



RETIREMENT FUND

Securing your retirement

Member Newsletter
Vol 2 June 2020



Letter from the Principal Officer

Ilse Hartlief

Dear member

It is safe to say that 2020 has not gone the way any of us have planned.

Despite all the uncertainty in the world right now, we would like to reassure you that the safety and protection of your interests, as always, remains a priority for us.

If you are reading a hard copy of this newsletter, it is because we do not have a valid email address or cell phone number on record for you. Under current lockdown conditions the printing and distribution of hard copy communication is a challenge, and the future is unforeseeable in this regard. Now, more than ever, the need to ensure that you remain well informed on matters relating to your retirement benefits is a key priority. We therefore urge you to provide us with your up-to-date contact information by calling 081 806 9959 or by sending an e-mail to support@laretirementfund.co.za

We are all learning to adapt to the “new normal” and we are pleased to be able to find new ways to engage and ensure that we stay connected with you.

On that note, we would like to thank those of you who took the time to visit the website and view the recorded AGM presentations - we appreciate your feedback! If you have not had the chance to view these presentations yet, you can do so by visiting www.laretirementfund.co.za and clicking on the AGM Presentations 2020 button.

The success of any fund lies in the successful partnership between those who manage the Fund and the individuals for whose benefit the Fund exists.

Continue to stay safe during these uncertain times!

Annual review of insured benefits

The Board of Trustees is committed to making sure that the insured benefits to which you have access add maximum value to your life without being too expensive. To ensure this, the Board undertakes regular reviews of your fund benefits and makes changes where they feel these are in your best interest. The details are available on the Fund’s website and a brief overview is provided below:

• Funeral cover – outstanding savings

We are pleased to confirm that from 1 July 2020, the funeral cover rates for all three categories have once again reduced, this time by 5%. This is the 4th year in a row that these rates have reduced, resulting in a huge saving since inception of the flexible funeral benefit in 2017. The good news is that these achieved savings will be added to your member share value to enable it to grow that much faster.

Funeral Cover		
Rate per member per month effective 1 July 2020		
Option 1: R30 000	Option 2: R40 000	Option 3: R55 000
R42.75pm (Funeral cover premium)	R57.00pm (Funeral cover premium)	R78.35pm (Funeral cover premium)

• Death benefits – continued value for money

The flexible age banded benefit structure was implemented on 1 August 2017. The rates remained unchanged in 2018, reduced by 5% in 2019 and remain unchanged with effect from 1 July 2020. The free cover limit will also increase from R3.7m to R3.9m, which means that you automatically qualify for a benefit, without the need for medicals, up to the level of the free cover limit. This is again great news for all members who continue to receive value for money.

• Voluntary critical illness benefit – no increase

All members were given a once-off option of electing this benefit in February 2018 when three options, with their corresponding levels of cover were provided. The rates remained unchanged in 2019. The Board is again pleased to announce that the rates for all three options remain unchanged from 1 July 2020 to 30 June 2021.

• Disability income benefit – no increase

This benefit was re-designed with effect from 1 August 2019 in an effort to prevent an unaffordable increase in the current rate of 1.87% of pensionable salary. All members received targeted communication at the time. This was the right decision, as the rate of 1.87% of pensionable salary will remain unchanged from 1 July 2020 to 30 June 2021. The maximum permissible monthly benefit has also increased.

