



CAPE JOINT
PENSION FUND

Newsletter

Volume 50 • January 2015

Dear Member

This is our first Newsletter for the year and on behalf of our Board of Trustees, I would like to wish you and your family a prosperous 2015.

2014 was a very busy year for the Fund as we finalised the restructuring process and transferred the Defined Benefit Section members to the Defined Contribution ('DC') Section of the Fund. We also implemented the promised Life Stage Investment strategy for DC Members. In this edition of our Newsletter we provide feedback on the Fund's Investment Performance for the past financial year. You should have received your Annual Benefit or Transfer Statement, by now and if you are a DC member, please make sure that you are covered sufficiently for death and disability. Also take the time to read the article on reviewing your benefits.

Retirement Reform was a very hot topic during last year that caused a lot of panic and confusion for members, read more on this controversial topic on the next page.

Messrs Herman Botha and Mr Sakkie du Toit, well-known member Trustees for many years, both retired towards the end of 2014. We wish them the very best on their well-deserved retirement from local government. Fortunately, we were able to convince them to stay on somewhat longer as Additional Trustees. With their assistance the Fund started a very successful repositioning for its long term future and their experience and knowledge are vital to finish this process. Congratulations to Mr. Botha who has been re elected as Chairman of the Board and Ms. Van Zyl as Deputy Chairperson. Mr Johan Jacobs, Municipal Manager of the Hessequa Municipality, was co-opted as a Member Trustee. We are grateful to him for offering his services in this way. Enjoy reading this issue of the Newsletter.

Kind regards
Kobus Booyens
Principal Officer
kobusbooyens@capejoint.co.za



It's time to review your benefits

As a Defined Contribution and a remaining Defined Benefit section member, you would have received your Annual Benefit Statement with this Newsletter, and if you are a Defined Benefit member who transferred to the Defined Contribution section you would have received your Transfer Benefit Statement during October 2014. Your current risk option (DC section only) will be reflected on this statement and you can easily check to see whether you are still sufficiently covered.

WHEN MAY I CHANGE?

You can change your risk cover on an annual basis, between January and March at a nominal administration fee.

You can also change free of charge in the following events:

- On Marriage
- On Divorce
- The death of a spouse
- The death or birth of a child
- When your child reaches majority age
- When you reach the age of 40 or 50.



It is also important to note that should you wish to change your risk option, this should be done within 3 months from the date of one of the above events. The risk option change form is available on the Fund's website, www.cjpf.co.za, under Fund forms.

RISK OPTIONS AVAILABLE TO YOU?

Risk Option	Risk Option A	Risk Option B	Risk Option C	Risk Option D	Risk Option E <small>(This category only applies to members who transferred in 2014 from the Defined Benefit Section into the Defined Contribution section)</small>																				
Risk Cover Cost	5%	5%	2%	0%	6.482%																				
	The cost is fixed at the above percentage of pensionable salaries and funded from the employer contributions.																								
Death Cover	5.35 x Annual Pensionable Salary + Member share payable as a lump sum benefit	4.25 x Annual Pensionable Salary + Member share payable as a lump sum benefit	3.05 x Annual Pensionable Salary + Member share payable as a lump sum benefit	No cover – Member share becomes payable as a lump sum	A lump sum per age scale, as set out below plus your Member share is payable: <table border="1"> <thead> <tr> <th>Age</th> <th>Multiple of annual pensionable salary</th> </tr> </thead> <tbody> <tr><td>20-24</td><td>1</td></tr> <tr><td>25-29</td><td>2</td></tr> <tr><td>30-34</td><td>3</td></tr> <tr><td>35-39</td><td>4</td></tr> <tr><td>40-44</td><td>6</td></tr> <tr><td>45-49</td><td>6</td></tr> <tr><td>50-54</td><td>5</td></tr> <tr><td>55-59</td><td>2</td></tr> <tr><td>60-65</td><td>1</td></tr> </tbody> </table>	Age	Multiple of annual pensionable salary	20-24	1	25-29	2	30-34	3	35-39	4	40-44	6	45-49	6	50-54	5	55-59	2	60-65	1
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Disability Cover	Income Disability Benefit of 75% of pensionable salary up to the maximum of R110 000 per month	4.25 x Annual Pensionable Salary + Member share payable as a lump sum benefit	No cover – Member share becomes payable as a lump sum	No cover – Member share becomes payable as a lump sum	Income Disability Benefit of 75% of pensionable salary (after a 3 month waiting period) and 2x Annual Pensionable Salary as a lump sum. The income increases annually with 5%, limited to the rate of inflation.																				

