



Retirement

AF Access Retirement Fund

Integrated Annual Report for the
year ended 30 September 2024

Contents

About this report	02
2024 Snapshot	04 - 05
Highlights	05
Leadership messages	06 - 07
Message from the Outgoing Chair of the Board of Trustees	06
Message from the Incoming Chair of the Board of Trustees	07
Message from the Principal Officer	08
About the Fund	10
Overview	11
Operating model	14
Regulatory environment	20
Stakeholder engagement	22
Value creation	27
Envisioning The Retirement Fund of the Future™	27
Material matters	30
Risk	34
Governance	38
Responsible investing	47
Performance	50
Performance against strategy	50
Stewardship: proxy voting and engagement	52
Investment portfolio financial performance	53
Investment portfolio ESG performance and impact	54
Member impact	58
Insights driving member impact	58
Member engagement	62
Supplementary information	66
Summarised annual financial statements	67
King IV™ application register	69
Appendices	74
Glossary and abbreviations	74
Administrative information	76



Navigating this report

Navigation tools at the top right of each page and within the report:

MAIN MENU BACK PREVIOUS PAGE NEXT PAGE

Connecting information

Connects to information elsewhere in the report

Connects to information online

This report is best viewed in Adobe Acrobat which can be obtained here

Throughout the report, the following icons are used:

The six capitals

- Financial capital
- Human capital
- Social & relationship capital
- Natural capital
- Intellectual capital
- Manufactured capital

Our stakeholders

- Members
- Participating employers
- Independent intermediaries
- Government & regulators
- Service providers
- Society

Our strategic outcomes

- 1 Member-centric
- 2 Strategic long-term thinking
- 3 Impeccable governance
- 4 Impact-conscious
- 5 Transparent stakeholder communication

Our material matters

- 1 Oversight of responsible investing outcomes with a focus on stewardship
- 2 Managing and responding to stakeholder interests
- 3 Fiduciary oversight
- 4 Member education
- 5 Maintaining good governance, accountability and ethical practices
- 6 Measurable benefits that create member impact
- 7 Managing risks and compliance
- 8 Effective and efficient management of the fund

About this report

The Board of Trustees of AF Access Retirement Fund ('the fund' or 'AF Access', also 'we' and 'our') is delighted to publish our second integrated annual report ('the report' or 'IAR'). This report outlines the value the fund has created for its members and stakeholders through sound operating principles.



Scope and boundary

This report covers all the structures and operations of the fund for the period from 1 October 2023 to 30 September 2024 and includes information about our strategic goals, operational background, material matters, risks, opportunities, performance and governance. We have endeavoured to provide concise and transparent commentary on the progress made during the year. Any material events that occurred after 30 September 2024 and up to the Board's approval of the IAR on 29 May 2025 are included.

The fund applies the principles of stakeholder inclusiveness and materiality to inform its approach to reporting. We endeavour to comply with the principles of accuracy, balance, clarity, comparability completeness and reliability to select the information that is included in this report.

Reporting frameworks

AF Access takes direction on reporting from the applicable regulatory requirements and best practice guidance.

Our regulatory context includes the following:

- Pension Funds Act (No 24 of 1956) and related regulations
- Financial Sector Regulation Act (No 9 of 2017)
- Income Tax Act (No 58 of 1962) and related regulations
- Circular PF130 issued by the then FSB, now the Financial Sector Conduct Authority (FSCA)
- Guidance Note 1 of 2019 on Sustainability of investments and assets (issued under Regulation 28 of the Pension Funds Act)
- Promotion of Access to Information Act
- FSCA surveys and requests for information

We apply the principles of the King IV Code™ of Corporate Governance and the sector supplement for retirement funds.

We have reviewed the following voluntary codes and frameworks to incorporate best practice and strengthen our governance and reporting, with certain components being aligned with this report and others evaluated for potential use in future reports:

- The International Integrated Reporting Framework (the <IR> Framework), January 2021
- The Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance, June 2022
- The JSE Climate Change Disclosure Guidance, June 2022
- Code for Responsible Investing in South Africa (CRISA 2), 2022
- The United Nations Sustainable Development Goals (SDGs)
- The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- The UN Principles for Responsible Investment (PRI)

Materiality

The identification of material matters is informed by the guiding principles of the <IR> Framework. This allows us to provide an account of how the fund preserves and creates value in the short, medium and long term. Materiality considers the legitimate priorities and concerns of our stakeholders as they relate to our long-term sustainability and strategic objectives. Material matters are informed by trends and key developments in our external operating environment, the fund's strategic objectives and our risk landscape. These topics are assessed and then ranked in terms of their likelihood of occurrence and potential impact on the fund's ability to preserve and create value.

Forward-looking statements

This report contains certain unaudited forward-looking statements and targets. These, by their nature, involve risk and uncertainty as they relate to future events and may be influenced by factors outside of the fund's control. There are various factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. The fund cannot guarantee that any forward-looking statements will materialise and, accordingly, readers are cautioned not to place undue reliance on any forward-looking statements.

AF Access disclaims any intention and assumes no responsibility or obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason.

Data and metrics

The quantitative data and metrics in this report have been internally verified and are accurate for the period to 30 September 2024 unless an alternative timeframe is given. Comparative data for 2023 is also provided where possible and indicated next to each data point. Where we rely on our members to provide demographic data – for example, gender and age – the data reported on may be incomplete. We endeavour to collect and safely manage as much relevant data from our members as possible and report on this as appropriate. We are constantly working to improve the ways in which we report on data and metrics.

Trustee approval and assurance

The Board of Trustees confirms that the fund continues to comply with the primary legislations governing its establishment and operation. Our attestation is informed by an annual internal compliance review, the external audit of the annual financial statements by Deloitte & Touche South Africa (Deloitte), and ongoing second- and third-line assurance activities.

In the Board's opinion, this report provides a fair and balanced account of the fund's performance on those material matters which we have assessed as having a bearing on our capacity to create and sustain value. Although we believe this report has been prepared in accordance with the <IR> Framework, as updated in January 2021, we undertake to continually mature our level of integrated reporting over time.

The Board of Trustees applied its collective mind to the IAR and is comfortable that external assurance on the accuracy of non-financial information is not necessary at present. Our Financial Sector Transformation Council (FSTC) Level 4 rating was independently verified by Diversifi in June 2024.

Deloitte audited our annual financial statements as at 30 September 2024 and have expressed an unmodified/unqualified opinion on them.

This report was approved by the Board of Trustees on 29 May 2025 and signed on its behalf by:

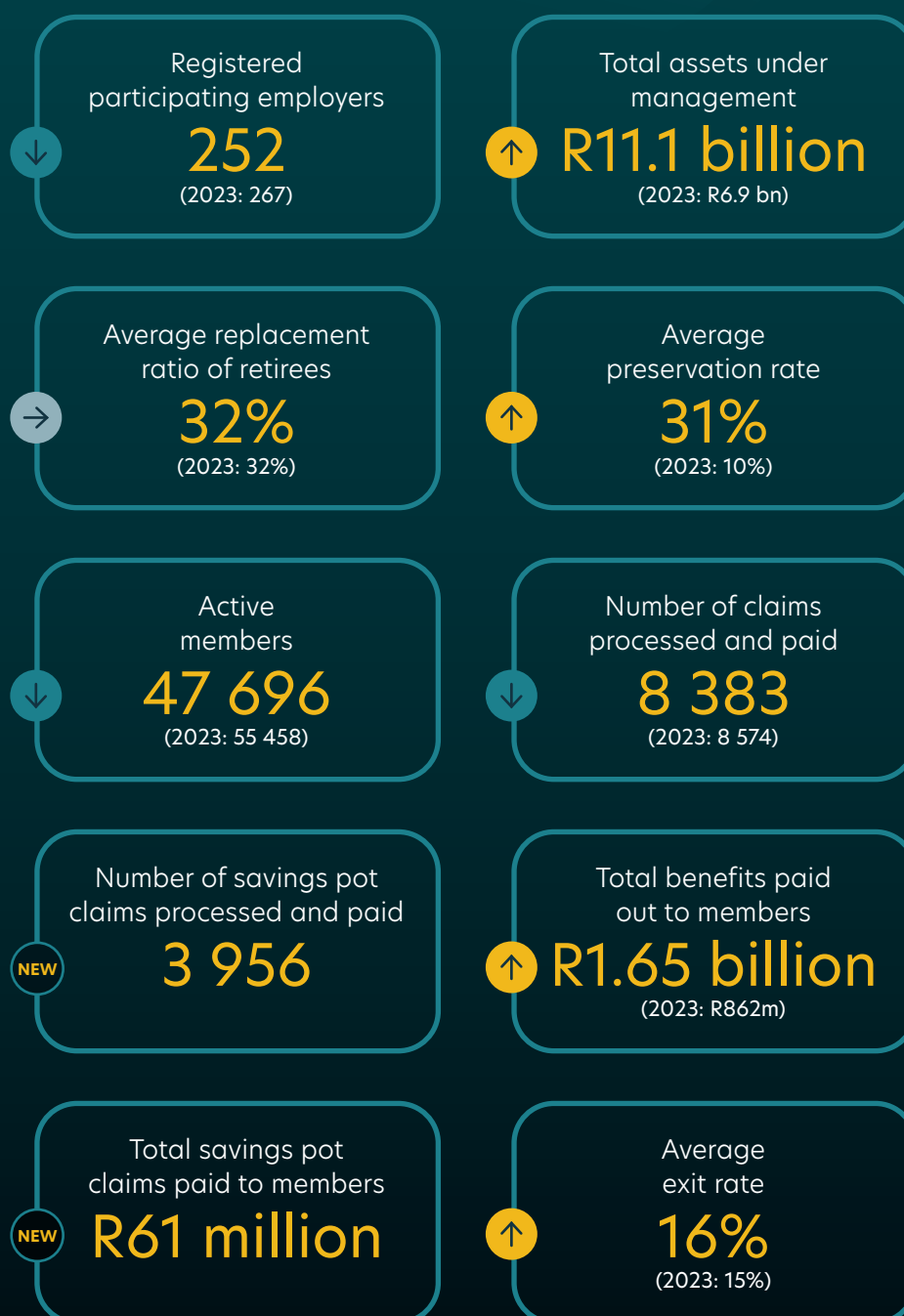
Robin "Sakkie" Hurd
Chair, AF Access Retirement Fund (up to 30 September 2024)

2024 Snapshot

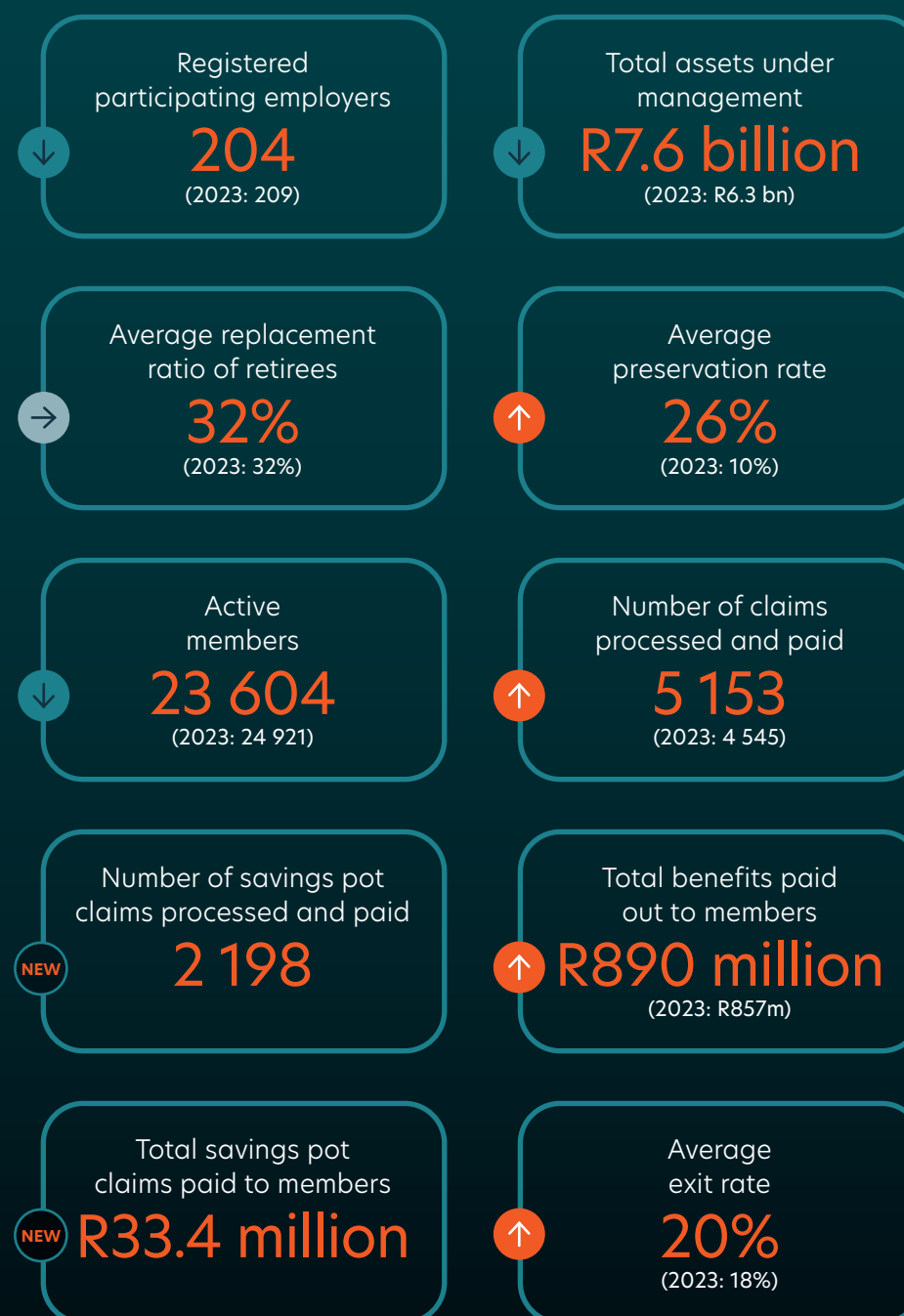
Highlights

As at 30 September 2024

Provident section



Pension section



R17.6 billion

in **additional assets** due to group arrangements compared to individual arrangements
(R12.4 billion in 2023)



R170 million

value of daily unitisation, risk management and monitoring
(R120 million in 2023)



R380 million

estimated annual **tax savings**
(R270 million in 2023)



R280 million

estimated annual **fee savings** as a result of the default annuity
(R200 million in 2023)



66 547

individuals with **easier access to financial advice** through various channels through group arrangements
(72 023 in 2023)



Our members have **pensions that last 4 years longer than** the average retail living annuity, providing additional years of income in retirement
(2023: 4 years)

Leadership messages



Message from the outgoing Chair of the Board of Trustees

It is my privilege to reflect on the strategic journey of the AF Access Retirement Fund during the year under review, as I conclude my tenure as Chair of the Board of Trustees. The period marked a significant phase of execution and growth for the Fund, underscored by strategic flexibility, operational excellence, and a resolute commitment to optimising long-term value for our members.

Our strategic vision

Our focus remained firmly on delivering a robust, adaptable retirement solution that meets the evolving needs of employers and members alike. The Fund's strategic vision – to provide a flexible, accessible, and independently advised retirement vehicle – continued to mature and deliver measurable results. Over the reporting period, we saw significant uptake from independent intermediaries, whose role has been pivotal in enabling member-centric advice, tailored

solutions, and client trust. This validates the Fund's flexible architecture, which accommodates three participation tiers – Base Access, Select Access, and Full Access – allowing employers and their advisors to design retirement arrangements aligned to specific needs and scale over time.

Governance, regulatory compliance and risk management

One of our notable achievements was the successful implementation of the Two-Pot retirement system, which became effective on 1 September 2024. The Fund not only met all regulatory requirements but did so with exemplary governance and readiness. Our clean audit opinion – received after rigorous review – confirms this. Importantly, no formal escalations to regulators have been recorded, reflecting strong operational performance and proactive member communication by both the Fund and the sponsor.

We also prioritised governance enhancements. A key development during the year was the establishment of a dedicated Sustainability and Transformation Subcommittee. This committee now oversees both ESG integration into investments and the implementation of our Board Transformation Plan. We have proactively implemented succession planning through the appointment of three black female alternate trustees, ensuring both continuity and transformation within the Board. This deliberate approach enhances diversity, strengthens expertise, and ensures that the Fund's leadership reflects the communities we serve.

Looking forward

Looking ahead, three priorities will shape the Fund's next phase. First, the Fund must continue to uphold sound governance while remaining responsive to members' evolving needs. Second, we must consolidate and deepen our partnerships with financial intermediaries, positioning the Fund as a credible and valued choice in a competitive marketplace. Third, the Fund must continue to prepare for an increasingly complex regulatory landscape, particularly around cyber security and the impending Conduct of Financial Institutions Bill (COFI Bill). These imperatives demand continued agility, strengthened trustee capacity, and a member-focused mindset.

I am pleased to note that Ms Lavinia Khangala, who served as a Trustee since 1 May 2013 and was appointed Chair from 1 October 2024, brings considerable expertise, strategic insight, and a deep commitment to the Fund's values. I am confident that under her stewardship, the Fund will maintain its strategic momentum and continue to deliver on its promise to members.

Closing

In closing, I wish to thank my fellow trustees, our sponsor Alexforbes, our independent financial intermediaries, and all members for their trust and partnership. The Fund is in capable hands, and I am confident that it will continue to thrive and deliver accessible, flexible, and trusted retirement security to its members.

Robin "Sakkie" Hurd

Chair (up to 30 September 2024)



Message from the incoming Chair of the Board of Trustees

It is an honour to address stakeholders of the AF Access Retirement Fund in my capacity as incoming Chairperson, having assumed this role on 1 October 2024. I would like to express my sincere appreciation to my predecessor, Mr Sakkie Hurd, for his leadership and dedicated service to the Fund. Under his stewardship, the Fund has continued to deliver on its core mandate.

Looking forward

Looking to the year ahead, the Fund's strategic agenda will be shaped by five key focus areas:

Cybersecurity compliance: The Fund made significant progress in strengthening its cyber governance. The Governance and Audit Risk Committee conducted a detailed review of the Cybersecurity Framework and Strategy, which outlines principles for managing information security risks, including prevention, detection, containment, and recovery. A proposal is being finalised to formally assign the Committee overarching responsibility for cybersecurity and digital resilience at Board level, aligning with best practice and evolving regulatory expectations.

Ongoing enhancement of Two-Pot system

administration: Now fully operational, the Fund will continue to enhance the member experience through improved processes, secure systems, and clear communication, ensuring that members can access their savings appropriately while preserving long-term value.

Investment strategy and long-term fundamentals: Amid an increasingly uncertain political and economic landscape, the Fund remains committed to disciplined, long-term investment strategies that seek to grow and preserve member assets.

Regulatory compliance and responsiveness: The Fund will maintain its strong compliance posture, adapting proactively to regulatory developments that impact administration, governance, and member rights.

Stakeholder engagement and education: The Fund will continue to prioritise transparent communication with members, employers, and intermediaries – ensuring all stakeholders are well-informed and supported in navigating their retirement journey.

Closing

In closing, I look forward to working alongside the Board of Trustees, our service providers, and with other stakeholders to build on the progress achieved to date. Together, we will continue to strengthen the Fund's resilience, improve member value, and honour our shared commitment to delivering retirement outcomes that matter.

Lavinia Khangala

Chair (from 1 October 2024)



Message from the Principal Officer

In an increasingly complex and fast-evolving retirement landscape, our commitment to financial security, sustainability, and governance has never been more critical. Over the past year, we have navigated significant regulatory shifts, enhanced our communication efforts, and strengthened our investment strategy to ensure resilience in the face of economic and geopolitical uncertainty.

Navigating the evolving regulatory and economic landscape

The past year has been a dynamic one, with significant regulatory shifts, economic uncertainty, and global market volatility all shaping our industry. As a Fund, our focus has been on balancing resilience with adaptability, ensuring that members remain financially secure despite these external pressures. A key achievement has been the seamless implementation of the Two-Pot system, which required careful liquidity management and system readiness. From an investment perspective, we were pleased to see that the Fund's diversified asset allocation strategy meant that no fundamental changes were required to our investment philosophy. While some liquidity adjustments were necessary, our core focus remains on delivering long-term returns for members. The Fund has also taken proactive steps to strengthen cybersecurity measures. Governance has played a pivotal role in overseeing these enhancements, positioning us ahead of industry requirements. Key considerations include aligning with the revised Regulation 28 while navigating current geopolitical risks.

Integrating ESG principles

Our focus on sustainability is not just about compliance but about creating long-term value for our members and stakeholders. Sustainability remains a core priority, and we have taken concrete steps to embed ESG considerations into our investment approach. A major milestone this year was the finalisation of our responsible investing framework within the Investment Policy Statement (IPS). This ensures that all investment decisions align with our long-term commitment to responsible investing. We have also intensified our engagement with investment managers, requiring them to demonstrate transparency in ESG integration and climate risk measurement. While global regulatory changes have created some uncertainty around sustainability reporting, we remain committed to measuring, reporting, and improving our ESG impact.

