



**NOTICE IS HEREBY GIVEN THAT THE SIXTIETH ANNUAL GENERAL MEETING (AGM)
OF THE WOOLTRU HEALTHCARE FUND WILL BE HELD AT THE WOOLWORTHS AUDITORIUM,
FIRST FLOOR, WOOLWORTHS HOUSE, 93 LONGMARKET STREET, CAPE TOWN ON
TUESDAY, 21 JULY 2026 AT 12:00**

AGENDA

1. Chairperson's welcome to members
2. To read the Notice convening the Annual General Meeting
3. To approve the Minutes of the Annual General Meeting held on 22 July 2025
4. To present the Chairperson's Report for the year ended 31 December 2025
5. To adopt the Report of the Board of Trustees for the year ended 31 December 2025
6. To adopt the Independent Auditor's Report for the year ended 31 December 2025
7. To adopt the Annual Financial Statements for the year ended 31 December 2025
8. To appoint the Auditors for the ensuing year
9. To elect two member-nominated Trustees
10. To approve the Trustee and Committee Member Remuneration Policy for the 2026 calendar year
11. Any other business of which due notice has been given on or before Monday, 13 July 2026
12. General

By order of the Board

FRANCOIS DE WIT
PRINCIPAL OFFICER

MINUTES OF THE FIFTY-NINTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE WOOLTRU HEALTHCARE FUND, HELD IN THE WOOLWORTHS AUDITORIUM, FIRST FLOOR, WOOLWORTHS HOUSE, 93 LONGMARKET STREET, CAPE TOWN ON TUESDAY, 22 JULY 2025 AT 12:00

PRESENT: 43 members were represented in person and two proxies were received.
APOLOGY: Mr Gavin Teixeira

1. OPENING AND WELCOME

The Chairperson opened the meeting and welcomed those present. He requested that all in attendance sign the attendance register.

He further welcomed Ms Keaorata Gadinabokao from the Council for Medical Schemes (CMS) to the meeting.

After confirming the number of members in attendance the Chairperson confirmed that a quorum (a minimum of 30 members as per the Rules of the Fund) were present and that the meeting was duly constituted.

2. NOTICE OF THE MEETING

The Notice convening the Annual General Meeting (AGM), which was confirmed as having been circulated timeously to all members, was taken as read. The meeting proceeded as per the published Agenda.

3. CONFIRMATION OF MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING HELD ON 23 JULY 2024

The minutes of the AGM held on 23 July 2024 were noted, and there were no amendments or corrections required.

Ms McTavish proposed that the minutes of the 2024 AGM be approved and adopted. Mr Thompson seconded the proposal, which was then unanimously adopted.

The minutes of the fifty-eighth AGM, held on 23 July 2024, will be signed by the Chairperson and the Principal Officer as a true record of the proceedings.

No matters arising from the minutes of the 2024 AGM were raised for further discussion.

4. CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Chairperson's Report for the year ended 31 December 2024, which had been included in the Notice of the Annual General Meeting, was noted having been circulated and was taken as read. The Chairperson highlighted the following salient points:

- The 2024 financial year saw the high claims experience in 2023 continue into 2024, with the reserve ratio dipping to 40.41% compared to a range of 45% to 57% over the previous five years.
- The Board conducted a thorough review of the benefits and contributions during 2024 for implementation in 2025.
- In 2024, the Fund offered three benefit options, the Network, Saver and Comprehensive options, with the major difference between the options being the extent of hospital and day-to-day cover.
- Every year, the Board of Trustees, with the assistance of the Fund's Actuaries and Administrator, spends many hours reviewing the Fund's benefits and contributions. The Trustees strive to strike a balance between providing affordable healthcare cover to our members and keeping contributions as affordable as possible, whilst ensuring that the Fund remains financially sound.
- With effect from 1 January 2025, the Fund implemented a structural change primarily affecting members on the Saver Option. The Saver Option was divided into two sub-options: the Saver Option and the Saver Choice Option. Benefits on these two benefit options remained largely the same. Saver Option members are, however, required to make use of a hospital network, while the Saver Choice Option members continue to have the freedom to choose any hospital. Members on the Saver Choice Option must pay a slightly higher contribution for this flexibility of choice.
- This structural change will assist the Fund in its objective to remain competitive in its benefits and contributions, and to ensure that it continues to cover the healthcare needs of our members and their dependants.
- The Fund's proposed benefit and contribution changes for 2025 were tabled with and approved by the Council for Medical Schemes (CMS).
- The Board continues to invest funds in accordance with the requirements of the Act and accompanying regulations.
- As at 31 December 2024, the Fund's investible assets were split between the appointed Asset Managers, as follows:
 - Allan Gray Life Ltd: 51% and
 - Sanlam Investment Management (Pty) Ltd: 49%.
- The number of members belonging to the Fund increased from 9 357 in 2023 to 9 437 in 2024 and the Pensioner ratio remained roughly static at 14.42%.
- The solvency ratio at the end of the year was 40.41% and comfortably above the legislated minimum requirement of 25%.

MINUTES OF THE FIFTY-NINTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE WOOLTRU HEALTHCARE FUND, HELD IN THE WOOLWORTHS AUDITORIUM, FIRST FLOOR, WOOLWORTHS HOUSE, 93 LONGMARKET STREET, CAPE TOWN ON TUESDAY, 22 JULY 2025 AT 12:00 (CONTINUED)

4. CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

- Neither the Trustees nor the Principal Officer have any interests in the organisations providing administration, managed care, investment or actuarial consulting services to the Fund.
- NMG, the Fund's Actuaries, assists the Board with the Fund's financial planning, investment strategy, reserving requirements and the annual benefit and pricing review.
- The Trustees continually monitor developments in respect of all legislative and other matters affecting medical schemes and will initiate appropriate action as and when required. The Board of Trustees' agenda has a dedicated slot every quarter to keep the Board up to date with changes in the healthcare industry.
- The Wooltru Healthcare Fund remains financially sound, and the Trustees are confident that the Fund will continue to serve its members effectively.

He invited those in attendance to raise any questions or points requiring clarity. No queries were raised.

5. REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Annual Report of the Board of Trustees for the year ended 31 December 2024, having been circulated, was taken as read.

The Chairperson invited those in attendance to raise any questions or points requiring clarity. No queries were raised.

As proposed by Mr Hector and seconded by Mr Thompson, the Annual Report of the Board of Trustees was duly adopted.

6. REPORT OF THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2024

The Report of PricewaterhouseCoopers (PwC) to the members of the Fund had been circulated prior to the meeting.

Mr Mvula proposed that the Auditor's Report be adopted and the proposal was seconded by Mr Thompson.

7. AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Annual Financial Statements (AFS) for the year ended 31 December 2024 were circulated prior to the meeting and was taken as read. The Chairperson confirmed that the Fund publishes a full set of AFS for transparency purposes.

He invited members to raise any concerns or queries regarding the AFS. No queries were raised.

He furthermore expressed appreciation to the Administrator (MH), the Fund's Auditors (PwC) and the Audit Committee for the preparation and review of the Annual Financial Statements. Miss Myeni proposed that the audited Annual Financial Statements for the year ended 31 December 2024 be adopted and the proposal was seconded by Ms Wata.

8. APPOINTMENT OF THE AUDITORS FOR THE ENSUING YEAR

The Chairperson advised that PriceWaterhouseCoopers (PwC) had been the Fund's Auditors since 2020 and the auditing of the 2024 AFS was the 5th Audit that they conducted. The Board tasked the Audit Committee to go out on tender for auditing services. The Chairperson asked the Principal Officer to provide some background for this decision and a summary of the tender process that was followed.

The Principal Officer explained that PwC had changed their pricing structure, due to the additional work that had to be performed because of the new IFRS 17 accounting standard that was implemented. The Board felt it appropriate to do benchmarking in the Industry to determine whether the Fund was still receiving services at the appropriate level of pricing and requested the Audit Committee to proceed with a tender process.

The Audit Committee invited PwC, Deloitte, KPMG, Ernst & Young (EY), BDO and Mazars to submit tenders. Two audit firms decided not to participate in the tender process. KPMG felt that there may be a conflict of interest due to their dealings with MH, and EY no longer provides audit services to medical schemes in South Africa. Proposals from the other participants were submitted timeously.

After evaluating the proposals, and the pricing related to the proposals, the Audit Committee agreed that PwC has the technical ability, skills and backup resources required by the Fund, and that their funding model was market related. The Audit Committee was comfortable to recommend to the Board that, at the AGM, PwC be recommended for re-appointment by the members as the External Auditors to the Fund for the financial year ending 31 December 2025. The Board then agreed to table the recommendation at this meeting.

MINUTES OF THE FIFTY-NINTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE WOOLTRU HEALTHCARE FUND, HELD IN THE WOOLWORTHS AUDITORIUM, FIRST FLOOR, WOOLWORTHS HOUSE, 93 LONGMARKET STREET, CAPE TOWN ON TUESDAY, 22 JULY 2025 AT 12:00 (CONTINUED)

8. APPOINTMENT OF THE AUDITORS FOR THE ENSUING YEAR (CONTINUED)

Mr Tjabadi proposed that the appointment of PwC as the External Auditors to the Fund for the financial year ending 31 December 2025 be approved and adopted. Mr Thompson seconded the proposal, which was unanimously adopted.

9. ELECTION OF ONE MEMBER-ELECTED TRUSTEE

The Chairperson advised that there were no elections in 2024 but this year there is one vacancy for a member-elected Trustee. Mr Gavin Teixeira's first term of office comes to an end at this AGM, and he has indicated his willingness to stand for re-election.

As per the Rules of the Fund and the Trustee Appointment, Nomination and Election Policy, members were invited to submit nominations for the election of one new member-elected Trustee to fill the vacancy. 25 nominations had been received for Mr Teixeira and a short CV of the candidate was circulated to all members.

Members were requested to cast their vote by show of hands. Mr Teixeira was elected by majority vote.

The Chairperson congratulated Mr Teixeira on his re-election and welcomed him to the Board of Trustees.

10. TRUSTEE AND COMMITTEE MEMBER REMUNERATION POLICY

The Fund's Remuneration Policy in respect of Trustees and Committee Members, having been circulated, was presented to the meeting.

Ms Booysen proposed that the 2025 Remuneration Policy in respect of Trustees and Committee Members be approved, adopted and signed by the Chairperson and the Principal Officer. Ms Malander seconded the proposal, which was unanimously adopted.

11. GENERAL

In terms of the Rules of the Fund any motions to serve before the AGM need to be submitted to the Fund no later than 7 days prior to the meeting.

No motions were received from members.

The Chairperson advised that members could direct administration-related queries to Ms Fourie from the Administrator, who was in attendance at the meeting.

The Chairperson expressed a special word of thanks to the Board of Trustees for their ongoing commitment and effort. He also thanked Mr Francois de Wit, the Principal Officer of the Fund, Ms Elmarie Fourie and the Momentum Health Team, Dr Tony Davidson, the Medical Advisor to the Fund, Mr Gary Scott (Fund Actuary) and the Audit Committee members for their ongoing support and their work and effort to ensure that the Annual Financial Statements were correct and submitted timeously.

12. CLOSURE OF MEETING

The Chairperson thanked the members for their attendance and participation in the meeting and declared the meeting closed.

APPROVED AND SIGNED THIS _____ DAY OF _____ 2026.

CHAIRPERSON

PRINCIPAL OFFICER

WOOLTRU HEALTHCARE FUND
ANNUAL REPORT and ANNUAL FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2025

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CHAIRPERSON'S REPORT

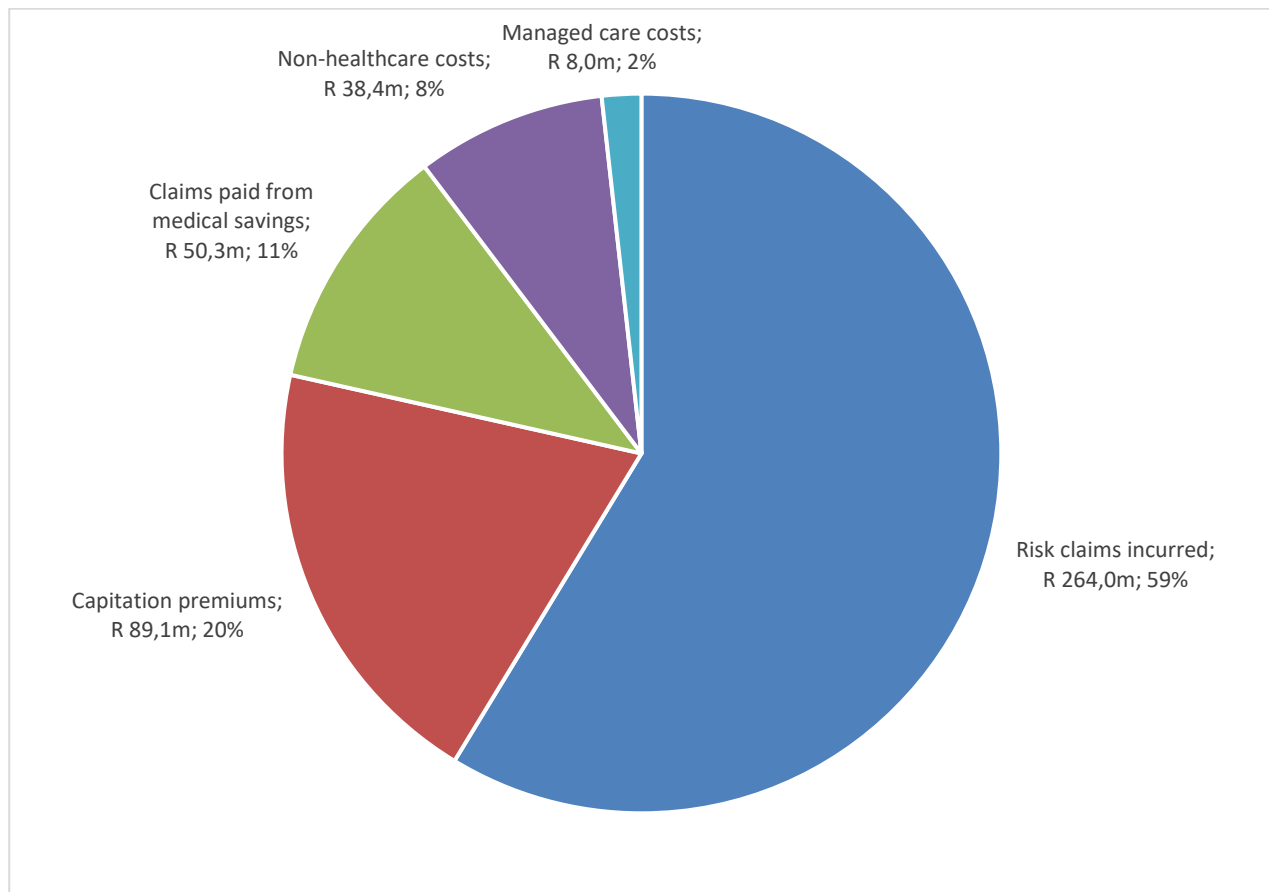
As Chairperson of the Board of Trustees ('the Board') of the Wooltru Healthcare Fund ('the Fund'), I have pleasure in presenting the Board's Report for the year ended 31 December 2025.

The introduction of an efficiency-discounted sub-option (EDO) to the Saver Option in the 2025 financial year, together with a reduction in member savings allocations, contributed to the reserve ratio increasing to 44.31%. The insurance service result (before other income and other expenditure) for the year amounted to a profit of R30.9 million (2024: R20 million loss). This result is reflected across the three benefit options as follows:

- The Network Option yielded an insurance service profit of R14.3 million (2024: R12.1 million).
- The Saver Option yielded an insurance service profit of R29.2 million (2024: R16.4 million loss).
- The Comprehensive Option yielded an insurance service loss of R12.6 million (2024: R15.7 million).

Investment returns (nett of fees) yielded R34.9 million for the year (2024: R21.7 million).

The following graph provides a breakdown of the Fund's expenditure for the year:



Source: NMG Consultants and Actuaries

The liability to members for future benefits as at 31 December 2025 was R233.9 million (2024: R181.2 million), while the solvency ratio of 44.31% (2024: 40.41%) continues to compare favourably against the statutory minimum solvency level of 25%.

The average contribution increase for members amounted to 8.6% in 2025, which was lower than the contribution increases announced by any of the larger South African medical schemes.

The Board conducted a thorough review of the benefits and contributions during 2025 for implementation in 2026. This review has ensured that the Fund remains financially sound and is well positioned to meet its future challenges.

**WOOLTRU HEALTHCARE FUND
CHAIRPERSON'S REPORT
for the year ended 31 DECEMBER 2025**

I would like to highlight the following matters of interest to members:

1. GOVERNANCE

The Fund's management and service providers as at 31 December 2025 were as follows:

1.1 Board of Trustees

Employer appointed

Mr B van der Merwe (Chairperson)
Ms S Malander (Vice-Chairperson)
Mr I Thompson
Ms Z Mowzer
Mr Y Mvula

Member elected

Mr G Fergus
Mr A Hector
Ms A McTavish
Mr G Teixeira
Ms B Wata

All serving member-elected Trustees were duly elected in terms of the Rules of the Fund.

I would like to thank the above Trustees for their services to both the Fund and its members.

1.2 Fund Committees

Audit Committee	Chairperson	Mr D Crisp	Independent
Benefits Committee	Chairperson	Ms S Malander	Trustee
Clinical Committee	Chairperson	Dr A Davidson	Medical Advisor
Ex Gratia Committee	Chairperson	Dr A Davidson	Medical Advisor
Investment Committee	Chairperson	Mr I Thompson	Trustee

The Fund's Disputes Committee consisted of Mr L Motofo, Ms G Muller-Kukard and Mr M van Buuren.

1.3 Fund Officers

Principal Officer	Mr F de Wit	Independent
Medical Advisor	Dr A Davidson	Independent

1.4 Service providers

Actuaries, consultants and investment advisors	NMG Consultants & Actuaries (Pty) Ltd
Administrator	Momentum Health (Pty) Ltd
Investment Managers	Allan Gray Life Limited Sanlam Investment Management (Pty) Ltd (until 31 October 2025) Satrix Investments (Pty) Ltd (from 1 November 2025) Nedgroup Investments Ninety One Fund Managers (SA) (RF) (Pty) Ltd
Auditors	PricewaterhouseCoopers Inc. (PwC)
Emergency evacuation	Netcare Jet Air Ambulance (Pty) Ltd
Managed care	Momentum Health (Pty) Ltd
Network and healthcare provider manager	Momentum Health (Pty) Ltd

Agreements with service providers are reviewed annually and are renewable depending on fee negotiations, unless either party gives notice of termination. All service provider fees are calculated on an arm's-length basis on market-related terms.

