



Trustee Member Newsletter

FundsAtWork
Umbrella Pension and
Provident Funds

momentum
employee benefits

Edition 1
June / July 2013

Are *you*
prepared for
retirement

☐ yes
☐ no
☐ maybe

From the
desk of the
chairperson

H. A. Lambrechts
Professor Hugo Lambrechts

Pin board

According to industry research, most South Africans are not well prepared for retirement and life's eventualities. This may have a serious impact on our ability to take care of ourselves and our loved ones when we are no longer able to earn an income due to retirement, death or disability. Owing to our nation's appallingly low retirement savings, Government depends on the financial services industry to guide our people in making better choices to secure comfortable retirement years.

In his budget speech this year, Finance Minister Pravin Gordhan confirmed that it will become, to some extent, compulsory to preserve our retirement savings instead of taking it in cash when we leave employment. However, members will still have access to their preserved retirement savings if needed, subject to certain rules. All pension and provident funds, like the FundsAtWork Umbrella Funds (the Funds), will have to choose a default preservation fund as an option for members to transfer their benefits to when they resign

from their employer. The trustees of the Funds support the Minister's proposal.

We take our responsibility of supporting you on your financial wellness journey seriously. We had already chosen a default preservation option in 2007, long before Government's proposal. If you leave your current employer, you can be certain that your retirement benefit will be preserved automatically to the pre-selected FundsAtWork Preservation Fund, unless you advise us otherwise. This auto-preservation is done at no additional cost and within the same product option and investment portfolio you were invested in while you were still an active member of the FundsAtWork Umbrella Funds.

We have dedicated this edition of the member newsletter to the burning topic of retirement savings. We explain the section of your benefit statement showing your investment portfolio allocation and exactly how much of your salary is invested every month. Now have a look at your own benefit

statement which you can access by logging in at www.momentum.co.za/fundsatwork. The colourful graphs illustrating the investment performances make it easy to understand the performances of the various investment portfolios available under the Funds. We also share with you the challenges that can make it difficult to reach your retirement savings goals. Is it perhaps time for you to change your investment portfolios to make sure that you reach your goals? JobZ and COLLE will guide you through the process. Remember that you should always ask the financial adviser on your scheme for advice before you make any changes.

Although we all have the same goal – a comfortable retirement – we are unique individuals with different financial needs. FundsAtWork's income continuation solutions have been designed to suit your individual financial needs to help you to make your world more secure.

Keep well and keep saving.



Protect your
world



Your retirement
fund explained



Investment
performance



JobZ and COLLE



A free ticket to
fair treatment



Factors
influencing your
retirement goals

Protect your world

Your family, your job, your health, your money and your future – **these are some of the most important things that make up your world.** What are you doing to protect your world and how can you prepare for your future?

FundsAtWork helps our members to protect their financial wellness and that of their families, both now and in the future. We know how important it is for you to have financial security in place and we are here to help you do just that. FundsAtWork offers you flexible insurance, retirement and preservation solutions that will suit your changing lifestyle needs and choices at each stage of your life.

Life is difficult enough without having to deal with complicated insurance and retirement policies and hidden information that affects your benefits. That is why we make sure our income continuation solutions are transparent and easy to understand. Saving for retirement is something that everyone should start doing from the day they get their first pay cheque.

Most employers want to protect and care for one of their most valuable assets: their employees. FundsAtWork is able to help you to secure your world together with your employer. It is not always easy, but saving enough now can go a long way when you retire and need a source of continued income from your retirement fund to cover your post-retirement living expenses. Without sufficient retirement savings, you and your family could be at risk when you retire.

As your home and your family grow, investing in death and disability insurance and retirement savings becomes more important than ever before, especially with each life-changing step that you take. Life-changing moments can be as wonderful as your wedding or the birth of a child, and as

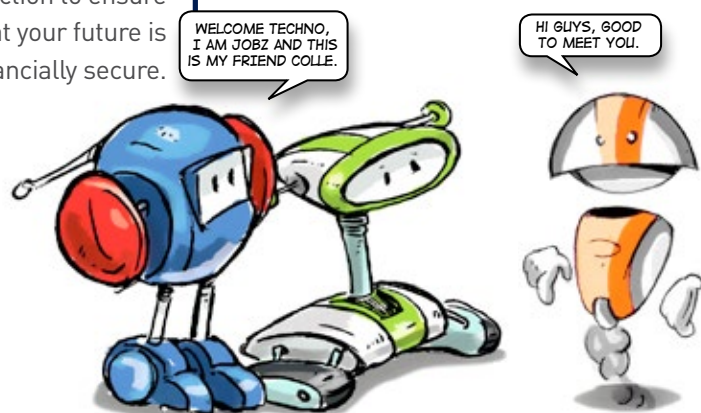
exciting as buying a car or buying your first home, but they can also be as unthinkable as an accident that leaves you disabled and unable to take care of your precious family. Retirement is also a life-changing event that many do not even think about until it is too late.

