



Retirement Fund

ANNUAL REPORT OF THE TRUSTEES

for the year ended 31 December 2023





1. Message from your Chairperson

It is with great pleasure that I present to you the Annual Trustee Report, which focuses on the activities of the Fund for the period ended 31 December 2023. The report contains important information about fund developments and activities over the past financial year.

Investment markets remained volatile during 2023. Despite the challenging environment, the Board, together with its advisors have been able to grow members' Fund values by more than inflation. As always, I remind you that saving for retirement is a long-term investment and the Fund has a dedicated Investment & Strategy Sub-committee which looks through the "short term noise" and continues to challenge the Fund's asset managers to ensure the long-term real growth of the Fund's investments is achieved.

I wish to thank my fellow Board members for their outstanding services to the Fund, especially those trustees stepping down as their tenure comes to an end in August. In this regard, like to use this opportunity to thank Carin Wiese for her invaluable contribution on the Board and to the Fund over many years. We wish you well in your future endeavours.

I wish the newly elected, re-elected and appointed trustees all the best for their tenure ahead. Thank you for being willing to serve the Fund. I would also like to thank the principal officer for her valuable input and her dedication in assisting the Board in fulfilling its fiduciary duties.

Members are reminded to register on the Alexforbes AF Connect. If you currently use the AF Online, your same username and password can be used to access AF Connect in order to access your Fund information, such as your fund value, annual benefit statement and nominees. We also urge you to update your nominated beneficiaries. This information is used to identify the beneficiaries to distribute your benefit in the event of your death.

Members who are 50 years and older are encouraged to make use of the financial advice facility that has been put in place by the Fund. How to use your savings to meet your retirement needs is a complex question and these advisors can offer you with sound advice in order to make wellinformed decisions relating to your retirement.

Thank you to all our members and pensioners for trusting the Fund and its trustees with you hard earned savings. We encourage you to make use of the available channels to interact with the Fund and provide us with your feedback.

Warmest regards

Paul Barnard
Chairperson





2. Investments

As mentioned in the Chairperson's address, investment markets remained volatile in 2023, with geopolitical tension causing uncertainty. Elevated inflation rates meant that consumers would have to wait a little longer until interest rates would start to come down. In such an uncertain environment it is good to have investments that are diversified across different asset classes. The Investment Sub-committee is actively looking for investment opportunities that produce inflation-beating returns and provide diversification from traditional asset classes.

The TFG Balanced Portfolio delivered 12.2% net of fees for the year ending December 2023 and the TFG Final Year Portfolio delivered a return of 10.0% net of fees for the year ending December 2023. These two portfolios form part of the Fund's default life-stage investment model.

Investment strategy

[CLICK HERE](#)

for a more detailed look at the investment information, default life-stage investment model, returns and reports.



The main investment objective of the Fund is to provide Fund members with the greatest likelihood of securing a reasonable pension at retirement.

[CLICK HERE](#)

to view the Investment Policy statement of the Fund.



3. Board of Trustees

The Board of Trustees (and the Principal Officer) is accountable and responsible for the performance and management of the Fund, with the assistance of various appointed service providers. The Board of Trustees met four times during 2023 and always strive to act in the best interest of members and pensioners at all times.

The Board of Trustees consist of ten trustees, of whom five are appointed by the company and five elected by the members. The Chairperson of the Board of Trustees is elected annually by the members of the Board of Trustees. All Board members are elected/appointed for a period of five years.

We wish to thank you for participating in the TFG Retirement Fund 2024 Trustee Elections. The following nominees have been elected as member trustees:

Nikita Koopman
Shani Naidoo
Marc van Est
Rolf Walther
Jonathan Zolty





The following Employer Appointed Trustees have been re-appointed to Board:

Paul Barnard (Chairperson)
Andrea Agostini
Nazneen Bray
Paul Clayford
Clement Singh

Congratulations to the new elected, re-elected and appointed trustees on their election / appointment to the Board of Trustees.

[CLICK HERE](#)

for information about the Fund management, Board of Trustees and Specialist Committees and service providers.



4. Effective Governance

The TFG Retirement Fund is governed primarily by the Pension Funds Act as well as various other pieces of legislation, which provide a legislative framework to ensure that the rights of members are protected. The Board of Trustees has adopted a Code of Conduct that ensures its rules, responsibilities and accountability are documented and adhered to. The Trustees aim to ensure that the Fund complies with all applicable laws, FSCA directives and circulars.

5. Benefit and Projection Statements

Annually, the Fund produces Benefit and Projection Statements for the members of the Fund. These provide a summary of the member's retirement savings and the projected pension income at retirement.

[CLICK HERE](#)

To access your Benefit and Projection Statements you need to be registered on AF Connect. If you have not already registered for AF Connect, click here to access the "how to" guide.



