MUNICIPAL GRATUITY FUND
(Registration Number: 12/8/29256/2)

Annual Financial Statements in terms of Section 15 of the Pensions Funds Act Number 24, 1956

For the Financial Reporting Period
01 July 2024 to 30 June 2025

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: MUNICIPAL GRATUITY FUND

FINANCIAL SECTOR CONDUCT AUTHORITY REGISTRATION NUMBER: 12/8/29256/2

FOR THE PERIOD: 1 JULY 2024 to 30 JUNE 2025

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* Not subject to any engagement by an auditor

SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2025

REGISTERED OFFICE OF THE FUND

Postal address: PO Box 1190
Bedfordview
2008

Physical address: Block 14
Bedfordview Office Park
3 Riley Road
Bedfordview
2007

FINANCIAL REPORTING PERIODS

Current year: 1 July 2024 to 30 June 2025
Prior year: 1 July 2023 to 30 June 2024

BOARD OF FUND AS AT DATE OF SIGNING OF THIS REPORT

Full name	E-mail Address	Capacity	Date appointed / elected	Date resigned / expired
Pieter Johannes Venter	pietve@joburg.co.za	M, A & C	26 November 2021	
Roja Elvis Ramare	rojar@tshwane.gov.za	M, A & V	26 November 2021	
Jan Dirk Grobler Venter	jdg.venter@absamail.co.za	I	1 February 2021	
Johannes Hendrikus Grobbelaar	grobbiejh2352@gmail.com	I & A	1 February 2021	
Edward Charles Alberts	eddie.alberts@kpf.co.za	I	1 February 2021	31 January 2025
Jabu Johannes Mahlangu	Jmahlangu@emlm.gov.za	M	25 November 2022	
Thompson Sphiwe Khumalo	skhumza@magicmail.co.za	M	26 November 2021	
Thamsanqa David Majola	Lifa.Majola@ekurhuleni.com	M & A	5 May 2021	
Morongwa Johannah Rangata	rangatajm@gmail.com	E	26 November 2021	18 June 2025
Tshililo Idah Mkansi	Mkansiidah10@gmail.com	M	1 June 2023	
Mfichana R Shingange	mfichanae@gmail.com	E	25 November 2022	
Teboho Aubrey Mayaba	Aubrey.mayaba@ekurhuleni.gov.za	M	14 February 2024	
Levy Orometswe Moleme	levymoleme@gmail.com	I	1 April 2025	

- 'M' denotes member elected
- 'E' denotes employer appointed
- 'A' denotes Executive Committee Member
- 'C' denotes Chairperson
- 'V' denotes Vice-chairperson
- 'I' denotes independent
- The Chairperson and Vice-chairperson are also members of the Executive Committee

MUNICIPAL GRATUITY FUND

SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2025

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

Meeting date	Place of meeting	Quorum (yes/no)
24 July 2024	Sanlam Offices, Westend Office Park, Centurion	Yes
18 September 2024	Sanlam Offices, Westend Office Park, Centurion	Yes
23 October 2024	Sanlam Offices, Westend Office Park, Centurion	Yes
27 November 2024	Sanlam Offices, Westend Office Park, Centurion	Yes
12 February 2025	Sanlam Offices, Westend Office Park, Centurion	Yes
19 March 2025	Sanlam Offices, Westend Office Park, Centurion	Yes
23 April 2025	Sanlam Offices, Westend Office Park, Centurion	Yes
18 June 2025	Sanlam Offices, Westend Office Park, Centurion	Yes

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

FUND OFFICERS

	Principal Officer	**Monitoring Person***
Full name:	Christine Seierlein	Dola Nortje
Postal address:	PO Box 1190 Bedfordview 2008	Private Bag X 14 Highveld Park 0169
Physical address:	Block 14 Bedfordview Office Park 3 Riley Road Bedfordview 2007	West End Office Park Block D 250 Hall Street Centurion 0157
Date of appointment:	01 January 2021	01 February 2022
Telephone number:	+27 (11) 450 1224/5	+27 12 683 3548
Email address:	Christine.seierlein@mgfund.co.za	dola.nortje@sanlam.co.za

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

	Actuary	**Auditor**
Full name:	Alexander Forbes Financial Services (Ms. Gerda Grobler)	BDO South Africa Incorporated
Postal address:	PO Box 501 Stellenbosch 7599	Private Bag x 60500 Houghton 2041
Physical address:	40 Dorp Street Stellenbosch 7600	Wonderers Office Park 52 Corlett Drive Illovo Johannesburg 2196
Date of appointment:	01 October 2011	05 April 2023
Telephone number:	+27 (21) 809 3600	+27 (11) 488 1700
Email address:	groblerg@alexforbes.com	mlockhat@bdo.co.za

PROFESSIONAL SERVICE PROVIDERS

	Benefit administrator	**Investment advisor**
Full name:	Sanlam Life Insurance Ltd	Sanlam Multi Manager International (Pty) Ltd
Postal address:	Private Bag X 14 Highveld Park Tshwane 0169	Private Bag X8 Tygervalley Cape Town 7536
Physical address:	West End Office Park Block D 250 Hall Street Centurion 0157	55 Willie van Schoor Avenue Bellville Cape Town 7530
Date of appointment:	01 October 2002	17 August 2006
Telephone number:	+27 (12) 683 3900	+27 (21) 950 2596
Registration no. in terms of Section 13B:	24/85	
FAIS registration no.:		845

MUNICIPAL GRATUITY FUND

SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2025

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment administrator	**Investment administrator**
Full name:	Abax Investments	ABSA Bank
Postal address:	PO Box 23851 Claremont Cape Town 7735	Private Bag X 291509 Melville Johannesburg 2109
Physical address:	1 Oakdale Road, The Oval 2nd Floor, Colinton House Newlands Cape Town 7700	Sandton South Campus, 2nd Floor 15 Alice Lane Sandton 2196
Date of appointment:	12 August 2016	01 February 2012
Telephone number:	+27 (21) 670 8960	+27 (11) 480 5344
FAIS registration no.:	856	522

	Investment administrator	**Investment administrator**
Full name:	Allan Gray South Africa (Pty) Ltd	Alusi Asset Management
Postal address:	PO Box 51318 V & A Waterfront Cape Town 8002	PO Box 4188 Tyger Valley Cape Town 7536
Physical address:	1 Silo Square V & A Waterfront Cape Town 8001	Edge House 3 Heuwelkruin Close Tyger Valley Cape Town 7536
Date of appointment:	01 March 2001	01 November 2020
Telephone number:	+27 (21) 415 2300	+27 (21) 976 1012
FAIS registration no.:	27146	43346

	Investment administrator	**Investment administrator**
Full name:	Aluwani Capital Partners (Pty) Ltd	Argon Asset Management (Pty) Ltd
Postal address:	EPPF Office Park 24 Georgian Crescent East Bryanston East Johannesburg 2152	PO Box 23254 Claremont Cape Town 7735
Physical address:	EPPF Office Park 24 Georgian Crescent East Bryanston East Johannesburg 2152	1 Oakdale Road, The Oval 1st Floor, Colinton House Newlands Cape Town 7700
Date of appointment:	01 June 2004	01 August 2009
Telephone number:	+27 21 204 3800	+27 (21) 670 6570
FAIS registration no.:	46196	835

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment administrator	**Investment administrator**
Full name:	BlackRock Asset Management Ireland Limited	Brandywine Global Investment Management, LLC
Postal address:	1st Floor 2 Ballsbridge Park Dublin 4 D04 YW83 Ireland	PO Box 31 Wexford Y35 VY30 Ireland
Physical address:	1st Floor 2 Ballsbridge Park Dublin 4 D04 YW83 Ireland	Riverside Two Sir John Rogerson's Quay Grand Canal Dock Dublin 2 Ireland
Date of appointment:	25 January 2023	01 August 2015
Telephone number:	+35312467000	1-800-822-5544
FAIS registration no.:	43288	Not applicable, compliant, see note 1

Note 1: The Fund is invested in a product managed by Brandywine Global Investment Management LLC. It is administered by BNY Mellon Investment Servicing (International) Ltd and BNY Mellon Trust & Depositary (Ireland) Limited is the appointed Custodian.

	Investment administrator	**Investment administrator**
Full name:	Coronation Fund Managers Ltd	Coronation GEM
Postal address:	PO Box 44684 Claremont Cape Town 7735	JP Morgan House International Financial Services Centre Dublin 1, Ireland
Physical address:	MontClare Place, 7th Floor Cnr Campground & Main Roads Claremont 7708	JP Morgan House International Financial Services Centre Dublin 1, Ireland
Date of appointment:	01 August 2005	01 August 2014
Telephone number:	+27 (21) 680 2000	+353 1 612 4200
FAIS registration no.:	548	Not applicable, compliant, see note 2

Note 2: The Fund is invested in a product managed by Coronation Global Opportunities Fund through the Coronation Global Emerging Markets Fund registered as an open-ended umbrella unit trust established in Ireland and authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS regulations. It is administered by J.P. Morgan Hedge Fund Services (Ireland) Limited and J.P. Morgan Bank (Ireland) plc is the appointed Custodian.

	Investment administrator	**Investment administrator**
Full name:	Dodge & Cox Worldwide Investments Ltd	Edge Capital (Pty) Ltd
Postal address:	48 Pall Mall St. James's London SW1Y5JG	PO Box 4188 Tyger Valley Cape Town 7536
Physical address:	48 Pall Mall St. James's London SW1Y5JG	Edge House 3 Heuwelkruin Close Tyger Valley Cape Town 7536
Date of appointment:	01 November 2023	01 October 2007
Telephone number:	+44 (0)203 642 3370	+27 (21) 976 1012
FAIS registration no.:		882

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment administrator	**Investment administrator**
Full name:	Fairtree Capital (Pty) Ltd	Franklin Templeton Investment Funds
Postal address:	PO Box 4124 Tyger Valley Cape Town 7536	PostNet Suite 12 Private Bag X1005 Claremont Cape Town 7735
Physical address:	Willowbridge Place Cnr Carl Cronje Drive & Old Oak Road Bellville Cape Town 7530	1 Oakdale Road, The Oval 1st Floor, Kildare House Newlands Cape Town 7700
Date of appointment:	05 January 2017	01 October 2004
Telephone number:	+27 (21) 943 3760	+27 (21) 831 7400
FAIS registration no.:	25917	44475

	Investment administrator	**Investment administrator**
Full name:	Futuregrowth Asset Management (Pty) Ltd	Hosking Partners LLP
Postal address:	Private Bag X6 Newlands Cape Town 7725	Sanne Fourth Floor 76 Baggot Street Lower Dublin 2 D02 EK81
Physical address:	3rd Floor Great Westerford 240 Main Road Rondebosch Cape Town 7700	Sanne 7 St James's Terrace Malahide Dublin 2, Ireland
Date of appointment:	01 March 2011	01 August 2014
Telephone number:	+27 (21) 659 5300	+353 1 845 8160
FAIS registration no.:	520	45612 - see note 3

Note 3: Hosking Global Fund Plc. Operates under UCITS (Undertakings for Collective Investment in Transferable Securities in Europe). The investment is administered by Sanne, the appointed Custodian is Northern Trust Fiduciary Services (Ireland), George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

	Investment administrator	**Investment administrator**
Full name:	Morgan Stanley Investment Management	Ninety One (Pty) Ltd
Postal address:	25 Cabot Square Canary Wharf, Floor 06 London E14 4QA	PO Box 1655 Cape Town 8000
Physical address:	25 Cabot Square Canary Wharf, Floor 06 London E14 4QA	36 Hans Strijdom Avenue Foreshore Cape Town 8001
Date of appointment:	01 August 2017	01 April 1994
Telephone number:	+44 20 7425-3943	+27 (21) 416 2000
FAIS registration no.:	9752	587

SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2025

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment administrator	**Investment administrator**
Full name:	Resolution Capital NIF Global Property (Nedgroup Investments Plc)	Sands Capital Funds PLC
Postal address:	GPO Box 553 Sydney NSW 2001	1000 Wilson Boulevard Suite 3000 Arlington VA 22209 United States
Physical address:	Level 38, Australia Square Sydney NSW 2000	1000 Wilson Boulevard Suite 3000 Arlington VA 22209 United States
Date of appointment:	01 March 2019	08 October 2021
Telephone number:	+61 2 8258 9188	+353 638 2440
FAIS registration no.:	Resolution Capital Limited is authorised and regulated by the Australian Securities and Investment Commission (ASIC). FAIS Registration not applicable, compliant, see note 4	48103

Note 4: The Fund is invested in a product managed by Veritas Asset Management LLP through Nedgroup Investments Plc (the Fund was re-demociled from the Isle of Man to Ireland on 14 May 2014 and converted to a European Union approved “undertakings for Collective Investment in Transferable Securities” or “UCITS” vehicle also approved by the FSCA). It is administered by Nedgroup Investments Fund Plc (NIF) and Citibank, N.A. is the appointed Custodian.

	Investment administrator	**Investment administrator**
Full name:	Sanlam Investment Management (Pty) Ltd	Sanlam Multi Manager International (Pty) Ltd
Postal address:	Private Bag X8 Tyger Valley Cape Town 7536	Private Bag X8 Tyger Valley Cape Town 7536
Physical address:	55 Willie van Schoor Avenue Bellville Cape Town 7530	55 Willie van Schoor Avenue Bellville Cape Town 7530
Date of appointment:	01 October 2001	01 August 2003
Telephone number:	+27 (21) 950 2500	+27 (21) 950 2596
FAIS registration no.:	579	845

	Investment administrator	**Investment administrator**
Full name:	Sesfikile Capital (Pty) Ltd	Stanlib Asset Management(Pty)Ltd
Postal address:	Postnet Suite 334 Private Bag X1 Melrose Arch Johannesburg 2076	PO Box 202 Melrose Arch 2076
Physical address:	1st Floor 30 Melrose Boulevard Melrose Arch Johannesburg 2076	17 Melrose Boulevard Melrose Arch 2076
Date of appointment:	01 April 2015	01 September 2022
Telephone number:	+27 (11) 684 2679	+27 (11) 448 5385
FAIS registration no.:	39946	719

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment administrator	**Investment administrator**
Full name:	Truffle Asset Management	Vantage Capital Group
Postal address:	P.O. Box 535 Pinegowrie Johannesburg 2123	PO Box 280 Parklands Johannesburg 2121
Physical address:	Ground Floor, Lancaster Gate Hyde Park Lane Business Complex Hyde Lane Hyde Park, Sandton 2196	3 Melrose Boulevard 1st Floor, Unit 9B Melrose Arch Johannesburg 2076
Date of appointment:	25 May 2021	01 December 2013
Telephone number:	+27 (11) 325 0030	+27 (11) 530 9134
FAIS registration no.:	36584	Vantage Capital Fund Managers (Pty) Ltd - 28711 Vantage GreenX Fund Advisors (Pty) Ltd - 44668

	Investment administrator	**Risk insurer**
Full name:	Veritas Asset Management LLP (Nedgroup Investments Plc)	Camarque Underwriting Managers (Pty) Ltd
Postal address:	Citibank Europe Plc 1 North Wall Quay Dublin 1	Postnet Suite 250 Bedfordview Johannesburg 2008
Physical address:	Citibank Europe Plc 1 North Wall Quay Dublin 1	Camargue House 33 Glenhove Road Melrose Estate Johannesburg 2196
Date of appointment:	01 December 2013	01 December 1998
Telephone number:	+44 1624 645150	+27 (11) 778 9140
FAIS registration no.:	Not applicable, compliant, see note 5	

Note 5: The Fund is invested in a product managed by Veritas Asset Management LLP through Nedgroup Investments Plc (the Fund was re-demoiciled from the Isle of Man to Ireland on 14 May 2014 and converted to a European Union approved “undertakings for Collective Investment in Transferable Securities” or “UCITS” vehicle also approved by the FSCA). It is administered by Nedgroup Investments Fund Plc (NIF) and Citibank, N.A. is the appointed Custodian.

	Custodian	**Custodian**
Full name:	Standard Chartered Bank (SCB)	Allan Gray Nominees (Pty) Ltd
Postal address:	PO Box 782080 Sandton Johannesburg 2146	PO Box 51318 V & A Waterfront Cape Town 8002
Physical address:	5th Floor 4 Sandown Valley Crescent Sandton Johannesburg 2196	No 1 Silo Silo Square V & A Waterfront Cape Town 8001
Date of appointment:	01 December 2013	01 March 2001
Telephone number:	+27 (11) 217 6600	+27 (21) 415 2300
FSP approval no.:	9101	24/436

PARTICIPATING EMPLOYERS

The list of participating employers is available upon request from the Fund's registered office.

MUNICIPAL GRATUITY FUND

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND
FOR THE YEAR ENDED 30 JUNE 2025

Responsibilities

The Board of Fund hereby confirm to the best of their knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by Pension Funds Act legislation and the rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the Fund Rules;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary, in accordance with section 13A and regulation 33 of the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the fund complied with the Pension Funds Act and applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the Fund Rules; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

Approval of the annual financial statements

The annual financial statements of Municipal Gratuity Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:
- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 15 to 49 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Fund Rules and the Pension Funds Act. Other than the instances reported below, the Board of Fund is not aware of any instances of non-compliance during the financial year nor during the year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditors, BDO South Africa Incorporated, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on page 12 - 14.

Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention of which some were rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action taken to resolve non-compliance matter
The non-compliance by some municipalities of section 13A of the Pension Funds Act, 1956 regarding the payment of contributions and late payment interest is becoming a great concern for the Fund. During the reporting period the following municipalities fell in arrears: Ditsobotla local, Greater Letaba, Kgetleng River, Lekwa-Teemane, Mamusa, Maquassi Hills, Modimolle-Mookgophong, Mussina, Nkomazi, Thaba Chweu, Tswaing and Waterberg Local .	Members with arrear contributions forfeit their risk benefits if in arrears for longer than 3 months.	Through concerted efforts by the Fund Administrator and in some instances with intervention of the Fund's attorneys all outstanding contributions in respect of the reporting period have been collected, except from Ditsobotla local Municipality and Mamusa Local Municipality who had outstanding contributions at time of closing financial records for year-end audit purposes, payment was subsequenstly received. All outstanding late payment interest has been accrued for in the financial statements. Great difficulty is being experienced to collect the interest.

MUNICIPAL GRATUITY FUND

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2025

Approval of the annual financial statements

These annual financial statements:

- were approved by the Board of Fund on 22 October 2025;
- are to the best of the Board members knowledge and belief confirmed to be reasonable in material respect;
- fairly represent the net assets of the fund at 30 June 2025 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:

PJ Venter **CHAIRPERSON**	**RE Ramare** **VICE-CHAIRPERSON**	**JH Grobbelaar** **EXECUTIVE COMMITTEE MEMBER**

22 October 2025

MUNICIPAL GRATUITY FUND

SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED 30 JUNE 2025

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

Specific instances of non-compliances	Remedial action taken
The non-compliance by some municipalities of section 13A of the Pension Funds Act, 1956 regarding the payment of contributions and late payment interest is becoming a great concern for the Fund. During the reporting period the following municipalities fell in arrears: Ditsobotla local, Greater Letaba, Kgetleng River, Lekwa-Teemane, Mamusa, Maquassi Hills, Modimolle-Mookgophong, Mussina, Nkomazi, Thaba Chweu, Tswaing and Waterberg Local .	Through concerted efforts by the Fund Administrator and in some instances with intervention of the Fund's attorneys all outstanding contributions in respect of the reporting period have been collected, except from Ditsobotla local Municipality and Mamusa Local Municipality who had outstanding contributions at time of closing financial records for year-end audit purposes, payment was subsequently received. All outstanding late payment interest has been accrued for in the financial statements. Great difficulty is being experienced to collect the interest.

CSeierlein

Christine Seierlein
Principal Officer
22 October 2025

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Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

SCHEDULE D

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE MUNICIPAL GRATUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Municipal Gratuity Fund (the Fund) set out on pages 29 to 49, which comprise the statement of net assets and funds as at 30 June 2025 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Fund for the year ended 30 June 2025 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette no. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The final materiality amount determined was R674 000 000, representing 1.5% of the total assets, which falls within the range of percentages typically used for entities in a similar industry. Total assets are considered the appropriate benchmark since it is a key item that the users of the financial statements will consider in relation to members' final retirement benefits.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matter – Financial Reporting Framework and Restriction on Use

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

Other Information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa, of the Fund for the period 1 July 2024 to 30 June 2025, but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D).

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

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

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Fund, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

BDO South Africa Inc.
Registered Auditors

Per: MI Lockhat
Director
Registered Auditor

28 October 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

SCHEDULE E
REPORT OF THE BOARD OF FUND
FOR THE YEAR ENDED 30 JUNE 2025

1. DESCRIPTION OF FUND

1.1. Type of fund in terms of the Income Tax Act, 1962

The Fund is a defined contribution multi-employer pension fund for municipal employees registered in terms of the Pension Funds Act, 1956, under registration number 12/8/29256/2. The Fund is registered with the South African Revenue Services in terms of paragraph (a)(iii) of the definition of "pension fund" in section 1 of the Income Tax Act, 1962, under approval number 18/20/4/40276.

1.2. Benefits

1.2.1 Benefits are as follows:

1.2.1.1. Retirement benefits

Retirement benefits accrue as an annuity, but may be converted up to 100% in a lump sum, equal to the member’s fund credit being the total of the member’s and employer’s contributions towards retirement provision and the net investment earnings (positive and negative).

Retirement age:
- Normal retirement age is 65
- Early retirement age is 50
- Late retirement is any age above 65 ; subject to written consent by the employer.

1.2.1.2. Resignation benefits

Resignation benefits are lump sums equal to the member’s fund credit being the total of the member’s and employer’s contributions towards retirement provision and the net investment earnings (positive and negative).