Are you prepared for the impact that these life-changing moments could have on your ability to provide and care for your family? FundsAtWork's insurance, retirement and preservation income contribution solutions are designed to meet your individual needs, and to ensure sustainable financial wellness for you and your loved ones. However, we encourage you to speak to the financial adviser on your scheme to help you with your financial planning. It's your financial wellness journey, start now and enjoy a better world tomorrow.



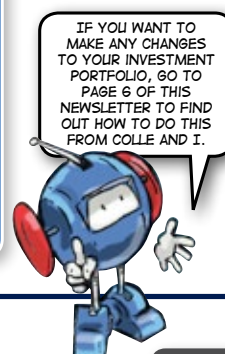
Our member newsletter is created with one purpose in mind: to provide you with all the information you need to understand your retirement fund. **We believe that sharing knowledge means sharing power** – and with the power in your hands, you can take action to ensure that your future is financially secure.

Your retirement fund explained



In the December 2012 edition of the trustee member newsletter, we explained each aspect on the first page of your benefit statement and showed you where to see how much you have already saved. The traffic light icon on the last page of your benefit statement shows you if your savings are on track for a comfortable retirement or if you should start saving more. You can find the December 2012 edition at www.momentum.co.za/fundsatwork if you would like to review the details of the benefit statement.

Do you know how much you have already saved for your retirement, in which portfolios your money is invested and exactly how much of your salary is invested every month? In this edition, we explain your investment allocation and your contributions to the Funds. JobZ and ColLE and their new friend TechnO are members of the FundsAtWork Umbrella Funds, but each chooses to invest their contributions differently.



You will receive an SMS or email once your investment portfolio change has been made, and we will also send you an SMS or email every month as soon as your contribution has been invested. Remember: you need to keep your contact details updated.

Ways to update your personal and contact details

- Go online at www.momentum.co.za/fundsatwork. You are already registered to use the member portal and your log-in details were given to you in your welcome letter when you joined the Fund. You can activate your User ID by logging into the website or by phoning the Client Contact Centre on 0860 65 75 85 to assist you.
- Call the contact centre if you don't have access to the internet.
- Ask your employer to download the personal details form or to go to our website to download it, complete it and send it back to us. All the forms you need are on our website.

It is also important that you keep your beneficiary details up

to date. In the December 2012 issue of our trustee member newsletter, we explained why you should always keep your beneficiaries' details updated. You can find a copy of the newsletter at www.momentum.co.za/fundsatwork. If you keep the details updated you will protect your loved ones by making sure your benefits will not be transferred to an unclaimed benefits fund when you die.

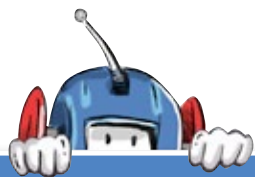
Ways to update your beneficiary details

- Download the PDF form, complete it and send it back to us together with all the relevant supporting documents.
- Call the Client Contact Centre on 0860 65 75 85 to assist you.

Even if your details have not changed since you joined the Fund, we suggest that you double check it to make sure it is correct.

Our next newsletter will focus on explaining your insurance benefits.





Hi, I'm JobZ and this is the name of the investment portfolio that my retirement contributions are invested in every month. For example, I'm investing my retirement contributions in the Momentum Money Market portfolio.

The current balance in my retirement savings account is R100 000. The 100% next to the amount means that all the money in my retirement savings account is invested in the Momentum Money Market portfolio.

The 0% means that no market value adjuster applies to the Momentum Money Market portfolio.

The 100% under the "future contribution" column means that all the contributions to my retirement savings account is going into the Momentum Money Market portfolio.

Investment allocation	Retirement savings account		Market Value Adjuster	Future contribution allocation
Momentum Money Market	R100 000	100%	0%	100%

The current balance in my retirement savings account is R110 000, R10 000 is invested in the Momentum Secure Bonus (MSB) Portfolio plus R100 000 invested in the Momentum Multi-Manager Balanced portfolio. I decided to move some of my investment from the MSB portfolio to a different portfolio.

Investment allocation	Retirement savings account		Market Value Adjuster	Future contribution allocation
Momentum Secure Bonus	R10 000	10%	0%	0%
Momentum Multi-Manager Balanced	R100 000	90%	0%	100%

I am investing my retirement savings in the Momentum Secure Bonus portfolio and the Momentum Multi-Manager Balanced portfolio.

