



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

**NAME OF RETIREMENT FUND: NATAL JOINT MUNICIPAL PENSION FUND
(RETIREMENT)**

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER: 12/8/6676/2**

For the period: 1 APRIL 2014 to 31 MARCH 2015

CONTENTS

Schedule

Schedule

A	Regulatory information*	G	Statement of changes in net assets and funds
B	Statement of responsibility by the Board of Fund*	HA	Notes to the financial statements
C	Statement of responsibility by the principal officer *	HB	Report of the valuator*
D	Report of the independent auditors (if applicable)	I	Report of the independent auditors / Board of Fund (whichever is applicable) to the Registrar of Pension Funds
E	Report of the Board of Fund*	IA	Investment schedule pertaining to annual financial statements*
F	Statement of net assets and funds	IB	Assets held in compliance with Regulation 28 Report of the independent auditors on compliance with regulation 28 to the Registrar of Pension Funds

*** Not subject to any engagement by an auditor**

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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	
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 Sundile	director@njmpf.co.za	E	11.11.2011	
Mr. Ndlovu Busani Welcome	director@njmpf.co.za	E	01.10.2014	
Mr. Dube Xolani	director@njmpf.co.za	M / C	30.11.2001	
Ms. Mngadi Thandi Barbara	director@njmpf.co.za	M	01.07.2002	
Mr. Madlala Dennis Mndeni	director@njmpf.co.za	M	22.02.2008	
Mr. Khanyile Mhlonipheni Solly	director@njmpf.co.za	M	18.01.2013	
Mr. Nxumalo Bonginkosi Enoch	director@njmpf.co.za	M	02.12.2013	04.06.2014
Mr. Hoosen Abdul Rahaman	director@njmpf.co.za	P	07.07.2008	
Ms. Sibiya Busisiwe Virginia	director@njmpf.co.za	M	30.06.2014	

- * - '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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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

(Indicate the date of appointment/resignation of any service provider during the reporting period)

	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 st 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	pmbra@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	

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

REGULATORY INFORMATION - CONTINUED

For the year ended 31 March 2015

	Investment administrator	Investment advisor
Full name:		Alexander Forbes Financial Services
Postal address:		P O Box 787240, Sandton, 2146
Physical address:		115 West Street, Sandown, 2196
Telephone number:		011-269 0000

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

	Risk insurer	Custodian and/or nominee
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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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 Natal Joint Municipal Pension Fund (Retirement) 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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: CLR TALMAGE

1 September 2015



BOARD MEMBER

Name: MS. T. B. MNGADI

1 September 2015


NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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 Natal Joint Municipal Pension Fund (Retirement) 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.



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 Natal Joint Municipal Pension Fund (Retirement)

Report on the financial statements

Introduction

1. I have audited the annual financial statements of the Natal Joint Municipal Pension Fund (Retirement) 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 Natal Joint Municipal Pension Fund (Retirement) 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

Auditee - General

Pietermaritzburg

18 August 2015



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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 pension fund and is a defined benefit fund.

1.2. Benefits

1.2.1. The Fund was established in 1967 as a defined contribution fund, and was subsequently converted into a defined benefit fund in 1975. The Fund provides lump sum and monthly pension benefits to members upon early retirement from age 55 to normal retirement at age 65, and to spouses and eligible children upon the death of members, subject to the provisions of the Regulations, calculated on salary and service.

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' contribute at a rate of 7% 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 18.37% of pensionable salary. A surcharge of 15.85% of members' salary has been charged to participating employers.

1.4. Rules/ amendments

1.4.1. Amendments (period under review)

There were no rule amendments during the period under review.

1.4.2. Revised rules / consolidated rules:

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

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

Solvency and Risk reserves – see note 21.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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 ensure that full benefits in accordance with the regulations of the fund can be paid as and when they arise. It is provided in the Fund's regulations that pension increases must also keep up with a minimum of 75% of the cumulative increase in the consumer price index.

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 committee of management relative to 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.*

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.*

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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%	Retirement Fund % Return
5 years to 31 st March 2015	10.1	16.5

Year	Retirement Fund % Return	Investment Manager Benchmark
5 years to 31 st March 2015	16.5	15.9

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 6.4% p.a. The Fund achieved investment manager benchmark plus 0.6% p.a. over the 5 years to 31 March 2015. The Fund has achieved excellent short and long term investment performance which has enabled the Fund to increase and improve benefits to members of the defined benefits. The Retirement Fund is consistently ranked in the top half over the long term, in the Alexander Forbes Global Large Manager Watch Survey. This makes the Fund one of the country's top investment managers with consistent long term outperformance.

Source: Alexander Forbes

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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2015

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Beneficiaries	Unclaimed benefits
Numbers at beginning of period	2811	4	1304	2685	428
Adjustments					
Additions	89		260	346	24
Transfers in					
Transfers out	(111)				
Withdrawals	(137)		(197)	(289)	
Retirements	(122)			N/a	N/a
Retrenchments				N/a	N/a
Deaths	(53)				N/a
Transfers (from)/to pensioners / deferred pensioners					
Unclaimed Benefit paid					(132)
Numbers at end of period	2477	4	1367	2742	320
Number at end of period (South African citizen)	2477	4	1367	2742	320
Number at end of period (non- South African citizen)	0	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 not in a sound financial position, but the surcharge being paid is expected to restore the fund to a sound financial position within the period permitted by the FSB.

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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
At 31 March 2015

	Notes	2015 R	2014 R
ASSETS			
Non-current assets		3 719 551 993.79	3 308 864 017.57
Plant and equipment	1	7 451 758.16	7 192 488.16
Investments (including investment and owner occupied properties)	2	3 712 100 235.63	3 301 671 529.41
Housing loan facilities	3	-	-
Surplus improperly utilised receivable	22	-	-
Current assets		41 366 133.31	54 259 891.11
Transfers receivable	5	-	-
Accounts receivable	4	517 281.43	645 630.98
Contributions receivable	12	10 521 427.79	12 239 073.78
Cash at bank		30 327 424.09	41 375 186.35
Surplus improperly utilised receivable	22	-	-
Total assets		3 760 918 127.10	3 363 123 908.68
FUNDS AND LIABILITIES			
Funds and surplus account		3 049 220 493.57	3 271 064 610.57
Accumulated funds		3 049 220 493.57	3 271 064 610.57
Member surplus account	21	-	-
Reserves		601 556 322.77	-
Reserve accounts	21	601 556 322.77	-
Revaluation reserve: Property, plant and equipment	6	-	-
Total funds and reserves		3 650 776 816.34	3 271 064 610.57
Non-current liabilities		15 608 379.36	19 393 589.09
Employer surplus account	21	-	-
Financial liabilities	16.1	-	-
Provisions	16.2	1 860 628.01	2 145 467.60
Unclaimed benefits	9	13 747 751.35	17 248 121.49
Current liabilities		94 532 931.40	72 665 709.02
Transfers payable	7	14 803 762.16	8 115 948.36
Benefits payable	8	29 453 629.48	21 742 207.79
Accounts payable	10	50 016 415.33	42 807 552.87
Retirement fund taxation	11	-	-
Contributions payable		259 124.43	-
Bank overdraft		-	-
Total funds and liabilities		3 760 918 127.10	3 363 123 908.68

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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	R
Contributions received and accrued	12	140 402 948.92	-	-	140 402 948.92	171 171 920.24	-
Contributions transferred from reserve accounts	21	-	-	-	-	-	-
Contributions transferred from surplus accounts	21	-	-	-	-	-	-
Surplus improperly utilised	22	-	-	-	-	-	-
Reinsurance proceeds		-	-	-	-	-	-
Net investment income	13	486 988 235.99	-	-	486 988 235.99	557 905 047.32	-
(less) Allocated to unclaimed benefits		-	-	-	-	-	-
Other income (<i>provide details</i>)	13.1	-	-	-	-	-	-
Less:		-5 859 908.82	-	-	-5 859 908.82	-9 669 736.23	-
Re-insurance premiums		-	-	-	-	-	-
Administration expenses	14	5 859 908.82	-	-	5 859 908.82	9 669 736.23	-
Retirement fund taxation	11	-	-	-	-	-	-
Net income before transfers and benefits		621 531 276.09	-	-	621 531 276.09	719 407 231.33	-
Transfers and benefits		-241 819 070.32	-	-	-241 819 070.32	-215 214 206.58	-
Transfers from other funds	5	-	-	-	-	2 173 843.24	-
Transfers to other funds	7	-59 625 298.96	-	-	-59 625 298.96	-60 387 737.61	-
Benefits	8	-182 193 771.36	-	-	-182 193 771.36	-157 000 312.21	-
Net income after transfers and benefits (carried forward)		379 712 205.77	-	-	379 712 205.77	504 193 024.75	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
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
Net income after transfers and benefits (brought forward)		379 712 205.77	-	-	-	379 712 205.77	504 193 024.75
Funds and reserves		3 271 064 610.57	-	-	-	3 271 064 610.57	2 766 871 585.82
Balance at beginning of period		3 271 064 610.57	-	-	-	3 271 064 610.57	2 766 871 585.82
Prior period adjustments	15	-	-	-	-	-	-
Transfer between reserve accounts		3 650 776 816.34	-	-	-	3 650 776 816.34	3 271 064 610.57
Investment return allocated	21	-601 556 322.77	601 556 322.77	-	-	-	-
Current members		-	-	-	-	-	-
Former members		-	-	-	-	-	-
Surplus and reserve accounts	21	-	-	-	-	-	-
Surplus apportionment	21	-	-	-	-	-	-
Revaluation surplus: Property, plant and equipment	6	-	-	-	-	-	-
Transfer between reserve accounts		3 049 220 493.57	601 556 322.77	-	-	3 650 776 816.34	3 271 064 610.57
Employer surplus account		-	-	-	-	-	-
Member surplus account		-	-	-	-	-	-
Allocations to/from surplus accounts		3 049 220 493.57	601 556 322.77	-	-	3 650 776 816.34	3 271 064 610.57
Benefits to former members		-	-	-	-	-	-
Surplus transfers payments		-	-	-	-	-	-
Benefit enhancements - other		-	-	-	-	-	-
Surplus transfers received		-	-	-	-	-	-
Balance at end of period		3 049 220 493.57	601 556 322.77	-	-	3 650 776 816.34	3 271 064 610.57

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
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 in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the Fund and the provisions of the Pension Funds Act in South Africa, 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

The useful life of the existing assets has been further extended to March 2015.

- * 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 asset 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 a financial 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.

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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

PRINCIPAL ACCOUNTING POLICIES

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.

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 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 consist 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

PRINCIPAL ACCOUNTING POLICIES

Unlisted equities

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

Preference shares

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

Insurance policies - linked or market-related policies

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

Collective investment schemes

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

Derivative market instruments

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

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

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

Options

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

Futures/forwards

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held. Futures are settled on a daily basis with profits and losses transferred to a deposit account reflected under cash and deposits in the statement of net assets.

Cash at bank

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

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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

PRINCIPAL ACCOUNTING POLICIES

Transfers to and from the Fund

Section 14 transfers to or from the Fund are recognised on the date of approval of transfer of business by the Financial Services Board, as contained in the approval certificate from the Registrar. These are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

Accounts receivable

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

Accounts payable

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

Impairment

Financial assets carried at amortised cost

The fund assesses at each statement of 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 assets 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 as a provision 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

PRINCIPAL ACCOUNTING POLICIES

Contingent assets

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

Contributions

Contributions are measured at the fair value of the consideration receivable. Contributions are accrued and recognised as income in accordance with 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 charged on late payment of Contributions

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.

Dividend income, interest and rentals

- * Interest income is accounted for 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 arising from changes in the fair value of financial assets are presented in the statement of changes in net assets and funds in the period in which they arise.
- * Expenses in respect of the management of investments are recognised as the service is rendered.
- * All income derived from script lending is included in the statement of changes in net assets and funds.

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 or value that can be reliably measured.

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 the 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, changing in accounting estimates and errors

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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

PRINCIPAL ACCOUNTING POLICIES

Comparatives

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

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;
- * Provision 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.

