

NEWSLETTER

February 2026

Client Service Centre

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surf.sun.ac.za

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1. Chairperson's Report

As a long-term investor in retirement funds, it is important to hold diversified investments which include local and offshore asset classes. Therefore, the Investment Committee of the Fund firmly believes that the maximum allowable offshore exposure of 45% should be utilised on an ongoing basis. The result has been that the shorter term performance of the Growth Portfolio is lagging the "Global Balanced" peer group due to the recent extraordinary performance of South African equities as well as the strength of the rand. However, I am delighted to report that the Growth Portfolio has comfortably achieved its target of delivering real returns of at least 5% (net of all fees) over all measurement periods. The compounding effect of delivering sustained real returns in excess of 5% per annum should not be underestimated.

Each year, Stellenbosch University and the Stellenbosch University Retirement Fund review the insurance market to secure the most competitive premiums for your current benefits. The latest review, completed at the end of last year, resulted in a few changes. These changes took effect on 1 January 2026 and are outlined in section 8.

During the year, the Fund's actuary performed the annual actuarial valuation of the Fund as at 1 January 2025. The results showed that the Fund was in a sound financial position for the period under review.

The Board is pleased to report that the Fund has successfully contained operational costs, allowing the percentage deducted from contributions to remain unchanged. As a result, the maximum possible portion of members' contributions continues to be invested towards their retirement.

As you are aware, the Fund held elections for member trustees at the end of 2025. Thank you to all Fund members who participated in the recent member trustee elections. Your willingness to engage in the voting process demonstrates a strong commitment to the Fund's governance and long-term success and plays a vital role in ensuring that the Fund remains transparent, accountable, and aligned with the needs of those it serves. By casting your vote, you have helped strengthen the Fund's future and contributed to the selection of trustees who will represent your interests with integrity.

We warmly welcome the newly elected member trustees and look forward to their valuable input and role in the Fund during their 5-year term.

We also extend our sincere thanks to the outgoing member trustees for their dedicated service and commitment. They have played an important role in supporting the Fund and its members.

Prof Niel Krige
Chairperson



2. Actuarial valuation: 1 January 2025

The Fund's actuary performed the annual actuarial valuation of the Fund as at 1 January 2025. The results showed that the Fund was in a sound financial position for the period under review. The Fund's assets were sufficient to cover members' fund values as well as the various reserves at a funding level of 100%. The actuary confirmed that the Fund's investment strategy remains appropriate for the Fund's membership structure and the expected term of the Fund's liabilities. The actuarial valuation was approved by the Board of Trustees and submitted to the Financial Sector Conduct Authority (FSCA).

3. Administration contribution for 2026

Following the completion of the annual actuarial valuation, we are pleased to advise that your contribution towards the administration cost of the Fund remains at 0.15% of your pensionable salary for 2026.

4. Fund investments (Willis Towers Watson)

Reflecting on 2025

It has been an exceptional year for South African (SA) asset classes, with SA equities being the standout performer delivering a 42.6% return over the period. SA listed property (30.6%) and SA nominal bonds (24.2%) were the second and third best performing mainstream asset classes for the 2025 calendar year.

The stellar performance of SA equities was driven by platinum and gold shares, up a staggering 218.6% and 200.4% respectively, over the year. Notably, it was a very narrow market with only four market sectors outperforming the index return over the year, namely platinum, gold, telecoms and tobacco. The poorest performing sector was general retailers, reflecting the anaemic economic growth and heavily indebted consumer.

The soaring platinum and gold prices had a hugely beneficial effect on the South African economy in the form of increased tax revenues. In turn, the much higher than budgeted tax revenues resulted in a material improvement in South Africa's fiscal position, with a consequent fall in interest rates and a boost to the local bond market. The All Bond Index (ALBI) outperformed its inflation-linked counterpart (IGOV) over the year as investor expectations for future inflation have fallen. Oil prices remained low, reducing inflationary pressures, and the SA Reserve Bank (SARB) was able to reduce its inflation target from the previous 3% to 6% range to a 3% target point.

Compared to other local asset classes, cash was clearly the laggard for the year (STeFI Composite Index up 7.5%), with returns shrinking due to the SARB's interest rate cuts totalling 100 basis points for the year. Nevertheless, this low-risk asset delivered a return of 3.9% above inflation in 2025. More risky asset classes offered good reward.

