The background features a photograph of a wooden boardwalk leading towards a beach and ocean under a cloudy sky. This image is overlaid with large, dark grey and black geometric shapes, primarily triangles, that create a dynamic, abstract pattern. On the left and right sides, there are orange chevron symbols pointing outwards. Small orange rectangular bars are located in the top-left and bottom-right corners.

Newsletter – Quarter 4 of 2024

VMPF

Vrystaat Munisipale Pensioenfonds

November 2024



A word from the

Principal Officer

Welcome to the fourth quarterly newsletter of the Vrystaat Munisipale Pensioenfonds (the Fund) for 2024.

As we approach the end of the year, I wish to thank the Board of Trustees for their continued commitment to the effective management of the Fund for all our Members.

This year has brought both challenges and opportunities, and we are pleased to have navigated them together with resilience and commitment to ensuring that our Members are receiving the best possible benefits into retirement.

On behalf of the Board of Trustees, we look forward to another year of serving your retirement savings needs and helping you achieve your long-term financial goals.

We have recently finalized the re-appointments of some of the Trustees whose terms of office expired in November 2024, and the results of the election process is included in this report.

Hazel Hopkins (Principal Officer)
on behalf of the Board of Trustees

11.2024

The background of the slide features a close-up, shallow depth-of-field photograph of various coins (pennies, nickels, and dimes) scattered on a surface. Overlaid on this image are several large, semi-transparent geometric shapes: a large white triangle pointing downwards, a smaller white triangle pointing upwards, and a yellow rectangle in the top-left corner. The text is positioned on the right side of the slide, set against the white background of the downward-pointing triangle.

What's Covered

1. Board of Trustees Composition
2. Investment Update
3. Fund Contributions
4. Death Benefits
5. Fund Matters and Updates



Board of Trustees Composition

Board of Trustees Composition

The following persons are currently confirmed as your Trustees:

Name of Trustee	Type of Appointment
Mr. Roelof Ter Stege (Chairman)	Member-Elected
Mr. Malcolm Campbell	Independent
Mr. Petrus Coenraad Faber	Member-Elected
Mr. Ewan Eloff	Member-Elected
Ms. M Setabela	Employer-Appointed
Mr. T Cunningham	Alternate Member-Elected

Member-Elected Trustees Update

The following Trustees’ term of office is coming to an end in November:

- Terry Ter Stege
- Pieter Faber
- Ewan Eloff
- Terence Cunningham (alternate)

As at close of deadline 15 November 2024 we received votes from 26 members and one vote was spoilt. The results in order of number of votes received are as follows:

- Mr. Terry Ter Stege
- Mr. Pieter Faber
- Mr. Terence Cunningham

Mr. Ter Stege and Mr. Faber are duly elected from 28 November 2024 and Mr. Cunningham will serve as alternate. Mr. Eloff was the only contributory Member nominated and will be re-appointed.

The Board is supported by the Principal Officer in ensuring that the Fund acts in the best interests of its members, pensioners and beneficiaries. The Principal Officer implements all Board decisions and gives effect to the Board’s strategy as well as supports the Board with day-to-day operations.

Investment Update

2

Market Values

as at 31 October 2024

Asset Managers	Market Value in R Million
Allan Gray Global Balanced	345.96
Coronation Global Balanced	444.96
Ninety-One Global Balanced	225.56
Ninety-One Opportunities	145.39
Prescient Balanced	177.42
Total Growth Portfolio	1 339.29
Ninety-One Cautious Managed	33.34
Prescient Defensive Fund	8.27
Prescient Income Provider Fund	2.76
Abax Absolute Prescient Fund	24.74
Total Cautious Portfolio	69.11
AFI Banker	255.03
Total Cash Portfolio	255.03
DB Active – Colourfield	294.55
Pensioners	Market Value
Colourfield LDI	901.31
Market Value	
Total Investments	2 859.9

