



Staff Pension  
Fund

"Retirement Security. Today and Tomorrow"



# 2025 ANNUAL REPORT

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## ABOUT THIS REPORT

The Annual Report for the year ended December 31, 2025, provides insights into the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund's performance, highlighting key financial and non-financial highlights for the benefit of Fund stakeholders

The annual financial statements were audited by AMG Global Chartered Accountants and approved by the Fund's Board in accordance with the Fund's rules. They were subsequently submitted to the Insurance and Pensions Commission (IPEC), the Commissioner, in compliance with regulatory requirements.

## STRATEGIC UNDERPINNINGS

### Vision

To ensure that all members achieve a secure and sustainable retirement income.

### Mission statement

We are committed to providing the best service delivery and retirement security for our members – today and tomorrow.

### Our values

- Client centric.
- Diligence.
- Innovation.
- Professionalism.
- Integrity.



## GENERAL INFORMATION

### Nature of business

Provision of retirement benefits.

### Board Members

Dr. H. M. Murerwa	Chairman
Mr. D. Maviva	Vice Chairman
Mr. A. Sibangani	Board Member
Mr. T. Chinhengo	Board Member
Mr. E. Madzikanda	Board Member
Mr. L. Nyamande	Board Member
Eng. G. Tsumbalagwa	Board Member
Mr. W. Nondo	Board Member
Mr. H. Makura	Board Member

### Principal Officer

Bright Kondo

### Offices

4th Floor Megawatt House 44 Samora Machel Avenue, Harare

### Fund Actuary

Quantum Consultants and Actuaries  
Ground Floor, East Wing, Block 6, Celestial Office  
Park, Borrowdale  
Harare

### Auditors

AMG Global  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors  
3 Elcombe, Belgravia Harare

### Bankers

Stanbic Bank Private Limited  
Samora Machel Avenue  
Harare

### Equity Asset Managers

IMARA Asset Management Zimbabwe  
1st Floor Block 2, Tendeseka Office Park  
Samora Machel Avenue  
Harare



Member Outreach session

## CHAIRMAN'S REPORT



Dr. Herbert M Murerwa | Board Chairman

### Dear Member,

It is my pleasure to present the Fund's Annual Report and financial statements for the year ended 31 December 2025, which provide an overview of the Fund's financial performance, governance, operations and strategic progress during the year under review.

### Operating environment overview

The Zimbabwean economy demonstrated a significant and resilient rebound in 2025, recovering from the El Nino induced slowdown of the previous year. Real Gross Domestic Product (GDP) growth for 2025 is estimated at 8.2% (according to RBZ 2025 Annual report), a marked increase from the 1.7% recorded in 2024. The fiscal environment remained focused on stabilization. The government strategy through the National Development Strategy 1 (NDS1) helped maintain a modest current account surplus (USD 960 million), supported by strong mineral exports and consistent diaspora remittances.

2025 was a pivotal year for monetary stability. The Zimbabwean Gold (ZWG) currency introduced in 2024, showed durable stabilization as the year 2025 progressed. Tight monetary policy successfully anchored month-on-month inflation. By September 2025, monthly inflation had dipped into negative territory (-0.25%), reflecting an easing of price pressures on essential goods.

The government intensified its focus on the "Ease of Doing Business". A key highlight of 2025 was the 'Red Tape' reduction initiative which focused on consolidating overlapping inspections and simplifying licensing requirements. This shift towards a service delivery mindset in public agencies has lowered the cost of doing business.

### 2025 to 2029 strategy implementation

The Fund maintained its momentum towards 'Mudyandigere'—a target where the average pension payout is USD 161 per pensioner per month. This goal was successfully realized in September 2025, driven by the restoration of value on the actuarial deficit and supported by monthly deficit payments in line with the restored deficit value.

## CHAIRMAN'S REPORT (CONTINUED)

Throughout 2025, the Board focused on three strategic pillars to drive member value:

1. Sustainable Investing: Optimizing returns, adhering to Environmental, Social and Governance (ESG) principles, and empowering members.
2. Enhancing Member Experience: Improving benefit levels, service delivery, and accessibility.
3. Operational Sustainability: Strengthening risk management, ensuring compliance, enhancing operational efficiency, maintaining data integrity, and streamlining costs.

### 2025 Audited Financial results

The Insurance and Pension Commission in September 2025 issued circular 24 of 2025: Guideline on Revised Reporting Requirements for Pension Funds which required compliance with International Financial Reporting Standards (IFRS) for pension funds. A summary of the financial performance under the inflation-adjusted position is provided in the table below.

Description	2024 results (ZWG)	2023 results (ZWG)	Change %	Comment
Revenue	(362.7) million	2.9 billion	-113%	The contraction in revenue is attributable to a non-recurring value preservation transaction on the Fund's actuarial deficit, which was effective 5 April 2024. Furthermore, the Fund recognized an actuarial deficit loss within the inflation-adjusted accounts, reflecting the loss of value that would have been realized had the underlying deficit been denominated in local currency.
Expenditure	196.9 million	170.1 million	+16%	Growth in expenditure was largely attributable to the September 2025 pension increase of 260%, which followed the conclusion of value preservation on the actuarial deficit.
(Loss)/Surplus	(559.6) million	2.7 billion	-121%	
Total Assets	3.7 billion	4.3 billion	-13%	Total assets contracted by 13% during the period, reflecting the use of the actuarial deficit to cover payment benefit requirements. Additionally, the asset base was impacted by a valuation loss on the actuarial deficit under inflation-adjusted accounting.
Cashflows	178.5 million	157.5 million	+13.3%	Increase in cashflows was mainly a result of increase in actuarial deficit payments to match increased payroll payments.
Fund Return	5.03%	772.74%		Performance in 2024 was largely attributable to the non-recurring gains realized from the value preservation exercise applied to the actuarial deficit.

### Investments

Throughout 2025, the Fund's primary strategy was to optimize returns through a selection of high-yield investments designed to hedge against currency depreciation. Notable investment highlights include:

#### i. Investment property

The Fund continued to preserve value through strategic investments in property. The Fund partnered with the Zimbabwe Electricity Industry Pension Fund (ZEIPF) on the redevelopment of Lochinvar Warehouse. The warehouse is set to be operated by National Foods. Development was completed in 2025. As of 31 December 2025, the Fund's exposure in investment property was 27%.

The Fund continued to defend its key property performance indicators, closing the year at 82% collection rate, 10.05% rental yield and 99% occupancy versus strategic targets of 80% collection rate, 7% rental yield and 90% occupancy rate respectively.

## CHAIRMAN'S REPORT (CONTINUED)

### ii. Quoted shares

A total of 3% of the Fund's investment portfolio was invested in quoted shares. The Fund earned a return of 27.7% against the Zimbabwe Stock Exchange All Share Index performance of 27.8%. The Fund earned a further return of 76.7% on the Victoria Falls Stock Exchange against All Share Index performance of 60.9%. Investments into this portfolio have continued to be suppressed, as current actuarial deficit repayments match the Fund's benefit payment requirements, leaving no excess funds for new investments.

### iii. Prescribed assets

The Fund's prescribed asset exposure was 0.41%, falling short of the minimum regulatory requirement of 20% of Fund value. This non-compliance is primarily due to liquidity constraints, resulting from constrained cashflows.

### iv. Money markets

Limited funding has restricted significant investment in this asset class, with allocations currently confined to pensioners' payroll funding requirements. However, supported by a stable economic environment, fixed-income investments have begun generating positive real returns.

### Asset allocation

Asset Class	2025 Exposure	2024 Exposure
Bonds (Actuarial Deficit)	69.0%	71.5%
Investment property	27.4%	25.8%
Quoted shares	3.2%	2.2%
Money markets	0.1%	0.1%
Other assets	0.3%	0.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The actuarial deficit's value preservation led to dilution of other asset classes. 99% of the Fund assets hedge against currency deterioration as the actuarial deficit is denominated in USD.

### Value preservation of actuarial deficit

The Fund concluded negotiations with ZESA Holdings in June 2025 to preserve the actuarial deficit's value in USD terms. The ZESA Holdings Board passed a resolution adopting an actuarial deficit of USD 105 million, effective 5 April 2024. The actuarial deficit bond will be settled over 15 years in local currency (ZWG), with minimum payments covering payroll obligations. The determination of the actuarial deficit value of USD 105 million resulted in the Fund awarding pension

increase which improved the average pension from USD 73 to an average of USD 168 per month. The restoration of the actuarial deficit also meant that:

- i. If ZESA Holdings improves payments of the actuarial deficit from the minimum equivalent to cover pension benefits, the Fund will have the capacity to explore alternative investments, such as solar projects.
- ii. The Fund will not dispose other Fund assets to pay monthly pension payments.

Settlement of the actuarial deficit over a 15-year period does not prejudice any membership category, as pension values were adjusted in full in September 2025. The actuarial deficit has been formally recognized in the financial statements as a Fund asset. Given its structured 15-year repayment schedule, this asset effectively functions as a long-term fixed-income bond. Furthermore, the value of the actuarial deficit bond is denominated in United States Dollars which give it the characteristic to preserve value.

### Actuarial Assessment and pension increases

The Fund earned a return of 5.03% for the year ended 31 December 2025 versus a 5.94% discount rate used to purchase pension payments. This meant that the Fund could not award an additional pension increase to pensioners. The pensioners' pension when it was determined had taken into account that the Fund would earn a return of 5.94% whilst the Fund then earned a return of 5.03%. This resulted in an investment strain that was met from the Fund's reserves.

Paid-up members were awarded an interest of 5.03%.

The Board remains committed to securing sustainable retirement income by investing in inflation-hedging assets, which will facilitate regular pension increases.

Considering the country's multi-currency regime, the Board recognizes the need to adjust pensioners' income accordingly. To address this, the Fund has continued to prioritize payment of USD denominated pension benefits over other expenses, subject to USD cash availability. The Board will continue to review this position monthly to ensure protection of pensioners, spouses, and child beneficiaries' incomes.

## CHAIRMAN'S REPORT (CONTINUED)

### Fund Membership as of 31 December 2025

The Fund being a mature Fund has the bulk of its membership (62%) in receipt of pension payments. This influences the complexion of Fund expenditure as noted in the Fund's financial statements where on average 80% of Fund expenses are towards benefit payments.

Description	2025		2024	
	Number	%	Number	%
Paid up members	2,444	36	2,522	36
Principal pensioners	1,899	28	1,975	28
Beneficiaries	2,317	34	2,438	34
Unclaimed benefits	157	2	157	2
Total	6,817	100	7,092	100

### Member Engagement

Physical engagements were made in 2025 as part of national outreach sessions. Regular member education sessions provide our members with the opportunity to ask questions and empower members to make right retirement decisions. Fund Management will continue with these engagements to empower members to plan their retirement better. Physical engagements were made across all six regions in 2025, as part of national outreach. In partnership with the ZESA Holdings Stakeholder Relations, Welfare and Communications Office, the Fund engaged former employees across the country, reaching more than 526 pensioners. This represented a 150.5% increase from the 2024 level of 210 pensioners, indicating higher member awareness. Furthermore, the Fund carried out retirement planning sessions for ZETDC, REF and Powertel employees above the age of 50.

In 2025 the Fund engaged members/pensioners through the following ways:

1. Fund website [www.zeipf.co.zw](http://www.zeipf.co.zw)
2. Fund WhatsApp: 0777 953 777
3. Emails: [benefits@zesapf.co.zw](mailto:benefits@zesapf.co.zw)
4. Fund Telephone: +263 242 252736-8 / 252764 /252845
5. Circulars
6. National Outreach Programme (Face to face interactions)

### Compliance

The Insurance and Pensions Commission (IPEC) released the following circulars in 2025.

Circular	Release Date	Content
Circular 1 of 2025	2 January 2025	Pension Funds Reporting Requirements.
Circular 2 of 2025	15 February 2025	Submission of Quarterly Levy Computations and Due Dates.
Circular 4 of 2025	7 February 2025	2025 IPEC AML/CFT/CPF Industry Training Calendar.
Circular 6 of 2025	24 February 2025	Engagement with the Consultant on Financial Sector Development Policy.
Circular 7 of 2025	7 March 2025	Invitation to Participate in Digital Transformation Assessment.
Circular 8 of 2025	27 March 2025	2024 Financial Reporting.
Circular 9 of 2025	28 March 2025	Directive on Revised Statutory Reporting Deadlines.
Circular 10 of 2025	28 March 2025	Market Conduct Framework for the Insurance and Pensions Industry.
Circular 19 of 2025	27 August 2025	Revised Quarterly Return for Pension and Provident Funds.
Circular 20 of 2025	15 August 2025	Registration of Financial Statements Prepares with Public Accountants and Auditors Board.
Circular 21 of 2025	15 August 2025	Urgent Request for Comprehensive Annuitants Data.
Circular 22 of 2025	4 September 2025	Guideline on Administrative Framework for Offshore Investments.
Circular 23 of 2025	10 September 2025	Request for Comments and Input into the Guideline on Preservation Funds.
Circular 24 of 2025	10 September 2025	Guideline on Revised Reporting Requirements for Pension Funds.
Circular 25 of 2025	16 September 2025	Board of Fund Members (Trustees) Toolkit.
Circular 26 of 2025	15 September 2025	Guideline on Self-insurance and Underwriting of Annuities by DC Funds.

