

Great success at the Fund's 15th Annual General Meeting

The Fund's 15th annual general meeting took place on the 17th of February 2012. Mr. BW Shepherd, the Chairman of the Fund, reported back in his Chairman's Review on the Fund's excellent returns in spite of one of the most volatile investment environments experienced in history. He also discussed the new benefit enhancements and strategic direction for the next year. A copy of the Chairman's address is available in English, Afrikaans and Xhosa on our website.

Enjoy the full AGM at your own leisure!

Our philosophy is to encourage member activism and transparency. So, to ensure that you as the member keep up to date, we have recorded the AGM including the presentations by the Fund's Investment Consultants and the Economist. To view the recorded AGM please visit our website www.caperf.co.za.

Trustee elections

Every year, after the AGM, the Board of Trustees

elect the Chairperson and Deputy Chairperson. Congratulations to our Chairperson Mr. BW Shepherd and our deputy Chairperson Mr. SA Mokweni who were re-elected for another year.

We would also like to congratulate and welcome the following Trustees who have been elected to serve on the Board: They are Mr. HH van der Merwe, member trustee for the Northern Cape, Mr. JL Steyn, councillor trustee for the Northern Cape and Mr. AP Gqabi, councillor trustee for the Eastern Cape.

You have a new benefit brochure!

Staying true to our promise in making sure you understand the difficult world of retirement planning, we have simplified our benefit brochure. The benefit brochure was introduced at this year's AGM and is available to you in Afrikaans, English and Xhosa. The new brochure will also be handed out during our planned visits to your region and can be accessed on our website.



F.I.t.r.: The newly elected trustees, Councillor JL Steyn, Councillor AP Gqabi and Mr HH van der Merwe

LIEWE LID

Ons het onlangs ons 15de Algemene Jaarvergadering gehou. Dit was aangenaam om die goeie opkoms te sien, bestaande uit lede en raadslede verteenwoordigend van hulle onderskeie Plaaslike Owerhede. Dit is vir my baie aangenaam om te rapporteer dat die Fonds goed presteer het, ten spyte van nóg 'n jaar van onsekerheid in die finansiële markte. Die artikels in hierdie nuusbrief bevat nuttige inligting oor wat hierdie jaar in die markte verwag word en beleggingsopsies wat vir persone bo 50 jaar beskikbaar is. Maak seker dat jy hierdie artikels lees en so op hoogte bly van die jongste nuus in die Fonds en die bedryf. Lekker lees!

Brian William Shepherd
Voorsitter



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**Update your
risk category**

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**Werkswinkels
in jou streek**

BLADSY 3

**Why is your
Fund unique?**

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Another successful Annual General Meeting...
 1. Candy Mtuli and Charne Breedt from Sash Consulting. 2. McNita Nell and Heidi Cronjé, HR Officers from the Knysna Municipality. 3. Councillors from Buffalo City Municipality. 4. Mr Brian William Shepherd, the Chairman of the Fund addressing the audience. 5. Cllr Andile Gqabi at the registration table. 6. Trustee members - in the front row from left to right: Mr. S Mokweni, Mr. A Smith, Cllr. A Gqabi and in the back row from left to right: Mr J Beukman and Mrs A Cawood. 7. The audience at the AGM.

DID YOU KNOW?

Your expenses are 20% less than the industry!

The Cape Retirement Fund is an industry leader, and encourages members to know how much of their monthly contributions are used towards expenses. Costs, such as administration and communication fees are incurred while running a retirement fund and are deducted from your contributions on a monthly basis.

We are pleased to confirm that the industry norm for administration cost is 1% of pensionable salaries, while the Fund's total administration cost amounts to just over 0.80% which is 20% less than that of the industry. You are able to view the Fund's current cost structure on our website www.caperf.co.za

You could save a fortune if you update your risk category

As a member of the Cape Retirement Fund, you determine how much of your contributions received by the Fund are used to buy your risk cover by electing the risk category best suited to your needs. It is therefore very important to review your risk category on a regular basis and to change it if necessary.

The Cape Retirement Fund allows you the option to change your risk category annually to ensure that you don't throw away your hard earned savings. There are events contained in the policy which enable you to change your risk category on the happening of one of these events.

