2025 Pensioner

Information Session

SENTINEL
retirement fund

Today's Activity Plan

1 Enjoy refreshments & connect with friends

2 Presentation commences @ 10:00

- Updates from the Fund
- Governance
- Fund Statistics and Investments
- Up-To-Date Pension Increase Indicators
- Enhanced Annual Pensioner Benefit Statements

3 Handy Tips

4 Revert to 1

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Building for the Future: Updates from the Fund

- Introduced and Launched the New Corporate Identity
- Moved Head Office to Sandton
- System Migration
- Implementation of the new Two-Pot System
- R100 Billion under Management

Introducing the New Face of Sentinel Retirement Fund

- One of South Africa’s largest self-administered defined contribution pension funds, with over **75 years of experience.**
- Our new logo is inspired by the **“nest egg”** symbol, representing:
  - **Financial security** for the future.
  - Careful **protection** of members' wealth.
- The **stylised nest** implies protection by a **guardian.**
- Our **commitment remains to the same** trusted service and values, integrated with evolution into the future.
- We **embrace change** to remain sustainable and relevant.

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Our New Home

OUR FUND

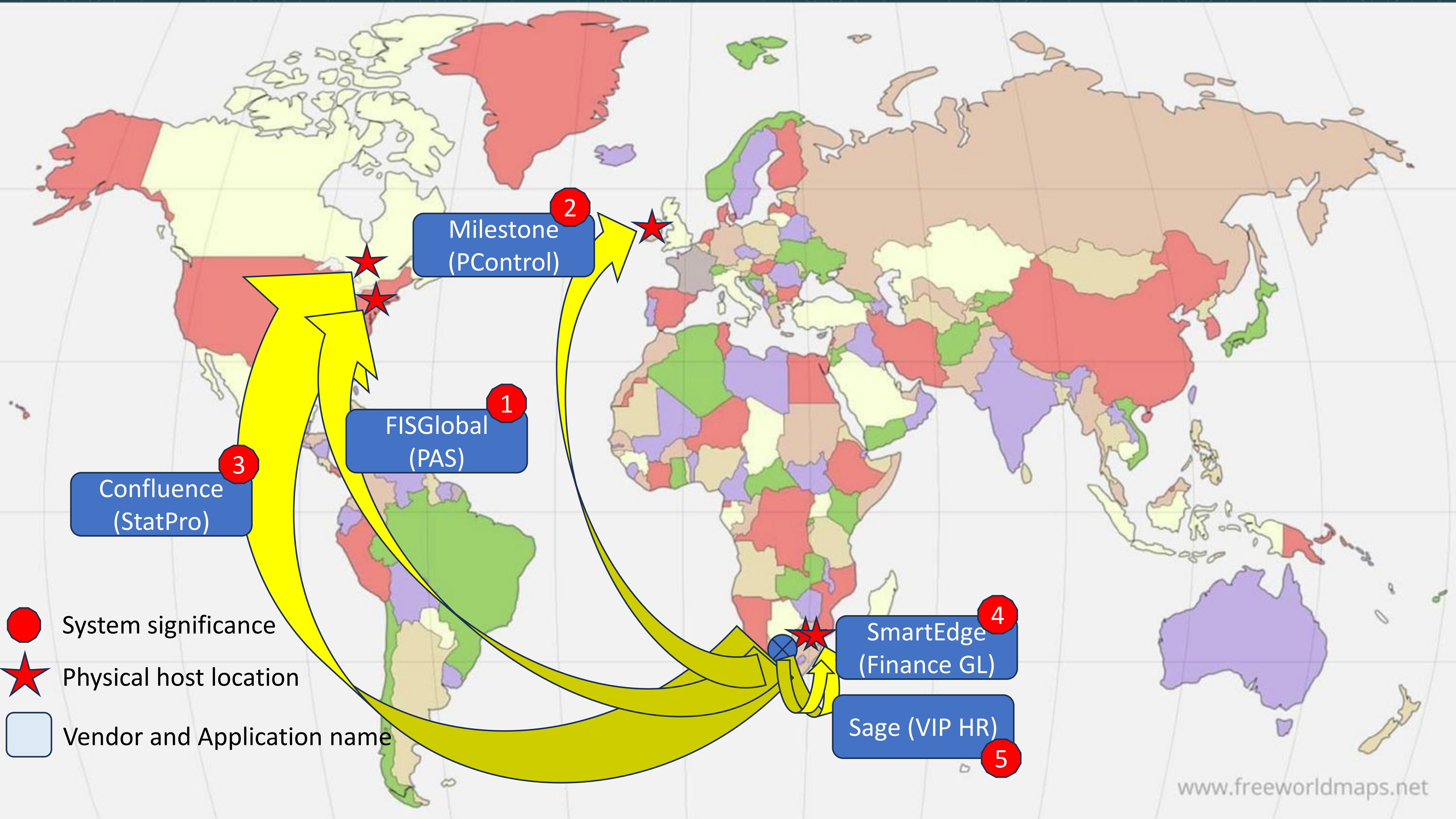
SUSTAINABLE OFFICE RELOCATION

Fund relocated in 2024 to a sustinably designed office space certified with a 4-star rating by the Green Building Council of South Africa (GBCSA).

Key Features:

- A cooled air heating, ventilation, and air-conditioning system designed to minimise water usage
- Lighting zones restricted to **$\leq$ 100m^2** enhance energy efficiency
- Water-saving fixtures including low-flow water closets, urinals, and taps
- Low-volatile organic compounds finishes to promote healthier indoor air quality

System Migration


Milestone (PControl)
2
FISGlobal (PAS)
1
Confluence (StatPro)
3
SmartEdge (Finance GL)
4
Sage (VIP HR)
5
System significance
Physical host location
Vendor and Application name
www.freeworldmaps.net

Key Technology Focus Areas

- Sentinel is continuously upgrading its tech infrastructure to improve long term sustainability and member and employer experiences.
