



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Retirement Funds

13 June 2024

Dear pension recipient

UNIVERSITY OF PRETORIA PROVIDENT FUND: PENSION INCREASE AS AT 1 JULY 2024

The Board of Trustees of the University of Pretoria Provident Fund has a policy to determine increases to pensions paid by the Fund on an annual basis.

Pension increases are considered for implementation as at 1 July of each year. While pension increases cannot be guaranteed, the Trustees' policy is to grant increases that match the inflation rate, as measured by the year-on-year Headline Inflation rate as at the 31st March preceding the increase date, subject to the affordability of such increases and based on the financial position of the Fund.

The financial position of the Fund and consequently the Trustees' ability to grant increases, depend largely on the returns achieved by the investments underlying the pensions paid by the Fund.

The Trustees' investment strategies are designed with the objective of achieving the investment returns required to fund the pensions plus future increases in line with the pension increase policy over the long term. This requires the investment of the Fund's pensioner account assets in a combination of fixed interest investments and growth assets such as listed shares and listed properties (domestic and international).

Given the exposure to growth assets to achieve the long term investment objectives, short term volatility in returns can be expected. The Trustees have a responsibility to ensure that the annual increases granted take the short term volatility of returns into account (outperformance and underperformance). The Trustees have a strategy to retain reserves in the pensions account when increases are granted during the periods of outperformance to assist with funding increases during periods when the short term performance does not support an increase.

1 July 2024 pension increase:

Headline Inflation for the year to 31 March 2024 was 5.3%. I am pleased to advise you that the Board of Trustees has granted a pension increase of **6.5%** (pro rata for pension recipients who have received a pension for less than 12 months), with effect from 1 July 2024.

Employer Trustees: Prof C Koornhof (Chairperson), Prof T Mosia, Mr N Moolla, Prof C Beyers
Pension Fund Member Trustees: Prof CH van Schalkwyk, Prof A de Klerk, Prof Q Vorster, Prof N Grové
Provident Fund Member Trustees: Prof CH van Schalkwyk, Mrs C Steyn, Ms J visagie, Prof T Steyn
Principal Officer: Mr M Olivier

The pension increases granted over the past 10 years are summarised below for your information:

Year	Headline inflation to 31 March	1 July Pension increase	Difference
2015	4.0%	8.0%	4.0%
2016	6.3%	7.5%	1.2%
2017	6.1%	6.0%	-0.1%
2018	3.8%	5.0%	1.2%
2019	4.5%	4.5%	0.0%
2020	4.1%	0.0%*	-4.1%*
2021	3.2%	4.5%	1.3%
2022	5.9%	8.0%	2.1%
2023	7.1%	7.1%	0.0%
2024	5.3%	6.5%	1.2%
Average	5.0%	5.7%	0.7%
5 year average	5.1%	5.2%	0.1%
3 year average	6.1%	7.2%	1.1%

* Once off payment equal to 4% of annual pension was paid to all pension recipients in 2020 which is not reflected in these figures.

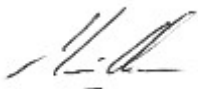
Any queries regarding the payment of your pension should be directed to Alexforbes, the administrator of the University of Pretoria Provident Fund, at telephone number 0800 112 157 or 0800 122 992 or e-mail: zzppdtraditional2@alexforbes.com.

We remind all pension recipients to visit the Fund's webpage on the University's website where you will find for more information about the Fund, responses to frequently asked questions and contacts details (<https://www.up.ac.za/university-of-pretoria-pension-and-provident-funds>).

You may also direct any other queries regarding the Fund to the Principal Officer:

Tel: 012 346 3934
Email: morne@lykosfs.co.za

Kind regards,



MORNE OLIVIER
PRINCIPAL OFFICER