

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 2023 to 30 JUNE 2024

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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 2024****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 2023 to 30 June 2024

Prior year: 1 July 2022 to 30 June 2023

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed/ reappointed	Date resigned
BN Hlongwane	noma@nationalfund.co.za	M	1 November 2023	
KE Maake	katlego@nationalfund.co.za	M	1 November 2023	
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	31 October 2023
L Geldenhuys	louwrens@nationalfund.co.za	M	1 May 2018	31 October 2023
L Mphuthi	lucky@nationalfund.co.za	M	1 November 2020	18 October 2023
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 Nolutshungu	rio@nationalfund.co.za	E	13 September 2018	30 September 2024
SJ Mpebe	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)
11 September 2023	Pretoria	Yes
27 November 2023	Pretoria	Yes
25 March 2024	Pretoria	Yes
26 June 2024	Midrand	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 2024**

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 2024**

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
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	30 November 2023	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 Main Claremont 7708	(021) 673 6300	20 March 2013		784
Infra Impact Investment Managers (Pty) Ltd	1E Matrix 8 Bridgeways Precinct Century City Cape Town 7441	1E Matrix 8 Bridgeways Precinct Century City Cape Town 7441	072 182 6585	22 September 2023		872

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2024**

**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
Mazi Asset Management (Pty) Ltd	PO Box 784583, Sandton, 2146	4thFloor, North Wing, 90 Rivonia Road, Sandton, 2196	(010) 001 8300	9 May 2024		46405
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 Alternative Investments (Pty) Ltd	Mutualpark Jan Smuts Drive Pinelands 7405	Mutualpark Jan Smuts Drive Pinelands 7405	(021) 509 2570	26 February 2024		45255
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

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2024**

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

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
Prescient Fund Services (Ireland) Ltd	Lincoln House Lincoln Place Dublin 2 D02 VH29	Lincoln House Lincoln Place Dublin 2 D02 VH29	+ 353 1 567 7000	24 August 2023		
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
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

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
AS AT 30 JUNE 2024**

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 2024

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 21 to 40 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 10 - 12.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
AS AT 30 JUNE 2024**

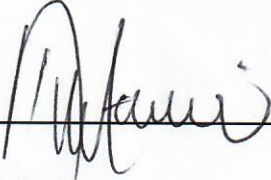
Instances of non-compliance

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' contributions are not allocated to their fund credit and do not receive their monthly return.	<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 2024;
- 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 2024 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



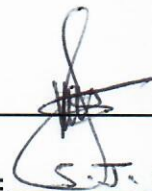
CCK Antonio
CHAIRPERSON
 28/11/2024

 Date



 Name: E.A. Schutte
MEMBER TRUSTEE
 28/11/2024

 Date



 Name: S.T. Mpenbe
MEMBER TRUSTEE
 28/11/2024

 Date

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
AS AT 30 JUNE 2024**

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**

28/November 2024
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 21 to 40, which comprise the statement of net assets and funds as at 30 June 2024 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 2024 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 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 2023 to 30 June 2024, 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.

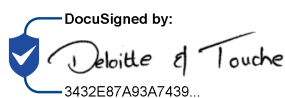
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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: Ronel van Graan
Partner

13 December 2024

5 Magwa Crescent
Waterfall City
Johannesburg
2090

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND AS AT 30 JUNE 2024

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 necessary to cover the service charge, any other costs and employment related expenditure incurred by the Fund in

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
AS AT 30 JUNE 2024**

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

1.4.1. Amendments

	Description	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
1	The definition Funeral Benefit is deleted and replaced. Paragraph 5 to the Risk Benefits Schedule is deleted and replaced Paragraph 6 of the Risk Benefits Schedule is deleted and replaced	12 September 2023	12 September 2023	12 October 2023
2	Replace Rule 6.4.1, 6.4.2, 6.5	8 May 2024	1 May 2024	11 June 2024
3	Various rule amendments for the Rules of the Fund to make provision for the two-component system as prescribed in the Revenue Laws Amendment Act 2023 and the Pension Funds Amendment Act.	28 June 2024	1 September 2024	15 August 2024

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

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2024

1.5. Reserves

Risk Reserve

The fund shall keep a Risk Reserve Account for the funding of the risk benefits provided to members, to absorb the impact of any adverse experience in the provision of such risk benefits, to which shall be credited all profits received from the insurer from the risk underwriting profit share agreement the Fund has with the insurer as well as a portion of the contributions payable to the Fund in respect of each member earmarked for the funding of risk benefits.

(a) The Risk Reserve Account may be credited with:

- (i) Profits from the risk underwriting profit share agreement;
- (ii) The amount determined from time to time for the funding of risk benefits, which is paid out of the contributions received as provided for in these rules;
- (iii) Payments received from the insurer in respect of the risk benefits insured or partially insured in terms of rules 6.2.2 and 7.1.2;
- (iv) Transfers from the other reserve accounts of the Fund as decided by the Board of Trustees, on the advice of the actuary, taking into account cost and practicality; and
- (v) Investment return on the assets in this account, if positive.

(b) The Risk Reserve Account may be debited with:

- (i) Payments by the Fund not governed by any other rule elsewhere contained in these rules, as approved by the Board of Trustees and where necessary, in consultation with the actuary;
- (ii) The costs for the funding of the risk benefits, if insured or partially insured;
- (iii) Transfers to member's share in the form of fund interest in consultation with the actuary;
- (iv) Payments made by the Fund in accordance with rules 6.2.2 and 7.1.2.
- (v) Transfers to the member's share as well as the other reserve accounts of the Fund as decided by the Board of Trustees, on the advice of the actuary, taking into account cost and practicality; and (vi) Investment return on the assets in this account, if negative.

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.

The following transactions shall be recorded in the Expense Reserve Account:

(a) The Expense Reserve Account may be credited with:

- (i) The amount determined from time to time which is paid out of the employer contributions in terms of rule 4.2.5 (i) to cover Fund expenses;

(b) The Expense Reserve Account may be debited with:

- (i) All costs and expenses referred to in these Rules;
- (ii) The Board of Trustees may allocate any balances in this account (whether positive or negative) to the fund interest, as calculated and recommended by the Fund's actuary, from time to time.
- (iii) Transfers to the other reserve accounts as decided by the Board of Trustees, on the advice of the actuary, taking into account cost and practicality.

Data and Processing Error Reserve Account

(a) The Fund keeps a Data and Processing Error Reserve Account to which is credited:

- (i) 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;
- (ii) 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;
- (iii) 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
- (iv) the net investment return on the amount in this account, if positive.

The Data and Processing Error Reserve Account is debited with:

- (i) any amounts that the Board, on the advice of the actuary, transfers to the member's share and/or the other reserve

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2024

accounts of the Fund in order to maintain the balance in this account at an appropriate level;
(ii) any amounts that the Board, on the advice of the actuary, transfers to another approved fund in respect of a specific local authority on termination of its participation in the Fund;
(iii) losses suffered 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; and
(iv) the net investment return on the amount in this account, if negative.

Revaluation Reserve

A Revaluation Reserve Account will be kept for owner-occupied buildings that are revalued at the end of each financial year-end.

The balances at 30 June 2024 are as follows as per note 18:

Risk Reserve	R 346 184 749
Expense Reserve	R 37 765 954
Data And Processing Reserve	R 133 481 131
Revaluation Reserve	R 2 332 736

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

A new Investment policy was issued in September 2024, there were no major changes from the prior 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.

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SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2024

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 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.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
AS AT 30 JUNE 2024**

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 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:

	2024	2023
	R	R
ABSA Bank Ltd	116 541 229	280 518 573
Allan Gray Life Limited	3 522 123 892	3 116 574 668
Apex Fund and Corporate Services SA (Pty) Ltd	51 545 133	60 267 856
Argon Asset Managers (Pty) Ltd	1 649 336 879	1 535 822 753
Ashburton Fund Managers (Pty) Ltd	746 528 729	648 828 238
Balondolozzi Investment Services (Pty) Ltd	1 091 415 817	949 334 004
Benguela Global Fund Managers (Pty) Ltd	-	1 493 029 058
Camissa Islamic Balanced Fund (Kagiso Asset Managers (Pty) Ltd)	33 073 351	28 308 565
Catalyst Fund Managers (Pty) Ltd	598 435 496	523 679 993
Coronation Asset Management (Pty) Ltd	3 247 153 969	2 882 434 598
Futuregrowth Investments CC	1 888 081 883	1 647 484 015
Infra Impact Investment Managers (Pty) Ltd	107 886 266	-
Kholo Capital Group (Pty) Ltd	-	1 207 097
Legacy Africa Fund Managers (Pty) Ltd	1 616 316 461	1 473 402 561
Mazi Asset Management (Pty) Ltd	756 737 363	-
Metope Investment Managers (Pty) Ltd	389 072 888	311 247 884
Morgan Stanley Investment Funds plc	312 916 402	301 741 965
Nedgroup Investment Advisors (Pty) Ltd	1 454 446 371	1 328 433 688
Ninety One SA (Pty) Ltd	1 534 465 603	1 291 178 333
Northern Trust International Fund Administration Services Ltd	1 631 388 696	1 377 298 558
Novare Africa Fund Managers (Pty) Ltd	130 362 363	179 134 257
Old Mutual Alternative Investments (Pty) Ltd	65 138 704	-
Old Mutual Investment Group (Pty) Ltd	1 782 030 573	1 637 327 641
Prescient	3 716 392 539	3 210 947 220
Prescient Fund Services (Ireland) Ltd	1 243 837 385	-
RFS Home Loans (Pty) Ltd	543 150 283	548 679 440
RQ Capital Partners (Pty) Ltd	279 468 375	265 581 927
Rubrics Global UCITS Funds plc	82 026 997	80 979 097
Sanlam	1 430 385 440	1 133 875 411
Summit PE Investment Managers (Pty) Ltd	106 617 457	142 011 292
Terebinth Capital (Pty) Ltd	1 469 988 410	1 317 085 063
Total value of investments managed	31 596 864 954	27 766 413 755

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
AS AT 30 JUNE 2024**

3. MEMBERSHIP

	Active members	Deferred/Paid- Up Members	Living Annuity members	Unclaimed benefits
Number at the beginning of year	54 933	2 013	54	1 028
Adjustments	43	(335)	-	-
- Active additions	43	-	-	-
- Adjustments**	-	(335)	-	-
New Entrants	4 095	50	1	6
Paid-Up Members	(153)	157	-	-
Withdrawals	(1 234)	(88)	-	-
Retirements	(862)	(119)	-	-
Disabilities	(30)	(3)	-	-
Deaths	(402)	(15)	(2)	-
Section 14 transfer out	-	-	(20)	-
Unclaimed paid	-	-	-	(45)
Number at the end of the year	56 390	1 660	33	989
Number at end of year (South African citizen)	56 351	1 655	33	984
Number at end of year (non-South African citizen)	39	5	-	5

Adjustments:

Active members - The adjustments are due to a timing difference

Deferred/Paid-Up Members - Fund credits have been depleted due to fees that have been deducted.