The rand appreciated by 12.2% against the US\$ in 2025, which naturally had the effect of reducing the returns of the global asset classes in ZAR terms. Global equities were up 22.3% in US dollar terms, once again driven by the strong performance of technology companies at the forefront of artificial intelligence (AI), notably Nvidia, Alphabet and Taiwan Semiconductor Manufacturing Company (TSMC). Banks also delivered strong returns on the expectation of deregulation and significant cost savings arising from automation using AI.

It is indeed somewhat ironic that the unpredictable and belligerent policies followed by the Trump administration spurred a sharp increase in the gold price and a weakening of the US\$, all of which turned out extremely positive for the South African equity and bond markets in 2025.

Nevertheless, South Africa remains a structurally fragile economy, where unexpected shocks cannot be ruled out. To mitigate against such risks and to access the widest opportunity set across the globe, the Fund's Growth Portfolio maintains the maximum exposure to offshore investments. Such sound diversification will inevitably give rise to less favourable outcomes when less diversified strategies result in much better outcomes, as happened in 2025. The Growth Portfolio's high global exposure, together with an underweight to gold shares, caused it to underperform the peer group. However, the absolute level of return (17.1%) is still very good. Over the last seven years, the portfolio has earned a return of 7.9% p.a. in excess of inflation, which is well above its target real return of 5% p.a.

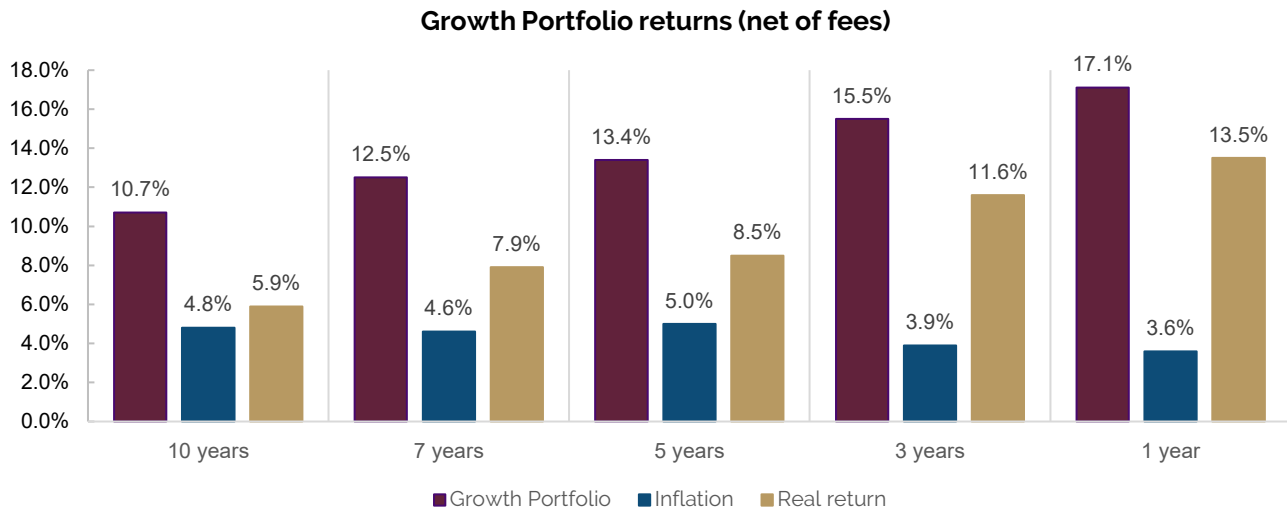
The next section sets out the performance (net of fees) of the Fund's portfolios for measurement periods to 31 December 2025. Further information is available in the portfolios' fact sheets, which can be found on the Fund's website (<http://www.surf.sun.ac.za/>).



Growth Portfolio

The primary investment objective of the Growth Portfolio is to achieve returns that are at least in the top quartile of returns relative to the "Global Balanced" peer group, as represented by the universe of global balanced managers in South Africa, over a measurement period of five years.

