Political Office-Bearers
Pension Fund

POLITICAL OFFICE-BEARERS PENSION FUND
NOTE OF ISSUES DISCUSSED AT TRUSTEE MEETING, 26 JUNE 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. Members' benefit statements are being issued during July, along with explanatory notes and the latest Fund newsletter. The newsletter has also been posted on the Fund website.

2. The Fund has negotiated improved premium rates for the insured benefits with Momentum, with effect from 01 April 2026, after obtaining competitor quotations from the other large insurers. The combined premium rate (for the insured benefits on the death of an in-service member or member's spouse, the family funeral benefits and the disability income benefit) has reduced from 4.3% of pensionable salaries, to 3.9%.

   In terms of the Fund Rules, a contribution of 4.8% of pensionable salaries is allocated towards the cost of the insured benefits. The significant saving will be used to build up the Fund's Risk Reserve against the event that insured benefit premiums ever rise again, to exceed 4.8% in total, as happened during the Covid-19 pandemic. The Risk Reserve could then be used to subsidize the excess premiums.

3. The Fund has now contracted with FNB, to put a housing loan guarantee facility in place. The next step is 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). The scheme will be piloted with the Northern and Eastern Cape legislatures and with Parliament, once the necessary agreements are signed. 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 1 of 2026 (the last quarter of the Fund's financial year) was tabled at the meeting. Members were credited with a net-of-fees return of -1.1% (negative) for the quarter, reflecting the impact of the US-Iran conflict that started at the end of February. Even so, the net-of-fees return credited to members for the full financial year (12 months ending 31 March 2026) was a very healthy 17.3%, as compared with 11.6% for the previous year ending on 31 March 2025. Investment returns are updated monthly on the Fund website.

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

Registered Address :
• Parliament, Plein Street, Cape Town, 8001 •
• PO Box 2164, Cape Town, 8000 •

• Principal Officer : Ms Belinda Burger •
• Tel : 083 267 3963 E-mail : belindaburger1406@outlook.com •

• Chairperson: Ms K A Ramolobeng, MP •
• Tel : (021) 403 2911 (Parliament) •

5. Some changes have been made to the Member Portfolio investments – the allocation to inflation-linked bonds (ILBs) has been increased, with Stanlib managing a new ILB portfolio (as from March) alongside Coronation, the other ILB manager. The Trustees also approved a minor adjustment to the Member Portfolio's "strategic asset allocation" (target weights for the various asset classes), as follows:

    - SA Equities (shares listed on the JSE) – 16%
    - SA Listed Property (property company shares listed on the JSE) – 4%
    - Direct property (invested in Futuregrowth's Community Property Fund) – 5%
    - SA Infrastructure (invested in Old Mutual's IDEAS Fund) – 5%
    - SA Nominal Bonds (paying a fixed or floating interest rate) – 17.5%
    - SA Inflation-Linked Bonds – 17.5%
    - SA Money Market (cash-like investments) – 5%
    - Global Equities (shares listed on foreign exchanges) – 30%

6. Alexander Forbes Investments (AFI) are now serving as the Fund's investment administrator. As noted previously, AFI are carrying out daily unitization of the Member Portfolio (replacing the previous process whereby investment returns were 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.

7. The Trustees approved a rule amendment to align the Fund's process for "savings pot" withdrawals with the amended provisions of the Income Tax Act. The rule amendment has been submitted to the FSCA for approval. The effect of this change is explained in the Newsletter – reference should be made to this. (The Newsletter as circulated to members also includes a reminder of the process for making a cash withdrawal from the "savings pot" while a member is in service, and the process for registering for AFOnline.)

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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
July 2026

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