



**ANNUAL FINANCIAL STATEMENTS  
IN TERMS SECTION 15 OF THE PENSION FUNDS ACT NO 24, 1956  
AS AMENDED (PENSION FUNDS ACT)**

**NAME OF RETIREMENT FUND:** KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT  
FUND

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

**For the period:** 1 APRIL 2014 to 31 MARCH 2015

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\* Not subject to any engagement by an auditor

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

### SCHEDULE A REGULATORY INFORMATION For the year ended 31 March 2015

#### Registered office of the fund

Postal address: P O Box 33, Westwood, 3633  
Physical address: 5 Derby Downs, University Road, Westville, Durban

#### Financial reporting periods

Current: 01/04/2014 to 31/03/2015  
Previous: 01/04/2013 to 31/03/2014

#### Board of Fund

Full name	E-mail address	Capacity*	Date appointed or re-appointed date (for all Board members)	Date resigned (for all Board members)
Cllr. Mrs. Magwaza-Msibi Veronica Zanele	director@njmpf.co.za	C	11.11.2011	30.04.2014
Cllr. Mr. Talmage Earl Andrew	director@njmpf.co.za	E	23.07.2007	
Mr. Dube Xolani	director@njmpf.co.za	C	30.04.2014	
Cllr. Nair Yagabaram	director@njmpf.co.za	E	30.05.2014	
Cllr. Mrs. Gumbi Ntombizethu Vera	director@njmpf.co.za	E	21.05.2010	
Cllr. Mr. Nyathi Mzwandile Victor	director@njmpf.co.za	E	19.08.2011	
Cllr. Ms. Mavimbela Hlengiwe Goodness Slindile	director@njmpf.co.za	E	11.11.2011	
Mr. Ndlovu Busani Welcome	director@njmpf.co.za	E	01.10.2014	
Mr. Lemmer Diederik Arnoldus	director@njmpf.co.za	M	24.11.2006	
Mr. Ndlovu Mandla Elphas	director@njmpf.co.za	M	11.03.2011	31.08.2014
Mrs. Muir Julie Vanessa	director@njmpf.co.za	M	21.11.2014	
Mr. Mchunu Sikhumbuzo Valentine	director@njmpf.co.za	M	16.11.2012	21.11.2014
Mr. Mhlungu Norman Nkosphezulu	director@njmpf.co.za	M	27.03.2012	
Mr. Zama Francis Fanie	director@njmpf.co.za	M	01.10.2014	
Mrs. Magwaza Beatrice Nonsikelo	director@njmpf.co.za	M	19.04.2013	

\* - 'M' denotes member elected  
- 'E' denotes employer appointed  
- 'A' denotes alternate  
- 'C' denotes chairperson

- 'I' denotes independent  
- 'R' denotes section 26(2) appointment  
- 'S' denotes sponsor appointed  
- 'P' denotes pensioner appointed

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

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

Meeting date	Place of meeting	Quorum (yes/no)
25.04.2014	Lydgetton, KwaZulu-Natal	Yes
23.05.2014	Westville, KwaZulu-Natal	Yes
30.05.2014	Westville, KwaZulu-Natal	Yes
20.06.2014	Westville, KwaZulu-Natal	Yes
25.07.2014	Westville, KwaZulu-Natal	Yes
22.08.2014	Westville, KwaZulu-Natal	Yes
26.09.2014	Westville, KwaZulu-Natal	Yes
24.10.2014	Westville, KwaZulu-Natal	Yes
21.11.2014	Westville, KwaZulu-Natal	Yes
28.11.2014	Pietermaritzburg, KwaZulu-Natal	Yes
23.01.2015	Westville, KwaZulu-Natal	Yes
20.02.2015	Lydgetton, KwaZulu-Natal	Yes
20.03.2015	Westville, KwaZulu-Natal	Yes

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

### Fund officers

	Principal officer	Deputy Principal officer	Monitoring person*
Full name:	Sam Camilleri		Sam Camilleri
Postal address:	P O Box 33, Westwood, 3633		P O Box 33, Westwood, 3633
Physical address:	5 Derby Downs, University Road, Westville		5 Derby Downs, University Road, Westville
Telephone number:	031-279 5300		031-279 5300
Email address:	director@njmpf.co.za		director@njmpf.co.za

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

### Professional service providers

	Actuary/Valuator	Auditor
Full name:	Argen Actuarial Solutions	Auditor-General of South Africa
Postal address:	P O Box 413266, Craighall, 2024	Private Bag X9034, Pietermaritzburg, 3200
Physical address:	1 <sup>st</sup> Floor, Marlborough Gate, Hyde Lane, Hyde Park, Johannesburg	Redlands Estate, 1 George McFarlane Lane, Wembley, Pietermaritzburg
Telephone number:	011-441 2700	033-264 7518
Email address:	jhb@argen.solutions	pmbrrha@agsa.co.za

	Benefit administrator	Fund consultant
Full name:	Natal Joint Municipal Pension Funds	
Postal address:	P O Box 33, Westwood, 3633	
Physical address:	5 Derby Downs, University Road, Westville, Durban	
Telephone number:	08610 NJMPF (65673)	

Benefit administrator's registration number in terms of section 13B:	
Fund consultant's FAIS registration number	

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND****REGULATORY INFORMATION - CONTINUED****For the year ended 31 March 2015**

	<b>Investment administrator</b>	<b>Investment advisor</b>
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

Investment administrator's FAIS registration number :	
Investment advisor's FAIS registration number	1177

	<b>Risk insurer</b>	<b>Custodian and/or nominee</b>
Full name:	Camargue	Nedbank Ltd
Postal address:	Postnet Suite 250, Private Bag X4, Bedfordview, 2008	P O Box 1144, Johannesburg, 2000
Physical address:	33 Glenhove Road, Melrose Estate, Johannesburg	16 Constantia Kloof, Roodepoort, Johannesburg
Telephone number:	011-778 9140	011-534 6597
FSP approval no.:	6344	NCRCP16

**Participating employers**

The following employer/(s) participate in the fund in terms of the rules of the fund:

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

## **KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

### **SCHEDULE B**

#### **STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND**

**For the year ended 31 March 2015**

##### **Responsibilities**

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

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

##### **Approval of the annual financial statements**

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

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

The annual financial statements set out on Schedules F, G and HA have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the Pension Funds Act.

These financial statements have been reported on by the independent auditor, Auditor-General of South Africa, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditor in the management representation letter during the audit were valid and appropriate. The report of the independent auditor is presented on Schedule D.

##### **Instances of non-compliance**

We are not aware of instances of non-compliance with laws and regulations, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements.

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

### STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND - CONTINUED For the year ended 31 March 2015

These financial statements:

- were approved by the Board of Fund on 1 September 2015;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund at 31 March 2015 as well as the results of its activities for the period then ended; and
- are signed on behalf of the Board of Fund by:



**CHAIRPERSON**

Name: MR. X. DUBE

1 September 2015



**BOARD MEMBER**

Name: Cllr. TALMAGE

1 September 2015



**BOARD MEMBER**

Name: MR. D. A. LEMMER

1 September 2015

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**SCHEDULE C**

**STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER**

**For the year ended 31 March 2015**

I confirm that for the period under review the KwaZulu-Natal Joint Municipal Provident Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation.

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

**PRINCIPAL OFFICER**

*Sam Camilleri*

*1 September 2015*

# **Report of the auditor-general to the Board of Trustee and the Registrar of Pension funds on the KwaZulu-Natal Joint Municipal Pension 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 Schedule F to HA, which comprise the statement of net assets and funds as at 31 March 2015, 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 2015 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

*Auditor-General*

Pietermaritzburg

18 August 2015



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## **KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

### **SCHEDULE E**

#### **REPORT OF THE BOARD OF FUND**

**For the year ended 31 March 2015**

#### **1. DESCRIPTION OF THE FUND**

##### **1.1. Type of fund**

The fund is a provident fund and is a defined contribution fund.

##### **1.2. Benefits**

- 1.2.1. The 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.

##### **1.2.2 Unclaimed benefits**

The Strategy of Board of Fund towards unclaimed benefits is to endeavour to trace beneficiaries and thus effect payment of unclaimed benefits. The Fund has maintained complete records, as prescribed, in respect of unclaimed benefits.

##### **1.3. Contributions**

##### **1.3.1. Description in terms of the rules of the fund.**

- 1.3.1.1. Members' may choose to contribute at a rate of 5%, 7% or 9.25% of their pensionable emoluments.  
Members may make additional voluntary contributions as per the rules of the fund.
- 1.3.1.2. Participating employers contribute at a rate of 1.95 times the rate of members contributions.

##### **1.4. Rules/ amendments**

##### **1.4.1. Amendments (period under review)**

There were no rule amendments during the year under review.

##### **1.4.2. Revised rules / consolidated rules:**

During the current financial period the rules of the fund were not revised / consolidated.

##### **1.5. Reserves and specified accounts established in terms of the rules of the fund**

Investment reserve, Risk reserve – please see note 21.

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

### REPORT OF THE BOARD OF FUND - CONTINUED

For the year ended 31 March 2015

#### 2. INVESTMENTS

##### 2.1. Investment strategy

The primary objective of the Fund is to maximise 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.

2.1.1. *General: 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.*

2.1.2. *Individual member choice: N/a*

2.1.3. *Unclaimed benefits: The strategy of the Fund is to endeavour to trace beneficiaries and thus effect payment of unclaimed benefits. The Fund has maintained complete records, as prescribed, in respect of unclaimed benefits.*

2.1.4. *Surplus apportionment allocations: N/a*

2.1.5. *Reserve accounts : N/a*

2.1.6. *Settlement income: N/a*

2.1.7. *Derivative Instruments: The Board of Fund utilises derivative instruments as part of their investment strategy. The Board of Fund ensures that the following have been complied with:*

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

2.1.8. *Hedge funds: The Board of Fund does not utilise hedge funds as part of their investment strategy.*

2.1.9. *Private Equity Funds: The Board of Fund does not utilise private equity funds as part of their investment strategy.*

2.1.10. *Securities Lending Transactions: The Board of Fund utilises securities lending transactions as part of their investment strategy. The Board of Fund ensures that the securities lending transactions are in compliance with the relevant conditions as prescribed by Notice issued by the Registrar of Pension Funds.*

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

### REPORT OF THE BOARD OF FUND - CONTINUED

For the year ended 31 March 2015

#### 2.2. Management of investments

##### 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

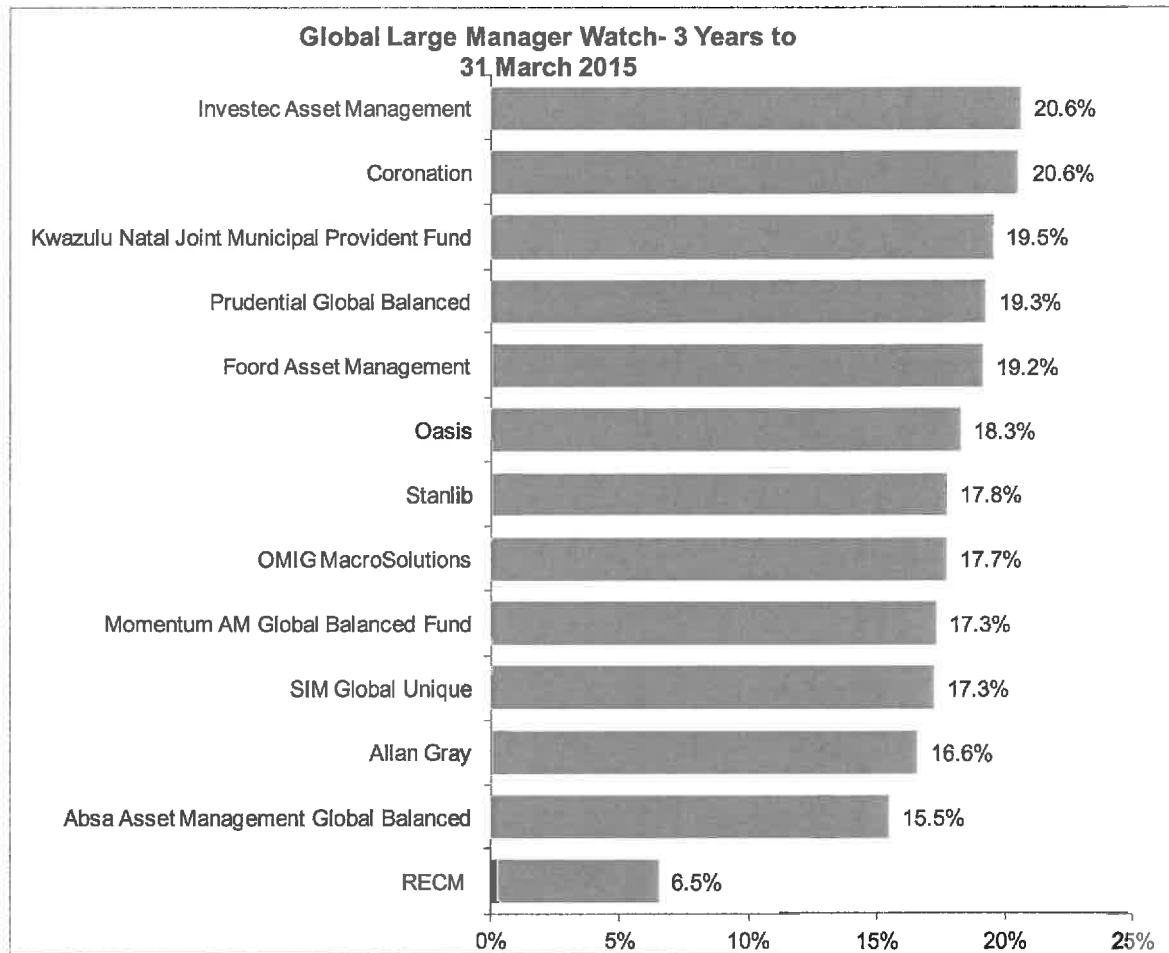
Year	*CPI + 5%	Provident Fund % Return
5 years to 31 <sup>st</sup> March 2015	10.1	16.6

Year	Provident Fund % Return	Investment Manager Benchmark
5 years to 31 <sup>st</sup> March 2015	16.6	16.6

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 2015 having outperformed by 6.5% p.a. The Fund has performed in line with the investment manager benchmark over the 5 years to 31 March 2015. This lack of outperformance by the domestic asset managers was primarily due to the high performance of the Funds benchmark being SWIX free float equity index. The SWIX index outperformed the JSE All Share Index (ALSI) by some 5% for the twelve months to 31 March 2015. In fact only 14% of SA Equity managers have managed to outperform the SWIX Index in 2014. However given the Funds strategic asset allocation the Provident Fund is consistently ranked in the TOP QUARTILE over the long term, in the Alexander Forbes Global Large Manager Watch. This makes the Fund one of the country's top quartile investment managers, see graphs below:

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND



## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND



Source: Alexander Forbes

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

### REPORT OF THE BOARD OF FUND - CONTINUED

For the year ended 31 March 2015

#### 3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Beneficiaries	Unclaimed benefits
<b>Numbers at beginning of period</b>	11 448	0	0	0	557
Adjustments					
Additions	1310				63
Transfers in					
Transfers out	(50)				
Withdrawals	(513)				
Retirements	(78)			N/a	N/a
Retrenchments	(2)			N/a	N/a
Deaths	(87)				N/a
Transfers (from)/to pensioners / deferred pensioners					
Unclaimed Benefit paid					(146)
<b>Numbers at end of period</b>	<b>12 028</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>474</b>
Number at end of period (South African citizen)	12 019	0	0	0	474
Number at end of period (non-South African citizen)	9	0	0	0	0

#### 4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the rules of the fund, the actuarial position of the fund, which does take account of such liabilities, is examined and reported on by the actuary at intervals not exceeding three years. An actuarial valuation was performed as at 31 March 2014 and the Valuator reported that the fund was in a sound financial position.

#### 5. SURPLUS APPORTIONMENT OR NIL SCHEME

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 employers and may be used by them at their discretion for any of the purposes set out in Section 15E of the Pension Funds Act, 1956.

#### 6. HOUSING LOAN FACILITIES

The fund has granted housing loan guarantees in terms of Section 19(5) of the Pension Funds Act. Each guarantee is secured by the fund credit of the respective member. The loan is limited to 50% of the respective member's fund credit.

#### 7. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund holds no direct investments in the participating employer.



