



LEGAL
PROVIDENT FUND

SPOTLIGHT

In this 1st edition of Spotlight for 2025 we focus on the following:

Insured benefit renewal:
Terms to apply from
1 July 2025

Additional Voluntary
Contributions

Two-pot system

Retirement Benefit
Counselling ("RBC")

Register on
AF Connect

New legislation: Joint Standard 2
of 2024 – Cybersecurity and
Cyber Resilience requirements

Investment: When uncertainty
creeps in

Investment returns as at
31 March 2025

Where to find Fund
information and documents

What do you need to do?

Please read this important communication. In this edition, we focus on setting retirement goals and planning to achieve your goals. The Fund strongly encourages you to:

- ✓ Register and use AF Connect.
- ✓ Visit the Fund's website to access information about the Fund and a summary of the Fund benefits, which is contained in the member booklet:
www.legalprovidentfund.co.za
- ✓ Obtain advice from an accredited financial planner to assist you in making any important financial decisions.





INSURED BENEFIT RENEWAL TERMS TO APPLY FROM 1 JULY 2025

Each year the insured death and disability income benefit rates are reviewed by the insurer. Benefits and rates are determined based on:

- membership factors - such as the number of members in a group, the weighted average salaries and average age of the group,
- the claims experience - the number of claims, how much was paid in premiums and the amount paid out in claims,
- the insurer's view on the likely number of claims that will be submitted in future, and
- the claims experience and claim trends in the insurance industry, both locally (South African insurers only) and globally, over both the short term (12 months) and longer term (five years and longer).

The Fund has appointed Sanlam as the insurer and the renewal date is 1 July each year. The renewal terms apply for a 12-month period.

Good news! There have been no changes to the cover levels and premiums. The cover levels and premium rates applicable from 1 July 2025 to 30 June 2026 are confirmed below.

INSURED DEATH BENEFITS

To re-cap, the cover levels applicable from 1 July 2025 are summarised below:

Death benefit category	Level of cover applicable 2025/2026
The level of cover that 1% of monthly Fund salary can obtain	Benefit is 2.02 times annual Fund salary
The level of cover that 2% of monthly Fund salary can obtain	Benefit is 4.05 times annual Fund salary

In respect of cover for senior employees/directors, the premium has remained at R0.578 per R1000 of cover.

Lump sum disability benefit*

This benefit is linked to the death benefit and is therefore payable on either death or permanent and total disability because of an illness or injury. The cover levels are therefore exactly the same as for death. Note however that the premiums differ slightly as follows:

Lump sum disability category	Level of cover applicable 2025/2026
The level of cover that 0.8% of monthly Fund salary can obtain	Benefit is 2.02 times annual Fund salary
The level of cover that 1.5% of monthly Fund salary can obtain	Benefit is 4.05 times annual Fund salary

*Please refer to the communication explaining that annuitisation applies to disability lump sum benefits.

In respect of cover for senior employees/directors, the premium has remained at R0.326 per R1000 of cover.

INSURED MONTHLY DISABILITY INCOME

The disability income benefit policy pays a monthly income benefit if you cannot work because of an illness or injury. The policy pays out if you become disabled (in the opinion of the insurer), through illness or injury, before normal retirement age. It does not matter if you become disabled at work or after hours.

Benefit	Cost as % of qualifying members' Fund salary 2025/2026
Income Disability Insurance	0.911%



NEW LEGISLATION: JOINT STANDARD 2 OF 2024 – CYBERSECURITY AND CYBER RESILIENCE REQUIREMENTS

The Financial Sector Conduct Authority (“FSCA”) and Prudential Authority (“PA”) published Joint Standard 2 of 2024 on Cybersecurity and Cyber Resilience requirements on 17 May 2024. It sets out the requirements for cybersecurity and cyber resilience for financial institutions, including retirement funds.

You may wonder what cyber risk is in the context of a retirement fund. It is broadly the risk of loss, disruption or damage to a fund or its members as a result of the failure of its information technology systems and processes. Most of a fund’s information is held by its service providers and consequently must be managed in terms of these providers’ internal controls and processes.

