



Bokamoso



The role Pension Funds play in a country's economy



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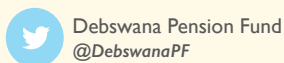
Pension Funds play multiple, major roles within a society. First and foremost, they are prefaced with generating stable growth and providing commensurate investment returns on a member's pension savings over the long-term horizon, in order to ensure members are able to retire comfortably. Pension savings enable members to uphold the same standard of living they had prior to retirement. Debswana Pension Fund has committed itself to try and ensure its membership has a 70 percent net replacement ratio at the time of retirement. A 70 percent net replacement ratio simply means that an individual should save adequately for retirement and generate enough investment income from their pension savings to earn 70 percent of their last salary before retiring.

In order to ensure that this goal is achieved, Debswana Pension Fund is committed to educating its membership on adequately saving for retirement, by monitoring their pension savings, and if need be, participating in the Additional Voluntary Contribution (AVC) program to buffer their savings. The Debswana Pension Fund Board of Trustees and Fund Management are committed to achieving the best possible investment returns and are constantly stress testing and improving the Fund's investment strategy.



Institutional investors, such as pension funds, also play a major role in developing capital markets and economies. Pension funds receive savings from members and deploy these assets into an array of investment instruments that includes but are not limited to, Cash (bank deposits, government paper etc.), Listed Equities (Stocks), Unlisted Equities, Fixed Income (Bonds), and Alternative Assets. Globally, investors have increasingly become more cognisant about Environmental, Social, and (Corporate) Governance, (ESG) factors as they invest. These factors are used as a measure against the societal impact of investors to the broader community.

(Continues on Page 4)



DPF Values

- Member Centric
- Credibility
- Accountability
- Agility
- Self driven & Motivated



Ogomoditse G. Letsholo

Editorial

Adjusting to the new normal!

2020 was a year that really tested humanity. As human beings we are creatures that take comfort in being together to celebrate and reflect on life's different milestone achievements. The emergence of Covid-19 tested our resilience as the situation required us to be away from our loved ones days on end and at times months on end.

The financial sector was not spared by this pandemic, businesses were dealt a huge blow as some had to close down resulting in lots of people losing their jobs worldwide as businesses were struggling to make it in the challenging times of lockdowns and movement restrictions. The DPF experienced losses in the first quarter of the year but as we approached second quarter, the Fund's investments made an astounding recovery. As at 31st March 2020 the Fund value stood at BWP 7 782 325 359 billion whereas as at 30th September 2020 it had grown to BWP 8 829 707 747 billion. We are at the end of the financial year and hope to close the year on a good note despite all challenges brought about by COVID-19.

In this issue of Bokamoso newsletter, we have covered topics such as understanding the distribution of death benefits from a retirement fund perspective. This was done to help guide members to distribute their benefits within the confines of the law as this will ease the process when the Board of Trustees sit to evaluate the beneficiary nomination form in the unfortunate event of the death of a Member.

Another topic that has been covered is that of the role Pension Funds play in stimulating the country's economy. Pension Funds receive savings from members and deploy these assets into an array of investment instruments that includes but are not limited to, Cash, Stocks, Unlisted Equities, Bonds and Alternative Assets. As Funds keep on injecting money into the financial sector, they spur economic activity and generate investment returns for their members.

We also bring you the Circular No. 3 of 2020 that was issued by the regulator with regards to Minimum Standards for Board Members. The Circular prescribes the minimum educational qualifications, skills, training and code of conduct that the Board members shall attain to be deemed fit and proper. The aim of this Circular as explained by NBFIRA is to enhance good governance.

We hope the Member portal App has proven to be a useful enhancement. For those that do not have access to desktop computers, the App enables you to access your Pension record. For more information on the mobile Portal App, please send an email to portal_queries@mmila.co.bw.

Please follow us on Facebook and Twitter and share with us your thoughts! We are eager to hear from you and hope you will enjoy reading this issue as much as it was a pleasure for us to compile it. Let us continue practicing prescribed safety measures to control the spread of Corona virus. Wear your mask and sanitize or wash your hands as much as possible, #StaySafe

Merry Christmas and a Happy new year to you and your loved ones!

ANNOUNCEMENTS

Notice – Change of Contact Details

Notice is hereby given to all DPF Members that DPF contact details has changed to the below details:

Office Line: +267 3614288
Fax Line: +267 393 6239
Email: bokamoso@dpf.co.bw

Please note that the +267 3614267 line is no longer in use. For any inquiries please do not hesitate to contact:

Strategy and Business Development Manager
Tel: +267 3714242

Board Movements

Year to date the Fund has had two Trustees vacate the Board:

Jwaneng Constituency – End of tenure

Ms Esther Palai was the Jwaneng constituency Member whose tenure ended in June 2020, and therefore left a vacancy for that constituency. During her term as a Trustee, Ms Palai has served in various of the Board Committees and was the Chairperson of the Benefits and Communications Committee (BCC) at the time her board tenure came to an end.

Gaborone Campus - Resignation

Ms Lebogang Kwapa resigned in September 2020. She was representing the Gaborone constituency. Ms Kwapa had served in various Board Committees and had recently been appointed the Chairperson of the BCC following the end of term for Ms Palai.

New Appointment – Jwaneng Constituency

The DPF Board has recently welcomed a Trustee who represents the Jwaneng constituency. Mr Thabo Moepi was vetted and approved by NBFIRA, and joined the Board on the 5th of November 2020 and will serve the Board for 5 years. Mr Moepi will be joining the Benefits & Communications Committee and the Nominations and Remunerations Committee.



DPF Values

Member Centric

Credibility

Accountability

Agility

Self driven & Motivated



New DPF Philosophy and Strategy Update



New Philosophy

The Debswana Pension Fund (DPF) is a Botswana based defined contribution pension fund licensed under the Retirement Funds Act of 2014. It is a joint initiative between De Beers Botswana Mining Company (now Debswana), Anglo American Corporation Botswana (Pty) Ltd and De Beers Prospecting Botswana (Pty) Ltd.