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**SCHEDULE F**  
**STATEMENT OF NET ASSETS AND FUNDS**  
**At 31 March 2015**

	Notes	2015 R	2014 R
<b>ASSETS</b>			
<b>Non-current assets</b>		2 688 719 540.79	2 184 590 734.77
Plant and equipment	1	4 285 882.29	4 135 732.29
Investments (including investment and owner occupied properties)	2	2 684 433 658.50	2 180 455 002.48
Housing loan facilities	3	-	-
Surplus improperly utilised receivable	22	-	-
<b>Current assets</b>		68 808 341.42	94 760 544.62
Transfers receivable	5	1 466 062.06	6 146 407.07
Accounts receivable	4	173 523.54	643 777.67
Contributions receivable	12	8 288 792.90	10 420 087.51
Cash at bank		58 879 962.92	77 550 272.37
Surplus improperly utilised receivable	22	-	-
<b>Total assets</b>		<b>2 757 527 882.21</b>	<b>2 279 351 279.39</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' Funds and surplus account</b>		2 251 336 616.74	1 876 308 891.84
Members' Individual accounts		2 251 336 616.74	1 876 308 891.84
Amounts to be allocated	23	-	-
Member surplus account	21	-	-
<b>Reserves</b>		384 727 020.79	275 641 319.67
Reserve accounts	21	384 727 020.79	275 641 319.67
Revaluation reserve: Property, plant and equipment	6	-	-
<b>Total funds and reserves</b>		<b>2 636 063 637.53</b>	<b>2 151 950 211.51</b>
<b>Non-current liabilities</b>		25 606 445.17	34 118 548.05
Employer surplus account	21	-	-
Financial liabilities	16.1	-	-
Provisions	16.2	1 946 124.15	2 474 618.01
Unclaimed benefits	9	23 660 321.02	31 643 930.04
<b>Current liabilities</b>		95 857 799.51	93 282 519.83
Transfers payable	7	3 021 900.53	10 791 290.97
Benefits payable	8	88 558 809.74	78 201 240.42
Accounts payable	10	4 039 723.96	4 289 988.44
Retirement fund taxation	11	-	-
Contributions payable		237 365.28	-
Bank overdraft		-	-
<b>Total funds and liabilities</b>		<b>2 757 527 882.21</b>	<b>2 279 351 279.39</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**SCHEDULE G**  
**STATEMENT OF CHANGES IN NET ASSETS AND FUNDS**  
For the year ended 31 March 2015

	Notes	A		B		A + B	
		Members' individual accounts & amounts to be allocated/		Reserves		Total	
		Accumulated funds		Refer notes 6 and 21		2015	
		R	R	R	R	R	2014
Contributions received and accrued	12	292 495 528.79	67 999 554.88		360 495 083.67	302 461 513.00	
Contributions transferred from reserve accounts	21	-	-		-	-	-
Contributions transferred from surplus accounts	21	-	-		-	-	-
Surplus improperly utilised	22	-	-		-	-	-
Reinsurance proceeds		-	-		-	-	-
Net investment income	13	-	329 209 373.25		329 209 373.25	371 431 434.54	
(less) Allocated to unclaimed benefits		-	-		-	-	-
Other income ( <i>provide details</i> )	13.1	-	-		-	-	-
Less:		-	(18 444 841.32)		(18 444 841.32)	(12 576 199.24)	
Re-insurance premiums		-	-		-	-	-
Administration expenses	14	-	(18 444 841.32)		(18 444 841.32)	12 576 199.24	
Retirement fund taxation	11	-	-		-	-	-
<b>Net income before transfers and benefits</b>		292 495 528.79	378 764 086.81		671 259 615.60	661 316 748.30	
<b>Transfers and benefits</b>		(165 660 226.65)	(21 485 962.93)		(187 146 189.58)	(161 547 357.14)	
Transfers from other funds	5	3 640 316.48	274 002.32		3 914 318.80	1 934 455.46	
Transfers to other funds	7	(26 826 470.64)	(2 899 399.13)		(29 725 869.77)	(25 235 984.44)	
Benefits	8	(142 474 072.50)	(18 860 566.11)		(161 334 638.61)	(138 245 828.16)	
<b>Net income after transfers and benefits (carried forward)</b>		<b>126 835 302.14</b>	<b>357 278 123.88</b>		<b>484 113 426.02</b>	<b>499 769 391.16</b>	

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**STATEMENT OF CHANGES IN NET ASSETS AND FUNDS - CONTINUED**  
For the year ended 31 March 2015

	Notes	A		B		A + B	
		Members' individual accounts & amounts to be allocated/		Reserves		Total	
		Accumulated funds		Refer Notes 6 & 21		2015	
		R	R	R	R	R	R
<b>Net income after transfers and benefits (brought forward)</b>		126 835 302.14	357 278 123.88		484 113 426.02	499 769 391.16	
<b>Funds and reserves</b>		1 876 308 891.84	275 641 319.67		2 151 950 211.51	1 652 180 820.35	
Balance at beginning of period		1 876 308 891.84	275 641 319.67		2 151 950 211.51	1 652 180 820.35	
Prior period adjustments	15	-	-		-	-	-
Transfer between reserve accounts	21	2 003 144 193.98	632 919 443.55		2 636 063 637.53	2 151 950 211.51	
Investment return allocated		(3 596 252.39)	3 596 252.39		-	-	-
Current members		251 788 675.15	(251 788 675.15)		-	-	-
Former members		239 925 000.00	(239 925 000.00)		-	-	-
Surplus and reserve accounts	21	11 863 675.15	(11 863 675.15)		-	-	-
Surplus apportionment	21	-	-		-	-	-
Revaluation surplus: Property, plant and equipment	6	-	-		-	-	-
Transfer between reserve accounts		2 251 336 616.74	384 727 020.79		2 636 063 637.53	2 151 950 211.51	
Employer surplus account		-	-		-	-	-
Member surplus account		-	-		-	-	-
Allocations to/from surplus accounts		2 251 336 616.74	384 727 020.79		2 636 063 637.53	2 151 950 211.51	
Benefits to former members		-	-		-	-	-
Surplus transfers payments		-	-		-	-	-
Benefit enhancements - other		-	-		-	-	-
Surplus transfers received		-	-		-	-	-
<b>Balance at end of period</b>		2 251 336 616.74	384 727 020.79		2 636 063 637.53	2 151 950 211.51	

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**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.

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**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.

**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.

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**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-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 of received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

**Options**

Options are valued using option pricing 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.

**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.

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**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.

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**Contributions**

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.



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**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
- \* 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**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
For the year ended 31 March 2015

1	Plant and equipment	A	B	C	D	E	A+B+C+D+E
1.1	Current period	Plant	Computer equipment & software	Office equipment	Furniture and fittings	Land and buildings	Total
		R	R	R	R	R	R
<hr/>							
Gross carrying amount							
	At beginning of period	-	-	-	-	4 135 732.29	4 135 732.29
	Additions	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Revaluation reserve (note 6)	-	-	-	-	-	-
	Other movements	-	-	-	-	150 150.00	150 150.00
	At end of period	-	-	-	-	4 285 882.29	4 285 882.29
<hr/>							
Accumulated depreciation and impairment							
	At beginning of period	-	-	-	-	-	-
	Depreciation charges	-	-	-	-	-	-
	Accumulated depreciation on disposals	-	-	-	-	-	-
	Impairment	-	-	-	-	-	-
	Other movements	-	-	-	-	-	-
	Net carrying amount at end of period	-	-	-	-	4 285 882.29	4 285 882.29

The land and buildings comprise 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 of similar properties. 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**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
For the year ended 31 March 2015

**1 Plant and equipment - continued**  
**1.2 Previous period**

	<b>A</b>		<b>B</b>		<b>C</b>		<b>D</b>		<b>E</b>		<b>A+B+C+D+E</b>	
	<b>Plant</b>		<b>Computer equipment and software</b>		<b>Office equipment</b>		<b>Furniture and fittings</b>		<b>Land &amp; buildings</b>		<b>Total</b>	
	R		R		R		R		R		R	
<b>Gross carrying amount</b>												
At beginning of period	-		-		-		-		-		-	
Additions	-		-		-		-		3 726 232.29		3 726 232.29	
Disposals	-		-		-		-		-		-	
Revaluation reserve (note 6)	-		-		-		-		-		-	
Other movements	-		-		-		-		-		-	
									409 500.00		409 500.00	
<b>At end of period</b>	-		-		-		-		4 135 732.29		4 135 732.29	
<b>Accumulated depreciation and impairment</b>												
At beginning of period	-		-		-		-		-		-	
Depreciation charges	-		-		-		-		-		-	
Accumulated depreciation on disposals	-		-		-		-		-		-	
Impairment	-		-		-		-		-		-	
Other movements	-		-		-		-		-		-	
<b>Net carrying amount at end of period</b>	-		-		-		-		4 135 732.29		4 135 732.29	

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

**2 Investments**  
**2.1 Investment summary**

	Local		Foreign		Total 2015		Total 2014		Fair value Current period		Amortised cost Current period		Categorised per Regulatory Framework R
	R		R		R		R		R		R		
Cash	144 477 806.94		-		144 477 806.94		122 945 674.19		144 477 806.94				
Commodities	-		-		-		-		-				
Debt Instruments including Islamic debt instruments	435 578 515.12		-		435 578 515.12		359 390 663.86		435 578 515.12				
Investment properties and Owner occupied properties*	-		-		-		-		-				
Equities (including demutualisation shares)	1 414 609 545.37		-		1 414 609 545.37		1 116 834 253.71		1 414 609 545.37				
Insurance policies	-		-		-		-		-				
Collective investment schemes	157 197 186.72		455 414 882.95		612 612 069.67		511 840 063.69		612 612 069.67				
Hedge funds	-		-		-		-		-				
Private equity funds	-		-		-		-		-				
Investment in participating employer(s)	-		-		-		-		-				
Derivative Market instruments	-		-		-		-		-				
Other assets	-		77 155 721.40		77 155 721.40		69 444 347.03		77 155 721.40				
<b>Total investments</b>	<b>2 151 863 054.15</b>		<b>532 570 604.35</b>		<b>2 684 433 658.50</b>		<b>2 180 455 002.48</b>		<b>2 684 433 658.50</b>				

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**2 Investments - continued**

**2.2 Investments in participating employer/s**

	A	B	C	D	E	A+B-C+D+/-E
	At beginning of period	Additions	Repaid/ Disposals	Interest capitalised	Other adjustments	At end of period
	R	R	R	R	R	R
Cash	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Housing Loans	-	-	-	-	-	-
Debt Instruments including Islamic debt	-	-	-	-	-	-
Equities	-	-	-	-	-	-
Investment properties and Owner Occupied Properties	-	-	-	-	-	-
Hedge Funds	-	-	-	-	-	-
Private equity Funds	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

[illegible]

## KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

For the year ended 31 March 2015

### 2.3.2 Previous Period

[illegible]

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

3	3.1	Housing loan facilities Housing loans	A	B	C	D	E	A+B-C+D+E
			At beginning of period	Granted	Repaid	Interest capitalised	Other adjustments	At end of period
			R	R	R	R	R	R
		Loans granted in terms of the rules of the fund and section 19(5) of the Pension Funds Act	-	-	-	-	-	-
<b>TOTAL</b>			-	-	-	-	-	-

**3.2 Housing loan guaranteees**

- The fund has granted guaranteees to Nedbank, First National, Standard and Ithala Banks for loans granted to 797 members of the fund. The guaranteees amounted to R26 353 359.01.
- The amount of the guarantee may not exceed 50% of the 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.



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**4       Accounts receivable**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Medical board fees	4 238.80	5 551.60
Late payment interest on contributions	26 648.87	8 138.22
Prepaid expenses	100 001.36	95 360.74
Sundry debtors	42 634.51	534 727.11
Refunds of pension over-payments	-	-
Pensionable service debtors	-	-
<b>TOTAL</b>	<b>173 523.54</b>	<b>643 777.67</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

**5 Transfers from other funds/ Transfers receivable**

Effective date	No. of members	Applied for not yet approved (contingency)	A		B		C		D		At end of period	
			At beginning of period		Transfers approved		Return on transfers		Assets transferred			
			R	R	R	R	R	R	R	R		
Total transfers in terms of section 14*												
	14	-		2 720 657.34		2 040 395.42		139 347.77		3 475 825.05	1 424 575.48	
NJMPF [R]												
NJMPF [S]	12	-		3 425 749.73		1 439 988.57		294 587.04		5 118 838.76	41 486.58	
Total transfers in terms of section 15B/15E/ 15F*	0	-		-		-		-		-		
Individual transfers	0	-		-		-		-		-		
Total Prospective approvals in terms of section 14*	0	-		-		-		-		-		
Total	26	-		6 146 407.07		3 480 383.99		433 934.81		8 594 663.81	1 466 062.06	
Transfers approved (B)												
Return on transfers (C)												
Statement of changes in net assets and funds												

Schedule HA

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

8	Benefits	A	B	C	D	E	A+B+C-D-E
		At beginning of period	Benefits for current period	Return allocated	Payments	Transferred to unclaimed benefits	At end of period
		R	R	R	R	R	R
8.1	Benefits – current members						
	Monthly pensions	-	-	-	-	-	-
	Lump sums on retirements						
	Full benefit	14 222 775.16	50 433 472.52	983 202.91	44 985 871.60	(1 047 813.42)	21 701 392.41
	Pensions commuted						-
	Lump sums before retirement						-
	Disability benefits						-
	Death benefits	34 621 948.88	27 202 224.11	1 404 124.75	27 976 324.48	(1 757 312.31)	37 009 285.57
	Withdrawal benefits	29 356 516.38	76 010 667.43	1 665 104.02	82 798 902.09	(5 177 324.72)	29 410 710.46
	Retrenchment benefits	-	426 618.53	10 802.77	-	-	437 421.30
	Minimum benefit payments made in terms of section 15	-	-	-	-	-	-
	Defaults – housing loan facilities		1 728 842.65	-	1 728 842.65	-	-
	Divorce payments		1 469 578.92	-	1 469 578.92	-	-
	Other (Provide details)		-	-	-	-	-
	<b>Total (8.1)</b>	<b>78 201 240.42</b>	<b>157 271 404.16</b>	<b>4 063 234.45</b>	<b>158 959 519.74</b>	<b>(7 982 450.45)</b>	<b>88 558 809.74</b>
	Benefits for current period (B)	157 271 404.16					
	Return allocated (C)	4 063 234.45					
	<b>Statement of changes in net assets and funds</b>	<b>161 334 638.61</b>					

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

**8.2 Benefits in terms of surplus apportionment**

	A	B	C	D	E	A+B+C-D-E
	At beginning of period	Surplus allocated	Return allocated	Payments	Transferred to Unclaimed Benefits	At end of period
	R	R	R	R	R	R
Enhancements to pensioners	-	-	-	-	-	-
Enhancements to former members	-	-	-	-	-	-
<b>Total benefits (8.2)</b>	-	-	-	-	-	-
Surplus allocated (B)	-					
Return allocated (C)	-					
<b>Statement of changes in net assets and funds</b>	-					
<b>Total benefits (8.1 + 8.2)</b>	78 201 240.42	157 271 404.16	4 063 234.45	158 959 519.74	-7 982 450.45	88 558 809.74

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**9 Unclaimed benefits**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
At beginning of period	31 643 930.04	28 255 699.85
Transferred from benefits payable	5 387 132.29	16 635 439.87
Adjustments	-	-
Investment income allocated	-	-
Less:	(13 370 741.31)	(13 247 209.68)
Tracing expenses	1 158.57	27 082.39
Administration expenses	-	-
Other expenses	-	-
Benefits paid	13 369 582.74	13 220 127.29
Transferred to unclaimed benefits fund	-	-
<b>Balance at end of period</b>	<b>23 660 321.02</b>	<b>31 643 930.04</b>

**10 Accounts payable**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Actuary's fees	64 324.50	68 371.50
Administration expenses	3 013 459.21	1 841 768.58
Fund managers	-	654 659.16
Contributions refundable	-	160 991.00
Benefit related payables	-	-
Sundry creditors	961 940.25	1 564 198.20
Unpaid pensions	-	-
	<b>4 039 723.96</b>	<b>4 289 988.44</b>

**11 Retirement Fund Taxation (if applicable)**  
**(RFT abolished from 1 March 2007)**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Taxable income	-	-
Less: Formulae reduction	-	-
Retirement fund taxable amount	-	-
Retirement fund taxation @ relevant rate	-	-
Adjustments	-	-
Retirement fund taxation (as per statement of changes in net assets and funds)	-	-
At beginning of period	-	-
Retirement fund taxation	-	-
Penalties and interest	-	-
Other adjustments	-	-
Retirement fund taxation paid	-	-
<b>At end of period</b>	<b>-</b>	<b>-</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