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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
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
Gross carrying amount							
	At beginning of period	-	-	-	-	7 192 488.16	7 192 488.16
	Additions	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Revaluation reserve (note 6)	-	-	-	-	-	-
	Other movements	-	-	-	-	259 270.00	259 270.00
	At end of period	-	-	-	-	7 451 758.16	7 451 758.16
Accumulated depreciation and impairment							
	At beginning of period	-	-	-	-	-	-
	Depreciation charges	-	-	-	-	-	-
	Accumulated depreciation on disposals	-	-	-	-	-	-
	Impairment	-	-	-	-	-	-
	Other movements	-	-	-	-	-	-
	Net carrying amount at end of period	-	-	-	-	7 451 758.16	7 451 758.16

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 R6 485 388.16.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2015

1.2		Plant and equipment - continued											
Previous period		A Plant		B Computer equipment and software		C Office equipment		D Furniture and fittings		E Land & buildings		A+B+C+D+E Total	
		R	R	R	R	R	R	R	R	R	R	R	R
Gross carrying amount													
At beginning of period		-	-	-	-	-	-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-	-	6 485 388.16	-	-	6 485 388.16
Disposals		-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve (note 6)		-	-	-	-	-	-	-	-	-	-	-	-
Other movements		-	-	-	-	-	-	-	-	707 100.00	-	-	707 100.00
At end of period		-	-	-	-	-	-	-	-	7 192 488.16	-	-	7 192 488.16
Accumulated depreciation and impairment													
At beginning of period		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charges		-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals		-	-	-	-	-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-	-	-	-	-
Other movements		-	-	-	-	-	-	-	-	-	-	-	-
Net carrying amount at end of period		-	-	-	-	-	-	-	-	7 192 488.16	-	-	7 192 488.16

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

2 Investments

2.1 Investment summary

	A		B		A+B		Total 2014	Fair value Current period	Amortised cost Current period	Categorised per Regulatory Framework
	Local		Foreign		Total 2015					
	R	R	R	R	R	R				
Cash	92 818 554.02	-	-	-	92 818 554.02	76 433 555.66	92 818 554.02	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
Debt Instruments including Islamic debt instruments	595 539 990.20	-	-	-	595 539 990.20	571 574 338.23	595 539 990.20	-	-	-
Investment properties and Owner occupied properties*	-	-	-	-	-	-	-	-	-	-
Equities (including demutualisation shares)	1 791 489 199.48	-	-	-	1 791 489 199.48	1 542 773 576.18	1 791 489 199.48	-	-	-
Insurance policies	-	-	-	-	-	-	-	-	-	-
Collective investment schemes	376 481 615.08	-	701 419 861.72	-	1 077 901 476.80	971 965 747.99	1 077 901 476.80	-	-	-
Hedge funds	-	-	-	-	-	-	-	-	-	-
Private equity funds	-	-	-	-	-	-	-	-	-	-
Investment in participating employer(s)	-	-	-	-	-	-	-	-	-	-
Derivative Market Instruments	-	-	-	-	-	-	-	-	-	-
Other assets	-	154 351 015.13	-	-	154 351 015.13	138 924 311.35	154 351 015.13	-	-	-
Total investments	2 856 329 358.78	855 770 876.85	-	-	3 712 100 235.63	3 301 671 529.41	3 712 100 235.63	-	-	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
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	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

[illegible]

For the period ended 31 March 2015

2.3.2 Previous Period

[illegible]

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

3 Housing loan facilities
3.1 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(6) of the Pension Funds Act	-		-		-		-		-		-
TOTAL	-		-		-		-		-		-

3.2 Housing loan guarantees

- The fund has granted guarantees to Nedbank, First National, Standard and Ithala Banks for loans granted to 633 members of the fund. The guarantees amounted to R12 931 273.25.
- 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

4 Accounts receivable

	2015	2014
	R	R
Annuity refunds	21 072.60	1 519.66
Medical board fees	13 592.80	15 092.80
Late payment interest on contributions	13 655.49	2 246.53
Prepaid expenses	145 013.44	140 888.45
Sundry debtors	19 812.63	220 861.91
Refunds of pension over-payments	303 928.66	263 239.36
Pensionable service debtors	205.81	1 782.27
TOTAL	517 281.43	645 630.98

5 Transfers from other funds/ Transfers receivable

[illegible]

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

6 Revaluation reserve - Property, plant and equipment

	2015	2014
	R	R
At beginning of period	-	-
Revaluation	-	-
Impairments	-	-
Transfer to statement of changes in net assets and funds	-	-
At end of period	-	-

7 Transfers to other funds/ Transfers payable

	Effective date	No. of members	Applied for not yet approved (contingency)	A		B		C		D		A+B+C-D	
				At beginning of period	R	Transfers approved	R	Return on transfers	R	Assets transferred	R	At end of period	R
Total transfers in terms of section 14*													
KZJMPF		14	-	2 720 657.34		2 328 828.36		139 347.78		(3 764 258.00)		1 424 575.48	
NJMPF(S)		28	-	1 675 583.83		10 395 738.66		279 718.32		(11 913 567.14)		437 473.67	
Other		92	-	3 719 707.19		45 303 837.13		1 177 828.71		(37 259 660.02)		12 941 713.01	
Transfers in terms of section 15B/15E/15F		-	-	-		-		-		-		-	
Individual transfers		-	-	-		-		-		-		-	
Total Prospective approvals in terms of section 14*		-	-	8 115 948.36		58 028 404.15		1 596 894.81		(52 937 485.16)		14 803 762.16	
Total		134	-										

Transfers approved (B) 58 028 404.15
Return on transfers (C) 1 596 894.81

Statement of Changes in Net Assets and Funds 59 625 298.96

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

8 Benefits
8.1 Benefits – current members

	A	B	C	D	E	A+B+C-D-E
	At beginning of period R	Benefits for current period R	Return allocated R	Payments R	Transferred to unclaimed benefits R	At end of period R
Monthly pensions	-	126 818 933.03	-	(126 818 933.03)	-	-
Lump sums on retirements						
Full benefit	5 841 685.58	22 647 711.27	404 651.73	(20 270 494.40)	181 631.38	8 805 185.56
Pensions commuted	-	-	-	-	-	-
Lump sums before retirement						
Disability benefits	-	-	-	-	-	-
Death benefits	8 570 982.09	10 218 835.91	738 360.13	(12 890 292.37)	1 879 280.43	8 517 146.19
Withdrawal benefits	7 240 324.74	16 080 485.73	342 622.35	(13 060 552.31)	1 439 221.84	12 042 082.35
Retrenchment benefits	-	-	-	-	-	-
Minimum benefit payments made in terms of section 15	-	-	-	-	-	-
Defaults - housing loan facilities	-	4 799 386.32	-	(4 799 386.32)	-	-
Divorce payments	89 215.38	142 804.89	-	(142 804.89)	-	89 215.38
Other	-	-	-	-	-	-
Total (8.1)	21 742 207.79	180 708 137.15	1 485 634.21	(177 982 463.32)	3 500 113.65	29 453 629.48
Benefits for current period (B)	180 708 137.15					
Return allocated (C)	1 485 634.21					
Statement of changes in net assets and funds	182 193 771.36					

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
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	-	-	-	-	-	-
Total benefits (8.2)	-	-	-	-	-	-
Surplus allocated (B)	-	-	-	-	-	-
Return allocated (C)	-	-	-	-	-	-
Statement of changes in net assets and funds	-	-	-	-	-	-
Total benefits (8.1 + 8.2)	21 742 207.79	180 708 137.15	1 485 634.21	(177 982 463.32)	3 500 113.65	29 453 629.48

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

9 Unclaimed benefits

	2015 R	2014 R
At beginning of period	17 248 121.49	16 334 877.21
Transferred from benefits payable	3 766 474.45	8 364 117.79
Adjustments	-	-
Investment income allocated	-	-
Less:	(7 266 844.59)	(7 450 873.51)
Tracing expenses	256.49	18 574.36
Administration expenses	-	-
Other expenses	-	-
Benefits paid	7 266 588.10	7 432 299.15
Transferred to unclaimed benefits fund	-	-
Balance at end of period	13 747 751.35	17 248 121.49

10 Accounts payable

	2015 R	2014 R
Actuary's fees	31 635.00	27 502.50
Contributions refundable	-	304 627.14
Contributions in advance	929 274.06	1 192 251.90
Pensions and tax payable	45 410 188.92	36 020 472.08
Sundry creditors	1 928 682.82	4 390 643.75
Unpaid pensions	1 716 634.53	872 055.50
	50 016 415.33	42 807 552.87

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

	2015 R	2014 R
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	-	-
At end of period	-	-

12 Contributions

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	1 463 351.90	22 224 822.17	-	22 558 399.52	1 129 774.55
	Employer contributions - received and accrued	3 840 253.58	59 982 832.60	-	60 858 234.89	2 964 851.29
	Additional contribution in respect of actuarial shortfall	399 797.19	4 764 880.32	-	4 856 015.81	308 661.70
	Additional voluntary contributions – employer	3 313 446.85	50 317 064.47	-	51 072 378.90	2 558 132.42
	Additional voluntary contributions – members	-	-	-	-	-
	Other (Excessive increases)	3 222 224.26	3 113 349.36	-	2 775 565.79	3 560 007.83
	Total	12 239 073.78	140 402 948.92	-	142 120 594.91	10 521 427.79
	Towards retirement	140 402 948.92				
	Toward re-insurance and expenses	-				
	Statement of changes in net assets and funds	140 402 948.92				

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

13	Net investment income	2015	2014
		R	R
	Income from investments	138 850 049.25	126 350 713.38
	Dividends	80 223 551.02	72 876 933.67
	Interest	58 408 192.75	53 260 978.47
	Rentals	218 305.48	212 801.24
	Collective investment schemes distribution	-	-
	Income from insurance policies	-	-
	Interest on late payment of contributions	83 294.89	76 520.01
	Interest levied on surplus improperly utilised	-	-
	Adjustment to fair value	363 112 207.88	445 610 778.94
	Profit/loss on disposal of investments	134 387 082.45	183 229 827.10
	Investments written up/down	228 725 125.43	262 380 951.84
	Less: Expenses incurred in managing investments	(15 057 316.03)	(14 132 965.01)
	Less: Interest paid on borrowings	-	-
	Total	486 988 235.99	557 905 047.32

13.1	Other income	2015	2014
		R	R
	Bad debts recovered	-	-
	Other	-	-
		-	-

14	Administration expenses	Notes	2015	2014
			R	R
	Actuarial fees		976 327.34	940 863.85
	Administration fees		448 310.17	808 240.69
	Audit fees			
	Audit services		361 508.63	412 987.58
	Expenses		-	-
	Other		-	-
	Bad debts written off		194 954.40	39 389.13
	Consultancy fees		386 511.27	795 957.57
	Depreciation - at cost		-	-
	Depreciation - at revaluation		-	-
	Fidelity Insurance		136 500.01	11 343.75
	Levies		120 282.40	118 951.90
	Member communication		158 016.24	247 991.11
	Office expenses		238 783.16	729 168.24
	Operating lease payments		-	62 966.08
	Penalties		-	-
	Principal officer expenses	14.3	419 905.37	784 023.99
	Project costs		-	57 975.73
	Staff expenses	14.2	1 771 429.71	3 848 378.77
	Secretarial fees		-	-
	Board of Fund expenses	14.1	647 380.12	811 497.84
	Less: Amount allocated to unclaimed benefits	9	-	-
	Total		5 859 908.82	9 669 736.23

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

14 Administration expenses - continued

14.1 Board of Fund expenses

	2015	2014
	R	R
Remuneration	-	-
Meeting allowances	426 572.52	369 924.37
Expenses	220 807.60	441 573.47
Other payments	-	-
Total	647 380.12	811 497.84

14.2 Staff expenses

	2015	2014
	R	R
Remuneration	1 425 329.63	3 052 685.15
Contributions to retirement fund	274 722.86	653 854.32
Training expenses	20 212.96	28 264.30
Other payments	51 164.26	113 575.00
Total	1 771 429.71	3 848 378.77

14.3 Principal Officer expenses

	2015	2014
	R	R
Fees as Board member	-	-
Remuneration	277 123.62	487 269.80
Allowances	-	-
Contributions to retirement fund	49 882.26	140 479.89
Bonus	92 899.49	156 274.30
Other payments	-	-
Total	419 905.37	784 023.99

15 Prior period adjustment

	2015	2014
	R	R
Nil	-	-
	-	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2015

16 Financial liabilities and provisions

16.1 Financial liabilities

	2015 R	2014 R
Nil	-	-
TOTAL	-	-

16.2 Provisions

	2015 R	2014 R
Actuary's fees	775 200.00	685 803.48
Accumulated leave	255 841.37	441 361.38
Staff bonus	442 448.09	576 889.21
Audit fees	348 435.55	404 533.16
Consulting fees	38 703.00	36 880.37
TOTAL	1 860 628.01	2 145 467.60

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 R419 905 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	-	-
TOTAL	-	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2015

21 Surplus and reserve accounts

	A+B+C+D+E+F		A	B	C	D	E	F	
	Member/ pensioner surplus account	Employer surplus account	Reserve Accounts	Employer protection reserve	Solvency reserve	Investment reserve	Risk reserve	Pension er reserve	Other reserves
	R	R	R	R	R	R	R	R	R
At beginning of period	-	-	-	-	-	-	-	-	-
Employer surplus apportionment	-	-	-	-	-	-	-	-	-
Member surplus apportionment	-	-	-	-	-	-	-	-	-
Benefit enhancement – current members	-	-	-	-	-	-	-	-	-
Contributions received and accrued	-	-	-	-	-	-	-	-	-
Contributions transferred from reserve accounts	-	-	-	-	-	-	-	-	-
Contributions transferred from surplus accounts	-	-	-	-	-	-	-	-	-
Surplus improperly utilised	-	-	-	-	-	-	-	-	-
Reinsurance proceeds	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-	-
Allocated to unclaimed benefits	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Less:	-	-	-	-	-	-	-	-	-
Re-insurance premiums	-	-	-	-	-	-	-	-	-
Administration expenses	-	-	-	-	-	-	-	-	-
Retirement fund taxation	-	-	-	-	-	-	-	-	-
Net income before transfers and benefits	-	-	-	-	-	-	-	-	-
Transfers and benefits	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Net income after transfers and benefits	-	-	-	-	-	-	-	-	-
Transfer between reserve accounts			601 556 322.77		381 498 692.55	150 954 096.00	69 103 534.22		
Net investment return	-	-	-	-	-	-	-	-	-
Benefit enhancement – pensioners	-	-	-	-	-	-	-	-	-
Contribution holiday – after surplus apportionment	-	-	-	-	-	-	-	-	-
Contribution holiday – before surplus apportionment	-	-	-	-	-	-	-	-	-
At end of period	-	-	601 556 322.77	-	381 498 692.55	150 954 096.00	69 103 534.22	-	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2015

22 Surplus improperly utilised receivable

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

23 Amounts to be allocated

	2015 R	2014 R
Surplus to be apportioned	-	-
Investment return to be allocated	-	-
Other	-	-
Total amounts to be allocated	-	-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

Registration number: 12/8/6676

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 31 March 2012 statutory actuarial valuation report that was accepted by the Financial Services Board on 27 March 2013.

