

# NEW SKY THINKING



**RMB.** Solutionist Thinking.

**Long term performance vs short term performance- how to balance member expectation and uncertainty**

Therisanyo Masuga – Member Trustee FNB Staff Pension Fund  
Botswana Pension Society



# Member expectation



Know your demographics



One common goal- dignified retirement



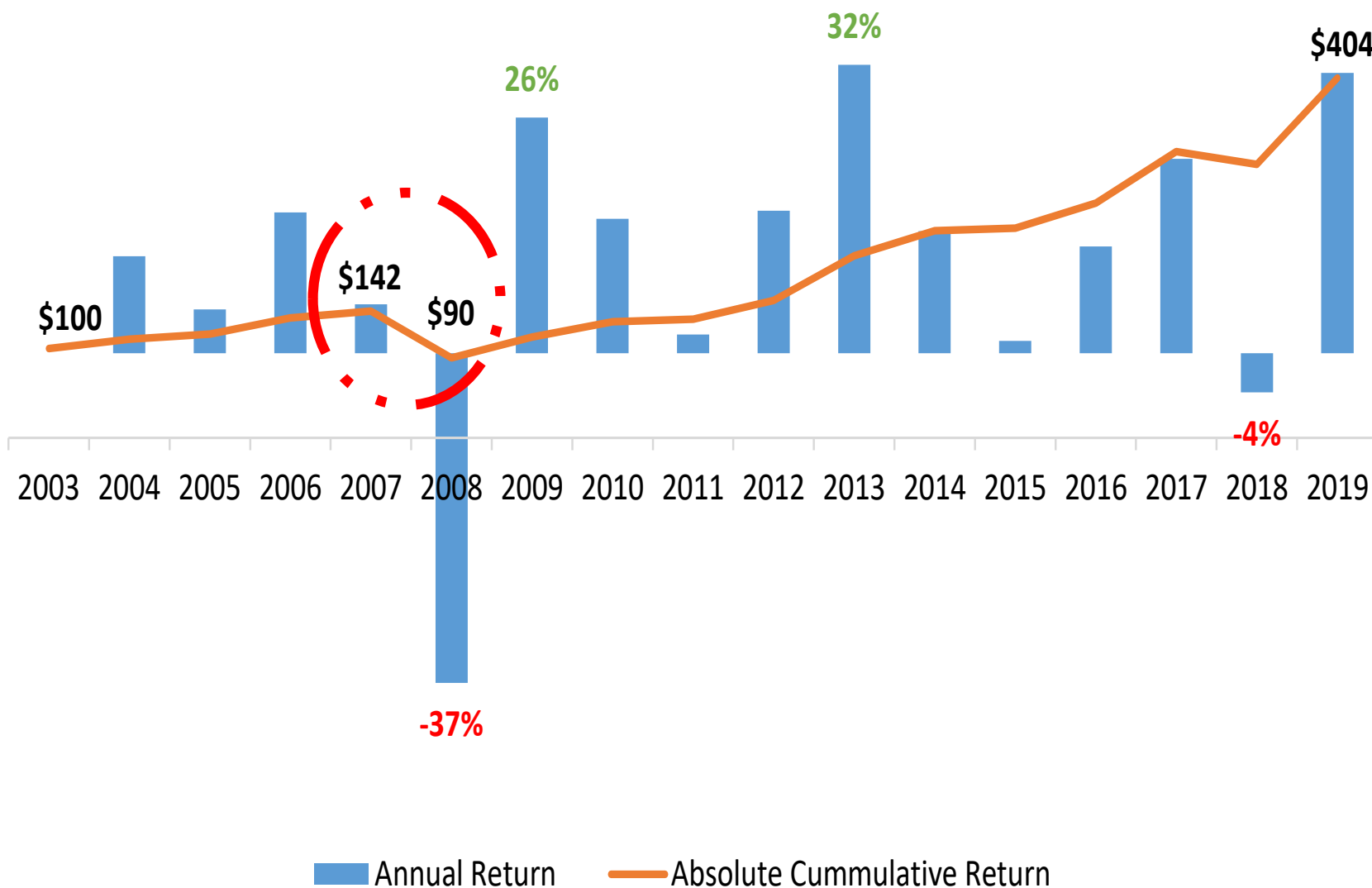
Investment Horizon



Are you willing to risk it all





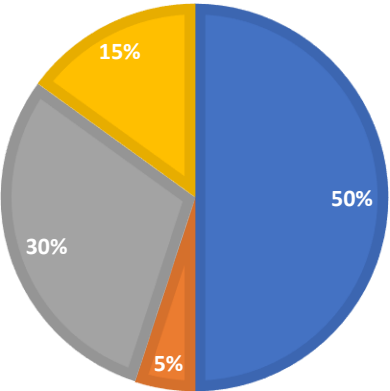






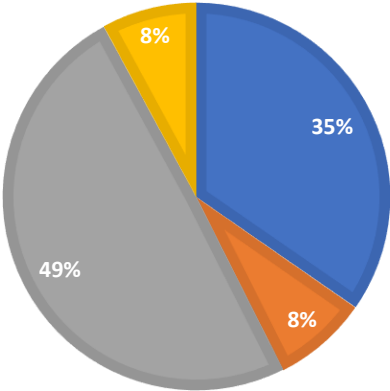
GROWTH PORTFOLIO

■ Equities ■ Cash ■ Bonds ■ Alternatives



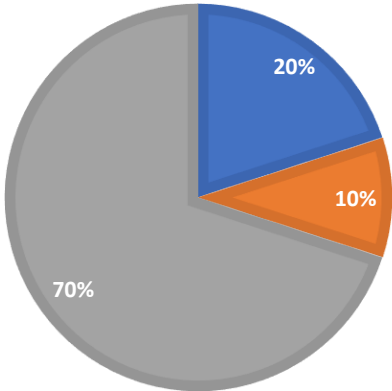
PRE-RETIREMENT PORTFOLIO

■ Equities ■ Cash ■ Bonds ■ Alternatives



PRESERVATION PORTFOLIO

■ Equities ■ Cash ■ Bonds



# Is life stage modelling a good pension fund option?



## Accumulation Phase

- Places members credits initially in a portfolio that places emphasis on long term capital growth with some tolerance for short term volatility
