

MOTOR INDUSTRY PENSION FUND

FINANCIAL REVIEW REPORT AS AT 31 DECEMBER 2022

Prepared By



AFRICAN
ACTUARIAL
CONSULTANTS

30 March 2023

STRICTLY CONFIDENTIAL

STATUS: FINAL

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1. EXECUTIVE SUMMARY

Introduction

- 1.1. It is our pleasure to present the results of the financial review of the Motor Industry Pension Fund (“the Fund”) as at 31 December 2022.

Recap of the December 2021 review

- 1.2. The previous review as at 31 December 2021 showed that, overall, the Fund was financially sound.
- 1.3. The Fund’s Board of Trustees awarded the following bonuses as at 31 December 2021:
- A final bonus of 151.13% and 117.68% for contributing and non-contributing members respectively, as well as a pension increase of 132.27% for Sub Account 1; and
 - A final bonus of 102.75% and 35.98% for contributing and non-contributing members respectively, for Sub Account 2 at the review date.
 - A final bonus of 3.81% for members of Sub Account 3 at the review date.
- 1.4. An interim financial review was conducted as at 30 June 2022, and the Fund’s Board of Trustees opted to award a pension increase of 154.2%.

Key Inter-valuation Events

i. Market Overview

- 1.5. The ZSE All Share index return amounted to 80.1% over the calendar year leading up to the review date.
- 1.6. CPI as at 1 January 2022 stood at 3,977.46 and as at 31 December 2022, it stood at 13,672.91 implying an inflation rate of 243.8% over the calendar year.
- 1.7. In Auction Exchange rate of the ZWL to the USD stood at 108.67 as at 05 January 2022 and at 684.33 as at 30 December 2022. This represents a 528% depreciation in the rate.

ii. Regulatory Changes

- 1.8 The IPEC GUIDELINE ON ADJUSTING INSURANCE AND PENSION VALUES IN RESPONSE TO CURRENCY REFORMS (“the Guideline”) was released on the 13th of March 2020 and further updated on the 31st of May 2021. We have therefore carried out this currency conversion exercise in line with the Guideline.
- 1.9 On the 10th of October 2021, IPEC sent out Circular 41 of 2021 ISSUANCE OF FRAMEWORK OF EXPENSES, a guideline on expense management for pension funds that is effective from the 1st of January 2022 for implementation by the 30th of June 2022.
- 1.10 On the 18th of January 2022, IPEC issued Circular 2 of 2022, ISSUANCE OF INVESTMENT GUIDELINES FOR THE PENSIONS INDUSTRY, a guideline governing investment strategy and asset allocation for pension funds; it is effective from August 2021 and has a two-year implementation horizon.
- 1.11 On the 25th of August 2022, IPEC sent out Circular 37 of 2022 GUIDANCE PAPER IMPLEMENTATION: WAIVING OF PEER REVIEW AND JUNE VALUATION, that waived the need for peer review reports to accompany actuarial valuation submissions. Furthermore, the requirement of June actuarial valuations was also waived. This was an amendment to Section 28.3 of the Guideline, and became effective on the 31st of December 2021.
- 1.12 On the 2nd of September 2022, IPEC sent out Circular 36 of 2022 NOTIFICATION OF PUBLICATION OF THE PENSIONS AND PROVIDENT FUNDS ACT, [CHAPTER 24:32], that announced that the Pensions and Provident Funds Bill was signed into law by His Excellency, the President of the Republic of Zimbabwe.
- 1.13 On the 19th of September 2022, IPEC released the GUIDELINE ON THE DETERMINATION OF PRESERVATION AMOUNTS AND COMMUTABLE BENEFITS that set out to address the challenge of preservation of low levels of benefits and the value erosion of such benefits through expenses.

- 1.14 The Board of Trustees are advised to set processes in motion to ensure compliance within the deadlines set by the regulator.

Assets

- 1.15 The value of the Fund's ZWL\$ assets has grown from ZWL\$ 4.72 billion as at 31 December 2021 to ZWL\$ 18.11 billion as at 31 December 2022. We have estimated the value of assets held in Sub Accounts 1 and 2 to be ZWL\$ 15.06 billion and ZWL\$ 3.05 billion respectively.
- 1.16 We were provided with a split of the Fund's assets between the Sub-Accounts by the Fund's Administrator, as at the review date in compliance with the Guideline.
- 1.17 The build-up of Fund assets in each of the Sub Accounts is outlined in **Appendix II** of this report.
- 1.18 We have estimated the return earned by the overall Fund to be 209.65%, whilst the rates of return for Sub Account 1 and 2 were 230.64% and 120.47% respectively.
- 1.19 The return earned on Fund assets is higher than that used in discounting pension pay-outs from the Fund. This has yielded a valuation surplus in the pensioners' account at the review date.
- 1.20 In line with Section 15.5 of the Guideline, a third Sub Account was created as at the 1st of January 2021 to cater for contributions received in foreign currency.
- 1.21 As at 31 December 2022, the value of Sub Account 3 assets amounts to US\$ 1.45 million, with a rate of return of 1.02%.

Financial Position of the ZWL\$

- 1.22 The Fund's financial position at the review date is summarised below:

	Before bonus Sub Account 1 ZWL\$	Before bonus Sub Account 2 ZWL\$	Overall ZWL\$
Deferred	2,284,820,498	84,056,875	2,368,877,373
Contributing	1,532,833,398	770,408,188	2,303,241,586
Pensioners	264,591,110	-	264,591,110
Data Reserve	64,185,491	21,592,355	85,777,846
Death Benefit Reserve	49,293,778	133,574,511	182,868,289
Stabilization Reserve	-	448,330,496	448,330,496
Total Liability	4,195,724,276	1,457,962,424	5,653,686,700
Fair Value of Assets	15,059,188,686	3,050,733,198	18,109,921,884
Surplus	10,863,464,410	1,592,770,774	12,456,235,184
Funding Level	358.9%	209.2%	320.3%

Sub Account 1

1.23 The value of Fund assets amounts to ZWL\$ 15.06 billion at the review date whereas that of Fund liabilities amount to ZWL\$ 4.20 billion. The Fund is therefore in a financially sound position, with a surplus of ZWL\$ 10.86 billion. This translates to a funding level of 358.9%.

1.24 We recommend that a Pensioners Guarantee Reserve, equivalent to ZWL\$ 88.79 million, be set up within Sub Account 1, to shield the membership against the investment and longevity risk they are exposed to.

