



INTEGRATED
ANNUAL REPORT
2022

TABLE OF CONTENTS

About the Report	04
01 MWPF IN CONTEXT	06
Our Identity	08
02 GOVERNANCE AND VALUE DRIVERS	12
Message From the Chairperson	14
Strategic Operating Environment	16
Board of Trustees	20
Executive Management	22
03 INVESTMENT PERFORMANCE	24
Acting Chief Executive Officer's Review	26
The Operational Landscape	30
Chief Operations Officer and Business Development Executive Review	38
Information Technology Manager's Review	42
Human Resources Executive Review	46
Meet Our Superheroes	52
04 OUR FINANCIAL PERFORMANCE	54
Chief Financial Officer's Review	56
Independent Auditor's Report	60
Regulatory Information	63
Condensed Annual Financial Statements	85

"We take pride in our commitment to work towards a better future for all our stakeholders"



Driving Business Recovery

ABOUT THE REPORT

As a member-centric organisation with a distinguished history, Mineworkers Provident Fund (MWPF's) integrated annual report for the year ended 31 December 2022, strives to deliver comprehensive and insightful feedback to our stakeholders on business developments.



This report combines data related to the Fund's financial, environmental, social, and governance (ESG) aspects of performance. The report aims to explain the Fund's business, strategy, and implementation, and to shed light on the way in which we govern the Fund. It further informs stakeholders as to the Funds, strategic objectives and how they were implemented during the year.

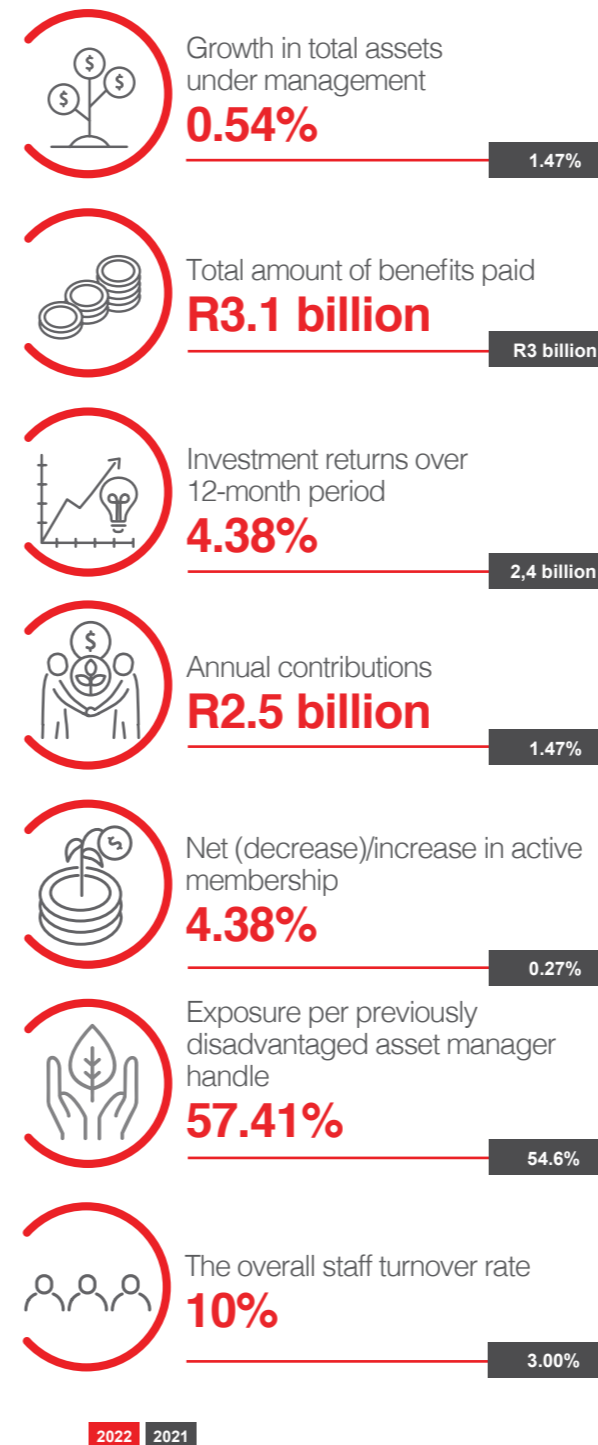
The previous reporting term information is available in the report for the year ended 31 December 2021. An electronic copy of the report is available at: www.mwpf.co.za.

Our approach to integrated reporting has been to continually improve upon the integration of sustainability and financial performance reporting. This year's report demonstrates, in greater detail:

- the link between the six capitals of integrated reporting
- the resulting value creation within the Fund
- what is most important to the Fund and
- how the Fund has performed against what we consider material circumstances or conditions.

When preparing this report, we take guidance from the International Integrated Reporting Framework, the King Code of Corporate Governance, the Financial Sector Conduct Authority (FSCA) conduct standards, and the Pension Fund Act, No. 24 of 1956 (the Act).

2022 at a Glance



Feedback: MWPF external auditors have issued an unqualified audit opinion for **12 years** since self-administration in **2011**.

Scope and boundary

This report covers material events that took place between 1 January 2022 and 31 December 2022. Where external stakeholders form part of the value chain and have significantly impacted our ability to create value, their real or potential impact is also discussed. All significant items disclosed herein, are prepared on the same basis as the comparative periods and there have been no restatements. The report includes the Fund's summarised annual financial statements for the year ended 31 December 2022. The full set of annual financial statements is available on our website. Supplementary information that provides more detail to the information included in this report is also available on our website at www.mwpf.co.za.

Determining materiality

The following were identified as material matters and were considered when providing feedback on our performance for the year under review:

- Our embodiment of the values of treating members with respect, dignity, and creating a legacy for them and their dependants, while carrying out our duties
- Review of strategic risk registers
- Reports submitted to the Board and matters that the Board is most concerned about
- Areas of concern highlighted in the strategic review process and
- Key performance objectives set for management for the year under review and for the following year.

Combined Assurance

The Fund's annual financial statements are audited by SNG Grant Thornton. An assurance approach has been adopted in respect of non-financial information from the Fund's management, internal audit and external independent third parties.

Approval by the Board

The Board of the Fund is responsible for the integrity of this integrated report. The Board applied its collective mind in preparation and presentation of the integrated report and is satisfied that the report is a fair and reasonable representation of the Fund's performance and prospects in accordance with the afore-mentioned Integrated Reporting Frameworks.

01 MWPF IN CONTEXT

Our Identity

08



OUR IDENTITY

MWPF holds a rich legacy within South Africa's mining industry. Proudly established on 14 June 1989, we are one of South Africa's oldest black-established retirement funds. Since our inception we have been dedicated to improving the lives of mineworkers, having overcome adversity, and persistently thriving against all odds, the Fund now stands as a beacon of pride in the country's democratic history.

The Fund was born from a vision to ensure that mineworkers' retirement benefits meet the highest standards, and this commitment is embedded in our ethos and values – permeating each of the Fund's strategic objectives.

Understanding our members

We have a deeply authentic understanding of our members' needs, and it is this grass-roots empathy that allows us to truly meet the needs of the mining industry and, as we continue to evolve, beyond. For more than 33 years, MWPF has served one of the largest working-class populaces in this country—mineworkers. Now, as we stand on the precipice of a new era, we look to the future with optimism, as we extend our support to other sectors in the mining industry.

We believe that we understand what it is that our members require and have achieved our ambitions, in the 2022 financial year, of extending our services to other sectors.

Creating value for our members

We strive to create sustainable value for our members by:

- Tailoring member-centric solutions
- Keeping the costs of servicing members down
- Developing member-centric products and
- Consistently outperforming both our targeted investment benchmark as well as several well-established, balanced portfolios with a similar risk profile.

For years, we have focused our efforts on honouring the Fund's founding principles: treating our members with the utmost respect, restoring their dignity, and empowering them to achieve a legacy of financial independence. This commitment has been guided by our mission, vision, and our values; all of which inform our daily operations and behaviour.

Our mission

- To provide superior service to our members and their beneficiaries
- To provide sustainable and competitive retirement and auxiliary benefits to members and beneficiaries
- To deliver superior market-related investment returns
- To provide efficient administration services and
- To provide dynamic and effective communication to our members and stakeholders.

Our vision

To be the retirement fund of choice in the mining industry.

Our values

- **Respect:** Respect is prudent, considerate, tolerant, fair, and compassionate
- **Dignity:** Dignity is humble, appreciative, worthy, and unassuming
- **Legacy:** Legacy takes legendary actions, endures challenges and adversities, shows growth, accomplishes goals, always has a winner's mentality, and has a 'yes' attitude.

In line with the premise of integrated reporting, MWPF demonstrates its ability to create meaningful value over time for all stakeholders.

VALUE CREATION APPROACH

In fulfilling our vision of being the go-to retirement fund in our sector, we take pride in our unique, multi-faceted strategy that sets us apart from other funds. We recognise that exceptional investment performance, and maintaining a focus on members' needs are key drivers to achieving our goals. We frame our value proposition against our standing among our industry peers. Our commitment is to deepen and fortify our relationships with stakeholders, especially our members and participating employers.

OUR PERFORMANCE

We successfully achieved our goal of eliminating the break-even deficit. This marks a significant financial turnaround for the Fund.

Our approach to financial prudence was reinforced by introducing focused cost-containment measures. These were proposed to and approved by the Board, and all measures were effectively implemented and monitored.

The Management team demonstrated exemplary collaboration, working together diligently to meet (and exceed) all Key Performance Areas. This illustrates the strong work ethic of our team.

NURTURING RELATIONSHIPS

Looking beyond the Fund's performance, we believe that what truly sets us apart from our industry peers is our devotion to transparent and ongoing communication with our members. We have established various touch points and ways in which we are able to meaningfully connect with members. These include our nationwide walk-in centres and Regional Advisory Committees (RACs). Our goal is to empower members by, using clear, comprehensive information about the workings of the Fund. Efforts directed towards the achievement of this goal ensure that members and beneficiaries understand the way the Fund operates and how MWPF strives to enhance member benefits.

Importance of connecting with members

In our quest to empower members, we make it a priority to educate and engage with them, ensuring they have a sound



Financial capital

This capital is a traditional measure of performance and includes monies obtained through financing or that which is generated by means of productivity.



Manufactured capital

This capital encompasses physical infrastructure or technology, such as equipment and tools.



Intellectual capital

This capital includes intangibles associated with brand and reputation. It also extends to patents, copyrights, organisational systems, and related procedures.



Human capital

This capital comprises the skills or know-how of an organisation's personnel, their commitment, and motivation. It spans aspects of an organisation that affect personnel's ability to fulfil their roles.



Social and relationship capital

This capital values the relationships between an organisation and its stakeholders. This include, but may not be limited to, communities, governments, suppliers, and customers.



Natural capital

This capital houses resources such as water, fossil fuels, solar energy, crops, and carbon sinks, which cannot be replaced and are essential to the functioning of the economy

The above icons correspond to their respective capitals and, throughout the report, will demonstrate areas where these capitals are addressed.

OUR IDENTITY

understanding of their fund benefits and accumulated credits, and that they comprehend the information on their benefit statements. We employ a proactive approach to connecting with members. We continually evaluate and strive to meet their needs, which in turn fosters a trusting relationship with the Fund. We promote usage of our call centre and walk-in offices, and this ensures that beneficiaries and dependents are clear on how to contact the Fund in the event of a death claim.

Members are encouraged to use the MWPF internal complaints unit to express grievances – allowing us to promptly resolve issues and uphold member rights. Clear messaging is extended to members informing them that their own career progression does not mean that they need to change funds. We persist in education efforts to help members recognise the stability and continuity of their

benefits with us. By directing concentrated focus on helping members to understand the retirement options available to them, we play a key role in helping members to plan for their futures with confidence and clarity.

How we connect with our members

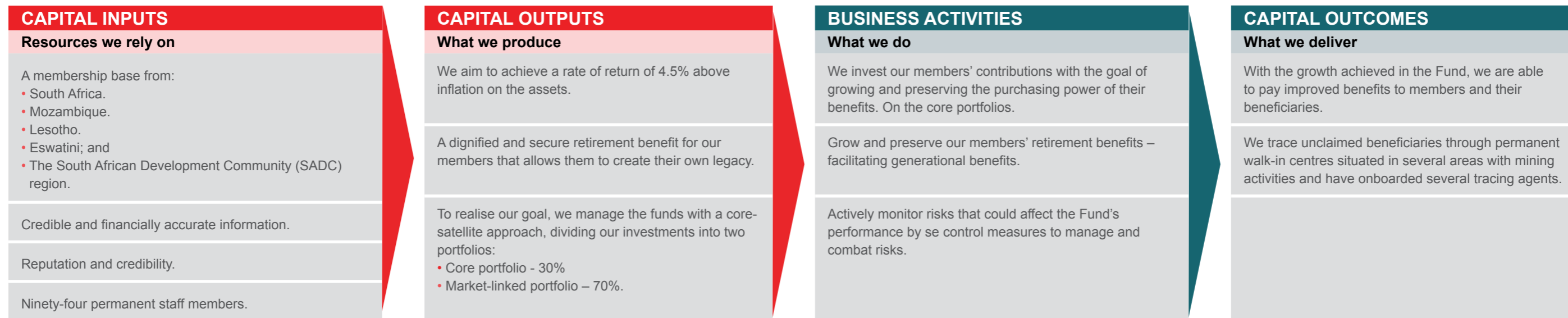
We remain connected with our member using a host of channels. The bi-annual electronic newsletters offer timely updates and are complemented by SMS alerts for ease of access. We share education on benefits using multi-lingual audio messages, enhancing understanding across our diverse member base. Radio interviews and adverts on Kurara FM and Mafisa FM widen our reach – supporting our objective of ongoing member education. The WhatsApp line has proven to be an effective query resolution channel, recording that our team fields more than 100 monthly interactions. Our

SMS campaigns for retirement preparation, together with an easy-to-understand investment booklet, have helped explain the annuity product and overall investment landscape. We also distribute quarterly newsletters to employers and RACs, further expanding our reach of information dissemination. Our innovative Fund app and website provide around-the-clock access to information and share information about our annual calendar together with key contact details – further promoting our transparency and accessibility to members.

Our business model

Everything we do as a Fund is underpinned by our guiding purpose, which is to create and sustain a tangible financial

legacy for future generations by providing retirement benefits to one of society's most vulnerable working groups.



02 GOVERNANCE AND VALUE DRIVERS

Message from the Chairperson 14

Strategic Operating Environment 16

Board of Trustees 20

Executive Management 22



MESSAGE FROM THE CHAIRPERSON⁺



“
The close oversight and ethical way in which the Fund is administered has resulted in yet another unqualified audit. I cannot overstate this achievement...
 ”

To our members, staff, and valued stakeholders.

I am honoured to connect with you as the Chairperson of the **Board of the** Mineworkers Provident Fund. The past financial year has certainly pushed the boundaries of our resilience and determination. I am, however, pleased to report that through these challenges the Fund team has rallied to uphold incredibly high standards of stewardship, while holding top-of-mind the best interest of our members.

As we turn the page to a new chapter, we must look back to reflect on our successes and failures so that we can make informed decisions and gain insight as to what is needed to successfully steer the Fund to the future and guide its strategic direction for the short to **medium term**. The close oversight and ethical way in which the Fund is administered has resulted in yet another unqualified audit. I cannot overstate **the importance of** this achievement, which serves as a testament to the Fund’s good governance, risk mitigation, internal control, transparency, and commitment to do what is right. Thank you to all who played a part in seeing the process through. I am acutely aware of the challenges that the team faced in terms of capacity and resource and am delighted to note the extent to which the Fund’s values are adopted. This was evidenced by the way that the team pulled together to ensure that members’ interests were upheld.

Most significant of the challenges faced in the year, was the membership decline. While this must be viewed in the context of the greater economic environment and the state of the mining sector, it remains imperative (more so than ever) that we commit to fiscal responsibility. I, together with my fellow Board members, have mandated that the operational costs and budget be reduced significantly. This has been recorded as a key performance area in a focused effort to reduce the Fund’s expenses. The openness with which the executive team embraced the challenge, identifying innovative means to substantially save costs without compromising the quality of our services is immensely appreciated.

The strategic imperative for the year – driving Fund recovery—was likewise embraced wholeheartedly by all. The Fund’s leadership and staff worked as a unified team to ensure that every action taken served to reinforce the Fund’s financial and operational stability. It is with pride that I acknowledge the strides made,

not only in carefully managing costs but also in building an even stronger foundation to ensure the Fund’s sustainable future.

Succession planning was thrust into the spotlight and each department has received tailored mentorship and training, to drive an accountable culture in which knowledge is responsibly shared in the interest of business continuity.

We have maintained a rigid financial oversight, resulting in the Fund’s assets increasing marginally from R32.9 billion to R33.2 billion. The Board, alongside our asset consultant **27Four**, has maintained diligent monitoring of our investment strategies to ensure compliance and for early risk identification, so that we may proactively employ mitigative measures as needed.

The period saw exceptional governance in action as we proactively undertook a forensic audit of transactions from 2020 to date, appointing an external expert for an impartial and honest result. **This audit is intended to give the Board assurance that from the lockdown period, no member of the Fund has been unduly prejudiced and staff members have acted with integrity.**

Looking ahead, the Fund has taken steps to offer increased value to its members through the introduction of a new fee model.

The diligent efforts to refine our risk benefits and cost rationalisation strategies will undoubtedly bear fruit in the near future. In doing so, the members that we serve will undoubtedly reap greater rewards and enjoy quality of life and dignity upon their exit from the Fund.

We are nearing the conclusion of our current five- year strategy, and the strategic amendments to the Fund’s rules and the enhancement of member benefits are achievements that align with our core values and member-centric ethos. One such enhancement was the increase in funeral cover – from R40,000 to R50,000, at no additional cost to members. Thank you to the team for embracing and contributing to the positive culture fostered across the Fund, and for upholding a service-orientated approach that adds value for our members.

MESSAGE FROM THE CHAIRPERSON (continued)

To my fellow Board members, words will never fully express my appreciation of your support, insight, and collective skills that bring immense value in providing were not reached in isolation and are a result of the multi-faceted skill-set held by the Board, which affords a holistic and thorough review of performance and implementation of strategic plans.

Of course, the best laid plans are wasted if not communicated and implemented, and here I look to the executive team. Your relentless pursuit to achieve the objectives that we have prescribed for the term clearly illustrates that you do not simply fill a position, but show up authentically with a passion to serve our members. Your leadership of the various teams has enabled us to deliver value for our stakeholders, and I extend my immense appreciation for the contribution of each staff member. I am reminded of a well-known proverb when observing the Fund's team: 'if you want to go fast, go alone. If you want to go far, go together'.

You have demonstrated the power of collaboration and remained focused on output. Thank you for supporting our members.

To our members, without whom the Fund would not exist; thank you for your ongoing support and faith in our ability to manage your financial wellbeing to the best of our ability. You have the assurance of the Board, that we will continue to drive initiatives that yield increased value for your contribution.

May we continue our upward trajectory and deliver ever-increasingly positive results.

With sincere gratitude



Thomas Kgokolo
Board Chairperson
Mineworkers Provident Fund



STRATEGIC OPERATING ENVIRONMENT

Material stakeholders

The Fund's approach to stakeholder engagement is aligned with the communication strategy, focusing on three key objectives:

1. Cement the role we play with each of our stakeholders.
2. Create and sustain a positive reputation and perception of MWPF; and
3. Encourage two-way participation with key stakeholders.

We identify two broad stakeholder segments. Depending on the type of stakeholder, we either connect to engage or to inform.

Primary focus

Stakeholder	Engagement methods	Needs, concerns, and expectations expressed
Members	Newsletters, brochures, website, posters, SMS, roadshows, social media, surveys, walk-in centres.	<ul style="list-style-type: none"> • Growth and value of their money. • Safety and security of their benefits; and • The Fund carrying out its fiduciary responsibilities.

Other focus areas

First tier: Our Partners

Stakeholder	Frequency of engagement	Needs, concerns, and expectations expressed	Responsible executive
Employers	Ongoing	<ul style="list-style-type: none"> • Fair and proportionate membership on the Fund's Board of Trustees. • Collaboration in unclaimed benefit outreach. • Fair and accurate distribution of benefits; and • Fund's year-on-year performance. 	Chief Executive Officer Principal Officer
Board of Trustees	Quarterly		Chief Executive Officer Principal Officer
Regional Advisory Committees	Quarterly		Chief Executive Officer Principal Officer
Sponsors	Quarterly and ongoing as required		Chairperson of the Board Chief Executive Officer Principal Officer
Service providers	As deemed necessary		Chief Executive Officer Principal Officer

Second tier: Regulatory and industry stakeholders

Stakeholder	Frequency of engagement	Needs, concerns, and expectations expressed	Responsible executive
Regulators	Twice annually and as the need arises	<ul style="list-style-type: none"> • Maintaining the Fund's registration and approval status. • South Africa's socio-political environment. • Economic outlook; and • Regulatory compliance. 	Chairperson of the Board and/or two Trustees Chief Executive Officer Principal Officer
Industry bodies	Monthly or quarterly meetings		Chief Executive Officer Principal Officer
Government	As and when required		Chief Executive Officer Principal Officer
Department of Labour (Mozambique and Lesotho)	As and when required		Chief Executive Officer Principal Officer Chief Operating Officer
Media	In response to business-related media queries		Chief Executive Officer Principal Officer

The Board adopts a Code of Conduct setting out the ethical values that guides its behaviour in executing various activities to manage the affairs of the Fund in a prudent and effective manner. Ethics form the foundation the Code of Conduct.

Compliance with the Code of Conduct provides stakeholders (members, sponsors, employers, and regulatory authorities) the assurance that the Board, always behaves responsibly and ethically.

