



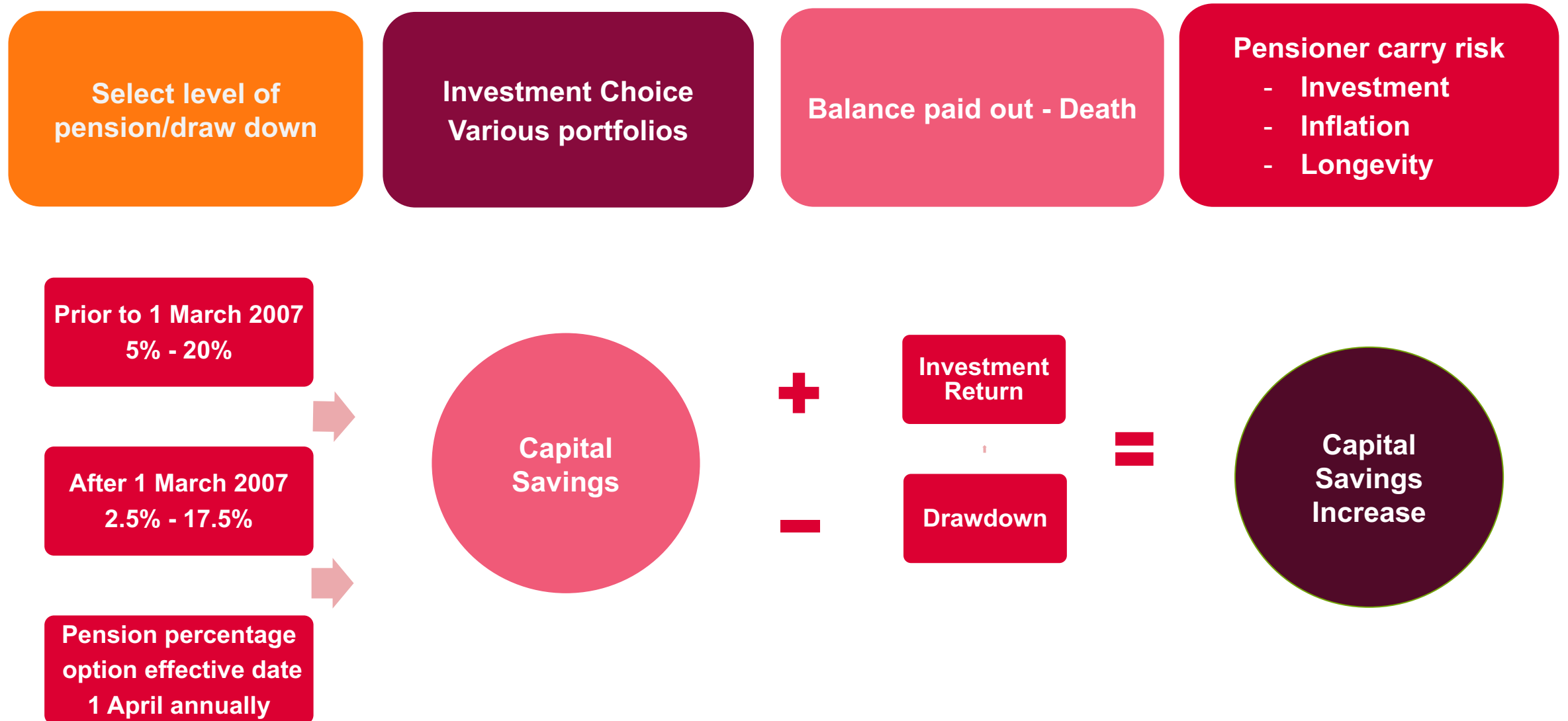
# Absa Pension Fund

Living Annuitant Pensioners 2021

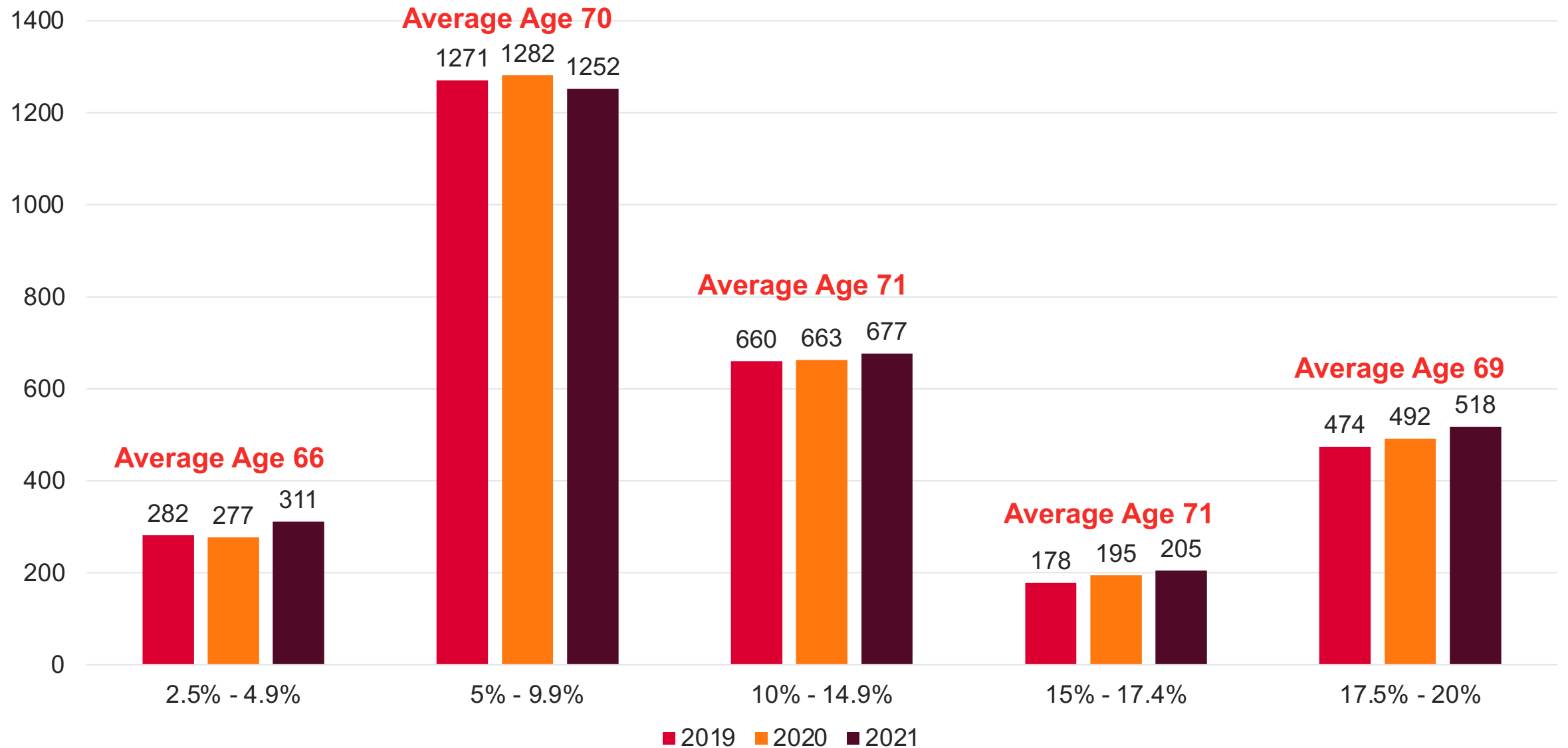
2021

Adele Roux

# How does it work?



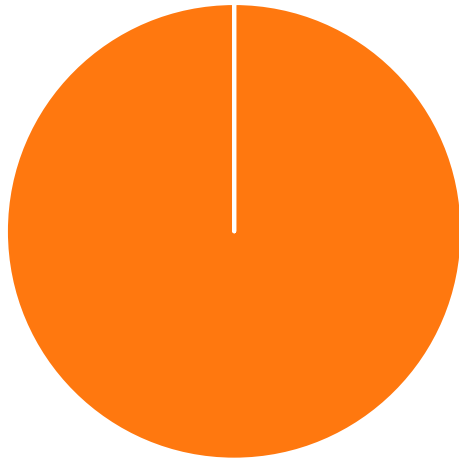
# Living Annuity Pensioners Withdrawal Rates



