

2023.

INTEGRATED ANNUAL REPORT

MWPF A TRUSTED STEWARD OF RETIREMENT BENEFITS, DRIVING VALUE CREATION

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01



INTRODUCTION AND OVERVIEW

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Business Model <<

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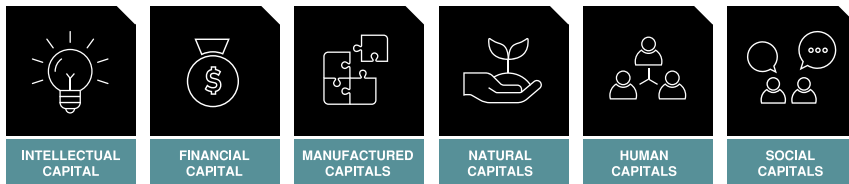
01 ABOUT THE REPORT

This Integrated Annual Report offers a detailed narrative of the Mineworkers Provident Fund’s (MWPF) performance across financial, environmental, social, and governance (ESG) dimensions for the year under review. It highlights how our strategies, operations, and governance practices uphold our commitment to delivering long-term value for all stakeholders.

The report reflects on MWPF’s strategic priorities, their execution during the reporting period, and our progress in addressing key factors influencing the Fund’s sustainability and growth. It also outlines our robust governance framework, demonstrating how ethical stewardship supports our mission of safeguarding financial security for our members.

This year, our integrated reporting approach further strengthens the connection between:

THE SIX CAPITALS OF VALUE CREATION



THE FUND’S PROCESSES FOR GENERATING SUSTAINABLE VALUE

CORE STRATEGIC PRIORITIES

PERFORMANCE IN TACKLING MATERIAL OPPORTUNITIES AND CHALLENGES

Our reporting is informed by internationally recognised frameworks, including the International Integrated Reporting Framework, the King Code of Corporate Governance, the Financial Sector Conduct Authority (FSCA) conduct standards, and the Pension Funds Act, No. 24 of 1956.

To support stakeholders in accessing relevant insights, MWPF offers prior publications for reference. For your convenience, this report and previous editions are available electronically at www.mwpf.co.za





OUR BUSINESS MODEL

At MWPF, every decision and action is driven by our overarching purpose: to create and sustain a meaningful financial legacy for future generations. We are dedicated to providing retirement benefits to one of society’s most vulnerable working groups, South Africa’s mineworkers.

This mission not only reflects our steadfast commitment to our members but also serves as a guiding principle in fostering financial dignity, respect and legacy within the communities we serve.

SHAPING A LEGACY OF FINANCIAL INDEPENDENCE

01 Empowering Members

MWPF’s core mission is to safeguard the financial dignity of mineworkers, providing retirement benefits that enable them to create a lasting legacy.

02 Building Resilience

By navigating material challenges and embracing opportunities, the Fund remains steadfast in delivering sustainable growth and stability for members.

03 Transparent Governance

Our commitment to ethical stewardship and accountability ensures robust decision-making processes that serve our stakeholders’ best interests.

04 Sustainability in Action

Through the integration of financial and non-financial performance metrics, we highlight our efforts to contribute to broader environmental, social and governance goals.

CAPITAL INPUTS >	CAPITAL OUTPUTS >	BUSINESS ACTIVITIES >	CAPITAL OUTCOMES >
Resources We Depend On A membership base from: South Africa Mozambique Lesotho Eswatini; and The South African Development Community (SADC Region) <hr/> Reliable and accurate financial data <hr/> A strong reputation built on credibility and trust <hr/> A dedicated team of 94 permanent staff members	What We Deliver Achieving a target return of 4.5% above inflation on investments <hr/> Providing dignified and secure retirement benefits, empowering members to create a lasting legacy <hr/> Managing investments through a core-satellite strategy, allocating: o 30% to the Core Portfolio o 70% to the Market-Linked Portfolio	How We Create Value Investing members’ contributions with the aim of preserving and growing the purchasing power of their benefits <hr/> Fostering generational value through sustainable retirement benefits <hr/> Proactively managing risks that could impact Fund performance using robust control measures	The Impact We Make Enhanced benefits for members and beneficiaries through consistent Fund growth <hr/> Expanded reach to unclaimed beneficiaries via permanent walk-in centres in key mining regions, supported by a network of tracing agents



2023 AT A GLANCE

Total Amount of Benefits Paid and Accrued



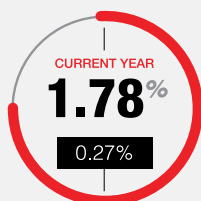
PREVIOUS YEAR

Growth in Total Investments Under Management



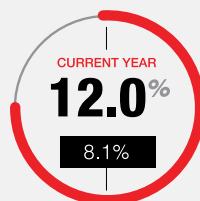
PREVIOUS YEAR

Net Increase/(Decrease) in Active Membership



PREVIOUS YEAR

Investment Returns Over a 12-Month Period



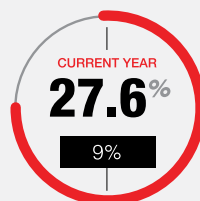
PREVIOUS YEAR

Annual Contributions Received and Accrued



PREVIOUS YEAR

Overall Staff Turnover Rate



PREVIOUS YEAR



SCOPE AND BOUNDARY

This report reflects the MWPF's key activities, financial performance, and stakeholder impacts during the period 1 January 2023 to 31 December 2023. It captures material events and examines how external stakeholders within the value chain influenced our ability to deliver sustainable value. Where relevant, the potential or actual impacts of these stakeholders have been assessed and addressed.

All disclosures are aligned with prior reporting periods, with no restatements required. This report also includes the Fund's summarised Annual Financial Statements for the year ended 31 December 2023, providing stakeholders with a clear and concise financial overview. For further insights, the full set of financial statements and supplementary information are accessible on our website at www.mwpf.co.za.

MATERIALITY DETERMINATION

To ensure the Fund's strategic decisions and performance assessments are rooted in what matters most, we have identified and prioritised key material matters for the reporting year. These considerations guided our performance evaluation and future planning:

- **Living Our Values:** Upholding respect, dignity, and the creation of a meaningful legacy for our members and their dependants.
- **Strategic Risk Management:** Regular reviews of the Fund's strategic risk registers, ensuring risks are mitigated effectively.
- **Board Priorities:** Addressing critical issues raised through reports and insights provided to the Board, reflecting their primary areas of concern.
- **Strategic Review Outcomes:** Incorporating areas of improvement and focus identified during strategic evaluations to strengthen performance.
- **Performance Objectives:** Measuring outcomes against key performance objectives set for the current and subsequent financial years.

By focusing on these priorities, MWPF continues to strengthen its position as a trusted steward of retirement benefits, driving value creation while addressing opportunities and challenges with resilience and purpose.



UPHOLDING RESPECT, DIGNITY, AND THE CREATION OF A MEANINGFUL LEGACY FOR OUR MEMBERS AND THEIR DEPENDANTS

INDEPENDENT REVIEW

The MWPF ensures accountability and transparency by subjecting its Annual Financial Statements to an independent audit conducted by SNG Grant Thornton. This external verification reinforces the accuracy and reliability of our financial reporting. For non-financial information, the Fund employs a rigorous assurance process, combining oversight from management, internal audit teams and external third parties, ensuring the information shared is both credible and trustworthy.

BOARD ENDORSEMENT

The Board of Trustees affirms its role in upholding the integrity of this Integrated Annual Report. Through a collaborative and thorough review process, the Board has ensured the report's alignment with the International Integrated Reporting Framework and other key governance guidelines.

The Board is satisfied that this report accurately represents the Fund's operational performance, strategic achievements and long-term prospects, reflecting MWPF's commitment to sustainable growth and value creation for its members and stakeholders.



02



MWPF IN CONTEXT.

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History, Mission, Vision and Values <<

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Value Creation Approach <<

Capitals for our Environment <<



02 MWPF IN CONTEXT

A LEGACY OF RESILIENCE AND EMPOWERMENT

The MWPF holds a distinguished place in South Africa's mining history. Established on 14 June 1989, MWPF is among the country's oldest black-founded retirement funds, embodying a rich legacy of resilience and transformation. For over three decades, the Fund has remained steadfast in its mission to improve the financial well-being of mineworkers, overcoming significant challenges to emerge as a beacon of empowerment in South Africa's democratic journey.

Rooted in a vision to deliver retirement benefits of the highest standard, MWPF has continually evolved to meet the changing needs of its members. This vision permeates every strategic objective of the Fund, underscoring our commitment to safeguarding the dignity and security of those we serve.

CHAMPIONING MEMBER NEEDS

MWPF's deep understanding of its members stems from a foundation of authentic engagement and empathy. For more than 33 years, the Fund has supported one of the largest working-class communities in South Africa: mineworkers. This grassroots connection enables us to address their unique needs with precision and care.

As we move forward, MWPF is expanding its focus to include broader sectors within the mining industry. In 2023, the Fund successfully extended its services to new segments, ensuring that its commitment to financial empowerment continues to grow. By remaining attuned to members' evolving needs, MWPF reinforces its role as a trusted partner in building financial security and stability.

GUIDED BY PURPOSE: OUR MISSION, VISION, AND VALUES

We are driven by the goal of providing superior service and creating sustainable value for our members and their beneficiaries by:

Offering competitive retirement and auxiliary benefits tailored to members' needs

Delivering market-leading investment returns

Ensuring efficient administration services, and

Facilitating effective, transparent communication with members and stakeholders

Aligned with the principles of integrated reporting, MWPF is committed to creating meaningful and sustainable value for all stakeholders over the long term.

OUR VISION

To be the retirement fund of choice for South Africa's mining industry.

OUR VALUES

RESPECT

Guided by fairness, compassion, tolerance, and prudence, we treat our members with the dignity they deserve.

DIGNITY

We uphold humility, worthiness, and appreciation in every interaction.

LEGACY

We aspire to take legendary actions, overcome challenges, and foster growth while empowering members to leave a lasting financial legacy.



A COMMITMENT TO SECURE CONTRIBUTIONS AND BENEFITS

MWPF provides a structured contribution and benefit framework designed to deliver cost-effective and competitive retirement solutions. By focusing on members' long-term financial security, we ensure a balance between affordability and high-quality benefits.

DRIVING MEMBER-CENTRIC VALUE CREATION

MWPF's value proposition is rooted in member-centricity and cost-efficiency, ensuring that every decision prioritises the best interests of members and their beneficiaries. Key differentiators include:

- Tailored services that address the specific needs of mineworkers,
- Affordable administration costs that deliver value without compromising service quality, and
- A commitment to transparent communication and proactive engagement with members.

DELIVERING VALUE THAT MATTERS FOR OUR MEMBERS

At MWPF, creating value for our members is more than a mission—it's the driving force behind every decision we make. Our value proposition is built on the principles of member-centricity and cost-efficiency, ensuring the best outcomes for members and their beneficiaries. Our approach is defined by three key strengths:

- Customised Support: Services designed to meet the unique and evolving needs of mineworkers and their families, ensuring relevance and impact.
- Affordable Excellence: Cost-effective administration that delivers exceptional quality and maximises the value of every contribution.
- Open Dialogue: Transparent, proactive communication that fosters trust, empowers informed decision-making, and strengthens member engagement.

With these pillars, MWPF continues to deliver meaningful financial security and a lasting legacy for South Africa's mineworkers.

FOSTERING MEANINGFUL MEMBER ENGAGEMENT

At MWPF, fostering meaningful relationships with our members is central to our mission. Through a multi-channel communication strategy, we ensure members have timely, relevant, and accessible resources to guide their financial journeys and support their well-being.

ENGAGING MEMBERS THROUGH DIGITAL AND DIRECT CHANNELS

Our communications are designed to meet members where they are:

- Newsletters: Offering timely updates on critical Fund developments.
- SMS Alerts: Providing direct and convenient updates to members.
- Multi-Lingual Videos: Breaking down complex benefits in diverse languages to promote inclusivity and understanding.

REACHING MEMBERS THROUGH TARGETED CAMPAIGNS

- Lesotho Unclaimed Benefits Roadshow
We prioritise locating members and addressing unclaimed benefits through initiatives such as the Lesotho Unclaimed Benefits Roadshow, which utilised a comprehensive mix of outreach methods:
- Radio and Newspaper Adverts: Ensuring broad awareness.
- SMS, Flyers, and Posters: Delivering targeted and localised communication.
- Television Interviews: Engaging audiences on a popular Lesotho-based show.

This campaign underscored MWPF's dedication to locating members who left the Fund without claiming their benefits and proactive outreach.

ENHANCING ACCESSIBILITY WITH INNOVATIVE TOOLS

- WhatsApp Support Line: Resolving over 100 member queries monthly, offering personalised and efficient assistance.
- Retirement Counselling Campaigns: SMS campaigns reminding members approaching retirement to attend retirement counselling sessions. These sessions empower members to navigate the retirement landscape confidently.

EXPANDING EMPLOYER AND REGIONAL COMMUNICATION

To strengthen engagement, MWPF distributes quarterly newsletters to employers and Regional Advisory Committees (RACs). These communications serve as vital tools for promoting transparency and collaboration.

24/7 TRANSPARENCY THROUGH DIGITAL PLATFORMS

MWPF's Fund app and website ensure members have continuous access to essential resources, including:

- Annual calendars and contact information,
- Educational tools, and
- Important updates.

These platforms reflect our commitment to transparency and member empowerment. By embracing a blend of traditional and digital communication tools, MWPF continues to nurture strong relationships with its members, ensuring they feel informed, valued, and empowered to make sound financial decisions for their futures.

An aerial photograph of a large-scale mining or industrial site. The landscape is dominated by winding, light-colored dirt roads that snake through the terrain. In the center, there is a cluster of industrial buildings, including a large white structure and several smaller ones. A parking lot filled with numerous yellow and black vehicles, likely heavy machinery, is visible. The surrounding area shows signs of excavation and earthmoving, with various shades of brown and grey soil. The overall scene depicts a complex and active industrial operation.

**THE FUND STANDS
AS A BEACON
OF PRIDE IN
THE COUNTRY'S
DEMOCRATIC
HISTORY**

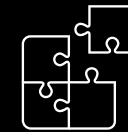
CAPITALS FOR OUR ENVIRONMENT

**INTELLECTUAL
CAPITAL**

Portal to enhance member accessibility, portal for seamless employer connectivity, real-time data replication, cloud computing and secured IT environment.

**FINANCIAL
CAPITAL**

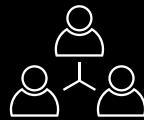
Our capital base, together with diversified sources of contributions from members.

**MANUFACTURED
CAPITAL**

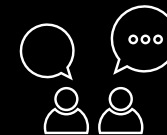
Business structure and operational processes, including our property and equipment, as well as our digital assets, including products, channels and information technology (IT) systems, provide the framework and mechanics of how we do business and create value for our members.

**NATURAL
CAPITAL**

The direct use and impact we have on natural resources through our own operations, including energy, water and climate, as well as our influence through our business activities.

**HUMAN
CAPITAL**

Our reliance of committed, motivated and skilled workforce to drive innovation and translate our strategies to enhance our outputs.

**SOCIAL
CAPITAL**

Stakeholder relationships, including the communities in which we operate, are central to building a solid social capital that allows the Fund to operate.



03

GOVERNANCE AND LEADERSHIP

Message From the Chairperson <<

Strategic Operating Environment <<

Board of Trustees <<

Executive Management <<





03 GOVERNANCE AND LEADERSHIP



THOMAS KGOKOLO

MESSAGE FROM THE CHAIRPERSON

To our members, staff, leadership teams, Board of the Fund and valued stakeholders,

The past financial year has tested our resilience and determination as an organisation. This includes a Section 189 roll-out due to operational and sustainability demands. This exceedingly difficult process impacted team morale and internal stability. However, I am pleased to report that despite these challenges, our staff and extended team have come together to maintain exceptionally high standards of performance, staying true to our ethos of prioritising our members.

As we begin a new chapter, it is essential to reflect on our past successes and challenges. This will guide our decisions and help us lead the Fund into the future. The team's diligent oversight has resulted in another unqualified audit, highlighting our commitment to good governance, transparency, and ethical conduct. I appreciate everyone who contributed to this achievement. Despite resource challenges, the team's dedication to our values and the interests of our members has been commendable.

Decline in membership continues to be a significant concern. As one of the oldest funds in the industry, part of the decline can be attributed to natural attrition. Downsizing within the mining sector further adds to member reductions. Nonetheless, it is more important than ever that we commit to fiscal responsibility. The management, EXCO and staff teams, along with leadership from the Board of the Fund and sub-committees, have worked tirelessly to lower Fund expenses while still achieving organisational KPIs and maintaining high standards of quality. Their commitment and dedication have not gone unnoticed.



A main goal for the year was to drive the recovery of the Fund, which was fully embraced by everyone involved. The Fund's leadership and staff collaborated as a cohesive team to ensure that every action they took contributed to reinforcing the Fund's financial and operational stability. I take pride in acknowledging the progress made, not only in carefully managing costs, but also in establishing a more robust foundation for the Fund's sustainable future.

The Fund performed well for the year, with investments increasing to R37 billion. 2023 signified another year of unqualified audits, boasting a 37.5% improvement in total external audit findings versus 2022 and an 85% internal audit findings closure rate. I have to commend our team holistically for the successful financial results shown – it is only through collaboration that we grow and develop as an organisation.

We continue to maintain excellent levels of governance, supported by both our internal staff and external financial experts and audit teams. This includes the monitoring and performance of our investment and risk mitigation strategies. Our positive results seek to affirm that our dedicated employees and leadership team have consistently acted with honesty and integrity in all their duties, protecting the Fund and members' interests. Our primary goal is to ensure our members receive the best possible outcomes, and that we offer ever-improving standards of service delivery.

Our new 5-year strategy roll-out is underway, with a key focus on growing the Fund's market share and entrenching our long-term sustainability. Innovation has been a major area of growth, and we continue efforts to improve efficiency through technology, automation and improved internal processes.

Thank you to our executive team for communicating and executing activities that uphold the goals of the organisation, even through the difficult circumstances faced during the year. It is only through your authentic leadership that the values and objectives of the Fund are realised. I would like to extend my heartfelt thanks

to every single staff member across the organisation – no contribution is too small when it comes to building a team with a shared vision. My sincere gratitude goes out to our Board of the Fund – thank you for your wisdom and guidance through both our successes and our challenges.

To our members, thank you for continuing to trust us with your future – we are committed to honouring that trust through tangible benefits and outstanding service delivery at every touchpoint.

As a collective, we look to the future with positive anticipation and the best of intentions – here's to continuing our journey and exceeding expectations.

THOMAS KGOKOLO
BOARD CHAIRPERSON
MINeworkers PROVIDENT FUND

STRATEGIC OPERATING ENVIRONMENT

MATERIAL STAKEHOLDERS

The Fund's approach to stakeholder engagement is aligned with the communication strategy, focusing on three key objectives:

1. Cement the role we play with each of our stakeholders.
2. Create and sustain a positive reputation and perception of MWPF.
3. Encourage two-way participation with key stakeholders.

We identify two broad stakeholder segments. Depending on the type of stakeholder, we either connect to engage or to inform.

Primary focus

Stakeholder	Engagement Methods	Needs, Concerns, and Expectations Expressed
Members	Newsletters, brochures, website, posters, SMS, roadshows, social media, surveys, walk-in centres.	- Growth and value of their money. - Safety and security of their benefits. - The Fund carrying out its fiduciary responsibilities.

