

Retirement



# Alexander Forbes Retirement Fund

Better retirement outcomes through our umbrella fund



[alexforbes.com](http://alexforbes.com)

**alexforbes**

insight • advice • impact

# Who we are

## Is improving employees' lives your competitive advantage?

Our lives have been forced to adapt to a world that is constantly changing. Making the most of their finances is becoming more stressful for more people. Think about what that should mean for retirement funds, for employee benefits. They need to adapt just as quickly, because long-term saving is more important than ever.

Let's face it, employees need more than just a retirement fund. So, retirement funds need to be more than just about retirement savings and income. They need to understand that employees are often more focused on their immediate needs. Especially when life happens ...



By providing collective advice and personal lifecycle solutions for the things your employees plan for, when their life changes, or when the unexpected happens, the **Alexander Forbes Retirement Fund (the fund)** takes into account your employees' real and immediate needs, without compromising their long-term objectives. This means improved financial security, mental and physical health, and work productivity. And for you, it means better business.

This umbrella fund solution is brought to you by the leaders in employee benefits. One of the main advantages of an umbrella fund is that every member can benefit from strength in numbers.

In addition, the fund has a pension and provident section with four service offerings, which means that there is a solution for every size company.

### With the fund, there are no:

- take-on costs for joining
- transaction-based fees
- actuarial services fees
- charges for employer and member communications
- switching costs (daily switching is permitted and investment portfolios are unitised daily)

### This is what you get:

A wide choice of underwriters of insured benefits, which ensures access to the best terms and conditions available in the market.

- Cost-effective and holistic administration consulting, communication, and actuarial services
- A partnership with innovative industry leaders at the forefront of employee benefit trends
- A large provider of multimanager-based products and portfolios in South Africa
- A multi-level consulting approach

## Where business and technology meet ...

Our ground-breaking Khulisa program has digitised our manual claims, contributions (bills) and section 14 processes, taking our business from manual and paper-based to automated and digital. This has resulted in maximum efficiency, better control and reduced risks for clients, members and our administration team.



# Plans at a glance

Choose the best to suit your business

This section gives you an overview of the difference between the Core, Comprehensive and Customised retirement fund offerings.

There are three plans available to choose from:

## Core

This plan is best suited to small schemes looking for a cost-effective fund

## Comprehensive

This plan is best suited to medium to large schemes that value flexibility

## Customised

This plan offers a framework for very large schemes looking for a bespoke solution

## The fund:

- has been operating successfully since 1997
- is a defined contribution fund
- is managed by six professional trustees - three of whom are independent, including the chairman
- is administered by us
- uses our consulting services
- has an independent principal officer

# What you and your members can expect to get from the fund

## As a participating employer, you get a multi-level consulting approach

A multi-level consulting approach means that each client is allocated a team of professional consultants. The consultants are responsible for providing day-to-day assistance using financial tools that provide clients with valuable insights on how their members are doing financially.

This empowers clients to make informed decisions around increasing retirement ages or contribution rates, resulting in enhanced retirement outcomes for members.

## Value-added pricing

Our pricing incentive is strategically designed to encourage the use of digital engagement channels to drive efficiency. Increased efficiencies and better data allow for improved monitoring and better outcomes for you, the employer, and your members:



We will monitor the degree of usage of the digital channels. If usage or compliance drops, notice will be given that the fee will revert to the pre-discount rate in six months' time, unless usage reverts to the agreed upon levels.

If usage doesn't return to the levels agreed on in your application, the pre-discount fees will apply until usage eventually reverts. At this time the discount rate will apply again in the subsequent half-year fee review.

## Core

All employers or management committees must choose a **default investment strategy** for their members. The trustees' default investment strategy on the fund is the AF Balanced Goals-based LifeStage model. We will assist all new clients joining the fund in making this decision at the outset.

The employer or committee can opt out of the fund's default investment strategy and can choose one of these as the management committee default:

- any of the AF Goals-Based LifeStage models (Balanced, Specialist or Passive) or
- Shari'ah High Growth or Shari'ah Medium Growth
- AF Retirement Navigator portfolio

Members can opt out of the employer or management committee default strategy selected by the employer and invest in the other active portfolios.



## Comprehensive

All employers or management committees must choose a **default investment strategy** for their members. The fund's default investment strategy is the the AF Balanced Goals-based LifeStage model. We will assist all new clients joining the fund in making this decision at the outset.