# Inflation Risk

Inflation erodes your wealth & purchasing power over time

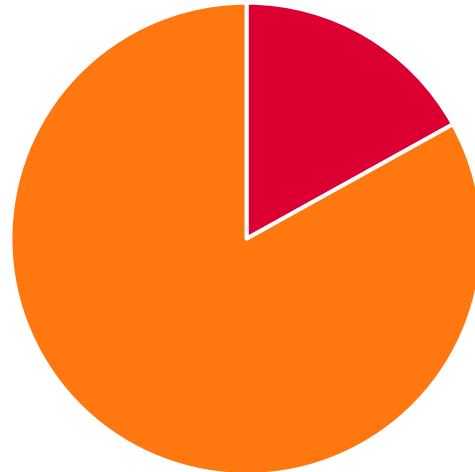
2017



R100



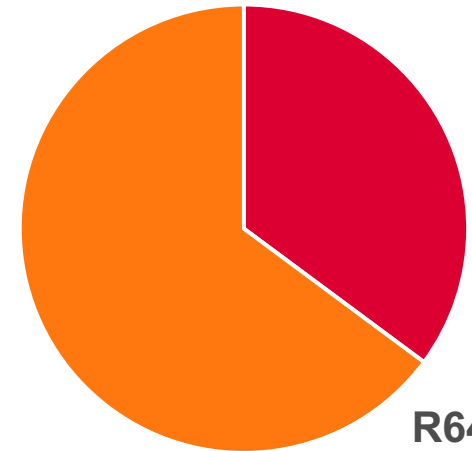
2020



R83.06



2024



R64.85



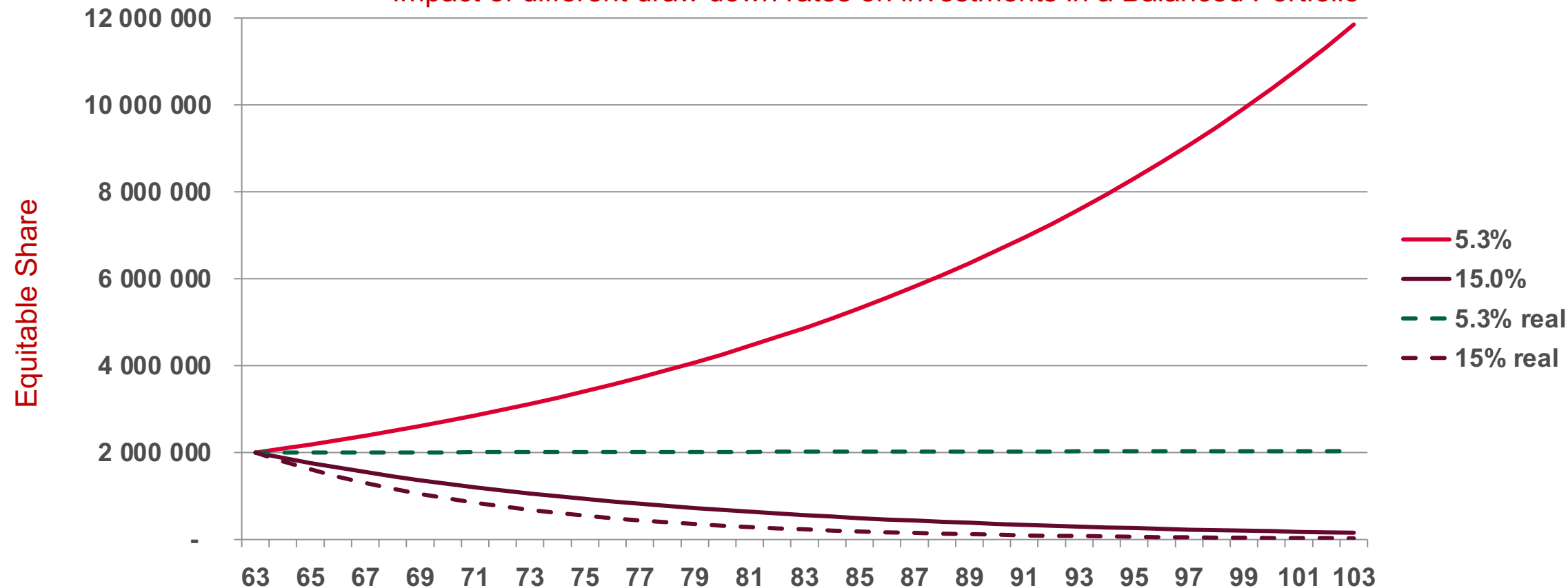
What R100.00 would be worth in the future at 6% inflation

