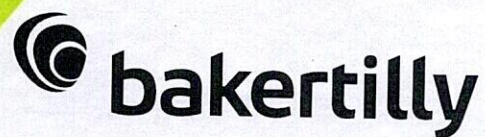


MOTOR INDUSTRY PENSION FUND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Now, for tomorrow



Motor Industry Pension Fund

Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	Zimbabwe
Nature of business and principal activities	Provision of Employee Benefits.
Board of Trustees	Mswaka B. [Independent Chairperson] Siziba N.G. [Independent Vice Chairperson] Tsimba S. [Employer Representative] Munikwa T. [Employer Representative] Mushore P. [Employer Representative] Dururu C. [Employee Representative] Muzamindo M. [Employee Representative] Chikura J. [Independent Board Member] Mukanga E.T. [Independent Board Member]
Principal Officer	Manhika R.
Registered Office	Motor Industry House 77 Central Avenue Harare
Bankers	First Capital Bank (Zimbabwe) Limited FBC Bank Limited Standard Chartered Bank (Zimbabwe) Limited
Auditors	Baker Tilly Chartered Accountants (Zimbabwe) Celestial Park, Block 1, Unit D & H Borrowdale Road Harare
Actuaries	African Actuarial Consultants Ground Floor, Block 6, East Wing Celestial Park, Borrowdale Harare

Motor Industry Pension Fund

Financial Statements for the year ended 31 December 2022

Contents

	Page
Board of Trustees Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Membership Statistics	11-12
Analysis of Costs of Assets	13-14
Accounting Policies	15-19
Notes to the Financial Statements	20-30

These financial statements have been prepared in both the Zimbabwe Dollar (ZWL) for the ZWL denominated Fund and in United States Dollars (USD) for the USD denominated Fund. The presentation fulfills the requirements of the regulator.

Motor Industry Pension Fund

Financial Statements for the year ended 31 December 2022

Trustees' Responsibilities and Approval

The Board of Trustees has the responsibility to ensure that the Fund maintains adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is its responsibility to ensure that the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements have been prepared by management in accordance with the Pension and Provident Funds Act {Chapter 24:09} as read with the Pension and Provident Funds Regulations {S.I 323 of 1991} and Pension and Provident Funds {Amendment Regulations, 2020 {S.I 91 of 2020}. The financial statements are also prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions. In addition, the financial statements have been prepared to meet the requirements of the regulator.

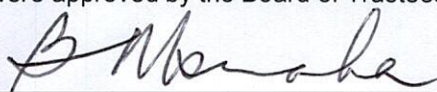
The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

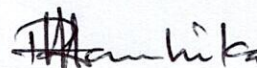
The Board is satisfied that the Fund has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 8 to 30, which have been prepared on the going concern basis, were approved by the Board of Trustees on and were signed on their behalf by:

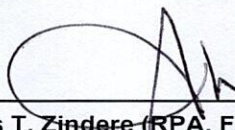


Chairperson
Mswaka B.



Principal Officer
Manhika R.

Prepared by the supervision of:



Francis T. Zindere (RPA, FCIS)
Consultant [PAAB No: 2122]

Chartered Accountants
Celestial Office Park,
Unit D & H Block 1,
Borrowdale Road,
Borrowdale, Harare
Zimbabwe

T: +263 242 369 730, 369 737,
301 598, 301 537

enquiries@bakertilly.co.zw
www.bakertilly.co.zw

Independent Auditor's Report

To the Trustees of Motor Industry Pension Fund

Report on the Audit of the Financial Statements (Combined ZWL Fund and USD Fund)

Qualified Opinion

We have audited the financial statements and supplementary information of Motor Industry Pension Fund, as set out on pages 8 to 30, which comprise the statement of financial position as at 31 December 2022, statement of income and expenditure, statement of changes in funds, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements, in all material respects, give a true and fair view of the financial position of the Motor Industry Pension Fund as at 31 December 2022 and the financial performance and cash flows for the year then ended in accordance with the Pension and Provident Funds Act (Chapter 24:09) as read with the Pension and Provident Funds Regulations (S.I 323 of 1991) and Pension and Provident Funds (Amendment) Regulations and the International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

Non-compliance with International Accounting Standards 21 – [IAS 21] – The Effect of Changes in Foreign Exchange Rates.

During the current and prior financial years, the foreign currency denominated transactions and balances of the ZWL Fund were translated into ZWL using the interbank exchange rates which were not considered appropriate spot rates for translation based on IAS 21. The opinion of the prior year financial statements was modified in respect of the effect of misstatements relating to IAS 21 and these have not been corrected in the current year. However, the financial position of the fund is not materially affected by translations at year end as significant balances were recognised at fair value. The take-on balances relating to the misstatements from 2019 are no longer pervasive to the Motor Industry Pension Fund's current financial statements. The effects of the translations are also limited to certain elements in the financial statements for the ZWL Fund as indicated in note 25.

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 Motor Industry Pension Fund in accordance with the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe and we have fulfilled our

other ethical responsibilities under these ethical requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Except for the matters described in the Basis of Qualified Opinion section, we have determined that there are no key audit matters to communicate in our report.

Other Matters

Without further qualifying our opinion, we draw attention to note 25 which provides a list of transactions performed in foreign currency which have been translated and included in the respective elements of the financial statements of the ZWL Fund.

Responsibility of Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selection and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of Trustees' 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 Motor Industry Pension Fund 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 disclosure is 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 and conditions may cause Motor Industry Pension Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within Motor Industry Pension Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Motor Industry Pension Fund audit. We remain solely responsible for our audit opinion.
- We communicate with committee Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Trustees with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Investments in Prescribed Assets

As at 31 December 2022, the Pension Fund was not compliant with the Insurance and Pensions Commission (IPEC) Circular 3 of 2019, regarding the holding of prescribed assets to a minimum of 20%. The Pension Fund held Prescribed Assets amounting to 7,01% and 6,5% for the ZWL Fund and the USD Fund respectively.

Investments in Properties

As at 31 December 2022, the Pension Fund was not compliant with the Insurance and Pensions Commission (IPEC) circular 2 of 2022, regarding the holding of investments in Properties not exceeding 40%. The ZWL Fund had investments in Properties amounting to 54.17%. However, the USD Fund was compliant at a property investment holding of 39.5% at year end.

Investments in Money Market and Cash

As at 31 December 2022, the Pension Fund was not compliant with the Insurance and Pensions Commission (IPEC) Circular 2 of 2022 regarding the holding of Money Market and Cash to a maximum of 20%. The USD Fund had investments in Money Markets and Cash of 50.29% at year end. However, the ZWL Fund was compliant with Money Market and Cash holdings at 1,93%.