4. ACTUARIAL VALUATION

The last statutory actuarial valuation for the Fund was done for the period ended 30 June 2023, 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 2023 and a next report will be provided for 30 June 2024.

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

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) AS AT 30 JUNE 2024

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

The Pension Laws Amendment Bill and Revenue Laws Amendment Bill of 2023 was adopted. The bill makes provision for the implementation of the two-pot system which came into effect on 1 September 2024.

The two-pot system gives members of retirement funds access to retirement savings without having to resign or cash out entire pension funds.

Please refer to paragraph 1.4.1 where the rules were amended and approved by the Financial Sector Conduct Authority.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2024

	Note	2024 R	2023 R
ASSETS			
Non-current assets		31 615 636 628	27 785 070 180
Property and equipment	2	18 693 090	18 214 047
Investments	3	31 596 864 954	27 766 413 755
Housing loans	4	78 584	442 378
Current assets		623 001 425	588 126 475
Accounts receivable	5	50 735 425	108 913 858
Contributions receivable	11	235 158 455	215 765 429
Cash at bank		337 107 545	263 447 188
Total assets		32 238 638 053	28 373 196 655
FUNDS AND LIABILITIES			
Members' funds and surplus account		30 807 760 057	27 284 971 504
Members' individual accounts	17	30 318 898 528	26 857 121 673
Amounts to be allocated	19	488 861 529	427 849 831
Reserves			
Reserve accounts	18	519 764 570	429 341 615
Total funds and reserves		31 327 524 627	27 714 313 119
Non-current liabilities			
Unclaimed benefits	9	36 541 270	39 016 075
Current liabilities		874 572 156	619 867 461
Benefits payable	8	832 463 783	554 251 130
Accounts payable	10	42 108 373	65 616 331
Total funds and liabilities		32 238 638 053	28 373 196 655

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
AS AT 30 JUNE 2024

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 18 R	2024 R	2023 R
Contributions received and accrued	11	2 878 815 665	86 228 809	2 965 044 474	2 808 322 694
Reinsurance proceeds		306 925 860	(284 354 941)	22 570 919	62 822 074
Net investment income	12	3 307 110 761	42 150 332	3 349 261 093	3 877 343 127
Allocated to unclaimed benefits	9	(9 094)	-	(9 094)	(264 673)
Other income	13	1 433 084	4 117 050	5 550 134	38 726 675
Less:		(356 391 233)	207 813 668	(148 577 565)	(215 981 697)
Re-insurance premiums		(356 391 233)	343 932 811	(12 458 422)	(89 406 611)
Administration expenses	14	-	(136 119 143)	(136 119 143)	(126 575 086)
Net income before transfers and benefits		6 137 885 043	55 954 918	6 193 839 961	6 570 968 200
Transfers and benefits		(2 581 746 080)	-	(2 581 746 080)	(2 132 157 676)
Transfer from other funds	6	9 879 231	-	9 879 231	11 002 209
Transfer to other funds	7	(95 047 946)	-	(95 047 946)	(124 741 379)
Benefits	8	(2 496 577 365)	-	(2 496 577 365)	(2 018 418 506)
Net income after transfers and benefits		3 556 138 963	55 954 918	3 612 093 881	4 438 810 524
Funds and reserves					
Balance at the beginning of the year		27 284 971 504	429 341 615	27 714 313 119	23 274 650 417
Actuarial and opening balance adjustment	18	(33 350 410)	33 374 117	23 707	-
Member adjustments	18	-	(31 987)	(31 987)	(51 607)
Revaluation Property		-	1 125 907	1 125 907	903 785
Balance at the end of the year		30 807 760 057	519 764 570	31 327 524 627	27 714 313 119

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2024

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 2024

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 2024

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 2024

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 2024

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 2024

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 2024

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	20 199 403	4 986 969	1 590 553	26 776 925
Additions	-	263 818	-	263 818
Disposals	-	(86 084)	-	(86 084)
Revaluation	1 125 908	-	-	1 125 908
At end of year	21 325 311	5 164 703	1 590 553	28 080 567
Accumulated depreciation and impairment				
At beginning of year	(2 799 403)	(4 313 169)	(1 450 306)	(8 562 878)
Depreciation charges	(425 908)	(441 468)	(38 464)	(905 840)
Accumulated depreciation on disposals	-	81 241	-	81 241
At end of year	(3 225 311)	(4 673 396)	(1 488 770)	(9 387 477)
Net carrying amount at end of year	18 100 000	491 307	101 783	18 693 090

The buildings consist of an office block situated 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 13 July 2024. The fair value was determined directly by reference to observable prices in an active market, estimated R 18 100 000.

2.2. Prior year

	Buildings R	Computer equipment and software R	Furniture and fittings R	Total R
Gross carrying amount				
At beginning of period	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 period	(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 period	17 400 000	673 800	140 247	18 214 047

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024

3. INVESTMENTS

3.1. Investment summary

	Note	Local R	Foreign R	Total 2024 R	Total 2023 R	Fair value current year R	Categorised per Regulatory Framework
Cash and deposits		2 393 105 260	174 179 560	2 567 284 820	2 446 555 584	2 567 284 820	At fair value through statement of changes in net assets and funds
Commodities		30 505 753	-	30 505 753	24 813 556	30 505 753	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments *		3 484 326 546	21 019 786	3 505 346 332	3 116 236 423	3 505 346 332	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		9 684 103 701	130 362 363	9 814 466 064	9 735 584 361	9 814 466 064	At fair value through statement of changes in net assets and funds
Insurance policies		4 564 090 968	640 486 905	5 204 577 873	4 575 989 801	5 204 577 873	At fair value through statement of changes in net assets and funds
Collective investment schemes		3 038 955 795	7 329 110 860	10 368 066 655	7 725 222 738	10 368 066 655	At fair value through statement of changes in net assets and funds
Private equity funds		106 617 457	-	106 617 457	142 011 292	106 617 457	At fair value through statement of changes in net assets and funds
Total		23 301 705 480	8 295 159 474	31 596 864 954	27 766 413 755	31 596 864 954	

*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 2024**

4. HOUSING LOAN FACILITIES

4.1. Housing loans

	A At beginning year R	C Repaid R	D Interest capitalised R	E Other adjustments * 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	442 378	(415 823)	28 480	23 549	78 584
Total	442 378	(415 823)	28 480	23 549	78 584

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%.

* An adjustment has been made for prior years where there was a timing difference.

4.2. Housing loan guarantees

The Fund has granted the following guarantees:

1. 3 775 (2023 : 4 454 guarantees to RFS Home Loans (Pty) Ltd for loans granted to members, amounting to R494 283 997, (2023 : R548 679 440);
2. 1 372 (2023: 1 113) guarantees to Standard Bank Ltd for loans granted to members, amounting to R292 414 231, (2023 : R232 438 704).

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

	2024 R	2023 R
Reinsured proceeds receivable	-	13 239 651
Risk profit receivable	-	34 480 686
Investments - Unsettled Orders	10 722 207	30 071 010
Interest on contributions receivable	35 354 946	26 736 666
Sundry Debtors	2 658 272	2 385 845
Kula Partners (Pty) Ltd	2 000 000	2 000 000
Total	50 735 425	108 913 858

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 AS AT 30 JUNE 2024

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
Individual Transfers								
Capricorn District Municipality (Development Bank of Southern Africa Provident Fund)	30/04/2024	1	-	-	251 406	10 706	(262 112)	-
Ekurhuleni Metropolitan Municipality (Sanlam Umbrella Provident Fund)	30/09/2023	1	-	-	433 949	2 532	(436 481)	-
King Sabata Dalindyebo Local Municipality (Government Employee Pension Fund)	30/06/2024	1	-	-	1 068 875	22 969	(1 091 844)	-
Dr Pixley ka Isaka Seme Local Municipality (Government Employee Pension Fund)	30/06/2024	1	-	-	2 769 201	197 328	(2 966 529)	-
Living Annuity	31/07/2023	1	-	-	5 122 265	-	(5 122 265)	-
Total		5	-	-	9 645 696	233 535	(9 879 231)	-

Transfers approved (B)
 Return on transfers (C)

9 645 696
 233 535

Statement of changes in net assets and funds

9 879 231

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 2024

7. 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							
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	5 568 086	(186 714)	(5 381 372)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	2 776 762	(93 125)	(2 683 637)	-
NFMW (Momentum Metropolitan Life)	01/01/2024	1	-	4 935 180	232 289	(5 167 469)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	2 296 632	(55 844)	(2 240 788)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	3 424 750	(112 352)	(3 312 398)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	4 018 050	(144 019)	(3 874 031)	-
NFMW (Momentum Metropolitan Life)	26/02/2024	1	-	6 012 619	75 192	(6 087 811)	-
NFMW (Momentum Metropolitan Life)	26/02/2024	1	-	5 986 876	104 418	(6 091 294)	-
NFMW (Momentum Metropolitan Life)	11/03/2024	1	-	6 240 803	68 675	(6 309 478)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	4 590 476	(47 143)	(4 543 333)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	7 867 257	(198 665)	(7 668 592)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	4 191 156	(183 268)	(4 007 888)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	6 950 495	(174 794)	(6 775 701)	-
NFMW (Momentum Metropolitan Life)	28/10/2023	1	-	1 531 599	(35 072)	(1 496 527)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	4 943 884	12 435	(4 956 319)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	4 584 770	27 017	(4 611 787)	-
NFMW (Momentum Metropolitan Life)	26/02/2024	1	-	4 863 376	41 795	(4 905 171)	-
NFMW (Momentum Metropolitan Life)	20/09/2023	1	-	2 659 727	(5 307)	(2 654 420)	-
NFMW (Momentum Metropolitan Life)	25/10/2023	1	-	7 226 153	(93 013)	(7 133 140)	-
NFMW (Momentum Metropolitan Life)	29/04/2024	1	-	5 095 767	51 023	(5 146 790)	-
Total		20	-	95 764 418	(716 472)	(95 047 946)	-