1.2.1.3. Medical disability

A member who qualifies for a medical disability benefit is entitled to four times annual salary or member's fund credit whichever is the greater up to the age of 60 after which the benefit scales down monthly pro rata up to the age of 65 to two times annual salary or fund credit whichever is the greater; but

a member who has less than five years’ service and qualifies for a medical disability benefit due to an injury, illness or condition which the member

- knew about, or could reasonably be expected to know about;
- was diagnosed with;
- was treated for; or
- displayed symptoms of

within twelve months preceding the commencement of his membership of the Fund shall only be entitled to the greater of two times annual salary or member's fund credit.

A member joining the Fund after 25 April 2013 after attaining the age of 60 shall only be entitled to the greater of one time annual salary or member's fund credit.

A member on late retirement, that is exceeding 65 years of age, is entitled only to the member's fund credit.

The disability benefit accrues as an annuity, but may be converted up to 100% in a lump sum payment.

With effect from 01 July 2023 in the case of a member whose membership of the Fund started on or after 1 July 2023, his Fund credit plus the following multiple of his Salary at the date of disability, depending on his age at the date of disability:

Age at date of disability	*Multiple of Salary*
30 and younger	4
31 to 35	3.5
36 to 40	3
41 to 45	2.5
46 to 50	2
51 to 55	1.5
56 to 64	1
65 and older	0

Members who joined the Fund prior to 1 July 2023 will receive the largest of the old disability benefit or the new one.

1.2.1.4. Death benefits

A member with less than 5 years' service:
Unnatural causes: Fund credit plus risk benefit calculated at four times annual salary.
Natural causes: Fund credit plus risk benefit calculated at two times annual salary.

A member with more than 5 years' service:
Fund credit plus risk benefit calculated at four times annual salary.

A member joining the Fund after 25 April 2013 after attaining the age of 60 shall only be entitled to fund credit plus risk benefit calculated at one time annual salary.

A member on late retirement, that is exceeding 65 years of age, is entitled only to the member's fund credit.

1.2.1.5. Family funeral plan

The following family funeral cover is paid to members and their families:

Details	From 01 August 2023	Up to 31 July 2023
Member	R 45 000	R 40 000
Spouse	R 33 500	R 30 000
Children 14 years and older	R 22 500	R 20 000
Children 6 to 13 years	R 11 500	R 10 000
Children stillborn or under 6 years	R 5 750	R 5 000

All active contributing members qualify for the family funeral plan irrespective of age. Non-contributing members do not qualify for the funeral plan.

1.2.1.6. Termination as a result of reorganisation

The members' fund credit plus an enhanced benefit payable by the relevant local authority. The enhanced benefit only vests upon receipt of the additional amount from the local authority.

1.2.2. **Unclaimed benefits**

The members' fund credit plus an enhanced benefit payable by the relevant local authority. The enhanced benefit only vests upon receipt of the additional amount from the local authority.

Unclaimed benefits are processed in terms of the Pension Funds Act as well as the Income Tax Act. The Pension Funds Act defines an unclaimed benefit as a benefit not paid within 24 months of the date it became legally due and payable.

Accordingly in terms of the Fund Rules a period of two years is allowed to claim any benefits payable where-after the unclaimed money is classified as an unclaimed benefit and can be transferred to an unclaimed benefit preservation fund. If so transferred, the member, former member or beneficiary will be paid from such unclaimed benefit preservation fund. Unclaimed death benefits are not currently classified as unclaimed benefits.

Currently the Fund does not exercise the option to transfer unclaimed benefits to a separate unclaimed benefit preservation fund, but ring fence these benefits in the Fund.

1.2.3. **Beneficiary benefits**

Death benefits payable to minor beneficiaries of deceased members are paid to a registered beneficiary fund if and when deemed in the best interest of the minor beneficiaries. Such benefits are invested and monthly payments are made to the guardians for the maintenance of the minor beneficiaries.

1.2.4. **Paid-up benefit**

The Fund Rules make provision to accept any amount transferred to the Fund from another fund for the benefit of a member, in the event that a member would prefer to transfer his benefit, a recognition of transfer is done.

When a member leaves the service of a local authority, the Fund Rules make provision for such member to elect that the member's benefit be retained in the Fund. Such member is presented with a paid-up membership certificate.

If the local authority has notified the Fund that a member has left employment, but the required termination documentation remains outstanding and the Fund does not receive any contributions for a member for six consecutive months, that member will be deemed a paid-up member, unless the local authority asks for exemption from this provision and the Board of Fund agrees.

1.3. Contributions

Members' contributions

Members contribute to the Fund at a minimum rate of 7.5% of pensionable salary. Members may make additional voluntary contributions as per the Fund Rules.

Employers' contributions

The standard employer's contribution rate for those members joining until 31 July 2012 is 22% of pensionable salary and for those members joining from 1 August 2012 the standard employer's contribution rate is 18%.

Currently 2.75% (3% up to 28 February 2025) of pensionable salary is allocated towards the cost of risk benefits and administration. 2.25% (2.60% up to 28 February 2025) of pensionable salary is allocated to fund the risk benefits and 0.50% (0.40% up to 28 February 2025) of salary is applied to administrative expenses. The balance of the employer contribution is allocated to the member's fund credit.

No cost for risk benefits is recovered from members on late retirement (exceeding 65) because such members do not enjoy death and disability benefits.

1.4. Rule Amendments

1.4.1. Amendments

Rule amendment No.	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
MGF9	See paragraph 1.4.2 below	21 May 2024	1 September 2024	6 August 2024
MGF1	See paragraph 1.4.2 below	19 March 2025	1 April 2025	1 July 2025

All rule amendments are available for inspection at the Fund's registered office.

1.4.2.

Rule Amendment No. MGF9

Reason for Amendments:

- To give effect to the two pot legislation as set out in the Revenue Laws Amendment Bills and Pension Laws Amendment Bills which aims to bring a balance between long term security and meeting financial needs during emergencies.
.The amendments allow a member to access a portion of their fund credit without exiting the fund while preserving the balance of their fund credit until retirement.

Consoilidation of Rules was compiled on 01 September 2024 which incorporated Rule Amendment 1 till 9.

Rule Amendment No. MGF1

Reason for Amendments:

(1) Rule 8: Remove the employers' representatives from participating in the general committee and the requirements to such representatives as board members when the current terms of office of the employers' representatives as board members expire in 2025 and 2026, reduce the number of board members to 11 from 2026 in an effort to streamline themanagement of the fund and remove historical provisions relating to the composition of the board.

(2) Definition of "employers' representative": substitute the reference to rule 5(2)a with Rule 8.

(3) Definition of SALGA and amenedments to rules 8,9 and 10: Provide for the appointment of a SALGA representative to the board and ancillary matters

(4) Delete the definition of "EMPLOYERS' REPRESENTATIVE" and "REPRESENTATIVE" and the references to these terms wherever they appear in Rules 5 to 13 and Rules 19(2) and 21(4), to align with amendment to rule 8

(5) Rule 36A: Provide for the treatment of benefits of members who dies after a benefit other than a death benefit

became payable

1.5. Fund Accounts in terms of Section 30 of the Fund Rules

1.5.1. Share Account

The Share Account comprises the total of all the individual members' interests in the Fund. The following transactions are recorded in this account:

(a) Credits

(i) An opening balance comprising the member's transfer value as at the commencement date;

(ii) the member's contributions in terms of Rule 26;

(iii) a portion of the local authority's contributions in respect of the member in terms of Rule 31(1)(b), determined by the Board of Fund in consultation with the actuary, towards the provision of retirement benefits;

(iv) transfer values received in respect of a member in terms of Rule 42: Provided that for purposes of section 34(2)(b), the transfer value as contemplated in Rule 42 shall not be credited to the share account;

(v) investment earnings transferred from the Processing Account in terms of Rule 30(2)(b)(ii) from time to time at a rate to be determined by the Board of Fund in consultation with the actuary. Such investment earnings shall be based on the investment yield achieved by the Fund on the underlying investment portfolio as contemplated in Rule 16A in respect of the member concerned during the period for which the mentioned earnings are credited share account;

(vi) interest on housing loans granted under Rule 16(2) and payments relating to housing loans; and

(vii) amounts allocated from the Employer Reserve Account in terms of Rule 30(5)(b)(i) and from the Member Reserve Account in terms of Rule 30(6)(b)(i).

(b) Debits

(i) Attributable valuation losses as determined by the actuary in terms of Rule 23(2);

(ii) the portion of the local authority's contributions contemplated in Rule 30(3)(a)(i) deducted from the member's fund credit for the period of the default referred to in Rule 27(2)(b);

(iii) retirement benefits paid to the member in terms of Rule 32;

(iv) withdrawal payments in terms of Rule 34;

(v) transfers of the members' fund credit in respect of medical disability payments in terms of Rule 35 and death payments in terms of Rule 33 to the risk account;

(vi) transfers of the members' unclaimed benefits after two years to an unclaimed benefits preservation fund established in terms of the act to receive such unclaimed benefit, together with the interest referred to in Rule 30(1)(b) thereon, in the event of the committee directing that the unclaimed benefits be so transferred in terms of Rule 41.

(vii) the amount due to the financial institution in respect of a housing loan guarantee where the financial institution calls for settlement of the outstanding amount of the guarantee or a part thereof, or the outstanding amount due to the Fund or a part thereof if the Fund provided the housing loan;

(viii) the amount assigned from a member's pension interest to his non-member spouse in terms of a divorce order as set out in Rule 37D(1)(d) of the Act and/or the amount payable in terms of a maintenance order, together with tax thereon, if legislation allows for it;

(ix) the amount payable to a member's local authority as compensation for damages caused to the local authority by reason of any theft, dishonesty, fraud or misconduct by the member in terms of Rule 37D(1)(b)(ii) of the Act;

(x) any amount which the Fund has paid or will pay by arrangement with, and on behalf of, a member or his beneficiary, as referred to in Rule 37D(1)(c) of the Act.

(xi) such asset management costs in terms of Rule 30(2)(b)(i) and administration costs and expenses in terms of Rule 30(4)(b)(i) as determined by the Board in consultation with the actuary, in respect of deferred members and members in respect of whom no contributions are received;

(xii) in respect of each deceased member, the costs incurred in tracing and verifying that member's beneficiary or

1.5. Fund Accounts in terms of Section 30 of the Fund Rules (continued)

establishing the financial dependency of the member's beneficiary; and

(xiii) any expenses not elsewhere provided for, determined by the Board in consultation with the actuary

The balance of the Share Account as at year-end 2025 is R 42,876,677,502 (2024: R 37,787,708,411)

1.5.2 Processing Account

The Processing Account is established to provide for mismatching and timing differences between investments and the allocation of investment returns to members. The balance in the Processing Account shall be maintained at a level deemed prudent by the Board of Fund in consultation with the actuary. The balance in the Processing Account will be credited or debited from time to time with such amounts as may be determined by the Board of Fund, in consultation with the actuary. The following additional transactions shall be recorded in this account:

(a) Credits

(i) all investment earnings earned by the Fund;

(ii) valuation losses debited to the Share Account in terms of Rule 30(1)(b)(i);

(iii) interest paid in terms of Rule 31(2)(a)(i);

(iv) interest paid in terms of Rule 31(2)(a)(ii); and

(v) amounts allocated from the Employer Reserve Account in terms of Rule 30(5)(b)(i).

(b) Debits

(i) All costs relating to the management of the assets of the Fund as contemplated in Rule 19(2);

(ii) investment returns transferred to the Share Account in terms of Rule 30(1)(a)(v);

(iii) investment returns transferred to the Risk Account in terms of Rule 30(3)(a)(iii);

(iv) investment returns transferred to the Data and Operational Account in terms of Rule 30(4)(a)(ii);

(v) investment returns transferred to the Employer Reserve Account in terms of Rule 30(5)(a)(ii);

(vi) investment returns transferred to the Member Reserve Account in terms of Rule 30(6)(a)(ii);

(vii) investment returns transferred to the Reverted Unclaimed Benefits Account in terms of Rule 30(7)(a)(iii); and

(viii) investment returns added to the late payment of benefits, unclaimed benefits and other liabilities due in terms of the Rules.

The balance of the Processing Account as at year-end 2025 is R 18,555,510 (2024: R 22,643,287) .

1.5.3. Risk Account

The Risk Account is established for the funding of the death and disability benefits that are not reinsured in terms of Rule 33(2) and to absorb the impact of any adverse experience in such risk benefits. The balance in the Risk Account shall be maintained at a level deemed prudent by the Board of Fund in consultation with the actuary. The balance in the Risk Account will be credited or debited from time to time with such amounts as may be determined by the Board of Fund, in consultation with the actuary. The following additional transactions shall be recorded in this account:

(a) Credits

(i) A portion of the local authority's contributions in respect of the member in terms of Rule 31(1)(b), determined by the Board of Fund in consultation with the Actuary, towards the death, disability and separately insured benefits. It is specifically provided that these contributions will not be utilised for the purpose of funding any transfers to the Reverted Unclaimed Benefits Account as contemplated in Rule 30(3)(b)(v);

(ii) transfers of the members' fund credit in respect of medical disability payments in terms of Rule 35 and death payments in terms of Rule 33 from the Share Account;

(iii) investment returns transferred from the Processing Account in terms of Rule 30(2)(b)(iii);

1.5. Fund Accounts in terms of Section 30 of the Fund Rules (continued)

(iv) any reinsurance payments made to the Fund by an insurer in terms of Rule 33(2)(a);

(v) transfers from the Reverted Unclaimed Benefits Account in terms of Rule 30(7)(b)(iii); and

(vi) amounts allocated from the Employer Reserve Account in terms of Rule 30(5)(b)(i).

(b) Debits

(i) Lump sum death benefits referred to in Rule 33;

(ii) lump sum disability benefits referred to in Rule 35(4);

(iii) any reinsurance premiums in respect of death as contemplated in Rule 33(2) ;

(iv) any costs in relation to medical examinations as contemplated in Rule 35(2); and

(v) transfers to the Reverted Unclaimed Benefits Account in terms of Rule 30(7)(a)(ii).

The balance of the Risk Account as at year-end 2025 is R 382,690,341 (2024: R 348,407,889) .

1.5.4. Data and Operational Account

The Data and Operational Account is established to provide for data errors and expenses relating to the administration of the Fund and other unforeseen contingencies. The balance in the Data and Operational Account shall be maintained at a level deemed prudent by the Board of Fund in consultation with the actuary. The balance in the Data and Operational Account will be credited or debited from time to time with such amounts as may be determined by the Board of Fund, in consultation with the actuary. The following additional transactions shall be recorded in this account:

(a) Credits

(i) A portion of the local authority's contributions in respect of the member in terms of Rule 31(1)(b), determined by the Board in consultation with the Actuary, towards the cost of the administration expenses;

(ii) investment returns transferred from the Processing Account in terms of Rule 30(2)(b)(iv); and

(iii) amounts allocated from the Employer Reserve Account in terms of Rule 30(5)(b)(i).

(b) Debits

(i) All costs and expenses referred to in Rule 19(2) relating to the administration of the Fund; and

(ii) any other payments by the Fund not authorised elsewhere in the Rules.

The balance of the Data and Operational Account as at year-end 2025 is R 51,946,486 (2024: R 51,240,359) .

1.5.5. Employer Reserve Account

The Employer Reserve Account is established to provide for the allocation of any valuation profits to the local authorities, by the Board of Fund after consultation with the actuary. The following transactions are recorded in this account:

(a) Credits

(i) Amounts as defined in the definition of ‘employer surplus account’ in the act, allocated by the Board of Fund for use of the local authorities concerned; and

(ii) investment returns transferred from the Processing Account in terms of Rule 30(2)(b)(v).

(b) Debits

(i) Amounts allocated to the Share Account or any of the other accounts as determined by the Board of Fund;

(ii) amounts required to meet a deficit as provided for in section 15H of the Act;

(iii) amounts applied on the liquidation of the Fund as provided for in section 15I of the Act.

1.5. Fund Accounts in terms of Section 30 of the Fund Rules (continued)

The account has not been utilised and the balance of the Employer Reserve Account as at year-end 2025 is nil.

1.5.6 Member Reserve Account

The Member Reserve Account is established to provide for the allocation of any valuation profits to the members and former members, by the Board of Fund after consultation with the actuary. The following transactions are recorded in this account:

(a) Credits

(i) Amounts as defined as credits in the definition of 'member surplus account' in the Act, allocated by the Board of Fund for the benefit of members or former members; and

(ii) transferred from the Processing Account in terms of Rule 30(2)(b)(vi).

(b) Debits

(i) Amounts as defined as debits in the definition of ‘member surplus account’ in the Act, utilised for the benefit of members or former members;

(ii) any expenses which would otherwise reduce benefits payable to members;

(iii) amounts allocated to members who cease to be members of the Fund in terms of section 15G of the Act;

(iv) amounts required to meet a deficit as provided for in section 15H of the Act; and

(v) amounts applied on the liquidation of the Fund as provided for in section 15I of the Act.

The balance of the Member Reserve Account as at year-end 2025 is nil.

1.5.7. Reverted Unclaimed Benefits Account

The Reverted Unclaimed Benefits Account is established to provide for the old unclaimed benefits that reverted to the Fund prior to 1 January 2009 in terms of Rule 41 as it read then. The following transactions are recorded in this account:

(a) Credits

(i) Provision for the old unclaimed benefits that reverted to the Fund prior to 1 January 2009, as determined by the Board of Fund on recommendation of the actuary;

(ii) transfers from the Risk Account in the event of an under-provision for these old unclaimed benefits; and

(iii) investment returns transferred from the Processing Account in terms of Rule 30(2)(b)(vii).

(b) Debits

(i) Payment of the old unclaimed benefits that reverted to the Fund prior to 1 January 2009 in the event that the members concerned or their beneficiaries are traced;

(ii) relevant tracing fees incurred in tracing the members concerned or their beneficiaries; and

(iii) transfers to the Risk Account in the event of an over-provision for these old unclaimed benefits.
The balance of the Reverted Unclaimed Benefit Account as at year-end 2025 is R 1 845 (2024: R 1 827) .

2. INVESTMENTS

2.1 Investment Policy Statement (IPS)

The Board of Fund, introduced the Investment Policy Statement (IPS) during the 2004/5 financial year. The goal of the IPS is to create sufficient returns over 35 contribution years in order that the lump sum payment (fund credit) of a member will be sufficient to enable a member to purchase a monthly pension equal to approximately 75% of salary at retirement. This is commonly referred to as income replacement ratio (IRR) of 75%.
Such pension is based on a life annuity at age 65 with a 5% annual escalation and a 10 year certain term and a spousal pension of 75% (age of spouse in the event of female 3 years younger), assuming the following member characteristics:

Retirement Age:	65
Saving Years:	35 years in aggregate during the member's career
Marital Status:	Married with the husband being 3 years older than the wife
Post-Retirement Spouse Pension:	75% of an annuity income in the event of death
Retirement Savings: of	25.5% of pensionable salary (7.5% member's contribution and 18% employer's contribution) for members joining before 1 July 2012 and 21.5% for members joining after 1 July 2012 (7.5% member's contribution and 14% employer's contribution). An additional employer's contribution of 3.5% of salary is utilized to finance risk benefits (2.95%) and administration costs (0.55%). For members older than 65 years of age, only administration costs 0.55% of salary are utilized from the employers contribution with no risk benefits provided for those members.
Salary and Promotion Progression:	3% above inflation up to the age of 40, 2% above inflation between the ages of 40 and 49 and 1% above inflation from age 50.
Weighted annual average investment return until retirement:	4.5% per annum above inflation net of fees

The result of the IPS is that the Fund moved away from balanced mandates during the 2004/5 financial year. The investment mandates to asset managers were instead allocated as specialist mandates in the respective asset classes from August 2004.

The IPS is reviewed when any major events occurs that may have an effect on the investment strategy of the Fund, but at least once a year. The IPS review for this reporting period was done on 18 September 2024.

2.2 Life Stage Model (LSM)

Three life stage portfolios as contemplated by the initial IPS were implemented during July 2005 and a fourth life stage portfoliio was added in 2011. At the time the members' fund credits, excluding those invested in the Guaranteed Portfolio, were transferred to the four life stage portfolios according to age groupings.
The daily values of the investments are electronically imported from the investment administrators' records to the unitisation platform of the benefit administrator. The fund credit of each member is accordingly adjusted daily to the daily market value of the units in the four life stage portfolios.
The IPS is reviewed at least annually and adjustments are being made if necessary to align the investment strategy with the changing investment environment as well as with new legislation. During the 2015 IPS review, the adjustments included a change in the age brackets of the life stage portfolios whereby the members' fund credits are kept longer in the more aggressive end of the scale, mainly to enhance the potential to create sufficient wealth to reach the overall goal of the LSM to render a 75% salary replacement ratio.

The four life stage portfolios are as follows:

2.2.1 Stage One: Aggressive Portfolio (AP): 16 years to 54 years

The Aggressive Portfolio contains a bigger equity component, which entails a higher investment risk but renders an opportunity for greater returns. This portfolio is for younger members who can usually tolerate a higher risk. In the event of the risk of under- performance materialising, the investment term is usually long enough to recover such losses and to obtain out performance of the long term Investment objective.

2.2.2 Stage Two: Moderate Portfolio (MP): 55 years to 60 years

The Moderate Portfolio contains a smaller component of equities and is aimed at a moderate risk with consequent moderate returns. The Moderate Portfolio is a transfer phase from the Aggressive Portfolio to the Conservative Portfolio.

