

## IMPORTANT REMINDERS TO MEMBERS/INVESTORS



1. Beneficiary nominations are critical (Both fund and risk insurance nominations) and need to be updated with changes. **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 65 (Life cover) and 60 (Disability cover). 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 two issues and again highlight it as these changes will impact retirement fund withdrawal benefits (at resignation) drastically:



New developments: On 1 June 2023, National Treasury published the following information:

- The implementation date for changes is kept at 1 March 2024;
- The concept of “pot” is replaced by “component”;
- The split of future contributions from 1 March 2024 between a “Savings component” (one third) and a “Retirement component” (two thirds) is maintained;
- Accessibility of monies in the savings component (Minimum of R2 000 per annum, once per annum), is maintained;
- Monies accessed here will be included into a member’s taxable income in the year of withdrawal and will be taxed at the member’s marginal tax rate;
- The concept of “seed capital” is now included. A member may opt to transfer 10% from his/her vested component, up to a maximum of R25 000, to the savings component, making a larger amount accessible for withdrawal;
- The notion that changes introduced here will not affect members who reached the age of 55 at 28 February 2021, is maintained. These members may however opt to become part of the new regime;
- Withdrawals are determined on a “per Fund” and “per Contract” principal;
- The retirement component may only be applied to acquire an annual pension.

## CHANGES IN SERVICE OFFERING/FEEES

Inflation increases at a rate of 5% was introduced on fixed fees charged.

## 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. Interest rates are at historically high levels and are designed to curb historically high inflation, which in turn originates from bottlenecks at the end of the Covid-19 lockdown period, followed by the Russian invasion in Ukraine, which in turn had a dramatic impact on commodity-, energy and food prices.

Central banks were initially behind the curve with their interest rate policy and had to catch up. Outlook is erring on the negative side with forecasts being continuously adjusted to align previous expectations with new realities.

High inflation, high-interest rates, and an abundance of geopolitical uncertainty worldwide combined with a South African landscape at the breakpoint as a result of infrastructure challenges and puzzling policy choices by the government introduce challenges for money managers. The conditions require investors to take a long-term view of performance achieved and require money managers to be more diligent in their quest to find valuable assets in their portfolios.

## FUND YEAR-END REPORT

	iRetire Pension Fund	iRetire Retirement Fund
<b>Consolidation of Funds</b>	Changes in the Income Tax Act removed future differences between Pension and Provident Funds. For this reason the iRetire Pension Fund is in the process of being consolidated into the iRetire Retirement Fund. This project is expected to be concluded in the new financial year	
<b>Assets growth</b>	A positive asset growth of 2.25% was achieved despite the transfer of a large employer into a bargaining council fund to comply tot the labour relations legislation. Consolidated assets in the fund amounts to R 1,105 bn	
<b>Trustees</b>	Requirement in terms of the Rules of the Fund: 5 Trustees of whom at least 4 to be independent from the sponsor, plus 2 independent reserves CJ De Jager <b>(Independent/Chairperson)</b> CJ Jansen van Rensburg <b>(Independent)</b> MP Oni <b>(Independent)</b> FA Gerber <b>(Independent)</b> GJ Jansen van Rensburg <b>(Independent)</b> KB Motsukunyane <b>(Independent)</b> CJ Potgieter <b>(Related to Sponsor)</b>	
<b>Principal Officer</b>	Ms. R de Klerk: Ms. de Klerk resigned subsequent to the year-end and is replaced by Mr. CJ Jansen van Rensburg, a long-serving independent trustee of the Funds	

# 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.

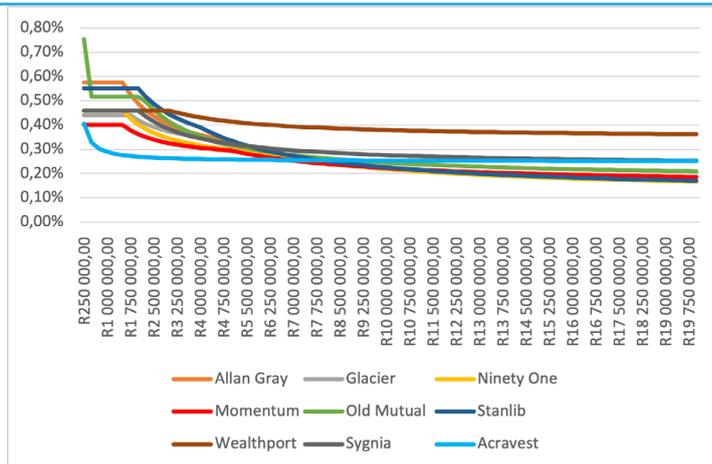
Transferring your money into the **Acravest Living Annuity solution** will provide you with a dynamic income solution for your retirement. You will be allowed to annually select your monthly income level, based on your financial needs and capital available, limited annually to a minimum of 2.5% of capital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

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.



## Diverse Investment Strategies available

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

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

## DO YOU HAVE ANY SUGGESTIONS ON CONTENT YOU WOULD LIKE TO READ

Our intention is for this bulletin to be helpful to you! We look forward to your suggestions. Use the following feedback channel:



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