The DPF is the largest private pension fund in Botswana and a major player in the retirement services industry with assets valued at BVWP 8.829 Billion and a total membership of 12,498 as at September 2020. Currently the Fund provides pension management services to all employees of the following companies; Debswana Diamond Company, Morupule Coal Mine, DeBeers Holding Botswana, De Beers Global Sightholder Sales, Diamond Trading Company Botswana, Debswana Pension Fund and Mmila Fund Administrators.

Our Vision

Secure members' futures through sustainable superior returns

Our Mission Statement

We will provide our Members with competitive and sustainable retirement benefits through:

- Prudent and optimal management of member funds
- Ensuring efficient benefits administration
- Focused communication / information
- Effective socially responsible investments to benefit our members
- Innovative and relevant products

Our Values

- Member Centric

- Credibility
- Accountability
- Agility
- Self-driven and motivated

Strategy Update

As part of the current Debswana Pension Fund (DPF) Strategy, the Fund seeks to diversify and offer a one stop solution for our members, as well as ultimately availing a broad scope of product and services to a wider market. Key to this transformation, is the regulatory pressure emanating from the enactment of the Retirement Act, 2014.

In addition to the regulatory pressure there is an increasing desire on the part of DPF's Participating Employers to provide a comprehensive retirement solution for their employees over the course of their employment and beyond. As a result, the 2019-2023 strategy is focused on three Pillars:

- Growth through broadening our Member Base
- Sustainability through product diversification
- Competitive advantage through our service model

There have been key strategic milestones attained such as the formation of Mmila Fund Administrators. Through Mmila, various fund licences have been applied for and granted by the Regulator such as Preservation Fund, Beneficiary Fund and the Multi-Employer Fund.

Currently the Fund is working on finalising the next phase of the diversification journey that is aimed at increasing the wealth of our Members and creating long term sustainable gains for the Fund.

Update by: Saone Balopi
Strategy and Business Development Manager - DPF



DPF Values

- Member Centric
- Credibility
- Accountability
- Agility
- Self driven & Motivated



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Role Pension Funds play in a Country's economy

Furthermore, institutional investors may look to undertake certain Thematic or Impact Investments. Impact Investing forms part of an entity's Corporate Social Responsibility (CSR). In the Botswana context Institutional Investors such as Debswana Pension Fund are the major player in sectors such as the Listed Equity markets. They are able to allocate capital to businesses that are looking to list or are listed on the Botswana Stock Exchange. These businesses are able to turn around and utilize the capital for their growth strategies. As these listed businesses grow, they spur economic activity and generate jobs for Botswana. Therefore, they are able to provide their investors with attractive returns from growth in their share prices and commensurate dividend yields. These capital returns are then able to trickle back to the Fund's membership, allowing members to be one step closer to a comfortable retirement.

Debswana Pension Fund has historically also ventured into unlisted equities and invested in private companies that not only had the potential to grow but also the potential to provide a meaningful social impact. One of Debswana Pension Fund's meaningful investment is seen in Gaborone Private hospital (GPH). This investment opportunity not only provides attractive returns, but it enabled the Fund to invest in a medium that provides quality healthcare for society, thereby improving the standard and quality of life for Botswana. As DPF looks to deploy growth capital to the listed & private equity markets, it has made Corporate Governance a major focal point for its Asset Managers and investee companies. The Fund is insistent on strong Corporate governance policies, and practices in any business that it invests in. In recent years there have been issues of Corporate Governance in the Botswana market and the Fund is actively working on assisting the market to improve the level and standard of Corporate Governance in order to ensure that investors are fully protected.

Debswana Pension Fund also have a sizeable Fixed Income mandate. The Fund invests in Bonds through two of its local bond managers. Bonds enable the Fund to invest in the Government of Botswana's debt instruments, high credit rated companies, and banks. These government bond purchases assist the government of Botswana to invest in development activities across the country which will generate economic activity, create jobs and improve the standard of living of all Botswana. Companies looking to borrow growth capital can utilize the bond investments to expand their operations, further diversifying the economy and employing more Botswana.

Banks are an important part of the economy, through deposits placed with banks by institutional and retail clients, banks are able to avail more funds to individuals and small businesses. Access to capital enables Small Micro Medium Enterprises (SMMEs) to develop the country, which enables Botswana to be more self-sufficient, relying less on imported goods and services, creating jobs, diversifying the economy, and improving the quality of life for its citizen.

Alternative investments have gained popularity in recent years in the investment sphere. Alternative investments are financial assets that do not fall into one of the conventional Equity, Bond, and Cash categories. Alternative investments include Hedge Funds, Private equity, Venture Capital, Real Estate, Commodities, and Tangible Assets. Debswana Pension Fund has participated significantly in this area for a considerable amount of time by developing a sizeable property portfolio. Real estate

and infrastructure play a significant role in the economic development of Botswana. Real estate can be a contributor to the development of the country through infrastructure such as housing, hospitals, tourism, and leisure. The Fund has developed numerous malls across the country such as Teemane Mall in Jwaneng, Engen Palapye, Francistown Retail, and Engen Maun, it has established a tourism facility in the form of a hotel in Jwaneng (Cresta Jwaneng), and it has several housing projects it has constructed. Debswana Pension Fund has deployed assets into these various Real estate investments and has also considered the social and environmental impact they would have on its membership and Botswana at large.

The role that Institutional Investors, such as Pension Funds, play cannot be understated. As Pension Funds look to deploy assets, they need to be cognisant of the multiplier effect their investments will have in improving the lives of their membership, and residents and citizens of Botswana. It therefore imperative that as investors allocate capital, they are also conscious about the ESG factors and the social impact that will occur. Debswana Pension Fund has integrated ESG initiatives into its investment process, through its Board of Trustees and Fund Management. DPF is looking to continue to improve in order to ensure commensurate returns and a wider impact for its membership.