BOARD OF TRUSTEES



Mr Thomas Kgokolo
Independent Chairperson
23 April 2020
22 April 2023



Mr Wessel du Toit
Employer Trustee
01 May 2022
30 April 2025



Mr Sandile Khumalo
Employer Trustee
08 October 2020
07 October 2023



Mr Abiot Lebelwane
Member Trustee
07 December 2022
06 December 2025



Mr Joseph Mabuza
Employer Trustee
25 May 2021
24 May 2024



Ms Mathabo Makhaya
Employer Trustee
05 May 2021
04 May 2024



Mr Ntshebele Mankge
Member Trustee
07 December 2022
06 December 2025



Mr Leepi Marumule
Employer Trustee
01 December 2022
30 November 2025



Mr Sakhile Masuku
Independent Chairperson
Audit and Risk Management
Committee
02 July 2020
01 July 2023



Mr John Mosemeng
Employer Trustee
18 June 2020
17 June 2023



Mr Kenny Mothae
Employer Trustee
10 March 2022
09 March 2025



**Mr Mekgwe (Patrick)
Kgobokwe**
Member Trustee
01 December 2022
30 November 2025



Mr Dusty Ngwane
Member Trustee
24 January 2022
23 January 2025



Ms Lydia Nkopane
Member Trustee
24 January 2022
23 January 2025



Mr Mpho Phakedi
Member Trustee
15 November 2021
14 November 2024



Mr Phuti Raletjena
Employer Trustee
12 October 2020
11 October 2023



Mr Tebogo Ramatshegisa
Member Trustee
07 December 2022
06 December 2025



Mr Molefi Sebitlo
Member Trustee
24 January 2022
23 January 2025



Willem van Heerden
Employer Trustee
01 April 2022
31 March 2025



Mr Isaiah Zimo
Member Trustee
07 December 2022
06 December 2025

EXECUTIVE MANAGEMENT



Frans Phakgadi

Principal Officer and Acting Chief Executive Officer

- Baccalareus Procurationis (B Proc)
- Bachelor of Law (LLB)
- Master of Law (LLM)
- Certificate in Pension Fund Law

Mr Phakgadi has over 22 years of experience in the financial services and retirement funds industry and a vast amount of experience and proven acumen in the pension funds and insurance space. He is well versed in the dynamics of administering retirement funds historically established and managed for the profile of members like MWPF. This background has contributed hugely to his member-centric approach – be it member servicing or product development.



Amma Amparbeng

Chief Financial Officer CA(SA)

- BCom (Financial Accounting) (University of Cape Town)
- Postgraduate Diploma in Accounting (University of Cape Town)
- Advanced Certificate in Auditing (SA)
- National Certificate: Financial Markets and Instruments
- Chartered Accountant (South Africa)

Ms Amparbeng is Mineworkers Provident Fund's second ever female Chief Financial Officer (CFO), having joined the Fund in 2018. She has a solid record of over 18 years in financial management (post articles), reporting and control, auditing, technical accounting (IFRS), strategic risk planning and management, and improved business performance. She has international experience, gained while working in the United States, (US GAAP) in various sectors including infrastructure, construction, financial services, property management, asset management and other industries. Prior to joining MWPF in November 2018, she spent four years as the finance executive of a division of a Johannesburg Stock Exchange (JSE) listed company, and previously served as assistant vice president in the technical advisory group for a multinational bank.



Lungelo Solombela

Human Resources Executive

- B Tech Degree in Human Resources
- Higher Certificate in Organisation Effectiveness
- Post Graduate Diploma in Labour Law (PGDLL)
- MSc in Human Resources Management and Development

Mr Solombela has over 25 years' experience in Human Resource, including Strategic Human Resource (HR) and development within the financial services industry. Providing strategic HR leadership and overseeing all aspects of HR practices and processes, he has a proven track record in employee relations, culture, and employee engagement.



Muziwandile Ndlovu

Chief Operating Officer and Business Development Executive

- Public Administration and Management
- Postgraduate Certificate in Wealth Creation and Management
- Management Development Programme
- Master's degree in business administration

Having been in the sales environment for more than 23 years, Mr Ndlovu has developed a strong can-do attitude, leaving no stone unturned. He is accustomed to driving hard-to-exceed targets, while maintaining profitable relationships with all involved. With a focus on customer centricity, Mr Ndlovu puts concise turnaround times high on his priority list. He is also an effective communicator with strong interpersonal and negotiation skills, talented in people leadership, as well as with technical and HR management expertise.



DEMOGRAPHICS

100% Black



YEARS OF SERVICE

1 Exec: 1–3 years
3 Execs: 5 years +



LEVEL OF EDUCATION

PO and Acting CEO: LLM
HR Exec: BCom HR, PGDip (Labour Law); MSc
CFO: CA(SA)
COO and Business Development (BD) Exec: MBA



CUMULATIVE AREAS OF EXPERTISE

- Investments
- Retirement funds
- Legal
- Insurance
- Business and finance
- Management
- Human resources
- Wealth creation
- Organisational effectiveness

03 INVESTMENT PERFORMANCE

Acting Chief Executive Officer Review	26
Operational Landscape	30
Chief Operating Officer and Business Development Executive Review	38
Information Technology Manager's Review	42
Human Resources Executive Review	46
Mineworkers Provident Fund Superheroes	52



ACTING CHIEF EXECUTIVE OFFICER'S REVIEW



“

As I reflect on the past year, it is with a sense of pride that I share our achievements and ongoing commitments.

”

The reporting term marked our 12th consecutive unqualified audit—an impressive milestone that underscores our dedication to accountability and excellence. This consistency in performance cements our reputation as a trustworthy institution, and I am delighted to see us upholding this legacy.

Growth and Benefit

The reporting period marked a slight growth in membership and, while modest, this is a significant marker of our resilience—particularly against the backdrop of the challenges faced by the gold and coal sectors. We stand firm in our belief that the introduction of these categories, coupled with targeted benefit counselling, will strengthen our retention and growth, reinforcing our position as a fund of choice.

The implementation of the Cell Captive programme resulted in the introduction of essential benefits, allowing us to offer temporary and total disability benefits to members. This stands as a testament to our drive to deliver support to members where they need it most.

An achievement of which we are incredibly proud, is the revision of our rules to expand our contribution categories. These were approved and registered by the FSCA in May 2022. This achievement is significant as members are now afforded greater flexibility and inclusivity. The additional categories enhance member retention and allow for continuous contribution through various career stages—from underground to supervisory roles and beyond.

Our investment portfolio has demonstrated remarkable fortitude, continuing to flourish despite the global economic upheaval. This growth is a clear indication of the prudent investment principles established by our Board, that has consistently guided us to a trajectory of upward momentum. The timely approval of our financial statements enabled the distribution of benefit statements, with members expressing satisfaction with their returns.

We have re-evaluated our administration fees and cost model, and have refined our risk benefits offering. These measures enable us to optimal value at reduced costs for our members.

Governance

Given the magnitude of our operation and the trust extended to the Fund, we ensure that good governance is upheld at all levels of the organisation, and the Board too undergoes regular evaluation. Board evaluations ensure that we have the requisite skills, experience, and diversity in our leadership body. It is important that our Board, and our entire staff compliment, mirror our member demographic so that we may better understand the needs of members and efficiently communicate with and represent them.

Board of Trustees Proceedings

The Board meets at least four times a year to monitor management’s achievements against set objectives and to monitor compliance with policies and set frameworks. Additional special meetings may be held in the event of pressing matters that require the Board’s attention. All scheduled Board meetings proceeded as scheduled during the review period.

The Chairperson of the Board presides over the meetings of the Board and guides the input and contributions of the Trustees. Decisions made by the Board are reached by way of consensus and the Board operates within a framework and approved Delegations of Authority mandates, which are reviewed every three years or as and when required to ensure their relevance.

Board Sub-Committees

Each sub-committee’s mandate is outlined in the Delegations of Authority mandates. Each sub-committee operates within the approved Delegations of Authority mandate and authority is delegated, as approved by the Board. Each sub-committee nominates a chairperson for a one-year term with the chairpersonship alternating between employer and member Trustees each year.

ACTING CHIEF EXECUTIVE OFFICER'S

REVIEW (continued)

The following sub-committees have been established to focus on specific areas of the Fund:

- Audit, Risk Management and Compliance Sub-Committee.
- Investment Sub-Committee.
- Communication and Benefits Sub-Committee.
- Administration Sub-Committee; and
- Human Resources and Remuneration Sub-Committee.

The Audit, Risk Management and Compliance Sub-Committee

The committee comprises 19 Trustees (including Alternate Trustees) with an independent trustee, appointed by the Board, serving as chairperson. The Audit, Risk, and Compliance Management Sub-Committee meetings are attended by internal auditors, the Chief Executive Officer, the Principal Officer, and the CFO with external auditors attending by invitation. If required, identified staff members attend meetings by invitation.

The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights. The Audit, Risk, and Compliance Management Sub-Committee is constituted as a Sub-Committee of the Board and assists the Board in:

- Promoting the effective governance of the Fund.
- Establishing and maintaining an effective control environment over all operations.
- Estimating the reliability and integrity of information.
- Evaluating compliance with policies, plans, laws, Rules of the Fund and regulations.
- Effectively managing risk; and,
- Ensuring compliance with Fund governance.

The Sub-Committee is also responsible for the evaluation of the independence, objectivity, and effectiveness of the internal and external auditors, as well as the review of accounting and audit concerns identified by the internal and external audits.

The Sub-Committee is responsible for ensuring that proper governance and compliance policies are in place and that existing policies are strengthened. All risk-related policies were reviewed during 2022.

The Investment Sub-Committee

The Investment Sub-Committee is comprised of Trustees and led by an appointed Chairperson. The Chief Executive Officer and Principal Officer (permanent members of the Sub-Committee) attend all meetings. During the 2022 period, the Chief Executive Officer and Principal Officer roles were filled as a dual role.

The Investment Sub-Committee is tasked with:

- Developing and regularly reviewing the Fund's Investment Policy Statement.
- Recommending to the Board the appointment or termination of asset managers.
- Ensuring that proper agreements are in place for asset managers.
- Monitoring these asset managers in terms of their adherence to mandates, their policies, and their subsequent achievements; and
- Developing and regularly reviewing any policies on proxy voting, shareholder activism, and ESG guidelines.

The Sub-Committee bears the responsibility of monitoring the Fund's performance and conducting regular asset liability modelling exercises.

Communication and Benefit Sub-Committee

The Communication and Benefit Sub-Committee is comprised of 15 Trustees (including Alternate Trustees and the chairperson). The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights. The Principal Officer and Chief Executive Officer functions were delegated to me as a dual role during the 2021 period and I continue to fill the dual function.

The Communication and Benefit Sub-Committee accepts responsibility for monitoring and overseeing the implementation of the Board's communication strategy. It manages all communication and/or benefits matters referred to the Sub-Committee by the Board, or which the committee deems necessary. The Sub-Committee is further responsible for the consideration and recommendation of rule changes (where appropriate and applicable), as well as benefits proposals.

The Sub-Committee is, furthermore, tasked with the investigation and consideration of all other issues related to the benefits provided by the Fund, except issues pertaining to the distribution of death benefits in terms of section 37C of the Pensions Fund Act.

Administration Sub-Committee

The Sub-Committee consists of 16 Trustees (including Alternate Trustees) and the chairperson. The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee although they retain no voting rights. These positions were overseen by me as a dual function during 2022.

The Sub-Committee assists the Board with the development of guidelines and administrative procedures for the payment of benefits. The Sub-Committee has been delegated the authority to manage the administration aspects of the payment of benefits (including unclaimed benefits and death benefit claims requiring discretion) for purposes of making recommendations to the Board.

Human Resources and Remuneration Sub-Committee

This Sub-Committee is responsible for approving Human Resources policies and strategies, monitoring compliance with all relevant legislation, statutory requirements, and ensuring best practice is upheld throughout the operations. The Sub-Committee determines executive remuneration in terms of best corporate practices and makes responsible recommendations based on its monitoring of the Fund's performance. The Human Resources and Remuneration Sub-Committee comprises 12 Trustees including the chairperson.

The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights.

Looking ahead

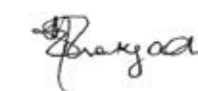
The 2023 year will mark the final implementation year of the Fund's current five-year strategy. The newly-revised strategy for the next five-year term is poised for formal adoption and we believe that this strategy will continue to support the growth of the Fund. The Fund's insights and historic learnings have been considered in the revision of the strategy, which provides a foundation for the Fund to continue delivering excellence for its members.

In closing

I extend my deepest gratitude to the Board for their sage governance, to the executive team for their unwavering execution of our objectives. To the sponsors, I think you for your invaluable support. My appreciation especially goes out to the FSCA for their ongoing support and professional engagement.

A heartfelt thank you is especially extended to our members (many of whom have been part of the Fund for over 80 years) for entrusting us with the profound responsibility of safeguarding your interests. We take our duty to serve your interests very seriously and will continue to care for your financial interests to the best of our ability.

It is an honour to lead a Fund that operates with such high levels of integrity and that remains focused on those who matter most, our members. May we continue to deliver value and excellence as we move to the future with continued focus on development, governance, and, most importantly, our members' wellbeing.



Frans Phakgadi
Principal Officer and Acting Chief Executive Officer
Mineworkers Provident Fund

Note: Mr Frans Phakgadi, Principal Officer, was appointed as Acting Chief Executive Officer effective 11 April 2022.

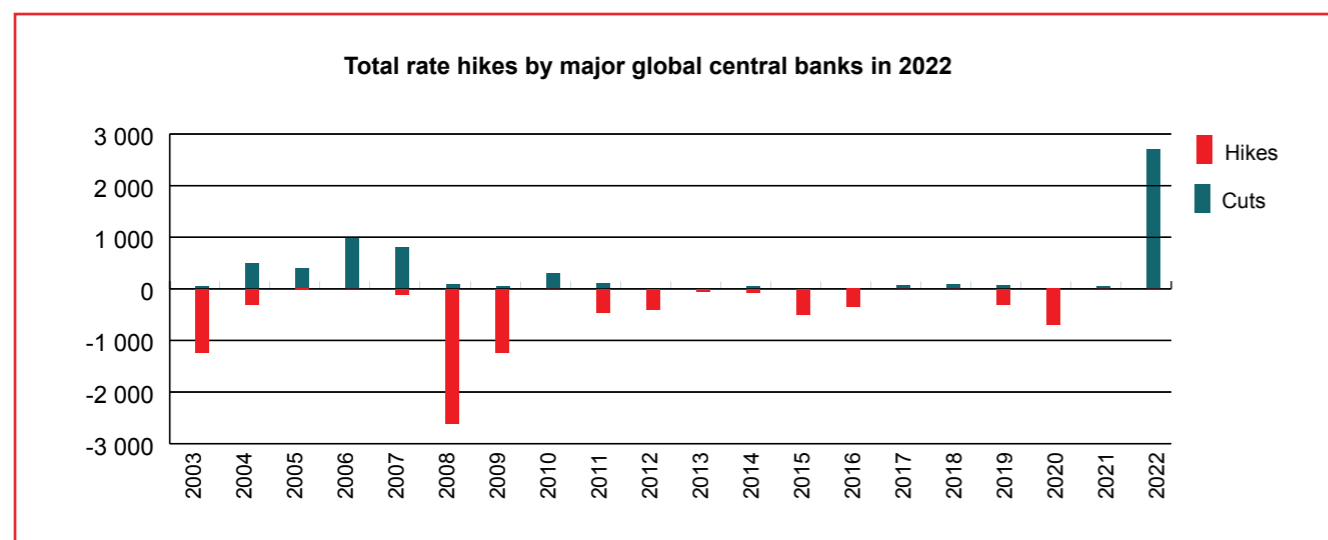
THE OPERATIONAL

LANDSCAPE (continued)

The 2022 financial year proved both eventful and challenging for the financial market and retirement funds. The year began on shaky ground, as inflation trends persisted contrary to early predictions of a swift subsidence. The turning point presented in December 2021 when the US Federal Reserve Bank Chairperson, Jerome Powell, announced that the US Monetary Policy Committee no longer considered inflation to be transitory. This marked a substantial departure from the then prevailing belief that inflation, largely absent since the financial crisis, was going to naturally dissipate as the disruptions caused by the COVID-19 pandemic were resolved. In the ensuing months, consumer prices surged to historic highs worldwide. By June 2022, headline inflation in the United States skyrocketed to a 40-year peak of 9.1% year-on-year. Similarly, the United Kingdom inflation rate rose to a high of 11.1% year-on-year in October 2022, while the Euro region recorded an annual inflation rate of 10.6% in the same month. Domestic headline inflation reached an annual rate of 7.8% in mid-2022 (the highest level since May 2009). Of significant impact during the period was the Ukrainian/Russian war, which exacerbated inflationary pressures, particularly in energy and soft commodity prices.

In response to the unexpected inflation surge, central banks worldwide acted swiftly by unwinding their accommodative monetary policies, ending a period of near-zero interest rates enjoyed since the onset of the pandemic. The US Federal Reserve raised its policy rate by 25 basis points in March 2022, and by the end of the year had implemented a total increase of 225 basis points. This included an unprecedented single hike of 75 basis points. This hawkish stance was not limited to the United States. The Bank of England raised its policy rate to 3.5%, marking the highest level in years. Similarly, the South African Reserve Bank responded by raising its benchmark repo rate from 3.25% at the beginning of the year to 7% at the end of the year.

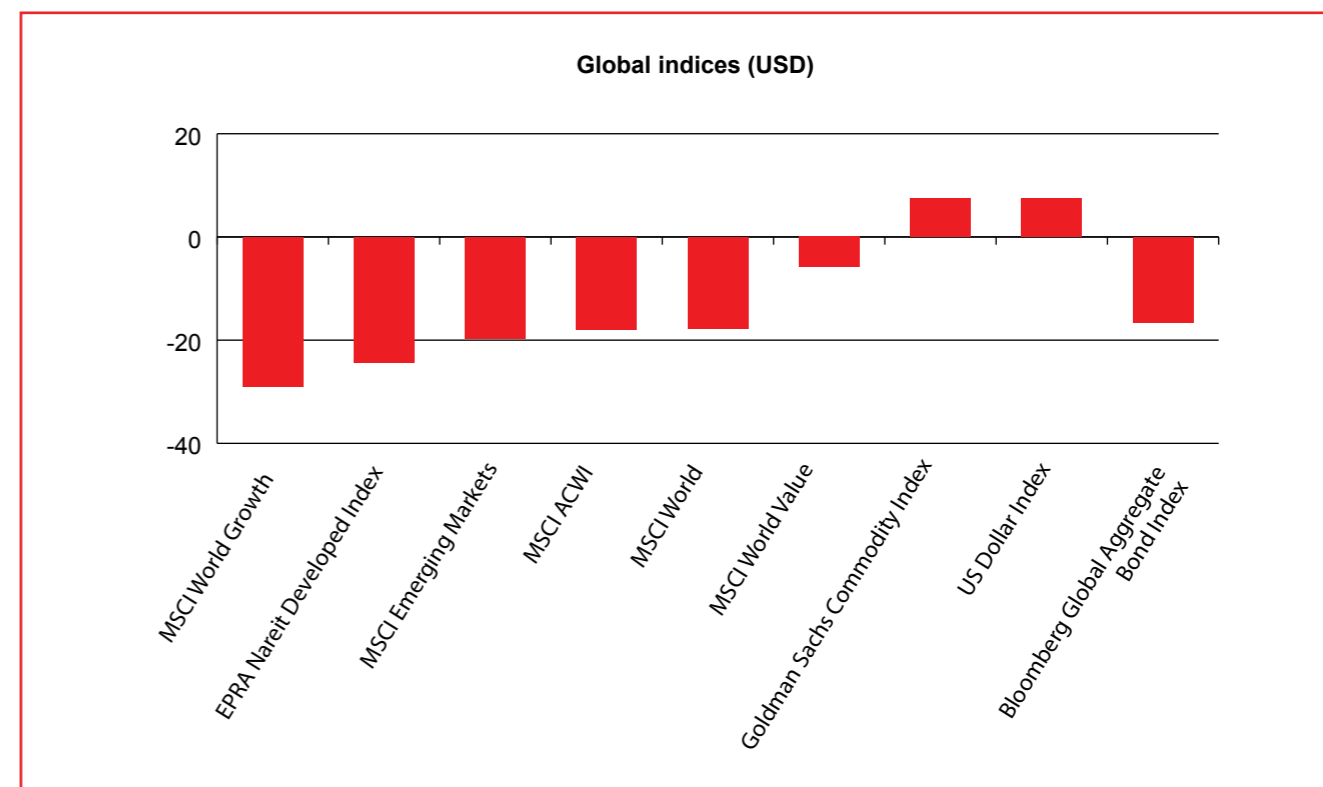
While the decisive actions by the central banks to curb inflation did not immediately impact the real economy—with consumer spending, economic activity, and corporate profits holding strong for now—the abrupt pace of the interest rate hikes raised concern among many investors. The speed and magnitude of policy normalisation was unprecedented, as evidenced by the chart below.



In this context, valuations of offshore assets rapidly declined as investors adjusted their valuations experienced a rapid decline as investors recalibrated their discounting factors. The year unfolded as one of the most challenging since the global financial crisis, with the MSCI World Index retreating sharply by 17.73%, and the Nasdaq (dominated by technology companies) plunging 33.1% in Dollars. This downturn was marked by a widespread sell-off, hitting particularly hard those stocks with soaring valuations or fragile fundamentals. Investors shifted focus towards value stocks, resulting in substantial declines in growth stocks. The turmoil extended to emerging markets, where the MSCI Emerging Markets Index dropped 19.74% in dollars. Notably, it was China that most significantly impacted the performance of emerging markets.

This was a result of concerns surrounding its management of the COVID-19 pandemic, political uncertainties, and President Xi Jinping's stringent regulatory stance on Chinese technology firms. The removal of Russian stocks from emerging market indices further exacerbated the challenges faced by these markets.

