

Member Investment choices



As a member of your retirement fund, and depending on the rules of your retirement fund, you may select the investment portfolio or portfolios in which your own money in the fund is to be invested. The reason why a fund's board of management may grant members this option, is that members who have access to competent financial advice and who have been sufficiently informed of the implications of exercising investment choices ought to be able to make investment choices which they feel are more appropriate to their personal circumstances than investment decisions taken by the board of management on behalf of the fund as a whole.

Depending on the rules of your fund, you may be entitled to elect more than one of the available investment portfolios as provided by your fund.

The two-pot retirement system

The two-pot retirement system was introduced on 1 September 2024. Although you may be entitled to elect more than one investment portfolio from those available to you, you are not currently allowed to elect different investment portfolios for your three pots, i.e. retirement pot, savings pot and vested pot.

Investment portfolios and member choice



Default investment portfolio

Despite exposure to a wealth of information and the availability of expert financial advice, the board of management of your retirement fund are aware that some members may not have the necessary expertise to exercise investment choices or simply do not wish to exercise a choice. As a result, your retirement fund has put in place an appropriate default investment portfolio for the investment of the assets of members who do not exercise an investment choice.



Lifestage portfolio

Your fund offers a lifestage portfolio as default investment portfolio that may take away the strain of making difficult investment decisions along the way. Generally, this means when you are young, your savings are initially invested in a portfolio that places emphasis on long-term capital growth through more aggressive investments (because you need maximum growth and should not be too worried about risk at this life stage). As you move through the stages of life and retirement approaches, your investment will automatically shift to be more conservative to protect your savings until you retire. Should you not utilise the opportunity to make your own investment choice, your savings will therefore be invested in a lifestage option chosen by the board of management, based on your age.



Implementation of your member investment choice

Your investment choice must be exercised in line with the procedure communicated to you by the fund, which can be an electronic instruction on the member portal or app and/or by way of a specifically designed standard form.

Although the board of management will ensure that the proper systems are in place to implement your investment choice or switch, it remains your responsibility to make sure that the fund receives your choice or switch instruction by contacting the administrator of the fund or verifying it through the online member portal that the choice or switch was implemented within the pre-agreed period.



Switching between portfolios

An essential component of having investment choice is being able to switch from one investment portfolio to another. This is necessary to enable you to structure the investment according to your changing needs and circumstances.

The board of management of your fund will determine the frequency with which you will be allowed to switch between investment portfolios, but you will be allowed to switch at least annually. You may decide not to exercise your right to switch to another investment portfolio(s) in which case your money will remain in your current chosen investment portfolio(s).

You can find more information on your investment choices as communicated to you by the fund's administrator

It is advisable to review your portfolio every few years, especially as you move closer to retirement

What you can do to improve your retirement outcome



Start investing early



Consider all the factors before accessing your savings pot investment



Stick to your long-term investment strategy



When changing jobs, don't take your investment in cash, rather preserve it



If unsure, speak to a certified financial adviser