

Dear Member

The massive fires that we had in the Southern Peninsula made me realise how we cannot predict or change the flow of nature and how easily a person or family's life can forever be changed as a result of such devastating circumstances. Fortunately, in the retirement fund world, we can decide how much to contribute and where to invest our savings. We can also decide not to take our fund savings in cash when we leave the employer and continue to save for retirement.

In this newsletter you will read about the new developments in the Verso Umbrella Retirement Funds in 2015. You will be allowed to leave your benefit as a paid-up benefit in the Fund until you choose to take the benefit before or at retirement. Members retiring from the Fund, will be given the option to purchase an annuity (pension) with Old Mutual at low costs. Members may however still purchase an annuity from any other approved insurer.

As mentioned in my previous letter, the Trustees revised the Fund's investment strategy. It was decided to include new investment portfolios in order to broaden the options available to participating employers and members. Details regarding the new investment portfolios can be obtained from your consultant.

During the budget speech, the Minister of Finance confirmed that Government will continue to build on its retirement reform initiative, aiming to facilitate an environment in which all employees can retire comfortably and not face poverty in their old age. We will keep you informed of this initiative in future newsletters.

I always mention the importance of completion of nomination of beneficiary forms. Please read the short article regarding death benefits and the necessity to complete/update your form.

Please participate in our competition and test your understanding of the articles in this newsletter. You might just win a prize as well.

Enjoy the reading.

Brenda Krummeck

Principal Officer



WHAT'S NEW IN 2015...

The Trustees are always considering ways to improve Fund benefits to make saving for retirement easy for members. Consistent talk of not enough savings is a big concern in our country. To assist members, we decided to implement the following easy to choose from saving options:

- ◆ **A preservation category** – when leaving the Fund members will have the option to keep their fund savings in the Fund as a paid-up (preservation) option. No upfront fees / costs will apply and only a minimal monthly administration fee will be payable. By including this category, the Trustees believe they can make the preservation of retirement savings much easier.
- ◆ **A pension annuity option** – the Fund has partnered with Old Mutual, one of South Africa's largest insurance houses, to provide members with a pension annuity option at retirement. Members close to retirement will receive regular pension quotations attached to their benefit statements. The quotation will reflect the conversion of their accumulated member share/fund saving into a monthly pension amount. Members will therefore have an easy, pre-approved solution to convert their retirement savings into a monthly pension by just "ticking a box" on the applicable form. The Trustees have negotiated lower fees than those payable on retail pension products. Members will however still have the option to use any pension/annuity provider and / or product of their choice.

The above options will allow members easy and cheap access to either preserving their benefit or buy a monthly pension at a much reduced fee. The above options will be discussed in detail in this year's communication to members.

REVISED INVESTMENT MENU

The Trustees review the Fund's investment options on a continuous basis. This process resulted in the introduction of new investment portfolios. Participating employers and / or members can choose these more aggressive and some "passive investment" options. More details can be requested from your consultant.

The new portfolios are:

Investment Portfolio	This is suited for...
Momentum MOM Enhanced Factor 7	This portfolio is aimed at members of a retirement fund who are in an accumulation phase of investing. This portfolio is grouped in the aggressive quadrant of the Fund's investment menu.
Sygnia Skeleton 60	This portfolio is suitable if a member wants to take moderate risk, looking for capital growth over a minimum of 3 to 5 years at the lowest possible fee.
Sygnia Signature 50	This portfolio is suitable for investors looking for median returns, lower volatility in monthly returns in order to maximise capital growth without substantial risk of short term capital loss.
Investment Solutions Defender Plus	This portfolio is also suitable for investors looking for median returns, lower volatility in monthly returns in order to maximise capital growth without substantial risk of short term capital loss.
Momentum MoM Enhanced Factor 4	This portfolio is aimed at members who are nearing retirement. These investors would have a short to medium term investment horizon and is invested in less growth and more defensive investments.

