



TRANSPORT
Sector Retirement Fund

Moving Towards A Better Future



2026

INTEGRATED
ANNUAL
REPORT

Driving Secure Futures in a Changing Transport World

<https://tsrf.co.za>



TABLE OF CONTENTS

1. Steering through Change: Messages from Leadership	5
• Chairperson's Overview: Governance in Motion	5
• Principal Executive Officer's Review: Strength, Stability and Strategic growth	8
• Executive Insight: Navigating Industry Challenges	13
2. TSRF at a Glance	14
• 2026 Strategic Highlights	14
3. Operating in a Changing Transport World	16
• The Transport Sector Landscape	16
• Economic, Regulatory and Industry Developments	17
• Risks and Opportunities Shaping Member Futures	20
4. Our Transformation Journey	22
• From Bargaining Council Roots to Commercial Strength	22
• Transformation and Milestones Since 2017	22
• Building Independence and Long-Term Sustainability	22
5. Our Strategy and Sector Specialist Advantage	24
• Why Sector Specialisation Matters	24
• TSRF's Business Model and Value Creation	24
• Positioning for Growth and Impact	24
6 Value Creation	28
• Investment Performance	32
• Key Financial and Operational Highlights	30
• ESG and Impact Investing	35
• Supporting business growth and transformation	38
• Strengthening communities through property and retail infrastructure	40



7	Governance that drives confidence	45
	• Governance structure and delegation	46
	• Board Composition, Diversity and Effectiveness	47
	• Trustees of the Fund	48
	• Board and Committee attendance	51
	• Committee Performance and Principal Activities	53
	• Board Effectiveness, Training and Succession	55
	• Executive Management and Accountability	55
	• King V Application	58
	• Ethics, Conflicts of Interest and Whistleblowing	58
	• Risk management	59
8	Securing Member futures	68
	• TSRF in numbers	69
	• Preserving and Growing Retirement Outcomes	70
	• Sec 13A Compliance	70
	• Member data quality and FSCA compliance	73
	• Digital Transformation And Service Delivery	76
	• Member communication and Stakeholder Engagement	76
	• Beneficiary Nomination	79
	• Funeral benefits for the whole family	80
	• Fund Offices	82
9	Outlook: Future-Focused Strategy	84
	• Strategic Priorities for the Next Phase	84
	• Strengthening Market Position and Brand	84
	• Operational Excellence and Digital Enablement	86
	• Building Long-Term Resilience	86
10	Annual Financial Statements	88
	• Annual Financial Statements	89
	• Actuarial Valuation Summary	91

A man with a grey beard and glasses, wearing a dark blue plaid shirt, stands in front of a whiteboard. He is gesturing with his hands as if presenting. The whiteboard has some faint writing, including "Profit:" and "SINESS". In the foreground, the back of a person's head is visible, looking towards the speaker. The background is a brick wall. There are several green curved lines and a large green number '1' overlaid on the image.

Steering through Change: Messages from Leadership

01

Chairperson Overview:

GOVERNANCE IN MOTION

It is my privilege to present the Integrated Annual Report of the Transport Sector Retirement Fund for the 2026 reporting period. Guided by our theme, “Driving secure futures in a changing transport world,” the Fund remained focused on its core purpose. As a defined contribution fund, our responsibility is to protect and grow members’ retirement savings, strengthen long-term financial security, and act in the best interests of every member and beneficiary we serve.

The year under review was marked by a complex and demanding operating environment. South Africa continued to face constrained economic growth, persistent cost-of-living pressures, elevated interest rates and market uncertainty, while global geopolitical developments contributed to volatility across investment markets. Within the transport sector, employers and members were affected by rising fuel costs, infrastructure constraints, logistics inefficiencies and pressure on operating margins. These conditions reinforced the importance of sound governance, prudent investment oversight and a continued focus on sustainable member outcomes.

Against this backdrop, the Board remained steadfast in its fiduciary responsibility to ensure that the



Fund is governed with care, discipline and transparency. Our oversight during the year focused on the sustainability of the Fund, the effectiveness of risk management, the quality of service delivery, regulatory readiness, investment resilience and the continued improvement of member communication. The Board also continued to monitor the performance of service providers to ensure that members and participating employers receive efficient, professional and responsive service.

One of the most significant developments during the year was the implementation of the Two-Pot Retirement System. This reform changed the way members engage with their retirement savings and placed renewed emphasis on financial education,

preservation and informed decision-making. The Board's priority was to ensure that the Fund's systems, administration and communication were ready to support members through this transition. Through clear communication, retirement counselling support and targeted education initiatives, the Fund sought to help members understand both the immediate access provisions and the long-term consequences of withdrawing from their savings component.

Member outcomes remained at the centre of the Board's decision-making. We recognise that retirement security is not achieved through investment performance alone. It also depends on members having access to relevant information, responsive administration, effective counselling and practical support throughout their working lives. During the year, the Fund continued to strengthen member engagement through multilingual communication, digital platforms, on-site education sessions and the online Benefit Counsellor Tool.

These initiatives are especially important in the transport sector, where many members work in demanding operational environments and may have limited access to traditional financial advisory services. Service delivery also remained a key area of Board oversight. The Fund continued to focus on improving turnaround times, claims processing, digital accessibility and the overall member experience.

Every interaction with the Fund is an

opportunity to build trust, and the Board remains committed to ensuring that members and employers experience the Fund as accessible, reliable and accountable.

Strong governance remains the foundation of the Fund's ability to deliver long-term value. During the year, the Board continued to uphold robust governance practices, monitor key risks, engage with service providers and ensure alignment with regulatory requirements. As the retirement fund environment continues to evolve, the Board remains focused on ensuring that the Fund is resilient and able to respond effectively to industry, regulatory and member needs.

Looking ahead, our priorities include deepening member education, strengthening retirement counselling, enhancing digital engagement, improving operational efficiency and continuing to oversee the Fund's investment and risk strategies with discipline and care. The Board will also continue to support initiatives that promote preservation, financial literacy and long-term retirement security.

I would like to thank my fellow Trustees, the Principal Executive Officer, the management team, employees, service providers, participating employers and all stakeholders for their continued commitment and support. Most importantly, I thank our members for the trust they place in the Fund.

As we continue driving secure futures in a changing transport world, the Board remains committed to building a Fund that is well governed, financially resilient, member-focused and capable of delivering meaningful long-term outcomes for every member we serve.



Mdumisani Mabaso
Chairperson



“When the root is deep, there is no reason to fear
the wind.” — Proverb

Principal Executive **OFFICER REVIEW**



Strength,
Stability and
Strategic growth

It gives me great pride to present the Principal Executive Officer's Review for the 2026 Integrated Annual Report of the Transport Sector Retirement Fund. This review should be read alongside the Chairperson's Overview.

While the Chairperson reflects on governance and oversight, this review focuses on execution, operational performance and the strategic work undertaken to strengthen the Fund's ability to support positive long-term retirement outcomes for its members.

Guided by our commitment to long-term retirement security, the Fund remained focused on implementing its strategy while adapting to a complex economic, investment and retirement fund environment. Over the past decade, TSRF has grown from its Bargaining

Council roots into a strong, stable and sustainable retail umbrella fund arrangement serving members and employers across the transport sector. Today, with more than R13 billion in assets under management, the Fund is well established and continues to demonstrate resilience, adaptability and strategic focus.

The year under review was one of focused execution and continued progress.

The external environment remained challenging. Global uncertainty, geopolitical conflict, market volatility, inflationary pressure and elevated interest rates affected investment markets and household financial wellbeing. Instability in the Middle East and disruptions to global trade routes also placed pressure on supply chains, shipping costs and transport-related activity.

In South Africa, these global pressures were experienced alongside local economic challenges, including low growth, high unemployment, infrastructure constraints and cost of living pressure. Within the transport and logistics sector, employers and members faced rising input costs, fuel price volatility, logistics inefficiencies and pressure on operating margins. These conditions required the Fund to remain disciplined, responsive and focused on protecting and growing long-term value for members. Our management response was centred on five priorities: disciplined execution of strategy, prudent investment management, operational reliability, member-centred service and careful preparation for the next phase of the

Fund's Strategic Execution and Defined Contribution Discipline

During the year, the Fund continued to execute its long-term strategic roadmap, with progress across governance support, investments, administration, member engagement and service delivery. In a defined contribution environment, the retirement outcomes achieved by members are influenced by the contributions received, investment returns earned, fees and costs, preservation decisions and the period over which members remain invested.

Execution must therefore be assessed not only by the activities completed, but also by whether the Fund is strengthening its ability to safeguard contributions, invest member assets responsibly, maintain accurate member records and help members make informed decisions throughout their retirement journey.

This requires close alignment between investment implementation, contribution management, administration accuracy, data quality, employer compliance, member communication and benefit processing.



The Fund's business model is built on sustainability, diversification and responsible value creation. We remained focused on delivering competitive long-term investment outcomes while ensuring that investment decisions were aligned with the Fund's approved mandates, risk appetite, liquidity requirements and commitment to sustainable growth. In volatile markets, discipline is essential. Retirement savings must be managed through market cycles and not in response to short-term uncertainty.

Operationally, the Fund maintained strong performance standards. We remained focused on efficient administration, disciplined financial oversight, robust risk management and continuous improvement in our internal processes and service capabilities. Behind every contribution record, benefit statement, claim and retirement benefit is a member whose financial wellbeing depends on the Fund's ability to act with care, accuracy and foresight.

Supporting Members Through Change

The implementation of the Two-Pot Retirement System was one of the most significant developments during the year. For TSRF, the reform was both an operational priority and a member education responsibility. The Fund focused on readiness across administration, claims processing, systems, communication, member support and employer engagement.

We recognise that many members are under financial pressure. Rising household costs, debt commitments and economic uncertainty can make access to retirement savings appear necessary. However, withdrawals from the savings component reduce the amount remaining invested for retirement and may materially affect members' long-term retirement outcomes.

For this reason, the Fund placed strong emphasis on financial education, debt management, budgeting, preservation messaging and benefit counselling. TSRF will continue to support members through clear, practical and accessible communication so that they understand the consequences of their decisions and can make informed choices regarding their retirement savings.

Responsible Investing and Sector Impact

Responsible investing remains an important part of the Fund's strategy. We believe that environmental, social and governance considerations form part of a disciplined long-term investment approach. The Fund's impact investment initiatives continued to support portfolio diversification, resilience and broader economic activity.

Investments in strategically located truck stops, commercial property and community-focused developments are intended to generate appropriate risk-adjusted returns and long-term value for members, while also supporting infrastructure development, job creation and the transport ecosystem in which many of our members work.

This reflects TSRF's belief that retirement savings can be invested in a manner that supports member outcomes and meaningful economic development. Management's role is to ensure

that these initiatives are implemented within approved investment mandates, appropriately diversified, monitored through effective reporting and aligned with the Fund's overall investment and risk management framework.

Operational Excellence and Digital Enablement

Operational excellence remained a major focus during the year. As member expectations evolve, TSRF continues to invest in technology-enabled solutions, improved administration processes, digital access and responsive communication. Our aim is to make it easier for members and employers to engage with the Fund, access information, resolve queries and receive support at important stages of the retirement journey.

During the year, focus areas included claims processing efficiency, contribution allocation, member query resolution, employer support, digital accessibility and the quality of communication across member touchpoints. The objective is clear: to deliver an efficient, member-centred experience that reflects the professionalism and care expected from a leading retirement fund.

Risk management also remained central to the Fund's operations. The Fund continued to monitor investment, liquidity, operational, regulatory, contribution, data, cyber and service provider risks to ensure that appropriate controls and oversight mechanisms remained in place. This work supports the Board's governance responsibilities and enables management to respond promptly where intervention or improvement is required.

Looking Ahead

As we look to the future, one of the most important strategic initiatives is the Fund's planned transition towards self-administration within the next few years. This represents a significant step in TSRF's development. It reflects our ambition to strengthen operational control, enhance service delivery, build institutional capability and improve alignment between strategy and execution.

The move towards self-administration will allow the Fund to bring key administration functions closer to the organisation. It will also support greater agility, stronger oversight, more tailored member services and a more integrated experience across contribution management, benefit administration, communication and member support.

This transition will be carefully planned and responsibly implemented, with appropriate investment in people, systems, governance structures, technology, controls and data quality. The interests of members and participating employers will remain central throughout the transition.

Appreciation

The progress achieved during the year would not have been possible without the dedication, professionalism and shared commitment of many people and organisations who continue to contribute to the success of the Transport Sector Retirement Fund.

I extend my sincere appreciation to the Board of Trustees for its strategic leadership, sound governance and continued confidence in management. Their guidance and oversight have provided a strong foundation for the Fund's continued growth and long-term sustainability. I also wish to thank the management team and every employee of the Fund for their commitment, professionalism and resilience.

Their hard work, expertise and unwavering focus on serving our members and participating employers continue to strengthen the Fund and drive our strategic objectives forward.

My appreciation extends to our service providers and industry partners for their continued support, collaboration and commitment to delivering quality services that enable the Fund to meet the evolving needs of its stakeholders.

I also thank our participating employers for their continued partnership and confidence in TSRF. Their support and engagement remain fundamental to the Fund's ongoing success and growth.

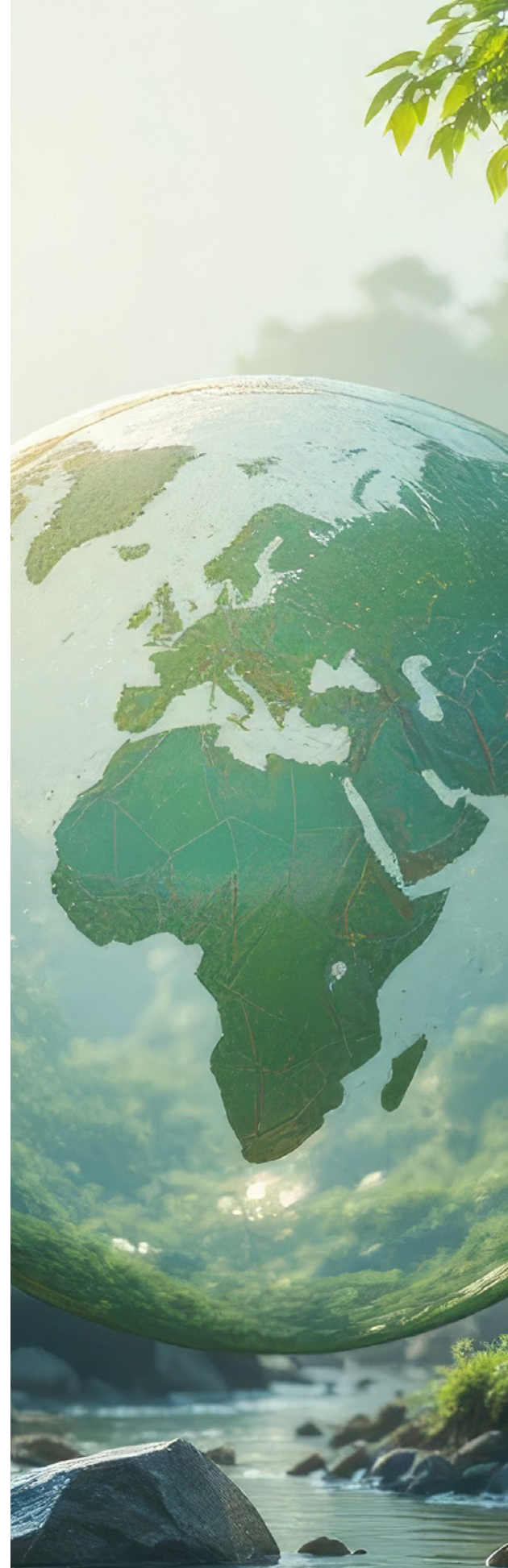
Most importantly, I thank our members and beneficiaries for the trust they place in the Fund. Every decision we make, every improvement we implement and every strategic initiative we pursue is ultimately directed towards protecting and growing their retirement savings and helping them achieve better retirement outcomes.

Together, these collective efforts continue to strengthen TSRF as a trusted, resilient and future focused retirement fund, well positioned to create sustainable value for generations to come.



Joe Letswalo

Principal Executive Officer



“Learn character from trees, values from roots, and change from leaves.” — Tasneem Hameed

Executive **INSIGHT**

Despite persistent market volatility, inflationary pressures and global uncertainty, the Fund has continued to demonstrate strength, stability and disciplined growth.