1. Net assets available for benefits ^(a): **R2 301 900 000**
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: **R2 415 500 000**
3. The actuarial present value of promised retirement benefits ^(b), split into vested ^(c) and non-vested benefits at: **R2 447 000 000 – all vested**
4. Contingency reserve account allocations that were recommended in the actuarial valuation report:
Risk Reserve: R52 100 000
Minimum Pension Increase Reserve: R167 900 000
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:

The liabilities were valued on an attained age method of valuation on the following basis:

Pre-retirement discount rate: 10%

Salary increases: 7% plus promotional scale

Post-retirement discount rate: 5%

Mortality pre retirement: Fund specific

Mortality post retirement: PA(90) table (rated up 1 year for males), and allowing for an improvement in mortality of 0,5% p.a. from 2007 onwards (with an overall improvement of 10% after 20 years)

The Risk Reserve is maintained in order to give some protection against fluctuations in mortality and morbidity experience of the members, and against the longevity risk of pensioners. Using the formulae set out in paragraph 4.4 of Circular PF117 a Risk Reserve of R 52,1 million is held.

The Memorandum Account was calculated as the excess of the assets attributable to pensioners over the pensioner liabilities.

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

See paragraph 5.



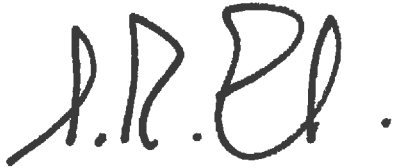
7. Any other particulars deemed necessary by the valuator for the purposes of this summary:

The Employer and members are paying a surcharge of 17,5% of pensionable salaries for a period of 8 years, to meet the deficit in the Fund. Excluding the surcharge, the "basic" contribution payable to the Fund by the Employer has been increased to 18,37% with effect from 1 July 2012.

The surplus of R 167,9 million in the Memorandum Account for pensioners is retained as a contingency reserve to provide for minimum pension increases as prescribed by legislation and incorporated in the Fund's Regulations.

8. The Memorandum Account in respect of pensioners was fully funded. The Fund's liabilities for the contributory members exceeded the value of the assets and the surcharge of 17,5% of pensionable salaries payable for 8 years is expected to return the funding level of the Fund to 100%. Subject to this, the Fund was in a sound financial condition as at 31 March 2012.

Prepared by me:



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.R.' or similar, located in the lower right quadrant of the page.

REPORT OF THE AUDITOR GENERAL OF NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) 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 Natal Joint Municipal Pension Fund (Retirement) (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
	Statement of Net Assets and Funds	
1	Investments	
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.

	Procedures	Findings
1.2.4	For segregated portfolios, confirm directly with the investment administrators: (a) whether scrip lending took place during the year and, if so, (b) whether there was collateral provided by the counterparties for any scrip lending activities and, if so, (c) the percentage exposure covered by the collateral. Report on the amount for a).	The direct confirmations received from the investment administrators indicated that: (a) scrip lending took place during the year. Scrip lending amounted to R176,652,593 as at 31 March 2015, and (b) collateral was provided by the counterparties) for any scrip lending activities; and (c) collateral provided covered 206% of the exposure.
2	Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is Defined benefit fund.
2.1	Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 March 2015.	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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:	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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).	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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).	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.

	Procedures	Findings
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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.	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.

	Procedures	Findings
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.4.3	Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Registrar.	Not applicable. Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
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:	
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).	The member 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.
4	Surplus apportionment scheme	

	Procedures	Findings
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.
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. There was no surplus apportionment scheme.

	Procedures	Findings
5	Member and employer surplus accounts	
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. There was no surplus apportionment scheme.
6	Reserves	
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 (e.g. pensioner 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 reserve, risk reserve and pensioner memorandum 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 and risk reserve as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act.
7	Other assets, liabilities and guarantees	
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. The fund rules do not make provision for granting of housing loans.
7.1.1	Agree the total housing loans on the above list to the corresponding account in the annual financial statements.	Not applicable. The fund rules do not make provision for granting of housing loans.
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. The fund rules do not make provision for granting of housing loans.
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. The fund rules do not make provision for granting of housing loans.

	Procedures	Findings
7.2.2	Inspect evidence that the housing loan has been granted in terms of Section 19(5) (a).	Not applicable. The fund rules do not make provision for granting of housing loans.
7.2.3	Inspect evidence that repayments are being made in accordance with the housing loan agreement.	Not applicable. The fund rules do not make provision for granting of housing loans.
7.2.4	Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate.	Not applicable. The fund rules do not make provision for granting of housing loans.
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. The fund rules do not make provision for granting of housing loans.
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 a 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. No other loans have been granted by the Fund.
	Statement of Changes in Net Assets and Funds	
8	Contributions	

	Procedures	Findings
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:	
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. The participating employers from the sample selected made payment on time for the three months selected, therefore late payment interest is not applicable.
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.
9	Benefits	
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 performed the following procedure:
9.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The detailed list had been agreed to the respective general ledger benefit expense accounts reconciliation.

	Procedures	Findings
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:	
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. The Fund is self-insured
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 at year-end, 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.
10	Transfers	
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:	

	Procedures	Findings
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. Natal Joint Municipal Pension Fund (Retirement) is not a unitised fund.
10.3	Individual transfers 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 throughout the year ended 31 March 2015.
10.3.1	Agree the transfers to the approved recognition of transfer documentation.	Not applicable. There were no individual transfers throughout the year ended 31 March 2015.
10.3.2	For individual transfers in selected 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. There were no individual transfers throughout the year ended 31 March 2015.
11	Pensioners paid	

	Procedures	Findings
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:	Obtained a copy of the list of pensioners and amounts paid for the year from the administration system and performed the following procedure :
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.	Agreed the total pensions paid for the year ended 31 March 2015 to the corresponding account reconciliation to the general ledger balances.
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:	
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	The pensioner increases were authorised by the Board of Fund.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	Inspected the declaration forms which indicated that the pensioners selected existed.
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. Inspected the Fund's investments listing, the Fund does not have investments in the form of annuities.
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.
	General	
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.

	Procedures	Findings
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at 31 March 2012 and perform the following procedures:	Not Applicable.
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	Per the report the Fund was under-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.	A scheme, as required in terms of section 18 of the Act in South Africa, had been approved by the Registrar.

NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT
SCHEDULE IA - INVESTMENT SCHEDULE
At 31 March 2015

Investments¹

	Notes ²	A Direct Investments	B Non-compliant Collective Investment schemes	C Non-compliant Insurance Policies	D Derivative positions without residual risk	E Compliant Investments	A+B+C+D+E V+W+X	V Local	W Foreign	X Foreign Africa	W+X Total Foreign	Total percentage Foreign Exposure	Y Derivative positions with residual risk	Z Reconciling Items Between Schedule IB and Schedule F	V+W+X+Y+Z TOTAL as per (Schedule IB) Regulation 28
		R	Note M1 R	Note M2 R	Note G1 R	R	R	R	R	R	R	%	R	R	R
Cash (including cash at bank)	A	127 579 619	0	0	0	0	127 579 619	120 060 068	7 519 551	0	7 519 551	0.20%	0.00	0.00	127 579 619
Commodities	B	24 595 312	0	0	0	0	24 595 312	24 595 312	0	0	0	0.00%	0.00	0.00	24 595 312
Housing Loans		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Debt Instruments Including Islamic debt	C	892 789 797	0	0	0	0	892 789 797	891 636 292	0	1 153 505	1 153 505	0.03%	0.00	0.00	892 789 797
Investment Properties and owner occupied properties	D	161 530 002	0	0	0	0	161 530 002	161 321 450	208 552	0	208 552	0.01%	0.00	0.00	161 530 002
Equities	E	2 535 932 930	0	0	0	0	2 535 932 930	1 688 336 032	847 594 910	1 988	847 596 898	22.65%	0.00	0.00	2 535 932 930
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
Hedge Funds	J	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Private Equity Funds	K	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Collective Investment Schemes		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Insurance Policies:		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
- Linked Policies		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
- Non-Linked Policies		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
- Insurance Policies ito Reg 28(3)(c) ³		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
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
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
TOTAL INVESTMENTS		3 742 427 660	0	0	0	0	3 742 427 660	2 885 949 154	855 323 013	1 155 493	855 770 877	22.87%	0.00	0.00	3 742 427 660

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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2015

A CASH

Instrument	Fair value R
Local	
Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	120 060 068
Notes and coins, any balance or deposit in an account held with a South African bank List issuers/entities which exceeds 5% of total assets	53 645 736
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument List issuers/entities which exceeds 5% of total assets	61 160 498
Any positive net balance in a margin account with an exchange List issuers/entities which exceeds 5% of total assets	5 253 834
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets List issuers/entities which exceeds 5% of total assets	0
Foreign	7 519 551
Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	
Any balance or deposit held with a foreign bank List issuers/entities which exceeds 5% of total assets	7 519 551
Any balance or deposit held with an African bank List issuers/entities which exceeds 5% of total assets	
A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument List issuers/entities which exceeds 5% of total assets	
Total Cash	<u>127 579 619</u>

B COMMODITIES

Instrument	Local or foreign	Holding number	% Holding	Fair value R
Gold (including Kruger Rands) List issuers/entities which exceeds 5% of total assets				4 908 814
Other				
Palladium				7 657 891
Platinum				12 028 607
Total Commodities				24 595 312

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					483 271 428.00
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic	Local	Secured/ Unsecured			483 271 428.00
List issuers/entities which exceeds 5% of total assets					
Debt instruments issued or guaranteed by the government of a foreign country:	Local	Secured/ Unsecured			0
List issuers/entities which exceeds 5% of total assets					
Bank debt :					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	Local	Secured/ Unsecured			180 347 179.00
Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	Local	Secured/ Unsecured			178 825 653.00
List issuers/entities which exceeds 5% of total assets					
Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	Local	Secured/ Unsecured			-
- List issuers/entities which exceeds 5% of total assets					
Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	Local	Secured/ Unsecured			1 521 526.00
- List issuers/entities which exceeds 5% of total assets					
Not listed on an exchange					-

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS (continued)

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Public debt:					
Debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-					84 096 621.15
1.Airports Company of South Africa Limited	Local				6 857 607.00
2.Development Bank of South Africa	Local				14 677 781.00
3.ESKOM	Local				27 657 052.13
4.Industrial Development Corporation of South Africa	Local				227 609.00
5.Land and Agricultural Development Bank of South Africa	Local				107 524.00
6.Trans – Caledon Tunnel Authority	Local				5 801 058.46
7.Transnet Limited	Local				15 737 360.00
8.The South African National Roads Agency Limited	Local				6 919 829.00
9.Rand Water	Local				3 219 264.00
10.Umgenei Water	Local				2 891 536.56
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	Local				145 074 568.85
Listed on an exchange List issuers/entities which exceeds 5% of total assets	Local				144 505 456.85
Not listed on an exchange Inkotha Investments Sanlam Superdrive Investments Stanlib					569 112.00 23 993.00 28 126.00 263 003.00 253 990.00
Debentures:					-
Listed on an exchange List issuers/entities which exceeds 5% of total assets					-
Not listed on an exchange					-
Other	Local				-
Listed on an exchange: List issuers/entities which exceeds 5% of total assets					-
Not listed on an exchange					-
INCLUDING ISLAMIC DEBT INSTRUMENTS					892 789 797.00

