

SAMRO RETIREMENT ANNUITY FUND
Trustees' Report 2022

We are pleased to present you with our annual report that covers the financial year running from 1 January 2021 to 31 December 2021 as put together by the Board of Trustees. This report gives you all the information you need about how the SAMRO Retirement Annuity Fund has performed during the 2021 period.

As a member, this is your Fund; a long-term investment that aims to help you once you have reached retirement age. Please do read this document closely so that you are informed about your money. Feel free to ask any questions about what is in this report as well as to give us any suggestions about how the Fund's investments, benefits and general activities can be improved.

Our contact details are at the end of this document.

A Message from the Chairperson of the Board

Dear Member,

As you know, during the COVID-19 virus outbreak most businesses closed or reduced hours of work. This had a huge impact on the value of your investments. The war in Ukraine made the situation worse because it resulted in huge increases prices of fuel and other products. Of course, this was a worry for all retirement funds but was a reminder that when investing for retirement you must have a long-term view and not be phased by the ups and downs in the value of your investment in the short term. That is why we as a Board follow the expert advice of unbiased, independent financial advisors who know how best to invest the funds for long-term benefit.

During the year under review, the Trustees achieved and focused on the following matters:

Board of Trustees:

- Ensured that the Annual Financial Statements as at 31 December 2021 are unqualified as well as a fair and transparent representation of the Fund's affairs.
- Review of the Fund's governance documents.
- Review of the risk management policy.
- Continued to ensure we comply with the Protection of Personal Information Act (POPIA) by securing your personal information in our possession.
- Staying up to date with industry and legal changes.

Administration and Claims Committee:

- Investigation of Section 37C (death claim) cases and ill health early retirement applications.
- Ensuring that death benefits are distributed fairly.
- Ensuring that there is clear communication regarding completion of the "nomination of beneficiary" forms to ensure that death claims are paid to the right beneficiaries.

Communications and Governance Committee:

- Reviewing and monitoring the Fund's legal compliance.
- Approval of the Annual Financial Statements as at 31 December 2021.
- Review of the statutory valuation report as at 31 December 2021 confirming that the Fund is in a stable financial position.
- Renewal of the Fund's indemnity insurance cover.

I would like to take the opportunity to thank the Board, Principal Officer, Sponsor and our service providers in assisting us to ensure that we navigated and successfully completed another financial year.

Jolly Mokorosi
Chairperson

Members of the Board of Trustees

The Trustees meet every three months to discuss compliance, governance and strategic matters to do with the Fund. The Trustees have a duty to act with special care and in the utmost good faith, which includes the duty to act in the unbiased interest of all members of the Fund. The Trustees of the Fund are:

Founder-Appointed Trustees:

Mr. K Senna
Mr. S Mayekiso
Mr. J Scullion
Ms. K Mosenogi (alternate)

Member-Elected Trustees

Dr. A Lilley
Dr. S Sithole
Mr V Masondo
Mr. E Mthethwa
Mr. T Mabunda

Independent Trustee

Ms. J Mokorosi (Chairperson)

The **Principal Officer** is Mr. A Soonder.

Annual Financial Statements as at 31 December 2021

We are pleased that the auditors found that the Funds' Annual Financial Statements for the year were in good order when it was completed and approved by the Board. We hope this will continue to give you peace of mind that your investment is in good hands. You may ask to see the full financial statements anytime you want, but below are the highlights:

Membership:

	Active members	Unclaimed benefits
Membership as at 1 January 2021	10 621	519
+ New members	876	-
- No benefits payable	(123)	-
- Transfers out	(1)	-
- Deaths	(52)	-
- Retirements	(84)	-
- Withdrawals	(83)	-
- Unclaimed benefits paid	-	(10)
Membership as at 31 December 2021	11 154	509

Balance Sheet:

ASSETS	CURRENT PERIOD (R)	PREVIOUS PERIOD (R)
Investments	351,579,859	291,873,067
Current assets	7,137,162	2,816,289
TOTAL ASSETS	358,717,021	294,689,356
FUNDS AND LIABILITIES		
Members' individual accounts	335,631,764	275,660,591
Amounts to be allocated	3,764,207	2,691,843
Total Funds and Reserves	339,395,971	278,352,434
Non-current liabilities	8,565,179	8,504,809
Current liabilities	10,755,871	7,832,113
TOTAL FUNDS AND LIABILITIES	358,717,021	294,689,356

Income Statement:

	CURRENT PERIOD (R)	PREVIOUS PERIOD (R)
Contributions received and accrued	7,071,573	7,653,448
Net investment income	72,115,016	20,822,133
Allocated to unclaimed benefits	(361,777)	(449,338)
Less: Administration expenses	(2,795,722)	(2,598,564)
Net income before transfers and benefits	76,029,090	25,427,679
<i>Transfers and benefits</i>		
Transfer	-	-
Benefits	(14,985,553)	(16,106,755)
Net income after transfers and benefits	61,043,537	9,320,924
<i>Funds and reserves</i>	278,352,434	269,031,510
Balance at the end of the year	339,395,971	278,352,434

Actuarial Valuation

SNG-Argen, an independent company that provides actuarial (financial risk assessment) services, conducted an independent valuation as at 31 December 2021 and confirmed that the Fund is in a sound financial condition.

Investments

The growth of your Fund Credit, which is the money you have saved up since you joined the fund, is made up of your monthly contributions that are paid to the Fund. It also includes the investment profits on those contributions. SAMRO (the South African Music Rights Association) pays a yearly contribution into the Fund on behalf of members based on their royalty earnings from music productions. Members may also make additional voluntary contributions to the Fund to enhance their retirement savings.

The Fund's assets are invested with the aim of achieving an investment performance of inflation plus an additional 5% per year over the long term.

Old Mutual Multi-Managers uses the services of several investment managers to manage the Fund's investment.

The investment profits, *after investment fees*, for different periods to 31 December 2021 and 30 June 2022 are shown below:

Period	Profit	Inflation
12 months to 31 December 2021	26.1%	10.1%
3 years to 31 December 2021	15.0% pa	9.6%
5 years to 31 December 2021	9.8% pa	9.6%
Since inception	9.9% pa	9.5%

Period	Profit	
12 months to 30 June 2022	5.7%	12.30%
3 years to 30 June 2022	9.7% pa	10.0%
5 years to 30 June 2022	8.0% pa	9.9%
Since inception	10.5% pa	10.5%

NOTE: The profit target of the growth portfolio has a long-term objective, and these profits are expected to have ups and downs, so this profit target is not guaranteed.

Nomination of Beneficiary Form

Upon your death, your Fund Credit will be paid to your dependents and/or nominated beneficiaries as a lump sum. The distribution of lump sum death benefits is governed by Section 37C of the Pension Funds Act, 24 of 19

56 ("the Act") which gives the Trustees of a Fund a serious task to handle this responsibly. This means that the Trustees must identify your dependants and prioritise them to receive your benefit in the Fund. Dependants are defined in the Act as your spouse, children and any other people who are financially dependent on you. Members who do not have dependants may nominate beneficiaries to receive the benefit.

It is important that you assist the Trustees with the distribution process, in order to prevent any unnecessary delays in the payment of death benefits. Please do this by completing and updating the Nomination of Beneficiary Form. Members are required to list their dependants (as defined in the Act) and specify their wishes regarding the amount to be paid to each dependant. The form also allows you to nominate beneficiaries if you do not have dependants.

Please note that this form is only an indication of your wishes. The Trustees have the final responsibility of distributing the benefit to your dependants according to what the Act says. But rest assured that the Trustees will try as much as possible to follow your wishes. So, please take time to think about exactly how you would like your beneficiaries to be paid when filling out the form.

You can also get a copy of this form from the SAMRO office or you can also download it from their website if you want to handwrite it: www.samro.org.za. You can also update and submit your form on this website. You may update the form as many times as you like, and we encourage you to do this regularly.

Annual Contribution and Benefit Statements

The annual benefit statements have recently been distributed by the fund administrator to members. If you need to access your benefit statement, please contact Seshego Benefit Consulting on SAMROQueries@seshego.co.za.