Our performance over the past year reflects not only prudent governance, risk and sound financial management, but also the collective efforts of our Trustees, management team, service providers and stakeholders, all working towards a common purpose: securing better retirement outcomes for our members and their beneficiaries.

We move into the next phase of the Fund's journey from a position of strength with a clear strategy, resilient operations, a responsible investment philosophy and a firm commitment to service excellence.

Together, we continue to build a sustainable, future-ready Fund that honours its legacy while embracing opportunity for growth.



“The people who are crazy enough to think they can change the world are usually the ones who do.” — Steve Jobs

2. TSRF at A GLANCE

2026 STRATEGIC HIGHLIGHTS



Our assets under management
increased by

28.8%

R13.31 Billion



Member Contributions

**R2.05
Billion**



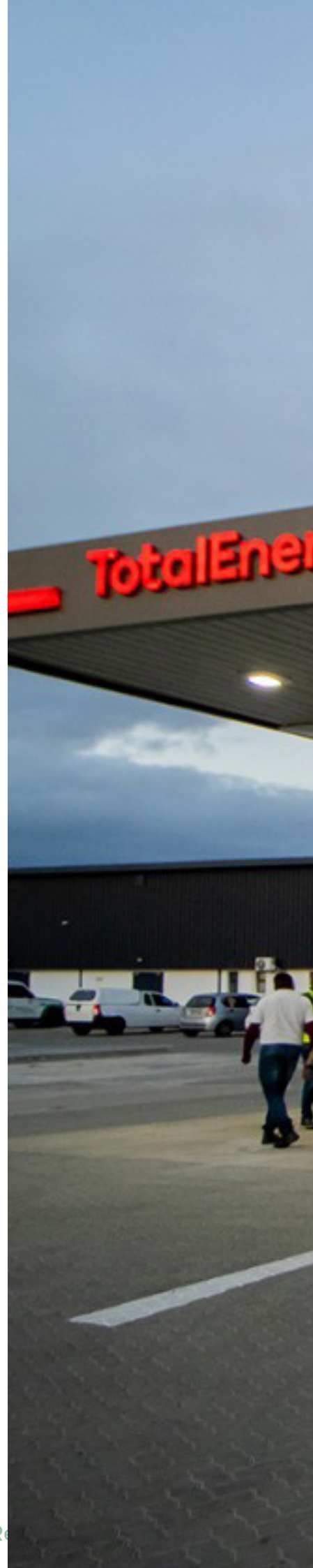
Net Investment Income

**R2.07
Billion**



Benefits paid

**R1.65
Billion**



rgies BUFFALO SERVICE STATION

Operating in a Changing Transport World

03

3. Operating in a changing **Transport world**



3.1 THE TRANSPORT SECTOR LANDSCAPE

South Africa's transport sector is a critical enabler of economic activity, trade and employment, providing the infrastructure and services needed to move people and goods across the country and throughout the Southern African region.

The sector comprises road, rail, air, maritime and pipeline transport, with road transport remaining the dominant mode for both passenger and freight movement. Roads account for the vast majority of freight transported within South Africa, supported by an extensive national road network that connects major economic hubs, ports, industrial centres and neighbouring countries.

The road freight industry plays a particularly important role in the South African economy. It is estimated to transport more than 80% of the country's freight and serves as the backbone of domestic supply chains, ensuring the movement of goods ranging from consumer products and agricultural produce to mining commodities and manufactured goods. The sector contributes significantly to economic output and employment, supporting hundreds of thousands of jobs directly and indirectly.

Despite its importance, the road freight sector faces several challenges, including rising fuel costs, deteriorating road infrastructure, congestion on key transport corridors, cross-border delays, cargo crime and increasing regulatory requirements. The underperformance of rail freight over the past decade has also resulted in a greater reliance on road transport, placing additional pressure on the road network and increasing logistics costs for businesses.

It is also a sector facing rapid change. Infrastructure modernisation, logistics reform, digitalisation, changing member expectations, rising operating costs, cyber risk, regulatory reform and economic pressure continue to influence the environment in which TSRF members work and save.

For many members, particularly those in road freight, logistics, warehousing and related transport roles, financial security is shaped by both workplace realities and broader sector conditions. Members may experience variable income patterns, high living costs, limited time to engage face-to-face with service providers and increased exposure to digital fraud. Against this background, TSRF's legal, risk and compliance focus is not only about meeting regulatory requirements; it is about ensuring that the Fund remains a trusted, accessible and resilient retirement partner.

Looking ahead, the sector is expected to benefit from ongoing reforms aimed at improving South Africa's freight logistics system, including investments in transport infrastructure, greater private sector participation in rail freight and the adoption of new technologies to improve fleet management, safety and efficiency. As South Africa seeks to strengthen its competitiveness and support economic growth, the road freight industry will continue to play a pivotal role in connecting markets, facilitating trade and ensuring the reliable movement of goods throughout the country and the broader region.

3.2 ECONOMIC, REGULATORY AND INDUSTRY DEVELOPMENTS

Economic and market environment: protecting long-term outcomes through short-term volatility

The end of the 2026 reporting period was marked by a challenging economic and investment environment. Global markets were affected by geopolitical tension, particularly conflict and political uncertainty in the Middle East, changes in oil prices, global trade tensions and weaker investor confidence. These factors created uncertainty across investment markets and contributed to short-term volatility in asset values. For South Africa, the impact of global uncertainty is particularly relevant because the country is part of the global economy and remains exposed to oil prices, currency movements, inflationary pressure and changes in investor sentiment. Higher oil

prices can feed into petrol and diesel prices, increase transport and logistics costs, and place further pressure on the cost of food and goods. Rand weakness can also make imported goods more expensive, while slower global demand can affect company earnings and investment returns.

These developments were felt directly by members during March 2026, when some members saw a decrease in their Fund Credit as investment markets moved down.

This was understandably concerning for members, especially in an environment where household budgets were already under pressure from rising living costs, transport expenses and economic uncertainty. The Fund responded by communicating clearly and in simple language that a decrease in Fund Credit reflects the current market value of the underlying investments and does not necessarily represent a permanent loss.

As explained to members in newsletters and newsflashes, retirement savings are invested for the long term, and short-term market movements are a normal part of long-term investing. A temporary decline becomes more damaging where a member withdraws, transfers or switches investments during a downturn and locks in the lower market value.

The Fund's message to members was therefore one of reassurance, education and responsible decision-making. Members were encouraged to stay invested, continue contributing where possible, avoid panic decisions based only on market news, and seek assistance from the Fund or a registered financial adviser before

making important decisions, particularly if they were close to retirement or considering a withdrawal or transfer.

The Fund also reminded members that diversification remains a key part of its investment approach: members' savings are not invested in one asset class, one market or one country, but are spread across different types of investments to help manage risk over time.

The Fund's investment strategy is not designed to react to every short-term market event. Instead, it is built around long-term retirement outcomes, prudent diversification, active monitoring by the trustees and professional investment managers, and responsible risk management. This approach is particularly important for the transport sector, where members are exposed not only to investment market movements, but also to the broader economic effects of fuel costs, logistics costs, employer pressures and household affordability.

The Fund's role is therefore both financial and educational: to manage members' retirement savings responsibly while helping members understand how short-term market changes affect their long-term retirement journey.

At the same time, the 2026 Budget provided some positive developments for retirement savers. The increase in the annual tax-deductible contribution cap from R350 000 to R430 000 gives members who are able to contribute more a greater opportunity to strengthen their retirement outcomes while receiving tax relief.

The Fund communicated this as a constructive development that supports disciplined long-term saving, especially during a period when market conditions may feel uncertain.

Member communication and support

The Fund recognised that market volatility can create anxiety and uncertainty for members. During the year, communication focused on explaining complex investment and economic developments in practical terms. Members were reminded that market cycles are normal, that downturns are part of long-term investing, and that history has shown that markets can recover over time, although the timing of recovery is never guaranteed. The Fund also used its communication channels to explain the risks of making impulsive decisions during volatile periods, including withdrawing from savings, transferring out of the Fund or switching investments without fully understanding the long-term consequences.

This communication was supported by the Fund's broader commitment to member service and engagement. The March 2026 member communication reinforced that TSRF is an independent retirement fund built for the road freight and transport sector, with governance, administration and benefit structures designed around the realities of transport sector employment. It also reminded members that remaining part of TSRF contributes to collective strength, sustainable costs, industry representation and a member-focused governance structure.

The Fund also continued to caution members about Savings Component withdrawals under the two-pot system. While members have the right to access their Savings Component in terms of the legislation, the Fund emphasised that these withdrawals

should be used carefully and preferably only for genuine financial need. Savings withdrawals are taxed, reduce the amount available for future retirement income, and reduce the opportunity for compound growth over time.

Regulatory environment and outlook

The retirement fund regulatory environment is expected to remain active and demanding. The Fund has identified several regulatory developments that will shape the operating environment for retirement funds, trustees, administrators and service providers during 2026 and beyond.

A key development is the Conduct of Financial Institutions Bill, 2026, which was introduced in the National Assembly in April 2026. The Bill is intended to create a consolidated conduct framework for financial institutions, including retirement funds, and forms part of the broader Twin Peaks regulatory model. For retirement funds, this is expected to increase the focus on treating members fairly, outcomes-based governance, fit-for-purpose policies, stronger oversight of outsourced service providers, clear member communication and evidence that decisions are made in members' best interests.

The Fund is also preparing for a clearer separation between prudential and conduct supervision. The Prudential Authority is expected to assume prudential regulatory and supervisory powers over retirement funds, while the FSCA remains responsible for market conduct supervision. This will require the Fund to continue strengthening its financial reporting, audit readiness, data quality, investment reporting and regulatory submissions.

Regulatory reporting is also becoming more detailed. FSCA Prudential Standard 1 of 2026 introduces enhanced requirements relating to regulatory reporting and audited annual financial statements for pension funds. This increases the importance of accurate member data, reliable financial information, strong reconciliation processes and timely assurance reporting.

The Fund is also monitoring the implementation of Conduct Standard 2 of 2025 for pension fund benefit administrators. This standard strengthens requirements for administrators responsible for managing contributions, benefit processing, member records, reporting and related administration functions. For the Fund, this is particularly important because administration quality directly affects contribution allocation, two-pot withdrawals, tax directive submissions, benefit payments, member records, complaints and reporting.

The two-pot retirement system remains a significant operational and communication focus. SARS guidance confirms that members must be registered for tax before applying for a Savings Component withdrawal, that tax is deducted from withdrawals, and that tax debt may affect amounts paid to members. This places continued responsibility on the Fund and its administrator to manage tax directive processes, member queries, communication, processing controls and complaints carefully.

How the Fund is preparing

The Fund is approaching regulatory change proactively. The objective is not simply to comply with new requirements, but to ensure that governance, administration, member communication and reporting continue to support strong member outcomes.

The Fund's preparation includes tracking the progress of the COFI

Bill, preparing for a conduct gap analysis, strengthening administrator oversight, reviewing service-level expectations, monitoring two-pot implementation risks, improving regulatory reporting readiness, and maintaining focus on data integrity and member reconciliations. The Fund is also prioritising work on membership data, including duplicate records, member classification, active and exited records, contribution allocation and administration-fee verification. These areas are important because reliable data underpins accurate benefit payments, regulatory returns, financial statements, tax directives and member communication.

The Legal and Risk Sub-Committee will continue to play an important oversight role. Regulatory change is being treated as a structured governance matter, with clear monitoring of developments, accountable owners, implementation timelines, risk reporting and assurance. The Fund's response will include a regulatory change register, regular reporting to the relevant committees, continued engagement with service providers and ongoing review of rules, systems, processes and member communication where legislative or regulatory amendments require change.

The Fund remains confident that its governance structures, sector focus and long-term investment approach position it to manage the changing environment responsibly. While economic volatility and regulatory change may create uncertainty, they also reinforce the importance of disciplined governance, transparent communication and a continued focus on members' long-term retirement security.

Preparing for change, protecting member outcomes

The Fund understands that 2026 has brought both economic pressure and regulatory change. Members experienced short-term market volatility through movements in their Fund Credit, while the retirement fund industry is preparing for significant conduct, prudential, tax, administration and reporting developments. TSRF is responding by strengthening governance, improving data

quality, monitoring administrator performance, enhancing member communication and preparing for the next phase of regulatory reform. Our focus remains unchanged: to protect members' long-term retirement outcomes and to act in their best interests.

3.3. RISKS AND OPPORTUNITIES SHAPING MEMBER FUTURES

The Fund continues to monitor risks that may affect the security of members' retirement outcomes. These include investment market volatility, employer contribution non-compliance, cyber threats, regulatory change, operational disruption, fraud, data quality, claims processing risks and behavioural risks linked to early access to retirement savings.

At the same time, these risks create opportunities for stronger member protection. By investing in digital platforms, member education, automated compliance monitoring, risk-based controls, improved reporting and enhanced governance oversight, TSRF is better positioned to deliver secure, accessible and sustainable retirement services.

The Fund's Enterprise Risk Management Framework supports this approach by identifying, assessing, responding to and monitoring risks across strategic, operational, regulatory, financial and reputational domains. In 2026, the Fund's focus remains on embedding risk awareness across all levels of decision-making, ensuring that emerging risks are identified early and managed within



Our Transformation Journey

04+

4. Our Transformation Journey

approved tolerance levels.

4.1 FROM BARGAINING COUNCIL ROOTS TO COMMERCIAL STRENGTH

TSRF's transformation journey reflects its evolution into a member-centred, governance-led and commercially disciplined retirement fund. The Fund's growth has been supported by robust oversight, strengthened governance frameworks, strong stakeholder relationships, responsible investment practices, improved member communication and a commitment to long-term sustainability.

The Legal, Risk and Compliance function has supported this journey by strengthening policy governance, reviewing legal agreements, monitoring regulatory developments, supporting trustee oversight, embedding fair treatment principles and ensuring that the Fund's operational arrangements remain aligned with its fiduciary duties.

4.2 TRANSFORMATION AND MILESTONES SINCE 2017

Building on the milestones achieved since 2017, TSRF continues to demonstrate that transformation is not limited to representation; it is also reflected in how the Fund governs, invests, communicates and protects members. This report records TSRF's continued Level 1 B-BBEE status, its use of transformed asset managers and its broader commitment to financial sector transformation and entrenching ESG principles.

From a legal, risk and compliance perspective, transformation means building systems that are inclusive, accessible and fair. This includes digital access for mobile members, multilingual communication, financial education, fair complaints handling, responsible service provider oversight and governance practices that support accountability.

4.3 BUILDING INDEPENDENCE AND LONG-TERM SUSTAINABILITY

Long-term sustainability depends on strong institutions. TSRF's governance model, Board committee structure, strengthened management team and maturing risk framework all contribute to institutional independence and operational resilience.

The Fund continues to build internal capability in areas critical to future sustainability, including legal oversight, risk management, compliance, investment governance, financial management, data analytics and digital enablement. These capabilities strengthen TSRF's ability to respond to change without losing sight of its core purpose: protecting and growing members' retirement savings.



Our Strategy and Sector Specialist Advantage

5. Our Strategy and Sector Specialist Advantage

5.1 WHY SECTOR SPECIALISATION MATTERS

TSRF's sector specialisation gives it a practical understanding of the realities faced by transport workers and employers. Members are often highly mobile, geographically dispersed and dependent on digital communication channels. Employers operate in a demanding sector where operational pressures can affect payroll administration and contribution submissions.

This sector knowledge shapes the Fund's risk and compliance priorities. It informs how TSRF communicates with members, how it monitors employer compliance, how it designs digital service channels and how it manages operational controls. By understanding the sector it serves, TSRF is able to provide more relevant, responsive and risk-aware retirement fund services.

5.2 TSRF'S BUSINESS MODEL AND VALUE CREATION

TSRF creates value by converting contributions into long-term retirement security, supported by prudent investment governance, effective administration, strong compliance oversight and member-focused service delivery.

The Legal, Risk and Compliance function protects this value creation model by ensuring that contributions are monitored, benefits are administered in line with the rules, member data is protected, service providers are governed through appropriate agreements, regulatory obligations are tracked and internal controls are continuously strengthened.

In this way, risk management and compliance are not separate from value creation. They are part of the foundation that allows the Fund to deliver secure futures in a changing transport world.