Hi I'm CollE, and I'm no longer investing any of my retirement contributions into the MSB portfolio (0%), but decided to invest 100% of my contributions in the Momentum Multi-Manager portfolio.

The current balance in my retirement savings account is R 100 000 (R10 000 + R10 000 + R 80 000) invested in 3 different portfolios.

Investment allocation	Retirement savings account		Market Value Adjuster	Future contribution allocation
Allan Gray Life Global Absolute Fund	R10 000	10%	0%	10%
Coronation Houseview Portfolio	R10 000	10%	0%	10%
Momentum Passive Lifestages	R80 000	80%	0%	80%

I am investing my retirement savings in the Allan Gray Life Global Absolute Fund, the Coronation Houseview Portfolio and the Momentum Passive Lifestages portfolio.

Hi I'm Techn0, and I'm splitting my retirement savings contribution every month into 3 different portfolios and a different percentage of my contribution goes into each portfolio.

The extra amount of money that my employer contributes towards my retirement savings every month, over and above the normal employer contribution.

The extra amount of money that I contribute towards my retirement savings every month, over and above my normal contribution. If you can afford it, you should consider paying additional voluntary contributions to make sure that you will have enough money saved for a comfortable retirement.

Investing in portfolios that offer no capital or performance guarantees have varying degrees of market risk. In times of poor market performance it is possible that capital losses may occur.

When investing in portfolios that offer capital guarantees (excluding Momentum Secure Bonus) a Market Value Adjuster (MVA) might apply when moving assets out of these portfolios.

An MVA is an exit penalty which may be deducted from your retirement savings account to protect the interests of remaining members. This can happen mainly due to market fluctuations. This means you could receive less than the value reflected on your benefit statement if you change your portfolio.

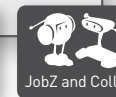
An MVA may apply for example:

- when all the members with a particular employer exit the portfolio due to moving to another fund or due to liquidation,
- when an individual member chooses to move to a different investment portfolio.

Contributions to the Fund			
Contribution	Frequency	Rate	Amount
Your contribution	Monthly	7.00%	R800.00
Your employer's contribution	Monthly	7.00%	R800.00
Additional voluntary employer contributions		0.00%	
Additional voluntary member contributions	Monthly	5.00%	R200.00
The cost of the insurance benefits is deducted from your employer's contributions. The management fees including commission are paid by your employer over and above the employer's contributions shown above.			
If you leave your current employer because of resignation, retrenchment, dismissal or retirement, the benefit payable from the Fund is equal to the balance in your retirement savings account.			

The amount of money that I contribute towards my retirement savings every month.

The amount of money that my employer contributes towards my retirement savings every month.



Investment performance

Now that you know in which investment portfolio your money is invested every month, **it is also important to know how your investment portfolio is performing.** The fund fact sheets of all the Momentum portfolios, available under the different FundsAtWork product options, are available on our website at www.momentum.co.za/fundsatwork.



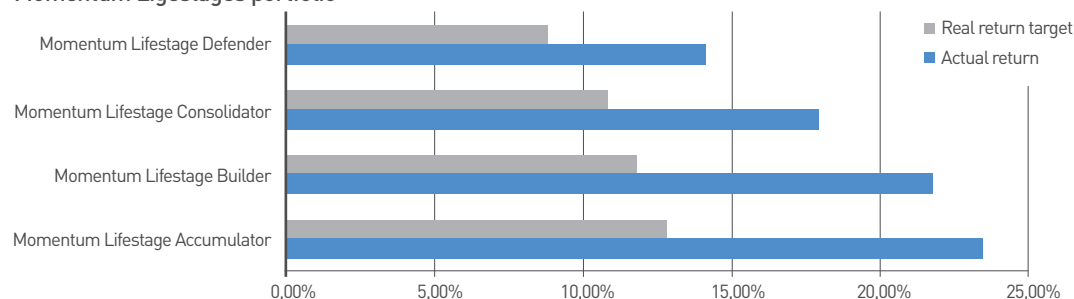
Momentum Lifestages portfolio

In April 2012, the FundsAtWork trustees approved the change from the Momentum Active Lifestages portfolio to the Momentum Lifestages portfolio, which include the current Accumulator, Builder, Consolidator and Defender Momentum Active Lifestage portfolios. The trustees decided to change to the Momentum Lifestages portfolio because the new portfolio is more diversified and invests in both traditional asset classes, such as equities, bonds and cash, as well as "new generation" asset classes, such as hedge funds and private equity. The new Momentum Lifestages portfolio is preferred because of the following factors:

- the different asset classes are multi-managed, which means that investments are looked after by a selection of the "best managers" in the industry;
- it targets slightly higher real returns (ie returns above inflation) compared to the old Momentum Active Lifestages portfolio, which means improved expected replacement ratios over the long term;
- it is a market linked portfolio, which means it is exposed to a higher level of market volatility than the old Momentum Active Lifestages portfolio but in the longer term members will benefit;
- it does not provide any capital guarantees unlike guaranteed portfolios, which can be more expensive in the long term because of the capital charges; and
- it is more aggressive compared to the old Momentum Active Lifestages portfolio. This will hopefully improve the expected replacement ratios over the long term. The article on *the factors influencing your retirement goals* explains the term replacement ratios.