The fixed income sector was not spared for the heightened volatility, with the Merrill Lynch Option Volatility Estimate reaching peak levels that were last seen in March 2020. Consequently, the Bloomberg Global Bond Index endured one of its most challenging periods, registering a substantial decline of 16.65%.



THE OPERATIONAL LANDSCAPE (continued)

The domestic market saw Eskom continue to dominate headlines as it plunged the economy into darkness with unplanned breakdowns experienced across several of its generating units. This, coupled with an increase in planned maintenance, resulted in approximately 50% of the generation capacity often being offline. Transnet declared force majeure in response to employee strikes, adding to the challenges faced by the South African economy. In December 2022, the confidence of domestic market investors declined due to an adverse report on the Phala Phala developments.

Nevertheless, it is important to highlight that Parliament rejected the motion, and President Cyril Ramaphosa secured re-election for a second term during the ANC's elective conference.

Pleasingly, the domestic market demonstrated resilience, and the JSE All-Share Index returned 3.60% – primarily resultant from resource cushioning and a weak rand. The JSE All Bond Index defied domestic headwinds and gained 4.36%.

Many of the uncertainties that unsettled markets in 2022 have yet to find resolution, and the consensus among most forecasters is that 2023 will (similarly) present its share of challenges. On a positive note, economists widely agree that inflation in the United States is likely to moderate from its current elevated levels due to factors such as base effects, decreasing demand, and a more relaxed labour market. This moderation is expected to favourably impact global inflation dynamics. The less favourable news is that inflation is not anticipated to reset to central banks' target levels over the next 12 months, implying that monetary policy is expected to remain restrictive. This is likely to significantly slow down the global economy, with a recession seen as a distinct possibility. The extent and depth of the impending recession, however, remains uncertain, as there are varying perspectives on whether a profound downturn is necessary to combat inflation.

investment is made with the intention of having a beneficial social, and environmental impact in addition to a financial return. B-BBEE objectives target the requirements of the B-BBEE Scorecard for Retirement Funds under the Financial Sector Code. The Code promotes procurement from black-owned service providers to the Fund.

The investment strategy of the Fund complies with the provisions of Regulation 28 of the Pension Funds Act of 1956 including amendments made.

The fund's default investment strategy

Since the establishment of the Fund, a single default investment portfolio has been maintained for all members, regardless of their age. This approach has proven to be beneficial to members over time. Recent amendments to retirement fund regulations (introduced by the government), such as compulsory annuitisation for provident funds, relaxed exchange control limits. The addition of alternative asset class limits and the proposed two-pot system has prompted a review of the Fund's investment strategy. A comprehensive ALM analysis was conducted in July 2022, and this informed a proposed modification to the investment approach. The approach was subsequently approved by the Board. As a result, the Fund's default investment strategy will transition from a single-stage to a two-stage framework. This new strategy will incorporate a wealth accumulation phase for members who are five or more years from retirement, and an income/capital protection phase will be introduced for members who are less than five years from retirement.

Key amendments to the default investment strategy, subject to vesting rules include:

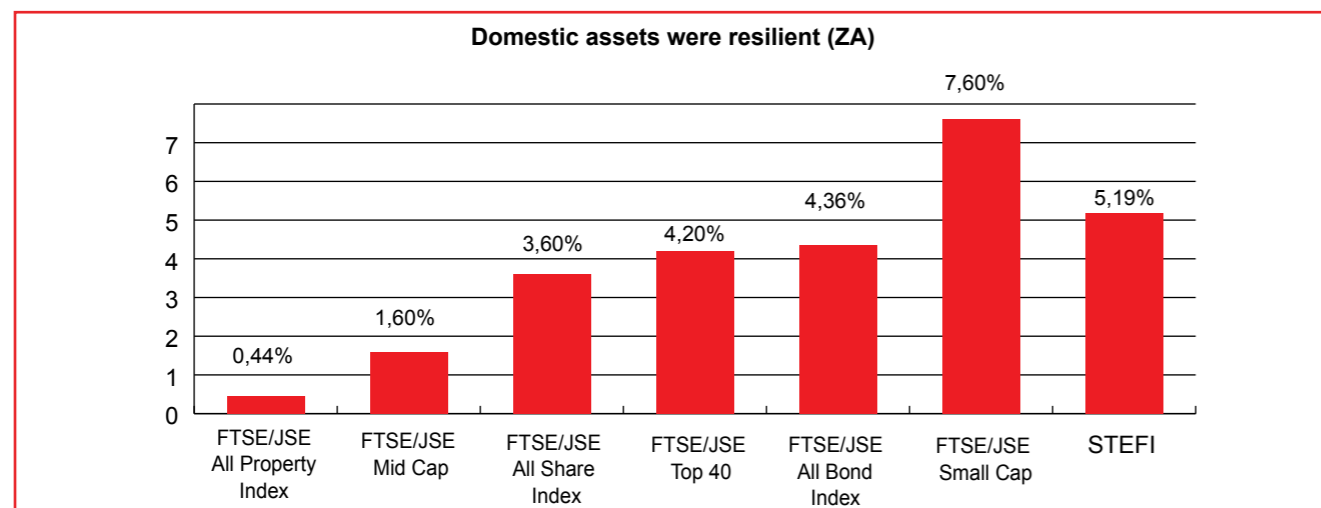
- The introduction of an Income Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to reduce the risk of transitioning the portion of member assets earmarked for the purchase of the in-fund annuity at retirement.
- The introduction of a Capital Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to de-risk the portion of member assets earmarked for a lump-sum withdrawal at retirement.

The fund's investment strategy

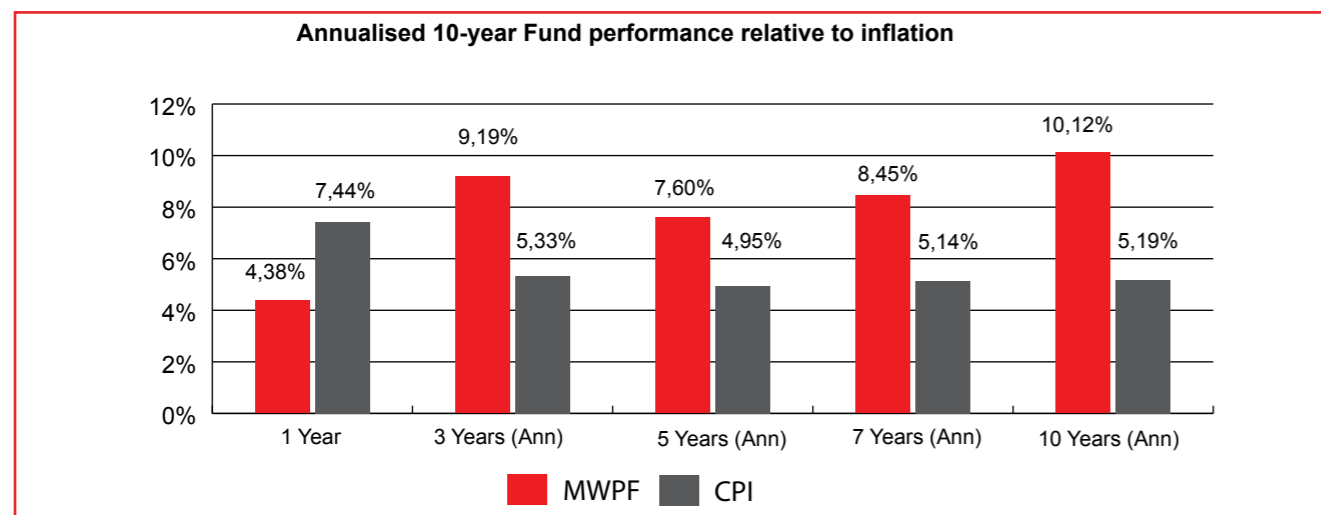
The development of the Fund's default investment strategy is a two-stage process. The first objective is to determine the funding level required to ensure that Fund members retire in a financial position that protects their current standard of living. This is determined by conducting an asset liability modelling exercise where the investment and savings positions of members (individually and in aggregate) are assessed. The Asset and Liability Management (ALM) review, conducted by the Fund's investment consultant at least every two years ensures that the investment strategy adopted by the Fund continues to remain relevant.

The second objective is to define the asset allocation of each investment portfolio and select the best asset managers within each asset class. To meet these objectives, the two stages are expanded into a multi-step investment process aiming to develop and execute an investment strategy with the highest probability of maximising Fund assets. This will allow members to purchase an appropriate pension at retirement while simultaneously mitigating investment risk.

The investment strategy adopted by the Fund considers the integration of ESG and Broad-Based Black Economic Empowerment (B-BBEE) factors. ESG is integrated into the implementation of the investment strategy through engagement and proxy voting and impact investment where



Through diversification and prudent asset allocation decisions, the Mineworkers Provident Fund effectively shielded itself against the fluctuations of the market in 2022 and delivered a resilient and market-beating return. The Board remains committed to its steadfast approach in safeguarding the Fund's investments and adapting to the evolving financial landscape.



THE OPERATIONAL LANDSCAPE (continued)

- Members who are more than 5 years from retirement will be invested in the Accumulation Portfolio which is the current Default investment portfolio. Strategic Asset Allocation Amendments to this portfolio include:
 - Reducing exposure to smooth bonus.
 - Having dedicated exposure to South African Alternative Investments; and
 - Marginally increasing exposure to offshore assets.

Current default investment strategy

Portfolio	Real Return Objectives
Accumulation Portfolio	CPI + 4.5%

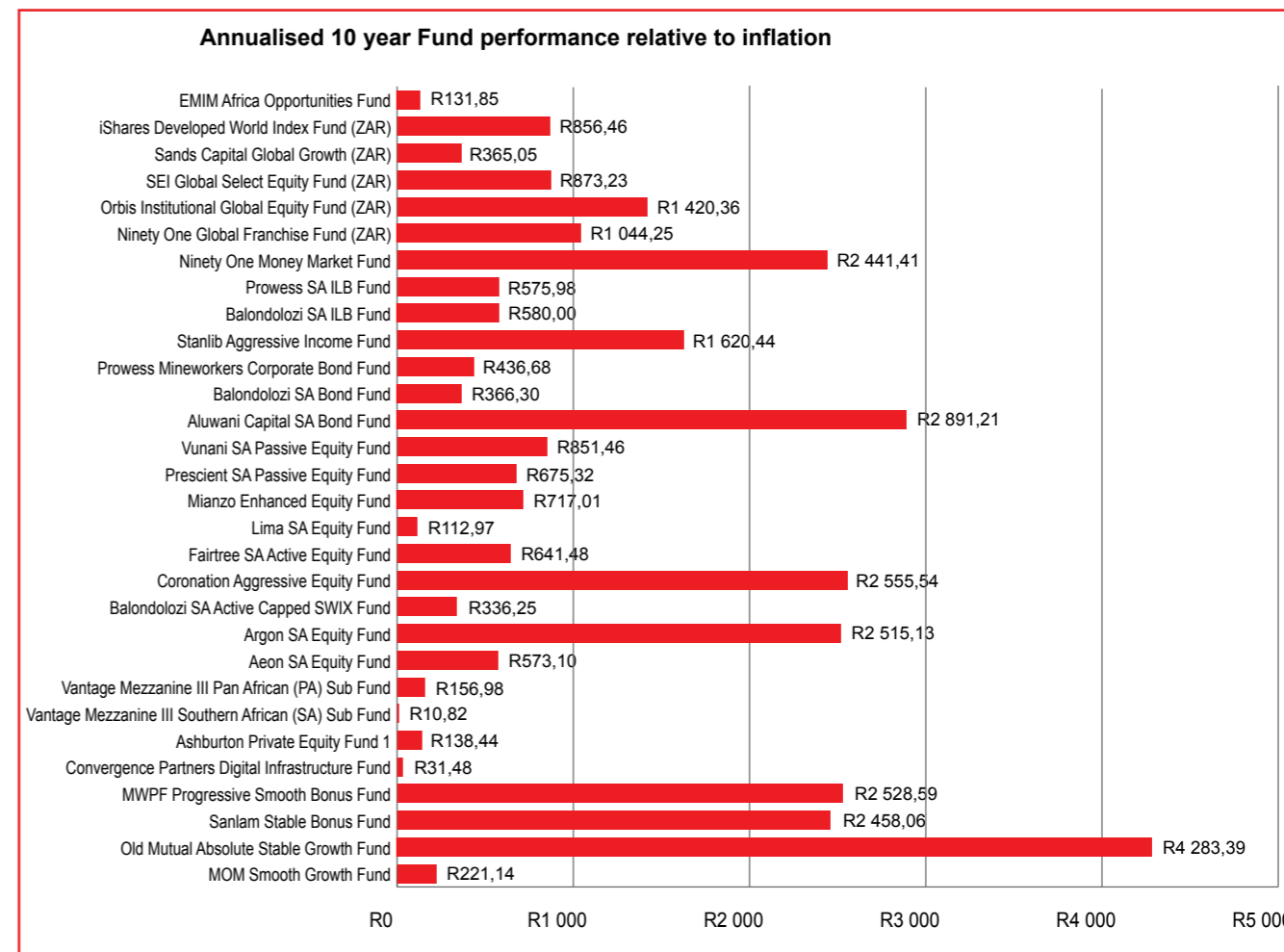
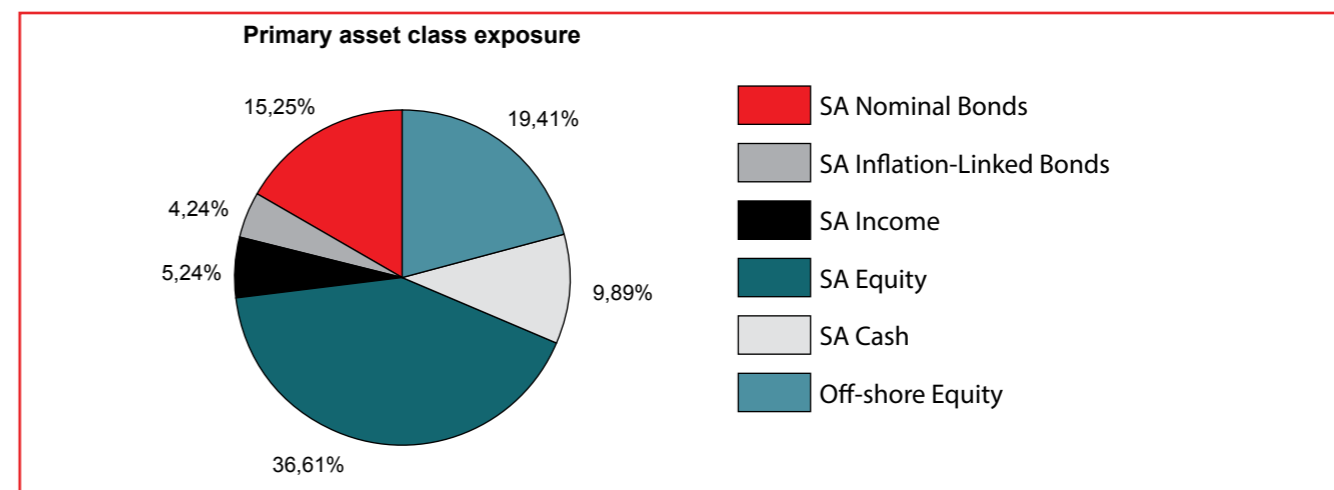
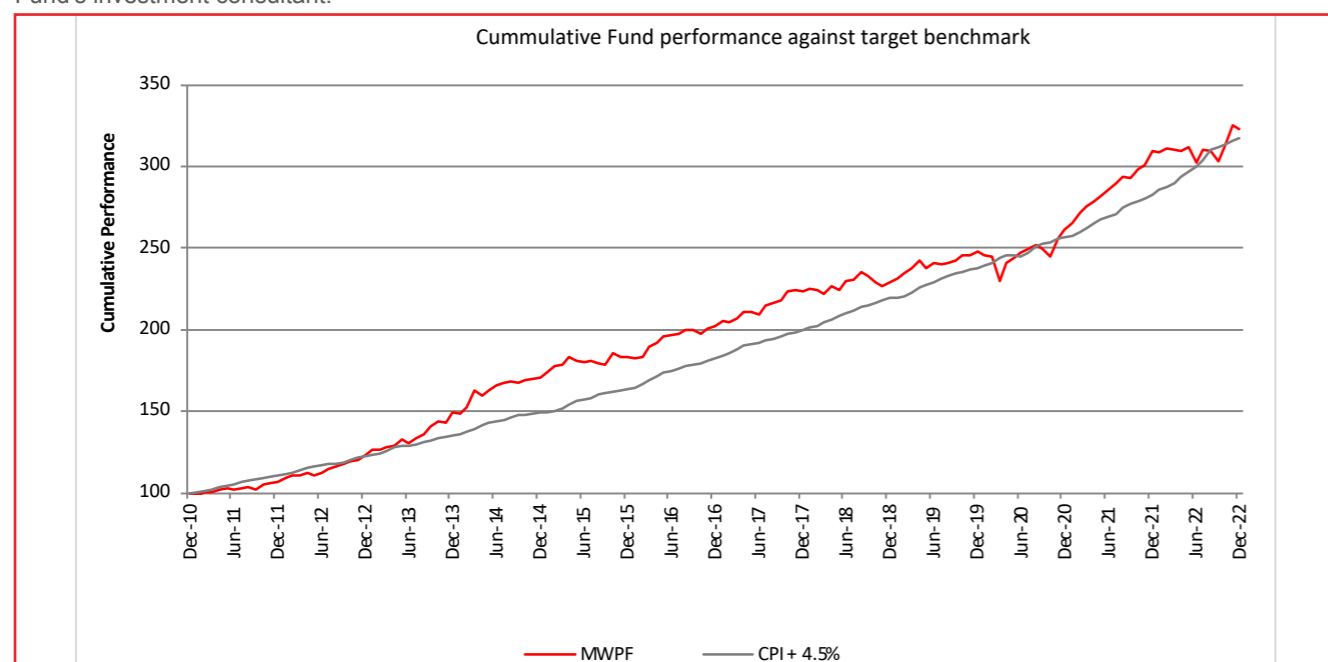
Revised default investment strategy

The revised default investment strategy will be implemented during the 2023 financial year.

Life Stage	Risk Profiled Portfolio	Real Return Objectives
Five Years or More to Retirement Age	Accumulation Portfolio	CPI + 4.5%
Less than Five Years to Retirement Age	Income Protection Portfolio	75% Accumulation Portfolio + 25% ALBI
	Capital Protection Portfolio	CPI + 1%

Managing the Fund's investments

Fund assets increased to R32.5 billion on 31 December 2022. The Board acknowledges the inherent risks associated with investment strategies and their implementation. To mitigate such risks, the Fund actively monitors various risk exposures, including but not limited to inflation, currency, liquidity, credit, volatility, political, social, regulatory, and asset manager risks. Oversight of Fund investments, including assessments for impairment of the Fund's private equity investments and potential sovereign risk associated with exposure to South African government debt, is carried out by the Board in conjunction with the Fund's investment consultant.



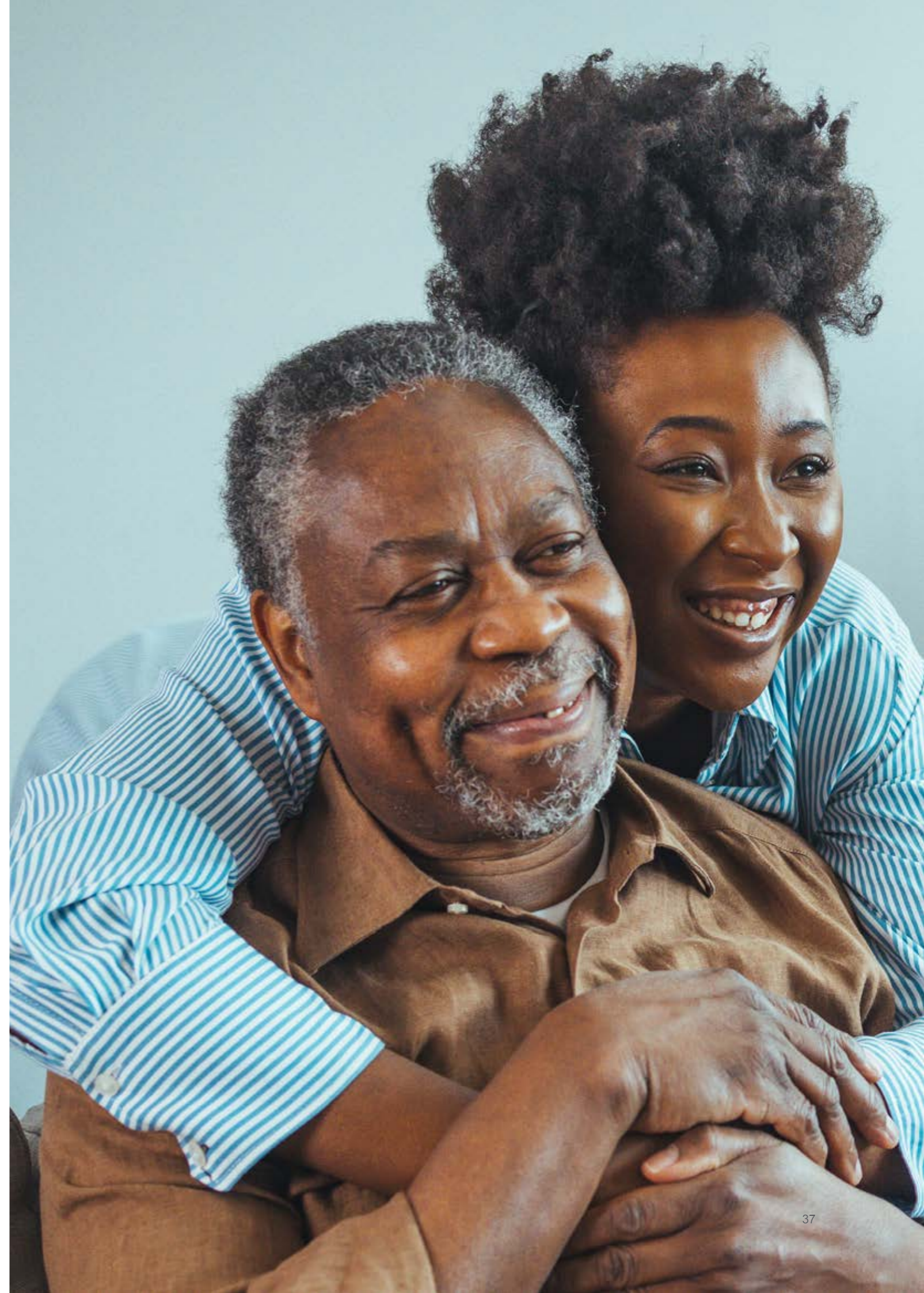
A FIRST FOR A SOUTH AFRICAN RETIREMENT FUND

Implementation of a diversity, equity, and inclusion policy

Our newly established Diversity, Equity, and Inclusion (DEI) policy embodies our unwavering commitment to fostering a financial ecosystem that reflects the diverse and inclusive values of our stakeholders. At the Mineworkers Provident Fund, we recognise the profound impact our investments can have on society, and we believe it is our responsibility to channel these investments toward companies and asset managers that share our commitment to DEI principles. This policy sets forth our strategic approach to selecting asset managers who prioritise DEI in their practices, ensuring that our investments not only deliver financial returns but also contribute positively to the broader goals of social equity. By transparently articulating our DEI aspirations and guidelines, this policy reinforces our dedication to aligning our investments with the values and expectations of our members and the broader community.

