



**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 (SUPERANNUATION)**

**FINANCIAL SECTOR CONDUCT
AUTHORITY REGISTRATION NUMBER: 12/8/553/2**

For the period: 1 APRIL 2020 to 31 MARCH 2021

CONTENTS

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

* Not subject to any engagement by an auditor

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

SCHEDULE A REGULATORY INFORMATION For the year ended 31 March 2021

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: 01/04/2020 to 31/03/2021
Previous: 01/04/2019 to 31/03/2020

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)
Mr. Dube Xolani	director@njumpf.co.za	C	30.04.2014	
Cllr Ms Jojozi Tiny Nosisa	director@njumpf.co.za	E	26.08.2019	
Cllr. Nair Yagabaram	director@njumpf.co.za	E	30.05.2014	
Cllr. Mr. Nyathi Mzwandile Victor	director@njumpf.co.za	E	19.08.2011	
Mr. Bezuidenhout Nicholaas Christiaan	director@njumpf.co.za	M	20.02.2006	
Mrs. Montgomery Nicolene	director@njumpf.co.za	M	28.11.2014	
Mr. Joubert Johannes Adrian	director@njumpf.co.za	M	19.03.2010	
Mr. Hariram Dilip	director@njumpf.co.za	M	24.01.2014	
Cllr. Madonsela Bhekisisa David	director@njumpf.co.za	E	26.08.2019	
Mr. Karamchund Mooneser Jaggeth	director@njumpf.co.za	P	01.09.2015	
Cllr. Peer Fawzia	director@njumpf.co.za	E	26.08.2019	
Ms Joyi Yali Phindugcobe	director@njumpf.co.za	F	26.08.2019	

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

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

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)
05.06.2020	Westville, KwaZulu-Natal	Yes
26.06.2020	Westville, KwaZulu-Natal	Yes
17.07.2020	Lythwood Lodge, KwaZulu-Natal	Yes
21.08.2020	Westville, KwaZulu-Natal	Yes
18.09.2020	Westville, KwaZulu-Natal	Yes
06.11.2020	Lythwood Lodge, KwaZulu-Natal	Yes
27.11.2020	Westville, KwaZulu-Natal	Yes
15.01.2021	Westville, KwaZulu-Natal	Yes
26.02.2021	Lythwood Lodge , KwaZulu-Natal	Yes
19.03.2021	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

	Actuary/Valuator	Auditor
Full name:	Tommie Doubell	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:	tdoubell@sng-argen.com	pmbrrha@agsa.co.za

	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	

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)**REGULATORY INFORMATION - CONTINUED****For the year ended 31 March 2021**

	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 (SUPERANNUATION)

SCHEDULE B

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND

For the year ended 31 March 2021

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 (Superannuation) 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 (SUPERANNUATION)

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND - CONTINUED For the year ended 31 March 2021

These financial statements:

- were approved by the Board of Fund on; 27 September 2021
- 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 2021 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



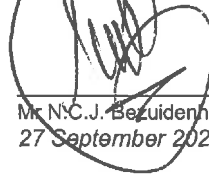
Mr X. Dube
27 September 2021

BOARD MEMBER



Mr Y. Nair
27 September 2021

BOARD MEMBER



Mr N.C.J. Bezuidenhout
27 September 2021

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)


SCHEDULE C

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

For the year ended 31 March 2021

I confirm that for the period under review the KwaZulu Natal Joint Municipal Pension Fund (Superannuation) 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, appearing to be 'Mr. B. Mkhize', is written over a horizontal line.

27 September 2021

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

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 Fund and the Registrar of Pension Funds on the KwaZulu-Natal Joint Municipal Pension Fund (Superannuation)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Kwazulu-Natal Joint Municipal Pension Fund (Superannuation) set out on Annexures F, G and HA which comprise the statement of net assets and funds as at 31 March 2021, 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 as set out in the financial statements and the requirements of the Pension Funds Act, 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 the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.
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 Fund

10. The board of fund 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 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 fund 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 fund 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
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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 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 2020 to 31 March 2021 and was issued to the Registrar on 30 September 2021.

Auditor - General

Pietermaritzburg

30 September 2021



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 fund.
 - conclude on the appropriateness of the board of fund' 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 fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the board of fund 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 (SUPERANNUATION)

SCHEDULE E

REPORT OF THE BOARD OF FUND

For the year ended 31 March 2021

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 1942 as a defined benefit fund and 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 9.25% of their pensionable emoluments.

Members may make additional voluntary contributions as per the rules of the fund.

1.3.1.2. Participating employers contribute at a rate of 21.63% of pensionable salary. A surcharge of 9.5% 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, Risk and Contribution reserves – please see note 21.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2021

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: N/a*

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 (SUPERANNUATION)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2021

2.2. Management of investments

KEY PERFORMANCE OBJECTIVES

The Long-Term Investment Objectives of the Funds as approved by the Board of Trustees 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%	Superannuation Fund % Return
5 years to 31 st March 2021	9.4%	8.61%

Year	Superannuation Fund % Return	*Investment Manager Benchmark
5 years to 31 st March 2021	8.61%	8.22%

Source: Alexander Forbes

The Fund did not achieve the long-term investment objective of at least CPI+5% over the 5 years to 31 March 2021. The Fund slightly outperformed the investment manager benchmark over the 5 years to 31 March 2021.

Source: *Alexander Forbes*

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

REPORT OF THE BOARD OF FUND - CONTINUED For the year ended 31 March 2021

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Beneficiaries	Unclaimed benefits
Numbers at beginning of period	3,649	4	2,538	1,986	44
Adjustments			(23)	(277)	
Additions	35		194	194	
Transfers in	2				
Transfers out	(1)				
Withdrawals	(92)				
Retirements	(152)				
Retrenchments					
Deaths	(49)		(126)	(48)	
Transfers (from)/to pensioners / deferred pensioners		(1)			
Unclaimed Benefit paid					(2)
* Numbers at end of period	3,392	3	2,583	1,855	42
Number at end of period (South African citizen)	3,392	3	2,580	1,852	42
Number at end of period (non- South African citizen)		0	3	3	0

4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the rules of the fund, the actuarial position of the fund, which does take account of such liabilities, is examined, and reported on by the actuary at intervals not exceeding three years. A statutory actuarial valuation was performed as at 31 March 2020 and the Valuator reported that the fund was not in a sound financial position as at the valuation date, but because this was mainly due to the impact of Covid19 epidemic on financial markets, which has since partially recovered, we recommend that no immediate action is taken. The funding level of the fund improved to 98.2% after the market recovery and based on the position on 31 May 2020(after the recovery) we expect the surcharge of 6.3% to eliminate the deficit by 2022.

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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund holds no direct investments in the participating employer.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
At 31 March 2021

	Notes	Mar 2021 R	Mar 2020 R
ASSETS			
Non-current assets		14 042 447 090.86	10 305 286 030.27
Plant and equipment	1	18 939 742.56	23 119 538.91
Investments (including investment and owner occupied properties)	2	14 023 507 348.30	10 282 166 491.36
Housing loan facilities	3	-	-
Surplus improperly utilised receivable	22	-	-
Current assets		104 165 378.62	73 325 758.38
Transfers receivable	5	-	-
Accounts receivable	4	4 487 408.37	4 405 933.08
Contributions receivable	12	29 942 126.94	19 634 754.01
Cash at bank		69 735 843.31	49 285 071.29
Surplus improperly utilised receivable	22	-	-
Total assets		14 146 612 469.48	10 378 611 788.65
FUNDS AND LIABILITIES			
Funds and surplus account		13 173 023 989.29	8 939 549 369.30
Accumulated funds		13 173 023 989.29	8 939 549 369.30
Member surplus account	21	-	-
Reserves		805 040 572.85	1 328 946 268.16
Reserve accounts	21	805 040 572.85	1 328 946 268.16
Revaluation reserve: Property, plant and equipment	6	-	-
Total funds and reserves		13 978 064 562.14	10 268 495 637.46
Non-current liabilities		3 477 955.97	3 358 873.59
Employer surplus account	21	-	-
Financial liabilities	16.1	-	-
Provisions	16.2	2 645 147.68	2 545 540.69
Unclaimed benefits	9	832 808.29	813 332.90
Current liabilities		165 069 951.37	106 757 277.60
Transfers payable	7	-	5 665 080.43
Benefits payable	8	158 750 309.79	96 947 192.37
Accounts payable	10	6 319 641.58	4 145 004.80
Retirement fund taxation	11	-	-
Contributions payable		-	-
Bank overdraft		-	-
Total funds and liabilities		14 146 612 469.48	10 378 611 788.65

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
For the year ended 31 March 2021

	Notes	A	B	A + B	
		Members' individual accounts & amounts to be allocated/	Reserves	Total	Total
		Accumulated funds	Refer notes 6 and 21	Mar 2021	Mar 2020
		R	R	R	R
Contributions received and accrued	12	417 843 658.65	-	417 843 658.65	419 712 789.29
Contributions transferred from reserve accounts	21	-	-	-	-
Contributions transferred from surplus accounts	21	-	-	-	-
Surplus improperly utilised	22	-	-	-	-
Reinsurance proceeds		-	-	-	-
Net investment income	13	4 120 225 652.80	-	4 120 225 652.80	(1 537 515 953.75)
(less) Allocated to unclaimed benefits		20 112.56	-	20 112.56	32 078.03
Other income	13.1	-	-	-	-
Less:		12 171 425.25	-	12 171 425.25	23 919 304.02
Re-insurance premiums		-	-	-	-
Administration expenses	14	12 171 425.25	-	12 171 425.25	23 919 304.02
Retirement fund taxation	11	-	-	-	-
Net income/(loss) before transfers and benefits		4 525 877 773.64	-	4 525 877 773.64	(1 141 754 546.51)
Transfers and benefits		(816 308 850.09)	-	(816 308 850.09)	(747 619 900.31)
Transfers from other funds	5	-	-	-	3 445 079.26
Transfers to other funds	7	(248 738.97)	-	(248 738.97)	(5 665 080.43)
Benefits	8	(816 060 111.12)	-	(816 060 111.12)	(745 399 899.14)
Net income/(loss) after transfers and benefits (carried forward)		3 709 568 923.55	-	3 709 568 923.55	(1 889 374 446.82)

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS - CONTINUED
For the year ended 31 March 2021

	Notes	A	B	A + B	
		Members' individual accounts & amounts to be allocated/	Reserves	Total	Total
		Accumulated funds	Refer Notes 6 & 21	Mar 2021	Mar 2020
		R	R	R	R
Net income/(loss) after transfers and benefits (brought forward)		3 709 568 923.55	-	3 709 568 923.55	(1 889 374 446.82)
Funds and reserves		8 939 549 370.43	1 328 946 268.16	10 268 495 638.59	12 157 870 084.28
Balance at beginning of period		8 939 549 370.43	1 328 946 268.16	10 268 495 638.59	12 157 870 084.28
Prior period adjustments	15	-	-	-	-
Transfer between reserve accounts	21	12 649 118 293.98	1 328 946 268.16	13 978 064 562.14	10 268 495 637.46
Investment return allocated		523 905 695.31	(523 905 695.31)	-	-
Current members		-	-	-	-
Former members		-	-	-	-
Surplus and reserve accounts	21	-	-	-	-
Surplus apportionment	21	-	-	-	-
Revaluation surplus: Property, plant and equipment	6	-	-	-	-
		13 173 023 989.29	805 040 572.85	13 978 064 562.14	10 268 495 637.46
Transfer between reserve accounts		-	-	-	-
Employer surplus account		-	-	-	-
Member surplus account		-	-	-	-
		13 173 023 989.29	805 040 572.85	13 978 064 562.14	10 268 495 637.46
Allocations to/from surplus accounts		-	-	-	-
Benefits to former members		-	-	-	-
Surplus transfers payments		-	-	-	-
Benefit enhancements - other		-	-	-	-
Surplus transfers received		-	-	-	-
Balance at end of period		13 173 023 989.29	805 040 572.85	13 978 064 562.14	10 268 495 637.46

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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 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 as 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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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 the 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 evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

Options

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

Futures/forwards

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

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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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 and 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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2021

1	Plant and equipment						
1.1	Current period	A	B	C	D	E	A+B+C+D+E
		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	-	2 658 830.93	2 201 524.13	1 062 420.28	21 220 000.00	27 142 775.34	
Additions	-	1 281 436.68	79 240.00	34 077.78		1 394 754.46	
Disposals	-	(618 530.50)		(6 874.87)		(625 405.37)	
Impairment	-					-	
Revaluation reserve (note 6)	-				(4 790 000.00)	(4 790 000.00)	
Other movements	-					-	
At end of period	-	3 321 737.11	2 280 764.13	1 089 623.19	16 430 000.00	23 122 124.43	
Accumulated depreciation and impairment							
At beginning of period	-	1 739 351.36	1 577 265.09	706 619.98	-	4 023 236.43	
Depreciation charges	-	588 463.12	352 403.31	108 361.85		1 049 228.28	
Accumulated depreciation on disposals	-	(618 530.50)		(6 015.45)		(624 545.95)	
Impairment	-					-	
Other movements	-	(126 383.14)	(138 727.69)	(426.06)		(265 536.89)	
Net carrying amount at end of period	-	1 738 836.27	489 823.42	281 082.87	16 430 000.00	18 939 742.56	

