



**University of
South Africa
Retirement
Fund**

Default Life-stage Model 1 August 2022

Leandra Botha (MCA)



Role players

- Momentum Consultants & Actuaries – Benefit Consultant
- INFund – Benefit Counsellor
- Alexforbes - Administrator



Investments

- Default – Life-stage model based on selected retirement age
- Own Choice



What is a Life-stage model?

- Term to retirement – proxy for risk a member can take
- Portfolios with different risk/growth profiles
- More aggressive portfolios to more conservative
- Automatic switch between portfolios at birthday



Life-stage Investment Portfolios

Inflation Target Portfolio

- Invests 70% to 80% in growth assets
- Invests 20% to 30% in fixed interest assets
- Targets inflation plus 6% p.a. over 7 years, after costs
- Suitable for members with more than 7 years to retirement



Life-stage Investment Portfolios

Stable Portfolio

- Invests 40% to 50% in growth assets
- Invests 50% to 60% in fixed interest assets
- Targets inflation plus 3.5% p.a. over 3 years, after costs
- Suitable for members with investment horizon of 2 to 4 years



Life-stage Investment Portfolios

Income Protection Portfolio

- Invests 70% in SA cash
- Invests 30% in SA credit
- Targets inflation plus 1.5% p.a. over 12 months, after costs
- Suitable for members with investment horizon of 1 to 2 years



Member Choice

- Member selects own portfolio and allocation
- Option between Inflation Target Portfolio, Stable Portfolio, Income Protection Portfolio, Shari'ah Portfolio
- Minimum retirement benefit (applicable to most members who joined the Fund before 1 September 1996), must invest in Life-stage model to retain guarantee