The employer or committee can opt out of the fund's default investment strategy and choose from the options below:

- AF Goals-Based LifeStage models (Balanced, Specialist or Passive)
- Shari'ah High or Medium Growth portfolios
- AF Retirement Navigator portfolio (see page 9 for details)
- Clarity™
- Management committee choice investment strategy from the range of portfolios approved by the trustees

If the employer or management committee chooses the management committee choice investment strategy as their investment choice, then our investment advisory team will help with the investment strategy unless

only one portfolio is used and this portfolio is likely to meet the fund's replacement ratio target. It will be compulsory for our investment advisory to help the client if:

- a combination of portfolios is used
- single asset managers are used
- a portfolio is chosen that will not be likely to meet the replacement ratio target

Members can opt out of the employer or management committee default strategy selected by the employer and invest in the other active portfolios.

### Clarity™

Clarity is only available on the Comprehensive service offering and only as the management committee choice. Members cannot opt into it if their employer has not selected it as the management committee choice.

Clarity creates a personalised retirement investment strategy for each member, taking into account specific retirement income goals for each member (as defined by the fund trustees on behalf of the members).

Clarity uses the following information to create a personalised retirement investment strategy:



Members can opt out of the default investment strategy selected by the employer or management committee and can choose to invest in an investment strategy of their choice. The management committee can also choose Clarity as their default investment option by using the following information:

**Note:** These are the management committee investment choice.

AF Goals-based LifeStage Model portfolios	Multimanager portfolios	Balanced single manager portfolios
AF Balanced High Growth	AF Passive Moderate	AFRF Allan Gray Classic Balanced
AF High Growth	AF Retirement Navigator	AFRF Coronation Fund Managed II
AF Passive Bold	AFRF Accelerator	AFRF Coronation Managed I
AFRF Flexible Income Target	AFRF Banker	AFRF Foord Asset Management
AFRF Houseview Income Target	AFRF Conserver	AFRF M&G
AFRF Inflation Income Target	AFRF Performer	AFRF Ninety One Cautious Managed
AFRF Passive Houseview Income Target	AFRF Real Return Focus	AFRF Ninety One SA (Pty) Ltd
	AFRF Shari'ah High Growth	AFRF PSG Global Balanced
	AFRF Shari'ah Medium Growth	
	AFRF Spectrum	
	AFRF Stable Focus Combined	



## Member investment choice

Members can choose to invest in any of the management committee investment portfolios as well these two additional multi-manager portfolios:

- AF Explorer
- AF Passive Explorer

## About the AF Explorer portfolios

The AF Explorer portfolios allows members to invest close to the maximum amount offshore which is currently 45% (including Africa).

These portfolios are aimed at members who are still in the growth phase of their retirement journey who understand and can remain patient through investment market volatility.

## Alexander Forbes Retirement Navigator

AF Retirement Navigator was developed by Alexander Forbes Investments in partnership with registered insurer. It aims to help members **grow their investment**, while at the same time **managing the ups and downs** of returns over short periods by smoothing the **investment returns** that they earn. This smoothing takes place by using a formula determined by the insurer that keeps some of the returns back in the good months to give back in the bad months:

- If the underlying investment value rises, the full investment returns may not be allocated. Some returns may be held back to smooth the returns for when the underlying investment value falls.
- If the underlying investment value falls, the portfolio will cushion this impact to some

extent by not allocating the full drop in investment value.

The trustees and fund actuary reviewed the formula used for the smoothing and believe it is a fair and reasonable basis for achieving the smoothing of investment returns.

While the investment returns in the portfolio are **smoothed**, the underlying market value is **not guaranteed** and will still move in the direction of the market. [Click here](#) for the full AF Retirement Navigator Portfolio brochure.

## Flexible insurance offerings

### Note:

Even though other insurers are not signed up to our standard mandate, we can still place business with them. Flexible insurance arrangements available on the Core, Comprehensive and Customised offerings.

**Capital Alliance**  
**Hollard**  
**Old Mutual**  
**Sanlam**  
**Momentum**



## Customised

The customised option provides a framework for employers and management committees who want to personalise the retirement fund's investment offering to suit their own unique needs. Customised is an ideal umbrella fund solution for you if:

- You are a large organisation with at least R300 million in existing retirement fund assets.
- You prefer overall flexibility to structure the retirement and risk benefits according to the preferences and the needs of your employees.
- You want to be able to customise the retirement fund's investment offering to suit your own unique objectives.
- You value the expertise, relationships and support of your existing third-party service providers.

You want peace of mind knowing that your employees' retirement outcomes is with a fund that keeps you in control and is aligned with your interests.

