

ANNUAL FINANCIAL STATEMENTS

**IN TERMS SECTION 15 OF THE PENSION FUNDS ACT NO 24, 1956
AS AMENDED (PENSION FUNDS ACT)**

NAME OF RETIREMENT FUND: KZN MUNICIPAL PENSION FUND

**FINANCIAL SECTOR CONDUCT AUTHORITY
REGISTRATION NUMBER: 12/8/36983**

**SOUTH AFRICAN REVENUE SERVICES
APPROVAL NUMBER: 18/20/4/041307**

FOR THE PERIOD: 1 JULY 2024 to 30 JUNE 2025

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* Not subject to any engagement by an auditor

KZN MUNICIPAL PENSION FUND**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2025****REGISTERED OFFICE OF THE FUND**

Postal address: 16th Floor, Marine Building, 22 Dorothy Nyembe Street, Durban 4001

Physical address: 16th Floor, Marine Building, 22 Dorothy Nyembe Street, Durban 4001

FINANCIAL REPORTING PERIODS

Current year: 1 July 2024 to 30 June 2025

Prior year: 1 July 2023 to 30 June 2024

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed
B Fortein	barbara.fortein742@gmail.com	E & C	17 January 2022
PC Ndlovu	philli.mbatha@gmail.com	E	21 November 2022
TE Nyawose	Thabani.Nyawose@durban.gov.za	E	17 January 2022
S Dlamini	sthembile.dlamini@durban.gov.za	M & VC	1 July 2024
K Gama	khanyig@kznmpf.org	M & DPO	1 July 2024
S Mbatha	Sithembiso.Mbatha@durban.gov.za	M	1 July 2024
NC Ndlovu	connie.Ndlovu@durban.gov.za	M	1 July 2024
S Ngubane	S'bongiseni.Ngubane@durban.gov.za	M	1 July 2024
S Ntuli	Siphokuhle.Ntuli@durban.gov.za	M	1 July 2024

- 'M' denotes member elected
- 'E' denotes employer appointed
- 'C' denotes chairperson
- 'VC' denotes section Vice Chairperson
- 'DPO' Deputy principal officer

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

Meeting date	Place of meeting	Quorum (yes/no)
21 August 2024	The Marine Building, 22 Dorothy Nyembe Street, 16th Floor	Yes
9 October 2024	The Marine Building, 22 Dorothy Nyembe Street, 16th Floor	Yes
4 December 2024	The Marine Building, 22 Dorothy Nyembe Street, 16th Floor	Yes
26 March 2025	The Marine Building, 22 Dorothy Nyembe Street, 16th Floor	Yes
18 June 2025	The Marine Building, 22 Dorothy Nyembe Street, 16th Floor	Yes

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

FUND OFFICERS**Principal Officer**

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
T Mketelwa	PO Box 1014 Durban 4000 South Africa	KZN Municipal Pension Fund 16th Floor The Marine Durban 4001	+27 (0)31 322 9002	thomas@kznmpf.org	1 March 2019

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
T Mketelwa	PO Box 1014 Durban 4000 South Africa	KZN Municipal Pension Fund 16th Floor The Marine Durban 4001	+27 (0)31 322 9002	thomas@kznmpf.org	1 March 2019

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

KZN MUNICIPAL PENSION FUND

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

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address
B J De Kock	P O Box 253 Cape Town 8000 South Africa	Block A The Boulevard Searle Street Woodstock 7925 South Africa	+27 (0)21 401 9300	dekockb@alexforbes.com

Auditor

Full name	Postal address	Physical address	Telephone number	E-mail address
SizweNtsalubaGobodo Grant Thornton Inc.	152 14th Road, Noordwyk, Midrand 1687	152 14th Road, Noordwyk, Midrand 1687	012 443 6000	Patience.Bhebhe@sng.gt.com

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	Registration number in terms of section 13B
Alexander Forbes Financial Services Proprietary Limited	P O Box 782 Umhlanga Rocks 4320 South Africa	10 Torsvale Crescent Torsvale Park La Lucia 4051	+27 (0)31 573 8000		30 June 2024	24/472
FairsureAdministration(Pty) Ltd	PO Box 8417 Roggebaai 8012	11th Floor 117 on Strand 117 Strand Street 8001	onStrand117 Strand Street 80010860 004 400	1 July 2024		24/85

Fund Consultant

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Alexander Forbes Financial Services Proprietary Limited	P O Box 782 Umhlanga Rocks 4320 South Africa	10 Torsvale Crescent Torsvale Park La Lucia Ridge Office Estate La Lucia 4051 South Africa	+27 (0)31 573 8000	1177

KZN MUNICIPAL PENSION FUND

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

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Alexander Forbes Investments Limited	P O Box 786055 Sandton 2146 South Africa	Alexander Forbes 115 West Street Sandown 2196 South Africa	+27 (0)11 505 6115	711
Argon Asset Management Proprietary Limited	P O Box 23254 Claremont 7735 South Africa	1st Floor Colinton House 1 Oakdale Rd Newlands 7700 South Africa	+27 (0)21 670 6570	835
Ascension Capital Partners Fund Managers Proprietary Limited	Die Groenhuis 38 Garsfontein Road Waterkloof 0145 South Africa	Die Groenhuis 38 Garsfontein Road Waterkloof 0145 South Africa	+27(0)12 880 2490	53207
ATA Capital Proprietary Limited	9th Floor 90 on Grayston Drive Sandown Sandton 2196 South Africa	9th Floor 90 on Grayston Drive Sandown Sandton 2196 South Africa	+27 (11) 722 7317	46869
Avior Capital Markets Proprietary Limited	P O Box 651856 Benmore Sandton 2010 South Africa	11th Floor, South Tower 140 West Street Sandton 2146 South Africa	+27(0)21 440 5961	45814
BlackRock Investment Management (UK) Limited	Dock Road Junction Corner Stanley & Dock Road V&A Waterfront Cape Town 8001 South Africa	Dock Road Junction Corner Stanley & Dock Road V&A Waterfront Cape Town 8001 South Africa	+27 (0)21 403 6446	43288
Camissa Asset Management Proprietary Limited	P O Box 1016 Cape Town 7708 South Africa	5th Floor Montclare Place cnr Campground and Main Roads Claremont 8001 South Africa	+27 (0)21 673 6303	784
Coronation Asset Management Proprietary Limited	P O Box 44684 Claremont 7735 South Africa	7th Floor Montclare Place Cnr Campground and Main Roads Claremont Cape Town 7708 South Africa	+27 (0)21 680 2099	548
Infra Impact Investment Managers Proprietary Limited	Unit 1E 1st Floor Matrix Building 8 Bridgeways Precinct Century City Cape Town 7441 South Africa	Unit 1E 1st Floor Matrix Building 8 Bridgeways Precinct Century City Cape Town 7441 South Africa	+27(0)72 182 6585	872

KZN MUNICIPAL PENSION FUND

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

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator (continued)

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Lima Mbeu Investment Managers Proprietary Limited	2nd floor, Fredman Towers 13 Fredman Drive Sandton 2196 South Africa	2nd floor, Fredman Towers 13 Fredman Drive Sandton 2196 South Africa	+27 (0)10 023 0113	49018
M&G Investment Managers Proprietary Limited	P O Box 23167 Claremont Cape Town 7735 South Africa	7th Floor, Protea Place 30 Dreyer Street Claremont Cape Town 7708 South Africa	+27 (0)21 670 5100	45199
Mahlako-A-Phahla Financial Services Proprietary Limited	345 Rivonia Road First Floor, North Wing Rivonia Johannesburg 2025 South Africa	345 Rivonia Road First Floor, North Wing Rivonia Johannesburg 2025 South Africa	+27(0)11 706 3902	47512
Mazi Asset Management Proprietary Limited	P O Box 784583 Sandton 2146 South Africa	4th Floor North Wing 90 Rivonia Road Sandton 2196 South Africa	+27 (0)10 001 8300	46405
Meago Trading Proprietary Limited	P O Box 1180 Edenvale 1620 South Africa	73 Oxford Road Saxonwold 2196 South Africa	+27 (0)11 646 2944	24919
Mergence Investment Managers Proprietary Limited	P O Box 8275 Roggebaai 8012 South Africa	2nd Floor Dockside Cruise Terminal Duncan Road V&A Waterfront 8005 South Africa	+27 (0)21 433 2960	16134
Mianzo Asset Management Proprietary Limited	The Forum Unit Ego1, Vesta House Northbank Lane Century City 7441 South Africa	The Forum Unit Ego1, Vesta House Northbank Lane Century City 7441 South Africa	+27 (0)21 552 3555	43114
Mila Risk Management Solutions Proprietary Limited	P O Box 30030 Crowthorne 1685 South Africa	Building 9 Thornhill Office Park 94 Bekker Road Midrand 1686 South Africa	+27 (0) 822 8340	48090
MSM Property Fund Proprietary Limited	We Work Offices 155 West Sandton 2196 South Africa	We Work Offices 155 West Sandton 2196 South Africa	+27(0)84 200 7527	45939

KZN MUNICIPAL PENSION FUND

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

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator (continued)

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Ninety One South Africa Proprietary Limited	P O Box 1655 Cape Town 8000 South Africa	Merchant House 19 Dock Road Victoria & Alfred Waterfront Cape Town 8001 South Africa	+27 (0)21 901 1932	587
Old Mutual Life Assurance Company South Africa Limited	P O Box 66 Cape Town 8000 South Africa	Mutualpark Jan Smuts Drive Pinelands 7405 South Africa	+27 (0)21 509 2474	703
Peresec Prime Brokers Proprietary Limited	P O Box 650361 Benmore 2010 South Africa	10th Floor Katherine Towers 1 Park Lane Wierda Valley Sandton 2196 South Africa	+27(0)11 722 7500	18826
Prescient Investment Management Proprietary Limited	P O Box 31142 Tokai Cape Town 7966 South Africa	Steenberg Office Park Block B, Silverwood Silverwood Lane Tokai 7945 South Africa	+27 (0)21 700 5463	612
Sanlam Investment Management Proprietary Limited	Private Bag X8 Tyger Valley 7536 South Africa	55 Willie van Schoor Avenue Tyger Valley Bellville 7530 South Africa	+27 (0)21 950 2695	579
Stanlib Asset Management Proprietary Limited	P O Box 202 Melrose Arch 2076 South Africa	17 Melrose Boulevard Melrose Arch 2196 South Africa	+27 (0)11 448 5385	719
Sygnia Asset Management Proprietary Limited	P O Box 51591 V&A Waterfront 8002 South Africa	7th Floor The Foundry Cardiff Street Green Point Cape Town 8001 South Africa	+27 (0)21 446 5402	873
Taquanta Asset Managers Proprietary Limited	P O Box 23540 Claremont 7735 South Africa	7th Floor Newlands Terraces 8 Boundary Road Newlands Cape Town 7700 South Africa	+27 (0)21 681 5175	618
Umthombo Wealth Proprietary Limited	Suite 14 2nd Floor Katherine & West Building 114 West Street Sandton 2196 South Africa	Suite 14 2nd Floor Katherine & West Building 114 West Street Sandton 2196 South Africa	+27(0)11 318 0171	44802

KZN MUNICIPAL PENSION FUND

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

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator (continued)

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Vuna Partners Proprietary Limited	Third Floor Global House 28 Sturdee Avenue Rosebank 2196 South Africa	Third Floor Global House 28 Sturdee Avenue Rosebank 2196 South Africa	+27(0)82 968 4689	50912
Vunani Fund Managers Proprietary Limited	P O Box 44586 Claremont 7735 South Africa	1 st Floor, Cavendish Link Cavendish Street Claremont Cape Town 8000 South Africa	+27 (0)21 670 4993	608
Stonefield Credit Partners (Pty) Ltd	43 Plein Street Stellenbosch Western Cape South Africa	43 Plein Street Stellenbosch Western Cape South Africa 7600	+27 (0) 21 180 0124	52885
Satrix Investments (Pty) Ltd	Building 2 4th Floor 11 Alice Lane Sandton	Building 2 4th Floor 11 Alice Lane Sandton	+27 (0) 21 950 2500	2196
RE Capital	7th Floor, 105 Strand, WC2R 0AA, London, England	7th Floor, 105 Strand, WC2R 0AA, London, England	+44 203 318 1803	N/A
RH Managers	Melrose Arch-The Square 1 Melrose Boulevard Melrose Arch	Melrose Arch-The Square 1 Melrose Boulevard Melrose Arch	+27(0) 10 007 2171	44811

Investment Advisor

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Optimate Financial Solutions Proprietary Limited	Spaces 2 Ncondo Place Umhlanga Ridge 4319 South Africa	Spaces 2 Ncondo Place Umhlanga Ridge 4319 South Africa	+27 (31) 830 5354	20223

Risk Insurer

Full name	Postal address	Physical address	Telephone number	FSP approval no
Sanlam Life Insurance Limited	P O Box 1 Sanlamhof 7532 South Africa	Sanlam Head Office 2 Strand Street Bellville 7532 South Africa	+27 (0)21 947 2449	2759

Custodian/Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
The Standard Bank of South Africa Limited	P O Box 2453 Johannesburg 2000 South Africa	The Standard Bank Centre 7th Floor 5 Simmonds Street Johannesburg 2000 South Africa	+27 (0)11 636 1781	11287

KZN MUNICIPAL PENSION FUND

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

PARTICIPATING EMPLOYERS

The following employer participates in the fund in terms of the rules of the fund:

eThekweni Municipality

KZN MUNICIPAL PENSION FUND

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

Responsibilities

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

- ensured that proper registers, books and records of the operations of the fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the fund;
- ensured that adequate and appropriate information was communicated to the members of the fund, informing them of their rights, benefits and duties in terms of the rules of the fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the fund or reported where necessary, in accordance with FSCA Conduct Standard 1 of 2022 (RF): Requirements related to the payment of pension fund contributions (Conduct Standard) of the Pension Funds Act of South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the rules of the fund; and
- ensured that investments of the fund were implemented and maintained in accordance with the fund's investment strategy.

Assessed the Fund's ability to continue as a going concern.

Approval of the annual financial statements

The annual financial statements of KZN Municipal Pension Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:

- the fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 21 to 36 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the fund and the Pension Funds Act.

These annual financial statements have been reported on by the independent auditors, SizweNtsalubaGobodo Grant Thornton Inc., who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on page 11 - 13.

KZN MUNICIPAL PENSION FUND

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

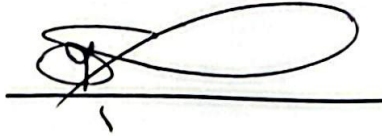
These annual financial statements:

were approved by the Board of Fund on 24 April 2026;
are to the best of the Board members knowledge and belief confirmed to be complete and correct;
fairly represent the net assets of the fund at 30 June 2025 as well as the results of its activities for the year t
are signed on behalf of the Board of Fund by:



Chairperson

25/04/2026
Date



Member trustee

25/04/2026
Date



Member trustee


25/04/2026
Date

KZN MUNICIPAL PENSION FUND

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

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

Specific instances of non-compliances	Remedial action taken
The Fund has a number of divorce matters that were not paid within 60 days of the member/non-member's election.	The administrator implemented internal control monitoring of compliance with s 37D(4).



T Mketelwa
Principal Officer

25/04/2026
Date

SCHEDULE D
KZN MUNICIPAL PENSION FUND
Registration number: 12/8/36983

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE KZN MUNICIPAL PENSION FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of KZN Municipal Pension Fund ("the Fund") set out on pages 21 to 36, which comprise the statement of net assets and funds as at 30 June 2025 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of matter – Financial reporting framework and restriction on use

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

Other information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa of the Fund for the period 1 July 2023 to 30 June 2025 but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D).

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

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

Responsibilities of the Board of Fund for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements(continued)

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

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

Report on Other Legal and Regulatory Requirements

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

Sizwe Ntsaluba Gobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.

Patience Bhebhe
Director
Registered Auditor

29 April 2026

152 14th Road
Noordwyk
Midrand
1687

KZN MUNICIPAL PENSION FUND

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

1. DESCRIPTION OF FUND

1.1. Type of fund

In terms of Section 1 of the Income Tax Act, 1962 the Fund is classified as a pension Fund. The Fund is a defined contribution Fund and includes In-Fund Living Annuitants.

1.2. Benefits

Fund benefits

The objective of the Fund is to provide retirement and other benefits for employees and former employees of the Fund and of municipalities in the province of KwaZulu Natal, and benefits in the event of their death.

Unpaid benefits

Unpaid benefits are held in the books of the Fund for a period of up to two years to allow for the beneficiary to claim their benefit. Should the benefit not be claimed within this time period, the benefit shall be made unclaimed.

Deferred Retirement benefits

Deferred retirement is when a member who has retired from service with the employer, elects that his retirement benefit shall be retained in the Fund until his election date. The election date will be the date on which the deferred retiree member elects to receive payment of his benefit.

Paid Up and In-Fund Preservation benefits

If a member who has not reached normal retirement date leaves service in circumstances not provided elsewhere in the Rules, he shall become a preserved member. The Fund allows for default in-fund preservation. The preserved benefit shall become payable on or after the preserved member attains normal retirement age, on death, elects to be paid as a lumpsum or elects transfer to an approved fund.

1.2.1. Unclaimed benefits

Complete records, as prescribed per the Rules of the Fund, are maintained by the Fund for unclaimed benefits.

Strategy of the Board of Fund towards unclaimed benefits

The administrators maintain a separate record in respect of benefits due under the Fund which have not been claimed. Subject to the provisions of the Pension Funds Act, any such benefit shall be dealt with in the manner set out below:

- if a potential beneficiary approaches the Fund at any stage the Board of Fund shall consider the claim and if the circumstances so warrant, shall pay to the beneficiary that part of the benefit, increased by such interest as they may allow, that as at the date of payment to the beneficiary is in excess of tracing costs, and any costs incurred by the Fund in the administration of such benefit; or

- if so decided by the Board of Fund, that part of the benefit, increased by such interest as they may allow, that as at the date of transfer in terms of this Rule is in excess of tracing costs, and any costs incurred by the Fund in the administration of such benefit, may be transferred to a national fund established by legislation for the purpose of housing unclaimed benefits, or to a Fund established by an administrator for the same purpose.

If any costs are incurred as a consequence of the Board of Fund tracing any potential beneficiaries whose benefits due under the Fund are unclaimed or in order to give effect to the provisions of Section 37C of the Act, such reasonable costs may be taken into account in the calculation of the benefits payable to such beneficiaries.

In respect of unclaimed benefits, complete records, as prescribed, are maintained as from .

1.2.2. Beneficiary benefits

Strategy of Board of Fund towards beneficiary benefits.

Beneficiary benefits are paid in terms of the Rules of the Fund.

1.3. Contributions

Each member may elect to contribute to the Fund at a rate of 5%, 7.5%, 9%, 12%, 15% or 18% of their Fund salary.

