The Hospitality and General
Provident Fund

Annual Report
2025

WHAT'S INSIDE

Learn more about the fund

www.hgpf.co.za

Chairperson's Welcome

Dear Members

It gives me great pleasure to present the annual report for the Fund for the 2024-2025 financial year. The Fund had a successful year, with a total value of investments equal to R1 668 389 454 as at its financial year end (previous year: R1 551 935 208).

Looking back from an economic perspective, South Africa's economy showed strong positive momentum in Q4 2025, driven by easing monetary policy, stable prices, and renewed trust from global investors. With GDP growth projected at 1.3% to 1.7% for the year, the nation is on track for modest expansion, fueled by agriculture and fixed investments.

In more good news, the rand performed far better than predicted by most. Alongside small but ongoing improvements at key state-owned enterprises, such as Eskom and, to a lesser extent, Transnet, this has begun to build momentum that could carry through into 2026.

Investors – including you as a member of the HGPF – should adopt a prudent, long-term approach. The Fund's Life Stage Model ensures that you are invested according to your number of years to retirement, and that your investment is being exposed to the correct level of risk while you are on your investment journey.

As always, we encourage you to think very carefully before requesting a withdrawal from your Savings Pot. Over and above the impact a withdrawal has on your final retirement outcomes, you are taxed heavily on pre-retirement withdrawals. The first round of Savings Pot withdrawals (2024) allowed SARS to raise tax to the value of R15 billion on a total withdrawal amount of roughly R57 billion. Simply put, a massive amount of members' savings went straight to SARS.

I would like to express my gratitude to our Board of Trustees and all subcommittees for their hard work and commitment. Their dedication to delivering excellent service to our members is deeply appreciated. We hope you find the articles in this report informative and wish you all the best for the rest of 2025.

Regards

Mr Thabang Tjale
Chair of the Board of Trustees

The **HGPF** hosts regular **member forums.**

Please visit the fund website, if you would like to refresh your memory on any of the topics that have been covered.

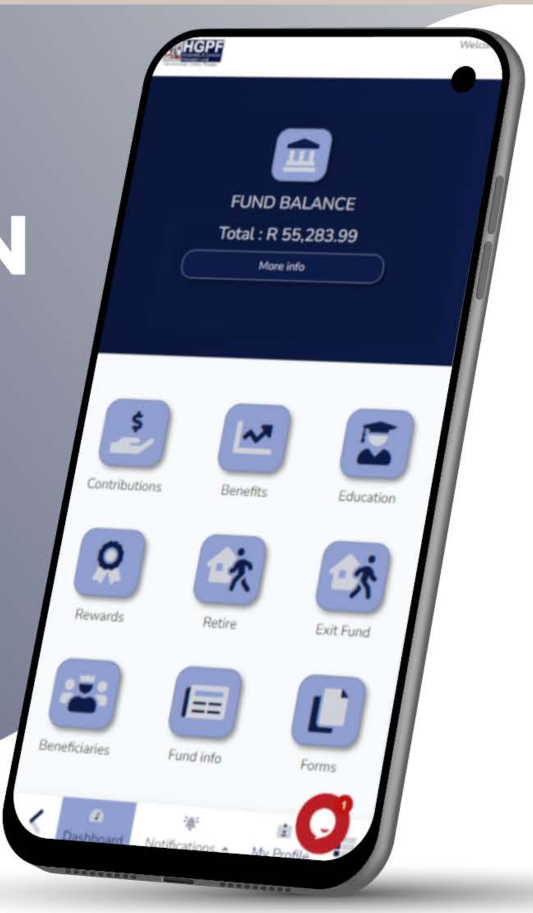
Member Forums
www.hgpf.co.za/hgpf/member-forums
Click Here

Looking for a form? Everything you need can be found on

Forms and Documents
www.hgpf.co.za/hgpf/forms-and-documents
Click Here

ACCESS YOUR FUND INFORMATION

WhatsApp 'Hi' to:
087 240 7002
or **visit:**
hgpf.benefitcounsellor.com



REMEMBER

Savings pot claims **are taxed as income**

DID YOU KNOW?
The HGPF has carefully selected a range of investment managers who aim to achieve the best possible investment performance and maximum value. The HGPF has a highly diversified investment strategy so that your savings continue to grow through good times and bad.

