



UCTRF

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



# ANNUAL REPORT

2023 /  
2024

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Chairperson

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*Secure  
your  
Future*



UNIVERSITY OF CAPE TOWN  
IYUNIVESITHI YASEKAPA • UNIVERSITEIT VAN KAAPSTAD

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## UCTRF Mission Statement



### Our mission is to:

- Empower our members with financial education and wellness to allow them to make informed decisions towards their retirement savings.
- Be a trusted partner in their retirement journey and assist them in achieving the best possible retirement outcome.
- Ensure a prudently managed, transparent, and cost-efficient retirement fund that achieves superior and sustainable investment returns over the long term.
- Provide for sufficient risk benefits to cater for our members and their beneficiaries in their time of need.

# Message from the Chairperson



## Introduction

***Welcome to the UCTRF Annual Report for the financial year ending 30 June 2024.***

I hope you will find this report useful and informative.



### **Review of the 1 July 2023 to 30 June 2024 financial year**

The period under review has been busy for the UCTRF with important changes that took place as highlighted below. In terms of investments, this has been a very good year with strong real (above inflation) returns across all portfolios for the 2024 financial year. The trustees are especially pleased with the return on the Balanced Portfolio of 16.1% for the year. After all, decent investment returns are why members trust us with their money. You can read more about investments in the Investment Committee section below.

I will next highlight a few important activities of the UCTRF that took place during the year under review.

#### **> Board Elections**

The previous Board's term of office ended on 31 December. Elections for member elected trustees took place in October 2023 and Employer Trustees were also appointed by the UCT Council in the same month. There is further information regarding the new Board later in this report.

I would like to thank the outgoing Board and its chair, Prof Phillip de Jager, for their contribution to the UCTRF during their term.

#### **> Change of Administrator**

In December 2021 Sanlam, which has been UCTRF's administrator since the UCTRF's inception, advised that it had concluded a sale and transfer of business agreement with Alexforbes. The administration of the UCTRF would be transferred to Alexforbes unless the UCTRF chose to appoint a new administrator. We therefore used the opportunity to undertake rebroke exercise on the administration of the UCTRF.

The Board interviewed potential administrators, and ultimately appointed Alexforbes as the new administrator of the UCTRF. The change of administrator took effect from 1 October 2023.

There have been some teething issues with the change, especially in respect of Alexforbes' member portal, AF Connect, which has different functionality to the Sanlam portal that members were used to. Some of the issues have subsequently been resolved, and the Board continues to work with Alexforbes to improve the functionality in order to provide an improved member experience.

### ➤ **Resignation of the Deputy Principal Officer**

In May 2024 the UCTRF's Deputy Principal Officer, Mr William Nkutha, tendered his resignation in order to take up a position as Principal Officer of a new fund. with his last day being 2 August 2024.

Subsequently, Mr Bheki Mkhize has been appointed as Deputy Principal Officer with effect from 1 October 2024.

### ➤ **Financial Services Sector Code and Transformation Roadmap**

The B-BBEE financial sector code includes a section for voluntary disclosure by the largest 100 retirement funds in South Africa, of which the UCTRF is one. The Board has agreed that it should complete and submit the retirement fund scorecard annually.

The last FSC Scorecard was completed as at 30 June 2023 and submitted to the Financial Sector Transformation Council ("FSTC").

According to the UCTRF's 2023 scorecard it has retained a B-BBEE level recognition level of 2. The overall score for 2023 was 89.6, compared to the previous overall score of 82.9 in 2022.

This is the fifth report by the UCTRF in terms of the voluntary requirements set out in the codes of good practice on B-BBEE for large retirement funds. The UCTRF takes its role as a corporate citizen of South Africa seriously as reflected in the high overall score.

### ➤ **Auditor Rebroke**

The current auditors are PWC. In line with its standard practice of good governance to periodically review the appointment of all service providers, a rebroke exercise was undertaken on the UCTRF auditors. The Board agreed to appoint BDO as the new Auditor of the UCTRF. The handover process will be agreed between PWC and BDO; in keeping with the current appointment, PWC will conduct the audit for the year ended 30 June 2024.

## Subsequent Events

### **Early access to retirement benefits and compulsory preservation (the “two-pot retirement system”)**

Prior to 1 September 2024, by law, members could only access their accumulated retirement savings when they left their employer.

The two-pot retirement system was implemented with effect from 1 September 2024, wherein members are allowed access to their Savings Pot once a year. This was initially facilitated by the transfer of seeding capital, calculated at 10% of the member's Vested Pot (their retirement savings as at 31 August) up to a maximum of R30 000, to be transferred from their Vested Pot to their Savings Pot. Future net contributions will be split 1/3rd to the Savings Pot and the remaining 2/3rds to the Retirement Pot. One withdrawal, with a minimum of R2 000, is allowed per tax year from the Savings Pot. The balance in the Retirement Pot will only become available at retirement for purchasing a monthly pension. The balance of the Savings Pot (to the extent that it has not been withdrawn) may be taken as a lump sum at retirement or added to the amount used to purchase a monthly pension. The balance of the Vested Pot continues to be subject to the rules as they were before 1 September 2024 (also known as the grandfathering provisions).

### **New date that members may change their contribution rate and/or death cover and benefit statements**

In 2024, members had the option to change their contribution rate and/or death cover effective 1 March. In 2025, this date will be changed to coincide with the distribution of benefit statements in the 2nd half of the year. Members will be advised of the new date once it has been agreed with the various service providers involved in the implementation.

## Closing Remarks

As Trustees, it is our core responsibility to manage members' retirement savings in a cost effective and prudent manner. The UCTRF is stable and performing well relative to its targets after a number of years of difficult investing conditions.

I would like to thank each of my fellow Trustees, the Principal Officer, Deputy Principal Officer and the UCTRF Office staff, who have all worked with dedication and commitment to improve the retirement prospects of our members.



**Yours sincerely,**  
Assoc. Prof. Shaun Parsons

# What the Board needs from Members



1

Visit the UCTRF website [www.uctrf.co.za](http://www.uctrf.co.za) and familiarise yourself with your benefits.



**Fund Website**  
[www.uctrf.co.za](http://www.uctrf.co.za)



2

Update your nomination forms for your death and funeral benefits. You can do this by submitting an updated HR151 and from 2025 you will be able to do this via AF Connect.