5.3 POSITIONING FOR GROWTH AND IMPACT

The environment in which retirement funds operate continues to evolve rapidly. Global geopolitical uncertainty, shifting economic conditions, technological disruption, regulatory developments and changing workforce dynamics are reshaping industries and influencing the expectations of members and employers. For TSRF, this environment reinforces the need to look beyond short-term financial management and to build the governance strength, organisational capability, operational resilience and strategic agility required to deliver sustainable value over the long term.

As a retirement fund rooted in the transport sector, TSRF is deliberately positioning itself to remain resilient, relevant and responsive in a changing operating environment. The Fund's focus is not simply on growth for its own sake, but on sustainable growth that strengthens member outcomes, enhances service delivery, deepens employer relationships and supports the Fund's long-term ability to drive secure futures in a changing transport world.

A key priority during the year has been the continued strengthening of organisational capacity and leadership depth. TSRF recognises that long-term sustainability depends not only on financial strength, but also on the capability, continuity and institutional knowledge of the organisation itself. By enhancing internal capacity and supporting succession planning initiatives, the Fund is building a more resilient operating platform that can respond effectively to future opportunities, risks and stakeholder needs.

The Fund has also continued to advance its strategic insourcing journey. This remains an important part of TSRF's broader commitment to stronger governance, enhanced accountability and greater ownership of critical business processes. By bringing key capabilities closer to the Fund, TSRF is improving oversight, strengthening institutional knowledge and reducing reliance on external parties for activities that are central to member and employer outcomes. This approach supports greater agility, improved service delivery and stronger alignment between operational execution and the Fund's strategic objectives.

To support effective execution, TSRF has established an Executive Fund Management structure comprising a diverse mix of skills, experience and professional perspectives. This structure supports the Principal Executive Officer in implementing strategic initiatives approved by the Board and provides a platform for coordinated execution across the Fund's operations. The diversity of expertise within the structure enhances collaboration, strengthens accountability and supports more informed decision-making in a complex operating environment.

Technology is another important enabler of TSRF's future readiness. The Fund has invested in developing internal capability in areas such as data analytics, business intelligence and artificial intelligence. These capabilities are intended to support evidence-based decision-making, improve operational efficiency,





strengthen risk awareness and enhance service delivery to members and participating employers.

While TSRF recognises the opportunities presented by technological advancement, it remains equally committed to responsible innovation. The Fund is considering the development of an Artificial Intelligence Policy to guide the ethical, controlled and accountable use of emerging technologies. This reflects TSRF's commitment to balancing innovation with sound governance, member protection and responsible stewardship.

TSRF's growth strategy is underpinned by a clear focus on sustainability, relevance and impact. During the year, the Fund internalised its business development function, reinforcing its commitment to member centricity, service excellence and long-term growth. This dedicated capability is focused on strengthening relationships with participating employers, supporting member retention, improving responsiveness and identifying opportunities that align with the Fund's purpose and sector expertise.

A key strategic advantage for TSRF is its position as a hybrid fund within the retirement fund landscape. While the Fund continues to serve participating employers and members through established collective bargaining arrangements in the transport sector, it is also able to accommodate employers operating in the broader transport industry who fall outside those arrangements. This provides TSRF with a wider platform for sustainable growth while remaining closely aligned to its core purpose, industry knowledge and member-focused mandate.

Through responsible stewardship, strengthened governance, targeted business development, investment in people and responsible innovation, TSRF is building a resilient foundation for future growth and meaningful impact. The Fund's strategic positioning enables it to continue adapting to a changing environment while remaining focused on what matters most: delivering secure, sustainable retirement outcomes for members and supporting the employers who participate in the Fund.

A close-up portrait of an elderly Black man with a white beard and mustache. He is looking directly at the camera with a slight smile. The image has a warm, brownish-orange color palette. Overlaid on the right side of the image are several concentric, curved green lines that resemble a stylized 'E' or a series of arcs. In the bottom left corner, there is a large, semi-transparent blue circle. In the bottom right corner, there is a large, semi-transparent green circle. The text 'Value Creation' is centered in the lower half of the image, overlaid on the man's beard.

**Value
Creation**

6. Value Creation

The Fund creates and sustains value for all stakeholders in the short, medium and long term to ensure stable growth. Responsible investment is part of TSRF's long-term investment governance, not separate from performance. The TSRF is investing its capital resources through responsible investment initiatives and changing the transport landscape for the better. TSRF seeks to create value by protecting and growing members' retirement savings, maintaining financial and operational resilience, and investing responsibly. The Fund's primary measure of value remains the long-term retirement outcomes delivered to members. Where appropriate, its investments may also support transport infrastructure, employment, transformation and community development, without compromising financial discipline, risk-adjusted returns or the Fund's fiduciary duties.

6.1 INVESTMENT PERFORMANCE

Global market themes

Global financial markets remained broadly resilient as at 31 July 2026, although performance was increasingly differentiated across regions and asset classes. Developed markets generally demonstrated stronger resilience, while emerging markets experienced greater volatility. For South African investors, currency movements remained an important driver of offshore returns, with the rand providing a meaningful contribution over some shorter periods. The global environment continued to be shaped by differing economic and monetary-policy conditions, elevated geopolitical risks and changing expectations around interest rates.

Global Equity and Property Markets

Global equity markets delivered generally positive longer-term performance, despite mixed regional conditions during July. The MSCI World returned 0.5% in July, while the MSCI World (ZAR) gained 1.5%, highlighting the positive contribution from currency movements for South African investors. The MSCI ACWI was broadly flat at 0.1%, while the S&P 500 declined marginally by 0.1%. Over three months, global equities strengthened, with the MSCI World, MSCI ACWI and S&P 500 returning 4.3%, 4.4% and 4.2%, respectively.

Regional performance remained uneven. European markets were comparatively resilient, with the FTSE 100 gaining 3.8%, the Germany DAX rising 2.4% and the Euro STOXX 50 increasing 1.3%. Asian markets were more volatile, with the Hang Seng gaining strongly while mainland Chinese and Japanese markets declined. Emerging-market equities also underperformed, with the MSCI Emerging Markets Index falling 6.6%. In contrast, African markets remained relatively resilient, with the MSCI EFM Africa ex South Africa Index delivering positive returns over the periods under review.

Despite short-term volatility, global equities maintained strong longer-term momentum. Over one year, the MSCI World gained 20.4%, MSCI ACWI 22.1% and the S&P 500 19.5%. From a South African investor perspective, the MSCI World returned 9.5% in ZAR, demonstrating the material impact of exchange-rate movements on offshore investment performance. Global listed property also performed strongly, with the GPR 250 REIT Net Index returning 16.6% over one year and 11.7% YTD, providing an additional source of positive global asset-class performance.

Global Bonds and Cash

Global fixed-income markets were more mixed, reflecting continued uncertainty around inflation, interest rates and longer-term bond yields. The Bloomberg Global Aggregate Bond Index declined 0.3% in July, while global investment-grade corporate bonds gained 0.8%. Emerging-market investment-grade bonds remained under pressure, declining 2.1% during the month. Short-term cash instruments remained stable, with the SOFR Compounded Index returning 0.3%.

Over longer periods, developed-market fixed income performed more favourably. The Citi World Government Bond Index (WGBI) gained 8.7% over one year, while the Bloomberg Global Aggregate and Global Investment Grade Corporate Bond indices returned 4.4% and 4.0%, respectively. In contrast, the JPM Emerging Market Investment Grade Index declined 1.8% over the same period. SOFR continued to provide stable returns, gaining 4.0% over one year.

The US 10-year benchmark yield increased during July, indicating renewed upward pressure on longer-term interest rates and creating a headwind for duration-sensitive bond assets. Overall, global fixed-income markets remained supported by positive longer-term returns in developed-

market government and investment-grade corporate bonds, although emerging-market debt continued to face more challenging conditions.

The global investment environment remained broadly constructive at the end of July 2026, with global equities, listed property and developed-market fixed income delivering positive longer-term returns. However, significant regional dispersion and volatility remained evident, particularly across emerging-market equities and bonds. For South African investors, exchange-rate movements continued to materially influence offshore returns, reinforcing the importance of diversification across regions, currencies and asset classes. Global listed property and developed-market equities remained key contributors to performance, while cash continued to provide stability amid uncertainty over the future direction of global interest rates.

Core Personal Consumption Expenditures (PCE), the Fed's preferred inflation gauge, remained steady at 3.3% YoY. The labour market showed resilience with unemployment at 4.1%, although July nonfarm payrolls shed just 23 000 jobs, following a downwardly revised 20 000 gain in June and compared to forecasts of an 80 000 increase.

The US Federal Reserve maintained its target federal funds rate at 3.50%–3.75% at its July 2026 meeting, although the decision was closely divided at 9–3, with three policymakers favoring a 25-basis-point increase. The decision reflected continued concerns that inflation remains above the Fed's 2% target, with energy-related pressures and supply shocks contributing to persistent price pressures. The division within the FOMC highlights the uncertainty surrounding the future path of monetary policy and increases the possibility of further tightening should inflation remain elevated.

South African market themes

South Africa's inflationary pressures intensified in June, with headline CPI rising to 5.0%, its highest level in two years and above the 4.7% consensus forecast. The increase was driven primarily by transport costs, with fuel prices rising sharply, while electricity tariff increases added further pressure. Core inflation also increased to 4.1%, indicating broader underlying price pressures. Against this backdrop, economic growth remains subdued, presenting a challenging environment for monetary policy.

Despite the higher inflation reading, the South African Reserve Bank's Monetary Policy Committee (MPC) maintained the repo rate at 7.0% in July, contrary to expectations of a 25-basis-point increase. The decision was narrowly supported, with four members favouring a hold and two supporting a hike. With inflation remaining above the SARB's target range and risks from higher oil, food, fertiliser and diesel prices, the possibility of a rate increase at the September MPC meeting has increased. The outlook therefore remains sensitive to inflation developments and the balance between containing price pressures and supporting weak economic growth.

Local Equities and Listed Property

South African equities recovered modestly in July, with both the JSE All Share Index (ALSI) and Capped SWIX gaining 1.2%, supported by a rebound in resources, particularly energy and platinum shares. The local market significantly outperformed emerging markets, with the MSCI Emerging Markets Index declining 6.6%. However, performance remained mixed over shorter periods, with both the ALSI and Capped SWIX declining 2.8% over three months and approximately 11.5% FYTD. Despite this volatility, longer-term performance remained strong, with one-year returns of 17.1% for the ALSI and 18.2% for the Capped SWIX. In the month of July 2026, Energy and platinum producers were the

strongest contributors, while domestically focused retailers came under pressure from higher fuel costs, inflation and constrained household spending. Notable performers included Sasol (20.2%), Valterra Platinum (12.1%) and Investec (11.3%), while MTN (-10.1%) and Woolworths (-6.7%) were among the weaker performers.

Listed property continued to outperform equities, with the FTSE/JSE SA All Property Index returning 2.2% in July and 6.8% over three months. The index gained 6.9% YTD and delivered a strong 26.1% one-year return, reflecting continued resilience in the domestic listed property market.

Local Bonds and Cash

Domestic fixed-income markets experienced some short-term weakness in July as inflationary pressures increased. June CPI accelerated to 5.0%, its highest level in two years, driven largely by higher transport and fuel costs, while core inflation increased to 4.1%. Against this backdrop, the South African Reserve Bank maintained the repo rate at 7.0% at its July meeting, although the narrow voting margin and elevated inflation increased expectations of a possible rate hike at the September MPC meeting.

The FTSE/JSE All Bond Index (ALBI) declined 1.4% in July, although it remained positive over three months (3.0%) and delivered a strong 16.6% one-year return. The increase in the 10-year benchmark yield during July placed pressure on bond prices, highlighting the near-term interest-rate risk facing the domestic fixed-income market. Nevertheless, real yields remained relatively attractive compared with global peers.

Cash and money-market investments continued to provide stable positive returns. The STeFI Index gained 0.6% in July and returned 6.9% over one year, supported by elevated short-term interest rates. Overall, local markets remained characterised

by short-term volatility, particularly in equities and bonds, while listed property and cash continued to provide relatively resilient returns. Longer-term performance across domestic asset classes remained favourable despite the weaker FYTD and YTD environment.

The SA 10-year benchmark yield increased by 4.0% during July, indicating upward pressure on long-term bond yields and providing a challenging environment for domestic bond prices. Over three months, the benchmark yield declined by 1.6%, while it increased by 8.3% FYTD and 7.3% YTD. Over the 1-year period, the yield declined by 9.5%, which has supported the strong longer-term performance of the ALBI.

Currency

The South African rand strengthened against both the US dollar and British pound during July 2026, providing a positive currency contribution to offshore investment returns for ZAR-based investors. The USD/ZAR exchange rate ended the month at 16.55, with the US dollar declining by 0.9% during July and generating a corresponding 0.9% positive currency return in rand terms. The rand also strengthened against the pound, with GBP/ZAR ending at 22.28 and the pound declining by 2.6%, resulting in a 2.6% positive currency return for ZAR investors. Over the FYTD period, the weaker US dollar and pound provided positive currency contributions of 4.0% and 4.1%, respectively.

Currency movements therefore supported offshore investment performance during July, particularly for USD- and GBP-denominated assets. However, the currency contribution has been more mixed over longer periods, with the rand's relative strength reducing the benefits of foreign-currency exposure over three years. The currency environment remains an important consideration for South African investors, as exchange-rate movements can materially enhance or offset

the underlying performance of offshore assets when translated into rand.

According to the IMF's July 2026 World Economic Outlook Update, global economic growth is expected to moderate to 3.0% in 2026 before recovering to 3.4% in 2027. While geopolitical tensions, higher energy prices and renewed inflationary pressures remain key risks, stronger technology investment and AI-related demand are supporting global activity and underpinning the expected improvement in growth next year 3.0%-3.4%.

The Federal Reserve maintained its target rate range at 3.50-3.75%.

Transport inflation eased to 8.9% in July 2026 from 12.7% in June, providing some relief to headline inflation. The moderation was primarily driven by lower fuel prices, although petrol and diesel remained 19.3% and 28.8% more expensive than a year earlier. The decline in transport cost pressures contributed to the moderation in headline inflation from 5.0% in June to 4.3% in July. Brent crude gained 37.3%, ending at US\$92.27 per barrel.

In July, the South African Reserve Bank's Monetary Policy Committee (MPC) maintained the repo rate at 7.0%, contrary to expectations of a 25-basis-point increase. The decision was narrowly supported, with four members favouring a hold and two.

Platinum also declined, falling 20.0%.

The South African Reserve Bank mentioned that the first-quarter economic growth was stronger than expected, approaching 2% year-on-year, although the improvement was largely driven by higher net exports rather than domestic demand. Growth is expected to moderate through the second and third quarters amid weaker consumer and business confidence, reduced economic activity and elevated uncertainty, while higher fuel prices have placed further pressure on households and constrained investment.

Declining export commodity prices, despite favorable terms of trade, and ongoing municipal service delivery challenges remain key constraints to growth. Nevertheless, with continued domestic reforms and improving global conditions, the economy is expected to regain momentum in the second half of the year as the recent shocks gradually dissipate, although the outlook remains uncertain.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

For the year under review, TSRF achieved significant growth with total assets under management (AUM) increasing to R13,307,046,791 reflecting a 28.8% growth driven by solid investment returns.

Financial overview

Total assets under management

R13.31 Billion

↑ **28.8%** AUM growth

Significant growth driven by solid investment returns.

Financial overview



Return on investments

28.8%



Member contributions

R2.05 Billion



Net investment income

R2.07 Billion



Benefits payout

-R1,65 Billion



FUNDING RATIO

113%

13% surplus

Assets exceed liabilities by approximately 13%, indicating a healthy surplus position.



SOLVENCY RATIO

118%

Above the 100% benchmark

18 percentage points above the stated minimum, indicating a strong solvency position.



LIQUIDITY RATIO

1.3×

Short-term obligations covered

Approximately 1.30 in liquid assets for every 1.00 of short-term liabilities.



BENEFITS COVERAGE

114%

Member benefits covered

Assets cover member benefits with a 14% margin.