Baker Tilly

Partner: Tapiwa Murambinda

PAAB number: 0658

Baker Tilly Chartered Accountants

Unit D and H Block 1 Celestial Park,

Borrowdale road

Harare

Date: 29/03/23

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

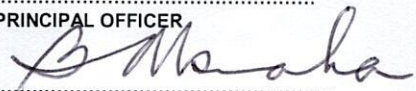
STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	Inflation Adjusted	Historical cost	Inflation Adjusted	Historical cost	Current	Prior year
		Dec 2022	Dec 2022	Dec 2021	Dec 2021	Dec 2022	Dec 2021
		ZWL	ZWL	ZWL	ZWL	USD	USD
Assets							
Non current assets							
Property and equipment	5	175 694 019	50 103 826	103 181 095	22 682 373	-	-
Investment property	6	9 941 635 287	9 941 635 287	6 823 566 021	1 984 980 352	-	-
Financial assets at fair value through profit or loss	7	7 550 308 752	7 550 308 752	9 302 693 997	2 706 160 496	654 284	51 428
		17 667 638 058	17 542 047 865	16 229 441 113	4 713 823 221	654 284	51 428
Current assets							
Trade and other receivables	8	374 602 219	374 602 219	80 515 342	23 421 972	219 485	79 549
Cash and cash equivalents	9	306 115 868	306 115 868	77 336 093	22 497 126	873 336	241 844
		680 718 087	680 718 087	157 851 435	45 919 098	1 092 822	321 393
Total assets		18 348 356 145	18 222 765 951	16 387 292 549	4 759 742 319	1 747 106	372 821
Reserves and liabilities							
Reserves							
Accumulated funds		18 263 885 720	18 138 295 526	16 300 539 305	4 734 505 737	1 432 601	367 559
Liabilities							
Current liabilities							
Pending exits	10	21 730 183	21 730 183	33 246 084	9 671 310	22 092	55
Other payables	11	62 740 242	62 740 242	53 507 160	15 565 272	292 413	5 207
		84 470 425	84 470 425	86 753 244	25 236 582	314 505	5 262
Total reserves and liabilities		18 348 356 145	18 222 765 951	16 387 292 549	4 759 742 319	1 747 106	372 821



 PRINCIPAL OFFICER



 CHAIRMAN OF TRUSTEES



 INDEPENDENT AUDITOR

PENSION AND PROVIDENT FUNDS REGULATIONS, 1991

8

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	Inflation Adjusted		Historical cost		Inflation Adjusted		Historical cost		Current		Prior	
		Dec 2022		Dec 2022		Dec 2021		Dec 2021		Dec 2022		Dec 2021	
		ZWL		ZWL		ZWL		ZWL		USD		USD	
Income													
Contributions	12	1 317 296 047		899 440 956		928 649 573		218 440 576		1 358 545		411 365	
Investment income	13	2 203 900 724		1 501 213 857		1 366 941 869		340 109 126		27 230		4 123	
Fairvalue gain/(loss) on financial assets	14	2 516 441 262		1 494 119 436		5 993 629 723		1 470 367 168		-		1 424	
Fairvalue gain on properties	15	14 085 750 888		8 363 316 284		3 636 297 790		892 062 595		-		-	
Other income	17	1 983 463 563		1 314 766 114		193 202 829		47 861 354		11 966		-	
Net surplus on sale/redemption of investments	16	526 055 145		313 816 216		572 961 540		140 917 015		-		-	
Total income		22 632 907 630		13 886 672 862		12 691 683 325		3 109 757 834		1 397 741		416 912	
Expenditure													
Benefits	18	164 418 707		114 026 214		270 463 518		67 283 762		51 704		1 011	
Transfer to other funds		-		-		2 250 899		525 349		-		-	
Fairvalue loss on financial assets	14	-		-		-		-		18 577		-	
GLA premiums		23 957 148		16 236 431		19 676 209		4 603 838		75 621		18 566	
Other operating expenses	19	528 632 842		352 620 428		450 668 057		107 329 864		186 797		29 776	
Net loss on sale of operating assets		-		-		2 100		568		-		-	
Total expenditure		717 008 696		482 883 073		743 060 783		179 743 381		332 699		49 353	
Surplus before net monetary (loss)		21 915 898 934		13 403 789 789		11 948 622 542		2 930 014 452		1 065 042		367 559	
Net monetary (loss)/Gain		(19 952 552 518)		-		2 534 903 977		-		-		-	
Surplus for the year		1 963 346 415		13 403 789 789		14 483 526 519		2 930 014 452		1 065 042		367 559	
Total comprehensive income		1 963 346 415		13 403 789 789		14 483 526 519		2 930 014 452		1 065 042		367 559	

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

STATEMENT OF CHANGES IN FUNDS

As at 31 December 2022

	Inflation Adjusted Accumulated Fund ZWL	Historical cost Accumulated Fund ZWL	Accumulated Fund USD
Prior Year			
Opening balance as at 1 January 2021	1 817 012 786	1 804 491 284	-
Total surplus for the year 2021	14 483 526 519	2 930 014 452	367 559
Closing balance as at 31 December 2021	16 300 539 305	4 734 505 737	367 559
Current Year			
Total surplus for the year 2022	1 963 346 415	13 403 789 789	1 065 042
Closing balance as at 31 December 2022	18 263 885 720	18 138 295 526	1 432 601

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

STATEMENT OF CASHFLOWS
For the year ended 31 December 2022

	ZWL Fund				USD Fund	
	2022		2021		2022	2021
	INFLATION ADJUSTED	HISTORICAL COST	INFLATION ADJUSTED	HISTORICAL COST	CURRENT	PRIOR
	ZWL	ZWL	ZWL	ZWL	USD	USD
Cashflow from Membership Activities						
Cash flows from membership activities						
Cash received from contributions	1 046 230 165	703 119 581	892 258 849	208 854 308	1 242 978	334 278
Benefits paid	(158 932 957)	(101 973 218)	(233 913 552)	(57 666 643)	(29 667)	(956)
Cash transferred from other funds	-	-	-	-	-	-
Cash transferred to other funds	-	-	(2 251 533)	(525 349)	-	-
Net cash flows from membership activities (V)	887 297 208	601 146 363	656 093 764	150 662 316	1 213 311	333 322
Cashflows Collected from Other operating Activities						
Other operating income	12 121 863	6 945 736	12 924 269	2 982 406	4 258	-
Cash paid to suppliers						
Actuarial fees	(4 566 207)	(2 737 500)	(5 668 349)	(1 297 100)	(600)	-
Administration expenses	(80 619 125)	(48 713 379)	(96 809 538)	(23 354 351)	(67 707)	(21 081)
Audit fees	(11 322 116)	(6 689 124)	(7 689 843)	(1 598 495)	(8 204)	-
Legal fees	(1 419 029)	(1 238 535)	(173 409)	(35 000)	-	-
Levies & subscriptions paid	(17 233 105)	(10 521 272)	(13 055 641)	(2 869 015)	(1 537)	(5 324)
Cash paid to employees						
Staff expenses	(194 035 058)	(131 582 054)	(132 352 209)	(31 786 249)	(81 329)	-
Board expenses	(16 263 514)	(11 300 832)	(20 116 556)	(4 829 808)	(10 693)	-
GLA Premiums	(23 957 148)	(16 236 431)	(19 677 794)	(4 603 838)	(75 621)	(18 566)
Bank Charges	(4 860 864)	(2 809 987)	(6 074 406)	(1 415 458)	(4 973)	(332)
Consultancy	(22 791 326)	(15 250 308)	(14 659 341)	(3 629 798)	-	-
Net cashflow from other operating activities (W)	(364 945 627)	(240 133 686)	(303 352 817)	(72 436 706)	(246 407)	(45 303)
Cashflow from Investing Activities						
Purchase of operating assets	(85 206 509)	(36 001 852)	(60 504 848)	(15 311 495)	-	-
Purchase of investment property	(157 334 378)	(123 411 521)	(422 423 741)	(106 886 676)	-	-
Purchase of financial assets	(1 044 573 062)	(656 711 424)	(1 109 263 590)	(240 675 602)	(187 271)	(535 581)
Proceeds from sale of operating assets	7 727 711	5 566 359	1 688 470	331 554	-	-
Proceeds from sale of investment property	360 846 890	240 024 673	-	-	-	-
Proceeds from sale of financial assets	289 313 614	186 186 626	728 031 796	174 175 883	-	485 577
Investment expenses paid	-	-	-	-	-	(294)
Property expenses paid	(77 073 025)	(54 081 428)	(44 870 383)	(11 826 211)	-	-
Rent received	385 321 072	271 896 701	299 469 726	69 894 633	-	-
Interest received	5 435 810	4 911 035	7 984 009	1 955 601	22 572	4 124
Dividends received	233 930 889	188 914 127	123 523 251	29 651 962	2 847	-
Investment management fees paid	(78 992 708)	(47 620 698)	(62 358 904)	(14 666 486)	(3 041)	-
Other investing activities (specify):						
Investment in Loans & Money Market	(126 978 371)	(107 535 497)	8 033 811	2 747 538	(170 518)	-
Inflation Effects on Cash Balances	(69 867 654)	-	158 181 938	-	-	-
Net cash inflows/ (outflows) from investing activities (X)	(357 449 722)	(127 862 899)	(372 508 466)	(110 609 299)	(335 412)	(46 175)
Net cash inflow / (outflow) for the year (V+W+X) =Y	164 901 859	233 149 777	(19 767 519)	(32 383 689)	631 492	241 844
Cash and cash equivalents at the beginning of the year	77 336 093	22 497 128	82 943 790	51 602 116	241 844	-
Exchange gains / (losses) on cash and cash equivalents	63 877 915	50 468 963	14 159 822	3 278 701	-	-
Cash and cash equivalents at the end of the year	306 115 868	306 115 868	77 336 093	22 497 128	873 337	241 844