- Key upgrades include an improved member online portal and employer portal, streamlined workflows, user-friendly self-service functionality and enhanced communication features with AI integration.
- Sentinel is also focusing on data security and compliance by implementing KYC solutions and additional cybersecurity software.
- These continuous improvements aim to better SERVE our members and secure the long-term sustainability of the fund.

Two-pot Snapshot

1/3
contributi

SAVINGS
COMPONENT

2/3
contributions

RETIREMENT
COMPONENT

No Contributions
allowed

VESTED
COMPONENT

Two-Pot Savings Withdrawal Claims: Statistical Overview

Tax Year	Month	Total Claims Paid	Total Payout (ZAR)
2025	September	260	R7,136,206.67
	October	3954	R110,462,572.15
	November	3721	R105,751,985.01
	December	1522	R44,215,365.16
	January	787	R25,176,501.72
	February	803	R26,635,865.79
TOTALS		**11,047**	**R 319,378,496.50**
2026	March	1113	R28,539,497.71
	April	1026	R24,884,641.18
	May	1144	R31,370,219.42
	June	858	R25,270,985.36
	July	1153	R33,624,414.53
TOTALS		**5,294**	**R 143,698,758.20**
GRAND TOTAL		16,341	R463,077,254.50

Impact of Withdrawal Behaviour on Retirement Outcomes

Scenario Details:

- Starting contribution: R3,000/month, increasing at 6% per year.
- Contributions split: 1/3 to savings, 2/3 to retirement component.
- Investment return: 10% per year.
- Term: 35 years.
- **Two scenarios:**
  - The person withdraws the savings component (plus that year's growth) every year.
  - The person leaves all savings untouched for 35 years.

Scenario	Total Saving Component (End)	Total Retirement Component (End)	Final Combined Value (End of 35 yrs.)
Withdraw Savings Annually	R 87,012	R12,249,813	R12,336,825
No Withdrawals (All Funds Compound)	R6,124,905	R12,249,813	R18,374,718

Key insights:

- Making annual withdrawals from the savings pot results in a total accumulation of about **R12.3 million** after 35 years (most of this comes from the retirement pot, as the savings pot is always emptied each year).
- Not withdrawing (allowing all pots to compound) grows the combined balance to about **R18.4 million**—about 49% greater than the constant withdrawal scenario.

