



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

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

**FINANCIAL SECTOR CONDUCT
AUTHORITY REGISTRATION NUMBER: 12/8/6676/2**

For the period: 1 APRIL 2019 to 31 MARCH 2020

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*	Not subject to any engagement by an auditor		

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
SCHEDULE A
REGULATORY INFORMATION
For the year ended 31 March 2020
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: 01/04/2019 to 31/03/2020
 Previous: 01/04/2018 to 31/03/2019

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. Mr. Talmage Earl Andrew	director@njmpf.co.za	E	23.07.2007	26 August 2019
Cllr. Nair Yagabaram	director@njmpf.co.za	E	30.05.2014	
Cllr. Mrs. Gumbi Ntombizethu Vera	director@njmpf.co.za	E	21.05.2010	26 August 2019
Cllr. Mr. Nyathi Mzwandile Victor	director@njmpf.co.za	E	19.08.2011	
Cllr. Ms. Mavimbela Hlengiwe Goodness Slindile	director@njmpf.co.za	E	11.11.2011	26 August 2019
Cllr Ms Jojozi Tiny Nosisa	director@njmpf.co.za	E	26.08.2019	
Mr. Ndlovu Busani Welcome	director@njmpf.co.za	E	01.10.2014	26 August 2019
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. Hoosen Abdul Rahaman	director@njmpf.co.za	P	07.07.2008	
Cllr. Madonsela Bhekisisa David	director@njmpf.co.za	E	26.08.2019	
Cllr. Peer Fawzia	director@njmpf.co.za	E	26.08.2019	
Ms Joyi Yali Phindugcobe	director@njmpf.co.za	E	26.08.2019	
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 28(2) appointment
 - 'S' denotes sponsor appointed
 - 'P' denotes pensioner appointed

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

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

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)
18.04.2019	Lythwood Lodge, KwaZulu-Natal	Yes
07.06.2019	Westville, KwaZulu-Natal	Yes
21.06.2019	Westville, KwaZulu-Natal	Yes
19.07.2019	Westville, KwaZulu-Natal	Yes
23.08.2019	Westville, KwaZulu-Natal	Yes
20.09.2019	Westville, Lodge, KwaZulu-Natal	Yes
01.11.2019	Lythwood, KwaZulu-Natal	Yes
22.11.2019	Westville, KwaZulu-Natal	Yes
17.01.2020	Westville, KwaZulu-Natal	Yes
24.01.2020	Lythwood Lodge, KwaZulu-Natal	Yes
21.02.2020	Lythwood Lodge, KwaZulu-Natal	Yes
28.02.2020	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:	Bongi Mkhize		Bongi Mkhize
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	Block B, 460 Townbush Road, Cascades, Pietermaritzburg
Telephone number:	011-441 2700	033-264 7518
Email address:	aels@argen.solutions	pmbrrha@agsa.co.za

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)**REGULATORY INFORMATION - CONTINUED****For the year ended 31 March 2020**

	Benefit administrator	Fund consultant
Full name:	KwaZulu Natal Joint Municipal Pension/ Provident 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		

	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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE B

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND

For the year ended 31 March 2020

Responsibilities

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

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

Approval of the annual financial statements

The annual financial statements of KwaZulu Natal Joint Municipal 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.


KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND - CONTINUED **For the year ended 31 March 2020**

These financial statements:

- were approved by the Board of Fund on 06 November 2020;
- 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 2020 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




Mr X. Dube
06 November 2020

BOARD MEMBER



Mr B.D. Madonsela
06 November 2020

BOARD MEMBER



Ms T.B. Mngadi
06 November 2020

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE C

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

For the year ended 31 March 2020

I confirm that for the period under review the KwaZulu 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

A handwritten signature in black ink, consisting of a stylized 'B' and 'M' intertwined, with a horizontal line extending to the right.

Mr B. Mkhize
06 November 2020

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE D

REPORT OF THE AUDITOR TO THE BOARD OF FUND

Insert the relevant report as indicated in the matrix below:

Schedule	Category	Annexure
Schedule D 1	Umbrella funds	1

* Ordinary – any fund other than an umbrella, Retirement Annuity or Preservation Fund

Report of the auditor-general to the Board of Trustees and the Registrar of Pension Funds on the Kwazulu-Natal Joint Municipal Pension Fund (Retirement)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Kwazulu-Natal Joint Municipal Pension Fund (Retirement) set out on Annexures F, G and HA which comprise the statement of net assets and funds as at 31 March 2020, 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.
2. In my opinion, the financial statements have been prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and the requirements of the Pension Funds Act of South Africa, 1956 (Act No. 24 of 1956) (PFA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the fund in accordance with sections 290 and 291 of the *Code of Ethics for Professional Accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Basis of accounting

7. The financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa as set out in the financial statements and the requirements of the PFA. As a result, the financial statements and related auditor's report may not be suitable for another purpose.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on Annexures A, B, C, E and HB does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the Board of Trustees

10. The board of trustees are responsible for the preparation of the financial statements for regulatory purposes, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and the requirements of the PFA and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the board of trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board of trustees either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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

Performance information reporting

14. The fund is not required to prepare a report on its performance against predetermined objectives as it does not fall within the ambit of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) and such reporting is also not required in terms of the entity's specific legislation.

Report on audit of compliance with legislation

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004), I have a responsibility to report material findings on the fund's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

16. I did not raise any material findings on compliance with specific matters in applicable legislation.

Other information

17. The board of trustees of the fund is responsible for the other information. The other information comprises the information included in the annual report which includes the statement of responsibility by the Board of the funds and the statement of responsibility by the principal officer. The other information does not include the financial statements and the auditor's report.
18. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
19. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
20. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

21. I considered internal control relevant to my audit of the financial statements and findings on compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Other reports

22. I draw attention to the following engagement which had, or could have, an impact on the matters reported in the fund's financial statements and compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on compliance with legislation.

Audit-related services

23. An agreed-upon procedures engagement was performed on compliance with section 15 and regulation 28 of the PFA. The engagement was performed solely to assist the Registrar of pension funds in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the PFA, regulations and rules of the Fund were identified. The report covered the period 1 April 2019 to 31 March 2020 and was issued to the Registrar on 30 September 2020.

Auditor - General

Pietermaritzburg

30 September 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and on the fund's compliance with respect to the entity specific legislation.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of trustees.
 - conclude on the appropriateness of the board of trustees' use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the board of trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the board of trustees that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE E

REPORT OF THE BOARD OF FUND

For the year ended 31 March 2020

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 35.00% 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 year under review.

1.4.2. Revised rules / consolidated rules:

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

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

Solvency and Risk reserves – see note 21.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2020

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.*

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

REPORT OF THE BOARD OF FUND - CONTINUED

For the year ended 31 March 2020

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.

PERFORMANCE RESULTS

Year	CPI + 5%	Retirement Fund % Return
5 years to 31 st March 2020	10.0	2.6

Year	Retirement Fund % Return	*Investment Manager Benchmark
5 years to 31 st March 2020	2.6	3.0

The Fund's return was well below the long-term investment objective of achieving at least *CPI+5% over the 5 years to 31 March 2020. The impact of the Corona pandemic sent markets into panic selling in the latter part of February and March which resulted in severe market falls across global financial markets. In addition, in the South African market, interest rates increased substantially and the bond market also experienced negative returns. The Rand depreciated hugely against developed market currencies (USD, Euro and GBP) and this resulted in the offshore component of the Fund offsetting some of the negative returns in the domestic market.

Markets have recovered to some extent since 31 March 2020

The Fund slightly under-performed the investment manager benchmark over the 5 years to 31 March 2020.

Source: Alexander Forbes

* The Equity benchmark changed from the ALSI to Capped SWIX from 1 April 2017

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2020

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Beneficiaries	Unclaimed benefits
Numbers at beginning of period	1,598	2	1,383	2,959	58
Adjustments			(57)	(117)	
Additions	7		121	144	
Transfers in					
Transfers out	(6)				
Withdrawals	(29)				
Retirements	(94)				
Retrenchments					
Deaths	(33)		(67)	(21)	
Transfers (from)/to pensioners / deferred pensioners					
Unclaimed Benefit paid					(1)
* Numbers at end of period	1,443	2	1,380	2,965	57

Number at end of period (South African citizen)	1,443	2	1,380	2,965	57
Number at end of period (non-South African citizen)	-	-	-	-	-

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 2018 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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
At 31 March 2020

	Notes	Mar 2020 R	Mar 2019 R
ASSETS			
Non-current assets		3 554 720 565.76	4 205 046 159.43
Plant and equipment	1	7 539 200.00	7 539 200.00
Investments (including investment and owner occupied properties)	2	3 547 181 365.76	4 197 506 959.43
Housing loan facilities	3	-	-
Surplus improperly utilised receivable	22	-	-
Current assets		43 044 565.39	34 211 726.71
Transfers receivable	5	-	-
Accounts receivable	4	422 771.33	1 949 848.68
Contributions receivable	12	3 734 794.89	12 593 502.99
Cash at bank		38 886 999.17	19 668 375.04
Surplus improperly utilised receivable	22	-	-
Total assets		3 597 765 131.15	4 239 257 886.14
FUNDS AND LIABILITIES			
Funds and surplus account		2 599 129 867.63	3 648 241 548.52
Accumulated funds		2 599 129 867.63	3 648 241 548.52
Member surplus account	21	-	-
Reserves		943 822 164.91	542 277 812.68
Reserve accounts	21	943 822 164.91	542 277 812.68
Revaluation reserve: Property, plant and equipment	6	-	-
Total funds and reserves		3 542 952 032.54	4 190 519 361.20
Non-current liabilities		3 592 116.46	3 773 471.70
Employer surplus account	21	-	-
Financial liabilities	16.1	-	-
Provisions	16.2	1 341 969.71	1 381 423.93
Unclaimed benefits	9	2 250 146.75	2 392 047.77
Current liabilities		51 220 982.15	44 965 053.24
Transfers payable	7	4 016 875.89	3 525 820.96
Benefits payable	8	46 680 653.24	40 003 047.94
Accounts payable	10	523 453.02	1 436 184.34
Retirement fund taxation	11	-	-
Contributions payable		-	-
Bank overdraft		-	-
Total funds and liabilities		3 597 765 131.15	4 239 257 886.14

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE G

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

For the period ended 31 March 2020

	Notes	A		B		A + B	
		Members' individual accounts & amounts to be allocated/		Reserves		Total	
		Accumulated funds		Refer notes 6 and 21		Mar 2020	
		R	R	R	R	R	Mar 2019 R
Contributions received and accrued	12	167 513 694.34	-	-	167 513 694.34	139 295 362.13	
Contributions transferred from reserve accounts	21	-	-	-	-	-	
Contributions transferred from surplus accounts	21	-	-	-	-	-	
Surplus improperly utilised	22	-	-	-	-	-	
Reinsurance proceeds		-	-	-	-	-	
Net investment income	13	(532 445 246.00)	-	-	(532 445 246.00)	260 486 611.14	
(less) Allocated to unclaimed benefits		55 083.71	-	-	55 083.71	103 706.31	
Other income	13.1	-	-	-	-	-	
Less:		8 667 719.94	-	-	8 667 719.94	8 140 754.20	
Re-insurance premiums		-	-	-	-	-	
Administration expenses	14	8 667 719.94	-	-	8 667 719.94	8 140 754.20	
Retirement fund taxation	11	-	-	-	-	-	
Net income/(loss) before transfers and benefits		(373 654 355.31)	-	-	(373 654 355.31)	391 537 512.76	
Transfers and benefits		(273 912 973.35)	-	-	(273 912 973.35)	(254 439 238.97)	
Transfers from other funds	5	-	-	-	-	-	
Transfers to other funds	7	(4 505 824.23)	-	-	(4 505 824.23)	(20 986 538.59)	
Benefits	8	(269 407 149.12)	-	-	(269 407 149.12)	(233 452 700.38)	
Net income/(loss) after transfers and benefits (carried forward)		(647 567 328.66)	-	-	(647 567 328.66)	137 098 273.79	

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS - CONTINUED
For the period ended 31 March 2020

	Notes	A Members' individual accounts & amounts to be allocated/ Accumulated funds	B Reserves Refer Notes 6 & 21	A + B Total Mar 2020	Total Mar 2019
		R	R	R	R
Net income/(loss) after transfers and benefits (brought forward)		(647 567 328.66)	-	(647 567 328.66)	137 098 273.79
Funds and reserves		3 648 241 548.52	542 277 812.68	4 190 519 361.20	4 053 421 087.41
Balance at beginning of period		3 648 241 548.52	542 277 812.68	4 190 519 361.20	4 053 421 087.41
Prior period adjustments	15	-	-	-	-
Transfer between reserve accounts	21	3 000 674 219.86 (401 544 352.23)	542 277 812.68 401 544 352.23	3 542 952 032.54	4 190 519 361.20
Investment return allocated		-	-	-	-
Current members		-	-	-	-
Former members		-	-	-	-
Surplus and reserve accounts	21	-	-	-	-
Surplus apportionment	21	-	-	-	-
Revaluation surplus: Property, plant and equipment	6	-	-	-	-
Transfer between reserve accounts		2 599 129 867.63	943 822 164.91	3 542 952 032.54	4 190 519 361.20
Employer surplus account		-	-	-	-
Member surplus account		-	-	-	-
Allocations to/from surplus accounts		2 599 129 867.63	943 822 164.91	3 542 952 032.54	4 190 519 361.20
Benefits to former members		-	-	-	-
Surplus transfers payments		-	-	-	-
Benefit enhancements - other		-	-	-	-
Surplus transfers received		-	-	-	-
Balance at end of period		2 599 129 867.63	943 822 164.91	3 542 952 032.54	4 190 519 361.20

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

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

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. The remaining plant and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the Statement of Changes in net Assets and Funds.

* Decreases that offset previous increases of the same asset are charged to the Statement of Changes in Net Assets and Funds.

* 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 & software	5 years
- Office equipment	5 years
- Furniture & fittings	10 years

* Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised in the Statement of Changes in Assets and Funds

* 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 income or loss before transfers and benefits.

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

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or 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 are carried on the statement of net assets and funds, and 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.

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 income or loss before transfers and benefits 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.

Debentures and exchange traded funds

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

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities and corporate bonds

Listed Bills and bonds

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

Cash and deposits

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES (continued)

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 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.

Unlisted equities

If a quote 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

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 scheme

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, plus directly attributable transaction costs other than those classified at fair value through Statement of Changes in Net Assets and Funds.

Derivative market instruments

Derivative market instruments consists of options, equity linked instruments and futures/forwards.

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.

Accounts receivable

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

Cash and cash equivalents

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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES (continued)

Reserves

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

Accounts receivable

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

Accounts payable

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

Impairment

Financial assets are carried at amortised cost.

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

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed in the statement of changes in net assets and funds.

Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised 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.

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. These are accrued and recognised as income in accordance with the actuarial recommendations and the rules of the fund. Any contributions outstanding at the end of the reporting period are recognised as a current asset. Any contributions received in advance at the end of the reporting period are recognised as a current liability.

Benefits

Benefits payable and pensions are measured in terms of the rules of the fund.

Benefits 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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES (continued)

Interest on late payments 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.

Dividend income, interest and rentals

- * Interest is recognised in the statement of changes in net assets and funds using the effective interest rate method.
- * Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established - this is the last date to trade for equity securities.
- * Rental income is recognised on a straight-line basis over the lease term.
- * Gains and losses on subsequent measurement to fair value of investments and of all other financial instruments are recognised in the statement of changes in net assets and funds in the period in which they arise.
- * All income derived from script lending is included in the investment income received note.
- * Expenses in respect of the management of investments are recognised as the service is rendered.

Administration expenses

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

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

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

Transfers to and from the Fund

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

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.