The difference between cybersecurity and cyber resilience:

Cybersecurity

Involves protecting devices, services and data from cyber-attacks to ensure operational resilience. It is crucial for preventing financial loss and reputational damage.

Cyber Resilience

The ability to protect, detect, respond to, and recover from cyber-attacks. It requires a proactive approach and basic safeguards to reduce risks.

Where there is money there are always willing criminals ready to steal

Remember data is also currency, it can be sold and is worth millions. Below are some of the ways that these clever criminals will try to hack the system to gain access to information or money:

Phishing Attacks

Cyber criminals will send you a fraudulent email or message which appears to be from legitimate sources to trick you into revealing personal information or clicking on malicious links.

Malware

Malicious software, such as viruses, ransomware, or spyware, which can infect your devices, steal sensitive information, or lock you out of your account until a ransom is paid. These are normally delivered by those sinister links from a phishing attack.

Social Engineering

Cyber criminals manipulate you into divulging confidential information by pretending to be trustworthy individuals or organisations. Always verify the identity of the caller or email.

Identity Theft

The attacker steals your personal information, such as identity number or account details, and impersonates you to gain access to your retirement funds.

Data Breaches

Unauthorised access to databases containing your personal and financial information can lead to large-scale theft of sensitive data.

Man-in-the-Middle Attacks

Here the attackers intercept communication between you and your retirement fund provider to steal information or alter transactions.

Credential Stuffing

Cyber criminals use stolen usernames and passwords from other breaches to gain access to your retirement accounts.



The Fund’s administrator, Alexforbes, migrated to the Customer Identity and Access Management system (“CIAM”), on 9 May 2025. It is a system that manages client identities, authentication and access to various services or channels, to enhance security, streamline access and improve your overall user experience.

It is also the Board of Trustees' responsibility to ensure that cyber risk management is incorporated into the governance and risk management structures, processes and procedures of the Fund. It will give you comfort to know that The Board of Trustees has established a cyber security framework within which to monitor and manage these risks.

The Board of Trustees views this as an ongoing responsibility and aims to continually review the approach to managing these risks as new developments arise. A level of compliance with the requirements of the Joint Standard must be achieved by 1 June 2025 and the Fund is on track to meet this requirement. Thereafter the Fund will continue on its journey to comply with both its Promotion of Access to Information Act and Joint Standard compliance obligations.



ADDITIONAL VOLUNTARY CONTRIBUTIONS

How to win at saving for retirement - contribute extra money to your retirement fund (additional voluntary contributions) – This is how it works.....

On an annual basis you can choose to contribute either a percentage or a fixed Rand amount of your Fund salary as additional contributions. These contributions are made over and above your "normal" contributions. By doing this you will be saving more and will get more out at retirement. This option gives you the flexibility to decide how much extra you want to contribute, as long as your employer agrees to it.

You can also choose to contribute a lump sum amount into the fund whenever you have extra money available. Note that FICA verification will apply to lump sum amounts.



If you choose to make an extra monthly contribution based on a percentage of your Fund salary, you'll need to keep putting this extra money into the Fund until the next anniversary date set by your employer. The extra money you put into the fund will show as 'additional contributions' on your statement and will be added to the savings component and retirement component of your retirement savings in the Fund.



Important note:

Government's tax incentives apply to all the contributions you make towards your retirement benefits - be it to a pension, provident or retirement annuity fund. The total tax incentive for all retirement savings vehicles is up to 27.5% of your total income, subject to a maximum of R350 000 per year.

INVESTMENTS



WHEN UNCERTAINTY CREEPS IN ...