Publication of annual stewardship report

The Mineworkers Provident Fund became one of the first retirement funds in South Africa to publish an Annual Stewardship Report, which it aims to publish annually. The report serves as a vital cornerstone of the Fund's commitment to transparency and responsible governance. Trustees understand the profound trust our members place in us to safeguard and grow their retirement assets. As such, this report underscores our unwavering dedication to diligent and principled stewardship of these investments. It provides a comprehensive overview of our responsible investment practices, highlighting our efforts to align our strategies with ESG principles, engage with portfolio companies on key ESG issues, and continuously enhance our fiduciary responsibilities. Through this report, we aim to inform our members, partners, and stakeholders about our progress in fulfilling our fiduciary duty and advancing sustainable, long-term value for our retirees.



COO AND BUSINESS DEVELOPMENT + EXECUTIVE REVIEW



“ We have adjusted our minimum contribution rates from 20% to 12%, which has allowed us to onboard subcontractors that were previously beyond our reach.

”

As the Chief Operating Officer and Business Development Executive of the Mineworkers' Provident Fund, I am pleased to present our operations and growth activities for the reporting period. My dual role encapsulates the core operations essential for the smooth running of our client services and the strategic initiatives geared towards the expansion of the fund.

Operational review

During the review period, we received approximately 6,495 exit notifications, indicating members' departure from the Fund. When investigating the reason for departures from the Fund, it was revealed that these were largely due to different exit types. The Fund processed payments for 6,767 claims to the value of just over R3.1 billion. The number of claims paid exceeds that of the exits due to claims being carried over from the previous year and because of one exit having more than one beneficiary for which a claim must be paid.

A significant operational improvement noted was the increase in our Service Level Agreement (SLA) cycle times from 70% in the previous year to 75%. This improvement indicates that we are now processing claims faster, a trend that continues to show growth. These advancements are the result of investments in operational efficiency and an enhanced claim process. We are making good progress in our move to fully automate the claims process. This move seeks to eliminate human intervention and further mitigate the opportunity for fraudulent transactions.

For the reporting period, the Fund onboarded six new tracing agencies, bringing our total number of tracers to seven. The workflow for tracers has also been automated and the team is capacitated to extend its reach to SADC countries. The automation enables faster processing times and reduces fraud potential. The Fund, through its investment in tracing agents,

has been able to reach and pay many members that may have otherwise not received their due funds. Tracing results have slowed, but this is confidently attributed to having reached most members with unclaimed benefits, and those remaining are becoming more difficult to locate. Our efforts in this regard have resulted in 4,074 transactions being processed to a value of R295,855,988.

Business development insights

Our business development efforts have been marked by a net loss in the Gold and coal sector, which has traditionally been a significant membership base for the Fund. Net gains have, however, been noted in the PGM, diamond, and chrome sectors. The changing dynamics in the mining industry have necessitated a revision of our strategy. We have adjusted our minimum contribution rates from 20% to 12%, which has allowed us to onboard subcontractors that were previously beyond our reach. This strategic move has resulted in us welcoming two new employers to the Fund during the reporting period.

Our Net Promoter Score (NPS), an indicator of stakeholders' willingness to refer members to MWPF, achieved 100% in 2022 - up from 98% the previous year. This perfect score, from an independent external survey, reflects the positive perception of our services and validates the improvements made in our service delivery. I thank our members for their continued trust and our staff for their commitment to service excellence.

COO AND BUSINESS DEVELOPMENT

EXECUTIVE REVIEW (continued)

Challenges and strategy alignment

While we have enjoyed many successes such as defending our territory especially in the Gold and Coal sector, the industry is experiencing significant changes. The regulatory changes to pensions funds that have been implemented during the period, are anticipated to positively impact our membership trends.

The future focus for business development will target the burgeoning sectors such as PGM and chrome, where we see substantial growth. As the industry shifts away from traditional sectors such as coal and gold, our strategies will remain adaptable to ensure that we continue to meet our objectives and strengthen our position in the market.

On reflection, while we have encountered challenges (particularly in achieving the growth targets set by the Fund without considering industry fluctuations), we continue to make strides in adapting to the changing landscape. The introduction of new regulations aligning pension and provident funds will likely influence future trends, offering an optimistic outlook for our membership growth and retention.



Muziwandile Ndlovu

Chief Operations Officer and
Business Development Executive
Mineworkers' Provident Fund



INFORMATION TECHNOLOGY MANAGER'S REVIEW



“
Our journey through 2022 was marked by resilience, innovation, and a steadfast commitment to technological excellence.
”

It is with a sense of pride and achievement that I report on the state of the IT department for the reporting period. Our journey through 2022 was marked by resilience, innovation, and a steadfast commitment to technological excellence. It has highlighted the commitment of the IT team and, indeed, that of each team member of the Mine Workers' Provident Fund.

Strategic initiatives and transition

The global pandemic necessitated a quick and efficient transition to remote work. I am pleased to report that throughout the remote-working period, we were able to maintain 100% connectivity without any need for downtime. During the remote working period, the IT department ensured that all staff were equipped with laptops and secure access points.

In December 2022, team members were notified of a return to in-office working as of 09 January 2023. This meant that IT would be able to combine the best of remote flexibility with the strengths of in-person collaboration.

The transition from remote to office-based work was a significant milestone, accomplished seamlessly thanks to our strategic planning and robust IT infrastructure. Our operations were unaffected by the challenges of the pandemic. This showcased the team's preparedness and adaptability. The successful shift back to the office in January 2023 was underpinned by comprehensive connectivity solutions and timely technology upgrades, ensuring a smooth transition for our workforce.

Upgrades and cybersecurity enhancement

Driven by the onset of the pandemic, during the latter part of 2021 we embarked on a crucial upgrade initiative, providing laptops to all staff members. The laptops replaced desktops to support mobile and flexible working arrangements. This move not only facilitated a better work-life balance but also prepared us for a seamless transition into a post-pandemic work environment.

Our cybersecurity measures have been significantly strengthened. The migration of our entire infrastructure into Microsoft Azure marks a new era of cloud-based operations, improving our agility and security posture. The introduction of SMB Secure, with robust two-factor authentication, and the deployment of BitLocker encryption on all machines, exemplifies our proactive approach to data protection and IT security.

Most notably, we have conducted authorised simulated cyber-attacks, referred to as penetration tests. These were conducted by PWC, who employed a comprehensive range of tools, techniques, and processes that mirror those used by hackers. Penetration tests were carried out while connected to our systems (internal), as well as with no access to our systems or infrastructure (external). These tests are designed to expose vulnerabilities in our network, allowing us to proactively address any gaps to uphold our system's integrity.

Communication and user awareness

Regular communication from the IT department has been instrumental in keeping cybersecurity awareness top-of-mind for all staff. Initiatives such as the external email flagging system serve as constant reminders for staff to remain vigilant against cyber threats. Visual aids, such as notices and posters, are placed around the office as a constant reminder to the team to employ the mitigations that have been shared and to practice safe cyber use.

Policy environment and compliance

The IT policy landscape has seen significant updates in recent years. During the reporting period, we revisited our IT policies to ensure that they are aligned with regulation and industry standards. Updates were made to the ethical conduct codes and the work-from-home guidelines, as well as to the password policy – maintaining the highest-possible security integrity.

INFORMATION TECHNOLOGY MANAGER'S

REVIEW (continued)

Monitoring and reporting

To be sure that we are correctly allocating resources and that our systems and practices are to a desired standard, we employ continuous monitoring of our systems. Recently, we have added an additional layer by utilising Artificial Intelligence that monitors our infrastructure to identify malware or associated threats.

Regular reporting enables early identification of underperforming resources or areas that require improvement. I am pleased to report that no alarms were raised during the period, indicating the efficacy of our infrastructure and systems.

Looking ahead

As we pivot towards the future, the IT department will continue to implement mini-projects and back-end work to stay abreast of technological advancements. These efforts are crucial in maintaining a dynamic and resilient IT infrastructure capable of supporting the Fund's objectives.

In closing, I express my sincere appreciation to all staff members for their adaptability and to my team for their hard work and dedication. It is through our collective

efforts that we continue to uphold the Mineworkers' Provident Fund's reputation for IT excellence. I extend special thanks to Noah and Sbonelo for your exceptional contributions.

The continued support from our executive leadership, especially from Frans — our Principal Officer and acting CEO — has enabled us to push boundaries and invest in crucial IT advancements. On behalf of the IT department, I express our sincere gratitude for your leadership and support.



Pravesh Ambaram
Information Technology Manager
Mineworkers' Provident Fund



HUMAN RESOURCES EXECUTIVE REVIEW



“

During the 2022 period, the Human Resources department has navigated a host of challenges and seized opportunities to optimise our team’s adaptability and resilience.

”

During the 2022 period, the Human Resources department has navigated a host of challenges and seized opportunities to optimise our team’s adaptability and resilience. The year was characterised by strategic cost-saving measures, which were conscientiously implemented without compromising the commitment to employee development and wellbeing.

Adoption of a cost-saving mindset

The HR department’s role in the cost-saving drive was twofold: to carefully manage our resources and to support the Fund team and see to it that the team’s needs were met. We have done our utmost to set an example and to weigh cost-saving decisions against the team’s wellbeing. The Fund has remained transparent with both members and staff, and the HR department has focused effort on ensuring that staff understand the need for the cost-saving during the year.

I am pleased to report that we were able to strike the balance between saving and stability, and we have held a keen focus on reinforcing the value that we place on each team member, as they are the ultimate drivers of our shared success.

Employee development and wellness

Growth remains at the core of our department’s objectives and, as such we have continued to investment in our employees’ development, prudently balancing the needs of the team with the drive to reduce costs. The training and formal studies that continued throughout the period, significantly bolstered personal development, and further enriched the team’s skill set.

We strive to nurture a culture of ownership and responsibility, and during the year we facilitated accountability training. By encouraging the team to be accountable, we’re steering a behavioural shift towards a high-performing environment in which all staff feel empowered to problem solve and be proactive. All team members were required to attend these training

sessions—from executive members to contract staff.

To further foster a supportive environment, tailored coaching services were availed to the executive and management teams. We felt this to be a key initiative, particularly during the cost-saving drive, to assist leadership in better guide their teams and demonstrate agility and resilience.

The budget allocation compared to the actual spend on training illustrates the responsible financial management practiced by the HR department. The team ensured that employee development and training needs were met, while carefully balancing these needs with the mandate to reduce expenses during the year.

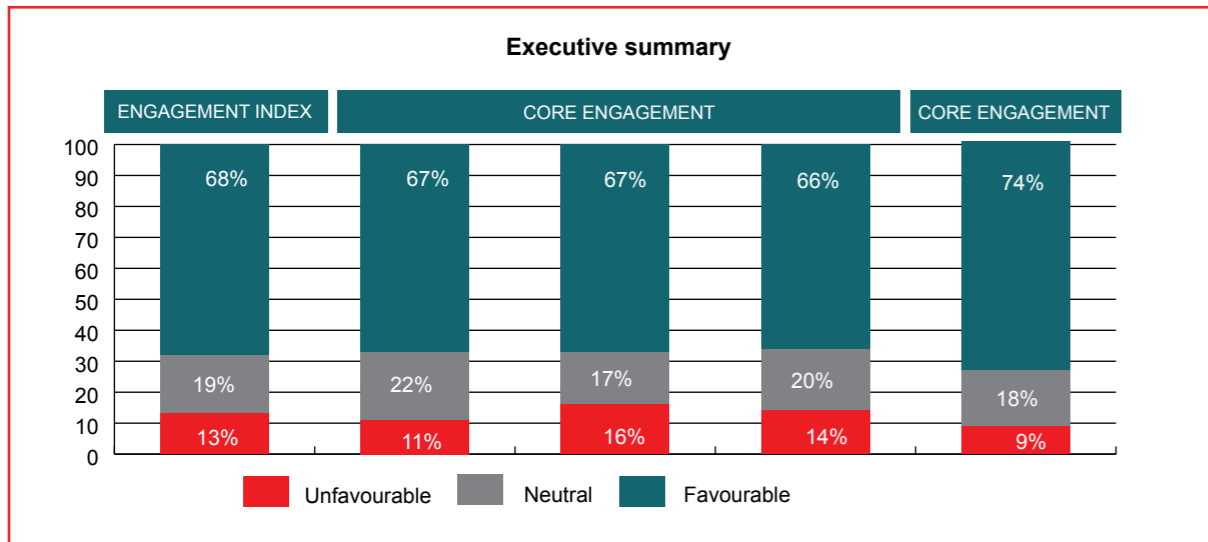
2022 TRAINING SPEND R876,265.09	VS	2022 TRAINING BUDGET R1,562,000.00
---------------------------------------	----	--

Employee engagement

Employee engagement continues to be a focal point. This is an important facet of our activities as it seeks to improve employee rational and emotional commitment to the organisation. It ensures that our team is well informed of business activities and supports a collaborative environment.

The 2022 engagement survey, which monitors (among others) staff morale provided us with valuable insights to staff sentiment towards the cost-saving drive. While a slight decline in score was noted (achieving 68%, down from the 72% in 2021), we are not deterred. The score indicates relative stability in our engagement rates, as it mirrors the score achieved in 2020. This consistency illustrates the way that we have maintained a supportive work culture, during what an unprecedentedly tough period.

HUMAN RESOURCES EXECUTIVE + REVIEW (continued)



Governance

As part of our annual activities, we have reviewed the organisational policies and procedures. Updates have been made to the Code of Ethical Conduct and Work from Home policies. Not only do policy reviews ensure compliance with legislation and governance of across the Fund, it serves to

provide a clear set of guiding principles and rules so that staff may securely know the boundaries in which they operate and be certain of their rights and responsibilities in executing their duties.

Employee Profile and Occupational Levels

The Fund's employee demographic and staff movements are shown hereafter.

Legend: A = African; C = Coloured; I = Indian W = White

Total number of employees by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	2	0	1	1	9	1	0	1	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	20	0	0	1	39	2	0	0	0	1	63
Semi-skilled and discretionary decision making	2	0	0	0	2	0	0	0	1	0	5
Unskilled and defined decision making	0	0	0	0	2	0	0	0	0	0	2
TOTAL PERMANENT	27	0	1	2	53	3	0	1	1	1	89
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	27	0	1	2	53	3	0	1	1	1	89

Number of persons with disabilities by occupational level

Employees with disabilities	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	2	0	0	0	0	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	0	0	0	0	0	0	0	0	0	2

HUMAN RESOURCES EXECUTIVE

REVIEW (continued)

Recruitment by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	0	0	0	0	0	0	0	0	0	
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	1	0	0	0	0	0	1
Temporary employees	0		0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	1	0	0	0	0	0	1

Promotions by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	0	0	0	0	0	0	0	0	0	
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	2	0	0	1	0	0	0	0	0	0	3
Temporary employees	0		0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	0	0	1	0	0	0	0	0	0	3

Staff exits by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	1	0	0	0	0	0	0	0	0	
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	3	1	0	0	0	0	5
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	4	0	0	0	4	1	0	0	0	0	9
Temporary employees	0		0	0	0	0	0	0	0	0	0
GRAND TOTAL	4	0	0	0	4	1	0	0	0	0	9

Appreciation

I remain honoured to work with a diverse team of compassionate and committed individuals. Thank you to all team members for remaining agile and willing to adapt to change; the past two years have been marked by inconsistencies and you have continued to show support and deliver exceptional service to our members. I appreciate your continued engagement and look forward

to increasing our engagement levels in the upcoming year, with a view to uplifting one another and continuing to deliver excellence to our valued members.



Lungelo Solombela
Human Resources Executive
Mineworkers Provident Fund







MINEWORKERS PROVIDENT FUND SUPERHEROES

Every year we are proud to acknowledge our SUPERHEROES, employees who have embodied each of our values by providing superior service, treating members with dignity and respect and continuing to build the MWPFF legacy. To everyone of you we say 'THANK YOU!'

2022 First-half recipients

-  Special award – **Fortunate Khumalo**
-  Legacy award – **Winnie Ngonyama**
-  Respect award – **Teboho Mavundla**
-  Dignity award – **Darius Mosweu**

2022 Second-half recipients

-  Special award – **Mateboho Thotelo**
-  Respect award – **Linah Hamese**
-  Dignity award – **Bongiwe Mntambo**
-  Legacy award – **Nolubabalo Cengimbo**



04 FINANCIAL PERFORMANCE

Chief Financial Officer's Review

56



CHIEF FINANCIAL OFFICER'S REVIEW



“

The story of our 2022 financial year may not be one of unblemished success, but it is one of growth through perseverance and teamwork.

”

The 2022 financial year marked a juncture for the Fund, characterising a period of resilience, strategic foresight, and operational evolution. Our 12th consecutive year of unqualified audits since the being a self-administered Fund speaks to our commitment to excellence and transparency.

The year, being the second-last year of our five-year strategy, was one of reflection. We have carefully analysed our performance under this strategy (from 2019 to 2022). While we have proudly noted our operational acumen, financial prudence, and ethical behaviour, we have drawn from the lessons learnt to chart the next five years of the Fund's growth.

Cost-saving

A key marker of the reporting year is the cost-saving drive that the Fund implemented. The team has had to adeptly manage costs to contain expenses, and I extend my heartfelt gratitude to each team member for embracing this shift and making prudentially sound decisions to support this drive. It has been no small feat to have contained expenses in the face of membership reduction. The achievement highlights the agility of our team, having experienced a decline in active membership from 74 000 to 68 000.

In line with the directive from the Board to decrease the operational budget significantly, EXCO and Management Committee identified certain avenues for significant cost savings. This directive was necessitated primarily by our current revenue challenges—chief among them being our challenge in onboarding new members—that have impacted our revenue generation through contributions. The gradual erosion of our membership base, compounded by an inability to offset this decline through new enrolments, means that we must be especially cautious and strategic in our financial allocations.

Fund recovery efforts

As a Fund, we confronted the reality of our position, which reflects diminishing contributions, unstable membership numbers, and rising expenses. Having thoroughly analysed our position, the Board and Exco members lead Fund's resurgence. I ask that each of us introspect and evaluate our contributions to this recovery. Are our actions conducive to the Fund's rejuvenation, or do they inadvertently contribute to its challenges? Our collective livelihoods are inextricably linked to the Fund's vitality, calling for a unified effort to secure the Fund's sustainable future.

Investment performance

The Fund has carefully managed the administration of its assets and demonstrating adaptability in the ever-changing investment landscape. We have actively managed our investment portfolio and have introduced new investment funds to optimise our financial growth strategies. The initiation of a new fee model in September 2022, is poised to enhance our service delivery.

The Fund's investment value closed slightly higher than the previous financial year. We are set to receive an estimated refund of R25 million from Guardrisk Life Limited following the termination of the Temporary Total Disability benefits due to low utilisation. The finance team continues to monitor investment risk for early intervention and ensures that we remain compliant with regulatory requirements.

The agreement between the Fund and Ubank Ltd remains unaffected despite Ubank Ltd having been placed under curatorship. The Fund continues to oversee its investments, and the Board (together with consultants) proactively monitors and mitigates associated risks to maintain the Fund's going concern status.

CHIEF FINANCIAL OFFICER'S

REVIEW (continued)

Governance

A forensic investigation into all claims processed since 2020 was tasked to PwC. This investigation is ongoing and illustrates our standards of governance, integrity, and commitment to due diligence.

The agreement between the Fund and Ubank Ltd remains unaffected despite Ubank Ltd having been placed under curatorship. The Fund continues to oversee its investments, and the Board (together with consultants) proactively monitors and mitigates associated risks to maintain the Fund's going concern status.

The story of our 2022 financial year may not be one of unblemished success, but it is one of growth through perseverance and teamwork. We have been able to enhance engagements with members and deliver service excellence—all while balancing budgets and delivering on our objective to reduce costs. I am proud to say that our team has demonstrated exceptional levels of integrity and have engaged respectfully and ethically.