Compounding: The savings component, when left untouched, benefits from compounding for the entire period, resulting in exponential growth.

Governance Practices

The Fund is overseen by an independent Board with financial, legal, and other relevant expertise, supported by knowledgeable counsel to ensure informed decision-making and effective management.

The Board operates in accordance with the

- Fund Rules,
- Pension Funds Act 24 of 1956,
- FSCA standards,
- King IV principles,
- and all applicable legislation.

Governance Structure

BOARD OF TRUSTEES

Nominations Committee

- Capacitation of the Board and Board Committees

Claims Committee

- Death and Disability Claims
- S37C Death benefit lumpsums
- S37D Deductions
- PFA
- Sub-Claims Comm

Investment Committee

- Investment strategy
- Investment Policy Statement (IPS)

Audit & Risk Committee

- AFS & AR
- Enterprise Risk Management (ERM)
- Combined Assurance

Human Resources & Remuneration Committee

- Remuneration
- Skills Development
- Employment Equity
- Succession Planning

HR & RemCo Sub-Comm

- Executive Committee Remuneration
- Appointment of Chief Executive Officer and Principal Officer

Culture

The Fund's management and administration are guided by a member-focused culture, prioritising the fair treatment of members. Characteristics that set the Fund apart:

- Self-administered with no profit motive
- Operates as a mutual society for the benefit of members and pensioners
- Only actual costs are recovered

Sentinel Participation – 30 June 2025

97
Employers

Mining 77

Other 20

39,741
Members

R 50,9 bn

31,159
Pensioners

R 46,4 bn

Total R 97,3 bn

RSA Pension Index

Source	Number	Average
State Old Age Pension 2025	**4,071 mil**	**R2,310 (60-74)**
BankServ BPPI Sep 2024	**700,000**	**R11,410**
Sentinel Pensions June 2025	**31,159**	**R13,585**
Primary Pensioners	16,105	R17,123
Pensioner Spouse	9,738	R11,822
Member Spouses	5,316	R6,678

Pensioner Age Profile – 30 June 2025

Age Group	Primary Pensioner	Pensioner Spouses	Member Spouses	Total	%
- 60	1,819	810	3,036	5,665	18%
60 - 69	6,186	1,915	1,449	9,550	31%
70 - 79	5,129	3,533	573	9,235	30%
80 - 89	2,659	2,982	234	5,875	19%
90 - 99	309	490	24	823	3%
100 +	3	8	-	11	
Total	16,105	9,738	5,316	31,159	
%	52%	31%	17%		

Pensioner Movements – 30 June 2025

EVENT	Suspensions			Additions		
GROUP	Primary	Pensioner Spouse	Member Spouse	Primary	Pensioner Spouse	Member Spouse
2019	969	520	92	705	594	124
2020	1,107	517	110	630	670	142
2021	1,402	691	132	639	837	202
2022	967	561	86	645	550	61
2023	944	626	107	611	562	125
2024	939	607	113	592	468	99
2025	919	642	91	655	472	113

Investment Strategy

- **LDI** approach with extensive **ALM** methodology
- **Diversification** across & within asset classes
- Predominantly **active management** approach
- **83** Specialist mandates, **48** best of breed managers
- Portfolios share in same underlying assets, but with different weights allocated depending on **risk/return** profile
- Regulation 28 compliant at **Fund & Portfolio levels**

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Asset Allocation

Asset Class	Wealth Builder	Inflation Protector	Pension Protector	Pensioner	Benchmark
SA Equity	38%	32%	21%	20%	Capped SWIX
SA Property	7%	7%	7%	7%	ALPI
SA Nominal Bonds	0%	4%	4%	3%	ALBI
SA Medium Term ILB	0%	0%	0%	0%	R202
SA Long Term ILB	13%	15%	27%	28%	50% 12046 / 50% 12050
SA Money Market	1%	2%	2%	2%	STEFI
Africa Equity	8%	8%	8%	8%	70% MSCI EFM Africa (ex SA) / 30% S&P All Africa (ex SA) Capped
Foreign Equity	16%	16%	16%	16%	MSCI AC World
Foreign Property	4%	4%	4%	4%	EPRA NAREIT Developed
Foreign Bonds	0%	0%	0%	0%	BGABI
Foreign Money Market	0%	0%	0%	0%	1m USD SOFR
Emerging Market Equity	6%	6%	5%	6%	MSCI EM (Ex SA)
Frontier Market Equity	3%	3%	3%	3%	MSCI FM
China Equity	3%	3%	3%	3%	65% MSCI China A Onshore / 35% MSCI China