2.2.3 Stage Three: Conservative Portfolio (CP): 61 years to 63 years

The Conservative Portfolio contains no direct investment in equities (shares) and is aimed more at capital protection than at real capital growth. The Conservative Portfolio may be invested in fixed income investments, cash, structured

2. INVESTMENTS (continued)

products, hedge funds and absolute return products. It should be noted that structured products, hedge funds and absolute return products may have exposure to equities albeit that downside is limited to a certain extent.

2.2.4 Stage Four: Protected Portfolio (PP): 64 years and older

The Protected Portfolio is aimed at capital protection rather than at real capital growth and assets are invested in money market products including corporate bonds. Although the PP is structured to avoid investment risk it is not totally risk free and limited downside over short periods is not excluded.

2.3 **Exit Portfolio (EP)**

An Exit Portfolio, invested in cash, is used to protect the members' fund credits upon termination of membership until payment of benefits.

2.4 **Default and Member Investment Choices**

Members are automatically without prior notice, transferred from one life stage to the next as they reach the relevant age. This transfer is however not done at once when reaching the relevant age as the investment markets may be very low on such one specific day with negative results for a member migrating from the more aggressive to the more conservative next phase portfolio. To prevent such single day event, members are switched from one life stage portfolio to the following in four quarterly batches starting one year ahead.

As alluded to below, a member may always exercise in writing, a choice contrary to the automatic Life Stage Model default. Although the fund credits and monthly contributions of members are automatically invested in the relevant life stage portfolio according to age, members may, subject to certain conditions, exercise a written choice if they wish to invest contrary to the applicable life stage (AP, MP, CP or PP). Investment according to the life stage portfolios is however an integrated investment model in accordance with the IPS (Investment Policy Statement). The probability is good to obtain the targeted return over a long term. Members should therefore be very cautious to chase short term returns by electing contrary to the life stage portfolios, with possible disastrous results. Younger members should be careful not to be over conservative and forfeit returns in the long run.

A member may exercise a member investment choice whereby the fund credit is split amongst the four investment portfolios in respect of the fund credit as well as the contributions :

(i) The contributions shall follow the investment choice in respect of the fund credit unless a specific choice is exercised that the contributions be invested in a specific investment portfolio in which event 100% of the monthly contribution shall be invested in that specific chosen investment portfolio, in other words a contribution member investment choice may not be split over various investment portfolios.
(ii) Once a member investment choice is exercised, be it in respect of the fund credit or the contributions or both, it shall at all times be maintained and shall not automatically revert to the default position when reaching the default age bracket or for any other reason whatsoever and the only manner to get back to the default arrangement is to make a written selection accordingly on the prescribed form.

Members who exercised a member investment choice will remain invested accordingly until written notification is submitted to the Fund otherwise. If a member elects to split her/his investment between portfolios, the different returns of each investment portfolio will cause a drift from the chosen percentages split. Members' fund credits will not automatically be rebalanced to the original chosen percentage split between the portfolios. A new option form must be submitted when a member wants such rebalance.

Member investment choices may be done at any time in respect of the AP, MP, CP and PP. One choice per a rolling 12 months is free of charge but subsequent choices within such 12 month period require a switching fee. A member investment choice is usually implemented within three to five business days from receipt of the switch instruction form.

2.5 **Derivative Instruments**

The Board of Fund utilises derivative instruments as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28 of the Pension Fund Act.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the

2. INVESTMENTS (continued)

investment mandate.

2.6 Hedge funds

The Board of Fund utilises hedge funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.

2.7 Private Equity Funds

The Board of Fund utilises private equity funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.

2. INVESTMENTS (continued)

2.1. Management of investments

The Fund's investments consist of specialist managed portfolios with the various investment administrators (asset managers) listed below. All investment administrators (asset managers) have fixed mandates as to the composition of their share of the portfolio within the limits allowed by the Pension Funds Act in South Africa. The Board of Fund, together with Sanlam Multi Manager International (Pty) Ltd, the Fund's investment advisor, meet at least eight times per year to discuss and review investment strategy and to monitor the asset allocation and performance of the investment administrators (asset managers) against the investment strategy of the Fund.

The majority of investment administrators are remunerated at a fixed fee based on the asset value under management and the majority are paid monthly and some quarterly. A few investment administrators are remunerated on a performance fee basis.

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

	30 June 2025 R	30 June 2024 R
Abax Investments	2,059,983,065	1,794,210,358
ABSA Bank	731,906,550	589,956,070
Allan Gray Orbis Investment Management Limited	1,698,665,285	1,337,608,076
Allan Gray South Africa (Pty) Ltd	1,448,307,770	1,374,833,763
Alusi Asset Management	416,770,554	384,687,456
Aluwani Capital Partners (Pty) Ltd	1,243,801,048	1,151,561,758
Argon Asset Management (Pty) Ltd	1,386,245,233	1,152,295,495
BlackRock Asset Management Ireland Limited	1,368,671,202	1,222,875,052
Brandywine Global Investment Management, LLC	1,621,687,675	1,516,749,456
Coronation Fund Managers Ltd	1,824,223,049	1,521,237,733
Dodge & Cox Worldwide Investments Ltd	735,508,999	661,747,462
Edge Capital (Pty) Ltd	737,711,990	620,291,936
Fairtree Capital (Pty) Ltd	1,583,748,062	1,369,388,651
Franklin Templeton Investment Funds	888,535,951	831,124,091
Futuregrowth Asset Management (Pty) Ltd	5,708,133,737	4,968,288,662
Hosking Partners LLP	1,324,562,796	1,189,282,862
Morgan Stanley Investment Management	1,456,998,662	1,125,769,957
Ninety One (Pty) Ltd	3,525,869,798	3,230,616,582
Resolution Capital NIF Global Property (Nedgroup Investments Plc)	867,429,179	808,638,881
Sands Capital Funds PLC	680,393,540	568,147,373
Sanlam Investment Management (Pty) Ltd	7,805,888,610	7,066,297,766
Sesfikile Capital (Pty) Ltd	701,615,357	585,162,291
Slip Knot Investments Ltd (Loan agreement asset)	-	1,998,754
Stanlib Asset Management	834,595,875	617,432,077
Truffle Asset Management (Pty)Ltd	962,266,306	782,650,000
Vantage Capital Group	895,249,749	833,192,515
Veritas Asset Management LLP (Nedgroup Investments Plc)	1,691,309,640	1,551,852,217
Total value of investments managed	**44,200,079,682**	**38,857,897,294**

3. MEMBERSHIP

	Active members	Paid-up members	Default paid-up members	Unclaimed benefits
Number at the beginning of year	27,878	21	65	200
Adjustments	(332)	135	30	204
- Late entrants 2024	18	-	2	-
- Late exits 2024	(178)	-	(6)	-
- Reclassification	(172)	138	34	204
- Adjustments	-	(3)	-	-
Additions	1,173	2	-	-
Withdrawals	(96)	(2)	(1)	-
Retirements	(566)	-	(1)	-
Deaths	(148)	-	(1)	-
Disability	(19)	-	-	-
Number at the end of the year	**27,890**	**156**	**92**	**404**
Number at end of year (South African citizen)	27,886	156	92	404
Number at end of year (non-South African citizen)	4	-	-	-

Adjustments:
The adjustment includes a re-classification of active members as paid-up members.

The downward adjustment in the opening balance of active members are due to members who exited in prior years, but the administrator only received the exit form after the 2024 year-end. The increase in the opening balance of active members are new members that joined the employer during the 2024 financial year, but the administrator received the application forms subsequent to year-end.

4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund. It does not constitute an investigation to the financial condition of the Fund with relation to future liabilities as contemplated by section 16 of the Pension Funds Act, 1956. In accordance with the Rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, if any, is examined and reported on by the actuary as contemplated by section 16 of the Pension Funds Act at three years intervals.

The previous statutory actuarial valuation was done as at 30 June 2023 reflecting that the Fund was financially sound. The statutory valuation was submitted to the FSCA on 15 February 2024. The Actuary also conducts an interim actuarial valuation on an annual basis for the intervening two years. This is done according to the full scope as for a statutory valuation.

The latest interim actuarial valuation as at 30 June 2025 is currently being done by the independent actuary and will be considered by the Board of Fund upon release of the valuation report by the actuary.

Refer to Schedule HB for the report of the valuator which reflects the financial condition of the Fund as at 30 June 2025, to be sound.

5. SURPLUS APPORTIONMENT OR NIL SCHEME

Nil scheme
The surplus apportionment date of the Fund was 30 June 2002. The Fund has submitted a nil return as there was no surplus to be distributed. The nil return was submitted to the Authority (formally known as Registrar of Pension Funds) on 26 July 2005 and noted on 22 December 2006.

Subsequent surpluses
The Fund, being a defined contribution fund, allocates all net investment returns to the members on a daily basis and does not accrue any surpluses. Surplus apportionment allocations are therefore not applicable, except in the event of Section 15C of the Act.

In terms of Section 15C of the Act subsequent surpluses were determined after surplus apportionment date by the Fund's actuary, as per the relevant actuarial valuations. These surpluses were due to excess in the Risk Account eminating from contributions in respect of risk benefits. The following surplus distributions were made to qualifying members:

30 June 2012	R 75,000,000
30 June 2014	R 60,000,000
30 June 2015	R 150,000,000
30 June 2016	R 69,895,244
30 June 2017	R 150,000,000
30 June 2018	R 100,000,000
30 June 2019	R 120,000,000

No surplus distributions were made subsequent to 2019.

6. HOUSING LOAN FACILITIES

Direct housing loans to members have been granted until 31 May 2007 in terms of section 16(3) of the Fund Rules and the provisions of section 19(5) of the Pension Funds Act. Such direct housing loans were financed from members' individual fund credits and the rate of interest levied is the repo rate plus 2%.

This direct home loan scheme has been replaced from 1 June 2007 by a pension-backed home loan scheme. Standard Bank and First National Bank (FNB) have been appointed as service providers in this regard. A member may apply for a home loan with Standard Bank or First National Bank up to a maximum of 50% of the member's fund credit. The loan is granted against the security of the member's fund credit. Members must comply with all the requirements of the National Credit Act to qualify for such loan. Members with existing housing loans granted directly from their fund credits in terms of the previous dispensation may maintain such direct loans or transfer them to Standard Bank or FNB. A member may only have a pension-backed home loan with either Standard Bank or FNB and not with both. Loans may be transferred between Standard Bank or FNB.

The current rates and fees of the said banks are as follows:

Standard Bank charges an application fee of R571.68, a monthly admin fee of R37.52 and interest at prime minus 1.25% .

FNB charges application fee of R300.00 , a monthly admin fee of R23.00 and interest at prime minus 1.25%.

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

Investments in terms of section19 (4A) of the Pension Funds Act.

Details of investments held in participating employers are provided in Schedule IA to the financial statements. There were no investments held in participating employers as at the end of the current reporting period.

8. RISK MANAGEMENT

In compliance with Circular PF130, the Fund implemented a risk management policy whereby the Board of Fund identified the risk areas of the Fund. The risk areas are recorded in a risk register, together with the cause(s), consequence(s) and mitigating control(s) relating to each risk. The impact and likelihood of each risk is considered in order to arrive at a risk rating for each risk area.

The Board of Fund reviews the risk management policy and the risk register on an annual basis. The highest risk areas are monitored by the Board of Fund on a monthly basis. The Board of Fund also considers the key findings from internal and external audit reports.

The additional proposals included in the recently released King IV report, are expected to be tailor made by the office of the Authority for application by retirement funds and be included in a revised Circular PF130. In the interim the Fund operates in accordance with the 17 principles of King IV in respect of the ethical corporate requirements, performance and reporting requirements, governance structure and shareholder relationships.

9. SIGNIFICANT MATTERS

Two- pot retirement system effective 01 September 2024.

Amendments to the Income Tax Act have introduced a two-pot retirement system, addressing concerns about preservation before retirement and accessibility of retirement funds in emergencies. The legislation was enacted on 21 July 2024, allowing early withdrawals from retirement funds from 1 September 2024 from the savings component with a seeding capital of 10% to a maximum of R30 000 of the members' fund credits. Withdrawals from the savings component prior to exiting the Fund will be taxed at marginal tax rates ranging from 18% to 45%.

10. SUBSEQUENT EVENTS

No material subsequent events to report on.

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2025

	Note	30 June 2025 R	30 June 2024 R
ASSETS			
Non-current assets		**44,203,122,741**	**38,861,698,299**
Plant and equipment	**2**	345,681	5,067
Investments	**3**	44,200,079,682	38,857,897,294
Housing loans	**4**	2,697,378	3,795,938
Current assets		**749,177,155**	**1,011,245,108**
Accounts receivable	**5**	52,052,859	86,493,896
Contributions receivable	**10**	155,725,406	154,201,475
Cash and cash equivalents		541,398,890	770,549,737
Total assets		**44,952,299,896**	**39,872,943,407**
FUNDS AND LIABILITIES			
Members' funds and surplus account		**43,154,960,816**	**38,054,660,580**
Members' individual accounts		42,876,677,502	37,787,708,411
Amounts to be allocated	**16**	278,283,314	266,952,169
Reserves		**453,194,182**	**422,293,362**
Reserve accounts	**15**	453,194,182	422,293,362
Total funds and reserves		**43,608,154,998**	**38,476,953,942**
Non-current liabilities		**20,682,103**	**7,500,745**
Unclaimed benefits	**8**	20,682,103	7,500,745
Current liabilities		**1,323,462,795**	**1,388,488,720**
Benefits payable	**7**	1,309,808,214	1,374,252,250
Accounts payable	**9**	13,654,581	14,236,470
Total funds and liabilities		**44,952,299,896**	**39,872,943,407**

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 15 R	Current year 2025 R	Previous year 2024 R
Contributions received and accrued	**10**	2,421,351,573	278,931,485	2,700,283,058	2,591,712,943
Net investment income	**11**	357,137	6,251,062,552	6,251,419,689	4,188,936,857
Allocated to unclaimed benefits	**8**	(406,469)	(235,596)	(642,065)	(602,040)
Less:		(284,677)	(68,191,359)	(68,476,036)	(63,034,982)
Re-insurance premiums		-	(17,884,692)	(17,884,692)	(18,243,628)
Administration expenses	**12**	(284,677)	(50,306,667)	(50,591,344)	(44,791,354)
Net income before transfers and benefits		**2,421,017,564**	**6,461,567,082**	**8,882,584,646**	**6,717,012,778**
Transfers and benefits		(3,087,949,827)	(668,000,000)	(3,755,949,827)	(3,046,372,361)
Transfer from other funds	**6**	1,473,027	-	1,473,027	394,739
Benefits	**7**	(3,089,422,854)	(668,000,000)	(3,757,422,854)	(3,046,767,100)
Net income after transfers and benefits		**(666,932,263)**	**5,793,567,082**	**5,126,634,819**	**3,670,640,417**
Funds and reserves					
Balance at the beginning of the year		38,054,660,580	422,293,362	38,476,953,942	34,807,421,364
Death and Disability	**15**	(403,906,700)	403,906,700	-	-
Investment return allocated					
Current members		6,171,139,199	(6,171,139,199)	-	-
VAT Recovery Refund	**15**	-	4,566,237	4,566,237	-
Allocations to/from Reserve accounts					
Transfer from Data and Operational Account		-	-	-	(1,107,839)
Balance at the end of the year		**43,154,960,816**	**453,194,182**	**43,608,154,998**	**38,476,953,942**

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principle accounting policies used by the Fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Fund Rules and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern basis, except where specifically indicated otherwise in the accounting policies below:

1.2. PLANT AND EQUIPMENT

All plant and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation. Depreciation is charged to the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Electronic equipment	4 years
Vehicles	5 years
Furniture	10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised.

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.

Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.

1.3. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments, housing loans, receivables and accounts payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

1.3.1. Investments

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

Loans (other than housing loans) – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market other than those that the fund intends to sell in the short term or that is designated as at fair value through the statement of changes in net assets and funds. Loans and receivables are measured at fair value.

Debentures

Debentures comprise investments in listed and unlisted debentures.

1.3.1. *Investments* (continued)

Listed debentures

The fair value of listed debentures traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted debentures

Unlisted debentures are financial assets with fixed or determinable payments and fixed maturity. Fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of the unlisted debenture.

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

Listed bills and bonds

The fair value of listed bills and bonds traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted bills and bonds

A market yield is determined by using appropriate yields of existing bonds and bills that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

Investment property

A property held for long-term yields or capital appreciation that is not occupied by the Fund is classified as investment property. Investment properties comprise investments in commercial properties. Investment properties are carried at fair value.

Investment properties are reflected at valuation on the basis of open-market fair value at the statement of net assets and funds date. In the open-market valuation information cannot be reliably determined; the fund uses alternative valuation method such as discounted cash flow projections or recent prices on active markets for transactions of similar nature. The fair values are the estimated amounts for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The open-market fair value is determined annually by independent professional valuators.

Changes in fair value are recorded by the fund in the statement of changes in net assets and funds.

Equities

Equity instruments consist of equities with primary listing on the Johannesburg Stock Exchange, equities with secondary listing on the Johannesburg Stock Exchange, foreign listed equities and unlisted equities.

Equity instruments designated as fair value through the statement of changes in net assets and funds by the fund are initially recognised at fair value on trade date.

Listed equities
Equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. The fair value of equity instruments with standard terms and conditions and traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted equities
If a quoted closing price is not available i.e. for unlisted instruments, the fair value is estimated using pricing models, or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of equity instruments.

Preference shares

Listed preference shares
The fair value of listed preference shares traded on active liquid markets is based on regulated exchanged quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

1.3.1. *Investments* (continued)

Unlisted preference shares
In respect of unlisted preference shares, the fair value is determined by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of preference shares.

Insurance policies

Non - linked insurance policies
Non - linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets (i.e. accumulation at the actual investment return achieved on gross premiums.)

Linked or market-related policies
If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

Derivative Market Instruments

Derivative market instruments consist of options, equity linked instruments, futures/forwards – SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

Options
Options are valued using option pricing modules.

Futures/forward contracts
The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

Swaps
Swaps are valued by means of discounted cash flow models, using the swap curve from a regulated exchange (BESA) to discount fixed and variable rate cash flows, as well as to calculate implied forward rates used to determine the floating interest rate amounts. The net present values of the fixed leg and variable leg of the swap are offset to calculate the fair value of the swap.

Investment in participating employers

Investments in participating employer(s) comprise loans, investments in listed and unlisted equities and other investments. Refer to respective policies for basis of accounting.

Hedge funds

Hedge fund investments are designated as fair value through the statement of changes in net assets and funds by the fund and are initially recognised at fair value on trade date.

Listed hedge funds
Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. The fair value of hedge fund investments traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

1.3.1. *Investments* (continued)

Unlisted – where investor (fund) has no right to the underlying instrument - investment partners
Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. The value of the financial asset owned by the fund is measured in relation to the percentage holdings by each investment partner in the total fair value of the hedge fund. The fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of hedge fund instruments.

Unlisted – where investor (fund) has a right to the underlying instrument
Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. As the fund has the right to the underlying instrument, a look through principle is applied, and the underlying instrument are separately measured and disclosed. The fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of the hedge fund instrument.

Structured products

Investments in structured products are valued at the gross total fair value of all the underlying instruments included in the structure and/or arrangement. If there are instruments within the structured product that require different treatment, these may need to be treated separately.

1.3.2. Housing loans

Housing loans are measured at fair value. Housing loans are derecognised when the right to receive cash flows from the member has expired or been transferred and the fund has also transferred substantially all risks and rewards of ownership.

1.3.3. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.3.4. Cash and cash equivalents

Cash and equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

1.3.5. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.4. RESERVES

Reserve accounts comprise particular amounts of designated income and expenses as set out in the Fund Rules and are recognised in the year in which such income and expenses accrue to the Fund.

1.5. IMPAIRMENT

Financial assets carried at amortised cost

The fund assesses at each statement of net assets and funds date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the fund determines that no objective evidence of impairment exist s for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held to maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of changes in net assets and funds. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed in the statement of changes in net assets and funds.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's net carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For this purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment of loans and receivables

A provision for impairment of loans and receivables is established when there is objective evidence that the fund will not be able to collect all amounts due according to their original terms.

1.6. CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognised as income in accordance with the actuarial recommendations and the Fund Rules. Contributions received are apportioned between retirement funding and funding for risk and other expenses. The apportionment is governed by the Fund Rules and actuarial recommendations.

Voluntary contributions are recognised when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability – accounts payable.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the Fund.

1.7. FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for at the ruling rate of exchange on the transaction date. Assets and liabilities in foreign currencies are converted at the ruling rate of exchange on the statements of net assets and funds date.

Gains and losses on conversion are dealt with in the statement of changes in net assets and funds.

Income and expenditure relating to foreign investments are converted to South African currency at appropriate weighted average exchange rates, for the period.

1.8. INVESTMENT INCOME

Investment income comprises of the following:

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Rentals

Rental income is accounted for in the statement of changes in net assets and funds on a straight-line basis over the year of the rental agreement, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Property expenses shall be recognised in the statement of changes in net assets and funds under net investment income.

Collective investment schemes' distribution

Distribution from collective investment schemes are recognised when the right to receive payment is established.

Income from policies with insurance companies

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

Interest on late payment of contributions, surplus improperly utilised and / or loans and receivables

Interest on late payment of contributions, surplus improperly utilised and / loans and receivables is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Adjustment to fair value

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

1.9. BENEFITS

Benefits payable and pensions are measured in terms of the Fund Rules.

Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the Fund Rules. Any benefits not paid at the end of the reporting year are recognised as a current liability – benefits payable / due.

1.10. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Services Board, as contained in the approval certificate from the Authority.

