



RETIREMENT ANNUITY FUND

Trustees' Report

September 2017

Introduction

The purpose of this report is to update you on the developments relating to the Fund during the financial year ending 31 December 2016, as well as significant matters which happened after the year end.

Please read the report carefully, since developments could affect your own personal retirement planning. Please let us know if you need any further information or assistance with regard to the Fund. You may direct your queries to the trustees using the contact details provided at the end of this report. Finally, we would welcome any comments and suggestions you may have. We would also welcome any questions you may have regarding your benefits, general Fund activities or any of the information contained in this report.

Trustees

The Trustees meet quarterly to discuss investments, benefits and administrative matters pertaining to the Fund. The Trustees have a duty to act with special care and in the utmost good faith, which includes the duty to act impartially and in the interest of all members of the Fund.

The Trustees of the Fund are:

Founder Appointed Trustees:

Mr. G Zoghby
Mr. G Le Roux
Ms. J Schulten
Ms. Khambane (alternate)

Member Elected Trustees

Mr. S Kekana (Chairman)
Ms. E Mathebula
Mr. V Masondo
Mr. J Edmond
Ms. G Dlamini

Independent Trustee

Mr. J Mnisi

The **Principal Officer** is Mr. M Olivier.

Mr Ron Brettell passed away in 2016 which left a vacancy for a Member elected Trustee. Coupled to this Mr Fred Woods did not make himself available for re-election as a Member Elected Trustee when his term of office expired in November 2016. The members elected Mr J Edmond and Ms G Dlamini on 24 November 2016 to replace Messrs Brettell and Woods on the Board of Trustees. The results were announced to members in 2016.

Ms Bronwen Harty resigned from SAMRO effective 31 March 2017 and therefore resigned as Founder Appointed Trustee. SAMRO has appointed Ms J Schulten as a Founder Appointed Trustee and Ms G Khambane as an Alternate Founder Trustee.

Summary of the membership

	Active members	Unclaimed benefits
Membership as at 1 January 2016	9312	519
Adjustment	(140)	0
+ New members	706	19
Transfers out	(2)	0
- Deaths	(38)	0
- Retirements	(71)	0
- Withdrawals	(0)	0
- Ill health early retirement	(4)	0
- Unclaimed benefits paid	0	(15)
Membership as at 31 December 2016	9,763	523

Audited financial statements as at 31 December 2016

The Fund's audited financial statements as at 31 December 2016 have been approved by the Trustees and submitted to the Financial Services Board. The external auditors released an unqualified audit report.

A copy of the audited financial statements as at 31 December 2016 can be obtained from SAMRO or the office of the Principal Officer.

Statutory actuarial valuation as at 31 December 2015

The Fund's actuaries conducted a statutory actuarial valuation of the Fund as at 31 December 2015. The Fund's actuaries reported that the Fund was in a sound financial condition.

A copy of the statutory actuarial valuation as at 31 December 2015 can be obtained from the office of the Principal Officer on precious@seshego.co.za, (tel. 011 802 8011).

Rules

The Fund is governed externally by legislation and the common law, and internally by rules (which must be consistent with the law and Financial Services Board guidelines). The rules of the Fund set out the benefits for the Fund and the powers of the Trustees in managing the Fund.

Rule amendment number 10 to the Fund's rules was registered and approved by the Registrar of Pension Funds on 11 November 2016. The amendment makes provision for the following:

1. To provide for cessation of membership where the Founder has suspended contributions in respect of a Member who has received no royalties for a prolonged period and the Member's benefit in the Fund has been eroded to zero by expenses.

Rule amendment number 11 to the Fund's rules was registered and approved by the Registrar of Pension Funds on 4 January 2017. The amendment makes provision for the following:

1. To provide that the term of office of the Members Trustees shall be fixed as three years and that elections shall be held every three years instead of at the annual general meeting;
2. To set out the election procedure for Members' Trustees and to remove reference to elections being held by a show of hands;
3. To provide for the manner in which a vacancy among the Members' Trustees is to be filled if a Member Trustee terminates trusteeship before his / her term expires.

Investment performance

The growth of your Fund Credit is directly linked to the contributions that are paid to the Fund and the investment returns on those contributions. SAMRO pays contributions to the Fund on behalf of members based on their royalty earnings and members may also make additional voluntary contributions to the Fund to enhance their retirement savings.

The Fund's assets are invested to achieve an investment performance of inflation plus 5% per annum over the long term.

Old Mutual Multi-Managers is a multi-manager that combines the services of a number of professional investment managers to manage the Fund's assets.

The investment returns for different periods to 31 December 2016 are shown below:

Period	Return
12 months to 31 December 2016	2.5%
36 months to 31 December 2016	6.9% pa
Inception (July 2011) to 31 December 2016	13.0% pa

Benefit statements

Personalized benefit statements reflecting each member's Fund Credit build up from 1 January 2016 to 31 December 2016 were distributed to all members during the month of August 2017.

Legal Developments

Members retiring from retirement annuity funds are only allowed to commute one third of their Fund Credit to a lump sum. The remaining two thirds must be used to purchase a pension (compulsory purchase annuity, payable for life) from a registered insurer. Members with a Fund Credit value of less than R 247,500 may commute the full benefit to a lump sum at retirement.