You might remember that in the past, the deadline to inform the Fund if you wished to voluntarily change your category was 31 March, but as from 2012, this date has changed to **30 April**, for implementation 1 July. A R100 administration fee is payable when such election is submitted to the Fund. It is important to remember that all changes are subject to the Insurer's policy terms and conditions and where cover is increased, the Insurer may request a medical report.

Please remember that you may also change your risk benefit category free of charge in the event of the following: • On marriage or divorce • On the birth or death of a child • On the death of a spouse • At the ages 40, 50 and 60 • When a child reaches majority • When a member's employment contract changes

Please be sure to notify the Fund in writing of any change in your choice of category within two months of the event. Proof of the event, e.g. a certified copy of a birth certificate, must be provided with the Change in Insured Risk Benefit Category Form which is available on our website www.caperf.co.za.

OUER AS 50? LET OP – DAAR IS VERANDERINGE

Om ons lede nader aan aftrede se aftreespaargeld teen die risiko van onbestendige markte te beskerm, het die Raad van Trusteese alternatiewe beleggingsopsies beskikbaar gestel aan ons lede wat 50 jaar of ouer is om die risiko waaraan jy blootgestel is, te beperk.

Elkeen van die drie beleggingsopsies wat aan jou beskikbaar is, het 'n unieke doelwit om jou met jou finansiële beplanning te help.

Portefeulje	Doelwit
Groeiportefeulje (voorheen bekend as die Trustee Verstekportefeulje)	Die doelwit van die Groeiportefeulje is om die beste groei oor die lang termyn te lewer, maar dit kan op die kort termyn onbestendig wees. Onbestendigheid kan naby aftrede gevaarlik wees indien opbrengste negatief is, omdat jy dan minder risiko kan bekostig en die gevaar kan loop dat daar nie genoeg tyd is om van die negatiewe opbrengste op jou belegging te herstel nie.
Beskermingsportefeulje (voorheen bekend as die Kapitaalbeskermingsopsie)	Hierdie portefeulje het 'n konserwatiewe beleggingstrategie, en dit is veral geskik vir lede wat naby aftrede is en hulle kapitaal wil beskerm. Die portefeulje is daarop gemik om jou aftreespaargeld te beskerm en nie enige negatiewe opbrengste oor die kort termyn te lewer nie.
Gematigde Portefeulje (voorheen bekend as die Buigsame Portefeulje)	Hierdie portefeulje se doelwit is om die verantwoordelikheid van die batetoewysings-besluit oor te dra van jou na 'n beleggingskomitee, gelei deur Verso Multi-Manager. Dit is 'n buigsame portefeulje wat aktief volgens marktoestande bestuur word om medium groei en medium risiko toe te laat. Hierdie portefeulje is geskik vir lede naby aftrede (50 jaar en ouer) wat meer stabiliteit in beleggingsopbrengste verlang.

Gereelde vrae van lede oor die beskikbare beleggingsportefeuljes:

V: Moet ek my totale lidbelang na 'n spesifieke portefeulje oordra?

A: Nee, jy het die volgende oordragopsies:

Deel van jou lidbelangrekening	Beleggingsopsie
slegs 100%	Groeiportefeulje
slegs 100%	Beskermingsportefeulje
slegs 100%	Gematigde Portefeulje
25%, 50%, 75% of 100%	'n Kombinasie van die Beskermingsportefeulje en die Groeiportefeulje
50%/50%	'n Kombinasie van die Gematigde en die Groeiportefeulje

Indien 'n deel van jou lidbelang in die Gematigde of Beskermingsportefeulje is, word al jou toekomstige bydraes aan daardie spesifieke portefeulje toegewys.

Dit is ook belangrik dat jy kennis moet neem dat indien 'n deel van jou lidbelang in die Beskermingsportefeulje belê is, jy nie die Gematigde Portefeulje kan benut nie.

V: Wanneer kan ek na die beleggingsportefeulje van my keuse omskakel?

