

ANNUAL REPORT - 2014



KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

31ST March 2014

ANNUAL REPORT

NAME OF PROVIDENT FUND : **KwaZulu-Natal Joint Municipal Provident Fund**

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER** : **12/8/32588/1**

**SOUTH AFRICAN REVENUE
SERVICES APPROVAL NUMBER** : **18/20/4/38859**

FOR THE PERIOD : **1 April 2013 to 31 March 2014**

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ANNUAL GENERAL MEETING

The **ANNUAL GENERAL MEETING** of the General Committee of the Fund will be held at the Sinodale Centre, Pietermaritzburg, on Friday 28 NOVEMBER 2014. The attention of members of the Fund is drawn to Rule 17(b) of the joint Rules for the Management and Administration of the Natal Joint Municipal Pension/KwaZulu-Natal Joint Municipal Provident Funds, as amended, which provides that a copy of the Annual Report and Financial Statements shall be forwarded to each Municipality at least 45 days prior to the Annual General Meeting and to each member upon written request to the Fund. Any business that a Municipality or member desires to be discussed at such meeting shall be submitted in writing to the Director at least 30 days prior thereto.

WESTVILLE



MR. S. CAMILLERI
PRINCIPAL OFFICER

SCHEDULE - A

Item 1

The following Annual Report and Financial Statements for the year ended 31 March 2014 are submitted by the Committee of Management in terms of the Rules for the Management and Administration of the Fund approved by the Premier of KwaZulu-Natal, and promulgated in Provincial Gazette No. 5148 dated 8 August 1996 under PN. 273, 1996.

REGULATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

Fund's registered office (the Fund is a self-administered Fund)

Postal Address:	Physical Address:
P.O. Box 33 Westwood 3633	5 Derby Downs University Road WESTVILLE 3633

Financial reporting periods

Current Period:	Previous Period:
1 April 2013 to 31 March 2014	1 April 2012 to 31 March 2013

Responsible persons in terms of section 8 of the Pension Funds Act, 1956

Principal Officer	: Mr. Sam Camilleri
Date Appointed	: 01.07.2007
Postal Address	: P.O. Box 33, Westwood, 3633
Physical Address	: 5 Derby Downs, University Road, WESTVILLE, 3633
Telephone Number	: (031) 279 5300
E-mail Address	: director@njmpf.co.za

Board of trustees

- Employer Representatives

Full Name	Date Appointed	Date Resigned
Cllr. Mrs. Magwaza-Msibi Veronica Zanele C.)	11.11.2011	-
Cllr. Mr. Talmage Earl Andrew	23.07.2007	-
Cllr. Mrs. Gumbi Nthombizethu Vera	21.05.2010	-
Cllr. Mr. Nyathi Mzwandile Victor	19.08.2011	-
Cllr. Ms. Mavimbela Hlengiwe Goodness Sundile	11.11.2011	-

- Member Representatives

Full Name	Date Appointed	Date Resigned
Mrs. Millar Denise Rosalie	23.09.2011	31.03.2013
Mr. Geringer Johannes Gerhard	17.01.1997	30.06.2012
Mr. Lemmer Diederik Arnoldus	24.11.2006	-
Miss Mkhwanazi Nokuthula Ntombenhle Pretty-Girl	05.02.2010	16.11.2012
Mr. Ndlovu Mandla Elphas	11.03.2011	-
Mr. Mchunu Sikhumbuzo Valentine	16.11.2012	-
Mr. Mhlungu Norman Nkosiphezulu	27.03.2012	-
Mrs. Magwaza Beatrice Nonsikelelo	19.04.2013	-

Provincial Minister of Local Governments Representative

Full Name	Date Appointed	Date Resigned
The MEC has not made an appointment	-	-

Professional service providers

- Actuary/Valuator:

Full Name	:	Arthur Els & Associates Consulting Actuaries
Postal Address	:	P.O. Box 413266, Craighall, 2024
Physical Address	:	1 st Floor, Marlborough Gate, Hyde Lane, Hyde Park, 2196
Telephone Number	:	(011) 441-2700
E-mail Address	:	jhb@argen.solutions

- Auditors

▪ Statutory Auditor

Full Name	:	Auditor-General of South Africa
Postal Address	:	Private Bag X9034, Pietermaritzburg, 3200
Physical Address	:	Redlands Estate, 1 George MacFarlane Ln, Wembley, 3201
Telephone Number	:	(033) 264 7518
E-mail Address	:	pmbrrha@agsa.co.za

▪ Internal Auditor (appointed by Committee of Management)

Full Name	:	Deloitte & Touche Chartered Accountants (SA)
Postal Address	:	P.O. Box 243, Durban, 4000
Physical Address	:	Deloitte Place, 2 Pencarrow Crescent, Pencarrow Park, La Lucia Ridge Office Estate, La Lucia, 4051
Telephone Number	:	(031) 560 7000
E-mail Address	:	clientservicecentre@deloitte.co.za

- Asset Consultants/Investment Advisor

Full Name	:	Alexander Forbes Financial Services
Postal Address	:	P.O. Box 787240, Sandton, 2146
Physical Address	:	115 West Street, Sandown, 2196
Telephone Number	:	(011) 269 0000
E-mail Address	:	info@forbes.co.za
FAIS Number	:	1177

- **Custodian and Nominees**

Full Name	: Nedbank Limited (Head Office) - Reg. No. 1951/000009/06
Postal Address	: P.O. Box 1144, Johannesburg, 2000
Physical Address	: 16 Constantia Kloof, Roodepoort, Johannesburg
Telephone Number	: (011) 534 6597
Web Address	: www.nedbank.co.za

- **Risk (Fidelity) Insurers**

Full Name	: Camargue – Reg. No. 2000/028098/07
Postal Address	: Postnet Suite 250, Private Bag X4, Bedfordview, 2008
Physical Address	: 33 Glenhove Road, Melrose Estate
Telephone Number	: (011) 356 4845
E-mail Address	: camargue@camargueum.co.za
FSP Number	: 6344

The list of participating employers (Municipalities) and the list of participating employees are available at the Fund's offices if needed.

SCHEDULE - B

Item 2

STATEMENT OF RESPONSIBILITY BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2014

The Committee of Management hereby certify to the best of its knowledge that, during the period under review, in the execution of its duties they:

- 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 Committee of Management; and
- ensured that proper internal control systems were employed by or on behalf of the Fund; and
- 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 regulations of the Fund; and
- took all reasonable steps to ensure that contributions were paid timeously to the Fund or reported where necessary in accordance with Section 13A and regulation 33 of the Pension Funds Act, 1956; and
- obtained expert advice on matters where they lacked sufficient expertise; and
- ensured that the regulations and the operation and administration of the Fund complied with the Pension Funds Act, 1956, the Financial Institutions (Protection of Funds) Act, 2000, and all other applicable laws; and
- confirm that, in respect of self-administered assets, the Fund is covered under a fidelity guarantee insurance policy. This cover is deemed adequate and in compliance with the regulations of the Fund. In respect of assets administered by the eight Investment Managers, each Manager has procured Fidelity cover and/or Professional liability cover, by means of single policies, for amounts considered adequate to fulfill the requirements of the combined clientele of each individual Investment Manager. The Committee of Management is of the opinion that the existing fidelity cover maintained by the Fund and its Investment Managers is adequate in accordance with the above guidelines and policies; and
- confirm that the Investments of the Fund are in accordance with the Investment Policy. The Fund is a defined contribution Fund which does not offer member choice.

KEY PERFORMANCE OBJECTIVES

The Long Term Investment Objectives of the Funds as approved by the Committee of Management are:

- To achieve a long-term real return of at least *CPI plus 5% net of investment fees over rolling five-year periods.
- In addition, the manager is expected to add returns of 2% a year in excess of that achieved from the passive benchmark portfolio, measured over rolling 5 year periods
- During the Financial year the Committee of Management and the Fund's Actuary having considered the Liabilities of the Fund, using appropriate stochastic asset modeling tools have from 1 April 2011 increased the long term investment objective return from CPI plus 4.5% to at least CPI plus 5.0% net of investment fees over rolling five-year periods. This long term real rate of return is, in the Committee of Management considered opinion, the minimum required.

PERFORMANCE RESULTS

Year	*CPI + 5%	Provident Fund % Return
5 years to 31 st March 2014	10.2	19,6

Year	Provident Fund % Return	Investment Manager Benchmark
5 years to 31 st March 2014	19,6	18,6

Source: Alexander Forbes

The Fund has achieved the long term investment objective of achieving at least *CPI+5% over the 5 years to 31 March 2014 having outperformed by 9.4% pa. The Fund also achieved investment manager benchmark plus 1.0% over the 5 years to 31 March 2014; this underperformance against benchmark was due to the relative underperformance of one of our asset managers being Allan Gray.

Source: Alexander Forbes

*The investment objective prior to 1/4/2011 was CPI + 4.5%

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements of the Fund are the responsibility of the Committee of Management. The Committee of Management fulfills 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, provide reasonable assurance that:

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

The annual financial statements have been prepared in accordance with:

- Regulatory Reporting Requirements for Retirement Funds; and
- the rules / regulations of the Fund; and
- the provisions of the Pension Funds Act, 1956.

These financial statements have been reported on by the Auditor-General, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Committee of Management believes that all representations made to the Auditor-General during their audit were valid and appropriate. The Auditor-General's audit report is presented in Annexure A.

These financial statements:

- were approved by the Committee of Management on; and
- are certified by them to the best of their knowledge to be true; and
- fairly represent the net assets of the Fund at 31 March 2014 as well as the results of its activities for the period then ended; and
- are signed on the Committee of Management's behalf by:

DATE:	2	6	0	9	2	0	1	4
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CHAIRPERSON
MR. X. DUBE



EMPLOYER REPRESENTATIVE
Cllr.




MEMBER REPRESENTATIVE

SCHEDULE - C

Item 3

**STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER FOR THE YEAR
ENDED 31 MARCH 2014**

I confirm that for the year under review the Fund has lodged with the Registrar of Pension Funds all such returns, statements, documents and any other information required in terms of the Pension Funds Act, 1956.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

**MR. S. CAMILLERI
PRINCIPAL OFFICER**

ANNEXURE A

SCHEDULE - D

Item 4

REPORT OF THE AUDITOR-GENERAL ON

THE ANNUAL FINANCIAL STATEMENTS

OF THE FUND FOR THE YEAR ENDED

31 MARCH 2014

REPORT OF THE AUDITOR-GENERAL TO THE BOARD OF TRUSTEES AND THE REGISTRAR OF PENSION FUNDS ON THE KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the annual financial statements of the KwaZulu-Natal Joint Municipal Provident Fund set out on pages 1 to 21 of Annexure B, which comprise the statement of net assets and funds as at 31 March 2014, and the statement of changes in net assets and funds for the year then ended, and a summary of significant accounting policies and other explanatory information, and the report of the committee of management as set out in Schedule E.

The Board of Trustees' responsibility for the financial statements

2. The Board of Trustees are responsible for the preparation of these financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa as set out in Annexure B to the financial statements, the requirements of the Pension Funds Act, 1956 (Act No. 24 of 1956) (PFA), and for such internal controls as management determines necessary to enable the preparation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements of KwaZulu-Natal Joint Municipal Provident Fund as at 31 March 2014 have been prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa as set out in Annexure B to the financial statements and the requirements of the Pension Funds Act.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Basis of accounting

8. The financial statements are prepared in accordance with the basis of preparation indicated above. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the Public Audit Act and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

10. The fund does not fall within the ambit of the PFMA and the entity-specific legislation does not require the reporting on performance against predetermined objectives. I was unable to conduct the audit of performance against predetermined objectives as the funds are not required to prepare a report on its performance against predetermined objectives.

Compliance with laws and regulations

11. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters as prescribed by the Pension Funds Act of South Africa.
12. I did not identify any instances of material non-compliance with specific matters in the Pension Funds Act of South Africa.

Internal Control

13. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations.
14. I did not identify any deficiencies in internal control which we considered sufficiently significant for inclusion in this report

Chancellor - General

Pietermaritzburg

29 August 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

SCHEDULE - E

Item 5

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2014

Description of the fund

In terms of Section 1 of the Income Tax Act, 1962, the Fund is classified as a Provident Fund (defined contribution).

The Provident Fund was established in 1996 as a defined contribution fund, and provides lump sum benefits only upon the retirement or death of members based on total accruals in respect of contributions paid by both member and employer, plus profit and interest earned.

The Funds Rules & Regulations are available at the employer's offices, the Fund's offices and on the Fund's webpage (www.njmpf.co.za).

The strategy of the Committee of Management relative to unclaimed benefits is to endeavor to trace beneficiaries and thus effect payment of unclaimed benefits. The Fund has maintained complete records, as prescribed, in respect of unclaimed benefits.

With regards to contributions, members may choose to contribute at a rate of 5%, 7% or 9.25% of their pensionable emoluments in terms of regulation 14(a), whilst participating employers contribute at a rate of 1,95 times of the rate of members' contributions in terms of regulation 17(1)(b).

Investment strategy

The Fund is a defined Contribution Fund and its primary objective is to maximize the value of retirement benefits of members within defined and acceptable risk parameters. The members bear the investment risk as benefits payable from the Fund are dependent on the returns earned on the underlying assets.

A smoothed bonus approach is adopted whereby returns are credited on a monthly interim basis with a final return declared after the financial review of the Fund is completed by the Actuary.

The Committee recognises that members have different risk profiles and therefore accepts individual member choice in principle, but, before introducing such a facility, will embark on a process of education and consultation with members to ensure that, if applicable, the needs of members are more appropriately accommodated within the Fund.

The broad investment objective is to invest in appropriate asset types that will deliver returns over a rolling 5-year periods (after tax and investment manager fees) of CPI plus 5%. The Domestic Investment Managers are expected to produce a return of at least 2% per annum above their Benchmark net of fees, over rolling five-year periods. The Fund's International Investment Managers' are expected to produce a return of at least 1,5% per annum in excess of the equity component of the Benchmark. On the Absolute Return Fund component, the return should be at least equal to the return on LIBOR, net of fees, over rolling three-year periods.

The Committee of Management has appointed Investment Managers to invest the Fund's assets and meet the investment objectives set out in the Investment Policy Statement (which is available for inspection at the Fund's offices) and has also appointed Alexander Forbes as the investment consultant to report back on performance and ensure manager compliance with the mandate. The Committee of Management meets monthly to monitor the asset allocation, investment performance and compliance.

The Investment Manager must at all times adhere to the limits set out in Regulation 28 of the Pension Funds Act.

There are no investments held in Municipalities which participate in the Fund, nor any loans to members.

Assets under Management

Domestic Assets

MANAGER	VALUE OF ASSETS R	
	2014	2013
ALLAN GRAY LIMITED	220 234 543.10	206 276 311.51
CORONATION FUND MANAGERS	610 177 947.31	489 880 522.05
PRUDENTIALPORTFOLIO MANAGERS	658 825 104.02	508 727 062.27
STANLIB INVESTMENT MANAGER	239 641 090.27	140 376 253.87
Total value of domestic investments managed	1 728 878 684.70	1 345 260 149.70

International Assets

MANAGER	VALUE OF ASSETS R	
	2014	2013
RUSSELL INVESTMENT GROUP	121 652 835.70	119 061 709.61
ORBIS INVESTMENT MANAGEMENT LTD	69 444 346.82	48 010 234.89
WALTER SCOTT & PARTNERS	154 985 983.56	120 569 997.03
CONTRARIUS INVESTMENT MANAGEMENT	105 493 151.70	69 126 563.90
Total value of international investments managed	451 576 317.78	356 768 505.43

MEMBERSHIP STATISTICS

- Contributing Members

Membership of the Fund increased by 8.21% to a total of 11 448 during the year as reflected hereunder:

	2014	2013
Membership as at 1 April 2013	10 579	9 942
Admissions	1 815	1 438
Transfer		
External	-	-
Internal	2	48
Fund	343	16
Re-admission	2	2
New Members	1 468	1 372
Exits	946	801
Retirement		
At pension/optional retirement age	32	33
Early	23	21
Ill-health		
(at least 10 years service)	4	8
(less than 10 years service)	4	8
Retrenchment		
(at least 10 years service)	-	-
(less than 10 years service)	-	1
Death	93	110
Resignation	279	446
Dismissal	72	46
Transfer		
Internal	50	48
External	27	23
Normal	-	-
Fund	343	38
Deferred Beneficiary	-	-
Other	19	19
Membership as at 31 March 2014	11 448	10 579

- **Unclaimed Benefits**

	Amount R
At beginning of year	28 255 699.85
Unclaimed benefits received	16 635 439.87
Forfeited to the Fund	-
Less unclaimed benefits paid	13 247 209.68
At end of year	31 643 930.04

- **Actuarial Report**

Please refer to attached Actuarial Report for the Provident Fund as at 31 March 2014.

- **Surplus Apportionment for Members**

There was no surplus available for distribution at the surplus apportionment date (31 March 2003). Future surpluses as may be disclosed are for the account of the members and may be used for any of the purposes set out in Section 15D of the Pension Funds Act, 1956.

ANNEXURE B

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
STATEMENT OF NET ASSETS & FUNDS FOR THE PERIOD ENDED 31 MARCH 2014

	NOTES	2014 R	2013 R
NON-CURRENT ASSETS		2 184 590 734.77	1 702 028 654.94
PROPERTY PLANT AND EQUIPMENT	1	4 135 732.29	0.00
INVESTMENTS	2	2 180 455 002.48	1 702 028 654.94
HOUSING FACILITIES	3	0.00	0.00
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
CURRENT ASSETS		94 760 544.62	71 864 238.19
TRANSFERS RECEIVABLE	5	6 146 407.07	7 444 535.86
ACCOUNTS RECEIVABLE	4	643 777.67	854 373.23
CONTRIBUTIONS RECEIVABLE	12	10 420 087.51	9 388 880.06
CASH AT BANK	24	77 550 272.37	54 176 449.04
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
TOTAL ASSETS		2 279 351 279.39	1 773 892 893.13
FUNDS AND LIABILITIES			
MEMBERS' FUNDS AND SURPLUS ACCOUNT		1 876 308 891.84	1 426 076 767.14
MEMBERS' INDIVIDUAL ACCOUNT		1 876 308 891.84	1 426 076 767.14
AMOUNTS TO BE ALLOCATED	23	0.00	0.00
MEMBERS SURPLUS ACCOUNT	21	0.00	0.00
RESERVES			
RESERVE ACCOUNTS		275 641 319.67	226 104 053.21
RISK RESERVES	21	46 536 317.00	30 701 575.88
INVESTMENT RESERVES	21	229 105 002.67	195 402 477.33
REVALUATION RESERVE: PROPERTY ,PLANT & EQUIPMENT	6	0.00	0.00
TOTAL FUNDS AND RESERVES		2 151 950 211.51	1 652 180 820.35
NON-CURRENT LIABILITIES		34 118 548.05	30 199 222.55
EMPLOYER SURPLUS ACCOUNTS	21	0.00	0.00
FINANCIAL LIABILITIES	16.1	0.00	0.00
PROVISIONS	16.2	2 474 618.01	1 943 522.70
UNCLAIMED BENEFITS	9	31 643 930.04	28 255 699.85
CURRENT LIABILITIES		93 282 519.83	91 512 850.22
TRANSFERS PAYABLE	7	10 791 290.97	5 409 882.64
BENEFITS PAYABLE	8	78 201 240.42	79 301 817.17
ACCOUNTS PAYABLE	10	4 289 988.44	6 801 150.41
RETIREMENT FUND TAXATION	11	0.00	0.00
TOTAL FUNDS AND LIABILITIES		2 279 351 279.39	1 773 892 893.12

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE PERIOD ENDED 31 MARCH 2014

	NOTES	MEMBERS' SHARE ACCOUNT	RISK RESERVE ACCOUNT	INVESTMENT RESERVE ACCOUNT	RESERVE ACCOUNTS TOTAL	CURRENT TOTAL	PREVIOUS YEAR TOTAL
CONTRIBUTIONS RECEIVED AND ACCRUED	12	244 228 102.58	58 233 410.42	0.00	58 233 410.42	302 461 513.00	253 414 195.74
CONTRIBUTIONS TRANSFERRED FROM RESERVE A/C'S	21	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS A/C'S	21	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS IMPROPERLY UTILISED	22	0.00	0.00	0.00	0.00	0.00	0.00
REINSURANCE PROCEEDS		0.00	0.00	0.00	0.00	0.00	0.00
NET INVESTMENT INCOME	13	0.00	0.00	371 431 434.54	371 431 434.54	371 431 434.54	293 101 080.36
(LESS) ALLOCATED TO UNCLAIMED BENEFITS		0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME		0.00	0.00	0.00	0.00	0.00	0.00
LESS:		0.00	12 576 199.24	0.00	12 576 199.24	12 576 199.24	13 270 536.84
REINSURANCE PREMIUMS		0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATION EXPENSES	14	0.00	12 576 199.24	0.00	12 576 199.24	12 576 199.24	13 270 536.84
RETIREMENT FUND TAXATION	11	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE BENEFITS AND TRANSFERS		244 228 102.58	45 657 211.18	371 431 434.54	417 088 645.72	661 316 748.30	533 244 739.26
TRANSFERS AND BENEFITS		128 894 564.07	18 018 360.18	14 634 432.89	32 652 793.07	161 547 357.14	174 538 849.08
TRANSFERS FROM OTHER FUNDS	5	1 799 043.58	0.00	135 411.88	135 411.88	1 934 455.46	3 444 380.86
TRANSFERS TO OTHER FUNDS	7	23 395 282.34	0.00	1 840 702.10	1 840 702.10	25 235 984.44	19 741 091.73
BENEFITS - CURRENT MEMBERS	8	107 298 325.31	18 018 360.18	12 929 142.67	30 947 502.85	138 245 828.16	158 242 138.21
NET INCOME AFTER BENEFITS AND TRANSFERS		115 333 538.51	27 638 851.00	356 797 001.65	384 435 852.65	499 769 391.16	358 705 890.18
FUNDS AND RESERVES		1 435 662 716.35	18 897 466.00	197 620 638.00	216 518 104.00	1 652 180 820.35	1 293 474 930.17
BALANCE AT BEGINNING OF PERIOD		1 426 076 767.14	30 701 575.88	195 402 477.33	226 104 053.21	1 652 180 820.35	1 293 474 930.17
PRIOR-YEAR ADJUSTMENTS		0.00	0.00	0.00	0.00	0.00	0.00
OTHER(*)		9 585 949.21	(11 804 109.88)	2 218 160.67	(9 585 949.21)	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS	21	0.00	0.00	0.00	0.00	0.00	0.00
INVESTMENT INCOME ALLOCATED		325 312 636.98	0.00	(325 312 636.98)	(325 312 636.98)	0.00	0.00
CURRENT MEMBERS		311 518 000.00	0.00	(311 518 000.00)	(311 518 000.00)	0.00	0.00
FORMER MEMBERS		13 794 636.98	0.00	(13 794 636.98)	(13 794 636.98)	0.00	0.00
SURPLUS AND RESERVE ACCOUNTS	21	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS APPORTIONMENT	21	0.00	0.00	0.00	0.00	0.00	0.00
REVALUATION SURPLUS: PROP, PLANT & EQUIPMENT	6	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS		0.00	0.00	0.00	0.00	0.00	0.00
EMPLOYER SURPLUS ACCOUNT		0.00	0.00	0.00	0.00	0.00	0.00
MEMBER SURPLUS ACCOUNT		0.00	0.00	0.00	0.00	0.00	0.00
ALLOCATION TO/FROM SURPLUS ACCOUNTS		0.00	0.00	0.00	0.00	0.00	0.00
BENEFITS TO FORMER MEMBERS		0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS TRANSFERS PAYMENTS		0.00	0.00	0.00	0.00	0.00	0.00
BENEFITS ENHANCEMENTS - OTHER		0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS TRANSFERS RECEIVED		0.00	0.00	0.00	0.00	0.00	0.00
BALANCE AT END OF PERIOD		1 876 308 891.84	46 536 317.00	229 105 002.67	275 641 319.67	2 151 950 211.51	1 652 180 820.35

* - This amount was released from the Risk Reserve to the Investment Reserve based on the recommendation per the Actuary Report.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Fund, which are consistent with those of the previous year.