NOMINATIONS

2020 MEMBER TRUSTEE ELECTIONS

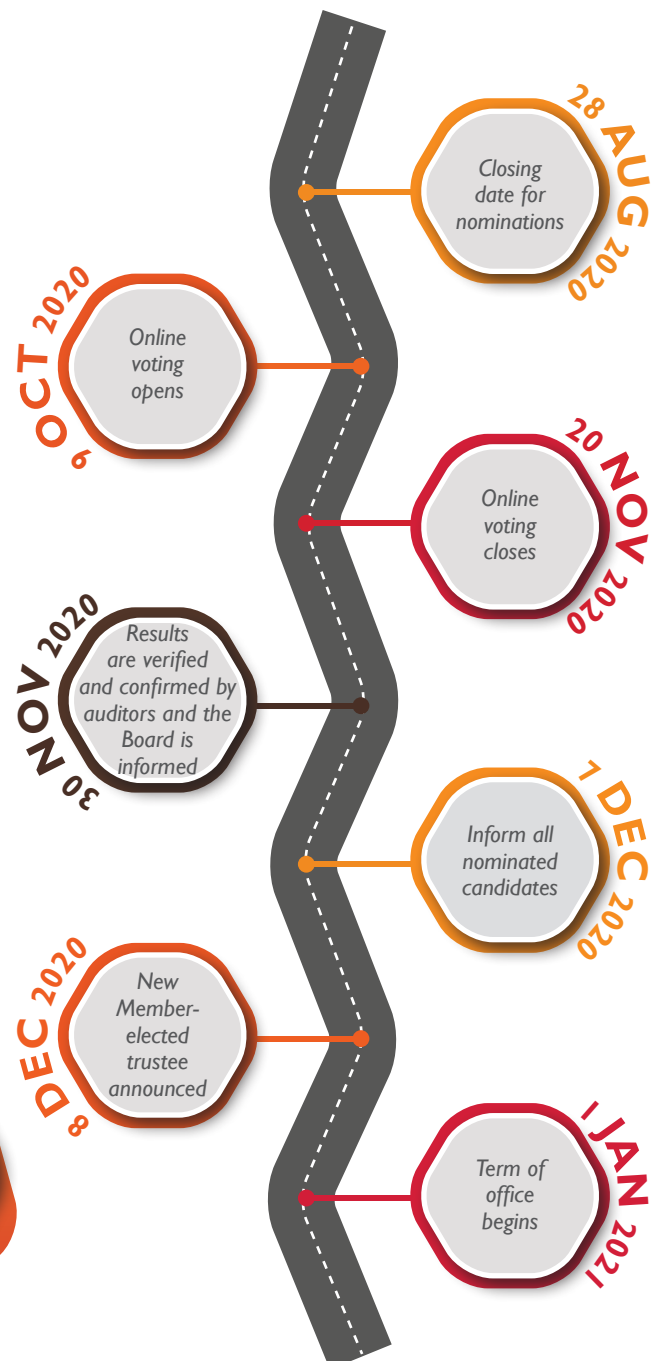
By participating in the 2020 Member Trustee Election process, you have the opportunity to ensure that your interests remain adequately represented and to make your vote count!

One vacancy for a member trustee needs to be filled by 01 January 2021 as Ms Michelle van Zyl's term as member trustee will end on 31 December 2020. Ms van Zyl has confirmed that she is available for re-election.

The Board of Trustees directs, controls and oversees the business of the Fund in accordance with the applicable laws and the provisions of the Rules. The current Board is composed as follows:

Two Member Trustees Ms. Michelle Van Zyl (Deputy Chairperson) Mr. Danie Carstens (Chairperson)	Two Pensioner Trustees Adv. Christi Franken Mr. Jan van den Berg
Elected by active members (including disability claimants, In-Fund Living annuitants, deferred/paid-up members and members who have postponed their retirement from the fund)	Elected by pensioners
Two Councillor Trustees Mr. Wouter Meiring Mr. Solomon Philander	Two Additional Trustees Mr. Jonathan Lawack Mr. Johan Jacobs
Appointed by the Local Authority with the highest Fund membership and the other Councillor Trustee elected by the Local Authorities	Suitably qualified individuals appointed by the Board of Trustees as additional trustees

This process will run over the next few months and will be implemented as follows:



The Election Process

The election process consists of two phases:



WHAT DO YOU NEED TO DO?

Step 1: Understand the role of a Trustee

Duties of a Trustee: The duties can be accessed on the Fund's website (www.laretirementfund.co.za) or can be obtained from the Fund Support Services Centre. In summary, they are as follows:

- Take all reasonable steps to ensure that the interests of members in terms of the Rules of the Fund and the provisions of the Act are protected at all times;
- Act with due care, diligence and good faith;
- Avoid conflicts of interest;
- Act independently;
- Act with impartiality in respect of all members and other beneficiaries;
- Ensure that proper accounts, entries, registers and records of the operations of the Fund are kept;
- Ensure that adequate and appropriate information is communicated to the members and other beneficiaries informing them of their rights, benefits and duties in terms of the Rules, subject to such disclosure requirements as may be prescribed;
- Ensure that contributions are paid timeously to the Fund in accordance with the Rules and the Act;
- Obtain expert advice on matters where the Board of Trustees lacks sufficient expertise;
- Ensure that the Rules and the operation and administration of the Fund comply with all applicable legislation and any legally binding ruling laid down by the Registrar or the revenue authorities;
- Keep registers containing the information prescribed by the regulations to the Act at the Fund's registered office;
- Determine the manner of dealing with expenses of the Fund not provided for in the Rules;
- Ensure that the assets of the Fund are kept in the name of the Fund or in the name of a nominee company approved by the Registrar;
- Arrange for the safekeeping of all title deeds and other securities belonging to or held by the Fund and for the marking of those documents so as to easily establish at any time that the documents belong to or are held by the Fund; and
- Comply with any other prescribed requirements.

The Board of Trustees currently meet once every second month for a two-day Board meeting and the Trustees appointed to the Audit Sub-Committee are required to attend three annual sub-committee meetings.

Step 2: Consider a candidate that you feel would best fulfil this role

Do you know anyone who is capable of representing members, including yourself, and who wishes to serve on the Board of Trustees?

When nominating, remember that your candidate must be willing to serve for a 5-year term of office and the following exclusions apply:

In terms of Rule 14.3 of the Rules of the Fund, any person who is ineligible to be, or disqualified from being a director of a company in terms of the Companies Act, 2008, may not be appointed, be elected or act as a Trustee. This includes, amongst others, the following persons:

- a) A juristic person;
- b) A minor or a person under legal disability;
- c) An un-rehabilitated insolvent;
- d) Any person who has been removed from an office of trust on account of misconduct; and
- e) Any person who has been convicted by a court of law, in South Africa or elsewhere, for theft, fraud, forgery, perjury or an offence involving fraud, misrepresentation or dishonesty, or an offence in connection with the promotion, formation or management of a company, subject to relevant legislation with regard to the disregarding of certain convictions which occurred prior to 1994.

PLEASE NOTE: An induction programme, ongoing trustee training and access to self-study material will be made available to the newly elected Trustee. The newly elected Trustee will be required to comply with the prescribed training requirements applicable to Trustees.

Step 3: Nominate your candidate

- A nomination form is attached to this notice to allow members to nominate one candidate for the member trustee vacancy. Members are defined in the Rules as actively contributing members, including members in receipt of an insured disability income benefit, deferred members/paid-up members, In-Fund Living annuitants and Fund members who have retired from employment but have postponed the payment of their retirement benefit.
- Each nomination form must be accompanied by a written acceptance letter/e-mail from the nominated candidate (the candidate can use the **drafted wording** or draft his/her own email/letter stipulating that they understand and agree to am the stipulated requirements) and written support via e-mail from two other members (i.e seconders).

- Please fax your nomination form, together with the 3 supporting e-mail submissions to the Fund on (021) 917 41 14 or scan and e-mail the completed form and accompanying documentation to support@lareirementfund.co.za
- All nominations must be received by the Fund before the closing date, Friday 28 August 2020 at 16h00.
- The Principal Officer may telephonically interview the nominated candidates. The Fund will also be screening the seconders to confirm their Fund membership.
- Should we only receive one nomination; no election will be necessary, as the nominated candidate will automatically qualify to become a member Trustee.

IMPORTANT NOTE: THE 2020 MEMBER TRUSTEE VOTING PROCESS WILL BE CONDUCTED ELECTRONICALLY. If you are reading a hard copy of this newsletter, please urgently update your contact information by calling 081 806 9959 or by sending an e-mail to support@lareirementfund.co.za

Your vote counts!

LIFE STAGE TRANSITION CHANGES

Life Stage investing is an investment strategy that attempts to provide an appropriate balance of risk and expected returns at different stages in a member's working life and the member shares are therefore invested according to each member's investment horizon to normal retirement age. The Life Stage strategy is the Fund's Trustee-approved default investment portfolio. As members approach normal retirement age, their member shares are gradually moved from the Accumulation phase to the Consolidation phase which has a more protection-focused investment approach. The Consolidation phase also aligns with the Fund's annuitisation strategy (i.e. the In-Fund Living Annuity). Member shares that are invested in the Life Stage strategy are currently automatically switched from the Accumulation phase to the Consolidation phase in the following two tranches:

- 50% at the beginning of the month following the member's attainment of age 59.5 years; and
- 100% of the member's remaining exposure at the end of the month in which they attain the age of 60 years.