1.25 Furthermore, in anticipation of the compensation of members whose benefits were adversely affected by the currency-related losses in 2009, we recommend that a reserve equivalent to 10% of the Sub Account 1 share of assets; the reserve was drawn down from the surplus in respect of Sub Account 1 as at the review date.

1.26 Given the uncertainty regarding the quantum of the benefits to be paid as compensation, at the time of producing this report we saw fit to set this reserve at such a level. Should the compensation benefits prove to be lower, the reserve will be released to augment the benefits of Sub Account 1 members.

1.27 Distributing the emerging surplus implies awarding an annualised bonus of:

- **240.54%** awarded to all contributing members
- **240.54%** awarded to all deferred members, and
- an additional pension increase of **38.87%** awarded to all pensions' payments as at the review date. This implies a cumulative pension increase of 253% for 2022.

Sub Account 2

1.28 The value of Fund assets amounts to ZWL\$ 3.05 billion whereas the value of liabilities amounts to ZWL\$ 1.46 billion at the review date. The Fund is therefore in a financially sound position, with a surplus of ZWL\$ 1.59 billion. This translates to a funding level of 209.2%.

1.29 We recommend that a Smoothing Reserve, equivalent to ZWL\$ 152.54 million, be setup within the Sub Account, to shield the membership against the investment risk they are exposed to.

1.30 Distributing the emerging surplus implies awarding an annualised bonus of:

- **155.47%** awarded to all contributing members and
- **88.06%** awarded to all Deferred members,

Overall Position of the ZWL\$ Fund

1.31 The ZWL\$ Fund is in a sound financial position as at 31 December 2022.

1.32 The effect of distributing the emerging surplus in line with our recommendations above is summarised in the table below:

	After bonus Sub Account 1 ZWL\$	After bonus Sub Account 2 ZWL\$	Overall ZWL\$
Deferred	7,783,914,662	158,112,341	7,942,027,003
Contributing Pensioners	5,257,424,031	1,599,598,701	6,857,022,733
Pensioners' Guarantee Reserve	367,429,827	-	367,429,827
Data Reserve	88,788,969	-	88,788,969
Death Benefit Reserve	6,418,549	2,159,236	8,577,785
Unallocated Contributions with interest	49,293,778	133,574,511	182,868,289
Smoothing Reserve	-	556,421,254	556,421,254
Compensation Reserve	-	152,536,660	152,536,660
Stabilization Reserve	1,505,918,869	-	1,505,918,869
Total Liability	15,059,188,686	3,050,733,198	18,109,921,884
Fair Value of Assets	15,059,188,686	3,050,733,198	18,109,921,884
Surplus	(0)	0	(0)
Funding Level	100.0%	100.0%	100.0%

Sub Account 3

1.33 The value of Fund assets amounts to US\$ 1.45 million whereas the value of liabilities amounts to US\$ 1.40 million at the review date. The Fund is therefore in a financially sound position, with a surplus of US\$ 53,415. This translates to a funding level of 103.81%.

1.34 Distributing the emerging surplus implies awarding an annualised bonus of:

- **1.02%** awarded to all members

1.35 The effect of distributing the emerging surplus in line with our recommendations above is summarised in the table below:

	Before bonus US\$	After bonus US\$
Contributing Members	1,330,172	1,337,423
Stabilization Reserve	3,753	3,753
Death Reserve	52,205	52,205
Smoothing Reserve	15,149	61,313
Total Liability	1,401,279	1,454,694
Fair Value of Assets	1,454,694	1,454,694
Surplus	53,415	-
Funding Level	103.81%	100.00%

Recommendations and Conclusion

- 1.36 The Fund is in a financially sound position as at 31 December 2022.
- 1.37 Due to persistent inflationary pressures in the economy, we recommend quarterly bonus declarations. We are available to carry out the quarterly bonus calculations for the Fund.
- 1.38 We further recommend a continuous check of all member records to ensure that all Fund members benefit from the allocation of revaluation gains.

2. INTRODUCTION

2.1. African Actuarial Consultants (“AAC”) has been tasked to carry out a financial review of the Motor Industry Pension Fund (“the Fund”), to recommend a final bonus rate to be applied on Member’s Accumulation Accounts as at 31 December 2022 in line with IPEC Guidelines. This report summarises our findings.

Addressee

2.2. This report has been prepared exclusively for the Fund’s Board of Trustees and Management team. The report may not be distributed to any third party without the permission and consent, of African Actuarial Consultants.

Summary of the Fund

2.3. The Fund is a defined contribution arrangement. The benefit on exit is based on the member’s accumulated credit. This is composed of the aggregate contributions made by and in respect of each member increased at the bonus rate declared as earned on Fund assets and any other proportionate allocations from the Fund’s reserves as agreed by the Board of Trustees from time to time.

2.4. The bonus rate is the rate generally reflecting the return earned on Fund assets less investment related expenses, as determined by Board of Trustees in consultation with the actuary. The investment return earned by the assets has a direct impact on benefits payable.

2.5. A summary of the Fund’s Rules is detailed in **Appendix IV** of this report.

Purpose of the Report

2.6. This financial review has been carried out as at 31 December 2022, and has the following objectives:

- To calculate the liability, in Zimbabwean dollars, posed by pension benefits attributable to Fund members in line with IPEC guidelines;
- To calculate the liability, in United States Dollars, posed by pension benefits attributable to Fund members in line with IPEC guidelines;
- To calculate pension benefits that are to be paid to pensioners and their beneficiaries from the Fund;
- To assess the financial position of the Fund by comparing the available assets to liabilities;
- To comment on the asset mix of the Fund;
- To recommend a bonus and pension increase for the period under review;
- To assess the sufficiency of current contribution rates towards meeting expenses and risk benefits; and
- To comment on any other issues pertinent to the Fund.

Professional and Regulatory Guidance

2.7. This report was prepared with reference to Guidance Notes issued by the Institute and Faculty of Actuaries (UK) and the Technical Actuarial Standards set by the Financial Reporting Council in all respects, except those sections specific to the United Kingdom have been ignored.

2.8. We have carried out this review in line with our understanding of IPEC guidelines on adjusting insurance and pension values in response to currency reforms.

