LA RETIREMENT FUND

Formerly known as the Cape Joint Pension Fund

Securing your retirement

Minutes

of the

Forty-second Annual General Meeting

held virtually on

22 May 2026

**MINUTES OF THE FORTY-SECOND ANNUAL GENERAL MEETING
OF THE LA RETIREMENT FUND
HELD VIRTUALLY ON FRIDAY 22 MAY 2026**

PRESENT:	live	Mr J Jacobs	Chairperson / Additional Trustee
	virtual	Ms M van Zyl	Deputy Chairperson / Member Trustee
	virtual	Adv CJ Franken	Pensioner Trustee
	virtual	Mr J Lawack	Additional Trustee
	virtual	Mr WR Meiring	Councillor Trustee
	virtual	Ms SLC Petersen	Member Trustee
	virtual	Mr S Philander	Councillor Trustee
	live	Ms IT Hartlief	Principal Officer
	live	Ms B Penny	Verso Employee Benefits Consulting
	live	Ms D Dyer	Verso Employee Benefits Consulting
	live	Ms Y Wilken	Verso Benefits Administrator
	live	Mr L Vermeulen	Verso Benefits Administrator
	live	Ms S Erasmus	Verso Employee Benefits Consulting
	live	Mr S Neethling	Momentum Consultants & Actuaries
	live	Mr A du Plessis	Newly appointed Additional Trustee from 1 August 2026
	live	Mr T Modise	Simeka
	live	Mr W Breytenbach	Simeka
	live	Ms M van der Nest	Simeka
	virtual	13 delegates	

APOLOGIES: Mr SF du Toit – Pensioner Trustee

1. WELCOMING OF DELEGATES

The Chairperson greeted and warmly welcomed the virtual attendees to the Fund's 42nd Annual General Meeting. He introduced Ms Ilse Hartlief, the Principal Officer, as well as the presenters who had joined him at the live broadcasting at the Verso Offices in Bellville, namely, Messrs Tlotliso Modise, Sean Neethling, Wynand Breytenbach and Ms Yvonne Wilken. He further introduced Messrs Leon Vermeulen, Braam du Plessis and Mss Brenda Penny, Denise Dyer, Susan Erasmus and Marlize van der Nest who attended the meeting in person. He also introduced Ms Michelle van Zyl, the Deputy Chairperson, and the rest of the members of the Board who attended virtually.

2. NOTICE CONVENING THE MEETING AND OPENING OF MEETING

2.1 The Chairperson noted that proper notice of the 42nd Annual General Meeting had been given in terms of the Rules of the Fund. He confirmed that there was a quorum of virtual attendees, and he declared the meeting PROPERLY CONSTITUTED.

2.2 The meeting was opened with a prayer by Mr Jonathan Lawack.

3. CONFIRMATION OF MINUTES

It was proposed by Ms Michelle van Zyl and seconded by Mr Jonathan Lawack that the minutes of the 41st Annual General Meeting held on 23 May 2025 be APPROVED.

4. ADDRESS BY THE CHAIRPERSON

The Deputy Chairperson assumed the role of Chairperson for the duration of the Chairperson's address.

The Chairperson's address was NOTED with appreciation.

The Chairperson informed the virtual attendees that they could lodge their questions in the chat box during each presentation, and they would then be answered after the presentations. Alternatively, they could raise their questions under item 11 of the agenda.

The Chairperson's Address is attached as Annexure A.

5. PRESENTATION: ANNUAL FINANCIAL STATEMENTS

Ms Yvonne Wilken of Verso Benefits Administrator, the Fund's appointed administrator, presented the summary of the Annual Financial Statements as at 30 June 2025.

It was proposed by Ms Michelle van Zyl and seconded by Mr Williams that the Annual Financial Statements be ACCEPTED.

The Annual Financial Statements are available on the Fund's website.

The presentation and the AGM recording can be viewed at www.laretirementfund.co.za.

6. PRESENTATION: ACTUARIAL VALUATION

Mr Sean Neethling of Momentum Consultants & Actuaries, the Fund's appointed consulting actuary, presented the actuarial valuation as at 30 June 2025.

The presentation was NOTED with appreciation.

The summary of the actuarial valuation as at 30 June 2025 is attached as Annexure B.

The presentation and the AGM recording can be viewed at www.laretirementfund.co.za.

