

ABRIDGED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the ZWL FUND				
	INFLATION ADJUSTED		HISTORICAL	
For the Year Ending	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Contributions	270,144,840.00	99,242,870.00	218,440,575	49,693,456
Net Investment Income	564,319,322.00	629,612,347.00	481,026,141	286,681,851
Other Income	56,191,587.00	108,957,189.00	47,861,354	38,010,392
Unrealised Gain from Investments	2,801,403,935.00	3,146,885,444.00	2,362,429,763	1,170,025,056
Total Income (a)	<u>3,692,059,684</u>	<u>3,984,697,850</u>	<u>3,109,757,833</u>	<u>1,544,410,755</u>
Less: Benefits Paid				
Monthly Pensions	6,789,296	1,174,757	5,429,468	512,248
Withdrawals	20,111,627.00	4,314,485.00	17,403,617.00	1,768,387.00
Retirements	13,070,547	2,910,690	11,366,485	1,089,139
Retrenchments	23,768,694	3,839,245	19,882,299	1,851,023
Death in service benefits	15,325,237	1,819,649	13,593,763	782,669
Ex-gratia Payments	158,859	0	133,479	0
Administration Expenses	136,836,240	73,297,839	111,934,267	30,106,254
Total Expenses (b)	<u>216,060,500</u>	<u>87,356,665</u>	<u>179,743,378</u>	<u>36,109,720</u>
Net monetary (loss)	-534,266,681	-1,468,672,412	0	0
Surplus for the Year (a-b)	<u>2,941,732,503</u>	<u>2,428,668,773</u>	<u>2,930,014,455</u>	<u>1,508,301,035</u>

STATEMENT OF FINANCIAL POSITION for the ZWL FUND				
For the Year Ending	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
ACCUMULATED FUND:				
Opening Accumulated Fund	1,804,491,284	476,087,861	1,804,491,284	296,190,249
Surplus for The Year	2,941,732,503	2,428,668,773	2,930,014,455	1,508,301,035
	<u>4,746,223,787</u>	<u>2,904,756,634</u>	<u>4,734,505,739</u>	<u>1,804,491,284</u>
EMPLOYMENT OF CAPITAL:				
Investments	4,691,140,848	2,778,851,901	4,691,140,848	1,779,650,036
Fixed Assets	34,400,421	18,362,746	22,682,373	8,768,698
Debtors Less Creditors	-1,814,610	24,538,197	-1,814,610	15,303,360
Cash in Hand	22,497,128	82,943,790	22,497,128	769,190
BALANCE OF FUND	<u>4,746,223,787</u>	<u>2,904,756,634</u>	<u>4,734,505,739</u>	<u>1,804,491,284</u>

ABRIDGED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the USD FUND	
For the Year Ending	2021
	USD
Contributions	411,365.00
Net Investment Income	5,547.00
Other Income	
Unrealised Gain from Investments	
Total Income (a)	<u>416,912</u>
Less: Benefits Paid	
Monthly Pensions	
Withdrawals	857.00
Retirements	
Retrenchments	109
Death in service benefits	45
Ex-gratia Payments	
Administration Expenses	48,342
Total Expenses (b)	<u>49,353</u>
Surplus for the Year (a-b)	<u>367,559</u>
STATEMENT OF FINANCIAL POSITION for the USD FUND	
For the Year Ending	2021
	USD
ACCUMULATED FUND:	
Opening Accumulated Fund	0
Surplus for The Year	367,559
	<u>367,559</u>
EMPLOYMENT OF CAPITAL:	
Investments	279,363
Fixed Assets	0
Debtors Less Creditors	74,287
Cash in Hand	13,909
BALANCE OF FUND	<u>367,559</u>

MOTOR INDUSTRY PENSION FUND

Summary Financial Statements as of 31 December 2021



Motor Industry Pension Fund, New Avondale Office Block

Introduction

Motor Industry Pension Fund (MIPF) is registered as a self-administered Pension Fund in terms of the Pensions and Provident Fund Act (Chap. 24:09). It is a Defined Contribution Scheme financed through contributions from employees and employers and earnings from the Fund's investments. The surplus from contributions and investment income over benefits payments is invested in compliance with pensions regulations.

Pension Contributions

Pension contributions to the Fund is compulsory to all employees under the age of 65 years whose employers are registered with the National Employment Council for the Motor Industry in terms of Statutory Instrument (SI) 66 of 1995. Employers are obliged to deduct 5% from an employee's monthly basic salary and in turn contribute 5% on behalf of their employee plus 2.5% stabilisation. These contributions should be paid into the Fund's account or offices on or before the 14th of the following month in terms of (SI) 243 of 2006.

Further details of contribution rates payable to and benefits receivable from the Fund are contained in the Members' Booklet issued to all employees who are eligible to join the Fund.

