



## PRINCIPLE OFFICER REPORT



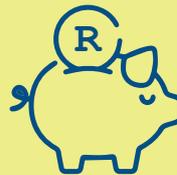
In the latest report from the principal officer, the principal officer discussed key themes that has affected retirement funds, or are going to affect retirements in the future.

### Reflection on interventions from the FSCA in 2019



- Regulations
- Directive 8
- Guidance Notice
- Conduct standard issued
- Comment

### Retirement savings



The Board of Trustees noted that from the information available to the Board, members in general do not save enough for retirement.

## NOTE TO EMPLOYEES

### When leaving employment:

1. You can still see your fund value on the Acravest App.
2. Please complete notification of withdrawal document.
3. Please note that your final contribution needs to occur before we can start processing a claim.



## NOTE TO EMPLOYERS

### Overs & Unders



Please ensure when doing payments that the amounts are correct – we cannot process any contributions when there is an underpayment.

## INVESTMENT & ECONOMIC FEEDBACK



Global economies are expected to experience a moderate slow down in growth over the next year while the South African economy is still struggling to show positive growth .



The investment managers appointed in the Fund produced good returns relative to their peers in the industry.



Long term growth targets set for the investment portfolios have still not been reached.



The Funds' investment committee is satisfied with the performances delivered by the appointed investment managers in the Fund.

## ACRAVEST MOBILE APP



If you are unable to log in – please make sure you have the latest update installed.



## PRINCIPAL OFFICER REPORT

In the latest report from the principal officer, the principal officer discussed key themes that has affected retirement funds, or are going to affect retirements in the future, please find these themes list below – for further reading, you may download the full report from our website: [www.iretire.co.za/newsletters](http://www.iretire.co.za/newsletters)



### Reflecting on interventions from the FSCA: 2019

- Regulations:
  - The default regulations (Pension Funds Act), became active on 1 March 2019.

Through default regulations members now have access to Board of Trustee designed investment-, preservation - and annuity options as well as counseling from the Fund. The regulations aim to protect members against high costs and bad advice.
- Directive 8:
  - Prohibition on acceptance of gratification.

This directive improves governance over member interests by ensuring objective deliberation on matters relating to the management of the Fund.
- Guidance notice:
  - Sustainability of investments.

This guidance note encourages trustees to look at more than risk and return on investments in their decision making, and add impact of those investments on the environment as a consideration
- Conduct standard issued:
  - Minimum skills and training requirements for Board members of Retirement Funds.

The regulator aims to improve the standard of governance of retirement funds through the introduction of minimum skill levels for members of Boards of Trustees.
- Commentary: FSCA 2019 conference
  - Consolidation of retirement funds, diversity, costs, value proposition and transparency.

The Regulator aims to tailor the supply side of the industry into a more consolidated range of product offerings and providing an enhanced value proposition to members.
- Legislation development
  - A draft version of the Conduct of Financial Institutions Bill was published for comment in December 2018.

This bill addresses the standards for client services across the whole financial services industry. Standards for retirement fund service delivery to its members is also included.

## Retirement Savings:

The Board of Trustees noted that from the information available to the Board, members in general do not save enough for retirement. The Board would like to emphasise that it is critical for members of the Fund to be aware of their savings goals and potential shortfall in capital at retirement. Members are urged to utilise the Acravest Mobile App, referred to elsewhere in the newsletter, to establish what their status is in terms of potential shortfall at retirement. The calculator on this APP allows members to add other savings to ensure a realistic outcome. The APP also gives an indication of steps a member can take to ensure expectations for retirement are realised. Please note that best results in terms of adequate savings at retirement are achieved if you start managing your retirement saving strategy early in your life. This activity is a member's responsibility and the Fund strives to provide members with tools such as the APP to support this activity. You may contact Acravest in the event that you need some guidance with this activity.

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## INVESTMENT & ECONOMIC FEEDBACK



International economies are expected to show a moderate slow down in growth in the next year. The South African economy is still struggling to get a positive growth story going. Growing economies normally present investors with growth opportunities to be invested in. These opportunities become scarce in declining economic growth conditions.

Although South African companies have large cash reserves, it is important for Government to stimulate conditions that will lead to increased confidence and policy certainty for these monies to be invested in the local economy. We are confident that these conditions are in the making by the Ramaphosa team.

The investment managers appointed in the Fund produced good returns relative to their peers in the industry. Long term growth targets set for these portfolios are still not reached, as the market in which they invest, do not present growth opportunities that can be expected when compared to the amount of risk taken by investing in these markets. Skillful managers, however are finding asset classes that enhance performances delivered by these managers.

The Funds' investment committee is satisfied with the performances delivered by the appointed investment managers in the Fund.

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## CONTACT US

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