

MEMBERS

IMPORTANT REMINDER



1. Beneficiary nominations (Both fund and risk insurance nominations) to be updated with changes;
2. Annually: Re-align your saving strategy to your long-term savings goal (Utilise the Acravest mobile app to define your goal and track progress.)

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:

Your retirement fund contribution will, from implementation date, be split between a "Savings pot" (one third) and a "Retirement pot" (two thirds).

You will have an opportunity to withdraw from your savings pot annually (at least R2000), whilst only having access to your retirement pot at Retirement. Conditions relating to financial hardship could be added as qualification criteria to access your savings pot annually.

Withdrawals at point of resignation before age 55 will become something of the past.

Contributions and accumulated capital up to the implementation date plus growth thereon after implementation date, will have rights that was applicable to it during the period before the implementation date.

The implementation timeline has formally been moved to 1 March 2024 (Regulations published in July 2022 still had 1 March 2023 in mind). This 2024 implementation date is still optimistic in our opinion.

CHANGES IN SERVICE OFFERING / FEES

No changes have been introduced during the last quarter.

MANAGING YOUR RETIREMENT PROJECT

Please refer to our previous issue 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.

YOUR INVESTMENT STRATEGY PERFORMANCE IN A NUTSHELL

Refer Annexure A hereto

NOTES ON FINANCIAL MARKETS

The Financial markets remain under pressure as more and more economic indicators point towards stagflation, high inflation and low growth.

The UK bond crisis has sparked concerns, and led to scrutiny of other nations' monetary and fiscal policies. Aggressive interest rate increases is a worldwide phenomenon, combatting aggressive inflation increases, with a rising US \$ against other currencies being prominent. These factors impact on trade as well as asset valuations.



The South African Reserve Bank raised its benchmark repo rate by another 75 bps to 6.25% in September 2022. This is the 6th consecutive hike since policy normalization started in November 2021, to anchor inflation expectations more firmly around the mid-point of the target band and achieve the inflation target in 2024. The inflation rate eased to 7.6% in August of 2022 after recording a strong increase in July to 7.8% from 7.4% in June.

The main contributors for the increase in inflation rate were food and non-alcoholic beverages that had increased by 9.7 percent year-on-year, and transport which includes the sharp rise in fuel prices, that had increased by 25 percent over the past year, and contributed 3.4 percentage points to the total inflation rate. With the fears of high interest rates both globally and locally (effecting equity valuations adversely), as well as the world economy likely moving into a recession, it has put pressure on equity prices. We are in a very unusual time, experiencing simultaneous bear markets in both bond (first in 76 years) and equity.

As always – an investment strategy is a long-term initiative, and performance must not be considered based on short term variables.

FUND YEAR- END REPORT

Look out for our report on your fund's financial year after the audit is completed. This feedback will vary between different 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

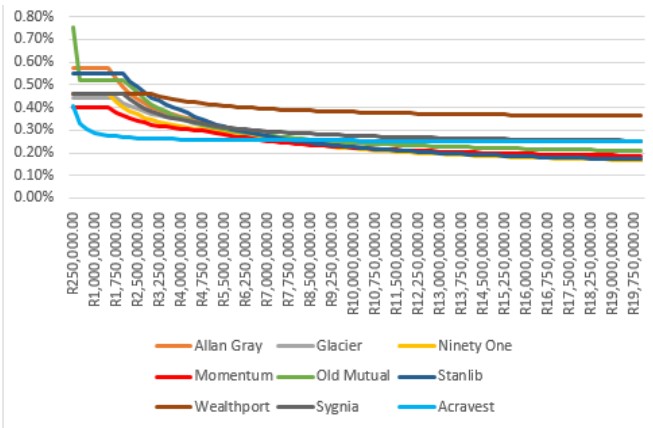
Fees represent one of items that can prove to be really costly for an annuitant over the long term. Make sure that you get the best value for money when choosing your retirement income provider.

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

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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