



NATIONAL TERTIARY RETIREMENT FUND



Trustee Report 2023

www.ntrf.co.za



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Welcome

Dear Members

It gives me great pleasure to present the annual report for the Fund for the 2023 financial year. The Fund had a successful year, with just under R20 billion in investments.

As September 2024 approaches, there are several changes on the horizon for the retirement industry. These changes, and their impact on you, are discussed on page 4 of this report.

While the South African economy shrank unexpectedly in the first quarter of 2024, a recession should be avoided, and improvements are anticipated in the second half of the year. The new political landscape presents opportunities for policy reform and economic growth, ensuring a positive outlook for the country's future.

Despite volatility post-election, South African equities outperformed property and bonds, and nominal bonds outperformed inflation-linked bonds. Inflation moderated to 5.2% year-on-year, slightly below the market consensus of 5.3%, with core inflation easing to 4.6% year-on-year. The rand experienced volatility due to election uncertainty but began firming in June, trading at around R18 to the dollar.

Financial market analysts are expressing optimistic expectations that the newly formed Government of National Unity (GNU) will spark much-needed economic reforms in South Africa. Various analysts have predicted that the rand will start 2024 at R17.80/\$ or even stronger, and will continue to strengthen next year if GNU optimism persists and global risk appetite continues to improve. This spike in optimism reflects investor confidence in the new government's potential to implement market-friendly policies and drive growth.

However, on a more cautious note, in May 2024, President Cyril Ramaphosa signed the National Health Insurance (NHI) Bill to create a state fund for health care, which sparked mixed reactions regarding its affordability and potential tax implications.

Rest assured that, no matter what lies ahead for our country, the Board will continue to lead the Fund in a way that protects your interests.

I would like to express my gratitude to our Board of Trustees and all subcommittees for their hard work and commitment. Their dedication to delivering excellent service to our members is deeply appreciated.

We hope you find the articles in this report informative and wish you all the best for the rest of 2024.



Anesh Soonder
Chair of the Board of Trustees

Industry Updates

Everything You Need To Know About The Two-Pot System

A quick overview:

- Your Fund credit as at 31 August 2024 will be allocated to a vested pot, and the current rules will continue to apply to these monies. **“Old monies, old rules.”**
- There will be new rules for new monies paid from **1 September 2024. “New monies, new rules”**. With effect from 1 September 2024 your retirement fund contributions will be split, one third will be allocated to the **savings pot, and two thirds** will be allocated to the retirement pot. You can access your savings pot once a year, **if** this portion is equal to R2 000 or more.
- To help you get started, some of your current “vested” savings will be transferred to your savings pot: either **R30 000 or 10%** – whichever amount is smaller. You are encouraged to make savings pot withdrawals for emergencies only.
- Your **retirement pot** can only be used to **buy a pension at retirement**

Keep the following in mind for savings pot withdrawals:

- You are encouraged to withdraw **your savings pot monies in an emergency only**.
- You can only withdraw your savings pot monies if you have more than R2 000 in your cash pot
- **Tax will be calculated based on your marginal rates** (in line with your income tax bracket) and an administration fee will be deducted from your cash withdrawal.
- As a member, you can kick off a savings pot withdrawal via the Momentum Retirement Administrators (MRA) online portal.
- If you need help registering on the MRA online portal please send an e-mail to ntrf@momentum.co.za or you can contact the share call centre on 0860 000 071 for assistance.

Quick Links



Summary of the Two-Pot System

[View](#)



The Different Pots in Detail

[View](#)



How your Contributions will be Split

[View](#)



What Money you can Access and When

[View](#)



How you will be Taxed

[View](#)



Catching Up On Savings

If you are behind on retirement savings, the worst thing you can do is nothing. Here are some strategies to help you catch up.



Delay retirement

Consider postponing your retirement. This reduces the number of years you need your savings to last and allows more time for your investments to grow.



Cut expenses

Review your budget and cut unnecessary costs. Focus on reducing bank charges, subscriptions, convenience food, entertainment and impulse purchases.