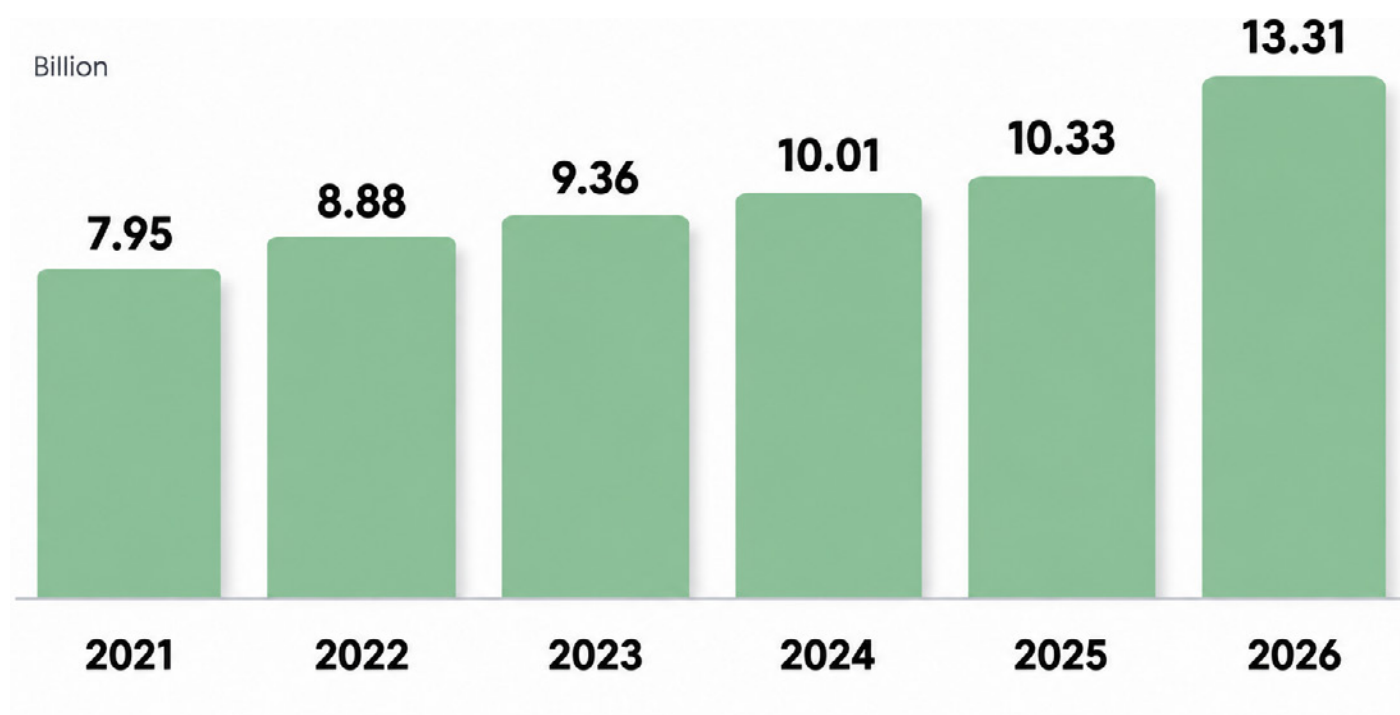
These ratios indicate a positive financial position.

Impact of market conditions on the Fund

The global investment landscape in 2026 continued to be shaped by volatility, driven by geopolitical tensions, inflationary pressures, and shifts in monetary policy. These headwinds tested markets, and by extension, tested our resolve and the robustness of our investment strategies.

Despite these challenges, the Fund's investment portfolios have done exceptionally well with double digit growth and remain well-diversified and resilient. Our long-term focus, combined with the oversight of experienced investment professionals, allowed us to weather uncertainty while remaining committed to delivering value for our members.

6 Year assets under management trend



6.2 ESG AND IMPACT INVESTING

Responsible investing forms part of TSRF's disciplined long-term investment approach. The Fund's primary duty remains to protect and grow members' retirement savings through prudent investment governance, diversification, risk management and appropriate oversight. At the same time, the Fund recognises that long-term retirement security is strengthened when investment capital is deployed in ways that support economic activity, transformation, infrastructure development, employment creation and sustainable communities.



For TSRF, responsible investment does not mean compromising investment discipline. It means assessing investment opportunities through both a financial and stewardship lens, with consideration given to long-term value creation, risk, governance, transformation, environmental resilience and measurable social and economic outcomes.

During the year under review, the Fund continued to monitor investments that demonstrate this approach in practice. These include transport-related infrastructure, private equity exposure to growing South African businesses and community-focused property developments.

Impact Dashboard

Investment area	TSRF relevance	Key outcomes
Buffalo Service Station and Truck Stop	Transport-sector infrastructure supporting logistics and freight activity	65 permanent jobs; majority black workforce; significant female and youth employment; more than 95% local employment; solar, borehole water purification and wastewater treatment
Heritage Capital	Private equity exposure through a 100% black female-owned and controlled manager	Approximately 1,200 jobs created and sustained across portfolio companies; gross IRR of 20%; net IRR of 14%; 2.18x times money as at 31 March 2026
Cubisol developments	Community-focused retail and property infrastructure	Local employment, community participation, support for local businesses, solar energy projects, water-resilience initiatives and improved access to retail infrastructure
Transformation	Practical economic inclusion through investment activity	Support for black ownership, female participation, youth employment, local sourcing, enterprise development and community participation
Environmental resilience	Resource-efficient infrastructure and property operations	Solar generation, water purification, wastewater reuse and energy-resilience initiatives

6.2.1 Supporting the transport ecosystem

The transport sector plays a central role in South Africa's economy. It enables trade, connects communities, supports supply chains and keeps essential goods and services moving across the country. Many TSRF members contribute daily to this sector, often in demanding conditions and within an environment that continues to change.

As a retirement fund serving the transport sector, TSRF understands the importance of investing in assets that are connected to the broader transport ecosystem. These investments are considered through a long term lens and form part of the Fund's strategy to support infrastructure, diversification and responsible investment outcomes.

The Buffalo Service Station and Truck Stop is a strategic infrastructure investment that is directly connected to the broader transport ecosystem served by TSRF. The facility supports transport operators, logistics businesses and freight activity while contributing to local economic participation.

The facility has been operational for 21 months and operations are showing steady growth. During the reporting period, the site experienced some disruption as a result of fuel shortages, although fuel supply has since stabilised. This highlights the importance of ongoing operational monitoring, active risk management and governance oversight in infrastructure investments.

Buffalo has created 65 permanent employment opportunities, excluding additional employment supported through tenants and service providers operating from the site. The employment

profile demonstrates meaningful transformation outcomes, with the majority of employees being black South Africans, significant female participation and strong youth employment. More than 95% of employees are from the local council ward in which the facility is located, ensuring that the investment contributes directly to local economic participation.

The facility also incorporates environmental sustainability features. It has a grid-tied solar installation which produces sufficient electricity during the day to power the entire site. Water is extracted from a borehole and purified on site, while wastewater is treated and reused for irrigation. These features support operational resilience, resource efficiency and responsible environmental management.

The development has created permanent employment opportunities and has delivered meaningful transformation outcomes through black representation, female participation, youth employment and local community sourcing. It also incorporates sustainability features, including solar energy generation, on-site water purification and wastewater treatment for irrigation.

This investment is not presented as a short-term commercial success story. It is better understood as a long-term transport infrastructure asset that requires ongoing governance oversight, operational monitoring and risk management. Its value lies in the combination of sector relevance, employment creation, local participation, environmental resilience and long-term investment potential.



6.2.2 Active management of truck-stop exposure

During the year, the Fund continued to monitor and actively manage its truck-stop exposure. This included valuation reviews, refinancing arrangements and consideration of portfolio-recycling opportunities.

The Truck Stop Fund report records independent valuations across the Joostenbergvlakte and East London properties, with a combined valuation of R275.256 million as at 28 February 2026. It also notes that the Fund's shareholding in Highway Junction was sold for R44.4 million and that the Joostenbergvlakte property is in the market for sale.

These developments demonstrate that TSRF's infrastructure exposure is subject to ongoing review and active stewardship. The Fund continues to assess these assets in line with its investment objectives, risk appetite, liquidity needs and fiduciary responsibility to members. Where appropriate, the Fund considers opportunities to recycle capital, manage concentration risk and strengthen the long-term resilience of the portfolio.



6.3 SUPPORTING BUSINESS GROWTH AND TRANSFORMATION

Secure retirement outcomes depend not only on investment returns, but also on a resilient economy that supports business growth, employment and productive capacity. Through its private equity exposure to Heritage Capital, TSRF supports South African businesses operating across industrial, consumer goods and services sectors.

Through Heritage Capital, TSRF has exposure to a 100% black female-owned and controlled private equity manager investing in South African businesses across industrial, consumer goods

and services sectors. This supports transformation in the investment management industry while providing exposure to operating businesses that contribute to employment, production capacity and economic resilience.

Heritage Capital Fund I has fully deployed its capital across five portfolio companies. These companies operate in sectors including food production, healthcare equipment, industrial manufacturing, logistics support and technology. Collectively, the portfolio companies have created and sustained approximately 1,200 jobs, contributing to employment, productive capacity and economic resilience.

The investment also demonstrates the importance of combining impact outcomes with investment performance. As at 31 March 2026, Heritage Capital Fund I had achieved a gross IRR of 20%, a net IRR of 14%, a times-money multiple of 2.18x and a DPI ratio of 0.47x. These outcomes reflect the potential for private equity investments to contribute to long-term value creation while also supporting transformation, entrepreneurship and employment.

Examples of portfolio activity during the year include Fairview Cheese's continued recognition in the South African dairy sector, SSEM Mthembu Medical's expansion through the launch of its Electro Medical Workshop facility, and Aria Technologies Africa's continued recognition as a top-performing Telkom Business dealer. These businesses contribute to economic activity across sectors that are important to South Africa's broader growth and resilience.

For TSRF, this exposure demonstrates how private equity can support both investment and developmental objectives. It provides access to growth businesses, supports transformation in financial services, contributes to employment and strengthens the productive economy. As with all private market investments, the Fund continues to monitor performance, liquidity, exits, valuations and manager oversight in line with its fiduciary duties.

Fairview Cheese Company (Pty) Ltd

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

At the 2026 South African Dairy Championships, Fairview Cheese achieved an extraordinary milestone by securing 12 SA Champion titles - making Fairview Cheese the most awarded cheesery on the night.

This was yet another stand-out year for Fairview Cheese, having received the Qualité Award for the Woolworths Paarl Rock Brie, honouring the heritage and spirit of innovation within the cheesery.





SSEM Mthembu Medical (Pty) Ltd

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

In May 2026, SSEM launched their new Electro Medical Workshop facilities, an extension of their current operations at their Wynberg headquarters.

6.4 STRENGTHENING COMMUNITIES THROUGH PROPERTY AND RETAIL INFRASTRUCTURE

Through its exposure to Cubisol developments, TSRF supports property and retail infrastructure that contributes to community development and local economic activity. Cubisol's portfolio includes retail centres located in communities where access to services, employment opportunities and local enterprise participation can make a meaningful difference.

These developments are not only property investments. They also function as local economic hubs, providing access to essential goods and services, supporting tenant activity, creating employment and enabling participation by local businesses and service providers.

Junxion Mall in Philippi is an example of community-focused development in practice. During construction, a community engagement process was established before work commenced on site. This included a project steering committee, community liaison structures and an empowerment plan to guide employment, training and community participation. The development resulted in 72% of labour used on site being sourced from the local community. Following completion, approximately 80% of permanent employment opportunities in the mall were occupied by residents of Philippi.

The Soshanguve redevelopment provides another example of local participation and employment creation. Cubisol appointed a specialist community liaison company to support local engagement, employment tracking and skills transfer. The project recorded 2,373 local employment intakes, representing 54% of total employment intake, and received approximately 15,500 employment applications for operational mall opportunities. These outcomes demonstrate the scale of community interest and the importance of structured local participation in development projects.

SASSA Grant Days and Soup Kitchen – Ongoing

The Soshanguve Mall Value Centre continued its monthly community-driven initiative supporting SASSA grant recipients by providing sandwiches, fresh fruit packs, nutritious soup bowls, hygiene packs and winter accessories, promoting health, dignity and social inclusion. The initiative is warmly received, particularly by elderly and disabled community members.

To enhance comfort and order during collection, additional seating was introduced, while extra staff coordination ensured smooth and respectful distribution. The initiative strengthened community well-being, enhanced customer experience and contributed to increased mall foot traffic, benefiting both residents and tenants alike.



The community initiatives linked to Cubisol's assets also support the long-term resilience of the properties. Programmes such as SASSA grant recipient support, school campaigns, market days, youth development initiatives and local enterprise platforms strengthen community relationships, support footfall and reinforce the role of the centres as trusted community assets. These initiatives are most relevant to TSRF where they support local economic participation, tenant activity, community goodwill and long-term asset sustainability.

Cubisol's portfolio also includes environmental initiatives. Existing solar systems across the portfolio are performing in line with expectations, while solar projects at Soshanguve Mall and Lonehill Shopping Centre support energy resilience and reduced reliance on the grid. Water resilience has also been considered, with Soshanguve Mall identified as a pilot site for water extraction and treatment due to municipal water supply challenges.

For TSRF, Cubisol demonstrates how property exposure can contribute to long-term value by combining retail infrastructure, community relevance, employment creation, local business participation and environmental resilience. The Fund's continued focus is to ensure that these investments are monitored through appropriate governance structures and assessed against both financial and responsible investment objectives.

Transformation in action

Transformation remains central to TSRF's investment philosophy. The Fund's approach extends beyond compliance and ownership statistics. It includes economic inclusion, enterprise development, job creation, local participation and the creation of opportunities for historically disadvantaged individuals and communities.

The investments highlighted in this section demonstrate transformation in different ways.

Buffalo Service Station and Truck Stop demonstrates transformation through local employment, female participation, youth employment and strong representation of black South Africans in the workforce.

Heritage Capital demonstrates transformation through support for a 100% black female-owned and controlled investment manager, as well as through portfolio companies that support employment and productive economic activity.

Cubisol demonstrates transformation through local procurement, community engagement, local employment, support for local businesses and investment in community-focused retail infrastructure.



Balanced stewardship and long-term value

The Fund recognises that impact investments differ in maturity, risk profile and commercial performance. Some assets may take time to reach full maturity and may be affected by operational, market or infrastructure risks. TSRF therefore continues to apply governance discipline, monitor performance and assess these investments in line with the Fund's fiduciary responsibility to members.

Responsible investment at TSRF is ultimately about sustainable value creation. The Fund seeks to invest members' capital in a way that supports long-term retirement outcomes while contributing to the transport ecosystem, transformation, employment, economic resilience and the communities in which members live and work.

TSRF's approach to value delivery begins with its fiduciary duty to members. The Fund seeks to deliver sustainable long-term retirement outcomes through disciplined investment management, sound governance, appropriate diversification, cost-conscious administration and effective risk oversight. Responsible-investment outcomes are pursued where they support, and do not displace, the Fund's financial objectives. The Board continues to monitor performance, liquidity, concentration, valuation, costs and regulatory compliance to ensure that members' interests remain central to every investment and operational decision.





**Governance that
drives confidence**

OZ

7. Governance that drives confidence

Strong governance is essential to the Transport Sector Retirement Fund's ability to protect members' interests, safeguard Fund assets and deliver sustainable retirement outcomes. The Fund's governance framework is designed to promote ethical leadership, accountability, transparency, effective control and responsible stewardship.

The Board of Trustees is ultimately accountable for the governance of the Fund. Its responsibilities include setting the Fund's strategic direction, approving policies and the risk appetite, overseeing financial and investment performance, monitoring the administration of benefits and contributions, supervising management and service providers, and ensuring compliance with the Pension Funds Act, the Rules of the Fund and other applicable legal and regulatory requirements.

During the 2025/26 reporting period, the Board's principal areas of focus included:

- the financial sustainability and funding position of the Fund;
- investment performance, concentration, liquidity and responsible investment;
- employer compliance with section 13A of the Pension Funds Act;
- administration and service-provider performance;
- member service, complaints and benefit-payment turnaround times;
- implementation and member communication relating to the Two-Pot Retirement System;
- cybersecurity, personal-information protection and data quality;
- the Fund's risk and compliance frameworks;
- regulatory developments and rule amendments;
- the governance of investee entities and impact investments; and
- planning for the Fund's proposed transition to self-administration.