The table below shows the actual returns of the new Momentum Lifestages portfolio relative to their real return targets for the year ending March 2013.

Momentum Ligestages portfolio



After the transition of the assets from the old to the new Momentum Lifestages portfolio, the old portfolio was no longer offered. However, we have illustrated what the returns of the old Momentum Active Lifestages portfolio would have been because the underlying building block portfolios are still available.

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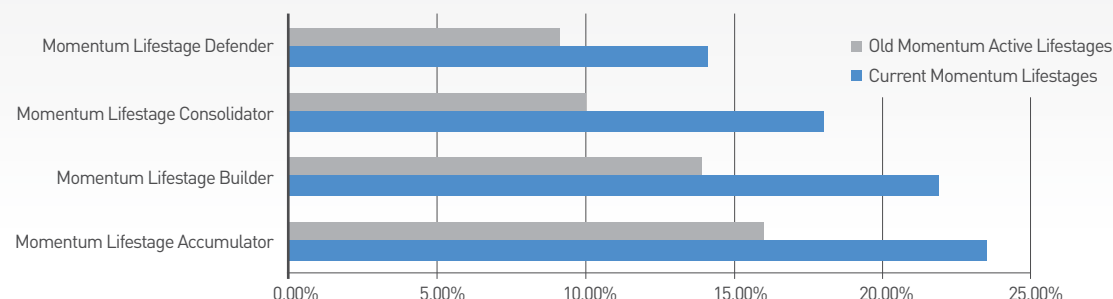




To give you an example of how this change would directly affect your savings, the table to the right shows the expected replacement ratios for two members who have the same amount in their retirement savings account, who earn the same salary, contribute the same amount every month, and who are both 30 years away from normal retirement age.

The only difference is the expected investment returns. The first column assumes an expected investment return of inflation + 5% per annum in line with the expected average annual return of the old Momentum Active Lifestages portfolio, and the second one assumes an expected average annual investment return of inflation + 6% per annum in line with the expected return of the new Momentum Lifestages portfolio.

The table below shows the returns of the new Momentum Lifestages portfolio compared to the old Momentum Active Lifestages portfolio for the year ending March 2013.



Expected replacement ratio (ERR) return in line with the old Active Lifestages portfolio

ERR of 68%

Expected replacement ratio (ERR) return in line with the new Lifestages portfolio

ERR of 79%

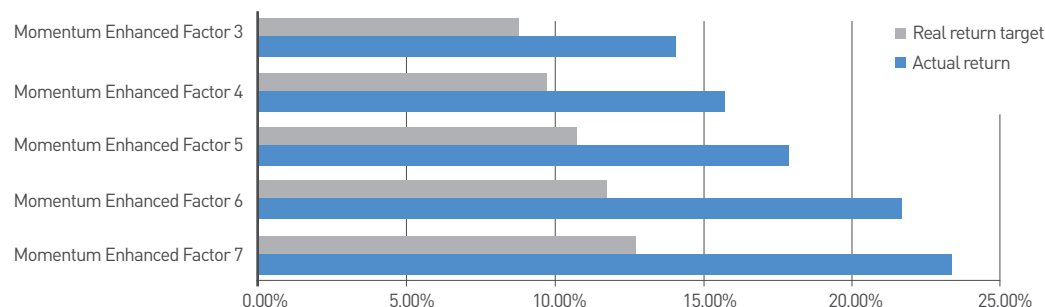
From this you can see that the new Momentum Lifestages portfolio has an 11% higher expected replacement ratio, which means members can expect better savings in the long term.

Momentum Multi-Manager Smooth Growth Fund Global portfolio

The Momentum Multi-Manager Smooth Growth Fund Global portfolio (MMSGFG) replaced the Momentum Secure Bonus portfolio (MSB) as the trustee default portfolio in March 2012.

The table below shows the returns of the two portfolios relative to each other and their real return targets for the year ending March 2013. The returns are net of both investment management fees and capital charges. The difference in the actual returns is approximately 8%..