Author – Mbakisi Gopolang
Investment Analyst – DPF

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Seabe se Matlole a diphenshene se a dirang mo itsholelong ya Lefatshe



Matlole a diphenshene a nale seabe se segolo mo setshabeng. Sa ntlha, matlole a lebanangwe ke go godisa matlole a maloko mo lobakeng lo loleele go netefatsa gore maloko a nale madi a itshetso a a botoka ka nako ya bogodi. Madi a dikamogelo tsa bogodi a thusa maloko a diphenshene go tswelala ba tshela matshelo a a sa farologaneng le a ba neng ba a tshela ha ba santse ba bereka. Letlole la phenshene ya Debswana le leka ka bojotlhe go netefatsa gore maloko a lone a amogela madi a bogodi ele masome a le supa (70%) mo go se ba ntseng ba se amogela ha ba santse ba bereka. Go fitlhelela se, go raya gore maloko a tshwanetse go oketsa madi a mohiri o ba a bolokelang ko phensheneng. Letlole la phenshene ya Debswana le itamile go rutuntsha maloko ka go ipolokela gore ba kgone go tokafatsa madi a bone a bogodi. Batlhokomedi ba letlole le botsamaisa jwa letlole ba netefatsa gore maloko a fitlhelela dipoelo tse di botoka ka go tlhoma leitlho dipeeletso tsoitlhe tsa letlole le go di sekaseka gangwe le gape.

Babeeletsi ba ba tshwanang le matlole a diphenshene ba nale seabe se segolo mo itsholelong ya mahatshe. Matlole a diphenshene a amogela madi a maloko mme a kanoke gore madi a, a ka beeleliwa kae. Matlole a beeleletsa madi a maloko ko dibankeng, mo diabeng kgotsa ba a adima mahatshe go dira merokotso mo mahatsheng a bone le ko nte ga lefatshe. Matlole a diphenshene a netefatsa gore a dira dipeeletso le ditlamo tse di tsayang kgang tsa tlhokomelo tikologo ka tlhwaafalo.

Babeeletsi ba matlole a diphenshene ba netefatsa gape gore ba beeleletsa le ditlamo tse di kgathalang ka baagi ba tikologo e ba direlang mo go yone. Mo lefatsheng la Botswana, ba beeleletsi ba tshwana le letlole la phenshene ya Debswana (DPF) ba tsaya karolo e tona mo mohameng wa diabe. Letlole le itlamilile go beeleletsa mo dikomponeng tse di tlang go direla mo lefatsheng la Botswana. Go dira se go rotloetsa itsholelo ya lefatshe go gola le go tlhama ditiro. Merokotso e e itemogelwang ke dikomponeng tse letlole e beeleditseng mo go tsone, e felela e gorogile ko malokong a letlole la phenshene fa dikomponeng tse di duela letlole dipoelo.

Letlole la phenshene ya Debswana le tswa kgakala le beeleletsa mo dikgwebong tse di ikemetseng ka nosi tse di a bong di nale kgonagalo ya go gola le go tsisa pharologanyo mo tikologong e kgwebo e direlang mo go yone. Nngwe ya dipeeletso tse di bothokwa tse letlole la phenshene ya Debswana e di dirileng ke ya sepatela sa GPH. E ke

nngwe ya dipeeletso tse di tsisetsang letlole dipoelo tse di nametsang ebile e thusitse le ka go tsisa bongaka jo bo maleba mo batswaneng. Mo leetong le, letlole la phenshene le netefatsa gore botsamaisa jwa letlole e bo ele jo bo eletsegang go itsa go digela ko tlase dipeeletso tsa letlole.

Nngwe ya ditsela tse letlole la phenshene ya Debswana e di dirisang, ke go adima lefatshe la Botswana le dibanka madi ka merokotso e e dumalanang. Kadimo e ya madi, e atoloseditswe le ko dikomponeng tse di batlang go kabakanya letseno la tsone le go gola mme di sena bokgoni jwa madi. Dibanka di bothokwa mo itsholelong ya lefatshe. Go baya madi ko dibankeng ke dikomponeng go tokafatsa kgwebo ya dibanka ka di ka adimisa madi a di a adimilwang.

Ba beeleletsi mo Botswana ba itemogetse methale e mesha ya go godisa madi a matlole a diphenshene. Matlole a bonno le go beeleletsa mo dikomponeng tsa batswana ke nngwe ya methale e simolotsweng go dirisiwa. Letlole la phenshene ya Debswana ke nngwe la bao ba sa leng ba bona bothokwa jwa go beeleletsa mo metlhaleng e. Letlole le nale dikago le matlole a bonno lefatshe ka bophara tse le beeleditseng mo go tsone.

Seabe se ba beeleletsi mo go godiseng itsholelo, ke se se bothokwa. Jaaka matlole a diphenshene a batla ko a ka beeleletsa madi a maloko teng, a tshwanetse go ela tlhoko pharologanyo e ba eletsang go e bona bo matshelong a batswana e diragala bakeng la dipeeletso tsa bone. Go bothokwa gore fa ba beeleletsi ba batla ko ba ka beeleletsa teng, ba batlise ka ha bao ba batlang go dira kgwebo le bone, ba bo ba dira kgwebo ka mogwa o o amogelesegang. Letlole la phenshene ya Debswana le batla go tswelala le dira pharologanyo mo matshelong a batswana ka dipeeletso tsa letlole le go nna le seabe mo go tokafatseng itsholelo ya lefatshe la Botswana.

Mokwadi – Mbakisi Gopolang
Investment Analyst - DPF

Tlhaloso: Dikakanyo le Maikutlo tse di mo mokwalong o, ke tsa Mokwadi fa e se fa go tlhalositsweng ko di tserweng teng mme ebile ga di emele lekalana lepe. Mokwadi ga a kake a tsaya maikarabelo ape mo go sepe se se ka diragalelang mmadi go tswa mo go diriseng mokwalo o.



