TSDBF

TRANSNET SECOND DEFINED BENEFIT FUND

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PUBLICATION FOR THE TRANSNET SECOND DEFINED BENEFIT FUND

IMPORTANT

IT IS UP TO YOU TO KEEP US UP TO DATE!

The Transnet Second Defined Benefit Fund wants to communicate with you regularly about your pension benefit, important industry and Fund developments, and so much more. It is however very difficult for the Fund to do so if we do not have your most updated contact information.

It is therefore imperative that you continue to ensure that you provide your most recent contact information and nominated beneficiaries to make the most of all that the Fund has to offer. This can be done by updating your contact information by registering on the Member Portal:

VERSO Website: https://tsdbf.net
Call Centre: 021 943 5310
Share Call: 087 330 1295
WhatsApp: 076 796 2826 (from 08h00 to 16h00)
USSD: *120*559#

Welcome

Dear Pensioners

We, the Trustees, are pleased to introduce our first newsletter for 2025. We hope that this publication finds you in excellent health and good spirits.

There is an old phrase, often perceived to be a curse, that states "May you live in interesting times." Interesting may not sound so bad, but unfortunately, it can mean trouble and turbulence. And we are truly living in interesting times! That being said, we would like to assure all our pensioners that no matter what may be happening in the rest of the world, the Trustees continue to abide by their duty to you. It is the aim of the Fund's Investment Managers to invest in such a way that there is reasonable level of risk, and to ensure that the assets are always meeting the liabilities of the Fund, using its Liability Driven Investment Strategy.

This newsletter provides a simple, graphic overview of the salient aspects of the national budget, as well as some practical articles to enhance your lifestyle and well-being. Please enjoy the read.

Contact the Fund's administrators

If you experience any problems or require assistance, please email the
Client Contact Centre on 021 943 5310

"You are never too old to set a new goal or dream a new dream."
C.S. Lewis

Meet your new Trustee

I was born in Pietermaritzburg on 20 February 1957 and spent 40 years of my life there. I matriculated at Voortrekker High School in 1974 and obtained a 3-year Diploma in Personnel Management from IPM. I also attended the South African Business Excellence Program at Unisa's School of Business Leadership Midrand Campus in 1996 and 1997.

I had two older brothers both who passed away in 2020 and I lost my mother in 2002 and father in 1976. I am married (since 1978) and we have 2 children and 3 grandchildren.

I started my career with the South African Railways and Harbours on 1 April 1977 as a Clerk Grade 2 in Human Resources and got promoted through the ranks until I was appointed as a senior officer in HR in 1995 and occupied the position of Human Resources Practitioner until retirement. During this time I also lectured Human Resources Management at the Technicon Natal Pietermaritzburg campus and at the Damelin campus in Newcastle.

As far as my hobbies are concerned, I taught myself to manufacture timber furniture, I played competitive cricket until my 43rd birthday, I love reading, mostly non-fiction, especially histories and biographies, I can read music and play piano so not surprisingly, I love music of all genres.

I participated in virtually every sport where ball sense was required and now in my old age, I am glued to the TV watching rugby, cricket, tennis, motor racing, etc. so I am very rarely bored.

I think the quote that I identify with most is "failing to plan is planning to fail" and my subordinates always referred to me as the "action plan man" in a humorous way.

As far as our Fund is concerned it goes without saying that I am driven by the need to keep the Fund financially sound in order to meet the financial needs of our beneficiaries and to improve their lives. First and foremost, I strive to operate in the best interest of the Fund while acting in good faith towards our beneficiaries.

Certificates of Existence

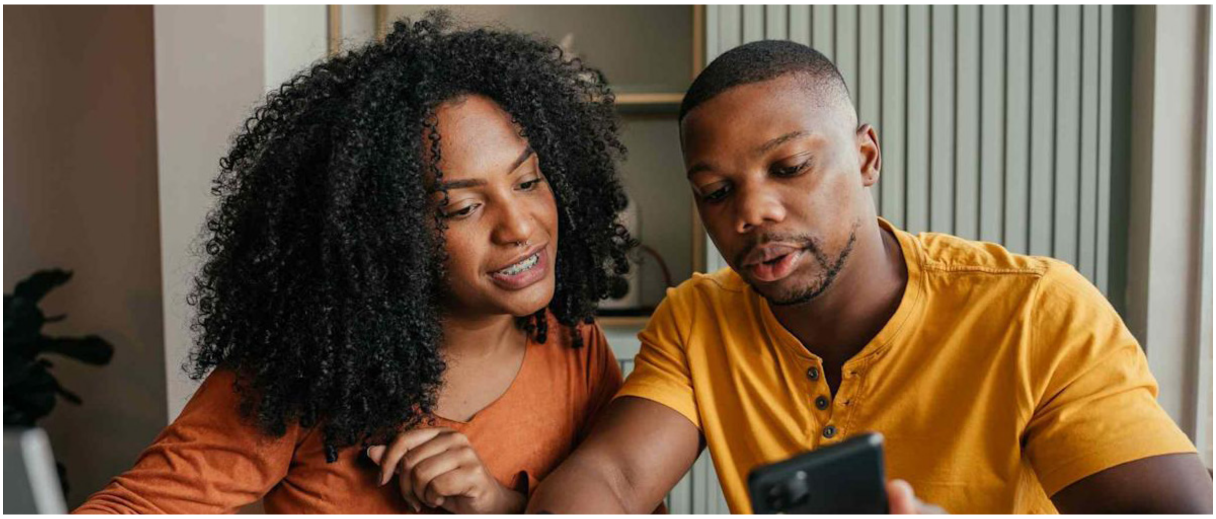
To ensure a structured and orderly process, this verification exercise is organised according to age range and timeline. The current focus remains on members aged 90-94 years. Members in this group have until **31 March 2025** to return their completed **COE** to Verso.