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

1.11. ADMINISTRATION EXPENSES

Expenses incurred in the administration of the Fund are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.12. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:
- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.13. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

2. PLANT AND EQUIPMENT

2.1. Current year

	Furniture and Equipment R	Vehicles R	Total R
Gross carrying amount			
Cost at beginning of year	279,153	521,421	800,574
Additions	-	359,303	359,303
Disposals	-	(296,420)	(296,420)
At end of year	**279,153**	**584,304**	**863,457**
Accumulated depreciation and impairment			
At beginning of year	(274,086)	(521,421)	(795,507)
Depreciation charges	(723)	(17,966)	(18,689)
Other movements	-	296,420	296,420
At end of year	**(274,809)**	**(242,967)**	**(517,776)**
Net carrying amount at end of year	**4,344**	**341,337**	**345,681**

2.2. Prior year

Gross carrying amount	Furniture and Equipment R	Vehicles R	Total R
Cost at beginning of period	279,153	521,421	800,574
At end of year	**279,153**	**521,421**	**800,574**
Accumulated depreciation and impairment			
At beginning of period	(273,361)	(495,173)	(768,534)
Depreciation charges	(725)	(26,248)	(26,973)
At end of year	**(274,086)**	**(521,421)**	**(795,507)**
Net carrying amount at end of period	**5,067**	**-**	**5,067**

3. INVESTMENTS

3.1. Investment summary

	Note	Local R	Foreign R	Total current year R	Total previous year R	Fair value current year R
Cash		1,828,757,144	9,924,152	1,838,681,296	2,933,848,391	1,838,681,296
Commodities		49,108,786	-	49,108,786	66,046,684	49,108,786
Debt instruments including Islamic debt instruments		6,088,296,376	31,803,286	6,120,099,662	4,385,874,195	6,120,099,662
Equities		12,068,627,030	1,544,073,061	13,612,700,091	11,639,005,607	13,612,700,091
Insurance policies		2,135,347,790	136,535	2,135,484,325	1,928,678,706	2,135,484,325
Collective investment schemes		4,393,033,273	13,241,383,348	17,634,416,621	15,562,690,084	17,634,416,621
Hedge funds		1,713,370,246	-	1,713,370,246	1,504,321,792	1,713,370,246
Private equity funds		849,446,873	246,771,782	1,096,218,655	862,213,705	1,096,218,655
Other		-	-	-	(24,781,870)	-
Total		**29,125,987,518**	**15,074,092,164**	**44,200,079,682**	**38,857,897,294**	**44,200,079,682**

4. HOUSING LOAN FACILITIES

4.1. Housing loans

	A At beginning year R	B Granted R	C Repaid R	D Interest capitalised R	E Other adjustments R	A+B-C+D+/-E At end of year R
Loans granted in terms of the rules of the fund and section 19(5) of the Pension Funds Act	3,795,938	-	(1,455,698)	357,138	-	2,697,378
Total	**3,795,938**	**-**	**(1,455,698)**	**357,138**	**-**	**2,697,378**

Direct housing loans to members have been granted until 31 May 2007 in terms of section 16(3) of the Fund Rules and the provisions of section 19(5) of the Pension Funds Act. Such direct housing loans were financed from members' individual fund credits and the rate of interest levied is the repo rate plus 2%.

4.2. Housing loan guarantees

The Fund has granted 5833 guarantees to the following institutions for loans granted to members:

Institution	Number of members	Current year	Prior year
Standard Bank	4772	R768,354,766	R771 365 832
FNB	1005	R173,571,318	R182,961,862
Participating Employers	56	R1 237 325	R1 428,559
Total		R943,163,409	R955,756,253

The amount of the guarantee, may not exceed 50% of the cash benefit that a member would receive if he or she had to terminate membership with the Fund.The guarantees in respect of the participating employers are in the form of endorsements to the members' records for collateral investments made by the participating employers with the financial institutions to support the granting of housing loan facilities between the individual member and these institutions. No such endorsements have been made since inception of the final phase of the National Credit Act with effect from 1 June 2007.

5. ACCOUNTS RECEIVABLE

	30 June 2025 R	30 June 2024 R
Prepaid expenses (Rental expense)	27,953	27,953
Capital trade timing difference - cleared after year-end	49,210,510	82,464,770
Outstanding late payment interest	2,814,396	4,001,173
Total	**52,052,859**	**86,493,896**

6. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
Individual transfers in	Various	2	-	1,471,173	1,854	(1,473,027)	-
Total		**2**	**-**	**1,471,173**	**1,854**	**(1,473,027)**	**-**

Transfers approved (B)	1,471,173
Return on transfers (C)	1,854
Statement of changes in net assets and funds	**1,473,027**

7. BENEFITS

7.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Lump sums on retirements						
- Full benefit	261,538,265	1,806,435,901	210,641	(1,779,236,813)	-	288,947,994
Lump sums before retirement						
- Disability benefits	(43,205)	94,901,900	168,144	(90,861,030)	-	4,165,809
- Death benefits	1,042,317,368	536,844,220	35,811,762	(644,358,667)	(12,539,293)	958,075,390
- Withdrawal benefits	54,349,300	350,910,491	63,332	(375,004,118)	-	30,319,005
- Divorce payments	16,090,522	244,839,590	-	(242,092,896)	-	18,837,216
2Pot Savings portion	-	687,236,873	-	(677,774,073)	-	9,462,800
Total	**1,374,252,250**	**3,721,168,975**	**36,253,879**	**(3,809,327,597)**	**(12,539,293)**	**1,309,808,214**
Benefits for current year (B)						3,721,168,975
Return allocated (C)						36,253,879
Statement of changes in net assets and funds						**3,757,422,854**

7.2. Benefits in terms of surplus distribution

	A At beginning of year R	B Surplus allocated R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C+D+E At end of year R
Surplus allocated (B)						-
Return allocated (C)						-
Statement of changes in net assets and funds						**-**
Total benefits (7.1 + 7.2)	**1,374,252,250**	**3,721,168,975**	**36,253,879**	**(3,809,327,597)**	**(12,539,293)**	**1,309,808,214**

8. UNCLAIMED BENEFITS

	30 June 2025 R	30 June 2024 R
Balance at the beginning of the year	7,500,745	6,898,705
Transferred from benefits payable	12,539,293	-
Investment income allocated	642,065	602,040
Balance at the end of the year	**20,682,103**	**7,500,745**

9. ACCOUNTS PAYABLE

	30 June 2025 R	30 June 2024 R
Accrual for audit fees	838,465	754,400
Reinsurance premiums	1,484,696	3,021,398
Administration fees	5,948,349	5,390,363
Sundry Creditors	10,457	8,910
Investment adminstration fees	2,873,026	2,612,859
Sundry participating employers (contribution overpayments)	610,727	610,727
Refunds due - direct housing loan overpayments	1,547,831	1,496,783
Follow up benefits payable	341,030	341,030
Total	**13,654,581**	**14,236,470**

10. CONTRIBUTIONS

	At beginning of year R	Towards retirement R	Towards re-insurance and expenses R	Contributions received R	At end of year R
Member contributions received and accrued	38,550,369	746,538,549	-	(746,171,161)	38,917,757
Employer contributions received and accrued	115,651,106	1,672,475,770	278,931,485	(1,950,250,712)	116,807,649
Additional voluntary contributions - members	-	2,337,254	-	(2,337,254)	-
Total	**154,201,475**	**2,421,351,573**	**278,931,485**	**(2,698,759,127)**	**155,725,406**

Towards retirement	2,421,351,573
Towards reinsurance and expenses	278,931,485
Statement of Changes in Net Assets and Funds	**2,700,283,058**

11. NET INVESTMENT INCOME

	30 June 2025 R	30 June 2024 R
Income from investments	1,628,493,557	1,606,991,568
• Dividends	512,583,003	509,027,110
• Interest	710,349,533	680,186,356
• Collective investment schemes distribution	228,449,959	201,128,249
• Income from insurance policies	177,111,062	216,649,853
Interest on late payment of contributions	897,101	1,023,599
Adjustment to fair value*	4,718,541,340	2,673,118,337
	6,347,931,998	4,281,133,504
Less: Expenses incurred in managing investments	(96,512,309)	(92,196,647)
Total	**6,251,419,689**	**4,188,936,857**

* Included in Adjustment to fair value are indicative management fees of R80,421,342 (2024: R74 759 266)

12. ADMINISTRATION EXPENSES

		30 June 2025 R	30 June 2024 R
Actuarial fees		733,700	673,440
Administration fees		30,756,550	29,456,469
Audit fees		1,347,441	1,238,947
Audit fees - External		838,465	754,400
Audit fees - Internal		508,976	484,547
Tracing fees		7,245	-
Depreciation		18,688	26,973
VAT Recovery Fees		1,312,793	-
Legal Fees		1,297,188	867,729
Other Expenses		3,303,413	2,404,029
Communication expenses		1,712,281	1,143,983
Bank charges		62,864	36,639
FSCA Levy		882,421	780,124
Post retirement medical contributions		367,075	270,132
Medical assessment cost		278,772	173,151
Office expenses*		1,821,979	1,708,206
Board of Fund expenses	12.1	3,127,664	2,292,741
Staff expenses	12.2	6,630,137	5,901,691
Principal Officer expenses	12.3	234,546	221,129
Total		**50,591,344**	**44,791,354**

* Office expenses include general expenses incurred by the Fund, not limited to office rental, municipal services , stationery and printing, vehicle maintenance , conference and meeting fees, fidelity cover insurance and other sundry expenses.

12.1. Board of Fund expenses

	30 June 2025 R	30 June 2024 R
Meeting allowances	1,589,786	1,495,933
Board Education	1,537,878	796,808
Total	**3,127,664**	**2,292,741**

12.2. Staff expenses

	30 June 2025 R	30 June 2024 R
Staff expenses- Remuneration	6,630,137	5,901,691
Total	**6,630,137**	**5,901,691**

12.3. Principal Officer expenses

	30 June 2025 R	30 June 2024 R
Principal officer expenses - Remuneration	234,546	221,129
Total	**234,546**	**221,129**

13. RISK MANAGEMENT POLICIES

Risk management framework

The Board of Fund has overall responsibility for the establishment and oversight of the Fund’s risk management policies.

The Board of Fund has established the Executive Committee, which is responsible for developing and monitoring the Fund’s risk management policies. The committee reports regularly to the Board of Fund on its activities.

The Fund’s risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund’s activities.

- **Solvency risk**

  Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the funds contractual obligations to members.

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

- **Credit risk**

  Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the fund to incur a financial loss.

  The Board of Fund determines the restrictions applicable to bond investments, cash investments and to other credit exposure for the Fund and specifies the minimum credit rating and the maximum limit per specific issuer depending on the issuer's credit rating.

  Only well established counterparties of an acceptable credit standing are used and the portfolios' investment instruments are well diversified to limit the impact of a counterparty default.

  The restrictions applicable and the permissible investments are included in the mandate of the appointed Investment Administrators and monitored against the approved limits and reported on by the Investment Consultant and the Investment Administrators on a monthly basis.

- **Legal risk**

  Legal risk is the risk that the fund will be exposed to contractual obligations which have not been provided for.

  Legal representatives of the Board of Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

- **Cash flow risk**

  Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In thecase of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

  The Board of Fund monitors cash flows by using monthly cash flow projections.

- **Currency risk**

  Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund’s exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the fund for the purpose of seeking desirable international diversification of investments.

  The Board of Fund ensures that the foreign investments of the Fund are monitored and limits these investments to 45% of total assets. Where the limit of 30% is exceeded, the Board of Fund ensures that it is acceptable to the Authority.

- **Liquidity risk**

  Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

  The Fund’s liabilities are backed by appropriate assets and it has significant liquid resources.

13. RISK MANAGEMENT POLICIES (continued)

- **Market risk**

  Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices or market interest rates.

  Investments in equities are valued at fair value and therefore susceptible to market fluctuations.

  Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

  The Board of Fund ensures that continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

- **Investment risk**

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

  Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non–market related liabilities.

- **Price risk**

  Price risk is the risk that the value and/ or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

- **Interest rate risk**

  Interest rate risk is the risk that the value and /or future cash flows of financial instruments will fluctuate as a result of changes in interest rates.

  The Board of Fund monitors exposures to interest rate risk by using monthly cash flow projections.

- **Operational risk**

  Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's activities and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.
  The Fund ensures that for all significant contractual obligations, as provided for in terms of the Rules, provisions have been raised in the financial statements and complies with all legislation, regulations and contracts. The responsibility lies with the Board of Fund predominantly as well as with the Fund's service providers where agreed to.

  Details of the Fund's Risk Management Policy are available for inspection at the registered office of the Fund.

- **Inflationary risk**

  Inflationary risk is the uncertainty over the future real value (after inflation) of investments. The risk that the return from an investment will be eroded by the negative impact of inflation on the value of investments. It is one of the major risks in fixed income securities.

  The Board of Fund continuously monitors the performance of investments against investment return benchmarks as per the Fund's investment strategy.

14. RELATED PARTY TRANSACTIONS

Related party transactions for the period under review are as follows:

14.1. Participating employers

The following transactions between the participating employers and the Fund occurred during the period: The participating employers made contributions to the Fund for members' retirement to the value of R1,672,475,770 (2024: R1,534,228,240) and towards the Fund's risk reserve and administration expenses to the value of R278,931,485 (2024: R338,682,382) respectively (refer to note 10 of the financial statements) .

The following transactions between the Principal Officer and the Fund occurred during the period:
The Principal Officer of the Fund incurred expenses to the amount of R234,546(2024: R221,129) which was paid by the Fund (Refer to note 12.3).

14.2. Board of Fund

The following transactions between the Board of Fund and the Fund occurred during the period:
- The Board member(s) of the Fund incurred expenses to the amount of R3,127,664(2024: R2,292,741) which was paid by the Fund (Refer to note 12.1).

MUNICIPAL GRATUITY FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2025

15. SURPLUS AND RESERVE ACCOUNTS

	Reserve Accounts Total	Member Reserve Account	Reverted Unclaimed Benefit Account	Processing Account	Risk Account	Data and Operational Account
	R	R	R	R	R	R
At beginning of year	422,293,362	-	1,827	22,643,287	348,407,889	51,240,359
VAT Recovery Refund	4,566,237	-	-	-	-	4,566,237
Contributions received and accrued	278,931,485	-	-	-	237,326,073	41,605,412
Net investment income	6,251,062,552	-	18	6,197,981,595	48,525,811	4,555,128
Allocated to unclaimed benefits	(235,596)	-	-	(235,596)	-	-
Less:	(68,191,359)	-	-	-	(18,170,709)	(50,020,650)
- Re-insurance premiums	(17,884,692)	-	-	-	(17,884,692)	-
- Administration costs	(50,306,667)	-	-	-	(286,017)	(50,020,650)
Net income before transfers and benefits	**6,888,426,681**	**-**	**1,845**	**6,220,389,286**	**616,089,064**	**51,946,486**
Transfers and benefits	**(668,000,000)**	**-**	**-**	**(30,694,577)**	**(637,305,423)**	**-**
Transfers from other funds	-	-	-	-	-	-
Benefits	(668,000,000)	-	-	(30,694,577)	(637,305,423)	-
Net income after transfers and benefits	**6,220,426,681**	**-**	**1,845**	**6,189,694,709**	**(21,216,359)**	**51,946,486**
Transfer between reserve accounts	-	-	-	-	-	-
Death and Disability	403,906,700	-	-	-	403,906,700	-
Investment Return Allocated to Member Share Account	(6,171,139,199)	-	-	(6,171,139,199)	-	-
At end of year	**453,194,182**	**-**	**1,845**	**18,555,510**	**382,690,341**	**51,946,486**

16. AMOUNTS TO BE ALLOCATED

	30 June 2025	30 June 2024
	R	R
Investment related timing differences	83,504,278	61,817,624
Contributions allocated to members after year-end	194,732,026	207,998,664
Housing loan instalments allocated to members after year-end	47,010	121,813
Ovepaid Disability Benefit to be invested	-	(2,985,932)
Total amounts to be allocated	**278,283,314**	**266,952,169**

REPORT OF THE VALUATOR

Particulars of the preliminary financial condition of the Municipal Gratuity Fund as at 30 June 2025

1. **Net assets available for benefits.**

   R 43 608 155 000

2. **The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits.**

   R 43 608 155 000

3. **The actuarial present value of promised retirement benefits, split into vested and non-vested benefits.**

Share Account (Members' Fund Credits)	R	42 876 678 000
Amounts to be allocated	R	278 283 000
	R	43 154 961 000

4. **Contingency reserve account balances.**

Risk Account	R	382 690 000
Processing Account	R	18 556 000
Data and Operational Account	R	51 946 000
Reverted Unclaimed Benefits Account	R	2 000
Member Reserve Account	R	-
	R	453 194 000

5. **Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.**

   N / A

6. **Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.**

   N / A

7. **Any other particulars deemed necessary by the valuator for the purposes of this summary.**

   The interim actuarial valuation as at 30 June 2025 has not yet been concluded at the time of signing this Schedule HB report by the valuator. For actuarial valuation purposes, the balance in the Risk Reserve will be reduced with an estimated provision for claims incurred but not yet reported at the valuation date as well as a provision in respect of catastrophe cover. The suitability of the mortality and morbidity assumptions will also be reviewed as part of the valuation process and may be amended in light of the actual experience of the fund.

8. **A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.**

   The Fund was financially sound as at 30 June 2023 (the last statutory valuation date). Based on the preliminary results of the interim valuation being performed as at 30 June 2025, we have no reason to believe that the Fund will no longer be financially sound.

Prepared by me:

GERDA GROBLER
VALUATOR

Fellow of the Actuarial Society of South Africa
Fellow of the Faculty of Actuaries
In my capacity as the valuator of the fund and as an employee of Alexander Forbes Financial Services

3 October 2025

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SCHEDULE I

INDEPENDENT AUDITOR'S AGREED-UPON PROCEDURES REPORT TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY IN RESPECT OF THE AUDITED ANNUAL FINANCIAL STATEMENTS AND OTHER SPECIFIED INFORMATION IN THE GENERAL LEDGER AND MANAGEMENT INFORMATION COMPRISING THE ACCOUNTING RECORDS (THE "SUBJECT MATTER") OF MUNICIPAL GRATUITY FUND ("THE FUND") FOR THE YEAR ENDED 30 JUNE 2025

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report on the Subject Matter is provided in accordance with Section 15(1) of the Pension Funds Act, No. 24 of 1956 of South Africa (the "Act"), solely for the purpose of assisting the Financial Sector Conduct Authority (the "Authority") and Board of Fund in evaluating whether there are any instances of non-compliance with the requirements of the specified sections of the Act, Regulations of the Act, 1962 and the registered Rules of the Fund during the year ended 30 June 2025, and may not be suitable for another purpose. This report is intended solely for the Board of Fund and the Authority and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Fund and the Authority

The Board of Fund and the Authority have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Fund is responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised*), Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Board of Fund and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on Fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*). For the purpose of this engagement, there are no independence requirements with which we are required to comply.

The firm applies the International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described in the table below, which were agreed upon with the Board of Fund in respect of the audited annual financial statements and other specified information in the general ledger and management information comprising the accounting records of the Fund for the year ended 30 June 2025.

Unless otherwise indicated, all balances, lists, schedules and other relevant documents referred to in the table below relate to the accounts/balances reflected in the audited annual financial statements of the Fund for the year ended 30 June 2025.

Sample size and selection criteria

Unless otherwise stated in the procedure, the sample should be selected as follows:

Sort the list by member number or other numerical identifier, if no member number is applicable, and divide the total number of items on the list by the number of items to be selected, to obtain the variable rounded off to the nearest whole number (the "nth item"). Select a sample starting from the first to the nearest nth item on the list, then select every nth item until the required sample size is reached.

	Procedures	Findings
	Statement of Net Assets and Funds	
1.	**Investments**	
1.1	Obtain a list of all investments as at 30 June 2025 from the Fund administrator and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the audited annual financial statements as at 30 June 2025 and note any differences.	We obtained a list of investments as at 30 June 2025 from the Fund administrator and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 30 June 2025.
1.1.1	a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 30 June 2025. Where the auditor is unable to obtain these external confirmations, note this fact. b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the Fund administrator to translate the investment value to South African rands (ZAR) from the Fund administrator and recalculate the ZAR value using the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences. c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.	a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the as at 30 June 2025 b) For external confirmations that are in a foreign currency, we obtained the exchange rate applied by the Fund administrator to translate the investment value to South African rands (ZAR) from Fund administrator and recalculated the ZAR values of the investments per the external confirmations obtained and agreed the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1. c) For external confirmations that are in ZAR, we agreed the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1.
1.1.2	From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the Fund administrator, note new investments made during the year ended 30 June 2025. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in procedure 1.1, and perform the following procedures:	We inspected the list obtained in procedure 1.1, or inquired with the Fund administrator, and noted new investments made during the year ended 30 June 2025. We selected all new investments from the list of investments obtained in procedure 1.1, and performed the following procedures:
1.1.2.1	Inquire from the Fund administrator the date on which the investment policy statement of the Fund was last reviewed/approved by the Board of Fund. Note the date.	We inquired from the Fund administrator and noted that the investment policy statement of the Fund was last approved by the Board of Fund on 18 September 2024.
1.1.2.2	Obtain the latest approved policy statement from the Principal Officer. Inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.	We obtained the latest approved policy statement from the Fund administrator. We inspected the investment policy statement from the Fund administrator and the different categories of investments within the scope of the investment policy statement are as follows: • SA Cash • SA Nominal Bonds • SA Inflation Linked Bonds • SA Credit • Mezzanine Debt • Infrastructure (Renewable Energy) • SA / Global Listed Property • SA / Global Corporate Bonds • SA Listed Equity

	Procedures	Findings
1.1.2.3	Inspect the investment note 1 of the audited annual financial statements for the year ended 30 June 2025 and document the categories of investments that the Fund has invested in.	We inspected the investment note 1 of the audited annual financial statements for the year ended 30 June 2025 and the categories of investments that the Fund has invested in are as follows: • Commodities • Debt instruments including Islamic debt instruments • Equities • Insurance policies • Collective investment schemes • Hedge funds • Private equity funds • Other
1.1.2.4	Compare the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and note the instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and noted no instances where the investment categories per the audited annual financial statements do not agree with the investment policy statement.
1.2.1	Calculate the total value of direct investments held by the Fund in the participating employer as reflected in the investment note one of the audited annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the audited annual financial statements and note the calculated percentage.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note one of the audited annual financial statements.
1.2.2	Where the calculated percentage in procedure 1.2.1 exceeds 5%, obtain from the Fund administrator the exemption letter received by the Fund from the Authority for these investments. Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.	Not applicable.
1.3	**Section 19(5B) Investments** inquire from the principal officer about the matters specified below, as they relate to the year ended 30 June 2025 and note the following: i. any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and ii. Any loans have been granted to and investments were made in the shares of the following: a. A company controlled by an officer or a member of the Fund or a director of a company which is an employer participating in the scheme or arrangement whereby the Fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company. Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.	**Section 19(5B) Investments** We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2025. Based on our inquiries performed, we noted the following: i. There were no loans or guarantees granted to a member of the Fund; and ii. There were no loans granted to and investments made in the shares of the following: a. A company controlled by an officer or a member of the Fund or a director of a company which is an employer participating in the scheme or arrangement whereby the Fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.

