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consultants & actuaries

LA Retirement Fund

Actuarial Valuation as at
30 June 2018

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Valuator

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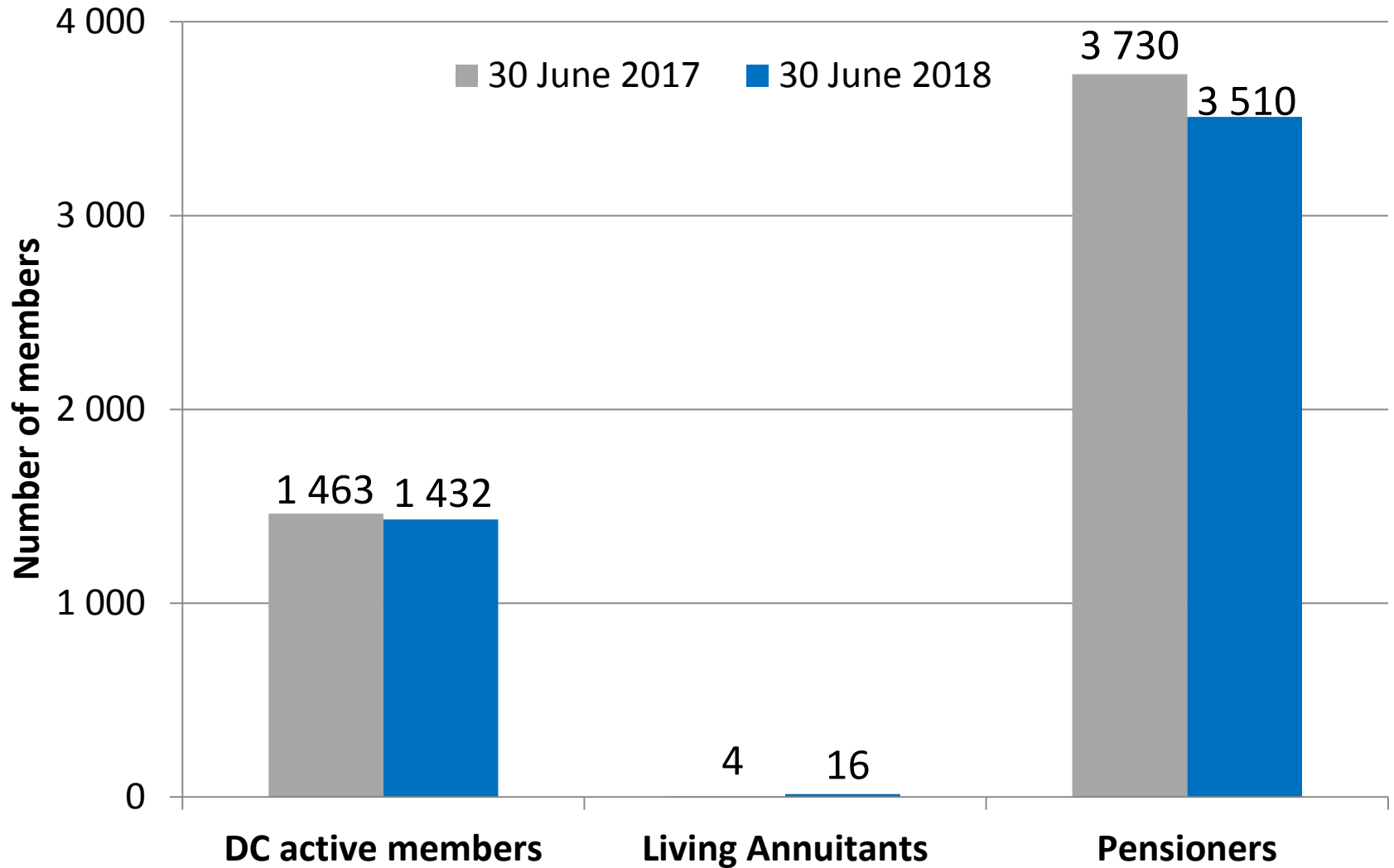
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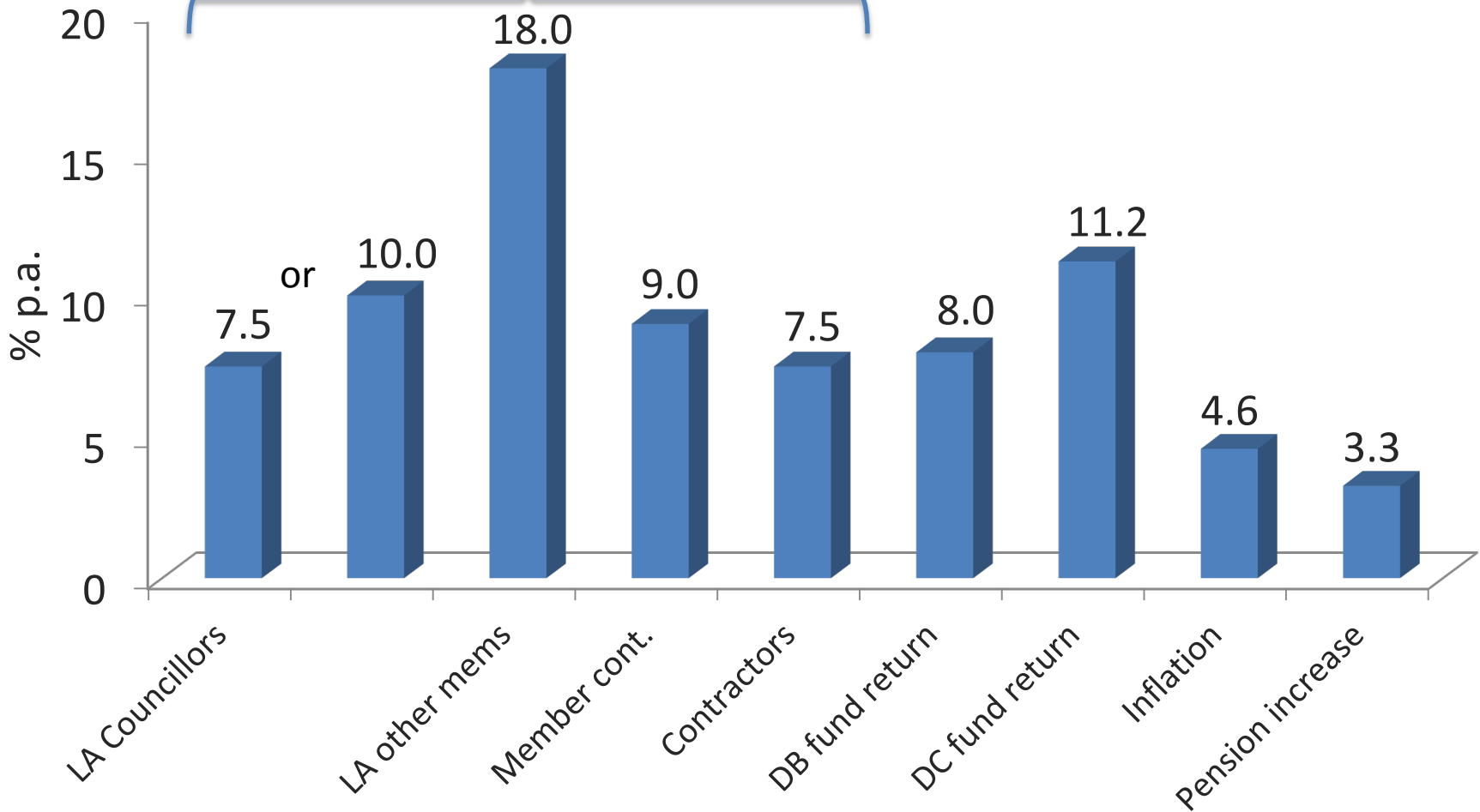