6. Additional Voluntary Contribution

Even though the Fund has changed the basis of pensionable pay and allowed for flexible contribution choices, members can still make Additional Voluntary Contributions (AVC's) to enhance their retirement savings. Members are encouraged to take advantage of this, especially during the salary increase period and bonus time. Additional Voluntary Contributions can be started and stopped anytime during the year.

[CLICK HERE](#)

to access the easy reference guide to update your additional voluntary contribution on People Connect.





7. Rule amendments

The TFG Retirement Fund is managed according to a set of Rules, which have to comply with the requirements of the Pension Funds Act.

During the past year, there was one rule amendment submitted to the Financial Sector Conduct Authority:

RULE AMENDMENT 17: PURPOSE	EFFECTIVE DATE	FSCA APPROVAL DATE
(1) To allow the TRUSTEES who meet the criteria as set out in the FUND'S remuneration policy to be remunerated for their services; (2) To allow the PRINCIPAL OFFICER and if applicable, the DEPUTY PRINCIPAL OFFICER to be remunerated by the FUND for their services	1st April 2023	23rd June 2023

8. Financial overview

The Fund has received an unqualified (clean) audit result from the Fund's auditor, Deloitte & Touche. In addition, the latest actuarial valuation as at 31 December 2023, confirmed that the Fund is in a sound financial position. This can be linked to the high level of governance, which entails various monitoring tools and checks and balances.

[CLICK HERE](#)

to view the latest breakdown of assets and liabilities of the Fund.

9. Fund membership and benefits awarded

At 31 December 2023, the TFG Retirement Fund had the following membership:

- 21 615 active members*
- 1 601 pensioners
- 1 270 unclaimed benefits

*Included in the Active membership is 216 Paid up Members, 15 Deferred Retirement Members, 966 Default Regulation Paid Up members.

Benefits totalling R954 million were awarded during the financial year upon resignation, retirement or death.

[CLICK HERE](#)

to view the latest Fund membership breakdown

[CLICK HERE](#)

to view the contributions

[CLICK HERE](#)

to view the benefits



10. Legislative changes

Early access to retirement benefits and compulsory preservation (the “two-pot system”)

The Revenue Laws Amendment Bill that brings the two-pot retirement system into effect on 1 September 2024, has been promulgated as the Revenue Laws Amendment Act 12 of 2024. The Pension Funds Amendment Bill is yet to be promulgated.

The necessary Fund rule amendment will be submitted to the Financial Sector Conduct Authority (FSCA) by latest 15 July 2024.

The Fund will communicate with members in this regard.

Conduct of Financial Institutions (COFI) Bill

COFI is a piece of legislation that will cut across the various sectors of the financial services industry. It will be principles-based, with a strong focus on treating customers fairly (TCF). COFI is part of the Financial Sector Conduct Authority’s strategy to standardise governance and reporting across the various sectors, with the aim of securing better outcomes for customers of financial services. With the focus being on the two-pot system, the COFI legislation will likely be delayed.

11. Beneficiary Nominations

The death benefit payable from the Fund is subject to Section 37C of the Pension Funds Act and involves a process where the Trustees are required to investigate and ensure that all the dependants receive an equitable portion of the death benefit. Your beneficiary nomination is very important to assist the Trustees in allocating your death benefit to your beneficiaries.

Update your beneficiary nomination if your circumstances have changed, for example getting married or having a baby.

[CLICK HERE](#) to see how to update your Beneficiary Nomination.

You must complete your beneficiaries under the Retirement Investment section.

Note: If beneficiaries are completed under the Life Cover and Funeral Cover sections, these will not be taken into consideration.





12. Member contact information update

It is vitally important to update your contact details to ensure that the Fund is able to communicate with you effectively regarding confidential updates or changes that are applicable to you.

It is your responsibility to ensure that your contact information is reviewed and updated regularly:

- Active members (employed by TFG): update your information on the relevant People Connect system
- Deferred members (no longer employed by TFG) update your information on AF Connect.

13. Financial Advice Model

The Fund offers members closer to retirement access to financial advisors to assist them with retirement planning. The board of trustees has approved that members receive free access to financial advice from the age of 50.

[CLICK HERE](#)

to find out more about the Financial Advice Model



14. Fund Website

The TFG Retirement Fund website is continuously updated with the latest Fund information and any legislative changes relevant to members. As a member of the Fund, you are encouraged to visit the website in order to learn more about your Fund benefits.

[CLICK HERE](#)

to access the Fund's website.



15. Contact information

For Fund related queries, send an email to zzTFGRetirementFund@alexforbes.com

TFG Retirement Fund – Registered under the Pension Funds Act 1956 (Reg.No 12/8/10150/2)

Registered Office:

Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500

P O Box 6020, Parow East, 7501

Tel: (021) 928-6314 | **Fax:** (021) 937-5401

All correspondence should be addressed to the Principal Officer at Synergy@tfg.co.za

