ISASA
RETIREMENT FUND
Caring about your financial future

SEPTEMBER **2026**

Your Life

A newsletter for **members of the ISASA Retirement Fund**



In this issue

The Funds wins an IRFA Luka Award once again! — Page 02

Preservation options available in the Fund — Page 03

Why Preservation of Benefits is so important — Page 04

Think twice before making a Savings component withdrawal — Page 06

How the investments are growing — Page 07

Welcome

Welcome to the Spring edition of Your Life.

Spring is a season of new beginnings, a time to refresh, renew and look ahead. It is also a good time to take a fresh look at your retirement savings and the future you are building for yourself.

In this edition of Your Life, we focus on the importance of **preserving your retirement fund benefits when you change jobs.** It can be tempting to take your retirement benefit in cash when leaving an employer but doing so could have a significant impact on the amount you have available when you eventually retire.

Your retirement savings are there to help provide you with an income in your later years. Preserving your benefit and allowing it to remain invested gives your savings the opportunity to grow over time – and allows the power of **compound growth** to work in your favour.

As we welcome the new season, why not make a fresh commitment to your financial future? Small decisions made today can make a meaningful difference to the retirement you enjoy tomorrow.

We hope you enjoy this edition of Your Life and find the information useful in helping you make informed decisions about your retirement savings.

> ***Changing jobs doesn't mean you have to cash out your retirement savings.***
>
> ***Preserve them today, and give your future more to work with.***



Fund wins again

The Fund capitalises on it's slogan of Learning, Planning, Living.

The ISASA Retirement Fund once again received a Certificate at the 2026 Institute of Retirement Funds Africa (IRFA) LUKA Awards. The ISASA Retirement Fund's entry to the IRFA New Normal Competition received a score of 86% (from a panel of independent judges). The IRFA only awards certificates to entries that score above 80%.

The IRFA acknowledged that the ISASA Entry makes a meaningful contribution to communication and education innovation within the retirement funds industry.

The Fund is pleased to receive an award from the IRFA for the 14th consecutive year. This demonstrates the Fund's commitment to excellence in retirement fund governance and member engagement.



Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

Preservation Options available in the Fund

Making decisions about your retirement savings can be challenging especially when you are thinking of leaving employment or considering accessing your benefits before or at retirement.Understanding the options available to you in the Fund will help you make informed decisions that support your long-term retirement goals.



- When you leave employment, you must decide what to do with your retirement savings invested in the ISASA Retirement Fund.
- If you **leave before retirement** age, you may choose Preservation to keep your savings invested.
- If you **leave at or after retirement** age, you may choose Deferred Retirement to delay accessing your benefits.

Preservation before retirement (Preserver Member)

If you leave your employer as an ISASA Retirement Fund member, you may stay in the Fund as a paid-up or Preserver member for as long as you wish. This allows your retirement savings to continue to grow, while you remain invested in the same investment portfolios you were invested in before you left. You will, however, not make any further contributions to the Fund. In addition, insured benefits such as death, disability, and funeral cover will cease.

If you die whilst being a Preserver member, the balance in your member Preserver Account (consisting of your Savings, Vested and Retirement Components) will be used to provide a death benefit. The death benefit does not form part of your Estate and is not paid out according to what you have stated in your Will.

Your savings are protected if you die (they are distributed to dependants under Section 37C of the Pension Funds Act) and are also shielded from creditors if you face debt or bankruptcy. You can retire from the Fund separately from employment, take up to one-third as a lump sum at retirement with favourable tax treatment, and only pay tax when you withdraw the money.

NB: If you leave the Fund, you will automatically become a Preserver member of the Fund after 120 days, unless you actively elect another option (take your Vested and Savings Components in cash BUT transfer your Retirement Component to a Preservation Fund or Retirement Annuity Fund of your choosing). Your Retirement Component may NOT be taken in cash when you leave the Fund before retirement age and must be preserved for retirement.)

