

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: NATIONAL FUND FOR MUNICIPAL WORKERS

**FINANCIAL SECTOR CONDUCT AUTHORITY
REGISTRATION NUMBER: 12/8/35064**

FOR THE PERIOD: 1 JULY 2022 to 30 JUNE 2023

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* Not subject to any engagement by an auditor

NATIONAL FUND FOR MUNICIPAL WORKERS**SCHEDULE A
REGULATORY INFORMATION
AS AT 30 JUNE 2023****REGISTERED OFFICE OF THE FUND**

Postal address: PO Box 15515
Sinoville
Pretoria
0129

Physical address: Section 2, Business Park @ Zambezi
860 Milkplum Street
Montana
Pretoria
0182

FINANCIAL REPORTING PERIODS

Current year: 1 July 2022 to 30 June 2023

Prior year: 1 July 2021 to 30 June 2022

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed/ reappointed	Date resigned
CCK Antonio	charles@nationalfund.co.za	C & M	1 May 2018	
EA Schutte	eugene@nationalfund.co.za	M	1 September 2014	
NJ Nkuna	james@nationalfund.co.za	M	1 May 2018	
JM Dodo	johnd@nationalfund.co.za	M	1 November 2020	31 March 2023
L Geldenhuys	louwrens@nationalfund.co.za	M	1 May 2018	
L Mphuthi	lucky@nationalfund.co.za	M	1 November 2020	
LR Nani	ludwe@nationalfund.co.za	M	1 November 2020	
MC Makgalemele	christina@nationalfund.co.za	M	1 September 2014	
NC Cindi	clive@nationalfund.co.za	M	1 September 2014	
PR Noluthungu	rio@nationalfund.co.za	E	13 September 2018	
SJ Mpenbe	sibongile@nationalfund.co.za	M	1 November 2020	

- 'M' denotes member elected
- 'E' denotes employer appointed
- 'C' denotes chairperson

Governance note: schedule of meetings* held by the Board of Fund in terms of the rules of the Fund

Meeting date	Place of meeting	Quorum (yes/no)
21 September 2022	Pretoria	Yes
23 November 2022	Pretoria	Yes
1 March 2023	Midrand	Yes
12 June 2023	Sun City	Yes

* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

FUND OFFICERS**Principal Officer**

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
L Ndawana	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3004	leslie@nationalfund.co.za	1 August 2020

Deputy Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
GT Kgosi	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3003	tebogo@nationalfund.co.za	1 May 2021

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2023**

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
L Ndawana	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3004	leslie@nationalfund.co.za	6 May 2020

**(In terms of Section 13A of the Pension Funds Act)*

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Alexander Forbes	PO Box 2435 Pretoria 0001	189 Clarke Street Cnr Clarke & Fehrsen Street Brooklyn Pretoria 0181	(012) 425 4237	groblerg@aforges.co.za	1 July 2011

Auditor

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Deloitte & Touche	5 Magwa Crescent Waterfall City 2090	5 Magwa Crescent Waterfall City 2090	(011) 806 5000	rvangraan@deloitte.co.za	10 June 2020

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Registration number in terms of section 13B
Sanlam Life Insurance Ltd	PO Box 1 Sanlamhof 7532	2 Strand Road Belville 7532	(021) 947 9111	1 June 2016	24/85

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2023**

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
Vunani Fund Managers (Pty) Ltd	PO Box 44586 Claremont 7735	6th Floor, Letterstedt House Newlands on Main Newlands Cape Town 7700	(021) 670 4900	14 March 2019	31 December 2022	608
Allan Gray South Africa (Pty) Ltd	PO Box 51318 V&A Waterfront Cape Town 8002	1 Silo Square V&A Water Front Cape Town 8001	(021) 446 7727	23 August 2013		27146
Apex Fund and Corporate Services SA (Pty) Ltd (Sanari 3S Growth Fund I)	11th Floor Pier Place Heerengracht Street Cape Town 8001	11th Floor Pier Place Heerengracht Street Cape Town 8001	(021) 204 8398	15 June 2022		16802
Argon Asset Management (Pty) Ltd	PO Box 23454 Claremont 7735	1st Floor Colinton House The Oval 01 Oakdale Road Newlands 7700	(021) 670 6570	1 March 2019		835
Ashburton Fund Managers (Pty) Ltd	1st Floor 4 Merchant Place Cnr Fredmand and Rivonio Drive Sandton 2196	1st Floor 4 Merchant Place Cnr Fredmand and Rivonio Drive Sandton 2196	(011) 282 8800	30 November 2017		40169
Balondolozzi Investment Services (Pty) Ltd	PO Box 542 Melrose Arch Melrose 2076	Glenhove Square 71 4th Street Houghton Estate 2198	(011) 484 0113	4 March 2021		42188
Benguela Global Fund Managers (Pty) Ltd	6 Mellis Road The Avenues North Rivonia 2191	6 Mellis Road The Avenues North Rivonia 2191	(010) 596 8500	24 May 2018		45122
Catalyst Fund Managers SA (Pty) Ltd	PO Box 44845 Claremont 7735	4th Floor Protea Place Cnr Protea Road and Dreyer Claremont 7708	(021) 657 5500	23 May 2013		36009
Coronation Asset Management (Pty) Ltd	PO Box 993 Cape Town 8000	7th Floor Montclare Place Campground and Main Road Claremont 7708	(021) 680 2099	1 April 2013		548
Futuregrowth Investments CC	Private Bag X6 Newlands 7725	57 Astral Drive Woodhurst Chatsworth 4092	084 878 6612	8 June 2016		39033
Camissa Asset Management (Pty) Ltd	PO Box 1016 Cape Town 8000	Fifth Floor Montclare Place Cnr Campground and MainClaremont 7708	(021) 673 6300	20 March 2013		784

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2023**

**PROFESSIONAL SERVICE PROVIDERS (continued)
Investment Administrators (continued)**

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
Kholo Capital Fund Managers (Pty) Ltd	34 Melrose Boulevard Melrose Arch Sandton 2196	34 Melrose Boulevard Melrose Arch Sandton 2196	079 631 5860	9 February 2023		51768
Legacy Africa Fund Managers (Pty) Ltd	4th Floor, The Firs Cnr Biermann Lane and Cradock Avenue Rosebank South Africa 2196	4th Floor, The Firs Cnr Biermann Lane and Cradock Avenue Rosebank South Africa 2196	(011) 759 4012	10 April 2019		44651
Metope Investment Managers (Pty) Ltd	PO Box 51316 V&A Waterfront 8002	Moorings 4 Portswood Ridge Portswood Road V&A Waterfront	(021) 418 3760	3 June 2016		21999
Morgan Stanley Investment Management Ltd	20 Bank Street Canary Wharf London E14 4QA United Kingdom	20 Bank Street Canary Wharf London E14 4QA United Kingdom	+44 20 7425 7537	9 February 2012		9752
Nedgroup Investment Advisors (Pty) Ltd	Nedbank clock Tower Precinct V&A Waterfront Cape Town 8001	Nedbank clock Tower Precinct V&A Waterfront Cape Town 8001	(021) 416 6224	1 March 2013		1652
Ninety One SA (Pty) Ltd	PO Box 1655 Cape Town 8000	36 Hans Strijdom Avenue Foreshore Cape Town 8001	(021) 901 1000	29 June 2016		587
Northern Trust International Fund Administration Services Ltd	20 Bank Street Canary Wharf London E14 4QA United Kingdom 9999	20 Bank Street Canary Wharf London E14 4QA United Kingdom 9999	0861 273783	25 August 2017		45382
Novare Investments (Pty) Ltd	3rd Floor The Cliffs Office Block 1 Niagara Way Tyger Falls Carl Cronje Drive Bellville 7530	3rd Floor The Cliffs Office Block 1 Niagara Way Tyger Falls Carl Cronje Drive Bellville 7530	(011) 447 9605	27 October 2015		757
Old Mutual Investment Group (Pty) Ltd	Mutualpark Jan Smuts Drive Pinelands 7405	Mutualpark Jan Smuts Drive Pinelands 7405	(021) 504 7296	16 February 2016		604
Prescient Investment Management (Pty) Ltd	Steenberg Office Park Block B Silverwood Silverwood Lane Tokai 7945	Steenberg Office Park Block B Silverwood Silverwood Lane Tokai 7945	(021) 700 3607	8 March 2017		612
Rubrics Global UCITS Funds plc	PO Box 87353 Houghton 2041	City Pavilion ,27 Bush Lane Cannon Green London, EC4R 0AA United Kingdom	+44 (0) 20 3972 7890	5 March 2013		2733
Sanlam Investment Management (Pty) Ltd	Private Bag X8 Tyger Valley 7536	55 Willie van Schoor Road Bellville 7536	(021) 950 2695	28 November 2014		579

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2023**

**PROFESSIONAL SERVICE PROVIDERS (continued)
Investment Administrators (continued)**

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
RQ Capital Partners (Pty) Ltd	1 Melrose BLVD Melrose Arch Johannesburg 2076	1 Melrose BLVD Melrose ARch Johannesburg 2076	(010) 0072171	15 July 2020		45716
Summit PE Investment Managers (Pty) Ltd	One Vdara Towers 41 Rivonia Road Sandhurst Sandton 2196	One Vdara Towers 41 Rivonia Road Sandhurst Sandton 2196	(010) 880 1812	1 September 2020		48417
Terebinth Capital (Pty) Ltd	CRF Building 2nd Floor 4 Bridal Close Tyger Falls Blvd Tyger Valley, Cape Town, 7530	CRF Building 2nd Floor 4 Bridal Close Tyger Falls Blvd Tyger Valley, Cape Town, 7530	(021) 943 4819	1 July 2019		47909

Investment Advisor

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Mosaic Investment Consulting	PO Box 6685 Welgemoed 7538	Willowbridge Place Carl Cronje Drive Tygervally 7530	(021) 914 0496	45675

Risk Insurer

Full name	Postal address	Physical address	Telephone number	FSP approval no
Camargue Underwriting Managers (Pty) Ltd	Camargue House 33 Glenhove Road Melrose Estate Johannesburg 2196	Camargue House 33 Glenhove Road Melrose Estate Johannesburg 2196	(011) 778 9140	6344
Sanlam Life Insurance Ltd	PO Box 1 Sanlamhof 7532	2 Strand Road Belville 7532	(021) 947 9111	6832

Custodian and/or Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
Nedbank Limited	PO Box 1144 Johannesburg 2000	CCS JHB 2nd Floor Block F Johannesburg	(011) 294 3255	9363
FirstRand Bank Limited	PO Box 7713 Johannesburg 2000	Mezzanine Floor 3 First Place Bank City Corner of Jeppe & Simmonds Streets Johannesburg 2001	087 577 8791	4894

PARTICIPATING EMPLOYERS

The list of participating employers is available for inspection at the Fund's registered office.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE B STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND AS AT 30 JUNE 2023

Responsibilities

The Board of Fund hereby confirm to the best of their knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by Pension Funds Act legislation and the rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the fund, informing them of their rights, benefits and duties in terms of the rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary, in accordance with section 13A and regulation 33 the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the Fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.
- the Board of Fund assessed the Fund's ability to continue as a going concern in addition to the above responsibilities

Approval of the annual financial statements

The annual financial statements of National Fund for Municipal Workers are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 18 to 36 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act. The Board of Fund is not aware of any instances of non-compliance during the financial year nor during the year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditor, Deloitte & Touche, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditor in the management representation letter during their audit were valid and appropriate. The report of the independent auditor is presented on pages 9 - 11.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
AS AT 30 JUNE 2023**

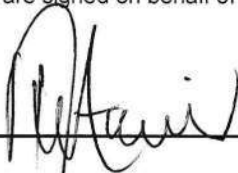
Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action taken to resolve non-compliance matter
Late payment of Contribution due to municipalities experiencing severe cash flow problems	The members do not receive their monthly return on the contributions deducted from their payroll.	<p>The following actions are taken in the event where the employer fails to make payment timeously:</p> <p>As subscribed by the Pension Funds Act Section 13A, interest is raised from the first day following the expiration of the period in respect of which such amounts were payable.</p> <p>SMS messages are sent to the affected members advising them of the employer's failure to make payment.</p> <p>The employer is telephonically contacted and letters are also sent to inform them about the consequences for their failure to comply with Section 13A.</p> <p>If the employer remains in arrears for 3 months, the FSCA is informed about the employer's failure to comply.</p> <p>At this point, a complaint is lodged with the Pension Funds Adjudicator.</p> <p>In this event the Pension Funds Adjudicator will normally order the employer to settle all arrear contributions and interest.</p> <p>If the employer still fails to comply with the judgement obtained from the Pension Funds Adjudicator, the matter is handed over to the Fund's Legal representatives to obtain warrants of execution in respect of the determinations handed down by the Pension Funds Adjudicator.</p> <p>A list is available of all the employers where Section 13A interest were charged.</p>

These annual financial statements:

- were approved by the Board of Fund on 27 November 2023;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund at 30 June 2023 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



 CCK Antonio
 CHAIRPERSON
 27/11/2023

 Date



 Name: E.A. Schutte
 MEMBER TRUSTEE
 27/11/2023

 Date



 Name: S.J. Mperube
 MEMBER TRUSTEE
 27/11/2023

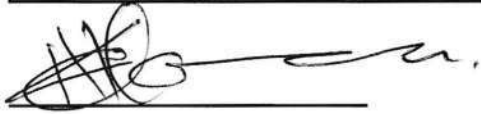
 Date

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
AS AT 30 JUNE 2023**

I confirm that for the year under review the National Fund for Municipal Workers has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation except for the following:

Specific instances of non-compliances	Remedial action taken
Late payment of Contribution due to municipalities experiencing severe cash flow problems	<p>The following actions are taken in the event where the employer fails to make payment timeously:</p> <p>As subscribed on Pension Funds Act Section 13A, interest is raised from the first day following the expiration of the period in respect of which such amounts were payable.</p> <p>SMS messages are sent to the affected members advising them of the employer's failure to make payment.</p> <p>The employer is telephonically contacted and letters are also sent to inform them about the consequences for their failure to comply with Section 13A.</p> <p>If the employer remains in arrears for 3 months, the FSCA is informed about the employer's failure to comply.</p> <p>At this point, a complaint is lodged with the Pension Funds Adjudicator.</p> <p>In this event the Pension Funds Adjudicator will normally order the employer to settle all arrear contributions and interest.</p> <p>If the employer still fails to comply with the judgement obtained from the Pension Funds Adjudicator, the matter is handed over to the Fund's Legal representatives to obtain warrants of execution in respect of the determinations handed down by the Pension Funds Adjudicator.</p> <p>A list is available of all the employers where Section 13A interest were charged.</p>



L Ndawana
Principal Officer

27/Nov/2023
Date

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE NATIONAL FUND FOR MUNICIPAL WORKERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of National Fund for Municipal Workers ("the Fund") set out on pages 18 to 36, which comprise the statement of net assets and funds as at 30 June 2023 and the statement of changes in net assets and funds for the period then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Financial Sector Conduct Authority ("FSCA").

In our opinion, the financial statements of the Fund for the period ended 30 June 2023 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction on use

We draw attention to the Purpose and basis of preparation of financial statements note to the financial statements, which describes the basis of preparation of the financial statements. The financial statements have been prepared for the purpose of the Fund's reporting to the Financial Sector Conduct Authority (the Authority) in terms of section 15(1) of the Pension Funds Act No. 24 of 1956, as amended (the Pension Funds Act of South Africa) and have been prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Fund and the Authority and should not be used by parties other than the Board of Fund or the Authority. Our opinion is not modified in respect of these matters.

Other information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa, of the Fund for the



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

period 01 July 2022 to 30 June 2023, but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D)

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with the Pension Funds Act that came to our attention during the course of our audit of the financial statements.



Deloitte & Touche
Registered Auditors

Per: _____
Partner

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND AS AT 30 JUNE 2023

1. DESCRIPTION OF FUND

1.1. Type of fund in terms of the Income Tax Act, 1962

In terms of section 1 of the Income Tax Act, 1962 the Fund is classified as a retirement fund. The Fund is a defined contribution fund.

In terms of regulation 30(2)(t) (ii) of the Regulations to the Pension Funds Act, the umbrella fund is registered as an umbrella fund, type B.

1.2. Benefits

In terms of the rules of the Fund these are lump sum payments to retirees or their dependents, as well as death benefits, retrenchment benefits and withdrawal benefits.

1.2.1. Unclaimed benefits

Unclaimed benefits are benefits that have not been claimed after two years of a member leaving the fund. Strategy of the Board of Fund towards unclaimed benefits is that unclaimed benefits remain available to the beneficiary and do not expire.

In respect of unclaimed benefits, complete records, as prescribed, are maintained as from 1 July 2001.

1.2.2. Paid-up members

Paid-up members are members who has not yet retired but has left the service of the employer concerned prior to normal retirement date, leaving in the fund the member's rights to such benefits as may be defined by the rules.

1.3. Contributions

Current contributions by members

a) Member, other than Category A-members and Category B-members shall make monthly contributions to the Fund equal to a percentage of their remuneration as agreed between the Local Authority and the member, as set out in the contribution schedule. Notwithstanding any provision to the contrary contained in the agreement, the monthly contributions must at least equal the monthly contributions made by the member to the old Fund immediately prior to the date on which he became a member of the Fund, subject to an absolute minimum contribution of 5% of his remuneration per month.

Category C-members, appointed after 1 July 2012, who are not part of the contribution schedule shall make monthly contributions to the Fund equal to 7.5% of their remuneration.

Category A-members shall make monthly contributions to the Fund equal to at least 2% of their remuneration, as set out in the contribution schedule.

Category A-members, appointed after 1 July 2012, who are not part of contribution schedule shall make monthly contributions to the Fund equal to 2% of their remuneration.

b) For those Category A-members whose contributions paid by the employer as provided for in Rule 4.2 are not sufficient to make provision for the cost of the Risk Benefits provided for in the rules the following deduction will be made from the Member contributions paid to the Fund:

(i) An allocation, expressed as a percentage of the member's remuneration and determined by the actuary, towards the funding of any risk benefits. The amount so deducted will be paid to the risk reserve account.

c) A Category B member must make a monthly contribution to the fund equal to the following:

1. the contributions as described in Rule 4.1(1); and
2. an additional monthly contribution equal to at least 2% of his/her remuneration.

d) If a member's membership commences on or after the 15th of a month, no contributions will be payable for that month, and payment of contributions will commence the following month.

e) For those members who can include councillors, who are cost to company appointed employees, for whom the employer does not contribute to the Fund, or the employee and employer contribution are reflected as one deduction from the employee's salary, in accordance with their employment contract, as provided for in Rules 4.2 the following deductions will be made from the contributions paid to the Fund:

(i) A pro-rata amount, expressed as a percentage of the member's remuneration and determined by the actuary, as is

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2023

necessary to cover the service charge, any other costs and employment related expenditure incurred by the Fund in respect of each member (inclusive of value added tax), will be deducted. The amount so deducted will be paid to the expense reserve account.

(iA) An allocation, expressed as a percentage of the member's remuneration and determined by the actuary, towards the funding of any risk benefits secured for the member. The amount so deducted will be paid to the risk reserve account;

(ii) The balance remaining after any deductions in terms of Rule 4.1.5(i) and rule 4.1.5(iA) will be the member's net retirement funding contributions and will be applied towards providing the member's retirement benefits.

