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BOARD OF TRUSTEES

Current Trustees

Mr. Bartholomew Mswaka (Independent Chairperson)

Ms. Ntokozi Siziba (Independent Vice Board Chairperson)

Mr. John Chikura (Independent Board Member)

Mr. Ezekiel Mukanga. (Independent Board member)

Mr Taurai Munikwa (Employer Representative Board member)

Ms. Sandra Tsimba (Employer Representative Board member)

Mr. Phillemon Mushore (Employer Representative Board member)

Mr. Cleopas Dururu (Employee Representative Board member)

Mr. Mashingaidze Muzamindo (Employee Representative Board member)

Executive Team

Chief Executive Officer/Principal Officer

Mr Raymond Manhika

Acting Finance and Administration Executive

Mr Kudakwashe Jokonya

Pensions Admin Executive

Mr Munyaradzi Nheta

Investment Officer

Mr David Bariri

Actuaries

African Actuarial Consultants

Auditors

Baker Tilly (*External Auditors*)

AMG Global Accountants (*Internal Auditors*)

Investment Managers

Old Mutual Investment Group.

ABC Asset Management and,

CBZ Asset Management t/a Datvest

Risk Advisors

Coronation Risk Advisors

ABRIDGED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the USD FUND

	CURRENT	PRIOR
<i>For the Year Ending</i>	2023	2022
	USD	USD
<i>Contributions</i>	2,754,041.97	1,358,544.84
<i>Net Investment Income</i>	50,593.94	8,653.76
<i>Other Income</i>	87,734.20	11,965.90
<i>Unrealised Gain from Investments</i>		
<i>Total Income (a)</i>	<u>2,892,370</u>	<u>1,379,165</u>
<i>Less: Benefits Paid</i>		
<i>Monthly Pensions</i>	2,650	
<i>Withdrawals</i>	313,379	33,248.43
<i>Retirements</i>	23,826	7,186
<i>Retrenchments</i>	152,138	3,496
<i>Death in service benefits</i>	86,567	7,773
<i>Ex-gratia Payments</i>	0	0
<i>Administration Expenses</i>	668,875	262,418
<i>Total Expenditure (b)</i>	<u>1,247,434</u>	<u>314,122</u>
<i>Surplus for the Year (a-b)</i>	<u>1,644,937</u>	<u>1,065,042</u>

STATEMENT OF FINANCIAL POSITION for the USD FUND

<i>For the Year Ending</i>	2023	2022
	USD	USD
ACCUMULATED FUND:		
<i>Opening Accumulated Fund</i>	1,432,601	367,559
<i>Surplus for The Year</i>	1,644,937	1,065,042
	<u>3,077,538</u>	<u>1,432,601</u>
EMPLOYMENT OF CAPITAL:		
<i>Investments</i>	2,122,888	654,284
<i>Fixed Assets</i>	26,616	0
<i>Debtors Less Creditors</i>	238,122	-95,020
<i>Cash and cash equivalents</i>	689,912	873,336
BALANCE OF FUND	<u>3,077,538</u>	<u>1,432,601</u>

MOTOR INDUSTRY PENSION FUND

Summary Financial Statements as of 31 December 2023



Motor Industry Pension Fund, 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

USD Fund

I am pleased to present our annual report and the Actuarial valuation results of the Fund for the year-ended 31 December 2023 for the USD Fund.

The Financial Year 2023 ("FY 2023") was characterised by poor investment return especially on the Victoria Falls Stock Exchange (VFEX) listed shares which saw a huge price reversal following their listing prices. Overall, the Index experienced a 30% drop for the full year. Unfortunately, Zimstats was not providing USD inflation preferring a blended position which does not give a good comparable picture with USD returns. However, the U.S. average inflation rate closed 2023 at 4.1%.

The Fund project pipeline to enhance and preserve value continues to grow for this young Fund which started with three employers (924 members) who migrated to contributing in USD in 2021. The Fund has managed to take a portion of its investment offshore as it targets 15% maximum limit as prescribed by investment regulation. Other exciting Alternative investments were taken during the year which will start yielding returns in 2024. We believe the Fund is poised for exciting return and value growth going forward.

