

Retirement

AF Access Retirement Fund **newsletter**

Issue 4 for 2024



alexforbes.com

alexforbes

insight • advice • impact

Secure your tomorrow today

Welcome to the last issue of the AF Access Retirement Fund newsletter for 2024. This newsletter shares important fund information and updates you with the latest news in the retirement fund industry. We want to empower you so that you can understand your fund and build a better financial future for you and your family.



A good retirement is in your control, **and it's achievable**

2

Debunking common **two-pot myths**

4

Seven top tips for 2025

5

The **regulars**: quick links and our noticeboard

7

Investment returns to 30 September 2024

8

Your retirement outcome is in your control and **it is achievable**

It's common for retirement fund members to believe that if they are young and part of a good retirement fund, that's all they need to retire comfortably one day. Although this is not entirely true, **the good news is that there are extra steps that you can take today**, to turn your retirement dreams into reality.





Connect with a financial adviser

Sometimes we postpone discussions, but it doesn't mean we aren't thinking about the economy or our personal finances. Ignoring these tough conversations can have negative outcomes. Most of us need help making financial decisions that are right for us and our own unique circumstances. Here are some of the questions you should ask your financial adviser:

Am I saving enough for my retirement?

Am I invested in the right portfolio?

How can I plan for my kids university fees?



Make sure you are maximising all your employee benefits

Your employer may be offering you employee benefits, but you may not realise what these benefits are, or the value they could provide. The past couple of years have been tough on families, businesses and the world in general. Some employee benefit programmes go beyond offering a savings product and financial advice. Medical aid, life, critical illness, funeral and disability cover, and counselling for mental and emotional distress, may all be included in your package.

These are designed to help you manage your personal and financial well-being, and live within your means.



Avoid cashing in your retirement savings

We all know that this can be tempting, especially if you want to pay off some debt. However, low preservation rates when changing jobs and low contribution rates are two of the main reasons members are not achieving a comfortable standard of living in retirement. Save as much as you can for as long as you can – even when the option to make withdrawals is available through the two-pot system. Let compound interest (earning interest on interest) become your bestie!

Assuming you **start work at age 23**

retire at 65 and live to 87

you could earn **504* months of salaries** before retirement and would need to

pay yourself **264* months of salaries** in retirement.

Do you have a good plan in place to make sure you get that right?

*These numbers are based on assumptions. Please speak to a financial consultant about a retirement plan that will meet your retirement needs.



Regularly review your 'financial status' by checking your annual benefit statements

The fund makes it easy for you to review your retirement savings status so that you can monitor progress against your retirement plan. You can enjoy access to your retirement savings values and benefit statements, 24/7, and update or complete your nomination of beneficiaries form online **via AF Connect**.

Top tip:

Remember, the right kind of planning, at the right time, will determine whether you have a happy retirement or one with financial worries.

Whether you are

40

10

or even

5

years from retirement,

Take action today to make sure you've done more than just belong to a retirement fund.



Debunking common two-pot myths

Since the two-pot system was implemented in September 2024, it has left many retirement fund members in a spin. Here is a list of some of the most common myths about two-pot and the truth, to help you navigate your way through this new way of saving for retirement.



The myth:

I have to withdraw my money now otherwise I'll lose the opportunity to withdraw.

The truth:

Two-pot is here to stay, there's no rush to withdraw your money. You can make a withdrawal from your savings pot as and when you need it for emergencies. If you do not withdraw from your savings pot the balance will continue to grow each year, and can be withdrawn at any time in the future. You are however limited to one withdrawal between 1 March and 28 February each year.



The myth:

My savings pot will be topped up every year.

The truth:

The seed capital transfer was a once-off event and won't happen again. One-third of your monthly contributions from 1 September 2024 will go into your savings pot. Your monthly contributions are now increasing the amount in your savings pot.



The myth:

My employer didn't pay contributions so my once-off seed capital allocation was less than it should be. My savings pot will be topped up with the amount that should have been transferred.

The truth:

Your seed capital transfer was calculated based on the amount you saved on 31 August 2024. No extra money will be transferred to your savings pot for the late contributions. When received, any arrear contributions on 31 August 2024 will be allocated to your vested pot.



Remember:

The board of trustees understands that emergencies happen but withdrawing from your savings pot should be the last resort. Your retirement savings are for you at retirement. You can check your retirement savings balance from time to time to:

- > make sure you're on track, and
- > have peace of mind that your contributions have been paid.

You can view your balances online using **AF Connect**.



The myth:

Splitting the money between the savings pot and retirement pot will lower investments returns.

The truth:

Although your retirement savings are split across the two pots, it does not affect how your money is invested. Investment returns are allocated to the savings in each pot, and are based on the amount saved in each pot and your portfolio of choice.



Remember:

It's important to complete all the information on the withdrawal claim form. This speeds up the verification process.



Seven top tips for 2025

The new year is just around the corner. And with a new year, comes new year resolutions. If you haven't considered what your goals for 2025 will be, here are some suggestions to help get you started.