The Board held four scheduled and one special meetings during the year. Average Board attendance was 100%, and all meetings were quorate. The Board adopted four round-robin resolutions between scheduled meetings.

7.1 GOVERNANCE STRUCTURE AND DELEGATION

The Board operates in accordance with the Pension Funds Act, the Rules of the Fund, its Board Charter, approved policies and a formal delegation-of-authority framework. Although certain responsibilities are delegated to committees, management and service providers, the Board retains ultimate accountability for the proper governance and administration of the Fund.

The Board is supported by the following committees:

- the Administration Sub-Committee;
- the Investment Sub-Committee;
- the Legal and Risk Sub-Committee; and
- the Death Benefit Disposal Sub-Committee.

Each committee operates under an approved mandate and terms of reference, that define its composition, authority, responsibilities and reporting obligations. The committees report to the Board on matters considered, decisions taken under delegated authority, material risks identified and matters requiring Board approval or escalation.

Management is responsible for implementing the Board's strategy, policies and decisions and for managing the Fund's day-to-day operations. The Fund's service providers remain accountable for performing their contracted functions in accordance with applicable legislation, service-level agreements and the standards set by the Board.

Delegation does not discharge the Board from its fiduciary obligations. The Board monitors delegated responsibilities through regular management reports, committee reports, compliance monitoring, risk reporting, assurance reviews and service-provider performance assessments.



7.2 BOARD COMPOSITION, DIVERSITY AND EFFECTIVENESS

At the end of the reporting period, the Board comprised 8 trustees and 1 alternate trustee, against the 8 positions and 2 alternate provided for in the Rules of the Fund.

The composition of the Board was as follows:

Category	Positions provided for	Positions filled	Vacancies
Member/union-appointed trustees	4	4	0
Independent trustees	4	4	0
Alternate trustees	2	1	1
Total	10	9	1

The Board brings together experience in the transport sector, labour relations, retirement fund governance, law, finance, accounting, audit, investments, risk management and public administration. This range of experience supports informed decision-making and assists the Board in considering matters from different stakeholder and professional perspectives.

Board diversity at the reporting date was as follows:

Diversity indicator	2026 position	2025 comparative
Women trustees	12.5%	12.5%
Men trustees	87.5%	87.5%
Independent trustees	50%	50%
Average trustee tenure	8 years	8 years
Trustees with more than nine years' service	1	1
Trustees appointed during the year	0	1

The Board recognises that diversity extends beyond demographic representation and includes diversity of skills, experience, perspective, independence and tenure. During the year, the Board reviewed its composition and identified the need for the development of a succession plan. The Fund is currently working on assessing the skills gaps on the Board and ensuring a diverse Board that is well trained and informed.

The independence of independent trustees is assessed with reference to their relationships with the Fund, participating employers, trade unions, service providers, investee entities and other parties that could reasonably be perceived to influence independent judgement. During the year, no matters were identified that impaired the independence of an independent trustee.

7.3 TRUSTEES OF THE FUND

The trustee profiles in this report set out each trustee's appointment category, date of appointment, relevant qualifications, experience, committee membership and principal external positions.

All biographies, lengths of service, professional designations and external appointments have been verified as at February 2026.



MR MDUMISANI MABASO

CHAIRPERSON

Mdumisani Mabaso has served on the Road Freight and Logistics Industry Provident Fund Board of Trustees since 2004 and has 22 years' experience as a trustee. He serves on the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) and as General Secretary of the Motor Transport Workers Union (MTWU).



ADVOCATE TEBALO MALOKA

INDEPENDENT TRUSTEE

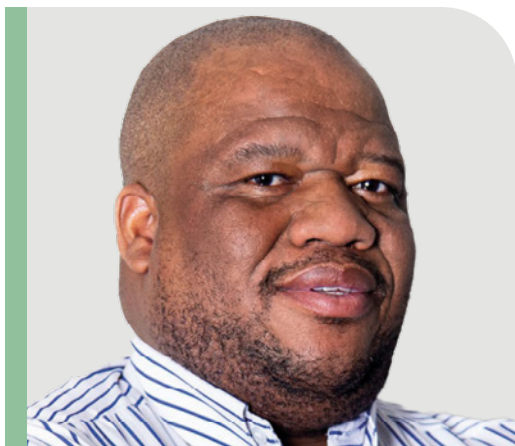
Tebalo Maloka is an admitted but non-practising advocate with wide-ranging experience as a trade unionist and labour relations expert. He is also an experienced public administrator with a proven track record in conciliations, arbitrations and disciplinary hearings in municipalities, the South African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



MR MANDLA NKOSI

INDEPENDENT TRUSTEE

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



MR MBUSO NZAMA

UNION TRUSTEE

Mbuso Nzama is the President of the Motor Transport Workers Union, a position he has held since 2024. He has extensive experience in the trade union movement and labour affairs, with a strong background in worker representation, collective bargaining and labour relations. Through his leadership roles, he has contributed to advancing the interests of workers within the transport sector and has developed significant experience in engaging on labour, governance and industry matters. He also serves as a Board member of the National Bargaining Council for the Road Freight and Logistics Industry.



MR TAWANA MOPELI

UNION TRUSTEE

Tawana Mopeli brings to the Board a strong combination of labour relations, executive leadership, regulatory and retirement fund governance experience. His career with the South African Transport and Allied Workers Union, where he progressed from Head of Research to Head of Operations in the Office of the General Secretary and subsequently Chief of Staff, has given him extensive exposure to the interests and challenges facing workers and the broader labour environment.

His experience as a former Commissioner of the Department of Employment and Labour's Employment Conditions Commission, where he advised the Minister on matters relating to the Basic Conditions of Employment Act, strengthens the Board's understanding of employment conditions, labour policy and the regulatory environment affecting members and employers.

Tawana also serves as a Non Executive Director of the Railway Safety Regulator, bringing additional governance and oversight experience within the transport sector. He has obtained the Occupational Certificate: Professional Principal Executive Officer (Retirement Fund Trustees) and holds the Licentiate Trustee (LT) professional designation, strengthening the depth of retirement fund governance knowledge and professional competency he brings to the Board.

His combination of worker representation, labour regulation, transport sector governance and retirement fund expertise enables him to bring a strong member focused perspective to the Board and contribute meaningfully to the responsible governance and oversight of members' retirement savings.



MR WILLY LEKGOATHI

UNION TRUSTEE

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



MS ZOLA TSHEFU

INDEPENDENT TRUSTEE

Zola Tshefu is a seasoned board director and governance professional with 20 years' experience as a Non-Executive Director across diverse public and private sector industries. She has held senior executive and CEO positions and currently serves in a number of strategic and governance roles, with particular expertise in corporate governance, strategy, risk oversight, investment oversight and organisational effectiveness. She holds a BCom and an MBA and has a strong understanding of fiduciary responsibilities. Her governance experience and knowledge of long-term investment strategy, including pension fund asset allocation, enable her to contribute effectively to the Fund's oversight, long-term sustainability and value creation.



MR ITUMELENG SERITHI

INDEPENDENT TRUSTEE

Itumeleng Serithi is an experienced professional independent trustee and qualified accountant with more than 15 years' experience in audit, corporate governance and forensic investigations. He holds a Bachelor of Commerce Honours degree in Accounting from the University of KwaZulu-Natal. After completing his articles at PwC, he progressed to Partner, specialising in forensics and governance. He currently serves as an Independent Trustee and expert on numerous large industry retirement funds, including the Private Security Sector Provident Fund and the Motor Industry Provident Fund. His extensive experience across audit, governance and forensic investigations brings a strong financial oversight, risk and governance perspective to the Board, supporting robust decision making, effective controls and the responsible stewardship of members' retirement savings.



MR MUSA TSHABALALA
ALTERNATE UNION TRUSTEE

Musa Tshabalala is the National Coordinator of the Motor Transport Workers Union (MTWU) and a respected leader in the labour and governance space. He has completed various professional development programmes, including trustee training, communication, leadership, industrial relations, and workplace incident investigation. He previously served as a Trustee of the Robson Salvage Provident Fund and currently serves as a councillor at the

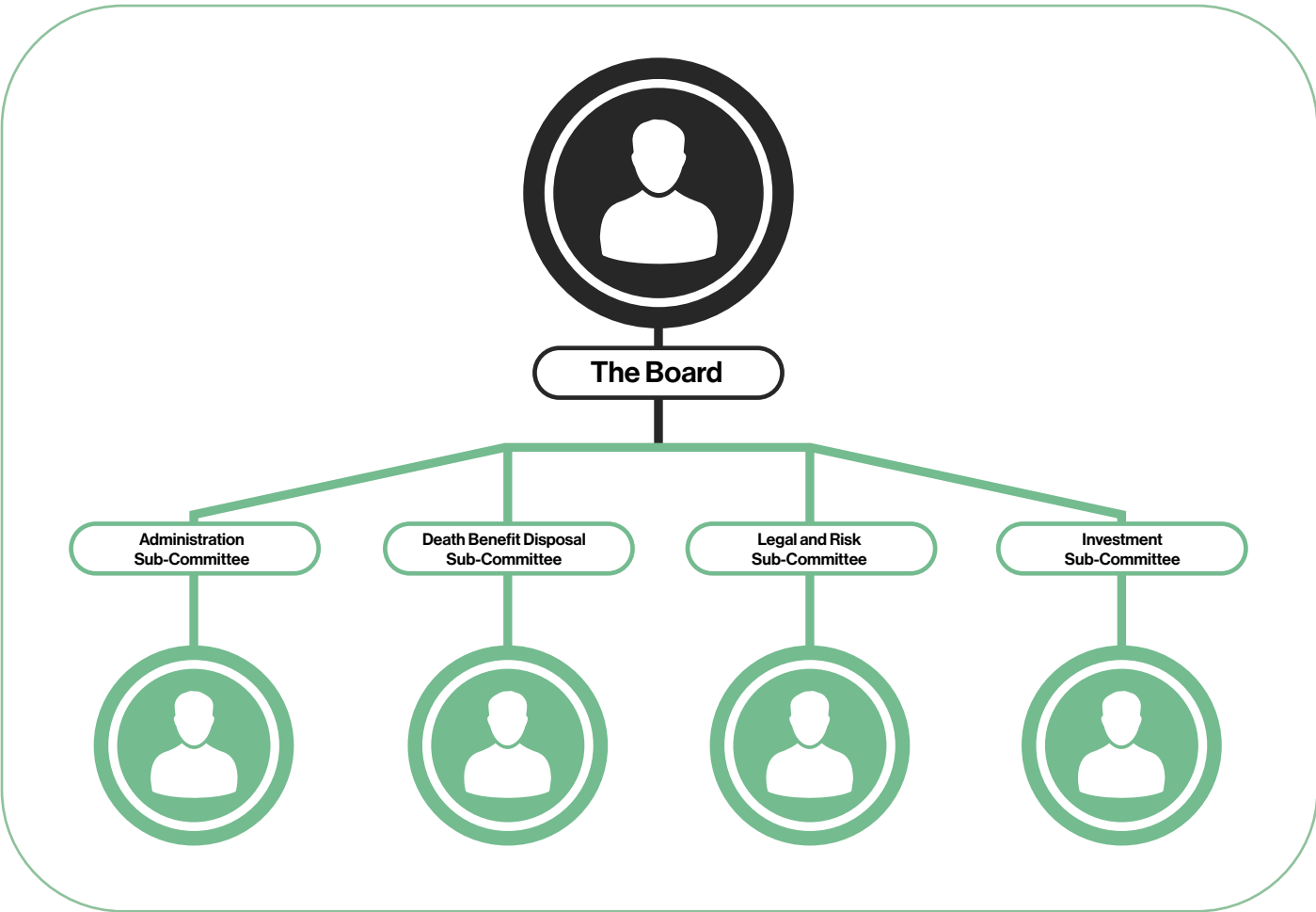
National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI).

He is also a member of both the Executive Committee and the Investment Committee at the NBCRFLI, where he contributes to strategic governance and oversight.

7.4 BOARD AND COMMITTEE ATTENDANCE

Regular and informed participation is essential to the effective performance of trustee duties. Attendance is monitored by the Board, together with preparedness, participation, training and the contribution made by trustees to Board and committee deliberations.

The Fund Structure



The table for trustee board attendance and sub-committee meetings are included here.

Trustee	Status	Board meetings attended	Board meetings held	Board attendance	Committee membership
Mdumisani Mabaso	Chairperson	5	5	100%	Administration; Investment; Legal and Risk
Itumeleng Serithi	Independent Trustee	5	5	100%	Administration
Mandla Nkosi	Independent Trustee	5	5	100%	Administration; Death Benefit Disposal
Willy Lekgoathi	Union Trustee	5	5	100%	Administration; Legal and Risk
Tebalo Maloka	Independent Trustee	5	5	100%	Investment; Legal and Risk
Zola Tshefu	Independent Trustee	5	5	100%	Investment
Tawana Mopeli	Union Trustee	5	5	100%	Investment; Legal and Risk; Death Benefit Disposal
Mbuso Nzama	Trustee	5	5	100%	Death Benefit Disposal

Sub-committee	Meetings held	Members and attendance	Average attendance
Administration Sub-Committee	4	M. Mabaso: 4/4; I. Serithi: 4/4; M. Nkosi: 4/4; W. Lekgoathi: 4/4	100%
Investment Sub-Committee	4	M. Mabaso: 4/4; T. Maloka: 4/4; Z. Tshefu: 4/4; T. Mopeli: 4/4	100%
Legal and Risk Sub-Committee	4	W. Lekgoathi: 4/4; M. Mabaso: 4/4; T. Maloka: 4/4; T. Mopeli: 4/4	100%
Death Benefit Disposal Sub-Committee	4	T. Mopeli: 4/4; M. Nkosi: 4/4; M. Nzama: 4/4	100%

Table note:

During the year under review, each sub-committee continued to operate within its approved mandate and reported to the Board on key matters requiring oversight, decision-making or escalation. The Board remains satisfied that the sub-committee structure provides effective governance support and enables timely attention to material risks and compliance matters.

7.5 COMMITTEE PERFORMANCE AND PRINCIPAL ACTIVITIES

During the year, each committee operated under its approved mandate and reported to the Board on key matters requiring oversight, approval or escalation.

Committee	Chairperson	Meetings held	Average attendance	Principal matters considered
Administration Sub-Committee	Willy Lekgoathi	4	100%	Administration performance, claims, member service, complaints, contributions, data quality and service-provider performance
Investment Sub-Committee	Mdumisani Mabaso	4	100%	Investment performance, asset allocation, liquidity, responsible investment, unlisted investments, valuations and risk
Legal and Risk Sub-Committee	Tebalo Maloka	4	100%	Legal matters, risk, compliance, governance, policies, regulatory developments, litigation and material agreements
Death Benefit Disposal Sub-Committee	Mbuso Nzama	4	100%	Section 37C investigations, allocation of death benefits, conflicts, case ageing and payment delays

Administration Committee

The Administration Committee monitored the performance of the Fund's administrator and other operational service providers. Its focus areas included:

- contribution allocation and data quality;
- section 13A employer compliance;
- claims and benefit-payment turnaround times;
- member queries and complaints;
- service-level performance;

- Two-Pot withdrawal administration;
- member and employer communication; and
- progress in addressing backlogs and recurring service failures.

Investment Committee

The Investment Committee monitored investment performance, asset allocation, liquidity, investment concentration, compliance with Regulation 28 and the Fund's responsible investment objectives.

During the year, the Committee considered:

- performance relative to approved benchmarks and actuarial requirements;
- the alignment of assets with the Fund's liabilities and cash-flow needs;
- listed and unlisted investment concentration;
- liquidity and valuation risk;
- governance and performance of impact investments;
- environmental, social and governance considerations;
- performance and fees of investment managers; and
- regulatory reporting and any actual or potential investment-limit breaches.

Legal and Risk Sub-Committee

The Legal and Risk Sub-Committee oversaw the Fund's legal, regulatory, governance, risk and compliance responsibilities.

The Committee's principal activities included:

- review of the Fund's risk profile and principal risks;
- monitoring legislative and regulatory developments;
- review of governance policies and frameworks;
- consideration of material contracts and legal agreements;
- oversight of litigation, complaints and Adjudicator matters;
- monitoring section 13A enforcement;
- oversight of cybersecurity and data-protection risk;
- review of conflicts of interest and related-party matters; and
- monitoring implementation of audit, compliance and risk-remediation actions.