2. DESCRIPTION OF FUND

2.1 Terms of registration

The Fund is registered in terms of the Medical Schemes Act 131 of 1998 ('the Act').

2.2 Fund benefit options

With effect from 1 January 2025, the Fund implemented a structural change primarily affecting members on the Saver Option. The Saver Option was divided into two sub-options: Saver (EDO) Option and Saver Choice Option. Benefits on these two benefit options remained largely the same. Saver (EDO) Option members are, however, required to make use of a hospital network, while the Saver Choice Option members continue to have the freedom to choose any hospital. Members on the Saver Choice Option must pay a slightly higher contribution for this flexibility of choice.

This structural change assisted the Fund in its objective to remain competitive in its benefits and contributions, and to ensure that it continues to cover the healthcare needs of our members and their dependants.

The **Network Option** is a fully capitated network-based benefit option providing hospital benefits and comprehensive day-to-day cover through the Momentum Health network of doctors and general practitioners (GPs), specialists, dental practitioners, hospitals, pharmacies and optical practitioners.

The **Saver Option (both Saver EDO and Saver Choice)** provides members with a Medical Savings Account (MSA) from which to fund day-to-day benefits. Members are responsible for managing their own day-to-day expenses within their MSA. Any unused balance at the end of the 2024 benefit year remained to the credit of members and carried over to the 2025 benefit year. **Saver EDO** provides comprehensive hospital cover in its network hospitals, Mediclinic and Netcare, and major medical benefits cover. **Saver Choice** provides comprehensive hospital cover, with the freedom to choose any hospital, and major medical benefits cover. Specialists are reimbursed at 100% of the Wooltru Healthcare Fund Tariff (WHFT).

The **Comprehensive Option** also provides members with a Medical Savings Account (MSA) from which to fund day-to-day benefits. Members are responsible for managing their own day-to-day expenses within the MSA. Any unused balance at the end of the 2024 benefit year remained to the credit of members and carried over to the 2025 benefit year. The Comprehensive Option makes provision for a materially higher MSA than the Saver Option, but has a higher contribution. The Comprehensive Option provides comprehensive hospital and major medical benefits cover, and specialists are reimbursed at 300% of the Fund's tariff (WHFT).

Every year, the Board of Trustees, with the assistance of the Fund's Actuaries and Administrator, spends many hours reviewing the Fund's benefits and contributions. The Trustees strive to strike a balance between providing affordable healthcare cover to our members and keeping contributions as affordable as possible, whilst ensuring that the Fund remains financially sound.

The Fund's proposed benefit and contribution changes for 2026 were tabled with and approved by the Council for Medical Schemes (CMS).

3. INVESTMENT POLICY OF THE FUND

The Board continues to invest funds in accordance with the requirements of the Act and accompanying regulations, and in line with the relaxation of the limits of investment in equities granted to the Fund by the Registrar of Medical Schemes in 2008. In 2025, the Fund applied for, and was granted, exemption in respect of Section 35 of the Act, which prohibits a medical scheme from holding shares in any medical scheme administrator or any of its participating Employers. This application was to facilitate the ownership of such shares at the sole discretion of the Fund's independent third-party Asset Managers where such managers have full discretionary mandates and where the shares of such portfolios are not held directly in the name of the Fund.

3. INVESTMENT POLICY OF THE FUND (CONTINUED)

As at 31 December 2025, the Fund's investible assets were split between the appointed Asset Managers as follows:

Allan Gray Life Limited:	50%
Satrix Investments (Pty) Ltd:	50%

The Fund's Asset Managers achieved the following investment returns (before fees) for periods ended 31 December 2025 in respect of the portfolios in which the Fund was invested:

Allan Gray Life Limited:	1 Year: 15.7%	3 years: 12.0%	5 years: 11.7%
Sanlam Investment Management (Pty) Ltd /			
Satrix Investments (Pty) Ltd:	1 Year: 23.9%	3 years: 15.3%	5 years: 12.6%

The total Fund returns have outperformed consumer price index (CPI) inflation over the five-year period:

Total Fund:	1 year: 16.5%	3 years: 12.4%	5 years: 11.3%
CPI inflation:	1 year: 3.3%	3 years: 3.9%	5 years: 5.0%

The Fund's Investment Committee continues to monitor the performance of the Asset Managers and will make changes if they feel that there is a more optimal mix of managers.

The Board is advised by NMG Consultants and Actuaries, who provide investment consulting services to the Fund and monitor the investment returns from the Fund's Asset Managers against a basket of asset managers who invest assets for other medical schemes.

4. REVIEW OF THE YEAR'S ACTIVITIES

4.1 Operational activities

	2025	2024
Number of members at year end	9,575	9,437
Average number of members for the year	9,531	9,381
Average insurance revenue per member per month (R)	3,847	3,420
Average insurance service expenses per member per month (R)	3,335	3,576
Dependants-to-member ratio at 31 December	0.70	0.73
Average age of beneficiaries	36	36
Pensioner ratio	14.16%	14.42%
Attributable, administration and other expenses per member per month (R)	336	322
Insurance service expenses as a percentage of insurance revenue	87.08%	105.19%
Attributable, administration and other expenses as a percentage of insurance revenue	8.73%	9.46%
Accumulated funds ratio (solvency ratio) at year end	44.31%	40.41%

4.2 Financial results

The financial results of the Fund are set out in the audited Annual Financial Statements attached hereto.

4. REVIEW OF THE YEAR'S ACTIVITIES (CONTINUED)

4.3 Net healthcare result per benefit option

The insurance service result per benefit option (before other income and other expenditure) was as follows:

	2025 <u>R'000</u>	2024 <u>R'000</u>
Network Option	14,307	12,090
Saver Option	29,224	(16,394)
Comprehensive Option	<u>(12,605)</u>	<u>(15,662)</u>
Total (loss)/profit	30,926	(19,966)

Although an insurance service loss (prior to other income and other expenditure) was experienced on the Comprehensive Option in 2025, the Fund remains in an overall financially sound position.

4.4 Reserves

The Fund's reserving policy can be summarised as follows:

- To target a reserve level of 60% of annual contributions;
- To manage the operating position of the Fund to at least a breakeven position; and
- To target investment growth of at least CPI + 2% when measured over a three-year rolling period.

At 31 December, the Fund's reserve position was as follows:

	2025 <u>R'million</u>	2024 <u>R'million</u>
Insurance contract liability to future members	233.91	181.16
Solvency ratio at year end: (% of annual insurance revenue)	44.31%	40.41%

The Board, in conjunction with the Fund's Actuaries, continually monitors the Fund's solvency ratio.

4.5 Liability for incurred claims

The liability for incurred claims is calculated based on historic claims trends and patterns, and the method of calculation is consistent with that of previous years. Movements in the liability for incurred claims are set out in Note 10 to the Annual Financial Statements.

5. COMMUNICATION TO MEMBERS

The Fund publishes a quarterly newsletter to members which keeps members up to date with developments in the Fund and the healthcare industry as a whole. A membership communication pack was sent to members at the end of 2024, detailing the benefits and contributions for 2025. In addition, members are encouraged to visit the Fund's website (www.wooltruhealthcarefund.co.za) regularly. The website is hosted by the Administrator and can be accessed for information relating to the Rules of the Fund and other pertinent information. Members also have access to the Fund's mobile app which can be downloaded from Google Play or the Apple App Store.

6. HIV PROGRAMME

The Fund's HIV risk management programme (YourLife Programme) aims to help affected beneficiaries live longer, healthier and more productive lives. The benefits of this programme include education and personal support from case managers, regular consultations, tests to monitor health and antiretroviral therapy. The programme is completely confidential and is run independently by the Administrator, Momentum Health.

7. INTERESTS OF OFFICE BEARERS

Neither the Trustees nor the Principal Officer have any interests in the organisations providing administration, managed care, investment or actuarial consulting services to the Fund.

8. AUDIT COMMITTEE

The Audit Committee was established in accordance with the provisions of the Act. The Committee is mandated by the Board by means of written terms of reference as to its membership, authority and duties. This Committee meets on a regular basis and assists the Board in carrying out its duties relating to the Fund's Accounting Policies, internal control systems, financial reporting and internal/external auditing.

The Audit Committee was responsible for reviewing the 2025 audited Annual Financial Statements.

9. CONTRIBUTION INCREASES AND BENEFIT REVIEW

NMG, the Fund's Actuaries, assists the Board with the Fund's financial planning, investment strategy, reserving requirements and the annual benefit and pricing review. The Board makes decisions after consulting with the Actuaries. The Actuaries attend all the quarterly Board Meetings and various Committee Meetings where required.

10. INDUSTRY DEVELOPMENTS

The Trustees continually monitor developments in respect of all legislative and other matters affecting medical schemes and will initiate appropriate action as and when required. The Fund's advisors and service providers remain close to the action and are well-placed to provide the Fund with regular updates on developments within the industry. The Board of Trustees' agenda has a dedicated slot every quarter to keep the Board up to date with changes in the healthcare industry.

11. VOTE OF APPRECIATION

I would like to express my appreciation to my fellow Trustees, the Principal Officer, the Fund's Actuaries, the Medical Advisor, our independent Committee members, all our service providers and everyone else involved in ensuring that the Fund continues to meet its objectives

12. CONCLUSION

The Wooltru Healthcare Fund remains financially sound, and the Trustees are confident that the Fund will continue to serve its members as effectively and fairly as possible by facing up to the challenges of the ever-changing South African healthcare environment. I would like to take this opportunity to wish all our members good health for the remainder of 2026 and beyond.

BURGER VAN DER MERWE



CHAIRPERSON
June 2026

WOOLTRU HEALTHCARE FUND
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

The Trustees are responsible for the preparation, integrity and fair presentation of the Annual Report and Annual Financial Statements of the Wooltru Healthcare Fund (the Fund). The Annual Financial Statements presented on pages 19 to 79 have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards and the Medical Schemes Act 131 of 1998 of South Africa, as amended, and include amounts based on judgements and estimates.

The Trustees consider that in preparing the Annual Financial Statements, they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Trustees are satisfied that the information contained in the Annual Financial Statements fairly represents the results of operations for the year and the financial position of the Fund at year end. The Trustees also prepared the information included in their Annual Report on pages 19 to 32 and are responsible for both its accuracy and its consistency with the Annual Financial Statements.

The Trustees are responsible for ensuring that accounting records are kept. The accounting records disclose with reasonable accuracy the financial position of the Fund to enable the Trustees to ensure that the Annual Financial Statements comply with the relevant legislation.

The Fund operates in a well-established control environment, which is well documented and reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the Fund are being controlled.

The going-concern basis has been adopted in preparing the Annual Financial Statements. The Trustees have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on budgets, forecasts and available cash resources. These Annual Financial Statements support the viability of the Fund.

The Fund's External Auditor, PricewaterhouseCoopers Incorporated, audited the Annual Financial Statements and is responsible for reporting on the fair presentation of the Annual Financial Statements. Their Report is presented on pages 14 to 18.

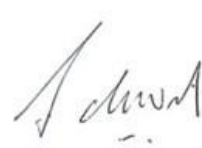
The Annual Report and Annual Financial Statements were authorised for issue as well as approved by the Board of Trustees on 22 April 2026 and, according to an extract of the Minutes of the meeting, these are signed on its behalf by:



MR B VAN DER MERWE
CHAIRPERSON



MS S MALANDER
TRUSTEE



MR F DE WIT
PRINCIPAL OFFICER

22 April 2026

WOOLTRU HEALTHCARE FUND
STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

The Fund is committed to the principles and practice of fairness, openness, integrity and accountability in all dealings with its stakeholders. The Fund conducts its affairs according to ethical values. The Trustees of the Fund are appointed or elected by the participating Employers or the members of the Fund, respectively. The Trustees recognise the need to conduct the business of the Fund in accordance with the principles of the King IV Code on Corporate Governance for South Africa.

BOARD OF TRUSTEES

The Trustees meet regularly and monitor the performance of the Fund's service providers. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive.

All Trustees have access to the advice and services of the Principal Officer and, where appropriate, may seek independent professional advice at the expense of the Fund.

INTERNAL CONTROL

The Administrator, Investment Managers and Actuaries of the Fund maintain internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the Fund's Annual Financial Statements and to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

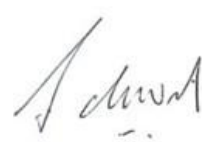
No further event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.



MR B VAN DER MERWE
CHAIRPERSON



MS S MALANDER
TRUSTEE



MR F DE WIT
PRINCIPAL OFFICER

22 April 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WOOLTRU HEALTHCARE FUND**

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wooltru Healthcare Fund (the Fund), set out on pages 19 to 79, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of cashflows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Wooltru Healthcare Fund as at 31 December 2025, and its financial performance and cashflows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Medical Schemes Act 131 of 1998.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors' (IRBA) *Code of Professional Conduct for Registered Auditors* ('the IRBA Code') and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Annual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of the liability for incurred claims Refer to the following disclosure in the financial statements as it relates to this key audit matter: - Note 1.4 Significant judgements and 1.5 – significant estimates; - Note 1.6 Insurance contracts; - Note 8.1 Insurance contract liability and Note 8.2 Liability to members for future benefits; and - Note 10 Liability for incurred claims As at 31 December 2025 the Fund recognised insurance contract liabilities amounting to R49,318,945.	Our audit addressed this key audit matter, as follows: We obtained an understanding from the Fund's Actuaries regarding the process followed in calculating the liability for incurred claims (LIC), which included the design and implementation of controls within the process. We obtained the actual claims data from the member administration system covering the year ended 31 December 2025 used in calculating the LIC. We assessed the completeness of the claims data on the member administration system by understanding management's controls. We selected a sample of claim transactions from the claim source and reconciled these against the member administration system. No material inconsistencies were noted.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174882



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WOOLTRU HEALTHCARE FUND (CONTINUED)**

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
The Fund's insurance contract liabilities comprise the liability for remaining coverage (LFRC) and the liability for incurred claims (LIC). In determining the LIC, the Fund applies significant judgement and estimation uncertainties, due to the Fund having to determine claims from healthcare events that have occurred but have not yet been reported. The value of the LIC is the sum of the probability-weighted estimate of the expected future cashflows and the risk adjustment. The LIC reported is calculated by the Fund's actuaries which is reviewed by management and the Audit Committee and recommended to the Board of Trustees for approval. The LIC amounts to R25,360,236. The most significant assumptions made in the determination of the LIC are: • the future cashflow projections; and • the risk adjustment for non-financial risk. <i>Future cashflow projections</i> The future cashflow projections comprise estimates of all future claim payments, receivables from third parties as well as the directly attributable expenses arising from the healthcare events within the boundary of the insurance contracts. The Fund's actuaries use an actuarial model, based on the Fund's actual claim development patterns throughout the year, to determine the probability-weighted estimate of expected future cashflows. This model applies a Basic Chain Ladder ("BCL") method. <i>Risk adjustments for non-financial risk</i> In determining the Fund's risk adjustment for non-financial risk, the Fund uses a confidence level technique (value at risk) under IFRS 17, Insurance Contracts (IFRS 17). The Fund's calibrated risk adjustment (using value at risk) is such that the insurance contract liabilities are held to be sufficient at the 75th percentile of the ultimate loss distribution. We considered the valuation of the LIC to be a matter of most significance to the current year audit due to the significant judgement and estimation uncertainties applied in determining the future cashflow projections and the risk adjustments for non-financial risk.	We substantively tested a sample of claims received by the Fund in the 31 December 2025 financial year, selected from the member administration system, and evaluated the accuracy of the service and process dates and the validity of the claim against the relevant Fund rules. No material inconsistencies were noted. We assessed the completeness of the claims data in the Fund's actuarial model by obtaining an understanding of management's controls and testing the reconciliation between the claims data per the member administration system and the claims data per the actuarial model. We also inspected the reported dates of a sample of the claims data used in the Fund's actuarial model and considered that the data used in the Fund's actuarial model did not include data reported to the Fund subsequent to year-end. No material inconsistencies were noted. To assess the reasonableness of the Fund's actuaries' estimation process, we compared the actual claim results in the current year to the prior year LIC. We noted no matters for further consideration with respect to the estimation process. We have evaluated management's experts by assessing their competence, capability, and objectivity and noted no aspects requiring further consideration. We performed the following procedures: • We obtained the LIC report from the Fund's actuaries and evaluated the relevance and reasonableness of the actuarial model used by the Fund's actuaries based on our knowledge of the industry and model used in the prior years. We noted no matters requiring further consideration. • We compared the Best Estimate Liability and Risk Adjustment of the LIC amounts in the report from the Fund's actuaries to the Best Estimate Liability and Risk Adjustment of the LIC amounts included in Note 8.1 Insurance contracts liability. We noted no matters requiring further consideration. • We enquired with the Fund's actuaries whether the IFRS 17 Risk Adjustment methodology (including the confidence level) has changed since the prior year. No changes were noted. • We performed a reasonableness assessment of the risk adjustment amount by recalculating the risk adjustment using the average risk adjustment factor over the past 3 years. No material differences were noted.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WOOLTRU HEALTHCARE FUND (CONTINUED)**

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
	We performed the following procedures to assess the adequacy of the LIC: • We obtained the actual claims run-off report up to 31 March 2026 from the Fund's Administrator and compared the claims paid post year end to the LIC at year end as part of subsequent event procedures. No material inconsistencies were noted. • For a sample of claims from the claims run-off report, we tested the occurrence and accuracy of the claims as well as the accuracy of the related service dates by agreeing the claims to underlying supporting documents on the policy administration system and we identified no material inconsistencies. • We inquired from the Fund's Administrator whether there were delays in processing claims at year end that could possibly impact the claims run-off pattern subsequent to year end. No such delays were identified. We obtained a list of pre-authorisations approved prior to year end from the Administrator. For a sample of pre-authorisations with a service date before year end, we requested the related claim documentation and assessed if the related claim had been included correctly in the claims run-off report up to 31 March 2026. No material inconsistencies were noted.

Other information

The Fund's Trustees are responsible for the other information. The other information comprises the information included in the document titled 'Wooltru Healthcare Fund Annual Report and Annual Financial Statements for the year ended 31 December 2025'. The other information does not include the Annual Financial Statements and our Auditor's Report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WOOLTRU HEALTHCARE FUND (CONTINUED)**

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Fund's Trustees for the Annual Financial Statements

The Fund's Trustees are responsible for the preparation and fair presentation of the Annual Financial Statements, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Medical Schemes Act 131 of 1998, and for such internal control as the Fund's Trustees determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the Fund's Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting, unless the Fund's Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also do the following:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's Trustees.
- Conclude on the appropriateness of the Fund's Trustees' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Fund's Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Fund's Trustees, we determine those matters that were of most significance in the audit of the Annual Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WOOLTRU HEALTHCARE FUND (CONTINUED)**

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Report on other legal and regulatory requirements

Non-compliance with the Medical Schemes Act 131 of 1998 ('the Act')

As required by the Council for Medical Schemes, we report the following material instances of non-compliance with the requirements of the Act, as amended, that have come to our attention during the course of our audit:

1. *Non-compliance with Section 33(2) of the Act*

The Fund's Comprehensive Option was not self-supporting in terms of financial performance, as disclosed in Note 26 and Note 31.1 to the Annual Financial Statements.