ANNEXURE D

ZWL Fund

Membership Statistics for the year ended 31 December 2022

	In Zimbabwe		Outside Zimbabwe	
	2022	2021	2022	2021
1. Number of principal members at beginning of year	49 197	49 364		
Number of beneficiaries at the beginning of the year	9	15		
TOTAL	49 206	49 379	-	-
2. Principal Membership as at end of year	2022	2021	2022	2021
(a) new entrants for the year	931	918		
(b) active members ¹	7 279	6 779		
(c) deferred pensioners	41 675	39 152		
(d) pensioners ²	139	139		
(e) suspended pensioners ³	22	30		
(f) members with unclaimed benefits ⁴	1 672	1 672		
(g) transfers in ⁵				
Total Membership as at end of year	51 718	48 690	-	-
3. Beneficiaries as at end of year				
(a) Pensioners:				
Surviving Spouse	8	5		
Children	4	2		
Other dependants				
(b) Suspended pensioners:				
Surviving Spouse				
Children	1			
Other dependants		2		
Total Beneficiaries as at end of year	13	9	-	-
4. Exits as at end of year⁶				
(a) Transfers out ⁷				
(b) Full commutations	20	-		
(c) Death	22	30		
(d) Other	281	468		
	323	498	-	-

NOTES

1. This figure excludes new entrants for the year¹
2. This figure excludes suspended pensioners and beneficiaries²
3. This figure excludes suspended beneficiaries³
4. This figure includes all members of the fund who left employment and in terms of the rules are entitled to receive a benefit from the fund but has not claimed the benefit⁴
5. This figure is made up of transfers in from other funds⁵
6. exits refers to members who have no residual assets on the fund⁶
7. This figure is made up of transfers out to other funds⁷

Preparer's Name (Finance Director, Finance Manager)
Head of Pension Fund/Principal Officer
Chairman of Trustees

Signature
Signature
Signature

[Handwritten signatures]

ANNEXURE D

USD Fund

Membership Statistics for the year ended 31 December 2022

	In Zimbabwe		Outside Zimbabwe	
	2022	2021	2022	2021
1. Number of principal members at beginning of year	1 000			
Number of beneficiaries at the beginning of the year				
TOTAL	1 000	-	-	-
2. Principal Membership as at end of year	2022	2021	2022	2021
(a) new entrants for the year	3 226	1 006		
(b) active members ¹	1 006			
(c) deferred pensioners				
(d) pensioners ²				
(e) suspended pensioners ³				
(f) members with unclaimed benefits ⁴				
(g) transfers in ⁵				
Total Membership as at end of year	4 232	1 006	-	-
3. Beneficiaries as at end of year				
(a) Pensioners:				
Surviving Spouse				
Children				
Other dependants				
(b) Suspended pensioners:				
Surviving Spouse				
Children				
Other dependants				
Total Beneficiaries as at end of year	-	-	-	-
4. Exits as at end of year⁶				
(a) Transfers out ⁷				
(b) Full commutations		6		
(c) Death	3			
(d) Other	26			
	29	6	-	-

NOTES

1. This figure excludes new entrants for the year¹
2. This figure excludes suspended pensioners and beneficiaries²
3. This figure excludes suspended beneficiaries³
4. This figure includes all members of the fund who left employment and in terms of the rules are entitled to receive a benefit from the fund but has not claimed the benefit⁴
5. This figure is made up of transfers in from other funds⁵
6. exits refers to members who have no residual assets on the fund⁶
7. This figure is made up of transfers out to other funds⁷

Preparer's Name (Finance Director, Finance Manager)
Head of Pension Fund/Principal Officer
Chairman of Trustees

Signature
Signature
Signature

[Handwritten signatures]

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

DETAILED ANALYSIS OF COST OF ASSETS

	HISTORICAL COST		HISTORICAL COST					
	Dec 2022		Dec 2021		Dec 2022		Dec 2021	
	Total amount ZWL	aggregate value of assets %	Total amount ZWL	aggregate value of assets %	Total amount USD	aggregate value of assets %	Total amount USD	aggregate value of assets %
Section A								
Assets, at cost held in terms of section 18(2) of the Act:								
I. Local registered securities issued by:								
(a) Statutory bodies	693 050 489	3,80%	187 618 233	0,04	-	-	-	-
(b) Investments in bills and bonds	593 840 775	3,26%	104 245 550	0,02	177 648	10%	-	-
(c) Guaranteed fund	-	0,00%	17 668 194	0,00	-	-	-	-
Sub- total	1 286 891 264	7,06%	309 531 977	0,07	177 648	10%	-	-
Section B								
Other assets at cost								
III. Ordinary and deferred quoted shares	4 600 883 113	25,25%	2 052 557 705	0,43	476 636	27%	51 428	13,79%
IV. Unquoted shares	229 238 713	1,26%	65 134 850	0,01	-	-	-	-
V. Money market investments	273 423 789	1,50%	11 674 565	0,00	711 600	41%	189 579	50,85%
VII. Managed property investments	2 036 976 104	11,18%	348 930 814	0,07	-	-	-	-
VIII. Non-managed property investments	7 904 659 183	43,38%	1 531 933 000	0,32	-	-	-	-
IIX. Guaranteed fund *	1 385 349 991	7,60%	374 958 347	0,08	-	-	-	-
IX. Cash on hand or at short notice	80 637 749	0,44%	18 837 060	0,00	161 736	9%	52 265	14,02%
Sub-total	16 511 168 642	90,61%	4 404 026 340	92,48%	1 349 972	77%	293 272	78,66%
X. Other assets								
(a) Sundry debtors in Zimbabwe	374 602 219	2,06%	25 747 970	0,54%	219 485	13%	79 549	21,34%
(b) Operating assets	50 103 826	0,27%	22 682 373	0,48%	-	-	-	-
Total	18 222 765 951	100%	4 761 988 660	100%	1 747 106	100%	372 821	100%

* Refer to note 24 on details of the guaranteed fund.

