



Political Office-Bearers
Pension Fund

POLITICAL OFFICE-BEARERS PENSION FUND **NOTE OF ISSUES DISCUSSED AT TRUSTEE MEETING, 13 MARCH 2026**

To be used by Trustees in briefing their colleagues in Parliament or their Legislatures, and to be posted on the Fund's website. This is not a full report on all issues discussed at the meeting (which are covered by the draft Minutes of the meeting), but deals with issues that will be of interest to members of the Fund.

When providing feedback to members, Trustees are again asked to remind members to complete nomination forms for the funeral benefit and Fund death benefit, and to register for AF Connect access. Full details are available at www.pobpf.co.za.

1. Insured disability and funeral benefits, as well as life assurance payable on the death of a member's spouse, are provided for qualifying Fund members **outside the Fund**, through insurance contracts between the National Treasury and the insurer/s concerned (currently Momentum Life) – these are not benefits provided in terms of the Fund Rules. The Minister of Finance has now delegated the management and decision-making regarding these non-Fund insurance contracts to the Fund's Employer Trustees, provided they comply with his stipulated requirements. This should help to speed up any future decision-making (e.g. when it becomes desirable to change insurers, as was done in 2025).
2. The Fund is currently negotiating improved premium rates for the insured benefits with Momentum, to take effect from 01 April 2026. Competitor quotations have been obtained from the other large insurers.
3. Negotiations are continuing with FNB, to put a housing loan guarantee facility in place. The Trustees have passed the necessary Board Resolution and have agreed to sign the contract that has been negotiated with the Bank. The next step will be to engage with the participating Legislatures, as they will also have to sign agreements with the Bank (since loan repayments must be made by salary deduction). Members are asked to refer to the January 2026 Newsletter in this regard (also available on the Fund website).
4. The investment report for Quarter 4 of 2025 was tabled at the meeting. Members have been credited with a very strong net-of-fees return of 5.4% for the fourth quarter, and 18.6% for the first nine months of the current financial year (nine months ending 31 December 2025), as compared with 11.6% for the full financial year ending on 31 March 2025. Investment returns are updated monthly on the Fund website – Trustees should note that the returns for March will be poor (negative) as a result of the US attack on Iran.
5. The target for the Fund's investment growth is to out-perform inflation by at least 4% per year, over any 7-year period. Over the 7 years to 31 December 2025, the net-of-fees return

Registration Number : 12/8/35658/1 Website : www.pobpf.co.za

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credited to members was 11.4% per year, as compared to inflation of only 4.6% per year – so the Fund return was again well in excess of the minimum return target.

6. Some changes are being made to the Member Portfolio investments – the allocation to inflation-linked bonds (ILBs) is being increased, with Stanlib having been appointed to manage an ILB portfolio alongside Coronation, the current ILB manager.
7. The process of appointing Alexander Forbes Investments (AFI) as the Fund's investment administrator is progressing, with likely effect from April 2026. As noted previously, AFI will carry out daily unitization of the Member Portfolio (replacing the current process whereby investment returns are only calculated once a month, a few days after each calendar month end). This will improve the Fund's financial controls, and is also expected to speed up the process of calculating and paying benefits after a member leaves office.
8. The Trustees noted that the South African consulting business of the global Willis Towers Watson group is being sold to local Black investors and will in due course be rebranded as Catenate Advisory. Willis Towers Watson's South African business provides general and investment advisory services to the Trustees, and assists with Fund communication to members.
9. The Trustees approved the Fund's expense budget for the year commencing 31 March 2026. Out of the contributions received by the Fund, 0.7% of members' pensionable salaries is allocated to the Expense Reserve towards the costs of operating the Fund (except for investment management fees and costs, which are netted off the investment returns). The Board also agree to an increase of 3.6% in the service providers' fees, for the coming financial year.

Trustees and members are reminded again that full details of the Fund's benefits and investment returns are provided on the Fund's website at www.pobpf.co.za. Newsletters and other useful information are also posted on the website.

Members leaving office and wishing to take benefits are directed to the website www.pobpf.co.za for the **Leavers' Pack** (under Member Guides on the home page) and the **forms** for claiming benefits (under Forms on the home page). For members wishing to take the (limited) cash withdrawals from their retirement savings that are now permitted under the Two Pots regime, there is a **Savings Benefit Withdrawals guide**, also under Member Guides on the home page.

Hon. K A Ramolobeng
Chairperson
April 2026

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