A member may make additional contributions to the Fund, in order to secure greater benefits in accordance with such conditions and procedures as the Board of Fund may prescribe from time to time

The municipality makes contributions towards the retirement benefit of each member in its service at the rate of 9% of member's fund salary. In addition the municipality contributes a further 9% of each member's fund salary, less any cost of death, disability and funeral arrangement. This amount is applied to meet the cost of the insured portion and the Funds' expenses. Should the additional 9% less any cost of death, disability and funeral arrangements exceed the cost

KZN MUNICIPAL PENSION FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2025**

of the insured portion and Fund's expenses; the excess will be allocated towards the members retirement funding.

1.4. Rule Amendments

1.4.1. Amendments

Rule amendment No.	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
Rule amendment no.4	With effect 1 September 2024, the Rules of the Fund were amended for the reason set out below: <ul style="list-style-type: none"> • ensuring that the Member's Fund Credit as at 31 August 2024 will form the Member's vested component and may be available to the Member should he exit the Fund prior to retirement; • ensuring that all contributions made by and on behalf of the Member that are due and payable with effect from 1 September are split between retirement component and savings component as required by legislation; • making provision for a withdrawal from retirement component should be Member so elect; and • ensuring that Members may not access their total value of their retirement component prior to retirement. 	27 June 2024	1 September 2024	30 August 2024
Rule amendment no.5	<ul style="list-style-type: none"> • To change the registered office of the Fund due to the change of address of the Principal Officer and his staff that service the Members; • To make provision members to have in-fund annuity options by allowing for an in-fund life annuity and an in-fund hybrid life pension and living annuity. 	24 March 2025	1 March 2025	10 April 2025

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

1.5. Reserves and specified accounts established in terms of the rules of the fund

1.5.1. Risk reserve account

This reserve account shall be maintained by the Fund since the Fund itself carries part of the risk related to the payment of the Insured death, insured disability and insured terminal illness benefits.

This reserve account shall be maintained by the Fund since the Fund itself carries part of the risk related to the payment of the Insured death, insured disability and insured terminal illness benefits.

This reserve account shall be:

credited with:

- an opening balance as decided by the actuary in consultation with the Board of Fund;
- portion of the employer contributions to cover the cost of the insured death benefit, the insured disability benefit, the terminal illness benefit, the disability arrangement and the funeral benefits;
- such portion of the excess employer contribution of 9% of fund salary, after allowing for the risk and administration expenses, as decided by the actuary and agreed to by the Board of Fund;
- any reinsurance payments made to the fund by the registered insurer; and
- such amounts as may be decided by the actuary from time to time.

debited with:

- payments made on the death, disablement or terminal illness of a member;
- premiums payable to a registered insurer to maintain the risk benefits payable on death, disablement or terminal illness;
- any amount required to meet a shortfall in the employer contribution towards risk and expenses;
- expenses incurred in the management of the risk benefits payable on death, disablement and terminal illness; and

KZN MUNICIPAL PENSION FUND

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

1.5. Reserves and specified accounts established in terms of the rules of the fund (continued)

- such amounts as may be decided from the actuary from time to time.
- The risk reserve account is credited with the investment return earned on the assets within this account.

The assets of the risk reserve account are currently invested in the Money Market portfolio.

For the period from 1 July 2017 to 31 December 2017, the Fund paid 40% of all death benefit claims and the remaining 60% of these claims were paid by the reinsurer. Premiums were split in the same proportion.

With effect from 1 January 2018, the Board of Fund decided to extend the partially self-insured death benefit. The Fund paid 50% of all death claims and the remaining 50% of these claims were paid by the reinsurer.

Premiums are based on rates decided by the Board of Fund.

The balance in the Risk Reserve is increased or decreased by the investment return earned on the assets within this account.

The terminal illness and temporary disability benefits were fully self-insured for the duration of the valuation period.

The balance of the Risk reserve account as at 2025 was R312 151 846 (2024: R260 767 506).

1.5.2. Accounts

Pension account

The Pension account in relation to a particular pensioner shall be:

credited with:

the amount transferred to secure a pension from the Fund for the pensioner;

debited with:

- pension payments;
- any lump sum payments to the pensioner;
- any amounts transferred to a registered insurer to purchase an annuity for the pensioner; or
- any expenses of any nature including but not limited to the cost of administration and any advice provided to the pensioner in terms of investing his pension, the insurance premiums, taxes or other charges determined by the trustees and charged by the Fund in respect of the pension provided from this account;

increased or decreased by the investment return earned on the portfolio or portfolios in which the assets in this account are invested.

It is specifically provided that the Fund's liability in respect of a pension payable in relation to a pensioner is limited at any time to the balance in the Pension account. The balance on the Pension account at 2025 was R1 788 423 340 (2024: R1 452 455 978).

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund has formulated an investment strategy that complies with the provisions of Regulation 28 of the Pension Funds Act, after taking due consideration of the advice of the Fund's investment and other professional advisors. In terms of the investment strategy, the investments are managed according to the following principles:

2.1.1. General principles

The general investment principles of the Fund in operation at the reporting date, are to achieve a long term investment return in excess of the consumer price index, and to limit the risk of capital depreciation through a diversified investment portfolio (see Schedule IA) of investments.

2.1.2. Individual member choice

The default investment strategy for active members is the KZN Lifestage Model and for the In-Fund Annuitants is 50% KZN Managed Fund portfolio and 50% KZN Defensive Fund portfolio.

Members are also given individual choice should they wish not to be invested in the default KZN Lifestage Model applicable to their age, hence selecting portfolios that would achieve optimum return, taking into account associated risks. Overall responsibility for investment and performance lies with the Board of Fund.

All portfolios are administered on an investment platform managed and run by Sygnia Asset Management Proprietary Limited. Members are given the option of selecting:

KZN MUNICIPAL PENSION FUND

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

2. INVESTMENTS (continued)

- KZN Aggressive Fund portfolio
- KZN Defensive Fund portfolio
- KZN Islamic Fund portfolio
- KZN Managed Fund portfolio
- KZN Moderate Fund portfolio
- KZN Money Market Fund portfolio
- KZN Global Balanced portfolio

2.1.3. Claims in progress

All unpaid benefits are held in the Fund's bank account until they are either paid to the beneficiaries or made unclaimed.

2.1.4. Deferred Retirements

Members may choose to invest in the default portfolios in the Lifestage Model or as per the portfolio listed under individual member choice. If a member makes no choice, they default in the same portfolio as active membership.

2.1.5. Preserved members

Members may choose to invest in the default portfolios in the Lifestage Model or as per the portfolio listed under individual member choice. If a member makes no choice, they default in the same portfolio as active membership.

2.1.6. Pensioners

The In-Fund Annuitants investment strategy adopted by the Board of Fund is:

- KZN Defensive Fund portfolio
- KZN Global Balanced portfolio
- KZN Managed Fund portfolio
- KZN Money Market Fund portfolio
- KZN Islamic Fund portfolio

An exemption had been granted in respect of the Fund to include the KZN Islamic Fund portfolio and this option is therefore offered to members who wish to include this as one of their member individual choice portfolios in respect of the In-Fund Annuitants. The Fund was therefore allowed to offer 5 of the 7 member choice portfolios to the In-Fund Annuitants.

2.1.7. Unclaimed benefits

The Board of Fund elected to invest unclaimed benefit funds in the KZN Money Market Fund.

2.1.8. Risk Reserve Account

The Board of Fund elected to invest the Risk Reserve Account in the KZN Money Market Fund.

KZN MUNICIPAL PENSION FUND

SCHEDULE E

REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2025

2. INVESTMENTS (continued)

2.2. Management of investments

The Fund invests the Fund's assets according to a default Lifestage Model (known as the KZN Lifestage Model) comprising of the KZN Managed Fund and the KZN Moderate Fund. Members are switched (by way of quarterly switches) from the KZN Managed Fund to the KZN Moderate Fund from 5 years prior to normal retirement age until they are 2 years from retirement. Members are invested in the KZN Moderate Fund in their last 2 years prior to retirement.

The KZN Moderate Fund is made up of 50% of the KZN Managed Fund and 50% of the KZN Defensive Fund.

In addition to Lifestage Model, the Fund offers members the option to invest in a small range of risk profiled investment options where they do not wish to be invested in the Lifestage Model. These include: KZN Aggressive Fund, KZN Defensive Fund, KZN Money Market Fund, KZN Global Balanced Fund and KZN Islamic Fund.

The following investment administrators manage the fund's fully discretionary global balanced mandates on a segregated basis:

- Ninety One South Africa Proprietary Limited
- M & G Investment Managers Proprietary Limited
- Coronation Asset Management Proprietary Limited

The following investment administrators manage the fund's local equity mandates on a segregated basis.

- Argon Asset Management Proprietary Limited
- Mazi Asset Management Proprietary Limited
- Mergence Investment Managers Proprietary Limited
- Sanlam Investment Management Proprietary Limited
- Lima Mbeu Investment Managers Proprietary Limited
- Mianzo Asset Management Proprietary Limited
- Meago Proprietary Limited

The collective investment scheme portfolios are managed by the following investment managers:

- BlackRock Investment Management (UK) Limited
- Coronation Asset Management Proprietary Limited
- Camissa Asset Management Proprietary Limited
- M & G Investment Managers Proprietary Limited
- Stanlib Asset Management Proprietary Limited

The following investment administrators manage the fund's local bonds mandates on a segregated basis:

- Vunani Fund Managers Proprietary Limited

The following administrator manage the Fund's money market mandate on a segregated basis:

- Tanquata Asset Managers Proprietary Limited.

The following investment administrators hold assets for the Fund as a custodian.

- Avior Capital Markets Proprietary Limited
- Peresec International Limited
- Standard Bank of South Africa Limited

The private equity portfolios are managed as follows:

- ATA Capital Proprietary Limited
- Mahlako A. Phahla Financial Services Proprietary Limited
- MSM Property Fund Proprietary Limited
- Alexander Forbes Investments Limited
- Ascension Capital Partners Fund Managers Proprietary Limited
- Infra-Impact Investment Managers Proprietary Limited
- Prescient Fund Services Proprietary Limited
- Mergence Investment Managers Proprietary Limited
- Mila Risk Management Solutions Proprietary Limited
- Umthombo Investment Managers Proprietary Limited
- Old Mutual Multi-managed Private Equity Fund of Funds
- Vuna Partners Proprietary Limited

The linked insurance policy is managed by Old Mutual Life Assurance Company South Africa Limited.

The KZN Lifestage Model, which is the default investment portfolio for active members, was applied as follows over the valuation period:

- From five years prior to normal retirement date members are transitioned from the KZN Managed Fund to the KZN Moderate Fund by way of quarterly switches over a period of three years.

KZN MUNICIPAL PENSION FUND

SCHEDULE E

REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2025

2. INVESTMENTS (continued)

- Members then remain in the KZN Moderate Fund over the remaining two years prior to retirement.

The default portfolio for the pensioners is 50% KZN Managed Fund portfolio and 50% KZN Defensive Fund portfolio which is known as KZN Moderate Fund.

The Board noted in the current year the life stage was not done the way should have been. The Board will continue to exercise oversight and monitor controls at the administrator to ensure life-staging is done as it is supposed to be.

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

	30 June 2025 R	30 June 2024 R
Total investments for the year***	28 525 308 343	24 826 017 495
Total value of investments managed	28 525 308 343	24 826 017 495

The linked insurance policy is managed by Old Mutual Life Assurance Company South Africa Limited.

The KZN Lifestage Model, which is the default investment portfolio for active members, was applied as follows over the valuation period:

- From five years prior to normal retirement date members are transitioned from the KZN ManagedFund to the KZN Moderate Fund by way of quarterly switches over a period of three years.
- Members then remain in the KZN Moderate Fund over the remaining two years prior to retirement.

The default portfolio for the pensioners is 50% KZN Managed Fund portfolio and 50% KZN Defensive Fund portfolio which is known as KZN Moderate Fund.

***The total investments include

- Discretionary Global Balanced Mandates on a Segregated Basis
- Local Equity Mandates on a Segregated Basis
- Collective Investment Scheme Portfolios
- Local Bonds Mandates on a Segregated Basis
- Money Market Mandate on a Segregated Basis
- Investment Administrators holding Assets as Custodian
- Private Equity Portfolios

3. MEMBERSHIP

	Active members	Pensioners	Unclaimed benefits
Number at the beginning of year	22 519	845	231
Additions	1 490	64	2
Transfers out	(3)	-	-
Withdrawals	(310)	-	-
Retirements	(354)	-	-
Deaths	(75)	-	-
Number at the end of the year	23 267	909	233
Number at end of year (South African citizen)	23 267	909	233

4. ACTUARIAL VALUATION

A statutory valuation was performed as at 30 June 2023 and the valuator reported that the Fund was in a sound financial condition. The next statutory valuation will be performed as at 30 June 2026.

KZN MUNICIPAL PENSION FUND

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

5. HOUSING LOAN FACILITIES

Housing loan guarantees

The Fund has granted housing loan guarantees in terms of the Rules of the Fund and Section 19(5) of the Pension Funds Act. Each loan is secured by the withdrawal benefit of the respective member.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund holds no direct investments in the participating employer.

7. SIGNIFICANT MATTERS

Change of administrator

Effective 1 July 2024 the Fund's benefit administrator changed from Alexander Forbes Financial Services Proprietary Limited to Fairsure Administration Proprietary Limited. The change was approved by the FSCA.

Two-Pot Retirement System

The Revenue Laws Amendment Act 12 of 2024 has been signed into law by the President. This law introduces the two-pot system, effective from 1 September 2024. The main objective is to improve members' retirement outcomes by requiring increased preservation before retirement.

The two-pot system:

- requires preservation of retirement savings by ensuring that from 1 September 2024 two-thirds of contributions, including investment growth, are preserved and annuitised at retirement.
- enables limited access to retirement savings by allowing one-third of contributions from 1 September 2024, and investment growth thereon, to be accessible as lump sums before retirement without having to resign or at retirement. Tax applies to all lump sum withdrawals.
- will continue to allow members to have lump sum access to their retirement savings accumulated before 1 September 2024 on retirement, resignation, dismissal or retrenchment. Tax applies to all lump sum withdrawals.

Appointment of the Board of Fund

With effect from 1 August 2024, the Trustees appointed Ms K Gama as the Deputy Principal Officer of the Fund.

B Fortein was appointed as a Chairperson of the Board effective 12 July 2024, replacing K Gama as a Chairperson of the Board.

8. SUBSEQUENT EVENTS

No subsequent events have occurred since the financial year end that may materially affect the financial statements.

KZN MUNICIPAL PENSION FUND

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

	Note	30 June 2025 R	30 June 2024 R
ASSETS			
Non-current assets		28 525 450 190	24 826 301 191
Plant and equipment	2	141 847	283 696
Investments	3	28 525 308 343	24 826 017 495
Current assets		769 729 378	456 532 381
Accounts receivable	5	1 783 963	1 408 393
Arrear contributions	10	144 620 763	137 544 293
Cash at bank		623 324 652	317 579 695
Total assets		29 295 179 568	25 282 833 572
FUNDS AND LIABILITIES			
Members' funds and surplus account		27 999 068 414	24 570 694 055
Members' individual accounts	16	28 056 131 643	24 558 039 331
Amounts to be allocated	18	(57 063 229)	12 654 724
Reserves			
Reserve accounts	17	312 151 846	260 767 506
Total funds and reserves		28 311 220 260	24 831 461 561
Non-current liabilities			
Unclaimed benefits	8	20 779 076	16 602 401
Current liabilities		963 180 232	434 769 610
Benefits payable	7	933 418 397	426 715 476
Accounts payable	9	29 761 835	8 054 134
Total funds and liabilities		29 295 179 568	25 282 833 572

KZN MUNICIPAL PENSION FUND

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

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 17 R	Current year 2025 R	Previous year 2024 R
Contributions received and accrued	10	1 614 706 879	156 419 618	1 771 126 497	1 657 326 240
Reinsurance proceeds		-	28 366 207	28 366 207	45 576 886
Net investment income	11	4 191 595 422	24 765 203	4 216 360 625	2 340 830 844
Allocated to unclaimed benefits	8	(1 106 220)	-	(1 106 220)	(1 177 439)
Other income	12	4 235 599	601 191	4 836 790	6 924 585
Less:		(44 396 300)	(53 661 068)	(98 057 368)	(89 010 567)
Re-insurance premiums		-	(52 959 039)	(52 959 039)	(56 043 611)
Administration expenses	13	(44 396 300)	(702 029)	(45 098 329)	(32 966 956)
Net income before transfers and benefits		5 765 035 380	156 491 151	5 921 526 531	3 960 470 549
Transfers and benefits		(2 336 661 021)	(105 106 811)	(2 441 767 832)	(1 716 012 996)
Transfer from other funds		-	-	-	11 732 619
Transfer to other funds	6	(8 121 299)	-	(8 121 299)	(9 840 097)
Benefits	7	(2 328 539 722)	(105 106 811)	(2 433 646 533)	(1 717 905 518)
Net income after transfers and benefits		3 428 374 359	51 384 340	3 479 758 699	2 244 457 553
Funds and reserves					
Balance at the beginning of the year		24 570 694 055	260 767 506	24 831 461 561	22 587 004 008
Balance at the end of the year		27 999 068 414	312 151 846	28 311 220 260	24 831 461 561

KZN MUNICIPAL PENSION FUND

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

1. PRINCIPAL ACCOUNTING POLICIES

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

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

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

1.2. PLANT AND EQUIPMENT

Plant and equipment are recognised when they are held for operational use for more than one reporting period and are initially recorded at cost.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in the Statement of Changes in Net Assets and Funds on a systematic basis which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Fund. The motor vehicle is depreciated on the straight line method over the estimated useful life as follows:

Vehicles	5 years
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Depreciation methods, useful lives and residual values are reviewed annually by the Board of Fund and adjusted if appropriate.

Derecognition

The carrying value of an item of plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. All profits or losses on derecognition are recognised in the Statement of Changes in Net Assets and Funds.

1.3. FINANCIAL INSTRUMENTS

Measurement

A financial instrument is recognised when the Fund becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus directly attributable transaction costs other than those classified at fair value through the Statement of Changes in Net Assets and Funds. Gains or losses arising from changes in the fair value are presented in the Statement of Changes in Net Assets and Funds in the period in which they arise.

Financial instruments include financial assets,

Financial assets at fair value through Statement of Changes in Net Assets and Funds

- Equities
- Preference shares
- Debt instruments including Islamic debt instruments
- Collective investment schemes
- Insurance policies

Loans and receivables

- Cash
- Accounts receivable

Other financial liabilities

- Accounts payable

1.3.1. Investments

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

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

1.3.1. Investments (continued)

Equities

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

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

Listed equities

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

Unlisted equities

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

Preference shares

Listed preference shares

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

Unlisted preference shares

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

Insurance policies

Non-linked insurance policies

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

Linked or market-related policies

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

Pensioner annuity policies

In-Fund living annuitant assets are disclosed as an asset of the Fund and included under investments. The corresponding pensioner liability is included under funds and reserves.