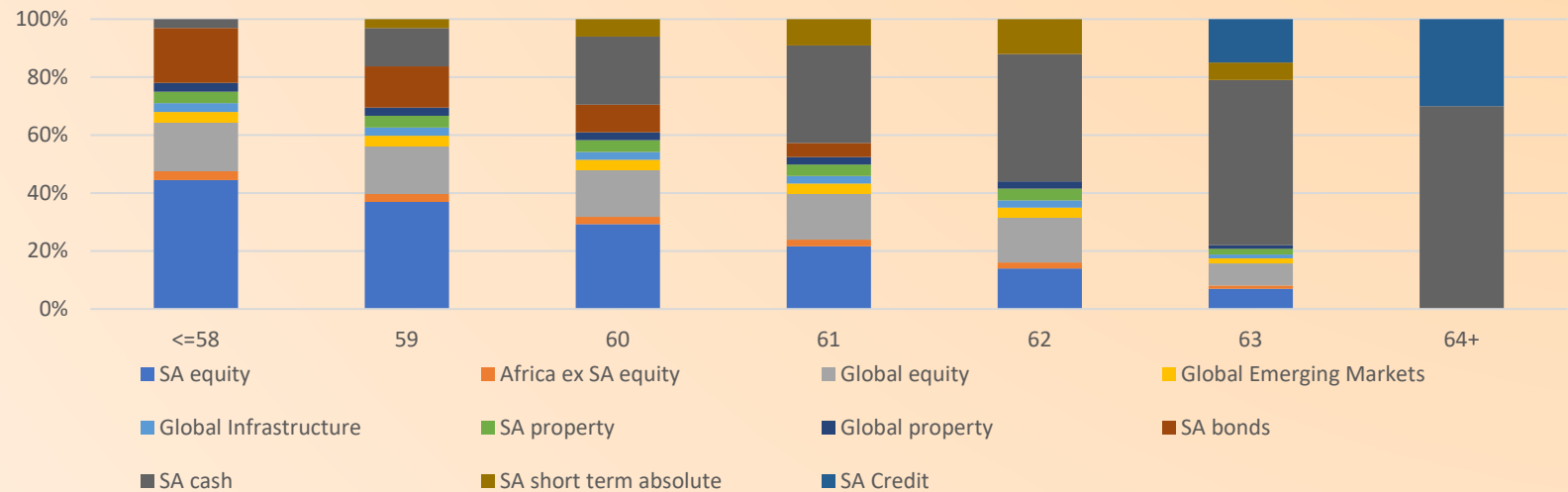
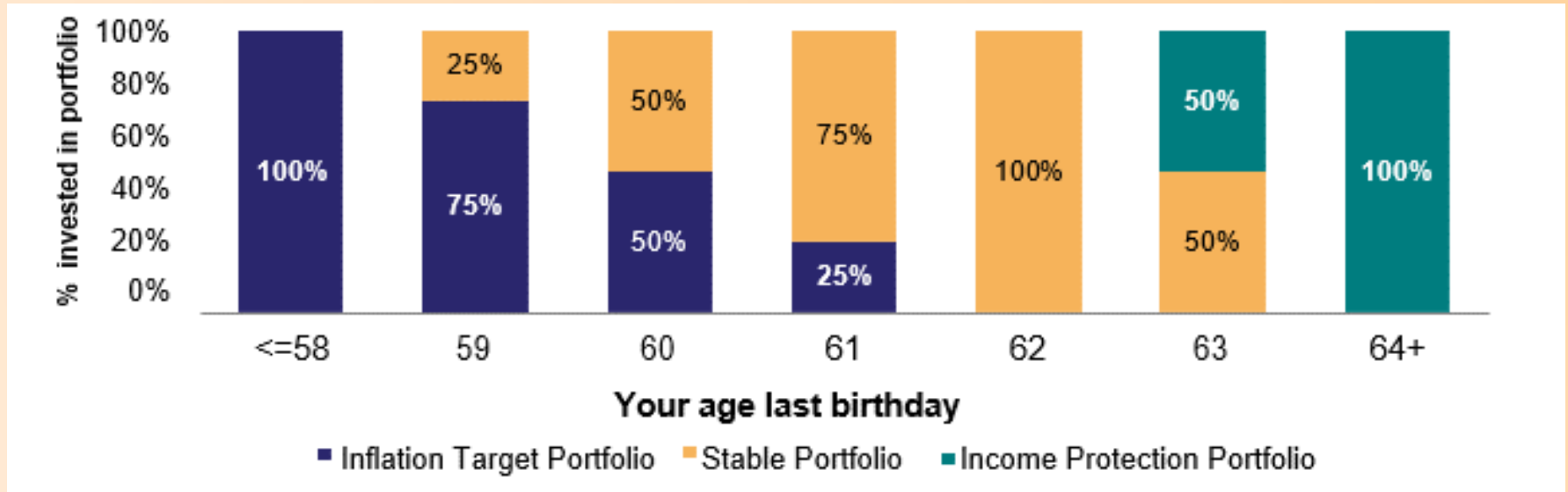


Retirement Age

- Default retirement age 65
- USAf and members who became disability income claimants before 30 June 2015, default retirement age 60
- Can select retirement age of 55, 60 or 65
- Does not affect employment contract or eligibility on Fund – used for Life stage glidepath