Employer contributions

a) The Local Authority must contribute monthly to the Fund in respect of each member, other than a Category A and Category B member, who contributes to the fund, a sum equal to the percentage as described in the agreement between the Local Authority and the Fund. With effect from 1 July 2012 all Local Authority contribution for new employees appointed by the Local Authority on or after 1 July 2012 who are Category C members, will be 18% of the member's remuneration, less the amount of the Local Authority's contributions that are payable to the National Group Life Insurance Scheme for the Municipal Workers whether the Local Authority is in the schedule or not. Notwithstanding any provision to the contrary contained in such an agreement, the monthly contributions must at least be equal to the monthly contribution made by the Local Authority to the old fund in respect of such an employee immediately prior to the date on which he/she became a member of the fund, subject to an absolute minimum contribution of 5% of his/her remuneration per month.

b) In case of a Category A member who contributes to the Fund, the Local Authority must make a monthly contribution to the fund equal to at least 2% of his/her remuneration.

c) In case of a Category B member the Local Authority must make a monthly contribution equal to the following:

1. the contributions as described in Rule 4.2.1; and
2. additional monthly contribution equal to at least 2% of his/her remuneration.

d) If a member's membership commences on or after the 15th of a month, no contributions will be payable for that month, and payment of contributions will commence the following month.

e) Contributions by the local authority in terms of this rule shall be applied in the following manner:

(i) A pro-rata amount, expressed as a percentage of the member's remuneration and determined by the actuary, as is necessary to cover the service charge, any other costs and employment related expenditure incurred by the Fund in respect of each member (inclusive of value added tax), will be deducted. The amount so deducted will be paid to the expense reserve account.

(iA) An allocation, expressed as a percentage of the member's remuneration and determined by the actuary, towards the funding of any risk benefits secured for the member in terms of the rules. The amount so deducted will be paid to the risk reserve account;

(ii) The balance remaining after any deductions in terms of rule 4.2.5(i) and rule 4.2.5(iA) will be the Local Authority's net retirement funding contributions and will be applied towards providing the member's retirement benefits.

1.4. Rule Amendments

All rule amendments are available for inspection at the fund's registered office.

1.4.1. Consolidated rules:

During the current financial year the rules of the fund were consolidated. The Board of Trustees resolved on 14 June 2022 that the Rules of the Fund be substituted with effect from 1 July 2022 by the set of consolidated rules. The consolidated rules were approved by the Authority on 12 December 2022.

1.5. Reserves

Risk Reserve

The Fund keep a Risk Reserve Account to which shall be credited all profits received from the Insurer from the risk underwriting profit share agreement the Fund has with the Insurer. The quantum of the account will be determined by the Board of Fund in consultation with the Actuary at least at the date of each statutory actuarial valuation. The assets of the Risk Reserve Account will be invested in a Nominated Investment Portfolio as selected by the Board of Fund.

Expense Reserve

An Expense Reserve Account will be kept to meet the ongoing Fund expenses and to cover the service charge and all the other costs incurred in the management of the Fund as well as to allocate to the Members any excess in this account.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2023

Data and Processing Error Reserve Account

The Fund keeps a Data and Processing Error Reserve Account to which is credited –

- (a) any amounts that the Board, on the advice of the actuary, transfers to this account from the other reserve accounts of the Fund, in order to maintain the balance in this account at an appropriate level;
- (b) profits earned by the Fund as a result of mismatching of assets and liabilities caused by data and/or processing errors or timing differences in the actual investment or disinvestment of the Fund's money from the time it was deemed to happen at the calculation of benefits or the accrual of investment earnings;
- (c) any amount transferred from an approved fund to be allocated to this account in the event of a new Local Authority joining the Fund; and
- (d) the net investment return on the amount in this account, if positive.

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund have formulated an investment strategy whereby the investments are managed according to the following principles. This investment strategy complies with the provisions of Regulation 28 of the Pension Funds Act in South Africa.

2.1.1. Investment policy

The investment policy sets out the investment arrangement of the National Fund for Municipal Workers and covers all aspects required for a detailed investment arrangement within the guidelines of Regulation 28 of the Pension Funds Act.

The Fund has a diverse range of members of differing ages and with different needs. Thus they also have different investment objectives. The Fund offers member choice and life stage investment options. With reference to the Fund vision, mission and risk profile, the following five portfolios have been selected to cater for the needs of the members.

1. Capital Protector
2. Stable Growth
3. Capital Growth
4. Aggressive Growth
5. Shariah Portfolio

2.1.2. Investment portfolios

Capital Protector

The objective of the Capital Protector Portfolio is to achieve a return of CPI+1% pa (net of fees) over a rolling 1-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period 100% (probability) of the time. The portfolio is suitable for the members that require capital security and no negative returns and is suitable for members within 2 years to retirement.

Stable Growth

The objective of the Stable Growth Portfolio is to achieve a return of CPI+2.25% pa (net of fees) over a rolling 3-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 85% (probability) of the time. The portfolio is suitable for the members who require relatively stable returns but are comfortable with a probability of negative short-term returns from time to time and is designed for members within 2 to 5 years to retirement.

Capital Growth

The objective of the Capital Growth Portfolio is to achieve a return of CPI+3.00% pa (net of fees) over a rolling 3-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 75% (probability) of the time. The portfolio is suitable for the members who require capital growth and are comfortable with a more volatile short-term returns and negative returns from time to time and is designed for members within 5 to 10 years to retirement.

Aggressive Growth

The objective of the Aggressive Growth Portfolio is to achieve a return of CPI+4.25% pa (net of fees) over a rolling 3-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 65% (probability) of the time. The portfolio is suitable for the members with long term investment horizon looking to maximise capital growth whilst acknowledging this will lead to volatile returns and an increased

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2023

likelihood of negative returns in the short term and is designed for members with more than 10 years to retirement.

Shariah Portfolio

This portfolio is suitable for Muslim investors requiring a Shariah-compliant portfolio appropriate for retirement schemes. The portfolio will be invested in a wide variety of domestic and international asset classes such as equity securities and listed property, within the constraints of the statutory investment restrictions for retirement funds. The underlying investments will comply with Sharia requirements as prescribed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). Members in this portfolio seek to build and grow their long-term retirement savings, while preserving the purchasing power of their capital over the long-term and limiting their exposure to short-term market fluctuations. The portfolio was launched in August 2012.

Default Investment Portfolios

Where a member does not exercise the option available, all contributions and other monies pertaining to such member shall be invested in the default investment portfolios on the member's behalf.

The default investment portfolios are:

- Stable Growth
- Capital Growth
- Aggressive Growth

2.1.3. Unclaimed benefits

The unclaimed benefits will be managed as part of the Capital Growth investment choice of the fund.

2.1.4. Paid-up members

The paid-up members have the option of member choice and life stage investment.

2.1.5. Reserve accounts

The Reserve accounts are distributed proportionally between the portfolios.

2.1.6. Living Annuity

Annuitants have the option to choose to invest in the different portfolios provided:

- Capital Protector
- Stable Growth
- Capital Growth
- Aggressive Growth
- Shariah Portfolio

2.1.7. Private Equity Funds

The Board of Fund utilises private equity funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of regulation 28 and adherence to the investment mandate.

2.1.8. Securities Lending Transactions

The Board of Fund utilise securities lending transactions as part of their investment strategy. The Board of Fund ensures that the securities lending transactions are in compliance with the relevant conditions as prescribed by Notice.

2.2. Management of investments

All investment administrators have complete discretion as to the composition of their share of the portfolio within the boundaries allowed by the Pension Funds Act in South Africa. The Board of Fund oversees the investment policy and monitors the asset allocation and performance of the investment administrators against the investment strategy of the Fund. Investment managers are remunerated according to their mandates.

The Fund's Investment and Policy statement addresses the Fund's commitment to adhere to the ESG and CRISA principles. Asset managers also report on their compliance thereof with their annual reporting to the Investment Committee, which is monitored by the Investment Committee.

As a result of pending litigation between RFS Home Loans (Pty) Ltd and the Fund the contractual relationship(s) between this company and the Fund is in the process of being investigated and, depending on the outcome of such

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
AS AT 30 JUNE 2023**

investigations and legal advice thereon, the Board of Fund may decide on changes in regard to the accounting treatment and notes to the annual financial statements with regard to RFS Home Loans (Pty) Ltd.

The fair value of the Fund's investment, administered by the investment administrators at the end of the year was:

	2023	2022
	R	R
ABSA Bank Ltd	280 518 573	41 377 770
Allan Gray Life Limited	3 116 574 668	2 556 284 772
Apex Fund and Corporate Services SA (Pty) Ltd	60 267 856	-
Argon Asset Managers (Pty) Ltd	1 535 822 753	886 125 566
Ashburton Fund Managers (Pty) Ltd	648 828 238	530 965 993
Balondolozzi Investment Services (Pty) Ltd	949 334 004	793 894 752
Benguela Global Fund Managers (Pty) Ltd	1 493 029 058	1 337 521 743
Camissa Islamic Balanced Fund (Kagiso Asset Managers (Pty) Ltd)	28 308 565	30 458 797
Catalyst Fund Managers (Pty) Ltd	523 679 993	479 177 525
Coronation Asset Management (Pty) Ltd	2 882 434 598	2 454 363 828
Futuregrowth Investments CC	1 647 484 015	1 458 660 024
Kholo Capital Group (Pty) Ltd	1 207 097	-
Legacy Africa Fund Managers (Pty) Ltd	1 473 402 561	864 004 194
Metope Investment Managers (Pty) Ltd	311 247 884	290 306 413
Morgan Stanley Investment Funds plc	301 741 965	228 439 275
Nedgroup Investment Advisors (Pty) Ltd	1 328 433 688	1 043 689 506
Ninety One SA (Pty) Ltd	1 291 178 333	1 104 371 328
Northern Trust International Fund Administration Services Ltd	1 377 298 558	949 743 548
Novare Africa Fund Managers (Pty) Ltd	179 134 257	154 855 751
Old Mutual Investment Group (Pty) Ltd	1 637 327 641	1 601 009 109
Prescient	3 210 947 220	2 359 561 855
RFS Home Loans (Pty) Ltd	548 679 440	552 665 512
RQ Capital Partners (Pty) Ltd	265 581 927	252 926 431
Rubrics Global UCITS Funds plc	80 979 097	69 167 425
Sanlam	1 133 875 411	1 205 043 398
Summit PE Investment Managers (Pty) Ltd	142 011 292	46 068 212
Terebinth Capital (Pty) Ltd	1 317 085 063	1 121 706 148
Vunani Fund Managers (Pty) Ltd	-	1 272 368 538
Total value of investments managed	27 766 413 755	23 684 757 413

3. MEMBERSHIP

	Active members	Deferred/Paid-Up Members	Living Annuity members	Unclaimed benefits
Number at the beginning of year	52 807	2 148	91	1 116
Additions	4 602	154	-	19
Paid-Up Members	(116)	(30)	-	-
Withdrawals	(1 054)	(86)	-	(48)
Retirements	(819)	(138)	-	(29)
Disabilities	(50)	(8)	-	(3)
Deaths	(437)	(27)	(2)	(26)
Transfers	-	-	(35)	(1)
Number at the end of the year	54 933	2 013	54	1 028
Number at end of year (South African citizen)	54 860	2 013	54	1 028
Number at end of year (non-South African citizen)	73	-	-	-

4. ACTUARIAL VALUATION

The last statutory actuarial valuation for the Fund was done for the period ended 30 June 2022, the results of such valuation are reported in schedule HB of the annual financial statements. The Fund was in sound financial condition up to 30 June 2022 and a next report will be provided for 30 June 2023.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2023

5. SURPLUS APPORTIONMENT

The Fund is a defined contribution fund which operates in such a way that no actuarial surplus may arise and any surpluses which arise, are distributed annually amongst all the members.

6. HOUSING LOAN FACILITIES

Loans to members were granted in terms of rule 9.12 and 9.13 of the rules of the Fund and section 19(5) of the Pension Funds Act in South Africa, and are secured by members' withdrawal benefits and/or mortgage bonds.

The Fund has granted housing loans in terms of rule 9.13 of the fund and Section 19(5) of the Pension Funds Act. Each loan is secured by the fund credit of the respective member. The loan is limited to 60% of the respective member's fund credit. The annual rate of interest charged on outstanding loans was repo rate plus 2% for the reporting year.

The Fund has issued housing loan guarantees in terms of rule 9.13 of the fund and Section 19(5) of the Pension Funds Act. Each guarantee is secured by the fund credit of the respective member. The loan is limited to 60% of the respective member's fund credit.

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

No investments in participating employers have taken place.

8. SIGNIFICANT MATTERS

Impact of changes in Regulation 28 on the annual financial statements

Regulation 28 under the Pension Funds Act was recently amended (Gazetted on 5 July 2022) to include additional reporting requirements in relation to infrastructure assets and amendments to the asset spreading requirements). The intention is that the draft Regulatory Reporting Standard (the Standard) will replace Board Notice 77, but the consultation process for the Annual Financial Statements (AFS) has not been finalised. Further-more in accordance with the FSCA Communication 19 of 2023 released on 19 July 2023, (RF) paragraph 3.1, the FSCA wishes to clarify that since the Regulatory Reporting Standard has not yet been finalised, funds must continue to prepare annual financial statements in accordance with the requirements of Board Notice 77 (including the existing Schedule IB).

The revised Regulation 28 now includes Category 9 (Private equity), Category 10 (Other assets not referred to in this schedule and excluding a hedge fund or private equity fund) and Category 11 (Investments in Infrastructure) and a new Table 2 with reference to "Investments in Infrastructure", which has not been included in the current Regulation 28 disclosure in these financial statements. Accordingly, the current Regulation 28 disclosure does not comply with the revised Regulation 28 requirements (Gazetted on 5 July 2022).

Currently, in accordance FSCA Communication 19 of 2023 released on 19 July 2023 certain of the percentage limits have been amended and all investments are to be disclosed on a look through basis except for non-linked insurance policies where no look-through information available from the investment administrators.

9. LIVING ANNUITY

Retiring members may invest all or part of their retirement benefits in the NFMW In-Fund Living Annuity if the retiring members meets all the requirements.

10. SUBSEQUENT EVENTS

Changes in the composition of the Board
Mr L Mphuthi exited the Board with effect from 18 October 2023.

Messers J Nkuna and L Geldenhuys have retired from the Board through the expiration of their term of office, effective 31 October 2023.

Trustee Elections were conducted in terms of the Rules of the Fund; two Trustees, Mr K Maake and Ms B Hlongwane, have been elected, whilst Mr C Antonio was re-elected. The three trustees will take office from 1 November 2023.

The Trustees' election process was held to ensure that the Board remains properly constituted in terms of the Rules of the Fund.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2023

	Note	2023 R	2022 R
ASSETS			
Non-current assets		27 785 070 180	23 703 302 801
Property and equipment	2	18 214 047	17 966 444
Investments	3	27 766 413 755	23 684 757 413
Housing loans	4	442 378	578 944
Current assets		588 126 475	594 188 846
Accounts receivable	5	108 913 858	100 088 868
Contributions receivable	12	215 765 429	202 888 952
Cash at bank		263 447 188	291 211 026
Total assets		28 373 196 655	24 297 491 647
FUNDS AND LIABILITIES			
Members' funds and surplus account		27 284 971 504	22 975 501 749
Members' individual accounts	18	26 857 121 673	22 900 601 350
Amounts to be allocated	20	427 849 831	74 900 399
Reserves			
Reserve accounts	19	429 341 615	299 148 668
Total funds and reserves		27 714 313 119	23 274 650 417
Non-current liabilities			
Unclaimed benefits	10	39 016 075	48 178 216
Current liabilities		619 867 461	974 663 014
Transfers payable	8	-	4 924 545
Benefits payable	9	554 251 130	881 265 776
Accounts payable	11	65 616 331	88 472 693
Total funds and liabilities		28 373 196 655	24 297 491 647

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
AS AT 30 JUNE 2023

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 19 R	2023 R	2022 R
Contributions received and accrued	12	2 725 446 539	82 876 155	2 808 322 694	2 592 867 939
Reinsurance proceeds		290 920 736	(228 098 662)	62 822 074	393 774 197
Net investment income	13	3 820 983 725	56 359 402	3 877 343 127	371 253 198
Allocated to unclaimed benefits	10	(264 673)	-	(264 673)	(70 378)
Other income	14	54 968	38 671 707	38 726 675	3 073 803
Less:		(383 355 219)	167 373 522	(215 981 697)	(626 132 053)
Re-insurance premiums		(383 355 219)	293 948 608	(89 406 611)	(535 103 174)
Administration expenses	15	-	(126 575 086)	(126 575 086)	(91 028 879)
Net income before transfers and benefits		6 453 786 076	117 182 124	6 570 968 200	2 734 766 706
Transfers and benefits		(2 132 157 676)	-	(2 132 157 676)	(2 170 466 282)
Transfer from other funds	6	11 002 209	-	11 002 209	16 083 295
Transfer to other funds	8	(124 741 379)	-	(124 741 379)	(63 537 338)
Benefits	9	(2 018 418 506)	-	(2 018 418 506)	(2 123 012 239)
Net income after transfers and benefits		4 321 628 400	117 182 124	4 438 810 524	564 300 424
Funds and reserves					
Balance at the beginning of the year		22 975 501 749	299 148 668	23 274 650 417	22 710 037 389
Actuarial adjustment		(12 158 645)	12 158 645	-	-
Revaluation surplus: Property	19	-	903 785	903 785	303 044
Member adjustments	19	-	(51 607)	(51 607)	9 560
Balance at the end of the year		27 284 971 504	429 341 615	27 714 313 119	23 274 650 417

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the Fund and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern basis, except where specifically indicated otherwise in the accounting policies below:

1.2. PROPERTY AND EQUIPMENT

All property and equipment are initially recorded at cost.

Owner-occupied buildings are subsequently stated at revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows:

Buildings	50 years
Furniture & fittings	6 years
Computer equipment & software	3 years

Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.

1.3. FINANCIAL INSTRUMENTS

Measurement

Financial instruments are initially measured at fair value as of trade date, which excludes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

1.3.1. Investments

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

Debentures

Debentures comprise investments in listed and unlisted debentures.

Listed debentures

The fair value of listed debentures traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted debentures

Unlisted debentures are financial assets with fixed or determinable payments and fixed maturity. Fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of the unlisted debenture.

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) AS AT 30 JUNE 2023

1.3.1. *Investments (continued)*

Listed bills and bonds

The fair value of listed bills and bonds traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted bills and bonds

A market yield is determined by using appropriate yields of existing bonds and bills that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

Equities

Equity instruments consist of equities with primary listing on the Johannesburg Stock Exchange, equities with secondary listing on the Johannesburg Stock Exchange, foreign listed equities and unlisted equities.

Equity instruments designated as fair value through the statement of changes in net assets and funds by the fund are initially recognised at fair value on trade date.

Listed equities

Equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. The fair value of equity instruments with standard terms and conditions and traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the reporting date.

Unlisted equities

If a quoted closing price is not available i.e. for unlisted instruments, the fair value is estimated using pricing models, or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of equity instruments.

Preference shares

Listed preference shares

The fair value of listed preference shares traded on active liquid markets is based on regulated exchanged quoted ruling closing prices at the close of business on the last trading day on or before the reporting date.

Insurance policies

Linked or market-related policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Private Equity Investments

Private equity investments are investments in equity capital that is not quoted on a public exchange. Private equity investments are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) AS AT 30 JUNE 2023

1.3.1. *Investments* (continued)

Derivative Market Instruments

Derivative market instruments consist of options, equity linked instruments, futures/forwards – SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

Options

Options are valued using option pricing modules.

Futures/forward contracts

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

Swaps

Swaps are valued by means of discounted cash flow models, using the swap curve from a regulated exchange (BESA) to discount fixed and variable rate cash flows, as well as to calculate implied forward rates used to determine the floating interest rate amounts. The net present values of the fixed leg and variable leg of the swap are offset to calculate the fair value of the swap.

Hedge funds

Hedge fund investments are designated as fair value through the statement of changes in net assets and funds by the fund and are initially recognised at fair value on trade date.

1.3.2. **Housing loans**

Housing loans are measured at amortised cost. Housing loans are derecognised when the right to receive cash flows from the member has expired or been transferred and the fund has also transferred substantially all risks and rewards of ownership.