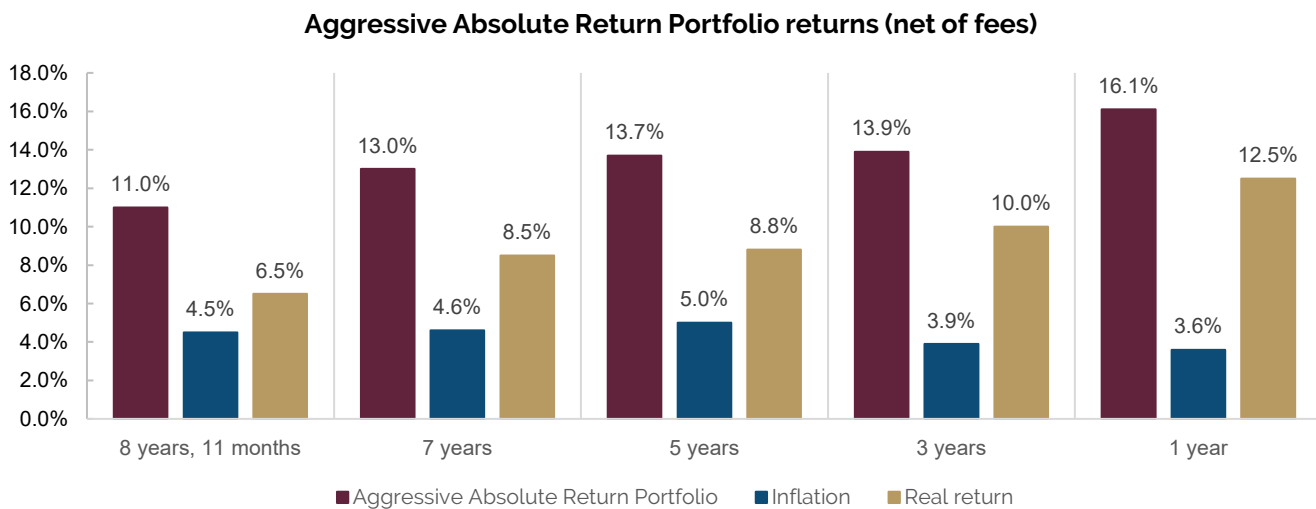
The secondary objective of the Growth Portfolio is to deliver a real return of 5% p.a. (net of all costs) over rolling five-year measurement periods. The portfolio will therefore always have a 70% to 85% exposure to the equity market, which means that the portfolio will be volatile. It incorporates the Board's decision to invest the maximum allowable amount of 45% offshore and 5% in unlisted South African infrastructure. This gives members exposure to more investment ideas, and a global portfolio is also more resilient than a local portfolio over the long-term.



The order of data on the horizontal axis of the chart is unusual in the sense that it starts with the 10-year return and ends with the 1-year return. The reason for this is that members should focus on the longer-term returns. Over the past 10 years, the portfolio has delivered an annual return of 5.9% above inflation, and 8.5% above inflation over the past five years. This is a positive outcome and fair reward for the risk taken on.

Aggressive Absolute Return Portfolio

The investment objective of the Aggressive Absolute Return Portfolio is to achieve a real return of 6% p.a. net of fees over three years, with a secondary objective of avoiding a capital loss over any 24-month period. As its name suggests, the portfolio is designed to be more aggressive than the Growth Portfolio. The portfolio has a track record of 8 years and 11 months and as the chart below illustrates, it has delivered an exceptional outcome under mostly tough market conditions.

