June 2026

smart member news

Contents

Welcome message

Welcome to the June 2026 edition of the Salt Smart newsletter. We hope you enjoy the read!

This month, we're shining a spotlight on a few simple but important topics that can make a big difference to your financial future. We take a closer look at why it's so important to keep your beneficiary nomination form up to date, how the power of time and compound interest can help your retirement savings grow, and some key investment principles to help you better understand where your money is invested.

Retirement planning doesn't have to feel overwhelming, often it's the small actions and informed decisions made along the way that have the biggest impact over time.

We hope this edition gives you helpful insights, practical reminders, and the confidence to take the next step on your savings journey.

We encourage you to ***stay engaged with your Funds*** and to ***use the available communication resources,*** especially the **Member online portal**:

WhatsApp "Hi" to 078 248 0529

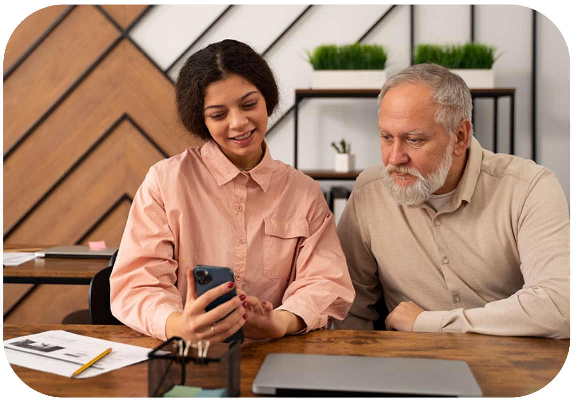
We are excited to announce the **Funds' own website** that is packed with information to assist you on your journey to retirement.

Please visit the website at
https://www.salteb.co.za/products/umbrella-pension-and-provident-fund

Industry update: Change with regards savings withdrawals

From 1 March 2026 a second savings withdrawal can be made in the same tax year when a member resigns from the Fund, even if this amount is higher than R2000. You can therefore withdraw your entire balance in the savings component when you leave the Fund.

> **Investing** in what is comfortable is **rarely profitable**
> – Robert Arnott



Remember to complete the Beneficiary Nomination forms

The death benefits payable by the Salt Umbrella Pension and Provident Funds consists of group life benefits (if your employer has chosen this option) plus your accumulated fund credit. If your employer chose to include funeral benefits, these will also be paid on your death.

In the event that you pass away, the Board of Trustees of the Fund will make a decision on the distribution of your accumulated fund credit (death benefit in the Fund) in terms of Section 37C of the Pension Funds Act, which states that the Board of Trustees need to consider all potential beneficiaries that were financially dependent on you at the time of your death. When these benefits are paid in cash, it is taxed in accordance with the retirement lump sum tax table (currently, the first R550 000 is tax free).

While the Trustees of the Fund will normally take into account the wishes of the member, they retain the discretion to make payment of death benefits to dependants and/or nominees as they deem equitable. Therefore, the Beneficiary Nomination Form acts only as a guideline to the Board of Trustees and they are in no way bound by its provisions.

Who can you nominate?

You may nominate any persons to receive any part of the benefit payable. This includes your dependants (financial and legal dependants – see the difference below) as well as persons unrelated to you and not dependent on you for support. The trustees, in exercising their discretion, may override your nomination if they consider it appropriate. The Trustees have a duty in terms of the Act to apportion (divide) the benefits equitably between your dependants and nominees at their discretion.

In summary, the Pension Funds Act provides that on the death of a member, such member's benefits in the Fund will not form part of the deceased member's estate, but will be dealt with as follows:

- ***If the Fund discovers any dependants within 12 (twelve) months of a member's death***, the benefit shall be paid to one or all of the dependants in a manner and proportion deemed equitable by the Board of Trustees;
- ***If the Fund does not become aware of any dependant within 12 (twelve) months of the member's death and the member has nominated a beneficiary*** who was not dependent on the member, the benefit shall be paid to the nominee; provided that where the debt in the member's estate is more than the assets, the difference shall be paid to the estate from the benefit and the balance shall be paid to the nominee;
- ***If a member has a dependant and has also nominated another beneficiary to receive a benefi***t, the Fund must pay the benefit to the dependant(s) and nominee(s) in a proportion deemed equitable by the Board of Trustees;
- ***If the Fund does not become aware of any dependant of the member within 12 (twelve) months of the member's death and the member has not nominated any beneficiaries***, then the benefit shall be paid into the estate of the member or if there is no estate, into the Guardian's Fund or into an unclaimed benefit fund.