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 amounts of the transactions:
 - * The amount of outstanding balances;
 - * Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
 - * Details of guarantees given or received;
 - * Provisions for doubtful debts related to the amount of outstanding balances, and
 - * The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Comparatives

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

Foreign transactions policy

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency which is SA Rands, (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES (continued)

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 March 2020

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	-		-		-		-		7 539 200.00		7 539 200.00	
	Additions	-		-		-		-		-		-	
	Disposals	-		-		-		-		-		-	
	Revaluation reserve (note 6)	-		-		-		-		-		-	
	Other movements	-		-		-		-		-		-	
	At end of period	-		-		-		-		7 539 200.00		7 539 200.00	
Accumulated depreciation and impairment													
	At beginning of period	-		-		-		-		-		-	
	Depreciation charges	-		-		-		-		-		-	
	Accumulated depreciation on disposals	-		-		-		-		-		-	
	Impairment	-		-		-		-		-		-	
	Other movements	-		-		-		-		-		-	
	Net carrying amount at end of period	-		-		-		-		7 539 200.00		7 539 200.00	

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. Effective date of revaluation 31 March 2020.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 March 2020

1 Plant and equipment - continued

1.2 Previous period	A		B		C		D		E		A+B+C+D+E
	Plant		Computer equipment and software		Office equipment		Furniture and fittings		Land & buildings		Total
	R		R		R		R		R		R
Gross carrying amount											
At beginning of period	-		-		-		-		7 539 200.00		7 539 200.00
Additions	-		-		-		-		-		-
Disposals	-		-		-		-		-		-
Revaluation reserve (note 6)	-		-		-		-		-		-
Other movements	-		-		-		-		-		-
At end of period	-		-		-		-		7 539 200.00		7 539 200.00
Accumulated depreciation and impairment											
At beginning of period	-		-		-		-		-		-
Depreciation charges	-		-		-		-		-		-
Accumulated depreciation on disposals	-		-		-		-		-		-
Impairment	-		-		-		-		-		-
Other movements	-		-		-		-		-		-
Net carrying amount at end of period	-		-		-		-		7 539 200.00		7 539 200.00

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

2 Investments

2.1 Investment summary

	Local		Foreign		Total		Total		Fair value		Amortised cost		Categorised per Regulatory Framework
	R	R	R	R	R	R	R	R	Current period	Current period	Current period	Current period	
Cash	70 811 266.05		56 221 997.48		127 033 263.53		159 735 493.10		127 033 263.53				
Commodities	38 258 380.68		-		38 258 380.68		24 959 822.92		38 258 380.68				
Debt Instruments including Islamic debt instruments	975 097 183.74		-		975 097 183.74		1 087 430 593.77		975 097 183.74				
Investment properties and Owner occupied	63 585 531.03		4 699 833.44		68 285 364.47		121 756 418.14		68 285 364.47				
Equities (including demutualisation shares)	1 262 092 153.20		971 640 510.13		2 233 732 663.33		2 722 321 830.29		2 233 732 663.33				
Insurance policies	-		-		-		-		-				
Collective investment schemes	-		-		-		-		-				
Hedge funds	-		-		-		-		-				
Private equity funds	-		-		-		-		-				
Investment in participating employer(s)	-		-		-		-		-				
Derivative Market Instruments	-		-		-		-		-				
Other assets	40 294 131.91		64 480 378.02		104 774 509.93		81 302 800.68		104 774 509.93				
Total investments	2 450 138 646.61		1 097 042 719.08		3 547 181 365.76		4 197 506 959.43		3 547 181 365.76				

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

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 2020

Loans granted in terms of the rules of the fund and section 19(5) of the Pension Funds Act

• The fund has granted guarantees to Nedbank, First National, Standard and Ithala Banks for loans granted to 153 members of the fund. The guarantees

- The amount of the guarantee may not exceed 50% of the benefit that a member would receive in terms of the rules of the fund and Section 19(5) of the Pension Funds Act if he or she had to terminate membership to the fund voluntarily.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

4 Accounts receivable

	Mar 2020	Mar 2019
	R	R
Annuity refunds	25 229.89	45 011.60
Medical board fees	-	-
Late payment interest on contributions	29 660.70	6 750.06
Prepaid expenses	154 742.50	266 582.90
Pensioner payments	-	-
Sundry debtors	178 730.65	1 053 140.53
Refunds of pension over-payments	34 407.59	578 362.59
Pensionable service debtors	-	-
TOTAL	422 771.33	1 949 848.68

5 Transfers from other funds/ Transfers receivable

Transfers approved (B)
 Return on transfers (C)
Statement of changes in net assets and funds

Schedule HA

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

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	Return on transfers	Transfers approved	Assets transferred	At end of period				
Total transfers in terms of section 14*												
	KZNJMPF		0	-	-	-	-	-	-	-	-	-
	NJMPF (S)	01/04/2019 to 31/03/2020	3	-	2 146 463.05	178 949.54	1 689 356.71	4 014 769.30	-	-	-	-
	KZN Transfers		3	-	1 379 357.91	-134 920.75	2 772 438.73	-	-	-	-	4 016 875.89
	Transfers in terms of section 15B/15E/15F		-	-	-	-	-	-	-	-	-	-
	Individual transfers		-	-	-	-	-	-	-	-	-	-
	Total Prospective approvals in terms of section 14*		-	-	-	-	-	-	-	-	-	-
	Total		6	0	3 525 820.96	44 028.79	4 461 795.44	4 014 770.30	4 016 875.89			
	Transfers approved (B)		4 461 795.44									
	Return on transfers (C)		44 028.79									
	Statement of Changes in Net Assets and Funds		4 505 824.23									

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

8 Benefits
8.1 Benefits – current members

	A		B		C		D		E		A+B+C-D-E	
	At beginning of period		Benefits for current period		Return allocated		Payments		Transferred to unclaimed benefits		At end of period	
	R		R		R		R		R		R	
Monthly pensions	10 262 409.23		185 153 615.80		-		184 218 430.04		-		11 197 594.99	
Lump sums on retirements												
Full benefit	8 186 572.16		48 915 537.17		877 472.37		41 867 385.52		-		16 112 196.18	
Pensions commuted	-		-		-		-		-		-	
Lump sums before retirement												
Disability benefits	-		-		-		-		-		-	
Death benefits	17 193 087.93		11 218 171.01		1 567 573.86		16 241 253.58		-		13 737 579.22	
Withdrawal benefits > 10 years	4 310 475.35		19 050 457.87		405 270.39		18 183 424.03		-		5 582 779.58	
Withdrawal benefits < 10 years	-		-		-		-		-		-	
Minimum benefit payments made in terms of section 15												
Defaults - housing loan facilities	-		-		-		-		-		-	
Divorce payments	50 503.27		2 084 892.56		-		2 084 892.56		-		50 503.27	
Other			134 158.09		-		134 158.09		-		-	
Total (8.1)	40 003 047.94		266 556 832.50		2 850 316.62		262 729 543.82		-		46 680 653.24	
Benefits for current period (B)	266 556 832.50											
Return allocated (C)	2 850 316.62											
Statement of changes in net assets and funds	269 407 149.12											

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

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)	40 003 047.94	266 556 832.50	2 850 316.62	262 729 543.82	-	46 680 653.24

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

9 Unclaimed benefits

	Mar 2020 R	Mar 2019 R
At beginning of period	2 392 047.77	2 648 850.85
Transferred from benefits payable	-	-
Adjustments	-	-
Investment income allocated	55 083.71	103 706.31
Less:	196 984.73	360 509.39
Tracing expenses	(800.58)	50 283.35
Administration expenses	-	-
Other expenses	-	-
Benefits paid	197 785.31	310 226.04
Transferred to unclaimed benefits fund	-	-
Balance at end of period	2 250 146.75	2 392 047.77

10 Accounts payable

	Mar 2020 R	Mar 2019 R
Actuary's fees	56 350.00	-
Contributions refundable	-	-
Contributions in advance	-	-
Pensions and tax payable	-	-
Sundry creditors	467 103.02	1 436 184.34
Unpaid pensions	-	-
	523 453.02	1 436 184.34

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

	Mar 2020 R	Mar 2019 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	-	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

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	1 136 912.51		19 082 239.76		-		19 974 250.89		244 901.38	
Employer contributions - received and accrued	2 983 583.32		51 725 324.71		-		54 066 216.83		642 691.20	
Additional contribution in respect of actuarial shortfall - employer	2 574 294.79		95 413 949.58		-		97 433 717.67		554 526.70	
Additional contribution in respect of actuarial shortfall - member	310 611.84				-		243 703.20		66 908.64	
Additional voluntary contributions – members	-				-		-		-	
Other (Excessive increases)	5 588 100.53		1 292 180.29		-		4 654 513.84		2 225 766.98	
Total	12 593 502.99		167 513 694.34		-		176 372 402.44		3 734 794.89	
Towards retirement	167 513 694.34									
Toward re-insurance and expenses	-									
Statement of changes in net assets and funds	167 513 694.34									

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

13	Net investment income	Mar 2020	Mar 2019
		R	R
	Income from investments	171 551 369.07	179 754 256.44
	Dividends	61 685 677.71	68 383 495.99
	Interest	109 862 348.48	111 159 964.12
	Rentals	3 342.88	210 796.33
	Collective investment schemes distribution	-	-
	Income from insurance policies	-	-
	Interest on late payment of contributions	274 186.18	529 850.81
	Interest levied on surplus improperly utilised	-	-
	Adjustment to fair value	(684 204 790.28)	99 462 095.26
	Profit/loss on disposal of investments	35 600 008.10	(58 424 093.72)
	Investments written up/down	(719 804 798.38)	157 886 188.98
	Less: Expenses incurred in managing investments	(20 066 010.97)	(19 259 591.37)
	Less: Interest paid on borrowings	0.00	-
	Total	(532 445 246.00)	260 486 611.14

13.1	Other income	Mar 2020	Mar 2019
		R	R
	Bad debts recovered	-	-
	Other	-	-
		-	-

14	Administration expenses	Notes	Mar 2020	Mar 2019
			R	R
	Actuarial fees		785 090.63	487 087.10
	Administration fees		601 348.55	602 261.51
	Audit fees		412 518.70	376 623.52
	Audit services		412 518.70	376 623.52
	Expenses		-	-
	Other		-	-
	Bad debts written off		59 672.86	37 809.52
	Consultancy fees		1 788 154.06	492 873.76
	Depreciation - at cost		-	-
	Depreciation - at revaluation		-	-
	Fidelity Insurance		160 169.86	167 138.80
	Levies		89 142.27	87 713.27
	Other		83 039.18	63 683.40
	Actuarial adjustment		83 039.18	63 683.40
	Member communication		351 686.93	290 317.62
	Office expenses		364 833.26	397 386.39
	Operating lease payments		-	-
	Penalties		-	-
	Principal officer expenses	14.3	208 234.97	397 110.31
	Project costs		212 862.07	34 102.23
	Staff expenses	14.2	2 695 154.88	3 791 211.69
	Secretarial fees		-	-
	Board of Fund expenses	14.1	855 811.72	915 435.08
	Less: Amount allocated to unclaimed benefits	9	-	-
	Total		8 667 719.94	8 140 754.20

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

14 Administration expenses - continued

14.1 Board of Fund expenses

	Mar 2020	Mar 2019
	R	R
Remuneration	-	-
Meeting allowances	470 599.23	437 628.23
Expenses	385 212.49	477 806.85
Other payments	-	-
Total	855 811.72	915 435.08

14.2 Staff expenses

	Mar 2020	Mar 2019
	R	R
Remuneration	2 196 171.50	3 304 840.67
Contributions to retirement fund	351 120.04	373 485.55
Training expenses	91 885.85	53 381.38
Other payments	55 977.49	59 504.09
Total	2 695 154.88	3 791 211.69

14.3 Principal Officer expenses

	Mar 2020	Mar 2019
	R	R
Fees as Board member	-	-
Remuneration	136 433.78	258 872.43
Allowances	-	-
Contributions to retirement fund	24 558.08	46 597.04
Bonus	47 243.11	91 640.84
Other payments	-	-
Total	208 234.97	397 110.31

15 Prior period adjustment

	Mar 2020	Mar 2019
	R	R
Benefits Adjustment	-	-
	-	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

16 Financial liabilities and provisions

16.1 Financial liabilities

	Mar 2020 R	Mar 2019 R
Nil	-	-
TOTAL	-	-

16.2 Provisions

	Mar 2020 R	Mar 2019 R
Actuary's fees	585 120.00	552 000.00
Accumulated leave	85 718.62	111 924.30
Staff bonus	217 638.42	275 158.60
Audit fees	453 492.67	395 708.53
Consulting fees	-	46 632.50
TOTAL	1 341 969.71	1 381 423.93

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 has significant liquid resources.

• **Market risk**

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

• **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 R208 234.97 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 members of the fund incurred expenses to the amount of R855 811.72 during the current financial period.

20 Operating lease commitments

	Mar 2020	Mar 2019
	R	R
Future minimum operating lease payments		
Within one year	-	-
Between one and five years	-	-
After five years	-	-
TOTAL	-	-

21 Surplus and reserve accounts

[illegible]

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

21 Surplus and reserve accounts (continued)

	Member/ pensioner surplus account		Employer surplus account		A+B+C+D+E+F		A		B		C		D		E		F	
	R		R		R		R		R		R		R		R		R	
Administration expenses	-		-		-		-		-		-		-		-		-	
Retirement fund taxation	-		-		-		-		-		-		-		-		-	
Net income before transfers and benefits	-		-		542 277 812.68		-		343 916 999.58		-		82 440 218.47		115 920 594.63		-	
Transfers and benefits	-		-		-		-		-		-		-		-		-	
Transfers from other funds	-		-		-		-		-		-		-		-		-	
Transfers to other funds	-		-		-		-		-		-		-		-		-	
Benefits	-		-		-		-		-		-		-		-		-	
Net income after transfers and benefits	-		-		542 277 812.68		-		343 916 999.58		-		82 440 218.47		115 920 594.63		-	
Transfer between reserve accounts	-		-		401 544 352.23		-		(218 847 745.54)		-		311 896 257.96		308 495 839.81		-	
Net investment return	-		-		-		-		-		-		-		-		-	
Benefit enhancement – pensioners	-		-		-		-		-		-		-		-		-	
Contribution holiday – after surplus apportionment	-		-		-		-		-		-		-		-		-	
Contribution holiday – before surplus apportionment	-		-		-		-		-		-		-		-		-	
At end of period	-		-		943 822 164.91		-		125 069 254.04		-		394 336 476.43		424 416 434.44		-	

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the period ended 31 March 2020

22 Surplus improperly utilised receivable

	2020	2019
	R	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

	2020	2019
	R	R
Surplus to be apportioned	-	-
Investment return to be allocated	-	-
Other	-	-
Total amounts to be allocated	-	-

KWA-ZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

Registration number: 12/8/6676

For the year ended 31 March 2020

SCHEDULE HB

REPORT OF THE VALUATOR

PARTICULARS OF FINANCIAL CONDITION OF THE FUND

The statement below is based on the 31 March 2018 statutory actuarial valuation report that was accepted by the Financial Sector Conduct Authority on 7 June 2019.

1. Net assets available for benefits ^(a): **R4 055 121 000**
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised benefits: **R4 055 121 000**
3. The actuarial present value of promised benefits ^(b), split into vested ^(c) and non-vested benefits at: **R3 369 772 000 – all vested**
4. Contingency reserve account allocations that were recommended in the actuarial valuation report:
Risk Reserve: R82 440 000
Solvency Reserve Pensioners (incl balance of Memorandum Account): R459 838 000
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 82.44 million is held.

The Memorandum Account was calculated as the accumulated value of the assets attributable to pensioners. The surplus of R 459 838 000 in the Memorandum Account for pensioners is retained as a contingency reserve (Solvency Reserve) and to provide for future minimum pension increases as prescribed by legislation and incorporated in the Fund's Regulations.

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 for a period of 8 years to 2020, to meet the deficit in respect of contributory member liabilities of R 160.816 million. Excluding the surcharge, the “basic” contribution payable to the Fund by the Employer is 18.37% of pensionable earnings.

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 a surcharge (payable for 8 years to 2020) 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 2018.

Prepared by me:



TOMMIE DOUBELL (FFA FASSA CFP®)

VALUATOR

In my capacity as an actuary of SNG ARGEN Actuarial Solutions
Primary professional regulator: Actuarial Society of South Africa

09 October 2020

Notes

For the purposes of this summary of the valuation 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 benefits.
- (b) The actuarial present value of promised 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.

