

ABRIDGED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the ZWL FUND

For the Year Ending	05/04/2024
	ZWL
Contributions	2,115,336,023
Net Investment Income	27,214,742,207
Other Income	162,666,154,154
Fair Value Gains from Investments	402,536,733,316
Total Income (a)	594,532,365,700
Less: Benefits Paid	
Monthly Pensions	83,247,716
Withdrawals	39,232,355.29
Retirements	25,432,563
Retrenchments	59,721,969
Death in service benefits	2,588,725
Transfer to other funds	0
Administration Expenses	2,103,042,292
Total Expenditure (b)	2,313,265,622
Net monetary (loss)	
Surplus for the Year (a-b)	592,219,700,078

STATEMENT OF FINANCIAL POSITION for the ZWL FUND	
For the Year Ending	05/04/2024
	ZWL
ACCUMULATED FUND:	
Opening Accumulated Fund	171,758,625,384
Surplus for The Year	592,219,700,078
Revaluation Reserve	
	763,978,325,462
EMPLOYMENT OF CAPITAL:	
Investments	729,130,204,062
Fixed Assets	418,533,155
Debtors Less Creditors	9,337,690,920
Cash in Hand	25,091,897,325
BALANCE OF FUND	763,978,325,462

MOTOR INDUSTRY PENSION FUND

Summary Financial Statements as of 5 April 2024



Motor Industry Pension Fund, New Avondale Office Block

Introduction

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

Pension Contributions

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

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

Chairman’s Statement

ZWL Fund

I am pleased to present our converted ZiG (ZWG) audited report and the Actuarial valuation results of the Fund for the period ended 5 April 2024 for the ZWG Fund.

The audit and valuations for the short slightly above 3 months period was triggered by local currency conversion from the Zim dollar (ZWL) to a structured currency called ZiG (ZWG). ZiG was announced to be anchored and fully backed by a composite basket of reserves comprising foreign currency and precious metals (mainly gold), received by the Reserve Bank as part of in-kind royalties and kept in the vaults of the Bank. Foreign currency balances will be accumulated through market purchases from the 25% surrender requirements as well as sale of some precious metals received as royalties.

Currency Conversion Method

The conversion was triggered by SI 60 of 2024, issued by the Government of Zimbabwe (“GOZ”), which directed that all monetary values be converted from ZWL to the Zimbabwe Gold (“ZWG”) using the prescribed conversion rate effective from the 5 April 2024. The conversion of the ZWL balances into the new currency ZWG were guided by the closing interbank exchange rate and the price of gold as at 05 April 2024. Further in terms of Section 3 of SI 69 of 2020 which empowers the Commission to issue guidance on insurance and pension matters, the Regulator, Insurance and Pensions Commission issued guideline in May 2024 to give guidance on a standard way of conducting the exercise and the guidance was to effect conversion on 5 April 2024

The conversion was based on audited financial statements as at 5 April 2024 and therefore a conversion report from ZWL to ZWG was compiled for the period 1 January 2024 to 5 April 2024. Money markets were converted into ZIG using the exchange rate provided by the Reserve Bank as at the 5th of April 2024, which was 2 498.72. The listed Equities were valued in ZIG in line with ZSE adjusted ZIG prices which were published effective 8th of April 2024. Unlisted equities values in ZWL terms were converted to ZIG using the exchange rate provided by the Reserve Bank on the conversion date. Property values in ZWL terms were converted to ZIG using the exchange rate provided by the Reserve Bank on the conversion date. Member’s values at conversion in ZWL were then converted to ZIG using appropriate actuarial methods such as discontinuance basis.

The ZSE All Share index stood at 210,833.92 as of 29 December 2023 and at 913,856.44 as of 5 April 2024 reflecting a 333% growth in the index. CPI (blended measurement of US\$ and ZW\$) stood at approximately an implied rate of 55.3% between January to April 2024. The foreign Exchange rate stood at US\$1: ZW\$ 6,104.72 as of 29 December 2023 and at US\$1: ZW\$ 30,673.32 as at 5 April 2024. This represents a 402% depreciation in the exchange rate.

