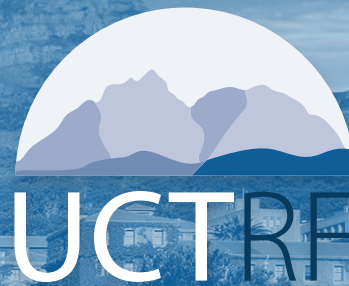


My Fund News



STEP OUT. STEP UP. SECURE TOMORROW

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IMPORTANT UPDATE TO THE LIFE STAGE MODEL

We are improving how we manage your savings as you approach retirement! Read more on **page 3**.

What's Inside?

- Welcome Message from the Principal Officer
- **Save the date:** 2026 UCTRF Member Education Workshops
- **Update** your language preference and contact details
- Reduction in Fund costs for the 2026/27 financial year: **good news!**



New
Members



Current
Members



Close to
Retirement



Close to
Withdrawal



Living
Annuant

Welcome



Dear Member

Welcome to the second-quarter edition of the UCTRF newsletter.

Planning for retirement is one of the most important financial journeys you will undertake, yet it can often feel complex and overwhelming. It is easy to postpone the decisions that matter most, but taking action early can make a significant difference to your long-term financial security.

To support you in making informed decisions, the UCTRF will once again host its annual series of **one-hour Member Education Workshops**. These sessions are designed to deepen your understanding of the UCTRF and empower you to plan confidently for your future. For those of you that did not manage to book a place or are not able to attend on the day, the sessions will be recorded so that you can view them at a later date. We will inform all members once these are available on the UCTRF website.

We would also like to highlight an important enhancement for members invested in the Life Stage Model. From **July 2026**, the UCTRF will move from **annual** to **monthly** portfolio switching. This change will allow for a more gradual transition from the Balanced Portfolio to the Capital Preservation Portfolio, helping to reduce the risk of switching at an unfavourable point in the market. For further information please read the article included below.

We remain committed to supporting you at every stage of your retirement journey and trust that you will find this newsletter both useful and informative.



In case you missed it

How to find financial peace of mind: Financial wellbeing has a lot to do with how you plan, think and manage your money day to day. This article provides three practical tips to help you to reduce your financial anxiety.

[Read more](#)

Investment Disclosure Report 2026: This report provides the investment portfolio and performance information that is required to be disclosed to members on an annual basis.

[Read more](#)



Important Update On The Life Stage Model

Improving how we manage your savings as you approach retirement

The UCTRF continually reviews its investment arrangements to ensure that members' retirement savings are managed in a way that balances growth and protection, particularly as members move closer to retirement.

Following a review by the UCTRF Board, the UCTRF will be enhancing its Life Stage Model from July 2026. If you are invested in the Life Stage Model this changes how your retirement savings are transitioned between investment portfolios as you approach retirement, while keeping the overall investment strategy and objectives unchanged.

What is a Life Stage Model?

The Life Stage Model automatically adjusts how your Accumulated Retirement Savings are invested over time:



When retirement is still far off, investments are focused more on long term growth in the UCTRF Balanced Portfolio.



As you get closer to retirement, your Accumulated Retirement Savings are gradually moved into the Capital Preservation Portfolio to help protect the value of your benefit.

This approach aims to balance growth and risk as you move closer to retirement.

How the current model works

Annually, starting 6 years before your Normal Retirement Date (*defined as 31 December of the year in which you turn 65*), approximately **15%** of your Accumulated Retirement Savings is moved from the Balanced Portfolio to the Capital Preservation Portfolio in a single annual adjustment in January each year, increasing the allocation to the lower risk Capital Preservation until you have **75%** allocated to the Capital Preservation Portfolio and **25%** allocated to the Balanced Portfolio by January of the year in which you turn **64**.

What is changing?

With effect from July 2026 the UCTRF is introducing monthly transition switching instead of annual switching.

What does this mean in practice?

From July 2026, rather than taking one large step (*15%*) once a year, the UCTRF will now take small monthly steps throughout the year.



