

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: NATIONAL FUND FOR MUNICIPAL WORKERS

**FINANCIAL SECTOR CONDUCT AUTHORITY
REGISTRATION NUMBER: 12/8/35064**

FOR THE PERIOD: 1 JULY 2020 to 30 JUNE 2021

CONTENTS

Schedule	Page	Schedule	Page
A Regulatory Information *	1 - 5	HA Notes to the annual financial statements	21 - 38
B Statement of responsibility by the Board of Fund *	6 - 7	HB Report of the Valuator *	39 - 41
C Statement of responsibility by the Principal Officer *	8	I Report of the independent auditor to the FSCA	42 - 56
D Report of the independent auditor	9 - 11	IA Investment schedule pertaining to the annual financial statements *	57 - 67
E Report of the Board of Fund *	12 - 18	IB Assets held in compliance with Regulation 28	68 - 73
F Statement of net assets and funds	19		
G Statement of changes in net assets and funds	20	Reasonable assurance report of the independent auditor on compliance with Regulation 28 to the FSCA	74 - 76

* Not subject to any engagement by an auditor

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021**

REGISTERED OFFICE OF THE FUND

Postal address: PO Box 15515
Sinoville
Pretoria
0129

Physical address: Section 2, Business Park @ Zambezi
860 Milkplum Street
Montana
Pretoria
0182

FINANCIAL REPORTING PERIODS

Current year: 1 July 2020 to 30 June 2021
Prior year: 1 July 2019 to 30 June 2020

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed/ reappointed	Date resigned
CCK Antonio	charles@nationalfund.co.za	C & M	1 May 2018	
CJ Labuschagne	rina@nationalfund.co.za	M	1 September 2014	31 October 2020
EA Schutte	eugene@nationalfund.co.za	M	1 September 2014	
HS Rossouw	dricus@nationalfund.co.za	M	1 September 2014	31 October 2020
NJ Nkuna	james@nationalfund.co.za	M	1 May 2018	
JM Dodo	johnd@nationalfund.co.za	M	1 November 2020	
L Geldenhuys	louwrens@nationalfund.co.za	M	1 May 2018	
L Mphuthi	lucky@nationalfund.co.za	M	1 November 2020	
LR Nani	ludwe@nationalfund.co.za	M	1 November 2020	
MC Makgalemele	christina@nationalfund.co.za	M	1 September 2014	
ME Jantjie	evelyn@nationalfund.co.za	M	1 September 2014	31 October 2020
NC Cindi	clive@nationalfund.co.za	M	1 September 2014	
PR Nolutshungu	rio@nationalfund.co.za	E	13 September 2018	
PS Mofokeng	sticks@nationalfund.co.za	M	1 September 2014	31 October 2020
SJ Mpembe	sibongile@nationalfund.co.za	M	1 November 2020	

- 'M' denotes member elected
- 'E' denotes employer appointed
- 'C' denotes chairperson

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

Meeting date	Place of meeting	Quorum (yes/no)
9 September 2020	Pretoria	Yes
26 November 2020	Pretoria	Yes
24 March 2021	Pretoria	Yes
19 May 2021	Pretoria	Yes
23 June 2021	Pretoria	Yes

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

FUND OFFICERS

Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed	Other
L Ndawana	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3004	leslie@nationalfund.co.za	1 August 2020	Mr L Ndawana, as the deputy Principal Officer, performed the Principal Officer duties from 6 May 2020 to 31 July 2020.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

Deputy Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
GT Kgosi	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3003	tebogo@nationalfund.co.za	1 May 2021

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed	Date resigned
L Ndawana	PO Box 15515 Sinoville 0129	Section 2, Office Park @ Zambezi 860 Milkplum Street Montana Ext 143 0182	(012) 743 3004	leslie@nationalfund.co.za	6 May 2020	

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

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
G Grobler	PO Box 2435 Pretoria 0001	189 Clarke Street Cnr Clarke & Fehrsen Street Brooklyn Pretoria 0181	(012) 425 4237	groblerg@aforges.co.za	1 July 2011

Auditor

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed	Date resigned
Deloitte & Touche	5 Magwa Crescent Waterfall City 2090	5 Magwa Crescent Waterfall City 2090	(011) 806 5000	rvangraan@deloitte.co.za	10 June 2020	

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Registration number in terms of section 13B
Sanlam Life Insurance Ltd	PO Box 1 Sanlamhof 7532	2 Strand Road Belville 7532	(021) 947 9111	1 June 2016	24/85

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
Allan Gray South Africa (Pty) Ltd	PO Box 51318 V&A Waterfront Cape Town 8002	1 Silo Square V&A Water Front Cape Town 8001	(021) 446 7727			27146
Argon Asset Management (Pty) Ltd	PO Box 23454 Claremont 7735	1st Floor Colinton House The Oval 01 Oakdale Road Newlands 7700	(021) 670 6570	1 March 2019		835
Ashburton Fund Managers (Pty) Ltd	1st Floor 4 Merchant Place Cnr Fredmand and Rivonio Drive Sandton 2196	1st Floor 4 Merchant Place Cnr Fredmand and Rivonio Drive Sandton 2196	(011) 282 8800			40169
Balondolozzi Investment Services (Pty) Ltd	PO Box 542 Melrose Arch Melrose 2076	Glenhove Square 71 4th Street Houghton Estate 2198	(011) 484 0113	4 March 2021		42188
Benguela Global Fund Managers (Pty) Ltd	6 Mellis Road The Avenues North Rivonia 2191	6 Mellis Road The Avenues North Rivonia 2191	(010) 596 8500			45122
Catalyst Fund Managers SA (Pty) Ltd	PO Box 44845 Claremont 7735	4th Floor Protea Place Cnr Protea Road and Dreyer Claremont 7708	(021) 657 5500			36009
Coronation Asset Management (Pty) Ltd	PO Box 993 Cape Town 8000	7th Floor Montclare Place Campground and Main Road Claremont 7708	(021) 680 2099			548
Denker Capital (Pty) Ltd	Private Bag X8 Tygervalley 7536	6th Floor The Edge 3 Howick Close, Tyger Falls Bellville 7530	(021) 950 2603	17 July 2019	31 December 2020	47075
First Avenue Investment Management (Pty) Ltd	PostNet Suite 92 Private Bag X11 Birnham Park 2015	Turner & Townsend House 21 Fricker Road Illovo Sandton 2196	(011) 772 2480	19 June 2019	31 December 2020	42693
Futuregrowth Investments CC	Private Bag X6 Newlands 7725	57 Astral Drive Woodhurst Chatsworth 4092	084 878 6612			39033
Ninety One SA (Pty) Ltd	PO Box 1655 Cape Town 8000	36 Hans Strijdom Avenue Foreshore Cape Town 8001	(021) 901 1000			587
Kagiso Asset Management (Pty) Ltd	PO Box 1016 Cape Town 8000	Fifth Floor Montclare Place Cnr Campground and MainClaremont 7708	(021) 673 6300			784

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

**PROFESSIONAL SERVICE PROVIDERS (continued)
Investment Administrators (continued)**

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
Legacy Africa Fund Managers (Pty) Ltd	4th Floor, The Firs Cnr Biermann Lane and Cradock Avenue Rosebank South Africa 2196	4th Floor, The Firs Cnr Biermann Lane and Cradock Avenue Rosebank South Africa 2196	(011) 759 4012	10 April 2019		44651
Mazi Asset Management (Pty) Ltd	PO Box 784583, Sandton, 2146	4th Floor, North Wing, 90 Rivonia Road, Sandton, 2196	(010) 001 8300		31 January 2021	46405
Metope Investment Managers (Pty) Ltd	PO Box 51316 V&A Waterfront 8002	Moorings 4 Portwood Ridge Portwood Road V&A Waterfront	(021) 418 3760			21999
Morgan Stanley Investment Management Ltd	20 Bank Street Canary Wharf London E14 4QA United Kingdom	20 Bank Street Canary Wharf London E14 4QA United Kingdom	+44 20 7425 7537			9752
Nedgroup Investment Advisors (Pty) Ltd	Nedbank clock Tower Precinct V&A Waterfront Cape Town 8001	Nedbank clock Tower Precinct V&A Waterfront Cape Town 8001	(021) 416 6224			1652
Northern Trust International Fund Administration Services Ltd	20 Bank Street Canary Wharf London E14 4QA United Kingdom 9999	20 Bank Street Canary Wharf London E14 4QA United Kingdom 9999	0861 273783			45382
Novare Investments (Pty) Ltd	3rd Floor The Cliffs Office Block 1 Niagara Way Tyger Falls Carl Cronje Drive Bellville 7530	3rd Floor The Cliffs Office Block 1 Niagara Way Tyger Falls Carl Cronje Drive Bellville 7530	(011) 447 9605			757
Old Mutual Investment Group (Pty) Ltd	Mutualpark Jan Smuts Drive Pinelands 7405	Mutualpark Jan Smuts Drive Pinelands 7405	(021) 504 7296			604
Prescient Investment Management (Pty) Ltd	Steenberg Office Park Block B Silverwood Silverwood Lane Tokai 7945	Steenberg Office Park Block B Silverwood Silverwood Lane Tokai 7945	(021) 700 3607			612
Prowess Investment Managers (Pty) Ltd	Private Bag 15086 Vlaeberg 8078	20th Floor 1 Thibault Square 1 Long Street Cape Town 8001	(021) 565 0065	15 August 2018		38318
Rubrics Global UCITS Funds plc	PO Box 87353 Houghton 2041	City Pavilion ,27 Bush Lane Cannon Green London, EC4R 0AA United Kingdom	+44 (0) 20 3972 7890			2733
Sanlam Investment Management (Pty) Ltd	Private Bag X8 Tyger Valley 7536	55 Willie van Schoor Road Bellville 7536	(021) 950 2695			579

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

**PROFESSIONAL SERVICE PROVIDERS (continued)
Investment Administrators (continued)**

Full name	Postal address	Physical address	Telephone number	Date appointed	Date resigned	FAIS registration number
RQ Capital Partners (Pty) Ltd	1 Melrsoe BLVD Melrose ARch Johannesburg 2076	1 Melrsoe BLVD Melrose ARch Johannesburg 2076	(010) 0072171	15 July 2020		45716
Summit PE Investment Managers (Pty) Ltd	One Vdara Towers 41 Rivonia Road Sandhurst Sandton 2196	One Vdara Towers 41 Rivonia Road Sandhurst Sandton 2196	(010) 880 1812	1 September 2020		48417
Terebinth Capital (Pty) Ltd	CRF Building 2nd Floor 4 Bridal Close Tyger Falls Blvd Tyger Valley, Cape Town, 7530	CRF Building 2nd Floor 4 Bridal Close Tyger Falls Blvd Tyger Valley, Cape Town, 7530	(021) 943 4819	1 July 2019		47909
Vunani Fund Managers (Pty) Ltd	PO Box 44586 Claremont 7735	6th Floor, Letterstedt House Newlands on Main Newlands Cape Town 7700	(021) 670 4900	14 March 2019		608

Investment Advisor

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Mosaic Investment Consulting	PO Box 6685 Welgemoed 7538	Willowbridge Place Carl Cronje Drive Tygervalley 7530	(021) 914 0496	45675

Risk Insurer

Full name	Postal address	Physical address	Telephone number	FSP approval no
Camargue Underwriting Managers (Pty) Ltd	Camargue House 33 Glenhove Road Melrose Estate Johannesburg 2196	Camargue House 33 Glenhove Road Melrose Estate Johannesburg 2196	(011) 778 9140	6344
Sanlam Life Insurance Ltd	PO Box 1 Sanlamhof 7532	2 Strand Road Belville 7532	(021) 947 9111	6832

Custodian and/or Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
Nedbank Limited	PO Box 1144 Johannesburg 2000	CCS JHB 2nd Floor Block F Johannesburg	(011) 294 3255	9363
FirstRand Bank Limited	PO Box 7713 Johannesburg 2000	Mezzanine Floor 3 First Place Bank City Corner of Jeppe & Simmonds Streets Johannesburg 2001	087 577 8791	4894

PARTICIPATING EMPLOYERS

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

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND
FOR THE YEAR ENDED 30 JUNE 2021**

Responsibilities

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

- ensured that proper registers, books and records of the operations of the fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
 - ensured that proper internal control systems were employed by or on behalf of the Fund;
 - ensured that adequate and appropriate information was communicated to the members of the fund, informing them of their rights, benefits and duties in terms of the rules of the Fund;
 - took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the fund or reported where necessary, in accordance with section 13A and regulation 33 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.
- the Board of Fund assessed the Fund's ability to continue as a going concern in addition to the above responsibilities

Approval of the annual financial statements

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

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

The annual financial statements set out on pages 12 to 38 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. The Board of Fund is not aware of any instances of non-compliance during the financial year nor during the year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditor, Deloitte & Touche, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditor in the management representation letter during their audit were valid and appropriate. The report of the independent auditor is presented on pages 9 - 11.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2021

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 rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the fund	Corrective course of action taken to resolve non-compliance matter
Late payment of Contribution due to municipalities experiencing severe cash flow problems	The members does not receive their monthly return on the contributions deducted from their payroll.	The following actions are taken in the event where the employer fails to make payment timeously: As subscribed on Pension Fund Act Section 13A, interest is raised from the first day of the month in question until received. SMS messages are send to the affected members advising them of the employer's failure to make payment. The employer is telephonically contacted and letters are also send to inform them about the consequences for their failure to comply with Section 13A. If the employer remains in arrears for 3 months, the FSCA is informed about the employer's failure to comply. At this point, a complaint is lodged with the Pension Funds Adjudicator. In this event the Pension Funds Adjudicator will normally order the employer to settle all arrear contributions and interest. If the employer still fails to comply with the judgement obtained from the Pension Funds Adjudicator, the matter is handed over to the Fund's Legal representatives to obtain warrants of execution in respect of the determinations handed down by the Pension Funds Adjudicator. A list is available of all the employers where Section 13A interest were charged.