Enhancing communication with members and independent intermediaries

Given that AF Access operates within an intermediated model, effective communication is critical. One of our key focus areas has been enhancing engagement with intermediaries, ensuring that they have clear, concise, and actionable information to guide their clients and ensuring alignment in terms of what the Fund is doing strategically. We have also invested in simplifying member communication, ensuring that retirement concepts are easily understandable. Our goal is to empower members with the right information, so they can make informed financial decisions.

Key challenges and trends shaping the retirement industry

We expect the following trends to shape the future of retirement funds:

Consolidation in the industry – Smaller funds are increasingly merging into umbrella funds, driven by rising regulatory complexity and cost efficiencies. AF Access is well-positioned to benefit from this trend, offering a strong governance framework and investment flexibility.

Geopolitical and macroeconomic uncertainty – Global markets remain volatile, with shifting regulations, sustainability concerns, and inflationary pressures all playing a role.

Increased regulatory scrutiny – Cybersecurity, governance, and sustainability reporting will remain key compliance areas in the coming years.

Outlook

Looking ahead, our focus will be on maintaining strong governance and compliance, enhancing member engagement and transparency, and strengthening investment resilience for long-term value creation. Our priority remains ensuring that members are not only informed but also financially secure in the long run. This requires ongoing engagement with policymakers, independent intermediaries, and members to align expectations and provide clarity on key changes impacting their retirement outcomes. With a strong governance foundation, a clear investment strategy, and a commitment to sustainability, we are confident in the Fund's ability to deliver lasting value to its members. Our achievements this year are a testament to our collective efforts and unwavering commitment to our strategic pillars. We will continue to build on this momentum, driving positive change and delivering value to our members and stakeholders. Together, we are building a sustainable and resilient future.

Nomonde Zwane
Independent Principal Officer



About the Fund

Overview

Founded in April 2010

One of the largest commercial umbrella funds in South Africa

A commercial umbrella fund is a retirement fund set up by a specialist financial services company, which a number of unrelated employers choose to join. This is cost effective as the employer groups share fund expenses through economies of scale.

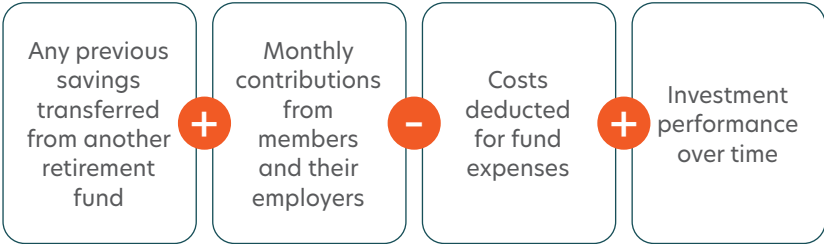
What the Fund offers

- A comprehensive solution for employers seeking a cost-effective and professionally managed retirement fund for their employees.
- A wide range of services to help members maximise the value and benefits of their retirement savings.
- A provident and a pension section to accommodate historical differences in retirement savings regulations, ensuring flexibility for members based on their preferences and aligning with evolving tax and retirement landscape standards. The sections are separate legal entities but managed by the same professional Board of Trustees.

How the Fund works

As an intermediated fund, an employer selects the fund as their preferred retirement fund option on the advice of their appointed independent financial intermediary. Employees become members of the fund when their employer starts contributing to the fund on their behalf, to assist and support them in saving for retirement. The fund receives contributions from both employees and employers and can receive transfers from other funds, allowing employees to consolidate their retirement savings. Employees' retirement savings are managed and invested on their behalf with the aim of generating sound investment returns over time.

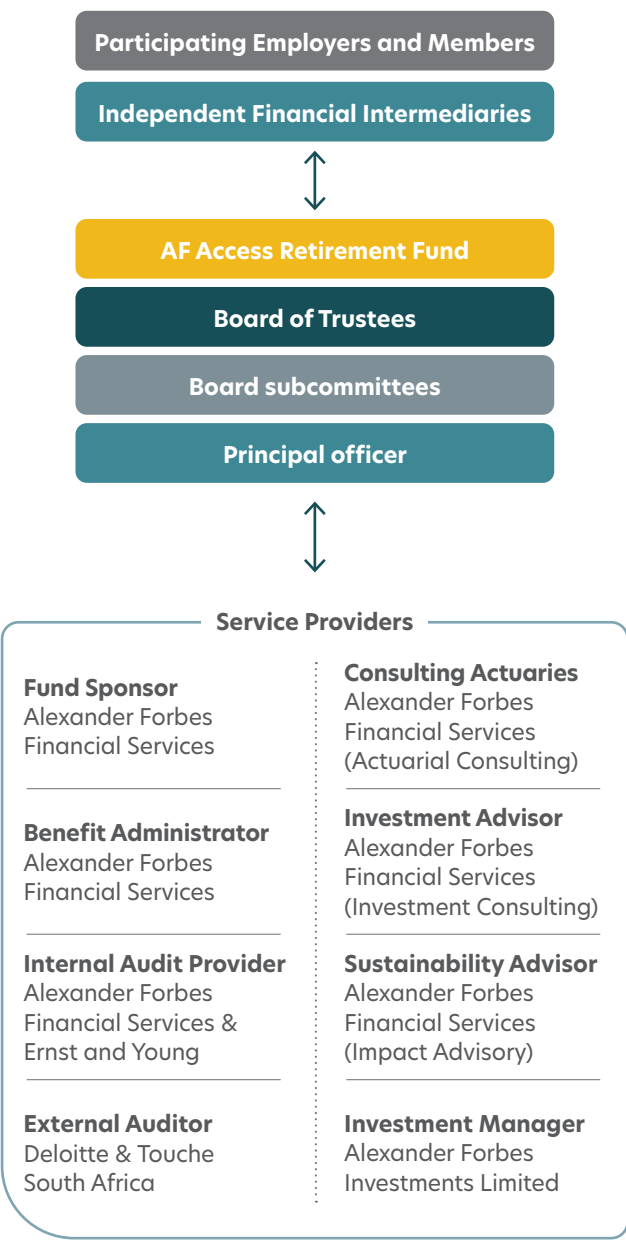
Retirement savings are made up of:



On retirement, members typically use a large portion of their retirement savings to set up a regular income. The level of income that members will receive on retirement depends on how much they have saved before retiring and how much a retirement income costs at the time they convert their retirement savings into a pension.

AF Access offers employers flexibility to structure employee benefits cost-effectively while ensuring the highest administration and communication standards. The fund offers employers (on the advice of their appointed independent intermediary) a risk benefits structure, which is not tied to a single service provider and can be designed to accommodate the specific needs of their employees. Involvement by employer representatives is reduced, allowing employers to focus on their core business.

How the Fund is managed



A professional Board of Trustees assumes responsibility for directing, controlling and overseeing the operations of the fund.

- The trustees:
- manage the fund according to the law, general rules of the fund and any special rules of each participating employer;
 - decide on the range of investment options that are offered to meet the diverse needs of the fund's members;
 - must appoint an independent principal officer (PO) to take care of the day-to-day running of the fund; and
 - may outsource certain operational matters to the administrator of the fund, but the PO and the trustees remain responsible.

Each employer has the option to retain a hands-on approach by appointing a management committee (MANCO) advised by an independent intermediary of their choice. The Board of Trustees, the MANCO and their intermediaries have a fiduciary duty to protect members' interests.

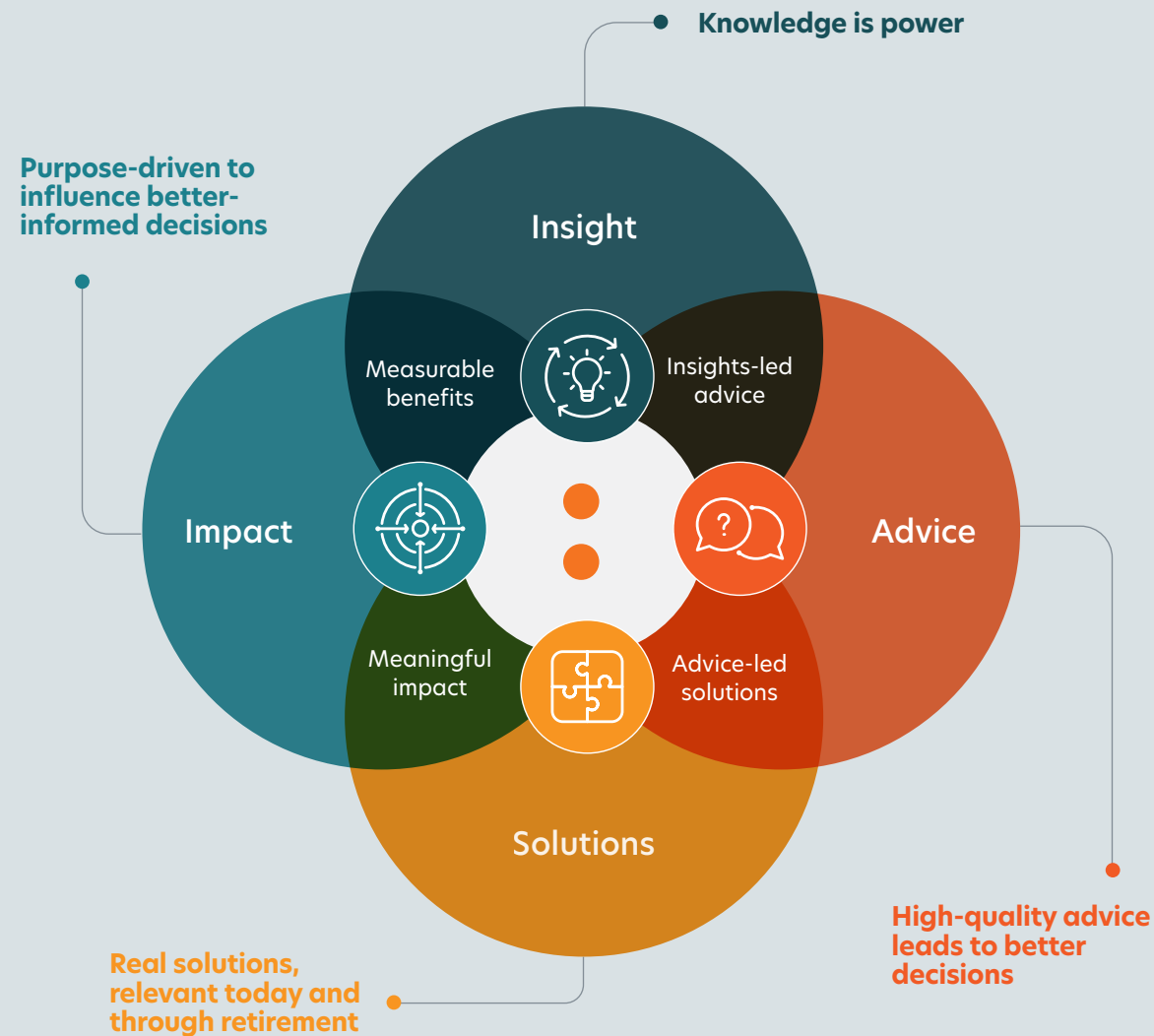
The MANCO, supported by its independent intermediary, selects the most appropriate investment options for their membership and may set a default portfolio at employer level. The fund provides default investment portfolios (based on the different participation options) for any employers and members who prefer not to make decisions on portfolios.

In terms of the Pension Funds Act, retirement funds must appoint an administrator to handle all routine administrative duties. AF Access is serviced by Alexforbes which provides support as the sponsor, administrator, actuarial advisor, investment advisor, sustainability advisor and investment manager.

What sets AF Access apart?

AF Access is an **advice led** umbrella fund. By leveraging the research-based insights and analytics available to the fund, we offer independent intermediaries the opportunity to provide their clients with access to a modern, strategically focused, resilient retirement solution that takes employers and individual members' needs into account without compromising long-term objectives. For employers, this means better business and for individual members it means the correct solutions at the correct time of life, which is intended to have positive impact on their retirement outcomes.

As an Alexforbes sponsored umbrella fund, we have the benefit of leveraging Alexforbes research, insight, advice and best-practice approaches to deliver positive impact to members, employers, intermediaries and other stakeholders.



The advantages of an umbrella fund

An umbrella fund arrangement offers benefits such as reduced administrative work, lowered fiduciary and litigation risks, cost savings and improved tools and technology.

This benefits both participating employers and members.

Benefits to members:

- Reduced administration fees
- Lower investment fees
- Improved preservation
- Improved investment outcomes
- Improved communication and engagement
- Enhanced retirement benefit counselling
- Reduced risk benefits through healthcare integration

Benefits to participating employers:

- Frees up employees to focus on core business
- Optimises fiduciary time and effort
- Reduced costs and enhanced fund offerings
- Meeting objectives through one point of contact
- Focus is on the members

AF Access is differentiated by a flexible intermediated approach, allowing independent intermediaries to customise services based on members' needs. This open architecture, combined with a commitment to better retirement outcomes and responsible investing practices, makes AF Access a versatile and impactful choice in the retirement fund landscape.

Independent consulting approach

AF Access' independent approach provides participating employers with the ability to retain their trusted relationships with their independent intermediary. By relying on their independent intermediary for assistance and support in decision-making, this approach allows increased focus on business operations for employers, empowers informed financial choices, and promotes enhanced retirement outcomes for employees.

Digital optimisation

Through digital tools, online portals and enhanced digital engagement strategies, AF Access offers a diverse range of access points for clients and members at any time. A prime example is the My Money Matters portal, providing tailored support, financial advice and retirement benefit counselling, while Digital Exits has boosted active preservation decisions and deepened understanding of the impact of withdrawals impact on retirement outcomes.

Unbiased independence

AF Access' independence from insurers, investment managers and other providers ensures unbiased decision-making. The independent intermediaries are free to source, replace or reshape designated services to align with high standards, driving impactful collaborations to create quality solutions for clients across various industries.

Responsible investing practices

AF Access does not only help members save for retirement. We are committed to leading a change in investment practices. Our responsible investing approach considers ESG factors, such as climate change and sustainable development. These factors help us make better investment choices, manage risks and achieve lasting investment success.

Quality services and expertise

Alexforbes is a reputable financial services provider with extensive experience in retirement, and investment solutions. The group empowers AF Access with in-depth knowledge of pension fund management, enhancing its ability to offer top-tier services.

Operating model

How the Fund creates value

All organisations interact with a range of resources and relationships in their activities. These resources and relationships are defined by the International <IR> Framework as types of "capital" and grouped into six categories. The fund's operating model draws its inputs from across these six capitals in varying degrees. The fund's activities and outputs can result in positive, neutral or negative outcomes as effects on different capitals.

-  Financial capital
-  Human capital
-  Social & relationship capital
-  Natural capital
-  Intellectual capital
-  Manufactured capital

Key capital inputs

-  Member contributions and fund transfers
-  Investment returns reinvested
-  Governance structures (Trustees, PO, MANCO)
-  Service provider staff
-  Strong relationships and efficient engagement with key stakeholders
-  Responsible investment strategy ensuring growing integration of ESG
-  Developments around environmental sustainability and social transformation
-  Knowledge and expertise of participating employers, independent intermediaries and service providers
-  Fund and service provider's brand and reputation
-  Facilities to support fund and investment activities

Capital outcomes

-  Investment performance over time and sustainable retirement benefits for members
-  Strong governance ensures accountability over investments and monitoring of service providers
-  Positive stakeholder engagements reinforce trust to retain and attract participating employers and members
-  Better understanding of ESG dependencies and impacts from investment portfolio
-  Continued evolution and strengthening of investment strategy
-  Compelling track record of service providers from Alexforbes

Fund activities



Grounded in:

- Strong governance
- Effective risk management
- Strategy - Retirement Fund of the Future™

Outputs

- ✓ Claims processed
- ✓ Benefit payments
- ✓ Investment portfolio performance
- ✓ Stakeholder engagement

- Fund activities
- Participation options
- Investment portfolio choices
- Responsible investing

Our investment objectives and underpinning principles

The trustees have a statutory and fiduciary duty to invest the fund's assets for the benefit of members in a responsible and prudent manner. The fund's investment strategy is designed to provide members with the best chance of securing a reasonable pension when they retire. To this end, the fund provides default investment options as well as a range of other investment choices that align with different needs and stages of life, all while making sure members' savings are managed carefully and responsibly.

Our primary objectives are:

Retirement income security

To provide members with a variety of portfolios that have the greatest likelihood of securing a reasonable pension at retirement, based on each member's unique circumstances and saving ability. This involves delivering acceptable investment returns at an acceptable level of risk and with reasonable costs.

Stability near retirement

To offer members portfolios that provide less volatile returns, particularly as they approach retirement, with the aim of generating an income stream that maintains their standard of living post-retirement.

Our investment strategy is grounded in a set of principles and beliefs regarding the functioning of investment markets.

Retirement income focus

The fund's main goal is to invest members' retirement savings to secure a reasonable retirement outcome

Long-term approach

Given that retirement savings are for the long haul, the investment strategy primarily focuses on the long-term

Managing risk

The strategy maximises the likelihood of achieving investment goals while avoiding unnecessary risks

Mix of strategies

Both passive and active investment strategies are used

Choosing managers

We use a method to identify and select market leading managers per asset class, which are likely to outperform the market and their peers

Asset allocation matters

The allocation between asset classes such as cash, bonds, property and equities has the biggest impact on returns

Considering the Environment

Investment into and upliftment of environmental and social matters will positively affect portfolio performance

Economic role

As asset owners, we are responsible for helping to shape and improve the South African economy



AF Access participation options

AF Access offers three broad plans to employer groups. These are carefully chosen to suit different needs.

Base option

For smaller employer schemes, offers a stable investment with growth over time. All investments are housed in the single default investment portfolio suited to this option and it does not provide for member or MANCO investment choices.

Select Access option

Ideal for medium to large employer schemes, it balances growth and risk as retirement gets closer. This option offers access to a selected series of portfolios that the MANCO can choose from.

Full Access option

Larger schemes can personalise their investment approach, but with specific rules and is restricted to the wide range of portfolios made available by the trustees.

The fund also provides flexibility for large schemes, generally with 1000+ members and a minimum of R500 million in assets. These employers can construct their own bespoke investment plan and use any of the approved portfolios they choose, as long as the Board of Trustees approves them and they're on the Alexander Forbes Investments Limited platform. For this option, an investment consultant helps the MANCO select their default investment strategy. Special rules apply to this option requiring pre-approval by the Board of Trustees.

Default investment portfolios

For employers or members who do not choose any specific investments offered in their selected option, a default investment strategy is in place which is designed to achieve the objectives of the fund and is deemed suitable for most members' needs, taking charges, risk and returns into account.

Base option

AF Retirement Navigator

This portfolio targets long-term growth while smoothing returns, providing a low volatility investment portfolio with stability of returns, which is deemed more appropriate for the average member profile in this option.

Select Access

and Full Access

Alexander Forbes Goals-based Balanced LifeStage model

This portfolio targets higher investment growth (CPI + 5%) when members are more than five years from retirement, then gradually assumes less risk (and lower expected investment growth) as members approach retirement. It spreads investment risk across different:

- Asset classes (types of investments)
- Investment styles (ways or methods of investing)
- Asset managers (the service providers managing investments)

This means the investments are spread in a way that limits exposure to any single risk.

Investment portfolio choices

Employers participating in the Select Access and Full Access options may choose a different investment strategy instead of the Fund's default choice and can select portfolios as indicated below.

Select Access investment options

- AF Goals-Based LifeStage models (AF High Growth, AF Balanced High Growth, or AF Passive Bold)
- Shari'ah High or Medium Growth portfolios
- AF Retirement Navigator portfolio
- A MANCO choice or investment strategy selected from the range of portfolios approved by the Board of Trustees, provided it is compliant with the regulations

Members in the Select Access and Full Access options can also opt out of their employer's default strategy and invest in other portfolios approved by the Board of Trustees within each participation option. Members will access these options on the advice of their participating employer independent intermediary, or their personal financial advisers.

Full Access investment options (as selected by members)

- AF Goals-based LifeStage Model portfolios
- AF Balanced High Growth
- AF High Growth
- AF Passive Bold
- AF Access Houseview Income Target
- AF Access Passive Houseview Income Target
- AF Access Flexible Income Target
- AF Access Inflation Income Target

Multimanager portfolios

- Accelerator
- AF Retirement Navigator
- Banker
- Conserver
- Performer
- Real Return Focus
- Shari'ah High Growth
- AF Explorer
- AF Passive Explorer
- Shari'ah Medium Growth
- Stable Focus
- Stable Focus Combined

Managing investments

The fund consists of a large number of participating employers and members who have different investment needs, solved for by making available a wide range of portfolios to choose from. The Board of Trustees believes the best way to meet these needs is to be invested in a multi-manager pooled portfolio which optimally combines exposure to more than one investment manager and reduces risk, thereby providing an additional layer of diversification.