**Alexforbes's Retirement Fund website**  
<https://rb.gy/1yf38x>



3

If you are a contributing member, in 2025 you will receive a letter advising you of your option to change your contribution rate and death cover. Use the UCTRF retirement calculator <https://uctrf.co.za/uctrf/retirement-provision-calculator-2021> to ensure that you are on track for a comfortable retirement and the death cover calculator <https://uctrf.co.za/uctrf/death-risk-analysis-calculator> for an indication of the amount of death cover you need for your family.



**Retirement Calculator**  
<https://bit.ly/3TEHPib>



**Death Cover Calculator**  
<https://bit.ly/3AmnZkZ>



4

You may also find UCT's CoE calculator useful to understand the effect that changing your contribution rate will have on your net take-home pay: <http://www.hruct.co.za>





# Meet your Trustees



***The UCTRF is managed by a Board of Trustees who are responsible for all the decisions made; and who have to ensure that members' and beneficiaries' interests are protected at all times. They also have access to retirement industry experts and specialists whenever additional guidance is required. The Trustees do not receive any form of remuneration from the UCTRF for the work they do on behalf of members and the UCTRF.***

The Board consists of fourteen Trustees. Seven are elected by UCTRF members. The remaining seven are nominated by UCT, as the Employer. Member elected and Employer nominated Trustees are supported by Alternate Trustees should one of them not be able to attend a Board meeting. The Trustees hold office for a 4-year term.

The election and nomination of new trustees to a four year term was held in October 2023, and the following Trustees took office on 1 January 2024:

<b>Member Elected Trustees</b>	<b>Employer Nominated Trustees</b>
Mr Paul Gaika	Ms Jehan Begg
Mr Peter Shai Makgoba	Mr Glenn Hurlow
Dr Erich Maritz	Prof Michelle Louw
Mr Athabile Nonxuba	Mr Hardy Maritz
Ms Lulama Sibiyi	Ms Libo Msengana-Bam
Ms Mandisa Stuurman	Assoc. Prof. Shaun Parsons
Assoc. Prof. Francois Toerien	Prof. Gizelle Willows
Ms Nonzwakazi Michelle Mzamo (Alternate)	Prof. Phillip de Jager (Alternate)



At the first meeting of the Board, Assoc. Prof. Shaun Parsons and Mr Peter Shai Makgoba were appointed as chair and deputy chair of the Board respectively. Committee Chairs and deputy chairs were appointed at the first meeting of each committee.

Ms Louw resigned with effect from 6 May 2024 and was replaced by Prof de Jager, who then became a full trustee. Ms Jehan Begg resigned with effect from 19 June 2024 and was replaced by Mr Khumo Mokone.

Mr Benjamin Cronin was appointed with effect from 8 July 2024 as the Employer Nominated Alternate Trustee.




The Board holds at least 4 Board meetings each year to discuss all aspects of the UCTRF, including investments, benefits, governance and administrative matters.

The Board appoints a Principal Officer and Deputy Principal Officer who are responsible for implementing Board decisions and managing the day-to-day running of the UCTRF.



## Meeting Attendance

Previous Board (term ended 31/12/2023)	26/09/2023	13/12/2023
Prof P de Jager (Chairperson)	✓	✓
Mr T Tsotsobe (Deputy Chairperson)	✓	✓
Mr G Hurlow	✗	✓
Ms J du Toit	✓	✓
Ms X Kakaza	✓	✓
Ms Y Quwe	✓	✓
Dr R Morar	✗	✓
Ms B Claasen-Hoskins	✓	✓
Ms M Tainton	✓	✓
Dr K Lehmann	✓	✓
Mr H Maritz	✓	✓
Prof G Willows	✗	✗
Assoc Prof S Parsons	✓	✓
Mr P Gaika	✗	✓
Mr T Ngcingwana (Alternate)	✗	✓
Dr T Chinyoka (Alternate)	✗	✓

 Present
  Absent with Board approval
  Absent without Board approval

## Meeting Attendance

New Board (term began 1/1/2024)	9/1/2024 <i>Special meeting</i>	19/03/2024	20/06/2024
Prof P de Jager	✓	✓	✗
Mr G Hurlow	✓	✓	✗
Mr H Maritz	✓	✓	✓
Prof G Willows	✓	✓	✓
Assoc Prof S Parsons (Chairperson)	✓	✓	✓
Mr P Gaika	✓	✓	✓
Prof Gizelle Willows	✗	✓	✓
Ms Libo Msengana-Bam	✓	✓	✓
Mr Shai Makgoba	✓	✓	✓
Dr Erich Maritz	✓	✓	✓
Mr Athabile Nonxuba	✓	✓	✗
<i>Ms Lulama Sibiya</i>	✓	✓	✓
Ms Mandisa Stuurman	✓	✓	✓
Assoc. Prof Francois Toerien	✓	✓	✓
Ms Nonzwakazi Mzamo	✓	✓	✓
Ms Jehan Begg	✓	✓	✓
Prof Michelle Louw	✗	✓	✓

 Present
  Absent with Board approval
  Absent without Board approval

# Committees



***The Board has appointed Trustees and alternates to serve on the Committees. Each Committee is supported by the relevant appointed service providers. The Principal Officer and Deputy Principal Officer attend all Committee meetings. Some Committees have also appointed Co-opted Committee Members to provide additional expertise.***

The Chairpersons of the various Committees report back at each Board meeting on the activities of the Committee.

The UCTRF has the following Committees, each one with its own mandate and reporting responsibilities.



## **Investment Committee**

This Committee is responsible for the management and monitoring of the UCTRF's investment activities with the objective of the achievement of portfolio appropriate and sustainable returns over specified measurement periods, to provide members with reasonable retirement benefits. This must be done in accordance with the UCTRF's Investment Policy Statement (IPS).

The mandate of this committee also includes the appointment or removal of asset managers and/or investment consultants.