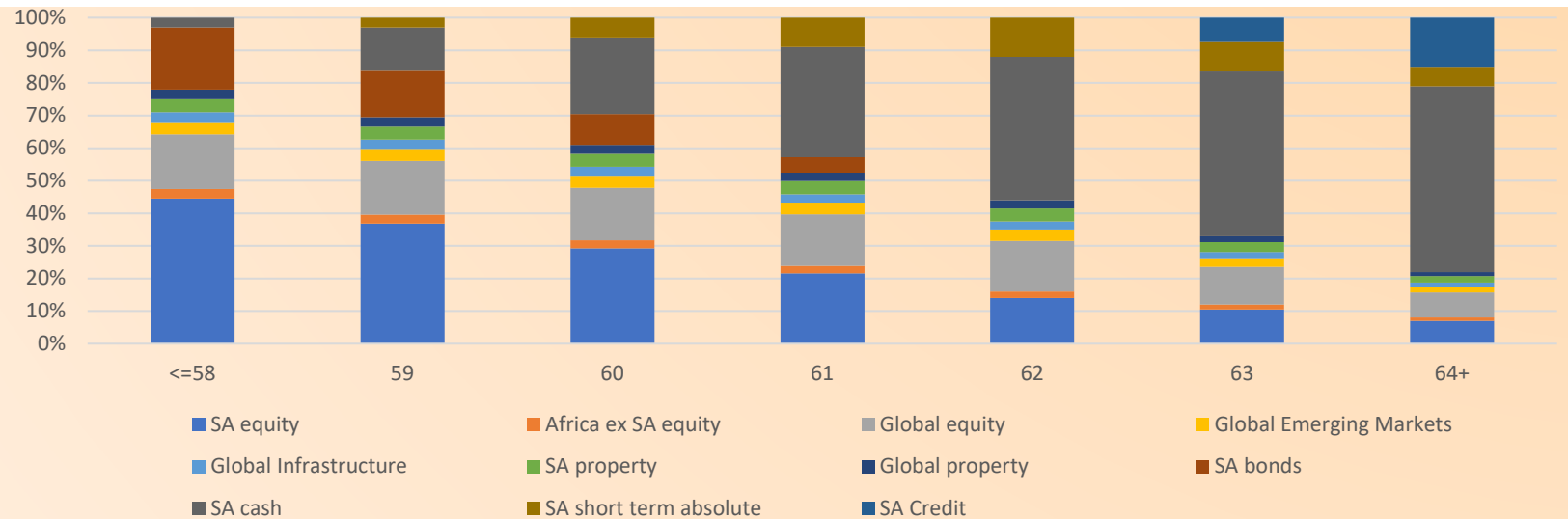
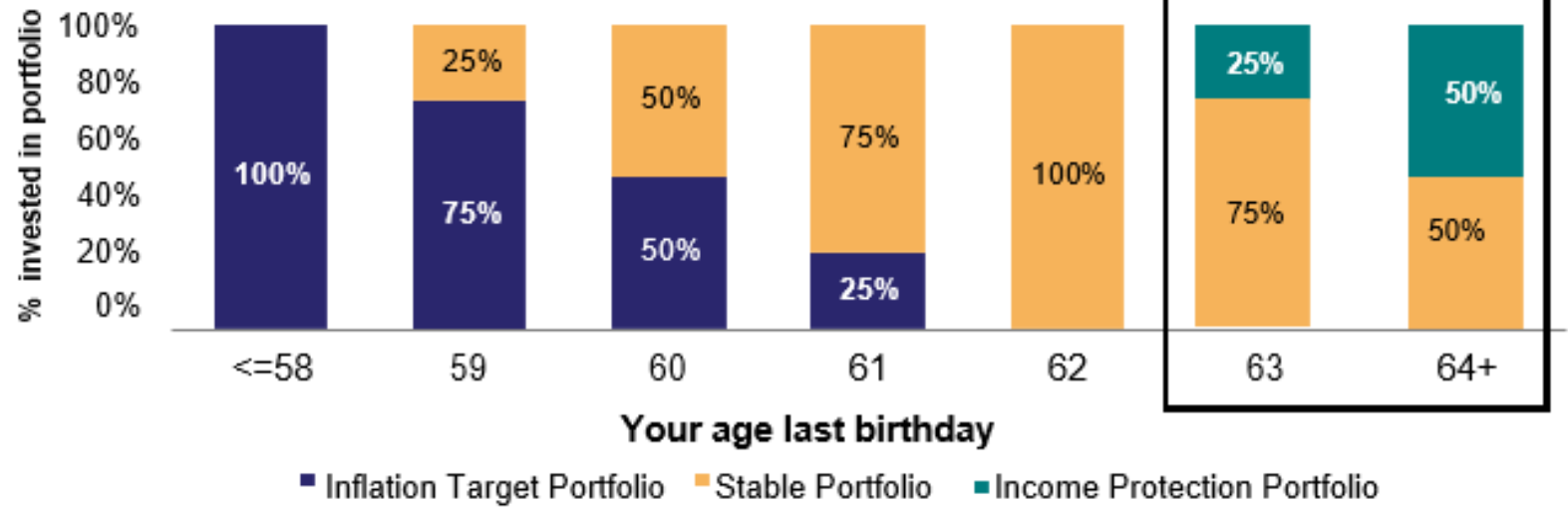
Current Life-stage model