CHAIRMAN OF TRUSTEES

PRINCIPAL OFFICER

AUDITOR

B. M. M. M. M.
M. M. M. M. M.
Baker Tully

MOTOR INDUSTRY PENSION FUND

DETAILED ANALYSIS OF COST OF ASSETS

		HISTORICAL COST		
		Dec 2022		
		Total amount ZWL	Sub Account 1 amount ZWL	Sub Account 2 amount ZWL
Section A				
Assets, at cost held in terms of section 18(2) of the Act:				
I.	Local registered securities issued by:			
	(a) Statutory bodies	693 050 489	423 877 405	269 173 084
	(b) Investments in bills and bonds	593 840 775	568 277 201	25 563 575
	Sub- total	1 286 891 264	992 154 605	294 736 659
Section B				
Other assets at cost				
II.	Ordinary and deferred quoted shares	4 600 883 113	4 116 022 295	484 860 818
III.	Unquoted shares	229 238 713	154 461 623	74 777 090
IV.	Money market investments	273 423 789	270 435 869	2 987 920
V.	Managed property investments	2 036 976 104	2 036 976 104	-
VII.	Non-managed property investments	7 904 659 183	5 752 763 281	2 151 895 902
VIII.	Guaranteed fund	1 385 349 991	1 385 349 991	-
IX.	Cash on hand or at short notice	80 637 749	73 662 796	6 974 952
	Sub-total	16 511 168 642	13 789 671 959	2 721 496 683
IX.	Other assets			
	(a) Sundry debtors in Zimbabwe	374 602 219	290 142 643	84 459 576
	(b) Operating assets	50 103 826	4 846 003	45 257 823
Total Assets		18 222 765 951	15 076 815 210	3 145 950 740
Liabilities				
I.	Tenants deposits	16 346 367	3 070 160	13 276 206
II.	Creditors For Share Purchases	684 334	684 334	-
III.	Unallocated Contributions	8 252 621	-	8 252 621
IV.	Accrued Exits	21 730 183	18 543 549	3 186 634
V.	Provision for Expenses	27 532 010	7 041 046	20 490 963
VII.	Provision for Cash in Lieu of Leave	9 924 911	1 984 982	7 939 929
Total Liabilities		84 470 425	31 324 072	53 146 353
Net Assets available for benefits		18 138 295 526	15 045 491 138	3 092 804 387

CHAIRMAN OF TRUSTEES

PRINCIPAL OFFICER

AUDITOR

Bimsha
~~Thamika~~
Baker Tully

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Statement of accounting policies

As at 31 December 2022

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented, unless otherwise stated. The policies are as follows:

1.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Pension and Provident Funds (Amendment) Regulations, 2020 (No.25) (Statutory Instrument 91 of 2020) and the Insurance and Pensions Commission Circular 26 of 2020, Circular 20 of 2021 and Circular 2 of 2022. For all periods up to and including the year ended 31 December 2022, the Fund's financial statements were prepared under the historical cost convention as well as in accordance with the Pensions and Provident Fund Act (Chapter 24:09) and statutory instrument 323 of 1991.

The financial statements include all the sub-accounts managed by the Motor Industry Pension Fund. The financial records for the respective funds are separately managed. However, the regulator requires that the Fund presents the financial statements in a specific format that provides an overview of the Fund hence the presentation of the Zimbabwean Dollar denominated (ZWL) fund and the United States Dollar (USD) denominated fund.

1.2 Inflation adjustment

The Public Accountants and Auditors Board of Zimbabwe through circular 01/19 communicated that the factors and characteristics to apply International Accounting Standard ("IAS 29"), Financial Reporting in Hyperinflationary Economies had been met in Zimbabwe. Entities reporting in Zimbabwe were required to effect IAS 29 from the 1st of July 2019. IAS 29 states that in a hyperinflationary economy, reporting of operational results and financial position in the local currency without restatement is not useful. Money loses purchasing power at such a rate that comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period is misleading. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and the corresponding figures for the previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from month on month consumer price index (CPI) prepared by the Zimbabwe Statistical Agency (ZIMSTAT). The conversion factors used to restate the financial statements as at 31 December 2022 are as follows;

2022			2021		
CPI Index	Factor		CPI Index	Factor	
4 190	3,26	Jan	2 608,79	5,24	Jan
4 483	3,05	Feb	2 698,89	5,07	Feb
4 766	2,87	Mar	2 759,83	4,95	Mar
5 507	2,48	Apr	2 803,57	4,88	Apr
6 662	2,05	May	2 874,85	4,76	May
8 707	1,57	Jun	2 986,44	4,58	Jun
10 933	1,25	Jul	3 062,93	4,46	Jul
12 286	1,11	Aug	3 191,19	4,28	Aug
12 713	1,08	Sep	3 342,02	4,09	Sep
13 114	1,04	Oct	3 555,90	3,85	Oct
13 349	1,02	Nov	3 760,86	3,64	Nov
13 673	1,00	Dec	3 977,46	3,44	Dec

The main procedures applied in the above mentioned restatement of transactions and balances are as follows:

All corresponding figures as of, and for the period ended 31 December 2021 are restated by applying the change in the index for 31 December 2021 and 31 December 2022. Monetary assets and liabilities for the current year are not restated as they are already stated in terms of the measuring unit current at the balance sheet date. Income statement transactions are restated by applying the monthly index during the year. Gains and losses arising from the net monetary asset and liability positions are included in the income statement.

MOTOR INDUSTRY PENSION FUND

Statement of accounting policies
for the year ended 31 December 2022 (continued)

1.3 Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost: (1) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

(1) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and;

(2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the fund may make the following irrevocable election / designation at initial recognition of a financial asset: income if certain criteria are met:

(1) the fund may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income and;

(2) the fund may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets designated as at FVTPL

On initial recognition, the Fund may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTPL. Designation at FVTPL is permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

**Statement of accounting policies
for the year ended 31 December 2022 (continued)**

1.4 Financial instruments (continued)**Financial assets designated as at FVTPL (continued)**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition

A financial asset (or where applicable, a part of a financial asset or is primarily derecognised (removed from the entity's statement of financial position) when the rights to receive cashflows from the asset have expired.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1.6 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities. Trade and other payables include obligations to pay exiting members' benefits, asset management fees, administration fees, group life assurance premiums and IPEC Levies.

1.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Fund expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Provisions are made for audit and actuarial fees.

1.8 Income

Revenue is recognised at an amount that reflects the consideration to which the Fund expects to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Pension Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

(a) Contributions

Contributions are recognised monthly on the accrual basis.

(b) Interest

Interest income and expense presented in the statement of comprehensive income comprise interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. The "effective interest rate" is calculated on initial recognition of a financial gross carrying amount of the financial asset and the amortised cost of the financial liability.

(c) Dividends

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Statement of accounting policies
for the year ended 31 December 2022 (continued)

1.9 Taxation

In terms of the Third Schedule to the Income Tax Act (Chapter 23:06), pension funds are exempt from income tax, capital gains tax and residents tax on interest from financial institutions until such a date as the Minister may specify by notice in the Government Gazette. As no such notice has been gazetted in respect of the period covered by these financial statements, no provision for taxation has been made.

2 FINANCIAL RISK MANAGEMENT

2.1 Financial Risk Factors

(a) Market risk

(i) Interest rate risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Fund's interest bearing financial instruments, the Fund's policy is to transact in financial instruments that mature or re-price in the short term – i.e. no longer than 12 months. Accordingly, the Fund is subject to limited exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(ii) Foreign exchange risk

The Fund conducts its activities in Zimbabwe with an informal multicurrency system in place and is exposed to foreign exchange risk arising from transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency.

(iii) Price risk

The Fund is exposed to equity securities price risks because of its investments in listed equities that exposes it to these risks at the reporting date. The maximum exposure to price risks as at the reporting date was as follows;

	Inflation Adjusted	Historical cost	Inflation Adjusted	Historical cost	Current	Prior
	2022	2022	2021	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL	USD	USD
Investments in equity holdings	4 600 883 113	4 600 883 113	7 055 869 846	2 052 557 705	476 636	51 428

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Statement of accounting policies
for the year ended 31 December 2022 (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to members, including outstanding investments and advances to staff. Only approved financial institutions with sound capital bases are utilised to deposit contributions received from members.