# Inflation



# Impact of Draw Down Rates – Balanced Portfolio (10.4%)

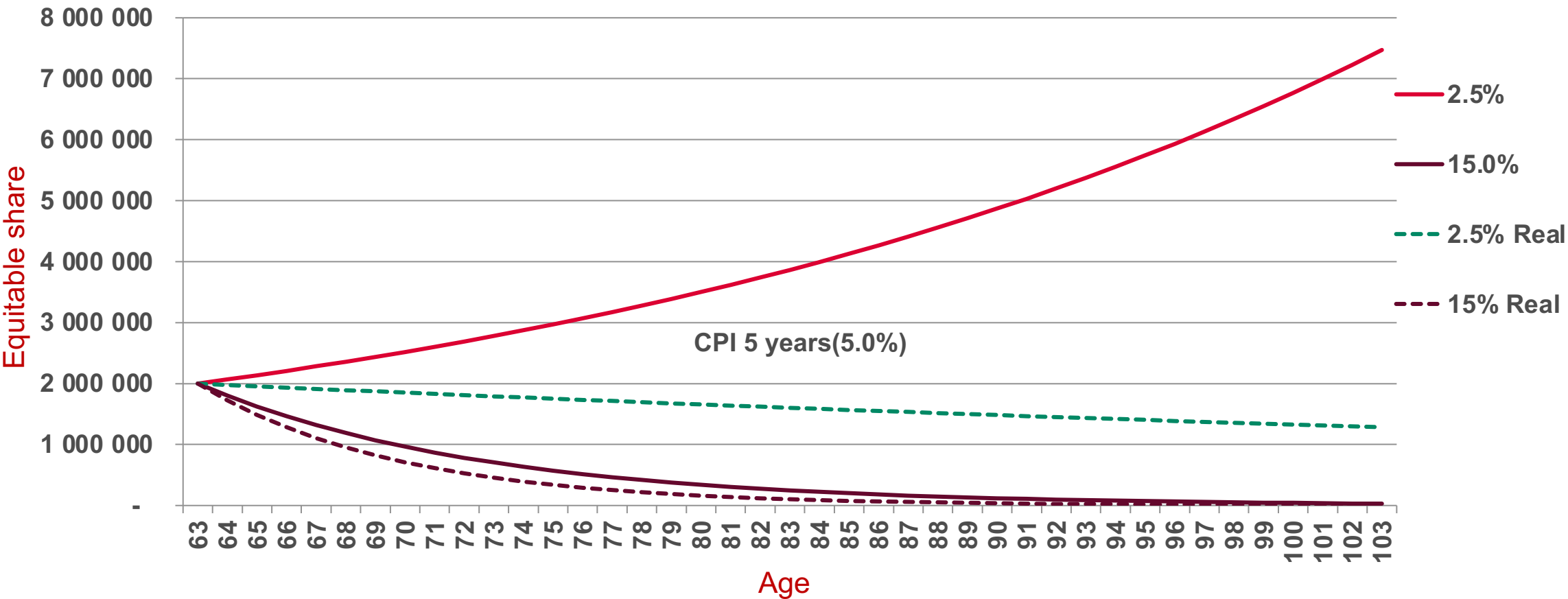
Impact of different draw down rates on investments in a Balanced Portfolio



	Nominal return environment		Real return environment	
Withdrawal Rate	5.3%	15.0%	5.3%	15%
Equitable Share at age 80	4,260,434	678,619	2,015,937	321,106
Equitable Share at age 85	5,321,685	493,817	2,020,648	187,503
Equitable Share at age 103	11,852,012	157,235	2,037,701	27,033

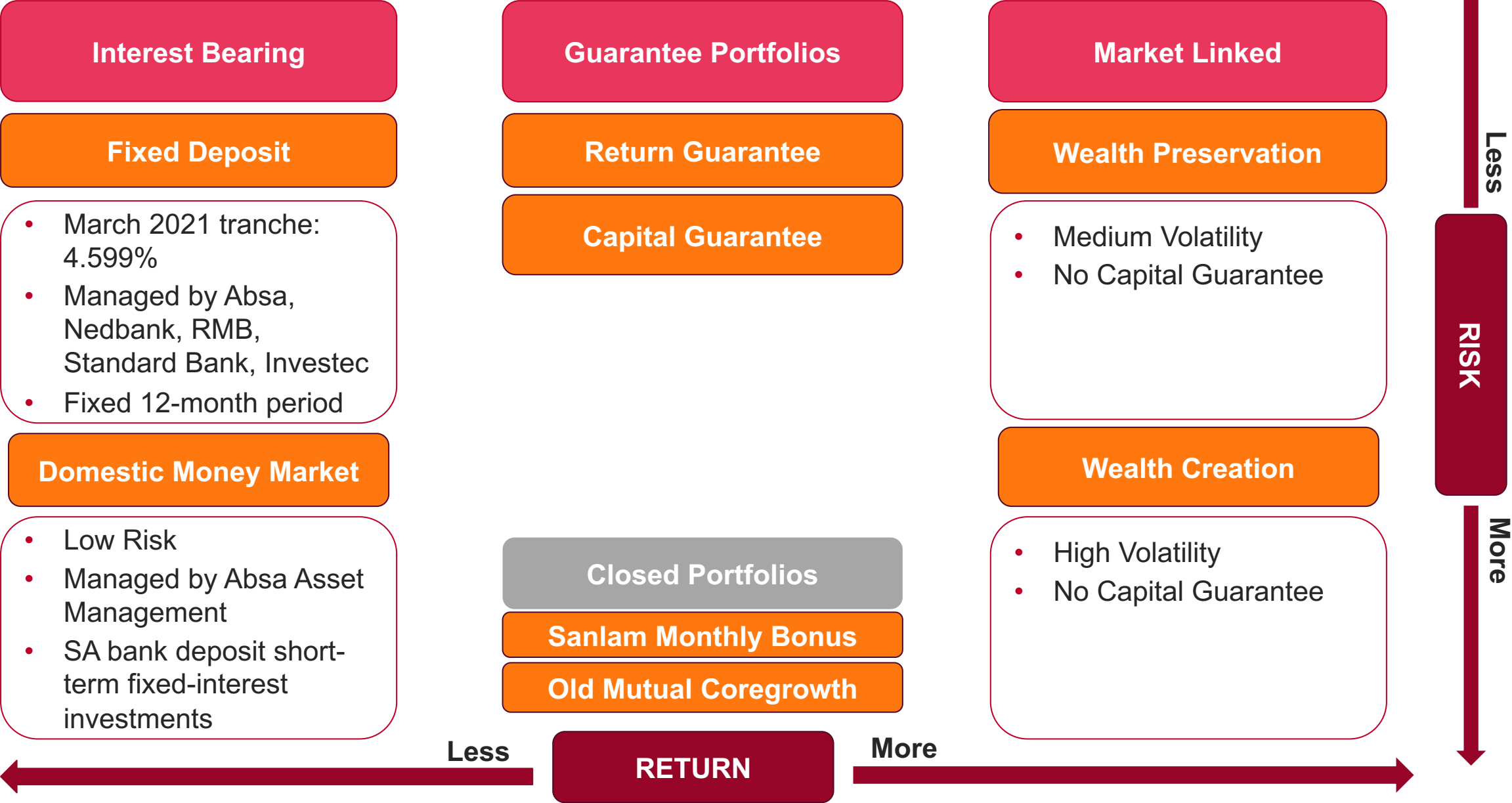
# Impact of Draw Down Rates – Cash Portfolio (6%)

