



Pensioner Portfolio

31 December 2022

A. Objective

The objective of the Pensioner Portfolio is to target pension increases of at least 65% of inflation of the over long term. Pension increases are granted in March each year and are based on the annual inflation rate to the preceding 31 December. Pension increases are not guaranteed and depend on the financial position of the Pensioner Portfolio.

B. Investment approach

The Pensioner Portfolio consists of the Matched and Growth Portfolios. Between 70% and 75% of the assets are invested in the Matched Portfolio. The Matched Portfolio is invested according to the so-called liability driven investment approach. Its assets are invested in bonds and cash and the portfolio is structured to deliver annual pension increases of some 65% of inflation with a high degree of certainty.

Matched Portfolio - Pay your pension

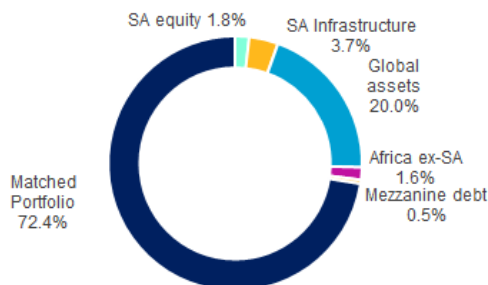
- 70% to 75% of your money
- Invested in cash and bonds

The Growth Portfolio is invested in shares and property. Between 75% and 85% of this portfolio's money is invested offshore. This portfolio is expected to deliver higher returns than the Matched Portfolio over the long term. If it performs very well the Fund will be able to afford pension increases higher than 65% of inflation. On the other hand if it performs poorly, pension increases may be lower than 65% of inflation. This portfolio also provides you with some protection against poor outcomes in South Africa because most of the money is invested offshore.

Growth Portfolio - Grow your pension

- 25% to 30% of your money
- Invested in shares and property
- 75% to 85% is invested offshore

C. Actual asset allocation



Investment expenses (% of assets)

- Manager Fees: 0.36% p.a.
 - Performance Fees: 0.04% p.a.
 - Estimated trading cost and other: 0.03% p.a.
- Total investment charge: 0.43% p.a.*

Administration fees (Rand fee per month):

- R 84.85 per month

D. Financial position

The annual pension increase depends on the financial position of the Portfolio, which is shown below:

Item	R-million
Value of liabilities	4 169.0
Market value of assets	4 197.0
Funding level = Assets / liabilities	100.7%

On track for pension increase of 65% of inflation in 2023

The key figure is the funding level (100.7%) which should ideally be greater than 100%. As long as the funding level is between 98% and 102.5% at the increase date (March each year), the pension increase will be close to 65% of inflation. If the funding level is higher than this, a higher increase may be granted.

E. History of pension increases

Period	Increase	Inflation	% of inflation increase
2022	4.5%	5.9%	76.3%
Last 3 years	2.9%	4.3%	67.3%
Last 5 years	2.5%	4.4%	57.2%
Last 7 years	3.3%	4.9%	67.7%
Last 10 years	4.2%	5.1%	83.1%

Disclosure Statement

There are no capital guarantees for this investment channel and members are reminded that the value of their investments can go down or up. Past performance is not an indication of future performance. The security and protection of your personal information is important to the Fund. For more detail please visit <https://mra.momentum.co.za>, sign in to the portal for your Fund (NTRF) and navigate to 'Static Documents and Protection of Personal Information Act'.