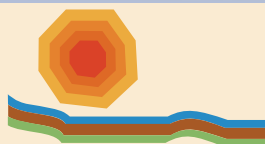


BOKAMOSO

ISSUE 31 MARCH 2009

A NEWSLETTER FOR MEMBERS OF THE DEBSWANA PENSION FUND



DEBSWANA PENSION FUND
Your fund: your security for your future



Tiny Kgatlwane
Principal Executive Officer

Kgatlwane appointed to SAPFIF Advisory Committee ●●●

In another milestone for the Debswana Pension Fund, the Principal Executive Officer, Mrs Tiny Kgatlwane has been appointed to serve in the Southern Africa Pension Fund Investment Forum (SAPFIF) Advisory Committee.

The SAPFIF is administered with advice from an elected Advisory Committee. It comprises of experienced pension fund executives or senior trustees representing major pension funds located in the southern African region. This is to achieve balance of opinion in the directorship of the SAPFIF.

Forum

The purpose of The Southern Africa Pension Fund Investment Forum is to improve the quality of information available to pension fund managers. This will lead to the development of more efficient management, improved scheme performance and a better understanding of

International best practice relating to all types of Pension Fund Arrangements. This is achieved by holding lectures, discussions, debates and other activities.

This is a welcomed development for the DPF as it not only raises the Fund profile, but also serves as another vital resource for information on a wider scale, thus adding value to the existing capabilities of the DPF leadership.

Members of the SAPFIF include pension fund representatives from South Africa, Botswana, Namibia, Swaziland and Zimbabwe as well as from multinational companies. The Advisory Committee meets formally three times a year.

We congratulate the Principal Executive Officer and we are confident that she will represent us well at this very important forum.

Its business as usual at the DPF

ALL DPF members are informed that Fund offices will remain open during the ongoing employer shut-downs. Pensioners and Deferred members can continue to consult as per norm without concern. Active members are also welcome to use their free time to visit us and request necessary guidance on how to handle their pension benefits in light of current developments.

During this critical period, the Fund is even more committed to assisting members and helping them make informed decisions.

We stand in support of the employers through this process and will avail ourselves to give presentations as and when necessary, especially for those members who are considering the various voluntary schemes that their employer has on offer.

Contact us at our usual numbers, or visit our offices at Plot 682/683 Visible Edge (BP Building) Ground Floor opposite Debswana House, Main Mall

We are open for service from 0800hrs to 1645hrs

Inside ●●●

* Kgatlwane appointed to SAPFIF Advisory Committee	Pg 1
* Editorial & Announcements	Pg 2
* How To Handle the Stress of a Financial Crisis	Pg 3/4
* Where to from here?	Pg 5
* 2008 Moments	Pg 6
* Your Questions Answered	Pg 7
* Competitions	Pg 8

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FUND CONSULTATION HOURS

Monday - Friday

0800hrs - 1645hrs (Including lunch hour)

Our Vision

To be the preferred provider of retirement fund services in Botswana

Our Mission

We will provide members with competitive and sustainable retirement benefits through:

- Prudent management of member funds
- Efficient administration of member records
- Provision of focused communication

Our Values

1. Innovation
2. Trust and Integrity
3. Value Oriented
4. Member focused
5. Quality focused

EDITOR'S NOTE



Agatha Sejo

"So the waters are deep, but we are still floating, aren't we? Human kind's resilience is infinite."

The one thing I truly believe in is the power of the mind. As the age-old "law of attraction" suggests, there is no amount of adversity that is greater than your ability to use the power of positive thinking to influence your environment and the course of your life.

Take a quick look inside the world's think tank, and pick a few inspirational icons of our times such as the great poet and writer Maya Angelou, Nelson Mandela, Mahatma Ghandi and even man-of-the-moment, Barack Obama. All of them and many others have in some way used positive thinking to reach their iconic status. Others have overcome some of the world's most horrendous atrocities. They are however, just mere mortals like the

rest of us. Therefore, modelling ourselves around their personal philosophies and achieving what we want is not a far-fetched idea.

Your pension fund is just one option amongst the many life decisions that you are going to be faced with during this recession. It is important that you recognise that both your mental and physical well-being are just as important as your financial comfort.