Pay off debt

Prioritise paying off high-interest debts like credit cards. This frees up more money for savings and reduces the burden of interest.



Review insurance

Assess your insurance needs with a financial advisor. As you build wealth, you may need less coverage, allowing you to save on premiums.



Generate additional income

Explore the gig economy for extra income through dog-walking, house-sitting, tutoring or renting out space.



Save more

Redirect savings from reduced expenses and additional income into your retirement fund. Avoid lifestyle inflation and stick to your budget.



Automate Contributions

Set up automatic monthly contributions to your retirement savings to ensure consistency.



Invest Aggressively

With a delayed retirement, adjust your investment strategy to take on more risk and aim for higher returns.



Take care of your health

Maintain your health insurance and gap cover. Medical costs increase with age, so prioritise your health-care needs.

Taking these steps today can help you catch up on your retirement savings and secure your financial future.

Are You Retirement-Ready?

As the cost of living continues to rise, many people are asking themselves: am I financially ready to retire? This is a challenging question due to the many uncertainties involved. How long will you live? How healthy or unhealthy will you be as you age? And so on, and so forth ...

While we cannot foresee the future, we can prepare for it. Here are three indicators to help you determine if the time is right.

> You are as debt-free as possible

You do not want to carry car payments or mortgage instalments into retirement. The same applies to store credit and smaller bank loans. These are significant expenses that can be heavily influenced by interest rates. It is often possible to use part of your retirement savings to clear debts and move forward without them. If you are planning to retire soon, start reducing your debt now.

> You have adequate contingency plans

It is essential to have medical insurance, gap cover, life insurance and short-term insurance so that when times get tough, you are covered. Do not be tempted to cut back on your coverage to save money during retirement.

> You are ready to make small sacrifices

If you feel the urgency to retire soon, consider your priorities. Can you live without all those streaming services and daily takeout coffees? Retirement is often more enjoyable when it is simple. Small sacrifices can significantly reduce your monthly expenses, allowing you to retire sooner.

If the idea of giving up your expensive coffee made you hesitate, then retirement may not be imminent. So, what is next?

To set the stage for retirement in the near future, focus on reducing your debt and cutting unnecessary spending as soon as possible. Even better, if you are reading this well before retirement age, start developing a long-term plan now to avoid financial strain in your golden years.

Ultimately, the sooner you start contributing and the more you save each month towards retirement, the better. But if hindsight is making you reconsider your financial habits, it is time to reassess. Are you ready to retire? That is up to you. But if you can eliminate debt, prepare for unexpected expenses and make a few minor cutbacks, retirement may be closer than you think.



Composition Of The Board Of Trustees

The Fund is managed by a Board constituted in accordance with the Rules of the Fund and the provisions of the Pension Funds Act. The Board consists of:

One independent chairperson



Seven board members elected by members and pensioners (currently, six elected by members and one elected by pensioners)



Three board members appointed by the employer



Two board members appointed by the Board

Board Members

Employee Representatives

- Dr L Hillerman
- Prof J Laubscher
- Dr TE Louw
- Mr NG Munsamy
- Mr N Patchiappen
- Prof J Snyman

Employer Representatives

- Prof R Balkaran
- Mr BA Stanfliet
- Ms NC Tsita

Board-Appointed Members

- Mr M Scheepers
- Prof AP Staak

Pensioner representative

- Dr D Tromp

Independent chairperson

- Mr A Soonder

Principal Officer & Deputy Principal Officer

- Ms J Grefen
- Ms D Bent

The Board has various committees to assist them. The composition of the committees is as follows:

Audit & Risk Committee

Composition

- Mr M Scheepers
- Dr D Tromp (Deputy Chairperson)
- Dr L Hillermann
- Mr BA Stanfliet (Chairperson)
- Ms NC Tsita
- Prof J Laubscher

Investment Committee

Composition

- Mr M Scheepers (Deputy Chairperson)
- Prof AP Staak (Chairperson)
- Prof R Balkaran
- Mr BA Stanfliet
- Mr NG Munsamy
- Prof J Snyman
- Mr N Patchiappen