These annual financial statements:

- were approved by the Board of Fund on 25 November 2021;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund at 30 June 2021 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



CCK Antonio
CHAIRPERSON
26/11/2021

Date



Name: S.J. Mpenbe
MEMBER TRUSTEE
26/11/2021

Date



Name: L. Mphuthi
MEMBER TRUSTEE
26/11/2021

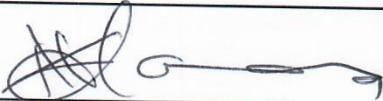
Date

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED 30 JUNE 2021

I confirm that for the year under review the National Fund for Municipal Workers 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
Late payment of Contribution due to municipalities experiencing severe cash flow problems	<p>The following actions are taken in the event where the employer fails to make payment timeously:</p> <p>As subscribed on Pension Fund Act Section 13A, interest is raised from the first day of the month in question until received.</p> <p>SMS messages are send to the affected members advising them of the employer's failure to make payment.</p> <p>The employer is telephonically contacted and letters are also send to inform them about the consequences for their failure to comply with Section 13A.</p> <p>If the employer remains in arrears for 3 months, the FSCA is informed about the employer's failure to comply.</p> <p>At this point, a complaint is lodged with the Pension Funds Adjudicator.</p> <p>In this event the Pension Funds Adjudicator will normally order the employer to settle all arrear contributions and interest.</p> <p>If the employer still fails to comply with the judgement obtained from the Pension Funds Adjudicator, the matter is handed over to the Fund's Legal representatives to obtain warrants of execution in respect of the determinations handed down by the Pension Funds Adjudicator.</p> <p>A list is available of all the employers where Section 13A interest were charged.</p>



L Ndawana
Principal Officer

26/11/2021
Date

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE NATIONAL FUND FOR MUNICIPAL WORKERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of National Fund for Municipal Workers ("the Fund") set out on pages 19 to 38, which comprise the statement of net assets and funds as at 30 June 2021 and the statement of changes in net assets and funds for the period then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Financial Sector Conduct Authority ("FSCA").

In our opinion, the financial statements of the Fund for the period ended 30 June 2021 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

Without modifying our opinion, we draw attention to the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Authority. Consequently, the financial statements and related auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer *AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal *MR Verster Consulting *JK Mazzocco People & Purpose MG Dicks Risk Independence & Legal *KL Hodson Financial Advisory *B Nyembe Responsible Business & Public Policy *R Redfearn Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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 01 July 2020 to 30 June 2021, 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 identified above 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 on the other information, 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 relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

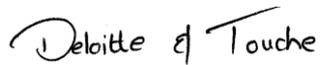
based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

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

Report on Other Legal and Regulatory Requirements

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



Deloitte & Touche
Registered Auditor
Per: Ronel van Graan
Partner
13 December 2021

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2021

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 retirement fund. The Fund is a defined contribution fund.

In terms of regulation 30(2)(t) (ii) of the Regulations to the Pension Funds Act, the umbrella fund is registered as an umbrella fund, type B.

1.2. Benefits

In terms of the rules of the Fund these are lump sum payments to retirees or their dependents, as well as death benefits, retrenchment benefits and withdrawal benefits.

1.2.1. Unclaimed benefits

Unclaimed benefits are benefits that have not been claimed after two years of a member leaving the fund. Strategy of the Board of Fund towards unclaimed benefits is that unclaimed benefits remain available to the beneficiary and do not expire.

In respect of unclaimed benefits, complete records, as prescribed, are maintained as from 1 July 2001.

1.2.2. Paid-up members

Paid-up members are members who has not yet retired but has left the service of the employer concerned prior to normal retirement date, leaving in the fund the member's rights to such benefits as may be defined by the rules.

1.3. Contributions

1.3.1. Current contributions by members

a) As long as a member, other than a Category A member and a Category B member, is an employee, he/she must make a monthly contribution to the fund equal to a percentage of his/her remuneration as agreed on by the particular Local Authority and the member as set out in the schedule less the amount of the member's contributions that are payable to the National Group Life Insurance Scheme for the municipal workers, administrated together with the Fund. Notwithstanding any provision to the contrary contained in his agreement, the monthly contribution must at least be equal to the monthly contributions made by the member to the old fund immediately prior to the date on which he/she became a member of the fund, subject to an absolute minimum contribution of 5% of his/her remuneration per month. Category C-Members appointed after 1 July 2012 who are not part of the schedule shall make monthly contributions to the Fund equal to 7.5% of their remuneration.

b) A Category A member must make a monthly contribution to the fund equal to at least 2% of his/her remuneration, less the amount of the member's contributions which are payable to the risk scheme to which the fund subscribes. Category A-Members appointed after 1 July 2012 who are not part of the schedule shall make monthly contributions to the Fund equal to 2% of their remuneration.

c) A Category B member must make a monthly contribution to the fund equal to the following:

1. the contributions as described in Rule 4.1(1); and
2. an additional monthly contribution equal to at least 2% of his/her remuneration less the amount of the member's contribution which is payable to the risk scheme to which the fund subscribes.

d) The Local Authority must deduct a member's contribution for a particular month from the member's remuneration before or on the last day of that month.

e) If the member's membership commences after the fifteenth day of a month, no contribution is payable for the month in which he/she becomes a member.

f) The member's contributions are applied in respect of retirement benefits.

g) The member/local authority may make additional voluntary contributions that will form part of their member's share in the Fund.

1.3.2. Employer contributions

a) The Local Authority must contribute monthly to the Fund in respect of each member, other than a Category A and Category B member, who contributes to the fund, a sum equal to the percentage as described in the agreement

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E

REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2021

between the Local Authority and the Fund. With effect from 1 July 2012 all Local Authority contribution for new employees appointed by the Local Authority on or after 1 July 2012 who are Category C members, will be 18% of the member's remuneration, less the amount of the Local Authority's contributions that are payable to the National Group Life Insurance Scheme for the Municipal Workers whether the Local Authority is in the schedule or not. Notwithstanding any provision to the contrary contained in such an agreement, the monthly contributions must at least be equal to the monthly contribution made by the Local Authority to the old fund in respect of such an employee immediately prior to the date on which he/she became a member of the fund, subject to an absolute minimum contribution of 5% of his/her remuneration per month, less the amount of the Local Authority's contributions which are payable to the risk scheme to which the fund subscribes.

b) In case of a Category A member who contributes to the fund, the Local Authority must make a monthly contribution to the fund equal to at least 2% of his/her remuneration less the amount of the Local Authority's contributions which are payable to the risk scheme to which the fund subscribes.

c) In case of a Category B member the Local Authority must make a monthly contribution equal to the following:

1. the contributions as described in Rule 4.2.1; and
2. additional monthly contribution equal to at least 2% of his/her remuneration less the amount of the Local Authority contributions which are payable to the risk scheme to which the fund subscribes.

d) If a member's membership commences after the fifteenth day of a month, no contribution is payable in respect of that member for the month in which he/she become a member.

1.4. Rule Amendments

1.4.1. Amendments

	Description	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
4	The following amendments were made - Definitions of the Fund has been aligned with the unitization of the Fund - Definition of 'Member" in Part 2 replaced - Contingency Reserve Account renamed to Risk Reserve Account and definition of Nominated Investment Portfolio - How Member's benefit is dealt with if he exit the Fund - Data Processing Error Reserve Account and transfers between contingency reserve accounts	28 July 2020	1 July 2020	11 September 2020
5	Rule 12.15 replaced : Accidental Insurance Cover	10 September 2020	1 November 2020	28 October 2020
6	Rule 6.3 replaced : Commutation Option	25 March 2021	1 March 2021	13 May 2021
7	The following amendments were made - Make provision for the changes to the cost deductible and payable for securing risk benefits from the insurer provided to members - Make provision for the funding of the risk benefits to be paid into the risk reserve account - Make provision for the cost of the risk benefits to be paid from the risk reserve account to the insurer - Renumber the rules of the Fund for coherence - Make provision for the perion appointed in terms of Rule 12.6.3 of the Rules to be a Trustee of the Fund.	24 June 2021	1 July 2021	8 September 2021

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

1.5. Reserves

Risk Reserve

The Fund keep a Risk Reserve Account to which shall be credited all profits received from the Insurer from the risk

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2021

underwriting profit share agreement the Fund has with the Insurer. The quantum of the account will be determined by the Board of Fund in consultation with the Actuary at least at the date of each statutory actuarial valuation. The assets of the Risk Reserve Account will be invested in a Nominated Investment Portfolio as selected by the Board of Fund.

Expense Reserve

An Expense Reserve Account will be kept to meet the ongoing Fund expenses and to cover the service charge and all the other costs incurred in the management of the Fund as well as to allocate to the Members any excess in this account.

The following transactions shall be recorded in the Expense Reserve Account:

Credits:

- i) The amount determined from time to time which is paid out of the Employer contributions in terms of rule 4.2.5(i) to cover Fund expenses
- ii) Transfers from the Pensioner Account in respect of Pensioner expenses
- iii) Allowance for any expenses (incurred and accrued) for the management of the Fund, which are allowed for in the determination of the Fund interest
- iv) Investment returns on the assets in this account, if such investment returns are positive.

Debits:

- i) All costs and expenses referred to in the rules
- ii) The Board of Fund may allocate any balances in this account to the Fund interest, as calculated and recommended by the Fund's Actuary.

Please refer to Note 19 of the Annual Financial Statements.

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund have formulated an investment strategy whereby the investments are managed according to the following principles. This investment strategy complies with the provisions of Regulation 28 of the Pension Funds Act in South Africa.

2.1.1. Investment policy

The investment policy sets out the investment arrangement of the National Fund for Municipal Workers and covers all aspects required for a detailed investment arrangement within the guidelines of Regulation 28 of the Pension Funds Act.

The Fund has a diverse range of members of differing ages and with different needs. Thus they also have different investment objectives. The Fund offers member choice and life stage investment options. With reference to the Fund vision, mission and risk profile, the following five portfolios have been selected to cater for the needs of the members.

1. Capital Protector
2. Stable Growth
3. Capital Growth
4. Aggressive Growth
5. Shariah Portfolio

2.1.2. Investment portfolios

Capital Protector

The objective of the Capital Protector Portfolio is to achieve a return of CPI+1% pa (net of fees) over a rolling 1-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period 100% (probability) of the time. The portfolio is suitable for the members that require capital security and no negative returns and is suitable for members within 2 years to retirement.

Stable Growth

The objective of the Stable Growth Portfolio is to achieve a return of CPI+2.25% pa (net of fees) over a rolling 3-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 85% (probability) of the time. The portfolio is suitable for the members who require relatively stable returns but are comfortable with a probability of negative short-term returns from time to time and is designed for members within 2 to 5 years to retirement.

Capital Growth

The objective of the Capital Growth Portfolio is to achieve a return of CPI+3.00% pa (net of fees) over a rolling 3-year

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E

REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2021

period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 75% (probability) of the time. The portfolio is suitable for the members who require capital growth and are comfortable with a more volatile short-term returns and negative returns from time to time and is designed for members within 5 to 10 years to retirement.

Aggressive Growth

The objective of the Aggressive Growth Portfolio is to achieve a return of CPI+4.25% pa (net of fees) over a rolling 3-year period at least 50% (probability) of the time. The portfolio is expected to produce positive returns over a rolling 12 month period at least 65% (probability) of the time. The portfolio is suitable for the members with long term investment horizon looking to maximise capital growth whilst acknowledging this will lead to volatile returns and an increased likelihood of negative returns in the short term and is designed for members with more than 10 years to retirement.

Shariah Portfolio

This portfolio is suitable for Muslim investors requiring a Shariah-compliant portfolio appropriate for retirement schemes. The portfolio will be invested in a wide variety of domestic and international asset classes such as equity securities and listed property, within the constraints of the statutory investment restrictions for retirement funds. The underlying investments will comply with Sharia requirements as prescribed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). Members in this portfolio seek to build and grow their long-term retirement savings, while preserving the purchasing power of their capital over the long-term and limiting their exposure to short-term market fluctuations. The portfolio was launched in August 2012.

Default Investment Portfolios

Where a member does not exercise the option available, all contributions and other monies pertaining to such member shall be invested in the default investment portfolios on the member's behalf.

The default investment portfolios are:

- Stable Growth
- Capital Growth
- Aggressive Growth

2.1.3. Unclaimed benefits

The unclaimed benefits will be managed as part of the Capital Growth investment choice of the fund.

2.1.4. Paid-up members

The paid-up members have the option of member choice and life stage investment.

2.1.5. Reserve accounts

The Reserve accounts are distributed proportionally between the portfolios.

2.1.6. Living Annuity

Annuitants have the option to choose to invest in the different portfolios provided:

- Capital Protector
- Stable Growth
- Capital Growth
- Aggressive Growth
- Shariah Portfolio

2.1.7. Hedge funds

The Board of Fund utilises hedge funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of regulation 28 and adherence to the investment mandate.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE E

REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2021

2.1.8. Private Equity Funds

The Board of Fund utilises private equity funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of regulation 28 and adherence to the investment mandate.

2.1.9. Securities Lending Transactions

The Board of Fund utilise securities lending transactions as part of their investment strategy. The Board of Fund ensures that the securities lending transactions are in compliance with the relevant conditions as prescribed by Notice.

2.2. Management of investments

All investment administrators have complete discretion as to the composition of their share of the portfolio within the boundaries allowed by the Pension Funds Act in South Africa. The Board of Fund oversees the investment policy and monitors the asset allocation and performance of the investment administrators against the investment strategy of the Fund. Investment managers are remunerated according to their mandates.

The Fund's Investment and Policy statement addresses the Fund's commitment to adhere to the ESG and CRISA principles. Asset managers also report on their compliance thereof with their annual reporting to the Investment Committee, which is monitored by the Investment Committee.

As a result of pending litigation between RFS Home Loans (Pty) Ltd and the Fund the contractual relationship(s) between this company and the Fund is in the process of being investigated and, depending on the outcome of such investigations and legal advice thereon, the Board of Fund may decide on changes in regard to the accounting treatment and notes to the annual financial statements with regard to RFS Home Loans (Pty) Ltd.