Collective investment scheme

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

Investment in participating employers

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

Commodities

Commodities are measured at fair value using the closing price quoted from a regulated exchange.

1.3.2. Accounts receivable

Accounts receivable are subsequently measured at amortised cost using the effective interest method, less impairment losses. Receivables with a short duration are not discounted, as the effects of discounting are immaterial.

1.3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value. Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost using the effective interest method.

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

1.3.4. Accounts payable

Accounts payable are subsequently measured at amortised cost, using the effective interest method. Payables with a short duration are not discounted, as the effects of discounting are immaterial.

1.4. RESERVES

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

1.5. PROVISIONS

Provisions

Provisions are recognised when the fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

1.6. CONTRIBUTIONS

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

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

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

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

1.7. INVESTMENT INCOME

Investment income comprises of dividends, interest and adjustment to fair value.

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities.

Interest

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

Collective investment schemes' distribution

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

Income from policies with insurance companies

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

Adjustment to fair value

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

Expenses incurred in managing investments

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

KZN MUNICIPAL PENSION FUND

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

1.8. BENEFITS

Benefits payable and pensions are measured in terms of the rules of the fund.

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

Reinsurance proceeds

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognised as income at the same time as the recognition of the related claim.

Divorce orders

Divorce orders are recognised in the Statement of Changes in Net Assets and Funds upon notification of the divorce order by the non-member spouse. The divorce order is measured in accordance with the divorce order decree and requirements of the Income Tax Act.

1.9. UNCLAIMED BENEFITS

Unclaimed benefits are claims payable to current or former members that remain unpaid in excess of 24 months from the date it becomes due and payable in terms of the Rules of the Fund. Unclaimed benefits are initially measured at cost and subsequently measured at amortised cost. Unclaimed benefits are classified and disclosed as a non-current liability.

1.10. TRANSFERS FROM THE FUND

Section 14 transfers from a fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Sector Conduct Authority, as contained in the approval certificate obtained from the Authority.

Section 14 transfers are measured at the values according to the Section 14 application at effective date of transfer, adjusted for investment return or late payment interest, and any members who exited the Fund after the effective date of the transfer but prior to the approval of the application from the Financial Sector Conduct Authority.

Individual transfers

Individual transfers are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value. Individual transfers are measured at the value of the transfer at effective date of the transfer, adjusted for investment return or late payment interest.

1.11. ADMINISTRATION EXPENSES

Expenses incurred in the administration of the Fund and reinsurance premiums are recognised in the Statement of Changes in Net Assets and Funds in the reporting period in which it occurred. An expense is recognised if it is probable that any future economic benefit associated with the item will flow from the Fund and the cost can be reliably measured. In the event that an expense has not yet been paid at the end of the reporting period, the liability will be reflected in the accounts payable note. If an expense has been paid in advance or has been overpaid, the asset will be disclosed in the accounts receivable note.

Administration fees and/or tracing fees on unclaimed benefits

General administration expenses that are attributable to unclaimed benefits and collectible from the unclaimed beneficiaries are credited against administration expenses and debited against unclaimed benefits, as provided for in the Rules of the Fund.

1.12. ACCOUNTING POLICIES, CHANGING IN ACCOUNTING ESTIMATES AND ERRORS

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

1.13. MEMBER INDIVIDUAL ACCOUNTS

Member individual accounts comprise of the Funds attributable to individual members, represented by investments and cash balances.

1.14. AMOUNTS TO BE ALLOCATED

Amounts to be allocated represents transactions through the Fund which have not been allocated to members or reserves.

KZN MUNICIPAL PENSION FUND

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

1.15. TRANSFERS TO OTHER FUNDS

Section 14 transfers to other funds are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Sector Conduct Authority, as contained in the approval certificate obtained from the Financial Sector Conduct Authority. Section 14 transfers are measured at the values according to the Section 14 application at effective date of transfer adjusted for investment return or late payment interest, and any members who exited the Fund after the effective date of the transfer but prior to the approval of the application from the Financial Sector Conduct Authority.

2. PLANT AND EQUIPMENT

2.1. Current year

	Vehicles	Total
	R	R
Gross carrying amount		
Cost at beginning of year	567 393	567 393
At end of year	567 393	567 393
Accumulated depreciation and impairment		
At beginning of year	(283 697)	(283 697)
Depreciation charges	(141 849)	(141 849)
At end of year	(425 546)	(425 546)
Net carrying amount at end of year	141 847	141 847

2.2. Prior year

	Vehicles	Total
	R	R
Gross carrying amount		
At beginning of period	567 393	567 393
At end of year	567 393	567 393
Accumulated depreciation and impairment		
At beginning of period	(141 848)	(141 848)
Depreciation charges	(141 849)	(141 849)
At end of year	(283 697)	(283 697)
Net carrying amount at end of period	283 696	283 696

3. INVESTMENTS

3.1. Investment summary

Note	Local	Foreign	Total current year	Total previous year	Fair value current year
	R	R	R	R	R
Cash	644 925 788	139 324 267	784 250 055	234 959 442	784 250 055
Commodities	63 980 941	-	63 980 941	9 922 824	63 980 941
Debt instruments including Islamic debt instruments	3 592 065 581	56 654 706	3 648 720 287	2 267 119 062	3 648 720 287
Equities (including demutualisation shares)	12 487 785 872	4 033 493 907	16 521 279 779	8 435 037 392	16 521 279 779
Insurance policies	2 146 689 131	1 084 946 126	3 231 635 257	906 237 504	3 231 635 257
Collective investment schemes	420 665 449	2 991 122 188	3 411 787 637	11 383 908 625	3 411 787 637
Hedge funds	97 751 904	-	97 751 904	-	97 751 904
Private equity funds	765 902 483	-	765 902 483	1 340 040 608	765 902 483
Derivative market investments	-	-	-	771 632	-
Other	-	-	-	248 020 406	-
Total	20 219 767 149	8 305 541 194	28 525 308 343	24 826 017 495	28 525 308 343

KZN MUNICIPAL PENSION FUND

SCHEDULE HA

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

4. HOUSING LOAN FACILITIES

4.1. Housing loan guarantees

The fund granted guarantees to Standard Bank for loans granted to 7 782 members. A guarantee amounting to R1 058 581 713.03 (2024: R1 024 872 637) is renewable on 31 October 2025. The facility limit is R1 250 000 000 and the amount of the guarantee may not exceed 50% of the benefit that a member would receive in terms of the rules of the fund and Section 19(5) of the Pension Funds Act if he or she had to terminate membership to the fund voluntarily.

The fund granted guarantees to Ithala SOC Limited for loans granted to 733 members. A guarantee amounting to R110 590 359.92 (2024: R121 182 256) is renewable annually..

5. ACCOUNTS RECEIVABLE

	30 June 2025	30 June 2024
	R	R
Reinsured proceeds receivable	1 547 692	-
Administration fees	-	682
eThekwini Municipality-Funeral premiums (In-Fund)	-	1 386
Fidelity insurance prepaid	67 304	67 304
General Income received	-	1 170 055
Incorrect deposits	168 967	168 966
Total	1 783 963	1 408 393

KZN MUNICIPAL PENSION FUND

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

6. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
Individual transfers out		3	-	8 121 299	-	(8 121 299)	-
Total		<u>3</u>	<u>-</u>	<u>8 121 299</u>	<u>-</u>	<u>(8 121 299)</u>	<u>-</u>
Transfers approved (B)							8 121 299
Return on transfers (C)							-
Statement of changes in net assets and funds							<u><u>8 121 299</u></u>

KZN MUNICIPAL PENSION FUND

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

7. BENEFITS

7.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Monthly Pensions	821 181	156 349 926	-	(156 838 968)	-	332 139
Lump sums on retirements						
- Full benefit	42 835 206	1 027 968 994	-	(635 076 994)	-	435 727 206
Lump sums before retirement						
- Disability benefits	1 828 966	93 573 924	-	(62 504 762)	-	32 898 128
- Death benefits	371 552 912	146 329 032	-	(396 359 877)	-	121 522 067
- Withdrawal benefits	5 520 968	385 344 024	13 625	(59 491 733)	(3 070 455)	328 316 429
Other						
Divorce	4 156 243	97 171 782	-	(93 090 765)	-	8 237 260
Two pot savings withdrawal	-	526 895 226	-	(520 510 058)	-	6 385 168
Total	426 715 476	2 433 632 908	13 625	(1 923 873 157)	(3 070 455)	933 418 397

Benefits for current year (B)
 Return allocated (C)

2 433 632 908
 13 625

Statement of changes in net assets and funds

2 433 646 533

8. UNCLAIMED BENEFITS

	30 June 2025 R	30 June 2024 R
Balance at the beginning of the year	16 602 401	11 228 454
Transferred from benefits payable	3 070 455	6 054 480
Investment income allocated	1 106 220	1 177 439
• Tracing expenses	-	(9 400)
• Administration expenses	-	(29 492)
• Benefits paid	-	(1 819 080)
Balance at the end of the year	20 779 076	16 602 401

KZN MUNICIPAL PENSION FUND

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

9. ACCOUNTS PAYABLE

	30 June 2025	30 June 2024
	R	R
Provision for audit fees	288 549	288 547
Reinsurance premiums	4 685 866	4 460 157
PAYE	18 587 838	-
Investment management fees	-	47 725
Principal officer	-	6 750
SARB reporting fees	-	2 645
Staff salaries and wages	-	1 023
Front office expenses payable	1 644 191	1 535 767
Consulting fees	339 403	339 403
Two pot savings admin fee payable	43 500	-
Unapproved policy premiums in respect of participating employer/s	1 431 023	1 372 117
Funeral premiums		
Reinsurance proceeds	2 741 465	-
Total	29 761 835	8 054 134

10. CONTRIBUTIONS

	At beginning of year	Towards retirement	Towards re-insurance and expenses	Contributions received	At end of year
	R	R	R	R	R
Member contributions received and accrued	41 504 623	535 359 365	-	(534 011 585)	42 852 403
Employer contributions received and accrued	96 039 670	1 079 347 514	156 419 618	(1 230 038 442)	101 768 360
Total	137 544 293	1 614 706 879	156 419 618	(1 764 050 027)	144 620 763

Towards retirement	1 614 706 879
Towards reinsurance and expenses	156 419 618

Statement of Changes in Net Assets and Funds

1 771 126 497

Funeral premiums

The policy for funeral insurance is in the name of the employer. The Fund is used as a conduit to pay these premiums. The total premium for the year of R16 303 469 was netted off against the employer contributions received towards re-insurance and expenses. An amount of R14 872 446 was paid on behalf of the employer to the insurer and therefore a creditor of R1 431 023 was raised at year end (refer to note 15 in the annual financial statements). The total creditor amount was paid to the re-insurer on 16 July 2024.

11. NET INVESTMENT INCOME

	30 June 2025	30 June 2024
	R	R
Interest received	31 565 132	36 019 654
Bank interest	31 203 320	35 842 585
Income from insurance policies	361 812	177 069
Adjustment to fair value	4 205 468 258	2 295 265 721
	4 237 033 390	2 331 285 375
Less: Expenses incurred in managing investments	(20 672 765)	9 545 469
Total	4 216 360 625	2 340 830 844

KZN MUNICIPAL PENSION FUND

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

12. OTHER INCOME

	30 June 2025	30 June 2024
	R	R
General Income received	-	4 765 716
Other income*	2 993 982	2 158 869
Nestlife Assurance	601 191	-
SARS Vat	571 652	-
Steinhoff Litigation recovery	536 900	-
MRO Refund	133 065	-
Total	4 836 790	6 924 585

*The Fund has entered into a scrip lending agreement with Sygnia. The proceeds are paid to the Fund's bank account and the Fund will use this money to offset the investment admin fees from time to time.

13. ADMINISTRATION EXPENSES

	30 June 2025	30 June 2024
	R	R
Administration fees	6 116 995	7 497 557
Audit fees - Audit services	305 773	277 975
Consultancy fees	2 304 258	2 113 235
Depreciation	787 003	141 849
Fidelity Insurance	201 509	197 728
Levies	722 428	633 125
Switch charge	-	122 412
Default reg admin fees	-	28 619
Bank charges	185 183	9 373
Accident cover	7 475	7 475
Membership fees	589 468	559 882
Disability assessment fee	702 029	581 480
Communication fees	103 630	73 057
Reserve bank reporting fees	-	10 580
Rent	1 615 112	1 271 055
Tracing fees	2 820	24 785
Investment consulting fees	508 875	572 700
Legal expenses	1 194 931	1 303 100
Retirement benefit counselling	1 910 150	1 043 050
Administration fees Two Pot	6 411 237	-
Expenses written off	363	-
Office expenses	7 644 716	5 058 935
Board of Fund expenses	13.1 2 961 917	3 168 081
Staff expenses	13.2 7 104 653	4 843 861
Principal Officer expenses	13.3 3 717 804	3 427 042
Total	45 098 329	32 966 956

13.1. Board of Fund expenses

	30 June 2025	30 June 2024
	R	R
Meeting allowances	429 282	228 000
Expenses	2 532 635	2 940 081
Total	2 961 917	3 168 081

13.2. Staff expenses

	30 June 2025	30 June 2024
	R	R
Staff expenses- Remuneration	7 104 653	4 787 456
Staff expenses- Other payments	-	56 405
Total	7 104 653	4 843 861

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

13.3. Principal Officer expenses

	30 June 2025	30 June 2024
	R	R
Principal officer expenses - Remuneration	3 571 236	3 182 369
Principal officer expenses - expenses	146 568	244 673
Total	<u>3 717 804</u>	<u>3 427 042</u>

14. RISK MANAGEMENT POLICIES**Risk management framework**

The Board of Fund has overall responsibility for the establishment and oversight of the fund's risk management policies. The Board of Fund has established the Risk Management Committee, which is responsible for developing and monitoring the fund's risk management policies. The committee reviews the Annual Financial Statements of the Fund and provide recommendations to the Boards.

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

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, and cause the other party to incur a financial loss. Credit risk can arise when the investments of the Fund are exposed to contractual agreements, whether reflected on or off the Statement of Net Assets and Funds. Credit risk can also arise when the Fund has the right to off-set or to settle net in respect of certain assets and liabilities but does not intend to do so.

Housing loan guarantees granted are secured by the after tax withdrawal benefit of the respective members on whose behalf the guarantees were granted. The amount of the guarantee may not exceed 50% of the Fund credit of the respective members. Housing loan guarantees granted are renewed annually to ensure that the general terms and conditions are still applicable.

The Fund's assets are only invested through compliant regulated investment administrators. The Fund's investment mandate stipulates that the investment administrator should monitor the risks associated with the Fund's investments on a regular basis.

Credit risk is managed by the Fund's outsourced investment administrator by investing in well-researched institutions and within the parameters of the investment mandate. The investment administrator must report annually on the steps taken to identify and manage the credit risk, in terms of the Fund's risk management policy.

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Currency risk, interest rate risk and price risk.

- **Currency risk**

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates. The Fund monitors currency risk in line with Regulation 28, the limits set out in terms of the South African Reserve Bank as well as in terms of the investment policy of the Fund.

The foreign currency exposure of the Fund is monitored each quarter with the submission of the quarterly asset allocation reports to the South African Reserve Bank. Investment administrators invest the Fund's assets according to the investment mandate, which stipulates the foreign exposure strategy of the Fund.

The Fund invests directly / indirectly in securities and other investments that are denominated in foreign currencies. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will be subject to foreign exchange risk.

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

14. RISK MANAGEMENT POLICIES (continued)

- **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities. According to the investment mandate, the Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests as specified in the rules of the Fund.

Cash flows are prepared on a monthly basis and the Board of Fund closely monitors the cash flow requirements. Bank reconciliations are performed on a monthly basis by the Fund's administrator. Money is invested and disinvested as and when the need arises.

- **Operational risk**

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

- **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

- **Interest rate risk**

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in the interest rate. Interest rate risk is limited to interest bearing financial instruments that are accounted for at amortised cost.

Interest rate risk associated with the interest linked instruments included in the linked insurance policies / non-linked insurance policies are managed by the investment administrator according to the investment mandate and the risk management policy of the Fund. The investment administrator reports on the steps taken to identify and manage the risk on an annual basis.

- **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's activities and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Fund ensures that for all significant contractual obligations, as provided for in terms of the Rules, provisions have been raised in the annual financial statements and complies with all legislation, regulations and contracts. The responsibility lies with the Board of Fund predominantly as well as with the Fund's service providers where agreed to.

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

KZN MUNICIPAL PENSION FUND

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

15. RELATED PARTY TRANSACTIONS

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

	Current year	Previous year
	R	R
Board of Fund - Board members remuneration	429 282	228 000
Front Office - Staff remuneration	7 104 653	4 787 456
Participating employer- Contributions towards retirement and expenses	1 234 767 132	1 155 064 949
Participating employer - Funeral benefit premiums	16 303 469	15 731 609
Principal officer - PO remuneration	3 717 804	3 182 370
Total amount contributed	<u>1 262 322 340</u>	<u>1 178 994 384</u>

15.1. Related party balances

The related parties balances as at year end are as follows:

	30 June 2025	30 June 2024
	R	R
Participating employer - Funeral benefit premiums	1 431 023	1 372 117
Front Office - Staff remuneration	1 023	1 023
Participating employer- Contributions towards retirement and expenses	101 768 360	96 039 670
Principal officer - PO remuneration	6 750	6 750
Total amount contributed	<u>103 207 156</u>	<u>97 419 560</u>

16. MEMBERS' INDIVIDUAL ACCOUNTS

	30 June 2025	30 June 2024
	R	R
Active and unpaid members	26 267 708 303	23 118 238 077
Pensioners account	1 788 423 340	1 452 455 978
Total	<u>28 056 131 643</u>	<u>24 570 694 055</u>

KZN MUNICIPAL PENSION FUND

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

17. SURPLUS AND RESERVE ACCOUNTS

	Reserve Accounts Total R	Risk reserve R
At beginning of year	260 767 506	260 767 506
Contributions received and accrued	156 419 618	156 419 618
Reinsurance proceeds	28 366 207	28 366 207
Net investment income	24 765 203	24 765 203
Other income:	601 191	601 191
Nestlife Assurance	601 191	601 191
Less:	(53 661 068)	(53 661 068)
- Re-insurance premiums	(52 959 039)	(52 959 039)
- Administration costs	(702 029)	(702 029)
Net income before transfers and benefits	417 258 657	417 258 657
Transfers and benefits	(105 106 811)	(105 106 811)
Benefits	(105 106 811)	(105 106 811)
Net income after transfers and benefits	312 151 846	312 151 846
At end of year	<u>312 151 846</u>	<u>312 151 846</u>

18. AMOUNTS TO BE ALLOCATED

	30 June 2025 R	30 June 2024 R
Investment return to be allocated	(57 063 229)	12 654 724
Total amounts to be allocated	<u>(57 063 229)</u>	<u>12 654 724</u>

KZN MUNICIPAL PENSION FUND

**SCHEDULE HB
REPORT OF THE VALUATOR
FOR THE YEAR ENDED 30 JUNE 2025**

**SCHEDULE HB
KZN MUNICIPAL PENSION FUND**
Registration number: 12/8/36983

Report of the Valuator
For the period ended 30 June 2025

Effective date of the last statutory actuarial valuation: 30 June 2023

Particulars of the financial condition of the fund

1. Net assets available for benefits.

R22 574 423 821

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

R22 574 423 821

3. Actuarial present value of promised retirement benefits at the valuation date.

Member liabilities	R21 041 908 635
Pension accounts	<u>R 1 285 737 041</u>
Total	R22 327 645 676

4. Contingency reserve account balances.

Risk reserve account R223 102 007

The Fund revealed a surplus of R23 676 138 as at 30 June 2023, after deducting the actuarial present value of promised retirement benefits and the contingency reserve account from the actuarial value of the net assets available for benefits.