Tip

1

Make more time for family and friends

Loved ones, friends and family are important, and these relationships should be nurtured, preserved and strengthened year after year. Set aside quality time to spend with your loved ones or those who bring a smile to your face – it's good for your health and general state of mind. Avoid burnout and unnecessary exhaustion by taking regular 'breakaways' in 2025. They don't need to be long – just regular. Your physical and mental well-being is just as important as your financial health. Put some money aside monthly and save towards a 'mid-year weekend breakaway' with your family to recharge your batteries.

Tip

2

Kick debt into touch

Debt is one of the major reasons why we just can't seem to get ahead! It kills all aspirations of reaching financial freedom. If you have debt, try to squash it as far as possible. Rather invest or save for an item instead of accumulating more debt. Sure, some debt is unavoidable but as far as possible be careful and don't let this area of your life spiral out of control. If you are in a position where you would like to reduce debt and increase savings, it's a good idea to engage with a debt solution service (which in many cases is included in an employee assistance programme).



Tip

3

Invest tax free

There are many ways to save tax and there are some really smart investment products to help you invest tax free. A tax-free savings account is possibly one of the best investment options of our time. Not only do you not pay a cent in tax on your investment growth, but you also have the power to generate an income that you can live off one day that will not be taxed! Why would you not want one as part of your overall financial plan? Tax-free investing is easier than you think. If you would like to find out more about this solution, [click here](#).

Tip

4

Start an emergency fund or two

Without an emergency fund you could be forced to dip into your other investments in case of financial distress, or worse, be forced to borrow money and create unwanted debt. This is where an emergency fund is vital. It is wise to build up a solid emergency fund to deal with life's unexpected financial challenges without derailing your greater financial goals and ambitions. No real hard and fast rule determines how much should be saved in an emergency fund, but saving toward having three times your monthly salary saved up is a good start and provides a nice buffer. Only if these additional savings are not enough in an emergency situation, should you access your savings pot.

Tip

5

Think about your 'future you' right now

Have you ever thought about whether your current self is doing enough physically, emotionally and financially to take care of your future self? Make the necessary changes today that will benefit you in the future – only you have that power! Stay inspired and visualise your goals with the AF Vision Board. Choose from over 300 goals across 12 categories. It's a fun and exciting way to connect with your goals.

[Click here to build your vision board](#)

Tip

6

Update your will

Where there's a will there's a way! Make sure your financial affairs are in order and that you have an updated will. It's such a simple piece of paper yet it removes so much complexity for your loved ones if you pass away. The last thing you want is for your hard-earned assets to end up in the wrong hands, or even worse, tear your family apart.

[Click here for more information](#)

Tip

7

Budget

A typical budget includes a list of expenses that you need to cover to survive like food and rent, yet often neglects things like your children's future education, a family vacation, a new car and your retirement years. Review and update your budget at least annually and most importantly, increase the savings element of your budget by inflation.



Quick links

My Money Matters

My Money Matters Centre

Tel: 0860 000 381

Email: mymoneymatters@alexforbes.com

Website: mymoneymatters.alexforbes.com

AF Connect

Register for AF Connect today - it's as easy as 1, 2, 3 ...

1. Log in [here](#)
2. Click on [Register now](#)
3. Complete the registration page



Important note:
This may take a couple of days.

Our noticeboard



AF Rewards -

another way to enjoy good deals on day-to-day goods

- > Did you know that besides visiting the [website](#), you can also access your Rewards through USSD?

All you need to do is dial the USSD string: ***120*9006#** insert your ID or passport number and press send.

AF+

Insurance

With **AF+** you can protect your belongings and secure your family's financial future:

- > Get multiple insurance quotes in minutes for life, funeral, motor, building or home contents.
- > Have a broker source short-term insurance quotes for your needs.
- > Compare life insurance quotes from a broker for your individual needs.



[Click here to learn more about AF+](#)

Do you have any questions relating to the articles in this newsletter?

You can contact the fund using these contact details:

AF Access Retirement Fund: 0860 60 61 62

admin@alexforbes.com • contactus@alexforbes.com (if there's something you feel the fund can improve on)



Investment returns

Performance of investment portfolios to 30 September 2024

Let's take AF Balanced High Growth as an example

The value of R100 invested over various periods to the end of September 2024





Growth portfolios

● AF High Growth
● Benchmark



● AF Passive Bold
● Benchmark



Income target portfolios

● AF Access Retirement Fund Houseview Income Target
● Benchmark



● AF Access Retirement Fund Passive Houseview Income Target
● Benchmark



● AF Retirement Navigator
● Benchmark



Source: Alexander Forbes Investments





Contact us

0860 60 61 62

Monday to Friday between 08:30 and 17:30

While care has been taken to present correct information, Alexforbes and its directors, officers and employees take no responsibility for any actions taken based on this information, all of which require financial advice. Please speak to your financial adviser for tailored advice based on your individual financial needs.