



ACRAVEST MOBILE APP



The App has had an **update**



You can now **do your budget** on the app



See how **saving** for your retirement affects your **retirement income**



DEFAULTS (REGULATIONS 37 & 38)

The pension funds act implemented **three new regulations**. The regulations were implemented to **assist members**. These regulations were specifically aimed at default investment portfolio(s), default preservation & portability and default annuity strategy.

COMPLAINTS EMAIL ADDRESS



Please send an email to **complaints@iretire.co.za** if you are unsatisfied with our service or if you have any constructive feedback that may assist us with delivering a better service.



INVESTMENT & ECONOMIC FEEDBACK



Markets are performing reasonably



The long term expectations are still the same



ACRAVEST MOBILE APP



The AcraVest Mobile App (Available on iOS & Android) had an update, you are now able to do your budget on the App, and see how saving for your retirement affects the income you would receive when retiring one day.

Remember that you can update your beneficiaries on the app, see your investment values and risk benefits if applicable.

You can download the manual for the new budget here:

www.iretire.co.za/appmanual

DEFAULTS (REGULATIONS 37 & 38)

The pension funds act implemented three new regulations. The regulations were implemented to assist members. These regulations were specifically aimed at default investment portfolio/s, default preservation & portability and default annuity strategy.

More details regarding the default regulations:

Regulation 37: Default investment portfolio(s)

The default portfolio(s) must be appropriately designed – looking at asset allocation, risk & return and fees. The portfolio(s) must be reasonably and competitively priced, and active and passive asset management must be considered. There may not be any loyalty bonuses or complex fee structures.

Members must have the option to opt out of these default portfolio(s) at least once every 12 months.

Regulation 38: Default preservation and portability

The rules of the Fund must provide for members who leave the Fund before retirement, to become paid-up members, and provide them with a paid-up certificate. Requirements for the paid-up benefits are that investment fees and charges may not differ on the basis that they are not active members and there may not be any initial charges levied.

Requirements for paid-up benefits in the Fund include:

- No new contributions;
- No deductions in respect of risk benefits;
- Members are given access to retirement benefit counseling before any withdrawal benefit is paid to the member or transferred to another fund.

An important note here is when a member moves to a new employer that has a fund, the new fund must request any paid up certificates, and enquire whether the member wishes to transfer these benefits to the new fund.



Regulation 39: Annuity strategy

This annuity strategy should be appropriate for the members that will be exposed to it, the investment mandate and performance of the strategy must be communicated to members, charges need to be reasonable and competitive, members need to have access to retirement benefits counseling and the strategy needs to be reviewed annually.

AcraVEST welcomes the changes, and believes this will assist members reaching retirement with enough money.

INVESTMENT & ECONOMIC FEEDBACK

Investment feedback

The investment markets, up to the end of April this year, performed reasonable if you compare it with the last 3-4 years, although it is not as high as expected for long term investments (CPI+5%), and if the low growth continues, members will need to contribute more to have enough money at retirement.



Economic feedback

The local inflation rate was at 4.4% year on year at the end of April 2019. The repo rate was left unchanged at 6.75% in May. This is not expected to increase in the next quarter because of the lower inflation rate and the slowing economy – GDP for 2019 is expected to be lower at 1%. This can be attributed to negative growth for the mining and manufacturing sectors (Eskom blackouts had an impact here).

The same uncertainties in the global markets are still in play as discussed in the previous newsletter which includes: Brexit & the trade wars between America and China.

Below is the 5 year returns for the large stock exchanges and the JSE:

Stock Exchange Indices as at 30/04/2019	1 Year	3 Years	5 Years
FTSE (UK)	7.38%	2.26%	2.83%
Nikkei (Japan)	11.78%	9.06%	14.21%
SSE (China)	8.02%	0.64%	13.95%
FSE DAX (Germany)	1.30%	3.74%	4.24%
FTSE/JSE All Share (RSA)	0.50%	3.39%	3.67%
Dow Jones (US)	26.39%	14.79%	16.90%

**Percentages over a year are annualised*

**Returns are in each local currency*

The rand weakened against majority of the large currencies.

Exchange rates:

South African Rand	As at 30/04/2019	Up to 30/4/2019		
		1 Year	3 Years	5 Years
US Dollar	14.33	14.8%	0.68%	36.12%
Euro	16.05	6.5%	-1.53%	9.91%
British Pound	18.67	8.8%	-10.22%	5.04%
Singapore Dollar	10.53	11.7%	-0.60%	25.51%
Japanese Yen	0.13	12.6%	-3.88%	24.77%

**Positive percentages indicate depreciation*

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