	Procedures	Findings
1.4	**Section 19(5D) Investments** Inquire from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2025 and document the responses obtained: a. the Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at 30 June 2025, which resulted in the Fund exercising control over that entity, without obtaining the prior approval from the Authority; and b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.	**Section 19(5D) Investments** We inquired from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2025. based on our inquiries performed, the following responses were obtained: a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control. b. Not applicable.
2.	**Member individual accounts (defined contribution Funds as well as the defined contribution section of hybrid Funds)**	
2.1	Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2025 and as at 1 July 2024 from the Fund administrator, and perform procedure 2.3:	We obtained a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2025 and as at 1 July 2024 from the Fund administrator, and performed procedure 2.3:
2.2	Obtain a reconciliation of the total value of the list of member individual accounts as at 30 June 2025 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2025 from the Fund administrator. Note the reconciling items.	We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2025 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds from the Fund administrator.
2.3	Select a sample of the lesser of 50 or 10% of the number of members from the list of members at the end of the year obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for each member selected and for each of the following three months selected, based on the sample selection criteria described below: • August 2024; • January 2025; and • June 2025. Months sample is determined on a random sample basis using audit software IDEA.	We selected a sample of 50 members from the list of members at the end of the year obtained in procedure 2.1 for the following three months: • August 2024; • January 2025; and • June 2025, selected based on the following sample selection criteria agreed with the Fund. The sample was a random sample determined by the audit sample software IDEA for August 2024 and January 2025. June 2025 selected as the last month of the year. We performed the following procedures for each member and month selected:
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the Fund administrator and perform procedure 2.3.3.	We obtained from the Fund administrator, a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.
2.3.2	Obtain the remittance advice supplied by the participating employers to the Fund administrator for the respective months and perform procedure 2.3.3.	We obtained the remittance advice that indicates the allocation of contributions per member, supplied by the participating employers to the Fund administrator for the respective months, and performed procedure 2.3.3 below.

	Procedures	Findings
2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	The member and employer contributions obtained in procedure 2.3.1 agreed with the member and employer contributions obtained in procedure 2.3.2. An exception was note for 1 member selected from Ditsobotla Local Municipality, has not remitted any contributions to the fund on behalf of its member for the selected months of January 2025 and June 2025
2.4	Obtain the registered rules of the Fund from the Fund administrator and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance advice obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	We calculated the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance advice obtained in procedure 2.3.2. The calculated member and employer contribution rates agreed to the contribution rates per the rules of the Fund obtained in procedure 2.4.
2.5	Inquire from the Fund administrator whether the Fund is a unitised or non-unitised Fund and note the type of Fund.	We inquired from the Fund administrator whether the Fund is a unitised or non-unitised Fund and noted that the Fund is a unitised Fund.
2.5.1	**If the Fund is a unitised Fund, as noted in procedure 2.5:** For the sample of members selected in procedure 2.3, perform the following procedures:	For the members selected with unitised investment products, we performed the following procedures:
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the Fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the Fund administration system. Note any differences.	We recalculated the units allocated to the member for the specific month, as per the Fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. The recalculated units agreed to the units allocated to the member for the specific month, as per the Fund administration system.
2.5.1.2	Obtain an external confirmation of the unit prices from Investment managers throughout the year ended 30 June 2025. Note any exceptions of confirmations not obtained.	We obtained, as detailed below, a confirmation of the unit prices from the Fund administrator throughout the year ended 30 June 2025. External unit prices are not utilised by the Fund.
2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2 and note any differences.	We agreed the unit price per the administration system in 2.5.1.1 to the unit price per the confirmation in 2.5.1.2.
2.5.1.4	Recalculate the member's Fund credit as at 30 June 2025 by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's Fund credit per the listing obtained in procedure 2.1 and note any differences.	We recalculated the member's Fund credit as at 30 June 2025 by multiplying the number of units with the unit price, using both inputs as per the administration system. The recalculated amount agreed to the member's Fund credit per the listing obtained in procedure 2.1.
2.5.1.5	Agree the 30 June 2025 unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the investment managers in procedure 2.5.1.2 and note any differences.	The 30 June 2025 unit price as per the administration system used in procedure 2.5.1.1 agreed to the unit price obtained from the Fund administrator in procedure 2.5.1.2.

	Procedures	Findings
2.5.2	**If the Fund is a non-unitised Fund, as noted in procedure 2.5,** for the sample of members selected in procedure 2.3, perform the following procedures:	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.1	Obtain the [resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/Fund valuator] that indicates the rate of investment returns to be allocated to members from the Fund administrator.	Not applicable.
2.5.2.2	Inquire from the Fund administrator about how the investment returns as per [the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/Fund valuator] obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	Not applicable.
2.5.2.3	Recalculate the member's closing Fund credit as at 30 June 2025 by: • Taking the member's opening Fund credit from the opening listing obtained in procedure 2.1. • Adding the contributions allocated as per the administration system; and • Adding/subtracting the returns allocated to the member as calculated using the basis provided by Fund administrator obtained in procedure 2.5.2.2. • Agree the recalculated amount to the member's Fund credit per the closing listing obtained in procedure 2.1 and note any differences.	Not applicable.
2.6	**Switches** Obtain a list from the Fund administrator of the members who switched investment portfolios during the 30 June 2025 (including Lifestage switches). Select a sample of the lesser of 50 or 10% of the members who switched between investment portfolios during the year (selected based on the selection criteria provided above), and perform the following procedures:	**Switches** We obtained a list from the Fund administrator of the members who switched investment portfolios during the year-end (including Lifestage switches), selected a sample of 50 lifestage switches and 3 member-elected switches and performed the following procedures:
2.6.1	Obtain the service level agreement from the Fund administrator and note the following terms: • Days indicated to process a member-elected switch. • Timing to effect a Lifestage switch. • Fees deductible from the member individual accounts to process a switch.	We obtained the service level agreement from the Fund administrator. We noted the following terms: • 3 - 5 days to process a member elected switch • Automated and occurs quarterly to effect the Lifestage switches. • No switch fees were deductible from the member individual accounts to process a switch for the sample selected.
2.6.2	**Member-elected switches** For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the Fund administrator, and perform the following procedures:	**Member-elected switches** For member-elected switches included in the sample selected in procedure 2.6, we obtained the member's instruction to switch investment portfolios from the Fund administrator, and performed the following procedures:
2.6.2.1	Inspect the member's instruction for details of the required switch and note the following details per the instruction: • Date of receipt of the member's instruction by the Fund administrator; • Effective date of the switch; and • Investment portfolio to be switched into.	We inspected the member's instruction for details of the required switch and noted the following details per the instruction: • Date of receipt of the member's instruction by the Fund administrator; • Effective date of the switch; and • Investment portfolio to be switched into.

	Procedures	Findings
2.6.2.2	Inspect the member's Fund credit transactions from the administration system obtained from the Fund administrator and note the following details about the switch: • Date when the switch was processed by the Fund administrator; • Effective date of the switch; and • Investment portfolios switched into.	We inspected the member's fund credit transactions on the administration system obtained from the Fund administrator, and noted the following details about the switch: • Date when the switch was processed by the Fund administrator; • Effective date of the switch; and • Investment portfolios switched into.
2.6.2.3	Agree the effective date of the switch and the investment portfolios switched into, as noted in procedure 2.6.2.1, to the effective date of the switch and the investment portfolios switched into and noted in procedure 2.6.2.2 and note any exceptions with regard to the date of switch and/or the portfolios switched.	The effective date of the switch noted in procedure 2.6.2.1 agreed to the effective date of the switch noted in procedure 2.6.2.2. The investment portfolios switched into and noted in procedure 2.6.2.1 agreed to the investment portfolios switched into and noted in procedure 2.6.2.2.
2.6.2.4	Calculate the number of days taken to process the switch, using the following: • Date of receipt of the member's instruction by the Fund administrator noted in procedure 2.6.2.1. • Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2.	We calculated the number of days taken to process the switch, using the following: • Date of receipt of the member's instruction by the Fund administrator noted in procedure 2.6.2.1. • Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2.
2.6.2.5	Agree the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per the service level agreement in 2.6.1. Note any difference in timing where the number of days taken to process the switch is greater than the terms per the service level agreement.	We agreed the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per the service level agreement in 2.6.1. No instances were noted where the number of days taken to process the switch was greater than the terms per the service level agreement.
2.6.3	**Lifestage switches** Obtain the Fund's Lifestage investment strategy from the Fund administrator.	**Lifestage switches** We obtained the Fund's Lifestage investment strategy from the Fund administrator.
2.6.3.1	For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:	For Lifestage switches included in the sample, we performed the following procedures:
2.6.3.2	Inspect the member's Fund credit transactions on the administration system obtained from the Fund administrator and note the following details about the Lifestage switch: • Date when the Lifestage switch was processed by the Fund administrator; and • Investment portfolios switched into.	We inspected the member's Fund credit transactions on the administration system obtained from the Fund administrator and noted the following details about the Lifestage switch: • Date when the Lifestage switch was processed by the Fund administrator; and • Investment portfolios switched into.
2.6.3.3	Agree the investment portfolios switched into and noted in procedure 2.6.3.2 to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.	The investment portfolios switched into and noted in procedure 2.6.3.2 agreed to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.
2.6.3.4	Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per the service level agreement in 2.6.1. Note any difference in timing.	The timing of the Lifestage switch per 2.6.3.2 agreed with the terms per the client mandate between the administrator and the Fund in 2.6.1.
2.6.4	For all switches selected in procedure 2.6, inspect the member's record on the administration system for fees deducted for switches, and agree the fees deducted to the fee due in terms of the service level agreement (obtained in procedure 2.6.1). Note any differences.	Not applicable. For all the switches selected in procedure 2.6, we inspected the member's record on the administration system, and did not note any fees relating to switches that were deducted.

<table>
<tr><th></th><th>Procedures</th><th>Findings</th></tr>
<tr><td>2.7</td><td>Obtain the Asset Liability Match (“ALM”) reconciliation per investment portfolio as at 30 June 2025, from the Fund administrator and perform the following procedures:</td><td>We obtained the ALM reconciliation per investment portfolio as at year-end from the Fund administrator and performed the following procedures:</td></tr>
<tr><td>2.7.1</td><td>Obtain a reconciliation of the total investment balance per investment portfolio, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. Note any reconciling items.</td><td>We obtained a reconciliation of the total investment balance per investment portfolio, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. The following reconciling items were noted.
<table>
<tr><td>Total investments as per the ALM reconciliation</td><td>43,572,502,240</td></tr>
<tr><td>Total investments as per the list of investments</td><td>44,200,079,682</td></tr>
<tr><td>2 day price lag</td><td>- 627,577,442</td></tr>
</table></td></tr>
<tr><td>2.7.2</td><td>Obtain a reconciliation of the total member individual accounts value per investment, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1. from the Fund administrator.
Note any reconciling items.</td><td>We obtained a reconciliation of the total member individual accounts value per investment portfolio, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1 from the Fund administrator. The following reconciling items were noted.
<table>
<tr><td>Total Member Fund credit per ALM</td><td>43,566,433,672</td></tr>
<tr><td>Total Member individual acccount per closing share of fund</td><td>42,876,677,501</td></tr>
<tr><td>Difference</td><td>689,756,171</td></tr>
</table></td></tr>
<tr><td>2.7.3</td><td>Inspect the total difference between assets and liabilities reflected on the ALM and note whether the variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.</td><td>We inspected the total difference between assets and liabilities reflected on the ALM and noted that the variance is not larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.</td></tr>
<tr><td>3</td><td>Accumulated Funds (for defined benefit Funds as well as defined benefit sections of hybrid Funds)</td><td></td></tr>
<tr><td>3.1</td><td>Obtain a list of defined benefit members as at 30 June 2025 from the Fund administrator and perform the following procedures:</td><td>Not applicable. The Fund is a defined contribution Fund.</td></tr>
<tr><td>3.2</td><td>Select a sample of the lesser of 50 or 10% of the number of defined benefit members at 30 June 2025 from the list of members provided by the Fund administrator (selected based on the selection criteria provided above).
Perform the following procedures for each member, for each of the following three months:</td><td>Not applicable.</td></tr>
<tr><td>3.2.1</td><td>Obtain a list of the member contributions received and allocated for the respective months on the administration system from the Fund administrator.</td><td>Not applicable.</td></tr>
<tr><td>3.2.2</td><td>Obtain the remittance advice supplied by the participating employers to the Fund administrator for the respective months.</td><td>Not applicable.</td></tr>
<tr><td>3.2.3</td><td>Agree the member contributions received and allocated as obtained in 3.2.1 with 3.2.2 and note any differences.</td><td>Not applicable.</td></tr>
</table>

	Procedures	Findings
3.2.4	Calculate the member contribution rates for each member selected by dividing the contribution by the salary per the remittance advice obtained in procedure 3.2.2. Agree the calculated member contribution rate(s) to the rate(s) noted in rule [insert the rule number of the registered rules of the Fund] obtained in procedure 2.4 and note any differences.	Not applicable.
3.3	Inquire from the Fund administrator when the actuarial valuation of the Fund was last performed and approved by the Board of Fund. Note the date of the last valuation and when it was approved by the Board of Fund.	Not applicable.
3.4	Obtain the actuarial valuation report of the Fund from the Fund administrator and inspect the actuarial valuation report for the employer contribution rate recommended by the valuator. Note the employer contribution rate recommended by the actuary in the report.	Not applicable.
3.5	Calculate the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the remittance advice obtained in procedure 3.2.2. Agree the calculated employer contribution rates to the rate per actuarial valuation report obtained in procedure 3.4. Note any differences.	Not applicable.
4	**Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)**	
4.1	Inspect the latest actuarial valuation report obtained in procedure 3.4 for (a) Section(s) 15B and 15C surplus apportionment. If applicable, note the surplus apportionment amount/value.	Not applicable. We noted no Section(s) 15B and 15C surplus apportionment in the actuarial valuation report obtained in procedure 12.3.1.
4.1.1	If a surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the minutes of meetings of the Board of Fund from Fund administrator and inspect for the approval of the Section 15B and 15C surplus.	Not applicable.
4.1.2	If a Section 15B surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the approval of the Authority for the Section 15B surplus from the Fund administrator.	Not applicable. No Section 15B surplus apportionment was recommended by the actuary per the actuarial valuation report in procedure 4.1.
4.2	**Surplus apportionment allocation** Obtain a list of the approved surplus allocations to active and/or former members and/or pensioners in the current year noted in procedure 4.1, from the Fund administrator, and perform the following procedures:	**Surplus apportionment allocation** Not applicable. No surplus allocations to active and/or former members in the current year were noted in procedure 4.1.
4.2.1	**Active members:** Select a sample of the lesser of 50 or 10% of the number of active members to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	**Active members:** Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.

	Procedures	Findings
4.2.1.1	Inspect the listing for the date of allocations to active members in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable
4.2.1.2	Agree the surplus amount allocated as per the listing (including investment return) in the current year per member to the allocation on the member records per the administration system and note any differences.	Not applicable.
4.2.2	**Former members and pensioners allocations:** select a sample of the lesser of 50 or 10% of the number of former members and/or pensioners to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	**Former members and pensioners allocations:** Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.2.1	Inspect the listing for the date of allocations to former members and pensioners in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable.
4.2.2.2	Agree the surplus amount allocated (including the investment return) in the current year per former member and/or pensioner to the allocation on the member records per the administration system and note any differences.	Not applicable.
4.2.3	In respect of Section 15B surplus apportionments noted in procedure 4.1, inquire from the Fund administrator and/or inspect [include details of the document inspected] whether the Fund has maintained the Section 15B surplus apportionment for former members who could not be traced in a contingency reserve account and note the response.	Not applicable. We noted no Section 15B surplus apportionments in procedure 4.1.
4.3	**Surplus apportionment payments:** Obtain a list of all surplus apportionment payments made to members during the year from the Fund administrator and select a sample of the lesser of 50 or 10% of the number of payments (selected based on the selection criteria provided above) and perform the following procedures:	**Surplus apportionment payments:** Not applicable. No surplus apportionment payments were made to members during the year.
4.3.1	Agree the amount paid to the member as per the list of surplus apportionment payments obtained in procedure 4.3 to the member's record on the administration system and note any differences.	Not applicable.
4.3.2	Obtain the [insert the name of the document(s) that indicates authorisation of the payment] from the Fund administrator and agree the amount authorised to the amount paid as per the list of surplus apportionment payments obtained in procedure 4.3. Note any differences.	Not applicable.

	Procedures	Findings
5	**Member and employer surplus accounts**	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account (including debit and credit transactions) for the period as disclosed in the member and employer surplus note to the audited annual financial statements from the Fund administrator, and perform the following procedures:	Not applicable. No member and/or employer surplus accounts were noted.
5.1.1	Inspect the registered rules of the Fund as obtained in procedure 2.4 and note the debit and credit transactions allowed in the member and employer surplus accounts listed in rule.	Not applicable.
5.1.2	Compare the description of all of the debit and credit transactions allocated to the member and/or employer surplus accounts per the analysis obtained in procedure 5.1 to the categories of transactions that are permitted to be allocated to surplus accounts as noted in procedure 5.1.1. Note any exceptions.	Not applicable. No member and/or employer surplus accounts were noted.
6	**Reserves**	
6.1	Obtain a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 15 to the audited annual financial statements from the Fund administrator, and perform the following procedures:	We obtained a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 15 to the audited annual financial statements from the Fund administrator, and performed the following procedures:
6.1.1	Inspect the registered rules of the Fund obtained in procedure 2.4 and note the reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserves and other related accounts (e.g. pensioner accounts) listed in rule number 30 of the registered rules.	We inspected the registered rules of the Fund obtained in procedure 2.4 and noted reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserve and other related accounts (e.g. pensioner accounts) listed in rule 30 of the registered rules.
6.1.2	Compare the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserves and other related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	We compared the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserve and other related accounts permitted as noted in procedure 6.1.1 and found no exceptions.
6.1.3	Compare the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in procedure 6.1 above, to the categories of transactions that are permitted to be allocated to the reserves and other related accounts as noted in procedure 6.1.1. Note any exceptions.	We compared the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in 6.1 above, to the categories of transactions that are permitted to be allocated to reserves and other related accounts as noted in procedure 6.1.1 and found no exceptions

<table>
<tr><th></th><th>Procedures</th><th>Findings</th></tr>
<tr><td>7</td><td>Other assets, liabilities and guarantees</td><td></td></tr>
<tr><td>7.1</td><td>Housing loans
Obtain a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at 30 June 2025 from the Fund administrator, and perform the following procedure:</td><td>Housing loans
We obtained a list of housing loans (comprising previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at 30 June 2025 from the Fund administrator, and performed the following procedure:</td></tr>
<tr><td>7.1.1</td><td>Agree the total value of housing loans on the above list to the corresponding amount disclosed in the housing loans note 4.1 to the audited annual financial statements. Note any differences.</td><td>The total value of housing loans on the above list did not agree to the corresponding amount disclosed in the housing loans note 4.1 to the audited annual financial statements.
<table>
<tr><th>Value of housing loans granted per listing</th><th>Value of housing loans granted per AFS</th><th>Difference</th></tr>
<tr><td>3,087,534</td><td>2,697,378</td><td>390,156</td></tr>
</table>
The difference related to timing differences of cash receipts as well as over and under payments.</td></tr>
<tr><td>7.2</td><td>From the list in 7.1, select a sample of the lesser of 50 or 10% of the number of members' housing loans (sample to include a combination of new and previously issued loans and selected based on the selection criteria provided above), and perform the following procedures:</td><td>From the list in 7.1, we selected a sample of 24 members' housing loans (which includes a combination of new and previously issued loans), and performed the following procedures:</td></tr>
<tr><td>7.2.1</td><td>For new housing loans issued, perform the following procedures:</td><td>Not applicable. No new housing loans were granted.</td></tr>
<tr><td>7.2.1.1</td><td>Obtain the home loan agreement from the Fund administrator and inspect the agreement for the loan amount and date of granting of the loan.</td><td>We obtained the home loan agreement from the Fund administrator and inspected the agreement for the loan amount and date of granting of the loan.
An exception was noted that contracts for 15 of the sampled members could not be provided.</td></tr>
<tr><td>7.2.1.2</td><td>Agree the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1. Note any differences.</td><td>We agreed the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1.
An exception was noted that contracts for 22 of the sampled members could not be provided.</td></tr>
<tr><td>7.2.1.3</td><td>Inspect the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule 16.1 and/or the home loan agreement and note the percentage.</td><td>We inspected the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule 16.1 of the registered rules and the home loan agreement and noted 50%.</td></tr>
<tr><td>7.2.1.4</td><td>Obtain the member individual account balance at the date of granting the loan from the Fund administrator.
Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.2.1.3. Note any differences.</td><td>We obtained the member individual account balance at the date of granting the loan from the Fund administrator.
We divided the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1.
No instances were noted where the percentage calculated exceeded the maximum allowable percentage noted in 7.2.1.3.</td></tr>
<tr><td>7.2.2</td><td>For all loans selected in 7.2, inspect the member's home loan movement report from the administration system obtained from the Fund administrator for the interest rate(s) used and agree the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.</td><td>For all loans selected in 7.2, we inspected the member's home loan movement report from the administration system obtained from the Fund administrator for the interest rate(s) used and agreed the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website.</td></tr>
</table>

