

NEWSLETTER 4 OF 2021

DECEMBER 2021

HEADLINE NEWS

- The Fund received a clean audit as at 30 June 2021.
- A 30 June 2021 benefit statement and a 2022 calendar have been sent to every member.
- Members are recommended to complete a Nomination of Beneficiaries Form in respect of their death and funeral benefits.
- Despite the concern in investment markets caused by the Covid-19 Omicron variant, the Fund's assets have performed well over the last 12 months.

DITABAKGOLO

- Sekhwama se hweditše tlhakišo ye e hlwekilego ka 30 Ngwatobošego 2021.
- Setatamente sa dikholego sa 30 Ngwatobošego le khalentara ya 2022 di rometšwe go leloko le lengwe le le lengwe.
- Maloko a eletšwa go tlatša Foromo ya Kgetho ya Baholegwa go ya ka dikholego tša bona tša lehu le poloko.
- Le ge go na le taba mabapi le mebaraka ya dipeeletšo yeo e hlotšwego ke lefapantši la Covid-19 Omicron, matlotlo a Sekhwama a šomile gabotse mo dikgweding tše 12 tša go feta.

IZINDABA EZINOHlonze

- Isikhwama sithole ucwaningo lwamabhuku olungenasici kusukela zingama-30 kuNhlangulana/Juni wezi-2021.
- Isitatimende senzuzo samhla zingama-30 kuNhlangulana/Juni 2021 kanye nekhalenda lezi-2022 kuthunyelwe kuwo wonke amalungu.
- Amalungu anconywa ukuthi agcwalise Ifomu Lokuqoka Abahlomulayo mayelana nezinzuzo zabo zokufa kanye nemingcwabo.
- Naphezu kokukhathazeka ezimakethe zokutshalwa kwezimali okubangelwa ukwehluka kweKhovidi-19 Omikhroni, izingcebo zesiKhwama zenze kahle kakhulu phakathi nezinyanqa eziyi-12 ezidlule.

MAHUNGUKULU

- Nkwama wu kumile vukambelatinkota byo kala swihoxo kusukela eka siku ra 30 Khotavuxika 2021.
- Xitatimende xa mpfuno xa 30 Khotavuxika 2021 na khalendara ya 2022 swi rhumeriwile eka xirho xin'wana na xin'wana.
- Ku bumabumeriwa leswaku swirho swi tata Fomo yo Hlawula Vadyandzhaka mayelana na mpfuno wa vona wa swa rifo na nkosi.
- Hambiloko ku ri na ku vilela ka timakete ta vuvukisi loku vangiwaka hi muxaka wa xitsongwatsongwana xa Khovhidi-19 xa Omikhroni, rifuwo ra Nkwama ri tirhile kahle eka tin'hweti ta 12 leti nqa hundza.

AMENDMENT TO THE RULES OF THE FUND

Phased contribution rate for Joburg Market employees

Some employees at Joburg Market were members of a separate umbrella retirement fund. Joburg Market has given notice to liquidate its participation in that fund and the employees will join the eJoburg Retirement Fund. Although the employer contribution rate in respect of these members was 18% of pensionable salaries, these members did not contribute to the umbrella retirement fund.

The rules of the eJoburg Retirement Fund have been amended to allow these members to phase in their member contributions over three years – a contribution rate of 2.5% of pensionable salaries for the first year, 5% of pensionable salaries for the second year and 7.5% of pensionable salaries (as for all other Fund members) for the third year and thereafter.



FINANCIAL STATEMENTS AS AT 30 JUNE 2021



The annual financial statements of the Fund for the financial year ended 30 June 2021 have been completed and the Fund received a clean audit. The various instances of late payment of contributions by the employers (as reported in previous Newsletters) were noted in the annual financial statements.

The Fund had 31 797 members and net assets of R13.1 billion as at 30 June 2021, making it one of the largest retirement funds in the municipal sector.

A build-up of the Fund over the financial year is as follows:

Net asset as at 30 June 2020		R10 241 595 686
Member and Employer contributions	R1 798 262 354	
Transfers from other retirement funds	R27 845 025	
Insured benefits received from insurance company	R357 809 019	
Investment return	R1 970 631 850	
Total inflows		R4 154 548 248
Insurance premiums paid to insurance company	(R298 595 427)	
Fund administration and other expenses	(R28 698 776)	
Benefits paid to members and dependants	(R1 002 523 099)	
Total outflows		(R1 329 817 302)
Net asset as at 30 June 2021		R13 066 326 632

ANNUAL BENEFIT STATEMENTS AS AT 30 JUNE 2021

A benefit statement effective 30 June 2021 was sent out to every member in November 2021. The benefit statement sets out the member's Fund Credit in the Fund as at 30 June 2021 and the death, disability and funeral benefits applicable to the member at that date.

If you have not received your benefit statement, please contact your Human Resources Department or the Administrator of the Fund on eJHB@momentum.co.za.

2022 CALENDARS

A 2022 calendar was sent to every member with his or her benefit statement. Useful Fund information, including when and how to claim a benefit and how to access the Fund's website, is set out on the calendars.



For full information on the Fund, members should refer to the Fund's Summary Member Booklet. Electronic copies of the Booklet are available on the Fund's website or from the Fund's Administrator on eJHB@momentum.co.za.

NOMINATION OF BENEFICIARIES FORM

Fund death benefit

In the event of a member's death, the benefit payable is the member's Fund Credit and a lump sum benefit calculated as a multiple of the member's annual pensionable salary. The multiple depends on the member's age at the date of death – see the Fund's Summary Member Booklet or Newsletter #1 of 2021 for the current multiples and insurance conditions.