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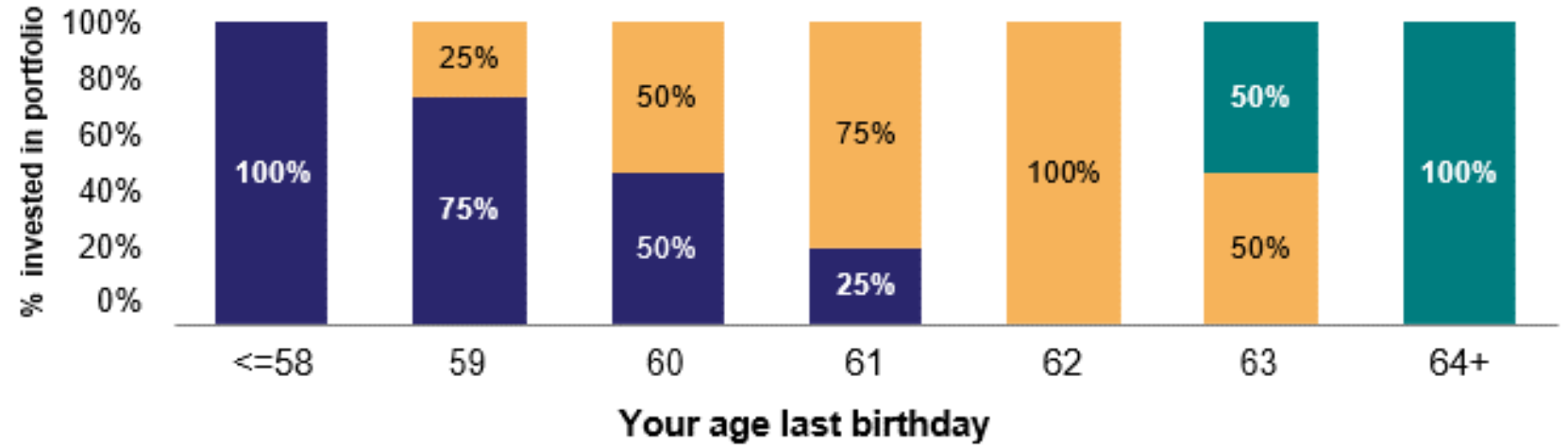
New Life-stage model



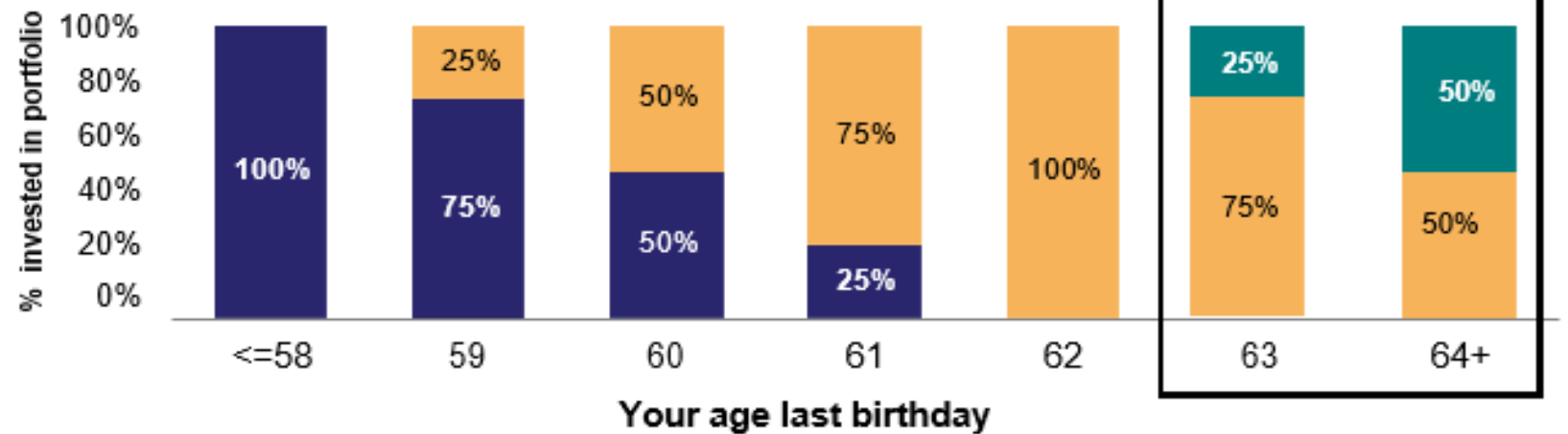
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Comparison Life-stage model