Circular on the Minimum Standards for Retirement Funds Board Members



On the 10th August 2020, NBFIRA issued Circular No. 3 of 2020 on the Minimum Standards for Board Members. The Circular prescribes the minimum educational qualifications, skills, training and code of conduct that Board members shall attain to be deemed fit and proper. The aim of this Circular as explained by NBFIRA is to enhance good governance.

The Circular was issued requiring compliance with immediate effect; however, it allows a transitional period for funds to comply no later than the 31st January 2021.

The Circular requires that all Board members appointed by the Fund should have the following minimum qualifications;

1. Degree in Business Administration, Business Management, Accounting, Actuarial Science, Banking, Finance, Economics, Law, Insurance, Investment, Risk Management; or
2. Other relevant professional qualifications such as Chartered Accountant, Chartered Finance Analyst, Fellow Risk Management and any other qualification prescribed by the Regulatory Authority.

The Circular further states that there should be a balance of qualifications in the Board of Trustees to ensure that the Board collectively has qualified Trustees.

The Circular has also listed the required work experience as follows;

1. A minimum of five (5) years of work experience relating to insurance, retirement fund or investment.
2. Basic knowledge of Retirement Funds operations.

The Fund has noted the requirements of the Circular and subsequently submitted the DPF Trustees list stating their qualifications and work experience as per their request following the issuance of the Circular. The risks emanating from the requirements of this Circular are the possibility of losing some members of the DPF Board of Trustees who do not meet the qualification criteria and a further compliance risk of failure to comply by the stipulated date owing to the process of appointing the member appointed Trustees and the regulatory vetting process. The appointment process is made even more complicated by the travel restrictions imposed as a result of COVID-19 and increasing number of Covid-19 cases in Botswana which may lead to possible travel restrictions.

Management has communicated its concerns to the Regulator and highlighted the conditions of the DPF Election Guidelines that stipulate the process the Fund follows for the appointment of the member appointed Trustee. The Fund has also requested for a longer grace period of up to 12 months, to comply with the requirements of the said Circular and communicated the Fund's commitment to continue to provide a service to its members under the direction of the governing body.

*Author – Gorata Rabanthenq
Legal and Compliance Coordinator - DPF*



WHEN LAST DID YOU CHECK YOUR BENEFIT STATEMENT?

Debswana Pension Fund
Private Bag 00912
GABORONE
BOTSWANA

DPF
DEBSWANA PENSION FUND

MEMBER DETAILS

Members Name	Debswana DeBeers	Date Joined Company	01/01/2011
Date of Birth	01/01/1980	Date Joined Fund	01/01/2011
System No	0000	Normal Retirement Date	30/04/2040
Pay-point	Anglo	Employee No	00000001

FULL FUND CREDIT

What is my current Full Fund Credit?
The full fund credit comprises of all contributions made by yourself and on your behalf by the employer and full fund growth.

P776 985.43

BUILD-UP FOR PERIOD 01/01/2019 TO 31/12/2019

Opening Fund Value	P648 628.73
Member Contributions for the Period	P0.00
Employer Contributions for the Period	P120 000.00
Investment Return for the Period	P8 356.70
Closing Fund Value	P776 985.43

CONTRIBUTION BREAKDOWN

Period	Employer Contribution	Member Contribution
August 2019	P 10 000.00	P 0.00
September 2019	P 10 000.00	P 0.00
October 2019	P 10 000.00	P 0.00
November 2019	P 10 000.00	P 0.00
December 2019	P 10 000.00	P 0.00

INVESTMENT PORTFOLIO(S)

The net contributions have been invested in the following portfolio(s) and have been updated to 31/12/2019

10 - MARKET PORTFOLIO LT 53 (100.00%)

The Fund's Life Stage investment strategy aims to vary member assets across different investment portfolios in varying degrees of exposure to different asset classes based on their presumed risk appetite as per the member's life stage (age) and proximity to retirement age. The Fund invests in Equities, Bonds, Property, Cash and Alternatives.

- Based on an assumed retirement age of 60, the member's retirement savings will be invested in the Market Portfolio up to age 53. (This portfolio concentrates on managing the member's inflation risk.)
- Starting at the end of the month in which the member turns 53, the member's accumulated retirement savings will be transitioned in five more or less equal annual tranches from the Market Portfolio to the Conservative Portfolio.
- From the end of the month in which the member turns 57, the member will be fully invested in the Conservative Portfolio. (This portfolio concentrates on managing the member's final payment risk.)

WITHDRAWAL BENEFIT

(Resignation, Dismissal, Retrenchment/Redundancy)

Current legislation permits you to withdraw from your Fund Credit upon exit from employment, a maximum of 25% taxable lump sum (resignations and dismissals) or 33% taxable lump (retrenchments or voluntary separations). The balance must be left in the Fund or transferred tax free to another approved retirement Fund of your choice. In either case, the balance will continue to attract investment returns until you retire, however, if your total Fund Credit at the time of exit falls below the minimum investment threshold of P10,000 as specified in the rules of the Fund, you shall be permitted to withdraw your full fund Credit without further liability on the Fund.

To access your Benefit Statement:

1. Log in to the Member Portal

or

2. Download the Mmila Fund Administrators APP (available on Google Play & App Store)

If you do not have your login credentials, please send an email request with your full names and ID number to:

portal_queries@Mmila.co.bw

Member Contribution

Additional Voluntary Contribution (AVC) increases your fund growth.

Contact Mmila Fund Administrators to find out more on how you can actively grow your Pension Fund Credit, and work towards a more comfortable retirement.





CEO'S End Of Year Message



Gosego January – DPF CEO

This year has been like a box of chocolates, bringing with it many unexpected events. Despite all of this, Debswana Pension Fund has been able to weather through the storm. I wish to update you on the Fund's key achievements in 2020.