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

	30 June 2021	30 June 2020
	R	R
ABSA Bank Ltd	185 738 655	-
Allan Gray Life Limited	2 452 068 751	2 483 310 014
Argon Asset Managers (Pty) Ltd	803 678 763	341 836 299
Ashburton Fund Managers (Pty) Ltd	664 999 757	511 631 499
Balondolozzi Investment Services (Pty) Ltd	775 705 178	-
Benguela Global Fund Managers (Pty) Ltd	1 254 631 146	774 084 419
Catalyst Fund Managers (Pty) Ltd	473 511 927	396 236 277
Coronation Asset Management (Pty) Ltd	2 667 273 705	2 602 951 358
Denker Capital (Pty) Ltd	-	444 495 021
First Avenue Investment Management (Pty) Ltd	-	243 387 174
Futuregrowth Investments CC	1 123 021 504	878 256 589
Kagiso Asset Managers (Pty) Ltd	42 552 019	21 094 180
Legacy Africa Fund Managers (Pty) Ltd	787 658 241	337 303 904
Mazi Asset Management (Pty) Ltd	-	507 907 648
Metope Investment Managers (Pty) Ltd	194 139 233	156 137 440
Morgan Stanley Investment Funds plc	223 470 942	217 156 691
Nedgroup Investment Advisors (Pty) Ltd	1 056 232 196	973 875 966
Ninety One SA (Pty) Ltd	1 084 641 816	1 019 164 601
Northern Trust International Fund Administration Services Ltd	1 350 863 948	1 092 248 610
Novare Investments (Pty) Ltd	144 859 611	215 510 710
Old Mutual Investment Group (Pty) Ltd	1 458 532 641	1 316 925 190
Prescient Investment Management (Pty) Ltd	2 236 087 745	1 062 511 970
Prowess Investment Managers (Pty) Ltd	4 833	471 206 059
RFS Home Loans (Pty) Ltd	557 700 741	563 475 951
RQ Capital Partners (Pty) Ltd	145 634 844	-
Rubrics Global UCITS Funds plc	65 643 565	75 267 990
Sanlam Investment Management (Pty) Ltd	1 020 683 336	542 403 258
Summit PE Investment Managers (Pty) Ltd	47 849 078	-
Terebinth Capital (Pty) Ltd	973 658 019	738 720 500
Vunani Fund Managers (Pty) Ltd	1 182 904 411	329 914 978
Total value of investments managed	22 973 746 605	18 317 014 296

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

3. MEMBERSHIP

	Active members	Deferred Members	Pensioners	Unclaimed benefits
Number at the beginning of year	51 649	2 042	97	858
Adjustments*	51	-	-	-
Additions	2 570	328	11	313
Transfers out	-	-	(3)	-
Withdrawals	(579)	(84)	-	-
Retirements	(769)	(85)	-	-
Disabilities	(31)	(3)	-	-
Deaths	(639)	(30)	-	-
Transfers*	-	(124)	-	-
Unclaimed benefits paid	-	-	-	(21)
Number at the end of the year	52 252	2 044	105	1 150
Number at end of year (South African citizen)	52 236	2 044	105	1 150
Number at end of year (non-South African citizen)	16	-	-	-

Adjustments:

* Adjustment relates to:

- Members that has been incorrectly classified
- Zero exits
- Fund credits depleted

4. ACTUARIAL VALUATION

The last statutory actuarial valuation for the Fund was done for the period ended 30 June 2020, the results of such valuation are reported in schedule HB of the annual financial statements. The Fund was in sound financial condition up to 30 June 2020 and a next report will be provided for 30 June 2021.

5. SURPLUS APPORTIONMENT

The Fund is a defined contribution fund which operates in such a way that no actuarial surplus may arise and any surpluses which arise, are distributed annually amongst all the members.

6. HOUSING LOAN FACILITIES

Loans to members were granted in terms of rule 9.12 and 9.13 of the rules of the Fund and section 19(5) of the Pension Funds Act in South Africa, and are secured by members' withdrawal benefits and/or mortgage bonds.

The Fund has issued housing loan guarantees in terms of rule 9.13 of the fund and Section 19(5) of the Pension Funds Act. Each guarantee is secured by the fund credit of the respective member. The loan is limited to 60% of the respective member's fund credit.

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

No investments in participating employers have taken place.

8. SIGNIFICANT MATTERS

Mr Sean Samons left the position of Principal Officer of the Fund on 8 May 2020. The then Deputy Principal Officer, Mr Leslie Ndawana assumed the responsibility of the duties of Principal Officer from 8 May 2020 until 31 July 2020 when he was substantively appointed as the Principal Officer of the Fund effective 1 August 2020.

Impact of COVID-19

Fund performed well in a very challenging investment and economic environment as a result of the COVID-19 pandemic. The global (and local) investment environment for the 2020/2021 financial year improved significantly after the pandemic lows experienced in early 2020. The reaction and repercussion on the world and local markets

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

experienced since March 2020 were unprecedented. Despite this, the excellent returns added to our members' fund credits during the last financial year is testament to a well-diversified and robust long term investment strategy.

The Fund's operations were not negatively affected by COVID-19 as the Fund switched to remote working. The Fund remained fully operational since the beginning of the national lockdown at the end of March 2020 to date. Our administration systems underpinned by modern information technology assisted the Fund to continue operating without interruptions.

The Fund effected a Rule Amendment to provide for financially distressed employers to defer, suspend or reduce contributions. However, the employers that had always had difficulties to pay (or pay on time) their contributions were essentially the employers that notably did not comply with Section 13A of the Pension Funds Act.

Overall, the Fund was well-positioned to address the impact of COVID-19 and the Fund continues to refine its approach to operations and investments to cater for the uncertain future.

9. LIVING ANNUITY

Retiring members may invest all or part of their retirement benefits in the NFMW In-Fund Living Annuity if the retiring members meets all the requirements.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2021

	Note	30 June 2021 R	30 June 2020 R
ASSETS			
Non-current assets		22 990 562 327	18 336 862 121
Property and equipment	2	15 960 590	18 517 447
Investments	3	22 973 746 605	18 317 014 296
Housing loans	4	855 132	1 330 378
Current assets		426 307 165	501 090 803
Accounts receivable	5	85 387 262	186 907 948
Contributions receivable	12	191 345 491	142 987 234
Cash at bank		149 574 412	171 195 621
Total assets		23 416 869 492	18 837 952 924
FUNDS AND LIABILITIES			
Members' funds and surplus account		22 388 521 333	18 166 257 924
Members' individual accounts	18	21 949 395 184	18 053 503 095
Amounts to be allocated	20	439 126 149	112 754 829
Reserves			
Reserve accounts	19	321 516 056	288 445 931
Total funds and reserves		22 710 037 389	18 454 703 855
Non-current liabilities			
Unclaimed benefits	10	33 452 340	21 317 654
Current liabilities		673 379 763	361 931 415
Transfers payable	8	5 830 468	2 939 478
Benefits payable	9	611 491 829	320 671 427
Accounts payable	11	56 057 466	38 320 510
Total funds and liabilities		23 416 869 492	18 837 952 924

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 19 R	Current year 2021 R	Previous year 2020 R
Contributions received and accrued	12	2 428 649 312	72 639 634	2 501 288 946	2 235 068 838
Reinsurance proceeds		397 494 786	-	397 494 786	205 718 032
Net investment income	13	3 200 533 507	35 183 309	3 235 716 816	155 368 784
Allocated to unclaimed benefits	10	(159 943)	-	(159 943)	(856 342)
Other income	14	-	2 324 098	2 324 098	126 460 895
Less:		(340 118 329)	(81 792 514)	(421 910 843)	(383 916 826)
Re-insurance premiums		(340 118 329)	-	(340 118 329)	(307 932 157)
Administration expenses	15	-	(81 792 514)	(81 792 514)	(75 984 669)
Net income before transfers and benefits		5 686 399 333	28 354 527	5 714 753 860	2 337 843 381
Transfers and benefits		(1 458 414 964)	-	(1 458 414 964)	(995 849 075)
Transfer from other funds	6	7 753 247	-	7 753 247	97 919 726
Transfer to other funds	8	(14 306 055)	-	(14 306 055)	(8 461 921)
Benefits	9	(1 451 862 156)	-	(1 451 862 156)	(1 085 306 880)
Net income after transfers and benefits		4 227 984 369	28 354 527	4 256 338 896	1 341 994 306
Funds and reserves					
Balance at the beginning of the year	19	18 166 257 924	288 445 931	18 454 703 855	17 111 704 187
Actuarial adjustment	19	(5 720 960)	5 720 960	-	-
Revaluation surplus: Property		-	(1 005 362)	(1 005 362)	1 005 362
Balance at the end of the year		22 388 521 333	321 516 056	22 710 037 389	18 454 703 855

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 AND EQUIPMENT

All property and equipment are initially recorded at cost.

Owner-occupied buildings are subsequently stated at revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows:

Buildings	50 years
Furniture & fittings	6 years
Computer equipment & software	3 years

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

1.3. FINANCIAL INSTRUMENTS

Measurement

Financial instruments are initially measured at fair value as of trade date, which excludes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

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

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.

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 debenture.

Bills and bonds

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

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2021

1.3.1. Investments (continued)

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.

Equities

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

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

Listed equities

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

Unlisted equities

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

Preference shares

Listed preference shares

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

Insurance policies

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.

Private Equity Investments

Private equity investments are investments in equity capital that is not quoted on a public exchange. Private equity investments are valued in accordance with the Internatiol Private Quity and Venture Capital Valuation Guidelines.

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.

Derivative Market Instruments

Derivative market instruments consist of options, equity linked instruments, futures/forwards – SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2021

1.3.1. Investments (continued)

Options

Options are valued using option pricing modules.

Futures/forward contracts

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

Swaps

Swaps are valued by means of discounted cash flow models, using the swap curve from a regulated exchange (BESA) to discount fixed and variable rate cash flows, as well as to calculate implied forward rates used to determine the floating interest rate amounts. The net present values of the fixed leg and variable leg of the swap are offset to calculate the fair value of the swap.

Hedge funds

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

1.3.2. 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.

1.3.3. 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.

1.3.4. Cash and cash equivalents

Cash and 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.

1.3.5. 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.

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

Gross contributions are brought to account on the accrual basis except for voluntary contributions, which are recorded in the year in which they are received.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2021

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 month 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

Foreign currency transactions are recorded, on initial recognition in Rand, by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the transaction.

1.8. INVESTMENT INCOME

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

Dividends

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

Scrip lending income

Scrip lending income generated from scrip lending is recorded in the period of receipt. Contractual arrangements exist with various scrip lending agents. Scrip lending positions are not disclosed separately but are reported as part of the underlying holdings.

Collective investment schemes' distribution

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

Income from policies with insurance companies

Insurance policy income is recognised when the right to receive payment is established.

Gains and losses on subsequent measurement

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

Expenses incurred in managing investments

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

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2021

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 period are recognised as a current liability and are classified as benefits payable.

Reinsurance proceeds

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

Divorce orders

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

Paid up members

Paid up members benefits are retained in the Fund until the members' retirement date and/or the member makes a decision to withdraw from the Fund and/or transfer to an approved fund, approved preservation fund or approved retirement annuity fund.

In the event of these conditions occurring, the benefit payments are recognised as an expense, when they are due and payable in terms of the Rules of the Fund.

Furthermore any portion of a paid up members' benefits that are not paid at the reporting date are recognised as a current liability and are classified as benefits payable.

1.10. UNCLAIMED BENEFITS

Unclaimed benefits represents members where the Fund has received the notification of exit in line with the rule of the Fund, however, the benefits has not been paid within twenty four months of the accrual date. These benefits consist of accumulated fund credit including any additional return earned from the investment strategy of the Fund specifically pertaining to unclaimed members.

1.11. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognised on approval being granted by the Financial Sector Conduct Authority. Section 13 individual transfers are recognised when the individual member's transfer is received or paid.

1.12. ADMINISTRATION EXPENSES AND REINSURANCE PREMIUMS

Expenses and Reinsurance premiums 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 overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.13. 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.

1.14. ACCOUNTING POLICIES, CHANGES 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.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2021

1.15. ASSET IMPAIRMENT

The carrying amounts of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of a financial asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Changes in Net Assets and Funds.

The Fund first assesses whether objective evidence of impairment exists for financial assets that are individually significant, such as service provider debtors. In the case of assets which are not individually significant, such as contribution debtors, financial assets are grouped on the basis of similar credit characteristics, such as asset type and past-due status. These characteristics are used in the estimation of future cash flows recoverable.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed in the Statement of Changes in Net Assets and Funds.

1.16. MEMBER INDIVIDUAL ACCOUNTS

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

1.17. AMOUNTS TO BE ALLOCATED

Amounts to be allocated represents contributions or return received in the fund but not yet allocated to members or reserves.

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2021

2. PROPERTY AND EQUIPMENT

2.1. Current year

	Buildings R	Computer equipment and software R	Furniture and fittings R	Total R
Gross carrying amount				
Cost at beginning of year	19 242 977	3 771 075	1 400 888	24 414 940
Additions	-	405 808	80 730	486 538
Disposals	-	(14 126)	-	(14 126)
Revaluation	(2 198 655)	-	-	(2 198 655)
At end of year	17 044 322	4 162 757	1 481 618	22 688 697
Accumulated depreciation and impairment				
At beginning of year	(1 642 977)	(3 163 783)	(1 090 733)	(5 897 493)
Depreciation charges	(401 345)	(286 558)	(153 698)	(841 601)
Accumulated depreciation on disposals	-	10 987	-	10 987
Net carrying amount at end of year	15 000 000	723 403	237 187	15 960 590

The buildings consist of an office block situation on Sections 1 to 6, SS BusinessPark@Zambezi (D509/2018) situated on Erf 2092, Montana Extension 143. The buildings were revalued by an independent valuator. The valuation was performed as at 13 July 2021. The fair value was determined directly by reference to observable prices in an active market, estimated R 15 000 000.

2.2. Prior year

	Buildings R	Computer equipment and software R	Furniture and fittings R	Total R
Gross carrying amount				
At beginning of period	16 308 547	3 242 984	1 400 888	20 952 419
Additions	-	549 269	-	549 269
Disposals	-	(21 178)	-	(21 178)
Revaluation	2 934 430	-	-	2 934 430
At end of year	19 242 977	3 771 075	1 400 888	24 414 940
Accumulated depreciation and impairment				
At beginning of period	(1 308 547)	(2 977 445)	(857 251)	(5 143 243)
Depreciation charges	(334 430)	(205 751)	(233 482)	(773 663)
Accumulated depreciation on disposals	-	19 413	-	19 413
At end of year	(1 642 977)	(3 163 783)	(1 090 733)	(5 897 493)
Net carrying amount at end of period	17 600 000	607 292	310 155	18 517 447

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

3. INVESTMENTS

3.1. Investment summary

	Note	Local R	Foreign R	Total current year R	Total previous year R	Fair value current year R	Categorised per Regulatory Framework
Cash and deposits		2 047 929 637	202 930 957	2 250 860 594	1 628 945 425	2 250 860 594	At fair value through statement of changes in net assets and funds
Commodities		33 161	-	33 161	8 603 002	33 161	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments *		3 707 057 386	22 868 245	3 729 925 631	1 885 248 036	3 729 925 631	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		7 859 807 225	(362 070)	7 859 445 155	6 714 228 432	7 859 445 155	At fair value through statement of changes in net assets and funds
Insurance policies		3 237 091 298	429 104 492	3 666 195 790	3 214 346 213	3 666 195 790	At fair value through statement of changes in net assets and funds
Collective investment schemes		478 325 200	4 795 477 152	5 273 802 352	4 865 643 188	5 273 802 352	At fair value through statement of changes in net assets and funds
Private equity funds		193 483 922	-	193 483 922	-	193 483 922	At fair value through statement of changes in net assets and funds
Total		17 523 727 829	5 450 018 776	22 973 746 605	18 317 014 296	22 973 746 605	

*Included in debt instruments is RFS Home Loans (Pty) Ltd Loan that is held at amortised cost and all other debt instruments are held at fair value through the Statement of Changes in Net Assets and Funds.