Multi-manager

The fund has entered into a long-term policy of managing its investments in partnership with Alexander Forbes Investments Limited, referred to as the multi-manager.

The multi-manager builds portfolios by choosing suitable underlying investment managers based on their philosophy, expertise, past performance and more. The underlying asset managers are regularly assessed based on factors like performance, reputation, approach to investments, meeting benchmarks, fees, transformation and experience of the investment team.

Single investment manager portfolios

The trustees have also chosen specific single investment manager portfolios that are available to Full Access participating employers and members with input from their independent intermediary.

Monitoring investment performance

We take a proactive approach to reviewing how our portfolios perform against our set targets. We also monitor and review our overall investment strategy and the performance of our multi-managers at regular intervals to make sure our investments are delivering the targeted returns for our members.

This may result in changes to portfolio construction or offering from time to time, based on discussions between the Board of Trustees, its asset consultants and the multimanager. This process ensures that the investment options offered to members are diverse, well managed and aligned with the fund's goals.

Keeping a watchful eye on investments

Review portfolios against target investment returns



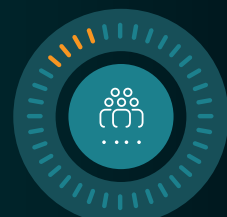
3 months

Review overall investment strategy



Every year

Review multimanagers



3 years

Regulatory environment

Since AF Access is entrusted with the financial goals and outcomes of its participating employers and members in pursuit of their reasonable benefit expectations, it adopts the highest standards of regulatory compliance. Compliance with retirement fund rules and laws helps us to uphold the highest legal and ethical standards in managing retirement savings. It helps identify and prevent misconduct, fraud and mismanagement, ultimately safeguarding the retirement benefits of members.

Compliance with legislation and regulation is the minimum standard expected of the fund. We aim to exceed this standard to deliver meaningful benefits to our participating employers, our members and society.

Our approach to rules and regulations

Retirement funds follow complex rules that keep changing. To keep up with these changes and make sure we treat our customers fairly, we need to be quick to respond to change. Our strong governance practices serve to anticipate and prepare for changes.

We monitor our regulatory universe to determine whether there are any changes that might affect the fund and the members it serves.

- If there are any new laws or changes to existing laws, these are discussed in the relevant subcommittee and by the Board of Trustees
- Education and training initiatives are rolled out to relevant stakeholders to ensure compliance with these new/changed rules
- We continuously monitor compliance with the new/changed rules
- Through the Fund's sponsor, we remain affiliated, and regularly engage with, industry groups and regulators to maintain a holistic and independent view

We also make sure we follow important international rules, like those that protect the fund from being involved in money laundering.

Update on legal framework

The following amendments to the fund rules were submitted between 1 October 2023 and 30 September 2024:

Provident Section:

Rule Amendment 1 and 2 were drafted to comply with the provisions of the Two-Pot retirement system, submitted and approved by the FSCA.

Pension Section:

Rule Amendment 1 - Drafted to comply with the provisions of the Two-Pot retirement system, submitted and approved by the FSCA.

Rule Amendment 2 - Drafted to correct a drafting error related to the appointment of alternate external Trustees, submitted and approved by the FSCA.

Rule Amendment 3 - Drafted to comply with the provisions of the Two-Pot retirement system, submitted and approved by the FSCA.

Key regulatory changes included the following:

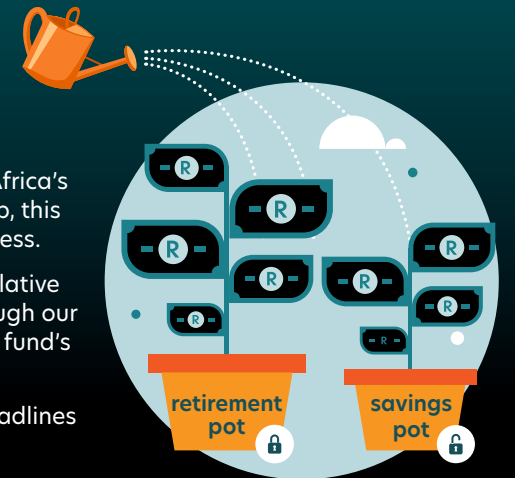
- Amendments to tax and pensions laws to implement the two-pot reform was effective 1 September 2024.
- The Joint Standard on Cybersecurity was approved by Parliament and a 12-month transition period for compliance commenced on 1 June 2024 (thus it will be effective from 1 June 2025).
- The FSCA rolled out the Trustee Toolkit, which was compulsory training that all trustees had to complete. This consisted of two sets of 11 modules to be completed through the FSCA website. The trustees have all completed the toolkit.
- Updated conduct standard issued by the FSCA to deal with section 14 transfers with the implementation of the two-pot system.
- Key regulatory changes in draft or being finalised which are being closely monitored, and where appropriate positioned for.
- Conduct of Financial Institutions (COFI) Bill, which has been pushed out to 2025.
- Updates to the conduct standard issued by the FSCA dealing with the reporting requirements for Regulation 28 and annual financial statements.

The Two-Pot retirement system

The introduction of the Two-Pot retirement system marks one of the most significant reforms in South Africa's retirement landscape. Designed to offer members improved flexibility during times of financial hardship, this system seeks to strike a balance between long-term savings preservation and short-term financial access.

Over the past year, we actively engaged with regulators and National Treasury to help shape the legislative framework necessary to implement the two-pot system. Much of this engagement was facilitated through our appointed advisors, Alexforbes. The Financial Sector Conduct Authority (FSCA) confirmed that only the fund's general rules required amendment, with no changes needed to the special rules.

While the implementation timeline initially introduced some uncertainty, the fund met all regulatory deadlines to ensure full compliance with the new legislation ahead of the effective date of 1 September 2024.



Legislative changes enabling reform

Revenue Laws Amendment Act (12 of 2024)

Signed into law shortly after the general elections, this Act formally introduced the Two-Pot retirement system. It defines the system's key components and provides guidance on allocations, transfers, and withdrawal protocols.

Pension Funds Amendment Act

Amendments to the Pension Funds Act were also necessary to reflect the new structure. Key updates included:

- Alignment of definitions between tax and pension legislation (e.g., vested, savings, and retirement components)
- Updates to deduction provisions for maintenance, divorce orders, housing loans, and employer compensation – ensuring these deductions could be applied across the new components
- Empowerment of the FSCA to approve rule amendments enabling implementation of the system

While the core legislation has been passed, additional regulatory steps remain – such as updates to the Income Tax Act and Government Employees Pension Law – as well as readiness preparations by SARS for processing tax on savings withdrawals.

The Two-Pot system is expected to improve retirement outcomes in two ways:

Preservation of long-term savings

A portion of retirement savings is ring-fenced in a 'retirement pot', which cannot be accessed until retirement, helping to safeguard long-term financial security.

Emergency access

The 'savings pot' enables members to access a portion of their savings before retirement to manage financial emergencies, without compromising their core retirement savings.

How we are responding



AF Access supports the Two-Pot system and believes it will ultimately lead to improved member outcomes. In the short term, however, the system's rollout may place pressure on administrators due to the anticipated volume of withdrawal claims.

We are working closely with the sponsor to assess, monitor and manage the various impacts of implementing the Two-Pot system, including administration, governance, communication and investments and have workplans in place to address these challenges.

The sponsor is making big changes to their administration systems and member portal, using the latest technology to enable electronic withdrawals from the savings pot and to empower members with access to information and tools.

To proactively manage this transition, we have implemented comprehensive workplans across key operational areas – including administration, governance, member communication, and investment management.

Key actions taken include:

- Engaged with consultants, MANCO's and members to inform them of the proposed legislative changes and their impacts.
- Identifying and updating all impacted documentation – such as benefit statements, contracts, forms, and communication material.
- Participating in industry consultations and submitting commentary on draft legislation.
- Engaging with SARS on taxation requirements for the savings component.
- Liaising with the FSCA regarding rule amendment approvals.
- Adjusting housing loan limits in line with new legislative thresholds.

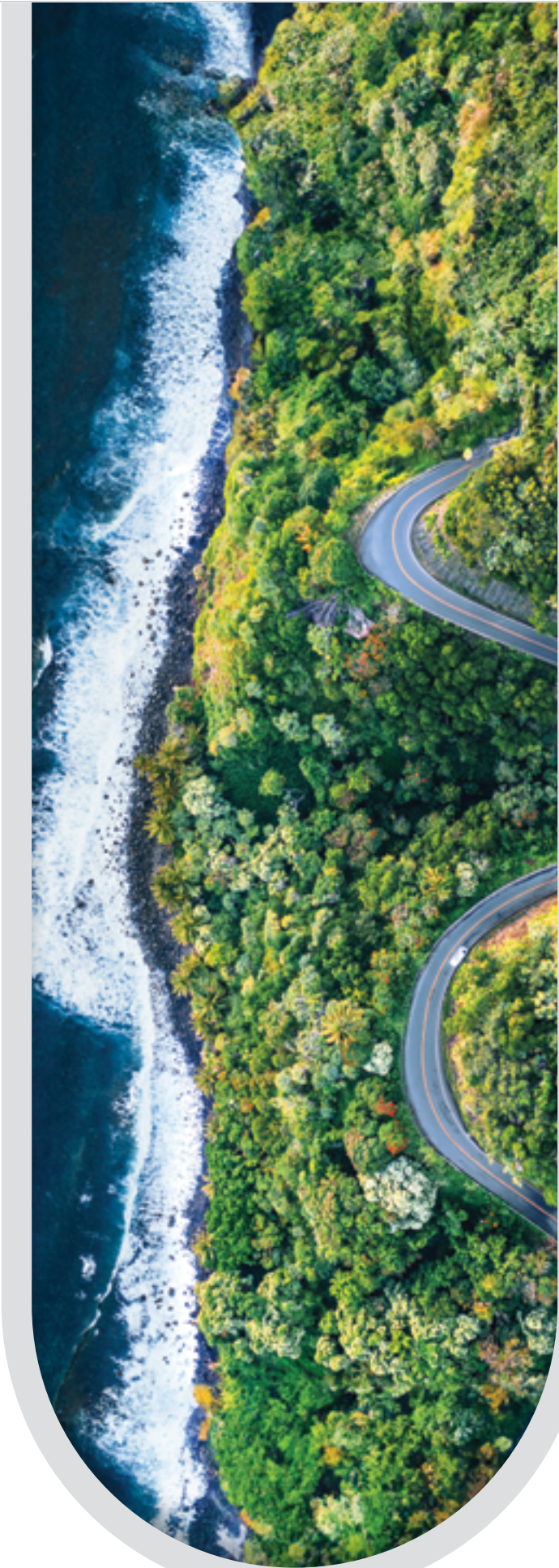
Stakeholder engagement

AF Access aspires to make a real difference for the people and groups connected to the Fund. We aim to work closely and positively with all our stakeholders to build strong and lasting connections.

Regular conversations with stakeholders are essential for effective fund management and reducing potential risks. These dialogues help us identify and resolve important issues that affect our value creation strategy. They also help us better understand what our stakeholders expect from us and make us more open and accountable. The input we receive from stakeholders is crucial for informed decision-making by our Board of Trustees, ensuring accurate planning and forecasting.





Our approach is guided by the following principles:

- Inclusion**
 - Saving towards retirement is applicable to everyone
 - Everyone has a role to play in ensuring the best possible outcome
 - Everyone has the right to be heard
- Reaction**
 - We believe in a proactive approach to all fund matters and timeous response to all stakeholder interactions
- Transparency**
 - When we talk to stakeholders, we want our conversations to be honest and helpful
 - This helps us improve our reputation and give more value to everyone involved



We deal with six categories of stakeholders

	<div>Members</div> <div>The Fund serves over 80 000 members. Unfortunately, most of these members do not engage their retirement fund arrangements actively or consistently and are therefore exposed to the risk of poor decision-making.</div>	<div>Participating employers</div> <div>The Fund services a wide range of participating employer groups across various industries and regions. The quality of our relationships with these employers and in particular their appointed independent intermediaries dictate our ability to impact members' lives through the delivery of our integrated best-practice model.</div>
	<div>Their concerns</div> <ul style="list-style-type: none">Understanding their retirement funding plansThe short-term impact of investment volatility on their portfoliosAbility to access their retirement funds to alleviate immediate financial circumstancesImpact of regulatory change on their retirement savingsServicing matters related to withdrawal claims and benefit processingAccess to the fund to address general queries	<div>Their concerns</div> <ul style="list-style-type: none">Navigating the complexities of managing employer responsibilities in retirement fund participation arrangementsChanges in legislationAdministration of contributions, reporting and benefit paymentsThe impact of macroeconomic matters on the financial outcomes of their membersInvestment performance in the context of volatile markets
How we engage	<ul style="list-style-type: none">We have a member engagement suite providing access to financial learning opportunities, an online portal, enhanced retirement benefit counselling (eRBC) and financial adviceThrough employer appointed IFIs to employer MANCOs and members via member sessionsWhere proactive engagement has failed, we have a robust complaints process to ensure customers are treated fairly and issues resolved expeditiously	<ul style="list-style-type: none">Independent intermediaries and MANCOs of the various participating employers have direct access to the principal officer, senior executives of the sponsor and the product head. As such, they can collaborate to address escalations and ensure the best outcomes for membersThe sponsor has a systematic 'voice of the customer' process that provides direct engagement with a representative sample of institutional clients to explore their concerns and aspirations
Our response	<ul style="list-style-type: none">Our refreshed strategy was crafted to enable the fund to better connect with individual membersWe are implementing our member engagement suite across our independent intermediary and participating employer client base to optimise adoption among their membersOur call centre, managed by Alexforbes, is being modernised to enhance the experience delivered to customersComplaints are aggregated to identify trends and root causes, which are then escalated and addressedIncreased focus by the board and Sustainability and Transformation Subcommittee (STSC) on treating customers fairly (TCF) by embedding and confirming our commitment to TCF principles at each subcommittee and board meeting	<ul style="list-style-type: none">When concerns are escalated, we close the loop and deliver appropriate actions and mitigate potential relationship lossesWe provided insights to address recent changes in retirement fund regulations and how these changes may affect employers' contributions and compliance requirementsWe host independent intermediary and employer engagement events where topics of relevance are discussedDevelopments within the macro and macroeconomic environment is monitored on a regular basis, the Board of Trustees also monitor the performance of appointed asset managers and review the appropriateness of available portfoliosIdentified areas of concern are discussed at subcommittee and Board level and applicable processes/improvements are implemented to ensure that any concerns are dealt withReview of escalations and outcomes are assessed at quarterly Board meetings

	<div>  Independent Financial Intermediaries (Intermediaries) </div> <p>AF Access caters for a wide range of intermediaries within the industry and particularly those intermediaries who focus on providing their clients (participating employers) with high quality and best of breed retirement fund solutions. The quality of our relationships with these intermediaries and their client bases dictates our ability to impact members' lives through the delivery of our integrated best-practice model.</p> <div> Their concerns <ul style="list-style-type: none"> • Changes in legislation • Administration of contributions, reporting and benefit payments • The impact of macroeconomic matters on investment performance </div>	<div>  Government and regulators </div> <p>Our regulators make certain that we treat our clients and members fairly, protect their information and assets and act in the best interests of all our stakeholders.</p> <div> Their concerns <ul style="list-style-type: none"> • Ensuring legal and regulatory compliance in an increasingly complex regulatory environment • Timeous and transparent reporting and disclosures • Active participation in and contribution to policy development and best practice • Treating customers fairly </div>	<div>  Service providers </div> <p>The fund has a close-knit relationship with Alexander Forbes Financial Services (AFFS) and Alexander Forbes Investments Limited (AFIL) as both entities are integral service providers. Maintaining good relations is crucial for ensuring alignment of strategic objectives, financial performance and regulatory compliance, ultimately benefiting all stakeholders involved.</p> <div> Their concerns <ul style="list-style-type: none"> • Managing investment risk and returns in a challenging macroeconomic environment • Alignment and synergy between the fund and the broader Alexforbes group • Delivering on agreed service levels, which now include transformation and ESG targets • Compliance with regulatory frameworks that apply to AF Access and Alexforbes is a shared concern </div>	<div>  Society </div> <p>We are a leading retirement fund in the savings and investment industry. Our impact on society helps to ensure that people retire through best advice with better financial outcomes. In various ways - from research and best practice to advice and product development - we can influence society for the better.</p> <div> Their concerns <ul style="list-style-type: none"> • Treating customers fairly (TCF) • Responsible corporate citizenship in the fund's dealings • Improved social and environmental outcomes using responsible investing through the value chain • Ethical practice, fairness and transparency at all levels of the fund's operations • Promoting the public interest when engaging on matters of national impact such as climate change, the basic income grant and national social security </div>
How we engage	<ul style="list-style-type: none"> • Intermediaries and MANCOs of the various participating employers have direct access to the principal officer, senior executives of the sponsor and the product head. As such, they can collaborate to address escalations and ensure the best outcomes for members 	<ul style="list-style-type: none"> • The fund's direct interaction with regulators is to the extent that information is requested from the fund • Further formal and informal interaction takes place via our service providers on an ongoing basis, e.g. through status updates, participation in industry forums and policy discussions 	<ul style="list-style-type: none"> • Formal and informal engagements to communicate requirements and provide feedback on the services delivered • Regular communication and collaboration between leadership teams ensures ongoing alignment and addresses areas of concern 	<ul style="list-style-type: none"> • Ongoing engagement with asset managers on ESG matters to influence meaningful change • We contribute to relevant policy matters, such as regulatory reform, through various professional bodies
Our response	<ul style="list-style-type: none"> • When concerns are escalated, we close the loop and deliver appropriate actions and mitigate potential relationship losses • We provided insights to address recent changes in retirement fund regulations • We host intermediary and employer engagement events where topics of relevance are discussed • Identified areas of concern are discussed at subcommittee and Board level and applicable processes/improvements are implemented to ensure that any concerns are dealt with • Review of escalations and outcomes are assessed at quarterly Board meetings 	<ul style="list-style-type: none"> • Compliance with regulation is the minimum standard expected of AF Access. We aim to exceed this threshold to deliver meaningful benefits to our members and society • Our philosophy is premised on regular, transparent and proactive engagement • We provide status updates to regulators as required • We give regulators advance notification of transactions or any other material items • We provide opinions and suggest solutions to regulators with regard to industry matters 	<ul style="list-style-type: none"> • Decision-making processes are cooperative, particularly when addressing significant issues • A concerted effort is made to harmonise the fund's strategic plans with the broader objectives of the Alexforbes Group and AFIL to foster seamless integration • AF Access' financial performance is vigilantly monitored and maintained to complement the fund's financial objectives • Stringent adherence to regulatory requirements is a shared responsibility, with the service provider providing compliance reports to the trustees • Open and transparent communication channels are maintained to address concerns and make collective decisions • Our transformation policy and ESG requirements have been socialised with the asset managers 	<ul style="list-style-type: none"> • We have implemented a TCF framework • Our primary mechanism to impact societal outcomes is in the delivery of our purpose by improving retirement outcomes and helping members to make better financial decisions • We provide insight to all stakeholders freely so that better decisions can be made • We participate with industry bodies to improve the regulatory environment for society, with our contribution to the two-pot system of particular relevance • We continue our journey of embedding ESG requirements as an opportunity to benefit our members as well as broader society



Value creation

Envisioning The Retirement Fund of the Future™

Disruptive trends are reshaping the retirement landscape

To survive and thrive, retirement funds need to think sustainably and respond to emerging megatrends that will rapidly transform economies, societies, and environments. These disruptive shifts include the following:

- Increasing average retirement age**
 Financial necessity, desire to remain active and the need for continued health insurance are pushing the average retirement age upward
- Rising cost of living**
 Inflation and higher living costs are making it challenging for individuals to save adequately for retirement
- Changing workforce demographics**
 There is a growing trend toward personalised and diversified investment portfolios to meet individual goals and risk tolerance
- Technological advancements**
 Innovations in data analytics and digital platforms are reshaping retirement planning and management
- Shift in investment preferences**
 There is a growing trend toward personalised and diversified investment portfolios to meet individual goals and risk tolerance

In response, retirement funds are called to adapt to remain relevant and effective in securing members' financial futures, and to be agile to proactively embrace change in the short and medium term.

The duty to achieve suitable risk adjusted returns over the long term presents a significant opportunity for retirement funds to think more strategically, over longer timeframes and to not only respond to the factors that will influence the future, but to play a significant role in creating it.

Retirement funds must transcend traditional retirement planning approaches if they are to survive, thrive and deliver on their mandates to members.

As one of South Africa's large umbrella funds, we understand the urgency and importance of this paradigm shift and what it means for retirement funds. We believe now is the time to act boldly and decisively.

Our proactive response

AF Access is proactively responding to these changes by drawing on leading insights and best practices, particularly through our appointed service provider, Alexforbes. The Alexforbes' Impact Centre of Excellence (CoE), established in 2023 to develop and deliver broad-based sustainability advisory services to clients, has designed a conceptual model of a future-fit retirement fund – **The Retirement Fund of the Future™**.