Transfers approved (B)
 Return on transfers (C)

95 764 418
 (716 472)

Statement of changes in net assets and funds

95 047 946

* 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 2024

8. BENEFITS

8.1. 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	-	9 131 755	-	(9 131 755)	-	-
Lump sums on retirements						
- Full benefit	173 434 312	1 152 940 542	372 407	(1 147 502 587)	(2 192 302)	177 052 372
Lump sums before retirement						
- Disability benefits	8 572 612	44 049 903	7 818	(47 081 780)	-	5 548 553
- Death benefits	304 214 220	643 427 077	1 726 986	(416 862 788)	-	532 505 495
- Withdrawal benefits	68 029 986	518 232 476	45 377	(468 866 751)	(83 725)	117 357 363
- Retrenchment benefits	-	276 023	-	(276 023)	-	-
Other						
Divorce payments	-	126 367 001	-	(126 367 001)	-	-
Total	554 251 130	2 494 424 777	2 152 588	(2 216 088 685)	(2 276 027)	832 463 783
Benefits for current year (B)						2 494 424 777
Return allocated (C)						2 152 588
Statement of changes in net assets and funds						2 496 577 365

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024

9. UNCLAIMED BENEFITS

	2024 R	2023 R
Balance at the beginning of the year	39 016 075	48 178 216
Transferred from benefits payable	2 276 027	4 874 091
Adjustments *	(320 608)	1 264 115
Investment income allocated	9 094	264 673
Less:	(4 439 318)	(15 565 020)
• Administration expenses	(27 365)	(67 669)
• Benefits paid	(4 411 953)	(15 497 351)
Balance at the end of the year	36 541 270	39 016 075

*The adjustment relates to amendments of members' fund credit liabilities and investment income allocated of R 230 454,98.

10. ACCOUNTS PAYABLE

	2024 R	2023 R
Risk premiums and benefits PAYE	2 872 015	32 641 379
Audit fees accrual	23 666 088	20 812 595
Sundry Creditors	1 155 888	1 085 035
Administration fees	7 961 525	6 495 068
Investments - Kholo Capital Mezzanine Fund 1	5 269 285	4 582 254
	1 183 572	-
Total	42 108 373	65 616 331

11. 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	67 065 377	920 773 479	-	(913 642 648)	74 196 208
Employer contributions received and accrued	148 700 052	1 586 302 798	443 829 670	(2 017 870 273)	160 962 247
Additional voluntary contributions members	-	14 138 527	-	(14 138 527)	-
Total	215 765 429	2 521 214 804	443 829 670	(2 945 651 448)	235 158 455
Towards retirement					2 521 214 804
Towards reinsurance and expenses					443 829 670
Statement of Changes in Net Assets and Funds					2 965 044 474

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024

12. NET INVESTMENT INCOME

	2024 R	2023 R
Income from investments	752 909 870	387 366 202
• Interest	568 963 887	359 072 362
• Interest received on home loans	28 480	28 666
• Collective investment schemes distribution	183 840 896	28 134 776
• Income from insurance policies	76 607	130 398
Interest on late payment of contributions	9 217 601	9 166 807
Rental income	25 515	30 300
Adjustment to fair value	2 751 867 316	3 646 717 811
	<u>3 514 020 302</u>	<u>4 043 281 120</u>
Less: Expenses incurred in managing investments	(164 759 209)	(165 937 993)
Total	<u>3 349 261 093</u>	<u>3 877 343 127</u>

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

13. OTHER INCOME

	2024 R	2023 R
Sanlam funeral risk profit sharing income	-	34 480 686
Script lending fees received	4 635 639	4 191 021
Sundry investment income	881 270	-
Other income	33 225	54 968
Total	<u>5 550 134</u>	<u>38 726 675</u>

14. ADMINISTRATION EXPENSES

	2024 R	2023 R
Administration fees	28 810 815	26 405 731
Audit fees - Audit services	1 155 888	1 085 035
Legal fees and compliance fees	8 042 365	7 664 760
Depreciation	905 839	971 890
Fidelity insurance	1 199 903	988 203
Other expenses	38 929 787	33 665 826
Bank charges	178 434	178 609
Occupational rent	194 745	139 929
Repo Fees refund	2 456 939	-
Financial Sector Conduct Authority Levy	1 468 413	1 323 149
Communication consultants stakeholder engagements	329 819	249 047
Communication expenses	4 396 996	4 372 931
Conference and meetings	928 667	1 084 377
Consultancy fees	28 392 056	25 607 279
Travel and accommodation (non - Board of Fund)	583 718	710 505
Office expenses	6 512 913	6 077 784
Board of Fund expenses	14.1 5 974 979	5 955 274
Staff expenses	14.2 44 345 049	43 630 567
Principal Officer expenses	14.3 268 970	197 685
Less: Amount allocated to unclaimed benefits	(27 365)	(67 669)
Total	<u>136 119 143</u>	<u>126 575 086</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024**

14.1. Board of Fund expenses

	2024	2023
	R	R
Retainer fees	3 505 225	3 719 840
Board of Fund - expenses	1 732 754	2 235 434
Board of Fund - other payments	737 000	-
Total	<u>5 974 979</u>	<u>5 955 274</u>

14.2. Staff expenses

	2024	2023
	R	R
Staff expenses- Remuneration	43 612 442	43 073 409
Staff expenses- Other payments	732 607	557 158
Total	<u>44 345 049</u>	<u>43 630 567</u>

14.3. Principal Officer expenses

	2024	2023
	R	R
Principal officer expenses - Other payments	268 970	197 685
Total	<u>268 970</u>	<u>197 685</u>

15. 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.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024**

15. RISK MANAGEMENT POLICIES (continued)

- **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.

- **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.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024**

16. RELATED PARTY TRANSACTIONS

Key management personnel

Trustees

CCK Antonio
MC Makgalemele
EA Schutte
NC Cindi
PR Nolutshungu
SJ Mpembe
LR Nani
BN Hlongwane
KE Maake

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 260 709 (2023: R1 479 820). 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.

17. MEMBERS' INDIVIDUAL ACCOUNTS

	2024	2023
	R	R
Active and paid up/deferred members	30 202 114 567	26 645 787 628
Living annuities	116 783 961	211 334 045
Total	30 318 898 528	26 857 121 673

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2024

18. 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	429 341 615	259 967 344	63 219 049	104 948 393	1 206 829
Members' fund credit corrections	(31 987)	-	-	(31 987)	-
Contributions received and accrued	86 228 809	-	86 228 809	-	-
Reinsurance proceeds	(284 354 941)	(284 354 941)	-	-	-
Net investment income	42 150 332	24 558 106	17 592 226	-	-
Allocated to unclaimed benefits	-	-	-	-	-
Other income:	4 117 050	-	4 635 639	(518 589)	-
Script lending fees received	4 635 639	-	4 635 639	-	-
Other income	(518 589)	-	-	(518 589)	-
Less:	207 813 668	343 932 811	(136 119 143)	-	-
- Re-insurance premiums	343 932 811	343 932 811	-	-	-
- Administration costs	(136 119 143)	-	(136 119 143)	-	-
Net income before transfers and benefits	485 264 546	344 103 320	35 556 580	104 397 817	1 206 829
Transfers and benefits	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Benefits	-	-	-	-	-
Net income after transfers and benefits	485 264 546	344 103 320	35 556 580	104 397 817	1 206 829
Actuarial adjustment	33 350 410	2 081 429	2 209 374	29 059 607	-
Direct home loans amendment	23 707	-	-	23 707	-
Revaluation of property	1 125 907	-	-	-	1 125 907
At end of year	519 764 570	346 184 749	37 765 954	133 481 131	2 332 736

19. AMOUNTS TO BE ALLOCATED

	2024 R	2023 R
Gross Contributions June 2024 received subsequent to year end	235 158 455	211 184 172
Investment return to be allocated	242 980 767	138 867 263
Funeral cover profit sharing	-	34 480 686
Risk receivable	-	13 246 700
Unsettled orders	10 722 307	30 071 010
Total amounts to be allocated	488 861 529	427 849 831

NATIONAL FUND FOR MUNICIPAL WORKERS

REPORT OF THE VALUATOR AS AT 30 JUNE 2024

SCHEDULE HB

NATIONAL FUND FOR MUNICIPAL WORKERS REPORT OF THE VALUATOR FOR THE YEAR ENDED 30 JUNE 2024

Particulars of financial condition of the fund as at 30 June 2023 (the last statutory valuation)

1. Net assets available for benefits.

R 27 542 846 000

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 27 542 846 000

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

Members' fund credits *	R 25 889 500 000
Outstanding direct housing loans	R 442 000
Deferred members	R 943 401 000
Living annuitants	R 211 334 000
Total liabilities as at 30 June 2023	R 27 044 677 000

* Includes an amount of R 211 184 000 which relates to contributions received before 30 June 2023 but only allocated to member records after year-end.

4. Reserve account balances.

Risk reserve account	R 262 049 000 *
Expense reserve account	R 65 429 000 *
Data and processing reserve account	R 170 691 000 *
Total reserve accounts as at 30 June 2023	R 498 169 000

* 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 2023 was discussed at the board of management meeting held on 28 June 2024 and submitted to the FSCA on 28 June 2024 under case number 596322. 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 R 170 691 000 or 0.62% of assets at the valuation date. Taking into account the impact of the delayed allocation of the revaluation of some of the asset portfolios, the true underlying balance is equal to R 134 008 000 or 0.49% 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 65 429 000, which is sufficient to cover approximately 45% of the annual administration and other management costs paid from this account. This is in line with our recommended balance of 3 to 6 months' expenses.

The board accepted the actuary's recommendation that the opening balance used for the financial statements for the period ending 30 June 2024 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 be maintained at 0.01%. The suitability of this deduction must also be monitored on at least an annual basis.

c) Risk reserve account

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. 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 statutory valuation report as at 30 June 2023 indicated an accumulated balance in the risk reserve account of R 262 049 000 or 0.55% of member liabilities, before any allowance is made for the impact of claims incurred but not yet reported (so-called "*IBNR provision*"). If we allow for an estimated IBNR provision of R 52.5 million (that is, calculated as 60 additional approved claims with an average claim size of R 875 000), the estimated net balance in the risk reserve amounted to R 209.5 million.

The board has adopted 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 amounts to R 165.0 million at the valuation date compared with the estimated net balance in the risk reserve account of R 209.5 million.