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

Each member's fund credit consists of member and employer contributions allocated towards retirement funding plus fund investment returns. Discretionary enhancements to members' fund credits (supported by excess assets over that which is considered necessary to protect the fund against miscellaneous mismatches relating to investment returns and expenses) may also be awarded at each financial year-end.

The pension account consists of the member's fund credit at retirement less the amount commuted, pensions paid, any amount transferred to a registered insurer and deductions in respect of expenses plus net investment returns allocated thereto.

The risk reserve account consists of the employer contribution towards the cost of the death, disability, terminal illness and funeral benefits and the disability arrangement, together with such portion of the excess employer contribution of 9 percent of fund salary and any reinsurance payments made to the fund by the registered insurer. The risk reserve account is debited with payments made on death, disablement or terminal illness of a member, any premiums payable to the registered insurer to maintain the risk benefits payable on death, disablement or terminal illness and any expenses incurred in the management of the risk benefits. The risk reserve is credited with the investment return earned on the assets in this account.

KZN MUNICIPAL PENSION FUND

**SCHEDULE HB
REPORT OF THE VALUATOR
FOR THE YEAR ENDED 30 JUNE 2025**

**SCHEDULE HB
KZN MUNICIPAL PENSION FUND**
Registration number: 12/8/36983

Report of the Valuator
For the period ended 30 June 2025

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

Not applicable.

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

No.

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

I certify that as at 30 June 2023 the assets of the fund were sufficient to cover members' fund credits, the pension accounts and the risk reserve account in full. I can thus confirm that, in my opinion, the fund was in a sound financial condition as at the valuation date in terms of section 16 of the Act.



Barend de Kock

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

Cape Town
25 November 2025

SCHEDULE I

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

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

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

Responsibilities of the Board of Fund and the Authority

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

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

Auditor's Responsibilities

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

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

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

Professional Ethics and Quality Management

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

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

Procedures and Findings

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

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

	Procedures	Findings														
	Statement of Net Assets and Funds															
1.	Investments															
1.1	Obtain a list of all investments as at 30 June 2025 from the Fund administrator and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the audited annual financial statements as at 30 June 2025 and note any differences.	We obtained a list of investments as at 30 June 2025 from the Fund administrator and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 30 June 2025.														
1.1.1	<p>a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 30 June 2025. Where the auditor is unable to obtain these external confirmations, note this fact.</p> <p>b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the Fund administrator to translate the investment value to South African rands (ZAR) from the Fund administrator and recalculate the ZAR value using the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p> <p>c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p>	<p>a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 30 June 2025.</p> <p>b) For external confirmations that are in a foreign currency, we obtained the exchange rate applied by the Fund administrator to translate the investment value to South African rands (ZAR) from the Fund administrator and recalculated the ZAR values of the investments per the external confirmations obtained and did not agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1.</p> <table border="1" data-bbox="842 1016 1493 1335"> <thead> <tr> <th></th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>R5 654 414 568</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>R5 642 991 558</td> </tr> <tr> <td>Difference</td> <td>R11 423 010</td> </tr> </tbody> </table> <p>c) For external confirmation that are in ZAR we did agree to the value of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1. and noted the differences below which is due to cash in transit</p> <table border="1" data-bbox="842 1760 1471 1948"> <thead> <tr> <th></th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>R22,770,123,116</td> </tr> <tr> <td>Unsettled trades</td> <td>R 533 692</td> </tr> </tbody> </table>		Amount	Total as per the list of investment balances	R5 654 414 568	Total as per the external confirmations obtained from the investment managers	R5 642 991 558	Difference	R11 423 010		Amount	Total as per the list of investment balances	R22,770,123,116	Unsettled trades	R 533 692
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	Procedures	Findings						
	Statement of Net Assets and Funds							
1.	Investments							
		<table border="1"> <tr> <td>Subtotal</td> <td>R22,770,656,808</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>R22,763,427,648</td> </tr> <tr> <td>Difference</td> <td>R7 229 160</td> </tr> </table>	Subtotal	R22,770,656,808	Total as per the external confirmations obtained from the investment managers	R22,763,427,648	Difference	R7 229 160
Subtotal	R22,770,656,808							
Total as per the external confirmations obtained from the investment managers	R22,763,427,648							
Difference	R7 229 160							
1.1.2	From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the Fund administrator, note new investments made during the year ended 30 June 2025. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in procedure 1.1, and perform the following procedures:	Not applicable. There were no new investments noted for the period under review.						
1.1.2.1	Inquire from the Principal Officer the date on which the investment policy statement of the Fund was last reviewed by the Board of Fund. Note the date.	We inquired from the Principal Officer and noted that the investment policy statement of the Fund was last reviewed by the Board of Fund on May 2025.						
1.1.2.2	Obtain the latest approved policy statement from the Principal Officer. Inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.	.We obtained the latest approved policy statement from the Principal Officer. We inspected the investment policy statement from the Principal Officer and the different categories of investments within the scope of the investment policy statement are as follows: Cash, Commodities; Debt Instruments, Equities, Immovable Properties, Insurance Policies, Collective Investment Schemes and Private Equity Fund.						
1.1.2.3	Inspect the investment note 2 of the audited annual financial statements for the year ended 30 June 2025 and document the categories of investments that the Fund has invested in.	We inspected the investment note 2 of the audited annual financial statements for the year ended 30 June 2025 and the categories of investments that the Fund has invested in are as follows: Cash, Commodities; Debt Instruments, Equities, Insurance Policies, Collective Investment Schemes and Private Equity Fund.						
1.1.2.4	Compare the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and note the instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and noted no instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.						

	Procedures	Findings
	Statement of Net Assets and Funds	
1.	Investments	
1.2.1	Calculate the total value of direct investments held by the Fund in the participating employer as reflected in the investment note 2 of the audited annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the audited annual financial statements and note the calculated percentage.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 2 of the audited annual financial statements.
1.2.2	Where the calculated percentage in procedure 1.2.1 exceeds 5%, obtain from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] the exemption letter received by the Fund from the Authority for these investments. Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 2 of the audited annual financial statements.
1.3	<p>Section 19(5B) Investments</p> <p>Inquire from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2025 and note the following:</p> <ul style="list-style-type: none"> i. Any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and ii. Any loans have been granted to and investments were made in the shares of the following: <ul style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company. <p>Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.</p>	<p>We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2025. Based on our inquiries performed, we noted the following:</p> <ul style="list-style-type: none"> i. There were no loans or guarantees granted to a member of the Fund other than for the purposes of Section 19(5); and ii. There were no loans granted to and investments made in the shares of the following: <ul style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.

	Procedures	Findings
	Statement of Net Assets and Funds	
1.	Investments	
1.4	<p>Section 19(5D) Investments</p> <p>Inquire from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2025 and document the responses obtained:</p> <p>a. The Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at year-end, which resulted in the Fund exercising control over that entity, without obtaining the prior approval from the Authority; and</p> <p>b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.</p>	<p>We inquired from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2025. Based on our inquiries performed, the following responses were obtained:</p> <p>a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.</p> <p>b. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.</p>
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.1	Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2025 and as at 1 July 2024 from the Fund administrator, and perform procedure 2.3:	We obtained a list of the member individual accounts for defined contribution members as at 30 June 2025 and as at 1 July 2024 from the Fund administrator and performed procedure 2.3:
2.2	Obtain a reconciliation of the total value of the list of member individual accounts as 30 June 2025 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2025 from the Fund administrator. Note the reconciling items.	We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2025 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2025 from the Fund administrator. No differences were noted.
2.3	<p>Select a sample of the lesser of 25 or 10% of the number of members from the list of members at the end of the year obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for each member selected and for each of the following three months selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • July 2024, • December 2024; and • June 2025 <p>Specify the basis of the sample selection for the 2 months, other than the last month of the year, as agreed with the Fund.</p>	<p>We selected a sample of 25 members from the list of members at the end of the year obtained in procedure 2.1 for the following three months:</p> <ul style="list-style-type: none"> • July 2024 • February 2025 and • Last month of the period (June 2025) <p>The sample for the other 2 months was selected randomly.</p> <p>We performed the following procedures for each member and month selected:</p>

	Procedures	Findings
	Statement of Net Assets and Funds	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the Fund administrator and perform procedure 2.3.3.	We obtained from the Fund administrator a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.
2.3.2	Obtain the employer schedule supplied by the participating employers to the Fund administrator for the respective months and perform procedure 2.3.3.	We obtained the employer schedule supplied by the participating employers to the Fund administrator for the respective months and performed procedure 2.3.3 below.
2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	The member and employer contributions obtained in procedure 2.3.1 agreed with the member and employer contributions obtained in procedure 2.3.2.
2.4	Obtain the registered rules of the Fund from the Fund administrator and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member] obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	We calculated the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per employer schedule obtained in procedure 2.3.2. The calculated member and employer contribution rates agreed to the contribution rates per the rules of the Fund obtained in procedure 2.4. No differences noted.

	Procedures	Findings
	Statements of Net Assets and Funds	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.5	Inquire from the Fund administrator whether the Fund is a unitised or non-unitised fund, and note the type of fund.	We inquired from the Fund administrator whether the Fund is a unitised or non-unitised fund, and noted that the fund is a unitised fund.
2.5.1	If the fund is a unitised fund, as noted in procedure 2.5: For the sample of members selected in procedure 2.3, perform the following procedures:	For the members selected with unitised investment products, we performed the following procedures:
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the fund administration system. Note any differences.	We recalculated the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. The recalculated units agreed to the units allocated to the member for the specific month, as per the fund administration system.
2.5.1.2	Obtain an external confirmation of the unit prices from the investment manager throughout the year ended 30 June 2025. Note any exceptions of confirmations not obtained.	We obtained, an external confirmation of the unit prices from the investment managers throughout the year ended 30 June 2025.
2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2 and note any differences.	We did agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2. No differences noted.
2.5.1.4	Recalculate the member's fund credit as at 30 June 2025 by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's fund credit per the listing obtained in procedure 2.1, and note any differences.	We recalculated the member's fund credit as at 30 June 2025 by multiplying the number of units with the unit price, using both inputs as per the administration system. The recalculated amount agreed to the member's fund credit per the listing obtained in procedure 2.1.
2.5.1.5	Agree the 30 June 2025 unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the investment manager in procedure 2.5.1.2, and note any differences.	The 30 June 2025 unit price as per the administration system used in procedure 2.5.1.1 did agree to the unit price obtained from the investment manager in procedure 2.5.1.2. No difference noted.

	Procedures	Findings
	Statements of Net Assets and Funds	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.5.2	If the fund is a non-unitised fund, as noted in procedure 2.5, for the sample of members selected in procedure 2.3, perform the following procedures:	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.1	Obtain the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the fund valuator that indicates the rate of investment returns to be allocated to members from the Fund administrator.	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.2	Inquire from the Fund administrator about how the investment returns as per [the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the fund valuator obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	Not applicable. The Fund does not offer non-unitised investment products.
2.5.2.3	Recalculate the member's closing fund credit as at 30 June 2025 by: <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1. • Adding the contributions allocated as per the administration system; and • Adding/subtracting the returns allocated to the member as calculated using the basis provided by Fund administrator obtained in procedure 2.5.2.2. Agree the recalculated amount to the member's fund credit per the closing listing obtained in procedure 2.1 and note any differences.	Not applicable. The Fund does not offer non-unitised investment products.
2.6	Switches Obtain a list from the Fund administrator of the members who switched investment portfolios during the year-end (including Lifestage switches). Select a sample of the lesser of 25 or 10% of the members who switched between investment portfolios during the year (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable, as no switches were noted in the current year.
2.6.1	Obtain the client mandate between the administrator and the Fund from the Fund administrator and note the following terms: <ul style="list-style-type: none"> • Days indicated to process a member-elected switch. • Timing to effect a Lifestage switch. Fees deductible from the member individual accounts to process a switch.	Not applicable, as no switches were noted in the current year.

	Procedures	Findings
	Statements of Net Assets and Funds	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.6.2	Member-elected switches For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the Fund administrator, and perform the following procedures:	Member-elected switches Not applicable, as member elected switches were not part of the sample
2.6.2.1	Inspect the member's instruction for details of the required switch and note the following details per the instruction: <ul style="list-style-type: none"> • Date of receipt of the member's instruction by the Fund administrator • Effective date of the switch; and Investment portfolio to be switched into. 	Not applicable, as member elected switches were not part of the sample
2.6.2.2	Inspect the member's fund credit transactions from the administration system obtained from the Fund administrator and note the following details about the switch: <ul style="list-style-type: none"> • Date when the switch was processed by the Fund administrator; • Effective date of the switch; and • Investment portfolios switched into. 	Not applicable, as member elected switches were not part of the sample
2.6.2.3	Agree the effective date of the switch and the investment portfolios switched into, as noted in procedure 2.6.2.1, to the effective date of the switch and the investment portfolios switched into and noted in procedure 2.6.2.2, and note any exceptions with regard to the date of switch and/or the portfolios switched.	Not applicable, as member elected switches were not part of the sample
2.6.2.4	Calculate the number of days taken to process the switch, using the following: <ul style="list-style-type: none"> • Date of receipt of the member's instruction by the Fund administrator noted in procedure 2.6.2.1. • Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2. 	Not applicable, as member elected switches were not part of the sample
2.6.2.5	Agree the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per the client mandate between the administrator and the Fund in 2.6.1. Note any difference in timing where the number of days taken to process the switch is greater than the terms per the client mandate between the administrator and the Fund.	Not applicable, as member elected switches were not part of the sample

	Procedures	Findings								
	Statements of Net Assets and Funds									
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds) continue									
2.6.3	Lifestage switches Obtain the Fund's Lifestage investment strategy from the Fund administrator.	Lifestage switches We obtained the Fund's Lifestage investment strategy from the Fund administrator.								
2.6.3.1	For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:	For Lifestage switches included in the sample, we performed the following procedures:								
2.6.3.2	Inspect the member's fund credit transactions on the administration system obtained from the Fund administrator and note the following details about the Lifestage switch: <ul style="list-style-type: none"> • Date when the Lifestage switch was processed by the Fund administrator and • Investment portfolios switched into. 	We inspected the member's fund credit transactions on the administration system obtained from the Fund administrator and noted the following details about the Lifestage switch: <ul style="list-style-type: none"> •Date when the Lifestage switch was processed by the Fund administrator; and •Investment portfolios switched into 								
2.6.3.3	Agree the investment portfolios switched into and noted in procedure 2.6.3.2 to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.	The investment portfolios switched into and noted in procedure 2.6.3.2 agreed to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.								
2.6.3.4	Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per the client mandate between the administrator and the Fund in 2.6.1.Note any difference in timing.	The timing of the Lifestage switch per 2.6.3.2 agreed with the terms per the service client mandate between the administrator and the Fund in 2.6.1.								
2.6.4	For all switches selected in procedure 2.6, inspect the member's record on the administration system for fees deducted for switches, and agree the fees deducted to the fee due in terms of the client mandate (obtained in procedure 2.6.1). Note any differences.	Not applicable. For all the switches selected in procedure 2.6, we inspected the member's record on the administration system, and did not note any fees relating to switches that were deducted.								
2.7	Obtain the Asset Liability Match ("ALM") reconciliation per investment portfolio / product / category as at 30 June 2025, from the Fund administrator and perform the following procedures:	We obtained the ALM reconciliation per investment portfolio as at 30 June 2025 from the Fund administrator and performed the following procedures:								
2.7.1	Obtain a reconciliation of the total investment balance per investment portfolio / product / category, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. Note any reconciling items.	We obtained a reconciliation of the total investment balance per investment portfolio, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. following differences were noted: <table border="1" data-bbox="922 1473 1528 1731"> <thead> <tr> <th></th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total investments as per the ALM reconciliation</td> <td>28,525,308,343</td> </tr> <tr> <td>Total investments as per the list of investments</td> <td>28,525,308,343</td> </tr> <tr> <td>Differences</td> <td>0</td> </tr> </tbody> </table>		Amount	Total investments as per the ALM reconciliation	28,525,308,343	Total investments as per the list of investments	28,525,308,343	Differences	0
	Amount									
Total investments as per the ALM reconciliation	28,525,308,343									
Total investments as per the list of investments	28,525,308,343									
Differences	0									

	Procedures	Findings
	Statements of Net Assets and Funds	
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds) continue	
2.7.2	Obtain a reconciliation of the total member individual accounts value per investment portfolio / product / category, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1. from the Fund administrator. Note any reconciling items.	We obtained a reconciliation of the total member individual accounts value per investment portfolio, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1 from the Fund administrator. No reconciling items were noted.
2.7.3	Inspect the total difference between assets and liabilities reflected on the ALM and note whether the variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.	We inspected the total difference between assets and liabilities reflected on the ALM and noted that the variance is not larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Obtain a list of defined benefit members as at [insert the period/year-end] from the Fund administrator; and perform the following procedures:	Not applicable as this is not a defined benefit fund.
3.2	Select a sample of the lesser of 25 or 10% of the number of defined benefit members at [insert the period/year-end] from the list of members provided by the Fund administrator (selected based on the selection criteria provided above). Perform the following procedures for each member, for each of the following three months: [Specify the basis of the sample selection for the 2 months, other than the last month of the period/year, as agreed with the Fund].	Not applicable as this is not a defined benefit fund.
3.2.1	Obtain a list of the member contributions received and allocated for the respective months on the administration system from the Fund administrator.	Not applicable as this is not a defined benefit fund.
3.2.2	Obtain the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member] supplied by the participating employers to the Fund administrator for the respective months.	Not applicable as this is not a defined benefit fund.
3.2.3	Agree the member contributions received and allocated as obtained in 3.2.1 with 3.2.2, and note any differences.	Not applicable as this is not a defined benefit fund.
3.2.4	Calculate the member contribution rates for each member selected by dividing the contribution by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member / other relevant documents inspected] obtained in procedure 3.2.2. Agree the calculated member contribution rate(s) to the rate(s) noted in rule [insert the rule number of the registered rules of the Fund] obtained in procedure 2.4, and note any differences.	Not applicable as this is not a defined benefit fund.
3.3	Inquire from the Fund administrator when the actuarial valuation of the Fund was last performed and approved by the Board of Fund. Note the date of the last valuation and when it was approved by the Board of Fund.	Not applicable as this is not a defined benefit fund.