The land and buildings comprise an office block situated on Section 1, 3 Derby Place and 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 2021.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2021

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	-	2 513 343.70	2 070 330.13	970 479.24	21 220 000.00	26 774 153.07
Additions	-	295 597.16	131 194.00	91 941.04	-	518 732.20
Disposals	-	(150 109.93)	-	-	-	(150 109.93)
Revaluation reserve (note 6)	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
	-	-	-	-	-	-
At end of period	-	2 658 830.93	2 201 524.13	1 062 420.28	21 220 000.00	27 142 775.34
Accumulated depreciation and impairment						
At beginning of period	-	1 645 324.76	1 380 199.71	606 625.88	-	3 632 150.35
Depreciation charges	-	424 322.77	334 353.54	100 409.97	-	859 086.28
Accumulated depreciation on disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Other movements	-	(330 296.17)	(137 288.16)	(415.87)	-	(468 000.20)
Net carrying amount at end of period	-	919 479.57	624 259.04	355 800.30	21 220 000.00	23 119 538.91

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

2 Investments
2.1 Investment summary

	A	B	A+B			
	Local	Foreign	Total	Total	Fair value	Amortised cost
			Mar 2021	Mar 2020	Current period	Current period
	R	R	R	R	R	R
Cash	171 860 092.16	-	171 860 092.16	370 606 552.00	171 860 092.16	
Commodities	87 552 764.50	-	87 552 764.50	115 505 329.81	87 552 764.50	
Debt Instruments including Islamic debt instruments	3 437 487 020.76	-	3 437 487 020.76	2 879 468 540.25	3 437 487 020.76	
Investment properties and Owner occupied properties	132 674 339.79	-	132 674 339.79	194 704 676.07	132 674 339.79	
Equities (including demutualisation shares)	5 438 183 773.93	-	5 438 183 773.93	6 425 107 838.08	5 438 183 773.93	
Insurance policies	-	-	-	-	-	
Collective investment schemes*	150 225 917.97	4 571 007 752.78	4 721 233 670.75		4 721 233 670.75	
Hedge funds	-	-	-	-	-	
Private equity funds	-	-	-	-	-	
Investment in participating employer(s)	-	-	-	-	-	
Derivative Market instruments	-	-	-	-	-	
Other assets	34 515 686.41	-	34 515 686.41	296 773 555.14	34 515 686.41	
Total investments	9 452 499 595.52	4 571 007 752.78	14 023 507 348.30	10 282 166 491.36	14 023 507 348.30	-

* In the prior year, the investment in collective investment schemes was reported within the respective asset categories based on the underlying assets held by the collective investment schemes at 31 March 2020.

In the current year, the investment in units in the collective investment schemes are reported within the Collective investment schemes asset category in line with the regulatory reporting requirements for retirement funds.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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	-	-	-	-	-	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

2 Investments - continued

2.3 Investment properties and Owner Occupied Investments

2.3.1 Current Period

[illegible]

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

2.3.2 Previous Period

[illegible]

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

3 Housing loan facilities

3.1 Housing loans

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

3.2 Housing loan guarantees

- The fund has granted guarantees to Nedbank, First National, Standard and Ithala Banks for loans granted to 270 members of the fund. The guarantees amounted to R28 283 936.33
- 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 (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

4 Accounts receivable

	Mar 2021	Mar 2020
	R	R
Annuity refunds	348 897.27	302 107.48
Medical board fees	10 301.26	3 525.00
Late payment interest on contributions	280 855.19	781 603.87
Prepaid expenses	989 773.41	1 559 072.65
Sundry debtors	2 668 240.75	1 600 345.17
Refunds of pension over-payments	122 938.83	87 552.82
Pensionable service debtors	66 401.66	71 726.09
TOTAL	4 487 408.37	4 405 933.08

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

5 Transfers from other funds/ Transfers receivable

				A	B	C	D	A+B+C-D
	Effective date	No. of members	Applied for not yet approved (contingency) R	At beginning of period R	Transfers approved R	Return on transfers R	Assets transferred R	At end of period R
Total transfers in terms of section 14*								
KwaZulu-Natal Joint Municipal Provident Fund		5	411 605.46	-	-	-	-	-
Natal Joint Municipal Pension Fund (Retirement)	01/04/2020 to 31/03/2021	2	1 441 326.46	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total transfers in terms of section 15B/ 15E/ 15F*								
Individual transfers			-	-	-	-	-	-
Total Prospective approvals in terms of section 14*								
Total		7	1 852 931.92	-	-	-	-	-
Transfers approved (B)			-					
Return on transfers (C)			-					
Statement of changes in net assets and funds			-					

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

6 Revaluation reserve - Property, plant and equipment

	Mar 2021 R	Mar 2020 R
At beginning of period	-	-
Revaluation	-	-
Impairments	-	-
Transfer to statement of changes in net assets and funds	-	-
At end of period	-	-

7 Transfers to other funds/ Transfers payable

				A	B	C	D	A+B+C-D
	Effective date	No. of members	Applied for not yet approved (contingency) R	At beginning of period R	Transfers approved R	Return on transfers R	Assets transferred R	At end of period R
Total transfers in terms of section 14*								
KZNJMPF		1	490 496.21	-	-	-	-	-
Other	01/04/2020	4	-	5 665 080.43	21 144.01	227 594.96	5 913 819.40	-
Transfers in terms of section 15B/15E/15F	to	-	-	-	-	-	-	-
Individual transfers	31/03/2021	-	-	-	-	-	-	-
Total Prospective approvals in terms of section 14*		-	-	-	-	-	-	-
Total		5	490 496.21	5 665 080.43	21 144.01	227 594.96	5 913 819.40	-

Transfers approved (B)	21 144.01
Return on transfers (C)	227 594.96
Statement of Changes in Net Assets and Funds	248 738.97

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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	11 855 296.86	506 851 824.66	-	494 415 703.82	-	24 291 417.70
Lump sums on retirements						-
Full benefit	49 714 275.16	177 974 265.88	1 972 154.07	142 422 319.69	-	87 238 375.42
Deferred pensioner	3 492 325.07	-	(193 047.65)		-	3 299 277.42
Lump sums before retirement						-
Disability benefits	-	-	-	-	-	-
Death benefits	18 009 563.07	29 977 246.81	1 334 677.28	17 189 119.14	-	32 132 368.02
Withdrawal benefits	13 788 179.39	71 911 394.97	1 555 197.85	75 956 397.19	-	11 298 375.02
Retrenchment benefits	-	-	-	-	-	-
Minimum benefit payments made in terms of section 15						-
Defaults - housing loan facilities	-	-	-	-	-	-
Divorce payments	-	24 185 901.04	-	24 185 901.04	-	-
Other	-	482 045.48	8 450.73	-	-	490 496.21
Total (8.1)	96 859 639.55	811 382 678.84	4 677 432.28	754 169 440.88	-	158 750 309.79
Benefits for current period (B)	811 382 678.84					
Return allocated (C)	4 677 432.28					
Statement of changes in net assets and funds	816 060 111.12					

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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)	96 859 639.55	811 382 678.84	4 677 432.28	754 169 440.88	-	158 750 309.79

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

9 Unclaimed benefits

	Mar 2021 R	Mar 2020 R
At beginning of period	813 332.90	872 685.96
Transferred from benefits payable	-	-
Adjustments	-	-
Investment income allocated	20 112.56	32 078.03
Less:	637.17	91 431.09
Tracing expenses	637.17	(780.29)
Administration expenses	-	-
Other expenses	-	-
Benefits paid	-	92 211.38
Transferred to unclaimed benefits fund	-	-
Balance at end of period	832 808.29	813 332.90

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

10 Accounts payable

	Mar 2021 R	Mar 2020 R
Actuary's fees	96 401.05	130 697.50
Contributions refundable	-	-
Contributions in advance	-	-
Pensions and tax payable	-	-
Sundry creditors	6 223 240.53	4 014 307.30
Unpaid pensions	-	-
	<u>6 319 641.58</u>	<u>4 145 004.80</u>

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

	Mar 2021 R	Mar 2020 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	<u>-</u>	<u>-</u>

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

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	2 568 795.90	104 486 515.08	-	102 696 069.61	4 359 241.37
Employer contributions - received and accrued	6 006 816.78	244 827 354.26	-	240 640 615.30	10 193 555.74
Additional contribution in respect of actuarial shortfall	2 638 222.77	59 081 725.27	-	57 242 889.41	4 477 058.63
Additional voluntary contributions – employer	-	-	-	-	-
Additional voluntary contributions – members	-	-	-	-	-
Other (Excessive increases)	8 420 918.56	9 448 064.04	-	6 956 711.40	10 912 271.20
Total	19 634 754.01	417 843 658.65	-	407 536 285.72	29 942 126.94
Towards retirement	417 843 658.65				
Toward re-insurance and expenses	-				
Statement of changes in net assets and funds	417 843 658.65				

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

13	Net investment income	Mar 2021	Mar 2020
		R	R
Income from investments		486 864 265.61	501 991 381.45
Dividends		168 117 336.58	179 833 810.54
Interest		318 746 929.03	322 149 048.76
Rentals		-	8 522.15
Collective investment schemes distribution		-	-
Income from insurance policies		-	-
Interest on late payment of contributions		1 553 795.43	1 102 457.62
Interest levied on surplus improperly utilised		-	-
Adjustment to fair value		3 691 810 707.70	(1 984 136 800.67)
Profit/loss on disposal of investments		190 512 454.10	110 180 406.11
Investments written up/down		3 501 298 253.60	(2 094 317 206.78)
Less: Expenses incurred in managing investments		(60 003 115.94)	(56 472 992.15)
Less: Interest paid on borrowings		-	-
Total		4 120 225 652.80	(1 537 515 953.75)

13.1	Other income	Mar 2021	Mar 2020
		R	R
Bad debts recovered		-	-
Other		-	-
		-	-

14	Administration expenses	Notes	Mar 2021	Mar 2020
			R	R
Actuarial fees			1 222 416.65	1 132 200.30
Administration fees			1 617 246.77	1 203 469.86
Audit fees			509 095.28	530 958.26
Audit services			509 095.28	530 958.26
Expenses			-	-
Other			-	-
Bad debts written off			42 941.05	31 352.01
Consultancy fees			543 178.72	6 170 318.03
Depreciation - at cost			783 691.39	529 482.63
Depreciation - at revaluation			-	-
Fidelity Insurance			554 807.92	538 615.41
Levies			174 581.66	157 279.83
Other			(577 473)	347 473.00
Actuarial adjustment			(577 473)	347 473.00
Member communication			356 361.52	1 107 491.57
Office expenses			856 365.23	1 315 098.80
Operating lease payments			-	-
Penalties			-	-
Principal officer expenses	14.3		716 736.40	879 947.36
Project costs			-	673 176.38
Staff expenses	14.2		4 609 338.62	7 946 549.63
Secretarial fees			-	-
Board of Fund expenses	14.1		762 137.42	1 355 890.99
Less: Amount allocated to unclaimed benefits	9		-	-
Total			12 171 425.25	23 919 304.02

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

14 Administration expenses - continued

14.1 Board of Fund expenses

	Mar 2021	Mar 2020
	R	R
Remuneration	-	-
Meeting allowances	450 940.65	406 766.34
Expenses	311 196.77	949 124.65
Other payments	-	-
Total	762 137.42	1 355 890.99

14.2 Staff expenses

	Mar 2021	Mar 2020
	R	R
Remuneration	3 996 212.77	6 512 571.61
Contributions to retirement fund	475 027.47	998 281.13
Training expenses	51 088.32	272 511.19
Other payments	87 010.06	163 185.69
Total	4 609 338.62	7 946 549.63

14.3 Principal Officer expenses

	Mar 2021	Mar 2020
	R	R
Fees as Board member	-	-
Remuneration	557 989.88	576 534.04
Allowances	-	-
Contributions to retirement fund	99 018.49	103 776.13
Bonus	59 728.03	199 637.20
Other payments	-	-
Total	716 736.40	879 947.36

15 Prior period adjustment

	Mar 2021	Mar 2020
	R	R
Benefits Adjustment	-	-
	-	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

16 Financial liabilities and provisions

16.1 Financial liabilities

	Mar 2021 R	Mar 2020 R
Nil	-	-
TOTAL	-	-

16.2 Provisions

	Mar 2021 R	Mar 2020 R
Actuary's fees	743 015.00	700 925.00
Accumulated leave	364 723.14	362 111.23
Staff bonus	978 818.12	919 395.57
Audit fees	558 591.42	563 108.89
Consulting fees	-	-
TOTAL	2 645 147.68	2 545 540.69

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.

• **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.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

• **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 R716 736.40 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 R762 137.42 during the current financial period.