Momentum Enhanced Factor portfolios



The table below shows the expected replacement ratios for two members who both have the same amount in their retirement savings account, contribute 15% to their retirement savings and who are both 30 years away from normal retirement age. The only difference is the expected investment returns. The first column assumes an expected investment return in line with inflation (ie MSB type investment) and the second one assumes a return of inflation + 4% per annum (ie MMSGFG's real return target). This also provides you with an example of increased savings as a result of the change.

Expected return in line with Inflation

ERR of 33%

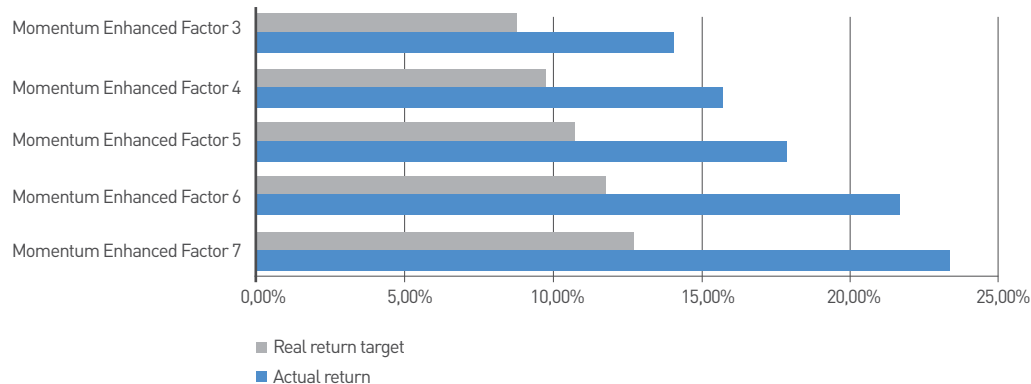
Expected return of Inflation +4%

ERR of 58%

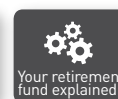
Momentum Enhanced Factor portfolios

The table shows the returns of the portfolios relative to their real return targets for the year ending March 2013.

Momentum Enhanced Factor portfolios



Taking your retirement savings allocation, your contribution and your investment portfolio's performance into account you are probably wondering if it is necessary for you to change your investment portfolio to ensure that you reach your retirement goals. It is quick and easy to make changes to your investment portfolio. CollE is also considering making changes to his investment portfolios but doesn't really know exactly how to go about it. **JobZ** has already made changes to his portfolios and explains exactly how easy it is. We recommend that you contact the financial adviser on your scheme before you make any changes to your benefits. You should also understand what can keep you from reaching your retirement goals. We explain this in detail in the article *Factors influencing your retirement goals*.



JobZ & Colle

Considering if they should change their investments portfolios.

Panel 1: HI JOBZ! HAVE YOU BEEN KEEPING UP TO DATE WITH YOUR RETIREMENT INVESTMENTS? I NEED TO CHECK ON MINE TO SEE IF I NEED TO CHANGE MY INVESTMENT PORTFOLIO.

Panel 2: HELLO COLLE. I'M HAPPY WITH MY PORTFOLIO CHOICE THANKS, BUT I HEAR IT IS REALLY EASY TO CHANGE IF YOU WANT TO. JUST DOWNLOAD THE FORM MEBO26 FROM THE WEBSITE, COMPLETE IT AND FAX OR EMAIL IT BACK TO THEM.

Panel 3: AS SIMPLE AS THAT? BUT I HAVE ACCESS TO THE INTERNET NOW. CAN I ALSO MAKE THE CHANGE ONLINE?

Panel 4: YES, LOG ONTO THE MEMBER WEBSITE AND USE YOUR LOGIN DETAILS.

Panel 5: I REMEMBER RECEIVING MY LOGIN DETAILS WHEN I JOINED THE FUND BUT I CAN'T REMEMBER IT. I'LL PHONE THEIR CALL CENTRE FOR HELP. DO YOU HAVE THE NUMBER?

Panel 6: IT IS 0860 65 75 85 AND THE WEBSITE WHERE YOU CAN DOWNLOAD THE FORM AND LOGIN TO THE MEMBER PORTAL IS WWW.MOMENTUM.CO.ZA/FUNDSATWORK

Panel 7: HOW WILL I KNOW IF MY INVESTMENT PORTFOLIO HAS BEEN CHANGED?

Panel 8: FUNDSATWORK WILL SEND YOU AN SMS OR EMAIL TO LET YOU KNOW. BUT THEY WOULD NEED YOUR CORRECT CONTACT DETAILS. THEY WILL ALSO SEND YOU A MONTHLY SMS AND EMAIL OF YOUR RETIREMENT SAVINGS ACCOUNT BALANCE.

Panel 9: I GET MY MONTHLY SMS ALREADY AND IT HELPS ME TO KEEP TRACK OF HOW MY INVESTMENT IS GROWING.

