



Dear NTRF member

**MY UNIQUE FUND (8)**

In our previous communication we discussed how the investment returns of the Fund have managed to put more money in your retirement pocket. In the last few communications in this series, we tell you more about the options available to you regarding the benefits you have accumulated (your member share) if you leave your current institution.

We look at retirement in this communication and at resignation in the next communication. Death-in-service and disability were discussed in My Unique Fund 3.

The Member Share is paid when a member exits the Fund for any reason, including resignation, death-in-service, disability or retirement. For a married member who is entitled to Fixed Risk Benefits, your Member Share finances part of the cost of the death-in-service and disability benefits.

The Fund offers a variety of retirement options to members, including a life and/or living annuity. These products are available at a fraction of the cost you will pay in the retail market. Click here [NTRF Retirement Options 2017\\_09.pdf](#) for more detail.

Table header with columns: OPTION, DETAIL

Benefit at retirement: The benefit will be equal to your Member Share. A retiree may take a maximum of 1/3 of this amount in cash. The remaining funds must be used for a pension from the NTRF or an outside provider.

Pension options to retire within the NTRF: Life and/or living annuity. The Fund's guided annuity strategy is its life annuity.

Life Annuity: The Fund's life annuity aims to provide a pension increase each year of 50% to 60% of inflation, subject to affordability. So should inflation be 6%, the Fund would aim to provide at least 3% as an increase. However, the actual level of pension increases over the past 10 years has been higher than this target, being around 80% of inflation. This has been possible partly because the Fund's cost structure which is between 1% and 1,5% p.a. lower than the typical insurer's charges. It must be noted that the Fund is not compelled to provide any increase but will always attempt to do so.

Living Annuity: You need to apply at least R 1,5 million of your member share if you want to receive a living annuity from the Fund. If you elect a living annuity you can choose to invest your money in any combination of the Fund's Long-Term Capital, Stable and Money Market Portfolios or you can follow the Trustee guided investment strategy. The same investment cost structure is applicable, plus an operational charge of R 86,25 per annuitant per month.

The Board has imposed a percentage limit on how much you may draw from your living annuity account monthly to reduce the chances that you run out of money.