



WOOLWORTHS

Woolworths Group Retirement Fund

Making the difference to your retirement

Member Newsletter

Quarter 3 • 2010

Dear Member

In this issue, we meet Warren Buffett. He's one of the world's wealthiest men and we can all learn a lot from his life's lessons. Take a leaf out of his book and start some saving habits of your own that will put you on the road to retirement freedom - and maybe more.

Please also take note of the important information about ensuring that your benefits are paid timeously to your dependants. This is especially important if you are a single parent.

Happy reading!
Ed.

Lessons from a wise and wealthy man



Here are some of Buffett's important life decisions and views taken from a recent CNBC interview with him:

1. He bought his first share at age 11 and now regrets that he started too late! *Things were very cheap at that time ... Encourage your children to invest.*
2. He bought a small farm at age 14 with savings from delivering newspapers. *One can buy many things with few savings. Encourage your children to start some kind of business.*
3. He still lives in the same small 3-bedroom house in mid-town Omaha, which he bought after he got married 50 years ago. He says that he has everything he needs in that house. His house does not have a wall or a fence around it. *Don't buy more than you 'really need' and encourage your children to do and think the same way.*

Warren Buffett is 79 years old. He's an American investor, industrialist and philanthropist who has pledged to give away 99% of his fortune to charitable causes, primarily via the Gates Foundation. He has already

given away \$31 billion to charitable causes.

He is consistently ranked among the world's wealthiest people and as of 2010, is the third wealthiest person in the world. So how did he do it? And what can we learn from him?

"Saving today for financial independence tomorrow"

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4. He drives his own car everywhere and does not have a driver or security people around him. *You are what you are...*
5. He never travels by private jet, although he owns the world's largest private jet company. *Always think how you can accomplish things economically.*
6. His company, Berkshire Hathaway, owns 63 companies. He writes only one letter each year to the CEOs of these companies, giving them goals for the year. He never holds meetings and doesn't call them on a regular basis. *Assign the right people to the right jobs.*
7. He has given his CEOs only two rules: Rule number 1: Do not lose any of your shareholders' money. Rule number 2: Do not forget rule number 1. *Set goals and make sure people focus on them.*
8. He does not socialise with the high society crowd. His pastime after he gets home is to make himself some popcorn and watch television. *Don't try to show off, just be yourself and do what you enjoy doing.*
9. Warren Buffett does not carry a cell phone, and does not have a computer on his desk.
10. Bill Gates, the world's richest man, met him for the first time only five years ago. Because Gates did not think he had anything in

common with Warren Buffett, he had scheduled his meeting for half an hour only. But when he met Buffett, the meeting lasted for 10 hours. Bill Gates is now a devotee of Warren Buffett.

His advice to young people:

Stay away from credit cards and bank loans. Invest in yourself and remember these things:

- Money doesn't create man, but it is man who created money.
- Live your life as simply as possible.
- Don't do what others say - listen to them, but do what you feel good doing.
- Don't follow brand names; just wear those things in which you feel comfortable.
- Don't waste your money on unnecessary things; rather just spend on those things you really need.
- After all, it's your life, so why allow others to rule your life?

“The happiest people do not necessarily have the ‘best things’. They simply appreciate the things they have.” Warren Buffett

With acknowledgement to Equinox.co.za.

There are a few of Warren Buffett's lessons that could easily apply to retirement planning and could even help you to steer your offspring along the right road!



- Have a goal and stick to it – **especially when it comes to saving for retirement.**
- Don't be put off your savings goal by trying to keep up with the Joneses – you won't remember that expensive purchase when you can't pay the bills during retirement.



- Have priorities and stick to them – you only have yourself to face when retirement comes. Make sure you're proud of your retirement planning efforts.
- Save today for your tomorrows – it's never too soon, but usually too late!

Are you taking care of your loved ones?

The Fund offers several benefits to members, including benefits that provide an income for your loved ones when you die. While this may seem simple enough, allocating these benefits to your loved ones can be difficult. Read on to see how you can ensure that your benefits are paid out to the right people without delay.

Important guardianship information for single parents

In allocating death benefits to minor children who are orphans, Fund Trustees often encounter difficulties in paying out the benefit to the caregiver (this could be a grandparent or aunt with whom the child is living) if the caregiver is not the child's legal guardian.

The Court can appoint a guardian, or a caregiver can apply to the High Court to be appointed as the legal guardian, but this could take some time, in some cases up to two years. While this is being done, the Fund is unable to pay out any benefits.

Have you appointed a legal guardian?

The best option is to ensure that you appoint a legal guardian for your children in the event of your death, if you are a single parent. You can do this by specifying in your Will who



the legal guardian/s for your child/ren is/are in your will. You must therefore have a valid Will and ensure that you update this information should it change (e.g. the nominated guardian

dies or moves away). Many people don't have a Will and don't appoint legal guardians. This often causes financial hardship for family members or caregivers.



Is your Beneficiary Nomination Form up to date?

In our Q2 issue, you would have read about the importance of ensuring that your Beneficiary Nomination Form is up to date. To make this process easier, we've included a form for you to complete.

Your Beneficiary Nomination Form must be updated when your personal circumstances change, for example:

- When you get married
- When you get divorced
- When you have a child
- When a dependent family member dies, etc.



Please complete the included Beneficiary Nomination Form and send it to your HRA today.

Are you minding the retirement gap?

The retirement gap is commonly referred to as the amount between what you need at retirement and what you've actually managed to save by the time you retire.

Do you know what your Fund Credit is today? If you're not registered on AF Online you probably don't, so you may not know whether your current Fund Credit is on track to meet your retirement needs.

Make sure you mind the retirement gap and use AF Online to access some of the following information:

- Your current Fund Credit
- Details of where you are invested
- Useful retirement planning tools, and more.

How to register for AF Online

1. Log in to www.afonline.co.za to register for personal access. You'll need your Khanya Client ID number and the AF system code, which is 'Khanya' – you can find these on your membership certificate.
2. Click on 'I want to register for a PIN and password'. Enter your personal details and remember to register with a 'member role'.
3. A PIN and password will be sent to you once your registration is confirmed. This will allow you to log in again to access your personal information.

For queries, please call the Contact Centre on **0860 100 33**.

Keeping track

Portfolio	Returns for 3 months ended 30 June 2010	Returns for 6 months ended 30 June 2010	Returns for 12 months ended 30 June 2010
Woolworths High Growth	-2.77%	0.97%	16.91%
Woolworths Growth	-2.26%	1.35%	16.26%
Woolworths Medium Growth	-2.09%	1.82%	16.21%
Woolworths Medium Conservative	-1.65%	1.42%	15.79%
Woolworths Conservative	-1.47%	1.47%	12.34%
Woolworths Stable	-1.08%	1.46%	14.79%
Prescient Pensioner	0.77%	3.38%	-
Banker	1.86%	3.86%	8.24%

The above returns are net, i.e. investment fees have been deducted.

Trustee Corner

The Fund's member-elected trustees are available if you would like to talk to them about Fund issues, queries, etc. Please feel free to contact them via phone or e-mail – their details are listed here.

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Making the difference to your retirement

Let us know if you want us to cover particular topics, if you would like to know more about something, or want to raise a concern.

We'd like to hear from you!

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Fund queries: For more information about the Fund or for Fund queries, you can also contact us on 021 407 2699.



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