This Committee currently consists of 8 Trustees and 2 co-opted Committee members. The Investment Consultants attend all Trustee meetings. During the period under review the Committee held 4 meetings and 6 sub-committee meetings and Trustee attendance can be noted as tabulated below:

Previous Committee (term ended 31/12/2023)

	20/07/2023	14/08/2023	19/10/2023
Mr H Maritz (Chairperson)	✓	✓	✓
Prof P de Jager (Deputy Chairperson)	✓	✓	✓
Dr T Chinyoka	✓	✓	✓
Ms J du Toit	✓	✓	✓
Assoc Prof S Parsons	✓	✓	✓
Ms Y Quwe	✓	✓	✓
Prof G Willows	✓	✓	✓
Ms R Kisten (co-opted member)	✗	✓	✓
Mr Carlos De Jesus (co-opted member)	✓	✓	✓
Mr Khumo Mokone (co-opted member)	✓	✓	✗

New Committee (term began 1/1/2024)

	15/02/2024	29/04/2024
Mr H Maritz (Chairperson)	✓	✗
Dr Erich Maritz (Deputy Chairperson)	✓	✓
Assoc Prof Francios Toerien	✓	✗
Mr Paul Gaika	✓	✓
Assoc Prof Shaun Parsons	✓	✗
Mr Shai Makgoba	✓	✓
Prof Gizelle Willows	✓	✗
Ms Rojie Kisten (co-opted member)	✓	✓
Mr Carlos De Jesus (co-opted member)	N/A	✓
Mr Khumo Mokone (co-opted member)	N/A	✓

✓ Present ✗ Absent with Committee approval ✗ Absent without Committee approval

## Investment strategy

The UCTRF is a defined contribution provident fund, meaning that the benefit members receive on retirement depends on the contributions made monthly to their retirement savings and the investment returns (positive or negative) earned on this money. Although investment returns may be positive or negative over the short term, they are expected to be positive over specified long-term measurement periods. When compiling the investment strategy, the Board, in consultation with the Investment Committee, needs to take into consideration factors such as inflation over the long term, age profiles of members, salary profiles, targeted replacement ratios, the new “Two-Pot” system and the Pension Funds Act. The Investment Committee believes that risk should be managed by holding a diversified portfolio, with a large proportion of assets providing returns that are expected to exceed inflation over the long term.

## Investment Policy Statement

The Board has adopted a formal Investment Policy Statement, last reviewed in July 2024. The full Investment Policy Statement is available on the UCTRF website.



### Policy Statement

<https://uctrf.co.za/uctrf/policy-documents-and-disclaimers>



## Portfolio Structure Changes

In line with the UCTRF Board’s requirements to simplify the fund’s investment strategy and reduce the number of (poorly performing) offshore asset managers within the UCTRF Balanced Portfolio, the UCTRF continued to implement its hybrid investment approach in this financial year.

After multiple sub-committee meetings and manager interviews, the Investment Committee approved an allocation to M&G Investment’s global balanced product in the form of a segregated mandate. The M&G Global Balanced mandate was funded by a combination of partial transfers of scrip, cash and/or full terminations of some offshore mandates.

The new hybrid structure was further complemented by a conversion of the Catalyst local property mandate to a flexible property mandate allowing Catalyst to take advantage of their global research and property knowledge to invest up to 45% in offshore property. The mandate with Resolution Capital, the existing global property manager, was terminated in full and the USD cash transferred to Catalyst.

On the offshore side, Ardevora, who managed a global equity mandate for the UCTRF via the Sygnia platform, took a decision to close their business and wind down their investment products. The money received from Ardevora was transferred in US dollars to Ninety One

in their Global Macro Allocation Fund, in line with the UCTRF's planned end state for the UCTRF Balanced portfolio.

## Regulation 28

The UCTRF has appointed Sukha and Associates (S&A) to formally monitor compliance with Regulation 28. There were no breaches reported over the financial year. The FSCA has been in consultation with the industry regarding the reporting template and the frequency of reporting.

## Responsible Investing and ESG

The 2023 Responsible Investing and Stewardship report was published by the UCTRF in December 2023, highlighting the further progress that the Board has made with regards to stewardship and impact investing. The 2022 report considered social aspects such as income inequality and pay gaps, while the 2023 report focused on governance factors such as anti-corruption, while the composition and remuneration of company boards was also highlighted. The report summarised the proxy voting initiatives of the UCTRF, which our asset consultants (S&A) highlighted as a case study of leading practice in the industry at the 2024 Batesta / IFC ESG Training Session for asset owners and asset consultants. A highlight of the 2023 report are the positive impact statistics of the UCTRF's private markets' investments.

To view the 2023 Responsible Investing and Stewardship report, click on the link below.



### Responsible Investing and Stewardship report

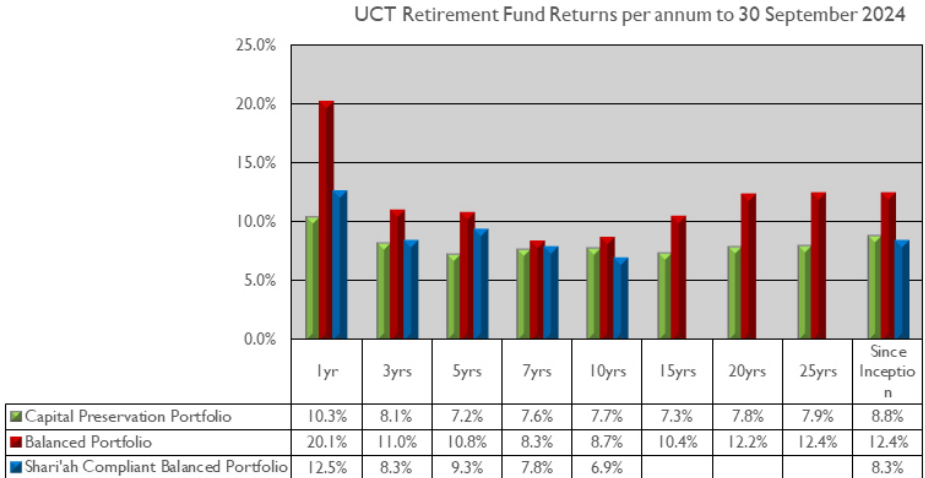
<https://bit.ly/3OxmE0o>





## Returns achieved

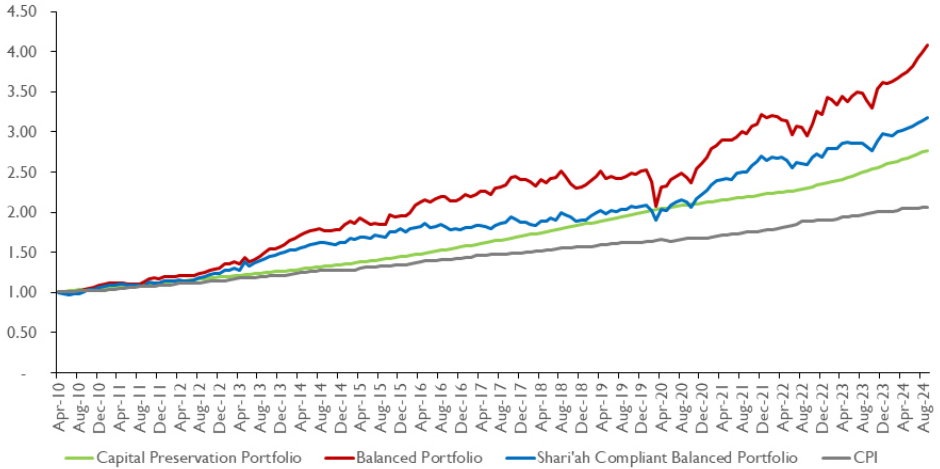
The chart below shows the annual performance of the investment channels available to members of the UCTRF since inception, being 1 April 2010 for the Shari'ah Compliant Balanced Portfolio, and 1 January 1995 for the other portfolios over the 1-year, 3-year, 5-year and 7-year periods as at 30 September 2024.