REPORT OF THE AUDITOR GENERAL OF KWAZULU-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 KwaZulu-Natal Joint Municipal Pension Fund (Retirement) (the "Fund") for the year ended 31 March 2020. 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 2020.

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

30 September 2020



**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 2020 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. The fund has 9 investment portfolios, therefore all have been tested:
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 mandates and IPS provide for securities lending transactions. Investments in hedge funds and private equity funds are not provided for in the investment policy statement or the investment mandates. Investments in derivatives are provided for in the investment mandates and IPS.
1.2.3	Inspect whether the collateral and counterparty requirements as prescribed are complied with.	The collateral and counterparty requirements were complied with.
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 R 365,001,716 as at 31 March 2020, and (b) collateral was provided by the counterparties for any scrip lending activities; and (c) Collateral provided covered 119% of the exposure.
2	Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)	Not applicable. KwaZulu-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 2020.	Not applicable. KwaZulu-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. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.

	Procedures	Findings
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. KwaZulu-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. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.2.3	In respect of unithised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.2.4	In respect of unithised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.2.5	In respect of unithised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
2.2.6	In respect of non-unithised 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. KwaZulu-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. KwaZulu-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. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.
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. KwaZulu-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. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is a defined benefit fund.

	Procedures	Findings
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	Not applicable. KwaZulu-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. KwaZulu-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. KwaZulu-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: July 2019, September 2019 and February 2020.
4	Surplus apportionment scheme	
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	Active members: 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	Former members and pensioners: 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.

	Procedures	Findings
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.
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 and risk reserve 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 2020, 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.
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.

	Procedures	Findings
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.	The sample of housing loan guarantees selected 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 2020 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	
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:	

	Procedures	Findings						
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.	<table border="1"> <thead> <tr> <th>Municipality name</th><th>Amount</th><th>Date of receipt</th></tr> </thead> <tbody> <tr> <td>Mooi Mpofana</td><td>R60,349</td><td>09/04/2020</td></tr> </tbody> </table>	Municipality name	Amount	Date of receipt	Mooi Mpofana	R60,349	09/04/2020
Municipality name	Amount	Date of receipt						
Mooi Mpofana	R60,349	09/04/2020						
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.						
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	<p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u></p> <p>Inspect that the calculation of the benefit payment was done by the actuary in accordance with the requirements of the rules of the Fund and/or the Act.</p> <p><u>For a defined contribution fund</u></p> <p>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.</p>	<p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u></p> <p>The calculation of the benefit payment by the actuary was done in agreement with the requirements of the rules of the Pension Fund Act.</p> <p><u>For a defined contribution fund</u></p> <p>Not applicable</p>						
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							

	Procedures	Findings
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:	
10.2.1	Agree the sample of section 14 transfers to and from the Fund to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or b) the section 14(8) documentation as prescribed.	The sample of section 14 transfers to and from the Fund agreed to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer. b) Not applicable.
10.2.2	Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.	After the 12 month transfer period expired, the registrar was furnished with the final scheme of members transferred. The registrar issued a s14(1)(e) certificate. Inspected the s14(1)(e) certificate.
10.2.3	In respect of unitised funds, select a sample of the lesser of 25 or 10% of the number of members transferred from other funds and recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase).	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Retirement) is not a unitised fund.
10.3	Individual transfers Obtain the list of individual transfers throughout the year ended 31 March 2020, 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 2020.
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 2020.
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 2020.
11	Pensioners paid	
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 2020 to the corresponding account reconciliation to the general ledger balance.	Agreed the total pensions paid for the year ended 31 March 2020 to the corresponding account reconciliation and the general ledger balances.

	Procedures	Findings
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. The Fund does not have any purchased 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 2020 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 2020, the Fund's fidelity insurance cover extended after year-end. The subsequent fidelity insurance cover extended to 28 February 2021.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 31 March 2020.	Not applicable. The Fund did not have a GLA policy.
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at 31 March 2020 and perform the following procedures:	The most recent statutory valuation that was signed and submitted by the valuator is at 31 March 2018.
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.

SCHEDULE 1A - INVESTMENT SCHEDULE

At 31 March 2020

Investments¹

	Notes ²	A	B	C	D	E	A+B+C+D+E V+W+X	V	W	X	W+X	Total percentage exposure	Derivative positions with residual risk	Y	Z	V+W+X+Y+Z
		Direct Investments	Non-compliant Collective Investment Schemes	Non-compliant Insurance Policies	Derivative positions without residual risk	Compliant Investments	Total	Local	Foreign	Foreign Africa	Total Foreign			Note G2	Reconciling items between Schedule 1B and Schedule F	TOTAL as per Regulation 28 (Schedule 1B)
		R	Note M1 R	Note M2 R	Note G1 R	R	R	R	R	R	R	%	R	R	R	R
Cash (including cash at bank)	A	109 698 265	56 221 997	0	0	0	165 920 263	109 698 265	56 221 997	0	56 221 997	1.57%	0.00	0.00	0.00	165 920 263
Commodities	B	38 258 381	0	0	0	0	38 258 381	38 258 381	0	0	0	0.00%	0.00	0.00	0.00	38 258 381
Housing Loans		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00	0
Debt instruments including Islamic debt instruments	C	975 097 184	0	0	0	0	975 097 184	975 097 184	0	0	0	0.00%	0.00	0.00	0.00	975 097 184
Investment Properties and owner occupied properties	D	63 215 743	5 069 621	0	0	0	68 285 364	63 215 743	5 069 621	0	5 069 621	0.14%	0.00	0.00	0.00	68 285 364
Equities	E	1 259 047 497	974 685 167	0	0	0	2 233 732 663	1 259 047 497	974 685 167	0	974 685 167	27.18%	0.00	0.00	0.00	2 233 732 663
Derivative Market Instruments	G	0.00	-	0.00	0.00	0.00	-	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	-
Investments in participating employer(s)	H	0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00	0
Other assets	I	40 294 132	64 480 378	0	0	0	104 774 510	40 294 132	64 480 378	0	64 480 378	0.00%	0.00	0.00	0.00	104 774 510
Hedge Funds	J	0	0	0	0	0	0	0	0	0	0	0.00%	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	0.00	0
Collective Investment Schemes		0	0	0	0	0	0	0	0	0	0	0.00%	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	0.00	0
- Linked Policies		0	0	0	0	0	0	0	0	0	0	0.00%	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	0.00	0
- Insurance Policies to Reg 28(3)(c) ³		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0.00	0
Entities regulated to Reg 28(8)(b)(iv)		0	0	0	0	0	0	0	0	0	0	0.00%	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	0.00	0
TOTAL INVESTMENTS		2 485 611 201	1 100 457 163	0	0	0	3 586 068 365	2 485 611 201	1 100 457 163	0	1 100 457 163	30.69%	mn	mn	0.00	3 586 068 365

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 1B item A

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE
For the period ended 31 March 2020

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	109 698 265.21
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	91 504 352.08
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	10 443 766.75
Any positive net balance in a margin account with an exchange List issuers/entities which exceeds 5% of total assets	7 750 146.38
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	0.00
Foreign	
Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	0.00
Any balance or deposit held with a foreign bank List issuers/entities which exceeds 5% of total assets	0.00
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>109 698 265.21</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	Local	117 910	66.43%	31 794 431.50
NEW GOLD PLATINUM ETF	Local	40 171	22.63%	5 084 845.18
Other: Zambezi Platinum RF	Local	19 424	10.94%	1 379 104.00
Total Commodities		177 505.00	100.00%	38 258 380.68

Full details of buy-back transactions in respect of Kruger Rands must be furnished.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic List issuers/entities which exceeds 5% of total assets	Local	Secured/ Unsecured		964904331.1	772 394 912.95
Debt instruments issued or guaranteed by the government of a foreign country: List issuers/entities which exceeds 5% of total assets	Foreign	Secured/ Unsecured		0	-
Bank debt : Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	Local	Secured/ Unsecured		114291716	112 327 678.17
Listed on an exchange with an 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	Secured/ Unsecured			0
Listed on an exchange with an 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	Secured/ Unsecured		70121269	67 511 469.03
Listed on an exchange with an 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	Secured/ Unsecured		44170447	44 816 209.14
Not listed on an exchange (provide details)					-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

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:-				56406095	49 269 209.97
1.Airports Company of South Africa Limited	Local			3790000	4 354 614.49
2.Development Bank of South Africa	Local			7150000	7 091 017.56
3.ESKOM	Local			22676095	15 926 421.37
4.Industrial Development Corporation of South Africa	Local				-
5.Land and Agricultural Development Bank of South Africa	Local				-
6.Trans – Caledon Tunnel Authority	Local			0	-
7.Transnet Limited	Local			11230000	10 935 752.60
8.The South African National Roads Agency Limited	Local			6520000	6 075 784.65
9.Rand Water	Local			2400000	2 157 340.08
10.Umgenti Water	Local			2640000	2 728 279.22
Corporate debt (excluding debentures):	Local			24609775	28 807 295.40
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange List issuers/entities which exceeds 5% of total assets	Local			24609775	28 807 295.40
Not listed on an exchange					-
Debentures:				0	-
Listed on an exchange List issuers/entities which exceeds 5% of total assets	Foreign			0	-
Not listed on an exchange					-
Other	Local			12184769	12 298 087.25
Listed on an exchange: List issuers/entities which exceeds 5% of total assets				0	-
Not listed on an exchange				12 184 768.90	12 298 087.25
PRUDENTIAL	Local			12184769	12 298 087.25
STANLIB	Local			0	-
TOTAL DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS					975 097 183.74

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

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, listed on an exchange:						63 215 743.24
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	6 735 224 027	1 234 283.65		0.02%	27 606 257.86
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	7 281 331 714	2 742 231		0.04%	28 149 496.93
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local	5 026 407 097	2 236 967		0.04%	7 459 988.45
Shares in property companies and linked units in property companies, not listed on an exchange: Provide details						
TOTAL						63 215 743.24

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						

Note: Valuation method and date of valuation

[illegible]

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

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	114 516 915.73	3 468 158	Nedbank	Nedbank	4 470 548.58
Other listed equities (provide details)	50%							
Debt – Government bonds	75%		Various	250 484 800.66	335 884 669	Nedbank	Nedbank	
Other listed debt instruments (provide details)	50%							
Money Market Instruments issued by a South African bank, including an Islamic liquidity	75%							
TOTAL				365 001 716.39	339 352 827			4 470 548.58

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%	128 329 997.32
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	CORONATION 8882034380	50%	36 480 648.11
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	FOORD 110135170165	50%	107 756 205.70
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	KAGISO110135670037	50%	6 332 380.17
NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)	INVESTEC110137570357	50%	86 102 485.09
Total			365 001 716.39

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

G DIRECT DERIVATIVE MARKET INSTRUMENTS

G1 DERIVATIVE POSITIONS WITHOUT RESIDUAL RISK

Instrument Notes 1,2 & 3	Local or Foreign	Listed or Unlisted	Strike price	Cost or Premium	Fair value	Effective Economic Exposure		Potential Loss	Potential Gain	Exchange rate	Fixed rate or Variable rate	Counter-party	Counter- party %	Expiry date	Holding number	Holding %
						Gross	Nett									
Options e.g. put or call																
Futures/ Forwards/ SAFEX	Local	Listed				19 214 312.70						SAFEX			106	
Currency swaps																
Interest rate swaps																
Forward rate agreements																
Equity linked instruments																
Other (Provide details)																
TOTAL																

Annexure D

Notes:

1. Describe valuation methodology of instruments
2. Explain changes in assumptions (if any changes from previous period)
3. List all non-compliance(s) with the Notices

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

G2 DERIVATIVE POSITIONS WITH RESIDUAL RISK

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

Annexure D

Notes:

1. Describe valuation methodology of instruments
2. Explain changes in assumptions (if any changes from previous period)
3. List all non-compliance(s) with the Notices

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

H Investments in participating employer/s

Instrument <small>Note 1</small>	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 (provide detail)							
SUBTOTAL							
TOTAL FOR INVESTMENT IN PARTICIPATING EMPLOYERS							

Note 1:

List issuers/entities which exceeds 5% of total assets

[illegible]

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

K PRIVATE EQUITY FUNDS

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

Annexure D

The Private Equity funds structure will be classified as:

- Partnerships
- Trusts
- Other - Section 5(2)(e)

List all non-compliance(s) with the applicable Notices

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2020

L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS

Instrument	Local or foreign	Fair value R
Collective Investment Schemes – regulation 28(8)(b)(i)		-
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		-

Note 1:

List issuers/entities which exceeds 5% of total assets

M REGULATION 28 NON COMPLIANT INVESTMENTS

M1 Non-compliant Collective investment schemes

Instrument	Local or Foreign	% Holding	Fair value R
Collective Investment Schemes			
CONTRARIUS	F	12.47%	136 566 276.03
INVESTEC	F	10.41%	264 196 311.86
WALTER SCOTT	F	11.94%	335 817 571.95
SEI	F	15.10%	363 877 003.53
Total Non-compliant Collective investment schemes			1 100 457 163.37

M2 Non-compliant Insurance policies

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

List all non-compliance(s) with the Notices

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

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

- Investments included in this line should not relate to any of the other specifically identifiable categories in Schedule IB;
- Investments included in this line should not relate to those under the 5% rule to which look-through need not apply;
- Investments included in the line should be done so on a last resort basis and all reasonable attempts should be made to obtain the required information and or data

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)

SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

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	R	
BANKS	140 442 017.42	63 815 941.60	0.00	0.00	0.00	132 960 750.87	337 218 709.89	9.51%
ABSA BANK	19 735 425.00	0.00	0.00	0.00	0.00	13 027 466.33	32 762 891.33	0.92%
AFRICAN BANK LIMITED	0.88	0.00	0.00	0.00	0.00	10 083 592.63	10 083 593.51	0.28%
LAND AND AGRICULTURAL BANK OF SA	0.00	0.00	0.00	0.00	0.00	5 306 284.50	5 306 284.50	0.15%
BARCLAYS AFRICA GROUP LTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
CAPITEC BANK LIMITED	2 015 200.00	0.00	0.00	0.00	0.00	1 241 942.88	3 257 142.88	0.09%
CHINA BANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
DEVELOPMENT BANK OF SA	0.00	0.00	0.00	0.00	0.00	7 091 017.56	7 091 017.56	0.20%
FIRST RAND LIMITED	36 002 990.80	4 867 989.04	0.00	0.00	0.00	39 584 687.10	80 455 666.94	2.27%
INVESTEC BANK LTD	9 629 745.48	0.00	0.00	0.00	0.00	8 068 989.51	17 698 734.99	0.50%
NEDBANK GROUP LTD	10 265 049.44	29 678 582.80	0.00	0.00	0.00	31 320 390.95	71 264 023.19	2.01%
RMB HOLDINGS	21 760 723.96	3 422 749.38	0.00	0.00	0.00	0.00	25 183 473.34	0.71%
STANDARD BANK OF SA	41 032 881.86	18 096 474.00	0.00	0.00	0.00	17 236 379.41	76 365 735.27	2.15%
SAFEXX	0.00	7 750 146.38	0.00	0.00	0.00	0.00	7 750 146.38	0.22%
ASSET MANAGERS LOCAL	12 539 156.75	7 797 535.91	0.00	0.00	0.00	28 015.82	20 364 708.48	0.57%
CORONATION FUND MANAGERS	241 069.50	7 797 535.91	0.00	0.00	0.00	28 015.82	8 066 621.23	0.23%
PRUDENTIAL PORT MGR	12 298 087.25	0.00	0.00	0.00	0.00	0.00	12 298 087.25	0.35%
STANLIB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
ASSET MANAGERS FOREIGN	0.00	0.00	0.00	0.00	0.00	1 100 457 163.37	1 100 457 163.37	31.02%
CONTRARIUS	0.00	0.00	0.00	0.00	0.00	136 566 276.03	136 566 276.03	3.85%
INVESTEC	0.00	0.00	0.00	0.00	0.00	264 196 311.86	264 196 311.86	7.45%
SEI INVESTMENTS	0.00	0.00	0.00	0.00	0.00	363 877 003.53	363 877 003.53	10.26%
WALTER SCOTT & PARTNERS	0.00	0.00	0.00	0.00	0.00	335 817 571.95	335 817 571.95	9.47%
INSURANCE COMPANIES	30 158 196.20	0.00	0.00	0.00	0.00	8 019 110.48	38 177 306.68	1.08%
ALEXANDER FORBES	4 377 699.56	0.00	0.00	0.00	0.00	0.00	4 377 699.56	0.12%
DISCOVERY HLD	0.00	0.00	0.00	0.00	0.00	2 695 249.92	2 695 249.92	0.08%
LIBERTY GROUP LTD	0.00	0.00	0.00	0.00	0.00	741 734.24	741 734.24	0.02%
OLD MUTUAL	0.00	0.00	0.00	0.00	0.00	1 827 082.75	1 827 082.75	0.05%
MMI HOLDINGS	0.00	0.00	0.00	0.00	0.00	2 329 549.58	2 329 549.58	0.07%
PSG CONSULT LIMITED	8 244 170.12	0.00	0.00	0.00	0.00	0.00	8 244 170.12	0.23%
SANLAM	9 373 277.94	0.00	0.00	0.00	0.00	0.00	9 373 277.94	0.26%
SANTAM LIMITED	8 163 048.58	0.00	0.00	0.00	0.00	425 493.99	8 588 542.57	0.24%
TOTAL	183 139 370.37	71 613 477.51	0.00	0.00	0.00	1 241 465 040.54	1 496 217 888.42	42.18%
PARTICIPATING EMPLOYERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL	183 139 370.37	71 613 477.51	0.00	0.00	0.00	1 241 465 040.54	1 496 217 888.42	42.18%