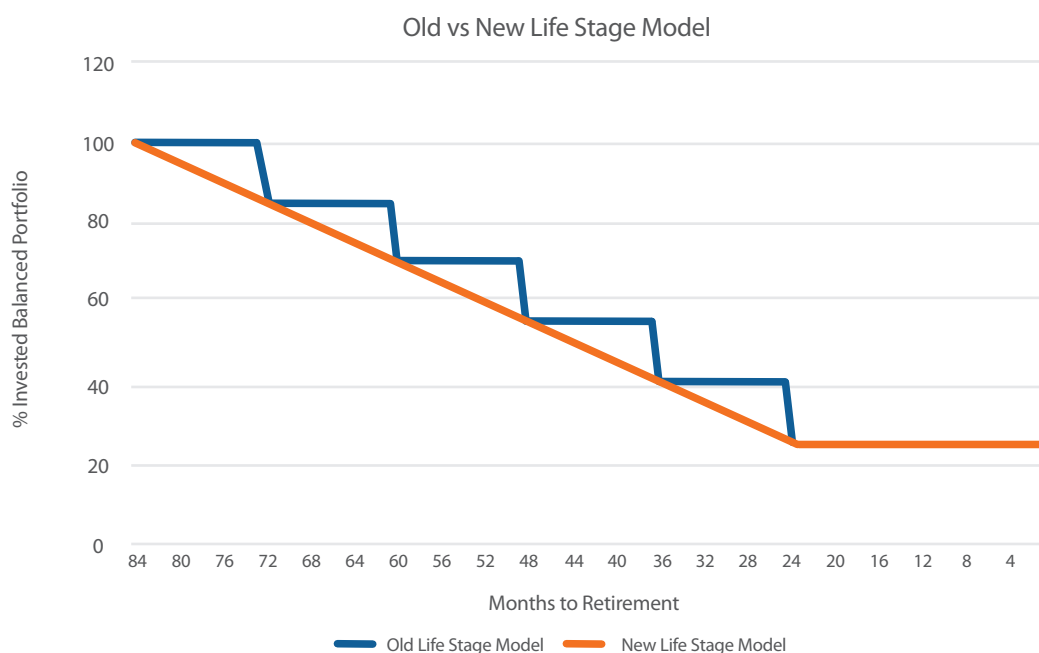
An amount of approximately **1.25%** of your Accumulated Retirement Savings will be moved monthly to the Capital Preservation Portfolio as you approach retirement.



Over time, this results in the same overall transition into the Capital Preservation Portfolio, but in a smoother and more gradual way.

Nothing changes unless you turn or are turning from age **59** to age **63** this year, in which case, in order to align you to the new monthly transition switching target, in July your savings will be rebalanced moving a once-off approximately **8.75%** from the Balanced Portfolio to the Capital Preservation Portfolio, and then your savings will be rebalanced every month by **1.25%** as explained above.

The difference between the old and new models is illustrated in the graph below, which shows the transition out of the Balanced Portfolio for both models:



What stays the same?

It is important to note that this change does not affect:

- Your retirement date or benefit structure;
- Your contribution rate;
- The underlying investment portfolios used in the Life Stage Model; or
- The long-term objective of protecting members as they approach retirement.

The change only affects how frequently portfolio weightings are adjusted, not the strategy itself.

Why is the UCTRF making this change?

The move to monthly transition switching has several benefits for members:

- Smoother investment transitions;
- Gradual monthly changes reduce the reliance on a single annual switching date;
- Reduced market timing risk;
- Spreading transitions over time helps limit the risk of switching at an unfavourable market point.

What do you need to do?

NOTHING: You will NOT need to take any action, and there is no change to how contributions are paid or benefits are calculated.

When will the change take effect?

The updated Life Stage Model will be implemented from July 2026 and will apply automatically to members invested in the Life Stage Model.

Need more information?

If you would like more information or have questions about how this change applies to your retirement savings, please contact the UCTRF via this form: <https://bit.ly/3FLbWP9>



UCTRF Member Education Workshops

The UCTRF will hold the following four 1-hour workshops on 8 July 2026 in English, and the workshops will be repeated on 14 July 2026 in isi-Xhosa.

> Funding for your future

The retirement fund creates the foundation of an individual's financial plan and in this presentation, we look at the following:

- Fund-specific information about benefits, contributions and the fund's investment strategy
- Understanding the importance of long-term savings
- How to interpret the retirement projection statement. This presentation helps members to understand the importance of setting personal retirement objectives and evaluate how far the UCTRF will go in helping them achieve those objectives
- Options on withdrawal from the fund before retirement
- AF Connect - portal to access Fund balances and information

> Factors that influence your Fund growth

We address the impact of volatility on a member's Fund Credit. We look at the different aspects that impact the volatility in performance both locally and globally. We cover the following:

- The importance of long-term savings
- How the UCTRF works
- Who manages the UCTRF
- The role of asset classes (different types of investments)
- Factors influencing the UCTRF's investment performance, globally and locally
- Guidelines for the way forward

> Protecting your family (with wills and beneficiary nominations included)

We explain the importance of life cover to ensure the family is cared for in the event of the member's death. This presentation guides the member to:

- Consider their current financial position
- Think about what the financial position of their loved ones will be if the member dies
- Compare their assets and liabilities and determine the shortfall in the estate
- Understand UCTRF group life cover and how to interpret the life cover needs analysis statement received from Alexforbes. This statement shows the member how much cover they have in the Fund, and indicates whether it is enough to provide the required income for the spouse at death
- Understand the different life cover options available

