

Newsletter

JULY
2009
VOL
39

JOU FONDS SE NAAM HET VERANDER!

Hoekom het ons besluit om die Fonds se naam te verander?

Selfs die Pensioenfondsberegtter verwys soms na die verkeerde Fonds omdat die name so soortgelyk is. Daarom het die trustees besluit om die stap te neem en die Fonds se naam te verander met effek 1 Julie 2009. Dit was 'n moeilike besluit aangesien die Kaapse Gemeenskaplike Aftreefonds handelsmerk so 'n goed gevestigde identiteit het. Om die saak eenvoudig en die kostes so min moontlik te hou het die trustees besluit om die beste van die handelsmerk te behou en net met die woord GEMEENSKAPLIKE van die logo weg te doen. Jou Fonds staan nou bekend as die KAAPSE AFTREEFONDS.

Ander redes vir die wysiging van die Fonds se naam was:

- Sommige lede het vergaderings bygewoon wat nie van toepassing was op hulle Fonds nie.
- Lede voltooi verkeerde eisvorms.

- Lede mag verwar word oor hulle voordele.
- Nuwe lede voltooi verkeerde Nuwe Lid vorms wat moontlike toetrede tot die verkeerde Fonds mag beteken.
- Lede reageer op sake en gerugte wat nie van toepassing is op hulle eie Fonds nie en wat nie betrekking het op hulle nie.

Maak asseblief in die toekoms gebruik van jou Fonds Lidmaatskapkaart

Ingesluit in jou koevert is jou eie lidmaatskapkaart wat jou identifiseer as 'n KAAPSE AFTREEFONDS lid. Ons stel voor dat jy jou lidmaatskapkaart byderhand hou vir maklike verwysing wanneer jy jou Personeelkantoor besoek of wanneer jy die Fonds kontak. Skryf jou Pensioen nommer op die kaart in die wit gedeelte wat vir hierdie doel voorsien is en bewaar dit in jou beursie. Onthou om jou kaart na al jou Fondsinligting- en opleidingsessies te bring.



HAVE YOU CONVERTED TO ELECTRONIC MAIL YET?

As always, your trustees are trying to cut back on costs. Did you know that you can receive the newsletter electronically via email? By simply contacting the call centre at 021 943 5306 or by sending us an email requesting the facility to support@caperf.co.za, you can receive your next Cape Retirement Newsletter in your inbox.

SMS Technology: If you subscribed to the SMS service, please ensure that the Fund is notified of any change of cell phone details. If you would like to know more about the SMS service, please contact the call centre on 021 943 5306.

DEAR MEMBER

In spite of the world's economic doom and gloom the Trustees are still managing to bring you good news. Your benefits have improved, and there is a new option to consider as well. Sarah Seabrook wisely wrote, "I would rather have too much too soon than too little too late." With that idea in mind, the Fund has done its best to help you grow your Retirement value as quickly as possible. We have changed our name – we kept the best of what we had and have simply dropped the Joint. Please participate and stand a chance to win one of our great prizes in our name change competition. Enjoy reading further!

Zsofi Fouché, CEO
zsofi@sash.co.za



board of TRUSTEES

Brian Shepherd - Chairperson
Andreas Mokweni - Deputy Chairperson
Johan Beukman, Annette Cawood,
Ian Iversen, Abe Johnson, Willie Ludik,
Sivuyile Mkebe, Andre Smith,
Frances Snyders, Willem van Gass,
Lodi Venter

Jan Koekemoer - Principal Officer



Fund Registration No: 12/8/32689/2
PO Box 4300, Tyger Valley, 7436
+27 21 943 5306 tel
+27 21 917 4115 fax
support@caperf.co.za

The Cape Retirement Fund does not accept liability for any loss, damage or expense that may be incurred as a direct result or consequence of reliance upon the information in this document. If there is any conflict between the information in this document and the actual Rules of the Fund, the actual Rules of the Fund will prevail.

RISK BENEFIT CATEGORIES

The benefit structure in your Fund has explaining what you need to do if you Category E at this stage, that all mem



CATEGORY A

Do you fit this profile?

I have my own insurance portfolio. I however need death and disability cover.

What will the Category A risk benefit cost you?

This category costs 3% of your annual pensionable salary. This is a defined contribution benefit, which means that we will buy the best possible cover for you to the value of 3% of your pensionable salary. The 3% will not change.

What does the Category A Benefit offer you?