What is the difference between a beneficiary and a dependant

You may nominate, in writing, any natural person(s) to receive your death benefits. Such a beneficiary can include a financial or legal dependant or any other person (even if they do not necessarily depend on you financially).

What is a dependant?

The Pension Funds Act defines a dependant as being:

- Any person for whom you are legally responsible for maintenance;
- Any person for whom you were not legally responsible for maintenance, but was, in the opinion of the Board, in fact dependent on you for maintenance at the time of your death;
- Your spouse, including a party to a customary or civil union;
- Your children, including a child born after your death, an adopted child and an illegitimate child;
- Any person for whom you would have been legally responsible for maintenance if you had not died.

What is the purpose of the Beneficiary Nomination Form?

1. ***To make it easier to trace dependants*** by contacting family members using the contact details you have provided on the form;
2. ***To speed up the process of assessing who*** your dependants are and the extent to which they depend on you; and
3. ***To identify any other beneficiaries***, apart from your dependants, to whom you may wish to allocate a portion of your benefit.

How often must you complete a Nomination Form?

Complete nomination forms (**one for the Fund benefit** and **one for group life and funeral benefits**) when you first join the Fund and thereafter when your personal circumstances change. Another good time to consider your nomination form is when you receive your annual benefit statement from the Fund.

You may alter your nomination at any time by ***completing a Beneficiary Nomination Form*** and returning it to your **Human Resources office** ***or*** **payroll department** ***or*** online on the **Benefit Counsellor portal** (See the step-by-step guide below).

Step-by-step guide

Log in or Register
Visit https://salt.benefitcounsellor.com and log in or create your account.

On your Dashboard
Select "Beneficiary Nomination" from the dashboard menu.

Choose Online Nomination
Click on "Online Beneficiary Nomination" to begin.

Add Beneficiaries
Select "Add item" to include new beneficiaries. Complete the form for each.

Dependant or non-Dependant?
You can nominate both dependant and non-dependant beneficiaries.

Allocate Shares
On the summary page, assign a percentage share to each beneficary.
The total must add up to 100%.

Confirm and Save
Accept the confirmation that this nomination replaces any previous one, then click "Save Share Allocation".

Nomination Form for Group Life and Funeral Benefits

If your employer has selected group life benefits and funeral cover it is **VERY IMPORTANT** that you complete **an additional Beneficiary Nomination Form** for the payment of these benefits. As these benefits are held in a policy outside of the Fund (usually in the name of the participating employer) **the benefits are paid according to your Nomination Form**.

If you fail to complete a nomination form, the benefit will be paid into your estate. Please note that your estate may take up to 12 months to be registered and your family may not have the money to pay monthly expenses or to arrange your funeral.

The power of time and compound interest

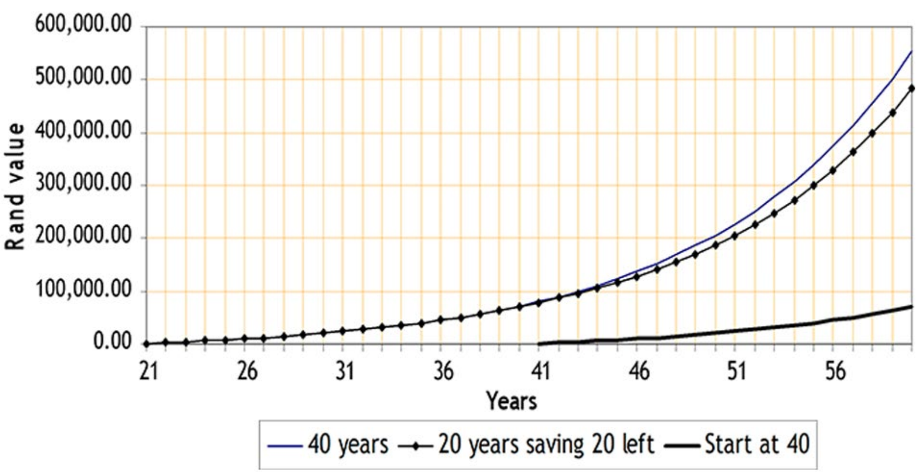
When it comes to saving for retirement, time matters more than timing. The earlier you start saving, the more opportunity your money has to grow – not just from your contributions to the Fund, but from the growth on those contributions over time. This is the power of compounding.

Compound growth made simple

Compounding is when your investment returns (positive growth or interest) start generating their own returns or interest. You therefore receive interest on the original amount but also on the interest earned over time.