Basis of preparation

The financial statements are prepared for regulatory purposes in accordance with the Regulatory Reporting Requirement in South Africa, the rules of the Fund, and the provisions of the Pension Funds Act, except for the following requirements applicable to the :

- * Disclosure of cash flow information.
- * Disclosure of prior year adjustment.
- * Presentation of consolidated financial statements in which investments in subsidiaries are consolidated in accordance with the standard on consolidated and separate financial statements.

The financial statements are prepared on the historical cost and going concern basis, modified by the valuation of financial instruments and investment properties to fair value, and the revaluation of property, plant and equipment to market value.

Property, plant and equipment

- * All property and equipment is initially recorded at cost. Land and buildings are subsequently shown at market value, based on annual valuations by external independent valuers.
- * Decreases that offset previous increases of the same asset are charged to the income statement.
- * Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over the estimated useful life as follows

- Computer equipment and software	5 years
- Office equipment	5 years
- Furniture & fittings	10 years
- * Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. Impairment losses are recognised).
- * Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.
- * Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

*** Recognition**

- * Financial instruments carried on the statement of net assets and funds include cash and bank balances, investments, receivables and accounts payable.
- 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.

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

Investments

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

Debentures and exchange traded funds

The fair value of listed debentures and exchange traded funds 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 statement of net assets and funds date.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities and corporate 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 statement of net assets and funds date.

Cash and deposits

Cash and deposits consists of deposits held at call with banks, other liquid investments with maturities of 12 months or less, structured deposit products and safex margin accounts. Cash and deposits are measured at fair value.

Investments in structured deposit products secured by bonds, which represent agreed annuity payments from banks in return for initial deposit amounts, are valued at the present value of the future cash flows applying market related interest rates stipulated in the structured arrangements.

Equities

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

Equity instruments designated as fair value through the statement of net changes in 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 net changes in 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 statement of net assets and funds date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market other than those that the fund intends to sell in the short term or that is designated as at fair value through the statement of changes in net assets and funds. Loans and receivables are measured at fair value.

Unlisted equities

If a quoted closing price is not available 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

The fair value of listed preference shares 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 statement of net assets and funds 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 insurers valuation practices.

Collective investment schemes

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

Derivative market instruments

Derivative market instruments consist of options, equity linked instruments and futures/forwards - SAFEX.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014**

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. 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 evidenced 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 models. Options are settled on a daily basis with profits and losses transferred to a deposit account reflected under cash and deposits in the statement of net assets.

Futures/forwards

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. Futures are settled on a daily basis with profits and losses transferred to a deposit account reflected under cash and deposits in the statement of net assets.

Investment property

- * Investment properties are held to earn rental income and appreciate capital value.
- * Investment properties are accounted for at fair market value determined annually by an external independent professional valuer. Fair value adjustments are included in the net surplus or deficit for the period. Investment properties are not subject to depreciation.

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 period in which such income and expenses accrue to the fund.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

Accounts receivable

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

Cash at bank

Cash at bank comprises cash in hand and other short-term liquid investments with original maturities of three months or less, and are measured at fair value.

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.

Impairment

Financial assets are carried at amortised cost.

The fund assesses at each statement of net assets and funds date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held to maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of changes in net assets and funds.

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 (such as improved credit rating), the previously recognised impairment loss is reversed in the statement of changes in net assets and funds.

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 can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the present obligation at the statement of net assets and funds date, as determined by the judgment of the board of trustees of the fund.

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.

Contributions

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

Contributions are measured at the fair value of the consideration received or receivable, and are accrued and recognised in accordance with the actuarial recommendations and the rules of the fund. Any contributions outstanding at the end of the reporting period are recognised as a current asset. Any contributions received in advance at the end of the reporting period are recognised as a current liability.

Interest on late payment of contributions is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

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 - benefits payable.

Investment income

- * Interest is recognised in the statement of changes in net assets and funds using the effective interest rate method.
- * Dividends are recognised in the statement of changes in net assets and funds when entitlement to revenue is established. This is the last date to trade for equity securities.
- * Rental income is recognised on a straight-line basis over the lease term.
- * Gains and losses on subsequent measurement to fair value of investments and of all other financial instruments are recognised in the statement of changes in net assets and funds, during the period in which the change arises.
- * All income derived from script lending is included in the statement of net changes in assets and funds.
- * Expenses in respect of the management of investments are recognised as the service is rendered.

Administration expenses

An expense is recognised if it is probable that any future economic benefit associated with the item will flow from the fund and the item has a cost of value that can be measured with reliability.

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

In the event that an expense has not been paid at the end of a reporting period 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.

Accounting policies, changes in accounting estimates and errors

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

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 (if applicable):

- * 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

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

- * The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Transfers to and from the Fund

Section 14 transfers to or from the Fund are recognised on the date of approval being granted by the Financial Services Board. Individual transfers are recognised at the values per the section 14 application or the value of the transfer at effective date of the transfer, adjusted for investment return or late payment interest as guided by the application.

Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation.

Foreign transactions policy

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency which is SA Rands, (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

1. PROPERTY, PLANT AND EQUIPMENT

1.1 CURRENT YEAR

	LAND & BUILDINGS R	OFFICE EQUIPMENT R	FURNITURE & FITTINGS R	TOTAL R
GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
ADDITIONS	3 726 232.29	0.00	0.00	3 726 232.29
LESS DISPOSALS	0.00	0.00	0.00	0.00
ADJ. TO USEFUL LIFE OF ASSETS	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	409 500.00	0.00	0.00	409 500.00
AT 31/03/2014	4 135 732.29	0.00	0.00	4 135 732.29
LESS: ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
LESS DEPRECIATION CHARGES	0.00	0.00	0.00	0.00
ADD ACCUM. DEPRECIATION ON DISPOSALS	0.00	0.00	0.00	0.00
LESS IMPAIRMENT WRITE DOWN	0.00	0.00	0.00	0.00
LESS OTHER MOVEMENTS	0.00	0.00	0.00	0.00
NET CARRYING AMOUNT 31/03/2014	4 135 732.29	0.00	0.00	4 135 732.29

1.2 PREVIOUS YEAR

	LAND & BUILDINGS R	OFFICE EQUIPMENT R	FURNITURE & FITTINGS R	TOTAL R
GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
ADDITIONS	0.00	0.00	0.00	0.00
LESS DISPOSALS	0.00	0.00	0.00	0.00
ADJ. TO USEFUL LIFE OF ASSETS	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	0.00	0.00	0.00	0.00
AT 31/03/2013	0.00	0.00	0.00	0.00
LESS: ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
LESS DEPRECIATION CHARGES	0.00	0.00	0.00	0.00
ADD ACCUM. DEPRECIATION ON DISPOSALS	0.00	0.00	0.00	0.00
LESS IMPAIRMENT WRITE DOWN	0.00	0.00	0.00	0.00
LESS OTHER MOVEMENTS	0.00	0.00	0.00	0.00
NET CARRYING AMOUNT 31/03/2013	0.00	0.00	0.00	0.00

The land and buildings consist of an office block situated on Remainder of Erf 3774, Westville. They were revalued by an independent valuator. The fair value was determined directly by reference to observable prices in an open market. If the land and buildings had been carried at the cost model, the value would have been R3 726 232.29.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

2. INVESTMENTS

	NOTES	TOTAL LOCAL	TOTAL FOREIGN	FAIR VALUE 2014 R	FAIR VALUE 2013 R	CATEGORIZED PER AC133 R
CASH AND DEPOSITS		122 945 674.19	0.00	122 945 674.19	261 667 010.02	A
KRUGER RANDB		0.00	0.00	0.00	0.00	A
LOANS OTHER THAN HOUSING		0.00	0.00	0.00	0.00	A
DEBENTURES		0.00	0.00	0.00	0.00	A
BILLS BONDS AND SECURITIES		359 390 663.86	0.00	359 390 663.86	256 638 069.92	A
INVESTMENT PROPERTIES		0.00	0.00	0.00	0.00	A
EQUITIES		1 113 044 515.79	0.00	1 113 044 515.79	771 082 842.18	A
EQUITIES WITH PRIMARY LISTING ON JSE		761 528 817.82	0.00	761 528 817.82	274 659 528.50	A
EQUITIES WITH SECONDARY LISTING ON JSE		351 515 697.97	0.00	351 515 697.97	496 423 313.68	A
FOREIGN LISTED EQUITIES		0.00	0.00	0.00	0.00	A
EQUITY INDEXED LINKED INVESTMENTS		0.00	0.00	0.00	0.00	A
UNLISTED EQUITIES		0.00	0.00	0.00	0.00	A
PREFERENCE SHARES		3 789 737.92	0.00	3 789 737.92	1 173 919.40	A
INSURANCE POLICIES		0.00	0.00	0.00	0.00	A
NON LINKED RELATED POLICIES		0.00	0.00	0.00	0.00	A
LINKED RELATED POLICIES		0.00	0.00	0.00	0.00	A
COLLECTIVE INVESTMENT SCHEMES		129 708 092.94	382 131 970.75	511 840 063.69	363 456 578.53	A
DERIVATIVE MARKET INSTRUMENTS		0.00	0.00	0.00	0.00	A
PARTICIPATING MORTGAGE BONDS		0.00	0.00	0.00	0.00	A
INVESTMENT IN PARTICIPATING EMPLOYERS		0.00	0.00	0.00	0.00	A
OTHER		0.00	69 444 347.03	69 444 347.03	48 010 234.89	A
TOTAL LOCAL AND FOREIGN		1 728 878 684.70	451 576 317.78	2 180 455 002.48	1 702 028 654.94	A

A - Held for trading - Fair Value
(IAS39 - At fair value through statement of changes in net assets and funds)

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

3. HOUSING FACILITIES

3.1 GUARANTEE FOR HOUSING FACILITIES

- The fund has granted guarantees to Nedbank, First National, Standard and Ithala Banks for loans granted to members. The guarantees amounted to R29 689 163.85
- The amount of the guarantee may not exceed 50% 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.

4. ACCOUNTS RECEIVABLE

	2014	2013
	R	R
L.A. - MEDICAL BOARD FEES	5 551.60	0.00
L.A. - PENALTY INTEREST DUE	8 138.22	15 876.59
PREPAID FUND EXPENSES	95 360.74	308 708.28
PROPERTY AND ALLIED	0.00	0.00
PENSIONABLE SERVICE DEBTORS	0.00	73 842.28
SUNDRY DEBTORS	534 727.11	455 946.08
TOTAL	643 777.67	854 373.23

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

5. TRANSFERS FROM OTHER FUNDS

	EFFECT. DATE	NO. OF MEMBERS	APPLIED FOR NOT APPROVED R	AT BEGINNING OF PERIOD R	AMOUNTS RAISED AT END OF PERIOD R	RETURN ON TRANSFERS R	LESS ASSETS TRANSFERRED R	AT END OF PERIOD R
IN TERMS OF SECTION 14								
NJMPF (R)	Apr-13	20	0.00	3 591 607.22	(178 323.14)	252 773.61	945 400.35	2 720 657.34
NJMPF (S)	To	20	0.00	2 861 464.78	1 469 098.80	390 906.19	1 295 720.04	3 425 749.73
OTHER	Mar-14	0	0.00	0.00	0.00	0.00	0.00	0.00
IN TERMS OF SECTION 15B								
TOTAL		40	0.00	6 453 072.00	1 290 775.66	643 679.80	2 241 120.39	6 146 407.07

6. REVALUATION RESERVE - PROPERTY, PLANT AND EQUIPMENT

	CURRENT YEAR	PREVIOUS YEAR
AT BEGINNING OF PERIOD	0.00	0.00
REVALUATION	0.00	0.00
IMPAIRMENTS	0.00	0.00
TRANSFER TO STATEMENT OF CHANGES IN NET ASSETS AND FUNDS	0.00	0.00
AT END OF PERIOD	0.00	0.00

7. TRANSFERS TO OTHER FUNDS

	EFFECT. DATE	NO. OF MEMBERS	APPLIED FOR NOT APPROVED R	AT BEGINNING OF PERIOD R	AMOUNTS RAISED AT END OF PERIOD R	RETURN ON TRANSFERS R	LESS ASSETS TRANSFERRED R	AT END OF PERIOD R
IN TERMS OF SECTION 14								
NJMPF (S)	01/04/13	68	0.00	3 549 462.31	14 387 724.64	1 294 459.24	13 523 115.33	5 708 530.86
OTHER	to 31/3/14	32	0.00	1 860 420.33	9 007 557.70	546 242.86	6 331 460.78	5 082 760.11
IN TERMS OF SECTION 15B								
TOTAL		100	0.00	5 409 882.64	23 395 282.34	1 840 702.10	19 854 576.11	10 791 290.97

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

8. BENEFITS

8.1 BENEFITS - CURRENT MEMBERS

	A AT BEGINNING OF PERIOD R	B BENEFITS FOR CURRENT PERIOD R	C RETURN ALLOCATED R	D LESS PAYMENTS R	E TRF'D TO UNCLAIMED BENEFITS R	A+B+C-D-E AT END OF PERIOD R
MONTHLY PENSION	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM ON RETIREMENT	20 725 211.03	34 934 401.43	504 737.41	41 934 656.54	6 918.17	14 222 775.16
- FULL BENEFIT	20 725 211.03	34 934 401.43	504 737.41	41 934 656.54	6 918.17	14 222 775.16
- PENSIONS COMMUTED	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM BEFORE RETIREMENT	58 576 606.14	97 900 286.24	3 192 900.48	92 283 187.23	3 408 140.37	63 978 465.26
- DISABILITY BENEFITS PAID BY THE FUND	0.00	0.00	0.00	0.00	0.00	0.00
- DEATH BENEFITS	38 109 194.32	31 497 487.35	2 024 303.16	36 692 535.96	316 499.99	34 621 948.88
- WITHDRAWALS 10 YEARS OR MORE	20 447 924.06	65 693 187.93	1 158 773.56	55 336 517.60	3 088 576.16	28 874 791.79
- WITHDRAWALS < 10 YEARS	19 487.76	709 610.96	9 823.76	254 133.67	3 064.22	481 724.59
- RETIREMENTS	0.00	0.00	0.00	0.00	0.00	0.00
DEFAULTS - HOUSING FACILITIES	0.00	308 301.12	253.84	308 301.12	253.84	0.00
OTHER - DIVORCE ORDERS	0.00	1 404 947.64	0.00	1 404 947.64	0.00	0.00
STALE CHEQUES ETC	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (7.1)	79 301 817.17	134 547 936.43	3 697 891.73	135 931 092.53	3 415 312.38	78 201 240.42

BENEFITS FOR CURRENT PERIOD (B)

134 547 936.43

RETURN ALLOCATED (C) TO INVESTMENT INCOME

3 697 891.73

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

138 245 828.16

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

9 UNCLAIMED BENEFITS

	2014	2013
	R	R
BALANCE AT BEGINNING OF PERIOD	28 255 699.85	21 850 958.02
TRANSFERRED FROM BENEFITS PAYABLE & ACC. FUNDS	16 635 439.87	19 081 832.88
INVESTMENT INCOME ALLOCATED	0.00	0.00
LESS:	13 247 209.68	12 677 091.05
TRACING EXPENSES	27 082.39	0.00
ADMINISTRATION EXPENSES	0.00	0.00
FORFEITED TO THE FUND	0.00	0.00
BENEFITS PAID	13 220 127.29	12 677 091.05
BALANCE AT END OF PERIOD	31 643 930.04	28 255 699.85

10. ACCOUNTS PAYABLE

	2014	2013
	R	R
ACTUARY'S FEES	68 371.50	215 431.50
CONTRIBUTIONS DUE FOR REFUND	160 991.00	(435 564.65)
FUND MANAGERS	654 659.16	487 029.54
AUDIT FEES	0.00	0.00
ADMIN EXPENSES AS PER MEMBERS RATIO	1 841 768.58	2 527 406.32
SUNDRY CREDITORS	1 564 198.20	4 006 847.70
TOTAL	4 289 988.44	6 801 150.41

11. RETIREMENT FUND TAXATION

	2014	2013
	R	R
TAXABLE INCOME	0.00	0.00
LESS: FORMULA REDUCTION	0.00	0.00
RETIREMENT FUND TAXABLE AMOUNT	0.00	0.00
RETIREMENT FUND TAXATION AT RELEVANT RATE	0.00	0.00
AT BEGINNING OF PERIOD	0.00	0.00
RET. FUND TAXATION - CURRENT	0.00	0.00
RET. FUND TAXATION - PRIOR YEAR UNDERPROVISION	0.00	0.00
RETIREMENT FUND TAXATION PAID	0.00	0.00
AT END OF PERIOD	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

12. CONTRIBUTIONS

	A AT BEGINNING OF PERIOD R	B CONTRIBUTIONS TOWARDS RETIREMENT R	C TOWARDS RE- INSURANCE AND EXPENSES R	D CONTRIBUTIONS RECEIVED R	A+B+C-D AT END OF PERIOD R
MEMBERS CONTRIBUTIONS - RECEIVED AND ACCRUED	3 183 984.13	102 150 120.34	0.00	101 800 414.29	3 533 690.18
EMPLOYER CONTRIBUTIONS - RECEIVED AND ACCRUED	4 434 451.48	140 542 178.40	0.00	140 055 129.96	4 921 499.92
EMPLOYER CONTR. - RECEIVED AND ACCRUED - RISK RESERVE	1 770 444.45	58 233 410.42	0.00	58 038 957.46	1 964 897.41
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - MEMBERS	0.00	0.00	0.00	0.00	0.00
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - EMPLOYER	0.00	0.00	0.00	0.00	0.00
ADDITIONAL CONTRIBUTION - INCREASES	0.00	0.00	0.00	0.00	0.00
ADDITIONAL VOLUNTARY CONTRIBUTION - EMPLOYERS	0.00	1 535 803.84	0.00	1 535 803.84	0.00
ADDITIONAL VOLUNTARY CONTRIBUTION - MEMBERS	0.00	0.00	0.00	0.00	0.00
TOTAL	9 388 880.06	302 461 513.00	0.00	301 430 305.55	10 420 087.51
TOWARDS RETIREMENT	302 461 513.00				
TOWARD RE-INSURANCE AND EXPENSES	0.00				
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS	302 461 513.00				