The risk cover will reduce proportionally according to the increase of the premiums in the industry and policy conditions. This could happen when the Fund experiences adverse claims against the insurer.

Should you die:

Your dependents will receive a lump sum of 4.1 x your annual pensionable salary plus your member share plus your funeral benefit.

Should you become disabled:

You will receive a lump sum of 4.1 x your annual pensionable salary plus your member share. This benefit ceases at the age of 65 and decreases with 1/120th per month from the age of 55.

For example:

If you earn R25 000 per year and your accumulated member share is R35 000, you will receive a lump sum of R102 500 plus the total of your member share of R35 000 which is payable to your dependents in the event of your death and to you should you become disabled.

How much do you save for retirement?

Risk benefit cost: 3%
Funeral cover: 0.22%
Running Costs: 0.9%
Retirement saving: 22.88%



CATEGORY B

Do you fit this profile?

I am a young member with a spouse and young children, with little other insurance.

What will the Category B risk benefit cost you?

This category costs 5% of your annual pensionable salary. This is a defined contribution benefit, which means that we will buy the best possible cover for you to the value of 5% of your pensionable salary. The 5% will not change.

What does the Category B Benefit offer you?

The risk cover will reduce proportionately according to the increase of the premiums in the industry and policy conditions. This could happen when the Fund experiences adverse claims against the insurer.

Should you die:

Your dependents will receive a lump sum of 6.9 x your annual pensionable salary plus your member share plus your funeral benefit.

Should you become disabled:

You will receive a lump sum of 4.4 x your annual pensionable salary plus your member share. This benefit ceases at the age of 65 and decreases with 1/120th per month from the age of 55.

For example:

If you earn R25 000 per year and your accumulated member share is R35 000 you will receive a lump sum of R172 000 plus the total of your member share of R35 000, which is payable to your dependents in the case of your death, and in the event of disability you will receive a lump sum of R110 000 plus the total of your member share.

How much do you save for retirement?

Risk benefit cost: 5%
Funeral cover: 0.22%
Running Costs: 0.9%
Retirement saving: 20.88%



CATEGORY C

Do you fit this profile?

I have sufficient disability cover and only need death benefits.

What will the Category C risk benefit cost you?

This category costs 2% of your annual pensionable salary. This is a defined contribution benefit, which means we will be buying the best possible cover for you to the value of 2% of your pensionable salary. The 2% will not change.

What does the Category C Benefit offer you?

The risk cover will reduce proportionately according to the increase of the premiums in the industry and policy conditions. This could happen when the Fund experiences adverse claims against the insurer.

Should you die:

Your dependents will receive a lump sum of 4.4 x your annual pensionable salary plus your member share plus your funeral benefit.

Should you become disabled:

Only your member share will be payable to you, there is no insured disability benefit.

For example:

If you earn R25 000 per year and your accumulated member share is R35 000, you will receive a lump sum of R110 000 plus the total of your member share of R35 000, which is payable to your dependents in the case of your death and a lump sum equal to the total of your member share to you should you become disabled.

How much do you save for retirement?

Risk benefit cost: 2%
Funeral cover: 0.22%
Running Costs: 0.9%
Retirement saving: 23.88%

NEW CATEGORY E WORKSHOPS

we are visiting our main regions

As you can see in the centre on this newsletter, the Fund is introducing a new risk cover category. You now have a choice between a lump sum or a monthly income disability benefit. This is an important decision that could affect your future. It is a technically difficult concept and we realise that after reading all the information and your cover letter, that you will have questions. To assist members, we will be conducting workshops at as many Local Authority offices as possible. Please take advantage of this service and make sure

you use this opportunity to learn more about your Fund and fully grasp all your benefits and understand how you can best take care of your future and that of your family. All risk option forms need to be faxed to the Fund by no later than 12h00 on 18 September 2009 if you wish to change to the new risk Category E.

Come and meet your Principal Officer

After the extremely positive feedback we received from you regarding the Principal Officer visits during 2008, Jan Koekemoer,

your PO, will be doing his best to attend some of the above mentioned sessions.

Our consultants will have the times and venues of the workshops confirmed by the end of July. Your Human Resources team will assist us in advertising the details so please be on the lookout. The details of the visits will also be posted on the website on www.caperf.co.za and for those of you who do not always have access to a computer, please do not hesitate to call our call centre on 021 943 5306 for the information.

as improved. You now have a choice of 5 risk benefit categories. Please read the enclosed letter u would like to transfer to Category E. It is important to note that if you do not want to transfer to bers in the Fund have the option to transfer to another Category annually before 31 March.