## AFRF Customised lets you decide what works for you and be confident in the path taken

Investments	Insured benefits	Communication	Death claims	Valued relationships
<p><b>Customise</b></p> <p>Lifestage models</p> <p>Investment strategies</p> <p>Asset manager mandates</p>	<p><b>Flex</b></p> <p>Competitive and appropriate offerings presented by all insurers</p> <p>Standardised T&amp;Cs or specifically negotiated for you</p>	<p><b>Tailor</b></p> <p>Funds-specific communication</p> <p>Co-branded communication</p>	<p><b>Control</b></p> <p>Active involvement in recommending death benefits distribution</p> <p>Collaborative partnership to achieve a fair and informed final determination</p>	<p><b>Continue</b></p> <p>Cost contingency reserves to accommodate and retain your trusted service providers</p>



The fund is not obligated to or biased toward any single insurer. In terms of insured benefits - for example, death, disability, dread disease and funeral benefits - these insurance arrangements are provided through a group of four selected insurers under standardised terms and conditions specifically negotiated for our clients.

By approaching a number of insurers, we can offer the most competitive rates. Our recommendations to clients are driven by the most competitive and appropriate offerings presented by all insurers.

We review the costs of these policies every three years and insurance arrangements can be moved to insurers providing the most competitive rates.

Insured death and disability benefits are available in addition to retirement savings on the **Core, Comprehensive and Customised plans**.

# Alexforbes Rewards

## is a big deal! and there's no subscription fee

### Here's what members get:

#### Supermarket coupons



The supermarket coupon solution features discounts on these products from some of the leading supermarket chain stores.

Shoprite, Checkers, Checkers Hyper, and Pick n Pay

#### Wellness coupons



The wellness coupons offer the perfect balance of products and services to create a truly customised wellbeing solution.

Members will save money every time they buy selected products and services at any Dis-Chem pharmacy nationwide.

#### Airtime deals



Members can stay connected with convenient access to airtime at discounted rates.

Members can speak to friends and family for longer by topping up their balance for less using any of these networks:



#### Travel deals



For superior rates on all holiday travel requirements.



We have partnered with Randgo, a digital shopping mall, to offer valuable savings and discounts on everyday products and services. The benefit partners and discounts are updated monthly for a truly dynamic and exciting online shopping experience. One platform, leading brand names, multiple benefits. It makes perfect rands and sense!



Smart shopping tips:

- > Only if we have the member's ID or passport number will they be able to access Alexforbes Rewards. Benefits are only available to members residing in South Africa.
- > Accessing the benefits: the Digital Mall is directly available on the **website**. Members can access the discount partners on USSD \*120\*9006# through a call me back option. Supermarket, wellness, airtime and travel deals are available on both the Digital Mall and USSD. And, there's a much wider range of benefits available on the online platform!
- > Members stand a chance of winning prizes for downloading vouchers!

## Access to information

Members can access accesses and receive fund information through the different digital channels:

### AF Connect



Enjoy the online platform, which gives you access to:

- > Personal details
- > Benefit statements
- > Investment portfolios and balances
- > Investment product details
- > Personalised product and portfolio management
- > Claims summary and status
- > Fund fact sheets

### AF Mobile App



Enjoy the 'on the move' experience, which gives you access to:

- > Investment balances
- > Benefit statements
- > Fund fact sheets
- > Personal details
- > Investment portfolios
- > Nomination of beneficiaries form

### WhatsApp



Use WhatsApp self-service, which gives you access to:

- > Benefit statements
- > Latest tax certificate
- > Claims summary and status
- > Register on AF Connect or reset password
- > Learn more on specific topics



## My Money Matters Toolkit

No matter members are in their journey; starting a new job, leaving a Alexforbes, retiring soon, or just trying to achieve their financial goals?

Our My Money Matters Toolkit provides guided decision journeys for important financial decision moments during your working life and beyond. Our aim is for every person to make informed financial choices and access the support they need to make decisions that are right for them.



## Options on leaving the fund

On leaving your employ, your members can preserve their money in our in-fund preservation option or our Alexander Forbes Retirement Income Solution (AFRIS) preservation fund. They are not limited to these options - they may also choose an external solution if that's their preference.

### In-fund preservation

The in-fund preservation option is easy to understand. If your members are not sure what to do with their retirement savings if they change jobs or get retrenched, they can simply leave their money in the fund until they know what to do with it.