OTHER FOCUS AREAS

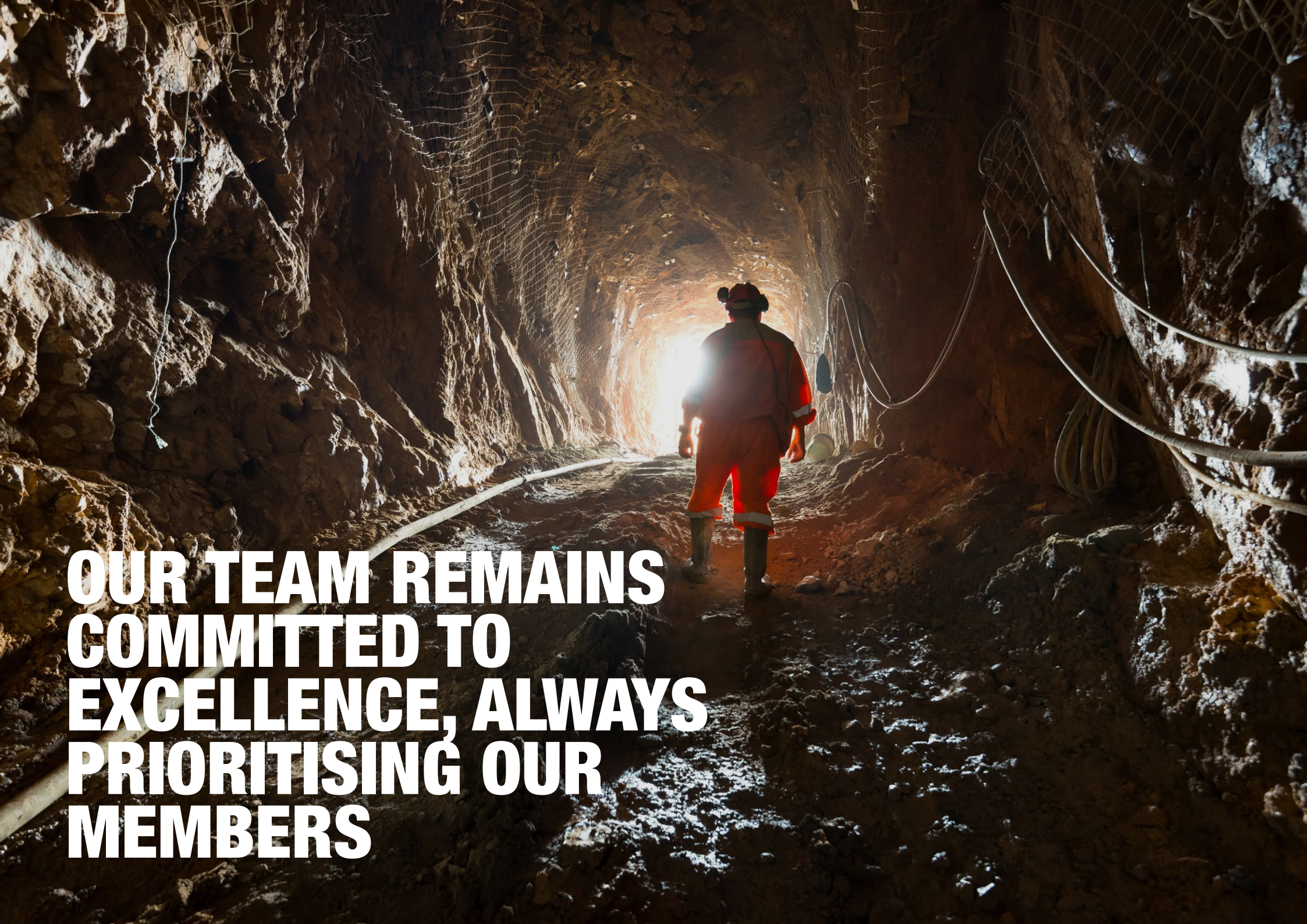
First Tier: Our Partners

Stakeholder	Engagement Methods	Needs, Concerns, and Expectations Expressed	
Employers	Ongoing	- Fair and proportionate membership in the Fund. - Board of Trustees. - Collaboration in relevant outreach.	Chief Executive Officer Principal Officer
Board of Trustees	Quarterly	- Fair and accurate distribution of benefits. - Fund's year-on-year performance.	Chairperson of the Board Chief Executive Officer Principal Officer
Regional Advisory Committees	Quarterly	- Collaboration in relevant outreach.	Chief Executive Officer Principal Officer
Sponsors	Quarterly and ongoing as required	- Fair and accurate distribution of benefits. - Fund's year-on-year performance.	Chairperson of the Board Chief Executive Officer Principal Officer
Service Providers	As deemed necessary	- Fund's year-on-year performance.	Chief Executive Officer Principal Officer

Second tier: Regulatory and industry stakeholders

Stakeholder	Engagement Methods	Needs, Concerns, and Expectations Expressed	
Regulators	Twice annually and as the need arises	- Maintaining the Fund's registration and approval status.	Chairperson of the Board and/or two Trustees Chief Executive Officer Principal Officer
Industry Bodies	Monthly or quarterly meetings	- South Africa's socio-political environment.	Chief Executive Officer Principal Officer
Government	As and when required	- Economic outlook and regulatory compliance.	Chief Executive Officer Principal Officer
Department of Labour (Mozambique and Lesotho)	As and when required	- Regulatory compliance.	Chief Executive Officer Principal Officer
Media	In response to business-related media queries	- Regulatory compliance.	Chief Executive Officer Principal Officer





**OUR TEAM REMAINS
COMMITTED TO
EXCELLENCE, ALWAYS
PRIORITISING OUR
MEMBERS**

BOARD OF TRUSTEES



MR THOMAS KGOKOLO
INDEPENDENT CHAIRPERSON
23 APRIL 2020
22 APRIL 2023



MR WESSEL DU TOIT
EMPLOYER TRUSTEE
01 MAY 2022
30 APRIL 2025



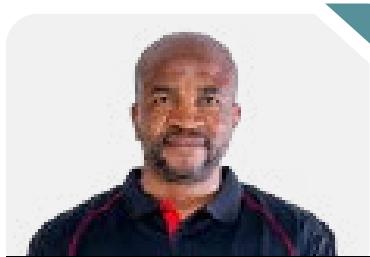
MR SANDILE KHUMALO
EMPLOYER TRUSTEE
08 OCTOBER 2020
07 OCTOBER 2023



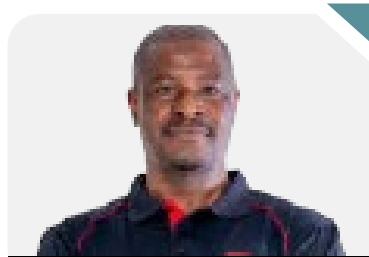
MR ABIOT LEBELWANE
MEMBER TRUSTEE
07 DECEMBER 2022
06 DECEMBER 2025



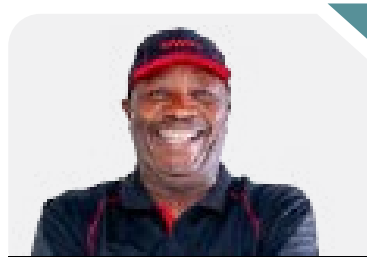
MR WILLEM VAN HEERDEN
EMPLOYER TRUSTEE
01 APRIL 2022
31 MARCH 2025



MR JOHN MOSEMENG
EMPLOYER TRUSTEE
18 JUNE 2020
17 JUNE 2023



MR KENNY MTHAE
EMPLOYER TRUSTEE
10 MARCH 2022
09 MARCH 2025



MR PATRICK KGOBOKOE
MEMBER TRUSTEE
01 DECEMBER 2022
30 NOVEMBER 2025



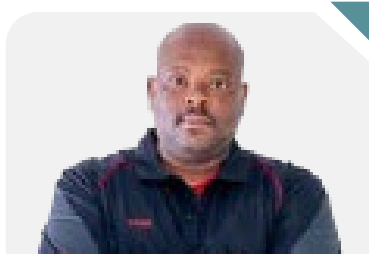
MR MOLEFI SEBITLO
MEMBER TRUSTEE
24 JANUARY 2022
23 JANUARY 2025



MR DUSTY NGWANE
MEMBER TRUSTEE
24 JANUARY 2022
23 JANUARY 2025

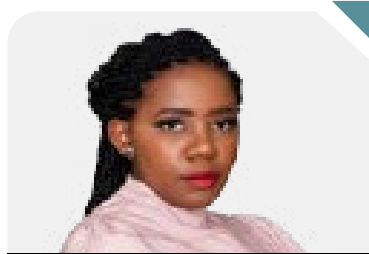


BOARD OF TRUSTEES



MR LEEPI MARUMULE
EMPLOYER TRUSTEE

01 DECEMBER 2022
30 NOVEMBER 2025



MS MATHABO MAKHAYA
EMPLOYER TRUSTEE

05 MAY 2021
04 MAY 2024



MR NTSHEBELE MANKGE
MEMBER TRUSTEE

07 DECEMBER 2022
06 DECEMBER 2025



MS MALANDE TONJENI
INDEPENDENT CHAIRPERSON AUDIT,
RISK AND COMPLIANCE
SUB-COMMITTEE

1 JULY 2023
30 JUNE 2026



MR JOSEPH MABUZA
EMPLOYER TRUSTEE

25 MAY 2021
24 MAY 2024



MS LYDIA NKOPANE
MEMBER TRUSTEE

24 JANUARY 2022
23 JANUARY 2025



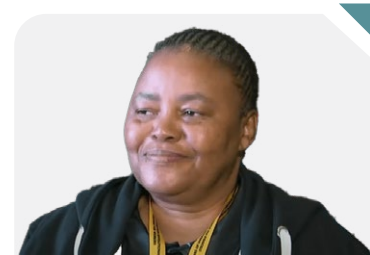
MR MPHO PHAKEDI
MEMBER TRUSTEE

15 NOVEMBER 2021
14 NOVEMBER 2024



MR PHUTI RALETJENA
EMPLOYER TRUSTEE

12 OCTOBER 2020
11 OCTOBER 2023



MS HELEN DIATILE
MEMBER TRUSTEE

5 SEPTEMBER 2023
4 SEPTEMBER 2026

MR PHUTUMA MANYATHI
MEMBER TRUSTEE

23 NOVEMBER 2023
22 NOVEMBER 2026



EXECUTIVE MANAGEMENT



MR FRANS PHAKGADI
PRINCIPAL OFFICER AND ACTING
CHIEF EXECUTIVE OFFICER

Baccalareus Procurationis (B Proc)
Bachelor of Law (LLB)
Master of Law (LLM)
Certificate in Pension Fund Law

Mr Phakgadi has over 22 years of experience in the financial services and retirement funds industry and a vast amount of experience and proven acumen in the pension funds and insurance space. He is well versed in the dynamics of administering retirement funds historically established and managed for the profile of members such as MWPF. This background has contributed hugely to his member-centric approach – be it member servicing or product development.



MS AMMA AMPARBENG
CHIEF FINANCIAL OFFICER
CA (SA)

BCom (Financial Accounting) (University of Cape Town)
Postgraduate Diploma in Accounting (University of Cape Town)
Advanced Certificate in Auditing (SA)
National Certificate: Financial Markets and Instruments
Chartered Accountant (South Africa)

Ms Amparheng is MWPF's second ever female Chief Financial Officer (CFO), having joined the Fund in 2018. She has a solid record of over 18 years in financial management (post articles), reporting and control, auditing, technical accounting (IFRS), strategic risk planning and management, and improved business performance.

She has international experience, gained while working in the United States (US GAAP) in various sectors including infrastructure, construction, financial services, property management, asset management and other industries. Prior to joining MWPF in November 2018, she spent four years as the finance executive of a division of a Johannesburg Stock Exchange (JSE) listed company, and previously served as assistant vice president in the technical advisory group for a multinational bank with members such as MWPF. This background has contributed hugely to her member-centric approach – be it member servicing or product development.



MR MUZIWANDILE NDLOVU
CHIEF OPERATING OFFICER AND
BUSINESS DEVELOPMENT
EXECUTIVE

Public Administration and Management
Postgraduate Certificate in Wealth Creation and Management
Management Development Programme
Master's degree in Business Administration

Having been in the sales environment for more than 23 years, Mr Ndlovu has developed a strong can-do attitude, leaving no stone unturned. He is accustomed to driving hard-to-exceed targets, while maintaining profitable relationships with all involved. With a focus on customer centricity, Mr Ndlovu puts concise turnaround times high on his priority list. He is also an effective communicator with strong interpersonal and negotiation skills, talented in people leadership, as well as with technical and HR management expertise.



MR LUNGELO SOLOMBELA
HUMAN RESOURCES EXECUTIVE

B Tech Degree in Human Resources
Higher Certificate in Organisation Effectiveness
Postgraduate Diploma in Labour Law (PGDLL)
MSc in Human Resources Management and Development

Mr Solombela has over 25 years' experience in Human Resource, including Strategic Human Resource and development within the financial services industry. Providing strategic HR leadership and overseeing all aspects of HR practices and processes, he has a proven track record in employee relations, culture, and employee engagement.



04



INVESTMENT PERFORMANCE

Acting Chief Executive Officer's Review <<

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Information Technology Manager's Review <<

Human Resources Executive Review <<

02 INVESTMENT PERFORMANCE



FRANS PHAKGADI

ACTING CHIEF EXECUTIVE OFFICER'S REVIEW

The reporting period has marked our 13th consecutive unqualified audit, a remarkable achievement that highlights the Fund's commitment to governance, accountability and service excellence. This consistent positive performance reinforces our reputation as a respected organisation with a continued legacy of growth and positive results.

Organisational Key Performance Indicators (KPIs) were met with positive scores overall. This includes indicators such as unclaimed benefits, cycle times, member experience, containment efficiency, budget management and more. I would like to commend the team for achieving organisational KPIs across departments, driving the Fund's successful performance.

GROWTH AND PERFORMANCE

The Fund performed well in 2023, including an increased investment assets closing balance. Private investments were restructured and increased, with a transfer of R875 million to Vunani Fund Managers South Africa and an increased allocation of R100 million to EMIM Africa Opportunities Fund.

Despite declining membership due to an ageing membership base and economic cutbacks within the mining sector, we have seen a growth in membership within the gold sector. To mitigate risks and promote long-term growth, expansion into other mining sectors, as well as attracting a younger membership base are part of our core strategic plans.

Our investment portfolio has shown remarkable resilience, continuing to thrive despite global economic challenges. This growth reflects the sound investment principles established by our Board, which have consistently guided us towards a trajectory of upward momentum. The timely approval of our financial statements allowed for the distribution of benefit statements, and members have expressed satisfaction with their returns.



We have introduced a new administrative fee model with a more flexible structure aimed at improving member experience. We continue to analyse ways to reduce costs and improve benefits to members.

SECTION 189 PROCEEDINGS

Section 189 proceedings took place, with a total payout of R3.8 million in retrenchment packages (notice and severance) being paid out. We cannot ignore the emotional and operational impact this had on staff and management. However, through effective communication and management of this highly sensitive situation, we have preserved our organisational culture and emerged stronger as a team.

GOOD GOVERNANCE

Good governance continues to be upheld by the organisation across all departments, levels and functional areas, including the Board of Directors and sub-committees. Top leadership must embody the values that are imparted to staff and management, and they continue to show commendable levels of ethical and financial decision-making that drive good governance practices. Through such good governance, we honour the trust placed in us by the hardworking members of the Fund.

BOARD OF TRUSTEES PROCEEDINGS

The Board meets at least four times a year to evaluate management's achievements against set objectives and to monitor compliance with policies and set frameworks. Additional special meetings may be held in the event of pressing matters that require the Board's attention. All planned Board meetings proceeded as scheduled during the review period.

The Chairperson of the Board presides over the meetings of the Board and guides the input and contributions of the Trustees. Decisions made by the Board are reached by way of consensus and the Board operates within a framework and approved Delegations of Authority mandates, which are reviewed every three years or as and when required to ensure their relevance.

BOARD SUB-COMMITTEES

Each sub-committee's mandate is outlined in the Delegations of Authority mandates. Each sub-committee operates within the approved Delegations of Authority mandate and authority is delegated, as approved by the Board. Each sub-committee nominates a chairperson for a one-year term, with the chairpersonship alternating between employer and member Trustees each year.

The following sub-committees focus on specific areas of the Fund:

- Audit, Risk Management and Compliance Sub-Committee.
- Investment Sub-Committee.
- Communication and Benefits Sub-Committee.
- Administration Sub-Committee; and
- Human Resources and Remuneration Sub-Committee.

THE AUDIT, RISK MANAGEMENT AND COMPLIANCE SUB-COMMITTEE

The committee comprises 19 Trustees (including Alternate Trustees) with an independent trustee, appointed by the Board, serving as Chairperson. The Audit, Risk, and Compliance Management Sub-Committee meetings are attended by internal auditors, the Chief Executive Officer, the Principal Officer, and the CFO, with external auditors attending by invitation. If required, identified staff members attend meetings by invitation.

The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights. The Audit, Risk, and Compliance Management Sub-Committee is constituted as a Sub-Committee of the Board and assists the Board in:

Promoting the effective governance of the Fund

Establishing and maintaining an effective control environment over all operations

Estimating the reliability and integrity of information

Evaluating compliance with policies, plans, laws, Rules of the Fund and regulations

Effectively managing risk; and

Ensuring compliance with Fund governance

The Sub-Committee is also responsible for the evaluation of the independence, objectivity, and effectiveness of the internal and external auditors, as well as the review of accounting and audit concerns identified by the internal and external audits.

The Sub-Committee is responsible for ensuring that proper governance and compliance policies are in place and that existing policies are reviewed and strengthened.



THE INVESTMENT SUB-COMMITTEE

The Investment Sub-Committee is comprised of Trustees and is led by an appointed Chairperson. The Chief Executive Officer and Principal Officer (permanent members of the Sub-Committee) attend all meetings. During the 2023 period, the Chief Executive Officer and Principal Officer roles were filled as a dual role.

The Investment Sub-Committee is tasked with:

- Developing and regularly reviewing the Fund's Investment Policy Statement.
- Recommending to the Board the appointment or termination of asset managers.
- Ensuring that proper agreements are in place for asset managers.
- Monitoring these asset managers in terms of their adherence to mandates, their policies, and their subsequent achievements; and
- Developing and regularly reviewing any policies on proxy voting, shareholder activism, and ESG guidelines.

The Sub-Committee bears the responsibility of monitoring the Fund's performance and conducting regular asset liability modelling exercises.

COMMUNICATION AND BENEFIT SUB-COMMITTEE

The Communication and Benefit Sub-Committee is comprised of 15 Trustees (including Alternate Trustees and the chairperson). The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights. The Principal Officer and Chief Executive Officer functions were delegated to me as a dual role during the 2023 period and I continue to fill the dual function.

The Communication and Benefit Sub-Committee accepts responsibility for monitoring and overseeing the implementation of the Board's communication strategy. It manages all communication and/or benefits matters referred to the Sub-Committee by the Board, or which the committee deems necessary. The Sub-Committee is further responsible for the consideration and recommendation of rule changes (where appropriate and applicable), as well as benefits proposals.

The Sub-Committee is, furthermore, tasked with the investigation and consideration of all other issues related to the benefits provided by the Fund, except issues pertaining to the distribution of death benefits in terms of Section 37C of the Pensions Fund Act.

ADMINISTRATION SUB-COMMITTEE

The Sub-Committee consists of 16 Trustees (including Alternate Trustees) and the chairperson. The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee although they retain no voting rights. These positions were overseen by me as a dual function during 2023.

The Sub-Committee assists the Board with the development of guidelines and administrative procedures for the payment of benefits. The Sub-Committee has been delegated the authority to manage the administration

aspects of the payment of benefits (including unclaimed benefits and death benefit claims requiring discretion) for purposes of making recommendations to the Board.

HUMAN RESOURCES AND REMUNERATION SUB-COMMITTEE

This Sub-Committee is responsible for approving Human Resources policies and strategies, monitoring compliance with all relevant legislation and statutory requirements, and ensuring best practice is upheld throughout the operations. The Sub-Committee determines executive remuneration in terms of best corporate practices and makes responsible recommendations based on its assessment of the Fund's performance. The Human Resources and Remuneration Sub-Committee comprises 12 Trustees including the chairperson.

The Principal Officer and the Chief Executive Officer are permanent members of the Sub-Committee, although they retain no voting rights.

LOOKING AHEAD

The new 5-year strategy will entail a robust implementation of activities that will drive the Fund's growth and development exponentially. Such growth is entrenched in a collaborative vision that benefits all – from our members to our employees to the organisation as a whole. We have proven that as a collective we can overcome challenges and forge a way forward. We look to the opportunities that lie ahead with a sense of anticipation and a drive to elevate the organisation to new heights of excellence.

IN CLOSING

My sincere gratitude goes out to our employees, executive team, external consultants and partners who have supported us throughout our journey. Thank you to our esteemed Board for your astute leadership and governance that has helped navigate the organisation through sometimes tumultuous situations. A special thanks goes out to the FSCA for their ongoing support and professional engagement.

To our members, our deepest thanks go out to you for your continued support – we do not take it for granted and we endeavour to exceed your expectations and deliver excellent service to you always. As an organisation, we strive to continue delivering value and superior quality as we move into the future, maintaining a strong focus on development, governance, and, most importantly, the best interests of our members.

FRANS PHAKGADI
PRINCIPAL OFFICER &
ACTING CHIEF EXECUTIVE OFFICER

A vibrant city street scene in South Africa. In the foreground, a man in a grey suit is riding a bicycle across a zebra crossing. To his right, a white van with a yellow stripe is stopped at a traffic light. Further back, a silver car is visible. The background features modern buildings, trees, and a clear blue sky with light clouds. The overall atmosphere is bright and active.

**GLOBAL TRENDS,
COMBINED WITH
DOMESTIC FACTORS,
INFLUENCED THE
INVESTMENT
RETURNS OF
SOUTH AFRICAN
PROVIDENT FUNDS**



THE OPERATIONAL LANDSCAPE

The MWPF operates within a complex landscape shaped by the dynamics of the mining sector, financial markets, and economic policies. In 2023, several key factors influenced this environment:

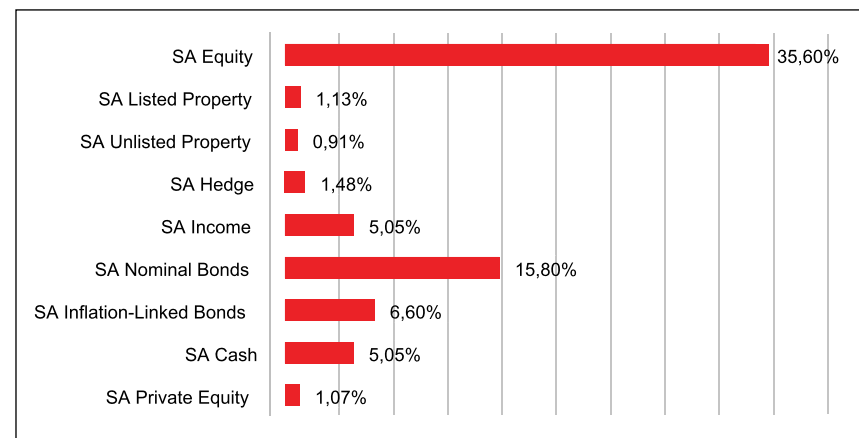
COMMODITY PRICES AND MINING SECTOR EMPLOYMENT

In 2023, South Africa's mining industry faced challenges due to declining commodity prices. The Minerals Council South Africa reported a significant 10.3% year-on-year decline in mineral sales, marking the first annual decrease since 2015 and the largest since 2009.