IMPORTANT REMINDERS!

Remember to update your Beneficiary Nomination Form. It serves as an important guideline to the Trustees when allocating the death benefit.

As a DC member you can make Additional Voluntary Contributions (AVC) to the Fund. Please contact your payroll department to arrange that the additional amount is deducted from your salary and paid to the Fund.

An important update on the Financial advisors are provided on page 2.

Beleggingsnuus

DIE FONDS IS HERSTRUKTUREER

Na die grensverskuivende jaar vir die Fonds, met die suksesvolle Fondsherstrukturering van 'n Vastevoordeel-fonds in 'n Vastebydrae-fonds op 1 Augustus 2014, is aktiewe VB-lede nou in hul gekose Lewensfase-portefeuljes belê. Die verskillende risikoprofiel-gebaseerde Lewensfase-portefeuljes is spesifiek gestruktureer om die veranderende behoeftes en risikoverdraagsaamheid van lede te akkommodeer soos hulle nader aan aftrede beweeg. Die herstrukturering het onvermoeide pogings geverg om te verseker dat die hele proses glad en kostedoeltreffend in werking gestel word. Die proses het nie net breedvoerige samesprekings met die munisipaliteite ingesluit nie, maar ook 'n wesenlike beleggingsherstrukturering wat nuwe denke oor strategiese batetoewysing-modellering, portefeuljesamstelling en risikobestuursprosesse geverg het.

Soos jy geleidelik deur die lewensfases beweeg, vanaf die begin van jou werkloopbaan tot jou aftrede, sal jou persoonlike situasie en behoeftes verander. Jou aftreepplan moet kan verander soos jou behoeftes verander. Die risikoprofiel-gebaseerde Lewensfase-portefeuljes stel jou in staat om geleidelik jou risiko te verminder, maar deurentyd jou beleggingsbehoefte en -doelwitte in ag te neem. Jou finansiële verantwoordelikhede eindig nie by aftrede nie. Onthou om vir jou finansiële behoeftes voor én na aftrede te beplan, om seker te maak dat jou aftreespaargeld genoeg is om jou leefstyl te handhaaf en minstens met inflasie tred hou.



Bekendstelling van ons nuwe webwerf

Die Fonds is opgewonde om die opknapping van die webwerf aan te kondig. Ons wil dit meer gebruikervriendelik maak en maklike toegang vir ons pensioenarisse en lede verseker. Die webwerf sal 'n sentrale inligtingsbron wees en die jongste nuusbriewe, jou Fondsvoordele, inligting oor hoe om te eis, en nog baie meer verskaf. Wees op die uitkyk vir die bekendstellingsdatum van die webwerf.

IMPORTANT! UPDATE ON THE USE OF FINANCIAL ADVISORS

With the September 2014 Newsletter a list of companies was provided, with whom the Fund has contracted to render investment advice to members on a beneficial cost structure. Please note that the companies listed hereunder are the only service providers with whom the Fund contracted a beneficial cost structure. For more information on their products and services, please visit their respective websites or contact them on the numbers provided below. Remember to also point out that you are a member of the Fund in order to benefit from the fee arrangements.