A.1. Jy kan na die Beskermingsportefeulje oorskakel wanneer:

Jy kan 'n persentasie van jou lidbelang na hierdie portefeulje omskakel gedurende die maand waarin jy 50 jaar oud word. Jy mag onder die volgende voorwaardes tot 'n maksimum van drie keer per fondsjaar (1 Julie – 30 Junie) tussen die Groeiportefeulje en die Beskermingsportefeulje omskakel:

- Op 1 Julie elke jaar
- Twee bykomende omskakelings per fondsjaar. As jy op ouderdom 50 én op 1 Julie na ander fondse omskakel het, bly daar nog net een omskakeling vir daardie fondsjaar oor.

A.2. Jy kan na die Gematigde Portefeulje wanneer:

Die opsie om tussen die Gematigde Portefeulje en die Groeiportefeulje om te skakel, is een keer per fondsjaar (1 Julie – 30 Junie) beskikbaar.

V: Moet ek 'n administrasiefooi betaal om na 'n alternatiewe beleggingsopsie om te skakel?

A: Jou aanvanklike omskakeling na die Beskermingsportefeulje wanneer jy 50 jaar oud word en op 1 Julie elke jaar sal gratis wees. Vir enige ander omskakeling tussen portefeuljes word 'n administrasiefooi van R350 egter gehef. Hierdie fooi word van jou lidbelangrekening verhaal wanneer die omskakeling gedoen word. Omskakelings na die Gematigde Portefeulje is gratis.

V: Hoe werk dit?

A: Ons lede wat daarvoor kwalifiseer, ontvang 'n opsievorm en 'n brief waarin die beleggingsopsies in meer detail uiteengesit word. Ons beplan ook om die volgende werksinkels (regs) aan te bied waar jy 'n konsultant van die Fonds en 'n finansiële adviseur van Verso Beleggingsdienste kan spreek om jou met hierdie belangrike besluit te help.

V: Moet ons jou herinner wanneer ons jou area besoek?

A: Registreer dan vir die "In Touch" SMS-diens sodat ons jou kan herinner wanneer ons in jou area sal wees.

"OUER AS 50"

WERKSWINKEL DATUMS IN JOU STREEK

DATUM	STREEK
Maandag, 16 April 2012	Somerset-Wes
Dinsdag, 17 April 2012	Malmesbury
Woensdag, 18 April 2012	Hermanus
Donderdag, 19 April 2012	Paarl
Vrydag, 20 April 2012	Kaapstad
Maandag, 23 April 2012	Oos-Londen
Dinsdag, 24 April 2012	Port-Elizabeth
Maandag, 7 Mei 2012	De Aar
Dinsdag, 8 Mei 2012	Kimberley
Woensdag, 9 Mei 2012	Vryburg
Donderdag, 10 Mei 2012	Upington
Dinsdag, 15 Mei 2012	Bellville
Woensdag, 16 Mei 2012	Worcester
Donderdag, 17 Mei 2012	Stellenbosch
Vrydag, 18 Mei 2012	Vredenburg
Dinsdag, 22 Mei 2012	Mosselbaai-munisipaliteit George-munisipaliteit



5 easy steps

to gain secure access to your Fund information.



Are you part of the 53% of our members that are not yet able to view your personal Fund information such as your latest Fund value online? If yes, follow these easy steps to register.

1. Visit our website - www.caperf.co.za
2. Select the Login/Register Icon
3. Read and Accept the Disclaimer
4. Select "Create a new user account"
5. Complete your personal details and submit

Within minutes of completing the abovementioned process, your login details will be sent to you via sms. Should you experience any difficulty with the registering process, please contact us on 021 943 5306.

GELUK AAN DIE WENNER VAN ONS GELUKKIGE TREKKING!

Baie geluk aan Rushdi Hollenbach, die wenner van die gelukkige trekking van ons aanlyn opname onder lede, wat 'n R1 000-geskenkbewys wen. Baie dankie aan almal wat aan die opname deelgeneem het. Jou terugvoer is vir ons baie belangrik en speel 'n beduidende rol om te verseker dat ons diens aan jou voortdurend verbeter.

Why is your Fund unique?

An investment perspective by
Duncan Theron, Investment Consultant



Quick Thinking Helps

We have seen that changes in market conditions often demand quick decisions regarding the restructuring of investments and asset allocation within the Fund. It is therefore good to know that your Fund is fully equipped to make quick decisions on the required restructuring in order to protect your retirement benefit. Our investment

committee meets at least monthly to ensure that changes are considered so that well guided decisions can be taken.