NATIONAL FUND FOR MUNICIPAL WORKERS

**REPORT OF THE VALUATOR
AS AT 30 JUNE 2024**

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


The self-insurance arrangement is still in its infancy, and it was recommended that a prudent approach be followed until a longer history has been established with higher confidence in premium rates and claims experience. The board accepted the actuary's recommendation that the accumulated balance in the risk reserve account be maintained for now.

The board also accepted the actuary's recommendation that the opening balance used for the financial statements for the period ending 30 June 2024 be aligned with the value of the risk reserve account reflected in the statutory valuation report.

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 2023 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

20 September 2024

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 2024

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 2024, 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 2024.

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 2024.

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 2024 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 2024 and note any differences.	We obtained a list of investments as at 30 June 2024 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 2024.														
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 2024. 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 2024.</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>c) 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. The following unsettled trades and exchange rate differences noted were reconciled to nil:</p> <table border="1" data-bbox="853 1473 1433 1904"> <thead> <tr> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Investments per confirmation</td> <td>31 595 681 382</td> </tr> <tr> <td>Investments list of investments</td> <td>31 674 708 131</td> </tr> <tr> <td>Difference</td> <td>-79 026 749</td> </tr> <tr> <td>Unsettled Trades</td> <td>209 725 456</td> </tr> <tr> <td>Exchange rate differences</td> <td>-130 698 707</td> </tr> <tr> <td>Reconciled Difference</td> <td>0</td> </tr> </tbody> </table>	Description	Amount	Investments per confirmation	31 595 681 382	Investments list of investments	31 674 708 131	Difference	-79 026 749	Unsettled Trades	209 725 456	Exchange rate differences	-130 698 707	Reconciled Difference	0
Description	Amount															
Investments per confirmation	31 595 681 382															
Investments list of investments	31 674 708 131															
Difference	-79 026 749															
Unsettled Trades	209 725 456															
Exchange rate differences	-130 698 707															
Reconciled Difference	0															

		<p>Exception Noted:</p> <p>No external confirmation was received for Ninety-One Securities which has a value of R187 as at 30 June 2024.</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 2024. 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 4 new investments made during the year ended 30 June 2024.</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 mandates between the Fund and the investment administrators from the Fund administrator and inspected whether it was signed.</p>
1.2	<p>Inquire from the principal officer the date on which the investment policy statement of the Fund was last reviewed/approved by the Board of Fund. Note the date.</p>	<p>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 on 12 September 2023.</p>
1.2.1	<p>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>	<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	<p>Inspect the investment note 3 of the audited annual financial statements for the year ended 30 June 2024 and document the categories of investments that the Fund has invested in.</p>	<p>We inspected the investment note 3 of the audited annual financial statements for the year ended 30 June 2024 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	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. Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 3 of the audited annual financial statement
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 2024 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 	<p>We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2024. 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

	<p>arrangement whereby the fund has been established; or</p> <p>b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.</p> <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>b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.</p>
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 2024 and document the responses obtained:</p> <p>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 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>	<p>We inquired from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2024. Based on our inquiries performed, the following responses were obtained:</p> <p>a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.</p> <p>b. Not applicable.</p>
2.	<p>Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)</p>	
2.1	<p>Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2024 and as at 01 July 2022 from the Fund administrator, and perform procedure 2.3:</p>	<p>We obtained a list of the member individual accounts for defined contribution members as at 30 June 2024 and as at 01 July 2023 from the Fund administrator, and performed procedure 2.3:</p>
2.2	<p>Obtain a reconciliation of the total value of the list of member individual accounts as at 30 June 2024 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2024 from the Fund administrator. Note the reconciling items.</p>	<p>We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2024 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2024 from the Fund administrator. No reconciling items were noted.</p>
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</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"> • August 2023;

	<p>selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • August 2023. • February 2024; and • June 2024. <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>	<ul style="list-style-type: none"> • February 2024 and • June 2024 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:
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.	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.
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	We recalculated the units allocated to the member for the specific month, as per the fund administration system, by

	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.	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 ended 30 June 2024. Note any exceptions of confirmations not obtained.	We obtained a confirmation of the unit prices from the fund administrator throughout the year ended 30 June 2024.
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 could not obtain, as detailed below, an external confirmation of the unit prices from the Fund's asset managers throughout the year ended 30 June 2024. We noted that Fund administrator's investment and unitisation teams manage the unitisation process of the Fund which is supported from information from the various underlying asset managers of the Fund on a daily basis. Sanlam IPA (Investment Product Administration), receive market values daily in various formats from Asset Managers, which are either converted to text files or manually captured/converted and imported into FUNDAMENTAL (Sanlam Asset administration platform). We have assessed the reasonability of the observed net investment return per the underlying asset managers audit certificates for the period against the change in unit price during the period. No material matters were noted
2.5.1.4	Recalculate the member's fund credit as at 30 June 2024 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 2024 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 2024 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 2024 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	Not applicable. The Fund does not offer non-unitised investment products.

	administrator/Principal Officer/[insert the name and designation of the Fund representative]].	
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	<p>Recalculate the member's closing fund credit as at 30 June 2024 by:</p> <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 designation of the Fund representative]] obtained in procedure 2.5.2.2. <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>	Not applicable. The Fund does not offer non-unitised investment products.
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>	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:
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. • On the first working day of the new month following the member's birthday for lifestage switches. • No switch fees is deductible from the member individual accounts to process a switch was noted.

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 ● 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 switch:</p> <ul style="list-style-type: none"> ● Date when the switch was processed by the Fund administrator; ● Effective date of the switch; and ● 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>No exceptions noted.</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> <p>No exceptions noted.</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>We agreed the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms</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.	per the client mandate between the administrator and the Fund in 2.6.1. No instances were noted where the number of days taken to process the switch was greater than the terms per the client mandate between the administrator and the Fund.
2.6.3	Lifestage switches Obtain the Fund’s Lifestage investment strategy from the Fund administrator.	Lifestage switches We obtained the Fund’s Lifestage investment strategy from the Fund administrator.
2.6.3.1	For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:	For Lifestage switches included in the sample, we performed the following procedures:
2.6.3.2	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: <ul style="list-style-type: none"> ● Date when the Lifestage switch was processed by the Fund administrator; and ● Investment portfolios switched into. 	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: <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	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.	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.
2.6.3.4	Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per service level agreement in 2.6.1. Note any difference in timing.	The timing of the Lifestage switch per 2.6.3.2 agreed with the terms per the investment policy statement in 2.6.1.
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 2024, from the Fund administrator and perform the following procedures:	We obtained the ALM reconciliation per investment portfolio as at 30 June 2024 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.	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>The following reconciling items were noted:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total Investments Per ALM</td> <td>31 511 946 489</td> </tr> <tr> <td>Total Investments per Procedure 1.1</td> <td>31 596 854 954</td> </tr> <tr> <td>Difference</td> <td>84 918 465</td> </tr> <tr> <td>Reconciling items: IPA recon difference</td> <td>80 576 972</td> </tr> <tr> <td>Final Difference</td> <td>4 341 493</td> </tr> </tbody> </table>	Description	Amount	Total Investments Per ALM	31 511 946 489	Total Investments per Procedure 1.1	31 596 854 954	Difference	84 918 465	Reconciling items: IPA recon difference	80 576 972	Final Difference	4 341 493
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2.7.2	<p>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.</p> <p>Note any reconciling items.</p>	<p>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.</p>												
2.7.3	<p>Inspect the total difference between assets and liabilities reflected on the ALM and note whether the variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.</p>	<p>We inspected the total difference between assets and liabilities reflected on the ALM and noted that the variance of 1,57% which is not larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.</p>												
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)													
3.1	<p>Obtain a list of defined benefit members as at 30 June 2024 from the Fund administrator and perform the following procedures:</p>	Not applicable as the Fund is a defined contribution fund.												
3.2	<p>Select a sample of the lesser of 50 or 10% of the number of defined benefit members at 30 June 2024 from the list of members provided by the Fund administrator (selected based on the selection criteria provided above).</p> <p>Perform the following procedures for each member, for each of the following three months:</p> <ul style="list-style-type: none"> • August 2023. • February 2024; and • June 2024. 	Not applicable as the Fund is a defined contribution fund.												

	A systematic sampling method was used to select the 2 months, other than the last month of the year, as agreed with the 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.	Not 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.	Not 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.	Not 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.	Not 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.	Not 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.	Not 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.	Not 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 from the latest actuarial valuation.
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 provided above) and perform the following procedures:	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
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	Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.

	per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	
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	Not applicable. No member and/or employer surplus accounts were noted.

	[insert the note number] to the audited annual financial statements from the Fund administrator, and perform the following procedures:	
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 18 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 and the movements (including debit and credit transactions) per the reserves note 18 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 9.17, 9.18 and 9.19.	We inspected the registered rules of the Fund obtained in procedure 2.4 and noted reserve and other related accounts (e.g. Risk Reserve) and the debit and credit transactions allowed in the reserve and other related accounts (e.g. pensioner accounts) listed in rule 9.17, 9.18 and 9.19.
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 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 2024 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 2024 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 agreed to the corresponding amount disclosed in the housing loans note 4.1 to the audited annual financial statements.
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 member's housing loan (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	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 used and agreed the rate used to the

	the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.	prescribed rates issued by the Authority on the Authority's website. The rate used is within the prescribed rate.
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 agreements between the Fund and the financial institutions from the Fund administrator. We inspected the loan agreements 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% for both agreements.
7.3.1	Defined contribution funds Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2024 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:	We obtained the list of housing loan guarantee balances granted to members from the loan provider as at 30 June 2024 from the Fund administrator, selected a sample of 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. No exceptions noted.
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 exceptions noted.
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 2024 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 contributions note 11 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:	We obtained a list of the number of pay points from the Fund administrator that reconciled to the contributions note 11 of the audited annual financial statements and selected a sample of 23 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 exception 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	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.