Non-contributing members

The aim of the Fund is to assist qualifying members in saving for their retirement days. It will always be the Trustees' objective to encourage members to preserve their benefits, however, we understand that since the outbreak of the COVID-19 pandemic, most members experienced financial difficulties and may need to access their funds sooner than they would have liked.

Because of this, the Trustees are on a drive to allow *non-contributing members* whose benefits are equal or less than R15,000, to have their benefit paid out to them while still complying with the law.

Fund Rule Amendments

Rule amendment number	Description of amendment	Effective date	FSCA* Registration date
3	a) To update the Rules to reflect the provisions of the Financial Sector Regulation Act, by changing references to the Registrar to Authority. b) To enable the board to remain properly constituted by providing that as long as there are enough Trustees to form a quorum among the board of Trustees, a temporary vacancy does not invalidate the decisions taken by the board of Trustees during the period before the vacancy is filled, subject to the vacancy being filled within such	1 November 2021	31 May 2022

	<p>time as may be specified by the Authority from time to time.</p> <p>c) To extend the term of office of the Trustees in order to promote continuity and facilitate the efficient management of the board of Trustees by enabling experienced Trustees to remain in office for a longer period</p> <p>d) To describe the manner in which vacancies among the Founder's Trustees are filled since the current Rules are silent in this regard and Section 7A (1A) of the Act requires that the Rules should prescribe the manner in which a vacancy among any group of Trustees should be filled.</p>		
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* Financial Sector Conduct Authority (FSCA)

Unclaimed benefits

The Fund is currently sitting with unclaimed benefits due to members who have left employment and have not claimed their benefits. If you know anyone who has left the Fund and has not claimed their retirement benefit, please encourage them to contact the Fund.

Retirement benefit

Members retiring from retirement annuity funds are allowed to allocate up to one third of their Fund Credit to a lump sum. The remaining two thirds must be used to purchase a pension (compulsory purchase annuity, payable for life) from a registered insurer. Members with a Fund Credit value of less than R247,500 may allocate the full benefit to a lump sum at retirement.

While members may purchase any annuity of their choice at retirement, the Fund can assist members by obtaining a quotation for the Trustees' "default annuity" which is a pension payable for the life of the pensioner and his/her spouse. This pension is guaranteed and can never reduce. Future pension increases are determined by the performance of an investment portfolio like the Fund's investment portfolio. This type of pension is called a "with-profit annuity".

Member contact details and addresses

The Trustees communicate with members on a regular basis. It is, therefore, important for each member to advise SAMRO of any changes in their contact details and postal addresses when they change or move.

Members can contact SAMRO on 011 712 8000 to update / confirm their contact details on the SAMRO database.

The Trustees prefer to distribute communication via email and ask all members to provide SAMRO with their email addresses, if they have access to email.

Proposed "2-pot" Retirement System

Government through National Treasury are proposing changes to the South African retirement fund system, with a possible implementation date of 1 March 2024.

It is important to note that this is still in draft format and that at this moment you are not able to access your retirement benefit whilst a member of the Fund.

A basic summary of the proposal is that your future contributions to the Fund, from the start date, will be split. Up to a third of your contributions will be paid into a "savings pot" and two thirds of the contributions will be paid into the "retirement pot". You will be able to draw from your "savings pot" in future. A minimum withdrawal of R2,000 is being proposed and you may not withdraw more than once a year.

The “retirement pot” will be preserved until you retire, irrespective of whether you resign and withdraw from your employer’s pension fund.

Remember this is applicable to future contributions from the effective date of the legislation.

The rules relating to your current benefit will remain unchanged.

When more information is available, the Board will notify you.

Complaints Procedure

All complaints regarding the Fund should be put in writing to the Trustees via the Principal Officer, whose details are provided under “Fund Details”. The Trustees together with their service providers will respond to the complaint within 30 days. Should the response not be satisfactory to you, you can address your complaint to the Pension Funds Adjudicator.