Post the elections in South Africa and the formation of the Government of National Unity, local asset classes have rallied strongly. All of the UCTRF portfolios achieved double-digit returns over the year ended September 2024. As global and local inflation started to subside, most Central Banks, including the SARB, have started to cut interest rates, which is a further tailwind. The UCTRF Balanced Portfolio has delivered the highest returns over one year to the end of September 2024. However, it also has the highest volatility. It is possible for the Balanced Portfolio to show very low positive or even negative returns in some years. This is important to understand, especially for members nearing retirement who plan to move from the UCTRF and may move to a different type of investment at retirement.

The cumulative values shown in the graphs below represent the amounts to which an initial investment of R1.00 would have grown, net of all investment-related expenses (including Retirement Fund Tax when this was applicable). This first graph covers the period from 1 January 1995 (inception of the UCTRF) to the date shown and the second graph covers the period since 1 April 2010, which is the inception date of the Shari'ah Compliant Balanced Portfolio.

Cumulative return of RI invested on 1 April 2010



Over the long term, the Balanced Portfolio shows the largest variation in monthly returns, reflecting the higher volatility of this portfolio, but with the highest returns since inception. The Capital Preservation Portfolio is the most conservative portfolio, which generally provides positive returns over the short term, but is likely to provide the lowest return over the long term (as in the chart above). Saving for retirement is a long-term process and the more volatile portfolios are expected to deliver the highest return over the long term. The potential for achieving good returns over a longer period is high, so it is important not to look at short-term historic returns when deciding which portfolio to choose.

For additional information regarding UCTRF's investment portfolios and investment managers, refer to the UCTRF investment Guide.



**UCTRF investment Guide**  
[www.uctrf.co.za/uctrf/member-guides](http://www.uctrf.co.za/uctrf/member-guides)



## Investment Fees and Charges as at 30 June 2024

The investment fees and related charges which currently apply to the UCTRF investment portfolios are summarised below. They are expressed as a percentage of the amount invested, per annum. In practice, fees and charges are usually taken monthly (so the monthly fees can be estimated by dividing the figures shown here by 12). Estimated trading costs, such as stockbroker commission when shares are bought and sold, are included under "other costs and charges". Remember that the investment performance figures shown to UCTRF members are after all these fees and charges have been deducted, i.e. they are net of all fees and charges.

	Capital Preservation Portfolio	Balanced Portfolio	Shari'ah Compliant Balanced Portfolio
<b>Investment management fees</b> <small>(including VAT but excluding performance fees)</small>	0.23% p.a.	0.48% p.a. About 25% of total assets 0.13% p.a.***	0.73% p.a.
<b>Proportion of portfolio that is subject to performance fees*</b>	NIL	About 30% of total assets	Nil
<b>Other investment related costs</b>	0.14% p.a.**	0.15% p.a.***	0.19% p.a.
<b>Total fees &amp; charges</b> <small>(excluding performance fees)</small>	0.37% p.a.	0.92% p.a.	0.92% p.a.

\* It is very difficult to estimate how performance fees would increase the total fees and charges. As an indication, we can say that, if the Balanced Portfolio managers, who are subject to performance fees, were to do extremely well relative to the benchmarks (targets) set for them, this might increase the total fees and charges for the Balanced Portfolio by around 0.2% p.a. If the managers underperform their benchmarks, then the inverse can also apply, and performance fees decrease the overall costs as the manager refunds performance fees.

\*\* Includes the "capital charge" of 0.25% p.a. levied by the insurer (which will reduce to 0.2% p.a.) on 2/3 of the assets, which are housed in the smoothing-only policy.

\*\*\* Includes the Sygnia and AMX platform fees of circa 0.04% and 0.08% p.a. respectively.

These fees and charges have changed from time to time in the past and may change (up or down) in the future.

The UCTRF Board is committed to ensuring that the investment portfolios offer good value for money to UCTRF members.

## Financial Committee

This Committee is responsible for the supervision of financial statements, the supervision and approval of the UCTRF's budget and the consideration of issues arising from the financials and budget. This Committee consists of 4 Trustees. The Auditors and Administrator attend the Committee meetings relating to the UCTRF audit. During the period under review the Committee held 2 meetings and Trustee attendance can be noted as tabulated below:

Previous Committee (term ended 31/12/2023)	23/10/2023
Mr T Tsotsobe (Chairperson)	✓
Mr H Maritz (Deputy Chairperson)	✓
Mr G Hurlow	✓
Mr T Ngcingwana	✓

New Committee (term began 1/1/2024)	09/02/2024	27/05/2024
	<i>Special meeting</i>	
Prof Phillip de Jager (Chairperson)	✓	✓
Mr Glenn Hurlow	✓	✓
Assoc Prof Francois Toerien	✓	✓
Ms Michelle Louw	✓	N/A

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval



### Annual Audit

Every year all retirement funds have to submit audited financial statements to the FSCA. This is to ensure that the UCTRF is in a healthy financial position. On the next page is an extract of the UCTRF's latest financial information.