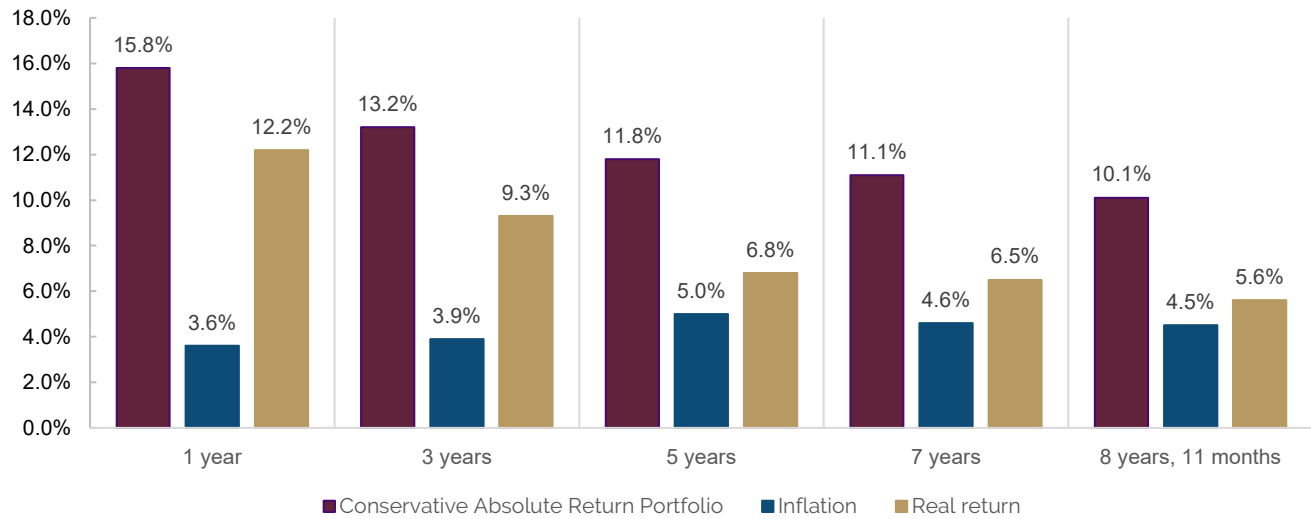


Conservative Absolute Return Portfolio

The primary investment objective of the Conservative Absolute Return Portfolio is to achieve a real return of 3% p.a. net of fees over rolling three-year periods, with a secondary objective of avoiding a capital loss over any 12-month period.

This portfolio maintains between 35% to 45% exposure to the equity market and is suitable for members with a shorter time horizon and a lower appetite for risk and volatility of returns. The chart below shows the performance of the portfolio net of fees compared to inflation. The portfolio has delivered strong performance over all measurement periods.

Conservative Absolute Return Portfolio returns (net of fees)

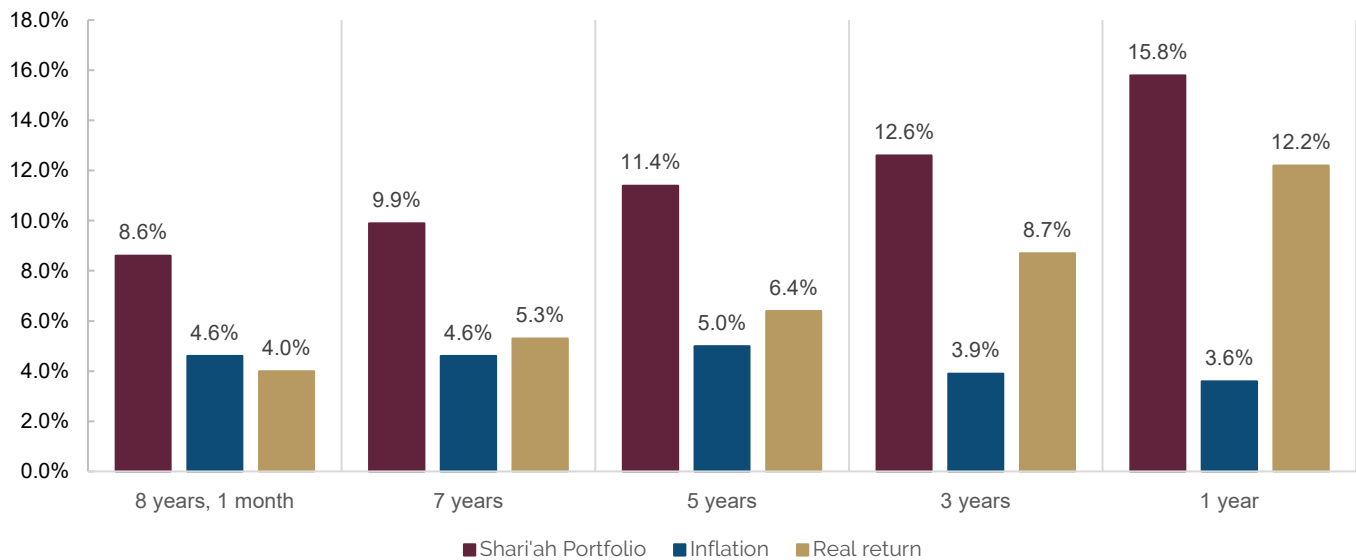


The astute reader will note that the order of the returns reverts to the normal convention of showing the shortest duration first. This is because the portfolio is appropriate for members with a shorter investment horizon, as mentioned above. The Conservative Absolute Return Portfolio has delivered a real return of 9.3% p.a. over the past three years, thus achieving its performance target by a considerable margin.