Reliance

- 2.9. For the purposes of carrying out this exercise, we have been provided with membership data by the Fund Administrators, for the period from 1 January 2022 to 31 December 2022.
- 2.10. While data checks are performed as part of the financial review, it should be noted that the final accountability for the accuracy of the Fund's data resides with the Fund's Board.
- 2.11. We have also received audited financial statements for the Fund as at 31 December 2022.
- 2.12. We have been provided with details relating to the following:
- Members' Accumulated Credits as at 31 December 2021,
 - Members' and Employers' monthly contributions for the period from 1 January to 31 December 2022,
 - Members' benefits paid over the period from 1 January to 31 December 2022,
 - Pensions' payments as at 31 December 2022, which incorporate the pension increase awarded during the period under review.
- 2.13. The data was checked for reasonability. **Appendix I** details all data checks performed. We considered the data provided as reasonable and sufficient for the purposes of this valuation.

Limitations

- 2.14. The accuracy of any values quoted in this report and the conclusions reached is limited to the accuracy of the underlying data and information (listed above) on which this report is based. Should this data be any different from the actual membership and asset position of the Fund, this review may need to be re-done.
- 2.15. All our recommendations are based on the membership of the Fund and the value of assets as at 31 December 2022.

3. REVIEW OF INTER-VALUATION ACTIVITIES

3.1. The previous review as at 31 December 2021 showed that overall, the Fund was financially sound.

3.2. The Fund's Board of Trustees awarded the following bonuses as at 31 December 2021:

- A final bonus of 151.13% and 117.68% for contributing and non-contributing members respectively, as well as a pension increase of 132.27% for Sub Account 1; and
- A final bonus of 102.75% and 35.98% for contributing and non-contributing members respectively, for Sub Account 2 at the review date.
- A final bonus of 3.81% for members of Sub Account 3 at the review date.

3.4 The table below summarizes the financial position of the Fund at 31 December 2021:

	Before Bonus ZWL\$	After Bonus ZWL\$
Assets	4,721,494,677	4,721,494,677
Liabilities:	2,208,126,799	4,721,494,677
Surplus	2,513,367,878	-
Funding Level	213.8%	100.00%

	Before Bonus US\$	After Bonus US\$
Assets	367,615	367,615
Liabilities:	347,896	367,615
Surplus	19,719	-
Funding Level	105.67	100.00%

3.3. An interim financial review was conducted as at 30 June 2022, and the Fund's Board opted to award a pension increase of 154.2%.

Key Inter-valuation Events

Market Overview

- 3.4. The ZSE All Share index stood at 10,882.36 as at 1 January 2022 and at 17,350.85 as at 31 December 2022, reflecting a 59% growth in the index.
- 3.5. CPI as at 1 January 2022 stood at 3,977.46 and as at 31 December 2022 it stood at 13,672.91 implying an inflation rate of 243.8% over the calendar year.
- 3.6. In Auction Exchange rate of the ZWL to the USD stood at 108.67 as at 05 January 2022 and at 684.33 as at 30 December 2022. This represents a 528% depreciation in the rate.

Regulatory Changes

- 3.7. The IPEC GUIDELINE ON ADJUSTING INSURANCE AND PENSION VALUES IN RESPONSE TO CURRENCY REFORMS (“the Guideline”) was released on the 13th of March 2020 and further updated on the 31st of May 2021. We have therefore carried out this currency conversion exercise in line with the Guideline.
- 3.8. On the 10th of October 2021, IPEC sent out Circular 41 of 2021 ISSUANCE OF FRAMEWORK OF EXPENSES, a guideline on expense management for pension funds that is effective from the 1st of January 2022 for implementation by the 30th of June 2022.
- 3.9. On the 18th of January 2022, IPEC issued Circular 2 of 2022, ISSUANCE OF INVESTMENT GUIDELINES FOR THE PENSIONS INDUSTRY, a guideline governing investment strategy and asset allocation for pension funds; it is effective from August 2021 and has a two-year implementation horizon.

- 3.10. On the 25th of August 2022, IPEC sent out Circular 37 of 2022 GUIDANCE PAPER IMPLEMENTATION: WAIVING OF PEER REVIEW AND JUNE VALUATION, that waived the need for peer review reports to accompany actuarial valuation submissions. Furthermore, the requirement of June actuarial valuations was also waived. This was an amendment to Section 28.3 of the Guideline, and became effective on the 31st of December 2021.
- 3.11. On the 2nd of September 2022, IPEC sent out Circular 36 of 2022 NOTIFICATION OF PUBLICATION OF THE PENSIONS AND PROVIDENT FUNDS ACT, [CHAPTER 24:32], that announced that the Pensions and Provident Funds Bill was signed into law by His Excellency, the President of the Republic of Zimbabwe.
- 3.12. On the 19th of September 2022, IPEC released the GUIDELINE ON THE DETERMINATION OF PRESERVATION AMOUNTS AND COMMUTABLE BENEFITS that set out to address the challenge of preservation of low levels of benefits and the value erosion of such benefits through expenses.
- 3.13. Board of Trustees are advised to set processes in motion to ensure compliance within the deadlines set by the regulator.

Rule Amendments

- 3.14. We are aware that the Fund submitted redrafted rules during the period since the last valuation; however, the rules are yet to be registered by the regulator. As such, we have used the existing Fund Rules for this valuation. A summary of the Fund's Rules as at 31 December 2022 is set out in **Appendix IV**.

4 MEMBERSHIP DATA

4.1 The data for this valuation was supplied by the Administrator of the Fund. The tables below summarise the Fund's membership, with respect to ZWL\$ liabilities, at the review date;

As at:	31 Dec 2021	31 Dec 2022	Changes
Contributing and Deferred Members			
Number	51,068	51,718 ¹	650
Opening Accumulated Credits (ZWL\$)	1,899,614,786	4,346,794,167	129%
Contributions (ZWL\$)	127,848,955	719,552,765	463%
Pensioners			
Number	163	162	-1
Pension Weighted Average Age	63.6	65.4	1.8
Average Annual pension (ZWL\$)	28,766	174,192	506%
Total Annual Pension (ZWL\$)	5,177,965	28,219,078	445%

4.2 The Fund's active membership data is split into the following categories with regards to contribution payments;

- a. **Contributing Members:** These are members who are in active service and are expected to be remitting contributions into the Fund. We have been advised that members who have been remitting contributions over the past three years fall into this category.
- b. **Deferred Members:** These are members with unconfirmed statuses as well as Preserved members at the review date.

4.3 We were also provided with withdrawals data, i.e., schedules of Members who withdrew from the main Fund i.e., deaths, retrenchments and retirements.

4.4 In addition to the ZWL\$ members mentioned above, the Fund also has members whose liability is denominated in United States Dollars, i.e., Sub Account 3 members.

¹ The membership grows to 53,865, when exit shortfalls are considered.

