

From the CHAIRMAN'S desk



Mr L Mabila

Praised be to the almighty for ensuring that we are well. 2018 has been both challenging and rewarding to the Fund.

The new Section 7A Board elected by members took office with effect from 8 May 2018. The Board hit the ground running in familiarising themselves with the current Fund's issues and mapping a way forward.

The Board concluded a strategy session in which the following priorities were agreed;
Fund's Governance
Fund's Growth
Fund's Capacity

The implementation of the strategy is progressing very well we declare 2019 the year of visibility and improved servicing at our member's work of place. We will visit every corner where our members are based and explain the benefits in the Fund.

We also dealt with important changes with regards the default annuities which were implemented with effect from 1 March 2019. Please journey with us, in ensuring we continue to consolidate our wins in 2019

Chairperson
L Mabila

APPOINTMENT OF NEW PRINCIPAL OFFICER



Mr Siphon Sidu

The Board of Trustees is pleased to inform you of the appointment of Mr Siphon Sidu as the Principal Officer of the Fund.

Our priorities for 2019 which include the following are in place:

- Governance Audit and remedial action
- Capacitation of the Team and setting a service conducive culture (Comprehensive HRM policies and monthly capacitation forums)
- Capacitating Members (Informative Newsletters and member presentations)
- Visibility to our members (Regular meetings with HR and members)

- Improved Communication (Leverage on technology for communicating and educating our members)
- Reduction of operational expenses and increasing revenue (Aggressively growing the Fund and reducing of costs)

Members are hereby invited to join hands in growing their beloved Fund.

How can members help in growing the Fund?

By being vigilant and ensuring that SALA is invited through all the inductions; member and employer meetings

Whats in it for a members if SALA grows?

- Lots of prizes to be won quarterly for the 5 top recruiters
- Cost of administering the Fund reduces through economies of scale

ADDITIONAL – The Fund's new Bloemfontein Offices

We take pleasure in opening of the SALA Bloemfontein offices with effect from 01 May 2019; Kindly visit our offices at the following address:\n107 Zastron Street\nBloemfontein\n9302

INTRODUCING THE SECTION 7A BOARD OF TRUSTEES

We are pleased to introduce the new Section 7A Board as follows



Mr L Mabila
LIMPOPO
NATIONAL
CHAIPERSON



Mr T Morei
NORTH WEST
NATIONAL DEPUTY
CHAIRPERSON



Mr S Makatikela
GAUTENG



Mrs N Mangole
GAUTENG



Mr C Tlhokwe
FREE STATE



Mr Z Nene
KWAZULU NATAL



Mr X Khubeka
KWAZULU NATAL



Mr N Motlasi
NORTH WEST



Mr S Mashiya
EASTERN CAPE



Mrs V Ponti
EASTERN CAPE



Mrs M Smith
MPUMALANGA



Mr O Shabangu
MPUMALANGA



Mr E Baise
NORTHERN CAPE



Mrs M Andreas
NORTHERN CAPE



Mr J Krakri
WESTERN CAPE



Mr G Combrink
WESTERN CAPE



Mr R Mashaba
LIMPOPO



Mr N Nethengwe
SAPS NATIONAL



Mrs Z Dyushu
SAPS NATIONAL



Mr H Collins
SAPS NATIONAL



Mr Z Jekwa
SAPS NATIONAL

ORGANOGRAM



SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND FUND AND MARKET PERFORMANCE REPORT AS AT DECEMBER 2018 MARKET COMMENTARY

South African to cling to its investments grade status when credit rating agency Moody's decided against issuing a credit rating action as scheduled.

The current environment of weak S.A real GDP growth and numerous fiscal risks (illustrated again by Sanral's decision to temporarily suspend e-toll summonses) suggest that the risk of a rating outlook change and ultimately a credit downgrade will remain a possibility in the foreseeable future.

The SARB maintained a hawkish stance at its monetary policy meeting during the month but deemed overall risks to the inflation outlook to be evenly balanced. The SARB decision to keep the repo rate unchanged at 6.75% was, therefore, wide expected. The central bank's internal inflation model still projects one interest rate hike of 25 basis points in the 2019 year. Domestic growth estimates were also revised lower (from 1.7% stated previously) with the monetary policy committee now estimating GDP growth of 1.3% for 2019.