National Fund for Municipal Workers sold their home loan book value as at 1 June 2007 to RFS Home Loans (Pty) Ltd.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

4. HOUSING LOAN FACILITIES

4.1. Housing loans

	A At beginning year R	C Repaid R	D Interest capitalised R	A+B-C+D+/-E At end of year R
Loans granted in terms of the rules of the fund and section 19(5) of the Pension Funds Act in South Africa	1 330 378	(529 731)	54 485	855 132
Total	<u>1 330 378</u>	<u>(529 731)</u>	<u>54 485</u>	<u>855 132</u>

Housing loans are granted to members in terms of paragraph 9.12 of the rules of the Fund and Section 19(5) of the Pension Funds Act. Loans are limited to 60 percent of the cash benefit (less tax) of the member, due by the Fund on voluntary termination of membership. Interest rate charged on outstanding loans: repo plus 2%.

4.2. Housing loan guarantees

The fund has granted the following guarantees:

1. 4 542 (2020 : 4 679) guarantees to RFS Home Loans (Pty) Ltd for loans granted to members, amounting to R541 031 943, (2020 : R552 399 125);
2. 368 (2020: 158) guarantees to Standard Bank Ltd for loans granted to members, amounting to R73 979 626.85, (2020 : R32 016 230)

The amount of the guarantee may not exceed 60% of the cash benefit that a member would receive in terms of the rules of the fund and Section 19(5) of the Pension Funds Act if he or she had to terminate membership to the fund voluntarily.

The guarantees are granted for the period agreed upon for the outstanding loan. The guarantee period may not exceed 30 years.

5. ACCOUNTS RECEIVABLE

	30 June 2021 R	30 June 2020 R
Reinsured proceeds receivable	62 015 759	50 762 405
Risk profit receivable	-	124 003 716
Investments	8 427 210	-
Interest on contributions receivable	13 968 879	10 360 489
Sundry Debtors	975 414	1 781 338
Total	<u>85 387 262</u>	<u>186 907 948</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

6. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14								
Alexander Forbes (City of Tshwane Metropolitan Municipality)	17/02/2016	1	-	-	43 989	-	(43 989)	-
National Pension Fund For Municipal Workers Agterskot	18/12/2020.	784	-	-	2 271 700	72	(2 271 772)	-
Transfers								
Government Employees Pension Fund (Steve Tshwete Local Municipality)	25/02/2021	1	-	-	200 000	460	(200 460)	-
Living annuitants transfers	Various	2	-	-	5 237 026	-	(5 237 026)	-
Total		788	-	-	7 752 715	532	(7 753 247)	-
Transfers approved (B)								7 752 715
Return on transfers (C)								532
Statement of changes in net assets and funds								7 753 247

The details of above transfers from other funds are available for inspection at the registered address of the Fund.

7. REVALUATION RESERVE - PROPERTY

	30 June 2021 R	30 June 2020 R
Revaluation	(2 198 655)	2 934 430
Impairments	1 193 293	(1 929 068)
Transfer to statement of changes in net assets and funds	1 005 362	(1 005 362)
At end of year	-	-

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2021

8. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	A At beginning of year R	B Transfers approved R	C Return on Transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of Section 14							
PSG Wealth Management Ltd	30/06/2020	1	2 939 478	-	13 339	(2 952 817)	-
Momentum Metropolitan Life Ltd	30/11/2020	1	-	5 830 468	-	-	5 830 468
Ninety One SA (Pty) Ltd	31/08/2020	1	-	8 460 333	-	(8 460 333)	-
Alexander Forbers (Unclaimed benefits)	31/05/2016	1	-	-	-	-	-
Alexander Forbers (Unclaimed benefits)	31/05/2016	-	-	1 915	-	(1 915)	-
Total		4	2 939 478	14 292 716	13 339	(11 415 065)	5 830 468
Transfers approved (B)							14 292 716
Return on transfers (C)							13 339
Statement of changes in net assets and funds							14 306 055

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2021

9. BENEFITS

9.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Monthly Annuities	-	22 935 534	-	(22 935 534)	-	-
Lump sums on retirements						
- Full benefit	104 915 532	618 720 932	382 865	(607 550 657)	(728 465)	115 740 207
Lump sums before retirement						
- Disability benefits	5 168 321	57 161 235	58 311	(38 158 151)	(72 743)	24 156 973
- Death benefits	189 206 645	537 459 096	2 230 309	(289 789 316)	(9 037 617)	430 069 117
- Withdrawal benefits	21 380 929	169 499 851	104 559	(148 786 106)	(673 701)	41 525 532
Other						
Divorce payments	-	43 309 464	-	(43 309 464)	-	-
Total	<u>320 671 427</u>	<u>1 449 086 112</u>	<u>2 776 044</u>	<u>(1 150 529 228)</u>	<u>(10 512 526)</u>	<u>611 491 829</u>
Benefits for current year (B)						1 449 086 112
Return allocated (C)						2 776 044
Statement of changes in net assets and funds						<u>1 451 862 156</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2021

10. UNCLAIMED BENEFITS

	30 June 2021	30 June 2020
	R	R
Balance at the beginning of the year	21 317 654	18 062 134
Transferred from benefits payable	10 512 526	8 195 450
Adjustments *	2 028 867	(3 077 834)
Investment income allocated	159 943	856 342
Less:		
• Administration expenses	(40 586)	(27 672)
• Benefits paid	(527 979)	(2 690 766)
Transferred from Section 14 transfer	1 915	-
Balance at the end of the year	33 452 340	21 317 654

*The adjustment relates to amendments of members' fund credit liabilities.

11. ACCOUNTS PAYABLE

	30 June 2021	30 June 2020
	R	R
Risk premiums and benefits PAYE	28 194 223	25 034 614
Audit fees accrual	1 126 878	920 000
Sundry Creditors	5 591 842	5 017 582
Administration fees	1 886 731	3 631 602
Total	56 057 466	38 320 510

12. CONTRIBUTIONS

	At beginning of year	Towards retirement	Towards re-insurance and expenses	Contributions received	At end of year
	R	R	R	R	R
Member contributions received and accrued	43 878 293	765 905 362	-	(751 013 040)	58 770 615
Employer contributions received and accrued	99 108 941	1 309 189 819	413 739 408	(1 689 463 292)	132 574 876
Additional voluntary contributions members	-	12 454 357	-	(12 454 357)	-
Total	142 987 234	2 087 549 538	413 739 408	(2 452 930 689)	191 345 491
Towards retirement					2 087 549 538
Towards reinsurance and expenses					413 739 408
Statement of changes in net assets and funds					2 501 288 946

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

13. NET INVESTMENT INCOME

	30 June 2021	30 June 2020
	R	R
Income from investments	217 799 714	241 370 520
• Interest	183 666 906	217 968 190
• Interest received on home loans	54 485	134 571
• Collective investment schemes distribution	34 028 272	23 018 605
• Income from insurance policies	50 051	249 154
Interest on late payment of contributions	5 085 912	5 100 148
Rental income	-	8 000
Adjustment to fair value	3 136 543 708	3 652 643
	<u>3 359 429 334</u>	<u>250 131 311</u>
Less: Expenses incurred in managing investments	(123 712 518)	(94 762 527)
Total	<u>3 235 716 816</u>	<u>155 368 784</u>

* In terms of the accounting policies dividends are included in Adjustment to fair value.

14. OTHER INCOME

	30 June 2021	30 June 2020
	R	R
Sanlam risk income received	-	124 003 716
Profit on assets	-	13 791
Script lending fees received	2 324 098	2 116 175
Repo fees received	-	327 213
Total	<u>2 324 098</u>	<u>126 460 895</u>

15. ADMINISTRATION EXPENSES

	30 June 2021	30 June 2020
	R	R
Administration fees	23 358 073	21 486 794
Audit fees	1 126 878	992 181
Audit fees - Audit services	1 126 878	920 000
Audit fees - Under provision previous year	-	72 181
Legal fees and compliance fees	5 069 738	4 797 867
Depreciation	841 602	773 662
Loss/(Profit) on property revaluation	1 193 293	(1 929 068)
Fidelity insurance	603 460	526 729
Other expenses	8 991 896	6 907 467
Bank charges	177 966	194 884
Occupational rent	514 620	425 001
Financial Sector Conduct Authority Levy	1 139 252	1 058 972
Communication expenses	5 024 135	3 026 030
Conference and meetings	781 854	834 100
Consultancy fees	1 104 830	1 062 067
Travel and accommodation (non - Board of Fund)	249 239	306 413
Office expenses	4 403 961	4 189 508
Board of Fund expenses	15.1 4 602 261	4 349 431
Staff expenses	15.2 31 581 944	33 849 352
Principal Officer expenses	15.3 59 994	68 418
Less: Amount allocated to unclaimed benefits	(40 586)	(27 672)
Total	<u>81 792 514</u>	<u>75 984 669</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

15.1. Board of Fund expenses

	30 June 2021	30 June 2020
	R	R
Retainer fees	3 148 140	3 176 000
Board of Fund - expenses	1 170 042	1 173 431
Board of Fund - other payments	284 079	-
Total	4 602 261	4 349 431

15.2. Staff expenses

	30 June 2021	30 June 2020
	R	R
Staff expenses- Remuneration	31 551 960	33 831 504
Staff expenses- Other payments	29 984	17 848
Total	31 581 944	33 849 352

15.3. Principal Officer expenses

	30 June 2021	30 June 2020
	R	R
Principal officer expenses - Other payments	59 994	68 418
Total	59 994	68 418

16. RISK MANAGEMENT POLICIES

Risk management framework

The Board of Fund has overall responsibility for the establishment and oversight of the fund's risk management policies. The Board of Fund has established the Executive Committee, which is responsible for developing and monitoring the fund's risk management policies. The committee reports regularly to the Board of 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.

- **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Funds contractual obligations to members.

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 are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

- **Credit risk**

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

The Board 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.

- **Legal risk**

Legal risk is the risk that the Fund will be exposed to contractual obligations which have not been provided for.

Legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

16. RISK MANAGEMENT POLICIES (continued)

- **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 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 Fund monitors this aspect of the Fund's investments and limits it to 30% (plus as additional 10% Africa) 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.

- **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.

- **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.

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021**

17. RELATED PARTY TRANSACTIONS

Key management personnel

Trustees

CCK Antonio
MC Makgalemele
ME Jantjie
HS Rossouw
EA Schutte
PS Mofokeng
L Geldenhuys
L Labuschagne
NC Cindi
NJ Nkuna
PR Nolutshungu
JM Dodo
SJ Mpembe
L Mphuthi
LR Nani

Principal Executive Officer

L Ndawana

Transactions with related parties

Board of Fund allowances paid

Refer to note 15.1 for full disclosure concerning the Board of Fund allowances paid.

Principal Officer's expenses

Refer to note 15.3 for full disclosure concerning the Principal Officer's expenses paid.

Contributions received

The contributions received by the Fund from the Board of Fund were as follows: R1 430 395 (2020: R1 487 875). The amount includes both member and employer contributions.

This constitutes contributions by related party as a member of the Fund in their individual capacities. All contributions by the related parties were on the same terms as applicable to all members of the Fund.

18. MEMBERS' INDIVIDUAL ACCOUNTS

	30 June 2021	30 June 2020
	R	R
Active and paid up/deferred members	21 554 223 130	17 705 843 684
Living annuities	395 172 054	347 659 411
Total	21 949 395 184	18 053 503 095

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE HA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

19. SURPLUS AND RESERVE ACCOUNTS

	Reserve Accounts Total R	Risk reserve R	Expense reserve R	Revaluation reserve R
At beginning of year	288 445 931	162 567 801	124 872 768	1 005 362
Actuarial recommendation	5 720 960	(473 784)	6 194 744	-
Contributions received and accrued	72 639 634	-	72 639 634	-
Net investment income	35 183 309	8 224 419	26 958 890	-
Allocated to unclaimed benefits	-	-	-	-
Other income:	2 324 098	-	2 324 098	(1 005 362)
- Sanlam risk income received	-	-	-	-
- Script lending fees received	2 324 098	-	2 324 098	-
- Repo fees received	-	-	-	-
- Property revaluation	(1 005 362)	-	-	(1 005 362)
Administration costs	(81 792 514)	-	(81 792 514)	-
Transfer between reserve accounts	-	100 000 000	(100 000 000)	-
At end of year	321 516 056	270 318 436	51 197 620	-

20. AMOUNTS TO BE ALLOCATED

	30 June 2021 R	30 June 2020 R
Gross Contributions June 2021 received subsequent to year end	191 345 492	-
Investment return to be allocated	14 742 897	91 030 650
Excess assets	-	21 724 179
Surplus assets	233 037 760	-
Total amounts to be allocated	439 126 149	112 754 829

NATIONAL FUND FOR MUNICIPAL WORKERS

REPORT OF THE VALUATOR
FOR THE YEAR ENDED 30 JUNE 2021

SCHEDULE HB

NATIONAL FUND FOR MUNICIPAL WORKERS
REPORT OF THE VALUATOR FOR THE YEAR ENDED 30 JUNE 2021

Particulars of financial condition of the fund as at 30 June 2020 (the last statutory valuation)

1. Net assets available for benefits.

R 18 423 317 000

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

R 18 423 317 000

3. The actuarial present value of promised retirement benefits, split into vested and non-vested benefits.

Members' fund credits	R 16 865 433 000
Outstanding direct housing loans	R 1 330 000
Living annuitants	R 347 659 000
Deferred members	R 840 411 000
<hr/>	
Total liabilities as at 30 June 2020	R 18 054 833 000

4. Reserve account balances.

Risk reserve account (previously known as the contingency reserve account)	R 162 094 000 *
Expense reserve account	R 131 068 000 *
<hr/>	
Total reserve accounts as at 30 June 2020	R 293 162 000 *

* Refer to par 7 for more detail regarding the reserve account balances and transfers between the reserve accounts in line with the stipulations of the rules of the fund, based on the recommendations contained in the statutory valuation report as at 30 June 2020.

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

Assets:

Assets were valued at the full market value. Adjustments were made for accruals at the valuation date (e.g. contributions in respect of the valuation period received after the valuation date, outstanding benefit payments, outstanding expenses, etc.)

Liabilities:

The fund operates on a defined contribution basis. The accrued liabilities are therefore equal to the sum of the individual members' fund credits and the balance in the contingency reserve account.

Funding level:

The funding level is the rate of the value of the assets to the value of the liabilities.

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

Refer to par. 5 above.

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

The statutory valuation report as at 30 June 2020 was discussed at the board of management meeting held on 24 June 2021 and submitted to the FSCA on 28 June 2021 under case number 535427. The board took a number of decisions, on recommendation of the actuary:

a) Allocation of excess assets to data and processing error reserve account

The statutory valuation as at 30 June 2020 disclosed an excess of R 75 322 000 (corresponding to a funding level of 100.41%), which is within acceptable margins.