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

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

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	% Holding	Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, <u>listed</u> on an exchange:						
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed						161 530 002
List issuers/entities which exceeds 5% of total assets						136 414 113
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						9 391 188
List issuers/entities which exceeds 5% of total assets						15 724 701
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
List issuers/entities which exceeds 5% of total assets						
Shares in property companies and linked units in property companies, <u>not listed</u> on an exchange:						
Provide details						
TOTAL						161 530 002

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

						Fair value R
TOTAL OF INVESTMENT AND OWNER OCCUPIED PROPERTY						161 530 002

Note: Valuation method and date of valuation

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity	Fair value R
Listed equities						2 535 923 797
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	88 239 053 338	Ordinary	14 524 811	0.00%	2 102 149 866
Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	208 962 381 574	Ordinary	11 870 227	0.00%	377 177 284
Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	24 417 513 804	Ordinary/ Preference	6 858 328	0.00%	56 596 647
Unlisted equities						9 133
Oesterreich Post						
TOTAL EQUITIES						2 535 932 930

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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	123 668 742.60	1 551 264	Nedbank	Nedbank	3 473 822.21
Other listed equities (<i>provide details</i>)	50%							
Debt – Government bonds	75%		Various	52 983 850.11	48 626 114	Nedbank	Nedbank	
Other listed debt instruments (<i>provide details</i>)	50%							
Money Market Instruments issued by a South African bank, including an Islamic liquidity	75%							
TOTAL				176 652 592.71	50 177 378			3 473 822.21

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

List and describe your scrip lending mandates

Name of lender	Description	% of total assets	Value of transaction R
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	PRUDENTIAL 8882034410	50%	99 105 087.74
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	ALLAN GRAY 8882020983	50%	17 633 252.80
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	CORONATION 8882034380	50%	38 961 142.04
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	STANLIB 110138400012	50%	20 953 110.10
Total			176 652 592.68

At 31 March 2015

G1 DERIVATIVE POSITIONS WITHOUT RESIDUAL RISK

[illegible]

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED
At 31 March 2015

[illegible]

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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								
SUBTOTAL								

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							
SUBTOTAL							

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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

I OTHER ASSETS

Instrument	Local or Foreign	Holding number	% Holding	Fair value R
Total other portfolio assets				

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								
Funds of Hedge Funds								
Total Hedge funds commitment								

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

K PRIVATE EQUITY FUNDS

[illegible]

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED
At 31 March 2015

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)		
Total certified Regulation 28 compliant investments		

List issuers/entities which exceeds 5% of total assets

Instrument	Local or Foreign	% Holding	Fair value R
Collective Investment Schemes			
Total Non-compliant Collective investment schemes			

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

Investment manager/CIS/ Insurer responsible for not providing information on investment(s)/portfolio	Fair Value R	Reasons
Provide details		<ul style="list-style-type: none"> -Previous period compliant portfolio -Previous period non-compliant portfolio -Foreign portfolio - Other

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

O ENTITY/ COUNTERPARTY EXPOSURE
CREDIT / COUNTER PARTY RISK

Counter party	Direct investment in counter party	Deposit/liquid asset with counter party	Securities lending transactions	Open financial instruments mark to market value	Guarantees	Any other instrument	Total per Counter Party	Exposure to counter party as a % of the fair value of the assets of the fund
	R	R	R	R	R	R	R	
BANKS	241 456 991.23	69 639 174.02	0.00	0.00	0.00	146 064 593.80	457 160 759.05	12.22%
ABSA BANK	0.00	18 873 526.13	0.00	0.00	0.00	12 773 526.63	31 647 052.76	0.85%
AFRICAN BANK LIMITED	0.00	4 777 078.42	0.00	0.00	0.00	1 086 586.20	5 863 664.62	0.16%
BANK OF WINDHOEK	0.00	0.00	0.00	0.00	0.00	1 008 942.70	1 008 942.70	0.03%
BARCLAYS AFRICA GROUP	29 023 910.00	0.00	0.00	0.00	0.00	259 924.09	29 283 834.09	0.78%
CAPITEC BANK LIMITED	1 050 020.00	0.00	0.00	0.00	0.00	5 250 040.98	6 300 060.98	0.17%
DEVELOPMENT BANK OF SA	0.00	0.00	0.00	0.00	0.00	11 319 484.69	11 319 484.69	0.30%
FIRST RAND LIMITED	64 652 445.44	0.00	0.00	0.00	0.00	55 280 344.96	119 932 790.40	3.20%
INKOTHA INVESTMENT LTD	0.00	23 993.15	0.00	0.00	0.00	5 000 000.00	5 023 993.15	0.13%
INVESTEC BANK LTD	34 760 657.11	0.00	0.00	0.00	0.00	12 389 000.40	47 149 657.51	1.26%
NEDBANK GROUP LTD	26 904 331.44	21 788 990.10	0.00	0.00	0.00	21 823 806.28	70 517 127.82	1.88%
RMB HOLDINGS LTD	7 081 203.24	7 760 174.61	0.00	0.00	0.00	0.00	14 841 377.85	0.40%
STANDARD BANK OF SA	77 984 424.00	9 893 574.60	0.00	0.00	0.00	19 872 936.87	107 750 935.47	2.88%
SAFEXX	0.00	6 521 837.01	0.00	0.00	0.00	0.00	6 521 837.01	0.17%
ASSET MANAGERS LOCAL	0.00	24 253 404.66	0.00	0.00	0.00	376 481 615.08	400 735 019.74	10.71%
CORONATION FUND	0.00	21 589 855.89	0.00	0.00	0.00	246 718 014.41	268 307 870.30	7.17%
PRUDENTIAL PORT MGR	0.00	2 663 548.77	0.00	0.00	0.00	26 843 281.51	29 506 830.28	0.79%
STANLIB	0.00	0.00	0.00	0.00	0.00	102 920 319.16	102 920 319.16	2.75%
ASSET MANAGERS FOREIGN	0.00	0.00	0.00	0.00	0.00	855 770 877.08	855 770 877.08	22.87%
ALLAN GRAY	0.00	0.00	0.00	0.00	0.00	154 351 015.36	154 351 015.36	4.12%
CONTRARIUS	0.00	0.00	0.00	0.00	0.00	166 697 364.08	166 697 364.08	4.45%
RUSSELL INVESTMENTS	0.00	0.00	0.00	0.00	0.00	211 117 690.33	211 117 690.33	5.64%
WALTER SCOTT & PARTNERS	0.00	0.00	0.00	0.00	0.00	323 604 807.31	323 604 807.31	8.65%
INSURANCE COMPANIES	91 653 457.68	28 126.03	0.00	0.00	0.00	14 909 822.69	106 591 406.40	2.85%
ALEXANDER FORBES	5 671 087.30	0.00	0.00	0.00	0.00	0.00	5 671 087.30	0.15%
LIBERTY GROUP LTD	6 124 846.50	0.00	0.00	0.00	0.00	890 674.41	7 015 520.91	0.19%
DISCOVERY HLD	4 297 987.20	0.00	0.00	0.00	0.00	0.00	4 297 987.20	0.11%
OLD MUTUAL	53 043 563.46	0.00	0.00	0.00	0.00	3 576 743.36	56 620 306.82	1.51%
MMI HOLDINGS	9 822 697.80	0.00	0.00	0.00	0.00	0.00	9 822 697.80	0.26%
SANLAM	12 693 275.42	28 126.03	0.00	0.00	0.00	8 435 202.92	21 156 604.37	0.57%
SANTAM LIMITED	0.00	0.00	0.00	0.00	0.00	2 007 202.00	2 007 202.00	0.05%
TOTAL	333 110 448.91	93 920 704.71	0.00	0.00	0.00	1 393 226 908.65	1 820 258 062.27	48.64%
PARTICIPATING EMPLOYERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL	333 110 448.91	93 920 704.71	0.00	0.00	0.00	0.00	1 820 258 062.27	48.64%

FAIR ASSET VALUE OF THE FUND

3 742 427 660

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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 marked to market value	Total fair value equity holdings and open instruments	Market movement by 5%
		R	R	
NASPERS LTD	159 213 670.00		159 213 670.00	167 174 353.50
BRITISH AMERICAN TOBACCO PLC	127 360 549.00		127 360 549.00	133 728 576.45
SASOL LTD	78 506 432.07		78 506 432.07	82 431 753.67
STANDARD BANK GROUP LTD	77 984 424.00		77 984 424.00	81 883 645.20
MTN GROUP LTD	76 754 050.00		76 754 050.00	80 591 752.50
FIRSTRAND LTD	64 652 445.44		64 652 445.44	67 885 067.71
OLD MUTUAL PLC	53 043 563.46		53 043 563.46	55 695 741.63
STEINHOFF INT.HLDS LTD	52 913 990.86		52 913 990.86	55 559 690.40
ANGLO AMERICAN PLC	45 642 948.75		45 642 948.75	47 925 096.19
SA BREWERIES ORD SHARES	42 611 364.00		42 611 364.00	44 741 932.20
Total value of 10 largest equity holdings	778 683 437.58		778 683 437.58	817 617 609.45
Total movement as % of non-current assets plus bank				1.04

3 742 427 659.94

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 EQ	88 914	323 604 807.31	339 785 047.68
CAB001 CORONATION ACTIVE BOND	180 463 271	246 718 014.41	259 053 915.13
RUSSELL INVESTMENTS WORLD EQUITY	767 286	211 117 690.33	221 673 574.85
CONTRARIUS GLOBAL EQUITY FUND	385 471	166 697 364.08	175 032 232.29
ALLAN GAY LIFE ORBIS GLOBAL EQUITY	326 883	154 351 015.36	162 068 566.13
REPUBLIC OF SA 10.50 211226	73 083 703	90 164 080.62	94 672 284.65
REPUBLIC OF SA 8.50 31012037	50 779 547	52 040 240.66	54 642 252.69
STD INST MMARKET B4	41 974 750	41 974 750.44	44 073 487.96
REPUBLIC OF SA 6.25 31032036	46 075 101	36 633 815.20	38 465 505.96
STNLIB INCOME FUND (CLASS B1)	21 207 011	29 146 492.07	30 603 816.67
Total value of 10 largest other instruments		1 352 448 270.48	1 420 070 684.01
Total movement as % of non-current assets plus bank			1.81

3 742 427 659.94

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

NOTES TO THE INVESTMENT SCHEDULE - CONTINUED

At 31 March 2015

Market risk

Foreign currency exposure

Foreign instruments	Description	Fair value at end of period	Market movement by 5%
		R	R
ALLAN GAY LIFE ORBIS GLOBAL EQUITY		154 351 015.36	162 068 566.13
CONTRARIUS GLOBAL EQUITY FUND		166 697 364.08	175 032 232.28
RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC		211 117 690.33	221 673 574.85
WALTER SCOTT & PARTNERS GLOBAL EQUITY US		323 604 807.31	339 785 047.68
Total value of foreign instruments		855 770 877.08	898 559 420.93
Total movement as % of non-current assets plus bank			1.14

3 742 427 659.94

Hedging portfolio

Hedged item per category

**Hedging
instrument**

Marked to market profit/loss

Disclosure

R

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE INVESTMENT SCHEDULE - CONTINUED
At 31 March 2015

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE 1A

	Fair value current period (as 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	Investments no information (Schedule IAN)	Other	Total
Cash	92 818 554.02		30 327 424.09							4 433 639.83	127 579 617.94
Commodities										24 595 312.00	24 595 312.00
Housing Loans											0.00
Debt instruments including Islamic debt instruments	595 539 990.20									297 249 807.00	892 789 797.20
Investment properties and owner occupied properties										161 530 002.00	161 530 002.00
Equities	1 791 489 199.48									744 443 731.00	2 535 932 930.48
Investments in participating employers											0.00
Hedge Funds											0.00
Private Equity Funds											0.00
Derivative market instruments											0.00
Collective Investment Schemes	1 077 901 476.80									-1 077 901 476.80	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	154 351 015.13									-154 351 015.13	0.00
TOTAL INVESTMENTS	3 712 100 235.63	0.00	30 327 424.09	0.00	0.00	0.00	0.00	0.00	0.00	-0.10	3 742 427 659.62

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28
As at 31 March 2015

	Fair value R
A Total assets (Schedule IA -Total investments)	3 742 427 660
B1 Less: Reg 26 compliant investments (certificate received from issuing entity):-	0
B.1.1 Collective Investment Schemes (Reg 28(9)(b)(i))	0
B.1.2 Linked Policies (Reg 28(9)(b)(ii))	0
B.1.3 Non-Linked policies (Reg 28(9)(b)(iii))	0
B.1.4 Entity regulated by FSB (Reg 28(9)(b)(iv))	0
B2 Less: Reg 28 Excluded investments	0
B.2.1 Insurance Policies (Reg 28(3)(c))	0
C Less: Investments not disclosed /data not available for disclosure [Refer Schedule IAN]	0
D TOTAL ASSETS for REGULATION 28 DISCLOSURE	3 742 427 660