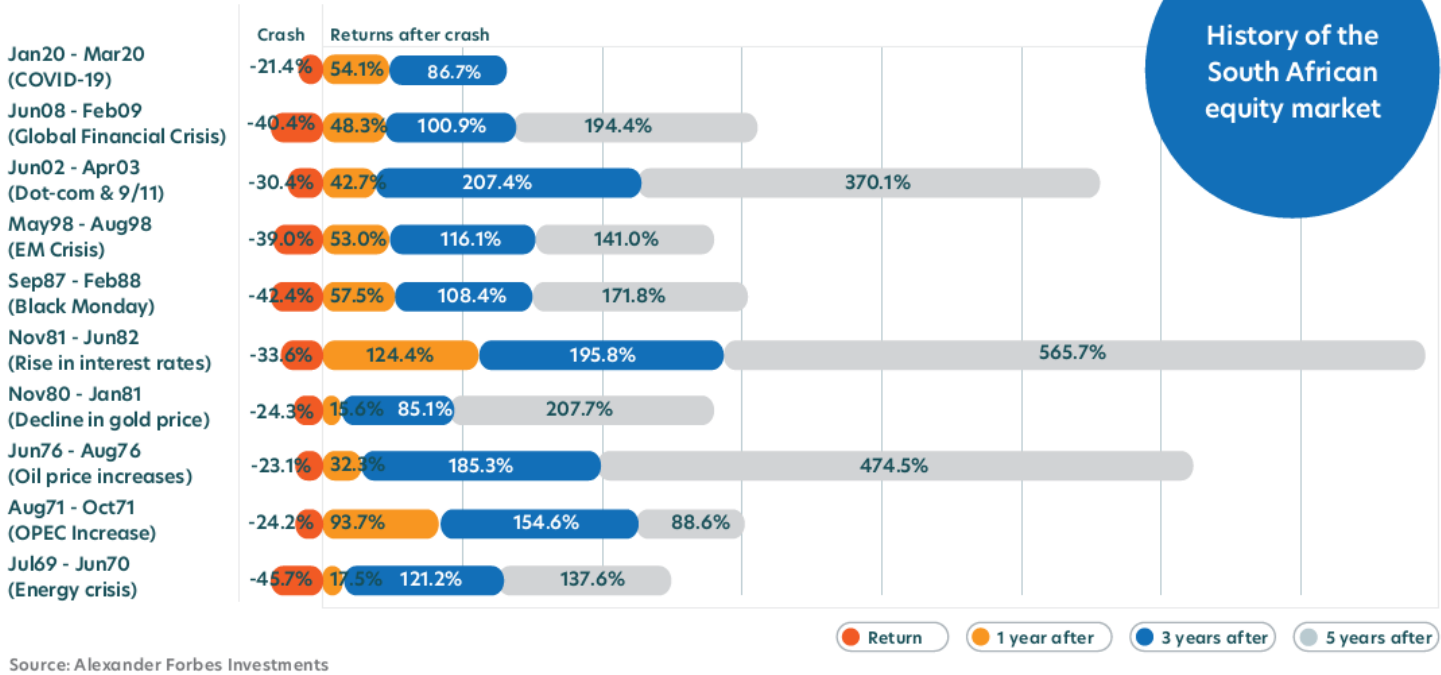
Let's be honest – lately, it feels like there's always something going on. Another headline, Another update. Another change to something you thought was settled. VAT increase? Trade Tariffs? Lots of flip-flopping. And before you've had your second cup of coffee, you're wondering,

“What does this mean for my investment?”

It's natural. As human beings, we're wired to react. And when things feel uncertain – like they do now – our first instinct is to do something. But when it comes to investing, that instinct can sometimes be our own worst enemy.

Because here's the thing: uncertainty isn't new. Markets have always faced curveballs – whether it's changes in tax policy, global trade tensions or global pandemics. But despite all the drama, the market keeps marching on. Maybe not in a straight line, but definitely forward over time.

Staying invested pays off in the long term



Take a look at the history of the South African equity market - through the dot-com bubble, the Global Financial Crisis, COVID-19 and more - one thing becomes clear: markets recover. Time and time again. That doesn't mean the road is smooth. But it does remind us that short-term setbacks are a part of the journey - not the end of it.

Still, when you're in the thick of it, it's easy to lose sight of that. Emotions start to take the wheel. You might feel tempted to pull your money out, sit on the sidelines "just for now" or chase the latest thing that feels safe. And we get it – we really do. But as history shows, those kinds of decisions may come at the cost of missing the recovery - and the long-term growth that follows.