Despite these challenges, the sector maintained substantial employment levels. As of the third quarter of 2023, mining employed approximately 477 000 individuals, accounting for 4.7% of South Africa's total workforce. This represented an increase of nearly 7 650 jobs compared to the previous year. Mining employment was 6.5% higher in Q4 2023 than the pre-COVID-19 level in Q4 2019, vastly outpacing the non-mining (excluding agriculture) sectors where employment was 'only' 3.4% above the pre-COVID-19 level in Q4 2023. Although this heartening performance is something to be proud of, it should not detract from the fact that parts of the industry are under severe strain and that the mining sector lost jobs in specific sub-sectors during the first quarter of 2024.

Total Domestic Assets

The allocations to South African (SA) asset classes:



Total Domestic Assets = 35.60% + 1.13% + 0.91% + 1.48% + 5.05% + 15.80% + 6.60% + 5.05% + 1.07%
= **72.69%**

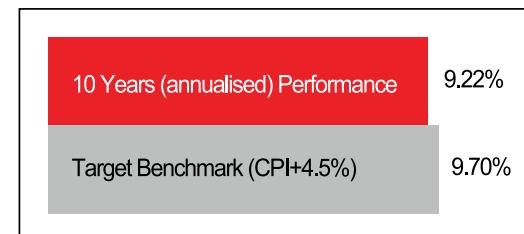
FINANCIAL MARKETS AND PROVIDENT FUND PERFORMANCE

The performance of retirement funds such as the MWPF is influenced by trends in global and local financial markets. Global equity markets experienced fluctuations in 2023 due to global economic uncertainties. These global trends, combined with domestic factors, influenced the performance of the local equity market, which also experienced strong fluctuations in 2023. Such market conditions directly impact the asset performance of the MWPF and the retirement savings of mine workers.

The following commentary is an excerpt from the Mineral Council South Africa's 2023 Comprehensive Facts and Figures.

The global economic environment was not conducive to a productive South African mining sector performance in 2023. While real GDP growth in the United States (US) remained remarkably resilient, activity stalled in the Eurozone and the United Kingdom (UK) in the second half of the year. In China, the recovery from draconian COVID-19 lockdowns in 2022 proved to be weaker than initially anticipated. The divergent regional trends were reflected in the Global Manufacturing Purchasing Managers' Index (PMI), an important gauge of factory sector activity, remaining under pressure during 2023. Manufacturing production in major economies (especially China) is an important driver of domestic mining sector performance.

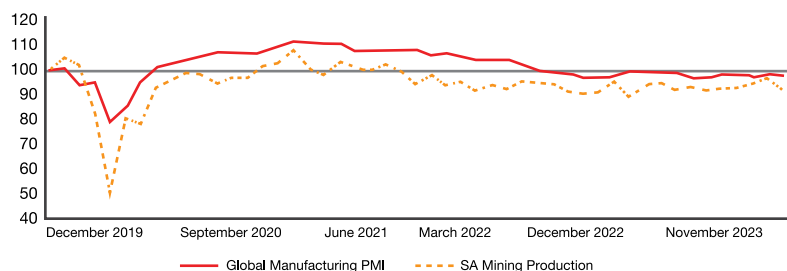
Annualised 10-Year Performance vs CPI as at 31 December 2023



The Fund's annualised 10-year performance is 9.22%, which is slightly below the target benchmark of CPI+4.5% (9.70%)



THE OPERATIONAL LANDSCAPE



Source: S&P Global, Stats SA, Minerals Council

Stats SA's real GDP data for Q4 2023 showed that activity in the mining sector was notably better than in the rest of the economy during the final months of the year. Mining GDP increased by an upwardly revised 2.6% quarter-on-quarter in Q4, vastly outpacing non-mining GDP that increased by 0.2% quarter-on-quarter. The increase in mining GDP supported a modest rise of 0.3% quarter-on-quarter in overall real GDP. The quarterly gain for mining was driven by increased activity for PGMs, coal, chromium and diamonds. Whereas mining sector GDP outperformed the rest of the economy in the fourth quarter, annual mining GDP contracted for a second consecutive year in 2023. On a less downbeat note, the rate of decline eased significantly when compared to 2022. Nevertheless, although the gap closed materially, for the entire 2023, mining GDP again performed worse than the non-mining part of the economy. This is very different from 2021, when on the back of rising commodity prices, real mining GDP expanded three times faster than the non-mining sectors. Since 2022, the mining sector has been particularly hard hit by record electricity load-curtailment and freight logistics problems.

IMPLICATIONS FOR THE MINEWORKERS PROVIDENT FUND

The interplay of declining commodity prices, employment trends in the mining sector, and financial market volatility presents both challenges and opportunities for the MWPF. Maintaining stable employment levels amid sector challenges is positive for Fund contributions. However, financial market volatility can affect investment returns, impacting the Fund's ability to provide for its members.

- **Stable Contributions:** Despite sector headwinds, steady employment levels contribute positively to Fund inflows.
- **Market Volatility:** Fluctuations in global and domestic markets affect investment returns, requiring the Fund to adopt agile strategies to safeguard members' financial security.
- **Sectoral Pressures:** Electricity and logistics constraints highlight the need for resilience in navigating broader industry challenges.

MWPF remains committed to ensuring financial sustainability and adapting to the evolving economic landscape. By leveraging its expertise and focusing on long-term strategies, the Fund continues to prioritise the financial well-being of its members amidst changing circumstances.

Asset Managers

The top 10 asset managers as at 31 December 2023 for the Mineworkers Provident Fund by assets under management:

Funds	Value
Old Mutual Absolute Stable Growth Fund	R4 737 512 218
Aluwani Capital SA Bond Fund	R4 091 019 285
MWPF Progressive Smooth Bonus Fund	R2 765 225 255
Coronation Aggressive Equity Fund	R2 742 096 086
Sanlam Stable Bonus Fund	R2 694 881 047
Argon SA Equity Fund	R2 665 285 892
STANLIB Income Fund	R1 770 539 122
Orbis Institutional Global Equity Fund	R1 881 835 833
Ninety One Global Franchise Fund	R1 335 090 784
iShares Developed World Index Fund	R1 150 174 696

These asset managers are responsible for managing significant portions of the Mineworkers Provident Fund's assets, contributing to the overall performance and diversification of the Fund.

SOURCES

Quarterly Employment Statistics (QES), September 2023
 JSE FTSE All Share Index Summary
 MSCI World Index
 Investonline 2023 Year-end Wrap
 Anchor Capital December 2023 Market Review
 JSE Limited Annual Results Presentation 2023
 Quarterly Labour Force Survey, Quarter 4: 2023
 Quarterly Employment Statistics (QES), December 2023

Quarterly Employment Statistics (QES), March 2023
 Quarterly Employment Statistics (QES), March 2024
 MSCI World Index Factsheet
 FTSE/JSE All Share Index Today
 Formal Non-Agricultural Sector Jobs Rise in Q3 2023
 [Six Charts That Show What Investors Should Have Bought in 2023](https://www.trustnet.com/News
 Source - Statistics South Africa



THE OPERATIONAL LANDSCAPE

IMPLICATIONS FOR THE MINEWORKERS PROVIDENT FUND

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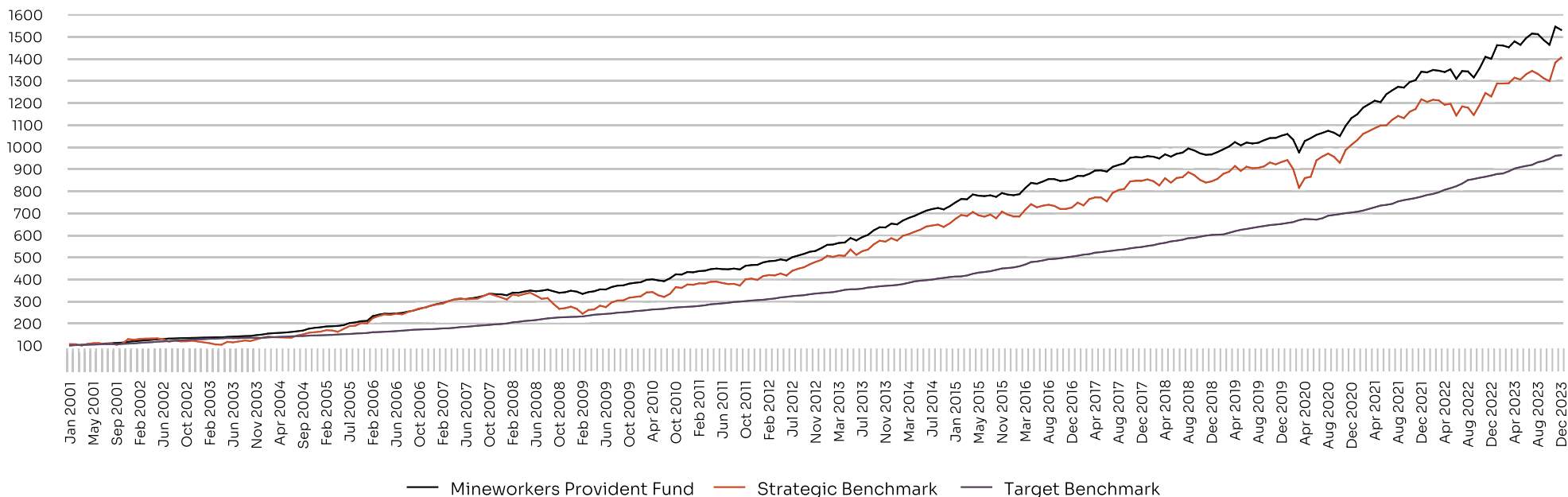
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Offshore Asset Class Exposure

Mineworkers Provident Fund	
Offshore Equity	23.65%
Offshore Listed Property	0.20%
Offshore Unlisted Property	0.24%
Offshore Alternatives	1.27%
Offshore Bonds	0.56%
Offshore Cash	0.80%
Total Offshore Asset Class Exposure	26.72%

Cumulative Performance





FUTURE OUTLOOK

As the MWPF looks ahead to 2024, the global and South African economic landscapes present a complex mix of challenges and opportunities. The year is expected to be shaped by geopolitical tensions, fluctuating commodity prices, supply chain disruptions, and evolving market dynamics. These factors will have a direct impact on the mining sector, which remains a critical driver of economic activity in South Africa and a key contributor to the Fund's performance.

GEOPOLITICAL HOTSPOTS AND THEIR IMPACT

Geopolitical instability continues to be a significant risk factor for global markets in 2024. The ongoing conflict between Russia and Ukraine has disrupted energy supplies, particularly in Europe, leading to increased demand for alternative energy sources such as coal. This has provided a temporary boost to coal prices, benefiting South African coal exporters. However, the conflict has also exacerbated global inflation, leading to higher interest rates and tighter monetary policies, which could dampen economic growth and demand for commodities.

In addition, tensions between the United States and China over trade, technology, and Taiwan have created uncertainty in global markets. These tensions could disrupt supply chains, particularly for critical minerals such as rare earth metals, which are essential for the renewable energy and technology sectors. South Africa, as a significant producer of platinum group metals (PGMs) and other critical minerals, could benefit from increased demand, but must navigate the risks associated with geopolitical volatility.

FLUCTUATING COMMODITY PRICES

Commodity prices in 2024 are expected to remain volatile, driven by supply and demand imbalances, geopolitical risks, and macroeconomic factors. While coal prices have seen a surge due to the energy crisis in Europe, other commodities such as gold and platinum have experienced mixed performance. Gold, traditionally a safe-haven asset, has seen fluctuating demand as investors weigh the impact of inflation against rising interest rates. Platinum and palladium, critical for the automotive industry, face challenges due to the global slowdown in vehicle production and the shift towards electric vehicles, which require fewer PGMs.

Copper, a key industrial metal, is expected to see steady demand due to its role in renewable energy infrastructure and electric vehicles. However, supply constraints, particularly in major producing countries like Chile and Peru, could keep prices elevated. For South Africa, this presents both opportunities and risks, as the country is a significant producer of these metals but faces operational challenges such as energy shortages and infrastructure constraints.

SUPPLY AND DEMAND CHALLENGES

The mining sector continues to grapple with supply chain disruptions, labour shortages, and rising input costs. In South Africa, persistent electricity load-shedding by Eskom has severely impacted mining operations, leading to production delays and increased costs. The Fund's investments in mining companies are likely to be affected by these challenges, particularly for those heavily reliant on energy-intensive processes.

On the demand side, the global transition to renewable energy and electric vehicles is expected to drive long-term growth in demand for certain commodities, such as copper, lithium, and cobalt. However, the pace of this transition may be slower than anticipated due to economic headwinds and policy uncertainties. South Africa's mining sector must adapt to these shifting demand patterns by investing in new technologies and diversifying its commodity portfolio.





FUTURE OUTLOOK

GROWTH AND DECLINE OF MAJOR STOCK PRICES

The performance of major mining stocks in 2024 will be closely tied to commodity prices and broader market trends. Companies with exposure to coal, such as Glencore and Exxaro, have benefited from higher prices but face long-term risks as global efforts to reduce carbon emissions intensify. Conversely, companies focused on critical minerals, such as Sibanye-Stillwater and Anglo American Platinum, are well-positioned to capitalise on the energy transition but must navigate short-term volatility.

International mining giants such as BHP, Rio Tinto, and Vale have seen mixed performance, with iron ore prices declining due to weaker demand from China, the world's largest consumer. China's economic slowdown, driven by its zero-COVID policy and property market crisis, has had a ripple effect on global commodity markets. South African mining companies with significant exposure to China, particularly in iron ore and manganese, may face headwinds in 2024.

SUMMARY

The outlook for 2024 is marked by a high degree of uncertainty, driven by geopolitical tensions, volatile commodity prices, and supply chain challenges. While the mining sector faces significant risks, particularly in South Africa due to energy constraints and infrastructure challenges, there are also opportunities in the growing demand for critical minerals and the global energy transition. The MWPF must remain agile and proactive in navigating these dynamics, ensuring that its investments are resilient to short-term volatility while positioning for long-term growth. By staying attuned to global and local trends, the Fund can continue to deliver value to its members in an increasingly complex and interconnected world.



**MUZIWANDILE NDLOVU**

CHIEF OPERATIONS OFFICER AND BUSINESS DEVELOPMENT EXECUTIVE REVIEW

As the Chief Operating Officer and Business Development Executive of the Mineworkers Provident Fund, I am pleased to present our operations and growth activities for the reporting period. My dual role encapsulates the core operations essential for the smooth running of our client services and the strategic initiatives geared towards the expansion of the Fund. As an organisation, our core focus is ensuring that our members and their beneficiaries benefit from the success of the Fund.

OPERATIONAL OVERVIEW

The mining sector reported high employment numbers in 2023 compared to 2022, particularly in the coal, platinum, and green sectors. The gold sector has seen a 4% year-on-year decline; however, the Fund has grown within this sector, onboarding over 4 000 members from the gold sector, the highest number since 2018.

Being one of the oldest funds in the industry, we are faced with a high level of member exits due to an ageing membership base. The majority of member exits in 2023 are due to this natural attrition. Retrenchments in the gold sector have further contributed to member exits.

We are committed to forming and maintaining meaningful connections with our members. Our messaging is strategically developed to be both informative and relatable, encouraging open dialogue and engagement from our members across the various geographic regions. We strive to establish the Fund as “approachable” and we want our members to feel valued and heard.

We use a multi-channel approach to reach and communicate with members. This includes the issuing of quarterly newsletters that keep members updated on Fund news and activities. We use SMS services, mobile apps and social media platforms such as Facebook and Instagram to connect with members digitally, and we have walk-in centres where members can get assistance in person. Our EBS stations conveniently located at mine worksites allow members to interface directly with our service teams at their place of work. Printed material in various languages relevant to specific operational regions is printed and distributed regularly.



Our robust service model extends into the SADC region with centres in key locations. This is because we understand that while members may work in South Africa, many of them originate from areas such as Mozambique, Lesotho and Swaziland, and have beneficiaries who still reside in these countries. We aim to make the Fund as accessible as possible to our members and their beneficiaries.

A key area of growth is improving turnaround times for claims outside of retirement and retrenchments. For example, in terms of processing disability claims, each case is unique and often complex, involving the mine's doctors, the insurer's doctors, and other factors. Investigations need to take place to ascertain whether a disability is in line with policy criteria. This can take an extended amount of time, and cause reputation damage for the Fund. While much of the actual process is not in our control, we endeavour to find ways to improve the members' journey.

While we have reduced our volume of unclaimed benefits (from around R4 billion in unclaimed benefits to approximately R2 billion), we need to find improved ways to contact members and beneficiaries to further decrease the numbers.

PERFORMANCE SUMMARY

For the 2023 period under review, we are proud to have seen a result of R37 billion in assets – a growth of close to R4 billion. This translates to direct benefits for our members and beneficiaries, enhancing their financial security and outcomes. We pride ourselves on consistently delivering positive results. The Fund has maintained a clean audit and good governance standing.

An attributing factor to growth is our superior products, particularly our risk products in comparison with market competitors. For instance, we have a R60 000 funeral cover per member and their spouse, however, we do not limit the number of spouses. This is because we take the cultural nuances of our members into consideration when crafting our products. We also have a product called a “paid-up” funeral. If a member retires from employment while being a member of the Fund, they will be covered for life for a funeral. This is because we understand that once a member exits employment, they may have limited funds to cover expenses such as funeral policy premiums. We also increase the value of the cover over time.

In terms of day-to-day service delivery and performance, 2023 has shown a marked rise in service delivery rates. As a self-administered Fund, we have targets in place to track service-level quality. We have a target of a 75% service-level rate. We are thrilled to have achieved a rate of 82% in 2023. This is in comparison to a previous annual rate of 63%. Our success is due to interventions to continually improve member experiences.

Interdepartmental collaboration is essential for service excellence. We can further strengthen operational efficiency by increasing the frequency of joint meetings and fostering open communication.

PERFORMANCE METRICS & GROWTH POTENTIAL

Fund performance is monitored on a monthly basis by the management of the Fund, as well as by a dedicated sub-committee that tracks growth and drives business development. The Board of the Fund tracks progress quarterly against predetermined targets for the year.

In terms of sector growth for 2023, we have seen growth in the platinum, coal and diamond sectors, signalling opportunities for expansion. There are also opportunities for member growth in sectors that are not currently dominant for the Fund, such as the green energy sector.

A strong reputation is vital for the Fund's growth, particularly as we prioritise organic membership. A good reputation enhances trust, promotes member acquisition, and strengthens stakeholder relationships. Word-of-mouth communication can be highly influential; therefore we need to ensure that our business operations and service delivery are of the highest standards.

LOOKING TO THE FUTURE

As we implement a new 5-year strategy, a critical Key Performance Indicator (KPI) is to grow our market share from 14% to 30% by the end of the 5-year period. As mentioned, being one of the oldest Funds in the sector, we have an ageing membership base. Attracting a younger generation to the Fund will promote our growth and sustainability. We need to expand our reach in the platinum, copper, green energy and diamond mining sectors. We must strengthen stakeholder engagement and intensify strategic collaborations. We need to maintain our existing positive relationships with organised labour groups while building on our relationships with employers. As an organisation, we need to promote an innovation-centric mindset aimed at enhancing member experience and establishing a competitive edge. Innovation is the cornerstone of our 5-year strategy. Product segmentation and diversification aligned with our target market will solidify MWPF as a market leader within the financial services sector. Superior products will drive both competitiveness and member satisfaction.

IN CLOSING

I would like to extend my heartfelt gratitude to all stakeholders, including our members, beneficiaries, staff, executive team, strategic partners, industry organisations and the Board of the Fund. Through the support and collaboration of stakeholders, we look to an optimistic future of achieving Fund goals and positively impacting our members.


MUZIWANDILE NDLOVU

COO & BUSINESS

DEVELOPMENT EXECUTIVE

An aerial, top-down view of a yellow tracked bulldozer operating in a muddy, rutted construction site. The bulldozer is positioned in the lower-left quadrant, facing towards the upper-right. Its large, dark-colored blade is lowered and appears to be pushing or leveling the mud. The ground is heavily marked with deep, parallel tracks from the bulldozer's continuous tracks, creating a complex pattern of ridges and grooves. The overall scene is dark and textured, emphasizing the rugged nature of the work environment.

**WE STRIVE TO
HONOUR YOUR TRUST
WITH INCREASING
LEVELS OF
EXCELLENCE**



PRAVESH AMBARAM

INFORMATION TECHNOLOGY MANAGER REVIEW

The IT department serves as the custodian of one of our most valuable assets: member information. We are also responsible for ensuring the efficient functioning of the organisation's technical processes and systems. Our commitment to delivering superior services continues to grow year on year. A review of 2023 shows significant progress in achieving growth goals, overcoming challenges, and approaching the future with greater energy and innovation. Our focus has been on enhancing internal capabilities and improving service delivery to our members.

CYBER SECURITY & INFRASTRUCTURE

We are pleased to report that in 2023, no cyber security threats were identified on the Fund's systems. The successful implementation of DMARC and Darktrace solutions ensured that email-related and other potential hacking threats did not impact the Fund. Cyber security remains our top priority, and we continue to develop protocols and infrastructure to safeguard both tangible and intangible assets.

IMPROVED PROCUREMENT PROCESSES

Our ongoing maintenance and security assessments revealed vulnerabilities in one of our service provider's systems. While no harm was caused to the Fund, we made the decision to terminate the contract with this provider. In response, we have restructured our procurement process and internal mechanisms to ensure more rigorous vetting and scrutiny of potential suppliers, mitigating the risk of similar issues in the future.

OFF-SITE STAFF SECURITY

We have implemented robust security measures to protect our systems, even when staff access them remotely. To ensure secure logins, all staff must connect via a Virtual Private Network (VPN) for authentication before accessing the organisation's network.