7. PRESENTATION: INVESTMENTS AND FUND PERFORMANCE

The presentation by Mr Tlotliso Modise of Simeka, the Fund's appointed investment consultant, was NOTED with appreciation.

A virtual attendee, Mr Williams of OR Tambo District Municipality, enquired about the expected performance of the Fund's investment strategy in the current economic environment.

In response Mr Tlotliso Modise explained that the Fund maintained a long-term investment approach and that short-term market volatility was expected. He emphasised that the Fund's portfolios were strategically positioned to achieve long-term investment objectives.

Mr Williams further enquired about the process to be followed to obtain his replacement ratio information.

Ms Ilse Hartlief, the Principal Officer, confirmed that personalised replacement ratio statements, which provided members with an indication of their projected retirement income and planning status, would be made available to all active members via the Fund's secure member portal from 11 June 2026. It reflected member share values as at 31 December 2025. The annual member benefit statements, reflecting values as at 30 June 2026 would be made available towards the end of September 2026.

The presentation and the AGM recording can be viewed at www.laretirementfund.co.za.

8. PRESENTATION: GOVERNANCE RELATED ACTIVITIES / RULE AMENDMENTS / FUND RELATED TRENDS AND DEVELOPMENTS

The presentation by Mr Wynand Breytenbach of Simeka, the Fund's appointed benefit consultant, was NOTED with appreciation.

The presentation and the AGM recording can be viewed at www.laretirementfund.co.za.

9. MOTIONS

It was NOTED that no motions were received.

10. GENERAL QUESTIONS

It was NOTED that no general questions were raised.

11. MOTION OF THANKS

The Deputy Chairperson shared an inspirational story of surfer Daniel Kennedy, whose journey illustrated the value of perseverance and the pursuit of one's passion despite adversity. She then proceeded by expressing her thanks to the following people:

11.1 To all the delegates who had joined the virtual AGM and for their continued interest in the affairs of the Fund and for regularly visiting the Fund's website;

11.2 To Mr Jonathan Lawack for the appropriate way in which he had opened the meeting;

11.3 To Mr Johan Jacobs, the Chairperson, for his calm leadership style and for successfully hosting the Fund's forty-second AGM;

11.4 To the Board for their trustworthiness, ongoing commitment and hard work towards the good governance of the Fund;

11.5 To Ms Ilse Hartlief, the Principal Officer, for her unwavering dedication and excellent management of the Fund;

11.6 To the presenters: Ms Yvonne Wilken and Messrs Sean Neethling, Tlotliso Modise and Wynand Breytenbach for their well-illustrated and thorough presentations;

11.7 To Mr Wouter Hugo, the Group CEO of Verso, and his team for their good communication and administration services; and

11.8 To Mr Leon Vermeulen of Verso Benefits Administrator, along with his team for their hard work in ensuring the success of the virtual AGM.

The Chairperson expressed his appreciation to the Deputy Chairperson for her expression of thanks and acknowledged her professional and effective management of the Board and Audit Committee meetings. He also extended his gratitude to the Principal Officer and the Board for their ongoing commitment and support. He wished all attendees a wonderful day and year ahead.

The meeting adjourned on Friday, 22 May 2026 at 10:50.

____________________	____________________
DATE	CHAIRPERSON

Annexure A

Chairperson’s Address

Dear members, pensioners, retirees, employers and other stakeholders

It is once again a privilege to be addressing you in my position as Chairperson of the LA Retirement Fund. My feedback for the 2024/2025 financial year begins, once again, on a positive note.

Investments: Amidst the threat of trade tariffs, the renegotiation of trade partnerships with the United States (US), and the geopolitical conflict that dominated the global economic developments in Q2 2025; local markets, by comparison, were boosted by a highly concentrated resource sector where the price of gold hit an all-time record high. Despite the market volatility, the Fund delivered steady performance aligned with its long-term objectives. All the LA Retirement Fund's diversified investment portfolios continued to perform well, comfortably outperforming their CPI targets.

The Fund's continued outperformance of all its investment portfolios against retail peer groups remains very compelling, particularly due to the higher costs and fees associated with such Retail Unit Trusts. This is particularly important for retiring members who are constantly reminded to consider the Fund's "In-Fund Annuities" when they retire.

Mr Tlotliso Modise, of Simeka, will shortly explain the Fund's investment returns in more detail.