Succession planning and risk evaluation

In our previous annual report, we bid a sad farewell to a beloved colleague, Coowasagren (Sagren) Pillay, and the unforeseen loss brought to the fore the importance of a robust succession plan. It also exposed the latent risk associated with concentrated expertise and years of corporate knowledge. I cannot dispute that our team was severely challenged in the absence of our dear colleague and valuable resource. I am, however, immensely proud of the cohesion displayed by the team. The comradery ultimately resulted in the Fund being awarded the esteemed Gemers award for exemplifying dignity and respect during trying times.

Achievement against targets

The finance team has homed in on two key performance indicators during the year: Effectively managing costs to optimise savings, and to achieve an unqualified audit outcome. I am pleased to report that we have met, even exceeded, our objectives.

Indicator	Target	Actual	Status
Cost Efficiency	R158.83 pm	R155.71 pm	
Clean Audit Outcome	Annually	31 December 2022	

Gratitude

As we approach the conclusion of our current five-year strategy, we continue to be motivated by our mission to be the retirement fund of choice by leveraging our rich history, member-centric ethos, and collective strength of our leadership and staff.

Thank you to the Board for your valued support, strategic insight, and sage advice. Your strength in leadership has successfully guided the Fund so that we may care for our stakeholders who matter most—our members. To my executive colleagues, who are always ready to assist and troubleshoot, your contribution is immeasurable, and I am honoured to work with such a committed and inspiring peer group.

A very special mention and immense gratitude is extended to our finance team. You have embodied our values, as illustrated in the team's accolade in receiving the Gemers award. You have gone above and beyond to ensure that the audit process was successful and made every accommodation required. It is humbling to have your support and you truly deserve a very special vote of thanks.

I must also thank our members for placing their trust in the Fund. The achievements demonstrated throughout this report are driven by our commitment to honour the trust that you extend. Thank you for being part of our journey and playing your part to enhance the lives of our workforce. I, on behalf of the Fund, assure you of our commitment to continue making decisions that deliver the greatest value for you and to strive for even higher levels of service excellence and financial returns.

With the sound foundation that has been forged by the Fund to date, I am optimistic for the year ahead and look forward to delivering yet another positive set of results.



Amma Amparbeng
Chief Financial Officer CA(SA)
Mineworkers Provident Fund



SNG Grant Thornton
20 Morris Street East Woodmead, 2191
P.O. Box 2939 Saxonwold, 2132
T +27 (0) 11 231 0600

MINEWORKERS PROVIDENT FUND **Registration number: 12/8/23053**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE MINEWORKERS PROVIDENT FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mineworkers Provident Fund ("the Fund") set out on pages 25 to 52, which comprise the statement of net assets and funds as at 31 December 2022 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Fund for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction on use

We draw attention to the Purpose and basis of preparation of financial statements note to the financial statements, which describes the basis of preparation of the financial statements. The financial statements have been prepared for the purpose of the Fund's reporting to the Financial Sector Conduct Authority (the Authority) in terms of section 15(1) of the Pension Funds Act No. 24 of 1956, as amended (the Pension Funds Act of South Africa) and have been prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Fund and the Authority and should not be used by parties other than the Board of Fund or the Authority. Our opinion is not modified in respect of these matters.

Emphasis of matter – Forensic investigation

We draw attention to Note 7 of the Board of Fund report in the financial statements, which indicates the forensic investigation that was undertaken by the Fund which is still ongoing as at the date of approval of the financial statements. Our opinion is not modified in respect of this matter.

Victor Sekese [Chief Executive]

A comprehensive list of all Directors is available at the company offices or registered office

SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

SizweNtsalubaGobodo Grant Thornton Inc. Registration Number: 2005/034639/21

sng-gran Thornton.co.za

MINEWORKERS **PROVIDENT FUND** (continued)

Registration number: 12/8/23053

Other information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa of the Fund for the period 1 January 2022 to 31 December 2022 but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related 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's Responsibilities for the Audit of the Financial Statements

Our 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 our 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Fund'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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We 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 we identify during our audit.

MINEWORKERS PROVIDENT FUND (continued)

Registration number: 12/8/23053

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.



SizweNtsalubaGobodo Grant Thornton Inc.
Darshen Govender
Director

Registered Auditor

28 June 2023

20 Morris Street East
Woodmead

REGULATORY INFORMATION

For the year ended 31 December 2022

REGISTERED OFFICE OF THE FUND

Postal address: P O Box 1583
Johannesburg 2001
Physical address: Mineworkers Provident Fund Building
4th Floor
No. 26 Ameshoff Street Braamfontein
2001

FINANCIAL REPORTING PERIODS

Current year: 1 January 2022 to 31 December 2022
Prior year: 1 January 2021 to 31 December 2021

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

BOARD OF THE FUND

Full name	Capacity	Date appointed	Date resigned
B Mrasi (Re-appointed 15/11/2021)	M	27 June 2017	27 November 2022 (deceased)
S Masuku	I	2 July 2020	
K Mothae (Re-appointed 10/03/2022)	E	21 August 2008	
R Masebelanga	A	11 February 2022	
N Matai	A	3 March 2022	
D Mohapi	A	7 December 2022	
L Mohlakola	A	7 January 2023	
P Spencer	A	11 February 2022	12 September 2022
I Mdabudabu	A	11 February 2022	30 March 2023
F Ramohomana	A	27 January 2023	
R Joseph (Re-appointed 2/12/2022)	M	3 December 2019	
A Lebelwane (Re-appointed 7/12/2022)	M	3 October 2019	
E Richter	A	14 November 2022	
P Raletjena	E	12 October 2020	
M Sebitlo (Re-appointed 24/01/2022)	M	8 May 2009	
A Kuhn	A	3 March 2022	14 April 2023
M Makhaya (Re-appointed 05/05/2021)	E	3 December 2019	
L Marumule (Re appointed 1/12/2022)	E	2 December 2019	
D Ngwane (Re-appointed 24/01/2022)	M	9 March 2019	
T Ramatshekgiba (Re-appointed 7/12/2022)	A	3 October 2019	
E Sephooa	A	3 October 2019	7 December 2022
M Lesabe (Re-appointed 01/06/2020)	A	24 February 2015	23 January 2023
S Ntlali	M	3 October 2019	7 December 2022
S Ntlali**	A	27 January 2023	
L Nkopane (Re-appointed 24/01/2022)	M	14 March 2016	
X Bokoloshe (Re-appointed 15/11/2021)	M	8 October 2018	7 December 2022
X Bokoloshe*	A	23 January 2023	
O Kgware (Re-appointed 15/11/2021)	M	15 August 2018	23 January 2023
J Mphahlele (Re-appointed 15/11/2021)	M	8 October 2018	7 December 2022
I Zimo (Re-Appointed 7/12/2022)	A	10 July 2020	
M Phakedi (Re-appointed 15/11/2021)	M	15 October 2018	
G Smith	A	3 March 2023	
M Fafuli	A	27 January 2023	
L Letimela	E	9 April 2020	11 February 2022
S Khumalo	E	8 October 2020	
P Kgobokoe	M	27 January 2023	
V Bangani (Re-appointed 01/12/2022)	A	27 June 2017	
W Van Heerden (Re-appointed 01/04/2022)	E	1 April 2013	

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

Full name	Capacity	Date appointed	Date resigned
J Mabuza (Re-appointed 25/05/2021)	E	1 August 2013	
W Du Toit (Re-appointed 11/05/2022)	E	7 April 2010	
G Fischer (Re-appointed 09/04/2020)	A	1 April 2017	
M Mveli Re-appointed 01/12/2022)	A	27 June 2017	
N Mankge	M	7 December 2022	
P Mathibela (Re-appointed 02/12/2019)	A	26 April 2023	23 February 2022 (deceased)
Z Dlamini (Re-appointed 01/12/2022)	A	27 March 2014	
D Le Roux	A	18 February 2022	
T Kgokolo (Re-appointed 01/06/2023)	C/I	31 March 2014	
J Mosemeng (Re-appointed 18/06/2020)	E	1 March 2016	

- 'M' denotes union appointed
- 'E' denotes participating employer appointed
- 'A' denotes alternate
- 'C' denotes chairperson
- 'I' denotes independent
- ** denotes appointment as alternative trustee effective 23 January 2023, following his resignation as a union appointed trustee on 7 December 2022
- *** denotes appointment as alternative trustee effective 27 January 2023, following his resignation as a union appointed trustee on 7 December 2022

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

Meeting date	Place of meeting	Quorum (yes/no)
9 February 2022	Online	Yes
8 April 2022	Online	Yes
18 May 2022	Online	Yes
21 June 2022	Online	Yes
14 September 2022	Online	Yes
16 September 2022	Online	Yes
27 October 2022	Online	Yes
31 October 2022	Online	Yes
27 November 2022	Online	Yes
7 December 2022	Online	Yes

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

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

FUND OFFICERS

Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Frans Phakgadi	P O BOX 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010) 100 3000	fphakgadi@mineworkers.co.za	1 October 2020

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Frans Phakgadi	P O BOX 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010)100 3000	fphakgadi@mineworkers.co.za	1 October 2020

*In terms of Section 13A of the Pension Funds Act

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Lisa Langner FASSA FFA	Building 2 11 Alice Lane Sandton 2196	Building 2 11 Alice Lane Sandton 2196	(011) 286 1129	Lisa@simekaconsult.co.za	1 January 2022

Auditor

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
SNG Grant Thornton	P.O. Box 2939 Saxonwold 2132	20 Morris Street East Woodmead 2191	(011) 231 0600	Darshen.Govender@sng.gt.com	1 January 2018

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Registration number in terms of Section 13B
Mineworkers Provident Fund	P O Box 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010) 100 3000	1 January 2011	Self-administered

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

PROFESSIONAL SERVICE PROVIDERS (continued)

Asset Managers

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Old Mutual Life Assurance Company (South Africa) Ltd	P O Box 1014 Cape Town 8000	Mutualpark Jan Smuts Drive Pinelands 7405	(021) 509 4410	1 January 2008	FSP 604
Aluwani Capital Partners (Pty) Ltd	Private Bag X2 Bryanston 2021	EPPF Office Park 24 Georgian Crescent East Bryanston East 2152	(021) 204 3800	3 November 2005	FSP 46196
STANLIB Asset Management Ltd	P O Box 202 Melrose Arch Johannesburg 2000	17 Melrose Boulevard Arch Melrose Arch Johannesburg 2000	(011) 448 6400	29 May 2013	FSP 719
Coronation Asset Management (Pty) Ltd	P O Box 993 Cape Town 8000	Boundary Terraces 1 Mariendahl Lane Newlands 7700	(021) 680 2219	1 August 2005	FSP 548
Allan Gray Ltd (Orbis Investment Management)	P O Box 51318 Cape Town 8001	Granger Bay Court Beach Road V&A Waterfront Cape Town 8001	(021) 415 2300	24 January 2008	FSP 6663
Ninety-One SA (Pty) Ltd	P O Box 13 Cape Town 8000	8th Floor 125 Buitengracht Street Cape Town 8001	(021) 426 1313	6 October 2010	FSP 587
Argon Asset Management (Pty) Ltd	P O Box 482 Cape Town 8000	18th Floor Metropolitan Centre No 7 Coen Steytler Avenue Foreshore Cape Town 8000	(021) 441 2460	9 October 2009	FSP 835
Mianzo Asset Management (Pty) Ltd	P O Box 1210 Milnerton 7435	Unit GG01 The Forum North Bank Lane Century City 7441	(021) 552 3555	1 February 2014	FSP 43114
Momentum Metropolitan Holdings Limited	P O Box 2212 Cape Town Bellville 7530	Mispel Street Building 4 Parc Du Cap Bellville 7530	(021) 917 3593	3 November 2005	FSP 623

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

PROFESSIONAL SERVICE PROVIDERS (continued)

Asset Managers (continued)

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Sanlam Life Insurance Ltd	P O Box 1 Sanlamhof Cape Town 7532	2 Strand Road Bellville Cape Town 7530	(021) 947 2225	1 January 2011	FSP 2759
Balondolozzi Investment Services (Pty) Ltd	P O Box 542 Melrose Arch Melrose 2076	3rd Floor Old Trafford 1 Isle of Houghton 2198	0860 126 2270	31 January 2014	FSP 42188
Prowess Investment Managers (Pty) Ltd	Private Bag 15086 Vlaeberg 8078	Unit 2A 6th Floor 186 Loop Street Cape Town 8001	(021) 565 0065	31 January 2014	FSP 43191
Ashburton Fund Management (Pty) Ltd	P O Box 782027 Sandton 2146	3rd Floor 4 Merchant 1 Fredman Drive Sandton 2196	(011) 282 1147	21 September 2015	FSB 40169
Vantage Capital Fund Managers (Pty) Ltd	P O Box 280 Parklands 2121	Unit 9B 1st Floor Melrose Boulevard Melrose Arch 2076	(011) 530 9100	14 July 2015	FSP 45610
SEI Investments South Africa (Pty) Ltd	Postnet Suite 426 Private Bag X1 Melrose Arch 2076	1st floor, Unit 8A 3 Melrose Boulevard Melrose Arch 2196	(011) 994 4202	1 August 2016	FSP 13186
Emerging Markets Investment Management Limited (EMIM)	27 Hill Street London W1J 5LP United Kingdom	27 Hill Street London W1J 5LP United Kingdom	44 (0) 20 7290 9858	17 January 2019	FSP 50135
Africa Collective Investments (RF) (Pty) Ltd	P O Box 522417 Saxonwold Johannesburg 2132	Firestation Rosebank 5th Floor 16 Baker Street Rosebank Johannesburg	(011) 442 2464	29 March 2019	CIS 1065
Just Retirement Life (South Africa) Limited	G01 Big Bay Office Park 16 Beach Road Estate Boulevard Big Bay 7441 Cape Town	G01 Big Bay Office Park 16 Beach Road Estate Boulevard Big Bay 7441 Cape Town	(021) 200 0463	11 March 2019	FSP 46423
AEON Investment Management (Pty) Ltd	P O Box 24020 Claremont 7735	4 TH Floor The Citadel 15 Cavendish Street Claremont 7708	(021) 204 6061 / 6066	10 December 2020	FSP 27126
Vunani Fund Managers (Pty) Ltd	P O Box 44586 Claremont 7735	6th Floor, Letterstedt House Newlands on Main, Newlands 7700 Cape Town	(021) 670 4900	9 December 2020	FSP 608
Prescient Investment Management (Pty) Ltd	P O Box 31142 Tokai 7966	Block B, Silverwood LaneSteenberg Office Park 7945	(021) 700 3600	11 December 2020	FSP 43191

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

PROFESSIONAL SERVICE PROVIDERS (continued)

Asset Managers (continued)

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Fairtree Asset Management (Pty) Ltd	P O Box 4124 Tygervalley 7536 South Africa	Ground Floor Willowbridge Oak Old Oak Road Belville	(021) 943 3760	21 May 2021	FSP 25917
LimaMbeu Investment Managers (Pty) Ltd	2nd Floor, Fredman Towers 13 Fredman Dr Sandown Sandton 2196	2 Floor Fredman Towers 13 Fredman Drive Sandton	(010) 023 0113	14 December 2021	FSP 49018
Mineworkers Provident Fund Cell Captive (Guardrisk Life Limited)	P O Box 786015 Sandton 2146	The Marc Tower 2 129 Rivonia Road Sandton 2196	(011) 669 1000	1 October 2021	FSP 013922/06
Sands Capital Fund PLC	1000 Wilson Boulevard, Suite 3000 Arlington VA 22209 USA	1000 Wilson Boulevard Suite 3000 Arlington VA 22209 USA	+1 (703) 562 5287	8 December 2021	FSP 484381
BlackRock Investment Management (UK) Limited	200 Capital Dock, 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland	200 Capital Dock, 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland	+44 (20) 774 33191	8 December 2021	FSP 43288
Morgan Stanley Fund Management Limited **	14 Port de France L-4360, Esch-sur- Alzette Luxembourg	14 Port de France L-4360, Esch-sur- Alzette Luxembourg	+ 353 (1) 799 8700	21 June 2022	FSP 616662
Convergence (CPDIF) SSA GP Limited	6th Floor, Tower A 1 Cybercity Ebene Mauritius	6th Floor, Tower A 1 Cybercity Ebene Mauritius	+230 403 6000	8 December 2021	FSP L204GBL

** Asset allocation completed on 11 January 2023.

Asset Consultants

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
27four Investment Managers (Pty) Ltd (Re-appointed on 01 July 2022)	P O Box 522417 Saxonwold Johannesburg 2132	Firestation Rosebank, Fifth Floor 16 Baker Street Rosebank, Johannesburg 2196	(011) 442 2464	1 January 2016	FSB 31045

REGULATORY INFORMATION (continued)

For the year ended 31 December 2022

PROFESSIONAL SERVICE PROVIDERS (continued)

Risk Insurer

Full name	Postal address	Physical address	Telephone number	FSP approval no
Guardrisk Life Limited	P O Box 786015 Sandton 2146	The Marc Tower 2 129 Rivonia Road Sandton 2196	(011) 669 1000	FSP 76

Custodian and/or Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
Allan Gray Ltd	P O Box 51318 V&A Waterfront Cape Town 8002	1 Silo Square V&A Waterfront Cape Town 8001	(021) 415 2300	FSB 19896
Momentum Group Ltd	P O Box 48 Newlands 7725	Great Westerford Main Road Rondebosch Cape Town,7700	(021)658 6000	FSB 6406

Other

Full name	Postal address	Physical address	Telephone number	FSP approval no
FirstRand Bank Ltd (First National Bank)	P O Box 7713 Johannesburg 2000	Bank City 3 First Place Mezzanine Floor Cnr Simmonds & Jeppe Streets Johannesburg 2000	(011) 371 3944	FSB 3071

PARTICIPATING EMPLOYERS

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

STATEMENT OF RESPONSIBILITY BY THE BOARD OF THE FUND

For the year ended 31 December 2022

Responsibilities

The Board of the Fund hereby confirms that to the best of their knowledge and belief, during the year under review, in the execution of their duties they have complied with the duties imposed by the Pension Funds Act 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 the 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 in South Africa;
- 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 Mineworkers Provident Fund are the responsibility of the Board of the Fund. The Board of the 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 other service providers in order to 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 pages 14 to 52 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 annual financial statements have been reported on by the independent auditors, SNG Grant Thornton, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of the Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on pages 11 - 13.

Nature and cause of non-compliance	Possible impact of non-compliance matter on the Fund	Corrective course of action to resolve non-compliance matters
Disclosure requirements to be observed by Funds.	PF 85 required that after the Board of the Fund have made the distribution in terms of Section 37C, the dependents/beneficiaries must each receive a letter notifying of the said decision.	The Fund has embarked on a member data update project and is encouraging participating employers to assist with the payment letter for each beneficiary that is uploaded on the deceased record and is provided to beneficiaries upon request.
The Fund is required to conduct investigations as required by Section 37C of the Pension Funds Act.	There will be an increase in the Benefits Payable of the Fund as a result of the beneficiaries not identified for distribution and payment as required by the Pension Funds Act.	The Fund is looking into areas of improvement and further Section 37C training is being provided to trustees and employees to assist with increasing the output.
Fund expenses for active members only are being deducted from the member's investment accounts. This is consistent with the Pension Funds Act but is not in line with the revised rules of the Fund.	Costs borne by the members in relation to Fund expenses are deducted from the members investment accounts instead of from the contributions received. Those expenses are estimated at R71 million.	The Fund will reconfigure the administration system to ensure that the administration fees are deducted from risk contributions and not from the member's investment account.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

Nature and cause of non-compliance	Possible impact of non-compliance matter on the Fund	Corrective course of action to resolve non-compliance matters
Section 14 Transfers Out from prior years were not processed for payment to the transferee funds as at 31 December 2022.	This creates a perception of non-compliance with the provisions of Section 14 of the Act.	The Fund has determined that these transfers are no Section 14 Transfers Out but deferred members and is in the process of correctly classifying these record from transfers-out payable to deferred record status.
One instance occurred where late payment interest(LPI) was not raised on a shortfall of contributions from one participating employer.	LPI in accordance with the Pension Funds Act was not levied.	Contributions received from the participating employer were reviewed and it was identified that the month of December 2022 was an isolated instance. The shortfall was subsequently paid to the Fund.

These annual financial statements:

- were approved by the Board of the fund on 22 June 2023;
- are to the vest of the Board members knowledge, complete and correct;
- fairly represent the net assets of the Fund at 31 December 2022, as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of the Fund by:



T Kgokolo (Re-appointed 01/06/2023)
Chairperson
22 June 2023

Date



W Du Toit (Re-appointed 11/05.2022)
Employer Trustee
22 June 2023

Date



M Sebitio (Re-appointed 24/01/2022)
Member Trustee
22 June 2023

Date

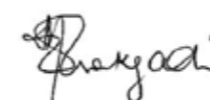
Mineworkers Head Office – 26 Ameshoff Street Braamfontein
22 June 2023

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

For the year ended 31 December 2022

I confirm that for the year under review the Mineworkers Probident Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act an to the best of my knowledge all applicable legislation except the following:

Specific instances of non-compliances	Remedial action taken
Disclosure requirements to be observed by Funds.	The Fund has embarked on a member data update project and is encouraging participating employers to assist with the payment letter for each beneficiary that is unloaded on the deceased record and is provided to beneficiaries upon request.
The Fund is required to conduct investigations as required by Section 37C of the Pension funds Act.	The Fund is looking into areas of improvement and further Section 37C training is being provided to trustees and employees to assist with increasing the output.
Fund expenses for active members only are being deducted from the member's investment accounts. This is consistent with the Pension Funds Act but is not in line with the revised rules of the Fund.	The Fund will reconfigure the administration system to ensure that the administration fees are deducted from risk contributions and not from the member's investment account.
Section 14 Transfers Out from prior years were not processed for payment to the transferee funds as at 31 December 2022.	The Fund has determined that these transfers are not Section 14 Transfers Out but deferred members and is in the process of correctly classifying these records from transfers-out payable to deferred record status.
One instance occurred where late payment interest (LPI) was not raised on a shortfall of contributions from one participating employer.	Contributions received from the participating employer were reviewed and it was identified that the month of December 2022 was an isolated instance. The shortfall was subsequently paid to the Fund.