20 Operating lease commitments

	Mar 2021 R	Mar 2020 R
Future minimum operating lease payments		
Within one year	-	-
Between one and five years	-	-
After five years	-	-
TOTAL	-	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

21 Surplus and reserve accounts

[illegible]

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

21 Surplus and reserve accounts (continued)

			A+B+C+D+E+F	A	B	C	D	E	F
	Member/ pensioner surplus account	Employer surplus account	Reserve Accounts	Contribution reserve	Solvency reserve	Investment reserve	Risk reserve	Pensioner reserve	Other reserves
	R	R	R	R	R	R	R	R	R
Administration expenses	-	-	-	-	-	-	-	-	-
Retirement fund taxation	-	-	-	-	-	-	-	-	-
Net income before transfers and benefits	-	-	1 328 946 268.16	43 604 774.08	539 346 009.79	-	185 128 874.47	560 866 609.82	-
Transfers and benefits	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Net income after transfers and benefits (carried forward)	-	-	1 328 946 268.16	43 604 774.08	539 346 009.79	-	185 128 874.47	560 866 609.82	-
Transfer between reserve accounts			(523 905 695.31)	5 953 780.90	(539 346 009.79)	-	9 486 533.58	-	-
Net investment return	-	-	-	-	-	-	-	-	-
Benefit enhancement – pensioners	-	-	-	-	-	-	-	-	-
Contribution holiday – after surplus apportionment	-	-	-	-	-	-	-	-	-
Contribution holiday – before surplus apportionment	-	-	-	-	-	-	-	-	-
At end of period	-	-	805 040 572.85	49 558 554.98	-	-	194 615 408.05	560 866 609.82	-

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
For the year ended 31 March 2021

22 Surplus improperly utilised receivable

	2021	2020
	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

	2021	2020
	R	R
Surplus to be apportioned	-	-
Investment return to be allocated	-	-
Other	-	-
Total amounts to be allocated	-	-

KWA-ZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

Registration number: 12/8/553

For the year ended 31 March 2021

SCHEDULE HB

REPORT OF THE VALUATOR

PARTICULARS OF FINANCIAL CONDITION OF THE FUND

The statement below is based on the 31 March 2020 statutory actuarial valuation report that was submitted to the FSCA on 4 March 2021.

1. Net assets available for benefits ^(a): **R10 268 496 000**
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised benefits: **R 10 268 496 000**
3. The actuarial present value of promised benefits ^(b), split into vested ^(c), and non-vested benefits at: **R11 183 153 000 – all vested**
4. Contingency reserve account allocations that were recommended in the actuarial valuation report:

Risk Reserve:	R194 616 000
Contribution Reserve:	R49 559 000
Solvency Reserve:	R nil
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 down 1 year, 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 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 194.6 million is held.

The underlying rate of contribution was not sufficient to meet the cost of the benefits at 31 March 2020. It was necessary to set aside a reserve to hold assets equal to the expected shortfall, which was 0.51% of pensionable salaries. For this reason, a “Contribution Reserve” of R49 559 000 was introduced equal to the present value of the shortfall in terms of Circular PF117.

The Pension Funds Act, and the Fund’s regulations, permit the Fund to maintain a Solvency Reserve to provide some protection to the Fund should the actual future financial experience of the Fund turn out to be less favourable than the “best estimate” financial assumptions used to value the defined benefit member and pensioner liabilities. As the valuation date coincided with the large fall in the market due to the Covid19 crisis the Solvency Reserves were depleted to mitigate the effect of the negative investment returns on the financial position of the Fund.

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

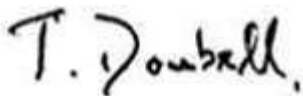
See paragraph 5.

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

N/A

8. The valuation revealed that the Fund was 92.4% funded on the “best estimate” funding basis as at the valuation date, and was also not fully funded on the alternative bases as set out in PF Notice No. 2 of 2016. The funding level improved to 98.2% as at 31 May 2020. In our view the Fund was not in a sound financial position as at the valuation date, but because this was mainly due to the impact of the Covid19 epidemic on financial markets, which has since partially recovered, we recommended that no immediate action be taken. The funding level of the fund improved to 98.2% after the market recovery and based on the position on 31 May 2020 (after the recovery) we expected the surcharge of 6.3% to eliminate the deficit by 2022. The Fund performs annual valuations and the financial position at 31 March 2021 will be used to consider any additional remedial action, if necessary.

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

26 August 2021

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.

SCHEDULE I

REPORT OF THE AUDITOR OF THE KWAZULU-NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION) OF FACTUAL FINDINGS TO THE BOARD OF 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 (Superannuation) (the "Fund") for the year ended 31 March 2021. 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 2021.

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 2021



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 2021 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 administrator(s), 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:

	Procedures	Findings
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 investment policy statement 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 investment policy statements.
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 administrator(s): (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 R1,417,474,300 as at 31 March 2021, and (b) collateral was provided by the counterparties for all scrip lending activities; and (c) The exposure was covered at 123% by the collateral held.
2	Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) is Defined benefit fund.

	Procedures	Findings
2.1	Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 March 2021.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) 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 (Superannuation) is a defined benefit fund.
2.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) 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 (Superannuation) is a defined benefit fund.

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

	Procedures	Findings
2.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) 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 (Superannuation) 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 (Superannuation) 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 (Superannuation) is a defined benefit fund.

	Procedures	Findings
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 (Superannuation) is a defined benefit fund.
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	Not applicable. KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) 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 (Superannuation) 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 (Superannuation) is a defined benefit fund.

	Procedures	Findings
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: June 2020, January 2021 and March 2021.
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	<u>Active members:</u> Select a random sample of the lesser of 25 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	Not applicable. There was no surplus apportionment scheme.

	Procedures	Findings
4.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	Not applicable. There was no surplus apportionment scheme.
4.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable. There was no surplus apportionment scheme.
4.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 25 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	Not applicable. There was no surplus apportionment scheme.
4.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	Not applicable. There was no surplus apportionment scheme.
4.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable. There was no surplus apportionment scheme.

	Procedures	Findings
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.

	Procedures	Findings
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 2021, 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.
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.

	Procedures	Findings
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 the list of housing loan guarantees and performed the following procedures:
7.3.1	For the sample selected, determine that each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms 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 2021 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.

	Procedures	Findings
	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:	Selected a sample of participating employers with arrear which reflect arrear contributions at year-end and performed the following:

	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.	<p>Amounts disclosed as arrear contributions at year-end have not been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act.</p> <p>Amounts that were received after the prescribed period were as follows:</p> <table> <tr> <th>Municipality name</th><th>Amount</th><th>Date of receipt</th></tr> <tr> <td>Mooi Mpofana Municipality</td><td>R256,440.15</td><td>14/04/2021</td></tr> </table>	Municipality name	Amount	Date of receipt	Mooi Mpofana Municipality	R256,440.15	14/04/2021
Municipality name	Amount	Date of receipt						
Mooi Mpofana Municipality	R256,440.15	14/04/2021						
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.						

	Procedures	Findings
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 31 March 2021, 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.

	Procedures	Findings
10	Transfers	
10.1	Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	The list of total section 14 transfers to and from the Fund agreed to the corresponding account in the general ledger.
10.2	From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out, and perform the following procedures:	
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 from the Fund agreed to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer.
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.	The transfers from the Fund were paid within 60 days of Registrar approval for section 14(1) transfers and growth and investment return was allocated from the effective date of transfer to the date of final settlement.

	Procedures	Findings
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 (Superannuation) is not a unitised fund.
10.3	Individual transfers Obtain the list of individual transfers throughout the year ended 31 March 2021, 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 2021.
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 2021.
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 2021.
11	Pensioners paid	

	Procedures	Findings
11.1	Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	Obtained a copy of the list of pensioners and amounts paid for the year from the administration system and performed the following procedure:
11.1.1	Agree the total pensions paid for the year ended 31 March 2021 to the corresponding account reconciliation to the general ledger balance.	Agreed the total pensions paid for the year ended 31 March 2021 to the corresponding account reconciliation and the general ledger balances.
11.2	Select a sample of the lesser of 25 or 10 % of the number of pensioners paid directly from the fund from the above list and perform the following procedures:	
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	The pensioner increases were authorised by the Board of Fund.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	Inspected the declaration forms which indicated that the pensioners selected existed.
11.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	Not applicable. 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.

	Procedures	Findings
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 2021, 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 2021, the Fund's fidelity insurance cover extended after year-end. The subsequent fidelity insurance cover extended to 28 February 2022.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 31 March 2021.	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:	
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	Per the latest statutory actuarial valuation, 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.	Not applicable. A scheme in terms of section 18 of the Act in South Africa, was not required.

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

SCHEDULE IA - INVESTMENT SCHEDULE

At 31 March 2021

Investments¹

		A	B	C	D	E	A+B+C+D+E V+W+X	V	W	X	W +X		Y	Z	V+W+X+Y+Z
	Notes ²	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	Total percentage Foreign Exposure	Derivative positions with residual risk	Reconciling Items between Schedule IB and Schedule F	TOTAL as per Regulation 28 (schedule IB)
		Note M1	Note M2	Note G1								%	Note G2		
		R	R	R	R	R	R	R	R	R	R		R	R	R
Cash (including cash at bank)	A	241 595 936	170 246 063	0	0	0	411 841 999	241 595 936	170 246 063	0	170 246 063	1.21%	0.00	0.00	411 841 999
Commodities	B	87 552 765	0	0	0	0	87 552 765	87 552 765	0	0	0	0.00%	0.00	0.00	87 552 765
Housing Loans		0	0	0	0	0	0	0	0	0	0	0.00%	0.00	0.00	0
Debt instruments including Islamic debt Instruments	C	3 437 487 021	0	0	0	0	3 437 487 021	3 437 487 021	0	0	0	0.00%	0.00	0.00	3 437 487 021
Investment Properties and owner occupied properties	D	132 674 340	16 574 128	0	0	0	149 248 468	132 674 340	16 574 128	0	16 574 128	0.12%	0.00	0.00	149 248 468
Equities	E	5 438 183 774	4 378 764 012	0	0	0	9 816 947 786	5 438 183 774	4 378 764 012	0	4 378 764 012	31.07%	0.00	0.00	9 816 947 786
Derivative Market Instruments	G	0	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	0.00	0.00%	0.00	0.00	0.00
Other assets	I	34 515 686	5 423 549	0	0	0	39 939 235	34 515 686	5 423 549	0	5 423 548.76	0.00%	0.00	0.00	39 939 235.17
Hedge Funds	J	0	0	0	0	0	0	0	0	0	0.00	0.00%	0.00	0.00	0.00
Private Equity Funds	K	0		0	0	0	0	0	0	0	0.00	0.00%	0.00	0.00	0.00
Collective Investment Schemes		0	0	0	0	150 225 918	150 225 918	150 225 918	0	0	0.00	0.00%	0.00	0.00	150 225 918
Insurance Policies:		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	0.00	0.00%	0.00	0.00	0
- Non-Linked Policies		0	0	0	0	0	0	0	0	0	0.00	0.00%	0.00	0.00	0
- Insurance Policies ito Reg 28(3)(c) ³		0	0	0	0	0	0	0	0	0	0.00	0.00%	0.00	0.00	0
Entities regulated ito Reg 28(8)(b)(iv)		0	0	0	0	0	0	0	0	0	0.00	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	0.00	0.00%	0.00	0.00	0
TOTAL INVESTMENTS		9 372 009 521	4 571 007 753	0	0	150 225 918	14 093 243 192	9 522 235 439	4 571 007 753	0	4 571 007 753	32.43%	0.00	0.00	14 093 243 192

Notes:

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

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	241 595 935.59
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	231 552 144.97
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	-282 514.55
Any positive net balance in a margin account with an exchange List issuers/entities which exceeds 5% of total assets	10 326 305.17
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>241 595 935.59</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	253835	94.57%	59 712 145.40
Other: New Platinum ETF	Local	163135	39.12%	27 840 619.10
Zambezi Platinum ETF	Local	0	0.00%	-
Total Commodities		416970	94.57%	87 552 764.50

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:				3410571566.78	2 888 201 698.16
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		3410571566.78	2 888 201 698.16
Debt instruments issued or guaranteed by the government of a foreign country: List issuers/entities which exceeds 5% of total assets	Foreign	Secured/ Unsecured		-	-
Bank debt : Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	Local	Secured/ Unsecured		226004446.11	241 394 538.46
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		-	-
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		149742898.11	158 860 832.54
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		76261548.00	82 533 705.92
Not listed on an exchange (provide details)					

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

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:-		Secured/ Unsecured		187029641.02	178 020 582.98
1.Airports Company of South Africa Limited	Local			16150000.00	17 420 946.32
2.Development Bank of South Africa	Local			37420000.00	38 768 701.16
3.ESKOM	Local			72025641.00	57 728 694.46
4.Industrial Development Corporation of South Africa	Local				-
5.Land and Agricultural Development Bank of South Africa	Local			880000.00	903 391.72
6.Trans – Caledon Tunnel Authority	Local			0.02	0.02
7.Transnet Limited	Local			32160000.00	33 707 266.45
8.The South African National Roads Agency Limited	Local			26794000.00	27 918 359.30
9.Rand Water	Local			1600000.00	1 573 223.55
10.Umgeni Water	Local				-
Corporate debt (excluding debentures):	Local	Secured/ Unsecured		66069728.00	94 041 277.73
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	Secured/ Unsecured		66069728.00	94 041 277.73
Not listed on an exchange					
Debentures:				-	-
Listed on an exchange List issuers/entities which exceeds 5% of total assets	Foreign			-	-
Not listed on an exchange (provide details)					-
Other	Local			5499176.70	35 828 923.43
Listed on an exchange: List issuers/entities which exceeds 5% of total assets	Local			-	-
Not listed on an exchange				5499176.70	35 828 923.43
LAL INTERNAL BOND	Local			5499176.70	35 828 923.43
TOTAL DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS					3 437 487 020.76

