THE SPECTRUM OF ADVICE HAS WIDENED
RETAIL V.S. INSTITUTIONAL
A NEW DAWN
Debt = Stress
Second most dominant trend –
advice shift to focusing more on members
DEFAULT REGULATIONS

- Default Preservation
- Default Investments
- Trustee endorsed annuity strategies

- Retirement benefit counselling
In 10 Years?

3-5 Years

Current composition of SUF

Active

In 10 Years?

Paid up
CASE STUDY

Spotlight: ACA Employee Benefits

<table>
<thead>
<tr>
<th>Fund A</th>
<th>Retirements</th>
<th>Life Annuity</th>
<th>Living Annuity</th>
<th>% to Life Annuity</th>
<th>% to Living Annuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>316</td>
<td>115</td>
<td>201</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>2014</td>
<td>350</td>
<td>131</td>
<td>219</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>2015</td>
<td>351</td>
<td>103</td>
<td>248</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>2016</td>
<td>243</td>
<td>160</td>
<td>83</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>2017</td>
<td>267</td>
<td>169</td>
<td>98</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>2018 (up to 06/2018)</td>
<td>124</td>
<td>92</td>
<td>32</td>
<td>74%</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drawdown Rate</th>
<th>Average Age</th>
<th>Average Fund Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% to 15%</td>
<td>69</td>
<td>R 750,000</td>
</tr>
<tr>
<td>15% to 17.5%</td>
<td>67</td>
<td>R 350,000</td>
</tr>
</tbody>
</table>
BUT WHAT DO MEMBERS SAY…

Thank you - it feels like I can breathe again

When I reached my retirement age nobody was able to give me advice.

Thank you I have so much peace in my heart I know now what I need to do.

I didn’t know where to start but you helped me to understand the process and what is expected of me.

I am very thankful and would highly recommend your services to anyone in the same position.

You provided me with peace of mind with the assistance I received IRO retirement, medical aid and UIF forms.

I don’t think I would have coped without your assistance.

Spotlight: ACA Employee Benefits
IMPACT OF RETIREMENT BENEFITS COUNSELLING AT WITHDRAWAL

Percentage of Members

% Cash withdrawals

Choice at Exit

- Counselling
- Not Counselling
INDIVIDUALISED ATTENTION

- Face to Face for All
- Information Sessions
- Telephonic
- Electronic
- Artificial Intelligence
EMPLOYEE’S LIFECYCLE

Joining company
- Preservation
- Investment choice
- Contribution rate
- Medical aid choice

Life changing events during employment
- [icon]
- [icon]
- [icon]

Important decisions / choices during employment
- [icon]
- [icon]
- [icon]
- [icon]

Exit company
- Withdrawal / retirement option
- Medical aid choice

- Update beneficiary nomination form
- Upgrade medical aid option
- Take further household insurance
- Update your will
NORMAL NRR

![Graph showing replacement ratio (RR) vs age with data points categorized by percentage ranges: <50%, 50%-75%, 75%-100%, >=100%].
AVERAGE NRR OF MEMBERS

25%
AVERAGE NRR OF TRUSTEES

50%
### RefiLife: Saving for Retirement Journey of the Future

I understand what I am committing to in order to prepare for my future. I can do it myself through intuitive technology.

#### Preparation

| I look for my own information but I validate it with someone I trust |
|---|---|
| I need to speak to an expert |
| It is time to start planning for my future |
| 1. I need more information to formulate this |
| 2. I go to colleagues, peers, family for advice |
| 3. I go online to find out what my options are (Google, MySafe) |

#### Activation

| I choose my option and begin the application process |
|---|---|
| I can take out a ‘living plan’ online to protect my future |
| I complete the form and application online on the app |
| I choose to use the app myself |
| My advisor shares the service with me |
| The process is completely online |
| A quick and simple process |
| A voice recording is included in the signature |

#### Ongoing Relationship

| I remain in control, I am in the health of my investment |
|---|---|
| I need a regular roadmap of my investments’ performance |
| I must monitor my investment’s performance |
| I must stay in control of my investment’s performance |
| The relationship is ongoing |
| I communicate my needs |
| I have complete control |
| I remain in control of my future |

#### Benefits of Trust

| Education around financial health to be compulsory for all |
|---|---|
| Education around financial health to be compulsory for all |
| To ensure I don’t make the same mistakes my parents did |

#### Expectations

- Determined
- Informed
- Impatient
- Calm
- Confident
- In control, safe
- Ready, confident
- Accomplished

#### Successes

- A culture of saving where every part of population is responsible to save
- Access to accounts online
- Access to accounts online
- Access to the right kind of advice
- Simplified the marketplace
- Uncomplicated and transparent chances are available
- Using technology to facilitate
- Access to investment information
- Simple and seamless process in the day

#### Failures

- Lack of education on saving
- Inability to compare the various options available
- Choosing the wrong product
- Sarcastic faults
- Transferring to different broker
- Overcomplicated process
- Not knowing exactly what you are paying
- Broker is a consultant, not a financial advisor

#### Ideas

- Computer software
- Retirement calculator
- Home changes from retirement to financial planner
- Simplified process
- Support, take into the retirement options

- Artificial intelligence now
- Access to retirement
- Access to retirement
- Broker "trusted"
Understanding User Experience

- When are decisions made
- What triggers interest
- How to influence at these points