TFG Retirement Fund

ANNUAL REPORT
OF THE TRUSTEES

for the year ended 31 December 2024

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 2024. The report contains important information about fund developments and activities over the past financial year.

Following much concern around the implementation of the new two-pot system, we were pleased that despite initial delays due to volumes, our members were able to have their savings pot claims processed well within the initial 4-week turnaround time we had anticipated. Whilst the two-pot system allows members to withdraw retirement savings from their savings pots, we remind members to carefully consider the impact of withdrawing savings on their retirement outcomes before making such withdrawals and to only do so in the case of a significant financial emergency.

With respect to your Fund's investment performance, the result for 2024 has been most pleasing. The Balanced Portfolio ended the year on a return of 14.4% which is an above average performance compared to other Retirement Funds.

Your Fund information is available digitally and members are reminded to register with Alexforbes AF Connect online platform in order to access information, such as your fund value, your annual benefit statement and your nominated beneficiaries. We urge you to update your nominated beneficiaries on AF Connect. It is very important that the trustees know who your nominated beneficiaries are. This information is used to identify the beneficiaries of your benefit in the event of your death. Beneficiaries include anybody who is dependent on you for financial support. Please check that your beneficiaries are correctly listed on your beneficiary statement (distributed earlier this year), and update on AF Connect if necessary.

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

Thank you to all our members and pensioners for entrusting the Fund and its trustees with your hard-earned savings. We encourage you to engage with the Fund through our available channels and share your valuable feedback with us.

Yours sincerely,

Paul Barnard
Chairperson

2. Investments

As mentioned in the Chairperson's address, despite continuing geo-political uncertainty the Fund's TFG Balanced Portfolio posted a strong performance with a return of 14.4% (after fees). This return once again compared favourably to average returns in the market and average returns from our peer group. The trustees continue to monitor the Fund's investment strategy and remain satisfied that the strategy is sound and well-structured to cope with market volatility. The trustees wish to remind members that the strategy is designed to deliver the required returns to meet the Fund's long term investment targets.

The TFG Balanced Portfolio delivered 14.4% net of fees for the year ending December 2024 and the TFG Final Year Portfolio delivered a return of 11.1% net of fees for the year ending December 2024. 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.

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 2024 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.

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. The Board is supported by various sub-committees and expert advisors.

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

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 two rule amendments submitted to the Financial Sector Conduct Authority:

RULE AMENDMENT 18: PURPOSE	EFFECTIVE DATE	FSCA APPROVAL DATE
1. Ensuring that the member's fund credit as at 31 August 2024 will form part of the member's vested component and may be available to the member should he exit the fund prior to retirement; 2. ensuring that all contributions made by and on behalf of the MEMBER that are due and payable with effect from 1 September 2024 are split between a retirement component and a savings component as required by legislation; 3. making provision for a withdrawal from the savings component should the MEMBER so elect; and 4. ensuring that members may not access their total value of their fund credit prior to retirement	1st September 2024	29th August 2024
RULE AMENDMENT 19: PURPOSE	**EFFECTIVE DATE**	**FSCA APPROVAL DATE**
1. To extend the term of office for the elected chairperson.	13th August 2024	6th February 2025

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 2024, the TFG Retirement Fund had the following membership:

Active Members*	23 752
Pensioners (including recipients of death benefits)	1 605
Unclaimed Benefits	1 270
Included in the Active membership is 218 Paid up Members, 14 Deferred Retirement Members, 1302 Default Regulation Paid Up members.	

Benefits totalling R916 million were awarded during the financial year as follows:

Monthly pensions	R190,645,186
Lump sums on retirement	R147,775,743
Death benefits	R33,002,419
Withdrawal benefits	R399,784,725
Retrenchment benefits	R18,857,556
Divorce orders	R6,282,922
Savings pot claims	R119,996,191
Total	R916,344,742

10. Legislative changes

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

The two-pot retirement system was brought into effect on 1 September 2024 with the Revenue Laws Amendment Act 12 of 2024. The Fund's rules were amended to give effect to the aforementioned Act.

11. Beneficiary Nominations

It is very important that the trustees know who your nominated beneficiaries are. This information is used to identify the beneficiaries of your benefit in the event of your death. Beneficiaries include anybody who is dependent on you for financial support. Please check that your beneficiaries are correctly listed on your beneficiary statement, and update on AF Connect if necessary.

Note that it was not possible to carry over the beneficiary information captured on HR Connect (now People Connect) to the AF Connect system, therefore you will be required to re-capture your beneficiaries on AF Connect.

CLICK HERE for the "how to" guide should you need assistance with how to load / update your beneficiary information on AF Connect

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)

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