The earlier you **begin saving** and the longer you **remain invested** the **more compounded interest** your money will earn.
In other words:
You **earn returns** on your savings;
Then you earn returns on those returns;
And over time, this creates a powerful **"interest on interest"** snowball effect

Time and Compound Interest: 10% pa R100 pm contribution



This graph illustrates the impact of compound interest

The top line shows: If you started to save R100 per month (from age 21) for 40 years at 10% compound interest per month, and never withdraw your money, you would have saved almost R600 000.

The middle line shows: If you saved a R100 per month for 20 years and then left the money to grow for another 20 years, your money would grow to almost R500 000.

The bottom line shows: If you only start saving R100 per month from the age of 40 (for 20 years) you will only have saved approximately R90 000.

Did you know?

The average person will be employed for about 40 years so this means that you have only **480 pay-days** in which to save adequately for retirement.

The cost of waiting

Delaying your retirement savings, even by a few years, can have a significant impact. As can be seen from the example above. Time lost is growth lost and unfortunately, it's very difficult to recover that lost compounding effect.

Did you know?

Your retirement savings in the first 10 years of your working life (i.e. assuming you contribute for at least 30 years), could contribute towards 50% of your pension value.

The good news

Whether you started saving years ago or are just beginning today, your future self will benefit from the decisions you make now. Start early if you can. Start now if you haven't.

Starting Late? You still have options

If you haven't started yet or feel that you are behind, the most important step is starting now. Even small actions today can meaningfully improve your future outcome. Here are practical catch-up strategies:

✓ **Increase your contribution rate** whenever possible. Increase your savings by making tax effective Additional Voluntary Contributions to the Fund (up to 27.5% of your salary to a maximum of R430 000 per year). Simply contact your Employer or HR department to find out how.

✓ **Use salary increases or bonuses wisely** by directing a portion to your retirement fund.

✓ **Avoid withdrawing retirement savings** preserving as much of your Vested and Savings components as possible when you resign or are retrenched or dismissed is a crucial step toward ensuring your long-term financial security. Only make annual withdrawals from your Savings component for emergencies!

✓ **Stay invested:** Consistency is key and think carefully before you decide to retire early.

Understanding the principles of investing

Investing is one of the most effective ways to grow wealth over time. While the world of investing can seem complicated at first, the basic principles are actually quite simple. ***Successful investing is less about "getting rich quickly" and more about patience, discipline, diversification, and understanding how different investments work together.***

What is Investing?

Investing means putting your money into assets that have the potential to grow in value or generate income over time. Instead of leaving all your money in a bank account earning little interest, investing allows your money to work for you, with the aim of beating inflation over time. The main goal of investing is usually to:

- **Grow** wealth over time;
- **Protect** against inflation (grow your money to keep up with and outperform inflation);
- **Generate** income;
- **Achieve** long-term goals such as retirement, or financial independence.

Understanding the Main Asset Classes

An asset class is a group of investments that behave similarly in the market. A balanced investment portfolio usually contains a mix of different asset classes. ***The four main asset classes are discussed here.***

1. Cash and Money Market Investments

Cash investments include savings accounts, fixed deposits and money market funds. These are generally considered low-risk investments because the value does not fluctuate much. However, they also offer lower returns over time. The downside is that cash often struggles to keep up with inflation over long periods. ***Cash investments are useful for:***

- **Emergency** savings;
- **Short-term** goals;
- **Stability** in a portfolio.

2. Bonds (Fixed Income)

Bonds are loans made to governments or companies. When you buy a bond, you are lending money in exchange for interest payments in the future. Bonds are usually more risky than cash but generally provide lower long-term returns. ***They are useful because they:***

- **Provide** regular income;
- **Reduce** portfolio volatility;
- **Offer** more stability during market downturns.

3. Property (Real Estate)

Property investments include residential property, commercial property and property investment funds. Property is more risky than Bonds. However, property can also be expensive, illiquid (difficult to sell), and affected by economic conditions. ***Property can provide:***

- **Rental** income;
- **Long-term** capital growth;
- **Protection** against inflation.

4. Equities (Shares or Stocks)

Equities represent ownership in companies. When you buy shares, you own a small part of that business. Over the long term, equities have historically outperformed most other asset classes because companies grow, innovate, and generate profits over time. However, share prices can fluctuate significantly in the short term. Markets may rise and fall due to economic events, politics, interest rates, or investor emotions. This is why investing in equities requires patience and a long-term mindset. ***Equities offer:***

- **Strong long-term** growth potential;
- **Dividend** income;
- **Protection** against inflation.

Why Equities often outperform over time

Historically, equities (shares) have delivered the highest long-term returns compared to cash, bonds, and property.

