

RHODES UNIVERSITY PENSION FUND **PROJECT TEAM**



10 June 2021

Dear Active Members and Pensioners

STRICTLY CONFIDENTIAL

RESTRUCTURING OF THE RHODES UNIVERSITY PENSION FUND

PROJECT UPDATE 01

Your retirement savings are a significant part of your overall investment portfolio and an essential part of holistic retirement planning. We are writing to you, in our capacity as the University's Retirement Fund Project Team, established to implement the decisions and proposals made by the Trustees of the RU Pension Fund at the request of the Council of Rhodes University. We wish to reassure you that the restructuring of the defined benefit pension fund from the University will be done in a manner fully cognizant of the importance of such changes to the Fund's members.

Following a decision by the University Council that the University could no longer underwrite possible future funding shortfalls of the Pension Fund without placing the financial sustainability of the University at risk, the University Council, the Council-appointed Pension Fund Task Team, the University's Executive management, and the Trustees of the Rhodes University Pension Fund, all agreed in January 2021 that University Pension Fund should embrace the global trend away from defined benefit funds. This meant that new entrants to the Pension Fund will no longer be permitted and future contributions of members should migrate to defined contribution retirement funding as soon as possible. A benefit of de-risking is that it will create a uniform and harmonised retirement funding system for all University employees.

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Project Team Members: Dr IN L'Ange; Ms S Robertson; Prof G Keeton; Prof H Nel; Mr K Riga; Mr D Munton; Ms N Kurzyca; Mr L Jacobs; Ms J Hills; Mr G Laurie; Ms E Booyens; Ms M Ghirelli

We are confident that the current proposed target date for completion of the project is end September 2021.

As a collective we have been working through a preparatory phase during the past few months – getting resources together, commissioning research, and developing documents and frameworks that will help guide conversations and decisions over the coming months.

We are conscious that many of you may be concerned about what the future may bring. The team is committed to providing regular updates as we know that these concerns can be exacerbated when little information is available regarding the future of your retirement funding and planning. In the coming days and months, we will provide you with further updates on the progress that we have made with our work to operationalise the decisions regarding the de-risking of the University Pension Fund.

Please rest assured that you will be included in the process, and we will be communicating dates for a series of engagement opportunities where you will have the opportunity to ask questions and be provided with professional advice to enable you to make informed decisions regarding your retirement planning going forward.

We will keep you apprised of progress in this regard.

Yours sincerely,

Rhodes University Retirement Fund Project Team