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

13. NET INVESTMENT INCOME

	2014	2013
	R	R
INCOME FROM INVESTMENT PROPERTY AND INVESTMENTS	76 960 229.71	60 158 134.33
DIVIDENDS	38 394 846.29	31 030 179.40
INTEREST	38 443 078.71	29 127 954.93
RENTALS	122 304.71	0.00
COLLECTIVE INVESTMENT SCHEMES DISTRIBUTION	0.00	0.00
MARKET RELATED INSURANCE POLICIES	0.00	0.00
INTEREST ON LATE PAYMENT OF CONTRIBUTIONS	49 576.55	30 420.22
INTEREST LEVIED ON SURPLUS IMPROPERLY USED	0.00	0.00
OTHER INCOME	(73 842.28)	0.00
ADJUSTMENT TO FAIR VALUE	304 306 549.57	240 054 156.03
PROFIT / (LOSS) ON SALE OF INVESTMENTS	103 752 299.49	106 092 913.35
INVESTMENTS WRITTEN UP / (DOWN)	200 554 250.08	133 961 242.68
ADJUSTMENTS	0.00	0.00
SUB TOTAL	381 242 513.55	300 242 710.58
LESS:	9 811 079.01	7 141 630.22
COST INCURRED IN MANAGING INVESTMENTS	9 811 079.01	7 141 630.22
INTEREST PAID ON BORROWINGS	0.00	0.00
TOTAL	371 431 434.54	293 101 080.36

14. ADMINISTRATION EXPENSES

	NOTES	2014	2013
		R	R
COST OF ADMINISTRATION		8 886 100.29	9 229 652.42
ADMINISTRATION EXPENSES		1 038 950.02	1 033 685.81
AMOUNTS WRITTEN OFF		0.00	0.00
DEPRECIATION - AT COST		0.00	0.00
LEVIES (FINANCIAL SERVICES BOARD)		166 245.08	153 628.65
OFFICE EXPENSES		1 020 655.15	1 062 370.52
OPERATING LEASE PAYMENTS		78 164.78	1 177 597.98
PENALTIES		0.00	0.00
STAFF COSTS & PRINCIPAL OFFICER EXPENSES	14.2	6 582 085.26	5 802 369.46
SECRETARIAL FEES		0.00	0.00
NON-ADMINISTRATIVE EXPENSES		3 690 098.95	4 040 884.42
ACTUARY'S FEES		663 062.32	935 214.51
AUDIT FEES		494 704.24	403 321.44
AUDIT SERVICES		494 704.24	403 321.44
AUDIT EXPENSES		0.00	0.00
OTHER		0.00	0.00
CONSULTANCY FEES	14.1	1 174 383.32	994 950.14
FEES PAYABLE TO BOARD MEMBERS		896 826.10	760 751.08
FIDELITY COVER		7 390.62	68 266.30
MEMBER COMMUNICATION		371 145.67	349 763.89
MAILINGS FOR MEMBERS		280 916.95	193 595.96
MEETING COSTS / TRUSTEE TRAINING		90 228.72	156 167.93
PROJECT COSTS		82 586.68	528 617.06
TOTAL		12 576 199.24	13 270 536.84

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

14.1 FEES PAYABLE TO BOARD MEMBERS

	2014 R	2013 R
REIMBURSIVE MEETING ALLOWANCE	896 826.10	760 751.08
TOTAL	896 826.10	760 751.08

14.2. STAFF COSTS & PRINCIPAL OFFICER EXPENSES (NOTE 14.2.1)

	2014 R	2013 R
SALARIES	5 272 836.54	4 704 301.91
EMPLOYER CONTRIBUTIONS TO RETIREMENT FUNDS	1 111 482.51	920 701.50
TRAINING EXPENSES	39 314.82	58 288.97
OTHER	158 451.39	119 077.08
TOTAL	6 582 085.26	5 802 369.46

14.2.1 PRINCIPAL OFFICER REMUNERATION

	2014 R	2013 R
SALARIES	710 464.92	596 326.63
ALLOWANCES	0.00	4 440.00
RETIREMENT FUND CONTRIBUTION	204 827.05	171 920.97
INCENTIVE BONUS	227 856.12	184 266.66
OTHER PAYMENTS	0.00	0.00
TOTAL	1 143 148.09	956 954.26

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

15. PRIOR YEAR ADJUSTMENT

Please refer to Principal Accounting Policies - Basis of Preparation

16. FINANCIAL LIABILITIES AND PROVISIONS

16.1 FINANCIAL LIABILITIES

	2014	2013
	R	R
NIL	0.00	0.00

16.2 PROVISIONS

	2014	2013
	R	R
ACCUMULATED LEAVE	643 528.03	511 428.90
ACTUARY'S FEES	511 397.16	421 230.00
AUDIT FEES	464 141.89	329 967.07
STAFF BONUS	841 134.72	680 896.73
INVESTMENT CONSULTANTS	14 416.21	0.00
SYSTEM PROCESSING	0.00	0.00
TRUSTEE EXPENSES	0.00	0.00
TOTAL	2 474 618.01	1 943 522.70

16.3 ACCOUNTING FOR LEASES

Leases of property, plant and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term payables. The interest element is charged to the income statement over the lease period. The property, plant and equipment acquired under a finance lease contract is depreciated over the useful life of the asset.

Lease charges for property, plant and equipment classified as operating leases are recognised in the income statement over the period of the lease, not exceeding 5 years.

17. FINANCIAL INSTRUMENTS

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

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

*** 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 legal obligations of all parties are clearly set out.

*** 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.

*** 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 in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments. The Committee of Management monitors this aspect of the Fund's investments and limits it to the maximum percentage allowed by the legislation.

*** Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund's liabilities are backed by appropriate assets and it has significant liquid resources.

*** Market risk**

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices and 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 suitable match of assets exists for all non-market related liabilities.

18. PROMISED RETIREMENT BENEFITS

The actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits, is set out in the report of the valuator.

19. RELATED PARTY TRANSACTIONS

There are no related party transactions for the financial year ended 31 March 2014, except as disclosed in note 14.1 and note 14.2.1

20. OPERATING LEASE COMMITMENTS

	2014 R	2013 R
FUTURE MINIMUM OPERATING LEASE PAYMENTS		
WITHIN ONE YEAR	0.00	0.00
BETWEEN ONE AND FIVE YEARS	0.00	0.00
TOTAL	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32588/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

21. SURPLUS AND RESERVE ACCOUNTS

	MEMBER / PENSIONER SURPLUS ACCOUNT	EMPLOYER SURPLUS ACCOUNT	RESERVE ACCOUNTS	EMPLOYER PROTECTION RESERVE	CONTINGENCY RESERVE	INVESTMENT RESERVE	RISK RESERVE	PENSIONER RESERVE	OTHER RESERVES
AT BEGINNING OF PERIOD	0.00	0.00	226 104 053.21	0.00	0.00	195 402 477.33	30 701 575.88	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS	0.00	0.00	(9 585 949.21)	0.00	0.00	2 218 160.67	(11 804 109.88)	0.00	0.00
EMPLOYER SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MEMBER SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BENEFIT ENHANCEMENT - MEMBERS	0.00	0.00	(325 312 636.98)	0.00	0.00	(325 312 636.98)	0.00	0.00	0.00
CONTRIBUTIONS RECEIVED AND ACCRUED	0.00	0.00	58 233 410.42	0.00	0.00	0.00	58 233 410.42	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM RESERVE A/C'S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS A/C'S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS IMPROPERLY UTILISED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REINSURANCE PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INVESTMENT INCOME	0.00	0.00	371 431 434.54	0.00	0.00	371 431 434.54	0.00	0.00	0.00
(LESS) ALLOCATED TO UNCLAIMED BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS:	0.00	0.00	12 576 199.24	0.00	0.00	0.00	12 576 199.24	0.00	0.00
REINSURANCE PREMIUMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATION COSTS	0.00	0.00	12 576 199.24	0.00	0.00	0.00	12 576 199.24	0.00	0.00
RETIREMENT FUND TAXATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE BENEFITS AND TRANSFERS	0.00	0.00	308 294 112.74	0.00	0.00	243 739 435.56	64 554 677.18	0.00	0.00
TRANSFERS AND BENEFITS	0.00	0.00	32 652 793.07	0.00	0.00	14 634 432.89	18 018 360.18	0.00	0.00
TRANSFERS FROM OTHER FUNDS	0.00	0.00	135 411.88	0.00	0.00	135 411.88	0.00	0.00	0.00
TRANSFERS TO OTHER FUNDS	0.00	0.00	1 840 702.10	0.00	0.00	1 840 702.10	0.00	0.00	0.00
BENEFITS - CURRENT	0.00	0.00	30 947 502.85	0.00	0.00	12 929 142.67	18 018 360.18	0.00	0.00
NET INCOME AFTER BENEFITS AND TRANSFERS	0.00	0.00	275 641 319.67	0.00	0.00	229 105 002.67	46 536 317.00	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INVESTMENT RETURN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BENEFIT ENHANCEMENT - PENSIONERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTION HOLIDAY - AFTER SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTION HOLIDAY - BEFORE SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BALANCE AT END OF PERIOD	0.00	0.00	275 641 319.67	0.00	0.00	229 105 002.67	46 536 317.00	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014****22. SURPLUS IMPROPERLY UTILISED RECEIVABLE**

	2014 R	2013 R
OPENING BALANCE	0.00	0.00
AMOUNT PAYABLE BY EMPLOYER	0.00	0.00
INTEREST RAISED	0.00	0.00
LESS		
PAYMENTS RECEIVED	0.00	0.00
SETTLEMENT FROM EMPLOYER SURPLUS A/C	0.00	0.00
OTHER	0.00	0.00
TOTAL RECEIVABLE	0.00	0.00
DISCLOSED AS:		
NON-CURRENT PORTION	0.00	0.00
CURRENT PORTION	0.00	0.00

23. AMOUNTS TO BE ALLOCATED

	2014 R	2013 R
SURPLUS TO BE APPORTIONED	0.00	0.00
INVESTMENT RETURN TO BE ALLOCATED	0.00	0.00
OTHER	0.00	0.00
TOTAL AMOUNTS TO BE ALLOCATED	0.00	0.00

24. CASH AT BANK

	2014 R	2013
CURRENT ACCOUNT	48 056 691.11	25 521 284.64
UNCLAIMED BENEFITS MONEY MARKET ACCOUNT - STANDARD BANK	29 493 581.26	28 655 164.43
	77 550 272.37	54 176 449.07

25. NON-CURRENT ASSETS HELD FOR SALE

NIL

ANNEXURE C

REPORT OF THE AUDITOR-GENERAL OF KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS

Scope

I have performed the procedures agreed with you and enumerated below with respect to the accounting records of the KwaZulu-Natal Joint Municipal Provident Fund for the period ended 31 March 2014, as required by you in terms of section 15 of the Pension Fund Act in South Africa (the Act). My engagement was undertaken in accordance with the International Standard on Related Services (4400) Engagements applicable to agreed-upon procedures engagements regarding financial information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Registrar of Pension Funds.

Procedures and findings

My procedures and the corresponding findings thereon are set out in the table below.

	Procedures	Findings
1	We selected a sample of the lesser of 25 or 10% of participating employers and for the following three months: May 2013, November 2013 and March 2014, performed the following procedures:	
1.1	We agreed, in total, the data received by the administrator to the cash received by the fund.	The data received by the administrator agreed to the cash received by the fund.
1.2	We inspected the bank statements, as appropriate, for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	Contributions were deposited with a registered bank in accordance with section 13A of the Act.
1.3	We inspected the accounting records of the fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.	Amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.
2	We inspected the list of investments held by the fund for any investments prohibited in terms of section 19 (4) of the Act.	The fund does not hold investments prohibited in terms of section 19(4) of the Act.
2.1	Where investments held in the participating employer exceeded 5%, we inspected the appropriate Financial Services Board approval.	Not applicable.
2.2	We obtained written confirmations of investment balances and agreed details of the confirmations received to the investment balances reflected in the general ledger.	The details of the confirmations received were reconciled to the investment balances reflected in the general ledger.
3	We obtained the list of housing loans granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2014 and performed the following procedures:	Not applicable. The fund does not grant housing loans to members

3.1	We agreed the loans on the above list to the corresponding account in the general ledger.	Not applicable.
3.2	From the above list, we selected a sample of the lesser of 25 or 10% of housing loans. We determined whether the selected housing loans were granted in terms of the requirements of section 19(5) of the Act, in terms of the security provided and the interest rates applied to the loans.	Not applicable.
3.3	If the fund issued more than 100 loans or the total principal debt of all outstanding loans exceeded R500 000, we determined whether the fund was registered as a credit provider under the National Credit Act, 2005 (the NCA) and whether an assurance report had been issued to the National Credit Regulator in terms of section 16(1)(b) of the NCA and regulations 67 and 68 to the NCA.	Not applicable.
4	We obtained the list of housing loan guarantees granted to members by the fund in terms of section 19(5) of the Act as at 31 March 2014. We selected a sample of the lesser of 25 or 10% of housing guarantees from the list. For the sample selected, we compared the total for guarantees issued on behalf of the members to the total of member individual fund credits, to determine whether the total guarantees issued exceeded the total member individual fund credits allowed in terms of the Act and/or the rules of the fund.*	The total guarantees issued did not exceed the total member individual fund credits.
5	We obtained a list of other loans as at 31 March 2014 and determined whether these loans were granted in terms of the requirements of section 19(5)B.	Not applicable. The fund does not grant other loans to members.
6	We obtained a written confirmation from the fund's insurer that fidelity insurance cover was in place throughout the period ended 31 March 2014.	Fidelity insurance cover was in place throughout the period ended 31 March 2014.
7	We obtained the list of section 14 transfers to and from the fund throughout the period ended 31 March 2014, selected a sample of the lesser of 25 or 10% transfers in and the lesser of 25 or 10% transfers out, and performed the following procedures:	
7.1	We agreed the section 14 transfers to and from the fund to the approved section 14 documentation received from the Financial Services Board in respect of each transfer.	The section 14 transfers to and from the fund agreed to the approved section 14 documentation received from the Financial Services Board in respect of each transfer.
7.2	We agreed the above list of section 14 transfers to the corresponding account in the general ledger.	The list of section 14 transfers agreed to the corresponding account in the general ledger.
7.3	We determined by inspection whether the transfers were received/paid within 60 days of approval and whether the growth and interest return had been allocated from date of receipt/payment.	The transfers were received/paid within 60 days of approval and growth and investment returns were allocated from date of receipt/payment

7.4	In respect of unitized funds, we selected a sample of the lesser of 25 or 10% of the members transferred and recalculated the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was included from the date of receipt to the date of purchase).	The conversion of transfers in was correctly calculated and where units purchased after date of receipt investment return was added from date of receipt to date of purchase.
8	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 31 March 2014 and performed the following procedures:	
8.1	We agreed the closing balance on the list to the corresponding account in the annual financial statements as at 31 March 2014.	The closing balance on the list agreed to the corresponding account in the annual financial statements as at 31 March 2014.
8.2	We selected a sample of the lesser of 25 or 10% of the members from the list and performed the following procedures for each member:	
8.2.1	We agreed the member and employer contributions received for the selected members per the administrator's system to information supplied by the participating employers for a sample of 3 months.	The member and employer contributions received for the selected member per the administrator's system agreed to information supplied by the participating employers for the 3 months selected.
8.2.2	In respect of unitized investment products, we recalculated the conversion of the selected contributions at the unit price per the administration system on the dates that the contributions were invested and determined whether these units were correctly calculated and added to the existing units for the full period.	Not applicable. The fund does not have unitised investment products.
8.2.3	In respect of unitized investment products, we recalculated the conversion of units at the end of the period at the period end unit price and agreed the amount to the member's record on the member register.	Not applicable
8.2.4	In respect of unitized investment products, we agreed the period end unit price as authorized in terms of the rules of the fund to the unit prices on the administration system used to calculate the member credits.	Not applicable.
8.2.5	In respect of non-unitised investment products, we agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a resolution of the Board of Trustees or the rules of the fund.	The return allocated to the member's fund credit on the administrator's records agreed to the return approved in accordance with a trustees' resolution or the rules of the fund.
8.3	We selected a sample of the lesser of 25 or 10% of members who switched between investment portfolios during the period and determined whether the portfolios were correctly switched and that the correct amount was switched in accordance with notification of the member's election. We inspected whether any fees deducted were approved by the Board of Trustees.	Not applicable.

8.4	If a surplus apportionment scheme was approved by the FSB in the current period, we selected a sample of the lesser of 25 or 10% from the surplus schedules and we agreed the allocation of the fund surplus of the scheme to the individual allocation in the member records per the administration system.	Not applicable.
8.5	For unitised investment products where member portfolios are backed by specific portfolios, we agreed the values of investments specified by the members investment choice to the members liabilities per product for that choice and inspected the accuracy of reconciling items.	Not applicable.
9	We inspected the most recent statutory valuation report to determine whether the fund was underfunded. For underfunded funds we determined whether a scheme, as required in terms of section 18 of Pension Fund Act in South Africa, has been implemented to remedy the shortfall.	The fund was not underfunded.
10	We obtained the analysis of the movements in the fund's reserve accounts from the financial statements and performed the following procedures:	
10.1	We agreed the opening balance to the prior year financial statements.	The opening balance agreed to the prior year financial statements.
10.2	We inspected the rules of the fund to determine whether the movements in the fund's reserve accounts were in terms of the rules of the fund.	The movements in fund's reserve accounts were in terms of the rules of the fund.
11	We obtained a list of lump sum benefits reflected as expenses in the fund's Statement of Changes in Net Assets and Funds and performed the following procedures:	
11.1	We agreed the list to the respective general ledger benefit expense accounts.	The list agreed to the respective general ledger benefit expense accounts.
11.2	We selected a sample of the lesser of 25 benefits or 10% of the total benefit expenses from the list and performed the following procedures:	
11.2.1	We agreed the claim to the applicable, authorised supporting documentation.	The claim agreed to the applicable, authorised supporting documentation.
11.2.2	For death benefits, where a portion of the benefit was reinsured by the fund, we determined whether the recovery from the insurer was received by the fund.	Not applicable.
11.2.3	We agreed the opening fund credit for the member to the opening fund credit report and determined whether contributions were added every month until the date of exit. [either by R amount or in case of unitised funds, by units] We agreed the balance paid out to member to the fund credit report or administration system as at the date of exit.	The opening fund credit for the member, agreed to the opening fund credit report and the contributions were added every month until the date of exit. We found that the balance paid out to member agreed to the fund credit report or administration system as at date of exit.
11.2.4	We inspected whether the payments agreed to relevant authorization.	The payments agreed to relevant authorisation.

12	We obtained a copy of the listing of pensioner's and performed the following procedures:	Not applicable.
12.1	We agreed the total pensions paid to the corresponding account in the general ledger.	Not applicable.
12.2	We selected a sample of the lesser of 25 or 10% of pensions paid from the above list and performed the following procedures:	Not applicable.
12.2.1	We agreed the pensioner increases to authorization by the Board of Trustees or other relevant supporting documentation.	Not applicable.
12.2.2	We inspected evidence supporting the fact that the pensioners selected were still alive.	Not applicable.
13	Where the fund has reinsured its pensioners with an insurer, we obtained a written confirmation of the pensions paid from the insurer including asset and liability balances and agreed this to the fund's general ledger pension expense, asset and liability accounts.	Not applicable.

As the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the procedures performed. Had we performed additional procedures or had we performed an audit or review of the relevant information, other matters might have come to our attention that would have been reported to you. Our report is solely for regulatory purposes and may not be distributed to, or relied on, by parties other than the Registrar of Pension Funds.