When considered collectively, these characteristics underpin five strategic outcomes which a future-fit fund should aspire to:

1

Member-centric

The intended impact of the Retirement Fund of the Future™ is to set a new industry standard for leading and future-fit retirement funds looking to secure their relevance, resilience and long-term success.

This Future-Fit approach can help retirement funds better position themselves to:

2

Strategic long-term thinking

3

Impeccable governance

Identify and understand the impact of their investments on members as well as wider society and the environment

Respond to changes that may present risks and opportunities and accommodate the changing needs and expectations of future generations

Safeguard the financial future of retirement fund members by ensuring that their money is suitably invested in responsible industries, companies and asset classes

4

Impact-conscious

5

Transparent stakeholder communication

Retirement Fund of the Future™

AF Access supports the thinking that underpins the **Retirement Fund of the Future™** concept and have commenced with a process of integrating the **five strategic outcomes** to evolve our response to ensure that the Fund remains resilient and a best-in-class, future-fit retirement fund that can deliver sustainable growth and positive impact for its members, stakeholders, wider society and the natural environment.

1 Member-centric

- Sustainable, future-fit retirement funds recognise that safeguarding and improving the retirement outcomes of members is paramount to the fund's purpose.
- Prioritising member outcomes ensures that strategies, products and services are tailored to meet members' unique needs, fostering trust and satisfaction over the long term.

2 Strategic long-term thinking

- Retirement funds must embrace strategic long-term thinking to navigate an ever-changing financial and social landscape.
- This approach ensures sustainability and adaptability to emerging trends and challenges.

3 Impeccable governance

- Retirement funds must uphold the highest standards of governance to protect members' interests and enhance the credibility of the fund.
- Strong corporate governance builds trust and transparency and protects the fund registration as a pension fund organisation.

4 Impact-conscious

- Being impact conscious means actively managing the social and environmental effects of the fund's activities and investments.
- By assessing and mitigating negative impacts while promoting positive change, the fund can ensure long-term value creation and sustainability for its members and society.

5 Transparent stakeholder communication

- Trustworthy retirement funds prioritise clear and open communication with members and other stakeholders to foster positive relationships.
- Transparent communication builds trust among stakeholders, including independent intermediaries, employers, regulators and particularly members.

The Fund intends to undergo a Future-Fit gap assessment, in line with the thinking embedded into the Retirement Fund of the Future™ concept. This assessment was initially planned for the 2024 financial year, but has been delayed to prioritise the implementation of changes relating to the Two-Pot system. The assessment will take place during the 2025 financial year.

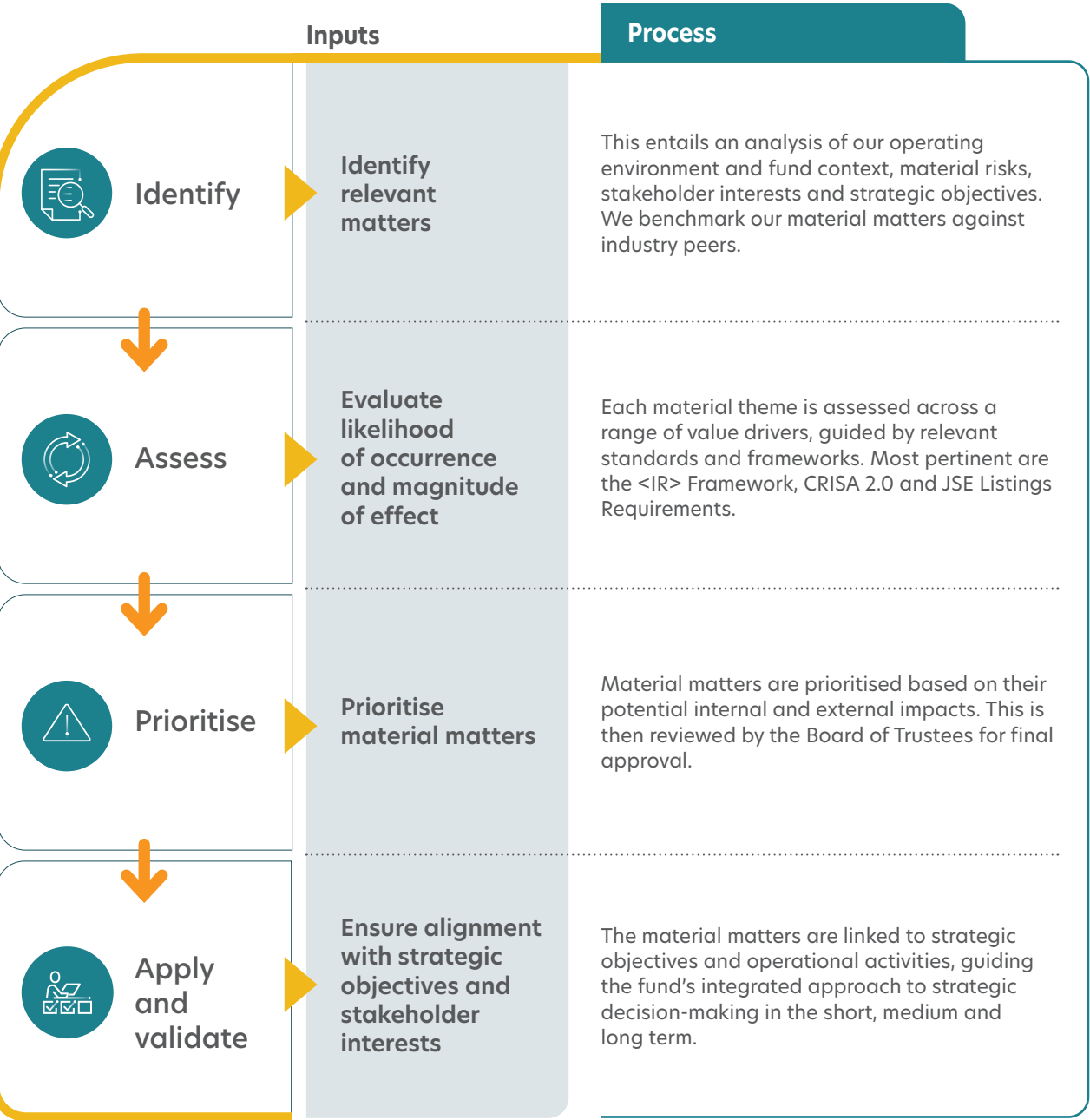
Material matters

Materiality determination process

Material matters are those issues that can significantly impact the fund’s ability to preserve or create value over the short, medium and longer term. We take an integrated approach since materiality could translate to the fund’s financial performance, its impact on the environment and its relationship with society. These factors are key when stakeholders evaluate the fund’s overall performance and sustainability.

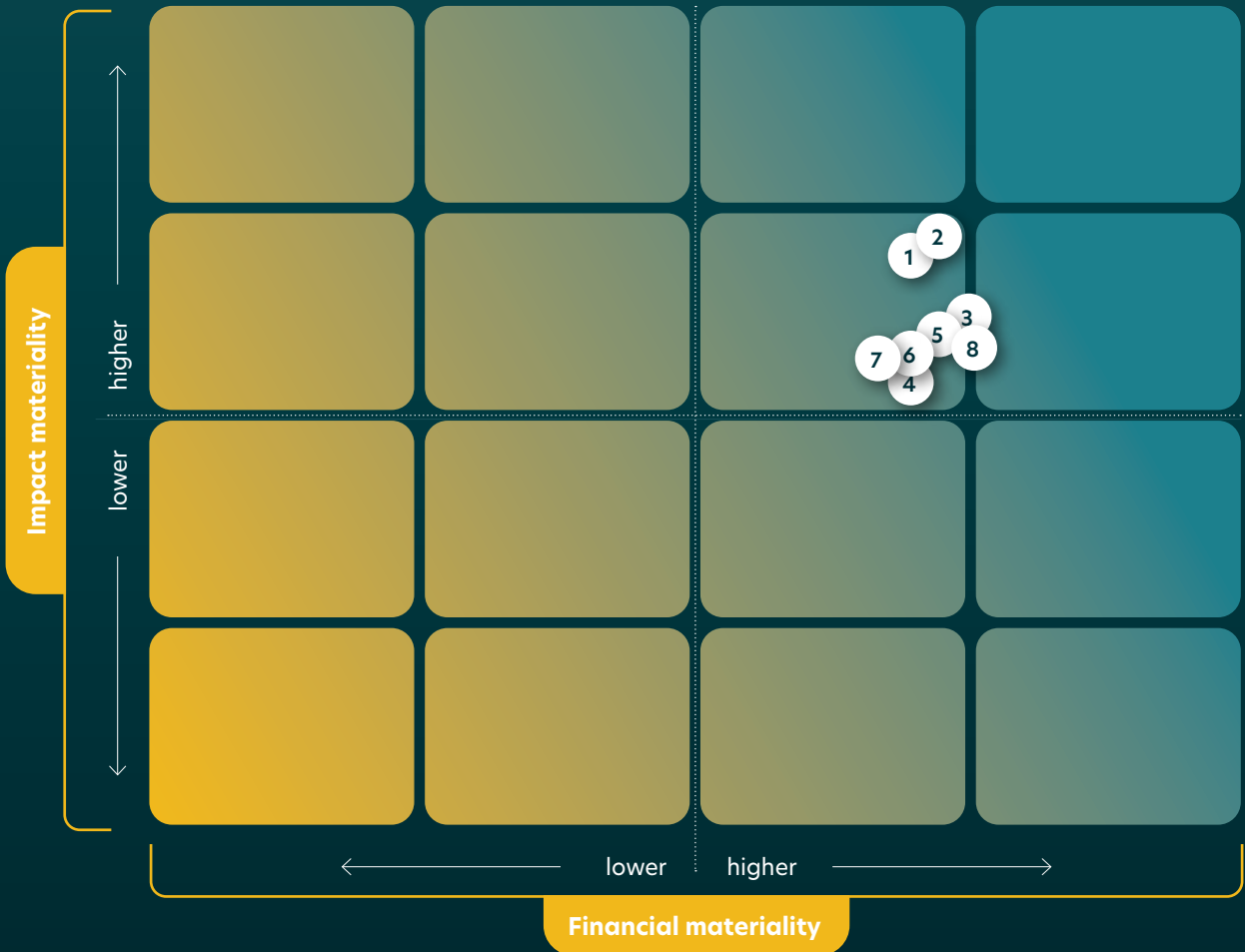
In determining our most material matters, we assess the risks and opportunities in our environment, consider what our stakeholders care about and keep the fund’s primary goals in mind.

We gather input from the sponsor, administrator and auditor, thoroughly review all feedback and then the Board of Trustees approve the key matters on which to focus. This process helps us prioritise what is important to our fund and stakeholders, guiding our strategy to manage risks and seize opportunities.



Our material matters

The following material matters were identified and prioritised by the Board and the sponsor. They are ranked in order of importance as determined by the process outlined alongside.



Material matters

- 1 Oversight of responsible investing outcomes with a focus on stewardship
- 2 Fiduciary oversight to ensure fund performance has a sustainable financial impact on members
- 3 Maintain good governance, accountability and ethical practices
- 4 Manage risks and compliance
- 5 Manage and respond to stakeholder interests
- 6 Member education including financial literacy, retirement benefit counselling and capacitating employer management committees
- 7 Measurable benefits that create member impact
- 8 Effective and efficient management of the fund

1

Oversight of responsible investing outcomes with a focus on stewardship

Why is this material?

Our focus is on responsible investing to ensure that the impact of our investment portfolios contributes positively to sustainable outcomes over the long term.

How are we responding?

Through our responsible investing approach and stewardship framework, we are committed to supporting a just transition for climate change, mitigating negative environmental impacts and creating a positive impact in society.

Stakeholders



Relevant capitals



Strategic outcomes



2

Fiduciary oversight to ensure fund performance has a sustainable financial impact on members

Why is this material?

Our fiduciary duty is to ensure that our fund delivers the most reliable financial returns possible and fosters long term wealth creation for our members.

How are we responding?

The Board of Trustees are committed to exercising the necessary skill, care, diligence and prudence and to act in the best interest of the fund and its members. This includes managing the fund effectively and efficiently and preserving the assets of the fund while ensuring benefits are paid to members.

Stakeholders



Relevant capitals



Strategic outcomes



3

Maintain good governance, accountability and ethical practices

Why is this material?

Strong ethical practices are imperative in our dealings with all stakeholders. Good governance ensures credibility, transparency and accountability.

How are we responding?

We are committed to maintaining good governance and accountability by providing ethical leadership and full transparency. This includes the composition of the Board of Trustees, the selection and appointment of an independent principal officer and transformation of the Board by way of succession planning.

Stakeholders



Relevant capitals



Strategic outcomes



4

Maintain good governance, accountability and ethical practices

Why is this material?

Effective regulation ensures that funds operate in the best interests of members, while compliance promotes trust in the fund's management and protection of retirement assets. Further, strong risk management is crucial due to the long-term nature of the fund and our significant fiduciary responsibility for member's livelihoods in retirement. Safeguarding the assets we manage from market volatility and other risks can support solvency and mitigate adverse effects on the fund's health.

How are we responding?

Our commitment is to ensure compliance with current and emerging legislation, regulation and best practice. Our risk management and mitigation structures and processes enable us to identify and monitor current and emerging risks timeously and plan to manage and mitigate adverse impacts.

Stakeholders



Relevant capitals



Strategic outcomes



5

Manage and respond to stakeholder interests

Why is this material?

Strong stakeholder relationships are crucial to building trust and ensuring long-term stability for the fund. Fostering strong relationships with independent intermediaries, participating employers and service providers can lead to better investment outcomes.

How are we responding?

Our stakeholder engagement processes prioritise regular and transparent two-way communication to ensure stakeholders remain informed about the fund's performance and investment strategies. We leverage collaborative decision-making to work closely, ensuring that the fund can remain responsive to changes in the economic, social and regulatory landscape.

Stakeholders



Relevant capitals



Strategic outcomes



6

Member education including financial literacy, retirement benefit counselling and capacitating employer management committees for the effective monitoring of delivery to members

Why is this material?

The benefits of our financial solutions are maximised when MANCOs and independent intermediaries understand the impact of these solutions on members' retirement outcomes and when our members are capacitated to make informed decisions on the various options available.

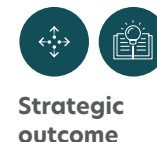
How are we responding?

MANCO and independent intermediary-led member education and engagement, the promotion of financial literacy and retirement benefit counselling supports better outcomes for both our members and the fund.

Stakeholders



Relevant capitals



Strategic outcome



7

Measurable benefits that create member impact

Why is this material?

A pension fund that delivers measurable benefits is crucial as it ensures financial security for retirees, fosters trust with participating employers and promotes a sustainable approach to long-term savings.

How are we responding?

Our member impact report provides unique insights into the financial wellbeing of our members that ensures our approach delivers reasonable retirement outcomes based on the inputs to achieving them (contribution rate, investment return, length of service and preservation, alignment of investment strategy and selection of annuity option on retirement).

Stakeholders



Relevant capitals



Strategic outcomes



8

Effective and efficient management of the fund

Why is this material?

It is critical that the fund optimises its administrative processes and relationships to ensure proper oversight over decision-making and operational management.

How are we responding?

Our commitment is to ensure compliance with current and emerging legislation, regulation and best practice. This involves our risk management and mitigation structures and processes that enable us to identify and monitor current and emerging risks.

Stakeholders



Relevant capitals



Strategic outcomes





Risk

Risk management policy

The fund's risk management policy sets out how the Board governs the risks the fund faces. It provides a structured framework for identifying and mitigating key risks, aligning with the fund's core objective of ensuring members receive adequate retirement benefits and extending benefits to dependants upon a member's death.

The task of risk identification and assessment is entrusted to the Governance, Audit and Risk Management subcommittee (GARSC). Its findings and assessments are reported to the Board of Trustees, who carries overall responsibility for the final assessment of key risks and for oversight of ongoing risk management and monitoring.

Risk identification and assessment process



Risk identification

Risks are identified through a comprehensive approach involving various sources, which include:

- Legislative parameters such as the Pension Funds Act and Income Tax Act
- Industry regulators' guidance and best practices
- Pertinent legal cases and rulings
- Reports furnished by third-party entities, encompassing auditors, actuaries, administrators, investment consultants and investment managers



Risk assessment and categorisation

The risks are assessed against factors such as:

- The potential impact of the risk on the fund and its members
- The likelihood of the risk materialising
- Existing control and mitigation mechanisms
- The presence of insurance coverage, indemnities, or other protective measures

Based on the assessment, risks are categorised as follows:

- **Green:** risks that are no longer a cause for concern, having been effectively managed or eliminated.
- **Amber:** risks under active management that may necessitate further action or continued monitoring.
- **Red:** risks demanding immediate attention, intervention and ongoing scrutiny



Risk register

All identified risks are documented in a dedicated register. This repository includes:

- Detailed descriptions of each identified risk
- The GARSC assessment of the risk's current status
- A summary of the measures implemented or planned for risk mitigation
- Evaluation of the potential impact on the fund and its members
- A clear allocation of responsibility to manage each risk
- Prescribed intervals for re-evaluating these risks



Risk monitoring

Immediate action plans are promptly initiated in response to 'red' risks. For 'amber' and 'red' risks alike, cautious monitoring is upheld, with regular status updates provided during subcommittee and Board meetings.

The risk identification and assessment process is conducted at least once every three years. 'Amber' and 'red' risks are reviewed on an ongoing basis, but not less than annually, ensuring timely responses to emerging challenges.

Material risks

Most of the risks that could significantly impact AF Access’s ability to create value in the short, medium and long term originate from the external environment. While these external risk factors are largely beyond our control, we constantly monitor and engage with our service provider to identify the need to manage actual or potential impacts. Current top concerns include the following:

ESG and transformation

There is a need for the consideration of ESG factors and transformation to be embedded in the operation of the Fund to ensure that related risks can be identified and managed or mitigated.

Practical application and implementation are required as the process is undertaken. As sustainable investment and ESG continue to mature and evolve within the industry, there is a greater scope for change, driven by increased legislative and best practice guidelines.

Mitigating measures

Owing to the scope, impact and dynamic nature of ESG risks, the Board Sustainability and Transformation Subcommittee (STSC) was established to manage and monitor broad sustainability and transformation within the Fund’s operations and to engage with the multi-manager on the implementation plans of these aspects in the Fund’s investments.

Stakeholders



Relevant capitals



Two-Pot retirement system

The introduction of the Two-Pot retirement system required substantial changes to the way that retirement funds operated. The implementation dates introduced a number of risks in a several areas that were difficult to fully prepare for, given the substantial changes required to systems and the lack of clarity regarding operations and requirements.

Mitigating measures

The revised implementation date provided for further engagement with the authorities and additional time to align systems to ensure a more seamless transition to the new system.

However, the overall risk areas remain the same. The Trustees continue to review and engage with the Fund’s administrator and service providers on the following risk areas:

- Administration and resources
- Communication
- Rules and policies
- Investment strategy
- Member impact

Stakeholders



Relevant capitals



Section 14 transfers

Section 14 transfer is the transfer of retirement savings from one retirement fund to another in terms of Section 14 of the Pension Funds Act. As multiple parties are involved, timeous notification, communication and receipt of documentation and asset transfer timeframes can be challenging. Delays in notification and finalisation of transfers between funds remains an industry problem.

The single most contributing factor to delays in the process is the requirement for funds to obtain tax directives from SARS where members’ tax affairs are not in order.

Mitigating measures

The Trustees engage regularly with the administrator to ensure they manage compliance with Section 14 transfers and automate processes where possible to mitigate delays.

The Fund’s appointed service provider provides training and assistance in managing backlog projects, escalations (including to the FSCA) and providing reporting on the different areas at trustee meetings so these can be monitored and addressed.

Ongoing communication to participating employers and members emphasises the need for members to ensure that their tax affairs are in order with SARS.

Stakeholders



Relevant capitals



Section 13A contributions and supporting information

Section 13A of the Pension Funds Act requires that employers pay contributions for a particular month within seven days after month-end, that they provide member schedules in respect of contribution payments to the Fund and that interest (at the legislated rate) is paid on late contributions.

At the onset of Covid-19, the rules were amended to allow a reduction in contributions temporarily because of financial distress.

There are a number of employers struggling with regular cashflow in the tight economic conditions that fall into arrears and do not inform members. This is a concern, as failure to pay contributions can result in risk cover lapsing, a loss of investment return, delays in updating benefits for members who leave service, and it is a criminal contravention for which the employer’s directors can be held liable.

Mitigating measures

Mitigation measures for financial strain and impact on cashflow and payment of contributions was pro-actively addressed through the servicing consultants to employers to mitigate arrear contributions and ultimately preserve existing benefits in the Fund for members. Measures such as lower contribution rates, redefining pensionable salary, temporary suspension or reduction of contributions except for risk expenses are all options available for the employer to engage with members on.

These options are continuously communicated through the servicing consultants and MANCO communications. Contraventions are and will continue to be reported to the FSCA and notifications issued to employer’s and members.