## CHAIRMAN'S REPORT (CONTINUED)

The Board, through the Audit, Risk and Compliance Committee, has put in place policies and structures to comply with all these requirements to enhance the governance of your Fund.

### Sustainability

Sustainability is at the heart of the Fund's strategy and operations. The Fund's investments prioritize sustainability, embedding best practices across all Fund projects to ensure a positive impact. As part of its commitment to sustainability, the Fund is factoring climate change into its investment property developments, drawing on expertise from various experts to guide its approach. The Lochinvar warehouse will be primarily powered by solar during the day, a deliberate move by the Fund to support green initiatives.

### Outlook

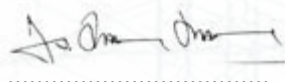
The outlook for 2026 is notably optimistic, with the Ministry of Finance, Economic Development and Investment Promotion projecting 2026 growth at 5%. This projection is supported by a successful transition to the National Development Strategy 2 (NDS2) and the conclusion of the International Monetary Fund (IMF) Staff-Monitored Program in early 2026. The Fund has adjusted its strategy to prioritize risk management, sustainability, and value preservation. By leveraging opportunities in high-growth sectors and ensuring business resilience, the Fund is well-positioned to protect and grow members' assets, delivering on its promise of a secure retirement.

To safeguard value for members and pensioners, the Fund will be continuously engaging ZESA Holdings for improvement in the nominal repayment amounts for the actuarial deficit which would create capacity for investments into renewable energy.

The Fund is passionate about continuously enhancing member experience. The Board is confident in the Fund's resilience, thanks to its investments into real assets, value preservation of the actuarial deficit, talented team, trusted advisors and above all patience from members. The Fund's Board is dedicated to achieving the best possible outcomes for Fund members and beneficiaries.

### Appreciation

I would like to express my deepest gratitude to the Board, management, and staff for their outstanding efforts and dedication. Additionally, I thank our valued members and pensioners for their continued patience, service providers, and stakeholders for their loyalty and trust in the Fund.



**Dr. Herbert. M. Murerwa**  
Board Chairman



## GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT



Bright Kondo | Principal Officer

### Dear Members,

I am pleased to share the Fund's Financial statements and operational performance for the year ended 31 December 2025 and strategic progress, which reflect the Fund's ongoing commitment to delivering a secure retirement future for all members and beneficiaries.

### Financial results

The Fund's results indicate a matured membership structure where 62% of members are pensioners. Consequently, the Fund's primary expenditure has shifted toward benefit disbursements, a portion of these liabilities is being met through the Fund's existing asset base. During the period under review, assets available for benefits decreased by 13% in inflation-adjusted ZWG terms, while remaining relatively stable with a marginal 0.1% decline on a historical cost basis.

The Fund's portfolio is concentrated at 99% across the actuarial deficit, investment property, and quoted shares, providing a robust hedge against inflationary pressures. Specifically, the USD denomination of the actuarial deficit serves as a strategic buffer, mitigating risks associated with adverse ZWG/USD exchange rate volatility.

As of 31 December 2025, the value of the actuarial deficit had been reduced to USD98.3 million through repayments which were made by ZESA Holdings from April 2024.

### Performance against 2025 Strategic Plan

The Fund in 2025 was focused on:

- i. Optimizing investment yield - The Fund continues to prioritize high-yield assets that ensure long-term value preservation. To enhance portfolio returns, the Fund partnered with ZEIPF on the Lochinvar Warehouse redevelopment project. Construction commenced in March 2025 and was finalized by year-end. As of March 2026, National Foods had taken beneficial occupation, with lease agreements structured in USD. The property is projected to yield an annual return of 8% in USD terms.

The investment property portfolio was closely managed to ensure that rental income was aligned to market rates, optimising returns. The Fund also focused on increasing USD rentals and achieving 100% rental collection, driving Fund performance. This led to:

- a. An increase in USD rentals from 36% of total rent income in 2024 to 45% in 2025.
- b. A rental yield of 10.5% versus market average of 6%.
- c. A collection rate of 82% versus a market average of 84% and.
- d. An occupancy rate of 98% versus a market average of 92%.

## GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

- ii. Enhancing member experience -This was done through improving the level of benefits and service delivery. Several initiatives were implemented during the year to improve member experience. These initiatives covered:
- Successful engagements with ZESA Holdings on value preservation of the actuarial deficit which was concluded in June 2025. This restoration of value enabled the Fund to align benefit levels with the Mudyandigere target in September 2025, supported by ZESA Holding's upward adjustment of the actuarial deficit funding to match the revised payroll cost. Consequently, the Fund awarded a cumulative pension increase of 343.2% in 2025, raising average monthly benefits from USD 73 to USD 168, successfully achieving the Fund's strategic target.
  - The Fund succeeded in the payment of part-USD pension benefits after every 2 months. The Fund's current level of 45% of rental income in USD can only finance 12% of the monthly pension, hence the payment of the USD pension portion after every two months. However, the partial payment of actuarial deficit repayments in USD by ZESA Holdings enabled the Fund to pay the full monthly payroll in USD from February 2026 to May 2026.
  - The Fund has been engaging members through multiple platforms, including outreach sessions, SMS, and emails, to ensure widespread reach and communication.
- iii. Operational sustainability –The Fund remains focused on cost management, ensuring expenses stay within the regulatory threshold of 0.6% of Fund value. As of 2025, the Fund's expense ratio stood at 0.6% of Fund value, in line with the regulatory limit.

### Compliance with circular 24 of 2025 – Guideline on Revised Reporting Requirements for Pension Funds

Following the issuance of Circular 24 of 2025, the Fund proceeded to prepare the 2025 financial statements in line with International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. Thus 2025 financial statements are presented under both the “historical cost” basis and “inflation adjusted” basis.

### Sustainability

At the heart of our operations is a commitment to sustainability and responsible investing. As national and international community's focus on Environmental Social and Governance (ESG) matters grow, the Fund remains dedicated to aligning its investments with these principles, ensuring the Fund's portfolio is both sustainable and future-fit. This commitment is reflected in the Fund venturing into solar projects to continue driving long- term value for members and pensioners. The revamped Lochinvar Warehouse will be powered by solar as the primary source of energy.

The Fund's investment approach prioritizes not only returns for members but also community impact, focusing on job creation and economic empowerment in the communities where the Fund operates.

### Industry trends

The episodes of inflationary pressures experienced in the economy have left many retirees struggling to make ends meet due to payouts that were no longer aligned to the actual cost of living. This issue has raised concerns over reliability of pensions in retirement. A number of initiatives are being implemented in the industry to address this position.

The industry is responding by payment of USD payouts though they are not adequate to restore value or in line with the complexion of transactions on the market.

The Insurance and Pensions Commission (IPEC) is actively working on reforms to improve compliance, transparency, and governance in the pensions sector. This includes efforts to ensure pension funds are better managed and more aligned with member interests.

There is a slow but steady shift toward digital platforms for pension administration and member engagement. This includes use of online portals for benefit tracking and communication, although adoption is still in early stages.

### Outlook and appreciation

Looking ahead, the Fund will focus on:

- Ensuring collection of actuarial deficit repayments in line with the 15-year payment plan.
- Monthly reviews of pensions, subject to the investment return generated by the Fund.

I am grateful for the tireless efforts of the Fund's Board, Management and staff, who have demonstrated remarkable dedication and expertise in navigating the complexities of our operating environment. Their passion for delivering exceptional member experience and driving innovation continues to propel your Fund forward.



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**Bright Kondo**  
**Principal Officer**

# CORPORATE GOVERNANCE STATEMENT

The ZESA Staff Pension Fund adheres to robust corporate governance principles, aligning with the King V code, Zimbabwe's National Code on Corporate Governance, and IPEC guidelines. The Board prioritizes transparency, integrity, and accountability, ensuring the Fund's operations conform to best practices and serve the interests of members, employees, and stakeholders. By adhering to these principles, the Fund offers members and stakeholders confidence that it is managed with integrity, according to carefully considered risk guidelines, and in accordance with best practices, thereby safeguarding and growing members' assets.

The Board's Code of Conduct, the Board Charter, and the Pensions and Provident Funds Act [Chapter 24:32] are available for Board reference, regarding their fiduciary duties and obligations. A Board evaluation exercise is carried out annually.

## Board Responsibility

The Board's primary responsibility is to discharge its fiduciary duty to Fund members. The Board meets quarterly to monitor Fund management performance and ensure proper control over the Fund's strategic direction.

The Board is aware that it takes independent professional advice at the Fund's expense, if necessary, for the furtherance of their duties.

## Board composition

The Board is composed of nine board members made up of four (4) Employer appointed Board members, two (2) Member elected Board members, two (2) Pensioner elected Board member and (1) independent Board member. The Board outsources skills it believes are not sufficiently represented within the skills and experience of the Board, yet necessary to achieve the Fund's goals.

## Nomination of Board Members

The Fund is guided by the Fund Rules in the appointment of Board Members. The rules state that, the Fund's sponsoring employer appoints Employer-appointed Board members while member Board members are elected by members.

## Strategic Planning Process

The Board meets annually to discuss and set the strategic initiatives of the Fund on a 5-year rolling period.

## Board Committees

The Board has the following Committees that assist in the discharge of its responsibilities:

### i. Audit, Risk and Compliance Committee (ARCC)

The Audit, Risk and Compliance Committee meets at least once per quarter and is responsible for:

- The integrity of the Fund's financial statements and the effectiveness of the systems of governance, risk management and internal control, and for monitoring the effectiveness and objectivity of internal and external auditors.
- Monitoring consistency of the Fund's accounting policies.
- Review of the scope of work for the internal auditors and the planning memorandum for external auditors.
- Recommendation of the appointment, and fees of both internal and external auditors who have unrestricted access to it.
- Assisting the Board in fulfilling its corporate governance oversight responsibility regarding the identification, evaluation, and mitigation of operational, strategic, and external risks.

The members of the Committee are:

1. Mr. E. Madzikanda
2. Mr. H. Makura
3. Eng. G. Tsumbalagwa

The Board is satisfied with the level of experience and competence of committee members.

### ii. Finance, Investments and Procurement Committee (FIPC)

This Committee meets at least once per quarter and:

- Considers management recommendations regarding investment opportunities in various asset classes.
- Reviews the performance of the Fund and the actuarial recommendation for pension increases and bonuses.

The members of the Committee are:

1. Mr. A. Sibangani
2. Mr. T. Chinhengo
3. Mr. W. Nondo

The Board is satisfied with the level of experience and competence of committee members.

### iii. Human Resources, Remuneration, Legal and Benefits Committee (HRRLBC)

The Committee meets at least once per quarter and:

- Handles any legal issues for the Fund and the review of members/pensioners benefits.
- Considers Fund staff remuneration issues, oversees the recruitment of high-level positions and conditions of service.

The members of the Committee are:

1. Mr. D. Maviva
2. Mr. L. Nyamande

The Board is satisfied with the level of experience and competence of committee members.

## Meeting attendance during the year

	Board	FIPC	ARCC	HRRLBC
Total meetings	5	5	5	5
Dr. H. Murerwa	4	x	x	x
Mr. D. Maviva	5	x	x	5
Mr. A. Sibangani	4	5	x	x
Mr. T. Chinhengo	5	5	x	x
Mr. E. Madzikanda	5	x	5	x
Mr. W. Nondo	5	5	x	x
Mr. H. Makura	5	x	5	x
Mr. L. Nyamande	5	x	x	5
Eng. G. Tsumbalagwa	5	x	5	x

# CORPORATE GOVERNANCE STATEMENT (CONTINUED)

## RISK MANAGEMENT

### Risk management approach

The Fund developed an enterprise risk management framework in line with ISO 31000 International Risk Management Standards. The Fund's risk management approach is based on the Enterprise Risk Management Model which involves all levels of management in identifying and managing risks affecting the Fund.

