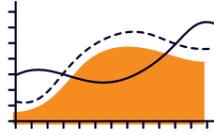


**01**  
FY 2020  
FUND  
HIGHLIGHTS



**Stability maintained despite Covid-19**

<b>R3.31 billion</b>	Assets Under Management
<b>1 436</b>	Active members
<b>52</b>	In-Fund Living Annuitants
<b>3 073</b>	Pensioners
<b>3% (R460 784)</b>	Y-o-Y cost reduction



**Competitive investment returns for members**  
Between **0.53%** and **2.89%**  
(over a very challenging 12 months).



**Reliable support for pensioners**  
Pension increase of **3.12%**  
(1 January 2020)  
Pensioner bonus of **50%**.



**Trusted, consistent support**  
**118** Total benefits paid  
(excluding pensions) amounting to  
**R172 362 546**

**02**  
CHAIRMAN'S  
MESSAGE



**The focus of this year's report is "Helping to ensure your retirement goals stay within reach."**  
Delivering on this promise against the very challenging backdrop of the past financial year has required the Fund to be practical, adaptable and flexible in its approach to change. As a board, we focused most of our attention in the year under review on communicating with, and educating, our members.

The Fund's Risk Profiled Solutions were materially affected by the significant and rapid equity declines due to the pandemic, but they continue to outperform the broader industry of retail retirement fund products.

Cost curtailment remains a key focus, and the increased use of technology has resulted in several cost savings for the Fund and its members.

The board reiterates its commitment to do everything in its power to protect members' Fund benefits in light of renewed efforts by SALGBC to force a collective agreement. We will keep members informed of progress in this regard.

The board is grateful to all the Fund's service providers for their ingenuity and determination over the period. It was business as usual for these service providers,

all of whom were able to continue delivering excellent service, despite the very different environment that required most to work from home.

**Danie Carstens**  
Chairperson

**03**  
FUND MEMBERSHIP  
AT A GLANCE



	AS AT 30 JUNE 2020	AS AT 30 JUNE 2019
Active members	<b>1 436</b>	<b>1 415</b>
Deferred members	<b>20</b>	<b>23</b>
Pensioners	<b>3 073</b>	<b>3 242</b>
Avg age of pensioners	<b>79</b>	<b>78</b>
In-Fund Living Annuitants	<b>52</b>	<b>35</b>
Assets under management	<b>R3.312 billion</b>	<b>R3.615 billion</b>

**04**  
LONG-TERM  
INVESTMENT  
RETURNS  
STILL ON TRACK

As Covid-19 took effect early in 2020, **most stock markets across the world dropped by more than 30% in just 22 days.** Moody's also downgraded South Africa's sovereign debt to sub-investment grade. This resulted in a profound weakening of the rand which meant a fall in capital values.

**04**  
LONG-TERM  
INVESTMENT  
RETURNS  
STILL ON TRACK

**Listed property dropped by more than 50%**

**Local equities fell 33.25%**

**Nominal bonds lost 17.64%**

**Inflation-linked bonds lost 15.20%**

**Fortunately, investment markets staged one of its strongest recoveries in history, and by the middle of 2020,** most of the losses had been recovered.

However, this period of poor performance negatively impacted the Fund's risk-profiled solutions over the past 12 months. It is however important to remember that investing is not

a short-term activity, and that performance should be measured over at least a three-year rolling period, as shown in the following table:

Investment performance to end-June 2020	12 months	3 years	5 years	Since Inception
Accumulation	<b>1.08%</b>	<b>5.07%</b>	<b>4.99%</b>	<b>5.28%</b>
Consolidation	<b>1.95%</b>	<b>5.67%</b>	<b>5.61%</b>	<b>6.61%</b>
Preservation	<b>2.25%</b>	<b>7.02%</b>	<b>6.62%</b>	<b>7.20%</b>
Cash Plus	<b>2.89%</b>	<b>6.20%</b>	<b>7.15%</b>	<b>6.96%</b>
Shari'ah	<b>-1.40%</b>	<b>5.05%</b>	<b>5.89%</b>	<b>6.02%</b>
Inflation	<b>2.05%</b>	<b>3.63%</b>	<b>4.50%</b>	<b>4.51%</b>

**05**  
COMMITTED  
TO GOOD  
COMMUNICATION



Despite the many and varied challenges created by Covid-19 and the national lockdown response in 2020, **the LA Retirement Fund remains committed to effective and value-adding engagement with all members.**

This includes:

**1. Digitising** paper-based member communications like newsletters, statements, and mailers.

- 2.** Offering **online education** in digital formats.
- 3.** Providing **investment information** through live and recorded webinars.
- 4. Empowering members** to make good financial decisions.
- 5.** Achieving an **effective mix** of digital and traditional communications to meet all member preferences.

- 6.** Gathering and maintaining **correct and reliable member data.**
- 7. Building strong relationships** with HR departments to better serve members.
- 8.** Enabling **two-way communication** and engagement between the Fund and its members.



**06**  
GOOD  
GOVERNANCE:  
HELPING MEMBERS  
REACH THEIR  
RETIREMENT  
GOALS



The board recognises that the Fund's ability to help its members achieve their desired retirement outcomes depends on its effective management of risks and opportunities as well as its commitment to ensuring the Fund's strategic direction, investment and operational performance align with those member outcomes.

**1.** At least 50% of the board members are **elected by members and pensioners**

- 2.** The other **50% of the board is appointed by local authorities or are independent.**
- 3.** Board is focused on aligning with the **King IV** Report on Corporate Governance for SA.
- 4.** An **annual evaluation of the performance** of the board and all other service providers is done.
- 5. Trustee Training Policy** ensures the board constantly improves its competencies.

- 6.** All trustees are required to sign the **Code of Conduct** - a commitment to integrity, competence, responsibility and accountability.
- 7.** The **principal officer** assists and supports the board in running the Fund.
- 8.** The Rules of the LA Retirement Fund **clearly define how the Fund works.**



**07**  
THERE FOR OUR  
MEMBERS WHEN  
THEY NEED US



The following benefit claims were processed for the period 1 July 2019 to 30 June 2020

Claim Type	Number	Value
Withdrawals	<b>51</b>	<b>R36 678 149</b>
Retirement claims	<b>56</b>	<b>R106 870 473</b>
Death claims	<b>11</b>	<b>R21 426 061</b>
Divorce claims	<b>11</b>	<b>R8 191 020</b>
Funeral claims	<b>22</b>	<b>R675 000</b>



**Out of difficult circumstances something beautiful grows.**

Anonymouse



RETIREMENT FUND

Securing your retirement - Versakeur jou afrede - Ukukhusela umbala phantsi waliso

2019 | 2020