Stakeholders



Relevant capitals



Cybersecurity & Cyber Resilience

The Joint Standard on Cybersecurity and Cyber Resilience issued under the Financial Sector Regulation Act, coming into effect on 01 June 2025. These are guidelines on how to manage and mitigate cybersecurity risks. The standards also outline the measures and best practices that must be adopted to ensure robust cybersecurity and resilience against cyber threats.

Mitigating measures

A thorough review of the Fund’s Cyber Risk Management Framework and Strategy has been conducted by the Governance and Audit Risk Committee. The framework ensures the governance of information security and technology, ensuring that the fund can identify cyber related risks, and implement the necessary controls to manage these risks. The Fund’s ability to anticipate, prevent, contain and recover from cyber incidents is core to the operational resilience and is highlighted thoroughly in the framework. The Governance and Audit risk Committee will propose to the Board that this committee be tasked with the comprehensive oversight of cybersecurity and resilience. This Committee will be responsible amongst others to oversee the implementation of best practices for managing cyber risk and safeguarding IT systems and information assets by the Fund as defined in the Cybersecurity Framework and Strategy of the Fund.

Stakeholders



Relevant capitals



Governance

AF Access offers an established governance framework and management structure with three levels:

- A professional Board of Trustees sets the parameters for participation and ensures compliance with retirement fund laws.
- A MANCO at employer level allows employers and members to determine benefit structures and monitor service delivery.
- Open communication between the sponsor, the Fund, the independent intermediary and participating employer.

We believe good governance is crucial for sustainable value creation and preservation. Therefore, we adhere to rigorous standards of governance, internal controls, risk management, and compliance, ensuring robust decision-making and accountability.

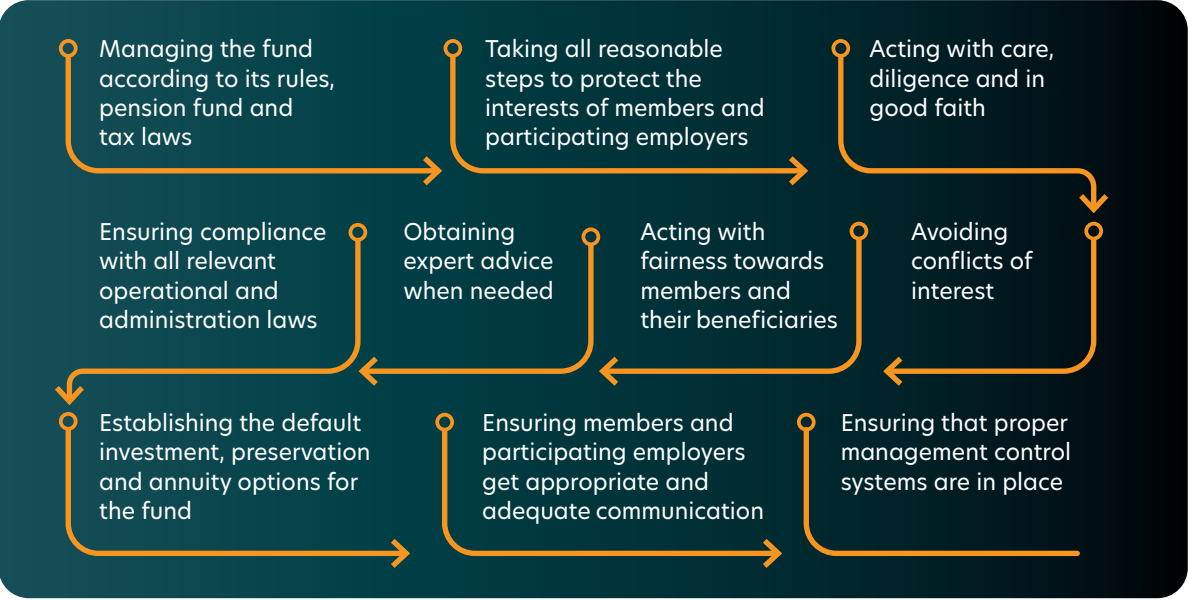


Governance structure and duties

AF Access is governed by a board of six trustees, made up of three independent external trustees appointed by the Board and three internal trustees appointed by the sponsor (Alexander Forbes Financial Services (Pty) Ltd). Trustees are appointed in line with the rules of the Fund. External trustees are required to be independent (i.e. may not be employees of the sponsor or any of its subsidiaries) to align with governance best practice and the rules of the Fund. The chair is an independent external trustee (although this practice is not a legal requirement, it is good governance and expected to continue).

The Board of Trustees, supported by the principal officer, oversee the Fund's operations, providing strategic direction and leadership. They delegate detailed planning and policy implementation to the Fund's service providers.

The Trustees must always act in the best interests of the Fund and its members. Their duties include:



All funds must appoint an independent principal officer whose duties include:

- Signing all documents on behalf of the Fund
- Acting as liaison person with the FSCA, including communicating new trustee appointments and submitting documents (such as rule changes, transfer documents, financial statements, annual reports and valuation documents)
- Informing members of rule changes
- Managing and monitoring service provider delivery to the Fund

Where the Fund's rules allow, some responsibilities are delegated to subcommittees, to support efficient management, compliance and strategic alignment within AF Access. The committees each consider issues within their respective mandates and make recommendations for Board approval.

Investment	Governance, Audit and Risk (GARSC)	Communication	Benefits	Sustainability and Transformation (STSC)
<ul style="list-style-type: none">• Reviews fund investment strategy in collaboration with asset consultant• Assists trustees in investment related duties• Monitors investment policy adherence and updates<ul style="list-style-type: none">– reviews asset allocation strategy, mandates and fee agreements– Monitors investment performance and compliance• Supports responsible investment principles• Recommends investment managers and reviews life-stage structure• Identifies and mitigates risks associated to investments	<ul style="list-style-type: none">• Reviews fund governance, audit and risk management• Monitors financial controls and compliance• Assesses governance structures and systems• Reviews audit reports and financial statements• Identifies and mitigates risks• Oversees data protection and privacy• Promote best practice and in particular in relation to:<ul style="list-style-type: none">– Accountability– Transparency– Risk Management– Fraud Prevention– Sound Control Systems– Adherence to Legislation– Data Privacy and Protection	<ul style="list-style-type: none">• Ensures compliance with communication regulations, including the Pension Funds Act, FSCA guidelines and TCF principles• Focuses on member and stakeholder communication strategies• Reviews and updates communication policy annually• Monitors transparency and effectiveness of communication• Manages member complaints and feedback• Promotes the Protection of Personal Information Act (POPIA) and the King IV Report on Corporate Governance	<ul style="list-style-type: none">• Allocates death benefits• Reviews compliance with Pension Funds Act Sections 37C and 37D• Considers Section 37D deductions from members benefits and contentious divorce orders• Addresses member complaints related to Section 37D and Section 37C and feedback• Identifies and mitigates risks associated to the above	<ul style="list-style-type: none">• Oversees fund sustainability practices and transformation efforts• Implements ESG plan and aligns with investment managers' initiatives<ul style="list-style-type: none">– Monitors diversity and inclusion practices of Fund Asset Managers• Develops plans for board and service provider transformation• Reviews B-BBEE credentials and transformation policies

The **Management Committee** (MANCO) is comprised of participating employer representatives, supported and advised by their appointed independent intermediary, who act as the monitors of service delivery between the Fund, its administrator and its members.

Our Board of Trustees

Independent trustees



Lavinia Khangala ⁵⁵
BProc, LLB, LLM, CFP

Over 17 years industry experience
Appointed 1 March 2013
Elected as chair from October 2024



Jurgen Fegbeutel ⁷¹
LLD, LLB, MA


Over 39 years industry experience
Appointed 1 September 2015



Robin "Sakkie" Hurd ⁶⁹
BMil Sc


Over 22 years industry experience
Appointed 1 July 2019
Chair up to 30 September 2024

Alternates




Malande Tonjeni ⁴⁷
CA (SA)

Certified Director®
Professional Retirement Fund Trustee
Over 22 years industry experience
Appointed 1 November 2024



Luyanda Mbatha ³⁰
Admitted Advocate of the High Court of South Africa

Section 26 Trustee
Experience performing the duties of Chairperson and Principal Officer.
Appointed 1 February 2025



Dolana Conco ⁵²
BCom (Economic)

FAIS RE:5 Exams obtained, Post Graduate Diploma in Financial Planning – CFP (UFS) and Leadership in the Connection Economy (UFS).
Over 26 years' industry experience
Appointed 1 November 2024

Internal trustees




Michael Prinsloo ⁵⁰
BCom, CFP

Over 21 years industry experience
Appointed 1 March 2018



Nazreen Fakir ⁴³
CA (SA)


Over 12 years industry experience
Appointed 1 October 2022



Alvina Chetty ⁴⁰
LLB

Over 14 years industry experience
Appointed 1 January 2024

Principal Officer



Nomonde Zwane ⁴²
BCom, MBA, MPhil

Over 15 years industry experience
Appointed 1 March 2013

Monitoring person



Wendy Wessels

Appointed: April 2021

Appointed by the Trustees to monitor the receipt of contributions to the Fund and to report to the Board on any breaches by employers.

Information officer

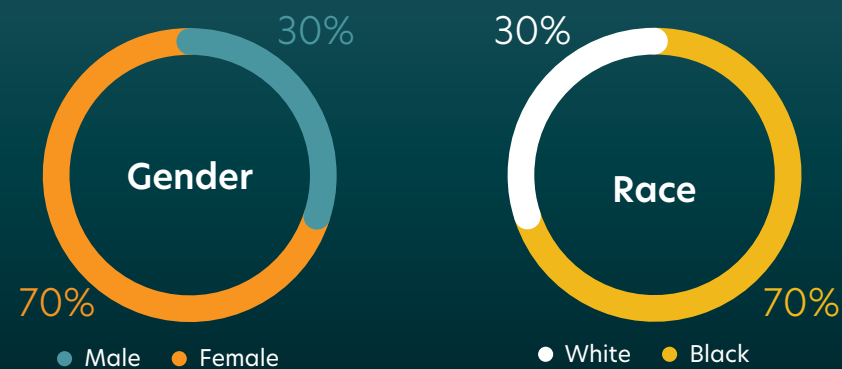


Chantell Watkins

Appointed: March 2024

Appointed by the Trustees to monitor the implementation and management of data privacy, to maintain the Fund's PAIA Manual and to report to the Board on any information breaches.

The racial and gender composition of the Board of Trustees is shown below. This includes internal and external trustees, alternates as well as the Principal Officer (but excludes the Monitoring person and Information officer).



Subcommittee membership

- Governance, Audit and Risk
- Investment
- Benefits
- Communication
- Sustainability and transformation

* Denotes the chairperson

Board principles and processes

Skills and experience

Central to the trustee selection process is a detailed skills and experience matrix covering governance, financial, legal, compliance and sustainability. Current trustees' skills and experience are mapped against the needs of the fund to identify deficiencies to inform continued professional development interventions, succession planning needs and nomination priorities. Naturally, not all requirements will or should be met at a trustee level and the organisational and executive capability, as well as areas where external expert skills may be more appropriate, are taken into consideration.

In addition to technical skills and experience and diversity, an understanding of and alignment with the fund's purpose, vision and strategy are critical elements in the nomination and selection process.

- The current trustees collectively have over 120 years of industry experience. They apply their experience to the governance and management of the fund to make sure it meets all its financial and legal commitments. Each trustee has an area of expertise to add value to the oversight and management of the fund.

Appointment

Board members are appointed or elected through a formal and transparent process.

The sponsor is responsible, subject to the rules of the Fund, for the appointment of the internal trustees which are acceptable to the board.

The board is responsible, subject to the rules, for the appointment of the external trustees, as and when this is required. The process includes an evaluation of any candidate's fitness and appropriateness, as well as reference checks. Trustees are required to exhibit characteristics of integrity, competence, responsibility, accountability, fairness and transparency.

On appointment, the terms and conditions are formalised in a letter of appointment and new trustees undergo an induction programme to facilitate their understanding of the business environment in which the fund operates.

Term

The term of office for board members is a period of up to five years subject to the provisions of the rules, whereupon they become available for reappointment. Eligibility for re-election or re-appointment is informed by the individual trustee's performance, contribution and attendance, their willingness to stand for another term and the requirements of the fund. Any vacancies need to be filled within the prescribed period as set out by the FSCA from time to time or as required in terms of the rules of the fund should this period be less than the prescribed period.

Trustee and principal officer remuneration

External trustees and the independent principal officer are remunerated by the fund. Internal sponsor appointed trustees are remunerated by the sponsor.

The rate of remuneration is determined in terms of the rules of the fund and adjusted annually. The rate paid is competitive and aligned with industry rates and benchmarked by the sponsor against funds of a similar nature and complexity, and are aligned with rates charged by external trustees of sponsored funds. The rate is standard for all external trustees and chairperson(s) are not remunerated at a differentiated rate. The total remuneration paid in any year is disclosed in the fund's annual financial statements.

Succession planning and alternate trustees

Board succession is a continuous area of focus, both from an emergency and long-term sustainability perspective. As part of building a reliable leadership pipeline, the fund's rules now allow for alternate trustees who provide continuity in the management of the fund and promote the transformation of the board.

Conflicts of interest

AF Access aims to avoid conflicts of interest but recognises that some are unavoidable. To manage conflicts of interest, the fund requires service providers and trustees to disclose any potential conflicts at each trustee and subcommittee meeting.

The fund acknowledges a potential conflict between the administrator, multi-manager and the fund investment consultant because they are part of the same financial services group. The board manages this inherent conflict through its risk management framework.

Training and ongoing learning

Board members are appointed as professional trustees and expected to have sufficient education in their appointed skills. They must understand their accountabilities and responsibilities and attend ongoing training programmes and meetings to equip themselves appropriately.

The board recognises the importance of educating trustees in various fund-related matters, including investments and governance. Investment topics are regularly covered in meetings and annual workshops, including educational components to enhance trustees' knowledge and understanding of the fund's investment framework.

The board has fully embraced the FSCA Trustee Toolkit initiative and monitors individual trustees' compliance with the conduct standard. The trustees also expect the principal officer to comply with the requirements. The fund is a subscriber to the Alexforbes Impact Academy.

All trustees are furthermore required to provide a quarterly training report to the principal officer for record purposes.

Board and subcommittee evaluation and assessment

The board evaluates its performance annually, as well as the performance of its subcommittees and service providers. The evaluation helps track progress and assess skill and development needs. The performance of the principal officer is also assessed annually.

Improvement measures are implemented based on the assessments to enhance the board's effectiveness. The board, having applied its mind, believes that all subcommittees have the collective knowledge, skills and experience required to fulfil their mandated responsibilities. The board and subcommittees also discuss how they can improve performance against their mandates.

Board focus areas 2024

ESG integration

The integration of ESG principles into the fund's investment strategy remains a priority for the Board. This initiative aims to align the fund's investment portfolio selections with those portfolios with sustainability goals and ethical considerations. The Sustainability and Transformation subcommittee continues to improve on its mandate, working to integrate the work already done by the Investment subcommittee in respect of an analysis to identify gaps and opportunities to effectively implement ESG principles by the multi-manager. There is continuous engagement with the multi-manager on the implementation and monitoring of ESG practices.

Transformation and continuity

AF Access recognises the importance of driving transformation within its board composition, while ensuring leadership continuity and the retention of institutional knowledge. To support this, the board has appointed three alternate trustees who possess the necessary skills and relevant qualifications. All three appointees are women, aligning with the fund's transformation objectives. These alternates have been identified based on their potential to transition into full trustee roles in the future.

In parallel, the fund is actively engaging with former trustees to retain or leverage their institutional knowledge and experience, ensuring that this expertise is shared with newly appointed trustees and alternates.

Adapting to regulatory changes

The Two-Pot retirement system came into effect on 1 September 2024, following the release of the necessary legislative amendments for pension funds to implement the first phase. Although the legislation was initially expected to take effect in 2025, the revised implementation date created some uncertainty regarding timelines for compliance with this significant reform.

Despite this, the fund proactively made all necessary adjustments within the required timeframes to ensure full compliance with the Two-Pot legislation ahead of the 1 September 2024 deadline. The Fund administrator successfully managed the increased volume of claims resulting from the Two-Pot system, ensuring that members and beneficiaries were paid within reasonable timeframes.

Member communication and systems continue to be enhanced to handle the growing volume of claims and queries, enabling us to serve members more efficiently and responsively.

The Joint Standard on Cybersecurity and Cyber Resilience, issued under the Financial Sector Regulation Act, comes into effect on 1 June 2025. In preparation for this, the Governance and Audit Risk Sub Committee conducted a thorough review of the Fund's Cyber Risk Management Framework and Strategy, and work is underway to ensure the Fund's compliance by the required deadline.

Engaging participating employers

The Board pays close special attention to compliance with Section 13A of the Pension Funds Act to ensure that participating employers meet their responsibilities of paying retirement contributions on time. The Board is cognisant of the economic environment employers operate in and continuously works on improving the process by providing various options that help prevent employer terminations owing to non-payment of contributions. Employers are encouraged to engage with their appointed intermediary as well as the Fund to discuss cash flow challenges and understand the options available to them.

Treating Customers Fairly (TCF)

The implementation and embedding of the Treating Customers Fairly (TCF) principles remain a key focus area for the board. The Fund has actively integrated these principles into its operations, aligning both values and processes with TCF objectives.

A comprehensive awareness and education campaign was undertaken to embed TCF principles into the fund's culture and day-to-day practices. The board continues to reinforce the importance of TCF by regularly emphasising its outcomes in meetings, demonstrating an ongoing commitment to fairness, transparency, and responsible stakeholder engagement.

Board and subcommittee attendance

Name	Trustees meeting	Investment subcommittee	Governance, Audit and Risk subcommittee	Governance, Audit and Risk subcommittee	Communications subcommittee	Benefits subcommittee
Sakkie Hurd*	4/4	4/4	4/4	4/4	4/4	N/A
Jurgen Fegbeutel	4/4	4/4	N/A	N/A	N/A	12/12
Lavinia Khangala**	4/4	1/4††	3/4	N/A	N/A	11/12
Michael Prinsloo	4/4	3/4	3/4	4/4	N/A	N/A
Alvina Chetty#	3/3	3/3	N/A	N/A	N/A	7/9
Nazreen Fakir	3/4	N/A	3/4	4/4	4/4	N/A
Luyanda Mbatha^	N/A	N/A	N/A	N/A	N/A	N/A
Malande Tonjeni^	N/A	N/A	N/A	N/A	N/A	N/A
Dolana Conco°	1/1	0/1	1/1	0/1	1/1	1/3
Nomonde Zwane	4/4	4/4	4/4	3/4	3/4	10/12
Leroy Munetsi†	1/1	1/4††	N/A	N/A	N/A	2/3

* Chair of the Board until 30 September 2024

** Chair of the Board from 1 October 2024

Appointed 1 January 2024

° Appointed 1 November 2024

^ Independent external alternate trustee (alternate trustees are required to attend meetings to ensure continuity and to enable enhanced understanding of the workings of the Fund for the purposes of succession planning)

† Resigned effective 31 December 2024

†† no longer a subcommittee member post December 2023

MANCO duties

Each participating employer should appoint and elect an employer MANCO which consists of participating employer representatives who play a crucial role in making decisions on the benefit structure applicable to the participating employer, monitoring service delivery between the employer and the Fund and its administrator and its members. The MANCO must meet (except for Base offering clients) at least once per year with their independent intermediaries to review:

- The benefit structure of their participation within the framework of the Fund
- The costs and rates applicable to their participation and benefits provided through the Fund
- Their investment strategy
- Reports regarding their participation, such as the administration report and in respect of the comprehensive offering, a cash flow report and financial assessment

Each MANCO also acts as the communication channel to members and as a conduit for members' concerns.

Risk benefits

Request and obtain risk benefit quotes

Select and structure most appropriate risk benefits

Claims assistance

Assist with processing of death benefits

Remind members to update nominated beneficiary details

Service delivery

Review efficiency, professionalism and competitiveness of offering

Maintain integrity of achieving long term retirement goals

Investment choice

Choose an appropriate default solution (excl Base Access)

Monitor strategies against objectives

Member education

Educate members on benefits

Inform members of available services

Contributions

Monitor that the employer pays the required contributions and advise members where this is not the case



Responsible investing

Our approach to responsible investing

The fund defines responsible investment as:

"An investment approach that includes environmental, social and corporate governance (ESG) factors and broader systemic issues – for example, climate change and sustainable development along with stewardship and active ownership"

The Fund's responsible investment approach considers returns in tandem with its impact on ESG factors. Our investment decisions are guided by ESG principles, focusing on opportunities that are financially sound and ethically responsible.

The Fund aims to advance South Africa's economic and social progress. Our trustees prioritize targeted investments that impact society, the environment, and promote transformation.

We value multi-managers and single investment managers who incorporate the ESG factors that may affect the sustainability of an investment into their assessments and investment processes, as it enhances informed decision-making and aligns with our commitment to responsible investing.

AF Access endorses several recognised codes and standards in its commitment to responsible investment.