1.3.3. **Accounts receivable**

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.3.4. **Cash and cash equivalents**

Cash and equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

1.3.5. **Accounts payable**

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.4. **RESERVES**

Reserve accounts comprise particular amounts of designated income and expenses as set out in the rules of the fund and are recognised in the year in which such income and expenses accrue to the fund.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) AS AT 30 JUNE 2023

1.5. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

Contingent liabilities

A contingent liability is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

A contingent asset is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

1.6. CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Gross contributions are brought to account on the accrual basis except for voluntary contributions, which are recorded in the year in which they are received.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contributions receivable.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the Fund.

1.7. FOREIGN CURRENCIES

Foreign currency transactions are recorded, on initial recognition in Rand, by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the transaction.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) AS AT 30 JUNE 2023

1.8. INVESTMENT INCOME

Investment income comprises of dividends, interest and adjustment to fair value.

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Scrip lending income

Scrip lending income generated from scrip lending is recorded in the period of receipt. Contractual arrangements exist with various scrip lending agents. Scrip lending positions are not disclosed separately but are reported as part of the underlying holdings.

Collective investment schemes' distribution

Distribution from collective investment schemes are recognised when the right to receive payment is established.

Income from policies with insurance companies

Insurance policy income is recognised when the right to receive payment is established.

Gains and losses on subsequent measurement

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

1.9. BENEFITS

Benefits payable and pensions are measured in terms of the rules of the Fund. Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the rules of the Fund. Any benefits not paid at the end of the reporting period are recognised as a current liability and are classified as benefits payable.

Reinsurance proceeds

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognised as income at the same time as the recognition of the related claim.

Divorce orders

Divorce orders are recognised in the Statement of Changes in Net Assets and Funds upon notification of the divorce order by the non-member spouse. The divorce order is measured in accordance with the divorce order decree and requirements of the Income Tax Act.

1.10. UNCLAIMED BENEFITS

Unclaimed benefits represents members where the Fund has received the notification of exit in line with the rule of the Fund, however, the benefits has not been paid within twenty four months of the accrual date. These benefits consist of accumulated fund credit including any additional return earned from the investment strategy of the Fund specifically pertaining to unclaimed members.

1.11. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognised on approval being granted by the Financial Sector Conduct Authority. Section 13 individual transfers are recognised when the individual member's transfer is received or paid.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) AS AT 30 JUNE 2023

1.12. ADMINISTRATION EXPENSES AND REINSURANCE PREMIUMS

Expenses and Reinsurance premiums incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.13. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.14. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

1.15. ASSET IMPAIRMENT

The carrying amounts of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of a financial asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Changes in Net Assets and Funds.

The Fund first assesses whether objective evidence of impairment exists for financial assets that are individually significant, such as service provider debtors. In the case of assets which are not individually significant, such as contribution debtors, financial assets are grouped on the basis of similar credit characteristics, such as asset type and past-due status. These characteristics are used in the estimation of future cash flows recoverable.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed in the Statement of Changes in Net Assets and Funds.

1.16. MEMBER INDIVIDUAL ACCOUNTS AND LIVING ANNUITIES

Member individual accounts and Living annuities comprise of the funds attributable to individual members and Living annuities, represented by investments and cash.

1.17. AMOUNTS TO BE ALLOCATED

Amounts to be allocated represents contributions or return received in the fund but not yet allocated to members or reserves.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

2. PROPERTY AND EQUIPMENT

2.1. Current year

	Buildings R	Computer equipment and software R	Furniture and fittings R	Total R
Gross carrying amount				
Cost at beginning of year	19 295 618	4 688 971	1 590 553	25 575 142
Additions	-	333 416	-	333 416
Disposals	-	(35 418)	-	(35 418)
Revaluation	903 785	-	-	903 785
At end of year	20 199 403	4 986 969	1 590 553	26 776 925
Accumulated depreciation and impairment				
At beginning of year	(2 395 618)	(3 823 347)	(1 389 733)	(7 608 698)
Depreciation charges	(403 785)	(507 531)	(60 573)	(971 889)
Accumulated depreciation on disposals	-	17 709	-	17 709
At end of year	(2 799 403)	(4 313 169)	(1 450 306)	(8 562 878)
Net carrying amount at end of year	17 400 000	673 800	140 247	18 214 047

The buildings consist of an office block situation on Sections 1 to 6, SS BusinessPark@Zambezi (D509/2018) situated on Erf 2092, Montana Extension 143. The buildings were revalued by an independent valuator. The valuation was performed as at 10 July 2023. The fair value was determined directly by reference to observable prices in an active market, estimated R 17 400 000.

2.2. Prior year

	Buildings R	Computer equipment and software R	Furniture and fittings R	Total R
Gross carrying amount				
At beginning of period	17 044 322	4 162 757	1 481 618	22 688 697
Additions	754 959	526 214	108 935	1 390 108
Revaluation	1 496 337	-	-	1 496 337
At end of year	19 295 618	4 688 971	1 590 553	25 575 142
Accumulated depreciation and impairment				
At beginning of period	(2 044 322)	(3 439 354)	(1 244 431)	(6 728 107)
Depreciation charges	(351 296)	(395 015)	(145 302)	(891 613)
Accumulated depreciation on disposals	-	11 022	-	11 022
At end of year	(2 395 618)	(3 823 347)	(1 389 733)	(7 608 698)
Net carrying amount at end of period	16 900 000	865 624	200 820	17 966 444

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

3. INVESTMENTS

3.1. Investment summary

	Note	Local R	Foreign R	Total 2023 R	Total 2022 R	Fair value current year R	Categorised per Regulatory Framework
Cash and deposits		2 446 996 776	(441 192)	2 446 555 584	1 974 487 743	2 446 555 584	At fair value through statement of changes in net assets and funds
Commodities		24 813 556	-	24 813 556	4 386 744	24 813 556	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments *		3 116 236 423	-	3 116 236 423	3 007 800 190	3 116 236 423	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		9 739 187 921	(3 603 560)	9 735 584 361	8 798 892 221	9 735 584 361	At fair value through statement of changes in net assets and funds
Insurance policies		4 040 369 529	535 620 272	4 575 989 801	4 164 040 285	4 575 989 801	At fair value through statement of changes in net assets and funds
Collective investment schemes		2 299 218 213	5 426 004 525	7 725 222 738	5 689 082 018	7 725 222 738	At fair value through statement of changes in net assets and funds
Private equity funds		142 011 292	-	142 011 292	46 068 212	142 011 292	At fair value through statement of changes in net assets and funds
Total		21 808 833 710	5 957 580 045	27 766 413 755	23 684 757 413	27 766 413 755	

*Included in debt instruments is RFS Home Loans (Pty) Ltd Loan that is held at amortised cost and all other debt instruments are held at fair value through the Statement of Changes in Net Assets and Funds.

National Fund for Municipal Workers sold their home loan book value as at 1 June 2007 to RFS Home Loans (Pty) Ltd.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023**

4. HOUSING LOAN FACILITIES

4.1. Housing loans

	A At beginning year R	C Repaid R	D Interest capitalised R	A+B-C+D+/-E At end of year R
Loans granted in terms of the rules of the fund and section 19(5) of the Pension Funds Act in South Africa	578 944	(165 232)	28 666	442 378
Total	578 944	(165 232)	28 666	442 378

Housing loans are granted to members in terms of paragraph 9.12 of the rules of the Fund and Section 19(5) of the Pension Funds Act. Loans are limited to 60 percent of the cash benefit (less tax) of the member, due by the Fund on voluntary termination of membership. Interest rate charged on outstanding loans: repo plus 2%.

4.2. Housing loan guarantees

The Fund has granted the following guarantees:

1. 4 454 (2022 : 4 648) guarantees to RFS Home Loans (Pty) Ltd for loans granted to members, amounting to R548 679 440, (2022 : R540 567 568);
2. 1 113 (2022: 775) guarantees to Standard Bank Ltd for loans granted to members, amounting to R232 438 704, (2022 : R159 705 707).

The amount of the guarantee may not exceed 60% of the cash benefit that a member would receive in terms of the rules of the fund and Section 19(5) of the Pension Funds Act if he or she had to terminate membership to the fund voluntarily.

The guarantees are granted for the period agreed upon for the outstanding loan. The guarantee period may not exceed 30 years.

5. ACCOUNTS RECEIVABLE

	2023 R	2022 R
Reinsured proceeds receivable	13 239 651	43 964 748
Risk profit receivable	34 480 686	-
Investments	30 071 010	32 449 335
Interest on contributions receivable	26 736 666	20 229 654
Sundry Debtors	2 385 845	1 445 131
Kula Partners (Pty) Ltd	2 000 000	2 000 000
Total	108 913 858	100 088 868

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

6. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14								
Municipal Gratuity Fund (Capricorn District Municipality)	31/01/2023	2	-	-	294 021	31 691	(325 712)	-
Rand Water Provident Fund (Bushbuckridge Local Municipality)	30/09/2022	22	-	-	4 148 832	392 276	(4 541 108)	-
Municipal Workers' Retirement Fund (Metsimoholo Local Municipality)	03/02/2023	1	-	-	83 569	10 844	(94 413)	-
Municipal Workers' Retirement Fund (Metsimoholo Local Municipality)	31/01/2023	1	-	-	93 364	12 115	(105 479)	-
Individual Transfers								
Municipal Gratuity Fund (Dr Kenneth Kaunda District Municipality)	30/09/2022	1	-	-	2 137 169	37 762	(2 174 931)	-
Government Employee Pension Fund (Merafong Local Municipality)	28/02/2023	1	-	-	1 923 212	195 952	(2 119 164)	-
Technical Services Pension Fund (City of Cape Town Metropolitan Municipality)	31/01/2023	1	-	-	773 498	3 344	(776 842)	-
Kwazulu Natal Joint Municipal Provident Fund (Maluti-A-Phofong Local Municipality)	31/10/2022	1	-	-	217 227	-	(217 227)	-
Development Bank of Southern Africa Provident Fund (Greater Tzaneen Local Municipality)	31/10/2022	1	-	-	423 225	870	(424 095)	-
LA Retirement Fund (Elundini Local Municipality)	21/07/2022	1	-	-	15 680	46	(15 726)	-
Old Mutual Superfund Pension Fund (Midvaal Local Municipality)	31/10/2022	1	-	-	207 512	-	(207 512)	-
Total		33	-	-	10 317 309	684 900	(11 002 209)	-
Transfers approved (B)								10 317 309
Return on transfers (C)								684 900
Statement of changes in net assets and funds								11 002 209

The details of above transfers from other funds are available for inspection at the registered address of the Fund.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

7. REVALUATION RESERVE - PROPERTY, PLANT & EQUIPMENT

	2023 R	2022 R
Revaluation	903 785	1 496 337
Impairments	-	(1 193 293)
Transfer to statement of changes in net assets and funds	(903 785)	(303 044)
At end of year	-	-

8. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	A At beginning of year R	B Transfers approved* R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14							
De Swart MA (Momentum)	31/01/2022	1	4 924 545	-	-	(4 924 545)	-
Bosman HS (Momentum)	31/07/2022	1	-	7 614 430	77 275	(7 691 705)	-
Botha LJ (Momentum)	31/08/2022	1	-	6 850 608	126 566	(6 977 174)	-
Reyneke HJ (Momentum)	31/07/2022	1	-	6 614 522	77 540	(6 692 062)	-
Swanepoel RJ (Momentum)	31/10/2022	1	-	5 899 384	277 517	(6 176 901)	-
Mulder AS (Momentum)	31/07/2022	1	-	6 073 830	74 455	(6 148 285)	-
Combrink SL (Momentum)	31/07/2022	1	-	5 756 144	124 907	(5 881 051)	-
Botha JP (Momentum)	31/10/2022	1	-	5 037 364	178 972	(5 216 336)	-
Page N (Momentum)	31/08/2022	1	-	4 879 033	118 913	(4 997 946)	-
Matebedi EN (Momentum)	31/05/2022	1	-	4 836 255	47 855	(4 884 110)	-
Other	Various	26	-	68 986 901	1 088 908	(70 075 809)	-
Total		36	4 924 545	122 548 471	2 192 908	(129 665 924)	-
Transfers approved (B)							122 548 471
Return on transfers (C)							2 192 908
Statement of changes in net assets and funds							124 741 379

* The transfers approved includes the monthly withdrawal amounts for the period from submitting it to the Financial Sector Conduct Authority until it is approved and paid to the member.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 AS AT 30 JUNE 2023

9. BENEFITS

9.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Monthly Annuities	-	14 148 942	-	(14 148 942)	-	-
Lump sums on retirements						
- Full benefit	189 808 854	1 048 430 425	733 578	(1 065 243 719)	(294 826)	173 434 312
Lump sums before retirement						
- Disability benefits	24 285 587	92 143 448	99 418	(107 364 542)	(591 299)	8 572 612
- Death benefits	597 773 176	419 139 057	1 638 134	(710 721 221)	(3 614 926)	304 214 220
- Withdrawal benefits	69 398 159	343 900 034	166 209	(345 061 376)	(373 040)	68 029 986
Other						
Divorce payments	-	98 019 261	-	(98 019 261)	-	-
Total	881 265 776	2 015 781 167	2 637 339	(2 340 559 061)	(4 874 091)	554 251 130

Benefits for current year (B)
 Return allocated (C)

2 015 781 167
 2 637 339

Statement of changes in net assets and funds

2 018 418 506

10. UNCLAIMED BENEFITS

	2023 R	2022 R
Balance at the beginning of the year	48 178 216	33 452 340
Transferred from benefits payable	4 874 091	18 970 214
Adjustments *	1 264 115	318 914
Investment income allocated	264 673	70 378
Less:	(15 565 020)	(4 633 630)
• Administration expenses	(67 669)	(33 785)
• Benefits paid	(15 497 351)	(4 599 845)
Balance at the end of the year	39 016 075	48 178 216

*The adjustment relates to amendments of members' fund credit liabilities.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

11. ACCOUNTS PAYABLE

	2023 R	2022 R
Risk premiums and benefits PAYE	32 641 379	45 570 097
Audit fees accrual	20 812 595	22 264 372
Sundry Creditors	1 085 035	1 004 663
Administration fees	6 495 068	5 807 945
Investments	4 582 254	1 997 640
	-	11 827 976
Total	65 616 331	88 472 693

12. CONTRIBUTIONS

	At beginning of year R	Towards retirement R	Towards re- insurance and expenses R	Contributions received R	At end of year R
Member contributions received and accrued	62 942 740	868 164 714	-	(864 042 077)	67 065 377
Employer contributions received and accrued	139 946 212	1 431 874 184	496 905 074	(1 920 025 418)	148 700 052
Additional voluntary contributions members	-	11 378 722	-	(11 378 722)	-
Total	202 888 952	2 311 417 620	496 905 074	(2 795 446 217)	215 765 429

Towards retirement	2 311 417 620
Towards reinsurance and expenses	496 905 074

Statement of Changes in Net Assets and Funds

2 808 322 694

13. NET INVESTMENT INCOME

	2023 R	2022 R
Income from investments	387 366 202	304 148 191
• Interest	359 072 362	283 571 629
• Interest received on home loans	28 666	43 073
• Collective investment schemes distribution	28 134 776	20 509 602
• Income from insurance policies	130 398	23 887
Interest on late payment of contributions	9 166 807	7 605 260
Rental income	30 300	-
Adjustment to fair value	3 646 717 811	203 280 427
	4 043 281 120	515 033 878
Less: Expenses incurred in managing investments	(165 937 993)	(143 780 680)
Total	3 877 343 127	371 253 198

* In terms of the accounting policies dividends are included in Adjustment to fair value.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

14. OTHER INCOME

	2023 R	2022 R
Sanlam funeral risk profit sharing income	34 480 686	-
Script lending fees received	4 191 021	3 060 070
Other income	54 968	13 733
Total	38 726 675	3 073 803

15. ADMINISTRATION EXPENSES

	2023 R	2022 R
Administration fees	26 405 731	24 371 057
Audit fees - Audit services	1 085 035	1 006 526
Legal fees and compliance fees	7 664 760	4 809 194
Depreciation	971 890	891 614
Profit on property revaluation	-	(1 193 293)
Fidelity insurance	988 203	714 047
Other expenses	33 665 826	12 170 369
Bank charges	178 609	179 478
Occupational rent	139 929	441 942
Financial Sector Conduct Authority Levy	1 323 149	1 246 922
Communication consultants stakeholder engagements	249 047	-
Communication expenses	4 372 931	5 316 880
Conference and meetings	1 084 377	1 391 542
Consultancy fees	25 607 279	2 925 487
Travel and accommodation (non - Board of Fund)	710 505	668 118
Office expenses	6 077 784	6 201 469
Board of Fund expenses	15.1 5 955 274	4 572 007
Staff expenses	15.2 43 630 567	37 407 508
Principal Officer expenses	15.3 197 685	112 166
Less: Amount allocated to unclaimed benefits	(67 669)	(33 785)
Total	126 575 086	91 028 879

15.1. Board of Fund expenses

	2023 R	2022 R
Retainer fees	3 719 840	3 359 628
Board of Fund - expenses	2 235 434	1 212 379
Total	5 955 274	4 572 007

15.2. Staff expenses

	2023 R	2022 R
Staff expenses- Remuneration	43 073 409	37 125 802
Staff expenses- Other payments	557 158	281 706
Total	43 630 567	37 407 508

15.3. Principal Officer expenses

	2023 R	2022 R
Principal officer expenses - Other payments	197 685	112 166
Total	197 685	112 166

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

16. RISK MANAGEMENT POLICIES

Risk management framework

The Board of Fund has overall responsibility for the establishment and oversight of the fund's risk management policies. The Board of Fund has established the Executive Committee, which is responsible for developing and monitoring the fund's risk management policies. The committee reports regularly to the Board of Fund on its activities.

The fund's risk management policies are established to identify and analyse the risks faced by the fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the fund's activities.

- **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Funds contractual obligations to members.

Continuous monitoring by the Board and the Fund's actuary takes place to ensure that appropriate assets are held where the Fund's obligation to members are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

- **Credit risk**

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the Fund to incur a financial loss.

The Board monitors receivable balances on an ongoing basis with the result that the Fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

- **Legal risk**

Legal risk is the risk that the Fund will be exposed to contractual obligations which have not been provided for.

Legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

- **Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instruments will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The Board of Fund monitors cash flows by using monthly cash flow projections.

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments.

The Board of Fund monitors this aspect of the Fund's investments and limits it to 30% (plus as additional 10% Africa) of total assets.

- **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

- **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023**

16. RISK MANAGEMENT POLICIES (continued)

• **Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

17. RELATED PARTY TRANSACTIONS

Key management personnel

Trustees

CCK Antonio
MC Makgalemele
EA Schutte
L Geldenhuys
NC Cindi
NJ Nkuna
PR Nolutshungu
JM Dodo
SJ Mpembe
L Mphuthi
LR Nani

Principal Executive Officer

L Ndawana

Transactions with related parties

Board of Fund allowances paid

Refer to note 15.1 for full disclosure concerning the Board of Fund allowances paid.

Principal Officer's expenses

Refer to note 15.3 for full disclosure concerning the Principal Officer's expenses paid.

Contributions received

The contributions received by the Fund from the Board of Fund were as follows: R1 479 820 (2022: R1 506 423). The amount includes both member and employer contributions.

This constitutes contributions by related party as a member of the Fund in their individual capacities. All contributions by the related parties were on the same terms as applicable to all members of the Fund.

