

UNDERSTANDING YOUR PROMISSION OF THE PROMISSION

MARCH 2018

BACK TO BASICS

UNDERSTANDING HOW YOUR ISASA PROVIDENT FUND WORKS

The money invested in your provident fund is your single biggest financial asset.

To explain how your Fund works we compare your Fund to a Car (which is another type of asset).

MEMBER CONTRIBUTION

The member contributes a minimum of 5% of their annual pensionable salary to the Fund every month.

EMPLOYER CONTRIBUTION

The employer contributes a minimum of 5% of the member's annual pensionable salary to the Fund every month which includes the cost of insured risk benefits and fund expenses.

Your car
needs **fuel** to go
just as your provident fund
needs monthly contributions
and investment growth

to grow and get you

to retirement

RETIREMENT

against accidents and theft.

Similarly, fees are deducted from the employer's contributions to pay for insurance against death and disability.

You need

to insure

your car

AHEAD

YOUR FUND ACCOUNT Your car needs regular maintenance and servicing.

Similarly your fund needs to be maintained and fees are deducted from the employer's contributions to pay for administration costs, auditor, actuary, investment fees and other expenses.

MANAGEMENT

Your Fund is managed by a Board of Trustees that is made up of member elected and employer appointed Trustees as well as ISASA appointed and SABISA and SAHISA representatives.

To assist the Trustees with the management and control of the Fund the Board appoint various service providers such as an administrator (Old Mutual), asset managers (Alexander Forbes Investments), and Auditors (Deloitte & Touche), to name a few.

INVESTMENT

In order to make your money in the Fund grow your money is invested in the Fund's default investment strategy, the Goals-based Lifestage Model. Your money is invested in one of 2 Portfolios depending on your age and term to retirement. Members who wish to make their own investment choice may invest in any of the seven portfolios offered by the Fund.