



Natal Joint Municipal Pension KwaZulu-Natal Joint Municipal Provident Funds

"Your Fund, Your Savings, Your Future"



"KEEPING YOU INFORMED"

NEWSLETTER MARCH 2015

SPECIAL POINTS OF INTEREST:

- Message from the CEO/Principal Officer
- Investments of the NJMPF
- Maintaining good credit

KNOW YOUR FUND

- Purchasing additional continuous service

Message from the CEO/Principal Officer



Mr. Sam Camilleri - CEO/Principal Officer

As we venture into 2015, the Natal Joint Municipal Pension/Provident Funds (NJMPF) is gearing up for another successful year by continuing to strive for excellence on all activities affecting the NJMPF. For this first edition of 2015, I bring to your attention the following announcements;

Funeral Aid Scheme enrolment

1. Since its inception, the NJMPF/Sanlam Funeral Aid Scheme has paid over a million rands in funeral cover benefits to assist participating members and their immediate families. It may be recalled that according to the conditions of the Scheme; active members of consenting Municipalities had a grace period of 3 months to decide if they wanted to join the Scheme or not.

During the past months, the NJMPF has been receiving a significant number of requests from active members and Municipalities appealing for the Funeral Aid Scheme to be re-opened. Due to the requests, the NJMPF and Sanlam have agreed to open the Scheme for another 3 months to allow members who did not join the Scheme during the first grace period to join. The NJMPF and Sanlam have scheduled to open the Scheme from April until June 2015. Active members of consenting Municipalities will be notified formally about the opening in the upcoming months.

Retirement Reform

2. Although the NJMPF has been informing members about the retirement reform through municipal visits, newsletters, formal notices and training workshops. We further caution members that the reforms that were scheduled to be implemented in March 2015 are currently suspended. Members who need clarity on the current status of the reforms; should please contact their Human Resource office for details or contact the NJMPF on; Tel: 031 279 5300, Fax: 031 266 6715, E-mail: info@njmpf.co.za or write to Postal address: P.O. Box 33, Westwood, 3633.

The NJMPF and Absa Trust

3. The NJMPF places a lot of importance on its communication strategy, which is why it is always seeking strategic partnerships with various stakeholders. The NJMPF has established a good working relationship with Absa Trust with the aim to promote education and comprehensive communication for caregivers/guardians of beneficiaries who are linked to the NJMPF and Absa Trust. During the month of April 2015, the NJMPF and Absa Trust plan to conduct workshops for caregivers/guardians. The topics that will be covered during the workshops pertain to the following; money management, the interest growth on funds, a better understanding on how Absa Trust operates and how information is processed by Absa Trust. We encourage caregivers/guardians who want to be part of this exciting initiative to not miss out on this opportunity and to please contact the NJMPF for further details.

The NJMPF will continue monitoring the retirement industry and ensure that stakeholders are kept updated about meaningful developments.

Know your fund

Investments of the NJMPF

In the December 2014 newsletter we highlighted a brief summary of the NJMPF's investment performance. In this newsletter we emphasise the NJMPF's investment context by highlighting a brief summary of the governance, investment philosophy, overall investment objectives plus performance of the NJMPF.

The NJMPF's Committee of Management (COM) is responsible for the assets of the NJMPF, the investment of the assets and the investment performance. The COM is permitted to use specialists or consultants for their responsibilities relating to investments.

The NJMPF uses a multi-balanced manager fund approach whereby the NJMPF constructs an investment portfolio by utilizing the expertise of various investment managers.

The NJMPF with the relevant consultants spends a lot of time on researching, reviewing and analyzing the capabilities and performance records of the asset managers in the industry, with the objective to determine which managers are competent, and are able to meet the investment objectives of the NJMPF.

The investments objectives for the NJMPF include the following:

- a) Achieve a long-term real return of at least Consumer Price Index (CPI) plus 5% over rolling five-year periods.
- b) Asset managers are expected to add returns of benchmark plus 2% over rolling five-year periods.

The NJMPF strategically beat its objectives by achieving returns well above the 10.2%, which represents the CPI + 5% over the 5 years ended 31 March 2014. The table below illustrates the returns in detail.

Year	* CPI + 5%	Superannuation Fund % Return	Retirement Fund % Return	Provident Fund % Return
5 years to 31 st March 2014	10,2%	18,4%	18,8%	19,6%