Fund Performance

At the beginning of the year, the Fund's Board of Trustees and the Management Team were excited at the outlook of the Fund's performance having delivered strong returns in 2019. This however was negatively affected by the Covid-19 pandemic, where we witnessed Global Markets plunge in March 2020, with Fund's Assets Under Management declining to BWP 7.916 Billion. Post March 2020, we have encouragingly seen the Fund recover and exceed the 31st December 2019 close of BWP 8.375 Billion to BWP 8.717 Billion as at 31st October 2020. This recovery has further validated the Fund's investment strategy, which seeks to capture higher returns during market rallies while particularly protecting member returns of those near normal retirement age during periods of downturn. The countercyclical measures instituted by governments and central banks across the world, in addition to improved protocols on how to manage the Covid-19 pandemic are expected to provide a tailwind to capital markets. As consequence, once the world emerges from this pandemic, we forecast improved investment returns.

Governance

Governance remains a critical pillar for the Fund and pension industry in general. As the leading private pension Fund in Botswana we strive to adhere to good corporate governance principles. As such, we have been able to retain audit outcomes without any material findings.

Strategy

There has been intensive work in finalizing the Fund's Diversification Strategy to create a "one stop shop" for our Members. More information relating to the diversification plans will be shared with members in due course. We have been able to finalize the proposed business models and these have been presented to the Board of Trustees, whom I wish to applaud for their unwavering support in ensuring that we grow and position the Fund for greater returns in the future and ultimately sustainable returns for our Members.

Cost Per Member

Once again we have been able to retain the cost per member below budget, we continue to manage our costs tightly, and always aim to deliver exceptional work at controlled cost to avoid any escalations that may have an adverse impact on the members.

Communication

During the past couple of months, we have embraced the term, "The New Normal" and adapted our ways of life to proactively safeguard our lives and those of others from the pandemic. Pandemics such as Covid-19 should instill in us the importance of protecting our futures, and importantly our retirement. It therefore calls for one to periodically check your Pension Fund Benefits Statements and Projection Statements to ensure that you are on track to a healthy retirement. In creating ease of access to some of these important details about your Pension Credit, as a member you are now able to access your member portal via your mobile using the Mmila Fund Administrator Mobile App.

We increased our communication initiatives to our members providing updates periodically on the performance of the Fund as well as on any new developments that the Fund undertook. The traditional engagement channels such as the Pensioners Conference and the Deferred Members Breakfast, may have not taken place, but I am happy that we found other ways to deliver key messages to you through programs such as the BTV Morning Show and the Molemo wa Kgang show on BTV. In addition, we have made use of technology and successfully delivered webinars to our members in which we saw large numbers of attendees during the webinars.

Member Satisfaction Survey

As you know each year the Fund carries out member satisfaction survey. Through these surveys, we are able to gauge the level of effectiveness of our engagements and services provided to you as members in the year under review. During this year we have worked to address the key issues that came through the surveys mainly around, member communication and increasing understanding on matters of Retirement and how to ensure that our members are able to effectively contribute towards their retirement during the tenure of their employment.

Furthermore, members wanted to gain better understanding of the Fund rules. We recently reviewed our Pension Fund Rules to align them to the Retirement Funds Act of 2014. I therefore would encourage you to read through the Fund Rules, which are on the DPF website and ensure that you are fully informed of these rules as they are the governing framework for all matters relating to member rights and obligations.

We have sent out the 2020 Member Satisfaction survey, I encourage you all to participate in this survey as it is really important that we continuously receive feedback from you as a member of the Fund. I thank you all for trusting us with your future and I am looking forward to moving the Fund forward in 2021. I wish you all and your families a Merry Christmas and a Happy New Year. Let's remember to remain safe and adhere to the Covid-19 Protocols at all times.

Know your Fund Administrator's Complaints Procedure

Do you have a Complaint?

Mmila Fund Administrators strives to provide all its customers with Service Excellence. Please help us assist you better by giving us your valuable feedback. If you are not happy with our service kindly lodge your complaint and or make a suggestion on how we may improve the service we deliver to you.

In order to lodge your Complaint, follow the process below:

- Complete a Feedback Form and drop it off into a Suggestion Box
- Acknowledgement of your feedback will be communicated with yourself within 24hrs
- Response to complaint will be given within 7 working days

Should you not be satisfied with the response, follow the steps below to elevate your complaint:

First Step:

- Communicate in writing to the Communications Coordinator
- Request for further information on your complaint
- A follow up response shall be communicated back to you in 24hrs

Second Step:

What if you are not happy with the response to your Complaint?

You may lodge your complaint in writing to the Mmila CEO and explain your displeasure with the response to your complaint.

CEO
Mmila Fund Administrators (Pty) Ltd
Private Bag 017, RWK
Gaborone

Or you may email to info@mmila.co.bw

If you are still not happy with the assistance from Mmila Fund Administrators, you may liaise with the Office of the Regulator at the following address to lodge your complaint:

CEO
NBFIRA
Private Bag 00314
Plot 54531, New CBD
Gaborone





Understanding the Distribution of Death Benefits from a Retirement Fund



Section 39 of the Retirement Funds Act, 2014 and Regulation 29 of the said Act deal with the distribution of death benefits in the unfortunate event of the death of a Member of a registered retirement Fund.

Section 39 of the Retirement Fund Act states the following:

Any benefit payable by a Fund upon death of a member shall not form part of the assets in the estate of the Member; but shall be paid to dependent/s and nominees designated in writing to the Fund by the Member before the Member's death, in such proportions as the board may deem equitable;

An estate simply means all monies and property owned by a person. This includes property such as land, houses, cars, clothes, furniture etc. Although the money saved in a retirement fund belongs to the member; the Act specifically excludes these amounts from a Member's estate. Therefore, in the unfortunate event of a Member's death, amounts saved in their superannuation fund cannot be accounted as part of the Member's estate. The said amounts are to be distributed in accordance with the Retirement Funds Act and not the Administration of Estates Act which deals with the administration of a deceased person's estate. Even if a Member writes in their Will the manner in which their retirement benefits should be distributed, this will not bind the Trustees. Legislation however does require Trustees to consider the distribution made by the deceased Member in her or his will amongst other factors when distributing death benefits. The Retirement Funds Act provides protection to a deceased Member's benefits from creditors as the aim is to ensure financial sustainability to dependants and beneficiaries.

