



ZIMBABWE ELECTRICITY INDUSTRY PENSION FUND

Actuarial Valuation as at 31 December 2024

Prepared By

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(In my capacity as Fund Actuary)

For and on behalf of



22 March 2025
Strictly Confidential

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1. EXECUTIVE SUMMARY

Background

- 1.1. We have carried out an **Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund')** as at **31 December 2024** in line with your instructions.

Year-end Actuarial Valuation 31 December 2023

- 1.2. The results of the exercise revealed that the Fund was financially sound with a surplus of ZWL\$383 916 327 364 split ZWL\$189 943 638 653 in Sub Fund 1, ZWL\$188 695 668 704 in Sub Fund 2 and ZWL\$5 277 020 007 in Sub Fund 3 before recommendations, due to positive returns earned on assets held.
- 1.3. We recommended that Board members award the following bonuses to maintain financial soundness at the review date. We have been advised that these were adopted and implemented by the Board members.

	Bonus	Comments
Sub Fund 1	841.00%	Cumulative
Sub Fund 2	482.64%	Cumulative
Sub Fund 3	43.61%	Cumulative
Pension increase	77.73%	Additional
Pension reserve inc	841.00%	Cumulative
Preserved	841.00%	Cumulative

Table 1: Recommended bonuses as at 31 Dec 2023

Currency Conversion 05 April 2024

- 1.4. The government of Zimbabwe issued Statutory Instrument 60 of 2024 where all Assets and Liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe dollars, shall be deemed to be values in Zimbabwe Gold (ZWG). The ZWL was converted to ZWG using the rate ZWG 1: ZWL\$2 498.724.
- 1.5. We carried out a Currency Conversion Actuarial Valuation of non -US\$ account of the Fund as at **05 April 2024** as per Section 48 of the new Pension and Provident Fund Act [Chapter 24:32].

Summary of results

1.6. The financial position of the Fund as at 05 April 2024 after implementing the bonuses as per **paragraph 1.8** is as shown below:

After bonus	Actives	Pensioners	Preserved	Sub Fund A	Stabilization account	Total
Assets	616 414 741	31 249 275	8 185 448	655 849 464	3 014 399	658 863 863
Liabilities	612 769 196	31 163 942	8 185 448	652 118 587	3 014 399	655 132 986
Actives Account	-	-	-	-	-	-
<i>Contributing</i>	584 257 027	-	-	584 257 027	-	584 257 027
<i>Omitted this valuation</i>	84 727	-	-	84 727	-	84 727
<i>Exit top ups</i>	11 556 885	-	-	11 556 885	-	11 556 885
Unclaimed benefits	474 048	-	-	474 048	-	474 048
NGS Credits	188 401	-	-	188 401	-	188 401
Missing at conversion credits	200 074	-	-	200 074	-	200 074
Stabilization	-	-	-	-	3 014 399	3 014 399
2018 Surplus + Data reserve	16 008 036	-	-	16 008 036	-	16 008 036
Preserved	-	-	8 185 448	8 185 448	-	8 185 448
Pensioners	-	28 191 035	-	28 191 035	-	28 191 035
Pensioner`s reserve	-	2 972 907	-	2 972 907	-	2 972 907
Surplus	3 645 545	85 332	-	3 730 877	-	3 730 877
Funding Level	101%	100%	100%	101%	100%	101%

Table 2: Financial position as at 05 April 2024

1.7. The results revealed that the Fund was financially sound with a surplus of **ZWG 3 730 877**.

1.8. The bonuses approved as at 05 April 2024 are as follows.

	Bonus	Comments
Sub Fund 1	300.45%	Cumulative
Sub Fund 2	166.18%	Cumulative
Pension increase	59.60%	Additional
Pension reserve inc	300.45%	Cumulative
Preserved	300.45%	Cumulative

Table 3: Recommended bonuses as at 05 April 2024

1.9. Effective 05 April 2024, the Fund has Sub Fund A which relates to accumulated credits and contributions in ZWG and Sub Fund B which relates to Accumulated Credits in respect of all contributions made from May 2023 in foreign currency (US\$).

1.10. **This means that for the non-US\$ account the review period is from 06 April 2024 to 31 December 2024, whilst for the US\$ account, the review period is 1 January 2024 to 31 December 2024.**

The Economy

1.11. The growth of the Zimbabwean economy in 2024 can be attributed in part to the country being selected as the host nation for the 2024 SADC summit. The influx of international delegates and the associated economic activities played a pivotal role in driving growth and enhancing Zimbabwe's economic standing in the region.

1.12. Regardless, the Zimbabwe Gold currency faced a staggering decline, with its exchange rate plummeting from **US\$1: ZWG 13.56** on the 5th of April to **US\$1: ZWG 25.79** on the 31st of December, resulting in an **90.2%** currency depreciation.

1.13. This rapid devaluation raises serious concerns about the currency's stability and the overall economic health of Zimbabwe. Such a drastic shift not only undermines confidence in the currency but also exacerbates inflationary pressures, making everyday goods and services increasingly unaffordable for the population.

1.14. The All-Share Index saw a remarkable increase of 117.58%, rising from 100.00 points on April 5 to 217.58 points as of December 31, 2024. With the Victoria Falls All Share Index closing the year with a value of 104.09, highlighting a 6.72% increase from April 2024

- 1.15. This increase in the All-Share Index made a positive impact on the funds' performance by boosting the value of its equity holdings, improving its funding status, and increasing overall investment returns.
- 1.16. The Fund's property portfolio increased by 175%. This means that the property portfolio outperformed the depreciation of the local currency by 45%.
- 1.17. The Fund's cash and money market portfolio increased by 103%.
- 1.18. The Fund earned a return of **118.3%** over the period. This means that the Fund performed above the depreciation of the local currency by **14.8%**, therefore, members of the Fund have gained almost **14.8%** of the real value of their investments over the review period.
- 1.19. This must however be viewed with care as the non-official depreciation is much higher since the parallel currency exchange rate was trading at around ZWG 40.00, implying a depreciation of 195% which could mean negative real returns.

Summary of results

Sub Fund A (ZWG)

- 1.20. The review period is from 06 April 2024 to 31 December 2024.
- 1.21. Sub Fund A consist of Sub Fund 1 which relates to contributions made pre 2019 and Sub Fund 2 which relates to contributions made post 2019.
- 1.22. **Note that we have maintained the split of Sub Fund A into Sub Fund 1 and 2 given the high exposure to cross-subsidy risk due to non-payment of contributions.**

ZWG Assets

- 1.23. The total ZWG assets of the Fund as per the Financial Statements provided amounted to **ZWG 1 698 704 449** as at 31 December 2024.
- 1.24. The net assets backing liabilities after deducting non-pension related liabilities are **ZWG 1 693 355 797** split **ZWG 1 686 912 148** in Sub Fund A and **ZWG 6 443 649** in the Stabilization Account.
- 1.25. Based on the average assets held over the period from 06 April 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the ZWG assets amounted to an average of **118.3%**.

	Return
Sub Fund 1	169.3%
Sub Fund 2	79.4%
Sub Fund A	118.3%

Table 4: Return as at 31 December 2024

Interim Bonus declarations

- 1.26. Meanwhile, over the review period pensioners were awarded pension increases of **7.2%** at 30 June 2024 and **84.5%** at 30 September 2024, thus a cumulative total of **97.8%**.

Effective date	Pension Inc awarded
April to Sept 2024	7.2%
Oct-Dec 2024	84.5%
Cumulative	97.8%

Table 5: Pension increases

1.27. In addition, pensioners also received monthly lumpsums as follows, which have a cumulative impact of **18.9%**.

- a. ZWG Lumpsum payment equivalent to the ZWG current pension.

ZWG Lumpsum	
April-Sept 2024	100.0% of monthly pension
Oct-Dec 2024	54.2% of monthly pension

- b. US\$ Lumpsum equivalent to the ZWG monthly pension and rounded up to the nearest multiple of US\$ 10 guaranteed, subject to the following minimums:
- i. US\$ 30 for principal pensioners,
 - ii. US\$ 20 for spouse beneficiaries, and
 - iii. US\$ 10 for child beneficiaries.

1.28. This means that overall, the pensioners received a cumulative total pension increase of **135.1%** over the review period.