FAIR ASSET VALUE OF THE FUND

3 547 181 366

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - RETIREMENT (REF. NO. 12/8/6676/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020

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

	Fair value current period (as per Schedule H2.1)	Amortised cost current period	Cash at bank	Property split (Schedule 1A.D)	Non-compliant CIS	Non-compliant Insurance Policies	Compliant Investments	Derivatives with residual risk	Investments no information (Schedule 1A.N)	Other Note 1	Total
Cash	127 033 263.53		38 886 999.16								165 920 262.69
Commodities	38 258 380.68										38 258 380.68
Housing Loans											-
Debt instruments including Islamic debt instruments	975 097 183.74										975 097 183.74
Investment properties and owner occupied properties	68 285 364.47										68 285 364.47
Equities	2 233 732 663.33										2 233 732 663.33
Investments in participating employers											-
Hedge Funds											-
Private Equity Funds											-
Derivative market instruments											-
Collective Investment Schemes											-
Insurance Policies											-
Entities regulated ito Reg 28(8)(b)(iv)											-
Investments not disclosed /data not available for disclosure by entities											-
Other assets	104 774 509.93										104 774 509.93
TOTAL INVESTMENTS	3 547 181 365.69		38 886 999.16		0.00						3 586 068 364.85

Note 1: Amounts may only be included in this column where such asset(s) are not accommodated in any of the column and proper disclosure must be in this note to disclose the nature of the asset(s):

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28
As at 31 March 2020

	Fair value R
A Total assets (Schedule IA -Total investments)	3 586 068 365
B1 Less: Reg 28 compliant investments	-
(certificate received from issuing entity):-	
B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2 Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3 Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4 Entity regulated by FSB (Reg 28(8)(b)(iv))	-
B2 Less: Reg 28 Excluded investments	-
B.2.1 Insurance Policies (Reg 28(3)(c))	-
C Less: Investments not disclosed /data not available for disclosure [Refer Schedule IAN]	-
D TOTAL ASSETS for REGULATION 28 DISCLOSURE	3 586 068 365

		R	%
1 CASH	100%	165 920 262	4.63%
Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	109 698 265	3.06%
(a) Notes and coins, any balance or deposit in an account held with a South African bank		91 504 351	2.55%
-per issuer/entity	25%		
FIRSTRAND BANK LTD		3 422 749	0.10%
Standard Bank Of Sa		32 067 122	0.89%
Standard Bank of SA - held by the Fund		17 127 481	0.48%
Cash - held by Fund		38 886 999	1.08%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		-	0.00%
-per issuer/entity	25%	10 443 767	
FIRSTRAND BANK LTD		4 867 989	0.14%
NEDBANK LTD		5 575 778	0.16%
(c) Any positive net balance in a margin account with an exchange		7 750 147	0.22%
-per issuer/entity	25%		
SAFEX - margin		7 416 431	0.21%
SAFEX - derivatives		333 716	0.01%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		-	0.00%
-per issuer/entity	25%	-	0
STATE STREET CORP		-	0.00%
Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	SARB maximum limits	56 221 997	1.57%
(a) Any balance or deposit held with a foreign bank		56 221 997	1.57%
-per issuer/entity	5%		
BNP PARIBAS		2 601 022	0.07%
BNP PARIBAS RETAIL BANKING		2 074 823	0.06%
BANK OF NEW YORK		12 509 634	0.35%
AUSTRALIAN DOLLAR		554 485	0.02%
CANADIAN DOLLAR		1 511 942	0.04%
SWISS FRANC		-789 677	-0.02%
DANISH KRONE		174	0.00%
EURO CURRENCY		2 095 582	0.06%
HONG KONG DOLLAR		-86 327	0.00%
ISRAELI SHEKEL		1	0.00%
JAPANESE YEN		6 653 527	0.19%
NORWEGIAN KRONE		9	0.00%
NEW ZEALAND DOLLAR		3	0.00%
SWEDISH KRONA		-138 257	0.00%
SINGAPORE DOLLAR		-146 686	0.00%
US DOLLAR		12 599 816	0.35%
STATE STREET CORP		5 840 642	0.16%
US DOLLAR		10 941 284	0.31%
(b) Any balance or deposit held with an African bank		-	0.00%
-per issuer/entity	5%	-	0.00%
(c) A money market instrument issued by a foreign bank including an		-	0.00%
-per issuer/entity	5%	-	0.00%

2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS			100% issued/ guarantee by Republic otherwise 75%	975 097 184	27.19%
2.1 Inside the Republic			75/100%	975 097 184	27.19%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%		774 123 216	21.59%
	Development Bank of SA			7 091 018	0.20%
	LandBank of SA			5 306 285	0.15%
	Republic of SA			761 725 913	21.24%
(b)	Debt Instruments issued or guaranteed by the government of a foreign country	75%		-	0.00%
	-per issuer	10%		-	0.00%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	75%		112 327 677	3.13%
(c)(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%		102 244 084	2.85%
	-per issuer	25%			
	Absa Bank Limited			13 027 466	0.36%
	Capitec Bank Limited			1 241 943	0.03%
	FirstRand Bank Ltd			39 584 686	1.10%
	Nedbank Limited			31 153 610	0.87%
	Standard Bank Of Sa			17 236 379	0.48%
(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%		-	0.00%
	-per issuer	15%		-	
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%		10 083 593	0.28%
	-per issuer	10%			
	African Bank Limited	10%		10 083 593	0.28%
					0.00%
(c)(iv)	Not listed on an exchange by South African Bank	25%		-	
	- per issuer	5%		-	
	FirstRand Bank Ltd			-	0.00%
	Investec Bank Ltd			-	0.00%
	Standard Bank Of Sa			-	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-	50%		60 171 972	1.68%
(d)(i)	Listed on an exchange	50%		60 171 972	1.68%
	-per issuer	10%			
	AIRPORTS COMPANY SA LTD			4 354 614	0.12%
	BARLOWORLD LTD			618 614	0.02%
	DISCOVERY HOLDINGS LTD			2 695 250	0.08%
	ESKOM HOLDINGS LTD			15 926 421	0.44%
	MMI HOLDINGS LTD			2 329 550	0.06%
	OLD MUTUAL PLC			1 827 083	0.05%
	RAND WATER BOARD			2 157 340	0.06%
	ROYAL BAFOKENG PLATINUM LTD			3 421 001	0.10%
	SA NATIONAL ROADS AGENCY LTD			6 075 785	0.17%
	SANTAM LTD			425 494	0.01%
	TELKOM SA LIMITED			6 676 788	0.19%
	TRANSNET LIMITED			10 935 753	0.30%
	UMGENI WATER			2 728 279	0.08%
				-	0.00%
(d)(ii)	Not listed on an exchange	25%		-	0.00%
	Old Mutual Plc			-	0.00%
(e)	Other debt instruments:-	25%		28 474 319	0.79%
(e)(i)	Listed on an exchange	25%		16 176 232	0.45%
	- per instrument	5%			
	CITY OF CAPE TOWN MUNICIPALITY			3 586 365	0.10%
	EKURHULENI METRO MUNICIPALITY			6 994 207	0.20%
	FORTRESS REIT LTD			1 234 287	0.03%
	INGUZA			796 703	0.02%
	LIBERTY GROUP			741 735	0.02%
	MTN GROUP LTD			1 208 838	
	NORTHAM PLATINUM LTD			1 525 669	
	CITY OF TSHWANE			88 428	0.00%
(e)(ii)	Not listed on an exchange	15%		12 298 087	0.34%
	Prudential Portfolio Managers - Pooled Fund			12 298 087	0.34%
2.2 Foreign			SARB maximum limits	-	0.00%
(a)	Debt Instruments issued or guaranteed by a Foreign Bank against its balance sheet		SARB maximum limits	-	0.00%
(i)	Listed debt by a Foreign Bank with a market cap larger than R20 billion		SARB maximum limits	-	0.00%
	-per issuer	25%		-	0.00%
(ii)	Listed debt by a Foreign Bank with a market cap between R2 and R20 billion		SARB maximum limits	-	0.00%
	-per issuer			-	0.00%
	Bank of Windhoek	15%		-	0.00%

						9 373 278					0.26%	
						8 163 049					0.23%	
						6 815 579					0.19%	
						25 793 415					0.72%	
						41 032 882					1.14%	
						752 917					0.02%	
						3 563 122					0.10%	
						4 947 300					0.14%	
						4 569 936					0.13%	
						0					0.00%	
						0						
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%				114 235 336					3.19%	
	-per issuer	10%										
	Adtech Ltd					2 510 386					0.07%	
	ADCTECH LTD					4 377 700					0.12%	
	ALEXANDER FORBES					4 659 092					0.13%	
	AECI LTD					6 781 842					0.19%	
	AFRICAN OXYGEN LTD					1 533 368					0.04%	
	AFRICAN RAINBOW MINERALS LTD					8 274 572					0.23%	
	ALLIED ELECTRONICS CORPORATION LIMITED					118 860					0.00%	
	BRIMSTONE INVESTMENT CORPORATION LIMITED CLASS N					2 453 573					0.07%	
	CURRO HOLDINGS LTD					238 351					0.01%	
	CASHBUILD LIMITED					6 173 312					0.17%	
	DATATEC LTD					329 304					0.01%	
	EOH HOLDINGS LTD					2 044 907					0.06%	
	FAMOUS BRANDS LTD					8 192					0.00%	
	GROUP FIVE CONSTRUCTION PTY LTD					892 615					0.02%	
	HOSKEN CONSOLIDATED INVESTMENTS					1 371 623					0.04%	
	HUDACO INDUSTRIES					1 040 875					0.03%	
	ITALTILE LTD					262 791					0.01%	
	INVICTA HOLDINGS LTD					1 017 999					0.03%	
	KAP INTERNATIONAL HOLDINGS					3 854 572					0.11%	
	PSG KONSULT LIMITED					512 325					0.01%	
	LEWIS GROUP LIMITED					1 134 032					0.03%	
	MPACT LTD					4 299 036					0.12%	
	METAIR INV					9 857 587					0.27%	
	OMNIA HOLDINGS LIMITED					711 961					0.02%	
	PAN AFRICAN RESOURCES PLC					31 562 117					0.88%	
	LEGAE PERESEC (PREVIOUSLY PEREGRINE HOLDINGS)					2 247 541					0.08%	
	PRETORIA PORTLAND CEMENT					4 054 194					0.11%	
	ROYAL BAFOKENG PLATINUM LTD					1 686 720					0.05%	
	RHODES FOOD GROUP					1 180 902					0.03%	
	SUPER GROUP LTD					1 208 025					0.03%	
	SUN INTERNATIONAL (SA)					2 820 336					0.08%	
	SPUR CORPORATION LTD					39 992					0.00%	
	SYGNIA LTD					1 840 489					0.05%	
	TISO BLACKSTAR GROUP					32 195					0.00%	
	TONGAAT HULETT LIMITED					1 715 037					0.05%	
	TRENCOR LTD					1 388 913					0.04%	
	ZEDER INVESTMENTS LTD					0					0.00%	
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%				40 165 310					1.12%	
	-per issuer	5%										
	Adcorp Holdings Ltd					1 456 826					0.04%	
	AFRICAN PHOENIX INV					38 162					0.00%	
	BOWCALF					716 198					0.02%	
	CARTRACK HOLDINGS LTD					667 780					0.02%	
	CROOKES BROS / ORD					318 599					0.01%	
	CAPITAL APPRECIATION					359 728					0.01%	
	DANGOTE CEMENT PLC					5 221 666					0.15%	
	EPE CAPITAL PARTNERS LTD					1 515 492					0.04%	
	GRAND PARADE INVESTMENTS LTD					1 387 474					0.04%	
	LBR					3 421 335					0.10%	
	MASTER DRILLING GROUP LTD					1 443 850					0.04%	
	METTLE INVESTMENTS LIMITED					2 628					0.00%	
	MUSTEK LTD					548 837					0.02%	
	MOTUS HOLDINGS LTD					1 228 080					0.03%	
	MOMENTUM METROPOLITA					3 041 734					0.08%	
	Ninety One PLC					8 338 225					0.23%	
	RECM AND CALIBRE LTD					1 013 311					0.03%	
	SHG					1 731 340					0.05%	
	STADIO HOLDINGS PTY LTD					129 698					0.00%	
	TEXTAINER GROUP HOLDINGS LTD					5 518 089					0.15%	
	TSOGO SUN HOTELS LTD					199 846					0.01%	
	TRANSPACO LTD / ORD					552 801					0.02%	
	TRELLIDOR HOLDINGS LTD					70 287					0.00%	
	TSOGO SUN GAMING LTD					1 243 326					0.03%	
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%				212 647						
	-per issuer	2.50%										
	AFRICAN BANK LTD	2.50%				1					0.00%	
	BHP GROUP PLC					212 645					0.01%	
3.2 Foreign		SARB maximum limits				974 685 167					27.18%	
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB maximum limits				968 397 802					27.00%	
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits				624 292 035					17.41%	
	-per issuer	15%										
	BERKSHIRE HATHAWAY INC					386 478						
	WR BERKLEY CORP					39 550					0.00%	
	CUMMINS INC					2 289					0.00%	