Communication Committee

Composition

- Dr TE Louw (Deputy Chairperson)
- Prof AP Staak
- Prof R Balkaran
- Mr NG Munsamy
- Prof J Laubscher
- Mr N Patchiappen (Chairperson)

Compliance & Operations Committee

Composition

- Dr D Tromp
- Dr L Hillermann (Deputy Chairperson)
- Dr TE Louw (Chairperson)
- Prof J Snyman
- Ms NC Tsita

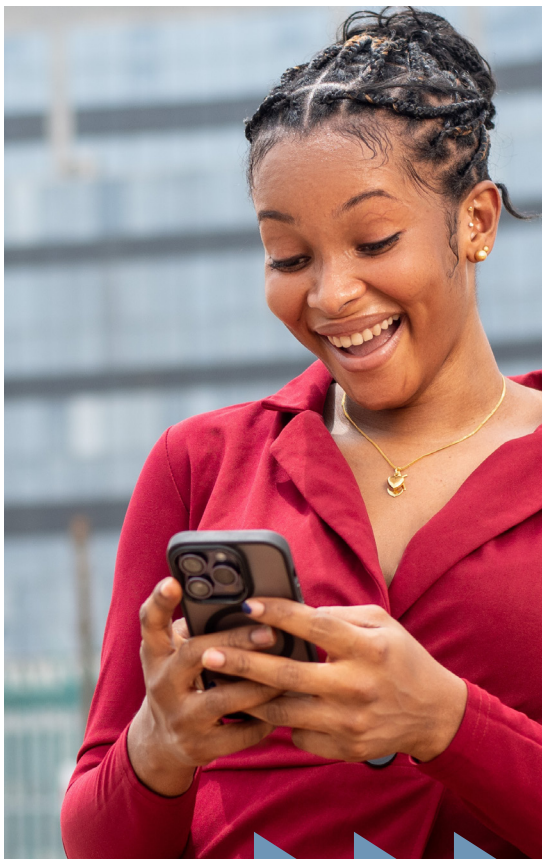


Trustee elections

The term of one of the NTRF Trustee members is ending on 30 September 2024. Therefore, we will be conducting an election to fill this position during the months of August and September.

We encourage all our members to get involved in this very important process. The recent national elections made us all aware of how important it is to have our needs represented by someone we trust and respect.

More information will be communicated to all members closer to the time.



Benefit Counsellor

Your Fund Adds Value!

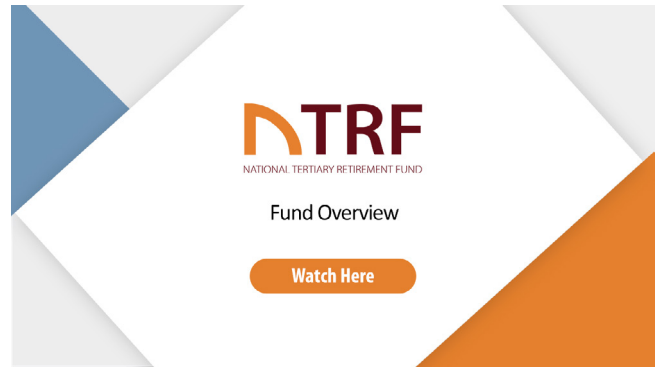
Login to book a virtual appointment today!

[Login](#)



Looking Back At The Year That Was

Click on the images below to watch our Fund videos:



The Fund hosted a number of webinars for members during the last 12 months. Please visit the fund site if you could not attend, or if you would like to refresh your memory:



Webinars
www.ntrf.co.za/ntrf/webinars

[View](#)

