



Your Fund, Your Savings, Your Future

NJMPF

PENSIONER NEWSLETTER

Your quarterly news update - July 2020

MESSAGE FROM THE CEO/PRINCIPAL OFFICER

Welcome to the Second issue of the Pensioner Newsletter for 2020.

During this bleak time in our lives, where every television channel and radio station you tune into is reporting about the global pandemic, I want to wish all NJMPF Pensioners well during this difficult time – Stay Safe, Save South Africa.

This too shall pass, and we believe we will come out of this stronger than ever. During these uncertain times of market volatility, I wish to encourage Pensioners to take a long-term view and not react to the current market movements. The Fund's investment strategy is well-diversified across various asset classes and has sound risk management practices to cater for downside risks that emerge in the markets from time to time.



Mr Bonginkosi Mkhize

INVESTMENT PERFORMANCE TO 31 MARCH 2020

The Covid-19 pandemic has had a significant impact on investment markets all over the world. In South Africa we also saw a decline and our stock markets came under tremendous pressure, both of which affect the investment returns earned on our Funds.

The low point of the markets was towards the end of March, after which there has been a strong recovery in April and stability returning in May. The NJMPF investments performed at negative 16% in the first quarter to end March 2020. This is a material reduction in value, but the markets made a strong recovery and continue to show improvement. In April approximately 11% was regained, leaving the Funds about 5% lower after the first four months of the year.

Investment returns have a big impact on the increases which can be granted to Pensioners. Pension payments however, remain safe and will never reduce, but it may well be that pension increases may be lower than inflation for a period, until investment markets recover. Pension increases are granted based on the investment returns over the past year, so the current negative returns will impact on the pension increases which are declared for this year.

In the valuation of the Funds, the actuary holds reserves to protect against a fall in asset values, but the severity of the recent fall in values may mean that the increases will probably be lower this year, with small scope for a bonus payment.

The good news is that pensions are guaranteed to increase by at least 75% of the average increase in inflation, so an increase will be granted. Furthermore, legislation requires retirement funds to check every three years if there are assets available to increase pensions up to 100% of inflation, since retirement. Pensioners can therefore rest assured that, if markets recover, they will receive increases to make up for any lower than inflation increases which may have been declared.

Prevention



Wash

your hands well and often to avoid contamination



Cover

your mouth and nose with a tissue or sleeve when coughing or sneezing and discard used tissue



Avoid

touching eyes, nose, or mouth with unwashed hands



Clean

and disinfect frequently touched objects and surfaces

KwaZulu-Natal Joint Municipal Pension/Provident Funds

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KNOW YOUR FUND

ANNUAL PENSION INCREASE

The Fund is pleased to advise that the Board of Trustees has approved an increase of 3% to Pensioners with effect from 1 July 2020. This represents an increase of 75% of the Consumer Price Index (CPI).

A pro-rata increase will be paid to Pensioners whose pensions commenced during the year 1 April 2019 to 31 March 2020.

Please remember: Pension increases and any bonus declarations are influenced by the investment returns of the Fund.

The Fund's current pension increase policy is to target 75% of CPI.



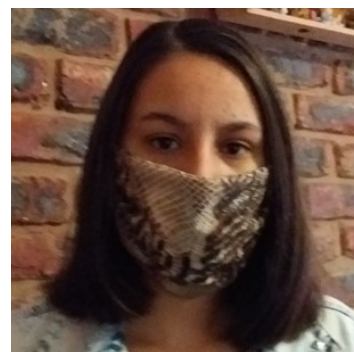
NJMPF FACEMASK COMPETITION



Pensioner: Heather Wessels

A critical element of curtailing the coronavirus disease is the use of face masks. The NJMPF has launched the 'When you wear the mask, the mask protects you' campaign.

Encouraging everyone to wear masks when leaving the house for essential goods was a key part of our campaign. This was also to assist members in having something worthwhile to do, while on lockdown. We would like to thank you all for participating. We are delighted to introduce the two competition winners;



Member: Susan Roos

INCREASE LETTERS, IRPF5'S & PROOF OF LIFE

Please be advised that Increase letters and IRPF5 certificates have been posted along with this newsletter.

The postal delays show that alternative methods of interactions, such as email and cell phone numbers and the web page are necessary. Pensioners are encouraged to keep their contact details updated because they provide an alternative method of interaction.

PLEASE make sure we have your correct details, cell phone numbers, email address and postal address.

NJMPF - INDUSTRY LEADER EVEN DURING A TIME OF UNCERTAINTY

The NJMPF is maintaining the momentum of being an industry leader. Your Fund has won five international awards for 2020 from the following institutions:

The European

- Best Pension Fund of the Year South Africa
- Best Managed Retirement Fund South Africa

Global Banking and Finance Review Awards

- Pension Fund Provider of the Year South Africa
- Best Corporate Governance Company South Africa

Capital Finance International (CFI)

- Best Pension Fund Leadership - South Africa 2020

THE
EUROPEAN

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cfi.co

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