Service Provider	Contact Number	Website
GraySwan Wealth	021 852 9092	www.grayswan.co.za
Old Mutual	*0860 388 873	www.privatewealth.co.za

*Please note that in the case of Old Mutual (Private Wealth), the contact details above are very important to ensure that you obtain the beneficial pricing. This may not happen if you simply contact your local Old Mutual branch.

Finally, please note again that the Fund merely concluded arrangements with these service providers as a measure to assist members with advice and the reduction of cost of such advice. We will review the arrangements from time to time and may add or change service providers. The Fund carries no responsibility/liability for the advice provided and members can make use of any other financial advisors and negotiate on the fees for these services.

HOW DID THE FUND PERFORM?

For the financial year ending June 2014, both the DB and DC Funds produced very strong results relative to their respective long-term targets and to other competing products in the market. The DB Fund returned 18.86%, outperforming its target by nearly 8% while the DC Fund returned 17.53%, outperforming its target by 4.4%. The table below illustrates these returns.

Period	DB Fund	CPI+4%	DC Fund	CPI+6%
July 2013 - June 2014	18.86%	10.89%	17.53%	13.03%

Ordinarily the DC Fund portfolio as it was constructed over the past financial year would have outperformed the DB Section. In the past year the Fund however comprehensively hedged the DB Section against negative market movements in order to protect member's shares pending the transfer to the DC Section. From the 1st of August 2014 the majority of members are invested in one of the risk profiled Life Stage portfolios within the DC Fund. August and September experienced negative equity market returns of -3.03% for the two month period as measured by the FTSE/JSE All Share Index (ALSI). Nominal Bonds, as measured by the FTSE/JSE All Bond Index (ALBI), and Inflation Linked Bonds, as measured by the BEASSA Index, returned 1.18% and 1.13% respectively, both underperforming headline inflation (CPI). Due to the high equity exposure the return for the Accumulation portfolio was -0.3% which is a good result despite a challenging market. Due to the more conservative weighting to equities, the other risk profiled Life Stage portfolios produced strong results with the Consolidation portfolio returning 1.58%, Preservation portfolio 1.52% and the Cash Plus portfolio 0.73%.

Voorstelle vir aftreehervorming uitgestel!

Aftreehervorming was vir die grootste deel van die vorige jaar 'n baie kontroversiële onderwerp en daar was gerugte oor die uitwerking daarvan en dat die voorstelle op 1 Maart 2015 in werking sou tree. Dit het heelwat paniek en verwarring onder lede veroorsaak.

Na konsultasie tussen die Nasionale Ekonomiese Ontwikkelings- en Arbeidsraad (NEDLAC) en Arbeid, het die regering besluit om die aftreehervormingsvoorstelle uit te stel. Die aanvanklike uitstelt tydperk is een jaar tot 1 Maart 2016, maar indien geen ooreenkoms by NEDLAC teen einde Junie 2015 bereik word nie, kan die inwerkingstelling tot 1 Maart 2017 uitgestel word.

PRESERVE, PRESERVE, PRESERVE!



It is important that you make the correct decisions when you resign from your employer and that you are aware of the options available to you when withdrawing your benefit from the Fund.

The Fund encourages members to preserve their benefit and this way ensuring that you saved appropriately for your retirement.

The following options are available to members on exit;

- Transfer your benefit to a Preservation Fund/Retirement Annuity
- Transfer your benefit to your new Employer Fund
- Become a deferred member of the Fund

It is also important that you obtain financial advice to assist you in making these choices.

BOARD OF TRUSTEES

Mr HF Botha – Chairperson, Mrs M van Zyl – Deputy Chairperson, Mr DL Carstens, Mr MJ de K de Waal, Mr I du Toit, Mr PW Esterhuizen, Mr J Jacobs, Mr J Lawack, Mr WR Meiring, Mr JAH van den Berg, Mr JDB van der Merwe, Mr D Venter, Adv JVA Booyens – Principal Officer