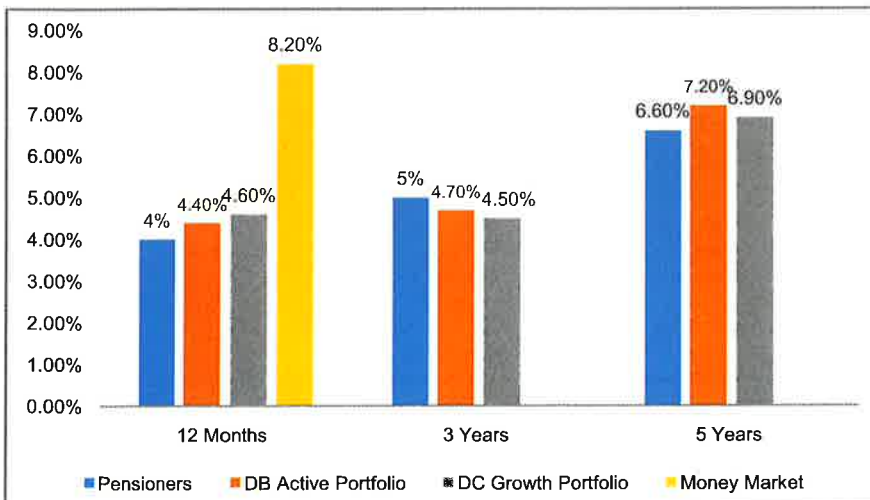
As at March 2019	1 month	3 months	12 months
RSA Equities	1.6%	8%	5%
RSA Bonds	1.3%	3.8%	3.5%
RSA Cash	0.6%	1.8%	7.3%
RSA Property	-1.5%	1.5%	-5.7%
International Equities	4.3%	13.7%	28.2%
International Bonds	4.2%	3.2%	21.8%
USD/ZAR	2.9%	1.0%	22.6%

FUND PERFORMANCE

The Fund comprises of both defined benefits and defined contribution schemes, as such the Fund has 4 investment portfolios.

MARKET PERFORMANCE

*Source: IRESS



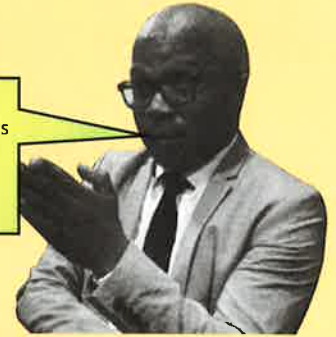
Default | REGULATIONS

Questions & Answers

What is the purpose of the regulations?



These regulations are meant to improve the outcomes for members of retirement funds by ensuring that they get good value for their savings and retire comfortably.



What do the regulations cover?



- The regulations require retirement funds' trustee boards to offer a default in-fund preservation arrangement to members who leave the services of the participating employer before retirement.
- The regulations require that a default investment portfolio be implemented for Defined Contribution members who do not exercise any choice regarding how their savings should be invested.
- For retiring members, a fund should have an annuity strategy with annuity options, either in-fund or out-of-fund, and can only "default" retiring members into a particular annuity product after a member has made a choice.
- Members should be given access to retirement benefits counselling to assist them in understanding their options at retirement and giving effect to the annuity strategy.



What preservation default will be offered by SALA Pension Fund?



- The member will have the option to retain his/her benefit in the Fund until retirement age.
- The preserved benefit will increase with investment returns until retirement date.
- The member will have the option to transfer the accumulated preserved benefit to any other Fund before normal retirement age, thus ensuring portability of the preserved benefit.



What default investment portfolio does the SALA Pension Fund offer?



- The Fund does not offer investment choice and hence its existing investment portfolio for the DC Section of the Fund serves as the default investment portfolio.
- However, in light of the default annuity strategy which is to be implemented, the investment strategy prior to retirement is currently under review. Once this has been finalised, it will be communicated with members.



What is the default annuity strategy of the SALA Pension Fund?



- Members who retire from the Defined Benefits section already has the option to draw a pension from the Fund. This option will in future still be available to these members.
- For members retiring from the Defined Contributions section, the Fund's default annuity strategy is a living annuity which is insured with Liberty Life. An attractive cost structure has been negotiated with Liberty so that this option offers very good value for money to members.
- Members will however still have the option to select a different annuity product with any insurer, as is currently the situation.