4.5 Below is the summary of the membership data, with respect to US\$ liabilities, as at 31 December 2022.

	31 Dec 2021	31 Dec 2022	Changes
Contributing Members			
Number	1,006	4,232 ²	3,226
Opening Accumulated Credits (US\$)	-	354,385	-100%
Contributions (US\$)	314,096	1,086,836	246%

4.6 **Appendix I** details the data checks carried out as part of this review exercise.

4.7 The accuracy of any values quoted in this report and the conclusions reached are limited to the accuracy of the underlying data and information on which this report is based. Should this data be any different from that actually representing the membership and asset position of the Fund, this review may need to be re-done.

4.8 All our recommendations are based on the membership of the Fund and the value of assets as at 31 December 2022.

² The membership grows to 4,265 when exit shortfalls are considered.

5 CONTRIBUTIONS

5.1 The Rules of the Fund state that total contributions towards retirement benefits are set at 10% of salary bill split as 5% from the Members and 5% from the Employer. The Rules further state that the Employer contributes an additional 2.5%: 1.5% towards administration expenses and 1% towards Death-in-Service Benefit costs.

5.2 The contribution structure of the Fund is summarised below;

Total Employer Contributions	7.50%
<i>Less</i> Death in Service Benefits and Administration Costs	2.50%
Net Employer Contributions going towards Retirement	5.00%
Employee Contributions	5.00%
Total Contribution towards Retirement	10.00%

Summary of Contributions

5.3 The Fund currently offers Death-in-Service benefits of twenty-four months' salary. The Employer currently finances the cost of this benefit through a contribution of 1% of the salary bill.

5.4 The data supplied suggests that the Employer remitted contributions in line with Fund Rules.

Contributions towards Fund Expenses

5.5 The contributions towards Fund expenses were according to the methodology suggested in the Fund rules, and guided by the Expense Guideline.

5.6 The table below shows the contributions per member category towards Fund expenses:

Contribution towards expenses	Contributing ZWL\$	Deferred ZWL\$	Total ZWL\$
Sub Account 1	13,793,916 ³	9,716,460 ¹	23,510,376
Sub Account 2	279,252,232 ⁴	946,219 ¹	280,198,451
Sub Account 3	163,025 ²	-	163,025

³ 0.61% of the notional assets of the member categories concerned, was the each respective category contribution towards fund expenses.

⁴ These were the expense contributions given in the financial statements.

5.7 The fund expenses were adequately met in all Sub Accounts from the respective Expense Reserves (Sum of the Death Benefit and Stabilisation Reserve).

6 RESERVE ACCOUNTS

- 6.1 According to the Fund Rules, the “Stabilisation Account” is meant to cater for Fund administrative expenses including the provision of death in service benefits. This Account is currently being financed by 2.5% of the salary bill contributed by the Employer, split 1.5% towards expenses and 1% towards death benefits.

Death Benefit Reserve Account

- 6.2 The death benefit reserve account is an insurance arrangement against death in service. The benefit pay-out at death is defined as 24 times the final monthly salary of the active member. 50% of the risk is insured within the Fund whilst the other 50% is outsourced to a Life Insurance Company.
- 6.3 The benefit paid out from this account is defined in nature, hence the account poses a defined benefit obligation to the Fund. The benefit pay-out is dependent on the final salary; hence the Fund is at risk of failing to meet benefit payments if contributing members’ salaries increase sharply.
- 6.4 The Fund may also be exposed to risk if the number of deaths exceeds that anticipated. We note that the Fund reinsures against catastrophic losses.

Stabilisation Reserve Account

- 6.5 The Stabilisation Reserve caters for the Fund’s expenses, except for expenses related to group life assurance.
- 6.6 The value of the aggregate expense reserve balance (*consisting of the Stabilisation and Death Reserves*) for Sub Account 1, 2, and 3, were ZWL\$ 49.29 million, ZWL\$ 581.91 million and US\$ 55,958 respectively. This was after accounting for investment gains earned and better-than-expected mortality experience reported over the review period.

6.7 The Board ought to note that there is scope to consider paying off deferred members' benefits in line with IPEC's Circular No. 3 of 2014. We recommend that the Board of Trustees continuously make attempts to reach out to such members as this would reduce the total expense outlay for the Fund.

Data Reserve

6.8 As at the 31 December 2021 financial review, we set up a data reserve as the Fund was in the process of migrating to a different administration system.

6.9 The balance of this reserve account has increased to ZWL\$ 64.19 million and ZWL\$ 21.59 million for Sub Account 1 and 2 respectively. We recommend that the data reserve be retained in the Fund as at 31 December 2022.

Smoothing Reserve

6.10 As at the 31 December 2021 financial review, we set up a smoothing reserve for Sub Account 3. This was done in order to shield the Sub Account 3 members from the investment risks they are exposed to.

6.11 The tables below show the reserve build ups for the respective Sub Accounts:

Sub Account 1 Reserve Accounts (ZWL\$)	Stabilisation	Death	Data
Opening Value	-	28,659,003	19,871,669
Expenses Incurred Net of Investment Income	-	20,634,775	44,313,822
Closing Balance	-	49,293,778	64,185,491

Sub Account 2 Reserve Accounts (ZWL\$)	Stabilisation	Death	Data
Opening Value	19,232,416	25,505,779	10,257,651
GLA recoveries & Contributions	479,374,924	73,333,817	-
Expenses Incurred Net of Investment Income	(50,276,845)	34,734,915	11,334,704
Closing Balance	448,330,496	133,574,511	21,592,355

Sub Account 3 Reserve Accounts (US\$)	Stabilisation	Death	Smoothing Reserve
Opening Value	20,265	14,547	14,996
GLA recoveries & contributions	163,025	112,941	-
Expenses incurred Net of Investment Income	(179,537)	(75,284)	153
Closing Balance	3,753	52,205	15,149

7 FUND LIABILITIES

7.1 Fund liabilities are represented by members' accumulated accounts, pensioners' capital values and the Fund's reserves as at 31 December 2022.

Quantifying Members' Liabilities

7.2 The Fund is a defined contribution arrangement where the benefit on exit is based on the member's accumulated account. This is composed of member and employer contributions towards retirement benefits and amounts transferred into the Fund in respect of the member, all accumulated at the bonuses (interim and final) credited to the member's account. The bonuses declared therefore have a direct impact on the benefits payable.

7.3 We have quantified Fund liabilities in line with Sections 15, 20, 24 and 27 of the IPEC guideline for the insurance and pensions industry on adjusting Insurance and Pension values in response to currency reforms, dated 31 May 2021.