Chairman's Statement

I am pleased to present our Annual report for the year-ended 31 December 2021 and the Actuarial valuation results of the Fund.

The Financial Year 2021 ("FY 2021") saw a reversal of some of the macro-economic gains as measured by metrics such as inflation and exchange rate to levels which continued to put pressure on finding solutions to preserve the value of assets of the Fund. The Fund managed to complete the redesigned and re-modelled Avondale property which attracted full occupation before being commissioned. I am also pleased to announce that your Fund also took part in a new hotel development called Palm River in Victoria Falls which was opened by the President of Zimbabwe in November 2021. These among many other projects and initiatives in the pipeline are meant to preserve value for members and keep focused on the long-term goal of achieving financial security for its retirees.

Actuarial Valuation results

During the year the Fund conducted two periodic Actuarial Reviews as of 30 June and 31 December 2021. Below are the annualised bonuses declared for 2021 period and cumulative results for the past three years since the introduction of the new Insurance and Pensions Commission (IPEC) reporting requirements in 2019.

ZWL Fund

The results below show a very aggressive growth of members' retirement savings against inflation confirming the Fund's strategy to preserve value.

Category	2019 (%)	2020 (%)	2021 (%)	Cumulative bonuses (%)
Contributing: Sub Account 1	311.8	525.44	151.13	6,368.01
Non-Contributing: Sub Account 1	311.8	499.80	117.68	5,276.64
Pensioners: Sub Account 1	248.6	676.70	132.27	6,188.88
Contributing: Sub account 2	0.05	772.62	102.75	1,670.12
Benchmark Inflation	521.15	348.59	60.74	4,379

As reflected above Sub-Account 1 members are those who contributed to the Fund and accumulated assets prior to 31 December 2018 and those who contributed after this cut-off date have been categorised in Sub-Account 2. The introduction of categories was done to guard against intergenerational transfer of wealth from period to period by ring-fencing assets by specific member groups accumulated before adverse periods. The above reporting format and groupings became mandatory from 2019 going forward.

USD Fund

Pension legislation review through SI 280 of 2020 paved way for setting up of USD business in Insurance and Pensions industry and

your Fund was among the first Funds to successfully register the USD Fund in January 2021. The Fund had its first two member companies joining in the same month with 485 contributing members and by year-end membership had doubled to 1000. The main motivation to join this Fund is driven by the need to save for retirement a more stable and predictable currency. Post reporting the Fund continued to grow with a membership of 1298 by end of March 2022. Below are the first Actuarial valuation results for the USD Fund in 2021.

Category	Bonus declared in 2021
Contributing: Sub Account 3	3.81%

Both the ZWL Fund and USD Fund were Actuarially certified to be in a financially sound position by end of 2021. In 2021, the ZWL Fund posted an annual surplus for distribution amount of approximately ZWL2.5bn between Sub account 1 and 2. Your ZWL Fund size as of 31 December 2021 was ZWL4.72 billion from ZWL1.813 billion in 2020 whilst the USD Fund closed the year at USD347,896.

Administration

Although Covid 19 pandemic continued into 2021 albeit at a slower and manageable rate, your Fund did not experience business continuity problems because of the flexible administration system implemented approximately 3 years ago. The focus going forward is to extract as much value as possible from the system through mobile applications, web-based tools to enhance and improve on our service delivery to the members from wherever they are across the country without them visiting our offices. This is the main administration and member service thrust of your Board and management in the next three years.

Membership Statistics as of 31 December 2021

Below is the ZWL Fund membership and exit statistics as at 31 Dec 2021:

	Total
No. of members as of 31 December 2020	49,379
New Entrants into Main Fund	826
New Entrants into Preservation Fund	92
Total	50,297
Resignations, Retirements, Retrenchments and Deaths in Service Claims and Preservation exits	(1,607)
Total Membership as of 31 December 2021	48,690
Total Pensioners (Former Members)	169
Beneficiaries-Spouses	5
Beneficiaries-Children	4

A total of 1,607 claims worth \$79.2 million were successfully processed and paid compared to 264 claims amounting to \$6 million in 2020. The eased lockdown restrictions made it possible for member movements to come and lodge their claims compared to the previous year.