Regulation 29 requires each Member of a retirement Fund to complete a Beneficiary Nomination Form on entry of the Fund. Members are also required to update the Nomination Form as and when their circumstances change such marriage, divorce, birth or adoption of a child etc. Within the said Form, a Member is required to identify his/her dependants and Nominees and allocate to them a proportion of the death benefit payable. As a Member; it is important that you identify all the dependants and ensure that you allocate your benefit equitably based most, importantly on the level of financial dependency.

The Trustees have a fiduciary responsibility to conduct investigations in order to identify all the dependent/s and beneficiaries of a deceased Member. The purpose of these investigations is to ensure that all dependent/s are identified and accounted for in the distribution of death benefits. It's important to note that Legislation permits the Trustees vary a Member's Nomination Form if they deem the allocation inappropriate (e.g. if there are dependent/s that have been excluded or the allocation is not equitable). The Trustees can be sued for breach of their fiduciary responsibility if they allocate benefits solely based on the Nomination Form, if some dependent/s are found to have been excluded.

Conducting investigations means, interviewing family members, friends, colleagues and or neighbours to gather as much information as possible about the deceased Member's financial dependants. Some individuals claiming that they were dependent on the deceased will be required to prove that fact which can sometimes lead to Trustees requesting a breakdown of income and expenditure. Members are encouraged to have conversations of these nature with their family Members such that Trustees are not seen as being "disrespectful".



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“madi a pension ga se boswa”. The aim is to ensure that the people who were financially dependent on a Member at the time of death are not financially disadvantaged by his/her untimely demise. In the event of there being doubt on a person’s claim to be a dependant, the burden of proof shall rest on the person alleging to be a dependent.

So, when completing the Nomination Form, ask yourself:

- Who do I take care of financially? Separate legal dependants (spouse and children) and secondary dependants (siblings or relatives)
- What is my relationship with them?
- What is the extent of my financial assistance? are they 100%, partial or somewhat dependent on you)
- How long were you going to keep taking care of that person had you not died?

NB, it’s important to note a child (under the age of 18) is automatically regarded as dependent/s even if the Member was not financially maintaining the child.

Lastly, when completing the Form, ensure that you allocate benefits directly to a dependent or nominee. There are instances where one parent will allocate a larger share to the other parent on the basis that they will be left behind to take care of the children. This is not advisable. Members are encouraged to allocate such amounts to the children on the Form. There are Beneficiary Funds such as the Mmila Beneficiary

Fund, which have been established to safekeep such monies for the upkeep of the minor dependent/s.

The disbursement of the death benefits is made taking into consideration the following factors (NB, this is not a policy but guidance for Members to appreciate how Trustees arrive at a final distribution):

- Priority is given to the deceased’s legal dependent/s i.e. spouse and children;
- Children are considered according to their ages i.e. minor children shall be given priority over older children;
- Children with disabilities/ Chronic diseases are also be given priority based on their needs;
- Where the deceased has no legal and factual dependent/s, the Nomination Form will take precedence;
- Where the Fund credit is low and there are minors, the Trustees may exclude other Nominees as detailed in the Form.

Author – Neo Julia Pule
Principal Consultant – Mmila Fund Administrators

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Karoganyo ya ditshiamelo tsa Leloko la phenshene go ya ka mohama wa tsadi diphenshene

Section 39 ya Retirement Funds Act, 2014 le Regulation 29 ya molao e itebagantseng le karoganyo ya ditshiamelo tsa leloko la phenshene fa go ka diragala gore leloko le tlhokafale.

Section 39 ya Retirement Fund Act e tshaloso tsedi latelang: Karoganyo ya ditshiamelo tsa leloko la phenshene morago ga loso la leloko leo ga e a tshwana go nna bontlha jwa dithoto dipe tse leloko le nang le tsone ko nte ga ditshiamelo tsa phenshene. Ditshiamelo tsa leloko le le tlhokafetseng di a go arogangwa bajaboswa ba leloko ke lekgotla la batlhokamedi morago ga go dira ditshekatsheko;

Dithoto go tewa madi, matlo, dikgwebo le dilwana tse eleng tsa motho. Le fa ntswa ditshiamelo tsa phenshene ele tsa leloko, molao o a tshaloso gore di a bo di sa akarediwa mo dithotong tsa leloko. Fa go ka diragala gore leloko la phenshene le tlhokafale, ditshiamelo tsa gagwe ga di na go akarediwa mo dithotong tsa gagwe. Ditshiamelo tse di ya go arogangwa go setswe morago molao o o laolang matlole a diphenshene wa 2014 (Retirement Funds Act, 2014) eseng molao o itebagantseng le karoganyo ya dithoto. Le fa leloko le ka kwala mo mokwalong o o aroganyang dithoto tsa gagwe, se ga se na go salwa morago. Molao o tlama batlhokamedi ba lekgotla go netefatsa gore ka fa leloko le arogantseng ditshiamelo tsa lone tsa phenshene ga go a kgaphela ope o leloko le neng le mo tlhokomela ko ntle. Molao o sireletsa ditshiamelo tsa leloko gore di seka tsa amiwa ke dikoloto dipe tse leloko le neng le nale tsone ka maikaelelo ele go netefatsa fa bajaboswa ba leloko ba tswela ba tshela sentle le mo boseyong jwa leloko.

Regulation 29 e tlama leloko lengwe le lengwe la phenshene go tlatsa fomo ya bajaboswa fela fa ba simolola go nna maloko a letlole la phenshene. Maloko a tlamega go ntshafatsa fomo e fa go nna le diphetogo di tshwana le lenyalo, tlhalo, matsalo a ngwana kgotsa loso la mongwe wa bajaboswa. Leloko le tlamega go supa bajaboswa ba lone le gore o abela mojaboswa mongwe le mongwe bokaha. Go botlhokwa gore leloko le supe bajaboswa ba lone le santse le tshela mme ebile le bo le supe le gore le aroganya bajaboswa ba lone ditshiamelo tsa lone jang a lebile ba ba ikaegileng ka ene thata.