Impact of different drawdown rates on investments in a cash portfolio



Withdrawal Rate	Nominal return environment		Real return environment	
	2.5%	15.0%	2.5%	15%
Equitable Share at age 80	3,501,936	339,900	1,657,033	160,833
Equitable Share at age 85	4,129,149	201,825	1,567,842	76,633
Equitable Share at age 103	7,472,213	30,904	1,284,688	5,313

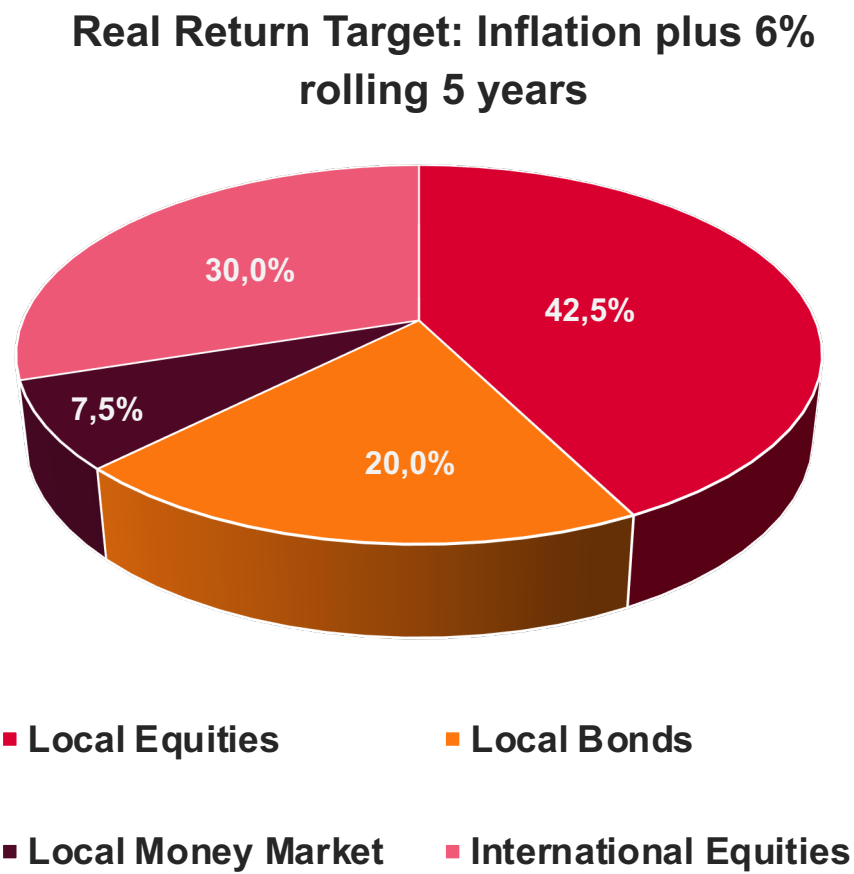
# Living Annuities – Portfolio Structure