LOCAL COMPUTER SECURITY

In addition to securing our network, we have introduced new plug-ins to further strengthen our cyber security infrastructure. While staff are trained to store documents on secure servers, there are instances where files may be saved locally. To address this, we have deployed a system that allows us to remotely wipe a laptop if it is lost or compromised. Moreover, we require both a Windows password and a BitLocker password—an advanced 48-digit code—to protect devices from unauthorised access. To further enhance security, we have implemented an automatic one-minute screen lock protocol on all computers, preventing unauthorised access when unattended.

STAFF TRAINING

Recognising that phishing emails and other scams are a constant threat, we have implemented monthly cyber-crime awareness training for staff. These online tutorials provide essential information on online threats and best practices for safeguarding both personal and organisational data. Feedback indicates that these sessions have been successful, with staff becoming more vigilant when assessing the legitimacy of emails and online resources. Additionally, physical campaigns, including posters throughout the office, have helped raise awareness during key periods, such as Cyber Security Month in October.

ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATION

The rapidly advancing landscape of AI demands that we continually update our systems to ensure both security and organisational efficiency. While embracing automation, we remain committed to prioritising the needs of our members. For example, integrating chatbots into our Call Centre operations will increase efficiency, while retaining a human touch in customer service processes.

Our Customer Relationship Management (CRM) application is fully automated, ensuring that every step of member data capture is completed seamlessly. The IT department has worked intensively behind the scenes, utilising robotics, AI, and remote technology to enhance the front-end user experience.

AI also has the potential to streamline operational tasks, such as meeting minutes recording and risk management. However, maintaining these systems requires skilled employees. Since AI systems are more efficient and automated in the long run, they will reduce resources spent on maintenance and “break-fix” scenarios.

Although there are market risks related to AI, particularly concerning workforce reduction, we believe that these risks will be minimal in the mining sector over the next 5 to 10 years. Even with increasing automation, the need for human expertise—whether in programming, robotics development, or operations—remains critical.

In summary, the strategic use of AI and automation will drive innovation and efficiencies, enhancing our organisation's growth, rather than posing a threat to staffing levels.

STRATEGIC TRANSFORMATION & THE WAY FORWARD

It is crucial for us to define a clear vision for innovation that aligns with the core values of the Fund. This starts with embedding a culture of innovation and development internally. Leveraging technology to enhance our core services must be a gradual, well-integrated process that allows employees to adapt. Understanding the reasons behind these changes is essential to securing staff support and engagement.

Our innovations should reflect the Fund's customer-centric approach while developing our agility and adaptability. Increased automation will streamline services, including enhancing user portals, mobile applications, and social media tools.

The Fund's vision extends beyond the adoption of current technologies; we are committed to scanning the horizon for emerging trends that may disrupt existing processes or present new opportunities.

CLOSING REMARKS

Although AI is not an immediate threat to jobs, it is essential that both staff and members understand the role of robotics in the future of work. It is crucial for employees to connect their work with the evolving technological landscape, ensuring that knowledge evolves in line with these changes.

Cyber security must remain a top priority, as it represents one of the most significant risks to the Fund. As cyber-attacks become more frequent and sophisticated, protecting sensitive data and maintaining the integrity of our systems is critical. We will continue to implement proactive security measures to comply with the Cyber Act and global standards, fostering trust among our members, employees, and stakeholders. A vigilant approach to cyber security is essential to mitigate risks, maintain customer trust, and safeguard our competitive edge in the market.

PRAVESH AMBARAM
INFORMATION TECHNOLOGY
MANAGER



LUNGELO SOLOMBELA

HUMAN RESOURCES EXECUTIVE REVIEW

As the HR department, our mandate is to support employees and foster growth and development through upskilling and education. This is done in alignment with the organisation's strategic objectives, including people-related agenda matters such as culture and leadership development. Fundamental to our practices is creating positive employee experiences.

Our aim is to ensure an enriching, uplifting and impactful workplace experience that inspires employees to go the extra mile to achieve organisational goals. Our annual engagement survey ascertains employee engagement levels so that we can measure success in this regard. Performance management assessments gauge whether we are improving from a productivity perspective as a Fund at corporate level, and as individuals.

TRAINING - EFFICIENT USE OF BUDGETS & SUCCESS OUTCOMES

Prioritisation was a key tool in ensuring the efficient use of training budgets in 2023. We looked at strategic organisational objectives, employee requirements and member service delivery needs. We understand the role that our members play as part of society – they go down into the earth, often under challenging situations, to provide the resources needed for the functioning and overall Gross Domestic Product (GDP) of the country. The least we can do is offer respect, sensitivity and quality when providing our services, and our training programmes encompass these elements. Providing excellent service to our members with an approach of Ubuntu is central to the Fund. Training that elevates service delivery is beneficial to all. Feedback from members is provided through the Net Promoter Score (NPS). We can therefore determine service-level results from various member touchpoints, such as walk-in centres, call centres and so forth.



In terms of outcomes, success is often measured in productivity. Our reporting includes metrics informed by data such as departmental-specific productivity and engagement rates. Soft skill measurements include assessing employees' emotional and rational commitments to their work, and the organisation. While feedback is not necessarily intensively quantitative, the qualitative insights received generate a distinct picture of where interventions have been successful, as well as areas for improvement. Our performance management and training strategies are adapted accordingly based on these insights.

POLICY & COMPLIANCE

The Fund operates within a highly regulated financial sector, and as such, our policies and activities must align with the laws and legislation governing the retirement fund environment. It is critical for employees to understand our internal policies and compliance demands. We train staff on these regulations on an ongoing basis, including refresher courses, updates on new legislation and other best practice tactics. We have introduced a coaching intervention for leadership development at executive and management levels to advance their mentorship capabilities. This is valuable to the leaders themselves in terms of personal development, as well as to the staff they lead. Leadership development also includes preparing managers for changing employment landscapes, and equipping them with agility skills and knowledge.

DIVERSITY & INCLUSION

A diversity element prevalent across day-to-day operations is the factor of age. We have recently seen a younger workforce join the ranks of the Fund, and this has motivated a requirement for interventions to ensure cohesion within work teams, and across the Fund at large. Conflict tends to arise due to varied approaches to work, different value systems and personal characteristics. Therefore, there is a need for a comprehensive diversity and inclusion framework for the organisation that encapsulates our vision of an equitable and diverse workforce. This is certainly a key area for growth internally.

EMPLOYEE WELLNESS

We have enlisted the services of an external wellness service provider to assist with employee mental health and general well-being. We aim to remove stigmas and create a safe space for employees to discuss challenges faced in both their personal and professional spheres, and have access to qualified wellness practitioners. We encourage employees, including executive and management staff, to utilise these resources, which are available 24-7. Anonymous data is sent by the service provider every six months. This insight provides an

overview of prevailing areas that employees struggle with, be it work-related, financial, mental health issues, relationship problems and so forth. This allows us to identify areas where further support or training is needed (e.g., debt management training or personal coping skills, etc.). In-person workshops are held to address certain areas of concern. We are also able to conscientise staff and adapt work environments better. These mechanisms are aimed at empowering employees and improving their life experiences, both in and out of the workplace. Over the year, we have seen an improvement in sensitivity, awareness and support when it comes to employee mental health and overall wellness factors.

SECTION 189

An extremely difficult and challenging situation was the roll-out of the Section 189 operational retrenchment process. This was not an easy decision by the Fund, and was taken after exhaustive research, intensive analyses and deep consideration by key stakeholders. Paramount to the organisation was sensitivity in terms of communication to employees ahead of the roll-out and supporting both outgoing and retained staff. We called on our professional wellness provider to assist with the process. As an external supplier, staff had more freedom to communicate their feelings and support needs. Employee workshops were held to explain the rationale behind the decision and the operational necessity for a re-structure. We implemented a change management process to assist exiting staff, retained staff and management to adapt to the emotional and practical outcomes of the drastic change.

ENGAGEMENT & MORALE

We cannot downplay the negative effects of the Section 189 roll-out on employee engagement and morale, and the focus of employee engagement activities for 2023 therefore centred on this. The implementation of Section 189 processes resulted in a lot of fear, uncertainty and feelings of insecurity. Employees who remained felt a sense of guilt. Through our change management intervention and employee wellness programmes, we focused efforts on stabilising and normalising the workplace environment and operations. It was a four-month-long process, and employees were given a platform to express themselves openly, without the involvement of management. We increased communication exponentially over the transition period. Sessions were also provided to executive leadership to help them navigate the tumultuous situation. Rebuilding trust and employee morale was not easy - it is a long and arduous journey that we are still embarked on. We also had to assess whether the Fund retained its inherent culture.

HUMAN RESOURCES EXECUTIVE REVIEW



A positive outcome of the change management process was employee input on the way forward, and their ideas on how we as an organisation can revitalise and progress as a collective. The change management intervention yielded positive results. Quite surprisingly, the employee engagement index for 2023 was the second highest score achieved in the history of the Fund. We believe this is due to the manner in which we handled the Section 189 process – employees felt that the organisation demonstrated care, and this helped in rebuilding staff morale.

VISION FOR THE FUTURE

As we approach the next 5-year strategy, a key objective is growing the market share of the Fund. An organisation may have the best strategies, but to realise these, the investment and support of staff are critical. From an HR perspective, our goal is to improve the rational and emotional commitment of staff. We need to engage them at a high level, and demonstrate how their contributions and ideas build the Fund. Staff also need to have the discretion to understand that growth is required for progress. This includes keeping up with changing work environments, such as AI and technology factors.



HUMAN RESOURCES EXECUTIVE REVIEW

EMPLOYEE PROFILE AND OCCUPATIONAL LEVELS

The Fund's employee demographic and staff movements are shown hereafter.

Legend: A = African; C = Coloured; I = Indian; W = White

Total number of employees by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	A
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	3	0	1	2	9	0	0	1	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	0	0	12	0	0	0	0	0	18
Semi-skilled and discretionary decision-making	11	0	0	0	17	0	0	0	2	1	31
Unskilled and defined decision-making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	23	0	1	2	40	0	0	1	2	1	70
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	23	0	1	2	40	0	0	1	2	1	70

Total number of employees by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	A
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	2	0	0	0	0	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	0	0	0	0	0	0	0	0	0	2



Recruitment by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	A
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision-making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	0	1	0	0	0	0	0	0	2
Temporary employees	3	0	0	0	5	0	0	0	0	0	8
GRAND TOTAL	4	0	0	1	5	0	0	0	0	0	10

Promotions by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	A
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	1	0	0	0	0	0	1
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	2	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	2	0	0	0	0	0	2

Staff exits by occupational level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	A
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	1	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	0	0	0	8	2	0	0	0	0	15
Semi-skilled and discretionary decision-making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision-making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	6	0	0	0	12	3	0	0	0	0	21
Temporary employees	12	0	0	0	7	0	0	0	0	0	17
GRAND TOTAL	18	0	0	0	19	3	0	0	0	0	40

From an ESG perspective, HR serves the hearts and minds of the employees, and the organisation as a whole. We would like to see the organisation's inherent innovative and creative elements being harnessed to a greater degree to entrench our thought leadership capabilities. Our track record shows our innovative products and tactics that advance the Fund and benefit members – some of which have been replicated by competitors – and we need to showcase and build on this. Innovation will assist in providing deeper and more diverse positive impacts to members.

While capacity is a challenge, we need to come up with creative solutions to optimise the current infrastructure. Our people are our market differentiator – as we move forward, I would like to see us embrace and emphasise this.

LUNGELO SOLOMBELA
HUMAN RESOURCES
EXECUTIVE



05



OUR FINANCIAL PERFORMANCE

[Chief Financial Officer's Review <<](#)

[Independent Auditor's Report <<](#)

[Regulatory Information <<](#)

[Condensed Annual Financial Statements <<](#)

**AMMA AMPARBENG**

CHIEF FINANCIAL OFFICER REVIEW

We are proud to confirm that 2023 marked another year of clean financial audits for the Fund since the commencement of self-administration by the Fund in 2011. The Fund continues to meet financial Key Performance Indicators (KPIs) and show a commitment to ethical practices, excellent member experiences and positive financial results. Through collaborative efforts across departments, the Fund has implemented the current 5-year strategic plan aimed at growing the Fund's market share, improving member returns and heightening internal efficiencies under the leadership of the Board of the Fund.

FINANCIAL CONTROL OVERVIEW

There was a significant decrease in external audit findings versus 2022, reflecting an improvement in internal controls, with a 37.5% improvement in total external audit findings versus the prior year and an 85% internal audit findings closure rate.

2023 also signified the adoption of a new administrative fee model, integrated with the risk-benefit enhancement and affordability project. The manner of deducting administration fees and the basis of the administration fee was revised from the previous fixed administration fee model to a variable model for active, paid-up, deferred and unclaimed members.

The Fund concluded a Section 189 process with a separation date of 31 January 2023. Notice and severance pay retrenchment packages totalling R3.8 million were paid on 28 February 2023. The financial outcome of the Section 189 process is reduced salary and incentive costs through the rationalisation of human resources to mitigate rising administration costs and declining Fund membership.

The Fund spent R148 million in administrative expenses, which was higher than the previous year. Expense attribution includes a South African Revenue Service (SARS) penalty accrued of R6.8 million which was successfully remitted (reversed) by SARS in full in favour of the Fund in July 2024.



INVESTMENTS

For 2023 the Fund performed relatively well in terms of growth, with investments increasing from R33.2 billion as at 31 December 2022 to R37 billion as at 31 December 2023. Oversight of the Fund's investments, including assessments for impairment of the Fund's private equity investments and potential sovereign risk associated with exposure to South African government debt was carried out by the Board of the Fund in conjunction with the Fund's asset consultant. After conducting a thorough evaluation, no evidence has been found to suggest any impairment of the Fund's private equity investments.

The market was volatile in 2023, but the Fund maintained its returns. It also increased investments in private investments. The Fund transferred R875 million to Vunani Fund Managers South Africa, one of the Fund's asset managers, which had a passive equity mandate following the disinvestment in Aluwani Capital Partners. There was also an additional allocation to EMIM Africa Opportunities Fund in the amount of R100 million.

During 2023, the Fund raised concerns regarding the value and costs of the guarantees provided for in the Fund's Smooth Bonus Portfolios. The Fund recognised the value of smoothing in limiting market volatility but was concerned about the long-term erosion of value to members due to the cost of guarantees. The Fund directed asset consultants to conduct a detailed analysis of the Fund's three smooth bonus funds with the objective of determining the value of the capital guarantees and the appropriate level of guarantee, if any. The analysis revealed that the smoothing function provides significant value by reducing short-term volatility and paying out at full book value in the event of a member's resignation, retirement or death. The analysis indicated that extreme portfolio drawdowns are required to trigger the capital guarantees, which have not been triggered in the past 20 years, including during the 2008 and 2020 market drawdowns. Moreover, the cost of the capital guarantees has a significant impact on the long-term value of the member's investment. The Board of the Fund resolved to remove capital guarantees on its smooth bonus portfolio products, with effect from 1 June 2023.

ETHICS & GOVERNANCE

Financial ethics are of immense importance as they are an intrinsic driver of reputation and reputational risk. Any untoward occurrence must be reported to the Financial Sector Conduct Authority (FSCA).

To ensure good governance, we use a combined assurance model. Managers and executives are the first line of defence in maintaining internal controls per department. We have a risk management and compliance team that ensures compliance. Internal and external auditors, including actuaries, ensure all activities are executed in accordance with policies, regulations and financial accuracy fundamentals. We also have Board sub-committees that we report to quarterly, as well as the Board of the Fund itself.

For 2023, we have maintained our positive reputation through indicators of sound financial control such as clean audit reports, on-time financials, reductions in internal audit findings and external audit findings, and other financial compliance measures.

MEMBER EXPERIENCE VERSUS FINANCIAL CONCERNS

As a member-centric organisation, the Board of the Fund utilises a balanced scorecard that addresses both financial priorities and member experience. The Fund's KPIs reflect this in terms of ensuring both financial impact and member engagement metrics such as the Net Promoter Score (NPS). We comply with procurement controls and budget restrictions. By growing the portfolio by R4 billion in 2023, the Fund has delivered positive financial results for the organisation, which translates to improved returns for our members under the leadership of the Board of the Fund.

WAY FORWARD

Current finance processes are predominantly manual. We will be looking at process mapping and automation solutions. We are working on optimising our procurement system and integrated risk and compliance system through advancing technology.

Challenges were faced coming into 2023 due to the negative impact of the opening balance adjustments to the 2022 financials. This was as a result of a Key Man risk materialising following the loss of a legacy Fund Accounting manager. One of the steps to overcome the challenge was to re-engineer the process around offshore asset manager transfers. Capacitation was a key focus in ensuring ongoing stability across the organisation, and this focus will continue in terms of building skills within the finance team.

A new KPI related to the compounded annual growth rate of the operational budget has been added for the 2024 financial year. This restricts the annual budget growth to below 4% year-on-year. As custodians of the financial health of the organisation, we continually strive to reduce spend and improve efficiency without any negative impact on organisational operations. That being said, all managers and EXCO members occupy economic seats within the organisation and need to be aware of the financial impacts of daily decisions.

I believe in collaboration, and we as the finance department understand that positive financial results and combined assurance do not happen in isolation – it is only due to the commitment of staff and managers across the various departments that we realise organisational growth goals. To the finance team, thank you for continuing to embody the organisation's values and exceeding expectations. Thank you to our members for trusting us with their financial futures - we strive to honour your trust with increasing levels of excellence. I would like to extend my sincere gratitude to all internal and external stakeholders who have supported us in this journey, and we look forward to the year ahead with a renewed sense of optimism.



AMMA AMPARBENG

CHIEF FINANCIAL OFFICER

CA (SA)



STATEMENT OF RESPONSIBILITY BY THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were not rectified before the Board of the Fund's approval of the financial statements:

Nature and cause of non-compliance	Possible impact of non-compliance matter on the Fund	Corrective course of action to resolve non-compliance matters
The Fund is required to conduct investigations as required by Section 37C of the Pension Funds Act.	There will be an increase in the Benefits Payable of the Fund as a result of the beneficiaries not identified for distribution and payment as required by the Pension Funds Act.	The Fund is looking into areas of improvement and further Section 37C training is being provided to trustees and employees to assist with increasing the output.
Fund expenses for active members only are being deducted from the member's investment accounts. This is consistent with the Pension Funds Act but is not in line with the revised rules of the Fund.	Costs borne by the members in relation to Fund expenses are deducted from the members investment accounts instead of the contributions received.	The Fund will reconfigure the administration system to ensure that the administration fees are deducted from risk contributions and not from the members' investment account once rule amendment number 1 of the Revised rules of the Fund on the new fee model is approved by the FSCA.
Section 14 Transfers Out in the 2023 financial year ended were not paid within the prescribed time due to a number of reasons including, but not limited to, bulk payments processed manually, possible delays in internal communication, verification failures and the delay in picking up the failed transaction due to these transactions not forming part of normal processes.	This rendered the Fund as non-compliant with the provisions of Section 14 of the Act.	To set up a central section 14 mailbox, which will include recipients from all key parts of the value chain, i.e., secretariat, operations, and finance. Where applicable, when deploying the bulk payment processes, the processes must be engaged timeously in order to afford the Fund sufficient time to resolve any verification failures that may arise.

These annual financial statements:

- were approved by the Board of the Fund on 20 June 2024;
- are to the best of the Board members' knowledge, complete and correct;
- fairly represent the net assets of the Fund at 31 December 2023, as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of the Fund by:

T Kgokolo
(Re-appointed 01/05/2023)
Chairperson

Date: 20 June 2024

W Du Toit
(Re-appointed 11/05/2023)
Employee Trustee

Date: 20 June 2024

M Sebitlo
(Re-appointed 24/05/2023)
Employee Trustee

Date: 20 June 2024



STATEMENT OF RESPONSIBILITY BY THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Specific instances of non-compliances	Remedial action taken
The Fund is required to conduct investigations as required by Section 37C of the Pension Funds Act.	The Fund is looking into areas of improvement and further Section 37C training is being provided to trustees and employees to assist with increasing the output.
Fund expenses for active members only are being deducted from the member's investment accounts. This is consistent with the Pension Funds Act but is not in line with the revised rules of the Fund.	The Fund will reconfigure the administration system to ensure that the administration fees are deducted from risk contributions and not from the members' investment account once rule amendment number 1 of the Revised rules of the Fund on the new fee model is approved by the FSCA.
Section 14 Transfers Out in the 2023 financial year ended were not paid within the prescribed time due to a number of reasons including, but not limited to, bulk payments processed manually, possible delays in internal communication, verification failures, and the delay in picking up the failed transaction due to these transactions not forming part of normal processes.	To set up a central section 14 mailbox, which will include recipients from all key parts of the value chain, i.e., secretariat, operations, and finance. Where applicable, when deploying the bulk payment processes, the process must be engaged timeously in order to afford the Fund sufficient time to resolve any verification failures that may arise.

Frans Phakgadi
Principal Officer

Date: 20 June 2024



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE MINEWORKERS PROVIDENT FUND REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mineworkers Provident Fund ("the Fund") set out on pages 24 to 50, which comprise the statement of net assets and funds as at 31 December 2023 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 Fund for the year ended 31 December 2023 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 January 2023 to 31 December 2023 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 based on 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.

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 the 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 are 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.