The board accepted the actuary's recommendation that this balance be transferred to the newly established data and processing error reserve account effective 1 July 2020 (per rule amendment no.4 registered on 11 August 2020 under case number 515654). This reduced the overall funding level of the fund to 100.0% at the valuation date.

b) Expense reserve account

The accumulated balance in the expense reserve account amounted to R 131 068 000 or 0.73% of member liabilities at the valuation date. The rules of the fund were amended with effect from 1 July 2020 to allow for transfers between the fund's reserve accounts, as decided by the board of trustees on advice of the actuary, per rule amendment no. 4 referred to above. The board accepted the actuary's recommendation that an amount of R 100 000 000 be transferred from the expense reserve account to the risk reserve account in terms of rule 9.18(b)(iii) and 9.17(a)(ii) respectively. The transfer reduced the balance in the expense reserve account to R 31 068 000 or 0.18% of member liabilities at the valuation date.

c) Risk reserve account (previously known as the contingency reserve account)

The statutory valuation report as at 30 June 2020 indicated an accumulated balance in the contingency reserve account of R 162 094 000 or 0.90% of member liabilities. The name of this account was changed to the risk reserve account with effect from 1 July 2020, per rule amendment no.4 registered on 11 August 2020. The balance in the risk reserve account increased to R 262 094 000 or 1.45% of member liabilities at the valuation date, after taking into account the above-mentioned recommendation that an amount of R 100 000 000 be transferred to this reserve account from the expense reserve account.

The risk benefits (that is, death, disability and funeral benefits) are fully reinsured with Sanlam. Due to poor claims experience in light of the COVID-19 pandemic, the premium rates payable to Sanlam increased on average by 55% with effect from 1 July 2021. The fund has a positive balance in the risk reserve account and the board accepted the actuary's recommendation that the increase in premiums be absorbed by the balance in the risk reserve account. This will be beneficial for members as their net savings for retirement benefits will not be negatively affected by the increase in premium rates. A rule amendment has been drafted to make specific allowance for such subsidies.

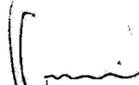
NATIONAL FUND FOR MUNICIPAL WORKERS

**REPORT OF THE VALUATOR
FOR THE YEAR ENDED 30 JUNE 2021**

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

The assets of the fund as at 30 June 2020 are sufficient to cover 100.0% of the members' liabilities and various recommended reserve balances and the fund was hence financially sound.

Prepared by me:



**GERDA GROBLER
VALUATOR**

Fellow of the Actuarial Society of South Africa
Fellow of the Faculty of Actuaries

In my capacity as the valuator of the Fund and as an employee of Alexander Forbes Financial Services

22 October 2021

SCHEDULE I

REPORT OF THE INDEPENDENT AUDITOR OF THE NATIONAL FUND FOR MUNICIPAL WORKERS OF FACTUAL FINDINGS TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY

We have performed the procedures agreed with the Financial Sector Conduct Authority (“Authority”) and set out below with respect to the audited financial statements (“annual financial statements”) and other information in the general ledger and management information comprising the accounting records of the National Fund for Municipal Workers (the “Fund”) for the year ended 30 June 2021. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 Engagements to perform agreed-upon procedures regarding financial information. Our procedures were performed solely to assist the Authority in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Authority.

Procedures and findings

Our procedures performed are set out in the numbered paragraphs (not bold) in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 30 June 2021.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB’s International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

Restriction on use and distribution

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Authority and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.



Deloitte & Touche
Registered Auditors
Per: Ronel van Graan
Partner
13 December 2021



National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer *AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal *MR Verster Consulting *JK Mazzocco People & Purpose MG Dicks Risk Independence & Legal *KL Hodson Financial Advisory *B Nyembe Responsible Business & Public Policy *R Redfearn Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Procedures and Findings

	Procedures	Findings
	Statement of Net Assets and Funds	
1	Investments	
1.1	Inspect the list of investment balances reflected in the general ledger of the Fund as at 30 June 2021 for any investments in accordance with the terms of section 19(4) of the Act.	
1.1.1	Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger.	Details of the written confirmations obtained from the investment managers/issuers were agreed to the investment balances reflected in the general ledger.
1.1.2	Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Authority.	Not applicable as the Fund did not have investments in the participating employer.
1.2	Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrator(s), and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates):	
1.2.1	Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.	The underlying investments were in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.
1.2.2	Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.	The investment mandate and the investment policy statement did provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.
1.2.3	Inspect whether the collateral and counterparty requirements as prescribed are complied with.	The collateral and counterparty requirements as prescribed in Notice no 2 of 2012 issued by the Authority were complied with.

	Procedures	Findings
1.2.4	<p>For segregated portfolios, confirm directly with the investment administrator(s):</p> <p>(a) whether scrip lending took place during the year and, if so,</p> <p>(b) whether there was collateral provided by the counterparty/(ies) for any scrip lending activities and, if so,</p> <p>(c) the percentage exposure covered by the collateral.</p> <p>Report on the amount for a).</p>	<p>The direct confirmations received from the investment administrator(s) indicated that:</p> <p>(a) scrip lending took place during the year. Scrip lending amounted to R762 965 157 as at 30 June 2021, and</p> <p>(b) collateral was provided by the counterparty/(ies) for any scrip lending activities; and</p> <p>(c) collateral provided covered 129% of the exposure.</p>
2	Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)	
2.1	Obtain a list of member individual accounts per participating employer that agrees in total to the Statement of Net Assets and Funds as at 30 June 2021.	
2.2	Select a random sample of the lesser of 50 or 10% of the number of members (from participating employers selected in 8.1 below) from the list of members and perform the following procedures:	
2.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system agreed to information supplied by the participating employers for the three months selected.
2.2.2	Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the period under review).	The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the rules of the Fund for the three months selected.
2.2.3	In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	The conversion of contributions into units was calculated correctly and agreed to the units on the administration system. The units were added to the existing units for that member.

	Procedures	Findings
2.2.4	In respect of unitised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	The conversion of the units was calculated correctly and agreed to the amount recorded in each member's record on the member register.
2.2.5	In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end.	The unit price(s) agreed to the unit prices on the administration system at 30 June 2021.
2.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	Not applicable as this is a unitised fund.
2.3	Obtain a list of members who switched investment portfolios during the year from the Fund/administrator, select a random sample of the lesser of 50 or 10% of members who switched between investment portfolios during the year, and perform the following procedures:	
2.3.1	Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.	The portfolios were switched in accordance with notification of the member's instruction/investment strategy (including life stage models) of the Fund and were switched within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.
2.3.2	Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.	Not applicable, as no fees were deducted for the sample of switches tested.
2.4	For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:	

	Procedures	Findings
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	The investments per product did not agreed to the investment certificates in total. A timing difference of R7 418 347.27 was noted between investment products on the Asset Liability Match (ALM) and investments per audit certificate.
2.4.2	Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.	The member individual accounts on the ALM reconciliation per investment portfolio agreed to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.
2.4.3	Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Authority.	The total mismatch of 1.05% for all portfolios was within the range per Interpretation Note 2 of 2010 issued by the Authority.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Select a sample of the lesser of 50 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:	
3.1.1	Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	Not applicable as the Fund is a defined contribution Fund.
4	Surplus apportionment scheme	
4.1	If a surplus apportionment scheme was approved by the Authority in the current year or if allocation and/or payments to members were made during the year, perform the following procedures:	
4.1.1	<u>Active members:</u> Select a random sample of the lesser of 50 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	
4.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	Not applicable as there was no surplus apportionment scheme that was approved by the Authority in the current year. No allocation and/or payments were made to active members during the year.

	Procedures	Findings
4.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable as there was no surplus apportionment scheme that was approved by the Authority in the current year. No allocation and/or payments were made to active members during the year.
4.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 50 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	
4.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	Not applicable as there was no surplus apportionment scheme that was approved by the Authority in the current year. No allocation and/or payments were made to former members during the year.
4.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Pension Funds Act and allocated to the member records in the administration system.	Not applicable as there was no surplus apportionment scheme that was approved by the Authority in the current year. No allocation and/or payments were made to former members during the year.
4.1.2.3	Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.	Not applicable as there was no surplus apportionment scheme that was approved by the Authority in the current year. No allocation and/or payments were made to former members during the year.
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure:	
5.1.1	Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.	Not applicable as the Fund did not have the surplus accounts during the year.
6	Reserves	
6.1	Obtain the list of reserves and other related accounts (e.g., pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures:	

	Procedures	Findings
6.1.1	Inspect whether the reserve and other related accounts (e.g., pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.	The reserve and other accounts (e.g., pensioner accounts) held by the Fund and/or reflected in the actuarial valuation were in accordance with the registered rules of the Fund.
6.1.2	Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act.	The movements in reserves as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act.
7	Other assets, liabilities and guarantees	
7.1	Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 30 June 2021, and perform the following procedure:	
7.1.1	Agree the total loans on the above list to the corresponding account in the annual financial statements.	The total loans on the list agreed to the corresponding account in the annual financial statements.
7.2	From the list in 7.1, randomly select a sample of the lesser of 50 or 10% of the number of members' housing loans granted and perform the following procedures:	
7.2.1	Inspect evidence that the value of the loan provided does not exceed the amount permitted by the rules and the home loan agreement.	The value of the loan provided did not exceed the amount permitted by the rules and the home loan agreement.
7.2.2	Inspect evidence that the loan has been granted in terms of Section 19(5) (a).	In terms of the housing loan agreement, the member is required to complete and sign the housing loan agreement. It is not feasible to confirm if the loan was utilised for housing purposes in accordance with section 19(5)(a).
7.2.3	Inspect evidence that repayments are being made in accordance with the loan agreement.	Repayments were made against the loan and were made in accordance with the loan agreement.
7.2.4	Inspect the interest charged on the outstanding loan and compare the rate used to the prescribed rate.	The interest rate agreed to the prescribed rate as per Notice 2 of 2017 issued by the Authority.
7.2.5	If the Fund issued more than 100 loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).	The Fund was registered as a credit provider under the NCA. A certificate, supporting the registration was inspected.

	Procedures	Findings
7.3	Obtain the list of housing loan guarantees and select a sample of the lesser of 50 or 10% of the number of housing loan guarantees and perform the following procedures:	
7.3.1	For the sample selected, determine that each selected guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Each selected guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund.
7.3.2	Inspect evidence that the guarantee has been granted in terms of Section 19(5) (a).	In terms of the housing loan agreement, the member is required to complete and sign the housing loan agreement. It is not feasible to confirm if the loan was utilised for housing purposes in accordance with section 19(5)(a).
7.4	Obtain a list of other loans per the general ledger of the Fund as at 30 June 2021 and perform the following procedure:	
7.4.1	Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.	Not applicable as no other loans and /or investment made as prohibited in terms of section 19(5)B.
	Statement of Changes in Net Assets and Funds	
8	Contributions	
8.1	Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:	
8.1.1	Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.	The contributions received by or on behalf of the Fund agreed to the remittance advice from the participating employer/pay-point, except for the following overs and under noted in Annexure A.

	Procedures	Findings
8.1.2	Inspect the bank statements for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	Contributions were deposited with a registered bank in accordance with section 13A of the Act and late payment interest had been raised in terms of regulation 33, where applicable. The contributions from the participating employers which were received late and late payment interest was charged are listed in Annexure B.
8.2	Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year-end from a list supplied by the Fund/administrator and perform the following procedure:	
8.2.1	Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such.	Amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. The municipalities listed in Annexure C had contributions received after the prescribed period:
9	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:	
9.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The list did reconcile to the respective general ledger benefit expense accounts reconciliation. Reconciling items were investigated and noted to be valid.
9.2	Select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedures:	
9.2.1	Compare the benefit per selected member to the administration system and authorized supporting documentation in accordance with the procedures of the Fund.	The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.

	Procedures	Findings
9.2.2	For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.	The recovery from the insurer was received/accrued by the Fund.
9.2.3	<u>For a defined contribution fund</u> Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit.	The opening fund credit for the member agreed to the opening fund credit report and contributions were added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) agreed to the fund credit report or administration system as at the date of exit.
9.3	Obtain a list of all benefits not yet paid at year-end, select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedure:	
9.3.1	Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits.	The benefits that were older than the period as set out in the Act or a shorter period defined by the Rules were classified as unclaimed benefits.
10	Transfers	
10.1	Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	The list of total section 14 transfers to and from the Fund agreed to the corresponding account in the general ledger.
10.2	From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 50 or 10% of the number of transfers in and the lesser of 50 or 10% of the number of transfers out, and perform the following procedures:	
10.2.1	Agree the sample of section 14 transfers to and from the Fund to: a) the section 14(1) documentation as approved by the Authority in respect of each transfer: and/or b) the section 14(8) documentation as prescribed.	The sample of section 14 transfers to and from the Fund agreed to: a) the section 14(1) documentation as approved by the Authority in respect of each transfer.

	Procedures	Findings
10.2.2	Inspect whether the transfers to and from the Fund were received/paid within 60 days of Authority approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.	The transfers to and from the Fund were received/paid within 60 days of Authority approval for section 14(1) transfers and growth and investment return was allocated from the effective date of transfer to the date of final settlement.
10.2.3	In respect of unitised funds, select a sample of the lesser of 50 or 10% of the number of members transferred from other funds and recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase).	The conversion of transfers from other funds was correctly calculated and, where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase
10.3	Individual transfers Obtain the list of individual transfers throughout the year ended 30 June 2021, select a sample of the lesser of 50 or 10% of the number of individual transfers, and perform the following procedures:	
10.3.1	Agree the transfers to the approved recognition of transfer documentation.	The transfers agreed to the approved recognition of transfer documentation.
10.3.2	For individual transfers in selected In respect of unitised funds, recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was added from the date of receipt to the date of purchase).	The conversion of transfers from other funds was correctly calculated and, where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase.
11	Pensioners paid	
11.1	Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	The fund did not have any monthly pensioners but only have living annuities purchased in the Fund. Below procedures have been tailored for living annuities.
11.1.1	Agree the total pensions paid for the year ended 30 June 2021 to the corresponding account reconciliation to the general ledger balance.	The total annuities paid for the year ended 30 June 2021 as per the corresponding account reconciliation agreed to the general ledger balance.

	Procedures	Findings
11.2	Select a sample of the lesser of 50 or 10% of the number of pensioners paid directly from the fund from the above list and perform the following procedures:	
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	The change in rates is elected by the living annuitants and should be within the prescribed levels referred to in the definition of a living annuity in Section 1 of the Income Tax Act and/or other legislation. For the sample selected, the drawdown rates elected by the living annuitants was within the prescribed levels.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	The evidence indicated that the living annuitants selected existed.
11.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	
11.3.1	Agree the closing market value of the annuity to the annual financial statements.	Not applicable as the Fund did not have purchased annuities in the name of the Fund during the year.
11.3.2	Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements.	Not applicable as the Fund did not have purchased annuities in the name of the Fund during the year.
	General	
12.1	Inspect evidence that the Fund's fidelity insurance cover was in place throughout the year ended 30 June 2021, that the Fund's fidelity insurance cover extends after year-end and report the date to which the subsequent fidelity insurance cover extends.	The Fund's fidelity insurance cover was in place throughout the year ended 30 June 2021, the Fund's fidelity insurance cover extended after year-end. The subsequent fidelity insurance cover extended to 31 July 2022.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 30 June 2021.	Per inspection of the confirmation, the GLA policy has not lapsed at year ended 30 June 2021.
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at 30 June 2020 and perform the following procedures:	
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	Per the report the Fund was fully funded.