Financial Position as at 31 December 2024 before bonus

1.29. The financial position of the Fund due to the Members before bonus recommendations as at 31 December 2024 is as shown below:

Before bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	291 369 686	493 162 279	62 989 180	8 185 448	855 706 592	6 443 649	862 150 242
Actives Account							-
<i>Contributing</i>	265 963 521	490 056 273			756 019 794		756 019 794
<i>Exit top ups</i>	8 450 879	3 106 006			11 556 885		11 556 885
Unclaimed benefits	474 048				474 048		474 048
NGS Credits	388 475				388 475		388 475
Stabilization					-	6 443 649	6 443 649
2018 Surplus + Data reserve	16 092 763				16 092 763		16 092 763
Preserved	-			8 185 448	8 185 448		8 185 448
Pensioners			57 109 245		57 109 245		57 109 245
Pensioner`s reserve			5 879 934		5 879 934		5 879 934
Surplus	494 524 773	313 567 635	9 246 356	13 866 792	831 205 556	-	831 205 556
Funding Level	270%	164%	115%	269%	197%	100%	196%

Table 6: Financial position before bonus as at 31 December 2024

- 1.30. The total liabilities before bonus allocation as at this review date amounts to **ZWG 862 150 242** split **ZWG 855 706 592** in Sub Fund A and **ZWG 6 443 649** in the Stabilization Account.
- 1.31. The results show an excess of assets over liabilities of **ZWG 831 205 556**. This surplus translates to a Funding Level (Assets over Liabilities) of **196%**.
- 1.32. This Funding Level shows that the Fund is financially sound as at 31 December 2024.
- 1.33. The Fund is Defined Contributions where at any given point the assets of the Fund must determine the liabilities of the Fund. This means the disclosed surplus must be distributed to Members of the Fund in the form of a bonus.

Bonus declarations

- 1.34. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following additional bonuses over the review period 06 April to 31 December 2024.

Sub Fund A	Bonus	Comments
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional

Table 7: Recommended bonus as at 31 December 2024

- 1.35. In line with the Board Members` instruction, we have distributed the maximum bonus which can be afforded, leaving the barest surplus with the Fund.

Financial Position after bonus of the ZWG Sub Account A

- 1.36. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of **ZWG 1 417 683**, thus leaving the Fund in a sound financial position.
- 1.37. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.

1.38. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	785 595 859	805 714 188	72 165 563	22 018 855	1 685 494 465	6 443 649	1 691 938 114
Actives Account							-
<i>Contributing</i>	717 253 275	800 143 239			1 517 396 514		1 517 396 514
<i>Exit top ups</i>	22 732 865	5 570 949			28 303 813		28 303 813
Unclaimed benefits	1 275 189				1 275 189		1 275 189
NGS Credits	1 044 998				1 044 998		1 044 998
Stabilization	-				-	6 444 963	6 443 649
2018 Surplus + Data reserve	43 289 532				43 289 532		43 289 532
Preserved				22 018 855	22 018 855		22 018 855
Pensioners			65 429 029		65 429 029		65 429 029
Pensioner`s reserve			6 736 534		6 736 534		6 736 534
Surplus	298 600	1 015 726	69 972	28 526	1 417 683	-	1 417 683
Funding Level	100%	100%	100%	100%	100%	100%	100%

Table 8: Financial position after bonus as at 31 December 2024

1.39. We recommend that monthly returns be calculated for paying exits.

1.40. We recommend that monthly returns be calculated so as to determine if the Fund can afford to pay the Lump-sum benefits to the Pensioners, and the pension increase be based on what is earned.

1.41. In our view, the Fund will be financially sound at the next review date at 31 December 2025 should our recommendations be adopted and implemented by Board Members.

Implementation of the Zimbabwe Mortality Table (Circular 23 of 2024)

1.42. We have assessed the impact of the Zimbabwe Mortality Tables on the Zimbabwe Electricity Industry Pension Fund Pensioners.

1.43. Our assessment shows that the Zimbabwe mortality is lower than the current basis.

1.44. Since the Zimbabwe mortality is lower than the current basis (PA 90) this means that on the average our pensioners are living longer than what is being assumed, hence to continue paying the same pension this means we need to set aside more monies (reserves) so as to pay the pension for the now longer life.

1.45. This is illustrated in the Pensioners' financial position below;

31 December 2024	Before Pension Increase	After Pension Increase	After affordable increase
Assets	72 235 535	72 235 535	72 235 535
Liabilities	67 492 216	77 324 610	72 218 920
Pensioners	61 612 281	70 588 075	65 927 195
Pensioner's reserve	5 879 934	6 736 534	6 291 725
Surplus	4 743 319	-5 089 075	16 615
Funding Level	107%	93%	100%

Table 9: Pensioners' financial position -Zim tables

1.46. As the Zimbabwe mortality is lower, we cannot afford a 15% increase as this will put the Fund into deficit as shown in the third column. If we are to move to Zimbabwe Mortality Tables then the Fund can only afford to award an additional pension increase of 7% as shown in the last column.

1.47. We that being said, we are not very comfortable in using the Zimbabwe Mortality Tables as we believe they do not correctly match the Fund's experience.

ZEIPF Compensation Framework

1.48. In line with the Statutory Instrument 162 of 2023 Pensions and Provident Funds (2009 Compensation) Regulations 2023 from IPEC we have quantified the compensation of the Fund.

1.49. The table below shows the total prejudice for the Fund;

	Total prejudice
31-Dec-2014	US\$2 696 462
31-Dec-2024	US\$ 3 623 820
Total	ZWG 93 458 322

Table 10: Total prejudice as at 31 Dec 2024

1.50. Members of the Fund during the period 1 January 2004 to 28 February 2009 are entitled to a compensation of **US\$2 696 462** as at 31 December 2014 for the loss on their fund credits during the hyperinflation period between 2004 and 2008 which has been adjusted for time value of money to **ZWG 93 458 322** as at 31 December 2024.

1.51. The table below shows our proposed financing of the Compensation;

	31-Dec-2024 (US\$)	31-Dec-2024 (ZWG)
Fund Portion (outstanding benefits)	114 596	2 955 424
Employer portion (Outstanding contributions)	818 020	21 096 731
Compensation Fund	2 691 205	69 406 167
	3 623 820	93 458 322

Table 11: Financing the prejudice.

1.52. After financing the prejudice from the Employer and the Fund, we recommend that the Fund set up a **Compensation Fund** amounting to ZWG 69.4 million (US\$2 691 205) to be financed by one per centum annual levy on the total value of the Fund assets as per **Section 9** of the Statutory Instrument 162 of 2023.

1.53. We understand that the Board Members are waiting for regulatory approvals of the Fund's Compensation Scheme, please refer to the Compensation Scheme of the Fund for further details.

Sub Fund B (US\$)

- 1.54. The review period is from 1 January 2024 to 31 December 2024, as the Sub Fund was not affected by the currency conversion exercise as at 05 April 2024.
- 1.55. The total US\$ assets of the Fund as per the Financial Statements provided amounted to **US\$14 892 981** as at 31 December 2024.
- 1.56. The net assets backing liabilities after deducting non-pension related liabilities are **US\$14 892 981** split **US\$14 105 074** in Sub Fund B and **US\$787 907** in the Stabilization Account.
- 1.57. Based on the average assets held over the period from 1 January 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the assets amounted to an average of **9.3%**.
- 1.58. Note the return is largely driven by the unsecured bank overdraft rate charge (10% per annum). There is a huge concentration in outstanding contributions (91% of the total USD assets), we therefore recommend that a plan be established on how these arrears may be collected.
- 1.59. **This technically means that on a funded basis the Fund has a very small US\$ account of US\$1 385 726 which Members need to note.**
- 1.60. The total liabilities before bonus allocation as at this review date amounts to **US\$13 780 321** split **US\$12 992 414** in Sub Fund B and **US\$787 907** in the Stabilization Account.
- 1.61. The results show an excess of assets over liabilities of **US\$1 112 659**. This surplus translates to a Funding Level (Assets over Liabilities) of **108%**.
- 1.62. This Funding Level shows that the Fund is financially sound as at 31 December 2024.
- 1.63. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following cumulative bonuses over the review period 1 January 2024 to 31 December 2024:

	Bonus	Comment
Sub Fund B	9.3%	Cumulative

Table 12: Recommended bonus as at 31 December 2024

1.64. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.

1.65. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	ZEIPF			
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	14 105 074	787 907	14 892 981	384 216 544
Liabilities	14 090 275	787 907	14 878 182	383 834 758
Actives Account	14 090 275		14 090 275	363 507 936
Stabilization account		787 907	787 907	20 326 822
Surplus	14 799	-	14 799	381 785
Funding Level	100%	100%	100%	100%

Table 13: Financial position after bonus as at 31 December 2024

1.66. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of **US\$14 799**, thus leaving the Fund in a sound financial position.

Conclusion

1.68. We have carried out an Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund') as at 31 December 2024.

Final Bonus

1.69. The final bonus recommendations as at 31 December 2024 are shown in the table below:

	Bonus	Comments
Sub Fund A		
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional
Sub Fund B	9.3%	Cumulative

Table 14: Recommended bonus as at 31 December 2024

1.70. We recommend that monthly returns be calculated for paying exits as well as for basing pension lumpsums on earned and realised returns.

1.71. In our view, the Fund will be financially sound at the next review date should our recommendations be adopted and implemented by Board members.