MGM RESORTS INTERNATIONAL	34 663					0.00%
CVS HEALTH CORP	2 612 757					0.07%
PULTEGROUP INC	141 117					0.00%
TRACTOR SUPPLY	288 758					0.01%
INGENICO	52 716					0.00%
HUNTSMAN CORP	773 270					0.02%
SBERBANK OF RUSSIA OJSC	439 866					0.01%
BARRY CALLEBAUT AG	16 955					0.00%
UCB SA	70 195					0.00%
ASM PACIFIC TECHNOLOGY LTD	20 662					0.00%
REA GROUP LTD	3 292					0.00%
NABTESCO CORP	214 975					0.01%
MEDIATEK INC.	2 951 980					0.08%
NICE-SYSTEMS LTD.	10 991					0.00%
QANTAS AIRWAYS LTD	18 675					0.00%
TAIWAN SEMICONDUCTOR MANUFACTURING	12 487 480					0.35%
MIZRAHI TEFAHOT BANK LTD	130 252					0.00%
T&D HOLDINGS INC	11 440					0.00%
JAPAN AIRPORT TERMINAL CO LTD	12 797					0.00%
APPLE INC	1 659 936					0.05%
ABBOTT LABS	3 035 887					0.08%
ABBVIE INC	322 442					0.01%
BARRICK GOLD CORP	1 393 076					0.04%
KONINKLIJKE AHOLD DELHAIZE NV	376 042					0.01%
AUTOMATIC DATA PROCESSING INC	6 278 445					0.18%
ADVANTEST CORP	172 931					0.00%
AFLAC INC	2 663 557					0.07%
AIA GROUP LTD	10 659 848					0.30%
AMERICAN INT GROUP	914 992					0.03%
AIR PRODUCTS & CHEMICALS	850 195					0.02%
ALFA LAVAL AB	2 527 797					0.07%
ALLSTATE CORPORATION	477 425					0.01%
ALSTOM SA	18 186					0.00%
ALTRIA GROUP INC	313 349					0.01%
ALLIANZ SE	3 185 350					0.09%
ALEXION PHARMACEUTICALS INC	2 294 673					0.06%
AMGEN INC	371 596					0.01%
AMPHENOL CORP-A	6 708 999					0.19%
AON CORP	21 237					0.00%
AOZORA BANK LTD	58 103					0.00%
APPLIED MATERIALS INC	108 960					0.00%
ARCELORMITTAL	742 349					0.02%
ASML HOLDING NV	526 493					0.01%
ASX LTD	23 435					0.00%
ATLAS COPCO AB	83 909					0.00%
ALIMENTATION COUCHE-TARD -B	5 869 191					0.16%
ACTIVISION BLIZZARD INC	25 433					0.00%
GOLDMAN SACHS GROUP INC	2 125 647					0.06%
BROADCOM CRP / CAYMN FI	4 099 826					0.11%
AXA SA	982 117					0.03%
AMERICAN EXPRESS CO	1 491 261					0.04%
M3 INC	84 872					0.00%
SEEK LTD	12 363					0.00%
KONE	4 940 808					0.14%
MMC NORILSK NICKEL ADR	5 249 369					0.15%
WILMAR INTERNATIONAL LTD	14 262					0.00%
VERISK ANALYTICS	91 624					0.00%
INTL CONSOLIDATED EURO 5	264 407					0.01%
PGE POLSKA GRUPA ENERGETYCZNA S.A.	39 517					0.00%
GAZPROM OAO	188 189					0.01%
AZRIELI GROUP	7 578					0.00%
ALIBABA GROUP HOLDING-SP ADR	382 427					0.01%
BANK OF AMERICA CORP	4 302 405					0.12%
BARCLAYS PLC	480 103					0.01%
BASF SE	672 917					0.02%
BAXTER INTERNATIONAL INC	65 401					0.00%
FOSSIL GROUP INC	2 397 763					0.07%
GEDEON RICHTER	480 904					0.01%
BCE INC	156 438					0.00%
BANCO SANTANDER SA	991 572					0.03%
BECTON DICKINSON AND CO	916 058					0.03%
BEST BUY CO INC	454 543					0.01%
BHP BILLITON FINANCE LTD	91 244					0.00%
BLACKROCK INC	51 924					0.00%
YUE YUEN INDUSTRIAL HOLDINGS LTD	17 328					0.00%
BANK OF MONTREAL	134 017					0.00%
BRITISH AMERICAN TOBACCO	1 015 467					
BAYERISCHE MOTOREN	822 333					0.02%
BRISTOL-MYERS SQUIBB CO	589 077					0.02%
FNF GROUP INC	95 580					0.00%
NASPERS LTD COMMON STOCK ZAR 2	599 601					
BNP PARIBAS	1 021 566					0.03%
BP CAPITAL MARKETS PLC	1 010 910					0.03%
ANGLO AMERICAN PLC	675 581					
RECRUIT HOLDINGS LTD	287 569					0.01%
SOUTH32 LTD	412 890					
BOSTON SCIENTIFIC CORP	59 515					0.00%
CAN IMPERIAL BK OF COMMER	126 628					0.00%
CANADIAN NATL RAILWAY CO	1 370 465					0.04%
CITIGROUP INC	3 689 500					0.10%
TORONTO DOMINION BANK	89 187					0.00%
GLENCORE PLC	341 118					
COMPASS GROUP PLC	4 944 034					0.14%
CANON INC	92 211					0.00%
CARNIVAL PLC	22 748					0.00%
CARNIVAL CORP	1 082 147					0.03%
CENTRAL JAPAN RAILWAY CO	1 405 787					0.04%
CERNER CORP	6 297 398					0.18%

CREDIT SUISSE GROUP AG RE	924 688	0.03%
CHARTER COMMUNICATIONS OPERATING L	98 813	0.00%
CINCINNATI FINANCIAL CORP	55 091	0.00%
CINTAS CORP	61 838	0.00%
COLGATE-PALMOLIVE CO	6 854 616	0.19%
CME GROUP INC	4 596 510	0.13%
CAPITAL ONE FINANCIAL CO	46 714	0.00%
COMCAST CORP	413 451	0.01%
CONTINENTAL AG	563 316	0.02%
COSTCO WHOLESALE CORP	17 507	0.00%
CREDIT SAISON CO LTD	12 405	0.00%
CRH PLC	35 521	0.00%
CROWN CASTLE INT	50 893	0.00%
CISCO SYSTEMS INC	6 804 524	0.19%
CSL LTD	7 344 791	0.20%
COGNIZANT TECHNICAL SOLUTIONS	6 505 682	0.18%
CEMENTOS ARGOS SA	438 680	0.01%
KOMERCNI BANKA AS	365 133	0.01%
DAIMLER FINANCE NORTH AMERICA LLC	126 827	0.00%
DAITO TRUST CONSTRUCTION	1 513 842	0.04%
DELTA AIR LINES INC	1 686 613	0.05%
DBS GROUP HOLDINGS LTD	132 463	0.00%
MUENCHENER RUECKVER AG	235 426	0.01%
ADIDAS AG	25 915	0.00%
WALT DISNEY COMPANY	5 716 157	0.16%
GENMAB A/S	43 176	0.00%
DONG ENERGY A/S	118 201	0.00%
PANDORA A/S	208 058	0.01%
COLOPLAST B	1 867	0.00%
NOVO NORDISK A/S	8 600 714	0.24%
DEUTSCHE POST AG	4 338	0.00%
DXC TECHNOLOGY CO	1 267 876	0.04%
EAST AFRICAN BREWERY	64 894	0.00%
ECOLAB INC	417 026	0.01%
ESTEE LAUDER CO INC	79 437	0.00%
ELISA OYJ	13 694	0.00%
ENBRIDGE INC	69 503	0.00%
ENEL SPA	1 672 897	0.05%
EOG RESOURCES INC	3 940 669	0.11%
EQUINIX INC	60 621	0.00%
EQUIFAX INC	75 844	0.00%
TELEFONAKTIEBOLAGET LM ERICSSON	684 168	0.02%
ENDESA SA	166 090	0.00%
IBERDROLA SA	236 441	0.01%
NOKIA OYJ	1 223 766	0.03%
FIDELITY BANK	3 922 108	0.11%
FIRSTENERGY CORP	176 087	0.00%
FISERV INC	275 616	0.01%
FMC TECHNOLOGIES INC	12 554	0.00%
FORTESCUE METALS GROUP	234 809	0.01%
FORTUM OYJ	3 086	0.00%
HERMES INTERNATIONAL	51 240	0.00%
L'OREAL	7 816 197	0.22%
ESSILOR INTERNATIONAL	18 436	0.00%
BT GROUP PLC	660 147	0.02%
ROYAL DUTCH SHELL PLC	1 259 575	0.04%
RECKITT BENCKISER GROUP PLC	7 756 691	0.22%
GDF SUEZ	151 212	0.00%
GENERAL MOTORS CO	845 212	0.02%
GILEAD SCIENCES INC	163 694	0.00%
GENERAL MILLS INC	235 612	0.01%
ALPHABET INC-CL C	19 606 618	0.55%
GRUPO TELEVISIA SA SPON ADR	2 219 375	0.06%
GLAXOSMITHKLINE PLC	1 771 918	0.05%
GREAT-WEST LIFE CO INC	80 919	0.00%
H&R BLOCK INC	390 904	0.01%
HANKYU HANSHIN HOLDINGS INC	204 261	0.01%
HITACHI LTD	56 489	0.00%
HK ELECTRIC INVESTMENTS & HK ELECTRIC INVESTM	15 039	0.00%
CLP HOLDINGS LTD	4 726 444	0.13%
HONG KONG & CHINA GAS	3 173 006	0.09%
TECHTRONIC INDUSTRIES CO LTD	66 806	0.00%
CNOOC LTD	7 003 674	0.20%
HOSHIZAKI ELECTRIC CO LTD	19 334	0.00%
HEWLETT PACKARD ENTERPRISE CO	767 752	0.02%
HONG KONG SHANGHAI BANK CORP	70 594	0.00%
HERSHEY COMPANY THE	73 461	0.00%
MOL HUNGARIAN OIL & GAS PLC	209 672	0.01%
HUMANA INC	78 160	0.00%
INTL BUS MACHINE COR	2 405 615	0.07%
ACCENTURE PLC	52 100	0.00%
BANK LEUMI LE ISRAEL	107 596	0.00%
IMPERIAL TOBACCO GROUP	3 130 625	0.09%
INTEL CORP	2 862 851	0.08%
INTUITIVE SURGIC	6 611 594	0.18%
INVESTOR AB	28 800	0.00%
IQVIA HOLDINGS INC	3 516 791	0.10%
INTESA SANPAOLO SPA	1 130 965	0.03%
ITOCHU CORP	295 229	0.01%
ITAU UNIBANCO HOLDING SA	1 041 384	0.03%
JAPAN TOBACCO INC	430 330	0.01%
JOHNSON CONTROLS INC	11 191	0.00%
JD.COM INC ADR	589 937	0.02%
JOHNSON & JOHNSON	8 278 309	0.23%
ASAHI GROUP HOLDINGS LTD	3 826 610	0.11%
ITOCHU CORP	200 491	0.01%
NTT DOCOMO INC	232 306	0.01%
OBIC CO LTD	4 822	0.00%

OBUYASHI CORP	26 175	0.00%
OMRON CORP	283 771	0.01%
ORIENTAL WEAVERS	136 491	0.00%
CASIO COMPUTER CO LTD	21 699	0.00%
KEYENCE CORP	12 878 464	0.36%
KYOWA HAKKO KIRIN COMPANY LTD	299 418	0.01%
KURARAY CO LTD	50 770	0.00%
SUNDRUG CO LTD	7 070	0.00%
HULIC CO LTD	19 445	0.00%
SHIN ETSU CHEMICAL CO LTD	7 752 987	0.22%
SEKISUI CHEMICAL CO LTD	83 867	0.00%
SONY CORP	148 699	0.00%
Softbank Group Corp	234 790	0.01%
DAIICHI SANKYO CO LTD	194 944	0.01%
KDDI CORP	803 029	0.02%
CHUGAI PHARMACEUTICAL CO	80 884	0.00%
TSURUHA HOLDINGS INC	29 139	0.00%
TEIJIN LTD	173 606	0.00%
TOKYO ELECTRON LTD	201 033	0.01%
TOPPAN PRINTING CO LTD	30 455	0.00%
WEST JAPAN RAILWAY CO	178 806	0.00%
JAPAN AIRLINES CO LTD	164 201	0.00%
TAIYO NIPPON SANSO CORP	6 543	0.00%
NIPPON TELEGRAPH & TELEPH	1 960 406	0.05%
HASEKO CORP COMMON STOCK	3 213 579	0.09%
FANUC CORP	6 230 424	0.17%
FUJIFILM HOLDINGS CORP	269 564	0.01%
BRIDGESTONE CORP	99 220	0.00%
HOYA CORP	75 196	0.00%
POLA ORBIS HOLDINGS INC	27 952	0.00%
MARUI GROUP CO LTD	23 489	0.00%
mitsui & co ltd	149 003	0.00%
ASTELLAS PHARMA INC	122 048	0.00%
LION CORP	356 838	0.01%
KERING SA	40 508	0.00%
SAMSUNG ELECTRO-MECHANICS CO LTD	9 305 509	0.28%
KROGER CO	2 471 783	0.07%
KANSAS CITY	8 229	0.00%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	4 052 647	0.11%
LOBLAW COMPANIES LIMITED	284 778	0.01%
LINDE AG	8 029 259	0.22%
LLOYDS BANKING GROUP PLC	1 518 260	0.04%
ELI LILLY AND COMPANY	2 710 992	0.08%
LOCKHEED MARTIN	39 753	0.00%
LOWE'S COS INC	1 057 249	0.03%
LULULEMON ATHLETICA INC	233 667	0.01%
SOUTHWEST AIRLINES CO	868 658	0.02%
LVMH MOET HENNESSY LOUIS VUI	7 073 858	0.20%
MACYS INC	7 913 808	0.22%
MASTERCARD INC	12 889 233	0.36%
MANULIFE FINANCIAL CORP	51 375	0.00%
MEDTRONIC INC	169 328	0.00%
MAGNA INTERNATIONAL INC	24 140	0.00%
MITSUBISHI CORP	6 341	0.00%
MIZUHO FINANCIAL GROUP	160 538	0.00%
MOLSON COORS-B	1 901 942	0.05%
MOODYS CORP	1 510 390	0.04%
MORGAN STANLEY	3 217 478	0.09%
MERCK & CO INC	7 436 135	0.21%
MICROSOFT CORPORATION	31 688 696	0.88%
MASSMART HLD	585 682	0.02%
MICRON TECHNOLOGY INC	83 426	0.00%
NESTLE SA	7 648 261	0.21%
NEXTERA ENERGY INC	638 099	0.02%
NIPPON PAINT HOLDINGS CO LTD	42 407	0.00%
NITORI HOLDINGS CO LTD	34 758	0.00%
NIKE INC	9 432 685	0.26%
ALTICE NV A	28 009	0.00%
ORKLA ASA	11 036	0.00%
NORTHROP GRUMMAN CORP	375 774	0.01%
NOMURA REAL ESTATE HOLDINGS INC	47 532	0.00%
NOVARTIS CAPITAL CORP	6 432 309	0.18%
NVIDIA CORPORATION	294 327	0.01%
NEWELL RUBBERMAID INC	1 238 328	0.03%
OLYMPUS CORP	2 043 025	0.06%
ORACLE CORP	8 827 140	0.25%
OREILLY AUTOMOTIVE INC	887 318	0.02%
OTSUKA HOLDINGS CO LTD	745 792	0.02%
OVERSEA-CHINESE BANKING	88 066	0.00%
PEPSICO INC	942 186	0.03%
PFIZER INC	1 027 774	0.03%
PROCTER & GAMBLE COMPANY	771 957	0.02%
KONINKLIJKE PHILIPS ELECTRONICS NV	4 736 869	0.13%
PHILIP MORRIS INTERNATNL	1 008 251	0.03%
BANK HANDLOWY W WARSZAWIE SA	576 036	0.02%
PROLOGIS LP	100 110	0.00%
GRUPA LOTOS SA	74 999	0.00%
BANK PEKAO SA	1 139 921	0.03%
POWSZECHNY ZAKLAD UBEZPI	1 631 459	0.05%
PINNACLE HLDG	292 044	0.01%
PORSCHE AUTOMOBIL HOLDING	156 928	0.00%
PHILLIPS 66	435 026	0.01%
QUALCOMM INCORPORATED	1 615 335	0.05%
RALPH LAUREN CORP	312 960	0.01%
RAYTHEON CO	283 342	0.01%
ROYAL BANK OF SCOTLAND GROUP PLC	262 226	0.01%
REPSOL INTERNATIONAL FINANCE BV	2 267 607	0.08%
PERNOD-RICARD SA	3 918 044	0.11%