2024


- NTRF Tax Webinar May 2024 - [Click Here](#)
- NTRF Tax Slides May 2024 - [Click Here](#)
- NTRF Retirement Webinar April 2024 - [Click Here](#)
- NTRF Retirement Slides April 2024 - [Click Here](#)
- NTRF Two Pots Webinar April 2024 - [Click Here](#)
- NTRF Two Pots Slides April 2024 - [Click Here](#)
- NTRF Fund Costs Webinar March 2024 - [Click Here](#)
- NTRF Fund Costs Slides March 2024 - [Click Here](#)
- NTRF Two Pot Proposal Webinar February 2024 - [Click Here](#)
- NTRF Two Pot Proposal Slides February 2024 - [Click Here](#)
- NTRF Investment Performance Slides February 2024 - [Click Here](#)
- NTRF Investment Performance Webinar February 2024 - [Click Here](#)
- NTRF New Member Induction Session February 2024 - [Click Here](#)

2023

- NTRF Two Pot System Webinar November 2023 - [Click Here](#)
- NTRF Two Pot System Presentation slides November 2023 - [Click Here](#)
- NTRF Benefit Counsellor Member Session AND Web Refresher Overview Webinar November 2023 - [Click Here](#)
- NTRF Benefit Counsellor Member Session and WEB Refresher Overview Webinar October 2023 - [Click Here](#)
- Benefit Counsellor Member Presentation Slides October 2023 - [Click Here](#)
- NTRF's Digital Evolution New Website Presentation Slides Oct 2023 - [Click Here](#)
- NTRF 10 Years to Retirement Webinar October 2023 - [Click Here](#)
- NTRF Risk Benefits Webinar September 2023 - [Click Here](#)
- NTRF Webinar for Pensioners July 2023 - [Click Here](#)

NTRF Portfolio Returns

The section below sets out the net of fee performance of the Fund's portfolios for measurement periods to 31 December 2023. Further information is available on the Fund's Fact Sheets that are published on the NTRF website. The names of the funds tell you a lot about what you are investing in.



Fund's Fact Sheets

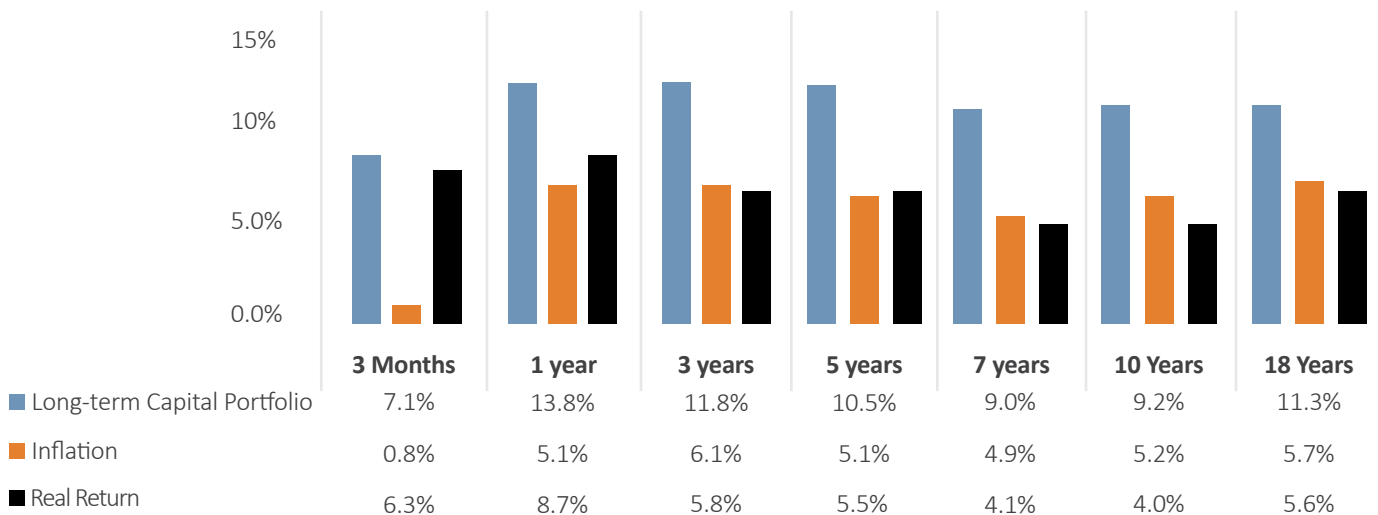
www.ntrf.co.za/ntrf/how-did-they-perform

