

## IMPORTANT REMINDERS TO MEMBERS/INVESTORS



- 1. Beneficiary Nominations:** It's crucial to keep your beneficiary nominations updated for both your fund and risk insurance cover as life events occur. **If you do not submit a beneficiary nomination, insurance companies will pay your death and funeral benefits into your estate.**
- 2. Continuation Option for Life/Disability Cover Post-Retirement or Resignation:** Make sure you are aware of the requirements for notifying the insurance company in advance if you plan to continue your insurance after leaving employment. Some insurers require notice before age 65 for life cover and age 60 for disability cover. Contact your Fund Advisor or Acravest for clarification.
- 3. Exceeding Free Cover Limit:** If your potential risk cover indicated on your benefit statement exceeds your free cover limit, and you have not provided medical evidence of your health to the risk insurance provider, please contact Acravest. Providing evidence of your good health ensures your cover is not limited to the free cover limit.
- 4. Annual Review:** Realign your saving strategy with your long-term savings goals annually. Use the Acravest mobile app to define your goals and track your progress each year.

## THE RETIREMENT FUND LANDSCAPE: TWO COMPONENT SYSTEM IMPLEMENTING ON 1 SEPTEMBER 2024

Starting 1 September 2024, the member record for each active retirement fund member will be updated to include a new Two Component system. Currently, your member account comprises two components: the Vested Component and the Non-Vested Component. On this date, two new components will be added: the **savings component** and the **retirement component**.



On 1 September 2024, 10% of your accumulated benefit as of the end of August 2024 (up to a maximum of R30,000) will be transferred into your new **savings component**. This initial transfer is known as "Seeding Capital."

From now on, you can make one withdrawal per tax year (1 March to 28 February) from your **savings component**. The minimum withdrawal amount is R2,000, and it is limited to the balance in the Savings Component. Withdrawals will be taxed at your annual tax rate, and the South African Revenue Services may require the Fund to deduct any outstanding taxes from your withdrawal amount. Each withdrawal incurs a transaction fee of R50 plus VAT, subject to annual inflation adjustments.

To withdraw funds, submit a standard cash withdrawal request along with the required documentation via email to [admin@iretire.co.za](mailto:admin@iretire.co.za), or through the Acravest Mobile App. The request form will be available on the Acravest App and website ([www.acravest.com](http://www.acravest.com)). Processing time for withdrawals is 14 working days, provided all documentation is accurate and complete.

After 1 September 2024, your contributions (after costs and insurance premiums) will be split:  $\frac{1}{3}$  into the **savings component** and  $\frac{2}{3}$  into the **retirement component**. Your investment strategy will remain unchanged across all components.

Funds in the **retirement component** will grow until retirement and can only be accessed as a life-long pension.

If you leave employment before retirement, the funds accumulated by 31 August 2024, minus the Seeding Capital transferred to the **savings component**, will be available for cash withdrawal. The balance in the **savings component** can also be withdrawn if the annual withdrawal has not yet been made. The **retirement component** funds must be preserved for retirement, either in the current fund or transferred to another Approved Fund.

Upon retirement, funds accumulated by 31 August 2024, minus the Seeding Capital, will partially be available for cash withdrawal. This includes the full **vested component** and  $\frac{1}{3}$  of the **non-vested component**. The Savings Component balance can also be withdrawn if the annual withdrawal has not been made, or it can be added to the Retirement Component to be converted into a compulsory lifelong pension.

Members who were part of a **Provident Fund** and were over 55 on 1 March 2021 can choose to participate in the **Two Component System**. These members will be contacted in October 2024 to decide whether to switch to the new system or remain under the **Provident Fund** status until retirement. The change will take effect on 1 November 2024, with the Seeding Capital transfer occurring at that time.

A one-time fee of R100 plus VAT will be charged to all members to compensate the Fund's Administrator for implementing the Two Component system.

A video explaining this theme is available at: [youtu.be/LfQAFi6nTy4](https://youtu.be/LfQAFi6nTy4)

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## 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.

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## INVESTMENT STRATEGY PERFORMANCE IN A NUTSHELL

Refer to Annexure A hereto.

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## FUND YEAR-END REPORT

Year end 31 August 2024: This topic will be included in the next bulletin.

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## DEFAULT OPTIONS FOR YOU AT RETIREMENT OR RESIGNATION

**Living annuity at retirement:** Your trustees have carefully selected the AcraVest living annuity as your default retirement option. Discover more about this exceptional product available to you as you reach retirement.

Moving your funds into the **AcraVest Living Annuity** offers a versatile income solution for your retirement. Each year, you can choose your monthly income level according to your financial needs and available capital. This income is adjustable annually, ranging from a minimum of 2.5% to a maximum of 17.5% of your invested capital.

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### Platform Costs

Fees can significantly impact your long-term retirement income. Ensure you get the best value for your money when selecting your retirement income provider.

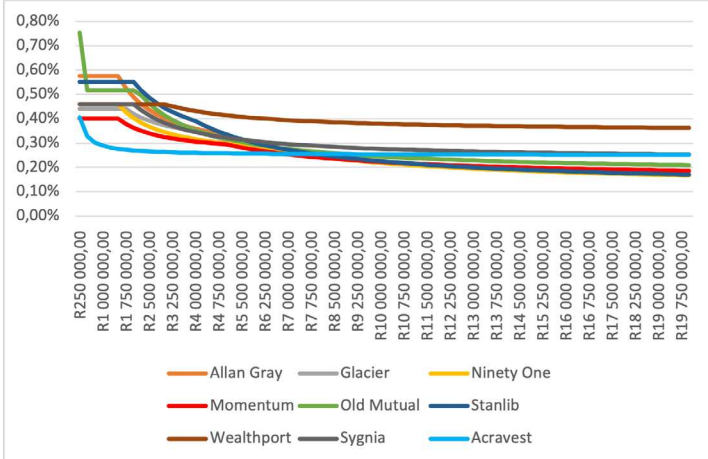
The graph below illustrates a comparison of AcraVest platform fees against the rest of the market. **AcraVest currently offers the lowest cost for capital invested** up to R7 million. Beyond this amount, the costs are reasonably aligned with the market.