	ROLLS ROYCE HOLDINGS PLC		670 737				0.02%
	ROCHE FINANCE EUROPE BV		11 706 842				0.33%
	SISTEMA JSFC		246 358				0.01%
	TERRITORAIL GENERATION COMPANY		101 969				0.00%
	RWE AG		34 110				0.00%
	SAMSUNG ELECTRONICS CO LTD		2 032 154				0.06%
	STARBUCKS CORP		772 686				0.02%
	L E LUNDBERGFÖRETAGEN AB		23 572				0.00%
	SKANDINAVISKA ENSKILDA BA		467 054				0.01%
	SANDVIK AB		293 541				0.01%
	TELIASONERA AB		527 039				0.01%
	SEADRILL LTD		307 947				0.01%
	SEAGATE TECHNOLOGY		57 646				0.00%
	CIE DE SAINT-GOBAIN		1 033 636				0.03%
	SGS SA		3 920 574				0.11%
	SHARP CORP/JAPAN		15 848				0.00%
	SHERWIN-WILLIAMS COMPANY		863 307				0.02%
	SKF AB		740 712				0.02%
	SMC CORP/JAPAN		46 742				0.00%
	SOCIETE GENERALE		603 086				0.02%
	SOUTHERN CO		67 338				0.00%
	SONY FINANCIAL HOLDINGS		6 844				0.00%
	S&P GLOBAL INC		428 846				0.01%
	SEMPRA ENERGY		41 084				0.00%
	STANDARD CHARTERED PLC		758 084				0.02%
	STRYKER CORP		5 868 213				0.16%
	SCHNEIDER ELECTRIC SA		1 029 989				0.03%
	SUNCOR ENERGY		40 813				0.00%
	SWATCH GROUP AG		1 698 960				0.05%
	SYSCO CORP		342 865				0.01%
	TAKEDA PHARMACEUTICAL CO LTD		4 376 800				0.12%
	TELECOM ITALIA SPA		17 696				0.00%
	TENCENT HOLDINGS LTD MTN		3 978 843				0.11%
	TARGET CORP		568 031				0.02%
	AT&T INC		2 800 730				0.08%
	TJX COS INC		7 363 772				0.21%
	THERMO FISHER SCIENTIFIC INC		3 031 766				0.08%
	TOBU RAILWAY CO LTD		17 975				0.00%
	TOTAL CAPITAL INTL SA		1 811 107				0.05%
	TOYOTA MOTOR CREDIT CORP		396 018				0.01%
	ARCELIK AS		441 970				0.01%
	TRANSOCEAN LTD		7 577 660				0.21%
	TUPRAS TÜRKİYE PETROL RAFINERİLERİ AS		193 751				0.01%
	TESCO PLC		607 337				0.02%
	TULLOW OIL PLC		1 354 255				0.04%
	TEXAS INSTRUMENTS INC		693 022				0.02%
	TYSON FOODS INC-CL A		852 201				0.02%
	UNITEDHEALTH GROUP INC		9 483 990				0.26%
	UNION PAC CORP		1 793 745				0.05%
	UNITED OVERSEAS BANK LIMITED		160 971				0.00%
	UNITED PARCEL SERVICE INC		658 578				0.02%
	ADOBE SYSTEMS INC		7 449 363				0.21%
	PRESIDENT CHAIN STORE CORP		362 424				0.01%
	BAKER HUGHES STOCK		908 443				0.03%
	EDISON INTERNATIONAL		38 696				0.00%
	EXELON CORP		514 098				0.01%
	FACEBOOK INC A		5 808 644				0.16%
	FRANKLIN RESOURCES INC		514 605				0.01%
	FREEPORT MCMORAN INC		4 024 335				0.11%
	HCA HOLDINGS INC		137 178				0.00%
	HILTON WORLDWIDE HOLDINGS		4 641				0.00%
	ADR INDUSTRIA DE DISEÑO TEXTIL INDITEX SA ADR ADR		6 994 400				0.20%
	MONSTER BEVERAGE CORP		872 234				0.02%
	REGENERON PHARMACEUTICALS		272 515				0.01%
	SIRIUS XM HOLDINGS INC		36 486				0.00%
	TESLA MOTORS INC		310 939				0.01%
	UNILEVER CAPITAL CORP		3 045 184				0.08%
	US BANCORP		1 701 189				0.05%
	UNITED TECHNOLOGIES		605 979				0.02%
	VF CORPORATION		137 648				0.00%
	VALERO ENERGY CORPORATION		3 464 127				0.10%
	VMWARE INC		32 413				0.00%
	VODAFONE GROUP PLC		796 748				0.02%
	VOLKSWAGEN AG		450 948				0.01%
	VERIZON COMMUNICATIONS INC		1 434 898				0.04%
	WALGREEN CO		143 621				0.00%
	WALMART INCORPORATED		485 317				0.01%
	WESTERN DIGITAL CORPORATION		1 048 614				0.03%
	WEC ENERGY GROUP INC		19 959				0.00%
	WELLS FARGO & COMPANY		743 234				0.02%
	WASTE MANAGEMENT INC		239 855				0.01%
	NORTHERN STATES POWER COMPANY		49 017				0.00%
	YAHOO INC		14 459				0.00%
	YAMAGUCHI FINANCIAL GROUP		58 578				0.00%
	YANZHOU		4 218 843				0.12%
	ZOETIS INC		108 563				0.00%
	ZURICH FINANCE UK PLC		391 411				0.01%
			-				0.00%
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits	198 137 229				5.53%
	-per issuer	10%					
	AMERICAN FINANCIAL GROUP INC		103 919				0.00%
	AMAZON.COM INC		11 454 147				0.32%
	GARTNER INC		25 589				0.00%
	HOLLYFRONTIER CORP		437 493				0.01%
	ASHTAD GROUP PLC GBP0 1		6 656				0.00%
	BABCOCK INTERNATIONAL GROUP PLC		635 739				0.02%

AMERISOURCEBERGEN CORP	2 609 009	0.07%
ARCH CAPITAL GROUP LTD	68 734	0.00%
ADECCO INTERNATIONAL FINANCIAL SER	22 826	0.00%
AGL ENERGY LTD	183 814	0.01%
ASSURANT INC	52 314	0.00%
ARTHUR J GALLAGHER & CO	12 796	0.00%
AKAMAI TECH	8 779	0.00%
ALLEGION PLC	23 885	0.00%
ADVANCED MICRO DEVICES INC	63 456	0.00%
AFFILIATED MANAGERS GROUP INC	1 036 650	0.03%
AMERIPRISE FINANCIAL INC	16 917	0.00%
AMUNDI SA	15 445	0.00%
ARAMARK	19 339	0.00%
ARISTOCRAT LEISURE LTD	82 335	0.00%
LEND LEASE GROUP	17 289	0.00%
NEWCREST MINING LTD	368 824	0.01%
STOCKLAND	61 370	0.00%
AUTOZONE INC	2 478 312	0.07%
AVIVA PLC	768 399	0.02%
AMERICAN WATER CAPITAL CORP	5 011	0.00%
CCC SA	245 985	0.01%
SWISS PRIME SITE AG	187 036	0.01%
FORTUNE BRANDS HOME & SECURITY	63 254	0.00%
ALIOR BANK SA	156 038	0.00%
BAE SYSTEMS HOLDINGS INC	988 861	0.03%
BED BATH & BEYOND INC	7 917 397	0.22%
ADIANT PLC	465 619	0.01%
AGEAS SA	204 543	0.01%
IHS MARKIT LTD	98 142	0.00%
RENAISSANCERE HOLDINGS LTD	53 855	0.00%
SIGNET JEWELERS LTD	1 032 867	0.03%
CDK GLOBAL INC	378 530	0.01%
BRD-GROUPE SOCIETE GENERALE SA	665 618	0.02%
BROADRIDGE FINANCIAL	58 782	0.00%
BROWN-FORMAN CORP	131 676	0.00%
AGNICO EAGLE MINES LTD	71 672	0.00%
BLACKBERRY LTD	685 750	0.02%
CONSTELLATION SOFTWARE IN	2 973	0.00%
FRANCO NEVADA CORP	16 271	0.00%
HYDRO ONE LTD	190 484	0.01%
INTACT FINANCIAL CORP	36 256	0.00%
KINROSS GOLD CORP	1 105 494	0.03%
TECK RESOURCES LTD CLS B	11 107 809	0.31%
CARREFOUR SA	1 137 184	0.03%
CONAGRA FOODS INC	2 190 587	0.06%
CAMPBELL SOUP CO	26 016	0.00%
CAPITAL ISSUES	573 544	0.02%
CBRE GROUP INC CL A	732 574	0.02%
COMPU CLEARING OUTSOURCING LTD / ORD	71 543	0.00%
CHOCOLADEFABRIKEN LINDT	34 087	0.00%
GIVAUDAN REG	66 007	0.00%
SONOVA HOLDING AG REG	13 386	0.00%
LONZA GROUP AG	42 334	0.00%
SWISS LIFE HOLDING AG	299 312	0.01%
PARTNERS GROUP HOLDING AG	104 320	0.00%
GEBERIT AG REG	58 113	0.00%
COVESTRO AG	690 336	0.02%
CANADIAN TIRE CORP-CLASS A	141 210	0.00%
DAVITA	30 676	0.00%
FRAPORT AG FRANKFURT AIR	86 971	0.00%
HANNOVER RUECK SE	69 018	0.00%
DOLLAR GENERAL CORP	166 225	0.00%
DISCOVERY COMMUNICATIONS LLC	33 153	0.00%
DOMINO'S PIZZA INC	486 353	0.01%
DARDEN RESTAURANTS INC	342 885	0.01%
ENTERGY CORP	375 888	0.01%
GRIFOLS SA	17 208	0.00%
E*TRADE FINANCIAL CORP	1 377 430	0.04%
EXPEDIA INC	9 434	0.00%
EXPERIAN PLC	130 026	0.00%
FAST RETAILING CO	7 225 255	0.20%
FERROVIAL EMISIONES SA	105 615	0.00%
FLEXTRONICS INTERNATIONAL LTD.	689 280	0.02%
FLUOR CORP	453 087	0.01%
EUROFINS SCIENTIFIC SE	31 839	0.00%
TELEPERFORMANCE SOCIETE EUROPEENNE	8 172 009	0.23%
SOCIETE BIC SA	70 707	0.00%
ANTOFAGASTA PLC	1 503 885	0.04%
MEGGITT PLC	2 685 531	0.07%
TATE & LYLE PLC	155 498	0.00%
SMITH & NEPHEW PLC	130 914	0.00%
KINGFISHER PLC	678 908	0.02%
SAINSBURY (J) PLC	352 506	0.01%
ASHMORE GROUP PLC	325 567	0.01%
TULLETT PREBON PLC	871 172	0.02%
CONVATEC GROUP PLC	858 609	0.02%
TECHNIPFMC PLC	138 009	0.00%
HASBRO INC	28 252	0.00%
HUNTINGTON INGALLS INDUSTRIES	169 786	0.00%
SMURFIT KAPPA GROUP PLC	32 203	0.00%
PADDY POWER BETFAIR PLC	12 625	0.00%
IDEX CORP	1 879	0.00%
3I GROUP PLC	5 005	0.00%
ELBIT SYSTEMS LTD	12 351	0.00%
INGREDION INC	101 832	0.00%
POSTE ITALIANE SPA	11 797	0.00%
INVESCO LTD	4 224 811	0.12%
JACOBS ENGIN GRP	3 604 568	0.10%

JAMES HARDIE INDUSTRIES	37 428	0.00%
POLYMETAL INTERNATIONAL PLC COMMON STOCK	3 150 726	0.09%
KELLOGG COMPANY	178 387	0.00%
KEYSIGHT TECHNOLOGIES	5 988 781	0.17%
KLA-TENCOR CORP	147 495	0.00%
KOHL'S CORPORATION	144 677	0.00%
LIBERTY BROADBAND CORP	417 203	0.01%
LEIDOS HOLDINGS INC	100 884	0.00%
LINCOLN NATIONAL CORP	2 442 934	0.07%
LAM RESEARCH CORPORATION	4 548 541	0.13%
LEGRAND SA	63 532	0.00%
LONDON STOCK EXCHANGE PL	165 573	0.00%
LIBERTY SIRUIS XM GROUP	36 190	0.00%
MAGYAR TELEKOM TELECOMMUNICATIONS PLC	542 983	0.02%
MARKS AND SPENCER PLC	2 423 271	0.07%
MEDIOBANCA SPA	20 271	0.00%
METSO OYJ	66 434	0.00%
MIRVAC GROUP	89 488	0.00%
MICHELIN LUXEMBOURG SCS	761 101	0.02%
WM MORRISON SUPERMARKETS PLC	103 315	0.00%
MOTOROLA SOLUTIONS INC	113 768	0.00%
MTU AERO ENGINES AG	1 171 722	0.03%
MURPHY OIL CORP	534 777	0.01%
NOBLE ENERGY INC	712 246	0.02%
NEWMONT MINING CORP	15 099	0.00%
NEWFIELD EXPLORATION CO	1 639 194	0.05%
NATIONAL FUEL GAS CO	140 603	0.00%
STMICROELECTRONICS NV	142 259	0.00%
RANDSTAD HOLDING NV	8 280	0.00%
CNH INDUSTRIAL NV	974 491	0.03%
FIAT CHRYSLER AUTOMOBILES	358 327	0.01%
FERRARI NV	26 610	0.00%
NN GROUP NV	2 551 312	0.07%
NATIONAL OILWELL VARCO INC	1 453 403	0.04%
NUCOR CORP	680 989	0.02%
NVR INC	127 514	0.00%
NEXT PLC	1 197 505	0.03%
MERIDIAN ENERGY LTD	5 774	0.00%
RYMAN HEALTHCARE LTD	16 391	0.00%
PBF ENERGY INC	504 315	0.01%
PARKER HANNIFIN CORP	2 024 092	0.06%
PILGRIMS PRIDE CORP	114 172	0.00%
PACKAGING CORPORATION OF AMERICA	1 300 780	0.04%
GRUPA AZOTY SA	71 815	0.00%
POWER CORP OF CANADA	84 983	0.00%
POWER ASSETS HOLDINGS LTD	51 666	0.00%
POPULAR INC COMMON STOCK USD.01	4 514 911	0.13%
PRYSMIAN SPA	30 588	0.00%
PEARSON FUNDING FIVE PLC	1 789 492	0.05%
PUBLICIS GROUPE SA	934 937	0.03%
RAIFFEISEN BANK INTERNAT	2 169 180	0.06%
RELiance STEEL & ALUMINUM CO	827 982	0.02%
REGIONS FINANCIAL CORP	1 738	0.00%
RESMED INC	153 737	0.00%
ROCKWELL AUTOMATION INC	264 875	0.01%
OMV PETROM SA /RON/	387 311	0.01%
REPUBLIC SERVICES INC	147 813	0.00%
SUEZ ENVIRONNEMENT SA	13 243	0.00%
CAPITAMALL UNITS TRUST	78 524	0.00%
SEGRO PLC	82 659	0.00%
SHOPIFY INC	275 663	0.01%
SMITHS GROUP PLC	635 615	0.02%
SANTOS LTD	1 340 331	0.04%
SYNOPSIS INC	70 410	0.00%
TALANX AG	42 693	0.00%
TELUS CORP	261 888	0.01%
THE JM SMUCKER CO	361 006	0.01%
THE PROGRESSIVE CORP	790 589	0.02%
TRINSEO SA	672 547	0.02%
TAKE TWO INTERACTIVE SOFTWARE	60 440	0.00%
UNICREDIT SPA	710 283	0.02%
UNIVERSAL HEALTH SERVICES	131 813	0.00%
UNIPER SE	230 881	0.01%
ADVANCE AUTO PARTS INC	1 689 637	0.05%
ALLIANT ENERGY CORP	21 695	0.00%
ALLY FINANCIAL INC	4 510 214	0.13%
ANNALY CAPITAL MANAGEMENT	75 768	0.00%
ANSYS INC	148 459	0.00%
ARCONIC INC	73 570	0.00%
BALL CORP	18 448	0.00%
CDW CORP/DE	117 893	0.00%
C H ROBINSON WORLDWIDE I	1 010 804	0.03%
CADENCE DESIGN SYSTEMS INC	28 238	0.00%
CARMAX INC	52 388	0.00%
CELANESE CORP-SERIES A	6 287	0.00%
CENTURYLINK INC	1 346 907	0.04%
CHEMED CORP COMMON STOCK USD1.0	6 110 130	0.17%
CHIPOTLE MEXICAN GRILL IN	131 364	0.00%
COGNEX CORP	4 007 001	0.11%
COSTAR GROUP INC	115 070	0.00%
COTY INC	2 372 999	0.07%
DR HORTON INC	92 880	0.00%
DEXCOM INC	151 072	0.00%
EDWARDS LIFESCIENCES CORP	7 852 746	0.22%
IHS INC	382 085	0.01%
GAP INC/THE	368 097	0.01%
GLOBAL PAYMENTS INC	796 589	0.02%
GOODYEAR TIRE & RUBBER CO/THE	503 502	0.01%