Auditor-General

Pietermaritzburg

29 August 2014



AUDITOR-GENERAL
SOUTH AFRICA

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ANNEXURE D

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

ANNEXURE B TO SCHEDULE 1 (Regulation 12(2)(B)(vii))

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 OF THE PENSION FUND ACT, 1956 AT 31/03/2014

	R'000
A. TOTAL ASSETS OF THE FUND AS PER STATEMENT OF NET ASSETS FUNDS AND FUNDS	2 279 351
B. LESS: ITEMS OF STATEMENT OF NET ASSETS & FUNDS	21 346
1 PLANT & EQUIPMENT	4 136
2 CURRENT ASSETS (EXCLUDING CASH AT BANK)	17 210
C. VALUE OF CORRESPONDING ASSETS PER STATEMENT OF FUNDS AND NET ASSETS	2 258 005

Categories or kinds of assets		Permissible %age of adjusted asset value	Fair Value	% of Fair Value
		%	R'000	%
1	CASH	100.00%	202 074	8.95%
1.1	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.	100.00%	199 770	8.85%
(a)	Notes & coins, any balance or deposit in an account held with a South African Bank.	25.00%	187 744	8.31%
(b)	A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument.	25.00%	12 026	0.53%
(c)	Any positive net balance in a margin account with an exchange	25.00%	0	0.00%
(d)	Any positive net balance in a settlement account with an exchange , operated for the buying and selling of assets.	25.00%	0	0.00%
1.2	Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	SARB Max. Limits	2 304	0.10%
(a)	Any balance or deposit held with a foreign bank	5.00%	2 304	0.10%
(b)	Any balance or deposit held with an African bank	5.00%	0	0.00%
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument.	5.00%	0	0.00%
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		430 505	19.07%
2.1	Inside the Republic—	100.00%	429 509	19.02%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic.	100.00%	163 593	7.25%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	10.00%	0	0.00%
(c)	Debt instruments issued or guaranteed by a South African bank against its balance sheet.	75.00%	134 200	5.94%
(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed.	75.00%	134 200	5.94%
(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed.	75.00%	0	0.00%
(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed.	75.00%	0	0.00%
(iv)	Not listed on an exchange	25.00%	0	0.00%
(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.	50.00%	128 755	5.70%
(i)	Listed on an exchange.	50.00%	107 407	4.76%
(ii)	Not listed on an exchange.	25.00%	21 348	0.95%
(e)	Other debt instruments	25.00%	2 961	0.13%
(i)	Listed on an exchange.	25.00%	2 961	0.13%
(ii)	Not listed on an exchange.	15.00%	0	0.00%

Categories or kinds of assets		Permissible %age of adjusted asset value	Fair Value	% of Fair Value
		%	R'000	%
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS....CONT'D		0	0.00%
2.2	Outside the Republic—	SARB Max. Limits	996	0.04%
(a)	Debt instruments issued or guaranteed by a South African bank against its balance sheet.	SARB Max. Limits	996	0.04%
(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed.	SARB Max. Limits	0	0.00%
(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed.	SARB Max. Limits	996	0.04%
(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed.	SARB Max. Limits	0	0.00%
(iv)	Not listed on an exchange	SARB Max. Limits	0	0.00%
(b)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange.	SARB Max. Limits	0	0.00%
(i)	Listed on an exchange.	SARB Max. Limits	0	0.00%
(ii)	Not listed on an exchange.	SARB Max. Limits	0	0.00%
(c)	Other debt instruments	SARB Max. Limits	0	0.00%
(i)	Listed on an exchange.	SARB Max. Limits	0	0.00%
(ii)	Not listed on an exchange.	SARB Max. Limits	0	0.00%
3	EQUITIES	75.00%	1 555 098	68.87%
3.1	Inside the Republic—	75.00%	1 105 827	48.97%
(a)	Preference & ordinary shares in companies, excluding shares in property companies, listed on an exchange.	75.00%	1 105 827	48.97%
(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed.	75.00%	912 264	40.40%
(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed.	75.00%	151 860	6.73%
(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed.	75.00%	41 703	1.85%
(b)	Preference & ordinary shares in companies, excluding shares in property companies, not listed on an exchange.	10.00%	0	0.00%
3.2	Outside the Republic—	SARB Max. Limits	449 271	19.90%
(a)	Preference & ordinary shares in companies, excluding shares in property companies, listed on an exchange.	SARB Max. Limits	449 189	19.89%
(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed.	SARB Max. Limits	294 328	13.03%
(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed.	SARB Max. Limits	71 774	3.18%
(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed.	SARB Max. Limits	83 087	3.68%
(b)	Preference & ordinary shares in companies, excluding shares in property companies, not listed on an exchange.	SARB Max. Limits	82	0.00%

Categories or kinds of assets		Permissible %age of adjusted asset value	Fair Value	% of Fair Value
		%	R'000	%
4	IMMOVABLE PROPERTY		70 328	3.11%
	4.1 Inside the Republic—	25.00%	70 328	3.11%
(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.	25.00%	70 328	3.11%
(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed.	25.00%	48 845	2.16%
(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed.	25.00%	17 617	0.78%
(iii)	Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed.	25.00%	3 866	0.17%
(b)	Immovable property, preference shares and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange.	15.00%	0	0.00%
	4.2 Outside the Republic—	SARB Max. Limits	0	0.00%
(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.	SARB Max. Limits	0	0.00%
(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed.	SARB Max. Limits	0	0.00%
(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed.	SARB Max. Limits	0	0.00%
(iii)	Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed.	SARB Max. Limits	0	0.00%
(b)	Immovable property, preference shares and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange.	SARB Max. Limits	0	0.00%
5	COMMODITIES		0	0.00%
	5.1 Inside the Republic—		0	0.00%
(a)	Kruger Rands & other commodities on an exchange, including exchange traded commodities	10.00%	0	0.00%
(i)	Gold (including Kruger Rands)	10.00%	0	0.00%
(ii)	Other commodities	5.00%	0	0.00%
	5.2 Outside the Republic—		0	0.00%
(a)	Gold & other commodities on an exchange, including exchange traded commodities.	10.00%	0	0.00%
(i)	Gold	10.00%	0	0.00%
(ii)	Other commodities	10.00%	0	0.00%
6	INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF :-		0	0.00%
(a)	Section 19(4) of the Pension Funds Act	5.00%	0	0.00%
(b)	To the extent it has been allowed by an exemption in terms of section 19 (4A) of the Pension Funds Act.	10.00%	0	0.00%

Categories or kinds of assets	Permissible %age of adjusted asset value	Fair Value	% of Fair Value
	%	R'000	%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	95.00%	0	0.00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		0	0.00%
8.1 Inside the Republic—	15.00%	0	0.00%
(a) Hedge funds	10.00%	0	0.00%
(i) Funds of hedge funds	5.00%	0	0.00%
(ii) Hedge funds	2.50%	0	0.00%
(b) Private equity funds	10.00%	0	0.00%
(i) Funds of private equity funds	5.00%	0	0.00%
(ii) Private equity funds	2.50%	0	0.00%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	0	0.00%
8.2 Outside the Republic—	15.00%	0	0.00%
(a) Hedge funds	10.00%	0	0.00%
(i) Funds of hedge funds	5.00%	0	0.00%
(ii) Hedge funds	2.50%	0	0.00%
(b) Private equity funds	10.00%	0	0.00%
(i) Funds of private equity funds	5.00%	0	0.00%
(ii) Private equity funds	2.50%	0	0.00%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	0	0.00%
9 FAIR VALUE OF ASSETS TO BE EXCLUDED IN TERMS OF SUB-REGULATION (8)(b) OF REGULATION 28		0	0.00%
9.1 Inside the Republic—		0	0.00%
9.2 Outside the Republic—	SARB Max. Limits	0	0.00%
TOTAL (EQUAL TO THE FAIR VALUE OF ASSETS)		2 258 005	

INVESTMENTS OUTSIDE THE REPUBLIC	Fair Value R'000	% of Fair Value
Foreign balances or Deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	2 304	0.10%
Debt instruments including Islamic debt instruments	996	0.04%
Equities	449 271	19.90%
Immovable property	0	0.00%
Commodities outside the Republic	0	0.00%
Hedge Funds, private equity funds and any other assets not referred to in this schedule	0	0.00%
Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28	0	0.00%
TOTAL	452 571	20.04%

SCHEDULE IB

INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH REGULATION 28

TO THE BOARD OF TRUSTEES

I have audited Schedule IB "Assets of the fund held in compliance with Regulation 28" of the KwaZulu-Natal Joint Municipal Provident Fund (the Fund) at 31 March 2014 (the Schedule) for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation), as set out on Annexure D. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Trustees to report to the Registrar of Pension Funds (the 'Registrar').

The information contained in Schedule IB 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. Our audit of the annual financial statements of the KwaZulu-Natal Joint Municipal Provident Fund for the year ended 31 March 2014 was conducted in accordance with International Standards on Auditing and in our report of 30 August 2014 we expressed an unmodified opinion on the financial statements, prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

The Board of Trustees' Responsibility for the Schedule

The Board of Trustees is responsible for the preparation of the Schedule in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of the Schedule that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit of the Schedule. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule 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 entity's internal control.

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

Opinion

In our opinion, Schedule IB "Assets held in compliance with Regulation 28" at 31 March 2014 by KwaZulu-Natal Joint Municipal Provident Fund has been prepared in all material

respects in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation.

Restriction on Use

Without modifying our opinion, we draw attention to the purpose of our report as indicated in the introductory paragraph, and the basis of accounting. Consequently, the Schedule and our auditor's report may not be suitable for another purpose.

Auditor - General
Pietermaritzburg

29 August 2014



AUDITOR - GENERAL
SOUTH AFRICA

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ANNEXURE E

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE MONTH ENDED 31/03/2014

SCHEDULE IA - PERTAINING TO THE FINANCIAL STATEMENTS

	Notes	Direct Investments	Non-Linked Insurance Policies	Linked Insurance Policies	Collective Investment Schemes	Total	Local	Foreign	% Age of Foreign Exposure
CASH AND DEPOSITS	A	200 495 946.63	0.00	0.00	0.00	200 495 946.63	200 495 946.63	0.00	0.00%
KRUGER RANDS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
LOANS	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
DEBENTURES	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
BILLS BONDS AND SECURITIES	C	359 390 663.86	0.00	0.00	0.00	359 390 663.86	359 390 663.86	0.00	0.00%
PROPERTIES	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
EQUITIES	E	1 113 044 515.79	0.00	0.00	0.00	1 113 044 515.79	1 113 044 515.79	0.00	0.00%
- EQUITIES WITH PRIMARY LISTING ON JSE		761 528 817.82	0.00	0.00	0.00	761 528 817.82	761 528 817.82	0.00	0.00%
- EQUITIES WITH SECONDARY LISTING ON JSE		351 515 697.97	0.00	0.00	0.00	351 515 697.97	351 515 697.97	0.00	0.00%
- FOREIGN LISTED EQUITIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- EQUITY INDEXED LINKED INVESTMENTS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- UNLISTED EQUITIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
PREFERENCE SHARES		3 789 737.92	0.00	0.00	0.00	3 789 737.92	3 789 737.92	0.00	0.00%
COLLECTIVE INVESTMENT SCHEMES	I	0.00	0.00	0.00	511 840 063.69	511 840 063.69	129 708 092.94	382 131 970.75	74.66%
INSURANCE POLICIES:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- LINKED POLICIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- NON-LINKED POLICIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
DERIVATIVE MARKET INSTRUMENTS	G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
PARTICIPATING MORTGAGE BONDS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
OTHER	K	69 444 346.82	0.00	0.00	0.00	69 444 346.82	0.00	69 444 346.82	100.00%
TOTAL		1 746 165 211.02	0.00	0.00	511 840 063.69	2 258 005 274.71	1 806 428 957.14	451 576 317.57	20.00%

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

A. DIRECT CASH AND DEPOSITS

	Fair Value
CORONATION ACTIVE - Deposit Accounts	77 800 000.00
CORONATION CASH INT - Deposit Accounts	342 274.47
INITIAL MARGIN INT - Current Accounts	8 226.28
INITIAL MARGIN - Deposit Accounts	1 619 486.00
INKOTHA CALL INT - Deposit Accounts	8 284.93
NEDBANK ACCOUNT - Receivables	26 568 372.98
NEDBANK INTEREST ACC - Current Accounts	49 452.70
PRUDENTIAL MONEY - Deposit Accounts	5 392 182.87
PRU MM FUND B INT - Deposit Accounts	16 249.01
PROVISIONAL MAN FEE - Deposit Accounts	-654 659.16
SUSPENSE ACCOUNT - Deposit Accounts	-2 277 144.81
VARIATION MARGIN - Deposit Accounts	344 599.85
VARIATION MARGIN INT - Current Accounts	2 298.93
YIELD MARGIN - Current Accounts	203.78
YIELD MARGIN ACCOUNT - Deposit Accounts	45 190.00
STANDARD BANK UNCLAIMED ACCOUNT	29 493 581.26
STANDARD BANK CURRENT ACCOUNT	48 056 691.18
NEDBANK GROUP LTD NCD 5.35 020514	1 048 100.00
NEDBANK GROUP LTD NCD 5.475 290413	3 068 400.00
STANDARD BANK GRP LTD J3M0.775 15082014	1 007 300.00
STANDARD BANK GRP LTD J3M0.775 140814	1 007 300.00
STD BANK GROUP LTD NCD10.065 150914	1 002 200.00
ESKOM HOLDINGS LTD PN 5.78 040714	2 956 348.92
ESKOM HOLDINGS LTD PN 5.5 220414	2 990 377.01
BARLOWORLD LIMITED 9.94% 021017	600 630.43
TOTAL	200 495 946.63

B. DIRECT LOANS

	Fair Value
	0.00

C1. DEBENTURES

	Secured by/ Unsecured	Redemption Val
		0.00
TOTAL DEBENTURES		0.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

C2. BILLS, BONDS AND SECURITIES

	Secured by/ Unsecured	Fair Value
GOVERNMENT OR PROV. ADMIN		151 774 412.72
REPUBLIC OF SA 13.50 15092015		48 980.09
REPUBLIC OF SA 10.50 211226		42 131 731.61
REPUBLIC OF SA 8.75 21122014		43.72
R2023 7.75 280223		10 566 219.05
REPUBLIC OF SA 8.25 15092017		1 965 069.05
R2030 8.0 310130		709 970.63
REPUBLIC OF SA 8.50 31012037		29 559 600.70
REPUBLIC OF SA 8.00 211218		2 094 630.91
REPUBLIC OF SA 8.75 28022048		2 688 103.00
REPUBLIC OF SA 7.25 15012020		2 828 997.83
R208 RSA 310321		17 782 062.68
REPUBLIC OF SA 6.25 31032036		33 951 619.36
R213 RSA 7.00 28021021		2 070 184.89
REPUBLIC OF SOUTH AFRICA 6.50 2802041		5 377 199.20
PARASTATAL BONDS		49 074 905.23
AIR02 ACSA 11.68 30042023 AO23		1 958 592.33
AIR03 ACSA 10.86 09032016		623 812.40
AIRLO1 CP 3.64 30102028		1 403 920.24
CITY OF CAPE TOWN 11.615 15062024		1 130 150.50
CITY OF CAPE TOWN 11.16% 15032025		549 402.11
DV21 DBSA 150616		41 374.21
DEVELOPMENT BANK SA 9.45 0722020		1 817 792.41
DEVELOPMENT BANK SA 10.00 27022023		1 696 455.25
DEVBNK 10.10 180229		1 876 798.80
EKURHULENI METRO MUN 10.56% 28072020		520 063.67
EKURHULENI METROPOL MUNICIPALITY 10.72 11032021		626 948.08
EKURHULENI METRO MUNICIPALITY 10.05 04052024		2 063 818.37
EKURHULENI METROPOLITAN MUNICIPALITY 9.155 160528		1 938 750.61
ESKOM HOLDINGS LTD 10% 25012023		1 637 658.29
ES33 ESKOM HLDS 7.5%150933		14 358 743.54
NRA028 12.25 301128		150 770.73
RAND WATER BOARD 10.245 101228		2 115 304.80
SA NATIONAL ROADS AGENCY 9.00 30092025		2 001 164.80
TELKOM SA LIMITED 11.90 29042015		541 931.35
TRANSNET LIMITED 9.25 14112017		423 517.20
TRANSNET 10.50 17092020		1 306 006.78
TN23 TRANSNET 10.8 06112023		619 118.17
TRANSNET LTD 9.50 19082025		251 017.46
TRANSNET 8.9 PC 14112027		7 637 845.99
UMGENI WATER 10.70 02032021		468 259.97
TRANS CALEDON TUNNEL 9.00 28052017		396 029.33
TRANS CALEDON TUNNEL 9.00 28052021		919 657.84
CORPORATE BONDS		156 541 345.91
ANGLO AMERICAN SA FIN LTD J3M1.38 22032017		250 391.96
ANGLO AMERICAN 9.27 22032019		425 743.21
ABSA GROUP LIMITED SUB DEBT 8.1 27032015		914 815.91
ABSA CPI LINKED 6 20092014164.23548		3 460 266.16
ABSA 5.50 CPI LINKED 07122028 BASE CPI 65.05040323		4 234 308.99
AFRICAN BANK LIMITED FD 11.50% 15032015		517 802.13
AFRICAN BANK 8.00 INDEXED LINKED 08052014 103.370968		1 068 743.28
AFRICAN BANK 15032015		1 751 570.94
ABSA FIXED RATE 15.5 13072016		277 444.18
AFRICAN BANK LTD FRN J3M 4.00 31032018		1 399 721.81
ABSA GROUP LIMITED 8.3 01052015		2 559 667.36
ABSA GROUP LIMITED 8.2 01062020		24 063.28
ABSA 8.80 11092026		4 126 182.36
BARLOWORLD J3M 1.55 01102016		1 750 935.76
BARLOWORLD 9.8 011018		1 775 482.45
BAYPORT SEC (RF) LDT 10.225 300917		1 899 659.00
SABSA HOLDINGS LIMITED 7.125 28032018		2 487 859.46
BIDVEST 10.19 06082014		205 480.66
BIDVEST GRP LTD J3M1.3 23112017		379 808.67
BANK OF WINDHOEK FRN J3M 1.8 191118		705 865.07
CAPITEC BANK LIMITED 9.44 18052017		2 866 649.52
CAPITEC BANK LTD FRN 8.5 06052020		750 643.60
STANDARD BANK GRP LTD J3M 2.3 300617		2 000 826.62
CAPITAL PROPERTY FND J3M1.4 01082015		505 706.33

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
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	Secured by/ Unsecured	Fair Value
EQSTRA CORP PTY LTD CPI 181114 108.370000		1 813 328.16
EQS FRN J3M 0.5 220915		1 038 458.46
EQS05 J3M2.7 250417		3 143 649.20
EQSTRA HOLDINGS LTD 8.655 09042018		1 039 118.10
EQSTRA J3M 2 041018		999 402.55
FORTRESS INCOME LTD J3M 1.65 24082015		402 878.47
FIRSTRAND LIMITED 9.00 1509202014		506 459.80
FIRSTRAND LIMITED 8.5 2112202018		1 565 078.75
FIRSTRAND LIMITED J3M 2.0 25012017		3 747 430.84
FRBC21 FSR 12 12122018 JD21 PERPETUAL CALLABLE		261 821.66
FIRST RAND INDEX LINKED 2.75 22012022		501 911.64
FIRSTRAND LINKED NOTE 5.5% 07122023		4 635 394.70
FIRSTRAND BANK SENIOR UNSECURED INDEXED RATE NOTES		298 625.26
FIRSTRAND BANK SENIOR UNSECURED INDEXED RATE NOTES		201 966.75
FIRSTRAND LIMITED J3M1 040415		251 181.56
FIRST RAND BANK LTD FRN 1.75 21012016		258 337.19
FIRSTRAND LIMITED J3M1.38 040417		254 328.02
FIRSTRAND 8.5 01092014		355 572.90
FIRST RAND 8.75 14032015		285 931.40
FIRSTRAND LTD 10.50% 14042015		333 523.18
FIRSTRAND LIMITED 9.00 15112019		419 032.31
FIRSTRAND 10.75 10122024		2 774 860.10
FIRSTRAND LIMITED 9.5 011026		4 784 549.00
FIRSTRAND LIMITED 9.50 21022031		8 283 873.70
GROUP FIVE CONSTRUCTION (PTY) LTD 9.485 11042017		1 747 401.33
GREENHOUSE FUND LTD J3M 1.1 25102039		197 220.30
GROWTH POINT J3M 1.45 15102015		253 449.46
INVESTEC BANK LIMITED 10.35 12032015		771 191.80
INVESTEC BANK LTD FRN J3M 2.00 12032015		253 001.60
INVESTEC FRN J3M 1.75 2806215		1 204 948.09
INVESTEC BANK LTD 9.51 15032016		564 163.39
INVESTEC BANK LTD SENIOR UNSECURED NOTE J3M 1.10 18082014		251 946.45
INVESTEC BANK LTD SENIOR UNSECURED NOTES 8.27 18082016		253 185.12
INVESTEC BANK LTD FRN J3M 1.00 31112014		252 607.33
INVESTEC BANK LTD CPI LINKED 2.5 BASE CPI 110.44 31012017		311 176.79
INVESTEC J3M1.5 15062017		255 123.55
INVESTEC LIMITED J3M1.1 15112015		504 162.28
INVESTEC 7.25 15012020		1 816 118.38
INVESTEC BANK LTD 7.335 02042018		476 216.77
INVBK 8.11 310718		245 434.31
IMPALA PLAT HLDS LTD CONV BOND 0.0 210218		1 820 000.00
IMPERIAL GROUP 9.78 28092017		2 109 367.68
IPL8 J3M1.75 101020		998 249.30
INVESTEC BANK LTD 10.545 22062015		1 569 676.67
INV FRN J3M 2.65 200922		1 226 331.27
INVESTEC BANK LTD CPI LINKED 2.75 BASE CPI 110.68 31012017		1 631 657.30
INVESTEC LIMITED J3M2.5 12092024		1 205 424.58
LIBERTY GROUP 7.67 13082017		96 457.02
LIBERTY GROUP 7.64 03042018		376 614.39
MERCEDES-B SA PTY L J3M1.1 16042015		253 221.58
MERCEDES-B SA PTY LTD FRN J3M 1.12 01102015		250 943.88
MERCEDES-B SA PTY L 9.035 160419		1 410 353.62
MMI HOLDINGS 10.065 170326		253 286.48
MCQRIE SEC SA PTY LTD J3M1.35 31052015		251 531.34
MTN HLDG 10.19 PC 1372014		206 471.28
MTN 10.130 PC 130717		1 093 239.64
NEDBANK LTD 8.92 28112020		3 514 415.87
NEDBANK LTD FRN J3M 0.475 12032013		253 443.50
NEDBANK LTD 9.38 19032021		1 005 747.80
NEDBANK 10.55 15092015		3 117 031.43
NEDBANK LTD J3M 0.22 15092015		1 006 345.16
NEDBANK LTD 11.39% 09092019		1 327 065.36
NEDBANK LIMITED 9.68% 19042015		530 548.10
NEDBANK DOMESTIC MEDIUM TERM NOTE 9.36 23032016		511 066.15
NEDB LTD 10.54 PC 1792015		842 932.60
NEDHIA NEDBANK CALLABLE BOND 15.05 20112018 (J+712.50)		570 765.95
NORTHAM PLATINUM LTD J3M 3.5 04092015		1 308 535.00
NETCARE FRN J3M 1.84 25082016		253 357.50
CLINDEB INVESTMENTS FRN J3M1.61 22032018		1 102 190.57
OLD MUTUAL PLC 8.92 27102015		426 314.08
PTA PORTLAND CEMENT J3M 1.5 311218		501 994.01
PRIVATE RESIDENTIAL MORTGAGES LTD FRN J3M 0.99 15122035		1 003 058.30