Panel 10: ME TOO. WHAT A GREAT WAY TO STAY ON TOP OF YOUR INVESTMENTS. AFTER ALL IT'S MY FUTURE AT STAKE.

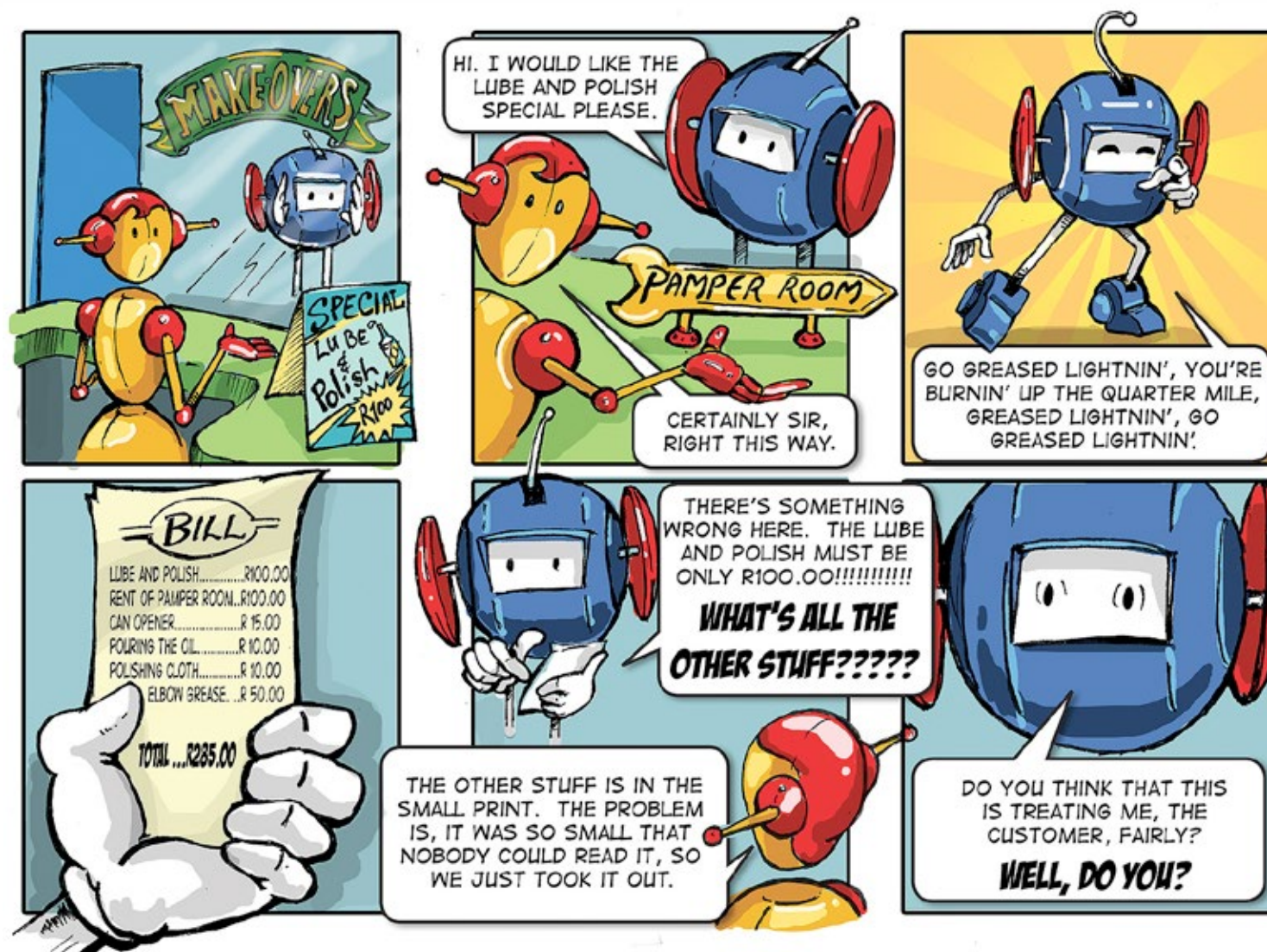
So often consumers are trapped and misled by hidden extras, sneaky wording or vague information. Just like JobZ discovers that his "lube and polish" is heavily overcharged, you don't want to find that suddenly you're paying more than you budgeted for. Treating Consumers Fairly (TCF) is a new roadmap from the Financial Services Board that puts your interests first so that you can be confident that you are getting what you pay for.

As the consumer, you have the right to honest and transparent information from your service and product providers, especially when it comes to your financial matters.