1.72. We will be happy to discuss all the issues raised in this report.

For and on behalf of **MAOS**



David T. Mureriwa

Fellow of the Actuarial Society of South Africa

Fellow of the Faculty of Actuaries (UK)

(In my capacity as the Fund Actuary)

22 March 2025

2. INTRODUCTION

- 2.1. **David Mureriwa**, “DT Mureriwa,” as **Fund Actuary** and on behalf of Mureriwa Actuarial Outsourcing Services (Pvt) Ltd, “MAOS” has been requested to carry out an Actuarial Valuation of the **Zimbabwe Electricity Industry Pension Fund** (“the Fund”), to recommend a final bonus rate to be applied to Members as at 31 December 2024.
- 2.2. The Fund is a Self-Administered Defined Contribution arrangement which seeks to provide Pensions and other benefits to Eligible Employees and Spouses as well as their dependants/beneficiaries.
- 2.3. The benefit on exit is based on the Member’s Accumulated Credit. This is composed of the aggregate Contributions made by and in respect of the Member increased by the bonus rate declared as earned by the Fund’s Assets and any other proportionate allocations from the Stabilisation Account as agreed by the Board Members from time to time.
- 2.4. The investment return is the rate generally reflecting the return earned on the assets of the Fund less investment related expenses, as determined by the Board Members after consultation with the Actuary. We have also taken the depreciation of property and equipment (*other than that of motor vehicles*) to be an investment expense.
- 2.5. The bonuses declared therefore have a direct impact on the benefits payable. In considering the bonus rate to declare, the Board Members should consider the net investment return earned by the Fund compared to the interim interest rate allocated, as well as the financial position of the Fund and the degree of smoothing of returns.
- 2.6. The investigation (valuation) period is 06 April to 31 December 2024 for the Sub Fund A and 01 January to 31 December 2024 for the Sub Fund B.

2.7. The **purpose of this Actuarial Valuation** is.

- a) To determine the re-valuation gains arising from the conversion of assets from US\$ to ZWG as well as Subsequent inflation experienced in 2024.
- b) To equitably distribute the revaluation gains to all members of the Fund as at the valuation date.
- c) Assess the financial position of the Fund by comparing the level of Assets to its Liabilities,
- d) Recommend a final bonus rate for the financial year ending 31 December 2024,
- e) Comment on the Asset Mix of the Fund and comment whether it is a suitable match to the Liability Profile of the Fund,
- f) Review the expense charge levied to the stabilization account when carrying out member exit calculations in line with inflation,
- g) Comment on the impact of IPEC Regulations on the Fund,
- h) To meet statutory requirements as per IPEC Guidelines; and,
- i) Comment on any other issues, peculiar to the Fund.

2.8. This report was prepared with reference to the professional guidance notes **SAP201** of South Africa and to Guidance Notes issued by the Institute and Faculty of Actuaries (UK) and the Technical Actuarial Standards set by the Financial Reporting Council in all respect, except those sections specific to United Kingdom or South Africa have been ignored.

3. MARKET OVERVIEW

The Economy

- 3.1. The recent growth of the Zimbabwean economy can be attributed in part to the country being selected as the host nation for the 2024 SADC summit. The influx of international delegates and the associated economic activities played a pivotal role in driving growth and enhancing Zimbabwe's economic standing in the region.
- 3.2. Regardless, the Zimbabwe Gold currency faced a staggering decline, with its exchange rate plummeting from US\$1: **ZWG 13.56** on the 5th of April to US\$1: **ZWG 25.79** on the 31st of December, resulting in an 90.2% currency depreciation.
- 3.3. This rapid devaluation raises serious concerns about the currency's stability and the overall economic health of Zimbabwe. Such a drastic shift not only undermines confidence in the currency but also exacerbates inflationary pressures, making everyday goods and services increasingly unaffordable for the population.
- 3.4. The All-Share Index saw a remarkable increase of 117.58%, rising from 100.00 points on April 05 to 217.58 points as of December 31, 2024. With the Victoria Falls All Share Index closing the year with a value of 104.09, highlighting a 6.72% increase from April, 2024
- 3.5. This increase in the All-Share Index made a positive impact on the funds' performance by boosting the value of its equity holdings, improving its funding status, and increasing overall investment returns.
- 3.6. The Fund earned a return of **118.3%** over the period. This means that the Fund performed above the depreciation of the local currency by **14.8%**, therefore, members of the Fund have gained almost **14.8%** of the real value of their investments over the review period.
- 3.7. This must however be viewed with care as the non-official depreciation is much higher since the parallel currency exchange rate was trading at around ZWG 40.00, implying a depreciation of 195% which could mean negative real returns.
- 3.8. **Note that these market conditions shape some of our recommendations.**

4. REVIEW OF THE PREVIOUS VALUATION

4.1. The previous Financial Review was carried out as at 31 December 2023 by MAOS. The results of this exercise are summarised below:

After bonus	Actives			Pensioners	Preserved	ZEIPF			Total	
	Sub Fund 1	Sub Fund 2	Sub Fund 3	Sub Fund 1	Sub Fund 1	Sub Fund 1	Sub Fund 2	Sub Fund 3	Stab Account	
Assets	184 148 691 002	267 593 135 537	30 478 865 220	21 610 912 961	5 107 575 001	210 867 178 964	267 593 135 537	30 478 865 220	3 399 580 252	512 338 759 972
Liabilities	183 889 979 694	267 453 014 798	30 461 793 943	21 610 912 961	5 107 575 001	210 608 467 656	267 453 014 798	30 461 793 943	3 399 580 252	511 922 856 650
Actives Account										-
Contributing	168 036 982 710	264 537 272 991	30 461 793 943			168 036 982 710	264 537 272 991	30 461 793 943		463 036 049 644
Omitted this valuation	52 868 362	-				52 868 362	-	-		52 868 362
Exit top ups	5 273 199 012	2 915 741 808				5 273 199 012	2 915 741 808	-		8 188 940 820
Unclaimed benefits	295 797 269					295 797 269	-	-		295 797 269
NGS Credits	117 558 732					117 558 732	-	-		117 558 732
Missing at conversion credits	124 842 326					124 842 326	-	-		124 842 326
Stabilization	-					-	-	-	3 399 580 252	3 399 580 252
2018 Surplus + Data Reserve	9 988 731 282					9 988 731 282	-	-		9 988 731 282
Preserved					5 107 575 001	5 107 575 001	-	-		5 107 575 001
Pensioners				19 755 871 538		19 755 871 538	-	-		19 755 871 538
Pensioner's reserve				1 855 041 423		1 855 041 423	-	-		1 855 041 423
Surplus	258 711 308	140 120 738	17 071 276	-	-	258 711 308	140 120 738	17 071 276	-	415 903 323
Funding Level	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 15: Financial position as at 31 December 2023

4.2. The previous review was carried out as at 31 December 2023 by MAOS. The results of the exercise revealed that the Fund was financially sound with a surplus of **ZWL\$383 916 327 364 split** amongst Sub Fund A, B and C as **ZWL\$189 943 638 653**, **ZWL\$188 695 668 704** and **ZWL\$5 277 020 007** respectively before recommendations, due to positive returns earned on assets held.

4.3. We recommended that Board members award the following bonuses to maintain financial soundness at the review date. We have been advised that these were adopted and implemented by the Board members.

	Bonus	Comments
Sub Fund 1	841.00%	Cumulative
Sub Fund 2	482.64%	Cumulative
Sub Fund 3	43.61%	Cumulative
Pension increase	77.73%	Additional
Pension reserve inc	841.00%	Cumulative
Preserved	841.00%	Cumulative

Table 16: Bonuses adopted as at 31 Dec 2023

4.4. We have been notified by the Fund Management that these recommendations were adopted and implemented by the Board Members.

Interim Bonuses and Pension Increases Recommendations

4.5. We have taken into consideration that pensioners have already been awarded the following pension increases over the review period.

- a. ZWG Lumpsum payment equivalent to the ZWG current pension;

ZWG Lump sum	
April-Sept 2024	100% of monthly pension
Oct-Dec 2024	54.20% of monthly pension

- b. US\$ Lumpsum equivalent to the ZWG monthly pension and rounded up to the nearest multiple of US\$ 10 guaranteed, subject to the following minimums:
 - i. US\$ 30 for principal pensioners,
 - ii. US\$ 20 for spouse beneficiaries, and
 - iii. US\$ 10 for child beneficiaries.

- c. The table below shows the pension increases awarded over the period:

Effective date	Pension Inc awarded
April to September 2024	7.20%
Oct – Dec 2024	84.50%
Cumulative	97.80%

Table 17: Pension increases

Currency Conversion 05 April 2024

- 4.7. The government of Zimbabwe issued Statutory Instrument 60 of 2024 where all Assets and Liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe dollars, shall be deemed to be values in Zimbabwe Gold (ZWG). The ZWL was converted to ZWG using the rate ZWG 1: ZWL\$2 498.724.
- 4.8. IPEC also issued Insurance & Pensions Guideline on Conversion of Values from ZWL to Zimbabwe Gold (ZWG) through Circular 8 of 2024.
- 4.9. We carried out a Currency Conversion Actuarial Valuation of non -US\$ account of the Fund as at **05 April 2024** as per Section 48 of the new Pension and Provident Fund Act [Chapter 24:32].