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

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	Local/ Foreign	-
TOTAL		

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	% Holding	Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, <u>listed</u> on an exchange:						132 674 339.79
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	10139794920	3988332		0.04%	78 671 701.98
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	3082404907	4645008		0.15%	50 178 285.00
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	3874543678	2683094		0.07%	3 824 352.81
Shares in property companies and linked units in property companies, <u>not listed</u> on an exchange: Provide details						
TOTAL						132 674 339.79

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity %	Fair value R
Listed equities						5 438 183 773.93
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	79912721676	Ordinary	44061373	0.06%	4 937 183 147.28
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	25574630201	Ordinary/ Preference	31110841	0.12%	444 947 930.66
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/ Foreign	4720899037	Ordinary	13868715	0.29%	56 052 695.99
Unlisted equities						3.10
AFBL RESID SUB STUB				7087140		3.10
TOTAL EQUITIES						<u>5 438 183 777.03</u>

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

F SECURITIES LENDING

Securities on lend	Maximum of Fair value of security	Transac- tion date	Collateral	Fair value R	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	385 393 384.05	10 251 715.00	Nedbank	Nedbank	8 129 661.01
Other listed equities (<i>provide details</i>)	50%							
Debt – Government bonds	75%		Various	1 032 080 915.85	1 231 617 963.00	Nedbank	Nedbank	
Other listed debt instruments (<i>provide details</i>)	50%							
Money Market Instruments issued by a South African bank, including an Islamic liquidity	75%							
TOTAL				1 417 474 299.90	1 241 869 678.00			8 129 661.01

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 SUPERANNUATION	PRUDENTIAL 8882034429	50%	440 230 018.72
NATAL JOINT MUNICIPAL PENSION FUND SUPERANNUATION	CORONATION 8882034399	50%	449 969 498.10
NATAL JOINT MUNICIPAL PENSION FUND SUPERANNUATION	FOORD 110135170167	50%	259 978 068.70
NATAL JOINT MUNICIPAL PENSION FUND SUPERANNUATION	KAGISO110135670036	50%	78 192 429.00
NATAL JOINT MUNICIPAL PENSION FUND SUPERANNUATION	INVESTEC 110137570358	50%	189 104 285.38
Total			1 417 474 299.90

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

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				101 136 084.55	101 136 084.55						SAFEX		1 088	
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 - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

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 - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

H Investments in participating employer/s

Instrument ^{Note 1}	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			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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

I OTHER ASSETS

Instrument	Local or Foreign	Holding number	% Holding	Fair value R
CCOREA COR STRATEGIC	Local	65 035.72		80 007.01
LAL INTERNAL MONEY U	Local	851.28		1 324.57
INV LAL SPECIAL FOCU	Local	3 582 100.38		34 434 354.83
Total other portfolio assets				34 515 686.41

J HEDGE FUNDS

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

The Hedge fund structure will be classified as:

Partnerships

Trusts

- Other - Section 5(2)(e)

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

K PRIVATE EQUITY FUNDS

Annexure D

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											

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

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

NOTES TO THE INVESTMENT SCHEDULE

For the period ended 31 March 2021

L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS

Instrument	Local or foreign	Fair value R
Collective Investment Schemes – regulation 28(8)(b)(i)	Local	150 225 917.97
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		150 225 917.97

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	12.01%	1 140 188 308.41
INVESTEC	F	12.31%	1 006 690 154.51
SEI	F	16.61%	1 392 395 184.20
WALTER SCOTT	F	13.60%	1 031 734 105.66
Total Non-compliant Collective investment schemes			4 571 007 752.78

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 - SUPERANNUATION (REF. NO. 12/8/553/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

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	692 428 496.16	120 991 083.72	0.00	0.00	0.00	422 675 152.16	1 236 094 732.04	8.81%
ABSA BANK	92 417 917.68	0.00	0.00	0.00	0.00	13 108 235.88	105 526 153.56	0.75%
AFRICAN BANK LIMITED	3.07	0.00	0.00	0.00	0.00	30 948 343.92	30 948 346.99	0.22%
LAND and AGRICULTURAL BANK OF SA	0.00	0.00	0.00	0.00	0.00	903 391.72	903 391.72	0.01%
BARCLAYS AFRICA GROUP LTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
CAPITEC BANK LIMITED	23 836 273.92	0.00	0.00	0.00	0.00	0.00	23 836 273.92	0.17%
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	38 768 701.16	38 768 701.16	0.28%
FIRST RAND LIMITED	278 181 005.92	0.00	0.00	0.00	0.00	97 396 540.88	375 577 546.80	2.68%
INVESTEC BANK LTD	44 997 769.10	0.00	0.00	0.00	0.00	141 891 035.37	186 888 804.47	1.33%
NEDBANK GROUP LTD	44 110 640.00	60 231 494.11	0.00	0.00	0.00	57 075 562.67	161 417 696.78	1.15%
RMB HOLDINGS LTD	21 237 341.85	9 347 469.37	0.00	0.00	0.00	0.00	30 584 811.22	0.22%
STANDARD BANK OF SA	187 647 544.62	41 085 815.07	0.00	0.00	0.00	42 583 340.56	271 316 700.25	1.93%
SAFEXX	0.00	10 326 305.17	0.00	0.00	0.00	0.00	10 326 305.17	0.07%
ASSET MANAGERS LOCAL	18 160 774.80	54 792 473.76	0.00	0.00	0.00	42 849 244.44	115 802 493.00	0.83%
CORONATION FUND MANAGERS	18 160 774.80	54 792 473.76	0.00	0.00	0.00	80 007.01	73 033 255.57	0.52%
PRUDENTIAL PORT MGR	0.00	0.00	0.00	0.00	0.00	42 769 237.43	42 769 237.43	0.30%
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	4 571 007 752.78	4 571 007 752.78	32.60%
CONTRARIUS	0.00	0.00	0.00	0.00	0.00	1 006 690 154.51	1 006 690 154.51	7.18%
INVESTEC	0.00	0.00	0.00	0.00	0.00	1 031 734 105.66	1 031 734 105.66	7.36%
SEI INVESTMENTS	0.00	0.00	0.00	0.00	0.00	1 392 395 184.20	1 392 395 184.20	9.93%
WALTER SCOTT & PARTNERS	0.00	0.00	0.00	0.00	0.00	1 140 188 308.41	1 140 188 308.41	8.13%
INSURANCE COMPANIES	117 420 051.04	0.00	0.00	0.00	0.00	25 136 405.55	142 556 456.59	1.02%
ALEXANDER FORBES	5 380 212.70	0.00	0.00	0.00	0.00	0.00	5 380 212.70	0.04%
LIBERTY GROUP LTD	0.00	0.00	0.00	0.00	0.00	2 276 854.52	2 276 854.52	0.02%
DISCOVERY HLD	4 648 387.38	0.00	0.00	0.00	0.00	7 785 124.21	12 433 511.59	0.09%
OLD MUTUAL	0.00	0.00	0.00	0.00	0.00	6 467 885.96	6 467 885.96	0.05%
MMI HOLDINGS	0.00	0.00	0.00	0.00	0.00	7 363 612.81	7 363 612.81	0.05%
PSG KONSULT LIMITED	36 226 581.04	0.00	0.00	0.00	0.00	0.00	36 226 581.04	0.26%
SANLAM	50 524 301.60	0.00	0.00	0.00	0.00	0.00	50 524 301.60	0.36%
SANTAM LIMITED	20 640 568.32	0.00	0.00	0.00	0.00	1 242 928.05	21 883 496.37	0.16%
TOTAL	828 009 322.00	175 783 557.48	0.00	0.00	0.00	5 061 668 554.93	6 065 461 434.41	43.25%
PARTICIPATING EMPLOYERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL	828 009 322.00	175 783 557.48	0.00	0.00	0.00	5 061 668 554.93	6 065 461 434.41	43.25%

FAIR ASSET VALUE OF THE FUND

14 023 507 348.30

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND - SUPERANNUATION (REF. NO. 12/8/553/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2021

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE IA

	Fair value current period (as per Schedule H2.1)	Amortised cost current period	Cash at bank	Property split (Schedule IAD)	Non-compliant CIS	Non-compliant Insurance Policies	Compliant investments	Derivatives with residual risk	Investments no information (Schedule IAN)	Other ^{Note 1}	Total
Cash	171 860 092.16		69 735 843.43		170 246 063.38						411 841 998.97
Commodities	87 552 764.50										87 552 764.50
Housing Loans											-
Debt instruments including Islamic debt instruments	3 437 487 020.76										3 437 487 020.76
Investment properties and owner occupied properties	132 674 339.79				16 574 128.27						149 248 468.06
Equities	5 438 183 773.93				4 378 764 012.37						9 816 947 786.30
Investments in participating employers											-
Hedge Funds											-
Private Equity Funds											-
Derivative market instruments											-
Collective Investment Schemes	4 721 233 670.75				-4 571 007 752.78						150 225 917.97
Insurance Policies											-
Entities regulated ito Reg 28(8)(b)(iv)											-
Investments not disclosed /data not available for disclosure by entities											-
Other assets	34 515 686.41				5 423 548.76						39 939 235.17
TOTAL INVESTMENTS	14 023 507 348.30		69 735 843.43		0.00						14 093 243 191.73

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 (SUPERANNUATION)

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28
As at 31 March 2021

		Fair value R
A	Total assets (Schedule IA -Total investments)	14 093 243 192
B1	Less: Reg 28 compliant investments (certificate received from issuing entity):-	150 225 918
	B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i))	150 225 918
	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	13 943 017 274

			R
1	CASH	100%	411 841 999
1.1	Notes, deposits, money market instruments issued by a South	100%	241 595 936
(a)	Notes and coins, any balance or deposit in an account held with a		231 552 146
	-per issuer/entity	25%	
	FIRSTRAND BANK LTD		9 347 470
	Nedbank LTD		115 023 969
	Standard Bank of SA - held by the Fund		37 444 864
	Cash at Bank - held by Fund		69 735 843
(b)	A money market instrument issued by a South African bank		-
	-per issuer/entity	25%	-282 515
	NEDBANK LTD		-282 515
			-
(c)	Any positive net balance in a margin account with an exchange		10 326 305
	-per issuer/entity	25%	
	SAFEX - margin		5 514 631
	SAFEX - Derivatives		4 811 674
(d)	Any positive net balance in a settlement account with an exchange,		-
	-per issuer/entity	25%	-
	State Street Corp		-
1.2	Balances or deposits, money market instruments issued by a	SARB maximum limits	170 246 063
(a)	Any balance or deposit held with a foreign bank		170 246 063
	-per issuer/entity	5%	
	BNP PARIBAS RETAIL BANKING		12 180 076
	BANK OF NEW YORK		112 448 761
	AUSTRALIAN DOLLAR		8 218 970
	CANADIAN DOLLAR		13 878 336
	SWISS FRANC		-4 484 269
	DANISH KRONE		9 712
	EURO CURRENCY		2 098 922
	HONG KONG DOLLAR		1 636 796
	ISRAELI SHEKEL		130 483
	JAPANESE YEN		-32 663 580
	NORWEGIAN KRONE		38
	NEW ZEALAND DOLLAR		15
	SWEDISH KRONA		-1 224 277
	SINGAPORE DOLLAR		198 537
	US DOLLAR		32 573 137
	STATE STREET CORP		25 244 406
			-
(b)	Any balance or deposit held with an African		-
	-per issuer/entity	5%	-
(c)	A money market instrument issued by a foreign bank including an		-
	-per issuer/entity	5%	-
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS	100% issued/ guarantee by Republic otherwise 75%	3 437 487 021
2.1	Inside the Republic	75/100%	3 437 487 021
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	2 964 493 729
	Development bank of SA		38 768 701
	Eskom Holdings LTD		57 728 694

	Landbank of SA Republic of SA			903 392 2 867 092 942	
(b)	Debt instruments issued or guaranteed by the government of a foreign country -per issuer	75% 10%		-	
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	75%		241 394 538	
(c)(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed -per issuer	75% 25%		210 446 195	
	Absa Bank Limited			13 108 236	
	Capitec Bank Limited			97 396 541	
	Firststrand Bank Ltd			57 358 077	
	Nedbank Limited			42 583 341	
	Standard Bank Of Sa			-	
(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 -per issuer	75% 15%		-	
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed -per issuer	75% 10%		30 948 344	
	African Bank Limited	10%		30 948 344	
		10%		-	
(c)(iv)	Not listed on an exchange by South African Bank - per issuer	25% 5%		-	
	African Bank Limited			-	
(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%		148 354 253	
(d)(i)	Listed on an exchange -per issuer	50% 10%		148 354 253	
	Airports Company Sa Ltd			17 420 946	
	Barloworld Limited			1 858 514	
	Bidvest Group Ltd			7 785 124	
	Discovery holdings			7 363 613	
	Eskom Holdings Ltd			6 467 886	
	Mmi Holdings Limited			1 573 224	
	NetCare			24 514 909	
	Old Mutual Plc			27 918 359	
	Rand Water Board			1 242 928	
	Royal bafokeng			18 501 484	
	Sa National Roads Agency Ltd			33 707 266	
(d)(ii)	Not listed on an exchange Old Mutual plc	25%		-	
(e)	Other debt instruments:-	25%		83 244 501	
(e)(i)	Listed on an exchange - per instrument	25% 5%		47 415 577	
	CITY OF CAPE TOWN MUNICIPALITY			8 826 472	
	EKURHULENI METRO MUNICIPALITY			11 921 290	
	KAP INTERNATIONAL HOLDINGS			6 867 382	
	LIBERTY GROUP			2 276 855	
	MTN GROUP LTD			3 505 187	
	NORTHAM PLATINUM LTD			13 657 397	
				360 994	
				-	
(e)(ii)	Not listed on an exchange Lal International	15%		35 828 924	
				35 828 924	
2.2 Foreign		SARB maximum limits		-	
(a)	Debt instruments issued or guaranteed by a Foreign Bank against its balance sheet	SARB maximum limits		-	
(i)	Listed debt by a Foreign Bank with a market cap larger than R20 billion -per issuer	SARB maximum limits 25%		-	
(ii)	Listed debt by a Foreign Bank with a market cap between R2 and R20 billion -per issuer	SARB maximum limits 15%		-	
(iii)	Listed debt by a Foreign Bank with a market cap less than R2 billion -per issuer	SARB maximum limits		-	
(iv)	Total Unlisted debt by a Foreign Bank	SARB maximum limits		-	
(iv)	Unlisted debt by a Foreign Bank -per issuer	SARB maximum limits		-	
(b)	Debt instruments issued or guaranteed by the government of a foreign country	SARB maximum limits		-	
(c)	Debt instruments issued or guaranteed by a foreign country against its balance sheet:-	SARB maximum limits		-	
(c)(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed -per issuer	SARB maximum limits 25%		-	