Amidst the flood of depressing and sometimes contradictory information coming from all angles - the market predictions, media speculations, your own anxiety about your future job security etc - we found it necessary to do our bit and give you some vital tips in this edition of BOKAMOSO. They will help you keep a clear head and swim cautiously through this financial tide.

Covering topics on managing stress during a financial crisis, spending your separation benefit wisely and even answering your questions arising from current developments, we are hopeful that you will find some degree of inspiration in all of it and strive to keep going, even if the odds are against you.

So, borrowing from one of our modern day icons and the Debswana values; 'YES WE CAN' get through this recession in one piece if we PULL TOGETHER.

As always, your comments and questions are welcome. Email me at asejoe@debswana.bw and let us know how you are doing.

Best wishes.

Agatha



ONE FINE FRIDAY: Dineo, Madoh and Barulaganye all dressed to the nines in traditional attire.



DPF family welcomes baby Leruo

It is always great to have something to smile about, especially during troubled times such as the ones we are currently in. When our bubbly colleague Tshego Seilane called to announce the arrival of her new bundle of joy on the 20th of January, it was a special day at the DPF.

According to his mummy, little Aatile Leruo Seilane is a bubbly baby (no prizes for guessing who he gets that from), is very active and has a beautiful smile. She says of him; "My baby was born on a very important and symbolic day: the day the first black American president Mr Barack Obama was inaugurated. I feel proud that I can identify with such a historical event on such a personal level. I hope that this becomes an inspiration for my son as he grows up, that is to strive to be the best person that he can be. Most important of all he has added great joy to my life. I feel blessed indeed. I couldn't ask for more"

We wish mother and son good health!

How To Handle the Stress of a Financial Crisis

In the middle of a financial crisis of any sort, people tend to focus all their energy on resolving their situations and often forget to address or prevent the possible negative effects that their financial struggles may have on their health and state of mind. Our ability to resolve social problems successfully depends heavily on our level of emotional intellect and general ability to keep a healthy balance between all of our basic human needs.

Stress is a dangerous condition if not managed well as it can lead to long-term damage on one's emotional and physical being. Therefore, along with sorting out your finances during this challenging period, you must also use all the available means to stay healthy. Here are a few pointers:

Change your perspective

While we can't always control what happens to us, much of how we respond to life's events depends on how we see what's happening to us: how we make sense of it all. If we see a life event as a threat, for example, we may react more negatively and helplessly than if we see it as a 'challenge.' If we blame ourselves and imagine that things will never change, a stressful situation will feel more overwhelming than if we remember that every dark cloud has a silver lining, and that it, too, shall pass.

Here are some specific types of reframing that can be very useful in getting through a financial crisis:

- If you're feeling that your financial crisis is a form of personal failure, remind yourself that many people are in this situation as well. The situation itself is not a failure on your part, and working through it only demonstrates your strength.
- If you're concerned about the impact on your family, remind yourself that families grow stronger and closer when they weather challenges together and that this experience (although you may not have willingly chosen it) can make your family stronger, too.

If you're stressed about the uncertainty of the future, remind yourself that these changes also bring opportunity. Down the road, you may find yourself in an even better

place. Even if you don't have more money, you may have more happiness.

Get the idea? By acknowledging the feelings and thoughts you have, and gently redirecting your attention to the positive, you can lessen the stress you are experiencing. When you're not feeling crushed under extreme levels of stress, you may even make choices that better maximize the opportunities that you still face.

Plan for the future regardless

A financial crisis presents significant change and challenge to be dealt with, but can also be a valuable learning experience, and a stop on the road to more stable financial times as well as a healthier long-term attitude toward money. (For example, a financial crisis can inspire more frugal habits, better long-term planning, an attitude of gratitude for material possessions and other important things in life.) Even serious financial problems, like re-possession and bankruptcies, can be overcome. That is why it's not only important to make a plan to get through these tough times, but it's important to have a positive attitude toward the future. If you keep your eye on the possibilities of the future and bear in mind that much better times can be created ahead, dealing with financial challenges of today can be less stressful.