CATEGORY D

Do you fit this profile?

I wish to save as much as possible towards my retirement and have minimal need for risk cover. (Confirm with your broker).

What will the Category D risk benefit cost you?

This category does not offer any insured risk benefits. Thus, the cost is 0% of your annual pensionable salary. The 0% will not change.

What does the Category D Benefit offer you?

This category does not offer you any risk benefits other than the funeral benefit.

Should you die:

A lump sum consisting of the total of the member share plus your funeral benefit, is payable to your dependents.

Should you become disabled:

A lump sum consisting of the total of the member share is payable to you.

For example:

If you earn R25 000 per annum and your accumulated member share is R35 000 you will receive a lump sum consisting of your total member share of R35 000, which is payable to your dependents in the case of your death and to you should you become disabled.



CATEGORY E

Do you fit this profile?

I have a need for death cover and especially a need for a monthly Income Disability Benefit option (ICB).

What will the Category E risk benefit cost you?

This category costs 3.25% of your annual pensionable salary. This specific benefit will not be on a defined contribution basis as is the case with the other risk benefits. The cost therefore can change in the future, but the cover will remain unchanged.

What does the Category E Benefit offer you?

The risk cover will remain unchanged. The cost will increase or decrease proportionally according to the increase of the premiums in the industry and policy conditions. This could happen when the Fund experiences adverse claims against the insurer or if the claims experience improves.

Should you die:

Your dependents will receive a lump sum of 4 x your annual pensionable salary plus your member share plus your funeral benefit.

Should you become disabled:

You will receive a monthly income disability benefit of 75% of your annual pensionable salary, subject to a maximum of R110 000 per month. In the case of disability you will continue to contribute 9% towards retirement funding and when you reach 65 you will receive your full member share as a retirement benefit. While receiving the monthly disability income benefit you will also remain covered for the death benefit until you turn 65.

Please note that the monthly benefit can be stopped by the Insurer if you no longer meet the requirements of the definition of disability.

For example:

If you earn R25 000 per year and your accumulated member share is R35 000, in the event of your death your dependents will receive a lump sum of R100 000 plus the total of your member share. In the case of disability you will receive 75% of your monthly pensionable salary, in this example R1 562 per month.

How much do you save for retirement?

Risk benefit cost: 3.25%
Funeral cover: 0.22%
Running Costs: 0.9%
Retirement saving: 22.63%

How much do you save for retirement?

Risk benefit cost: 0%
Funeral cover: 0.22%
Running Costs: 0.9%
Retirement saving: 25.88%

definitions of DISABILITY

Lump sum definition: This benefit is payable once, in the opinion of Metropolitan,

- the member totally and permanently and continuously cannot use both eyes, or both hands, or both feet, or 1 (one) hand and 1 (one) foot; or
 - the member totally and permanently and continuously is unable, even with further in service training, to follow ;
 - the regular occupation which he/she practised immediately before; and
 - the occupations which he/she, in view of his/her training and experience, may reasonably be expected to follow;
- and which
- is directly and exclusively caused by a bodily injury or an illness to which the member did not negligently or wilfully expose himself/herself, except in the interests of the law or to protect his/her or another's life or property; and
 - is not attributable to intentional self-inflicted injury.

Monthly Income Benefit definition: This disability is defined by Metropolitan as the inability of a member, owing to illness or injury,

- a) during the first 2 years of disability, to engage for remuneration or profit in the occupation in which he/she was engaged immediately prior to his/her incapacity; and
- b) thereafter to engage in another occupation for which he/she is or could reasonably be expected to become qualified by virtue of his/her knowledge, training, education, ability and experience.

The two-year period mentioned in (a) above runs from the commencement of disability, i.e. the start of the waiting period. You will note that the main difference between the Lump Sum and Monthly Income Benefit definitions, is the fact that permanency does not need to be proved for the Monthly Income Benefit and is therefore easier to prove than disability for the Lump Sum benefit.

KBO WERKWINKELS 'n groot sukses

Dankie aan al die lede, 50 jaar en ouer, wie die Kapitaalbeskermingsopsie (KBO) portefeulje werkwinkels bygewoon het. Hierdie werkwinkels was goed ondersteun en ons wil graag die Menslike Hulpbronne personeel bedank vir hulle hulp met die reëlings van hierdie werkwinkels.