Why the best investors think like farmers

In 2008, the global financial crisis shook markets, businesses and economies. Fear spread as property values dropped, and uncertainty grew. Yet, patience and wise investing led to strong recoveries, with markets improving over time.

Like seasons, markets move in cycles. Farmers don't abandon their fields in winter – they prepare for spring. Smart investors follow the same principle:

knowing when to plant, growth and harvest for long-term success.



Financial spring: Opportunity in the dirt

Financial spring arrives when doubt and fear is high and many believe the game is over. Yet under the surface, the seeds of recovery are being sown.

March 2009 was a prime example. Shares had been crushed and headlines declared the “death of shares”.

But seasoned investors – those who understood cycles like farmers – were quietly buying.

Not because they expected markets to bounce back soon, but because they knew winter never lasts forever.



This is the time for long-term thinking
- buy quality assets while they're cheap, even when others doubt your decision.

Financial summer: Growth feels easy – maybe too easy

In financial summer, hope returns – prices rise, companies grow, and investing feels effortless. But this is when you should be most careful.

Remember the dot-com boom? From 1995 to 2000, tech shares increased significantly in value and investors ignored risk, assuming the party would never end. It did.



Financial autumn: The illusion of forever

Financial autumn is the trickiest season – it looks like summer but feels like winter. Markets rise yet cracks appear. Overconfidence leads investors to take too much risk, believing in a system that can't fail.

In 2007, the housing market seemed unstoppable. People overborrowed, banks lent freely, and Wall Street created complex debt products. The warning signs were there, but few paid attention.



Financial winter: When fear becomes your best friend

Financial winter is tough - prices fall, unemployment rises and panic drives people to sell at the worst time.

Yet history shows that wealth is built in winter. The best opportunities arise when fear is highest.

In 2008, fear was so intense that investors sold their shares. But looking back, it was a once-in-a-century buying moment.



? Where are we now?

The market today feels like late autumn, beginning winter – some sectors thrive, but risks rise. Are the seasons changing? Maybe, maybe not. The key is reacting wisely, not guessing.

As Morgan Housel said, good investing isn't necessarily about making good decisions but avoiding big mistakes consistently. Market cycles test discipline, not knowledge.

Morgan Housel is a financial author – known for his book "The Psychology of Money"

So, when fear strikes, remember: seasons change and the best investors think like farmers, not fortune tellers.



In spring, **be bold**. Buy when it is painful.



In summer, **be cautious**. Enjoy the ride, but stay on track.



In autumn, **be sceptical**. Take profits and reduce risk.



In winter, **be patient**. Hold your ground and look for opportunities.

Investing is simple, but it isn't easy. The hardest part is not knowing what to do – it's having the discipline to do what's best for your future self. So next time the market scares you, remember this: Every season changes and the best investors are not fortune tellers; they are just really good farmers.



INVESTMENT RETURNS AS AT 31 MARCH 2025

The investment returns for the Fund's chosen portfolios, over various periods to 31 March 2025, are provided below. Note that the Fund has not always invested in certain portfolios over all the periods reported, therefore, the returns for periods that don't apply will not be reflected.

Name	3 Months	1 Year	3 Years	5 Years	8 Years	Since Inception	Launch Date
Accelerator							
Gross of Fees	1.18%	15.87%	11.32%	17.06%	10.65%	10.18%	30 Jun 2016
Net of Fees	0.99%	14.96%	10.44%	16.18%	9.82%	9.36%	
Benchmark	1.34%	15.49%	10.85%	15.84%	9.36%	8.64%	
Banker							
Gross of Fees	2.18%	9.89%	9.03%	7.56%	8.01%	8.54%	23 Aug 2001
Net of Fees	2.12%	9.61%	8.76%	7.32%	7.70%	8.16%	
Benchmark	1.82%	8.05%	7.26%	5.83%	6.14%	7.07%	
Conserver							
Gross of Fees	1.51%	15.11%	11.09%			11.03%	19 Apr 2021
Net of Fees	1.27%	14.02%	10.07%			10.01%	
Benchmark	1.86%	13.98%	9.25%			9.34%	