	Procedures	Findings
	Statements of Net Assets and Funds	
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.4	Obtain the actuarial valuation report of the Fund from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] and inspect the actuarial valuation report for the employer contribution rate recommended by the valuator. Note the employer contribution rate recommended by the actuary in the report.	Not applicable as this is not a defined benefit fund.
3.5	Calculate the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member / other relevant document inspected] obtained in procedure 3.2.2. Agree the calculated employer contribution rates to the rate per actuarial valuation report obtained in procedure 3.4. Note any differences.	Not applicable as this is not a defined benefit fund.
4	Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)	
4.1	Inspect the latest actuarial valuation report obtained in procedure 3.4 for (a) Section(s) 15B [and 15C] surplus apportionment. If applicable, note the surplus apportionment amount/value.	Not applicable. We noted no Section(s) 15B and 15C surplus apportionment in the actuarial valuation report obtained in procedure 12.3.1.
4.1.1	If a surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the minutes of meetings of the Board of Fund from Fund administrator and inspect for the approval of the Section 15B [and 15C] surplus.	Not applicable. We noted no Section(s) 15B and 15C surplus apportionment in the actuarial valuation report obtained in procedure 12.3.1.
4.1.2	If a Section 15B surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the approval of the Authority for the Section 15B surplus from the [Fund administrator/[insert the name and designation of the representative of the Fund]].	Not applicable. No Section 15B surplus apportionment was recommended by the actuary per the actuarial valuation report in procedure 4.1.
4.2	Surplus apportionment allocation Obtain a list of the approved surplus allocations to active and/or former members and/or pensioners in the current [period/year] noted in procedure 4.1, from the [Fund administrator/Fund's actuary/Principal Officer/[insert the name and designation of the representative of the Fund]], and perform the following procedures:	Not applicable. No surplus allocations to active and/or former members and/or pensioners in the current year were noted in procedure 4.1.
4.2.1	Active members: Select a sample of the lesser of 25 or 10% of the number of active members to whom surplus has been allocated in the current [period/year] per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.1.1	Inspect the listing for the date of allocations to active members in the current [period/year] and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.

	Procedures	Findings
	Statements of Net Assets and Funds	
4	Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)	
4.2.1.2	Agree the surplus amount allocated as per the listing (including investment return) in the current [period/year] per member to the allocation on the member records per the administration system, and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.2	Former members and pensioners allocations: Select a sample of the lesser of 25 or 10% of the number of former members and/or pensioners to whom surplus has been allocated in the current [period/year] per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.2.1	Inspect the listing for the date of allocations to former members and pensioners in the current [period/year] and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations made to former members/pensioners in the current year were noted in procedure 4.2.
4.2.2.2	Agree the surplus amount allocated (including the investment return) in the current [period/year] per former member and/or pensioner to the allocation on the member records per the administration system and note any differences.	Not applicable. No surplus allocations made to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.3	In respect of Section 15B surplus apportionments noted in procedure 4.1, inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and/or inspect [include details of the document inspected] whether the Fund has maintained the Section 15B surplus apportionment for former members who could not be traced in a contingency reserve account and note the response.	Not applicable. We noted no Section 15B surplus apportionments in procedure 4.1.
4.3	Surplus apportionment payments: Obtain a list of all surplus apportionment payments made to members during the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and select a sample of the lesser of 25 or 10% of the number of payments (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus apportionment payments were made to members during the year.
4.3.1	Agree the amount paid to the member as per the list of surplus apportionment payments obtained in procedure 4.3 to the member's record on the administration system and note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.
4.3.2	Obtain the [insert the name of the document(s) that indicates authorisation of the payment] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the amount authorised to the amount paid as per the list of surplus apportionment payments obtained in procedure 4.3. Note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.

	Procedures	Findings
	Statements of Net Assets and Funds	
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account (including debit and credit transactions) for the period as disclosed in the member and employer surplus note [insert the note number] to the [audited/unaudited*] annual financial statements from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedures:	Not applicable. No member and/or employer surplus accounts were noted.
5.1.1	Inspect the registered rules of the Fund as obtained in procedure 2.4 and note the debit and credit transactions allowed in the member and employer surplus accounts listed in rule [insert the rule number of the registered rules].	Not applicable. No member and/or employer surplus accounts were noted.
5.1.2	Compare the description of all of the debit and credit transactions allocated to the member and/or employer surplus accounts per the analysis obtained in procedure 5.1 to the categories of transactions that are permitted to be allocated to surplus accounts as noted in procedure 5.1.1. Note any exceptions.	Not applicable. No member and/or employer surplus accounts were noted.
6	Reserves	
6.1	Obtain a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 17 to the audited annual financial statements from the Fund administrator, and perform the following procedures:	We obtained a list of reserves and other related accounts and the movements (including debit and credit transactions) per the reserves note 17 to the audited annual financial statements from the Fund administrator and performed the following procedures:
6.1.1	Inspect the registered rules of the Fund obtained in procedure 2.4 and note the reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserves and other related accounts (e.g. pensioner accounts) listed in rule 7.2.4.	We inspected the registered rules of the Fund obtained in procedure 2.4 and noted reserve and other related accounts and the debit and credit transactions allowed in the reserve and other related accounts listed in rule 7.2.4.
6.1.2	Compare the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserves and other related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	We compared the description of the reserve and other related accounts held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserve and other related accounts permitted as noted in procedure 6.1.1 and found no exceptions.
6.1.3	Compare the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in procedure 6.1 above, to the categories of transactions that are permitted to be allocated to the reserves and other related accounts as noted in procedure 6.1.1. Note any exceptions.	We compared the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in 6.1 above, to the categories of transactions that are permitted to be allocated to reserves and other related accounts as noted in procedure 6.1.1 and found no exceptions.

	Procedures	Findings
	Statements of Net Assets and Funds	
7	Other assets, liabilities and guarantees	
7.1	Housing loans Obtain a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedure:	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.1.1	Agree the total value of housing loans on the above list to the corresponding amount disclosed in the housing loans note [insert the note number] to the [audited/unaudited*] annual financial statements. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2	From the list in 7.1, select a sample of the lesser of 25 or 10% of the number of members' housing loans (sample to include a combination of new and previously issued loans and selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1	For new housing loans issued, perform the following procedures:	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.1	Obtain the home loan agreement from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect the agreement for the loan amount and date of granting of the loan.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.2	Agree the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.3	Inspect the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules] and/or the home loan agreement and note the percentage.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.4	Obtain the member individual account balance at the date of granting the loan from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.2.1.3. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.2	For all loans selected in 7.2, inspect the member's home loan movement report from the administration system obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]] for the interest rate(s) used and agree the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.

	Procedures	Findings
	Statements of Net Assets and Funds	
7.	Other assets, liabilities and guarantees	
7.2.3	Obtain the National Credit Act (NCA) registration certificate from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and/or inspect the NCA website for the Fund's name and registration number as evidence that the Fund is registered as a credit provider under the National Credit Act, 2005 ("the NCA").	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.3	Housing loan guarantees Obtain the loan agreement between the Fund and the financial institution from the Fund administrator. Inspect the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules and/or the loan agreement] and note the percentage.	We obtained the loan agreement between the Fund and the financial institution from the Fund administrator. We inspected the loan agreement for the maximum allowable percentage of member individual accounts as allowed in terms of rule and noted 50%.
7.3.1	Defined contribution funds Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2025 from the Fund administrator, and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees (selected based on the selection criteria provided above), and perform the following procedures:	We obtained the list of housing loan guarantee balances granted to members from the loan provider as at 30 June 2025 from the Fund administrator, selected a sample of 25 members of the housing loan guarantees, and performed the following procedures:
7.3.2	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	We inspected the member's record on the administration system and noted that member's record was flagged as having a housing loan guarantee.
7.3.3	Divide the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.3. Note any differences.	We divided the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1. No instances were noted where the percentage calculated exceeded the maximum allowable percentage noted in 7.3
7.4	Defined benefit funds Obtain a list of housing loan guarantees granted to defined benefit fund members from the loan provider as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and select a sample of the lesser of 25 or 10% of the number of new housing loan guarantees issued in the current [period/year] (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable as the Fund is not a defined benefit fund.
7.4.1	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable as the Fund is not a defined benefit fund.
7.4.2	Obtain the withdrawal benefit calculated by the [Fund administrator/[insert the name and designation of the representative of the Fund]] as at the date of issuing of the guarantee, and perform the following procedure:	Not applicable as the Fund is not a defined benefit fund.

	Procedures	Findings
	Statements of Net Assets and Funds	
7.	Other assets, liabilities and guarantees	
7.4.3	Recalculate the percentage by dividing the loan amount granted, as noted on the listing in procedure 7.4, with the amount noted on the withdrawal benefit noted in procedure 7.4.2 and note where the percentage calculated exceeds the maximum allowable percentage noted in procedure 7.3. Note any exceptions.	Not applicable as the Fund is not a defined benefit fund.
8	Contributions	
8.1	Obtain a list of the number of pay points, from the Fund administrator, that reconciles to the contributions note 6 of the audited annual financial statements and select a sample of the lesser of 25 or 10% of the number of pay points (selected based on the selection criteria provided above), and for each pay point perform the following procedures for each of the three months selected under procedure 2.3 and/or 3.2:	We obtained a list of the number of pay points from the Fund administrator that reconciled to the contributions note 6 of the audited annual financial statements and selected a sample of 1 of the number of pay points and performed the following procedures for the three months selected under procedure 2.3 and/or 3.2.
8.2	Agree the total amount of the list above to the general ledger account number 4000-0005, 4000-0010, 4000-0015 and note any differences.	The total amount of the list above agreed to the general ledger 4000-0005, 4000-0010, 4000-0015. No differences were noted.
8.3	For the pay points selected in procedure 8.1 above, obtain the bank statements from the Fund administrator and inspect the bank statements for a description/identification of the bank where the contributions were deposited, and perform the following procedures:	For the pay point selected in procedure 8.1 above, we obtained the bank statements from the Fund administrator and inspected the bank statements for a description/identification of the bank where the contributions were deposited and performed the following procedures.
8.3.1	Agree the total contribution amount per the documentation received in procedure 2.3.2 and/or 3.2.2 to the total amount reflected on the bank statement obtained in procedure 8.3 and note any differences.	No instances were noted where the total contribution amount received did not agree to the amount per the bank statement.
8.3.2	Inspect the date of receipt of the contributions as per the bank statements obtained in procedure 8.3 and note the dates and number of contributions received after seven days of the following month. Note any exceptions.	No instances were noted where contributions were received after 7 days.
8.3.3	For the exceptions noted in 8.3.2 above (receipts after seven days), inquire from the Fund administrator whether Late Payment interest has been raised in terms of Regulation 33 of the Act.	Not applicable, no instances were noted.
9.	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2025 from the Fund administrator, and perform the following procedure:	We obtained a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2025 from the Fund administrator, and performed the following procedure:
9.1.1	Agree the list of lump sum benefits per exit type to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. Note any differences.	The list of lump sum benefits per exit type agreed to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator.

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
9.	Benefits	
9.2	Select a sample of the lesser of 25 or 10% of the total number of lump sum benefits (as per the selection criteria noted above) pro-rated on the number of exits per exit type from the list. Obtain the member statements from the administration system and perform the following procedures on the sample selected:	The following number of samples was selected per exit type, pro-rated on the number of exits: 11 Withdrawals, 1 Disability, 2 Death and 11 Retirement We obtained the member statements from the administration system and performed the following procedures on the sample selected:
9.2.1	<p>For each selected benefit, compare the following fields:</p> <ul style="list-style-type: none"> ● gross benefit amount; ● tax amount; ● net benefit amount; ● exit date; and ● type of benefit <p>to the administration system and the [insert the authorised supporting documentation, such as the signed member exit form and SARS Tax Directives] determined by the procedures of the Fund. Note any differences.</p> <p>Exit date:</p> <p>i. Agree the exit date per the member's withdrawal form obtained from the Fund administrator to the exit date reflected on the administration system. Note any differences.</p> <p>Tax amount:</p> <p>i. Agree the tax amount related to the benefit per the Tax directive obtained from the Fund administrator to the tax amount deducted as reflected on the administration system. Note any differences.</p>	<p>We compared each benefit selected to the administration system and the authorised supporting documentation such as the signed member exit form, SARS Tax Directive) in accordance with the procedures of the Fund for the following fields:</p> <ul style="list-style-type: none"> ● the gross benefit amount ● tax amount ● net benefit amount ● exit date and ● type of benefit <p>We noted no differences.</p> <p>Exit date:</p> <p>i. The exit date as reflected on the member's withdrawal benefit form obtained from the Fund administrator agreed to the exit date on the administration system.</p> <p>Tax amount:</p> <p>The tax amount related to the benefit per the tax directive obtained from the Fund administrator agreed to the tax amount deducted as reflected on the administration system.</p>
9.2.2	<ul style="list-style-type: none"> ● For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds): <ul style="list-style-type: none"> ○ Note the portion of the benefit that had been reinsured as reflected on the administration system. ○ Obtain a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the Fund administrator. ○ Recalculate the reinsurance proceed amount by multiplying the member's latest salary with the factor both that can be obtained from the member's record on the administration system and compare the recalculated amount with the amount on the confirmation letter, and note any differences. 	<ul style="list-style-type: none"> ● We obtained a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the Fund administrator. ● We recalculated the reinsurance proceed amount by multiplying the member's latest salary with the factor obtained from the member's record on the administration system and compared the recalculated amount with the amount on the confirmation letter. No differences were noted:

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
9.	Benefits	
9.2.2	<ul style="list-style-type: none"> ○ Obtain a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the year, from the Fund administrator and agree the amount per the confirmation letter obtained above to the listing, and note any exceptions 	<ul style="list-style-type: none"> • We obtained a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the year, from the Fund administrator and agreed the amount per the confirmation letter obtained above to the listing.
9.2.3	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Obtain the gross benefit as calculated by the Fund Actuary [insert the name of the actuary] from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Agree the gross benefit amount from 9.2.1 to the gross benefit from the calculation obtained. Note any differences.</p> <p>For a defined contribution fund:</p> <p>For members who were active during the period/year ended, perform the following procedures:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that monthly contributions were added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements, and note any differences. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable). 	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Not applicable as this is not a defined benefit Fund.</p> <p>For a defined contribution fund:</p> <p>For members who were active, we performed the following procedures:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. We inspected the member records on the administration system and noted that monthly contributions up to the date of exit as per 9.2.1 were added to the member record. iii. We obtained the bank statements reflecting the benefit payments from the Fund administrator. The net benefit amounts as per procedure 9.2.1 agreed to the bank statements. iv. No differences noted.

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
9.	Benefits	
	<p>For members who were paid up and/or deferred:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that interest was added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount as per procedure 9.2.1 to the bank statements, and note any differences. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable). 	<ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. We noted that interest for the period up to the date of exit as per 9.2.1 were added to the member record as per the administration. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator. The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. Not applicable as there were no differences noted in iii.
9.2.4	In cases where a fund has a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution) and the member was due a surplus amount as per the surplus account listing noted in 4.2, inspect the member's fund credit transactions on the administration system obtained from the Fund administrator to note that the member record was updated with the surplus amount.	Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).
9.3	Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at [insert the period/year-end] from the Fund administrator, and select a sample of the lesser of 25 or 10% of the total number of benefits from the list (selected based on the selection criteria provided above), and perform the following procedure:	We obtained a list of the current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2025 from the Fund administrator, selected a sample of 25 of the total number of benefits from the list, and performed the following procedure:
9.3.1	<p>For the sample selected above, (excluding death benefits), calculate the number of months that benefit has been unpaid, using the date of exit as the starting month.</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions, if incorrectly classified.</p>	<p>For the sample selected, we calculated the number of months that the benefit has been unpaid, using the date of exit as the starting month and noted the following:</p> <p>No exceptions were noted where the benefits were not classified in the correct category.</p>

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
9.	Benefits	
9.3.2	<p>For the sample selected above relating to death benefits, calculate the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator.</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions if incorrectly classified.</p>	<p>For the sample selected relating to death benefits, we calculated the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator and noted the following:</p> <p>No exceptions were noted where the benefits were not classified in the correct category.</p>
10	Transfers	
10.1	<p>Obtain separate lists of Section 14 transfers to and from the Fund throughout the year from the Fund administrator and agree the totals of the lists to the amounts reflected in the "Transfers into the Fund" and "Transfers from the Fund" notes 4 and 9 to the audited annual financial statements. Note any differences.</p>	<p>Not applicable. There were no Section 14 transfers to and from the Fund..</p>
10.2	<p>From the list of Section 14 transfers to and from the Fund throughout the year, select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Not applicable. There were no Section 14 transfers to and from the Fund.</p>
10.2.1	<p>Obtain the following Section 14 documentation from the Fund administrator:</p> <ol style="list-style-type: none"> Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G in respect of each transfer; and/or Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed. <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> Name of transferor/transferee fund; Effective date; Approval date; Number of members; Transfer amount; and Growth and investment return. <p>Note any exceptions.</p>	<p>Not applicable. There were no Section 14 transfers to and from the Fund.</p>

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
10	Transfers	
10.2.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions, where the Section 14 transfers to and from the Fund were:</p> <ul style="list-style-type: none"> ● Not received/paid within 60 days of Authority approval for Section 14(1) transfers; ● Not received/paid within 180 days from the effective date for Section 14(8) transfers; and ● Not received/paid within the period as noted in the blanket transfer documentation, but not after 60 days from the blanket transfer end date. 	Not applicable. There were no Section 14 transfers to and from the Fund.
10.2.3	Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	Not applicable. There were no Section 14 transfers to and from the Fund.
10.3	From the list of Section 14 transfers from other funds, as per procedure 10.2, select a sample of the lesser of 25 or 10% of the number of members (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. There were no Section 14 transfers to and from the Fund.
10.3.1	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any differences.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>In respect of unitised funds</p> <p>Not applicable. There were no Section 14 transfers to and from the Fund.</p> <p>In respect of non-unitised funds</p> <p>Not applicable. The Fund is unitised.</p>
10.4	<p>Individual transfers in</p> <p>Obtain the list of individual transfers in throughout the year ended 30 June 2025 from the Fund administrator, select a sample of the lesser of 25 or 10% of the number of individual transfers (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Individual transfers in</p> <p>Not applicable. There were no individual transfers in throughout the period ended 30 June 2025.</p>

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
10	Transfers	
10.4.1	Obtain the recognition of transfer documentation submitted by the transferor fund to the Fund from the Fund administrator. Agree the effective date and amount transferred to the recognition of transfer documentation. Note any exceptions.	Not applicable. There were no individual transfers in throughout the period ended 30 June 2025.
10.4.2	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by using the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any exceptions.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>In respect of unitised funds</p> <p>Not applicable. There were no individual transfers in throughout the period ended 30 June 2025.</p> <p>In respect of non-unitised funds</p> <p>Not applicable as the Fund is unitised.</p>
10.5	<p>Unclaimed benefit payments</p> <p>Obtain a list of unclaimed benefits paid during the year from the Fund administrator, and perform the following procedures:</p>	<p>Unclaimed benefit payments</p> <p>Not applicable as there were no unclaimed benefit payments for the period ended 30 June 2025.</p>
10.5.1	Agree the total of the list of payments to the respective general ledger unclaimed benefit accounts reconciliation prepared by the Fund administrator.	Not applicable as there were no unclaimed benefit payments for the period ended 30 June 2025.
10.5.2	Select a sample of the lesser of 25 payments or 10% of the total number of unclaimed benefits paid from the list (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable as there were no unclaimed benefit payments for the period ended 30 June 2025.:
10.5.2.1	<p>For each selected unclaimed benefit paid, compare the following fields as reflected on the administrator's listing:</p> <ul style="list-style-type: none"> ● Gross benefit amount; ● Tax amount; and ● Late payment interest (if applicable) <p>to the administration system and the authorised supporting documentation, such as the signed member exit form and SARS Tax Directives and payment letter.</p>	Not applicable as there were no unclaimed benefit payments for the period ended 30 June 2025.