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
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	Secured by/ Unsecured	Fair Value
RCS INVESTMENT HOLDINGS (PTY) LTD J3M 1.35 060614		1 005 032.09
STANDARD BANK GRP LTD FRN J3M 2.2 24112021		906 957.84
STANDARD BANK GRP LTD J3M 2.35 24102025		3 142 386.78
SCMB SUB DEBT 2015		947 202.21
SCMB SUB DEBT 2023		805 733.36
SBK CAPITAL NOTE 5.75 NACS 102.430830 09042019		3 518 516.34
STANDARD BANK OF SA LTD 8.90% 22092017		1 010 746.36
STANDARD BANK SA LTD SENIOR UNSECURED FRN J3M 1.25 26042016		253 829.20
STANDARD BANK SA LTD FRN 1.75 23062021		1 772 871.05
STANDARD BANK OF SA LTD 10.18 23062021		3 203 347.28
STANDARD BANK GRP LTD 10.05 15052026		1 920 604.73
STANDARD BANK GRP LTD J3M0.22 26052026		1 611 562.97
STANDARD BANK GRP LTD J3M1.05 24052015		759 873.65
STANDARD BANK GRP LTD J3M1.4 24052017		252 424.46
STANDARD BANK FIXED 11.42 07072016		4 823 605.79
STANDARD BANK CPI 5.5% 07122023		4 808 078.28
STANDARD BANK OF SA CPI LN 2.5 310117		3 858 592.01
SANLAM LTD 8.7 150823		1 676 503.62
SANTAM 8.25 15092017		492 174.50
SUPER GROUP LTD FRN J3M 1.8 311016		1 012 288.68
SAPPI SA (PTY) LTD 9.63 28062016		2 098 155.28
THEKWINI FUND 10 LTD FRN J3M1.24 18102038		272 964.73
THEKWINI FUND 10 LTD FRN J3M 1.49 18102038		506 557.93
OTHER		2 000 000.00
INKOTHA CALL BOND LINKED TO REPO INDIRECT FUNCTION		2 000 000.00
TOTAL BILL BONDS AND SECURITIES		359 390 663.86

D. DIRECT PROPERTIES

	Fair Value
TOTAL	0.00

E. DIRECT EQUITIES

	Fair Value
E1: PRIMARY LISTING ON JSE	761 528 817.82
E2: SECONDARY LISTING ON JSE	351 515 697.97
E3: FOREIGN LISTED EQUITIES	0.00
E4: EQUITY LINKED INSTRUMENTS	0.00
E5: UNLISTED EQUITIES	0.00
TOTAL EQUITIES	1 113 044 515.79

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
SOL	SASOL LTD	649 977	146 099	0.02%	86 135 587.43
MTN	MTN GROUP LTD	1 872 214	372 361	0.02%	80 262 413.55
NPN	NASPERS LTD	415 942	58 869	0.01%	68 366 924.46
	SUB TOTAL				234 764 925.44
	OTHER				
SBK	STANDARD BANK GROUP LTD	1 618 160	366 172	0.02%	50 824 673.60
FSR	FIRSTRAND LTD	5 637 942	839 263	0.01%	30 297 394.30
NGPLT	NEW GOLD PLATINUM ETF	95 400	137 799	0.14%	20 716 701.66
NED	NEDCOR LIMITED	513 721	78 183	0.02%	17 516 119.32
IMP	IMPALA PLATINUM	632 214	145 407	0.02%	17 448 840.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
SAP	SAPPI LTD	541 446	456 196	0.08%	16 879 252.00
BGA	BARCLAYS AFRICA GROUP LIMITED	847 751	110 634	0.01%	16 484 466.00
NTC	NETWORK HEALTHCARE HOLDINGS LIMITED	1 476 361	621 158	0.04%	14 497 827.72
GLD	NEW GOLD ISSUER LTD	133 636	87 438	0.07%	11 445 634.20
AVI	AVI LTD	344 938	184 836	0.05%	10 448 779.08
EXX	EXXARO RESOURCES	358 116	74 506	0.02%	10 430 840.00
ABL	AFRICAN BANK INVESTMENTS	1 501 093	962 597	0.06%	10 347 917.75
SUI	SUN INTERNATIONAL (SA)	114 129	109 394	0.10%	10 327 887.54
TRE	TRENCOR LTD	177 068	155 873	0.09%	10 147 332.30
FFA	FORTRESS INCOME FUND LTD	375 434	696 903	0.19%	9 861 177.45
NHM	NORTHAM PLATINUM LTD	397 586	228 376	0.06%	8 890 677.68
AFE	AECI LTD	128 241	69 149	0.05%	8 781 923.00
TFG	THE FOSCHINI GROUP LTD	222 005	80 857	0.04%	8 663 827.55
OMN	OMNIA HOLDINGS	67 250	40 187	0.06%	8 481 466.35
BVT	BIDVEST GROUP LTD	327 955	29 142	0.01%	8 113 424.22
REM	REMGRO LTD	481 106	38 274	0.01%	7 843 873.56
CLS	CLICKS GROUP LTD	246 138	115 598	0.05%	7 577 448.90
MND	MONDI	118 313	40 788	0.03%	7 542 109.08
APN	ASPEN PHARMACARE HLDS LTD	456 321	26 459	0.01%	7 442 916.70
SLM	SANLAM ORDINARY SHARES	2 166 472	120 670	0.01%	6 943 351.80
MDC	MEDI-CLINIC CORP. LTD	826 957	84 277	0.01%	6 306 447.91
HCI	HOSKEN CONSOLIDATED INVESTMENTS LTD	119 869	40 306	0.03%	6 025 747.00
WHL	WOOLWORTHS HOLDINGS LTD	846 993	81 544	0.01%	5 983 698.72
TON	TONGAAT HULLET LIMITED	109 967	52 329	0.05%	5 948 760.72
CML	CORONATION FUND MANAGERS	349 799	58 659	0.02%	5 807 241.00
PFG	PIONEER FOOD GROUP LIMITED	231 304	67 348	0.03%	5 623 558.00
HYP	HYPROP INVESTMENTS LTD	243 256	70 202	0.03%	5 388 003.50
AIP	ADCOCK INGRAM HOLDINGS LTD	175 645	88 235	0.05%	5 205 865.00
ARL	ASTRAL FOODS LTD	42 149	54 221	0.13%	4 665 717.05
GRF	GROUP FIVE LTD	111 794	104 574	0.09%	4 626 353.76
MMI	MMI HOLDINGS LIMITED	1 569 804	183 839	0.01%	4 522 439.40
ATT	ATTACQ LIMITED	660 736	241 351	0.04%	4 344 318.00
RDF	REDEFINE INCOME FUND LTD	3 070 978	448 296	0.01%	4 281 226.80
ACP	ACUCAP PROPERTIES	183 511	100 679	0.05%	4 027 160.00
BAW	BARLOWORLD LIMITED	231 106	35 234	0.02%	3 885 253.18
VOD	VODACOM GROUP LTD	1 487 954	26 929	0.00%	3 500 500.71
JSE	JSE LIMITED	86 878	34 409	0.04%	3 278 833.61
MPC	MR PRICE GROUP LTD	251 184	20 433	0.01%	3 216 358.53
CPL	CAPITAL PROPERTY FUND	1 606 986	302 161	0.02%	3 166 647.28
MPT	MPACT LTD	163 576	115 117	0.07%	3 127 728.89
INL	INVESTEC LTD	282 935	36 454	0.01%	3 092 757.36
NPK	NAMPAK ORDINARY SHARES	700 643	85 501	0.01%	3 073 760.95
RMI	RMI HOLDINGS LIMITED	1 485 688	106 257	0.01%	3 060 201.60
EQS	EQSTRA HOLDINGS LIMITED	411 368	411 768	0.10%	2 923 552.80
SHF	STEINHOFF INT.HLDS LTD	2 124 799	53 595	0.00%	2 733 345.00
GRT	GROWTHPOINT PROPERTY LTD	2 121 098	111 134	0.01%	2 711 669.60
SPP	SPAR GROUP LIMITED	173 224	21 845	0.01%	2 654 604.40
FBR	FAMOUS BRANDS	99 242	26 650	0.03%	2 645 279.00
PIK	PIC N PAY	480 397	49 117	0.01%	2 534 437.20
APF	ACCELERATE PROPERTY FUND LIMITED	638 917	507 100	0.08%	2 484 790.00
TSH	TSOGO SUN HOLDINGS LTD	1 182 766	85 687	0.01%	2 169 594.84
HDC	HUDACO INDUSTRIES LTD	34 154	20 718	0.06%	2 165 859.72
ADH	ADCTECH LTD	421 282	273 683	0.06%	2 079 990.80
ARI	AFRICAN RAINBOW MINERALS	216 612	9 793	0.00%	2 042 819.80
DIA	DIPULA INCOME FUND LTD	153 966	187 873	0.12%	1 972 666.50
ILV	ILLOVO	460 545	68 441	0.01%	1 917 032.41
ACL	ARCELORMITTAL SOUTH AFRICA LIMITED	445 752	56 513	0.01%	1 893 750.63
SGL	SIBANYE GOLD LIMITED	741 291	82 363	0.01%	1 876 229.14
AEG	AVENG LTD	389 838	81 647	0.02%	1 850 121.02
IPF	INVESTEC PROPERTY FUND LTD	358 232	126 847	0.04%	1 838 013.03
PWK	PICK N PAY HOLDINGS LTD	527 249	80 803	0.02%	1 815 643.41
RBX	RAUBEX GROUP LIMITED	185 900	76 471	0.04%	1 696 891.49
ANP	ANNUITY PROP	236 573	303 102	0.13%	1 615 533.66
RBP	ROYAL BAFOKENG PLATINUM LIMITED	177 373	24 725	0.01%	1 613 306.25
MTA	METAIR INVESTMENTS	198 986	34 500	0.02%	1 476 600.00
WBO	WILSON BAYLEY HOLMES	66 000	10 619	0.02%	1 463 298.20

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
DAW	DISTRIBUTION & WAREHOUSING NETWORK	241 843	150 872	0.06%	1 448 371.20
LHC	LIFE HEALTHCARE GROUP LIMITED	1 042 210	36 991	0.00%	1 424 523.41
HLM	HULAMIN LIMITED	319 397	202 450	0.06%	1 356 415.00
ITUN	INTUPLC - NPL	0	81 076	0.00%	1 329 646.40
KAP	KAP INDUSTRIAL HOLDINGS LIMITED	2 346 188	349 000	0.01%	1 294 790.00
BSR	BASRIL READ HOLDINGS LIMITED	131 694	140 410	0.11%	1 256 669.50
EMI	EMIRA PROPERTY FUND	492 424	87 901	0.02%	1 232 372.02
HAR	HARMONY GOLD MINING CO	435 711	37 257	0.01%	1 218 303.90
PAN	PAN AFRICAN RESOURCES PLC	1 829 145	468 597	0.03%	1 162 120.56
AIA	ASCENSION PROPERTY LIMITED	308 861	242 414	0.08%	1 151 466.50
TDH	TRADEHOLD LIMITED	138 567	82 204	0.06%	1 126 194.80
DST	DST DISTELL GROUP LTD	221 435	8 557	0.00%	1 099 061.08
PGR	PEREGRINE HOLDINGS LTD	213 001	57 000	0.03%	1 069 320.00
DBAGLP	DB STUD AGLP 051114	30 000	7 700	0.03%	962 346.00
DTC	DATATEC LTD	197 168	19 400	0.01%	946 720.00
TRU	TRUWORTHS INTERNATIONAL	421 169	11 880	0.00%	917 730.00
SPG	SUPER GROUP LTD	315 334	31 138	0.01%	895 217.50
MUR	MURRAY AND ROBERTS HLDGS LTD	444 736	36 198	0.01%	890 108.82
ANG	ANGLOGOLD LTD	403 041	4 830	0.00%	883 407.00
SAC	SA CORPORATE REAL ES	1 980 093	212 930	0.01%	851 720.00
VKE	VUKILE PROPERTY FUND LTD	509 573	48 435	0.01%	810 317.55
CAT	CAXTON CTP PUBLISHERS	422 448	50 498	0.01%	797 868.40
ILA	ILIAD AFRICA LTD	138 218	105 000	0.08%	750 750.00
ADR	ADCORP HOLDINGS	100 092	23 300	0.02%	733 950.00
HPA	HOSPITAL PROPERTY FUND LTD	137 238	44 823	0.03%	726 132.60
DSY	DISCOVERY HOLDINGS LTD	591 872	8 346	0.00%	704 152.02
RES	RESILIENT PROPERTY & INCOME FUND LTD	293 339	11 234	0.00%	638 540.56
SYC	SYCOM PROPERTY FUND	200 132	26 699	0.01%	614 077.00
AWA	ARROWHEAD PROPERTIES LTD A UNITS	308 780	85 720	0.03%	600 040.00
NEP	NEW EUROPEAN PROPERTY INVESTMENTS	204 544	6 760	0.00%	590 824.00
CLR	CLOVER INDUSTRIES LIMITED	182 479	30 395	0.02%	587 231.40
RLO	REUNERT ORDINARY SHARES	187 252	9 000	0.00%	580 500.00
BLU	BLUE LABEL TELECOMS LTD	674 509	66 334	0.01%	577 105.80
YRK	YORK TIMBER HOLDINGS LIMITED	331 241	142 401	0.04%	555 363.90
SSK	STEFANUTTI STOCKS HOLDINGS LIMITED	188 081	58 050	0.03%	531 157.50
SOV	SOVEREIGN FOOD INVESTMENTS LIMITED	76 222	91 433	0.12%	521 168.10
HSP	HOLDSPORT LTD	43 150	12 500	0.03%	512 375.00
MFL	MFL METROFILE HOLDINGS LTD	423 240	103 741	0.02%	511 443.13
GFI	GOLD FIELDS LTD	770 518	12 612	0.00%	511 164.36
BDM	BDM BUILDMAX	181 301	176 518	0.10%	474 833.42
APK	ASTRAK LTD	135 131	65 298	0.05%	466 880.70
MDI	MASTER DRILLING GROUP LIMITED	148 265	36 400	0.02%	418 600.00
AWB	ARROWHEAD PROPERTIES LTD B UNITS	308 780	55 200	0.02%	378 672.00
JDGCB	JD GROUP LTD CONV BOND	100	30	0.03%	294 000.00
TBS	TIGER BRANDS LTD.	191 547	1 056	0.00%	287 517.12
SGA	SYNERGY INCOME FUND LTD	47 352	23 576	0.05%	247 548.00
IPL	IMPERIAL HOLDINGS LTD	209 956	1 230	0.00%	231 855.00
ART	ARGENT INDUSTRIAL LTD	96 491	45 000	0.05%	225 000.00
GIJ	GIJMA AST GROUP	198 418	327 842	0.17%	219 654.14
ELI	ELLIES HOLDINGS LTD	303 506	41 000	0.01%	175 480.00
SNU	SENTULA MINING LIMITED	586 559	732 871	0.12%	153 902.91
TWR	TOWER PROPERTY FUND LIMITED	132 006	15 000	0.01%	125 700.00
CIL	CONCOLIDATED INFRASTRUCTURE GROUP LTD	134 120	4 900	0.00%	121 471.00
DIB	DIPULA INCOME FUND LTD	156 046	8 356	0.01%	62 670.00
ATN	ALLIED ELECTRONICS CORPORATION LIMITED	105 669	2 223	0.00%	54 352.35
FPT	FOUNTAINHEAD PROP	1 162 710	6 838	0.00%	51 421.76
DTA	DELTA EMD LTD	49 166	10 894	0.02%	49 131.94
RNG	RANDGOLD & EXPLORATION CO LTD	74 585	21 000	0.03%	40 110.00
RBPB	ROYAL BAFOKENG - NPL	-	2 000	0.00%	20 580.00
SKY	SEA KAY HOLDINGS LTD	488 864	437 740	0.09%	4 377.40
DBAGLO	DB STUD AGLO 051114	30 000	3 400	0.01%	
	TOTAL OTHER				526 763 892.38
	TOTAL EQUITIES				761 528 817.82

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E2: EQUITIES WITH SECONDARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
BTI	BRITISH AMERICAN TOBACCO PLC SHARES	2 026 456	147 149	0.01%	86 476 524.32
AGL	ANGLO AMERICAN PLC	1 405 468	191 215	0.01%	51 362 261.15
	SUB TOTAL				137 838 785.47
	OTHER				
SAB	SA BREWERIES ORD SHARES	1 672 353	90 751	0.01%	47 729 580.94
BIL	BILLITON PLC	2 136 185	101 940	0.00%	33 158 023.80
CFR	COMPAGNIE FIN RICHMONT	5 220 000	243 781	0.00%	24 617 005.38
OML	OLD MUTUAL PLC	4 896 993	612 183	0.01%	21 677 400.03
INP	INVESTEC PLC	608 898	222 623	0.04%	18 878 430.40
MNP	MONDI PLC	367 241	87 136	0.02%	16 099 247.36
ITU	INTU PROPERTIES PLC	973 846	283 767	0.03%	14 117 408.25
LON	LONMIN PLC	568 554	203 548	0.04%	10 218 109.60
CCO	CAPITAL & COUNTIES PROPERTIES PLC	757 903	143 220	0.02%	8 879 640.00
REI	REINET INVESTMENTS SCA	1 959 413	353 182	0.02%	8 204 417.86
GLN	GLENORE XSTRATA PLC	1 327 841	66 400	0.01%	3 635 400.00
BAT	BRAIT SA	513 633	56 608	0.01%	3 012 111.68
RPL	REDEFINE INTERNATIONAL PLC	1 270 329	221 113	0.02%	2 078 462.20
NTI	NTI NETI UEPS TECHNOLOGIES LTD	58 400	13 000	0.02%	1 353 300.00
BCK	BLACKSTAR GROUP SE	82 089	1 500	0.00%	18 375.00
	TOTAL - OTHER				213 676 912.50
	TOTAL				351 515 697.97

E3: EQUITIES - FOREIGN

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
	TOTAL				0.00

PREFERENCE SHARES

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
ABSP	ABSA BANK LTD PREF				66 796.00
AFP	ALEX ANDER FORBES PREFS				1 006 666.00
ATNP	ALLIED ELECTRONICS CORP PART PREFS				2 138 500.92
BATP	BRAIT PREF				577 775.00
	TOTAL				3 789 737.92

G: DERIVATIVE MARKET INSTRUMENTS LISTED ON JSE

OPTION

Share Code	Description	Strike Price	Expiry date	Put/Call	Premium	Full Exposure (Notional amount)
	TOTAL OPTIONS					0.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

FUTURES/FORWARD - SAFEX

Share Code	Description	Put/Call	Expiry Date	Full Exposure (Notional amount)
ALSIM4	ALSI J200 FUT 190614		06/2014	-2 602 560.00
DTOPM4	DTOP J400 FUT 190614		06/2014	-2 367 500.00
E85702	DTOP DTOPM4 190614 P 8200		06/2014	-1 118 897.62
E90691	DTOP DTOPZ4 181214 P 8300		12/2014	-1 052 508.53
R186K4	R186 FUT 080514		05/2014	-1 319 237.37
R203K4	R203 FUT 080514		05/2014	-412 343.68
E76681	ALSI INDEX PUT OPTION 36500 19/06/2014	PUT	06/2014	103 076.00
Y39133	R209 MAY 2014 PUT OPTION 9.85%	PUT	05/2014	-2 874.04
Y39152	R209 MAY 2014 PUT OPTION 9.75%	PUT	05/2014	-2 044.38
ALSIM4	ALSI TOP 40 JUN 14		06/2014	-19 085 440.00
	TOTAL FUTURES			-27 860 329.63