	HARTFORD FINANCIAL SVCS G			262 638				0.01%
	HEICO CORP			6 775				0.00%
	HOLOGIC INC			5 988				0.00%
	IDEXX LABORATORIES INC			97 878				0.00%
	MSCI INC			1 150 871				0.03%
	MARTIN MARIETTA MATERIALS			38 125				0.00%
	METTLER-TOLEDO INTERNATIONAL INC			498 345				0.01%
	MIDDLEBY CORP/THE			240 093				0.01%
	NASDAQ INC			79 592				0.00%
	NICE-SYSTEMS LTD ADR			3 221 539				0.09%
	ONEOK INC			12 469				0.00%
	OWENS CORNING			7 876				0.00%
	T ROWE PRICE GROUP INC			89 287				0.00%
	QORVO INC			71 946				0.00%
	RANGE RESOURCES CORP			2 542 633				0.07%
	ROBERT HALF			472 294				0.01%
	ROSS STORES INC			216 246				0.01%
	SBA COMMUNICATIONS CORP			31 763				0.00%
	SEALED AIR CORP			77 831				0.00%
	SKYWORKS SOLUTIONS INC			60 990				0.00%
	TRANSDIGM GROUP INC			69 925				0.00%
	TWITTER INC			1 284 929				0.04%
	UNITED RENTALS INC			58 374				0.00%
	VARIAN MEDICAL SYSTEMS			428 501				0.01%
	WATERS CORP			6 435 522				0.18%
	WEIBO CORP ADR			1 012 387				0.03%
	VOYA FINANCIAL INC			7 961				0.00%
	WHIRLPOOL CORPORATION			524 621				0.01%
	WOLTERS KLUWER NV			447 557				0.01%
	WILLIS TOWERS WATSON PLC			22 855				0.00%
	WPP PLC			1 073 259				0.03%
	WESTERN UNION CO			513 099				0.01%
	WYNDHAM WORLDWIDE CORP			1 759 354				0.05%
	DEMETER SWISS RE LTD			44 176				0.00%
	ALLEGHANY CORPORATION			6 905				0.00%
	ZILLOW GROUP INC			369 120				0.01%
	ZIONS BANCORPORATION			84 288				0.00%
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits		145 968 538				4.07%
	-per issuer	5%						0.00%
	SolarEdge Technologies Inc			39 165				0.00%
	VALIANT HOLDING AG			21 165				0.00%
	Epiroc AB			41 480				0.00%
	Nippon Flour Mills Co Ltd			52 097				0.00%
	AMDOCS LTD			344 985				0.01%
	DCM HOLDINGS CO LTD			100 428				0.00%
	DOUTOR NICHIRE HOLDINGS CO LT			51 852				0.00%
	SANY HEAVY INDUSTRY CO LTD			5 236 273				0.15%
	PING AN			4 394 994				0.12%
	A2A SPA			82 891				0.00%
	AAONINC			192 557				0.01%
	AARCORP			132 366				0.00%
	ABERCROMBIE & FITCH			5 885 836				0.16%
	ARBOR REALTY TRUST INC			51 300				0.00%
	ADAPTIT HOLDINGS LTD / ORD			572 981				0.02%
	ADVANSIX INC			540 191				0.02%
	AEGEAN AIRLINES SA			132 258				0.00%
	AIR CANADA			14 361				0.00%
	ALGONQUIN POWER & UTILITIES CO			38 522				0.00%
	ALIBABA GROUP HOLDING LTD			3 493 541				0.10%
	A-LIVING SERVICES CO LTD			1 158 226				0.03%
	Allison Transmission Holdings			146 184				0.00%
	ALTICE USA INC			25 364				0.00%
	AMBRA SA			215 696				0.01%
	ANRITSU CORP			588 892				0.02%
	ASAHI INTECC CO LTD			30 029				0.00%
	ASOS PLC			324 463				0.01%
	ATLANTIC GRUPA			147 962				0.00%
	ATLAS AIR WORLDWIDE HOLDINGS			1 321 177				0.04%
	ILUKA RESOURCES LTD			76 152				0.00%
	AURINIA PHARMACEUTICALS INC			19 267				0.00%
	AVEVA GROUP PLC			27 667				0.00%
	AVITA MEDICAL LTD			32 827				0.00%
	EXPRESS INC			1 377 326				0.04%
	BAIDU INC-SPON ADR			486 324				0.01%
	BANCA GENERALI SPA			78 273				0.00%
	BARCO NV			29 990				0.00%
	BAWAG GROUP AG			221 935				0.01%
	BEAZER HOMES USA INC			655 707				0.02%
	BELIMO HOLDING AG			373 457				0.01%
	BEURT WORLD INTERNATIONAL			41 649				0.00%
	BOOZ ALLEN HAMILTON HOLDING CO			898 471				0.03%
	BLACK KNIGHT INC			40 707				0.00%
	BLACKSTONE GROUP INC/THE			126 124				0.00%
	BOOKING HOLDINGS INC			10 501 814				0.29%
	BORR DRILLING LTD			395 679				0.01%
	BRANDYWINE REALTY TRUST			103 887				0.00%
	BROWN & BROWN INC			68 513				0.00%
	CACI INTERNATIONAL INC			164 880				0.00%
	CARGOTEC OYJ			65 736				0.00%
	CARL ZEISS MEDITEC AG			27 800				0.00%
	CARS.COM INC			988 356				0.03%
	CAVNDUSTRIEINC			107 268				0.00%
	CBIZ INC			69 691				0.00%
	CELLNEX TELECOM SA			77 821				0.00%
	CENTRAEUROPEDIA			267 889				0.01%
	CGI INC			67 266				0.00%

CHICOS FAS INC
COCHLEAR LTD
COGECO CABLE INC
COLES GROUP LTD
COMTECH TELECOMMUNICATIONS COR
COPART INC
CAPRI HOLDINGS LTD
Dana Inc
DELL TECHNOLOGIES INC
DESIGNER BRANDS INC
DESPEGAR.COM CORP
DETSKY MIR PJSC
Delivery Hero SE
DIAMOND OFFSHORE
DINE EQUITY INC
DOCUSIGN INC
DRILLING CO OF 1972 A/S/THE
Brinker International Inc
EBRO FOODS SA
TALLINK GRUPP AS
EML PAYMENTS LTD
ENCAVIS AG
ENLIGHT RENEWABLE ENERGY LTD
EPAM SYSTEMS INC
Epiroc AB
AXA EQUITABLE HOLDINGS I
ESCHNOLOGIEINC
ESSENTIAL UTILITIES INC
EVERI HOLDINGS INC
EVOLUTION GAMING GROUP
Evercore Inc
FACTSET RESH SYS INC
FERGUSON FINANCE PLC
X 5 RETAIL GROUP
FS KKR CAPITAL CORP
GALAPAGOS NV
RENTOKIL INITIAL PLC
QINETIQ GROUP PLC
STOCK SPIRITS GROUP PLC
NOBLE CORP PLC ORD USD.01
INFORMA PLC
MELROSE INDUSTRIES PLC
GENTEX CORP
GRACO INC
GLOBE LIFE INC
GLOBE TRADE CENTRE SA
GNI GROUP LTD
GROUP 1 AUTOMOTIVE INC
GREENBRIECOSTHE
FOURLIS HOLDINGS SA
HALMA PLC
HALYK SAVINGS BANK OF KAZAKHST
HOME CAPITAL GROUP INC
HRVATSKE TELEKOMUNIKACJE
IA FINANCIAL CORP INC
IAMGOLD CORP
IDEDUCATIONLTD
GVC HLDGS PLC
IMMOFINANZ AG
INDUSTRIAL BUILDINGS CORP LTD
INSULET CORP
INTERNET INITIATIVE JAPAN INC
INVESTORS BANCORP INC
ISRAEL DISCOUNT BANK LTD
ITO EN LTD
JB HI-FI LTD
JD SPORTS FASHION PLC
JEFFERIES FINANCIAL GROUP INC
JOHN B SANFILIPPO & SON INC
SAWAI PHARMACEUTICAL
SENKO CO
AZBIL CORP
JUMBO SA
KIMBERLY CLARK CORP
KINNEVIK AB
KIRKLAND LAKE GOLD LTD
KKR & Co. L.P
KOPPERS HOLDINGS INC
L3HARRIS TECH INC
SIGNIFY NV
LUKA KOPER
LAMB WESTON HOLDINGS INC
MAGELLAN FINANCIAL GROUP LTD
MANITOWOC CO INC/THE
MARKETAXESS HOLDINGS INC
MAVIGIYCARET A
MAXAR TECHNOLOGIES INC
MD MEDICAL GROUP INVESTMENTS PLC
MELCO INTL DEV
MICHAELS COS INC/THE
MI HOMES INC
MOVADO GROUP INC
MSG NETWORKS INC
MERITOR INC
NEUROCRINE BIOSCIENCES INC
NEXI SPA
NIHOUNISY LTD
NIPPON SHINYAKU CO LTD

			1 122 810					0.03%	
			29 779					0.00%	
			239 647					0.01%	
			1 651					0.00%	
			15 421					0.00%	
			290 410					0.01%	
			1 131 848					0.03%	
			593 030					0.02%	
			3 465 377					0.10%	
			465 536					0.01%	
			350 466					0.01%	
			217 528					0.01%	
			48 252					0.00%	
			3 695 368					0.10%	
			336 406					0.01%	
			54 456					0.00%	
			1 208 400					0.03%	
			9 315					0.00%	
			46 547					0.00%	
			288 748					0.01%	
			171 913					0.00%	
			264 267					0.01%	
			168 421					0.00%	
			77 269					0.00%	
			30 076					0.00%	
			1 884 441					0.05%	
			220 478					0.01%	
			37 065					0.00%	
			46 941					0.00%	
			435 036					0.01%	
			168 343					0.00%	
			462 142					0.01%	
			74 010					0.00%	
			406 894					0.01%	
			49 849					0.00%	
			71 557					0.00%	
			34 419					0.00%	
			734 534					0.02%	
			439 015					0.01%	
			962 909					0.03%	
			366 899					0.01%	
			41 551					0.00%	
			1 340 738					0.04%	
			658 926					0.02%	
			52 841					0.00%	
			50 433					0.00%	
			30 443					0.00%	
			253 299					0.01%	
			199 247					0.01%	
			33 536					0.00%	
			40 643					0.00%	
			284 113					0.01%	
			68 029					0.00%	
			395 051					0.01%	
			38 247					0.00%	
			1 036 601					0.03%	
			19 954					0.00%	
			1 698 313					0.05%	
			50 593					0.00%	
			203 361					0.01%	
			46 538					0.00%	
			95 376					0.00%	
			67 181					0.00%	
			28 494					0.00%	
			146					0.00%	
			313 967					0.01%	
			24 915					0.00%	
			3 277					0.00%	
			285 740					0.01%	
			57 475					0.00%	
			49 084					0.00%	
			139 421					0.00%	
			193 830					0.01%	
			143 555					0.00%	
			3 927					0.00%	
			59 775					0.00%	
			69 402					0.00%	
			74 081					0.00%	
			745 196					0.02%	
			32 610					0.00%	
			399 904					0.01%	
			543 784					0.02%	
			42 746					0.00%	
			537 569					0.01%	
			72 629					0.00%	
			39 252					0.00%	
			44 566					0.00%	
			236 141					0.01%	
			62 912					0.00%	
			2 074 370					0.06%	
			303 324					0.01%	
			767 505					0.02%	
			5 420 411					0.15%	
			791 850					0.02%	
			10 596					0.00%	
			53 916					0.00%	
			133 009					0.00%	
			14 440					0.00%	

			ATTACQ LIMITED		430 555		0.01%
			CAPITAL & COUNTIES PROPERTY PLC		14 285 285		0.40%
			EQUITES PROPERTY FUND LTD		2 629 133		0.07%
			GROWTHPOINT PROPERTY LTD		3 246 676		0.09%
			HAMMERSON PLC		1 239 084		0.03%
			HYPROP INVESTMENTS LTD		654 892		0.02%
			INVESTEC BANK LTD		822 961		0.02%
			MARTPROP PROPERTY FUND		582 905		0.02%
			NEPI ROCKCASTLE PLC		2 061 825		0.06%
			REDEFINE PROPERTIES LTD		1 374 571		0.04%
			RESILIENT REIT LTD		1 618 208		0.05%
			VUKILE PROPERTY FUND LTD		719 767		
					0		0.00%
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%			1 071 591		0.03%
	-per Issuer	10%					
			ACCELERATE PROP FUND		77 505		0.00%
			DELTA PROPERTY FUND LTD		147 527		0.00%
			EMIRA PROPERTY FUND		484 754		0.01%
			HOSPITALITY PROPERTY FUND B		99 409		0.00%
			NEW FRONTIER PROPERTIES LIMITED		1 538		0.00%
			OCTODEC INV		202 719		0.01%
			TRADEHOLD LTD		58 139		0.00%
(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%			28 135 822		0.78%
	-per Issuer	5%					
			DIPULA INCOME FUND-A		2 546 001		0.07%
			Fortress Income Fund Ltd A		6 757 011		0.19%
			FORTRESS INCOME FUND B		418 616		0.01%
			GEMGROW PROPERTIES LTD A SHARES		399 611		0.01%
			REBOSIS PROPERTY FUND LIMITED		32 462		0.00%
			STOR-AGE PROP REIT LTD		17 981 921		0.50%
					4 362 508		
(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%
	INVESTEC PROPERTY F	5%			4 362 508		0.12%
4.2 Foreign		25%			5 069 621		0.14%
(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%			5 069 621		0.14%
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%			2 315 614		0.06%
	-per Issuer	15%					
			EMLAK KONUT GAYRIMENKUL YATIRIM OR		928 596		0.03%
			KIMCO REALTY CORP		27 599		0.00%
			KLEPIERRE REIT EUR1.4		549 563		0.02%
			INTU PROPERTIES PLC		369 790		
			MID-AMERICA APARTMENTS LP		85 342		0.00%
			NOMURA REAL ESTATE HOLDINGS INC		930		0.00%
			SUMITOMO CORP		279 086		0.01%
			SUN HUNG KAI PROPERTIES CAPITAL		74 708		0.00%
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%			1 368 372		0.04%
	-per Issuer	10%					
			BRIXMOR PROPERTY GROUP INC		372 910		0.01%
			VEREIT INC		138 731		0.00%
			FONDUL PROPRIETATEA SA/FUND		648 473		0.02%
			GAMING AND LEISURE PROPERTIES		146 730		0.00%
			ICADE		21 218		0.00%
			STARWOOD PROPERTY TRUST INC		42 310		0.00%
(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%			1 385 635		0.04%
	-per Issuer	5%			0		0.00%
			CBL & ASSOCIATES PROPERTIES IN		296 026		0.01%
			CHARTERHALL GROUP		102 899		0.00%
			CHIMERA INVESTMENT CORP		43 401		0.00%
			EQUITY LIFESTYLE PROPERTIES IN		36 496		0.00%
			KEPPEL DC REIT		403 861		0.01%
			MAPLETREE COMMERCIAL TRUST		16 916		0.00%
			MEDICAL PROPERTIES TRUST INC		19 261		0.00%
			MFA FINANCIAL INC		41 115		0.00%
			PIEDMONT OFFICE REALTY TRUST I		67 929		0.00%
			REIT 1 LTD		25 181		0.00%
			SCHWEITER TECHNOLOGIES AG		84 206		0.00%
			SUN COMMUNITIES INC		104 794		0.00%
			TANGER		28 185		0.00%
			TWO HARBORS INVESTMENT CORP		27 928		0.00%
			WEINGARTEN REALTY INVESTORS		87 457		0.00%

