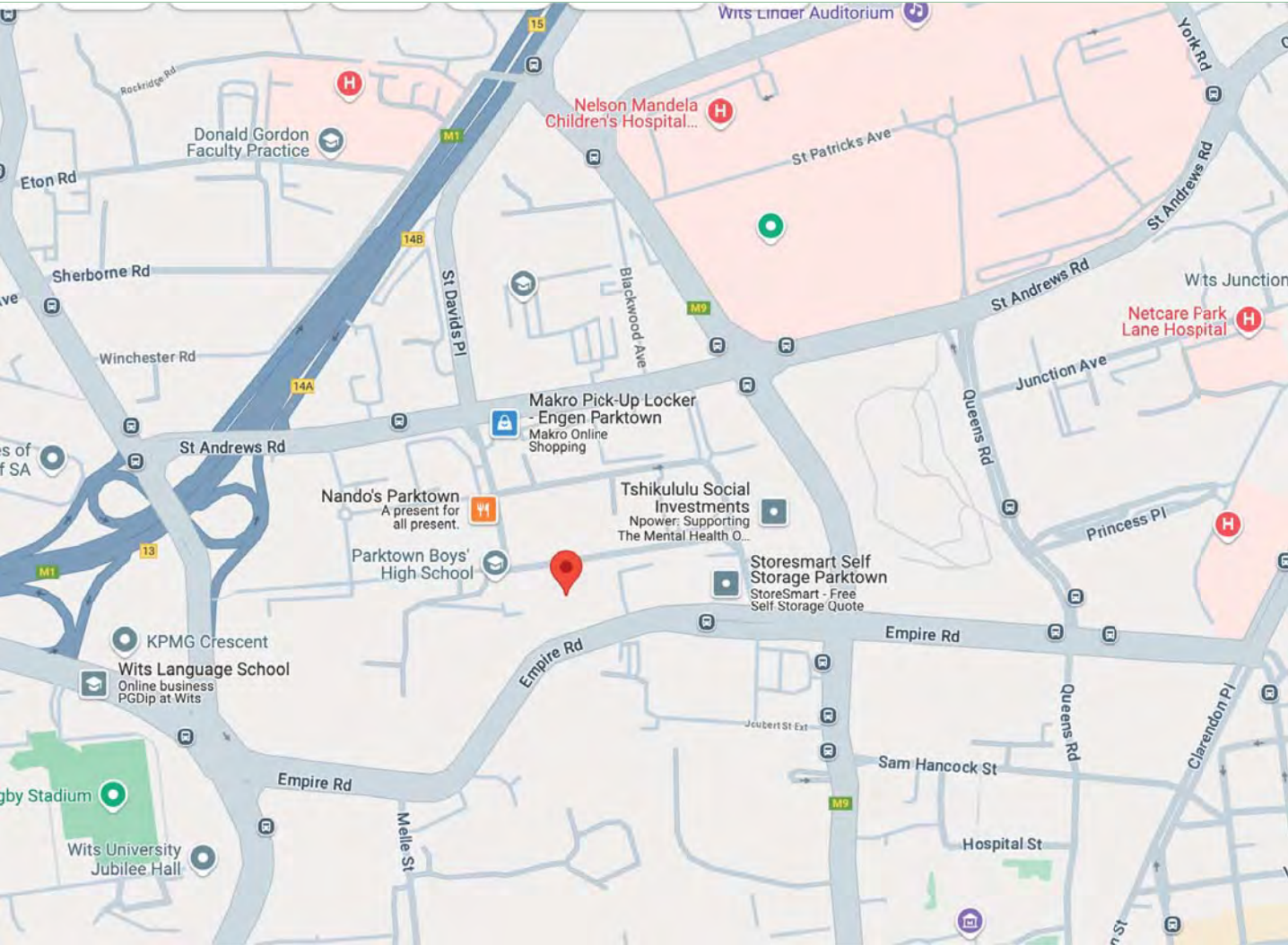


The TSRF is committed to upholding the principles of the Treating Clients Fairly policy to ensure that all members are treated with fairness and respect.

By embedding these principles into their culture and operations, the TSRF strives to create a transparent, member-centric environment that meets the needs and expectations of its members consistently.