Please note that pension payments of Members who have failed to submit the **COE** will remain suspended until the **COE** is received.

Members in the over 100 age category were suspended **01 July 2024** and in the **95-100** age category effective **01 November 2024**. As **28 February 2025** there are 52 remaining over 100 age category members and 239 95-100 age category members suspended.

On **24 January 2025**, a total of **458** members with Ithala bank accounts were suspended due to the liquidation of the bank. As **28 February 2025** there are **232** remaining suspended members.

Arrear pension and bonus due to pensioners are being processed as and when outstanding **COE's** are received.



Investment Performance Dashboard

2024 Performance Review

Market Overview

The year 2024 witnessed notable investment performance across global equity and bond markets. Global equities delivered strong returns, with the MSCI All Country World index achieving a total return of 22.5% in Rand terms. The technology sector, particularly companies involved in artificial intelligence, led the market, driven by investor enthusiasm and expectations of Federal Reserve interest rate cuts. On the other hand, global bonds faced challenges due to rising interest rates and inflation, resulting in mixed performance.

Geopolitical risks, including conflicts in Ukraine and the Middle East, disrupted energy markets and global supply chains, contributing to market volatility. Political events, such as the US presidential election and government collapses in France and Germany, created uncertainty in global markets. The Trump administration's proposed tariffs on all US imports reshaped the global trade landscape, affecting key currencies like the euro and British pound.

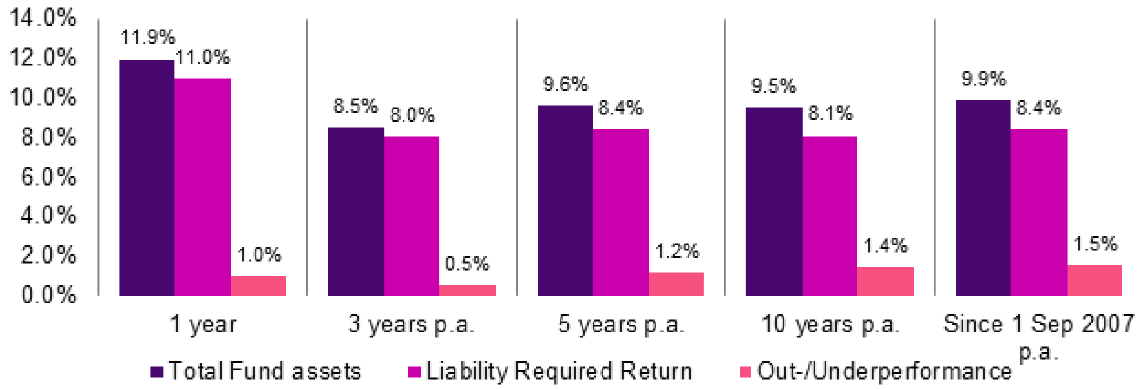
In South Africa, the equity market experienced a resurgence, driven by improving macroeconomic conditions and investor confidence. The JSE All Share index delivered an absolute total return of 13.4%. While sectors such as Financials and Industrials had very strong performances over the year, sectors such as manufacturing and transport faced challenges due to weaker production levels and operational hurdles.

South African bonds had a remarkable year, with the All Bond Index (ALBI) delivering a return of 17%, the highest annual return in over a decade. The formation of the Government of National Unity (GNU) in June, positively impacted investor sentiment and market confidence. The South African rand faced fluctuations due to global commodity prices and trade tensions with the US.

The Fund's investment performance to 31 December 2024

The primary investment objective of the Fund is to earn at least the "Liability required return" that allows it to provide pension benefits to the Fund members, their spouses or dependents as well as increases in terms of the Fund's pension increase policy, without any reliance on the surplus assets within the Fund or the sponsoring employer, Transnet. To achieve this outcome, the Fund follows a "LDI" ("liability driven investment") strategy where a significant portion of the assets explicitly match the liabilities, with only excess assets deployed into more risky growth assets.