### AFRIS preservation fund

The AFRIS preservation fund also provides your members with a way to protect their retirement nest egg if they are joining a new fund and don't want to preserve 'in-fund'. They can use the fund as an external preservation option for their retirement assets, which allows their assets to sit outside their current occupational fund.



## Keeping their money in our fund benefits your members in two ways:

**Investment options are the same or similar as those in the fund:**

Members can stay in the same or similar investment strategy that they had during their employment.

**It's cost effective:**

Investment fees in the fund are lower than most members could access by themselves. Over longer periods, lower fees can improve the retirement outcomes for members.

## Options on retiring from the fund

On retiring, your members can get a **living annuity** from the fund. They are not limited to these options – they may also choose an external solution if that's their preference.

### AFRIS living annuity

A living annuity allow members to decide how much money to draw each year as an income. Even though this gives them flexibility, they could run out of money if they draw too much too soon – it isn't guaranteed.

The AFRIS living annuity is also a hybrid fund solution. It combines the benefits of a living annuity and a life annuity by allowing the flexibility of pension income, leaving a legacy for beneficiaries and providing a guaranteed income.

### Alexander Forbes (JuLI SecureGro) with-profit annuity

A with-profit annuity guarantees your members an income for life, no matter how long they live or what happens in the investment markets. Their monthly income will not grow smaller. This gives them certainty for the rest of their life.

## Enhanced retirement benefit counselling



### What is eRBC?

It's a powerful value-add that we offer and we've seen results that prove that this solution works.

### How does it work?

We contact members when they join, leave or retire. These milestone moments are key to helping members understand the benefits of their retirement fund and the options available to them at the various milestones.

Enrolling in eRBCs enables the fund to contact members to help them understand their retirement fund benefits.

We have seen an increase in preservation rates of clients who have signed up for this solution.

## Communication - how we keep you up to speed

We keep in touch with your members on a regular basis.

### 1. Welcome

- Welcome letter
- Member presentation (depending on offering)
- Membership certificate
- Member booklet
- Access to AF digital platforms (members must register)
- Investment booklet

### 2. Quarterly

- Trustee newsletter
- Investment statements (depending on offering)

### 3. Ongoing

- Empower - online learning platform
- Call centre and walk-in centre
- Brochure: Options when members leave the fund
- Pre-retirement seminars
- AF Connect - online access to fund values and benefit statements and more
- AF Mobile app and USSD
- My Money Matters contact centre
- Enhanced retirement benefit counseling (where applicable)
- WhatsApp self-service facility

### 4. Yearly

- Investment statement (depending on offering)
- Benefit statement
- Projection statements
- Trustee report
- Retirement income statement

### 5. Leaving

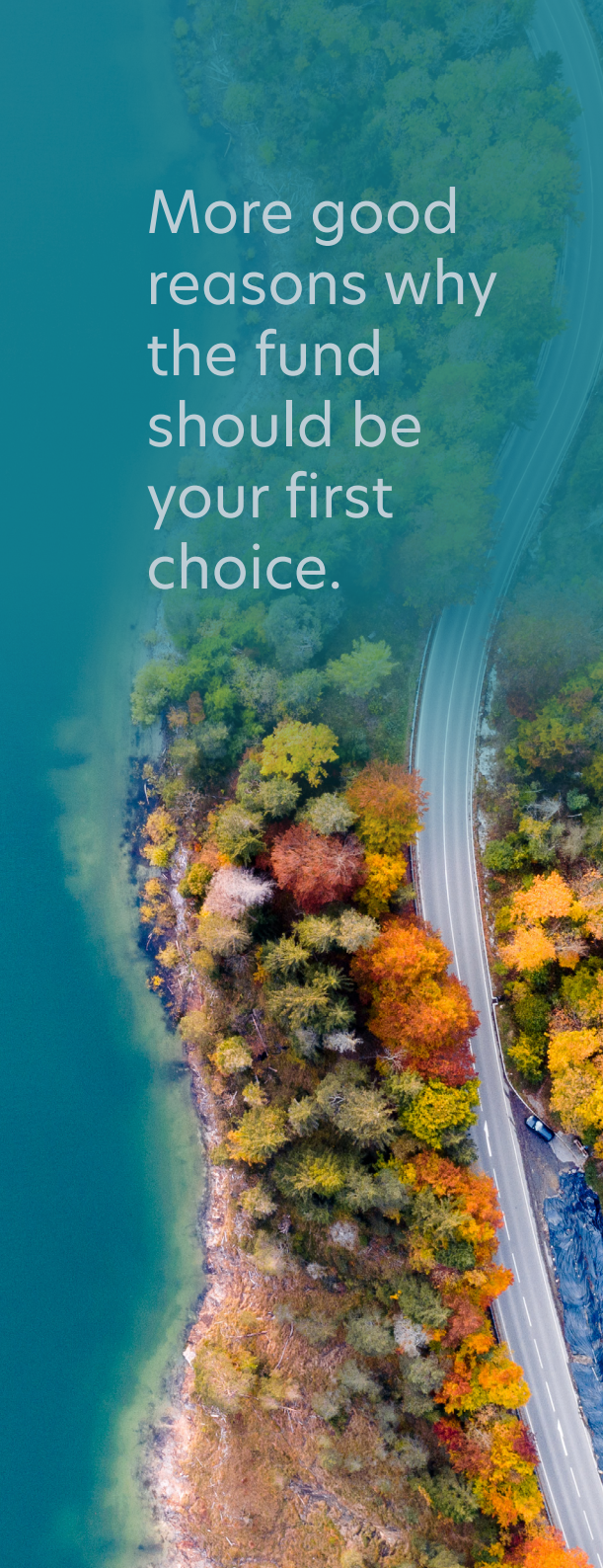
- Withdrawal communication
- Digital exit process (email address required)