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
10	Transfers	
10.6	<p>Unclaimed benefit transfers</p> <p>Obtain a list of unclaimed benefits Section 14 transfers during the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and from the list of unclaimed benefits Section 14 transfers paid/accrued from the Fund throughout the [period/year], select a sample of the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Unclaimed benefit transfers</p> <p>Not applicable as there were no section 14 transfer relating to unclaimed benefits.</p>
10.6.1	<p>Obtain the following Section 14 documentation from the [Fund administrator/[insert the name and designation of the representative of the Fund]]:</p> <p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G, in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> ● Name of transferor/transferee fund; ● Effective date; ● Approval date; ● Number of members; ● Transfer amount; and ● Growth and investment return. <p>Note any exceptions.</p>	<p>Not applicable as there were no section 14 transfer relating to unclaimed benefits.</p>
10.6.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions where the unclaimed benefits Section 14 transfers from the Fund were:</p> <ul style="list-style-type: none"> ● Not paid within 60 days of Authority approval for Section 14(1) transfers; and ● Not paid within 180 days from the effective date for Section 14(8) transfers. 	<p>Not applicable as there were no section 14 transfer relating to unclaimed benefits.</p>

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
10	Transfers	
10.6.3	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	Not applicable as there were no section 14 transfer relating to unclaimed benefits.
11	Pensioners paid	
11.1	Obtain the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note 7 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2025, and perform the following procedures:	We obtained the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note 7 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2025, and performed the following procedures:
11.1.1	Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account [insert the general ledger account number]. Note any differences and/or unexplained reconciliation items.	The total pension expense per the reconciliation agreed to the pension expenses general ledger account 3050/369-880 and .3050/42-880
11.2	In-fund pensioners Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number and monthly pension amount for the [period/year] ended [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the total pensions amount paid to the total pension amount paid on the reconciliation obtained in procedure 11.1. From the above list, select a sample of the lesser of 25 or 10% of the number of pensioners (selected based on the selection criteria provided above) and perform the following procedures:	In-fund pensioners Not applicable. The Fund did not make pensioner payments.
11.2.1	Obtain the Board of Fund minutes or resolution from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and note the pension increase percentage and the effective date of the pension increase.	Not applicable. The Fund did not make pensioner payments.
11.2.2	Inspect the administration system or observe the [Fund administrator/[insert the name and designation of the representative of the Fund]] indicating on the administration system the pension increase granted to the pensioners. Note the percentage increase granted to the pensioners and the effective date of the pension increase.	Not applicable. The Fund did not make pensioner payments.
11.2.3	Agree the percentage increase and effective date noted in procedure 11.2.1 to the percentage increase and effective date noted in procedure 11.2.2.	Not applicable. The Fund did not make pensioner payments.

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
10	Transfers	
11.2.4	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] when the most recent (closest to [period/year-end] of the Fund) Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] that indicates the alive status of the pensioners was obtained for the Fund and note the date.	Not applicable. The Fund did not make pensioner payments.
11.2.5	Obtain the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect for the pensioners' names and/or identification numbers of the sample of pensioners.	Not applicable. The Fund did not make pensioner payments.
11.3	Annuities purchased in the name of the Fund Obtain an external confirmation from the annuity providers summarising the movements from the opening market value to the closing market value for the [period/year], and perform the following procedures:	Annuities purchased in the name of the Fund Not applicable as there are no annuities.
11.3.1	Agree the closing market value of the annuity per the external confirmation from the annuity providers to the annuities purchased general ledger account [insert the general ledger account number]. Note any differences.	Not applicable as there are no annuities.
11.3.2	Agree the pension expense per the external confirmation from the annuity providers to the pension expense on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Not applicable as there are no annuities.
11.4	Living annuities in the Fund Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator and agree the total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity to the pension amount paid on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Living annuities in the Fund We obtained a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator. The total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity agreed to the pensioner amount paid on the pensioner reconciliation obtained in procedure 11.1.
11.4.1	New Living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of new pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	We selected a sample from the listing obtained in procedure 11.4 of 7 of the number of new pensioners in receipt of a living annuity; obtained the detailed pensioner record/statement for the period reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and performed the following procedures:
11.4.1.1	Obtain the [insert the name of the document reflecting the pensioners' chosen drawdown rate at retirement] of the new pensioners in receipt of a living annuity.	We obtained the member payment letter and email of the new pensioners in receipt of a living annuity

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
11	Pensioners paid	
11.4.1.2	Agree the drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 to the drawdown rate obtained in procedure 11.4.1.1, Note any differences.	The drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 agreed to the drawdown rate obtained in procedure 11.4.1.1.
11.4.2	All living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the period reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	All living annuities in the Fund We selected a sample from the listing obtained in procedure 11.4 of 25 of the number of pensioners in receipt of a living annuity; obtained the detailed pensioner record/statement for the period reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and performed the following procedures:
11.4.2.1	Compare the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities. Note any exceptions where the drawdown rate, as per the administration system, is higher or lower than the one defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.	We compared the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities. No instances were noted where the drawdown rate as per the administration system was higher or lower than the one defined in Section 1 of the Income Tax Act and/or Authority's Conduct Standard on Living Annuities.
11.4.2.2	Recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. Agree the recalculated drawdown rate to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2. Note any exceptions.	We recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. The recalculated drawdown rate agreed to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2.
11.4.2.3	Obtain the Certificate of Existence noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioner's name and/or identification number. Note any exceptions.	We obtained the Certificate of Existence noted in procedure 11.2.4 from the Fund administrator. We inspected the Certificate of Existence for the pensioner's name and/or identification number. No instances were noted where the pensioner's name and/or identification number did not appear on the Certificate of Existence.
12	General	
12.1	Obtain a copies of the fund's fidelity insurance policies from the Fund administrator for the year ended 30 June 2025 and inspect the period of the cover (start date and end date). Note instances where the cover period does not extend to the year-end. Note the date on which the cover is in place.	We obtained copies of the fund's fidelity insurance policies from the Fund administrator and inspected the period of the policy (1 November 2024 - 30 October 2025). The period of the cover per the policy extended to the year end. The Fund's fidelity insurance cover was in place until 30 October 2025.

	Procedures	Findings
	Statement of Changes in Net Assets and Funds	
12.	General	
12.2	Inquire from the Fund administrator the date(s) of the latest approved Group Life Assurance (GLA) and/or disability benefit policies of the Fund for the sample of pay points selected in procedure 8.1 and note the period of cover(s) and whether the cover(s) extended subsequently to the year-end. Note the end date of the cover(s).	We inquired from the Fund administrator about the date(s) of the latest GLA and/or disability benefit policies of the Fund and noted that cover(s) is/are in place until 30 June 2025. We noted that the cover(s) extended subsequently to the year end till 30 September 2025.
12.3	Inquire from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority. Note the date of the valuation and the date of submission to the Authority. Where the Fund is valuation exempt, inquire from the Fund administrator when the valuation exemption was approved by the Authority and note the date.	We inquired from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority, and noted that the date of the valuation was 30 June 2023 and it was submitted to the Authority on 28 June 2024.
12.3.1	Obtain a copy of the latest statutory valuation from the Fund administrator, as noted in procedure 12.3, and inspect the valuation note for the funding status of the Fund (whether the Fund was under-funded or fully funded).	We obtained the latest statutory valuation from the Fund administrator as noted in procedure 12.3, and inspected the valuation note for the funding status of the Fund. We noted that the funding status was fully funded.
12.3.2	Where the Fund is under-funded per the valuation report, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]], as to whether a scheme, as required in terms of Section 18 of the Act, has been approved by the Authority. Note any exceptions.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.
12.3.3	Where a scheme as required by Section 18 of the Act has been approved by the Authority, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]] as to whether the recommendations/corrective action of the scheme, as required in terms of Section 18 of the Act, have/has been implemented. Note any exceptions.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.

Sizwe Ntsaluba Gobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.

**Patience Bhebhe
Director
Registered Auditor**

29 April 2026

**152 14th Road
Noordwyk
Midrand
1687**

KZN MUNICIPAL PENSION FUND

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

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Non-compliant Insurance policies Note M2	Total	Local	Foreign	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	1 407 574 707	76 075 000	730 851 306	2 214 501 013	2 191 759 625	22 741 388	22 741 388	1,03	2 214 501 013
Commodities	B	63 980 941	66 217	-	64 047 158	64 047 158	-	-	-	64 047 158
Debt instruments including Islamic debt Instruments	C	3 648 720 287	889 319 879	1 447 547 387	5 985 587 553	5 927 235 086	58 352 467	58 352 467	0,97	5 985 587 553
Investment and owner occupied properties	D	1 192 366 645	267 576 841	13 637 174	1 473 580 660	1 420 392 512	53 188 148	53 188 148	3,61	1 473 580 660
Equities	E	15 328 913 134	2 178 749 700	35 907 734 17	543 570 568 10	509 510 372	7 034 060 196	7 034 060 196	40,09	17 543 570 568
Hedge Funds	J	97 751 904	-	-	97 751 904	97 751 904	-	-	-	97 751 904
Private Equity Funds	K	765 902 483	-	1 003 691 656	1 769 594 139	947 970 811	821 623 328	821 623 328	46,43	1 769 594 139
Total investments		22 505 210 101	3 411 787 637	3 231 635 257 29	148 632 995 21	158 667 468	7 989 965 527	7 989 965 527	27,41	29 148 632 995

A CASH

Instrument	Fair value R
Local	
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	1 268 250 441
Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets	706 771 562
Standard bank SA Limited	24 343 313
Firstrand Ltd	623 324 652
South African Rand	10 714 613
Absa Bank Limited	18 605 785
Investec Bank Limited	10 050 544
Nedbank Limited	11 064 192
HSBC Bank PLC	8 668 463
<i>Total of issuers not exceeding 5%</i>	40 341 947
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets	568 398 891
Investec Bank Ltd	16 078 549
Nedbank Group Ltd	22 942 383
Standard Bank Group Ltd	21 335 058
Thekwini Fund Ltd	1 987 667
ABSA Bank Limited	109 526 545
Firstrand Bank Limited	130 635 599

KZN MUNICIPAL PENSION FUND

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

A CASH (continued)

Instrument	Fair Value R
Standard Bank of South Africa Limited	90 245 261
Nedbank Limited	175 647 829
<i>Total of issuers not exceeding 5%</i>	(8 849 313)
Any positive net balance in a margin account with an exchange - exceeding 5% of total assets	10 389 267
Safex Initial Margin	6 515 956
Yieldx Initial Margin	2 066 262
Yieldx	1 807 049
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets - exceeding 5% of total assets	(3 510 286)
Management Fee	(618 453)
Absa Bank Ltd	(267 351)
FirstRand Bank Ltd	(28 081 519)
HSBC Bank PLC	(423 409)
Nedbank Group Ltd	(3 928 005)
Standard Bank Group Ltd	24 863 352
KZNPEF	2 645 186
Standard Bank of South Africa Limited	2 299 913
<i>Total of issuers not exceeding 5%</i>	(45 291 627)
Foreign	
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	139 324 266
Any balance or deposit held with a foreign bank - exceeding 5% of total assets	74 372 379
EECash-Bony	18 327 668
United States Dollar (USD-BONY)	19 554 821
United States Dollar (USD-JPMS)	20 572 050
GSY B Global Balanced (SA) Fund	12 747 169
Peresec	3 170 671
<i>Total of issuers not exceeding 5%</i>	(5 252 820)
A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets	70 204 707
GSF China A Shares Fund	242 820
GSY B Global Balanced (SA) Fund	87 225 921
HSBC Asia Holdings Ltd	(17 302 910)
Global Sustainable Equity Fund	38 876
Total	1 407 574 707

KZN MUNICIPAL PENSION FUND

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

B COMMODITIES

Instrument	Holding number	Holding %	Fair value R
Local			
Gold (including Kruger Rands)			
ABSA Bank Limited	-	0,06	16 125 220
NewGold Issuer Ltd	-	0,16	47 855 721
			<u>63 980 941</u>
			<u>63 980 941</u>
Total			<u>63 980 941</u>

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic					
SA Government	Local	Unsecured	Issued	1 218 374 000,00	1 902 396 943
Eskom Holdings SOC	Local	Unsecured	Issued	6 477 242,00	6 429 949
South African National Road Agency SOC Ltd	Local	Unsecured	Issued	5 947 512,00	6 676 446
Transnet SOC Ltd	Local	Unsecured	Issued	1 637 536,00	1 637 536
TNG29 11.59% 070329 (TNG29)	Local	Unsecured	Issued	12 627 712,00	12 627 712
I2033 1.8750% 280233 (I2033)	Local	Unsecured	Issued	39 776 110,00	55 778 513
I2038 2.25% 310138 (I2038)	Local	Unsecured	Issued	23 036 003,00	35 968 941
Total					<u>2 021 516 040</u>
<i>Total of issuers not exceeding 5%</i>					7 863 741
Debt instruments issued or guaranteed by the government of a foreign country:					
<i>Total of issuers not exceeding 5%</i>					80 662 924
Bank debt :					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-					
Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed					
ABSA Bank Limited	Local	Unsecured	Issued	40 471 856,00	40 471 856
Firststrand Bank Limited	Local	Unsecured	Issued	46 282 837,00	46 282 837
Investec Bank Limited	Local	Unsecured	Issued	5 063 700,00	5 063 700
Total					<u>91 818 393</u>
<i>Total of issuers not exceeding 5%</i>					80 662 924

KZN MUNICIPAL PENSION FUND

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

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS (continued)

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed					
<i>Total of issuers not exceeding 5%</i>					69 231 253
Public debt:					
Debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-					
Industrial Development Corporation of South Africa	Local	Secured	Issued	10 693 940,00	10 693 940
Trans – Caledon Tunnel Authority	Local	Secured	Issued	1 261 987,00	1 261 987
Transnet Limited	Local	Secured	Issued	74 387 974,00	74 387 974
Rand Water	Local	Secured	Issued	6 070 122,00	6 070 122
Total					92 414 023
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
Discovery Ltd	Local	Unsecured	Issued	2 360 623,00	2 360 623
Foschini Group Ltd	Local	Unsecured	Issued	-	865 064
MTN Group Ltd	Local	Unsecured	Issued	-	862 134
Redefine Properties Ltd	Local	Unsecured	Issued	487 292,00	487 292
BNP Paribas	Foreign	Unsecured	Issued	30 517 843,00	30 517 843
Total					35 092 956
<i>Total of issuers not exceeding 5%</i>					2 323 097 393
Not listed on an exchange					
<i>Total of issuers not exceeding 5%</i>					(1 153 639 360)
Total debt instruments including Islamic debt instruments					3 648 720 287

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	Holding %	Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:						

KZN MUNICIPAL PENSION FUND

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

Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed

Growthpoint Properties Limited	Local	3 430 787 066	7 890 382	Ordinary	0,23	105 652 221
Capital & Counties Properties	Local	-	17 566	Ordinary	-	1 636 757
Equites Property Fund Ltd	Local	832 008 815	707 829	Ordinary	0,09	10 702 378
Fortress Real Estate Investments Ltd	Local	1 204 291 830	1 051 203	Ordinary	0,09	21 108 165
Hammerson Plc	Local	488 884 956	1 318 923	Ordinary	0,27	97 943 234
Hyprop Investments Ltd	Local	380 399 133	1 114 618	Ordinary	0,29	47 661 050
Leg Immobilien Ag	Local	-	13 443	Ordinary	-	16 922 644
Lighthouse Properties plc	Foreign	2 040 229 731	783 436	Ordinary	0,04	6 369 336
Mas Plc	Foreign	716 145 729	589 877	Ordinary	0,08	14 316 310
Redefine Properties Limited	Local	7 202 600 656	33 290 852	Ordinary	0,46	152 472 103
Resilient Reit Ltd	Local	365 204 738	610 353	Ordinary	0,17	36 804 314
Sirius Real Estate Limited	Local	1 511 857 390	597 450	Ordinary	0,04	14 159 573
Vukile Property Fund Limited	Local	1 244 630 392	2 386 350	Ordinary	0,19	46 844 042
NEPI Rockcastle NV	Local	712 357 309	1 100 116	Ordinary	0,15	148 460 654
Total of issuers exceeding 5%						<u>721 052 781</u>

Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed

Attacq Limited	Local	746 198 337	5 472 074	Ordinary	0,73	76 937 363
Burstone Group Ltd	Local	804 918 444	1 330 026	Ordinary	0,17	10 799 809
Emira Property Fund Limited	Local	514 233 099	83 140	Ordinary	0,02	915 371
Fortress Real Estate Investments Ltd	Local	1 204 291 830	1 051 203	Ordinary	0,09	21 108 165
SA Corporate Real Estate Fund	Local	2 625 247 699	1 472 419	Ordinary	0,06	4 593 948
Stor-Age Property Reit Limited	Local	481 663 273	206 678	Ordinary	0,04	3 296 517
Total of issuers exceeding 5%						<u>117 651 173</u>

Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed

Dipula Income Fund Limited B	Local	910 452 117	351 521	Ordinary	0,04	1 880 636
Octodec Investments Limited	Local	266 197 535	30 200	Ordinary	0,01	309 550
RMB Holdings Limited	Local	1 392 933 199	22 156 734	Ordinary	1,59	9 748 963
Total of issuers exceeding 5%						<u>11 939 149</u>