Tel: 012 3461738 or 012 748 4000; Fax: 0866937472

Email: enquiries@pfa.org.za; Web: www.pfa.org.za

4th Floor, Riverwalk Office Park, Block A, 41 Matroosberg Road, Ashlea Gardens, Pretoria

Fund Details

The registered address of the Fund is SAMRO Retirement Annuity Fund, 20 De Korte Street, Braamfontein, Johannesburg

Financial Services Board Registration Number: 12/8/7425

Any queries regarding this communication or other Fund matters can be directed to the Principal Officer at SAMROQueries@seshego.co.za.

SAMRO RETIREMENT ANNUITY FUND**(12/8/7425)****("the Fund")****Registered address: SAMRO Place, 20 De Korte Street, Braamfontein, 2001****Processing of Personal Information**

1. Your privacy is very important to the Fund and it will use reasonable efforts in order to ensure that any information, including personal information, provided by you, or which is collected from you or third parties, is stored in a secure manner.
2. You agree to give (where applicable) honest, accurate and current information about yourself to the Fund and to maintain and update such information when necessary.
3. Your personal information collected by the Fund may be used for the following reasons:
 - 3.1. To comply with valid requests for information, including subject access requests and requests in terms of the Promotion of Access to Information Act 2 of 2000;
 - 3.2. To comply with information requested by the Financial Sector Conduct Authority, the South African Revenue Service and any regulators or bodies lawfully requesting the information.
 - 3.3. To enable the Fund to achieve its objectives, which include *inter alia* the collection of contributions from your employer, the payment of benefits when you exit the fund on retirement or on leaving service before retirement, or to your beneficiaries if you should die while a member of the Fund;
 - 3.4. To enable the Fund to insure your risk benefits under policies in the name of the Fund and the employer and the resultant medical underwriting of the risk benefits;
 - 3.5. To comply with statutory and regulatory requirements in respect of the storage and maintenance of documents and information.
4. In making use of your personal information, the Fund will comply with the conditions applicable to the processing of information as contemplated in the Protection of Information Act, Act 4 of 2013. You also have the following rights in relation to the personal information held by the Fund:
 - 4.1. The right to be informed that the Fund is holding and using your personal information for the specific purposes set out in clause 3 above;
 - 4.2. The right of access to personal information held by the Fund;
 - 4.3. The right to rectify and/or update information held by the Fund;
 - 4.4. The right to erase any personal information held by the Fund;
 - 4.5. The right to restrict further processing of your personal information for any purposes other than those set out in item 3 of this document;
 - 4.6. The right to object, in particular, to further processing of your personal information.
5. Subject to the terms and conditions set out in clauses 3 and 4 above, you acknowledge that any information supplied to the Fund; is provided voluntarily to Fund. By submitting any information to the Fund in any form you further acknowledge that such conduct constitutes an unconditional, specific and voluntary consent to the processing (including storage) of such information by the Fund in terms of these Terms and Conditions and/or under any applicable law in the manner contemplated in clause 3 above, which consent shall, in the absence of any written objection received from you, be indefinite and/or for the period otherwise required in terms of any applicable law.
6. You indemnify the Fund from any unintentional disclosures of such information to unauthorised persons.
7. Should you believe that the Fund has utilised its personal information contrary to applicable law, you undertake to first attempt to resolve any concerns with the Fund's Information Officer, whose details are below. If you are not satisfied with such process, you have the right to lodge a complaint with the Information Regulator.
8. Details of the Information Officer and Information Regulator follows:

Name: Anesh Soonder
 Title: Information Officer
 E-mail: anesh@soonderinc.co.za

Registered name SAMRO Retirement Annuity Fund

and number of the (12/8/7425)
Fund:
Registered SAMRO Place, 20 De Korte Street, Braamfontein, 2001
Address:

The Information Regulator contact details are:

E-mail: complaints.IR@justice.gov.za
Website: <https://justice.gov.za/infoereg/>
Tel: +27(0) 10 023 5200,
Postal Address: P.O Box 31533, Braamfontein, Johannesburg, 2017
Physical Address: JD House, 27 Stiemens Street
Braamfontein
Johannesburg
2001