18. MEMBERS' INDIVIDUAL ACCOUNTS

	2023	2022
	R	R
Active and paid up/deferred members	26 645 787 628	22 572 048 672
Living annuities	211 334 045	328 552 678
Total	26 857 121 673	22 900 601 350

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2023

19. SURPLUS AND RESERVE ACCOUNTS

	Reserve Accounts Total	Risk reserve	Expense reserve	Data and processing reserve account	Revaluation reserve
	R	R	R	R	R
At beginning of year	299 148 668	120 900 690	80 577 374	97 367 560	303 044
Actuarial adjustment	12 158 645	27 439 276	(22 913 071)	7 632 440	-
Members' fund credit corrections	(51 607)	-	-	(51 607)	-
Contributions received and accrued	82 876 155	-	82 876 155	-	-
Reinsurance proceeds	(228 098 662)	(228 098 662)	-	-	-
Net investment income	56 359 402	11 296 746	45 062 656	-	-
Allocated to unclaimed benefits	-	-	-	-	-
Other income:	38 671 707	34 480 686	4 191 021	-	-
Sanlam funeral risk profit sharing income	34 480 686	34 480 686	-	-	-
Script lending fees received	4 191 021	-	4 191 021	-	-
Other income	-	-	-	-	-
Less:	167 373 522	293 948 608	(126 575 086)	-	-
- Re-insurance premiums	293 948 608	293 948 608	-	-	-
- Administration costs	(126 575 086)	-	(126 575 086)	-	-
Net income before transfers and benefits	428 437 830	259 967 344	63 219 049	104 948 393	303 044
Transfers and benefits	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Benefits	-	-	-	-	-
Net income after transfers and benefits	428 437 830	259 967 344	63 219 049	104 948 393	303 044
Property revaluations	903 785	-	-	-	903 785
At end of year	429 341 615	259 967 344	63 219 049	104 948 393	1 206 829

20. AMOUNTS TO BE ALLOCATED

	2023 R	2022 R
Gross Contributions June 2023 received subsequent to year end	211 184 172	182 650 001
Investment return to be allocated	138 867 263	(107 749 602)
Funeral cover profit sharing	34 480 686	-
Risk receivable	13 246 700	-
Unsettled orders	30 071 010	-
Total amounts to be allocated	427 849 831	74 900 399

NATIONAL FUND FOR MUNICIPAL WORKERS

REPORT OF THE VALUATOR AS AT 30 JUNE 2023

SCHEDULE HB

NATIONAL FUND FOR MUNICIPAL WORKERS REPORT OF THE VALUATOR FOR THE YEAR ENDED 30 JUNE 2023

Particulars of financial condition of the fund as at 30 June 2022 (the last statutory valuation)

1. Net assets available for benefits.

R 23 160 928 000

2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits.

R 23 160 928 000

3. The actuarial present value of promised retirement benefits, split into vested and non-vested benefits.

Members' fund credits *	R 21 767 262 000
Outstanding direct housing loans	R 579 000
Living annuitants	R 328 523 000
Deferred members	R 957 728 000
Total liabilities as at 30 June 2022	R 23 054 092 000

* Includes an amount of R 182 650 000 which relates to contributions received before 30 June 2022 but only allocated to member records after year-end.

4. Reserve account balances.

Risk reserve account	R 148 340 000 *
Expense reserve account	R 57 665 000 *
Data and processing reserve account	(R 99 169 000) *
Total reserve accounts as at 30 June 2022	R 106 836 000

* Refer to par 7 for more detail regarding the reserve account balances.

5. Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.

Assets:

Assets were valued at the full market value. Adjustments were made for accruals at the valuation date (e.g. contributions in respect of the valuation period received after the valuation date, outstanding benefit payments, outstanding expenses, etc.)

Liabilities:

The fund operates on a defined contribution basis. The accrued liabilities are therefore equal to the sum of the individual members' fund credits and the balance in the contingency reserve account.

Funding level:

The funding level is the rate of the value of the assets to the value of the liabilities.

6. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.

Refer to par. 5 above.

7. Any other particulars deemed necessary by the valuator for the purposes of this summary.

The statutory valuation report as at 30 June 2022 was discussed at the board of management meeting held on 14 June 2023 and submitted to the FSCA on 22 June 2023 under case number 573040. The board took a number of decisions, on recommendation of the actuary:

a) True balance of the data and processing error reserve account

The balance in the data and processing reserve account amounted to negative R 99 169 000 or negative 0.43% of assets at the valuation date. Taking into account the impact of the delayed allocation of the revaluation of some of the asset portfolios as well as a timing difference in the implementation of the Aggressive Growth unit price for 30 June 2022, the true underlying balance is equal to R 105 118 000 or 0.45% of assets, which is within the target level of between 0.25% and 0.5% of assets for a daily priced fund.

b) Expense reserve account

The accumulated balance in the expense reserve account amounted to R 57 665 000, which is sufficient to cover approximately 63% of the annual administration and other management costs paid from this account. This is slightly higher than a normal recommended balance of 3 to 6 months' expenses, which provides an additional buffer for the ongoing funding of expenses.

The board accepted the actuary's recommendation that the opening balance used for the financial statements for the period ending 30 June 2023 be aligned with the value of the expense reserve account reflected in the statutory valuation report. The balance in the expense reserve account must continue to be monitored on at least an annual basis.

The board also accepted the actuary's recommendation that the monthly cost allowance, as allowed for in the calculation of the daily unit prices, be reduced from 0.02% to 0.01%. The suitability of this deduction must also be monitored on at least an annual basis.

c) Risk reserve account

The statutory valuation report as at 30 June 2022 indicated an accumulated balance in the risk reserve account of R 148 340 000 or 0.65% of member liabilities. The board accepted the actuary's recommendation that the opening balance used for the financial statements for the period ending 30 June 2023 be aligned with the value of the risk reserve account reflected in the statutory valuation report.

The fund amended its rules to give the ability to self-insure all or part of the risk benefits with effect from 1 July 2022, as set out in rule amendment no. 10. The fund consequently implemented a self-insurance arrangement for the lump sum death and disability benefits offered by the fund from 1 July 2022. The insurance of the funeral benefits remained with Sanlam.

The self-insurance arrangement is still in its infancy and the necessary prudence has to be applied to ensure the ongoing financial soundness of the arrangement, which will be monitored with every annual actuarial valuation performed.

NATIONAL FUND FOR MUNICIPAL WORKERS

**REPORT OF THE VALUATOR
AS AT 30 JUNE 2023**

It was recommended that the board adopts a strategy whereby twice the PF117 recommended reserve be aimed at in order to protect the fund from adverse experience in any one year. The desired minimum balance in terms of such strategy therefore amounts to R 152.2 million at the valuation date compared with the actual net balance in the risk reserve account of R 148.3 million.

The fund has effected catastrophe excess of loss reinsurance, which is annually renewable.

8. A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.

The assets of the fund as at 30 June 2022 are sufficient to cover 100.0% of the members' liabilities and various recommended reserve balances and the fund was hence financially sound.

Prepared by me:



**GERDA GROBLER
VALUATOR**

Fellow of the Actuarial Society of South Africa
Fellow of the Faculty of Actuaries

In my capacity as the valuator of the National Fund for Municipal Workers and as an employee of Alexander Forbes Financial Services (Pty) Ltd

7 October 2023

SCHEDULE I

INDEPENDENT AUDITOR'S AGREED-UPON PROCEDURES REPORT TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY IN RESPECT OF THE AUDITED ANNUAL FINANCIAL STATEMENTS AND OTHER SPECIFIED INFORMATION IN THE GENERAL LEDGER AND MANAGEMENT INFORMATION COMPRISING THE ACCOUNTING RECORDS (THE "SUBJECT MATTER") OF NATIONAL FUND FOR MUNICIPAL WORKERS ("THE FUND") FOR THE YEAR ENDED 30 JUNE 2023

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report on the Subject Matter is provided in accordance with Section 15(1) of the Pension Funds Act, No. 24 of 1956 of South Africa (the "Act"), solely for the purpose of assisting the Financial Sector Conduct Authority (the "Authority") and Board of Fund in evaluating whether there are any instances of non-compliance with the requirements of the specified sections of the Act, Regulations of the Act, 1962 and the registered Rules of the Fund during the year ended 30 June 2023, and may not be suitable for another purpose. This report is intended solely for the Board of Fund and the Authority and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Fund and the Authority

The Board of Fund and the Authority have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Fund is responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Board of Fund and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Professional Ethics and Quality Management

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). For the purpose of this engagement, there are no independence requirements with which we are required to comply.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described in the table below, which were agreed upon with the Board of Fund in respect of the audited annual financial statements and other specified information in the general ledger and management information comprising the accounting records of the Fund for the year ended 30 June 2023.

Unless otherwise indicated, all balances, lists, schedules and other relevant documents referred to in the table below relate to the accounts/balances reflected in the audited annual financial statements of the Fund for the 30 June 2023.

Sample size and selection criteria

Unless otherwise stated in the procedure, the sample should be selected as follows:

Sort the list by member number or other numerical identifier, if no member number is applicable, and divide the total number of items on the list by the number of items to be selected, to obtain the variable rounded off to the nearest whole number (the "nth item"). Select a sample starting from the first to the nearest nth item on the list, then select every nth item until the required sample size is reached.

	Procedures	Findings
	Statement of Net Assets and Funds	
1.	Investments	
1.1	Obtain a list of all investments as at 30 June 2023 from the Fund administrator and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the audited annual financial statements as at 30 June 2023 and note any differences.	We obtained a list of investments as at 30 June 2023 from the Fund administrator and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 30 June 2023.
1.1.1	<p>a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 30 June 2023. Where the auditor is unable to obtain these external confirmations, note this fact.</p> <p>b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the Fund to translate the investment value to South African rands (ZAR) from the Fund administrator and recalculate the ZAR value using the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p> <p>c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p>	<p>a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 30 June 2023.</p> <p>b) For external confirmations that are in a foreign currency, we obtained the exchange rate applied by the Fund administrator to translate the investment value to South African rands (ZAR) from Fund administrator and recalculated the ZAR values of the investments per the external confirmations obtained and agreed the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1.</p> <p>a) For external confirmations that are in ZAR, we agreed the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1.</p>
1.1.2	<p>From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the Fund administrator, note new investments made during the year ended 30 June 2023. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in procedure 1.1, and perform the following procedure for each one selected:</p> <p>Obtain the investment mandate between the Fund and the investment administrator(s) from the Fund administrator and inspect if it was signed. Note any exceptions.</p>	<p>We inspected the list obtained in procedure 1.1 and noted new investments made during the year ended 30 June 2023.</p> <p>We selected all new investments from the list of investments obtained in procedure 1.1, and performed the following procedure for each one selected:</p> <p>We obtained the investment mandate between the Fund and the investment administrator(s) from the Fund administrator and inspected whether it was signed.</p>
1.2	Inquire from the principal officer the date on which the investment policy statement of the Fund was last	We inquired from the principal officer and noted that the investment policy statement of the Fund was last

	reviewed/approved by the Board of Fund. Note the date.	reviewed/approved by the Board of Fund in 12 September 2023.
1.2.1	Obtain the latest approved policy statement from the principal officer as noted in 1.2 above. Inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.	<p>We obtained the latest approved policy statement from the principal officer as noted in 1.2 above. We inspected the investment policy statement from the principal officer and the different categories of investments within the scope of the investment policy statement are as follows:</p> <ul style="list-style-type: none"> - Cash and deposits - Commodities - Debt Instruments including Islamic debt instruments - Equities (including demutualisation shares) - Insurance policies - Collective investment schemes - Private equity funds
1.2.2	Inspect the investment note 3 of the audited annual financial statements for the year ended 30 June 2023 and document the categories of investments that the Fund has invested in.	<p>We inspected the investment note 3 of the audited annual financial statements for the year ended 30 June 2023 and the categories of investments that the Fund has invested in are as follows:</p> <ul style="list-style-type: none"> - Cash and deposits - Commodities - Debt Instruments including Islamic debt instruments - Equities (including demutualisation shares) - Insurance policies - Collective investment schemes - Private equity funds
1.2.3	Compare the categories documented in procedure 1.2.1 with the categories documented in procedure 1.2.2 and note the instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.2.1 with the categories documented in procedure 1.2.2 and noted no instances where the investment categories per the audited annual financial statements do not agree with the investment policy statement.
1.2.4	Calculate the total value of direct investments held by the Fund in the participating employer as reflected in the investment note 3 of the audited annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the audited annual financial statements and note the calculated percentage.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 3 of the audited annual financial statement

1.2.5	<p>Where the calculated percentage in procedure 1.2.4 exceeds 5%, obtain from the Fund administrator the exemption letter received by the Fund from the Authority for these investments.</p> <p>Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.</p>	<p>Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 3 of the audited annual financial statement</p>
1.3	<p>Section 19(5B) Investments</p> <p>Inquire from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2023 and note the following:</p> <ul style="list-style-type: none"> i. Any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and ii. Any loans have been granted to and investments were made in the shares of the following: <ul style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company. <p>Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.</p>	<p>We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2023. Based on our inquiries performed, we noted the following:</p> <ul style="list-style-type: none"> i. There were no loans or guarantees granted to a member of the Fund other than for the purposes of Section 19(5); and ii. There were no loans granted to and investments] made in the shares of the following: <ul style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.
1.4	<p>Section 19(5D) Investments</p> <p>Inquire from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2023 and document the responses obtained:</p> <ul style="list-style-type: none"> a. The Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at year-end, which resulted in the Fund exercising control over that entity, without 	<p>We inquired from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2023. Based on our inquiries performed, the following responses were obtained:</p> <ul style="list-style-type: none"> a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.

	<p>obtaining the prior approval from the Authority; and</p> <p>b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.</p>	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.1	Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2023 and as at 01 July 2022 from the Fund administrator, and perform procedure 2.3:	We obtained a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2023 and as at 01 July 2022 from the Fund administrator, and performed procedure 2.3:
2.2	Obtain a reconciliation of the total value of the list of member individual accounts as at 30 June 2023 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator. Note the reconciling items.	We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2023 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator. No reconciling items were noted.
2.3	<p>Select a sample of the lesser of 50 or 10% of the number of members from the list of members at the end of the year obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for each member selected and for each of the following three months selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • October 2022; • April 2023 and • June 2023. <p>A systematic sampling method was used to select the 2 months, other than the last month of the year, as agreed with the Fund.</p>	<p>We selected a sample of 50 members from the list of members at the end of the year obtained in procedure 2.1 for the following three months:</p> <ul style="list-style-type: none"> • October 2022; • April 2023 and • June 2023 selected based on the following sample selection criteria agreed with the Fund. <p>A systematic sampling method was used to select the 2 months, other than the last month of the year, as agreed with the Fund.</p> <p>We performed the following procedures for each member and month selected:</p>
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the Fund administrator and perform procedure 2.3.3.	We obtained from the Fund administrator a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.
2.3.2	Obtain the remittance advice supplied by the participating employers to the Fund administrator for the respective months and perform procedure 2.3.3.	We obtained the remittance advice supplied by the participating employers to the Fund administrator for the respective months and performed procedure 2.3.3 below, except for the following:

		<ul style="list-style-type: none"> For Tswaing Local Municipality (15007) we could not obtain the remittance advices as this participating employer contributions were in arrears.
2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	The member and employer contributions obtained in procedure 2.3.1 agreed with the member and employer contributions obtained in procedure 2.3.2.
2.4	Obtain the registered rules of the Fund from the Fund administrator and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance advice obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	<p>We calculated the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance advice obtained in procedure 2.3.2. The calculated member and employer contribution rates agreed to the contribution rates per the rules of the Fund obtained in procedure 2.4, except for the following:</p> <ul style="list-style-type: none"> For Tswaing Local Municipality (15007) we could not obtain the remittance advices as this participating employer contributions were in arrears. Therefore, for the 1 member included in our sample, we could not recalculate the member and employer contributions rates.
2.5	Inquire from the Fund administrator whether the Fund is a unitised or non-unitised fund and note the type of fund.	We inquired from the Fund administrator whether the Fund is a unitised or non-unitised fund and noted that the fund is a unitised fund.
2.5.1	<p>If the fund is a unitised fund, as noted in procedure 2.5:</p> <p>For the sample of members selected in procedure 2.3, perform the following procedures:</p>	For the members selected with unitised investment products, we performed the following procedures:
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the fund administration system. Note any differences.	We recalculated the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. The recalculated units agreed to the units allocated to the member for the specific month, as per the fund administration system
2.5.1.2	Obtain an external confirmation of the unit prices from investment manager throughout the year	We obtained a confirmation of the unit prices from the fund administrator throughout the year ended 30 June 2023.

	ended 30 June 2023. Note any exceptions of confirmations not obtained.	
2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2 and note any differences.	We agreed the unit price per the administration system in 2.5.1.1 to the unit price per the confirmation in 2.5.1.2.
2.5.1.4	Recalculate the member's fund credit as at 30 June 2023 by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's fund credit per the listing obtained in procedure 2.1, and note any differences.	We recalculated the member's fund credit as at 30 June 2023 by multiplying the number of units with the unit price, using both inputs as per the administration system. The recalculated amount agreed to the member's fund credit per the listing obtained in procedure 2.1.
2.5.1.5	Agree the 30 June 2023 unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the investment manager in procedure 2.5.1.2 and note any differences.	The 30 June 2023 unit price as per the administration system used in procedure 2.5.1.1 agreed to the unit price obtained from the fund administrator in procedure 2.5.1.2.
2.5.2	If the fund is a non-unitised fund, as noted in procedure 2.5, for the sample of members selected in procedure 2.3, perform the following procedures:	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.1	Obtain the [resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator] that indicates the rate of investment returns to be allocated to members from the [Fund administrator/Principal Officer/[insert the name and designation of the Fund representative]].	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.2	Inquire from the [Fund administrator/[insert the name and designation of the Fund representative]] about how the investment returns as per [the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator] obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.3	Recalculate the member's closing fund credit as at 30 June 2023 by: <ul style="list-style-type: none"> ● Taking the member's opening fund credit from the opening listing obtained in procedure 2.1. ● Adding the contributions allocated as per the administration system; and ● Adding/subtracting the returns allocated to the member as calculated using the basis provided by [Fund administrator/[insert the name and 	Not applicable. The Fund does not offer non-unitised investment products.

