

IMPORTANT REMINDERS TO MEMBERS/INVESTORS



1. Beneficiary nominations are critical (Fund and risk insurance cover nominations) and must be updated with changes as and when life events happen. **Note that insurance companies will pay your death and funeral benefits into your estate, should you not have a beneficiary nomination submitted.**
2. Continuation option for life/disability cover after retirement/resignation: Please ensure that you understand the requirements for notice to the insurance company well in advance when you plan to exercise the option to carry on with your insurance after leaving employment. At retirement, some insurers require notice before age 65 (Life cover) and age 60 (Disability cover) for you to activate this option. You may contact your Fund Advisor or Acravest to clarify.
3. Annually: Re-align your saving strategy to your long-term savings goal (Utilise the Acravest mobile app to define your goal and track progress annually).

THE RETIREMENT FUND LANDSCAPE, A QUICK OVERVIEW OF MAIN DEVELOPMENTS DIRECTLY RELATING TO MEMBERS

Providing members with access to a portion of their retirement savings (Introduction of the Two-Pot System): We carried this theme in the last three issues and again highlight it as the timelines and final regulation are still subject to change and because these changes will impact access to retirement fund benefits at resignation from employment, drastically: Note that changes in legislation applies to future contributions (from the implementation date onward); Rights to historic contributions and growth at the implementation date and growth thereon thereafter, will not be implicated.



The changes expected will result in your retirement fund contribution, from the implementation date, to be split to flow towards a "Savings pot" (one-third) and a "Retirement pot" (two-thirds). You will have a once-per-annum opportunity to withdraw from your savings pot (minimum R2 000), whilst you will have access to your retirement pot only at retirement. Withdrawals will be taxed at the withdrawing individual's marginal tax rate in the year of withdrawal.

It is expected that regulations will be published to include a once-off transfer of 10% of the value of your accumulated savings and growth at the implementation date, limited to a maximum of R30 000, into the savings pot to be accessible as part of the once-off withdrawal allowance.

Conditions relating to financial hardship could be added as a qualification criteria to annually access your savings pot. Withdrawals at the point of resignation before retirement will, over time (historic accumulation will phase out over time), become something of the past.

The implementation date is now set at 1 September 2024.

CHANGES IN SERVICE OFFERING/FEEES

Inflation increases on fixed fees takes place once per annum.

INTRODUCTION OF NEW DEFAULT INVESTMENT STRATEGY FOR THE FUND

The Investment Committee of the Fund recommended to the Board of Trustees a replacement strategy for the investment strategies currently communicated to clients as the default investment strategy chosen by the Board. The default strategy currently communicated is the Sasfin Prudential Fund.

This recommendation follows from ongoing monitoring of various investment strategies available to members in the Fund and is based on a comprehensive review of the performance of the current chosen default strategy in the context of the Fund members' needs, to fulfill their long-term financial goals.

The Investment Committee configured a composite of passive and active strategies that provides effective diversification in asset classes and an optimal combination of passive and actively managed investment strategies to enhance a pure passive outcome with active management of exposure to asset classes- and duration in fixed income instruments.

The Board approved the implementation of the new default strategy, to replace the current default strategy, from 1 December 2023. Employers and Advisors were informed and requested to indicate whether they wish to switch to the new default strategy-, stay in the current strategy- or move to an alternative strategy available, before 1 December 2023. With no indication, the Board will automatically implement the new default strategy in January/February 2024.

An important outcome of the new default strategy is the notable reduction in the cost of management (Refer to Asset Management Fee in the table below) of the strategy. The new default strategy will be referred to as the Acravest Default Model (ADM). Three risk-profiled strategies will be available, namely High Equity, Medium Equity, and Low Equity. Note that the ADM performance is included in the 1-year graph (Annexure A)

Below, the new default strategy is modeled against the current default strategy, for the periods indicated.

| Fund | Asset management fee | 1 Year | 2 Year | 3 Year | 4 Year | Inception (Jan 2018) |
|---|----------------------|--------|--------|--------|--------|----------------------|
| Acravest Default Model (High Equity) | 0.34% | 16.36% | 10.11% | 11.61% | 12.12% | 10.90% |
| Generic Benchmark: (ASISA) South African MA High Equity | | 12.26% | 7.38% | 10.60% | 9.09% | 6.71% |
| Acravest Default Model (Medium Equity) | 0.36% | 15.23% | 9.66% | 11.23% | 11.61% | 10.63% |
| Generic Benchmark: (ASISA) South African MA Medium Equity | | 11.04% | 6.90% | 9.23% | 8.22% | 6.58% |
| Acravest Default Model (Low Equity) | 0.38% | 14.10% | 9.21% | 10.84% | 11.09% | 10.36% |
| Generic Benchmark: (ASISA) South African MA Low Equity | | 10.14% | 6.61% | 8.15% | 7.31% | 6.47% |
| Sasfin Prudential B | 0.49% | 4.56% | 5.08% | 7.18% | 7.01% | 6.51% |
| Sasfin Prudential C | 0.69% | 4.29% | 4.81% | 6.91% | 6.74% | 6.25% |
| Sasfin Prudential A | 1.04% | 3.94% | 4.45% | 6.54% | 6.37% | 5.88% |

A - Retail fee class

B - Fee class where Sasfin Asset Consultants are appointed at an additional fee

C - General Current default strategy

MANAGING YOUR RETIREMENT PROJECT

Please refer to our previous issues to guide you on this critical topic. All the previous publications are filed on our website and can be accessed via the Acravest mobile APP.

