



RETIREMENT FUND (CATEGORY C) INFORMATION BROCHURE

Fund of choice!



The NFMW has grown to be the largest fund in Local Government with a membership base of more than 50 000 members, which is a clear indication that we are the fund of choice for municipal employees and councillors throughout South Africa.

The NFMW's excellent long-term investment performance track record puts it on par with the best global balanced managed portfolios in South Africa and ahead of its peers in Local Government.

We pride ourselves in providing excellent service and our administration costs are of the lowest in the industry. This translates to less of our members' contributions towards cost and more towards retirement savings.

This brochure contains information about the fund, its benefits, payment options when leaving employment as well as the services we provide to our members. If you need more detailed information, you can contact one of our communication consultants directly, or the fund on the details provided in this document. Remember we are always here to help!

How does it work? Let us explain...

The NFMW is a defined contribution fund where you have your own account in the fund, called the fund credit. The fund credit consist of your contributions plus the employer contributions plus investment returns earned, minus the cost. When you end service, whether it is due to resignation, dismissal, death, disability or retirement, the fund credit is always payable.

We receive -----> We deduct

MONTHLY CONTRIBUTIONS

On a monthly basis your and the employer's contributions are paid to the fund.

Members contribute between 7.5% and 9% and the employer 18% of pensionable salary, dependent on your conditions of service.

ADMINISTRATION COST AND RISK COVER COSTS

The risk cover costs (death, disability and funeral cover costs) as determined by the risk option selected and the administration cost which goes towards the day-to-day running of the fund (0.5%), are deducted from the employer contributions. The fund understands the impact that high costs can have on a member's retirement savings and therefore always endeavours to keep them to a minimum.

You can calculate the monthly risk cover cost (death, disability, funeral cover) and the administration cost



R	X	1.114% = R		(Category C1) <i>0%</i>
Your monthly salary		2.740% = R		(Category C3) <i>0%</i>
		3.905% = R		(Category C5) <i>0%</i>
		0.293% = R		(Category C0 - Only funeral cover cost)
		0.5% = R		Administration cost
		Total = R		(Monthly cost deducted from employer contributions towards risk cover cost and administration cost)

We add

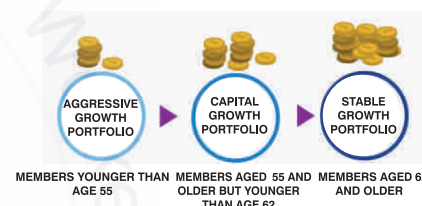
INVESTMENT RETURNS

It is important to note that you carry the investment risk, which simply means that good investment returns will have a positive effect on your fund credit and negative returns the opposite effect.

How is your fund credit invested?

LIFE STAGES

The fund applies a life stage model which automatically takes members through different investment portfolios i.e. aggressive to more conservative portfolios as they approach retirement age. The life stages are shown on the right.



MEMBER INVESTMENT CHOICE

The fund allows flexibility in providing our members with the option to elect any of the following individual investment portfolio options available:

Stable Growth

Risk profile: Cautious, expect low volatility. Positive returns over rolling 12-month periods, low probability of capital loss.

Asset types: Exposure to all asset classes. Suitable for members with fewer than five years to retirement, with low risk tolerance and seeking returns that should outperform cash.

Capital Growth

Risk profile: Medium risk profile. Expect occasional negative monthly returns and short term volatility.

Asset types: Exposure to all asset classes. Suitable for members seeking long term capital growth with more than five years to retirement.

Aggressive Growth

Risk profile: Aggressive risk profile, with a possibility of negative and volatile monthly returns over the short and medium term.

Asset types: Exposure to all asset classes, with high exposure to equities. Suitable for younger members, with more than 10 years before retirement, seeking to maximise long term capital growth.

Capital Protector

Risk profile: Conservative, expect positive, nominal returns on a monthly basis with low volatility.

Asset types: Exposure to RSA money market instruments. Suitable for members seeking capital security and protection against market downturn. Members close to retirement – with low risk tolerance.

Shari'ah

Risk profile: Medium risk profile, with a possibility of negative monthly returns and short term volatility.

Asset types: Exposure to all asset classes. Suitable for members seeking an investment portfolio with Shari'ah compliant underlying investments.

- ✓ You can switch between the different portfolios, once during a fund year (1 July to 30 June) at no cost.
- ✓ The latest investment returns, including the fund fact sheets are available on the fund's website www.nationalfund.co.za

Fund benefits

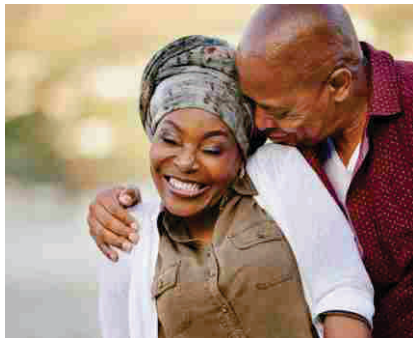
Life happens, and in the case of the unforeseen happening, like death or disability, it is important to know that your family will be financially taken care of. The fund provides our members with the option to elect the extent of death and disability cover, by choosing between the four available categories.