12 Contributions	A		B		C		D		A+B+C-D	
	At beginning of period		Towards retirement		Towards re-insurance & expenses		Contributions received		At end of period	
	R		R		R		R		R	
Member contributions -received and accrued	3 533 690.18		122 184 204.35		-		122 906 975.14		2 810 919.39	
Employer contributions - received and accrued	4 921 499.92		170 311 324.44		-		171 317 953.82		3 914 870.54	
Additional contribution in respect of risk reserve	1 964 897.41		67 999 554.88		-		68 401 449.32		1 563 002.97	
Additional voluntary contributions – employer	-		-		-		-		-	
Additional voluntary contributions – members	-		-		-		-		-	
Other (Excessive increases)	-		-		-		-		-	
<b>Total</b>	<b>10 420 087.51</b>		<b>360 495 083.67</b>		<b>-</b>		<b>362 626 378.28</b>		<b>8 288 792.90</b>	
<b>Towards retirement</b>	<b>360 495 083.67</b>									
<b>Toward re-insurance and expenses</b>	<b>-</b>									
<b>Statement of changes in net assets and funds</b>	<b>360 495 083.67</b>									

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

<b>13</b>	<b>Net investment income</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
Income from investments		93 537 007.31	76 960 229.71
Dividends		47 274 866.27	38 394 846.29
Interest		46 136 672.89	38 443 078.71
Rentals		125 468.15	122 304.71
Collective investment schemes distribution		-	-
Income from insurance policies		-	-
Interest on late payment of contributions		47 332.74	49 576.55
Interest levied on surplus improperly utilised		-	-
Adjustment to fair value		246 728 276.21	304 306 549.57
Profit/loss on disposal of investments		83 644 275.40	103 752 299.49
Investments written up/down		163 084 000.81	200 554 250.08
Less: Expenses incurred in managing investments		(11 103 243.01)	(9 811 079.01)
Less: Interest paid on borrowings		-	-
<b>Total</b>		<b>329 209 373.25</b>	<b>371 505 276.82</b>
<b>13.1</b>	<b>Other income</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
Bad debts recovered		-	(73 842.28)
Other		-	-
		-	(73 842.28)
<b>14</b>	<b>Administration expenses</b>		
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
Actuarial fees		451 906.79	663 062.32
Administration fees		1 813 511.01	1 038 950.02
Audit fees			
Audit services		546 517.01	494 704.24
Expenses		-	-
Other		-	-
Bad debts written off		-	-
Consultancy fees		1 417 437.13	1 174 383.32
Depreciation - at cost		-	-
Depreciation - at revaluation		-	-
Fidelity Insurance		89 109.38	7 390.62
Levies		184 909.92	166 245.08
Member communication		729 814.67	371 145.67
Office expenses		1 262 969.83	1 020 655.15
Operating lease payments		-	78 164.78
Penalties		-	-
Principal officer expenses	14.3	1 572 191.95	1 143 148.09
Project costs		-	82 586.68
Staff expenses	14.2	9 023 163.48	5 438 937.17
Secretarial fees		-	-
Board of Fund expenses	14.1	1 353 310.15	896 826.10
Less: Amount allocated to unclaimed benefits	9	-	-
<b>Total</b>		<b>18 444 841.32</b>	<b>12 576 199.24</b>



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**14 Administration expenses - continued**

**14.1 Board of Fund expenses**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Remuneration	-	-
Meeting allowances	599 309.46	491 123.46
Expenses	754 000.69	405 702.64
Other payments	-	-
<b>Total</b>	<b>1 353 310.15</b>	<b>896 826.10</b>

**14.2 Staff expenses**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Remuneration	7 117 197.34	4 334 515.50
Contributions to retirement fund	1 546 652.74	906 655.46
Training expenses	96 668.79	39 314.82
Other payments	262 644.61	158 451.39
<b>Total</b>	<b>9 023 163.48</b>	<b>5 438 937.17</b>

**14.3 Principal Officer expenses**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Fees as Board member	-	-
Remuneration	1 037 594.54	710 464.92
Allowances	-	-
Contributions to retirement fund	186 767.05	204 827.05
Bonus	347 830.36	227 856.12
Other payments	-	-
<b>Total</b>	<b>1 572 191.95</b>	<b>1 143 148.09</b>

**15 Prior period adjustment**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Nil	-	-
	-	-

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
For the year ended 31 March 2015

**16 Financial liabilities and provisions**

**16.1 Financial liabilities**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Nil	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**16.2 Provisions**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Actuary's fees	427 500.00	511 397.16
Accumulated leave	410 042.47	643 528.03
Staff bonus	709 121.07	841 134.72
Audit fees	384 310.01	464 141.89
Consulting fees	15 150.60	14 416.21
<b>TOTAL</b>	<b>1 946 124.15</b>	<b>2 474 618.01</b>

**17 Risk management policies**

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

• **Solvency risk**

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

Continuous monitoring by the Board and the fund's actuary takes place to ensure that appropriate assets are held where the 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.

• **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 on-going basis with the result that the funds exposure to bad debts is not significant. An appropriate level of provision is maintained.

• **Legal risk**

Legal risk is the risk that the fund will be exposed to contractual obligations which have not been provided for. Legal representatives of the fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

• **Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instruments will fluctuate. The fund is exposed to cash flow risk in respect of variable rate debt instruments into which it is invested. The Board of Fund monitors cash flows by using monthly cash flow projections.

• **Liquidity risk**

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

- **Market risk**

The key components of market risk are: price risk, interest rate risk and undiversifiable (systemic) risk.

- **Price risk**

Price risk is the risk that the value and/or future cash flow of a financial instrument will fluctuate as a result of changes in market prices.

- **Interest rate risk**

Interest rate risk is the risk that the value and/or future cash flows of financial instruments will fluctuate as a result of changes in interest rates. The Board of Fund monitors exposures to interest rate risk by using monthly cash flow projections.

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The funds exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the fund for the purpose of seeking desirable international diversification of investments. The Board of Fund monitors this aspect of the funds investments and limits it to SARB limits of total assets.

- **Investments**

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

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

## 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**

### Principal officer fees

During the current financial period, fees amounting to R1 572 191 were paid to the Principal Officer.

### Board of fund

The Board members of the Fund make contributions to the fund, and receive benefits from the fund. The Board

## 20 **Operating lease commitments**

	2015 R	2014 R
Future minimum operating lease payments		
Within one year	-	-
Between one and five years	-	-
After five years	-	-
<b>TOTAL</b>	-	-

## 21 Surplus and reserve accounts

[illegible]

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**21 Surplus and reserve accounts (continued)**

	Member/ pensioner surplus account R	Employer surplus account R	A+B+C+D+E+F R	A Employer protection reserve R	B Contingency reserve R	C Investment reserve R	D Risk reserve R	E Pension er reserve R	F Other reserves R
Administration expenses	-	-	(18 444 841.32)	-	-	-	(18 444 841.32)	-	-
Retirement fund taxation	-	-	-	-	-	-	-	-	-
<b>Net income before transfers and benefits</b>	-	-	378 764 086.81	-	-	329 209 373.25	49 554 713.56	-	-
<b>Transfers and benefits</b>	-	-	(21 485 962.93)	-	-	(6 688 631.27)	(14 797 331.66)	-	-
Transfers from other funds	-	-	274 002.32	-	-	274 002.32	-	-	-
Transfers to other funds	-	-	(2 899 399.13)	-	-	(2 899 399.13)	-	-	-
Benefits	-	-	(18 860 566.11)	-	-	(4 063 234.45)	(14 797 331.66)	-	-
<b>Net income after transfers and benefits (carried forward)</b>	-	-	357 278 123.88	-	-	322 520 741.98	34 757 381.90	-	-
<b>Transfer between reserve accounts</b>	-	-	3 596 252.39	-	-	29 009 212.45	(25 412 960.06)	-	-
Net investment return	-	-	(251 788 675.15)	-	-	(251 788 675.15)	-	-	-
Benefit enhancement – pensioners	-	-	-	-	-	-	-	-	-
Contribution holiday – after surplus apportionment	-	-	-	-	-	-	-	-	-
Contribution holiday – before surplus apportionment	-	-	-	-	-	-	-	-	-
<b>At end of period</b>	-	-	<b>384 727 020.79</b>	-	-	<b>328 846 281.95</b>	<b>55 880 738.84</b>	-	-

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the year ended 31 March 2015**

**22 Surplus improperly utilised receivable**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Opening balance	-	-
Amount payable by employer	-	-
Interest raised	-	-
<b>Less</b>		
Payments received	-	-
Settlement from employer surplus account	-	-
Other	-	-
<b>Total amount receivable</b>	<b>-</b>	<b>-</b>
Disclosed as:		
Non-current portion	-	-
Current portion	-	-

**23 Amounts to be allocated**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Surplus to be apportioned	-	-
Investment return to be allocated	-	-
Other	-	-
<b>Total amounts to be allocated</b>	<b>-</b>	<b>-</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**Registration number: 12/8/32588**

**For the year ended 31 March 2015**

**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 <sup>(a)</sup>: **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 <sup>(b)</sup>, split into vested <sup>(c)</sup> 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:

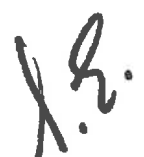
Mortality: Fund specific

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.

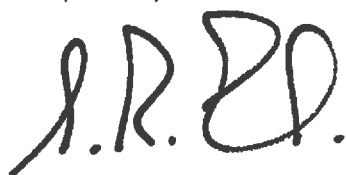
7. Any other particulars deemed necessary by the valuator for the purposes of this summary:

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'.

ARTHUR REUBEN ELS (FIA FASSA CFP® CFA CERA)

VALUATOR

In my capacity as an actuary of ARGEN Actuarial Solutions

Primary professional regulator: Actuarial Society of South Africa

25 August 2015



## 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.

A handwritten signature in black ink, appearing to be 'J.S.' or similar, located in the bottom right corner of the page.

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

We have performed the procedures agreed with the Registrar of Pension Funds (the "Registrar") and set out below with respect to the audited financial statements ("annual financial statements") and other information in the general ledger and management information comprising the accounting records of the KwaZulu-Natal Joint Municipal Provident Fund (the "Fund") for the year ended 31 March 2015. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Registrar in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar.

## Procedures and findings

Our procedures performed are set out in the numbered paragraphs (not bold) in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 31 March 2015.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB's International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

## Restriction on use and distribution

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Registrar and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.

*Auditor-General*

Pietermaritzburg

18 August 2015



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Procedures and Findings

	Procedures	Findings
	<b>Statement of Net Assets and Funds</b>	
<b>1</b>	<b>Investments</b>	
1.1	Inspect the list of investment balances reflected in the general ledger of the Fund as at 31 March 2015 for any investments in accordance with the terms of section 19(4) of the Act.	Not applicable. There are no investments in the participating employer.
1.1.1	Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger.	Not Applicable.
1.1.2	Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Registrar.	Not Applicable.
1.2	Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrators, and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates):	Obtained the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrators, and performed the following procedures:
1.2.1	Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.	The underlying investments were in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.
1.2.2	Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.	The investment mandate and the investment policy statement did provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.
1.2.3	Inspect whether the collateral and counterparty requirements as prescribed are complied with.	Not applicable. Investment mandates and investment policy do not prescribe collateral and counterparty requirements.

	<b>Procedures</b>	<b>Findings</b>
1.2.4	<p>For segregated portfolios, confirm directly with the investment administrators:</p> <p>(a) whether scrip lending took place during the year and, if so,</p> <p>(b) whether there was collateral provided by the counterparties for any scrip lending activities and, if so,</p> <p>(c) the percentage exposure covered by the collateral.</p> <p>Report on the amount for a).</p>	<p>The direct confirmations received from the investment administrators indicated that:</p> <p>(a) scrip lending took place during the year. Scrip lending amounted to R183,174,542 as at 31 March 2015, and</p> <p>(b) collateral was provided by the counterparties for any scrip lending activities; and</p> <p>(c) collateral provided covered 206% of the exposure.</p>
<b>2</b>	<b>Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)</b>	
2.1	Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 March 2015.	Obtained a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 March 2015.
2.2	Select a random sample of the lesser of 25 or 10% of the number of members from the list of members and perform the following procedures:	
2.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system agreed to information supplied by the participating employers for the three months selected (June 2014, December 2014 and March 2015).
2.2.2	Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the year under review).	The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the rules of the Fund for the three months selected.

	<b>Procedures</b>	<b>Findings</b>
2.2.3	In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	Not applicable. KwaZulu-Natal Joint Municipal Provident Fund does not have unitised investment products.
2.2.4	In respect of unitised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	Not applicable. KwaZulu-Natal Joint Municipal Provident Fund does not have unitised investment products.
2.2.5	In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end.	Not applicable. KwaZulu-Natal Joint Municipal Provident Fund does not have unitised investment products.
2.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	The interim and final return allocated to each individual member's account in the administrator's records agreed to the return approved in accordance with an approved recommendation by the fund valuator.
2.3	Obtain a list of members who switched investment portfolios during the year from the Fund/administrator, select a random sample of the lesser of 25 or 10% of members who switched between investment portfolios during the year, and perform the following procedures:	Not applicable. There were no investment portfolio switches.
2.3.1	Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.	Not applicable. There were no investment portfolio switches.

	<b>Procedures</b>	<b>Findings</b>
2.3.2	Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.	Not applicable. There were no investment portfolio switches.
2.4	For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:	Not applicable. The assets underlying the Member share account, risk and expenses reserve account and Investment reserve account are invested in the general assets of the fund and no separate allocation is made for any specific group of members.
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	Not Applicable.
2.4.2	Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.	Not Applicable.
2.4.3	Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Registrar.	Not Applicable.
<b>3</b>	<b>Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)</b>	
3.1	Select a sample of the lesser of 25 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:	Not applicable. KwaZulu-Natal Joint Municipal Provident Fund is a defined contribution fund
3.1.1	Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	Not Applicable.
<b>4</b>	<b>Surplus apportionment scheme</b>	

	<b>Procedures</b>	<b>Findings</b>
4.1	If a surplus apportionment scheme was approved by the Registrar in the current year or if allocation and/or payments to members were made during the year, perform the following procedures:	Not applicable. There was no surplus apportionment scheme approved by the Registrar in the current year nor was there an allocation and/or payments made to members during the year.
4.1.1	<u>Active members:</u> Select a random sample of the lesser of 25 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	Not Applicable.
4.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	Not Applicable.
4.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not Applicable.
4.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 25 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	Not Applicable.
4.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	Not Applicable.
4.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not Applicable.
4.1.2.3	Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.	Not Applicable.

	<b>Procedures</b>	<b>Findings</b>
<b>5</b>	<b>Member and employer surplus accounts</b>	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure:	Not applicable. There are no surplus accounts in the annual financial statements.
5.1.1	Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.	Not Applicable.
<b>6</b>	<b>Reserves</b>	
6.1	Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures:	Obtained the list of reserves and other related accounts and the movements per the financial statements and/or in the actuarial valuation, and performed the following procedures:
6.1.1	Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.	The solvency, risk and contribution reserve account held by the Fund and reflected in the actuarial valuation were in accordance with the registered rules of the Fund.
6.1.2	Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act.	The movements in the solvency, risk, contribution reserve as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act.
<b>7</b>	<b>Other assets, liabilities and guarantees</b>	
7.1	Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 31 March 2015, and perform the following procedure:	Not applicable. No housing loans have been granted by the Fund.
7.1.1	Agree the total housing loans on the above list to the corresponding account in the annual financial statements.	Not Applicable.
7.2	From the list in 7.1, randomly select a sample of the lesser of 25 or 10% of the number of members' housing loans granted and perform the following procedures:	Not applicable. No housing loans have been granted by the Fund.
7.2.1	Inspect evidence that the value of the housing loan provided does not exceed the amount permitted by the rules and the home loan agreement.	Not Applicable.



