



RECENT MARKET VOLATILITY

The recent months have seen extraordinary turmoil in financial markets across the globe as well as in South African markets. The market volatility has not been specific to the University of KwaZulu-Natal Retirement Fund.

Whilst it is never comfortable when members' retirement savings earn negative returns; we do expect this to happen from time to time. As a result, the Fund's **investment strategy is structured to be diversified** (so that members are exposed to various asset classes such as local and global shares, bonds, property, cash and others) in order to minimise the risk and size of any downturn in a particular asset class. The Fund also makes use of a life stage model, whereby **members are switched to lower risk investment strategies as they approach retirement**. This protects members from suffering severe losses just before they retire.

Before making any rash decisions regarding their investment strategy, members should consider that sticking with their long term investment strategy is usually the best investment strategy.

It is also important not to focus too heavily on the **recent** negativity. The Fund's Main Investment Portfolio and the Alexander Forbes Conservative Growth Portfolio have delivered a return of 9.46% and 8.04% per annum, respectively, over the last 5 years to 31 March 2018. Members invested in the Main Investment Portfolio and the Alexander Forbes Conservative Growth Portfolio have therefore earned a compounded return of 9.46% and 8.04%, respectively over the period, despite the recent negativity.

Remember, at retirement your retirement savings will need to provide you with your income needs for life. It is in uncertain times like these that it is important to remember that your investment time horizon stretches well beyond the date of retirement.

Should you have any general queries relating to this communication, please contact the Fund Officer, Sharon Lessing, on lessing@ukzn.ac.za

Should you have any investment related queries, these can be directed to either:

Ntopho Ntshangase on email ntshangasent@forbes.co.za; or
Terry Groenink on email: groeninkt@forbes.co.za

They will, however, not be able to provide you with advice without you completing a Letter of Authority and attending a consultation.

Best Wishes

TRUSTEES

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