Actuarial Valuation results as at 31 December 2023

Despite a huge negative return of 30% experienced on the VFEX, the Fund's financial review results showed a healthy and financially sound position with overall funding level of 103.9%. This translated to a bonus declaration of 2.85% to members for 2023. The VFEX was a major exposure of the Fund, which was the only available exposure when the Fund started. There were no fixed income instruments in the market at initiation of the Fund. However, the diversification strategy employed by the Fund in the last two years diluted that negative performance to still yield an overall positive bonus for members in 2023.

In the last 3 years since inception the Fund has seen migration of a huge active membership from contributing in local currency to US dollars.



Membership grew by 57% from 3,453 to 5,415. This resulted in contribution income growth of 99% from USD147,281 to

USD294,154 per month. As of 31 December 2023, the Fund value was USD3,077,538.

Administration

The strategic thrust of our administration is to offer an excellent e-platform to members to enable quick and efficient interaction with the administration office. Our turnaround times for claims processing remains 5 working days.

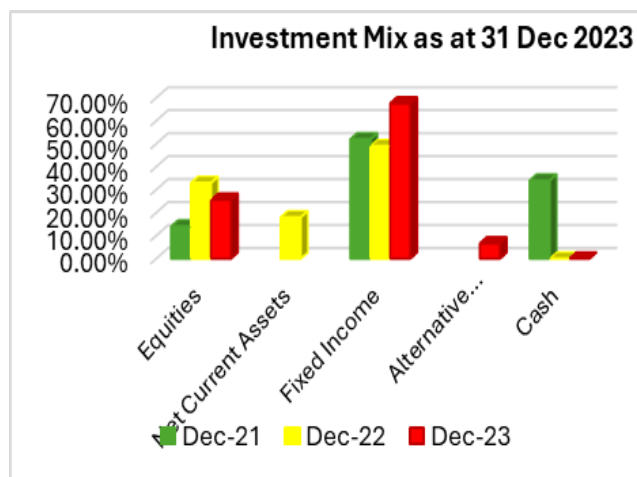
Membership Statistics as of 31 December 2023

Below is the membership and exit statistics for the reporting period:

	USD Fund
No. of members as of 31 December 2022	4,232
New Entrants into Main Fund	3,067
Deferred Pensioners	1
Total Pensioners (Former Members)	3
Total	7,299
Resignations, Retirements, Retrenchments and Deaths in Service Claims and Preservation exits	(460)
Total Membership as of 31 December 2023	6,843

Investment Portfolio Mix

The USD investment market continues to increase in terms of available assets to invest and continued migration of Zimbabwe stock exchange assets to the Victoria Fall stock exchange (VFSE) avails more options. This has enabled diversification on the exchange reducing concentration on a few exposures which were listed since inception. The board has identified an Offshore investment which it has already invested \$285,000 of the funds. The upper limit for this exposure is 15% of Fund value and also for purposes of diversification the Fund will continue to look for other options.



Prescribed Asset

The USD Fund has raised its prescribed assets ratio over time since inception from 0% to approximately 15%. In value terms the total exposure amounts to USD461,357.59. Due to the low volatility and stable nature of the currency of this Fund, the Fund should achieve full compliance in 2024.

Outlook

Board and management is still very focused on the value preservation strategies and the Alternative investments space is offering some exciting options some of which the Fund has pursued. The policy to extend the life of the multi-currency system allows good planning in the short to medium term. The asset diversification strategy will continue to focus blending both foreign assets and local assets considering that legislation is now permitting foreign exposure up to 15% of Fund value.

Our web-based administration system will give impetus to the use of member self-service platforms which includes member portal, a thrust towards improving access to personal information and all other communication between Fund and the members. An interactive and new look Fund website is already in place to explore and get more Fund information (www.motorpension.co.zw).

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 evolving 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 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

Head Office address

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