The Fund's Audit, Risk and Compliance Committee (ARCC) is responsible for monitoring the Fund's risk management processes and providing oversight over implementation of risk mitigation measures.

Management of risk is at the heart of the Fund business planning processes and is core to achieving Fund strategic goals. The Board is responsible for risk management and internal controls at the Fund. It discharges its responsibility through the Audit, Risk and Compliance Committee. The Board provides guidance on tolerable risks, risk appetite and the adequacy of prevailing controls in managing risks while the executive management is responsible for the implementation of the risk management framework.

### Top 5 Fund risk exposures

The following were the key strategic risks the Fund was facing during 2025 and the mitigation measures in place to reduce their impact to attain the strategic objectives.

Risk Subcategories and description	Inherent	Mitigation Measures	Residual
<b>Funding risk</b> Possible non-payment of actuarial deficit monthly obligations agreed by the Sponsoring Employers leading to failure to fund payroll.		Enforce provisions of the debt settlement agreement to ensure payments are received.	
<b>Market risk</b> i. Risk that the Fund will continue to be negatively impacted by exchange rate depreciation. ii. The risk that Fund may not earn real returns and returns above 8% in USD. iii. The risk of continued losses resulting from RBZ and agreed market exchange rate gaps, i.e., the Fund receives income at an RBZ rate and deploys it at agreed exchange rate with suppliers		1. Continue with active equity management strategies. 2. Ensure monthly pension reviews and passing on of Fund interest to members. 3. Ensure that excess funding from the deficit repayments are deployed in real assets.	
<b>Currency risks</b> – The risk that the Government of Zimbabwe will implement mono currency in a manner which will result in loss of value on monetary financial assets such as the actuarial deficit debt.		1. Enforce a debt settlement agreement that mitigates against currency change. 2. Invest in real assets that hedge against currency depreciation and inflation.	
<b>Regulatory risk/ Country risk – risk of:</b> i. Possible policy pronouncements or changes that affect the operating environment, i.e., fiscal and monetary policies. ii. Possible future regulations about ESG.		1. Invest within the IPS limits to reduce concentration risk. 2. Continue considering ESG factors in all the investments, integrated reporting, pension payments, administration and human resources activities of the Fund.	
<b>Rental collection risk</b> - risk of default of payment of rentals when due resulting from: i. Downgrading of the overall tenant quality. ii. Big institutions occupying properties may fail to remit rentals in time leading to loss of ZWG rentals. iii. Loss of value from the perceived gap between the official exchange rate and parallel market rate.		1. Ensure enhanced due diligence during tenant onboarding. 2. Adhere to lease agreement provisions. 3. Ensure that ZWG rentals are fluid with movements in exchange rates.	

## BOARD'S RESPONSIBILITY STATEMENT

The Board of the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund ("the Fund") is responsible for the preparation and fair presentation of these financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act [Chapter 24:32] of Zimbabwe, as amended, as set out in the statement of accounting policies, and for such internal control as the Board determines as necessary to enable the preparation and presentation of the financial statements that are free from misstatement, whether due to fraud and/or error.

The Board of the Fund acknowledges that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Board Members to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all related service providers are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the pension fund is on identifying, assessing, managing and monitoring all known forms of risk across the pension fund. While operating risk cannot be fully eliminated, the Fund endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board Members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements have been prepared so as to comply with International Financial Reporting Standards, Pension and Provident Funds (Amendment) Regulations, 2020 (No. 25), Statutory Instrument 91 of 2020 and the Insurance and Pensions Commission Circular 24 of 2025, which form the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe, as amended. The Fund's independent external auditors, AMG Global Chartered Accountants, are responsible for reporting on the fair presentation of the annual financial statements and their report appears on pages 15 to 16

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board Members to indicate that the Fund will not remain a going concern for the foreseeable future.

The financial statements were prepared under the supervision of Shylet Mapiye Chartered Accountant (Zimbabwe), Registered Public Accountant, Public Accountants and Auditors Board ("PAAB") registration number 06319.

The financial statements set out on pages 17 to 31 were approved by the Board of the Fund on 27 March 2026 and are signed on its behalf by:

Approval of financial statements:



**Board Chairman**



**Principal Officer**



**Board Member**

# REPORT OF THE INDEPENDENT AUDITORS

## TO THE MEMBERS OF THE ZIMBABWE ELECTRICITY SUPPLY AUTHORITY (ZESA) STAFF PENSION FUND

### Opinion

We have audited the financial statements of the Zimbabwe Electricity Supply Authority Staff Pension Fund, “ZESA Staff Pension Fund”/ “the Fund”, set out on pages 17 to 31, and comprising:

- Statement of changes in net assets available for benefits for the year ended 31 December 2025;
- Statement of net assets available for benefits as at 31 December 2025;
- Statement of cashflows for the year ended 31 December 2025;
- Membership Statistics as at 31 December 2025;
- Statement of accounting policies applied by the Fund during the year; and
- Related financial statement notes.

In our opinion, the Fund's financial statements are properly drawn up in accordance with IFRS as issued by the International Accounting Standards Board and circular 24 of 2025 issued by Insurance and Pensions Commission (IPEC) and in all material respects, give a true and fair view of the net assets available for benefits for the Fund as at 31 December 2025 and the changes in net assets available for benefits, and its cash flows, for the year then ended.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Those standards require that, in conducting the audit, we comply with ethical requirements. The standards also require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. We are independent of the Fund in terms of the Institute of Chartered Accountants of Zimbabwe (“ICAZ”) Code of Professional Conduct, which is consistent with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We consider it that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

#### Prescribed asset ratio

Without qualifying our opinion, we draw attention to note 6.2 which states that the Fund has not complied with the prescribed asset ratio of a minimum of 20% in terms of Section 18(2)(a) of the Pension and Provident Funds Act (Chapter 24:32), as amended by Finance Act of (2009).

### Key audit matters

Key audit matters are those in our judgement, that were of most significance in our audit of the financial statements. Key audit matters are selected from matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. There were no key audit matters identified for the audit of the Fund.

### Board's responsibility for the financial statements

The Fund Board is responsible for the preparation and fair presentation of these financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe. This responsibility includes, but is not limited to the following:

- designing, implementing and maintaining internal controls that ensure the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- formulating and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the Fund's circumstances.

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

## REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the Administrators' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events

or conditions may cause the Fund to cease to continue as a going concern:

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Engagement Partner on the audit resulting in this independent auditors' report is Tariro Mhuka (PAAB number 0423).

*AMG Global*

**AMG Global Harare**  
**27 March 2026**

# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## Year ended 31 December 2025

	Note	Inflation Adjusted		Historical	
		2025 ZWG	2024 ZWG	2025 ZWG	2025 ZWG
<b>MEMBERSHIP ACTIVITIES</b>					
Total contributions (A)		-	-	-	-
Total other membership income (B)		-	-	-	-
<b>Benefits and payments</b>					
<b>Pensions</b>					
(a) To members		81 873 620	95 387 729	80 938 043	31 415 023
(b) To surviving spouse		64 014 926	41 018 393	63 283 421	24 562 617
(c) To children and other dependants		2 977 315	1 907 753	2 943 293	1 142 400
Lumpsum awards on death		1 406 446	-	1 397 406	-
Lumpsum awards on retirement/ retrenchment		18 289 545	2 852 502	18 105 954	1 478 664
<b>Total benefits and payments</b>		<b>168 561 852</b>	<b>141 166 377</b>	<b>166 668 117</b>	<b>58 598 704</b>
<b>Net membership activities (A+B-C)</b>		<b>(168 561 852)</b>	<b>(141 166 377)</b>	<b>(166 668 117)</b>	<b>(58 598 704)</b>
<b>NON-MEMBERSHIP ACTIVITIES</b>					
<b>Investment Income</b>					
<b>Financial assets</b>					
Interest income	11	2 124 344	16 958 230	2 085 729	8 863 890
Dividends		5 637 240	3 282 721	5 567 810	2 040 050
Unrealised fair value gains / (losses) on financial assets	12	23 667 345	(849 012)	35 917 592	31 971 836
Realised fair value gains / (losses) on financial assets		(180 017)	9 710	(170 462)	3 523
Exchange gains		(375 223 650)	3 000 268 125	21 329 098	2 675 229 278
<b>Non-financial assets</b>					
Rental income		63 998 314	55 484 110	63 053 085	34 079 428
Revaluation gains / (losses) on investment property		(88 616 091)	(185 019 018)	53 821 296	283 380 755
<b>Total investment income / (loss) E</b>		<b>(368 592 515)</b>	<b>2 890 134 866</b>	<b>181 604 148</b>	<b>3 035 568 760</b>

# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2025 ZWG
<b>Investment expenses</b>				
<b>Financial assets</b>				
Asset management fees	582 483	649 706	574 351	390 278
Custodial fees	64 719	72 189	63 817	43 364
<b>Non-financial assets</b>				
Property management fees	5 014 827	3 083 642	4 952 325	1 797 378
Property maintenance costs	2 214 886	3 063 243	2 177 768	1 944 583
Provision for bad debts	1 111 455	471 067	1 197 918	475 486
<b>Total investment expenses (F)</b>	<b>8 988 370</b>	<b>7 339 847</b>	<b>8 966 179</b>	<b>4 651 089</b>
<b>Net investment income / (loss) (E-F) =G</b>	<b>(377 580 885)</b>	<b>2 882 795 019</b>	<b>172 637 969</b>	<b>3 030 917 671</b>
<b>Other activities</b>				
<b>Other income</b>				
Other income	-	1 647 469	-	922 980
Revaluation gain or loss on operating assets	(23 243)	(39 519)	-	71 996
Monetary loss	(2 357 366)	(6 650 247)	-	(70 260 069)
Exchange gains	8 275 318	3 998 907	8 326 465	2 691 295
<b>Total other income (H)</b>	<b>5 984 709</b>	<b>(1 043 390)</b>	<b>8 326 465</b>	<b>(66 573 798)</b>
<b>Other expenses</b>				
Staff costs	7 482 691	10 871 381	7 308 078	6 769 842
Administration fees	3 609 574	4 584 372	3 544 039	2 742 026
Actuarial fees	724 530	938 015	705 399	558 300
Audit fees	361 998	308 382	354 165	180 510
Board expenses	1 486 265	1 444 993	1 464 002	864 744
IPEC levies	2 514 574	1 182 815	2 493 922	726 563
Bank charges	3 202 150	2 218 900	3 161 323	1 326 959
<b>Total other expenses (I)</b>	<b>19 381 858</b>	<b>21 548 782</b>	<b>19 030 928</b>	<b>13 168 944</b>
<b>Net other income / (loss) (H-I)=J</b>	<b>(13 487 073)</b>	<b>(22 592 248)</b>	<b>(10 704 463)</b>	<b>(79 742 742)</b>
<b>Change in net assets excluding membership activities (G+J)=K</b>	<b>391 067 958</b>	<b>2 860 202 771</b>	<b>161 933 506</b>	<b>2 951 174 929</b>
<b>Net increase / (decrease) in net assets during the year (D+K)=(L)</b>	<b>(559 629 810)</b>	<b>2 719 036 394</b>	<b>(4 734 611)</b>	<b>2 892 576 225</b>
<b>Net assets available for benefits at the beginning of the year (M)</b>	<b>4 245 223 024</b>	<b>1 526 186 630</b>	<b>3 690 327 825</b>	<b>797 751 600</b>
<b>Net assets available for benefits at the end of the year (M+L)</b>	<b>3 685 593 214</b>	<b>4 245 223 024</b>	<b>3 685 593 214</b>	<b>3 690 327 825</b>