Fund Growth (before fees)

as at 31 October 2024

Active Members	1 Month	Quarter	1 Year	3 Years	5 Years	10 Years
Allan Gray Global Balanced	-0.79%	0.96%	16.14%	11.33%	10.47%	8.25%
Coronation Global Balanced	-0.16%	4.28%	25.43%	9.60%	11.87%	8.91%
Ninety-One Global Balanced	-0.25%	3.89%	22.18%	8.60%	8.61%	8.13%
Ninety-One Global Opportunities	-0.77%	1.80%	17.05%	10.17%	10.85%	9.17%
Prescient Balanced	-0.82%	3.87%	25.40%	10.05%	10.69%	9.00%
Total Growth Portfolio	-0.54%	2.91%	20.66%	9.73%	9.75%	8.17%
Ninety-One Cautious Managed	-0.18%	2.15%	15.22%	7.95%	8.27%	8.04%
ABAX Absolute	-0.27%	2.08%	14.97%	9.93%	9.10%	8.86%
Prescient Income Provider Fund	0.35%	2.63%	12.36%	9.10%	7.50%	8.21%
Prescient Defensive Fund	-0.76%	3.27%	19.20%	9.27%	8.71%	
Total Cautious Portfolio	-0.31%	2.04%	14.39%	8.05%	7.71%	7.88%
AFI Banker	0.82%	2.37%	9.83%	8.20%	7.23%	7.22%

Life Stage Model Reminder

CATEGORY B AND C MEMBERS

The Life Stage model takes into account the different risks and needs of investors close to retirement (5 years or less to retirement) and younger members still further from retirement age (more than 5 years). Because of the distinct difference in the risk appetite of members close to retirement (5 years or less) and younger members (more than 5 years from retirement), there are two separate portfolios utilised for both Category B and C members. **The two separate portfolios are:**

Free State Growth Portfolio

This portfolio focuses on long term capital growth and aims to achieve returns of inflation plus 5% over 5-year periods. This portfolio is utilised to manage members’ assets that are more than 5 years from retirement. In other words, all members aged 60 years or younger are fully invested into this portfolio.

Free State Cautious Portfolio

This portfolio is more focused on capital protection given the shorter investment horizon (for members who are closer to retirement age). In addition to the primary objective of protecting capital, the portfolio still aims to achieve returns of inflation plus 3% over 3-year periods. This portfolio is utilised to manage member’s assets that are less than five (5) years from retirement.

The table below explains how the life stage works:

Up to age 60	Age 60 to 63	From age 63
100% Free State Growth Portfolio	Transition quarterly over 3-year period	100% Free State Conservative Portfolio
Capital Accumulation		Capital Protection

Investment Update



It is an important consideration of the Board of Trustees that members have different needs to each other. For this reason, you have the option to not have your investments form part of the default lifestage.

Should you choose not to participate in the default (de-risking into the cautious portfolio), you have the option to “opt out” of this and remain in the growth portfolio up until your retirement age.

If you do not specifically “opt out”, your investments will be a part of the de-risking approach described alongside.

If you are considering the option to “opt out”, we encourage you to obtain financial advice to ensure that you are making a decision that will ultimately benefit you financially going forward



Fund Contributions

As an active member, it is important that your monthly contributions are paid by your Employer to the Fund (as required by Section 13A of the Pension Funds Act).

Your monthly contributions and applicable fees are shown below as a percentage of your salary:

Category	A Defined benefit	B Defined contribution	C Hybrid
Employer Contributions	18.07%	18.07%	18.07%
Employee Contributions	8.50%	8.50%	8.50%
Life Cover Premium	N/A	-4,67%	-4.67%
Disability Cover Premium	N/A	-0.71%	-0.71%
Total Contributions Invested	26.57%	21.19%	21.19%

As at end September 2024, the municipalities below were in arrears or had not submitted the schedule with contributions:

Municipality	Months Outstanding
Kapanong	13
Mafube	62
Mantsopa	1
Masilonyana	24
Mohokare	4
Nketoana	4
Phumelela	2

The Fund is focused on following up on all non-compliant Municipalities and continues to address these.

4

Death Benefits

If you pass away while still employed and you are a Member of the Fund, your death benefits will be paid out to your Beneficiaries as shown alongside...



Beneficiary nomination form

Without a completed form, your wishes cannot be taken into account!