When creating a plan, you should look at all the possibilities you have open (even if it may not seem like there are many), and talk to as many wise people as you can, in order to be sure there are no avenues you're overlooking. You may want to speak with a financial advisor or credit counselor, for example, and get a clear idea of where you are right now and where you're going. Your plan may span several years, but it's important to have an idea of how you're going to handle this crisis. Not only will it be easier to know what to do, but having a plan can put your mind at ease so you're not thinking about finances and "what to do" all the time.

It's OK to ask for help

If you feel that the stress of your financial situation is too much for you to handle, it's important to ask for help. Often people are afraid or ashamed to ask for help from others, but asking for help is





sometimes the wise and necessary thing to do. Help can take many forms:

- Friends and Family**
 The people who love you don't want to see you suffer alone. If you need a wise ear or a shoulder to cry on, friends and family are usually very good at offering the type of comfort and support you need. In fact, that's what they're there for.
- Financial Advisors**
 In financial crises, sometimes the type of professional help you need can come in the form of someone who understands money crises better than the rest of us. Often, getting a plan put together with the help of a professional can take much of the stress away. You may feel more in control, less alone, and more optimistic about your situation.
- Mental Health Professionals**
 Don't underestimate the importance of the other type of 'professional help' when you're experiencing a crisis. Sometimes the stress of a financial crisis can be more than one person can or should handle alone. If the stress relief techniques mentioned in this article seem to be not nearly enough help for the type of stress you're facing, it may be time to talk to your doctor. If you're feeling an overwhelming sense of hopelessness, a lasting loss of interest in activities you usually enjoy, or a general feeling that you probably do need more help, for example, a professional can offer more in-depth options that can help you through these difficult times.

Stay fit

In addition to whatever steps you take to relieve the stress of a financial crisis, it's a very good idea to maintain some ongoing stress management habits for your physical and emotional wellbeing.

When we feel threatened, the body's stress response kicks in and makes changes in the body. The heart rate quickens, stress hormones are released, and a host of other changes occur that gives the body a quick burst of energy to run away fast or stay and fight: strategies that have worked for thousands of years, but aren't always practical now. While that jolt of energy and alertness can inspire you to act, if your body remains in this state for long periods of time (as in the case of stress), it can be damaging to your health in many ways.

That's why it's important to have some exercises and activities that can be used in a variety of situations, to calm your body's stress response so you can think clearly and stay healthier. Then you can work on solutions. Old age remedies such as regular body workout, and many other remedies recommended by health practitioners can go a long way in calming your body's stress response so you don't remain in a state of chronic stress, thus enabling you to navigate through your financial problems with clarity.



NOTES:

WHERE TO FROM HERE? Making the most of your Separation Package & finding your feet.

As the economy struggles, consumers and companies alike are looking for ways to cut costs. For some employers that means cutting jobs. While job loss by any euphemism - downsizing, rightsizing, voluntary separation or retrenchment - is equally difficult, there are ways to plan for and manage unemployment that can make it seem less like your ship is sinking but more like you've simply changed its course

If you're considering taking a voluntary scheme or simply feeling uneasy about your future job security, now is the time to get your finances in order! The best thing you can do for yourself during this financial crisis, whether you do part ways with your employer or not, is to take stock of your resources and plug the leaks immediately.

Getting the most from your severance pay requires careful planning and wise spending decisions. Once you've negotiated the best package possible, you need to take steps to ensure that you use this income wisely. Start by creating a spending plan and make trimming expenses a family effort.

1. Start by assessing your liquid savings

Re-assess those funds you could tap quickly and easily if your pay cheque suddenly stopped coming. If there's not enough there to get you through months of unemployment, start beefing it up if you are still employed. That might mean forgoing restaurant meals, weekend getaways, and other non-essential purchases and redirecting those Pulas into an emergency fund.

2. Paying off debt is a smart goal no matter what your job situation.

Get rid of credit card balances, car loans and other short-term debt as quickly as possible. You'll definitely save yourself a lot of stress by being fiscally responsible in the face of a possible layoff. ANYONE WHO SUSPECTS A JOB LOSS SHOULD ALSO AVOID NEW, LONG-TERM FINANCIAL COMMITMENTS- no major home renovations or luxury car purchases!