	Procedures	Findings
7.2.3	Obtain the National Credit Act (NCA) registration certificate from the Fund administrator and/or inspect the NCA website for the Fund's name and registration number as evidence that the Fund is registered as a credit provider under the National Credit Act, 2005 ("the NCA").	The Fund was registered as a credit provider under the National Credit Act (NCA). The NCA website was inspected for the Fund's name and registration number as evidence of the registration of the Fund as a credit provider under the NCA.
7.3	**Housing loan guarantees** Obtain the loan agreement between the Fund and the financial institution from the Fund administrator. Inspect the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule 30 and note the percentage.	**Housing loan guarantees** We obtained the loan agreement between the Fund and the financial institution from the Fund administrator. We inspected the loan agreement as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in the loan agreement with the following institutions: Standard Bank 50% FNB 45% Participating Employers Not specified
7.3.1	**Defined contribution Funds** Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2025 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the number of housing loan guarantees (selected based on the selection criteria provided above), and perform the following procedures:	**Defined contribution Funds** We obtained the list of housing loan guarantee balances granted to members from the loan provider as at 30 June 2025 from the Fund administrator, selected a sample of 50 of the housing loan guarantees, and performed the following procedures:
7.3.2	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	We inspected the member's record on the administration system and noted that the member's record was flagged as having a housing loan guarantee.
7.3.3	Divide the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.3. Note any differences.	We divided the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1. No instances were noted. where the percentage calculated exceeded the maximum allowable percentage noted in 7.3:
7.4	**Defined benefit Funds** Obtain a list of housing loan guarantees granted to defined benefit Fund members from the loan provider as at 30 June 2025 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the number of new housing loan guarantees issued in the current year (selected based on the selection criteria provided above), and perform the following procedures:	**Defined benefit Funds** Not applicable. The Fund is defined contribution Fund.
7.4.1	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable.
7.4.2	Obtain the withdrawal benefit calculated by the Fund administrator as at the date of issuing of the guarantee, and perform the following procedure:	Not applicable.
7.4.3	Recalculate the percentage by dividing the loan amount granted, as noted on the listing in procedure 7.4, with the amount noted on the withdrawal benefit noted in procedure 7.4.2 and note where the percentage calculated exceeds the maximum allowable percentage noted in procedure 7.3. Note any exceptions.	Not applicable.

<table>
<tr><th></th><th>Procedures</th><th>Findings</th></tr>
<tr><td></td><td>Statement of Changes in Net Assets and Funds</td><td></td></tr>
<tr><td>8</td><td>Contributions</td><td></td></tr>
<tr><td>8.1</td><td>Obtain a list of the number of pay points, from the Fund administrator, that reconciles to the contributions note 10 of the audited annual financial statements and select a sample of the lesser of 50 or 10% of the number of pay points (selected based on the selection criteria provided above), and for each pay point perform the following procedures for each of the three months selected under procedure 2.3 and/or 3.2:</td><td>We obtained a list of the number of pay points from the Fund administrator that reconciled to the contributions note 10 of the audited annual financial statements and selected a sample of 11 of the number of pay points, and performed the following procedures for the three months selected under procedure 2.3 and/or 3.2:</td></tr>
<tr><td>8.2</td><td>Agree the total amount of the list above to the general ledger account number 2100, 2101, 2102 and 2120 and note any differences.</td><td>The total amount of the list above agreed to the general ledger account number 2100, 2101, 2102 and 2120.</td></tr>
<tr><td>8.3</td><td>For the pay points selected in procedure 8.1 above, obtain the bank statements from the Fund administrator and inspect the bank statements for a description/identification of the bank where the contributions were deposited, and perform the following procedures:</td><td>For the pay points selected in procedure 8.1 above, we obtained the bank statements from the Fund administrator and inspected the bank statements for a description/identification of the bank where the contributions were deposited, and performed the following procedures:</td></tr>
<tr><td>8.3.1</td><td>Agree the total contribution amount per the documentation received in procedure 2.3.2 and/or 3.2.2 to the total amount reflected on the bank statement obtained in procedure 8.3 and note any differences.</td><td>We agreed the total contributions amount per the documentation received procedure 2.3.2 to the total amount reflected on the bank statement obtained in procedure 8.3. We noted the following exceptions on amount received:
<table>
<tr><th>Month Selected</th><th>Contributions pre Remittance</th><th>Contributions received</th><th>(Over) Under contribution</th></tr>
<tr><td colspan="4">Matlosana Municipality</td></tr>
<tr><td>Aug-24</td><td>6,656,402</td><td>6,780,133</td><td>(123,731)</td></tr>
<tr><td colspan="4">Thulamela Municipality</td></tr>
<tr><td>Aug-24</td><td>1,617,719</td><td>1,090,824</td><td>526,895</td></tr>
<tr><td colspan="4">Ekurhuleni Metro Municipality Benoni</td></tr>
<tr><td>Jan-25</td><td>14,223,494</td><td>14,302,070</td><td>(78,576)</td></tr>
</table></td></tr>
<tr><td>8.3.2</td><td>Inspect the date of receipt of the contributions as per the bank statements obtained in procedure 8.3 and note the dates and number of contributions received after seven days of the following month. Note any exceptions.</td><td>No instances were noted where contributions were received after 7 days for the sampled participating employers.</td></tr>
<tr><td>8.3.3</td><td>For the exceptions noted in 8.3.2 above (receipts after seven days), inquire from the Fund administrator whether Late Payment interest has been raised in terms of Regulation 33 of the Act.</td><td>Not applicable.</td></tr>
<tr><td>9.</td><td>Benefits</td><td></td></tr>
<tr><td>9.1</td><td>Obtain a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2025 from the Fund administrator, and perform the following procedure:</td><td>We obtained a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2025 from the Fund administrator, and performed the following procedure:</td></tr>
<tr><td>9.1.1</td><td>Agree the list of lump sum benefits per exit type to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. Note any differences.</td><td>The list of lump sum benefits per exit type agreed to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator.</td></tr>
</table>

	Procedures	Findings
9.2	Select a sample of the lesser of 50 or 10% of the total number of lump sum benefits (as per the selection criteria noted above) pro-rated on the number of exits per exit type from the list. Obtain the member statements from the administration system and perform the following procedures on the samples selected:	The following number of samples was selected per exit type, pro-rated on the number of exits: • Withdrawals -10 • Retirement -21 • Deaths - 6 • Divorce - 15 • Disability - 1 • Two-pot withdrawals -41 We obtained the member statements from the administration system and performed the following procedures on the sample selected:
9.2.1	For each selected benefit, compare the following fields: • gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit to the administration system and the signed member exit form and SARS Tax Directives determined by the procedures of the Fund. Note any differences. **Exit date**: i. Agree the exit date per the member's withdrawal form obtained from the Fund administrator to the exit date reflected on the administration system. Note any differences. **Tax amount:** i. Agree the tax amount related to the benefit per the Tax directive obtained from the Fund administrator ii. to the tax amount deducted as reflected on the administration system. Note any differences.	We compared each benefit selected to the administration system and the signed member exit form, and SARS Tax Directives inspected in accordance with the procedures of the Fund for the following fields: • the gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit. We noted no differences. **Exit date:** i. The exit date as reflected on the member's withdrawal form obtained from the Fund administrator agreed to the exit date reflected on the administration system. **Tax amount**: The tax amount related to the benefit per the tax directive obtained from the Fund administrator and agreed to the tax amount deducted as reflected on the administration system.
9.2.2	• For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds): ○ Note the portion of the benefit that had been reinsured as reflected on the administration system. ○ Obtain a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the Fund administrator. ○ Recalculate the reinsurance proceed amount by multiplying the member's latest salary with the factor both that can be obtained from the member's record on the administration system and compare the recalculated amount with the amount on the confirmation letter and note any differences. ○ Obtain a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the period/year, from the Fund administrator and agree the amount per the confirmation letter obtained above to the listing, and note any exceptions.	Not applicable.

	Procedures	Findings
9.2.3	**For a defined benefit fund and hybrid funds with a defined benefit underpin:** Obtain the gross benefit as calculated by the Fund Actuary from the Fund administrator. Agree the gross benefit amount from 9.2.1 to the gross benefit from the calculation obtained. Note any differences. **For a defined contribution Fund:** For members who were active during the period/year ended, perform the following procedures: i. Obtain the opening Fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that monthly contributions were added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements and note any differences. iv Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable). **For members who were paid up and/or deferred:** i. Obtain the opening Fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that interest was added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements, and note any differences. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable).	**For a defined benefit fund and hybrid funds with a defined benefit underpin:** Not applicable. **For a defined contribution Fund:** For members who were active, we performed the following procedures: i. We obtained the opening Fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. We inspected the member records on the administration system and noted that monthly contributions up to the date of exit as per 9.2.1 were added to the member record. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator. The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. No differences were identified. **For members who were paid up and/or deferred:** i. We obtained the opening Fund credit amount as at the beginning of the year from the member record on the administration system. ii. We noted that interest for the period up to the date of exit as per 9.2.1 were added to the member record as per the administration. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. No differences were identified.
9.2.4	In cases where a Fund has a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution) and the member was due a surplus amount as per the surplus account listing noted in 4.2, inspect the member's Fund credit transactions on the administration system obtained from the Fund administrator to note that the member record was updated with the surplus amount.	Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).
9.3	Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2025 from the Fund administrator, and select a sample of the lesser of 50 or 10% of the total number of benefits from the list (selected based on the selection criteria provided above), and perform the following procedure:	We obtained a list of the current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at year-end from the Fund administrator selected a sample of 50 the total number of benefits from the list, and performed the following procedure:

	Procedures	Findings
9.3.1	For the sample selected above, (excluding death benefits), calculate the number of months that benefit has been unpaid, using the date of exit as the starting month. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions, if incorrectly classified.	For the sample selected, we calculated the number of months that the benefit has been unpaid, using the date of exit as the starting month and noted the following: An exception was noted for one member classified as a benefit payable instead of an unclaimed benefit.
9.3.2	For the sample selected above relating to death benefits, calculate the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions if incorrectly classified.	For the sample selected relating to death benefits, we calculated the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator and noted the following: No exceptions were noted where the benefits were not classified in the correct category.
10	**Transfers**	
10.1	Obtain separate lists of Section 14 transfers to and from the Fund throughout the year from the Fund administrator and agree the totals of the lists to the amounts reflected in the “Transfers into the Fund” and “Transfers from the Fund” notes 6 and 7 to the audited annual financial statements. note any differences.	Not applicable. There were no Section 14 transfers to and from the Fund.
10.2	From the list of Section 14 transfers to and from the Fund throughout the year, select a sample of the lesser of 50 or 10% of the number of transfers in and the lesser of 50 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable.
10.2.1	Obtain the following Section 14 documentation from the Fund administrator: a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G in respect of each transfer; and/or b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed. Agree the following information per the listings to the documentation received: • Name of transferor/transferee Fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. Note any exceptions.	Not applicable.

	Procedures	Findings
10.2.2	Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator. Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement. Note any exceptions, where the Section 14 transfers to and from the Fund were: • Not received/paid within 60 days of Authority approval for Section 14(1) transfers; • Not received/paid within 180 days from the effective date for Section 14(8) transfers; and • Not received/paid within the period as noted in the blanket transfer documentation, but not after 60 days from the blanket transfer end date.	Not applicable.
10.2.3	Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	Not applicable.
10.3	From the list of Section 14 transfers from other Funds, as per procedure 10.2, select a sample of the lesser of 50 or 10% of the number of members (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable.
10.3.1	**In respect of unitised Funds** Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any differences. **In respect of non-unitised Funds** Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.	**In respect of unitised Funds** Not applicable. **In respect of non-unitised Funds** Not applicable.
10.4	**Individual transfers in** Obtain the list of individual transfers in throughout the year ended 30 June 2025 from the Fund administrator, select a sample of the lesser of 50 or 10% of the number of individual transfers (selected based on the selection criteria provided above), and perform the following procedures:	**Individual transfers in** We obtained the list of individual transfers in throughout the year ended 30 June 2025 from the Fund administrator, selected a sample of 1 of the number of individual transfers, and performed the following procedures:
10.4.1	Obtain the recognition of transfer documentation submitted by the transferor Fund to the Fund from the Fund administrator. Agree the effective date and amount transferred to the recognition of transfer documentation. Note any exceptions.	We obtained the recognition of transfer documentation submitted by the transferor Fund to the Fund from the Fund administrator. The effective date and amount transferred agreed to the recognition of transfer documentation.

	Procedures	Findings
10.4.2	**In respect of unitised Funds** Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by using the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any exceptions. **In respect of non-unitised Funds** Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.	**In respect of unitised Funds** We recalculated the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. The recalculated units agreed to the units per the administration system. **In respect of non-unitised Funds** Not applicable.
10.5	**Unclaimed benefit payments** Obtain a list of unclaimed benefits paid during the year from the Fund administrator, and perform the following procedures:	**Unclaimed benefit payments** Not applicable. There were no unclaimed benefit payments in the year.
10.5.1	Agree the total of the list of payments to the respective general ledger unclaimed benefit accounts reconciliation prepared by the Fund administrator.	Not applicable.
10.5.2	Select a sample of the lesser of 50 payments or 10% of the total number of unclaimed benefits paid from the list (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable.
10.5.2.1	For each selected unclaimed benefit paid, compare the following fields as reflected on the Fund administrator's listing: • Gross benefit amount; • Tax amount; and • Late payment interest (if applicable) to the administration system and the signed member exit form and SARS Tax Directives.	Not applicable.
10.6	**Unclaimed benefit transfers** Obtain a list of unclaimed benefits Section 14 transfers during the year from the Fund administrator and from the list of unclaimed benefits Section 14 transfers paid/accrued from the Fund throughout the year, select a sample of the lesser of 50 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:	**Unclaimed benefit transfers** Not applicable.
10.6.1	Obtain the following Section 14 documentation from the Fund administrator: a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G, in respect of each transfer; and/or b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed. Agree the following information per the listings to the documentation received: • Name of transferor/transferee Fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. Note any exceptions.	Not applicable.

	Procedures	Findings
10.6.2	Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator. Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement. Note any exceptions where the unclaimed benefits Section 14 transfers from the Fund were: • Not paid within 60 days of Authority approval for Section 14(1) transfers; and • Not paid within 180 days from the effective date for Section 14(8) transfers.	Not applicable.
10.6.3	Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	Not applicable.
11	**Pensioners paid**	
11.1	Obtain the pensioner payment reconciliation (inclusive of in-Fund annuities purchased in the name of the Fund and living annuities) for pensions reflected as expenses in the Benefits note 6 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2025, and perform the following procedures:	Not applicable. The Fund did not make pensioner payments.
11.1.1	Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account. Note any differences and/or unexplained reconciliation items.	Not applicable.
11.2	**In-Fund pensioners** Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number and monthly pension amount for the year ended 30 June 2025 from the Fund administrator and agree the total pensions amount paid to the total pension amount paid on the reconciliation obtained in procedure 11.1. From the above list, select a sample of the lesser of 50 or 10% of the number of pensioners (selected based on the selection criteria provided above) and perform the following procedures:	**In-Fund pensioners** Not applicable.
11.2.1	Obtain the Board of Fund minutes or resolution from the Fund administrator, and note the pension increase percentage and the effective date of the pension increase.	Not applicable.
11.2.2	Inspect the administration system or observe the Fund administrator indicating on the administration system the pension increase granted to the pensioners. Note the percentage increase granted to the pensioners and the effective date of the pension increase.	Not applicable.

	Procedures	Findings
11.2.3	Agree the percentage increase and effective date noted in procedure 11.2.1 to the percentage increase and effective date noted in procedure 11.2.2.	Not applicable.
11.2.4	Inquire from the Fund administrator when the most recent (closest to 30 June 2025 of the Fund) Certificate of Existence that indicates the alive status of the pensioners was obtained for the Fund and note the date.	Not applicable.
11.2.5	Obtain the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioners' names and/or identification numbers of the sample of pensioners.	Not applicable.
11.3	**Annuities purchased in the name of the Fund** Obtain an external confirmation from the annuity providers summarising the movements from the opening market value to the closing market value for the year, and perform the following procedures:	**Annuities purchased in the name of the Fund** Not applicable.
11.3.1	Agree the closing market value of the annuity per the external confirmation from the annuity providers to the annuities purchased general ledger account. Note any differences.	Not applicable.
11.3.2	Agree the pension expense per the external confirmation from the annuity providers to the pension expense on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Not applicable.
11.4	**Living annuities in the Fund** Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator and agree the total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity to the pension amount paid on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	**Living annuities in the Fund** Not applicable.
11.4.1	**New Living annuities in the Fund** From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 50 or 10% of the number of new pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	**New Living annuities in the Fund** Not applicable.
11.4.1.1	Obtain the [insert the name of the document reflecting the pensioners' chosen drawdown rate at retirement] of the new pensioners in receipt of a living annuity.	Not applicable.
11.4.1.2	Agree the drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 to the drawdown rate obtained in procedure 11.4.1.1, Note any differences.	Not applicable.

	Procedures	Findings
11.4.2	**All living annuities in the Fund** From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 50 or 10% of the number of pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	**All living annuities in the Fund** Not applicable.
11.4.2.1	Compare the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities. Note any exceptions where the drawdown rate, as per the administration system, is higher or lower than the one defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.	Not applicable.
11.4.2.2	Recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. Agree the recalculated drawdown rate to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2. Note any exceptions.	Not applicable.
11.4.2 .3	Obtain the Certificate of Existence noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioner's name and/or identification number. Note any exceptions.	Not applicable.
12	**General**	
12.1	Obtain a copy/copies of the Fund's fidelity insurance cover/policy from the Fund administrator for the year ended 30 June 2025 and inspect the period of the cover (start date and end date). Note instances where the cover period does not extend to the period/year-end. Note the date on which the cover is in place.	We obtained a copies of the Fund's fidelity insurance policy from the Fund administrator and inspected the period of the cover. The cover commenced 1 July 2024 to 30 June 2025. The period of the cover per the policy extended to the year-end. The Fund's fidelity insurance cover was in place until 31 December 2025.
12.2	Inquire from the Fund administrator the date(s) of the latest approved Group Life Assurance (GLA) and/or disability benefit policies of the Fund and note the period of cover(s) and whether the cover(s) extended subsequently to the 30 June 2025. Note the end date of the cover(s).	Not applicable. The Fund did not have GLA and/or disability benefit policies.
12.3	Inquire from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority. Note the date of the valuation and the date of submission to the Authority. Where the Fund is valuation exempt, inquire from the Fund administrator when the valuation exemption was approved by the Authority and note the date.	We inquired from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority and noted that the date of the valuation 30 June 2023 and it was submitted to the Authority on the 15 February 2024.
12.3.1	Obtain a copy of the latest statutory valuation from the Fund administrator, as noted in procedure 12.3, and inspect the valuation note for the Funding status of the Fund (whether the Fund was under-Funded or fully Funded).	We obtained the latest statutory valuation from the Fund administrator as noted in procedure 12.3, and inspected the valuation note for the Funding status of the Fund. We noted that the Funding status was fully Funded.

	Procedures	Findings
12.3.2	Where the Fund is under-Funded per the valuation report, inquire from the Fund administrator; as to whether a scheme, as required in terms of Section 18 of the Act, has been approved by the Authority. Note any exceptions.	Not applicable.
12.3.3	Where a scheme as required by Section 18 of the Act has been approved by the Authority, inquire from the Fund administrator, as to whether the recommendations/corrective action of the scheme, as required in terms of Section 18 of the Act, have/has been implemented. Note any exceptions.	Not applicable.