Withdrawals from your Savings Pot are treated as income, taxed the same as your marginal tax rate (PAYE). Any withdrawal is therefore added on top of your salary as income and could bump you into a higher tax bracket, which will increase your overall tax liability when you file your return with SARS.

When applying for a withdrawal from your Savings Pot, you must enter your correct annual salary, so that tax deductions are accurate. If you understate your salary, you risk owing additional tax to SARS when you submit your annual tax return.

Currently, income tax rates are as follows:

Taxable income (R)	Rate of tax (R)
1 – 237 100	**18%** of taxable income
237 101 – 370 500	**42 678 + 26%** of taxable income above **237 100**
370 501 – 512 800	**77 362 + 31%** of taxable income above **370 500**
512 801 – 673 000	**121 475 + 36%** of taxable income above **512 800**
673 001 – 857 900	**179 147 + 39%** of taxable income above **673 000**
857 901 – 1 817 000	**251 258 + 41%** of taxable income above **857 900**
1 817 001 and above	**644 489 + 45%** of taxable income above **1 817 000**

Don't let a simple mistake today cost you a lot tomorrow!

Look after those you **LOVE best.**

Your retirement fund is designed to support your family when they need it most. In the event of your passing, a death benefit from the HGPF becomes available to your family and other financial dependants, and you may also be eligible for a funeral benefit. To ensure a smooth process, it's essential to keep your Funeral Benefits Nomination Form and your Family Register Form up-to-date.

The difference between these forms is as follows:

Funeral Benefits Nomination Form:

This form ensures that your designated individuals can be paid the funeral benefit promptly. The Funeral benefit is paid out exactly in accordance with the Nomination Form.

Extended Family Funeral Nomination Form:

This form is used when you wish to include extended family members who may not be direct financial dependants.

Family Register Form:

This form is used to nominate who you would like to receive the death benefit from the HGPF in the event of your death. It should include your dependants i.e. family members or others who depend on you for financial support. You may also nominate anyone who is not a dependant but you whom would like to receive a benefit . Unlike the funeral benefit, the death benefit payable by the HGPF is subject to section 37C of the Pension Funds Act. This means that the trustees of the HGPF decide who the death benefit should be allocated to and they are therefore not bound by the nominations made in the Family register Form.

Why these forms matter

Keeping these forms current allows the HGPF's trustees to trace and verify your dependants and nominees more easily, ensuring that your benefits are allocated and distributed as soon as possible. Without up-to-date details, the process may become complicated and this can cause delays. If a member dies and the nomination form for the funeral benefit has not been completed, t the funeral benefit will be paid to the deceased member's estate.

Why the Family Register Form is important

The Family Register Form allows you to specify who you would like to receive your death benefit. Trustees use this form as a guide but have the discretion to make equitable decisions and may therefore deviate from the form if it's in the best interest of your dependants and beneficiaries to do so.

It is therefore important to update this form whenever your circumstances change, such as marriage, divorce, the birth of a child, or the passing of a family member. If you want a beneficiary or dependant to receive 0% of your benefit, you must specify this on the form with a reason.

Who should be listed?

On your forms, you should list:

Dependants: Those who rely on you financially, such as spouses, life partners, children (biological, adopted, and children born outside of marriage), and other individuals who are financially dependent on you.

Nominees: Individuals who you wish to receive a benefit but who aren't financially dependent on you. Even if you have no dependants, you still need to complete these forms with your chosen nominees as they will then receive the benefit. In the event that there are no dependents or nominees, the death benefit will be paid to your estate.

Legal distribution of benefits

Under Section 37C of the Pension Funds Act, the trustee exercise their discretion to allocate the death benefit between the following categories of people:

- To dependants.
- To dependants and nominees.
- To nominees, if there are no dependants *(with any estate deficit settled first)*.
- To your estate, if there are no dependants or nominees.