The below graphic shows the net investment performance of the Fund's Total investment portfolio, the "Fund net return", as well as the "Liability required return", over various periods ending 31 December 2024.



For periods longer than one year, the returns are shown per annum. This means that the returns shown are the average annual (yearly) return for each year over the different periods. The returns are shown after deducting investment management fees.

The Fund's assets outperformed the "Liability required return" over all reported measurement periods. This means that the Fund's investments have provided a return that exceeds that required to meet its expected liability, across all time periods. The excess returns earned have improved the financial position of the Fund and subject to sustainability, should allow higher pensions/bonuses to be paid in future.

Death claim process

Losing a loved one is a difficult experience, and when a pensioner passes away, it can be overwhelming to understand the rules and documentation required by the Fund. The Death of a Pensioner guide aims to provide you with a step-by-step approach to help you navigate the necessary steps and provide clarity on the applicable rules and required documentation.

The guide is available on the Fund's website: https://tsdbf.net/forms

Membership

TSDBF Fund Active Members as at 28 February 2025

Total Pensioners	**29 075**
Principal Members	**6 425**
Spouse	**22 528**
Children	**122**

TSDBF Fund Suspended Members as at 28 February 2025

Total Suspended Pensioners	**575**
Principal Members	**96**
Spouse	**476**
Children	**3**

How the National Budget and the economy affect you

The outlook for South Africa's economy has largely improved. However, there are still large issues that need to be resolved – for example, inadequate infrastructure (Eskom, Transnet, etc.).

Over and above these challenges, high interest rates have been a contributing factor to the country's slower economic growth over the past few years. But in good news, the South African Reserve Bank has cut the repo rate by a cumulative 75 basis points to date.

The interest rate relief is due to lower inflation and an improved outlook for future inflation. In December, annual headline consumer inflation was only 3%. The Reserve Bank expects inflation to average 3.9% this year and 4.6% next year.

Lower inflation doesn't just allow for lower interest rates: it also increases your purchasing power as an individual. It means your income is likely to increase in line with inflation, or above inflation.

The Reserve Bank expects the economy to expand by 1.8% this year and next, rising to 2% by 2027. This is slow compared to many other emerging markets, but much better than the 0.5% average growth rate of the last ten years. We can expect further value to be unlocked across the various investment classes. However, we do not operate in a vacuum, and the current global backdrop is particularly uncertain, as witnessed by the volatility of the rand since the Trump election in November.

"Don't simply retire from something; have something to retire to."
Harry Emerson Fosdick

Taxing Times
The 2025 National Budget

Here we go again… So how does it affect you this time?

Government proposes to increase the VAT rate by half a percentage point in 2025/26, and by another half a percentage point in the year to come.

There are no inflationary adjustments to personal income tax brackets, rebates and medical tax credits. This means that if your income increases with inflation, you might get pushed into a higher tax bracket.

The R70 billion Eskom debt takeover government was planning has been adjusted down by 20 billion in total.

A tiny ray of light:

- More than a trillion is allocated to infrastructure – transport and logistics, energy, water and sanitation. This is desperately needed.
- Another small beam of sunshine: Social grants will be increased above inflation, the fuel levy won't be increased and the basket of VAT-exempt goods will be expanded. The items added to the list of zero-rated foods include edible offal of sheep, poultry, goats, swine, and bovine animals; specific cuts such as heads, feet, bones, and tongues; dairy liquid blend; and tinned or canned vegetables.
- The Covid-19 social relief of distress grant in its current form will be extended by a year to March 2026.

Alcohol and tobacco tax increases:

- **Malt beer:** 16 cents increase on 340ml can;
- **Unfortified wine:** 29 cents more per 750ml bottle;
- **Fortified wine:** 48 cents more per 750ml bottle;
- **Sparkling wine:** 90 cents more per 750ml bottle;
- **Ciders and alcoholic fruit beverages:** 16 cents more per 340ml can;
- **Spirits:** R5.97 more per 750ml bottle;
- **Cigarettes:** R1.04 more per packet of 20;
- **Heated tobacco product sticks:** 77 cents more per packet of 20;
- **Cigarette tobacco:** R1.16 more per 50g;
- **Pipe tobacco:** 50 cents more per 25g;
- **Cigars:** R8.49 per 23g; and
- **Nicotine and non-nicotine solutions for electronic delivery system:** 14c per ml.

We're not done yet! Parliament – all the parties of the GNU – still needs to debate and vote on whether they are happy with all of this. We truly do live in interesting times.

Kick-Start Your Nutrition with Kale

Did You Know?

Just one cup of kale will give you your recommended daily allowance of Vitamins A, C and K, as well as a good dose of Vitamins E, B6, calcium, potassium, iron and several other nutrients.