	received after seven days of the following month. Note any exceptions.																	
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 2024 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 2024 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 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>The following number of samples was selected per exit type, pro-rated on the number of exits:</p> <table border="1"> <thead> <tr> <th>Description of Benefit (Per Exit Type)</th> <th># of Samples selected</th> </tr> </thead> <tbody> <tr> <td>Withdrawals</td> <td>23</td> </tr> <tr> <td>Death</td> <td>4</td> </tr> <tr> <td>Retrenchments</td> <td>1</td> </tr> <tr> <td>Disability</td> <td>2</td> </tr> <tr> <td>Retirement</td> <td>16</td> </tr> <tr> <td>Divorces</td> <td>4</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	23	Death	4	Retrenchments	1	Disability	2	Retirement	16	Divorces	4	Total	50
Description of Benefit (Per Exit Type)	# of Samples selected																	
Withdrawals	23																	
Death	4																	
Retrenchments	1																	
Disability	2																	
Retirement	16																	
Divorces	4																	
Total	50																	
9.2.1	<p>For each selected benefit, compare the following fields:</p> <ul style="list-style-type: none"> ● gross benefit amount; ● tax amount; ● net benefit amount; ● death certificate ● 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>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; ● death certificate; ● exit date; and ● type of benefit. <p>We noted no 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>Exit date:</p> <p>i. The exit date as reflected on the member’s withdrawal form obtained from the Fund administrator was within one month of 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>No differences noted.</p>
9.2.2	<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 amount of the benefit from the Fund administrator. ○ 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>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 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. • We obtained a listing of reinsurance proceeds, reflecting all proceeds received per benefit for the period, from the Fund administrator and agreed the amount per the confirmation letter obtained above to the listing. <p>No exceptions noted.</p>
9.2.3	<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>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Not applicable as the Fund is a defined contribution fund.</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. 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>For members who were paid up and/or deferred:</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 interest was 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. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail 	<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>No members who were paid up and/or deferred were noted in the sample selected.</p>
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	the responses provided (e.g. interest, where applicable).	
9.2.4	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.	Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).
9.3	Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2024 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:	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 2024 from the Fund administrator, selected a sample 50 of the total number of benefits from the list, and performed the following procedure:
9.3.1	For the sample selected above, (excluding death benefits), calculate the number of months that benefit has been unpaid, using the date of exit as the starting month. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions, if incorrectly classified.	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: No exceptions were noted where the benefits were not classified in the correct category.
9.3.2	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. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions if incorrectly classified.	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: No exceptions were noted where the benefits were not classified in the correct category.

9.4	<p>Unclaimed benefit payments</p> <p>Obtain the reconciliation of unclaimed benefits from beginning of the period 01 July 2023 to the end of the period 30 June 2024 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 2023 to the end of the period 30 June 2024 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 5 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 ● 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>	<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 ● Late payment interest.
10	Transfers	
10.1	<p>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 & 7 to the audited annual financial statements. Note any differences.</p>	<p>We obtained a list of Section 14 transfers to other funds from the Fund administrator and noted that the total of the list agreed to the amounts reflected in the “Transfers to other funds” note 7 to the audited annual financial statements.</p> <p>There were no Section 14 transfers to the Fund.</p>
10.2	<p>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:</p>	<p>From the list of Section 14 transfers to the Fund throughout the year, we selected a sample of 2 the number of transfers out, and performed the following procedures:</p>

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. There were no Section 14 (8) transfers during the period. Thus, procedure (b) not applicable.</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. <p>No exceptions noted.</p>
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 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>We obtained the bank statements for the date of 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 payment as per the bank statement, and the 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</p>	<p>Not applicable as the Fund did not have Section 14 transfers from other funds.</p>

	(selected based on the selection criteria provided above), and perform the following procedures:	
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>Not applicable as the Fund did not have Section 14 transfers from other funds.</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 2024 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 2024 from the Fund administrator, selected a sample of 1 of the number of individual transfers, and performed the following procedures:</p>
10.4.1	<p>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.</p>	<p>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.</p>
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 ● Growth and investment return. <p>Note any exceptions.</p>	<p>Not applicable. There were no Section 14 transfers of unclaimed benefits.</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 	<p>Not applicable. There were no Section 14 transfers of unclaimed benefits.</p>

	<ul style="list-style-type: none"> Not paid within 180 days from the effective date for Section 14(8) transfers. 	
10.5.3	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.	Not applicable. There were no Section 14 transfers of unclaimed benefits.
11	Pensioners paid	
11.1	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 8 as reflected in the audited annual financial statements from the Fund administrator for the period/year ended 30 June 2024, and perform the following procedures:	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 8 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2024, and performed the following procedures:
11.1.1	Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account 3011. Note any differences and/or unexplained reconciliation items.	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 2024 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 based on the selection criteria provided above) and perform the following procedures:</p>	Not applicable. The Fund did not have in-fund pensioner payments.
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.	Not applicable as the Fund did not have annuities purchased in the name of the Fund. .
11.4	Living annuities in the Fund Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number, 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.	We obtained a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly 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	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

	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:	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 pensioner's application form for the living annuity membership of the new pensioners in receipt of a living annuity.	We obtained the pensioner's application form for the living annuity membership of the new pensioner in receipt of a living annuity.
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.	The drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 agreed to the drawdown rate obtained in procedure 11.4.1.1.
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 3 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 Act and/or the Authority's Conduct Standard on Living Annuities.	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. 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.	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. Rounding differences were noted on the recalculated drawdown rate.

11.4.2 .3	Obtain the Certificate of Existence 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 2024 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 2023 to 30 June 2024. The period of the cover per the policy extended year-end. The Fund's fidelity insurance cover is in place until 31 July 2025.
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).	Not applicable as the Fund is self-insured.
12.3	Inquire from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority. Note the date of the valuation and the date of submission to the Authority. Where the Fund is valuation exempt, inquire from the Fund administrator when the valuation exemption was approved by the Authority and note the date.	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 valuation was 30 June 2023 and it was submitted to the Authority on 28 June 2024.
12.3.1	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).	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.
12.3.2	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.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.
12.3.3	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	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.

	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.	
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DocuSigned by:

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Deloitte & Touche
Registered Auditors
Per: Ronel van Graan
Partner

13 December 2024

5 Magwa Crescent
Waterfall
2090

Annexure A

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

- Tswaing Local Municipality

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?
Ikwezi Local Municipality	31/08/2023	06/12/2023	97	No	Yes
Ratlou Local Municipality	31/08/2023	09/09/2023	9	No	Yes
Bojanala Platinum District Municipality	31/06/2024	09/07/2024	9	No	Yes

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS

As at 30 June 2024

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Non-compliant Insurance policies Note M2	Total	Local	Foreign	Foreign Africa	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	2 904 392 365	1 187 241 203	364 785 034	4 456 418 602	4 156 440 644	299 977 958	-	299 977 958	6,73	4 456 418 602
Commodities	B	30 505 753	-	-	30 505 753	30 505 753	-	-	-	-	30 505 753
Housing loans		78 584	-	-	78 584	78 584	-	-	-	-	78 584
Debt instruments including Islamic debt Instruments	C	3 505 346 332	2 040 852 450	2 884 619 187	8 430 817 969	8 290 560 997	140 256 972	-	140 256 972	1,66	8 430 817 969
Investment and owner occupied properties	D	1 225 435 690	205 893 067	69 312 720	1 500 641 477	1 166 905 122	203 373 992	130 362 363	333 736 355	22,24	1 500 641 477
Equities	E	8 607 130 374	6 934 079 935	1 887 549 215	17 428 759 524	9 932 264 256	7 496 495 268	-	7 496 495 268	43,01	17 428 759 524
Other assets		-	-	(1 687 931)	(1 687 931)	(1 687 931)	-	-	-	-	(1 687 931)
Private Equity Funds		106 617 457	-	(352)	106 617 105	106 617 105	-	-	-	-	106 617 105
Total investments		16 379 506 555	10 368 066 655	5 204 577 873	31 952 151 083	23 681 684 530	8 140 104 190	130 362 363	8 270 466 553	25,88	31 952 151 083

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	2 730 212 805
Notes and coins, any balance or deposit in an account held with a South African bank - not exceeding 5% of total assets	918 437 811
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - not exceeding 5% of total assets	1 704 627 575
ABSA Bank Ltd	380 296 884
Deutsche Bank	96 882
Capitec Ltd	788 827
Firststrand Ltd	279 858 140
Investec Ltd	244 241 784
Nedbank Ltd	401 132 438
Standard Bank Ltd	398 212 620
<i>Total of issuers not exceeding 5%</i>	-
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>	155 470 125
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	-

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

Total of issuers not exceeding 5%

(48 322 706)

Foreign

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

174 179 560

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

-

Total of issuers not exceeding 5%

62 267 519

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%

111 912 041

Total

2 904 392 365

B COMMODITIES

Instrument

Holding number

Holding %

Fair value R

Total of issuers not exceeding 5%

15 081 608

Other

Holding %

New Gold Platinum

-

0,05

15 424 145

15 424 145

30 505 753

Total

30 505 753

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

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					
Republic of South Africa TB	Local		Issued		1 666 329 485
SA Rd Council 2025	Local		Issued		642 344
TransCaledon TA	Local		Issued		10 132
Total					<u>1 666 981 961</u>
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>					
					719 893 511
Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed					
<i>Total of issuers not exceeding 5%</i>					
					57 104 117
Not listed on an exchange					
<i>Total of issuers not exceeding 5%</i>					
					16 181
Total					<u>16 181</u>
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>					
					280 478 143
Not listed on an exchange					
					17 384 622
Total					<u>17 384 622</u>
Other					
Listed on an exchange:					
<i>Total of issuers not exceeding 5%</i>					
					22 907 397
Not listed on an exchange					
					740 580 400
Total					<u>740 580 400</u>
Total debt instruments including Islamic debt instruments					
					<u><u>3 505 346 332</u></u>

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Fair value R
Owner occupied properties	
<i>Total of issuer/entity less than 5% of total assets</i>	18 100 000
Total owner occupied properties	<u>18 100 000</u>
Total	<u>18 100 000</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

	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%						896 178 322
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						
Total of issuers not exceeding 5%						129 294 770
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
Total of issuers not exceeding 5%						181 740 166
Total						<u>1 207 213 258</u>
Shares in property companies and linked units in property companies, not listed on an exchange:						
Total of issuers not exceeding 5%		-	-			122 432
Total						<u>122 432</u>
Total						<u>1 207 335 690</u>
Total						<u>1 225 435 690</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