Distribution of Benefits & Expression of wishes

In the event of your death, your Fund Credit will be paid to your dependents and / or nominated beneficiaries as a lump sum. The distribution of lump sum death benefits is governed by Section 37C of the Pension Funds Act, and places a big responsibility on the Trustees of a Fund. In short, the Trustees must identify your dependants and prioritize them to receive your benefit in the Fund. Dependants are defined in the Act as your spouse, children and people who are financially dependant on you. Members who do not have dependants may nominate beneficiaries to receive the benefit.

It is important that you assist the Trustees with the distribution process, thus preventing any unnecessary delays in the payment of death benefits, by completing and updating a Nomination of Beneficiary Form. Members are required to list their dependants (as defined in the Act) and indicate their wish in respect of the amount to be allocated to each dependant. The form also allows you to nominate beneficiaries if you do not have dependants.

Please note that this form is only an indication of your wishes. The Trustees have the ultimate responsibility of distributing the benefit to your dependants in accordance with the requirements of the Act. The Trustees will strive to follow your wishes as far as possible, so please complete the form responsibly.

A copy of this form is attached to this report and it can also be obtained from SAMRO and the Principal Officer's offices. You may update the form as often as you like and we encourage members to update the form regularly.

Member contact details and addresses

The Trustees endeavour to communicate with members on a regular basis. It is therefore important for each member to advise SAMRO of any changes in their contact details and postal addresses when they change or move.

Members can contact SAMRO on 011 712 8000 to update/confirm their contact details on the SAMRO database.

The Trustees prefer to distribute communication electronically and request all members to provide SAMRO with their email addresses, if they have access to email.

Complaints procedure

All formal complaints regarding your Fund should be put in writing to the Trustees. The Trustees together with their service providers will then respond to your complaint within 30 days, as specified in the Act. Should you not be satisfied with the response from the Trustees you are able to address your complaint to the Pension Funds Adjudicator or the Ombud for Financial Service Providers.

You can contact the Pension Funds Adjudicator if you wish to lodge a complaint. The Adjudicator can be contacted at 087 942 2700, or alternatively via their web site at www.pfa.org.za.

Fund details

As a member of the Fund, you have the right to see the rules of the Fund as well as any of its financial statements or statutory valuations. Should you need any assistance or information, contact the Fund, the Principal Officer (email address morne@seshego.co.za or precious@seshego.co.za), (tel. 011 802 8011).

The registered address of the Fund:

SAMRO Retirement Annuity Fund,
20 De Korte Street
Braamfontein
Johannesburg.

Financial Services Board Registration Number: 12/8/7425

Chairman, September 2017



RETIREMENT ANNUITY FUND Death Benefit Beneficiary Nomination Form

Please:

- Read below about the purpose of this form and then supply the information requested.
- Continue on a separate sheet if there is not enough space on the form.
- Return the completed form to :
Death Benefits
SAMRO Retirement Annuity Fund – Death benefits
PO Box 31609
Braamfontein
2017
- Update this form or complete a new one whenever any of the information changes.

Purpose of this form

A lump sum death benefit equal to your Fund Credit in the SAMRO Retirement Annuity Fund becomes payable in the event of your death. The trustees of the Fund are responsible for deciding how to distribute the money. In making their decision the trustees must comply with various conditions laid down by the Pension Funds Act.

It is important that you provide the trustees with as much information as possible to assist them in this task. This form is a convenient way for you to do so.

Your details

Name

ID Number

Phone Number (w)

Phone Number (h)

Phone number (cell)

Postal address

Dependants

The Pension Funds Act stipulates that your dependants are:

- Your spouse (including a permanent life partner, a civil union partner, or a spouse recognised in terms of a religion)
- Your children (of any age including adopted, posthumous or born out of wedlock)
- Anyone for whom you are or would in future become legally liable for maintenance
- Anyone else who is in fact dependent on you for maintenance

The trustees have a duty to identify everyone who fits the above description. Please list any such persons below.

(Note: you may suggest how much to allocate to each dependant. The trustees must by law allocate the benefit as they deem to be fair, but would take your suggestions into consideration.)

Name	Date of birth	Relationship to member	Address and/or contact number	% allocation

Nominees

In addition to your dependants stated above you may also suggest other person/s to receive all or a portion of the benefit. This might for example include parents, extended family, or friends. Please list any such nominations below.

(Note: you may suggest nominees in the table below but if you have dependants as well, the trustees have a duty to allocate the benefit fairly between all dependants and nominees. If you have no dependants the trustees would pay the benefit to your nominees after settling any debt in your estate.)

Name	Date of birth	Relationship	Address and/or contact number	% allocation

Other information

Please provide any further information that you would like the trustees to consider. There may, for example, be specific provisions from your Will that you believe could be of use to the trustees when they make their decision: *(continue on a separate sheet if necessary)*

Verification source

Contact details of an independent person the trustees can ask about your personal information if needed:

Payment of the benefit

The trustees of the retirement fund have the ultimate responsibility in the distribution of death benefits, and must allocate the money as they deem to be fair between your dependants and/or nominees. They would make appropriate enquiries and review the contents of this form when making their decision.

If there were no dependants or nominees, the death benefit would be paid into your estate.

Signature and date

Signature	Name	Date
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Witnessed by

Signature	Name	Date
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