Head Finance

27 March 2026



Principal Officer



Board Chairman

# STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at 31 December 2025

	Note	Inflation Adjusted		Historical	
		2025 ZWG	2024 ZWG	2025 ZWG	2025 ZWG
<b>Assets</b>					
<b>A Operating assets</b>					
Furniture and equipment	1	154 580	177 823	154 580	154 580
<b>Total operating assets (N)</b>		<b>154 580</b>	<b>177 823</b>	<b>154 580</b>	<b>154 580</b>
<b>B Non-current investments</b>					
Investment properties	2	1 012 983 339	1 097 015 637	1 012 983 339	953 624 181
Quoted shares	3	117 811 760	91 732 620	117 811 760	79 742 204
Unquoted shares	4	2 381 314	1 943 319	2 381 314	1 689 307
Actuarial deficit	5	2 537 197 303	2 841 657 763	2 537 197 303	2 470 223 272
<b>Total noncurrent Investments (O)</b>		<b>3 670 373 716</b>	<b>4 032 349 339</b>	<b>3 670 373 716</b>	<b>3 505 278 964</b>
<b>C Current investments</b>					
Actuarial deficit	5	16 705 590	202 975 554	16 705 590	176 444 519
Money market investments		1 761 246	2 729 695	1 761 246	2 372 895
Cash on hand and at bank		2 083 693	12 763 391	2 083 693	11 095 082
<b>Total current investments (P)</b>		<b>20 550 529</b>	<b>218 468 640</b>	<b>20 550 529</b>	<b>189 912 496</b>
<b>D Sundry debtors</b>					
Rental arrears	7	2 634 028	2 778 678	2 634 028	2 415 476
Interest receivable		23 507	60 335	23 507	52 449
Other debtors		5 168 965	2 228 787	5 168 965	1 937 461
<b>Total sundry debtors (Q)</b>		<b>9 599 432</b>	<b>5 067 800</b>	<b>7 826 500</b>	<b>4 405 386</b>
<b>Total assets (N+O+P+Q)=R</b>		<b>3 698 905 325</b>	<b>4 256 063 602</b>	<b>3 698 905 325</b>	<b>3 699 751 426</b>
<b>E Non actuarial liabilities</b>					
Arrear pension benefits		4 802 904	-	4 802 904	-
Other payables		8 509 207	10 840 578	8 509 207	9 423 601
<b>Total non-actuarial liabilities (S)</b>		<b>12 312 111</b>	<b>10 840 578</b>	<b>13 312 111</b>	<b>9 423 601</b>
<b>Net assets available for benefits at the end of the year (R-S)=T</b>		<b>3 685 593 214</b>	<b>4 245 223 024</b>	<b>3 685 593 214</b>	<b>3 690 327 825</b>
<b>F Actuarial liabilities</b>					
<b>Members' liabilities</b>					
Active members		1 516 070 189	1 708 948 311	1 516 070 189	1 485 570 833
Pensioners		1 952 510 439	2 318 652 241	1 952 510 439	2 015 580 061
Deferred pensioners		42 640 811	57 197 553	42 640 811	49 721 233
Pending exits		10 793 431	11 821 892	10 793 431	10 276 647
Unclaimed benefits	8	15 139 618	16 582 210	15 139 618	14 414 741
<b>Reserves</b>					
Reserves – data and exit revaluation		148 438 726	40 341 109	148 438 726	35 068 103
<b>Total actuarial liabilities (U)</b>		<b>3 685 593 214</b>	<b>4 153 543 316</b>	<b>3 685 593 214</b>	<b>3 610 631 618</b>
<b>Surplus /(deficit) (T-U)</b>		<b>-</b>	<b>91 679 708</b>	<b>-</b>	<b>79 696 207</b>



Head Finance

27 March 2026



Principal Officer



Board Chairman

# STATEMENT OF CASHFLOWS

Year Ended 31 December 2025

	Inflation adjusted	
	2025 ZWG	2024 ZWG
<b>Net cash flows from membership activities</b>		
Cash received from contributions	-	-
Benefits paid	(163 758 947)	(141 166 377)
Cash transferred from other funds	-	-
Cash transferred to other funds	-	-
<b>Net cash flows from membership activities</b>	<b>(163 758 947)</b>	<b>(141 166 377)</b>
<b>Cash flows collected from other operating activities (V)</b>		
Other operating income	-	1 647 469
Cash paid to suppliers		
Actuarial fees	(724 530)	(938 015)
Administration fees	(2 109 574)	(4 584 372)
Audit fees	(361 998)	(308 382)
Levies and subscriptions paid	(2 514 574)	(1 182 815)
Cash paid to employees		
Staff expenses	(7 482 691)	(10 871 381)
Board expenses	(1 486 265)	(1 444 993)
Monetary loss	(1 190 580)	(11 673 770)
Other operating expenses		
Bank charges	(3 202 150)	(2 218 900)
<b>Net cashflows from other operating activities (W)</b>	<b>(19 072 362)</b>	<b>(31 575 159)</b>
<b>Cashflow from investing activities</b>		
Purchase of investment property	(9 415 326)	(5 486 884)
Purchase of financial assets	(5 296 353)	(494 784)
Proceeds from sale of financial assets	2 268 602	225 622
Proceeds from sale of investment property	2 858 064	-
Proceeds from loan repayments	115 506 774	115 473 914
Property expenses paid	(4 884 490)	(6 146 885)
Rent received	63 031 509	42 043 955
Interest received	2 124 344	16 958 230
Dividends received	5 637 240	3 282 721
Investment management fees paid	(647 202)	(721 895)
<b>Net cash inflows/(outflows) from investing activities (X)</b>	<b>171 183 162</b>	<b>165 133 994</b>
<b>Net cash inflow/(outflow) for the year (V+W+X) =Y</b>	<b>(11 648 147)</b>	<b>(7 607 542)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15 493 086</b>	<b>19 101 721</b>
Exchange gains /(losses) on cash and cash equivalents	-	3 998 907
<b>Cash and cash equivalents at the end of the year</b>	<b>3 844 939</b>	<b>15 493 086</b>

# STATEMENT OF CASHFLOWS

Year Ended 31 December 2025

	Historical	
	2025 ZWG	2024 ZWG
<b>Net cash flows from membership activities</b>		
Cash received from contributions	-	-
Benefits paid	(161 685 212)	(58 598 705)
Cash transferred from other funds	-	-
Cash transferred to other funds	-	-
<b>Net cash flows from membership activities</b>	<b>(161 685 212)</b>	<b>(58 598 705)</b>
<b>Cash flows collected from other operating activities (V)</b>		
Other operating income	-	922 981
Cash paid to suppliers		
Actuarial fees	(705 399)	(558 300)
Administration fees	(2 044 039)	(2 742 026)
Audit fees	(354 165)	(180 510)
Levies and subscriptions paid	(2 493 922)	(726 563)
Cash paid to employees		
Staff expenses	(6 117 948)	(6 769 842)
Board expenses	(1 464 002)	(864 744)
Monetary loss	-	(70 260 069)
Other operating expenses		
Bank charges	(3 161 323)	(1 326 959)
<b>Net cashflows from other operating activities (W)</b>	<b>(16 340 798)</b>	<b>(82 506 032)</b>
<b>Cashflow from investing activities</b>		
Purchase of investment property	(9 737 862)	(2 980 322)
Purchase of financial assets	(5 254 970)	(356 963)
Proceeds from sale of financial assets	2 240 536	134 182
Proceeds from disposal of investment property	2 765 831	-
Proceeds from loan repayments	114 093 997	112 110 838
Property expenses paid	(5 130 093)	(3 741 961)
Rent received	62 590 162	34 582 901
Interest received	2 085 729	541 963
Dividends received	5 567 810	2 040 050
Investment management fees paid	(638 168)	(433 642)
<b>Net cash inflows/(outflows) from investing activities (X)</b>	<b>168 582 972</b>	<b>141 896 776</b>
<b>Net cash inflow/(outflow) for the year (V+W+X) =Y</b>	<b>(9 623 038)</b>	<b>792 039</b>
Cash and cash equivalents at the beginning of the year	13 467 977	9 984 643
Exchange gains /(losses) on cash and cash equivalents	-	2 691 295
<b>Cash and cash equivalents at the end of the year</b>	<b>3 844 939</b>	<b>13 467 977</b>

# MEMBERSHIP STATISTICS

Year ended 31 December 2025

	In Zimbabwe		Outside Zimbabwe	
	2025	2025	2024	2023
<b>1 Number of principal members at the beginning of the year</b>				
Number of beneficiaries at the beginning of the year	4 654	4 656	-	-
	2 438	2 454	-	-
<b>TOTAL</b>	<b>7 092</b>	<b>7 080</b>	<b>-</b>	<b>-</b>
<b>2 Principal membership as at the end of the year</b>				
(a) new entrants for the year	-	-	-	-
(b) active members	-	-	-	-
(c) deferred pensioners	2 444	2 522	-	-
(d) pensioners	1 752	1 769	-	-
(e) suspended pensioners	147	206	-	-
(f) members with unclaimed benefits	157	157	-	-
(g) transfer in	-	-	-	-
<b>Total membership as at the end of the year</b>	<b>4 500</b>	<b>4 654</b>	<b>-</b>	<b>-</b>
<b>3 Beneficiaries as at the end of the year</b>				
<b>(a) Pensioners:</b>				
Surviving spouse	1 712	1 667	-	-
Children	206	210	-	-
Other dependents	-	-	-	-
<b>(b) Suspended pensioners:</b>				
Surviving spouse	326	387	-	-
Children	73	174	-	-
Other dependents	-	-	-	-
<b>Total beneficiaries as at the end of the year</b>	<b>2 317</b>	<b>2 438</b>	<b>-</b>	<b>-</b>
<b>4 Exits as at the end of the year</b>				
(a) Transfers out	-	-	-	-
(b) Full commutations	79	1	-	-
(c) Death	75	31	-	-
(d) Other	-	-	-	-
	<b>154</b>	<b>32</b>	<b>-</b>	<b>-</b>

Head Finance



Principal Officer



27 March 2026

Board Chairman



# STATEMENT OF ACCOUNTING POLICIES

31 December 2025

## A REGISTRATION AND ACTIVITIES

The Zimbabwe Electricity Supply Authority Staff Pension (“the Fund”), is registered in terms of the Pensions and Provident Funds Act (Chapter 24:32), as a self-administered defined contribution Fund, set up for the purpose of providing pension benefits to its members on retirement or the members’ beneficiaries in the event of death. The Fund is closed to new members and contributions.

During the year there were no changes to the Fund Rules.

## STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with:

- The preparation applicable to retirement funds in Zimbabwe and the provisions of the Pensions and Provident Funds Act (Chapter 24:32) of Zimbabwe.
- Circular 24 of 2025 (Guideline on Revised Reporting Requirements for Pension Funds), issued by the Insurance and Pensions Commission on 10 September 2025.
- International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

## CPI Inflation

The restatement has been calculated by means of conversion factors derived from month-on-month consumer price index (CPI) prepared by the Reserve Bank of Zimbabwe. The conversion factors used to restate the financial statements as at 31 December 2025 are as follows;

Month	2025		2024	
	CPI Index	Factor	CPI Index	Factor
January	183.76	1.04	120.67	1.59
February	184.60	1.04	127.19	1.50
March	184.50	1.04	133.42	1.43
April	185.68	1.03	100.00	1.91
May	187.42	1.02	97.58	1.96
June	187.94	1.02	97.62	1.96
July	190.89	1.00	97.50	1.96
August	191.65	1.00	98.90	1.93
September	191.18	1.00	104.62	1.83
October	190.50	1.00	143.59	1.33
November	190.88	1.00	160.41	1.19
December	191.31	1.00	166.30	1.15

The main procedures applied in the above-mentioned restatement of transactions and balances are as follows:

All corresponding figures as of, and for the period ended 31 December 2025 are restated by applying the change in the

index for 31 December 2024 and 31 December 2025. All assets and liabilities for the current year are not restated as they are already stated at fair value at the balance sheet date. Income statement transactions are restated by applying the monthly index during the year. Gains and losses arising from the net monetary asset and liability positions are included in the income statement.

## New or revised standards or interpretations

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Fund.

The Board Members anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Fund’s financial statements

## ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

## B Functional currency

The financial statements are presented in Zimbabwean Gold, which is the Fund’s function currency. The Fund adopted the Zimbabwean Gold (ZWG) as its functional currency with effect from 5 April 2024.

## C Valuation of Fund assets

Investment assets are valued at fair value except debt instruments held to maturity which are to be held at amortised cost.

Marketable securities / financial instruments, bid price at the end of the reporting period shall be the value recognised. Property is valued using the functional currency applicable to the Fund.

## D Valuation of actuarial liabilities

Actuarial liabilities are valued using the current period’s actuarial valuation report or financial review report.

## E Income and expenses

The accrual method is used when accounting for income and expenses.

# STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

31 December 2025

## F Taxation

In terms of the Third Schedule to the Income Tax Act (Chapter 23:06), Pension Funds are exempt from income tax, capital gains tax and residents' tax on interest from financial institutions until such date as the Minister may specify by notice in the Gazette. As no such notice has been gazetted in respect of the year covered by these financial statements, no provision for taxation has been made.