■ Inflation Target Portfolio ■ Stable Portfolio ■ Income Protection Portfolio



■ Inflation Target Portfolio ■ Stable Portfolio ■ Income Protection Portfolio

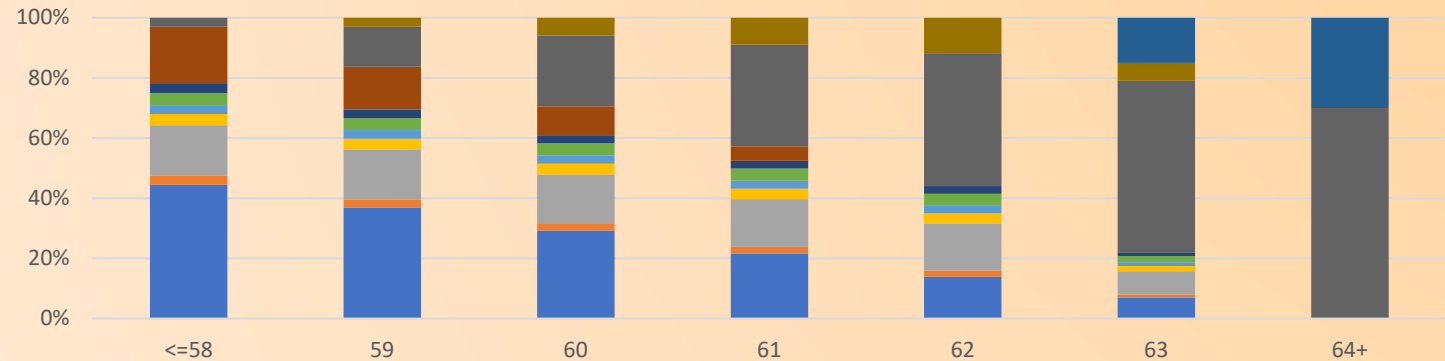
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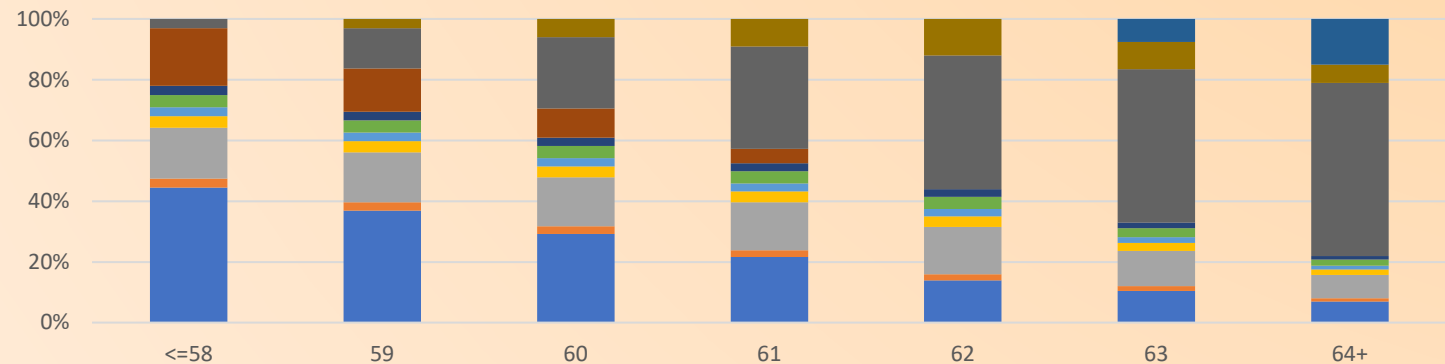
Asset Allocation

