



PROJECTION STATEMENTS

Keeping up with the times

As a member of a retirement fund administered by Alexander Forbes, you get a projection statement showing what your income at retirement might be, how much and for how long you need to save to get to a reasonable level of income at retirement.

Alexander Forbes conducts research into the factors affecting pensions. Based on this research and current market conditions, Alexander Forbes made improvements to the projection statements.

CHANGES TO ANNUAL PROJECTION STATEMENTS

You will notice the following changes on your projection statement:

- Your expected pension at retirement is now shown in **rands**. This present day value is easier to understand when planning for your retirement. You can compare it to your current salary to see how much of your salary you could expect as a pension.
- Your expected pension is shown across a **range of retirement ages**. This shows the negative impact of early retirement. Many employers won't allow you to continue working after normal retirement age. You might need to look at other income or employment options.
- A higher than expected (favourable), expected and lower than expected (unfavourable) investment return scenario shows the uncertainty of your projected income. The projections are based on various assumptions about the future (contributions, investment returns and the cost of a pension at retirement). **Actual experience is likely to be different from these assumptions and the illustrated values are not guaranteed.** These values show you the range of what income you could expect when you retire.



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CHANGES TO THE PROJECTION MODEL

Economic and market changes have a major impact on these projections. Alexander Forbes has updated the projection model to reflect current economic circumstances.

Your new projection statements will reflect the following:

1. Current market conditions with **lower expected future returns** on investments.
2. Pensioners are **expected to live longer**.
3. A more realistic allowance for **future salary increases**.

Alexander Forbes will continue to update the economic and demographic assumptions on a quarterly basis to reflect the latest market conditions, and insights and findings of the Member Watch™ Survey.

DON'T STOP AT THE STATEMENTS

The projection statement is based on assumptions about your dependants and ignores any savings and investments you might have outside the fund. These factors could have a significant impact on your retirement savings position.

Your employer's retirement fund might not be enough to help you meet your retirement goals. Depending on your circumstances, you might need to pay extra into the fund through additional voluntary contributions or save more outside of the fund.

Visit www.afonline.co.za and use the retirement projection tool to calculate your retirement savings position based on:

- Your specific circumstances.
- Savings and investments outside the retirement fund.
- Additional contributions.

Speak to a financial adviser to make sure you're on track to get the pension you need at retirement. Call the Alexander Forbes Contact Centre on 0860 100 333 for assistance.