Statement of changes in net assets and funds for the UCTRF for the period ended  
30 June 2024

	Member' Funds and Surplus Ac- count	Reserve and Living Annuity Accounts	2024	2023
	R	R	R	R
Contributions received and accrued	542 663 333	11 917 497	554 580 830	524 402 198
Re-insurance proceeds	25 546 343	0	25 546 343	29 355 654
Net investment income	686 536 781	113 316 027	799 852 808	922 170 255
<b>Net income before expenses</b>	<b>1 254 746 457</b>	<b>125 233 524</b>	<b>1 379 979 981</b>	<b>1 475 928 107</b>
<b>Less:</b>				
Re-insurance premiums	46 052 742	0	46 052 742	51 673 370
Administrative expenses	0	13 098 044	13 098 044	12 887 606
<b>Net income before transfers and benefits</b>	<b>1 208 693 715</b>	<b>112 135 480</b>	<b>1 320 829 195</b>	<b>1 411 367 131</b>
<b>Transfers and benefits</b>				
Transfers from other funds	8 532 190	91 537 501	100 069 691	89 679 465
Transfers to other funds	(86 770)	(53 859 624)	(53 946 394)	(24 093 218)
Benefits	(537 901 170)	(78 539 057)	(616 440 227)	(640 040 053)
<b>Net income before funds and reserves</b>	<b>679 237 965</b>	<b>71 274 300</b>	<b>750 512 265</b>	<b>836 913 325</b>
<b>Funds and reserves</b>				
Balance at beginning of period	6 464 987 239	1 103 091 032	7 568 078 271	6 731 164 946
	<b>7 144 225 204</b>	<b>1 174 365 332</b>	<b>8 318 590 536</b>	<b>7 568 078 271</b>
<b>Net investment return allocated</b>				
Benefits payable to current members	(1 794 682)	0	(1 794 682)	0
Unclaimed benefits	(9 269)	0	(9 269)	0
Transfers to other funds	0	(345 022)	(345 022)	0
<b>Balance at end of period</b>	<b>7 142 421 252</b>	<b>1 174 020 311</b>	<b>8 316 441 563</b>	<b>7 568 078 271</b>

## Statement of net assets and funds for the UCTRF as at 30 June 2024

	2024 R	2023 R
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments	8 312 206 638	7 670 826 548
	<b>8 312 206 638</b>	7 670 826 548
<b>Current assets</b>		
Transfers receivable	377 034	0
Accounts receivable	0	8 588 072
Cash at bank	53 503 781	16 390 423
	<b>53 880 815</b>	<b>24 978 495</b>
<b>Total assets</b>	<b>8 366 087 453</b>	<b>7 695 805 043</b>
<b>FUNDS AND LIABILITIES</b>		
Members' individual accounts	7 142 421 252	6 459 735 679
Amounts to be allocated	0	5 251 560
	<b>7 142 421 252</b>	6 464 987 239
<b>Reserve accounts</b>		
Reserve accounts	1 174 020 311	1 103 091 032
	1 174 020 311	1 103 091 032
<b>Total funds and reserves</b>	<b>8 316 441 563</b>	<b>7 568 078 271</b>
<b>Non-current liabilities</b>	0	<b>543 431</b>
Unclaimed benefits	0	<b>543 431</b>
<b>Current liabilities</b>		
Benefits payable	39 245 793	119 727 426
Contributions payable	296 993	0
Accounts payable	10 103 104	7 455 915
	<b>49 645 890</b>	<b>127 183 341</b>
<b>Total funds and liabilities</b>	<b>8 366 087 453</b>	<b>7 695 805 043</b>

## UCTRF Budget

A General Reserve Account is held by the UCTRF and used to pay costs incurred. It is funded from Member Accounts. The budget for the General Reserve Account is calculated on an annual basis to have an estimation of the revenue and expenses for the new financial year.

In the financial year the UCTRF utilised 94% of its allocated budget and was approximately R540 000 under budget.

The budget for 1 July 2023 - 30 June 2024 has increased by approximately 8.6% from the 2022/2023 budget.

## Administration and Rules Committee

This Committee is responsible for the supervision of the UCTRF's administration and rule amendments, as well as any related issues arising from them.

This Committee currently consists of 5 Trustees. In addition, Ms Blanche Claasen-Hoskins was appointed as a Co-opted Administration and Rules Committee member effective 13 March 2024. The Employee Benefit Consultants and Administrator attend all Trustee meetings. During the period under review the Committee held 4 meetings and Trustee attendance can be noted as tabulated below:

Previous Committee (term ended 31/12/2023)	07/08/23	26/10/23
Assoc Prof S Parsons (Chairperson)	✓	✓
Ms B Claasen-Hoskins	✓	✓
Mr T Ngcingwana	✓	✓
Prof P de Jager	✓	✓
Ms M Tainton	✓	✓
Mr T Tsotsobe	✓	✓

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval

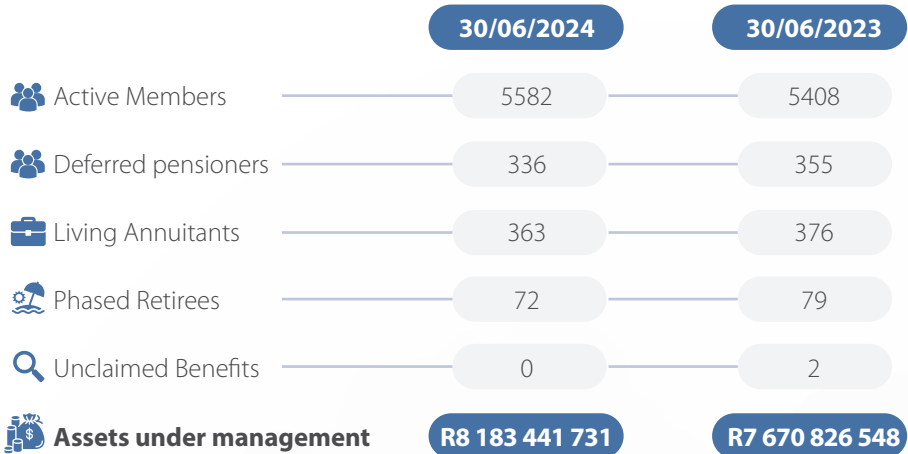


New Committee (term began 1/1/2024)

	16/02/2024	02/05/2024
Assoc Prof S Parsons	✓	✓
Ms Lulama Sibiya	✗	✓
Dr Erich Maritz	✓	✓
Prof P de Jager (Chairperson)	✓	✓
Ms Blanche Claasen-Hoskins (co-opted member)	✗	✓

✓ Present   ✗ Absent with Committee approval   ✗ Absent without Committee approval

## Fund Statistics



## Change of Administrator

As already mentioned in the Chairperson's report, UCTRF's administrator changed from Sanlam to Alexforbes effective 1 October 2023. As a result, from mid-September to mid-November, payments to members were delayed while the member records were transferred to the new administrator. Living annuity payments were not affected, however. The Committee carefully monitored the transition process and held multiple meetings with the new administrator to resolve teething issues as they arose. There remain issues with the AF Connect member portal which the Committee are working with Alexforbes to resolve. This has been delayed as a result of the system upgrades that were required for Two Pot, which took priority.