BDO South Africa Inc.
Registered Auditors

Per: MI Lockhat
Director
Registered Auditor

28 October 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2025

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Non-compliant Insurance polices Note M2	Total	Local	Foreign	Total Foreign	Total % of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	2,380,080,186	1,044,549,667	155,013,761	3,579,643,614	2,788,436,218	791,207,396	791,207,396	22.10	3,579,643,614
Commodities	B	49,108,786	103,727,358	-	152,836,144	77,115,040	75,721,104	75,721,104	49.54	152,836,144
Housing loans		2,697,378	-	-	2,697,378	2,697,378	-	-	-	2,697,378
Debt instruments including Islamic debt Instruments	C	6,120,099,662	4,686,313,652	1,981,602,823	12,788,016,137	10,916,165,148	1,871,850,989	1,871,850,989	14.64	12,788,016,137
Investment and owner occupied properties	D	1,672,427,625	946,210,212	-	2,618,637,837	1,691,838,957	926,798,880	926,798,880	35.39	2,618,637,837
Equities	E	11,940,272,466	10,853,546,529	1,791	22,793,820,786	11,632,147,975	11,161,672,811	11,161,672,811	48.97	22,793,820,786
Other assets	I	-	69,202	(1,134,049)	(1,064,847)	(1,134,049)	69,202	69,202	(6.50)	(1,064,847)
Hedge Funds	J	1,713,370,246	-	-	1,713,370,246	1,713,370,246	-	-	-	1,713,370,246
Private Equity Funds	K	1,096,218,655	-	-	1,096,218,655	849,446,873	246,771,782	246,771,782	22.51	1,096,218,655
Entities regulated ito Reg 28(8)(b)(ii)		-	-	-	-	-	-	-	-	-
Total investments		**24,974,275,004**	**17,634,416,620**	**2,135,484,326**	**44,744,175,950**	**29,670,083,786**	**15,074,092,164**	**15,074,092,164**	**33.69**	**44,744,175,950**

A CASH

Instrument Local	Fair Value R
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	**2,370,156,035**
List issuers/ entities which exceeds 5% of total assets	
Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets	848,581,137
Total of issuers exceeding 5%	-
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets	1,491,885,685
Any positive net balance in a margin account with an exchange - exceeding 5% of total assets	16,620,727
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets - exceeding 5% of total assets	13,068,486
Foreign	
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	**9,924,151**
List issuers/entities which exceeds 5% of total assets	
Any balance or deposit held with a foreign bank - exceeding 5% of total assets	9,924,151
Total	**2,380,080,186**

B COMMODITIES

Instrument	Holding number	Holding %	Fair value R
Local			
Gold (including Kruger Rands)			
	-	0.08	37,857,587
			37,857,587
Other		**Holding %**	
Platinum - local	-	0.03	11,251,199
			11,251,199
			49,108,786
Total			**49,108,786**

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic					
Eskom Ltd	Local	Secured	Guaranteed		39,586,708
Republic Of South Africa - Government Bonds	Local	Secured	Guaranteed		3,244,348,115
SA National Roads Agency Ltd	Local	Secured	Guaranteed		32,661,256
Transnet SOC Ltd	Local	Secured	Guaranteed		5,171,003
Total					3,321,767,082
Debt instruments issued or guaranteed by the government of a foreign country:					
					13,613,778
Total					13,613,778
Bank debt :					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-					
Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed					
					909,800,386
Total					909,800,386
Not listed on an exchange					
					25,532,665
Total					25,532,665
Public debt:					
Debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-					
Airports Company of South Africa Limited (ACSA)	Local	Secured	Guaranteed		5,267,449
Development Bank of South Africa	Local	Secured	Guaranteed		16,535,129
Transnet Limited	Local	Secured	Guaranteed		43,394,826
Rand Water	Local	Secured	Guaranteed		3,945,692
Total					69,143,096
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
	Local	Secured	Issued		186,474,213
Total					186,474,213
Not listed on an exchange					
					325,732,062
Total					325,732,062

MUNICIPAL GRATUITY FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2025

Corporate debt (excluding debentures) - continued:

Other	
Listed on an exchange:	
	433,580,566
Total	433,580,566
Not listed on an exchange	
Green X Renewable Energy Fund I	208,669,988
Green X Renewable Energy Fund II	359,467,662
Green X Renewable Energy Fund III	65,489,319
African Port Logistics and Infrastructure (Pty) Ltd	9,056,330
Clover Capital (Pty) Ltd	34,127,423
Comztek Capital (Pty) Ltd	13,134,280
Enyukas Pty Ltd	12,660,426
Obaro South Africa	9,020,403
Scania Finance SA (Pty) Ltd	67,612,742
Tourvest Holdings (Pty) Ltd	10,413,893
Other	44,803,348
Total	834,455,814
Total debt instruments including Islamic debt instruments	
	6,120,099,662

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2025

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	Holding %	Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:						
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed						
		-	-			1,482,193,044
Total of issuers exceeding 5%						1,482,193,044
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						
		-	-			154,792,979
Total of issuers exceeding 5%						154,792,979
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
		-	-			35,435,945
Total of issuers exceeding 5%						35,435,945
Total						**1,672,421,968**
		-	-			5,657
Total						**5,657**
Total of Investment and Owner Occupied Property						**1,672,427,625**

E EQUITIES

Instrument	Fair value R
Listed equities	
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	
	10,038,453,855
Total	**10,038,453,855**
Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	
	524,597,851
Total	**524,597,851**
Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	
	1,376,641,938
Total	**1,376,641,938**
Unlisted equities	
	578,822
Total	**578,822**
Total equities	**11,940,272,466**

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2025

G DIRECT DERIVATIVE MARKET INSTRUMENTS

G1 DERIVATIVE POSITIONS WITHOUT RESIDUAL RISK

Instrument	Local or Foreign	Listed or Unlisted	Fair value	Effective Economic Exposure		Counterparty	Expiry date
			R	Gross	Net		

I OTHER ASSETS

Instrument	Holding number	Holding	Fair value
		%	R

J HEDGE FUNDS

Instrument	Period into contract	Total value of commitment R	Current value of commitment R
Hedge Funds			
Coronation Granite Fixed Income Partnership	01 October 2018	2,131,436	2,131,436
Coronation Presidio Hedge Fund	01 December 2017	11,684,297	11,684,297
Coro Multi-Strategic Hedge Fund		4,342,387	4,342,387
Coronation Granite Plus Hedge Fund Z (Grapz)		6,239,457	6,239,457
Coronation Multi-Strategy Arbitrage Hedge Fund Z (Mstaz)		6,613,473	6,613,473
Funds of Hedge funds			
Amplify MGF Multi-Strategy FoHF	24 November 2020	551,237,106	551,237,106
Blue Ink Fixed Interest FoHF	01 February 2013	712,971,575	712,971,575
Edge RCIS Dynamic Equity Alpha QIHF		302,514,183	418,150,515
Total Hedge funds commitment		1,597,733,914	1,713,370,246

K PRIVATE EQUITY FUNDS

Instrument	Structure	Total value of commitment	Fair value
		R	R
Private Equity Fund			
Vantage Mezzanine III Southern African Sub Fund		175,000,000	14,850,998
Vantage Mezzanine III Pan African Sub Fund		269,382,000	246,771,782
Funds of Private Equity Fund			
Stanlib Infrastructure Fund of Funds Partnership		1,000,000,000	834,595,875
Total Private Equity Funds commitment		1,444,382,000	1,096,218,655

L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS

Instrument	Fair value R
Total certified Regulation 28 compliant investments	**-**

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
ABAX Absolute Fund	1.13	503,674,794
ABAX Equity Fund	1.82	815,507,137
ABAX SA Absolute Return Fund	1.66	740,801,134
Alusi Managed Fund	0.93	416,770,554
Ninety One Triple Alpha Fund	4.64	2,076,103,916
		4,552,857,535
Foreign		
All Seasons Specialist Fund	0.71	319,561,475
Allan Gray Orbis Funds	3.80	1,698,665,285
Brandywine Global Investment Management Fund	3.62	1,621,687,675
Coronation Global Emerging Market Fund	1.61	720,517,058
Dodge & Cox Global Stock Feeder Fund	1.64	735,508,999
Franklin Mutual Global Discovery Fund	1.99	888,535,951
Hoskings Global Fund	2.96	1,324,562,796
Morgan Stanley Global Opportunity Fund	3.26	1,456,998,662
Veritas Asset Management LLP (Nedgroup Investments Plc)	3.78	1,691,309,640
Resolution Capital NIF Global Property (Nedgroup Investments Plc)	1.94	867,429,179
Ninety One Global Franchise I	2.41	1,076,388,826
Sands Capital Global Growth UCITS Fund	1.52	680,393,539
		13,081,559,085
Total Non-compliant collective investment schemes		**17,634,416,620**

M2 NON- COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Linked policies		
Local		
Futuregrowth Pooled High Yield Money Market Fund	2.98	1,334,865,155
Futuregrowth Pooled Enhanced Stefi Fund	0.95	427,242,114
Ninety One Inflation Linked Bond Fund	0.83	373,377,057
		2,135,484,326
Total linked policies		**2,135,484,326**
Total certified Regulation 28 non-compliant investments		**19,769,900,946**

The classification of “non-compliant” does not suggest that the Fund is contravening any requirements of Regulation 28 of the Pension Funds Act. The Fund has obtained the look-through information to the underlying investments and that is reported as such in Schedule IB. These investments do not exceed the limits allowed in terms of Regulation 28.

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2025

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

Counterparty	Direct investment in counterparty R	Deposit/liquid asset with counterparty R	Guarantees R	Any other instrument R	Total per counterparty R	Exposure to counterparty as a % of the fair value of the assets of the fund
Banks						
ABSA Bank Ltd	237,164,891	586,467,032	-	-	823,631,923	1.84%
Investment administrators - local						
ABAX Investments (Pty) Ltd	-	-	-	2,059,983,065	2,059,983,065	4.60%
Allan Gray Life Ltd	-	-	-	1,443,372,730	1,443,372,730	3.23%
Alusi Management Company (Pty) Ltd	-	-	-	416,770,554	416,770,554	0.93%
Aluwani Capital Partners (Pty) Ltd	-	-	-	1,208,610,376	1,208,610,376	2.70%
Amplify Investment Partners (Pty) Ltd	-	-	-	551,237,106	551,237,106	1.23%
Argon Asset Mangement (Pty) Ltd	-	-	-	1,347,007,265	1,347,007,265	3.01%
Blue Ink Fixed Interest FoHF	-	-	-	712,971,575	712,971,575	1.59%
Coronation Fund Managers Ltd	12,488,669	-	-	-	12,488,669	0.03%
Edge Investments (Pty) Ltd	-	-	-	418,150,515	418,150,515	0.93%
Fairtree Capital (Pty) Ltd	-	-	-	1,545,467,358	1,545,467,358	3.45%
Futuregrowth Asset Management (Pty) Ltd	-	-	-	5,708,133,737	5,708,133,737	12.76%
Ninety One Ltd	40,238,747	-	-	2,409,242,225	2,449,480,972	5.47%
Sanlam Investment Management (Pty) Ltd	267,154,957	-	-	8,288,736,745	8,555,891,702	19.12%
Sesfikile Capital (Pty) Ltd	-	-	-	701,615,357	701,615,357	1.57%
STANLIB Asset Management Pty Ltd	-	-	-	834,595,875	834,595,875	1.87%
Truffle Asset Management (Pty) Ltd	-	-	-	929,111,778	929,111,778	2.08%
Vantage Green X Renewable Energy Fund	-	-	-	633,626,969	633,626,969	1.42%
Vantage Mezzanine III Southern African Sub Fund	-	-	-	14,850,998	14,850,998	0.03%

Investment administrators - foreign						
ABSA Ltd (USD)	-	3,706,234	-	-	3,706,234	0.01%
All Seasons Specialist Fund	-	-	-	319,561,475	319,561,475	0.71%
Allan Gray Orbis Funds	-	-	-	1,698,665,285	1,698,665,285	3.80%
Brandywine Global Investment Management Fund	-	-	-	1,621,687,675	1,621,687,675	3.62%
Coronation Asset Management (Pty) Ltd	-	-	-	720,517,058	720,517,058	1.61%
Dodge & Cox Worldwide Funds Plc	-	-	-	735,508,999	735,508,999	1.64%
Franklin Mutual Global Discovery Fund	-	-	-	888,535,951	888,535,951	1.99%
Hosking Partners LLP	-	-	-	1,324,562,796	1,324,562,796	2.96%
Ninety One SA (Pty) Ltd	-	-	1,091,217,323	1,076,388,826	2,167,606,149	4.84%
Morgan Stanley Global Opportunity Fund	-	-	-	1,456,998,662	1,456,998,662	3.26%
Nedgroup Investments (Pty) Ltd	-	-	-	2,558,738,819	2,558,738,819	5.72%
Sands Capital Funds PLC	-	-	-	680,393,540	680,393,540	1.52%
Vantage Mezzanine III Pan African Sub Fund	-	-	-	246,771,782	246,771,782	0.55%
Other funds						
Housing loans	-	2,697,378	-	-	2,697,378	0.01%
	557,047,264	**592,870,644**	**1,091,217,323**	**42,551,815,096**	**44,792,950,327**	**100.11 %**

Definition of 'Counterparty Risk':
The risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk is a risk to both parties and should be considered when evaluating a contract. In most financial contracts, counterparty risk is also known as "default risk".

Market risk

EQUITY HOLDINGS Investment	Fair value at end of year R	Total fair value equity holdings and open instruments R	Market movement by 5% R
Naspers Ltd	875,078,325	875,078,325	43,753,916
Prosus N.V.	636,357,732	636,357,732	31,817,887
FirstRand Ltd	564,046,817	564,046,817	28,202,341
Gold Fields Ltd	516,635,535	516,635,535	25,831,777
Standard Bank Group Ltd	514,660,444	514,660,444	25,733,022
AngloGold Ashanti Ltd	457,722,912	457,722,912	22,886,146
British American Tobacco Plc	381,335,589	381,335,589	19,066,779
Capitec Bank Holdings Ltd	363,723,870	363,723,870	18,186,194
MTN Group Ltd	289,801,206	289,801,206	14,490,060
Anheuser-Busch InBev SA/NV	287,645,612	287,645,612	14,382,281
Total value of 10 largest equity holdings	**4,887,008,042**	**4,887,008,042**	**244,350,403**
Total movement as % of non-current assets plus bank			**0.55 %**

OTHER FINANCIAL INSTRUMENTS Instrument	Fair value at end of year R	Market movement by 5% R
Republic Of South Africa - Government Bonds	3,244,204,997	162,210,250
Ninety One Triple Alpha Fund	2,076,103,916	103,805,196
Allan Gray Orbis Funds	1,698,665,285	84,933,264
Nedgroup Investments Global Equity Fund	1,691,309,640	84,565,482
Brandywine Global Investment Management Fund	1,621,687,675	81,084,384
Morgan Stanley Global Opportunity Fund	1,456,998,662	72,849,933
Futuregrowth Pooled High Yield Money Market Fund (FS480)	1,334,865,155	66,743,258
Hoskings Global Fund	1,324,562,796	66,228,140
ABSA Bank Ltd	1,089,616,246	54,480,812
Ninety One Global Franchise I	1,076,388,826	53,819,441
Total value of 10 largest other instruments	**16,614,403,198**	**830,720,160**
Total movement as % of non-current assets plus bank		**1.86 %**

Foreign currency exposure

Foreign instruments	Fair value at end of year R	Market movement by 5% R
Allan Gray Orbis Funds	1,698,665,273	84,933,264
Nedgroup Investments Global Equity Fund	1,691,309,640	84,565,482
Brandywine Global Investment Management Fund	1,584,388,859	79,219,443
Morgan Stanley Global Opportunity Fund	1,456,998,662	72,849,933

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2025

Sanlam MSCI World ESG Enhanced Focus	1,368,671,202	68,433,560
Hoskings Global Fund	1,285,944,099	64,297,205
Ninety One Global Franchise I	1,076,388,826	53,819,441
Franklin Mutual Global Discovery Fund	888,535,951	44,426,798
Nedgroup Investments Global Property Fund	867,429,179	43,371,459
Dodge & Cox Global Stock Fund	735,508,999	36,775,450
Coronation Global Emerging Market Fund	720,517,058	36,025,853
Sands Capital Global Growth UCITS Fund	680,393,540	34,019,677
All Seasons Specialist Fund	314,569,379	15,728,469
Vantage Mezzanine III Pan African Sub Fund	246,771,782	12,338,589
Coronation Absolute Return Global Portfolio (20444)	180,082,996	9,004,150
Alusi Managed Fund	119,488,463	5,974,423
ABAX Absolute Fund	118,525,697	5,926,285
Sanlam Absolute Return Global Portfolio (MUNARF)	31,861,187	1,593,059
ABSA USD	3,706,234	185,312
Other	4,335,139	216,757
Total value of 10 largest foreign instruments	15,074,092,165	753,704,609
Total movement as % of non-current assets plus bank		**1.68 %**

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1)	Cash at bank	Property split (Schedule IAD)	Non-compliant CIS	Non-compliant Insurance Policies	Housing Loans	Total
	R	R	R	R	R	R	R
Cash	1,838,681,296	541,398,890	-	1,044,549,667	155,013,761	-	3,579,643,614
Commodities	49,108,786	-	-	103,727,358	-	-	152,836,144
Housing loans	-	-	-	-	-	2,697,378	2,697,378
Debt instruments including Islamic debt instruments	6,120,099,662	-	-	4,686,313,652	1,981,602,823	-	12,788,016,137
Investment properties and Owner occupied properties	-	-	1,672,427,625	946,210,212	-	-	2,618,637,837
Equities	13,612,700,091	-	(1,672,427,625)	10,853,546,529	1,791	-	22,793,820,786
Hedge funds	1,713,370,246	-	-	-	-	-	1,713,370,246
Private equity funds	1,096,218,655	-	-	-	-	-	1,096,218,655
Collective investment schemes	17,634,416,621	-	-	(17,634,416,621)	-	-	-
Insurance policies	2,135,484,325	-	-	-	(2,135,484,325)	-	-
Other assets	-	-	-	69,203	(1,134,050)	-	(1,064,847)
Total investments	**44,200,079,682**	**541,398,890**	**-**	**-**	**-**	**2,697,378**	**44,744,175,950**

MUNICIPAL GRATUITY FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

			Fair value R
A		**Total assets (Schedule IA -Total investments)**	44,744,175,950
B1	**Less:**	Reg 28 compliant investments (certificate received from issuing entity):-	-
	B.1.1	Collective Investment Schemes (Reg 28(8)(b)(i))	-
	B.1.2	Linked Policies (Reg 28(8)(b)(ii))	-
	B.1.3	Non-Linked policies (Reg 28(8)(b)(iii))	-
	B.1.4	Entity regulated by FSCA (Reg 28(8)(b)(iv)))	-
B2	**Less:**	Reg 28 excluded investments	
	B2.1	Insurance Policies (Reg 28(3)(c))	-
C	**Less:**	Investments not disclosed /data not available for disclosure **[Refer to schedule IAN]**	-
D		**TOTAL ASSETS FOR REGULATION 28 DISCLOSURE**	**44,744,175,950**

Categories of kinds of assets			**Fair value R**	**Fair value %**
1	**CASH**		**3,579,643,614**	**8.00%**
1.1	**Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments**	100%	**2,788,436,220**	**6.23%**
(a)	Notes and coins; any balance or deposit in an account held with a South African bank;		983,236,249	2.20%
	ABSA Bank Ltd	25%	564,045,786	1.26%
	Hong Kong Shanghai Bank	25%	135,331,687	0.30%
	Standard Chartered Bank	25%	125,608,459	0.28%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	25%	74,599,202	0.17%
	Standard Bank of SA Ltd	25%	29,938,756	0.07%
	Other	25%	53,712,359	0.12%
(b)	A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		1,713,436,572	3.83%
	Standard Bank of SA Ltd	25%	648,241,965	1.45%
	ABSA Bank Ltd	25%	407,108,125	0.91%
	Firstrand Bank Ltd, Incl RMB	25%	313,853,448	0.70%
	Nedbank Ltd	25%	199,241,147	0.45%
	Investec Bank Ltd	25%	108,746,118	0.24%
	Other	25%	36,245,769	0.08%
(c)	Any positive net balance in a margin account with an exchange		59,482,580	0.13%
	SA Futures Exchange	25%	32,262,543	0.07%
	Yield X Exchange	25%	27,220,037	0.06%
(d)	Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		32,280,819	0.07%
	Firstrand Bank Ltd, Incl RMB	25%	21,730,416	0.05%
	Standard Chartered Bank	25%	10,588,782	0.02%
	Standard Bank of SA Ltd	25%	1,529,790	0.00%
	Nett Current Assets	25%	949,914	0.00%
	'Ninety One Triple Alpha Fund	25%	(4,601)	0.00%
	Other	25%	(2,513,482)	(0.01)%
1.2	**Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments**	SARB max. limits	**791,207,394**	**1.77%**
(a)	Any balance or deposit held with a foreign bank		772,646,904	1.73%
	Orbis SICAV Global Balanced Fund	5%	317,038,511	0.71%
	Nedgroup Investments Funds Global Equity	5%	129,664,116	0.29%
	Morgan Stanley Global Opportunity Fund	5%	87,128,520	0.19%
	Legg Mason Brandywine Global Fixed Income Absolute Return Fund	5%	76,543,658	0.17%
Carried forward			3,398,811,025	7.58%