It's also low in calories, fat and cholesterol and a good source of fibre and protein. All in all, kale is a great alternative to boring old spinach and cabbage in your soups, stews or salads.

How To Prepare Kale

1. Trim off the stiff centre stems, or ribs, which can be slightly woody.
2. Rinse the curly leaves well and massage with a pinch of salt, lemon juice and/or olive oil for 3-5 minutes.
3. Dunk the leaves in boiling salted water, drain, then rinse in ice-cold water and dry.
4. You can also add a pinch of sugar if you find the flavour slightly bitter.

A North African kale recipe to try: Shakshuka

Shakshuka – also known as "eggs in purgatory", depending on which country you are cooking in – is a simple, cost-effective dish that makes use of a tomato base and baked eggs.

Ingredients

4	cloves garlic — finely chopped	
1	red onion — finely chopped	
2	cans tomato mix of your choice	
2	tsp	paprika
1	pinchsalt and black pepper	
1	tsp	brown sugar
8	kale leaves, stemless	
4	jumbo free-range eggs	
6 - 8	kale leaves — stems removed	

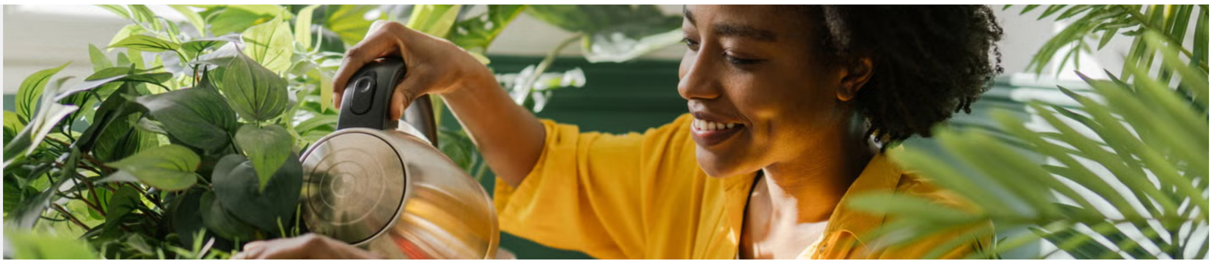
To Serve: Grilled halloumi cheese slices or toasted baguette slices

Directions

1. Fry the garlic and onion until golden.
2. Add the tomato mix, paprika, salt, pepper and sugar and allow to simmer until the colour deepens.
3. Turn the heat to low, make four wells in the tomato mixture, and line the wells with the kale leaves.
4. Break the eggs into the lined "kale wells".
5. Bake until the egg whites are firm.

Serve with grilled halloumi slices or toasted baguette slices for dipping.

The Power of Plants for Positivity



We've all been staying at home a lot more than we usually would. So it's understandable if you have reached the conclusion that your personal space could use a bit of brightening up. But before you call the decorators, why not consider bringing some literal life back into your home?

Houseplants can enhance your mental and physical health, while they purify the air around you. Here are a few ideas to get you inspired.

Start simple

Some popular and affordable, low-maintenance houseplants are the arum lily, Transvaal daisy, lucky bamboo, a variety of ferns, African violets, and of course, the proudly South African spekboom.

In fact, having a spekboom in your bedroom can even improve the quality of your sleep – it's that effective at cleansing the air that you breathe.

Start specialising

If you want to take things up a notch, you could start your own medicinal herb garden by planting aloe vera for skin irritations, chamomile or devil's claw for aches and pains, camphor for sinus troubles and to repel insects, and buchu for a variety of ailments.

Similarly, a small herb garden in your kitchen could help you to spice up home-cooked meals with an extra dash of vibrant colour and healthy, fresh flavour. Herbs also smell great and most of them have great health benefits too. Add some chillies for their bold colour and great antioxidant qualities.

Stimulate the senses

For those who love colour, orchids and bromeliads are bound to boost your mood, as well as clivias, hydrangeas, cyclamens and chrysanthemums.

And if you're all about fragrance, you'll definitely love having jasmine, peonies, roses and lilies to make the air around you smell like the finest perfume.

To plant a garden is to believe in tomorrow. Audrey Hepburn

Book Nook

Riveting reads for restless days

Icarus,
Deon Meyer,
Thriller,
352 pages

The Source of Self-Regard,
Toni Morrison,
Essays,
368 pages

Shantaram, Gregory
David Roberts,
Adventure Fiction,
936 pages

Elizabeth Costello,
JM Coetzee,
Fiction,
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Leo Tolstoy,
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Miguel de Cervantes,
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The Blind Assassin,
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Historical Fiction,
536 pages
1984,

George Orwell,
Science Fiction,
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A Thousand Splendid Suns,
Khaled Hosseini, Domestic
Fiction,
384 pages