Membership statistics 30 June 2018



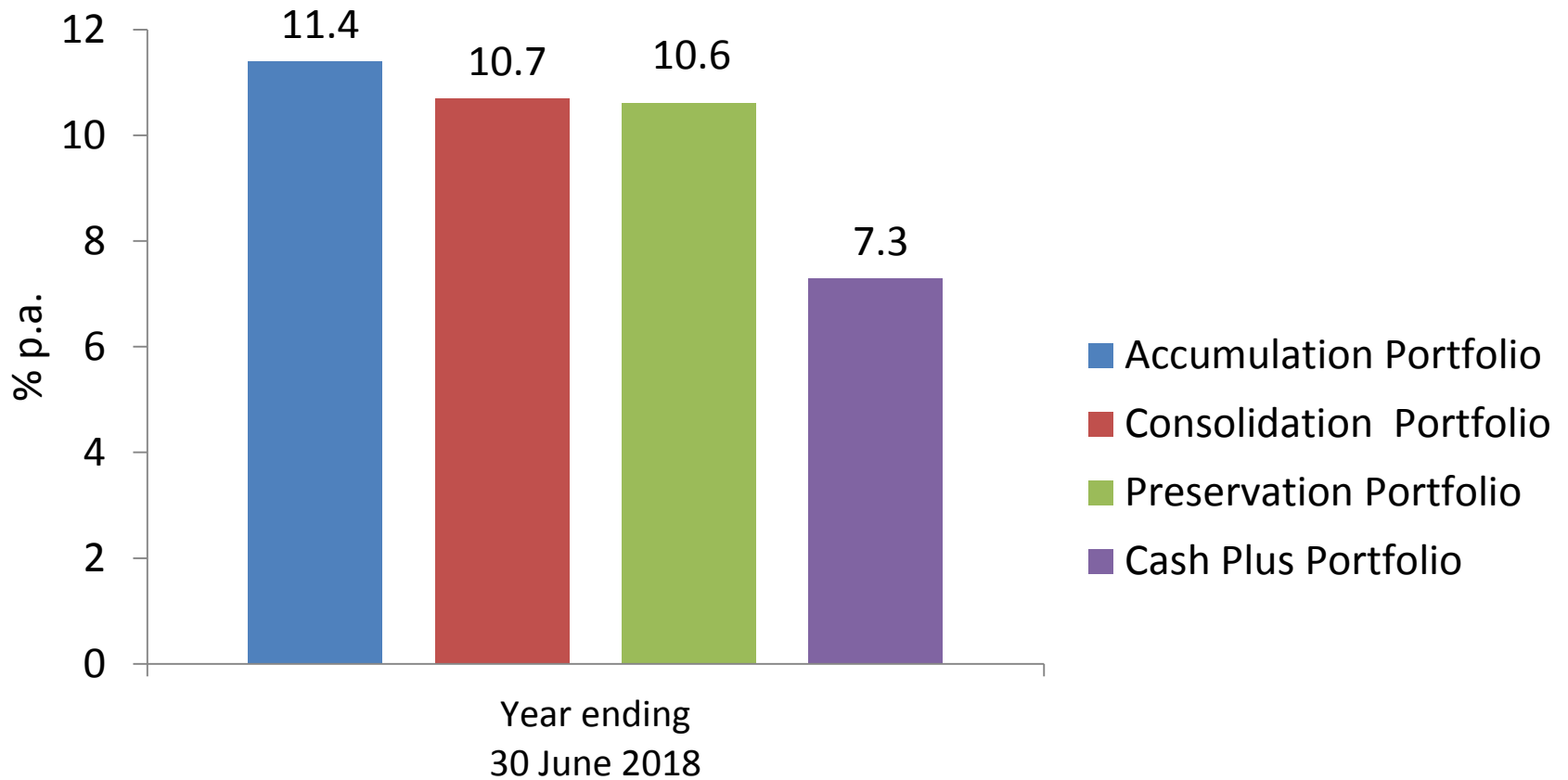
Statistics – year ending 30 June 2018

Contribution rates (% pensionable salary)





Investment returns allocated – DC Section





Financial condition – DC Section

| Financial Condition DC Section | 30 June 2018 R 000 | 30 June 2017 R 000 |
|---|-------------------------------|-------------------------------|
| Net assets of the DC Section | 2 018 237 | 1 911 937 |
| Members' Shares | (1 970 695) | (1 867 824) |
| Living Annuitant liabilities | (44 225) | (17 062) |
| Contingency Reserve Account | (9 199) | (10 059) |
| Processing Error Reserve Account | 5 882 | (16 992) |
| DC Section surplus | 0 | 0 |
| Funding level before reserves | 100.2% | 101.4% |
| Funding level (DC Section) | 100.0% | 100.0% |