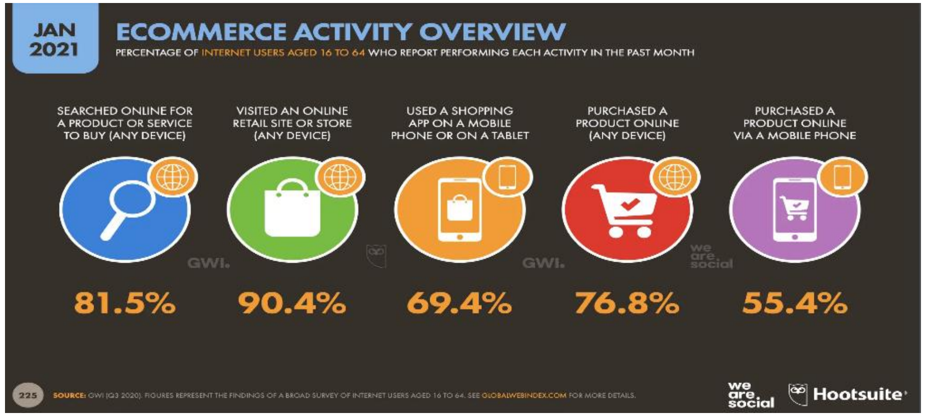
There are ranges around each asset class

Global Factors Impacting Markets

Geopolitics

Climate Change

Exponential rise in AI



Global Inflationary Pressure & Interest Rates

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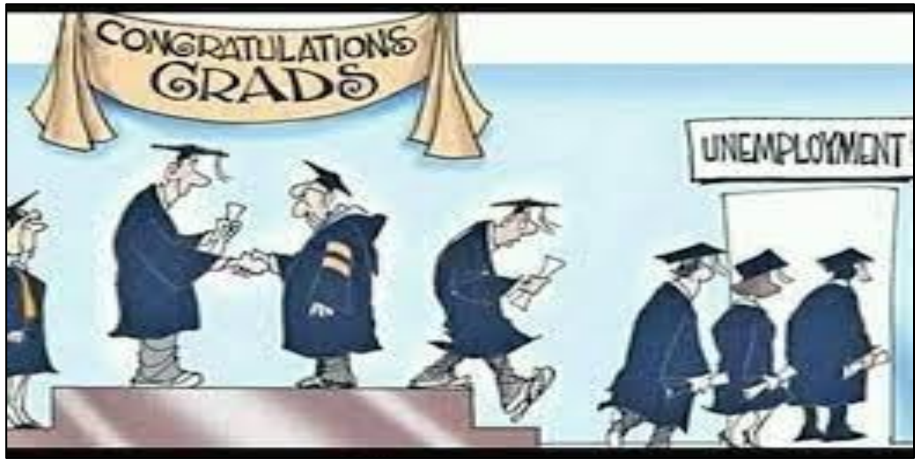
RSA Factors Impacting Markets

Social Crisis

Electricity Crisis

Rising Inequality

Employment Crisis



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Your Guaranteed Pension

- Guaranteed for Life

  Once started, your pension (and increases) can never be stopped or reduced.

- Spouse Protection

  If provision is made, your spouse continues to receive the pension.

- Annual increases

  Increases follow the Fund's approved Pension Increase Policy.

