

DEAR MEMBER

Wow, how fast has this year flown by! It feels as though I've only just written my previous letter, where I was commenting that we were in Autumn and now I am looking at the beautiful Spring flowers outside my window. In the retirement fund space, it has been, for lack of more suitable words, "an interesting ride"!

In the March newsletter, we have explained the future changes to provident funds. Many rumours and misunderstandings about these changes resulted in unnecessary fears and confusion by members. Most of these rumours are not true. The Government has however, after discussion with Labour and NEDLAC, announced that the proposed tax law changes will be postponed to the earliest of March 2016. This means that no changes will be implemented, as discussed in the April 2014 newsletter.

I am pleased to inform you that the Board of Trustees has re-elected Ms Wahida Parker as the Chairperson of the Board of Trustees. Ms Parker's qualifications and experience as an independent trustee contributed to the value she brought to the Fund. We wish her all the best during her new term as Chairperson.

Our recent competition (to forward cell phone numbers to the administrator) was a great success due to your participation. Congratulations to all the prize winners. Enjoy spending your winnings!

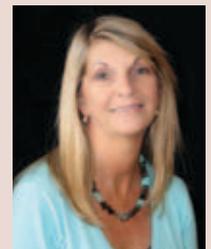
The Board of Trustees reviews the formal investment strategy of the Fund on an annual basis. Some exciting decisions will be implemented in the following months. Be on the lookout for more information regarding these enhancements in the next newsletter.

As a last word, I cannot stress enough the importance of saving for retirement. Congratulations, as a member of the Fund you are saving towards a better retirement; the one investment you will not regret.

Remember to review your nomination of beneficiary form. This form assists the Board of Trustees when they are required to make an allocation of your death benefit.

I wish you all the best over the festive season. For those members who will be travelling, drive safely on the roads.

Brenda Krummeck
Principal Officer



IMPORTANT NEWS FLASH

The changes in retirement funds are delayed until the earliest March 2016.

Many rumours and misunderstandings about the changes in retirement funds resulted in unnecessary fears and confusion by members. Most of these rumours are not true. The Government has however, after discussion with Labour and NEDLAC, announced that the proposed tax law changes will be postponed to the earliest of March 2016.

So what changes will be delayed?

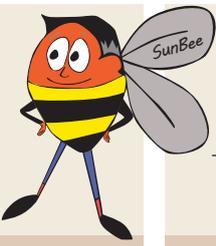
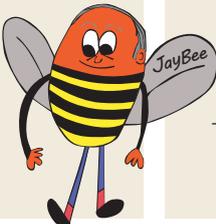
- The change in provident funds at retirement – until future notice pension and provident funds will still be two separate legal entities and their retirement benefits treated differently. I.e. under a pension fund a maximum of one-third of a member's pension benefit may be taken as a cash lump sum and the balance must be used to purchase a monthly pension income. Members will still have the option to take up to their total retirement benefit as a cash lump sum under provident funds.
- The current status and deductibility of retirement fund contributions – the existing deductible limits for contributions into pension and provident fund still apply.

We will communicate the changes to members when the amended legislation is finalised.

IMPACT OF INTEREST ON INTEREST

Many members try to time the market for investing or making changes in investments and mostly get it wrong, losing money in the process. The table shows that it is much more important to be in invested for as long as possible. Interest on interest (cumulative interest) is a powerful reaction when investing in markets for a long period of time, resulting in excellent growth in investments. In other words, the time that a member's money is in the market is much more important than trying to time the market.

The table also confirms the message that members should not take their fund benefits in cash at resignation as it will mean that the time your money were in the market is lost, forever.

AGE	CONTRIBUTIONS	PAYOUT AT 60
25 Years 	R400 saved monthly for 35 yrs Total Contributions: R168 000	R 1 518 655 
35 Years 	R400 saved monthly for 25 yrs Total Contributions: R120 000	R 530 733 



IMPACT OF INTEREST ON INTEREST

Read the article in this edition.