I: COLLECTIVE INVESTMENT SCHEMES

Share Code	Description	Fund Market Value
CAB001	CAB001 CORONATION ACTIVE BOND	5 479 388.81
CCOREA	CORONATION STRATEGIC CASH PF	9 276 499.37
PHIFB	PRU HIGH INTEREST FUND CLASS B	55 632 660.86
SIB1	STNLB INCOME FUND (CLASS B1)	26 741 469.43
SIMMB4	STD INST MMARKET B4	8 980 868.00
SIP3	STNLB INST PROP B3	23 597 206.47
CEIS	CONTRARIUS GLOBAL EQUITY FUND	105 493 151.72
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	121 652 835.56
WSGED	WALTER SCOTT & PARTNERS GLOBAL EQUITY US	154 985 983.47
	TOTAL	511 840 063.69

K: OTHER PORTFOLIO ASSETS

Share Code	Description	Fund Market Value
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	69 444 346.82
	TOTAL	69 444 346.82

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

J: RISK MANAGEMENT

CREDIT / COUNTER PARTY RISK

Description	Direct Investment in counter party	Deposit/Liquid Asset with counter party	Script lending trans.	Open financial instruments mark to market value	Guarantees	Any other instruments	Total per counter party	Exposure to counter party as a %age of the fair value of the assets of the fund
BANKS	152 406 769.36	28 637 830.52	0.00	0.00	0.00	154 753 699.98	335 798 299.86	14.87%
ABSA BANK	66 796.00	0.00	0.00	0.00	0.00	15 596 748.24	15 663 544.24	0.69%
AFRICAN BANK LIMITED	10 347 917.75	0.00	0.00	0.00	0.00	4 737 838.16	15 085 755.91	0.67%
BANK OF WINDHOEK	0.00	0.00	0.00	0.00	0.00	705 865.07	705 865.07	0.03%
BARCLAYS AFRICA GROUP LTD	16 484 466.00	0.00	0.00	0.00	0.00	0.00	16 484 466.00	0.73%
CAPITEC BANK LIMITED	0.00	0.00	0.00	0.00	0.00	3 617 293.12	3 617 293.12	0.16%
DEVELOPMENT BANK OF SA	0.00	0.00	0.00	0.00	0.00	5 432 420.67	5 432 420.67	0.24%
FIRST RAND LIMITED	30 297 394.30	0.00	0.00	0.00	0.00	29 719 878.76	60 017 273.06	2.66%
INVESTEC BANK LTD	23 809 200.79	0.00	0.00	0.00	0.00	12 792 365.68	36 601 566.47	1.62%
NEDBANK GROUP LTD	17 516 119.32	26 617 825.68	0.00	0.00	0.00	16 795 861.92	60 929 806.92	2.70%
RMB HOLDINGS LTD	3 060 201.60	0.00	0.00	0.00	0.00	0.00	3 060 201.60	0.14%
STANDARD BANK OF SA	50 824 673.60	0.00	0.00	0.00	0.00	65 355 428.36	116 180 101.96	5.15%
SAFEXX	0.00	2 020 004.84	0.00	0.00	0.00	0.00	2 020 004.84	0.09%
ASSET MANAGERS LOCAL	5 807 241.00	83 550 706.35	0.00	0.00	0.00	172 410 970.33	261 768 917.68	11.59%
ALLAN GRAY	0.00	0.00	0.00	0.00	0.00	69 444 346.82	69 444 346.82	3.08%
CORONATION FUND MANAGERS	5 807 241.00	78 142 274.47	0.00	0.00	0.00	14 755 888.18	98 705 403.65	4.37%
PRUDENTIAL PORT MGR	0.00	5 408 431.88	0.00	0.00	0.00	55 632 660.86	61 041 092.74	2.70%
SIMMB4	0.00	0.00	0.00	0.00	0.00	8 980 868.00	8 980 868.00	0.40%
SIP3	0.00	0.00	0.00	0.00	0.00	23 597 206.47	23 597 206.47	1.05%
ASSET MANAGERS FOREIGN	0.00	0.00	0.00	0.00	0.00	382 131 970.75	382 131 970.75	16.92%
CONTRARIUS	0.00	0.00	0.00	0.00	0.00	105 493 151.72	105 493 151.72	4.67%
RUSSELL INVESTMENTS	0.00	0.00	0.00	0.00	0.00	121 652 835.56	121 652 835.56	5.39%
WALTER SCOTT & PARTNERS	0.00	0.00	0.00	0.00	0.00	154 985 983.47	154 985 983.47	6.86%
INSURANCE COMPANIES	34 854 009.25	0.00	0.00	0.00	0.00	3 321 350.09	38 175 359.34	1.69%
ALEXANDER FORBES	1 006 666.00	0.00	0.00	0.00	0.00	0.00	1 006 666.00	0.04%
LIBERTY GROUP LTD	0.00	0.00	0.00	0.00	0.00	473 071.41	473 071.41	0.02%
DISCOVERY HLD	704 152.02	0.00	0.00	0.00	0.00	0.00	704 152.02	0.03%
OLD MUTUAL	21 677 400.03	0.00	0.00	0.00	0.00	426 314.08	22 103 714.11	0.98%
MMI HOLDINGS	4 522 439.40	0.00	0.00	0.00	0.00	253 286.48	4 775 725.88	0.21%
SANLAM	6 943 351.80	0.00	0.00	0.00	0.00	1 676 503.62	8 619 855.42	0.38%
SANTAM LIMITED	0.00	0.00	0.00	0.00	0.00	492 174.50	492 174.50	0.02%
TOTAL	193 068 019.61	112 188 536.87	0.00	0.00	0.00	712 617 991.15	1 017 874 547.63	45.08%
PARTICIPATING EMPLOYERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL	193 068 019.61	112 188 536.87	0.00	0.00	0.00	712 617 991.15	1 017 874 547.63	45.08%

FAIR ASSET VALUE OF THE FUND

2 258 005 275

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

J: RISK MANAGEMENT
EQUITY

Share Code	Description	Fair Value at end of Period	Open Financial Instruments marked to	Total Fair Value Equity Holdings and Open Instruments	Market movement by 5%
BTI	BRITISH AMERICAN TOBACCO PLC SHARES	86 476 524.32	0.00%	86 476 524.32	90 800 350.54
SOL	SASOL LTD	86 135 587.43	0.00%	86 135 587.43	90 442 366.80
MTN	MTN GROUP LTD	80 262 413.55	0.00%	80 262 413.55	84 275 534.23
NPN	NASPERS LTD	68 366 924.46	0.00%	68 366 924.46	71 785 270.69
AGL	ANGLO AMERICAN PLC	51 362 261.15	0.00%	51 362 261.15	53 930 374.21
SBK	STANDARD BANK GROUP LTD	50 824 673.60	0.00%	50 824 673.60	53 365 907.28
SAB	SA BREWERIES ORD SHARES	47 729 580.94	0.00%	47 729 580.94	50 116 059.99
BIL	BILLITON PLC	33 158 023.80	0.00%	33 158 023.80	34 815 924.99
FSR	FIRSTRAND LTD	30 297 394.30	0.00%	30 297 394.30	31 812 264.02
CFR	COMPAGNIE FIN RICHMONT	24 617 005.38	0.00%	24 617 005.38	25 847 855.66
TOTAL OF 10 LARGEST EQUITY HOLDINGS		559 230 388.93	0.00%	559 230 388.93	587 191 908.41
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS					1.24

FAIR ASSET VALUE OF THE FUND

2 258 005 275

OTHER FINANCIAL HOLDINGS

Share Code	Description	Fair Value at end of Period	Open Financial Instruments marked to market value	Total Fair Value Equity Holdings and Open Instruments	Market movement by 5%
WSGED	WALTER SCOTT & PARTNERS GLOBAL EQUITY US	154 985 983.47	0.00%	154 985 983.47	162 735 282.64
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	121 652 835.56	0.00%	121 652 835.56	127 735 477.34
CEIS	CONTRARIUS GLOBAL EQUITY FUND	105 493 151.72	0.00%	105 493 151.72	110 767 809.31
CCASH	CORONATION ACTIVE - Deposit Accounts	77 800 000.00	0.00%	77 800 000.00	81 690 000.00
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	69 444 346.82	0.00%	69 444 346.82	72 916 564.16
PHIFB	PRU HIGH INTEREST FUND CLASS B	55 632 660.86	0.00%	55 632 660.86	58 414 293.90
R186	REPUBLIC OF SA 10.50 211226	42 131 731.61	0.00%	42 131 731.61	44 238 318.19
R209	REPUBLIC OF SA 6.25 31032036	33 951 619.36	0.00%	33 951 619.36	35 649 200.33
R2 037	REPUBLIC OF SA 8.50 31012037	29 559 600.70	0.00%	29 559 600.70	31 037 580.74
SIB1	STNLB INCOME FUND (CLASS B1)	26 741 469.43	0.00%	26 741 469.43	28 078 542.90
TOTAL OF 10 LARGEST OTHER FINANCIAL HOLDINGS		717 393 399.53	0.00%	717 393 399.53	753 263 069.51
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS					1.59

FAIR ASSET VALUE OF THE FUND

2 258 005 275

J: RISK MANAGEMENT

FOREIGN CURRENCY EXPOSURE
FOREIGN EXPOSURE

CODE	Description	Fair Value at end of Period	Market movement by 5%
CEIS	CONTRARIUS GLOBAL EQUITY FUND	105 493 151.72	110 767 809.31
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	121 652 835.56	127 735 477.34
WSGED	WALTER SCOTT & PARTNERS GLOBAL EQUITY US	154 985 983.47	162 735 282.64
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	69 444 346.82	72 916 564.16
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS		451 576 317.57	474 155 133.45
			0.15

FAIR ASSET VALUE OF THE FUND

2 258 005 275

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
10/1/2013	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	47 750.00	5 000	VARIOUS	NEDBANK LTD	
5/2/2013	NHM	NORTHAM PLATINUM LIMITED	VARIOUS	116.79	3	VARIOUS	NEDBANK LTD	
6/3/2013	MFL	METROFILE HOLDINGS LIMITED	VARIOUS	9 155.01	1 857	VARIOUS	NEDBANK LTD	120.71
7/3/2013	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	267 400.00	28 000	VARIOUS	NEDBANK LTD	
6/7/2013	PFG	PIONEER FOODS LTD	VARIOUS	835 000.00	10 000	VARIOUS	NEDBANK LTD	13 793.40
7/8/2013	SAP	SAPPI LIMITED	VARIOUS	148 000.00	4 000	VARIOUS	NEDBANK LTD	
10/8/2013	ATNP	ALLIED ELECTRONICS CORPORATION PREF	VARIOUS	137 767.10	5 890	VARIOUS	NEDBANK LTD	2 328.00
10/8/2013	DTC	DATATEC LIMITED	VARIOUS	142 008.00	2 910	VARIOUS	NEDBANK LTD	
12/9/2013	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	81 270.00	7 560	VARIOUS	NEDBANK LTD	
4/10/2013	EXX	EXXARO RESOURCES LIMITED	VARIOUS	3 920 000.00	28 000	VARIOUS	NEDBANK LTD	44 975.00
12/10/2013	SAP	SAPPI LIMITED	VARIOUS	1 339 400.00	36 200	VARIOUS	NEDBANK LTD	
6/11/2013	LON	LONMIN PUBLIC LIMITED COMPANY	VARIOUS	502 000.00	10 000	VARIOUS	NEDBANK LTD	
9/12/2013	BAT	BRAIT S A	VARIOUS	631 336.65	11 865	VARIOUS	NEDBANK LTD	
1/2/2014	PIK	PICK N PAY STORES LIMITED	VARIOUS	28 380.00	550	VARIOUS	NEDBANK LTD	717.80
3/3/2014	AIP	ADCOCK INGRAM HOLDINGS LTD	VARIOUS	831 900.00	14 100	VARIOUS	NEDBANK LTD	
3/3/2014	RES	RESILIENT	VARIOUS	267 148.00	4 700	VARIOUS	NEDBANK LTD	
2/4/2014	ARL	ASTRAL FOODS	VARIOUS	58 772.15	683	VARIOUS	NEDBANK LTD	
2/5/2014	GLD	NEW GOLD ISSUER LIMITED	VARIOUS	2 618 000.00	20 000	VARIOUS	NEDBANK LTD	3 300.00
3/5/2014	HCI	HOSKEN CONSOLIDATED INVESTMENTS LTI	VARIOUS	48 438.00	324	VARIOUS	NEDBANK LTD	
2/6/2014	SAP	SAPPI LIMITED	VARIOUS	74 000.00	2 000	VARIOUS	NEDBANK LTD	
2/7/2014	SPP	SPAR GROUP LIMITED	VARIOUS	607 600.00	5 000	VARIOUS	NEDBANK LTD	
1/9/2014	SAP	SAPPI LIMITED	VARIOUS	3 886 036.00	105 028	VARIOUS	NEDBANK LTD	
1/10/2014	INL	INVESTEC LIMITED	VARIOUS	933 240.00	11 000	VARIOUS	NEDBANK LTD	
2/10/2014	GLN	GLENCORE XSTRATA PLC	VARIOUS	1 806 750.00	33 000	VARIOUS	NEDBANK LTD	13 886.95
3/10/2014	ARL	ASTRAL FOODS	VARIOUS	542 803.40	6 308	VARIOUS	NEDBANK LTD	
3/10/2014	CAT	CAXTON CTP PUBLISHERS+PRINTERS	VARIOUS	331 800.00	21 000	VARIOUS	NEDBANK LTD	
3/10/2014	CML	CORONATION FUND MANAGERS LTD	VARIOUS	2 475 000.00	25 000	VARIOUS	NEDBANK LTD	
3/10/2014	GFI	GOLDFIELDS LIMITED	VARIOUS	243 180.00	6 000	VARIOUS	NEDBANK LTD	
3/10/2014	PFG	PIONEER FOODS LTD	VARIOUS	1 670 000.00	20 000	VARIOUS	NEDBANK LTD	
3/10/2014	RBP	ROYAL BAFOKEN PLATINUM LTD	VARIOUS	334 275.75	5 123	VARIOUS	NEDBANK LTD	
3/10/2014	RLO	REUNERT LIMITED	VARIOUS	258 000.00	4 000	VARIOUS	NEDBANK LTD	
3/10/2014	SAP	SAPPI LIMITED	VARIOUS	814 000.00	22 000	VARIOUS	NEDBANK LTD	
3/10/2014	SPP	SPAR GROUP LIMITED	VARIOUS	309 876.00	2 550	VARIOUS	NEDBANK LTD	
2/11/2014	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	32 250.00	3 000	VARIOUS	NEDBANK LTD	
3/11/2014	TRU	TRUWORTHS INTERNATIONAL	VARIOUS	386 250.00	5 000	VARIOUS	NEDBANK LTD	
3/12/2014	ACL	ARCELORMITTAL SOUTH AFRICA ltd	VARIOUS	67 020.00	2 000	VARIOUS	NEDBANK LTD	62 119.82
3/12/2014	CLS	CLICKS GROUP LIMITED	VARIOUS	1 572 478.95	23 989	VARIOUS	NEDBANK LTD	
1/14/2014	LON	LONMIN PUBLIC LIMITED COMPANY	VARIOUS	2 510 000.00	50 000	VARIOUS	NEDBANK LTD	
1/15/2014	AIP	ADCOCK INGRAM HOLDINGS LTD	VARIOUS	1 770 000.00	30 000	VARIOUS	NEDBANK LTD	5 160.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
1/1/2014	ATT	ATTACQ LTD	VARIOUS	702 000.00	39 000	VARIOUS	NEDBANK LTD	
1/21/2014	VOD	VODACOM GROUP PTY LTD	VARIOUS	1 684 150.44	12 956	VARIOUS	NEDBANK LTD	80 580.00
1/22/2014	ARL	ASTRAL FOODS	VARIOUS	245 242.50	2 850	VARIOUS	NEDBANK LTD	59 875.62
1/23/2014	EXX	EXXARO RESOURCES LIMITED	VARIOUS	840 000.00	6 000	VARIOUS	NEDBANK LTD	
1/30/2014	FPT	FOUNTAINHEAD PROPERTY TRUST	VARIOUS	6 775.52	901	VARIOUS	NEDBANK LTD	
1/30/2014	HYP	HYPROP INVESTMENTS LIMITED	VARIOUS	9 286.75	121	VARIOUS	NEDBANK LTD	
1/30/2014	NHM	NORTHAM PLATINUM LIMITED	VARIOUS	1 362 550.00	35 000	VARIOUS	NEDBANK LTD	
11/13/2013	SAP	SAPPI LIMITED	VARIOUS	1 428 126.00	38 598	VARIOUS	NEDBANK LTD	
11/20/2013	NHM	NORTHAM PLATINUM LIMITED	VARIOUS	116 790.00	3 000	VARIOUS	NEDBANK LTD	
11/22/2013	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	688 000.00	64 000	VARIOUS	NEDBANK LTD	
11/25/2013	NHM	NORTHAM PLATINUM LIMITED	VARIOUS	389 300.00	10 000	VARIOUS	NEDBANK LTD	
12/17/2013	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	1 685 600.00	156 800	VARIOUS	NEDBANK LTD	
12/17/2013	VKE	VUKILE PROPERTY FUND LIMITED	VARIOUS	6 173.37	369	VARIOUS	NEDBANK LTD	
12/20/2013	VKE	VUKILE PROPERTY FUND LIMITED	VARIOUS	5 838.77	349	VARIOUS	NEDBANK LTD	
2/13/2014	CPL	CAPITAL PROPERTY FUND	VARIOUS	31 324.72	2 989	VARIOUS	NEDBANK LTD	6 851.24
2/13/2014	TFG	The Feschini Group Ltd	VARIOUS	214 300.00	2 000	VARIOUS	NEDBANK LTD	91 346.40
2/13/2014	VOD	VODACOM GROUP PTY LTD	VARIOUS	1 429 890.00	11 000	VARIOUS	NEDBANK LTD	
2/17/2014	FBR	FAMOUS BRANDS LIMITED	VARIOUS	297 780.00	3 000	VARIOUS	NEDBANK LTD	11 248.90
2/18/2014	EXX	EXXARO RESOURCES LIMITED	VARIOUS	280 000.00	2 000	VARIOUS	NEDBANK LTD	
2/18/2014	SPP	SPAR GROUP LIMITED	VARIOUS	243 040.00	2 000	VARIOUS	NEDBANK LTD	
2/19/2014	PIK	PICK N PAY STORES LIMITED	VARIOUS	129 000.00	2 500	VARIOUS	NEDBANK LTD	
2/20/2014	FBR	FAMOUS BRANDS LIMITED	VARIOUS	31 366.16	316	VARIOUS	NEDBANK LTD	
2/20/2014	MPC	MR PRICE GROUP LIMITED	VARIOUS	1 605 582.00	10 200	VARIOUS	NEDBANK LTD	7 099.35
2/20/2014	PIK	PICK N PAY STORES LIMITED	VARIOUS	20 640.00	400	VARIOUS	NEDBANK LTD	
2/20/2014	TRU	TRUWORTHS INTERNATIONAL	VARIOUS	23 175.00	300	VARIOUS	NEDBANK LTD	11 448.00
2/25/2014	GLD	NEW GOLD ISSUER LIMITED	VARIOUS	1 688 610.00	12 900	VARIOUS	NEDBANK LTD	
2/27/2014	AWB	ARROWHEAD B	VARIOUS	6 860.00	1 000	VARIOUS	NEDBANK LTD	151.00
2/27/2014	RLO	REUNERT LIMITED	VARIOUS	5 740.50	89	VARIOUS	NEDBANK LTD	
2/27/2014	TFG	The Feschini Group Ltd	VARIOUS	3 268 075.00	30 500	VARIOUS	NEDBANK LTD	
2/28/2014	CML	CORONATION FUND MANAGERS LTD	VARIOUS	419 958.00	4 242	VARIOUS	NEDBANK LTD	
2/28/2014	MMI	MMI HOLDINGS LTD	VARIOUS	57 342.60	2 331	VARIOUS	NEDBANK LTD	1 328.67
2/28/2014	TFG	The Feschini Group Ltd	VARIOUS	375 025.00	3 500	VARIOUS	NEDBANK LTD	
3/13/2014	SAP	SAPPI LIMITED	VARIOUS	74 000.00	2 000	VARIOUS	NEDBANK LTD	
3/14/2014	TFG	The Feschini Group Ltd	VARIOUS	203 585.00	1 900	VARIOUS	NEDBANK LTD	
3/17/2014	AWB	ARROWHEAD B	VARIOUS	68 600.00	10 000	VARIOUS	NEDBANK LTD	
3/18/2014	SAP	SAPPI LIMITED	VARIOUS	370 000.00	10 000	VARIOUS	NEDBANK LTD	
3/19/2014	HYP	HYPROP INVESTMENTS LIMITED	VARIOUS	984 932.75	12 833	VARIOUS	NEDBANK LTD	147 581.28
3/19/2014	ITU	INTU PROPERTIES PLC	VARIOUS	1 511 703.50	30 386	VARIOUS	NEDBANK LTD	8 275 506.42
3/24/2014	ITU	INTU PROPERTIES PLC	VARIOUS	4 527 250.00	91 000	VARIOUS	NEDBANK LTD	