(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits	-
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits	-
	-per issuer	10%	-
(c)(iv)	Not listed on an exchange	25%	-
	- per issuer	5%	-
(d)	Debt instruments issued or guaranteed by an entity that has equity	SARB maximum limits	-
(d)(i)	Listed on an exchange	SARB maximum limits	-
	-per issuer	10%	-
(d)(ii)	Not listed on an exchange	25%	-
	-per issuer	5%	-
(e)	Other debt instruments:-	25%	-
(e)(i)	Listed on an exchange	25%	-
	- per instrument	5%	-
(e)(ii)	Not listed on an exchange	15%	-
	-per instrument	5%	-

3 EQUITIES		75%	9 816 947 786
3.1 Inside the Republic		75%	5 438 183 774
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	5 296 211 404
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or -per issuer	75%	4 533 883 087
	ABSA BANK LTD		92 417 918
	ANGLO AMERICAN PLC		246 255 815
	ANGLO AMERICAN PLATINUM LIMITED		134 619 135
	ANGLOGOLD LTD		49 221 566
	ANHEUSER-BUSCH INBEV SA		117 829 480
	ASPEN PHARMACARE HOLDINGS LTD		115 396 476
	AVI LIMITED		39 615 509
	BRAIT SA		6 624 895
	BHP GROUP PLC		142 264 028
	BID CORPORATION LTD		135 046 200
	BRITISH AMERICAN TOBACCO PLC SHARES		265 903 384
	BIDVEST GROUP LTD		52 911 036
	CFR RICHMONT		111 749 581
	CIE FINANCIERE RICHEMONT		2 618 803
	CORONATION FUND MANAGERS LTD		18 160 775
	CAPITEC BANK LIMITED		23 836 274
	DISTELL GROUP LTD		7 280 680
	DISCOVERY HOLDINGS LTD		4 648 387
	EXXARO RESOURCES LTD		100 830 281
	FIRSTRAND BANK LTD		298 632 871
	FOSCHINI GROUP LTD		89 163 590
	GOLD FIELDS LTD		19 044 585
	GLENCORE XSTRATA PLC		131 397 222
	IMPALA PLATINUM HOLDINGS LTD		156 351 018
	INVESTEC BANK LTD		42 995 136
	LIFE HEALTHCARE GROUP HOLDINGS LTD		12 156 850
	MULTICHOICE GROUP		60 877 682
	MEDICLINIC INTERNATIONAL PLC		15 174 301
	MONDI PLC		10 116 198
	MR PRICE GROUP LTD		26 356 517
	MASSMART HLD		9 109 210
	MTN GROUP LTD		150 559 078
	NEDBANK LTD		44 110 640
	NORTHAM PLATINUM LTD		114 712 207
	NASPERS LTD		719 894 130
	NETCARE LTD		16 774 958
	OCEANA GROUP LTD		32 718 312
	OLD MUTUAL LTD		45 064 535
	PICK 'N PAY STORES LIMITED		32 946 546
	PEPKOR HOLDINGS LTD		50 205 569
	PSG GROUP LTD		22 676 490
	RAINBOW CHICKEN LIMITED		3 049 617
	REMGRO LTD		48 823 112
	REINET INVESTMENT SCA		20 522 997
	SOUTH32 LIMITED		2 715 969
	SAPPI LTD		32 399 794
	SIBANYE GOLD LTD		68 105 375
	SHOPRITE HOLDINGS LTD		50 899 652
	SANLAM LTD		50 524 302
	SANTAM LTD		20 640 568
	SASOL LTD		123 467 674
	SPAR GROUP LIMITED		76 048 666
	STANDARD BANK OF SA		187 647 545
	TIGER BRANDS LTD		7 368 663
	TELKOM SA LIMITED		8 554 983
	TRUWORTHS INTERNATIONAL LIMITED		39 058 394
	VODACOM GROUP LTD		19 273 715
	WOOLWORTHS HOLDINGS LTD		6 514 197
			-
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or -per issuer	75%	330 426 722
	ADCTECH LTD	10%	11 156 297
	ALEXANDER FORBES		5 380 213

	AECI LTD		10 703 971	
	ASTRAL FOODS LTD		2 493 117	
	ALLIED ELECTRONICS CORPORATION LIMITED		12 233 180	
	BRIMSTONE INVESTMENT CORPORATION LIMITED CLASS N		399 069	
	CITY LODGE HOTELS LTD		1 402 623	
	CURRO HOLDINGS LTD		17 718 259	
	CASHBUILD LIMITED		2 413 610	
	DATATEC LTD		23 977 486	
	EOH HOLDINGS LTD		2 330 904	
	FAMOUS BRANDS LTD		17 992 546	
	HOSKEN CONSOLIDATED IINVESTMENTS		6 416 536	
	HUDACO INDUSTRIES		6 208 434	
	ITALTILE LTD		5 929 022	
	INVICTA HOLDINGS LTD		4 670 060	
	KAP INTERNATIONAL HOLDINGS		12 048 961	
	PSG KONSULT LIMITED		13 550 091	
	LEWIS GROUP LIMITED		7 256 312	
	MPACT LTD		3 834 560	
	METAIR INV		26 760 121	
	OMNIA HOLDINGS LIMITED		68 863 865	
	PAN AFRICAN RESOURCES PLC		1 600 241	
	PRETORIA PORTLAND CEMENT		9 277 337	
	ROYAL BAFOKENG PLATINUM LTD		21 029 360	
	RHODES FOOD GROUP		1 344 845	
	SUPER GROUP LTD		10 618 908	
	SUN INTERNATIONAL (SA)		4 988 431	
	SPUR CORPORATION LTD		10 616 474	
	TONGAAT HULETT LIMITED		1 160 305	
	TRENCOR LTD		3 170 219	
	ZEDER INVESTMENTS LTD		2 881 365	
(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or -per issuer	75% 5%	431 901 595	
	ADCORP HOLDINGS LTD		4 923 290	
	ARC INVESTMENTS LTD		134 329	
	BOWCALF		2 811 891	
	CARTRACK HOLDINGS LTD		2 174 698	
	CROOKES BROS / ORD		3 168 712	
	CAPITAL APPRECIATION		1 974 415	
	DANGOTE CEMENT PLC		6 333 447	
	EPE CAPITAL PARTNERS LTD		3 647 075	
	EPE CAPITAL PARTNERS LTD		4 663 689	
	GRAND PARADE INVESTMENTS LTD		11 075 313	
	LIBSTAR HOLDINGS		5 531 744	
	MASTER DRILLING GROUP LTD		14 851 520	
	MONTAUK ENERGY HOLDINGS LLC		2 627 037	
	MUSTEK LTD		3 975 120	
	MOTUS HOLDINGS LTD		46 795 190	
	MOMENTUM METROPOLITA		35 676 865	
	NINETY ONE PLC		109 543 643	
	PERESEC PRIME BROKERS		100 691 255	
	PROSUS		4 226 988	
	RECM AND CALIBRE LTD		6 883 695	
	SHG		422 068	
	STADIO HOLDINGS PTY LTD		42 883 079	
	TEXTAINER GROUP HOLDINGS LTD		2 151 416	
	TSOGO SUN HOTELS LTD		1 908 430	
	TRANSPACO LTD		273 651	
	TRELLIDOR HOLDINGS LTD		12 553 034	
	TSOGO SUN GAMING LTD			
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	141 972 370	
	-per issuer	2.50%		
	AFRICAN BANK LTD		3	
	ACTIVE QUANTS HF		-	
	CORONATION FUND MANAGERS LTD		80 007	
	GROUP FIVE CONSTRUCTION PTY LTD		-	
	INVESTEC BANK LTD		141 892 360	
	JCI GOLD LTD		-	
3.2 Foreign		SARB maximum limits	4 378 764 012	
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB maximum limits	4 350 720 219	
(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or -per issuer	SARB maximum limits 15%	2 260 499 375	
	CK INFRASTRUCTURE HOLDINGS LTD		93 456	
	BERKSHIRE HATHAWAY INC		2 231 220	
	CANADIAN NATIONAL RAILWAY COMPANY		11 883 771	
	F5 NETWORKS INC		718 392	
	LENNAR A CORP		4 408 894	
	CVS HEALTH CORP		7 465 933	
	TEXAS INSTRUMENTS INCORPORATED		48 771 889	
	TRACTOR SUPPLY		4 816 893	
	TORAY INDUSTRIES INC		760 184	
	HUNTSMAN CORP		2 911 057	
	SBERBANK OF RUSSIA OJSC		1 417 352	
	KOSE CORP		215 191	
	KUBOTA CORP		140 959	

NOVATEK MICROELECTRONICS CORP.			10 803 855		
MEDIATEK INC.			23 502 300		
PERSIMMON ORD GBP0 10			147 558		
TAIWAN SEMICONDUCTOR MANUFACTURING			43 343 338		
ING GROEP NV			2 760 812		
APPLE INC			21 195 615		
ABBVIE INC			1 154 379		
BARRICK GOLD CORP			3 315 388		
KONINKLIJKE AHOLD DELHAIZE NV			6 956 585		
AUTOMATIC DATA PROCESSING INC			23 510 745		
AFLAC INC			6 089 237		
AIA GROUP LTD			35 789 927		
AMERICAN INT GROUP			7 276 110		
AIR PRODUCTS & CHEMICALS			114 732		
ALLSTATE CORPORATION			2 231 690		
ALSTOM SA			2 017 779		
ALTRIA GROUP INC			1 488 290		
ALLIANZ SE			10 228 861		
AMGEN INC			1 846 014		
AMPHENOL CORP-A			27 446 963		
AOZORA BANK LTD			288 220		
APPLIED MATERIALS INC			371 093		
ARCELORMITTAL			4 414 020		
ARCHER DANIELS MIDLAND CO			608 388		
ASSICURAZIONI GENERALI SPA			495 282		
ALIMENTATION COUCHE-TARD -B			19 964 076		
BROADCOM CRP / CAYMN FI			13 347 798		
AXA SA			4 357 256		
AMERICAN EXPRESS CO			5 584 224		
ASTRAZENECA PLC			2 638 141		
ANADOLU EFES BIRACILIK VE MALT SAN			895 053		
SEEK LTD			955 344		
KONE			17 394 465		
TURK TELEKOMUNIKASYON			675 268		
INTL CONSOLIDATED EUR0 5			1 754 542		
GAZPROM OAO			1 376 803		
NORILSK NICKEL MINING & METALLURGI			854 174		
SURGUTNEFTEGAS OJSC PREF			1 146 079		
ALIBABA GROUP HOLDING-SP ADR			1 117 769		
BARCLAYS PLC			2 785 851		
BALOISE HOLDING AG			197 723		
BROOKFIELD ASSET MANAGEMENT INC			317 362		
BASF SE			5 540 747		
FOSSIL GROUP INC			23 479 351		
GEDEON RICHTER			1 562 848		
BCE INC			507 477		
BANCO SANTANDER SA			3 953 900		
BECTON DICKINSON AND CO			3 024 589		
BEST BUY CO INC			550 886		
AMBEV SA			131 003		
BIOGEN INC			2 310 736		
BANK OF NEW YORK MELLON CORP			1 267 829		
BANK OF MONTREAL			988 517		
BAYERISCHE MOTOREN			4 781 504		
BRISTOL-MYERS SQUIBB CO			2 136 192		
BNP PARIBAS			6 564 070		
BP CAPITAL MARKETS PLC			4 079 012		
CAN IMPERIAL BK OF COMMER			889 100		
CANADIAN NATL RAILWAY CO			3 818 276		
CITIGROUP INC			33 623 836		
TORONTO DOMINION BANK			619 472		
CARDINAL HEALTH INC			366 738		
COMPASS GROUP PLC			21 849 500		
CANON INC			1 403 803		
CARNIVAL CORP			2 296 093		
CENTRAL JAPAN RAILWAY CO			3 797 985		
ABB LTD REG			51 838		
CIE FINANCIERE RICHEMONT			600 440		
UBS GROUP AG REG			12 632 440		
SWISS FRANC			119 138		
COLGATE-PALMOLIVE CO			20 803 894		
CME GROUP INC			2 490 174		
CANADIAN NATURAL RESOURCES LTD			346 854		
COMCAST CORP			2 688 562		
CONTINENTAL AG			3 480 678		
CISCO SYSTEMS INC			23 376 392		
CSL LTD			18 458 357		
COGNIZANT TECHNICAL SOLUTIONS			24 624 355		
CHEVRON CORP			6 331 187		
CEMENTOS ARGOS SA			1 504 591		
KOMERCNI BANKA AS			1 503 128		
DAIMLER FINANCE NORTH AMERICA LLC			491 628		
DAITO TRUST CONSTRUCTION			3 906 920		
DBS GROUP HOLDINGS LTD			899 172		
JOHN DEERE CAPITAL CORP MTN			1 861 762		
DH SWITZERLAND FINANCE SA			1 846 036		
WALT DISNEY COMPANY			24 168 100		
DXC TECHNOLOGY CO			10 514 160		
EBAY INC			11 914 799		
ECOLAB INC			1 548 864		
ESTEE LAUDER CO INC			1 283 897		
ELISA OYJ			153 455		
ENBRIDGE INC			323 354		