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						
ABSA Group Ltd	Local	894 376 907	Ordinary	892 495	0,10	141 415 833
AVI Limited	Local	339 975 466	Ordinary	237 010	0,07	22 418 776
African Rainbow Minerals Ltd	Local	224 667 778	Ordinary	287 997	0,13	65 375 319
Anglo American Plc	Foreign	1 337 577 913	Ordinary	431 845	0,03	248 958 642
Anglo Platinum Ltd	Local	265 292 206	Ordinary	21 343	0,01	12 842 510
Anglogold Ashanti Ltd	Local	419 685 792	Ordinary	454 093	0,11	208 778 338
Anheuser-Busch	Local	1 737 197 136	Ordinary	209 931	0,01	223 192 341
Aspen Pharmacare Holdings Ltd	Local	446 252 332	Ordinary	451 043	0,10	105 232 842
BHP Billiton Plc	Foreign	5 068 739 787	Ordinary	215 831		112 512 700
Bid Corp Ltd	Local	335 404 212	Ordinary	364 459	0,11	154 847 695
Bidvest Group Ltd	Local	340 274 346	Ordinary	196 874	0,06	55 998 841
British American Tobacco Plc	Foreign	2 456 907 419	Ordinary	711 550	0,03	399 663 853
Bytes Technology Group Plc	Foreign	239 482 333	Ordinary	163 871	0,07	20 710 017
Capitec Bank	Local	116 009 843	Ordinary	114 542	0,10	301 130 918
Compagnie Financiere Richemont SA Depository Rec	Local	522 000 000	Ordinary	82 065	0,02	233 878 684
DCAR Index Future Sep24 (DCRU4)	Local	-	Preference	1 390		47 304 332
Dis-Chem Pharmacies Ltd	Local	860 084 483	Ordinary	3 075 193	0,36	103 510 997
Discovery Holdings Ltd	Local	673 146 417	Ordinary	260 191	0,04	35 045 126
Exxaro Resources Ltd	Local	349 305 092	Ordinary	380 126	0,11	67 662 428
FTSE/JSE TOP 40 Sep24 (AIU4)	Local	-	Preference	60		4 424 520
Firstrand Ltd	Local	5 609 488 001	Ordinary	6 193 931	0,11	476 313 293
Glencore Xstrata PLC	Foreign	12 320 446 959	Ordinary	1 832 702	0,01	191 224 126
Gold Fields Ltd	Local	893 540 813	Ordinary	786 596	0,09	215 071 078
Harmony Gold Mining Company Ltd	Local	619 224 689	Ordinary	139 815	0,02	23 495 911
Impala Platinum Holdings Ltd	Local	904 264 368	Ordinary	570 132	0,06	51 750 882
Investec Ltd	Local	295 278 453	Ordinary	88 434	0,03	11 698 050
Investec Plc	Foreign	295 278 453	Ordinary	585 382	0,20	77 446 039
Kumba Iron Ore Ltd	Local	322 085 974	Ordinary	25 630	0,01	11 267 717
Life Healthcare Group	Local	1 467 349 162	Ordinary	326 794	0,02	4 199 304
MMI Holdings Ltd	Local	1 405 148 402	Ordinary	636 606	0,05	14 578 277
MTN Group Ltd	Local	1 884 269 758	Ordinary	2 039 448	0,11	173 230 713
Momentum Metropolitan Holdings Ltd	Local	1 420 291 113	Ordinary	2 633 854	0,19	60 315 257
Mondi Plc	Foreign	485 553 780	Ordinary	548 379	0,11	193 029 408
Motus Holdings Ltd	Local	179 131 978	Ordinary	45 818	0,03	4 233 125
Mr Price Group Ltd	Local	256 791 496	Ordinary	302 477	0,12	62 286 064
Multichoice Group Ltd	Local	442 512 678	Ordinary	260 687	0,06	77 237 136

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

Naspers Ltd	Local	178 284 116	Ordinary	171 479	0,10	611 703 318
Nedbank Group Ltd	Local	488 105 724	Ordinary	615 568	0,13	157 837 791
Ninety One Ltd	Local	288 643 627	Ordinary	413 430	0,14	15 710 340
Ninety One Plc	Foreign	622 624 622	Ordinary	431 316	0,07	16 605 666
Northam Ltd	Local	396 615 878	Ordinary	491 689	0,12	62 592 010
OUTsurance Group Ltd	Local	1 532 408 776	Ordinary	1 896 571	0,12	88 038 826
Old Mutual Plc	Foreign	4 801 110 497	Ordinary	4 686 752	0,10	58 021 998
PGS Group Ltd	Local	1 268 686 847	Ordinary	3 750 877	0,30	65 040 215
Pepkor Holdings Ltd	Local	3 667 426 643	Ordinary	1 826 093	0,05	34 202 722
Prosus N.V	Local	4 034 484 561	Ordinary	804 078	0,02	523 141 187
Quilter PLC	Foreign	1 404 105 498	Ordinary	5 848 696	0,42	161 482 496
Reinet Investments	Local	195 941 286	Ordinary	147 875	0,08	67 948 563
Remgro Ltd	Local	529 217 007	Ordinary	993 661	0,19	135 227 326
Sanlam Ltd	Local	2 202 916 000	Ordinary	1 533 503	0,07	124 091 063
Santam Ltd	Local	115 131 417	Ordinary	114 256	0,10	37 212 037
Sappi Ltd	Local	562 762 380	Ordinary	1 694 457	0,30	82 248 942
Sasol Ltd	Local	638 626 265	Ordinary	869 807	0,14	120 120 347
Shoprite Holdings Ltd	Local	591 338 502	Ordinary	724 551	0,12	74 042 929
Sibanye Stillwater Ltd	Local	2 830 567 264	Ordinary	2 390 543	0,08	47 141 508
South32 Ltd	Local	4 535 378 773	Ordinary	645 844	0,01	28 727 141
Spar Group Ltd	Local	192 602 355	Ordinary	545 973	0,28	64 626 824
Standard Bank Group Ltd	Local	1 675 797 449	Ordinary	1 700 988	0,10	358 585 280
The Foshini Group Ltd	Local	331 027 300	Ordinary	624 422	0,19	79 620 049
Tiger Brands Ltd	Local	180 327 980	Ordinary	252 580	0,14	50 255 843
Truworths International Ltd	Local	408 498 899	Ordinary	374 466	0,09	34 930 189
Vodacom Group Ltd	Local	2 077 841 204	Ordinary	384 260	0,02	37 469 193
Woolworths Holdings Ltd	Local	988 695 949	Ordinary	1 707 199	0,17	105 470 754
Total						<u>7 454 375 649</u>

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

Total of issuers not exceeding 5%

803 574 453

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

Total of issuers not exceeding 5%

6 256 157

Unlisted equities

	Local	-	Ordinary	-		342 924 115
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Total						<u>342 924 115</u>
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Total equities						<u>8 607 130 374</u>
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NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

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%							
ABSA Group Ltd			Various	32 756 871	56 419	Nedbank	Nedbank	-
ARI			Various	51 581 431	227 954	Nedbank	Nedbank	-
Adcock Ingram Holdings Ltd			Various	1 525 860	25 431	Nedbank	Nedbank	-
Anglo Platinum Ltd			Various	8 020 259	13 759	Nedbank	Nedbank	-
Anheuser-Bush Ltd			Various	21 512 794	19 700	Nedbank	Nedbank	-
Aspen Pharmacare Holdings Ltd			Various	84 936 608	360 665	Nedbank	Nedbank	-
BHP Group Ltd			Various	53 712 443	102 795	Nedbank	Nedbank	-
Baroloworld Ltd			Various	5 178 080	59 443	Nedbank	Nedbank	-
Basil Read Holdings Ltd			Various	834	20 838	Nedbank	Nedbank	-
Bid Corp Ltd			Various	13 265 985	31 184	Nedbank	Nedbank	-
Bidvest Group Ltd			Various	15 624 626	56 429	Nedbank	Nedbank	-
Brait SA			Various	971 978	1 092 111	Nedbank	Nedbank	-
British American Tobacco Plc			Various	273 532 721	480 700	Nedbank	Nedbank	-
Capitec Bank Ltd			Various	206 095 500	81 300	Nedbank	Nedbank	-
Cashbuild Ltd			Various	7 192 488	47 319	Nedbank	Nedbank	-
City Lodge Hotels Ltd			Various	3 448 000	800 000	Nedbank	Nedbank	-
Clindeb Investment Ltd			Various	17 774 312	1 398 451	Nedbank	Nedbank	-
Comair Ltd			Various	110 000	110 000	Nedbank	Nedbank	-
Compagnie Financiere Richmond SA			Various	1 708 108	586	Nedbank	Nedbank	-
Coronation Fund Managers Ltd			Various	12 118 234	342 323	Nedbank	Nedbank	-
Dipula Income Fund			Various	13 549	3 362	Nedbank	Nedbank	-
Dis-Chem Pharmacies Ltd			Various	58 895 611	1 791 774	Nedbank	Nedbank	-
Discovery Ltd			Various	8 968 874	69 087	Nedbank	Nedbank	-
Drdgold			Various	3 201 331	201 215	Nedbank	Nedbank	-
Emira Property Fund Ltd			Various	1 060 000	100 000	Nedbank	Nedbank	-
Equities Property Fund			Various	12 595 724	989 452	Nedbank	Nedbank	-
Exxaro Resources Ltd			Various	37 228 622	210 736	Nedbank	Nedbank	-
Fortress Income Fund Ltd			Various	412 533	25 002	Nedbank	Nedbank	-
Foshini Group Ltd			Various	6 903 584	55 746	Nedbank	Nedbank	-
Growthpoint Properties Ltd			Various	56 102 860	4 659 706	Nedbank	Nedbank	-
Hammerson Ltd			Various	8 483 802	1 539 710	Nedbank	Nedbank	-
Harmony Gold Mining Company Ltd			Various	8 494 300	49 100	Nedbank	Nedbank	-
Hyprop Investments Ltd			Various	8 075 153	258 902	Nedbank	Nedbank	-
Impala Platinum Holdings Ltd			Various	25 979 175	287 826	Nedbank	Nedbank	-
Investec Plc			Various	26 372 000	200 000	Nedbank	Nedbank	-
Italtile Ltd			Various	2 473 701	226 945	Nedbank	Nedbank	-