If you have any questions or are unsure about financial products and how they are suited to your needs make sure you ask the financial adviser to explain all the details, costs, benefits and possible shortcomings. Never feel pressured to invest in an investment portfolio that you think is not right for you.

FundsAtWork is dedicated to providing you with solutions that will meet your individual financial needs that will assist you in your journey to financial wellness.

A free ticket to fair treatment



Saving for retirement means that you need to set goals for your golden years to make sure that you receive a monthly income from your retirement fund when you retire, while it still grows every year thereafter. For most of us, the goal is to replace a large portion of the salary we earned before retirement.

This seems simple, but there are many challenges that can make it difficult for many people to make this goal a reality. These factors influence how much you will need to save today to achieve your retirement goals.

Financial advisers talk about "calculating expected replacement ratios", which means that they use specific information about members who are saving for retirement (such as gender, retirement savings amount and contribution rate) in an attempt to give members an estimated indication of what they can expect to receive each month from their fund once they retire. These calculations are based on assumptions that all members are "average". This means that it is definitely not member specific and the calculations may not consider your unique circumstances.

A replacement ratio of 75% of your final salary is usually considered enough for your monthly lifestyle expenses. Yet for some, it may not be enough and they will have to save more now to reach higher replacement ratios.

If members save enough to be able to withdraw the amount that is equal to 75% of their final salary each month, then they should be able to retire comfortably.

Factors influencing your retirement goals



When you are preparing for your future, it is important to keep in mind the factors that will influence your retirement goal. The following points should be taken into account when calculating whether you are saving enough for a comfortable retirement.

- **Pensionable salary versus your total remuneration.** In most cases, the expected replacement ratio calculations are based on your pensionable salary (the salary that your pension contributions are based on) – in other words a portion of your total remuneration. For example, if 50% of your salary is pensionable, and your expected replacement ratio is 60%, then you will only receive approximately 30% of your total remuneration and the income you are used to.
- **Expected balance in your retirement savings account at retirement.** The calculation is based on using the total expected retirement savings amount at retirement to buy an income after retirement. If you plan to take some of your fund benefit at retirement in cash, the expected replacement ratio will need to be recalculated.
- **Single life annuity.** The calculation assumes that you are going to purchase a single life annuity, meaning that your retirement fund will only pay out for your life time, and does not consider your spouse's remaining years. If your intention is to buy a joint life annuity, meaning that your retirement fund will continue to pay out for the rest of both your and your

spouse's life, this will have to be taken into account because it will reduce the expected replacement ratio dramatically.

- **Growth rate of the annuity income after retirement.** In most cases, the expected replacement ratio only calculates the expected annuity income on the day that the member retires, but does not show how this will grow over time. In some cases, the calculations assume low growth rates in annuity income after retirement. For example, if the member wants to buy an income that is linked to inflation but the replacement ratio calculations assume a guaranteed (fixed) growth rate of 4.5% after retirement, which is normally much lower than inflation, the replacement ratio may be very different at retirement. This is because inflation linked annuities are more expensive if inflation is much higher than the guaranteed growth rate of 4.5%.
- **Normal retirement age.** The calculation assumes that you will retire at normal retirement age. If you want to retire earlier than this, the annuity income after retirement will be lower because of your longer life expectancy. On the other hand, if you retire after normal retirement age, you can expect to see an increase in the expected annuity income if all the other variables remain the same.
- **Other retirement savings.** The expected replacement ratio calculation is based on your benefits in the Fund and does not consider your other retirement savings. The calculation therefore excludes other assets outside of the Fund, which could mean that the member will have a higher annuity income than expected.
- **Contribution rates.** The calculation assumes that you will continue to contribute to your retirement savings at the current contribution rate and that you are not going to make any additional contributions. If you increase your insurance benefits and reduce your contribution towards your retirement fund savings, you will have less annuity income when you retire.
- **Expected investment return.** It is important to check your investment return over time to make sure that the actual returns are in line with expected returns and that all differences are properly explained.
- **Investment switches.** Switching to a more conservative or more aggressive investment option will influence the outcome of your replacement ratio, especially if the "new" portfolio's actual investment returns are different to what the calculation assumes.

Speak to the financial adviser on your scheme to help you to make sure that you are on track with your retirement savings. The human resources officer at your workplace will have contact details for the financial adviser. Keep an eye on your monthly retirement savings balance through the FundsAtWork SMS and email service – just remember to make sure that we have the correct contact details to reach you. Make sure to read the article Your retirement fund explained on page 3 of this newsletter so that you are not left in the dark about your retirement savings.



Pin board



Momentum changes its name

Momentum Group Limited, the licensed company that underwrites the Momentum long-term insurance policies, has changed its name to MMI Group Limited (or MMI Group for short) and will serve as MMI Holdings' main underwriter of long-term insurance policies. However, our clients will still see and experience the Momentum brand.