Please ensure that you have completed your beneficiary nomination form by visiting the new Fund website where all forms can be obtained –

<https://vrystaat-mun-pensionfund.co.za>

Membership Category

Category B and C

There are 2 parts to your lump sum benefit (**Insured** and **Retirement Death Benefit**):

Insured Benefit

As part of the benefit of your membership (Category B and Category C members) of the retirement fund, you have group life cover in place, provided you are under age 60, that will pay out if you pass away.

Retirement Fund Death Benefit

In addition to the benefit described above, your Fund value, will pay out.

Category A

In addition to the **lump sum death benefit** which is payable to your dependents and/or nominees, there are also **monthly pensions payable** to eligible spouses and children as set out in the Rules of the Fund.

All death benefits are subject to tax.

Therefore, tax will be deducted before the benefit is paid out.

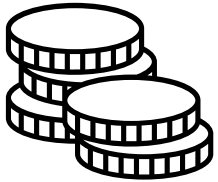
Your death benefits are paid in accordance with Section 37C of the Pension Funds Act. All factual and financial dependency on you is taken into account when determining the distribution of your death benefits.

In a case where there are no factual and financial dependents, death benefits will be distributed to your nominees. Your will has no effect in respect of the distribution of these benefits.



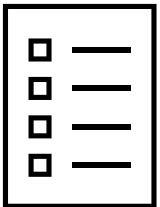
Fund Matters and Updates

Important Fund Updates – Pensioners



We are please to confirm that on review of the financial performance of the Fund that the Board approved a 13th cheque bonus has been awarded to all pensioner Members and will be paid in November.

Effective from 1 January 2025, pensioner Members will receive a 100% CPI increase of 3.8% on monthly pension payments.



The Fund still has as many as half our pensioners who want their monthly pension statement sent by post. This is no longer viable given that the Post Office is not operationally reliable.

Pensioners are urged to provide the Fund with an email address where your monthly statement can be sent.

Your Annual Benefit Statements – Active Members

The Trustees have agreed on the format of the benefit statements with the administrator.

We advise you that there was a delay in the distribution to you due to the fact that many of the municipalities were late in granting and submitting the salary increases effective 1 July 2024.

The Fund has now received the outstanding information, and we will push to still issue the statements by 30 November.

We will keep you informed of the progress of the distribution of your statements.

**We need
you to
help us!**

It is vital that we have your current email address and mobile number so that the Fund can communicate directly with you.

Please advise the Fund of your current contact details by sending the Principal Officer your details to **Hazel@axiomatic.co.za**



Fund Matters and Updates

Service Providers

The Fund makes use of service providers to assist the Board in fulfilling its fiduciary duties. All service providers are appointed through a competitive bidding process in accordance with the Fund's procurement process.

The current service providers used by the Fund are as follows:

Function	Service Provider
Actuarial Services	Simeka Consultants
External Auditor	PwC
Benefit Administration	Robson Savage
Investment Advisor	GraySwan
Investment Managers	<ul style="list-style-type: none">- Alexander Forbes- Allan Gray- Coronation- Colourfield- Ninety-One- Sanlam- ABAX
Risk Assurer	Sanlam Group Risk

Contact Details

Front Office

Telephone number: +27 (0)56 212 6161
Email address: freepen@e3.co.za

Fund Administrator (Robson Savage)

Telephone number: +27 (0)11 643 4520
Email address: sunithar@robsav.com

Principal Officer

Email address: hazel@axiomatic.co.za

The Fund website for you to access general information and forms: <https://vrystaat-mun-pensionfund.co.za>

Complaints / Dissatisfaction

In the event of a complaint regarding the Fund, please raise your complaint in writing to the Fund. The Fund is obligated to respond to your complaint within 30 days. Should you receive no response, or are not satisfied with the response, you can lodge your complaint with the Pension Funds Adjudicator.

Unclaimed Benefit Challenges

There remains money in the Fund owing to former members i.e. unclaimed benefits. We urge members to assist by informing former Fund members that they should check the database managed by the **FSCA** where all unclaimed benefits owing to former members of any retirement fund are kept.

[Click here for the FSCA's database](#)