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

JSE Ltd	Various	2 940 223	27 407	Nedbank	Nedbank	-
Kumba Iron ore Ltd	Various	5 191 883	11 749	Nedbank	Nedbank	-
Libstar Holdings Ltd	Various	14 615	3 700	Nedbank	Nedbank	-
Life Healthcare Group Ltd	Various	25 430 356	1 979 016	Nedbank	Nedbank	-
Lighthouse Capital Ltd	Various	12 543 649	1 564 046	Nedbank	Nedbank	-
MNTK Renew	Various	969 692	9 174	Nedbank	Nedbank	-
Momentum Metropolitan Holdings Ltd	Various	20 841 300	930 000	Nedbank	Nedbank	-
Mondi Packaging Ltd	Various	12 068	477	Nedbank	Nedbank	-
Motus Holdings Ltd	Various	15 431 068	167 729	Nedbank	Nedbank	-
Mr Price Group Ltd	Various	50 569 110	251 400	Nedbank	Nedbank	-
Multichoice Group Ltd	Various	11 863 348	113 308	Nedbank	Nedbank	-
Nepo Rockcastle Plc	Various	73 784 802	566 486	Nedbank	Nedbank	-
Ninety One Plc	Various	16 152 875	416 956	Nedbank	Nedbank	-
Northam Platinum Holdings Ltd	Various	38 957 582	308 844	Nedbank	Nedbank	-
OUTsurance Group Ltd	Various	57 332 616	1 257 570	Nedbank	Nedbank	-
Oceana Group Ltd	Various	9 825 600	138 000	Nedbank	Nedbank	-
Octodec Investments Ltd	Various	150 909	15 228	Nedbank	Nedbank	-
Old Mutual Group Ltd	Various	19 649 789	1 642 959	Nedbank	Nedbank	-
Pepkor Holdings Ltd	Various	23 284 800	1 260 000	Nedbank	Nedbank	-
Pick n Pay Stores Ltd	Various	9 430 769	377 684	Nedbank	Nedbank	-
RMB Holdings Ltd	Various	92 881	226 541	Nedbank	Nedbank	-
Rebosisa	Various	47	49	Nedbank	Nedbank	-
Redefine Properties Ltd	Various	5 298 511	1 305 052	Nedbank	Nedbank	-
Remgro Ltd	Various	91 544 955	685 730	Nedbank	Nedbank	-
Resilient Property Income	Various	8 276 387	176 356	Nedbank	Nedbank	-
SHC	Various	5 918 845	183 246	Nedbank	Nedbank	-
Sappi Ltd	Various	61 388 184	1 269 400	Nedbank	Nedbank	-
Sasol Ltd	Various	269	2	Nedbank	Nedbank	-
Sibanye Stillwater Ltd	Various	28 151 154	1 418 909	Nedbank	Nedbank	-
South32 Ltd	Various	17 039 135	374 816	Nedbank	Nedbank	-
Spar Group Ltd	Various	24 866 174	211 591	Nedbank	Nedbank	-
Spear Reit Ltd	Various	304 500	35 000	Nedbank	Nedbank	-
Super Group Ltd	Various	279 600	10 000	Nedbank	Nedbank	-
Telkom SA Ltd	Various	3 776 291	160 216	Nedbank	Nedbank	-
Thungela Resources Ltd	Various	7 639 167	68 061	Nedbank	Nedbank	-
Tiger Brands Ltd	Various	37 611 420	191 895	Nedbank	Nedbank	-
Transaction Capital Ltd	Various	7 650 768	2 656 517	Nedbank	Nedbank	-
Tsogo Sun Gaming Limited	Various	5 533 500	510 000	Nedbank	Nedbank	-
Vodacom Group Ltd	Various	4 874 500	52 493	Nedbank	Nedbank	-
Vukile Ltd	Various	27 824 526	1 831 766	Nedbank	Nedbank	-
We Buy Cars Holdings Ltd	Various	1 086 024	41 674	Nedbank	Nedbank	-
Woolworths Holdings Ltd	Various	2 313 060	38 000	Nedbank	Nedbank	-
Zeda Ltd	Various	131 164	11 050	Nedbank	Nedbank	-

Total

1 812 306 067

-

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
Allan Gray Life Ltd	-	5 325
Camissa Asset Managers (Pty) Ltd	0,07	22 880 107
Prescient Investment Management (Pty) Ltd	9,44	3 016 070 364
		<u>3 038 955 796</u>
Foreign		
Allan Gray Life Ltd	4,78	1 526 767 686
Camissa Asset Managers (Pty) Ltd	0,03	10 193 244
Catalyst Global Real Estate Units Fund	0,65	208 268 297
Coronation Asset Management (Pty) Ltd	2,69	859 265 781
Mazi Global Equity Fund	3,10	990 948 455
Morgan Stanley Investments Funds	0,98	312 916 402
Nedgroup Investment Advisors (Pty) Ltd	4,55	1 454 446 371
Prescient Core Global Equity Fund	0,79	252 888 930
Rubrics Global UCITS Funds Plc	0,26	82 026 997
Vulcan Asset Managers Funds	5,11	1 631 388 696
		<u>7 329 110 859</u>
Total Non-compliant collective investment schemes		<u>10 368 066 655</u>

M2 NON-COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Linked policies		
Local		
Futuregrowth Investments	5,91	1 888 081 883
Ninety One SA (Pty) Ltd	2,89	924 537 311
Old Mutual Investment Group (Pty) Ltd	5,48	1 751 471 774
		<u>4 564 090 968</u>
Foreign		
Ninety One SA (Pty) Ltd	1,91	609 928 105
Old Mutual Investment Group (Pty) Ltd	0,10	30 558 800
		<u>640 486 905</u>
Total linked policies		<u>5 204 577 873</u>
Total certified Regulation 28 non-compliant investments		<u>15 572 644 528</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

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	453 648 775	-	-	453 648 775	1,42 %
ABSA Bank Ltd	452 507 664	-	-	452 507 664	1,42 %
Nedbank Ltd	1 141 111	-	-	1 141 111	- %
Asset managers - local	-	-	9 030 462 956	20 691 824 968	64,76 %
Allan Gray Life Ltd	-	-	3 522 123 891	3 522 123 891	11,02 %
Apex Fund and Corporate Services SA (Pty) Ltd	-	-	-	51 545 133	0,16 %
Argon Asset Management (Pty) Ltd	-	-	-	1 649 336 879	5,16 %
Ashburton Fund Managers (Pty) Ltd	-	-	746 528 729	746 528 729	2,34 %
Balondolozzi Investment Services (Pty) Ltd	-	-	1 091 415 817	1 091 415 817	3,42 %
Camissa Asset Managers (Pty) Ltd	-	-	33 073 351	33 073 351	0,10 %
Catalyst Fund Managers SA (Pty) Ltd	-	-	390 167 199	390 167 199	1,22 %
Coronation Asset Management (Pty) Ltd	-	-	3 247 153 969	3 247 153 969	10,16 %
Legacy Africa Fund Managers (Pty) Ltd	-	-	-	1 616 316 461	5,06 %
Mazi Equity Fund	-	-	-	756 737 363	2,35 %
Metope Investment Managers (Pty) Ltd	-	-	-	389 072 888	1,22 %
Ninety One SA (Pty) Ltd	-	-	-	-	- %
Novare Investments (Pty) Ltd	-	-	-	130 362 363	0,41 %
Old Mutual Alternative Investments (Pty) Ltd	-	-	-	65 138 704	0,20 %
Prescient Investment Management (Pty) Ltd	-	-	-	3 716 392 539	11,63 %
RQ Capital Partners (Pty) Ltd	-	-	-	279 468 375	0,87 %
Sanlam Investment Management (Pty) Ltd	-	-	-	1 430 385 440	4,48 %
Summit PE Investment Managers (Pty) Ltd	-	-	-	106 617 457	0,33 %
Terebinth Capital (Pty) Ltd	-	-	-	1 469 988 410	4,60 %
Asset managers - foreign	-	-	5 040 770 414	5 040 770 414	15,78 %
Catalyst Global Real Estate Units Fund	-	-	208 268 297	208 268 297	0,65 %
Morgan Stanley Investments Funds	-	-	312 916 402	312 916 402	0,98 %
Nedgroup Investment Funds Plc	-	-	1 454 446 371	1 454 446 371	4,55 %
Vulcan Asset Managers Funds	-	-	1 631 388 696	1 631 388 696	5,11 %
Rubrics Global UCITS Funds Plc	-	-	82 026 997	82 026 997	0,26 %
Prescient (Ireland)	-	-	1 243 837 385	1 243 837 385	3,86 %
Infra Impact Investment Managers (Pty) Ltd	-	-	107 886 266	107 886 266	0,33 %

NATIONAL FUND FOR MUNICIPAL WORKERS

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

As at 30 June 2024

Insurance companies	-	-	5 204 577 872	5 204 577 872	16,29 %
Futuregrowth Investments (Pty) Ltd	-	-	1 888 081 883	1 888 081 883	5,91 %
Ninety One SA (Pty) Ltd	-	-	1 534 465 416	1 534 465 416	4,80 %
Old Mutual Life Assurance Company SA	-	-	1 782 030 573	1 782 030 573	5,58 %
Other funds	18 100 000	543 150 283	78 584	561 328 867	1,76 %
RFS Home Loans (Pty) Ltd	-	543 150 283	-	543 150 283	1,70 %
Business Park @ Zambezi	18 100 000	-	-	18 100 000	0,06 %
Housing loans	-	-	78 584	78 584	- %
	471 748 775	543 150 283	19 275 889 826	31 952 150 896	100,00 %

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1) R	Cash at bank R	Non-compliant CIS R	Non-compliant Insurance Policies R	Other R	Total R
Cash and deposits	2 567 284 820	337 107 545	1 187 241 203	364 785 034	-	4 456 418 602
Commodities	30 505 753	-	-	-	-	30 505 753
Housing loans	-	-	-	-	78 584	78 584
Debt instruments including Islamic debt instruments *	3 505 346 332	-	2 040 852 450	2 884 619 187	-	8 430 817 969
Investment properties	-	-	205 893 067	69 312 720	1 225 435 690	1 500 641 477
Equities	9 814 466 064	-	6 934 079 935	1 887 549 215	(1 207 335 690)	17 428 759 524
Private equity funds	106 617 457	-	-	(352)	-	106 617 105
Collective investment schemes	10 368 066 655	-	(10 368 066 655)	-	-	-
Insurance policies	5 204 577 873	-	-	(5 204 577 873)	-	-
Other assets	-	-	-	(1 687 931)	-	(1 687 931)
Total investments	31 596 864 954	337 107 545	-	-	18 178 584	31 952 151 083

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024

		Fair value R
A	Total assets (Schedule IA -Total investments)	31 952 151 083
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	31 952 151 083