Audit tenure

As required by the Council for Medical Schemes Circular 38 of 2018, Audit tenure, we report that the firm has been the Auditor of Wooltru Healthcare Fund for six years.

The engagement partner, Suraya Gierdien, has been responsible for Wooltru Healthcare Fund audit for two years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Gierdien
Registered Auditor
Cape Town, South Africa
24 April 2026

**WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025**

The Board of Trustees hereby presents its Report for the year ended 31 December 2025:

Council for Medical Schemes registration number of the Fund: 1293

1. MANAGEMENT

1.1 Board of Trustees

The names of the Trustees in office during the year under review are as follows:

Employer-appointed Trustees

Mr B van der Merwe (Chairperson)
Ms S Malander (Vice-Chairperson)
Ms Z Mowzer
Mr Y Mvula
Mr I Thompson

Member-elected Trustees

Mr G Fergus

Mr A Hector

Ms A McTavish

Mr G Teixeira

Ms B Wata

Re-elected at AGM held on 22 July 2025

1.2 Principal Officer

Mr F de Wit

Physical address

67 Gazania Street
Welgemoed
7530

Postal address

67 Gazania Street
Welgemoed
7530

Registered office address

Business address

Wooltru Healthcare Fund
Building 6
Parc du Cap
Bellville
7530

Postal address

Wooltru Healthcare Fund
PO Box 2212
Bellville
7535

Country of registration and domicile: South Africa

1.3 Fund Administrator: Momentum Health Solutions (Pty) Ltd

Business address

Parc du Cap
7 Mispel Road
Bellville
7530

Postal address

PO Box 4313
Cape Town
8000

Company registration number: 1969/16884/07

1. MANAGEMENT (CONTINUED)

1.4 Investment Managers

Sanlam Investment Management (Pty) Ltd (until 31 October 2025)

Business address

55 Willie van Schoor Avenue
 Bellville
 7530

Postal address

Private Bag X8
 Tygervally
 7536

Financial service provider number: 579

Satrix Investments (Pty) Ltd (From 1 November 2025)

Business address

Building 2, 4th floor
 11 Alice Lane
 Sandton
 2196

Postal address

PO Box 653477
 Benmore
 2010

Financial service provider number: 43670

Satrix Investments (Pty) Ltd is wholly owned by Sanlam and operates as a division of Sanlam Investment Management (Pty) Ltd. From 1 November 2025, Satrix Investments (Pty) Ltd manages investments under its own Category II Financial Services Provider licence. As a result, the Fund entered into a new agreement with Satrix Investments (Pty) Ltd.

Allan Gray Life Ltd

Business address

1 Silo Square
 V&A Waterfront
 Cape Town
 8001

Postal address

PO Box 51318
 V&A Waterfront
 Cape Town
 8002

Financial service provider number: 6663

Nedgroup Investments Corporate Money Market Fund

Business address

2nd Floor
 Nedbank Clocktower
 V&A Waterfront
 Cape Town
 8001

Postal address

PO Box 1510
 V&A Waterfront
 Cape Town
 8000

Financial service provider number: 1652

Ninety One Fund Managers SA (RF) (Pty) Ltd

Business address

36 Hans Strijdom Avenue
 Foreshore
 Cape Town
 8001

Postal address

PO Box 1655
 Cape Town
 8000

Financial service provider number: 587

1.5 Principal participating Employers

Woolworths Holdings Ltd
 Truworths International Ltd

**WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)**

1. MANAGEMENT (CONTINUED)

1.6 Auditor: PricewaterhouseCoopers Inc.

Business address

5 Silo Square
V&A Waterfront
Cape Town
8001

Postal address

PO Box 2799
Cape Town
8000

1.7 Actuaries and investment advisors: NMG Consultants and Actuaries (Pty) Ltd

Business address

7th Floor, 78 On Edward
Edward Street
Bellville
7530

Postal address

PO Box 3950
Tygervalley
7536

2. DESCRIPTION OF THE FUND

2.1 Terms of registration

The Wooltru Healthcare Fund is a not-for-profit medical scheme registered in terms of the Medical Schemes Act 131 of 1998 ('the Act'). Membership of the Fund is restricted to current and retired employees of any Employer currently or previously a participating Employer within the former Wooltru Limited Group of companies. Membership of the Fund is subject to the terms and conditions of employment of the participating Employers.

2.2 Benefit options within the Wooltru Healthcare Fund

The Fund offers three benefit options, with an efficiency-discounted sub-option (EDO), the Saver Option. The EDO offers a discount on contributions payable by members, for participation in a Mediclinic or Netcare hospital network.

- Network Option
- Saver Option:
 - Saver Option (EDO)
 - Saver Choice Option (non-EDO)
- Comprehensive Option

2.3 Risk transfer arrangements

During 2025, the Fund renewed the risk transfer arrangements with Momentum Health (Pty) Ltd and Netcare Jet Air Ambulance (Pty) Ltd.

The Fund has two risk transfer arrangements in place with Momentum Health (Pty) Ltd:

- The first arrangement provides PMB chronic medication benefits for beneficiaries registered on the Saver Option and Comprehensive Option.
- The second arrangement provides all healthcare benefits for beneficiaries registered on the Network Option.

The Netcare Jet Air Ambulance (Pty) Ltd arrangement covers emergency evacuation from accident scenes or in cases of sudden illness for beneficiaries on the Saver Option and Comprehensive Option.

WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)

3. REVIEW OF THE YEAR'S ACTIVITIES

3.1 Operational activities

2025

	Network Option	Saver (EDO)	Saver Choice (non-EDO)	Saver Option (Total)	Comprehensive Option	Total
Number of members at year end	3,057	5,419	744	6,163	355	9,575
Number of beneficiaries at year end	4,470	9,753	1,425	11,178	589	16,237
Average number of members for the year	2,947	5,525	701	6,226	358	9,531
Average number of beneficiaries for the year	4,351	9,953	1,368	11,321	594	16,267
Dependants-to-member ratio at year end (%)	0.46%	0.80%	0.92%	0.81%	0.66%	0.70%
Average age of beneficiaries for the year	30.53	37.24	38.58	37.91	59.17	36.31
Pensioner ratio (%)	3.79%	16.41%	13.58%	16.06%	70.42%	14.16%
Average insurance revenue per member per month (R)	2,547	4,047	4,997	4,154	9,204	3,847
Average insurance revenue per beneficiary per month (R)	1,725	2,247	2,560	2,285	5,547	2,254
Average relevant healthcare expenditure as a percentage of insurance revenue (%)	78.34%	79.10%	117.27%	84.27%	129.02%	87.08%
Average relevant healthcare expenditure per member per month (R)	1,924	3,264	5,521	3,537	11,976	3,335
Average relevant healthcare expenditure per beneficiary per month (R)	1,316	1,814	2,883	1,950	7,218	1,966
Amounts paid to Administrator (R)	5,434,378	19,220,175	2,514,118	21,734,293	1,251,261	28,419,932
Average directly attributable insurance expenses per member per month (R)	1,762	3,161	3,263	3,172	3,176	2,736

WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)

REVIEW OF THE YEAR'S ACTIVITIES (CONTINUED)

3.1 Operational activities (continued)

2025

	Network Option	Saver (EDO)	Saver Choice (non-EDO)	Saver Option (Total)	Comprehensive Option	Total
Average directly attributable insurance expenses per beneficiary per month (R)	1,194	1,755	1,672	1,745	1,914	1,603
Average attributable, administration and other expenses as a percentage of insurance revenue (%)	9.48%	9.32%	7.75%	9.10%	4.11%	8.73%
Average managed care expense per member per month (R)	-	103	95	102	102	69
Average managed care expense per beneficiary per month (R)	-	57	49	56	61	41
Surplus/(deficit) from operations (R)	10,966,649	31,232,485	(10,497,816)	20,734,669	(13,093,366)	18,607,952
Net investment income (R)	10,607,980	19,718,942	2,536,225	22,255,167	1,278,881	34,142,028
Net surplus/(deficit) (R)	21,574,629	50,951,527	(7,961,592)	42,989,935	(11,814,484)	52,750,080
Accumulated funds per member at 31 December (R)	-	-	-	-	-	24,430
Realised return on investments as a percentage of investments (%)	-	-	-	-	-	5.08%
Total return on investments (%)	-	-	-	-	-	16.60 %

WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)

3. REVIEW OF THE YEAR'S ACTIVITIES (CONTINUED)

3.1 Operational activities (continued)

2024

	Network Option	Saver Option	Compre- hensive Option	Total
Number of members at year end	2,665	6,400	372	9,437
Number of beneficiaries at year end	3,974	11,716	624	16,314
Average number of members for the year	2,571	6,433	377	9,381
Average number of beneficiaries for the year	3,875	11,891	635	16,401
Dependants-to-member ratio at year end (%)	0.49%	0.83%	0.68%	0.73%
Average age of beneficiaries for the year	29.67	36.51	57.53	35.65
Pensioner ratio (%)	4.05%	15.58%	68.82%	14.42%
Average insurance revenue per member per month (R)	2,349	3,604	7,592	3,420
Average insurance revenue per beneficiary per month (R)	1,559	1,950	4,507	1,956
Insurance service expenses as a percentage of insurance revenue (%)	83.32%	105.89%	145.6%	105.19%
Average insurance service expenses per member per month (R)	1,888	3,836	11,203	3,576
Average insurance service expenses per beneficiary per month (R)	1,266	2,096	6,679	2,069
Amounts paid to Administrator (R)	4,530,032	21,369,322	1,252,240	27,151,594
Average attributable, administration and other expenses per member per month (R)	301	320	495	322
Average attributable, administration and other expenses per beneficiary per month (R)	202	175	295	186
Average attributable, administration and other expenses as a percentage of insurance revenue (%)	13.29%	8.83%	6.43%	9.46%
Average managed care expense per member per month (R)	-	99	101	71
Average managed care expense per beneficiary per month (R)	-	57	63	43
Surplus/(deficit) from operations (R)	6,715,345	(21,601,413)	(16,684,352)	(31,570,420)
Net investment income (R)	6,288,619	15,706,803	916,325	22,911,747
Net surplus/(deficit) (R)	12,997,271	(5,850,152)	(15,829,491)	(8,682,372)
Accumulated funds per member at 31 December (R)	-	-	-	19,197
Realised return on investments as a percentage of investments (%)	-	-	-	6.47%
Total return on investments (%)	-	-	-	11.50%

WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)

3. REVIEW OF THE YEAR'S ACTIVITIES (CONTINUED)

3.2 Financial results

The financial results of the Fund are set out in the Annual Financial Statements and the Trustees believe that no further clarification is required.

3.3 Solvency ratio

	2025	2024
	R	R
The solvency ratio is calculated on the following basis:		
General reserve		
Liability to members for future benefits	233,914,703	181,164,623
Less cumulative net unrealised gain on investments at fair value	18,524,411	(131,915)
Accumulated funds	<u>215,390,292</u>	<u>181,032,708</u>
Gross insurance revenue as per Note 11 to the Annual Financial Statements	486,127,445	447,939,919
Opening net unrealised (loss)/gain on investments	131,915	(2,113,439)
Movement for the year	18,392,496	2,245,354
Closing net unrealised gain on investments	<u>18,524,411</u>	<u>131,915</u>
Accumulated funds as a percentage of gross insurance revenue	<u>44,31%</u>	<u>40.41%</u>

The solvency ratios for both 2025 and 2024 reflected above were calculated using accumulated funds, as required by the Council for Medical Schemes, as per Regulation 29 of the Medical Schemes Act 131 of 1998. The minimum solvency ratio required by the Council for Medical Schemes is 25%.

3.4 Liability for incurred claims

The liability for incurred claims is calculated based on historic claims trends and patterns, and the method of calculation is consistent with that of previous years.

Movements in the liability for incurred claims are set out in Note 10 to the Annual Financial Statements.

3.5 Liability adequacy test

Liability adequacy tests are performed to ensure adequacy of insurance payables as at the reporting date. In performing these tests, current estimates of future cashflows under the Fund's insurance payables are used and any deficiency is recognised in profit or loss.

4. INVESTMENT POLICY OF THE FUND

Allan Gray Life Ltd, Satrix Investments (Pty) Ltd, Nedgroup Investments Corporate Money Market Fund and Ninety One Fund Managers SA (RF) (Pty) Ltd are the Fund's appointed Investment Managers. The Fund invests in compliance with the requirements of the Medical Schemes Act 131 of 1998. As at 31 December 2025, the effective equity exposure of the portfolios managed by Allan Gray Life Ltd and Satrix Investments (Pty) Ltd was 33.33% and 36.49% respectively, while the combined total effective equity exposure as per Regulation 30 of the Act was 25.85% (2024: 18.41%).

The Investment Policy of the Fund is to generate real returns over time, while at the same time substantially protecting the portfolio from downside risk (i.e. capital protection).

The Fund's investment performance objective over any rolling three-year period is to achieve:

- a minimum overall investment return after investment management fees of the consumer price index (CPI) inflation plus two percent per annum;
- a return after investment management fees of CPI inflation plus three percent per annum or above on the growth assets which are not required to meet the Fund's liquidity needs; and
- a competitive cash return on the reserves whose primary objective is to provide liquidity.

The Fund's investment strategy is to:

- invest the assets required to meet claim payments and any other obligations the Fund may have in the short term in a cash management portfolio; and to
- invest the remainder of the Fund's assets in Medical Schemes Act 131 of 1998 compliant investments.

5. ACTUARIAL VALUATION

An actuarial valuation is not required for the Fund due to the short-term nature of the Fund's assets and liabilities. The contribution tables set for the Fund are subject to an annual review by Actuaries specialising in healthcare to ensure that the Fund remains in a financially sound position. The review of insurance revenue for the 2025 year was set out in a report dated September 2025 and confirmed that the Fund was in a financially sound position. The Report complied with the requirements of the Professional Guidance Note issued by the Actuarial Society of South Africa (APN303 – Advice to South African Medical Schemes on Adequacy of Contributions).

6. EVENTS AFTER THE END OF THE ACCOUNTING PERIOD

At the date of finalisation of the Annual Financial Statements, on 22 April 2026, there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the Annual Financial Statements.

7. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT 131 OF 1998

The Council for Medical Schemes Circular 11 of 2006 stipulates that all cases of non-compliance with the Medical Schemes Act 131 of 1998 ('the Act') should be disclosed in the Annual Financial Statements. Refer to Note 31 to the Annual Financial Statements. The following stipulations were not complied with during the year:

7.1 Non-compliance for which the Fund has not received exemption

Section 33(2) of the Act – benefit options not financially sound

Nature and impact

The Council for Medical Schemes has approved the Rules of the Wooltru Healthcare Fund in terms of Section 33(2) of the Act. As per the submission approved by the Registrar, the Comprehensive Option was in a net deficit position of R11,814,484 (2024: R15,829,491) representing 2.43% (2024: 4.11%) of the gross insurance revenue of the Fund.

Cause of failure

The average age of beneficiaries on the Comprehensive Option is some 20 years older than the average age of beneficiaries on the next closest option, namely the Saver Choice Option. The higher average age, and the fact that healthcare claims are inherently linked to age, is the reason for the persistent operating deficit on the Comprehensive Option.

Corrective action

The Comprehensive Option is selected mostly by retired members and the age profile of this option results in higher claims per member than the other benefit options. The Trustees have considered closing the Comprehensive Option, but closure of this benefit option would mean that these members would move to the Saver Option and the resultant higher claiming profile would necessitate a further increase in contributions for the Saver Option.

Section 26(7) of the Act – contributions received after three days of becoming due

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the Rules of the Fund. The Rules state that contributions should be received no more than three days after they become due.

During the 2025 year, there were instances where contributions were received later than three days after the due date. As at 31 December 2025, there was an amount of R283,834 (2024: R75,915) outstanding. This amount represents 0.01% (2024: 0.02%) of the total contributions received during the year, but the delay in receipt is in contravention of Section 26(7) of the Act.

Cause of failure

The non-compliance relates to instances during the year when contributions were received more than three days after the due date.

Corrective action

The Fund continues to communicate to all parties responsible to emphasise the importance of prompt payment.

7. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT 131 OF 1998 (CONTINUED)

7.2 Non-compliance for which the Fund has received an exemption

Section 35(8)(a) and (c) of the Medical Schemes Act 131 of 1998 ('the Act') – investments

Nature and impact

Wooltru Healthcare Fund, through Allan Gray Life Ltd, Sanlam Investment Management (Pty) Ltd and Satrix Investments (Pty) Ltd, held investments in participating Employers, as well as holding companies of medical scheme administrators, as at 31 December 2025.

This is in contravention of Section 35(8)(a) and (c) of the Act, as the Fund is not allowed to hold shares in the holding company of an administrator or any participating employer. See paragraph 8 for further detail.

Cause of failure

The Fund does not have control over the underlying assets of the portfolios, as the investment decisions are made by the appointed Asset Managers who invest on behalf of the Fund and where such investment choices are not influenced by the Fund.

Corrective action

The Fund received a further exemption in August 2025 from the Council for Medical Schemes from complying with Section 35(8)(a) and (c), insofar as it relates to investments placed with Asset Managers who invest on behalf of the Fund and where such investment choices are not influenced by the Fund. The exemption was granted up until 31 December 2028.

8. INVESTMENTS IN PARTICIPATING EMPLOYERS OF MEMBERS OF THE FUND AND IN MEDICAL SCHEME ADMINISTRATORS

The Wooltru Healthcare Fund, through Allan Gray Life Ltd and Satrix Investments (Pty) Ltd, held the following investments at fair value in participating Employers, as well as in the holding companies of medical scheme administrators at year end:

	2025	2024
	R	R
Discovery Holdings Ltd	521,913	412,555
Momentum Metropolitan Holdings Ltd	206,250	152,619
Sanlam Ltd	1,028,331	572,453
Truworths International Ltd	88,639	150,165
Woolworths Holdings Ltd	2,483,810	1,294,459
	<u>4,328,943</u>	<u>2,582,251</u>

Refer to Note 27 to the Annual Financial Statements for detailed disclosure in terms of related parties. The Fund obtained an exemption from Section 35(8)(a) and (c) of the Act and is therefore permitted to hold investments in its participating Employers and holding companies of medical scheme administrators. Refer to paragraph 7.2 above for detailed disclosures in terms of non-compliance with the Medical Schemes Act 131 of 1998.

**WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)**

9. AUDIT COMMITTEE

An Audit Committee was established on 12 February 2002, in accordance with the provisions of the Medical Schemes Act 131 of 1998 ('the Act'). The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Committee must consist of a minimum of five members, of whom two must be members of the Board of Trustees. The majority of the members, including the Chairperson, are not officers of the Fund or its third-party Administrator. The Audit Committee met on three occasions during 2025, as follows:

14 April; 19 August and 18 November.

The Administrator and the External Auditor are invited to attend all Committee meetings. The External Auditor has unrestricted access to the Chairperson of the Committee.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Fund's Accounting Policies, internal control systems and financial reporting practices. The External Auditor formally reports to the Committee on critical findings arising from the statutory audit of the Fund's Annual Financial Statements.

During the year under review, the Audit Committee comprised:

Mr D Crisp	Chairperson/Independent non-Trustee
Ms K Hofmeyr	Independent non-Trustee
Ms Z Mowzer	Trustee
Mr I Thompson	Trustee
Mr J Tjabadi	Independent non-Trustee (appointed 21 February 2025)

10. INVESTMENT COMMITTEE

An Investment Committee was established during 2005. The Investment Committee meets quarterly, and the responsibility of the Committee is to advise the Board of Trustees on investment matters. The Investment Committee must comprise at least four members of whom at least half must be Trustees. The Investment Committee met on four occasions during 2025, as follows:

12 February; 11 June; 4 September and 19 November.

During the year under review, the Investment Committee comprised:

Mr I Thompson	Chairperson/Trustee
Ms S Malander	Vice-Chairperson/Trustee
Ms M George	Non-Trustee
Mr G Teixeira	Trustee

11. DISPUTES COMMITTEE

A Disputes Committee was established on 23 May 2006 to arbitrate and resolve disputes between members and the Fund. The Disputes Committee consists of three persons who are not Trustees or officers of the Fund in order to ensure independence. The Disputes Committee did not need to meet during 2025, as there were no matters to discuss.

During the year under review, the Disputes Committee comprised:

Mr L Motofo	Committee member
Ms G Muller-Kukard	Committee member
Mr M van Buuren	Committee member

**WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)**

12. BENEFITS COMMITTEE

A Benefits Committee was established during 2008. The responsibility of the Committee is to review proposed new benefits and benefit changes and make appropriate recommendations to the Board of Trustees. The Benefits Committee also acts as a liaison between the Employers and the Fund with regard to proposed benefits. The Benefits Committee met on seven occasions during 2025, as follows:

5 March; 9 April; 7 May; 11 June, 22 July; 20 August and 19 November.

During the year under review, the Benefits Committee comprised:

Ms S Malander	Chairperson/Trustee
Mr C du Plessis	Vice Chairperson/Non-Trustee (resigned 21 February 2025)
Ms A McTavish	Vice-Chairperson/Trustee
Mr M Allen	Non-Trustee (appointed 21 February 2025)
Ms A Barker	Non-Trustee
Mr G Fergus	Trustee

13. CLINICAL COMMITTEE

A Clinical Committee was established on 29 May 2013 for the purpose of researching, analysing and reviewing matters of clinical importance to the Fund and its beneficiaries. The Committee advises the Board of Trustees on all strategic and operating matters of a clinical nature and assists in monitoring the Fund's compliance with the Medical Schemes Act 131 of 1998, as it relates to the clinical aspect of benefits provided by the Fund. The Clinical Committee met on four occasions during 2025, as follows:

4 February; 6 May; 5 August and 28 October.

During the year under review, the Clinical Committee comprised:

Dr A Davidson	Chairperson/Medical Advisor
Ms E Fourie	Fund Administrator's Representative
Mr A Hector	Trustee
Ms S Malander	Trustee
Ms A Noack	Fund Administrator's Representative
Mr G Scott	Fund Actuaries' Representative
Ms B Wata	Trustee

14. EX GRATIA COMMITTEE

An Ex Gratia Committee was established on 29 May 2013 for the purpose of analysing and reviewing requests for financial assistance by members who are faced with unexpected high medical costs that are not ordinarily recoverable from the Fund in terms of its benefit structure and which the member is unable to meet without assistance from the Fund. The Committee assists the Board in monitoring the Fund's benefit structure and will make recommendations to the Board where they believe any benefit should be enhanced or amended. The Ex Gratia Committee met once on 28 October 2025.

During the year under review, the Ex Gratia Committee comprised:

Dr A Davidson	Chairperson/Medical Advisor
Mr G Fergus	Trustee
Ms E Fourie	Fund Administrator's Representative
Mr A Hector	Trustee
Mr D Rambhookan	Fund Administrator's Representative
Mr G Scott	Fund Actuaries' Representative
Ms B Wata	Trustee

**WOOLTRU HEALTHCARE FUND
REPORT OF THE BOARD OF TRUSTEES
for the year ended 31 DECEMBER 2025 (CONTINUED)**

15. TRUSTEE AND COMMITTEE MEETING ATTENDANCE

The following schedule sets out the Board of Trustees and Committee meetings attendances. Trustee remuneration is disclosed in Note 16 and Note 27 to the Annual Financial Statements.

	Board meetings		Audit Committee meetings		Investment Committee meetings		Benefits Committee meetings		Clinical Committee meetings		Ex Gratia Committee meetings		Disputes Committee meetings	
Number of meetings for the year	5		3		4		7		4		1		0	
Attendance	A	B	A	B	A	B	A	B	A	B	A	B	A	B

Trustees

Mr B van der Merwe (Chairperson)	5	4	-	-	-	-	-	-	-	-	-	-	-	-
Ms S Malander (Vice-Chairperson)	5	5	-	-	4	4	7	6	4	3	-	-	-	-
Mr G Fergus	5	5	-	-	-	-	7	6	-	-	1	1	-	-
Mr A Hector	5	5	-	-	-	-	-	-	4	4	1	1	-	-
Mr Y Mvula	5	3	-	-	-	-	-	-	-	-	-	-	-	-
Ms A McTavish	5	3	-	-	-	-	7	7	-	-	-	-	-	-
Ms Z Mowzer	5	4	3	3	-	-	-	-	-	-	-	-	-	-
Mr G Teixeira	5	4	-	-	3	3	-	-	-	-	-	-	-	-
Mr I Thompson	5	5	3	3	4	4	-	-	-	-	-	-	-	-
Ms B Wata	5	3	-	-	-	-	-	-	4	3	1	1	-	-

Principal Officer

Mr F de Wit	5	5	3	3	4	4	7	7	4	4	1	1	-	-
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Committee members

Ms A Barker Benefits	-	-	-	-	-	-	7	6	-	-	-	-	-	-
Ms E Fourie Clinical/Ex gratia	-	-	-	-	-	-	-	-	4	4	1	1	-	-
Mr D Crisp Audit	-	-	3	3	-	-	-	-	-	-	-	-	-	-
Mr J Tjabadi Audit	-	-	3	3	-	-	-	-	-	-	-	-	-	-
Dr A Davidson Clinical/Ex gratia	-	-	-	-	-	-	-	-	4	4	1	1	-	-
Mr M Allen Benefits	-	-	-	-	-	-	7	6	-	-	-	-	-	-
Ms M George Investment	-	-	-	-	4	4	-	-	-	-	-	-	-	-
Ms K Hofmeyr Audit	-	-	3	3	-	-	-	-	-	-	-	-	-	-
Ms A Noack Clinical	-	-	-	-	-	-	-	-	4	4	-	-	-	-
Mr D Rambhookan Ex gratia	-	-	-	-	-	-	-	-	-	-	1	1	-	-
Mr G Scott Clinical/Ex gratia	-	-	-	-	-	-	-	-	4	3	1	1	-	-

A: Total number of meetings the Trustee/Committee member could have attended

B: Actual number of meetings attended

16. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the Fund is to assume the risk of losses incurred by members and their dependants that arise directly from ill health. As such, the Fund is exposed to the uncertainty surrounding the timing and severity of claims under the Fund's Rules, which constitute the insurance contract. The Fund also has exposure to market risk through its insurance and investment activities.

The Fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management as well as the monitoring of emerging issues. In addition to this, certain risks are mitigated by entering into risk transfer arrangements as set out in paragraph 2.3 of this Report.

WOOLTRU HEALTHCARE FUND
STATEMENT OF FINANCIAL POSITION
as at 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION

		2025	2024
		R	R
	Notes		
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	2	212,162,929	157,740,498
		72,309,406	75,962,027
Current assets			
Financial assets at fair value through profit or loss	2	43,369,290	42,881,706
Re-insurance contract assets	9	5,330,487	4,579,648
Trade and other receivables	3	257,460	260,347
Cash and cash equivalents	4	905,210	815,100
Investment of Medical Savings Accounts	5	22,446,959	27,425,226
Total assets		284,472,335	233,702,525
LIABILITIES			
Non-current liabilities			
Liability to members for future benefits	8	233,914,703	181,164,623
Current liabilities			
Insurance contract liability	8.1	49,318,945	51,368,616
Trade and other payables	6	1,238,687	1,169,286
Total liabilities		284,472,335	233,702,525

WOOLTRU HEALTHCARE FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
as at 31 DECEMBER 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2025	2024
		R	R
	Notes		
Insurance revenue	11	439,995,219	385,050,565
Insurance service expenses		(409,069,682)	(405,016,188)
Claims incurred*	12	(353,553,105)	(359,241,364)
Changes that relate to past service – adjustments to the LIC*	12	(22,101,002)	(16,462,612)
Third-party claims recoveries		-	268,112
Fraud recovery		173,393	15,286
Net impairment loss on healthcare receivables	17	(20,547)	(140,030)
Accredited managed healthcare services (no transfer of risk)*	13	(7,953,318)	(8,510,732)
Attributable expenses incurred	14	(26,080,945)	(24,423,312)
Net expenses from risk transfer arrangements*			
- Amount recovered from risk transfer arrangements	15	89,577,947	79,030,056
- Amount allocation of premiums paid	15	(89,112,105)	(75,551,592)
Insurance service result		30,925,537	(19,965,623)
Other income		34,902,143	23,918,796
Investment income	18	13,787,696	13,811,873
Insurance finance income – Medical Savings Accounts		2,080,618	2,508,348
Net realised gains on financial assets at fair value through profit or loss	19	644,949	5,123,175
Prescribed balances written back		100	230,046
Unrealised gains on financial assets fair value through profit or loss	2	18,388,780	2,245,354
Other expenditure		(13,077,600)	(12 635 545)
Administration fees and other operating expenses	16	(12,317,584)	(11,858,542)
Investment management fees	20	(760,016)	(777,003)
Surplus/(loss) for the year		52,750,080	(8,682,372)
Amounts attributable to future members	8.2	(52,750,080)	8,682,372
		-	-

*Relevant healthcare expenditure consists of net claims incurred, adjustments to the LIC, accredited managed healthcare services (no transfer of risk) and reinsurance results.

WOOLTRU HEALTHCARE FUND
STATEMENT OF CASHFLOWS
as at 31 DECEMBER 2025

STATEMENT OF CASHFLOWS

		2025	2024
		R	R
	Notes		
Cashflow from operating activities			
Cash receipts from members and providers		485,364,602	447,217,567
Cash receipts from members – contributions		485,364,602	447,217,567
Cash paid to providers, employees and members		(467,132,759)	(477,725,034)
Cash paid to providers and members – claims		(429,684,982)	(442,512,355)
Cash paid to providers - directly attributable expenses		(26,080,945)	(35,904,495)
Cash paid to providers and employees - administration fees and other operating expenses		(12,268,353)	-
Cash paid to members – Medical Savings Accounts refunds		(1,473,648)	(1,353,510)
Interest received		2,375,169	2,045,326
Net cash generated from/(utilised in) operating activities		18,231,843	(30,507,467)
Cashflows from investing activities			
Purchase of financial assets at fair value through profit or loss	2	(423,870,000)	(401,785,078)
Proceeds on disposal of financial assets at fair value through profit or loss	2	400,750,000	432,279,396
Net cash (utilised in)/generated from investing activities		(23,120,000)	30,494,318
Net (decrease) in cash and cash equivalents		(4,888,157)	(13,149)
Cash and cash equivalents at the beginning of the year		28,240,326	28,253,475
Cash and cash equivalents at the end of the year		23,352,169	28,240,326
Investment of Medical Savings Accounts	5	22,446,959	27,425,226
Cash and cash equivalents	4	905,210	815,100

Administration fees and other operating expenses are being disclosed separately in the current year.

1. MATERIAL ACCOUNTING POLICIES

The material Accounting Policies applied in the preparation of the Fund's Annual Financial Statements, as set out below, are in accordance with International Financial Reporting Standards (IFRS). These policies have been consistently applied to all years presented, except for changes required by the mandatory adoption of new, revised IFRS and changes in Accounting Policy.

The Annual Financial Statements comply with IFRS, and the Medical Schemes Act 131 of 1998 ('the Act').

1.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB), and the requirements of the Act. They have been prepared on the historical cost basis except for financial assets at fair value through profit or loss. The presentation and functional currency is the South African rand (R), rounded to the nearest rand.

Historical cost

The Annual Financial Statements are prepared on a going-concern basis using the historical cost convention, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value.
- insurance assets and liabilities – measured in terms of IFRS 17 current estimates.

Use of estimates

The preparation of the Annual Financial Statements necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amount of assets, liabilities and contingent liabilities at the reporting date as well as affecting the reported income and expenditure for the year. The actual outcome may differ from these estimates. For further information on critical estimates and judgements refer to Note 25.

Implementation of new standards

New standards, amendments and interpretations issued and not yet effective in 2025 and relevant to the Fund

Standard	Impact on the Fund	Effective date
Amendment to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - classification and measurement of financial instruments	<i>These amendments:</i> • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that may change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).	Annual periods commencing on or after 1 January 2026

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (continued)

New standards, amendments and interpretations issued and not yet effective in 2025 and relevant to the Fund (continued)

Standard	Summary of requirements	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	<i>IFRS 18 Presentation and Disclosure in Financial Statements:</i> The new IFRS Accounting Standard IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IAS 1 Presentation of Financial Statements did not have detailed requirements on: • classification of income and expenses in the Statement of Profit or Loss. • presentation of subtotals above 'profit or loss' in the Statement of Profit or Loss; or • aggregation and disaggregation of information presented in the primary Annual Financial Statements or disclosed in the Notes. This lack of detailed requirements led to diversity in practice as entities defined their own subtotals and performance measures. Investors found it difficult to analyse and compare companies' financial performance. IFRS 18 Presentation and Disclosure in Financial Statements, issued by the IASB on 9 April 2024, will improve the quality of financial reporting by: • requiring defined subtotals in the Statement of Profit or Loss; • requiring disclosure about management-defined performance measures; and • adding new principles for aggregation and disaggregation of information. The IASB expects these improvements will enable investors to make more informed decisions leading to better allocations of capital that will contribute to long-term financial stability.	Annual periods commencing on or after 1 January 2027

The Fund shall adopt the standards, interpretations or amendments on their effective date.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.2 Financial instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset or financial liability is recognised on the Statement of Financial Position when, and only when, the Fund becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The Fund classifies its financial instruments at fair value through profit or loss (FVTPL) and financial instruments at amortised cost.

Classification

The classification of financial assets at initial recognition depends on the financial asset's contractual cashflow characteristics and the Fund's business model for managing them. With the exception of non-insurance trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund may initially measure a financial asset at its fair value plus, transaction costs, in the case of a financial asset not at FVTPL. Non-insurance trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cashflows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Fund commits to purchase or sell the asset.

The Fund classifies its financial instruments at FVTPL and amortised cost.

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at FVTPL are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

This category includes derivative instruments and listed equity investments which the Fund had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as investment income in the Statement of Profit or Loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cashflows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.2 Financial instruments (continued)

The Fund's financial assets at FVTPL consists of investments in the Statement of Financial Position.

Financial assets at fair value through other comprehensive income (FVTOCI).

Equity instruments which are not held for trading, and which the Fund has irrevocably elected at initial recognition to recognise in this category.

These are strategic investments, and the Fund considers this classification to be more relevant.

Debt instruments where the contractual cashflows are solely payments of principal and interest (SPPI) and the objective of the Fund's business model is achieved both by collecting contractual cashflows and selling financial asset or debt instruments that are held within a business model whose objective is both to collect the contractual cashflows and to sell the debt instruments, and that have contractual cashflows that are SPPI on the principal amount outstanding, are measured subsequently at FVTOCI.

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the assets' cashflows represent SPPI, are measured at fair value of comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line items in the Statement of Profit or Loss.

Amortised cost

Assets that are held for collection of contractual cashflows where those cashflows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Statement of Profit or Loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost includes non-insurance trade receivables and cash and cash equivalents in the Statement of Financial Position.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. The Fund's financial liabilities consist of trade and other payables, Medical Savings Accounts monies and the outstanding claims provision.

Subsequent measurement

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in International Financial Reporting Standards (IFRS) 9 are satisfied. The Fund has not designated any financial liabilities as at FVTPL.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.2 Financial instruments (continued)

Financial liabilities at amortised cost

This is the category most relevant to the Fund. These are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the expected interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the expected interest rate. The expected interest rate amortisation is included as finance costs in the Statement of Comprehensive Income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset carried at amortised cost or a group of financial assets, excluding financial assets at fair value through profit and loss (FVTPL), is impaired.

The Fund recognises an allowance for expected credit losses on financial assets. Expected credit losses are based on the difference between contractual cashflows due in accordance with the contract and all the cashflows that the Fund expects to receive, discounted at an approximation of the original EIR. The amount of expected credit losses is updated at each reporting date.

For non-insurance trade receivables, the Fund applies a simplified approach in calculating expected credit losses. Therefore, the Fund does not track changes in credit risk but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision matrix is initially based on the Fund's historical observed default rates. The Fund will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year, which may lead to an increased number of defaults in contributions owed to the Fund, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of the financial assets.

The Fund writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent year, the amount of an impairment loss decreases and the decrease may be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.2 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the contractual rights to receive the cashflows expire or when the asset is transferred. On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation to deliver cash or other resources in terms of the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

1.3 Medical Savings Accounts

Medical Savings Accounts, which are managed by the Fund on behalf of its members, represent savings contributions (which is an investment component of the insurance contracts) net of any savings claims paid on behalf of members in terms of the Fund's registered Rules.

The investment component and the insurance component of the insurance contracts are highly interrelated and may therefore not be separated from the insurance component and IFRS 17 has therefore been applied to the entire contract including the Medical Savings Accounts.

Unspent savings at year end are carried forward to meet future expenses for which the members are responsible. In terms of the Medical Schemes Act 131 of 1998, as amended, balances standing to the credit of members are refundable only in terms of Regulation 10 of the Act.

Advances on savings contributions are covered by the Fund and will be assessed for impairment. Refer to Note 1.2 Impairment of financial assets.

