



Newsflash

Municipal Gratuity Fund - Member Investment Choices

The current Guaranteed Portfolio, which guaranteed a minimum return of 8% for the year with a maximum upside of 4,5% (in total 12,5% for the year), lapses on 30 June 2004. Because of the changed market conditions (lower interest rates, lower inflation, etc) the trustees have obtained an indication from the product providers what the Guaranteed Portfolio could look like for the next year (1 July 2004 to 30 June 2005).

The indications are that the new Guaranteed Portfolio will guarantee a minimum return of 5% with a maximum additional potential return of 9% (in total 14% return for the next year). These rates were quoted on 10 May 2004 based on financial market conditions on that date. The underlying structured product can only be purchased at the end of June 2004 and market conditions may have changed by then. If the rates available at that stage differ from the 5% and 9% mentioned, members who have exercised their choice for 2004/2005 will be advised accordingly and be given the opportunity to reconsider their option.

Because of the change in the minimum guaranteed value and the total potential return for the year, **all members** who are in the Guaranteed Portfolio must complete the attached option form to indicate whether they still want to remain in the Guaranteed Portfolio or not. The attached option form, which members should complete if they wish to amend their portfolio in any way or to remain in the Guaranteed Portfolio, must reach Coris Capital by 11 June 2004 in order to be updated by 1 July 2004.

Munisipale Gratifikasiefonds - Lede se Beleggingskeuses

Die huidige Gewaarborgde Portefeulje wat 'n minimum opbrengs van 8% vir die jaar gewaarborg het met 'n maksimum moontlike bykomende beperkte groei van 4,5% (in totaal 12,5% vir die jaar), verval op 30 Junie 2004. Omrede die veranderde markomstandighede (laer rentekoerse, laer inflasie, ens) het die trustees 'n aanduiding van die produkverskaffers gekry oor hoe die terme van die Gewaarborgde Portefeulje oor die volgende jaar (1 Julie 2004 tot 30 Junie 2005) kan lyk.

Die aanduidings is dat die nuwe Gewaarborgde Portefeulje die minimum opbrengs van 5% sal waarborg met 'n maksimum bykomende potensiële opbrengs van 9% (in totaal 14% opbrengs vir die volgende jaar). Hierdie koerse was op 10 Mei 2004 gekwoteer gebaseer op die marktoestande op die betrokke dag. Die gestruktureerde produk kan slegs teen die einde van Junie gekoop word en marktoestande mag dan verander het. Indien die beskikbare koerse verskil van die gemelde 5% en 9%, sal lede wat 'n keuse uitgeoefen het vir 2004/2005 dienoooreenkomstig ingelig word vir die heroorweging van hulle keuse. As gevolg van die verandering in die minimum gewaarborgde waarde en die totale potensiële opbrengs vir die jaar, moet **alle lede** in die Gewaarborgde Portefeulje die aangehegte opsievorm invul om aan te dui of hulle steeds in die Gewaarborgde Portefeulje wil bly of nie. Die aangehegte opsievorm wat lede moet voltooi indien hulle hul portefeulje enigsins wil verander of in die Gewaarborgde Portefeulje wil bly, moet Coris Capital teen 11 Junie 2004 bereik om teen 1 Julie 2004 opgedateer te word.