7.4 In line with this guideline, we have created 3 sub accounts for the Fund; Sub Account 1 for liabilities and assets held as at 31 December 2018 (Determination Date) and Sub Account 2 for liabilities and assets after the Determination Date. These two Sub Accounts are in respect of ZWL\$ liabilities.

7.5 We have also created a Sub Account 3 to cater for contributions remitted in foreign currency as from 01 January 2021.

7.6 We have reported on the financial position of each of the sub-accounts separately to outline the effect of currency revaluation gains on the Fund's financial position. The liability build ups are summarised in **Appendix VI** of the report.

Quantifying Pensioners' liabilities

7.7 The liability in respect of current pensioners is the capital value of the pensions calculated as the present value of the expected future pension payments discounted at the valuation rate of interest. We have also included outstanding pension payments in stating the liability value.

7.8 We have used the following assumptions in determining the liability with respect to pensions' payment:

Assumption	Last Valuation	Current Valuation
Net Discount Rate (per annum)	4.85%	4.85%
Mortality Male	PA (90)	PA (90)
Mortality Females	PA (90)-4	PA (90)-4
Guarantee Period	10 years	10 years
Child's Maximum Age	21 years	21 years

Assumptions used to value pensioner liabilities

7.9 As shown in the table above, we have retained our long-term assumption estimation of the Fund's future financial and demographic experience.

7.10 Fund asset returns earned over the period under review were higher than the 4.85% long-term assumption.

7.11 The Fund's liabilities at the review date were distributed as follows:

Calculation using IPEC Guidelines (Before Surplus)

	Before bonus Sub Account 1 ZWL\$	Before bonus Sub Account 2 ZWL\$	Overall ZWL\$
Deferred	2,284,820,498	84,056,875	2,368,877,373
Contributing	1,532,833,398	770,408,188	2,303,241,586
Pensioners	264,591,110	-	264,591,110
Data Reserve	64,185,491	21,592,355	85,777,846
Death Benefit Reserve	49,293,778	133,574,511	182,868,289
Stabilization Reserve	-	448,330,496	448,330,496
Total Liability	4,195,724,276	1,457,962,424	5,653,686,700

	Before bonus US\$
Contributing Members	1,330,172
Stabilization Reserve	3,753
Death Reserve	52,205
Smoothing Reserve	15,149
Total Liability	1,401,279

8 FUND ASSETS

8.1 We have been provided with financial statements of the Fund for the twelve months period to 31 December 2022. A breakdown of the Fund's portfolio in market values as at 31 December 2022 (with comparative figures as at 31 December 2021) is shown in the table below:

	31-Dec-21	Proportion	31-Dec-22	Proportion
Equities	2,117,692,555	44.9%	4,830,121,826	28.6%
Property Investments	1,984,980,352	42.0%	9,941,635,287	52.1%
Money Market	3,660,066	0.1%	225,669,353	0.0%
Prescribed Assets	187,747,243	4.0%	1,259,020,035	5.9%
Debentures	8,094,156	0.2%	47,754,436	0.3%
Guaranteed Funds	392,626,541	8.3%	1,385,349,991	9.3%
Net Current Assets	26,693,764	0.6%	420,370,956	3.8%
Total	4,721,494,678	100%	18,109,921,884	100.0%

8.2 The value of Fund assets has grown from ZWL\$ 4.72 billion as at 31 December 2021 to ZWL\$ 18.11 billion as at 31 December 2022. We have estimated the value of assets held in Sub Accounts 1 and 2 to be ZWL\$ 15.06 billion and ZWL\$ 3.06 billion respectively. The build-up of Fund assets in each of the sub accounts is outlined in **Appendix II** of this report.

8.3 Based on the average assets held over the period from 1 January 2022 to 31 December 2022 and the total net investment income of the Fund (including capital appreciation after deducting investment costs), the return earned on assets amounted to an average of 209.65% over the period.

8.4 The rates of return were 230.64% and 120.47% for Sub Accounts 1 and 2 respectively.

8.5 We were provided with a split of the Fund's assets between the Sub-Accounts by the Fund's Administrator, as at the review date in compliance with the Guideline.

8.6 IPEC Circular 3 of 2019 requires that at least 20% of Fund assets be invested in prescribed assets by 31 December 2019. We recommend that the Fund ensures compliance with this statutory requirement.

- 8.7 In line with Section 15.5 of the Guideline, a third Sub Account was created as at the 1st of January 2021, to cater for contributions received in foreign currency.
- 8.8 As at 31 December 2022, the value of Sub Account 3 assets amounts to US\$, with a rate of return of 1.02% on a money-weighted return basis.
- 8.9 A breakdown of the Fund's Sub Account 3 assets in market values as at 31 December 2022 (with comparative figures as at 31 December 2021) is shown in the table below:

	31-Dec-21 US\$	Proportion	31-Dec-22 US\$	Proportion
Equities	51,428	14%	476,636	33%
Money Market	189,579	52%	711,600	49%
Net Current Assets	126,607	34%	266,456	18%
Total	367,614	100%	1,454,692	100%

Asset Allocation

- 8.10 In light of the inflationary pressures that persist in the economy, we recommend that the Fund's investment strategy remain skewed towards real assets. We further recommend that the Fund manages its liquidity position to effectively manage the payment of pension and exiting members' benefits as they fall due.
- 8.11 Section 7 of the Guideline requires the adjustment of pension values due to the 2019 currency reforms for all pension benefits effective 1 February 2009 through to 22 February 2019. It stipulates that the distribution of available assets for the preceding years since dollarization be carried out in a fair and equitable manner.
- 8.12 Revaluation gains as at 31 December 2018 and in the prior years' post dollarization, were subject to full regular reporting.
- 8.13 We are satisfied with the fair and equitable distribution of assets over that period.

9 FINANCIAL POSITION AS AT 31 DECEMBER 2022

9.1 This section summarises the financial position of the Fund as calculated using IPEC guidelines on the treatment of revaluation gains.

