super fund
caring for your retirement

Super Fund brings sunshine to your retirement, because we care.

Whether **retirement** is fast approaching or years away, it is always a good time to start saving. Join **Super Fund** a **not-for-profit** multi-employer pension scheme and **start saving now** for the holiday of your lifetime!

Super Fund's annualized investment performance since inception (Nov 1999) is 12.17%.

Contact us now for a proposal which fits your lifestyle, budget and future goals.

Business Mauritius

MEF-MCCI Building, Ebène Cyber City, Ebène.
T: +230 466 3600 | F: +230 465 8200 | E: info@superfund.org.mu www.superfund.org.mu

Super Fund is open to Members of Business Mauritius (Non members may join Business Mauritius to benefit from all its services)

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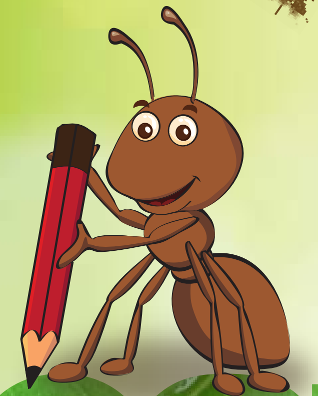

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Newsleaf

Get ready now for the life you want in retirement tomorrow

Biannual Issue 2 – May 2016

Content

Message from Chairperson

Dear Members,

I am delighted to present to you the 2nd edition of the Super Fund's Newsleaf.

This newsletter is intended to reach out our members to provide them with an overview of how their fund is performing and is also an opportunity for us to reach out prospective members, to make them realise that without their own savings to add to the mix, they'll find it difficult, if not impossible, to enjoy much beyond the minimum standard of living with the pension which the social security provides.

Fund Performance

Super Fund has been able to outperform its benchmark despite a highly volatile global market. As at 31st December 2015, the total portfolio value of Superfund stood at Rs 589.6 million. The Fund has posted a cumulative return of 492.7% translating into an annualized return of 12.2% since inception. Over the 12 months ending 31st December 2015, Super Fund posted positive returns of 4.3%, against 3.26 % for benchmark.

From the Eyes of you, the Employer

You have your employee's attention, so leverage it. A quality retirement plan is a carrot that encourages loyalty and productivity. We often talk about plans that "recruit, reward and retain" employees, but you should also consider the importance of helping an employee "retire." Collectively, we can help you save with Super Fund for a sweeter tomorrow to the benefits of your loyal employee.

On a final note

I would like to express my deepest gratitude and recognition to committee members and all our partners for their hard work and commitment to Super Fund.

We encourage members to share their views, experience or expertise by submitting articles for this newsletter.

Arvin Appanah
Chairperson

Super Fund Ltd. MEF-MCCI Building,
Ebène Cyber City, Ebène.
Tel: 466 3600, Fax: 465 8200,
Email: info@superfund.org.mu,
www.superfund.org.mu

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Revised Vision, Mission and Values

A brain swarming session was organised in 2014 and was facilitated by Mrs Francoise White from White & White Associate. Amongst the participants featured Management Committee members and the partners of Super Fund. The aim of the session was to revisit the Vision, Mission and Values of Super Fund to better reflect the change in focus of the fund from being a mere provider of retirement schemes to a caring organisation which places the retired member at the heart of everything.

The new vision, mission and values which are:

Our Vision

To create a community of happy pensioners celebrating life!

Our Mission

We help our members prepare early for a rewarding retirement by providing sustainable, long-term benefits in a cost-effective manner.

Our Values

Transparency: we communicate clearly and openly about the scheme we administer

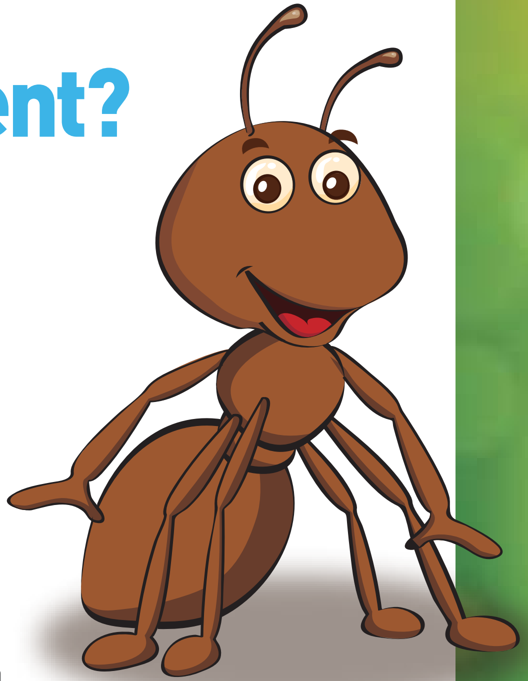
Flexibility: we allow for and respond to our members' various needs without becoming unduly complex