Financial condition – DB Section pensioners

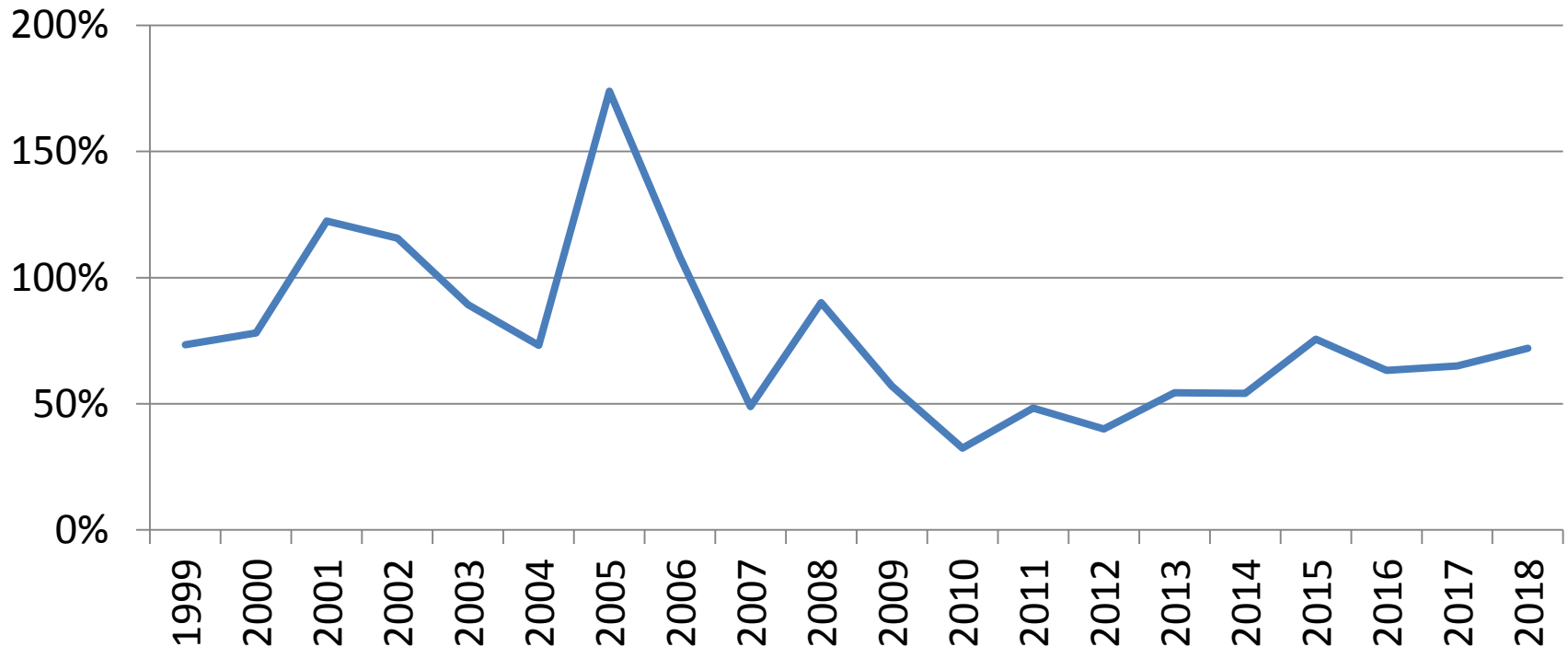
| Financial condition DB Section | 30 June 2018 R 000 | 30 June 2017 R 000 |
|---|-------------------------------|-------------------------------|
| DB Section net assets | 1 776 181 | 1 859 077 |
| Pensioner Account assets | 1 776 181 | 1 859 077 |
| Pensioner liabilities | (1 667 050) | (1 762 159) |
| Solvency Reserve | (45 708) | (49 929) |
| Surplus | 63 423 | 46 989 |
| Funding level | 103.7% | 102.6% |