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			3,398,811,025	7.58%
	Franklin Mutual Global Discovery Fund	5%	27,811,175	0.06%
	Other	5%	134,460,924	0.30%
(b)	Any balance or deposit held with an African bank		-	0.00%
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		18,560,490	0.04%
	Ninety One Global Franchise Fund	5%	18,560,490	0.04%
2	**DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS**		**12,788,016,137**	**28.58%**
2.1	**Inside the Republic**	100%	**10,916,165,147**	**24.40%**
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	6,112,458,675	13.66%
	Republic Of South Africa - Government Bonds	100%	5,675,811,885	12.69%
	Eskom Holdings SOC Ltd	100%	191,869,270	0.43%
	SA National Roads Agency SOC Ltd	100%	108,493,634	0.24%
	Transnet SOC Ltd	100%	102,719,045	0.23%
	Rand Water Board	100%	20,492,964	0.05%
	Trans-Caledon Tunnel Authority	100%	13,071,877	0.03%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	75%	-	0.00%
(c)	Debt instruments issued or by a South African bank against its balance sheet	75%	1,571,848,973	3.51%
c(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	1,519,775,611	3.40%
	Investec Bank Ltd	25%	439,395,019	0.98%
	Firstrand Bank Ltd, Incl RMB	25%	288,913,711	0.65%
	ABSA Bank Ltd	25%	247,368,311	0.55%
	Standard Bank of SA Ltd	25%	231,918,313	0.52%
	Nedbank Ltd	25%	225,973,514	0.51%
	Other	25%	86,206,743	0.19%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	-	0.00%
c(iv)	Not listed on an exchange	25%	52,073,362	0.12%
	African Bank Ltd	5%	25,203,912	0.06%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	5%	18,788,777	0.04%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	5%	6,814,690	0.02%
	Investec Bank Ltd	5%	1,923,385	0.00%
	Standard Bank of SA Ltd	5%	(20,741)	0.00%
	Other	5%	(636,661)	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	50%	1,089,750,656	2.44%
d(i)	Listed on an exchange	50%	613,454,228	1.37%
	Old Mutual PLC	10%	71,129,505	0.16%
	Transnet Ltd	10%	67,289,959	0.15%
	MMI Group Ltd	10%	54,156,618	0.12%
	MTN Group Ltd	10%	36,559,022	0.08%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	10%	33,153,261	0.07%
	Other	10%	351,165,863	0.78%
d(ii)	Not listed on an exchange	25%	476,296,428	1.06%
	Foschini Retail Group Ltd	5%	142,485,145	0.32%
	Daimler Truck Southern Africa Ltd	5%	130,148,064	0.29%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	5%	66,844,183	0.15%
Carried forward			12,216,882,882	27.29%

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			12,216,882,882	27.29%
	Sappi Southern Africa Ltd	5%	33,689,993	0.08%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	5%	24,431,529	0.05%
	Other	5%	78,697,514	0.18%
(e)	Other debt instruments:-	25%	2,142,106,843	4.79%
e(i)	Listed on an exchange	25%	568,261,707	1.27%
	Inguza Investments (Pty) Ltd	5%	60,499,686	0.14%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	5%	55,955,294	0.13%
	Toyota Financial Services (SA) Ltd	5%	54,513,583	0.12%
	SuperDrive Investments (Pty) Ltd	5%	54,396,573	0.12%
	Industrial Development Corporation	5%	44,334,454	0.10%
	Other	5%	298,562,117	0.67%
e(ii)	Not listed on an exchange	15%	1,573,845,136	3.52%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	5%	601,903,613	1.35%
	Green X Renewable Energy Fund II	5%	359,467,662	0.80%
	Green X Renewable Energy Fund I	5%	208,669,988	0.47%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	5%	124,897,005	0.28%
	Scania Finance SA (Pty) Ltd	5%	67,612,742	0.15%
	Other	5%	211,294,126	0.47%
2.2	**Foreign**	SARB max. limits	**1,871,850,990**	**4.18%**
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	SARB max. limits	2,090,573	0.00%
	Republic of South Africa		2,090,573	0.00%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	SARB max. limits	1,058,870,051	2.37%
	Brandywine Global Fixed Income Absolute Return Fund	10%	808,735,644	1.81%
	Orbis SICAV Global Balanced Fund	10%	215,213,761	0.48%
	USA Government	10%	32,429,251	0.07%
	Other	10%	2,491,395	0.01%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	SARB max. limits	4,320,840	0.01%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB max. limits	4,302,258	0.01%
	Standard Bank of South Africa Ltd	25%	2,019,730	0.00%
	ABSA Group Ltd	25%	1,310,855	0.00%
	Firstrand Bank Ltd	25%	960,210	0.00%
	Citibank	25%	11,463	0.00%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB max. limits	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB max. limits	18,582	0.00%
	Standard Chartered Bank	10%	18,582	0.00%
c(iv)	Not listed on an exchange		-	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB max. limits	26,895,944	0.06%
d(i)	Listed on an exchange	SARB max. limits	25,601,735	0.06%
	Coronation Absolute Return Global Portfolio	10%	10,401,665	0.02%
	Orbis SICAV Global Balanced Fund	10%	2,588,749	0.01%
	Brait Plc (Bat)	10%	1,568,974	0.00%
	Brait Investment Holdings	10%	1,478,880	0.00%
	Mtn Mauritius Invstments (Mtnmau)	10%	1,409,492	0.00%
	Other	10%	8,153,975	0.02%
Carried forward			15,586,691,960	34.82%

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			15,586,691,960	34.82%
d(ii)	Not listed on an exchange	SARB max. limits	1,294,209	0.00%
	Orbis SICAV Global Balanced Fund	5%	1,117,761	0.00%
	Coronation Absolute Return Global Portfolio	5%	176,448	0.00%
(e)	Other debt instruments	SARB max. limits	779,673,582	1.74%
e(i)	Listed on an exchange	SARB max. limits	779,634,288	1.74%
	Brandywine Global Fixed Income Absolute Return Fund	5%	699,109,557	1.56%
	Orbis SICAV Global Balanced Fund	5%	78,411,574	0.18%
	Coronation Absolute Return Global Portfolio	5%	1,679,500	0.00%
	Lloyds Banking Group Plc (Llbkgp)	5%	134,412	0.00%
	Enel Finance Intl Nv (Enelus)	5%	97,446	0.00%
	Other	5%	201,799	0.00%
e(ii)	Not listed on an exchange	SARB max. limits	39,294	0.00%
	Coronation Absolute Return Global Portfolio	5%	39,294	0.00%
3	**EQUITIES**		**22,793,820,786**	**50.94%**
3.1	**Inside the Republic**	75%	**11,632,147,975**	**26.00%**
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	11,632,105,987	26.00%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	11,062,353,945	24.72%
	Naspers Ltd	15%	1,003,867,673	2.24%
	Prosus N.V.	15%	688,768,601	1.54%
	FirstRand Ltd	15%	641,365,463	1.43%
	Standard Bank Group Ltd	15%	563,490,630	1.26%
	Gold Fields Ltd	15%	562,272,194	1.26%
	AngloGold Ashanti Ltd	15%	518,428,163	1.16%
	Capitec Bank Holdings Ltd	15%	427,901,725	0.96%
	British American Tobacco Plc	15%	422,420,506	0.94%
	Sanlam Ltd	15%	307,020,748	0.69%
	Anheuser-Busch InBev SA/NV	15%	305,631,478	0.68%
	Other	15%	5,621,186,764	12.56%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	567,088,223	1.27%
	Netcare Ltd	10%	62,554,213	0.14%
	Sappi Ltd	10%	50,454,577	0.11%
	Ninety One Ltd	10%	40,238,747	0.09%
	Thungela Resources Ltd	10%	35,303,843	0.08%
	Motus Holdings Ltd3	10%	35,237,886	0.08%
	Other	10%	343,298,957	0.77%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	2,663,819	0.01%
	Adcorp Holdings Ltd	5%	1,462,182	0.00%
	Orion Minerals Ltd	5%	749,590	0.00%
	Sephaku Holdings Ltd	5%	283,932	0.00%
	Nutun Ltd	5%	136,266	0.00%
	African Media Entertainment Ltd	5%	16,996	0.00%
	Other	5%	14,853	0.00%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	41,988	0.00%
	Bransby Investment Company	2.5%	26,682	0.00%
	Stantronic Group Holdings	2.5%	12,513	0.00%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	2.5%	1,440	0.00%
	Group Five Ltd	2.5%	1,002	0.00%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	2.5%	351	0.00%
Carried forward			27,999,807,726	62.55%

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			27,999,807,726	62.55%
3.2	**Foreign**		**11,161,672,811**	**24.95%**
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB max. limits	11,136,538,386	24.89%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB max. limits	8,840,000,237	19.76%
	Nedgroup Investments Funds Global Equity	15%	1,561,645,524	3.49%
	Morgan Stanley Global Opportunity Fund	15%	1,369,870,142	3.06%
	Hosking Global Funds	15%	1,212,134,271	2.71%
	Ninety One Global Franchise Fund	15%	1,055,256,914	2.36%
	Orbis SICAV Global Balanced Fund	15%	933,053,242	2.09%
	Other	15%	2,708,040,144	6.05%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB max. limits	918,313,926	2.05%
	Franklin Mutual Global Discovery Fund	10%	860,724,776	1.92%
	Orbis SICAV Global Balanced Fund	10%	36,295,616	0.08%
	Coronation Absolute Return Global Portfolio (20444)	10%	21,072,611	0.05%
	ABAX Absolute Fund	10%	220,661	0.00%
	Other 3.2(a)(ii)	10%	262	0.00%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB max. limits	1,378,224,223	3.08%
	Ishares Exchange Traded Funds	5%	1,367,617,479	3.06%
	Largest issuer: Standard bank of SA (Equity linked note)	5%	6,450,848	0.01%
	Orbis SICAV Global Balanced Fund	5%	4,074,891	0.01%
	ABAX Absolute Fund	5%	59,348	0.00%
	Other 3.2(a)(iii)	5%	21,657	0.00%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	25,134,425	0.06%
	Orbis SICAV Global Balanced Fund	2.5%	24,555,602	0.05%
	Other 3.2(b)	2.5%	578,823	0.00%
4	**IMMOVABLE PROPERTY**		**2,618,637,837**	**5.85%**
4.1	**Inside the Republic**	25%	**1,691,838,956**	**3.78%**
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	1,691,838,954	3.78%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	1,498,948,777	3.35%
	NEPI Rockcastle Plc	15%	253,121,943	0.57%
	MAS Real Estate Inc	15%	193,148,080	0.43%
	Vukile Property Fund Ltd	15%	157,292,446	0.35%
	Growthpoint Properties Ltd	15%	150,578,803	0.34%
	Redefine Properties Ltd	15%	140,290,736	0.31%
	Other	15%	604,516,769	1.35%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	157,425,504	0.35%
	Fairvest Ltd B	10%	50,093,114	0.11%
	SA Corporate Real Estate Ltd	10%	43,704,901	0.10%
	Burstone Group Ltd	10%	34,950,055	0.08%
	Emira Property Fund Ltd	10%	13,489,664	0.03%
	Stor-Age Property REIT Ltd	10%	10,620,407	0.02%
	Other	10%	4,567,363	0.01%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	35,464,673	0.08%
	Fairvest Ltd A	5%	24,083,462	0.05%
	Octodec Investments Ltd	5%	11,351,383	0.03%
	Amb Private Equity Partners	5%	27,355	0.00%
	Rebosis Property Fund Ltd	5%	2,473	0.00%
Carried forward			40,853,319,491	91.27%

MUNICIPAL GRATUITY FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			40,853,319,491	91.27%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	75%	2	0.00%
	Ardor SA Ltd	5%	2	0.00%
4.2	**Foreign**	25%	**926,798,881**	**2.07%**
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	926,793,223	2.07%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	82,614,101	0.18%
	Hosking Global Funds	15%	51,229,120	0.11%
	Dodge & Cox Global Stock Feeder Fund	15%	19,123,234	0.04%
	Orbis SICAV Global Balanced Fund	15%	10,594,462	0.02%
	ABAX Absolute Fund	15%	939,664	0.00%
	Coronation Absolute Return Global Portfolio (20444)	15%	304,935	0.00%
	Other	15%	422,686	0.00%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	844,178,021	1.89%
	Nedgroup Investments Funds Global Property	10%	844,178,021	1.89%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	1,101	0.00%
	Godrj Properties Ltd	5%	1,101	0.00%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	5,658	0.00%
	Largest issuer: MUNARF - Realtek Semiconductor Corp	5%	2,530	0.00%
	Other 4.2(b)	5%	3,128	0.00%
5	**COMMODITIES**		**152,836,144**	**0.34%**
5.1	**Inside the Republic**	10%	**77,115,040**	**0.17%**
(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	77,115,040	0.17%
a(i)	Gold (including Kruger Rands)	10%	65,863,841	0.15%
	New Gold Issuer Ltd	10%	61,334,970	0.14%
	1NVEST GOLD ETF	10%	4,511,592	0.01%
	Krugerrand Custodial Certificate	10%	17,279	0.00%
a(ii)	Other commodities	5%	11,251,199	0.03%
	Africa Platinum Debenture	5%	10,964,200	0.02%
	New Gold Platinum ETF	5%	286,999	0.00%
5.2	**Foreign**	10%	**75,721,104**	**0.17%**
(a)	Gold and other commodities on an exchange, including exchange traded commodities	10%	75,721,104	0.17%
a(i)	Gold	10%	75,721,104	0.17%
	Orbis SICAV Global Balanced Fund	10%	75,721,104	0.17%
a(ii)	Other commodities	5%	-	0.00%
6	**INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-**		**-**	**0.00%**
(a)	Section 19(4) of the Pension Funds Act		-	0.00%
(b)	To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act		-	0.00%
7	**HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)**	95%	**2,697,378**	**0.01%**
Carried forward			41,935,651,896	93.68%

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			41,935,651,896	93.68%
8	**HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE**		**2,808,524,054**	**6.28%**
8.1	**Inside the Republic**	15%	**2,561,683,070**	**5.73%**
(a)	Hedge fund	10%	1,713,370,246	3.83%
a(i)	Funds of hedge funds	10%	1,682,359,196	3.76%
	Blue Ink Fixed Interest FoHF	5%	712,971,575	1.59%
	Amplify MGF Multi-Strategy FoHF	5%	551,237,106	1.23%
	Edge RCIS Dynamic Equity Alpha QIHF	5%	418,150,515	0.93%
a(ii)	Hedge funds	10%	31,011,050	0.07%
	Coronation Presidio Hedge Fund	2.5%	11,684,297	0.03%
	Coronation Multi-Strategy Arbitrage Hedge Fund Z (Mstaz)	2.5%	6,613,473	0.01%
	Coronation Granite Plus Hedge Fund Z (Grapz)	2.5%	6,239,457	0.01%
	Coro Multi-Strategic Hedge Fund	2.5%	4,342,387	0.01%
	Coronation Granite Fixed Income Partnership	2.5%	2,131,436	0.00%
(b)	Private equity funds	10%	849,446,873	1.90%
b(i)	Funds of private equity funds	10%	834,595,875	1.87%
	Stanlib Infrastructure Fund of Funds Partnership	5%	834,595,875	1.87%
b(ii)	Private equity funds	10%	14,850,998	0.03%
	Vantage Mezzanine III Southern African Sub Fund	2.5%	14,850,998	0.03%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	(1,134,049)	0.00%
	Futuregrowth Pooled Enhanced Stefi Fund (FS481)	2.5%	(28,781)	0.00%
	Futuregrowth Pooled High Yield Money Market Fund (FS480)	2.5%	(1,105,268)	0.00%
8.2	**Foreign**	15%	**246,840,984**	**0.55%**
(a)	Hedge fund	10%	-	0.00%
a(i)	Funds of hedge funds	10%	-	0.00%
a(ii)	Hedge funds	10%	-	0.00%
(b)	Private equity funds	10%	246,771,782	0.55%
b(i)	Funds of private equity funds	10%	-	0.00%
b(ii)	Private equity funds	10.0%	246,771,782	0.55%
	Vantage Mezzanine III Pan African Sub Fund	2.5%	246,771,782	0.55%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	69,202	0.00%
	Hosking Global Funds	2.5%	69,202	0.00%
	TOTAL ASSETS – REGULATION 28		**44,744,175,950**	**100.00%**

Note relating to 1.1 (a)

The investment managers often make use of derivative strategies to manage volatility and to protect the portfolios from large drawdowns (i.e. large negative returns). When the manager buys fixed interest instruments in the Fund, the resultant exposure (to fixed interest) is positive. When the manager intends to reduce uncertainty of Fund returns, the derivatives included essentially reduce the exposure to fixed interest, because the derivatives ‘come into’ the Fund with negative exposure.
In accordance with Regulation 28, derivative strategies are not used for speculation and are always covered.

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

Note relating to 8.1 (c)

The investment managers often make use of derivative strategies to manage volatility and to protect the portfolios from large drawdowns (i.e. large negative returns). When the manager buys equities in the Fund, the resultant exposure (to equities) is positive. When the manager intends to reduce uncertainty of Fund returns, the derivatives included essentially reduce the exposure to equities in the Fund, because the derivatives ‘come into’ the Fund with negative exposure.
In accordance with Regulation 28, derivative strategies are not used for speculation and are always covered.

Impact of changes in Regulation 28 on the Annual Financial Statements

Regulation 28 under the Pension Funds Act was recently amended (Gazetted on 5 July 2022) to include additional reporting requirements in relation to infrastructure assets and amendments to the asset spreading requirements). The intention is that the draft.Regulatory Reporting Standard (the Standard) will replace Board Notice 77, but the consultation process for the Annual Financial Statements (AFS) has not been finalised. Further-more in accordance with the Financial Sector Conduct Authority Communication 19 of 2023 released on 19 July 2023, (RF) paragraph 3.1, the Financial Sector Conduct Authority wishes to clarify that since the. Regulatory Reporting Standard has not yet been finalised, funds must continue to prepare annual financial statements in accordance with the requirements of Board Notice 77 (including the existing Schedule IB). The revised Regulation 28 now includes Category 9 (Private equity), Category 10 (Other assets not referred to in this schedule and excluding a hedge fund or private equity fund) and Category 11 (Investments in Infrastructure) and a new Table 2 with reference to “Investments in Infrastructure”, which has not been included in the current Regulation 28 disclosure in these financial statements. Accordingly, the current Regulation 28 disclosure does not comply with the revised Regulation 28 requirements (Gazetted on 5 July 2022). Sufficient information was obtained from the investment manager to ensure that the Fund complied with the revised Regulation 28 as required in the communication.

MUNICIPAL GRATUITY FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

INVESTMENT SUMMARY (Regulation 28)

		Local	Fair value	Foreign (Excluding Africa)	Fair value	Africa	Fair value	Total
		R	%	R	%	R	%	R
1	Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	2,788,436,220	6.23	791,207,394	1.77	-	-	3,579,643,614
2	Debt instruments including Islamic debt instruments	10,916,165,147	24.40	1,871,850,990	4.18	-	-	12,788,016,137
3	Equities	11,632,147,975	26.00	11,161,672,811	24.95	-	-	22,793,820,786
4	Immovable property	1,691,838,956	3.78	926,798,881	2.07	-	-	2,618,637,837
5	Commodities	77,115,040	0.17	75,721,104	0.17	-	-	152,836,144
7	Housing loans granted to members - section 19(5)	2,697,378	0.01	-	-	-	-	2,697,378
8	Hedge Funds, private equity funds and any other assets not referred to in this schedule	2,561,683,070	5.73	246,840,984	0.55	-	-	2,808,524,054
9	Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28	-	-	-	-	-	-	-
	TOTAL	**29,670,083,786**	**66.31**	**15,074,092,164**	**33.69**	**-**	**-**	**44,744,175,950**

MUNICIPAL GRATUITY FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2025

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

Table 1 items	Asset Limits in terms of sub regulation 3(f)	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
2.1(e)(ii)	Other debt instruments not listed	1,573,884,431	3.52	
3.1(b)	Equities not listed	25,176,413	0.06	
4.1(b)	Immovable properties not listed	5,659	-	
8	Hedge funds , Private Equity funds and other assets	2,808,524,053	6.28	
	TOTAL	**4,407,590,556**	**9.86**	**35**

Table 1 items	Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b)	Equities not listed	25,176,413	0.06	
8.1(b)	Private Equity funds	1,096,218,655	2.45	
	TOTAL	**1,121,395,068**	**2.51**	**15**

Table 1 items	Asset Limits in terms of sub regulation 3(h)	Fair value R	Fair value %	Regulation 28 limits
1.1	Item 1.1 Cash and deposits with a South African Bank	-	-	
2.1(c)	Item 2.1(c) Debt instruments guaranteed by a South African Bank	-	-	
	TOTAL	**-**	**-**	**25**

The Fund had no breaches in terms of Regulation 28.

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SCHEDULE IB

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended.

To the Board of Fund of Municipal Gratuity Fund

Report on Compliance of Schedule IB with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of the Municipal Gratuity Fund (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 90 to 99 at 30 June 2025 is prepared in all material[i] respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB),- (3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2025.

The Board of Fund's responsibility for the Schedule

The Board of Fund is responsible for ensuring that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) based on performing a reasonable assurance engagement.

Auditor's Responsibility (continued)

We performed our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9).

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain sufficient appropriate evidence that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9). The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9), whether due to fraud and error. In making those risk assessments we consider internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

Summary of work performed

We completed our audit of the annual financial statements of the Municipal Gratuity Fund for the year ended 30 June 2025, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 28 October 2025. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

We have performed such additional procedures as we considered necessary which included:

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;
- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2025 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2025.

Other matter – Compliance with regulations 28(3)(iA) and 28(8)(b)

Regulation 28(3)(iA) states that the aggregate exposure by a Fund to all issuers in respect of direct infrastructure, across all asset categories, excluding any debt instrument issued or guaranteed by the South African Government, may not exceed 45% of the aggregate fair value of the total assets of the Fund. Regulation 28(8)(b) requires the Fund to report its infrastructure assets, with respect to the top 20 holdings, in the format specified in Table 2. The definition of 'infrastructure' in the amended Regulation 28 as prescribed in Government Gazette No.46649 of 5 July 2022, which became effective on 3 January 2024 does not provide criteria for the identification and classification of infrastructure. As a result, compliance with Regulations 28(3)(iA) and 28(8)(b) was excluded from the scope of our assurance engagement. Our opinion is not modified in respect of this matter.

Restriction on use

Without modifying our opinion we emphasise that Schedule IB is designed to meet the information needs of the Board of Fund for the purpose of reporting to the Financial Sector Conduct Authority (FSCA). As a result our report is not suitable for another purpose. Our report is presented solely for the information of the Board of Fund for the purpose of reporting to the FSCA.

BDO South Africa Inc.
Registered Auditors

Per: MI Lockhat
Director
Registered Auditor

28 October 2025

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