38 258 381	1.07%
38 258 381	1.07%
38 258 381	1.07%
31 794 432	0.89%
6 463 949	0.18%
0	0.00%
0	0.00%
0	0.00%
0	0.00%

0	0.00%
0	0.00%
0	0.00%

0	0.00%
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graph TD
    A[104 774 510.00] --> B[40 294 132]
    A --> C[2.92%]
    B --> D[0]
    B --> E[0]
    C --> F[1.12%]
    C --> G[0.00%]
    D --> H[0]
    D --> I[0]
    E --> J[0]
    E --> K[0]
    F --> L[0.00%]
    F --> M[0.00%]
    G --> N[0.00%]
    G --> O[0.00%]
    H --> P[40 266 116]
    H --> Q[28 016]
    L --> R[1.12%]
    L --> S[0.00%]
    M --> T[0.00%]
    M --> U[0.00%]
    N --> V[0.00%]
    N --> W[0.00%]
    O --> X[0.00%]
    O --> Y[0.00%]
  
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[illegible]

3 586 068 365	100.00%
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KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

SCHEDULE IB – CONTINUED

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 March 2020

INVESTMENT SUMMARY (REGULATION 28)

	Local R	Percentage of Fair value %	Foreign (Excluding Africa) R	Percentage of Fair value %	Africa R	Percentage of Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	109 698 265	3.06%	56 221 997	1.57%	0		165 920 263
2 Debt instruments including Islamic debt instruments	975 097 184	27.19%	0	0.00%	0	0.00%	975 097 184
3 Equities	1 259 047 497	35.11%	974 685 167	27.18%	0	0.00%	2 233 732 663
4 Immovable property	63 215 743	1.76%	5 069 621	0.14%			68 285 364
5 Commodities	38 258 381	1.07%	0	0.00%			38 258 381
6 Investment in the business of a participating employer	0	0.00%		0.00%			0
7 Housing loans granted to members - section 19(5)	0	0.00%		0.00%			0
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	40 294 132	1.12%	64 480 378	1.80%			104 774 510
9 Fair value of assets to be excluded in terms of sub-regulations 3(c) and (8)(b) of Regulation 28	0	0.00%		0.00%			0
10 Investments not disclosed/data not available for disclosure	0	0.00%		0.00%			0
TOTAL (equal to the fair value of assets)	2 485 611 201		1 100 457 163		0		3 586 068 365

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 2020

	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	12 298 087	0.34%		
Equities not listed	6 500 012	0.18%		
Immovable properties not listed	4 362 508	0.12%		
Hedge funds , Private Equity funds and other assets	104 746 494	2.92%		
TOTAL	127 907 101	3.57%		35
Asset Limits in terms of sub regulation 3(g)				
Equities not listed	6 500 012	0.18%		
Private Equity funds	104 746 494	2.92%		
TOTAL	111 246 506	3.10%		15
Asset Limits in terms of sub-regulation 3(h)				
Cash and deposits with a South African Bank	91 504 351	2.55%		
Debt instruments guaranteed by a South African Bank	112 327 677	3.13%		
TOTAL	203 832 028	5.68%		25

NOTES:

1. Credit balance in current accounts must be included in item 1.
2. If the investments exceed the limit per institution/company/individual and no exemption has been obtained, the details below must be completed for each institution/company/individual in each category of assets.

Investments in institution/company/individual	Item	% of Fair Value	Fair Value (R)
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None

3. EXEMPTIONS GRANTED BY THE REGISTRAR

Item	Max %	Date of Letter	Expiry Date
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None

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

To the Board of Fund of the KwaZulu-Natal Joint Municipal Pension Fund (Retirement)

Report on Compliance of Schedule 1B with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of the KwaZulu-Natal Joint Municipal Pension Fund (Retirement) (the Fund) with a reasonable assurance opinion that Schedule 1B "Assets held in compliance with Regulation 28" (the Schedule) at 31 March 2020 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 31 March 2020.

The Board of Fund's responsibility for the Schedule

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

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) based on performing a reasonable assurance engagement. We performed our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9).

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

Summary of work performed

We completed our audit of the annual financial statements of the KwaZulu-Natal Joint Municipal Pension Fund (Retirement) for the year ended 31 March 2020, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 30 September 2020. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

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

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Inspecting the required documentation in terms of Regulation 28(8)(b) for investments excluded from total assets in terms of Regulation 28(8)(b));
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;
- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

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

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 31 March 2020 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 31 March 2020.

Restriction on use

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

Auditor - General

Pietermaritzburg
30 September 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

KWAZULU 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, (King IV).

<u>TRUSTEE INFORMATION</u>			
<u>TRUSTEE NAME</u>	<u>QUALIFICATION</u>	<u>EXPERIENCE</u>	<u>YEARS SERVICE ON COMMITTEE OF MANAGEMENT</u>
Cllr. B. D. Madonsela Age 47	National Diploma in Public Finance Management and Administration	Audit Committee member for uMvoti Municipality 4 years Municipality Councilor	7 months
Cllr. Peer Fawzia Age 69	B A (Psychology & Sociology) Post Graduate Diploma in Industrial Relation	eThekwin Council Trustee: KZN Municipal Pension Fund (2005- 2016)	7 months
Cllr. Y Nair Age 68	B A (Humanities) B A (Hons) B A (Management)	Education for 33 years School principal for 10 years Municipal councilor for 22 years Hibiscus Coast Development Agency trustee 13 years	5 Years, 2 months
Cllr T.N. Jojozi	Bachelor of Arts Certificate in local Government Practice	13 years Educator Local Government councilor 2006 to date	7 months
Ms. B.V. Sibiya Age 57	Grade 12 Certificate of Completion FSB Trustee Toolkit	28 years in Health and Safety	5 Years, 3 months
Ms. Y.P. Joyi Age 36	Bachelor of Commerce degree Post Graduate Diploma Registered member of the	KZN Department of Cooperative Governance and Traditional Affairs:	7 months

	Institute of the Internal Auditors SA and Chartered Institute of Government Finance	CFO Ithala Finance Development Corporation: Supply Chain Management Okhahlamba Local Municipality: CFO	
Cllr. Mr. M.V. Nyathi Age 44	NQF 6 (CPMD) certificate programme in management development (municipal finance). 8 years' experience as a councillor. Others N3 Electrical engineering.	10 years as Councilor 10 years' service at Umuziwabantu Municipality	8 Years, 5 months
Mr. X. Dube Age 46	Artisans Builders Diploma	Local Government 1996 to date 20 years' service at eThekweni Municipality	17 Years, 8 months
Mr. M.S. Khanyile Age 38	Grade 12	Local Government 2003 to date 13 years' Service at Okhahlamba Municipality	7 Years, 2 months
Ms. T.B Mngadi Age 57	Administration certificate Receptionist certificate	Local Government 1993 to date 24 years' service at eThekweni Municipality	17 Years, 4 months
Mr. D.M. Madlala Age 54	Electrician	Local Government 1989 to date 27 years' service at Umhlathuze Municipality	12 Years, 1 month
Mr. A.R. Hoosen Age 67	Master's degree	Local Government 1976 – 2008 33 years' service at the Newcastle Municipality	11 Years, 4 months

AUDIT SUB COMMITTEE

Mr. D.A. Lemmer (Chairperson)	National Diploma
Ms. T.B Mngadi	Administration certificate, Receptionist certificate
Mr. D. Hariram	National Diploma in Internal Auditing Post Graduate Diploma in Forensic Auditing and Criminal Justice

	Institute of Internal Auditors – General Internal Auditor Institute of Municipal Financial Officers – Associated Member
Cllr. Mr. M.V. Nyathi	NQF 6 (CPMD) certificate programme in management development
Mr. F.F. Zama	National Diploma Public Relations Management Diploma in Social & Political Studies
Mr. X. Dube	Artisans Builders Diploma

AMOUNTS PAID TO INDIVIDUAL COMMITTEE-MEMBERS FOR SUBSISTENCE AND TRAVELLING

Cllr. B. D Madonsela	R 27 068.30(9 meetings)
Cllr. F. Peer	R11 028.00 (9 meetings)
Cllr. Mr. M.V. Nyathi	R110 177.22 (23 meetings)
Ms. Y. P Joyi	R 5 108.20) (1 meeting)
Cllr Mr. Y. Nair	R110 790.01(21 meetings)
Mr. X. Dube	R67 525.13(39 meetings)
Ms. B. Sibiya	R33 963.43(21 meetings)
Ms. T.B. Mngadi	R49 666.74(24 meetings)
Mr. D.M. Madlala	R64 064.29(19 meetings)
Mr. M.S. Khanyile	R100 093.88 (22 meetings)
Mr. A.R. Hoosen	R138 710.19(19 meetings)
Cllr T.N. Jojozi	R41 799.52 (9 meetings)

OVERVIEW OF BASE REMUNERATION FOR STAFF

The Board of Trustees 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 Board of Trustees
- 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 Board of Trustees 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 Mr X Dube, and the Vice-Chairperson Mr F. F. Zama.

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 Board of Trustees 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 Board of Trustees 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 BOARD OF TRUSTEES

A system of appraisal for the Board of Trustees 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 Board of Trustees and also to identify areas where improvements are necessary. This will assist the Board of Trustees when

determining the training required and place it in a position to recommend to the entities which appoint Board 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 Board of Trustees 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 Board of Trustees 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 Board of Trustees 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 Board of Trustees, 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 Board of Trustees.

The Staff Sub Committee was established to oversee the human resource processes of the Fund. The objective is to assist the Board of Trustees 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 Board of Trustees, 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 Board of Trustees 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 Board of Trustees
- 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.

Investment Policy Statement

Introduction

This policy was developed by the Board of Trustees (BOT) together with their appointed Asset Consultant and the Fund's Actuary.

The BOT objective in drafting this document was to: -

- a) Document the Fund's Investment Policy Statement, and summarise the investment strategy established in accordance with this policy
- b) Clearly set out the decision-making responsibilities relating to the Fund's assets.
- c) Provide a framework for the effective implementation and review of all components of the investment strategy
- d) Assist stakeholders, including the BOT themselves, in understanding the investment policy and strategies of the Fund, and to be able to communicate a summarised version of this investment policy to all stakeholders
- e) Demonstrate adherence to PF Circular 130, as far as this is appropriate and practical, and the Pension Funds Act of 1956
- f) Provide a mechanism to ensure continuity of decision making across generations of members of the BOT
- g) Document the principles raised in *Regulation 28* of the *Pension Funds Act, 1956*, that are required to be documented in the Fund's Investment Policy Statement.

The BOT is ultimately responsible for the Fund's assets, the investment of those assets and the assets' investment performance. The BOT cannot relinquish or cede these responsibilities but is however, permitted to delegate certain of the actions and activities related to the management of the Fund's assets.

The BOT has not appointed an investment sub-committee and deals with all investment matters itself.

Governance principles

Fund's investments are managed appropriately and will collectively reduce the risk of material failure of an investment strategy.

The Fund is firstly governed by the Pension Funds Act of 1956. Regulation 28 of the Act is concerned with pension fund investments. By law, the Fund must adhere to Regulation 28.

The governance principles are split between those over which the BOT have a direct influence, and those that are delegated to the Asset Managers appointed to manage the Fund's assets.

Matters over which the BOT has direct influence:

Conflicts of interest

The BOT realizes that not all conflicts can be avoided, and that certain unavoidable conflicts will thus need to be carefully managed. The BOT requires all services providers and members of the BOT to disclose or highlight where there is a conflict of interest.

Pledging and Borrowing of Assets, and Lending against the Fund

The BOT would prefer that the Fund does not go into overdraft. The BOT cannot envisage other circumstances where money would be borrowed by the Fund, or where assets will be loaned out by the Fund.

Expert Skills

BOT has appointed professional advisors to advise on the construction of investment portfolios using, where appropriate, asset liability modelling, and have appointed Asset Managers to manage the Fund's assets in accordance with its overall objectives.

The BOT appointed Alexander Forbes as the Investment Consultants ("Asset Consultant"), SNG Argen Actuarial Solutions as the Actuary and J. Leslie Smith & Company Inc as the legal advisor to the Fund

Matters over which BOT has indirect influence

Shareholder activism and Voting Rights

The BOT delegates the exercise of voting rights on shares owned by the Fund to expert Asset Managers, just as the actual investment management is delegated. The BOT believes that Asset Managers' proxy voting policies be considered when appointing Asset Managers, or when selecting to invest in their pooled investment portfolios. The BOT has established voting guidelines for the Asset Managers. All Asset Managers' proxy voting policies will be compared to these guidelines.

Strategic investments

BOT outsources the management of all the Fund's assets to professional Asset Managers. The Fund will not hold any strategic investments unless these are selected by the Fund's Asset Managers on whatever basis they normally use to select investments that they believe have a very high likelihood of producing investment returns in excess of their benchmarks.

Appointment of Custodians

The Fund's assets with each manager are held in segregated portfolios in the name of the Fund. The BOT has appointed Nedbank as the Fund's custodian and has a separate contract setting out full details of the custody arrangement.

Regulation 28 Principles

The BOT has considered the principles that pension funds are required to address and has adopted these principles in their Investment Policy Statement.

The Fund requires managers to comply with the limits specified in Regulation 28. Fund complies with the offshore exposure limit of 30% by repatriating assets in excess of 30% when necessary, using the 12-month period allowed in terms of Regulation 28 before any excess due to market movements is required to be repatriated.

Responsible investing and active ownership policy

The BOT believes that material extra-financial factors relating to environmental, social and governance (ESG) issues can affect the performance of investment portfolios. The management of the Fund's assets has been delegated to the Asset Managers appointed by the Fund and these managers will be interrogated about their active ownership approach including investment, engagement, and proxy voting record, as well as their ESG policies. The Asset Managers are required to exercise active ownership responsibilities on behalf of the Fund to positively influence the underlying companies in areas such as sustainability through proxy voting and other engagement.

FSCA Guidance notice 1 of 2019 defines active ownership as the:

"...prudent fulfilment of responsibilities relating to the ownership of, or an interest in, an asset. These responsibilities include, but are not limited to:

- (a) Guidelines to be applied for the identification of sustainability concerns in that asset

(b) Mechanisms of intervention and engagement with the responsible persons in respect of the asset when concerns have been identified and the means of escalation of activities as a holder or owner of that asset if these concerns cannot be resolved

(c) Voting at meetings of shareholders owners or holders of an asset, including the criteria that is used to reach voting decisions and the methodology for recording voting.

The UNPRI defines responsible investing as an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

The due diligence process followed in selecting and appointing Asset Managers takes responsible investing and active ownership criteria into account. The Fund's expectations and delegation to Asset Managers in respect of responsible investment and active activities will, to the extent applicable, be reflected in the relevant investment mandates.

Analysis of the of the Fund

The principal objective of the Fund is to provide the benefits as set out in the Fund's rules.

The BOT has a statutory and fiduciary responsibility to invest the assets of the Fund in those asset types in a responsible and prudent manner, so that the Fund's overall long-term target can be achieved.

The liabilities must be analyzed by nature and term when deciding on appropriate assets to match the Fund 's liabilities.

BOT views risk primarily as the possibility that the investment return objective will not be achieved by the chosen strategy over the longer term

The BOT selects portfolios and managers in consultation with the Fund's Asset Consultant and Actuary that are appropriate to meet the Fund's overall investment objectives.

The BOT conducts in-depth reviews of the existing Asset Managers and potential new Asset Managers. The managers selected by the BOT after taking advice from the Fund's Asset Consultant and considering management fees, custodial fees, transaction costs, and potential future investment performance are:

Domestic assets

Manager	Mandate
Prudential Portfolio Managers	Domestic Balanced
Foord Asset Management	Domestic Balanced
Investec Asset Management	Domestic Balanced
Coronation Investment Managers	Domestic Balanced
Kagiso Asset Management	Domestic Balanced

Foreign assets

Manager	Mandate
SEI	Global Equity
Investec Asset Management	Global Equity
Walter Scott	Global Equity
Contrarius Investment Managers	Global Equity