Summary of results

- 4.10. We recommended that Board members award the following bonuses to maintain financial soundness at the review date:

	Bonus	Comments
Sub Fund 1	300.45%	Cumulative
Sub Fund 2	166.18%	Cumulative
Pension increase	59.60%	Additional
Pension reserve inc	300.45%	Cumulative
Preserved	300.45%	Cumulative

Table 18: Recommended bonuses as at 05 April 2024

4.11. The financial position of the Fund as at 05 April 2024 is as shown below:

After bonus	Actives	Pensioners	Preserved	Sub Fund A	Stabilization account	Total
Assets	616 414 741	31 249 275	8 185 448	655 849 464	3 014 399	658 863 863
Liabilities	612 769 196	31 163 942	8 185 448	652 118 587	3 014 399	655 132 986
Actives Account	-	-	-	-	-	-
<i>Contributing</i>	584 257 027	-	-	584 257 027	-	584 257 027
<i>Omitted this valuation</i>	84 727	-	-	84 727	-	84 727
<i>Exit top ups</i>	11 556 885	-	-	11 556 885	-	11 556 885
Unclaimed benefits	474 048	-	-	474 048	-	474 048
NGS Credits	188 401	-	-	188 401	-	188 401
Missing at conversion credits	200 074	-	-	200 074	-	200 074
Stabilization	-	-	-	-	3 014 399	3 014 399
2018 Surplus + Data reserve	16 008 036	-	-	16 008 036	-	16 008 036
Preserved	-	-	8 185 448	8 185 448	-	8 185 448
Pensioners	-	28 191 035	-	28 191 035	-	28 191 035
Pensioner`s reserve	-	2 972 907	-	2 972 907	-	2 972 907
Surplus	3 645 545	85 332	-	3 730 877	-	3 730 877
Funding Level	101%	100%	100%	101%	100%	101%

Table 19: Financial position as at 05 April 2024

4.12. The results revealed that the Fund was financially sound with a surplus of **ZWG 3 730 877**.

5. RELIANCES AND LIMITATIONS

5.1. The results and opinions contained in this report are Subject (but not exclusively to) the following reliance and limitations.

Reliance

5.2. In developing this report, we have relied extensively on the data supplied by Fund Management.

5.3. Reliance was placed on, but not limited to, the accuracy of the following:

- a) Actuarial Valuation Report as at 31 December 2023,
- b) Monthly Pension Increases and Bonus Recommendations Reports,
- c) Currency Conversion Actuarial Valuation Report as at 05 April 2024,
- d) Midyear Actuarial Valuation Report as at 30 June 2024
- e) Pensioners' data as at 31 December 2024,
- f) Membership schedule of Actives and Exit top ups as of 31 December 2024,
- g) Audited financial statements as of 31 December 2024,
- h) Communications with Fund Management.

Limitations

5.4. The accuracy of any values quoted in this report and the conclusions reached are limited to the accuracy of the underlying data and information (listed above) on which this report is based. Should this data be any different from that representing the membership of the Fund, this review will need to be redone.

6. SUMMARY OF MEMBERSHIP DATA

6.1. The Financial Review as at 31 December 2024 is based on the membership as shown below:

Membership Summary	31 December 2024	31 December 2024
	ZWG	US\$
Contributing members		
Number	6 860	6 842
Salary weighted average age	54	54
Opening Accumulated Credit	753 572 439	4 905 181
Contributions	71 899 739	
Exit Top Ups		
Number	1039	
Salary weighted average age	49	
Accumulated Credit	11 556 885	
Contributions		
Benefit paid		
Unclaimed benefits		
Number	67	
Accumulated Credit	474 048	
NGS Credits		
Number	45	
Accumulated Credit	188 401	

Table 20: Membership summary as at 31 December 2024

6.2. Pensioners' membership summary is as below:

Pensioners Summary	31 December 2024
Adult Member	
Number	759
Average monthly pension	ZWG 368.97
Pensioner weighted average age	63
Retrenched	
Number	2
Average monthly pension	ZWG 220.14
Widow	
Number	314
Average monthly pension	ZWG 277.53
Pensioner weighted average age	47
Children	
Number	200
Average monthly pension	ZWG 277.12
Pensioner weighted average age	13
Student	
Number	1
Average monthly pension	ZWG 415.15

Table 21: Pensioners membership summary as at 31 December 2024

6.3. We have relied extensively on the data supplied by Fund Management. The accuracy of the results of this report and the conclusions reached are limited to the accuracy of the information availed. Should this data be any different from that representing the membership of the Fund, this review will need to be redone.

7. CONTRIBUTIONS

7.1. The expenses of the Fund are currently met by the Employer through a contribution of 2% of Salary bill to the Stabilisation Account. The Contribution rates can be summarised below.

Contributions	% of salary
Employer Contribution	21.25%
Less: Contribution towards Fund expenses	2.00%
Net Employer contributions towards retirement benefits	19.25%
Employee Contributions towards Retirement	6.25%
Total Contribution towards retirement	25.50%

Table 22: Contributions as per Fund Rules

7.2. The Board Members of the Fund should consider whether the contributions towards retirement are sufficient to provide a reasonable benefit on retirement. In doing this the Board Members may also need to consider the desired Replacement Ratios of the Members in relation with the actual Replacement Ratios.

Stabilisation Reserve Account

7.3. According to the Fund Rules, the Stabilisation Account is meant to cater for all Fund expenses.

7.4. The build-up of the Stabilization Reserve Account over the valuation period is as shown in the table below:

Stabilization account	ZWG	US\$
Opening	3 014 399	350 758
Contributions	12 675 617	574 620
Charges on pensioners + exits	0	
Staff costs	-6 871 426	-155 364
Administration expenses	-4 119 908	-28 158
Actuarial fees	-271 705	-5 000
Audit fees	-123 931	-846
IPEC Levies	-940 087	-3 014
Bank Charges	-894 660	-15 466
Board expenses	-1 103 026	-643
Actuarial	1 060 650	
Closing before distributions	2 425 923	716 886
Return earned	4 017 530	71 021
Closing after distributions	6 443 649	787 907

Table 23: Stabilization Build Up

- 7.5. The Board Members must always monitor expenses to ensure they are within the set budgets, i.e., each year expenses must not exceed the 2% of pensionable salary available allocation.
- 7.6. In addition, it is also recommended that when costs are related to investment decisions, these costs be levied on the investment income rather than the administration charge of 2%, for example, when Board Members meet to decide on investment matters, then the costs must be met from the investment income.

Impact of Circular 41 of 2021

- 7.7. IPEC issued out a guideline to prescribe the thresholds that be by the pensions industry in defining the rate and basis for charging expenses. We have assessed the impact over the review period.
- 7.8. ZEIPF is stand-alone fund thus the applicable maximum caps are as below:

Type of fees	Fees on Contributions	Fees on Assets
Administration expense	15.0%	Not allowed
Board costs	0.5%	Not allowed

Table 24: IPEC Caps on max funds towards administration expenses

- 7.9. The expenses of the Fund are currently met by the Employer through a contribution of 2% of Salary bill to the Stabilisation Account i.e., *10.4% of the Employer contributions or 7.84% of Total Contributions.*
- 7.10. The Management has been able to manage the expense of the Fund. The proportion of expense were as below:

	% of Contributions	
	ZWG	US\$
Administration expenses	3.1%	0.5%
Board expenses	0.7%	0.0%

Table 25: Proportion of expense to contributions

- 7.11. The current available expenses of the Fund are therefore within the IPEC Expense Guidelines. This is not surprising given the high contribution rates of the Fund.
- 7.12. We recommend that the Fund review its Rules to accommodate the caps in the Expense Guidelines as well as align the Rules to the new Act.

8. ASSETS AND RETURN OF THE FUND

8.1. In this section we review the assets of the Fund. The assets of the Zimbabwe Electricity Industry Pension Fund are managed by the Fund.

8.2. We have been provided with the financial statements of the Fund for the period ending 31 December 2024, breakdown is as follows:

Assets	Sub Fund A	Sub Fund B	Grand Total	Prop
	ZWG	US\$	ZWG	
Motor vehicles	5 936 544		5 936 544	0.3%
Furniture and equipment	188 928		188 928	0.0%
Computer systems and hardware	881 850		881 850	0.0%
Investment property	1 152 781 204	499 168	1 165 658 990	56.0%
Equities			-	0.0%
<i>quoted:</i>	239 417 400	62 187	241 021 731	11.6%
<i>unquoted</i>	124 475 770		124 475 770	6.0%
Prescribed Assets	-		-	0.0%
Bonds				0.0%
Loans and mortgages on property	12 392 925		12 392 925	0.6%
Staff loans and mortgages		180 000	4 643 730	0.2%
other prescribed assets	3 646 901		3 646 901	0.2%
Staff loans and mortgages	16 240		16 240	0.0%
Money market investments	-	538 000	13 879 593	0.7%
Cash on hand and at bank	9 725 176	96 244	12 208 127	0.6%
Contribution arrears	128 081 893	13 507 254	476 548 785	22.9%
Rental arrears	430 462		430 462	0.0%
Value Added Tax	10 283 883		10 545 144	0.5%
Other debtors	10 445 273	10 127	10 445 273	0.5%
Total Assets	1 698 704 449	14 892 981	2 082 920 992	100.0%

Table 26: Asset mix as at 31 December 2024

8.3. The total assets of the Fund amounted to **ZWG 2 082 920 992** split **ZWG 1 698 704 449** in Sub Fund A and **US\$14 892 981** in Sub Fund B as at 31 December 2024.

