



VERSO UMBRELLA RETIREMENT PROVIDENT FUND

ANNUAL FUND REPORT 2015 - DECEMBER 2015

INTRODUCTION

This report forms part of the Trustees communication policy. It endeavours to provide both participating employers and fund members with useful information about their fund and specific information regarding the Fund's financial position which is based on the latest financial statements approved by the Trustees.

The Fund is a defined contribution fund and therefore the optimization of fund returns and the minimization of fund expenses are of critical importance. Both these issues are addressed within this report.

Members are encouraged to contact the Fund's Trustees or their human resources department with any questions and concerns.

CHAIRPERSON'S NOTE

We are certainly living in exciting albeit turbulent times for retirement funds. Not only will legislation be amended to align pension and provident funds, we are also experiencing volatile investment markets. **Our focus as the Board of Trustees is to manage the Fund within the legislative and governance framework and we want to assure you that we make every endeavour to provide you with the best possible outcome on retirement.**

The annual fund report includes information regarding the composition of the Board of Trustees, amendments to the rules and some interesting statistics related to your investments. We introduced

the option to preserve your savings in the fund as a paid-up benefit, should you exit the Fund.

Furthermore, we have negotiated a cost effective way to purchase an annuity/pension when reaching retirement. Fund consultants can assist members when they reach retirement should they wish to investigate this option at retirement.

By introducing these options, we trust that you will find it easy to make the right choice when leaving the fund. Savings and preserving your savings until retirement will definitely play a vital role in ensuring that you retire comfortably.

Please look out for the Fund's 2016 communication. We are **revamping** our newsletters and posters and cannot wait to hear your response to the new look.

Wahida Parker

Chairperson of the Board & Independent Trustee

FUND OFFICIALS

For your convenience, the current Board of Trustees and Principal Officer are confirmed below:

Ms Wahida Parker: Chairperson of the Board and Independent Trustee;

Mr Willie Rossouw: Independent Trustee;

Mr Warren Ingram: Appointed Trustee;

Adv Christi Franken: Appointed Trustee;

Mr Edward Thomson: Appointed Trustee;

Mr Wynand Breytenbach: Appointed Trustee.

Ms Brenda Krummeck is the Fund's Principal Officer.

The Board of Trustees wants to thank Mr Shaun

Kennard for his valuable input as a trustee. Mr Kennard's term came to an end and Mr Warren Ingram has been appointed as the new Trustee.

FUND GOVERNANCE

The Fund is a separate legal entity, totally independent of the Fund's sponsor, Verso Financial Services (Pty) Ltd, and is managed by the Board of Trustees. As part of the Trustees' commitment to good governance as prescribed in the Financial Services Board Circular PF130, the Trustees have formulated **the following Fund policies:**

- Board charter for the Board of Trustees;
- Communication policy and strategy;
- Investment strategy;
- Risk management policy;
- Self-assessment framework for Board members.

These policies were formulated to ensure that the Fund is optimally managed to the benefit of the members of the Fund. The Trustees review these policies annually to ensure their relevance.

Rule amendment to the Fund:

Rule amendment no 1 to the Fund, effective 1 March 2015, was approved by the Financial Service Board. **The following is implemented:**

- Provides a category for membership for employees working on a temporary basis for the employer (example – seasonal workers);
- Allows for members to leave their retirement savings in the Fund, after the member exits the fund (paid up preservation option);
- Provides the option for members to postpone the payment of their retirement benefit, after a member has retired from the employer;
- Allows for tracing costs to be deducted from a members benefit in order to pay out benefits not claimed;
- Includes generic and legislation changes as prescribed by the FSB.

AUDITED FINANCIAL STATEMENTS AT 30 JUNE 2015

The Fund's external audit by Grant Thornton has been completed and approved by the Board of Trustees. Herewith a summary of the comparative results for the **last audit period:**

| TOTAL ASSETS | 30-06-15 (R'000) |
|---------------------|------------------|
| Investments | 364 410 |
| Current assets | 5 536 |
| TOTAL LIABILITIES | |
| Member credits | 362 398 |
| Reserves | 679 |
| Current liabilities | 6 868 |

| | |
|---------------------|----------|
| Gross contributions | 53 473 |
| Investment return | 31 140 |
| Transfers received | 4 798 |
| Transfers out | (94 544) |
| Benefits paid | (37 458) |

FUND EXPENSES

The Fund's expenses, e.g. audit fees, actuarial fees, independent trustee's remuneration etc., are paid from the Fund's cost reserve account which is funded by a monthly contribution from the employer's contributions. The Trustees actively manage the Fund's expenses to ensure that it remains reasonable.

In the 2015 audit period R106 200 was paid as remuneration to the independent trustees.

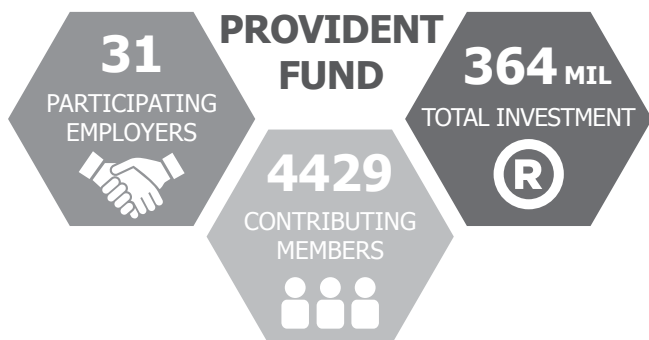
MEMBER COMMUNICATION - WEB ACCESS

The Fund's website, **www.vurf.co.za**, is regularly updated to provide employers and members with a platform to obtain all relevant fund information.

Members can register online for both web access and SMS services to have direct access to their fund information.

fax number: 086 693 7472; e-mail address: enquiries@pfa.org.za.

FUND STATISTICS



Disclaimer

This information is confidential and intended solely for the recipient's attention. Verso Financial Services (Pty) Ltd will not be held responsible for the consequences that may result from the dissemination, wrongful or otherwise, of such information to any third party.

GENERAL

The Fund rules, the most recent actuarial valuation, audit report and financial returns may be inspected by any member at the offices of the Fund, or at the offices of the employer. You may purchase hard copies of these documents by sending a written request to the Principal Officer.

The legal provisions, under which the Fund and the benefits are governed, are explained in the Fund rules. These Rules are subject to amendments based on the discretion of the Board of Trustees. In the event of a dispute concerning an issue under the Fund rules, the procedure contained in the rules will be followed. Should you have a complaint, this should be put in writing and forwarded to either the Fund's Principal Officer, or to your employer. You have the right to receive a reply within 30 days after the addressee has received your complaint. Should you not receive a reply within the prescribed time period, or should the reply be unsatisfactory, you have the right to lodge your complaint with the Pension Funds Adjudicator. The Pension Funds Adjudicator can be contacted at postal address: P.O. Box 580, Menlyn, 0063; telephone number: 012 346 1738;