Die sluitingsdatum om jou opsie uit te oefen vir die Kapitaalbeskermingsopsie was 30 Junie 2009. Diegene wie gekies het om julle lidgedeelte of 'n gedeelte daarvan tussen die twee portefeuljes oor te dra sou 'n ontvangserkenningsbrief of sms ontvang het (indien jy geregistreer het vir die "In Kontak" sms fasiliteit) gedurende Julie 2009.

Jou lidbelang sal bereken word soos op 30 Junie 2009. Bevestiging van die bedrag wat oorgedra is na die KBO beleggingsportefeulje of Trustee verstek beleggingsportefeulje sal aan jou gestuur word gedurende Augustus 2009. Let asseblief daarop dat sodra jy gekies het om jou lidbelang of 'n gedeelte daarvan na die KBO portefeulje oor te plaas, alle toekomstige maandelikse aftreefonds bydraes aan die KBO portefeulje betaalbaar sal wees.

WORKSHOP DATES

18 August 2009 – Cape Town	7 September 2009 – Malmesbury
19 August 2009 – Cape Town	8 September 2009 – Paarl
24 August 2009 – Caledon	8 September 2009 – Stellenbosch
24 August 2009 – George	9 September 2009 – Hermanus
25 August 2009 – Port Elizabeth	9 September 2009 – Cape Town
25 August 2009 – East London	14 September 2009 – De Aar
26 August 2009 – Queenstown	15 September 2009 – Kimberley
26 August 2009 – Graaff Reinet	16 September 2009 – Vryburg
27 August 2009 – Beaufort West	17 September 2009 – Upington
27 August 2009 – Worcester	18 September 2009 – Vredendal
7 September 2009 – Vredenburg	21 September 2009 – Cape Town

from the
**PRINCIPAL
OFFICER'S** desk

Since we have started calculating member fund values on a monthly basis, many members have expressed their concern regarding these values.

Members must please bear in mind that these fluctuations have always been there, but as members' fund values were only posted on an annual basis, they were not always aware of these fluctuations.

Members are urged not to overreact to monthly values – a negative month is often followed by positive returns. One must look at a reasonable term when calculating returns. At present, our Fund is still outperforming the bulk of retirement funds in the industry, although it may still be slightly negative. At the end of April the Fund was slightly negative, but I hope that the growth on the JSE will continue to allow us to end the financial year on a positive note. This will put us amongst the best performing funds for the past two years – one of the most difficult periods since the depression of the 1930's. Hang in there – now is not the time to change book losses to real losses.

Met die maandelikse berekening van fondswaardes is baie lede senuweeagtig oor die maandelikse bewegings. Lede moet asseblief nie oorreeger op hierdie waardes nie. U moet u opbrengs oor 'n langer termyn meet. Die rede waarom die fondswaardes maandeliks bereken word, is om te verseker dat slegs die lede wat deel was van die positiewe opbrengs, maar ook negatiewe opbrengs, daarin deel. Geen beleggingsreserwe bestaan dan wat later onder die lede wat dan bestaan, verdeel moet word nie.

Een ooglopende voordeel wat die nuwe berekeningsmetode bied, is dat lede besef hoe belangrik dit is om vir aftrede te beplan. Weens die maandelikse fluktuasie is dit nodig dat u, wanneer u naby aftrede kom, sal besluit of u na die kapitaalbeskermingsopsie wil beweeg, wat dan aan u met baie groter sekerheid kan voorspel wat u lidwaarde sal wees by aftrede, weens die amper-uitskakeling van fluktuasie.

Retirement funds world wide are reeling from the blows taken due to the fall in the markets. Your Fund has been extremely fortunate by avoiding major losses. However, the global retirement fund industry has realised that the way they invest needs re-thinking. Capital protection is playing a bigger role, and chasing the highest returns by investing in high-risk products may be changed to ensure no or little capital loss and modest returns.

U Fonds is dinamies en neem gereeld besluite om in pas te bly met die beste beskikbare produkte. Voorbeelde hiervan is die nuwe opsie om tydelike ongeskiktheidsvoordele te bekom en die terugbeweeg uit die Kapitaal Beskermingsopsie na die gewone beleggingsportefeulje. Hierdie beweging dui daarop dat die Raad van Trusteese poog om die beste voordele vir sy lede te bied sodat ons trots kan bly op ons Fonds – van nou af bekend as die Kaapse Aftreefonds.

