The Hospitality and General
Provident Fund

info@hgpf.co.za
011 838 3751

Fund Insider
August 2025

Welcome

Welcome to the second edition of the Hospitality and General Provident Fund Member Newsletter. In this issue, we provide you with valuable insights into the current investment market and economic outlook, updates on how your Fund investments are performing and information about the upcoming National Wills Week, an excellent opportunity to secure your legacy with a free will. As always, our goal is to keep you informed and empowered to make the best decisions for your financial future and peace of mind. We encourage you to stay engaged with the latest developments and remember that your long-term goals are at the heart of all we do.

Thank you for being a valued member of the HGPFF. Together, we are building a more secure future for you and your loved ones.

Principal Officer
Warm Regards
Leslie Primo

Fund Website https://hgpf.co.za/

The investment market and economic outlook

The South African economy has shown some positive signs in the first half of 2025, despite challenges remaining. Growth was slow in the first quarter, with GDP increasing by just 0.1%. This was mainly due to a strong recovery in the agricultural sector, which bounced back after a tough 2024. For the rest of the year, economic growth is expected to be between 1.5% and 2.2%, which is better than last year but still behind the pace of other developing countries.

One major improvement has been the stable electricity supply since March 2024, signalling an end to continuous load-shedding. This, combined with lower inflation and pension withdrawals through the Two-Pot retirement system, has helped increase consumer spending. Inflation is expected to stay at around 4.5% for the year, which has allowed the South African Reserve Bank to reduce interest rates. As a result, borrowing is cheaper, which is good news for both households and businesses.

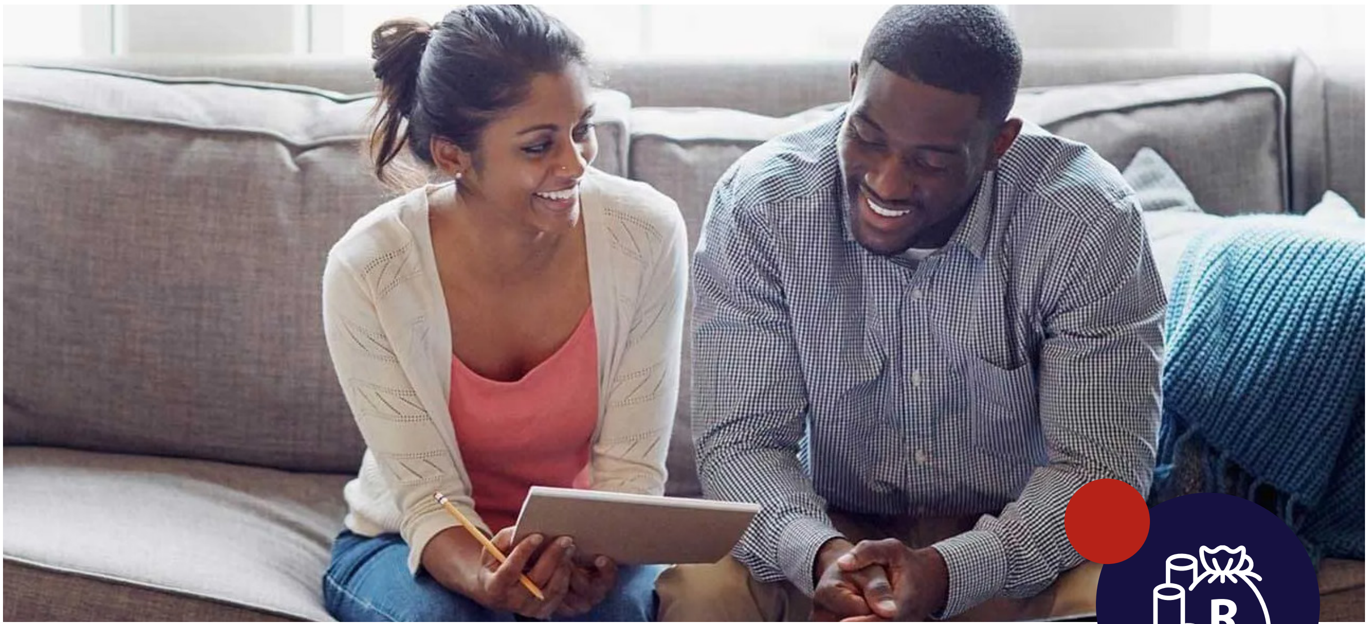
Investor confidence has also improved, partly due to the formation of the Government of National Unity (GNU) in mid-2024. The JSE All Share Index has increased by 20% compared to last year, and the rand strengthened earlier this year, although global events have made it more volatile again. Still, South Africa faces some ongoing problems, like high unemployment, water shortages and slow-moving logistics systems. Furthermore, the threat of new U.S. tariffs could impact local exports.

Globally, trade tensions and debates around BRICS currencies continue to create uncertainty. However, new interest from countries like Saudi Arabia, Türkiye and the UAE in investing in mining and other industries could bring fresh growth opportunities.

What to look out for

As a member of the HGPF, it's important to stay informed about the economic and market factors that could affect your retirement savings. Here are a few things to keep in mind:

- **Inflation and interest rates:** These influence the cost of living and how far your money goes in the long run. Keep an eye on inflation, as it affects the real value of your savings.
- **Electricity and infrastructure progress:** Stable energy and better service delivery support economic growth, which can positively impact your investment returns.
- **Local and global policy changes:** Decisions made by government, both here and abroad (like potential U.S. tariffs), can affect markets. These changes may cause short-term ups and downs.
- **Rand volatility:** A weaker or stronger rand affects offshore investments. Currency swings are common and are already factored into the Fund's long-term planning.
- **Stay focused on your long-term goals:** It may be tempting to react to news or market movements, but avoiding emotional decisions helps protect your long-term growth.