View

Long-term Portfolio

The Long-Term Capital Portfolio (LTCP) adopts a long-term investment horizon and aims to provide a return that exceeds headline inflation by 5% per annum net of investment manager fees over measurement periods of at least 7 years. The portfolio will always have a 70% to 85% exposure to the share (or equity) market. This means that the portfolio's return will be volatile and there will be periods when the return is significantly negative. However, over long measurement periods investors should be rewarded for taking on more risk, provided that the underlying system is able to bounce back.

Long-Term Capital Portfolio net returns versus Inflation

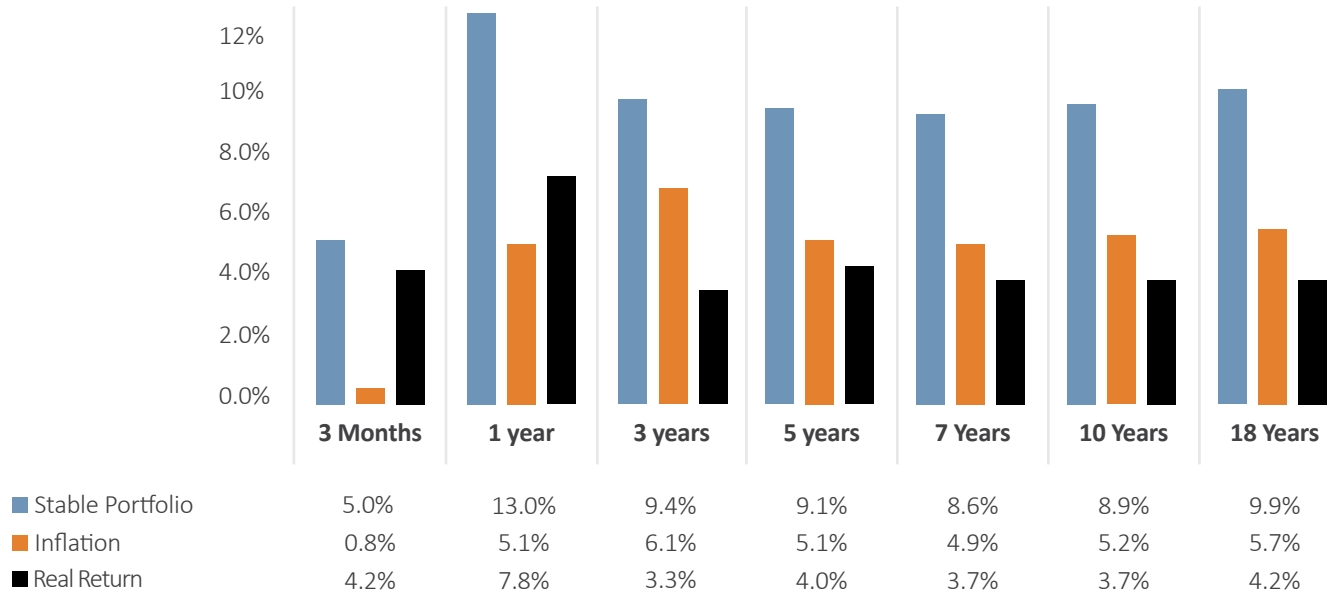


The chart above shows the performance of the LTCP compared to inflation for measurement periods to the report date. The portfolio has delivered a return above inflation for all measurement periods. However, it is 4.1% p.a. ahead of inflation over the most recent seven-year period in what has been very tough market conditions. The real return since inception (5.6% p.a.) has met its performance objective of 5.0% p.a.

Stable Portfolio

The Stable Portfolio (SP) is suitable for members that have a shorter investment horizon and aims to provide a return that exceeds headline inflation by 3% per annum net of investment manager fees over measurement periods of 3 years. Typically, the portfolio will only have a 35% to 45% exposure to the share market. It also aims to deliver a positive return over rolling 12-month periods, although inevitably there will be a few times when the 12-month return is indeed negative.