Below is the USD Fund membership and exit statistics as at 31 Dec 2021:

	Total
No. of members as of 31 December 2020	0
New Entrants into Main Fund	1006

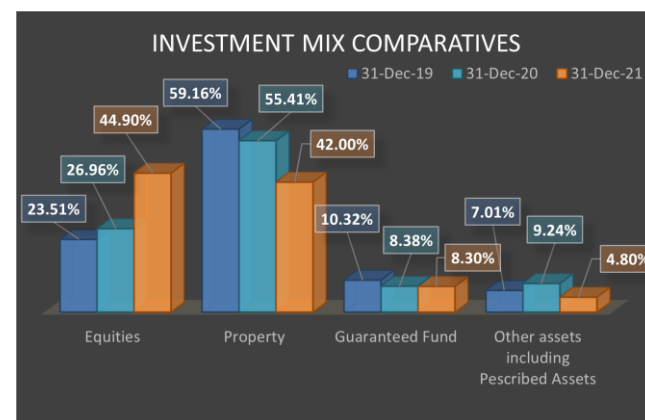
New Entrants into Preservation Fund	0
Total	1,006
Resignations, Retirements, Retrenchments and Deaths in Service Claims and Preservation exits	(6)
Total Membership as of 31 December 2021	1,000
Total Pensioners (Former Members)	0
Beneficiaries-Spouses	0
Beneficiaries-Children	0

The young Fund did not experience much activity in terms of exits but instead witnessed more new entrants as members switch from ZWL Fund into the newly registered USD Fund.

Investment Portfolio Mix

I would like to assure all members that your Fund's asset allocation is well poised to absorb most of the shocks such as inflation rise and depreciating exchange rate to attain a reasonable return to members. The 2021 results are supported by our strategy to invest a significantly high proportion of the Fund assets in both traditional real assets and high yielding alternative assets which in many situations track and outpace high inflation trends.

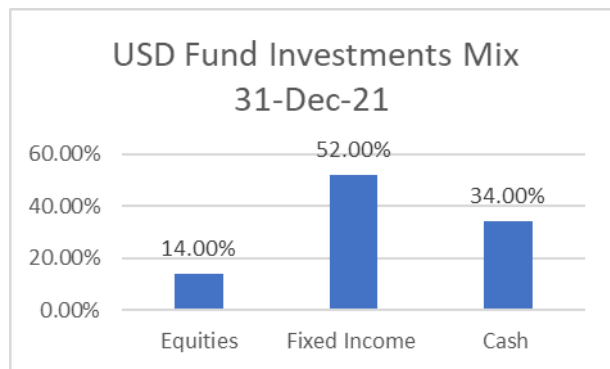
ZWL Fund 2021 Investment mix.



Please note the Guaranteed Fund and Prescribed assets are not asset classes but have been reflected as such due to materiality and need to track their effect and regulatory ratios in the portfolio mix.

USD Fund Investment mix

The USD investment markets started on a very slow note with only two counterparties offering Fixed income instruments in the market whilst the Victoria Fall stock exchange (VFSE) listed shares are tightly held with hardly any trades in some counters. Again, post reporting, IPEC announced a new offshore investing circular which your Fund will take advantage of in order to diversify both currency and country risk.



Prescribed Asset

The Fund continues to struggle with prescribed assets compliance owing to volatile markets which makes it extremely difficult to meet the ratio set. Other assets in the portfolio are always re-valuing at a faster rate diluting all efforts to meet the prescribed asset ratio from time to time. However it is pleasing that every quarter your Fund is taking up its rights in a property linked prescribed asset in Bulawayo under the vehicle ZimCampus for student accommodation directly opposite National University of Science and Technology (N.U.S.T) This massive structure is now expected to be completed in 2022 with its first intake of students expected in September 2022. This is expected to significantly raise and maintain the Fund's prescribed asset ratio higher. From time to time the revaluation of the property will manage the dilutive effect of Equities assets and other non-prescribed asset properties which has been the major problem over years.

Outlook

The results achieved over the past years is a clear testimony of the need for Board and management to take a very proactive approach and strategy to skew allocation in inflation protecting real assets in response to the re-emerging upward inflation trend especially noticed starting second half of 2021. I am pleased to report that over the years your Fund has been blending local assets with some approved Offshore assets opportunities which presented themselves in the market and going into the future, the growth trajectory in this space will be pursued to preserve value in hard currency.

On the property front, the Fund is going to embark on a restructuring exercise of offloading non-performing properties and pursue new opportunities in better yielding sectors which also have better chances of returning USD. Some properties are legacy assets which after careful considerations of options available have revealed a misfit to the long-term strategy of the Fund especially on a return basis.

On behalf of the Board of Trustees, I would like to express my heartfelt gratitude to our members, business partners, suppliers and our regulator IPEC for their guidance and assistance during these difficult times. I would also wish to express my appreciation to my

esteemed colleagues on the Board for their perceptive insights and wise counsel which truly helped the Fund steer through the challenges while paving the way for our further growth and success. Finally, a big thank you to our dedicated and hardworking Management team and employees for their resilience in the face of adversity and their

tireless commitment to excellence.

Mr B. Mswaka
Chairman, Independent Non-Executive

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Mr K. Jokonya (HND in Accounting)

Pensions Admin Executive

Mr Munyaradzi Nheta (MBA, HND in Pensions Management)

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African Actuarial Consultants

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CBZ Asset Management t/a Datvest

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Coronation Risk Advisors

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FBC Bank,
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