Innovation: we keep imagining the future and help prepare for it now

Dedication: we are result-oriented and we go the extra mile to meet our goals

Reliability: we are committed to being responsible stewards of the funds entrusted to us.

Not thinking about retirement? Better start now!



Former boxing champion, George Foreman, once said: "It's not at what age I want to retire but at what income". Retirement is something that most people tend to associate with old age or start to consider making provisions for it when it is usually too late. To maintain the same pre-retirement standard of living, we will have to derive an income stream that is not too far away from what we are used to.

Studies conducted by the Centre for Retirement Research at Boston College (US)tell us that the number of people at risk of being unable to maintain their standard of living has increased dramatically during the years. For people who were born in the period 1946 to 1954, this risk stands at 35% while the risk for those born during the period1955 to 1964 is 44%. For those born after 1965, the risk is 49%.This implies that 1 out 2 persons of the current generation runs the risk of having to cut down on their level of comfort because of lower revenues during their retirement phase.

People rely heavily on social security benefits at retirement. Governments globally have been downsizing the benefits associated to welfare state programs due to budgetary constraints.

Healthier lifestyles and scientific advances have increased life expectancy throughout the years; the average global life expectancy has jumped from 53.7 in 1960 compared to 70.6 in 2012. This trend has also been noted in Mauritius where the average life expectancy has jumped from 69.6 in 1990 to 73.7 in 2012.

Inflation - another challenge for pensioners – eats up buying power over time. Developed countries have an average annual inflation rate of 2%, whilst in emerging economies, the average stands in the range of 5% to 7%.In Mauritius, the average inflation rate from1988 to 2014 is 6.7% and currently stands at 3.9%. There is a gradual but steady erosion of purchasing power, not to mention the rising costs of healthcare, ranging from hospital and private clinics for treatment and health maintenance to medication and drugs, as well as auxiliary assistance such as wheelchairs, etc. Recent studies have shown that this cost has doubled over the last 25 years.

In view of the above, what are the expert's recommendations?

The traditional theory of lifestyle investing tells us that each individual experiences various lifestyle stages, in which the investment needs are different. First, there is the accumulation phase, when the individual is able to invest in relatively higher risk assets and follow an aggressive investment strategy, designed to achieve maximum longer term growth.

Second, comes the consolidation phase, whereby the individual has more resources to devote to investment, but may want to take a less risky approach. The third phase is the spending phase during which the individual is no longer working and is living on the income and capital accumulated in the first two phases.

So, in line with the above theory of lifestyle, investments change accordingly, ranging from a rather aggressive strategy (whereby a major part of your portfolio is vested into equities with more risk and higher return expectation) when an individual is relatively young, to a more conservative one (whereby the portfolio is mostly geared towards lower risk fixed-income instruments) as and when he/she grows old. After retirement, investments in ventures with very low risk and stable returns should be favoured.

Stemming from that philosophy, since March of this year, the investment portfolio of Superfund has been divided into four separate sub-funds - namely a Defensive Sub-Fund, a Conservative Sub-Fund, a Moderate Sub-Fund, and an Aggressive Sub-Fund – to cater for the different lifestyle stages of members. Therefore, at policy inception, the contributions of a member will be allocated to one of these sub-funds, based on age. As a member moves from one age band to another, his or her contributions will be re-allocated according to age. As such, a member would hold a decreasing proportion of assets in equities (associated with higher risk) – and thus lower exposure to the Aggressive Sub-Fund - and a greater proportion in fixed return investments (associated with lower risk) – and thus larger exposure to the Defensive Sub-Fund - as an he or she ages.

This is quite an innovative approach to managing a pension fund in Mauritius. Instead of lumping all members in one basket, irrespective of each and everyone's risk-return tolerance, this system allows for a more aligned management of funds of every member. Thus, there is an optimal allocation of funds for better prospects of yields.