REVISED INVESTMENT MENU

Read the article in this edition.



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

Death benefits

Why is completing a nomination form so important?



The Trustees regularly request that members complete or update their nomination of beneficiary forms. According to the Pension Funds Act the Trustees have to make a decision on the distribution of your death benefit, taking into account all your dependants.

Dependants can be your own direct family (for example your spouse or child) or anybody else that you regularly support financially.

Did you know that the death benefit payable from the Fund does not form part of your estate?

In order for the Trustees to take into consideration your full family circumstances, an updated nomination of beneficiary form is really important.

What must you do?

Ask your Human Resources Officer for a nomination of beneficiary form. Complete the form as soon as possible and give it back to your Human Resources Officer to submit to the Fund.

Please remember:

When your circumstances change, like a marriage, divorce, birth of a child or death of an immediate family member, you must complete a new nomination of beneficiary form.

The more information the Trustees have, the quicker they will be able to reach a decision on the distribution of your death benefit, thereby saving your family from enduring financial hardship.

BUZZ WORD for March

PROVIDENT FUND:

A fund contributed into by employees (if the Fund rules specify it) AND employers, from which the total benefit may be taken in cash at retirement. The member can also choose to purchase a monthly pension with all or part of the benefit, at retirement.

HOW DID YOUR FUND PERFORM?

Verso Umbrella Retirement Funds : Portfolio Performance

Portfolios	February 2015	3 months	1 year	3 years	5 years
Aggressive					
Momentum MoM Enhance Factor 7	3.55%	7.10%	18.24%	21.09%	18.51%
Investment Solutions Performer	2.51%	5.58%	14.77%	19.30%	17.45%
Investment Objective CPI + 6%			10.43%	11.19%	11.09%
Moderate / Aggressive					
Sygnia Skeleton 60	2.62%	6.38%	17.02%	18.60%	17.04%
Investment Solutions Defender Plus #5	1.81%	4.68%	13.26%	15.29% #5	13.84% #5
Sygnia Signature 50	2.72%	6.52%	15.88%	18.09%	15.91%
Investment Objective CPI + 5%			9.43%	10.19%	10.09%
Moderate					
Momentum MoM Enhance Factor 4	2.12%	5.15%	13.73%	13.19%	12.65%
Momentum MoM Target Factor 4	1.46%	4.45%	13.90%	12.70%	n/a
Investment Objective CPI + 4%			8.43%	9.19%	9.09%
Moderate / Conservative					
Sanlam Monthly Bonus	0.92%	2.96%	15.93%	14.71%	12.45%
Investment Objective CPI + 3%			7.43%	8.19%	8.09%
Conservative					
Investment Solutions Banker	0.51%	1.73%	6.98%	6.61%	6.87%
Market Indicators					
FTSE/JSE All-Share Index (ALSI)	4.07%	7.07%	16.14%	19.39%	18.18%
FTSE/JSE SA Listed Property Index	3.16%	12.00%	44.34%	24.99%	22.56%
BEASSA ALL Bond Index (ALBI)	-2.77%	1.94%	15.06%	9.20%	10.24%
StFI	0.45%	1.54%	6.04%	5.56%	5.81%
MSCI World Index (All Countries)	5.55%	7.26%	17.08%	29.14%	20.46%
Rand/Dollar Movement	0.33%	5.54%	8.48%	16.06%	8.76%
Consumer Price Index (CPI)			4.43%	5.19%	5.09%

- All Returns are time weighted and quoted gross of investment management fees. All net figures are available on request.
- The Sanlam Monthly Bonus bonuses are net of guarantee charges and gross of investment management fees.
- Investment returns for periods greater than 12 months are annualised.
- 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 cannot be held liable for any loss or damages as result of any inaccuracy.
- The Investment Solutions Defender Plus 1, 3 and 5 year figures are "back tested" figures as this is a new portfolio offering

Enter our competition and stand the chance to win some cash!

Ask your HR officer for a competition form.



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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.