Sub Fund A (ZWG) Assets

8.4. The total ZWG assets of the Fund as per the Financial Statements provided amounted to **ZWG 1 698 704 449** as at 31 December 2024. The breakdown is as follows;

Assets	Sub Fund 1	Sub Fund 2	Sub Fund A	Prop
			ZWG	
Motor vehicles	698 416	5 238 128	5 936 544	0.3%
Furniture and equipment		188 928	188 928	0.0%
Computer systems and hardware		881 850	881 850	0.1%
Investment property	723 471 000	429 310 204	1 152 781 204	67.9%
Equities				0.0%
<i>quoted:</i>	154 183 000	85 234 400	239 417 400	14.1%
<i>unquoted</i>		124 475 770	124 475 770	7.3%
Prescribed Assets			-	0.0%
Bonds				0.0%
Loans and mortgages on property	10 288	12 382 637	12 392 925	0.7%
Staff loans and mortgages				0.0%
other prescribed assets		3 646 901	3 646 901	0.2%
Staff loans and mortgages		16 240	16 240	0.0%
Money market investments			-	0.0%
Cash on hand and at bank	3 030 598	6 694 578	9 725 176	0.6%
Contribution arrears		128 081 893	128 081 893	7.5%
Rental arrears	430 462		430 462	0.0%
Value Added Tax		10 283 883	10 283 883	0.6%
Other debtors	1 205 802	9 239 472	10 445 273	0.6%
Total Assets	883 029 565	815 674 884	1 698 704 449	100.0%

Table 27: Asset mix as at 31 December 2024

8.5. The net assets backing liabilities after deducting non-pension related liabilities are **ZWG 1 693 355 797** split **ZWG 1 686 912 148** in Sub Fund A and **ZWG 6 443 649** in the Stabilization Account.

8.6. Based on the average assets held over the period from 06 April 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the ZWG assets amounted to an average of **118.3%**.

	Bonus
Sub Fund 1	169.3%
Sub Fund 2	79.4%
Sub Fund A	118.3%

Table 28: Return as at 31 December 2024

Sub Fund B (US\$) Assets

8.7. The total US\$ assets of the Fund as per the Financial Statements provided amounted to **US\$14 892 981** as at 31 December 2024. The breakdown is as follows;

Assets	Sub Fund B	Sub Fund B	Prop
	ZWG	US\$	
Motor vehicles	-		0.0%
Furniture and equipment	-		0.0%
Computer systems and hardware	-		0.0%
Investment property	12 877 786	499 168	3.4%
Equities	-		0.0%
<i>quoted:</i>	1 604 331	62 187	0.4%
<i>unquoted</i>	-		0.0%
Prescribed Assets	-		0.0%
Bonds	-		0.0%
Loans and mortgages on property	-		0.0%
Long term deposits	4 643 730	180 000	1.2%
other prescribed assets	-		0.0%
Staff loans and mortgages	-		0.0%
Money market investments	13 879 593	538 000	3.6%
Cash on hand and at bank	2 482 951	96 244	0.6%
Contribution arrears	348 466 892	13 507 254	90.7%
Rental arrears	-		0.0%
Value Added Tax	261 261		0.0%
Other debtors	-	10 127	0.1%
Total Assets	384 216 544	14 892 981	100.0%

Table 29: Asset mix as at 31 December 2024

8.8. The net assets backing liabilities after deducting non-pension related liabilities are **US\$14 892 981** split **US\$14 105 074** in Sub Fund B and **US\$787 907** in the Stabilization Account.

8.9. Based on the average assets held over the period from 1 January 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the assets amounted to an average of **9.3 %**.

8.10. Note the return is largely driven by the unsecured bank overdraft rate charge (10% per annum). There is a huge concentration in outstanding contributions (91% of the total USD assets), we therefore recommend that a plan be established on how these arrears may be collected.

8.11. This technically means that on a funded basis the Fund has a very small US\$ account of **US\$1 385 726** which Members need to note.

8.12. We recommend that the Investment Strategy of the Fund be continuously monitored to ensure an optimal performance of the Fund.

Appropriateness of Assets

8.13. The Assets of the Fund can be grouped into three major divisions.

- i) Property (Direct property investments or indirectly through property pooled Funds)
- ii) Near-Bond Assets (Bonds, Debentures, Prescribed assets, Guaranteed Funds)
- iii) Equity (Investments in local companies listed on the ZSE)
- iv) Money Market investments (Deposits and balances in current and savings accounts with banks and includes money market investments)

Asset Allocations

8.14. In terms of the Investment Policy the recommended asset-mix for the Fund is as follows;

Asset Class	Recommended Mix	Acceptable Range	IPEC Upper limit
Property	35%	30% to 40%	50%
Equity	25%	15% to 25%	50%
Bonds	10%	5% to 15%	45%
Prescribed Assets	10%	5% to 20%	40%
Cash and Other	10%	5% to 15%	10%
Alternative Investments	10%	5% to 15%	10%
Total	100%		

Table 30: Recommended asset mix as at 31 December 2024

8.15. The comparison of the current mix and the recommend mix is as follows:

Asset class	Current mix	Recommended mix
Property	56.0%	35%
Equity	17.5%	25%
Prescribed assets	0.2%	10%
Bonds	0.6%	10%
Cash & money market	1.3%	10%
Other assets	24.5%	10%
Total	100%	100%

Table 31: Recommended mix vs Current asset mix as at 31 December 2024

8.17. There is need to consider the local economic environment bearing in mind the following:

- i. The economy is experiencing hyperinflation.
- ii. Fixed interest investments (Bonds) and Cash in Zimbabwe are currently exposed to currency and inflation risk.
- iii. The investment markets in Zimbabwe are not developed hence appropriate assets that match the liability profile may not be available.

8.18. Overall, we recommend that the Investment Strategy of the Fund be continuously monitored to ensure an optimal performance of the Fund.

8.19. We further recommend that moving from the current asset allocation to the recommended strategic asset allocation be done in a smooth manner (for example over 2 to 3 years). This will mitigate the risk of compromising the market values of the Fund's assets.

9. VALUATION OF LIABILITIES

- 9.1. In this section we look at how our liabilities have been valued.
- 9.2. The liabilities of the Fund are represented by the Active Members' Accumulated Credits, Exit top ups, Unclaimed Benefits, NSG Credits, Deferred/Preserved, Pensioners' liability and the Stabilisation Account and Data reserves as at 31 December 2024.
- 9.3. The Fund is a Defined Contribution Fund where the benefit on exit is based on the Member's Accumulated Credit. This is composed of Member and Employer contributions to withdrawal, with amounts transferred into the Fund in respect of the Member, plus any bonuses (interim and final) credited to the Member's account. The bonuses therefore have a direct impact on the benefit payable.
- 9.4. The liabilities of the Fund at the review date are made up of the following:

Active Accumulated Credits:

- 9.5. These are made up of contributions made by and in respect of Members, accumulated with the bonus rate declared on the Fund from time to time.
- 9.6. The liability is therefore the Member's Accumulated Credit. We have verified this to be accurate.

Pensioner's Liability and Pensioner's Reserve

- 9.7. These Pensioners liabilities have been set as the present value of future pensions assuming the future life expectancy of pensioners as well as future likely investment returns, Pensioners' Reserve is a notional amount within the pensioner's account which acts as capital against future volatilities within the Pensioner's Account.
- 9.8. The following table shows the assumptions we used in valuing the pensioners of the Fund:

Assumption	Valuation Basis
Long Term Inflation	7.5%
Investment Return	11%
Pension Increase Rate	6.04%
Male Mortality	PA (90)
Female Mortality	PA (90) (-3)
Guarantee period	10 years
Spouse Proportion (after commutation)	50%
Children's Maximum Age	23

Table 32: Pensioners' valuation basis

Implementation of the Zimbabwe Mortality Table (Circular 23 of 2024)

9.9. The following table shows the assumptions we used in valuing the pensioners:

Assumption	Valuation Basis
Long Term Inflation	7.5%
Investment Return	11%
Pension Increase Rate	6.04%
Male Mortality	Zim mortality tables
Female Mortality	Zim mortality tables (-3)
Guarantee period	10 years
Spouse Proportion (after commutation)	50%
Children's Maximum Age	23

Table 33: Pensioners' valuation basis

9.10. For the period ending 31 December 2024, we recommend that the following basis be adopted:

Assumption	Valuation Basis	Pricing Basis	Commutation basis
Long Term Inflation	7.5%	7.5%	7.5%
Investment Return	11.04%	11.04%	11.04%
Pension Increase Rate	6.04%	5.279%	5.45%
Male Mortality	PA (90)	PA (90)	PA (90)
Female Mortality	PA (90) (-3)	PA (90) (-3)	PA (90) (-3)
Guarantee period (default)	10 years	10 years	10 years
Spouse Proportion (before commutation)	50%	50%	50%
Children's Maximum Age	23	23	23

Table 34: Recommended pricing, commutation & valuation pensioner's basis

Preserved Benefits

9.11. These relate to benefits for Deferred Members as well as benefits not paid for over a reasonable period.

9.12. The liability is therefore the Member's Accumulated Credit.

Unclaimed Benefits

9.13. These relates to benefits that have not been claimed by beneficiaries. We recommend that the Management puts in strategies to track these members and have their benefits paid.