Shari'ah Portfolio

The portfolio has a 60% to 70% exposure to equity markets and is managed in accordance with Shari'ah law.

Shari'ah Portfolio returns (net of fees)



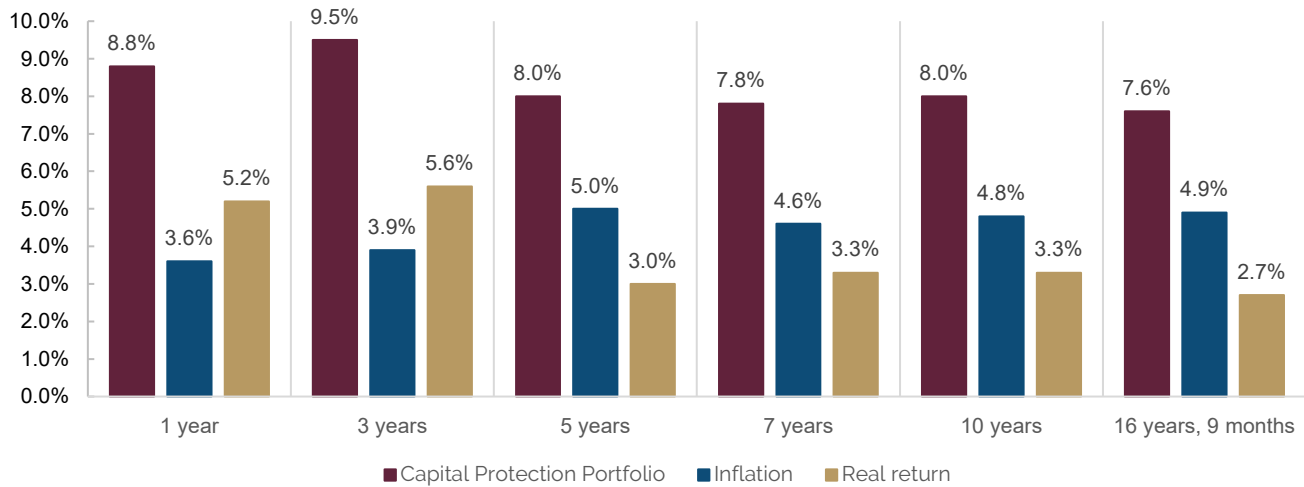
Capital Protection Portfolio

The investment objective of the Capital Protection Portfolio is to achieve a real return of 1.5% p.a. net of fees over any 12-month period. The achievement of this objective will depend largely on the South African Reserve Bank following a real interest regime. The portfolio also aims to outperform the STeFI Composite Index by 0.75% p.a. net of fees.

The portfolio has an 85% allocation to a money market fund that follows a vanilla money strategy. More recently, an allocation of 15% was made to an inflation-linked income fund.

The chart below shows the performance of the portfolio net of fees compared to inflation. The portfolio has delivered real returns over all measurement periods and has done very well over the one-year period delivering a real return of 5.2%.

Capital Protection Portfolio returns (net of fees)



5. Fund administration platform / AF Connect

The Fund administrator previously removed some functionalities from the platform (AF Connect) to bring relief to the strained platform due to the high volumes of two-pot savings withdrawals. Platform activity has since normalised, and the functionalities have now been restored. Be on the lookout for these new functionalities that are under development:

- Real-time benefit statements reflecting the vested, retirement and savings pots
- Risk benefits shown on the dashboard

You can access your Fund information via AF Connect at online.alexforbes.com/home. If you have not yet registered, please click on the link to register.



6. Electronic benefit and projection statements

SURF annually distributes both benefit and projection statements electronically via InfoSlips to members. The statements are password protected to ensure security of your information. Hard copies of statements will still be provided to members who do not have access to email or the internet.