	Procedures	Findings
12.3.2	Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Authority.	Not applicable as the Fund was fully funded.

ANNEXURE A TO THE REPORT OF THE INDEPENDENT AUDITORS OF NATIONAL FUND FOR MUNICIPAL WORKERS OF FACTUAL FINDINGS

Contributions

Annexure A

Procedure: 8.1.1

Month	Pay point name	Total contributions per admin system	Total contributions received per remittance advice	Difference
Jul-20	Mogalakwena Local Municipality 4613	372 161.48	372 013.85	-147.63
Jul-20	Maluti-A-Phofong Local Municipality - Water RA12986	2 859.38	2 691.18	-168.20
Jul-20	LIM 368 Local Municipality 4068	231 308.80	228 568.45	-2 740.35
Jul-20	Nkomazi Local Municipality 4867	4 759.72	4 479.78	-279.94
Jul-20	JB Marks Municipality 7925	782 344.92	783 642.38	1 297.46

Jul-20	Lekwa Local Municipality 15080	506 624.79	506 821.65	196.86
Dec-20	JB Marks Municipality 7925	783 554.01	785 155.29	1 601.28
Dec-20	Mantsopa Local Municipality RC13332	272 000.60	272 333.64	333.04
Dec-20	Mopani District Municipality RC12102	2 468 803.30	2 312 026.37	-156 776.93
Dec-20	Lekwa Local Municipality 15080	506 397.51	510 775.94	4 378.43
Dec-20	Capricorn District Municipality 15059	2 203 074.34	2 228 193.92	25 119.58
Jun-21	Mogalakwena Local Municipality 4613	368 611.07	370 492.65	1 881.58
Jun-21	Rand West City Local Municipality 4468	433 403.22	431 671.43	-1 731.79
Jun-21	Nkomazi Local Municipality 4867	4 713.41	2 907.20	-1 806.21
Jun-21	JB Marks Municipality 7925	797 439.80	789 616.68	-7 823.12
Jun-21	Mantsopa Local Municipality RC13332	253 995.82	247 801.76	-6 194.06
Jun-21	Lekwa Local Municipality 15080	512 147.99	510 230.49	-1 917.50

Annexure B

Procedure 8.1.2

Month	Paypoint name	Date received
Jul-20	Rand West City Local Municipality 4468	18/08/2020
Jul-20	Maluti-A-Phofong Local Municipality -Water RA12986	21/08/2020
Jul-20	Nkomazi Local Municipality 4867	13/08/2020
Jul-20	JB Marks Municipality 7925	18/08/2020
Jul-20	Kouga Local Municipality 15032	18/08/2020
Jul-20	Matjhabeng Local Municipality 15094	18/08/2020
Jul-20	Maruleng Local Municipality RA11445	13/08/2020
Jul-20	Mantsopa Local Municipality RC13332	08/10/2020
Jul-20	City of Johannesburg Metropolitan Municipality Sandton 4900	13/08/2020
Jul-20	Mopani District Municipality RC12102	15/08/2020
Jul-20	Bojanala Platinum District Municipality 15072	18/08/2020
Jul-20	City of Johannesburg Metropolitan Municipality Midrand 15053	13/08/2020
Jul-20	Joe Gqabi District Municipality Water Works RA13003	18/08/2020
Jul-20	Fezile Dabi District Municipality RC13256	13/08/2020
Jul-20	Lekwa Local Municipality 15080	22/08/2020
Jul-20	Masilonyana Local Municipality 15098	29/12/2020
Jul-20	Victor Khanye Local Municipality 15008	13/08/2020
Jul-20	Capricorn District Municipality 15059	15/08/2020
Dec-20	Mogalakwena Local Municipality 4613	14/01/2021
Dec-20	Rand West City Local Municipality 4468	16/01/2021
Dec-20	Maluti-A-Phofong Local Municipality -Water RA12986	13/01/2021

Dec-20	LIM 368 Local Municipality 4068	15/01/2020
Dec-20	Nkomazi Local Municipality 4867	15/01/2020
Dec-20	JB Marks Municipality 7925	16/01/2020
Dec-20	Kouga Local Municipality 15032	12/01/2020
Dec-20	Matjhabeng Local Municipality 15094	23/03/2021
Dec-20	Maruleng Local Municipality RA11445	12/01/2021
Dec-20	Mantsopa Local Municipality RC13332	23/03/2021
Dec-20	City of Johannesburg Metropolitan Municipality Sandton 4900	08/01/2021
Dec-20	Mopani District Municipality RC12102	20/01/2021
Dec-20	Bojanala Platinum District Municipality 15072	15/01/2021
Dec-20	City of Johannesburg Metropolitan Municipality Midrand 15053	06/01/2021
Dec-20	Joe Gqabi District Municipality Water Works RA13003	16/01/2021
Dec-20	Fezile Dabi District Municipality RC13256	15/01/2021
Dec-20	Lekwa Local Municipality 15080	16/01/2021
Dec-20	Victor Khanye Local Municipality 15008	16/01/2021
Dec-20	Sundays River Valley Municipality RC1601	05/02/2021
Jun-21	Mogalakwena Local Municipality 4613	08/07/2021
Jun-21	Kouga Local Municipality 15032	08/07/2021
Jun-21	Mantsopa Local Municipality RC13332	09/07/2021
Jun-21	City of Johannesburg Metropolitan Municipality Sandton 4900	13/07/2021
Jun-21	Mopani District Municipality RC12102	09/07/2021
Jun-21	City of Johannesburg Metropolitan Municipality Midrand 15053	13/07/2021
Jun-21	Joe Gqabi District Municipality Water Works RA13003	14/07/2021
Jun-21	Lekwa Local Municipality 15080	17/07/2021
Jun-21	Masilonyana Local Municipality 15098	16/07/2021
Jun-21	Victor Khanye Local Municipality 15008	10/07/2021
Jun-21	Sundays River Valley Municipality RC1601	08/07/2021

Annexure C

Procedure 8.2.1

Participating employer	Amount	Date received
Mogalakwena Local Municipality 4613	370492.65	08/07/2021
Kouga Local Municipality 15032	42032.35	08/07/2021
Mantsopa Local Municipality RC13332	247801.76	09/07/2021
City of Johannesburg Metropolitan Municipality Sandton 4900	42248.74	13/07/2021
Mopani District Municipality RC12102	2592434	09/07/2021
City of Johannesburg Metropolitan Municipality Midrand 15053	228524	13/07/2021
Joe Gqabi District Municipality Water Works RA13003	8150.06	14/07/2021
Lekwa Local Municipality 15080	510230.49	17/07/2021
Masilonyana Local Municipality 15098	15299.84	16/07/2021
Victor Khanye Local Municipality 15008	527225.69	10/07/2021
Sundays River Valley Municipality RC1601	4500	08/07/2021

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2021

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Non-compliant Insurance policies Note M2	Total	Local	Foreign	Total Foreign	Total percent of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	2 400 435 006	191 222 680	235 160 437	2 826 818 123	2 455 105 543	371 712 580	371 712 580	13.15	2 826 818 123
Commodities	B	33 161	-	-	33 161	33 161	-	-	-	33 161
Housing loans		855 132	-	-	855 132	855 132	-	-	-	855 132
Debt instruments including Islamic debt Instruments	C	3 729 925 631	294 304 245	2 002 078 205	6 026 308 081	5 993 864 683	32 443 398	32 443 398	0.54	6 026 308 081
Investment and owner occupied properties	D	862 155 002	196 138 676	4 412 500	1 062 706 178	880 504 744	182 201 434	182 201 434	17.15	1 062 706 178
Equities	E	7 012 290 154	4 592 136 751	1 423 867 372	13 028 294 277	8 164 632 912	4 863 661 365	4 863 661 365	37.33	13 028 294 277
Other assets		-	-	677 328	677 328	677 328	-	-	-	677 328
Private Equity Funds		193 483 922	-	(52)	193 483 870	193 483 870	-	-	-	193 483 870
Total investments		14 199 178 008	5 273 802 352	3 666 195 790	23 139 176 150	17 689 157 373	5 450 018 777	5 450 018 777	23.55	23 139 176 150

A CASH

Instrument	Fair Value R
Local	
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	2 197 504 048
Total of issuers not exceeding 5%	968 713 187
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - not exceeding 5% of total assets	1 222 016 340
Total of issuers not exceeding 5%	-
Any positive net balance in a margin account with an exchange - not exceeding 5% of total assets	-
Total of issuers not exceeding 5%	2 536 103
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets - not exceeding 5% of total assets	-
Total of issuers not exceeding 5%	4 238 418

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

Foreign

Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments

Any balance or deposit held with a foreign bank - not exceeding 5% of total assets

Total of issuers not exceeding 5%

202 930 958

-
202 775 810

Any balance or deposit held with an African bank - exceeding 5% of total assets

Total of issuers not exceeding 5%

-
-

A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets

Total of issuers not exceeding 5%

-
155 148

Total

2 400 435 006

B COMMODITIES

Instrument

Holding number

Holding %

Fair value R

Other

Holding %

New Gold Platinum ETF

226

-

33 161

33 161

33 161

Total

33 161

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R	Fair value R
Government debt:					
Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic					
Republic of South Africa		Local			632 650 946
Investec RSA CLN IVC186 7.4% 211222		Local			4 701 124
R2023 7.75% 280223		Local			2 378 984
RSA TB		Local			443 065 803
RSA SR UNSECURED		Local			59 857 392
RSA ILB		Local			8 247 378
RSA BONDS		Local			152 872 180
R210 ILB 310328		Local			36 005 052
SA ROADS AGENCY 9.00 30092025		Local			6 100 733
Total					1 345 879 592
Debt instruments issued or guaranteed by the government of a foreign country:					
Total of issuers not exceeding 5%					
Bank debt:					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-					
Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed					
Total of issuers not exceeding 5%					
Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed					
Total of issuers not exceeding 5%					
Total of issuers not exceeding 5%					
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
Total of issuers not exceeding 5%					
Not listed on an exchange					
Total of issuers not exceeding 5%					
Other					
Listed on an exchange:					
Total of issuers not exceeding 5%					
Not listed on an exchange					
Total of issuers not exceeding 5%					
Total debt instruments including Islamic debt instruments					
3 729 925 631					

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument							Fair value R
Owner occupied properties							
<i>Total of issuer/entity less than 5% of total assets</i>							15 000 000
Total owner occupied properties							15 000 000
Total							15 000 000
	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	Holding %		Fair value R
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:							
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed							
Total of issuers not exceeding 5%							572 989 071
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed							
Total of issuers not exceeding 5%							234 848 880
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed							
Total of issuers not exceeding 5%							39 196 870
Total							847 034 821
Shares in property companies and linked units in property companies, not listed on an exchange:							
	Local	-	-	Ordinary			120 181
Total							120 181
Total							847 155 002
Total							862 155 002

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity %	Fair value R
Listed equities						
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed						
Naspers Ltd	Local	435 511 058	Ordinary	219 870	0.05	659 212 035
Anglo American Plc	Foreign	1 350 806 370	Ordinary	740 640	0.05	421 735 229
British American Tobacco Plc	Foreign	2 456 520 738	Ordinary	700 940	0.03	388 460 948
Firststrand Ltd	Local	5 609 488 001	Ordinary	6 673 509	0.12	357 633 347
Standard Bank Group Ltd	Local	1 619 953 686	Ordinary	1 859 258	0.11	237 259 913
Prosus N.V	Local	2 073 643 605	Ordinary	154 118	0.01	216 511 131
Glencore Xstrata PLC	Foreign	14 586 200 066	Ordinary	3 468 322	0.02	212 191 940
Northam Ltd	Local	362 216 153	Ordinary	806 621	0.22	174 980 294
MTN Group Ltd	Local	1 884 269 758	Ordinary	1 609 591	0.09	166 158 079
Sibanye Stillwater Ltd	Local	2 808 406 269	Ordinary	2 656 315	0.09	158 475 753
Sasol Ltd	Local	629 058 500	Ordinary	681 343	0.11	148 539 587
ABSA Group Ltd	Local	847 750 679	Ordinary	1 018 432	0.12	138 221 591
BHP Billiton Plc	Foreign	2 112 071 796	Ordinary	322 962	0.02	136 367 475
Old Mutual Plc	Foreign	4 708 553 649	Ordinary	10 078 464	0.21	136 059 264
Aspen Pharmacare Holdings Ltd	Local	456 451 541	Ordinary	804 484	0.18	130 398 812
Impala Platinum Holdings Ltd	Local	817 255 470	Ordinary	684 128	0.08	130 298 972
Quilter PLC	Foreign	1 686 394 677	Ordinary	4 399 201	0.26	129 600 461
Shoprite Holdings Ltd	Local	591 338 502	Ordinary	762 171	0.13	118 471 860
Anglo Platinum Ltd	Local	265 292 206	Ordinary	68 004	0.03	112 166 478
Nedbank Group Ltd	Local	508 870 678	Ordinary	637 305	0.13	108 896 305
Bid Corp Ltd	Local	335 404 212	Ordinary	338 053	0.10	104 664 589
Sanlam Ltd	Local	2 226 974 408	Ordinary	1 683 690	0.08	103 328 055
Woolworths Holdings Ltd	Local	1 051 852 655	Ordinary	1 892 116	0.18	102 003 974
Anglogold Ashanti Ltd	Local	417 375 219	Ordinary	349 873	0.08	92 887 783
Spar Group Ltd	Local	192 602 355	Ordinary	487 647	0.25	88 210 466
Bidvest Group Ltd	Local	340 274 346	Ordinary	456 165	0.13	86 881 186
Vodacom Group Ltd	Local	1 835 864 961	Ordinary	666 889	0.04	85 875 297
Exxaro Resources Ltd	Local	352 625 931	Ordinary	487 195	0.14	82 053 382
Momentum Metropolitan Holdings Ltd	Local	1 497 475 356	Ordinary	4 135 539	0.28	80 643 011
Remgro Ltd	Local	529 217 007	Ordinary	664 013	0.13	76 095 890
Anheuser-Busch Inbev SA	Local	1 735 511 974	Ordinary	64 889		67 072 515
The Foshini Group Ltd	Local	331 027 300	Ordinary	416 446	0.13	66 231 572
Truworths International Ltd	Local	433 151 953	Ordinary	1 064 863	0.25	61 421 298
RMI Holdings Ltd	Local	-	Ordinary	1 738 420		54 482 083
Gold Fields Ltd	Local	877 717 348	Ordinary	418 239	0.05	53 701 888
Mondi Plc	Foreign	485 553 780	Ordinary	139 494	0.03	52 449 744