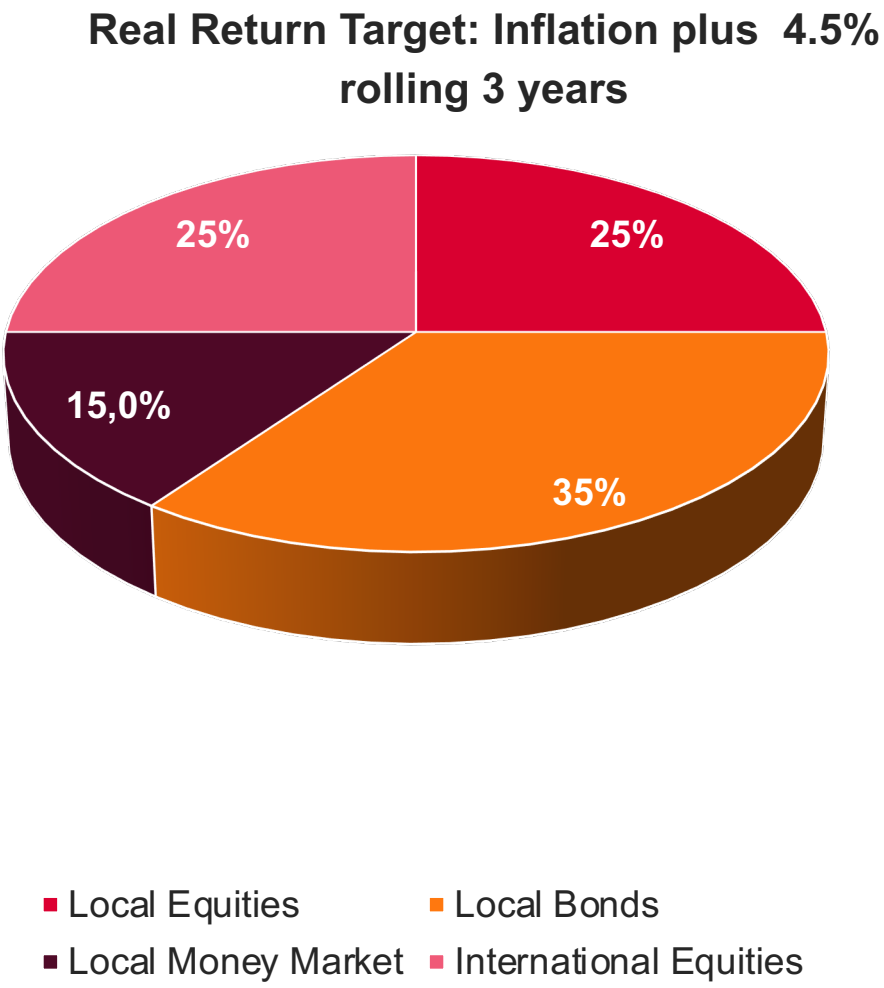
# Wealth Creation

Strategy	Investment manager	Weight
Domestic Balanced (Flexible asset allocation)	Allan Gray	12.0%
	Coronation	12.0%
	Ninety-One	12.0%
	AEON	4.0%
Specialist Mandates	ABAM Equity	9.8%
	Kagiso Equity	6.0%
	Aluwani Bonds	4.3%
	Absa Flexible Interest Bearing	8.7%
	Futuregrowth	1.2%
	Capitalworks Private Equity	0.0%
Foreign Portfolios	Old Mutual RAFI	6.0%
	Old Mutual MSCI ESG Fund	12.0%
	Schroders Core Equity Fund	12.0%
Total Wealth Creation		100%