Stable Portfolio net returns versus Inflation

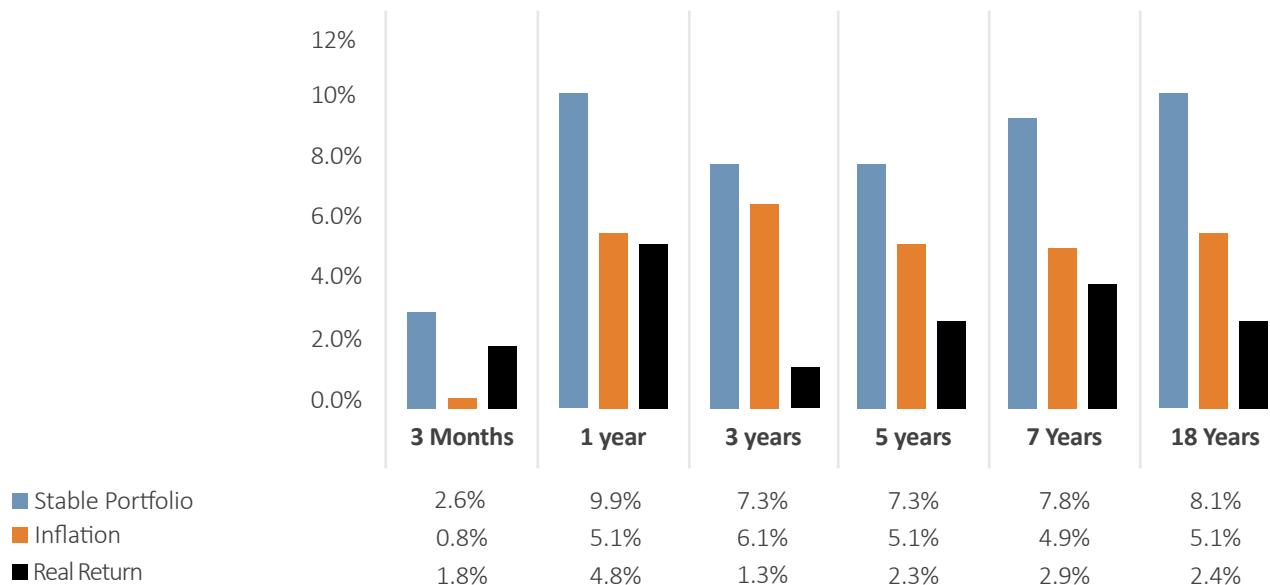


The chart above shows the performance of the SP compared to inflation for measurement periods to the report date – the portfolio has delivered a return above inflation for all measurement periods. It is 3.3% p.a. ahead of inflation over the most recent three-year period, thus out-performing its real return target.

Money Market Portfolio

This Money Market portfolio is invested entirely in money market type instruments and is appropriate for members with a very short investment horizon and aims to provide a return that exceeds headline inflation by 1% per annum net of investment manager fees over measurement periods of at least 1 year. Given the short-term nature of this portfolio one should look at the performance up to five years, however, we show the returns over a longer period.