In-Fund options at retirement: Our low cost, actively managed In-Fund Living Annuity (IFLA), created in 2016, has continued to see a large uptake amongst retiring members whose investment in the Fund's default lifestage portfolios has enabled a seamless transfer to the IFLA on retirement. Saving, and also retiring within the LA Retirement Fund, is by far the most cost-effective savings mechanism for members as our fees (i.e. investment and administration costs) are less than half the fees of the retail Unit Trust Industry.

We realised that our retirees might want to consider purchasing a life annuity at some point during their retirement and the Board therefore agreed that there was merit in offering both the IFLA and a Life annuity to retiring members and retirees. I am pleased to confirm that the Fund's Life annuity or pooled annuity account (PAC) was successfully introduced on 1 July 2024.

Continued emphasis on costs: Cost curtailment remains a constant focus for the Trustees as the Fund's total cost ultimately impacts members' retirement savings. The increased use of technology from 2020 onwards, the regular review of service providers agreements with the Fund and the annual review of the Fund's insured benefits continue to result in several cost savings for the Fund.

Review of insured benefits: The Board of Trustees remains committed to making sure that the insured benefits to which members have access, add maximum value to their lives without being too expensive. The Board therefore undertakes regular reviews of these benefits and makes changes where they feel these are in members' best interests. We are pleased to confirm that in May 2025 the insurer decreased their risk benefit rates for the funeral benefit by 18% and retained the existing rates for the Fund's other risk benefits. The cost savings were passed onto our members in the form of additional saving towards their retirement from 1 July 2025.

Good governance: Good governance continues to remain non-negotiable for the Fund. Our Annual Financial Statements for the year to 30 June 2025 were once again audited and reported on by the Fund's external auditors, PricewaterhouseCoopers (PwC). PwC once again confirmed an unqualified audit.

Much time was spent on cyber security, and a Fund policy and strategy were drafted and approved in line with legislation. In addition, the Board of Trustees, Principal Officer and the Fund's Administrator, Verso Benefits Administrator, focused on the implementation of the Two-Pot Retirement System and the education of our members in this regard.

Our pensioner assets: The portion of the pensioner portfolio that is managed in terms of a Liability Driven Investment (LDI) strategy has once again continued to match the pensioner liability and the Trustees granted a pension increase in line with the Pension Increase Policy without compromising on the overall funding level of the pensioner portfolio. The January 2025 pension increase and December 2024 bonus payments were equivalent in value to an increase of 121% of price inflation to June 2024. This exceeded the target of 80% of price inflation because of the additional distribution of surplus to fund both the pension increase in excess of the target and the bonus payment. On advice from the Actuary, the Trustees subsequently increased the pension target to 100% of price inflation in February 2025.

SALGBC Retirement Fund Collective Agreement: The Fund has continued to keep all its stakeholders informed of the developments surrounding the Retirement Fund Collective Agreement (the collective agreement) and its negative impact on members vested rights. The Fund, via the Municipal Retirement Organisation (MRO), instituted legal proceedings and judgement was handed down on 20 February 2023 in favour of the MRO. This means that the conditions as set out in the Collective Agreement cannot be applied and funds will not be subject to accreditation. All retirement funds in the local government sector may continue to operate.

The parties to the Collective Agreement (i.e. the Respondents) subsequently applied for leave to appeal the decision of the court. As the MRO took a decision at both their 2023 and 2024 AGM's to continue to take all the necessary legal action to defend the rights and interests of pension funds, their members and pensioners, they addressed the appeal. The appeals lodged by SALGA and SALGBC were dismissed with costs. The Court set aside the entire Collective Agreement dated 15 September 2021, including Clause 8, which was a major point of contention for retirement funds. As a result, municipalities may not exclude any retirement funds from participating or enrolling new members and funds are not required to be accredited.

Engagement with members: We continue to believe that our members should control the outcome of their decisions and in order to do so, the Fund needs to engage, educate and support our members. We engaged with our members and prospective members face-to-face at their various places of work on numerous occasions during the year under review. The focus of these sessions was on the implementation of the Two-Pot Retirement System with effect from 1 September 2024 and the subsequent ability of members to withdraw from their savings pots from 1 March 2025. The Board understands that many members may find it hard to resist the temptation to make early withdrawals from their savings pots. However, one of the best things members can do for their future is to preserve their entire retirement benefit, as far as possible, until retirement.

We also issued several written communiques and Q&A guides to assist our members. These can all be accessed from the Fund's website.