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021**

Reinet Investments Ltd	Local	195 941 286	Ordinary	186 725	0.10	52 325 947
Life Healthcare Group Ltd	Local	1 467 349 162	Ordinary	2 267 427	0.15	51 515 941
Netcare Ltd	Local	1 439 090 009	Ordinary	3 574 735	0.25	50 904 226
AVI Ltd	Local	336 961 818	Ordinary	714 277	0.21	50 749 381
Capitec Bank Ltd	Local	115 626 991	Ordinary	27 816	0.02	46 911 128
Mr Price Group Ltd	Local	256 441 654	Ordinary	215 871	0.08	45 445 163
Compagnie Financiere Richemont SA Depository Rec	Local	5 220 000 000	Ordinary	257 637		44 730 936
Discovery Holdings Ltd	Local	665 768 601	Ordinary	335 862	0.05	42 409 295
Multichoice Group Ltd	Local	442 512 678	Ordinary	360 514	0.08	42 302 713
Sappi Ltd	Local	566 980 237	Ordinary	1 019 274	0.18	42 177 558
Ninety One Plc	Foreign	622 624 622	Ordinary	925 439	0.15	40 515 719
Textainer Group Holdings Ltd	Local	58 032 164	Ordinary	73 328	0.13	34 801 464
Pick n Pay Stores Ltd	Local	493 450 321	Ordinary	654 642	0.13	34 532 366
African Rainbow Minerals Ltd	Local	224 453 258	Ordinary	130 938	0.06	33 435 018
Transaction Capital Ltd	Local	718 958 290	Ordinary	846 318	0.12	32 007 747
Pepkor Holdings Ltd	Local	3 697 270 680	Ordinary	1 553 201	0.04	31 312 532
Tiger Brands Ltd	Local	189 818 926	Ordinary	141 143	0.07	29 498 798
Investec Plc	Foreign	696 082 618	Ordinary	490 820	0.07	28 030 730
Royal Bafokeng Ltd	Local	289 016 546	Ordinary	257 264	0.09	26 258 936
Dischem Pharmacies Ltd	Local	860 084 483	Ordinary	755 635	0.09	24 293 665
Investec Ltd	Local	318 904 709	Ordinary	346 122	0.11	18 870 571
Distell Group Ltd	Local	223 102 356	Ordinary	107 238	0.05	17 908 746
Barloworld Ltd	Local	201 025 646	Ordinary	145 931	0.07	15 547 489
Clicks Group Ltd	Local	245 557 066	Ordinary	46 367	0.02	11 391 923
Santam Ltd	Local	115 131 417	Ordinary	36 372	0.03	9 441 807
Compognie Financiere Richmont SA	Local	5 220 000 000	Ordinary	48 113		8 353 306
Harmony Gold Mining Company Ltd	Local	616 525 702	Ordinary	156 824	0.03	8 274 034
Kumba Iron Ore Ltd	Local	322 085 974	Ordinary	12 806		8 203 396
Telkom SA Ltd	Local	511 140 239	Ordinary	137 422	0.03	6 372 258
Bytes Technology Group Plc	Foreign	239 482 333	Ordinary	64 897	0.03	5 906 276
Mediclinic International Ltd	Local	737 243 810	Ordinary	93 192	0.01	5 498 328
DCAR Index Futur Sep21	Local	-	Preference	-		4 869 481
Italtile Ltd	Local	1 321 654 148	Ordinary	243 811	0.02	4 064 329
RMI Certificate UBS RMIA	Local	-	Preference	-		770 016
FTSE/JSE TOP 40 Sep21	Local	-	Preference	-		598 760
Sep21 MSCI World Index Future	Foreign	-	Preference	-		(362 070)
INVESTEC TRS 030921 A_P	Local	-	Ordinary	-		(11 442 659)
Total						<u>6 438 067 461</u>

Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed

Total of issuers not exceeding 5%

556 473 971

Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

<i>Total of issuers not exceeding 5%</i>								17 708 193
Unlisted equities								40 529
Total								40 529
Total equities								7 012 290 154

F SECURITIES LENDING

Securities on lend	Maximum of Fair value of security	Transaction date	Collateral	Fair value R	No. of shares lent	Name of counterparty	Script custodian	Manufactured dividend R
Equities – Top 100 of companies (by market cap) listed on an exchange	75%							
Octodec Invest Ltd			Various	71 574	8 024	Nedbank	Nedbank	-
Allied Electronics Corp A			Various	4 930 424	557 110	Nedbank	Nedbank	14 016
Accelerate Prop Fund Ltd			Various	294 448	439 474	Nedbank	Nedbank	-
African Rainbow Min Ltd			Various	6 658 568	26 187	Nedbank	Nedbank	403 190
Attacq Ltd			Various	1 762 500	250 000	Nedbank	Nedbank	-
Brait Plc			Various	1 130 019	407 949	Nedbank	Nedbank	-
Barloworld Ltd			Various	1 324 310	13 000	Nedbank	Nedbank	43 810
Basil Read Holdings Ltd			Various	834	20 838	Nedbank	Nedbank	-
British Americian Tobacco Plc			Various	209 433 508	375 861	Nedbank	Nedbank	-
Capital & Counties Prop Plc			Various	8 675	268	Nedbank	Nedbank	-
City Lodge Hotels Ltd			Various	885 159	254 356	Nedbank	Nedbank	-
Curro Holdings Ltd			Various	708 750	63 000	Nedbank	Nedbank	-
Comair Ltd			Various	110 000	110 000	Nedbank	Nedbank	-
Capital Appreciation Ltd			Various	1 285	1 036	Nedbank	Nedbank	-
Delta Property Fund Ltd			Various	21 000	60 000	Nedbank	Nedbank	-
DRD Gold Ltd			Various	104 300	7 000	Nedbank	Nedbank	8 000
Discovery Ltd			Various	14 066 843	114 822	Nedbank	Nedbank	-
Emira Property Fund Ltd			Various	4 865 630	497 000	Nedbank	Nedbank	354 954
EPP N.V			Various	860 528	77 525	Nedbank	Nedbank	-
Equites Prop Fund Ltd			Various	2 782 797	150 016	Nedbank	Nedbank	-
Exxaro Resources Ltd			Various	16 647 004	98 224	Nedbank	Nedbank	7 442 896
Fortress Reit Ltd B			Various	1 810 560	656 000	Nedbank	Nedbank	-
Gold Fields Ltd			Various	1 917 101	14 968	Nedbank	Nedbank	114 374
Glencore Plc			Various	124 242 534	2 026 795	Nedbank	Nedbank	-
Growthpoint Property Ltd			Various	112 758	7 755	Nedbank	Nedbank	6 383
Harmony GM CO Ltd			Various	4 104 630	77 300	Nedbank	Nedbank	17 763
Hosken Cons Inv Ltd			Various	351 600	5 537	Nedbank	Nedbank	-

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021**

Hyprop Inv Ltd	Various	10 866 049	416 643	Nedbank	Nedbank	-
Irongate Group Ltd	Various	3 349 097	210 635	Nedbank	Nedbank	69 624
Investec Plc	Various	19 129 869	328 579	Nedbank	Nedbank	386 960
Imperial Logistics Ltd	Various	7 224 984	153 854	Nedbank	Nedbank	102 818
JSE Ltd	Various	4 342 215	41 100	Nedbank	Nedbank	-
PSG Konsult Ltd	Various	394 554	35 228	Nedbank	Nedbank	8 631
Liberty Holdings Ltd	Various	3 540 403	58 087	Nedbank	Nedbank	-
Lewis Group Ltd	Various	25 200	800	Nedbank	Nedbank	32 063
Multichoice Group Ltd	Various	13 908 927	119 308	Nedbank	Nedbank	1 723 250
Montauk Renewables Inc	Various	4 854 960	40 458	Nedbank	Nedbank	-
Mondi Plc	Various	2 599 170	7 000	Nedbank	Nedbank	-
Mpact Ltd	Various	27 134	1 132	Nedbank	Nedbank	-
Massmart Holdings Ltd	Various	4 273 344	69 395	Nedbank	Nedbank	-
Mas Eal Esate Inc.	Various	2 652 000	150 000	Nedbank	Nedbank	-
Motus Holdings Ltd	Various	27 175 732	295 903	Nedbank	Nedbank	539 269
Momentum Metropolitan Holdings Ltd	Various	53 741 234	2 824 027	Nedbank	Nedbank	672 264
MTN Group Ltd	Various	25 104 682	248 512	Nedbank	Nedbank	-
Murray & Roberts Holdings Ltd	Various	628 909	60 647	Nedbank	Nedbank	-
Ninety Once Plc	Various	18 075 951	413 732	Nedbank	Nedbank	-
Nampak Ltd	Various	5 963	2 698	Nedbank	Nedbank	-
Novus Holdings Ltd	Various	25 231	8 853	Nedbank	Nedbank	-
Oceana Group Ltd	Various	3 954 000	60 000	Nedbank	Nedbank	-
Pick n Pay Stores Ltd	Various	7 610 796	7 610 796	Nedbank	Nedbank	574 707
Prosus N.V	Various	38 701 853	27 722	Nedbank	Nedbank	-
Redefine Properties Ltd	Various	21 861 067	5 168 101	Nedbank	Nedbank	-
Reunert Ltd	Various	1 267 272	25 990	Nedbank	Nedbank	101 348
RMB Holdings Ltd	Various	243 100	170 000	Nedbank	Nedbank	136 000
SAPPI Ltd	Various	6 183 422	154 277	Nedbank	Nedbank	-
Studio Holdings Ltd	Various	47 628	15 168	Nedbank	Nedbank	-
Super Group Ltd	Various	2 144 549	73 093	Nedbank	Nedbank	-
Stenprop Ltd	Various	939 300	30 300	Nedbank	Nedbank	-
Sun International Ltd	Various	283 340	15 534	Nedbank	Nedbank	-
Tiger Brands Ltd	Various	17 507 277	84 892	Nedbank	Nedbank	320 093
Transaction Capital Ltd	Various	16 966 382	447 072	Nedbank	Nedbank	89 379
Texton Property Fund Ltd	Various	59	18	Nedbank	Nedbank	-
Telkom SA SOC Ltd	Various	1 815 480	41 000	Nedbank	Nedbank	64 143
Truworths International Ltd	Various	33 498 351	628 369	Nedbank	Nedbank	1 645 329
Vukile Property Fund Ltd	Various	2 416 349	222 500	Nedbank	Nedbank	122 406
Wilson Bayly HLM-OVC Ltd	Various	5 197 600	45 613	Nedbank	Nedbank	-
Calgro M3 Holdings Ltd	Various	71 208	27 179	Nedbank	Nedbank	-
Clicks Group Ltd	Various	1 103 177	4 572	Nedbank	Nedbank	-

Total

762 965 157

14 993 670

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
Coronation Asset Management (Pty) Ltd	0.42	97 703 953
Kagiso Asset Managers (Pty) Ltd	0.14	32 248 776
Prescient Investment Management (Pty) Ltd	1.51	348 372 472
		<u>478 325 201</u>
Foreign		
Allan Gray Life Ltd	4.50	1 041 759 849
Catalyst Global Real Estate Units Fund	0.81	186 815 784
Kagiso Asset Managers (Pty) Ltd	0.04	10 303 243
Morgan Stanley Investments Funds	0.97	223 470 942
Nedgroup Investment Advisors (Pty) Ltd	4.56	1 056 232 196
Vulcan Asset Managers Funds	5.84	1 350 863 948
Coronation Asset Management (Pty) Ltd	3.72	860 387 624
Rubrics Global UCITS Funds Plc	0.28	65 643 565
		<u>4 795 477 151</u>
Total Non-compliant collective investment schemes		<u>5 273 802 352</u>

M2 NON-COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Linked policies		
Local		
Futuregrowth Investments CC	4.85	1 123 021 504
Investec Asset Managers (Pty) Ltd	2.85	658 427 746
Old Mutual Investment Group (Pty) Ltd	6.29	1 455 642 047
		<u>3 237 091 297</u>
Foreign		
Investec Asset Managers (Pty) Ltd	1.84	426 213 898
Old Mutual Investment Group (Pty) Ltd	0.01	2 890 595
		<u>429 104 493</u>
Total linked policies		<u>3 666 195 790</u>
Total certified Regulation 28 non-compliant investments		<u>8 939 998 142</u>

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

Counterparty	Direct investment in counterparty	Guarantees	Any other instrument	Total per counterparty	Exposure to counterparty as a % of the fair value of the assets of the fund
	R	R	R	R	
Banks	335 313 066	-	-	335 313 066	1.45%
ABSA Bank Ltd	334 282 318	-	-	334 282 318	1.44%
Nedbank Ltd	1 030 748	-	-	1 030 748	-%
Asset managers - local	-	-	15 681 084 983	15 681 084 983	67.77%
Allan Gray Life Ltd	-	-	2 452 068 750	2 452 068 750	10.60%
Ashburton Fund Managers (Pty) Ltd	-	-	664 999 757	664 999 757	2.87%
Benguela Global Fund Managers (Pty) Ltd	-	-	1 254 631 146	1 254 631 146	5.42%
Catalyst Fund Managers SA (Pty) Ltd	-	-	286 696 143	286 696 143	1.24%
Coronation Asset Management (Pty) Ltd	-	-	2 667 273 705	2 667 273 705	11.53%
Ninety One SA (Pty) Ltd	-	-	172	172	-%
Kagiso Asset Managers (Pty) Ltd	-	-	42 552 019	42 552 019	0.18%
Metope Investment Managers (Pty) Ltd	-	-	194 139 233	194 139 233	0.84%
Novare Investments (Pty) Ltd	-	-	144 859 611	144 859 611	0.63%
Prescient Investment Management (Pty) Ltd	-	-	2 236 087 744	2 236 087 744	9.66%
Sanlam Investment Management (Pty) Ltd	-	-	1 020 683 336	1 020 683 336	4.41%
Argon Asset Management (Pty) Ltd	-	-	803 678 763	803 678 763	3.47%
Legacy Africa Fund Managers (Pty) Ltd	-	-	787 658 241	787 658 241	3.40%
Vunani Fund Managers (Pty) Ltd	-	-	1 182 904 411	1 182 904 411	5.11%
Prowess Investment Managers (Pty) Ltd	-	-	4 833	4 833	-%
Terebinth Capital (Pty) Ltd	-	-	973 658 019	973 658 019	4.21%
Balondolozzi Investment Services (Pty) Ltd	-	-	775 705 178	775 705 178	3.35%
Summit PE Investment Managers (Pty) Ltd	-	-	47 849 078	47 849 078	0.21%
RQ Capital Partners (Pty) Ltd	-	-	145 634 844	145 634 844	0.63%
Asset managers - foreign	-	-	2 883 026 434	2 883 026 434	12.46%
Catalyst Global Real Estate Units Fund	-	-	186 815 783	186 815 783	0.81%
Morgan Stanley Investments Funds	-	-	223 470 942	223 470 942	0.97%
Nedgroup Investment Funds Plc	-	-	1 056 232 196	1 056 232 196	4.56%
Vulcan Asset Managers Funds	-	-	1 350 863 948	1 350 863 948	5.84%
Rubrics Global UCITS Funds Plc	-	-	65 643 565	65 643 565	0.28%
Insurance companies	-	-	3 666 195 789	3 666 195 789	15.84%
Futuregrowth Investments (Pty) Ltd	-	-	1 123 021 504	1 123 021 504	4.85%
Ninety One SA (Pty) Ltd	-	-	1 084 641 644	1 084 641 644	4.69%
Old Mutual Life Assurance Company SA	-	-	1 458 532 641	1 458 532 641	6.30%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2021