3. Set spending priorities

- i. If you lose your job and you can see that your available resources will not be enough to cover all your essential expenses, identify your priorities.
- ii. Prioritize your payments, starting with the most critical, such as rent or mortgage, medical insurance and car payments.
- iii. Cut ruthlessly from discretionary costs including entertainment, dining out, and vacationing.
- iv. As it becomes necessary, look for ways to reduce spending for basic needs like food, shelter, transportation, and energy.
- v. MOST IMPORTANTLY: If you're having trouble meeting your monthly expenses, it's a good idea to contact your lenders to

explain the situation to possibly re-negotiate premiums, interest rates etc.

4. So, where to from here?

People will have different life paths to choose from when leaving employment depending on which stage of their lives they are at. It is important to choose wisely.

a). Early or Normal Retirement

This is probably the best option for those members who have reached their retirement age, mainly because at their age. Job opportunities are very few if not completely impossible. For those who have saved enough in their retirement funds, this is not a stressful time at all however there is an important consideration to make before you take this option:

Pension funds have suffered poor investment performance due to the credit crunch resulting in some losses on your savings. If your separation package is sufficient to cover your financial needs for a while, it would be a good idea to delay starting your pension until the markets have recovered so that you avoid banking your losses and recover on your lost savings, but if you really need your retirement fund immediately, please go for it, your Fund is here for you.

b). Self Employment

If you are not lucky enough to be in the retirement age, finding a business opportunity that can help you raise an income in the short to long term is a great way to empower yourself and take control of your destiny. Organisations such as LEA offer consultation services for aspiring entrepreneurs and are a great resource and starting point for you. Who knows? You may just discover that you almost missed your calling!

c). Power up your Resume & get ready to market yourself

(i) **Job hunting:** It is time again to revamp and tailor your resume to the positions you are applying for. Devote extra time to power up your resume that shines above the rest. With limited hiring during a downturn or recession, you have to market yourself in a unique way to get noticed.

(ii) **Back to School:** If you have gathered a decent severance package that can carry you for a while, this may be an ideal time to go back to the books and up your worth! Obviously the recession will end at some point, and of course you want to be up there in the big league when things turn for the better!



2008 MOMENTS - Are you in these pictures?

Attending DPF presentations can be rewarding in more ways than one! Call us on 3614301 or 3614366 to collect a small token of appreciation! Thank you for sharing your time with us!



Your Questions Answered ●●●

1. Can I choose to go on early retirement at the same time as I take voluntary separation?

Yes, you can do so. Retirement at the DPF is looked at based on your age only. If you qualify, you are free to start your retirement regardless of whether you have lost your job or not. Make sure that you indicate your wish to retire when you fill out your withdrawal form.

2. If I do go on retirement and start earning a pension, what happens if I get re-employed by Debswana or any other company?

Nothing at all! You will continue to enjoy your pension salary alongside your employer salary. Once you have started your pension, it cannot be stopped and you will continue to receive it for life.

3. When I leave employment, can I wait until I have finished my separation package and then collect my 33% pension cash-out later?

You have a grace period of only three months after you leave employment to claim your one third encashment. After three months your entire fund credit is deferred until your retirement and will no longer be accessible. So make a decision well in advance.

4. If I retire now, will I recover the losses made on my fund credit when the financial crisis is over?

No. As soon as you retire, your money is transferred out of either the market portfolio or conservative portfolio that you are on and into the Pensioner portfolio. These portfolios have different investment criteria that will yield varying returns. Your pension salary is calculated based on current fund value. Pensioners only get annual increments as and when possible

5. If I have not reached retirement age yet and I am unemployed, can I borrow money from my pension fund or use it as security for loans at my bank?

Unfortunately not. The Pensions and Provident Funds Act of Botswana is a law enacted by parliament. It protects your pension fund against forfeiture by third parties and does not allow you access to it for any other reason other than to pay you a pension salary.

6. If I am leaving employment, am I allowed to cash out my entire fund credit?

Only if your fund balance falls below an accumulated credit of P10,000, or in the case of pensioners, if the annual pension salary falls below P5,000. Beyond that, you cannot cash out your entire credit.