More on the Markets

Over the past twelve months ending December, the local bond markets surprisingly produced the strongest returns of all asset classes. Inflation linked bonds yielded 13.05% and the All Bond Index delivered 8.82%. The local equity markets (ALSI) as well as money market assets yielded 2.57% and 5.73% respectively, thereby underperforming inflation (CPI) which was 6.20% for the year. The place to have been invested over the past year was the offshore markets. With the Rand depreciating by 21.90% to the US Dollar all offshore asset classes provided returns in excess of 15% in Rand terms.

The best performers were offshore bonds and offshore cash, which produced 28.78% and 22.19% respectively.

Looking ahead, inflation might remain above the Reserve Bank target of 6% in the short term. With the economy growing slowly and the sudden strengthening of the Rand, interest rates will probably remain unchanged for the next 6 to 12 months. Local money markets assets might again not provide real returns. Investors will therefore need to take risk to outperform inflation. Until a solution is found for the European crisis, market volatility will remain high and investors will need to ensure that their portfolios are well diversified across local and offshore asset classes, across various investment strategies and by selecting suitable investment managers.

The good news for members is that despite the very volatile markets we find ourselves in, the Fund had a good 2011 and outperformed managers who had a similar objective to us. It is however expected that future returns will be lower than previous years as the JSE remained flat during 2011.

Inflation: How it affects you and what you can do about it!



Article from Fairbairn Capital Investment News

Oil prices are in the triple-digit territory again. Food prices are on the up. Electricity tariffs are rising. No wonder everyone is talking about inflation.

What is inflation?

Inflation can be described as a general increase in the price of goods and services. More specifically, it is the annual increase in the price of a representative basket of goods and services – in other words; it measures how much the cost of the basket has risen compared to the same month in the previous year.

Statistics South Africa (StatsSA) measures the price of this representative basket of goods and services, and uses this to calculate the consumer price index (CPI). In April 2011, CPI was 4,2% higher than in April 2010, and thus

the official or headline inflation rate was 4,2%. This is also the inflation rate the South African Reserve Bank is mandated to keep within a 3% - 6% range.

What is my inflation basket?

It is important to realize that it is a difficult task for StatsSA to calculate that representative basket. They consider the results of surveys that gauge what South Africans earn, and what people spend their money on. The difficulty is that different people spend their money on different things.

For poorer people, a large part of their income is spent on food and other basics. For wealthier people, food is a smaller component of their household budget; they tend to spend their money on servicing mortgages and keeping cars on the road. More affluent people also tend to consume more specialized services, such as insurance, armed response, financial advice, broadband, satellite television etc.

There are also differences amongst age groups. Older people tend to spend more on healthcare, while middle-aged people spend a lot trying to get their children educated. Young people seem to have cell phones glued to their hands, and socializing is a priority.

Where you live also makes a difference to how much you pay for municipal services, and how much you spend on commuting to work and back every day (if you live in Gauteng, toll fees will soon add to the cost of commuting). People in rural areas generally have to cover greater distances to reach shops and facilities, travel to work, etc.

What can I do?

The only way to protect yourself against inflation is to ensure that your income and your assets grow faster than inflation, putting your money under a mattress will clearly not work. Leaving your money in a bank account can keep track of inflation, but will hardly beat it. Over longer periods, assets such as property and equities (shares) offer good inflation protection. These two asset classes also come with risk, therefore it is always important not to have all your eggs in one basket and to try and diversify your investments as far as possible.

BOARD OF TRUSTEES

Mr. BW Shepherd (Chairperson), Mr. SA Mokweni (Deputy Chairperson), Mr. JP Beukman, Ms. AH Cawood, Cllr. AP Gqabi, Cllr. IR Iversen, Cllr. A Johnson, Mr. ET Scott, Mr. AJ Smith, Cllr. JL Steyn, Mr. HH van der Merwe, Mr. WW van Gass. Principal Officer: Adv. JF Koekemoer

Translated Newsletters

Please contact the call centre on (021) 943 5306, should you want a translation of this newsletter in English, Afrikaans or Xhosa. If you would like to receive your newsletter via e-mail, please e-mail your details to support@caperf.co.za.

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