		R	%
1 CASH	100%	127 579 819	3.41%
Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial	100%	120 060 068	3.21%
(a) Notes and coins, any balance or deposit in an account held with a South African bank		53 645 736	
-per issuer/entity	25%		
African Bank Ltd		4 777 078	0.13%
ABSA Bank Ltd		6 352 314	0.17%
China Construction Bank		0	0.00%
CitiBank		6 909 218	0.18%
FirstRand Bank Ltd		3 765 090	0.10%
Hong Kong Shanghai Bank Corp		3 585	0.00%
Investec Bank Ltd		248 374	0.01%
Nedbank Ltd		-7 197 655	-0.19%
Standard Bank of SA		38 725 545	1.03%
Standard Chartered Bank		62 187	0.00%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		61 160 498	1.63%
-per issuer/entity	25%		
African Bank Ltd		297 999	0.01%
ABSA Bank Ltd		22 426 079	0.60%
FirstRand Bank Ltd		11 336 990	0.30%
Investec Bank Ltd		1 809 020	0.05%
Nedbank Ltd		9 454 520	0.25%
Standard Bank of SA		15 833 890	0.42%
(c) Any positive net balance in a margin account with an exchange		5 253 834	0.14%
-per issuer/entity	25%		
SAFEX - margin		5 253 834	0.14%
(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	
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	SARB maximum limits	7 519 551	0.20%
(a) Any balance or deposit held with a foreign bank		7 519 551	0.20%
-per issuer/entity	5%		
Australian Dollar		17 546	0.00%
Brazilian Real		1 170	0.00%
Canadian Dollar		12 773	0.00%
Swiss Franc		-38 765	0.00%
Danish Krone		4 770	0.00%
Euro currency		25 101	0.00%
Pound Sterling		3 781	0.00%
Hong Kong Dollar		11 763	0.00%
Israeli Shekel		5 482	0.00%
Japanese Yen		3 646	0.00%
South Korean Won		0	0.00%
Norwegian Krone		5 073	0.00%
New Zealand Dollar		6 316	0.00%
Swedish Krona		5 439	0.00%
Singapore Dollar		5 375	0.00%
US Dollar		7 451 081	0.20%
(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%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS	100% issued/ guarantee by Republic otherwise 75% 75/100%	862 789 797	23.86%
2.1 Inside the Republic		891 636 292	23.83%
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	482 117 923	12.88%
(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%	180 347 179	4.82%
(c)(i) Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	178 825 653	4.78%
-per issuer	25%		
ABSA Bank Ltd		21 749 704	0.58%

	Capitec Bank Ltd		5 628 993		0.15%
	FirstRand Bank Ltd		68 284 437		1.82%
	Investec Bank Ltd		16 163 750		0.43%
	Nedbank Ltd		30 031 233		0.80%
	Standard Bank of SA		36 957 536		0.99%
(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%	1 521 526		0.04%
	-per issuer	10%	1 119 270		0.03%
	African Bank Ltd		402 256		0.01%
	China Bank		0		
(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%	223 127 474		5.96%
(d)(i)	Listed on an exchange	50%	221 235 189		5.91%
	-per issuer	10%	6 857 897		0.18%
	Airports Company SA Ltd		2 014 546		0.05%
	Anglo American Plc		3 397 612		0.09%
	Anglogold Ltd		4 437 185		0.12%
	Barlorld Ltd		2 931 535		0.08%
	Bayport Sec (RF) Ltd		2 870 414		0.08%
	Bidvest Group Ltd		6 082 352		0.16%
	City of Cape Town Municipality		589 633		0.02%
	City of Johannesburg		570 126		0.02%
	Capital Property Fund		532 007		0.01%
	Danel (Pty) Ltd		14 677 781		0.39%
	Development Bank of Southern Africa		8 672 701		0.24%
	Ekurhuleni Metro Municipality		2 109 175		0.06%
	Emira Property Fund		2 518 306		0.07%
	Eqstra Holdings Ltd		27 857 052		0.74%
	Eskom Holdings Ltd		722 326		0.02%
	Fortress Income Ltd		756 673		0.02%
	McQrie Sec SA (Pty) Ltd		2 885 102		0.08%
	Group Five Construction (Pty) Ltd		110 960		0.00%
	Growthpoint Property Fund		232 484		0.01%
	Hospitality Property Fund A		227 609		0.01%
	Industrial Dev Corp		2 540 630		0.07%
	Impela Platinum Holdings Ltd		5 000 000		0.13%
	Inkatha Investments Ltd		4 857 417		0.13%
	Imperial Holdings Ltd		107 524		0.00%
	Landbank of SA		1 228 327		0.03%
	Liberty Group		12 680 012		0.34%
	Mercedes Benz SA		0		0.00%
	MMI Holdings Ltd		4 809 516		0.13%
	MTN Group Ltd		571 616		0.02%
	Netcare Ltd		3 576 743		0.10%
	Old Mutual Plc		97 430		0.00%
	Pinnacle Hldg		1 106 161		0.03%
	Pretoria Portland Cement		3 219 254		0.08%
	Rand Water Board		8 636		0.00%
	RCS Investments Ltd		263 309		0.01%
	Redefine Properties Ltd		1 014 978		0.03%
	Resilient Property		6 919 829		0.18%
	SA National Roads Agency Ltd		3 054 892		0.08%
	SABMiller Plc		3 352 327		0.09%
	Sappi Ltd		5 442 405		0.15%
	Sanlam Ltd		0		0.00%
	Super Group Ltd		44 567 544		1.19%
	Stanlib		138 119		0.00%
	Telkom SA Ltd		321 158		0.01%
	Toyota Financial Services		15 737 380		0.42%
	Transnet Ltd		5 801 058		0.16%
	Trans Caledon Tunnel		190 777		0.01%
	City of Tshwane Metrop Muni		2 891 537		0.08%
	Umgeni Water		603 436		0.02%
	Vukile Property Fund Ltd		1 892 285		0.05%
(d)(ii)	Not listed on an exchange	25%	1 892 285		0.05%
	Averg Ltd	5%	1 892 285		0.05%
(e)	Other debt instruments:-	25%	6 043 716		0.16%
(e)(i)	Listed on an exchange	25%	5 474 604		0.15%
	- per instrument	5%	1 413 439		0.04%
	Thelovini Fund 10 Ltd		4 061 165		0.11%
	Thelovini Fund 11 Ltd		569 112		0.02%
(e)(ii)	Not listed on an exchange	15%	23 993		0.00%
	Inkatha Investments Ltd		28 126		0.00%
	Sanlam	5%	263 003		0.01%
	Superdrive Investments (Pty)	5%	253 990		0.01%
	Stanlib	5%			
2.2 Foreign	SARB maximum limits		1 153 505		0.03%
(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	1 153 505		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 issuer 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%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB maximum limits
(d)(i)	Listed on an exchange	SARB maximum limits
	-per issuer	10%
(d)(ii)	Not listed on an exchange	25%
	-per issuer	5%
(e)	Other debt instruments:-	25%
(e)(i)	Listed on an exchange	25%
	- per instrument	5%
(e)(ii)	Not listed on an exchange	15%
	-per instrument	5%