Remember, the projection statement accompanying your benefit statement only serves as a guideline to determine the estimated monthly pension as at the normal retirement date. Therefore, it is important to consult with a financial advisor before you make any retirement decisions. The statement contains an estimation – the actual value of the monthly pension can only be determined at the time when the pension is purchased. Please note that the estimated monthly pension is reflected as a percentage of your monthly pensionable income. It is important to bear in mind that the pensionable income used for the projections amounts to approximately 75% of the cost of employment for most staff members.

In calculating the estimated pension at retirement, the 31 December 2025 projection statements also take into account the post-retirement medical aid subsidy which some members qualify for.

Your benefit statement confirms your fund value as at 31 December 2025 and your retirement fund contributions from 1 January to 31 December 2025, as well as retirement, death and disability benefits. Please check the information on your benefit statement and contact the Human Resources Client Service Centre (+27 (0) 21 808 2753 / sun-e-hr@sun.ac.za) if any details on the statement are incorrect.

You can view your benefit- and projection statements on **InfoSlips Viewer**. To be able to do this, you first need to register on InfoSlips Viewer

Here are a few simple steps to follow to obtain access to your statements:

- Go to <https://viewer.infoslipscloud.com> and click on "Register" at the bottom of the page.
- Your username is your email address. Enter a password that you will remember. The password must contain a capital letter, a numerical digit and an acronym.
- Click on "Register".
- Select South Africa as a country.
- Select your email and "Sign up".
- InfoSlips will send you a confirmation SMS to complete the registration process.
- Click on the link in the SMS to create log-in credentials. Then select "Update" to complete the registration process.
- Once completed, as the user you can log in with the credentials created and view all previous statements.

7. A low replacement ratio and how it affects your retirement



Your replacement ratio is the key indicator of whether you can retire comfortably. Financial experts recommend aiming for a ratio of 80%, meaning your retirement income should be at least 80% of your final pensionable salary. Reaching this goal typically requires contributing around 17% of your pensionable salary consistently over a 40-year career.

If you've reduced your contributions in the past or are currently contributing less than 15%, your replacement ratio will fall short – simply because you're saving less than what's needed for a secure retirement. Similarly, withdrawing your full savings pot balance every year before retirement will significantly reduce your eventual income. Your projection statement will show exactly how these decisions affect your retirement outlook.

Remember: The Fund allows you to increase your contributions, giving you a powerful tool to boost your replacement ratio and secure a more comfortable retirement.

8. Risk benefit changes effective from 1 January 2026

Approved death benefit – Spouse's and children's pension benefit

Your approved death benefit remains with Sanlam, who has decreased the current rate and provided a competitive rate.

Unapproved group life assurance benefit

Your unapproved death cover remains with Old Mutual, who has provided competitive rates. You are reminded that your multiple is automatically restored to five times your annual pensionable salary at the beginning of each year, with the option to reduce your multiple to three times or one times. You may exercise this option between 1 January and 31 March every year. Furthermore, you can choose to increase or decrease your death cover multiple when certain life-changing events occur, such as marriage, birth or the adoption of a child, death or divorce of a spouse. If you have selected the five times multiple, you can also take out additional (flex) cover of two times pensionable salary at a very competitive rate, while you are still an active member.

Spouse's benefit

Your spouse's benefit has moved from Old Mutual to Sanlam Group Risk, resulting in a more competitive premium rate. Your spouse's benefit equals two times your annual pensionable salary with spouse's disability cover as an accelerated benefit. The option to convert the policy when you leave the employment of Stellenbosch University has been removed from the benefit, as there was very little take-up and Sanlam could offer an even better rate with the exclusion of the conversion option.

Monthly income disability benefit

Your monthly income disability benefit remains with Momentum, who has decreased the current rate and provided a competitive rate.

Funeral benefit – immediate family and extended family

Your funeral benefit remains with Old Mutual. The premium rate for your immediate family cover increased from R46.30 to R49.68. You are reminded that your immediate family cover was increased from R30 000 to R40 000 in 2025, to address the ever-increasing funeral expenses. A survey was done in 2025 to ascertain whether there is a need to increase the extended family cover. The results indicated a need for higher extended family cover. After careful consideration, it was agreed to increase the extended family cover from R30 000 to R35 000 with effect from 1 January 2026.