All contributions made during the 6 month transitional period are invested in the Consolidation phase.

The Board of Trustees has decided to change the current 6 month transitional period with effect from 1 July 2020.



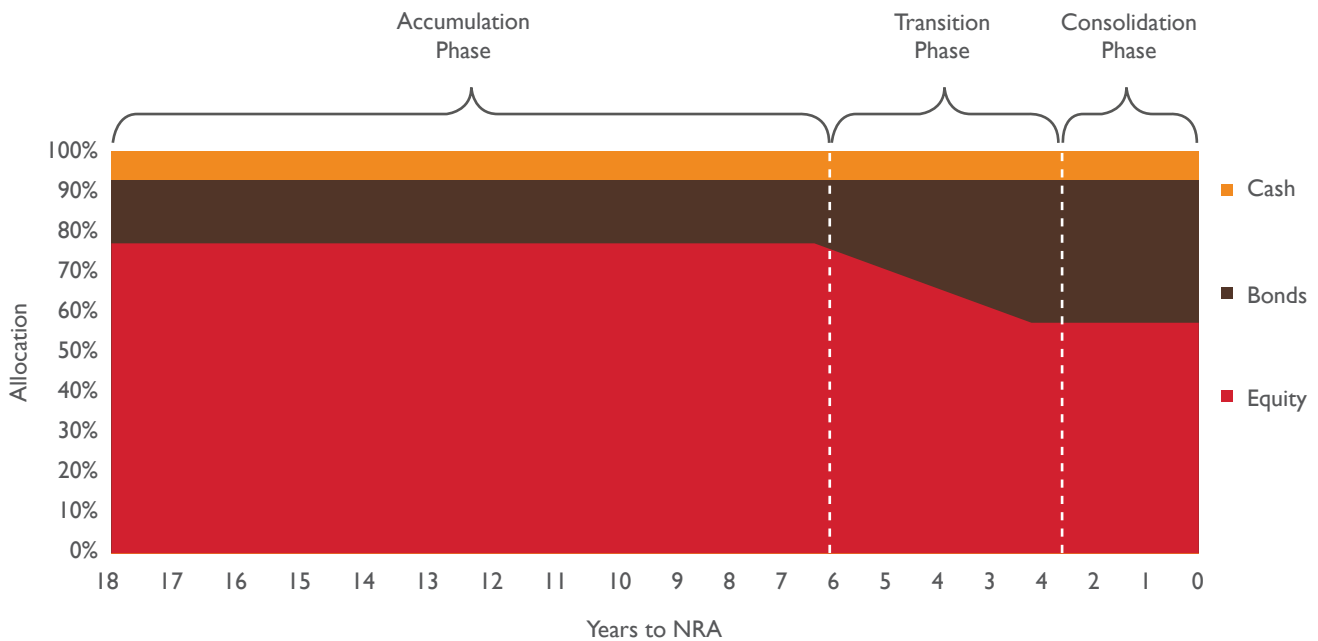
What is the new transitional period and why the change?

- The Board has decided to increase the number of transition tranches from 2 tranches over 6 months to 14 tranches over 3.5 years (i.e. quarterly over a period of 3.5 years).
- The conversion from the Accumulation phase to the Consolidation phase will still commence at age 59.5 years (i.e. 5.5 years before normal retirement age of 65).
- The conversion will be processed once every 3 months over a period of 3.5 years (i.e. in 14 tranches). This means that the member share will be fully invested in the Consolidation phase exactly 2 years and 3 months from the member's normal retirement age (i.e. 3 months before turning age 63).

The last tranche will be processed 3 months before your 63rd birthday.