In terms of the Pension Funds Act, the Trustees of the Fund are responsible for determining how the death benefit should be distributed to the member's dependants and nominees. This involves two steps:

- Identify all possible beneficiaries. Such beneficiaries may include the member's spouse, the member's minor and adult children (including adopted children and children born out-of-wedlock) and any other person who is financially dependent on the member at the date of the member's death. It is important to identify everyone who must be considered to receive a benefit, even if they are eventually not allocated any portion of the benefit.

- Determine what portion of the benefit each person should receive. This will depend on a number of factors, including the person's relationship to the deceased member, their level of financial dependency on the deceased member, their age and whether they are working or not.

A full investigation is undertaken by the Fund to obtain the above information, but it is often difficult to identify and trace all the potential beneficiaries and to obtain the required information. This often delays the distribution process and can lead to disputes regarding the allocation of the death benefit.

All members are therefore strongly recommended to complete a Nomination of Beneficiaries Form, setting out all the member's beneficiaries and how much the member believes each person should receive. The Trustees will then take the Form into consideration in making the allocations. The member may also nominate people to receive a benefit who are not dependants or financially dependent on the member.

It is very important to complete a new Nomination of Beneficiaries Form whenever the member's circumstances change, e.g. on the birth of a child or on marriage or divorce.

A Nomination of Beneficiaries Form was sent out to all members with their 30 June 2021 Annual Benefit Statement. Nomination of Beneficiaries Forms are also available from the member's HR Department or from the Fund's Administrator on eJHB@momentum.co.za.

Information to help complete the Form is set out on the reverse side of the Nomination of Beneficiaries Form.

Completed forms must be handed in to the member's HR Department or sent to the Fund's Administrator.

Funeral benefit

A recent change to the Insurance Act means that funeral benefits should preferably be paid out to a person nominated by the member prior to his or her death. This is to ensure that the person who the member wishes to arrange his or her funeral is in a position to do so.

The Nomination of Beneficiaries Form has been amended to include a section where the member can nominate who should receive the funeral benefit in the event of the member's death. If this section has not been completed, the funeral benefit will be paid to a close family relative of the member notified by the Employer to the insurance company. Should such a person not be identified or if there is any dispute as to who should receive the funeral benefit, then the funeral benefit will be paid to the member's estate.

All members are strongly encouraged to consider who they wish to receive the funeral benefit and handle the funeral arrangements in the event of their death and to submit an updated Nomination of Beneficiaries Form to either their Human Resources Department or the Fund's Administrator.

Note that in the event of the death of an eligible spouse or eligible child of a member, the applicable funeral benefit may only be paid to the member.

SALGBC COLLECTIVE AGREEMENT

Although the Fund has not received any formal notification from either the South African Local Government Bargaining Council (SALGBC) or the City of Johannesburg, as the Principal Employer participating in the eJoburg Retirement Fund, the Fund is aware that the parties at the SALGBC have signed a Retirement Fund Collective Agreement.

The Fund will liaise with the City of Johannesburg to determine any implications the Agreement may have for the Fund and its members. The Fund will keep the members informed accordingly in future Newsletters.

INVESTMENT PERFORMANCE



Fund investment returns over the last 12 months

Market linked investment returns in the Inflation Target Portfolio and the Stable Portfolio have been relatively steady over 2021 with a lot less volatility than the monthly returns in 2020. Despite the market reaction to the Covid-19 Omicron variant, the monthly returns were positive in November 2021.

The returns on the Capital Protection Portfolio over the last 12 months have been consistent from month-to-month.

Period	Inflation Target Portfolio	Stable Portfolio	Capital Protection Portfolio
December 2020	2.73%	1.52%	0.35%
January 2021	3.33%	1.75%	0.45%
February 2021	4.04%	1.23%	0.42%
March 2021	1.02%	-0.17%	0.41%
April 2021	1.24%	1.79%	0.32%
May 2021	0.57%	0.16%	0.42%
June 2021	-0.12%	1.30%	0.39%
July 2021	1.75%	1.56%	0.46%
August 2021	1.38%	0.70%	0.46%
September 2021	-0.34%	-0.65%	0.42%
October 2021	2.82%	1.88%	0.43%
November 2021	0.79%	0.78%	0.39%
1 December 2020 to 30 November 2021	20.87%	12.47%	5.02%

Fund long-term investment returns

The investment returns earned on each of the portfolios for longer periods to 30 November 2021 are as follows:

Period to 30.11.2021	Inflation Target Portfolio (inception 1.9.2005)		Stable Portfolio (inception 1.5.2014)		Capital Protection Portfolio (inception 1.9.2005)	
	Actual per annum	Target: Inflation plus 5% per annum	Actual per annum	Target: Inflation plus 3% per annum	Actual per annum	Target: Inflation plus 1% per annum
Last 12 months	20.87%	10.42%	12.47%	8.42%	5.02%	6.42%
Last 3 years	11.97%	9.04%	10.25%	7.04%	6.76%	5.04%
Last 8 years	8.99%	9.89%	N/A	N/A	7.60%	5.89%
Since inception	11.90%	10.55%	8.09%	7.63%	7.91%	6.55%

Given the nature of each of the three Portfolios, performance is assessed by the Trustees over different periods (eight years for the Inflation Target Portfolio, three years for the Stable Portfolio and one year for the Capital Protection Portfolio) as highlighted in green.

The Stable Portfolio was introduced as part of the review of the three stage life stage model during April 2014. The returns for this portfolio are reported from 1 May 2014, representing the first full month that the portfolio was in existence.

This Newsletter is issued for the general information of the members of the eJoburg Retirement Fund.

It is not intended as a substitute for specific legal, financial or other advice in considering the implications for each member's particular circumstances.