	<b>Procedures</b>	<b>Findings</b>
7.2.2	Inspect evidence that the housing loan has been granted in terms of Section 19(5) (a).	Not Applicable.
7.2.3	Inspect evidence that repayments are being made in accordance with the housing loan agreement.	Not Applicable.
7.2.4	Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate.	Not Applicable.
7.2.5	If the Fund issued more than 100 housing loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).	Not Applicable.
7.3	Obtain the list of housing loan guarantees and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees and perform the following procedures:	Obtained the list of housing loan guarantees and performed the following procedures:
7.3.1	For the sample selected, determine that each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund.
7.3.2	Inspect evidence that the housing loan guarantee has been granted in terms of Section 19(5) (a).	The housing loan guarantee had been granted in terms of Section 19(5) (a).
7.4	Obtain a list of other loans per the general ledger of the Fund as at 31 March 2015 and perform the following procedure:	Not applicable. No other loans have been granted by the Fund.
7.4.1	Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.	Not Applicable.
	<b>Statement of Changes in Net Assets and Funds</b>	
<b>8</b>	<b>Contributions</b>	
8.1	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:	

	<b>Procedures</b>	<b>Findings</b>
8.1.1	Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.	The contributions received by or on behalf of the Fund agreed to the remittance advice from the participating employer/pay-point.
8.1.2	Inspect the bank statements 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.
8.2	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year-end from a list supplied by the Fund/administrator and perform the following procedure:	Not applicable. There are no participating employers with arrear which reflect arrear contributions at year-end .
8.2.1	Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such.	Not Applicable. There are no arrear contributions.
<b>9</b>	<b>Benefits</b>	
9.1	Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:	Obtained a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedures:
9.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The list has been agreed to the respective general ledger benefit expense accounts reconciliation.
9.2	Select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedures:	

	<b>Procedures</b>	<b>Findings</b>
9.2.1	Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.	The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.
9.2.2	For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.	Not applicable.
9.2.3	Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) 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 contributions were added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) agreed to the fund credit report or administration system as at the date of exit.
9.3	Obtain a list of all benefits not yet paid at year-end, select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedure:	Obtained a list of all benefits not yet paid and performed the following procedure:
9.3.1	Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits.	The benefits that were older than the period as set out in the Act or a shorter period defined by the Rules were classified as unclaimed benefits.
<b>10</b>	<b>Transfers</b>	
10.1	Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	The list of total section 14 transfers to and from the Fund agreed to the corresponding account in the general ledger.
10.2	From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out, and perform the following procedures:	

	<b>Procedures</b>	<b>Findings</b>
10.2.1	Agree the sample of section 14 transfers to and from the Fund to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or b) the section 14(8) documentation as prescribed.	The sample of section 14 transfers to and from the Fund agreed to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer. b) Not applicable.
10.2.2	Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.	After the 12 month transfer period expired, the registrar was furnished with the final scheme of members transferred. The registrar issued a s14(1)(e) certificate. Inspected the s14(1)(e) certificate.
10.2.3	In respect of unitised funds, select a sample of the lesser of 25 or 10% of the number of members transferred from other funds and recalculate 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 added from the date of receipt to the date of purchase).	Not applicable. KwaZulu-Natal Joint Municipal Provident Fund is not a unitised fund.
10.3	<b>Individual transfers</b> Obtain the list of individual transfers throughout the year ended 31 March 2015, select a sample of the lesser of 25 or 10% of the number of individual transfers, and perform the following procedures:	Not applicable. There were no individual transfers.
10.3.1	Agree the transfers to the approved recognition of transfer documentation.	Not Applicable.
10.3.2	<b>For individual transfers in selected</b> In respect of unitised funds, recalculate 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 added from the date of receipt to the date of purchase).	Not Applicable.
<b>11</b>	<b>Pensioners paid</b>	

	<b>Procedures</b>	<b>Findings</b>
11.1	Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	Not applicable. The Fund does not have pensioners.
11.1.1	Agree the total pensions paid for the year ended 31 March 2015 to the corresponding account reconciliation to the general ledger balance.	Not Applicable.
11.2	Select a sample of the lesser of 25 or 10 % of the number of pensioners paid directly from the fund from the above list and perform the following procedures:	Not applicable. The Fund does not have pensioners.
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	Not Applicable.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	Not Applicable.
11.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	Not applicable. The Fund does not have pensioners.
11.3.1	Agree the closing market value of the annuity to the annual financial statements.	Not Applicable.
11.3.2	Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements.	Not Applicable.
	<b>General</b>	
12.1	Inspect evidence that the Fund's fidelity insurance cover was in place throughout the year ended 31 March 2015 that the Fund's fidelity insurance cover extends after year-end and report the date to which the subsequent fidelity insurance cover extends.	The Fund's fidelity insurance cover was in place throughout the year ended 31 March 2015, the Fund's fidelity insurance cover extended after year-end. The subsequent fidelity insurance cover extended to 29 February 2016.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 31 March 2015.	Not applicable. The Fund did not have a GLA policy.

	<b>Procedures</b>	<b>Findings</b>
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at 31 March 2012 and perform the following procedures:	Obtained the most recent statutory valuation signed and submitted by the valuator as at 31 March 2012 and performed the following procedures:
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	Per the statutory valuation report the Fund was fully funded.
12.3.2	Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Registrar.	Not applicable. The fund is fully funded.

**KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**SCHEDULE 1A - INVESTMENT SCHEDULE**  
**At 31 March 2015**

**INVESTMENTS<sup>1</sup>**

	Notes <sup>2</sup>	A	B	C	D	E	A+B+C+D+E V+W+X	V	W	X	W+X	Total Foreign percentage Exposure	Y	Z	V+W+X+Y+Z
		Direct Investments	Non-compliant Collective Investment schemes	Non-compliant Insurance Policies	Derivative positions without residual risk	Compliant Investments	Total	Local	Foreign	Foreign Africa	Total Foreign		Derivative positions with residual risk	Reconciling Items between Schedule IB and Schedule F	TOTAL as per Regulation 28 (schedule IB)
		R	Note M1	Note M2	Note G1	Note L	R	R	R	R	R	%	Note G2	R	R
CASH (Including cash at bank)	A	170 819 877	0	0	0	0	170 819 877	165 473 619	5 346 258	0	5 346 258	0.19%	0.00	0.00	170 819 877
Commodities	B	20 984 126	0	0	0	0	20 984 126	20 984 126	0	0	0	0.76%	0.00	0.00	20 984 126
Housing Loans		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Debt instruments Including Islamic debt Instruments	C	544 534 798	0	0	0	0	544 534 798	543 634 883	0	899 915	899 915	0.03%	0.00	0.00	544 534 798
Investment Properties and owner occupied properties	D	102 408 135	0	0	0	0	102 408 135	102 259 859	148 276	0	148 276	0.01%	0.00	0.00	102 408 135
Equities	E	1 904 541 759	0	0	0	0	1 904 541 759	1 377 782 700	526 757 646	1 413	526 759 059	19.20%	0.00	0.00	1 904 541 759
Derivative Market Instruments	G	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Investments in participating employer(s)	H	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Other assets	I	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Hedge Funds	J	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Private Equity Funds	K	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Collective Investment Schemes		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Insurance Policies:		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
- Linked Policies		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
- Non-Linked Policies		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
- Insurance Policies ito Reg 28(3)(c) <sup>3</sup>		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Entities regulated ito Reg 28(8)(b)(iv)		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
Investments not disclosed/ data not available for disclosure by entities	M	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00
<b>TOTAL INVESTMENTS</b>		<b>2 743 288 695</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 743 288 695</b>	<b>2 210 135 187</b>	<b>532 252 180</b>	<b>901 328</b>	<b>533 153 508</b>	<b>20.20%</b>	<b>0.00</b>	<b>0.00</b>	<b>2 743 288 694.96</b>

Notes:

- Schedule prepared on a look through basis except for private equity and hedge funds which shows the structure of the investment
- Detailed disclosure is applicable on segregated/ direct investments
- Assets which are subject to the grandfathering provision as set out in regulation 28(3)(c)
- The total investments will be equal to Schedule IB item A

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE INVESTMENT SCHEDULE**  
**At 31 March 2015**

**A CASH**

<b>Instrument</b>	<b>Fair value R</b>
<b>Local</b>	
<b>Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments</b>	<b>165 473 619</b>
<b>Notes and coins, any balance or deposit in an account held with a South African bank</b> List issuers/entities which exceeds 5% of total assets	99 821 558
<b>A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument</b> List issuers/entities which exceeds 5% of total assets	61 586 103
<b>Any positive net balance in a margin account with an exchange</b> List issuers/entities which exceeds 5% of total assets	4 065 958
<b>Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets</b> List issuers/entities which exceeds 5% of total assets	0
<b>Foreign</b>	<b>5 346 258</b>
<b>Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments</b>	5 346 258
<b>Any balance or deposit held with a foreign bank</b> List issuers/entities which exceeds 5% of total assets	
<b>Any balance or deposit held with an African bank</b> List issuers/entities which exceeds 5% of total assets	
<b>A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument</b> List issuers/entities which exceeds 5% of total assets	
<b>Total Cash</b>	<b><u>170 819 877</u></b>

**B COMMODITIES**

<b>Instrument</b>	<b>Local or foreign</b>	<b>Holding number</b>	<b>% Holding</b>	<b>Fair value R</b>
<b>Gold (including Kruger Rands)</b> List issuers/entities which exceeds 5% of total assets				3 205 618
<b>Other</b>				
Palladium				7 737 200
Platinum				10 041 308
<b>Total Commodities</b>				<b>20 984 126</b>



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE**

**At 31 March 2015**

**C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS**

<b>Instrument</b>	<b>Local or foreign</b>	<b>Secured/ Unsecured</b>	<b>Issued/ Guaranteed</b>	<b>Redemption value R</b>	<b>Fair value R</b>
<b>Government debt:</b>					<b>252 124 232.00</b>
<b>Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic</b> List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured			252 124 232.00
<b>Debt instruments issued or guaranteed by the government of a foreign country:</b> List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured			-
<b>Bank debt :</b> <b>Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-</b>	Local	Secured/ Unsecured			<b>153 650 570.00</b>
<b>Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed</b> List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured		-	150 797 090.00
<b>Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed</b> - List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured		-	-
<b>Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed</b> - List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured			2 853 480.00
<b>Not listed on an exchange</b> (provide details)					

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

**At 31 March 2015**

**C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS (continued)**

<b>Instrument</b>	<b>Local or foreign</b>	<b>Secured/ Unsecured</b>	<b>Issued/ Guaranteed</b>	<b>Redemption value R</b>	<b>Fair value R</b>
<b>Public debt:</b>					
<b>Debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-</b>		Secured/ Unsecured		<b>44 666 375.00</b>	<b>46 885 891.00</b>
1.Airports Company of South Africa Limited	Local			3 310 000.00	4 437 272.00
2.Development Bank of South Africa	Local			5 100 147.00	6 746 705.00
3.ESKOM	Local			19 276 891.00	16 838 160.00
4.Industrial Development Corporation of South Africa	Local			304 904.00	304 904.00
5.Land and Agricultural Development Bank of South Africa	Local			300 630.00	300 630.00
6.Trans – Caledon Tunnel Authority	Local			941 803.00	1 010 205.00
7.Transnet Limited	Local			10 834 000.00	12 322 920.00
8.The South African National Roads Agency Limited	Local			2 158 000.00	2 266 319.00
9.Rand Water	Local			2 000 000.00	2 176 853.00
10.Umgeni Water	Local			440 000.00	481 923.00
<b>Corporate debt (excluding debentures):</b>					
<b>Debt instruments issued or guaranteed by an entity that has equity listed on an exchange</b>	Local	Secured/ Unsecured		<b>88 276 224.00</b>	<b>88 276 224.00</b>
<b>Listed on an exchange</b> List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured		88 276 224.00	88 276 224.00
<b>Not listed on an exchange</b>				-	-
					-
<b>Debentures:</b>					-
<b>Listed on an exchange</b> List issuers/entities which exceeds 5% of total assets					-
<b>Not listed on an exchange</b> (provide details)					-
<b>Other</b>	Local			-	<b>3 597 881.00</b>
<b>Listed on an exchange:</b> List issuers/entities which exceeds 5% of total assets				-	<b>2 670 458.00</b>
<b>Not listed on an exchange</b>					<b>927 423.00</b>
Sanlam					12 447.00
Superdrive Investments					744 826.00
Stanlib					170 150.00
<b>INCLUDING ISLAMIC DEBT INSTRUMENTS</b>					<b>544 534 798.00</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

For the period ended 31 March 2015

**D INVESTMENT AND OWNER OCCUPIED PROPERTIES**

Instrument	Local or foreign	Fair value R
<b>Owner occupied properties</b>		
- List issuers/entities which exceeds 5% of total assets		
<b>Investment properties</b>		
- List issuers/entities which exceeds 5% of total assets		
<b>TOTAL</b>		

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	% Holding	Fair value R
<b>Shares and linked units in property companies, or units in a collective investment scheme in property, <u>listed</u> on an exchange:</b>						
<b>Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed</b>						85 889 246
List issuers/entities which exceeds 5% of total assets						
<b>Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed</b>						6 511 570
List issuers/entities which exceeds 5% of total assets						
<b>Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed</b>						10 007 319
List issuers/entities which exceeds 5% of total assets						
<b>Shares in property companies and linked units in property companies, <u>not listed</u> on an exchange:</b>						
Provide details						
<b>TOTAL</b>						<b>102 408 135</b>

Instrument	Local/ Foreign	Secured by	Interest rate			Fair value R
<b>Participating mortgage bonds-</b>						
List issuers/entities which exceeds 5% of total assets						
<b>TOTAL</b>						

						Fair value R
<b>TOTAL OF INVESTMENT AND OWNER OCCUPIED PROPERTY</b>						<b>102 408 135</b>

Note: Valuation method and date of valuation

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

**At 31 March 2015**

**E EQUITIES**

<b>Instrument</b>	<b>Local/ Foreign</b>	<b>Issued shares</b>	<b>Ordinary/ Preference shares</b>	<b>Holding number</b>	<b>Holding in issuer/ entity %</b>	<b>Fair value  R</b>
<b>Listed equities</b>						<b>1 904 535 266</b>
<b>Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed</b> List issuers/entities which exceeds 5% of total assets	Local	70 211 087 049	Ordinary	11 325 105	0.00%	1 583 740 336
<b>Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed</b> List issuers/entities which exceeds 5% of total assets	Local	29 511 107 330	Ordinary	9 117 195	0.00%	252 453 832
<b>Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed</b> List issuers/entities which exceeds 5% of total assets	Local	7 174 033 372	Ordinary/ Preference	3 790 733	0.00%	68 341 098
<b>Unlisted equities</b>						
Oesterreich Post						6 493
<b>TOTAL EQUITIES</b>						<b><u>1 904 541 759</u></b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

At 31 March 2015

**F SECURITIES LENDING**

Securities on lend	Maximum of Fair value of security	Transac-tion date	Collateral	Fair value	No. of shares lent	Name of counter party	Scrip custodian	Manufactured dividend R
Equities – Top 100 of companies (by market cap) listed on an exchange	75%		Various	133 476 444.31	1 705 085	Nedbank	Nedbank	3 083 960.95
Other listed equities (provide details)	50%							
Debt – Government bonds	75%		Various	49 698 097.92	46 422 186	Nedbank	Nedbank	
Other listed debt instruments (provide details)	50%							
Money Market Instruments issued by a South African bank, including an Islamic liquidity	75%							
<b>TOTAL</b>				<b>183 174 542.23</b>	<b>48 127 271</b>			<b>3 083 960.95</b>

Included in the value above are the following scrip lending transactions:

Name of lender	Description	% of total assets	Value of transaction
NATAL JOINT MUNICIPAL PROVIDENT	PRUDENTIAL 8882034437	50%	86 027 701.57
NATAL JOINT MUNICIPAL PROVIDENT	ALLAN GRAY 8882020991	50%	12 429 735.00
NATAL JOINT MUNICIPAL PROVIDENT	CORONATION 8882034402	50%	41 202 956.40
NATAL JOINT MUNICIPAL PROVIDENT	STANLIB 110138400010	50%	43 514 149.26
Total			<b>183 174 542.23</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

At 31 March 2015

**G DIRECT DERIVATIVE MARKET INSTRUMENTS**

**G1 DERIVATIVE POSITIONS WITHOUT RESIDUAL RISK**

Instrument Notes 1,2 & 3	Local or Foreign	Listed or Unlisted	Strike price	Cost or Premium	Fair value	Effective Economic Exposure		Potential Loss	Potential Gain	Exchange rate	Fixed rate or Variable rate	Counter- party	Counter- party %	Expiry date	Holding number	Holding %
						Gross	Nett									
Options e.g. put or call																
Futures/ Forwards/ SAFEX	Local	Listed					5 340 575.80						SAFEX	18/06/2015	100.00	
Currency swaps																
Interest rate swaps																
Forward rate agreements																
Equity linked instruments																
Other (Provide details)																
<b>TOTAL</b>																

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**  
**At 31 March 2015**

[illegible]

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

At 31 March 2015

**H Investments in participating employer/s**

Instrument	Local or Foreign	Holding number	% Holding	Interest rate	Secured by	Listed/not listed	Issued / Guaranteed	Fair value R
Cash								
Commodities								
Housing Loans								
Debt instruments								
<b>SUBTOTAL</b>								

Instrument	Local or Foreign	Address	Valuation method	Date of last valuation	Pledged as a guarantee	Listed/not listed	Fair value R
Investment properties and owner occupied properties							
<b>SUBTOTAL</b>							

Instrument	Local or Foreign	Issued shares	Holding number	Ordinary/preference shares	% holding	Listed/not listed	Fair value R
Equities							
Hedge funds							
Private equity							
Other (provide detail)							
<b>SUBTOTAL</b>							
<b>TOTAL FOR INVESTMENT IN PARTICIPATING</b>							



**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**  
At 31 March 2015

**I OTHER ASSETS**

Instrument	Local or Foreign	Holding number	% Holding	Fair value R
ALLAN GAY LIFE ORBIS GLOBAL EQUITY	Foreign	163 399.77	0.21%	77 155 721.20
<b>Total other portfolio assets</b>				<b>77 155 721.20</b>