INVESTMENT STRATEGY PERFORMANCE IN A NUTSHELL

Refer to Annexure A hereto.

NOTES ON FINANCIAL MARKETS



Globally, interest rates play a major role in financial markets and GDP growth outlook for nations. Indications are that inflation growth experienced over the last few years has reached its peak and is slowly reducing, which leaves us with a high probability that Interest rates have also reached their peak and will slowly start to reduce through the middle and latter part of 2024.

Although the geopolitical tensions across the world are still ongoing, the world economy is absorbing the economic fall-out from the flash-points, such as the European energy crises and the increase in food/fertilizer prices that originated from the Russia/ Ukraine conflict. The conflict in Gaza (Israel and Hamas) is at a critical junction and could escalate to other nations in the region, adding more complexity to navigating investment strategies.

A news headline: "In 2024 more than 70 nations will hold elections, with good leaders in short supply" from the Daily Maverick, reminds us of the dynamic world that needs to be navigated. In South Africa, we are experiencing what seems to be the beginning of the end of the ANC as the ruling party, with our elections to be held in 2024.

Change is not always negative and changes that result in positive outcomes happen all the time. Therefore, it remains crucial for an investor to have a long-term view when assessing the performance of investment strategies. The conditions, as always, require money managers to stay diligent in their quest to find valuable assets in their portfolios.

FUND YEAR-END REPORT

Consolidation of iRetire Pension Fund into iRetire Retirement Fund (Taking place as a result of changes in the income tax act during 2021)

The Consolidation of the iRetire Pension Fund into the iRetire Retirement Fund is all but completed. The final three Participating Employers are currently moving through the transfer process.

Change in Assets in the Fund over the financial year

A positive nett asset growth of 7.96% was achieved in the Fund's assets. Assets in the Fund amounts to R1.193bn according to the Annual Audited Financial Statements on 31 August 2023. During the year, contributions into the Fund amounted to R196 595 079 and payments to beneficiaries amounted to R142 946 621

Participating employer payroll runs administered (September 2023)

320

Board of Trustees - Requirement in terms of the Rules of the Fund: 5 Trustees of whom at least 3 to be independent from the sponsor, plus 2 independent reserves

CJ De Jager (Independent / Chairperson)
 MP Oni (Independent)
 FA Gerber (Independent)
 GJ Jansen van Rensburg (Independent)
 KB Motsukunyane (Independent)
 CJ Potgieter (Related to Sponsor)

Principal Officer

Mr CJ Jansen van Rensburg (Independent)

DEFAULT OPTIONS FOR YOU AT RETIREMENT OR RESIGNATION

Living annuity at retirement: Your default option is the Acravest living annuity. Below, find out more about this excellent product selected by your trustees and available to you at retirement.

Transferring your money into the **Acravest Living Annuity** solution will provide you with a dynamic income solution for your retirement. You will be allowed to annually select your monthly income level, based on your financial needs and capital available, limited annually to a minimum of 2.5% of capital invested and a maximum of 17.5%

Platform Costs

Fees represent one of items that can prove to be really costly for an annuitant over the long term. Make sure that you get the best value for money when choosing your retirement income provider.

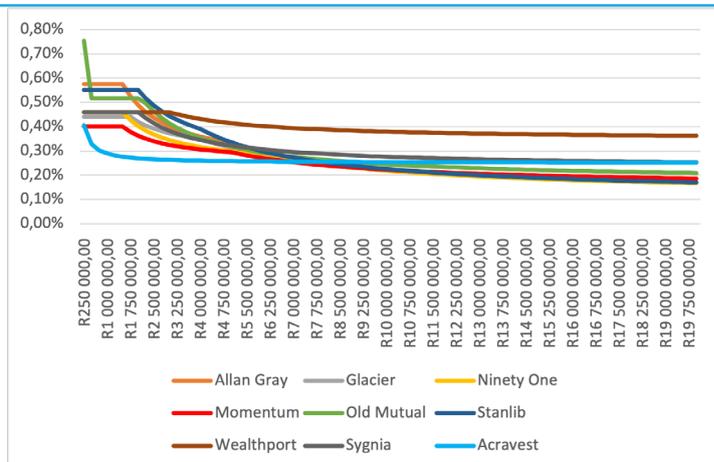
Diverse Investment Strategies available

Stable and sustained investment growth into the future has to be paired with your income needs.

The Graph below shows a comparison of the Acravest Platform fees vs the rest of the market.

Acravest is currently the lowest cost provider for Capital Invested up to a value of R7m. Thereafter the costs are reasonably aligned with the market.

Note that you have access to the following investment managers on the Acravest platform. Each manager provides a diverse range of strategies for you to choose from.



- Alexander Forbes Investments
- Allan Gray Proprietary Limited
- Coronation Fund Managers
- Momentum Investments
- Naviga Investments
- Nedgroup Investments
- Old Mutual Investment Managers
- Prudential Investment Managers
- Sasfin Asset Managers

FREQUENTLY ASKED QUESTIONS

Visit: www.iretire.co.za/questions