We also explain the difference between wills and nomination of beneficiaries forms. We cover:

- Death benefits provided on the Fund
- Section 37C of the Pension Funds Act
- Definition of dependence
- Importance of wills and nomination of beneficiaries forms
- Impact of divorce on your will
- Basic stages of estate planning

> Long-term risk

We look at the different long-term risks, e.g. disability and critical illness, and touch on the risks associated with long-term investing. Members can make provision for this through the following:

- Life cover
- Disability cover
- Critical illness cover
- Personal accident cover
- Funeral cover
- Inflation risk
- Investment risk
- Health risk

Booking and further information

Members were sent an invitation towards the end of May, and bookings have now closed. If you were unable to secure a place, you are welcome to attend on the day to check whether any additional spaces have become available. Please note that we will only be able to assist if capacity allows.

On-site support:

Alexforbes representatives will be available on both workshop days to assist with AF Connect registration and related queries.

You are welcome to speak to Alexforbes representatives on-site even if you are not attending the workshops.

Through AF Connect, you can:

- View benefit statements and tax certificates
- Track claims and statuses
- Submit Savings Pot claims
- Update beneficiary details

Important Notice



Update your language preference and contact details

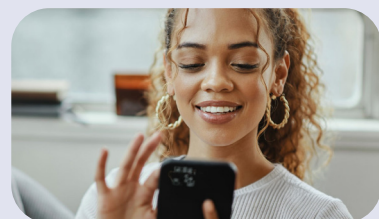
The UCTRF is working to improve communication with members.

Please ensure that the following are up to date with UCT:

- ✓ Preferred home language
- ✓ Cell phone number

This enables:

- 👤 More effective communication
- 📱 WhatsApp notifications for newsletters and important updates



To update your details:

Complete the HR101

- **Section 4:** Home language
- **Section 8:** Cell number

Submit to your HR Administrator



Reduction In Fund Costs For The 2026/27 Financial Year: Good News!

All members contribute towards the cost of running the UCTRF. These operating costs are allocated to the General Reserve Account, and all UCTRF running costs are paid from this account.

- If you are a contributing member, the cost is deducted from your monthly pension contribution.
- If you are not contributing (for example living annuitants, deferred pensioners, and phased retirees), the cost is deducted from your Accumulated Retirement Savings.

Why are costs decreasing this year?

The General Reserve Account is currently over-funded. The Board has therefore decided to reduce the amount members contribute to the General Reserve Account for this year. **This is positive news because it means slightly higher retirement savings for you over the 2026/27 financial year, as less will be deducted to cover fund expenses.**

Important: This reduction is temporary!

Please note that this is a once-off reduction for 2026/27 only, to bring the General Reserve Account back to an appropriate level. Fees are expected to increase again in the 2027/28 financial year, so contributions should return to a more normal level next year.

What the fees will be for 2026/27



Contributing members

Administration and expense costs have reduced from 0.324% to 0.224% of Cost of Employment (CoE).



Non-contributing members (deferred pensioners, phased retirees, and living annuitants)

The monthly fee has reduced from R127 to R92 per month.

Revised risk rates

All risk benefits are reviewed annually in consultation with the appointed Insurers. This review ensures that benefits remain competitive, fairly priced, and aligned with current experience and market conditions.

Following the most recent review, we would like to provide a confirmation of the risk benefit premium rates effective from 1 July 2026. The death and lump sum disability premiums have increased as a result of a higher number of claims being paid than was originally expected in recent years. The premiums for disability income cover and funeral cover remain unchanged.

What this means for you:

- A larger portion of your contributions will go towards risk premiums, which will reduce the amount that goes towards retirement savings.
- Members with additional separate death cover may see a slight decrease in take-home pay.

A detailed communication has already been shared with members. A summary is provided below:

Insurer	Risk Cover	Old Rate	New Rate	% Change
Old Mutual	UCTRF Death Cover 1 x annual CoE	0.253% of CoE (for every 1 x annual CoE)	0.2715% of CoE (for every 1 x annual CoE)	+7.3%
Old Mutual	Separate compulsory and flexible death	0.264% of CoE (for every 1 x annual CoE)	0.277% of CoE (for every 1 x annual CoE)	+5.0%
Old Mutual	Permanent disability cover	0.092% of CoE	0.107% of CoE	+15.5%
Sanlam	Disability income cover	0.338% of CoE	0.338% of CoE	0
Sanlam Sky	Family funeral standard cover	R22.05 per member per month	R22.05 per member per month	0
Sanlam Sky	Additional family funeral cover	R20.14 per member per month	R20.14 per member per month	0



Notes



Scan to visit UCTRF
website on your mobile

UCTRF Contact Details

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Telephone: 021 650 2934

Please submit all comments or questions via <https://tinyurl.com/568a2sjv>