How to update your nomination information

To keep your records current:

Visit this fund page to download and complete the manual form:

Forms and Documents
www.hgpf.co.za/hgpf/member-forums
Click Here

Benefit Counsellor
www.hgpf.benefitcounsellor.com/login
Click Here

By regularly updating all relevant forms, you can help ensure that your benefits are distributed smoothly and without delay.

Is your inner child **in charge?**

Our financial behaviour doesn't start in adulthood. By age seven, most people have already formed their basic money beliefs, which later shape how they save, invest, and view financial success. These deep-seated money "personalities" can influence you in powerful ways. That's why understanding and addressing your behavioural biases is vital for any financial plan to succeed.

A 2018 study from the Journal of Consumer Affairs found that childhood memories strongly predict adult financial literacy and behaviour. We look at a few key factors below.

The example your parents set:
If your parents were overspending, or perhaps stingy or secretive about money, you might have grown up to be uncomfortable talking about money or budgeting. Or you might have become an impulsive spender, or an overly cautious saver.

Your earliest money memories and experiences:
Did you get pocket money each month or week? Were you told to save this money up if you wanted something expensive? This might have made you more disciplined and given you good budgeting skills. A 2020 study by the University of Arizona showed that early financial education correlates with lower debt and better savings habits in adulthood. Remember to thank your parents!

Your childhood attitude towards money:
Childhood beliefs, like "money is evil" or "wealth equals success" often stem from family or cultural narratives. These beliefs can lead to guilt, overspending, fear of financial failure, or an unhealthy obsession with wealth. Research from the American Psychological Association (2015) links scarcity mindsets to risk-averse financial decisions in adulthood.

Money given as a carrot… or withholding it as a stick:
If money was used as a reward or punishment *(perhaps as a reward for good grades or withholding your allowance when you did something wrong)* you might tie your self-worth to financial success. You may even have developed anxiety around earning, leading to workaholism or overspending to validate your identity.

How much money your family had:
Growing up in poverty or affluence shapes money perceptions. Kids in low-income households may prioritise immediate needs, while affluent kids might expect financial security. On the other end of the spectrum, people from low-income backgrounds may hoard money or avoid investing due to fear, while those from wealthier families might underestimate financial risks.

Wherever you may see yourself, remember that, when it comes to finances, it might be a good idea to listen to your adult self rather than your inner child.

Fund Matters

Composition of the board of trustees

The HGPF is managed by a Board constituted in accordance with the Rules of the Fund and the provisions of the Pension Funds Act. The Principal Officer of the Board is independent.

All of the Board members act in the best interests of the members of the HGPF. The Board currently consists of:

Independent Principal Officer

- Eight board trustees elected by the members of the HGPF
- Six board trustees elected by the participating employers of the HGPF
- One independent trustee elected by the Board of the HGPF

Board Members as at 28 February 2025

Member Elected Trustees	Employer Nominated Trustees	Independent Trustee
Mr Thabang Tjale *(Chairperson)*	Mr Adrian Harrod	Ms Vanessa Bell
Ms Samantha Cola	Mr Prasbashen Balakisten	
Mr David Nkosi	Mr Warren Atkinson	
Mr Jan Masinga	Mr Ashley Bhana	
Mr Richard Baloyi	Mr Skhumbuzo Nkuna	
Ms Mandisa Somdizela	Mr Zack Levendal	
Mr Milton Ndwalane	Ms Asiphe Makinana	
Ms Pulane Ramoshaba	Mr Thabiso Motloung	

The Board has various committees to assist them. The composition of the committees is as follows:

Communications and Marketing Sub-committee

Vanessa Bell (Chairperson)
David Nkosi
Jan Masinga
Pulane Ramoshaba
Adrian Harrod
Leslie Primo (Principal Officer)