9.2 The financial position of the two sub-accounts is summarised below:

	Before bonus Sub Account 1 ZWL\$	Before bonus Sub Account 2 ZWL\$	Overall ZWL\$
Deferred	3,710,729,191	846,926,126	4,557,655,317
Contributing	106,924,705	7,538,936	114,463,641
Pensioners	264,591,110	-	264,591,110
Data Reserve	64,185,491	21,592,355	85,777,846
Death Benefit Reserve	49,293,778	133,574,511	182,868,289
Stabilization Reserve	-	448,330,496	448,330,496
Total Liability	4,195,724,276	1,457,962,424	5,653,686,700
Fair Value of Assets	15,059,188,686	3,050,733,198	18,109,921,884
Surplus	10,863,464,410	1,592,770,774	12,456,235,184
Funding Level	358.9%	209.2%	320.3%

Sub Account 1

9.3 The value of Fund assets amounts to ZWL\$ 15.06 billion at the review date whereas that of Fund liabilities amount to ZWL\$ 4.20 billion. The Fund is therefore in a financially sound position, with a surplus of ZWL\$ 10.86 billion. This translates to a funding level of 358.9%.

9.4 We also recommend that a Pensioners Guarantee Reserve be setup, equivalent to ZWL\$ 88.79 million, be setup within the Sub Account, to shield the membership against the investment risk they are exposed to.

9.5 Furthermore, in anticipation of the compensation of members whose benefits were adversely affected by the currency-related losses in 2009, we recommend that a reserve equivalent to 10% of the Sub Account 1 share of assets; the reserve was drawn down from the surplus in respect of Sub Account 1 as at the review date.

9.6 Given the uncertainty regarding the quantum of the benefits to be paid as compensation at the time of producing this report we saw fit to set this reserve at such a level. Should the compensation benefits prove to be lower, the reserve will be released to augment the benefits of Sub Account 1 members.

9.7 Distributing the emerging surplus implies awarding an annualised bonus of:

- **240.54%** awarded to all contributing members
- **240.54%** awarded to all Deferred members, and
- an additional pension increase of **38.87%** awarded to all pensions' payments as at the review date. This implies a cumulative pension increase of 253% for 2022.

9.8 The pension increase awarded to the Fund's pensioners was above the 243.8% inflation estimate given by the CPI.

9.9 The change in Fund surplus for this sub-account is summarised in the table below:

Analysis of surplus	ZWL\$
Surplus as at 31 December 2021	-
Data Adjustments	1,678,678
Return on Investments	10,071,954,595
Fund Expenses	(23,510,376)
Variance between Data and Financials	(53,898,921)
Investment return to reserves	(85,409,496)
Interim Interest	(3,974,426)
Pensioner's Actuarial Gains	(81,625,434)
Other Income	1,111,318,369
Residual	(73,068,579)
Surplus as at 31 December 2022	10,863,464,410

9.10 As shown in the table above, the sub-account's emerging surplus was mainly driven by investment returns earned over the period.

Sub Account 2

- 9.11 The value of Fund assets amounts to ZWL\$ 3.05 billion whereas the value of liabilities amounts to ZWL\$ 1.46 billion at the review date. The Fund is therefore in a financially sound position, with a surplus of ZWL\$ 1.59 billion. This translates to a funding level of 209.2%.
- 9.12 We recommend that a Smoothing Reserve, equivalent to ZWL\$ 152.54 million, be setup within the Sub Account, to shield the membership against the investment risk they are exposed to.
- 9.13 Distributing the emerging surplus implies awarding an annualised bonus of:
- **155.47%** awarded to all contributing members and
 - **88.06%** awarded to all deferred members,
- 9.14 The change in Fund surplus would be as summarised in the table below:

	ZWL\$
Surplus as at 31 December 2021	-
Data Adjustments	146,289,572
Return on Investments	1,333,382,144
Post Audit Adjustment	-
Variance between Data and Financials	351,694,393
Investment return to reserves	(234,052,708)
Interim Interest	(2,780,719)
Residual	(1,761,907)
Surplus as at 31 December 2022	1,592,770,774

- 9.15 The financial position, should this recommendation be adopted, would be as follows:

	After bonus Sub Account 1 ZWL\$	After bonus Sub Account 2 ZWL\$	Overall ZWL\$
Deferred	7,783,914,662	158,112,341	7,942,027,003
Contributing Pensioners	5,257,424,031	1,599,598,701	6,857,022,733
Pensioners' Guarantee Reserve	367,429,827	-	367,429,827
Data Reserve	88,788,969	-	88,788,969
Death Benefit Reserve	6,418,549	2,159,236	8,577,785
Unallocated Contributions with interest	49,293,778	133,574,511	182,868,289
Smoothing Reserve	-	556,421,254	556,421,254
Compensation Reserve	-	152,536,660	152,536,660
Stabilization Reserve	1,505,918,869	-	1,505,918,869
Total Liability	15,059,188,686	3,050,733,198	18,109,921,884
Fair Value of Assets	15,059,188,686	3,050,733,198	18,109,921,884
Surplus	(0)	0	(0)
Funding Level	100.0%	100.0%	100.0%

9.16 As shown in the table above, the surplus arising for this sub-account is mainly due to return on investments.

Sub Account 3

9.17 The value of Fund assets amounts to US\$ 1.45 million whereas the value of liabilities amounts to US\$ 1.40 million at the review date. The Fund is therefore in a financially sound position, with a surplus of US\$ 53,415. This translates to a funding level of 103.81%.

9.18 Distributing the emerging surplus implies awarding an annualised bonus of:

- **1.02%** awarded to all members

9.19 The effect of distributing the emerging surplus in line with our recommendations above is summarised in the table below:

	Before bonus US\$	After bonus US\$
Contributing Members	1,325,108	1,332,349
Stabilization Reserve	3,753	3,753
Death Reserve	52,205	52,205
Smoothing Reserve	15,149	61,313
Total Liability	1,401,279	1,454,694
Fair Value of Assets	1,454,694	1,454,694
Surplus	53,415	-
Funding Level	103.81%	100.00%

9.20 Overall, the Fund is in a sound financial position as at 31 December 2022.

9.21 The change in Fund surplus would be as summarised in the table below:

	US\$
Surplus as at 31 December 2021	-
Net Return on Investments	9,224
Variance between data and Financials	89,180
Investment return to reserves	(613)
Data adjustments	(36,578)
Interim interest	(7,797)
Miscellaneous items	-
Surplus as at 31 December 2022	53,415

Interim Bonus for FY2023

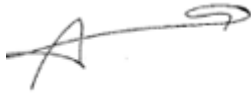
9.22 Due to persistent inflationary pressures in the economy, we recommend quarterly bonus declarations. We are available to carry out the quarterly bonus calculations for the Fund.