Batlhokamedi ba lekgotla ba tلاميwa ke molao go dira dipatlisiso go batla bajaboswa ba leloko le le tlaa bong le tlhokafetse. Botlhokwa jwa dipatlisiso tse, ke go netefatsa fa go sena mojaboswa ope o o tlaa tlogelwang ko ntle fa go setse go arogangwa ditshiamelo tsa leloko tsa phenshene. Molao o fa batlhokamedi ba lekgotla dithata tsa go farologana le leloko fa go setse go abiwa ditshiamelo tsa leloko ka go sa abele bajaboswa ka fa leloko le neng le laetse ka teng ba dirisa tse ba di fitheletseng mo dipatlisong. Batlhokamedi ba lekgotla ba ka sekiswisa fa ba ka aroganya ditshiamelo tsa leloko ba sa itirela dipatlisiso tsa bone go rurufatsa seemo sa ka ha leloko le neng le tshela ka teng mme ga fitlhelwa bajaboswa bangwe ba togetswe ko ntle ba sa fiwa ditshiamelo tsa bone.

Go dira dipatlisiso go tewa fa ba masika, babereki ka leloko, baagisanyi le ditsala tsa leloko le le tlhokafetseng ba botswa dipotso go rurufatsa ka fa leloko le neng le tshela ka teng. Bao ba ba kayang fa e le bajaboswa ba leloko ba ya go kopiwa go ntsha bosupi jwa gore leloko le ntse le



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ba tlhokomela. Maloko a rotloediwa go nna ba atlha atlha dikgang tse le ba malwapa a bone go itsa gore fa go setse go dirwa dipatlisiso e be gotwe dipotso tse di botswang ga di maleba.

"madi a pension ga se boswa", maikaelelo ke go netefatsa fa botlhe ba ba neng ba ikaegile ka leloko ba sa sokole mo boseyong jwa leloko. Fa go ka nna le dipelaetsego tsa gore mongwe wa ba ba ikayang ele mojaboswa wa leloko ga se mojaboswa, go ya go nna mo maruding a gagwe go ntsha bosupi ja gore ka boammaruri one a ikaegile ka leloko le le tlhokafetseng.

Fa o tlatsa fomo ya bajaboswa, ipotse dipotso tse di latelang:

- Ke mang yo o tlhokang tlhokomelo yame? Kgaoganya bajaboswa ba gago ka mehuta e e teng
- Ke itsane jang le botlhe ba ke ba tlhokomelang?
- Thuso yame e felela kae mo matshelong a bone? A ba ikaegile ka nna fela kana ba nale ko ba kopang thuso teng gape?
- Keya go tsewelela ke ba thusa go fitlhelela leng?

Go botlhokwa go itse gore ngwana o dingwaga tse di fa tlase ga lesome le bohera-bobedi (18) o tsewa ele mojaboswa jwa konokono le fa o ka tswa one o sa mo tlhokomele.

Fa o tlatsa fomo ya bajaboswa, rurufatsa fa o kwala leina la mojaboswa le seelo se o eletsang a ka se neelwa. Go le gantsi maloko ba kwala motsadi wa bana yo o tshelang go abelwa bontsi jwa ditshiamelo are o lebile gore o tla sala a tlhokomela bana, se ga se rotloediwe. Maloko a rotloediwa go abela bajaboswa seelo se ba se akantseng ba kwadile le maina a bone. Go nale matlole a a tshwanang le la Mmila Beneficiary Fund a a tshamileng go tlhokomela le go godisa madi a bajaboswa ba dingwaga tse di kwa tlase.

Ditshiamelo tsa leloko di abiwa go lebilwe dintlha tse di latelang:

- Go sekasekiwa lelwapa la leloko pele fa go arogangwa ditshiamelo, ke gore monna/mosadi le bana;
- Go lebelelwa dingwaga tsa bana fa go arogangwa di tshiamelo tsa leloko fa ba dingwaga tse di kwa tlase ba fiwa seelo sa ditshiamelo tse dintsi go feta bana ba bangwe;
- Ba nale bogole le bana ba ba nang le malwetse a a sa alafesegeng ba latele go lebilwe letlhoko la bone;
- Fa leloko le sena bajaboswa, ditshiamelo tsa leloko leo di ya go arogangwa go lebilwe fomo ya bajaboswa;
- Fa ditshiamelo tsa leloko dile ko tlase, go lebelelwa bajaboswa go simololwa ka ba dingwaga tse di ko tlase mme go nne le kgonagalo ya go sa abele botlhe ba ba kwadilweng mo fomong.

Mokwadi – Neo Julia Pule
Principal Consultant – Mmila Fund Administrators

Tlhagiso: Dikakanyo le Maikutlo tse di mo mokwalong o, ke tsa Mokwadi fa e se fa go tlhalositsweng ko di tserweng teng mme ebile ga di emele lekalana lepe. Mokwadi ga a kake a tsaya maikarabelo ape mo go sepe se se ka diragalelang mmadi go tswa mo go diriseng mokwalo o.



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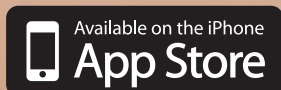
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Mmila Fund
Administrators

**Only a click away,
No matter where
you are keep an
eye on your
Financial future.**

#Accountability
#MemberPortalApp



<https://portal.mmila.co.bw>



Preservation funds: Your questions answered



It is important to understand exactly how preservation funds work. If you've recently been retrenched or lost your job, you may be contemplating moving your retirement fund benefits into a preservation fund. However, before doing so, it is important to understand exactly how preservation funds work.

What is a preservation fund?

