



PAGE 4

SEASON'S GREETINGS

The Management, Staff of MIFA and the Board of Trustees of the Motor Industry Provident Fund wish you and your loved ones a very blessed festive season and a prosperous 2012.

WINNERS OF OUR CHILDREN'S COLOURING COMPETITION



The Motor Industry Fund Administrators (MIFA) was overjoyed with the number of entries to this competition. In total more than 25 entries were received. The judges had a hard time to select the two winners.

Clarissa Adendorff aged 6 from Phalaborwa and Layla Freeman aged 4 from Port Elizabeth were selected as the winners. The judges loved their use of colour and the attention to detail. They both received a R150 CNA gift voucher.

Thank you to all the children who participated in our competition.

Clarissa Adendorff's winning entry.



Layla Freeman's winning entry.



Content:

1. Make sure you have enough money saved for retirement page 1
2. Maak seker dat U genoeg geld gespaar het vir aftrede page 2
3. Where is my Provident Fund money invested? page 2
4. How is your Fund growing? page 2
5. Season's Greetings page 4
6. Winners of our children's colouring competition page 4

NOVEMBER 2011

For some members however their provident fund money might not be enough to retire and live off comfortably. It might be necessary for you to make additional savings for retirement. Additional savings can be made in the provident fund or outside of the provident fund.

Making additional savings in the provident fund

You may make additional contributions towards your retirement savings over and above your normal contributions. Making additional contributions to your Fund is an easy way to increase your savings for retirement and is suitable for members who have short periods of employment or are concerned that they might not have saved enough money to retire comfortably. There is currently no restriction to the monthly amount you can make as additional voluntary contributions.

Making additional savings outside of the provident fund

If you want to make additional savings for retirement you could consider investing in a retirement annuity.

RETIREMENT ANNUITIES

Retirement annuity funds are almost identical to pension funds. People may invest in them as individuals and they offer tax deductible contributions. If you do not enjoy tax relief on your contributions you need to keep track of all such payments. The tax free portion of whatever cash you take at retirement will be increased by this amount.

At retirement, the member may take a maximum of one third in cash (some of which may be tax free) and use the balance to buy a pension for life. Unlike other insurance policies, these cannot be cashed in before age 55, nor can they be used as security. Effective from 1 March 2009 withdrawals are permitted from retirement annuities if you emigrate. Members are required to make their own investment choices and these choices are mainly unit trust funds, or specific portfolios provided by the institution concerned.

It is advisable that you obtain financial advice from an accredited financial advisor before electing a savings product. A financial advisor can assist you in determining your risk profile. To find a financial advisor go to www.fpi.co.za.

On-Route

Motor Industry Provident Fund
YOUR VEHICLE TO FINANCIAL FREEDOM
 Motornywerheid Voorsorgfonds – Koersvas

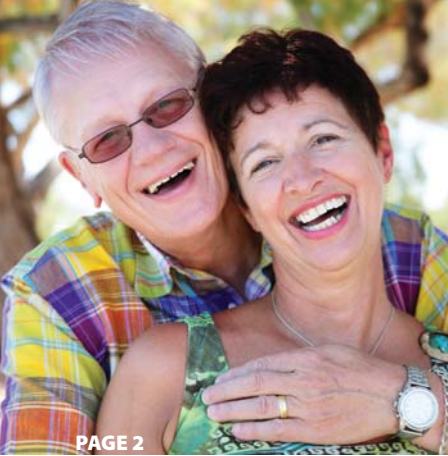
MAKE SURE YOU HAVE ENOUGH MONEY SAVED FOR RETIREMENT

At some stage in our lives, we all have hopes and dreams about the things we would like to have in life and the things we would like to do once we've retired and have time to enjoy the finer things in life. That in itself is great, but for many South Africans their dreams come to a dramatic ending when they retire and they realise that they haven't made adequate provision for the future.

To make sure you are financially comfortable in your golden years, it is critical that you build an investment that is large enough to support you in your retirement. Experts say that we need between 8 to 10 times our annual salaries as capital in order to be able to afford a pension that provides an income that will replace about 60% of the salary we earned before retirement.

As a member of the Motor Industry Provident Fund you are already making regular monthly savings in your provident fund and your provident fund money will be paid to you when you retire, resign or paid to your beneficiaries after your death.

It is important to make sure how well your accumulated credit or fund value is growing and whether or not you are able to replace your salary at retirement with a pension income that is sufficient for you to live from.



Also remember the following golden rules:

- It is never too late to start making regular monthly savings.
- Every effort should be made NOT to take your retirement savings as cash when you change jobs.
- Save more money in a way that makes you pay less tax whenever possible (the less tax you pay the more money you can save).
- Make sure that you pay off all your debt before you retire.
- Invest your money wisely and obtain professional financial advice from an approved financial advisor.
- Make sure your investments keep pace with inflation.

DID YOU KNOW?

