

Principal Officer's report on the University of the Witwatersrand Retirement Fund

**Tabled at the Annual General Meeting of Members
to be held on 27 February 2020 at 13h00**

25 years and counting

The UWRF's starting date was 1 April 1995 and in a few weeks' time the Fund will have its 25th birthday. I think it is appropriate to record and thank the people who have given up their time to be Trustees of the Fund over this time.

Anthony Asher	Tumi Madhlaba
Steve Anderson	Chris Malikane
Christo Auret	Di Man
Keith Beavon	Helder Marques
Colin Brayshaw	Clement Marumoagae
Reena Budree	Mtende Mhango
Thandi Buso	Mike Murray
Richard de Villiers	Sakhile Nkonyane
Andre de Wet	Sybil Ngcobo
Frank Durand	Des Pantanowitz
Patrick Fitzgerald	Victor Pendehama
Daniel Gozo	Rob Sharman
Vince Gray	Anne Smith
Helge Halvorson	Daniel Stewien
Zarina Hassim	Gary Taylor
Johan Holtzhausen	Philisiwe Tshabalala
Kgomotso Kasonkola	Adele Underhay
Neela Kaylan	Hennie van der Westhuizen
Brenda Keen	Rob Vivian

Trustees in **Bold** are your current Trustees.

Trustees elections

The Member elected trustees' term of office ended in 2019 and the nomination process for new candidates is underway.

Website

Members are reminded that the Fund's website can be found at www.uwrf.co.za. The site contains valuable information for members.

Fund Rules

The Fund's rules were consolidated in 2018 to include all amendments that have been made. These have been submitted to the authorities for approval.

Fund's finances

The Fund is audited by external auditors PriceWaterhouseCoopers as at 31 December each year. The Fund was given an unqualified audit opinion for the 2018 year. The 2019 audit is underway.

The Fund is also reviewed by a qualified actuary every 3 years. The latest evaluation was performed as at 1 January 2019 and the actuary pronounced that "*the Fund was in a sound financial position.*".

Funds expenses and reserves

Operating costs increased by 5.8% in 2018 as a result of inflation and the growth in membership, and are running at just under R6m per annum. The income generated from the monthly administration levies has been sufficient to meet expenses and therefore the member levies were left unchanged for 2018 and 2019. They will be reviewed early in 2020 after the costs of the independent audit of the trustee elections have been met.

Contributions

Regular and correct amounts of contributions based on 23.5% of RFI in respect of every active Member of the Fund have been received from the University. The contributions have been received by the due date each month in terms of the Pension Funds Act. Timeous receipt of contributions is monitored by the Board at each Trustees meeting.

A facility for Members to maximise their contribution to the Fund was introduced in 2017. Any Member who has elected an RFI percentage of 100% of TGP may elect to contribute an additional 4% of RFI on a monthly basis. **Please contact the Pension Office for further information.**

Investment Performance

The performance of the available investment choices is indicated in table below.

YEAR	Growth	Conservative	Capital Protection	Shari 'ah
2019	13.4%	9.5%	7.6%	10.3%
2018	-4.8%	-3.2%	7.7%	-0.6%
2017	13.1%	8.9%	7.9%	4.9%
2016	2.6%	5.7%	7.7%	4.1%
2015	9.5%	7.3%	6.4%	2.6%
2014	16.1%	15.0%	5.9%	11.0%
2013	21.5%	11.6%	5.3%	17.0%
2012	18.5%	11.5%	5.6%	13.9%
2011	10.6%	11.1%	5.8%	10.7%
2010	10.6%	10.3%	7.1%	8.0%
Average	11.1%	8.8%	6.7%	8.2%

ASSETS	R3.33 billion	R 86.5 million	R 84.8 million	R 44.6 million
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Investment Changes

During 2019 and after long deliberations the Board of Trustees decided to invest a portion of the Fund's assets in passive investments. Passive investments basically track a predetermined index and tend to be have lower charges.

At the same time the Board reviewed the Fund's investment consultants and decided to make a change. The services of Riscura were terminated and Mosaic Investment Consultant were appointed, effective 1 November 2019.

Insurance Changes

Acting on the advice of the Fund's Actuary, the amount of insurance cover required to support the death in service spouse and childrens' pensions has been increased. This means that the insurance costs have proportionally increased as follows:-

	Old Cost	New Cost
Spouse's Pension	0.86%	1.10%
Children's Pension	0.66%	0.74%

Benefit Statements

Members' benefit statements for 2019 were dispatched timeously by Liberty Life. Members can obtain an interim statement at any point during the year on-line via www.uwrf.co.za under "Benefits".

Pensions

The Fund pays monthly pensions to dependants (spouses and children) of members who have died in service. There were 70 dependants in receipt of pensions totalling R 400 000 per month as at 31 December 2018. These pensions are reviewed each year to ensure they keep pace with inflation with the most recent increases being 4.5% at 1 January 2019 and 3.6% at 1 January 2020.

Administration

The number of Members of the Fund again grew in 2018/19 owing to the final influx of previously contracted employees and stood at just under 5 000 as at the end of the year.

Ms. Mary Elsmore retired from the Pensions Office at Wits in 2019 and the Board thanked her for her long service by awarding her a small retirement gift. Mr Sakhile Nkonyane continues to provide services to staff in the Pensions Office whilst a replacement for Mary, Ms Nomfundo Buthelezi, will take up the position from 1 March 2020.

Jeremy Gill
Principal Officer – February 2020