Code for Responsible Investing in South Africa (CRISA)

Launched in 2011, CRISA encourages institutional investors and service providers in South Africa to integrate ESG issues into their investment decisions. We endorse CRISA and its latest iteration, CRISA 2, which aims to reaffirm a framework of principles for stewardship and responsible investment as a key component of the South African governance framework.



Read more on our implementation of CRISA [here](#)

UN Principles for Responsible Investment (UNPRI)

Although the Fund is not a signatory to UNPRI, it aligns with its principles, which emphasise the fiduciary duty of institutional investors to consider ESG factors in their investment decisions. AF Access's beliefs and practices echo the UNPRI's call for responsible investing that goes beyond financial returns.

Taskforce for Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standard - International Sustainability Standard 2 (IFRS - ISSB S2)

As noted in our Investment Policy Statement, the Fund aspires for the multi-manager's approach and disclosure on climate impact to be consistent with the framework recommended by the TCFD, to reflect on how the Fund's activities impact on climate change. The TCFD approach has been incorporated into the IFRS - ISSB S2 climate related disclosures. The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.



Read more in our Investment Policy Statement [here](#)

Our responsible investing framework

Integration of ESG factors

- Asset managers are expected to integrate ESG factors into their investment processes, aimed at achieving better risk-adjusted returns and improved member outcomes
- AF Access has established reporting and monitoring mechanisms to ensure asset managers adhere to their ESG policy
- An ESG ratings framework assesses the performance of asset managers, with the highest-rated managers preferred
- Ratings are regularly reviewed

Active ownership and stewardship

- The fund seeks to influence positive market behaviour through activism
- Our Proxy Voting Guidelines show our asset managers how to vote on shareholder resolutions related to specific ESG issues
- The multi-manager also monitors and reports on their asset managers' proxy voting records related to ESG issues
- An engagement policy empowers the fund to influence corporate decisions through asset managers

Collaboration and capacity building

- AF Access collaborates with industry bodies to promote ESG principles and expects its multi-manager to align with PRI and CRISA 2 principles
- We actively engage with the multi-manager, discussing ESG issues, receiving feedback from investment managers due diligence process and address concerns through ongoing engagement

Governance

- Responsible investment governance is overseen by various stakeholders, including the board of trustees, Sustainability and Transformation Subcommittee (STSC), investment consultants, the principal officer, multi-manager and investment managers
- Each has defined roles and responsibilities to ensure that ESG integration takes place

Transparency and communication

- AF Access supports disclosure and transparency, making its responsible investment policy available to members and reports on our performance through annual reports
- Regular reporting on ESG activities is expected from the multi-manager and proxy voting results are available upon request
- Engagement activities by asset managers are reported annually

In addition to implementing our five-pillar responsible investing framework, AF Access integrates ESG practices through our impact and transformation approach:

Impact

Alongside traditional asset classes, the fund invests in private market investments where members' investments directly contribute to meaningful outcomes for the communities and the people that the programme is able to contribute to. The private markets portfolio aligns with relevant SDGs, with a particular emphasis on the South African National Development Plan 2030. These focus areas present clear direction on where to steer the fund's efforts to create maximum, intentional impact.

Transformation

- Our transformation policy aims to create positive change within South Africa's asset management sector and society as a whole. We have taken a deliberate approach to promote diversity and inclusivity by offering greater opportunities to black individuals, including women, within the financial industry. We also actively support businesses predominantly owned by black entrepreneurs.
- Our transformation policy serves as a strategic roadmap. It has three main objectives:
 - Expanding the pool of black investment professionals
 - Facilitating the growth of majority black-owned investment firms
 - Empowering start-up and emerging asset managers, especially those led by black entrepreneurs, by providing them with opportunities to establish strong track records
- Our Multi-manager is implementing the policy by selecting investment experts who are aligned with these transformation goals. We work with the Multi-manager to ensure that:
 - Ongoing monitoring of the performance and adherence to these objectives is conducted
 - Encouragement is provided to investment experts to engage with black-owned stockbroker firms
 - Comprehensive reporting mechanisms are established to track progress and compliance
- Adoption of the policy is on track as part of the three-year phase-in process

Our responsible investing roadmap

Our comprehensive ESG implementation and transformation plan outlines the strategic integration of ESG factors into our investment strategies and sets the course for its execution and ongoing monitoring. It encompasses the following key components:

- **Transformation:** fostering diversity and inclusivity
- **Impact:** aligning investments with societal and environmental impact
- **Climate:** addressing climate-related risks and opportunities
- **Metrics and deliverables:** measuring and reviewing our progress under these components

In the upcoming year, we plan to focus on the following actions:

- Review the multi-manager updated climate policy as well as the AF Access climate statement
- Assess the progress of the Multi-manager Transformation Policy targets since implementation
- Review the Fund's responsible investment approach



Addressing climate change

We are committed to addressing climate change because we understand that it not only aligns with the best economic outcomes for long-term investors but is also pivotal for the well-being of our planet. In the spirit of the 2015 Paris Agreement, we recognise the importance of limiting global average temperature increases this century. Nonetheless, we are acutely aware of the climate change challenges specific to South Africa and the associated social concerns. Therefore, we are taking proactive steps to address climate change risks.

Our approach is also more fully set out in our Investment Policy Statement (as at February 2025).



Read more in our Investment Policy Statement [here](#).

Incorporating climate change considerations into our investments is integral to our responsible investing approach. We assess asset managers' ESG integration with climate change in mind and encourage them to align with global standards.

We are using the weighted average carbon intensity (WACI) metric to measure our carbon exposure. Lower WACI indicates less vulnerability to carbon-related risks. Multi-manager portfolios available to AF Access have a WACI range from 90 to 450, reflecting our commitment to managing climate risks.

By addressing climate change, we aim to secure sustainable returns while contributing to a better environment.

Performance

Performance against strategy

Below, we set out some initial feedback on our current performance against each strategic outcome. Our approach will be adjusted and further matured in response to the results of the future-fit gap assessment which will be completed in 2025.

1 Member-centric

AF Access has adopted a member-focused approach by enhancing digital offerings, providing support and advice to independent intermediaries, engagement with MANCOS via independent intermediaries and engaging directly with members. This approach empowers MANCOS and members to make informed decisions, positively impacting their retirement outcomes.

During FY2024, the fund has undertaken further assessment of its approach to improving the experience for independent intermediaries in member outcomes, member communication and transparency and where needed, further improvements will be considered and implemented.

Related capitals



Related stakeholders



2 Strategic long-term thinking

AF Access's commitment to sustainability, transformation and its focus on responsible investing demonstrates its commitment to strategic long-term thinking.

During FY2024, the fund has undertaken further assessment of its approach assessing long-term trends and the strategic impact which these may have on its strategy.

Continuous engagement with our appointed service providers and our multi-manager in assessing and evaluating the multi-manager's interpretation and execution of the fund's philosophy and reporting to the board is a strategic focus area. Where needed, further improvements will be considered, reviewed with the multi-manager and implemented.

The Fund has also established a Sustainability and Transformation subcommittee of the Board which is responsible for considering and enabling the long-term sustainability of the Fund.

Related capitals



Related stakeholders



3 Impeccable governance

The fund aims to be a viable umbrella retirement fund of choice for independent intermediaries to present to their clients.

Our board of trustees, supported by a newly established Sustainability and Transformation subcommittee (STSC), actively works towards adherence of the ever evolving governance standards while advancing responsible investment that deliver member benefits and real-world impact. The fund's commitment to accountability and transparency aligns with impeccable governance principles.

Related capitals



4 Impact-conscious

As a retirement fund, we believe that actively assessing and managing the impact of our operations and investments on society and the environment is crucial for long-term value protection and creation. Today's social and environmental impacts will affect future returns, so we must understand and mitigate these impacts to drive positive change over time.

In FY2024, the fund further assessed its approach to identifying and considering external factors affecting portfolio selection and the fund's broader impacts. Through its appointed service providers and its multi-manager, our understanding of the broader impacts of the fund on members, participating employers, wider society and the environment are improving through enhanced analysis.

Related capitals



Related stakeholders



5 Transparent stakeholder communication

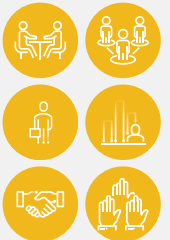
AF Access maintains transparent stakeholder communication through regular reports, fund updates and newsletters. We also engage directly with independent intermediaries and members via workshops and webinars to enhance understanding and trust and align with future-fit communication practices.

During FY2024, the fund further assessed its approach to stakeholder communication with a particular focus on diversifying communication channels to meet the diverse needs and preferences of our stakeholder groups.

Related capitals



Related stakeholders



The six capitals



Financial capital



Human capital



Social & relationship capital



Natural capital



Intellectual capital



Manufactured capital

Our stakeholders



Members



Participating employers



Independent intermediary



Government & regulators



Service providers



Society



Stewardship: proxy voting and engagement

Stewardship involves managing assets for long-term value, with proxy voting as a crucial tool. AF Access ensures the multi-manager evaluates and directs underlying managers to influence corporate decisions and promote responsible behaviour through established proxy voting guidelines. These guidelines incorporate ESG factors aligned with industry codes like CRISA and UNPRI.

Our appointed multi-manager engages closely with investment managers, maintaining adherence through regular meetings and due diligence. Voting and engagement activities are reviewed regularly for transparency, informing our investment decisions.

Our appointed multi-manager reports on its assessments of how asset managers consider ESG opportunities and risks in stock selection, portfolio construction, and voting. We expect them to ensure that the asset managers have a deep understanding of invested companies and awareness of potential issues that could affect company value.

Performer portfolio proxy voting

During the year ended September 2024, the multi-manager reported voting on over 6 500 resolutions through the appointed AF Active Balanced Lifestage High Growth asset managers across locally managed equities.

Number of resolutions:	6 536 (2023: 6 165)
Number of resolutions voted for:	5 752 (2023: 5 486)
Number of resolutions voted against:	666 (2023: 666)
Abstained:	12 (2023: 13)

Key issues and voting trends

1 Remuneration

Non-executive director remuneration policies were scrutinized, with votes against high fixed remuneration that was not linked to performance. Shareholders advocate for merit-based pay that reflects contributions and aligns with company goals, leading managers to vote against management's recommendations in cases lacking this alignment.

2 Director capacity

Directors with multiple commitments faced opposition due to concerns about their ability to fulfil their roles effectively, which could impact governance quality.

3 Tenure issues

Long tenure of directors and auditors raised concerns about independence, prompting shareholders to favour fresh perspectives to prevent complacency and undue influence.

4 Climate change policy alignment

Votes were cast against resolutions where policies misaligned with long-term value creation, favoured short-term gains, lacked clarity, or posed unnecessary risks.

Abstentions

Abstentions remained marginal. They typically arose when disclosure was incomplete on a specific issue or when a conflict of interest suggested that abstaining would be the most prudent course of stewardship.

Investment portfolio: financial performance

Investing of contributions

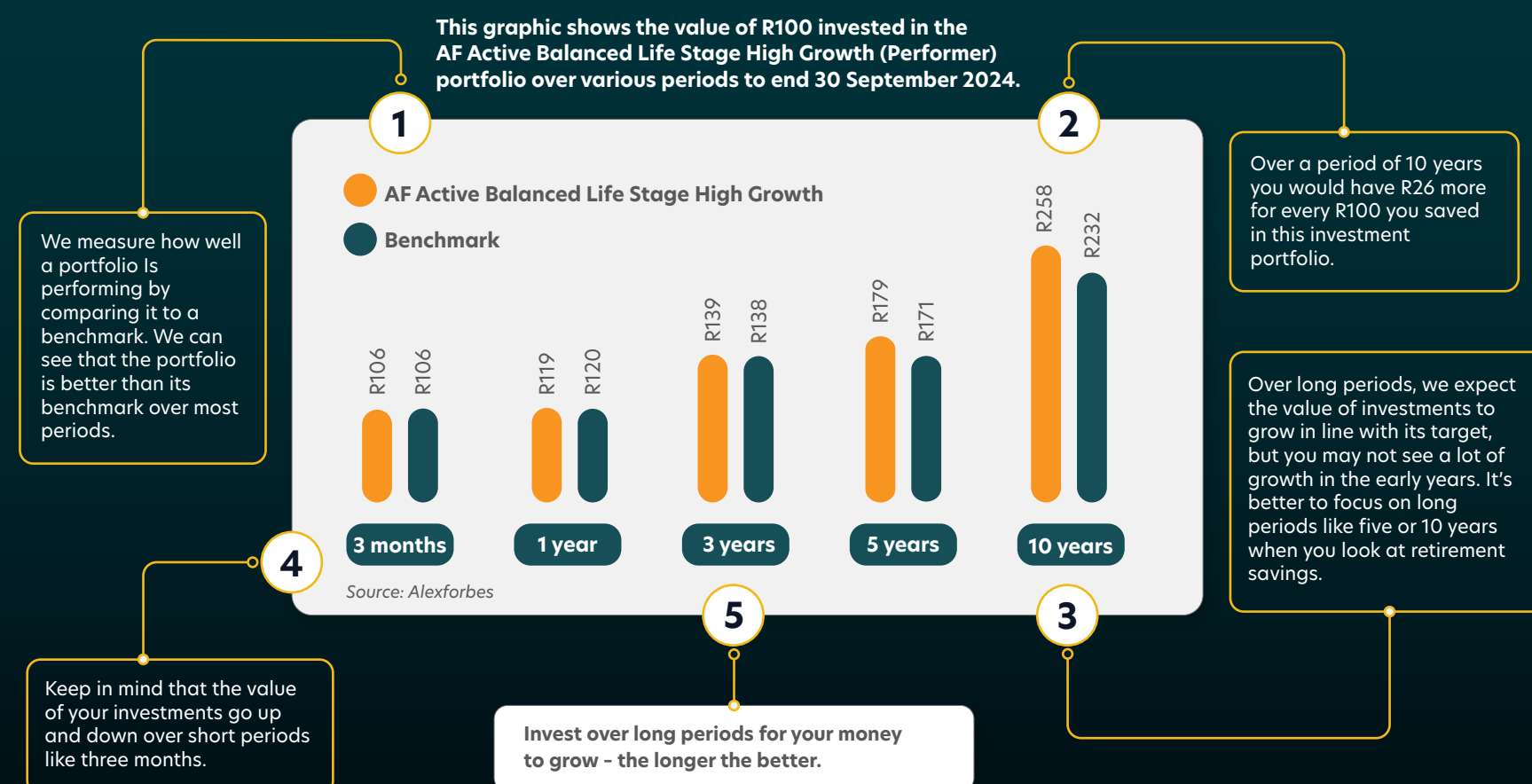
We invest **98%** of members' contributions within **five working days** – **five days quicker** than our agreed service standards (2023: 96%)

Our administration team takes an average of **2.1 days** to invest contributions

We receive over **597 contribution schedules** from participating employers every month

Growth portfolios	Past returns			% of AF Access total assets as at 30 September 2024
	1 year	3 years	5 years	
AF Active Balanced Life Stage High Growth portfolio	19.41%	11.58%	12.41%	61%
Benchmark	20.18%	11.37%	11.33%	
AF High Growth portfolio	20.23%	12.21%	12.52%	1%
Benchmark	20.98%	11.83%	11.40%	
AF Passive Bold portfolio	20.82%	11.66%	11.26%	6%
Benchmark	21.51%	11.81%	11.22%	

These returns are based on one amount of money being invested at the start of the period up to 30 September 2024. Please note that past performance is not a reliable indicator of expected future returns.



Investment portfolio: ESG performance and impact

In line with the Global Impact Investing Network's definition of impact investing – “investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return” – AF Access is committed to integrating both impact and financial performance within its investment strategy.

The fund actively monitors the social, economic and environmental impacts of its investments, expecting detailed impact performance reports from its multi-managers. These insights guide engagement with asset managers to optimize the risk/return profile and amplify impact outcomes.

In addition to traditional asset classes, the fund has embraced private market investments that contribute directly to selected NDP and SDGs indicators, driving tangible benefits for communities and individuals.

The ESG performance of an investment portfolio offers a comprehensive view for trustees of the fund to assess investment impact by taking into account broader ESG considerations beyond just looking at the financial return. This information is key to helping trustees exercise their fiduciary responsibility.

The AF Active Balanced Lifestage High Growth (Performer) portfolio stands as the primary focus of our ESG impact analysis since it is the largest portfolio of the default investment strategy as well as the largest individual member selected portfolio, representing 68% of total fund assets.

Measuring ESG impact at the portfolio level, however, presents unique challenges, as there are limited off-the-shelf tools readily available for this purpose due to data unavailability. Recognising this, AF Access has initiated a dedicated effort to measure and understand the ESG impact within our portfolios, beginning with AF Active Balanced Lifestage High Growth (Performer). Our current approach to impact measurement enables us to look at Performer through three different impact lenses:

1 Listed assets ESG performance

Key performance metrics for the AF Active Balanced Lifestage High Growth portfolio, as the largest portfolio of the default investment strategy as well as the largest individual member-selected portfolio, representing 61% of total fund assets:

Gender diversity

South African companies are embracing female representation on boards and our portfolios reflect this positive outcome. Locally, our portfolios are in line with female board representation being close to the 30 – 35% range, broadly in line with the FTSE/JSE All Share Index. Both our local and global portfolios are in line with their respective benchmarks.

AF Active Balanced Lifestage High Growth portfolio female representation

28.3%
(2023: 31%)

ESG integration

We use an ESG rating framework to assess the performance of asset managers.

These ratings apply to the full scope of the investment strategy and its underlying assets, not solely to equities or shares. The portfolio ratings represent a weighted average of the ESG ratings of individual managers within a given portfolio, determined through our due diligence processes.

ESG 1 signifies a leader in the integration of ESG factors and it goes down to ESG 4, indicating little integration of ESG considerations. Overall, most of our portfolios have higher-rated portfolio ratings relative to their respective benchmarks.

AF Active Balanced Lifestage High Growth portfolio average ESG integration rating

2.4
(2023: 2.3)

Climate change

We use the Weighted Average Carbon Intensity (WACI) metric to monitor the carbon exposure of our portfolios. Domestic equity portfolios generally show a WACI range of 220–450, while global portfolios reflect 90–160 for developed markets and 260–340 for emerging markets.

AF Active Balanced Lifestage High Growth portfolio WACI score

222.03
(2023: 355)

2 SDG impact of AF Active Balanced Lifestage High Growth (Performer) local listed equities

Through our appointed service provider, the fund has started to better understand the impact of its investments. Our service provider appointed Paragon Impact to independently assess and grade the fund's SDG impact. The initial grading focused on the local listed equities components of the Alexforbes Performer portfolio, and will expand over time to cover all asset classes.

The Paragon Impact SDG Grading evaluates the net impact score of investments within a global context, using the Morningstar Global Markets Index as a sector-wide baseline. These assessments will guide the fund's SDG impact journey by providing trustees with a credible and objective SDG impact benchmark.

By leveraging Paragon Impact's independent SDG impact reports, the fund aims to enhance its understanding of the positive and negative impacts of its investments. This empowers the fund to be more intentional in driving positive SDG outcomes while mitigating negative effects through stewardship activities, including proxy voting.

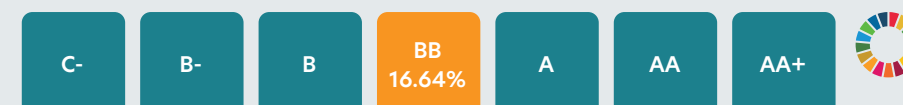
Core SDG grading (as at assessment date 31 March 2024)



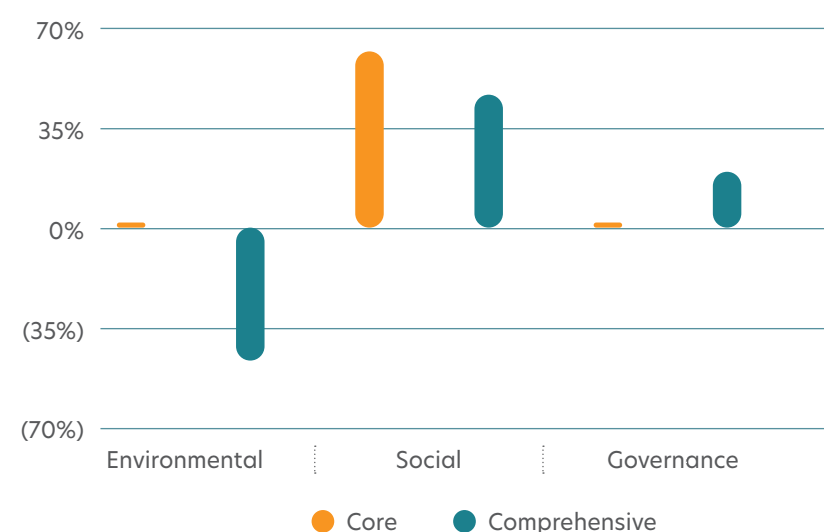
Performer's local listed equities has achieved a grading of A for the fund's core SDGs, 8 (Decent Work & Economic Growth) and 10 (Reduced Inequalities), outperforming over half of entities rated against the Morningstar Global Markets Index.