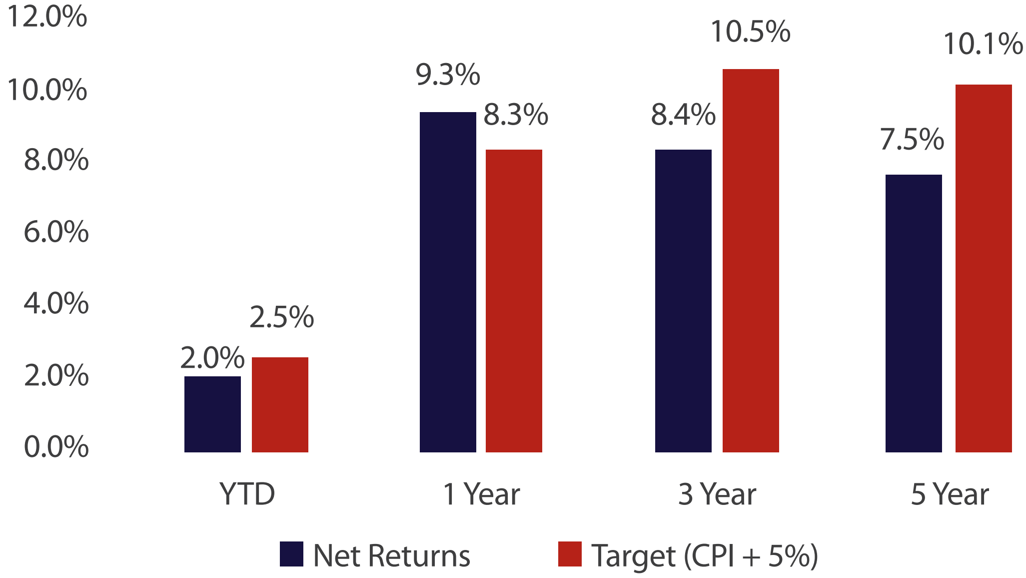


Fund Investments

How are they performing?

Understanding how your retirement savings are invested and how they perform is important. The HGPF has expert investment consultants and asset managers working together to grow your money responsibly over time.

The table below shows the performance of the HGPF's investments as at 31 March 2025.



HGPF Fact Sheet
https://tinyurl.com/yjfbbbby

Click Here

For a detailed overview of how your money is invested, who manages the HGPF's investments, and how we monitor investment performance, please visit https://hgpf.co.za/hgpf/fund-investments

National Wills Week is around the corner

What you need to know

Many people postpone drafting a will, often thinking it's only necessary later in life or believing their estate is too small to worry about. However, having a valid will is one of the most important steps you can take to protect your loved ones and ensure your wishes are honoured after your death. National Wills Week, held annually in September, is a nationwide initiative that encourages all South Africans to take this crucial step by offering free will-drafting services through participating law firms. Whether you own property, have dependents, or simply want peace of mind, this is the perfect time to put your affairs in order.

From 15 to 19 September, you can get a free will drafted by participating attorneys during National Wills Week

Why create a will?

Creating a will ensures that your assets are distributed according to your personal wishes, rather than being divided under intestate succession laws, which are the state's default rules.

It helps prevent potential family disputes and delays in the administration of your estate. A will also allow you to appoint guardians for your minor children and choose your own executor to manage your affairs, giving you greater control and peace of mind.

REMEMBER THOUGH: You cannot leave your benefit in the HGPF to anyone in terms of your will. This is because section 37C of the Pension Funds Act of 1956 says that if you pass away while a member of the HGPF, your benefit falls outside your estate unless you leave no dependants or have not nominated anyone to receive the benefit.

THEREFORE: It is important for you to ensure that for your HGPF benefit you complete a beneficiary nomination *(Family Register)* form to indicate to the trustees of the HGPF who your dependants are and/or your nominated beneficiaries.

What happens if you pass away without a will?

If you pass away without a valid will, your estate will be distributed according to the Intestate Succession Act of 1987, considered with the Administration of Estates Act of 1965. These laws determine who inherits your assets, but may not reflect your personal wishes, which can lead to conflicts and delays. The intestate succession rules are as follows:

- If you have a spouse but no children, the entire estate goes to the spouse. This includes spouses in same-sex, religious, and customary marriages.
- If you have children but no spouse, the children inherit equal shares.
- If you have a spouse and children, the estate is divided using a "child's share" calculation, where each child and the spouse receive an equal share, or the spouse receives R250 000, whichever is greater.
- If only your parents survive, they inherit the estate equally.
- If only your siblings survive, they inherit equally.
- If one of your children has already died, their share passes to their own children

How to find participating attorneys

The LSSA will publish a searchable directory of participating law firms on their National Wills Week page.

Visit the LSSA Website closer to the event date.

LSSA Website
https://www.lssa.org.za/our-initiatives/advocacy/national-wills-week

Click Here

Contact Us

Borwa House:
No 3 Anderson Street
Ferreirasdorp
Marshalltown
Johannesburg

Call Centre

Telephone: 011 838 3751
Email: info@hgpf.co.za