Name	3 Months	1 Year	3 Years	5 Years	8 Years	Since Inception	Launch Date
Performer							
Gross of Fees	1.18%	13.79%	10.64%	15.33%	10.28%	11.65%	02 May 2012
Net of Fees	0.96%	12.84%	9.71%	14.42%	9.40%	10.69%	
Benchmark	1.42%	14.02%	10.31%	14.82%	9.23%	10.42%	
Real Return Focus							
Gross of Fees	1.68%	14.40%	10.64%	12.76%	9.54%	9.87%	08 Aug 2006
Net of Fees	1.41%	13.15%	9.49%	11.69%	8.53%	8.86%	
Benchmark	2.23%	7.24%	9.31%	8.91%	8.68%	10.25%	
Shari'ah High Growth							
Gross of Fees	0.91%	8.96%	5.61%	14.78%		9.20%	03 Jul 2017
Net of Fees	0.62%	7.73%	4.41%	13.66%		8.08%	
Benchmark	3.69%	8.47%	2.01%	12.83%		7.69%	



TWO-POT SYSTEM

The two-pot system is now in place. Let's recap on what's taken place.

- You've been allocated your once-off seed capital transfer in your savings component from your vested component (10% of the money you'd saved to 31 August 2024 limited to R30 000).
- One-third of your ongoing contributions are now allocated to your savings component and two-thirds to your retirement component.
- If you have already made a savings pot withdrawal, you had to wait until 1 March 2025 to make another withdrawal.
- You are taxed at your marginal rate and pay an administration fee when you make a savings pot withdrawal.



Things to consider:

- You don't have to withdraw the money in your savings pot each year. The money in your savings pot would be best used to top-up your retirement pot at retirement or alternatively withdrawn at a time of emergency.
- You can make one withdrawal from your savings pot every tax year (1 March – 28 February).
- Your retirement pot is only accessible at retirement and must be used to buy an annuity.
- The money in your vested pot is for your benefit at retirement. Only access your retirement savings before retirement as a last resort. This pot can only be accessed when you withdraw, are dismissed or retire.

Reminder: Tax implications when you withdraw from your Savings pot

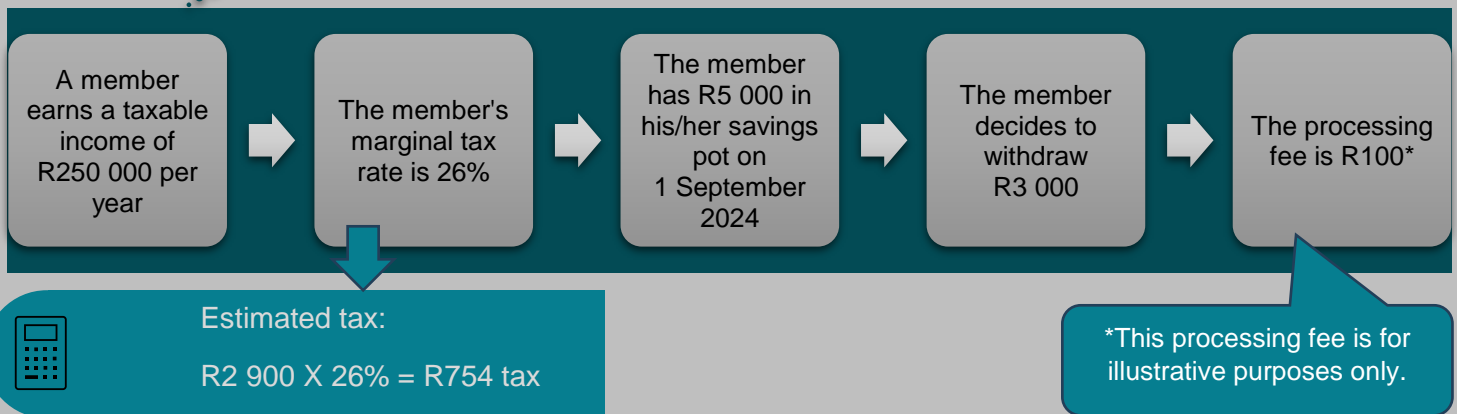
Alexforbes provides SARS with the value of your pensionable salary or other income information provided to them by your employer. Alexforbes does not verify the information provided by your employer and Alexforbes will not be responsible for any incorrect information provided to them by your employer. SARS will decide how much tax must be deducted at your marginal rate. Alexforbes will deduct that amount from your net claim amount. At the end of the tax year when you do your tax filing, you may have to pay in extra tax to SARS or SARS may give you a refund if the correct marginal tax was not levied by SARS when your claim was processed.