Death and disability cover

CATEGORY	DEATH COVER	DISABILITY COVER
Category C (main fund)		
C1 Total cost 1.114%	1x annual pensionable salary + fund credit	1x annual pensionable salary + fund credit
C3 Total cost 2.740%	3x annual pensionable salary + fund credit	3x annual pensionable salary + fund credit
C5 Total cost 3.905%	5x annual pensionable salary + fund credit	3x annual pensionable salary + fund credit
C0 Only funeral cover cost 0.293%	Fund credit is payable	Fund credit is payable

More on risk cover

- ✓ You have an option to change your risk category twice a year effective 1 January or 1 July and when your personal status changes. Medical underwriting may be required for changes.
- ✓ In the event of an active member's death or disability before retirement age, the funeral cover will continue until such time that the member would have reached normal retirement age.
- ✓ The disability benefit reduces with 1.67% per month from age 60 to 65.
- ✓ A disability claim is subject to the approval of the insurer (Sanlam).
- ✓ Death, disability and funeral cover cease when a member ends service or at age 65.



HOUSING LOANS

The fund understands the need for housing and issues housing loan guarantees limited to a maximum of 60% of the member's fund credit through specific financial credit providers. The loan is subject to approval and must be used for housing purposes i.e. renovating of property, purchasing of property and/or a plot and for the housing settlement or partial settlement of an existing bond.

Ending service

What happens if you resign?

No penalties.
If you resign voluntarily or are dismissed, the fund credit will be paid as a lump sum.
The benefit is subject to tax.
The fund encourages members to preserve their retirement savings.

When can a member retire?

Normal retirement – at age 65 years or as per conditions of service.
Early retirement – from age 55 years.
What will be paid?
When you retire, the fund credit will be available as a lump sum.

FUNERAL COVER

All members and their qualifying family members are covered for the following funeral benefits, irrespective of the risk category elected:

QUALIFYING DEPENDANTS	Amount of cover
Main member	R48 500
*Qualifying spouse/Life partner	R48 500
Qualifying child 6 years and older (above 21 years of age must be a full-time student, unmarried and/or disabled)	R24 250
Qualifying child from 26 weeks of pregnancy until 6 years	R11 000

*The qualifying spouse/life partner must be older than 15 and younger than the age of 75 when the member joins the fund to qualify for the funeral benefit.

REPATRIATION BENEFIT

This is an included service available on the death of a member or qualifying family members. It is available 24 hours a day, seven days a week and offers the service of transporting the deceased, via road and/or air to place of burial within South Africa.

Members must ensure that their life-partners are registered with the fund, by completing and submitting the Application for registration of a life-partner-form in order to qualify for the funeral benefit.

VOLUNTARY FUNERAL COVER

NFMW-members have the option to make use of any of the voluntary funeral benefits available which include:

Burial packages, structured around your individual needs (Kgatso Funerals 087 1 60 0568); funeral cover for parents/parents-in-law and extended family members; and Funeral cover conversion which allows members to continue with the funeral cover when they resign, are retrenched or retire (Sanlam 0860 222 556)

The cover is completely voluntary and the monthly premium is payable directly to the provider. The number of family members you wish to insure, the amount of cover and/or the package you choose, will determine the monthly premium payable. Please refer to the brochure and policy document for the cost and the applicable terms and conditions.

ABSA WORKPLACE BENEFITS

ABSA offers NFMW-members financial service solutions, which include exclusive discount on vehicle finance, home loans and personal loans. For more information contact Workplace Banking Direct on 0860 556 556. Remember your NFMW-membership card or latest benefit statement when engaging with ABSA and to quote the NFMW-group scheme code: 10682. Terms and conditions apply.

SANLAM REALITY ACCESS LOYALTY PROGRAMME

NFMW-members automatically qualify for benefits and savings through the Sanlam Reality Access loyalty programme which rewards members for living a financially responsible life. Benefits include funeral support, legal assistance, emergency medical support, trauma, assault and HIV assist, discount coupons, online calculators and tools. Contact 0860 732 548/9 for more information on how to access these and other exclusive lifestyle benefits.

The service of an In-fund consultant is available to assist members with the voluntary post-retirement products offered by the fund through the NFMW Golden Income Life Annuity underwritten by MMI and the NFMW Living Annuity.

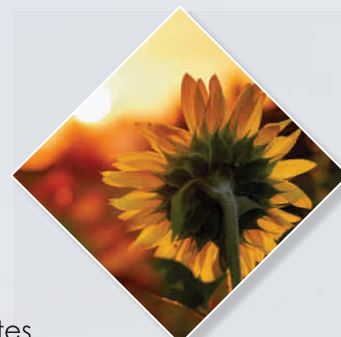
Always consult a financial advisor regarding investment options available.

N F M W

Our aim as a fund is to **always keep our members informed** about what is happening in the fund; **educate them so they understand the benefits** they enjoy as members; **guide and provide** them with **the necessary tools** through ongoing interaction and **equip them to make informed decisions** to **ultimately retire financially sound**.

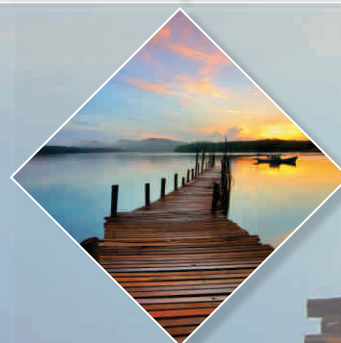
Our services

- ✓ We bring the fund to you through regular member information sessions, one-on-one sessions and employer visits.
- ✓ Client services centers in Pretoria and Cape Town, contact us via e-mail, telephone or come and visit us.
- ✓ SMS-communication with instant notification of upcoming events, fund updates and latest fund values.
- ✓ Two benefit statements per year.
- ✓ Regular newsletters.
- ✓ Annual report.
- ✓ Educational videos.
- ✓ An interactive website.
- ✓ Mobile application.



Our vision

To be the benchmark of excellence in providing retirement benefits to local government employees.



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Connect with us



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Themba Sabela	Western, Northern & Eastern Cape	072 360 5850

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