## Two Pot System

Although the Two Pot system only became effective after the end of the financial year (i.e. 1 September 2024) the Committee needed to ensure that the UCTRF was prepared for the upcoming changes. This included discussing with Alexforbes their system readiness, ensuring that the rules were amended timeously, understanding the impact that the change would have on any other UCTRF practices.

## Trustee Elections Process

Subsequent to the Trustee elections, the Committee reviewed the process and agreed that the process could be improved by sending out additional reminders to members to vote and to extend the voting period. The Practice Note was updated accordingly.

## Risk Rates Review

### **The Committee reviewed the risk rates and with effect from 1 July 2024:**

- UCTRF death reduced by 12%, and
- Separate death and permanent disability cover reduced by 6%.
- Disability Income Cover increased by 38%
- Family funeral cover premiums did not change.

## Option to change contribution rate and death cover multiple

In February 2024 members were provided with an annual option to change their contribution percentage and/or their death cover multiple. This option will be moved to coincide with the benefit statements in the 2nd half of the year from 2025.

## Unclaimed Benefit Fund Rebroke

The Committee reviewed the provider of the Unclaimed Benefit Fund (where members are transferred to if their benefit remains unclaimed for a period exceeding 2 years). After careful consideration, the Committee agreed to retain Sanlam's services as the Unclaimed Benefit Fund.

## UCTRF Contributions

All contributions were paid to the UCTRF within the legislated timeframes.

## UCTRF Rules

Rule amendment 2 was registered and approved by the FSCA during the period. The changes contained in the amendments were communicated to members in the quarterly newsletters. The rules and amendment can be viewed on the UCTRF website.

In 2025 the UCTRF rules will be converted onto the Alexforbes standard rules, The UCTRF will communicate any changes to the members.



**Fund Rules**  
[www.uctrf.co.za/uctrf/uctrf-rules](http://www.uctrf.co.za/uctrf/uctrf-rules)



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## Section 37C (Death Benefit Distribution) Committee

The death benefit consists of the member's accumulated savings in the UCTRF and, in the case of active members still in the employ of UCT, the proceeds of the approved life and funeral cover that becomes payable in the event of the member's death.

The Committee is entrusted with the task of implementing S37C of the Pension Funds Act. In particular, the Committee's mandate requires it to identify the deceased member's dependants and nominees (if any), to investigate their respective personal and financial circumstances, to allocate the member's death benefit amongst those dependants and nominees in the proportion the Committee considers fair and equitable, and to decide on the method of payment in cases involving minor and incapacitated adult beneficiaries.

This Committee consists of 6 Trustees. Dr Karen Lehmann was appointed as a Co-opted Section 37C Committee member effective 13 March 2024. During the period under review

the Committee held 6 meetings and Trustee attendance can be noted as tabulated below:

Previous Committee (term ended 31/12/2023)	28/07/2023	30/08/2023 (interim)	17/10/2023	03/07/23
Dr K Lehmann (Chairperson)	✓	✓	✓	✓
Ms Y Quwe (Deputy Chairperson)	✓	✓	✓	✓
Ms J du Toit	✓	✓	✓	✓
Ms B Claasen- Hoskins	✓	✓	✓	✓
Mr P Gaika	✓	✓	✓	✓
Ms X Kakaza	✓	✓	✓	✓

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval

New Committee (term began 1/1/2024)	13/03/2024	23/05/2024	28/08/2024	15/10/2024	17/11/2023
Ms Lulama Sibiya (Chairperson)	✓	✓	✓	✓	✓
Ms Michelle Mzamo (Deputy Chairperson)	✓	✓	✓	✓	✓
Ms Mandisa Stuurman	✓	✓	✗	✗	✓
Mr Hardy Maritz	✓	✓	✗	✓	✗
Mr Paul Gaika	✓	✓	✓	✗	✓
Mr Shai Makgoba	✓	✓	✓	✓	✓
Dr Karin Lehman (co-opted member)	✓	✓	✗	✓	

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval

The number of members who have not completed their nomination of beneficiary forms or have not updated them is an ongoing concern for the committee, with approximately 1/6th of members never having completed their forms. The Committee monitor this on a regular basis and are investigating measures to encourage members to complete their forms.

## Claims experience

Death cases	Number of Death cases
From previous reporting period not yet finalised (July 2023 to June 2024)	4
Number of death claims reported (July 2023 to June 2024)	29
Number of death benefit investigations initiated (July 2023 to June 2024)	29
Number of cases decided by the Committee (benefit allocated to beneficiaries but not paid as at (July 2023 to June 2024)	18
Number of cases finalised (paid to beneficiaries as at July 2023 to June 2024)	11

## Communication Committee

The Committee is tasked with the implementation of the communication plan of the UCTRF as set out in the Communication Policy and Strategy Document adopted by the Board, as well as the annual cycle of communication for the UCTRF.

This Committee consists of 5 Trustees and 1 Co-opted committee member. The Employee Benefit Consultants attend all Committee meetings. During the period under review the Committee held 4 meetings and Trustee attendance can be noted as tabulated below:

Previous Committee (term ended 31/12/2023)	3/07/23	09/10/23
Mr G Hurlow (Chairperson)	✓	✓
Ms M Tainton (Deputy Chairperson)	✓	✓
Dr T Chinyoka	✓	✓
Ms B Claasen-Hoskins	✓	✓
Ms X Kakaza	✓	✗
Ms J Dunlop (co-opted member)	✓	✓

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval

New Committee (term began 1/1/2024)	13/02/204	11/04/2024
Mr G Hurlow (Chairperson)	✓	✓
Ms Libo Msengana Bam	✓	✓
Ms Michelle Mzamo	✓	✓
Mr Athabile Nonxuba	✓	✓
Ms Mandisa Stuurman	✓	✓
Ms J Dunlop (co-opted member)	✓	✓

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval

The Communication Committee works hard to improve communication to members, focusing particularly on making our communication more understandable. In addition, the Committee is working towards providing as much of its communication in English, Afrikaans and isiXhosa to the extent that this is practical and financially feasible. To this end:

- The communication sent to members regarding the change of administrator was provided in all 3 languages.
- In addition to the Retirement Options Booklet, which was previously translated English into Afrikaans and isiXhosa, the Retirement Guide and Induction Booklet were also translated.
- The Committee agreed that selected communication regarding the Two Pot System, as well as workshops, would be translated as well.