	Inflation Adjusted	Historical cost	Inflation Adjusted	Historical cost	Current	Prior
	2022	2022	2021	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL	USD	USD
Cash on hand and at bank	280 609 168	280 609 168	49 109 820	14 286 083	849 243	225 472
Other receivables	25 506 699	25 506 699	28 226 273	8 211 044	24 093	16 372
	306 115 868	306 115 868	77 336 093	22 497 126	873 336	241 844

The fair value of cash and cash equivalents at 31 December approximates their carrying amount.

(c) Liquidity risk

Management monitors rolling forecasts of the Fund's liquidity reserve comprising of cash and cash equivalents on the basis of expected cash flow. In addition, the Fund's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

2.2 Fair value of financial assets and liabilities

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources: unobservable inputs reflect the Fund's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level one - Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities.

Level two - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level three - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non listed equity investments.

The hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Functional and presentation currency

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 1.

4 ACTUARIAL VALUATIONS [Financial Reviews]

The Trustees consult the Actuary to perform the financial review of the Fund and the Actuary credits Members allocation [accumulation] accounts at least twice a year with interest at a rate generally reflecting the return earned on the assets of the Fund. The current financial review of the Fund was done as at 31 December 2022. The total fair value of assets as at 31 December 2022 amounted to ZWL 15 billion for Sub Account 1 and ZWL 3 billion for Sub Account 2. The funds maximum liability was ZWL 4,195 billion for Sub Account 1 and ZWL 1,458 billion for Sub Account 2, giving a net surplus of ZWL 10,863 billion and ZWL 1,593 billion for Sub Account 1 and Sub account 2 respectively. As a result of the surplus the Actuary recommended a bonus of 240.54% be awarded to all contributing Members, 240.54% be awarded to all non-contributing Members, for Sub Account 1 and 155.47% be awarded to all contributing Members while 88.06% be awarded to all non-contributing Members for Sub Account 2 which was adopted by the trustees. For pensioners in Sub Account 1 they were awarded 38.87% which implies a cumulative increase of 253% for 2022. The next review will be carried out as at 31 December 2023.

For Sub Account 3 (USD Fund) the total fair value of assets as of 31 December 2022 amounted to USD 1,455 million. The fund's maximum liability was ZWL 1,401 million, giving a net surplus of ZWL 53,415. As a result of the surplus the Actuary recommended a bonus of 1.02% be awarded to all contributing Members and it was adopted by the trustees. The next review will be carried out as of 31 December 2023.

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements

for the year ended 31 December 2022 (continued)

5 Property and Equipment (Inflated)

<u>2022</u>	Motor vehicles	Furniture and Equipment	Computer Systems and Hardware	Total
	ZWL	ZWL	ZWL	ZWL
Net carrying amount at 1 January 2022	91 035 682	2 446 608	9 698 806	103 181 095
Gross carrying amount - cost/valuation	97 018 004	3 092 555	11 678 434	111 788 993
Accumulated depreciation	(5 982 322)	(645 946)	(1 979 629)	(8 607 897)
Additions	73 467 703	1 923 797	9 728 686	85 120 186
Disposals	(115)	(626)	(212)	(952)
Gross carrying amount - cost/valuation	(197 772)	(2632)	(18 453)	(218 857)
Accumulated depreciation	197 657	2 007	18 241	217 905
Depreciation charge for the year	(10 620 507)	(134 989)	(1 850 814)	(12 606 310)
Net carrying amount at 31 December 2022	153 882 764	4 234 790	17 576 465	175 694 019
Gross carrying amount - cost/valuation	170 287 935	5 013 719	21 388 667	196 690 321
Accumulated depreciation	(16 405 171)	(778 929)	(3 812 202)	(20 996 302)

<u>2021</u>	Motor vehicles	Furniture and Equipment	Computer Systems and Hardware	Total
	ZWL	ZWL	ZWL	ZWL
Net carrying amount at 1 January 2021.	45 847 140	208 870	2 395 417	48 451 427
Gross carrying amount - cost/valuation	47 759 163	704 642	3 309 386	51 773 192
Accumulated depreciation	(1 912 023)	(495 772)	(913 969)	(3 321 765)
Additions	49 560 745	2 389 655	8 554 630	60 505 031
Disposals	-	(639)	(7 670)	(8 309)
Gross carrying amount - cost/valuation	(301 905)	(1743)	(185 582)	(489 230)
Accumulated depreciation	301 905	1 104	177 912	480 921
Depreciation charge for the year	(4 372 203)	(151 279)	(1 243 572)	(5 767 053)
Net carrying amount at 31 Dec 2021	91 035 682	2 446 608	9 698 806	103 181 095
Gross carrying amount - cost/valuation	97 018 004	3 092 555	11 678 434	111 788 993
Accumulated depreciation	(5 982 322)	(645 946)	(1 979 629)	(8 607 897)

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements

For the year ended 31 December 2022 (continued)

5 Property and equipment (Historical)

	Motor vehicles ZWL	Furniture and Equipment ZWL	Computer Systems and Hardware ZWL	Total ZWL
Net carrying amount at 1 January 2022	20 124 185	524 348	2 033 841	22 682 373
Gross carrying amount - cost/valuation	21 462 148	650 538	2 443 836	24 556 522
Accumulated depreciation	(1 337 964)	(126 190)	(409 995)	(1 874 149)
Additions	31 235 570	1 694 042	3 045 787	35 975 399
Disposals	(112)	(582)	(278)	(972)
Gross carrying amount - cost/valuation	(119 223)	(2 447)	(18 519)	(140 189)
Accumulated depreciation	119 111	1 866	18 241	139 218
Depreciation charge for the year	(7 401 676)	(80 847)	(1 070 451)	(8 552 975)
Net carrying amount at 31 December 2022	43 957 966	2 136 961	4 008 898	50 103 826
Gross carrying amount - cost/valuation	52 578 495	2 342 133	5 471 104	60 391 731
Accumulated depreciation	(8 620 529)	(205 171)	(1 462 206)	(10 287 906)

Dec-21

	Motor vehicles ZWL	Furniture and Equipment ZWL	Computer Systems and Hardware ZWL	Total ZWL
Net carrying amount at 1 January 2021.	8 297 375	37 801	433 520	8 768 696
Gross carrying amount - cost/valuation	8 643 411	127 526	598 930	9 369 867
Accumulated depreciation	(346 036)	(89 724)	(165 409)	(601 170)
Additions	12 889 200	523 403	1 898 892	15 311 495
Disposals	-	(143)	(2 231)	(2 374)
Gross carrying amount - cost/valuation	(70 463)	(391)	(53 986)	(124 840)
Accumulated depreciation	70 463	247	51 755	122 465
Depreciation charge for the year	(1 062 390)	(36 713)	(296 341)	(1 395 444)
Net carrying amount at 31 Dec 2021	20 124 185	524 348	2 033 841	22 682 373
Gross carrying amount - cost/valuation	21 462 148	650 538	2 443 836	24 556 522
Accumulated depreciation	(1 337 964)	(126 190)	(409 995)	(1 874 149)

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements

For the year ended 31 December 2022 (continued)

6 Investment Property (inflated adjusted)

	December 2022		
	Managed Property ZWL	Inflation Adjusted Non-Managed Property ZWL	Total ZWL
Net carrying amount at 1 January 2022	1 557 395 021	5 266 170 999	6 823 566 020
Gross carrying amount - cost/valuation	1 557 395 021	5 266 170 999	6 823 566 020
Amortisation	-	-	-
Additions	16 253 377	110 908 577	127 161 954
Transfer	(339 757 788)	-	(339 757 788)
Gross carrying amount - cost/valuation	(339 757 788)	-	(339 757 788)
Accumulated amortisation	-	-	-
Inflation Adjustment	(834 250 225)	(3 769 416 270)	(4 603 666 495)
Disposals	(157 928 725)	-	(157 928 725)
Gross carrying amount - cost/valuation	(157 928 725)	-	(157 928 725)
Accumulated amortisation	-	-	-
Amortisation charge for the Year	-	-	-
Revaluation Gain	1 836 247 945	6 256 012 377	8 092 260 321
Net carrying amount at 31 December 2022	2 077 959 604	7 863 675 683	9 941 635 287
Gross carrying amount - cost/valuation	2 077 959 604	7 863 675 683	9 941 635 287
Accumulated Amortisation	-	-	-