Comprehensive SDG view



When assessed against all 17 SDGs, Performer's local listed equities achieved a 'BB' (16.64%) grading. This score shows that the portfolio contributes towards most of the SDGs, however there is still room for improvement.



When the core and comprehensive SDG gradings are assessed through an ESG lens, the local listed equities portion of the Performer portfolio demonstrates strong positive social and governance impacts. However, overall, the portfolio has a net negative impact on the environment, reflecting the nature of the South African economy and the investable universe.

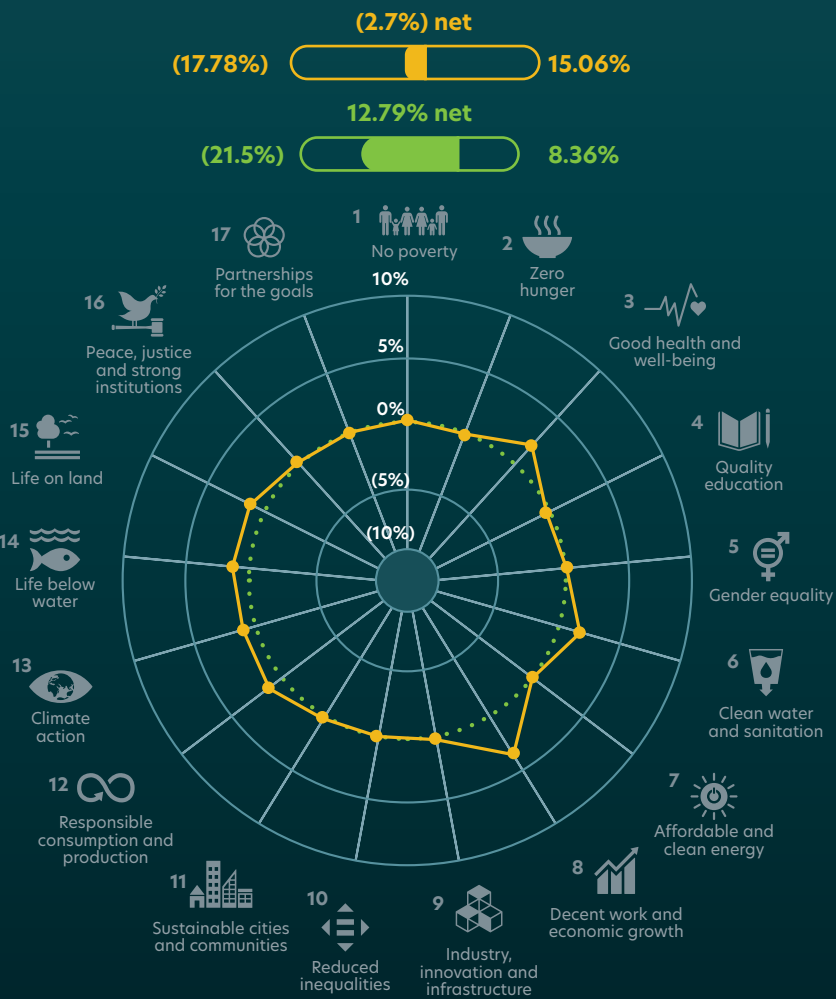
This assessment sets a high-level baseline against which the fund can monitor and manage the impact of its investment portfolios over time, with a view to reducing negative impacts and enhancing positive impacts in pursuit of financial returns on behalf of members of the fund.

SDG assessment against the Capped SWIX

The financial performance of the Performer portfolio is benchmarked against the JSE Capped SWIX - a benchmark which emphasises local shareholder weighting and caps individual stocks at 10% to provide a balanced view of the South African market, reflecting the domestic economic environment.

With this in mind, the impact performance of the local listed equities portion of the Performer portfolio has been compared with that of the Capped SWIX, to establish an initial comparative view against the SDGs. The revenue alignment and operational alignment of each against the SDGs is set out below.

SDG revenue alignment as at 31 March 2024



Whilst the Performer portfolio and the Capped SWIX perform similarly across most SDGs, the Performer portfolio delivers enhanced positive impact in the following key areas:

- Climate Action (SDG 13):** The local listed equities component of the Performer portfolio demonstrates stronger integration of climate change, reflecting reduced carbon intensity and better climate alignment than the Capped SWIX.

- Responsible Consumption and Production (SDG 12):** The local listed equities component of the Performer portfolio, outperforms the Capped SWIX, aligning more closely with sustainable production practices, benefiting from companies prioritising circular economy and other responsible business practice models.
- Good Health and Well-Being (SDG 3) and Decent Work and Economic Growth (SDG 8):** The local listed equities component of the Performer portfolio outperforms the Capped SWIX on SDG3, signifying the inclusion of a higher weighting towards businesses that contribute to societal well-being and inclusive economic growth.

SDG operational alignment as at 31 March 2024



The local listed equities portion of the Performer portfolio significantly outperforms the Capped SWIX in key operationally-aligned SDGs, such as Life on Land (SDG15), Clean Water and Sanitation (SDG 6) and Responsible Consumption and Production (SDG 12). This reflects a robust focus on operational practices that prioritise sustainability and resource efficiency.

3 Private markets performance

The Fund is already investing in private markets through the AF Active Balanced Lifestage High Growth (Performer) and High Growth portfolios, which invest in different ESG sectors namely: water, power, environment and housing. This means that by investing in these portfolios, our members are participating in ESG and contributing towards the recovery of the economy. Additional themes, aligned with the Fund's beliefs may be considered in future. The Alexander Forbes Investments South Africa Private Markets (AFISAPM) programme aims to create economic, social and environmental impact while achieving financial returns for investors through partnerships with alternative investment providers. This programme measures impact against the NDP (a local impact framework) and the UN SDGs (a global framework) to demonstrate contribution to local and international development initiatives.

The table below indicates where these target areas are spread across the different sleeves in the private markets programme:

Economic environment and social area of focus	Infra-structure	Private equity	Unlisted credit	Direct property
Green transition	✓	✓		
Job support	✓	✓	✓	✓
Diversity and financial inclusion	✓	✓	✓	✓
Education	✓	✓		
Health and safety	✓	✓	✓	✓

* It is important to note that the data presented reflects an earlier period, as there are inherent delays in the information collection and validation processes. As such, data as at December 2023 is being reported.

The Alexforbes Private Markets ESG Report 2025 can be accessed [here](#)

Member impact

Insights driving member impact

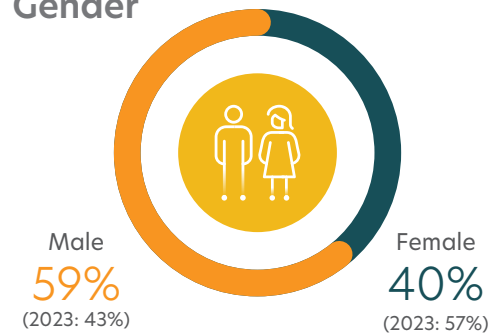
Member insights help us assess how well individuals are likely to retire, and the data collected can be leveraged by employers and intermediaries to make informed decisions on how best to engage with and advise their clients.

This section highlights key insights drawn from the data, providing a deeper understanding of member behaviour and retirement readiness.



Member demographics

Gender



Age profile* (% of members)

Aged 36 and younger

40%

(2023: 42%)

Aged between 37 and 59

35.5%

(2023: 52%)

Aged 60 and over

2%

(2023: 6%)

* Demographic data is provided by our members and may not be complete

Retirement age

Average expected retirement age

65

(2023: 65)

Average actual retirement age

62

(2023: 62)

Delaying retirement means more time to save and invest, which increases the likelihood of achieving a comfortable lifestyle in retirement.

Contribution rates

Average contribution rate (%)

11.2%

(2023: 9%)

(Percentage of pensionable salary contributed monthly)

Average expenses

4.5%

(2023: 1.17%)

(portion of the contribution that goes towards life and disability insurance and administration costs)

It is essential to take a long-term view to retirement. We encourage members to start contributing early in their careers and embrace preservation when changing jobs. Contribution rates should be as high as possible to get the best tax dispensation, to offset expenses and to ensure that monthly contributions will result in enough savings to live on in retirement.

Average pensionable salary per year

R366 102

(2023: R369 066)

Average fund credit (retirement savings) per year

R296 319

(2023: R91 618)

Minimum rate members need to contribute over a 40-year period to achieve a 75% replacement ratio

17%

Average lump-sum death benefit insured by the fund (varies by industry)

3x salary

(2023: 3x salary)

Preservation and replacement ratios

Our research shows that:

Only about **one in 10 people (9.6%)** keep their retirement savings invested and growing when they change jobs.

Most people retire with retirement savings to cover about

20%

of their final salary

This is less than ideal, but can be improved if members keep (preserve) their withdrawal benefits for retirement when changing employers.

Keeping retirement savings invested is one of the most important things people can do to make sure that they have enough to live on in the future. Making a good decision can be tough, especially if it means giving up the chance to get relief from financial stress by having access to extra cash.

Members with the worst projected replacement ratio outcomes

Age 46

(2023: 60+)

Average preservation rate

14.5%

(2023: 12%)

Average projected replacement ratio for the fund over the past 5 years

31.5%

(2023: 42%)

Average exit rate

26%

(2023: 17%)

Average actual replacement ratio of retirees

24%

(2023: 22%)

Retirees who achieved a replacement ratio of 80% or higher

3.6%

(2023: 2-3%)

Measurable benefits

Our goal is to serve institutional clients and individual members by providing measurable benefits. We will keep investing in consulting, administration, and investments to improve scale and efficiency, delivering better solutions to independent intermediaries, MANCOs, and members.

Claims and benefit payments

Insured death benefits are available to all our employer groups. These insurance arrangements are provided through a group of four selected insurers, under terms and conditions specifically negotiated for the Fund.

Our recommendations to members are driven by the most competitive and appropriate offerings presented by all insurers.

Separate and unapproved risk benefits (group life, disability, funeral and dread disease) are not prescribed by the Fund, and the selection of an appropriate service provider is an arrangement between the independent intermediary and the employer.

Number of claims processed by the administrator:

**Pension
Section**
4 926
(2023: 4 545)

**Provident
Section**
7 690
(2023: 8 574)

97% of claims are paid within five working days after we receive the tax directives from SARS.

(Payment may be delayed when members do not provide valid tax numbers or correct banking details.)

Creating better retirement outcomes

Preservation options

When members leave their job before retirement, we provide a cost-effective way to keep their savings in the Fund. They can also move their savings to another fund or withdraw them in cash, both having tax implications. We offer advice and solutions to help members make better financial decisions, aiming to support them throughout their financial journey and positively impact their and their families' financial well-being.



In-fund preservation

If members are not sure what to do with their retirement savings when they change jobs or get retrenched, they can simply leave their money in the Fund until they decide what to do with it.



Alexander Forbes Retirement Income Solution (AFRIS) preservation fund

Through AFRIS, our members can consolidate their investments built at each stage of their careers, even at different employers, into a single fit-for-purpose vehicle, without any need to change when changing employers. Members can choose all of AFRIS's benefits to supplement their existing retirement savings.



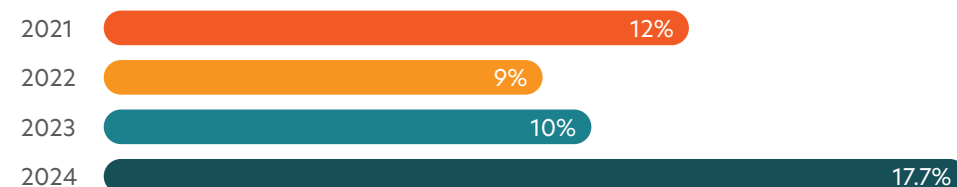
Out-of-fund preservation

Members are not bound to remain invested in the Fund and may preserve their savings in their new employers' fund, a preservation fund, or a retirement annuity of their own choice, preferably with advice from their financial adviser.

To help members keep their retirement savings invested and growing, the Fund will:

- Encourage members to obtain counselling or advice before they take their savings out
- Offer guidance/counselling to beneficiaries of a deceased member
- Make a wide range of investment options available to cater to members' personal circumstances
- Retain the member's option to switch portfolios at any time
- Make AF Rewards available to assist with savings on retail purchases
- Retain institutional pricing

Preservation rate:



Annuity options

When members retire, they use their retirement saving to buy an annuity.

AF Access offers our members out-of-fund annuities, including:

- A living annuity option through Alexforbes for those members with more than R2 million. This offers good value in terms of flexibility and pricing
- A guaranteed life with-profit annuity through Just SA

We help our members to understand the advantages and disadvantages of each annuity type so that they have the best chance of benefiting from the most appropriate annuity option during retirement.

We also encourage members not to retire too early in their working lives. Retiring at age 65 rather than 55 can almost double retirement income.

At 30 September the Fund recorded that

17

members had postponed their retirement
(2023: 155, 2022: 38)

Member engagement

1

Our strategy aims to serve employer groups and meet the needs of our members by enabling individuals to make informed financial decisions. We support independent intermediaries and MANCOs to help independent intermediaries and employers make optimal decisions for each member. This approach focuses on members and is shaped by our multi-manager's investment and innovation efforts in automation, digitisation, and organisational structure.

5

Insights from our member impact report and regulatory changes such as the Two-Pot system have heightened the need for our individualisation strategy, which aims to improve member outcomes, increase the number of new members and improve member retention. Key to this is expanding our pool of independent intermediaries and the structures supporting them, broadening our education capabilities, and enhancing our digital landscape to enable better connection with members.

We want members to:



Our strategic outcomes

1

Member-centric

2

Strategic long-term thinking

3

Impeccable governance

4

Impact-conscious

5

Transparent stakeholder communication

Individualisation strategy

We see the individualisation of the member's experience of retirement funding as the biggest opportunity to make an impact on people's lives by engaging them to make informed financial choices.

Traditionally generic advice efforts have focused on members who retire but we are expanding to provide access to best advice to individuals throughout their lifetime and to serve financial needs beyond retirement savings. As a result, more flexibility in benefit options for members has been introduced over the years.

There has also been a strong trend towards a more individualised experience for members. Our individualisation journey includes growing our pool of independent intermediaries, broadening our intermediary support capabilities, and enhancing digital tools to connect members with their intermediary.

During the year:

We improved ease of access to information and services to enhance financial inclusion, including a WhatsApp self-service channel

We aligned our communication strategy to amplify the reach and relevance of individualisation through:

Independent intermediary engagement

Refreshed workplace financial wellness initiatives

- enhanced retirement benefit counselling (eRBC)

Our individualisation strategy is on track to improve member outcomes and maintain or improve client retention going forward. We will continue to deliver on our individualisation strategy through accelerated digital engagement and continuous improvement of our engagement channels.

Improving digital engagement

The Fund has extended the range of engagement channels available to employers and members, including enhanced digital channels. These provide employers and members with a range of convenient access points.

Benefit information and self-service

- Alexforbes Connect (online)
- Alexforbes app
- Alexforbes WhatsApp channel

Understanding options and practical application of information

- My Money Matters toolkit
- Digital Exits
- My retirement picture
- Digital onboarding

Decision-making support

- Enhanced retirement benefit counselling

Our digital member engagement strategy continues to be enhanced. The Fund is now continuously available on the Alexforbes Connect website providing access to benefit statements, retirement fund news, options on leaving and retiring brochures and claim forms at the click of a button. Much of the content is available in multiple languages.

In 2024:

The My Money Matters portal includes access to a dedicated call centre and a member toolkit. It provides targeted support across curated member journeys with access to financial advice, enhanced retirement benefit counselling (eRBC) and financial learning opportunities. The platform is continuously updated with information on Two-Pot development, ensuring that members have access to the most current developments.

Digital Exits has seen significant improvements, enabling employers and HR professionals to streamline the exit process more efficiently. Employers are encouraged to utilise this enhanced platform to simplify and accelerate employee exits.

Direct communication with members

The Fund keeps in touch with members regularly, including those who do not have access to electronic communication, providing fund newsletters, annual trustee reports, statements and fund updates directly.

Getting information directly to our members is a high priority for AF Access so that members have the right information at the right time. We encourage members to make sure that the Fund has their correct private email address or mobile number. We also monitor the effectiveness of our communication and constantly seek ways to improve our engagement with the members we serve.

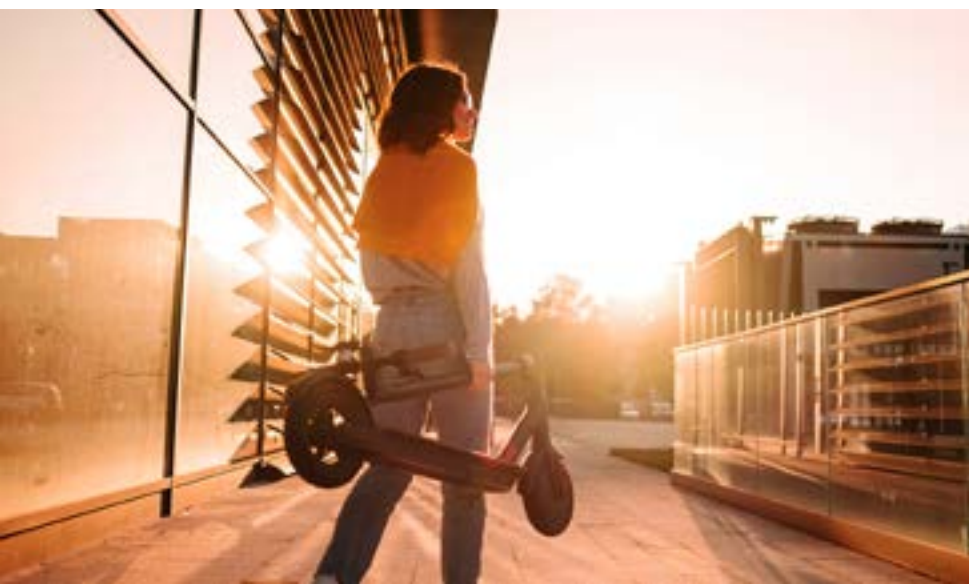
Member education

AF Access equips members with the skills needed for informed financial decisions. We offer programs about retirement funds and benefit options to enhance money management. Our initiatives include workshops, webinars, digital learning experiences, and comprehensive materials, complemented by retirement counselling and financial advice. We deliver content in a culturally sensitive manner, tailored to the language preferences of our audience, using social media, workshops, and technology platforms. We measure the impact of our education activities by customer feedback on their confidence and preparedness in making financial choices.

On average
23%
of members who received
the newsletter by email
read the newsletter

On average
75%
of the SMSs we sent
were successfully
delivered

Both statistics are considerably improved from 10% in 2023, attributed to greater availability of contact information.



Retirement benefit counselling

Whether a retirement fund member is starting, leaving or retiring from a job, important decisions need to be made throughout their careers that could impact their financial future. To help members understand their available investment options, the costs involved and the risks, counselling needs to take place at key moments. The information provided to help our members with these decisions is grouped under the banner of retirement benefit counselling (RBC) – the minimum requirements of the default regulations.

Basic retirement benefit counselling

This is written information that is provided to members to help understand their options in plain language and is our standard offering to all onboarding members. Basic RBC can be seen as the do-it-yourself method of self-learning and gives members important information on key concepts and financial guidance on their options to help make informed decisions and determine if they need financial advice.

Enhanced retirement benefit counselling

This offering provides interactive retirement benefit counselling services by telephone, video, presentation or in person. The eBRC offering is available to clients who sign up – at no extra cost – but we do require more information to set up this offering. It gives members the best chance of making informed decisions and is further supported by financial advice from the IFI if they need additional help.

eBRC provides value at different life stages



Starting a job

members feel more confident about making retirement fund decisions after engaging with our consultants.



Leaving a job

members have a better understanding of their retirement fund benefits and options.



Retiring

members enter retirement feeling comfortable about their benefits.

Our regular, in-person pre-retirement sessions also provide our members with important information they need to plan and prepare for a retirement they can look forward to.

AF Rewards

As a fund, we understand members are under a lot of financial stress and we look for ways to assist members where we can. That is why AF Access introduced AF Rewards, an exclusive loyalty programme, to all South African members in July 2022. The rewards programme offers a wide array of benefits to all our members without any subscription fees. This comprehensive programme offers savings on everyday essentials and much more, making life more enjoyable and affordable.

Benefits include:

Supermarket coupons

Exclusive discounts at leading retail chains like Shoprite, Checkers, Checkers Hyper and PicknPay. These tailored coupons offer savings on essential daily items

Travel deals

Our Randgo partnership enables members to benefit from experts' guidance to find budget-friendly holiday and travel solutions

Wellness coupons

Members can save while shopping for health and wellness products at Dis-Chem, promoting a healthy lifestyle while keeping costs in check

Airtime deals

Members can take advantage of discounts on airtime and data from top providers such as Vodacom, Virgin Mobile, Telkom Mobile, Cell C and MTN

AF Rewards benefits June 2022 to 30 September 2024

Member savings
R4 230 000
(2023: R1 840 000)

Coupons issued
7 707
(2023: 3 714)

Mall vouchers issued
3 882
(2023: 2 492)

Through initiatives like AF Rewards, we remain dedicated to providing more than just financial security. We are here to help our members embrace life's opportunities while maximising their savings.