Investment Sub-committee	Prabashen Balakisten (Chairperson) Adrian Harrod Thabang Tjale	Skhumbuzo Nkuna Vanessa Bell Leslie Primo (Principal Officer)
Audit And Risk Sub-committee	Vanessa Bell (Chairperson) Skhumbuzo Nkuna Warren Atkinson	Thabang Tjale David Nkosi Leslie Primo (Principal Officer)
Section 37C Sub-committee	Richard Baloyi (Chairperson) Samantha Cola Adrian Harrod	Vanessa Bell Leslie Primo (Principal Officer)
Administration Sub-committee Newly Established	Warren Atkinson (Chairperson) Thabang Tjale Mandisa Somdizela	Ashley Bhana Vanessa Bell Leslie Primo (Principal Officer)

Participating **Employers**

The HGPF has over
1,300 participating employers.

Fund Service **Providers**

The Board has appointed professional service providers to assist with the smooth running of the HGPF. The service providers are as follows:

Service Providers

Independent Actuaries & Consultants (IAC) *Investment Consultant*	**NieuMan Chartered Accountants** *Auditors*	**Borwa Financial Services** *Fund Administrator*

Investment **Insights**

In 2024, South Africa's economic and investment landscape showed modest growth and resilience amid domestic and global challenges. GDP growth was around 0.6% to 1.0%, an improvement from 2023's 0.5% to 0.7%, driven by sectors like finance, trade, mining, and manufacturing, though constrained by structural issues like high unemployment (34% to 37.6%) and logistical bottlenecks. Inflation moderated to 4.5% to 5.5%, with the South African Reserve Bank (SARB) initiating interest rate cuts late in the year, boosting affordability and investment.

The commercial property market rebounded, with deal volumes exceeding ***R27 billion***, driven by retail and office sectors, especially in the Western Cape. The Government of National Unity *(GNU)*, formed in June 2024, improved political stability, enhancing investor confidence. Progress in halting load-shedding and addressing greylisting supported optimism, though transport reforms lagged. Global trade risks, like potential U.S. tariffs, and domestic challenges, including water shortages and extreme weather, posed uncertainties for exports and growth. Overall, 2024 marked a year of cautious recovery.