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SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
3/25/2014	AWB	ARROWHEAD B	VARIOUS	13 720.00	2 000	VARIOUS	NEDBANK LTD	
3/25/2014	HYP	HYPROP INVESTMENTS LIMITED	VARIOUS	154 881.50	2 018	VARIOUS	NEDBANK LTD	
3/25/2014	RBP	ROYAL BAFOKEN PLATINUM LTD	VARIOUS	580 725.00	5 200	VARIOUS	NEDBANK LTD	
3/26/2014	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	58 824.00	5 472	VARIOUS	NEDBANK LTD	
3/26/2014	DSY	DISCOVERY HOLDINGS LIMITED	VARIOUS	337 480.00	4 000	VARIOUS	NEDBANK LTD	
3/26/2014	ITU	INTU PROPERTIES PLC	VARIOUS	869 829.00	17 484	VARIOUS	NEDBANK LTD	
3/26/2014	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	553 900.00	58 000	VARIOUS	NEDBANK LTD	
3/27/2014	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	214 875.00	22 500	VARIOUS	NEDBANK LTD	20 987.00
3/28/2014	AVI	ANGLOVAAL INDUSTRIES LIMITED	VARIOUS	3 109 150.00	55 000	VARIOUS	NEDBANK LTD	
3/28/2014	CLS	CLICKS GROUP LIMITED	VARIOUS	196 650.00	3 000	VARIOUS	NEDBANK LTD	
3/28/2014	ITU	INTU PROPERTIES PLC	VARIOUS	14 527.00	292	VARIOUS	NEDBANK LTD	
3/28/2014	LHC	LIFE HEALTHCARE GROUP LTD	VARIOUS	539 140.00	14 000	VARIOUS	NEDBANK LTD	73 992.00
3/28/2014	NHM	NORTHAM PLATINUM LIMITED	VARIOUS	194 650.00	5 000	VARIOUS	NEDBANK LTD	
3/31/2014	GRT	GROWPOINT PROPERTIES LIMITED	VARIOUS	43 920.00	1 800	VARIOUS	NEDBANK LTD	
3/31/2014	RBP	ROYAL BAFOKENG PLATINUM NIL PAID	VARIOUS	11 833.50	1 150	VARIOUS	NEDBANK LTD	
3/31/2014	SPG	SUPER GROUP LIMITED	VARIOUS	431 250.00	15 000	VARIOUS	NEDBANK LTD	
6/21/2013	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	117 175.00	10 900	VARIOUS	NEDBANK LTD	
6/27/2013	VKE	VUKILE PROPERTY FUND LIMITED	VARIOUS	184 030.00	11 000	VARIOUS	NEDBANK LTD	1 521.37
7/15/2013	ABL	AFRICAN BANK INVESTMENTS LIMITED	VARIOUS	96 750.00	9 000	VARIOUS	NEDBANK LTD	3 163.00
7/30/2013	INL	INVESTEC LIMITED	VARIOUS	169 680.00	2 000	VARIOUS	NEDBANK LTD	8 120.00
8/13/2013	INL	INVESTEC LIMITED	VARIOUS	169 680.00	2 000	VARIOUS	NEDBANK LTD	
9/27/2013	NED	NEDBANK LIMITED	VARIOUS	5 825 040.00	26 000	VARIOUS	NEDBANK LTD	
15/04/2013	AFE	AECI LTD	VARIOUS		4 599	VARIOUS	NEDBANK LTD	8 508.15
09/09/2013	AFE	AECI LTD	VARIOUS		3 599	VARIOUS	NEDBANK LTD	3 778.95
15/04/2013	AFE	AECI LTD	VARIOUS		27 042	VARIOUS	NEDBANK LTD	50 027.70
09/09/2013	AFE	AECI LTD	VARIOUS		28 398	VARIOUS	NEDBANK LTD	29 817.90
25/04/2013	AGL	ANGLO AMERICAN PLC	VARIOUS		22 855	VARIOUS	NEDBANK LTD	107 505.35
12/09/2013	AGL	ANGLO AMERICAN PLC	VARIOUS		900	VARIOUS	NEDBANK LTD	2 812.61
12/09/2013	AGL	ANGLO AMERICAN PLC	VARIOUS		1 300	VARIOUS	NEDBANK LTD	4 062.66
08/04/2013	ASA	ABSA GROUP LIMITED	VARIOUS		6 000	VARIOUS	NEDBANK LTD	22 140.00
18/06/2013	BAW	BARLOWORLD LIMITED	VARIOUS		13 000	VARIOUS	NEDBANK LTD	12 480.00
24/06/2013	BSR	BASIL READ HOLDINGS LIMITED	VARIOUS		70 000	VARIOUS	NEDBANK LTD	122 500.00
08/05/2013	BTI	BRITISH AMERICAN TOBACCO PLC SHARES	VARIOUS		957	VARIOUS	NEDBANK LTD	11 837.01
08/05/2013	BTI	BRITISH AMERICAN TOBACCO PLC SHARES	VARIOUS		686	VARIOUS	NEDBANK LTD	8 485.04
08/04/2013	CLR	CLOVER INDUSTRIES LIMITED	VARIOUS		30 000	VARIOUS	NEDBANK LTD	3 000.00
02/12/2013	DAW	DISTRIBUTION & WAREHOUSING NETWORK	VARIOUS		10 306	VARIOUS	NEDBANK LTD	1 700.49
16/09/2013	EMI	EMIRA PROPERTY FUND	VARIOUS		6 000	VARIOUS	NEDBANK LTD	3 534.00
02/04/2013	FSR	FIRSTRAND LTD	VARIOUS		10 000	VARIOUS	NEDBANK LTD	5 500.00
02/04/2013	FSR	FIRSTRAND LTD	VARIOUS		6 000	VARIOUS	NEDBANK LTD	3 300.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
14/10/2013	FSR	FIRSTRAND LTD	VARIOUS		76 000	VARIOUS	NEDBANK LTD	61 560.00
24/03/2014	HPA	HOSPITAL PROPERTY FUND LTD	VARIOUS		2 000	VARIOUS	NEDBANK LTD	1 396.60
08/07/2013	ILV	ILLOVO	VARIOUS		1 000	VARIOUS	NEDBANK LTD	610.00
12/08/2013	INP	INVESTEC PLC	VARIOUS		14 619	VARIOUS	NEDBANK LTD	4 210.27
12/08/2013	INP	INVESTEC PLC	VARIOUS		14 619	VARIOUS	NEDBANK LTD	16 841.09
12/08/2013	INP	INVESTEC PLC	VARIOUS		32 000	VARIOUS	NEDBANK LTD	9 216.00
12/08/2013	INP	INVESTEC PLC	VARIOUS		32 000	VARIOUS	NEDBANK LTD	36 864.00
12/08/2013	INP	INVESTEC PLC	VARIOUS		72 663	VARIOUS	NEDBANK LTD	83 707.78
12/08/2013	INP	INVESTEC PLC	VARIOUS		72 663	VARIOUS	NEDBANK LTD	20 926.94
12/08/2013	INP	INVESTEC PLC	VARIOUS		19 682	VARIOUS	NEDBANK LTD	11 907.61
24/06/2013	MDC	MEDI-CLINIC CORP. LTD	VARIOUS		28 500	VARIOUS	NEDBANK LTD	7 980.00
09/12/2013	MDC	MEDI-CLINIC CORP. LTD	VARIOUS		2 000	VARIOUS	NEDBANK LTD	4 503.33
16/05/2013	MND	MONDI	VARIOUS		24 997	VARIOUS	NEDBANK LTD	56 284.82
16/05/2013	MND	MONDI	VARIOUS		4 000	VARIOUS	NEDBANK LTD	5 041.48
17/09/2013	MND	MONDI	VARIOUS		46 395	VARIOUS	NEDBANK LTD	104 465.90
16/05/2013	MNP	MONDI PLC	VARIOUS		4 000	VARIOUS	NEDBANK LTD	5 041.48
17/09/2013	MNP	MONDI PLC	VARIOUS		14 929	VARIOUS	NEDBANK LTD	33 615.08
16/05/2013	MNP	MONDI PLC	VARIOUS		308	VARIOUS	NEDBANK LTD	388.19
17/09/2013	MNP	MONDI PLC	VARIOUS		4 299	VARIOUS	NEDBANK LTD	15 906.30
09/09/2013	MTN	MTN GROUP LTD	VARIOUS		39 939	VARIOUS	NEDBANK LTD	16 774.38
08/07/2013	NPK	NAMPK ORDINARY SHARES	VARIOUS		13 000	VARIOUS	NEDBANK LTD	50 050.00
23/09/2013	NPN	NASPERS LTD	VARIOUS		268 324	VARIOUS	NEDBANK LTD	192 992.04
31/05/2013	OML	OLD MUTUAL PLC	VARIOUS		13 033	VARIOUS	NEDBANK LTD	31 670.19
22/04/2013	SBK	STANDARD BANK GROUP LTD	VARIOUS		69 466	VARIOUS	NEDBANK LTD	168 802.38
22/04/2013	SBK	STANDARD BANK GROUP LTD	VARIOUS		9 912	VARIOUS	NEDBANK LTD	3 667.44
07/10/2013	SGL	SIBANYE GOLD LIMITED	VARIOUS		9 809	VARIOUS	NEDBANK LTD	18 637.10
18/07/2013	TON	TONGAAT HULLET LIMITED	VARIOUS					
								10 311 252.19
								73 463 725.38

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2014

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
11/11/2013	R186	REPUBLIC OF SA (R186)	VARIOUS	5 812 230.00	5 000 000	VARIOUS	NEDBANK LTD	128 757.83
11/6/2012	R186	REPUBLIC OF SA (R186)	VARIOUS	2 060 470.41	1 772 530	VARIOUS	NEDBANK LTD	
9/13/2013	R186	REPUBLIC OF SA (R186)	VARIOUS	1 740 535.05	1 497 304	VARIOUS	NEDBANK LTD	
10/30/2009	R204	SOUTH AFRICAN	VARIOUS	118 255.66	117 336	VARIOUS	NEDBANK LTD	4 693.44
2/3/2011	R207	SOUTH AFRICAN BONDS(R207)	VARIOUS	531.62	552	VARIOUS	NEDBANK LTD	40.02
3/6/2014	R208	SOUTH AFRICAN BONDS	VARIOUS	2 682 423.73	2 900 000	VARIOUS	NEDBANK LTD	324 000.00
1/22/2013	R209	SOUTH AFRICAN BOND (R209	VARIOUS	3 736 283.50	5 000 000	VARIOUS	NEDBANK LTD	718 837.63
2/15/2013	R209	SOUTH AFRICAN BOND (R209	VARIOUS	398 287.82	533 000	VARIOUS	NEDBANK LTD	
2/7/2014	R209	SOUTH AFRICAN BOND (R209	VARIOUS	7 846 195.35	10 500 000	VARIOUS	NEDBANK LTD	
4/5/2013	R209	SOUTH AFRICAN BOND (R209	VARIOUS	90 418.06	121 000	VARIOUS	NEDBANK LTD	
8/16/2013	R209	SOUTH AFRICAN BOND (R209	VARIOUS	343 738.08	460 000	VARIOUS	NEDBANK LTD	
3/10/2014	R204	SOUTH AFRICAN	VARIOUS	1 612 540.48	1 600 000	VARIOUS	NEDBANK LTD	
3/6/2014	R208	SOUTH AFRICAN BONDS	VARIOUS	10 359 705.44	11 200 000	VARIOUS	NEDBANK LTD	
07/06/2013	R202	REPUBLIC OF SA 3.45 CPI 76.822581 07122033	VARIOUS		85 735	VARIOUS	NEDBANK LTD	2 476.69
				36 801 615.20				1 178 805.61

ANNEXURE F

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

Registration number: 12/8/32588

For the year ended 31 March 2014

SCHEDULE HB

REPORT OF THE VALUATOR

Particulars of financial condition of the fund

The statement below is based on the statutory actuarial valuation as at 31 March 2012 that has been approved by the Financial Services Board on 27 March 2013.

1. Net assets available for benefits ^(a): **R1 288 291 000**
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: **R1 288 291 000**
3. The actuarial present value of promised retirement benefits ^(b), split into vested ^(c) and non-vested benefits at: **R1 157 898 000 – all vested**
4. Contingency reserve account allocations that were recommended in the actuarial valuation report:
Risk Reserve: R16 287 000
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.

This is a defined contribution fund following a smoothed bonus approach where average investment earnings are evaluated by the Trustees on a quarterly basis and allocated to Member Shares each month based on the most recent quarterly investment earnings.

The Risk Reserve is maintained in order to give some protection against fluctuations in mortality experience of the members (The Fund self insures a lump sum death benefit). Using the formulae set out in paragraph 4.4 of Circular PF117 a Risk Reserve of R 16,287 million is held.

The assumptions underlying the calculation of the Risk reserve are:

Mortality: Fund specific

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.

See paragraph 5.

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

N/A



8. The market value of assets therefore exceeded the liabilities by R 33 053 000, or about 2,63% of the Share Account. This is a feature of the smoothed bonus approach followed by the Fund. Subsequent to the valuation date, the Fund has distributed this excess by declaring greater bonuses than investment returns earned. The Fund was in a sound financial condition as at 31 March 2012.

Prepared by me:

A handwritten signature in black ink, appearing to read 'A.R.Els.', with a stylized flourish at the end.

ARTHUR REUBEN ELS (FIA FASSA CFP[®] CFA CERA)

VALUATOR

In my capacity as an actuary of ARGENT Actuarial Solutions

Primary professional regulator: Actuarial Society of South Africa

8 September 2014

Notes

For the purposes of this summary of report:

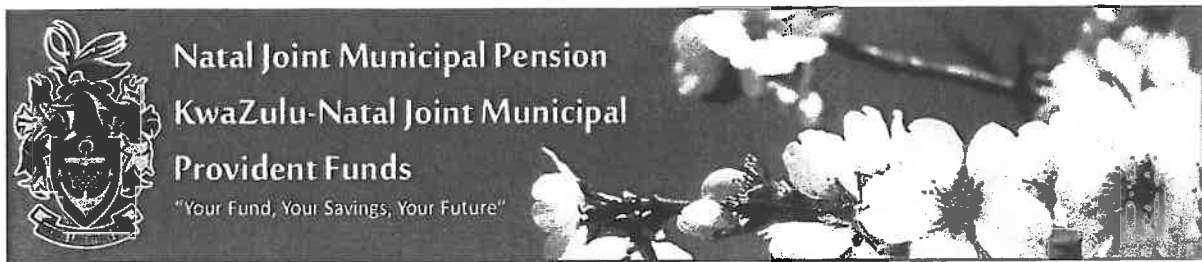
- (a) Net assets available for benefits are the fair value of the assets of the fund less liabilities other than the actuarial present value of promised retirement benefits.
- (b) The actuarial present value of promised retirement benefits means:
 - i. The actuarial liabilities in respect of past service benefits of active members, with due allowance for future salary increases where these affect the benefits in respect of past service, and with due allowance for increases in pension and deferred pensions at rates consistent with the pension increase policy of the fund;
 - ii. The actuarial liabilities in respect of pensions in course of payment and deferred pensions, including any contingent annuity payable on the death of a pensioner, with due allowance for increases at rates consistent with the pension increase policy of the fund; and
 - iii. Any other accrued liability.
- (c) Vested benefits are benefits, the right to which, under the conditions of the fund, are not conditional upon continued employment.

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ANNEXURE G

CORPORATE GOVERNANCE

KNOW YOUR
FUND
ANNUAL
FINANCIAL
STATEMENTS



Vision:

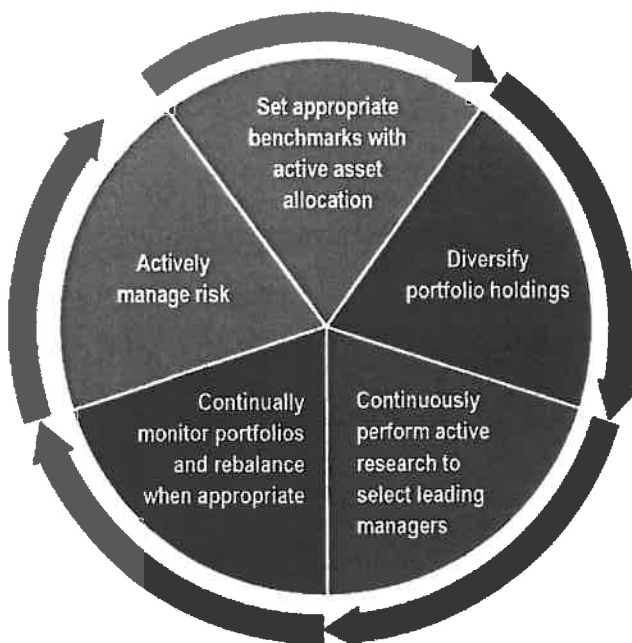
- To provide superior retirement service and benefits to our members, beneficiaries and pensioners.

Mission:

- To serve the best interests of the members by ensuring a high standard of retirement services to provide financial security. This mission is accomplished through the Fund responsibilities, which includes pension administration, the collection, reconciliation and sound investment of contributions through prudent investments risk parameters.

To achieve its mission, Natal Joint Municipal Pension fund invests responsibly with active and best performing fund managers and monitors their performance monthly, including monitoring compliance with investment mandates. The Fund also monitors Regulation 28 compliance for breaches.

The Fund has adopted a 5-step investment process –



1. **Benchmarks with active asset allocation.** The Asset/Liability model is critical in pursuing our investment goals. From the model we are able to construct appropriate benchmarks
2. **Diversify portfolio holdings.** How we engineer our strategies helps to ensure members monies are invested in a diversified mix of stocks, bonds, alternatives and cash investments. Our view of diversification doesn't end there. Within the asset classes are investment styles, sub styles, and finally individual money managers.
3. **Selecting leading managers.** We believe utilizing specialist investment managers helps to produce more consistent results. We believe that identifying, hiring and managing specialist balanced investment managers helps to deliver more consistent performance. By incorporating multiple investment styles, and multiple managers the Fund aims to stabilize returns and give the portfolio more depth.
4. **Rebalancing portfolio.** Each market segment exhibits different characteristics, return potential and risks. To help address inevitable changes in the markets, the asset mix in the Funds' portfolios is systematically rebalanced to its target. This should help to reduce risk and stay on track.
5. **Active manage risk.** As an active manager, we vigilantly monitor each manager's portfolio to help ensure it functions as it should. Managers who deviate from their philosophies or fail to achieve stated goals are subject to replacement.

Fees Charged by Asset Managers:

The Fund and our asset consultants spoke to many investment managers about their charging structures and investigated what scope there is for negotiation of fee levels. The Fund realizes that size is the biggest factor by far in negotiating fees hence, given that we have +-R15 billion worth of assets under management, we are able to negotiate very low fees to the advantage of the members.

1.1 Investment performance

Natal Joint Municipal Pension Funds has won a Trophy/ Industry Award for excellence in Investment Performance in the 2014 Institute of Retirement Funds Africa Conference held at the Durban ICC. The Fund is grateful to report that its investment returns relative to the investment markets and the long term benchmarks set by the Committee of Management and the Actuary have continued to perform well. The Fund was pleased to report that all the Funds had achieved their long term investment objectives to outperform their constructed benchmarks. For fund managers their hurdle is benchmark + 2% over 5 years. For the Funds, the aim is to achieve CPI + 5% over the last 5 years.

The 5 year manager returns to 31 March 2014 were 18.4% for the Superannuation Fund, 18.8% for the Retirement Fund and 19.6 % for the Provident Fund, this compares to benchmark returns of 16.8% for the Superannuation Fund, 17.1% for the Retirement Fund and 18.6% for the Provident Fund.

Year	Superannuation Fund % Return	Benchmark + 2%	Retirement Fund % Return	Benchmark + 2%	Provident Fund % Return	Benchmark + 2%
5 years to 31 st March 2014	18,4	16,8	18,8	17,1	19,6	18,6

The Fund has exceeded its objective by achieving returns well above the 10.2%, which represents the CPI + 5% over the 5 years ended 31 March 2014.

Year	*CPI + 5%	Superannuation Fund % Return	Retirement Fund % Return	Provident Fund % Return
5 years to 31 st March 2014	10.2	18,4	18,8	19,6

Source: Alexander Forbes

*** The investment objective prior to 1/4/2011 was CPI + 4.5%**

Investments composition

For all three funds, investments are diversified into: Equities (47.42%), Bonds (17.35%), Cash (2.72%), Collective investment schemes (28.39%) and other foreign investments (4.13%). The returns in the combined assets of the three Funds reflected an increase of 19.63% over the previous year from R 12.1 billion to R14.5 billion as at 31 March 2014. This contributed to an increase of Total Assets of the 3 Funds from R12.31 billion to R14.73 billion. This represents an increase of 19.6%.

Assets held in compliance with Regulation 28

Regulation 28 of the Pension Funds Act in South Africa sets out the manner in which member's investments are held. Various limits are set within the investment to safeguard members from exposure to various losses. It also stipulates how investments are to be disclosed in the financial statements, and this section reveals how the funds have been invested, along with their various proportions relative to the total investments. Trustees monitor the various categories ensuring that the Fund is not exposed to investment vehicles which are not within the investment policy or objectives of the Fund, as well as ensure that the various investments have not exceeded the stipulated ratios. Members and pensioners can also use this report to see how the investment has been diversified.