- Aggressive portfolio
- It can be between the ages of 20 and 50 years



## Transition Phase

- There is then transition from the High risk portfolio by regularly moving member credits from the accumulation phase to the pre retirement portfolio.
- The switch can take up to 5 years



## Pre Retirement Phase

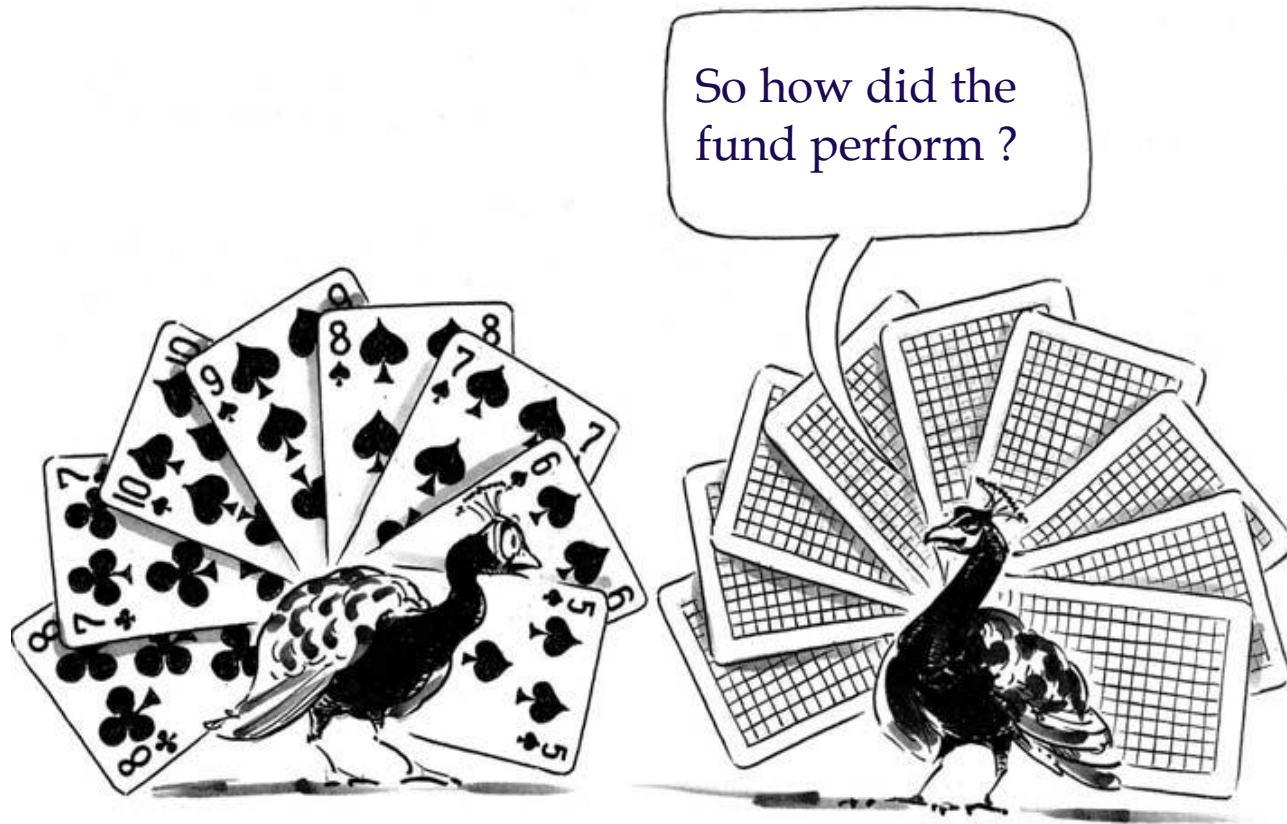
- Fully allocated to the pre retirement portfolio

Can members opt out?











# The Orchestra (The Fund)





The Conductor  
(The Board of Trustee)



The Composer / Song writer  
(various polices)



## Key players

(Trustees, Benefits & Coms, FIC, Administrators, Asset Consultants, HR)





# Orchestral String Instruments

The String family

(Frontline- Benefits & Communication,  
Administrators)





The Woodwind family  
(Finance & Investment Committee, Asset Consultants)



# Brass Instruments

The Brass family  
(HR)



The Percussion family  
(Risk & Compliance)





## The Critic (Risk & Compliance)



Victory in the end!