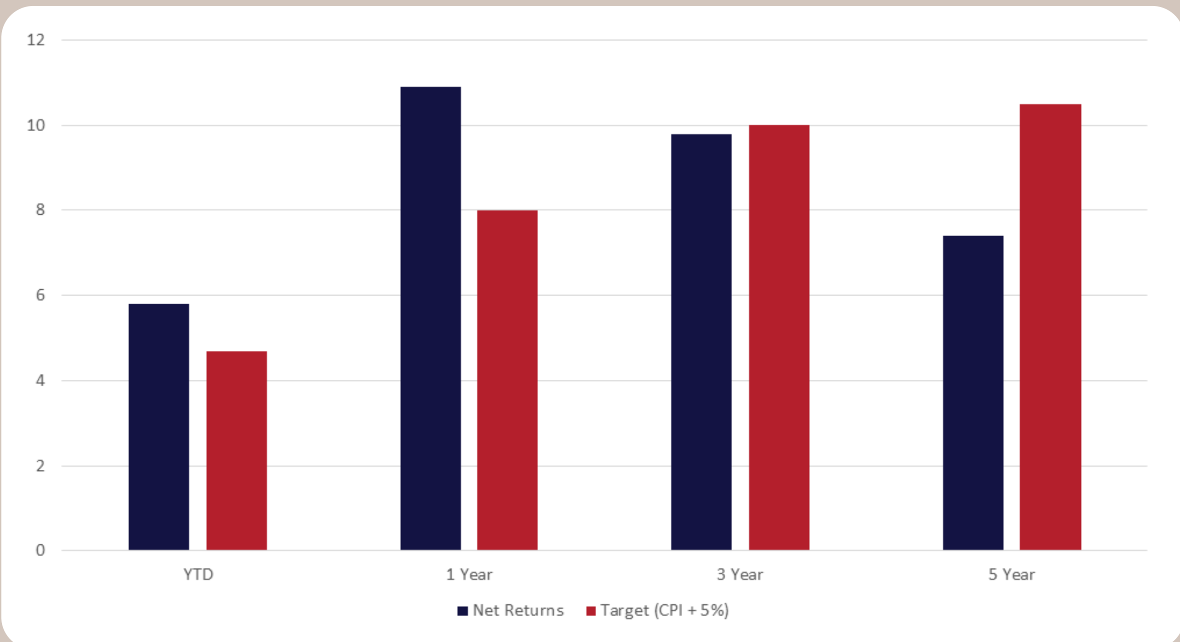
Outlook

South Africa's economy in the first half of 2025 reflected cautious optimism, with stable energy, lower inflation, and reform progress fostering modest growth. However, structural issues *(high unemployment, logistics bottlenecks, and climate risks)* require sustained reforms to achieve the **2%** to **3.5%** growth needed to reduce unemployment and poverty. Furthermore, US President Donald Trump's tariffs on exports from SA to the US will have a significant impact on the farming and car manufacturing industries.

In conclusion, investors should remain cautious, considering both global and local economic indicators and risks as they navigate the current market landscape. It remains crucial that a long-term investment approach is followed.

The HGPF offers a default Life Stage investment strategy that ensures you are invested according to your number of years to retirement, and that your investment is being exposed to the correct level of risk. *(You can have a look at the HGPF's latest investment performance on the next page.)*

Portfolio Returns As At 30 June 2025



Statement of **net Assets and Funds**

for the period ended 29 February 2025

	2025	**2024**
	R	**R**
ASSETS		
Non Current Assets	**1,760,746,383**	**1,672,804,284**
Fixed Assets	-	-
Investments	1,667,530,306	1,551,935,208
Housing Loans to Fund Members	93,216,077	120,869,077
Currents Assets	**77,506,465**	**65,529,518**
Contributions receivable	28,182,197	24,524,098
Accounts Receivable	24,940,142	3,328,871
Bank and Cash	24,384,125	37,676,549
Total Assets	**1,838,252,848**	**1,738,333,802**
FUNDS AND LIABILITIES		
Members' share of funds	**1,557,908,161**	**1,562,401,505**
Investment returns to be allocated	84,862,148	55,729,033
Reserves		-
Contingency Reserve Account	2,360,062	5,818,951
Expense Reserve Account	17,655,207	-
	1,662,785,578	**1,623,949,489**
TOTAL FUNDS AND RESERVES		
Non Current Liabilities		
Unclaimed Benefits	35,601,918	32,888,996
Current Liabilities	**125,957,178**	**81,495,317**
Accounts payable	18,625,976	20,985,274
Transfers Payable	7,440,547	2,087,939
Benefits Due to Members	99,890,655	58,422,104
TOTAL FUNDS AND LIABILITIES	**1,838,252,848**	**1,738,333,802**

Fund Membership as at February 2025

Active Members
32 150

The Rule of the fund

The following rule amendments were submitted during the reporting period:

Rule amendment No.	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
6	This rule amendment incorporates the changes required by the two-pot retirement system legislation, which aims to improve preservation of retirement savings while allowing limited pre-retirement access in cases of financial distress.	08 July 2024.	1 September 2024	16 August 2024
7	This rule amendment introduces the definition of Category Option to give members flexibility in choosing contribution rates and risk benefits, and updates the definition of Exempt Member to align with the Income Tax Act and two-pot system requirements.	30 September 2024	31 October 2024	1 November 2024

Fund's Rules
www.hgpf.co.za/hgpf/fund-rules

Click Here

General

Protection of Personal Information Act (Popia)

The HGPF is committed to the protection of your personal information. The HGPF collects and processes members' personal information in order to effectively conduct its business. The HGPF may also collect certain personal information of your beneficiaries and dependants in the event of your death to enable us to distribute any death benefits payable from the HGPF , in accordance with the requirements of the Rules and the Pension Funds Act.