Inflation is the measure of the ongoing increase in the average price of all goods and services over time. Inflation eats away at the value of your money. This simply means that fewer goods can be bought with the same amount of money as time goes on. If inflation is 5% - it means that any money you invest must grow with more than 5% for you to have real growth.

MAAK SEKER DAT U GENOEG GELD GESPAAR HET VIR U AFTREDE

Op stadiums in ons lewens is ons almal hoopvol en ons droom van die dinge wat ons graag mettertyd wil kry wanneer ons aftree en tyd sal hê om die goeie dinge in die lewe te geniet. Dit op sigself is goed, maar vir menige Suid-Afrikaners kom hulle drome dramaties tot 'n einde wanneer hulle aftree en besef dat hulle nie voldoende voorberei het vir hulle aftrede nie.

Om te verseker dat u finansiële versorging is op u oudag, is dit noodsaaklik om 'n belegging op te bou wat groot genoeg is om u tydens aftrede te onderhou. Kundiges sê dat ons tussen 8 en 10 keer ons jaarlikse salaris in kapitaal nodig het om 'n pensioen te kan bekostig wat 'n inkomste voorsien wat omtrent 60% van die salaris wat ons voor aftrede verdien het, sal vervang.

As 'n lid van die Motornywerheid Voorsorgfonds maak u reeds gereelde maandelikse besparings in u voorsorgfonds en u voorsorgfondsgelde sal aan u uitbetaal word wanneer u aftree of bedank, of aan u begunstigdes uitbetaal word by u afsterwe.

Vir sommige lede is die voorsorgfonds egter dalk nie genoeg om mee af te tree en gemaklik te lewe nie. Dit mag nodig wees dat u bykomende besparings moet maak vir u aftrede.

Bykomende besparings kan in u voorsorgfonds, of buite die voorsorgfonds opgespaar word.

Bykomende besparings in u voorsorgfonds

U kan bykomende bydraes vir u aftrede maak bo en behalwe u gewone bydraes. Bykomende bydraes tot u Fonds is 'n maklike manier om u besparings vir aftrede te vermeerder en is geskik vir lede wat

kort tydperke van indiensneming het, of bekommerd is dat hulle nie genoeg geld gespaar het om met gemak af te tree nie. Daar is tans geen beperkings op die maandelikse bedrag wat u bykomend kan maak nie.

Bykomende bydraes buite die voorsorgfonds

Indien u bykomende besparings vir aftrede wil maak, kan u dit oorweeg om in 'n aftreeaanwuiteite te belê.

AFTREEANWUITEITE

Aftreeaanwuiteite is amper dieselfde as pensioenfondse. Mense kan as individue daarin belê en dit bied belastingaftrekbare bydraes. Indien u nie belastingverligting op u bydraes verkry nie, moet u op hoogte bly van alle sodanige betalings. Die belastingvrye gedeelte van enige kontant wat u met aftrede neem sal met hierdie bedrag vergroot word.

By aftrede kan die lid 'n maksimum bedrag van een derde in kontant neem (waarvan 'n gedeelte belastingvry mag wees) en die balans gebruik om 'n lewenslange pensioen te koop. Anders as versekeringspolis, kan dit nie voor die ouderdom van 55 gewissel word nie en dit kan ook nie as sekuriteit gebruik word nie. Vanaf 1 Maart 2009 word onttrekkings uit aftreeaanwuiteite toegelaat indien u emigreer. Dit word van lede verwag om hulle eie beleggingskeuses te maak en hulle kies gewoonlik effektrustfondse of spesifieke portefeuljes wat deur die betrokke instansie voorsien word.

Dit is raadsaam om finansiële advies van 'n geakkrediteerde finansiële adviseur te kry voordat u 'n besparingsproduk kies. 'n Finansiële adviseur sal u kan bystaan om u risikoprofiel te bepaal. Om 'n finansiële adviseur te vind, gaan na www.fpi.co.za.

WHERE IS MY PROVIDENT FUND MONEY INVESTED?

Your money is invested in an investment portfolio that has been carefully constructed by the Board of Trustees to provide you with the best growth on your money. The Fund employs the services of some of the best local and international asset managers to invest the money on the members' behalf. The Fund currently has more than R5 billion rand invested.