	<p>designation of the Fund representative]] obtained in procedure 2.5.2.2.</p> <p>Agree the recalculated amount to the member's fund credit per the closing listing obtained in procedure 2.1 and note any differences.</p>	
2.6	<p>Switches</p> <p>Obtain a list from the Fund administrator of the members who switched investment portfolios during the year-end (including Lifestage switches). Select a sample of the lesser of 50 or 10% of the members who switched between investment portfolios during the year (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>We obtained a list from the Fund administrator of the members who switched investment portfolios during the year-end (including Lifestage switches), selected a sample of 50 members and performed the following procedures:</p>
2.6.1	<p>Obtain the service level agreement from the Fund administrator and note the following terms:</p> <ul style="list-style-type: none"> • Days indicated to process a member-elected switch. • Timing to effect a Lifestage switch. • Fees deductible from the member individual accounts to process a switch. 	<p>We obtained the service level agreement from the Fund administrator. We noted the following terms:</p> <ul style="list-style-type: none"> • 5 days to process a member-elected switch. • No switch fees is deductible from the member individual accounts to process a switch was noted. • On the first working day of the new month following the member's birthday for lifestage switches.
2.6.2	<p>Member-elected switches</p> <p>For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the Fund administrator, and perform the following procedures:</p>	<p>Member-elected switches</p> <p>For member-elected switches included in the sample selected in procedure 2.6, we obtained the member's instruction to switch investment portfolios from the Fund administrator, and performed the following procedures:</p>
2.6.2.1	<p>Inspect the member's instruction for details of the required switch and note the following details per the instruction:</p> <ul style="list-style-type: none"> • Date of receipt of the member's instruction by the Fund administrator; • Effective date of the switch; and • Investment portfolio to be switched into. 	<p>We inspected the member's instruction for details of the required switch and noted the following details per the instruction:</p> <ul style="list-style-type: none"> • Date of receipt of the member's instruction by the Fund administrator. • Effective date of the switch; and • Investment portfolio to be switched into.
2.6.2.2	<p>Inspect the member's fund credit transactions from the administration system obtained from the Fund administrator and note the following details about the switch:</p> <ul style="list-style-type: none"> • Date when the switch was processed by the Fund administrator. • Effective date of the switch; and 	<p>We inspected the member's fund credit transactions on the administration system obtained from the Fund administrator, and noted the following details about the switch:</p> <ul style="list-style-type: none"> • Date when the switch was processed by the Fund administrator. • Effective date of the switch; and

	<ul style="list-style-type: none"> Investment portfolios switched into. 	<ul style="list-style-type: none"> Investment portfolios switched into.
2.6.2.3	<p>Agree the effective date of the switch and the investment portfolios switched into, as noted in procedure 2.6.2.1, to the effective date of the switch and the investment portfolios switched into and noted in procedure 2.6.2.2 and note any exceptions with regard to the date of switch and/or the portfolios switched.</p>	<p>The effective date of the switch noted in procedure 2.6.2.1 agreed to the effective date of the switch noted in procedure 2.6.2.2.</p> <p>The investment portfolios switched into and noted in procedure 2.6.2.1 agreed to the investment portfolios switched into and noted in procedure 2.6.2.2.</p>
2.6.2.4	<p>Calculate the number of days taken to process the switch, using the following:</p> <ul style="list-style-type: none"> Date of receipt of the member’s instruction by the Fund administrator noted in procedure 2.6.2.1. Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2. 	<p>We calculated the number of days taken to process the switch, using the following:</p> <ul style="list-style-type: none"> Date of receipt of the member’s instruction by the Fund administrator noted in procedure 2.6.2.1. Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2.
2.6.2.5	<p>Agree the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per service level agreement in 2.6.1.</p> <p>Note any difference in timing where the number of days taken to process the switch is greater than the terms per service level agreement.</p>	<p>We agreed the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per service level agreement in 2.6.1.</p>
2.6.3	<p>Lifestage switches</p> <p>Obtain the Fund’s Lifestage investment strategy from the Fund administrator.</p>	<p>Lifestage switches</p> <p>We obtained the Fund’s Lifestage investment strategy from the Fund administrator.</p>
2.6.3.1	<p>For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:</p>	<p>For Lifestage switches included in the sample, we performed the following procedures:</p>
2.6.3.2	<p>Inspect the member’s fund credit transactions on the administration system obtained from the Fund administrator and note the following details about the Lifestage switch:</p> <ul style="list-style-type: none"> Date when the Lifestage switch was processed by the Fund administrator; and Investment portfolios switched into. 	<p>We inspected the member’s fund credit transactions on the administration system obtained from the Fund administrator and noted the following details about the Lifestage switch:</p> <ul style="list-style-type: none"> Date when the Lifestage switch was processed by the Fund administrator and Investment portfolios switched into
2.6.3.3	<p>Agree the investment portfolios switched into and noted in procedure 2.6.3.2 to the Fund’s Lifestage investment strategy obtained in procedure 2.6.3.</p>	<p>The investment portfolios switched into and noted in procedure 2.6.3.2 agreed to the Fund’s Lifestage investment strategy obtained in procedure 2.6.3.</p>
2.6.3.4	<p>Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per service level agreement in 2.6.1.</p> <p>Note any difference in timing.</p>	<p>The timing of the Lifestage switch per 2.6.3.2 agreed with the terms per the investment policy statement in 2.6.1.</p>

2.6.4	For all switches selected in procedure 2.6, inspect the member's record on the administration system for fees deducted for switches, and agree the fees deducted to the fee due in terms of the service level agreement obtained in procedure 2.6.1. Note any differences.	Not applicable. For all the switches selected in procedure 2.6, we inspected the member's record on the administration system, and did not note any fees relating to switches that were deducted.												
2.7	Obtain the Asset Liability Match ("ALM") reconciliation per investment portfolio category as at 30 June 2023, from the Fund administrator and perform the following procedures:	We obtained the ALM reconciliation per investment portfolio as at 30 June 2023 from the Fund administrator and performed the following procedures:												
2.7.1	Obtain a reconciliation of the total investment balance per investment portfolio, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. Note any reconciling items.	<p>We obtained a reconciliation of the total investment balance per investment portfolio, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator.</p> <p>The following reconciling items were noted:</p> <table border="1" data-bbox="847 909 1461 1518"> <thead> <tr> <th></th> <th style="text-align: right;">R</th> </tr> </thead> <tbody> <tr> <td>Total investments as per the ALM reconciliation</td> <td style="text-align: right;">27 766 413 755</td> </tr> <tr> <td>Total investments as per the list of investments</td> <td style="text-align: right;">27 802 127 399</td> </tr> <tr> <td>Difference</td> <td style="text-align: right;">35 713 644</td> </tr> <tr> <td>Reconciling items: IPA recon difference (timing differences)</td> <td style="text-align: right;">30 799 819</td> </tr> <tr> <td>Final difference</td> <td style="text-align: right;">4 913 825</td> </tr> </tbody> </table>		R	Total investments as per the ALM reconciliation	27 766 413 755	Total investments as per the list of investments	27 802 127 399	Difference	35 713 644	Reconciling items: IPA recon difference (timing differences)	30 799 819	Final difference	4 913 825
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Difference	35 713 644													
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Final difference	4 913 825													
2.7.2	Obtain a reconciliation of the total member individual accounts value per investment portfolio, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1. from the Fund administrator. Note any reconciling items.	We obtained a reconciliation of the total member individual accounts value per investment portfolio, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1 from the Fund administrator. No differences were noted:												
2.7.3	Inspect the total difference between assets and liabilities reflected on the ALM and note whether the	We inspected the total difference between assets and liabilities reflected on the ALM and noted that the												

	variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.	variance is not larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Obtain a list of defined benefit members as at 30 June 2023 from the Fund administrator and perform the following procedures:	No applicable as the Fund is a defined contribution fund.
3.2	Select a sample of the lesser of 50 or 10% of the number of defined benefit members at 30 June 2023 from the list of members provided by the Fund administrator (selected based on the selection criteria provided above). Perform the following procedures for each member, for each of the following three months: <ul style="list-style-type: none"> • September 2021. • March 2022; and • June 2022. A systematic sampling method was used to select the 2 months, other than the last month of the year, as agreed with the Fund.	No applicable as the Fund is a defined contribution fund.
3.2.1	Obtain a list of the member contributions received and allocated for the respective months on the administration system from the Fund administrator.	No applicable as the Fund is a defined contribution fund.
3.2.2	Obtain the remittance advice supplied by the participating employers to the Fund administrator for the respective months.	No applicable as the Fund is a defined contribution fund.
3.2.3	Agree the member contributions received and allocated as obtained in 3.2.1 with 3.2.2, and note any differences.	No applicable as the Fund is a defined contribution fund.
3.2.4	Calculate the member contribution rates for each member selected by dividing the contribution by the salary per the remittance advice obtained in procedure 3.2.2. Agree the calculated member contribution rate(s) to the rate(s) noted in rule obtained in procedure 2.4, and note any differences.	No applicable as the Fund is a defined contribution fund.
3.3	Inquire from the Fund administrator when the actuarial valuation of the Fund was last performed and approved by the Board of Fund. Note the date of the last valuation and when it was approved by the Board of Fund.	No applicable as the Fund is a defined contribution fund.

3.4	Obtain the actuarial valuation report of the Fund from the Fund administrator and inspect the actuarial valuation report for the employer contribution rate recommended by the valuator. Note the employer contribution rate recommended by the actuary in the report.	No applicable as the Fund is a defined contribution fund.
3.5	Calculate the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the remittance advice obtained in procedure 3.2.2. Agree the calculated employer contribution rates to the rate per actuarial valuation report obtained in procedure 3.4. Note any differences.	No applicable as the Fund is a defined contribution fund.
4	Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)	
4.1	Inspect the latest actuarial valuation report obtained in procedure 3.4 for (a) Section(s) 15B [and 15C] surplus apportionment. If applicable, note the surplus apportionment amount/value.	Not applicable. We noted no Section(s) 15B [and 15C] surplus apportionment.
4.1.1	If a surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the minutes of meetings of the Board of Fund from Fund administrator and inspect for the approval of the Section 15B [and 15C] surplus.	Not applicable. We noted no Section(s) 15B [and 15C] surplus apportionment.
4.1.2	If a Section 15B surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the approval of the Authority for the Section 15B surplus from the Fund administrator.	Not applicable. No Section 15B surplus apportionment was recommended by the actuary per the actuarial valuation report in procedure 4.1.
4.2	Surplus apportionment allocation Obtain a list of the approved surplus allocations to active and/or former members and/or pensioners in the current year noted in procedure 4.1, from the Fund administrator, and perform the following procedures:	Not applicable. No surplus allocations to active and/or former members and/or pensioners in the current year were noted in procedure 4.1.
4.2.1	Active members: Select a sample of the lesser of 50 or 10% of the number of active members to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.

	provided above) and perform the following procedures:	
4.2.1.1	Inspect the listing for the date of allocations to active members in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.1.2	Agree the surplus amount allocated as per the listing (including investment return) in the current year per member to the allocation on the member records per the administration system and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.2	Former members and pensioners allocations: Select a sample of the lesser of 50 or 10% of the number of former members and/or pensioners to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.2.1	Inspect the listing for the date of allocations to former members and pensioners in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations made to former members/pensioners in the current year were noted in procedure 4.2.
4.2.2.2	Agree the surplus amount allocated (including the investment return) in the current year per former member and/or pensioner to the allocation on the member records per the administration system and note any differences.	Not applicable. No surplus allocations made to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.3	In respect of Section 15B surplus apportionments noted in procedure 4.1, inquire from the Fund administrator and/or inspect [include details of the document inspected] whether the Fund has maintained the Section 15B surplus apportionment for former members who could not be traced in a contingency reserve account and note the response.	Not applicable. We noted no Section 15B surplus apportionments in procedure 4.1.
4.3	Surplus apportionment payments: Obtain a list of all surplus apportionment payments made to members during the year from the Fund administrator and select a sample of the lesser of 50 or 10% of the number of payments (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus apportionment payments were made to members during the year.

4.3.1	Agree the amount paid to the member as per the list of surplus apportionment payments obtained in procedure 4.3 to the member's record on the administration system and note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.
4.3.2	Obtain the [insert the name of the document(s) that indicates authorisation of the payment] from the Fund administrator and agree the amount authorised to the amount paid as per the list of surplus apportionment payments obtained in procedure 4.3. Note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account (including debit and credit transactions) for the period as disclosed in the member and employer surplus note [insert the note number] to the audited annual financial statements from the Fund administrator, and perform the following procedures:	Not applicable. No member and/or employer surplus accounts were noted
5.1.1	Inspect the registered rules of the Fund as obtained in procedure 2.4 and note the debit and credit transactions allowed in the member and employer surplus accounts listed in rule [insert the rule number of the registered rules].	Not applicable. No member and/or employer surplus accounts were noted
5.1.2	Compare the description of all of the debit and credit transactions allocated to the member and/or employer surplus accounts per the analysis obtained in procedure 5.1 to the categories of transactions that are permitted to be allocated to surplus accounts as noted in procedure 5.1.1. Note any exceptions.	Not applicable. No member and/or employer surplus accounts were noted
6	Reserves	
6.1	Obtain a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 19 to the audited annual financial statements from the Fund administrator, and perform the following procedures:	We obtained a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 19 to the audited annual financial statements from the Fund administrator, and performed the following procedures:
6.1.1	Inspect the registered rules of the Fund obtained in procedure 2.4 and note the reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserves and other related accounts (e.g. pensioner accounts) listed in rule 4.4.5 and 4.4.6.	We inspected the registered rules of the Fund obtained in procedure 2.4 and noted reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserve and other related accounts (e.g. pensioner accounts) listed in rule 4.4.5 and 4.4.6.

6.1.2	Compare the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserves and other related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	We compared the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserve and other related accounts permitted as noted in procedure 6.1.1 and found no exceptions.						
6.1.3	Compare the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in procedure 6.1 above, to the categories of transactions that are permitted to be allocated to the reserves and other related accounts as noted in procedure 6.1.1. Note any exceptions.	We compared the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in 6.1 above, to the categories of transactions that are permitted to be allocated to reserves and other related accounts as noted in procedure 6.1.1 and found no exceptions.						
7	Other assets, liabilities and guarantees							
7.1	Housing loans Obtain a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at 30 June 2023 from the Fund administrator, and perform the following procedure:	We obtained a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at 30 June 2023 from the Fund administrator and performed the following procedure:						
7.1.1	Agree the total value of housing loans on the above list to the corresponding amount disclosed in the housing loans note 4 to the audited annual financial statements. Note any differences.	The total value of housing loans on the above list did not agree to the corresponding amount disclosed in the housing loans note 4 to the audited annual financial statements. The following difference was noted: <table border="1" data-bbox="842 1346 1458 1570"> <thead> <tr> <th>Outstanding balance of housing loans granted per listing</th> <th>Outstanding balance of housing loans per AFS note</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>465 927</td> <td>442 378</td> <td>23 549</td> </tr> </tbody> </table>	Outstanding balance of housing loans granted per listing	Outstanding balance of housing loans per AFS note	Difference	465 927	442 378	23 549
Outstanding balance of housing loans granted per listing	Outstanding balance of housing loans per AFS note	Difference						
465 927	442 378	23 549						
7.2	From the list in 7.1, select a sample of the lesser of 50 or 10% of the number of members' housing loans (sample to include a combination of new and previously issued loans and selected based on the selection criteria provided above), and perform the following procedures:	From the list in 7.1, we selected a sample of 1 members' housing loans (which includes previously issued loans), and performed the following procedures:						
7.2.1	For new housing loans issued, perform the following procedures:	Not applicable. No new housing loans were granted.						

7.2.1.1	Obtain the home loan agreement from the Fund administrator and inspect the agreement for the loan amount and date of granting of the loan.	Not applicable. No new housing loans were granted.
7.2.1.2	Agree the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1. Note any differences.	Not applicable. No new housing loans were granted.
7.2.1.3	Inspect the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules] and/or the home loan agreement and note the percentage.	Not applicable. No new housing loans were granted.
7.2.1.4	Obtain the member individual account balance at the date of granting the loan from the Fund administrator. Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.2.1.3. Note any differences.	Not applicable. No new housing loans were granted.
7.2.2	For all loans selected in 7.2, inspect the member's home loan movement report from the administration system obtained from the Fund administrator for the interest rate(s) used and agree the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.	For all loans selected in 7.2, we inspected the member's home loan movement report from the administration system obtained from the Fund administrator for the interest rate(s) used and agreed the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website.
7.2.3	Obtain the National Credit Act (NCA) registration certificate from the Fund administrator and/or inspect the NCA website for the Fund's name and registration number as evidence that the Fund is registered as a credit provider under the National Credit Act, 2005 ("the NCA").	The Fund was registered as a credit provider under the National Credit Act (NCA). The NCA registration certificate was obtained from the Fund administrator and the NCA website was inspected for the Fund's name and registration number as evidence of the registration of the Fund as a credit provider under the NCA.
7.3	Housing loan guarantees Obtain the loan agreement between the Fund and the financial institution from the Fund administrator. Inspect the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of the Rules and note the percentage.	We obtained the loan agreement between the Fund and the financial institution from the Fund administrator. We inspected the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of the Rules and noted 60%.
7.3.1	Defined contribution funds	We obtained the list of housing loan guarantee balances granted to members from the loan provider as at 30 June 2023 from the Fund administrator, selected a sample of

	Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the number of housing loan guarantees (selected based on the selection criteria provided above), and perform the following procedures:	50 of the housing loan guarantees, and performed the following procedures:
7.3.2	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	We inspected the member's record on the administration system and noted that the member's record was flagged as having a housing loan guarantee.
7.3.3	Divide the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.3. Note any differences.	We divided the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1. No instances were noted where the percentage calculated exceeded the maximum allowable percentage noted in 7.3.
7.4	Defined benefit funds Obtain a list of housing loan guarantees granted to defined benefit fund members from the loan provider as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the number of new housing loan guarantees issued in the current year (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable as this is a defined contribution Fund.
7.4.1	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable as this is a defined contribution Fund.
7.4.2	Obtain the withdrawal benefit calculated by the Fund administrator as at the date of issuing of the guarantee, and perform the following procedure:	Not applicable as this is a defined contribution Fund.
7.4.3	Recalculate the percentage by dividing the loan amount granted, as noted on the listing in procedure 7.4, with the amount noted on the withdrawal benefit noted in procedure 7.4.2 and note where the percentage calculated exceeds the maximum allowable percentage noted in procedure 7.3. Note any exceptions.	Not applicable as this is a defined contribution Fund.
	Statement of Changes in Net Assets and Funds	
8	Contributions	
8.1	Obtain a list of the number of pay points, from the Fund administrator, that reconciles to the	We obtained a list of the number of pay points from the Fund administrator that reconciled to the contributions

	contributions note 12 of the audited annual financial statements and select a sample of the lesser of 50 or 10% of the number of pay points (selected based on the selection criteria provided above), and for each pay point perform the following procedures for each of the three months selected under procedure 2.3 and/or 3.2:	note 12 of the audited annual financial statements and selected a sample of 22 of the number of pay points, and performed the following procedures for the three months selected under procedure 2.3
8.2	Agree the total amount of the list above to the general ledger account number 2100, 2101 and 2102. Note any differences.	The total amount of the list above agreed to the general ledger account number 2100, 2101 and 2102. No differences were noted.
8.3	For the pay points selected in procedure 8.1 above, obtain the bank statements from the Fund administrator and inspect the bank statements for a description/identification of the bank where the contributions were deposited, and perform the following procedures:	For the pay points selected in procedure 8.1 above, we obtained the bank statements from the Fund administrator and inspected the bank statements for a description/identification of the bank where the contributions were deposited, and performed the following procedures:
8.3.1	Agree the total contribution amount per the documentation received in procedure 2.3.2 to the total amount reflected on the bank statement obtained in procedure 8.3, and note any differences.	We agreed the total contribution amount per the documentation received in procedure 2.3.2 to the total amount reflected on the bank statement obtained in procedure 8.3. Refer to Annexure A for exceptions noted.
8.3.2	Inspect the date of receipt of the contributions as per the bank statements obtained in procedure 8.3 and note the dates and number of contributions received after seven days of the following month. Note any exceptions.	We inspected the date of receipt of the contributions as per the bank statements obtained in procedure 8.3. Refer to Annexure B for instances where contributions were received after seven days.
8.3.3	For the exceptions noted in 8.3.2 above (receipts after seven days), inquire from the Fund administrator whether Late Payment interest has been raised in terms of Regulation 33 of the Act.	For the exceptions noted in 8.3.2 above, we inquired from the Fund administrator and noted that Late Payment interest was raised in terms of Regulation 33 of the Act.
9.	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2023 from the Fund administrator, and perform the following procedure:	We obtained a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2023 from the Fund administrator, and performed the following procedure:
9.1.1	Agree the list of lump sum benefits per exit type to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. Note any differences.	The list of lump sum benefits per exit type agreed to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator.
9.2	Select a sample of the lesser of 50 or 10% of the total number of lump sum benefits (as per the selection criteria noted above) pro-rated on the number of	The following number of samples was selected per exit type, pro-rated on the number of exits:

	<p>exits per exit type from the list. Obtain the member statements from the administration system and perform the following procedures on the sample selected:</p>	<table border="1" data-bbox="847 248 1430 517"> <thead> <tr> <th>Description of Benefit (Per Exit Type)</th> <th># of Samples selected</th> </tr> </thead> <tbody> <tr> <td>Withdrawals</td> <td>21</td> </tr> <tr> <td>Death</td> <td>9</td> </tr> <tr> <td>Disability</td> <td>1</td> </tr> <tr> <td>Divorce</td> <td>17</td> </tr> <tr> <td>Retirement</td> <td>2</td> </tr> <tr> <td>Total</td> <td>50</td> </tr> </tbody> </table> <p>We obtained the member statements from the administration system and performed the following procedures on the sample selected:</p>	Description of Benefit (Per Exit Type)	# of Samples selected	Withdrawals	21	Death	9	Disability	1	Divorce	17	Retirement	2	Total	50
Description of Benefit (Per Exit Type)	# of Samples selected															
Withdrawals	21															
Death	9															
Disability	1															
Divorce	17															
Retirement	2															
Total	50															
<p>9.2.1</p>	<p>For each selected benefit, compare the following fields:</p> <ul style="list-style-type: none"> ● gross benefit amount; ● tax amount; ● net benefit amount; ● exit date; and ● type of benefit <p>to the administration system and the signed member exit form, benefit calculation form and SARS Tax Directives determined by the procedures of the Fund. Note any differences.</p> <p>Exit date:</p> <p>i. Agree the exit date per the member’s withdrawal form obtained from the Fund administrator to the exit date reflected on the administration system. Note any differences.</p> <p>Tax amount:</p> <p>i. Agree the tax amount related to the benefit per the Tax directive obtained from the Fund administrator</p> <p>ii. to the tax amount deducted as reflected on the administration system. Note any differences.</p>	<p>We compared each benefit selected to the administration system and the signed member exit form, benefit calculation form and SARS Tax Directives in accordance with the procedures of the Fund for the following fields:</p> <ul style="list-style-type: none"> ● the gross benefit amount; ● tax amount; ● net benefit amount; ● exit date; and ● type of benefit. <p>We noted no differences</p> <p>Exit date:</p> <p>i. The exit date as reflected on the member’s withdrawal form obtained from the Fund administrator agreed to the exit date reflected on the administration system.</p> <p>Tax amount:</p> <p>i. The tax amount related to the benefit per the tax directive obtained from the Fund administrator and agreed to the tax amount deducted as reflected on the administration system.</p>														
<p>9.2.2</p>	<ul style="list-style-type: none"> ● For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds): <ul style="list-style-type: none"> ○ Note the portion of the benefit that had been reinsured as reflected on the administration system. ○ Obtain a copy of the confirmation letter from the insurer which reflects the 	<p>For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds):</p> <ul style="list-style-type: none"> ● We obtained a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the Fund administrator. ● We recalculated the reinsurance proceed amount by multiplying the member’s latest salary with the factor 														

	<p>amount of the benefit from the Fund administrator.</p> <ul style="list-style-type: none"> ○ Recalculate the reinsurance proceed amount by multiplying the member's latest salary with the factor both that can be obtained from the member's record on the administration system and compare the recalculated amount with the amount on the confirmation letter, and note any differences. ○ Obtain a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the period/year, from the Fund administrator and agree the amount per the confirmation letter obtained above to the listing, and note any exceptions. 	<p>obtained from the member's record on the administration system and compared the recalculated amount with the amount on the confirmation letter. No differences were noted.</p> <ul style="list-style-type: none"> ● We obtained a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the period/year, from the Fund administrator and agreed the amount per the confirmation letter obtained above to the listing.
<p>9.2.3</p>	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Obtain the gross benefit as calculated by the Fund Actuary [insert the name of the actuary] from the Fund administrator.</p> <p>Agree the gross benefit amount from 9.2.1 to the gross benefit from the calculation obtained.</p> <p>Note any differences.</p> <p>For a defined contribution fund:</p> <p>For members who were active during the period/year ended, perform the following procedures:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that monthly contributions were added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements, and note any differences. 	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <ul style="list-style-type: none"> ● Not applicable as the Fund is a defined contribution fund. <p>For a defined contribution fund:</p> <p>For members who were active, we performed the following procedures:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. We inspected the member records on the administration system and noted that monthly contributions up to the date of exit as per 9.2.1 were added to the member record. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator. The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. No differences were note in iii.

	<p>iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable).</p> <p>For members who were paid up and/or deferred:</p> <p>i. Obtain the opening fund credit amount as at the beginning of the period/year from the member record on the administration system.</p> <p>ii. Inspect the member record on the administration system to confirm that interest was added, for the period up to the date of exit as per 9.2.1. Note any exceptions.</p> <p>iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements, and note any differences.</p> <p>iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable).</p>	<p>No members who were paid up and/or deferred were noted in the sample selected.</p>
9.2.4	<p>In cases where a fund has a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution) and the member was due a surplus amount as per the surplus account listing noted in 4.2, inspect the member's fund credit transactions on the administration system obtained from the Fund administrator to note that the member record was updated with the surplus amount.</p>	<p>Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).</p>
9.3	<p>Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the total number of benefits from the list (selected based on the selection criteria provided above), and perform the following procedure:</p>	<p>We obtained a list of the current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator, selected a sample 50 of the total number of benefits from the list, and performed the following procedure:</p>
9.3.1	<p>For the sample selected above, (excluding death benefits), calculate the number of months that</p>	<p>For the sample selected, we calculated the number of months that the benefit has been unpaid, using the date of exit as the starting month and noted the following:</p>

	<p>benefit has been unpaid, using the date of exit as the starting month.</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions, if incorrectly classified.</p>	<p>No exceptions were noted where the benefits were not classified in the correct category.</p>
9.3.2	<p>For the sample selected above relating to death benefits, calculate the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator.</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions if incorrectly classified.</p>	<p>For the sample selected relating to death benefits, we calculated the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator and noted the following:</p> <p>No exceptions were noted where the benefits were not classified in the correct category.</p>
9.4	<p>Unclaimed benefit payments</p> <p>Obtain the reconciliation of unclaimed benefits from beginning of the period 01 July 2022 to the end of the period 30 June 2023 from the Fund administrator, and perform the following procedure:</p>	<p>Unclaimed benefit payments</p> <p>We obtained the reconciliation of unclaimed benefits from the beginning of the period 01 July 2022 to the end of the period 30 June 2023 from the Fund administrator, and performed the following procedure:</p>
9.4.1	<p>Agree the closing balance per the reconciliation in procedure 9.4 to the closing balance of unclaimed benefits payable list obtained in procedure 9.3. Note any differences.</p>	<p>The closing balance per the reconciliation in procedure 9.4 agreed to the closing balance of unclaimed benefits payable list obtained in procedure 9.3.</p>
9.4.2	<p>Select a sample of the lesser of 50 payments or 10% of the total number of unclaimed benefits paid from the reconciliation obtained in 9.4.1 (selected based on the selection criteria provided above), and perform the following procedure:</p>	<p>We selected a sample of 10 of the total number of unclaimed benefits paid the reconciliation obtained in 9.4.1, and performed the following procedure:</p>
9.4.2.1	<p>For each selected unclaimed benefit paid, compare the following fields as reflected on the administrator's listing:</p> <ul style="list-style-type: none"> ● Gross benefit amount; ● Tax amount; and 	<p>We compared each unclaimed benefit paid, selected from the administration system, to the authorised supporting documentation for the following fields:</p> <ul style="list-style-type: none"> ● The gross benefit amount; ● tax amount; and

	<ul style="list-style-type: none"> Late payment interest (if applicable) <p>to the administration system and the [insert the authorised supporting documentation, such as the signed member exit form and SARS Tax Directives].</p>	<ul style="list-style-type: none"> Late payment interest (if applicable).
10	Transfers	
10.1	Obtain separate lists of Section 14 transfers to and from the Fund throughout the year from the Fund administrator and agree the totals of the lists to the amounts reflected in the “Transfers into the Fund” and “Transfers from the Fund” notes 6 & 8 to the audited annual financial statements. Note any differences.	We obtained separate lists of Section 14 transfers to and from the Fund from the Fund administrator and noted that the totals of the lists agreed to the amounts reflected in the “Transfers into the Fund” and “Transfers from the Fund” notes 6 & 8 to the audited annual financial statements.
10.2	From the list of Section 14 transfers to and from the Fund throughout the year, select a sample of the lesser of 50 or 10% of the number of transfers in and the lesser of 50 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:	From the list of Section 14 transfers to and from the Fund throughout the year, we selected a sample of 2 of the number of transfers in and 2 of the number of transfers out, and performed the following procedures:
10.2.1	<p>Obtain the following Section 14 documentation from the Fund administrator:</p> <p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> Name of transferor/transferee fund; Effective date; Approval date; Number of members; Transfer amount; and Growth and investment return. <p>Note any exceptions.</p>	<p>We obtained the Section 14 documentation from the Fund administrator.</p> <p>The details per the documentation agreed to the following information per the listings:</p> <ul style="list-style-type: none"> Name of transferor/transferee fund; Effective date; Approval date; Number of members; Transfer amount; and Growth and investment return.
10.2.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in</p>	<p>We obtained the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>We recalculated the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of the receipt/payment as per the</p>

	<p>10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions, where the Section 14 transfers to and from the Fund were:</p> <ul style="list-style-type: none"> • Not received/paid within 60 days of Authority approval for Section 14(1) transfers; • Not received/paid within 180 days from the effective date for Section 14(8) transfers; and • Not received/paid within the period as noted in the blanket transfer documentation, but not after 60 days from the blanket transfer end date. 	<p>bank statement, and the receipts/payments were made within the required periods.</p>
10.2.3	<p>Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.</p>	<p>We inquired from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. We noted that the growth and investment return was allocated.</p>
10.3	<p>From the list of Section 14 transfers from other funds, as per procedure 10.2, select a sample of the lesser of 50 or 10% of the number of members (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>From the list of Section 14 transfers from other funds, as per procedure 10.2, we selected a sample of 3 of the number of members and performed the following procedures.</p>
10.3.1	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any differences.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>We recalculated the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. The recalculated units agreed to the units per the administration system.</p> <p>In respect of non-unitised funds</p> <p>Not applicable. The Fund does not offer non-unitised investment products.</p>
10.4	<p>Individual transfers in</p> <p>Obtain the list of individual transfers in throughout the year ended 30 June 2023 from the Fund administrator, select a sample of the lesser of 50 or 10% of the number of individual transfers (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>We obtained the list of individual transfers in throughout the year ended 30 June 2023 from the Fund administrator, selected a sample of 2 of the number of individual transfers, and performed the following procedures:</p>

10.4.1	Obtain the recognition of transfer documentation submitted by the transferor fund to the Fund from the Fund administrator. Agree the effective date and amount transferred to the recognition of transfer documentation. Note any exceptions.	We obtained the recognition of transfer documentation submitted by the transferor fund to the Fund from the Fund administrator. The effective date and amount transferred agreed to the recognition of transfer documentation.
10.4.2	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by using the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any exceptions.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>In respect of unitised funds</p> <p>We recalculated the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. The recalculated units agreed to the units per the administration system.</p> <p>In respect of non-unitised funds</p> <p>Not applicable. The Fund does not offer non-unitised investment products.</p>
10.5	<p>Unclaimed benefit transfers</p> <p>Obtain a list of unclaimed benefits Section 14 transfers during the year from the Fund administrator and from the list of unclaimed benefits Section 14 transfers paid/accrued from the Fund throughout the year, select a sample of the lesser of 50 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Unclaimed benefit transfers</p> <p>Not applicable. There were no Section 14 transfers of unclaimed benefits.</p>
10.5.1	<p>Obtain the following Section 14 documentation from the Fund administrator:</p> <p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G, in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> ● Name of transferor/transferee fund; ● Effective date; ● Approval date; ● Number of members; ● Transfer amount; and 	<p>Not applicable. There were no Section 14 transfers of unclaimed benefits.</p>

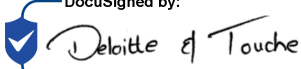
	<ul style="list-style-type: none"> • Growth and investment return. <p>Note any exceptions.</p>	
10.5.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions where the unclaimed benefits Section 14 transfers from the Fund were:</p> <ul style="list-style-type: none"> • Not paid within 60 days of Authority approval for Section 14(1) transfers; and • Not paid within 180 days from the effective date for Section 14(8) transfers. 	Not applicable. There were no Section 14 transfers of unclaimed benefits.
10.5.3	<p>Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.</p>	Not applicable. There were no Section 14 transfers of unclaimed benefits.
11	Pensioners paid	
11.1	<p>Obtain the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note [insert the note number] as reflected in the audited annual financial statements from the Fund administrator for the period/year ended 30 June 2023, and perform the following procedures:</p>	We obtained the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note 9 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2023, and performed the following procedures:
11.1.1	<p>Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account [insert the general ledger account number]. Note any differences and/or unexplained reconciliation items.</p>	The total pension expense per the reconciliation agreed to the pension expenses general ledger account 3011.
11.2	<p>In-fund pensioners</p> <p>Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number and monthly pension amount for the year ended 30 June 2023 from the Fund administrator and agree the total pensions amount paid to the total pension amount paid on the reconciliation obtained in procedure 11.1.</p> <p>From the above list, select a sample of the lesser of 50 or 10% of the number of pensioners (selected</p>	Not applicable. The Fund did not have in-fund pensioner payments.

	based on the selection criteria provided above) and perform the following procedures:	
11.2.1	Obtain the Board of Fund minutes or resolution from the Fund administrator, and note the pension increase percentage and the effective date of the pension increase.	Not applicable. The Fund did not have in-fund pensioner payments.
11.2.2	Inspect the administration system or observe the Fund administrator indicating on the administration system the pension increase granted to the pensioners. Note the percentage increase granted to the pensioners and the effective date of the pension increase.	Not applicable. The Fund did not have in-fund pensioner payments.
11.2.3	Agree the percentage increase and effective date noted in procedure 11.2.1 to the percentage increase and effective date noted in procedure 11.2.2.	Not applicable. The Fund did not have in-fund pensioner payments.
11.2.4	Inquire from the Fund administrator when the most recent (closest to year-end of the Fund) Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] that indicates the alive status of the pensioners was obtained for the Fund and note the date.	Not applicable. The Fund did not have in-fund pensioner payments.
11.2.5	Obtain the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioners' names and/or identification numbers of the sample of pensioners.	Not applicable. The Fund did not have in-fund pensioner payments.
11.3	Annuities purchased in the name of the Fund Obtain an external confirmation from the annuity providers summarising the movements from the opening market value to the closing market value for the year, and perform the following procedures:	Not applicable as the Fund did not have annuities purchased in the name of the Fund.
11.3.1	Agree the closing market value of the annuity per the external confirmation from the annuity providers to the annuities purchased general ledger account [insert the general ledger account number]. Note any differences.	Not applicable as the Fund did not have annuities purchased in the name of the Fund.
11.3.2	Agree the pension expense per the external confirmation from the annuity providers to the pension expense on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	The pension expense per the external confirmation from the annuity providers agreed] to the pensioner reconciliation obtained in procedure 11.1.
11.4	Living annuities in the Fund Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number,	We obtained a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly

	monthly pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator and agree the total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity to the pension amount paid on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator. The total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity agreed to the pensioner amount paid on the pensioner reconciliation obtained in procedure 11.1.
11.4.1	New Living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 50 or 10% of the number of new pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	New living annuities in the Fund We selected a sample from the listing obtained in procedure 11.4 of 1 of the number of new pensioners in receipt of a living annuity; obtained the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator and performed the following procedures:
11.4.1.1	Obtain the [insert the name of the document reflecting the pensioners' chosen drawdown rate at retirement] of the new pensioners in receipt of a living annuity.	Not applicable as there were no new pensioners in receipt of a living annuity during the current year.
11.4.1.2	Agree the drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 to the drawdown rate obtained in procedure 11.4.1.1, Note any differences.	Not applicable as there were no new pensioners in receipt of a living annuity during the current year.
11.4.2	All living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 50 or 10% of the number of pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	All living annuities in the Fund We selected a sample listing obtained in procedure 11.4 of 9 of the number of pensioners in receipt of a living annuity; obtained the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator and performed the following procedures:
11.4.2.1	Compare the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities. Note any exceptions where the drawdown rate, as per the administration system, is higher or lower than the one defined in Section 1 of the Income Tax	We compared the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.

	Act and/or the Authority's Conduct Standard on Living Annuities.	No instances were noted where the drawdown rate as per the administration system was higher or lower than the one defined in Section 1 of the Income Tax Act.								
11.4.2.2	Recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. Agree the recalculated drawdown rate to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2. Note any exceptions.	<p>We recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. The recalculated drawdown rate agreed to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2.</p> <p>The following exception was noted:</p> <table border="1"> <thead> <tr> <th>Member number</th> <th>Drawdown rate (%) per member record / statement</th> <th>Recalculated Drawdown rate</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>53201004</td> <td>6.43%</td> <td>6.65%</td> <td>-0.22%</td> </tr> </tbody> </table>	Member number	Drawdown rate (%) per member record / statement	Recalculated Drawdown rate	Difference	53201004	6.43%	6.65%	-0.22%
Member number	Drawdown rate (%) per member record / statement	Recalculated Drawdown rate	Difference							
53201004	6.43%	6.65%	-0.22%							
11.4.2.3	Obtain the Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioner's name and/or identification number. Note any exceptions.	We obtained the Certificate of Existence noted in procedure 11.2.4 from the Fund administrator. We inspected the Certificate of Existence for the pensioner's name and/or identification number. No instances were noted where the pensioner's name and/or identification number did not appear on the Certificate of Existence.								
12	General									
12.1	Obtain a copy/copies of the fund's fidelity insurance cover/policy from the Fund administrator for the year ended 30 June 2023 and inspect the period of the cover (start date and end date). Note instances where the cover period does not extend to the period/year-end. Note the date on which the cover is in place.	We obtained copies of the fund's fidelity insurance cover from the Fund administrator and inspected the period of the cover 01 July 2022 to 30 June 2023. The period of the cover per the policy extended year-end. The Fund's fidelity insurance cover was in place until 31 July 2024.								
12.2	Inquire from the Fund administrator the date(s) of the latest approved Group Life Assurance (GLA) and/or disability benefit policies of the Fund and note the period of cover(s) and whether the cover(s) extended subsequently to the year-end. Note the end date of the cover(s).	We inquired from the Fund administrator about the date(s) of the latest GLA and disability benefit policies of the Fund, and noted that cover(s) is/are in place until 30 June 2023. We noted that the cover(s) extended subsequently to the year-end to 30 June 2023								
12.3	Inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund] the date of the latest statutory actuarial valuation and when it was	We inquired from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority and noted that the date of the								

	<p>submitted to the Authority. Note the date of the valuation and the date of submission to the Authority.</p> <p>Where the Fund is valuation exempt, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund] when the valuation exemption was approved by the Authority and note the date.</p>	<p>valuation was 30 June 2022 and it was submitted to the Authority on 22 June 2023.</p>
12.3.1	<p>Obtain a copy of the latest statutory valuation from the Fund administrator, as noted in procedure 12.3, and inspect the valuation note for the funding status of the Fund (whether the Fund was under-funded or fully funded).</p>	<p>We obtained the latest statutory valuation from the Fund administrator as noted in procedure 12.3, and inspected the valuation note for the funding status of the Fund. We noted that the funding status was fully funded.</p>
12.3.2	<p>Where the Fund is under-funded per the valuation report, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]], as to whether a scheme, as required in terms of Section 18 of the Act, has been approved by the Authority. Note any exceptions.</p>	<p>Not applicable. Per procedure 12.3.1, the Fund was not under-funded.</p>
12.3.3	<p>Where a scheme as required by Section 18 of the Act has been approved by the Authority, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]] as to whether the recommendations/corrective action of the scheme, as required in terms of Section 18 of the Act, have/has been implemented. Note any exceptions.</p>	<p>Not applicable. Per procedure 12.3.1, the Fund was not under-funded.</p>

DocuSigned by:

 3432E87A93A7439...