Death Benefit Disposal Committee

The Death Benefit Disposal Committee exercised delegated authority in relation to the investigation and allocation of death benefits in accordance with section 37C of the Pension Funds Act and the Fund's approved procedures.

The Committee monitored:

- the quality and completeness of dependency investigations;
- the equitable consideration of dependants and nominees;
- the ageing of outstanding cases;
- delays caused by incomplete information or tracing difficulties;
- conflicts of interest;
- the communication of decisions; and
- the timeous payment of approved benefits.

7.6 BOARD EFFECTIVENESS, TRAINING AND SUCCESSION

The effectiveness of the Board and its committees is assessed annually. The 2025/26 assessment and peer review was internally conducted and covered:

- the composition and skills of the Board;
- quality of information provided to trustees;
- effectiveness of meetings and decision-making;
- committee performance;
- strategic oversight;
- risk and compliance oversight;
- trustee conduct and independence;
- succession and continuity; and
- engagement with management and service providers.

Trustees completed on an average 20 hours of training during the year. Training covered:

- trustee duties and fiduciary responsibilities;
- pension fund law and regulatory developments;
- investments and Regulation 28;
- risk management and internal control;
- cybersecurity and protection of personal information;
- Two-Pot implementation;
- complaints and treating members fairly;
- section 13A enforcement; and
- King V governance principles.

The Board periodically reviews its succession requirements, continuity risks and skills needs. Priorities for the next reporting period include succession planning for key executive roles and skills development in respect of capacity building for the investment, legal, risk and compliance, business development and financial functions.

7.7 EXECUTIVE MANAGEMENT AND ACCOUNTABILITY

The management team is responsible for implementing the Board's approved strategy and ensuring that the Fund's operations are managed effectively, lawfully and in the best interests of members.

At the reporting date, the executive structure comprised:

- the Principal Executive Officer;
- the Chief Financial Officer;
- the Chief Investment Officer;
- the Deputy Principal Officer; and
- the Chief Legal, Risk and Compliance Officer.

The executive structure supports integrated decision-making across finance, investments, administration, legal, risk, compliance, member service and stakeholder engagement.

Management performance is assessed against Board-approved objectives and key performance indicators. The Board receives regular reports on strategic implementation, financial performance, investments, administration, risk, compliance, complaints and service-provider performance.

The Fund's proposed transition toward self-administration will require a significant expansion of internal capability. The Board is overseeing this process through an approved implementation plan addressing governance, licensing, people, systems, data migration, cybersecurity, business continuity, service-provider transition and regulatory readiness. Progress, material dependencies and transition risks are reported to the Board and relevant committees.

Executive Organogram



Fund Management



Joe Letswalo
Principal Executive
Officer



Mongezi Ngcobo
Deputy Principal
Executive Officer



Grace Chauke
Chief Investment
Officer



Alick Kapeza
Chief Financial Officer



Penny Spentzouris
Chief Legal & Risk
Officer

7.8 KING V APPLICATION

King V applies to financial years commencing on or after 1 January 2026. During the reporting period, the Fund commenced its transition from King IV to King V and assessed its governance arrangements against the King V principles and disclosure requirements.

The assessment considered:

- ethical and effective leadership;
- responsible stewardship of member assets;
- the governance of strategy, risk and sustainability;
- governance of technology, information and data;
- stakeholder inclusiveness;
- remuneration governance;
- delegation and oversight;
- internal control and assurance;
- transparent and balanced reporting; and
- conduct, culture, legitimacy and trust.

The Legal and Risk Sub-Committee monitors the implementation of the King V transition plan and reports progress to the Board. The Fund does not claim full alignment where an assessment or remedial action remains incomplete. Material areas of partial application and the related improvement measures are disclosed transparently.

7.9 ETHICS, CONFLICTS OF INTEREST AND WHISTLEBLOWING

The Fund's Code of Conduct establishes the ethical standards expected of trustees, management, employees and relevant service providers. Trustees and prescribed employees are required to complete annual declarations of interests and to disclose any meeting-specific conflict as soon as it arises.

During the reporting period:

Ethics and conflicts indicator	2026
Annual declarations completed	100%
Meeting-specific conflicts declared	100%
Recusals from deliberation or voting	0%
Gifts or hospitality declarations	100%
Confirmed breaches of the conflict policy	0%
Whistleblowing reports received	0%
Reports substantiated	N/A
Matters still under investigation	N/A

Where a conflict is identified, the affected person is required to disclose the nature and extent of the interest and, where appropriate, leave the meeting and not participate in the discussion or decision. The declaration and recusal are recorded in the minutes.

Enhanced conflict-management measures apply to decisions involving service providers, investee entities, related parties and entities in which the Fund has representation or significant influence.

The Fund maintains confidential reporting channels for suspected fraud, unethical conduct, maladministration and other wrongdoing. Reports are assessed and investigated in accordance with approved procedures, with due regard to confidentiality and the protection of whistleblowers.

No material ethics or fraud matters were identified during the reporting period of this report.

7.10 RISK MANAGEMENT

The Fund's Enterprise Risk Management Framework supports the identification, assessment, treatment, monitoring and reporting of risks that could affect the Fund's ability to meet its obligations to members and beneficiaries.

The Board approves the Fund's risk appetite and oversees the principal risks through the Legal and Risk Sub-Committee and other relevant committees. Risk assessments consider likelihood, financial and non-financial impact, velocity, control effectiveness and residual exposure.



The Fund's principal risks at the reporting date were:

Principal risk	Trend	Potential effect on members and the Fund	Key mitigation and controls	Residual risk	2026/27 priority
Employer contribution and section 13A non-compliance	Stable	Contributions may not be received or allocated timeously. Members may be prejudiced through reduced retirement savings, loss or suspension of risk benefits, delayed claims and incorrect benefit records. The Fund may incur legal costs and face litigation, regulatory and reputational exposure.	Monthly contribution monitoring; employer engagement; statutory interest; complaints to the Pension Funds Adjudicator; legal enforcement; High Court proceedings and warrants where appropriate; criminal complaints against responsible persons; and reporting to the FSCA and other authorities where required.	6	Strengthen early-warning and arrears reporting; improve reconciliation of contributions and schedules; escalate persistent non-compliance promptly; maintain complete enforcement records; monitor acknowledgements of debt; and report outcomes of legal and criminal enforcement to the Board.
Membership data quality and integrity	Not formally assessed in January 2026	Inaccurate, incomplete or unauthorised alteration of member data may result in incorrect contribution allocations, inaccurate benefit calculations, delayed claims, privacy breaches, regulatory non-compliance, financial loss and failure to achieve fair member outcomes.	Continuous data monitoring; internal audit review; system enhancements; employer confirmation of data accuracy; appointment of a data analyst; data rectification work with the administrator; access controls; backup and recovery arrangements; and employer training and online data-submission processes.	16	Complete the outstanding data-remediation programme; establish measurable data-quality standards; reconcile member and employer records; automate exception reporting; require employer sign-off; monitor closure of internal audit findings; and report progress and overdue corrective actions to the Board.

Investment performance, decision-making and regulatory reporting	Not formally assessed in the January 2026 register	Poor investment decisions, adverse market movements, incorrect investment rates, insufficient diversification or failure to meet investment objectives may reduce investment returns, weaken the Fund's ability to meet its liabilities and result in inadequate retirement outcomes. Failure to submit Regulation 28 or related reports may create regulatory and reputational exposure.	Quarterly investment-manager reporting; monthly performance measurement against approved benchmarks; ongoing engagement with investment managers; Investment Committee oversight; an approved investment strategy; introduction of passive investment mandates; actuarial unit-price confirmation; segregation of duties; and quarterly Regulation 28 reporting.	4 for poor investment decisions. Concentration and liquidity risk were not separately rated in the January register.	Continue monitoring performance against liabilities and benchmarks; enhance concentration and liquidity reporting; complete implementation of passive mandates; monitor Regulation 28 compliance; improve oversight of unlisted and impact investments; and separately rate concentration, valuation and liquidity risks in the next risk-register review.
Administration and service-provider dependency	Decreasing	Failure by the administrator or another material service provider to meet contractual, operational or reporting obligations may lead to contribution-allocation errors, incorrect records, delayed claims, service disruption, financial-reporting errors, member complaints and regulatory or reputational harm.	Service-level agreements; monthly performance reports; ongoing SLA monitoring; internal and external audit; segregation of duties; operational processes aligned with the SLA; contract-development procedures; contract registers; agreement-review forms; and reporting to the relevant committees and Board.	8 for inaccurate financial reporting and material administration dependencies; 6 for SLA and contract-management risk.	Implement an integrated contract-management system; strengthen performance dashboards; formalise escalation thresholds; monitor overdue SLA obligations; obtain appropriate third-party assurance; close outstanding audit findings; and develop transition and contingency arrangements for critical service providers.

Self-administration implementation risk	Increasing	An inadequately planned transition may cause operational disruption, data-migration errors, control failures, skills shortages, licensing delays, system failure and reduced service to members. It may also expose the Fund to additional costs, regulatory non-compliance and reputational harm.	Board-approved self-administration strategy; phased implementation; defined project governance; reporting to the Board and committees; due diligence on systems, technology and staffing; specialist legal, IT and actuarial advice; planned parallel running; cybersecurity and policy review; and trustee training.	8	Finalise the detailed implementation plan; confirm responsibilities, deliverables and timelines; complete skills, systems and process gap assessments; procure a fit-for-purpose administration system; develop the data-migration and testing plan; agree knowledge transfer with the current administrator; establish parallel-running and contingency arrangements; and implement stakeholder change and communication plans.
Cybersecurity, personal information and third-party cyber risk	Stable	A cyberattack, ransomware incident, phishing event, compromised device or third-party data breach may result in unauthorised access to member information, operational disruption, remediation costs, regulatory action and loss of stakeholder confidence.	Cybersecurity framework and policies; asset inventory; secure system configuration; least-privilege access; network segmentation and monitoring; third-party risk management; immutable backups; recovery testing; incident-response training and exercises; continuous log monitoring; and security-awareness initiatives.	6	Implement continuous vulnerability management; conduct regular credentialed scans; prioritise remediation according to exploitability and business impact; strengthen email security using DMARC, SPF and DKIM; conduct simulated phishing exercises; strengthen multifactor authentication; test incident-response plans; and obtain evidence of service-provider compliance with the applicable cybersecurity Joint Standard.

Claims processing, fraud and death-benefit distribution	Stable	Incorrect, duplicate, fraudulent or delayed claims may cause financial loss, payment to an incorrect person, member or beneficiary prejudice, litigation, regulatory intervention and reputational damage. Incorrect identification of dependants under section 37C may produce inequitable benefit allocations.	Document and identity verification; bank-account verification; tax directives; segregation of duties; system controls to prevent duplicate payments; no payment to unauthorised third parties; detailed section 37C investigations; Board-approved distribution resolutions; claims registers; interviews with employers and family members; and continuous monitoring by management and service providers.	6 for general claims and section 37C risks; 4 for identified withdrawal and funeral-claim fraud risks.	Strengthen claims-quality assurance; monitor turnaround times and aged claims; enhance identity and bank verification; investigate fraud trends; monitor duplicate-payment controls; improve section 37C investigation standards; report exceptions to the relevant committee; and conduct periodic independent testing of claims controls.
Regulatory, legal and compliance risk	Stable	Failure to comply with the Pension Funds Act, Fund Rules, FSCA requirements, tax obligations or other applicable legislation may result in regulatory sanctions, penalties, litigation, financial loss, reputational damage and member prejudice.	Monthly statutory and compliance reports; compliance meetings; reporting to the Board and Legal and Risk Sub-Committee; external audit; monitoring of legislative developments; trustee and staff training; engagement with industry technical forums; Fund policies; and an established legal, risk and compliance function.	4 for general regulatory compliance and 3 for Pension Funds Act compliance.	Implement a dedicated risk and compliance management system; maintain a complete regulatory universe; monitor obligations and submission deadlines; provide targeted training; track regulatory findings and remediation; strengthen oversight of section 13A and Regulation 28 compliance; and report material breaches and regulatory engagements transparently.

Member service, complaints and communication risk	Stable	Poor complaints handling, inadequate communication, delayed responses or service failures may cause member prejudice, adverse Pension Funds Adjudicator determinations, FSCA complaints, litigation, financial loss and reduced trust in the Fund.	Approved communication policy and strategy; quarterly communication reporting; complaints-management procedures; complaints registers covering PFA, FSCA and other complaints; Legal and Risk Sub-Committee and Board oversight; daily monitoring of complaint mailboxes; administrator escalation; and member communication through multiple channels.	6 for complaints management and reputational risk; 3 for communication-channel risk.	Strengthen the central complaints register; monitor turnaround times, ageing and root causes; ensure complaints are recorded and allocated daily; train complaints-resolution staff; implement escalation standards; track implementation of determinations; improve member communication on complaint rights; and report complaint trends and remedial actions to the Board.
Business continuity, disaster recovery and operational resilience	Stable	A disruption affecting the Fund or a critical service provider may prevent the processing of contributions, claims and benefit payments or restrict access to member records and support channels. Prolonged disruption may cause member prejudice, regulatory exposure and reputational damage.	Business-continuity and disaster-recovery plans; annual review and testing; off-site storage; system backups; replication in an alternative location; disaster-recovery facilities; business-impact analysis; and oversight of service-provider continuity arrangements.	8 for service-provider business-continuity risk; 6 for the Fund's internal business-continuity risk; and 5 for disaster-recovery risk.	Complete the major review of business-continuity plans; conduct annual scenario-based testing; confirm recovery-time and recovery-point objectives; test dependency on critical service providers; document results and remediation; develop an organisation-wide disaster-recovery plan; and align continuity arrangements with the self-administration transition.

During the reporting period, the Fund used risk assessments, compliance monitoring, internal audit findings, complaints trends, service-provider reports, investment reports and operational information to support its oversight and decision-making.

The January 2026 risk register identified membership data quality and integrity, with a residual rating of 16, as the Fund's most significant residual exposure. The Fund's proposed transition to self-administration, service-provider business continuity and aspects of financial reporting each carried a residual risk rating of 8. These exposures require focused monitoring, clearly assigned accountability, measurable remedial actions and regular reporting to the Board.

At the reporting date, 28 February 2026 principal risks were outside the approved risk appetite. The responsible executives and committees are monitoring the agreed remedial actions, and progress will be reported to the Board until the exposures have been reduced to an acceptable level.



Internal Controls

The Fund's internal control environment is designed to safeguard Fund assets and member information, support the accurate administration and payment of benefits, promote reliable financial and regulatory reporting, and reduce the risk of error, fraud, non-compliance and service failure.

The Board retains ultimate responsibility for overseeing the adequacy and effectiveness of internal controls. Management is responsible for implementing and monitoring those controls, while the Fund's committees, risk and compliance functions, internal and external auditors, actuary and other assurance providers provide additional oversight and assurance.

The Fund's control environment includes:

- approved policies, procedures and delegated authority limits;
- segregation of duties and appropriate approval controls;
- Board and sub-committee oversight;
- financial reconciliations and management review;
- service-level monitoring and service-provider reporting;
- risk and compliance monitoring;
- internal and external audit reviews;
- controls over investments, contributions and benefit payments;
- claims verification, identity checks and fraud-prevention measures;
- access controls, cybersecurity monitoring and incident-response arrangements;
- data validation, backup and recovery controls; and
- monitoring of operational performance, complaints and control failures.

During the reporting period, the Fund continued to strengthen controls across administration, claims processing,

investments, member communication, digital platforms, data management, cybersecurity and service-provider oversight. Particular attention was directed toward the control weaknesses and higher residual risks identified in the Fund's risk register, including membership-data integrity, financial reporting, business continuity, service-provider dependency and the proposed transition to self-administration.

Control weaknesses and assurance findings are recorded, assigned to responsible owners and monitored through agreed remedial action plans. Material findings, overdue actions and matters requiring escalation are reported to the relevant sub-committee and the Board. Based on the assurance reports and management information considered during the year, the Board concluded that the Fund's control environment was adequate, subject to the improvement areas and outstanding remedial actions disclosed above. This conclusion does not imply that all risks have been eliminated or that the control environment operated without weakness.