In terms of the Rules of the Fund, the funds that represent Medical Savings Accounts are invested on behalf of members in deposits held at call with banks and the interest earned accrues to the Fund. These monies are initially recognised at fair value and subsequently measured at amortised cost using the EIR method.

1.4 Significant judgements

The Fund used the confidence level to determine the risk adjustment.

1.4.1 Mutual entity assessment

Based on the requirements of IFRS 17, the Fund was recognised as a mutual entity, therefore it is expected that the remaining assets of the Fund will be used to pay the claims of current and future members. The Fund recognised a liability in its Statement of Financial Position to provide coverage to future members.

1.4.2 Unit of account (level of aggregation)

Judgement has been applied to how the Fund determined the unit of account for the measurement of its insurance contracts. Management has assessed their portfolio as the Fund as a whole due to the holistic pricing methodologies and risk management strategy that manages the risk on a Fund level.

The above is demonstrated by the following:

- Hospital claims are managed on a Fund level.
- Chronic conditions are managed on a Fund level, i.e. irrespective of their benefit option, the member will have access to the chronic condition management benefit.
- Risk transfer arrangements are based on conditions and not on benefit options.
- Pricing and benefit option changes are determined at a Fund level to manage member migration between different benefit options to ensure each option is sustainable.
- Risk (utilisation and concentration) is managed holistically.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.4 Significant judgements (continued)

1.4.3 Risk adjustment – liability for incurred claims (LIC)

The risk adjustment for non-financial risk is applied to the present value of the estimated future cashflows and reflects the compensation the Fund requires for bearing the uncertainty about the amount and timing of the cashflows from non-financial risk as the Fund fulfils insurance contracts. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Fund's degree of risk aversion. The Fund estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the portfolio level as the Fund does not have groups due to laws that constrain the Fund's ability to set a price for different members. The confidence-level method was used to derive the overall risk adjustment for non-financial risk. In the confidence-level method, the risk adjustment is determined by applying a confidence level to run-off triangles used to calculate the LIC. The confidence level is set to 75%.

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2024 and 2025.

1.5 Significant estimates

The preparation of the Annual Financial Statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. This Note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the Note below, together with information about the basis of calculation for each affected line item in the Annual Financial Statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cashflows is estimated using deterministic scenarios.

For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to Note 10.

1.5.1 Estimates of future cashflows to fulfil insurance contracts

Included in the measurement of the group of contracts are all the future cashflows within the boundary of the group of contracts. The estimates of these future cashflows are based on probability-weighted expected future cashflows. The Fund estimates which cashflows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Fund uses information about past events, current conditions and forecasts of future conditions. The Fund's estimate of future cashflows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cashflows. The probability-weighted average of the future cashflows is calculated using deterministic scenarios representing the probability-weighted mean of a full range of scenarios.

The uncertainty in the insurance contracts lies in the number, severity and timing of claims.

Assumptions used to develop estimates about future cashflows are re-assessed at each reporting date and adjusted where required.

1.5.2 Methods used to measure the insurance contracts

The Fund estimates insurance liabilities in relation to claims incurred for healthcare contracts.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. The generally accepted actuarial methodology used in assessing the estimated claims outcome of insurance liabilities is the chain ladder method.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.5 Significant estimates (continued)

1.5.2 Methods used to measure the insurance contracts (continued)

The chain ladder method (CLM) involves an analysis of historical claims development factors, and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each period (in the Fund's case, for the four months post year end) that is not yet fully developed to produce an estimated ultimate claims cost for each healthcare year. The CLM is the most appropriate for this claim pattern.

Run-off triangles are used in situations where it takes time after the treatment date for the full extent of the claims to become known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in known cumulative payments from one development month to the next may then be used to calculate payments for future development months.

The following was considered when estimating the LIC:

- the homogeneity of the data;
- changes in pattern of claims;
- changes in the composition of members and their beneficiaries;
- changes in benefit limits; and
- changes in the prescribed minimum benefits.

1.6 Insurance contracts

Insurance contracts are contracts under which the Fund accepts significant insurance risk from a member by agreeing to compensate the member if a specified uncertain future event adversely affects the member. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Fund uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Fund has the possibility of a loss on a present-value basis) and whether the accepted insurer risk is significant.

1.6.1 Unit of account

The Fund has assessed their portfolio to be at a Fund level as a whole. Please refer to Note 1.4.1 for the assessment.

The Fund has applied the exemption not to perform profitability groupings as allowed by IFRS 17.20 and included all contracts in the same group. The Fund has further assessed that there are no facts and circumstances to indicate that the group was onerous at inception date.

Before the Fund accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cashflows relating to embedded derivatives that are required to be separated;
- cashflows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Fund applies IFRS 17 to all remaining components of the contract.

1.6.2 Contract boundary

The Fund uses the concept of contract boundary to determine what cashflows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.6 Insurance contracts (continued)

1.6.2 Contract boundary (continued)

Cashflows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the member is obligated to pay contributions, or the Fund has a substantive obligation to provide the member with insurance coverage or other services. A substantive obligation ends when both of the following criteria are satisfied:

- the Fund has the practical ability to reprice the group of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- the pricing of contributions related to coverage to the date when risks are re-assessed does not reflect the risks related to periods beyond the re-assessment date.

In assessing the practical ability to reprice, risks transferred from the member to the Fund are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cashflows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The Fund has assessed all its contracts and determined all contracts have a boundary of one year.

1.6.3 Recognition and derecognition

The group of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the member is due or actually received, if there is no due date; and
- when the Fund determines that a group of contracts becomes onerous.

An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- if the terms are modified due to an agreement between the Fund and its member or by regulation and the modification terms meet the requirement in IFRS 17.72.

If the modification does not comply with all the requirements of IFRS 17.72, the Fund shall treat the changes in cashflow as changes in estimates of fulfilment cashflows (FCF).

1.6.4 Initial and subsequent measurement

The criteria in IFRS 17.53 should be considered to determine if a medical scheme would be able to use the Premium Allocation Approach (PAA). The Fund's contracts all have a coverage period of one year or less and are therefore eligible to apply the PAA model.

The Fund uses the PAA for measuring contracts with a coverage period of one year or less. This approach is used for all healthcare insurance contracts as each of these contracts has a coverage period of one year or less.

For insurance contracts issued, on initial recognition, the Fund measures the liability for remaining coverage (LFRC) at the amount of contributions received, less any acquisition cashflows paid and any amounts arising from the derecognition of the prepaid acquisition cashflows asset.

The carrying amount of the group of insurance contracts issued at each reporting period is the sum of:

- a. the LFRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.6 Insurance contracts (continued)

1.6.4 Initial and subsequent measurement (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the liability for remaining coverage (LFRC) is:

- a. increased for contributions received in the period;
- b. decreased for insurance acquisition cashflows paid in the period; and
- c. decreased for the amounts of expected contributions received recognised as insurance revenue for the services provided in the period.

For insurance contracts issued at each of the subsequent reporting dates, the LIC is:

- a. best estimate of fulfilment cash; and
- b. risk adjustment.

Refer to Notes 1.4 and 1.5 for the significant judgements and estimates used to determine the LIC and the estimates to determine the fulfilment cashflow.

Discounting in the PAA

IFRS 17.59(b) allows a policy choice whether to adjust the measurement for the impact of the time value of money and other financial risks if the settlement of the claims is expected within 12 months.

The Fund has made the choice not to discount the group of contracts.

1.7 Liability for remaining coverage

As the coverage period and the financial year for a medical scheme is the same, there would be no liability for remaining coverage at the year end reporting date.

1.8 Onerous contract assessment

In the consideration of whether facts and circumstances indicate that a group of insurance contracts is onerous, Wooltru Healthcare Fund considers whether the expected deficit of the following year exceeds the insurance liability attributable to future members. In the rare scenario where the following year's deficit exceeds the insurance liability attributable to future members, the contracts written would be onerous and an onerous contract liability raised. Where the amounts attributable to future members exceed the following year's deficit, the contracts would not be determined as onerous, and no provision raised as a liability is already recognised.

1.9 Insurance revenue

As the Fund provides services under the group of insurance contracts, it reduces the LFRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Fund expects to be entitled to in exchange for those services.

For the group of insurance contracts measured under the PAA, the Fund recognises insurance revenue based on the expected pattern of release of risk over the coverage period of the group of contracts.

1.10 Insurance service expenses

Insurance service expenses include:

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. changes that relate to past service i.e. changes in the FCF relating to the LIC; and
- d. changes that relate to future service i.e. losses/reversals on onerous groups of contracts from changes in the loss components.

Cashflows that are not directly attributable to a group of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.10 Insurance service expenses (continued)

The Fund includes the following acquisition cashflows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are costs directly attributable to individual contracts and the group of contracts.

Insurance acquisition costs are expensed by the Fund when it incurs the cost. IFRS 17.59(a) allows a choice of either expensing the insurance acquisition cashflows when incurred or amortising them over the contract's coverage period.

The Fund has chosen to expense its acquisition costs when incurred.

1.11 Risk transfer re-insurance

1.11.1 Definition

These are contracts entered into by the Fund with a third-party service providers. Under these contracts, the Fund is compensated for losses/claims through the provision of services to members by the service providers. Refer to paragraph 2.3 of the Report of the Board of Trustees for more details.

1.11.2 Unit of account

Groups of re-insurance contracts held are assessed for aggregation separately from groups of insurance contracts issued. Applying the grouping requirements to re-insurance contracts held, the Fund aggregates re-insurance contracts held concluded within a calendar year (annual cohorts) into groups of contracts for which there is a net gain at initial recognition.

Re-insurance contracts held are assessed for aggregation requirements on an individual contract basis. The Fund tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in re-insurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

1.11.3 Recognition and derecognition

The re-insurance contract held that covers the losses of separate insurance contracts on a proportionate basis is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Fund does not recognise their re-insurance contract held until it has recognised at least one of the underlying insurance contracts.

1.11.4 Initial and subsequent measurement

For re-insurance contracts held on initial recognition, the Fund measures the remaining coverage at the amount of ceding contributions paid.

The carrying amount of a group of re-insurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Subsequent measurement of the remaining coverage for re-insurance contracts held is:

- a. increased for ceding contributions paid in the period; and
- b. decreased for the amounts of ceding contributions recognised as re-insurance expenses for the services received in the period.

The Fund does not adjust the asset for the remaining coverage for re-insurance contracts held for the effect of the time value of money. The re-insurance contributions are due within coverage periods which are one year or less.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.11 Risk transfer re-insurance (continued)

1.11.5 Contract boundary

For groups of re-insurance contracts held, cashflows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Fund is compelled to pay amounts to the re-insurer or in which the Fund has a substantive right to receive services from the re-insurer.

The Fund's capitation agreements held have a duration of one year but are cancellable with a 90-day notice period by either party.

Re-insurance income consists of:

- a. The amount that depicts the value the insurer benefits from entering into a risk transfer arrangement (i.e. the value of services received from the capitation provider).

Re-insurance expenses consist of:

- a. re-insurance expenses;
- b. other incurred directly attributable insurance service expenses; and
- c. effect of changes in risk of re-insurer non-performance.

Re-insurance expenses are recognised similarly to insurance revenue. The amount of re-insurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding contributions the Fund expects to pay in exchange for those services.

For groups of re-insurance contracts held measured under the PAA, the Fund recognises re-insurance expenses based on the passage of time over the coverage period of a group of contracts.

1.12 Investment income

Interest income is recognised on a yield-to-maturity basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Fund. Dividend income is recognised as income when the Fund's right to receive payment is established.

1.13 Taxation

The Fund is registered under the Medical Schemes Act 131 of 1998. As a result it falls within the definition of a benefit fund, as defined in Section 1 of the Income Tax Act, and therefore the receipts and accruals of the Fund are exempt from taxation under Section 10(1)(d)(ii) of the Income Tax Act. The Fund is exempt from dividends tax on its dividend income by virtue of Section 64F(1)(f) of the Income Tax Act. The Fund registered as an Employer during 2018 for the purpose of paying over statutory deductions on behalf of employees of the Fund.

1.14 Accredited managed healthcare expenses

These expenses represent internal expenditure, and the amount paid or payable to the third-party administrators, related parties and other third parties for managing the utilisation, costs and quality of healthcare services rendered to the Fund.

1.15 Reimbursements from the Road Accident Fund (RAF)

The Fund grants assistance to its members in defraying expenditure incurred in connection with rendering of any relevant healthcare service. Such expenditure may be in connection with a claim that is also made to the RAF, administered in terms of the Road Accident Fund Act 56 of 1996. If the members are reimbursed by the RAF, they are contractually obliged to cede that payment to the Fund to the extent that they have already been compensated.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.15 Reimbursements from the Road Accident Fund (RAF) (continued)

A reimbursement from the RAF is a possible asset that arises from a claim submitted to the RAF and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. If an inflow of economic benefits has become probable, the Fund discloses the contingent asset. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Annual Financial Statements. If it has become certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the Annual Financial Statements of the period in which certainty arises. Amounts received in respect of reimbursements from the RAF are recognised as a credit in net claims incurred in the Statement of Comprehensive Income.

1.16 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Fund. Fair values are determined according to the following hierarchy based on the requirements of IFRS 13 Fair Value Measurement:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cashflows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cashflows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires the use of unobservable inputs in the model. A range of reasonably possible alternatives are being assessed for those significant unobservable inputs and determines their impact on the total fair value.
- There is an active market for the Fund's listed equity investments and quoted debt instruments.

1.17 Allocation of income and expenditure to benefit options

Income and expenditure are allocated to benefit options on a direct basis where this is determinable. Where income or expenditure is not directly attributable to a specific benefit option, the income or expense is allocated on the basis of the benefit option's membership proportionate to the Fund's overall membership base.

WOOLTRU HEALTHCARE FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 December 2025 (continued)

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2025 R	2024 R
Notes		
Fair value at the beginning of the year	200,622,204	210,250,101
Purchase of financial assets at fair value through profit or loss	423,870,000	401,785,078
Proceeds on disposal of financial assets at fair value through profit or loss	(400,750,000)	(432,279,396)
Realised gains on disposal of financial assets at fair value	644,949	5,123,175
Unrealised gains on revaluation of financial assets at fair value	18,388,780	2,245,354
Investment income on financial assets at fair value	13,516,302	14,274,895
Investment management fees	20 (760,016)	(777,003)
Fair value at the end of the year	<u>255,532,219</u>	<u>200,622,204</u>
Total financial assets at fair value through profit or loss:		
Non-current	212,162,929	157,740,498
Current	<u>43,369,290</u>	<u>42,881,706</u>
	<u>255,532,219</u>	<u>200,622,204</u>
Financial assets are invested in:		
Bonds	86,596,071	63,453,049
Equity	66,056,170	42,881,706
Money-market instruments	95,053,821	88,344,791
Property	<u>7,826,157</u>	<u>5,942,658</u>
	<u>255,532,219</u>	<u>200,622,204</u>
Allan Gray Life Ltd (Policy of insurance)	93,759,600	70,163,576
Satrix Investments (Pty) Ltd/Sanlam Investment Management (Pty) Ltd (Segregated portfolio)	95,385,764	66,617,867
Nedgroup Investments Corporate Money Market Fund (Collective investment scheme)	43,369,290	42,666,297
Ninety One Fund Managers SA (RF) (Pty) Ltd (Collective investment scheme)	<u>23,017,565</u>	<u>21,174,464</u>
	<u>255,532,219</u>	<u>200,622,204</u>

The investments included above are administered by Allan Gray Life Ltd, Satrix Investments (Pty) Ltd, Nedgroup Investments Corporate Money Market Fund and Ninety One Fund Managers SA (RF) (Pty) Ltd. The fair values of these investments are based on market value at the reporting date. Refer to Note 30.

A portfolio summary of the investments is available for inspection at the registered office of the Fund.

3. TRADE AND OTHER RECEIVABLES

Financial receivables

Accrued interest		
- Standard Bank current account	42,316	29,350
- Nedgroup Corporate Money Market Fund	<u>215,144</u>	<u>230,997</u>
	<u>257,460</u>	<u>260,347</u>

Please refer to Note 30 for the Fund's exposure to credit risk.

WOOLTRU HEALTHCARE FUND
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31 December 2025 (continued)

4. CASH AND CASH EQUIVALENTS

	2025	2024
	R	R
Current account	<u>905,210</u>	<u>815,100</u>

Total interest earned on the bank account was R294,551 (2024: R283,523). The average effective interest rate on the current account was 5.29% (2024: 6.23%). The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets. Current account is held with Standard Bank of South Africa which had a Moody's credit rating of Ba2 (2024: Ba2) as at 31 December 2025 and therefore no expected credit loss was raised.

5. INVESTMENT OF MEDICAL SAVINGS ACCOUNTS (MSAs)

Ninety One – Stefi plus fund	<u>22,446,959</u>	<u>27,425,226</u>
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The average interest rate on this call account was 8.23% (2024: 9.09%). In terms of its Rules, interest accrues to the Fund and is therefore not allocated to the members' savings accounts. The mismatch between the MSA liability and investment relates to timing differences. These differences cleared after year end.

6. TRADE AND OTHER PAYABLES

Provision for audit fees	1,229,936	1,159,892
Sundry payables and provisions	<u>8,751</u>	<u>9,394</u>
	<u>1,238,687</u>	<u>1,169,286</u>

7. MEDICAL SAVINGS ACCOUNTS (MSAs)

Balance on savings liability at the beginning of the year	28,932,511	28,885,877
Less: Advances on MSA at the beginning of the year	<u>(59,748)</u>	<u>(39,717)</u>
Balance on MSA liability at the beginning of the year	28,872,763	28,846,160
Add:	46,233,429	63,167,630
MSA contribution received/receivable for the year	<u>46,042,873</u>	<u>62,856,249</u>
MSA adjustments	<u>190,556</u>	<u>311,381</u>
Less:	(51,956,867)	(63,141,027)
Claims paid on behalf of members	<u>(50,292,663)</u>	<u>(61,476,136)</u>
Refunds on death or resignations	<u>(1,664,204)</u>	<u>(1,664,891)</u>
	<u>23,149,325</u>	<u>28,872,763</u>
Add: Advances on MSA at the end of the year	<u>66,179</u>	<u>59,748</u>
MSA balance due to members at the end of the year	<u>23,215,504</u>	<u>28,932,511</u>

In accordance with the Rules of the Fund, MSAs are underwritten by the Fund. The funds are invested in a call account, the interest of which accrues to the Fund and is therefore not allocated to members. It is estimated that claims to be paid from MSAs, in respect of claims incurred in 2025, but not yet recorded, will amount to R2,282,458 (2024: R1,122,347) (refer to Note 10). Advances on MSAs are included in insurance contract assets.