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### Diverse Investment Strategies available

Achieving stable and sustained investment growth requires aligning your investment choices with your income needs.

On the AcraVest platform, you have access to a selection of investment managers, each offering 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](http://www.iretire.co.za/questions)

## 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:



[communication@iretire.co.za](mailto:communication@iretire.co.za)



(081) 262 8430



[complaints@iretire.co.za](mailto:complaints@iretire.co.za)

# ACRAVEST BULLETIN

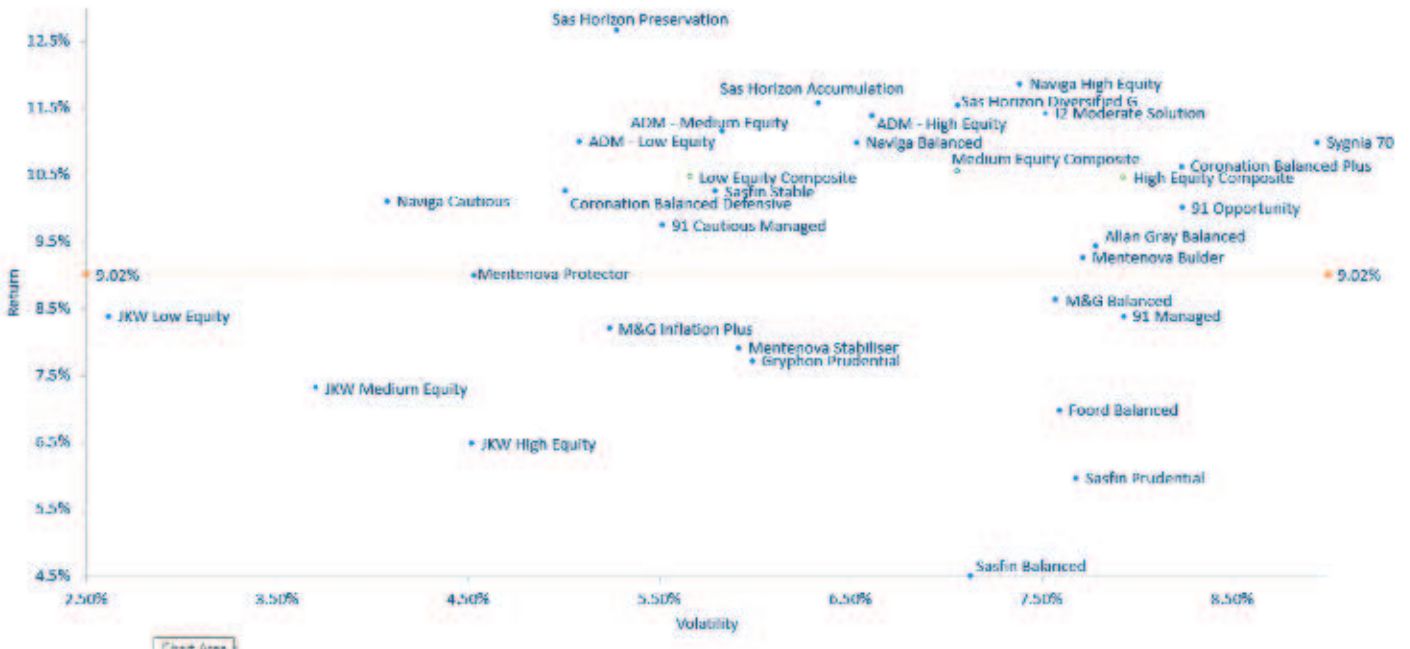
9<sup>TH</sup> ISSUE - AUGUST 2024

## ANNEXURE A: YOUR INVESTMENT STRATEGY PERFORMANCE IN A NUTSHELL

Risk / Return Graph 5 Years up to June 2024



Risk / Return Graph 1 Year up to June 2024



## Interpret the graphs above

- The graphs reflect a 5-year and a 1-year measurement period, ending 30 June 2024;
- Vertical axis = annual growth achieved;
- Horizontal axis = risk (volatility or market value fluctuation, measured);  
Note that these are long-term strategies, therefore you should add more weight to longer-term performance when comparing performance.
- Strategies are designed to attract risk/volatility:
- The strategies referred to as "Composites" reflect benchmarks designed by your investment committee, each with a different risk budget: low equity = low risk (Trending towards the left of the graph); medium equity = medium risk (Trending towards the middle of the graph); high equity = high risk (Trending towards the right of the graph);
- The dotted line shows the medium-term (4 years) risk-free rate: Government Bond - R186 (2026)

We publish investment performance in this manner, in order for you to get an understanding of **investment performance from different investment strategies**, and for you to see **how your strategy of choice performs relative to other strategies**. The information is not provided to motivate switches between strategies. Your employer/advisor selects the optimal strategies for you.

- Some of the strategies are new to our platform and will reflect in the graphs as soon as it reaches the measured period on our platform. The reason for this is that the platform independently calculates performance (after management cost) and risk. We need full year cycles of data to present meaningful information.