Deloitte & Touche
 Registered Auditors

Per: _____
 Partner

Annexure A

For the following employer, contributions were not received during the month of October 2023:

- 15098 - Masilonyana Local Municipality 15098

From the sample tested, the following overs / under payments were noted

Paypoints selected	Month selected	Total	Amount per Bank statement	Date per bank statement	Difference
3936 - Msukaligwa Municipality	30/06/2023	441 460	441 667	30/06/2023	206.90

Annexure B

The following instances were noted where contributions were received after seven days and late payment interest was raised:

Paypoints selected	Month selected	Date per bank statement	No. of days after month end	Received within 7 days?	Late payment interest raised?
15098 - Masilonyana Local Municipality 15098	30/06/2023	13/07/2023	13	No	Yes

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS

As at 30 June 2023

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Non-compliant Insurance policies Note M2	Total	Local	Foreign	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	2 710 002 772	1 091 876 261	379 219 022	4 181 098 055	4 033 705 856	147 392 199	147 392 199	3.53	4 181 098 055
Commodities	B	24 813 556	-	-	24 813 556	24 813 556	-	-	-	24 813 556
Housing loans		442 378	-	-	442 378	442 378	-	-	-	442 378
Debt instruments including Islamic debt Instruments	C	3 116 236 423	1 352 680 503	2 430 456 502	6 899 373 428	6 875 516 925	23 856 503	23 856 503	0.35	6 899 373 428
Investment and owner occupied properties	D	1 133 266 326	206 158 409	54 790 993	1 394 215 728	1 185 183 260	209 032 468	209 032 468	14.99	1 394 215 728
Equities	E	8 619 718 035	5 074 507 565	1 710 430 751	15 404 656 351	9 827 357 476	5 577 298 875	5 577 298 875	36.21	15 404 656 351
Other assets		-	-	1 092 882	1 092 882	1 092 882	-	-	-	1 092 882
Private Equity Funds		142 011 292	-	(349)	142 010 943	142 010 943	-	-	-	142 010 943
Total investments		15 746 490 782	7 725 222 738	4 575 989 801	28 047 703 321	22 090 123 276	5 957 580 045	5 957 580 045	21.24	28 047 703 321

A CASH

Instrument	Fair Value R
Local	
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	2 710 443 964
<i>Total of issuers not exceeding 5%</i>	956 232 359
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - not exceeding 5% of total assets	528 531 900
<i>Total of issuers not exceeding 5%</i>	1 198 277 163
Any positive net balance in a margin account with an exchange - not exceeding 5% of total assets	-
<i>Total of issuers not exceeding 5%</i>	31 088 821
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets - not exceeding 5% of total assets	-
<i>Total of issuers not exceeding 5%</i>	(3 686 279)

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Foreign

Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments

(441 192)

Any balance or deposit held with a foreign bank - not exceeding 5% of total assets

-

Any balance or deposit held with an African bank - exceeding 5% of total assets

-

Total of issuers not exceeding 5%

-

A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets

-

Total of issuers not exceeding 5%

(441 192)

Total

2 710 002 772

B COMMODITIES

Instrument

Holding number

Holding %

Fair value
R

Total of issuers not exceeding 5%

3 587 853

Other

Holding %

Africa Platinum

-

-

62 829

New Gold Platinum

-

0.08

21 162 874

21 225 703

24 813 556

Total

24 813 556

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic					
<i>Total of issuers not exceeding 5%</i>					
					1 341 924 635
Bank debt:					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-					
Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed					
<i>Total of issuers not exceeding 5%</i>					
					365 610 293
Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed					
<i>Total of issuers not exceeding 5%</i>					
					210 984 817
Not listed on an exchange					
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
<i>Total of issuers not exceeding 5%</i>					
					509 543 683
Not listed on an exchange					
Land and Agricultural Development Bank	Local	Secured	Issued		3 339 122
Other	Local	Secured	Issued		2 670 201
Total					6 009 323
Other					
Listed on an exchange:					
<i>Total of issuers not exceeding 5%</i>					
					39 048 194
Not listed on an exchange					
Louis Pasteur Hospital Holdings	Local	Secured	Issued		12 986 503
Netcare Rand Hospital	Local	Secured	Issued		5 280 029
Royal Buffalo Medical Group Private Hospital	Local	Secured	Issued		4 973 872
Sakhiwo Infrastructure Solutions	Local	Secured	Issued		4 574 552
Healing Hills Hospital	Local	Secured	Issued		1 827 845
RFS Home Loans	Local	Secured	Issued		548 679 441
Others	Local	Secured	Issued		64 793 236
Total					643 115 478
Total debt instruments including Islamic debt instruments					3 116 236 423

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

<u>Instrument</u>	<u>Fair value R</u>
Owner occupied properties	
Business Park@Zambezi	17 400 000
Total of issuer/entity more than 5% of total assets	<u>17 400 000</u>
Total	<u><u>17 400 000</u></u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	Holding %	Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:						
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed						
Total of issuers not exceeding 5%						933 136 424
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						
Total of issuers not exceeding 5%						129 060 557
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
Total of issuers exceeding 5%	Local	-	-	Ordinary		53 549 163
						<u>53 549 163</u>
Total						<u>1 115 746 144</u>
Intu Properties Plc	Local	-	-	Ordinary		120 182
Total						<u>120 182</u>
Total						<u>1 115 866 326</u>
Total						<u>1 133 266 326</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity %	Fair value R
Listed equities						
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed						
Naspers Ltd	Local	186 669 003	Ordinary	175 617	0.09	596 922 183
Prosus N.V	Local	4 034 484 561	Ordinary	430 758	0.01	593 558 679
Firststrand Ltd	Local	5 609 488 001	Ordinary	7 109 573	0.13	487 005 751
Standard Bank Group Ltd	Local	1 675 797 449	Ordinary	2 668 039	0.16	473 710 324
British American Tobacco Plc	Foreign	2 456 907 419	Ordinary	635 045	0.03	397 538 170
Glencore Xstrata PLC	Foreign	12 320 446 959	Ordinary	2 566 476	0.02	273 714 665
MTN Group Ltd	Local	1 884 269 758	Ordinary	1 975 269	0.10	272 883 412
Anglo American Plc	Foreign	1 337 577 913	Ordinary	1 351 308	0.10	268 923 736
Nedbank Group Ltd	Local	488 105 724	Ordinary	1 147 554	0.24	262 307 909
Sasol Ltd	Local	638 626 265	Ordinary	1 092 464	0.17	254 828 153
Anheuser-Busch	Local	1 737 197 136	Ordinary	226 780	0.01	241 479 880
Compagnie Financiere Richemont SA Depository Rec	Local	522 000 000	Ordinary	71 345	0.01	228 697 824
Gold Fields Ltd	Local	893 540 813	Ordinary	809 956	0.09	211 916 888
Mondi Plc	Foreign	485 553 780	Ordinary	624 223	0.13	180 088 336
Capitec Bank Ltd	Local	116 009 843	Ordinary	91 502	0.08	143 459 581
Anglogold Ashanti Ltd	Local	419 685 792	Ordinary	333 404	0.08	132 621 443
Bid Corp Ltd	Local	335 404 212	Ordinary	320 167	0.10	132 321 819
ABSA Group Ltd	Local	894 376 907	Ordinary	812 202	0.09	136 376 854
Aspen Pharmacare Holdings Ltd	Local	446 252 332	Ordinary	676 691	0.15	124 254 001
Sanlam Ltd	Local	2 202 916 000	Ordinary	2 121 096	0.10	123 765 952
Woolworths Holdings Ltd	Local	988 695 949	Ordinary	1 720 236	0.17	122 738 839
Remgro Ltd	Local	529 217 007	Ordinary	735 115	0.14	108 098 661
Spar Group Ltd	Local	192 602 355	Ordinary	983 170	0.51	103 232 850
Quilter PLC	Foreign	1 404 105 498	Ordinary	5 165 309	0.37	99 638 811
BHP Billiton Plc	Foreign	5 068 739 787	Ordinary	172 305		96 961 193
Investec Ltd	Local	295 278 453	Ordinary	891 832	0.30	94 552 025
Sibanye Stillwater Ltd	Local	2 830 567 264	Ordinary	2 928 916	0.10	84 938 564
Shoprite Holdings Ltd	Local	591 338 502	Ordinary	343 526	0.06	77 499 466
Life Healthcare Group	Local	1 467 349 162	Ordinary	3 617 862	0.25	74 347 064
Old Mutual Plc	Foreign	4 801 110 497	Ordinary	6 021 675	0.13	72 982 701
Impala Platinum Holdings Ltd	Local	904 264 368	Ordinary	546 885	0.06	68 535 628
Bidvest Group Ltd	Local	340 274 346	Ordinary	253 202	0.07	66 245 239
The Foshini Group Ltd	Local	331 027 300	Ordinary	670 789	0.20	63 067 582
Reinet Investments Ltd	Local	195 941 286	Ordinary	148 787	0.08	62 036 740
Sappi Ltd	Local	562 762 380	Ordinary	1 566 035	0.28	61 091 025
Mr Price Group Ltd	Local	256 791 496	Ordinary	397 454	0.15	57 312 867

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Exxaro Resources Ltd	Local	349 305 092	Ordinary	348 322	0.10	57 218 855
Anglo Platinum Ltd	Local	265 292 206	Ordinary	66 011	0.02	56 191 864
Northam Ltd	Local	396 615 878	Ordinary	442 307	0.11	55 500 682
Dis-Chem Pharmacies Ltd	Local	860 084 483	Ordinary	378 054	0.04	54 515 333
Netcare Ltd	Local	1 439 090 009	Ordinary	3 524 838	0.24	50 792 916
AVI Ltd	Local	338 842 210	Ordinary	744 680	0.22	50 705 261
Vodacom Group Ltd	Local	2 077 841 204	Ordinary	370 311	0.02	43 400 449
OUTsurance Group Ltd	Local	1 532 408 776	Ordinary	1 227 663	0.08	41 728 265
Tiger Brands Ltd	Local	180 327 980	Ordinary	245 724	0.14	41 092 425
Momentum Metropol Holdings Ltd	Local	1 420 291 113	Ordinary	2 214 920	0.16	40 001 455
Textainer Group Holdings Ltd	Local	58 032 164	Ordinary	48 518	0.08	36 945 888
Multichoice Group Ltd	Local	442 512 678	Ordinary	381 907	0.09	36 468 299
Investec Plc	Foreign	696 082 618	Ordinary	301 912	0.04	32 147 590
African Rainbow Minerals Ltd	Local	224 667 778	Ordinary	161 354	0.07	32 111 060
Truworths International Ltd	Local	408 498 899	Ordinary	562 670	0.14	31 847 122
Clicks Group Ltd	Local	239 712 465	Ordinary	116 603	0.05	30 467 139
Pepkor Holdings Ltd	Local	3 667 426 643	Ordinary	1 582 417	0.04	26 109 881
Discovery Hodings Ltd	Local	673 146 417	Ordinary	178 428	0.03	26 023 724
Ninety One Plc	Foreign	622 624 622	Ordinary	639 523	0.10	25 836 729
Santam Ltd	Local	115 131 417	Ordinary	75 897	0.07	21 934 233
Ninety One Ltd	Local	288 643 627	Ordinary	450 130	0.16	18 347 299
DCAR Index Future Sep23 (DCRU3)	Local	-	Preference	-		17 236 347
Thungela Resources Ltd	Local	140 492 585	Ordinary	71 099	0.05	10 518 386
Harmony Gold Mining Company Ltd	Local	619 224 689	Ordinary	116 636	0.02	9 243 403
Kumba Iron Ore Ltd	Local	322 085 974	Ordinary	13 022		5 762 756
Bytes Technology Group Plc	Foreign	239 482 333	Ordinary	9 074		3 870 035
South32 Ltd	Local	4 535 378 773	Ordinary	79 069		3 815 079
Motauk Renewable Inc	Local	141 015 213	Ordinary	12 951	0.01	1 792 936
Compagnie Financiere Richmond SA	Local	522 000 000	Ordinary	396		1 268 993
MSCI World Index Sep23	Local	-	Preference	-		(8 997 961)
Total						<u><u>7 703 551 258</u></u>

Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed

Total of issuers not exceeding 5%

633 072 898

Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed

Total of issuers not exceeding 5%

4 429 100

Unlisted equities

Bryant Technology		-		-		1 979
Sanari 3S Growth Fund I Partnership	Local	-	Ordinary	-		64 388 680
Atteridgeville Private Hospital	Local	-	Ordinary	-		7 744 092

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Benchmark Group Pty Ltd	Local	-	Ordinary	-	9 923 238
Burgersfort Private Hospital	Local	-	Ordinary	-	7 823 522
Busamed (Pty) Ltd	Local	-	Ordinary	-	9 704 938
Louis Pasteur Hospital Holdings	Local	-	Ordinary	-	29 377 564
RH Matjhabeng Hospital	Local	-	Ordinary	-	27 871 686
Medicare Private Hospital	Local	-	Ordinary	-	17 820 305
Royal Buffalo Medical Group Private Hospital	Local	-	Ordinary	-	15 961 608
Nkomazi Private Hospital	Local	-	Ordinary	-	29 184 011
Other	Local	-	Ordinary	-	58 863 156
Total					278 664 779
Total equities					8 619 718 035

F SECURITIES LENDING

Securities on lend	Maximum of Fair value of security	Transaction date	Collateral	Fair value R	No. of shares lent	Name of counterparty	Script custodian	Manufactured dividend R
Equities – Top 100 of companies (by market cap) listed on an exchange	75%							
AECI Ltd			Various	1 585 150	17 500	Nedbank	Nedbank	-
Anglo American Platinum Ltd			Various	41 756 520	49 010	Nedbank	Nedbank	-
Anheuser-Bush Inbev			Various	531 067	507	Nedbank	Nedbank	833 326
African Rainbow Mineral Ltd			Various	3 925 022	19 631	Nedbank	Nedbank	-
Astral Foods Ltd			Various	2 143 200	14 100	Nedbank	Nedbank	-
Brait Plc			Various	4 442 300	1 433 000	Nedbank	Nedbank	-
Barloworld Ltd			Various	5 565 120	66 000	Nedbank	Nedbank	132 000
Blue Label Telecoms Ltd			Various	713 979	201 689	Nedbank	Nedbank	-
Basil Read Holdings Ltd			Various	834	20 838	Nedbank	Nedbank	-
Bytes Technology Group Plc			Various	2 880 835	23 287	Nedbank	Nedbank	-
CA Sales Holdings Ltd			Various	81 992	11 372	Nedbank	Nedbank	2 498
Compagnie Financiere Richemont SA			Various	157 538 381	50 050	Nedbank	Nedbank	-
Calgro M3 Holdings Ltd			Various	24 422	7 632	Nedbank	Nedbank	-
City Lodge Hotels Ltd			Various	180 660	36 645	Nedbank	Nedbank	299
Clicks Group Ltd			Various	21 292 216	81 268	Nedbank	Nedbank	-
Coronation Fund Managers Ltd			Various	10 042 417	315 700	Nedbank	Nedbank	-
COM			Various	110 000	110 000	Nedbank	Nedbank	-
Capitec Bank Holdings Ltd			Various	101 898 000	66 600	Nedbank	Nedbank	1 313 200
Cashbuild Ltd			Various	5 405 435	31 898	Nedbank	Nedbank	128 824
Dis-Chem Pharmacies			Various	34 084 321	1 417 817	Nedbank	Nedbank	174 096
DRDGold Ltd			Various	1 061 778	54 200	Nedbank	Nedbank	10 840
Discovery Ltd			Various	6 720 672	46 720	Nedbank	Nedbank	-
Exxaro Resources Ltd			Various	36 699 312	228 400	Nedbank	Nedbank	1 449 013

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Fortreit Real Estate Investments Ltd	Various	102 920	20 584	Nedbank	Nedbank	-
Gold Fields Ltd	Various	48 830 040	189 000	Nedbank	Nedbank	-
GLD	Various	2 644 683	7 900	Nedbank	Nedbank	-
Growthpoint Properties Ltd	Various	11 360 000	1 000 000	Nedbank	Nedbank	762 229
Harmony Gold Mining Company Ltd	Various	6 882 908	87 402	Nedbank	Nedbank	-
Hosken Consolidated Investments Ltd	Various	2 053 278	9 222	Nedbank	Nedbank	-
Hammerson plc	Various	7 792 137	1 350 457	Nedbank	Nedbank	-
Hyprop Investments Ltd	Various	13 636 665	446 372	Nedbank	Nedbank	-
Investec Plc	Various	4 400 612	42 338	Nedbank	Nedbank	-
Italtile Ltd	Various	1 381 120	104 000	Nedbank	Nedbank	29 120
JSE Ltd	Various	9 623 774	106 824	Nedbank	Nedbank	860 396
KAP Ltd	Various	898 609	345 619	Nedbank	Nedbank	-
Kumba Iron Ore Ltd	Various	4 373 051	9 700	Nedbank	Nedbank	307 646
Karoo Ltd	Various	890 560	2 024	Nedbank	Nedbank	-
Lighthouse Properties Plc	Various	1 116	172	Nedbank	Nedbank	20 810
Multichoice Group Ltd	Various	10 140 917	108 459	Nedbank	Nedbank	-
Montauk Renewables Inc	Various	717 500	5 000	Nedbank	Nedbank	-
Mondi Plc	Various	56 941 124	200 018	Nedbank	Nedbank	4 712 519
Mr Price Group Ltd	Various	37 330 368	262 391	Nedbank	Nedbank	-
MAS Plc	Various	17 598 000	840 000	Nedbank	Nedbank	519 738
Motus Holdings Ltd	Various	21 486 465	214 500	Nedbank	Nedbank	-
Momentum Metropolitan Holdings Ltd	Various	29 682 838	1 661 043	Nedbank	Nedbank	775 100
MTN Group Ltd	Various	27 442 376	199 002	Nedbank	Nedbank	-
Nampak Ltd	Various	331 858	460 914	Nedbank	Nedbank	-
NEPI Rockcastle N.V	Various	2 928 690	2 928 690	Nedbank	Nedbank	390 467
Netcare Ltd	Various	13 697 141	957 842	Nedbank	Nedbank	-
Oceana Group Ltd	Various	11 691 670	167 000	Nedbank	Nedbank	217 100
Omnia Holdings Ltd	Various	5 925 540	98 759	Nedbank	Nedbank	-
Old Mutual Ltd	Various	14 531 104	1 215 992	Nedbank	Nedbank	-
OUTsurance Group Ltd	Various	30 860 702	918 200	Nedbank	Nedbank	648 202
Pan African Resources Plc	Various	7 000 400	2 365 000	Nedbank	Nedbank	-
Pick n Pay Stores Ltd	Various	31 014 924	816 612	Nedbank	Nedbank	1 027 714
Popkor Holdings Ltd	Various	9 683 700	595 920	Nedbank	Nedbank	-
RBP	Various	2 189 716	16 909	Nedbank	Nedbank	85 600
South32 Ltd	Various	2 761 785	58 500	Nedbank	Nedbank	7 797
Sappi Ltd	Various	37 734 033	981 890	Nedbank	Nedbank	-
Standard Bank Group Ltd	Various	8 340 480	48 000	Nedbank	Nedbank	-
Stadio Holdings Ltd	Various	487 000	100 000	Nedbank	Nedbank	178
Spear Reit Ltd	Various	2 581 901	367 269	Nedbank	Nedbank	142 633
Shafts Bury Capital Plc	Various	1 188 684	44 520	Nedbank	Nedbank	53 101
Shoptite Holdings Ltd	Various	4 276 608	19 092	Nedbank	Nedbank	120 034
The Spar Group Ltd	Various	49 777 890	474 030	Nedbank	Nedbank	-
Siruis Real Estate Ltd	Various	1 032 910	51 749	Nedbank	Nedbank	-
Stor-age Property Reit Ltd	Various	8 290 020	668 550	Nedbank	Nedbank	-
Souther Sun Ltd	Various	589 596	147 399	Nedbank	Nedbank	-
Tiger Brands Ltd	Various	28 207 929	170 122	Nedbank	Nedbank	-