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0.00%

3 EQUITIES

3.1 Inside the Republic

(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-

(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed

-per issuer

ABSA Bank Ltd

Anglo American plc

Aspen Pharmacare Holdings Ltd

African Rainbow

Avinia Ltd

Barlowsorld Ltd

Brait SA

British American Tobacco plc

BHP Billiton plc

Bidvest Group Ltd

Clicks

Capitec Bank Ltd

Distell Group Ltd

Discovery Holdings Ltd

Exxaro Resources Ltd

FirstRand Bank Ltd

Foschini Group Ltd

Gold Fields Ltd

Glencore Xstrata plc

Impela Platinum Holdings Ltd

Investec Bank Ltd

Liberty Holdings

Life Healthcare Group Holdings Ltd

Medi-Clinic Corp Ltd

MMI Holdings Ltd

Mondi Ltd

Mondi plc

Mr Price Group

MTN Group Ltd

Nedbank Ltd

Nampak Ltd

Naspers Ltd

Netcare Ltd

Old Mutual plc

Pioneer Food Group Ltd

Pick n Pay

Rainbow Chicken

Reinet Investments Sca

Remgro Ltd

Compagnie Fin Richemont

SABMiller plc

Sappi Ltd

Steinhoff Int Hlds

Sibanye Gold Ltd

Sanlam Ltd

Sasol Ltd

Sper Group Ltd

Standard Bank of SA

Truworths Int

Tecno Sun Holdings Ltd

Vodacom Group Ltd

Woolworths Holdings Ltd

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

-per issuer

ArcelorMittal SA Ltd

Adtech Ltd

Adcorp Holdings Ltd

Aveng Ltd

Alexander Forbes

AECI Ltd

Astral Foods Ltd

Allied Electronics Corporation Ltd

BlueTel

Caxton CTP Publishers & Printers Ltd

Consol Infrastr Grp

Clover Industries Ltd

Cornair

Capevinh

Datatec Ltd

Famous Brands Ltd

Grindrod Ltd

Group Five Construction (Pty) Ltd

Harmony Gold Mining Co Ltd

Hosken Consolidated Investments

Hudaco Industries

Hulemin Ltd

Holdsport Ltd

Ilvo Sugar Ltd

JD Group Ltd

JSE Ltd

Kap International Holdings

Kruger Rand

Lonmin plc

Mpacat Ltd

Murray & Robberts Holdings

NT1 Net1 UEPS Technologies Ltd

2 535 932 930

67.76%

1 688 336 032

45.11%

1 688 336 032

45.11%

1 418 631 560

37.91%

29 023 910

0.78%

46 717 870

1.25%

21 934 848

0.58%

2 709 312

0.07%

17 689 062

0.47%

4 338 588

0.12%

852 600

0.02%

128 537 434

3.43%

27 542 115

0.74%

21 874 311

0.58%

6 692 494

0.18%

1 050 020

0.03%

4 605 510

0.12%

4 297 987

0.11%

14 538 330

0.39%

71 733 649

1.82%

32 373 312

0.87%

3 248 556

0.09%

25 874 861

0.69%

19 183 757

0.51%

27 874 907

0.74%

6 124 847

0.16%

754 430

0.02%

12 495 802

0.33%

9 822 698

0.26%

15 962 238

0.42%

30 391 821

0.81%

4 128 959

0.11%

76 754 050

2.05%

27 399 085

0.73%

3 963 163

0.11%

159 659 544

4.27%

30 853 038

0.82%

53 043 563

1.42%

16 301 909

0.44%

14 874 807

0.40%

172 636

0.00%

11 376 869

0.30%

16 544 721

0.44%

36 610 374

0.98%

42 611 364

1.14%

28 214 212

0.75%

52 913 991

1.41%

2 472 768

0.07%

12 693 275

0.34%

78 506 432

2.10%

8 912 867

0.24%

107 130 916

2.86%

597 785

0.02%

18 745 948

0.50%

7 959 144

0.21%

18 044 893

0.48%

213 308 686

5.70%

2 069 809

0.06%

3 312 135

0.09%

1 479 173

0.04%

1 329 771

0.04%

5 671 087

0.15%

15 092 293

0.40%

10 466 100

0.28%

2 439 612

0.07%

1 940 100

0.05%

1 429 406

0.04%

221 702

0.01%

525 770

0.01%

385 000

0.01%

2 777 713

0.07%

9 909 360

0.26%

4 446 288

0.12%

2 433 218

0.07%

2 086 606

0.06%

1 429 043

0.04%

10 457 545

0.28%

2 959 172

0.08%

1 882 988

0.05%

439 280

0.01%

2 578 370

0.07%

180 200

0.00%

8 321 309

0.22%

3 891 966

0.10%

4 231 565

0.11%

5 086 110

0.14%

6 630 256

0.18%

1 143 863

0.03%

2 905 000

0.08%

				23 546 164			0.63%
	Northam Platinum Ltd			319 200			0.01%
	Norvus			9 829 050			0.28%
	Omnia Holdings Ltd			1 078 400			0.03%
	Pen African Resources plc			2 510 292			0.07%
	Peragrine Holdings			2 551 620			0.07%
	Pick n Pay Holdings Ltd			1 621 519			0.05%
	Royal Bafokeng Platinum Ltd			1 635 715			0.04%
	Raubex Group Ltd			1 608 536			0.04%
	Reunert			9 491 163			0.25%
	Super Group Ltd			16 090 074			0.43%
	Sun International SA			10 685 447			0.28%
	Tongaat Hulett Ltd			10 606 167			0.28%
	Trencor			837 701			0.02%
	Wilson Bayley			583 800			0.02%
	Zeder Investments			56 395 906			1.51%
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%					
	-per issuer	5%					
	Astrapek Ltd			301 917			0.01%
	Argent Industrial			0			0.00%
	Blackstar Group Se			38 510			0.00%
	Basil Read Holdings Ltd			470 881			0.01%
	Buildmax Ltd			129 549			0.00%
	Distribution & Warehousing Network Ltd			1 306 708			0.03%
	Delta EMD Ltd			41 788			0.00%
	Ellies Holdings Ltd			144 476			0.00%
	Eqstra Holdings Ltd			2 401 749			0.08%
	Gijima Ast Group			0			0.00%
	Illed Africa Ltd			986 177			0.03%
	FTSE/JSE: share weighted top40 Index			9 278 200			0.25%
	Metrofile Holdings Ltd			569 280			0.02%
	Montauk Energy Holdings LLC			234 147			0.01%
	Quantum Foods Holdings Ltd			520 280			0.01%
	Randgold			0			0.00%
	Safax derivatives			9 467 820			0.25%
	See Key Holdings Ltd			6 725			0.00%
	Sentula Mining Ltd			137 162			0.00%
	Sovereign Food Investment Ltd			632 939			0.02%
	Stanlib			28 952 293			0.77%
	Stefanutti Stocks Holdings Ltd			343 939			0.01%
	The York Timber Organisation Ltd			431 368			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		847 596 868		22.65%	
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB maximum limits		847 587 765		22.65%	
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits		663 518 306		18.28%	
	-per issuer	15%					
	Canfor Corp			101 941			0.00%
	Centurylink Inc			615 357			0.02%
	Alaska Air Group Inc			56 011			0.00%
	Allstate Corp			150 319			0.00%
	Analog Devices Inc			128 726			0.00%
	Canadian Tire Ltd Class A			208 312			0.01%
	Cardinal Health Inc			148 742			0.00%
	Care Laboratories NV			577 581			0.02%
	Clorox			82 820			0.00%
	Fomento Economico Mex Sp Adr			498 796			0.01%
	Amdocs Ltd			402 960			0.01%
	Crescent Point Energy Corp			72 279			0.00%
	Genuine Parts			18 845			0.00%
	TELUS Corp			150 518			0.00%
	Great-West Lifeco Inc			48 847			0.00%
	Grupo Financiero Banorte-O			197 118			0.00%
	United Therapeutics Corp			72 324			0.00%
	Kellogg			615 188			0.02%
	Lockheed Martin Corp			190 228			0.01%
	Dominion Resources Inc			14 793			0.00%
	Magna International Inc			339 555			0.01%
	Edwards Lifesciences Corp			393 719			0.01%
	Mylan Inc			177 807			0.00%
	Husky Energy Inc			35 617			0.00%
	Axis Capital Holdings Ltd			326 750			0.01%
	Travelers Companies Inc			180 673			0.00%
	HDFC Bank Ltd Adr			246 956			0.01%
	Encana			485 989			0.01%
	Amec Foster Wheeler plc			33 149			0.00%
	Itau Unibanco Hldng Pref Adr			199 863			0.01%
	Texas Instruments Incorporated			181 925			0.00%
	Toronto Dominion Bank			189 022			0.01%
	Ugl Corp			298 032			0.01%
	Equinix Inc			716 083			0.02%
	Wynn Resorts Ltd			133 588			0.00%
	Dicks Sporting Goods Inc			58 770			0.00%
	Wisconsin Energy Corp			65 132			0.00%
	Exxon Mobil Corp			302 074			0.01%
	BT Group plc			312 917			0.01%
	ITV plc			20 414			0.00%
	3M Co			1 088 058			0.03%
	H&R Real Estate Inv - Reit Uts			258 551			0.01%
	Capgemini			288 331			0.01%
	CRH plc			481 815			0.01%
	Ingenico			198 105			0.01%
	Rallye SA			36 311			0.00%
	Huntington Ingalls Industrie			357 943			0.01%
	Mediobanca Banca di Credito Finanz			219 284			0.01%
	Cattolica Assicurazioni Scrl			35 380			0.00%
	Sika AG			131 988			0.00%
	Kimberly-Clark Corp			171 179			0.00%
	Metro AG			217 679			0.01%
	Henkel AG & Co KGAA Vorzug			694 823			0.02%
	Linamar Corp			181 489			0.00%
	LinkedIn Corp			329 738			0.01%
	Swisscom AG			83 967			0.00%
	Beverian Nordic A/S			38 224			0.00%
	Atos			45 030			0.00%
	Maximus Inc			43 001			0.00%

Dragon Oil plc	57 551	0.00%
Amcor Ltd	75 413	0.00%
Bank Hapoalim Bm	159 533	0.00%
Bank Leumi le Israel	116 607	0.00%
Mondelez International Inc	469 952	0.01%
Bezeq the Israeli Telecom Co	68 080	0.00%
Contact Energy Ltd	8 991	0.00%
Delek Group Ltd	129 805	0.00%
Insurance Australia Group Ltd	63 582	0.00%
MTR Corporation Corp	37 793	0.00%
Elsal Ltd	98 080	0.00%
Flight Centre Ltd	9 411	0.00%
Fuji Heavy Industries Ltd	942 672	0.03%
Navient Corp	204 998	0.01%
Resona Holdings Inc	132 888	0.00%
Wharf Holdings Ltd	179 617	0.00%
Sk Hynix Inc	170 457	0.00%
Kawasaki Kisen Kaisha Ltd	247 718	0.01%
Sumitomo Mitsui Financial Gr	287 667	0.01%
Mizuho Financial Group Inc	113 888	0.00%
Comfortdelgro Corp Ltd	147 365	0.00%
Qantas Airways Ltd	346 525	0.01%
Shandong Weigao Gp Medical	381 275	0.01%
Sankyo Ltd	10 148	0.00%
Sino Land Ltd	11 198	0.00%
Perstimon ord	2 357	0.00%
Kasikombank plc	193 704	0.01%
Wheelock & Co	93 962	0.00%
Groupe Bruxelles Lambert SA	35 939	0.00%
JCDecaux SA	224 741	0.01%
Skanska B	49 754	0.00%
Enel Spa	61 461	0.00%
Eni Spa	695 548	0.02%
Pilgrims Pride Corp	158 534	0.00%
Bilberudkorsnas AB	16 852	0.00%
Wendel	50 028	0.00%
Swiss Life	218 034	0.01%
Public Service Enterprise Gp	184 208	0.00%
SSE plc	7 657	0.00%
Skyworks Solutions Inc	147 233	0.00%
Stryker Corp	655 014	0.02%
Taylor Wimpey plc	72 205	0.00%
United Rentals Inc	46 428	0.00%
Bloomin Brands Inc	245 822	0.01%
Western Refining Inc	20 715	0.00%
Boardwalk Real Estate Invest	125 501	0.00%
Amerisource bergen	389 922	0.01%
Accenture CI A	1 240 862	0.03%
Accor SA	352 277	0.01%
Ace Ltd	182 680	0.00%
Activision Blizzard Inc	339 047	0.01%
Adecco SA	613 598	0.02%
Adidas AG	380 932	0.01%
Aegon Nv	13 419	0.00%
Aetna Inc	592 827	0.02%
AIA Group Ltd	9 349 427	0.25%
Air Liquide SA	288 831	0.01%
Akzo Nobel	801 118	0.02%
Alexion Pharmaceuticals	41 535	0.00%
Alimentation Couche Tard	625 585	0.02%
Allied World Assurance Co	67 713	0.00%
Allianz Se Reg	1 404 770	0.04%
Altera Corp	348 745	0.01%
Amgen Inc	1 850 775	0.05%
Amphenol Labs	4 832 998	0.13%
Amphenol Corp	388 971	0.01%
American Capital Ltd	202 781	0.01%
American Express Co	790 158	0.02%
American International Group	2 002 572	0.05%
Anheuser Busch Inbev NV	561 839	0.02%
Anthem Inc	222 046	0.01%
Apple	3 643 920	0.10%
Applied Materials Inc	356 186	0.01%
Archer Daniels Midland Co.	775 350	0.02%
Arm Holdings plc	582 042	0.02%
Aspen Insurance Holdings Ltd	284 758	0.01%
Assured Guaranty Ltd	197 654	0.01%
Astellas Pharma Inc	397 508	0.01%
Astrazeneca plc	181 284	0.00%
ASX Ltd	35 685	0.00%
Autonation Inc	142 135	0.00%
Automatic Data	7 125 908	0.19%
Axa Sa	337 647	0.01%
Singapore Press Holdings Ltd	28 598	0.00%
Ping An Insurance Group Co	889 983	0.02%
Singapore Telecommunications Ltd	152 925	0.00%
Royal Dutch Shell plc	407 116	0.01%
Mtu Aero Engines Ag	361 698	0.01%
Tatis Group Ltd	25 413	0.00%
Berendsen plc	58 890	0.00%
Giech Spa	91 822	0.00%
Toridoll Corp	10 417	0.00%
Orange	251 301	0.01%
Constellation Software Inc	72 486	0.00%
Starhub	10 451	0.00%
Whitbread plc	76 354	0.00%
Electrolux B	344 443	0.01%
3i Group plc	238 464	0.01%
CSR Corp Ltd	355 032	0.01%
Lyondellbasell Indu	46 690	0.00%
Pandora A/S	421 816	0.01%
Nielsen NV	455 628	0.01%
Pembina Pipeline Corp	65 583	0.00%
Glencore plc	1 482 974	0.04%
Dollarama Inc	20 516	0.00%
Intl Consolidated Euro 5	238 015	0.01%
Sands China Ltd	108 331	0.00%
Aon plc	1 690 934	0.05%
Sberbank Sponsored ADR	50 914	0.00%
James Hardie Industries CDI	30 511	0.00%
African Barrick Gold plc	31 311	0.00%
Time Warner Cable	414 967	0.01%
Nexon Co Ltd	17 427	0.00%
Michael Kors Holdings Ltd	101 445	0.00%
Directv	303 392	0.01%

Berly Plastics Group Inc	75 082	0.00%
Japan Airlines Co Ltd	152 759	0.00%
BAE Systems plc	152 904	0.00%
British American Tobacco plc	184 576	0.00%
Bayer AG	1 827 821	0.05%
Bayerische Motoren Werke	759 475	0.02%
CIE Financiera Richemont	1 930 231	0.05%
CNH Industrial NV	1 488 248	0.04%
Science Applications Inte	86 150	0.00%
Belgacom SA	28 210	0.00%
Ambev Sa	704 300	0.02%
BG Group	5 698 297	0.15%
Perrigo Co plc	498 041	0.01%
Valmet OYJ	62 384	0.00%
BHP Billiton plc	195 873	0.01%
Biogen	1 216 286	0.03%
Auckland Int Airport Ltd	18 175	0.00%
Blackstone Group	918 751	0.02%
Interfor Corp	41 789	0.00%
Tencent Holdings Ltd	1 256 771	0.03%
NN Group NV	54 030	0.00%
BNP Paribas	1 498 473	0.04%
BNY Mellon	839 104	0.02%
The Boeing Co	118 026	0.00%
Boston Scientific Corp	43 605	0.00%
Brambles Ltd	88 197	0.00%
Brenntag AG	250 384	0.01%
Bristol Myers Squibb Co	1 060 403	0.03%
Fiat Chrysler Automobiles NV	851 313	0.02%
UBS Group Registered AG	694 058	0.02%
Walgreen Boots Alliance	389 757	0.01%
British Sky Broadcasting Gro	528 746	0.01%
Bunge Ltd	623 024	0.02%
Burberry Group plc	312 274	0.01%
CK Hutchison Holdings Ltd	845 804	0.02%
CA Inc	60 887	0.00%
CAC40 Index	1 652	0.00%
Compass Group plc	1 325 539	0.04%
Canon Inc	200 304	0.01%
Carlsberg B	384 708	0.01%
Carnival Corp	825 903	0.02%
CBRE Group Inc	429 383	0.01%
Credit Suisse	1 853 555	0.05%
Celgene Corp	18 995	0.00%
Centrica	110 185	0.00%
UBS AG	314 385	0.01%
Checkpoint Software Tech	250 639	0.01%
Chevron Texaco Corp	235 811	0.01%
Chipotle Mexican Grill Inc	427 308	0.01%
China Mobile	4 833 391	0.13%
Chnobil	7 503 159	0.20%
Chnshuen	3 129 619	0.08%
Christian Dior SA	55 885	0.00%
Cincinnati Financial Corp	24 681	0.00%
Cisco Systems Inc	7 333 162	0.20%
CK Group Inc	152 748	0.00%
Cligrip	884 418	0.02%
CLP Holdings Ltd	3 249 428	0.09%
CLP Holdings	292 860	0.01%
Canadian Natl Railway Co	989 728	0.03%
CNOOC	5 975 102	0.16%
Coca Cola Co	194 149	0.01%
Cognizant	6 964 265	0.18%
Colgate	6 762 792	0.18%
Colgate Palmolive Co	1 528 585	0.04%
Commonwealth Bank of Aust	213 841	0.01%
Constellation Brands Inc	492 724	0.01%
Contrarius Global Equity Fund	166 697 364	4.45%
Credicorp	109 594	0.00%
Caterpillar Inc	328 675	0.01%
Cummins	159 443	0.00%
CVS Caremark Corp	316 164	0.01%
Daimler AG	1 253 743	0.03%
Daito Trust Construction	57 014	0.00%
Daiwa Securities Group Inc	1 368 545	0.04%
Danone	2 799 950	0.07%
Dassault Systemes Sa	111 793	0.00%
Dax Index	892	0.00%
DBS Group Holdings	7 084 620	0.19%
Delta Air Lines Inc	328 320	0.01%
Delhaize Group SA	31 315	0.00%
Delphi Automotive plc	456 658	0.01%
Dentsply International Inc	402 757	0.01%
Deutsche Boerse AG	282 430	0.01%
Diageo plc	2 217 150	0.06%
Tyng A/S	14 206	0.00%
Dollar Tree Inc	599 854	0.02%
NTT Docomo Inc	148 812	0.00%
Dr Pepper Snapple Group Inc	184 059	0.00%
Airbus Group NV	217 808	0.01%
Ebay	318 589	0.01%
Elektro AB	400 165	0.01%
Eli Lilly & Co	122 016	0.00%
Emerson Electric Co	172 571	0.00%
Enlery Corp	212 419	0.01%
EOG Resources	5 854 888	0.16%
Erele Group Bank	184 087	0.00%
Zardoya Otis SA	12 651	0.00%
Express	543 954	0.01%
Facebook	1 316 515	0.04%
Fanuc Ltd	9 412 236	0.25%
Fastenal Co	4 282 192	0.11%
Flir Systems	4 748 104	0.13%
Foot Locker Inc	174 114	0.00%
Franklin Resources Inc	1 648 872	0.04%
FTSE 100 Index	-6 916	0.00%
Fujifilm Holdings Corp	224 884	0.01%
Admiral Group plc	18 607	0.00%
Pound Sterling	41 257	0.00%
General Dynamics	326 323	0.01%
Gilead Sciences Inc	7 118 535	0.19%
GlaxoSmithKline plc	202 168	0.01%
General Motors Co	1 456 849	0.04%
Goldman Sachs Group Inc	1 825 853	0.04%
Google Inc	5 554 160	0.15%