**J HEDGE FUNDS**

Instrument	Local or Foreign	Structure	% Holding	Leverage/ Gearing	Term of contract	Period into contract	Total value of commitment R	Current value of commitment R
Hedge Funds (Provide details)								
Funds of Hedge Funds (Provide details)								
<b>Total Hedge funds commitment</b>								

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

At 31 March 2015

**K PRIVATE EQUITY FUNDS**

Instrument	Local or Foreign	Structure	Category 2 approval	FAIS approval number	% Holding	Term of contract	Number of permitted drawdowns as per contract	Number of permitted drawdowns exercised	Number of drawdowns exceeded (if any)	Total value of commitment R	Current value of commitment R
Private Equity Fund											
(Provide details)											
Funds of Private Equity Fund											
(Provide details)											
<b>Total Private Equity funds commitment</b>											

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**

At 31 March 2015

**L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS**

Instrument	Local or foreign	Fair value R
Collective Investment Schemes – regulation 28(8)(b)(i)	Local & Foreign	-
Linked policies – regulation 28(8)(b)(ii)		
Non Linked policies – regulation 28(8)(b)(iii)		
Regulated entities – regulation 28(8)(b)(iv)		
<b>Total certified Regulation 28 compliant Investments</b>		-

Note 1:

List issuers/entities which exceeds 5% of total assets

**M REGULATION 28 NON COMPLIANT INVESTMENTS**

**M1 Non-compliant Collective investment schemes**

Instrument	Local or Foreign	% Holding	Fair value R
Collective Investment Schemes			
<b>Total Non-compliant Collective Investment schemes</b>			

**M2 Non-compliant Insurance policies**

Instrument	Local or Foreign	% Holding	Fair value R
Linked Policies			
Non-linked policies			
<b>Total Non-compliant Insurance policies</b>			

**N Investments not disclosed /data not available for disclosure by entities**

Investment manager/CIS/ Insurer responsible for not providing information on investment(s)/portfolio	Fair Value R	Reasons
Provide details		-Previous period compliant portfolio -Previous period non-compliant portfolio -Foreign portfolio -Other

## O ENTITY/ COUNTERPARTY EXPOSURE / CREDIT / COUNTER PARTY RISK

Counter party	Direct investment in counter party R	Deposit/liquid asset with counter party R	Securities lending transactions R	Open financial instruments mark to market value R	Guarantee s R	Any other instrument R	Total per Counter Party R	Exposure to counter party as a % of the fair value of the assets of the fund
<b>BANKS</b>	<b>197 833 471.35</b>	<b>46 476 663.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>125 061 504.37</b>	<b>369 371 639.32</b>	<b>13.46%</b>
ABSA BANK	59 280.00	5 270 774.96	0.00	0.00	0.00	16 821 765.89	22 151 820.85	0.81%
AFRICAN BANK LIMITED	0.00	2 307 543.19	0.00	0.00	0.00	1 670 503.78	3 978 046.97	0.15%
BANK OF WINDHOEK	0.00	0.00	0.00	0.00	0.00	706 259.89	706 259.89	0.03%
BARCLAYS AFRICA GROUP LTD	24 486 785.00	0.00	0.00	0.00	0.00	103 969.64	24 590 754.64	0.90%
CAPITEC BANK LIMITED	4 714 011.54	0.00	0.00	0.00	0.00	3 572 836.86	8 286 848.40	0.30%
DEVELOPMENT BANK OF SA	0.00	0.00	0.00	0.00	0.00	5 454 023.99	5 454 023.99	0.20%
FIRST RAND LIMITED	55 282 277.92	0.00	0.00	0.00	0.00	35 899 890.45	91 182 168.37	3.32%
INKOTHA INVESTMENT LTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
INVESTEC BANK LTD	24 912 040.95	0.00	0.00	0.00	0.00	14 748 064.50	39 660 105.45	1.45%
NEDBANK GROUP LTD	20 275 738.38	22 270 650.93	0.00	0.00	0.00	13 564 542.11	56 110 931.42	2.05%
RMB HOLDINGS LTD	5 357 185.56	4 373 282.57	0.00	0.00	0.00	0.00	9 730 468.13	0.35%
STANDARD BANK OF SA	62 746 152.00	5 414 682.57	0.00	0.00	0.00	32 519 647.26	100 680 481.83	3.67%
SAFEXX	0.00	6 839 729.38	0.00	0.00	0.00	0.00	6 839 729.38	0.25%
<b>ASSET MANAGERS LOCAL</b>	<b>0.00</b>	<b>98 801 010.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>157 197 186.72</b>	<b>255 998 197.23</b>	<b>9.33%</b>
CORONATION FUND MANAGERS	0.00	95 231 830.70	0.00	0.00	0.00	55 140 196.05	150 372 026.75	5.48%
PRUDENTIAL PORT MGR	0.00	3 569 179.81	0.00	0.00	0.00	35 959 139.46	39 528 319.27	1.44%
STANLIB	0.00	0.00	0.00	0.00	0.00	66 097 851.21	66 097 851.21	2.41%
<b>ASSET MANAGERS FOREIGN</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>532 570 604.15</b>	<b>532 570 604.15</b>	<b>19.41%</b>
ALLAN GRAY	0.00	0.00	0.00	0.00	0.00	77 155 721.20	77 155 721.20	2.81%
CONTRARIUS	0.00	0.00	0.00	0.00	0.00	119 438 694.99	119 438 694.99	4.35%
RUSSELL INVESTMENTS	0.00	0.00	0.00	0.00	0.00	150 100 716.43	150 100 716.43	5.47%
WALTER SCOTT & PARTNERS	0.00	0.00	0.00	0.00	0.00	185 875 471.53	185 875 471.53	6.78%
<b>INSURANCE COMPANIES</b>	<b>74 708 792.09</b>	<b>12 446.58</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9 733 835.77</b>	<b>84 455 074.44</b>	<b>3.08%</b>
ALEXANDER FORBES	4 280 772.70	0.00	0.00	0.00	0.00	0.00	4 280 772.70	0.16%
LIBERTY GROUP LTD	5 593 769.10	0.00	0.00	0.00	0.00	1 492 532.31	7 086 301.41	0.26%
DISCOVERY HLD	3 123 369.60	0.00	0.00	0.00	0.00	0.00	3 123 369.60	0.11%
OLD MUTUAL	44 699 136.22	0.00	0.00	0.00	0.00	2 759 844.59	47 458 980.81	1.73%
MMI HOLDINGS	6 943 628.94	0.00	0.00	0.00	0.00	262 056.91	7 205 685.85	0.26%
SANLAM	10 068 115.53	12 446.58	0.00	0.00	0.00	4 717 601.46	14 798 163.57	0.54%
SANTAM LIMITED	0.00	0.00	0.00	0.00	0.00	501 800.50	501 800.50	0.02%
<b>TOTAL</b>	<b>272 542 263.44</b>	<b>145 290 120.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>824 563 131.01</b>	<b>1 242 395 515.14</b>	<b>45.29%</b>
<b>PARTICIPATING EMPLOYERS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>272 542 263.44</b>	<b>145 290 120.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1 242 395 515.14</b>	<b>45.29%</b>

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**
**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**
**At 31 March 2015**
**Market risk**
**EQUITY HOLDINGS**
**List the 10 largest rand-value equity holdings**

Investment	Fair value at end of period	Open financial instruments	Total fair value equity holdings and open instruments	Market movement by 5%
		R	R	
NASPERS LTD	134 439 910.00		134 439 910.00	141 161 905.50
BRITISH AMERICAN TOBACCO PLC	101 338 819.00		101 338 819.00	106 405 759.95
MTN GROUP LTD	63 727 735.00		63 727 735.00	66 914 121.75
STANDARD BANK GROUP LTD	62 746 152.00		62 746 152.00	65 883 459.60
SASOL LTD	61 078 235.79		61 078 235.79	64 132 147.58
FIRSTRAND LTD	54 167 480.32		54 167 480.32	56 875 854.34
OLD MUTUAL PLC	44 699 136.22		44 699 136.22	46 934 093.03
STEINHOFF INT.HLDS LTD	39 501 842.68		39 501 842.68	41 476 934.81
ANGLO AMERICAN PLC	34 820 257.50		34 820 257.50	36 561 270.37
SA BREWERIES ORD SHARES	33 503 208.00		33 503 208.00	35 178 368.40
<b>Total value of 10 largest equity holdings</b>	<b>630 022 776.51</b>		<b>630 022 776.51</b>	<b>661 523 915.33</b>
<b>Total movement as % of non-current assets plus bank</b>				<b>1.15</b>

**2 743 288 694.96**
**OTHER FINANCIAL INSTRUMENTS**
**List the 10 largest rand-values other financial instruments**

Instrument	Holding	Fair value at end of period	Market movement by 5%
		R	R
WALTER SCOTT & PARTNERS GLOBAL EQUITY	51 071	185 875 471.53	195 169 245.10
RUSSELL INVESTMENTS WORLD EQUITY CL	545 526	150 100 716.43	157 605 752.25
CONTRARIUS GLOBAL EQUITY FUND	276 190	119 438 694.99	125 410 629.73
CORONATION ACTIVE - Deposit Accounts		94 800 000.00	94 800 000.00
ALLAN GAY LIFE ORBIS GLOBAL EQUITY	163 400	77 155 721.20	81 013 507.26
REPUBLIC OF SA 10.50 211226	55 137 333	68 023 468.08	71 424 641.48
CAB001 CORONATION ACTIVE BOND	33 079 133	45 223 707.01	47 484 892.36
REPUBLIC OF SA 8.50 31012037	39 929 996	40 921 330.03	42 967 396.53
PRU HIGH INTEREST FUND CLASS B	35 941 169	35 959 139.46	37 757 096.43
STD INST MMARKET B4	22 808 555	22 808 554.75	23 948 982.49
<b>Total value of 10 largest other instruments</b>		<b>840 306 803.48</b>	<b>877 582 143.63</b>
<b>Total movement as % of non-current assets plus bank</b>			<b>1.36</b>

**2 743 288 694.96**

**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**  
**At 31 March 2015**

Foreign instruments	Description	Fair value at end of period	Market movement by 5%
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**2 743 288 694.96**

Hedging instrument	Marked to market profit/loss	Disclosure
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**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**  
**NOTES TO THE INVESTMENT SCHEDULE - CONTINUED**  
**At 31 March 2015**

**P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE IA**

	Fair value current (as per Schedule H2.1)	Amortised cost current period	Cash at bank	Property split (Schedule IAD)	Non- compliant CIS	Non- compliant Insurance Policies	Compliant investments	Derivatives with residual risk	Investment information (Schedule IAN)	Other	Total
Cash	144 477 806.94		58 855 036.66							-32 512 966.60	170 819 877.00
Commodities										20 984 126.00	20 984 126.00
Housing Loans											0.00
Debt instruments including Islamic debt instruments	435 578 515.12									108 956 285.90	544 534 801.02
Investment properties and owner occupied properties										102 408 135.00	102 408 135.00
Equities	1 414 609 545.37									489 932 213.60	1 904 541 758.97
Investments in participating employers											0.00
Hedge Funds											0.00
Private Equity Funds											0.00
Derivative market instruments											0.00
Collective Investment Schemes	612 612 069.67									-612 612 069.67	0.00
Insurance Policies											0.00
Entities regulated ito Reg 28(8)(b)(iv)											0.00
Investments not disclosed /data not available for disclosure by entities											0.00
Other assets	77 155 721.40									-77 155 721.40	0.00
<b>TOTAL INVESTMENTS</b>	<b>2 684 433 658.50</b>	<b>0.00</b>	<b>58 855 036.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.83</b>	<b>2 743 288 697.99</b>

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 March 2015

	Fair value R
<b>A Total assets (Schedule IA -Total investments)</b>	<b>2 743 288 695</b>
<b>B1 Less: Reg 28 compliant investments</b>	<b>0</b>
(certificate received from issuing entity):-	
B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i))	0
B.1.2 Linked Policies (Reg 28(8)(b)(ii))	0
B.1.3 Non-Linked policies (Reg 28(8)(b)(iii))	0
B.1.4 Entity regulated by FSB (Reg 28(8)(b)(iv))	0
<b>B2 Less: Reg 28 Excluded Investments</b>	<b>0</b>
B.2.1 Insurance Policies ( Reg 28(3)(c))	0
<b>C Less: Investments not disclosed /data not available for disclosure [Refer Schedule IAN]</b>	<b>0</b>
<b>D TOTAL ASSETS for REGULATION 28 DISCLOSURE</b>	<b>2 743 288 695</b>

		R	%
<b>1 CASH</b>	100%	170 819 877	6.23%
Notes, deposits, money market instruments issued by a South African bank			
1.1 African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial	100%	165 473 619	0.060319433
(a) Notes and coins, any balance or deposit in an account held with a South African bank		99 821 558	
-per issuer/entity	25%		
African Bank Ltd		2 307 544	0.08%
ABSA Bank Ltd		18 061 956	0.66%
China Construction Bank		39 137	0.00%
CitiBank		19 586 917	0.71%
FirstRand Bank Ltd		10 662 797	0.39%
Hong Kong Shanghai Bank Corp		10 153	0.00%
Investec Bank Ltd		703 396	0.03%
Nedbank Ltd		-30 428 398	-1.11%
Standard Bank of SA		78 721 943	2.87%
Standard Chartered Bank		176 113	0.01%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		61 586 103	2.24%
-per issuer/entity	25%		
African Bank Ltd		399 198	0.01%
ABSA Bank Ltd		11 275 293	0.41%
FirstRand Bank Ltd		13 850 104	0.50%
Investec Bank Ltd		2 586 777	0.09%
Nedbank Ltd		17 393 643	0.63%
Standard Bank of SA		16 101 088	0.59%
(c) Any positive net balance in a margin account with an exchange		4 065 958	0.15%
-per issuer/entity	25%		
SAFEX - margin		4 065 958	0.15%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		0	
-per issuer/entity	25%	0	
Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	SARB maximum limits	5 346 258	0.19%
(a) Any balance or deposit held with a foreign bank		5 346 258	0.19%
-per issuer/entity	5%		
Australian Dollar		12 475	0.00%
Brazilian Real		832	0.00%
Canadian Dollar		9 081	0.00%
Swiss Franc		-28 272	0.00%
Danish Krone		3 391	0.00%
Euro currency		17 846	0.00%
Pound Sterling		2 688	0.00%
Hong Kong Dollar		8 363	0.00%
Israeli Shekel		3 898	0.00%
Japanese Yen		2 592	0.00%
South Korean Won		0	0.00%
Norwegian Krone		3 607	0.00%
New Zealand Dollar		4 490	0.00%
Swedish Krona		3 867	0.00%
Singapore Dollar		3 821	0.00%
US Dollar		5 297 579	0.19%
(b) Any balance or deposit held with an African bank		0	0.00%
-per issuer/entity	5%	0	0.00%
(c) A money market instrument issued by a foreign bank including an		0	0.00%
-per issuer/entity	5%	0	0.00%
<b>2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS</b>	100% issued/ guarantee by Republic otherwise 75%	544 534 798	19.85%
2.1 Inside the Republic	75/100%	543 634 883	19.82%
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	251 224 317	9.16%