## G Impairment of assets

The Pension Fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the pension fund estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The Fund assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## H Revenue

Revenue is measured based on the contributions specified in employment contract with an employee and excludes amounts collected on behalf of third parties. The Pension Fund recognises revenue when employment services are provided to employees.

Other sources of income that the Pension Fund has are:

- dividend income
- interest income
- profit on disposal of financial assets

## I Actuarial valuation

There is no requirement to carry out an actuarial valuation of the Fund, as it provides benefits on a defined contribution basis, though an annual financial review is carried out by the actuaries.

## J. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and money market deposits with financial institutions which are subject to an insignificant risk of change in value.

## K. Foreign currency

Transactions entered into by Fund in a currency other than the currency of the primary economic environment in which it operate ('functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

## L. Financial instruments

### Recognition and initial measurement

Financial assets and liabilities are initially recognised when the Fund becomes a party to a contractual provision of the instrument.

A financial asset (unless if it's a trade receivable) or financial liability is initially measured at fair value plus or minus transaction costs directly attributable to its acquisition or issue. Trade receivables are initially measured at the transaction price.

### Classification and subsequent measurement

On initial recognition, a financial asset is classified as subsequently measured at amortised cost or fair value through profit or loss.

### Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is measured at FVTPL if it is classified as held for trading.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2025

1	OPERATING ASSETS	Furniture and Fittings	Computers	Total	
		ZWG	ZWG	ZWG	
1.1	<b>Inflation adjusted</b>				
	<b>Net carrying amount as at 1 January 2024</b>	<b>217 342</b>	<b>9 832</b>	<b>227 174</b>	
	Revaluation	217 342	9 832	227 174	
	Disposal	-	(9 832)	(9 832)	
	Revaluation	(39 519)	-	(39 519)	
	<b>Revalued amount 31 December 2024</b>	<b>177 823</b>	<b>-</b>	<b>177 823</b>	
	Revaluation	177 823	-	177 823	
	Revaluation	(23 243)	-	(23 243)	
	<b>Revalued amount 31 December 2025</b>	<b>154 580</b>	<b>-</b>	<b>154 580</b>	
	Revaluation	154 580	-	154 580	
1.2	<b>Historical</b>				
	<b>Net carrying amount as at 1 January 2024</b>	<b>82 585</b>	<b>9 832</b>	<b>71 995</b>	
	Revaluation	82 585	9 832	71 995	
	Disposal	-	(9 832)	(9 832)	
	Revaluation	71 995	-	71 995	
	<b>Revalued amount 31 December 2024</b>	<b>154 580</b>	<b>-</b>	<b>154 580</b>	
	Revaluation	154 580	-	154 580	
	Revaluation	-	-	-	
	<b>Revalued amount 31 December 2025</b>	<b>154 580</b>	<b>-</b>	<b>154 580</b>	
	Revaluation	154 580	-	154	
2	<b>INVESTMENT PROPERTY</b>				
		<b>Inflation adjusted</b>		<b>Historical</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>
2.1	<b>Reconciliation</b>				
	Opening balance	1 097 015 637	1 276 547 771	953 624 181	667 263 104
	Additions	9 415 326	5 486 884	9 737 862	2 980 322
	Disposal	(4 831 533)	-	(4 200 000)	-
	Fair value adjustment	(88 616 091)	(185 019 018)	53 821 296	283 380 755
	<b>Closing balances</b>	<b>1 012 983 339</b>	<b>1 097 015 637</b>	<b>1 012 983 339</b>	<b>953 624 181</b>
2.2	<b>Analysis</b>				
	Completed properties	1 001 846 000	1 095 230 638	1 001 846 000	952 072 500
	Work in progress	11 137 339	1 784 999	11 137 339	1 551 681
	<b>Closing balances</b>	<b>1 012 983 339</b>	<b>1 097 015 637</b>	<b>1 012 983 339</b>	<b>953 624 181</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

**2.3** There are no current obligations to purchase, construct or develop the investment properties.

The fair value of the Fund's investment property as of 31 December 2025 has been arrived at on the basis of a valuation carried out at that date by ZIMRE Property Investments, independent valuers not concerned with the Fund. The valuation conforms to International Valuation Standards. The fair value was determined based on the market approach that reflects recent transaction prices for similar properties.

**2.4 List of properties**

	Inflation adjusted		Historical	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Beitbridge Shopping Mall	132 818 000	143 795 593	132 818 000	129 792 500
Bindura Megawatt	8 957 000	9 720 582	8 957 000	8 450 000
Belmont Industrial Complex	40 598 000	44 058 970	40 598 000	38 300 000
Chinhoyi Megawatt	48 336 000	52 456 632	48 336 000	45 600 000
Gweru Electricity House	20 659 400	22 420 609	20 659 400	19 490 000
Epworth Shopping Centre	14 129 800	15 299 851	14 129 800	13 300 000
Lochinvar warehouse (WIP)	11 137 339	7 298 122	11 137 339	1 551 681
Avonlea Shopping Centre	107 908 000	117 107 131	107 908 000	101 800 000
Harare Megawatt	343 864 000	373 178 323	343 864 000	324 400 000
Hughes Building	26 860 000	29 150 243	26 860 000	25 340 000
Crowhill stands	1 261 400	6 039 415	1 261 400	5 250 000
Marondera Shopping Mall	38 160 000	41 413 131	38 160 000	36 000 000
Marondera Medical Centre	15 357 000	14 839 705	15 357 000	12 900 000
Masvingo Electricity Centre	33 549 000	36 409 044	33 549 000	31 650 000
Mutare Megawatt	33 496 000	36 351 526	33 496 000	31 600 000
TM Zengeza	135 892 000	147 476 760	135 892 000	128 200 000
	<b>1 012 983 339</b>	<b>1 097 015 637</b>	<b>1 012 983 339</b>	<b>953 294 181</b>

**3 QUOTED SHARES**

**3.1 Reconciliation**

Opening balance	91 732 620	92 213 997	79 742 204	48 201 093
Additions	5 296 353	494 784	5 254 970	356 963
Disposal	(2 446 564)	(197 148)	(2 410 999)	(150 760)
Fair value gains	23 229 351	(779 013)	35 225 585	31 334 908
<b>Closing Balance</b>	<b>117 811 760</b>	<b>91 732 620</b>	<b>117 811 760</b>	<b>79 742 204</b>

**3.2 Analysis**

Asset under Management of Imara Asset Managers				
Quoted Shares	117 811 760	91 732 620	117 811 760	79 742 204
Dividends	5 637 240	3 282 721	5 567 810	2 040 050
Management fees	582 483	649 706	574 351	390 278

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>4 UNQUOTED SHARES</b>				
<b>Reconciliation</b>				
Opening balance	1 943 319	2 013 319	1 689 307	1 052 380
Fair value adjustments	437 994	(70 000)	692 007	636 927
<b>Closing balance</b>	<b>2 381 313</b>	<b>1 943 319</b>	<b>2 381 313</b>	<b>1 689 307</b>
<b>5 ACTUARIAL DEFICIT</b>				
<b>5.1 Reconciliation</b>				
Opening balances	3 044 633 317	143 917 829	2 646 667 791	75 227 155
Interest accrued	-	15 921 277	-	8 322 196
Exchange gains / (loss)	(375 223 650)	3 000 268 125	21 329 098	2 675 229 278
Repayments	(115 506 774)	(115 473 914)	(114 093 997)	(112 110 838)
<b>Closing balances</b>	<b>2 553 902 893</b>	<b>3 044 633 317</b>	<b>2 553 902 893</b>	<b>2 646 667 791</b>
<b>5.2 Analysis</b>				
Due with 12 months	16 705 590	202 975 554	16 705 590	176 444 519
Due after 12 months	2 537 197 303	2 841 657 763	2 537 197 303	2 470 223 272
	<b>2 553 902 893</b>	<b>3 044 633 317</b>	<b>2 553 902 893</b>	<b>2 646 667 791</b>
<b>6 PRESCRIBED ASSETS</b>				
<b>6.1 Analysis</b>	<b>Maturity date</b>	<b>Purchase price</b>	<b>Fair value</b>	<b>Income</b>
Marondera Health Care	31 March 2038	4 452 500	15 357 000	
<b>6.2 Compliance ratio</b>				
The provisions of Section 18(2a) of the Pension and Provident Fund Act (Chapter 24:32) state that any registered Pension Fund shall hold not less than 35% of the aggregate cost value of all their investments in Zimbabwe in local registered securities. However, in the National Budget presented on 22 November 2018 and circular 3 of 2019 of the Insurance and Pensions Commission, the Government reviewed the prescribed asset ratio to 20% of the market values of assets, and thus was effective beginning 1 January 2019. At 31 December 2024 the market values of assets were as follows:				
Prescribed assets			15 357 000	
Total assets			3 700 678 257	
<b>RATIO</b>				<b>0.42%</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 31 December 2025

	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
<b>7 RENT DEBTORS AGING ANALYSIS</b>				
<b>7.1 Analysis</b>				
Rentals receivables (note 7.2)	4 406 960	3 440 155	4 406 960	2 990 491
Provision for bad debts	(1 772 932)	(661 477)	(1 772 932)	(575 015)
<b>Net rent receivable</b>	<b>2 634 028</b>	<b>2 778 678</b>	<b>2 634 028</b>	<b>2 415 476</b>
	<b>Inflation Adjusted</b>		<b>Historical</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>
<b>7.2 Ageing</b>				
Below 30 days	962 910	713 863	962 910	620 554
Between 30 days and 90 days	1 781 084	1 304 539	1 781 084	1 134 022
Between 91 days and 180 days	97 346	29 031	97 346	25 236
181 days and above	1 565 620	1 392 722	1 565 620	1 210 679
<b>Closing balance</b>	<b>4 406 960</b>	<b>3 440 155</b>	<b>4 406 960</b>	<b>2 990 491</b>
<b>8 UNCLAIMED BENEFITS</b>			<b>Number of Members</b>	<b>Amount ZWG</b>
Less than 1 year			-	-
From 1 year to 2 years			-	-
From 2 years to 5 years			-	-
From 5 years to 10 years			-	-
More than 10 years			157	15 139 618
			<b>157</b>	<b>15 139 618</b>
<b>9 US\$ DENOMINATED TRANSACTIONS AND BALANCES</b>			<b>2025</b>	<b>2024</b>
<b>9.1 Revenue</b>			<b>US\$</b>	<b>US\$</b>
Rent			978 561	691 957
Dividends			208 364	127 232
Unrealised gains			961 935	21 496
Interest			5 374	1 914
			<b>2 154 234</b>	<b>842 599</b>
<b>9.2 Expenditure</b>				
Benefits payments			1 063 595	854 190
Administration expenses			6 006	34 787
Bank charges			11 745	1 376
Investment expenses			7 340	7 684
Board expenses			15 002	13 323
Property expenses			6 160	17 307
			<b>1 109 848</b>	<b>928 667</b>

The above amounts are included in the revenue reported for the year 2025 and 2024 in the statement of changes in net assets available for benefits.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

	2025 US\$	2024 US\$
<b>9.3 Assets</b>		
Quoted shares	2 364 447	1 387 476
Unquoted shares	91 657	55 867
Rent	104 890	49 928
Cash at bank	66 480	67 712
Money markets	68 695	91 978
Interest accrued	905	2 032
	<b>2 697 074</b>	<b>1 654 993</b>

The above assets are reported as part of the assets in the Statement of Financial position.

<b>10 OFFSHORE ASSETS</b>		
Quoted shares	231 469	197 167
	<b>231 469</b>	<b>197 167</b>

	Inflation Adjusted		Historical	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Actuarial deficit	-	16 694 800	-	8 726 198
Fixed term investments	2 124 344	263 430	2 085 729	137 692
	<b>2 124 344</b>	<b>16 958 230</b>	<b>2 085 729</b>	<b>8 863 890</b>
<b>12 UNREALISED FAIR VALUE GAINS/(LOSSES)</b>				
Quoted shares	23 229 351	(779 012)	35 225 585	31 334 908
Unquoted shares	437 994	(70 000)	692 007	636 927
	<b>23 667 345</b>	<b>(849 012)</b>	<b>35 917 592</b>	<b>31 971 835</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

## 13 Related party transactions

During the year, the Fund entered into the following transactions with sponsoring employers who are related parties to the Fund.