Total

850 643 103

MSM Property Fund I GP (Pty) Ltd
Umthi Real Estate

Local	-	-	Ordinary	271 327 503
Local	-	-	Ordinary	70 396 039

Total

341 723 542

Total

1 192 366 645

KZN MUNICIPAL PENSION FUND

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

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity %	Fair value R
Listed equities						
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed						
Nasionale Pers BPK	Local	-	Ordinary	-		148 358 206
Prosus	Local	-	Ordinary	-		147 430 592
Naspers Ltd - N Shares	Local	164 431 276	Ordinary	23 561	0,01	129 947 868
Naspers Ltd	Local	164 431 276	Ordinary	29 093	0,02	160 458 950
Standard Bank of SA Limited	Local	1 646 211 851	Ordinary	729 138	0,04	165 900 769
Peresec	Foreign	-	Ordinary	-		1 251 761 880
GSY B Global Balanced (SA) Fund	Foreign	-	Ordinary	-		877 871 959
Black Rock	Foreign	-	Ordinary	-		47 588 040
Auto1 Group SE	Foreign	-	Ordinary	-		39 442 639
Total						2 968 760 903
<i>Total of issuers not exceeding 5%</i>						<u>10 735 588 996</u>
Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed						
Netcare Ltd	Local	1 364 628 089	Ordinary	1 669 914	0,12	23 295 300
Sappi Ltd	Local	604 641 463	Ordinary	701 856	0,12	20 887 235
Datated Limited	Local	236 184 688	Ordinary	283 852	0,12	18 518 504
Astral Foods Ltd	Local	42 922 235	Ordinary	190 745	0,44	33 872 497
Lewis Group Ltd	Local	52 159 288	Ordinary	278 611	0,53	22 417 053
Peresec	Foreign	-	Ordinary	-		808 076 372
Zimplats Holdings Limited	Foreign	-	Ordinary	-		1 705 847
Stanbic IBTC holding Co	Foreign	-	Ordinary	-		990 835
Hightec Payment Systems SA	Foreign	-	Ordinary	-		1 470 111
Fawry for Banking & Payment Technology Services	Foreign	-	Ordinary	-		1 174 836
Total						932 408 590
<i>Total of issuers not exceeding 5%</i>						<u>320 659 302</u>
Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed						
EPE Capital Partners Ltd	Local	287 500 000	Ordinary	773 766	0,27	5 145 543
Renergen Ltd	Local	155 047 410	Ordinary	91 097	0,06	1 084 059

KZN MUNICIPAL PENSION FUND

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

Renergen Ltd	Local	155 047 410	Ordinary	534 143	0,34	6 356 302
Trellidor Holdings Ltd	Local	95 209 820	Ordinary	185 838	0,20	356 809
Metrofile Holdings Ltd	Local	433 699 958	Ordinary	294 976	0,07	772 836
Total						<u>13 715 549</u>
Unlisted equities						
Harith INFACO (Kujenga)	Local	-	Ordinary	-		118 306 332
Humming Bird	Local	-	Ordinary	-		50 125 379
Easy Hold Co	Local	-	Ordinary	-		23 165 841
Smart Kitchen	Local	-	Ordinary	-		10 923 338
Cascais Ocean View	Foreign	-	Ordinary	-		124 515 573
Other	Local	-	Ordinary	-		30 743 331
Total						<u>357 779 794</u>
Total equities						<u>15 328 913 134</u>

KZN MUNICIPAL PENSION FUND

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

J HEDGE FUNDS

Instrument	Period into contract	Total value of commitment R	Current value of commitment R
Hedge Funds			
Total		97 751 904	97 751 904
Total Hedge funds commitment		<u>97 751 904</u>	<u>97 751 904</u>

K PRIVATE EQUITY FUNDS

Instrument	Structure	Total value of commitment R	Current value of commitment R
Private Equity Fund			
Coronation		37 342 575	37 342 575
Infra Impact Investment	Partnerships	49 708 440	49 708 440
OMM long short	Partnerships	45 577 354	45 577 354
Muruo Agri Fund	Partnerships	176 478 572	176 478 572
Vuna	Partnerships	137 107 110	137 107 110
Funds of Private Equity Fund			
Insite Towers		223 222 324	223 222 326
Ascession		96 466 106	96 466 106
Total Private Equity Funds commitment		<u>765 902 481</u>	<u>765 902 483</u>

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
All Weather	0,68	197 241 722
Camissa	0,07	20 467 201
Prescient A	0,47	135 591 988
Prescient B	0,23	67 364 539
		<u>420 665 450</u>

KZN MUNICIPAL PENSION FUND

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

Foreign

Black rock	9,68	2 822 883 578
Camissa	0,03	8 755 751
Northern Trust	0,55	159 482 858
		2 991 122 187
Total Non-compliant collective investment schemes		3 411 787 637

M2 NON- COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Non-linked policies		
Local		
Alexandra Forbes	0,72	209 712 271
Coronation_Bond	1,49	433 128 202
Coronation_cash	2,85	831 900 701
Old Mutual Multi Managers	0,15	43 691 808
Old Mutual Private Equity	0,49	143 522 887
Other	4,39	1 280 695 160
		2 942 651 029
Foreign		
Alexandra Forbes	0,01	2 786 279
Coronation_Bond	0,98	286 196 625
Stanlib	-	1 324
		288 984 228
Total non-linked policies		3 231 635 257
Total certified Regulation 28 non-compliant investments		6 643 422 894

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

KZN MUNICIPAL PENSION FUND

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

Counterparty	Deposit/liquid asset with counterparty	Any other instrument	Total per counterparty	Exposure to counterparty as a % of the fair value of the assets of the fund
	R	R	R	
Banks	623 756 022	-	623 756 022	2,13 %
First National Bank	623 324 652	-	623 324 652	2,13 %
Standard bank USD	431 370	-	431 370	- %

KZN MUNICIPAL PENSION FUND

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

Asset managers - local	-	22 566 496 973	22 566 496 973	77,03 %
Alex Forbes	-	212 498 550	212 498 550	0,73 %
All Weather	-	197 241 722	197 241 722	0,67 %
Argon	-	1 990 812 168	1 990 812 168	6,80 %
Ascession	-	97 239 932	97 239 932	0,33 %
ATA	-	108 241 781	108 241 781	0,37 %
Camissa	-	29 222 952	29 222 952	0,10 %
Coronation - Bond	-	719 324 827	719 324 827	2,46 %
Coronation - Cash	-	831 900 701	831 900 701	2,84 %
Coronation - Managed	-	2 809 789 976	2 809 789 976	9,59 %
Infra Impact	-	49 708 440	49 708 440	0,17 %
Insite Towers	-	223 222 324	223 222 324	0,76 %
Lima Mbeu	-	789 962 664	789 962 664	2,70 %
M&G	-	2 801 473 171	2 801 473 171	9,56 %
Mahlako	-	60 682 914	60 682 914	0,21 %
Mazi	-	1 198 371 364	1 198 371 364	4,09 %
Meago	-	197 467 938	197 467 938	0,67 %
Mergence	-	191 442 244	191 442 244	0,65 %
Mianza	-	1 450 914 043	1 450 914 043	4,95 %
MSM	-	271 327 503	271 327 503	0,93 %
NinetyOne	-	2 803 533 545	2 803 533 545	9,57 %
Old Mutual Multi-Manager Private Equity Fund 2	-	43 691 808	43 691 808	0,15 %
Old Mutual Private Equity Secondary Fund	-	143 522 887	143 522 887	0,49 %
Old Mutual Private Long Short	-	45 577 354	45 577 354	0,16 %
Prescient A	-	135 591 988	135 591 988	0,46 %
Prescient B	-	67 364 539	67 364 539	0,23 %
RH Managers	-	560 468	560 468	- %
Sagole	-	70 985 593	70 985 593	0,24 %
Sampada/ Moruo Agri Fund	-	176 478 572	176 478 572	0,60 %
Satrix	-	2 101 131 402	2 101 131 402	7,17 %
Stanlib	-	484 734 585	484 734 585	1,65 %
Stonefield	-	76 239 228	76 239 228	0,26 %
Taquanta	-	829 986 618	829 986 618	2,83 %
Vunani	-	1 211 278 439	1 211 278 439	4,13 %
Vuna Partners	-	137 107 110	137 107 110	0,47 %
Sygnia	-	7 867 623	7 867 623	0,03 %
	-	-	-	- %
Asset managers - foreign	-	5 958 379 996	5 958 379 996	20,34 %
Black Rock Equity	-	3 525 707 919	3 525 707 919	12,04 %
Black Rock SLS Fund II	-	47 588 040	47 588 040	0,16 %
Oceans Vacation Club	-	37 883 949	37 883 949	0,13 %
Peresec	-	2 063 201 656	2 063 201 656	7,04 %
RE capital	-	124 515 574	124 515 574	0,43 %
Skyline Umbrella Fund ICAV	-	159 482 858	159 482 858	0,54 %

KZN MUNICIPAL PENSION FUND

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

Other funds	-	146 404 726	146 404 726	0,50 %
Accounts receivable	-	1 783 963	1 783 963	0,01 %
Arrear contributions	-	144 620 763	144 620 763	0,49 %
		623 756 022	28 671 281 695	29 295 037 717
				100,00 %

Market risk

EQUITY HOLDINGS

Investment

	Fair value at end of year	Total fair value equity holdings and open instruments	Market movement by 5%
	R	R	R
British American Tobacco	147 231 647	147 231 647	7 361 582
M&G Lux Global Maxima Fund	180 600 967	180 600 967	9 030 048
MTN Group	157 943 469	157 943 469	7 897 173
GSY B Global Balanced (SA) Fund	877 871 959	877 871 959	43 893 598
Peresec	2 059 838 252	2 059 838 252	102 991 913
Naspers	450 512 785	450 512 785	22 525 639
Standard bank of SA Limited	165 900 769	165 900 769	8 295 038
Cascais Ocean View	124 515 574	124 515 574	6 225 779
Gold Fields	137 894 269	137 894 269	6 894 713
Harith InfraCo	118 306 332	118 306 332	5 915 317
Total value of 10 largest equity holdings	4 420 616 023	4 420 616 023	221 030 800
Total movement as % of non-current assets plus bank			0,76 %

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1)	Cash at bank	Property split (Schedule IAD)	Non-compliant CIS	Non-compliant Insurance Policies	Total
	R	R	R	R	R	R
Cash	784 250 055	623 324 652	-	76 075 000	730 851 306	2 214 501 013
Commodities	63 980 941	-	-	66 217	-	64 047 158
Debt instruments including Islamic debt instruments	3 648 720 287	-	-	889 319 879	1 447 547 387	5 985 587 553
Investment properties and Owner occupied properties	-	-	1 192 366 645	267 576 841	13 637 174	1 473 580 660
Equities	16 521 279 779	-	(1 192 366 645)	2 178 749 700	35 907 734	17 543 570 568
Hedge funds	97 751 904	-	-	-	-	97 751 904
Private equity funds	765 902 483	-	-	-	1 003 691 656	1 769 594 139
Collective investment schemes	3 411 787 637	-	-	(3 411 787 637)	-	-
Insurance policies	3 231 635 257	-	-	-	(3 231 635 257)	-
Total investments	28 525 308 343	623 324 652	-	-	-	29 148 632 995

KZN MUNICIPAL PENSION FUND

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

	Fair value R
A Total assets (Schedule IA -Total investments)	29 148 632 995
B1 Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2 Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3 Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4 Entity regulated by FSCA (Reg 28(8)(b)(iv))	-
B2 Less: Reg 28 excluded investments	-
B2.1 Insurance Policies (Reg 28(3)(c))	-
C Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	29 148 632 995

Categories of kinds of assets	%	Fair value R	Fair value %
1 CASH		2 214 501 013	7,60%
1.1 Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	2 191 759 625	7,52%
(a) Notes and coins; any balance or deposit in an account held with a South African bank;		855 581 160	2,94%
Absa Bank Limited	25%	94 059 618	0,32%
Cashzar	25%	471 708	0,00%
Citi Bank	25%	133 976	0,00%
Firstrand Bank Limited	25%	653 433 896	2,24%
Hsbc Bank	25%	8 895 111	0,03%
Investec Bank Limited	25%	10 050 554	0,03%
Nedbank Limited	25%	46 088 596	0,16%
Standard Bank Of South Africa Ltd	25%	34 409 596	0,12%
Standard Chartered Bank	25%	250 811	0,00%
Szar	25%	7 867 623	0,03%
Other	25%	(80 329)	0,00%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		1 318 371 925	4,52%
Absa Bank Limited	25%	326 173 320	1,12%
Coronation Active Cash Pv Zar Call Account	25%	143 144 351	0,49%
Firstrand Bank Limited	25%	140 404 054	0,48%
Investec Bank Limited	25%	159 921 695	0,55%
Nedbank Limited	25%	374 468 281	1,28%
Old Mutual Institutional Money Market Fund J2	25%	639 701	0,00%
Old Mutual Money Market Fund J2	25%	574 583	0,00%
Rmb Rand Merchant Bank	25%	3 820 770	0,01%
Standard Bank Of South Africa Ltd	25%	170 320 716	0,58%
Unsettled Cash/Currency - Zar	25%	468 558	0,00%
Other	25%	(1 564 104)	(0,01)%
(c) Any positive net balance in a margin account with an exchange		17 806 540	0,06%
Exposure Adjustment	25%	-	0,00%
Johannesburg Stock Exchange Ord Shs	25%	5 711	0,00%
Safex Margin	25%	5 702 510	0,02%
Variation Margin Account	25%	7 009 146	0,02%
Yieldx	25%	5 089 173	0,02%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		-	0,00%