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements

For the year ended 31 December 2022 (continued)

6.1 Investment Property (Historical)

	December 2022		
	Managed Property ZWL	Historical Non-Managed Property ZWL	Total ZWL
Net carrying amount at 1 January 2022	453 047 352	1 531 933 000	1 984 980 352
Gross carrying amount - cost/valuation	453 047 352	1 531 933 000	1 984 980 352
Amortisation	-	-	-
Additions	16 253 377	103 730 306	119 983 683
Transfer	(104 116 539)	-	(104 116 539)
Gross carrying amount - cost/valuation	(104 116 539)	-	(104 116 539)
Accumulated amortisation	-	-	-
Disposals	(151 850 407)	-	(151 850 407)
Gross carrying amount - cost/valuation	(151 850 407)	-	(151 850 407)
Accumulated amortisation	-	-	-
Revaluation Gain	1 823 642 321	6 268 995 877	8 092 638 197
Net carrying amount at 31 December 2022	2 036 976 104	7 904 659 183	9 941 635 287
Gross carrying amount - cost/valuation	2 036 976 104	7 904 659 183	9 941 635 287
Accumulated Amortisation	-	-	-

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements
for the year ended 31 December 2022 (continued)

		Inflation Adjusted 2022 ZWL	Historical cost 2022 ZWL	Inflation Adjusted 2021 ZWL	Historical cost 2021 ZWL	Current 2022 USD	Prior 2021 USD
7 Financial assets at fair value through profit or loss							
Approved assets							
- Prescribed Assets	Non-Current	1 259 020 035	1 259 020 035	645 395 971	187 743 519	-	-
	Current	27 871 229	27 871 229	3 725	3 725	177 648	-
		1 286 891 264	1 286 891 264	645 399 696	187 747 244	177 648	-
Guaranteed Fund							
Old Mutual Life Assurance Company		1 385 349 991	1 385 349 991	1 349 692 515	392 626 541	-	-
Other assets							
- Quoted ordinary shares		4 600 883 113	4 600 883 113	7 055 869 846	2 052 557 705	476 636	51 428
- Unquoted Equities		229 238 713	229 238 713	223 907 480	65 134 850	-	-
- Debentures and loans		47 945 670	47 945 670	27 824 460	8 094 156	-	-
		4 878 067 497	4 878 067 497	7 307 601 787	2 125 786 711	476 636	51 428
Financial assets at fair value through profit or loss		7 550 308 752	7 550 308 752	9 302 693 997	2 706 160 496	654 284	51 428
8 Trade and other receivables							
Contribution arrears		209 214 006	209 214 006	48 048 878	13 977 454	199 734	77 086
Allowance for Credit Losses		(6 130 931)	(6 130 931)	(7 139 715)	(2 076 948)	-	-
Investments interest and dividend accrued		690 922	690 922	388 521	113 021	-	-
Rental debtors		130 124 787	130 124 787	14 796 081	4 304 191	-	-
Trade and other recoverables		39 359 000	39 359 000	13 066 449	3 801 040	-	-
Stocks & Prepayments		1 344 436	1 344 436	11 355 129	3 303 215	19 751	2 463
		374 602 219	374 602 219	80 515 342	23 421 972	219 485	79 549
9 Cash and cash equivalents							
Cash on hand or at short notice		280 609 168	280 609 168	49 109 820	14 286 083	849 243	225 472
Cash at bank		25 506 699	25 506 699	28 226 273	8 211 044	24 093	16 372
		306 115 868	306 115 868	77 336 093	22 497 126	873 336	241 844
10 Pending exits							
Benefits due to members		21 730 183	21 730 183	33 246 084	9 671 310	22 092	55

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements
for the year ended 31 December 2022 (continued)

	Inflation Adjusted 2022 ZWL	Historical cost 2022 ZWL	Inflation Adjusted 2021 ZWL	Historical cost 2021 ZWL	Current 2022 USD	Prior 2021 USD
11 Other payables						
Rental Prepayments	1 453 119	1 453 119	285 518	83 057	-	-
Investment management fees payable	2 235 134	2 235 134	3 892 968	1 132 467	4 345	247
Unallocated Contributions	8 252 621	8 252 621	5 967 397	1 735 920	12 786	-
Insurance and IPEC Levies	7 051 636	7 051 636	4 118 752	1 198 148	375	504
Other Expenses Payable	15 967 120	15 967 120	3 871 661	1 126 269	-	-
Staff creditors	9 924 911	9 924 911	17 517 895	5 095 969	10 959	-
Creditors For Share Purchases	684 334	684 334	-	-	256 513	-
Tenant deposit	16 346 367	16 346 367	8 219 837	2 391 157	-	-
Audit & Actuarial Fees Payable	825 000	825 000	9 633 131	2 802 285	7 435	4 456
	62 740 242	62 740 242	53 507 160	15 565 272	292 413	5 207
12 Contributions						
(a) By members	526 918 419	359 776 382	371 459 829	87 376 230	543 418	164 546
(b) By employers	526 918 419	359 776 382	371 459 829	87 376 230	543 418	164 546
(c) By employers For Admin fees	105 383 684	71 955 276	74 291 966	17 475 246	108 684	32 909
For GLA	158 075 526	107 932 915	111 437 949	26 212 869	163 025	49 364
	1 317 296 047	899 440 956	928 649 573	218 440 576	1 358 545	411 365
13 Investment income						
(a) Interest from investments	90 713 745	81 809 036	27 522 460	6 433 431	24 384	4 123
(b) Dividends	137 144 834	103 646 591	131 654 326	31 752 332	2 847	-
(c) Rental income	435 198 793	316 517 203	242 640 256	57 410 016	-	-
(d) Guaranteed fund income	1 540 843 352	999 241 027	965 124 827	244 513 346	-	-
	2 203 900 724	1 501 213 857	1 366 941 869	340 109 126	27 230	4 123
14 Fairvalue gain on financial assets						
MIPF	217 250 764	128 991 125	1 026 973 596	251 938 863	-	-
OMIG	760 831 654	451 738 485	1 604 852 624	393 705 103	(18 577)	1 424
Datvest	728 478 834	432 529 223	1 416 862 616	347 587 083	-	-
ABC	809 880 010	480 860 604	1 944 940 888	477 136 119	-	-
	2 516 441 262	1 494 119 436	5 993 629 723	1 470 367 168	(18 577)	1 424
15 Fair value gain on properties						
MIPF	10 558 432 952	6 268 995 877	2 818 225 683	691 371 791	-	-
OMIG	707 176 468	419 881 092	154 230 713	37 836 134	-	-
Datvest	1 125 106 762	668 024 288	104 659 329	25 675 200	-	-
ABC	1 695 034 706	1 006 415 027	559 182 065	137 179 470	-	-
	14 085 750 888	8 363 316 284	3 636 297 790	892 062 595	-	-
16 Net surplus on sale/redemption of investments						
MIPF	234 117 258	44 646 767	403 770 672	103 497 981	-	-
OMIG	10 639 438	5 418 678	4 978 380	982 680	-	-
Datvest	197 560 209	187 745 048	5 818 026	1 399 879	-	-
ABC	83 738 240	76 005 723	158 394 462	35 036 475	-	-
	526 055 145	313 816 216	572 961 540	140 917 015	-	-