Stabilisation Reserve account.

9.14. This serves to meet all Fund operating expenses in line with Fund Rules. The balance of this reserve account can be used to award bonuses to Members at the Board Members discretion.

2018 Surplus & Data Reserve

- 9.15. This reserve was set up to meet the Liability arising due to Members, who may have been omitted from the valuation data schedules. Though we are happy with the quality of the data we have maintained the data reserve at previous year's level, but we are recommending that this be distributed before the imminent merger.
- 9.16. **Note that the build-ups of each of the above liabilities is in Appendix I.**
- 9.17. In considering the bonus rate to declare, the net investment return earned by the Fund should be compared to the interim interest rate allocated. The financial position of the Fund after any bonus is declared also needs to be taken into consideration in the derivation of this rate, as well as an allowance for the smoothing of returns and a margin against adverse contingencies.

Liabilities of the Fund 05 April 2024 and 31 December 2024

	05 April 2024	31 December 2024
Total Liabilities	655 132 986	862 150 242
Actives Account		-
<i>Contributing</i>	584 257 027	756 019 794
<i>Omitted this valuation</i>	84 727	
<i>Exit top ups</i>	11 556 885	11 556 885
Unclaimed benefits	474 048	474 048
NGS Credits	188 401	388 475
Missing at conversion credits	200 074	
Stabilization	3 014 399	6 443 649
2018 Surplus + Data reserve	16 008 036	16 092 763
Preserved	8 185 448	8 185 448
Pensioners	28 191 035	57 109 245
Pensioner's reserve	2 972 907	5 879 934

Table 35: Liabilities before bonus as at 31 December 2024

9.18. The liabilities before bonus are **ZWG 862 150 242** compared with **ZWG 655 132 986** at 05 April 2024.

10. FINANCIAL POSITION

Sub Fund A (ZWG)

10.1. The financial position of the Fund due to the Members before bonus recommendations as at 31 December 2024 is as shown below:

Before bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	291 369 686	493 162 279	62 989 180	8 185 448	855 706 592	6 443 649	862 150 242
Actives Account							-
<i>Contributing</i>	265 963 521	490 056 273			756 019 794		756 019 794
<i>Exit top ups</i>	8 450 879	3 106 006			11 556 885		11 556 885
Unclaimed benefits	474 048				474 048		474 048
NGS Credits	388 475				388 475		388 475
Stabilization					-	6 443 649	6 443 649
2018 Surplus + Data reserve	16 092 763				16 092 763		16 092 763
Preserved	-			8 185 448	8 185 448		8 185 448
Pensioners			57 109 245		57 109 245		57 109 245
Pensioner`s reserve			5 879 934		5 879 934		5 879 934
Surplus	494 524 773	313 567 635	9 246 356	13 866 792	831 205 556	-	831 205 556
Funding Level	270%	164%	115%	269%	197%	100%	196%

Table 36: Financial position before bonus recommendations as at 31 December 2024

- 10.2. The total liabilities before bonus allocation as at this review date amounts to **ZWG 862 150 242** split **ZWG 855 706 592** in Sub Fund A and **ZWG 6 443 649** in the Stabilization Account.
- 10.3. The results show an excess of assets over liabilities of **ZWG 831 205 556**. This surplus translates to a Funding Level (Assets over Liabilities) of **196%**.
- 10.4. This Funding Level shows that the Fund is financially sound as at 31 December 2024.
- 10.5. The Fund is Defined Contributions where at any given point the assets of the Fund must determine the liabilities of the Fund. This means the disclosed surplus must be distributed to Members of the Fund in the form of a bonus.

Bonus declarations

- 10.6. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following additional bonuses over the review period 06 April to 31 December 2024.

Sub Fund A	Bonus	Comments
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional

Table 37: Recommended bonus as at 31 December 2024

- 10.7. In line with the Board Members` instruction, we have distributed the maximum bonus which can be afforded, leaving the barest surplus with the Fund.
- 10.8. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of **ZWG 1 417 683** thus leaving the Fund in a sound financial position. Our bonus recommendations are therefore affordable.

10.9. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	785 595 859	805 714 188	72 165 563	22 018 855	1 685 494 465	6 443 649	1 691 938 114
Actives Account							-
<i>Contributing</i>	717 253 275	800 143 239			1 517 396 514		1 517 396 514
<i>Exit top ups</i>	22 732 865	5 570 949			28 303 813		28 303 813
Unclaimed benefits	1 275 189				1 275 189		1 275 189
NGS Credits	1 044 998				1 044 998		1 044 998
Stabilization	-				-	6 444 963	6 443 649
2018 Surplus + Data reserve	43 289 532				43 289 532		43 289 532
Preserved				22 018 855	22 018 855		22 018 855
Pensioners			65 429 029		65 429 029		65 429 029
Pensioner`s reserve			6 736 534		6 736 534		6 736 534
Surplus	298 600	1 015 726	69 972	28 526	1 417 683	-	1 417 683
Funding Level	100%	100%	100%	100%	100%	100%	100%

Table 38: Financial position after bonus as at 31 December 2024

10.10. We recommend that monthly returns be calculated for paying exits.

10.11. We have been advised by the Fund management to maintain the split of Sub Fund A into Sub Fund 1 and 2 given the high exposure to cross-subsidy risk due to non-payment of contributions.

Implementation of the Zimbabwe Mortality Table (Circular 23 of 2024)

10.12. We have assessed the impact of the Zimbabwe Mortality Tables on the Zimbabwe Electricity Industry Pension Fund Pensioners.

10.13. Our assessment shows that the Zimbabwe mortality is lower than the current basis.

10.14. Since the Zimbabwe mortality is lower than the current basis (PA 90) this means that on the average our pensioners are living longer than what is being assumed, hence to continue paying the same pension this means we need to set aside more monies (reserves) so as to pay the pension for the now longer life.

10.15. This is illustrated in the Pensioners' financial position below;

31 December 2024	Before Pension Increase	After Pension Increase	After affordable increase
Assets	72 235 535	72 235 535	72 235 535
Liabilities	67 492 216	77 324 610	72 218 920
Pensioners	61 612 281	70 588 075	65 927 195
Pensioner`s reserve	5 879 934	6 736 534	6 291 725
Surplus	4 743 319	-5 089 075	16 615
Funding Level	107%	93%	100%

Table 39: Pensioners' financial position -Zim tables

10.16. As the Zimbabwe mortality is lower, we cannot afford a 15% increase as this will put the Fund into deficit as shown in the third column. If we are to move to Zimbabwe Mortality Tables then the Fund can only afford to award an additional pension increase of 7% as shown in the last column.

10.17. **We that being said, we are not very comfortable in using the Zimbabwe Mortality Tables as we believe they do not correctly match the Fund's experience.**

Sub Fund B (US\$)

10.18. The total liabilities before bonus allocation as at this review date amounts to **US\$13 780 321** split **US\$12 992 414** in Sub Fund B and **US\$787 907** in the Stabilization Account;

Before bonus				
ZEIPF				
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	14 105 074	787 907	14 892 981	384 216 544
Liabilities	12 992 414	787 907	13 780 321	355 511 601
Actives Account	12 992 414		12 992 414	335 184 779
Stabilization account		787 907	787 907	20 326 822
Surplus	1 112 659	-	1 112 659	28 704 942
Funding Level	109%	100%	108%	108%

Table 40: Financial Position before bonus

10.19. The results show an excess of assets over liabilities of **US\$1 112 659**. This surplus translates to a Funding Level (Assets over Liabilities) of **108%**.

10.20. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following cumulative bonuses over the review period 1 January 2024 to 31 December 2024:

	Bonus	Comment
Sub Fund B	9.3%	Cumulative

Table 41: Recommended bonus as at 31 December 2024

10.21. Note the return is largely driven by the unsecured bank overdraft rate charge (10% per annum). There is a huge concentration in outstanding contributions (91% of the total USD assets), we therefore recommend that a plan be established on how these arrears may be collected.