Effective internal control is a continuing process rather than a once-off assessment. In line with the Fund's 2026 theme, "Driving Secure Futures in a Changing Transport World", the Fund regards sound controls, transparent reporting and timely remediation as essential to maintaining confidence that members' contributions, benefits, personal information and retirement outcomes are managed responsibly.



Securing Members' Futures

08

8. Securing Members' futures

Average website visits per month	10 000
Followers on Facebook	9 600
Average WhatsApp enquiries received per month	68 000
Two-Pot WhatsApp enquiries received for March 2026	130 171
Average Email enquiries per month	5 000





Our 70 000 active Members

The very heart of our mission and the ultimate beneficiaries of our efforts.



Dedicated Board of Trustees

Providing strategic oversight and unwavering governance.



Management Team

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



Influential Trade Unions

Ensuring member voices are heard and rights are protected.



The Broader Retirement Fund Industry

Collaborating to elevate sector standards and practices.



2,200 Participating Employers

Critical allies in ensuring seamless contributions and member engagement.



Expert Fund Administrator

Delivering efficient and reliable operational support.



Strategic Fund Investment Consultants

Guiding our robust investment philosophy.



8.1 PRESERVING AND GROWING RETIREMENT OUTCOMES

Preserving and growing members' retirement outcomes remains central to TSRF's purpose. The Legal, Risk and Compliance function contributes to this objective by strengthening the environment in which contributions are received, benefits are administered, investments are governed and members are educated.

The Two-Pot system has highlighted the importance of retirement preservation and responsible access to savings. While the system provides members with limited access to a portion of their savings in times of financial need, TSRF continues to emphasise that retirement savings should be preserved wherever possible. The Fund's communication and education initiatives remain focused on helping members understand the long-term impact of withdrawals and the importance of planning for retirement.

Preservation is supported by:

- clear member education;
- fair and transparent benefit communication;
- claims controls and fraud prevention;
- monitoring of contribution payments;
- sound investment governance;
- liquidity management;
- retirement planning support;
- digital access to benefit information; and
- timely resolution of member queries.

Through these measures, TSRF continues to drive secure futures by helping members make informed decisions today that protect their financial wellbeing tomorrow.

8.2 SECTION 13A COMPLIANCE

8.2.1 Protecting members' contributions

Employers have a legal obligation to pay contributions and submit accurate contribution information within the prescribed periods. This enables the Fund to match payments to individual members and allocate contributions accurately and timeously. Section 13A non-compliance occurs not only when an employer fails to pay. It also includes late payment, missing or inaccurate contribution schedules, payments that cannot be matched to members and the non-payment of late-payment interest. For members, the consequences can be significant. Unpaid or unreconciled contributions may result in incomplete member records, lost investment growth, delayed benefit payments and, in certain circumstances, an interruption of risk-benefit cover.

Our performance

The February 2026 reconciliation report recorded 1,979 employers with positive monthly contribution billing. Of these, 1,271 employers, representing 64.2%, were fully reconciled. A further 708 employers, representing 35.8%, were recorded as non-compliant or unreconciled.

Key measure	Reported position
Employers with positive February billing	1,980
Employers fully reconciled	1,271
Employers non-compliant or unreconciled	708
Member records associated with non-compliance	13,893
Monthly contribution value associated with non-compliance	R27.95 million

The R27.95 million represents the monthly contribution value associated with the affected employers. It is not the total cumulative arrears owed to the Fund. The Fund is strengthening its reporting to produce a verified arrears balance that separately identifies unpaid contributions, late-payment interest, payments received, unallocated deposits and amounts subject to repayment agreements or legal proceedings.

The principal concern is the age of these matters. Of the 708 employers, 607 had been non-compliant for more than 90 days. This means that the Fund's challenge is not limited to identifying new cases. It includes resolving long-standing defaults that have continued despite repeated engagement and escalation.

What the results mean

The Fund's reconciliation rate indicates that the majority of positively billed employers met the payment and information requirements necessary for contributions to be allocated. However, the number of unresolved employers remains unacceptably high because almost 14,000 member records were associated with non-compliant or unreconciled employers. The age of the outstanding matters is particularly important. Long-standing non-compliance increases the risk that amounts will become more difficult to recover, especially where an employer has ceased trading, entered liquidation or cannot be located.

At 31 March 2026:

- 654 employer matters had been assigned to the Fund's Legal Department or external attorneys;
- 93 employers were recorded as being in liquidation; and
- 48 employers were recorded as having failed to comply with an acknowledgement of debt.

Legal assignment is an important escalation step, but it is not in itself a successful outcome. The effectiveness of enforcement must ultimately be measured by contributions and late-payment interest recovered, member records corrected, determinations enforced, members informed and persistent non-compliance brought to an end.

The Fund's response

The Fund applies an escalating response based on the age, value and circumstances of each matter. This includes:

- identifying unpaid or unreconciled contributions through monthly monitoring;
- engaging employers to resolve payment and contribution-schedule discrepancies;
- issuing statutory notices and demands;

- calculating and recovering late-payment interest;
- entering into acknowledgements of debt where appropriate, while requiring current contributions to remain up to date;
- referring persistent matters to the Pension Funds Adjudicator;
- instituting civil enforcement proceedings;
- pursuing criminal referrals where the legal requirements are met;
- lodging claims in liquidation proceedings; and
- reporting material non-compliance to the relevant authorities.

During the year, the Fund strengthened oversight of matters assigned to attorneys and its internal Legal Department. The Fund is also improving its enforcement register so that every matter records the amount due, periods affected, responsible persons, action taken, recovery achieved, current legal status and next required step.

Information for employers

Employers must ensure that both the contribution payment and the supporting schedule are submitted correctly and within the prescribed periods. Payment without accurate member information may prevent the Fund from allocating the contribution and will not necessarily resolve the employer's non-compliance.

Employers experiencing financial or administrative difficulty should engage the Fund promptly. A repayment arrangement for historical arrears does not remove the obligation to pay current contributions in full and on time. Failure to comply may result in late-payment interest, legal proceedings, regulatory reporting and possible personal or criminal liability for responsible persons.

Information for members

Members are encouraged to review their benefit statements and payslips regularly and

to report any contribution discrepancy to the Fund. A deduction reflected on a payslip does not necessarily mean that the contribution has been received and allocated.

Where an employer is non-compliant, the Fund will seek to provide affected members with clear information about:

- the contribution periods affected;
- the status of payment and allocation;
- the enforcement action being taken;
- any potential effect on risk benefits or claims; and
- the steps members may take to provide evidence or obtain assistance.

Priorities for 2026/27

The Fund's priorities are to improve both enforcement outcomes and the quality of information available to members, employers and the Board. Particular focus will be placed on:

- producing a verified cumulative arrears and late-payment interest balance;
- resolving long-standing matters older than 90 days;
- enforcing breached acknowledgements of debt;
- monitoring the performance of internal and external legal representatives;
- improving contribution-schedule quality and employer education;
- communicating directly with affected members;
- strengthening action against responsible persons where appropriate; and
- reporting recoveries and resolved cases, rather than only the number of matters referred for enforcement.

Section 13A compliance is not merely an administrative or debt-collection process. It is a member-protection mechanism. The Fund's objective is to ensure that every contribution

deducted or payable is received, correctly allocated and invested for the benefit of the member to whom it belongs.

8.3 MEMBER DATA QUALITY AND FSCA COMPLIANCE

Building complete and reliable member records

Accurate member information is essential to the proper administration of the Fund. It enables the Fund to allocate contributions correctly, communicate with members, process claims, obtain tax directives, prevent fraud and pay benefits to the correct person.

The Fund measures the completeness and validity of member records against the FSCA’s minimum data requirements. During the reporting period, overall compliance improved, with 55% of the assessed membership now meeting all the minimum data requirements.

Although this represents positive progress, the results also show that data quality remains a material area requiring improvement. Almost half of the assessed member records still contain at least one missing or invalid item.

The relationship between employer compliance and data quality

The assessment shows a direct relationship between the submission of current employer returns and the completeness of member records.

Among members employed by employers whose billing and contribution returns were current for the 2026 fiscal period, 60% met all the minimum data requirements. By comparison, only 22% of members linked to employers whose latest billing fell before the 2026 fiscal period had fully compliant records.

Overall minimum data compliance	Result
All assessed members	55%
Members linked to employers current for the 2026 fiscal period	60%
Members linked to employers whose billing remained on earlier fiscal periods	22%

This difference is significant. Members linked to employers with current returns were almost three times more likely to have complete and compliant records than members linked to employers in arrears or whose monthly returns were not up to date.

Section 13A non-compliance therefore creates more than a contribution-collection risk. Where an employer fails to submit current and accurate monthly returns, the Fund may also be unable to confirm changes in membership, remuneration, contact details and other information required to maintain an accurate member record.

Improvement in key data fields

The Fund recorded improvement across every data category measured against the same member population in the current and previous review periods.

Data field	Previous position	Current position	Members corrected or added	Current employers	Employers in arrears
Cellphone number	80%	84%	1,626	91%	53%
Tax number	73%	78%	2,025	87%	40%
Postal address	49%	57%	3,110	64%	30%
Physical address	54%	59%	2,003	66%	30%
Race data captured	89%	90%	453	97%	52%
First name validation	95%	95%	77	99%	71%

Postal addresses recorded the largest improvement, increasing from 49% to 57% after 3,110 member records were corrected. Tax-number validity increased from 73% to 78%, while valid cellphone information improved from 80% to 84%. These improvements are important because cellphone numbers and addresses enable the Fund to communicate directly with members, while valid tax information is necessary to obtain directives and process benefit payments. Accurate names, demographic information and contact details also support identity verification, fraud prevention, member tracing and regulatory reporting. However, the comparison between current and non-current employers remains concerning. For members linked to current employers, valid data ranged from 64% for postal addresses to 99% for first names. For members linked to employers in arrears, validity ranged from only 30% for postal and physical addresses to 71% for first names.

The widest gaps were recorded in:

- tax numbers, with a 47-percentage-point difference;
- race data, with a 45-percentage-point difference;
- cellphone numbers, with a 38-percentage-point difference;
- physical addresses, with a 36-percentage-point difference; and
- postal addresses, with a 34-percentage-point difference.

The results confirm that data remediation cannot be addressed by the Fund or administrator alone. Employers remain an essential source of accurate and current member information.

What this means for members

Incomplete information may prevent or delay the Fund from contacting a member, allocating contributions, issuing accurate benefit statements, obtaining a tax directive or paying a claim. It may also increase the risk of identity fraud or payment to an incorrect person. Members are therefore encouraged to check their personal and employment information regularly and to notify the Fund when their details change. Particular attention should be given to:

- cellphone numbers and email addresses;
- physical and postal addresses;
- tax numbers;
- identity and personal details;
- employment and remuneration information; and
- beneficiary nominations.

Members should not assume that updated information provided to an employer has automatically been submitted to the Fund.

What is required from employers

Employers are responsible for submitting complete and accurate member information with their monthly contribution returns. This includes information for new members, changes to existing member records and details of members who have left employment.

Employers must ensure that:

- monthly contribution returns are submitted within the prescribed period;
- the members reflected on the return agree with the employees for whom contributions were deducted;
- new-member information is complete;
- changes to salaries, employment status and personal information are reported promptly;
- terminated members are correctly identified; and

- data queries raised by the Fund or administrator are resolved without delay.

Payment of contributions without a complete and accurate return does not enable the Fund to allocate the payment correctly and does not constitute full compliance.

The Fund's response

The Fund continues to work with its administrator and participating employers to improve member-data quality through:

- regular validation of member records;
- employer exception and error reporting;
- targeted correction of invalid or missing data;
- employer training and communication;
- direct member-data update initiatives;
- improved digital self-service capability;
- monitoring of outstanding employer returns;
- reconciliation of member counts and contribution schedules; and
- escalation of persistent data failures through the section 13A compliance process.

The Fund will prioritise employers with older billing periods and the largest number of affected members. Progress will be measured not only by the number of individual fields corrected, but also by the percentage of members whose complete records meet all minimum data requirements.

Priorities for 2026/27

The Fund's priorities are to:

- increase the proportion of members meeting all FSCA minimum data requirements;
- reduce the data-quality gap between current and non-current employers;
- improve physical and postal address information, which remains the weakest data category;

- strengthen employer accountability for complete monthly returns;
- enable members to view and update their information through secure digital channels;
- resolve recurring discrepancies between employer returns and Fund records;
- incorporate data quality into employer-compliance reporting; and
- report progress and unresolved data risks to the Board.

The improvement achieved during the year demonstrates that focused remediation produces measurable results. However, sustainable data quality depends on current employer returns, active member participation and effective validation by the Fund and its administrator. Complete and reliable data is not simply a regulatory requirement; it is fundamental to ensuring that every member's contributions, benefits and communications are managed correctly.

8.4 DIGITAL TRANSFORMATION AND SERVICE DELIVERY

Digital transformation remains a key enabler of secure, accessible and member-centred service delivery. TSRF's member portal, Benefit Counsellor platform, WhatsApp integration, digital communication channels and online education tools have improved member access to fund information and support.

The Fund's digital tools are particularly important in the transport sector, where many members are mobile, work irregular hours and may not be able to visit walk-in centres during normal office hours. Digital channels help ensure that members can access benefit information, submit claims, update details, track progress and receive education wherever they are.

In 2026, TSRF's digital service delivery focus should continue to include:

- improved member registration on the portal;
- secure claims submission;
- strengthened identity verification;
- WhatsApp and chatbot support;
- online education and financial literacy tools;
- digital benefit statements;
- faster query resolution;
- data quality improvements;
- accessibility for members across provinces; and
- fraud prevention and cyber awareness.

The Fund's member communication strategy continues to use clear, accessible and action-oriented messaging. Communication should remain easy to understand, easy to access, repeatable across channels and tailored to the realities of different member segments.

8.5 MEMBER COMMUNICATION AND STAKEHOLDER ENGAGEMENT

In a year where global investment markets volatility became personal for members through movements in their Fund Credits, TSRF responded by turning uncertainty into understanding. The Fund's communication programme focused on helping members distinguish between short-term market movements and permanent loss, encouraging preservation, long-term thinking and informed decision-making.

Building on the Fund's 14-year communication engagement strategy the Fund continues with annual member research. This research is important to the Board as it helps the Fund to ensure service excellence and member satisfaction with the Fund's products and services.

It also provides insights into member knowledge levels and what the Fund can do

to improve communication with members. The results and insights from the research is used to improve the Fund's Channel Model and simplify messaging to ensure effective member interaction.

The Fund's Channel Model utilises various social media channels, WhatsApp and sms, the Fund's interactive website (with chat bot assistance), access the the Fund's member portal (benefit counsellor) and many of the more traditional channels such as newsletters, posters, newsflashes and the Fund's call centre and walk-in centres for personal interaction with members, as seen below.



The Fund’s quarterly member newsletter remains the main communication channel and 92% of members surveyed report that the newsletter enhances their understanding of Fund benefits and investments and that the newsletter is easy to understand.