Frans Phakgadi
Principal Officer

Date 22 June 2023

REPORT OF THE BOARD OF THE FUND

For the year ended 31 December 2022

1. DESCRIPTION OF FUND

1.1 Type of Fund in terms of the Income Tax Act, 1962

In terms of Section 1 of the Income Tax Act, 1962 the Fund is classified as a provident fund. The Fund is a defined contribution fund.

1.2 Benefits

1.2.1 The purpose of the Fund is the payments of the retirement benefits, withdrawal benefits and death benefits to members of the Fund and/or their dependants.

1.2.2 The Fund has retained membership and benefit records of members who have unclaimed benefits within the Fund.

1.3 Contributions

Members Contributions

Member contributions are specified and defined in the revised rules of each participating employer. The revised rules are available at the registered office of the Fund. Contribution rates range from 12% (Category 1) up to 27.5% (Category 16).

Employer contributions

Employer contributions are specified and defined in the revised rules of each participating employer. After allocating a portion of the employer contributions to meet the cost of the Fund expenses if applicable, the balance is allocated towards members fund credits.

For all members

Members may pay additional voluntary contributions (AVC) to the Fund.

1.4 Rule Amendments

1.4.1. Amendments

Number	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Service Conduct Authority (FSCA)
5	Revised rules of the Fund	6 October 2021	1 January 2022	6 May 2022
5	T-day (Annuitisation of Provident Fund Retirement Benefits)	6 October 2021	31 March 2022	6 May 2022

1.5 Reserves and specified accounts established in terms of the rules of the Fund

1.5.1. Reserves

The assets of the Fund are held in five reserve accounts, which are known as the Members Investment Account, Risk Reserve Account, Data Error Reserve Account, Processing Error Reserve Account and the Expense Reserve Account. The assets comprising the Members Investment Account shall be allocated amongst the members and the records shall be maintained as such. The assets comprising the Risk Reserve Account shall not be allocated amongst the members but shall be maintained for the Fund as a whole. Each reserve account shall be maintained separately from the others and transfers between reserve accounts shall take place only as specified in the rules of the Fund.

Members Investment Account:

The following transactions are recorded in this account:

Credits:

- contributions made by members and participating employers for retirement funding in terms of Rule 4.1;
- voluntary contributions made by the members in terms of Rule 4.1.2;
- any amounts (if any) transferred to the Fund in terms of Rule 9.1;
- any allocation of actuarial surplus in terms of Rule 5.7;
- any interest paid on late contributions in terms of Rule 4.2.3.1; and
- any allocation from the reserve accounts.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

1. DESCRIPTION OF FUND (continued)

1.5 Reserves and specified accounts established in terms of the rules of the Fund (continued)

1.5.1. Reserves (continued)

Debits:

- benefits paid in terms of Rules 6 (retirement benefits), 7 (death and disability benefits) or 8 (termination of service);
- transfers from the Fund in terms of Rule 9.2;
- deduction from the member's minimum individual reserve in terms of Rule 10;
- cost of the expenses referred to in Rule 5.5.3;
- for paid-up members, non-contributory members or unclaimed members, the proportionate amount of operational fund expenses as determined by the Actuary in accordance with Rule 5.4.2 which amounts will be transferred to the Expense Reserve Account;
- for unclaimed benefits, on transfer to another fund in terms of Rule 12.7;
- transfer to the Data Error Reserve Account or Processing Error Reserve Account in terms of Rule 5.6.3.

Risk Reserve Account:

The following transactions are recorded in this account:

The primary purpose of this reserve account is to provide for risk benefits. The following transactions are recorded in this account:

- contributions paid to the Fund by each participating employer towards the members risk benefit of Rule 4.1;
- contributions paid to the Fund by each member towards the members risk benefit of Rule 4.1;
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts;
- payments by a registered insurer with whom the Fund has effected a group life assurance policy on the lives of members; and
- positive net investment returns earned on the assets in the Risk Reserve Account.

Debits:

- payments of premiums to registered insurers with whom the Fund has effected a group life assurance policy on the lives of members;
- transfers to Members Investment Account in terms of the rules of the Fund;
- negative net investment returns earned on the assets in the Risk Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

Expense Reserve Account:

The purpose of this reserve account is to meet operational fund expenses related to the management and administration of the Fund and to meet unforeseen contingencies.

The following transactions are recorded in this account:

Credits:

- a portion of contributions as determined by the Actuary to meet operational fund expenses in terms of Rule 5.5.2;
- proceeds from realisation of units to meet operational fund expenses in terms of Rule 5.5.2;
- positive net investment returns earned on the assets in the Expense Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts

Debits:

- payment for operational fund expenses in terms of Rule 5.4;
- negative net investment returns earned on the assets in the Expense Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

Processing Error Reserve Account:

The purpose of this reserve account is to provide for mismatching and timing differences in the investment, disinvestment and allocation of the assets of the Fund as well as financial losses as a result of errors that may be made in the processing of the Fund's payments.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

1. DESCRIPTION OF FUND (continued)

The following transactions are recorded in this account:

Credits:

- mismatching profits arising in the Fund from time to time;
- positive net investment returns earned on the assets in the Processing Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts.

Debits:

- mismatching losses arising in the Fund from time to time;
- negative net investment returns earned on the assets in the Processing Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

Data Error Reserve Account:

The purpose of this reserve account is to protect the Fund against data errors which could arise from time to time. The following transactions are recorded in this account:

Credits:

- positive net investment returns earned on the assets in the Data Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts.

Debits:

- losses due to data errors that may arise in the Fund from time to time;
- negative net investment returns earned on the assets in the Data Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

2. INVESTMENTS

2.1 Development of the Fund's investment strategy

The development of the Fund's default investment strategy is a two-stage process. The first objective is to determine the funding level required to ensure that Fund members retire in a financial position that protects their current standard of living. This is determined by conducting an Asset Liability Modelling ("ALM") exercise where the investment and savings positions of members (individually and in aggregate) are assessed. The ALM review, conducted by the Fund's investment consultant at least every two years ensures that the investment strategy adopted by the Fund continues to remain relevant.

The second objective is to define the asset allocation of each investment portfolio and select the best asset managers within each asset class. To meet these objectives, the two stages are expanded into a multi-step investment process with the goal of developing and executing an investment strategy with the highest probability of maximising Fund assets thereby allowing members to purchase an appropriate pension at retirement while simultaneously mitigating investment risk.

The investment strategy adopted by the Fund also takes into consideration the integration of Environmental, Social and Governance ("ESG") and Broad-Based Black Economic Empowerment ("B-BBEE") factors. ESG is integrated into the implementation of the investment strategy through engagement and proxy voting and impact investment where investment is made with the intention of having a beneficial social, and environmental impact in addition to a financial return. B-BBEE objectives target the requirements of the B-BBEE Scorecard for Retirement Funds under the Financial Sector Code which promotes procurement from black-owned service providers to the Fund.

The investment strategy of the Fund also complies with the provisions of Regulation 28 of the Pension Funds Act of 1956 including amendments made.

Default Investment strategy of the Fund

Since the establishment of the Fund, a single default investment portfolio has been maintained for all members, regardless of their age. This approach has proven to be beneficial to members over time. However, recent amendments to retirement fund regulations introduced by the government, such as compulsory annuitisation for provident funds, relaxed exchange control limits, and the addition of alternative asset class limits, as well as the proposed two-pot system expected to be implemented in 2024, have prompted a review of the Fund's investment strategy. A comprehensive ALM analysis was conducted in July 2022 to inform a proposed modification to the investment approach, which was subsequently approved by the Board. Consequently, the Fund's Default Investment Strategy will transition from a single-stage to a two-stage framework. This new strategy will incorporate a wealth accumulation phase for members who are five or more years from retirement and an income/capital protection phase for members who are less than five years away from retirement.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

2. INVESTMENTS (continued)

2.1 Development of the Fund's investment strategy (continued)

Key amendments to the Default Investment Strategy, subject to vesting rules include:

- The introduction of an Income Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to reduce the risk of transitioning the portion of member assets earmarked for the purchase of the in-fund annuity at retirement.
- The introduction of a Capital Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to reduce the risk of transitioning the portion of member assets earmarked for the purchase of the in-fund annuity at retirement.
- Members who are more than 5 years from retirement will be invested in the Accumulation Portfolio which is the current default investment portfolio.

Strategic Asset Allocation Amendments to this portfolio include:

- Reducing exposure to smooth bonus funds from 40% to 30%;
- Having dedicated exposure to South African Alternative Investments; and
- Marginally increasing exposure to offshore assets.

Current Default Investment Strategy

Portfolio	Real Return Objectives
Accumulation Portfolio	CPI + 4.5%

Revised Default Investment Strategy

Life Stage	Risk Profiled Portfolio	Real Return Objectives
5 years or more to retirement age	Accumulation Portfolio	CPI + 4.5%
Less than 5 years to retirement age	Income Protection Portfolio	75% Accumulation Portfolio + 25% ALBI
	Capital Protection Portfolio	STeFI + 1%

The Revised Default Investment Strategy will be implemented during the 2023 financial year.

Foreign Currency Account

The Fund opened a Foreign Currency Account (FCA) effective 11 April 2022 as an approved and active Institutional Investor as defined by the South African Reserve Bank (SARB) to facilitate the transfer of foreign currency to offshore asset managers and for receiving disinvestment funds from offshore asset managers prior to reinvestment. All transactions on this account comply fully with the provisions of the Authorised Dealer Manual and/or the provisions of specific authorities from the Financial Surveillance Department of the SARB.

Asset manager exposure

The Fund's asset manager selection process considers both quantitative and qualitative factors that provide an accurate screen of managers who have the greatest likelihood of beating respective benchmarks.

The table below sets out the investment allocations at total Fund level as at 31 December 2022:

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

2. INVESTMENTS (continued)

2.1 Development of the Fund's investment strategy (continued)

Core Portfolio

Asset Class

Asset Manager Portfolio	Weight in Overall Fund
Guaranteed Portfolios	
Old Mutual Stable Growth Fund	12.89%
Sanlam Stable Bonus Fund	7.40%
Sanlam Smooth Bonus Fund	7.61%
Momentum Smooth Growth Fund	0.67%
Unlisted Assets	
Ashburton Private Equity Fund 1	0.40%
Vantage Mezzanine III	0.49%
26 Ameshoff Street	0.08%
Total Core Portfolio	29.54%

Asset Manager Portfolio	Weight in Overall Fund
Market-Linked Portfolio	
Asset Class	
South African Equities	
Argon SA Equity Fund	7.57%
Balondolozzi SA Active Capped SWIX Fund	1.01%
Coronation Aggressive Equity Fund	7.69%
Mianzo Enhanced Equity Fund	2.16%
South African Fixed Income	
Aluwani Capital SA Bond Fund	8.70%
Balondolozzi SA Bond Fund	1.10%
Prowess Mineworkers Corporate Bond Fund	1.31%
Balondolozzi SA ILB Fund	1.74%
Prowess SA ILB Fund	1.73%
STANLIB Aggressive Income Fund	4.89%
South Africa Cash	
Ninety-One SA Money Market Fund	7.35%
Global Equities	
Ninety-One Global Franchise Fund	3.14%
Orbis Institutional Global Equity Fund	4.27%
SEI Global Select Equity Fund	2.63%
BlackRock Investment Management (UK) Limited	2.60%
Convergence Partners Digital Infrastructure Fund L.P	0.09%
Sands Capital Fund PLC	1.10%

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

2. INVESTMENTS (continued)

2.1 Development of the Fund's investment strategy (continued)

Asset Manager Portfolio	Weight in Overall Fund
Africa	
Emerging Markets Investment Management Limited	0.40%
South Africa Balanced	
Just Retirement Life (South Africa) Limited	0.20%
Others	10.78%
Total Market-Linked Portfolio	70.46%
Total Asset Allocation	100.00%

2.2. Management of investments

The Board of the Fund meets on a formal basis at last four times a year in relation to the investments of the Fund and monitors the performance of the Fund's investments on a quarterly basis. The Fund has a separate Investment Sub-committee that meets at least every three months to monitor the investments of the Fund.

The fair value of the Fund's investment, administered by the asset managers at the end of the year was:

	FSCA	Current year	Previous year
	Registration number	R	R
*Old Mutual Life Assurance Company (South Africa) Ltd	FSP 604	4 283 394 761	3 914 200 166
Aluwani Capital Partners (Pty) Ltd	FSP 46196	2 891 208 667	2 758 479 584
AEON Asset Management (Pty) Ltd	FSP 27126	573 103 842	547 382 500
*Coronation Asset Management (Pty) Ltd	FSP 548	3 110 620 511	2 886 755 042
Allan Gray Ltd (Orbis Investment Management)	FSP 6663	1 420 358 717	2 726 384 017
*Ninety-One SA (Pty) Ltd	FSP 587	3 485 660 448	1 431 369 698
Argon Asset Management (Pty) Ltd	FSP 835	2 515 129 493	2 343 745 997
Vunani Fund Managers (Pty) Ltd	FSP608	851 460 662	816 866 814
**Momentum Metropolitan Holdings Limited	FSP 623	221 138 056	2 815 972 873
*Sanlam Life Insurance Ltd	FSP 2759	4 986 645 780	4 634 795 537
STANLIB Asset Management Limited	FSP 719	1 624 437 530	1 602 476 511
Mianzo Asset Management (Pty) Ltd	FSP 43114	717 011 064	677 232 135
*Prowess Investment Managers (Pty) Ltd**	FSP 43191	1 012 654 511	965 813 932
*Balondolozzi Investment Services (Pty) Ltd	FSP 42188	1 282 549 511	1 218 320 425
Ashburton Fund Management (Pty) Ltd	FSP 40169	133 189 614	126 928 387
*Vantage Capital Fund Managers (Pty) Ltd	FSP 45610	161 311 205	162 684 050
SEI Investments South Africa (Pty) Ltd	FSP 13186	873 228 945	1 703 323 214
Emerging Markets Investment Management Limited	FSP 50135	131 854 012	132 658 261
Africa Collective Investments (RF) (Pty) Ltd	CIS 1065	79 586 269	79 772 561
Just Retirement Life (South Africa) Limited	FSP 46423	65 122 707	31 977 130
Prescient Investment Management (Pty) Ltd	FSP 43191	675 321 706	656 388 871

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

2. INVESTMENTS (continued)

2.2. Management of investments (continued)

	FSCA	Current year	Previous year
	Registration number	R	R
LimaMbeu Investment Managers (Pty) Ltd	FSP 49018	112 971 518	109 690 314
Fairtree Asset Management (Pty) Ltd	FSP 25917	641 476 837	558 068 635
Mineworkers Provident Fund Cell Captive (Guardrisk Life Limited)	FSP 013922/06	100 609 615	63 471 732
BlackRock Investment Management (UK) Limited	FSP 43288	865 456 977	–
Convergence (CPDIF) SSA GP Limited	FSP L204GBL	31 480 916	–
Sands Capital Fund PLC	FSP 484381	365 047 677	–
Total value of investments managed		33 212 031 551	32 964 758 386

* Asset Managers listed hold multiple mandates.

**The Board of the Fund resolved to fully disinvest from the Momentum Smooth Bonus Fund and Prowess Corporate Bond Fund respectively. As at 31 December 2022, the total value of the Momentum Smooth Bonus Fund remaining illiquid assets was R221 million. The Fund expects to receive the remaining assets from the Momentum Smooth Bonus Fund in tranches over five years.

3. MEMBERSHIP

	Active members	Deferred pensioners	Paid-ups	Unclaimed benefits
Number at the beginning of year	73 812	10 757	2 821	25 955
Adjustments	(4 809)	(71)	(169)	128
– Disability Benefits	(1 437)	(36)	–	–
– Adjustments	(3 372)	(27)	94	128
– Deferred members	–	(8)	(263)	–
Additions/(transfers from)	1 122	(969)	(3)	–
Section 14 Transfers in	2 042	19	–	–
Section 14 Transfers out	(18)	(3)	–	–
Withdrawals	(1 571)	(566)	–	–
Retirements	(597)	(8)	–	–
Retrenchments	(1 987)	(68)	–	–
Deaths	(354)	(46)	–	–
Transfers from stagnant & demutualised	–	729	–	–
Unclaimed benefits paid	–	–	–	(2 587)
Number at the end of the year	67 640	9 774	2 649	23 496

The above adjustments of 4809 under active members consists of 1437 disability benefits and 3 372 adjustments to active members relating to data clean-up. The adjustment of 71 members under deferred pensioners consists of 36 disability benefits, 27 adjustment members and 8 deferred members. The adjustment of 169 under paid-up consists of 94 adjustment members and 263 deferred members. Disability benefit members are shown under the adjustments table.

The Paid-up are members where an exit confirmation has been received, but the claim has not been finalised. Following the Fund's data clean-up exercise, this resulted in changes in the reclassification of member records.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay benefits in the future. In accordance with the rules of the Fund, the financial condition of the Fund is reviewed at the end of every calendar year, or shorter intervals as the Board of the Fund decides. The last triennial statutory valuation, as required by Section 16 of the Pension Funds Act, was performed and the actuary reported that the Fund was in a sound financial position. It was submitted to the Financial Services Conduct Authority (FSCA) on 14 December 2019 and is awaiting approval. The 2018 triennial statutory valuation is pending with the FSCA as it was prepared in line with the then unregistered Revised Rules. The Fund subsequently revised its rules, which were submitted to the FSCA in November 2021 and approved by the FSCA on 6 May 2022. The 2018 triennial statutory valuation will therefore be reconsidered by the FSCA in light of the new development.

The triennial statutory valuation as required for the period ended 31 December 2021 was approved by the Board of the Fund on 7 December 2022 and submitted by the valuator on 14 December 2022 to the FSCA. The Fund awaits approval by the FSCA. The valuator's report is available on pages 53 - 54.

5. HOUSING LOAN FACILITIES

The Fund does not grant direct housing loans. As from 1 September 1996 the Board of the Fund decided to assist members with housing loans by using a portion of their benefits in the Fund as security in terms of rule 31(10) of the rules of the Fund and Section 19(5) of the Pension Funds Act in South Africa. The Board of the Fund approved Standard Bank of South Africa Limited, Ubank, ABSA Bank Limited and IEMAS Financial Services Co-operative Limited (now iMasFinance Co-operative Limited) to participate in the Housing Loan Guarantee Scheme. Refer to note 4 in the notes to the annual financial statements for details of the guarantees provided. The Board of the Fund also approved First National Bank (FNB) in 2021 to participate in the housing loan guarantee scheme, however no housing loans were granted during the year as FNB failed to conclude participating employer agreements.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

Details of investments in participating employers are provided in note 3.2 of the notes to the annual financial statements. The investments represent 2.43% of the total investments at 31 December 2022 (2021: 2.36%) and no exemption is required from the Registrar of Pension Funds in terms of Section 19 (4) in the Pension Funds Act in South Africa.

7. SUBSEQUENT EVENTS

Investments and disinvestments after year-end

The following key transactions resolved and approved by the Board of the Fund during 2022 were concluded subsequent to the year ended 31 December 2022:

- Morgan Stanley Global Quality Fund was transferred on 11 January 2023.
- The fixed income and bond mandates were fully transferred between 31 March 2023 and 30 April 2023.
- Prowess Corporate Bond Fund was transferred on 28 February 2023 and 20 March 2023 respectively. Refer to the Significant Matters under Investment decisions.
- The Fund transferred the mandate for the Old Mutual Stable Growth Fund to the Old Mutual Smooth Bonus Fund.

Temporary Total Disability (TTD) Benefit Refund - Guardrisk Life Limited

The Fund expects to receive an estimated amount of R25 million from Guardrisk Life Limited following the termination of the TTD benefit. The amount is an estimate based on the premiums paid less binder fees less management fees less claims paid inclusive of all interest earned. The Fund intends for the final amount to be verified by its Actuaries once Guardrisk Life Limited has finalised the calculations in accordance with the agreed timelines.

Staff rationalisation and cost rationalisation

The Fund concluded a Section 189 process, with separation date of 31 January 2023. Notice pay and severance pay (retrenchment packages) totalling R3.7 million were paid on 28 February 2023.

Proposed new administration fee model

The Board of the Fund intends on introducing a new administration fee model, integrated with the risk benefit enhancement and affordability project. The Board of the Fund held a workshop on 28 February 2023 wherein the Fund and its Actuaries presented the new proposed fee model. Further analysis on the impact of the proposed model on the members' risk benefits has been commissioned. The manner of deducting administration fees and the basis of the administration fee is intended to be revised from the current fixed administration fee model to a variable administration fee model for active, paid up, deferred and unclaimed members.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

7. SUBSEQUENT EVENTS (continued)

Board changes after year-end:

Refer to Schedule A, Regulatory Information for Board changes.

Cyber Security Cover

On 01 January 2023 the Fund introduced Network Security and Privacy Insurance to its Fidelity Cover. The cover is renewable annually.

Forensic Investigation

The Board of the Fund approved that a forensic investigation be conducted with regard to all claims that were paid during the Covid 19 pandemic period. The Fund's objective is to satisfy itself that no staff members have partaken in illicit activities and obtain assurance that no member who exited was prejudiced. The intention is to uncover any fraudulent claims and payments and to provide assurance to the Board of the Fund. The investigation is ongoing and a report will be provided to the Board of the Fund upon its conclusion.

Capital guarantees

The Board of the Fund resolved to remove capital guarantees on its smooth bonus products.