SARS may issue an IT88 (for arrears tax owing to SARS). This means that SARS could deduct more tax from your claim. For guidance on IT88 and marginal tax please visit the SARS website on www.sars.gov.za

The current individual tax rate tables for the period March 2025 to February 2026 are as follows:

Taxable income	Rate of tax
R0 - R237 100	18% of taxable income
R237 101 - R370 500	R42 678 + 26% of taxable income above R237 100
R370 501 - R512 800	R77 362 + 31% of taxable income above R370 500
R512 801 - R673 000	R121 475 + 36% of taxable income above R512 800
R673 001 - R857 900	R179 147 + 39% of taxable income above R673 000
R857 901 - R1 817 000	R251 258 + 41% of taxable income above R857 900
R1 817 001 and above	R644 489 + 45% of taxable income above R1 817 000

Example



Please note that the guiding principle on the amount of tax payable is that all taxable income earned, including the gross SWB paid, will determine the final marginal tax rate applicable.

Any under or over deduction of tax will be settled in favour of the taxpayer or SARS on assessment during the annual "filing season".

RETIREMENT BENEFITS COUNSELLING ("RBC")

There are a number of decisions you need to make during your retirement savings journey that will play a part in you achieving a reasonable retirement outcome. Retirement benefit counselling gives you important information on key concepts and financial guidance on your options to help you make informed decisions and determine if you need financial advice.

The Fund has appointed Alexforbes to provide Retirement Benefit Counselling to members. This service is available to all members at no charge.

RBC includes explanations (this is not financial advice and there is no charge for using this service) on:

- Investment portfolios
- Rules about preserved benefits
- Annuity strategies
- Other fund options

Location	Consultant's Name	Email address
Johannesburg	Samantha Smit	smitsam@alexforbes.com
	Kgalaletso Komane	komanek@alexforbes.com
Pretoria	Veio Govender	govenderv1@alexforbes.com
	Busi Masango	masangob@alexforbes.com
Bloemfontein	Daniel Verster	versterdan@alexforbes.com
East London	Shiree Coetzer	coetzersh@alexforbes.com
Cape Town	Samantha Hartzenberg	hartzenbergs@alexforbes.com
	Siphokazi Nomandela	nomandelas@alexforbes.com
Gqeberha	Kelly Howe	howek@alexforbes.com
Durban	Ntopho Ntshangase	ntshangasent@alexforbes.com
	Njabulo Dladla	dladlanij@alexforbes.com
	Guru Santillan	



AF CONNECT

Ready to see how much you've saved for your future? AF Connect makes it super easy to check your **retirement balance**, **update your nomination of beneficiary form**, or even make a **savings pot withdrawal** when needed – all in one place!

Plus, with a treasure trove of helpful resources, you can learn how to grow your savings and secure your future with confidence. So, why wait? Jump in today and start taking control of your retirement journey by registering on AF Connect in three easy steps:

- 1 Log in [here](#)
- 2 Click on **Register**
- 3 Complete the registration page



Important note:
This may take a couple of days

Reminder: Where to find Fund information and documents



FUND WEBSITE: www.legalprovidentfund.co.za

The Fund's [website](#) gives you access to the following at the click of a button:

- ✓ Information about the Fund
- ✓ Benefits and fees
- ✓ Investment strategy
- ✓ Communication
- ✓ Forms

Questions?

If you have any administration (such as billing schedules, claim payments, statements or forms) please contact:

zzlegalprovadmin@alexforbes.com