The MSA liability contains a demand feature in terms of Regulation 10 of the Medical Schemes Act 131 of 1998 that any credit balance on a MSA must be taken as a cash benefit when the member terminates their membership of the Fund and then enrolls in another medical scheme without a MSA or does not enrol on another medical scheme.

The mismatch between the MSA liability and investment relates to timing differences. These differences cleared after year end.

8. ANALYSIS OF INSURANCE LIABILITIES

	2025 R	2024 R
Liability to members for future benefits	233,914,703	181,164,623
Insurance contract liability	49,318,945	51,368,616
	<u>283,233,648</u>	<u>232,533,239</u>

*The Fund budgeted for a surplus in the 2026 financial year, therefore there is no current portion in 2025.

8.1 Insurance contract liability

Reconciliation of the liability for remaining coverage and the liability for incurred claims (LIC)

2025

	R Liability for remaining coverage (LRC)	R Liability for incurred claims (LIC)	R Risk adjustment (RA)	R Total
		Best estimate liability (BEL)		
Net opening balance	-	50,712,065	656,551	51,368,616
Insurance revenue	(439,995,219)	-	-	(439,995,219)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	386,398,717	-	386,398,717
Changes that relate to past service – adjustments to the LIC	-	21,805,677	295,325	22,101,002
Third-party claims recoveries	-	(152,846)	-	(152,846)
Insurance service result	(439,995,219)	408,051,548	295,325	(31,648,346)
Investment component	(46,042,873)	46,042,873	-	-
Cashflows				
Premiums received	485,364,602	-	-	485,364,602
Incurred claims paid	-	(429,684,982)	-	(429,684,982)
Directly attributable expenses	-	(26,080,945)	-	(26,080,945)
Total cashflows	485,364,602	(455,765,927)	-	29,598,675
Net closing balance	(673,490)	49,040,559	951,876	49,318,945
Closing liabilities				
Liability for incurred claims (Note 10)				25,360,236
Medical Savings Accounts (MSA) (Note 7)				23,215,504
Insurance payables				5,236,091
Insurance receivables				(4,492,886)
				<u>49,318,945</u>

8. ANALYSIS OF INSURANCE LIABILITIES (CONTINUED)

8.1 Insurance contract liabilities – liability attributable to current members (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2024

	R	R	R	R
	Liability for remaining coverage (LRC)	Liability for incurred claims (LIC)	Risk adjustment (RA)	Total
		Best estimate liability (BEL)		
Net opening balance	-	51,417,748	574,858	51,992,606
Insurance revenue	(385,050,565)	-	-	(385,050,565)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	388,696,944	-	388,696,944
Changes that relate to past service – adjustments to the LIC	-	16,862,915	81,693	16,944,608
Third-party claims recoveries	-	(268,112)	-	(268,112)
Insurance service result	(385,050,565)	405,291,747	81,693	20,322,875
Premium debtors to LIC	722,352	(722,352)	-	-
Investment component	(62,856,249)	62,856,249	-	-
Cashflows				
Premiums received	447,184,462	-	-	447,184,462
Incurred claims and other insurance service expenses paid	-	(468,131,327)	-	(468,131,327)
Total cashflows	447,184,462	(468,131,327)	-	(20,946,865)
Net closing balance	-	50,712,065	656,551	51,368,616
Closing liabilities				
Liability for incurred claims (Note 10)				22,041,566
Medical Savings Accounts (MSA) (Note 7)				28,932,511
Insurance payables				4,312,952
Insurance receivables				(3,918,413)
				51,368,616

8.2 Insurance contract liabilities – liability attributable to future members

	2025 R	2024 R
Opening balance	181,164,623	189,846,995
Transfers from Statement of Profit or Loss and other Comprehensive Income	52,750,080	(8,682,372)
Closing balance	233,914,703	181,164,623

WOOLTRU HEALTHCARE FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 December 2025 (continued)

9. RISK TRANSFER ARRANGEMENTS

2025

	R Remaining coverage component	R Incurred claims for contracts under the PAA	R Total
Opening re-insurance contract assets	-	(4,579,648)	(4,579,648)
Net income/(expenses) from re-insurance contract held			-
Re-insurance expenses	(89,112,105)	-	(89,112,105)
Changes that relate to past service – adjustments to the LIC	-	(750,839)	(750,839)
Claims recovered	-	89,577,947	89,577,947
Total changes in the Statement of Profit or Loss	(89,112,105)	88,827,108	(284,997)
Cashflows			
Premiums paid	89,112,105	-	89,112,105
Amounts received	-	(89,577,947)	(89,577,947)
Total cashflows	89,112,105	(89,577,947)	(465,842)
Closing re-insurance contract assets	-	(5,330,487)	(5,330,487)
Closing assets			
Liability for incurred claims (Note 10)			(5,330,487)

2024

	R Remaining coverage component	R Incurred claims for contracts under the PAA	R Total
Opening re-insurance contract assets	-	(4,097,652)	(4,097,652)
Net income/(expenses) from re-insurance contract held			-
Re-insurance expenses	(75,551,592)	-	(75,551,592)
Changes that relate to past service – adjustments to the LIC	-	(481,996)	(481,996)
Claims recovered	-	79,030,056	79,030,056
Total changes in the Statement of Profit or Loss	(75,551,592)	78,548,060	2,996,468
Cashflows			
Premiums paid	75,551,592	-	75,551,592
Amounts received	-	(79,030,056)	(79,030,056)
Total cashflows	75,551,592	(79,030,056)	(3,478,464)
Closing re-insurance contract assets	-	(4,579,648)	(4,579,648)
Closing assets			
Liability for incurred claims (Note 10)			(4,579,648)

WOOLTRU HEALTHCARE FUND
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31 December 2025 (continued)

10. LIABILITY FOR INCURRED CLAIMS

2025

	R Risk adjustment – liability for incurred claims	R Covered by re-insurance contracts	R Not covered by re-insurance contracts
Liability for incurred claims (LIC)	<u>951,876</u>	<u>5,330,487</u>	<u>19,077,873</u>
<i>Analysis of movements in outstanding claims</i>			
Balance at beginning of year	656,551	4,579,648	16,805,367
Payments in respect of prior year	-	(4,579,648)	(19,533,170)
Under-provision in respect of prior year	656,551	-	
Adjustment for current year	295,325	5,330,487	21,805,676
Balance at end of year	<u>951,876</u>	<u>5,330,487</u>	<u>19,077,873</u>
<i>Analysis of liability for incurred claims</i>			
Estimated gross liability for incurred claims	951,876	-	21,360,331
Liability for incurred claims relating to risk transfer arrangements	-	5,330,487	-
Less: Liability for incurred claims from MSA	-	-	(2,282,458)
Balance at end of year	<u>951,876</u>	<u>5,330,487</u>	<u>19,077,873</u>
Total liability for incurred claims at end of year			<u>25,360,236</u>

2024

Liability for incurred claims (LIC)	<u>656,551</u>	<u>4,579,648</u>	<u>16,805,367</u>
<i>Analysis of movements in outstanding claims</i>			
Balance at beginning of year	574,858	4,097,652	17,318,228
Payments in respect of prior year	-	(4,097,652)	(16,893,780)
Overprovision in respect of prior year	574,858	-	424,448
Adjustment for current year	81,693	4,579,648	16,380,919
Balance at end of year	<u>656,551</u>	<u>4,579,648</u>	<u>16,805,367</u>
<i>Analysis of liability for incurred claims</i>			
Estimated gross liability for incurred claims	656,551	-	17,927,714
Liability for incurred claims relating to risk transfer arrangements	-	4,579,648	-
Less: Liability for incurred claims from MSA	-	-	(1,122,347)
Balance at end of year	<u>656,551</u>	<u>4,579,648</u>	<u>16,805,367</u>
Total liability for incurred claims at end of year			<u>22,041,566</u>

10. LIABILITY FOR INCURRED CLAIMS (CONTINUED)

The liability for incurred claims (also referred to as claims incurred but not reported [IBNR]) is determined according to the following assumptions and methodologies:

Assumptions and sensitivities

Process used to determine the assumptions

The process used to determine the assumptions is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out monthly. There is more emphasis on current trends.

Each notified claim is assessed on a separate, case-by-case basis with due regard to the claim circumstances, information available from managed care: management services and historical evidence of the size of similar claims. The provision is based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provision estimation difficulties also differ by category of claims due to differences in the underlying insurance contract, claim complexity, the volume of claims, the individual severity of claims, determining the occurrence date of a claim and reporting lags.

The cost of outstanding claims is estimated using statistical methods. Such methods extrapolate the development of paid and incurred claims, average cost per claim and ultimate claim numbers for each benefit year based upon observed development of earlier years and expected loss ratios. Run-off triangles are used in situations where it takes time after the treatment date until the full extent of the claims to be paid is known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in the known cumulative payments from one development month to the next may then be used to calculate payments for future development months.

The method used is consistent with that used in prior years and considers categories of claims and observes historical claims developments. To the extent that these methods use historical claims development information, they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they may be identified, have been allowed for by modifying the methods.

Such reasons include:

- changes in processes that affect the development/recording of claims paid and incurred (such as changes in claims-reserving procedures);
- economic, legal, political and social trends resulting in different than expected levels of inflation and/or minimum medical benefits to be provided;
- changes in the composition of membership; and
- random fluctuations, including the impact of large losses.

Assumptions

The assumptions that have the greatest effect on the measurement of the outstanding claims provision are the expected percentages of claims settled after each of the first four months of the claims runoff period, before the claims turn stale.

The percentages used as assumptions are listed in the table below. The table also outlines the sensitivity of these percentages and the impact on the Fund's liabilities if an incorrect assumption is used.

- The actual demographics of the Fund were used, including all membership movements for the period.
- The effect of ageing of the population on the utilisation of healthcare services is automatically incorporated.

The assumed percentages of claims outstanding at the end of the period:

	2025	2024
Claims outstanding for:	%	%
December	61	57
November	14	14
October	8	4
September	4	2
August and prior	1	0

10. LIABILITY FOR INCURRED CLAIMS (CONTINUED)

Changes in assumptions and sensitivities to changes in key variables

Where variables are considered to be immaterial, no impact has been assessed for insignificant changes to these variables. Particular variables may not be considered material at present. However, should the materiality level of an individual variable change, assessment of changes to that variable in the future may be required.

An analysis of sensitivity around various scenarios for the general medical insurance business provides an indication of the adequacy of the Fund's estimation process. The Fund believes that the liability for claims reported in the Statement of Financial Position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions, which could differ when claims arise.

The table below outlines the sensitivity of insured liability estimates to particular movements in assumptions used in the estimation process. It should be noted that this is a deterministic approach with no correlations between the key variables.

The impact of the sensitivity of the assumed percentages is set out below:

	Change in liability 2025 R	Change in liability 2024 R
Effect of a 1% point change in all the assumed percentages	1,218,075	1,219,739
Effect of a 2% point change in all the assumed percentages	2,479,475	2,479,602
Effect of a 3% point change in all the assumed percentages	3,787,022	3,781,956

Note: An increase in the assumed percentage results in an increase in the liability and vice versa.

11. INSURANCE REVENUE

	2025 R	2024 R
Gross insurance revenue per registered Rules	486,127,445	447,939,919
Less:	(46,132,226)	(62,889,354)
- MSA contributions received/accrued	(46,042,873)	(62,856,249)
- Net impairment loss on healthcare receivables	(89,353)	(33,105)
	<u>439,995,219</u>	<u>385,050,565</u>

The MSA contributions are received by the Fund in terms of Regulation 10(1) and the Fund's registered Rules and held on behalf of its members. Refer to Note 7 for more detail on how these monies were utilised.

12. NET CLAIMS INCURRED

	2025	2024
	R	R
Claims incurred, excluding claims incurred in respect of risk transfer arrangements		
Current year claims as per the Fund's registered Rules	314,767,696	342,389,493
Less:	(50,792,538)	(62,178,185)
- MSA claims paid	(50,292,663)	(61,476,136)
- Discount received on claims	(499,875)	(702,049)
	<u>263,975,158</u>	<u>280,211,308</u>
Claims are paid on behalf of the members from their MSAs in terms of the Medical Schemes Act 131 of 1998 Regulation 10(3) and the Fund's registered Rules. Refer to Note 7 for a breakdown of the movement in these balances.		
Claims incurred in respect of risk transfer arrangements		
Current year claims in respect of risk transfer arrangements	84,247,460	74,450,408
Movement in outstanding risk claims provision	5,330,487	4,579,648
Third-party claim recoveries	<u>89,577,947</u>	<u>79,030,056</u>
Total claims incurred	<u>353,553,105</u>	<u>359,241,364</u>
Changes that relate to past service – adjustments to the LIC	<u>22,101,002</u>	<u>16,462,612</u>
- Under/(over) provision in the prior year	2,727,803	(424,448)
- Provision for the current year	19,373,199	16,887,060
	<u>375,654,107</u>	<u>375,703,976</u>

13. ACCREDITED MANAGED HEALTHCARE EXPENSES

Centre for Diabetes and Endocrinology (CDE)	327,929	1,005,697
Dental benefit management services	308,345	303,804
Hospital risk management	2,573,766	2,532,796
Prescribed minimum benefit management	2,341,515	2,304,328
Active disease risk management	1,121,614	1,103,850
Disease risk management support services	366,211	360,307
Managed care network management services and risk management	913,938	899,950
	<u>7,953,318</u>	<u>8,510,732</u>

14. ATTRIBUTABLE EXPENSES INCURRED

	2025	2024
	R	R
Actuarial fees	1,610,598	1,045,752
- Incurred but not reported (IBNR) calculation	-	190,140
- Actuarial and related services (NMG)	1,610,598	855,612
Administration fees paid in respect of accredited services:	24,306,199	23,223,761
- Administrator	23,843,995	22,790,095
- Administration expenditure: benefit management services (not accredited managed care)	462,204	433,666
Third-party claims recovery administration fees	164,148	153,799
	<u>26,080,945</u>	<u>24,423,312</u>

15. NET INCOME ON RISK TRANSFER ARRANGEMENTS

Premiums paid		
- Momentum Health (Pty) Ltd (Saver Option and Comprehensive Option)	17,200,722	16,168,785
- Momentum Health (Pty) Ltd (Network Option)	70,541,507	58,677,719
- Netcare Jet Air Ambulance (Pty) Ltd	1,369,876	705,088
	<u>89,112,105</u>	<u>75,551,592</u>
Recoveries received	(89,577,947)	(79,030,056)
- Momentum Health (Pty) Ltd (Saver Option and Comprehensive Option)	(16,342,894)	(17,273,814)
- Momentum Health (Pty) Ltd (Network Option)	(71,676,122)	(61,218,704)
- Netcare Jet Air Ambulance (Pty) Ltd	(1,558,931)	(537,538)
	<u>(465,842)</u>	<u>(3,478,464)</u>

Overview of terms and conditions of risk transfer agreements:

The Fund entered into two risk transfer arrangements with Momentum Health (Pty) Ltd.

The first risk transfer arrangement provides prescribed minimum benefit (PMB) chronic medication benefits for beneficiaries registered on the Saver Option and Comprehensive Option.

The second arrangement provides all healthcare benefits for beneficiaries registered on the Network Option.

The Netcare Jet Air Ambulance (Pty) Ltd arrangement covers emergency evacuation from accident scenes or in cases of sudden illness for beneficiaries on the Saver Option and Comprehensive Option.

WOOLTRU HEALTHCARE FUND
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16. ADMINISTRATION FEES AND OTHER OPERATING EXPENSES

	2025	2024
	R	R
Audit fees (external – PricewaterhouseCoopers (PwC))	1,193,090	1,202,728
Audit fees (internal)	471,436	441,764
Bank charges	134,485	144,795
Board of Healthcare Funders (BHF) levies	181,969	169,649
Compliance and governance services	2,855,384	2,736,986
Council for Medical Schemes (CMS) levies	494,290	465,507
Debt recovery charges	5,755	11,358
Fraud	622,765	595,284
Health Quality Assessment (HQA)	73,565	70,063
Independent Committee members' fees	70,600	67,200
Investment consulting services (NMG)	385,848	855,612
Legal fees	21,698	-
Medical Advisor's fees	858,000	816,000
Prescribed unallocated receipt refunded	167,881	-
Principal Officer's discretionary budget	420	2,563
Principal Officer's remuneration	4,580,803	4,042,900
Printing, postage, stationery and communication services	16,169	58,490
Seminar and travel expenses (non-Trustees)	35,531	11,488
Sundry expense	2,521	24,406
Trustee liability insurance	74,624	74,624
Trustee remuneration	70,750	67,125
	<u>12,317,584</u>	<u>11,858,542</u>

17. NET IMPAIRMENT LOSS ON HEALTHCARE RECEIVABLES

Insurance contract assets

Members' and service providers' claim portions at risk of not being collected

Decrease in provision for doubtful debts	63,667	55,851
Bad debts	(85,950)	(195,881)
Bad debts recovered	1,736	-
	<u>(20,547)</u>	<u>(140,030)</u>

18. INVESTMENT INCOME

Interest income on financial assets at fair value through profit or loss	9,551,986	7,336,598
Dividend income on financial assets at fair value through profit or loss	3,941,159	4,429,949
Interest income on cash and cash equivalents	294,551	2,045,326
	<u>13,787,696</u>	<u>13,811,873</u>

WOOLTRU HEALTHCARE FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 December 2025 (continued)

19. NET REALISED GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	R	R
Realised gains on financial assets at fair value through profit or loss	679,171	5,275,504
Realised losses on financial assets at fair value through profit or loss	(34,222)	(152,329)
	<u>644,949</u>	<u>5,123,175</u>

20. INVESTMENT MANAGEMENT FEES

Allan Gray Life Ltd	513,960	527,279
Satrix Investments (Pty) Ltd/Sanlam Investment Management (Pty) Ltd	246,056	249,724
	<u>760,016</u>	<u>777,003</u>

21. EVENTS AFTER THE END OF THE ACCOUNTING PERIOD

At the date of finalisation of the Annual Financial Statements, on 22 April 2026, there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the Annual Financial Statements.

22. CAPITAL ADEQUACY RISK

The solvency ratio at year end was 44.31% (2024: 40.41%). There are sufficient reserves to provide for adverse variations on present and future experiences.

23. CONTINGENT LIABILITIES

There were no potential liabilities contingent on the outcome of litigation, claims, guarantees and suretyships or the like at 31 December 2025.

24. CONTINGENT ASSET

At year end, claims amounting to R8,723,751 (2024: R7,081,937) had been lodged with the Road Accident Fund (RAF) relating to past medical expenses already paid, with the potential recovery value of R5,670,438 (2024: R4,603,259). These recoveries are dependent on finalisation by the RAF and corresponding legal processes which may take a number of years to conclude.