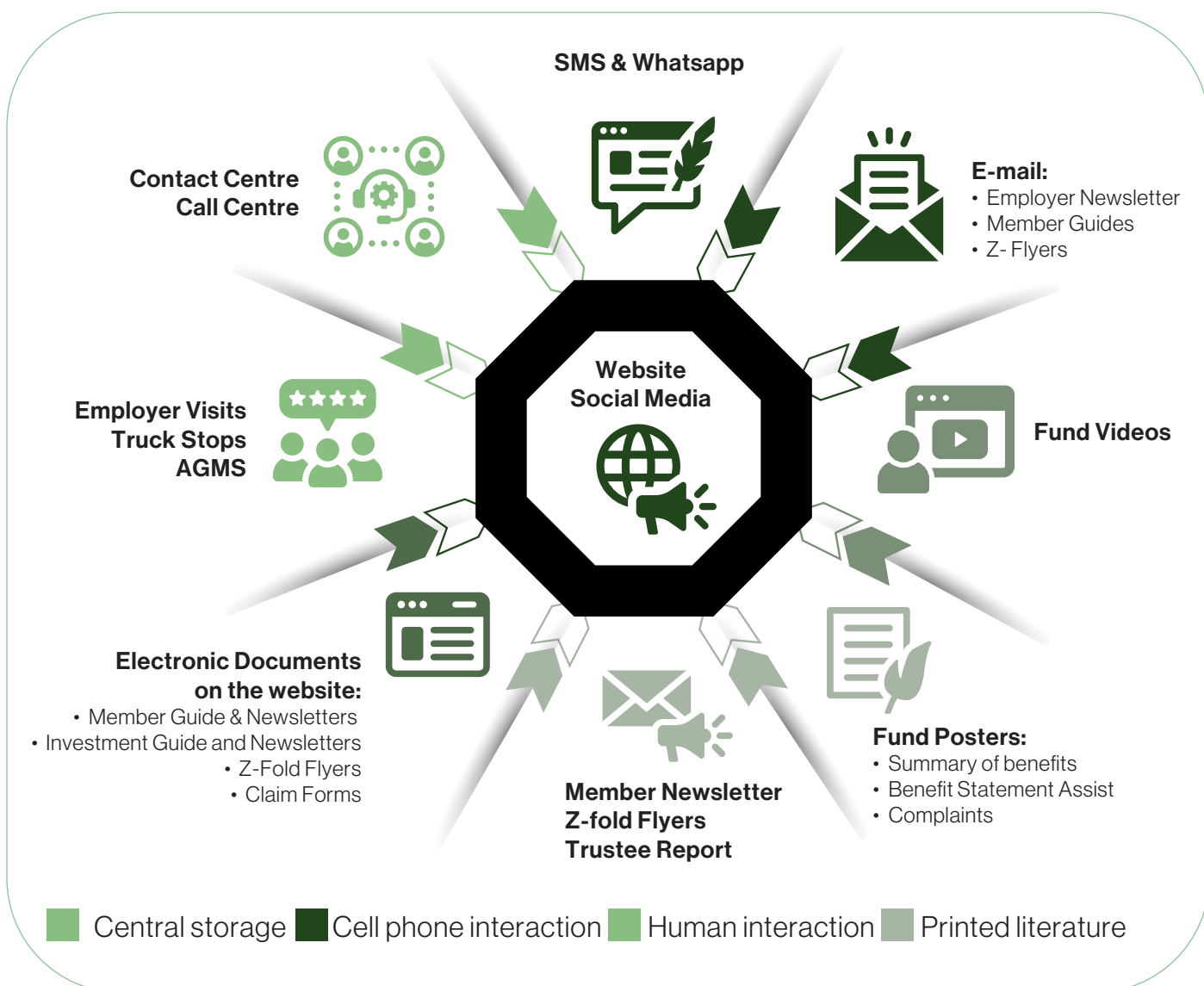
The Walk-in Centres and Call Centre have received very high scores for delivering consistent high levels of service at 90% satisfaction levels.

- 86% of members report that the Fund’s products and services meet their needs.
- 80% understand their benefits in the Fund and 84% understand their benefit statements.

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

Member-Focused Financial Planning, Investing and Emergency Funds

TSRF’s commitment to member resilience extends beyond fund-level risk management to include initiatives that support individual financial well-being. The Fund has developed targeted



communication and education programs on budgeting, debt management, emergency savings, investment market volatility, and preservation and has tailored these messages to the different member segments (Joiners, Builders, Planners, Decision-Makers). Posters, newsletters, and online workshops provide practical guidance on creating household budgets, managing debt, and building emergency funds, equipping members to withstand financial shocks and plan for the future.

The Fund's emphasis on financial literacy and empowerment is reflected in improved member outcomes, as evidenced by research showing increased understanding of benefits, reduced reliance on debt, and greater financial resilience among members. The Fund also created an Investment Guide in 2025 to assist members to improve their knowledge and understanding of investments and more specifically the Fund's Life Stage model.

Innovation in Member Services and Education

Innovation is a hallmark of TSRF's approach to navigating change. The Fund has introduced a range of new services and educational resources, including the enhanced Benefit Counsellor platform, online financial wellness calculators, gamified learning modules, and interactive webinars. Social media reels and podcasts provide engaging, bite-sized content on topical issues such as budgeting, debt management, and cybersecurity.

The Fund's segmentation of membership enables the delivery of targeted messages and services, ensuring that members receive support that is relevant to their life stage and financial needs. Communication is available in multiple languages to promote inclusivity and understanding. The member newsletter contains 'Good to know' blocks that are translated to Zulu, Sotho and Tsonga and include a call to action for members.

Effective communication is central to TSRF's ability to lead with purpose and drive positive change.

8.6 BENEFICIARY NOMINATION

One of the most challenging tasks facing the Trustees is to ensure that approved lump sum benefits paid on the death of a member are equitably allocated to the appropriate 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 Funds to ensure that their Beneficiary Nomination forms are completed and submitted to their employer (HR representative), 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 can be obtained from your employer or directly from the Funds' website at:
<https://tsrf.co.za/files/claim-forms/claims-beneficiary-nomination.pdf>

Note: Members are reminded that the Nomination Form has two sections one for the approved Fund death benefit and one section for the unapproved funeral benefits. Members are required to complete both sections. In the event of your death, the funeral benefit will be paid to the person/s (beneficiary) that you nominated in your nomination form. Please ensure that the

person you nominate as a beneficiary for the funeral benefit, is over the age of 18 years, and would be able to pay and organise your funeral. Should you not have completed the second section for unapproved benefits, then the benefit will be paid into your estate, which may cause hardship to your beneficiaries.

8.7 FUNERAL BENEFITS FOR THE WHOLE FAMILY

Arranging a funeral for a loved one is difficult and stressful and many families need additional financial assistance to pay for this. The Fund's Funeral Benefit not only helps you pay for the funeral but also provides support services giving you total peace of mind.

The funeral benefit pays out if you and/or any of your immediate family members die. The premium for this benefit is subsidised by the Fund, making this benefit very cost-effective for members. It is good to know the following:

- The Funeral benefit is underwritten outside of the Fund and is therefore an unapproved benefit.
- As an unapproved benefit, no tax is deducted when funeral benefits are paid.
- Guardrisk Life Limited is the underwriter.
- Members must nominate one person (older than 18) to receive their funeral benefit.
- Excellent repatriation benefits.



 Member R65 000	 Spouse R65 000
---	---

Children

 Age 14–21 (up to 26 if full-time student)	R48 000
 Age 6–13	R13 000
 Age 1–5	R10 000
 Age 0–11 months	R5 000
 Stillborn	R3 900



8.8. FUND OFFICES

Client Contact Centres/Walk-in-Centres

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



Johannesburg

Samro Place
8th Floor
20 De Korte St
Braamfontein
Gauteng



Cape Town/Bellville

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



Durban

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

A large semi-truck is driving on a highway at sunset. The sky is filled with orange and yellow clouds. In the foreground, a large, semi-transparent number '9' is overlaid. To the right of the truck, there are several vertical green lines of varying heights, some of which curve at the top. The truck's trailer is covered in a reflective material that catches the sunset light.

Outlook: Future focuses Strategy

9. Outlook:

Future focuses Strategy

9.1 STRATEGIC PRIORITIES FOR THE NEXT PHASE

As the transport sector continues to change, TSRF remains focused on its responsibility to protect and grow members' retirement savings while adapting to new economic, regulatory and industry realities.

The Fund will continue to assess investment opportunities through a disciplined and responsible investment lens. This includes considering financial sustainability, risk, diversification, governance, transformation, environmental impact and the potential to contribute to broader economic development.

Driving secure futures in a changing transport world requires patience, discipline and foresight. It requires investments that are aligned to long term objectives, supported by sound governance and monitored carefully over time.

TSRF remains committed to this approach. By investing responsibly, supporting transformation and contributing to economic resilience, the Fund continues to work towards sustainable retirement outcomes for current and future generations of members.

The strategic intent of the Fund for 2026/2027, is designed to:

- Increase member retention
- Build trust and transparency
- Demonstrate real financial value
- Strengthen member confidence
- Reposition the TSRF's brand perception
- Engage and support employers without alienating them
- Reduce susceptibility to umbrella fund migration pressure

9.2 STRENGTHENING MARKET POSITIONING AND BRAND

The TSRF has grown exponentially over the last ten years and has established itself as the best transport sector retirement fund in South Africa.

TSRF's governance framework is anchored in its mission to serve the best interests of its members and beneficiaries. The Fund's Code of Conduct, Board of Trustees, and Legal and Risk Sub-Committee provide oversight and strategic direction, ensuring that decisions are guided by ethical principles, fiduciary duty, and a commitment to fairness and transparency. The Fund's Treating Customers Fairly (TCF) policy is embedded in its culture and operations, with

regular self-assessments and external audits confirming adherence to regulatory standards and member expectations. This values-driven approach fosters trust, accountability, and long-term sustainability.

Despite the Fund's strong growth and performance across all areas of governance, membership growth remains slow, with some participating employers and members transferring to other industry retail umbrella funds through Section 14 transfers. This is partly due to the South African retirement fund environment where umbrella fund consolidation is aggressively marketed to employers. The Fund is concerned when members move to other funds and end up being prejudiced in respect of benefits and or pricing.

Members are persuaded by employers to move to other funds because:

- Employer influence feels authoritative
- Financial complexity creates uncertainty
- Fear-based selling works
- Short-term thinking dominates

The biggest unaddressed risk is that TSRF is still perceived as a bargaining council fund rather than an independent, commercially managed sector specialist fund. This is critical. If employers perceive TSRF as the “Old structure”, “Union-linked”, “Council-driven” and “Not commercially agile”, they will naturally compare it to modern retail umbrella funds and assume inferiority — even if that is incorrect.

TSRF wants to strengthen the Fund's positioning as:

- Agile
- Sophisticated
- Technology-driven
- Commercially competitive

Through its brand positioning the TSRF must visibly signal the same through its marketing and member engagement initiatives.

However, to truly align with TSRF's long-term sustainability strategy, the Member Engagement Plan has moved beyond education to also address brand perception; engage employers strategically and position TSRF as a commercially strong, independent, sector-specialist fund.

TSRF's brand positioning incorporates:

- An independent legal entity
- Trustee-governed, not council-controlled
- Professionally administered
- Commercially competitive
- Sector-specialist
- Scaled (R13bn+ assets)
- Performance-driven

9.3 OPERATIONAL EXCELLENCE AND DIGITAL ENABLEMENT

Operational excellence is achieved when governance, people, processes, technology and controls work together to deliver reliable member outcomes. For TSRF, operational excellence means that contributions are allocated correctly, claims are processed efficiently, benefits are communicated clearly, risks are escalated timeously and members are treated fairly.

Digital enablement supports this objective by improving speed, access, transparency and control. However, digitalisation also introduces new risks, including cybercrime, identity fraud, data breaches, system downtime and third-party dependency. For this reason, TSRF's digital strategy is supported by a risk-based control environment and ongoing cyber resilience measures.

Operational priorities for 2026 include:

- strengthening service provider oversight;
- improving claims turnaround times;
- enhancing data governance;
- monitoring member complaints and root causes;
- improving reporting dashboards;
- embedding cybersecurity controls;
- testing business continuity and incident response plans;
- maintaining staff and trustee cyber awareness;
- improving member self-service capability; and
- using data insights to support better decision-making.

By combining digital enablement with strong risk and compliance oversight, TSRF is able to deliver services that are not only faster and more accessible, but also more secure and resilient.

9.4 BUILDING INDEPENDENCE AND LONG-TERM VALUE

The Fund recognises that impact investments differ in nature, maturity, liquidity profile and risk. Some are infrastructure-based, some are private equity investments and others are linked to property and community development. Each investment requires appropriate monitoring, governance oversight and realistic assessment of risk and performance.

TSRF does not present every investment as being without challenge, nor does it assume that all investments reach maturity at the same pace. Infrastructure assets may be affected by operational disruption, fuel supply issues, market conditions, refinancing requirements or delays in reaching full commercial maturity. Private equity investments may be affected by valuation movements, exit timing and business-specific risks. Property investments may be influenced by tenant performance, consumer spending, municipal services and local economic conditions.

This balanced approach is important. Members should understand that responsible investment is not separate from investment discipline. It requires patience, oversight, risk management and accountability.

Through its responsible investment approach, TSRF aims to support secure retirement outcomes while contributing to the transport ecosystem, transformation, employment, economic resilience and the communities in which members live and work. The Fund will continue to assess investment opportunities through a disciplined lens, considering financial sustainability, governance, risk, diversification, transformation, environmental impact and the potential to contribute to broader economic development.

Annual Financial Statements



10. Annual Financial Statements

10.1 FINANCIAL STATEMENTS

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

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

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

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

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

The financial statements:

- Were approved by the Board of TSRF on the 17 August 2026.
- Are to the best of the board members' knowledge and belief, complete and correct.
- Fairly represent the net assets of TSRF as at 28 February 2026, as well as the results of its
- activities for the period under review.
- Are signed on behalf of the Board of TSRF.

SCHEDULE F

Statement of Net Assets and Funds at 28 February 2026

	Note	Current year	Previous year
		R	R
ASSETS			
Non-current assets		13,285,190,521	10,330,709,679
Plant and equipment	2	552,277	584,541
Investments	3	13,284,638,244	10,330,125,138
Current assets		735,232,333	1,587,503,031
Transfers receivable	6	-	203,814
Accounts receivable	5	46,259,799	47,256,268
Arrear contributions	11	472,353,174	365,933,220
Cash at bank		216,619,360	1,174,109,729
Total assets		14,020,422,854	11,918,212,710
FUNDS AND LIABILITIES			
Members' funds and surplus account		11,891,606,168	9,873,884,462
Members' individual accounts		11,060,039,602	9,783,392,157
Amounts to be allocated	18	831,566,566	90,492,305
Reserves		1,559,175,025	1,329,239,163
Reserve accounts	15	1,559,175,025	1,329,239,163
Total funds and reserves		13,450,781,193	11,203,123,625
Non-current liabilities		179,843,319	180,173,881
Unclaimed benefits	9	179,843,319	180,173,881
Current liabilities		389,798,342	534,915,204
Transfers payable	7	7,033,001	13,035,389
Benefits payable	8	342,327,915	455,185,460
Accounts payable	10	40,437,426	66,694,355
Total funds and liabilities		14,020,422,854	11,918,212,710

SCHEDULE G

Statement of Changes in the Net Assets and Funds for the Year Ended 28 February 2026

	Note	Members' individual accounts and amounts to be allocated	Reserve accounts Refer to note 17	Current period	Previous period
		R	R	R	R
Contributions received and accrued	11	1,769,369,933	279,914,663	2,049,284,596	1,750,719,163
Net investment income	12	1,960,340,658	107,487,862	2,067,828,520	- 1,293,936,304
Other income	13	62,457	-	62,457	-
Less:		(127,403,575)	(84,905,967)	(212,309,542)	(190,411,610)
Funeral Risk Premiums		-	(59,667,022)	(59,667,022)	(58,562,904)
Administration expenses	14	(127,403,575)	(25,238,945)	(152,642,520)	(131,848,706)
Nett income before transfers and benefits		3,602,369,473	302,496,558	3,904,866,031	2,854,234,857
Transfers and benefits		(1,539,727,772)	(117,480,740)	(1,657,208,462)	(1,814,884,248)
Transfers from other funds	6	6,847,107	-	6,847,107	49,257,258
Transfers to other funds	7	(17,873,451)	-	(17,873,451)	(81,832,034)
Benefits	8	(1,528,701,378)	(117,480,740)	(1,646,182,118)	(1,782,309,472)
Nett income after transfers and benefits		2,062,641,751	185,015,818	2,247,657,569	1,039,359,609
Funds and reserves					
Balance at the beginning of the period		9,873,884,462	1,329,239,163	11,203,123,625	10,163,764,016
Transfers between reserve accounts	17	-	-	-	-
Balance at the end of the period		11,891,606,169	1,559,175,025	13,450,781,194	11,203,123,625

10.2 ACTUARIAL VALUATION SUMMARY

The financial statements summarise the transactions and net assets of the Fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future.

In accordance with the Rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported on by the actuary at intervals not exceeding three years. An actuarial valuation was performed as at 29 February 2020 and the valuator reported that the Fund was in a sound financial position.

The statutory valuation was performed as at 28 February 2023, and submitted to the Authority.

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





Johannesburg

Samro Place, 8th Floor, 20
De Korte Street
Braamfontein
Gauteng

Cape Town/Belville

Suite 2, Edward Building 1,
116 Edward Street
Oakdale, Bellville
Western Cape

Durban

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



<https://tsrf.co.za> | members@tsrf.salteb.co.za