Please remember that if you leave your school and join another school that also participates in the Fund you will remain an active member of the Fund.

The good news

The Fund makes it easy for you to preserve your savings. *You have the option to leave your money in Fund even if you do change jobs. This is known as* **becoming a paid-up Preserver member.** *In fact, unless you instruct the Fund otherwise, you will automatically become a paid-up member. It's that easy.*

Remember - *if you resign and join another school that is also a member of the ISASA Retirement Fund you will remain a member of the Fund and NO withdrawal benefit will be payable to you.*



continued overleaf...

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

Preservation at retirement (Deferred Member)

The ISASA Retirement Fund Deferred Retirement option allows eligible members who have reached retirement age and exited employment to leave their savings in the Fund, where they remain invested and continue to grow until the member chooses to access their benefits. So, although you have retired from your employer you remain a member of the Fund until you need to access your retirement benefit. You will, however, not make any further contributions to the Fund. In addition, insured benefits such as death, disability, and funeral cover will cease.

Deferred Retirement is available to members who:

- Have reached the Fund's normal retirement age, and
- Exit employment but prefer to delay accessing their retirement benefits.

To elect this option, members must inform their employer, payroll officer, or HR representative of their intention to defer retirement before leaving employment. Once you exit employment, your accumulated retirement savings will be automatically transferred into the Deferred Retirement facility in the Fund, where it will remain invested until you decide to access your benefits.

NB: In respect of members who opt to defer their retirement and preserve in-fund, the fee is R43.58 per month.

Note on Divorce

If there is a valid Divorce Order against part of your withdrawal benefit in the Fund, the Fund is obliged to settle the value of the Divorce Order before paying any benefits to you. Thus, if you elect to transfer your benefit to a Preservation or RA fund or if you become a Preserver member in the Fund, the value of the divorce agreement will be deducted from your benefit before the balance is transferred.

A Divorce Order is enforceable against the Fund if the following 3 requirements are met:

1. ***The Fund is named*** in or correctly identified in the Order;
2. ***The Order must reflect*** that the Fund should pay pension interest to the non-member spouse; and
3. ***The amount or percentage of*** the pension interest due or assigned to the non-member spouse must be clearly specified.

The Fund's guidelines are that ALL three of the requirements above must be met in order to be legally binding on the Fund. Note: If you are busy with a divorce, a hold is placed on Savings component withdrawals.

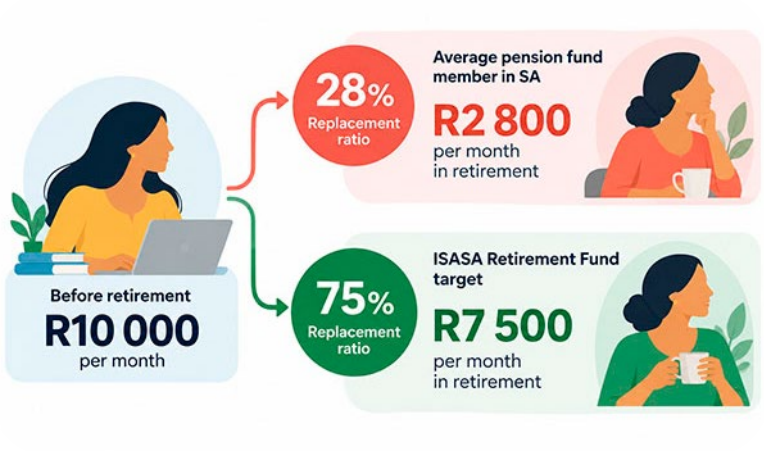
Why Preservation of Benefits is so important

Resigning from a job is a significant milestone, often filled with excitement and new opportunities. But resigning and accessing your retirement savings will have a negative impact on your retirement pension. Preserving these benefits when you resign can be a key factor in ensuring a secure financial future. Here's why it's important to take this step seriously and how to navigate the process effectively.