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements
for the year ended 31 December 2022 (continued)

	Inflation 2022 ZWL	Historical 2022 ZWL	Inflation 2021 ZWL	Historical 2021 ZWL	Current 2022 USD	Prior 2021 USD
17 Other income						
GLA reinsurance recoveries	4 335 697	1 378 541	5 379 526	1 324 534	4 258	-
Provision for bad debts decrease	-	-	264 931	100 055	-	-
Operating Assets Disposal	7 367 021	5 084 088	1 420 570	331 554	-	-
Sundry Income	36 720	12 800	7 777 967	1 986 482	7 708	-
Profit/loss on foreign exchange translation	1 971 724 124	1 308 290 685	178 359 834	44 118 729	-	-
	1 983 463 563	1 314 766 114	193 202 829	47 861 354	11 966	-
18 Benefits						
Pensions	24 214 382	17 255 671	23 339 424	5 429 468	-	-
Lump sum awards on retirement	41 120 230	28 354 004	10 829 494	11 366 485	7 186	-
Lump sum awards on retrenchment	18 226 297	12 932 034	114 328 481	19 882 299	3 496	109
Lump sum awards on death	17 072 567	9 588 798	54 162 570	13 593 763	7 773	45
Lump sum awards on resignation and dismi	63 785 230	45 895 707	67 257 457	16 878 268	33 248	857
Ex-Gratia Payments	-	-	546 092	133 479	-	-
	164 418 707	114 026 214	270 463 518	67 283 762	51 704	1 011
19 Other operating expenses						
Actuarial fees	3 680 325	2 343 750	10 014 561	2 515 850	-	1 250
Interfund Transfer	2 707 709	1 131 296	-	-	-	21 081
Audit fees	9 039 419	4 994 575	12 995 413	3 182 030	11 783	3 206
Amortisation, depreciation and impairment	12 606 310	8 552 975	5 770 358	1 395 444	-	-
Bank charges	4 826 089	2 794 474	5 967 861	1 385 145	4 975	331
Board expenses	22 927 156	13 582 066	20 142 507	4 827 511	10 693	-
Cleaning and laundry	1 366 650	1 031 175	1 630 345	393 783	-	-
Computer expenses	11 226 218	7 331 073	30 040 465	7 301 777	47 163	-
Computer and equipment repairs	430 604	149 058	106 806	23 350	-	-
Consultancy fees	14 358 421	10 465 842	12 491 637	2 999 409	-	-
Custodial fees	7 488 422	4 159 795	6 905 400	1 635 369	102	150
Doubtful debts provision	4 719 531	4 053 983	-	-	-	-
Electrical and equipment repairs	9 373	7 495	106 208	25 088	-	-
Electricity	1 754 525	1 382 102	903 061	210 933	-	-
Entertainment expenses	-	-	175 648	42 354	-	-
Furniture and equipment repairs	17 948	5 500	8 085	1 700	-	-
IPEC levies	18 828 968	12 316 557	14 703 835	3 501 951	1 408	3 365
Internet and e-mail charges	7 365 030	5 386 614	8 043 342	1 853 219	-	-
Insurance	15 098 596	10 004 607	6 083 955	1 363 066	-	-
Investment management expenses	85 140 624	51 150 836	64 514 027	15 228 785	7 036	393
Legal fees	1 455 357	1 238 535	173 399	35 000	-	-
Motor vehicle expenses	19 300 428	13 821 106	24 546 767	5 763 454	-	-
Printing and stationery	1 231 331	865 243	1 062 559	252 760	-	-
Property expenses	22 025 963	18 279 654	18 310 641	4 651 905	-	-
Postage expenses	555 941	413 003	264 829	66 514	-	-
Rental expenses	5 538 876	3 204 000	5 748 624	1 329 600	-	-
Security charges	3 215 932	2 935 743	227 726	49 424	-	-
Staff costs	228 425 493	153 840 421	183 139 522	43 361 684	101 238	-
Subscriptions	1 685 122	787 906	2 412 337	517 238	-	-
Telephone and equipment repairs	174 556	59 042	137 460	34 983	-	-
Telephone and fax charges	2 490 340	1 786 672	2 206 311	496 342	-	-
Travel and subsistence	11 768 814	7 984 521	8 232 787	1 993 613	2 400	-
Valuation Fees	7 172 771	6 560 809	3 601 582	890 583	-	-
	528 632 842	352 620 428	450 668 057	107 329 864	186 797	29 776

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements
for the year ended 31 December 2022 (continued)

20 Prescribed assets

In terms of Section 18(2)(a) of the Pension and Provident Fund Act (Chapter 24:09), registered Pension Funds shall hold not less than 35% of their book value of assets in Government Stocks and other approved holdings. However, on the 12 March 2019, the Government reviewed the prescribed asset ratio through a circular 3 of 2019 to a minimum of 20%. The Pension Fund has not adhered to this regulation as the percentage of approved holdings to total assets at 31 December 2022 amounted to 7.01% based on market value of assets. The Fund recently completed a project which is pending valuation. The Fund is projecting that at valuation, the investment will push upwards the prescribed asset position and that it will be fully compliant with the IPEC regulations, Circular 1 of 2013.

On 20 March 2013, the Insurance and Pensions Commission (IPEC) issued a, Circular 1 of 2013, which promulgated maximum investment thresholds regarding specific investment classes for life companies and self administered pension funds. Circular 1 of 2016 then allowed organisation to register their Investments Policy Statements (IPS) with investment guidelines. On 18 January 2022, Circular 2 of 2022 was then issued with enhanced guidelines relevant to the current environment also considering the emergence of new asset classes. The Fund registered its IPS with IPEC and investment guidelines are as follows:

- a) Prescribed assets, maximum holding 40%;
- b) Bonds/Stocks, maximum holding 40%;
- c) Properties, maximum holding 40%;
- d) Quoted shares, maximum holding 60%;
- e) Unquoted shares, maximum holding 15%;
- f) Money market and cash, maximum holding 20%;
- g) Other investments, maximum holding 5%.

Full compliance in respect to this circular is expected by 17 January 2024

21 Related parties

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial and operating decisions. The Fund has related party relationships with Motor Industry employers who employs the contributing members. They therefore contributed ZWL 539 664 574 (2021: ZWL 162 086 904) towards members accumulations.

22 Operating environment

On 30 November 2020, the Commissioner of Insurance, Pensions and Provident Funds issued Circular 26 of 2020 which revised the basis and form of Reporting in Financial Statements for Pension Funds. The circular mandates all Pension and Provident Funds; and fund administrators to adhere to the International Financial Reporting Standards (IFRSs) and Circular 20 of 2021 in preparing financial statements.

23 Effects of Covid-19 and Conflict in Eastern Europe

The effects of COVID-19 pandemic both direct and indirect has had a minimal impact on the 2022 financial year as the world economy opened up. The outbreak had caused a decline in the country's GDP as companies shut down. In the medium term, companies might need continue to downsize by terminating or suspending employment contracts or retrenching. For the Fund there might also be an influx of claims due to deaths, ill health retirements and retrenchments.

In geo-political developments, the conflict in Eastern Europe disrupted supply chains and impacted negatively on the prices of crude oil and commodities. For the Fund, the impact of rising energy costs may present challenges with companies struggling to adjust pricing to match low demand.

