



## MESSAGE FROM PRINCIPLE OFFICER

- Tax benefits ensure that retirement funds are the best savings vehicles
- Funds are governed and regulated by strong structures
- Statistics show retirement is not a reality for most people
- Manage your retirement savings vigilantly, ensure that fees are low and transparent and that you contribute towards your GAP
- Your acravest APP is the most convenient tool when managing your retirement savings

## TAX

**MANDATORY**

It is mandatory for all members' tax numbers to be on our system

You get tax benefits when contributing to your fund



We cannot process claims without a tax number - please provide yours!

We cannot transfer money in/out without your tax number



## ACRAVEST APP

### CHANGES COMING SOON:



Upload of required documents



Updating personal information and beneficiaries



Downloading benefit statements

## BENEFICIARY NOMINATIONS



What would you like to happen to your money when you pass away?

You need to review your Beneficiary Nomination annually



Look out for updates – Update your Beneficiary Nomination on the APP



## INVESTMENT FEEDBACK

- Last year's market showed reasonable improvement after a 3 year struggle
- South Africa's unemployment rate is amongst the highest in the world
- Inflation decreased
- A hike in oil prices predicts higher petrol prices in coming months

For more details on these topics please refer to the rest of the document.

# NEWSLETTER 3

JUNE 2018

## Message from the Principal Officer

Dear Member,

Your retirement fund provides you with a platform that you can use to save for your retirement. The fund's governance structures are well established to ensure that your monies are managed in a high integrity environment, by professional teams in all the different disciplines.

Much is currently being said about the retirement funding industry. The main underlying message from these discussions are that members of funds reach retirement age with insufficient funds to maintain their living standards after retirement. There are many reasons given for this state of affairs and some of these describe real contributing factors. Reasons include matters such as excessive fees charged by services providers and members that consume their retirement monies at every job change event.

The matters noted, although many of them accurate, can be addressed if you, the member, take ownership of your retirement savings. You and your employer make contributions to your fund on your behalf. These contributions represent an income sacrifice that you make, to fund your future after you stopped working. It is unthinkable that you, the contributing member to your fund, lose the ability to continuously assess the value you receive in terms of the management of your monies. This loss of ability is often by your own choice and often by a lack of access to information and mentorship you receive from your fund.

Your Fund is committed to provide you with the ability to oversee and assess the value you receive and provide you with the tools and mentorship that will enable you to do just that. The cell phone application (APP) discussed elsewhere in the newsletter, will become the basic link between you and your monies in your fund.

The APP will provide you with insight into your strategy's long term expected outcome. With this perspective, you will be able to make decisions on adjusting your saving strategy, and you will also be able to assess the value being created.

On behalf of the Fund, I urge you to partner with us in your quest to save enough money for your retirement.

---

### AcraVest APP

The AcraVest APP will be your companion in your retirement savings quest. Future updates will allow you to update your personal details, upload supporting documents and download a real time benefit statement. You can already do the following in the current version of the app:

- See your current benefits (Risk and Investment)
- Look at your uploaded beneficiaries
- Do the Gap calculator – see if you are saving enough to replace your salary.

There are more exciting features coming to the APP in the future, and we would appreciate your feedback regarding our app – if you enjoy it, think it can be improved or if you have any questions please send feedback to the following email address: [socialmedia@iretire.co.za](mailto:socialmedia@iretire.co.za)

You can also share your experience with anyone – with the new upcoming update – anyone can join the iRetire Retirement annuity fund through the APP – just fill in a couple of details, and upload all the required documents.

---

### Beneficiary Nominations

Your beneficiary nomination is your opportunity to express what you would like to happen with your money when you pass away.

It is very important to review your beneficiaries annually, to make sure all your wishes are taken into consideration when you pass away. With the upcoming mobile app update, you will be able to update your beneficiary nominations through the APP, and all of your other personal information

## Tax

There are two aspects regarding tax when looking at your pension savings (Retirement annuity or pension/provident fund) namely tax benefit and tax numbers.

1. Firstly: When contributing to your pension savings, a person can get a tax savings on these contributions of up to 27.5% of one's annual salary up to a maximum of R 350,000.00. You will get the benefit in the year you contribute according to your tax bracket.

Example:

	Monthly	Annual
<b>Salary</b>	R 8,000.00	R96,000.00
<b>Contribution (15%)</b>	R1,200.00	R14,400.00
<b>Tax Benefit (18%)</b>	R 216.00	R 2,592.00

In short you are getting the benefit of an R 1,200 contribution, but only paying R 984 per month. (In a pension or provident fund you get the benefit immediately, and in a Retirement annuity you get the benefit when you hand in your tax return)

2. Secondly: SARS made changes in the past year, where we are now obliged to have the member's tax numbers on our system and to supply a member's tax number when making a pay out, or transferring to a new provider. For this reason, we encourage you to provide us with your tax number, to be able to process your claim as fast as possible. If we do not have your tax number, we cannot proceed with your claim.

## Investment and economic Feedback

### Investment feedback

The investments up to the end of April performed reasonable over the past twelve months, but if you look at the three year period it is very disappointing. It must be said that the three year period ending April 2018, was from a high in April 2015. The 4 year returns look a bit more respectable. This is more or less the same across all of the funds available in the market, and is in line with the current markets.

### Economic feedback

The local inflation is at 3.72% year on year at the end of March 2018 which is the lowest since 2015. The crude oil price increased the last couple of months (see table below) and is expected to lead to higher fuel prices in the long term which will put upward pressure on the inflation figures. The local political risk is still part of the bigger picture and does not instil confidence for international investors. The unemployment is still a problem at 26.7% for the first quarter of 2018, and large changes will have to occur to reduce these numbers.

#### Crude Oil Price

30/04/2018	\$ 69.74
30/04/2017	\$ 46.46
30/04/2013	\$ 91.61

Internationally there are also several uncertainties – referring to Brexit and the implications it is going to have should it proceed, together with tensions between the US and the rest of the world (Middle East and Korea and the risk of trade wars between the US and its large trading partners).

**Global Markets** (As at 30/04/2018)

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
<b>FTSE (UK)</b>	4.24%	2.56%	3.15%
<b>Dow Jones (US)</b>	15.39%	10.64%	10.24%
<b>Nikkei (Japan)</b>	17.04%	4.80%	10.14%
<b>SSE (China)</b>	-2.30%	-11.47%	7.19%
<b>FSE DAX (Germany)</b>	-1.47%	0.39%	6.83%
<b>FTSE/JSE All Share (RSA)</b>	8.21%	2.27%	8.50%

**Exchange rates** (As at 30/04/2018)

	<b>1 Year</b>	<b>5 Years</b>
<b>South African Rand</b>		
<b>US Dollar</b>	-6.71%	39.09%
<b>Euro</b>	3.39%	27.55%
<b>British Pound</b>	-0.92%	23.10%
<b>Singapore Dollar</b>	-2.06%	29.34%
<b>Japanese Yen</b>	-4.79%	24.13%
<b>Chinese Yuan Renminbi</b>	1.51%	35.45%

\*Positive percentages indicate depreciation