The Protection of Personal Information Act (POPIA) stipulates that personal information may be collected and processed in accordance with the HGPF's obligations in the ordinary course of business, and that your prior consent is not required.

The Board of Trustees wants to assure you that it has reviewed all personal information collected/processed by the HGPF and its service providers. The HGPF can confirm that the information is collected/processed lawfully in terms of POPIA and the requirements of the Pension Funds Act and any other relevant legislation.

Queries And Complaints

If you, as a member, is dissatisfied with the service provided by the HGPF , you may lodge a written complaint with the Principal Officer in terms of the Fund Rules. You will find the contact particulars of the Principal Officer at the end of this report.

If you are not satisfied with the outcome of the complaint or did not receive a reply within 30 days, you may lodge a written complaint with the Pension Funds Adjudicator (PFA).

The contact details of the PFA are:

E-mail address:	enquiries@pfa.org.za
Telephone number:	(012) 346 1738, Fax number (086) 693 7472
Address:	Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Pretoria, 0081

Remember: Your first port of call if you are not satisfied with the service provided by the HGPF is the office of the Principal Officer.

The PFA will ask for evidence that you have unsuccessfully attempted to resolve the complaint through the Principal Officer before considering your complaint. The HGPF then has thirty (30) days in which to respond to your complaint. If you receive no response, or the response is not satisfactory, you will be able to lodge your complaint with thePFA .

Contact **Details**

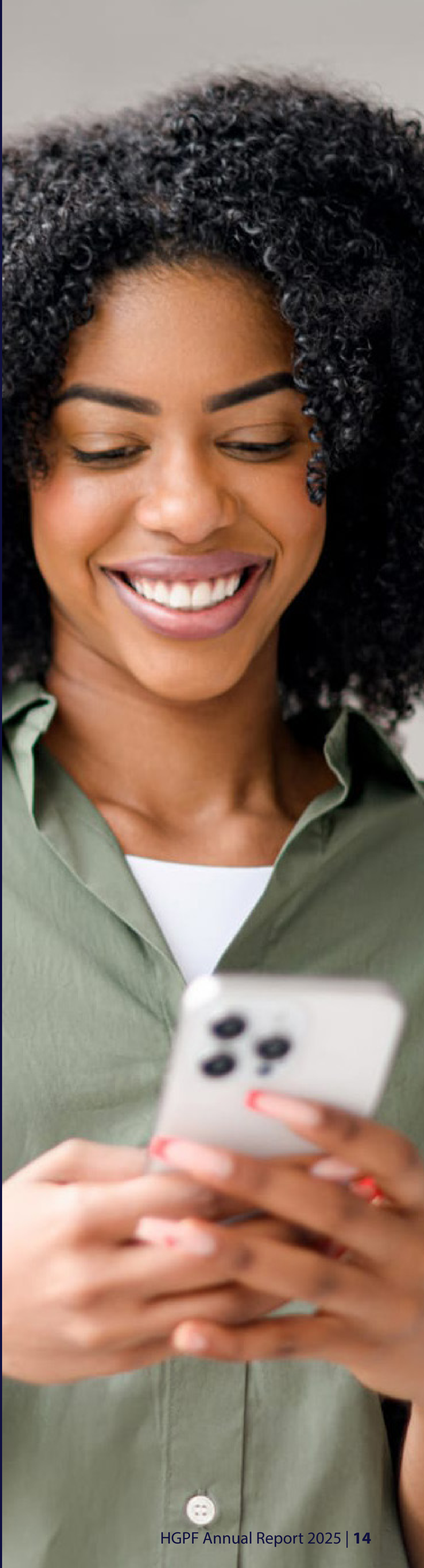
Call Centre:
Telephone: 011 838 3751

Email:
info@hgpf.co.za

Borwa House:
No. 3 Anderson Street ,
Ferreirasdorp,
Marshalltown,
Johannesburg

Financial Sector Conduct Authority
Fund Registration Number

12/8/28359



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The Hospitality and General
Provident Fund

Learn more about the fund

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