Secure • **Reliable** • **Guaranteed**

Pension Increase Indicators

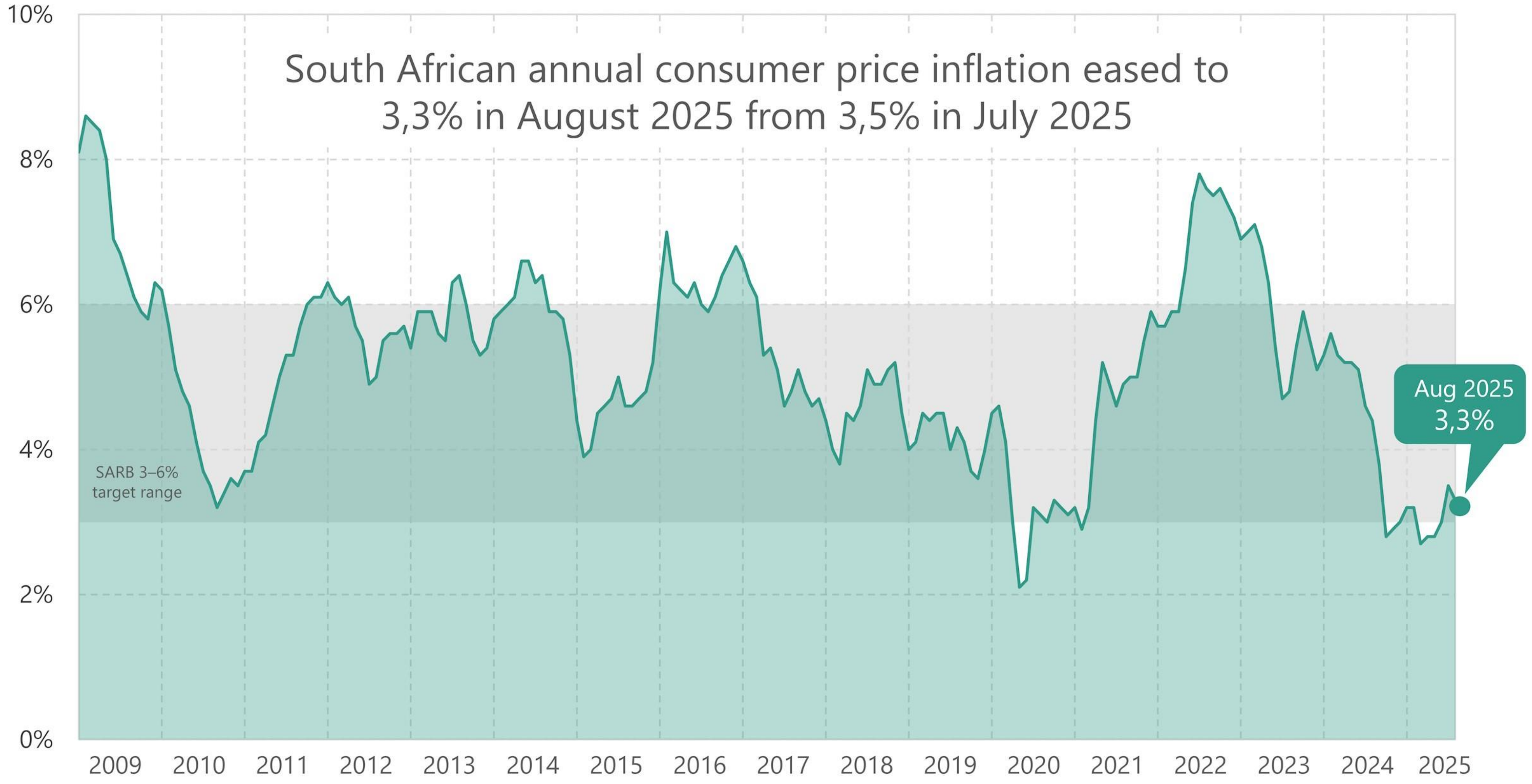
LEGISLATION	Minimum Benefits PFA
INVESTMENTS	LONG TERM CPI + 4%
PURCHASING POWER	MINIMUM TARGET 80% CPI
FUNDING LEVEL	FINANCIAL SOUNDNESS

Increase Policy

The Board aims to review and increase pensions each year, using the following principles:

- Pension increases will target at least **80% of annual headline inflation (CPI)**, measured as at 30 June.
- Any increase will be assessed for its **long-term effect on the sustainability** of the pensioner account.
- Increases are **smoothed** over time: the funding level after the increase may temporarily vary between **95% and 105% of the funding target**, helping to maintain stable pension growth and manage volatility.
- Where possible, the Board may also **consider awarding a discretionary bonus** to pensioners, depending on financial conditions.