Money Market Portfolio net returns versus Inflation

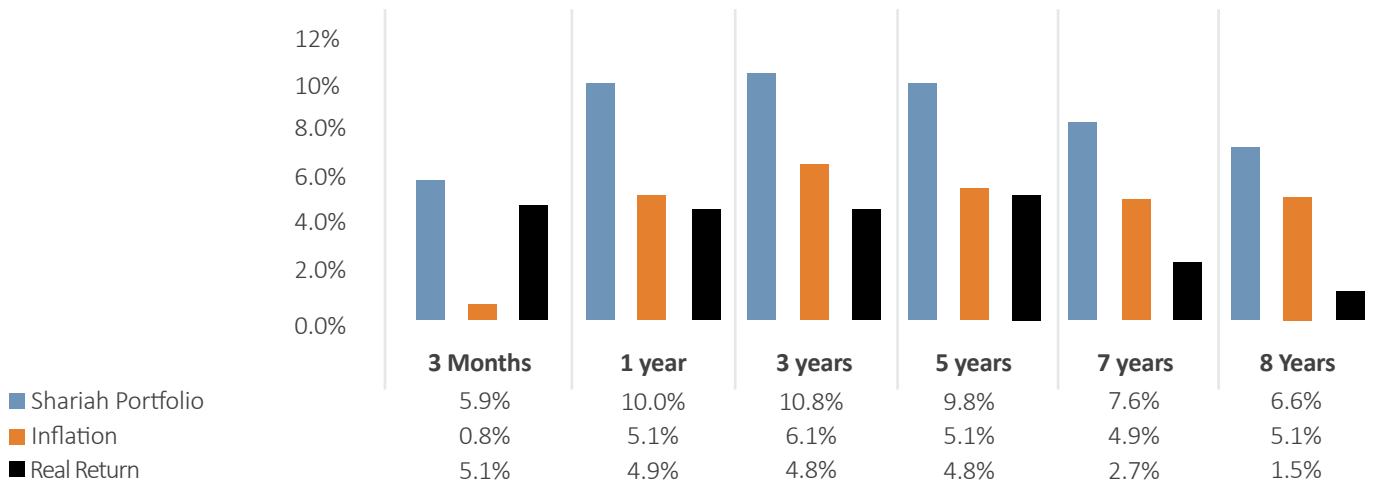


The chart above shows the performance of the MMP compared to inflation for measurement periods to the report date – the portfolio has delivered a return above inflation for all measurement periods. The positive real return over one year of 4.8% represents an excellent outcome.

Shari’ah Portfolio

The Shari’ah Portfolio has a 60% to 70% exposure to share markets and is managed in accordance with Shari’ah law. The investment objective of this portfolio is to deliver a real return net of fees of 3% p.a. over rolling 5-year periods.

Shari’ah Portfolio net returns versus Inflation



The chart above shows the performance relative to inflation over various measurement periods to the report date. The real returns achieved over the five-year measurement period is 4.8% p.a., thus outperforming the target return by 1.8% p.a. The muted return over the period since inception is attributable to both weak capital markets and manager under-performance mainly arising from an underweight to commodity shares.

Pensioner Portfolio

The table below sets out the position as at 31 December 2023. The Pensioner Portfolio is in a sound financial position:

On track for pension increase of 100% of inflation in 2024

Item	R-million
Value of liabilities	4 482.8
Market Value of assets	4 661.2
Funding Level = Assets/Liabilities	104.0%

The key figure is the funding level (104.0%) which should ideally be greater than 100%. As long as the funding level is between 98% and 102.5% at the increase date (March each year), the pension increase will be close to 65% of inflation. If the funding level is higher than this, (as is currently the case) a higher increase may be granted. Pensioners received an increase of 5.1% with effect from 1 March 2024, which is in line with the year-on-year inflation rate for December 2023.

Finances Of The Fund

	31 December 2023	31 December 2022
	R	R
ASSETS		
Non-current assets		
Investments	19,828,370,096	17,962,408,807
Current assets	384,627,783	289,018,747
Accounts receivable	162,242,432	41,069,843
Arrear contributions	51,357,749	41,668,792
Cash at bank	171,027,602	206,280,112
Total assets	20,212,997,879	18,251,427,554
FUNDS AND LIABILITIES		
Members' funds and surplus account		
Members' individual accounts	13,538,905,226	12,350,197,961
Reserves		
Reserve accounts	4,993,434,182	4,573,095,209
Total funds and reserves	18,532,339,408	16,923,293,170
Non-current liabilities	205,230,365	719,912,146
Employer surplus account	79,983,007	85,383,970
Financial liabilities	60,781,966	569,654,533
Unclaimed benefits	64,465,392	64,873,643
Current liabilities	1,475,428,106	608,222,238
Transfers payable	557,154,085	585,723,856
Benefits payable	918,274,021	22,498,382
Total funds and liabilities	20,212,997,879	18,251,427,554

Fund Membership

At 31 December 2023



Fund Rules

No rule amendments were submitted during the reporting period.