25. CRITICAL ACCOUNTING JUDGEMENT AND KEY ESTIMATION ASSUMPTIONS

In the process of applying the Fund's Accounting Policies, the following judgement was made that has a significant effect on the amounts recognised in the Annual Financial Statements.

The assumption used to determine the liability for incurred claims is a key assumption that has a significant risk of causing a material adjustment to the carrying amounts of liabilities in the next financial year (refer to Note 10). When arriving at this provision, it is assumed that the reporting and settlement trend of claims incurred but not reported will be similar to that of the previous financial period. The provision is based on percentages derived from the previous financial period, adjusted for changes in assumptions regarding the expected percentages of claims to be settled in respect of each of the four months preceding the financial year end, in the following financial period before the claims become stale.

The Fund applies judgement in assessing the expected credit losses relating to financial assets. Refer to Note 1.5 in the Accounting Policy for more information on the areas of estimation. Although the assumption is considered critical, settlements against the provision subsequent to year end have been monitored, and the reasonability of the original provision has been confirmed.

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26. SURPLUS/(DEFICIT) PER BENEFIT OPTION

The Fund has three benefit options – Network Option, Saver Option and Comprehensive Option.

2025

	Network Option	Saver (EDO)	Saver Choice	Saver Option Total	Compre- hensive Option	Total
	R	R	R	R	R	R
Insurance revenue	90,074,920	268, 346,035	42,032,811	310,378,846	39,541,453	439,995,219
Insurance service expenses	(75,768,77)	(229,591,112)	(51,563,865)	(281,154,977)	(52,146,328)	(409,069,682)
Claims incurred	71,764,938)	(184,938,232)	(46,052,983)	(230,991,215)	(50,796,952)	(353,553,105)
Changes that relate to past service – adjustments to the LIC	-	(18,382,981)	(2,517,023)	(20,900,004)	(1,200,998)	(22,101,002)
Fraud recovery	-	146,108	17,833	163,941	9,452	173,393
Net impairment loss on healthcare receivables	(6,560)	(11,629)	(1,597)	(13,225)	(761)	(20,547)
Accredited managed healthcare services (no transfer of risk)	-	(6,674,577)	(846,013)	(7,520,590)	(432,728)	(7,953,318)
Attributable expenses incurred	(5,193,019)	(17,463,629)	(2,287,226)	(19,750,855)	(1,137,071)	(26,080,945)
Net expenses from risk transfer arrangement re-insurance						
- Amount recovered from risk transfer arrangement re-insurance	71,737,647	13,316,211	2,101,155	15,417,366	2,422,934	89,577,947
- Amount allocation of premiums paid	(70,541,507)	(15,582,383)	(1,978,011)	(17,560,394)	(1,010,204)	(89,112,105)
Insurance service result	14,306,543	38,754,923	(9,531,054)	29,223,869	(12,604,875)	30,925,537

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26. SURPLUS/(DEFICIT) PER BENEFIT OPTION (CONTINUED)

2025

	Network Option	Saver (EDO)	Saver Choice	Saver Option Total	Compre- hensive Option	Total
	R	R	R	R	R	R
Other income	10,843,001	20,159,512	2,592,191	22,751,703	1,307,439	34,902,143
Investment income	4,230,172	8,037,583	999,569	9,037,152	520,372	13,787,696
Insurance finance income – Medical Savings Account	664,277	1,177,532	161,669	1,339,201	77,140	2,080,618
Net realised gains on investments at fair value through profit or loss	198,639	375,059	47,644	422,703	23,607	644,949
Prescribed balances written back	-	100	-	100	-	100
Unrealised gains on investments at fair value through profit or loss	5,749,913	10,569,238	1,383,309	11,952,547	686,320	18,388,780
Other expenditure	(3,574,915)	(7,962,908)	(1,022,729)	(8,985,637)	(517,048)	(13,077,600)
Administration fees and other insurance expenses	(3,339,894)	(7,522,436)	(966,764)	(8,489,200)	(488,490)	(12,317,584)
Investment management fees	(235,021)	(440,472)	(55,965)	(496,437)	(28,558)	(760,016)
Surplus/(loss) for the year	21,574,629	50,951,527	(7,961,592)	42,989,935	(11,814,484)	52,750,080

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26. SURPLUS/(DEFICIT) PER BENEFIT OPTION (CONTINUED)

2024

	Network Option	Saver Option	Compre- hensive Option	Total
	R	R	R	R
Insurance revenue	72,479,630	278,224,196	34,346,739	385,050,565
Insurance service expenses	(60,389,434)	(294,617,664)	(50,009,090)	(405,016,188)
Claims incurred	(58,677,719)	(252,305,767)	(48,257,878)	(359,241,364)
Changes that relate to past service – adjustments to the LIC	-	(15,069,561)	(1,393,051)	(16,462,612)
Third-party claims recoveries	-	253,106	15,006	268,112
Fraud recovery	-	14,448	838	15,286
Net impairment loss on healthcare receivables	(46,899)	(86,130)	(7,001)	(140,030)
Accredited managed healthcare services (no transfer of risk)	-	(8,040,163)	(470,569)	(8,510,732)
Attributable expenses incurred	(4,205,801)	(19,098,846)	(1,118,665)	(24,423,312)
Net expenses from risk transfer arrangement re-insurance				
- Amount recovered from risk transfer arrangement re-insurance	61,218,704	15,656,469	2,154,883	79,030,056
- Amount allocation of premiums paid	(58,677,719)	(15,941,220)	(932,653)	(75,551,592)
Insurance service result	12,090,196	(16,393,468)	(15,662,351)	(19,965,623)

26. SURPLUS/(DEFICIT) PER BENEFIT OPTION (CONTINUED)

2024

	Network Option	Saver Option	Compre- hensive Option	Total
	R	R	R	R
Other income	5,854,815	14,954,110	864,517	21,673,442
Investment income	3,753,745	9,500,284	557,844	13,811,873
Insurance finance income – Medical Savings Account	708,355	1,701,116	98,877	2,508,348
Net realised gains on investments at fair value through profit or loss	1,392,715	3,522,664	207,796	5,123,175
Prescribed balances written back	-	230,046	-	230,046
Other expenditure	(4,947,740)	(4,410,794)	(1,031,657)	(10,390,191)
Administration fees and other insurance expenses	(5,381,544)	(5,393,532)	(1,083,466)	(11,858,542)
Investment management fees	(212,517)	(533,240)	(31,246)	(777,003)
Unrealised gains on investments at fair value through profit or loss	646,321	1,515,978	83,055	2,245,354
Surplus/(loss) for the year	12,997,271	(5,850,152)	(15,829,491)	(8,682,372)

27. RELATED-PARTY TRANSACTIONS

Related-party relationships:

Parties with influence over Wooltru Healthcare Fund

Woolworths Holdings Ltd and Truworths International Ltd have significant influence over the Wooltru Healthcare Fund, as they participate in the Fund's financial and operating policy decisions through Trustee representatives.

Momentum Health (Pty) Ltd has significant influence over the Fund, as it provides financial and operational information on which policy decisions are based. Momentum Health provides administration services.

NMG Consultants and Actuaries (Pty) Ltd has significant influence over the Fund, as it consults and advises on various actuarial and strategic issues which guide the Fund's operations, including investment and clinical review matters.

Allan Gray Life Ltd, Sanlam Investment Management (Pty) Ltd and Satrix Investments (Pty) Ltd, has significant influence over the Fund, as it manages the Fund's investments, which comprise a material portion of the Fund's total assets.

These entities do not have significant influence for the purposes of accounting for associates in terms of International Financial Reporting Standards (IFRS).

Key management personnel and their close family members

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Fund. Key management personnel include the Board of Trustees, the Principal Officer and members of various Committees.

This disclosure deals with all the Fund's key management personnel, some of whom are compensated by the Fund on a remuneration basis (Principal Officer), fee basis (Medical Advisor), and attendance basis (retired Trustee and independent members of Committees). The balance of the Board of Trustees (including the Chairperson) receives no compensation from the Fund, as such Trustees are full-time employees of the participating Employers.

No close family members of key management personnel are involved in the management of the Fund.

27. RELATED-PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2025 R	2024 R
Key management personnel		
<i>Compensation</i>		
Principal Officer's salary	4,596,972	4,101,390
Remuneration	4,580,803	4,042,900
Statutory payments made by the Fund	16,169	58,490
Medical Advisor's fees	858,000	816,000
Trustee remuneration and independent Committee members' fees	92,448	67,125
	<u>5,547,420</u>	<u>4,984,515</u>

Statement of Comprehensive Income

Insurance revenue received	949,368	835,560
Claims incurred	605,027	601,037

Statement of Financial Position

Investments in participating Employers of members		
Truworths International Ltd	88,639	150,165
Woolworths Holdings Ltd	2,483,810	1,294,459
Insurance contract liability – personal Medical Savings Account liability (key management personnel)	55,060	85,680

The terms and conditions of the related-party transactions were as follows:

Transaction	Nature of transactions and terms and conditions thereof
Risk contributions received	These constitute the contributions in respect of the related parties as members of the Fund, in their individual capacities. All contributions were on the same terms as applicable to the Fund's members.
Claims incurred	These constitute amounts claimed by the related parties, in their individual capacities as members of the Fund. All claims were paid out in terms of the Rules of the Fund, as applicable to the Fund's members.

27. RELATED-PARTY TRANSACTIONS (CONTINUED)

Other transactions

Transactions with entities that have significant influence over the Fund

	2025	2024
	R	R
Statement of Comprehensive Income		
Administration fees paid in respect of accredited services:	24,306,199	23,223,761
- Administrator	23,843,995	22,790,095
- Administration expenditure: Benefit management services (not accredited managed care)	462,204	433,666
Managed healthcare fees and capitation premiums paid to Momentum Health (Pty) Ltd	95,695,547	83,357,236
Claims recoveries from Momentum Health (Pty) Ltd	(88,019,016)	(79,030,056)
Investment management fees paid to the appointed Investment Managers	760,016	777,003
Actuarial and investment consulting fees paid to NMG Consultants and Actuaries (Pty) Ltd	2,803,688	1,901,364

Statement of Financial Position

Investments in the holding company of the Administrator	206,250	152,619
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Terms and conditions of the administration agreement – accredited services

The administration agreement with Momentum Health Solutions (Pty) Ltd is in terms of the Rules of the Fund and the provisions of the Medical Schemes Act 131 of 1998 ('the Act') and in accordance with instructions given by the Trustees of the Fund. The agreement is reviewed annually and is renewable depending on fee negotiations unless notification of termination is received. The Fund has the right to terminate the agreement on 90 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

Terms and conditions of the administration agreement – other services

The administration agreement with Momentum Health (Pty) Ltd is in terms of the Rules of the Fund and the provisions of the Act and in accordance with instructions given by the Trustees of the Fund. The agreement is reviewed annually and is renewable depending on fee negotiations unless notification of termination is received. The Fund has the right to terminate the agreement on 90 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

Terms and conditions of the risk transfer arrangements

The risk transfer agreements with Momentum Health (Pty) Ltd is in terms of the Rules of the Fund and the provisions of the Act and in accordance with instructions given by the Trustees of the Fund. The agreements are reviewed annually and is renewable depending on fee negotiations unless notification of termination is received. The Fund has the right to terminate the agreement on 90 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

Terms and conditions of the managed healthcare agreement

The managed healthcare agreement with Momentum Health (Pty) Ltd is in accordance with instructions given by the Trustees of the Fund. The agreement is reviewed annually and is renewable depending on fee negotiations unless notification of termination is received. The Fund has the right to terminate the agreement on 90 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

Terms and conditions of the Allan Gray Life Ltd and Sanlam Investment Management (Pty) Ltd and Satrix Investments (Pty) Ltd contracts

The investment management contracts with Allan Gray Life Ltd, Sanlam Investment Management (Pty) Ltd and Satrix Investments (Pty) Ltd, Nedgroup Investments Corporate Money Market Fund and Ninety One Fund Managers SA (RF) (Pty) Ltd is in accordance with instructions given by the Trustees of the Fund. The Fund has the right to terminate the agreements on 30 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

27. RELATED-PARTY TRANSACTIONS (CONTINUED)

Terms and conditions of the actuarial and investment consulting agreement

The actuarial and investment consulting agreement with NMG Consultants and Actuaries (Pty) Ltd is in accordance with instructions given by the Trustees of the Fund. The agreement is reviewed annually and is renewable depending on fee negotiations unless notification of termination is received. The Fund has the right to terminate the agreement on 90 days' notice. Fees are calculated on an arm's-length basis on market-related terms.

28. INSURANCE RISK MANAGEMENT

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Fund is to assume the risk of losses incurred by members and their dependants that arise directly from ill health. As such, the Fund is exposed to the uncertainty surrounding the timing and severity of claims under the Fund's Rules, which constitute the insurance contract. The Fund also has exposure to market risk through its insurance and investment activities.

The Fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management, as well as the monitoring of emerging issues. Certain risks are mitigated by entering into risk-transfer arrangements, as set out in Note 15.

The Fund uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected.

Insurance events are random by nature, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

WOOLTRU HEALTHCARE FUND
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28. INSURANCE RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies for mitigating insurance risk (continued)

The following tables summarise the concentration of insurance risk, with reference to the carrying amount of the medical claims incurred, by age group and in relation to the type of risk covered/benefits provided.

2025

Age grouping (in years)	Number of beneficiaries	General practitioners	Specialists	Dentistry	Optometry	Medication	Hospital	Other	Total
		R	R	R	R	R	R	R	R
<25	4 901	571,242	8,480,050	91,055	-	3,040,507	13,860,055	1,958,396	28,001,305
25 – 34	2 067	400,682	4,426,357	25,017	-	975,620	5,678,867	1,774,879	13,281,422
35 – 49	5 186	1,421,504	21,690,303	52,495	-	7,740,406	26,896,483	7,611,751	65,412,942
50 – 64	2 591	1,190,564	22,440,706	85,705	-	8,506,866	28,002,142	6,077,351	66,303,334
>64	1 492	1,083,526	30,002,054	142,589	-	10,334,014	40,715,576	9,792,186	92,069,945
Network Option	-	11,941,760	4,836,111	2,523,273	1,054,156	4,008,248	37,523,809	4,923,419	66,810,776
Saver Option and Comprehensive Option	-	-	-	-	-	16,342,894	-	-	16,342,894
	16,237	16,609,278	91,875,581	2,920,134	1,054,156	50,948,555	152,676,932	32,137,982	348,222,618
Movement in liability for incurred claims									27,431,489
Total as per Note 12									375,654,107

WOOLTRU HEALTHCARE FUND
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28. INSURANCE RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies for mitigating insurance risk (continued)

2024

Age grouping (in years)	Number of beneficiaries	General practitioners	Specialists	Dentistry	Optometry	Medication	Hospital	Other	Total
		R	R	R	R	R	R	R	R
<25	5,121	644,821	10,118,263	150,368	-	3,400,883	16,320,901	3,280,843	33,916,079
25 – 34	2,102	371,881	4,214,124	59,447	-	923,910	6,252,188	1,235,262	13,056,812
35 – 49	5,149	1,568,218	24,319,296	157,498	-	8,932,531	29,686,440	9,107,332	73,771,315
50 – 64	2,481	922,933	20,124,431	212,465	-	8,164,584	25,206,875	5,307,520	59,938,808
>64	1,461	1,190,180	31,393,660	66,560	-	9,757,653	45,528,776	11,699,555	99,636,384
Network Option	-	9,162,411	4,501,406	1,810,715	679,406	4,826,546	31,940,217	4,147,803	57,068,504
Saver Option and Comprehensive Option	-	-	-	-	-	17,273,814	-	-	17,273,814
	16,314	13,860,444	94,671,180	2,457,053	679,406	53,279,921	154,935,397	34,778,315	354,661,716
Movement in liability for incurred claims									21,042,260
Total as per Note 12									375,703,976

28. INSURANCE RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies for mitigating insurance risk (continued)

The Fund's insurance risk is considered annually in consultation with the Fund's Actuaries, Administrator and Medical Advisor and utilises diverse measures to mitigate risk. It is based on a large portfolio of similar risks over a number of years and, as such, it is believed that this reduces the variability of the outcome. The benefits to be provided on each benefit option are considered during the process.

Changes to the Fund Rules, which comprise the contract with the member, take place at least annually. Management information, including contribution income and claims ratios by benefit option, is reviewed monthly. There is also an underwriting review process that reviews contracts on an annual basis to ensure adherence to the Fund's objectives.

Risk transfer arrangements

The Fund transfers a portion of the risks it underwrites via capitation agreements in order to control its exposure to losses and protect capital resources. The capitation agreements are, in substance, the same as non-proportional re-insurance treaties.

Claims development

Claims development tables are not presented since the uncertainty regarding the amount and timing of claims payments is typically resolved within one year.

Insurance risk sensitivity analysis

The Fund is exposed to insurance risk, as the Fund assumes the risk of losses incurred by members and their dependants arising directly from ill health. As such, the Fund is exposed to uncertainty surrounding the timing and severity of claims under the Fund's Rules, which constitute the insurance contract.

The insurance risk sensitivity analysis measures the effect that a change in one of the insurance variables will have on the fair value of the provision for outstanding claims as at the reporting date. The analysis is based on the assumption that a change in a specific variable occurs while all other variables remain constant.

The below outlines the sensitivity of the insured liability estimates to particular movements in assumptions used in the estimation process. It should be noted that this is a deterministic approach with no correlations between the key variables.

The impact of the sensitivity of the assumed percentages is set out below:

	Change in liability 2025 R	Change in liability 2024 R
Effect of a 1%point change in all the assumed percentages	1,218,075	1,219,739
Effect of a 2% point change in all the assumed percentages	2,479,475	2,479,602
Effect of a 3% point change in all the assumed percentages	3,787,022	3,781,956

Note: An increase in the percentage results in an increase in the liability and vice versa. The change in the liability will be recognised against claims incurred in the surplus or deficit.

29. CAPITAL MANAGEMENT

The Fund's objective is to manage its capital in such a way that the annual member contribution increase is as low as possible, or at least in line with the participating Employers' salary increases, while maintaining an adequate solvency ratio. The Fund uses some of its investment income to fund any possible deficit that might occur as a result of operational losses. Capital adequacy risk is the risk that there may be insufficient reserves to provide for adverse variations on actual and future claims experience.

The Fund monitors capital using a solvency ratio, which is accumulated funds divided by gross contributions (refer to paragraph 3.3 of the Report of the Board of Trustees). The Fund uses accumulated funds, excluding cumulative unrealised gains on investments at fair value, as a measure of capital. The Medical Schemes Act 131 of 1998 requires the Fund to maintain a solvency ratio of no less than 25%. This measure of capital is consistent with the prior year and there have been no changes in the Fund's objectives, policies and procedures for managing capital during the year.