	Inflation Adjusted		Historical	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
<b>Rent debtors</b>				
Zimbabwe Electricity Transmission Distribution Company	128 707	76 075	128 707	66 131
Zimbabwe Power Company	55 833	-	55 833	-
Rural Electrification Fund	190 766	711 554	190 766	618 546
	<b>375 306</b>	<b>787 629</b>	<b>375 306</b>	<b>684 677</b>

## 14 FINANCIAL VALUATION

The Board finds it prudent to carry out a financial review of the Fund to:

- Assess the Fund's financial position.
- Recommend a pension increase to be made to pensions in payment from the Fund.
- Recommend an interest rate to be credited to each member's account as at financial year end.
- Recommend the interim interest rate to be applied for claim payments in the following year.

The financial review carried out in line with IPEC guidelines as at 31 December 2025 revealed that the Fund was in a financially sound position with a funding level of 100%.

The Fund earned a return of 5.03% for the year ended 31 December 2025. The Actuary recommended for a 0% pension increase after taking into account the pension increases and bonuses awarded during the year.

The final bonus awarded were as follows:

	Final Bonus Awarded
Paid up actives	5.03%
Reserves	5.03%

## 15 INVESTMENT POLICY STATEMENT

The Insurance and Pensions Commission (IPEC) issued Circular 1 of 2016 which allowed organisation to register their Investments Policy Statements (IPS) with investment guidelines. The Fund registered its IPS with IPEC and investment guidelines are as follows:

Asset class	Strategic allocation	Tolerance Range
Listed shares	30%	25% - 35%
Fixed property	40%	35% - 45%
Bonds	15%	15% - 25%
Alternative investments	5%	7.5% - 10%
Money market	10%	10% - 15%

As of 31 December 2025, the Pension Fund was not in full compliance with this Circular.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

## 16 COMPLIANCE WITH IPEC REGULATIONS

The Fund in ensuring compliance with the currency guidelines measured assets at fair value at the measuring date of 31 December 2019. The Fund did not have any transactions for Sub Fund B as the Fund did not have contributing members and thus USD contributions.

During the year there were no fines and penalties levied against the Fund for non-compliance.

## 17 COMPENSATION EXERCISE

As at 31 December 2023, Statutory Instrument 162 of 2023 relating to Pensions and Provident Funds compensation for loss of pre-2009 value of pension benefits was effective. The statutory instrument provides a mandatory procedure for compensating loss of value of life insurance policies and pensions suffered by policyholders and pension scheme members during the period 1 January 2000 to 28 February 2009. The statutory instrument further provides what must be contained in the proposed compensation schemes and the procedure of determining the amounts to be compensated.

The Fund has made submissions to the regulator and its proposed compensation scheme is yet to be approved.

## 18 SUBSEQUENT EVENTS

There were no subsequent events that required disclosure in the financial statements.

## 19 GOING CONCERN

The Board has, at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. It is on this basis that the financial statements are prepared on a going concern basis.

# INVESTMENT PROPERTY VALUATION

## Valuation

The engaged adopted the valuation report carried out by Zimre Property Service Pvt Limited on its investment properties located across the country as of 31 December 2025. These comprised of seventeen investment properties with a total Gross Lettable Area of 45,373.85 sqm inclusive of 2000 sqm vacant land.

The valuation has been prepared for Regulated Purposes as defined in the RICS Valuation – Professional Standards. The following information was considered in the valuation of the subject properties:

- i. Market analysis and supporting information.
- ii. Details of rentals, capitalization rates and sales evidence
- iii. Analysis and Forecast of Property Investment Risks

The following risks were considered in the valuation of the subject property:

- i. Material valuation uncertainty due to multi-pricing
- ii. Poor liquidity and limited plus dated transaction evidence.
- iii. National Policies and their effect on the Economy.

## Property Market

Zimbabwe's property market is exhibiting notable activity and attracting significant investment, navigating a dynamic economic environment. This increase in investment in real estate is partly due to the reduction in investment in money markets, this trend indicates a perception of real estate as a more stable investment, especially during uncertain economic times, despite the lower liquidity compared to money markets.

Residential real estate forms the backbone of the market as seen with increased investment in the sector with more focus on cluster housing and gated communities. The office sector continues to experience subdued activity, with major corporates opting to relocate to suburban locations. This exodus to the suburbs is being driven by traffic congestion in central Harare, dilapidated infrastructure, poor parking provisions, high operational costs, and noise pollution. The retail sub-sector occupancy rates across malls and newly constructed suburban shopping centres continue to edge upwards, with the latter segment of the market exceeding 90%.

The escalating demand for grade A warehouses in Zimbabwe is prompting developers to accelerate speculative projects. This surge in demand is primarily driven by the country's increased imports and rising demand for tobacco warehousing particularly with the country surpassing a record production of over 300 million kilograms in 2025.

Demand is notably rising from informal traders, who dominate market activity and tend to focus on securing smaller units. In response, landlords are subdividing space into smaller units, particularly ground floor units, by offering space ranging from 9-50 sqm. The informal market makes up about 76.1 percent of the domestic economy, making it difficult for landlords to secure quality tenants and comply with Financial Intelligent Unit of Zimbabwe in combating money laundering.

## Property Market Outlook

With Zimbabwe named the world's best destination to visit in 2025, there shall be an increase in the number tourists that visit the country. More tourists mean higher spending on accommodation, transport, dining, and cultural experiences strengthening GDP contributions from tourism. The impacts of this demand are already being seen with investors mobbing towards hospitality such as the partnership between Leva Hotels Dubai & Revitas to transform Chester House into a hotel, the luxurious Bupenyu Lodge in Victoria Falls by Newmark Hotels and the debut of Minor Hotels in Zimbabwe with the launch of Anantara Stanley & Livingstone Victoria Falls Hotel.

Universities increasing their annual intake there is an increased demand for student accommodation and subsequently an increase in the supply of purpose-built accommodation. The property market continues to be affected by erratic power supply which greatly affects day to operations for businesses, power supply is an integral part of the country's industry growth. There is an anticipated growth in the country's industry with the signing of the 1billion investment deal between Zimbabwe and the Dangote Group. The cornerstone of the partnership is the revival of the cement manufacturing industry, energy production, oil pipeline passing through Zimbabwe and fertilizer production. These are key industries and industry as a property sub sector will benefit greatly.

CBD office will continue to face low occupancy rates due to subdued activity, with major corporates opting to relocate to suburban locations.

## Market Value

The market value of the investment property was valued at ZWG\$1,001,846,000.00 (One Billion One Million Eight Hundred and Forty Six Thousand, Zimbabwean Dollars exclusive of transfer costs and VAT).

The Market Value was primarily derived using a combination of recent comparable market transactions on arm's length terms and the Investment Valuation Approach.

## QUOTED SHARES PERFORMANCE

### Performance as at 31st December 2025

	Dec 20 – Dec 25	Dec 22 – Dec 25	Dec 24 – Dec 25	Jun 25 – Dec 25	Sept 25 - Dec 25
	5 years	3 years	1 year	6 Months	3 Months
ZWG Performance	114745%	11396.6%	27.7%	42.6%	27.0 %
USD Performance	-	-	76.7%	76.4%	20.7%
ZWG Composite Index <sup>^</sup>	60,131.5%	8,170.5%	18.0%	26.1%	19.1%
USD Composite Index <sup>&lt;</sup>	-	17.7%	46.2%	43.9%	14.7%
ZSEI Index	92,146.4%	12,516.0%	27.8%	41.0%	32.0%
VFEX All Share Index	-	19.1%	60.9%	58.7%	17.1%
MSCI EM Index	8.8%	46.8%	30.6%	14.9%	4.3%
Inflation - USD	72.8%	11.7%	12.4%	0.7%	0.5%
Inflation – ZWG	-	-	15.0%	1.8%	0.1%
Currency	79,275.5%	9,386.4%	0.7%	-3.6%	-2.5%

Fund Split	Q1 - 2025	Q2 - 2025	Q3 -2025	Q4-2025
ZWG	53%	52%	45%	47%
USD	47%	48%	55%	53%

Source: IAMZ, ZIMSTATS, RBZ, ZSE (Dec '25)

## Q4 2025 Corporate News Update

### DELTA

- Delivered a strong operating outturn across most units, with total volumes rising by 11% despite a sharp slowdown in Zambia's sorghum segment. Zimbabwe operations were particularly resilient, underscoring sustained demand and improved supply conditions.
- The robust volume performance translated into topline growth of 32% to USD514.2 million, with over 90% of sales denominated in foreign currency.
- The Group doubled its interim dividend to USD2.0 cents/share (5.4% yield), reflecting balance sheet strength and confidence in cash generation.
- Uncertainty remains around the USD73.0 million ZIMRA tax dispute, which poses a material risk to earnings and may warrant provisioning.

### ECONET

- The Group delivered a resilient interim performance, with estimated revenues of USD0.5 billion, underpinned by the Mobile Network unit which contributed over 80% of topline revenues. EBITDA margins remained robust at 46%, while strong data demand lifted data's revenue contribution to 42%.
- Declared and paid quarterly interim dividends of USD0.63 cents and USD0.60 cents, translating into a compelling interim yield of 10.8%, with a further USD0.60 cents/share declared post reporting period.
- The most topical issue for the business relates to the proposed delisting and unbundling of the group with a subsequent relisting on the VFEX for the newly created Econet Infraco unit, to ostensibly help address the perceived 'gross undervaluation' of the business

### EDGARS

- Posted improved interim results, with turnover rising by 10% to USD17.7 million, driven by a 4% increase in volumes following the addition of Express Stores.
- Retail remained the core contributor at over 78% of topline, led by Edgars Stores, while Carousel manufacturing maintained a 10% sales contribution despite a 40% surge in units sold.
- The group is increasing reliance on local manufacturing and expanding Express Stores to compete with the informal sector, supported by growing USD-denominated sales.
- Borrowings of USD9.2 million and rising finance costs (+20% y/y) pose a key risk and warrant close monitoring.

### HIPPO

- Delivered a markedly improved year, with company sugar production rising 7% to 170,953 tonnes and industry output up 8%, supported by better yields and improved mill uptime following successful maintenance.
- Topline went up by 14% to USD112.9 million, while reported profit was USD17.5 million.
- Export sales rebounded sharply by 61% to 26,490 tonnes, though local sales remained preferred due to superior margins.
- Elevated power costs from reliance on peak-hour electricity and increased borrowings – up USD4.4 million to USD16.9 million - remain key headwinds.

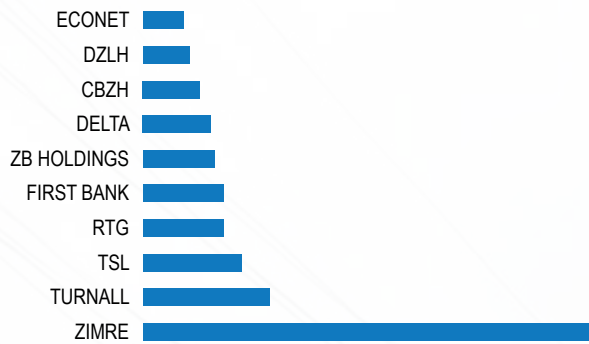
### Equities Market Outlook

- A long overdue rebound was experienced on both the VFEX and ZSE during the year. While both exchanges had a decent run in 2025, in our view prices remain below intrinsic values as they have lagged underlying company growth
- By our calculations, we expect that profitability will grow by more than revenues for many businesses as their costs have been kept under control; boosted by improved productivity as new capacity has been brought on stream over recent years
- In addition to capital appreciation, cash/dividends will increasingly become a key component of return for our clients going forward.
- We also expect the substantial gains recorded to date to provide a cushion with minimal downside.
- "In the short term, the stock market behaves like a voting machine, but in the long term it acts like a weighing machine (i.e. fickle public opinion does NOT matter in the long run)" ~ Ben Graham

# Q4 2025 Listed Companies Performances

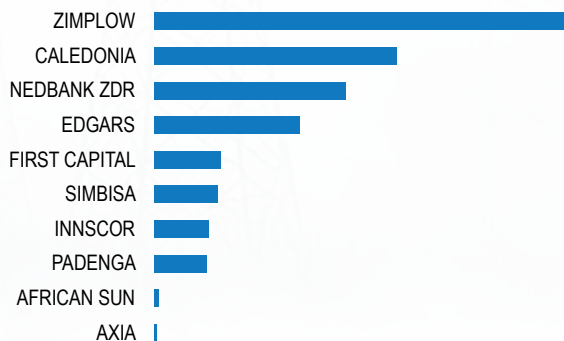
## ZSE TOP 10 PERFORMERS

ZSE TOP 5 BY MARKET CAPITALISATION	AS % OF TOTAL MKT CAP	VFEX TOP 5 BY MARKET CAPITALISATION	AS % OF TOTAL MKT CAP
DELTA	32.0%	Innscor Africa Limited	26.1%
ECONER	21.3%	Padenga	22.9%
FBCH	9.7%	West Prop Holdings Limited	14.3%
CBZH	7.0%	Simbisa	13.3%
RTG	4.2%	First Capital Bank Limited	9.3%
TOTAL MARKET CAPITALISATION	ZWG 84.1 billion	TOTAL MARKET CAPITALISATION	USD 2.1 billion



## VFEX TOP 10 PERFORMERS

COUNTER	CLOSING SHARE PRICE	DIVIDEND YIELD (%)
DELTA	ZWGc 2,070.1	5.4%
ECONET	ZWGc 613.9	10.8%
BATZ	ZWGc 9,738.1	10.9%
TIGERE	ZWGc 144.4	3.4%
TSL	ZWGc 260.1	12.9%
INNSCOR	USDc 95.8	3.1%
PADENGA	USDc 59.5	3.0%
SIMBISA	USDc 49.4	2.2%
CALEDONIA	USDc 3,990.0	1.4%
FIRST CAPITAL	USDc 9.1	6.9%



# ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

## To the Board Members,

- 1.1 Quantum Consultants & Actuaries (“Quantum” or “We”) have carried out an actuarial valuation of the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund (“the Fund”) as at 31 December 2025 (“the valuation date”) in line with your request.
- 1.2 All monetary amounts in this report are denominated in Zimbabwe Gold (i.e. ZWG) unless stated otherwise.