 **SNG**
Grant Thornton



SizweNtsalubaGobodo Grant Thornton Inc.
Darshen Govender Director Registered Auditor

27 June 2024
221 Garstfontein Road,
Menlyn 0081

REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

REGISTERED OFFICE OF THE FUND

Postal address: P O Box 1583
Johannesburg
2001

Physical address: Mineworkers Provident Fund
4th Floor
No. 26 Ameshoff Street
Braamfontein
2001

FINANCIAL REPORTING PERIODS

Current year: 1 January 2023 to 31 December 2023
Prior year: 1 January 2022 to 31 December 2022





REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

BOARD OF THE FUND

Full name	Capacity	Date appointed	Date resigned
A Kuhn	A	3 March 2022	14 April 2023
A Lebelwane (Re-appointed 07/12/2022)	M	3 October 2019	
C Dondolo	A	13 September 2023	
D Le Roux	A	18 February 2022	15 June 2023
D Mohapi	A	7 December 2022	
D Ngwane (Re-appointed 24/01/2022)	M	9 March 2019	
E Richter	A	14 November 2022	
F Ramohomana	A	27 January 2023	
G Fischer (Re-appointed 09/04/2020)	A	1 April 2017	1 April 2023
G Smith	A	3 March 2023	
H Diatile	M	5 September 2023	
I Zimo (Re-Appointed 07/12/2022)	A	10 July 2020	
I Mdabudabu	A	11 February 2022	30 March 2023
I Burton	A	15 November 2023	
J Mabuza (Re-appointed 25/05/2021)	E	1 August 2013	
J Mosemeng (Re-appointed 18/06/2023)	E	1 March 2016	
K Mothae (Re-appointed 10/03/2022)	E	21 August 2008	
L Mohlakola	A	7 January 2023	
L Marumule (Re appointed 01/12/2022)	E	2 December 2019	
L Nkopane (Re-appointed 24/01/2022)	E	14 March 2016	
M Lesabe (Re-appointed 01/06/2020)	A	24 February 2015	23 January 2023
M Mweli (Re-appointed 01/12/2022)	A	27 June 2017	
M Fafuli	A	27 January 2023	
M Makgolane	A	13 September 2023	15 November 2023
M Makhaya (Re-appointed 05/05/2024)	E	3 December 2019	
M Sebitlo (Re-appointed 24/01/2022)	M	8 May 2009	
M Phakedi (Re-appointed 15/11/2021)	M	15 October 2018	5 September 2023

Full name	Capacity	Date appointed	Date resigned
N Matai	A	3 March 2022	
N Mankge	M	7 December 2022	
N Morgan	A	15 June 2023	
O Kgware (Re-appointed 15/11/2021)	M	15 August 2018	23 January 2023
P Kgobokoe	M	27 January 2023	
P Manyathi	M	23 November 2023	
P Raletjena (Re-appointed 12/10/2023)	E	12 October 2020	
R Joseph (Re-appointed 02/12/2022)	A	3 December 2019	
S Masuku	I	2 July 2020	30 June 2023
S Khumalo (Re-appointed 08/10/2023)	E	8 October 2020	
T Ramatshegisa (Re-appointed)	A	3 October 2019	
T Phetla	A	6 June 2023	
T Kgokolo (Re-appointed 01/05/2023)	C/I	31 March 2014	
M Tonjeni	I	1 July 2023	
V Bangani (Re-appointed 01/12/2022)	A	27 June 2017	
W Du Toit (Re-appointed 11/05/2022)	E	7 April 2010	
W Van Heerden (Re-appointed)	E	1 April 2013	
X van Rooyen	A	9 June 2023	
Z Dlamini (Re-appointed 01/12/2022)	A	27 March 2014	

- 'M' denotes union appointed
- 'E' denotes participating employer appointed
- 'A' denotes alternate
- 'C' denotes chairperson
- 'I' denotes independent
- " X Bokoloshe and S Ntlali resigned during 2022 and were not re-appointed during the 2023 financial year ended.

REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Meeting date	Place of meeting	Quorum (yes/no)
15 March 2023	Online	Yes
30 March 2023	Online	Yes
18 May 2023	Online	Yes
26 May 2023	Online	Yes
22 June 2023	Online	Yes
22 September 2023	Online	Yes
28 September 2023	Online	Yes
6 October 2023	Online	Yes
1 November 2023	Online	Yes
22 November 2023	Online	Yes
7 December 2023	Online	Yes
14 December 2023	Online	Yes

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





REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

FUND OFFICERS

Principal Officer

Full name	Postal address	Physical address	Telephone number	Email address	Date appointed
Frans Phakgadi	P O BOX 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010) 100 3000	fphakgadi@mineworkers.co.za	1 October 2020

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	Email address	Date appointed
Frans Phakgadi	P O BOX 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010) 100 3000	fphakgadi@mineworkers.co.za	1 October 2020

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



REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	Email address	Date appointed
Lisa Langner FASSA FFA	Building 2 11 Alice Lane Sandton 2196	Building 2 11 Alice Lane Sandton 2196	(011) 286 1129	Lisa@simekaconsult.co.za	1 January 2022

Auditor

Full name	Postal address	Physical address	Telephone number	Email address	Date appointed
SizweNtsaluba Gobodo Grant Thornton Inc (SNG Grant Thornton)	P O Box 2939 Saxonwold 2132	Building 4, Summit Place Office Park, 221 Garstfontein Road, Menlyn, 0081	+27 86 117 6782	Darshen.Govender@sng.gt.com	1 January 2018

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Registration number in terms of Section 13B
Mineworkers Provident Fund	P O Box 1583 Johannesburg 2001	Mineworkers Provident Fund Building 4th Floor No. 26 Ameshoff Street Braamfontein 2001	(010) 100 3000	1 January 2011	Self-administered



REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Asset Managers

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Abax Investments (Pty) Ltd	Postnet Suite #255 Private Bag X1005 Claremont Cape Town, South Africa 7735	2nd Floor, Colinton House The Oval 1 Oakdale Road Newlands Cape Town, South Africa 7700	(021) 670 8960	1 February 2023	FSP 856
AEON Investment Management (Pty) Ltd	P O Box 24020 Claremont 7735	4th Floor The Citadel 15 Cavendish Street Claremont 7708	(021) 204 6061 / 6066	10 December 2020	FSP 27126
27Four Collective Investments (RF) (Pty) Ltd	5 Cavendish Street Claremont 7708	5 Cavendish Street Claremont 7708	(021) 671 2173	29 March 2019	CIS 1065
Allan Gray Limited (Orbis Investment Management Limited)	P O Box 51318 Cape Town 8001	Granger Bay Court Beach Road V&A Waterfront Cape Town 8001	(021) 415 2300	24 January 2008	FSP 6663
Aluwani Capital Partners (Pty) Ltd	Private Bag X2 Bryanston 2021	EPPF Office Park 24 Georgian Crescent East Bryanston East 2152	(021) 204 3800	3 November 2005	FSP 46196
Argon Asset Management (Pty) Ltd	P O Box 482 Cape Town 8000	18th Floor Metropolitan Centre No 7 Coen Steytler Avenue Foreshore Cape Town 8000	(021) 441 2460	9 October 2009	FSP 835
Ashburton Fund Management (Pty) Ltd	P O Box 782027 Sandton 2146	3rd Floor 4 Merchant 1 Fredman Drive Sandton 2196	(011) 282 1147	21 September 2015	FSP 40169

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Balondolozzi Investment Services (Pty) Ltd	P O Box 542 Melrose Arch Melrose 2076	3rd Floor Old Trafford 1 Isle of Houghton 2198	0860 126 2270	31 January 2014	FSP 42188
BlackRock Investment Management (UK) Limited	200 Capital Dock, 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland	200 Capital Dock, 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland	+44 (20) 774 33191	8 December 2021	FSP 43288
Convergence (CPDIF) SSA GP Limited	6th Floor, Tower A 1 Cybercity Ebene Mauritius	6th Floor, Tower A 1 Cybercity Ebene Mauritius	+230 403 6000	8 December 2021	FSP 44602
Coronation Asset Management (Pty) Ltd	P O Box 993 Cape Town 8000	Boundary Terraces 1 Mariendahl Lane Newlands 7700	(021) 680 2219	1 August 2005	FSP 548
Emerging Markets Investment Management Limited (EMIM)	27 Hill Street London W1J 5LP United Kingdom	27 Hill Street London W1J 5LP United Kingdom	+44 (0) 20 7290 9858	17 January 2019	FSP 50135
Fairtree Asset Management (Pty) Ltd	P O Box 4124 Tygervally 7536 South Africa	Ground Floor Willowbridge Oak Old Oak Road Belville	(021) 943 3760	21 May 2021	FSP 25917
Independent Alternatives Investment Managers (Pty) Ltd	42 Homestead Road, Jupiter House, River Park, Rivonia, Johannesburg, 2191	42 Homestead Road, Jupiter House, River Park, Rivonia, Johannesburg, 2191	(011) 234 1519	22 October 2022	FSP 47402
Just Retirement Life (South Africa) Limited	G01 Big Bay Office Park 16 Beach Road Estate Boulevard Big Bay 7441 Cape Town	G01 Big Bay Office Park 16 Beach Road Estate Boulevard Big Bay 7441 Cape Town	(021) 200 0463	11 March 2019	FSP 46423



REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Asset Managers (continued)

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Kholo Capital Fund Managers (Pty) Ltd	Propertiq office centre, Melrose Arch, 34 Melrose Blvd, Birnam, 2196	Propertiq office centre, Melrose Arch, 34 Melrose Blvd, Birnam, 2196	079 631 5860	8 April 2022	FSP 51768
LimaMbeu Investment Managers (Pty) Ltd	2nd Floor, Fredman Towers 13 Fredman Dr Sandown Sandton 2196	2nd Floor, Fredman Towers 13 Fredman Drive Sandton 2196	(010) 023 0113	14 December 2021	FSP 49018
Mianzo Asset Management (Pty) Ltd	P O Box 1210 Milneron 7435	Unit GG01 The Forum North Bank Lane Century City 7441	(021) 552 3555	1 February 2014	FSP 43114
Mineworkers Provident Fund Cell Captive (Guardrisk Life Limited)	P O Box 786015 Sandton 2146	The Marc Tower 2 129 Rivonia Road Sandton 2196	(011) 669 1000	1 October 2021	FSP 76
Momentum Metropolitan Holdings Limited	P O Box 2212 Cape Town Bellville 7530	Mispel Street Building 4 Parc Du Cap Bellville 7530	(021) 917 3593	3 November 2005	FSP 44673
Morgan Stanley Investment Management (Ireland) Limited **	14 Port de France L-4360, Esch-sur-Alzette Luxembourg	14 Port de France L-4360, Esch-sur-Alzette Luxembourg	+ 353 (1) 799 8700	21 June 2022	FSP 9752
Ninety-One SA (Pty) Ltd	P O Box 13 Cape Town 8000	8th Floor 125 Buitengracht Street Cape Town 8001	(021) 426 1313	6 October 2010	FSP 587
Old Mutual Life Assurance Company (South Africa) Ltd	P O Box 1014 Cape Town 8000	Mutualpark Jan Smuts Drive Pinelands 7405	(021) 509 4410	1 January 2008	FSP 703
Prescient Investment Management (Pty) Ltd	P O Box 31142 Tokai 7966	Block B, Silverwood LaneSteenberg Office Park 7945	(021) 700 3600	11 December 2020	FSP 612

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
Prowess Investment Managers (Pty) Ltd	Private Bag 15086 Vlaeberg 8078	Unit 2A 6th Floor 186 Loop Street Cape Town 8001	(021) 565 0065	31 January 2014	FSP 38318
SEI Investments South Africa (Pty) Ltd	Postnet Suite 426 Private Bag X1 Melrose Arch 2076	1st floor, Unit 8A 3 Melrose Boulevard Melrose Arch 2196	(011) 994 4202	1 August 2016	FSP 13186
Sands Capital Fund PLC	1000 Wilson Boulevard, Suite 3000 Arlington VA 22209 USA	1000 Wilson Boulevard, Suite 3000 Arlington VA 22209 USA	+1 (703) 562 5287	8 December 2021	FSP 48103
Sanlam Life Insurance Limited	P O Box 1 Sanlamhof Cape Town 7532	2 Strand Road Bellville Cape Town 7530	(021) 947 2225	1 January 2011	FSP 2759
STANLIB Asset Management Limited	P O Box 202 Melrose Arch Johannesburg 2000	17 Melrose Boulevard Arch Melrose Arch Johannesburg 2000	(011) 448 6400	29 May 2013	FSP 719
Terebinth Capital (Pty) Ltd	Postnet Suite 226, Private Bag X22, Tyger Valley, 7536, South Africa	1st Floor Willowbridge Place Cnr Carl Cronje Dr &, Old Oak Rd, Bellville, Cape Town, 7530	(021) 943 4820	22 October 2022	FSP 47909
Vantage Capital Fund Managers (Pty) Ltd	P O Box 280 Parklands 2121	Unit 9B 1st Floor Melrose Boulevard Melrose Arch 2076	(011) 530 9100	14 July 2015	FSP 45610
Vunani Fund Managers (Pty) Ltd	P O Box 44586 Claremont 7735	6th Floor, Letterstedt House Newlands on Main, Newlands 7700 Cape Town	(021) 670 4900	9 December 2020	FSP 608

** Asset allocation completed on 11 January 2023.

**WE ARE COMMITTED
TO FORMING AND
MAINTAINING
MEANINGFUL
CONNECTIONS WITH
OUR MEMBERS**





REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Asset Consultants

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
27four Investment Managers (Pty) Ltd (Reappointed on 1 July 2022)	P O Box 522417 Saxonwold Johannesburg 2132	Firestation Rosebank, Fifth Floor 16 Baker Street Rosebank, Johannesburg 2196	(011) 442 2464	1 January 2016	29 February 2024	FSP 31045
RisCura Solutions (Pty) Ltd	P O Box 23983 Claremont, 7735	5th Floor Montclare Place Cnr Campground & Main Road	(021) 673 6999	1 December 2023		FSP 46638

Risk Insurer

Full name	Postal address	Physical address	Telephone number	FSP approval no
Guardrisk Life Limited	P O Box 786015 Sandton 2146	The Marc Tower 2 129 Rivonia Road Sandton 2196	(011) 669 1000	FSP 76



REGULATORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Custodian and/or Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
Allan Gray Limited (Orbis Investment Management Limited)	P O Box 51318 V&A Waterfront Cape Town 8002	1 Silo Square V&A Waterfront Cape Town 8001	(021) 415 2300	FSP 19896
Momentum Group Limited	P O Box 48 Newlands 7725	Great Westerford Main Road Rondebosch Cape Town, 7700	(021) 658 6000	FSP 6406

Other

Full name	Postal address	Physical address	Telephone number	FSP approval no
FirstRand Bank Limited (First National Bank)	P O Box 7713 Johannesburg 2000	Bank City 3 First Place Mezzanine Floor Cnr Simmonds & Jeppe Streets Johannesburg 2000	(011) 371 3944	FSP 3071

PARTICIPATING EMPLOYERS

The list of participating employers is available for inspection at the Fund's registered office.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023



Responsibilities

The Board of the Fund hereby confirms that to the best of their knowledge and belief, during the year under review, in the execution of their duties they have complied with the duties imposed by the Pension Funds Act 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 the 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 Section 13A and regulation 33 of the Pension Funds Act in 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.

Approval of the annual financial statements

The annual financial statements of Mineworkers Provident Fund are the responsibility of the Board of the Fund. The Board of the Fund fulfills 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 other service providers are in order to 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 14 to 52 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, SNG Grant Thornton, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of the 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 pages 11 to 13.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

1. DESCRIPTION OF FUND

1.1. Type of Fund in terms of the Income Tax Act, 1962

In terms of Section 1 of the Income Tax Act, 1962 the Fund is classified as a provident fund. The Fund is a defined contribution fund.

1.2. Benefits

1.2.1 The purpose of the Fund is the payments of the retirement benefits, withdrawal benefits and death benefits to members of the Fund and/or their dependants.

1.2.2 The Fund has retained membership and benefit records of members who have unclaimed benefits within the Fund.

1.3. Contributions

Member Contributions

Member contributions are specified and defined in the revised rules of each participating employer. The revised rules are available at the registered office of the Fund. Contribution rates range from 12% (Category 1) up to 27.5% (Category 16).

Employer contributions

Employer contributions are specified and defined in the revised rules of each participating employer. After allocating a portion of the employer contributions to meet the cost of the Fund expenses, the balance is allocated towards members' fund credits.

For all members

Members may pay additional voluntary contributions (AVC) to the Fund.

1.4. Rule Amendments

1.4.1. Amendments

Number	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Service Conduct Authority (FSCA)
1*	Administration and Financial Provisions (Submitted not yet approved by FSCA)	1 December 2023		

*Rule amendment number 1 to the Revised rules of the Fund.

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

1.5.1. Reserves

The assets of the Fund are held in five reserve accounts, known as the Members' Investment Account, Risk Reserve Account, Data Error Reserve Account, Processing Error Reserve Account and the Expense Reserve Account. The assets comprising the Members' Investment Account are allocated amongst the members and the records be maintained as such. The assets comprising the Risk Reserve Account are not allocated amongst the members but are maintained for the Fund as a whole. Each reserve account is maintained separately from the others and transfers between reserve accounts take place only as specified in the rules of the Fund.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

Members' Investment Account:

The following transactions are recorded in this account:

Credits:

- contributions made by members and participating employers for retirement funding in terms of Rule 4.1;
- voluntary contributions made by the members in terms of Rule 4.1.2;
- any amounts (if any) transferred to the Fund in terms of Rule 9.1;
- any allocation of actuarial surplus in terms of Rule 5.7;
- any interest paid on late contributions in terms of Rule 4.2.3.1; and
- any allocation from the reserve accounts.

Debits:

- benefits paid in terms of Rules 6 (retirement benefits), 7 (death and disability benefits) or 8 (termination of service);
- transfers from the Fund in terms of Rule 9.2;
- deduction from the member's minimum individual reserve in terms of Rule 10;
- cost of the expenses referred to in Rule 5.5.3;
- for paid-up members, non-contributory members or unclaimed members, the proportionate amount of operational fund expenses as determined by the Actuary in accordance with Rule 5.4.2 which amounts will be transferred to the Expense Reserve Account;
- for unclaimed benefits, on transfer to another fund in terms of Rule 12.7; and
- transfer to the Data Error Reserve Account or Processing Error Reserve Account in terms of Rule 5.6.3.

Risk Reserve Account:

The following transactions are recorded in this account:

The primary purpose of this reserve account is to provide for risk benefits. The following transactions are recorded in this account:

Credits:

- contributions paid to the Fund by each participating employer towards the members risk benefit of Rule 4.1;
- contributions paid to the Fund by each member towards the members risk benefit of Rule 4.1;
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts;
- payments by a registered insurer with whom the Fund has effected a group life assurance policy on the lives of members; and
- positive net investment returns earned on the assets in the Risk Reserve Account.

Debits:

- payments of premiums to registered insurers with whom the Fund has effected a group life assurance policy on the lives of members;
- transfers to Members' Investment Account in terms of the rules of the Fund;
- negative net investment returns earned on the assets in the Risk Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

Expense Reserve Account:

The purpose of this reserve account is to meet operational fund expenses related to the management and administration of the Fund and to meet unforeseen contingencies.

The following transactions are recorded in this account:

Credits:

- a portion of contributions as determined by the Actuary to meet operational fund expenses in terms of Rule 5.5.2;
- proceeds from realisation of units to meet operational fund expenses in terms of Rule 5.5.2;
- positive net investment returns earned on the assets in the Expense Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts.

Debits:

- payment for operational fund expenses in terms of Rule 5.4;
- negative net investment returns earned on the assets in the Expense Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

Processing Error Reserve Account:

The purpose of this reserve account is to provide for mismatching and timing differences in the investment, disinvestment and allocation of the assets of the Fund as well as financial losses as a result of errors that may be made in the processing of the Fund's payments.

The following transactions are recorded in this account:

Credits:

- mismatching profits arising in the Fund from time to time;
- positive net investment returns earned on the assets in the Processing Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts.

Debits:

- mismatching losses arising in the Fund from time to time;
- negative net investment returns earned on the assets in the Processing Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.

Data Error Reserve Account:

The purpose of this reserve account is to protect the Fund against data errors which could arise from time to time.

The following transactions are recorded in this account:

Credits:

- positive net investment returns earned on the assets in the Data Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred from other Fund accounts.

Debits:

- losses due to data errors that may arise in the Fund from time to time;
- negative net investment returns earned on the assets in the Data Error Reserve Account; and
- an amount determined by the Actuary at each financial year end transferred to other Fund accounts.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

2. INVESTMENTS

2.1. Development of the Fund's investment strategy

The development of the Fund's default investment strategy is a two-stage process. The first objective is to determine the funding level required to ensure that Fund members retire in a financial position that protects their current standard of living. This is determined by conducting an Asset Liability Modelling ("ALM") exercise where the investment and savings positions of members (individually and in aggregate) are assessed. The ALM review, conducted by the Fund's investment consultant at least every two years ensures that the investment strategy adopted by the Fund continues to remain relevant.

The second objective is to define the asset allocation of each investment portfolio and select the best asset managers within each asset class. To meet these objectives, the two stages are expanded into a multi-step investment process with the goal of developing and executing an investment strategy with the highest probability of maximising Fund assets, thereby allowing members to purchase an appropriate pension at retirement while simultaneously mitigating investment risk.

The investment strategy adopted by the Fund also takes into consideration the integration of Environmental, Social and Governance ("ESG") and Broad-Based Black Economic Empowerment ("B-BBEE") factors. ESG is integrated into the implementation of the investment strategy through engagement and proxy voting and impact investment where investment is made with the intention of having a beneficial social, and environmental impact in addition to a financial return. B-BBEE objectives target the requirements of the B-BBEE Scorecard for Retirement Funds under the Financial Sector Code which promotes procurement from black-owned service providers to the Fund.

The investment strategy of the Fund also complies with the provisions of Regulation 28 of the Pension Funds Act of 1956 including amendments made.