24 Guaranteed Fund Investment (Single investment exceeding 5% of Net Assets)

This is a pooled Fund product which offers smoothed returns to Pension funds and their members. It is run by Old Mutual Life, and it offers guarantees to the capital invested and the vested bonus declared only. Due to the nature of the Non-Vested Bonus Account, the Administrator (Insurer) reserves the right to make market value adjustments to cater for adverse market movements. The Fund is invested in diversified asset portfolio consisting mainly of Equities, Property and other asset classes. The Board of Directors of the Insurer can make investment decisions on behalf of the investors and reserves the right to either declare or not declare a bonus at the end of every financial period. All assets under the Guaranteed Fund are registered under the Insurer

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statements
for the year ended 31 December 2022 (continued)

25 Foreign currency transactions and balances translated into ZWL

Financial statements particularly presented entirely in Zimbabwe Dollar (ZWL) are limited in providing users with useful information on foreign currency transactions and balances considering the hyper-inflation on the ZWL and the multiplicity of exchange rates currently being experienced. The following statements serve to disclose the foreign currency transactions and balances that have been translated into the ZWL figures in the ZWL Fund financial statements.

STATEMENT OF COMPREHENSIVE INCOME	USD
Income	
Investment Income	240 208
Other Income	1 235
Net Surplus on Sale or redemption of Investments	285 982
Total	527 425

Expenditure	
Fairvalue Loss on Financial Assets	164 778
Other Operating Expenses	5 808
Total	170 586

STATEMENT OF FINANCIAL POSITION

Assets	
Non Current Assets	
Investment Property	61 016
Financial Assets at fair value through profit or loss	3 017 705
Current Assets	
Trade and Other Receivables	78 278
Cash and Cash Equivalents	76 413
Total Assets	3 233 412
Reserves and Liabilities	
Reserves	
Accumulated Funds	3 208 602
Liabilities	
Current Liabilities	1 000
Other Payables	23 810
Total Reserves and Liabilities	3 233 412

STATEMENT OF CASHFLOWS

Cashflows Collected from Other operating Activities	
Other operating income	4 255
Administration expenses	(3 002)
Staff expenses	(2 064)
Bank Charges	(743)
Net cashflow from other operating activities (W)	(1 553)
Cashflow from Investing Activities	
Purchase of investment property	(61 016)
Purchase of financial assets	(102 015)
Proceeds from sale of investment property	286 255
Proceeds from sale of financial assets	28 956
Rent received	87 632
Interest received	63
Dividends received	132 648
Investment management fees paid	(1 603)
Other investing activities	-
Investment in Loans & Money Market	(309 276)
Net cash inflows/ (outflows) from investing activities (X)	61 645

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statement (continued)

26 COMPLIANCE REPORT AS AT 31 DECEMBER 2022

Compliance Task	Full Compliance	Partial Compliance	Remedial Action
Governing board			
Audit & Risk Committee	√		None
Terms of Reference	√		
Compliance Framework			
Robust Compliance Framework	√		Due for annual review
Compliance Policy	√		Due for annual review
Anti- Money Laundering Policy			Due for annual review
Independent Risk & Compliance Function			
Coronation Risk Advisors	√		None
Fines and Penalties			
Fines in 2022	√		None
Penalties in 2022	√		
Compliance Training			
Board	√		None
Audit & Risk Committee	√		
Management & Staff	√		
Internal Compliance			
Policies		√	Due for annual review and there is need for conformance review to be conducted in Q2 2023
Procedure Manuals		√	
External Compliance			
Laws & Regulations		√	The Fund has a universe of all Laws and Regulations. There is need for Heads to create departmental checklists
Contracts	√		None

Top Sponsoring Employers' contribution arrears as at 31 December 2022

Sponsoring Employer	Contribution Arrears Total
	ZWL
Tsapo Group	25,898,213.15
Transerv	21,137,214.00
Motor City Toyota	20,000,000.00
Scanlink (pvt) Ltd	9,835,363.00
Zimbabwe Motor Distributors	7,671,603.00
Comoil pvt Ltd	7,522,321.00
Brake and Clutch Group of Companies	5,844,654.00
Cranrid Investments (PVT) LTD	5,097,037.00
Macwills Auto Engineering (Pvt) Ltd	4,786,004.00
Engen Belvedere Service Station	4,713,594.00
Skinners Auto Body Repairs	3,545,341.00
Intercom Motor Spares T/A Continental Moto	2,694,207.00
Petroleum Ranger Pvt Ltd	2,621,262.00
Fineye Panel Beaters (PRIVATE) LIMITED	2,586,858.00
Byword Trading T/A Byword Motors (PRIVATE)	2,550,511.00
Impact Auto T/A Fasfit Matlock	2,390,725.00
Navro Investments PVT LTD	2,211,881.00
Engen Caltex House Service Station	2,035,606.00
Tiff Investments P/L	2,007,768.00
Wheels Upholstery Centre	1,965,960.00
TOTAL	137,116,122.15

Sponsoring Employer	Contribution Arrears Total
	USD
Trek Petroleum pvt Ltd	46,042.00
Humble Enterprises T/A Maps Petroleum	10,059.00
Fudzo's (PVT) LTD	6,106.00
Centreaper Investments (PVT) LTD T/A Marim	5,287.00
Attornment Agencies (PVT)LTD T/A Zuva gree	3,056.00
Lorimak Strategic Staffing Services	2,641.00
Ruzawi Service Station	1,675.00
Tashoille Trading Private Limited	1,632.00
Accentingrums P/L T/A Maropafadzo Energy	1,541.00
Busuman Motors	1,050.00
Total Mutoko	965.06
Prime and Standby Power Supplies T/A Marke	875.75
TOTALS	80,929.81

PENSION AND PROVIDENT FUNDS ACT (Chapter 24:09)

MOTOR INDUSTRY PENSION FUND

Notes to the financial statement (continued)

28 Motor Industry Pension Fund Investment Policy statement

An investment policy statement is the Fund-specific document designed to address the overall policies that govern investment-related activities of the Pension Fund. The detailed document describes the parameters for investing Pension Fund money and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment process will be managed and monitored.

Statement of Objectives

The assets of the Fund are invested under the supervision of the Board. After reviewing expected short-term and long-term cash flow requirements of the Fund, as well as considering the investment time horizon and risk tolerance level believed to be appropriate for the invested assets. The following major set of objectives were established:

- Value preservation of capital.
- Pay all benefit and expense obligations when due.
- Achieve a funding cushion to reduce the impact of possible future downturns in the Fund's funded status.
- Achieve or exceed actuarial values assumptions.
- Control risk exposure through reasonable and rational diversification of the assets into various asset classes.
- Contain costs of administering and managing the portfolio.

Investment and Allocation Policy

Investment Horizon: The investment guidelines are based on the expectation that the investment horizon will be several years in length. Short-term variability in returns should be expected. Because of this, the Fund's strategic asset allocation is established with moderate to long-term perspective in mind. The Fund is required to pay retirement benefits to participants as they come due. Therefore, sufficient liquid reserves must be available to satisfy this obligation.

Risk Tolerances: The Board is cognisant of the fact that some of the Fund's investment objectives are not guaranteed and that there will be time periods for which these objectives will not be met. Through its Risk and Compliance Committee, it identifies some certain acceptable level of risk that must be assumed to achieve the Fund's investment objectives and accepts the inevitable fluctuations in returns that will occur. The ability to withstand short and intermediate term variability was specifically considered in the development of the IPS risk tolerances.

Allowable Investments: Stocks, Bonds, Short term Money Market, Properties, Unit Trusts, Private Equity/Alternative investments and Exchange Traded Funds (ETFs)

Overall Asset Allocation Policy -Based on the Fund's time horizon, risk tolerances, liquidity needs, and asset class preferences and constraints, an efficient or optimal portfolio was identified. The allocation is reviewed at least annually and modified as necessary to meet the needs of the Fund.

Performance Measurement -The Board of Funds through its Finance and Investments Committee (FIC) monitors the performance of Fund against long-term performance objectives and agreed benchmarks as well as compliance with operating parameters to ensure the investment approach aligns with the Board's investment policy and beliefs.