Inflation Realities: Beyond the Numbers



Source: *Consumer Price Index (CPI), August 2025*

stats sa
Department: Statistics South Africa
REPUBLIC OF SOUTH AFRICA

IMPROVING LIVES THROUGH DATA ECOSYSTEMS

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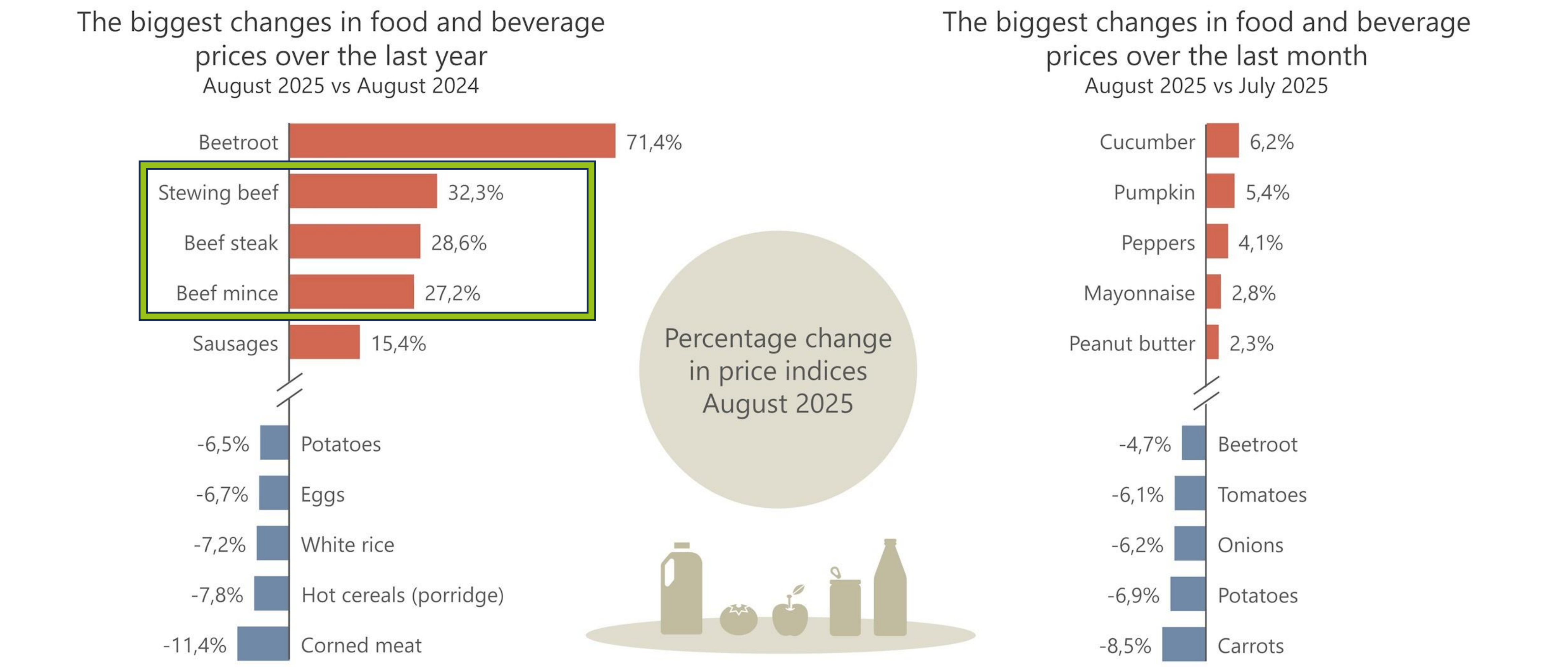


Source: *Consumer Price Index (CPI), August 2025*

Making Sense of Inflation - CPI

Definition and Authority

- CPI is measured by Stats SA to track how prices rise for a typical basket of goods & services.
- It’s an official statistic recognised worldwide.