Default Investment Strategy of the Fund

Since the establishment of the Fund, a single default investment portfolio has been maintained for all members, regardless of their age. This approach has proven to be beneficial to members over time. However, current

amendments to retirement fund regulations introduced by the government, such as, compulsory annuitisation for provident funds, relaxed exchange control limits, addition of alternative asset class limits and the two-pot system to be implemented on 1 September 2024, have prompted a review of the Fund's investment strategy. A comprehensive ALM analysis was conducted in July 2022 to inform a proposed modification to the investment approach, which was subsequently approved by the Board. Consequently, the Fund's Default Investment Strategy will transition from a single-stage to a two-stage framework. This new strategy will incorporate a wealth accumulation phase for members who are five or more years from retirement and an income/capital protection phase for members who are less than five years away from retirement.

Key amendments to the Default Investment Strategy, subject to vesting rules include:

- The introduction of an Income Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to reduce the risk of transitioning the portion of member assets earmarked for the purchase of the in-fund annuity at retirement.
- The introduction of a Capital Protection Portfolio, a pre-retirement life stage portfolio (0-5 years to retirement) whose objective is to reduce the risk of transitioning the portion of member assets earmarked for the purchase of the in-fund annuity at retirement.
- Members who are more than 5 years from retirement will be invested in the Accumulation Portfolio, which is the current default investment portfolio.

Strategic Asset Allocation Amendments to this portfolio include:

- Reducing exposure to smooth bonus funds from 40% to 30%;
- Having dedicated exposure to South African Alternative Investments; and
- Appropriate exposure to offshore assets.

Current Default Investment Strategy

Portfolio	Real Return Objectives
Accumulation Portfolio	CPI + 4.5%



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

Revised Default Investment Strategy

Life Stage	Risk Profiled Portfolio	Real Return Objectives
5 years or more to retirement age	Accumulation Portfolio	CPI + 4.5%
Less than 5 years to retirement age	Accumulation Portfolio Capital Protection Portfolio	Income Protection Portfolio STeFI + 1%

The Revised Default Investment Strategy implementation is in progress.

Foreign Currency Account

The Fund opened a Foreign Currency Account (FCA) effective 11 April 2022 as an approved and active Institutional Investor as defined by the South African Reserve Bank (SARB) to facilitate the transfer of foreign currency to offshore asset managers and for receiving disinvestment funds from offshore asset managers prior to reinvestment. All transactions on this account comply fully with the provisions of the Authorised Dealer Manual and/or the provisions of specific authorities from the Financial Surveillance Department of the SARB.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

Core Portfolio

Asset Class

Asset Manager Portfolio	Weight in Overall Fund
Guaranteed Portfolios	
Old Mutual Stable Growth Fund	12.79%
Sanlam Stable Bonus Fund	7.28%
Sanlam Smooth Bonus Fund	7.47%
Momentum Smooth Growth Fund	0.53%
Unlisted Assets	
Ashburton Private Equity Fund 1	0.45%
Vantage Mezzanine III	0.34%
26 Ameshoff Street	0.07%
Total Core Portfolio	28.93%

Market-Linked Portfolio

Asset Class

Asset Manager Portfolio	Weight in Overall Fund
South African Equities	
Argon SA Equity Fund	7.20%
Balondoloz SA Active Capped SWIX Fund	0.99%
Coronation Aggressive Equity Fund	7.41%
Mianzo Enhanced Equity Fund	2.05%
Aeon Asset Management	1.63%
Fairtree Asset Management	1.82%
Lima Mbeu	0.32%
Prescient SA Equity Fund	1.99%
Vunani Fund Managers	0.00%
South African Fixed Income	
Aluwani Capital SA Bond Fund	11.05%
Abax Investments	0.64%
Balondoloz SA Bond Fund	1.08%
Balondoloz SA ILB Fund	1.67%
Independent Alternatives SA Bond Fund	0.33%
Prowess SA ILB Fund	1.66%
Prescient Inflation Linked Bonds	1.24%
STANLIB Aggressive Income Fund	4.78%
STANLIB Inflation Linked Bond	1.23%
Terebinth SA Active Nominal Bond Fund	0.32%
South Africa Cash	
Ninety-One Global Franchise Fund	2.21%

Asset Manager Portfolio	Weight in Overall Fund
Global Equities	
Ninety-One Global Franchise Fund	3.61%
Orbis Institutional Global Equity Fund	5.08%
SEI Global Select Equity Fund	3.05%
BlackRock Investment Management (UK) Limited	3.11%
Convergence Partners Digital Infrastructure Fund L.P.	0.22%
Morgan Stanley Investment Management (Ireland) Limited	1.59%
Kholo Capital Fund Manager (Pty) Ltd	0.00%
Sands Capital Fund PLC	1.40%
Africa	
Emerging Markets Investment Management Limited	0.40%
Emerging Markets Investment In Transit	0.27%
South Africa Balance	
Just Retirement Life (South Africa) Limited	0.38%
Others	2.34%
Total Market-Linked Portfolio	71.07%
Total Asset Allocation	100.00%



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

2.2. Management of investments

The Board of the Fund meets on a formal basis at least four times a year in relation to the investments of the Fund and monitors the performance of the Fund's investments on a quarterly basis. The Fund has a separate Investment sub-committee that meets at least every three months to monitor the investments of the Fund.

The fair value of the Fund's investment, administered by the asset managers at the end of the year was:

	FSCA Registration number	Current year	Previous year
		R	R
Old Mutual Life Assurance Company (South Africa) Limited	FSP 703	4 737 512 218	4 283 394 761
Aluwani Capital Partners (Pty) Ltd	FSP 46196	4 091 019 286	2 891 208 667
AEON Asset Management (Pty) Ltd	FSP 27126	602 228 490	573 103 842
*Coronation Asset Management (Pty) Ltd	FSP 548	3 370 092 761	3 110 620 511
***Abax Investment (Pty) Ltd	FSP 856	235 511 820	-
Allan Gray Limited (Orbis Investment Management Limited)	FSP 6663	1 881 835 833	1 420 358 717
*Ninety-One SA (Pty) Ltd	FSP 587	2 152 232 765	3 485 660 448
Argon Asset Management (Pty) Ltd	FSP 835	2 665 285 893	2 515 129 493
**Vunani Fund Managers (Pty) Ltd	FSP 608	79 666	851 460 662
Momentum Metropolitan Holdings Limited	FSP 44673	196 265 159	221 138 056
*Sanlam Life Insurance Limited	FSP 2759	5 461 281 896	4 986 645 780
***Terebinth Capital (Pty) Ltd	FSP 47909	119 619 085	-
*STANLIB Asset Management Limited	FSP 719	2 227 368 434	1 624 437 530
Mianzo Asset Management (Pty) Ltd	FSP 43114	757 956 914	717 011 064
*Prowess Investment Managers (Pty) Ltd**	FSP 38318	614 728 681	1 012 654 511
*Balondolozzi Investment Services (Pty) Ltd	FSP 42188	1 385 519 807	1 282 549 511

	FSCA Registration number	Current year	Previous year
		R	R
Ashburton Fund Management (Pty) Ltd	FSP 40169	165 966 398	133 189 614
*Vantage Capital Fund Managers (Pty) Ltd	FSP 45610	125 690 710	161 311 205
SEI Investments South Africa (Pty) Ltd	FSP 13186	1 129 760 279	873 228 945
***Independent Alternatives Investment Managers (Pty) Ltd	FSP 47402	120 478 381	-
***Morgan Stanley Investment Management (Ireland) Limited	FSP 9752	587 943 463	-
Emerging Markets Investment Management Limited	FSP 50135	248 251 119	131 854 012
27Four Collective Investments (RF) (Pty) Ltd	CIS 1065	90 105 230	79 586 269
Just Retirement Life (South Africa) Limited	FSP 46423	141 640 531	65 122 707
*Prescient Investment Management (Pty) Ltd	FSP 612	1 195 869 600	675 321 706
LimaMbeu Investment Managers (Pty) Ltd	FSP 49018	118 597 944	112 971 518
Fairtree Asset Management (Pty) Ltd	FSP 25917	673 730 548	641 476 837
Mineworkers Provident Fund Cell Captive (Guardrisk Life Limited)	FSP 76	151 163 807	100 609 615
BlackRock Investment Management (UK) Limited	FSP 43288	1 150 174 696	865 456 977
Convergence (CPDIF) SSA GP Limited	FSP 44602	82 841 609	31 480 916
***Kholo Capital Fund Manager (Pty) Ltd	FSP 51768	2 802	-
Sands Capital Fund PLC	FSP 48103	2 802	365 047 677
Total value of investments managed		36 999 759 034	33 212 031 551

* Asset Managers listed hold multiple mandates

** The Board of the Fund resolved to fully disinvest from the Momentum Smooth Bonus Fund, Vunani Fund Managers and Prowess Corporate Bond Fund, respectively. As at 31 December 2023, the total value of the Momentum Smooth Bonus Fund's remaining illiquid assets was R196 million. The Fund received R25 million of the illiquid assets in 2023. The Fund expects to receive the remaining assets from Momentum Smooth Bonus Fund in tranches over four years.

*** New appointments approved during 2022 and assets transferred during the 2023 financial year.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

3. MEMBERSHIP

	Active members	Deferred pensioners	Paid-Up	Unclaimed benefits
Number at the beginning of year	67 640	9 774	2 649	23 496
Adjustments	(1 034)	(9 774)	14 715	1 921
- Adjustments (includes dormant records)	(1 034)	-	4 941	1 921
- Deferred members	-	(9 774)	9 774	-
Section 14 Transfers in	5 321	-	-	-
Section 14 Transfers in	114	-	-	-
Section 14 Transfers out	(344)	-	-	-
Withdrawals	(1 811)	-	(1 197)	-
Retirements	(447)	-	(199)	-
Retrenchments	(2 076)	-	(587)	-
Deaths	(325)	-	(673)	-
Disability	(1 653)	-	(1 858)	-
Unclaimed benefits paid	-	-	-	(5 977)
Number at the end of the year	65 385	-	12 850	19 440

The adjustment of 9774 Deferred Pensioners have been transferred for disclosure under the Paid-up category. Paid-up and Deferred categories are combined into one category, "Paid-Up" as the Pensions Funds Act only makes provision for a Paid-up Category and does not recognise the term "deferred". For internal reporting

purposes there is still a distinction between deferred and paid-up records in the Fund's Employee Benefits system.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay benefits in the future. In accordance with the rules of the Fund, the financial condition of the Fund is reviewed at the end of every calendar year, or shorter intervals as the Board of the Fund decides. The 2018 triennial statutory valuation, as required by Section 16 of the Pension Funds Act, was performed and the Actuary reported that the Fund was in a sound financial position.

The 2018 triennial statutory valuation was submitted to the Financial Services Conduct Authority (FSCA) on 14 December 2019 and is awaiting approval. It is pending with the FSCA as it was prepared in line with the then unregistered Revised Rules. The Fund subsequently revised its rules, which were submitted to the FSCA in November 2021 and approved by the FSCA on 6 May 2022.

The triennial statutory valuation as required for the period ended 31 December 2021 was approved by the Board of the Fund on 7 December 2022 and submitted by the valuator on 14 December 2022 to the FSCA and is awaiting approval.

The valuator's report is available on pages 53 to 54.

5. HOUSING LOAN FACILITIES

The Fund does not grant direct housing loans. As from 1 September 1996 the Board of the Fund decided to assist members with housing loans by using a portion of their benefits in the Fund as security in terms of rule 31(10) of the rules of the Fund and Section 19(5) of the Pension Funds Act in South Africa. iMasFinance Co-operative Limited and First National Bank (FNB) currently participate in the Housing Loan Guarantee Scheme. Refer to note 4 in the notes to the annual financial statements for details of the guarantees provided.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

Details of investments in participating employers are provided in note 3.2 of the notes to the annual financial statements. The investments represent 2.00% of the total investments at 31 December 2023 (2022: 2.43%) and no exemption is required from the Registrar of Pension Funds in terms of Section 19(4) in the Pension Funds Act in South Africa.

7. SUBSEQUENT EVENTS

Investments and disinvestments after year-end

The following key transaction was resolved and approved by the Board of the Fund during 2023 and was concluded subsequent to the year ended 31 December 2023:

- Additional allocation to EMIM Africa Opportunities Fund of R100 million (refer below to Section 8). The additional funds were effective for trade 2 January 2024.

Board changes after year-end:

Refer to Schedule A, Regulatory Information for Board changes.

8. SIGNIFICANT MATTERS

8.1. Investments and disinvestments

The following key transactions resolved and approved by the Board of the Fund during 2022 were concluded during the year ended 31 December 2023:

- Morgan Stanley Investment Management (Ireland) Limited was transferred on 11 January 2023.
- The fixed income and bond mandates were fully transferred between 31 March 2023 and 30 April 2023, and are listed below:
 - Abax Bond Fund
 - Independent Alternatives Active Bond
 - Terebinth Active Bond Fund
 - STANLIB Inflation Linked Bond Fund
 - Prescient Inflation Linked Bond Fund
- Prowess Corporate Bond Fund was transferred on 28 February 2023 and 20 March 2023, respectively.
- The Fund transferred the mandate for the Old Mutual Absolute Stable Growth Fund to the Old Mutual Smooth Bonus Fund.
- The Fund committed R200 million to Kholo Capital Mezzanine I in 2022, which closed on 9 February 2023. The Fund continues to invest in line with the capital calls received.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

8.2. Investment decisions

The Board of the Fund resolved and approved the following investment decisions during the financial year under review:

- Transfer R875 million from Vunani Fund Managers South Africa Passive Equity Mandate (previously resolved by the Board of the Fund as a disinvestment) to Aluwani Capital Partners (Pty) Ltd.
- Additional allocation to EMIM Africa Opportunities Fund of R100 million.

8.3. Capital Guarantees for the Smooth Bonus Funds

During 2023, the Fund raised concern regarding the value and costs of the guarantees provided for in the Fund's Smooth Bonus Portfolios. The Fund recognised the value and cost of smoothing in limiting market volatility but was concerned about the long-term erosion of value to members due to the cost of guarantees. The Fund directed the asset consultants to conduct a detailed analysis of the Fund's three smoothed bonus funds with the objective to determine the value of the capital guarantees and the appropriate level of guarantee, if any. The analysis revealed that the smoothing function provides significant value by reducing short-term volatility and paying out at full book value in the event of a member's resignation, retirement, or death. The smoothing comes at a cost of 20 basis points per annum. In contrast, the capital guarantees, for which the Fund pays an additional 50 to 80 basis points on top of the smoothing fee, were reassessed. The analysis indicated that extreme portfolio drawdowns are required to trigger the capital guarantees, which have not been triggered in the past 20 years, including during the 2008 and 2020 market drawdowns. Moreover, the cost of the capital guarantees has a significant impact on the long-term value of the member's investment. The Board of the Fund resolved to remove capital guarantees on its smooth bonus portfolio products, with effect from 1 June 2023.

Furthermore, the Board of the Fund resolved on 22 June 2023 to amend its previous Board resolution as noted above and maintain a guaranteed level of 50% without any additional costs to the Fund. This decision was primarily driven by the belief that it is highly unlikely for the 50% guarantee threshold to be breached.

8.4. Management of Investments

The Fund's investments increased from R33.2 billion as at 31 December 2022 to R37.0 billion as at 31 December 2023. The Board acknowledges the inherent risks associated with investment strategies and their implementation. To mitigate such risks, the Fund actively monitors various risk exposures, including but not limited to inflation, currency, liquidity, credit, volatility, political, social, regulatory, and asset manager risks. Oversight of the Fund's investments, including assessments for impairment of the Fund's private equity investments and potential sovereign risk associated with exposure to South African government debt, is carried out by the Board in conjunction with the Fund's asset consultant. After conducting a thorough evaluation, no evidence has been found to suggest any impairment of the Fund's private equity investments.

8.5. Staff rationalisation and cost rationalisation

The Fund concluded a Section 189 process, with separation date of 31 January 2023. Notice pay and severance pay (retrenchment packages) totalling R3.8 million were paid on 28 February 2023. The outcome of the Section 189 process is a reduced salary cost through rationalisation of human resources to mitigate the rising administration costs and declining membership of the Fund.

8.6. Approved new administration fee model

The Board of the Fund resolved in 2023 to adopt a new administration fee model, integrated with the risk benefit enhancement and affordability project. The Board of the Fund concluded a detailed analysis on the impact of the new model on the members' risk benefits. The manner of deducting administration fees and the basis of the administration fee have been revised from the current fixed administration fee model to a variable administration fee model for active, paid-up, deferred and unclaimed members. The Fund awaits the registration of the rule amendment with the FSCA before the new model can be implemented.

8.7. Forensic Investigation

In 2022, the Board of the Fund approved that a forensic investigation be conducted with regard to all claims that were paid during the COVID-19 pandemic period. The Fund's objective is to satisfy itself that no staff members have partaken in illicit activities and obtain assurance that no member who exited was prejudiced. The intention is to uncover any fraudulent claims and payments and to provide assurance to the Board of the Fund. The investigation remains ongoing, and a report will be provided to the Board of the Fund upon its conclusion.

8.8. Cyber Security Cover

On 01 January 2023 the Fund introduced Network Security and Privacy Insurance to its Fidelity Cover. The cover was renewed in 2024.

8.9. Asset Consultants of the Fund

The Fund's asset consultants, 27four Investment Managers (Pty) Ltd (27four) were re-appointed as asset consultants for a contractual term of three years from 1 July 2022 to 30 June 2025. Following the notice period served, the SLA was terminated on 29 February 2024. The Board of the Fund has reserved all of its rights on the termination.

8.10. Consulting and Advisory services

Following the notice of termination provided by 27four, the Fund appointed RisCura Solutions (Pty) Ltd on a caretaking basis for six months, during which time the Fund conducted a procurement process for consulting and advisory services.



REPORT OF THE BOARD OF THE FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

8.11. Temporary Total Disability (TTD) Benefit Refund – Guardrisk Life Limited

As resolved by the Board of the Fund on 14 September 2022, the Fund received R28.4 million on 19 May 2023 from Guardrisk Life Limited following the termination of the TTD benefit effective 30 September 2022. The amount was based on the premiums paid minus binder fees minus management fees minus claims paid inclusive of all interest earned during the period under review. The Fund's Actuaries verified the final amount once Guardrisk Life Limited had finalised the calculations in accordance with the agreed timelines.

8.12. Funeral Benefit Advance – Guardrisk Life Limited

With effect from 1 October 2021, the Fund's funeral benefit was housed in the Guardrisk Life Limited pooled product. The Fund paid an advance to Guardrisk Life Limited for the funeral benefit when the funeral policy was issued. This advance of R3.7 million was refunded in full on 3 April 2023.

8.13. Permanent Total Disability (PTD) and Funeral Cover – Change in risk benefit providers

During 2023, the Board of the Fund approved the change in the Funeral Benefit risk provider from Guardrisk Life Limited to Rand Mutual Assurance Company Limited (RMA) effective 1 November 2023. The Board of the Fund further resolved and approved the change in the PTD risk benefit binder holder for the Mineworkers Provident Fund First Party Cell Captive from Prosperity Management Africa (PMA) to Fairsure Administration (Pty) Ltd.

8.14. Risk benefits – Changes in contribution rates

The Group Life Assurance (GLA) self-insured premium was revised to 2% from the previous contribution rate of 3.62%. The Board of the Fund expects a further reduction in this premium over time, aimed to positively impact the Fund's members' individual accounts due to the optimised levels of risk benefits and rates. The PTD contribution rate was also revised through a rebroke exercise from 3.003% to 2.704% effective from 1 October 2023.

8.15. Mineworkers Provident Fund First Party Cell Captive – Guardrisk Life Limited

The key results of the cell captive under which the PTD was insured were as follows:

	2023	2022
	(Year-ended)	(Year-ended)
Cell Captive Premium Income	R99.8 million	R86.8 million
Cell Captive Expenses	R51.2 million	R48.6 million
Cell Captive Management Fees	R7.0 million	R6.8 million
Investment income net of taxation	R8.9 million	R5.8 million

The value of the investment in the cell captive as at 31 December 2023 was R151.2 million. The cell captive generated a profit of R41.6 million as at 31 December 2023 which remains in the cell captive.

8.16. Board changes in 2023

Refer to Schedule A, Regulatory Information for Board changes.

8.17. Going Concern

The Fund's going concern status has not been impacted. The Fund retains its ability to pay claims as they arise.

8.18. Compliance with laws and regulations

Four instances of non-compliance were noted for the period under review. Refer to Schedule B and Schedule C, respectively, for the details of non-compliance and remedial action taken.



