

ABRIDGED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the ZWL FUND

	INFLATION ADJUSTED		HISTORICAL	
For the Year Ending	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Contributions	5,638,179,352.28	1,283,457,169	5,143,778,680.19	899,440,956
Net Investment Income	18,206,481,014.17	2,613,718,057	16,220,148,570.21	1,815,030,073
Other Income	25,883,871,042.92	1,914,495,815	22,348,573,061.44	1,314,766,114
Fair Value Gains from Investments	126,160,838,142.12	14,581,140,863	112,983,539,356.56	9,857,435,720
Total Income (a)	175,889,169,551	20,392,811,905	156,636,039,668	13,886,672,862
Less: Benefits Paid				
Monthly Pensions	87,757,147	24,222,049	79,517,829	17,255,671
Withdrawals	372,044,099.45	40,236,458.16	338,843,393.37	45,895,706.62
Retirements	112,740,275	18,408,915	101,870,313	28,354,004
Retrenchments	153,896,778	14,669,257	140,678,882	12,932,034
Death in service benefits	97,526,822	64,167,944	89,729,943	9,588,798
Transfer to other funds	179,306,711	0	153,633,171	0
Administration Expenses	2,582,064,778	530,384,573	2,325,389,137	368,856,859
Total Expenditure (b)	3,585,336,610	692,089,197	3,235,662,669	482,883,073
Net monetary (loss)	-23,641,879,374	-17,263,378,850		
Surplus for the Year (a-b)	148,661,953,567	2,437,343,858	153,460,437,000	13,403,789,789

STATEMENT OF FINANCIAL POSITION for the ZWL FUND				
For the Year Ending	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
ACCUMULATED FUND:				
Opening Accumulated Fund	23,059,984,015	20,622,840,157	18,138,295,526	4,734,505,737
Surplus for The Year	148,661,953,567	2,437,343,858	153,460,437,000	13,403,789,789
Revaluation Reserve	174,838,522		159,892,858	
	171,896,776,104	23,059,984,015	171,758,625,384	18,138,295,526
EMPLOYMENT OF CAPITAL:				
Investments	164,468,850,694	22,129,946,796	164,468,850,694	17,491,944,040
Fixed Assets	435,079,940	175,694,019	296,929,220	50,103,825
Debtors Less Creditors	2,200,199,966	367,060,468	2,200,199,966	290,131,793
Cash in Hand	4,792,645,504	387,282,731	4,792,645,504	306,115,868
BALANCE OF FUND	171,896,776,104	23,059,984,015	171,758,625,384	18,138,295,526

MOTOR INDUSTRY PENSION FUND

Summary Financial Statements as of 31 December 2023



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 annual report and the Actuarial valuation results of the Fund for the year-ended 31 December 2023 for the ZWL Fund.

The Financial Year 2023 ("FY 2023") was characterised by a decent run on the Zimbabwe stock exchange with the All-share Index recording 981.54% return. However, the Victoria Falls Stock Exchange (VFEX) listed shares saw a huge price reversal following their listing prices resulting in a 28.86% loss. ZimStats’ blended year on year inflation rate closed 2023 at a depressed 84%. The metric does not give a good comparable picture to the pure ZWL traded ZSE performance.

The project pipeline to enhance and preserve value for this Fund continued to grow and included an offshore investment exposure to hedge against country risk. The Fund will target to reach the 15% maximum limit as prescribed by investment regulation. Many exciting Alternative investments are in the pipeline for completion in 2024 and these should enhance performance of the Fund. We believe the Fund is poised for exciting return and value growth going forward.

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 2023. The Actuary declared 881.54% for Sub Account 1 and 876.59% for Sub Account 2. Despite a 28.86% drop in USD on the VFEX, the Fund’s diversification strategy still carried the day to post the above results. The pensioners got an increase of 881.14% for the year. To cushion our pensioners from currency depreciation our pensioners were paid their pensions 100% in USD in November 2023 and such efforts will continue as their assets continue to yield USD returns in 2024.

Administration

The strategic thrust of our administration is to offer an excellent e-platform to members to enable quick and efficient interaction with the administration office. Our turnaround times for claims processing remains 5 working days from the day the claim form is received. This also applies to all claims which do not require ZIMRA tax assessment.

In the last 3 years, the ZWL Fund has seen migration of a huge active membership from contributing in local currency to US dollars. However, there is still a mix of members now on 100% USD contributions and those on different currency mix ratios. The Fund has adjusted its system to accommodate varying ratios at any given time to incorporate the different currency mixes at salary levels at various organisations.

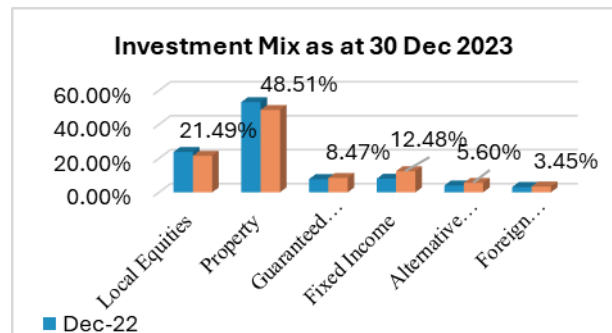
Membership Statistics as of 31 December 2023

Below is the membership and exit statistics for the reporting period:	
	ZWL Fund
No. of members as of 31 December 2022	7,595
New Entrants into Main Fund	841
Deferred Pensioners	43,974
Total Pensioners (Former Members)	161
Total	52,571
Resignations, Retirements, Retrenchments and Deaths in Service Claims and Preservation, Guardian Fund exits	(2435)
Total Membership as of 31 December 2023	50,136

Investment Portfolio Mix

The Fund has experienced a dynamic and varying portfolio mix during the year driven by local currency volatility which is the reporting currency. However, the focus for the Fund is to diversify the portfolio as efficiently as possible to

preserve value and achieve better returns. Property and Equities remain the anchor assets of the Fund with Alternative investments exposure nicely taking shape. The board has also identified an Offshore USD investment which will go a long way to cushion against country currency risk.



Prescribed Asset

The ZWL Fund raised its prescribed assets ratio to 10.89% and we are confident we will achieve full compliance with the 20% benchmark required by regulation by end of Q22024.

Outlook

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

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

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

Mr B. Mswaka
Chairman, Independent Non-Executive

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Motor Industry Pension Fund

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BOARD OF TRUSTEES

Current Trustees

Mr. Bartholomew Mswaka (Independent Chairperson)
Ms. Ntokozo Siziba (Independent Vice Board Chairperson)
Mr. John Chikura (Independent Board Member)
Mr. Ezekiel Mukanga. (Independent Board member)
Mr Taurai Munikwa (Employer Representative Board member)
Ms. Sandra Tsimba (Employer Representative Board member)
Mr. Phillemon Mushore (Employer Representative Board member)
Mr. Cleopas Dururu (Employee Representative Board member)
Mr. Mashingaidze Muzamindo (Employee Representative Board member)

Executive Team

Chief Executive Officer/Principal Officer

Mr Raymond Manhika

Acting Finance Manager

Mr Kudakwashe Jokonya

Pensions Administration Executive

Mr Munyaradzi Nheta

Investment Officer

Mr David Bariri

Actuaries

African Actuarial Consultants

Auditors

Baker Tilly (*External Auditors*)

AMG Global Accountants (*Internal Auditors*)

Investment Managers

Old Mutual Investment Group.

ABC Asset Management and,

CBZ Asset Management t/a Datvest

Zimnat Asset Managers

Risk Advisors

Coronation Risk Advisors