7. Am I allowed to continue contributing to the Debswana Pension Fund individually after I have left employment?

No. The DPF is exclusively for employees of the Debswana Group of companies. Your fund credit however, will remain with us and continue to earn interest until you decide to retire. You will then have to join your new employer's pension fund. When you do decide to retire, you can merge the two funds and start earning your pension.

8. Why are pension salaries taxed? We have already paid tax while we were working!

You have to remember that whilst you are employed, the pension contribution deductions are made before tax, so you would not have paid any tax on it during employment. That is why you eventually have to pay it, both as a penalty if you cash your money before retirement and as tax on your pension salary if the salary falls above P2,500 per month.

9. Why doesn't the DPF invest all of our money here in Botswana to avoid the negative effects of international markets?

Ever heard of the saying, "Never put your eggs in one basket?" It is exactly for that reason that we spread your money in more than one area. Market volatility is not unique to any country. Any economy can suffer a collapse for any reason. Therefore it would not be a smart thing to do because Botswana is not immune to problems. The DPF has a diversified strategy that aims to invest your money both offshore and onshore, and across four asset classes namely; Equities, Bonds, Cash and Property. At least if one basket falls, the others will remain intact, right?

10. Why doesn't the DPF reduce early retirement age, at least to 45?

It is not up to the DPF to determine your retirement age. We follow the employer's policy. So if you feel strongly about this matter, use the right channels, however before you do so, we have one question to ask you; When did you start saving towards your pension, have you saved enough money to guarantee yourself a decent pension salary when you retire? Not many people can answer in the positive. You must always remember that with Pension you spend what you save. You can check what your projected pension salary will be when you retire and take action now to avoid a disappointing income at retirement. Contact the Fund for assistance.

11. What happens to my fund credit if I die before I start my pension?

It is disbursed to your beneficiaries as it is at the time of your death. Funds are distributed according to your beneficiary nominations. Please ensure that you renew your nominations annually to keep your records up to date. This will reduce the need for investigations at the time of settlement.

COMPETITION:

**WINNERS FROM
LAST EDITION**
Please call 3614301
and arrange to
collect your prize.

Shathani Chaja
P.o.box 32
Sebina

F. Phirinyane
P.o.box 42
Ramokgwebana

Tsabatho Raditloko
P.o. box 749
Molepolole

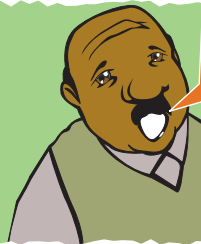
QUESTIONS AND ANSWERS

**Answer the following
questions and win
great prizes (do not
forget to include your
name when you send
your entry):**

1. Which committee has the Principal Executive Officer been appointed to?
2. Name four things that you can do to manage stress?
3. Name three things that you can do to reduce your expenses during a financial crisis?

ISAGO & LETLOLE

"Make hay while the sun still shines..."



Hello Isago! How are you coping in these difficult times? The memo for voluntary schemes is out my brother, are you interested? Let's just go for it man, after all we are both in the retirement age, we can retire now and start earning our pension. It's not that bad!



Not for me Letlole, my head is spinning with worry right now. I am just not ready. I haven't been saving towards pension long enough to earn a good pension, I still don't own a house so my kids will be homeless if I lose my job. I've also got a number of loans to clear and I don't have any long-term savings either. Honestly, whatever severance package I get, including the pension cash-out, it will not be enough to cover my debts and I will be left without a meal on my table. I can't take that option.

You know what? I don't even have an answer for that. I guess I never imagined being in this situation, I messed up, what can say? It's a painful lesson.



What? I don't mean to judge you, but really, Isago, you have been working for the mine for 20 years already, living in an almost rent-free mine house, what have you been doing with your money all this time when you could have built your retirement home and beefed up your savings?

Look man, a pension fund is not meant for debt repayments or building your home. It is meant for your upkeep after you retire. Things like houses and loans must be done while you are working. If it wasn't for your short-sightedness, you would be retiring now without any of this stress. Fortunately for me, I have long finished building my retirement home and I am only left with a few small debts. I have actually decided to take VS and retire. I am not worried at all.

I hope things work out for you man. Take care of yourself and I'll see you soon.

