

## DEAR MEMBER



We have entered that last quarter of 2013 and with the festive season around the corner, everyone is probably rushing to finalise their planned actions for 2013 before taking a well-deserved break.

Thank you to all the members who participated in our member survey. Your feedback helped us to determine whether the articles in this newsletter are clear and simple and whether the new poster format is well received. Three lucky participants' names were drawn and they won the cash prizes, I hope they've enjoyed their prizes!

The Board of Trustees has recently completed the review of the Fund's investment strategy and have decided not to make any changes to the strategy or the investment managers at this stage. The investment portfolios' performance will be monitored on an ongoing basis.

At the most recent Board of Trustees' meeting the Board expressed their gratitude to the employers who participated in the annual employer survey. Their valuable input helps the Fund to continually enhance service.

Retirement saving is currently a main focal point for government as well as employers. Please read the article and consider increasing your contributions towards your retirement benefit, as this is one action you will not regret on the day you retire!

Remember to update your nomination of beneficiary form before leaving on holiday and I wish you a very enjoyable and festive season.



Enjoy reading further!  
Brenda Krummeck,  
Principal Officer

## CONGRATULATIONS TO OUR WINNERS!

During June 2013 we've asked members to participate in a survey and share with us what they thought of the articles in 'The Hive Newsletter' and poster. Thank you to everyone who participated. Remember, your input helps the trustees to better understand your communication needs.

Our winners of the member survey competition are:

R250 cash – Schalk van der Merwe (Employer – De Keur Landgoed) R150 cash – Bianca Smit (Employer – Verso Financial Services (Pty) Ltd) R100 cash – Herman Fourie (Employer – Karsten Boerdery). Thank you for participating in the survey. We hope you enjoy your prize.

## TOP UP YOUR SAVINGS

In the previous "The Hive" newsletter, we discussed the actions that members can take to increase their retirement savings. In this edition we continue with the retirement savings topic, now focussing on how to save as much as possible in the Verso Umbrella Retirement Funds.

We recommend that you consider increasing your contributions to your retirement pension or provident fund, hence growing your retirement savings, while keeping your tax payable to a minimum.

### But how do I do this, you might ask?

Ask your manager or human resources contact to increase your contribution to the fund. If you are already contributing at the maximum contribution level allowed according to the rules of the fund, you can make an additional voluntary contribution to the fund of R1 800 per annum, which is an additional tax deductible amount allowed by SARS (in pension funds). Member contributions in provident funds are taken into consideration for tax purposes when the fund benefit is taken in cash.

### WHAT DIFFERENCE WILL THESE ADDITIONAL MONTHLY CONTRIBUTIONS MAKE TO YOUR RETIREMENT BENEFIT?

#### Let's look at practical examples:

#### JAYBEE (30 YEARS OLD):

He earns R4 166.67 per month. He contributes 7.5% of this into his retirement fund, which amounts to R312.50 per month.

He will save an amount of R2 348 250 by the age of 65 years (if he contributes for the full period and never takes his retirement benefit in cash when changing employment before reaching the age of 65 years).

**IF** he added an additional R50 per month to his retirement savings, it will increase his saving by R163 448 to R2 511 698 at the age of 65 years.

**IF** he added R100 additional contributions per month to his savings, it would increase his savings by R326 897 to R2 675 147 at the age of 65 years.

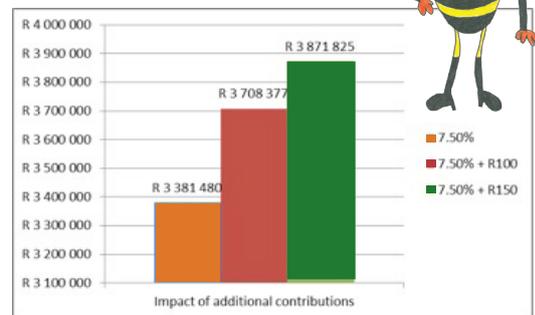
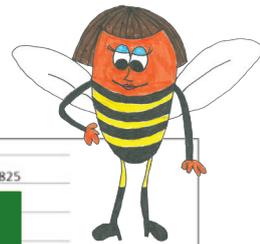
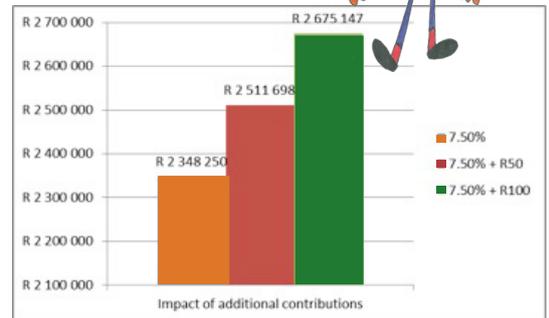
#### FEEBEE (30 YEARS OLD):