10.22. **This technically means that on a funded basis the Fund has a very small US\$ account of US\$1 385 726 which Members need to note.**

10.23. Should our recommendations be adopted, then the financial position of the Fund would be:

After bonus	ZEIPF			
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	14 105 074	787 907	14 892 981	384 216 544
Liabilities	14 090 275	787 907	14 878 182	383 834 758
Actives Account	14 090 275		14 090 275	363 507 936
Stabilization account		787 907	787 907	20 326 822
Surplus	14 799	-	14 799	381 785
Funding Level	100%	100%	100%	100%

Table 42: Financial Position after bonus as at 31 December 2024

10.24. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.

10.25. We recommend that monthly returns be calculated for paying exits.

10.26. In our view, the Fund will be financially sound at the next review date should our recommendations be adopted and implemented by Board Members.

11. RISK ASSESSEMENT

- 11.1. Board Members need to be aware of the risks the Fund is undertaking and take steps to control them. This section considers the risks which the Fund faces and appropriate ways to address these.
- 11.2. The Board Members must ensure, with the help of its auditors and actuaries, that all the necessary procedures and checking processes are in place to ensure that as much risk to the Fund as possible is mitigated.
- 11.3. This section can be used as one possible checklist for risk management.

Currency Risk

- 11.4. The Fund should be mindful of currency risk when converting to a new currency, as it can impact investment returns, introduce additional costs and require strategic management to mitigate potential losses.
- 11.5. Hedging and diversification strategies are common tools used to manage these risks effectively.
- 11.6. These strategies enable the Fund to navigate currency risk effectively, ensuring that fluctuations in exchange rates do not unduly impact the value of their investments when converting to a new currency.

Data Risk

- 11.7. The main risk here is that the data on which the Fund bases its valuation (and other exercises) is not an accurate reflection of the actual underlying data on which risks are being underwritten.
- 11.8. The Fund needs to ensure that it has sufficient controls to ensure data integrity and detail.

Expense risk

- 11.9. Expenses form a key part of the Fund's cash flows, with a significant impact on its ability to provide good returns to its members. Higher expenses than those allowed for will compromise member's benefits. The Fund needs to maintain strong control on its expenses, so that the Reserve Fund is always positive.
- 11.10. Over the review period the Reserve Fund had a positive balance, hence Board Members are commended for keeping expenses within desired targets.

Investment risk

- 11.11. Investment risk essentially relates to the underlying investments behaving in a different manner to that expected when the original investment was made.
- 11.12. Investment risk could relate to a number of factors such as:
- Investment income being lower than expected.
 - Investment returns being reinvested under terms worse than initial conditions.
 - Capital growth being lower than expected.
- 11.13. In addition to the above, a further element of investment risk relates to the need to realise investments at inopportune times (i.e. at times when markets are generally low).
- 11.14. Associated with the above point would be lack of liquidity of some types of investments which would increase the investment risk of these assets when markets are down.
- 11.15. The recommended investment portfolio is used to check the performance of the Fund's investments.
- 11.16. Over the review period the Fund's performance was higher than the expected performance, hence we commend the Board Members for the good investment performance.

Inflation Risk

- 11.17. This is the risk of nominal returns falling below the rate of inflation, **hence a loss in the real value of assets**. This risk will be reduced by investing in assets that hedge against **inflation**, that is, real assets such as equities or properties.
- 11.18. Inflation risk is high in the Fund because of the delays in remitting contributions timeously.
- 11.19. Note that the local currency is not stable and inducing inflation in the economy, fixed assets like bonds and cash and hence outstanding contributions priced in the local currency are losing value because the fixed returns which they are earning are being surpassed by the rate at which the local currency is depreciating against a stable hard currency like the US\$, please refer to refer to **paragraph 3.6**.

11.20. Accordingly delaying paying contributions results in a loss of value to the members as the money ends up earning lower returns than they would have earned if they were received earlier and invested in real assets. This risk can be reduced by indexing outstanding contributions to some US\$ index for as to protect member's benefits.

Legal Risks

11.21. Some of the risks that the Fund faces include:

- Legislative risks
- Litigation risks

11.22. The Fund must make sure it keeps in line with the country's legal frameworks and IPEC Regulations in order to mitigate some of these risks and strive to treat members fairly.

Default Risk

11.23. The risk of default on assets is greater where there is a concentration of investments with an Investment Manager or in an Asset. The Fund will therefore strive to arrange proper protection of Assets by segregating Investment Managers (where possible). Further protection will be achieved by requiring the vehicles in which Assets are held to be financially sound and compliant with all relevant regulatory and solvency requirements as stipulated by the Commissioner.

11.24. Board Members must also ensure that contributions are remitted timeously to the Fund.

Credit risk/Counterparty Risk

11.25. The risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. The Board Members believe this to be an important risk and will require disclosure of limits in terms of credit exposure applied by all the Fund's asset managers.

Lower Replacement Ratios than expected

11.26. The Board Members of the Fund should consider whether the contributions towards retirement are sufficient to provide a reasonable benefit on retirement. In doing this the Board Members may also need to consider the desired Replacement Ratios of the Members in relation with the actual Replacement Ratios.

Asset Valuation Risk

11.27. We are of the view that the Property Investments could be undervalued in ZWG, given the huge discount of the official and parallel market rate. Board Members need to note this, especially when commuting pensioners and paying Exits as potentially commuting Members or Exits are leaving value within the Fund. This poses a great to paying lower than actual values to these members. We recommend that the commuting basis addresses this.

Consolidation Risk

11.28. Ensure that the both the assets and liabilities of the consolidated fund are separated and accounted for over at least 5 years until all the risks identified as consolidation risks are managed, please refer to the Consolidation Framework.

12. CONCLUSION AND RECOMMENDATIONS

12.1. We have carried out a Financial Review of the **Zimbabwe Electricity Industry Pension Fund** as at 31 December 2024.

Final Bonus

12.2. The final bonus recommendations as at 31 December 2024 are shown in the table below:

	Bonus	Comments
Sub Fund A		
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional
Sub Fund B	9.3%	Cumulative

Table 43: Recommended bonus as at 31 December 2024

12.3. Our bonus recommendations are therefore affordable.

12.4. We recommend that monthly returns be calculated for paying exits.

12.5. A Summary of our recommendations is in **Appendix II**.

12.6. In our view, the Fund will be financially sound at the next review date (31 December 2025) should our recommendations be adopted and implemented by Board Members.

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

For and on behalf of MAOS

In my capacity as Fund Actuary



David T. Mureriwa

Fellow of the Actuarial Society of South Africa

Fellow of the Faculty of Actuaries (UK)

My Primary Regulator is the Actuarial Society of South Africa

22 March 2025



APPENDIX I: CONSOLIDATED REVENUE ACCOUNT AND BUILD-UPS

A.1.1. The change in the value of the Fund's assets over the period under review is shown by the following Revenue Account:

	Sub Fund 1	Sub Fund 2	(April to Dec) Total	Jan to December	Jan to December
	ZWG			US\$	ZWG
Opening balance	336 114 892	322 748 971	658 863 863	5 255 939	88 283 221
Adjustments	- 1 698 955	1 698 955		275 512	
Opening	334 415 937	324 447 926	658 863 863	5 531 451	88 283 221
Income					
Member contributions		56 957 495	56 957 495	2 608 380	45 926 365
Employer contributions		134 678 426	134 678 426	6 105 335	107 161 518
Interest on contribution arrears		9 626 085	9 626 085	886 189	15 680 032
Income from investments					
Interest	118 618	615 326	733 944	14 748	247 224
Dividends	6 325 963	2 437 676	8 763 639	2 115	29 217
Rentals	18 047 919	3 437 699	21 485 618		
Unrealised Gains on Alternative Investments	67 626 762	129 329 805	196 956 567	5 715	28 343
Realised Gains	8 472	3 295	11 767		
Exchange gains on prescribed assets			0		
Revaluation Gains on Property	468 835 000	167 230 844	636 065 844		
Other Income		232 284	232 284		74 430 883
Exchange gains	1 919 864	806 974	2 726 838		58 319 865
Benefits					
Pension - members	-7 558 037		-7 558 037		
spouse	-2 111 804		-2 111 804		



children	-1 444 918		-1 444 918		
Deaths					
Lump sum- Retirements		-2 384 038	-2 384 038		
Refunds- Resignations	- 1 725 347	-3 088 152	-4 813 499	-51 862	-1 316 292
Expenditure					
Asset management fees	- 206 570	-505 788	-712 358	-600	-6 400
Custodial fees	- 88 538	-216 767	-305 305		-3 936
Property management fees	- 3 090 339	-1 814 961	-4 905 300		
Property maintenance costs	- 1 516 606	-890 705	-2 407 311		
Provision for bad debts	- 35 945		-35 945		
Staff costs		-6 871 426	-6 871 426	-155 364	-3 570 661
Administration fees		-4 119 908	-4 119 908	-28 158	-394 170
Actuarial fees		-271 705	-271 705	-5 000	-69 745
Audit fees		-123 931	-123 931	-846	-21 738
Board expenses		-940 087	-940 087	-3 014	-195 758
IPEC levies		-894 660	-894 660	-15 466	-299 864
Bank charges + 2% IMMT TAX		-1 103 026	-1 103 026	-643	-11 560
Add back benefits payable		1 060 650	1 060 650		
Miscellaneous	0	-18	-18	1	
Closing Net Assets	879 867 508	813 488 289	1 693 355 797	14 892 981	384 216 544

Table 44: Assets build up for Sub Fund A and B

Note: We have added back ZWG 1 060 650 relating to arrear pension benefits to the Net assets of ZWG 1 692 295 147 in the financial statements.