(b)	Debt Instruments Issued or guaranteed by the government of a foreign country	75%	0	0.00%
	-per issuer	10%	0	0.00%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	75%	153 650 570	5.60%
(c)(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	150 797 090	5.50%
	-per issuer	25%		
	ABSA Bank Ltd		20 246 199	0.74%
	Capitec Bank Ltd		4 080 479	0.15%
	FirstRand Bank Ltd		38 124 974	1.39%
	Investec Bank Ltd		23 481 616	0.86%
	Nedbank Ltd		22 592 571	0.82%
	Standard Bank of SA		42 271 251	1.54%
(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	0	
	-per issuer	15%	0	
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	2 853 480	0.10%
	-per issuer	10%		
	African Bank Ltd		1 714 287	0.06%
	China Bank		1 139 193	0.04%
(c)(iv)	Not listed on an exchange	25%	0	
	- per issuer	5%	0	
(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%	135 162 115	4.93%
(d)(i)	Listed on an exchange	50%	135 162 115	4.93%
	-per issuer	10%		
	Airports Company SA Ltd		4 437 272	0.16%
	Anglo American Plc		1 318 693	0.05%
	Anglogold Ltd		3 932 478	0.14%
	Barlowsorld Ltd		4 194 997	0.15%
	Bayport Sec (RF) Ltd		1 954 357	0.07%
	Bidvest Group Ltd		1 423 684	0.05%
	City of Cape Town Municipality		2 398 445	0.09%
	City of Johannesburg		311 037	0.01%
	Capital Property Fund		678 970	0.02%
	Denel (Pty) Ltd		712 674	0.03%
	Development Bank of Southern Africa		6 746 705	0.25%
	Ekurhuleni Metro Municipality		6 786 781	0.25%
	Emira Property Fund		127 364	0.00%
	Eqstra Holdings Ltd		2 207 547	0.08%
	Eskom Holdings Ltd		16 838 160	0.61%
	Fortress Income Ltd		695 746	0.03%
	McQrie Sec SA (Pty) Ltd		252 224	0.01%
	Group Five Construction (Pty) Ltd		2 011 222	0.07%
	Growthpoint Property Fund		568 207	0.02%
	Hospitality Property Fund A		311 435	0.01%
	Industrial Dev Corp		304 904	0.01%
	Impala Platinum Holdings Ltd		1 693 753	0.06%
	Imperial Holdings Ltd		3 892 829	0.14%
	Landbank of SA		300 630	0.01%
	Liberty Group		1 569 644	0.06%
	Mercedes Benz SA		9 183 456	0.33%
	MMI Holdings Ltd		262 057	0.01%
	MTN Group Ltd		1 938 894	0.07%
	Netcare Ltd		1 789 596	0.07%
	Old Mutual Plc		2 759 845	0.10%
	Pinnacle Hldg		130 516	0.00%
	Pretoria Portland Cement		1 028 290	0.04%
	Rand Water Board		2 176 853	0.08%
	RCS Investments Ltd		11 569	0.00%
	Redefine Properties Ltd		286 461	0.01%
	SA National Roads Agency Ltd		2 266 319	0.08%
	SABMiller Plc		2 562 167	0.09%
	Sappi Ltd		2 126 340	0.08%
	Sanlam Ltd		2 219 402	0.08%
	Super Group Ltd		1 006 504	0.04%
	Stanlib		24 460 468	0.89%
	Telkom SA Ltd		185 023	0.01%
	Toyota Financial Services		430 219	0.02%
	Transnet Ltd		12 322 920	0.45%
	Trans Caledon Tunnel		1 010 205	0.04%
	City of Tshwane Metrop Muni		34 970	0.00%
	Umgenti Water		481 923	0.02%
	Vukile Property Fund Ltd		808 360	0.03%
(d)(ii)	Not listed on an exchange	25%	0	0.00%
	-per issuer	5%	0	0.00%
(e)	Other debt instruments:-	25%	3 597 881	0.13%
(e)(i)	Listed on an exchange	25%	2 670 458	0.10%
	- per instrument	5%		
	Commissioner Street no. 4 (RF) Ltd		998 222	0.04%
	Thekwini Fund 10 Ltd		656 936	0.02%
	Thekwini Fund 11 Ltd		1 015 300	0.04%
(e)(ii)	Not listed on an exchange	15%	927 423	0.03%
	Sanlam	5%	12 447	0.00%
	Superdrive Investments (Pty)	5%	744 826	0.03%
	Stanlib	5%	170 150	0.01%

(a)	Debt Instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	SARB maximum limits	899 915	0.03%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	SARB maximum limits	0	0.00%
	-per issuer	10%	0	0.00%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	SARB maximum limits	0	0.00%
(c)(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits	0	0.00%
	-per issuer	25%	0	0.00%
(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits	0	0.00%
	-per issuer	15%	0	0.00%
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits	0	0.00%
	-per issuer	10%	0	0.00%
(c)(iv)	Not listed on an exchange	25%	0	0.00%
	- per issuer	5%	0	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB maximum limits	0	0.00%
(d)(i)	Listed on an exchange	SARB maximum limits	0	0.00%
	-per issuer	10%	0	0.00%
(d)(ii)	Not listed on an exchange	25%	0	0.00%
	-per issuer	5%	0	0.00%
(e)	Other debt instruments:-	25%	0	0.00%
(e)(i)	Listed on an exchange	25%	0	0.00%
	- per instrument	5%	0	0.00%
(e)(ii)	Not listed on an exchange	15%	0	0.00%
	-per instrument	5%	0	0.00%

<b>3 EQUITIES</b>		75%	1 904 541 759	69.43%
<b>3.1 Inside the Republic</b>		75%	1 377 782 700	50.22%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	1 377 782 700	50.22%
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	1 141 053 121	41.59%
	-per issuer	15%		
	ABSA Bank Ltd		24 546 065	0.89%
	Anglo American plc		35 572 668	1.30%
	Aspen Pharmacare Holdings Ltd		17 461 630	0.64%
	African Rainbow		2 294 016	0.08%
	Avinia Ltd		14 880 546	0.54%
	Barloworld Ltd		3 101 469	0.11%
	Brait SA		539 000	0.02%
	British American Tobacco plc		102 184 582	3.72%
	BHP Billiton plc		23 002 802	0.84%
	Bidvest Group Ltd		20 385 720	0.74%
	Clicks		4 804 989	0.18%
	Capitec Bank Ltd		1 050 020	0.04%
	Distell Group Ltd		3 375 781	0.12%
	Discovery Holdings Ltd		3 123 370	0.11%
	Exxaro Resources Ltd		10 889 376	0.40%
	FirstRand Bank Ltd		59 524 666	2.17%
	Foschini Group Ltd		26 241 877	0.96%
	Gold Fields Ltd		2 212 508	0.08%
	Glencore Xstrata plc		21 364 141	0.78%
	Impala Platinum Holdings Ltd		14 000 069	0.51%
	Investec Bank Ltd		24 022 404	0.88%
	Liberty Holdings		5 593 769	0.20%
	Life Healthcare Group Holdings Ltd		651 109	0.02%
	Medi-Clinic Corp Ltd		10 557 137	0.38%
	MMI Holdings Ltd		6 943 629	0.25%
	Mondi Ltd		10 036 524	0.37%
	Mondi plc		24 415 837	0.89%
	Mr Price Group		3 965 933	0.14%
	MTN Group Ltd		63 727 735	2.32%
	Nedbank Ltd		20 629 574	0.75%
	Nampak Ltd		3 113 591	0.11%
	Naspers Ltd		134 756 918	4.91%
	Netcare Ltd		27 028 272	0.99%
	Old Mutual plc		44 699 136	1.63%
	Pioneer Food Group Ltd		11 768 512	0.43%
	Pick n Pay		12 899 774	0.47%
	Rainbow Chicken		125 870	0.00%
	Reinet Investments Sca		8 475 261	0.31%
	Remgro Ltd		12 992 836	0.47%
	Compagnie Fin Richemont		29 298 246	1.07%
	SABMiller plc		33 503 208	1.22%
	Sappl Ltd		23 343 671	0.85%
	Steinhoff Int Hlds		39 501 843	1.44%
	Sibanye Gold Ltd		1 668 289	0.06%
	Sanlam Ltd		10 068 116	0.37%
	Sasol Ltd		61 078 236	2.23%
	Spar Group Ltd		7 003 789	0.26%
	Standard Bank of SA		82 933 362	3.02%
	Truworths Int		498 757	0.02%
	Tsogo Sun Holdings Ltd		15 922 799	0.58%
	Vodacom Group Ltd		6 305 960	0.23%
	Woolworths Holdings Ltd		12 967 729	0.47%
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	168 531 204	6.14%
	-per issuer	10%		

				1 535 038				0.06%
				2 449 463				0.09%
				1 357 749				0.05%
				982 365				0.04%
				4 280 773				0.16%
				11 564 732				0.42%
				8 985 780				0.33%
				1 789 942				0.07%
				1 316 928				0.05%
				1 547 516				0.06%
				127 400				0.00%
				598 290				0.02%
				880 000				0.03%
				1 693 478				0.06%
				8 602 200				0.31%
				3 522 512				0.13%
				1 737 303				0.06%
				2 103 286				0.08%
				1 041 293				0.04%
				6 682 470				0.24%
				3 080 390				0.11%
				1 789 811				0.07%
				273 336				0.01%
				1 921 876				0.07%
				106 800				0.00%
				7 670 021				0.28%
				2 954 686				0.11%
				2 588 868				0.09%
				4 533 587				0.17%
				6 164 996				0.22%
				1 043 151				0.04%
				2 158 000				0.08%
				16 930 070				0.62%
				235 200				0.01%
				8 435 250				0.31%
				1 418 709				0.05%
				389 700				0.01%
				1 793 014				0.07%
				1 501 118				0.05%
				1 348 975				0.05%
				1 314 438				0.05%
				7 575 187				0.28%
				13 739 670				0.50%
				8 006 651				0.29%
				7 553 492				0.28%
				788 690				0.03%
				417 000				0.02%
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%		68 198 375				2.49%
	-per issuer	5%						
	Astrapak Ltd			257 855				0.01%
	Argent Industrial			196 200				0.01%
	Blackstar Group Se			17 775				0.00%
	Basil Read Holdings Ltd			614 906				0.02%
	Buildmax Ltd			107 678				0.00%
	Distribution & Warehousing Network Ltd			980 668				0.04%
	Delta EMD Ltd			25 056				0.00%
	Elles Holdings Ltd			61 295				0.00%
	Eqstra Holdings Ltd			192 785				0.01%
	Gijima Ast Group			32 456				0.00%
	Iliad Africa Ltd			818 985				0.03%
	FTSE/JSE: share weighted top40 index			20 412 040				0.74%
	Metrofile Holdings Ltd			473 059				0.02%
	Montauk Energy Holdings LLC			158 834				0.01%
	Quantum Foods Holdings Ltd			393 584				0.01%
	Randgold			45 360				0.00%
	Safex derivatives			20 637 720				0.75%
	Sea Key Holdings Ltd			4 377				0.00%
	Sentula Mining Ltd			105 713				0.00%
	Sovereign Food Investment Ltd			755 237				0.03%
	Stanlib			21 280 023				0.78%
	Stefanutti Stocks Holdings Ltd			306 504				0.01%
	The York Timber Organisation Ltd			320 267				0.01%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%						
	-per issuer	2.50%						
3.2 Foreign		SARB maximum limits		526 759 059				19.20%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB maximum limits		526 752 566				19.20%
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits		442 687 215				16.14%
	-per issuer	15%						
	Canfor Corp			72 478				0.00%
	Centurylink Inc			437 504				0.02%
	Alaska Air Group Inc			39 823				0.00%
	Allstate Corp			106 874				0.00%
	Analog Devices Inc			91 522				0.00%
	Canadian Tire Ltd Class A			148 106				0.01%
	Cardinal Health Inc			105 753				0.00%
	Core Laboratories NV			410 635				0.01%
	Clorox			58 883				0.00%
	Fomento Economico Mex Sp Adr			353 206				0.01%
	Amdocs Ltd			286 497				0.01%
	Crescent Point Energy Corp			51 389				0.00%
	Genuine Parts			13 399				0.00%
	Telus Corp			107 016				0.00%
	Great-West Lifeco Inc			34 730				0.00%
	Grupo Financiero Banorte-O			140 147				0.01%

United Therapeutics Corp	51 421	0.00%
Kellogg	437 387	0.02%
Lockheed Martin Corp	135 248	0.00%
Dominion Resources Inc	10 518	0.00%
Magna International Inc	241 417	0.01%
Edwards Lifesciences Corp	279 927	0.01%
Mylan Inc	126 417	0.00%
Husky Energy Inc	25 323	0.00%
Axis Capital Holdings Ltd	232 313	0.01%
Travelers Companies Inc	128 455	0.00%
HDFC Bank Ltd ADR	175 581	0.01%
Encana	331 310	0.01%
Amec Foster Wheeler plc	23 569	0.00%
Itau Unibanco Hldng Pref ADR	141 956	0.01%
Texas Instruments Incorporated	129 345	0.00%
Toronto Dominion Bank	134 391	0.00%
Ugi Corp	211 895	0.01%
Equinix Inc	509 108	0.02%
Wynn Resorts Ltd	94 964	0.00%
Dicks Sporting Goods Inc	40 362	0.00%
Wisconsin Energy Corp	46 308	0.00%
Exxon Mobil Corp	214 769	0.01%
BT Group plc	222 478	0.01%
ITV plc	14 514	0.00%
3M Co	773 589	0.03%
H&R Real Estate Inv - Reit Uts	183 825	0.01%
Capgemini	204 998	0.01%
CRH plc	326 342	0.01%
Ingenico	140 849	0.01%
Rallye SA	25 821	0.00%
Huntington Ingalls Industrie	254 491	0.01%
Mediocredito Banca di Credito Finanz	155 907	0.01%
Cattolica Assicurazioni Scrl	25 155	0.00%
Sika AG	93 841	0.00%
Kimberly-Clark Corp	121 705	0.00%
Metro AG	154 766	0.01%
Henkel AG & Co KGAA Vorzug	494 006	0.02%
Linamar Corp	129 035	0.00%
LinkedIn Corp	234 438	0.01%
Swisscom AG	59 699	0.00%
Bavarian Nordic A/S	27 177	0.00%
Atos	32 015	0.00%
Maximus Inc	30 673	0.00%
Dragon Oil plc	40 918	0.00%
Amcor Ltd	53 617	0.00%
Bank Hapoalim Bm	113 425	0.00%
Bank Leumi le Israel	82 905	0.00%
Mondelez International Inc	334 127	0.01%
Bezeq the Israeli Telecom Co	48 404	0.00%
Contact Energy Ltd	6 392	0.00%
Delek Group Ltd	92 289	0.00%
Insurance Australia Group Ltd	45 205	0.00%
MTR Corporation Corp	26 870	0.00%
Eisai Ltd	69 733	0.00%
Flight Centre Ltd	6 691	0.00%
Fuji Heavy Industries Ltd	670 222	0.02%
Navigant Corp	145 750	0.01%
Resona Holdings Inc	94 467	0.00%
Wharf Holdings Ltd	127 705	0.00%
Sk Hynix Inc	121 192	0.00%
Kawasaki Kisen Kaisha Ltd	176 123	0.01%
Sumitomo Mitsui Financial Gr	204 526	0.01%
Mizuho Financial Group Inc	81 044	0.00%
Comfortdelgro Corp Ltd	104 788	0.00%
Qantas Airways Ltd	246 373	0.01%
Shandong Weigao Gp Medical	271 079	0.01%
Sankyo Ltd	7 213	0.00%
Sino Land Ltd	7 962	0.00%
Persimmon ord	1 676	0.00%
Kasikombank plc	137 720	0.01%
Wheelock & Co	66 805	0.00%
Groupe Bruxelles Lambert SA	25 552	0.00%
JCDecaux SA	159 787	0.01%
Skanska B	35 374	0.00%
Enel Spa	43 697	0.00%
Eni Spa	494 521	0.02%
Pilgrims Pride Corp	112 715	0.00%
Billerud Korsnas AB	11 982	0.00%
Wendel	35 569	0.00%
Swiss Life	155 018	0.01%
Public Service Enterprise Gp	116 748	0.00%
SSE plc	5 444	0.00%
Skyworks Solutions Inc	104 680	0.00%
Stryker Corp	465 703	0.02%
Taylor Wimpey plc	51 337	0.00%
United Rentals Inc	33 009	0.00%
Bloomin Brands Inc	174 775	0.01%
Western Refining Inc	14 728	0.00%
Boardwalk Real Estate Invest	89 229	0.00%
Amerisource bergsen	277 228	0.01%
Accenture Cl A	882 230	0.03%
Accor SA	250 463	0.01%
Ace Ltd	129 882	0.00%
Activision Blizzard Inc	241 056	0.01%
Adecco SA	436 255	0.02%
Adidas AG	270 835	0.01%
Aegon Nv	9 541	0.00%
Aetna Inc	421 489	0.02%
AIA Group Ltd	5 632 514	0.21%
Air Liquide SA	205 353	0.01%
Akzo Nobel	569 580	0.02%
Alexion Pharmaceuticals	29 531	0.00%
Alimentation Couche Tard	444 779	0.02%