## Status of report

- 1.3 This is the final report.

## Recap of Previous Valuation

- 1.4 We previously conducted a valuation of the Fund as at 31 December 2024, before the recognition of the actuarial deficit. The results of this valuation indicated that the Fund had achieved investment returns of 150.9%. These returns were distributed to members through a final interest declaration of 150.9% and an additional pension increase of 23.11%.
- 1.5 Following the recognition of the actuarial deficit, we restated the financial review as at 31 December 2024. The results showed that the Fund assets achieved investment returns of 772.74%. These returns were distributed to members through a final interest declaration of 772.74% and an additional pension increase of 352.09%.
- 1.6 We were advised that the Fund implemented a pension increase of 23.11% with effect from 1 January 2025, followed by a further increase of 260% effective 1 September 2025.

## Market Overview

- 1.7 The ZSE All Share index was 217.58 points as at 31 December 2024 and 277.86 points as at 31 December 2025, reflecting a 27.70% increase in the index.
- 1.8 The VFEX stood at 104.09 points as at 31 December 2024 and then 167.90 points as at 31 December 2025, reflecting a 61.30% increase in the index.
- 1.9 The ZWG CPI stood at 166.30 points as at 31 December 2024, and 191.31 points by 31 December 2025 indicating inflation of 15.04%. US\$ CPI moved from 108.91 as at 31 December 2024 to 122.39 on 31 December 2025, implying inflation of 12.37%.
- 1.10 Over the valuation period, the exchange rate changed from ZWG 25.7985 per USD as at 31 December 2024 to ZWG 25.9785 per USD as at 31 December 2025, representing a 0.71% loss in value.

Over the inter-valuation period the following Circulars were issued:

Document	Issue Date	Content
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## ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

Circular 1 of 2025	2-Jan-25	Pension Funds Reporting Requirements.
Circular 2 of 2025	15-Feb-25	Submission of Quarterly Levy Computations and Due Dates.
Circular 4 of 2025	7-Feb-25	2025 IPEC AML/CFT/CPF Industry Training Calendar.
Circular 6 of 2025	24-Feb-25	Engagement with the Consultant on Financial Sector Development Policy.
Circular 7 of 2025	7-Mar-25	Invitation to Participate in Digital Transformation Assessment.
Circular 8 of 2025	27-Mar-25	2024 Financial Reporting.
Circular 9 of 2025	28-Mar-25	Directive on Revised Statutory Reporting Deadlines.
Circular 10 of 2025	28-Mar-25	Market Conduct Framework for The Insurance and Pensions Industry.
Circular 19 of 2025	27-Aug-25	Revised Quarterly Return for Pension and Provident Funds
Circular 20 of 2025	15-Aug-25	Registration of Financial Statements Preparers with Public Accountants and Auditors Board
Circular 21 of 2025	15-Aug-25	Urgent Request for Comprehensive Annuitants Data
Circular 22 of 2025	4-Sep-25	Guideline on Administrative Framework for Offshore Investments
Circular 23 of 2025	10-Sep-25	Request for Comments and Input into the Guideline on Preservation Funds
Circular 24 of 2025	10-Sep-25	Guideline on Revised Reporting Requirements for Pension Funds
Circular 25 of 2025	16-Sep-25	Board of Fund Members (Trustee) Toolkit
Circular 26 of 2025	15-Sep-25	Guideline on Self-insurance and Underwriting of Annuities by DC Funds

### Key Assumptions

- 1.11 The key assumptions used to value pensioner liabilities in this valuation have been maintained consistent with those applied in the Fund's actuarial valuations since 2017. We consider that the long-term outlook for both the Fund's experience and the economy has not changed materially since the last valuation, and therefore no adjustment to the assumptions is warranted.

### Summary of Membership Statistics

- 1.12 This valuation is based on data relating mainly to the following membership groups:

Year Ending	Paid-up Active Members	Deferred Pensioners	Current Pensioners
31-Dec-21	2 052	214	4 462
31-Dec-22	2 050	210	4 418
31-Dec-23	2 013	206	3 819
05-Apr-24	2 013	206	3 696
31 Dec-24	2 007	204	4 427
31 Dec-25	1 975	186	4 358
Change (2021-2025)	(77)	(28)	(104)

- 1.13 As at 31 December 2025, there were 157 members with unclaimed benefits, unchanged from the prior year. We recommend that the Fund transfer these unclaimed benefits to the Guardian Fund in accordance with the Fund's Rules, subject to availability of cash flow.

## ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

### Assets

1.14 The financial statements provided showed that the value of assets amounted to ZWG 3.695 billion at the review date. A split of the asset's investments in each asset class at 31 December 2025, with comparative figures as at the previous review date, is summarized in the table below:

Category	31 December 2024		31 December 2025	
	Amount (ZWG)	Proportion of net assets	Amount (ZWG)	Proportion of net assets
Fixed Property	953 624 181	26%	1 012 983 339	27.48%
Ordinary Shares	81 431 511	2%	120 193 074	3.26%
Money Market	2 372 895	0%	1 761 246	0.05%
Actuarial Deficit	2 470 223 272	67%	2 537 197 303	68.84%
Operating Assets	154 580	0%	154 580	0.00%
Current Assets	192 520 001	5%	28 388 716	0.77%
Current Liabilities	(9 998 616)	0%	(15 085 045)	-0.41%
Net Assets	3 690 327 826	100.0%	3 685 593 214	100%

1.15 The Fund achieved a return of 5.03% over the period, falling short of the ZSE All Share Index, which rose by 27.70%. This difference largely reflects the Fund's asset mix, only a small portion is invested in equities, with the majority held in fixed property and the actuarial deficit (a notional asset representing unpaid employer contributions) both of which provide more stable but lower current returns.

1.16 The actuarial deficit constitutes the highest proportion of Fund assets at 68.84% as of 31 December 2025, with the next highest being property at 27.48%. Together they account for 96.33% of the Fund's assets.

1.17 The actuarial deficit was locked in at the US\$ value on the 5th of April 2024, being converted to ZWG at each future valuation date net of any payments made towards it by the Employer. This will guard the Fund's main asset against value erosion, protecting member benefits.

### Contributions and Expenses

1.18 The Fund is closed to new members and further accrual of benefits. In terms of the DC rules of the Fund, the Fund is non-contributory.

1.19 We also note that in line with the rules of the Fund, all expenses incurred by the Fund are to be funded from the investment earnings generated from the Fund's assets.

1.20 The operating expenses over the inter-valuation period were ZWG 19.03 million. The expenses were 0.52% of the average Fund assets over the valuation period. The administration expenses for the period totalled ZWG 3.54 million, representing 0.10%, while the Board expenses amounted to ZWG 1.46 million, or 0.04% of the Fund's assets.

1.21 In accordance with the IPEC Expense Framework of 2022, the prescribed thresholds for inactive Funds are 0.60% for administration expenses and 0.01% for Board expenses, measured as a proportion of the Fund's assets.

1.22 The Fund complied with the administration expense threshold but did not meet the prescribed limit for Board expenses. Notwithstanding this, the investment earnings generated during the period were sufficient to cover the total expenses incurred.

### Analysis of the Operational Efficiency of the Fund and the effect of consolidation with ZEIPF on Board Costs

1.23 We have assessed the Fund's operational efficiency to evaluate the potential impact of consolidating with the Zimbabwe Electricity Industry Pension Fund (ZEIPF) on Board and administrative costs.

1.24 The review, guided by IPEC Circular 41 of 2021, covered the period 2020 to 2024 and used ratio and trend analysis of expenses, assets, and membership. Board and administrative expense ratios were benchmarked against IPEC regulatory thresholds to assess cost efficiency, compliance, and sustainability.

## ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

1.25 The annual expense ratios were calculated for each year and are summarized in the table below.

Expenses	2020	2021	2022	2023	Apr-24	Dec 2024	Dec-25
Board Expenses	0.023%	0.052%	0.071%	0.066%	0.013%	0.021%	0.04%
Administration fees	0.097%	0.218%	0.257%	0.196%	0.045%	0.064%	0.17%
Operating Expenses	0.358%	0.640%	0.952%	0.897%	0.232%	0.299%	0.51%

1.26 The Fund's Board expenses have generally exceeded the IPEC threshold of 0.01%, indicating relatively high governance costs in relation to the Fund's asset base and membership size. Although some improvement was noted in 2024, the current governance structure continues to exhibit limited scalability.

1.27 Notwithstanding the above, operating expenses have declined significantly from the elevated levels recorded in 2022 and 2023. The sustained reduction observed from April 2024 through to December 2025 reflects that the Fund has implemented deliberate measures to contain and lower administrative costs, resulting in improved operational efficiency.

1.28 It is also noteworthy that the Fund generated sufficient investment earnings during the period under review to cover its total expenses, ensuring that operating costs did not erode member assets.

1.29 The combined Board and administration expenses remain within the overall thresholds prescribed under the IPEC Expense Framework, supporting the Fund's continued compliance with regulatory requirements.

1.30 To further strengthen governance cost management, the Fund should consider structural interventions, including potential consolidation with the Zimbabwe Electricity Industry Pension Fund (ZEIPF), to spread Board and administrative expenses over a larger asset and membership base.

1.31 We further recommend reducing the Board size from nine members to the minimum acceptable number of five members and aligning Board fees with the IPEC Expense Framework limits.

### Overall Assessment and Conclusion on Cost Efficiency and Aging Sustainability

1.32 In summary, the Fund is a closed, non-contributory scheme with an aging and declining membership, fully dependent on investment earnings to fund both benefit payments and operating expenses.

1.33 While overall expenses remain within the IPEC Expense Framework, Board expenses have consistently exceeded the prescribed threshold, highlighting limited cost scalability in a mature Fund. Administration expenses, however, have declined in recent periods, reflecting management's efforts to contain costs.

1.34 Notably, investment earnings generated during the period have been sufficient to cover total expenses, ensuring that member assets have not been eroded despite these cost pressures.

1.35 As the Fund's aging profile continues to exert pressure on assets and cash flows, governance and operational inefficiencies are expected to become more pronounced.

1.36 Accordingly, we recommend implementing sustained cost control and structural measures, including potential consolidation with ZEIPF, reducing the Board size to the minimum acceptable number of five members, and aligning Board fees with the IPEC Expense Framework limits. These measures aim to enhance operational efficiency, maintain regulatory compliance, and support the Fund's long-term sustainability.

### Financial Position

1.37 The Fund's assets amounted to ZWG 3.686 billion at the review date, whereas those of Fund liabilities amounted to ZWG 3.590 billion. Therefore, the Fund was in a financially sound position, with a surplus of ZWG 95.25 million. This translated to a funding level of 102.65%.

1.38 Considering the returns recorded during the review period, we recommend that no pension increases be granted to the Fund's pensioners and that a bonus of 5.03% be awarded to the accumulated balances of paid-up active members and reserves.

## ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

- 1.39 We further recommend that the Fund establishes a Zim-mortality implementation reserve for both active members and pensioners as a preparatory step towards the full adoption of the Zim mortality tables. The reserve should be funded from the Fund's investment returns, given its non-contributory nature. It will continue to grow through future investment returns, thereby meeting the additional liability associated with the adoption of the mortality tables.
- 1.40 As active members will become future pensioners, setting aside a reserve for this group will help cushion the additional liability arising from the adoption of the Zim mortality tables. To avoid cross-subsidisation between cohorts, the reserve should be split and tracked separately for each group.
- 1.41 For Category 2 pensioners, the Fund can utilise the Pensioners Reserve, as it is sufficient to cover the additional liability arising from the adoption of the Zimbabwean mortality tables.
- 1.42 We also recommend that the Board considers the Fund's available liquidity when determining the level of future pension increases to be awarded.
- 1.43 In addition, we have established an IPEC Compliance reserve, comprised of the Fund surplus, which will be used to cover future Fund expenses.
- 1.44 The table below sets out the financial position of the Fund at 31 December 2025, together with comparative figures as at 31 December 2024:

Category	31-Dec-24		31-Dec-25	
	Before Interest (ZWG)	After Interest (ZWG)	After Interest (ZWG)	Before Interest (ZWG)
<b>Net Assets</b>	<b>3,690,327,824</b>	<b>3,690,327,824</b>	<b>3,685,593,216</b>	<b>3,685,593,216</b>
<b>Total Liability (b= c + d + e)</b>	<b>675,296,371</b>	<b>3,610,631,618</b>	<b>3,590,343,509</b>	<b>3,685,593,215</b>
<b>Actuarial Liabilities (c)</b>	<b>577,358,071</b>	<b>3,326,216,611</b>	<b>3,345,911,252</b>	<b>3,418,621,474</b>
Paid-up actives	170,218,310	1,485,570,833	1,445,898,770	1,518,608,992
Deferred Pensioners	9,360,192	42,316,666	34,863,889	34,863,889
Pensioners	397,779,569	1,798,329,112	1,865,148,593	1,865,148,593
<b>Outstanding Payments (d)</b>	<b>18,248,642</b>	<b>159,264,085</b>	<b>114,110,174</b>	<b>119,848,455</b>
Pending Exits	1,177,509	10,276,647	10,276,647	10,793,431
Commuted Pensions	165,707	1,446,199	1,446,199	1,518,924
Deferred Pension ER Only	848,423	7,404,567	7,404,567	7,776,922
Unexpired Pensions	5,451,376	47,576,580	2,961,060	3,109,964
Arrear pension benefits	323,987	2,827,579	2,561,524	2,690,336
Outstanding Claims	3,113,382	27,171,870	26,899,606	28,252,312
AVCs	1,071,779	9,353,892	9,353,892	9,824,273
Unclaimed Benefits	1,651,657	14,414,741	14,414,741	15,139,618
ESC	4,444,822	38,791,937	38,791,937	40,742,675
<b>Reserves (e)</b>	<b>79,689,657</b>	<b>125,150,996</b>	<b>130,322,083</b>	<b>147,123,285</b>
Revaluation Gains Reserve	5,883,101	51,344,440	51,344,440	53,926,409
Data Reserve	73,806,556	73,806,556	78,977,643	82,949,209
IPEC Compliance Reserve				10,247,667
<b>Surplus (f = a- b)</b>	<b>3 015 031 453</b>	<b>79 696 209</b>	<b>95,249,707</b>	<b>-</b>
<b>Funding level (j = a/b)</b>	<b>546.50%</b>	<b>102.20%</b>	<b>102.65%</b>	<b>100.00%</b>

## ACTUARIAL – VALUATION EXECUTIVE SUMMARY (CONTINUED)

### Assessment of Implementing Zimbabwe Mortality Tables

- 1.45 We have also evaluated the Fund's financial position using the Zim-mortality tables, in line with the requirements of Circular 23 of 2024. Since the Fund is a defined contribution scheme with pensioners, the change in the mortality tables impacts only the pensioners' liability.
- 1.46 Below is a summary of the results, along with the comparative figures based on the old mortality tables before applying the pension increases:

	Liability using old mortality tables	Liability using Zim-mortality tables	Change
Deferred Pensioners	34 863 889	41 891 180	7 027 291
Pensioners: Category 1	1 865 673 179	2 313 360 419	456 687 240
Category 2	9 698 779	10 538 331	839 552
Total Pension Liabilities	1 901 235 847	2 365 789 930	464 554 083
Total Fund liabilities (b)	3,590,343,509	4,054,897,592	464 554 083
Total Fund Assets (a)	3 685 593 216	3 685 593 216	-
Surplus ( c = a-b )	95 249 707	(369 304 376)	(464 554 083)
Funding level ( d = a/b )	102.65%	90.89%	(11.76%)

- 1.47 Based on the Zim mortality tables, the Fund's liabilities have increased to ZWG 4.055 billion, while assets total ZWG 3.686 billion. This results in a deficit of ZWG 369.304 million, indicating an unsound financial position with a funding level of 90.89%.
- 1.48 This reflects a decrease in surplus of ZWG 464.554 million as at the review date due to the change in mortality tables, with the overall funding level declining.

### Mortality Investigation from 2020 to 2025

- 1.49 We have also carried out a mortality investigation for the period 2020 to 2025 and compared the results to both the Zimbabwe Mortality tables and the mortality tables currently being used by the Fund. The a (55) ULT tables.
- 1.50 The Fund provided data on active, suspended, and deferred pensioners at the start of each year from 2020 to 2025, as well as information on pensioner deaths that occurred during the same period.
- 1.51 The table below shows the average number of pensioners, the number of deaths, and the corresponding death rate.

Year	2020	2021	2022	2023	2024	2025
Average number of pensioners	4 780	4 718	4 652	4 265	4 267	4 621
Number of Deaths	64	103	82	61	52	49
Death Rate	0.0136	0.0223	0.0179	0.0145	0.0123	0.0108

- 1.52 From the death data provided, we noted that there was a significant increase in the mortality rate in the year 2021, which gave a mortality rate above 0.02. This is consistent with the higher mortality experienced during the height of the Covid19 pandemic.
- 1.53 The average death rate over the period was 0.01524 per year. If we exclude the year 2021 as an outlier, we find that the average rate over the period decreases to 0.01383 per year.

- 1.54 We compared the resulting death rates with the Fund's a(55) ULT mortality tables and the Zimbabwe mortality tables, focusing on the male mortality rate at the average age of 55 years, as presented in the table below:

	ZESA Pension Fund	a(55) ULT	Zimbabwe Mortality Table
Mortality Rate	0.01383	0.00870	0.01495

- 1.55 An average age of 55 years was derived from the membership data used over the investigation period and was adopted as a representative age, as it reasonably reflects the age profile of the membership.
- 1.56 The analysis suggests that, at the representative age derived from the Fund's average membership age, the Zimbabwe mortality table reflects higher mortality than the Fund's observed experience. However, this result is indicative only, as it is based on a single age comparison, a short observation period, and a relatively small membership, which limits statistical credibility.
- 1.57 Continued monitoring over a longer period will therefore be required before concluding whether the Fund's mortality experience differs materially from the standard tables.

#### Roadmap to the implementation of the Zim-mortality tables by the Fund.

- 1.58 We recommend that the Fund establish an implementation reserve, funded from the investment returns, given that it is non-contributory with respect to paid-up active members and Category 1 pensioners.
- 1.59 For category 2 pensioners, the Fund can utilise the Pensioners Reserve, as it is sufficient to cover the additional liability arising from the adoption of the Zim mortality tables
- 1.60 We further recommend that the Fund engage with the regulator to propose the adoption of the Zim mortality tables by 2030, subject to appropriate stress adjustments calibrated to align with the Fund's actual mortality experience, based on experience investigations conducted over the period to 2030.
- 1.61 While this approach may result in a change to the current mortality basis, the use of experience-based stresses ensures that the assumption remains appropriate for the Fund. Given the Fund's non-contributory nature, adopting unstressed Zim mortality tables would increase exposure to longevity risk.
- 1.62 Implementing stressed Zim mortality tables and establishing an implementation reserve is feasible, as both rely on existing Fund experience and investment returns, require no changes to benefits, and can be managed within the Fund's current governance and resources.

#### Assessing the effect of aligning pensioners' liability reserving to ZEIPF

- 1.63 This assessment was undertaken to evaluate the effect of aligning the pensioners' liability reserving basis of the ZESA Staff Pension Fund (ZESA) to that of the Zimbabwe Electricity Industry Pension Fund (ZEIPF).

- 1.64 The table below compares pensioners' liabilities under the existing ZESA Staff Pension Fund (ZESA) assumptions and the aligned ZEIPF assumptions:

	ZESA PF Assumptions	ZEIPF Assumptions	Change
Deferred Pensioners	34 863 889	36 866 839	2 002 950
Pensioners: Category 1	1 856 673 179	2 101 567 802	244 894 623
Category 2	9 698 779	10 884 189	1 185 410
<b>Total Pension Liabilities</b>	<b>1 901 235 847</b>	<b>2 147 959 440</b>	<b>246 723 593</b>
Total Fund liabilities (b)	3 590 343 509	3 837 067 102	246 723 593
Total Fund Assets (a)	3 685 593 216	3 685 593 216	-
<b>Surplus (c = a-b)</b>	<b>95 249 707</b>	<b>(151 473 886)</b>	<b>(246 723 593)</b>
<b>Funding level (d = a/b)</b>	<b>102.65%</b>	<b>96.05%</b>	<b>(6.60%)</b>

- 1.65 The alignment is intended to serve as groundwork for the proposed consolidation of pensioners' liabilities under the approved consolidation framework and to support the long-term segregation of pensioners' assets.
- 1.66 The alignment of pensioners' liability reserving to ZEIPF assumptions increases the total pensioners' liability by ZWG 246.724 million, representing a 6.60% change relative to the ZESA Staff Pension Fund basis. The funding level reduces from 102.65% to 96.05%.
- 1.67 The primary driver of the increase in liabilities is the pension increase assumption, which rises from 1.0% under the ZESA Staff Pension Fund basis to 6.04% under the ZEIPF basis. This materially increases projected future pension payments, particularly over the long duration applicable to active pensioners.
- 1.68 A second significant driver is the post-retirement mortality assumption. The PA (90) mortality table reflects improved longevity relative to the a(55) ultimate table, increasing the expected period over which pensions are payable.

#### Cross-Subsidisation Risk Assessment

- 1.69 Based on the analysis performed, there is insufficient evidence to conclude that cross-subsidisation exists within the Fund. Accordingly, the Fund is not considered to be exposed to material cross-subsidisation risk at this stage.
- 1.70 Prudent risk-mitigation measures are in place to maintain equity, including actuarial advice on affordable bonuses, notional account splits between active members and pensioners, and periodic valuations to monitor the Fund's financial position.
- 1.71 To further enhance transparency and reduce any potential for future cross-subsidisation, the Fund should also consider the eventual physical separation of assets between the respective member groups.

#### Conclusion

- 1.72 Overall, the Fund was in a sound financial position as at 31 December 2025.

## NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund will be held both on the virtual platform (ZOOM) and physically in the Jacaranda Conference Room, at the Zimbabwe Electricity Supply Authority (ZESA) National Training Centre, 16676 Ganges Road, Belvedere South, Harare on Friday the 5th of June 2026 at 1100hrs.

### AGENDA

#### Ordinary Business

**1. Minutes of the Previous Meeting**

To confirm and sign off the minutes of the 5th Annual General Meeting held on the 29th of August 2025.

**2. Financial Statements**

To receive and adopt the audited financial statements for the year ended 31 December 2025 and the reports of the Board, Auditors, Asset Managers, Property valuers and Actuaries thereon.

**3. Board Members**

**Board remuneration**

To ratify the Board fees for the year ended 31 December 2025.  
(Board fees are included in the annual report.)

**3 External Auditors**

To ratify the fees of the auditors for the past financial year.

**4 Any other business**

To transact any other business as may be transacted at an Annual General Meeting.

#### Appointment of Proxy

In terms of the AGM Guidelines, members entitled to attend and vote at the meeting may appoint a proxy to attend, vote and/or speak on their behalf. The proxy should be a member of the Fund. The proxy must be lodged at the Fund's registered office at least 48 hours before the time of the meeting.

#### Meeting details

The meeting link will be sent via SMS to members and pensioners five days before the meeting and can be requested from the Fund by emailing to [smapiye@zesapf.co.zw](mailto:smapiye@zesapf.co.zw) or [schitsaka@zesapf.co.zw](mailto:schitsaka@zesapf.co.zw).

By order of the Board



Bright Kondo  
Secretary/Principal Officer