# Wealth Preservation

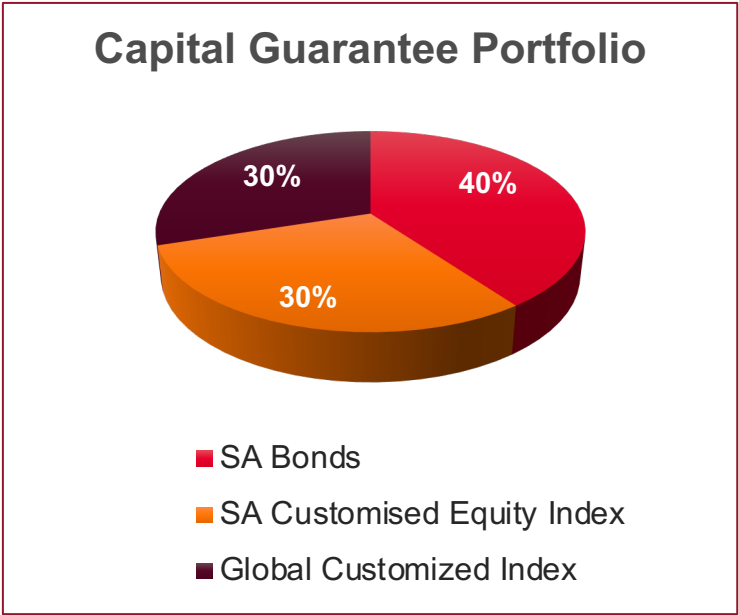
Strategy	Investment manager	Weight
Domestic Balanced (Flexible asset allocation)	Allan Gray	9.0%
	Coronation	9.0%
	Ninety-One	9.0%
	AEON	3.0%
Absolute Return	Matrix Absolute Return	17.3%
	Absa Absolute	27.8%
Foreign Portfolio	Old Mutual RAFI	5.0%
	Old Mutual ESG Fund	10.0%
	Schroders Equity Fund	10.0%
Domestic Specialists	Capitalworks Private Equity	0.0%
Total Wealth Preservation		100%