Google	3 572 256	0.10%
GPT Group	289 158	0.01%
Hallibur	446 635	0.01%
Hang Seng Bank Ltd	76 278	0.00%
Harley Davidson Inc	83 070	0.00%
Hang Seng Index futures	2 673	0.00%
HCA Holdings	893 074	0.02%
Helmerich & Payn	38 375	0.00%
Henderson Land Development	291 666	0.01%
Heineken NV	728 178	0.02%
Hennes & Mauritz AB	6 200 088	0.17%
Hewlett-Packard Co	312 030	0.01%
HK & China Gas	7 276 711	0.19%
Hochngas	5 962 842	0.16%
Horms Depot Inc	229 839	0.01%
Holcim Ltd	959 836	0.03%
Honda Motors	8 303 148	0.22%
Honeywell International Inc	1 344 876	0.04%
Hoya Corp	551 194	0.01%
Huntington Bancshares Inc	64 720	0.00%
Iberdrola SA	658 249	0.02%
Idcl Bank Ltd Spon Adr	466 336	0.01%
Imperial Tobacco Grp	605 613	0.02%
Ind & Comm Bk of China	448 237	0.01%
Indivior plc	91 797	0.00%
Infenion Technologies	330 946	0.01%
Impax Corp	190 979	0.01%
Intel Corp	1 456 074	0.04%
International Paper Co	30 755	0.00%
Intesa SanPaolo	480 668	0.01%
Intl Business Machines	51 690	0.00%
Intuitive Surgical Inc	4 198 825	0.11%
Intl Flavors & Fragrances	836 507	0.02%
Johnson & Johnson	7 028 758	0.19%
JPMorgan Chase & Co	1 099 838	0.03%
Japan Tobacco Inc	196 262	0.01%
Julius Baer Group Ltd	1 898 208	0.05%
KDDI Corp	73 399	0.00%
Keycorp	887 570	0.02%
Kohls Corp	332 889	0.01%
Komatsu Ltd	5 583 875	0.15%
Komercon Banka AS	101 188	0.00%
Koninklijke KPN NV	814 429	0.02%
Kroger Co	97 034	0.00%
Kuehne & Nagel Int	48 057	0.00%
L-3 Comm Hldgs	42 396	0.00%
Lawson Inc	106 649	0.00%
Legrand SA	569 139	0.02%
Lennox International Inc	412 409	0.01%
Linde AG	1 311 187	0.04%
Loreal	13 170 114	0.35%
Lowes Cos Inc	1 031 753	0.03%
LVMH Moet Hennessy Louis Vuit	4 101 683	0.11%
McDonalds	1 282 905	0.03%
Macy's Inc	179 879	0.00%
Marathon	350 462	0.01%
Mastercard Inc	8 123 791	0.22%
Medtronic Inc	788 119	0.02%
Mercedolibre Inc	443 130	0.01%
Merck KGAA	1 177 978	0.03%
Microsoft Corp	1 167 612	0.03%
Microchip Technology Inc	418 761	0.01%
Microsoft Corp	6 393 421	0.17%
Mitsubishi Corp	1 489 174	0.04%
Mini MSCI Emerging Markets Index Future	-239 649	-0.01%
Monsanto Co	634 532	0.02%
Morgan Stanley	485 700	0.01%
Mosaic	265 288	0.01%
Muanchener Rueckver AG	185 431	0.00%
National	721 983	0.02%
Nestle SA	9 269 220	0.26%
Next plc	100 556	0.00%
Nike Inc	6 791 897	0.18%
Nintendo Co Ltd	189 885	0.01%
Nippon Yusen	198 370	0.01%
Nippon Telegraph & Telephone	782 113	0.02%
Northrop Grumman Corp	81 677	0.00%
Novartis AG	4 239 255	0.11%
Novo Nordisk A/s	9 637 763	0.26%
Occidental Petroleum Corp	160 176	0.00%
Omnicom Group	517 766	0.01%
OMX Stockholm 30 Index	1 243	0.00%
Oracle	8 896 470	0.24%
Partnere Ltd	519 133	0.01%
Piedmont Office Realty tru	57 008	0.00%
Pepsico	359 281	0.01%
Pernod Ricard SA	721 453	0.02%
Peugeot SA	203 107	0.01%
Pfizer Inc	1 459 302	0.04%
Philip Morris International	189 437	0.01%
Putprop Ltd	1 091 678	0.03%
Praxair Inc	5 980 515	0.16%
Precision Castparts Corp	5 985 901	0.16%
Priceline Group	1 203 771	0.03%
Proctor & Gamble Co	240 310	0.01%
Progress Energy	100 467	0.00%
CTT-Correios de Portugal	82 229	0.00%
Public	186 862	0.00%
Pwasset	4 658	0.00%
Qualcomm	7 117 438	0.19%
Rakuten Inc	168 428	0.00%
Rayonier Inc	17 806	0.00%
Raytheon Co	183 052	0.00%
Reckitt Benckiser Group	8 751 150	0.23%
Regions Financial Corp	14 580	0.00%
Renault SA	448 841	0.01%
Reynolds American Inc	133 540	0.00%
Roche Holding AG Genusschein	6 958 927	0.19%
Rockwell Automation Inc	459 717	0.01%
T Rowe Price Group Inc	41 001	0.00%
S&P TSX 60 Index	1 543	0.00%
S&P Midcap 400 Index	10 847	0.00%
S&P 500 Index	36 944	0.00%
Safran	229 483	0.01%
Salesforce.com Inc	495 386	0.01%

	Sally Beauty Holdings Inc	431 852	0.01%
	Sampo Oyj	132 849	0.00%
	Samsung Electronics Co Ltd	821 237	0.02%
	Sanofi	818 978	0.02%
	SAP AG Sponsored	975 125	0.03%
	Schlumber	7 583 756	0.20%
	Schneider	691 639	0.02%
	Sensata Technologies Holdings	523 227	0.01%
	SGS SA	2 668 253	0.07%
	Shin Etsu Chemical Co Ltd	5 724 372	0.15%
	Shire plc	81 901	0.00%
	Singapore Airlines Ltd	26 230	0.00%
	Singapore Exchange Ltd	26 666	0.00%
	St Jude Med Inc	666 491	0.02%
	Swiss market index	-1 764	0.00%
	Smucker JM Co	70 019	0.00%
	Sonova Holding AG	282 214	0.01%
	Southwest Airlines Co	729 619	0.02%
	SPI 200 Index	2 133	0.00%
	Starbucks Corp	806 717	0.02%
	Starwood Hotels & Resorts	402 128	0.01%
	State Street Corp	1 906 282	0.05%
	Standard Chartered plc	4 609 627	0.12%
	Standard Chartered Bank	7 059 199	0.19%
	Stryker Corp	6 567 429	0.18%
	Sumitomo Corp	169 079	0.00%
	Suncor Energy	7 120 500	0.19%
	Svenska Cellulosa AB	656 382	0.02%
	Svenska Handelsbanken	134 424	0.00%
	Swatch Group AG	2 034 394	0.05%
	Swiss RE	211 348	0.01%
	SX5E Index	2 151	0.00%
	Symantec Corp	459 719	0.01%
	Syngenta N	5 645 982	0.15%
	Takeda Pharmaceutical Co	164 101	0.00%
	Telecom Italia	20 841	0.00%
	Telstra Corp Ltd	131 963	0.00%
	Tesco plc	7 484 079	0.20%
	Teva	386 821	0.01%
	Thermo Fisher Scientific Company	1 301 292	0.03%
	Thomson Reuters Corp	91 737	0.00%
	Tiffany & Co	303 219	0.01%
	Time War	1 383 658	0.04%
	Topix Index Futures	9 214	0.00%
	Toshiba Corp	52 272	0.00%
	Toyota Motor Corp	1 263 322	0.03%
	Taiwan Semiconductor	7 595 113	0.20%
	Tyson Foods Inc	484 502	0.01%
	Unilever Home & Pers	364 841	0.01%
	United Health Group Inc	214 403	0.01%
	United Parcel Service	929 475	0.02%
	Urban Outfitters Inc	347 880	0.01%
	United Technologies	1 267 286	0.03%
	Valero Energy Corp	898 188	0.02%
	Viscom Inc	151 946	0.00%
	Visa	2 728 434	0.07%
	Wabco Holdings Inc	561 039	0.01%
	Walmart	6 290 473	0.17%
	Walt Disney Co	1 573 335	0.04%
	Waters Corp	529 577	0.01%
	Wells Fargo & Co	1 325 816	0.04%
	Weisfarmers Ltd	172 481	0.00%
	Woolworths Holdings Ltd	157 370	0.00%
	Wilm Hill	150 842	0.00%
	Wpp plc	1 550 347	0.04%
	WW Grainger Inc	2 971 366	0.08%
	Xerox Corp	524 140	0.01%
	Yanzhou	97 943	0.00%
	Yara International ASA	308 947	0.01%
(e)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	163 868 718	4.38%
	-per issuer	10%	
	Allison Transmission Holding	110 042	0.00%
	Brimor Property Group Inc	189 272	0.01%
	Cigna Corp	193 894	0.01%
	Can Apartment Prop Real Esta	79 088	0.00%
	Can Imperial Bk of Commerce	6 286	0.00%
	Cogeco Cable Inc	63 533	0.00%
	Calloway Real Estate Investm	66 358	0.00%
	American Financial Group Inc	27 127	0.00%
	CCL Industries Inc	42 135	0.00%
	DST Systems Inc	92 869	0.00%
	Amazon.com Inc	664 248	0.02%
	Select Comfort Corporation	52 409	0.00%
	DSW Inc	16 164	0.00%
	AVX Corp	3 678	0.00%
	Dream Office Real Estate Inv	97 548	0.00%
	Sanderson Farms Inc	122 891	0.00%
	Edison International	179 666	0.00%
	Erie Indemnity Company	12 444	0.00%
	Genworth MI Canada	4 921	0.00%
	Intact Financial Corp	57 749	0.00%
	Keyera Corp	32 505	0.00%
	Duerr AG	61 277	0.00%
	Mercury General Corp	9 057	0.00%
	Euler Hermes Group	8 306	0.00%
	M6 Metropole Television	7 500	0.00%
	Canon Marketing Japan Inc	78 450	0.00%
	SATS Ltd	8 409	0.00%
	Sie Engineering Co Ltd	4 160	0.00%
	Bank of Hawaii Corp	15 867	0.00%
	Heiwa Corp	59 373	0.00%
	Air New Zealand Ltd	43 027	0.00%
	Israel Discount Bank	53 674	0.00%
	Downer EDI Ltd	73 021	0.00%
	Nippon Suisan Kaisha Ltd	76 730	0.00%
	New Hope Corp Ltd	2 574	0.00%
	Washington H Soul Pattinson	3 341	0.00%
	UNY Group Holdings Co Ltd	61 534	0.00%
	Proassurance Corp	15 903	0.00%
	Questar Corp	24 383	0.00%
	RPC Inc	4 596	0.00%
	Superior Plus Corp	61 091	0.00%
	Vermilion Energy Inc	25 073	0.00%