Pension increase and bonus



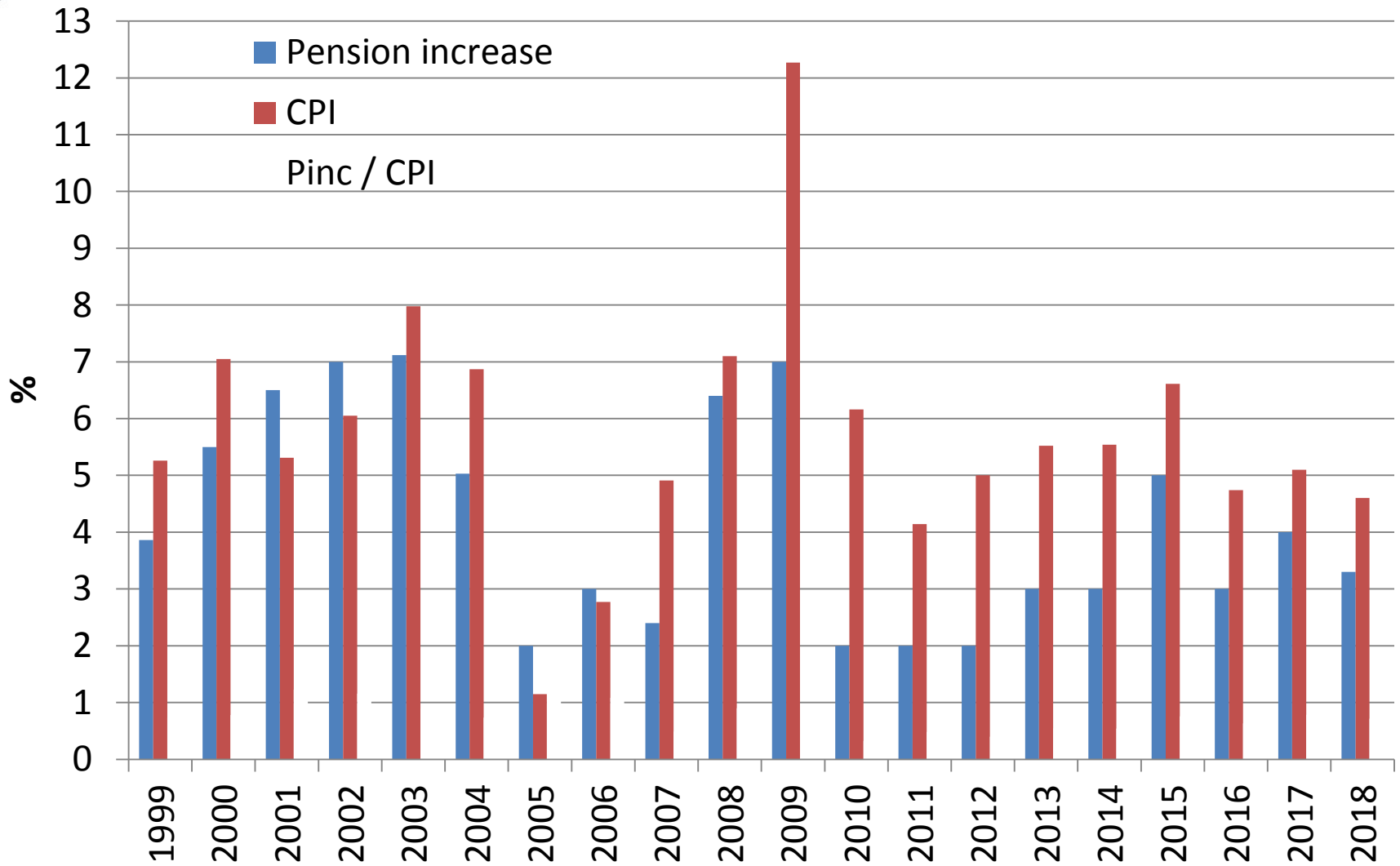
- ⊙ Pension increase of 3.22% on 1 January 2019
- ⊙ 70% of CPI to June 2018
- ⊙ Pensioner bonus of 60% of monthly pension in December 2018