Carried forward

2 191 759 625

7,49%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets		%	Fair value R	Fair value %
Brought forward			2 191 759 625	7,49%
1.2	Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	45%	22 741 388	0,08%
(a)	Any balance or deposit held with a foreign bank		21 384 685	0,07%
	Eur Cash	5%	1 924 506	0,01%
	Eur Margin Account	5%	1 145 195	0,00%
	Gbp Cash	5%	878 468	0,00%
	Hkd Cash	5%	259 099	0,00%
	Jpy Cash	5%	863 891	0,00%
	Nedbank Limited London	5%	3 164 084	0,01%
	Om Albaraka Income	5%	233 137	0,00%
	Pound Sterling	5%	140 693	0,00%
	State Street Corporation	5%	154 808	0,00%
	Usd Margin Account	5%	20 700 990	0,07%
	Other	5%	(8 080 186)	(0,03)%
(b)	Any balance or deposit held with an African bank		-	0,00%
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		1 356 703	0,00%
	Cash Collateral Aud Bzfut	5%	16 837	0,00%
	Cash Collateral Cad Bzfut	5%	50 011	0,00%
	Cash Collateral Eur Bzfut	5%	83 600	0,00%
	Cash Collateral Gbp Bzfut	5%	30 109	0,00%
	Cash Collateral Jpy Bzfut	5%	31 909	0,00%
	Cash Collateral Usd Bzfut	5%	500 581	0,00%
	Hong Kong Dollar	5%	8 466	0,00%
	Japanese Yen	5%	268 862	0,00%
	Nedbank Limited	5%	196 757	0,00%
	Standard Bank Of South Africa Ltd	5%	431 370	0,00%
	Other	5%	(261 799)	0,00%
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		5 985 587 553	20,53%
2.1	Inside the Republic	100%	5 927 235 086	20,33%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	2 919 194 090	10,01%
	Eskom Limited	100%	119 467 862	0,41%
	Republic Of South Africa National Treasury	100%	2 799 726 228	9,61%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	75%	-	0,00%
(c)	Debt instruments issued or by a South African bank against its balance sheet	75%	701 660 738	2,41%
c(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	617 792 044	2,12%
	Absa Bank Limited	25%	48 654 840	0,17%
	African Bank Limited	25%	30 055 241	0,10%
	Bnp Paribas Sa	25%	405 768	0,00%
	Firstrand Bank Limited	25%	283 464 639	0,97%
	Investec Bank Limited	25%	15 056 700	0,05%
	Nedbank Limited	25%	99 103 355	0,34%
	Standard Bank Of South Africa Ltd	25%	141 051 501	0,48%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	-	0,00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	5 112 390	0,02%
	African Bank Limited	10%	5 112 390	0,02%
c(iv)	Not listed on an exchange	25%	78 756 304	0,27%
	Absa Bank Limited	5%	2 901 298	0,01%
	Firstrand Bank Limited	5%	2 849 065	0,01%
Carried forward			5 762 349 900	19,72%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		5 762 349 900	19,72%
Investec Bank Limited	5%	47 777 509	0,16%
Nedbank Limited	5%	1 003 784	0,00%
Rmb Rand Merchant Bank	5%	1	0,00%
Standard Bank Of South Africa Ltd	5%	24 224 647	0,08%
(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	50%	899 686 104	3,09%
d(i) Listed on an exchange	50%	652 112 605	2,24%
Airports Co South Africa Soc	10%	13 960 454	0,05%
Equites Property Fund Limited	10%	9 496 317	0,03%
Industrial Development Corp Of Sa Idc	10%	10 710 927	0,04%
Kzn_Insite Towers	10%	223 222 327	0,77%
M&G High Interest B	10%	113 740 257	0,39%
Mtn Group Ord Shs	10%	10 830 275	0,04%
Nedbank Group Ord Shs	10%	11 091 448	0,04%
Pru Corporate Bond B	10%	64 398 039	0,22%
The South African National Roads Agency Soc Limite	10%	18 332 468	0,06%
Transnet Soc Ltd	10%	119 892 270	0,41%
Other	10%	56 437 823	0,19%
d(ii) Not listed on an exchange	25%	247 573 499	0,85%
Discovery Ord Shs	5%	1 846 232	0,01%
Land And Agricultural Bank Of South Africa	5%	2 267 927	0,01%
Lightstruck Senior Shareholder Loan	5%	1 010 876	0,00%
Omt2_Loan	5%	1 043 370	0,00%
Prescient Clean Energy & Infrastructure Debt I	5%	135 591 989	0,47%
Prescient Clean Energy & Infrastructure Debt Ii	5%	67 364 540	0,23%
Sa Infrastructure Strategy Channel	5%	28 506 277	0,10%
Sustainable Heating Mezz Loan	5%	1 654 865	0,01%
Trans-Caledon Tunnel Authority	5%	1 260 930	0,00%
Transnet Soc Ltd	5%	1 888 194	0,01%
Other	5%	5 138 299	0,02%
(e) Other debt instruments:-	25%	1 406 694 154	4,83%
e(i) Listed on an exchange	25%	220 842 328	0,76%
Bayport Securitisation (Rf) Limited	5%	14 005 566	0,05%
City Of Johannesburg Metropolitan Municipality	5%	7 111 518	0,02%
Ideas Cash In Advance Asset 31122029	5%	7 342 350	0,03%
Mercedes-Benz South Africa (Pty) Ltd	5%	4 341 906	0,01%
Mw Asset Rentals (Rf) Limited	5%	6 065 766	0,02%
Northam Platinum Limited	5%	14 498 463	0,05%
Sagole Housing Fund Ii	5%	82 165 659	0,28%
Sasol Financing (Pty) Ltd.	5%	3 997 404	0,01%
Stonefield Credit Opportunities Fund I, Lp	5%	75 614 065	0,26%
The Thekwini Warehousing Conduit (Rf) Limited	5%	3 734 935	0,01%
Other	5%	1 964 696	0,01%
e(ii) Not listed on an exchange	15%	1 185 851 826	4,07%
3 Year Growth Bond P1/Gro/3/0226	5%	20 731 688	0,07%
3 Year Growth Bond P1/Gro/3/0287	5%	27 286 690	0,09%
3 Year Growth Bond P1/Gro/3/1111	5%	62 944 007	0,22%
Apex Note	5%	510 221 676	1,75%
Asambe Taxi Finance 1 (Rf) Pro	5%	8 378 870	0,03%
Bayport Securitisation Rf	5%	32 702 915	0,11%
Maru_Loan	5%	8 065 034	0,03%
Oceans Vacation Club Partnership	5%	37 779 648	0,13%
P1 Listed Growth Bond Bk483734 Corp	5%	449 974 450	1,54%
Solarafrika Energy Shareholder Loan	5%	2 530 397	0,01%
Other	5%	25 236 451	0,09%
2.2 Foreign	45%	58 352 467	0,20%
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	45%	-	0,00%
Carried forward		8 141 736 099	27,88%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		8 141 736 099	27,88%
(b) Debt instruments issued or guaranteed by the government of a foreign country	45%	1 115 475	0,00%
Chinese Government	10%	3 044	0,00%
Morocco, Kingdom Of (Government)	10%	51 582	0,00%
Resa Sa/Belgium	10%	170 626	0,00%
United States Government	10%	890 223	0,00%
(c) Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	45%	36 126 256	0,12%
c(i) Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	36 126 256	0,12%
Bnp Paribas Issuance B.V.	25%	10 168 979	0,03%
Bnp Paribas Sa	25%	20 348 866	0,07%
Nedbank Limited	25%	2 740	0,00%
Standard Bank Of South Africa Ltd	25%	5 605 671	0,02%
c(ii) Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	-	0,00%
c(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	-	0,00%
c(iv) Not listed on an exchange		-	0,00%
(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	45%	341	0,00%
d(i) Listed on an exchange	45%	-	0,00%
d(ii) Not listed on an exchange	25%	341	0,00%
Bosideng Intl Hldgs Ltd /Hkd/	5%	341	0,00%
Chicago Board Of Trade	5%	-	0,00%
(e) Other debt instruments	25%	21 110 395	0,07%
e(i) Listed on an exchange	25%	12 386 180	0,04%
Blackrock Ics Usd Liq Agency Dist_Usd-2.2(E)(I)	5%	12 386 180	0,04%
e(ii) Not listed on an exchange	15%	8 724 215	0,03%
African Clean Energy Cpi Shareholder Loan	5%	73 606	0,00%
Bajaj Auto Limited	5%	187 051	0,00%
Crosswind Capital Acquisitions Debt July 2031	5%	8 463 558	0,03%
3 EQUITIES		17 543 570 568	60,19%
3.1 Inside the Republic	75%	10 509 510 372	36,05%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	10 433 762 765	35,80%
a(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	9 967 220 287	34,19%
Absa Group Ord Shs	15%	360 957 112	1,24%
Anglogold Ashanti Ord Shs	15%	505 554 571	1,73%
British American Tobacco Ord Shs	15%	398 804 990	1,37%
Capitec Ord Shs	15%	339 196 584	1,16%
Firstrand Ord Shs	15%	561 467 758	1,93%
Gold Fields Ord Shs	15%	550 216 035	1,89%
Mtn Group Ord Shs	15%	478 093 005	1,64%
Naspers Limited Ord Shs Class N	15%	1 019 610 474	3,50%
Prosus Ord Shs Class N	15%	481 287 119	1,65%
Standard Bank Group Ord Shs	15%	596 124 635	2,05%
Other	15%	4 675 908 004	16,04%
a(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	447 965 869	1,54%
Astral Foods Ord Shs	10%	34 723 761	0,12%
Datatec Ord Shs	10%	31 618 392	0,11%
Famous Brands Ord Shs	10%	19 308 419	0,07%
Lewis Group Ord Shs	10%	18 823 377	0,06%
Ninety One Ord Shs3	10%	23 627 874	0,08%
Raubex Ord Shs	10%	15 877 157	0,05%
Telkom Soc Ord Shs	10%	28 393 416	0,10%
Tsogo Sun Ord Shs	10%	17 653 333	0,06%
Wbh Ovcon Ord Shs	10%	15 978 637	0,05%
Carried forward		18 373 313 219	62,97%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		18 373 313 219	62,97%
We Buy Cars Hlds Ord Shs	10%	29 199 449	0,10%
Other	10%	212 762 054	0,73%
a(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	15%	18 576 609	0,06%
Epe Capital Partners Limited	5%	3 160 576	0,01%
Metair Investment Ord Shs	5%	2 213 490	0,01%
Metrofile Holdings	5%	772 188	0,00%
Murray & Roberts Ord Shs	5%	413 986	0,00%
Nutun Limited	5%	3 517 878	0,01%
Rmb Holdings Ord Shs	5%	5 950 883	0,02%
Sephaku Holdings Ord Shs	5%	698 029	0,00%
The York Timber Organisation Ld	5%	917 035	0,00%
Transpaco Ord Shs	5%	235 721	0,00%
Trellidor Holdings Ltd	5%	356 973	0,00%
Other	5%	339 850	0,00%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	75 747 607	0,26%
Bright Light	2,5%	4 411 300	0,02%
Cybersmart	2,5%	3 915 726	0,01%
Eagle Towers Sa	2,5%	4 894 126	0,02%
Infra Impact Mid Market Infrastructure Fund1	2,5%	5 136 701	0,02%
Lightstruck Holdings Proprietary Limited	2,5%	9 649 758	0,03%
Maru Towers Partnership - Equity	2,5%	2 705 617	0,01%
Metrofibre Networxordinary Share	2,5%	4 157 315	0,01%
Oricol_Equity	2,5%	3 142 477	0,01%
Tario 891 Pty Ltd Equity	2,5%	4 947 615	0,02%
Too Much Wifi	2,5%	3 245 975	0,01%
Other	2,5%	29 540 997	0,10%
3.2 Foreign		7 034 060 196	24,13%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	7 030 539 979	24,12%
a(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	7 001 401 106	24,02%
Bank Mandiri Tbk Pt	15%	137 660 245	0,47%
Coronation World Opportunities Fund Class Z	15%	132 683 038	0,46%
Investec Global Bal Sa I	15%	1 049 459 377	3,60%
Ish Em Idx Flex Acc Usd	15%	513 748 210	1,76%
Levendi Def Return B Acc Gbp	15%	159 316 498	0,55%
Microsoft Corp	15%	146 240 973	0,50%
Nvidia Corp	15%	153 920 988	0,53%
Prudential Worldwide Managed Fund - C	15%	960 536 559	3,30%
Spdr S&P Kensho New Economies Composite Etf	15%	182 673 869	0,63%
Tracker Certificate On Defensive Cross Opportunity	15%	147 239 628	0,51%
Other	15%	3 417 921 721	11,73%
a(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	19 894 841	0,07%
Axon Enterprise Inc	10%	2 352 340	0,01%
Costar Group Inc Com Stk Usd0.01	10%	1 297 465	0,00%
Deutsche Bank Ag Ordinary Eur	10%	2 167 712	0,01%
Diamondback Energy Inc Usd0.01	10%	1 019 956	0,00%
Melco Resorts Entertainment Ltd	10%	2 651 017	0,01%
Obic	10%	519 140	0,00%
Old Dominion Freight Line Inc Com Stk Usd0.10	10%	1 213 106	0,00%
Renesas Electronics Corporation	10%	826 094	0,00%
Sage Group (The)	10%	629 530	0,00%
Other	10%	3 611 820	0,01%
Umeme Ltd	10%	3 606 661	0,01%
a(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	9 244 032	0,03%
Anheuser Busch Inbev Sa Nv	5%	2 670 921	0,01%
Concordia Financial Group Ltd	5%	253 698	0,00%
Japan Post Bank Co	5%	777 701	0,00%
Mediobanca Spa Ordinary Eur 0.5	5%	504 942	0,00%
Carried forward		25 735 102 147	88,21%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		25 735 102 147	88,21%
Nokia Oyj Ordinary Eur	5%	1 133 460	0,00%
Pro Medicus Ltd	5%	425 888	0,00%
Shopify A	5%	18 199	0,00%
Square Inc Common Stock Usd 0.000001	5%	1 494 742	0,01%
Vodacom Tanzania Ltd	5%	310 441	0,00%
Wheaton Precious Metals Corp	5%	1 647 275	0,01%
Other	5%	6 765	0,00%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	3 520 217	0,01%
Efid.Ca	2,5%	33 418	0,00%
Fine_Chemicals	2,5%	966 966	0,00%
Nike Inc Cl B	2,5%	2 519 390	0,01%
Posco Future M Co Ltd	2,5%	10	0,00%
Siemens Energy India Limited	2,5%	433	0,00%
4 IMMOVABLE PROPERTY		1 473 580 660	5,06%
4.1 Inside the Republic	25%	1 420 392 512	4,87%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	1 109 196 752	3,81%
a(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	927 267 050	3,18%
Fortress Real Est Inv B Ord Shs	15%	48 947 758	0,17%
Growthpoint Prop Ord Shs	15%	133 073 440	0,46%
Hammerson Reit Ord Shs	15%	85 724 177	0,29%
Hyprop Invs Ord Shs	15%	63 122 907	0,22%
Mas Ord Shs	15%	29 204 485	0,10%
Nepi Rockcastle Ord Shs	15%	176 250 662	0,60%
Redefine Properties Ord Shs	15%	167 685 762	0,58%
Resilient Prop Ord Shs	15%	49 301 478	0,17%
Sirius Real Estate Limited	15%	27 941 303	0,10%
Vukile Property Fund Ltd	15%	67 740 009	0,23%
Other	15%	78 275 069	0,27%
a(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	181 620 152	0,62%
Attacq Limited Ord Shs	10%	82 213 290	0,28%
Burstone Group Ord Shs	10%	10 273 189	0,04%
Delta Property Fund Ltd	10%	11 600	0,00%
Dipula Income Fund B	10%	11 461 039	0,04%
Emira Property Fund	10%	915 371	0,00%
Fairvest Limited B Ord	10%	23 484 319	0,08%
Sa Corporate Real Estate Ltd Ord Shs	10%	12 369 146	0,04%
Spear Reit Ord Shs	10%	22 149 639	0,08%
Stor-Age Property Reit Ord Shs	10%	18 742 559	0,06%
a(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	309 550	0,00%
Octodec Invs Units	5%	309 550	0,00%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	311 195 760	1,07%
Boitekong Mall	5%	1 397 365	0,00%
Bridge City	5%	2 500 751	0,01%
Bridge City Mall	5%	1 438 625	0,00%
Eyethu Orange Farm Mall	5%	1 785 273	0,01%
Heidelberg Mall	5%	1 851 419	0,01%
Kg Mall	5%	1 485 859	0,01%
Msm Property Fund (Pty) Ltd	5%	271 327 503	0,93%
Murchison	5%	1 565 982	0,01%
Sam Ntuli	5%	2 653 320	0,01%
Sam Ntuli Mall	5%	1 429 960	0,00%
Other	5%	23 759 703	0,08%
Carried forward		27 164 051 646	93,12%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		27 164 051 646	93,12%
4.2 Foreign	25%	53 188 148	0,18%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	53 188 148	0,18%
a(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	53 188 148	0,18%
American Tower Corp	15%	4 146 157	0,01%
Burstone Group Ord Shs	15%	3 132 111	0,01%
Equinix Inc	15%	3 171 221	0,01%
Goodman Group	15%	1 775 073	0,01%
Growthpoint Note Issuer Company (Proprietary) Limi	15%	8 630 173	0,03%
Prologis Inc	15%	3 836 077	0,01%
Public Storage Com Stk Usd0.10	15%	1 833 924	0,01%
Realty Income Corp Reit Usd	15%	2 098 771	0,01%
Simon Property Group Inc Reit Usd	15%	2 029 326	0,01%
Welltower Inc	15%	3 951 010	0,01%
Other	15%	18 584 305	0,06%
a(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	-	0,00%
a(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	-	0,00%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	-	0,00%
5 COMMODITIES		64 047 158	0,22%
5.1 Inside the Republic	10%	64 047 158	0,22%
(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	64 047 158	0,22%
a(i) Gold (including Kruger Rands)	10%	63 940 828	0,22%
New Gold Issuer Ltd	10%	63 940 828	0,22%
a(ii) Other commodities	5%	106 330	0,00%
New Gold Platinum Eft	5%	106 330	0,00%
5.2 Foreign	10%	-	0,00%
(a) Gold and other commodities on an exchange, including exchange traded commodities	10%	-	0,00%
a(i) Gold	10%	-	0,00%
a(ii) Other commodities	5%	-	0,00%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	65%	-	0,00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		1 867 346 043	6,41%
8.1 Inside the Republic		1 045 722 715	3,59%
(a) Hedge fund	10%	97 751 904	0,34%
a(i) Funds of hedge funds	10%	43 831 546	0,15%
Om Mm Long Short Equity Fohf	5%	43 831 546	0,15%
a(ii) Hedge funds	10%	53 920 358	0,18%
Coronation Multi-Strategy Arbitrage Hedge Fund Z	2,5%	31 235 118	0,11%
Coronation Presidio Hedge Fund Z	2,5%	18 474 901	0,06%
Stanlib Infrastructure Fund Of Funds	2,5%	4 210 339	0,01%
(b) Private equity funds	15%	947 970 811	3,25%
b(i) Funds of private equity funds	10%	179 244 160	0,61%
Om Mm Private Equity 2	10%	41 019 015	0,14%
Om Mm Private Equity 3	10%	138 225 145	0,47%
b(ii) Private equity funds	5%	768 726 651	2,64%
African Infrastructure Investment	5,0%	2 617 871	0,01%
Carried forward		27 560 900 887	94,47%

KZN MUNICIPAL PENSION FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		27 560 900 887	94,47%
Apollo Investment Partnership li	5,0%	419 181	0,00%
Ascension Private Equity Fund I	5,0%	102 472 810	0,35%
Ata Fund 3	5,0%	108 433 023	0,37%
Mahlako Energy Fund I Partnership	5,0%	7 219 700	0,02%
Mahlako Energy Fund I Partnership	5,0%	60 260 677	0,21%
Mergence Infrastructure And Development Equity Fun	5,0%	193 369 438	0,66%
Razorite Fund Iii Partnership	5,0%	2 396 875	0,01%
Sanlam Private Market Infrastructure Credit	5,0%	9 357 532	0,03%
Umthombo Private Markets Fund	5,0%	152 276 221	0,52%
Vuna Partners Fund I	5,0%	129 903 323	0,45%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2,5%	-	0,00%
8.2 Foreign		821 623 328	2,82%
(a) Hedge fund	10%	-	0,00%
a(i) Funds of hedge funds	10%	-	0,00%
a(ii) Hedge funds	10%	-	0,00%
(b) Private equity funds	15%	821 623 328	2,82%
b(i) Funds of private equity funds	10%	-	0,00%
b(ii) Private equity funds	5%	821 623 328	2,82%
Blackrock Secondaries & Liquidity Solutions li (Lu	5,0%	47 588 041	0,16%
Crosswinds Capital Acquisitions Class B	5,0%	104 383 880	0,36%
Garrington Private Credit Fund - Class B2 Shares	5,0%	544 966 646	1,87%
Re Capital Cascais Ocean View	5,0%	124 684 761	0,43%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2,5%	-	0,00%
TOTAL ASSETS – REGULATION 28		29 148 632 995	100,00%

KZN MUNICIPAL PENSION FUND

**SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2025**

INVESTMENT SUMMARY (Regulation 28)

	Local R	Fair value %	Foreign R	Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	2 191 759 625	7,52	22 741 388	0,08	2 214 501 013
2 Debt instruments including Islamic debt instruments	5 927 235 086	20,33	58 352 467	0,20	5 985 587 553
3 Equities	10 509 510 372	36,05	7 034 060 196	24,13	17 543 570 568
4 Immovable property	1 420 392 512	4,87	53 188 148	0,18	1 473 580 660
5 Commodities	64 047 158	0,22	-	-	64 047 158
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	1 045 722 715	3,59	821 623 328	2,82	1 867 346 043
TOTAL	<u>21 158 667 468</u>	<u>72,59</u>	<u>7 989 965 527</u>	<u>27,41</u>	<u>29 148 632 995</u>

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

Asset Limits in terms of sub regulation 3(f)	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
2.1(e)(ii)& Other debt instruments not listed	1 194 576 041	4,10	
2.2(e)(ii)			
3.1(b)&3.2 Equities not listed	79 267 824	0,27	
(b)			
4.1(b)&4.2 Immovable properties not listed	311 195 760	1,07	
(b)			
8 Hedge funds , Private Equity funds and other assets	1 867 346 043	6,41	
TOTAL	<u>3 452 385 668</u>	<u>11,85</u>	45%

Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b)&3.2 Equities not listed	79 267 824	0,27	
(b)			
8.1(b)&8.2 Private Equity funds	1 769 594 139	6,07	
(b)			
TOTAL	<u>1 848 861 963</u>	<u>6,34</u>	20%

SCHEDULE IB
KZN Municipal Pension Fund
Registration number: 12/8/36983

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

To the Board of Fund of KZN Municipal Pension Fund

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

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of KZN Municipal Pension Fund (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 80 to 87 at 30 June 2025 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2025.

The Board of Fund's responsibility for the Schedule

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

Our Independence and Quality Management

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

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

SCHEDULE IB
KZN Municipal Pension Fund
Registration number: 12/8/36983

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended to the Board of Fund of KZN Municipal Pension Fund (Continued)

Auditor's Responsibility

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

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

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

Summary of work performed

We completed our audit of the annual financial statements of the KZN Municipal Pension Fund for the year ended 30 June 2025, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 25 April 2025. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

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

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

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

SCHEDULE IB
KZN Municipal Pension Fund
Registration number: 12/8/36983

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended to the Board of Fund of KZN Municipal Pension Fund (Continued)

Opinion

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

Other matter

Schedule IB was prepared in accordance with communication 19 of 2023 (the communication), as issued by the FSCA. The communication highlights that the format of Schedule IB is not aligned with the amended Regulation 28 that came into effect on 3 January 2023. Our opinion is not modified in terms of this matter.

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

Regulation 28(3)(iA) states that the aggregate exposure by a Fund to all issuers in respect of direct infrastructure, across all asset categories, excluding any debt instrument issued or guaranteed by the South African Government, may not exceed 45% of the aggregate fair value of the total assets of the Fund. Regulation 28(8)(b) requires the Fund to report its infrastructure assets, with respect to the top 20 holdings, in the format specified in Table 2. The definition of 'infrastructure' in the amended Regulation 28 as prescribed in Government Gazette No.46649 of 1 July 2022, which became effective on 3 January 2023 does not provide criteria for the identification and classification of infrastructure. As a result, compliance with Regulations 28(3)(iA) and 28(8)(b) was excluded from the scope of our assurance engagement. Our opinion is not modified in respect of this matter.

Restriction on use

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

Sizwe Ntsaluba Gobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.

Patience Bhebhe
Director
Registered Auditor

29 April 2026

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