She earns R6 000 per month. She contributes 7.5% of her salary into her retirement fund, which amounts to R450 per month.

She will save an amount of R3 381 480 by the age of 65 years (if she contributes for the full period and never takes her retirement benefit in cash when changing employment before reaching the age of 65 years).

**IF** she adds an additional R100 per month to her retirement savings it will increase her savings by R326 897 to R3 708 377 by the age of 65 years.

**IF** she adds an additional R150 per month to her retirement savings it will increase her savings by R490 345 to R3 871 825 by the age of 65 years.



continued on back page



**WANT TO TOP UP YOUR SAVING?** Read the full article in the newsletter.



For further investment news visit [www.vurf.co.za](http://www.vurf.co.za)

## BUZZ WORD FOR NOVEMBER

We will provide you with an explanation of a frequently used term in each issue of the VURF newsletters. The buzz word for this issue is:

### MEMBER SHARE

**Definition:** Monies transferred from other fund (if any) + member contributions (if any) + employer contributions (after deductions of costs of managing the fund and risk premium - if any) + investment return = **Member Share**.

**Inkcazelo:** Imali esuka komnye umbutho (ukuba ikhona) + Umnikelo welungu (ukuba ukhona) + Umnikelo womqeshi (emv-kokuba kutsalwe indleko) + nemali eyongezelelweyo = **Ibango lobulungu**

## HOW DID YOUR FUND PERFORM?

PORTFOLIOS	September 2013	3 mths	1 year	3 years	5 years
Investment Solutions Performer	3,34%	8,55%	26,46%	18,14%	16,27%
Benchmark	3,63%	8,31%	23,77%	17,20%	15,34%
Investment Solutions Spectrum	3,52%	8,69%	24,06%	16,98%	15,15%
Benchmark	3,47%	8,54%	23,86%	17,20%	15,08%
Verso MET Balanced Growth	2,40%	7,42%	18,13%	13,89%	14,46%
Momentum MoM Target Factor 4	2,48%	5,11%	11,48%	n/a	n/a
Benchmark CPI+4%	0,61%	2,60%	10,43%	9,59%	9,32%
Verso MET Secure Growth	1,68%	4,71%	13,82%	11,78%	11,62%
Benchmark CPI+3%	0,53%	2,36%	9,43%	8,59%	8,32%
Sanlam Monthly Bonus	0,96%	2,72%	14,62%	11,06%	8,99%
Verso MET Money Market	0,44%	1,37%	5,56%	5,90%	7,25%

**NOTES:**

1. All Returns are time weighted and quoted gross of investment management fees.
2. The Sanlam Monthly Bonus bonuses are net of guarantee charges and gross of investment management fees.
3. Investment returns for periods greater than 12 months are annualised.
4. Every effort has been made to ensure the information in this summary is correct. The summary is for information purposes only and the Fund or its consultants can not be held liable for any loss or damages as result of any inaccuracy.
5. As the Verso Multi-Manager funds are regulated by Cisca all published returns must be net of fees. Therefore the gross returns provided by Verso Multi Manager for this overview is a calculated estimate and not the actual gross returns.

## UNHAPPY? WRITE TO US...



If you are not satisfied with the administration, investments or applications of the Rules of the Fund, you can raise a complaint.