The annual Retirement Seminars were held in July 2023. There was one seminar aimed at members aged 55 and older and a second seminar for members under age 55. The sessions were recorded and made available on the UCTRF website for those members that could not attend in person.

In September 2023, shortly after the benefit statements were issued, a one-hour in-person session was held in Worcester and a hybrid session on campus. These were intended to assist members with understanding their benefit statements and to update them on UCTRF related issues. In addition, the hybrid session was recorded and loaded onto the UCTRF website for those members that could not attend.

The Annual Report Back (ARB) meeting was held in December, and focused on fund returns and the financials, as well as other UCTRF developments. In addition, the hybrid session was recorded and loaded onto the UCTRF website for those members that could not attend.

### Retirement and Exit Benefits Committee

This Committee is responsible for ensuring the effective administration of UCTRF living annuities and exit benefits and making decisions and proposals to the Board regarding matters affecting withdrawals, retirees, living annuitants, deferred pensioners and phased retirees.

This Committee consists of 4 Trustees. Ms Margie Tainton was appointed as a Co-opted Retirement and Exit Benefits Committee member effective 13 March 2024. The Employee Benefit Consultants and Administrator attend all Committee meetings.

**During the period under review the Committee held 5 meetings and Trustee attendance can be noted as tabulated below:**

Previous Committee (term ended 31/12/2023)	24/08/23	6/11/23
Ms M Tainton (Chairperson)	✓	✓
Dr K Lehmann (Deputy Chairperson)	✓	✓
Mr P Gaika	✓	✓
Dr R Morar	✗	✓
Prof G Willows	✗	✓

✓ Present    ✗ Absent with Committee approval    ✗ Absent without Committee approval



New Committee (term began 1/1/2024)	23/02/2024	04/03/2024	17/05/2024
Ms M Tainton (co-opted member)	✗	✓	✗
Mr Athabile Nonxuba	✓	✓	✓
Prof Gizelle Willow (Chairperson)	✗	✓	✓
Ms Libo Msengana - Bam	✓	✓	
Mr Khumo Mokone	✗	✗	✗

✓ Present   ✗ Absent with Committee approval   ✗ Absent without Committee approval

The Committee reviewed the UCTRF’s recommended annuity strategy, which is an inflation-linked life annuity, with a 5-year guarantee and a 75% spouse’s pension. The Committee believes that this strategy remains appropriate.

In addition, the Committee agreed to allow members to select either a rand amount or a percentage amount when considering their annual drawdown rate. This would allow members more flexibility to manage their income for the upcoming year.

The Committee works towards encouraging members to purchase UCTRF’s recommended annuity strategy, where this is appropriate for them. The Committee is assisted in this by the UCTRF appointed financial advisors, Gradidge Mahura Investments (GMI), who have been appointed to provide financial advice to members.

The Committee receives regular reports from GMI on the utilization of individual financial advice by members and has proposed increased outreach to younger members to encourage members to think about and plan for retirement at a younger age.

A workshop was held in November for Living Annuitants, to assist them with questions they may have regarding their drawdowns and to explain their options, including the option to convert their living annuity to a life pension.

A workshop was also held for all members retiring at the end of 2023 to explain the retirement process to them and to provide information regarding their options when retiring from the UCTRF.

# Governance



The Board is committed to sound corporate governance. The Board considers compliance with applicable laws, regulations and its code as an integral part of doing business. The Board monitors compliance with the relevant laws and regulations affecting UCTRF business, on an ongoing basis.

## Alignment with King IV

In order to ensure a strong good governance culture, the UCTRF has the following policy and practices:

- On appointment to the UCTRF Board, each Trustee confirms their acceptance of the appointment as a UCTRF Trustee and confirms that they accept their fiduciary responsibilities and duties.
- The UCTRF's Code of Conduct incorporates the role and responsibilities of the Board and the accountability of Board members collectively. Each Board member signs the Code of Conduct. There were no breaches to the Code of Conduct in the current year.
- The UCTRF Board Charter sets out the duties and responsibilities of the Board and describes the UCTRF practices related to the good governance principles dealing with leadership as contained in the King IV Report on Corporate Governance for South Africa.

➤ Trustees are required to declare any other trusteeships, directorships, shareholdings or other interests in the service providers appointed to the UCTRF at the beginning of their term of office. In addition, at the start of every Board and Committee meeting they are required to declare any specific interests they may have in the matters to be raised in the agenda of the meeting as well as any other trusteeships, directorships, shareholdings or other interests in the service providers appointed to the UCTRF not contained in the declaration of interest document.

➤ The UCTRF's Gift Policy sets out its policy applicable to the UCTRF Officials in respect of any gifts. The purpose of this policy is to determine appropriate conduct in relation to any gift offered to or received by any UCTRF Official and to combat and prevent corruption or corrupt activities by any UCTRF Official and any of the UCTRF's service providers. In terms of this policy, any gifts received from service providers by any person by virtue of their UCTRF designation, must be declared.

➤ UCTRF Officials may not receive any gifts over R500 in aggregate from any service provider.

➤ The Pension Funds Act imposes a "whistleblowing" obligation on the Trustees; as well as the Auditor, Principal Officer, Deputy Principal Officer, employees of the UCTRF and the UCTRF's Administrator. As such, they have a legal duty to inform the Registrar of any matter relating to the affairs of the UCTRF that may seriously prejudice the financial soundness of the UCTRF or its members. The UCTRF Whistleblowing Policy is aligned with the UCT policy, which supports and fosters a culture of zero-tolerance towards fraud and corruption in all its activities.

➤ The UCTRF Tender and Rebroke Policy sets out how the UCTRF tender and rebroke processes must be applied in practice, to ensure that risks are effectively managed and that the interests of the UCTRF are protected. UCTRF undertakes to procure services in a system which is fair, equitable, transparent, competitive and cost-effective to eliminate any risks.

➤ The UCTRF has a Data Protection and Information Technology Management Policy and the Electronic Device Policy to assist in governing and managing technology, as well as proper handling of information in line with applicable legislation. To this end, the Principal Officer and the Deputy Principal Officer have been appointed as the Information Officer and Deputy Information Officer, respectively.

There have been no material or repeated penalties, sanctions or fines for contraventions of statutory obligations against the UCTRF or any of its Trustees.

## Enhancing Trustee Competency Levels

The Trustee Training Policy specifies that all Trustees must attend at least 2 training sessions per year. In addition, all current Trustees that took office on 1 January 2024 completed the FSCA Trustee Training Toolkit. Trustees that were appointed subsequently must complete the Toolkit within 6 months of their appointment.