				628 976	0.02%
				218 813	0.01%
				718 627	0.02%
				165 589	0.00%
				154 351 015	4.12%
				230 871	0.01%
				605 236	0.02%
				127 687	0.00%
				332 048	0.01%
				7 655	0.00%
				132 224	0.00%
				19 685	0.00%
				45 303	0.00%
				178 581	0.00%
				492 864	0.01%
				54 435	0.00%
				118 853	0.00%
				20 593	0.00%
				81 092	0.00%
				20 877	0.00%
				7 731	0.00%
				13 474	0.00%
				805 804	0.02%
				22 221	0.00%
				9 509	0.00%
				244 413	0.01%
				0	0.00%
				6 575	0.00%
				36 231	0.00%
				473 010	0.01%
				15 938	0.00%
				12 326	0.00%
				21 894	0.00%
				138 245	0.00%
				230 274	0.01%
				13 185	0.00%
				62 603	0.00%
				1 988	0.00%
				62 208	0.00%
				4 794	0.00%
				302 952	0.01%
				200 741	0.01%
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits			
	-per issuer	5%		128 788	0.00%
	Hollyfrontier Corp			71 953	0.00%
	Gamesa Corp Tecnolgica SA				
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%		9 133	0.00%
	Oesterreich Post	2.50%		9 133	0.00%
4	IMMOVABLE PROPERTY	25%		161 530 002	4.32%
4.1	Inside the Republic	25%		161 321 450	4.31%
(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%		161 321 450	4.31%
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%		136 205 581	3.64%
	-per issuer	15%			
	Acucap Properties Ltd			2 430 370	0.06%
	Atterbury Investment Holdings			13 746 709	0.37%
	Capital Issues			4 305 994	0.12%
	Capital & Counties Property plc			26 734 877	0.71%
	Fortress Income Ltd			25 717 066	0.69%
	Foundationhead Property Trust			439 480	0.01%
	Growthpoint Property Ltd			3 176 636	0.08%
	Hyprop Investment Ltd			8 645 624	0.23%
	Intu Properties			18 448 209	0.49%
	Investec Bank Ltd			6 885 750	0.18%
	New European Property Investments plc			1 949 676	0.05%
	Redefine Properties Ltd			20 497 908	0.56%
	Resilient Property			1 140 048	0.03%
	Rockcastle Estate			632 840	0.02%
	Vukile Property Fund Ltd			1 454 374	0.04%
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%		9 391 188	0.25%
	-per issuer	10%			
	Accelerate Prop Fund			5 532 098	0.15%
	Arrowhead Properties			1 123 921	0.03%
	Emira Property Fund			583 178	0.02%
	Martprop Property Fund			1 736 364	0.05%
	Pivotal Fund Ltd			415 627	0.01%
(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%		15 724 701	0.42%
	-per issuer	5%			
	Acension Prop Ltd			5 885 812	0.16%
	Dipula Income Fund A			3 786 895	0.10%
	Dipula Income Fund B			184 564	0.00%
	Equities Prop Fund			729 260	0.02%
	Hospitality Property Fund A			2 265 472	0.06%
	Synergy Income Fund			2 779 648	0.07%
	Tower Prop Fund Ltd			291 080	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	25%		208 552	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%		208 552	0.01%
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%		208 552	0.01%
	-per issuer	15%			

Riocan Real Estate Invest Tr Kerry Properties Ltd Swire Pacific Ltd		33 065	0.00%
		90 601	0.00%
		84 886	0.00%
		0	0.00%
(a)(i)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	0.00%
	- per issuer	10%	0.00%
(a)(ii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	0.00%
	- per issuer	5%	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%	0.00%
	- per issuer	5%	0.00%
5 COMMODITIES		10%	
5.1 Inside the Republic		10%	
(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	0.66%
(a)(i)	Gold (including Kruger Rands)	10%	0.13%
(a)(ii)	Other commodities	5%	0.20%
	Palladium	5%	0.32%
	Platinum		
5.2 Foreign		10%	
(a)	Gold and other commodities on an exchange, including exchange traded commodities	10%	0.00%
(a)(i)	Gold	10%	0.00%
(a)(ii)	Other commodities	5%	0.00%
	- each commodity	5%	
6 INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-		0	0.00%
(a)	Section 19(4) of the Pension Funds Act	5%	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%	0.00%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)		95%	0.00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		15%	
8.1 Inside the Republic		15%	
(a)	Hedge fund	10%	0.00%
(a)(i)	Funds of hedge funds	10%	0.00%
	- per issuer	5%	0.00%
(a)(ii)	Hedge funds	10%	0.00%
	- per issuer	2.50%	0.00%
(b)	Private equity funds	10%	0.00%
(b)(i)	Funds of private equity funds	10%	0.00%
	- per issuer	5%	0.00%
(b)(ii)	Private equity funds	10%	0.00%
	- per issuer	2.50%	0.00%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	0.00%
8.2 Foreign		15%	
(a)	Hedge fund	10%	0.00%
(a)(i)	Funds of hedge funds	10%	0.00%
	- per issuer	5%	0.00%
(a)(ii)	Hedge funds	10%	0.00%
	- per issuer	2.50%	0.00%
(b)	Private equity funds	10%	0.00%
(b)(i)	Funds of private equity funds	10%	0.00%
	- per issuer	5%	0.00%
(b)(ii)	Private equity funds	10%	0.00%
	- per issuer	2.50%	0.00%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	0.00%
TOTAL ASSETS - REGULATION 28 (D above)		3 742 427 660	100.00%

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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	120 060 068	3.21%	7 519 551	0.20%	0	0.00%	127 579 619
2 Debt instruments including Islamic debt instruments	891 636 292	23.83%	0	0.00%	1 153 505	0.03%	892 789 797
3 Equities	1 688 336 032	45.11%	847 594 910	22.65%	1 988	0.00%	2 535 932 930
4 Immovable property	161 321 450	4.31%	208 552	0.01%	0	0.00%	161 530 002
5 Commodities	24 595 312	0.66%	0	0.00%	0	0.00%	24 595 312
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
TOTAL (equal to the fair value of assets)	2 885 949 154		855 323 013		1 155 493		3 742 427 660

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)	Percentage of Fair value	Regulation 28 limits
	R	%	
Asset Limits in terms of sub regulation 3(f)			
Other debt instruments not listed	578 246	0.02%	
Equities not listed	0	–	
Immovable properties not listed	0	–	
Hedge funds, Private Equity funds and other assets	0	–	
TOTAL	578 246	0.02%	35
Asset Limits in terms of sub regulation 3(g)			
Equities not listed	9 133	0.00%	
Private Equity funds	0	–	
TOTAL	9 133	0.00%	15
Asset Limits in terms of sub-regulation 3(h)			
Cash and deposits with a South African Bank	120 060 068	3.21%	
Debt instruments guaranteed by a South African Bank	180 347 179	4.82%	
TOTAL	300 407 247	8.03%	25

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 Natal Joint Municipal Pension Fund (Retirement) (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 Natal Joint Municipal Pension Fund (Retirement) 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 Natal Joint Municipal Pension Fund (Retirement) has been prepared in all material respects in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation.

Restriction on Use

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

Auditor-General

Pietermaritzburg

18 August 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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).

<u>TRUSTEE INFORMATION</u>			
<u>TRUSTEE NAME</u>	<u>QUALIFICATION</u>	<u>EXPERIENCE</u>	<u>YEARS SERVICE ON COMMITTEE OF MANAGEMENT</u>
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	3 Years, 8 months
Mr. B. W. Ndlovu	B Compt Hons National Diploma Cost Management Accounting	Chief Financial Officer for Department of Corporate Governance and Traditional Affairs Chief Financial Officer for Umgungundlovu District Municipality Chief Financial Officer for	6 months

		Umkhambathini Municipality	
Mr. Y. Nair	B A (Humanities) Hons B Ed (Management)	Educator 33 years School Principal 10 years Municipal councilor 20 years Hibiscus Coast Municipality Development Agency trustee 11 years	10 months
Ms. B.V. Sibiya	Grade 12 Certificate of Completion FSB Trustee Toolkit	24 years in Health and Safety	9 months
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. X. Dube Age 42	Artisans Builders Diploma	Local Government 1996 to date 17 years' service at eThekweni Municipality	13 Years, 8 months
Mr. M.S. Khanyile	Grade 12	Local Government	2 Years, 7 months

Age 34		2003 to date 10 years' Service at Okhalamba Municipality	
Ms. T.B Mngadi Age 52	Administration certificate Receptionist certificate	Local Government 1993 to date 20 years' service at eThekweni Municipality	13 Years
Mr. D.M. Madlala Age 50	Electrician	Local Government 1989 to date 24 years' service at Umhlathuze Municipality	7 Years, 5 months
Mr. A.R. Hoosen Age 63	Master's degree	Local Government 1976 – 2008 32 years' service at the Newcastle Municipality	7 Years

AUDIT SUB COMMITTEE

Mr. D.A. Lemmer (CHAIRPERSON)	National Diploma
Ms. T.B Mngadi	Administration certificate, Receptionist certificate
Mr. G.M. Velan	NQF5, Project management, Local Government Finance
Mr. E. A. Talmage	Bachelor of Social Science degree
Cllr. Ms. H.G.S. Mavimbela	Teachers degree and diploma and honours degree in science
Mr. X. Dube Ex-Officio	National Diploma

AMOUNTS PAID TO INDIVIDUAL COMMITTEE-MEMBERS FOR SUBSISTENCE AND TRAVELLING

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)
Mr. X. Dube	R18 876.17 (16 meetings)
Ms. B. Sibiya	R8 669.00 (12 meetings)
Ms. T.B. Mngadi	R34 420.45 (26 meetings)

Mr. D.M.Madlala	R32 481.19 (15 meetings)
Mr. M.S. Khanyile	R46 414.59 (20 meetings)
Mr. A.R. Hoosen	R161 920.50 (19 meetings)

OVERVIEW OF BASE REMUNERATION FOR STAFF

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

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

Packages include:

- Basic salary
- 13th cheque
- Retirement fund contributions
- Contributions to medical aid and health insurance
- Car allowance / travel allowance (where applicable)
- Any allowance approved by the Committee of Management
- Employer Unemployment Insurance Fund and Skills Development Levies are not included in Total Cost of Employment.

CHAIRPERSON

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

During the year under review, the Chairperson was Ms V.Z. Magwaza-Msibi, and the Vice-Chairperson Mr M Mngomezulu.

ETHICS PERFORMANCE

The Fund has a Code of Conduct Policy which contains a set of rules outlining the responsibilities of, or proper practices for a Trustee, the Committee of Management and the Fund. The policy provides the principles, values, standards or rules of behaviour that guide

the decision, procedures and systems of the Fund in a way that it achieves its stated objective of providing superior retirement service, and benefits to members, beneficiaries and pensioners.

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

STAKEHOLDERS ENGAGEMENT

The Fund is cognisant of the import role played by the various stakeholders in the affairs of the Fund. The Fund has adopted a Communication Policy which is regularly reviewed and approved by the Committee of Management and practically implemented via communication strategy. During the year-under review, amongst others, the Fund had extensive engagements with members advising on the benefits offered by the fund and fostering an understanding of the rules. Employers were encouraged to make additional contributions for excessive salaries granted to employees above the rate of inflation. Contact was made with the employer group SALGA and high level engagement was held with National Treasury regarding the proposed retirement reforms. The Fund was awarded a number of awards by the Institute of Retirement Funds during the year.

APPRAISAL OF THE COMMITTEE OF MANAGEMENT

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

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

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

BOARD COMMITTEES

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

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Fund and audits of the financial statements. The overall objective is to assist

the Committee of Management to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and financial statements, which shall be provided to members, regulators and others.

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

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

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

Membership shall consist of 4 members of the Committee of Management, who shall have past employment in human resources, requisite certification or comparable experience. The term of office shall be one year but members are eligible for re-appointment.

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

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 (MEC) has appointed the Auditor General of South Africa as the independent auditor of the Fund.