Research shows that the average pension fund member in SA can only replace 28% of their salary with a pension income at retirement.

This means that if you were earning R10 000 per month before retirement – your retirement capital would only be able to buy a pension income equal to R2 800 per month.

The ISASA Retirement Fund targets a 75% replacement ratio. This may mean that as a member of the Fund (and if you limit withdrawing money from the Fund) **you could retire with a pension of R7 500 and NOT R2800 as shown in this example.**



"Preserving these benefits when you resign can be a key factor in ensuring a secure financial future

continued overleaf...

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

Why is the pension income percentage of salary, at retirement, so low?

There are a couple of reasons but one of the biggest reasons why South Africans don't retire comfortably is because they don't preserve their savings when changing jobs. By taking a cash withdrawal, they deplete their retirement savings, and basically have to start saving all over again, with less time to make up for what they've lost. They also lose out on compound interest.

Compound interest helps your savings to grow over time – and the more time you give it, the more it will work for you. But how does it work?

You probably know that you earn interest on your savings. Over time, you will also start to earn interest on the interest you've already earned, for as long as you keep your money invested/ preserved. This might not seem like very much, but over time, it makes a massive difference.

Small amounts over longer periods can make a big difference



Compare two people who are saving for retirement, as shown above:
Person A starts saving R1,000 a month at age 25 and continues consistently for 30 years.
Person B waits until age 45 before starting to save. Realising that retirement is getting closer, they save R2,000 a month – twice as much as Person A.

Even though Person B is saving more each month, Person A has given their money 20 additional years to grow and benefit from compound growth. Those extra years can make a significant difference to the eventual value of their retirement savings.

The lesson is simple: The savings period is extremely important; a smaller amount saved over a longer period will provide more growth than a higher amount saved over a shorter period.

You must remember that the average retiree needs around 12 to 16 times his/her final year's annual salary to be able to retire relatively comfortably. It takes a long time to build up so much capital. By taking your fund benefit in cash, rather than preserving it, you take the risk of not having enough capital when you retire.

Another way to look at it is that to retire comfortably at age 65, you need to save at least 17.5% of your salary, for at least 35 years, invested largely in growth assets (such as shares).

Every time you change jobs and take the money in cash to spend, you are shortening the savings period.

The shorter the savings period the worse off you will be.

Every time you make a withdrawal from the Fund (either accessing your Vested benefit or making annual Savings component withdrawals you are shortening your savings period. Shortening the savings period by just 5 years reduces the retirement benefit significantly.

Preserving your fund benefits every time you change jobs will give you the best chance of retiring comfortably.



Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

Think twice before making a savings component withdrawal

To date the Fund has received 5028 Two-Pot Savings withdrawals totaling R70 million. The average amount paid is R15 551.

Although the Fund's Savings withdrawal claim experience has been lower than its peers in the industry the Board is concerned about the number of members claiming for the second time. The Fund's claims experience shows that most members claiming are in the lower salary bands. These members are the Fund's financially vulnerable members who are accessing their Savings Pots.

The Board of Trustees are concerned about these statistics and caution members to think twice before accessing their Savings components as this will have a negative influence on your retirement savings.

You basically have three options available with the money in your Savings component:

1. ***Avoid withdrawing it until retirement.*** At retirement you can choose to receive this as a cash lump sum (subject to tax) or add it to your Retirement component to purchase a pension. If you leave it to grow and add this to your Retirement component, at retirement you can retire with a larger monthly pension.

2. ***Leave it in the Savings component to continue to grow*** and use a portion in the future so when unexpected needs arise you have meaningful resources available.

3. ***Withdraw it annually and pay marginal tax (the highest tax possible) as well as an administration fee.*** When you get to retirement you will NOT have any money to take in cash (unless you have a Vested benefit in the Fund and then you may still only receive one third of this money as a cash lump sum).

Example to illustrate the impact of regular withdrawals:

Joe is a member of the ISASA Retirement Fund and is 30 years old. He earns R8 000 per month.