10 RECOMMENDATIONS AND CONCLUSION

- 10.1 We have carried out a financial review of the Motor Industry Pension Fund as at 31 December 2022. Based on the results of this review, the Fund is in a financially sound position as at 31 December 2022.
- 10.2 We recommend distributing the emerging surplus on Sub-Account 1 by awarding an annualised bonus of:
- **240.54%** awarded to all contributing members
 - **240.54%** awarded to all dormant members, and
 - an additional pension increase of **38.87%** awarded to all pensions' payments as at the review date. This implies a cumulative pension increase of 253% for 2022.
- 10.3 We recommend distributing the emerging surplus on Sub-Account 2 by awarding an annualised bonus of:
- **155.47%** awarded to all contributing members and
 - **88.06%** awarded to all dormant members
 - a Smoothing Reserve equivalent to ZWL\$ 767.77 million
- 10.4 We recommend distributing the emerging surplus on Sub-Account 3 by awarding an annualised bonus of **1.02%** awarded to all members in the Sub Account.
- 10.5 Due to persistent inflationary pressures in the economy, we recommend quarterly bonus declarations. We are available to carry out the quarterly bonus calculations for the Fund.
- 10.6 We were provided with a split of the Fund's assets between the Sub-Accounts by the Fund's Administrator, as at the review date in compliance with the Guideline.
- 10.7 We further recommend a thorough check of all member records to ensure that all Fund members benefit from the allocation of revaluation gains.

10.8 A summary of all our recommendations is outlined in **Appendix III** of the report.

We would be happy to discuss all issues raised in this report.



Tinashe Mashoko FASSA FIA
Revaluation Actuary
African Actuarial Consultants



Gerald Chimbga FIA
Consulting Actuary
African Actuarial Consultants

30 March 2023

APPENDIX I: DATA CHECKS

A1.1 The data checks that were performed at the valuation date are summarised below.

Checks carried out on Main Fund and Staff Fund data

A1.2 We checked for the uniqueness of System Ref Numbers.

A1.3 We checked whether Member closing values as at 31 December 2021 were consistent with stated opening values as at 1 January 2022.

A1.4 Members ID numbers were used as unique identifiers in carrying out data checks for this group.

Other Checks carried out on Membership Data

A1.5 For each Member in the data received we checked for missing dates of birth, consistency of dates of birth, dates of joining, reference numbers and salary against the December 2021 data. We also performed the following reasonability checks:

- Dates are valid;
- Dates are in a logical order, and
- Ages fall within reasonable ranges.

A1.6 It should be noted that the accuracy of our checks is limited to the accuracy of the data we were supplied with and the ultimate responsibility of the accuracy of the financial statements and data lies with the Board of Trustees and the Administrator of the Fund.

APPENDIX II: CONSOLIDATED REVENUE ACCOUNT AND BUILD-UPS

A2.1 The change in the value of the Fund's Assets over the period under review is shown by the following consolidated revenue account.

	Total ZWL\$	Sub Account 1 ZWL\$	Sub Account 2 ZWL\$
Fund at beginning of period	4,721,494,674	4,025,896,341	695,598,333
NEW MONEY INCOME	2,395,889,156	1,125,389,558	1,270,499,599
INVESTMENT INCOME	11,405,336,739	10,071,954,595	1,333,382,144
NEW MONEY EXPENDITURE	412,798,686	164,051,808	248,746,878
Fund at end of period	18,109,921,884	15,059,188,686	3,050,733,198

	Sub Account 3 US\$
Fund at beginning of period	367,614
NEW MONEY INCOME	1,362,802
INVESTMENT INCOME	9,224
NEW MONEY EXPENDITURE	284,947
Fund at end of period	1,454,694

A2.2 A breakdown of the Fund's net asset value is shown in the table below:

ZWL\$ FUND

	31-Dec-22
Equities	4,830,121,826
Property Investments	9,941,635,287
Money Market	225,669,353
Prescribed Assets	1,259,020,035
Debentures	47,754,436
Guaranteed Fund	1,385,349,991
Net Current Assets	420,370,956
Total	18,109,921,884

USD\$ FUND

	31-Dec-22
	US\$
Equities	476,636
Money Market	711,600
Net Current Assets	266,456
Total	1,454,692

APPENDIX III: SUMMARY OF RECOMMENDATIONS

A3.1 The table below summarises the recommendations which were highlighted in the valuation report:

Recommendations	Why	By who	Time-line
<p>Sub-Account 1 Final annualised bonus of:</p> <ul style="list-style-type: none"> • 240.54% to Contributing Members, • 240.54% for Deferred Members, and • Additional pension increase of 38.87% <p>Sub-Account 2 Final annualised bonus of:</p> <ul style="list-style-type: none"> • 155.47% to Contributing Members, and • 88.06% Deferred Members. <p>Sub-Account 3 Final annualised bonus of:</p> <ul style="list-style-type: none"> • 1.02% to Members 	<p>Distribute available surplus</p> <p>Compliance with IPEC guidelines</p>	Board	Effective date: 31 Dec 2022
Quarterly bonuses to be awarded	To avoid prejudicing members who leave the Fund within the year	Board	Implementation date: 1 Jan 2022 to 31 Dec 2022
Retain balance in the Reserve Accounts.	Cushion against adverse experience	Board	Effective date: 31 Dec 2022

APPENDIX IV: SUMMARY OF FUND RULES

- A4.1 Each Member shall contribute monthly to the Fund, from the date of commencement of his participation at a rate of 5 per centum of the one –twelve of his Annual Salary
- A4.2 The Employer shall contribute for each Member 5% of the salary which shall be credited to the member’s pension account.
- A4.3 The Employer shall also contribute 2.5% of the salary bill for the whole cost of providing Death in Service benefit and administration costs.
- A4.4 A Member may, at any time, undertake to make voluntary contributions, provided the contributions shall not exceed 10% of his salary. This amount of the Member’s voluntary contributions shall be determined by the Member in agreement with the Employer. Once such undertaking has been made and effected, the voluntary contributions may be reduced or terminated only under extenuating circumstances and with the agreement of the Employer and the Board of Trustees. It is specifically provided that the Employer shall not pay additional contributions for the Member.
- A4.5 A Member who is in Service or on deferred Retirement at his Normal Retirement Date shall have the right to retire at that date and shall become entitled to a Pension calculated in terms of Rule A6.5.
- A4.6 Subject to the Employer's consent or at the instance of the Employer, a member may retire before his Normal Retirement Date, but not before age 55 years. On retirement the Member shall become entitled to a Pension calculated in terms of Rule 7.1.
- A4.7 The amount payable to a retiring Member shall be equal to that Pension that can be purchased by the Member's Accumulated Credit. The pension shall be guaranteed for 10 years. There is also an option for purchasing a joint-life pension. The pensions shall

be increased from time to time at the discretion of the Board in consultation with the Actuary of the Fund.