Allied World Assurance Co	48 142	0.00%
Allianz Se Reg	998 765	0.04%
Altera Corp	247 951	0.01%
Amgen Inc	1 386 965	0.05%
Amphenol Labs	2 776 027	0.10%
Amphenol Corp	276 551	0.01%
American Capital Ltd	144 159	0.01%
American Express Co	561 788	0.02%
American International Group	1 423 791	0.05%
Anheuser Busch Inbev NV	399 457	0.01%
Anthem Inc	157 871	0.01%
Apple	2 590 758	0.09%
Applied Materials Inc	253 241	0.01%
Archer Daniels Midland Co.	551 259	0.02%
Arm Holdings plc	413 821	0.02%
Aspen Insurance Holdings Ltd	202 457	0.01%
Assured Guaranty Ltd	140 529	0.01%
Astellas Pharma Inc	282 621	0.01%
Astrazeneca plc	128 890	0.00%
ASX Ltd	25 372	0.00%
Autonation Inc	101 056	0.00%
Automatic Data	4 151 172	0.15%
Axa Sa	240 060	0.01%
Singapore Press Holdings Ltd	20 332	0.00%
Ping An Insurance Group Co	618 542	0.02%
Singapore Telecommunications Ltd	108 727	0.00%
Royal Dutch Shell plc	289 452	0.01%
Mtu Aero Engines Ag	257 161	0.01%
Tatls Group Ltd	18 068	0.00%
Berendsen plc	40 447	0.00%
Gtech Spa	65 284	0.00%
Toridoll Corp	7 406	0.00%
Orange	178 671	0.01%
Constellation Software Inc	51 536	0.00%
Starhub	7 430	0.00%
Whitbread plc	55 708	0.00%
Electrolux B	244 892	0.01%
3i Group plc	169 544	0.01%
CSR Corp Ltd	252 421	0.01%
Lyondellbasell Indu	33 195	0.00%
Pandora A/S	299 904	0.01%
Nielsen NV	323 943	0.01%
Pembina Pipeline Corp	46 628	0.00%
Glencore plc	1 040 147	0.04%
Dollarama Inc	14 586	0.00%
Intl Consolidated Euro 5	167 802	0.01%
Sands China Ltd	77 021	0.00%
Aon plc	1 202 223	0.04%
Sberbank Sponsored ADR	36 199	0.00%
James Hardie Industries CDI	21 693	0.00%
African Barrick Gold plc	22 261	0.00%
Time Warner Cable	295 033	0.01%
Nexon Co Ltd	12 390	0.00%
Michael Kors Holdings Ltd	72 125	0.00%
Directv	215 706	0.01%
Berry Plastics Group Inc	53 382	0.00%
Japan Airlines Co Ltd	108 609	0.00%
BAE Systems plc	108 712	0.00%
British American Tobacco plc	131 230	0.00%
Bayer AG	1 299 547	0.05%
Bayerische Motoren Werke	539 973	0.02%
CIE Financiere Richemont	1 372 358	0.05%
CNH Industrial NV	1 058 115	0.04%
Science Applications Inte	61 251	0.00%
Belgacom SA	20 057	0.00%
Ambev Sa	500 744	0.02%
BG Group	3 215 608	0.12%
Perrigo Co plc	354 098	0.01%
Valmet OYJ	44 354	0.00%
BHP Billiton plc	139 120	0.01%
Biogen	864 756	0.03%
Auckland Int Airport LTd	12 922	0.00%
Blackstone Group	653 215	0.02%
Interfor Corp	29 711	0.00%
Tencent Holdings Ltd	893 541	0.03%
NN Group NV	38 415	0.00%
BNP Paribas	1 065 386	0.04%
BNY Mellon	596 587	0.02%
The Boeing Co	83 915	0.00%
Boston Scientific Corp	31 003	0.00%
Brambles Ltd	62 706	0.00%
Brenntag AG	178 019	0.01%
Bristol Myers Squibb Co	753 927	0.03%
Fiat Chrysler Automobiles NV	605 268	0.02%
UBS Group Registered AG	493 462	0.02%
Walgreen Boots Alliance	262 890	0.01%
British Sky Broadcasting Gro	375 828	0.01%
Bunge Ltd	442 958	0.02%
Burberry Group plc	222 021	0.01%
CK Hutchinson Holdings Ltd	601 351	0.02%
CA Inc	43 275	0.00%
CAC40 Index	1 175	0.00%
Compass Group plc	942 433	0.03%
Canon Inc	142 412	0.01%
Carlsberg B	273 520	0.01%
Carnival Corp	587 202	0.02%
CBRE Group Inc	305 283	0.01%
Credit Suisse	1 388 941	0.05%
Celgene Corp	13 505	0.00%
Centrica	78 340	0.00%
UBS AG	223 522	0.01%
Checkpoint Software Tech	178 199	0.01%
Chevron Texaco Corp	167 657	0.01%

Chipotle Mexican Grill Inc	303 808	0.01%
China Mobile	2 776 253	0.10%
Chnmobil	4 309 742	0.16%
Chnshuen	1 797 623	0.07%
Christian Dior SA	39 733	0.00%
Cincinnati Financial Corp	17 547	0.00%
Cisco Systems Inc	4 346 008	0.16%
Cit Group Inc	108 601	0.00%
Citigrp	628 804	0.02%
CLP Holdings Ltd	1 880 042	0.07%
CLP Holdings	208 076	0.01%
Canadian Natl Railway Co	703 678	0.03%
CNOOC	3 432 041	0.13%
Coca Cola Co	138 036	0.01%
Cognizan	3 770 450	0.14%
Colgate	3 884 482	0.14%
Colgate Palmolive Co	1 086 796	0.04%
Commonwealth Bank of Aust	152 037	0.01%
Constellation Brands Inc	350 317	0.01%
Contrarius Global Equity Fund	119 438 695	4.35%
Credicorp	77 919	0.00%
Caterpillar Inc	232 260	0.01%
Cummins	113 361	0.00%
CVS Caremark Corp	224 786	0.01%
Daimler AG	891 388	0.03%
Daito Trust Construction	40 536	0.00%
Daiwa Securities Group Inc	971 688	0.04%
Danone	1 990 712	0.07%
Dassault Systemes Sa	79 483	0.00%
Dax Index	634	0.00%
DBS Group Holdings	4 069 280	0.15%
Delta Air Lines Inc	233 430	0.01%
Delhaize Group SA	22 264	0.00%
Delphi Automotive plc	324 674	0.01%
Dentsply International Inc	286 353	0.01%
Deutsche Boerse AG	186 583	0.01%
Diageo plc	1 576 352	0.06%
Tryg A/S	10 100	0.00%
Dollar Tree Inc	426 485	0.02%
NTT Docomo Inc	105 660	0.00%
Dr Pepper Snapple Group Inc	116 643	0.00%
Airbus Group NV	154 857	0.01%
Ebay	226 511	0.01%
Elekta AB	284 509	0.01%
Eli Lilly & Co	86 751	0.00%
Emerson Electric Co	122 695	0.00%
Entergy Corp	151 026	0.01%
EOG Resources	3 362 978	0.12%
Erste Group Bank	130 882	0.00%
Zardoya Otis SA	8 995	0.00%
Express	386 741	0.01%
Facebook	936 017	0.03%
Fanuc Ltd	5 529 413	0.20%
Fastenal Co	2 459 650	0.09%
Fibr Systems	2 727 265	0.10%
Foot Locker Inc	123 792	0.00%
Franklin Resources Inc	1 170 895	0.04%
FTSE 100 Index	-4 917	0.00%
Fujifilm Holdings Corp	159 888	0.01%
Admiral Group plc	13 229	0.00%
Pound Sterling	29 333	0.00%
General Dynamics	232 010	0.01%
Gilead Sciences Inc	4 189 308	0.15%
Glaxosmithkline plc	143 738	0.01%
General Motors Co	1 035 792	0.04%
Goldman Sachs Group Inc	1 084 853	0.04%
Google Inc	3 455 700	0.13%
Google	2 051 869	0.07%
GPT Group	191 366	0.01%
Hallibur	317 549	0.01%
Hang Seng Bank Ltd	54 232	0.00%
Harley Davidson Inc	59 061	0.00%
Hang Seng Index futures	1 901	0.00%
HCA Holdings	634 959	0.02%
Helmerich & Payn	27 284	0.00%
Henderson Land Development	207 369	0.01%
Heineken NV	517 721	0.02%
Hennes & Mauritz AB	3 561 269	0.13%
Hewlett-Packard Co	221 847	0.01%
HK & China Gas	4 179 672	0.15%
Hkchngas	3 419 255	0.12%
Home Depot Inc	163 411	0.01%
Holcim Ltd	682 263	0.02%
Honda Motors	4 769 248	0.17%
Honeywell International Inc	956 182	0.03%
Hoya Corp	391 889	0.01%
Huntington Bancshares Inc	46 014	0.00%
Iberdrola SA	468 003	0.02%
Icici Bank Ltd Spon Adr	331 558	0.01%
Imperial Tobacco Grp	430 580	0.02%
Ind & Comm Bk of China	318 688	0.01%
Indivior plc	65 266	0.00%
Infenion Technologies	235 296	0.01%
Inpex Corp	135 782	0.00%
Intel Corp	1 035 241	0.04%
International Paper Co	21 866	0.00%
Intesa SanPaolo	341 746	0.01%
Intl Business Machines	36 751	0.00%
Intuitive Surgical Inc	2 411 765	0.09%
Intl Flavors & Fragrances	594 030	0.02%
Johnson & Johnson	4 119 886	0.15%
JPMorgan Chase & Co	781 964	0.03%
Japan Tobacco Inc	139 560	0.01%

Julius Beer Group Ltd	1 349 591	0.05%
KDDI Corp	52 185	0.00%
Keycorp	488 849	0.02%
Kohls Corp	236 678	0.01%
Komatsu Ltd	3 207 324	0.12%
Komerčni Banka AS	71 943	0.00%
Koninklijke KPN NV	579 044	0.02%
Kroger Co	68 989	0.00%
Kuehne & Nagel Int	34 168	0.00%
L-3 Comm Hldgs	30 143	0.00%
Lawson Inc	75 825	0.00%
Legrand SA	404 647	0.01%
Lennox International Inc	293 215	0.01%
Linde AG	932 230	0.03%
Loreal	7 564 786	0.28%
Lowes Cos Inc	733 557	0.03%
LVMH Moët Hennessy Louis Vuit	2 484 446	0.09%
McDonalds	897 902	0.03%
Macys Inc	127 891	0.00%
Marathon	249 172	0.01%
Mastercard Inc	4 745 592	0.17%
Medtronic Inc	560 338	0.02%
Mercadolibre Inc	315 067	0.01%
Merck KGAA	837 519	0.03%
Microsoft Corp	830 150	0.03%
Microchip Technology Inc	297 731	0.01%
Microsoft Corp	3 672 319	0.13%
Mitsubishi Corp	1 058 775	0.04%
Mini MSCI Emerging Markets Index Future	-170 386	-0.01%
Monsanto Co	451 140	0.02%
Morgan Stanley	345 324	0.01%
Mosaic	188 615	0.01%
Muenchener Rueckver AG	131 838	0.00%
National	513 316	0.02%
Nestle SA	5 600 364	0.20%
Next plc	71 493	0.00%
Nike Inc	3 901 200	0.14%
Nintendo Co Ltd	134 990	0.00%
Nippon Yusen	141 037	0.01%
Nippon Telegraph & Telephone	558 068	0.02%
Northrop Grumman Corp	58 284	0.00%
Novartis AG	2 523 298	0.09%
Novo Nordisk A/s	5 672 053	0.21%
Occidental Petroleum Corp	106 772	0.00%
Omnicom Group	368 122	0.01%
OMX Stockholm 30 Index	883	0.00%
Oracle	5 254 828	0.19%
Partnere Ltd	369 094	0.01%
Piedmont Office Realty tru	40 532	0.00%
Pepsico	255 442	0.01%
Pernod Ricard SA	512 939	0.02%
Peugeot SA	144 405	0.01%
Pfizer Inc	1 037 536	0.04%
Phillip Morris International	134 686	0.00%
Putprop Ltd	776 163	0.03%
Praxair Inc	3 503 593	0.13%
Precision Castparts Corp	3 438 244	0.13%
Priceline Group	855 858	0.03%
Proctor & Gamble Co	170 856	0.01%
Progress Energy	71 430	0.00%
CTT-Correios de Portugal	58 463	0.00%
Public	118 636	0.00%
Pwasset	3 312	0.00%
Qualcomm	4 118 960	0.15%
Rakuten Inc	119 749	0.00%
Rayonier Inc	12 659	0.00%
Raytheon Co	130 146	0.00%
Reckitt Benckiser Group	5 205 430	0.19%
Regions Financial Corp	10 366	0.00%
Renault SA	317 698	0.01%
Reynolds American Inc	94 945	0.00%
Roche Holding AG Genusschein	4 044 778	0.15%
Rockwell Automation Inc	326 850	0.01%
T Rowe Price Group Inc	29 151	0.00%
S&P TSX 60 Index	1 097	0.00%
S&P Midcap 400 index	7 570	0.00%
S&P 500 Index	26 267	0.00%
Safran	163 158	0.01%
Salesforce.com Inc	352 210	0.01%
Sally Beauty Holdings Inc	307 039	0.01%
Sampo Oyj	94 453	0.00%
Samsung Electronics Co Ltd	583 884	0.02%
Sanofi	582 278	0.02%
SAP AG Sponsored	693 295	0.03%
Schlumber	4 564 286	0.17%
Schneide	491 742	0.02%
Sensata Technologies Holdings	372 005	0.01%
SGS SA	1 540 710	0.06%
Shin Etsu Chemical Co Ltd	3 288 024	0.12%
Shire plc	58 230	0.00%
Singapore Airlines Ltd	18 649	0.00%
Singapore Exchange Ltd	18 960	0.00%
St Jude Med Inc	473 863	0.02%
Swiss market index	-1 254	0.00%
Smucker JM Co	49 782	0.00%
Sonova Holding AG	200 649	0.01%
Southwest Airlines Co	518 745	0.02%
SPI 200 Index	1 517	0.00%
Starbucks Corp	431 364	0.02%
Starwood Hotels & Resorts	285 906	0.01%
State Street Corp	1 355 330	0.05%
Standard Chartered plc	2 703 330	0.10%
Standard Chartered Bank	4 054 735	0.15%

	Stryker Corp			3 772 268				0.14%
	Sumitomo Corp			120 212				0.00%
	Suncor Energy			4 114 890				0.15%
	Svenska Cellulosa AB			466 675				0.02%
	Svenska Handelsbanken			95 573				0.00%
	Swatch Group AG			1 168 536				0.04%
	Swiss RE			150 265				0.01%
	SX5E Index			1 530				0.00%
	Symantec Corp			326 852				0.01%
	Syngenta N			3 267 414				0.12%
	Takeda Pharmaceutical Co			116 672				0.00%
	Telecom Italia			14 818				0.00%
	Telstra Corp Ltd			93 823				0.00%
	Tesco plc			4 298 783				0.16%
	Teva			275 022				0.01%
	Thermo Fisher Scientific Company			925 195				0.03%
	Thomson Reuters Corp			65 223				0.00%
	Tiffany & Co			215 583				0.01%
	Time War			983 755				0.04%
	Topix Index Futures			6 551				0.00%
	Toshiba Corp			37 164				0.00%
	Toyota Motor Corp			898 198				0.03%
	Taiwan Semiconductor			4 428 158				0.16%
	Tyson Foods Inc			344 472				0.01%
	Unilever Home & Pers			259 253				0.01%
	United Health Group Inc			152 436				0.01%
	United Parcel Service			660 839				0.02%
	Urban Outfitters Inc			247 336				0.01%
	United Technologies			901 016				0.03%
	Valero Energy Corp			638 602				0.02%
	Viacom Inc			108 030				0.00%
	Visa			1 938 443				0.07%
	Wabco Holdings Inc			398 888				0.01%
	Walmart			3 640 889				0.13%
	Walt Disney Co			1 118 612				0.04%
	Waters Corp			376 520				0.01%
	Wells Fargo & Co			942 631				0.03%
	Wesfarmers Ltd			122 617				0.00%
	Woolworths Holdings Ltd			111 887				0.00%
	Wilm Hill			107 246				0.00%
	Wpp plc			1 102 268				0.04%
	WW Grainger Inc			1 750 765				0.06%
	Xerox Corp			372 654				0.01%
	Yanzhou			69 636				0.00%
	Yara International ASA			219 655				0.01%
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits		83 922 628				3.06%
	-per issuer	10%						
	Allison Transmission Holding			78 238				0.00%
	Brixmor Property Group Inc			134 569				0.00%
	Cigna Corp			137 860				0.01%
	Can Apartment Prop Real Esta			56 230				0.00%
	Can Imperial Bk of Commerce			4 455				0.00%
	Cogeco Cable Inc			59 390				0.00%
	Calloway Real Estate Investm			47 179				0.00%
	American Financial Group Inc			19 287				0.00%
	CCL Industries Inc			29 957				0.00%
	DST Systems Inc			66 028				0.00%
	Amazon.com Inc			486 487				0.02%
	Select Comfort Corporation			37 262				0.00%
	DSW Inc			11 493				0.00%
	AVX Corp			2 757				0.00%
	Dream Office Real Estate Inv			69 355				0.00%
	Sanderson Farms Inc			87 373				0.00%
	Edison International			127 740				0.00%
	Erie Indemnity Company			8 847				0.00%
	Genworth MI Canada			3 499				0.00%
	Intact Financial Corp			41 059				0.00%
	Keyera Corp			23 110				0.00%
	Duerr AG			43 567				0.00%
	Mercury General Corp			6 440				0.00%
	Euler Hermes Group			5 906				0.00%
	M6 Metropole Television			5 332				0.00%
	Canon Marketing Japan Inc			55 776				0.00%
	SATS Ltd			5 978				0.00%
	Sia Engineering Co Ltd			2 968				0.00%
	Bank of Hawaii Corp			11 281				0.00%
	Heiwa Corp			42 213				0.00%
	Air New Zealand Ltd			30 591				0.00%
	Isreal Discount Bank			38 161				0.00%
	Downer EDI Ltd			51 916				0.00%
	Nippon Suisan Kaisha Ltd			54 553				0.00%
	New Hope Corp Ltd			1 830				0.00%
	Washington H Soul Pattinson			2 375				0.00%
	UNY Group Holdings Co Ltd			43 749				0.00%
	Proassurance Corp			11 307				0.00%
	Questar Corp			17 336				0.00%
	RPC Inc			3 267				0.00%
	Superior Plus Corp			43 434				0.00%
	Vermilion Energy Inc			17 826				0.00%
	Voya Financial Inc			447 190				0.02%
	West Fraser Timber Co Ltd			155 572				0.01%
	Whirlpool Corp			510 931				0.02%
	Acciona SA			117 716				0.00%
	Alan Gray Orbis			77 155 721				2.81%
	American Electric Power			164 145				0.01%
	Autozone Inc			430 312				0.02%
	Nordex SE			90 783				0.00%
	Lazard Ltd			236 078				0.01%
	Tecnicas Reunidas SA			5 443				0.00%
	Ubisoft Entertainment			94 009				0.00%
	Gam Holding AG			13 982				0.00%