ENEL SPA			5 826 951		
EOG RESOURCES INC			780 598		
ENDESA SA			851 698		
IBERDROLA SA			600 961		
EATON CORPORATION			104 534		
EVEREST RE GROUP LTD			667 601		
FEDEX CORP			440 845		
NOKIA OYJ			4 268 341		
FORTESCUE METALS GROUP			1 441 597		
SAFRAN SA			2 822 364		
L'OREAL			23 149 058		
FRANCE TELECOM SA			644 041		
BT GROUP PLC			4 081 880		
ROYAL DUTCH SHELL PLC			3 879 998		
RECKITT BENCKISER GROUP PLC			23 639 796		
GENERAL MOTORS CO			13 689 231		
GILEAD SCIENCES INC			760 342		
GENERAL MILLS INC			1 900 151		
CORNING INC			418 581		
ALPHABET INC-CL C			74 148 954		
GLAXOSMITHKLINE PLC			5 826 736		
GREAT-WEST LIFECO INC			520 816		
H&R BLOCK INC			1 833 217		
HITACHI LTD			127 701		
CLP HOLDINGS LTD			12 261 907		
HONG KONG EXCHANGES & CLE			11 836 720		
HEWLETT-PACKARD			808 759		
MOL HUNGARIAN OIL & GAS PLC			2 015 388		
HUGO BOSS PFD			12 650 809		
INTL BUS MACHINE COR			8 819 591		
BANK LEUMI LE ISRAEL			529 324		
ILLUMINA INC			13 513 406		
IMPERIAL TOBACCO GROUP			9 834 549		
INTEL CORP			10 672 413		
INTUITIVE SURGIC			23 155 427		
IQVIA HOLDINGS INC			10 297 686		
INTESA SANPAOLO SPA			5 044 381		
J FRONT RETAILING CO LTD			3 801 335		
JAPAN TOBACCO INC			744 527		
JOHNSON CONTROLS INC			154 610		
JD.COM INC ADR			705 384		
JOHNSON & JOHNSON			28 488 155		
ASAHI KASEI CORP			128 849		
ASAHI GROUP HOLDINGS LTD			14 573 572		
ITOCHU CORP			1 203 675		
EISAI CO LTD			152 922		
OMRON CORP			178 089		
KEYENCE CORP			40 752 583		
SUNTORY BEVERAGE & FOOD LTD			1 357 105		
SHIN ETSU CHEMICAL CO LTD			30 992 847		
START TODAY CO LTD			173 319		
SONY CORP			17 260 725		
KDDI CORP			1 753 287		
DAIWA HOUSE INDUSTRY CO			82 710		
TEIJIN LTD			1 575 871		
TOKYO ELECTRON LTD			459 259		
LIXIL GROUP CORP			159 965		
NISSIN FOODS HOLDINGS CO			104 759		
NITTO DENKO CORP			139 279		
NIPPON TELEGRAPH & TELEPH			4 648 801		
FANUC CORP			26 418 611		
FUJIFILM HOLDINGS CORP			638 869		
BRIDGESTONE CORP			539 346		
ASTELLAS PHARMA INC			370 108		
YAMAHA CORP			53 219		
JSR CORP			121 298		
JX HOLDINGS INC			398 776		
KRAFT FOODS GROUP INC			2 218 979		
KONE OYJ			84 712		
SAMSUNG ELECTRO-MECHANICS CO LTD			32 826 662		
LG CHEM LTD			8 472 804		
HANA FINANCIAL GROUP INC			11 051 954		
KROGER CO			1 897 218		
LOBLAW COMPANIES LIMITED			1 826 883		
LINDE AG			32 162 124		
ELI LILLY AND COMPANY			2 787 909		
LOCKHEED MARTIN			943 529		
LOWE'S COS INC			11 255 300		
LULULEMON ATHLETICA INC			362 927		
LVMH MOET HENNESSY LOUIS VUI			28 364 012		
MACYS INC			42 668 488		
MASTERCARD INC			42 429 388		
MANULIFE FINANCIAL CORP			699 832		
MAGNA INTERNATIONAL INC			278 372		
MITSUBISHI CORP			422 369		
ITSUMI + CO LTD			214 838		
MIZUHO FINANCIAL GROUP			838 323		
3M COMPANY			306 990		
MOLSON COORS-B			9 166 120		
MOODYS CORP			5 816 707		
MORGAN STANLEY			25 547 500		
MARATHON PETROLEUM CORP			90 793		
MERCK & CO INC			21 604 201		

MICROSOFT CORPORATION			101 490 979		
BK TOKYO-MITSUBISHI UFJ			2 164 200		
NESTLE SA			20 193 596		
NETAPP INC			10 953 098		
NIPPON YUSEN			83 833		
NIKE INC			42 806 474		
AIRBUS GROUP SE			2 276 931		
NORTHROP GRUMMAN CORP			1 525 802		
NOMURA REAL ESTATE HOLDINGS INC			1 843 318		
NOVO NORDISK B			37 308 741		
NOVARTIS CAPITAL CORP			17 686 182		
NVIDIA CORPORATION			1 145 453		
NEWELL RUBBERMAID INC			5 493 788		
OMV AG			448 269		
ONO PHARMACEUTICAL CO			156 014		
ORACLE CORP			33 432 124		
OREILLY AUTOMOTIVE INC			2 015 807		
OTSUKA HOLDINGS CO LTD			71 181		
OVERSEA-CHINESE BANKING			524 389		
OCCIDENTAL PETROLEUM COR			58 437		
PANASONIC CORP			458 285		
PEPSICO INC			3 397 848		
PFIZER INC			2 040 233		
PROCTER & GAMBLE COMPANY			2 080 792		
KONINKLIJKE PHILIPS ELECTRONICS NV			16 777 832		
PHILIP MORRIS INTERNATNL			7 507 270		
BANK HANDLOWY W WARSZAWIE SA			1 346 204		
ABOITIZ EQUITY VENTURES INC			520 033		
GRUPA LOTOS SA			767 833		
BANK PEKAO SA			5 302 818		
POWSZECHNY ZAKLAD UBEZPI			5 969 798		
PINNACLE HLDG			487 799		
PHILLIPS 66			505 770		
PUBLIC STORAGE			1 214 523		
QUALCOMM INCORPORATED			2 513 155		
RAKUTEN INC			4 720 476		
RALPH LAUREN CORP			2 118 443		
ROYAL BANK OF SCOTLAND GROUP PLC			3 622 405		
REPSOL INTERNATIONAL FINANCE BV			16 015 848		
REXEL SA			2 351 154		
ROCHE FINANCE EUROPE BV			24 621 909		
ROYAL BANK OF CANADA			96 590		
INTER RAO UES PJSC			651 299		
RWE AG			524 932		
SAMSUNG ELECTRONICS CO LTD			8 378 760		
SBI HOLDINGS INC			150 174		
STARBUCKS CORP			523 355		
SKANDINAVISKA ENSKILDA BA			140 891		
ICA GRUPPEN AB			75 448		
SANDVIK AB			3 569 063		
SEAGATE TECHNOLOGY			344 124		
SES S.A			80 167		
SINGAPORE TELECOMMUNICATI			131 966		
CIE DE SAINT-GOBAIN			5 618 182		
SGS SA			11 110 177		
SHARP CORPATION			9 165 245		
SHERWIN-WILLIAMS COMPANY			4 359 997		
SIEMENS AG			274 202		
SOCIETE GENERALE			3 241 196		
SOFTBANK CORP			593 092		
STANDARD CHARTERED PLC			3 161 084		
STORA ENSO OYJ			3 549 777		
STRYKER CORP			21 156 991		
SCHNEIDER ELECTRIC SA			1 936 301		
SUMITOMO MITSUI FINL GRP			2 121 503		
SUNCOR ENERGY			397 511		
STANLEY BLACK & DECKER INC			1 634 791		
SYNCHRONY FINANCIAL			283 163		
SYSCO CORP			5 209 929		
TAKEDA PHARMACEUTICAL CO LTD			183 836		
TELECOM ITALIA SPA			121 379		
GRUPO TELEVISA SAB			15 451 656		
TESCO PLC			2 127 616		
TARGET CORP			4 099 894		
AT&T INC			10 362 811		
TJX COS INC			23 713 385		
TELSTRA CORPORATION LIMITED			222 888		
THERMO FISHER SCIENTIFIC INC			14 312 132		
TOTAL CAPITAL INTL SA			6 199 723		
TOYOTA MOTOR CREDIT CORP			3 330 449		
TURKIYE GARANTI BANKASI			561 098		
TRAVELERS CO INC			715 597		
TULLOW OIL PLC			11 458 145		
DELTA ELECTRONICS INC			12 355 263		
TEXAS INSTRUMENTS INC			2 649 329		
TYSON FOODS INC-CL A			1 200 986		
UNITEDHEALTH GROUP INC			34 229 521		
UNION PAC CORP			6 483 444		
UNITED OVERSEAS BANK LIMITED			1 164 248		
UNITED PARCEL SERVICE INC			1 121 706		
ADOBE SYSTEMS INC			24 603 666		
PRESIDENT CHAIN STORE CORP			905 243		
EDISON INTERNATIONAL			455 387		

	EXELON CORP			2 109 639		
	FACEBOOK INC A			26 741 820		
	FRANKLIN RESOURCES INC			217 140		
	FREEPORT MCMORAN INC			1 943 754		
	HCA HOLDINGS INC			376 450		
	ADR INDUSTRIA DE DISENO TEXTIL INDITEX SA ADR ADR			21 269 319		
	INTUIT INC			1 657 701		
	MCDONALD'S CORP			1 263 393		
	TESLA MOTORS INC			212 259		
	US BANCORP			5 225 253		
	VF CORPORATION			191 131		
	VIVENDI SA			101 830		
	VOLVO TREASURY AB			9 774 003		
	VODAFONE GROUP PLC			3 384 374		
	VOLKSWAGEN AG			20 022 048		
	VERIZON COMMUNICATIONS INC			4 413 746		
	WALGREEN CO			7 939 879		
	WALMART INCORPORATED			513 477		
	WELLS FARGO & COMPANY			7 050 061		
	WOOLWORTHS HOLDINGS LTD			77 787		
	WASTE MANAGEMENT INC			713 380		
	WESTPAC BANKING CORP			410 350		
	YAHOO INC			18 169 026		
	YAMAGUCHI FINANCIAL GROUP			284 351		
	YANZHOU			10 725 279		
	ZOETIS INC			784 492		
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or -per issuer	SARB maximum limits 10%		968 861 901		
	AMERICAN FINANCIAL GROUP INC			459 839		
	AMAZON.COM INC			35 074 073		
	HOLLYFRONTIER CORP			3 115 012		
	AMERISOURCEBERGEN CORP			6 833 528		
	AGL ENERGY LTD			729 752		
	ALTAGAS LTD			121 792		
	ADVANCED MICRO DEVICES INC			986 949		
	AFFILIATED MANAGERS GROUP INC			11 461 036		
	TREASURY WINE ESTATES LTD			91 578		
	AUTOZONE INC			6 203 203		
	AVIVA PLC			4 090 213		
	AMERICAN WATER CAPITAL CORP			884 718		
	GAMESA CORP TECNOLOGICA SA			188 833		
	SWISS PRIME SITE AG			239 753		
	SPLUNK INC			220 852		
	LEAR CORP			10 820 163		
	PEYTO EXPLORATION & DEVELOPMENT CO			123 961		
	EASYJET PLC			1 535 716		
	BAE SYSTEMS HOLDINGS INC			3 680 757		
	BED BATH & BEYOND INC			34 570 135		
	ADIENT PLC			4 659 913		
	AGEAS SA			808 363		
	VEEVA SYSTEMS INC			297 223		
	AXIS CAPITAL HOLDINGS LTD			424 857		
	BUNGE LTD			188 459		
	SIGNET JEWELERS LTD			56 109 336		
	CDK GLOBAL INC			449 833		
	BRD-GROUPE SOCIETE GENERALE SA			1 732 321		
	BRAMBLES FINANCE LTD			307 112		
	ARC RESOURCES LTD			341 291		
	CONSTELLATION SOFTWARE IN			608 830		
	HYDRO ONE LTD			1 350 364		
	INTACT FINANCIAL CORP			322 665		
	KINROSS GOLD CORP			3 436 394		
	TECK RESOURCES LTD CLS B			72 681 543		
	CONAGRA FOODS INC			4 732 215		
	CAMPBELL SOUP CO			194 863		
	COCA-COLA EUROPEAN PARTNERS PLC			596 707		
	SWISS LIFE HOLDING AG			648 862		
	PARTNERS GROUP HOLDING AG			584 204		
	KUEHNE & NAGEL INTL AG			196 118		
	GEBERIT AG REG			586 524		
	GARMIN LTD			442 310		
	CHECK POINT SOFTWARE TECH			731 009		
	COVESTRO AG			3 716 565		
	CANADIAN TIRE CORP-CLASS A			1 165 223		
	GEA GROUP AG			68 387		
	HANNOVER RUECK SE			162 456		
	BRENNTAG AG			277 378		
	DOMINO'S PIZZA INC			67 981		
	DTE ENERGY CO			1 438 655		
	DUFREY AG			28 312 944		
	EDP - ENERGIAS DE PORTUGL			335 487		
	ENTERGY CORP			586 730		
	ERSTE GROUP BANK AG			5 524 620		
	EXPEDIA INC			1 056 776		
	FAST RETAILING CO			23 777 561		
	FLUOR CORP			4 766 840		
	ATOS			1 983 428		
	TELEPERFORMANCE SOCIETE EUROPEENNE			15 658 614		
	SOCIETE BIC SA			307 197		