Members can access these benefits through USSD by dialling 1209006#



Supplementary information



Summarised annual financial statements

Highlights

For the year ended 30 September 2024

	2024	2023	Change (%)
Pension section			
Active members	23 604	24 081	(2)
Deferred pensioners	987	909	9
Unclaimed benefits	161	37	335
Total membership	24 752	25 027	(1)
Total assets	R8.01 billion	R6.67 billion	20
Provident section			
Active members	47 696	53 087	(10)
Deferred pensioners	2 336	2 801	(17)
Unclaimed benefits	315	247	28
Total membership	50 347	56 153	(10)
Total assets	R13.1 billion	R9.93 billion	32

Provident section balance sheet

For the year ended 30 September 2024

Rands	2024	2023
Assets	13 108 651 000	9 935 336 195
Investments	11 179 478 878	6 916 831 660
Current assets	1 929 172 122	3 018 504 535
Liabilities	13 108 651 000	9 935 336 195
Member balances	12 774 171 447	9 800 736 148
Unclaimed benefits	6 425 015	483 081
Reserve accounts	9 179 097	6 945 694
Employer surplus accounts	56 898	52 782
Current liabilities	318 448 102	127 118 490

Pension section balance sheet

For the year ended 30 September 2024

Rands	2024	2023
Assets	8 018 888 297	6 675 531 952
Investments	7 659 880 081	6 331 297 640
Current assets	359 008 216	344 234 312
Liabilities	7 875 427 667	6 675 531 952
Member balances	7 873 730 575	6 503 495 325
Unclaimed benefits	4 850 338	420 925
Reserve accounts	7 073 056	6 315 511
Current liabilities	131 537 236	165 300 191

Contributions

For the year ended 30 September 2024

Rands	Pension	Provident
Contributions*	54 383 146	81 301 650
Member	24 075 535	21 623 979
Employer	30 307 611	59 677 671
Allocation to risk and expenses	85 653 928	125 472 228
Allocation to savings	828 385 993	1 135 746 345
* Contributions receivable	914 039 921	1 261 218 573

* The contributions include additional voluntary contributions as follows:

- Pension: R921 591
- Provident: R2 084 302

Pension section benefits accrued

For the year ended 30 September 2024

Rands	2024	2023	Change (%)
	117 649 880	157 101 285	(25)
Withdrawal benefits	30 238 216	72 684 133	(58)
Divorce orders	382 361	99 575	284
Default housing loans	-	-	
Retrenchment benefits	15 824 939	4 669 479	239
Retirements	17 115 224	19 481 200	(12)
Death benefits	51 330 849	60 166 898	(15)

Provident section benefits accrued

For the year ended 30 September 2024

Rands	2024	2023	Change (%)
	183 918 658	115 025 057	60
Withdrawal benefits	61 493 090	29 328 360	110
Divorce orders	-	-	
Retrenchment benefits	17 500 057	7 945 009	120
Retirements	51 932 082	27 655 788	88
Death benefits	46 736 846	50 095 900	(7)

The above are extracts from the fund's annual financial statements to provide an overview for information purposes and comparison. The purpose and basis of preparation of the financial statements is for reporting to the Financial Sector Conduct Authority and may not be suitable for another purpose. The full financial statements and auditor's report should be reviewed before drawing any conclusions.

King IV™ application register

AF Access's Board of Trustees recognises the importance of being a responsible corporate citizen and is committed to ethical and effective leadership towards achieving the King IV™ outcomes. The Board has primary accountability for the governance and performance of the fund. The application of the King IV™ principles is referenced below. The Board of Trustees notes the anticipated release of King V during the upcoming financial year. The implications for the fund resulting from new developments will be considered once the final Code is released.

Leadership, ethics and corporate citizenship 3

Leadership	
Principle 1	
The board should lead ethically and effectively.	<ul style="list-style-type: none">• The board of trustees acts in good faith in line with its fiduciary responsibilities.• The board has developed and adopted the following governance documents:<ul style="list-style-type: none">– Board charter– Code of conduct– Communication policy– Privacy policy– Series of fund management and investment policy documents– Terms of reference for all board committees.• This is supported by the fund's implementation of PF 130 which contains good governance guidelines for funds.• The Board has also adopted the CRISA2 principles and the applicable provisions of the FSCA's Treating Customers Fairly (TCF) roadmap.• The board remains fully accountable and responsible to the fund and its members even where functions have been outsourced or delegated to third parties.• The board leads the fund's ethical culture.

Organisational ethics	
Principle 2	
The board should govern the ethics of the fund in a way that supports the establishment of an ethical culture.	<ul style="list-style-type: none">• The Fund's ethical organisational culture is reflected in the governance documentation referred to above.• In addition to the board managing the fund with an ethical conscience, the board expects the same from the service providers appointed to the fund, such as the consultant, administrator, investment consultant, asset manager/multi-manager and actuary.• The board interrogates whether the service providers are embedding the six TCF outcomes into their culture, operations and decision making processes and this forms part of the decision whether to retain or approve the appointment.• The fund's code of conduct deals with whistle-blowing obligations.

Responsible corporate citizenship	
Principle 3	
The board should ensure that the fund is (and is seen to be) a responsible corporate citizen.	<ul style="list-style-type: none">• The fund complies with the requirements of Regulation 28, which states that prudent investing "should consider any factor which may materially affect the sustainable long-term performance of the fund's assets, including ESG factors".• The Board ensures that its investment analyses and practices take account of sustainability, including ESG factors, as provided for in principle 1 of CRISA. This approach is documented in the fund's Investment Policy Statement and as set out in this report as regards responsible investment.• The board appointed a Sustainability and Transformation Subcommittee (STSC) to oversee and monitor the fund's activities in relation to economic transformation, specifically BBBEE and its social and environmental impacts.

Our strategic outcomes

- 1 Member-centric
- 2 Strategic long-term thinking
- 3 Impeccable governance
- 4 Impact-conscious
- 5 Transparent stakeholder communication

Strategy, performance and reporting **2**

Strategy and performance

Principle 4

The board should appreciate that the fund's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

- The fund's code of conduct, investment policy statement, risk management policy and risk assessments address the requirements of this principle.
- The board regularly reviews the fund's strategies, in particular its long-term sustainability and the achievement of members' reasonable benefit expectations. To this end, advice and guidance are obtained from external service providers.
- The board ensures that the fund's strategies are implemented and that performance targets are being met through regular interaction with external service providers. Opportunities to improve the fund's operations and governance framework are identified. Exception reporting is provided at quarterly trustee meetings. Where performance issues or risks are identified, mitigation is led through the risk process.
- The board regularly performs a strategic risk assessment and monitors risks that exceed risk tolerance levels. Highlighted risks are monitored at each trustee meeting and new risks are added, with annual review of these by the Governance, audit and risk subcommittee (GARSC) and overall fund risk review every three years.
- The board is satisfied the fund's investment strategies have led to a financially sound and sustainable pension fund.

Reporting

Principle 5

The board should ensure that reports issued by the fund enable stakeholders to make informed assessments of the fund's performance and its short, medium and long-term prospects.

- The fund's communication policy outlines the board's views and approach to a communication strategy.
- The board confirms that the fund has implemented PF 130 guidance.
- The board is satisfied that the reports produced and published by the fund, integrated annual report, fund fact sheets and newsletters provide audiences with the necessary information required to make informed assessments of the fund's performance and prospects.
- The board of trustees oversees that statutory reports and returns are issued and comply with legislation.
- All reports published by the fund are extensively reviewed by the board, relevant board committees and external service providers (such as legal advisors, auditors and investment consultants), as deemed necessary.

Primary role and responsibilities of the board

Principle 6

The board should serve as the focal point and custodian of corporate governance in the fund.

- The board is ultimately responsible for setting the fund's strategic direction, approving policy and other governance documents, overseeing and monitoring the implementation and execution thereof and ensuring accountability for performance on an on-going basis.
- Even though the board does delegate certain management authority to the service providers, extensive feedback is provided to the board as and when required on the implementation of the fund's strategies, projects and operational and governance related matters.
- A governance report is included in this annual integrated report and includes detailed disclosure on board and committee activities.

Our strategic outcomes

- 1** Member-centric **2** Strategic long-term thinking **3** Impeccable governance **4** Impact-conscious **5** Transparent stakeholder communication

Strategy, performance and reporting continued

Composition of the board

Principle 7

The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

- The board consists of three internal trustees and three external, independent trustees.
- New board and board committee members undergo an induction process and on-going formal training is provided, as appropriate. Board and board committee members are encouraged to undertake continuous development, training and education throughout their term of office.
- The current Trustees collectively have sufficient experience and understanding of the fields of administration, investment, actuarial, accounting, legal, project management and social matters to enable them to perform their duties objectively and effectively.
- The board makes use of external expertise on specific matters outside the collective knowledge, skills and experience of the board when required.

Committees of the board

Principle 8

The board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.

- The board has established a number of board committees, which assist the board in discharging its responsibilities. The committees are formally mandated by the board by means of written Terms of Reference as to their membership, authority and duties.
- A governance report forms part of the integrated report and includes detailed disclosure on the standing committees appointed by the board, the roles and responsibilities of each standing committee and membership.

Evaluations of the performance of the board

Principle 9

The board should ensure that the evaluation of its own performance and that of its committees, its Chairperson and its individual members, support continued improvement in its performance and effectiveness.

- Each trustee is required to complete a formal self-appraisal assessment on an annual basis, which broadly covers the performance of the board, the chairperson, the principal officer and the board committees.
- The results of the individual assessments are collated and tabled with the board for consideration.

Governing structure and delegation **3**

Appointment and delegation to management

Principle 10

The board should ensure that the appointment of and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

- The principal officer (PO) is appointed by the board and his/her responsibilities and authorities are clearly defined in the fund rules as well as in the fund's other governance and policy documents.
- The PO is responsible for the day-to-day executive management of the fund in line with the policies and strategic objectives set by the board and must ensure that decisions taken by the board are properly recorded and implemented.
- The PO reports to the board on the fund's performance and other material matters at regularly scheduled meetings or as and when required.
- The performance of the PO is evaluated annually against Key Performance Indicators (KPIs) agreed with the board.

Governance functional areas **3**

Risk governance

Principle 11

The board should govern risk in a way that supports the Fund in setting and achieving its strategic objectives.

- The board is ultimately responsible for the management of various risks facing the fund.
- The fund's risk management policy sets out how the board governs risk.
- Fund management is entrusted with the responsibility of ensuring that sound risk management is embedded at all levels and overseen at an appropriate level.
- The fund's auditors review the adequacy and effectiveness of the fund's risk management framework and report to the board on the status thereof.
- The fund's risk register is annually reviewed and approved by the board.

Technology and information governance

Principle 12

The board should govern technology and information in a way that supports the Fund setting and achieving its strategic objectives.

- The board of trustees assumes responsibility for the governance of technology and information and considers the impact and importance of information and technology on achieving strategic objectives and operational excellence.
- The fund itself does not own technology and information systems. Many of the fund's functions are outsourced to third party service providers who utilise technology and information systems.
- The board has a reasonable degree of comfort that the technology and information systems utilised by service providers supports the fund setting and achieving its strategic objectives.

Compliance governance

Principle 13

The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Fund in being ethical and a good corporate citizen.

- The board of trustees has an oversight responsibility for ensuring compliance with the applicable laws, regulations issued by the authority, the fund rules and the various governance and policy documents.
- The fund complies with all applicable laws and regulations, as well as taking cognisance of all non-binding industry guidance, such as PF Circular 130 and King IV.
- External advisors regularly assist the board on matters relevant to compliance and provide feedback to the board on the effectiveness of the fund's systems and processes for monitoring compliance.
- The transformation and sustainability committee assist the board in monitoring the fund's activities in relation to best practice with regard to social and environmental considerations.

Remuneration governance

Principle 14

The board should ensure that the Fund remunerates fairly, responsibly and transparently to promote the achievement of its strategic objectives and positive outcomes in the short, medium and long term.

- External trustees and the independent principal officer are remunerated by the fund. Sponsor appointed trustees are remunerated by the sponsor.
- The board believes the remuneration to be fair for a professional occupation.
- Annual remuneration increases are in line with inflation as measured by the Consumer Price Index.

Our strategic outcomes

- 1** Member-centric **2** Strategic long-term thinking **3** Impeccable governance **4** Impact-conscious **5** Transparent stakeholder communication

Governance functional areas continued

Assurance

Principle 15

The board should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the fund's external reports.

- The board ensures that an independent, external audit is conducted on the fund every year. All opinions from the auditor's report are reviewed by the board and corrective action is taken where relevant.
- The fund's Governance, audit and risk subcommittee (GARSC) assumes responsibility and oversight of the audit. The GARSC provides feedback to the board and any relevant matters are put before the board for consideration. The board also has an open invitation to attend any of the GARSC meetings.
- The King IV report allows for application of the principles on a proportional basis. Owing to the fund's governance budget all other relevant assurance functions and reviews not specifically in the GARSC's mandate are conducted by the board.

Stakeholder relationships **5**

Stakeholders

Principle 16

In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the fund over time.

- The board, directly or through its board committees and fund management executives, takes responsibility for providing direction and overseeing all matters affecting the reasonable needs, interests and expectations of its stakeholders.
- The board also receives feedback from the consultants to the management committees, reviews service complaints to gauge the needs, interest and expectations of the members, the fund's key stakeholder.
- The communication committee oversees the fund's communication strategy, which takes stakeholder expectations and requirements into account. The Fund maintains informative online portals and issues regular newsletters and communications to ensure members are treated fairly and kept appropriately informed.
- The Fund registers complaints, as well as matters referred to the Pension Fund Adjudicator (PFA) and views expressed by stakeholders are reported in full to the board at meetings or as and when required.

Responsibilities of institutional investors **4****Principle 17**

The board should ensure that responsible investment is practised by the fund to promote the good governance and the creation of value by the companies in which it invests.

- The board acknowledges that a responsible investment approach whereby ESG factors are incorporated in long-term investment strategies, processes and activities in addition to financial considerations, is expected to contribute towards decreasing investment risk and improving risk adjusted returns.
- This approach includes the active ownership responsibilities of engagement, proxy voting and reporting. The board has delegated all active ownership responsibilities to the respective asset managers. All asset managers have investment management agreements and mandates in place, which incorporate the principles of responsible investing and are reviewed regularly.
- The board:
 - monitors the manner in which the asset managers are voting on behalf of the fund
 - interrogates the asset managers on the discharge of their active ownership responsibilities and on how they have applied ESG factors in their investment decisions.

Glossary and abbreviations

Administrator

A company approved in terms of the Pension Funds Act and appointed by a retirement fund. A fund's administrators handle all day-to-day administrative duties of a fund.

Alternate trustee

Alternate trustees take the place of appointed or elected trustees when they are not available. The alternate member trustee will usually be the person who had the next highest number of votes in a trustee election.

Annuity

An annuity is an insurance product designed to provide retirees with regular payments after retirement for a specified period, or for the remainder of their lives. It is bought from a registered provider. For example, you can buy an annuity at retirement, using your retirement savings. From this, you should get a fixed monthly income for the rest of your life or until your savings run out, depending on the type of annuity you buy.

Asset

Any property or item that has a monetary value that increases over time.

Asset allocation

This is how the money in an investment portfolio is divided into different asset classes, usually shown as a percentage. Splitting up a portfolio this way is called diversification and helps lower the risk of an investment portfolio.

Asset classes

The investment building blocks in which your money can be invested. The main asset classes are cash, bonds, property and shares.

Beneficiaries

The people or organisations that benefit from the income or proceeds of an insurance policy, trust, retirement fund or will. You can nominate your beneficiaries in your will or life policy and on your retirement fund nomination of beneficiaries form. Beneficiaries can be your dependants or nominees.

Commodity

Any marketable item produced to satisfy wants and needs. Generally, these are basic resources and agricultural products such as crude oil, coal, salt, sugar, rice, gold and silver that are the same no matter who produces them but can vary in quality.

Defined contribution (DC) fund

The final benefit you get from a defined contribution fund depends on all your contributions, the employer's contributions to the Fund and the investment returns.

Financial Sector Conduct Authority (FSCA)

The Financial Sector Conduct Authority (FSCA) is the South African financial regulatory institution responsible for overseeing the conduct of financial institutions that provide financial products and services, including banks, insurers, retirement funds, and market infrastructures.

House view

A framework that uses the best investment view of an investment manager. Depending on the type of portfolio, this may include their opinions on asset allocation and share selection.

Independent Financial Intermediary

An Independent Financial Intermediary (also known as a "independent intermediary" or "intermediary") is a professional or firm that offers unbiased financial advice and services to clients, without being tied to any specific financial institution or product provider.

Investment manager

A company hired to invest money; for example, retirement fund trustees might hire a manager to invest the Fund's assets.

Investment strategy

For a retirement fund, the investment strategy will guide trustees when they choose where to invest a retirement fund's money, to meet the Fund's objectives.

Management Committee (MANCO)

The management committee is comprised of participating employer representatives, supported and advised by their appointed intermediary, who act as the monitors of service delivery between the Fund, its administrator and its members

Multi-manager

This is a type of investment strategy where many investment managers look after different asset classes of a portfolio. This helps reduce risk because each manager follows a different investment style and philosophy. Each investment manager will have specific expertise in their field and will be chosen to optimise the outcome of the portfolio.

Portfolio

A group of different types of investments. The investment categories you can choose from are generally a mix of the four main asset classes.

Preservation fund

A retirement investment product. You can transfer your retirement fund savings, tax-free, into a preservation fund when you leave the Fund. You cannot make any additional contributions to a preservation fund. You can make one cash withdrawal in case of emergency. You can retire from the Fund from the age of 55.

Preservation rate

This is the percentage of members who preserve their retirement savings when changing jobs, as opposed to taking a payout of the total savings for which the member may incur a tax liability.

Principal officer (PO)

The retirement fund's appointed official and monitoring person who reports to the FSCA.

Regulation 28

This is detailed in the Pension Funds Act and is the law controlling retirement fund investments in South Africa. It is in place to make sure investors use investment guidelines to protect you from loss of value from risky investments.

Replacement ratio (RR)

This is the projected percentage of your final pensionable salary you would receive as a pension income when you retire.

Rule amendments

Retirement fund rules change from time to time and must always be kept up to date with changes in the law, the South African Revenue Services (SARS) and FSCA requirements, as well as changes in the retirement industry. Amendments are subject to approval by the FSCA and SARS.

Treating Customers Fairly (TCF)

A regulatory framework encompassing six core outcomes designed to ensure that financial services providers prioritise the interests of their clients, by creating an environment where pension fund members can be confident that they are receiving clear information and that their needs are being met with suitable products and services.

Trustee

A member of a retirement fund management board. Trustees are either elected by retirement fund members or appointed by the employer. They are responsible for the Fund and must run the Fund according to the rules and in the members' best interests.

Umbrella fund

A retirement savings fund for an unrelated group of employers. This can be a cost-effective arrangement as fund expenses are shared over all employer groups.

Fund administration

AF Access Retirement Fund

Fund registration number:
12/8/37997 (pension section)
12/8/37998 (provident section)

Registered office of the Fund

Alexander Forbes, 115 West Street, Sandton

Benefit administrator

Alexander Forbes Financial Services (Pty) Ltd

Consulting actuaries

Alexander Forbes Financial Services (Pty) Ltd

External auditor

Deloitte & Touche South Africa

Internal audit service provider

Alexander Forbes Financial Services (Pty) Ltd
Ernst and Young (outsourced partner)

Investment consultants

Alexander Forbes Investment Advisory

Sustainability Consultants

Alexander Forbes Impact Advisory

Website

AF Access website
<https://afaccess.alexforbes.com/site/>

Email

admin@alexforbes.com

Contact details

General fund contact details

As a member of the fund, you have the right to see the rules of the fund as well as any of its financial statements or reviews.

If you have any questions about anything in this report or your fund membership, please contact one of your management committee members or:

- Phone the AF Access client contact centre on **0860 60 61 62** from Monday to Friday between 8:30 and 17:30
- Email admin@alexforbes.com

Divorce orders

If you need to claim retirement benefits granted for a divorce order, please contact our divorce orders team:

Email:

Phone: Alexforbes Help Desk on 011 324 3401

Complaints

If you are unhappy with any aspect of our service, please email contactus@alexforbes.com or call **011 669 7026** so that we can resolve your complaint without delay.

If there are any conflicts between the information in this report and the official rules of the fund, the rules of the fund will always apply.

Privacy statement

Your information may be used to find you if you leave your employer and don't complete a withdrawal claim form. If you want to know or read more about what we do with your information, you can view the fund privacy statement on the AF Access website <https://afaccess.alexforbes.com/site/fund#governance>

This privacy statement also informs you of your rights in terms of the Protection of Personal Information Act (POPIA).



This is the AF Access client contact centre
0860 60 61 62