Other funds	15 000 000	557 700 741	855 132	573 555 873	2.48%
RFS Home Loans (Pty) Ltd	-	557 700 741	-	557 700 741	2.41%
Business Park @ Zambezi	15 000 000	-	-	15 000 000	0.06%
Housing loans	-	-	855 132	855 132	-%
	350 313 066	557 700 741	22 231 162 338	23 139 176 145	100.00 %

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1) R	Cash at bank R	Non-compliant CIS R	Non-compliant Insurance Policies R	Other R	Total R
Cash and deposits	2 250 860 594	149 574 412	191 222 680	235 160 437	-	2 826 818 123
Commodities	33 161	-	-	-	-	33 161
Housing loans	-	-	-	-	855 132	855 132
Debt instruments including Islamic debt instruments *	3 729 925 631	-	294 304 245	2 002 078 205	-	6 026 308 081
Investment properties	-	-	196 138 676	4 412 500	862 155 002	1 062 706 178
Equities	7 859 445 155	-	4 592 136 751	1 423 867 372	(847 155 001)	13 028 294 277
Private equity funds	193 483 922	-	-	(52)	-	193 483 870
Collective investment schemes	5 273 802 352	-	(5 273 802 352)	-	-	-
Insurance policies	3 666 195 790	-	-	(3 666 195 790)	-	-
Other assets	-	-	-	677 328	-	677 328
Total investments	22 973 746 605	149 574 412	-	-	15 855 133	23 139 176 150

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021

		Fair value R
A	Total assets (Schedule IA -Total investments)	23 139 176 150
B1	Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1	Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2	Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3	Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4	Entity regulated by FSCA (Reg 28(8)(b)(iv))	-
B2	Less: Reg 28 excluded investments	-
B2.1	Insurance Policies (Reg 28(3)(c))	-
C	Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D	TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	23 139 176 150

Categories of kinds of assets	%	Fair value R	Fair value %
1 CASH		2 826 818 123	12.22%
1.1 Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	2 455 105 543	10.61%
1.1(a) Notes and coins; any balance or deposit in an account held with a South African bank;		1 109 920 648	4.80%
ABSA Bank Ltd	25%	358 847 283	1.55%
Other	25%	751 073 365	3.25%
1.1(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		1 289 561 602	5.57%
Standard Bank Group Ltd	25%	305 945 351	1.32%
Other	25%	983 616 251	4.25%
1.1(c) Any positive net balance in a margin account with an exchange		3 750 529	0.02%
SAFEX	25%	4 389 457	0.02%
Other	25%	(638 928)	0.00%
1.1(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		51 872 764	0.22%
Nedbank Ltd	25%	49 511 114	0.21%
Other	25%	2 361 650	0.01%
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	SARB max. limits	371 712 580	1.61%
1.2(a) Any balance or deposit held with a foreign bank		366 943 082	1.59%
BNP Paribas	5%	174 417 308	0.75%
Other	5%	192 525 774	0.83%
1.2(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		4 769 498	0.02%
Nedbank Ltd	5%	4 614 350	0.02%
Other	5%	155 148	0.00%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		6 026 308 081	26.04%
2.1 Inside the Republic	100%	5 993 864 683	25.90%
2.1(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		1 851 447 019	8.00%
Republic of South Africa	100%	632 650 946	2.73%
Other	100%	1 218 796 073	5.27%
Carried forward		4 678 265 142	20.21%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		4 678 265 142	20.21%
2.1(c) Debt instruments issued or by a South African bank against its balance sheet	75%	1 334 742 325	5.77%
2.1(c)(i) Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	1 298 054 629	5.61%
Nedbank Ltd	25%	46 516 219	0.20%
Other	25%	1 251 538 410	5.41%
2.1(c)(ii) Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	402 974	0.00%
IBL162 FRN 15042024	15%	402 974	0.00%
2.1(c)(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	328 347	0.00%
ABFN49 30032024	10%	328 347	0.00%
2.1(c)(iv) Not listed on an exchange	25%	35 956 375	0.16%
Investec FRN 110226 JB3+105bps	5%	10 052 070	0.04%
Other	5%	25 904 305	0.11%
2.1(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	50%	1 157 471 723	5.00%
2.1(d)(i) Listed on an exchange	50%	994 591 600	4.30%
Development Bank of Southern Africa DVF21 JB3+177 291121	10%	33 429 785	0.14%
Other	10%	961 161 815	4.15%
2.1(d)(ii) Not listed on an exchange	25%	162 880 123	0.70%
TRANSNET FRN 02122030	5%	24 619 639	0.11%
Other	5%	138 260 484	0.60%
2.1(e) Other debt instruments:-	25%	1 650 203 616	7.13%
2.1(e)(i) Listed on an exchange	25%	573 524 468	2.48%
TRA3A6 8.3980% 141120	5%	12 060 886	0.05%
Other	5%	561 463 582	2.43%
2.1(e)(ii) Not listed on an exchange	15%	1 076 679 148	4.65%
RFS Home Loans (Pty) Ltd	5%	557 700 741	2.41%
Other	5%	518 978 407	2.24%
	SARB max. limits		
2.2 Foreign		32 443 398	0.14%
2.2(b) Debt instruments issued or guaranteed by the government of a foreign country	SARB max. limits	4 636 079	0.02%
Orbis Inst. Global Equity Fund,Core RRF Share Class N-6	10%	4 583 743	0.02%
Other	10%	52 336	0.00%
2.2(c) Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	SARB max. limits	22 815 909	0.10%
2.2(c)(i) Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB max. limits	22 815 909	0.10%
Firststrand Bond 6.250% 230423	25%	22 815 909	0.10%
2.2(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB max. limits	2 160 641	0.01%
2.2(d)(i) Listed on an exchange	SARB max. limits	2 160 641	0.01%
STANDARD BANK OF SA LTD SR UNSECURED 03/24 VAR	10%	2 160 641	0.01%
2.2(e) Other debt instruments	25%	2 830 769	0.01%
2.2(e)(i) Listed on an exchange	25%	2 830 769	0.01%
STANDARD BANK OF SA LTD SR UNSECURED 07/22 VAR	5%	2 830 769	0.01%
Carried forward		8 853 126 204	38.24%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		8 853 126 204	38.24%
3 EQUITIES		13 028 294 277	56.30%
3.1 Inside the Republic	75%	8 164 632 912	35.28%
3.1(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	7 243 097 007	31.30%
3.1(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	6 570 282 414	28.39%
Naspers Ltd	15%	724 284 963	3.13%
Other	15%	5 845 997 451	25.26%
3.1(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	587 058 617	2.54%
Spar Group Ltd	10%	39 918 188	0.17%
Other	10%	547 140 429	2.36%
3.1(a)(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	15%	85 755 976	0.37%
Gigajoule Power (Pty) Ltd	5%	63 864 697	0.28%
Other	5%	21 891 279	0.09%
3.1(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	15%	921 535 905	3.98%
Renewable Energy Empowerment	2.5%	82 728 830	0.36%
Other	2.5%	838 807 075	3.63%
3.2 Foreign		4 863 661 365	21.02%
3.2(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB max. limits	4 859 077 622	21.00%
3.2(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB max. limits	4 855 629 118	20.98%
Orbis Inst. Global Equity Fund	15%	1 030 300 491	4.45%
Other	15%	3 825 328 627	16.53%
3.2(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB max. limits	3 448 504	0.01%
XIABUXIABU Catering Management China Holdings	10%	3 448 504	0.01%
3.2(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	4 583 743	0.02%
Orbis Inst. Global Equity Fund, Core RRF Share Class N-6	2.5%	4 583 743	0.02%
4 IMMOVABLE PROPERTY		1 062 706 178	4.59%
4.1 Inside the Republic	25%	880 504 744	3.81%
4.1(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	860 972 062	3.72%
4.1(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	579 070 780	2.50%
Growthpoint Properties Ltd	15%	139 080 881	0.60%
Other	15%	439 989 899	1.90%
4.1(a)(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	235 148 752	1.02%
Novare Africa Property Fund	10%	144 859 611	0.63%
Other	10%	90 289 141	0.39%
4.1(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	46 752 530	0.20%
Satrix Property Fund Ltd	5%	12 394 314	0.05%
Other	5%	34 358 216	0.15%
4.1(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	19 532 682	0.08%
Business Park @ Zambezi	5%	15 000 000	0.06%
Other	5%	4 532 682	0.02%
Carried forward		22 761 925 225	98.33%

NATIONAL FUND FOR MUNICIPAL WORKERS

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021

Categories of kinds of assets	%	Fair value R	Fair value %
Brought forward		22 761 925 225	98.33%
4.2 Foreign	25%	182 201 434	0.79%
4.2(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	182 201 434	0.79%
4.2(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	182 201 434	0.79%
Catalyst Global Real Estate	5%	182 201 434	0.79%
5 COMMODITIES		33 161	0.00%
5.1 Inside the Republic	10%	33 161	0.00%
5.1(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	33 161	0.00%
5.1(a)(ii) Other commodities	5%	33 161	0.00%
New Gold Platinum ETF	5%	33 161	0.00%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	95%	855 132	0.00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		194 161 198	0.84%
8.1 Inside the Republic	15%	194 161 198	0.84%
8.1(b) Private equity funds	10%	193 483 870	0.84%
8.1(b)(ii) Private equity funds	10%	193 483 870	0.84%
NFMW Razorite Private Equity Fund II	2.5%	145 634 844	0.63%
Other	2.5%	47 849 026	0.21%
8.1(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	677 328	0.00%
FGR SWAP	2.5%	677 328	0.00%
TOTAL ASSETS – REGULATION 28		23 139 176 150	100.00%

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021**

INVESTMENT SUMMARY (Regulation 28)

	Local	Fair value	Foreign	Fair value	Africa	Fair value	Total
	R	%	(Excluding Africa) R	%	R	%	R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	2 455 105 543	10.61	371 712 580	1.61	-	-	2 826 818 123
2 Debt instruments including Islamic debt instruments	5 993 864 683	25.90	32 443 398	0.14	-	-	6 026 308 081
3 Equities	8 164 632 912	35.28	4 863 661 365	21.02	-	-	13 028 294 277
4 Immovable property	880 504 744	3.81	182 201 434	0.79	-	-	1 062 706 178
5 Commodities	33 161	-	-	-	-	-	33 161
7 Housing loans granted to members - section 19(5)	855 132	-	-	-	-	-	855 132
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	194 161 198	0.84	-	-	-	-	194 161 198
TOTAL	17 689 157 373	76.45	5 450 018 777	23.55	-	-	23 139 176 150

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

Table 1 items	Asset Limits in terms of sub regulation 3(f)	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
2.1(e)(ii)	Other debt instruments not listed	1 076 679 148	4.65	
3(b)	Equities not listed	926 119 649	4.00	
4.1(b)	Immovable properties not listed	19 532 682	0.08	
8	Hedge funds , Private Equity funds and other assets	194 161 198	0.84	
TOTAL		2 216 492 677	9.57	35

Table 1 items	Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b)	Equities not listed	921 535 905	3.98	
8.1(b)	Private Equity funds	193 483 870	0.84	
TOTAL		1 115 019 775	4.82	15

Table 1 items	Asset Limits in terms of sub regulation 3(h)	Fair value R	Fair value %	Regulation 28 limits
1.1	Cash and deposits with a South African Bank	2 455 105 543	10.61	
2.1(c)	Debt instruments guaranteed by a South African Bank - Item	1 334 742 326	5.77	
TOTAL		3 789 847 869	16.38	25

NATIONAL FUND FOR MUNICIPAL WORKERS

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2021**

NOTES:

1. In the absence of guidance in the Explanatory Memorandum that accompanied the issue of the revised Regulations 28 and further guidance in this regard by the Financial Sector Conduct Authority up to now, the trustees have interpreted paragraph 4 to mean that where an asset is made up of underlying assets, the Fund may disclose the largest value per issuer/entity, as applicable, for each category in Table 1 which the assets relate.

The Board of Fund
National Fund for Municipal Workers
C/o Sanlam Life Insurance Ltd
Business Park @ Zambezi
860 Milkplum Street
Montana
0182

13 December 2021

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

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

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of National Fund for Municipal Workers (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 68 to 73 at 30 June 2021 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2021.

The Board of Fund's responsibility for the Schedule

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

Our Independence and Quality Control

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



National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer *AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal *MR Verster Consulting *JK Mazzocco People & Purpose MG Dicks Risk Independence & Legal *KL Hodson Financial Advisory *B Nyembe Responsible Business & Public Policy *R Redfearn Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Deloitte applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

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

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

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

Inherent limitations

The Fund has investments in collective investment scheme and linked policies as defined in the Long Term Insurance Act. The Fund obtained confirmations including a breakdown of the underlying assets from the schemes, long-term insurers and issuers of these investments at 30 June 2021, the year-end of the Fund.

In certain instances, these confirmations were not subjected to audit procedures by the auditors of the different schemes, long-term insurers and issuers as at 30 June 2021.

We have not assessed the accuracy and completeness of the information included in these confirmations obtained from the schemes, long-term insurers and issuers to the value of R8 939 998 142 at 30 June 2021. We are unable to conclude on the accuracy and completeness of these confirmations beyond whether the confirmations in total agree to the underlying accounting records of the Fund.

Summary of work performed

We completed our audit of the annual financial statements of the National Fund for Municipal Workers for the year ended 30 June 2021, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 13 December 2021. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

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

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Inspecting the required documentation in terms of Regulation 28(8)(b) for investments excluded from total assets in terms of Regulation 28(8)(b);
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;

- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

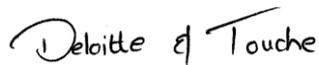
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Opinion

In our opinion, the Schedule IB “Assets held in compliance with Regulation 28” at 30 June 2021 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2021.

Restriction on use

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



Deloitte & Touche
Registered Auditors
Per: Ronel van Graan
Partner
13 December 2021