The Momentum Secure Bonus portfolio will no longer be available to FundsAtWork members as from October 2013

Closure of the Momentum Inflation Guaranteed and Momentum InflationGro portfolios

Communication has been sent to all affected members, employers and their financial advisers. However, please feel free to call our Client Contact Centre on 0860 65 75 85 or the financial adviser on your scheme if you have any questions.

The trustees of the FundsAtWork Umbrella and Preservation Funds have to ensure that the investment portfolios are relevant to members and that suitable alternative portfolios are provided when existing portfolios are being closed. Following a recent review by the portfolio manager, Momentum Employee Benefits: Investments, the Momentum Inflation Guaranteed and Momentum InflationGro portfolios were discontinued. The investments of all members currently invested in the Momentum Inflation Guaranteed and Momentum InflationGro portfolios will be moved to the Momentum Enhanced Factor 3 portfolio during June 2013.

Merger of portfolios

Momentum Employee Benefits: Investments, the portfolio manager of some of the portfolios available to FundsAtWork members, continuously assesses the portfolios they offer to ensure that the portfolios remain relevant to members.

Following a recent portfolio review the decision was made to merge:

- the Momentum Secure Growth Fund (Momentum SGF) and the Momentum Multi-Manager Secure Growth Fund (Momentum MMSGF) portfolios, and
- the Momentum Smooth Growth Fund Local and the Momentum Multi-Manager Smooth Growth Fund Local portfolios.

The trustees of the Funds support the merger and the changes will be effective from June 2013. Communication has been sent to all affected members, employers and their financial advisers. **However, please feel free to call our Client Contact Centre on 0860 65 75 85 or the financial adviser on your scheme if you have any questions.**

Change in the home loan maximums

As from 1 July 2013, the FundsAtWork Umbrella Pension Fund's home loan maximum will change to the following:

- 64% of one third of the member's withdrawal benefit (effectively 21% of the full withdrawal benefit) at the time of applying for the home loan if the member is 50 years or older;
- 64% of the member's withdrawal benefit at the time of applying for the home loan guarantee if the member is younger than 50 years.

The above change is not applicable to the FundsAtWork Umbrella Provident Fund, which remains unchanged at 64% of the member's withdrawal benefit.

FundsAtWork Umbrella and Preservation Funds get a "clean bill of health"

The Funds have been audited up to 30 June 2012 and received unqualified audit opinions. The next audit will be for the period 1 July 2012 to 30 June 2013.

Early retirement age now 55

The FundsAtWork Umbrella Pension Fund has changed the date for early retirement to 55 years as from 1 March 2013 as required by the South African Revenue Service. Previously a member of the Fund could go on early retirement at any age.



Enhancing the default home loan guarantee portfolio

Some members make use of the home loan guarantee facility offered by the FundsAtWork Umbrella Pension and Provident Funds (the Funds) based on the agreement their employer has signed.



If your employer allows the facility and you are making use of it, the money in your retirement savings account serves as a guarantee if your home loan is with either Standard Bank or First National Bank, depending on which bank was selected by your employer. The amount equal to the initial value of your home loan guarantee was invested in the Momentum Secure Bonus (MSB) portfolio until 10 April 2013. From 10 April 2013 the value of your home loan guarantee is invested in the Momentum Enhanced Factor 3 portfolio.

The trustees have changed the default home loan guarantee portfolio from the MSB portfolio to the Momentum Enhanced Factor 3 portfolio, because

the new portfolio better suits members' needs based on its investment growth. The Momentum Enhanced Factor 3 portfolio also outperformed the MSB portfolio over 1, 3 and 5 years.

Communication has been sent to all affected members, employers and their financial advisers. However, please feel free to call our Client Contact Centre on 0860 65 75 85 or the financial adviser on your scheme if you have any questions.

The initial value of home loan guarantees granted from 10 April 2013 is also invested in the Momentum Enhanced Factor 3 portfolio.

A huge thank you to all the members who entered the competition. Your feedback has given us valuable insight into your communication needs as our members.

A large percentage of the respondents (99.8%) indicated that they found our newsletter informative and helpful. In addition, most members indicated that they want to learn more about retirement and insurance planning and gain a better understanding of their benefits with the FundsAtWork Umbrella Funds.



Latest winner

Congratulations to Beth Cartledge, our winner of the December 2012 trustee newsletter survey competition. Beth, who works at Citadel in Cape Town, now has the freedom to use her new iPad to check the balance in her retirement savings account, update her personal contact details and beneficiaries online.

BACK TO PIN BOARD