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Current Life-stage



New Life-stage

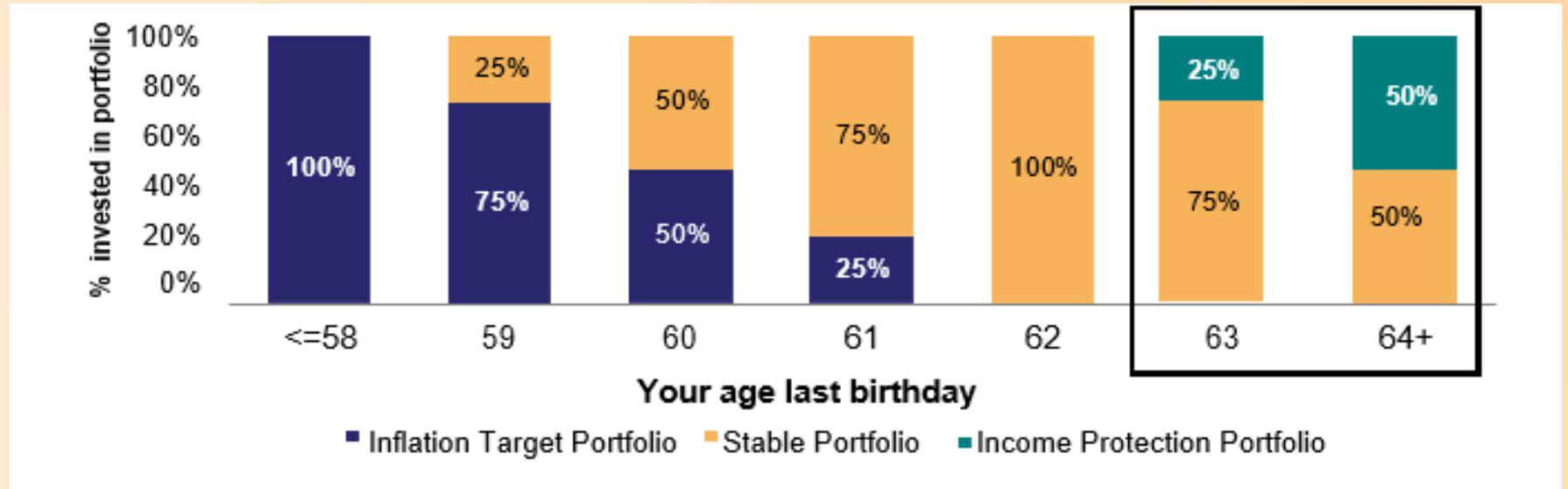


- SA equity
- Africa ex SA equity
- Global equity
- Global Emerging Markets
- Global Infrastructure
- SA property
- Global property
- SA bonds
- SA cash
- SA short term absolute
- SA Credit



How does this impact me?

More than 2 years prior to retirement at to 1 August 2022
(based on individual retirement age)



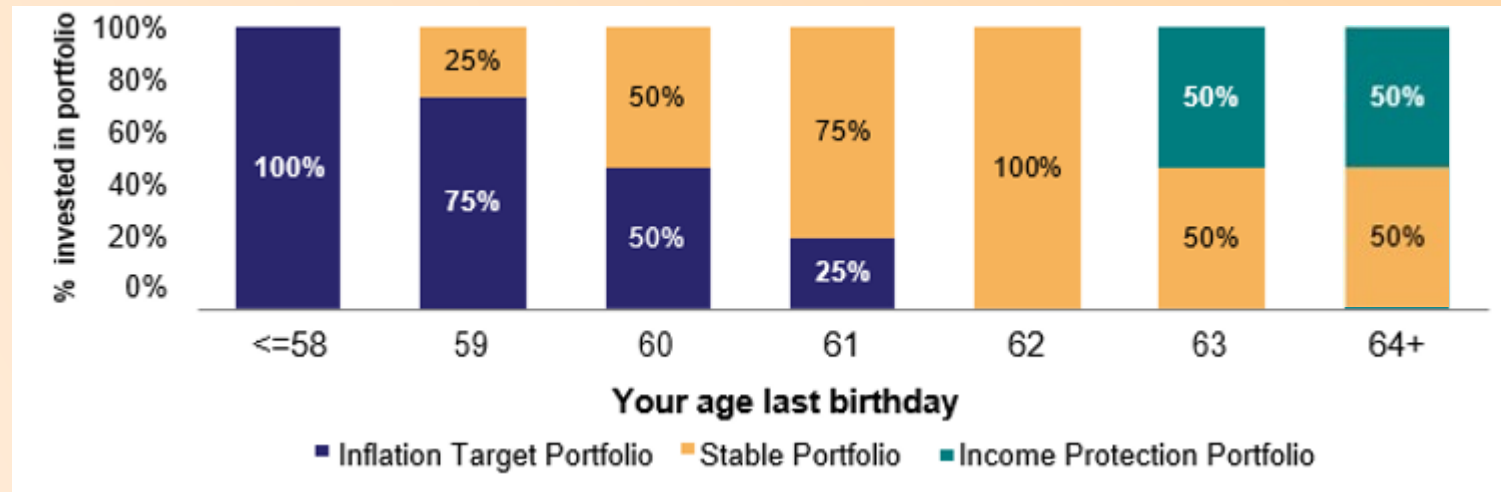
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You will follow the NEW life-stage model