Looking forward: As I reflect on the Fund's journey of more than 70 years (10 years since its name change on 1 July 2016 from the Cape Joint Pension Fund to the LA Retirement Fund) and the substantial progress made to date; I can with certainty say that the Board sees the Fund's future clearly. Our focus remains on delivering on our fiduciary responsibilities to our members, retirees and pensioners through a dedicated focus on cost management, responsible investment and good governance. Our long-term vision remains guided by our solid governance foundation.

A note of thanks: I once again thank our participating employers, members, retirees and pensioners for their support and trust. We look forward to continuing to reward that trust with consistent investment performance, superior service and world-class governance in the years to come.

I thank my fellow trustees for their ongoing commitment, professionalism and support and the rest of the team (the professional service providers and Principal Officer) for their support, dedication and hard work in serving and protecting the interests of our members.

Johan Jacobs
Chairperson

Annexure B

Summary
Actuarial Valuation
30 June 2025

momentum
consultants & actuaries

LA Retirement Fund

Summary of the Actuarial Valuation as at 30 June 2025

1. Objectives of the valuation

The main objectives of the actuarial valuation are to:

- Determine the financial condition of the Fund by comparing the value of the assets to the value of past service benefits as at the valuation date;
- Review the investment return allocations for members of the DC Section;
- Determine the level of pension increases that may be afforded; and
- Determine the amount of the contingency reserves necessary to protect the Fund.

The previous valuation was performed as at 30 June 2024.

2. Membership statistics

	30 June 2025	30 June 2024
DC Section active members *		
Number	1 110	1 143
Annual pensionable salaries (Rm)	370.9	361.7
Salary weighted average age (years)	48.2	48.3
Salary weighted average service (years)	18.2	18.3
Pensioners and DB Deferred Members #		
Number	2 011	2 155
Annual pension (Rm)	140.4	142.1
Average pension (R)	69 813	65 921
Pension weighted average age (years)	79.3	79.2
In Fund Living Annuitants	121	113

* DC means defined contribution
\# DB means defined benefit

3. Financial condition

Financial condition Pensioner Account	30 June 2025 R 000	30 June 2024 R 000
Assets of the Pensioner Account [1]	**1 275 033**	**1 302 163**
Pensioner liabilities [2]	(1 118 686)	(1 082 511)
Solvency Reserve	(18 316)	(16 700)
Pensioner surplus	**138 031**	**202 952**
Funding level of the Pensioner Account [3]	**112.1%**	**118.5%**

Notes:

1. The value of assets is the fair value of the net assets after deduction of current liabilities. The value of the assets is equal to the fair value of the assets.
2. Pensioner liabilities include DB Deferred Member liabilities and a provision for future expenses related to these categories of membership.
3. The funding level is determined by dividing the value of the assets of the Pensioner Account by the sum of the pensioner liabilities and the Solvency Reserve.

Financial condition DC Section	30 June 2025 R 000	30 June 2024 R 000
Assets of the DC Section	**2 346 144**	**2 213 314**
Members' Shares	(1 997 421)	(1 907 404)
Living Annuity Account	(315 313)	(295 526)
Contingency Reserve Account	(1 263)	(1 016)
Processing Error Reserve Account	(32 147)	(9 368)
DC Section Surplus	**0**	**0**
Funding level of the DC Section	**100.0%**	**100.0%**

4. Investment returns allocated

	Year ending 30 June 2025	Year ending 30 June 2024
Accumulation portfolio	15.0%	10.0%
Consolidation portfolio	14.2%	10.5%
Preservation portfolio	11.5%	10.3%
Cash Plus portfolio	11.6%	11.0%
Shariàh portfolio	8.8%	8.7%

5. Contribution rates

	% of salary
Local Authorities for Councillors	7.5 or 10.0
Local Authorities for other members	18.0
Members	9.0
Contract Employees	7.5

6. Conclusions

- The Pensioner Account has a funding level of 112.1% and is in a sound financial condition.
- The DC Section has a funding level of 100% and is in a sound financial condition.
- The Fund is in a sound financial condition with a funding level of 104.0%.
- The Trustees awarded a 4.0% pension increase effective 1 January 2026.
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2025.

Sean Neethling BSc CFP® FASSA FIA
Fellow of the Actuarial Society of South Africa
In my capacity as Valuator to the Fund and
as an employee of Momentum Metropolitan Life Limited.

The Actuarial Society of South Africa is the primary regulator in my professional capacity.

19 January 2026