8. SIGNIFICANT MATTERS

Valuator of the Fund

Simeka Consultants & Actuaries (Pty) Ltd were appointed effective from 1 January 2022 to provide actuarial services to the Fund. Lisa Langner (FASSA FFA) has been appointed in her capacity as a Valuator and as Head of Actuarial for Simeka Consultant and Actuaries (Pty) Ltd to undertake the scope of work for the Board of the Fund for a period of five (5) years ending 31 December 2026.

Asset Consultants of the Fund

The Fund's asset consultants, 27four Investment Managers (Pty) Ltd (27four) contract ended on 31 December 2021. The Board of the Fund approved a contract extension for six (6) months to 30 June 2022 whilst the Fund completed a tender process to appoint an asset consultant in a closed tender process. 27four was re-appointed as asset consultants for a contractual term of three (3) years from 1 July 2022 to 30 June 2025.

Investment decisions

The Board of the Fund resolved and approved the following investment decisions during the financial year under review:

Full Termination	Partial Termination	New Appointments
Momentum Metropolitan Holdings Limited Smooth Bonus Fund Prowess Corporate Bond Fund	Orbis Institutional Global Equity Fund SEI Global Select Equity Fund	Morgan Stanley Global Equity Fund Sands Capital Global Growth Fund iShares Developed World Index Fund
		Bonds and Fixed Income Abax Bond Fund Independent Alternatives Active Bond Terebinth Active Bond Fund Stanlib Inflation Linked Bond Fund Terebinth Active Bond Fund Prescient Inflation Linked Bond Fund
		Private Equity Fund Kholo Capital Mezzanine I

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

8. SIGNIFICANT MATTERS (continued)

The Board of the Fund at the Board meeting held on 16 September 2022, resolved to:

- Approve the termination of the Temporary Total Disability Benefit (TTD) as at 30 September 2022;
- Accept the terms and conditions regarding the Permanent Total Disability (PTD) and Funeral Cover as set out in the respective policies, from 1 October 2021;
- Approve the increase of the Funeral Benefit cover as at 1 October 2022, from R40 000 to R50 000 at a premium of R82.50 per member per month subject to the financial soundness review; and
- Approve the signing of the Shareholder's Agreement from 1 October 2021, instituting the Cell captive insurance between the Fund and the insurer Guardrisk Life Limited. Refer to below, note 3.1, note 13 and note 14 for further details on the cell captive arrangement.

The Fund had the following Executive changes in 2022:

Mr Dumisa Hlatshwayo (Chief Executive Officer) resigned effective 30 June 2022. Mr Dumisa Hlatshwayo did not serve the 3 months' notice period because following his immediate precautionary suspension by the Board on 8 April 2022, the Board instituted an investigation which resulted in the institution of disciplinary proceedings against him.

Mr Frans Phakgadi (Principal Officer) was appointed as Acting Chief Executive Officer effective 11 April 2022. Mr Frans Phakgadi continues to report to the Board of the Fund in his capacity as Principal Officer and Acting Chief Executive Officer on compliance matters and provides oversight over the business and the Fund's strategy.

Board changes in 2022:

Refer to Schedule A, Regulatory Information for Board changes.

Risk Benefits: Permanent Total Disability (PTD) and Funeral

The Fund insured its PTD risk benefit through the First Party Cell Captive between Guardrisk Life Limited and Mineworkers Provident Fund with Prosperity Management Africa (PMA) (Pty) Ltd as the binder holder with effect from 1 October 2021. Furthermore, with effect from 1 October 2021, the funeral benefit was housed in the Guardrisk Life Limited pooled product.

The Fund paid an advance to Guardrisk Life Limited for the funeral benefit when the new funeral policy was issued by Guardrisk Life Limited effective 1 October 2021. This advance of R3.7 million was refunded in full on 3 April 2023.

The key results of the cell captive under which the PTD was insured were as follows:

	2022 (Year -ended)	2021 (three-months ended)
Cell Captive Premium Income	R86.8 million	R21.3 million
Cell Captive Expenses	R48.6 million	R 8.6 million
Cell Captive Management Fees	R 6.8 million	R 1.7 million
Investment income net of taxation	R 5.8 million	R452k

The value of the investment in the cell captive as at 31 December 2022 was R100.6 million.

The cell captive generated a profit of R31.3 million as at 31 December 2022. The profit remains in the cell captive as at 31 December 2022.

Revised rules of the Fund

The objective of the revised rules submitted to the FSCA and registered on 6 May 2022 achieved the following:

- Alignment with the amendments to the Act insofar as they relate to the Fund.
- Consolidated Rule Amendments 1 to 7 and to update the Rules to comply with practice and with legislation.
- Expanded contributions categories in the Fund, in line with the resolution of the Board of the Fund.
- Implement amendments to the Income Tax Act, No. 58 of 1962, which are effective 1 March 2021, as applicable to retirement benefits that accrue in provident funds and to provide for the transfer of pension fund members into this Fund.
- Directed when members are entitled to commute their retirement benefits and to clarify what portion of their retirement benefits may be commuted and what portion may be subject to the annuitisation rules and provisions.

REPORT OF THE BOARD OF THE FUND (continued)

For the year ended 31 December 2022

8. SIGNIFICANT MATTERS (continued)

Temporary Total Disability (TTD) termination:

The Fund introduced a new benefit, TTD with effect from 1 October 2021 housed in the Guardrisk pooled product. The Fund's valuator conducted a market test exercise on the TTD pricing in August 2022. The results of this assessment, the unaffordability of the risk premium, the low take up of the TTD benefit and the low claims experience no longer warranted the continuation of this benefit. At the Board of the Fund meeting held on 14 September 2022, a resolution was passed whereby the TTD benefit would not be renewed as at the end of the 12 months period from inception, being

30 September 2022. Notwithstanding the discontinuation of the TTD benefit, the Board of the Fund may consider offering TTD benefits in the future.

Staff rationalisation and cost rationalisation

The Board of the Fund resolved on 27 October 2022 to retrench staff. This decision arose following the review of the Fund's operating structure and staff complement. The outcome being the need to reduce the salary cost through rationalisation of human resources to mitigate the rising administration costs and declining membership of the Fund. Section 189 commenced on 8 November 2022.

Housing Loan Facilities

During May 2022, Ubank Ltd was placed under curatorship by the South African Reserve Bank due to corporate governance concerns, internal control weaknesses and inability to secure sufficient capital. The curatorship at the bank will not have immediate effect on the agreement or affiliation within the Fund.

Management of Investments

The Fund's investments increased from R32.9 billion as at 31 December 2021 to R 33.2 billion as at 31 December 2022. The Board acknowledges the inherent risks associated with investment strategies and their implementation. To mitigate such risks, the Fund actively monitors various risk exposures, including but not limited to inflation, currency, liquidity, credit, volatility, political, social, regulatory, and asset manager risks. Oversight of the Fund's investments, including assessments for impairment of the Fund's private equity investments and potential sovereign risk associated with exposure to South African government debt, is carried out by the Board in conjunction with the Fund's investment consultant 27four. After conducting a thorough evaluation, no evidence has been found to suggest any impairment of the Fund's private equity investments.

Going Concern

The Fund's going concern status has not been impacted. The Fund retains its ability to pay claims as they arise.

Compliance with laws and regulations

Five instances of non-compliance were noted for the period under review:

- The Fund is in the process of remediating the instances which relate to PF 86 & PF 90. The Fund has embarked on a member data update project and is encouraging participating employers to assist with the payment letter for each beneficiary that is uploaded on the deceased record and is provided to beneficiaries upon request.
- The Fund is required to conduct investigations as required by Section 37C of the Pension Funds Act investigations. The Fund is investigating areas of improvement. Further Section 37C training is being provided to trustees and employees to assist with increasing the output.
- Fund expenses for active members only are being deducted from the member's investment accounts. This is consistent with the Pension Funds Act but is not in line with the revised rules of the Fund. The Fund will reconfigure the administration system to ensure that the administration fees are deducted from risk contributions and not from the member's investment account.
- Section 14 Transfers Out from prior years were not processed for payment to the transferee funds as at 31 December 2022. The Fund has determined that these transfers are not Section 14 transactions but deferred members and is in the process of correctly classifying these records from transfers-out payable to deferred record status.
- One instance occurred where late payment interest (LPI) was not raised on a shortfall of contributions from one participating employer. Contributions received from the participating employer were reviewed and it was identified that the month of December 2022 was an isolated instance. The shortfall was subsequently paid to the Fund.

STATEMENT OF NET ASSETS AND FUNDS

For the year ended 31 December 2022

	Note	Current year R	Previous year R
ASSETS			
Non-current assets		33 244 990 810	33 000 768 088
Property, vehicles and equipment	2	32 959 259	36 009 702
Investments	3	33 212 031 551	32 964 758 386
Current assets		1 003 948 534	414 153 147
Transfers receivable	6	33 286 240	1 233 214
Accounts receivable	5	185 775 520	178 886 211
Contributions receivable	11	198 754 368	183 672 138
Cash and cash equivalents		586 132 406	50 361 584
Total assets		34 248 939 344	33 414 921 235
FUNDS AND LIABILITIES			
Members' funds and reserve accounts		24 699 338 176	24 100 029 520
Member investment accounts	20	24 899 456 432	23 221 031 683
Amounts (to be allocated) / allocated	21	(200 118 256)	878 997 837
Reserves			
Reserve accounts	20	5 373 289 130	5 127 119 630
Total funds and reserves		30 072 627 306	29 227 149 150
Non-current liabilities		2 346 698 476	2 533 077 123
Provisions	16	3 532 958	4 123 784
Unclaimed benefits	9	2 343 165 518	2 528 953 339
Current liabilities		1 829 613 562	1 654 694 962
Transfers payable	7	7 390 573	6 087 166
Benefits payable	8	1 334 801 498	1 116 978 564
Accounts payable	10	487 421 491	531 629 232
Total funds and liabilities		34 248 939 344	33 414 921 235

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

For the year ended 31 December 2022

	Note	Member investment accounts & amounts to be allocated R	Reserve accounts Refer note 20 R	Current year R	Previous year R
Contributions received and accrued	11	1 712 938 339	763 958 434	2 476 896 773	2 431 804 826
Reinsurance proceeds		–	102 092 054	102 092 054	212 801 545
Net investment income	12	1 049 160 827	221 405 641	1 270 566 468	4 818 947 640
Benefit Adjustment allocated to unclaimed benefits	9	(95 291 607)	–	(95 291 607)	(379 521 069)
Other income	13	27 115 222	–	27 115 222	25 113 327
Re-insurance premiums		–	(427 458 933)	(427 458 933)	(205 418 675)
Administration expenses	14	–	(135 445 052)	(135 445 052)	(134 344 838)
Net income before transfers and benefits		2 693 922 781	524 552 144	3 218 474 925	6 769 382 756
Transfers and benefits		(2 168 372 691)	(209 008 750)	(2 377 381 441)	(2 986 172 873)
Transfer from other funds	6	709 261 185	–	709 261 185	465 592
Transfer to other funds	7	(7 595 996)	–	(7 595 996)	(706 676)
Benefits	8	(2 870 037 880)	(209 008 750)	(3 079 046 630)	(2 985 931 789)
Net income after transfers and benefits		525 550 090	315 543 394	841 093 484	3 783 209 883
Funds and reserves					
Balance at the beginning of the year		24 100 029 520	5 127 119 630	29 227 149 150	25 454 841 736
Prior period adjustments	15	163 404 127	(161 554 786)	1 849 341	–
Transfers between reserve accounts		–	92 180 892	92 180 892	(10 902 469)
Member administration fees		(92 180 892)	–	(92 180 892)	–
Unallocated Returns adjustments		2 535 331	–	2 535 331	–
Balance at the end of the year		24 699 338 176	5 373 289 130	30 072 627 306	29 227 149 150

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. PROPERTY, VEHICLES AND EQUIPMENT

2.1. Current year

	Motor vehicles R	Computer equipment and software R	Office equipment R	Furniture and fittings R	Land and buildings R	Total R
Gross carrying amount						
At beginning of the year	771 858	11 661 826	814 713	8 474 791	48 500 000	70 223 188
Adjustment to Opening Balance	–	(81 900)	–	–	–	(81 900)
Additions	635 583	14 411	–	66 208	–	716 202
Disposals	–	(22 799)	–	–	–	(22 799)
At end of year	1 407 441	11 571 538	814 713	8 540 999	48 500 000	70 834 691
Accumulated depreciation and impairment						
At beginning of year	(617 793)	(7 881 406)	(814 713)	(4 599 574)	(20 300 000)	(34 213 486)
Depreciation charges	(269 879)	(1 174 182)	–	(1 053 071)	–	(2 497 132)
Accumulated depreciation on disposals	–	3 286	–	–	–	3 286
Revaluation(loss)	–	–	–	–	(1 250 000)	(1 250 000)
Other movements	–	81 900	–	–	–	81 900
At end of year	(887 672)	(8 970 402)	(814 713)	(5 652 645)	(21 550 000)	(37 875 432)
Net carrying amount at end of year	519 769	2 601 136	–	2 888 354	26 950 000	32 959 259

2.2. Prior year

	Motor vehicles R	Computer equipment and software R	Office equipment R	Furniture and fittings R	Land and buildings R	Total R
Gross carrying amount						
At beginning of the year	771 857	9 412 084	1 286 100	7 894 484	48 500 000	67 864 525
Additions	–	2 322 300	–	21 662	–	2 343 962
Disposals	–	(12 600)	–	(30 600)	–	(43 200)
Other movements	1	(59 958)	(471 387)	589 245	–	57 901
At end of year	771 858	11 661 826	814 713	8 474 791	48 500 000	70 223 188
Accumulated depreciation and impairment						
At beginning of year	(463 422)	(7 179 139)	(1 286 100)	(2 960 878)	(21 600 000)	(33 489 539)
Depreciation charges	(154 372)	(682 169)	–	(1 049 447)	–	(1 885 988)
Revaluation gain, (disposals) and transfers	–	(81 900)	(15 226)	15 226	1 300 000	1 218 100
Other movements	1	61 802	486 613	(604 475)	–	(56 059)
At end of year	(617 793)	(7 881 406)	(814 713)	(4 599 574)	(20 300 000)	(34 213 486)
Net carrying amount at end of year	154 065	3 780 420	–	3 875 217	28 200 000	36 009 702

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

3. INVESTMENTS

3.1. Investment summary

	Note	Local	Foreign	Total current year	Total previous year	Fair value current year	Categorised per IAS 39
		R	R	R	R	R	
Cash		1 425 620 915	220 614 105	1 646 235 020	484 363 381	1 646 235 020	At fair value through statement of changes in net assets and funds
Commodities		12 882 407	-	12 882 407	17 876 962	12 882 407	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt		7 428 940 202	10 535 736	7 439 475 938	6 232 121 544	7 439 475 938	At fair value through statement of instruments changes in net assets and funds
Investment properties and Owner-occupied		829 001 662	8 278 942	837 280 604	845 273 302	837 280 604	At fair value through statement of properties changes in net assets and funds
Equities (including demutualisation shares)		7 295 734 964	4 555 781 090	11 851 516 054	6 703 387 272	11 851 516 054	At fair value through statement of changes in net assets and funds
Insurance policies***		10 211 989 070	-	10 211 989 070	11 985 048 686	10 211 989 070	At fair value through statement of changes in net assets and funds
Collective investment schemes		79 586 269	-	79 586 269	5 608 726 110	79 586 269	At fair value through statement of changes in net assets and funds
Private equity funds		142 332 818	183 648 933	325 981 751	289 612 437	325 981 751	At fair value through statement of changes in net assets and funds
Investment in participating employers	3.2.	807 084 438	-	807 084 438	798 348 692	807 084 438	At fair value through statement of changes in net assets and funds
Total		28 233 172 745	4 978 858 806	33 212 031 551	32 964 758 386	33 212 031 551	

***Included in non-linked insurance policies are non-vested bonuses amounting to R1 936 447 063 (2021: R2 513 286 696). The guaranteed value of these policies as at 31 December 2022 is R7 333 593 479 (2021: R8 851 651 880). Included is the Investment in Mineworkers Provident Fund Cell Captive for permanent total disability effective 1 October 2021. Refer to the Board of the Fund report for further detail. The value of the investment in the cell captive was R100 609 615 as at 31 December 2022 (2021: R63 471 732).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

3. INVESTMENTS (continued)

3.2. Investment in participating employer/s

	At beginning of year R	Additions R	Repaid/ Disposals R	At end of year R
Participating employer/s				
AngloGold - Ashanti Limited	235 463 657	-	(108 455 283)	127 008 374
Gold Fields Mining Limited	120 040 361	-	(36 016 283)	84 024 078
Exxaro Resources Limited	103 702 459	628 289	-	104 330 748
Sibanye Gold Limited	154 763 841	-	(25 354 268)	129 409 573
Glencore Xstrata PLC	37 567 162	184 385 096	-	221 952 258
Northam Platinum Limited	117 513 613	-	(4 404 798)	113 108 815
SOUTH32 Limited	3 464 294	5 147 873	-	8 612 167
Harmony Gold Mine	25 833 305	-	(7 194 880)	18 638 425
Total	798 348 692	190 161 258	(181 425 512)	807 084 438

4. HOUSING LOAN FACILITIES

4.1. Housing loan guarantees

The Fund has granted guarantees to the Standard Bank of SA Limited, value of R4 901 880 for loans granted to 76 members. A guarantee amounting to R5 100 000 is renewable on 30 April 2023.

The Fund has granted guarantees to Ubank. The value of the loans granted is R150 033 for 13 members. The guarantee amount of R649 000 is limited and the facility does not require renewal. The Fund terminated the housing loan facility for new applications effective 05 January 2015.

The Fund has granted guarantees to Absa Pension Powered Home Loans. The value of the loans granted is R13 802 802 for 445 members. The guarantee of R10 040 000 000 remains in place as at 31 December 2022 for the existing loans granted. No further guarantees have been provided following the discontinuation of the product.

Effective May 2017, the Fund has granted guarantees to IEMAS Financial Services. The value of the loans granted is R406 150 227 for 4028 member loans. The total facility is R501 848 837 expiring date 31 August 2023.

The amount of any individual guarantee may not exceed 60% of an amount paid to the member's withdrawal benefit on the date of the loan application being made (For Absa loans guarantee is 60% or 30% depending on the age of the member).

No housing loans were granted during the year by FNB.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

5. ACCOUNTS RECEIVABLE

	Current year R	Previous year R
Internal audit refund	–	128 465
Reinsurance proceeds	152 184 920	170 729 680
Fidelity Guarantee Insurance	1 454 750	1 265 000
Sundry Debtors - Corporate Social Investment (CSI)	1 652 065	–
External Interface - Members	102 266	–
Study Bursary	68 222	86 942
Funeral Benefit advance payment - Guardrisk Life Limited	3 704 951	3 704 951
TTD Benefit Refund - Guardrisk Life Limited	25 050 482	–
Contributions late payment interest (LPI)	–	148 503
Annuity control account	(60 590)	(60 590)
Rental Income Receivable	836 858	997 504
Single premiums	–	(159 186)
Financial Service Conduct Authority levy	–	1 388 981
Water, electricity & parking	781 596	655 961
Total	185 775 520	178 886 211

Office rental due includes a full provision for rental income and water, electricity & parking-tenant recoveries of R622 021 and R404 731 respectively as at 31 December 2022 due to bad debts arising from a tenant at the Fund's Head Office. The Fund has instituted legal action against the tenant. From the Rental Income Receivable and Water, electricity & parking: tenant recoveries receivable, R498 404 was received in March 2023 and the Fund expects the balance to be repaid in full. A further R121 253 was recovered from the provision raised during 2022.

The estimated amount of R25 050 482 represents the expected refund arising from the termination of the TTD benefit as at 30 September 2022. Refer to the Board of the Fund report for further detail.