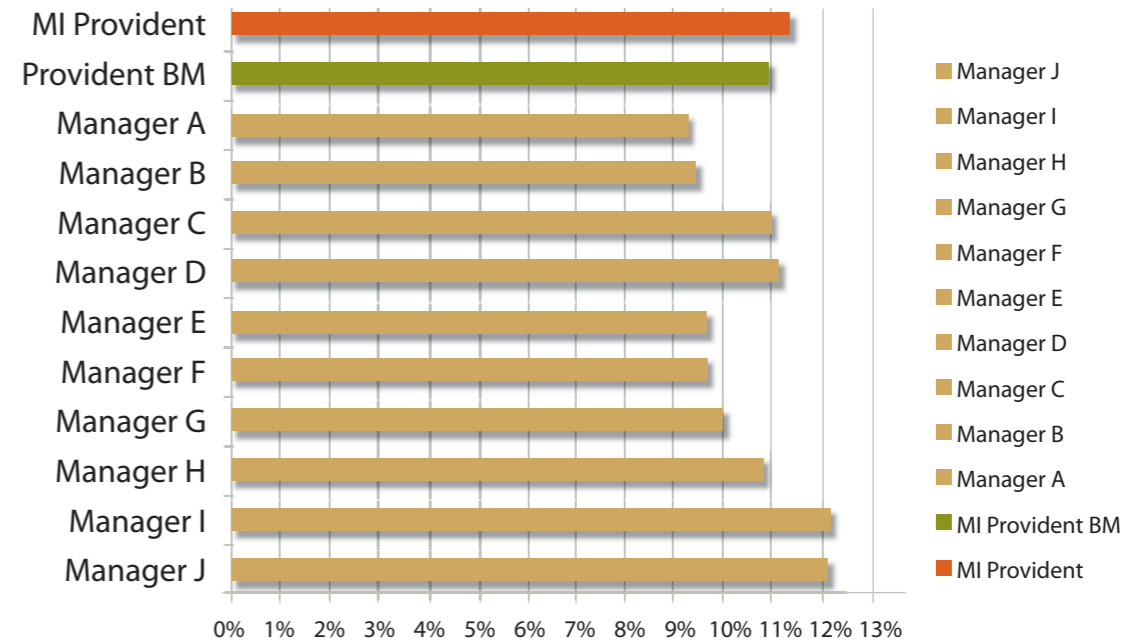
HOW IS YOUR FUND GROWING?

Specialist asset managers are chosen by the Board of Trustees based on their specific skill, within an asset class, and are allocated a mandate accordingly. The Fund's trustees are thus very involved with evaluating their managers and in ensuring that the Fund's objectives are being met. Trustees are also involved with periodically evaluating the strategic allocations of the Funds to assess their suitability and applicability to changes in membership profiles and in changing market environments. The Board obtains expert investment advice and monitors performance closely on an ongoing basis.

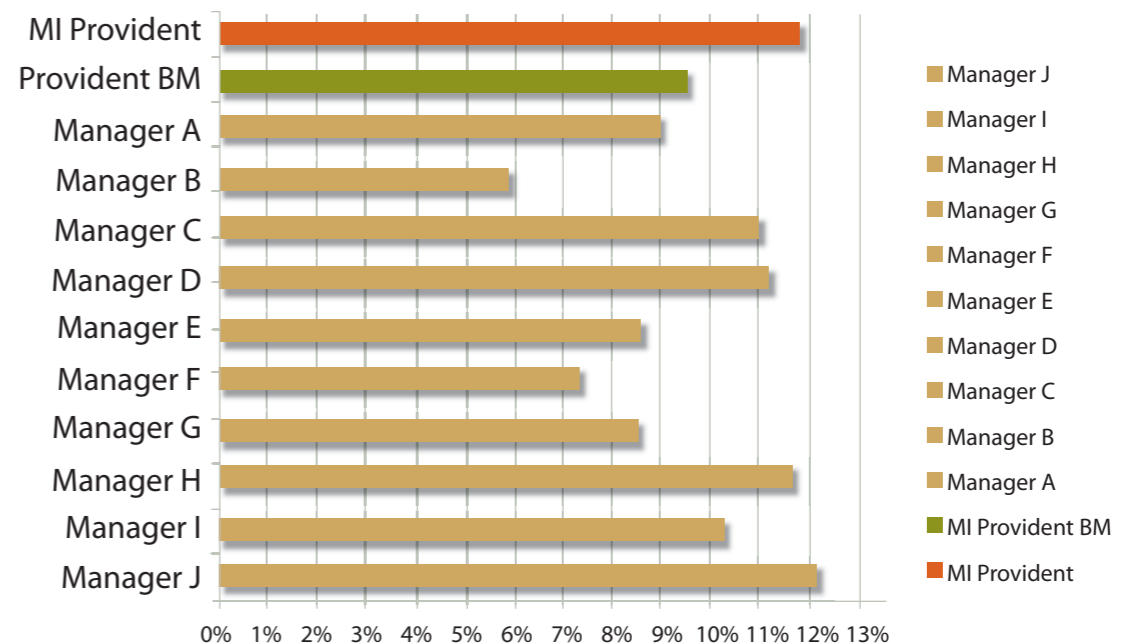
Industry Performance

The Fund's performance is also measured against its peers (similar funds) in the retirement industry. The graphs below compare the performance of the Fund to the participating funds in the Riscura Large Manager Watch.

MI Provident 24 Months



MI Provident 36 Months



As can be seen from the two graphs above the Motor Industry Provident Fund is, in most cases, growing better than other funds in the industry.