The process to raise a complaint is as follows:

1. You can raise a complaint by writing to your Employer or your Fund

2. You should receive a written response from your Employer/Fund within 30 days

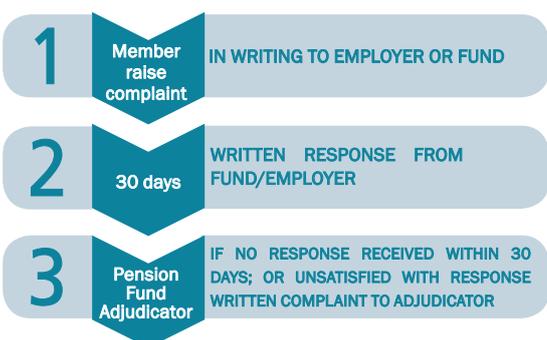
3. If no response is received within 30 days or if you are not satisfied with the response, you can direct your complaint to the Pension Funds Adjudicator.

**THE CONTACT DETAILS OF THE VERSO UMBRELLA RETIREMENT FUNDS ARE AS FOLLOWS:**

Postal address: PO Box 4300, Tyger Valley, 7536; Fax number: 021 917 4628; E-mail: info@verso.co.za; Website:www.vurf.co.za

**THE CONTACT DETAILS OF THE PENSION FUNDS ADJUDICATOR ARE AS FOLLOWS:**

Postal address: P O Box 580, Menlyn, 0063; Fax number:086 693 7472; E-mail: enquires@pfa.org.za; Website: www.pfa.org.za



## TOP UP YOUR SAVINGS

continued from front page

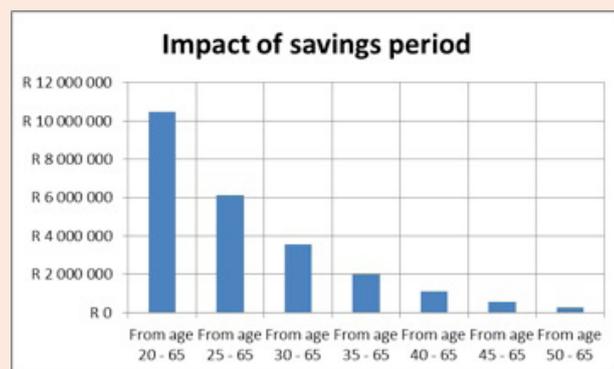
### HOW DO YOU BENEFIT FROM SAVING LONGER IN A RETIREMENT FUND?

By not cashing in your saving in the retirement fund when you resign (i.e. rather transfer it to your new employer's fund or preserve it), you are extending your period of saving, which will result in an increased benefit at retirement.

#### LET'S LOOK AT A PRACTICAL EXAMPLE:

Feebee worked at 7 different employers since she started work at the age of 20 years. She never cashed in her benefits. She will save R10 057 410 by the age of 65. If she took her retirement benefit in cash when she resigned at the age of 35 years and started saving again, she would only have saved R1 910 085 at the age of 65 years.

The table below shows the importance of saving for as long as possible for retirement:



### HOW CAN YOU INCREASE THE PERIOD OVER WHICH YOU SAVE TOWARDS RETIREMENT?

1. Choose not to take your benefit in cash when you resign or get retrenched.
2. Ask for financial advice from an accredited institution e.g. a reputable bank, insurance company, financial company or;
3. Contact your fund consultant at Verso Financial Services on 021 943 5300 to assist you with obtaining an accredited financial advisor.

### HOW WERE THE ABOVE RETIREMENT BENEFITS CALCULATED?

The above figures are for illustration purposes only and may differ from the actual outcome for individual members, based on their specific circumstances. The calculations are based on the following assumptions:

JAYBEE -	FEEBEE -
Normal retirement age: 65	Normal retirement age: 65
Annual salary R50 000 (7% salary increase); 7.5% net retirement fund contributions;	Annual salary R72 000 (7% salary increase); 7.5% net retirement fund contributions;
Investment return of 10% per year	Investment return of 10% per year

### BOARD OF TRUSTEES:

Ms W Parker (Independent Trustee and Chairperson), Mr S Kennard (Verso Appointed Trustee), Mr W Rossouw (Independent Trustee), Mr R Wentworth (Verso Appointed Trustee), Mr E Thomson (Verso Appointed Trustee), Mr W Breytenbach (Verso Appointed Trustee), Ms B Krummeck (Principal Officer)

**INDEMNITY:** Every effort has been made to ensure the information in this newsletter is correct. This newsletter is for information purposes only and the Fund or its consultants cannot be held liable for any loss or damages as result of any inaccuracy.