



Your Fund, Your Savings, Your Future

NJMPF

MEMBER NEWSLETTER

Your quarterly news update - September 2020

MESSAGE FROM THE CEO/PRINCIPAL OFFICER

Welcome to the Spring edition of the Member Newsletter for 2020.

Spring has sprung and even though the weather hasn't been sunshine and roses, we have a few things to smile about. We continue to protect ourselves and others from Covid-19 by practicing social distancing, adhering to sanitising protocols and wearing our masks. South Africa is also slowly opening up, having moved to level 1 on 21st September. Our hearts go out to all the family of those who lost their loved ones to the pandemic.



Mr Bonginkosi Mkhize

INVESTMENT PERFORMANCE DURING A GLOBAL PANDEMIC

The NJMPF has been receiving enquiries from Provident Fund members regarding the negative growth reflected on their benefit statements, which were distributed during the month of July 2020. As previously reported, the Covid-19 pandemic had a significant impact on investment markets all over the world. I am pleased to report that the Fund's investment returns show a strong recovery in April. The period from May to August has also shown consistent positive returns, although not as large as the recovery in April. However, investment managers are still advising investors to remain cautious, since the short-term outlook is still uncertain due to the Covid-19 pandemic and its impact internationally.

The NJMPF investments performed at a negative 16% in the first quarter to end March 2020, but with a good recovery shown in April, the Funds were about 5% lower after the first four months of the year. As noted above, the returns from May to August were also positive, with the result that your investment returns are now well ahead of the performance to 31 March 2020.

Our investment managers select assets which perform well over the longer term. This is a suitable strategy for members who need to grow their retirement assets over many years. So even if the market values fluctuate from month to month, the types of assets which have been selected are expected to give superior investment returns if measured over a number of years.

In order to assess the adequacy of our Funds' investment returns, it is useful to look at its performance relative to other retirement funds. The Global Large Manager Watch is a well-known survey of South African investment funds. The NJMPF found that, although the Funds would not have been amongst the top performers, we outperformed about half of the funds included in the survey. You can therefore rest assured that our Funds are on par with what other funds have achieved in the market for the year to date.

Provident Fund members who wish to enhance their benefit to improve their retirement when the time comes, have the following options available to them;

- Ensuring that you are contributing the highest percentage towards your retirement benefit, which is 9,25% and the employer contributes 18%.
- The NJMPF's promulgated Regulations allow for Provident Fund members to make additional voluntary contributions (AVC) to the Fund in order to enhance retirement or withdrawal benefits. The procedure is to request in writing to the Fund a proposed amount or percentage of pensionable salary that will be paid monthly for the Trustees to approve.
- Retiring members can also purchase an NJMPF In Fund low cost Living Annuity.

Important to remember:

*Everyone's investment needs are different – before making a decision speak to your financial advisor.

KwaZulu-Natal Joint Municipal Pension/Provident Funds

CONTACT: Client Services | **TEL:** 031 279 5300/0861 065 673 | **FAX:** (031) 266 6715 | **EMAIL:** info@njmpf.co.za | **POSTAL ADDRESS:** P.O. BOX 33, Westwood, 3633 | **STREET ADDRESS:** 5 Derby Place, Derby Downs Office Park, University Road, Westville, 3629 | **WEBSITE:** www.njmpf.co.za | **Facebook:** Natal Joint Municipal Pension Fund | **Twitter:** @NJMPF



KNOW YOUR FUND

MAINTAINING THE MOMENTUM

Victory songs and cries of joy may be muffled coming through face masks but that is no reason not to celebrate. Even in times of adversity, the NJMPF continues to strive for excellence. During the third quarter of 2020 the Fund continues to gain recognition amongst industry leaders and continues to be the benchmark for other pension funds in South Africa. The NJMPF scooped 6 Best Practice Awards from the Institute of Retirement Funds Africa Awards program, 1 Acquisition International award, 2 Stevie awards. Also a finalist at the World Pension Summit's Innovation Awards 2020 – nominated in the category Communication & Member Engagement.



FINANCIAL TIPS TO ASSIST YOU IN THE MIDST OF A GLOBAL PANDEMIC

It's difficult to navigate the current financial climate but seeking financial advice from a certified financial adviser and noting the following tips can assist you when making financial decisions.

Reduce expenses

Reducing your expenses will free up some money which will allow you to increase savings and avoid taking on new credit and credit cards.

Trim your Bills

Focus on paying off the debt you already have and don't take on new debt.

Budget

Create a budget if you do not already have one. This will allow you to track your spending and point out areas which you might need to cut down on or cut off completely.

Save

Having an emergency fund can provide a financial cushion without relying on credit cards to pay the bills.

Disclaimer: these tips are intended to provide general information and shouldn't be considered legal or financial advice.

PROTECTION OF PERSONAL INFORMATION ACT (POPIA)

POPIA came into effect on 1 July 2020 and the Fund will have 12 months from 1 July to become fully compliant. As a Member-centric Fund which places its members, and the safeguarding of their personal information high on our priority list, the Fund embarked on a journey towards POPIA compliance some time ago and that journey will culminate in full compliance by 1 July 2021.

UPDATE OF PERSONAL INFORMATION

It is important for the Fund to have accurate and up-to-date records of your personal information. We use this information to communicate with you and to be able to provide superior service levels. We urge you to keep us informed if any of your personal information changes. Complete the Member Detail form or email, phone or sms us and we will guide you.

RETIREMENT BENEFIT COUNSELLING

Important reminder - Any Member who exits KwaZulu-Natal municipal employ is required to go through a counselling process. The NJMPF in partnership with INFund Solutions have a Benefit Counsellor on site, to contact exiting members prior to paying out their benefits. Members are advised that no benefit will be paid out until benefit counselling has taken place. Ensure that the NJMPF has your latest contact details. Update your details via: info@njmpf.co.za.

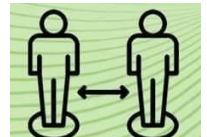


ALERT LEVEL ONE



As the Country moves to Alert level 1 it is important to remember that the Coronavirus has not disappeared - it is still amongst us and we need to remember to protect ourselves and those around us.

Masks must be worn in public places



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