Historical pension increases as a % of CPI



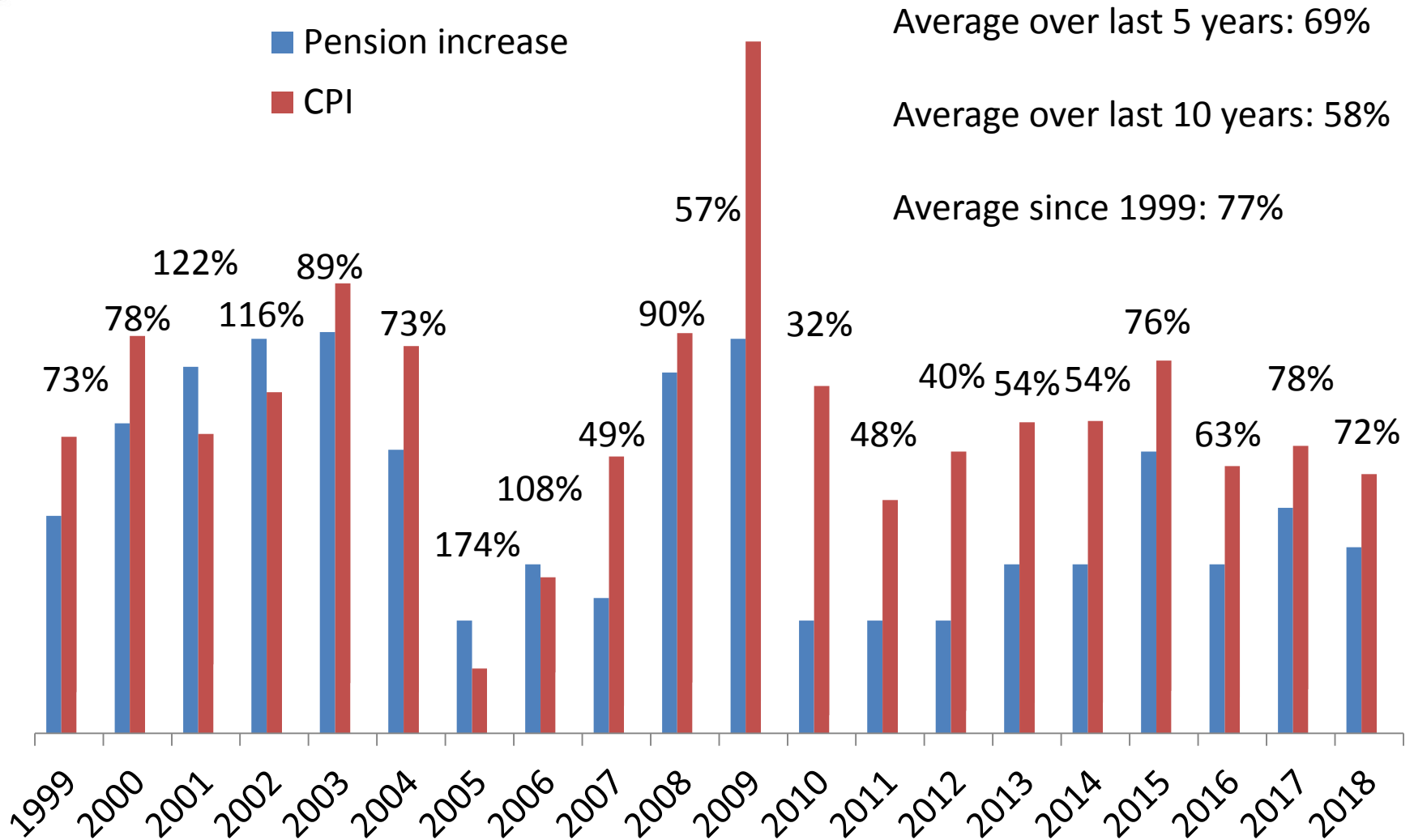


Historical pension increases





Pension increases as a proportion of inflation





Summary



- ⊗ Surplus of R63 million in the Pensioner Account
- ⊗ Pension increase target increased from 65% to 70% of inflation
- ⊗ Pension increase of 3.22% effective 1 January 2019
- ⊗ Pensioner bonus of 60% of monthly pension paid December 2018
- ⊗ Fund in a sound financial condition as at 30 June 2018



Thank you!

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