This happens because:

- **Businesses grow** their earnings over time;
- **Companies reinvest** profits to expand;
- **Innovation creates** new industries and opportunities;
- **Inflation increases** the value of company revenues and assets.

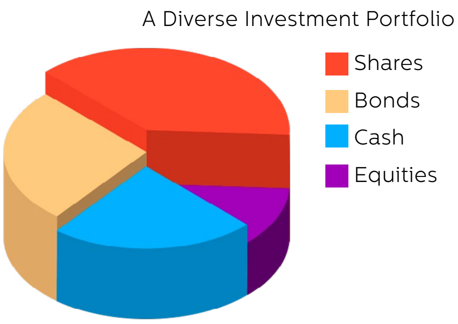
While equities can be volatile in the short term, investors who remain invested over many years have generally been rewarded.

How R100 invested in 1986 has grown over a 40 year period in the different asset classes in South Africa.

R100 Value	SA Equity	SA Bonds	SA Money Market	SA Property	Inflation
April 1986	R100	R100	R100	R100	R100
April 2026	R119 387	R46 146	R23 022	R35 202	R12 508

Table info supplied by Fairtree and uses average returns per asset class

A common investment principle is:
"Time in the market is usually more important than timing the market."
Trying to predict short-term market movements is extremely difficult, even for professionals. Long-term investing often produces better results than constantly buying and selling.



What is an investment Portfolio?

An investment portfolio is the combination of certain investment (asset) classes. A portfolio may include, but not limited to:

- Cash;
- Bonds;
- Property;
- Equities;
- International investments;
- Alternative assets.

The mix of investments in a portfolio is called ***asset allocation***. Asset allocation is one of the most important decisions an investor makes because it determines:

- Potential returns (growth);
- Risk level;
- Stability of the portfolio.

For example:

- Younger investors may hold more equities for growth;
- Retirees may prefer more bonds and cash for stability and income.

The importance of Diversification

Diversification means spreading your investments across different asset classes, industries, companies, and countries (investment markets). The idea is simple: **Don't put all your eggs in one basket.** Diversification helps reduce risk because different investments perform differently under different market conditions. A diversified portfolio can help smooth returns over time and reduce the impact of major losses in a single investment.

For example:

- When shares perform poorly, bonds may perform better;
- Different industries react differently to economic events;
- International investments reduce dependence on one country's economy.

Risk and Return go together

One of the key principles of investing is that higher potential returns usually come with higher risk. Risk is not always a bad thing. In investing, taking carefully managed risk is often necessary to achieve meaningful long-term growth.

For example:

- Cash has low risk and low return;
- Bonds have moderate risk and moderate return;
- Equities have higher risk but higher long-term return potential.

Investors must balance:

- Their financial goals;
- Time horizon;
- Ability to tolerate market fluctuations.

Long-term Investing matters

Markets naturally go through periods of growth and decline. **Short-term volatility** (ups and downs) is normal.

History has shown that markets tend to recover over time, despite recessions, political events, and financial crises.

Patience is often one of the greatest advantages an investor can have.

Successful investors usually:

- **Stay invested during market downturns;**
- **Avoid emotional decisions;**
- **Invest consistently;**
- **Focus on long-term goals.**

Good to know – The Funds' Life Stage Investment Portfolios

The Board of Trustees of the Funds has a legal and fiduciary duty to invest assets on behalf of members in a responsible and prudent manner. The Board of Trustees utilises independent investment managers to formulate, review and monitor the Funds' various investment portfolios.

The Funds investment approach is designed to:

- **invest members' savings** with a long-term view;
- **spread investments** across different types of assets;
- **manage risk** through diversification;
- **avoid relying on** one investment market, one country or one type of investment;
- **review market developments** on an ongoing basis; and
- **act in the best interests** of members.

Your Funds make investment easy for members with Life Stage Strategy solutions. The Funds' Life Stage solutions aim to meet the investment needs for most members on their journey to retirement and require no financial decision by members as your assets are automatically moved from more risky (equities) to less risky asset classes (bonds and cash) as you near retirement.

The Trustee-approved portfolios currently comprise of four Life Stage solutions offered by:

1. **Sasfin BCI** portfolios,
2. **the Sygnia Skeleton** portfolios,
3. **Corion BCI** portfolios and
4. **the new Salt EB Multi Manager** portfolios.

Please see the Fund website for more information about these portfolios. www.salteb.co.za

EMPLOYEE BENEFITS

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Web: www.salteb.co.za

The Funds Registration numbers:

FSCA Reg no for Salt Umbrella Provident Fund: 12/8/38002

FSCA Reg no for Salt Umbrella Pension Fund: 12/8/38117