A4.8 On Death in Service, the surviving spouse, dependent children or nominated beneficiary shall be paid a lump sum benefit equivalent to 24 months' salary at date of death. The Accumulated Credit at date of death shall be used to purchase pension for the surviving spouse and/or dependent children. Dependent children shall be paid pensions up to age 18, or up to age 21, should there be proof that he or she is still a student.

A4.9 On withdrawal, a Member shall be paid a lump sum benefit equivalent to the Member Accumulated Credits with interest. The Employer Accumulated Credits shall be preserved in the Fund.

APPENDIX V: FUND RISKS

A5.1 This section summarises key Fund risks and summarises mechanisms which may be adopted in mitigating the effects of these risks.

A5.2 The Insurance and Pensions Commission issued Circular 11 of 2020 on the 9th of June 2020. The Guideline was issued in terms of section 3 (1) (c) of Statutory Instrument 69 of 2020. The Fund is exposed to the following risks:

Types Of Risk	Description	Mitigation
Regulatory Risk	✓ The prospect of undesirable consequences and penalties stemming from the Scheme's inability to fulfil all relevant regulatory requirements. This includes the likelihood of sustaining losses arising out of litigation.	✓ The Scheme's Investment policy will need to be reviewed, as its current asset mix is in violation of IPEC regulations.
Investment Risk	✓ Risk of the fall in the price of equities, bonds, and property due to movements in economic market factors.	✓ This risk can be mitigated by diversifying the investment portfolio across product types and economic sectors.
Valuation Risk	✓ Risk that an asset is overvalued and is worth less than its carrying value when it is sold or matures	✓ Risk is reduced by providing transparency and ensuring the integrity and consistency of the data, models and processes used to process the calculations.
Credit Risk	✓ Risk of loss emanating from the failure of third parties such as, sponsoring employers and other debtors to pay their dues to the scheme.	✓ The risk is minimized by taking appropriate action to collect all monies due to the Scheme, i.e., Legal action, the use of Debt collectors etc.

A5.3 we recommend a review of the risk management framework of the Fund to align with best practice principles as outlined in the governance and risk management standards.

APPENDIX VI: LIABILITY BUILD-UPS

Liability build-up for Sub Account 1 (ZWL\$)

ZWL\$	Opening	Contributions	Benefits Paid	Interim Interest	Balance
Deferred	2,287,675,875	-	(3,137,559)	(282,182)	2,284,820,498
Contributing	1,564,805,377	-	(35,664,224)	(3,692,244)	1,532,833,398
TOTAL	3,852,481,252	-	(38,801,782)	(3,974,426)	3,817,653,896

Pensioners' liability build-up Sub Account 1 (ZWL\$)

Closing liability last valuation	123,205,741
New pensioners capital value	77,015,607
Pensions paid	(17,255,671)
Total Liability	182,965,676
Interest Cost	8,234,491
Actuarial gains/ (losses)	74,217,935
Closing Balance	264,591,110

Liability build-up for Sub Account 2 (ZWL\$)

ZWL\$	Opening	Contributions	Benefits Paid	Interim Interest	Balance
Deferred	84,112,136	-	(56,489)	(1,228)	84,056,875
Contributing	410,200,779	371,428,836	(14,000,919)	(2,779,491)	770,408,188
TOTAL	494,312,915	371,428,836	(14,057,408)	(2,780,719)	854,465,062

Liability build-up for Sub Account 3

US\$	Opening	Contributions	Benefits Paid	Interim Interest	Balance
Contributing	354,385	990,772	(27,846)	7,797	1,325,108
TOTAL	354,385	990,772	(27,846)	7,797	1,325,108

APPENDIX VII: IPEC CERTIFICATIONS

DATA CERTIFICATION BY THE REVALUATION ACTUARY

I, the undersigned, hereby certify that the data used for the purposes of determining and distributing Revaluation Gains which arose due to the 2019 currency reforms for the Motor Industry Pension Fund is sufficient, based upon information and belief formed after reasonable inquiry. I also confirm that I have done the following before distribution of the Revaluation Gains;

- a. Checked and certified the adequacy/sufficiency of data as at 31 December 2022
- b. Reconciled the membership as at 31 December 2022 with that at 31 December 2021.

Name of the Revaluation Actuary:

Tinashe Mashoko

Name of Actuary's Professional Principal Regulator: Actuarial Society of South Africa

Signature:



Date: 30 March 2023

**CERTIFICATION OF THE ASSET AND LIABILITY CALCULATION
METHODS AND ASSUMPTIONS BY THE REVALUATION ACTUARY**

I, the undersigned, hereby certify that all the calculations for the purposes of determining and distributing Revaluation Gains for the Motor Industry Pension Fund as at 31 December 2022 were done in accordance with the “Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms”. I also confirm that I have done the following before distribution of the Revaluation Gains;

- a. Checked the values of assets and accuracy of liabilities as at 31 December 2021 and as at 31 December 2022.
- b. Reconciled the assets and liabilities by categories of pension membership between 31 December 2021 and 31 December 2022.
- c. Ensured equity in the distribution of revaluation gains between pension liabilities and between old and newer members.

Name of the Revaluation Actuary:

Tinashe Mashoko

Name of Actuary’s Professional Principal Regulator:

Actuarial Society of South Africa

Signature:



Date: 30 March 2023

CERTIFICATION OF THE SOLVENCY POSITION BY THE REVALUATION ACTUARY: PENSION AND PROVIDENT FUNDS

I, the undersigned, hereby certify that the Motor Industry Pension Fund is solvent on an ongoing basis as at 31 December 2022 as shown in the table below. This is after adjusting fund member values based on calculations in terms of the “Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms”.

Measurement Date:	31 December 2022
Total Assets	ZWL\$ 18,109,921,884
Actuarial Liabilities	ZWL\$ 18,109,921,884
Other Liabilities	-
Surplus	-
Funding Level	100%

Measurement Date:	31 December 2022
Total Assets	US\$ 1,454,694
Actuarial Liabilities	US\$ 1,454,694
Other Liabilities	-
Surplus	-
Funding Level	100%

Name of the Revaluation Actuary:

Tinashe Mashoko

Name of Actuary’s Professional Principal Regulator: Actuarial Society of South Africa

Signature:



Date: 30 March 2023