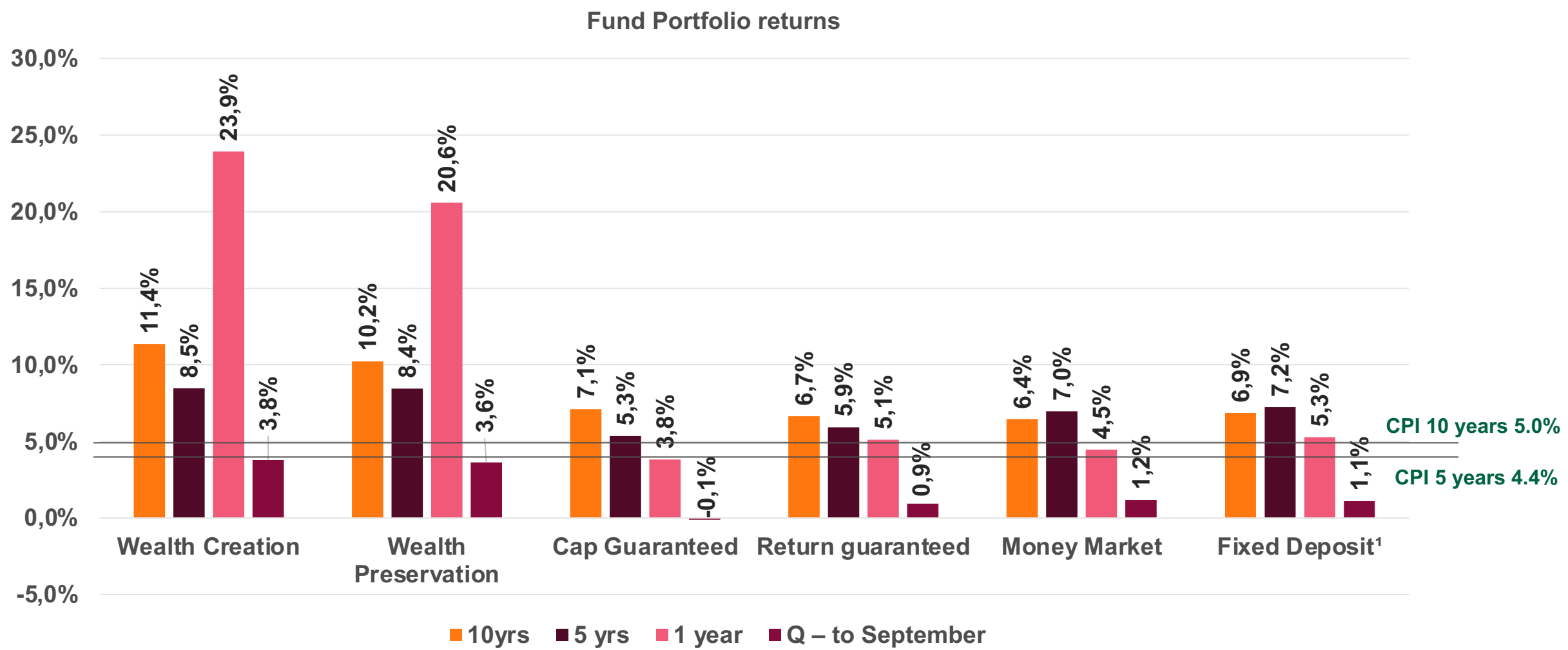
# Guarantee Portfolios

Managed by Ashburton Asset Management

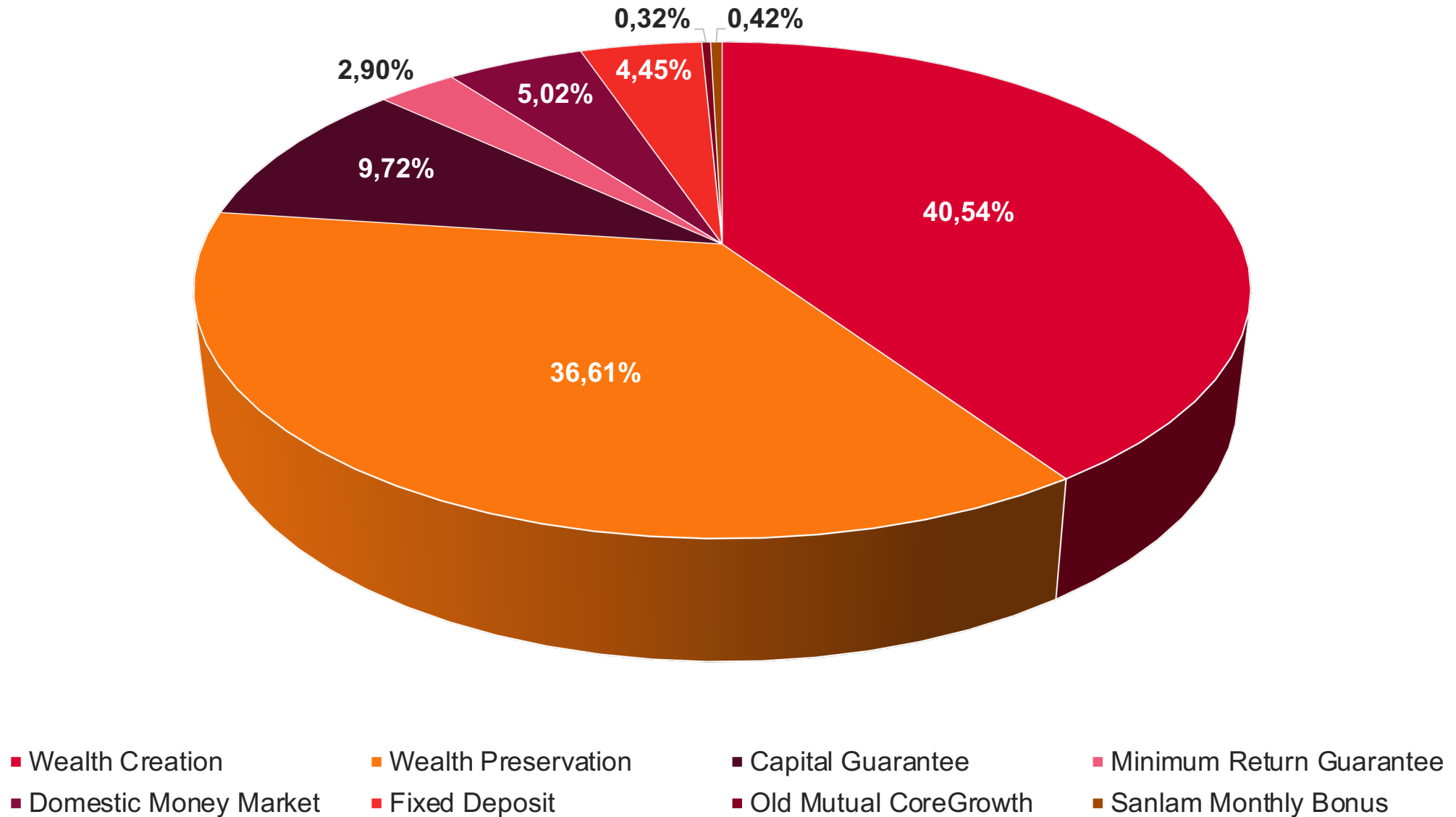
Implemented	Capital		Return	
	Minimum	Maximum	Minimum	Maximum
	100.0%	Unlimited	102.5%	Unlimited



# Portfolio Performance – September 2021



# Living Annuitants – Investments per Portfolio 2021



# General information

## Investment Switches

### Anytime switching

- Via Internet - Memberweb

### March switch

- Full communication
- Free of charge

### Guaranteed portfolios and fixed deposits

- Only at date of expiry of structure
- Annually in March

## Death Benefits

### Absa Pension Fund

Equitable share - pension or lump sum  
(if requested within 12 months of pensioner's death)

### **Plus** (If selected at retirement)

### Group Life Scheme

- Payable to nominated beneficiaries
- Maximum of 50% of life cover
- Benefit equals monthly premium divided by R1,0885 multiplied by R1 000 from 1 July 2020
- Possible increase in premium