Actuarial Valuation results as at 31 December 2023

The Fund’s Actuary certified your Fund to be in good and sound financial health as at close of 5 April 2024. Before conversion the value of the Fund’s ZWL assets grew from ZWL 171.53 billion as at 31 December 2023 to ZWL 763.98 billion as at 5 April 2024. Therefore, the Actuary declared 327.38% to Sub Account 1 members and 410.37% to Sub Account 2 which is the Active Fund with contributing members.

The Fund’s diversification strategy continues to work and should hold foot against adversities such as inflation and currency depreciation.

Administration

To allow the conversion process to be done finalised and approved by IPEC, the Regulator then suspended all ZWG claim payments for a period to avoid member prejudice Post reporting in August 2024, the Fund resumed payments following the approval of the above discussed bonuses. Our administration system has successfully been configured to handle the transition from ZWL to ZWG. Our turnaround times for claims processing remains 5 working days from the day the claim form is received. This applies to all claims which do not require ZIMRA tax assessment.

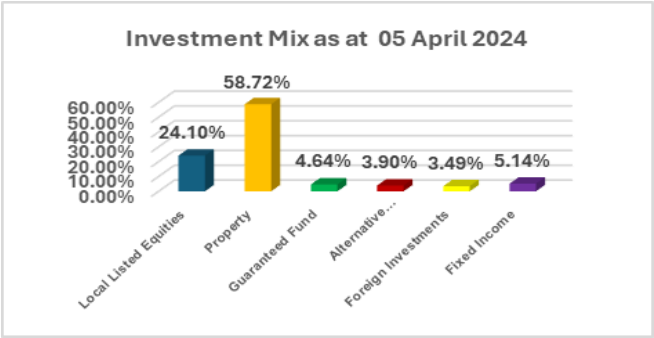
Membership Statistics as of 5 April 2024

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

	ZWG Fund
No. of members as of 31 December 2023	8,436
New Entrants into Main Fund	434
Deferred Pensioners	41,649
Total Pensioners (Former Members)	162
Total	50, 681
Resignations, Retirements, Retrenchments and Deaths in Service	123
Claims and Preservation, Guardian Fund exits	
Total Membership as of 5 April 2024	50,558

Investment Portfolio Mix

The Fund continues to invest in real assets which tracks inflation and therefore cushion members against these adversities. Therefore, the Fund has a dynamic and varying portfolio mix from time to time to preserve value and achieve better returns. Property and Listed Equities are currently the anchor assets of the Fund with Offshore investments and Alternative investments exposures rising to improve diversification. The Fixed income assets are USD denominated assets being invested in foreign currency and earning foreign currency for the Fund. Due to the high inflation and local currency volatility the Fund has taken a deliberate decision not to have local currency denominated fixed income exposures to preserve value of the Fund.



Prescribed Asset

The ZWG Fund edged closer to full compliance with a prescribed assets ratio of 19.97% compared to the 20% benchmark required by regulation.

Outlook

Board and management are excited by investment opportunities coming the Fund's way and will take advantage of them to the member's benefit. We continue to see a number of these opportunities in the Alternative investments space making the diversification strategy more robust because of the low correlation with the traditional assets classes such as listed Equities. More Offshore exposures will be pursued to strengthen the mitigatory position with regards currency and country risk in general.

An interactive and new look Fund website is already in place to explore and get more Fund information (www.motorpension.co.zw).

On behalf of the Board of Trustees, I would like to express my heartfelt gratitude to our members, business partners, suppliers and our regulator IPEC for their guidance and assistance during these evolving times. I would also wish to express my appreciation to my esteemed colleagues on the Board for their perceptive insights and wise counsel which truly helped the Fund steer through the challenges while paving the way for further growth and success. Finally, a big thank you to our dedicated and hardworking Management team and employees for their resilience in the face of adversity and their tireless commitment to excellence.

Mr B. Mswaka
Chairman, Independent Non-Executive

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