Schedule IA and IB

This schedule summarises the Fund's investments in one note, categorising them into cash and deposits, commodities, loans and debentures, bills and bonds, properties, equities, collective investment schemes, insurance policies and other investment types. Each section is then broken down to reflect the individual investments within each type so that users can ascertain which investments have been made, be it shares, deposits or futures. Users of the financial statements can see in this section whether the Fund has kept within the limits set out by Regulation 28 of the

Pension Fund Act, since the Funds' investment in the categories are displayed along with the limits. An audit report is also given to advise whether the assets held in compliance with Regulation 28 at the reporting date are prepared in all material respects in accordance with the Regulatory Reporting Requirements for Retirements Funds and in compliance with the Regulation. During the last financial year, the Fund has not breached any of the limits within its portfolio set out in the Regulation.

Contribution returns / risk reserve

Members of the Fund contribute 3.75% of pensionable emoluments towards the Risk Reserves for members' death, administration expenses and operational expenses. Of the above total, 2.75% is going to the expected risk (death) benefits and 1% to the expected operating expenses. The amount of 1% caters for the total expenditure incurred by the Fund regarding its operational activities, which includes; administration costs (office expenses, staff costs, financial services board costs etc.) and non-administration costs (actuarial cost, legal cost and audit costs etc.). For the period 2013/14 financial year 0.7% was utilized for administration costs and we anticipate the cost of administration to be around 0.65% for the period ending 31 March 2015. Our Funds have grown significantly and are of a size that provides economies of scale to aggressively negotiate fees charged by our external service providers which are ultimately to the benefit of our members. Given our size we are able to self-administer our Funds, thus the members enjoy a significant cost saving, leading to improved benefits.

Trustee

The trustees are individuals who are elected by the members, who are endowed with diverse skill and expertise, and to serve the best interests of the members. The Fund rules require that the Committee of Management comprises of employer, employee and pensioner representatives. As a municipal fund, it allows for the appointment of a representative from Member of Executive Council for KwaZulu-Natal Co-operative Governance and Traditional Affairs. The Board meets at least once a month to consider important issues affecting the Fund and its members, and

ensures that all operations are in compliance with the Pension Funds Act and legislation in terms of the Financial Service Board (FSB). Financial Service Board (FSB) intends to introduce formal qualifications for the trustees in the near future. Trustees are adequately trained within 6 months of their election to serve in the Committee of Management in order to participate fully and be able to contribute constructively.

Trustee Attendance and Payments

Trustees attended on average 99% of the meetings for the year ended 31 March 2014. Trustees are not paid salaries, therefore render free service to the funds. They are only re-imbursed for attending to the funds' business (meetings and conferences). Subsistence and Travel allowance varies depending on the distance traveled and vehicle used.

ROLES AND RESPONSIBILITIES OF TRUSTEES

- Management of retirement funds and compliance with the requirements that apply to these funds:
 - Manage retirement funds;
 - Ensure that all decisions and actions are taken according to the retirement fund laws and rules of the fund.
- Acting in the best interest of the members of the fund (i.e. to ensure the best returns by making sure that employers do what is expected of them):
 - Ensure that members receive the best return on their invested funds by asking questions and making sure that trustees make wise investments.
- Making sure that the assets they are responsible for are not abused and that they themselves do not become open for bribery:
 - Keeping a close watch over administrators to ensure members' assets are managed properly according to the law. Trustees must not accept bribes/ gifts/ presents/ discounts in exchange for votes.
- Raise understanding of trusteeship:
 - Teaching others about the work of trustees and letting others know why the role of trustees is so important.

- The board of trustees, its committees, duties and fiduciary responsibilities:
 - The job of a trustee as a member of the board of trustees is to carry out his or her responsibilities for the benefit of members, and not for personal gain.
- Governance and stakeholder relationships:
 - Ensure that the fund is managed in a transparent and fair manner, that there is adherence to the rules of the fund, and that the rules are in line with the relevant legislation.
- Playing a constructive role in ensuring the role of trustees is well understood:
 - Keep up to date with trends, developments and topical issues in the retirement funds industry to improve on self-development as a trustee and share own knowledge with others, especially fellow-trustees and fund members.

GOVERNANCE

Clean audit reports by the Auditor General

The Fund is regularly audited by internal auditors (Deloitte) and external auditors (Auditor General). The Auditor General of South Africa is an independent institution established in terms of section 181(1) (e) of the Constitution of the Republic of South Africa, Act no. 108 of 1996. Section 188 of this Act requires that the Auditor General conducts audits and reports on accounts, financial statements and the financial management of all national and provincial departments and administrations. Over and above the annual audit by the Auditor General, the Fund's internal auditors Deloitte & Touche, conducts a further two internal audits during the course of the year. The Fund, since its inception has always received an unqualified audit report from the Auditor General. The Fund is one of a few government-related enterprises which have maintained a pleasing **clean Audit Report** (with no findings). This is an indication of the good corporate governance practices of the Trustees, management and staff.

Submission to FSB

Section 15(1) of the Pension Funds Act (Act No. 24 of 1956) states “every registered fund shall, within six months as from the expiration of every financial year, furnish to the registrar such statements

in regard to its revenue, expenditure and financial position as may be prescribed, duly audited and reported on by the auditor of the fund”.

The Funds ensure that they constantly comply with this subsection of the Act by lodging their audited Annual Reports to the Registrar timeously. The Financial Services Board (FSB) is the regulator of the retirement industry, and is the statutory body to which the Fund reports in terms of the Pension Funds Act of 1956. The Fund submits its financial reports to the FSB in its prescribed format, which is approved by the South African Institute of Chartered Accountants. The audited annual financial statements are submitted electronically within six months after the financial year-end. The FSB uses the annual reports to calculate the annual levies due. The Fund is up to date in all of its submissions and has no outstanding queries. The Fund has never received any fine or penalties. The Fund was, recently, audited by the FSB in June 2014. At the end of this compliance visit to the Fund, the FSB produced a clean compliance report which is indicative of the good corporate governance inherent in the workings of the Fund.

Institute of Directors Southern Africa (IoDSA)

The Institute of Directors in Southern Africa (the IoDSA) is the convener of the King Committee and the custodian of the King Reports. One of the main objectives of the IoDSA is to promote corporate governance and this is practically done by enabling the application of the King Report on Governance in South Africa, 2009 (King III). The IoDSA has developed the Governance Assessment Instrument (GAI) which is an automated web-based tool that serves as both a measure and an enabler of good corporate governance structures, policies and procedures. It is also establishing a benchmark for governance reporting. The assessment criteria in the GAI are based on the principles and recommendations contained in King III, provisions of the Companies Act, 2008 and where applicable, the JSE Listing Rules and/or other relevant legislation that pertain to governance. Each assessment criterion has an appropriate answer set that typically consists of “yes”, “no”, “needs improvement”, or “not applicable.” An added functionality allows an option of “explained” where a principle or recommended practice is not applied but the reasoning and compensating actions are explained in the integrated report. This option will result in the company not being penalized by the full weighting of the relevant assertion and therefore facilitates more meaningful reporting.

Furthermore, each criterion has a weighting attached to it which takes account of the relative impact that it has on the overall governance within an organisation in relation to the other 4 criteria. The benefit of this is that skewed results are avoided. This approach also mitigates against the use of the GAI as a mere checklist. All of the assessment criteria are based on the practice recommendations contained in King III that aim to provide guidance on the policies, practices and procedures that need to be in place to achieve the overarching objectives of the principles in King III.

The assessment criteria cover the following categories:

- ❖ Board composition
 - Composition of the Board
 - Appointment Procedures of the Board
 - Roles and Duties of the Board
- ❖ Remuneration
 - Remuneration policy
 - Trustee fees
- ❖ Governance office bearers
 - Appointment of a Chairperson
 - Evaluation of Chairperson role
 - Succession planning for a Chairperson
 - Appointment of Principal Officer
 - Trustees' delegation of authority
 - Roles and functions of the principal officer
 - Formal succession plan in place for the principal officer and other senior management members
 - Responsibilities of Senior management and Principal Officer
- ❖ Board roles and duties
 - Board's fiduciary duties
 - Board's Code of Conduct
 - Access to Fund information
 - Board's Strategy
 - Ethical Leadership

- Corporate citizenship
- Risk Management
- IT governance
- Retirement fund's compliance with applicable laws and those non-binding rules, codes and standards that the retirement fund has voluntarily elected to comply with
- Any non-compliance identified is assessed and responded to through the risk management processes
- Internal audit function
- Business continuity
- ❖ Accountability
 - Stakeholder relations
 - Integrated reporting and disclosure
- ❖ Board committees
 - Audit Sub-Committee
 - Staff Sub-Committee
 - General Committee
- ❖ Performance assessment
 - Performance appraisal process
 - Performance of the principal officer and other members of management

ADDITIONAL DISCLOSURE FOR GOOD GOVERNANCE

<u>TRUSTEE INFORMATION</u>			
<u>TRUSTEE NAME</u>	<u>QUALIFICATION</u>	<u>EXPERIENCE</u>	<u>YEARS SERVICE</u>
Cllr. Ms. H.G.S. Mavimbela Age 43	Teachers degree and Diploma and honors degree in science	14 years teaching 7 years as Councilor 7 years' service at Umkhanyakude Municipality	2 Years, 8 months
Cllr. Mrs. V.Z. Magwaza-Msibi Age 52	Primary Teachers diploma Diploma higher education BA Degree	Local Government 1995 to date Mayor since 1997 to date Member of Parliament 2010 18 years' service at the Zululand District Municipality	2 Years, 8 months
Cllr. Mrs. N.V. Gumbi Age 67	Junior Certificate Studied to become a professional Nurse and qualified	Health care and nursing for 9 years. Started at the Municipality as a Councillor in 1995 18 years' service at the Umhlathuze Municipality	4 Years, 2 months
Cllr. Mr. M.V. Nyathi Age 39	NQF 6 (CPMD) certificate programme in management development (municipal finance). Seven years' experience as a councillor. Others N3 Electrical engineering.	7 years as Councilor 7 years' service at Umuziwabantu Municipality	2 Years, 9 months
Cllr. Mr. E.A. Talmage Age 50	Bachelor of social science degree	Farmer 24 years Councilor 13 years 12 years' service at Umlalazi Municipality	7 Years
Mr. E. Hauptfleisch	MBA - Master in Business	Local Government 1975 to date	4 Years, 2 months

Age 65	Administration	38 years' service at Newcastle Municipality	
Mr. J.A. Joubert Age 61	National health diploma for health inspectors B Admin degree	Local Government 1974 to date 39 years' service at Newcastle Municipality	4 Years, 4 months
Mr. G.M. Velan Age 54	NQF5 Project management Local government finance	Local Government 1979 to date Finance and Audit 34 years' service at Ilembe Municipality	4 Years, 5 months
Mr. K.M. Jaggeth Age 60	B Admin degree	Local Government 1974 to date 39 years' service at eThekweni Municipality	12 Years, 3 months
Mr. P.J. Bailey Age 78	FCCA Chartered Association of Certified Accounts Member of the Chartered Institute of Public Finance and Accountant UK CIPFA	Director of finance Msunduzi 1975 – 2000 2000 to date Pensioner representative 25 years' service at Msunduzi Municipality and 13 years as trustee	13 Years, 10 months
Mr. D. Hariram Age 54	National Diploma in Internal Auditing Post Graduate Diploma in Forensic Auditing and Criminal Justice Institute of Internal Auditors – General Internal Auditor Institute of Municipal Financial Officers – Associated Member	33 years of local government experience, in finance, auditing and administration	4 months
Mr. N.C.J. Bezuidenhout Age 53	LLB Law Degree National Diploma in Municipal Administration	Local Government 1991 to date SAPS 22 years' service at Endumeni Municipality 10 years' service in SAPS	8 Years, 5 months

Mr. X. Dube Age 41	Artisans Builders Diploma	Local Government 1996 to date 17 years' service at eThekweni Municipality	12 Years, 8 months
Mr. M.M. Mngomezulu Age 40 (DECEASED)	Public relations diploma Civil engineering diploma Production and Supervision diploma	Local Government 1996 to date 17 years' service at Umhlathuze Municipality	3 Years, 5 months
Mr. M.S. Khanyile Age 33	Grade 12	Local Government 2003 to date 10 years' Service at Okhalamba Municipality	1 Year, 7 months
Ms. T.B Mngadi Age 51	Administration certificate Receptionist certificate	Local Government 1993 to date 20 years' service at eThekweni Municipality	12 Years
Mr. D.M. Madlala Age 49	Electrician	Local Government 1989 to date 24 years' service at Umhlathuze Municipality	6 Years, 5 months
Mr. A.R. Hoosen Age 62	Master's degree	Local Government 1976 – 2008 32 years' service at the Newcastle Municipality	6 Years
Mr. S.V. Mchunu Age 58	Diploma in Labour studies and Advanced Labour law.	Labour matters in community and Local Government 1975 to date 38 years' service at Emnambithi/Ladysmith Municipality	1 Year, 7 months
Ms. B.N. Magwaza Age 61	Bachelor of Public Administration	Local government 2002 to date	1 Year
Mr. M.E. Ndlovu Age 65	Management in traffic Examining of drivers license's	Senior Manager Safety and Security Traffic department	3 Years, 4 months

		Local Government 1995 to date 18 years' service at Endumeni Municipality	
Mr. D.A. Lemmer Age 45	National Diploma in Payroll Management	Local Government 1992 to date at Uthukela Water	8 Years, 6 months
Mr. N.N. Mhlungu Age 61	Matric National Diploma Municipal Administration National higher diploma Public Administration & Management Chief Executive Leadership Certificate	Former Kwa zulu Government 1974 - 1995 Local Government 1995 to date	1 Year, 4 months

AUDIT SUB COMMITTEE

Mr. D.A. Lemmer (CHAIRPERSON)	National Diploma in Payroll Management
Ms. T.B Mngadi	Administration certificate, Receptionist certificate
Mr. G.M. Velan	NQF5, Project management, Local Government Finance
Cllr. Mr. M.V. Nyathi	Matriculated. Certificate in Program in Management, NQF6.
Cllr. Mrs. V.Z. Magwaza-Msibi Ex-Officio	Primary Teachers diploma, Diploma higher education, BA Degree
Mr. X. Dube Ex-Officio	National Diploma

AMOUNTS PAID TO INDIVIDUAL COMMITTEE-MEMBERS FOR SUBSISTENCE AND TRAVELLING

Cllr. Mrs. V.Z. Magwaza-Msibi	R138 228.95 (26 meetings)
Cllr. Mr. E.A. Talmage	R57 976.13 (22 meetings)
Cllr. Mrs. N.V. Gumbi	R81 589.50 (23 meetings)
Cllr. Mr. M.V. Nyathi	R37 930.42 (15 meetings)
Cllr. Ms. H.G.S. Mavimbela	R112 374.17 (17 meetings)
Mr. K.M. Jaggeth	R24 478.91 (23 meetings)
Mr. N.C.J. Bezuidenhout	R68 959.19 (17 meetings)

Mr. E. Hauptfleisch	R128 495.52 (17 meetings)
Mr. G.M. Velan	R33 137.30 (20 meetings)
Mr D. Hariram	R525.96 (1 meeting)
Mr. J. Joubert	R71 410.02 (15 meetings)
Mr. P.J. Bailey	R16 717.51 (17 meetings)
Mr. X. Dube	R24 001.30 (26 meetings)
Ms. T.B. Mngadi	R23 965.01 (24 meetings)
Mr. D.M.Madlala	R21 852.61 (12 meetings)
Mr. M. Mngomezulu	R34 810.24 (12 meetings)
Mr. M.S. Khanyile	R33 977.32 (13 meetings)
Mr. A.R. Hoosen	R132 462.55 (25 meetings)
Ms. B.N. Magwaza	R13 357.75 (11 meetings)
Mr. D.A. Lemmer	R183 132.26 (28 meetings)
Mr. M.E. Ndlovu	R111 299.03 (20 meetings)
Mr. N.N. Mhlungu	R44 532.83 (20 meetings)
Mr. S.V. Mchunu	R32 916.34 (20 meetings)

OVERVIEW OF BASE REMUNERATION FOR STAFF

The Committee of Management has reviewed and approved a Remuneration Policy which is a document that forms the basis for remuneration within the Fund. Organisations are dependent on their human capital to ensure that they achieve their strategic objectives and as such this policy forms the basis for the recruitment, retention and motivation of group of staff that consistently contribute to the achievement of the short and long term objectives of the organization. The remuneration of employees is based on a total cost package (TCP), from which salary and benefits are funded. This allows the employee flexibility in determining his/her take home pay within certain broad parameters and current legislation.

Total Cost of Employment is based on “cost to NJMPF” – this cost includes the total annual salary, retirement fund contribution, fringe benefits on car loans etc – and is determined in relation to the employees’ job and grade within the organisation.

Packages include:

- Basic salary
- 13th cheque
- Retirement fund contributions

- Contributions to medical aid and health insurance
- Car allowance / travel allowance (where applicable)
- Any allowance approved by the Committee of Management
- Employer Unemployment Insurance Fund and Skills Development Levies are not included in Total Cost of Employment.

CHAIRPERSON

The rules of the Fund state that “the Committee of Management shall elect a Chairperson and Vice-Chairperson from amongst its members at a meeting to be held within 28 days after the conclusion of the Annual General Meeting of the General Committee...”

During the year under review, the Chairperson was Ms V.Z. Magwaza-Msibi, and the Vice-Chairperson Mr M Mngomezulu, who died late last year and was replaced by Mr. X. Dube.

ETHICS PERFORMANCE

The Fund has a Code of Conduct Policy which contains a set of rules outlining the responsibilities of, or proper practices for a Trustee, the Committee of Management and the Fund. The policy provides the principles, values, standards or rules of behaviour that guide the decision, procedures and systems of the Fund in a way that it achieves its stated objective of providing superior retirement service, and benefits to members, beneficiaries and pensioners.

During this financial year there has been no breach in the Code of Conduct.

STAKEHOLDERS ENGAGEMENT

The Fund is cognisant of the import role played by the various stakeholders in the affairs of the Fund. The Fund has adopted a Communication Policy which is regularly reviewed and approved by the Committee of Management and practically implemented via communication strategy. During the year-under review, amongst others, the Fund had extensive engagements with members advising on the benefits offered by the fund and fostering an understanding of the rules. Employers were encouraged to make additional contributions for excessive salaries granted to

employees above the rate of inflation. Contact was made with the employer group SALGA and high level engagement was held with National Treasury regarding the proposed retirement reforms. The Fund was awarded the Institute of Retirement Funds award for “Best Communication Strategy” in 2012.

APPRAISAL OF THE COMMITTEE OF MANAGEMENT

A system of appraisal for the Committee of Management is a key component of good corporate governance and as such, the Fund has a Performance Appraisal Policy. The purpose of this system of appraisal is to identify the expertise of the Committee of Management and also to identify areas where improvements are necessary. This will assist the Committee of Management when determining the training required and place it in a position to recommend to the entities which appoint Committee Members areas where skills are required which may be taken into account for future appointments.

The intention of the system of appraisal is not punitive but rather a constructive tool, which will enable the Committee of Management to track its progress, skills and development needs.

During the financial year the Fund achieved its overall Key Performance Objectives in communication, ethics, governance and its long term investment objectives to outperform their constructed benchmarks.

BOARD COMMITTEES

The Committee of Management has appointed an Audit Sub-Committee and a Staff Sub-Committee.

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Fund and audits of the financial statements. The overall objective is to assist the Committee of Management to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and financial statements, which shall be provided to members, regulators and others.

Membership shall consist of 4 members of the Committee of Management, and where possible, shall have past employment in finance or accounting, professional certification or comparable

experience. The term of office shall be for one year but members are eligible for re-appointment. The Chairperson and Deputy Chairperson attend the meetings on an Ex-officio basis.

The Audit Committee have approved the financial statements and resolved that they be approved by the Committee of Management.

The Staff Sub Committee was established to oversee the human resource processes of the Fund. The objective is to assist the Committee of Management to discharge its duties relating to the human resources administration, being legislative compliance, industrial relations, training and development and performance management.

Membership shall consist of 4 members of the Committee of Management, who shall have past employment in human resources, requisite certification or comparable experience. The term of office shall be one year but members are eligible for re-appointment. The Chairperson and Deputy Chairperson attend the meetings on an Ex-officio basis.

EVALUATION OF CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The Audit Committee does review, and challenge where necessary, the actions and judgments of the Principal Officer and key finance staff such as the Chief Financial Officer and Chief Operations Officer, in relation to the financial statements and accounting procedures before submission to the Committee of Management for approval. Particular attention is given to:

- Critical accounting policies and practices
- Decisions and significant financial estimates included in the financial statements
- The extent to which the financial statements are affected by unusual transactions
- The clarity of disclosures
- Significant adjustments resulting from the audit
- Compliance with accounting standards and legal requirements
- Reviewing the statement on internal control systems prior to endorsement by the Committee of Management
- Whether the annual financial statements present a balanced and understandable assessment of the Fund's position, performance and prospects
- Any material post balance sheet events

The Audit Committee found no material breaches during the financial year and resolved that the management and staff be commended for good governance and obtaining unqualified audit reports on the financial statements.

The Rules of the Fund state that the annual financial statements be subject to audit by an independent auditor. The Minister of the Executive Committee for the province of Kwazulu-Natal responsible for Local Government and Traditional Affairs (the MEC) has appointed the Auditor General of South Africa as the independent auditor of the Fund.