However, the Fund submitted Rule Amendment 2 on 28 June 2024, in order to be prepared for the two-pot legislative changes that are coming into effect on 1 September 2024.



Fund's Rules

<https://ntrf.co.za/ntrf/rules-of-the-fund>

View



General

Expression of Wish Form

One of the most challenging tasks facing the Board is to ensure that benefits paid on the death of a member or pensioner are equitably allocated to the appropriate dependants and nominees of that member. Although the Expression of Wish Form is not binding on the trustees, it does serve as an important guide after the death of a member or pensioner.

The trustees therefore urge all members and pensioners of the Fund to ensure that their Expression of Wish Forms are completed and submitted on the MRA portal, and thereafter updated on a regular basis, to reflect an accurate record of the status of each member's dependants and/or nominees.



Expression of Wish Form

<https://ntrf.co.za/ntrf/forms>

Download

Protection Of Personal Information Act (Popia)

The Fund is committed to the protection of your personal information. The Fund collects and processes members' personal information in order to effectively administrate our records. The Fund may also collect certain personal information of your beneficiaries and dependants in the event of your death to enable us to distribute any death benefits payable from the Fund, in accordance with the requirements of the Rules and the Pension Funds Act.

The Protection of Personal Information Act (POPIA) stipulates that personal information may be collected and processed in accordance with the Fund's obligations in the ordinary course of business, and that your prior consent is not required.

The Board of Trustees wants to reassure you that it has reviewed all personal information collected/processed by the Fund and its service providers. The Fund can confirm that the information is collected/processed lawfully in terms of POPIA and the requirements of the Pension Funds Act and any other relevant legislation.



Relevant Documents

<https://ntrf.co.za/ntrf/rules-of-the-fund>

Download

Pension-Backed Housing Loans

The Fund provides a pension-backed housing loan facility through Standard Bank. Should your employer agree to participate, you may qualify for a housing loan at a competitive interest rate of prime less 1.25% and a low administration cost negotiated by the Fund. Contact HR for more in this regard.

Fund Service Providers

The Board has appointed professional service providers to assist with the smooth running of the Fund. The service providers are as follows:

Willis Towers Watson (WTW) – Investment Consultants

PwC – Auditors

Momentum – Retirement Administrators

Queries and Complaints

In the event that a member is dissatisfied with the service provided by the Fund, such member may lodge a written complaint with the Principal Officer of the Fund in terms of the Fund Rules. You will find the contact particulars of the Principal Officer at the end of this report.

If a member is not satisfied with the outcome of the complaint or did not receive a reply within 20 days, such member may lodge a written complaint with the Pension Funds Adjudicator (PFA).

The contact details of the PFA are:

E-mail address: enquiries@pfa.org.za

Telephone number: (012) 346 1738

Fax number: (086) 693 7472

Address: Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Pretoria, 0081

Remember: Your first port of call if you are not satisfied with the service provided by the Fund is the office of the Principal Officer.

You can only lodge a complaint with the Pension Funds Adjudicator after you have lodged the complaint with the Principal Officer of the Fund. The Fund then has thirty (30) days in which to respond. If you receive no response, or the response is not satisfactory, you will be able to lodge your complaint with the Pension Funds Adjudicator.



Contact Details

If you have any queries, please contact:

Office of the Principal Officer

Physical address

Building 2, Country Club Estate
Woodlands Drive Woodmead

Telephone

011 258 8825

E-mail

info@gobenefits.co.za

ADMINISTRATOR *(Administrative matters)*

Contact the Fund Administrator for all investment and claim queries and other admin-related queries.

Physical address

Fund Retirement Administrators
The Marc 129 Rivonia Rd Sandown Sandton

Telephone

0860 000 071

E-mail

NTRF@momentum.co.za

Disclaimer

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**NTRF**

NATIONAL TERTIARY RETIREMENT FUND