



Member Insights 2026

An analysis focusing on
retirement fund members

Summary of key findings



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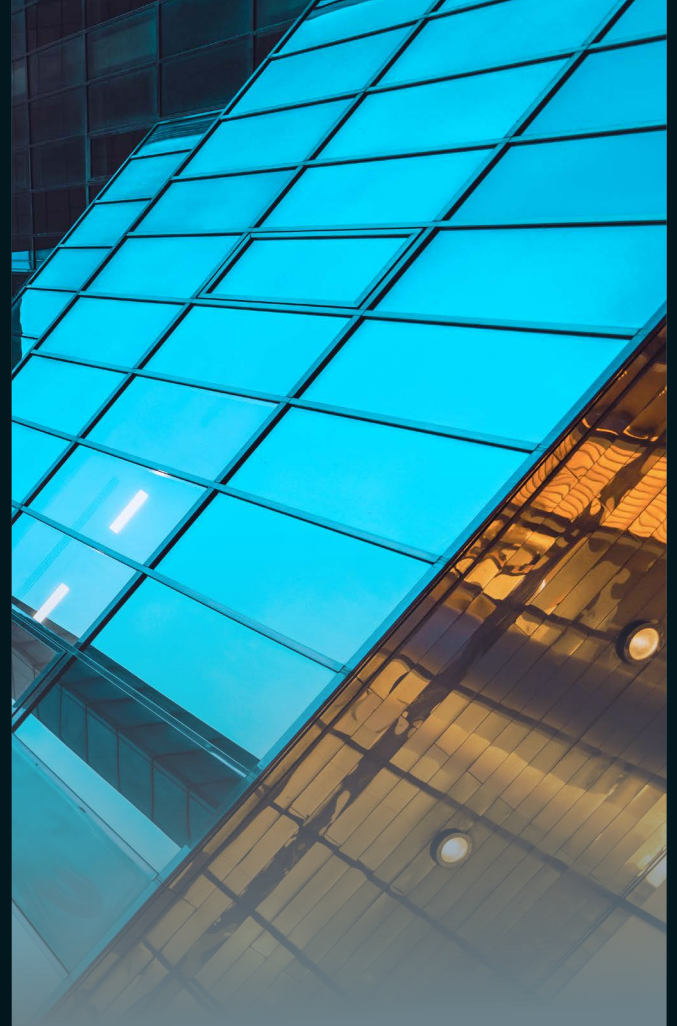
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The largest retirement fund membership analysis in South Africa shows that 10% of members are expected to achieve a replacement ratio of 75% or more!

Alexforbes Member Insights 2026 analyses 1.1 million active contributing member records, across more than **310 retirement funds**, including **4 umbrella funds** with over **2300 participating employers**. **The statistics are as at 31 December 2025 unless stated otherwise.**

The analysis enables informed decision making about solutions to improve members financial outcomes.



Overall retirement outcomes:

- Expected average replacement ratios rose from 40% in 2021 to 46% in 2025.
- Actual average replacement ratios for retirees rose from 30% in 2021 to 40% in 2025.
- 10% of active contributing members are expected to achieve a replacement ratio of 75% or more. A marked increase from the historical 6%.
- Average contributions towards retirement savings remain below the 15% level needed to target a 75% replacement ratio over 40 years.
- Average preservation by assets, which includes retirement pots, increased from 44% in 2022 to 52% in 2025.
- 65 is the most common normal retirement age

11.2%

Average contribution
to retirement savings

52%

Average preservation
rate by assets

46%

Average expected
replacement ratio

10%

Expected to reach 75%+
replacement ratio

40%

Average actual retiree
replacement ratio

15%

Contribution needed
towards retirement savings
over 40 years to achieve a
75% replacement ratio

What is a replacement ratio?

The percentage of your salary that your retirement income is expected to replace. A 75% replacement ratio means retirement income is equal to about 75% of your pensionable salary before retirement.

Strong investment returns supported better retirement outcomes

The average actual replacement ratio increased from 30% in 2021 to 40% in 2025. Over the same period, the proportion of retirees achieving a replacement ratio of 75% or more increased from 7.5% to 14.1%.