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Transaction Capital Ltd	Various	10 982 048	1 926 675	Nedbank	Nedbank	-
The Foshini Group Ltd	Various	35 244 147	382 548	Nedbank	Nedbank	-
Thungela Resources Ltd	Various	9 253 090	67 100	Nedbank	Nedbank	4 024 000
Telkom SA Soc Ltd	Various	4 585 938	146 750	Nedbank	Nedbank	-
Vukile Property Fund Ltd	Various	29 481 683	2 404 705	Nedbank	Nedbank	-
Vodacom Group Ltd	Various	2 038 784	17 600	Nedbank	Nedbank	846 120
Wilson Bayly Holmes -Ovcon Ltd	Various	6 460 701	63 241	Nedbank	Nedbank	-
Woolworths Holdings Ltd	Various	74 160 591	1 047 910	Nedbank	Nedbank	1 380 270
Zeder Investments Ltd	Various	572 322	336 660	Nedbank	Nedbank	-
Delta Property Fund Ltd	Various	48 280	301 750	Nedbank	Nedbank	-
Total		<u>1 202 846 559</u>				<u>20 974 870</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
Prescient Investment Management (Pty) Ltd	8.13	2 279 140 254
Camissa Asset Managers (Pty) Ltd	0.07	20 073 262
Allan Gray Life Ltd	-	4 698
		<u>2 299 218 214</u>
Foreign		
Allan Gray Life Ltd	4.69	1 316 403 649
Catalyst Global Real Estate Units Fund	0.75	209 396 471
Camissa Asset Managers (Pty) Ltd	0.03	8 235 303
Morgan Stanley Investments Funds	1.08	301 741 965
Nedgroup Investment Advisors (Pty) Ltd	4.74	1 328 433 688
Vulcan Asset Managers Funds	4.91	1 377 298 558
Coronation Asset Management (Pty) Ltd	2.86	803 515 793
Rubrics Global UCITS Funds Plc	0.29	80 979 097
		<u>5 426 004 524</u>
Total Non-compliant collective investment schemes		<u>7 725 222 738</u>

M2 NON-COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Linked policies		
Local		
Futuregrowth Investments	5.87	1 647 484 014
Ninety One SA (Pty) Ltd	2.70	756 476 416
Old Mutual Investment Group (Pty) Ltd	5.83	1 636 409 100
		<u>4 040 369 530</u>
Foreign		
Ninety One SA (Pty) Ltd	1.91	534 701 730
Old Mutual Investment Group (Pty) Ltd	-	918 541
		<u>535 620 271</u>
Total linked policies		<u>4 575 989 801</u>
Total certified Regulation 28 non-compliant investments		<u>12 301 212 539</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

Counterparty	Direct investment in counterparty	Guarantees	Any other instrument	Total per counterparty	Exposure to counterparty as a % of the fair value of the assets of the fund
	R	R	R	R	
Banks	543 965 760	-	-	543 965 760	1.94 %
ABSA Bank Ltd	542 886 480	-	-	542 886 480	1.94 %
Nedbank Ltd	1 079 280	-	-	1 079 280	- %
Asset managers - local	-	-	19 063 376 162	19 063 376 162	67.97 %
Allan Gray Life Ltd	-	-	3 116 574 668	3 116 574 668	11.11 %
Ashburton Fund Managers (Pty) Ltd	-	-	648 828 238	648 828 238	2.31 %
Benguela Global Fund Managers (Pty) Ltd	-	-	1 493 029 058	1 493 029 058	5.32 %
Catalyst Fund Managers SA (Pty) Ltd	-	-	314 283 522	314 283 522	1.12 %
Coronation Asset Management (Pty) Ltd	-	-	2 882 434 598	2 882 434 598	10.28 %
Ninety One SA (Pty) Ltd	-	-	187	187	- %
Camissa Asset Managers (Pty) Ltd	-	-	28 308 565	28 308 565	0.10 %
Metope Investment Managers (Pty) Ltd	-	-	311 247 884	311 247 884	1.11 %
Novare Investments (Pty) Ltd	-	-	179 134 257	179 134 257	0.64 %
Prescient Investment Management (Pty) Ltd	-	-	3 210 947 222	3 210 947 222	11.45 %
Sanlam Investment Management (Pty) Ltd	-	-	1 133 875 411	1 133 875 411	4.04 %
Legacy Africa Fund Managers (Pty) Ltd	-	-	1 473 402 561	1 473 402 561	5.25 %
Terebinth Capital (Pty) Ltd	-	-	1 317 085 063	1 317 085 063	4.70 %
Balondolozzi Investment Services (Pty) Ltd	-	-	949 334 003	949 334 003	3.38 %
Summit PE Investment Managers (Pty) Ltd	-	-	142 011 292	142 011 292	0.51 %
RQ Capital Partners (Pty) Ltd	-	-	265 581 927	265 581 927	0.95 %
Argon Asset Management (Pty) Ltd	-	-	1 535 822 753	1 535 822 753	5.48 %
Apex Fund and Corporate Services SA (Pty) Ltd	-	-	60 267 856	60 267 856	0.21 %
Kholo Capital Group (Pty) Ltd	-	-	1 207 097	1 207 097	- %
Asset managers - foreign	-	-	3 297 849 779	3 297 849 779	11.76 %
Catalyst Global Real Estate Units Fund	-	-	209 396 471	209 396 471	0.75 %
Morgan Stanley Investments Funds	-	-	301 741 965	301 741 965	1.08 %
Nedgroup Investment Funds Plc	-	-	1 328 433 688	1 328 433 688	4.74 %
Vulcan Asset Managers Funds	-	-	1 377 298 558	1 377 298 558	4.91 %
Rubrics Global UCITS Funds Plc	-	-	80 979 097	80 979 097	0.29 %
Insurance companies	-	-	4 575 989 801	4 575 989 801	16.32 %
Futuregrowth Investments (Pty) Ltd	-	-	1 647 484 014	1 647 484 014	5.87 %
Ninety One SA (Pty) Ltd	-	-	1 291 178 146	1 291 178 146	4.60 %
Old Mutual Life Assurance Company SA	-	-	1 637 327 641	1 637 327 641	5.84 %

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

As at 30 June 2023

Other funds	17 400 000	548 679 440	442 378	566 521 818	2.02 %
RFS Home Loans (Pty) Ltd	-	548 679 440	-	548 679 440	1.96 %
Business Park @ Zambezi	17 400 000	-	-	17 400 000	0.06 %
Housing loans	-	-	442 378	442 378	- %
	561 365 760	548 679 440	26 937 658 120	28 047 703 320	100.00 %

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1)	Cash at bank	Non-compliant CIS	Non-compliant Insurance Policies	Other	Total
	R	R	R	R	R	R
Cash and deposits	2 446 555 584	263 447 188	1 091 876 261	379 219 022	-	4 181 098 055
Commodities	24 813 556	-	-	-	-	24 813 556
Housing loans	-	-	-	-	442 378	442 378
Debt instruments including Islamic debt instruments *	3 116 236 423	-	1 352 680 503	2 430 456 502	-	6 899 373 428
Investment properties	-	-	206 158 409	54 790 993	1 133 266 326	1 394 215 728
Equities	9 735 584 361	-	5 074 507 565	1 710 430 751	(1 115 866 326)	15 404 656 351
Private equity funds	142 011 292	-	-	(349)	-	142 010 943
Collective investment schemes	7 725 222 738	-	(7 725 222 738)	-	-	-
Insurance policies	4 575 989 801	-	-	(4 575 989 801)	-	-
Other assets	-	-	-	1 092 882	-	1 092 882
Total investments	27 766 413 755	263 447 188	-	-	17 842 378	28 047 703 321

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023

		Fair value R
A	Total assets (Schedule IA -Total investments)	28 047 703 321
B1	Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1	Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2	Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3	Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4	Entity regulated by FSCA (Reg 28(8)(b)(iv))	-
B2	Less: Reg 28 excluded investments	-
B2.1	Insurance Policies (Reg 28(3)(c))	-
C	Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D	TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	28 047 703 321

Categories of kinds of assets	%	Fair value R	Fair value %
1 CASH		4 181 098 055	14.91%
1.1 Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	4 033 705 856	14.38%
1.1(a) Notes and coins; any balance or deposit in an account held with a South African bank;		1 149 312 634	4.10%
ABSA Bank Ltd	25%	583 609 619	2.08%
Other	25%	565 703 015	2.02%
1.1(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		2 825 934 735	10.08%
Standard Bank Ltd	25%	791 899 237	2.82%
Other	25%	2 034 035 498	7.25%
1.1(c) Any positive net balance in a margin account with an exchange		112 305 741	0.40%
SAFEX	25%	105 150 913	0.37%
Other	25%	7 154 828	0.03%
1.1(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		(53 847 254)	(0.19)%
Standard Bank Ltd	25%	388 831	0.00%
Other	25%	(54 236 085)	(0.19)%
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	45%	147 392 199	0.53%
1.2(a) Any balance or deposit held with a foreign bank		142 074 988	0.51%
ACPI Cash	5%	80 979 097	0.29%
Other	5%	61 095 891	0.22%
1.2(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		5 317 211	0.02%
Catalyst Global Real Estate	5%	5 758 403	0.02%
Other	5%	(441 192)	0.00%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		6 899 373 428	24.60%
2.1 Inside the Republic	100%	6 875 516 925	24.51%
2.1(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		2 419 424 294	8.63%
Republic of South Africa	100%	1 066 278 983	3.80%
Other	100%	1 353 145 311	4.82%
Carried forward		6 600 522 349	23.53%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		6 600 522 349	23.53%
2.1(c) Debt instrnts issued or by a South African bank against its balance sheet	75%	947 654 893	3.38%
2.1(c)(i) Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	736 670 072	2.63%
ABSA Bank Ltd SR Unsecured 05/27	25%	26 894 789	0.10%
Other	25%	709 775 283	2.53%
2.1(c)(iv) Not listed on an exchange	25%	210 984 821	0.75%
Investec FRN JB3+110 240328	5%	20 045 373	0.07%
Other	5%	190 939 448	0.68%
2.1(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	50%	1 787 912 881	6.37%
2.1(d)(i) Listed on an exchange	50%	1 588 741 506	5.66%
Standard Bank Group Ltd	10%	78 381 618	0.28%
Other	10%	1 510 359 888	5.38%
2.1(d)(ii) Not listed on an exchange	25%	199 171 375	0.71%
Transnet FRN 02122030	5%	27 660 482	0.10%
Other	5%	171 510 893	0.61%
2.1(e) Other debt instruments:-	25%	1 720 524 857	6.13%
2.1(e)(i) Listed on an exchange	25%	127 898 379	0.46%
Toyota Financial Services South Company	5%	9 761 370	0.03%
Other	5%	118 137 009	0.42%
2.1(e)(ii) Not listed on an exchange	15%	1 592 626 478	5.68%
RFS Home Loans (Pty) Ltd	5%	548 679 440	1.96%
Other	5%	1 043 947 038	3.72%
	45%		
2.2 Foreign		23 856 503	0.09%
2.2(b) Debt instruments issued or guaranteed by the government of a foreign country	45%	21 391 485	0.08%
Government Money Market	10%	21 391 485	0.08%
2.2(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	45%	2 465 018	0.01%
2.2(d)(i) Listed on an exchange	45%	2 465 018	0.01%
Cloverie Plc	10%	2 465 018	0.01%
3 EQUITIES		15 404 656 351	54.92%
3.1 Inside the Republic	75%	9 827 357 476	35.04%
3.1(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	8 407 493 231	29.98%
3.1(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	7 741 249 211	27.60%
Naspers Ltd	15%	596 922 183	2.13%
Other	15%	7 144 327 028	25.47%
3.1(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	656 501 123	2.34%
Advtech Ltd	10%	42 896 486	0.15%
Other	10%	613 604 637	2.19%
3.1(a)(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	9 742 897	0.03%
Spear Reit Ltd	5%	2 833 462	0.01%
Other	5%	6 909 435	0.02%
3.1(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	1 419 864 245	5.06%
Metrofibre Network	2.5%	123 312 187	0.44%
Other	2.5%	1 296 552 058	4.62%
3.2 Foreign		5 577 298 875	19.89%
Carried forward		20 907 828 959	74.53%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023**

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		20 907 828 959	74.53%
3.2(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	5 575 574 022	19.88%
3.2(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	5 563 064 652	19.83%
Orbies Global Equity Fund	15%	1 293 024 556	4.61%
Other	15%	4 270 040 096	15.22%
3.2(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	12 509 370	0.04%
Xiabuxiabu Catering Management	10%	7 965 828	0.03%
Other	10%	4 543 542	0.02%
3.2(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	1 724 853	0.01%
Orbis Inst. Global Equity Fund	2.5%	1 724 853	0.01%
4 IMMOVABLE PROPERTY		1 394 215 728	4.97%
4.1 Inside the Republic	25%	1 006 049 003	3.59%
4.1(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	933 737 828	3.33%
4.1(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	748 710 253	2.67%
Nepirockcastle Plc	15%	170 169 503	0.61%
Other	15%	578 540 750	2.06%
4.1(a)(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	129 479 405	0.46%
Storage-Age Proerpty Reit Ltd	10%	39 876 659	0.14%
Other	10%	89 602 746	0.32%
4.1(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	55 548 170	0.20%
Starix Property Portfolio	5%	21 791 560	0.08%
Other	5%	33 756 610	0.12%
4.1(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	75%	72 311 175	0.26%
Commercial Cold Holdings (Pty) Ltd	5%	48 742 439	0.17%
Other	5%	23 568 736	0.08%
4.2 Foreign	25%	388 166 725	1.38%
4.2(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	388 166 725	1.38%
4.2(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	5 394 400	0.02%
Shaftesbury Capital Plc	15%	5 394 400	0.02%
4.2(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	382 772 325	1.36%
Catalyst Global Real Estate	5%	203 638 068	0.73%
Novare Africa	5%	179 134 257	0.64%
5 COMMODITIES		24 813 556	0.09%
5.2 Foreign	10%	24 813 556	0.09%
5.2(a) Gold and other commodities on an exchange, including exchange traded commodities	10%	24 813 556	0.09%
5.2(a)(i) Gold	10%	3 587 853	0.01%
New Gold Issuer Ltd	10%	3 587 853	0.01%
5.2(a)(ii) Other commodities	5%	21 225 703	0.08%
Africa Platinum Debenture	5%	62 829	0.00%
New Gold Platinum ETF	5%	21 162 874	0.08%
Carried forward		27 904 157 118	99.48%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		27 904 157 118	99.48%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	65%	442 378	0.00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE			
8.1 Inside the Republic		143 103 825	0.51%
8.1(b) Private equity funds	15%	143 103 825	0.51%
8.1(b)(ii) Private equity funds		142 010 943	0.51%
Summit Private Equity Fund	5.0%	142 010 943	0.51%
Other	5.0%	142 011 292	0.51%
8.1(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund		(349)	0.00%
FGR SWAP 8.115 07092027	2.5%	1 092 882	0.00%
Other	2.5%	17 638 461	0.06%
	2.5%	(16 545 579)	(0.06)%
TOTAL ASSETS – REGULATION 28		28 047 703 321	100.00%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023**

INVESTMENT SUMMARY (Regulation 28)

	Local R	Fair value %	Foreign R	Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	4 033 705 856	96.47	147 392 199	3.53	4 181 098 055
2 Debt instruments including Islamic debt instruments	6 875 516 925	99.65	23 856 503	0.35	6 899 373 428
3 Equities	9 827 357 476	63.79	5 577 298 875	36.21	15 404 656 351
4 Immovable property	1 006 049 003	72.16	388 166 725	27.84	1 394 215 728
5 Commodities	-	-	24 813 556	100.00	24 813 556
7 Housing loans granted to members - section 19(5)	442 378	100.00	-	-	442 378
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	143 103 825	100.00	-	-	143 103 825
TOTAL	21 886 175 463	78.03	6 161 527 858	21.97	28 047 703 321

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

Asset Limits in terms of sub regulation 3(f)	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
2.1(e)(ii) Other debt instruments not listed	1 592 626 478	5.68	
3(b) Equities not listed	1 421 589 098	5.07	
4.1(b) Immovable properties not listed	72 311 175	0.26	
8 Hedge funds , Private Equity funds and other assets	143 103 825	0.51	
TOTAL	3 229 630 576	11.52	45%

Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b) Equities not listed	1 419 864 245	5.06	
8.1(b) Private Equity funds	142 010 943	0.51	
TOTAL	1 561 875 188	5.57	20%

NOTES:

- In the absence of guidance in the Explanatory Memorandum that accompanied the issue of the revised Regulations 28 and further guidance in this regard by the Financial Sector Conduct Authority up to now, the trustees have interpreted paragraph 4 to mean that where an asset is made up of underlying assets, the Fund may disclose the largest value per issuer/entity, as applicable, for each category in Table 1 which the assets relate.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 JUNE 2023

2. Regulation 28 under the Pension Funds Act was recently amended (Gazetted on 5 July 2022) to include additional reporting requirements in relation to infrastructure assets and amendments to the asset spreading requirements). The intention is that the draft Regulatory Reporting Standard (the Standard) will replace Board Notice 77, but the consultation process for the Annual Financial Statements (AFS) has not been finalised. Further-more in accordance with the FSCA Communication 19 of 2023 released on 19 July 2023, (RF) paragraph 3.1, the FSCA wishes to clarify that since the Regulatory Reporting Standard has not yet been finalised, funds must continue to prepare annual financial statements in accordance with the requirements of Board Notice 77 (including the existing Schedule IB). The revised Regulation 28 now includes Category 9 (Private equity), Category 10 (Other assets not referred to in this schedule and excluding a hedge fund or private equity fund) and Category 11 (Investments in Infrastructure) and a new Table 2 with reference to "Investments in Infrastructure", which has not been included in the current Regulation 28 disclosure in these financial statements. Accordingly, the current Regulation 28 disclosure does not comply with the revised Regulation 28 requirements (Gazetted on 5 July 2022). Currently, in accordance FSCA Communication 19 of 2023 released on 19 July 2023 certain of the percentage limits have been amended and all investments are to be disclosed on a look through basis except for non-linked insurance policies where no look-through information available from the investment administrators.

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended

Report on Compliance of Schedule IB with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of National Fund for Municipal Workers (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 85 to 90 at 30 June 2023 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2023.

The Board of Fund's responsibility for the Schedule

The Board of Fund is responsible for ensuring that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). For the purpose of this engagement, there are no independence requirements with which we are required to comply.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) based on performing a reasonable assurance engagement.

We performed our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

we plan and perform this engagement to obtain reasonable assurance about whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9).

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain sufficient appropriate evidence that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9), whether due to fraud and error. In making those risk assessments we consider internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

Inherent limitations

The Fund has investments in collective investment schemes and linked policies as defined in the Long Term Insurance Act. The Fund obtained confirmations including a breakdown of the underlying assets from the schemes, long-term insurers and issuers of these investments at 30 June 2023, the year-end of the Fund. In certain instances, these confirmations were not subjected to audit procedures by the auditors of the different schemes, long-term insurers and issuers as at 30 June 2023.

We have not assessed the accuracy and completeness of the information included in these confirmations obtained from the schemes, long-term insurers and issuers to the value of R12 301 212 539 at 30 June 2023.

In addition, certain underlying confirmations received do not contain the necessary allocation/split into the different classes/categories. We are unable to conclude on the accuracy and completeness of these confirmations beyond whether the confirmations in total agree to the underlying accounting records of the Fund.

Summary of work performed

We completed our audit of the annual financial statements of the National Fund for Municipal Workers for the year ended 30 June 2023, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 13 December 2023. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

We have performed such additional procedures as we considered necessary which included.

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;
- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2023 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2023.

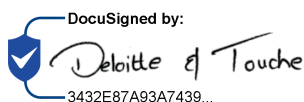
Emphasis of Matter

We draw attention to the matter below. Our conclusion is not qualified in respect of this matter.

As disclosed in note 2 of the Schedule, the FSCA have communicated that the Regulatory Reporting Standard has not yet been finalized, and as such funds must continue to prepare annual financial statements in accordance with the requirements of Board Notice 77 (including the existing Schedule IB). As disclosed the Board of Fund acknowledges the mismatch between the format of the Schedule and the requirements of Regulation 28, however, the current format of reporting is in accordance with the communication from the FSCA and the current format of the schedule therein.

Restriction on use

Without modifying our opinion, we emphasise that Schedule IB is designed to meet the information needs of the Board of Fund for the purpose of reporting to the Financial Sector Conduct Authority (FSCA). As a result our report is not suitable for another purpose. Our report is presented solely for the information of the Board of Fund for the purpose of reporting to the FSCA.



Deloitte & Touche
Registered Auditors

Per: _____
Partner