Investments

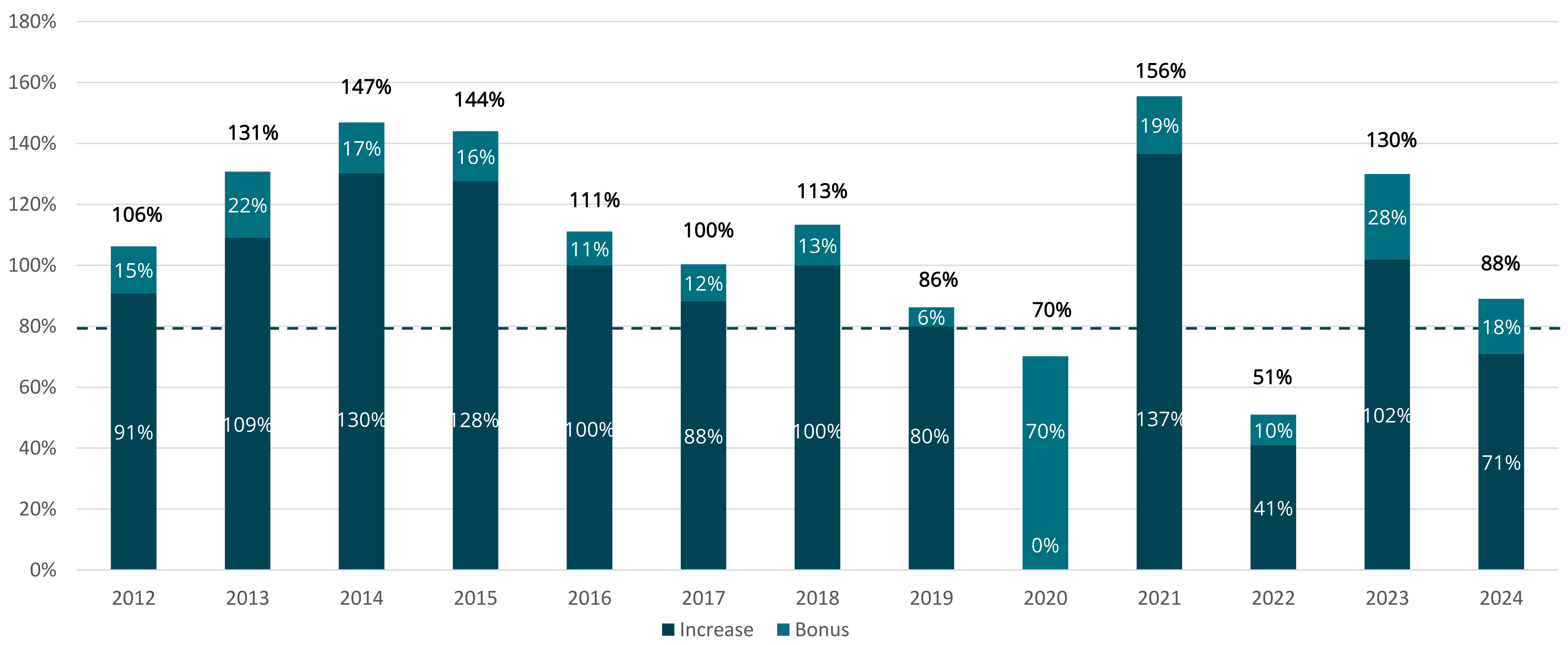
- CPI is the benchmark for measuring investment performance.

Personal Experience

- Everyone has a unique CPI because we spend differently.
- Example: Medical costs often rise faster than general inflation.

CPI may not capture individual experiences, but it remains the best, most widely accepted standard for adjusting pensions fairly and predictably — helping preserve the real value of your retirement income.