	Graphic Packaging Holding Co		32 209	0.00%
	Echo Entertainment Group Ltd		126 967	0.00%
	UBS AG London		350 417	0.01%
	Aimia Inc		38 702	0.00%
	Outerwall Inc		84 502	0.00%
	Hiscox Ltd		14 641	0.00%
	Bankers Petroleum Ltd		43 435	0.00%
	Bolsas Y Mercados Espanoles		14 843	0.00%
	Television Broadcasts Ltd		5 496	0.00%
	Vtech Holdings Ltd		9 580	0.00%
	Alibaba Group Holdings		572 912	0.02%
	Catlin Group Ltd		15 798	0.00%
	Banque Cantonale Vaudois		6 761	0.00%
	CHN MOB		173 773	0.01%
	China Hongxing Sports Ltd		0	0.00%
	California Res Corp		4 675	0.00%
	Hannover Rueck SE		25 759	0.00%
	Endesa SA		336 301	0.01%
	Endurance Speciality Holdings		11 330	0.00%
	Television Francaise		8 764	0.00%
	Amlin plc		15 566	0.00%
	Health Net Inc		98 290	0.00%
	Land Securities Group plc		163 721	0.01%
	TGS Nopec Geophysical Co		9 382	0.00%
	Now Inc		44 509	0.00%
	Portugal Telecom SGPS SA		1 413	0.00%
	Russell derivatives		44 227	0.00%
	Russell Investment Company		3 409	0.00%
	Smurfit Kappa Group		215 393	0.01%
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits	142 723	0.01%
	-per issuer	5%		
	Hollyfrontier Corp		91 566	0.00%
	Gamesa Corp Tecnolgica SA		51 157	0.00%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	6 493	0.00%
	Oesterreich Post	2.50%	6 493	0.00%
<b>4 IMMOVABLE PROPERTY</b>			102 408 135	3.73%
4.1 Inside the Republic			102 259 859	3.73%
(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%	102 259 859	3.73%
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	85 740 970	3.13%
	-per issuer	15%		
	Acucap Properties Ltd		2 004 758	0.07%
	Atterbury Investment Holdings		9 360 117	0.34%
	Capital Issues		2 820 566	0.10%
	Capital & Counties Property plc		11 217 562	0.41%
	Fortress Income Ltd		18 304 099	0.67%
	Foundationhead Property Trust		333 730	0.01%
	Growthpoint Property Ltd		2 957 167	0.11%
	Hyprop Investment Ltd		6 209 278	0.23%
	Intu Properties		9 751 153	0.36%
	Investec Bank Ltd		4 553 628	0.17%
	New European Property Investments plc		1 662 323	0.06%
	Redefine Properties Ltd		13 812 122	0.50%
	Resilient Property		972 816	0.04%
	Rockcastle Estate		542 721	0.02%
	Vukile Property Fund Ltd		1 238 930	0.05%
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	6 511 570	0.24%
	-per issuer	10%		
	Accelerate Prop Fund		3 564 132	0.13%
	Arrowhead Properties		728 983	0.03%
	Emira Property Fund		496 515	0.02%
	Martprop Property Fund		1 442 565	0.05%
	Pivotal Fund Ltd		279 375	0.01%
(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	10 007 319	0.36%
	-per issuer	5%		
	Acension Prop Ltd		3 836 099	0.14%
	Dipula Income Fund A		2 368 685	0.09%
	Dipula Income Fund B		95 927	0.00%
	Equities Prop Fund		469 875	0.02%
	Hospitality Property Fund A		1 223 635	0.04%
	Synergy Income Fund		1 866 098	0.07%
	Tower Prop Fund Ltd		147 000	0.01%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	0	0.00%
	- per issuer	5%	0	0.00%
4.2 Foreign			148 276	0.01%
(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%	148 276	0.01%
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	148 276	0.01%
	-per issuer	15%		

	Rlocan Real Estate Invst Tr		23 509		0.00%
	Kerry Properties Ltd		64 416		0.00%
	Swire Pacific Ltd		60 351		0.00%
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	0		0.00%
	-per issuer	10%	0		0.00%
(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	0		0.00%
	-per issuer	5%	0		0.00%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	0		0.00%
	- per issuer	5%	0		0.00%
<b>5 COMMODITIES</b>			20 984 126		0.765%
5.1 Inside the Republic			20 984 126		0.765%
(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	20 984 126		0.765%
(a)(i)	Gold (including Kruger Rands)	10%	3 205 618		0.117%
(a)(ii)	Other commodities	5%	7 737 200		0.282%
	Palladium	5%	10 041 308		0.366%
	Platinum				
5.2 Foreign			0		0.00%
(a)	Gold and other commodities on an exchange, including exchange traded commodities	10%	0		0.00%
(a)(i)	Gold	10%	0		0.00%
(a)(ii)	Other commodities	5%	0		0.00%
	-each commodity	5%			
<b>6 INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-</b>			0		0.00%
(a)	Section 19(4) of the Pension Funds Act	5%	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%	0		0.00%
<b>7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)</b>			0		0.00%
<b>8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE</b>			0		0.00%
8.1 Inside the Republic			0		0.00%
(a)	Hedge fund	15%	0		0.00%
(a)(i)	Funds of hedge funds	10%	0		0.00%
	- per issuer	5%	0		0.00%
(a)(ii)	Hedge funds	10%	0		0.00%
	- per issuer	2.50%	0		0.00%
(b)	Private equity funds	10%	0		0.00%
(b)(i)	Funds of private equity funds	10%	0		0.00%
	- per issuer	5%	0		0.00%
(b)(ii)	Private equity funds	10%	0		0.00%
	- per issuer	2.50%			
(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 Foreign			0		0.00%
(a)	Hedge fund	15%	0		0.00%
(a)(i)	Funds of hedge funds	10%	0		0.00%
	- per issuer	5%	0		0.00%
(a)(ii)	Hedge funds	10%	0		0.00%
	- per issuer	2.50%	0		0.00%
(b)	Private equity funds	10%	0		0.00%
(b)(i)	Funds of private equity funds	10%	0		0.00%
	- per issuer	5%	0		0.00%
(b)(ii)	Private equity funds	10%	0		0.00%
	- per issuer	2.50%			
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	0		0.00%
<b>TOTAL ASSETS – REGULATION 28 (D above)</b>			<b>2 743 288 695</b>		<b>100.00%</b>

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

SCHEDULE IB – CONTINUED

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 March 2015

INVESTMENT SUMMARY (REGULATION 28)

	Local	Percentage of Fair value	Foreign (Excluding Africa)	Percentage of Fair value	Africa	Percentage of Fair value	Total
	R	%	R	%	R	%	R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	165 473 619	6.03%	5 346 258	0.19%	0	0.00%	170 819 877
2 Debt instruments including Islamic debt instruments	543 634 883	19.82%	0	0.00%	899 915	0.03%	544 534 798
3 Equities	1 377 782 700	50.22%	526 757 646	19.20%	1413	0.00%	1 904 541 759
4 Immovable property	102 259 859	3.73%	148 276	0.01%	0	0.00%	102 408 135
5 Commodities	20 984 126	0.76%	0	0.00%	0	0.00%	20 984 126
6 Investment in the business of a participating employer	0		0		0		0
7 Housing loans granted to members section 19(5)	0		0		0		0
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	0		0		0		0
9 Fair value of assets to be excluded in terms of sub-regulations 3(c) and (8)(b) of Regulation 28	0		0		0		0
10 Investments not disclosed/data not available for disclosure	0		0		0		0
<b>TOTAL (equal to the fair value of assets)</b>	<b>2 210 135 187</b>		<b>532 252 180</b>		<b>901 328</b>		<b>2 743 288 695</b>

Note: Maximum Foreign limits and disclosure in terms of South African Reserve Bank requirements

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

As at 31 March 2015

	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
<b>Asset Limits in terms of sub regulation 3(f)</b>			
Other debt instruments not listed	927 423	0.03%	
Equities not listed	6 493	0.00%	
Immovable properties not listed	0	–	
Hedge funds, Private Equity funds and other assets	0	–	
<b>TOTAL</b>	<b>933 916</b>	<b>0.03%</b>	<b>36</b>
<b>Asset Limits in terms of sub regulation 3(g)</b>			
Equities not listed	6 493	0.00%	
Private Equity funds	0	–	
<b>TOTAL</b>	<b>6 493</b>	<b>0.00%</b>	<b>15</b>
<b>Asset Limits in terms of sub-regulation 3(h)</b>			
Cash and deposits with a South African Bank	165 473 619	6.03%	
Debt instruments guaranteed by a South African Bank	153 650 570	5.80%	
<b>TOTAL</b>	<b>319 124 189</b>	<b>11.63%</b>	<b>25</b>

## **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 2015 (the Schedule) for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation). 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 2015 was conducted in accordance with International Standards on Auditing and in our report dated 18 August 2015 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 2015 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.

*Pietermaritzburg*

Pietermaritzburg

18 August 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND**

### **REPORT ON GOOD GOVERNANCE**

This document presents the principles and practices adopted by management of the Fund, believed to be good governance in accordance with the objectives of The King Report on Governance in South Africa, 2009 (King III).

<b><u>TRUSTEE INFORMATION</u></b>			
<b><u>TRUSTEE NAME</u></b>	<b><u>QUALIFICATION</u></b>	<b><u>EXPERIENCE</u></b>	<b><u>YEARS SERVICE ON COMMITTEE OF MANAGEMENT</u></b>
Cllr. Ms. H.G.S. Mavimbela  Age 44	Teachers degree and Diploma and honors degree in science	14 years teaching 7 years as Councilor 7 years' service at Umkhanyakude Municipality	3 Years, 8 months
Cllr. Mrs. V.Z. Magwaza-Msibi  Age 53	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, 10 months
Mr. X. Dube  Age 42	Artisans Builders Diploma	Local Government 1996 to date 17 years' service at eThekweni Municipality	13 Years, 8 months
Cllr. Mr Y. Nair	B A (Humanities) B A (Hons) B A (Management)	Education for 33 years School principal for 10 years Municipal councilor for 20 years Hibiscus Coast Development Agency trustee 11 years	10 months
Mr. B. W. Ndlovu	B Compt (Hons) National Diploma in Cost Management Accounting	Chief Financial Officer for Department of Corporate Governance & Traditional Affairs	6 months

		Chief Financial Officer for Umkungundlovu District Municipality Chief Financial Officer for Umkhambathini Municipality	
Cllr. Mrs. N.V. Gumbi  Age 68	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	5 Years, 2 months
Cllr. Mr. M.V. Nyathi  Age 40	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	3 Years, 9 months
Cllr. Mr. E.A. Talmage  Age 51	Bachelor of Social Science degree	Farmer 24 years Councilor 13 years 12 years' service at Umlalazi Municipality	8 Years
Mr. S.V. Mchunu  Age 59	Diploma in Labour studies and Advanced Labour law.	Labor matters in community and Local Government 1975 to date 38 years' service at Emnambithi/Ladysmith Municipality	2 Years, 7 months
Ms. J. Muir	B Compt	Articled clerk Pim Goldby Taxation for Deloitte Admin manager at Stewarts & Lloyds Admin controller at Baldwins Steel Various roles at Newcastle Municipality	8 months

Ms. B.N. Magwaza Age 62	Bachelor of Public Administration	Local government 2002 to date	2 Years
Mr. F.F. Zama	National Diploma Public Relations Management Diploma in Social & Political Studies	Ten years in local government	6 months
Mr. M.E. Ndlovu Age 66	Management in traffic Examining of drivers license's	Senior Manager Safety and Security Traffic department Local Government 1995 to date 18 years' service at Endumeni Municipality	4 Years, 4 months
Mr. D.A. Lemmer Age 46	National Diploma	Local Government 1992 to date at Uthukela Water	9 Years, 6 months
Mr. N.N. Mhlungu Age 62	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	2 Years, 4 months



**AMOUNTS PAID TO INDIVIDUAL COMMITTEE-MEMBERS IN SUBSISTENCE  
& TRAVELLING FOR ATTENDING MEETINGS \***

Cllr. Mrs. V.Z. Magwaza-Msibi	R11 430.96 (2 meetings)
Cllr. Mr. E.A. Talmage	R59 044.27 (19 meetings)
Cllr. Mrs. N.V. Gumbi	R84 782.84 (21 meetings)
Cllr. Mr. M.V. Nyathi	R43 355.17 (18 meetings)
Cllr. Ms. H.G.S. Mavimbela	R148 281.36 (22 meetings)
Ms. B.N. Magwaza	R22 437.78 (17 meetings)
Mr. D.A. Lemmer	R176 734.63 (27 meetings)
Ms. J. Muir	R30 601.12 (4 meetings)
Mr. M.E. Ndlovu	R72 723.47 (12 meetings)
Mr. F.F Zama	R17 623.92 (8 meetings)
Mr. N.N. Mhlungu	R55 748.28 (18 meetings)
Mr. S.V. Mchunu	R21 201.17 (11 meetings)

\* Members of the Board of Trustees are reimbursed in terms of the approved S&T policy.

**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.

**CHAIRPERSON**

The rules of the Fund prescribe the appointment of the Chairperson. They 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 (employer representative) until April 2014, and Mr X. Dube was appointed. The Vice-Chairperson was Ms H.G.S Mavimbela (employee representative).

## **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 the period under review, there was no breach in the Code of Conduct.

## **STAKEHOLDER ENGAGEMENT**

The Fund is cognisant of the important 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 a 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 a number of awards by the Institute of Retirement Funds.

## **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 assists 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 year under review, a formal assessment of the Board's performance was conducted, the results of which were satisfactory. Areas of development have been identified and action plans implemented. 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, consisting of employee and employer representatives.

### **Audit 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 consists 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.

<b><u>Member Details</u></b>	<b><u>Qualification</u></b>	<b><u>Date Appointed</u></b>
Mr. D.A. Lemmer (Chairperson)	National Diploma	18.01.2013
Ms. T.B Mngadi	Administration certificate, Receptionist certificate	18.01.2013
Mr. G.M. Velan	NQF5, Project management, Local Government Finance	18.01.2013
Cllr. Mr. E.A. Talmage	Bachelor of Social Science	18.01.2013
Cllr. Ms. H.G.S. Mavimbela (ex-officio)	Teachers degree and Diploma and honours degree in Science	30.04.2014
Mr. X. Dube (ex-officio)	Artisans Builders Diploma	30.04.2014

In fulfilling its functions during the period under review, the Audit Sub-Committee met each quarter to deliberate on the issues as prescribed in its mandate.

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.

The Audit Committee has reviewed the accounting practices and internal controls of the Fund, and have approved the financial statements and resolved that they be approved by the Committee of Management.

#### Staff Sub-Committee

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 consists 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.

<u>Member Details</u>	<u>Qualifications</u>	<u>Date Appointed</u>
Cllr. Mrs. N.V. Gumbi	Junior Certificate, Professional Nurse	18.01.2013
Mr. N.C.J. Bezuidenhout	LLB Law Degree National Diploma in Municipal Administration	18.01.2013
Mr. X. Dube	Artisans Builders Diploma	18.01.2013
Mr. M.S. Khanyile	Grade 12	23.01.2015
Ms. H.G.S Mavimbela (ex-officio)	Teachers degree and diploma and honours degree in science	30.04.2014
Mr. X. Dube	Artisans Builders Diploma	30.04.2014
Mr. N.N. Mhlungu	Public relations diploma, Civil Engineering Diploma	23.01.2015

#### **OPERATIONAL IMPACT ON ENVIRONMENT AND SOCIETY**

Details of the positive and negative impact of the Funds operations on the environment and society are contained in the Chairpersons' Report which is tabled at the Annual General Meeting and subsequently made available to all stakeholders.

#### **EVALUATION OF CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION**

The Audit Committee does review, and challenge where necessary, the actions and judgements 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