



Dear NTRF member

MY UNIQUE FUND (4)

In our previous communication we discussed the excellent death and disability benefits offered by the Fund. If you compare these benefits to the benefits offered by private insurers, you will be pleasantly surprised to see how good the Fund's benefits are! In this communication we focus on our cost structure – another pleasant surprise!

The NTRF has a very low cost structure because of its bargaining power and significant economies of scale.

A Fund's administrative cost has two components, namely investment manager fees and operational costs. The operational costs are detailed below, and investment costs are discussed in one of the communications that follow.

OPERATIONAL COSTS

Our operational and advisory costs are calculated as a percentage of members' pensionable salary. This means that members that earn more, pay more. Many commercial funds charge a percentage of the market value of the fund's assets for operational costs.

The Fund **does not** charge any commissions, applies a fixed monthly administration fee and **not** a percentage of assets like commercial funds do. The Fund also negotiates lower than average investment fees.

Note: The average pension fund in the market charges between 0.5% to 0.7% as a percentage of salary for operational costs. It is important to do a like-for-like comparison of the costs (percentage of assets or pensionable salary) and services offered between the NTRF and other pension fund offerings before any meaningful conclusion can be made. Click here <https://www.10x.co.za/faq/for-business/starting-a-retirement-fund/contribution-rates-as-a-of-salarywage> for detail.