How does this impact me?

2 years prior to retirement at to 31 July 2022
(based on individual retirement age)



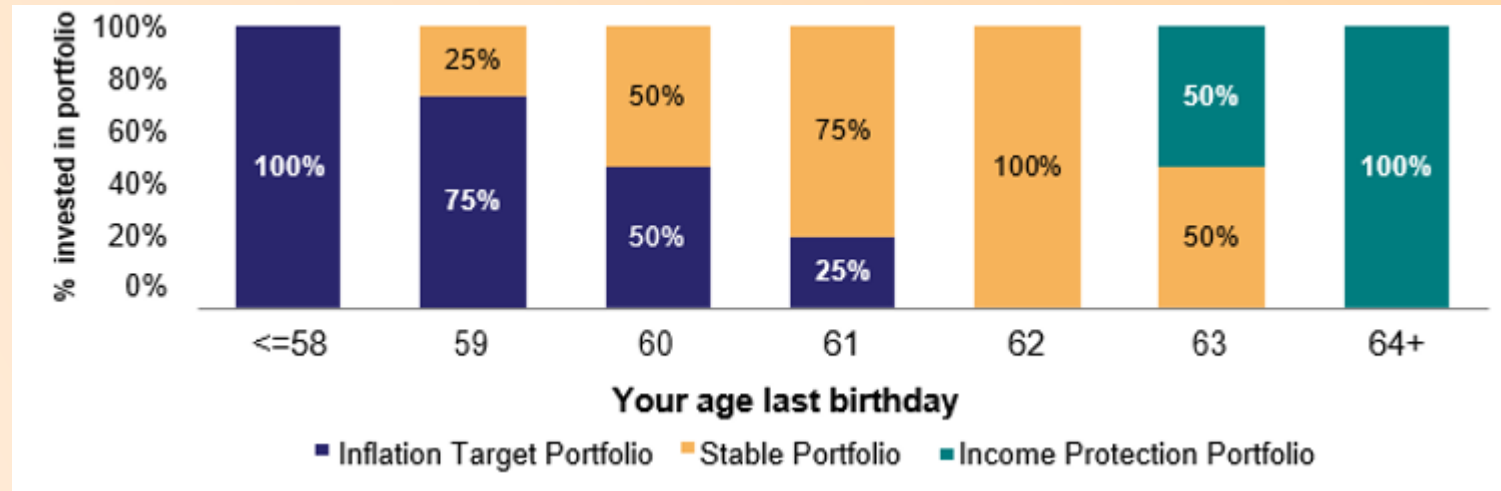
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Remain in the same investment until retirement



How does this impact me?

1 year prior to retirement before 31 July 2022
(based on individual retirement age)



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Remain in the same investment until retirement



What action must I take?

- No action is required from you EXCEPT if you would like to invest in a different investment portfolio. This will then require an Investment Option Form by 29 July 2022
- Minimum benefit guarantee = default life-stage model
- August 2022 administration system closed
- This change does not impact/change your Normal Retirement Age
- Speak to your Retirement Benefits Counsellor
- Speak to your Financial Planner



Thank you

Questions



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Contact

Retirement Benefit Counsellor
Bonolo Moilwa
bonolo@infund.co.za
+27 72 4639 271

Benefit Consultant
Leandra Botha
unisarf@momentum.co.za
+27 82 857 3841

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