STATEMENT OF NET ASSETS AND FUNDS AS AT 31 DECEMBER 2023

	Note	Current year R	Previous year R
ASSETS			
Non-current assets		37 031 984 008	33 244 990 810
Property, vehicles and equipment	2	32 224 974	32 959 259
Investments	3	36 999 759 034	33 212 031 551
Current assets		674 368 531	1 003 948 534
Transfers receivable	6	-	33 286 240
Accounts receivable	5	358 522 081	185 775 520
Contributions receivable	11	209 376 412	198 754 368
Cash and cash equivalents		106 470 038	586 132 406
Total assets		37 706 352 539	34 248 939 344
FUNDS AND LIABILITIES			
Members' funds and reserve accounts		27 069 182 655	24 699 338 176
Member investment accounts	20	26 278 580 500	24 899 456 432
Amounts (to be allocated) / allocated	21	790 602 155	(200 118 256)
Reserves			
Reserve accounts	20	5 926 930 565	5 373 289 130
Total funds and reserves		32 996 113 220	30 072 627 306
Non-current liabilities		2 538 732 890	2 346 698 476
Provisions	16	2 565 762	3 532 958
Unclaimed benefits	9	2 536 167 128	2 343 165 518
Current liabilities		2 171 506 429	1 829 613 562
Transfers payable	7	-	7 390 573
Benefits payable	8	1 679 348 419	1 334 801 498
Accounts payable	10	492 158 010	487 421 491
Total funds and liabilities		37 706 352 539	34 248 939 344



STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE YEAR ENDED 31 DECEMBER 2023

		Member investment accounts & amounts to be allocated	Reserve accounts Refer note 20	Current year	Previous year
	Note	R	R	R	R
Contributions received and accrued	11	1 943 673 732	753 153 730	2 696 827 462	2 476 896 773
Re-insurance proceeds		-	316 302 133	316 302 133	102 092 054
Net investment income	12	3 408 939 692	650 208 140	4 059 147 832	1 270 566 468
Benefit Adjustment allocated to unclaimed benefits	9	(308 968 371)	-	(308 968 371)	(95 291 607)
Other income	13	94 685 939	-	94 685 939	27 115 222
Re-insurance premiums		-	(409 437 568)	(409 437 568)	(427 458 933)
Administration expenses	14	-	(148 840 323)	(148 840 323)	(135 445 052)
Net income before transfers and benefits		5 138 330 992	1 161 386 112	6 299 717 104	3 218 474 925
Transfers and benefits		(3 375 586 352)	-	(3 375 586 352)	(2 377 381 441)
Transfer from other funds	6	1 663 082	-	1 663 082	709 261 185
Transfer to other funds	7	(88 687 703)	-	(88 687 703)	(7 595 996)
Benefits	8	(3 288 561 731)	-	(3 288 561 731)	(3 079 046 630)
Net income after transfers and benefits		1 762 744 640	1 161 386 112	2 924 130 752	841 093 484
Funds and reserves					
Balance at the beginning of the year		24 699 338 176	5 373 289 130	30 072 627 306	29 227 149 150
Prior period adjustments	15	-	-	-	1 849 341
Transfers between reserve accounts		-	94 924 100	94 924 100	92 180 892
Actuarial adjustment	20	192 383 300	(192 383 300)	-	-
Transfer between reserve accounts		-	-	-	-
Member administration fees		(94 924 100)	-	(94 924 100)	(92 180 892)
Unallocated Returns adjustments		-	-	-	2 535 331
Allocations to/(from) surplus accounts		509 640 639	(510 285 477)	(644 838)	-
Benefits (adjustments Unclaimed, Stagnant, and Demutualised)		510 032 153	(510 032 153)	-	-
Risk and processing error reserves adjustment		(391 514)	(253 324)	(644 838)	-
Balance at the end of the year		27 069 182 655	5 926 930 565	32 996 113 220	30 072 627 306



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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. PROPERTY, VEHICLES AND EQUIPMENT

All property, vehicles and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on annual valuations by external independent valuers. Increases in the carrying amount arising on revaluation of buildings is credited to the revaluation and disposal of assets account reported in the Statement of Changes in Net Assets and Funds under administration expenses.

The remaining property, vehicles and equipment is stated at historical cost less depreciation.

Leasehold improvements	Period of lease
Furniture and fittings	3-8 years
Office equipment	3-8 years
Computer equipment and software	2-5 years
Motor vehicles	5 years

Land is not depreciated as it is deemed to have an indefinite life.

An impairment loss is recognised where the carrying amount of an asset is greater than its estimated recoverable amount.

An asset is written down immediately to its recoverable amount.

Gains and losses on disposal of property, vehicles and equipment are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.

Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.

Valuation of Property, Vehicles and Equipment

After recognition, an asset or an item of property, vehicles and equipment whose fair value can be measured

reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Building valuations are done annually and this valuation is used for investment purposes.

1.3. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is unrecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds include cash and bank balances, investments, housing loans, accounts receivable, accounts payable, transfers receivable, contributions receivable, transfers payable and benefits payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below:

1.3.1. Investments

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

1.3.1.1 Loans (other than housing loans) – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market other than those that the Fund intends to sell in the short term or that is designated as at fair value through the statement of changes in net assets and funds. Loans and receivables are measured at fair value.

1.3.1.2 Debentures

Debentures comprise investments in listed and unlisted debentures.

Listed debentures

The fair value of listed debentures 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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Unlisted debentures

Unlisted debentures are financial assets with fixed or determinable payments and fixed maturity. 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 the unlisted debentures.

1.3.1.3 Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

Listed bills and bonds

The fair value of listed bills and bonds 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 bills and bonds

A market yield is determined by using appropriate yields of existing bonds and bills that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

1.3.1.4 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 cost as of trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured at fair value.

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.

1.3.1.5 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.

1.3.1.6 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.

1.3.1.7 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.

1.3.1.8 Investment in participating employers

Investments in participating employer(s) comprise loans, investments in listed and unlisted equities and other investments.

1.3.1.9 Investment in insurance first-party cell captive

The Fund has entered into a cell captive arrangement with Guardrisk Life Limited, a licensed insurance company (FSP76). The cell is a ring-fenced insurance arrangement established to provide risk benefits, namely Permanent Total Disability (PTD) to the Fund's members. The Fund is responsible for paying the premiums received on behalf of members. The Fund concluded that its cell captive arrangement satisfies the criteria to be deemed a separate entity and accordingly is subject to consolidation. The cell captive arrangement is considered to have transferred significant insurance risk to the Fund due to the contractual requirement imposed on the Fund to maintain the solvency of the cell.



**REBUILDING TRUST
AND STABILITY
TOOK TIME,
OPEN DIALOGUE,
AND DEDICATED
SUPPORT—BUT
OUR JOURNEY
TO A STRONGER,
MORE RESILIENT
WORKPLACE
CONTINUES**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3.1. Investments (continued)

The Fund recognised its initial investment in the cell based on the shares at acquisition date. The cell captive is disclosed as a non-current asset in the statement of net assets and funds under "Investments" and further disclosed under "Insurance policies".

The results of the cell captive arrangement are determined in accordance with the shareholder's agreement. The value of the cell captive insurance policy is determined based on the net asset value (excluding current liabilities) of the cell captive at the reporting date. The Fund consolidates the results of the cell captive including the movements for the year.

Movements during the year, which are included in the net returns of the investment in the cell captive, comprise the following:

- Premiums earned;
- Claims recovered;
- Investment and other income earned from the cell captive assets;
- Reinsurance;
- Claims paid; and
- Management fees.

The Fund derecognises the cell captive asset from its statement of net assets and funds in the event that the contract is cancelled, expired or upon liquidation of the cell captive insurer.

Claims incurred but not reported (IBNR) and outstanding claims.

The cell captive liabilities include a provision for the expected cost of IBNR claims. This relates to claims expected to be made in respect of events that occurred before the financial year end but that have not yet been reported to the Fund by year-end. The IBNR reserve is based on the minimum requirements of the Insurance Act of 2017, as required by the Financial Sector Conduct Authority (FSCA), previously FSB Notice 169 issued on 28 October 2011 and effective 1 January 2012. In line with this computation, premiums for past financial years are multiplied by an industry-wide historical claims development factor to derive the IBNR. Outstanding claims are accrued once the claim has been received and approved but not yet paid. The calculation of insurance liabilities is an inherently uncertain process. The Fund seeks to provide adequate levels of insurance provisions by considering all known facts and experience from a variety of sources as well as statutory requirements.

1.3.2. Investment property

A property held for long-term yields or capital appreciation that is not occupied by the Fund is classified as an investment property. Investment properties comprise investments in commercial properties. Investment properties are carried at fair value.

Investment properties are reflected at valuation on the basis of open market fair value at the statement of net

assets and funds date. If the open market valuation information cannot be reliably determined, the Fund uses alternative valuation methods such as discounted cash flow projections or recent prices on active markets for transactions of similar nature. The fair values are the estimated amounts for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The open market fair value is determined annually by independent professional valuers.

Changes in fair value are recorded by the Fund in the statement of changes in net assets and funds.

1.3.3. Housing loans

Housing loans are measured at amortised cost. Housing loans are derecognised when the right to receive cash flows from the member has expired or been transferred and the Fund has also transferred substantially all risks and rewards of ownership. The Fund currently does not grant direct housing loans.

1.3.4. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.3.5. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

1.3.6. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

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, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Contingent liabilities

A contingent liability is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

A contingent asset is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

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 actuarial recommendations, and 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, namely contributions receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability, namely contributions payable.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the Fund.

1.7. FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for at the ruling rate of exchange on the transaction date. Assets and liabilities in foreign currencies are converted at the ruling rate of exchange on the statement of net assets and funds date.

Gains and losses on conversion are dealt with in the statement of changes in net assets and funds. Income and expenditure relating to foreign investments are converted to South African currency at appropriate weighted average exchange rates for the period.

1.8. INVESTMENT INCOME

Investment income comprises 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. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

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 is recognised when the right to receive payment is established.

Income from policies with insurance companies

Income from investment policies issued by 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 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.

1.9. 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 current liabilities.

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.

1.10. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the 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 from the Registrar.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the Section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

1.11. ADMINISTRATION EXPENSES

Expenses incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year, the liability will be reflected in the accounts payable note. If the expense was paid in advance or an overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.12. RELATED PARTIES

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.13. 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.

1.14. LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys a right to use the asset(s), even if that right is not explicitly specified in the arrangement. Operating lease payments made by the Fund are recognised as an administration expense on a straight-line basis over the lease term in the Statement of Changes in Net Assets and Funds.





NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. PROPERTY, VEHICLES AND EQUIPMENT

2.1. Current year

	Motor vehicles	Computer equipment and software	Office equipment	Furniture and fittings	Land and buildings	Total
	R	R	R	R	R	R
Gross carrying amount						
At beginning of the year	1 407 441	11 571 538	814 713	8 540 999	48 500 000	70 834 691
Additions	-	25 280	-	18 886	-	44 166
Disposals	-	(225 288)	-	-	-	(225 288)
At end of year	1 407 441	11 371 530	814 713	8 559 885	48 500 000	70 653 569
Accumulated depreciation and impairment						
At beginning of year	(887 672)	(8 970 402)	(814 713)	(5 652 645)	(21 550 000)	(37 875 432)
Depreciation charges	(138 419)	(998 355)	-	(1 063 071)	-	(2 199 845)
Revaluation gain	973 000	434 900	-	69 450	146 333	1 623 683
Other movements	-	22 999	-	-	-	22 999
At end of year	(53 091)	(9 510 858)	(814 713)	(6 646 266)	(21 403 667)	(38 428 595)
Net carrying amount at end of year	1 354 350	1 860 672	-	1 913 619	27 096 333	32 224 974



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. PROPERTY, VEHICLES AND EQUIPMENT

2.2. Prior year

	Motor vehicles	Computer equipment and software	Office equipment	Furniture and fittings	Land and buildings	Total
	R	R	R	R	R	R
Gross carrying amount						
At beginning of the year	771 858	11 661 826	814 713	8 474 791	48 500 000	70 223 188
Additions	-	(81 900)	-	-	-	(81 900)
Disposals	635 583	14 411	-	66 208	-	716 202
Revaluation reserve	-	(22 799)	-	-	-	(22 799)
At end of year	1 407 441	11 571 538	814 713	8 540 999	48 500 000	70 834 691
Accumulated depreciation and impairment						
At beginning of year	(617 793)	(7 881 406)	(814 713)	(4 599 574)	(20 300 000)	(34 213 486)
Depreciation charges	(269 879)	(1 174 182)	-	(1 053 071)	-	(2 497 132)
Accumulated depreciation on disposals	-	3 286	-	-	-	3 286
Revaluation gain, (disposals) and transfers	-	-	-	-	(1 250 000)	(1 250 000)
Other movements	-	81 900	-	-	-	81 900
At end of year	(887 672)	(8 970 402)	(814 713)	(5 652 645)	(21 550 000)	(37 875 432)
Net carrying amount at end of year	519 769	2 601 136	-	2 888 354	26 950 000	32 959 259



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. INVESTMENTS

3.1. Investment summary

	Note	Local	Foreign	Total current year	Total previous year	Fair value current year	Categorised per IAS 39
		R	R	R	R	R	
Cash		(40 595 311)	100 118 729	59 523 418	1 646 235 020	59 523 418	At fair value through statement of changes in net assets and funds
Commodities		6 593 745	-	6 593 745	12 882 407	6 593 745	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments		9 711 536 875	10 532 755	9 722 069 630	7 439 475 938	9 722 069 630	At fair value through statement of changes in net assets and funds
Investment properties and Owner-occupied properties		955 555 301	-	955 555 301	837 280 604	955 555 301	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		6 982 528 676	1 881 835 833	8 864 364 509	11 851 516 054	8 864 364 509	At fair value through statement of changes in net assets and funds
Insurance policies***		8 225 461 805	3 090 398 483	11 315 860 288	10 211 989 070	11 315 860 288	At fair value through statement of changes in net assets and funds
Collective investment schemes		64 024 174	4 896 209 623	4 960 233 797	79 586 269	4 960 233 797	At fair value through statement of changes in net assets and funds
Private equity funds		174 904 475	199 594 241	374 498 716	325 981 751	374 498 716	At fair value through statement of changes in net assets and funds
Investment in participating employers	3.2.	741 059 630	-	741 059 630	807 084 438	741 059 630	At fair value through statement of changes in net assets and funds
Total		26 821 069 370	10 178 689 664	36 999 759 034	33 212 031 551	36 999 759 034	

***Included in non-linked insurance policies are non-vested bonuses amounting to R5 099 397 056 (2022: R1 936 447 063). The guaranteed value of these policies as at 31 December 2023 is R5 099 397 056 (2022: R7 333 593 479).

Included is the Investment in Mineworkers Provident Fund Cell Captive for permanent total disability effective 1 October 2021. Refer to the Board of the Fund report for further detail. The value of the investment in the cell captive was R151 163 807 as at 31 December 2023 (2022: R100 609 615).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.2. Housing loan guarantees

	Motor vehicles	Computer equipment and software	Office equipment	Furniture and fittings
	R	R	R	R
Participating employer/s				
AngloGold - Ashanti Limited	127 008 374	10 823 669	-	137 832 043
Gold Fields Mining Limited	84 024 078	119 894 945	-	203 919 023
Exxaro Resources Limited	104 330 748	21 294 104	-	125 624 852
Sibanye Gold Limited	129 409 573	-	(88 983 884)	40 425 689
Glencore Xstrata PLC	221 952 258	-	(85 445 312)	136 506 946
Northam Platinum Limited	113 108 815	-	(43 472 430)	69 636 385
SOUTH32 Limited	8 612 167	1 653 040	-	10 265 207
Harmony Gold Mine	18 638 425	-	(1 788 940)	16 849 485
Net carrying amount at end of year	807 084 438	153 665 758	(219 690 566)	741 059 630

4. HOUSING LOAN FACILITIES

4.1. Housing loan guarantees

The Fund has granted guarantees to the Standard Bank of SA Limited, value of R3 742 797 for loans granted to 62 members. A guarantee amounting to R3 900 000 is renewable on 30 April 2024.

The Fund has granted guarantees to African Bank Limited (formerly Ubank Limited). The value of the loans granted is R101 206 for 10 members. The guarantee amount of R509 000 is limited and the facility does not require renewal. The Fund terminated the housing loan facility for new applications effective 05 January 2015. During 2023, the majority of Ubank Limited's disclosed assets and liabilities were acquired by African Bank, including the take on of Ubanks Limited's employees on a going concern basis. This followed the placement of Ubank Limited under curatorship in May 2022 by the South African Reserve Bank due to corporate governance concerns, internal control weaknesses and inability to secure sufficient capital. The acquisition and curatorship at Ubank Limited by African Bank Limited will not have immediate effect on the agreement or affiliation within the Fund.

The Fund has granted guarantees to Absa Pension Powered Home Loans. The value of the loans granted is R9 942 839 for 240 members. The guarantee of R10 040 000 000 remains in place as at 31 December 2023 for the existing loans granted. No further guarantees have been provided following the discontinuation of the product.

Effective May 2017, the Fund has granted guarantees to iMasFinance Co-operative Limited. The value of the loans granted is R527 178 055 for 5 054 member loans. The total facility is R661 496 372 with expiring date 31 August 2024.

The amount of any individual guarantee may not exceed 60% of an amount paid to the member's withdrawal benefit on the date of the loan application being made. (For Absa loans guarantee is 60% or 30% depending on the age of the member.)

No housing loans were granted during the year by FNB.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. ACCOUNTS RECEIVABLE

	Current year	Previous year
	R	R
Rental Income	868 795	836 858
Reinsurance proceeds	356 729 614	152 184 920
Fidelity Guarantee Insurance (Prepayment)	-	1 454 750
Sundry Debtors - Corporate Social Investment (CSI)	75 233	1 652 065
External Interface - Members (Prepayment)	109 655	102 266
Staff Training, Studies, Conferences, Workshops, Professional Fees, and Seminars	16 774	68 222
Funeral Benefit advance payment - Guardrisk Life Limited	-	3 704 951
TTD Benefit Refund - Guardrisk Life Limited	-	25 050 482
Contributions late payment interest (LPI)	32 894	-
Annuity control account	-	(60 590)
IT Licences (Prepayment)	223 435	-
Water, electricity & parking: tenant recoveries	406 005	781 596
Insurance (Prepayment)	59 676	-
Total	358 522 081	185 775 520

Office rental due includes a full provision for rental income and water, electricity & parking: tenant recoveries of R685 599 and R333 875, respectively, as at 31 December 2023 due to bad debts arising from a tenant at the Fund's head office. The Fund has instituted legal action against the tenant. From the rental income and water, electricity & parking: tenant recoveries receivable, R36 308 was subsequently received after year-end.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6. TRANSFERS FROM OTHER FUNDS	Effective date	No. of members	Applied for not yet approved (contingent)	A	B	C	D	A+B+C-D
				At beginning of year	Transfers approved	Return on Transfers	Assets transferred	At end of year
				R	R	R	R	R
In terms of Section 14								
Corporate Section Umbrella Retirement Fund No2	01/03/2019	223	-	651 616	-	27 896	(679 512)	-
Construction Industry Retirement Benefit Fund	01/07/2017	347	-	518 259	-	(177 287)	(340 972)	-
FundsAtWork Umbrella Provident Fund (Participating Employer: Swallow Fork Estates SA (Pty) Ltd)	Various	1 196	-	32 116 365	-	(32 116 365)	-	-
Iscor Employees Umbrella Provident Fund (Participating Employer: Exxaro Resources Limited)	Various	1	-	-	407 067	118 034	(525 101)	-
Assmang Retirement Fund	01/03/2022	9	-	-	6 417 836	582 603	(7 000 439)	-
Bridging Provident Fund	Various	2	-	-	87 715	24 017	(111 732)	-
FundsAtWork Umbrella Pension Fund (Participating Employer: Teba (Pty) Ltd)	01/05/2022	95	-	-	23 058 067	3 001 950	(26 060 017)	-
Old Mutual Super Fund	01/10/2017	6	-	-	29 965	10 545	(40 510)	-
INDIVIDUAL TRANSFER								
Bidvest South Africa Retirement Fund (355082)	Various dates	-	-	8 540 999	190 837	203	(191 040)	-
Prospective approvals in terms of Section 14								
Sentinel Retirement Fund	01/02/2014	1	23 632	-	-	-	-	-
Sentinel Retirement Fund	01/02/2017	1	300 189	-	-	-	-	-
The Bridging Provident Fund	01/10/2020	2	638 587	-	-	-	-	-
The Bridging Provident Fund	01/06/2020	5	1 745 025	-	-	-	-	-
The Bridging Provident Fund	Various	24	4 760 576	-	-	-	-	-
The Bridging Provident Fund	01/08/2020	4	1 174 448	-	-	-	-	-
Sanlam Umbrella Provident Fund	01/06/2023	11	4 848 734	-	-	-	-	-
FundsAtWork Umbrella Provident Fund	01/11/2022	147	2 394 696	-	-	-	-	-
FundsAtWork Umbrella Provident Fund	01/08/2023	36	1 750 073	-	-	-	-	-
FundsAtWork Umbrella Pension Fund	01/05/2022	75	40 628 922	-	-	-	-	-
Assmang Provident Fund	01/04/2023	111	77 176 089	-	-	-	-	-
Total		2 296	135 440 971	33 286 240	30 191 487	(28 528 404)	(34 949 323)	-
	Transfers approved (B)							30 191 487
	Return on transfers (C)							(28 528 404)
Statement of changes in net assets and funds								1 663 083