Ek sien uit na my besoeke op streekbasis later vanjaar soos elders in die nuusbrieff uiteengesit.



Adv Jan Koekemoer,
Principal Officer

Your Fund appointed

NEW INVESTMENT ADVISORS

The trustees have appointed Vunani Portfolio Solutions as the Fund's new investment consultants. We interviewed Mr. Shainal Sukha from Vunani, asking him more about his outlook on current markets.



Shainal Sukha
Investment Consultant

1. Are we in a recession?

Yes, South Africa officially entered a recession after news that the economy contracted by 6.4% during the first quarter of 2009. This was the sharpest fall in GDP since 1984. As a result, the Monetary Policy Committee cut interest rates by a further 1% in May 2009, bringing the prime rate to 11% from 15.5% in December 2008. More bad news followed with CPI inflation coming in higher than expected at 8.4% year on year in April 2009, due to high food and petrol prices.

Despite these developments, domestic markets have largely been driven by foreign sentiment and the US market. The FTSE JSE All Share Index rose by 24.4% over the 3 months ended May 2009, while the MSCI World was up 30.8% in US dollar terms. In Rand terms, the MSCI World was up only 3% due to significant Rand strength over this period.

All three equity sectors achieved returns greater than 20% over the past 3 months. Resources performed well over the past six months, returning 14.5% due to a strong recovery in commodity prices. Industrials returned 6.8% over the past six months while Financials disappointed with a negative return of -2.7%.

After a strong rally in the fourth quarter of last year, the All Bond Index has continued to underperform cash (as measured by the STeFI) during 2009. The All Bond Index returned 2% over the six months ended May 2009 while the

STeFI returned 5.3%.

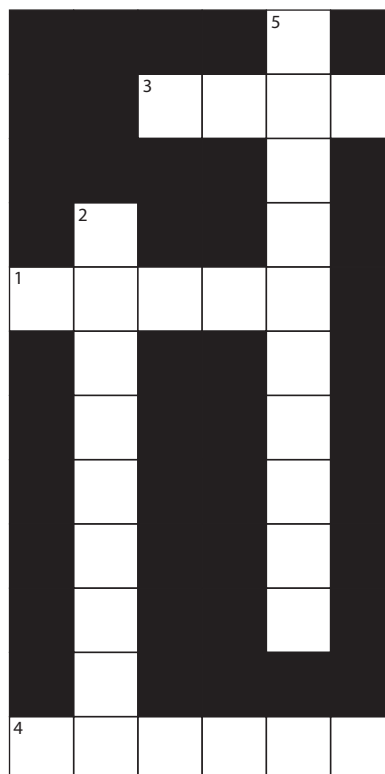
2. What can we expect for the coming months?

Going forward, uncertainty and volatility are expected to be the key factors dominating the investment environment. Market sentiment tends to oscillate between fear and optimism as optimists interpret every piece of economic news as a sign that the recession has bottomed out, while pessimists believe that more bad news will follow and that the recent equity market rally will not be sustainable. With such divergent views in the market and the fact that the current rally in international equity markets is the largest 3 month rally from a bear market trough since World War II, we would recommend a cautious approach.

3. How will cash perform relative to other products in the next 12 months?

After world-wide fiscal and monetary stimulation, the global economy seems to be showing some signs of stabilisation, suggesting that the recession may end in late 2009. Our preferred asset class is local equities especially for an investor with a long time horizon (greater than 5 years) as valuations relative to other asset classes have improved. We expect cash to outperform local bonds over the next 12 months. As always, these views may change as market conditions change.

COMPETITION



We are giving away a R500 Woolworths Gift voucher and one Cape Retirement Fund golf shirt. To be in the lucky draw to win and become one of the first proud owners of our Cape Retirement Fund golf shirt, please complete the crossword puzzle, add in your details and fax or e-mail the answers to us on 021 917 4115 or at support@caperf.co.za on or before 31 August 2009.

1. In renaming the Fund, this word was removed to create the new name.
2. By renaming your Fund, the trustees aim to end the that existed between Fund identities.
3. Your Fund's new name is effective as from 1 2009
4. The new category E benefit in the Fund provides a disability continuation benefit.
5. We are encouraging our members to receive an newsletter instead of receiving it through the postal system.

Name: _____

Pension Number: _____

Email Address: _____

Contact Number: _____