VALEO SA			3 180 221		
FORTINET INC			13 039 975		
MEGGITT PLC			4 022 301		
TRAVIS PERKINS PLC			1 460 607		
TATE & LYLE PLC			836 053		
TAYLOR WIMPEY PLC			2 379 119		
KINGFISHER PLC			4 196 584		
FRESNILLO PLC			1 481 211		
CONVATEC GROUP PLC			2 611 309		
HASBRO INC			268 238		
HEIDELBERGCEMENT FIN LUX			5 893 573		
HUNTINGTON INGALLS INDUSTRIES			702 145		
ENDO INTERNATIONAL PLC			38 886 100		
INTERNATIONAL FLAVORS & FRAGRANCES			229 553		
INGREDION INC			501 095		
ITV PLC			7 933 942		
INVESCO LTD			1 457 279		
JACOBS ENGIN GRP			11 490 590		
JAMES HARDIE INDUSTRIES			357 776		
POLYMETAL INTERNATIONAL PLC COMMON STOCK			5 480 588		
JUNIPER NETWORKS			338 169		
KOC HOLDING AS			1 732 230		
KELLOGG COMPANY			1 449 455		
KEYSIGHT TECHNOLOGIES			24 023 503		
KLA-TENCOR CORP			1 888 501		
LINCOLN NATIONAL CORP			15 701 690		
LAM RESEARCH CORPORATION			26 787 784		
MAGYAR TELEKOM TELECOMMUNICATIONS PLC			3 013 686		
MARKS AND SPENCER PLC			5 602 477		
MARKEL CORPORATION			1 753 917		
MICHELIN LUXEMBOURG SCS			17 203 986		
WM MORRISON SUPERMARKETS PLC			486 847		
MTU AERO ENGINES AG			3 055 577		
MURPHY OIL CORP			5 139 957		
WENDEL SA			89 500		
NBC ASSET TRUST			156 622		
NEWMONT MINING CORP			1 257 694		
NESTE OYJ			132 638		
NATIONAL FUEL GAS CO			7 663 346		
CNH INDUSTRIAL NV			6 895 252		
NN GROUP NV			27 844 106		
NUCOR CORP			7 721 384		
NEXT PLC			3 442 810		
PARKER HANNIFIN CORP			5 880 126		
PACKAGING CORPORATION OF AMERICA			4 626 292		
CIECH SA			766 004		
PEARSON FUNDING FIVE PLC			7 753 787		
PUBLICIS GROUPE SA			5 062 420		
RAIFFEISEN BANK INTERNAT			525 357		
RELIANCE STEEL & ALUMINUM CO			11 967 602		
REGIONS FINANCIAL CORP			350 837		
RESMED INC			476 209		
REPUBLIC SERVICES INC			1 514 055		
SUEZ ENVIRONNEMENT SA			147 844		
SHAW COMMUNICATIONS INC			161 507		
SMITHS GROUP PLC			3 935 262		
SANTOS LTD			12 762 509		
TEGNA INC			1 579 832		
TELUS CORP			1 041 862		
THE JM SMUCKER CO			2 038 361		
THE PROGRESSIVE CORP			7 536 169		
UNICREDIT SPA			17 850 711		
UNIVERSAL HEALTH SERVICES			501 355		
ADVANCE AUTO PARTS INC			6 875 141		
ALLY FINANCIAL INC			30 307 702		
ANNALY CAPITAL MANAGEMENT			351 824		
AVERY DENNISON CORP			329 851		
CHEMED CORP COMMON STOCK USD1.0			10 581 149		
CHIPOTLE MEXICAN GRILL IN			850 638		
COGNEX CORP			17 143 117		
COTY INC			30 901 166		
DR HORTON INC			1 293 973		
DEXCOM INC			510 627		
EDWARDS LIFESCIENCES CORP			22 196 349		
IHS INC			2 977 056		
HARTFORD FINANCIAL SVCS G			1 483 717		
IDEXX LABORATORIES INC			364 061		
MSCI INC			3 639 347		
MERCADOLIBRE INC			205 971		
METTLER-TOLEDO INTERNATIONAL INC			2 717 485		
PVH CORP			3 165 713		
PALO ALTO NETWORKS INC			317 866		
RANGE RESOURCES CORP			25 778 240		
SABRE CORP			47 413 278		
SEALED AIR CORP			596 291		
SKYWORKS SOLUTIONS INC			1 304 452		
TRANSDIGM GROUP INC			381 317		
TRIPADVISOR INC			1 742 921		
WATERS CORP			23 059 226		
WEIBO CORP ADR			1 214 420		
WHIRLPOOL CORPORATION			2 060 558		
WPP PLC			5 737 453		
WESTERN UNION CO			2 691 025		

(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed -per issuer	SARB maximum limits	5%
	VALIANT HOLDING AG		113 995
	PRADA S.P.A.		236 380
	AMDOCS LTD		2 490 325
	DCM HOLDINGS CO LTD		470 840
	DOUTOR NICHIRE HOLDINGS CO LT		219 645
	SANY HEAVY INDUSTRY CO LTD		14 877 970
	EVERG HEALTH		298 350
	SG HOLDINGS CO LTD		938 785
	A2A COMPANY		642 332
	ABERCROMBIE & FITCH		17 734 457
	ACCTON TECHNOLOGY CORP		9 603 427
	ADAPTIT HOLDINGS LTD		2 923 964
	ADVANSIX INC		2 021 180
	AEGEAN AIRLINES SA		530 705
	AIXTRON SE PERPETUAL		150 656
	ALASKA AIR GROUP INC		1 424 453
	ALIBABA GROUP HOLDING LTD		12 677 122
	A-LIVING SERVICES CO LTD		4 917 528
	ALLISON TRANSMISSION HOLDINGS		756 223
	AMBRA SA		666 358
	AMC Networks Inc		55 986 649
	APERAM SA		2 371 677
	APOLLO GLOBAL MANAGEMENT INC		117 677
	APPLIED INDUSTRIAL TECHNOLOGIE		560 761
	ARCUS JAPAN FD-ASSOCIATE		210 874 300
	ARCH RESOURCES INC		532 643
	OESTERREICHISCHE POST AG NPV		358 553
	ATLANTIC GRUPA		514 433
	ATKORE INC		114 088
	ATLAS AIR WORLDWIDE HOLDINGS		2 546 921
	WISETECH GLOBAL LTD		47 323
	AUDACY INC		21 691 503
	AUTOLIV INC		1 865 828
	EXPRESS INC		12 128 403
	BACHEM HOLDING AG		609 545
	BALLCORP		26 364 879
	BEAZER HOMES USA INC		3 018 207
	BEURT WORLD INTERNATIONAL		130 203
	BIOPHARMACEUTICAL COMPANY		318 988
	BLACKSTONE GROUP INC		661 066
	BOYD GAMING CORP		951 051
	BOOKING HOLDINGS INC		23 940 839
	DMC GLOBAL INC		292 484
	BRANDYWINE REALTY TRUST		526 742
	BIO-TECHNE CORP		589 875
	CACI INTERNATIONAL INC		795 796
	CANTEL MEDICAL CORP		260 647
	CARRIER GLOBAL CORP		2 786 778
	CARS.COM INC		10 588 478
	CATALENT INC		178 181
	CHICOS FAS INC		13 431 611
	COGECO CABLE INC		579 286
	COLRUYT		442 200
	COLUMBUS MCKINNON CORP		193 242
	COMARCH SA		459 287
	CONCENTRIX CORP		32 869 511
	CAPRI HOLDINGS LTD		5 317 638
	CREDITO VALTELLINESE SPA		136 314
	CURTISS-WRIGHT CORP		1 516 343
	CDW CORPORATION		919 530
	DANA INC		4 018 157
	DANEL ADIR YEOSHUA LTD		120 686
	DASSAULT SYSTEMES SA		12 619 650
	DECKERS OUTDOOR CORP		223 982
	DELL TECHNOLOGIES INC		2 447 717
	DESIGNER BRANDS INC		5 063 398
	DESPEGAR.COM CORP		1 733 463
	DIAMOND OFFSHORE		1 036 640
	DOCUSIGN INC		465 281
	DOHINGLTD		533 354
	EBARA CORP		549 520
	EBRO FOODS SA		194 596
	EIZO CORP		204 895
	EMCOR GROUP INC		502 649
	EMPIRE		127 092
	AXA EQUITABLE HOLDINGS I		21 161 971
	EUROCASH SA		631 076
	E.ON UTILITIES COMPANY		593 642
	EVOLUTION GAMING GROUP		998 047
	EVRAZ PLC		1 210 897
	EVERGY INC		948 017
	EW SCRIPPS COMPANY		3 402 309
	FACTSET RESH SYS INC		1 729 366
	FERGUSON FINANCE PLC		9 815 164
	X 5 RETAIL GROUP		1 083 985

1 121 358 943

FOX CORP				32 576 605		
FS KKR CAPITAL CORP				340 350		
FUSO CHEMICAL CO LTD				91 768		
GANNETT CO INC				5 766 415		
QINETIQ GROUP PLC				2 083 130		
STOCK SPIRITS GROUP PLC				744 165		
INFORMA PLC				1 768 145		
GENTEX CORP				4 085 460		
GRACO INC				4 995 504		
GMS INC				129 279		
GROUP 1 AUTOMOTIVE INC				3 271 003		
GRAY TELEVISION INC				1 124 551		
GREENBRIECOSTHE				2 776 420		
FOURLIS HOLDINGS SA				337 460		
HALYK SAVINGS BANK OF KAZAKHST				1 279 990		
HARBOUR ENERGY PLC				1 955 488		
HEALIULTD				314 550		
HRVATSKE TELEKOMUNIKACJE				723 858		
IA FINANCIAL CORP INC				47 349		
IAMGOLD CORP				595 758		
IDEDUCATIONLTD				70 070		
INTER GAME TECHNOLOG				2 630 063		
IHEARTMEDIA INC				12 694 111		
GVC HLDGS PLC				13 887 805		
IMMOFINANZ AG				2 065 737		
INVESTORS BANCORP INC				510 325		
IR JAPAN HOLDINGS LTD				301 831		
TECHNOGYM S P A TECHNOGYM S P A				441 177		
JABIL INC				129 777		
JCR PHARMACEUTICALS CO LTD				777 653		
JD.COM INC				520 286		
WIZZ AIR HOLDINGS PLC				10 742 734		
SAWAI PHARMACEUTICAL				215 914		
SCSK CORP				51 511		
SENKO CO				247 777		
NIPPON TELEVISION HOLDINGS INC NPV				4 163 442		
FUJI MEDIA HOLDINGS INC				1 938 131		
KAHOOT COMPANY				115 840		
KIMBERLY CLARK CORP				1 554 431		
KEYERA CORP				78 327		
KORN FERRY MANAGEMENT COMPANY				545 971		
KS HOLDINGS CORP				379 943		
LAURENTIAN BANK OF CANADA				609 178		
LIBERTY OILFIELD SERVICES INC				1 643 787		
SIGNIFY NV				2 858 662		
LIONS GATE ENTERTAINMENT CORP				22 216 493		
LUKA KOPER				1 453 810		
LUMEN TECHNOLOGIES INC				3 894 027		
MAERSK SHIPPING COMPANY				10 911 732		
MAGNOLIA OIL & GAS CORP				275 830		
MANITOWOC COMPANY				3 810 350		
MD MEDICAL GROUP INVESTMENTS PLC				1 379 586		
MDU RESOURCES GROUP INC				2 060 706		
MELEXIS NV				310 503		
M&G PLC				152 881		
MIGROS TICARET AS				981 555		
MIDDLEBY CORPARATION				2 722 095		
MIDEA GROUP CO LTD				7 921 348		
MI HOMES INC				2 388 453		
MOVADO GROUP INC				2 256 587		
MSG NETWORKS INC				23 368 316		
MERITOR INC				2 787 946		
NAC KAZATOMPROM JSC				1 200 644		
NEWMARKET CORP				821 799		
NEXGEN ENERGY LTD				97 146		
NEXSTAR MEDIA GROUP INC				5 204 634		
NICHIREI CORP				226 507		
NIPPON FLOUR MILLS CO LTD				206 550		
NISSHIN OILLIO GROUP LTD				161 577		
NOVA LJUBLJANSKA BANKA DD				728 777		
NEW MOUNTAIN FINANCE CORP				226 700		
NOMAD FOODS LTD COMMON STOCK				21 322 905		
NORDEA BANK ABP				5 579 135		
NORMA GROUP SE				283 015		
NORTH WEST CO INC/THE				252 427		
NORTONLIFELOCK INC				225 281		
NOV INC				17 794 501		
FISHER & PAYKEL HEALTHCARE COR				322 416		
O-I GLASS INC				4 752 048		
OLD NATIONAL BANCORP				332 680		
OTIS WORLDWIDE CORP				3 345 047		
OVERSTOCK.COM INC				3 229 353		
PACWEST BANCORP				229 974		
PACTIV EVERGREEN INC				2 142 327		
PALANTIR TECHNOLOGIES INC				83 687		
PANDORA				50 204		
PARKLAND CORP NPV				121 085		
PETROM SA COMPANY				1 967 188		
PINNACLE INVESTMENT MANAGEMENT				130 995		
PKO BANK POLSKI				5 265 639		
CHILDREN'S PLACE INC				124 507		
POSCO				1 060 606		
PRICESMART INC				295 810		