A preservation fund is a retirement fund and, as such, falls within the auspices of the Pension Funds Act and the Income Tax Act. The primary purpose of a preservation fund is to house and preserve the proceeds of a pension or provident fund where a person has been retrenched or dismissed, or where he has resigned from his employ. Proceeds transferred from a pension fund must be transferred to a pension preservation fund, while proceeds from a provident fund must be transferred to a provident preservation fund. It is not possible to withdraw a portion of your retirement fund and invest the balance into a preservation fund. In other words, if you choose to preserve your capital you are required to transfer the full amount into a preservation fund.

What are the tax implications of transferring to a preservation fund?

If you move your retirement benefit from a pension or provident fund directly into a preservation fund, there will be no tax consequences,

making preservation funds tax-effective investment vehicles. Furthermore, you will not be taxed on the investment returns achieved in the preservation fund. Also, funds invested in a preservation fund fall outside of your estate and are therefore exempt from estate duty. You will only be taxed if you withdraw from your preservation fund.

Can I make additional contributions to my preservation fund?

No, you cannot make any additional contributions to your preservation fund once you have set it up which means that your investment will only grow in line with its net investment return. Your preservation fund can only receive direct payments from another approved retirement fund. Choosing the most appropriate investment strategy for your investment horizon is therefore of the utmost importance.

Can I withdraw from my preservation fund?

Yes, you are permitted to make one partial withdrawal from your preservation fund provided you have proof that you have been unemployed for a period exceeding 12 months. You may also be permitted to make full withdrawal before the age of 55, which is generally the retirement age for most preservation funds to get an annuity/pension option from a service provider of your choice.

Can I split my retirement benefits between multiple preservation funds?

You are not able to split the proceeds from a single pension or provident fund across multiple preservation funds. However, you are permitted to invest the proceeds of different pension or provident funds across different preservation funds, although bear in mind that the tax-free portion on withdrawal will be calculated as a cumulative total across all your preservation funds.

Do I have to transfer my retirement benefits to a preservation fund?

No, you also have the option of transferring your retirement benefits tax-free to a retirement annuity. However, bear in mind that you cannot access funds housed in a retirement annuity as per the age stipulated in Fund Rules.

Can I transfer my preservation fund to another preservation fund?

Yes, you are permitted to transfer your preservation fund to another preservation without incurring tax. You are also permitted to transfer it to a retirement annuity or to your employer's retirement fund without paying tax.

NB: Information that was not relevant to Botswana was either omitted or amended to suit relevance to Botswana's Retirement Industry

Source: <https://www.moneyweb.co.za/financial-advisor-views/preservation-funds-yourquestions-answered/>





Are you sitting on savings you could be investing?

The COVID-19 pandemic has affected people's finances in very different ways. While it has highlighted the need for emergency savings as a buffer against tough times, it has also created anxiety and uncertainty for those worried about job security and market volatility, causing some to sit on extra cash that would normally be invested.

"Lockdown resulted in an enforced reining in of spending, with eating out, shopping and travel severely curtailed and day-to-day costs like fuel and transport reduced by working from home," explains Nomi Bodlani, head of Strategic Markets at Allan Gray. "While the economy is now more open, many are relooking their spending habits, hoping to make more permanent changes."

Although there is little evidence of what habits South African investors will adopt post pandemic, especially in light of an ailing economy and dismal household savings rate, consumer spending is likely to be fundamentally different for many months to come, and so too will people's spending and saving habits.

"The pandemic has had many financial consequences. If you are fortunate enough to have found yourself with additional savings, and if you want to make adequate preparations for a financially fit future, now is a great time to get started or to accelerate your investment efforts," says Bodlani.

She adds that many investors sitting on extra cash – whether from deferred spending or from that holiday that never happened in 2020 – are feeling jittery about the markets. The latest data released by the Association for Savings & Investment South Africa (ASISA) echoes this sentiment, showing that many investors are opting for the perceived safety of money market funds, despite the fact that interest rates have headed south.

"While it is understandable that investors are shying away from risk at this time, in an environment of lower interest rates, investors looking for long-term growth need to make sure that a portion of their portfolio is exposed to growth assets, such as equities, which have proven to deliver growth over the long term," Bodlani explains.

15 Adjusting for inflation, equities have returned 7.5% per year versus bonds at 4.3% and cash at 2.5% over the last two decades. "It is therefore important to have an appropriate amount invested in equities to generate potentially higher real returns," she says. The other piece of the puzzle not to overlook is an element of offshore exposure.

"Investing offshore gives you exposure to different economies and geographies and allows you to access sectors and companies that aren't available in South Africa. It also helps you to shield your portfolio from rand weakness and protect the buying power of your cash." However, Bodlani cautions against simply investing offshore in response to news headlines and market noise.

"Investors' appetite for offshore assets seems to be at its strongest when the South African narrative, and the rand, are at their weakest. This is understandable, but expensive as you use a weak currency to buy expensive offshore assets. The decision to invest offshore should be part of your long-term investment strategy and should align with your long-term investment goals."

She explains that you should figure out how much of your investment portfolio you want to place offshore, and what you are trying to achieve, and then formulate a plan to invest as regularly as possible in carefully selected assets.

"If you don't know where to start, or if you are feeling overwhelmed, chat to an independent financial adviser who can help you decide on the best course of action for your extra cash. He or she will be able to help you choose appropriate investments to meet your long-term investment goals, and make sure that your choice is appropriate for your needs and circumstances. He or she can also guide you through periods of uncertainty – like we are currently experiencing – and make sure you get the most out of your investments," she concludes.

Source: FA News | 29 October 2020

ANNOUNCEMENTS



DPF Office closure notice

Debswana Pension Fund offices will be closed as follows:

Closing – 18th December 2020 at 1630hrs
Opening – 4th January 2021 at 0800hrs

Administrator's Office closure notice

Mmila Fund Administrator offices will be closed as follows:

Closing – 23rd December 2020 at 1630hrs
Opening – 4th January 2021 at 0800hrs

For Funeral advance emergencies call Mmila Fund Administrators at +267 77 895 683