## Board Assessment

In line with King IV, UCTRF undertakes a biennial evaluation to review the performance of the Chairperson, the entire Board and its Committees. Any areas requiring attention or development are flagged and the necessary actions are taken. The Board's last assessment was completed at the September 2023 Board meeting and no areas of concern were raised.

## Risk management

The UCTRF recognises that managing risks and compliance is an integral part of good Corporate Governance. The Board is accountable for establishing, maintaining and monitoring the effectiveness of the process of risk management for the UCTRF.

### **The UCTRF's Risk Management Policy covers the following key aspects:**



Identifying significant business risks



Evaluating the impact of the risks on the UCTRF



Determining the risks that lie outside the Board's risk tolerance levels



Putting in place controls to manage/mitigate the risks



Ensuring reliable reporting on the Risk Management process to the Board.

The Board maintains a risk register which it reviews annually focusing specifically on those areas where it considers it to have the highest risk.



## Professional Service Providers

While the Board remains accountable for the administration and financial soundness of UCTRF, the Board is permitted by law to receive assistance on UCTRF matters from the following industry experts and specialists:

### Auditor

- > PricewaterhouseCoopers

### Administrator

- > Up to 30 September 2023 – Sanlam Corporate  
From 1 October 2023 – Alexander Forbes

### Investment Consultants

- > Sukha and Associates

### Benefit Consultant

- > Simeka Consultants and Actuaries

### Member Financial Advisors

- > Gradidge Mahura Investments

### Housing Loan Provider

- > First National Bank

### **Professional Indemnity Insurance**

- Camargue Underwriting Insurers (Pty) Ltd

### **Unclaimed Benefits Fund**

- Sanlam Unclaimed Benefit Fund

### **Beneficiary Fund**

- Fairheads Umbrella Beneficiary Fund

### **UCTRF Death Cover Underwriter**

- Momentum

### **Separate Unapproved Death and Lump Sum Disability Cover Underwriter**

- Old Mutual

### **Income Disability Cover**

- Sanlam

### **Funeral Cover**

- Sanlam Sky



# Contact Us



## General queries

The UCTRF Website is the central information hub of the UCTRF. If you have a question, need an option form, need to access your individual values or to find information on the UCTRF investments, visit the UCTRF website today. <https://uctrf.co.za>.



**UCTRF Website**  
[www.uctrf.co.za](http://www.uctrf.co.za)



If you still require assistance regarding the UCTRF structure or benefits you can do so via this form. Alternatively, you can call 021 650 2934 to contact the UCTRF Office.

## View your benefit statement

You may view your values and benefits on the Alexforbes Member Site, AF Connect. Visit [mymoneymatters.alexforbes.com](http://mymoneymatters.alexforbes.com) to log in or, if you are registered on AF Connect, you can request your latest value on Alexforbes' WhatsApp Self Service Channel (060 043 9601) or:



**Follow the instructions on the UCTRF web**  
[www.uctrf.co.za/uctrf/view-your-values](http://www.uctrf.co.za/uctrf/view-your-values)





## When to contact your employer

### Queries regarding:

- Conditions of service,
- Standard family funeral cover and extended family funeral cover or
- Reporting and counselling on the Disability Benefit should be directed to your HRBP. To view details of HRBPs, please visit this link on the HR Website: Human Resource website

## Financial Advice

*Please note that the UCTRF Office cannot provide financial advice.*

### If you require advice on:

- The level of cover you require,
- The most suitable investments options for you or
- The most suitable options for you on withdrawal or retirement, please contact your FAIS accredited financial advisor.

Members over 50 are eligible to receive 3 consultations with Gradidge Mahura Investments (GMI) (paid for by the UCTRF) prior to their retirement. In addition, the UCTRF has negotiated preferential rates with GMI for other active members and UCTRF Living Annuitants.

Please refer to the UCTRF website for additional information regarding GMI's services.



### **GMI's Services**

[www.uctrf.co.za/uctrf/fais-accredited-advice](http://www.uctrf.co.za/uctrf/fais-accredited-advice)

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**Email:** [info@gminvestments.co.za](mailto:info@gminvestments.co.za)

**Phone:** 021 0039222

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## Complaints

If you have a complaint relating to the management of the UCTRF, its administration, member communication, benefit payments, or any other matter, please submit your complaint via **this form**.

If you do not receive a response within 20 working days, or the response is not satisfactory, you may lodge your complaint, free of charge, with the Pension Funds Adjudicator.

**Please note** that this does not apply to complaints regarding the separate lump sum death and disability cover, the income continuation cover or the funeral cover, which must be lodged with the Ombudsman for Long-term Insurance. The insurer should be given the opportunity to resolve the problem or complaint before it is referred to the Ombudsman.

## Contact details of the Pension Funds Adjudicator

**Tel:** 012 346 1738/012 748 4000

**Fax:** 086 693 7472

**Email:** [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

**Website:** [www.pfa.org.za](http://www.pfa.org.za)

## Contact details of the Ombudsman for Long-term Insurance

**Sharecall:** 0860 103 236

**Tel:** 021 657 5000

**Fax:** 021 674 0951

**Email:** [info@ombud.co.za](mailto:info@ombud.co.za)

**Website:** <http://www.ombud.co.za>

# General UCTRF Information



Registered Name University of Cape Town Retirement Fund

FSCA registration number is 12/8/31582

SARS 18/20/4/36395

## Provident Fund

Funding Model Defined Contribution

Fund Exemptions Valuation exempt

Financial Year 1 July to 30 June

## Registered Office of the UCTRF

### Physical Address:

Room 134  
Bremner Building  
University  
Crescent  
Rondebosch

### Postal Address:

University of Cape Town  
Private Bag X3  
Rondebosch  
7701

## Disclaimer

The information contained herein is not intended to be, and must not be regarded as, financial advice nor neither legal advice, and it is not advice as defined in the Financial Advice and Intermediary Services Act (37 of 2002). The University of Cape Town Retirement Fund (the 'UCTRF'), the UCTRF's Trustees, the Principal Officer, Deputy Principal Officer and UCTRF staff, together with the UCTRF's service providers, shall not be liable for any loss or harm or damage which may be suffered by any person as a result of the use or reliance upon the information contained in this communication. In the event of any discrepancy between the information provided and either the UCTRF Rules or the UCTRF's Insurance Policies, the Rules and Policies will prevail. The Pension Funds Act 25 of 1956 overrides all Rules and Insurance Policies.



***Secure your Future***

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