30. FINANCIAL RISK MANAGEMENT

Analysis of carrying amounts of financial assets and financial liabilities per category

	2025	2024
	R	R
Financial assets		
Financial assets at fair value (mandatory at fair value through profit or loss)	247,706,062	194,679,546
Bonds	86,596,071	63,453,049
Equity	66,056,170	42,881,706
Money-market instruments	95,053,821	88,344,791
Amortised cost		
Cash and cash equivalents (mandatory at amortised cost)	905,210	815,100
Trade and other receivables (mandatory at amortised cost)	257,460	260,347
Re-insurance contract assets	5,330,487	4,579,648
Financial liabilities		
Insurance contract liabilities (mandatory at amortised cost)	49,318,945	51,368,616
Trade and other payables (mandatory at amortised cost)	1,238,687	1,169,286

Risk management

The Fund's activities expose it to a variety of financial risks, including the effects of changes in equity market prices and interest rates. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments that the Fund holds to meet its obligations to its members.

Risk management and investment decisions are made by the Board of Trustees with the assistance of the Investment Committee. The Investment Committee identifies and evaluates financial risks associated with the Fund's investment portfolio. The Investment Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity. All of these written policies are subject to approval by the Board of Trustees. The financial instruments are classified on a look-through basis for market risk, interest rate risk and equity risk.

Liquidity risk

Liquidity risk is the risk that the Fund may be in a position where it is unable to pay claims as they fall due and also pay its suppliers or services providers. This may occur where the Fund's assets are tied up in investments that may not be readily converted into cash to meet current obligations.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and maintaining the availability of funding through holding liquid cash positions with various financial institutions to ensure that the Fund has the ability to fund its day-to-day operations.

At year end R67,292,065 (2024: R64,655,860) of the Fund's assets were invested in cash or cash equivalents, as well as money-market instruments, to ensure that it may meet its short-term liabilities.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The table below illustrates the prudent liquidity profile of the Fund:

	Up to 1 month	2 – 3 months	4 – 12 months	Total
	R	R	R	R
2025				
To satisfy:				
Liability for incurred claims	10,806,796	2,331,028	12,222,412	25,360,236
Medical Savings Accounts	44,489	86,413	23,084,602	23,215,504
Insurance payables	4,639,546	596,545	-	5,236,091
Financial payables	8,751	357,927	872,009	1,238,687
Total	15,499,582	3,371,913	36,179,023	55,050,518
2024				
To satisfy:				
Liability for incurred claims	11,151,944	-	10,889,622	22,041,566
Medical Savings Accounts	295,573	-	28,636,938	28,932,511
Insurance payables	4,312,952	-	-	4,312,952
Financial payables	9,392	927,913	231,981	1,169,286
Total	15,769,861	927,913	39,758,541	56,456,315

Credit risk

The Fund's credit risk arises from the risk that its primary debtors will default on their debt by failing to make payments of principal and interest, which they are obligated to make.

Cash and cash equivalents are invested only with high-credit, quality financial institutions. Cash is held with Standard Bank of South Africa which had a credit rating of Baa3 (2024: Ba2) as at 31 December 2025. The Fund invests in pooled investment vehicles with reputable institutions. The investments are highly liquid and may be disinvested at any time. The Fund has a policy of limiting the amount of credit exposure to any one financial institution.

The tables below illustrate the recoverability of the Fund's receivables. This represents the Fund's maximum exposure to credit risk.

Moody's deposit ratings	Deposit rating		2025	2024
Financial institution	2025	2024	R	R
Absa Group Limited	Ba2	Ba2	21,523,209	18,419,298
China Construction Bank	BB-	Aa3	-	1,462,095
Citi Bank	Ba2	Ba2	64,793	1,429
Deutsche Bank	BB-	A1	-	204,061
FirstRand Bank	Ba2	Ba2	11,349,260	16,065,187
HSBC Bank Plc	BB-	A1	1,290,629	1,486,350
Investec Bank	Ba2	Ba2	14,268,770	5,752,422
Nedbank	Ba2	Ba2	24,246,846	23,595,252
Standard Bank	Ba2	Ba2	20,462,834	17,914,445

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

	Fully performing	Past due	Impaired	Total carrying amount
	R	R	R	R
2025				
Insurance receivables				
- Contributions outstanding	4,008,851	283,834	166,123	4,458,808
- Recoveries from members and providers	10,706	123,316	478,231	612,253
- Medical Savings Account advances	66,179	-	-	66,179
- Risk transfer receivables	5,330,487	-	-	5,330,487
Financial assets at fair value through profit or loss	247,706,062	-	-	247,706,062
Cash and cash equivalents	905,210	-	-	905,210
Financial receivables	257,460	-	-	257,460
Total	258,284,955	407,150	644,354	259,336,459

2024				
Insurance receivables				
- Contributions outstanding	3,543,279	75,915	76,770	3,695,964
- Recoveries from members and providers	157,174	82,297	541,898	781,369
- Medical Savings Account advances	59,748	-	-	59,748
- Risk transfer receivables	4,579,648	-	-	4,579,648
Financial assets at fair value through profit or loss	194,679,546	-	-	194,679,546
Cash and cash equivalents	815,100	-	-	815,100
Financial receivables	260,347	-	-	260,347
Total	204,094,842	158,212	618,668	204,871,722

Age analysis of past due amounts of receivables that have not been impaired:

	30 days	60 days	90 days	Total
	R	R	R	R
2025				
Contributions outstanding	125,529	115,027	43,278	283,834
Amounts recoverable from members and providers	83,055	21,998	18,263	123,316
Past due total	208,584	137,025	61,541	407,150
2024				
Contributions outstanding	35,665	22,864	17,386	75,915
Amounts recoverable from members and providers	43,268	22,898	16,131	82,297
Past due total	78,933	45,762	33,517	158,212

Market risk

The Fund is exposed to market risk, which is the risk that the fair value of future cashflows from a financial instrument will fluctuate because of changes in market prices. Market price risk comprises three types of risks: currency risk, interest rate risk and equity price risk.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

The Fund operates in South Africa and therefore its cashflows are denominated in South African rand (ZAR). The Investment Managers invest in a foreign collective investment scheme comprising call accounts and unsettled cash balances, which exposes the Fund to foreign currency risk resulting from fluctuations in foreign exchange rates during the year.

For purposes of seeking investment diversification, the Fund has invested 0.43% (2024: 0.48%) of its investable assets in an offshore account. As at 31 December 2025, this equates to R1.22m (2024: R0.96m).

Interest rate risk

The Fund may hold all its investments in interest-bearing instruments. Therefore, a significant portion of the Fund's investments are exposed to changes in market interest rates. The effective interest rate earned on all interest-bearing instruments in 2025 was 7.20% (2024: 7.67%). The interest earned was from a combination of fixed and floating interest rate instruments. The floating interest rates are linked to the Johannesburg Interbank Average Rate (Jibar).

The tables below summarise the Fund's exposure to interest rate risk. Included in the table are the Fund's investments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Up to 1 month	1 – 6 months	7 – 12 months	More than 1 year	Total
	R	R	R	R	R
2025					
Financial assets at fair value*	26,678,847	33,532,251	31,713,044	89,725,750	181,649,892
Cash and cash equivalents	905,210	-	-	-	905,210
Total	27,584,057	33,532,251	31,713,044	89,725,750	182,555,102

*Equities are excluded, as they are not exposed to changes in market interest rates.

2024

Financial assets at fair value*	14,705,782	26,197,285	19,100,901	91,793,872	151,797,840
Cash and cash equivalents	815,100	-	-	-	815,100
Total	15,520,882	26,197,285	19,100,901	91,793,872	152,612,940

*Equities are excluded, as they are not exposed to changes in market interest rates.

Equity price risk

The Fund is directly and indirectly exposed to equity price risk, as it invested funds in South African equities through a pooled and segregated investment portfolio. The Fund's equity portfolio is a long-term investment, and the funds invested in this portfolio are not needed in the short or medium term. This mitigates the risk for short-term fluctuations in the equity market. The Fund appointed reputable Asset Managers with a good record in terms of performance.

Market-risk sensitivity analysis

Fair value sensitivity analysis

The market-risk sensitivity analysis measures the effect that a change in one market risk variable will have on the financial asset at fair value through profit or loss as at the reporting date. The analysis is based on the assumption that a change in a specific variable occurs while all other variables remain constant. The market-risk variables include currency value, interest rate and equity price.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market-risk sensitivity analysis (continued)

The tables below illustrate the resulting fair value change with various fluctuations in a specific variable.

The table below indicates the movement on the total pooled investments.

ZAR vs US dollar currency value sensitivity analysis

	Fair value	5% strengthening in ZAR	10% strengthening in ZAR	20% strengthening in ZAR
	R	R	R	R
2025				
Financial assets at fair value	255,532,219	254,348,973	253,165,728	250,799,235
Amount attributable to future members	52,750,080	51,566,834	50,383,589	48,017,096

2024

Financial assets at fair value	200,622,204	199,677,556	198,731,906	196,843,609
Amount attributable to future members	(8,682,372)	(9,603,321)	(10,548,971)	(12,437,268)

Interest rate sensitivity analysis

	Fair value	1% increase in interest rate	2.5% increase in interest rate	5% increase in interest rate
	R	R	R	R
2025				
Financial assets at fair value	255,532,219	252,873,407	248,885,188	242,238,156
Amount attributable to future members	52,750,080	50,091,268	46,103,049	39,456,017

2024

Financial assets at fair value	200,622,204	198,977,911	196,511,470	192,400,736
Amount attributable to future members	(8,682,372)	(10,302,966)	(12,769,407)	(16,880,141)

Equity price sensitivity analysis

	Fair value	5% decrease in equity market	10% decrease in equity market	20% decrease in equity market
	R	R	R	R
2025				
Financial assets at fair value	255,532,219	252,602,007	249,671,794	243,811,369
Amount attributable to future members	52,750,080	49,819,868	46,889,655	41,029,230

2024

Financial assets at fair value	200,622,204	198,236,249	195,850,292	191,078,381
Amount attributable to future members	(8,682,372)	(11,044,628)	(13,430,585)	(18,202,496)

The Fund was also indirectly exposed to equity price risk as it dealt in equities. Historically the equity investment strategy was to protect capital by limiting any loss to 5% of exposed capital. This was achieved by hedging exposures with other derivative instruments. The equity price risk was therefore limited by strategic actions by the Investment Managers.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation

The fair value of publicly traded financial instruments is based on quoted market prices at the reporting date.

The face values, less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate available to the Fund for similar financial instruments.

Fair values of financial assets by hierarchy level

The Fund invests in pooled investment vehicles that are made up of equity, bonds and money-market instruments. The table below has been prepared on a look-through basis.

Cash and trade and other receivables are classified as financial instruments at amortised cost.

The Fund has investments designated at Level 2 in the IFRS 13 Fair Value Measurement hierarchy. These instruments are all interest-bearing and their fair values are determined as is outlined below:

- Quoted interest-bearing instruments are valued using the yields of benchmark bonds, discounted cashflow models benchmarked against similar instruments with the same issuer, price quotations on the Bond Exchange of South Africa or issue prices of external valuations based on market inputs.
- Unquoted interest-bearing instruments are valued using discounted cashflow models utilising real interest rates or benchmark yields plus/minus a fixed spread or based on deposit rates determined from market inputs.

2025

Financial assets at fair value

Money-market instruments
 Listed equity instruments
 Listed bonds
 Listed property

Valuation technique	Level 1 R	Level 2 R	Level 3 R	Total R
Quoted market price	-	95,053,821	-	95,053,821
Quoted market price	66,056,170	-	-	66,056,170
Quoted market price	-	86,596,071	-	86,596,071
	-	7,826,157		7,826,157
	66,056,170	189,476,049	-	255,532,219

2024

Financial assets at fair value

Money-market instruments
 Listed equity instruments
 Listed bonds

Quoted market price	-	88,344,791	-	88,344,791
Quoted market price	42,881,706	-	-	42,881,706
Quoted market price	-	63,453,049	-	63,453,049
	42,881,706	151,797,840	-	194,679,546

31. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT 131 OF 1998

The Council for Medical Schemes Circular 11 of 2006 stipulates that all cases of non-compliance with the Medical Schemes Act 131 of 1998 ('the Act') should be disclosed in the Annual Financial Statements. The following matters are accordingly disclosed:

31.1 Non-compliance for which the Fund has not received exemption

Section 33(2) of the Act – benefit options not financially sound

Nature and impact

The Council for Medical Schemes has approved the Rules of the Wooltru Healthcare Fund in terms of Section 33(2) of the Act. As per the submission approved by the Registrar, the Comprehensive Option was in a net deficit position of R11,814,484 (2024: R15,829,491) representing 2.43% (2024: 4.11%) of the gross insurance revenue of the Fund.

Cause of failure

The average age of the beneficiaries on the Comprehensive Option is some 20 years older than the average age of beneficiaries on the next closest option, namely the Saver Choice Option. The high average age of the Comprehensive Option and the fact that healthcare claims are inherently linked to age is the reason for the persistent operating deficit on this option.

Corrective action

The Comprehensive Option is selected mostly by retired members and the age profile of this option results in higher claims per member than the other options. The Trustees have considered closing the Comprehensive Option, but closure of this option would mean that these members would move to the Saver Option and the resultant higher claiming profile would necessitate a further increase in contributions for the Saver Option.

Section 26(7) of the Act – contributions received after three days of becoming due

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the Rules of the Fund. The Rules state that contributions should be received no more than three days after they become due.

During the 2025 year, there were instances where contributions were received later than three days after the due date. As at 31 December 2025, there was an amount of R283,834 (2024: R75,915) outstanding. This amount represents 0.01% (2024: 0.02%) of the total contributions received during the year, but the delay in receipt is in contravention of Section 26(7) of the Act.

Cause of failure

The non-compliance relates to instances during the year when contributions were received more than three days after the due date.

Corrective action

The Fund continues to communicate to all parties responsible to emphasise the importance of prompt payment.

31. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT 131 OF 1998 (CONTINUED)

31.2 Non-compliance for which the Fund has received an exemption

Section 35(8) (a) and (c) of the Medical Schemes Act 131 of 1998 ('the Act') – investments

Nature and impact

Wooltru Healthcare Fund, through Allan Gray Life Ltd and Sanlam Investment Management (Pty) Ltd and Satrix Investments (Pty) Ltd, held investments in participating Employers, as well as holding companies of medical scheme administrators, as at 31 December 2025.

This is in contravention of Section 35(8)(a) and (c) of the Act, as the Fund is not allowed to hold shares in the holding company of an administrator or any participating employer. Refer to paragraph 8 of the Report of the Board of Trustees for further detail.

Cause of failure

The Fund does not have control over the underlying assets of the portfolios, as the investment decisions are made by the appointed Asset Managers who invest on behalf of the Fund and where such investment choices are not influenced by the Fund.

Corrective action

The Fund received an exemption in August 2025 from the Council for Medical Schemes from complying with Section 35(8)(a) and (c), insofar as it relates to investments placed with Asset Managers who invest on behalf of the Fund and where such investment choices are not influenced by the Fund. The exemption was granted up until 31 December 2028.

32. PROFESSIONAL LIABILITY INSURANCE

The Fund, its Trustees and Officers of the Fund were covered under Trustee liability insurance throughout the year ended 31 December 2025. The insurance amounted to R65,000,000 (2024: R65,000,000) for any single claim and R130,000,000 (2024: R130,000,000) in aggregate.

33. GOING CONCERN

The Trustees believe that the Fund has adequate financial resources to continue operating for the foreseeable future, and accordingly the Annual Financial Statements have been prepared on a going-concern basis. The Trustees are satisfied that the Fund is in a sound financial position and will be able to meet its foreseeable cash requirements. The Trustees are not aware of any new material changes that may adversely impact the Fund.

Other than the items of non-compliance disclosed in Note 31, the Trustees are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

1. INTRODUCTION

This document contains the current Wooltru Healthcare Fund (the Fund) remuneration policy in respect of Trustees and Committee members, as agreed by the Board of Trustees.

2. REMUNERATION ELIGIBILITY

Trustees/Committee members, who are full-time employees of the participating Employers, receive no remuneration from the Fund.

3. REMUNERATION POLICY

The basic principle of all remuneration paid by the Fund is that remuneration should be fair and reasonable. It should commensurate with the qualification and experience of the incumbent, the responsibilities carried, the level of care, skill and expertise required, and the degree of attentiveness needed, while not being excessive nor creating an unnecessary or unwarranted financial burden for the beneficiaries

Fees are generally increased on 1 January each year in line with the Fund's upcoming financial year's budgeted inflation rate unless there are specific reasons why the current remuneration basis should be reviewed and amended differently.

The remunerated Trustees/Committee members are expected to prepare for meetings, whether attending or not, and will be expected to remain abreast of the activities and business of the Fund. However, meeting fees will only be payable for meetings which the Trustee/Committee member attends, or as per the agreed upon terms.

No extra remuneration will be paid for meeting preparation and there will be no ad hoc time-driven payments made in accordance with hours claimed by individual Trustees/Committee members.

Under exceptional circumstances, reimbursement will be considered for travelling and other direct expenses reasonably and necessarily incurred by the above Trustees/Committee members in performing their duties. Such reimbursements must be agreed in advance by the Board of Trustees. Such reimbursement will not include local travel from a Trustee or Committee member's primary or regular place of residence or business to the Fund's normal meeting venue.

4. REMUNERATION

Current remuneration is outlined in Annexure 1 to this Remuneration Policy.

5. REMUNERATION REVIEW

The Board of Trustees will review the Remuneration Policy annually or more regularly should circumstances so demand.

6. ANNUAL GENERAL MEETING

The Fund's current Remuneration Policy will be tabled for approval at each Annual General Meeting of the Fund.

Signed on behalf of the Wooltru Healthcare Fund's Board of Trustees as approved and mandated at the Annual General Meeting held on 21 July 2026.

CHAIRPERSON OF THE BOARD OF TRUSTEES

PRINCIPAL OFFICER

ANNEXURE 1

2026 CALENDAR YEAR: REMUNERATION STRUCTURE FOR INDEPENDENT TRUSTEES/COMMITTEE MEMBERS

Fees are based on a fixed fee per meeting attended or as per the agreed-upon terms. These fees are set at scales based upon the expected number and duration of all meetings attended, the preparation time required for such meetings and various related ad hoc duties. This fee covers all services provided to the Fund and no other fees are payable unless specifically agreed to in advance by the Board of Trustees:

Category	Agreed-upon fee structure
Trustee (not a full-time employee)	R15,000 per meeting
Independent Chairperson – Audit Committee	R18,600 per meeting

Signed on behalf of the Wooltru Healthcare Fund's Board of Trustees as approved and mandated at the Annual General Meeting held on 21 July 2026.

CHAIRPERSON OF THE BOARD OF TRUSTEES

PRINCIPAL OFFICER

