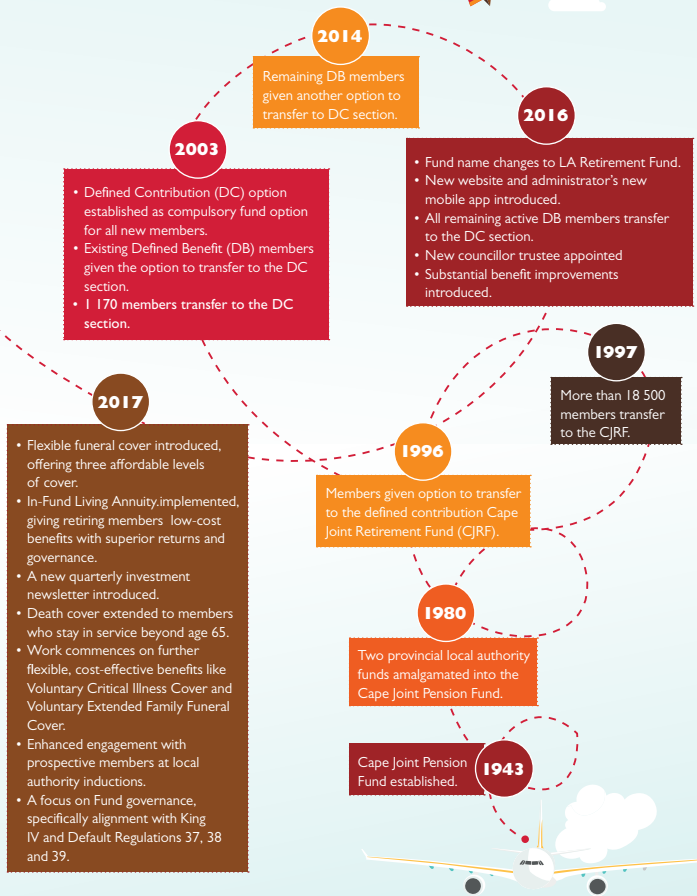


LA RETIREMENT FUND

Securing your retirement • Verseker jou aftrede • Ukukhusela umhlala-phantsi wakho

2016 • 2017

A BRIEF HISTORY OF LA RETIREMENT FUND



SAKKIE DU TOIT
Chairperson

MESSAGE FROM CHAIRMAN

Despite economic, market and regulatory challenges, the Fund continues to deliver on its promise to members to help them achieve favourable retirement outcomes. The cost-effective risk-profiled solutions have produced solid returns over one - and three years - exceeding market performance. We delivered numerous new and enhanced benefits and declared a pensioner increase of 64% of inflation in January 2017.

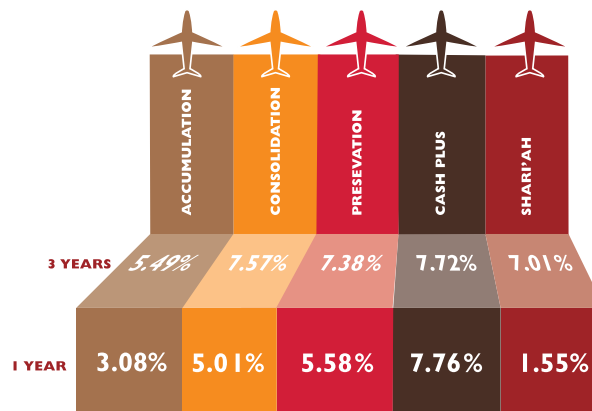
The intensified focus on marketing the Fund saw a 105% increase in new members. The Fund is ready for the implementation of the Default Regulations in 2019.

OUR FUTURE **GROWTH**

THE FUND AT A GLANCE (end June 2017)

Active members	1 463
Deferred members	25
Pensioners	3 705
Assets under management:	R3.771 billion

GROWING MEMBERS' INVESTMENTS



ALL FIGURES SHOWN TO END-JUNE 2017, AFTER COSTS

- The Fund's performance remains among the strongest in the industry and has provided sound real returns despite challenging markets.
- It has outperformed its municipal peers and the broader industry retirement fund products over the longer term.

COMMITTED TO GOOD GOVERNANCE

- The Fund prioritises being well managed and complying with the laws that govern retirement funds.
- The board has aligned its mission, practices and protocols to King IV to ensure a world class governance system.
- The board has adopted a formal governance framework, evaluates its performance and is committed to fostering an ethical Fund culture.

2016/17 HIGHLIGHTS

FUND GROWTH

- 1 463 active members, 25 deferred members and 3 705 pensioners
- 111 new members and, 47 new pensioners and 4 in-fund living annuitants
- R3.771 billion assets under management

ENHANCED BENEFITS

- Pension increase equal to 64% of inflation and declared in January 2017
- Discretionary pensioner bonus of 50% of gross monthly pension
- 158 claims paid, at a total value of R207m
- Flexible funeral cover implemented
- Cost-effective In-Fund Living Annuity introduced
- Death cover benefits extended to include members still in service after 65

GOVERNANCE

- Focus on good Fund governance, specifically the King IV report and the Default Regulations
- Reduced total Fund operating, administration and management costs by 19.3%
- Received an unqualified audit report

COMMUNICATION

- Transparent cost structure communicated to prospective members at inductions
- Introduced new quarterly investment newsletter
- Focus on promoting and marketing the Fund