Surplus Movement

A.1.2. The table below summarises the movement of surplus over the period:

Analysis of surplus	Sub Fund 1	Sub Fund 2	Sub Fund A	Sub Fund B
Opening balance	1 771 736	1 959 141	3 730 877	-
Adjustments	-1 698 955	1 698 955	0	275 512
Interest on contribution arrears	0	9 626 085	9 626 085	886 189
Income from investments			0	
Interest	118 618	615 326	733 944	14 748
Dividends	6 325 963	2 437 676	8 763 639	2 115
Rentals	18 047 919	3 437 699	21 485 618	0
Unrealised Gains on Alternative Investments	67 626 762	129 329 805	196 956 567	5 715
Realised Gains	8 472	3 295	11 767	0
Exchange gains on prescribed assets	0		0	0
Revaluation Gains on Property	468 835 000	167 230 844	636 065 844	
Other Income		232 284	232 284	
Exchange gains	1 919 864	806 974	2 726 838	
Asset management fees	-206 570	-505 788	-712 358	-600
Custodial fees	-88 538		-88 538	
Property management fees	-3 090 339	-1 814 961	-4 905 300	
Property maintenance costs	-1 516 606	-890 705	-2 407 311	
Transfer to the Stabilisation acc	-2 554 599	-1 463 127	-4 017 726	-71 021
Pension increase already awarded to pensioners	-18		-18	
Difference between data & financials	31 825 238		-31 825 238	
Miscellaneous	-12 159 713	864 131	-11 295 582	1
Closing balance before distributions	517 637 921	313 567 635	831 205 556	1 112 659

Table 45: Analysis of surplus

A.1.3. The change in the balance of the Stabilisation Account over the period under review is shown in the following build-up:

Stabilization account	ZWG	US\$
Opening	3 014 399	350 758
Contributions	12 675 617	574 620
Charges on pensioners + exits	0	
Staff costs	-6 871 426	-155 364
Administration expenses	-4 119 908	-28 158
Actuarial fees	-271 705	-5 000
Audit fees	-123 931	-846
IPEC Levies	-940 087	-3 014
Bank Charges	-894 660	-15 466
Board expenses	-1 103 026	-643
Actuarial	1 060 650	
Closing before distributions	2 425 923	716 886
Return earned	4 017 530	71 021
Closing after distributions	6 443 649	787 907

Table 46: Stabilization account build up.

Liability build ups

Contributing members	Sub Fund 1	Sub Fund 2	Sub Fund B
	ZWG	ZWG	US\$
Opening accumulated credit	267 688 868	316 568 158	4 905 181
Contributions	0	178 958 794	8 139 095
Data corrections (Adjustments)			275 512
Transfer to exits			
Benefit paid	-1 725 347	-5 472 190	-51 862
Transfer from non-contributing			
Miscellaneous		1	
Closing before bonus	265 963 521	490 054 762	12 992 414
Bonus awarded	451 289 754	310 236 653	1 097 861
Closing after bonus	717 253 275	800 291 415	14 090 275

Table 47: Contributing members liability build up

Sub Fund A	Unclaimed Benefits	NGS Credits
Opening	474 048	388 475
Adjustments		
Contributions		
Benefits paid		
<i>Miscellaneous</i>	-	
Closing before bonus	474 048	388 475
Bonus awarded	801 141	656 523
Closing after bonus	1 275 189	1 044 998

Table 48: Unclaimed and NGS liability build up



APPENDIX II: SUMMARY OF RECOMMENDATIONS

A2.1 We have tabulated below a summary of all the recommendations we have done in this report:

Recommendations	Why	By whom	When
Bonuses as per paragraph 12.2	To enhance Members' benefits in line with the Fund's performance.	Board Members	31 December 2024
Carry out monthly returns	To ensure exits are paid full benefits given the inflationary pressures in the economy. Also to ensure that pensioners' lumpsums are paid on earned and realised returns.	Board Members	January - December 2025
Ensure that the new system is efficiently used.	To reduce costs of administration	Board Members and Fund Management	Continuous.
Take measures to ensure that outstanding contributions are remitted and report the level of outstanding contributions to the IPEC. Encourage Employer to remit outstanding contributions.	To ensure that assets backing up Members' liabilities are made available to the Fund. The levels of outstanding contributions are now very high, for example 90% of Sub Fund B is in outstanding contributions. Members are losing value because of the delays in remitting contributions, refer to paragraphs 11.19 & 11.20 .	Board Members	Continuous
Consider financial reporting at market values	To ensure Member's benefits are consistent with prevailing economic environment. To ensure consistency with best practice and peers in the market.	Board Members	Continuous.
Ensure investment related costs are met from investment income esp. Board meeting relating to investment decisions. Keep investment related expenses to 10% of realised investment income.	To avoid compromising administration charges with investment costs and ensure correct matching of expenses. To enhance investment returns accruing to Members.	Board Members and Fund Management	Continuous
Ensure that Fund is compliant with prescribed assets ratios	To ensure optimal returns for Members	Board Members	Continuous.
Monitor Investments Performance	To ensure optimal returns for Members	Board Members	Continuous.

moving from the current asset allocation to the recommended strategic asset allocation be done in a smooth manner (for example over 2 to 3 years).	This will mitigate the risk of compromising the market values of the Fund's assets.	Board Members and Fund Management	Continuous
Familiarise with the Pensions market & Circulars	To ensure the Fund's decisions are always up-to-date and in line with the Regulator's requirements	Board Members and Fund Management	Continuous
Ensure that membership data shows the outstanding contributions per each member	To enable an accurate computation of the Funded Position	Fund Management	Continuous
Encourage members with monthly pensions below US\$40 and US\$20 (beneficiaries) to commute	Compliance with the current legislation	Board Members	Continuous
Update Rules to accommodate the IPEC Guideline on Expense Framework and align Rules to new Act	Comply with regulations and the new Act	Board Members	Continuous
Review commutation basis	Avoid members being underpaid, since property is not being appropriately valued.	Actuaries & Management	Continuous

Table 49: Summary of recommendations

APPENDIX III: DATA CHECKS AND MEMBERSHIP RECONCILIATIONS

- A3.1. The data checks that were performed as at the valuation date are reflected below.
- A3.2. For each Member in the data received we checked for missing dates of birth, consistency of dates of birth, dates of joining, reference numbers and salary against the December 2023 data.
- A3.3. The data was generally consistent from last valuation. We are happy that data was reasonably clean.
- A3.4. The following membership statistics were calculated and checked for reasonability:
- Salary-weighted average age.
 - Average age.
 - Total Annual Pension.
- A3.5. These statistics checked are generally in line with those reported in the previous valuation as well as the cleaned data.
- A3.6. It should be noted that the accuracy of our checks is limited to the accuracy of the data we were supplied with and the ultimate responsibility of the accuracy of the Financial Statements and data lies with the Board Members and the Fund Management of the Fund.
- A3.7. We have maintained the figure for preserved benefits. We recommend that an exercise be carried out to determine the actual preserved amounts to avoid holding Funds idle.

APPENDIX IV: COMPENSATION FRAMEWORK

A4.1. In line with the Statutory Instrument 162 of 2023 Pensions and Provident Funds (2009 Compensation) Regulations 2023 from IPEC we have quantified the compensation of the Fund. Please refer to the Compensation Scheme of the Fund for further details.

A4.2. The table below shows the total prejudice for the Fund;

	Total prejudice
31-Dec-2014	US\$2 696 462
31-Dec-2024	US\$ 3 623 820
Total	ZWG 93 458 322

Table 50: Total prejudice as at 31 Dec 2024

A4.3. Members of the Fund during the period 1 January 2004 to 28 February 2009 are entitled to a compensation of **US\$2 696 462** as at 31 December 2014 for the loss on their fund credits during the hyperinflation period between 2004 and 2008 which has been adjusted for time value of money to **ZWG 93 458 322** as at 31 December 2024.

A4.4. The table below shows our proposed financing of the Compensation;

	31-Dec-2024 (US\$)	31-Dec-2024 (ZWG)
Fund Portion (outstanding benefits)	114 596	2 955 424
Employer portion (Outstanding contributions)	818 020	21 096 731
Compensation Fund	2 691 205	69 406 167
	3 623 820	93 458 322

Table 51: Financing the prejudice

A4.5. After financing the prejudice from the Employer and the Fund, we recommend that the Fund set up a **Compensation Fund** amounting to ZWG 69.4 million (US\$2 691 205) to be financed by one per centum annual levy on the total value of the Fund assets as per **Section 9** of the Statutory Instrument 162 of 2023.