	PRIMORIS SERVICES CORP		464 967	
	PROSIEBENSAT MEDIA		36 102 371	
	QT GROUP OYJ		241 254	
	QURATE R		41 413 483	
	RAYTHEON TECHNOLOGIES CORP		10 059 211	
	RAZER INC		291 708	
	RENOVA INC		16 209 358	
	REPLIGEN CORP		1 539 246	
	UNITED COMPANY RUSAL		1 030 824	
	J SAINSBURY		5 270 735	
	SALLY BEAUTY HOLDINGS INC		2 753 017	
	SANYATI HOLDINGS LIMITED		1 423 065	
	SINCLAIR BROADCAST GROUP INC		51 570 511	
	SELECTIVE INSURANCE GROUP INC		692 666	
	ZAVAROVARNICA TRIGLAV DD		770 829	
	KRKA DD NOVO MESTO		3 135 908	
	TELEKOM SLOVENIJE DD		1 475 554	
	SIEGFRIED HOLDING AG		627 110	
	SIEMENS ENERGY AG		64 811	
	SILGAN HOLDINGS INC		841 912	
	SITC INTERNATIONAL HOLDINGS CO LTD		1 327 042	
	SMC CORPORATION		10 478 683	
	SNOWFLAKE INC		315 569	
	SONOCO PRODUCTS CO		393 320	
	SPIN MASTER CORP		184 379	
	STANDEX INTERNATIONAL CORP		248 563	
	STANDARD LIFE ABERDEEN PLC		1 834 631	
	SUNCOKE ENERGY INC		4 241 689	
	SYKES ENTERPRISES INC		261 924	
	TAIYO HOLDINGS CO LTD		343 281	
	TALLINNA KAUBAMAJA GRUPP AS		627 041	
	TAPESTRY INC		4 994 599	
	TAYLOR MORRISON HOME CORP		3 568 482	
	TELE2 TELECOM COMPANY		138 271	
	TEXAS ROADHOUSE INC		10 809 738	
	TP ICAP GROUP PLC		2 696 177	
	TMX GROUP LTD		87 900	
	TOYA SA		382 383	
	TOYOTIRECORP		805 250	
	TRADE DESK COMPANY		643 882	
	TRIMAS CORP		228 648	
	TWILIO INC		555 118	
	UFP INDUSTRIES INC		230 480	
	UMPQUA HOLDINGS CORP		36 375	
	GLOBALTRA-SPONS GDR REG S		940 450	
	OVERSTOCK COM INC		6 008 638	
	VENTURE CORP LTD		76 107	
	VIACOMCBS INC		3 684 102	
	VIATRIS INC		97 612	
	VITROLIFE AB		75 869	
	VALMONT INDUSTRIES INC		85 324	
	VRG SA		396 827	
	WABASH NATIONAL CORP		2 106 314	
	WARRIOR MET COAL LLC		6 290 676	
	WAYFAIR INC		97 975	
	WEST PHARMACEUTICAL SERVICES I		221 878	
	WESTERN ALLIANCE BANCORP		124 451	
	WW INTERNATIONAL INC		3 562 880	
	XINYI GLASS HOLDINGS LTD		614 693	
	XPO LOGISTICS INC		774 031	
	ZEBRA TECHNOLOGIES CORP		1 230 308	
			-	
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	28 043 793	
	GUESS INC		2 983 839	
	JARDINE MATHESON		13 431 457	
	MEDIASET SPA		132 168	
	PAYCHEX INC		11 496 329	
	4 IMMOVABLE PROPERTY	25%	149 248 468	
	4.1 Inside the Republic	25%	132 674 340	
(a)	Preference shares, ordinary shares and linked units comprising	25%	115 155 673	
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or -per issuer	25%	64 507 242	
		15%		
	ATTACQ LIMITED		566 097	
	CAPITAL & COUNTIES PROPERTY PLC		33 755 620	
	FORTRESS INCOME FUND LTD A		18 130 548	
	FIRSTRAND BANK LTD		785 476	
	GROWTHPOINT PROPERTY LTD		7 197 670	
	HAMMERSON PLC		646	
	INVESTEC BANK LTD		2 002 633	
	NEPI ROCKCASTLE PLC		2 068 552	
(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or -per issuer	25%	854 395	
		10%		
	ACCELERATE PROP FUND		357 775	
	DELTA PROPERTY FUND LTD		475 653	

(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or -per issuer	25% 5%
	DIPULA INCOME FUND-A	
	FORTRESS INCOME FUND B	
	GEMGROW PROPERTIES LTD A SHARES	
	STOR-AGE PROP REIT LTD	

49 794 037

1 387 796

2 655 307

796 686

44 954 248

17 518 666

17 518 666

16 574 128

16 574 128

1 713 309	
891 199	
336 202	
354 707	
131 202	

5 107 557

3 099 693
1 964 657
43 207

9 753 262

-

865 855
734 494
995 784
228 413
103 462
412 322
276 052
426 853
649 896
3 752 296
892 331
415 504

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87 552 765

87 552 765

87 552 765

59 712 145

27 840 619

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(b)	To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act	10%	
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE		95%	-
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER		15%	39 939 235
8.1	Inside the Republic	15%	-
(a)	Hedge fund	10%	-
(a)(i)	Funds of hedge funds	10%	-
	- per issuer	5%	-
(a)(ii)	Hedge funds	10%	-
	- per issuer	2.50%	-
(b)	Private equity funds	10%	-
(b)(i)	Funds of private equity funds	10%	-
	- per issuer	5%	-
(b)(ii)	Private equity funds	10%	-
	- per issuer	2.50%	-
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	34 515 686
	Coronation Fund Managers Ltd	2.50%	-
8.2	Foreign	15%	5 423 549
(a)	Hedge fund	10%	-
(a)(i)	Funds of hedge funds	10%	-
	- per issuer	5%	-
(a)(ii)	Hedge funds	10%	-
	- per issuer	2.50%	-
(b)	Private equity funds	10%	-
(b)(i)	Funds of private equity funds	10%	-
	- per issuer	5%	-
(b)(ii)	Private equity funds	10%	-
	- per issuer	2.50%	-
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.50%	5 423 549
	Arcus Japan Fd - Associate		-
	Trigon New Europe Fund		-
	Investec Derivatives		-853
	Sei Derivatives		5 424 402
TOTAL ASSETS – REGULATION 28 (D above)			13 943 017 275

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)
SCHEDULE IB – CONTINUED
ASSETS HELD IN COMPLIANCE WITH REGULATION 28
As at 31 March 2021
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	241 595 936	1.71%	170 246 063	1.21%	0		411 841 999
2	Debt instruments including Islamic debt instruments	3 437 487 021	24.39%	0	0.00%	0	0.00%	3 437 487 021
3	Equities	5 438 183 774	38.59%	4 378 764 012	31.07%	0	0.00%	9 816 947 786
4	Immovable property	132 674 340	0.94%	16 574 128	0.12%			149 248 468
5	Commodities	87 552 765	0.62%	0				87 552 765
6	Investment in the business of a participating employer	0						0
7	Housing loans granted to members - section 19(5)	0						0
8	Hedge Funds, private equity funds and any other assets not referred to in this schedule	34 515 686	0.00	5 423 549	0.04%			39 939 235
9	Fair value of assets to be excluded in terms of sub- regulations 3(c) and (8)(b) of Regulation 28	150 225 918						150 225 918
10	Investments not disclosed/data not available for disclosure	0						0
	TOTAL (equal to the fair value of assets)	9 522 235 439		4 571 007 753		0		14 093 243 192

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

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 (Superannuation)

Report on Compliance of Schedule IB with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of the KwaZulu-Natal Joint Municipal Pension Fund (Superannuation) (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 55 to 60 at 31 March 2021 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 2021.

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 (Superannuation) for the year ended 31 March 2021, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 30 September 2021. 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 2021 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 2021.

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 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

KWAZULU NATAL JOINT MUNICIPAL PENSION FUND (SUPERANNUATION)

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</u>
Cllr. B. D. Madonsela Age 48	National Diploma in Public Finance Management and Administration	Audit Committee member for uMvoti Municipality 4 years Municipality Councilor	1 year,7 months
Cllr. Y Nair Age 70	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	6 Years, 2 months
Cllr. Peer Fawzia Age 70	B A (Psychology& Sociology) Post Graduate Diploma in Industrial Relation	eThekwin Council Trustee: KZN Municipal Pension Fund (2005- 2016)	1 year,7 months
Cllr. Mr. M.V. Nyathi Age 46	NQF 6 (CPMD) certificate programme in management development (municipal finance). 10 years' experience as a councillor. Others N3 Electrical engineering.	11 years as Councilor 11 years' service at Umuziwabantu Municipality	9 Years, 5 months
Cllr T.N. Jojozi	Bachelor of Arts	13 years Educator	1 year,7 months

Age 53	Certificate in local Government Practice	Local Government councilor 2006 to date	
Ms. Y.P. Joyi Age 37	Bachelor of Commerce degree Post Graduate Diploma Registered member of the Institute of the Internal Auditors SA and Chartered Institute of Government Finance	KZN Department of Cooperative Governance and Traditional Affairs: CFO Ithala Finance Development Corporation: Supply Chain Management Okhahlamba Local Municipality: CFO	1 year,7 months
Mr. X. Dube Age 48	Artisans Builders Diploma	Local Government 1996 to date 20 years' service at eThekweni Municipality	18 Years, 8 months
Mr. J.A. Joubert Age 68	National health diploma for health inspectors B Admin degree	Local Government 1974 to date 42 years' service at Newcastle Municipality	11 Years
Ms. N. Montgomery Age 45	Graduate Diploma in Marketing & Business Management National Diploma in Payroll Administration Higher Certificate in Occupationally Directed Education Training & Development Practices Certificate in competency on Basic Trustee Training Certificate of competency on Allocation of death benefits	Municipal Experience Finance and Human resources Principal officer of Group Life fund since June 2008	6 Years, 8 months
Mr. K.M. Jaggeth Age 67	B Admin degree	Local Government 1974 to date 39 years' service at eThekweni Municipality	16 Years 5 Years, 6 months as a Pensioner representative

		Pensioner representative	
Mr. D. Hariram Age 61	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	36 years of local government experience, in finance, auditing and administration	7 Years, 2 months
Mr. N.C.J. Bezuidenhout Age 60	LLB Law Degree National Diploma in Municipal Administration	Endumeni Municipality 17 years, Glencoe Municipality 9 years, SAPS 8 years'	15 Years, 1 month

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 Ms. T.N. Jojozi	Batchelor of Arts Certificate in Local Government Practice
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 50 86453(20 meetings)
Cllr. F. Peer	R40 718.50(16 meetings)
Cllr. Mr. M.V. Nyathi	R 69 703.22(18 meetings)
Ms. Y. P Joyi	R 6 270.50 (4 meeting)
Mr. K.M. Jaggeth	R41682.91 (19 meetings)
Mr. N.C.J. Bezuidenhout	R52 014.80 (25 meetings)
Cllr Mr. Y. Nair	R73 346.95 (20 meetings)
Cllr T.N. Jojozi	R66 643.25(21meetings)

Mr. X. Dube	R101 999.79(48 meetings)
Ms. N. Montgomery	R77 737.79 (22 meetings)
Mr. D. Hariram	R49 266.67(24 meetings)
Mr. J. Joubert	R71 220.58 (19 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 must annually elect a Chairperson and Vice-Chairperson from amongst its members at the first meeting of the Board of Trustees in each calendar year”

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.

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. The Chairperson and Deputy Chairperson attend the meetings on an Ex-officio basis.

EVALUATION OF CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The Audit Committee does review, and challenge where necessary, the actions and 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 (the MEC) has appointed the Auditor General of South Africa as the independent auditor of the Fund.