Transition period tranches	Accumulation phase	Consolidation phase	Total	Age
0	100.00	0.00	100.00	
1	92.86	7.14	100.00	59.50
2	85.71	14.29	100.00	59.75
3	78.57	21.43	100.00	60.00
4	71.43	28.57	100.00	60.25
5	64.29	35.71	100.00	60.50
6	57.14	42.86	100.00	60.75
7	50.00	50.00	100.00	61.00
8	42.86	57.14	100.00	61.25
9	35.71	64.29	100.00	61.50
10	28.57	71.43	100.00	61.75
11	21.43	78.57	100.00	62.00
12	14.29	85.71	100.00	62.25
13	7.14	92.86	100.00	62.50
14	0.00	100.00	100.00	62.75

All contributions made during the 3.5 years transitional period will be channelled to the Consolidation phase. At the end of the last tranche, your member share will be full invested in the Consolidation Phase.



This strategy is the fund's default investment strategy which means that if you do not elect an investment option on joining the fund, your total contributions will be invested in the appropriate phase of the Life Stage strategy.

Trustees: Mr DL Carstens (Chairperson), Mrs M van Zyl (Deputy Chairperson), Adv CJ Franken, Mr J Lawack, Mr J Jacobs, Mr WR Meiring, Mr S Philander, Mr JAH van den Berg,
Principal Officer: Mrs IT Hartlief

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 Tel: 021 943 5305 • Fax: 021 917 4114
 www.laretirementfund.co.za • Fund registration No: 12/8/1278/2



2020 MEMBER TRUSTEE ELECTION NOMINATION FORM

DETAILS OF THE MEMBER MAKING THE NOMINATION

Date

Member's name

Address

Member number & local authority

Member signature

DETAILS OF THE MEMBER BEING NOMINATED

Full name of candidate

Candidate's member number

Candidate's identity number

Candidate's contact telephone number

Please attach an e-mail from the candidate confirming their acceptance of the nomination. The candidate must also confirm that he/she is not disqualified from holding the office of a Trustee. If elected, he/she must agree to comply with the prescribed training requirements applicable to Trustees.

This nomination form will not be accepted without the above e-mail.

Please attach two e-mails from two fellow members of the Fund who support your nomination. Both e-mails must include the member's name, membership number, contact telephone number and confirmation that they support your nomination.

This nomination form will not be accepted without the above e-mails.

RULES OF THE ELECTION

1. Each member may nominate one (1) candidate.
2. Members are defined in the Rules as actively contributing members, including members in receipt of an insured disability income benefit, DB deferred members/DC paid-up members, In-Fund Living Annuitants and Fund members who have retired from employment but have postponed the payment of their retirement benefit.
3. The nominated candidate must accept the nomination in writing (by either using the **pre drafted wording**, or drafting his/her own email/letter stipulating that they understand and agree to all the stipulated requirements) and must be a member of the Fund. Please attach an e-mail from the nominated candidate confirming their acceptance. In addition, attach 2 e-mails from two fellow members of the Fund who support your nomination. Please ensure that their e-mails include their names, membership numbers and contact telephone numbers.
4. Your nomination, inclusive of the 3 e-mails must reach the Fund **by no later than 16h00 on Friday 28 August 2020** – please fax your Nomination Form and 3 e-mails (i.e. confirmation from the nominee that he/she accepts the nomination and support from 2 other Fund members) to the Fund on (021) 917 4114 or scan and e-mail the completed form and supporting documents to support@laretirementfund.co.za.
5. The nominees will be contacted and requested to supply a brief CV (no more than 100 words) and their recent ID photograph, which will be published at the time of the election.
6. If two or more valid nominations are received, an electronic online ballot form inclusive of the eligible nominated candidates' details will be made available to members to facilitate the voting process. One vote per eligible member is allowed. Online voting closes at **16h00 on Friday 20 November 2020**. The overall election process is monitored by the Principal Officer, in her capacity as the Election Officer, and the Fund's auditors will verify the online ballot forms. The nominated candidate with the most votes will become a member Trustee. The term of office of the appointee will be five (5) years commencing on 1 January 2021.

Trustees: Mr. DL Carstens (Chairperson), Mrs. M van Zyl (Deputy Chairperson), Adv. CJ Franken, Mr. J Lawack, Mr J Jacobs, Mr WR Meiring, Mr S Philander, Mr JAH van den Berg,

Principal Officer: Mrs IT Hartlief