Swadicq Nuthay

Basic Retirement Pension

Often used as an instrument to sustain income in retirement for the less fortunate, a basic retirement pension imposes huge financial burden on the government. Mauritius is still one of the few remaining countries that provide a state pension. Despite the good intentions of the government in caring for its elderly population, the state pension in Mauritius seems still insufficient to provide a decent standard of living to retiree, taking into account the increased cost of living.

The newly elected government has realised the inadequacy of the state pension and was committed to find a way to increase the pension. A new quantum for the basic retirement pension has been established as from January 2015 to the benefits of our elderly.

AGE	Basic Retirement Pension
60-89 years	5000
90-99 years	15000
100 years & above	20000

Nevertheless this incentive of trying to provide a better standard of living to the elderly population by the current government is the right one. The pension system in Mauritius is quite stable for a small country and it is very encouraging that the government has provided for its elderly population even during dire economic situations, and at a time when powerful governments around the world are cutting down on state pension benefits and calling for an overhaul of their pension system to reduce future benefit payments.

We can only be hopeful that the Mauritian Government can sustain such a big burden which indeed has a huge impact on the overall budget of the Country and continue to provide our elderly with a source of revenue to spend a yet to be peaceful retirement.

Superfund: A Pension fund that suits your needs

The landscape of the pension industry is an ever-evolving one with economic and socio-demographic factors, and changing regulations being the main elements impacting on the industry. The workforce underlying the pension fund industry is a very diverse one, ranging from the 'freshers' just out of school to those approaching retirement age. Being each at a different stage in life, each investor has a different investment profile. Thus, in order to cater for the diverse investment profiles of its members, Superfund has been split into 4 sub-funds, namely Aggressive, Moderate, Conservative and Defensive, based on the theory of lifecycle.

The traditional theory of lifecycle tells us that each individual experiences various lifecycle stages, in which the investment needs are different. First, there is the accumulation phase, when the individual is able to invest in relatively higher risk assets and follow an aggressive investment strategy designed to achieve maximum longer term growth. Second, comes the consolidation phase, whereby the individual has more resources to devote to investment but may want to take a less risky approach. The third phase is the spending phase during which the individual is no longer working and is living on the income and capital accumulated in the first two phases.

In line with the above theory, Superfund has been structured to offer a mix of asset allocation based on the life stage and risk preference of the investor. For example, the Aggressive Sub-Fund is targeted for investors whose age band is below 40 and thus has a longer time horizon and to that effect, the Aggressive Sub-Fund portfolio is more heavily weighted in equities. On the other end of the spectrum, the Defensive Sub-Fund is targeted for those who are approaching retirement, and thus the portfolio is managed with a major part of the portfolio exposed to fixed-income instruments.

Please find below a summary of these 4 sub-funds and their performances as at December 15:

Sub-Fund	Rs. million	12 Month Performance
Aggressive	203	4.68%
Moderate	199	3.53%
Conservative	157	4.51%
Defensive	30	5.32%
Total	**589**	

As at 31st December 2015, the total portfolio value of Superfund stood at Rs 589.6 million. Since the Fund started its activities in 1999, it has posted a cumulative return of 492.7% translating into an annualized return of 12.2%. Over the 12 months ending 31st December 2015, Superfund posted positive returns of 4.3%, reflecting the global market environment.

Managing Committee Members

Chairperson:
Arvin Appanah
Reinsurance Broker
(Reinsurance Solutions Ltd.)

Vice Chairperson:
Gérald Furlong
Managing Director
(Maureva Ltd.)

Secretary:
Nilesh Gammoo
Sales and Marketing Officer
(Business Mauritius)

Treasurer:
Daniel Chan Chong
Director
(FGY Management Services Ltd.)

Vice Treasurer:
Arnaud Rousset
Project Manager
(Gaz Carbonique Ltd)

Member:
Dominique A. Béchard
Chief Executive Officer
(Consultec Ltd.)

Member:
Jean Pierre Labat
Managing Director
(Plumbelec Co. Ltd.)

Member:
Sujit Woozageer
Director
(Medscheme International)

Our Partners

Fund Manager:
AfrAsia Capital Management Ltd.,

Actuary and Investment Consultant:
Aon Hewitt Ltd.,

Administrator:
Swan Pensions Ltd.