Refer to the Board of the Fund report for further detail on the funeral benefit advance of R3 704 951 repaid on 3 April 2023 from Guardrisk Life Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

6. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14								
Corporate Selection Umbrella Retirement Fund No 2	01/03/2019	223	–	1 233 213	–	142 502	(724 099)	651 616
Construction Industry Retirement Benefit Fund	01/07/2016	347	–	–	22 815 777	2 762 931	(25 060 449)	5 18 259
FundsAtWork Umbrella Provident Fund (Participating Employer : Swallow Fork Estates S.A (Pty) LTD)	Various	1 197	–	–	560 992 499	93731 481	(622 607 615)	32 116 365
Isacor Employees Umbrella Provident Fund (Participating Employer: Exxaro Resources Limited)	14/09/2022	729	–	–	27 559 585	1 256 410	(28 815 995)	–
Transfers in terms of Section 15B								
Prospective approvals in terms of Section 14								
Old Mutual Super Fund	01/10/2017	6	42 402	–	–	–	–	–
Sentinel Retirement Fund	01/02/2014	1	23 632	–	–	–	–	–
Sentinel Retirement Fund	01/02/2017	1	300 189	–	–	–	–	–
Bridging Provident Fund	Various	2	322 566	–	–	–	–	–
Assmang Retirement Fund	01/03/2022	9	6 417 836	–	–	–	–	–
Total		2 515	7 106 625	1 233 213	611 367 861	97 893 324	(677 208 158)	33 286 240
Transfers approved (B)								611 367 861
Return on transfers (C)								97 893 324
Statement of changes in net assets and funds								709 261 185

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

7. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14								
Mine Employees Pension Fund	10/11/2012	66	-	-	54 629	5 663	-	60 292
Sentinel Mining Industry Retirement Fund	06/01/2012	223	-	207 837	-	21 408	-	229 245
Mine Employees Pension Fund	Various	37	-	1 384 269	-	147 630	-	1 531 899
NBC Umbrella Retirement Fund	30/11/2011	1	-	189 306	-	20 450	-	209 756
Sentinel Mining Industry Retirement Fund	Various	14	-	792 992	-	48 721	-	841 713
Sentinel Mining Industry Retirement Fund	Various	126	-	305 450	-	33 201	-	338 651
Sentinel Mining Industry Retirement Fund	01/01/2008	232	-	92 342	-	10 072	-	102 414
Sentinel Mining Industry Retirement Fund	Various	82	-	830 551	-	89 849	-	920 400
Sentinel Mining Industry Retirement Fund	Various	51	-	309 980	-	33 700	-	343 680
Sentinel Mining Industry Retirement Fund	Various	65	-	173 677	-	18 734	-	192 411
Sentinel Mining Industry Retirement Fund	Various	869	-	1 504 957	-	92 122	-	1 597 079
Sentinel Mining Industry Retirement Fund	Various	25	-	241 176	-	45 736	-	286 912
Sentinel Mining Industry Retirement Fund	Various	15	-	-	2 828 003	347 630	(3 175 633)	-
Sentinel Mining Industry Retirement Fund	Various	61	-	-	231 141	52 150	(283 291)	-
Sentinel Mining Industry Retirement Fund	Various	5	-	-	1 834 032	184 829	(2 018 861)	-
Sentinel Mining Industry Retirement Fund	Various	5	-	-	1 281 401	269 524	(814 804)	736 121

Prospective approvals in terms of Section 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

7. TRANSFERS TO OTHER FUNDS (continued)

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
Sentinel Mining Industry Retirement Fund	Various	133	22 076 065	-	-	-	-	-
S14 prospective approvals out (2)	Various	10	2 277 397	-	-	-	-	-
S14 prospective approvals out (3)	Various	13	3 181 895	-	-	-	-	-
S14 prospective approvals out (4)	Various	23	4 504 317	-	-	-	-	-
Iscor Employees Umbrella Provident Fund	Various	5	1 060 270	-	-	-	-	-
Sanlam Umbrella Provident Fund	Various	4	1 010 000	-	-	-	-	-
Old Mutual SuperFund	Various	10	1 529 527	-	-	-	-	-
FundsAtWork Umbrella Fund	Various	317	81 526 498	-	-	-	-	-
Total		2 392	117 165 969	6 087 166	6 174 577	1 421 419	(6 292 589)	7 390 573
Transfers approved (B)					6 174 577			6 174 577
Return on transfers (C)						1 421 419		1 421 419
Statement of changes in net assets and funds								7 595 996

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

8. BENEFITS

8.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Trans- ferred to unclaimed benefits R	A+B+C-D-E At end of year R
Lump sums on retirements						
- Full benefit	62 024 796	491 988 830	363 810	(438 933 296)	-	115 444 140
Lump sums before retirement						
- Disability benefits	510 396 176	872 810 026	2 166 900	(900 867 740)	-	484 505 362
- Death benefits	351 029 652	323 628 885	3 700 536	(352 514 090)	-	325 844 983
- Withdrawal benefits	117 709 097	507 027 142	(106 459)	(408 755 992)	-	215 873 788
- Retrenchment benefits	30 092 953	807 723 795	533 209	(690 642 370)	-	147 707 587
Other						
Deferred benefits	45 725 890	63 829 042	383 897	(64 529 035)	-	45 409 794
Pension Payments - Member Payments	-	4 997 017	-	(4 981 173)	-	15 844
Total	1 116 978 564	3 072 004 737	7 041 893	(2 861 223 696)		- 1 334 801 498
Benefits for current year (B)		3 072 004 737				
Return allocated (C)			7 041 893			
Statement of changes in net assets and funds						3 079 046 630

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

9. UNCLAIMED BENEFITS

	Current year R	Previous year R
Balance at the beginning of the year	2 528 953 339	2 482 944 929
Transferred from benefits payable	-	34 985 934
Adjustments : Benefit movement - Unclaimed members from/(to) other benefits	14 776 560	(38 672 503)
Benefits and Interest	95 291 607	379 521 069
Less:		
• Benefits Paid	(295 855 988)	(329 826 090)
Balance at the end of the year	2 343 165 518	2 528 953 339

In 1999, the Fund received funds (Demutualisation Benefits) from Old Mutual for members who had previously been members of the Fund. These members were paid out their share of Demutualisation Benefits and are no longer members of the Fund. The remaining demutualisation benefits and the liability relating to stagnant member records were transferred in 2019 and 2020 respectively out of unclaimed benefits to account payable as:

- these liabilities are not unclaimed benefits in accordance with the Pension Funds Act.
- these liabilities were better classified under Account Payable in the context of the nature and settlement.

Refer to note 10 Accounts Payable for further details.

10. ACCOUNTS PAYABLE

	Current year R	Previous year R
Re-insurance premiums	37 111 693	37 072 889
South African Revenue Services - PAYE	22 732 690	24 190 618
Audit fees - External	1 860 495	1 524 000
IT related expenses & licence fees	1 089 123	1 253 589
Audit Fees - Internal	548 654	-
Staff benefit accruals	15 085 436	4 020 589
Corporate Social Investment Savings Account	1 821 373	1 740 965
Organisational Development	128 919	-
Consultancy fees	20 979	20 885
Printing & stationery	15 807	3 895
Actuarial fees	-	124 437
Telephone & postage	-	10 033
Legal expenses	187 937	105 150
Staff Events & Other Staff costs	15 522	20 936
Other payables	1 319 152	1 326 601
Business Development and Marketing	-	33 326
Operations office costs	330 775	60 559
Strategic 2020 Initiatives	154 419	-
Cleaning services	-	7 340
Property Security Expenses	-	8 872
Demutualised and Stagnant members' benefits	399 563 299	455 836 412

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

10. ACCOUNTS PAYABLE (continued)

	Current year R	Previous year R
Momentum Group Life refunds	211 408	33 850
Postage & courier costs	986	17 706
Water & Electricity, Parking costs	2 400 000	1 869 000
System Control Account - Section 14 In Refund	1 536 111	–
External interface - Members	1 200	18 870
Staff Training costs	250	6 950
Implementation of POPIA	–	100 001
Office Refit Expenses	34 578	19 479
Annual Integrated Report	196 693	38 005
Contributions refund - various participating employers	54 431	2 152 133
Tracing costs	–	694
Change management and client servicing	–	11 448
Bank charges	997 561	–
Membership growth	2 000	–
Total	487 421 491	531 629 232

Of the demutualisation benefits and the liability relating to stagnant member records transferred in 2019 and 2020 respectively, R399 million remains unpaid as at 31 December 2022 (2021: R455 million). R38.9 million was paid during the year (2021: R28.8 million). Refer to Unclaimed Benefit note 9 for further details.

11. CONTRIBUTIONS

	At beginning of year R	Towards retirement R	Towards insurance and expenses R	Contributions received R	At end of year R
Member contributions received and accrued	183 672 138	741 754 728	–	(726 672 498)	198 754 368
Participating employer contributions received and accrued	–	954 340 891	763 958 433	(1 718 299 324)	–
Additional voluntary contributions – members	–	16 842 721	–	(16 842 721)	–
Total	183 672 138	1 712 938 340	763 958 433	(2 461 814 543)	198 754 368
Towards retirement					1 712 938 340
Towards insurance and expenses					763 958 433
Statement of Changes in Net Assets and Funds					2 476 896 773

The Insurance expenses consist of the funeral premium of R62 305 400 (2021: R49 067 109) which is an unapproved benefit, Permanent Total Disability of R312 557 949 (2021: R636 349 030), Temporary Total Disability of R52 595 583 (2021: R15 386 839) and Reserves of R336 499 501 (2021: R495 418 153).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12. NET INVESTMENT INCOME

	Current year R	Previous year R
Income from investments	1 997 827 780	2 145 463 643
• Dividends	453 143 260	325 436 741
• Interest	938 073 183	472 117 122
• Other income	32 426 736	46 145 375
• Collective investment schemes distribution	1 837 494	15 201 293
• Income from insurance policies	572 347 107	1 286 563 112
Interest on late payment of contributions	–	4 889
Adjustment to fair value	(568 452 549)	2 776 989 883
	1 429 375 231	4 922 458 415
Less: Expenses incurred in managing investments	(158 808 763)	(103 510 775)
Total	1 270 566 468	4 818 947 640

On 1 October 2021, the Fund entered into a cell captive agreement with Guardrisk Life Limited. The total premiums received for permanent total disability risk benefits as at 31 December 2022 was R86.8 million (2021: R21.4 million).

In 2022, the Fund included the cell captive premium income of R86.8 million and cell captive expense of R54.4 million under net investment income for financial reporting purposes. Refer to note 13 and 14 respectively.

13. OTHER INCOME

	Current year R	Previous year R
Mineworkers Provident Fund Cell Captive Premium Income**	–	21 369 488
Interest Income	4 103	16 381
Rental Income	2 013 163	3 704 681
Mineworkers Provident Fund Cell Captive - TTD Refund	25 050 482	–
Annuity Fee Income	47 474	22 777
Total	27 115 222	25 113 327

**In 2022, the Fund included the cell captive premium income of R86.8 million under net investment income (2021: R21.4 million), hence the balance is RNil as at 31 December 2022. Refer to note 12.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

14. ADMINISTRATION EXPENSES

	Current year R	Previous year R
Actuarial fees	1 281 680	563 011
Audit fees	4 022 145	3 614 911
Audit fees - internal	1 922 667	2 056 775
Audit fees - external	2 099 478	1 558 136
Consultancy fees	1 427 873	995 861
Property security expenses	924 502	630 023
Depreciation	2 497 133	1 885 990
Fidelity insurance	1 265 000	1 100 000
Financial Service Conduct Authority levy	2 146 448	2 044 405
Governance, Compliance, Operating and Recurring Expenses	46 240 135	49 624 954
Bank charges	1 219 473	302 026
Legal fees	2 589 524	1 811 572
Postage and telephone	804 643	757 409
Printing and stationery	242 057	525 482
Tracing expenses	123 638	167 009
Revaluation (loss)/gain and (disposal) of assets	1 250 000	(1 187 500)
IT related expenses & licences	19 893 312	19 370 515
Recruitment expenses	166 585	152 080
Sundry expenses	13 413	225 362
Vehicle running expenses	18 962	262 112
Independent chairperson fees - Audit & Risk	450 793	468 653
Independent chairperson fees - Board	482 895	421 705
Other Benefits - Expenses	3 031 430	(951 104)
Investment consultants fees	1 937 296	1 907 703
Participating employer visit expenses	1 351	–
Cleaning services	489 295	399 174
Risk management & consulting costs	388 107	547 052
Payroll management fees	208 688	359 104
Business development and marketing costs	699 244	986 641
Water & electricity & parking	1 147 312	718 852
Communication & stakeholder engagement survey	1 195 271	1 826 922
Insurance premiums	587 194	415 603
Annual reporting function costs	196 693	206 933
Executive strategy expenses	236 131	132 079
Operations office expenses	334 288	440 424
Change management and Client servicing expenses	266 447	577 221
Professional membership fees	40 773	36 883

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

14. ADMINISTRATION EXPENSES (continued)

		Current year R	Previous year R
External members interface costs		108 090	54 096
Performance review expenses		240 485	219 282
Unclaimed road show expenses		850 406	56 553
Board strategy expenses		333 916	269 307
Industry Body costs		81 075	108 215
Board Strategic Initiatives and Projects		954 575	3 146 765
Office Refit Expense		1 340 611	479 686
Cell Captive Expenses**		–	10 350 551
Office expenses		328 312	197 390
Operating lease payments		3 195 811	3 667 799
Travel - Petrol & Maintenance		281 915	195 398
Employee Engagement Interventions		34 500	–
Board Capacitation		106 600	–
Travel - Petrol & Maintenance		369 024	–
Penalties		–	–
Board of the Fund expenses (trustees)	14.1	1 090 277	237 498
Staff expenses	14.2	70 485 648	66 655 233
Principal Officer expenses	14.3	4 064 211	2 869 168
Provisions		–	4 123 784
Total		135 445 052	134 344 838

**In 2022, the Fund included the cell captive expenses of R54.4 million relating to Permanent Total Disability costs associated with the cell captive arrangement under net investment income (2021: R10 350 551), hence the balance is RNil as at 31 December 2022. Refer to note 12.

14.1. Board of the Fund expenses (trustees)

	Current year R	Previous year R
Regional Advisory Committee (RACs)	140 504	163 205
Meeting allowances	32 986	3 976
Local and foreign travel expenses	916 537	7 970
Training and related expenses	250	62 347
Total	1 090 277	237 498

14.2. Staff expenses

	Current year R	Previous year R
Staff expenses - Remuneration & Contributions to retirement fund	69 257 386	65 167 113
Staff expenses - Training expenses	894 985	1 189 876
Staff expenses - Other payments	333 277	298 244
Total	70 485 648	66 655 233

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

14. ADMINISTRATION EXPENSES (continued)

14.3. Principal Officer expenses

	Current year R	Previous year R
Principal officer expenses - Remuneration, allowance and short-term incentives	4 049 818	2 867 232
Principal officer expenses - Fund Activities	14 393	1 936
Total	4 064 211	2 869 168

15. PRIOR PERIOD ADJUSTMENTS

	Current year R	Previous year R
Prior Year Adjustment - Provisions	1 210 941	–
Current Year adjustments on Section 14 Transfers In	638 400	–
Total	1 849 341	–

16. FINANCIAL LIABILITIES

16.1. Provisions

	Current year R	Previous year R
Staff leave pay provision	2 506 206	3 097 032
Provision for Bad Debts - Rental Income	622 021	622 021
Provision for Bad Debts - Water, Electricity & Parking : tenant recoveries	404 731	404 731
Total	3 532 958	4 123 784

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17. RISK MANAGEMENT POLICIES

Risk management framework

The Board of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies. The Board of the Fund has established the Audit, Risk Management and compliance Sub-Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of the Fund on its activities.

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. The following risks are regularly assessed by the Board of the Fund:

• Solvency risk

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Fund's contractual obligations.

Continuous monitoring by the Board and the Fund's actuary takes place to ensure that appropriate assets are held where the Fund's obligation to members is dependent upon the performance of specific portfolio of assets and that a suitable match of assets exists for all other liabilities.

• Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Board of the Fund monitors receivable balances on an ongoing basis with the result that the Fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

Housing loan guarantees granted are secured by the after-tax withdrawal benefit of the respective members on whose behalf the guarantees were granted. The amount of the guarantee may not exceed 60% of the fund credit of the respective members. Housing loan guarantees granted are renewed annually to ensure that the general terms and conditions are still applicable.

The Fund's assets are only invested through investment managers who are Financial Advisory and Intermediary Services compliant. The Fund's investment mandate stipulates that the investment manager should monitor the risks associated with the Fund's investments on a regular basis.

Credit risk is managed by the Fund's outsource investment managers by investing in well-researched institutions and within the parameters of the investment mandate. The investment manager must report annually on the steps taken to identify and manage the credit risk, in terms of the Fund's Risk management policy.

• Legal risk

Legal risk is the risk that the Fund will be exposed to contractual obligations for which have not been provided. 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 instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value. The Board of the Fund monitors cash flows by using monthly cash flow projections.

• Currency risk

Currency risk is the risk that the value of an instrument will fluctuate in Rand's owing to changes in foreign exchange rates. The Fund's 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 the Fund monitors this aspect of the Fund's investments and limits the offshore exposure to 45% of total assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17. RISK MANAGEMENT POLICIES (continued)

• Liquidity risk

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

As at 31 December 2022, the current liabilities of the Fund exceeded the current assets by R825 million

(2021: R1 240 million). However, the Board of the Fund has no reason to believe that the Fund will not be able to meet its obligations as they arise based on the assets invested as at 31 December 2022 of R33 212 031 551 (2021: R32 964 758 386) which will be available on a trade-plus-three-day basis except for the following:

- the Fund's head office building at 26 Ameshoff Street;
- private market investments; and
- smooth bonus funds which hold unlisted assets such as property in their portfolio.

These assets may take longer to liquidate and as such the Fund continues to put in place measures to mitigate the risk of illiquid assets.

• Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates. The Board of the Fund monitors and reviews the market risk profile of the fund's financial instruments.

• Investments

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

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities. Following the amendment to Regulation 28 of the Pension Funds Act, which introduced infrastructure and limited exposure in infrastructure investments to 45%. The Fund had no exposure to infrastructure investments as at 31 December 2022.

• Price risk

Price risk is the risk that the value and/or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised in the statement of changes of net assets and funds, but do not necessarily indicate the Fund's exposure to price risks.

• 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 the Fund manages interest rate risk through both fixed and variable, long and short-term instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

18. RELATED PARTY TRANSACTIONS

The following transactions between the participating employer and the Fund occurred during the period.

Ubank Ltd is an affiliated organisation to the Fund and has an agreement with the Fund. Ubank has issued loans to members of the Fund through a housing loan guarantee scheme and the balance outstanding is R150 033 as at 31 December 2022. The Fund terminated the housing loan facility effective 05 January 2015 for new applications. Refer to note 4 of the Annual Financial Statements and Significant Matters.

The participating employers made contributions to the Fund for member's retirement and towards the Fund's re-insurance and expenses to the value of R954 340 891 and R763 958 433 respectively (refer note 11 of the notes to the Annual Financial Statements).

The Fund holds investments in the participating employers to the value of R807 084 438 (refer note 3.2 of the notes to the Annual Financial Statements).

The Principal Officer remuneration and contributions to retirement for the period ended 31 December 2022 is R4 049 818 (Refer to note 14.3 of the notes to the Annual Financial Statements).

19. OPERATING LEASE COMMITMENTS

	Current year R	Previous year R
Within one year	2 062 749	1 989 339
Between two and five years	2 245 852	564 471
Total	4 308 601	2 553 810

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

	Members' Funds R	Amounts to be allocated R	Reserve Accounts Total R	Investment Reserve R	Risk Reserve R	Data Error Reserve Account R	Processing Error Reserve Account R	Expense Reserve Account R
At beginning of year	23 221 031 683	878 997 837	5 127 119 630	834 461 462	4 282 658 168	-	-	-
Adjustment to amounts to be allocated - Prior Year	185 847 152	(24 292 366)	(161 554 786)	(161 554 786)	-	-	-	-
Prior Year	-	-	-	-	-	-	-	-
Prior Year Adjustment - Provisions	-	1 210 941	-	-	-	-	-	-
Transfer to Data Error Reserve Account	-	-	-	(363 335 072)	-	363 335 072	-	-
Transfer to Processing Error Reserve Account	-	-	-	(176 270 706)	-	-	176 270 706	-
Transfer to Expense Reserve Account	-	-	-	(133 300 898)	-	-	-	133 300 898
Current Year adjustments on Section 14 Transfers In	-	638 400	-	-	-	-	-	-
Contributions received and accrued	1 712 938 339	-	763 958 434	-	763 958 434	-	-	-
Reinsurance proceeds	-	-	102 092 054	-	102 092 054	-	-	-
Net investment income	1 314 199 863	(265 039 036)	221 405 641	-	192 885 481	15 905 256	7 716 378	4 898 526
Allocated to unclaimed benefits	(95 291 607)	-	-	-	-	-	-	-
Other income:	27 115 222	-	-	-	-	-	-	-
Interest Income	27 115 222	-	-	-	-	-	-	-
Less:	-	-	(562 903 985)	-	(427 458 933)	-	-	(135 445 052)
Re-insurance premiums	-	-	(427 458 933)	-	(427 458 933)	-	-	-
Administration costs	-	-	(135 445 052)	-	-	-	-	(135 445 052)
Net income before transfers and benefits	26 365 840 652	591 515 776	5 490 116 988	-	4 924 135 204	379 240 328	183 987 084	2 754 372
Transfers and benefits	(2 168 372 691)	-	(209 008 750)	-	(209 008 750)	-	-	-
Transfers from other funds	709 261 185	-	-	-	-	-	-	-
Transfers to other funds	(7 595 996)	-	-	-	-	-	-	-
Benefits	(2 870 037 880)	-	(209 008 750)	-	(209 008 750)	-	-	-
Net income after transfers and benefits	24 197 467 961	591 515 776	5 281 108 238	-	4 715 126 454	379 240 328	183 987 084	2 754 372

20. RESERVES

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

	Members' Funds R	Amounts to be allocated R	Reserve Accounts Total R	Investment Reserve R	Risk Reserve R	Data Error Reserve Account R	Processing Error Reserve Account R	Expense Reserve Account R
Transfer and Administration Fees	679 507 098	(771 687 990)	92 180 892	-	-	-	-	-
Transfer to Active members (unallocated Dec 2021 return)	771 687 990	(771 687 990)	-	-	-	-	-	-
Member Administration Cost	(92 180 892)	-	92 180 892	-	-	-	-	92 180 892
LPI Adjustment to Benefits (Including transfers)	2 535 331	-	-	-	-	-	-	-
Transfer to Members' Funds	19 946 042	(19 946 042)	-	-	-	-	-	-
At end of year	24 899 456 432	(200 118 256)	5 373 289 130	-	4 715 126 454	379 240 328	183 987 084	94 935 264

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

21. AMOUNTS TO BE ALLOCATED

	Current year R	Previous year R
Opening Balance	878 997 837	741 454 771
Adjustment from amounts to be allocated	1 849 341	137 543 066
Adjustment to Prior Year amount to be allocated	(24 292 366)	–
Investment return allocated during the year	(265 039 036)	–
Transfer to Active Members (Unallocated December 2021 returns)	(771 687 990)	–
Transfers to benefit payable	(19 946 042)	–
Total amounts to be allocated	(200 118 256)	878 997 837

LIST OF ACRONYMS

ALM	Asset and Liability Management	IFRS	International Finance Reporting Standards
BD	Business Development	IT	Information Technology
CFO	Chief Financial Officer	JSE	Johannesburg Stock Exchange
DEI	Diversity, Equity, and Inclusion	MWPF	Mineworkers Provident Fund
ESG	Environmental, Social, and Governance	PGM	Platinum Group Metals
FSCA	Financial Sector Conduct Authority	RAC	Regional Advisory Committees
HR	Human Resource	SADC	South African Development Community