On 1 September he had R20 000 in the Fund and R2 000 was seeded to the Savings component on 1 September 2024. On 20 September he withdrew the R2 000.

If we assume the following:

- Net contributions (after costs) to the Fund of 12% over 35 years
- Salary increases of 6% per annum
- Fund growth of 4.5% per annum
- He retires at 65 years

If Joe continues to take the maximum Savings component withdrawal from the Fund annually, he would receive R468 804 in cash over 35 years.

He is expected to retire with R5.2 million retirement capital at 65 if he never leaves the Fund.

If, however, Joe did NOT take annual savings withdrawals he is expected to retire with R7.7 million which is R2.5 million more!

This is a result of the power of **compound interest.** Please note this example is based on the assumptions above.

> ***"The essence of compound interest; once your money starts working for you, the growth becomes self-perpetuating.***



The Good news

Thinking twice before making annual Savings component withdrawals is not just a matter of financial prudence; it's **a crucial step** *toward ensuring your* **long-term financial security.**

By understanding your options and making intentional decisions, you can **safeguard your financial future** *and ensure that you're building a* **solid foundation** *for retirement.*

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

How investments are growing



The returns included here are net of investment fees (after fees are deducted). You may also access the portfolio fact sheets on the Fund's website or Facebook Page to see the gross returns.

Retirement Fund Investment Portfolio fact sheets:

https://isasaretirementfund.co.za/home/fact-sheets

The Fund's performance is always measured against the growth targets set by the Board of Trustees in the Investment Policy Statement. These targets are linked to inflation and measured over specific periods. There is no guarantee that the growth targets will be met. In addition, some portfolios also have benchmarks, which are used as a measure of performance of the underlying asset managers against certain indices to illustrate under/outperformance. The Funds' performance relative to inflation is a more relevant measure for members, as this has the closest bearing on their future retirement outcome.

The benchmarks are industry standards approved by the Board of Trustees in consultation with the Fund's asset consultant and evaluated as and when the need arises. The Fund utilises ***a range of portfolios*** and the returns on all these alternatives are as shown.

Investment Return Definition:

Investment Return is the **percentage change** in **value of the investment** over a given **duration.** The **Fund's returns** are usually **measured** over 1-year, 3-year, 5-year and 10-year periods.

Benchmark Definition:

A **benchmark** is used as a **point of reference** against which the **performance** of a portfolio is **measured**. Depending on the type of portfolio, the goal of an **asset manager** is to track or exceed **the return** of a relevant benchmark.

August 2026	Performer Net Returns (Annualised)	Protector Net Returns (Annualised)	CPI
1 year	13.80%	14.24%	4.3%
Benchmark	13.43%	13.56%	
3 years	14.78%	13.98%	4.0%
Benchmark	15.16%	13.53%	
5 years	12.20%	10.97%	4.9%
Benchmark	12.58%	10.54%	
10 years	9.89%	NA	4.6%
Benchmark	9.81%	NA	

Default Lifestage Portfolios (Alexforbes Investments)

These portfolios apply to those members who did not make a member investment choice selection.

The Performer benchmark is the AlexForbes Investable Global Large Manager Watch Median.

The Protector benchmark is a composite benchmark consisting of various asset classes**.**

- **ISASA Performer portfolio** inception date - 1 September 2008 and became the default portfolio on 1 September 2017
- **ISASA Protector portfolio** inception date - 1 September 2017

**The ISASA Performer benchmark was changed with effect from 1 September 2017 to reflect the change from the ISASA High Growth to the ISASA Performer portfolios.*

continued overleaf...

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

August 2026	Balanced Index Fund *Gross Returns (Annualised)	Old Mutual Core Conservative Index Fund *Gross Returns (Annualised)	CPI
1 year	14.43%	12.40%	4.3%
3 years	14.95%	13.20%	4.0%
5 years	12.50%	10.30%	4.9%

Passive Lifestage Portfolios (Old Mutual)

These portfolios apply to members who specifically elected to invest in the Passive Lifestage or the individual portfolios.