Fund offices

The Fund’s main offices are at 24 Wellington Road, Parktown, Johannesburg, South Africa



Client Contact Centres/Walk-in Centres

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

Johannesburg	Cape Town/Bellville	Durban
Client Contact Centre	Client Contact Centre	Client Contact Centre
Samro Place 8 th Floor 20 De Korte St Braamfontein Gauteng	Suite 2 Edward Building 1 116 Edward St Oakdale Bellville Western Cape	Ground Floor The Marine 1 Dorothy Nyembe St Durban Central Durban KwaZulu-Natal
		



**If you want to go fast,
go alone. If you want
to go far,
go together**

- African Proverb

09

Statutory Compliance

Statutory Compliance

Financial statements

Approval of the 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 control 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, Forvis Mazars, 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 16th of October 2024.
- Are to the best of the board members' knowledge and belief, complete and correct.
- Fairly represent the net assets of TSRF as at 29 February 2024, as well as the results of its activities for the period under review.
- Are signed on behalf of the Board of TSRF.



Financial Statements

SCHEDULE F

STATEMENT OF NET ASSETS AND FUNDS AS AT 29 FEBRUARY 2024

	Note	Current year R	Previous year R
ASSETS			
Non-current assets		10,018,441,473	9,357,685,531
Plant and equipment	2	667,341	170,343
Investments	3	10,017,774,132	9,357,515,188
Current assets		583,055,353	540,260,491
Transfers receivable	6	203,814	203,814
Accounts receivable	5	54,631,138	30,190,575
Arrear contributions	11	345,364,093	220,188,612
Cash at bank		182,856,308	289,677,490
Total assets		10,601,496,826	9,897,946,022
FUNDS AND LIABILITIES			
Members' funds and surplus account		8,786,842,560	8,040,771,606
Members' individual accounts		8,861,711,863	7,972,268,468
Amounts to be allocated	17	(74,869,303)	68,503,138
Reserves		1,376,921,456	1,182,204,256
Reserve accounts	16	1,376,921,456	1,182,204,256
Total funds and reserves		10,163,764,016	9,222,975,862
Non-current liabilities		178,363,791	156,486,449
Unclaimed benefits	9	178,363,791	156,486,449
Current liabilities		259,369,019	518,483,711
Transfers payable	7	5,803,602	9,157,893
Benefits payable	8	230,499,583	488,470,639
Accounts payable	10	23,065,834	20,855,179
Total funds and liabilities		10,601,496,826	9,897,946,022

SCHEDULE G

STATEMENT OF CHANGES IN NETT ASSETS AND FUNDS FOR THE PERIOD ENDED 29 FEBRUARY 2024

		Members' individual accounts & Amounts to be allocated	Reserve accounts Refer note 16	Current year	Previous year
	Note	R	R	R	R
Contributions received and accrued	11	1,524,886,799	185,856,946	1,710,743,745	1,436,311,053
Net investment income	12	683,523,347	83,847,153	767,370,500	505,273,645
Less:					
Administration expenses	13	(97,896,857)	(10,025,316)	(107,922,173)	(102,303,268)
Net income before transfers and benefits		2,110,513,289	259,678,783	2,370,192,072	1,839,281,430
Transfers and benefits		(1,281,557,419)	(76,947,302)	(1,358,504,721)	(1,391,276,141)
Transfer from other funds	6	14,378,221	-	14,378,221	2,579,908
Transfer to other funds	7	(7,771,578)	-	(7,771,578)	(36,824,890)
Benefits	8	(1,288,164,062)	(76,947,302)	(1,365,111,364)	(1,357,031,159)
Net income after transfers and benefits		828,955,870	182,731,481	1,011,687,351	448,005,289
Funds and reserves					
Balance at the beginning of the year		8,040,771,606	1,182,204,256	9,222,975,862	8,774,970,573
Prior period adjustments		(70,899,197)	-	(70,899,197)	-
Transfers between reserve accounts	16	(11,985,719)	11,985,719	-	-
Balance at the end of the year		8,786,842,560	1,376,921,456	10,163,764,016	9,222,975,862

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 next statutory valuation will be performed as at 28 February 2023, in terms of the Pensions Fund Act and will be due for submission by 28 February 2026.

Rule amendments

Rule amendment 9 was approved during the year:

Rule amendment No	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
9	This amendment will enable the Fund to apply for an indefinite exemption in terms of Section 7B(1b). The amendment will align the requirement of 50% independent Trustee representation with the number of Trustees appointed through the representation system.	27 June 2023	01 June 2023	01 August 2023

Subsequent events

Rule amendment no. 10 was submitted to the Financial Sector Conduct Authority and the engagements on the rule amendment was approved by the FSCA. These rule amendments were necessary to implement the Two-Pot System changes from 1 September 2024.



TRANSPORT
Sector Retirement Fund
Moving Towards A Better Future

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