For further investment news visit www.vurf.co.za

BUZZ WORD for November

PENSION:

A pension is a monthly income benefit paid by a registered insurance company to a Fund member, at retirement, after the member has elected to convert his/her retirement savings into a monthly income.

KEEP CALM AND KEEP ON SAVING. YOUR RETIREMENT FUND SAVINGS ARE SAFE.

HOW DID YOUR FUND PERFORM?

Verso Umbrella Retirement Funds : Portfolio Performance

Portfolios	September 2014	3 months	1 year	3 year	5 year
Investment Solutions Performer	0.14%	0.91%	15.15%	20.58%	17.44%
<i>Product Benchmark</i>	<i>0.07%</i>	<i>0.81%</i>	<i>15.03%</i>	<i>19.43%</i>	<i>16.40%</i>
Investment Solutions Spectrum	-0.19%	0.42%	13.75%	19.26%	16.18%
<i>Product Benchmark</i>	<i>-0.20%</i>	<i>0.44%</i>	<i>14.17%</i>	<i>19.13%</i>	<i>16.26%</i>
Verso MET Balanced Growth	0.00%	0.95%	12.91%	15.58%	13.35%
Momentum MoM Target Factor 4	-0.11%	1.33%	11.19%	12.12%	n/a
<i>Benchmark CPI+4%</i>	<i>0.68%</i>	<i>2.41%</i>	<i>10.42%</i>	<i>9.92%</i>	<i>9.33%</i>
Verso MET Secure Growth	0.20%	1.21%	10.41%	12.61%	10.97%
<i>Benchmark CPI+3%</i>	<i>0.60%</i>	<i>2.17%</i>	<i>9.42%</i>	<i>8.92%</i>	<i>8.33%</i>
Sanlam Monthly Bonus	1.34%	4.34%	19.07%	14.18%	12.21%
Verso MET Money Market	0.65%	1.42%	6.54%	6.55%	6.96%

- 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 CISCAs 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.

Thought for the day:

Currently, only about 6% of all South Africans are able to maintain their lifestyle and replace their income fully at retirement. It is clear that there is an urgent need to address the situation. We sometimes resist the change that we need and we perceive the discomfort instead of embracing its worth. Over time, we will reap the benefits.

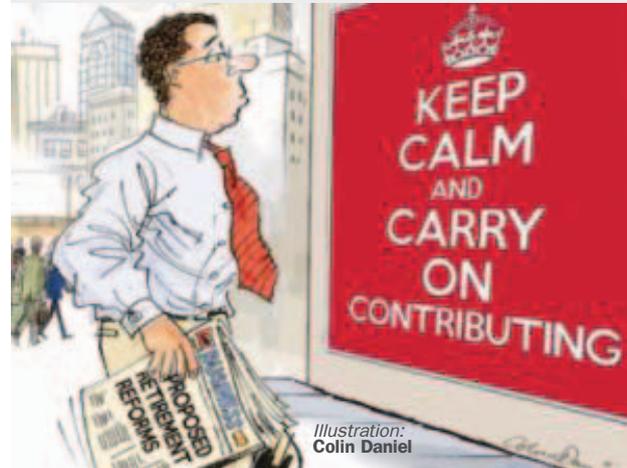


Illustration: Colin Daniel

CONGRATULATIONS to all our WINNERS!

We've heard that it was an unexpected and welcomed surprise for the winners.

Updated member records are very important to the Trustees. Since they realised that this task was a dreary one for members, they have tried to sprout members' interest by adding an element of excitement via competitions.

We were delighted with the recent responses received from you and are very pleased to announce the winners.



First prize winner

Ms. Rietoff
from Elgin Free Range Chickens



Second prize winner

Ms. Aphane
from TH Machine Tools



Third prize winner

Mr. van Jaarsveld
from Springbok Toyota (Pty) Ltd

Enjoy your prize!

For the rest of you, we look forward to receiving your entry in our next competition!

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BOARD OF TRUSTEES:

Ms W Parker (Independent Trustee and Chairperson), Mr S Kennard (Verso Appointed Trustee), Mr W Rossouw (Independent Trustee), Adv C Franken (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.