## Communication with management committees

Plan	Comprehensive and Customised	Core
<b>At the outset</b>	Service level agreement	Service level agreement
	Special rules	Special rules
	Administration manual	Administration manual
<b>Six-monthly</b>	Formal management committee meetings with dedicated consulting team (if selected by the employer)	
	<b>Fund reporting:</b> <ul style="list-style-type: none"> <li>• Cashflow</li> <li>• Enhanced financial analysis</li> <li>• Admin report</li> </ul>	
<b>Yearly</b>	Formal meetings with a dedicated consulting team	Annual renewal meeting
	<b>Fund reporting:</b> <ul style="list-style-type: none"> <li>• Cashflow</li> <li>• Enhanced financial analysis</li> <li>• Admin report</li> </ul>	Annual administration report provided at scheme anniversary
<b>Other communication</b>	Technical and legal updates	Technical and legal updates
	Education and wellness programme with dedicated resources	
	Alexforbes Hot Topics	Alexforbes Hot Topics
	Management committee training	Management committee training
	AGM	AGM





More good reasons why the fund should be your first choice.

### Partner with the best

- PMR.AFRICA Diamond Arrow winner for 15 years in a row (Consulting and Actuarial Firms)
- PMR.AFRICA Diamond Arrow winner for 15 years in a row (Pension Fund Administrators, Consultants, Product Providers and Insurers)
- RGA prize for best paper 'Mortality Improvements in SA: Insights from Pensioner Mortality' - Actuarial Society of SA 2020
- Best Investment Survey Provider 2020 - Africa Global Funds 2020
- The South African Payroll Association Awards 2020 - 1st Place - Alexander Forbes SAPA Awards 2020

### Governance

- Separate bank account per participating employer for Comprehensive and Customised plans
- Access to top underwriters and asset managers
- Three-tier framework:
  - Six trustees, three independent (including the chairman), independent principal officer
  - Management committee (equal employer and member representation)
- Annual general meeting

### Administration

- We are the first administrator in South Africa to have achieved an unqualified ISAE3402 Type II report
- This is the eighth time we have achieved an unqualified ISAE3402 (previously SAS70) audit. The audit gives our clients peace of mind that our total infrastructure has been interrogated and is continuously being tested to the highest standards

### Investments

- Only group in South Africa that is independent of asset managers. This allows us to package portfolios using the best asset managers in the country
- Access to global manager research through Mercer
- Default portfolio is the Alexander Forbes Balanced Goals-based LifeStage Model

### Value-added services

- Member education and support services
- Trust services



# Connect with us

Please speak to your consultant for more info.

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## Alexander Forbes Retirement Fund

Financial Sector Conduct Authority registration number: 12/8/34768 (Pension section) | 12/8/34766 (Provident section)

These businesses are licensed as follows:

- Alexander Forbes Financial Services (Pty) Ltd administers the fund (FAIS licence number 1177, company registration number 1969/018487/07 and pension fund administrator number 24/331).
- Alexander Forbes Investments Limited manages the investments in the fund and is a registered insurer (FAIS licence number 711, company registration number 1997/000595/06, pension fund administrator number 24/217 and insurer number I155).

This information is not advice as defined and contemplated in the *Financial Advisory and Intermediary Services Act, 37 of 2002*, as amended.

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