Categories of kinds of assets	%	Fair value R	Fair value %
1 CASH		4 456 418 602	13,95%
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%	4 156 440 644	13,01%
1.1(a) Notes and coins; any balance or deposit in an account held with a South African bank;		1 062 234 166	3,32%
ABSA Bank Ltd	25%	501 991 272	1,57%
Other	25%	560 242 894	1,75%
1.1(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		2 891 297 024	9,05%
Standard Bank Ltd	25%	752 262 161	2,35%
Other	25%	2 139 034 863	6,69%
1.1(c) Any positive net balance in a margin account with an exchange		235 578 004	0,74%
Standard Chartered Bank	25%	90 668 615	0,28%
Other	25%	144 909 389	0,45%
1.1(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		(32 668 550)	(0,10)%
Firstrand	25%	35 798 628	0,11%
Other	25%	(68 467 178)	(0,21)%
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	45%	299 977 958	0,94%
1.2(a) Any balance or deposit held with a foreign bank		183 171 612	0,57%
Rubrics	5%	82 026 997	0,26%
Other	5%	101 144 615	0,32%
1.2(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		116 806 346	0,37%
BNP Paribas Margin Account	5%	111 890 578	0,35%
Other	5%	4 915 768	0,02%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		8 430 817 969	26,39%
2.1 Inside the Republic	100%	8 290 560 997	25,95%
2.1(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		3 272 526 440	10,24%
Republic of South Africa	100%	847 719 846	2,65%
Other	100%	2 424 806 594	7,59%
Carried forward		7 728 945 042	24,18%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

Categories of kinds of assets		%	Fair value R	Fair value %
Brought forward			7 728 945 042	24,18%
2.1(c)	Debt instruments issued or by a South African bank against its balance sheet	75%	1 175 131 253	3,68%
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%	1 110 684 487	3,48%
	Redefine Properties Ltd RDFG09 Jb3+170 240830	25%	30 615 045	0,10%
	Other	25%	1 080 069 442	3,38%
2.1(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	57 104 117	0,18%
	Barloworld Ltd	15%	19 905 751	0,06%
	Other	15%	37 198 366	0,12%
2.1(c)(iv)	Not listed on an exchange	25%	7 342 649	0,02%
	Micro Smal and Medium Enterprise	5%	7 326 468	0,02%
	Other	5%	16 181	0,00%
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%	1 772 191 711	5,55%
2.1(d)(i)	Listed on an exchange	50%	1 454 665 955	4,55%
	Eskom Holdings	10%	71 614 568	0,22%
	Other	10%	1 383 051 387	4,33%
2.1(d)(ii)	Not listed on an exchange	25%	317 525 756	0,99%
	Transnet	5%	24 021 045	0,08%
	Other	5%	293 504 711	0,92%
2.1(e)	Other debt instruments:-	25%	2 070 711 593	6,48%
2.1(e)(i)	Listed on an exchange	25%	214 687 768	0,67%
	Nedbank Fortress	5%	27 720 794	0,09%
	Other	5%	186 966 974	0,59%
2.1(e)(ii)	Not listed on an exchange	15%	1 856 023 825	5,81%
	RFS Home Loans 9Pty) Ltd	5%	543 150 283	1,70%
	Other	5%	1 312 873 542	4,11%
		45%		
2.2	Foreign		140 256 972	0,44%
2.2(b)	Debt instruments issued or guaranteed by the government of a foreign country	45%	94 523 243	0,30%
	Orbis Inst. Global Equity Fund	10%	94 523 243	0,30%
2.2(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	45%	45 733 729	0,14%
2.2(d)(i)	Listed on an exchange	45%	45 733 729	0,14%
	BNP Paribas Cash USD Account	10%	21 019 786	0,07%
	Other	10%	24 713 943	0,08%
3	EQUITIES		17 428 759 524	54,55%
3.1	Inside the Republic	75%	9 932 264 256	31,08%
3.1(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	8 343 564 501	26,11%
3.1(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	7 493 015 573	23,45%
	Naspers Ltd	15%	611 703 318	1,91%
	Other	15%	6 881 312 255	21,54%
3.1(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	843 779 149	2,64%
	Adtech Ltd	10%	84 676 216	0,27%
	Other	10%	759 102 933	2,38%
3.1(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	6 769 779	0,02%
	Transaction Capital	5%	1 773 797	0,01%
	Other	5%	4 995 982	0,02%
Carried forward			21 230 801 072	66,48%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

Categories of kinds of assets		%	Fair value R	Fair value %
Brought forward			21 230 801 072	66,48%
3.1(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	1 588 699 755	4,97%
	Metrofibre Network	2,5%	125 743 961	0,39%
	Other	2,5%	1 462 955 794	4,58%
3.2	Foreign		7 496 495 268	23,46%
3.2(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	7 494 197 671	23,45%
3.2(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	7 488 180 123	23,44%
	Orbis Global Equity Fund	15%	1 456 487 216	4,56%
	Other	15%	6 031 692 907	18,88%
3.2(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	6 017 548	0,02%
	Despegar.com Corp	10%	4 254 285	0,01%
	Other	10%	1 763 263	0,01%
3.2(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	2 297 597	0,01%
	Orbis Inst. Global Equity Fund	2,5%	2 297 597	0,01%
4	IMMOVABLE PROPERTY		1 500 641 477	4,70%
4.1	Inside the Republic	25%	1 166 905 122	3,65%
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%	1 079 369 970	3,38%
4.1(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	896 208 123	2,80%
	Nepi Rockcastle Plc	15%	178 768 186	0,56%
	Other	15%	717 439 937	2,25%
4.1(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	129 336 376	0,40%
	Stor-Age Property Reit Ltd	10%	37 635 836	0,12%
	Other	10%	91 700 540	0,29%
4.1(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	53 825 471	0,17%
	Satrix Property	5%	25 278 210	0,08%
	Other	5%	28 547 261	0,09%
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%	87 535 152	0,27%
	Commercial Cold Holdings	5%	61 618 544	0,19%
	Other	5%	25 916 608	0,08%
4.2	Foreign	25%	333 736 355	1,04%
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%	333 736 355	1,04%
4.2(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	333 736 355	1,04%
	Catalyst Global Real Estate	5%	203 373 992	0,64%
	Other	5%	130 362 363	0,41%
5	COMMODITIES		30 505 753	0,10%
5.1	Inside the Republic	10%	30 505 753	0,10%
5.1(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	30 505 753	0,10%
5.1(a)(i)	Gold (including Kruger Rands)	10%	15 081 608	0,05%
	New Gold Issuer Ltd	10%	15 081 608	0,05%
Carried forward			31 831 719 180	99,68%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		31 831 719 180	99,68%
5.1(a)(ii) Other commodities	5%	15 424 145	0,05%
New Gold Platinum ETF	5%	15 424 145	0,05%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	65%	78 584	0,00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		104 929 174	0,33%
8.1 Inside the Republic		104 929 174	0,33%
8.1(b) Private equity funds	15%	106 617 105	0,33%
8.1(b)(i) Funds of private equity funds		106 617 105	0,33%
Summit Private Equity Fund	10%	106 617 457	0,33%
Other	10%	(352)	0,00%
8.1(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2,5%	(1 687 931)	(0,01)%
FGR Swaps	2,5%	(1 687 931)	(0,01)%
TOTAL ASSETS – REGULATION 28		31 952 151 083	100,00%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

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	4 156 440 644	93,27	299 977 958	6,73	4 456 418 602
2 Debt instruments including Islamic debt instruments	8 290 560 997	98,34	140 256 972	1,66	8 430 817 969
3 Equities	9 932 264 256	56,99	7 496 495 268	43,01	17 428 759 524
4 Immovable property	1 166 905 122	77,76	333 736 355	22,24	1 500 641 477
5 Commodities	30 505 753	100,00	-	-	30 505 753
7 Housing loans granted to members - section 19(5)	78 584	100,00	-	-	78 584
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	104 929 174	100,00	-	-	104 929 174
TOTAL	23 681 684 530	74,12	8 270 466 553	25,88	31 952 151 083

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	1 856 023 825	5,81	
3(b) Equities not listed	1 588 699 567	4,97	
4.1(b) Immovable properties not listed	87 535 152	0,27	
8 Hedge funds , Private Equity funds and other assets	104 929 174	0,33	
TOTAL	3 637 187 718	11,38	45%

Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b) Equities not listed	1 588 699 567	4,97	
8.1(b) Private Equity funds	106 617 104	0,33	
TOTAL	1 695 316 671	5,30	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 2024

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 89 to 94 at 30 June 2024 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c),(3)(e)-(i), (3)(iB),(3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i),(3)(iB),(3)(j), (4), (8)(a) and (9) as at 30 June 2024.

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)-(i),(3)(iB),(3)(j), (4), (8)(a) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB),(3)(j),(4),(8)(a) 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)-(i),(3)(iB),(3)(j), (4), (8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB),(3)(j), (4), (8)(a) 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



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

(ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that 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)-(i),(3)(iB),(3)(j),(4),(8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a),(3)(c), (3)(e)-(i),(3)(iB),(3)(j),(4),(8)(a) 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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) 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)-(i), (3)(iB), (3)(j), (4), (8)(a) 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 long-term insurers and issuers of these investments at 30 June 2024, the year-end of the Fund. In certain instances, these confirmations were not subjected to audit procedures by the auditors of the different long-term insurers and issuers as at 30 June 2024.

We have not assessed the accuracy and completeness of the information included in these confirmations obtained from the long-term insurers and issuers to the value of R15 572 644 528 at 30 June 2024. 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 2024, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 13 December 2024. 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 2024 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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2024.

Emphasis of Matter

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

As disclosed in the note on page 94 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). Furthermore, the Schedule has not been updated to reflect the removal of the exclusions that were allowed on look-through of Collective Investment Schemes and/or Insurance policies. 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.

Other matter – Compliance with regulations 28(3)(iA) and 28(8)(b)

Regulation 28(3)(iA) states that the aggregate exposure by a Fund to all issuers in respect of direct infrastructure, across all asset categories, excluding any debt instrument issued or guaranteed by the South African Government, may not exceed 45% of the aggregate fair value of the total assets of the Fund. Regulation 28(8)(b) requires the Fund to report its infrastructure assets, with respect to the top 20 holdings, in the format specified in Table 2. The definition of 'infrastructure' in the amended Regulation 28 as prescribed in Government Gazette No.46649 of 1 July 2022, which became effective on 3 January 2023 does not provide criteria for the identification and classification of infrastructure. As a result, compliance with Regulations 28(3)(iA) and 28(8)(b) was excluded from the scope of our assurance engagement. Our opinion is not modified in respect of this matter.

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.

DocuSigned by:

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Deloitte & Touche
Registered Auditors
Per: Ronel van Graan
Partner

13 December 2024

5 Magwa Crescent
Waterfall
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