Source: Alexander Forbes

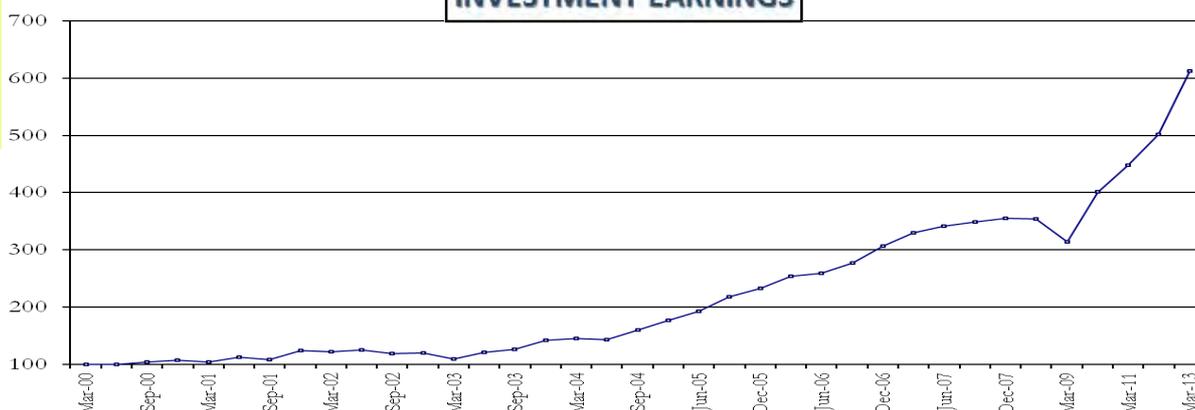
The NJMPF's assets are invested in; Equities, Bills, Bonds, Securities, Property, Cash plus Deposits and Foreign Assets.

During the financial year which ended on 31 March 2014, the index returns for domestic equities, bonds and cash were 23.6%, 0.6% & 5.4% respectively, whilst offshore equities, in rand terms returned 37.2%. These returns have reflected in the combined assets of the three NJMPF funds increasing by 20.71% over the previous year from R 11.8 billion to R14.34 billion as at 31 March 2014.

The positive investment returns by the NJMPF are also validated by the Institute of Retirement Funds Africa (IRFA), which presented a trophy in 2014 to the NJMPF as an industry winner for excellence in investment performance.

To accentuate the NJMPF's consistent investment performance over the long-term, the graph below shows that R 100.00 invested in the Provident fund in 2000 would have increased 6 times to more than R 600.00 in 2014 (after costs).

INVESTMENT EARNINGS



"The NJMPF's Committee of Management is responsible for the assets of the NJMPF, the investment of the assets and the investment performance."

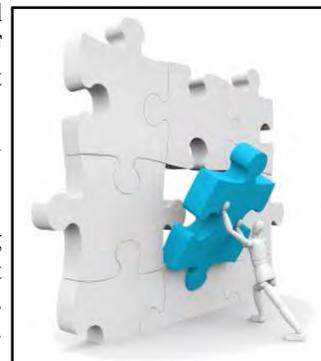
Know your fund

Purchasing additional continuous service on the Superannuation and Retirement funds

"A member may be permitted to purchase from the NJMPF additional continuous service."

In accordance with the Regulations governing the Superannuation and Retirement funds, a member may be permitted to purchase from the NJMPF additional continuous service according to the terms and conditions set out by the Committee of Management after consultation with the Actuary. Below are some of the conditions applicable for purchasing additional continuous service.

- The purchase of service may not pre-date your 17th birthday.
- The additional service purchased shall not count towards any qualifying period set out in the Regulations of the Superannuation and Retirement funds, e.g. in the Retirement fund any additional service purchased does not count towards the qualifying period in respect of benefits such as ill-health and retrenchment whilst in the Superannuation fund any additional service purchased is not included in the qualifying period of 10 years for purpose of calculating optional retiring date, nor does it count towards the qualifying period in respect of benefits such as retirement due to ill-health, retrenchment and bonus service.
- The member shall at his/her own expense provide proof of health when making an application to purchase additional continuous service. If the Committee discovers that the member is not in a sound state of health, it shall notify him/her in writing that his additional continuous service shall be subject to a restriction for 5 years.
- A member that is purchasing additional continuous service will pay for both the employer and employee portion.



Further details on the conditions to purchase service are provided on the Regulations governing the Superannuation and Retirement funds. Members that wish to purchase service should contact the NJMPF.

Financial education

Maintaining good credit

The ability to manage credit is essential to financial health. Below we show some basic principles which members could adopt to maintain good credit as well as the impact of bad credit.

1. Maintaining good credit, involves the following;
 - The first rule is to pay your bills on time. If you pay your bills on time, you will not encounter unnecessary charges on late payments;
 - Pay at least the minimum on all cards, but allocate the most to the one with the highest interest rate;
 - Do not submit to impulse purchases that exceed your budget and make repayments difficult,
 - Check your credit report for errors, (and to protect against identity theft); and
 - Save copies of your transactions receipts and compare them to your monthly statements.
2. The impact of bad credit may result to negative consequences, such as;
 - Failing to meet the requirements for the purchase of a home or car;
 - Paying extra for a loan - in the form of complex interest rates - if you do qualify;
 - The possible loss of a job opportunity if an employer does a credit check; and
 - Difficulty renting an apartment or entering into other contractual agreements.



Although the above tips provide some interesting insight, members should always consult certified financial experts when making financial decisions.