Average actual retiree replacement ratio



Retirees with replacement ratios of 70% or more



Retirees with replacement ratios of 75% or more



Average actual retirement age

2021	2022	2023	2024	2025
62	62	61	61	61

2021	2022	2023	2024	2025
7.45%	8.15%	7.52%	10.65%	14.06%

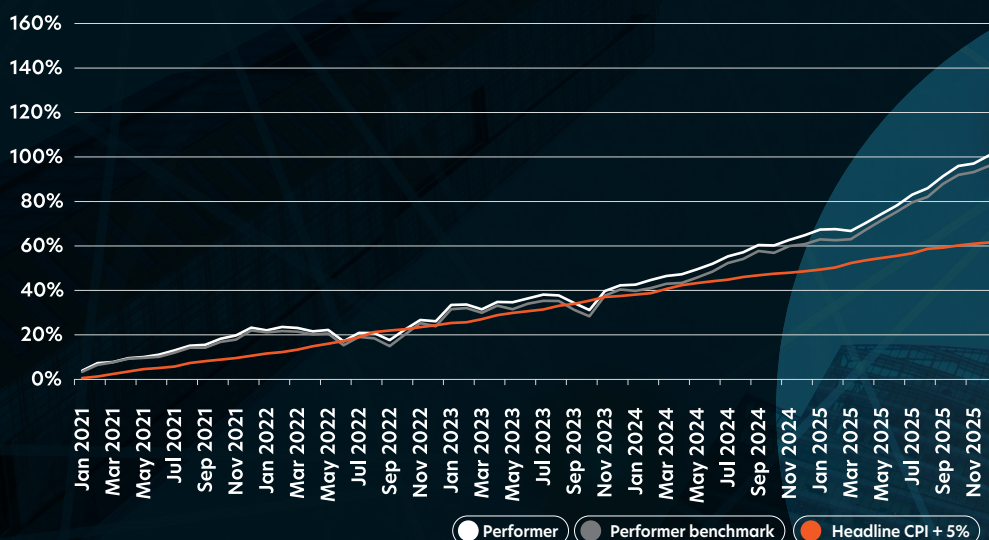
2021	2022	2023	2024	2025
8.85%	9.64%	9.09%	12.07%	15.82%

2021	2022	2023	2024	2025
29.63%	30.90%	30.82%	34.48%	39.93%

The improvement was most pronounced in **2024** and **2025**, which coincides with better-than-expected local investment performance and a slight reduction in inflation-related **salary increases relative to 2023**. For illustrative purposes, **Alexforbes Performer Life portfolio** generated an **investment return of 21.8%** in **2025** significantly **exceeding Headline CPI +5%** which was **8.7%** in the same period. During **2021 to 2025** the **same portfolio generated an annualised 5 year return of 15% (benchmark of 14.4%)** relative to **10.1%** representing headline inflation **+5%**.

Although the **two-pot system** was **implemented in September 2024**, it is still too soon for this to result in a material improvement in actual average replacement ratios, as the improvement will happen gradually overtime.

Cumulative investment returns from 2021 to 2025



This investment performance has reset accumulated fund credits to a higher value than they otherwise would have been, therefore also resulting in a material increase in expected replacement ratios from 40% in 2021 to 46% in 2025. However, this increase is also attributed to a change in the future investment performance assumption from inflation + 4.5% to inflation + 5%.

The past five years have benefitted significantly from strong investment performance and favourable pension pricing. However, markets may not deliver this level of performance over the next five years.

Key message



Investment growth can improve retirement outcomes, but strong market performance alone cannot close the shortfall. Contribution rates, preservation and time invested remain critical.

How much and how long members save matters

The long-term effect of time

A member saving 15% of pensionable salary for 40 years can target a 75% replacement ratio. If the savings period falls to 20 years, the required contribution rises to about 41%. If the contribution stays at 15%, the projected replacement ratio falls to about 27%.

Contribution rates remain below the target

The average actual total contribution rate decreased slightly from 13.9% in 2021 to 13.6% in 2025. After fund expenses and fees, the average contribution towards retirement savings decreased from 11.6% to 11.2%. This is materially lower than the 15% target.

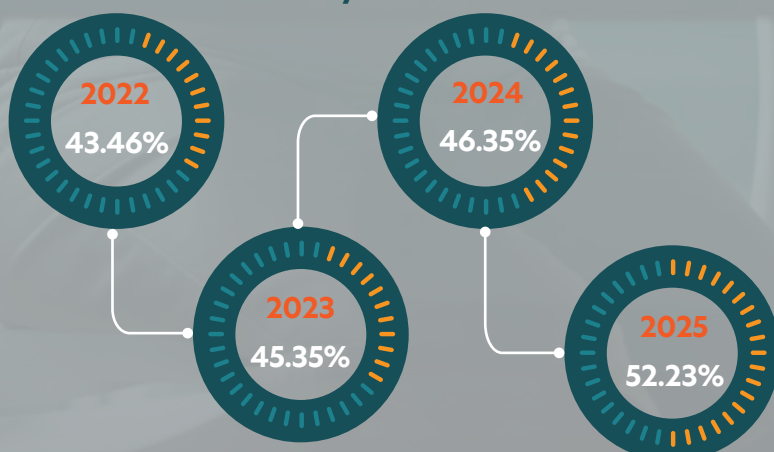
Retirement age also shapes the outcome

The average normal retirement age was 64 and the average actual retirement age was 61 in 2025. 71% of retirement funds, including participating employers of umbrella funds, had a normal retirement age of 65 or higher.