The premium rates for the extended family cover are shown below:

Age of insured extended family member	Rate per insured extended family member per month
18 – 64	R66.50
65 – 74	R131.25
75 +	R213.50

Critical Illness benefit – being considered as a possible benefit in the future

Currently, a critical illness benefit is not included in your existing benefit structure. Generally speaking, two types of critical illness cover are available: Standard and Comprehensive. The primary difference between these options lies in the variety of conditions covered and the extent of benefits offered.

The Standard Critical Illness Benefit typically provides cover for a limited number of the most common critical conditions, such as cancer, heart attack, stroke and coronary artery bypass graft. In contrast, the Comprehensive Critical Illness Benefit offers significantly wider protection, generally covering approximately 30 to 40 medical conditions.

A member survey regarding the potential introduction of a critical illness benefit will be conducted in due course. We encourage you to participate, as your feedback will play an important role in assessing the need for such a benefit.



9. Value-added services from Sanlam: Wealth Bonus Lifestyle

Members who are covered for the approved death benefit (spouse's and children's pension benefit) automatically qualify for Wealth Bonus Lifestyle for Sanlam Corporate.

You will have access to lifestyle benefits and discounts on: Nu Metro, FlySafair flights, LekkeSlaap, Shoprite/Checkers, Uber trips and many more.

Visit the Sanlam Wealth Bonus Lifestyle [webpage](#) for more information regarding the lifestyle benefits, how to join (at no additional cost) and how to access the discounts.

In addition, members will also have the option to add more lifestyle benefits by upgrading their membership to one of Sanlam Reality's paid membership options. Click on the link for more information regarding Sanlam Reality: (<https://www.sanlamreality.co.za/join/>).



Members who have opted out of the approved group life benefit do not qualify for these benefits.

10. Management of the Fund

The SURF Board consists of five employer and five member trustees.

The trustees appointed by the employer are:



Prof Niel Krige

Chair and Employer trustee

Prof Krige was a professor at the Faculty of Economic and Management Sciences before his retirement and has served as an employer trustee since 18 November 2005.

Current term expires
31 December 2030



Ms Miriam Hoosain

Employer trustee

Ms Hoosain is Chief Director: Human Resources and has served as an employer trustee since 9 May 2023.

Current term expires
31 December 2030



Mr Manie Lombard

Employer trustee

Mr Lombard is Chief Director: Finance and has served as an employer trustee since 5 May 2011.

Current term expires
31 December 2030



Prof Gretha Steenkamp

Employer trustee

Prof Steenkamp is an associate professor at the School of Accountancy and has served as an employer trustee since 1 January 2025.

Current term expires
31 December 2030



Prof Wikus van Niekerk

Employer trustee

Prof Van Niekerk is Dean of Engineering at the University and has served as an employer trustee since 7 December 2013.

Current term expires
31 December 2030



Prof Richard Stevens

Alternate Employer trustee

Prof Stevens is an associate professor at the Faculty of Law and has served as an alternate employer trustee since 1 January 2025.

Current term expires
31 December 2030

The elected member trustees are:



Mr Ché Bermosky
Member trustee

Mr Bermosky is a legal advisor at the University and has served as an alternate member trustee since 1 January 2018 and as a full member trustee since 7 December 2019.

Current term expires
6 December 2030



Mr Stefan Engelbrecht
Member trustee

Mr Engelbrecht is the Director: Operations at SU Business School and is a member trustee since 7 December 2025.

Current term expires
6 December 2030



Ms Mari Patterson
Member trustee

Ms Patterson is a Lecturer at the School of Accountancy and is a member trustee since 7 December 2025.

Current term expires
6 December 2030



Dr Elze-Mari Roux
Member trustee

Dr Roux is a Lecturer at the Department of Business Management and is a member trustee since 7 December 2025.

Current term expires
6 December 2030



Dr Johan Steyn
Member trustee

Dr Steyn is a Senior Lecturer at the Department of Business Management and has served as an alternate member trustee and subsequently as a full member trustee since 28 August 2020.

Current term expires
6 December 2030



Mr Naweed Mullajie
Alternate Member trustee

Mr Mullajie is a Cluster Education Coordinator at the Centre for Student Life and Learning and is an alternate member trustee since 7 December 2025.