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7. TRANSFERS TO OTHER FUNDS	Effective date	No. of members	Applied for not yet approved (contingent)	A	B	C	D	A+B+C-D
				At beginning of year	Transfers approved	Return on Transfers	Assets transferred	At end of year
			R	R	R	R	R	R
In terms of Section 14								
Mine Employers Pension Fund	01/03/2019	66	-	60 292	-	(60 292)	-	-
Sentinel Mining Industry Retirement Fund	01/07/2017	223	-	229 245	-	(229 245)	-	-
Mine Employers Pension Fund	Various	37	-	1 531 899	-	(1 531 899)	-	-
NBC Umbrella Retirement Fund	30/11/2011	1	-	209 756	-	(209 756)	-	-
Sentinel Mining Industry Retirement Fund	Various	14	-	841 713	-	(841 713)	-	-
Sentinel Mining Industry Retirement Fund	Various	126	-	338 651	-	(338 651)	-	-
Sentinel Mining Industry Retirement Fund	01/01/2008	232	-	102 414	-	(102 414)	-	-
Sentinel Mining Industry Retirement Fund	Various	82	-	920 400	-	(920 400)	-	-
Sentinel Mining Industry Retirement Fund	Various	51	-	343 680	-	(343 680)	-	-
Sentinel Mining Industry Retirement Fund	Various	65	-	192 411	-	(192 411)	-	-
Sentinel Mining Industry Retirement Fund	Various	869	-	1 597 079	-	(1 597 079)	-	-
Sentinel Mining Industry Retirement Fund	Various	25	-	286 912	-	14 231	(301 143)	-
Sentinel Mining Industry Retirement Fund	Various	5	-	736 121	-	(736 121)	-	-
FundsAtWork Umbrella Pension Fund	Various	317	-	-	77 193 138	8 540 886	(85 734 024)	-
Sentinel Mining Industry Retirement Fund	Various	9	-	-	1 980 859	520 408	(2 501 267)	-
Sentinel Mining Industry Retirement Fund	Various	7	-	-	1 661 617	389 309	(2 050 926)	-
Sentinel Mining Industry Retirement Fund	Various	21	-	-	3 665 520	839 609	(4 505 129)	-
Sentinel Mining Industry Retirement Fund	Various	6	-	-	832 166	153 621	(985 787)	-
Prospective approvals in terms of Section 14								
Sentinel Mining Industry Retirement Fund	Various	6	646 636	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	23	4 031 756	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	26	5 012 673	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	70	10 070 149	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	8	2 314 851	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	10	2 277 397	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	13	3 181 895	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	Various	23	4 504 317	-	-	-	-	-
Sanlam Umbrella Provident Fund	Various	4	1 010 000	-	-	-	-	-
Total		2 339	33 049 674	7 390 573	85 333 300	3 354 403	(96 078 276)	-
								85 333 300
								3 354 403
Statement of changes in net assets and funds								88 687 703



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. BENEFITS

8.1. Benefits - current members

	A	B	C	D	E	A+B+C-D+E
	At beginning of year	Benefits for current period	Return allocated	Payments	Transferred to unclaimed benefits	At end of year
	R	R	R	R	R	R
Lump sums on retirements						
- Full benefit	115 444 140	370 471 061	586 021	(378 338 203)	(1 672 472)	106 490 547
Lump sums before retirement						
- Disability benefits	484 505 362	1 248 511 620	5 316 989	(1 091 859 824)	(37 913 441)	608 560 706
- Death benefits	325 844 983	347 691 946	7 633 067	(275 743 047)	(46 543 816)	358 883 133
- Withdrawal benefits	215 873 788	474 190 836	1 223 790	(520 207 106)	(23 974 263)	147 107 045
- Retrenchment benefits	147 707 587	857 875 248	1 281 263	(548 572 953)	-	458 291 145
Other						
Deferred benefits	45 409 794	(37 783 499)	-	(153 779)	(7 472 516)	-
Pension Payments - Member Payments	15 844	11 563 389	-	(11 563 390)	-	15 843
Total	1 334 801 498	3 272 520 601	16 041 130	(2 826 438 302)	(117 576 508)	1 679 348 419
		Benefits for current year (B)				3 272 520 601
		Return allocated (C)				16 041 130
		Statement of changes in net assets and funds				3 288 561 731



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. UNCLAIMED BENEFITS

	Current year	Previous year
	R	R
Balance at the beginning of the year	2 343 165 518	2 528 953 339
Transferred from benefits payable	117 576 508	-
Adjustments: Benefit movement - Unclaimed members from/(to) other benefits	64 351	14 776 560
Benefits and Interest	308 968 371	95 291 607
Add/(Less):	(233 607 620)	(295 855 988)
• Transfer of Demutualisation benefits and Stagnant members to Accounts Payable	(36 704 238)	-
• Benefits Paid	(196 962 754)	(295 855 988)
• Benefits for the year - Transfer from Section 14	59 372	-
Balance at the end of the year	2 536 167 128	2 343 165 518

In 1999, the Fund received funds (Demutualisation Benefits) from Old Mutual for members who had previously been members of the Fund. These members were paid out their share of Demutualisation Benefits and are no longer members of the Fund. The remaining demutualisation benefits and the liability relating to stagnant member records were transferred in 2019 and 2020, respectively, out of unclaimed benefits to account payable as:

- these liabilities are not unclaimed benefits in accordance with the Pension Funds Act.
- these liabilities were better classified under Account Payable in the context of the nature and settlement.

Refer to note 10, Accounts Payable for further details.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10. ACCOUNTS PAYABLE

	Current year	Previous year
	R	R
Re-insurance premiums	34 752 848	37 111 693
South African Revenue Services - PAYE	21 307 835	22 732 690
Audit fees - External	1 997 216	1 860 495
IT-related expenses & licence fees	1 617 270	1 089 123
Audit Fees - Internal	141 062	548 654
Staff benefit accruals	21 109 658	15 085 436
Corporate Social Investment Savings Account	142 625	1 821 373
Printing & stationery	112 469	15 807
Demutualised and Stagnant members' benefits	398 793 278	399 563 299
Momentum Group Life refunds	162 436	211 408
Water & Electricity, Parking costs	6 001 923	2 400 000
Contributions refund - various participating employers	757 643	54 431
Other Payables	4 826 574	4 925 082
Membership growth	435 173	2 000
Total	492 158 010	487 421 491

Of the demutualisation benefits and the liability relating to stagnant member records transferred in 2019 and 2020, respectively, R398 million remains unpaid as at 31 December 2023 (2022: R399 million). R37.4 million was paid during the year (2022: R38.9 million). Refer to Unclaimed Benefits note 9 for further details.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

11. CONTRIBUTIONS

	At beginning of year	Towards retirement	Towards insurance and expenses	Contributions received	At end of year
	R	R	R	R	R
Member contributions received and accrued	198 754 368	831 829 465	-	(821 207 421)	209 376 412
Participating employer contributions received and accrued	-	1 093 859 479	753 153 730	(1 847 013 209)	-
Additional voluntary contributions - members	-	17 984 788	-	(17 984 788)	-
Total	198 754 368	1 943 673 732	753 153 730	(2 686 205 418)	209 376 412
Benefits for current year (B)					1 943 673 732
Return allocated (C)					753 153 730
Statement of changes in net assets and funds					2 696 827 462

The Insurance expenses consist of:

- Unapproved benefits of R61 440 562 (2022: R62 305 400).
- Permanent Total Disability of R347 996 976 (2022: R312 557 949).
- Temporary Total Disability of R0 (2022: R52 595 583).
- Reserves of R343 716 163 (2022: R336 499 501).

Included in the R61 440 562 is R10 144 162 for Funeral risk premium paid to Rand Mutual Assurance Company Limited.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. NET INVESTMENT INCOME

	Current year	Previous year
	R	R
Income from investments	2 170 935 808	1 997 827 780
• Dividends	396 100 707	453 143 260
• Interest	1 132 293 898	938 073 183
• Other income	41 824 221	32 426 736
• Collective investment schemes distribution	3 074 231	1 837 494
• Income from insurance policies	597 642 751	572 347 107
Interest on late payment of contributions	55 293	-
Adjustment to fair value	2 060 812 962	(568 452 549)
	4 231 804 063	1 429 375 231
Less: Expenses incurred in managing investments	(172 656 231)	(158 808 763)
Total	4 059 147 832	1 270 566 468

On 1 October 2021, the Fund entered into a cell captive agreement with Guardrisk Life Limited. The total premiums received for permanent total disability risk benefits as at 31 December 2023 was R99.8 million (2022 R86.8 million).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. OTHER INCOME

	Current year	Previous year
	R	R
Steinhoff Investment Recovery	93 179 440	-
Interest Income	(157 608)	4 103
Rental Income	1 548 799	2 013 163
Mineworkers Provident Fund Cell Captive - TTD Refund	-	25 050 482
Annuity Fee Income	115 308	47 474
Total	94 685 939	27 115 222



**COLLABORATION ACROSS
DEPARTMENTS, FUELED
BY COMMITMENT, IS
KEY TO REALISING
OUR ORGANISATIONAL
GROWTH GOALS**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14. ADMINISTRATION EXPENSES

	Current year		Previous year	
	R		R	
Actuarial fees	1 163 422		1 281 680	
Audit fees	4 623 440		4 022 145	
Audit fees - external	2 015 569		1 922 667	
Audit fees - internal	2 607 871		2 099 478	
Consultancy fees	2 934 373		1 427 873	
Walk-in centre and head office expenses	7 981 341		4 230 033	
Depreciation	2 199 845		2 497 133	
Fidelity insurance	1 454 750		1 265 000	
Financial Services Conduct Authority levy	2 323 620		2 146 448	
Governance, Compliance, Operating and Recurring Expenses	43 089 846		42 934 604	
Bank charges	248 398		1 219 473	
Legal fees	2 574 288		2 589 524	
Postage, printing telephone and stationery costs	1 293 360		1 046 699	
Tracing expenses	410 204		123 638	
Revaluation (gain)/loss and (disposal) of assets	(1 623 683)		1 250 000	
IT-related expenses & licences	21 580 653		19 893 312	
Payroll management and recruitment fees	1 652 274		375 274	
Sundry expenses	330 937		13 413	
Vehicle running expenses	101 073		18 962	
Independent chairperson fees - Audit & Risk	511 128		450 793	
Independent chairperson fees - Board	472 442		482 895	
Other benefits - expenses*	3 655		3 031 430	
Investment consultants fees	2 043 090		1 937 296	
Risk management & consulting costs	1 834 979		388 107	
Business development and marketing costs	1 325 960		699 244	
Communication & stakeholder engagement survey	707 393		1 195 271	
Insurance premiums	1 167 169		587 194	
Annual reporting function costs	176 813		196 693	
Executive strategy expenses	337 917		236 131	
Operations office and participating employer expenses	457 971		335 638	
Change management and client servicing expenses	883 223		266 447	
Professional membership fees and employee engagement	17 117		75 273	
External members interface costs	536 468		108 090	
Performance review expenses	-		240 485	
Unclaimed road show expenses	310 243		850 406	
Board strategy expenses	721 396		333 916	
Industry body costs	88 756		81 075	
Board Strategic Initiatives and projects	839 385		954 575	
External minutes taking	546 550		-	
Operating lease payments	2 856 501		3 195 811	
Petrol/diesel	272 226		281 915	
Board Capacitation	15 000		106 600	
Organisational development	396 960		369 024	
Board of the Fund expenses (trustees)	14.1	962 089	1 090 277	
Staff expenses	14.2	66 556 817	70 485 648	
Principal officer expenses	14.3	6 041 595	4 064 211	
Taxation on benefits	14.4	9 509 185	-	
Total		148 840 323	135 445 052	

Included in the total administration expenses are expenses that were budgeted in the Contingency budget and were incurred and amount to R9 580 530. These include expenses such as Section 189 retrenchment packages, notice pay and leave pay of R3 764 392.

*An amount of R2 122 483 that would have been included in Other benefit expenses has moved to the reserves in line with the reserve accounts and will continue to be accounted for in the reserves in accordance with the rules of the Fund. Refer to note 20.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14.1. Board of the Fund expenses (trustees)

	Current year	Previous year
	R	R
Regional Advisory Committee (RACs)	171 335	140 504
Meeting allowances	37 354	32 986
Local and foreign travel expenses	753 400	916 537
Training and related expenses	-	250
Total	962 089	1 090 277

14.2. Staff expenses

	Current year	Previous year
	R	R
Staff expenses - Remuneration & Contributions to retirement fund	65 017 795	69 257 386
Staff expenses - Training expenses	854 236	894 985
Staff expenses - Other payments	684 786	333 277
Total	66 556 817	70 485 648

Included in staff expenses is R3.8 million paid on 28 February 2023 for notice pay and severance pay (retrenchment packages) following a Section 189 process, with separation date 31 January 2023.

14.3. Principal Officer expenses

	Current year	Previous year
	R	R
Principal officer expenses - Remuneration, allowance and short-term incentives	6 018 572	4 049 818
Principal officer expenses - Fund Activities	23 023	14 393
Total	6 041 595	4 064 211

14.4. Taxation on Benefits

	Current year	Previous year
	R	R
Taxation: Penalties (tax directives on benefits)	6 815 462	-
Taxation: In-fund annuity for members and members benefits	2 213 026	-
Value-Added Taxation (VAT)	480 697	-
Total	9 509 185	-

During the 2022 taxation year, the Fund had a balancing error on its EMP501 submission. The South African Revenue Service (SARS) issued a penalty, hence the accrued expense recognised of R6 815 462 as at 31 December 2023. The Fund underwent a 2022 PAYE audit by SARS with the audit verification finalised with no adjustments and the resubmission accepted. The Fund has therefore lodged an objection to the penalty and filed a request for remission application. The Fund awaits the outcome from SARS. For the 2023 taxation year, the EMP501 was submitted and accepted by SARS.

The Fund has accrued R2 213 026 for taxation for annuitants (in-fund annuity) and member benefits as at 31 December 2023. This amount was paid to SARS in January 2024.

On 27 November 2015, the Fund registered for VAT with SARS during the purchase of the head office building at 26 Ameshoff Street, however, did not claim the input VAT on the purchase in 2016. As part of the process to position the Fund to submit a claim, the Fund had to put in place procedures to review and submit historic VAT returns starting from 2016, resulting in a cumulative penalty and interest of R480 697. The Fund is compliant and up to date on VAT returns as at 31 December 2023.





NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

15. PRIOR PERIOD ADJUSTMENTS

	Current year	Previous year
	R	R
Prior period adjustment - Provisions	-	1 210 941
Prior Year Adjustments on Section 14 Transfers In	-	638 400
Total	-	1 849 341

16. FINANCIAL LIABILITIES

	Current year	Previous year
	R	R
Staff leave pay provision	1 546 288	2 506 206
Provision for Bad Debts - Rental Income	685 599	622 021
Provision for Bad Debts - Water, Electricity & Parking: tenant recoveries	333 875	404 731
Total	2 565 762	3 532 958



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17. RISK MANAGEMENT POLICIES

Risk management framework

The Board of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies. The Board of the Fund has established the Audit, Risk Management and Compliance Sub-Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of the Fund on its activities.

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. The following risks are regularly assessed by the Board of the Fund:

- **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Fund's contractual obligations.

Continuous monitoring by the Board and the Fund's Actuary takes place to ensure that appropriate assets are held where the Fund's obligation to members is dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all other liabilities.

- **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Board of the Fund monitors receivable balances on an ongoing basis with the result that the Fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

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 60% 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 investment managers who are Financial Advisory and Intermediary Services compliant. The Fund's investment mandate stipulates that the investment manager should monitor the risks associated with the Fund's investments on a regular basis.

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

- **Legal risk**

Legal risk is the risk that the Fund will be exposed to contractual obligations for which funds have not been provided. Legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

- **Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instruments will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value. The Board of the Fund monitors cash flows by using monthly cash flow projections.

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments. The Board of the Fund monitors this aspect of the Fund's investments and limits the offshore exposure to 45% of total assets.

- **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund's liabilities are backed by appropriate assets, and it has significant liquid resources. As at 31 December 2023, the current liabilities of the Fund exceeded the current assets by R1 497 million (2022: R825 million). However, the Board of the Fund has no reason to believe that the Fund will not be able to meet its obligations as they arise based on the assets invested as at 31 December 2023 of R36 999 759 324 (2022: R33 212 031 551) which will be available on a trade-plus-three-day basis except for the following:

- the Fund's head office building at 26 Ameshoff Street; - private market investments; and - smooth bonus funds which hold unlisted assets such as property in their portfolio. These assets may take longer to liquidate and as such the Fund continues to put in place measures to mitigate the risk of illiquid assets.

- **Market 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. The Board of the Fund monitors and reviews the market risk profile of the Fund's financial instruments.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17. RISK MANAGEMENT POLICIES (continued)

- Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities. Following the amendment to Regulation 28 of the Pension Funds Act, which introduced infrastructure and limited exposure in infrastructure investments to 45%, the Fund had no exposure to infrastructure investments as at 31 December 2023.

- Price risk**

Price risk is the risk that the value and/or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised in the statement of changes of net assets and funds, but do not necessarily indicate the Fund's exposure to price risks.

- Interest rate risk**

Interest rate risk is the risk that the value and/or future cash flows of financial instruments will fluctuate as a result of changes in interest rates. The Board of the Fund manages interest rate risk through both fixed and variable, long- and short-term instruments.

18. RELATED PARTY TRANSACTIONS

The following transactions between the participating employer and the Fund occurred during the period.

African Bank Limited (formerly Ubank Limited) is an affiliated organisation to the Fund and has an agreement with the Fund. African Bank Limited (formerly Ubank Limited) has issued loans to members of the Fund through a housing loan guarantee scheme and the balance outstanding is R101 206 as at 31 December 2023. The Fund terminated the housing loan facility effective 05 January 2015 for new applications. Refer to note 4 of the Annual Financial Statements and Significant Matters.

The participating employers made contributions to the Fund for member's retirement and towards the Fund's re-insurance and expenses to the value of R1 093 859 479 and R753 153 730, respectively. Refer to note 11 of the notes to the Annual Financial Statements.

The Fund holds investments in the participating employers to the value of R741 059 630. Refer to note 3.2 of the notes to the Annual Financial Statements.

The Principal Officer remuneration and contributions to retirement for the period ended 31 December 2023 is R6 018 572. Refer to note 14.3 of the notes to the Annual Financial Statements.

The Fund paid Funeral risk premium totalling R10 144 162 to Rand Mutual Assurance Company Limited (RMA). Refer to note 11 of the Annual Financial Statement.

Two of the minority shareholders of Rand Mutual Admin Services (Pty) Ltd with shareholding of 8% and 8%, respectively, are unions with seats on the Board of the Fund. Rand Mutual Admin Services (Pty) Ltd is a subsidiary of Rand Mutual Holdings which is wholly owned by Rand Mutual Company Limited.

19. OPERATING LEASE COMMITMENTS

	Current year	Previous year
	R	R
Within one year	2 437 331	2 062 749
Between two and five years	2 676 868	2 245 852
Total	5 114 199	4 308 601



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20. RESERVES

	Members' Funds	Amounts to be allocated	Reserve Accounts Total	Risk Reserve	Data Error Reserve Account	Processing Error Reserve Account	Expense Reserve Account
	R	R	R	R	R	R	R
At beginning of year	24 899 456 432	(200 118 256)	5 373 289 130	4 715 126 454	379 240 328	183 987 084	94 935 264
MWPF in-fund annuity (Regulation 39)	65 122 707	(65 122 707)	-	-	-	-	-
Actuarial Adjustments	-	192 383 300	(192 383 300)	(102 092 054)	(34 385 438)	(55 905 808)	-
Contributions received and accrued	1 943 673 732	-	753 153 730	753 153 730	-	-	-
Reinsurance proceeds	-	-	316 302 133	316 302 133	-	-	-
Net investment income	2 807 856 930	601 082 762	650 208 140	574 373 699	45 494 121	22 071 310	8 269 010
Benefits (adjustments on unclaimed)	(308 968 371)	-	-	-	-	-	-
Other income:	94 685 939	-	-	-	-	-	-
Other income	94 685 939	-	-	-	-	-	-
Less:	-	-	(558 277 891)	(409 437 568)	-	-	(148 840 323)
Re-insurance premiums	-	-	(409 437 568)	(409 437 568)	-	-	-
Administration costs	-	-	(148 840 323)	-	-	-	(148 840 323)
Net income before transfers and benefits	29 501 827 369	528 225 099	6 342 291 942	5 847 426 394	390 349 011	150 152 586	(45 636 049)
Transfers and benefits	(3 375 586 352)	-	-	-	-	-	-
Transfers from other funds	1 663 082	-	-	-	-	-	-
Transfers to other funds	(88 687 703)	-	-	-	-	-	-
Benefits	(3 288 561 731)	-	-	-	-	-	-
Net income after transfers and benefits	26 126 241 017	528 225 099	6 342 291 942	5 847 426 394	390 349 011	150 152 586	(45 636 049)
Transfer and Administration	(276 665 516)	181 741 416	94 924 100	-	-	-	-
Transfer to active members (unallocated December 2022 returns)	(181 741 416)	181 741 416	-	-	-	-	-
Member administration costs	(94 924 100)	-	94 924 100	-	-	-	94 924 100
Transfer to Unallocated	(81 070 988)	81 070 988	-	-	-	-	-
Transfer reinsured & self-insured risk benefits from risk reserve to member accounts	510 032 153	-	(510 032 153)	(510 032 153)	-	-	-
Risk and processing error reserves adjustments	43 834	(435 348)	(253 324)	(2 767 320)	-	2 122 483	391 513
At end of year	26 278 580 500	790 602 155	5 926 930 565	5 334 626 921	390 349 011	152 275 069	49 679 564



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

21. AMOUNTS TO BE ALLOCATED

	Current year	Previous year
	R	R
Opening Balance	(200 118 256)	878 997 837
Transfer to unallocated	81 070 988	1 849 341
Adjustment to prior year amount to be allocated	-	(24 292 366)
Investment return allocated during the year	601 082 762	(265 039 036)
Transfer to active members (Unallocated December 2022 returns)	181 741 416	(771 687 990)
Transfers to benefit payable	-	(19 946 042)
MWPF in-fund annuity (Regulation 39)	(65 122 707)	-
Actuarial adjustments	192 383 300	-
Risk and processing error reserve adjustments	(435 348)	-
Total amounts to be allocated	790 602 155	(200 118 256)

ACRONYMS

ALM	Asset and Liability Management	IFRS	International Finance Reporting Standards
BD	Business Development	IT	Information Technology
CFO	Chief Financial Officer	JSE	Johannesburg Stock Exchange
DEI	Diversity, Equity, and Inclusion	MWPF	Mineworkers Provident Fund
ESG	Environmental, Social, and Governance	PGM	Platinum Group Metals
FSCA	Financial Sector Conduct Authority	RAC	Regional Advisory Committees
HR	Human Resource	SADC	South African Development Community



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