Short-term access can have a long-term cost

Keeping retirement savings invested remains one of the strongest ways to improve retirement outcomes.

Preservation rates by assets



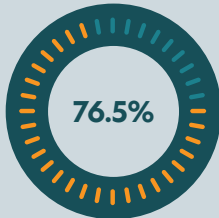
Preservation rates by assets, including retirement pots, 2022-2025.

Preservation by assets increased from 44% in 2022 to 52% in 2025. More time is needed to establish whether this reflects a lasting change in member behaviour related to the vested pot or coincides with the implementation of the two-pot system and other preservation measures.

What repeated savings pot withdrawals can mean

31% of members who claimed in the 2025 tax year made savings pot withdrawals in all three tax years as at 31 March 2026.

Full preservation of all pots



Withdraw the full savings pot every year



Projected replacement ratios based on a 15% contribution rate and a new member joining the two-pot system.

A **50% relative difference in expected replacement ratios** between preserving all retirement savings and withdrawing the full savings pot every year. Larger savings pot withdrawals made closer to retirement have a greater effect because the remaining savings have less time to recover and grow. As an example, **the difference between a member taking a 100% withdrawal in year 10 of their retirement savings journey relative to in year 30 is a 22% difference in replacement ratios: 67% vs 55%.**

The two-pot system is working. A new member who withdraws everything from their savings pot every year may achieve a 51% replacement ratio, compared with 28% under the system it replaced.

Key message

The factors that do not depend on markets are already within reach for most of the employers and members we serve. Access to financial advice at the moments that matter. Guided digital exit journeys that make preservation the easy choice rather than the difficult one. Financial wellness support that reaches members in the workplace, before a crisis forces a decision. Benefit design that quietly does the right thing for the 92% who will never make an active investment choice.

These are in place. They are used far less than they could be.

Five practical tips for members

1

Contribute more when circumstances allow.

2

Preserve retirement savings when changing jobs.

3

Use the savings pot only for short-term emergencies if there are no other options and understand the long-term trade-off.

4

Consider the effect of retiring later.

5

Review your personal projected retirement outcomes and seek financial advice to assist with retirement planning.



Remember

These figures describe average outcomes across the analysed membership. Members personal outcomes depend on their contributions, retirement age, investment returns, salary progression, preservation history and the cost of converting savings into an income.

Please contact your consultant for more details.

Source: Alexforbes Member Insights 2026. Projections use actuarial assumptions, including investment returns of inflation plus 5%, salary increases of 2% above inflation and full preservation unless stated otherwise. Figures may be rounded.

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Raging Bull Awards
2025 Winner

South African Manager of the Year
| Best Interest-bearing Fund

#1

award-winning investments
multimanager in SA

R733bn+

in total assets under
management and administration

R589bn+

of institutional assets
under advice

R112bn+

of retail assets under
management

Consistent, investment performance

Behind each of the 1.1 million active contributing member records is a person whose future is being shaped. The findings show how much of that future depends on decisions made along the way: how much is saved, how long it stays invested, what happens at a job change or a savings pot claim, and how consistently the money is managed.

Over the five years, retirement outcomes improved markedly. Over those same five years, Alexforbes Investments was named **Raging Bull Best South African Manager of the Year 2025** for consistent, risk-adjusted performance.

Recognition doesn't make an investment destination.

It confirms the discipline already behind it: careful decisions, well-managed risk and a focus on long-term outcomes, applied again and again.

That is the standard we hold ourselves to, and what we bring to every rand entrusted to us, whether from retirement funds, advised clients or individuals investing directly.



The tools and solutions, behind better decisions

Our suite of tools and solutions are grouped in these four categories:

Counselling and advice

Help your members make informed decisions

- Financial advice or wealth management
- Enhanced retirement benefit counselling
- Guided digital counselling for exits



Information

Give your members easy access to information at their fingertips

- WhatsApp self-service for new and active members
- **My Money Matters toolkit**
- **AF Connect**



Engagement

Encourage your members to be more engaged with their fund and their future

- Financial wellness days
- Worksite consulting - helping with individual advice and decisions
- Member education services
- Pre-retirement seminars
- My Retirement Picture online tool
- Two-pot support



Value

Give your members more value with added extras that other funds may not offer

- Debt solution
- AF Rewards
- Wills and estate services
- Personal savings and investment platform through **AF Invest**

All available through **AF Connect**



Behind every insight is a decision that can have a lasting impact on a member's financial future. That's why we are committed to working alongside you to provide the guidance, tools and advice members need to take action with confidence and make smarter financial decisions.

Our personalised support aims to educate, inform and encourage engagement, ultimately helping members feel in control, confident and secure in their financial journey. It has the potential to alter attitudes, reshape behaviours, foster commitment and significantly improve outcomes.



Tailoring support to each member is the biggest opportunity to improve outcomes.

Speak to your **Alexforbes consultant** about which tools are right for your fund.

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