Current term expires
6 December 2030



Mr Japie Kotzé, a director in the Department of Human Resources, has been the Principal Officer of the Fund since 1 December 2012.

11. Financial advice

You are reminded that SURF offers a financial advice service to members that is free of charge. Members aged 53 and older have access to this service. In particular, members who are considering early retirement and want to exercise individual investment choice, are encouraged to make use of the advice service.

The panel of preferred service providers comprises:

Alexforbes Financial Planning Consultants:
+27 (0) 21 809 3750 | wesselsw@alexforbes.com

Finfocus:
+27 (0) 21 861 7000 | usafadvies@finfocus.co.za

Graviton:
+27 (0) 21 883 9192 | arissik@gravitonwm.com

Momentum Consult:
+27 (0) 86 177 7750 | mc.theart@consultm.co.za

Sanlam Financial Advice:
+27 (0) 83 375 9831 | hanliew@sanlam4u.co.za



SURF will pay for two consultations with one of the preferred service providers.

The first consultation may be scheduled any time from age 53, and the second one in the 12 months prior to retirement.

Using the benefit is easy – just follow these steps:

1. Select a service provider.
2. Contact the HR Client Services Centre (+27 (0) 21 808 2753 | sun-e-hr@sun.ac.za) to obtain a consultation voucher.
3. Make an appointment with your chosen service provider and take the voucher as proof that you are entitled to use the service.



Also keep an eye out for the following presentations happening this year:

- ❖ Presentation to members aged 53 and over.
- ❖ Presentation to potential retirees.

What is being rolled out in 2026:

- ❖ Member sessions with new members as part of onboarding – focusing on SURF benefits.
- ❖ Retiree survey (retirees who retired in 2025) – focusing on counselling, advice (take-up of coupon) and overall process.

12. The service providers of the Fund

The following service providers have been appointed by the Board of the Fund to assist with the management of the Fund.

Their duties are set out below:

Service provider	Service	Functions performed
Simeka Consultants & Actuaries	Benefit and actuarial advice	<ul style="list-style-type: none"> • Advice on the Fund's benefit structure and changes in legislation. • Assistance with member communication. • Assistance with corporate governance compliance. • Producing an annual actuarial valuation to determine the financial soundness of the Fund.
Willis Towers Watson	Investment advice	<ul style="list-style-type: none"> • Advice on the Fund's investment strategy. • Providing support with selection and evaluation of investment managers.
Alexforbes	Fund administration	<ul style="list-style-type: none"> • Monthly capturing of contributions. • Transfer and withdrawal of funds to and from the asset managers. • Payment of claims. • Issuing benefit statements. • Daily bookkeeping and preparation of the annual financial statements.
ABSA Bank	Bankers	<ul style="list-style-type: none"> • All Fund transactions take place via the Fund's bank account.
Sanlam	Insurer	<ul style="list-style-type: none"> • Insuring the death benefit (spouse's and children's cover) as defined in the Fund rules.
Sygnia, Allan Gray, Coronation, Ninety One, Sanlam, Old Mutual, Stanlib	Asset managers	<ul style="list-style-type: none"> • Managing the investments of the Fund according to the mandates agreed with the Board.
PricewaterhouseCoopers	Auditors	<ul style="list-style-type: none"> • Performing external audits.



13. Important contact details

If you need more information on SURF, you may contact the Remuneration and Benefits Department or the benefit consultant.

Please contact the Principal Officer if you have any complaints about SURF.

Principal Officer	Japie Kotzé t. +27 (0)21 808 2754 e. jjsk@sun.ac.za
Information Officer	Japie Kotzé t. +27 (0)21 808 2754 e. jjsk@sun.ac.za
Benefit Consultant	Wynand Breytenbach t. +27 (0)21 912 3300 e. wynand@simekaconsult.co.za
Remuneration and Benefits Dept	Peter Kirsten t. +27 (0)21 808 3740 e. pkirsten@sun.ac.za
Pension Funds Adjudicator (PFA)	e. enquiries@pfa.org.za Members are entitled to contact the PFA if their complaints have not been dealt with satisfactorily by the Fund. Please consult the PFA's website (www.pfa.org.za) for more details.



Please contact our Client Service Centre if you have any queries. Here follows the contact detail.
Tel: 021 808 2753 or
email: sun-e-hr@sun.ac.za