Pension Increases as % of CPI



Delivering Increases Responsibly

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Portfolio Returns %	9.5	9.7	1.3	7.4	3.6	0.4	18.2	5.3	8.5	6.0	13.8
CPI (YoY) %	4.7	6.3	5.1	4.6	4.5	2.2	4.9	7.4	5.4	5.1	3
Indicator: 80% of CPI	3.8	5.0	4.1	3.7	3.6	1.8	3.9	5.9	4.3	4.1	2.4
Increases %	6.0	6.3	4.5	4.6	3.6	0.0	*6.7	3.0	5.5	3.6	?
Bonus %	10.0	9.0	7.0	7.0	3.0	15.0	10.0	7.5	15	8.3	?
Funding Level % (Pre)	106.1	102.5	100.4	100.7	98.7	96.4	104.6	98.7	104.1	100.0	102.3
Funding Level % (Post)	99.3	95.8	95.5	95.7	95.0	94.9	97.2	95.1	97.2	95.6	?

*Includes a 1.8% catch-up increase effective 16/10/2021 for pension in payment 15/10/2020

Total Pensioner Charges

Description	Budget 2024 / 2025	Actual 2024 / 2025	Budget 2025 / 2026
Investment Charges	0.52%	0.45%	0.48%
Advice Charges	0.00%	0.00%	0.00%
Admin Charges	0.28%	0.24%	0.29%
Other Charges	0.00%	0.03%	0.00%
Total Charges	**0.80%**	**0.72%**	**0.77%**

PENSIONER BENEFIT STATEMENT AS AT

A. PERSONAL PARTICULARS OF PENSION RECIPIENT

Primary Pensioner	XXXXX, XX
Identity Number	XXXXXXXXXXXXX
Member No	XXXXX

B1. PENSION BENEFIT DETAIL / B2. EXTENDED BENEFIT PROVISIONS

Originating Fund	Benefit Description	Pension Type	Benefit Commencement Date	Current Pension Value (R)	Category	Potential Spouse Pension Value	Potential Death Lump Sum Value	Term Certian Guarantee Expiry
Sentinel	Retirement	Guaranteed	XXXX/XX/XX	XX,XXX.XX	C	XX,XXX.XX	n/a	X/XX/XXXX
Total pension(s) in payment				**XX,XXX.XX**				

C. EXTENDED BENEFIT DESCRIPTIONS QUALIFICATION CRITERIA

Category	Spouse Qualification Criteria	Potential Pension Value	Potential Death Benefit Lump Sum
	Sentinel from 2005/8/1 to now & MEPF from 2005/8/1 to now		
C	The spouse for whom a spouse pension was provided at the time that the pensioner retired will qualify for this benefit irrespective if they are still married at the time of the pensioner's death.	A term certain guarantee option between 5 and 25 years applied. If the pensioner dies within the term certain period, the spouse will receive the full pension for the remainder of the term selected, where after a spouse pension of either 75% or 100%, is payable.	If the pensioner and his/her spouse die within the term selected at retirement (5, 10, 15, 20 or 25 years), the monthly pensions for the remainder of the term will be capitalised and paid in a lump sum.

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Looking Ahead

With a stable technology foundation, strong governance, and a robust investment strategy, Sentinel is well positioned for the future. Our priorities for the year ahead include:

• Completing Phase Two of our systems rollout and fully transitioning to a cloud-native environment to enhance resilience, scalability, and accessibility.

•Further expanding member digital services and AI-driven support tools, making it easier for members to access information and manage their retirement savings anytime, anywhere.

•Maintaining full compliance with the FSCA Cybersecurity and Cyber Resilience Conduct Standard by strengthening information security controls, continuously monitoring for threats, and investing in advanced protections to safeguard member data and Fund assets.

•Continuing to adapt to regulatory changes while ensuring members are informed, supported, and that their long-term retirement outcomes are protected.

•Building on Sentinel's position as a trusted, member-owned fund, with a focus on sustainability, operational excellence, and long-term value creation for all stakeholders.

We remain confident that the year ahead will provide opportunities to enhance our service offering, deepen member trust, and deliver sustainable, meaningful benefits to every participant in the Fund. – Chairman and CEO report

Handy Tips

- SARS Tax Directives for multiple remuneration earners.
- Register for access to your online profile.
- To-do-list
    - Update your Nomination Form
    - Update your Last Will and Testament
    - Obtain & Use Pensioner Loyalty Cards
    - Live to join the 100 + year old pensioner group

Contact US

080 077 6861
(Toll Free)

info@sentinel.za.com

www.sentinel.za.com

Regional Offices

thank you

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