The Balanced Index target is CPI+5% and Conservative Index is CPI+3%.

* The Old Mutual Core Conservative portfolio replaces the Conservative Index Fund from 1 September 2025. For this month gross returns are shown here for both.

August 2026	Net Returns (Annualised)	CPI
1 year	16.70%	4.3%
3 years	12.70%	4.0%
5 years	11.60%	4.9%
10 years	8.60%	4.6%

Absolute Stable Growth Portfolio - AGP80 (Old Mutual)

This portfolio applies to members of the Retirement Fund Part I schools that chose this option, as well as those members of the Retirement Fund Part II and Provident Fund who have specifically elected to be invested in this portfolio.

The target is CPI + 5.5% over rolling 3-year periods. *Portfolio inception date: 1 July 1974*

August 2026	Net Returns (Annualised)	CPI
1 year	17.00%	4.3%
3 years	13.12%	4.0%
5 years	12.10%	4.9%
10 years	9.10%	4.6%

Absolute Smooth Growth Portfolio - AGP50 (Old Mutual)

Effective 1 October 2018 members have had a choice between the Absolute Stable Growth or Absolute Smooth Growth smooth bonus portfolios.

The target is CPI + 6% over rolling 3-year periods.

Portfolio inception date: July 1974

> ***Education compounds: Financial literacy multiplies value beyond returns – it empowers you to align your money with your purpose, interpret advice critically, and engage meaningfully in your own planning.*** *From Moneyweb: Financial advisor views January 2026*

continued overleaf...

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future

August 2026	Net Returns (Annualised)	Benchmark	CPI
1 year	8.29%	6.85%	4.3%
3 years	9.08%	7.55%	4.0%
5 years	8.26%	6.76%	4.9%
10 years	7.86%	6.30%	4.6%

Banker Portfolio
(Alexforbes Investments)

This portfolio applies to members that have specifically elected to be invested in this portfolio.

The benchmark is the STeFI Call Deposit Index.

August 2026	Net Returns (Annualised)	Benchmark	CPI
1 year	23.49%	23.51%	4.3%
3 years	16.28%	16.97%	4.0%
5 years	12.25%	11.85%	4.9%

Shari'ah High Growth Portfolio
(Alexforbes Investments)

This portfolio addresses the needs of members who wish to exercise their religious beliefs with regards to Islamic law and applies to members who have specifically elected to be invested in this portfolio.

The benchmark is a composite benchmark consisting of equity and Shari'ah compliant liquid assets.

Portfolio inception date - July 2017

The Good News

The ISASA Retirement Fund's two default Lifestage Investment portfolios are well diversified and invests your assets according to your term to retirement. This happens automatically as you near retirement. **The two Lifestage investment models have played a crucial role in improving retirement outcomes** for the Fund's members as these are specifically designed to preserve and keep members' investments safe as they near retirement. **The Board remain confident in their strategic asset allocation**, which is designed to balance risk and reward in alignment with members' needs.

Fund contact details

Registered Office:
Old Mutual Corporate
1 Mutual Place
107 Rivonia Road
Sandton
2146

Administrator's Office:
Old Mutual Corporate
Mutual Park
Jan Smuts Drive
Pinelands, Cape Town
7405

Member Queries:
Tel: 0860 466 466
Email: isasa@oldmutual.com

Principal Officer: Leslie Primo
Email: leslie.primo@mweb.co.za

Fund's registration numbers
at the Financial Sector Conduct Authority:

Retirement Fund (Part I and Part II): 12/8/11388

Contents

02 Welcome

02 ISASA wins a prestigious IRFA award again

03 Preservation Options available in your Fund

04 Why preservation is so important

06 Think twice before making a Savings component withdrawal

07 How the Fund investments are growing

09 Fund contact details

ISASA RETIREMENT FUND
Caring about your financial future